

# Housing Choice Voucher Holders Are Not Reaching Higher-Performing Schools

*Housing Choice Voucher holders live near lower-performing schools than poor families overall; race and housing segregation are key influences.*

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Research shows the Housing Choice Voucher Program helps households afford decent and safe housing. It significantly reduces the likelihood that a family will be homeless, double up with other families, or live in a crowded apartment.<sup>1</sup> But the Housing Choice Voucher program was also created, in part, to help low-income households reach a broader range of neighborhoods and schools. Rather than concentrating families in public housing developments, vouchers allow them to rent an apartment or home that a landlord has agreed to offer at a subsidized rate.

This allowance in turn could conceivably help break the cycle of poverty by allowing families to be more mobile and move to less distressed neighborhoods with higher-performing schools. Unfortunately, as this brief finds, this is not typically the case.<sup>2</sup> Compared with poor families in general and those living in homes built with the Low Income Housing Tax Credits (LIHTC), voucher holders were living near lower-performing schools in 2008. They were, however, living near better schools than public housing residents.

## Study Design

The study created a portrait of the schools near to all housing voucher holders with children across the country—

## KEY FINDINGS

- Housing Choice Voucher holders on average live near lower-performing schools than those living in housing developed with the Low Income Housing Tax Credit.
- Housing Choice Voucher holders on average live near lower-performing schools than poor families overall, except those living in public housing.
- Constrained housing choices, due to both racial segregation and overall tightness of the rental market, may be one reason that voucher holders live nearer lower-performing schools.

more than 1 million households in 329 metro areas. The analysis compared three groups: families with housing subsidies, renter households with children, and poor households with children. The analysis also drew on detailed data about housing voucher holders to test whether particular household characteristics or metropolitan characteristics were associated with access to higher-performing schools. All results are correlations only; they say nothing of cause and effect.

School characteristics were based on the state ranking by student test scores in 2008-2009. The share of the student body that was poor and its racial composition were obtained from the Common Core of Data. Data on the housing

market and metropolitan area populations are from the 2000 Census long form. The study includes the number of housing authorities in each MSA from HUD's Picture of Subsidized Households.

## Housing Choice Voucher Families Live Near Lower-Performing Schools Than Other Poor Families

Voucher holders live near schools that have proficiency rates about 5 percentage points lower than the schools near renters in general in a metropolitan area.<sup>3</sup> They also live near schools that score about 1 percentage point lower on state proficiency measures than those near residents in homes built with tax credits. This finding is particularly surprising given that those in LIHTC homes are technically less mobile than voucher holders.

Voucher holders are more successful in locating near better schools than are public housing residents, which is not surprising given the disinvestment that often occurred around public housing developments. The schools voucher holders live near perform about 3 percentage points better than those near public housing units.

An arguably more relevant benchmark is voucher holders' close peers—poor families overall. Their schools provide a portrait of the schools that children might have attended absent housing assistance. While past research has found that voucher holders generally live in less disadvantaged neighborhoods than poor families as a whole,<sup>4</sup> this is not the case with schools.

Voucher holders are locating near lower-performing schools than are poor families in general. This is troubling because one would hope that the significant income boost a voucher provides would give families access to a wider range of neighborhoods and schools than other low-income families can reach.<sup>5</sup>

Perhaps the final outcomes are dictated not by personal choice but by the market. If there are few units renting at or below fair market rent (a restriction of the voucher program) near high-quality schools, then the choice is moot. Zoning in high-cost neighborhoods or communities, for example, might require larger lots and extensive landscaping, which can raise the costs and limit supply.<sup>6</sup>

However, the results show that the distribution of affordable rentals was not driving these results. Voucher holders were, on average, living near schools that were lower performing than the typical schools near two-bedroom homes renting at fair market rents. In other words, voucher holders could

afford to live in apartments near higher performing schools, but they are not.

## Race and Segregation Are Key Reasons for the Disparities

The question remains, why, if voucher families have extra income do they not live in neighborhoods with better schools? Here the evidence points to barriers other than income, in particular, race and segregation or tight housing markets.

Among voucher holders, minorities live near lower-performing schools. In general minority children tend to have access to lower performing schools, given patterns of residential segregation. Indeed, white children whose parents use Housing Choice Vouchers are living in neighborhoods with schools that are ranked 8 percentile points higher than those of black voucher holders and 6 percentile points higher than those of Hispanic voucher holders.

Notably, black children in families using vouchers live near higher-performing schools than poor black children in general, suggesting that vouchers are helping low-income black families access schools with slightly higher test scores—but still not as high as those of white children.

Tight housing markets also constrain choices. In metropolitan areas with lower vacancy rates and thus more competition for rental housing, voucher holders reach lower-performing schools. Also, in more racially segregated cities, voucher holders were more likely to live near lower-performing schools.

## Housing Choice Vouchers Are Not Yet Breaking the Cycle of Poverty

The results suggest that Housing Choice Vouchers are not yet breaking the cycle of poverty by giving families access to better schools. Families relying on housing vouchers were less likely than poor families overall to live near better schools.

Families in LIHTC homes fared slightly better, perhaps because, as Ellen, Horn, and Schwartz in another brief in this series find, LIHTC homes are also more widely distributed across all types of neighborhoods. While public housing and voucher holders tended to cluster in neighborhoods with the lowest performing schools, LIHTC homes were more often near schools with higher rankings on test scores, for example.

Although the LIHTC program performed better, it also serves slightly better off families, who might have found

their way to higher-performing schools had they been given a voucher.<sup>7</sup>

## Policy Implications

It is troubling that so many low-income families receiving vouchers end up living in a neighborhood with a low-performing school. At the very least, policymakers might do more to ensure that voucher families have good information about local neighborhoods and schools when deciding where to live. The U.S. Department of Housing and Urban Development (HUD) has recently partnered with Great Schools to provide more information about local educational options to local housing authorities, which they can share with voucher holders. This is a promising first step.

Policymakers might also take a hard look at the lists of voucher-friendly landlords that housing authorities provide to voucher holders to ensure that these lists provide a representative set of housing units that rent below allowable levels and do not only include buildings in high-poverty neighborhoods with low-performing schools.

HUD might also work to remove barriers to residential moves among voucher holders. For example, the agency might further simplify the rules governing the transfer of a voucher across jurisdictional lines. HUD has recently launched the Small Area Fair Market Rent Demonstration Project designed to give voucher holders housing options in every ZIP code within a metropolitan area. This could encourage more landlords in higher-rent areas to rent to voucher holders. An early effort in Dallas led tenants to move to better neighborhoods without any net cost to the government.<sup>8</sup> ■

## Endnotes

1. Michelle Wood, Jennifer Turnham, and Gregory Mills, “Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation,” *Housing Policy Debate*, 19 (2): 2008, available at [www.abtassociates.com/reports/Woods\\_Turnham\\_Mills\\_%5B11%5D\\_HPD.pdf](http://www.abtassociates.com/reports/Woods_Turnham_Mills_%5B11%5D_HPD.pdf)
2. This brief is based on Keren Mertens Horn, Ingrid Gould Ellen, and Amy Ellen Schwartz, “Do Housing Choice Voucher Holders Live Near Good Schools?” *Journal of Housing Economics*, 23 (2014): 28-40, available at <http://www.sciencedirect.com/science/article/pii/S1051137713000594>
3. This aligns with an earlier study that also compared voucher holders and a typical renter household in the same metropolitan area. See Lan Deng “Comparing the Effects of Housing Vouchers and Low-Income Housing Tax Credits on Neighborhood Integration and School Quality,” *Journal of Planning Education and Research*, 27 (2007): 20-35.
4. Martha Galvez, “Defining Choice in the Housing Choice Voucher Program.” Unpublished dissertation, New York University, Wagner School of Public Service, 2011.
5. For the typical voucher household (a family of four earning approximately \$13,000 annually and spending \$1,000 per month on rent), the voucher adds \$8,000 annually to the family budget (after-tax), or a 60 percent increase to income.
6. Rolf Pendall, “Why Voucher and Certificate Users Live in Distressed Neighborhoods,” *Housing Policy Debate*, 11 (4) (2000): 881-910, available at [http://content.knowledgeplex.org/kp2/kp/text\\_document\\_summary/scholarly\\_article/relfiles/hpd\\_1104\\_pendall.pdf](http://content.knowledgeplex.org/kp2/kp/text_document_summary/scholarly_article/relfiles/hpd_1104_pendall.pdf)
7. A 2013 study found that just over 40 percent of LIHTC units serve extremely low-income households, while 75 percent of Housing Choice voucher holders are extremely low income. Katherine O’Regan and Keren Horn, “What Can We Learn About the Low Income Housing Tax Credit Program by Looking at the Tenants?” *Housing Policy Debate*, 2013, 23(3): 597-613.
8. Robert Collinson and Peter Ganong, “Incidence and Price Discrimination: Evidence from Housing Vouchers” (Rochester, NY: Social Science Research Network, June 9, 2013), available at <http://ssrn.com/abstract=2255799> or <http://dx.doi.org/10.2139/ssrn.2255799>

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## ABOUT THE HOW HOUSING MATTERS TO FAMILIES AND COMMUNITIES RESEARCH INITIATIVE

This brief summarizes research funded by the John D. and Catherine T. MacArthur Foundation as part of its How Housing Matters to Families and Communities Research Initiative. The initiative seeks to explore whether, and if so how, having a decent, stable, affordable home leads to strong families and vibrant communities. By illuminating the ways in which housing matters and highlighting innovative practices in the field, the Foundation hopes to encourage collaboration among leaders and policymakers in housing, education, health, and economic development to help families lead healthy, successful lives. The views expressed herein are not necessarily those of the MacArthur Foundation.

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