Source of Income Discrimination and the Housing Choice Voucher Program

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Introduction

Housing choice voucher (HCV) program (aka Section 8):
- Largest low-income housing assistance program in US
- Landlord's generally *not* required to accept HCV's

Source of income (SOI) policies prohibit screening of HCV holders

Research Question: How do SOI policies affect access to housing for people in the HCV program? How long do they wait for housing?

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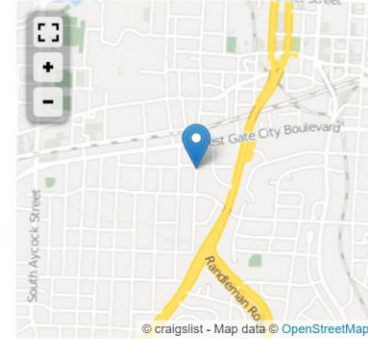
$925 / 3br - 986ft² - Available to View Now! 3 BED/1 BATH HOME! (Greensboro, NC)

image 1 of 16

Source of income discrimination in practice

© craigslist - Map data © OpenStreetMap

815 Dillard St.

(google map)

3BR / 1Ba   986ft²   available now

air conditioning

application fee details: **$50.00 18 and older, NO SECTION 8 OR AGREESIVE BREEDS**

cats are OK - purrr

dogs are OK - wooof

house

w/d in unit

no smoking

off-street parking

Super cute 3bed/1bath home in Glenwood! Laminate hardwood floors throughout living area and kitchen! Updated kitchen, appliances and cabinets! Spacious bedrooms! Close to everything...UNCG, 29/40/85, downtown, and coliseum. A must see!! Washer/Dryer Included. Gas Heat, Central Air. Pets CBC No aggressive breeds.
No Section 8
View Qualifications at RENTrrc.com- RESIDENT BENEFIT PACKAGE- An additional $27 Monthly Fee will be assessed monthly. For detailed information visit:
https://www.rentrrc.com/uploads/screeningcriteriaanddisclosure.pdf

- do NOT contact me with unsolicited services or offers

Two Key Features of Voucher Program

Excess demand: Only around 25% of eligible households receive assistance
- Long waitlists in many areas

Limited uptake: many households that are *awarded* vouchers are unable to use them
- Failure rates between ~30-50%

CALIFORNIA

Subsidized rent, but nowhere to go: Homeless vouchers go unused

Laura Luevano is one of thousands of L.A. County residents with government-backed rent vouchers who can't find a place to live. She sleeps on a couch on the back patio of a house in Sylmar. (Barbara Davidson / Los Angeles Times)

*"A lot of people think once you have a voucher, that's it, you have some golden ticket. But it's not. **You have to compete with everyone else."***

Data Sources

HCV survey from Housing and Urban Development (HUD)
- Annual 5% sample survey of all HCV recipients
- Questions about time waiting for housing, demographics, etc.
- Aggregated to the county-by-year level

Data on SOI policies comes from legal records, policy briefs, etc.
- Record year of enactment for states, counties, & cities with SOI policies

Working Data Set

Outcome Variable: Move-in wait times for voucher holders
- *How long does it take to move into a voucher-subsidized apartment?*

Key Explanatory Variable: 0/1 variable for having an SOI policy
- Control variables for county economic/demographic characteristics

Data Structure: County-by-year data for US counties from 2004 to 2019

Working Data Set Screen Shot

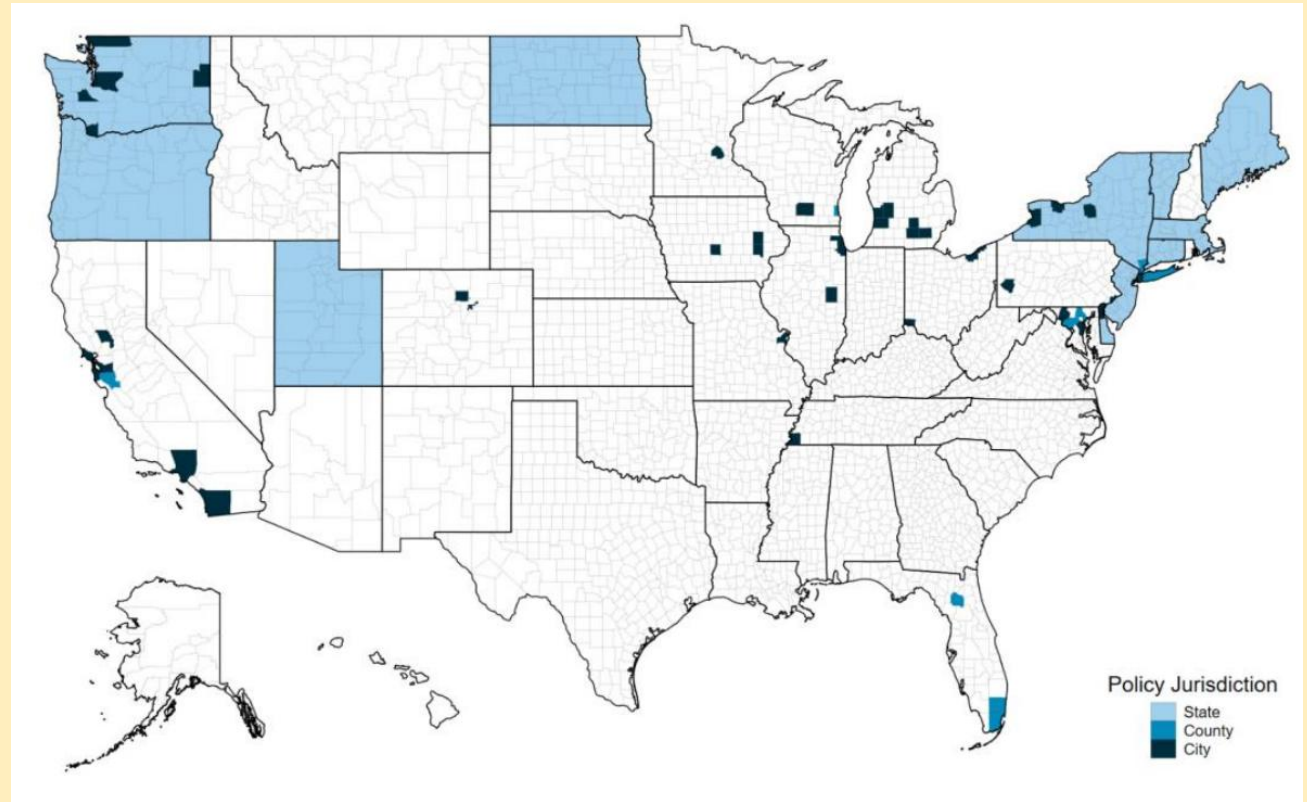**GOAL**: Help readers understand your analysis output

Key points:
- Explain your data set in words
- Just show key Y/X variables
- Don't need a ton of rows, just enough to see data structure

Make sure picture is big/legible!

state	county_name	year	months_w...	D_SOI_e...
CA	LOS ANGELES	2005	29	0
CA	LOS ANGELES	2006	48	0
CA	LOS ANGELES	2007	42	0
CA	LOS ANGELES	2008	47	0
CA	LOS ANGELES	2009	32	0
CA	LOS ANGELES	2010	30.580096	0
CA	LOS ANGELES	2011	64.106683	0
CA	LOS ANGELES	2012	49.385512	0

Descriptive Output

Policy Jurisdiction
- State
- County
- City

SOI policies have been passed in 20+ states and 100+ local jurisdictions

Analysis Strategy

Question: How do SOI policies affect the amount of time HCV participants spend waiting/searching for new housing?

To do this, use two-way, fixed-effects (TWFE) regression:

$$\log(Wait\ Time_{ct}) = \alpha_0 + \alpha_1 SOI_{ct} + \gamma_c + \tau_t + u_t$$

R: `lm(log(wait.time) ~ SOI + as.factor(year) + as.factor(state), working.data)`

Preliminary Results

Variable	Estimate	P-Value
SOI Policy in Effect (0/1)	0.201**	0.005

For voucher recipients, SOI policies result in:
- 20 pct. reduction in wait times prior to finding housing *(p<0.05)*
- Avg. wait time = 14 months, implies a decline of 2 months

Given long average wait times, this is a (very) large reduction

Conclusion

How do SOI policies affect HCV program participants?

- Preliminary results suggest wait times for new housing fall by 20%

Next steps:

- Use an event study to see how long declines last in treated areas
- Explore what parts of the country saw the largest declines