Creating Moves to Opportunity:
Experimental Evidence on Barriers to Neighborhood Choice*

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Abstract

Low-income families in the United States tend to live in neighborhoods that offer limited opportunities for upward income mobility. One potential explanation for this pattern is that families prefer such neighborhoods for other reasons, such as affordability or proximity to family and jobs. An alternative explanation is that they do not move to high-opportunity areas because of a lack of information or barriers that prevent them from making such moves. We test between these explanations using a two-phase randomized controlled trial with housing voucher recipients in Seattle and King County. We first provided a bundle of resources to facilitate moves to high-upward-mobility neighborhoods: information about high-opportunity areas, short-term financial assistance, customized assistance during the housing search process, and connections to landlords. This bundled intervention increased the fraction of families who moved to high-upward-mobility areas from 15% in the control group to 53% in the treatment group. To understand the mechanisms underlying this effect, we ran a second phase with three arms: (1) information about high-opportunity areas and financial assistance only; (2) reduced support services in addition to information and financial assistance; and (3) full support services, as in the original bundled intervention. The full services had five times as large a treatment effect as the information and financial incentives treatment and three times as large an effect as the reduced support intervention, showing that high-intensity, customized support enables moves to opportunity. Interviews with randomly selected families reveal that the program succeeded by relaxing families' bandwidth constraints and addressing their specific needs, from identifying suitable units to providing emotional support to brokering with landlords. Families induced to move to higher opportunity areas tend to stay in their new neighborhoods in subsequent years and report higher levels of neighborhood satisfaction after moving. Our findings imply that many low-income families do not have a strong preference to stay in low-opportunity areas and that barriers in the housing search process are a central driver of residential segregation by income.