

Subsidized Housing and Employment: Building Evidence of What Works

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Bi-partisan Interest in Helping Subsidized Tenants Work

- **Millennial Housing Commission (2002):**
 - “More should be done to link housing assistance with economic opportunity, self-sufficiency, and personal responsibility.”
- **Continuing efforts include:**
 - Family Self-Sufficiency (FSS) program
 - Moving to Work (MtW) demo
 - HOPE VI Community & Social Services (CSS)
 - QHWRA rent-based work incentives (1988 law)

But Little Convincing Evidence of Effectiveness of These Programs & Policies

- **Good descriptions and nonexperimental studies—but easy for *skeptics* to ignore**
 - Lack of control groups
 - No benefit-cost assessments
 - Limited implementation analysis

- **Need a better evidence base**

An Exception: Jobs-plus in Public Housing

- **Research demonstration project in 6 cities**
- **Tested against a strong counterfactual**

The Jobs-plus Model

■ 3 Components:

1. **Employment and training help on-site**
 - Mini “job centers”
2. **New rent rules to “make work pay”**
 - Rent rises *less* as earnings grow
3. **Community support for work**
 - Neighbor-to-neighbor outreach re: work

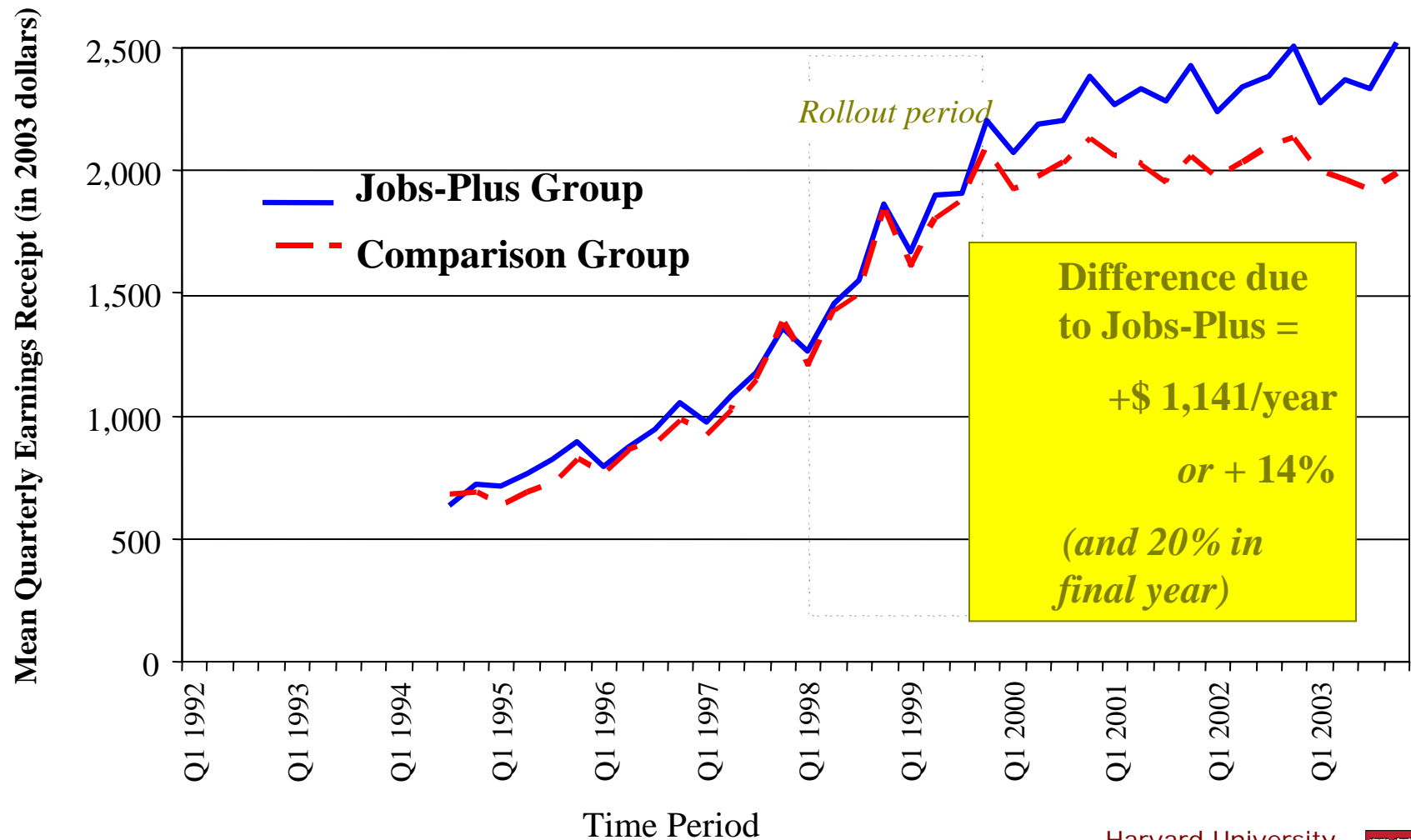
■ “Saturation-level” outreach

- Aimed at *all* working-age residents

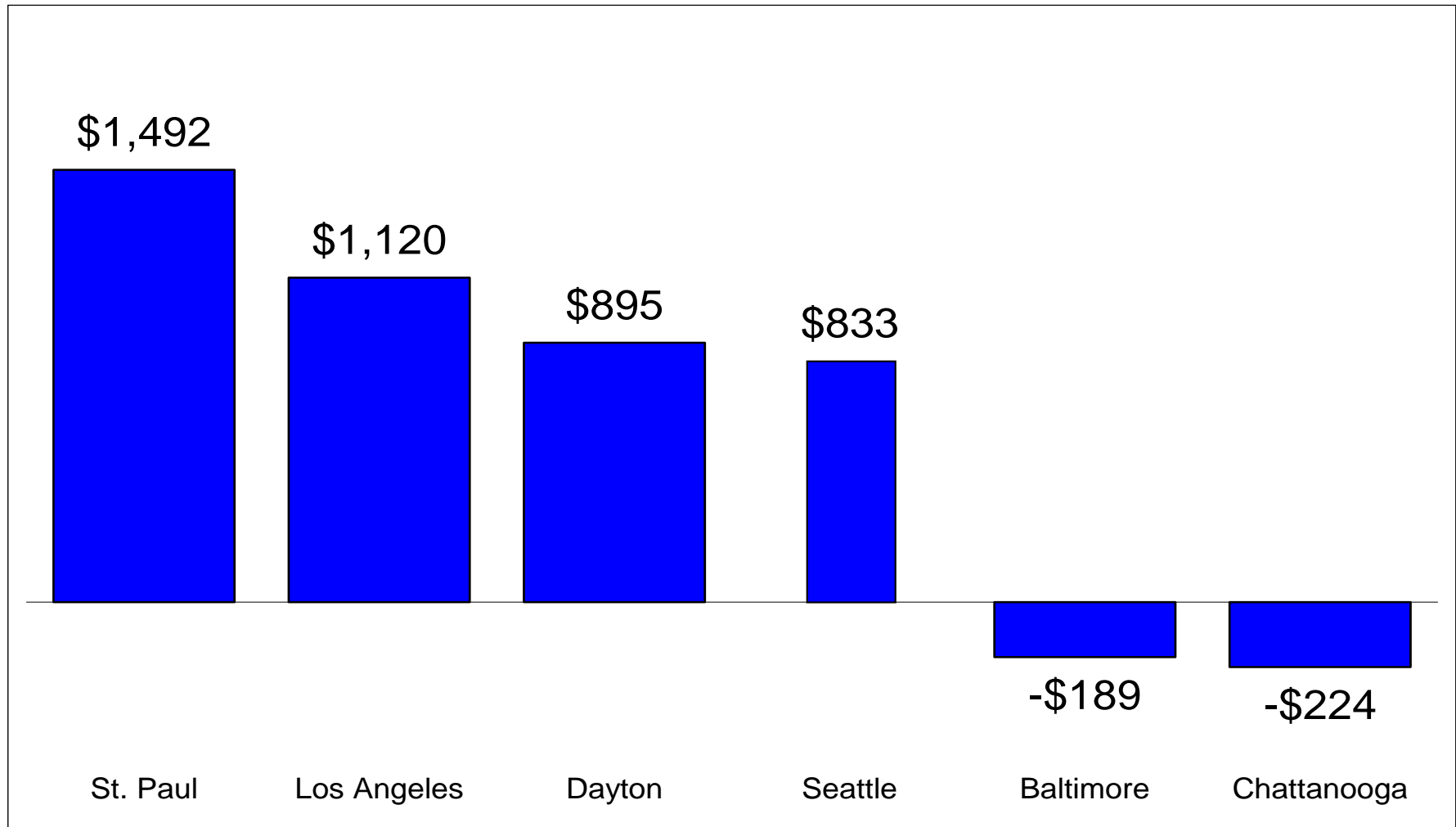
Impact Evaluation Design

- **Within each of the 6 cities:**
 - **Matched, then randomly assigned whole developments** —to establish counterfactual:
1 Jobs Plus vs. 1-2 Comparison
 - **Interrupted time-series** using admin records: 4-6 years before / 6 years after start of Jobs-Plus
 - **Focused on 1998 Cohort:** *All* nondisabled working-age residents living in Jobs-Plus or comparison developments in October 1998
 - **Followed everyone, even movers**

Pooled Average Quarterly Earnings for the 1998 Cohort (Full Implementation Sites)



Impacts on Average Earnings Per Year, by Site (2000-2003)



Taking Inspiration From Jobs-plus...

Some ideas for randomized trials for employment interventions for:

- **Voucher holders**
- **Residents of placed-based**

Randomized Test of *FSS* for Voucher Holders

- **Evaluate Current FSS**
 - Randomly assign voucher holders —**FSS** vs. **no-FSS**
- **Evaluate an enhanced FSS that would include:**
 - New rent-based work incentive (not just escrow)
 - Incentives for *training while employed*
 - Help getting other work supports (EITC, FS, Medicaid)
 - Childcare & transportation subsidies
 - Job coaching for *work advancement*

Randomized Test of *Components* of an FSS-like Program for Voucher Holders

- **Multi-group random assignment (or various combinations)**
 - Financial incentives only
VS.
 - Work-related services only
VS.
 - Full package services plus incentives
VS.
 - Control group--no special services/incentives

Randomized Test of Alternative Rent-based *Work Incentives*

- **Within the current FSS program, or separately from it:**
 - Current escrow-based incentive plan
 - vs.**
 - Alternative plan
(e.g., flat-rent + safety net income-based rent)

Randomized Tests are Also Possible for Place-based Programs

- Employment initiatives in project-based Section 8, public housing, HOPE VI
- **Randomly assign *developments*** (if enough available)

With special incentives/services

vs.

No special incentives/services

Conclusions

- Strategic random assignment (impact) trials can help build evidence of what works
- Need implementation and benefit-cost studies as well as impact analyses
- Evidence costs \$\$, but making policy w/o credible evidence is *more* “costly”