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Assessing the Impacts of Public Housing and Tenant-based Rental  
Subsidies**

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**Housing Assistance and Disconnection from Welfare and Work:  
Assessing the Impacts of Public Housing and Tenant-based Rental Subsidies**

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## **Abstract**

The well-being of women who are disconnected from welfare and work are of growing concern to policymakers. One potentially critical source of support is housing assistance, as it subsidizes what is the largest fixed expense for most households. Using data from the 2001 and 2004 panels of the Survey of Income and Program Participation (SIPP) and state-level variables from the Urban Institute's Welfare Rules Database, this article examines how public housing residence and tenant-based rental assistance relate to disconnection. Results from multilevel logistic models show that the odds of being disconnected are higher for public housing residents and lower for women receiving tenant-based rental assistance in comparison to those with private housing. State Temporary Assistance for Needy Families (TANF) rules with regard to housing assistance have no statistically significant effect on disconnection. Findings indicate that housing assistance policies should be considered in tandem with potential TANF policy changes aimed at disconnected families, and that public housing is a critical site for interventions.

## **Introduction**

Recent changes in the structure of public assistance programs have benefited some groups, but left others without consistent support. A growing portion of low-income women are without employment earnings or public cash assistance (Blank & Kovak, 2008; Loprest & Zedlewski, 2006). In addition to no or very low incomes, disconnected women are likely to experience barriers such as learning disabilities, physical limitations, and drug abuse (Turner, Danzinger, & Seefeldt, 2006). Such barriers hinder women's abilities to find work as well as to negotiate the bureaucracies of receiving public assistance. Research on how disconnected women support themselves indicates that they receive cash and in-kind support from public, familial, and community sources, but much of the assistance is sporadic at best (Ovwigbo, Kolupanowich, Hetling, & Born, 2011). Housing assistance is one of the more critical supports, as it subsidizes what is the largest fixed expense for most households.

Addressing the need for adequate shelter is a top priority in assisting poor families. However, no empirical research has systematically explored how housing assistance is related to the likelihood of being disconnected, or if the ways that state Temporary Assistance for Needy Families (TANF) rules treat housing assistance influence disconnection. This article examines two related research questions in order to understand how housing assistance affects single mothers and their risk of being disconnected. First, how is public housing residence and receipt of tenant-based rental assistance associated with being disconnected, controlling for other personal characteristics? And, second, do state welfare rules, related to the treatment of housing assistance receipt, affect the likelihood of being disconnected?

## **Background**

### *Estimates and personal circumstances of disconnected single mothers*

Over the past few years, the issue of disconnection from work and welfare has become a topic of academic interest and policy concern. The research consensus is that disconnected single mothers make up a large and growing portion of families in poverty and former welfare recipients (Acs & Loprest, 2004; Blank & Kovak, 2008; Loprest & Nichols, 2011; Loprest & Zedlewski, 2006). Although studies use different time periods, data sources, and definitions, estimates indicate that approximately a fifth to a quarter of low-income single women are without work and welfare at a particular point. Disconnected single mothers face multiple circumstances that hinder their ability to find stable, formal employment (Turner, Danziger & Seefeldt, 2006). Similar studies of welfare leavers who are not employed and have not recidivated indicate that disconnected leavers are more likely to have health problems and limited work experience and lack a high school diploma (Acs & Loprest, 2004; Wood & Rangarajan, 2003). In addition to making it hard to find stable employment, these same barriers make negotiating the bureaucratic application process more difficult (Brodkin, 2006) and may lead to decisions to not apply for welfare regardless of eligibility and need.

Empirical research examining how disconnected families support themselves provides mixed results. A majority of disconnected women continue to receive food stamp and Medicaid benefits (Blank & Kovak, 2008; Turner, et al., 2006), although recent work by Loprest and Nichols (2011) suggests that receipt rates are relatively low, perhaps as a result of stigma, preference, or barriers to access. Studies of welfare leavers indicate that some have gone on to the Supplemental Security Income (SSI) rolls or have children who are receiving SSI benefits (Acs & Loprest, 2004; Wood & Rangarajan, 2003). A minority, less than one-fourth, receives

child support (Wood & Rangarajan, 2003). Income from other household members, usually either a parent or an unrelated male, is another source of support, but often other adult household members are disabled or also disconnected (Blank, 2007). Government housing assistance is a potentially critical support, as tenant rent and utility payments are capped at 30 percent of income, but the extent of this receipt among disconnected women is not fully known. One state level report found that only one-fifth of chronically disconnected leavers, those without TANF or earnings for a full five years after their welfare exit, received any type of housing subsidy or assistance (Ovwigbo, Kolupanowich, Hetling, & Born, 2011).

An alternative approach to considering the material well-being of disconnected women is to examine their consumption patterns, which takes into account how they are able to deploy the resources available to them, via government programs, including housing assistance; unreported income; or assistance from family members and others. Meyer and Sullivan (2008) argue that consumption more effectively measures well-being than income, and report a small rise in consumption for all families headed by single mothers between 1993-1995 and 1997-2000, contrasted with substantial declines in income for the lowest income women, and substantial increases for those with somewhat higher incomes, during the same time periods. Our study acknowledges the importance of housing assistance in improving the material well-being of disconnected and otherwise struggling households. Although housing as a consumption measure is indicative of well-being, housing assistance cannot be considered equivalent to earned or unearned cash, which a family can use in accordance with its own needs and priorities.

#### *Housing assistance and welfare reform*

Substantial overlap exists between the populations eligible for TANF and those eligible for housing assistance. In 2008, 10 percent of U.S. public housing households and 11 percent of

Housing Choice Voucher holders<sup>1</sup> received a majority of their income from “welfare” (defined as TANF, General Assistance, or Public Assistance) (HUD, 2008). In 2002, approximately 30 percent of families receiving TANF also received some form of federal housing assistance (Sard and Waller, 2002). Almost all TANF recipients are eligible for housing assistance, but demand far outstrips supply. In terms of housing assistance overall, it does not seem to be relevant whether or not a recipient is disconnected: in 2008, 20.3 percent of all low-income single mothers and 20.8% of all disconnected mothers received public housing or housing subsidies (Loprest & Nichols, 2011). As noted below, however, these studies do not distinguish between receipt of public housing and tenant-based housing subsidies.

Researchers examining the nexus between welfare reform and publicly assisted housing have focused, for the most part, on the effect that housing assistance might have on welfare recipients’ abilities to secure employment and increase their incomes while reducing their reliance on public assistance. They have sought to understand whether the existence of housing assistance serves as an incentive or a disincentive to work. Findings on the short-term effects of housing assistance on employment have been mixed, and have tended not to distinguish between types of housing assistance (Olsen, Tyler, King & Carrillo, 2005). A 2003 HUD study of Connecticut and Minnesota (Verma, Riccio, & Azurdia, 2003) suggested that welfare recipients who received housing assistance had better outcomes in terms of employment and earnings than those who did not. Harkness and Newman (2006), however, found that between 1996 and 2001,

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<sup>1</sup> Public housing refers to project-based housing owned and managed by a local housing authority. The Housing Choice Voucher program, formerly and still frequently known as the Section 8 program, provides portable rental subsidies to households living in private rental housing. Both programs are financed by the U.S. Department of Housing and Urban Development (HUD). Some states and localities fund their own tenant-based rental assistance programs; although the SIPP questionnaire asks specifically about “Section 8,” it is possible that respondents may have received such assistance but referred to it as Section 8.

single mothers receiving housing assistance experienced a decline in welfare receipt that was just slightly less than the decline experienced by single mothers who did not receive housing assistance.

As Newman (2008) explains, studies considering the effects that housing assistance has on welfare recipients' success in securing employment look at national survey data, evaluate state programs, and examine recipients leaving welfare who do and do not receive housing assistance. All of the studies reviewed by Newman (Harkness & Newman, 2006; Susin, 2005; Lee et al., 2003; Verma, Riccio, & Azurdia, 2003; Bania, Coulton, & Leete, 2001; Mancuso et al., 2001; Nagle, 2003; Van Ryzin, Kaestner, & Main, 2003; Verma & Hendra, 2001; Zedlewski, 2002) show no marked differences between households receiving housing assistance and those without it, validating an earlier review by Shroder (2002). Many of these studies group public housing, housing vouchers, and private assisted housing together when considering effects of housing assistance; a number of studies look only at housing vouchers, as they often are explicitly intended to support moves to higher-income communities and thus presumably to jobs. Newman, Holupka, and Harkess (2009) focused on public housing and private assisted housing (rather than housing vouchers), and used data from the Panel Study of Income Dynamics – Assisted Housing Database to examine work and welfare receipt between 1970 and 1995 (pre welfare reform). They found that women receiving housing assistance had higher rates of welfare participation than those who did not, and that differences in employment rates and earnings between women in assisted housing and those not receiving assistance were rarely significant. Olson et al (2005) used longitudinal administrative data and found that all types of housing assistance had disincentives on market work, and that the disincentive effects were

slightly smaller for recipients of tenant-based housing vouchers as compared to other types of housing assistance.

Researchers considering how women manage after leaving TANF have noted the importance of housing to survival strategies, although they have not explored it in depth. Lein and Schexnayder (2007)'s interviews of Texans who had recently left TANF found that housing problems affected respondents' abilities to secure and maintain employment, and that 40 percent had lived doubled-up with family or friends in the previous six months. Hunter and Santhiveeran (2005), Wood and Rangarajan (2003), and Loprest (2001) noted similar housing difficulties among TANF leavers.

Research on TANF time limits suggests the importance of investigating the relationship between housing and disconnection. A 2008 report on the impact of time limits found that families reaching their federal 60-month time limit were more likely than others to be residents of public housing or receiving rental subsidies (Farrell et al., 2008). Studies of families leaving welfare have noted their clear reliance on housing assistance. Nagle (2003) noted that half of all Massachusetts households leaving welfare received some form of housing assistance. Nearly one-quarter of welfare leavers in Cuyahoga County, Ohio received housing assistance (Coulton et al., 2001), as did nearly one-fifth of those in two California counties (Mancuso et al., 2001).

### **Contribution of this Study**

This study seeks to understand whether receipt of government housing assistance is associated with an increased risk of being disconnected from welfare and work, and whether residence in a state that considers housing assistance in TANF eligibility and grant amounts is associated with an increased risk of being disconnected. We explore whether or not public

housing residents or recipients of tenant-based rental assistance are more likely to be economically disconnected in comparison to low-income single mothers with private housing. Existing research has not fully considered the role that housing assistance plays in the lives of previous welfare recipients who have timed out or have been sanctioned or of potential applicants who have chosen not to apply even if they are eligible, and this investigation is critical to inform both housing and welfare policy. We also consider how treatment of housing assistance in determining TANF eligibility and amounts could relate to economic disconnection.

## **Methods**

### *Sample*

The study's sample comes from the 2001 and 2004 panel of the Survey of Income and Program Participation (SIPP) and includes single mothers residing in low-income households. Sample criteria and study variables were taken from the month immediately preceding the interview month of each wave because of the seam bias identified by other researchers (Grogger, 2004). Members of the study universe were restricted to female survey respondents who were at least 18 and no older than 54 in the first wave of the panel. Wave observations of sample members were included in the dataset for waves in which the woman was identified as the mother of at least one child, reported being divorced, separated, never married, or widowed, and whose total household income was below 200 percent of the poverty line. This income criterion captures a group of women who meet a traditional definition of low-income.

The combination of the 2001 and 2004 panels of the SIPP is ideal for examining the research questions as well as informing policy discussions around how to best assist at-risk families during an economic recession. The 2001 panel is the most recent, completed panel that

covers a period of both TANF rules and economic recession as well as a recovery period for comparison purposes. The combination of the 2001 panel with the 2004 panel extends the study time period to include a stable period of economic boom and a policy period with more stable state TANF rules.

### *Models*

Multilevel, mixed effects, logistic regression were used to examine the influence of variables at the individual-wave level, the person level, and state level. In multilevel modeling, the technique is designed to examine effects at multiple levels, including time observations within an individual case. The current analyses use Maximum Likelihood estimations to produce efficient estimates (Hox, 2002; Luke, 2004). In this case, the model better examines the relative importance of state and individual time-varying and time-constant levels. Observations are based on person-interview month cases, in which each individual contributes cases based on the number of interviews they completed and meet the sample criteria. Thus, the dataset is of a hierarchical nature with repeated wave observations over the course of the panel (level 1) nested within individuals (level 2) that are in turn nested within states (level 3). Previous methods of combining variables at different levels have been shown to produce standard errors that are biased downward because often the errors across micro units with the same macro group are not random (Moulton, 1990). The advantages of a multilevel model are also apparent at the person level since multilevel modeling is able to handle longitudinal data with missing or uneven time points. Models were estimated using the `xtmelogit` command in Stata 12. Logistic regression models were based on the following basic framework:

$$\text{Disconnected (D) [Logistic regression]} = \beta_0 + \beta_1 I_i + \beta_2 S_i + \beta_3 W_i + \varepsilon_i$$

Where:

- $D$  = a dichotomous variable indicating whether a women is disconnected,
- $I$  = a vector of individual-level characteristics,
- $S$  = a vector of variables that specify the state TANF rules and the unemployment rate,
- $Y$  = year dummy variables to control for changes in unobserved trends over time.

The dependent variable is whether or not a sample member is economically disconnected from formal employment, TANF, and SSI. A restricted definition of disconnected was used to capture women whose family earned income, cash assistance and SSI receipt during the interview month is zero.

Independent, individual-level, variables come from the SIPP and include the demographic characteristics of: race (measured as a group of dichotomous variables) and age (measured continuously) of the mother, educational attainment (measured as a group of dichotomous variables: less than a high school education, high school graduate or GED, and at least some college), whether the mother was never married (in comparison to separated, divorced, or widowed), whether the respondent reported a work-limiting disability, the number of children under 18 residing in the household, the number of adults in the household, and residence in a metropolitan area. Also, at the individual level, two dummy variables indicating residence in public housing and receipt of subsidized rent were included in the model.

Independent, state-level, variables include the unemployment rate and welfare rules. The state unemployment rate controls for macro-level economic influences. Five variables measuring state welfare rules were also included in the model. The choice of state level TANF variables was based on an effort to create a parsimonious model and on their theoretical relationship to disconnection. The first variable is whether or not the state has a cash diversion program. The second measure of state TANF policies is the maximum monthly benefit for a

family of three. The third state welfare variable is a composite measure of flexibility based on the Flexibility Index created by Fellowes and Rowe (2004). The Flexibility Index is a scale variable with values ranging from 1 to 12, where higher values indicate higher levels of flexibility in a state's TANF requirements. The Index is comprised of twelve individual welfare rules relating to exemptions from work activity requirements and to the severity of sanctions. The final two TANF rule variables are dichotomous variables related to the treatment of housing assistance. The first housing variable equals one if a state counts housing assistance as unearned income. The second housing variable equals one if a state takes housing into consideration when determining TANF grant amounts.

#### *Data Sources*

The project data come from all waves of the 2001 and 2004 panels of the SIPP. The purpose of the SIPP is to provide a comprehensive picture of income and program participation among US residents and was designed to allow for evaluations of public programs. The central focus of the data is economic and demographic, with substantial detail on income sources and amounts, employment, public assistance participation, family composition, and residential location. The SIPP interviews members every four months and collects monthly data on income sources. The 2001 panel spans 36 months with 9 waves. The 2004 panel spans 48 months with 12 waves. One limitation of the data for this project is that state identification in the 2001 panel is limited to 45 states and the District of Columbia. The remaining five states are combined into two variables; Vermont and Maine are combined, and North Dakota, South Dakota, Wyoming are combined. Because state welfare policies differ among North Dakota, South Dakota, and Wyoming and between Vermont and Maine, sample member residing in these states during 2001, 2002 and 2003 were dropped from the final model.

State level data come from two sources, the Urban Institute's Welfare Rules Database (WRD) and the United States Bureau of Labor Statistics (BLS). The WRD is a longitudinal database of state-specific TANF rules maintained by the Urban Institute and funded by the US Department of Health and Human Services Administration for Children and Families and Assistant Secretary for Program Evaluation. The database contains information on implemented TANF rules for all 50 states and DC as coded from state caseworker manuals and updates. The BLS data were used to obtain state unemployment rates.

### **Sample Description**

To describe the characteristics of the sample members, variables are summarized for observations made in the first waves of each panel. Although the multivariate analyses utilizes person-wave observations, the descriptive statistics presented in this section focus on the person characteristics in the first wave of the panel in order to present a picture of the population of interest rather than the units of analyses. During this cross-section, 2,455 single mothers reported household earnings less than 200% of the poverty line and had a valid answer for questions on housing. Of these 2,455 women, 517 (21.0% weighted to the US population) of them were disconnected, defined as reporting no earned income, TANF, or SSI receipt for the family unit during the month preceding the interview. About one-third of the 2,455 women (weighted proportion of 34.3%,  $n = 841$ ) received some type of housing assistance with more residing in public housing ( $n = 526$ ) than receiving subsidized rent ( $n = 315$ ).

Table 1 presents demographic characteristics for these low-income, single mothers in the first wave of the panels. Comparisons are made among disconnected women and non-disconnected women residing in public housing, subsidized rent arrangements, and private

housing. The average age for the entire sample is 31.4 years, with the age of particular groups ranging from 29.6 (for disconnected public housing residents) to 33.4 years (for disconnected subsidized rent recipients). With two exceptions, differences in other demographic characteristics are more pronounced among the types of housing arrangements than between disconnected and non-disconnected women. For example, in terms of race, approximately half of housing program participants in all subcategories are African American as opposed to about one quarter of those living in private housing. One notable exception to this trend is education level. Disconnected women tended to have lower levels of education with about two out of five with less than a high school education in comparison to less than a third of connected women with this lowest level of education. The second exception is residence in a metro area; a smaller proportion about three out of four, of disconnected women, resided in metro areas than non-disconnected women, with more than four out of five women residing in metro areas.

Insert Table 1 about here

### **Multilevel Findings: Effects of State Welfare Policy**

Table 2 contains the results of six multilevel logistic regression models. Model 1 is a null model examining only participation in a housing program. Without controlling for any other independent variables, individuals participating in housing programs have similar odds of being disconnected as those in private housing. An examination of the influences on the person and state level shows that each level of grouping is an important explanation of disconnection. In other words, variation exists among the groups at each level, and observations within the groups, be they persons or states, are not unrelated.

Insert Table 2 about here

Model 2 separates housing recipients into two groups. The results, found in column 2 of Table 2, indicate that opposite influences of the two types of housing programs account for the null findings in model 1. Examining the influence of public housing residency and subsidized rent receipt separately, those residing in public housing have a statistically significant increase in their odds of being disconnected, specifically 1.22 times the risk of being disconnected compared to those in private housing. Those who receive subsidized rent have lower odds, but the coefficient is statistically significant only at the 0.10 level. The intercepts for individual and state level random effects remain similar to those of model 1.

Models 3A and 3B include controls for individual demographic variables and 3B also includes state level controls. The models differ from Models 4A and 4B because they exclude controls for education level and work-limiting disabilities. In Models 3A and 3B residence in a public housing unit continues to increase the odds of disconnection at a statistically significant level, and receipt of a tenant-based subsidy decreases the odds of being disconnected in comparison to those in private housing at the 0.10 significance level. Results indicate the importance of a number of individual level characteristics. African American and Hispanic women are less likely to be disconnected, and one's risk of being disconnected decreases slightly with age. The presence of other adults in the household has a notable impact on one's likelihood of being disconnected, with each additional adult resulting in a decrease in odds. The addition of state level variables in model 3B has little effect, as expected, on the covariates at the individual level. Although other state controls are included in the model, results for only the two TANF variables related to housing are presented, as they are the policy variables of interest. Neither variable, however, is statistically significant. Counting housing assistance as unearned income has no effect nor does the policy of altering benefit amounts based on housing assistance.

The inclusion of individual level variables measuring education level and work-limiting disabilities in models 4A and 4B alters the statistical significance of the influences of public housing residence and the significance level of subsidized rent receipt seen in models 3A and 3B. In this last set of models, the increased odds of public housing residents are no longer statistically significant, but the decreased odds of tenant-based housing recipients are now significant at the 0.05 level. Two of the newly added individual variables increase one's likelihood of being disconnected. Those with a work-limiting disability have 1.93 times the odds of being disconnected compared to those without a disability, and those with less than a high school education have 1.46 times the odds of disconnection compared to those with a high school diploma or GED. Women with at least some college have similar odds of disconnection as those with a high school level education. The inclusion of these variables reduces the among-person variance from that of model 2, but only by a small amount, indicating that they explain only a small portion of why particular women experience a spell of disconnection. State level fixed effects are added in model 4B, but do not change the estimates of individual level influences and the two state level policy variables are not statistically significant.

## **Discussion**

We found that single mothers living in public housing have increased odds of disconnection from welfare and work in comparison to other low-income women with private housing when controlling for a limited number of individual and state level variables. When adding additional individual level controls for disability and education, we found that women who receive tenant-based rent subsidies have decreased odds of disconnection in comparison to low-income women in private housing. Findings indicate that state level welfare rules

concerning the treatment of housing assistance did not have an effect on an individual's risk of disconnection, which suggests that TANF applicants may not be aware of how their states account for housing assistance when determining benefit amounts and eligibility or that these rules are not important in making decisions related to benefit applications.

From a strictly statistical perspective, one could argue that the results in Models 3A and 3B, indicating the importance of both housing program variables, are less important than those of Models 4A and 4B that support the importance of tenant-based subsidies alone. From a practical programmatic and policy perspective, however, the results from Models 3A and 3B are critical in designing interventions and programs. Public housing residents are more readily identified and programs can more easily be targeted to them than either women with self-identified work-limiting disabilities or those with less than a high school education. Thus, we jointly discuss both sets of findings and their relationship to research and policy.

The differences, both inferential and descriptive, in findings between public housing and Section 8 recipients, as well as those who receive no housing assistance, are partially related to structural factors. Low-income women who live in public housing have lower housing burdens than those who are voucher holders in most states, because there is less regulatory and administrative flexibility in the public housing program, and voucher recipients often can choose to pay more in rent (HUD, 2008). Accordingly, with a lower housing burden that is wholly dependent on her income from earnings and public benefits, a single mother living in public housing would be more likely to be able to make ends meet without formal income than a woman with a rental subsidy, who might have agreed to a rent that is greater than 30 percent of her formal income. Moreover, almost one-quarter of Section 8 voucher holders stay in their current homes when they qualify for the program (Finkel & Burton, 2001); besides the very

substantial difference of a lowered rent burden, therefore, these voucher holders' circumstances are exactly the same as they were before they received Section 8. In addition, HUD's Family Self-Sufficiency Program, which offers a targeted work incentive by allowing recipients to escrow and then collect any increase in rental payments that would result from increased income via employment, is available to Section 8 recipients and not to public housing residents, perhaps explaining the lower odds of disconnection for tenant-based subsidy recipients.

We know that Section 8 recipients tend to move to lower-poverty neighborhoods at least initially (De Souza Briggs, Popkin, & Goering, 2010; Popkin, 2010), and that overall they live in communities with lower poverty rates and fewer racial minorities than public housing residents do, although non-white voucher holders are more likely than white ones to live in high-poverty neighborhoods (Newman & Schnare, 1997; Devine et al., 2003). Accordingly, although the effectiveness of Section 8 as an employment program has not been determined (Levy, 2010), our findings suggest that the program does have an impact in facilitating connection to resources, be they public or private. Research on HUD's Moving to Opportunity (MTO) program has illustrated that public housing residents tend to be disconnected in general from support networks, so it is not surprising that they are also disconnected from public assistance. When they move to communities with supportive networks, they report that they feel transformed, in large part due to their feeling of increased safety and security (De Souza Briggs, Popkin, & Goering, 2010).

The importance of individual level influences on disconnection also is relevant to housing status. We suspect that African American and Hispanic women are less likely to be disconnected than White women because they are less likely to have access to undocumented forms of support, via work, child support, or assistance from family and friends. We suspect that the

presence of additional adults in the household leads to lower likelihoods of disconnection both because larger households need more income, and thus are more likely to persevere in seeking benefit programs and employment; and because additional individuals in the household may result in eligibility for additional programs.

Our findings are tempered by two limitations. Firstly, the research does not account for variations in the housing market by time or location. Housing markets can influence housing assistance recipients' choice of public housing or rental assistance. In a very tight rental housing market, for example, recipients may choose public housing over rental assistance, because they are concerned that they might not be able to locate appropriate housing in the private market. Nationally, the success rate for voucher holders leasing apartments is now at 69 percent (Katz and Turner, 2007). In a more relaxed market, recipients might be more likely to opt for rental assistance, because they have more control over their location and housing units, and have the flexibility to move, perhaps to be closer to a work opportunity. The safety, location, and maintenance of public housing projects in a community also may influence whether recipients choose that form of assistance.

Secondly, the findings suggest some influence of selection issues in terms of who lives in public housing. Many anecdotal accounts assume that public housing residents experience more extreme and generational poverty, welfare receipt, and other barriers to employment than voucher recipients, who in some cases actively seek to leave the areas of extreme poverty where many public housing developments are located. In contrast to most assumptions, however, public housing residents do not look very different from housing voucher recipients overall. In 2008, public housing residents had average annual household incomes of \$13,600, compared to voucher holders' average household income of \$13,100, and the percentage of households in

which the majority of household income was from employment, and those in which the majority was from welfare were also similar. Public housing households have been in their housing longer: on average, 8.7 years in contrast to 6.2 years for voucher households, although they have been waiting for those units for less time, 10 months in contrast to 26 months for voucher households. And public housing households, not surprisingly given the long history of locating public housing developments in distressed neighborhoods, live in Census tracts with higher rates of poverty and of racial minorities (HUD, 2008). It may be that the characteristics of disconnected single women living in public housing mean that they are more entrenched in poverty than those who receive housing vouchers, but there are no existing data to explore these issues. Therefore, although we acknowledge that these selection issues are important to consider and perhaps to explore in future work, we do not think that they discount the importance of our findings.

## **Conclusion**

Disconnected families are one of the most vulnerable groups ignored by existing social policies. Our research findings add to the empirical understanding of disconnected families by focusing on housing status and its relationship to disconnection, a topic that has not been explored in this way by other researchers. The findings also provide timely empirical evidence to current policy discussions around welfare and housing. The continuing discussions and debates related to TANF reauthorization provides an opportunity to create and implement policy that directly addresses the needs of women who might benefit from more intensive casework, more flexible work-related rules, and more extensive safety net support. Moreover, much of the policy and program interventions targeted at public housing over the past two decades have

sought to address the disadvantages resulting from public housing's location in high-poverty areas and its concentration of extremely low-income households. Information about disconnected women living in public housing is key to policymakers as they seek to refine these programs, and perhaps integrate greater outreach to this at-risk group and increased collaboration with welfare and work initiatives.

Our study shows that public housing is a place where resources should be concentrated. For many of these disconnected families, public housing is the last safety net keeping them away from homelessness. Because public housing residents are more easily identified and reached than those with self-reported work-limiting disabilities and those with less than a high school diploma, it is relevant to consider seriously the relationship of housing status to disconnection without controlling for disability and education. Additionally, as local public housing authorities face increasingly tight budgets and need whatever rental income they can collect in order to support their operating budgets, they have an incentive to ensure that all eligible residents are receiving public assistance and other benefits. Our findings support the need for integrated, holistic programs, like that proposed by Blank (2007), which address the multiple needs of vulnerable families, to be top on the TANF reauthorization agenda.

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**Table 1. Means and proportions of select characteristics of single mothers below 200% of the poverty line, Wave 1 sample members, weighted by final person weight**

	Disconnected			Non-disconnected			Total
	Public housing residents	Subsidized rent recipients	Private housing	Public housing residents	Subsidized rent recipients	Private housing	
Average age	29.6 (8.1)	33.4 (10.2)	29.3 (9.7)	31.1 (9.0)	32.4 (10.2)	31.6 (8.6)	31.4 (8.6)
Race							
Black	48.9%	36.6%	23.8%	46.8%	47.2%	29.5%	34.3%
Hispanic	18.9%	18.3%	23.3%	21.8%	19.8%	27.0%	24.4%
White	25.2%	38.4%	47.2%	27.5%	29.9%	39.3%	36.9%
Other	6.9%	6.7%	5.7%	4.0%	3.0%	4.2%	4.4%
Education level							
Less than high school	40.1%	41.6%	33.7%	29.8%	24.3%	31.0%	31.2%
High school	30.0%	33.4%	29.8%	37.8%	40.2%	33.5%	34.2%
Some college	29.9%	25.0%	36.5%	32.4%	35.6%	35.5%	34.6%
Marital Status							
Never married	67.1%	63.2%	55.5%	61.8%	67.7%	54.1%	57.7%
Work limiting disability	19.5%	35.6%	15.0%	19.4%	23.8%	11.5%	15.4%
Avg number of children	1.9 (1.1)	1.9 (1.1)	1.7 (0.9)	2.1 (1.2)	2.0 (1.0)	1.9 (1.1)	1.9 (1.1)
Avg number of adults	1.1 (0.3)	1.2 (0.6)	1.5 (0.7)	1.3 (0.6)	1.2 (0.5)	1.7 (1.0)	1.5 (0.9)
Metro Resident	66.3%	70.2%	78.1%	79.4%	85.5%	79.9%	79.4%
n (unweighted)	131	65	321	395	250	1,293	2,455

Notes: 2001 and 2004 SIPP panels, Wave 1, Sample members are also restricted to those with a valid response to the housing reciprocity survey question. Disconnected is defined as reporting zero earnings, TANF, and SSI for the family unit in the month preceding the interview month.

**Table 2. Multilevel logistic regression models of disconnection, Odds ratios presented**

	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>		<i>Model 4</i>	
			A	B	A	B
<b>Fixed Effects</b>						
<i>Individual Level</i>						
Housing recipient	1.061 (0.085)					
Public housing resident		1.221* (0.110)	1.201* (0.111)	1.202* (0.111)	1.147 (0.106)	1.149 (0.088)
Subsidized rent recipient		0.811+ (0.092)	0.821+ (0.095)	0.804+ (0.094)	0.764* (0.089)	0.749* (0.088)
African American (ref = White)			0.565*** (0.071)	0.559*** (0.071)	0.577*** (0.073)	0.570*** (0.072)
Hispanic (ref = White)			0.663** (0.097)	0.664** (0.097)	0.626** (0.093)	0.625** (0.093)
Other (ref = White)			0.945 (0.209)	0.958 (0.213)	0.946 (0.209)	0.957 (0.212)
Age			0.970*** (0.006)	0.970*** (0.006)	0.965*** (0.006)	0.965*** (0.006)
Less than high school (ref = HS grad or equivalent)					1.456** (0.168)	1.473** (0.171)
At least some college (ref = HS grad or equivalent)					0.925 (0.102)	0.945 (0.104)
Disability					1.937*** (0.197)	1.931*** (0.197)
Never married			0.960 (0.103)	0.978 (0.105)	0.922 (0.098)	0.940 (0.101)
Number of children			0.962 (0.041)	0.968 (0.041)	0.954 (0.041)	0.961 (0.041)
Number of adults			0.685*** (0.039)	0.680*** (0.039)	0.667*** (0.039)	0.663*** (0.039)
Metro residence			0.957 (0.109)	0.926 (0.107)	0.976 (0.111)	0.943 (0.109)
<i>State Level</i>						
Housing counts as unearned income				1.429 (0.383)		1.405 (0.372)
Housing alters benefit amount				1.236 (0.250)		1.211 (0.244)
Control for years			Yes	Yes	Yes	Yes

<b>Controls for other state variables</b>				<b>Yes</b>			<b>Yes</b>
<b>Random Effects</b>							
<b>Intercept for State Effects</b>	<b>0.340*</b>	<b>0.337*</b>	<b>0.345*</b>	<b>0.329*</b>	<b>0.343*</b>	<b>0.324*</b>	<b>0.324*</b>
	<b>(0.073)</b>	<b>(0.073)</b>	<b>(0.077)</b>	<b>(0.082)</b>	<b>(0.077)</b>	<b>(0.081)</b>	<b>(0.081)</b>
<b>Intercept for Person Effects</b>	<b>2.407*</b>	<b>2.404*</b>	<b>2.388*</b>	<b>2.389*</b>	<b>2.370*</b>	<b>2.371*</b>	<b>2.371*</b>
	<b>(0.071)</b>	<b>(0.071)</b>	<b>(0.071)</b>	<b>(0.071)</b>	<b>(0.070)</b>	<b>(0.071)</b>	<b>(0.071)</b>
<b>Log likelihood</b>	<b>-7557.16</b>	<b>-7551.45</b>	<b>-7485.19</b>	<b>-7437.44</b>	<b>-7455.30</b>	<b>-7408.00</b>	<b>-7408.00</b>
<b>Wald chi2</b>	<b>0.55</b>	<b>11.93</b>	<b>135.18</b>	<b>147.45</b>	<b>190.72</b>	<b>201.91</b>	<b>201.91</b>
<b>Chi2 for LR test vs. logistic regression</b>	<b>3206.01</b>	<b>3188.73</b>	<b>3122.78</b>	<b>3065.20</b>	<b>3052.78</b>	<b>3000.46</b>	<b>3000.46</b>
<b>P-value of chi2</b>	<b>&lt;0.00</b>						
<b>n</b>	<b>16,937</b>	<b>16,937</b>	<b>16,937</b>	<b>16,846</b>	<b>16,937</b>	<b>16,846</b>	<b>16,846</b>

Notes: Dependent variable is whether or not a woman is disconnected, defined as reporting no SSI, TANF or earned income for the family during the month preceding the interview month.

Odds ratios with standard errors in parentheses are reported.

+ p < 0.10, \* p < 0.05, \*\* p < 0.01 , \*\*\* p < 0.001