RACE AND ASSISTED HOUSING

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Overview

Differences between black and white households with children in:

1. Prevalence rates in each of the 3 main assisted housing programs: public housing; multifamily housing; and vouchers

2. Physical condition of project-based assisted housing (public & multifamily)

3. Management of public housing

4. Neighborhood quality in which these programs are located

5. Education, employment, and earnings outcomes among young adults who spent part of their childhood in assisted housing

Motivations

1. >50% of children in assisted housing are black

2. History of class action lawsuits against HUD for racial segregation of blacks in poor and minority neighborhoods
   - ~28 successfully litigated

3. Supreme Court "disparate impact" ruling
   - prohibits using federal subsidies in a way that perpetuates racial segregation

4. Recent strengthening of HUD's "affirmatively furthering fair housing" requirement

Previous Research

1. 1989 National AHS (with validated assisted housing records) analysis showed evidence of "channeling" of black households with children into public housing (Newman & Schnare 1993)

2. Majority of more recent studies focus on voucher neighborhoods and find blacks in assisted housing in worse neighborhoods
   (e.g., Carlson et al. 2012; Lens et al. 2011; McClure et al. 2015; Mills et al. 2006)
   - differences often statistically significant but small

3. Outcomes:
   - WtWV = no race differences in employment or earnings ~5 years later
   - MTO voucher comparison group = Chetty et al. (2015) finds no race differences in earnings and "college quality" ~18 years later

Data

- Panel Study of Income Dynamics ("PSID"):
  - Matched PSID addresses to addresses of public, multifamily, and voucher units to create the PSID-Assisted Housing Database ("PSID-AHD")

  - Linked to Census, American Community Survey, CoreLogic data

Samples

- Black and white households with at least 1 child <18 years old

  1. "Spells" samples (i.e., households w/children who moved into assisted housing during the decade of interest; main focus is 2000s)

  2. Outcome analysis: children between ages 10-17 years old who moved into assisted housing in 2000s

Approach

1. Look at racial differences in the types of assisted housing households with children lived in over time

2. Look at the outcomes of children who lived in assisted housing when they are young adults, 20-26 years old:

    - Only focus on the 2000 decade
        - Multivariate models to control on individual, household and neighborhood characteristics.

Key Measures

1. Assisted housing physical condition (project-based) & management (public housing):
    *   HUD scores, 0-100, higher score = better condition
    *   60-80 = standard

2. Neighborhood quality
    *   Multiple measures and approaches
    *   Illustrative components: % poor, % black, % welfare, % vacant housing, median house value

Assisted Housing, 1980 v. 2000, by Race

	Public Housing	Multifamily	Voucher	
1980s				
Black	50.3	49.7		
White	24.5	75.5		***
2000s				
Black	24.7	15.3	60.0	
White	20.5	19.2	60.3	*NS*

*** ≤ .001

Physical Condition & Management by Race, 2000 "Spells"

	Black	White
Physical condition	79.4 (N=207)	83.6 (N=35)
Management score	82.9 (N=109)	86.6 (N=16)

No statistically significant differences.

Neighborhood Characteristics by Race and Disadvantage, 2000s "Spell" Sample

	All			Black Only		
	Black	White	*p*-value	Most Disadvantage	Other	*p* -value
Black	55.6	9.1	***	63.8	49.9	*
Poor families	28.0	16.0	***	31.1	25.8	+
Welfare	7.4	3.9	***	9.2	6.2	**
Female-headed	27.5	14.8	***	29.8	25.8	+
College educated	14.9	18.3	*	12.6	16.4	*
Unemployed	8.6	5.1	***	9.3	8.1	
Vacant housing	13.5	12.3		14.2	12.8	
Median income	$29,924	$39,919	***	$27,066	$31,923	*
Median value	$124,275	$147,380	+	$110,937	$133,641	
(N)	(535)	(100)		(212)	(323)	

*** ≤ .001; ** ≤ .01; * ≤ .05; + .10

Young Adult Outcomes in 2011

	HS Grad (No GED)	HS Grad (GED)	Some College	Employed	Earnings	Hours worked
Bivariate						
White	82.9	88.6	45.7	55.6	$16,371	1375
Black	70.7	79.7	33.1	48.0	$14,375	1298
Multivariate						
Black odds ratio	1.18	1.01	.83	1.01	1.42	1.21
(N)	(152)	(152)	(152)	(147)	(155)	(155)

No statistically significant differences in bivariate (*f*-test) or multivariate (*p*-values) analyses.

Conclusions

1. First, good news on achieving parity between black and white households with children in assisted housing

2. How to interpret neighborhood quality results?

   - landlord attitudes, program rules, discrimination may play a role

   - **structural factors** likely most important: blacks more likely to live in central cities, to apply to central city PHAs, and central cities have more low-quality neighborhoods compared to suburbs

   - structural factors have been the target of the courts and housing policy for years.

Conclusions (continued)

- Questions: How much difference will these efforts make? How long will it take?

    - Suggestive answers: Chetty et al. find that children living in better places during childhood are more likely to enjoy better economic outcomes in young adulthood (e.g., higher incomes; attend college)

THANK YOU!

This paper is currently undergoing peer review. If you would like a copy of the final paper, please send me an email at:

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