
Patterns of Housing Voucher Use Revisited: Segregation and Section 8 Using Updated Data and More Precise Comparison Groups, 2013

Molly W. Metzger, PhD – Washington University in St. Louis
Danilo Pelletiere, PhD – U.S. Dept. of Housing and Urban Dev.
Federal Reserve System
Community Development Research Conference
April 2015

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Segregation Matters

- Racial and economic segregation limit human development for **individuals** and **in aggregate**
- Segregation has been driven by public policy
 - Explicitly racist policies
 - “Stealth urban policies” (Dreier et al., 2014)
- Policy remedies to segregation should include both **investment and mobility** strategies (Crowley & Pelletiere, 2012)



Housing Choice Vouchers (Section 8)

- **HUD-funded** affordable housing program
- Targets **extremely low income** (“ELI”)
 - Since 1998, 75% of vouchers for ELI households
 - ~\$15,000 annual income
- Households pay **30% of income** toward rent, program pays remainder
- Utilizes the **private rental market**



Where is Section 8 Used?

General dispersion

- McClure et al. (2014) / Devine et al. (2003)

School quality

- Horn, Ellen, & Schwartz (2014)

Walkability to community amenities

- Talen & Koschinsky (2014)

Safety

- Lens et al. (2011)

Racial and economic segregation

- Metzger (2014)

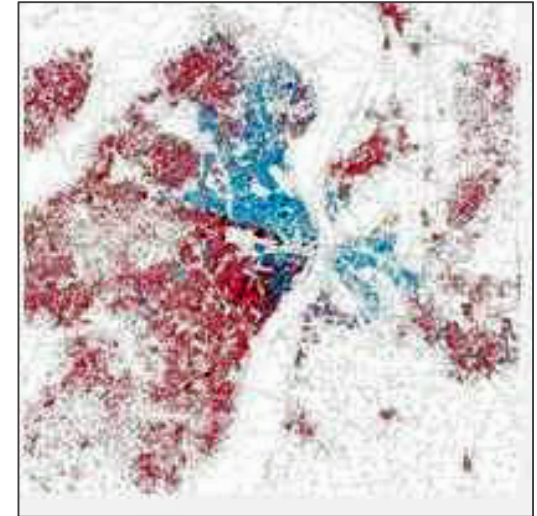


Methods: Segregation Indices

Dissimilarity

A measure of overlap between two groups

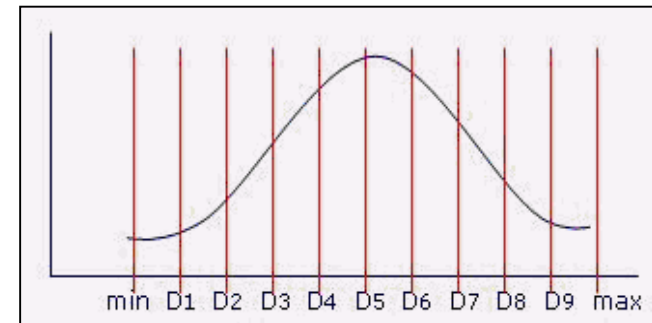
- 1. Racial
- 2. Economic



Concentration (Herfindahl Index):

A measure of spread across different types of neighborhoods

- 3. Racial
- 4. Economic



Methods: Data Sources

VOUCHER HOUSEHOLDS

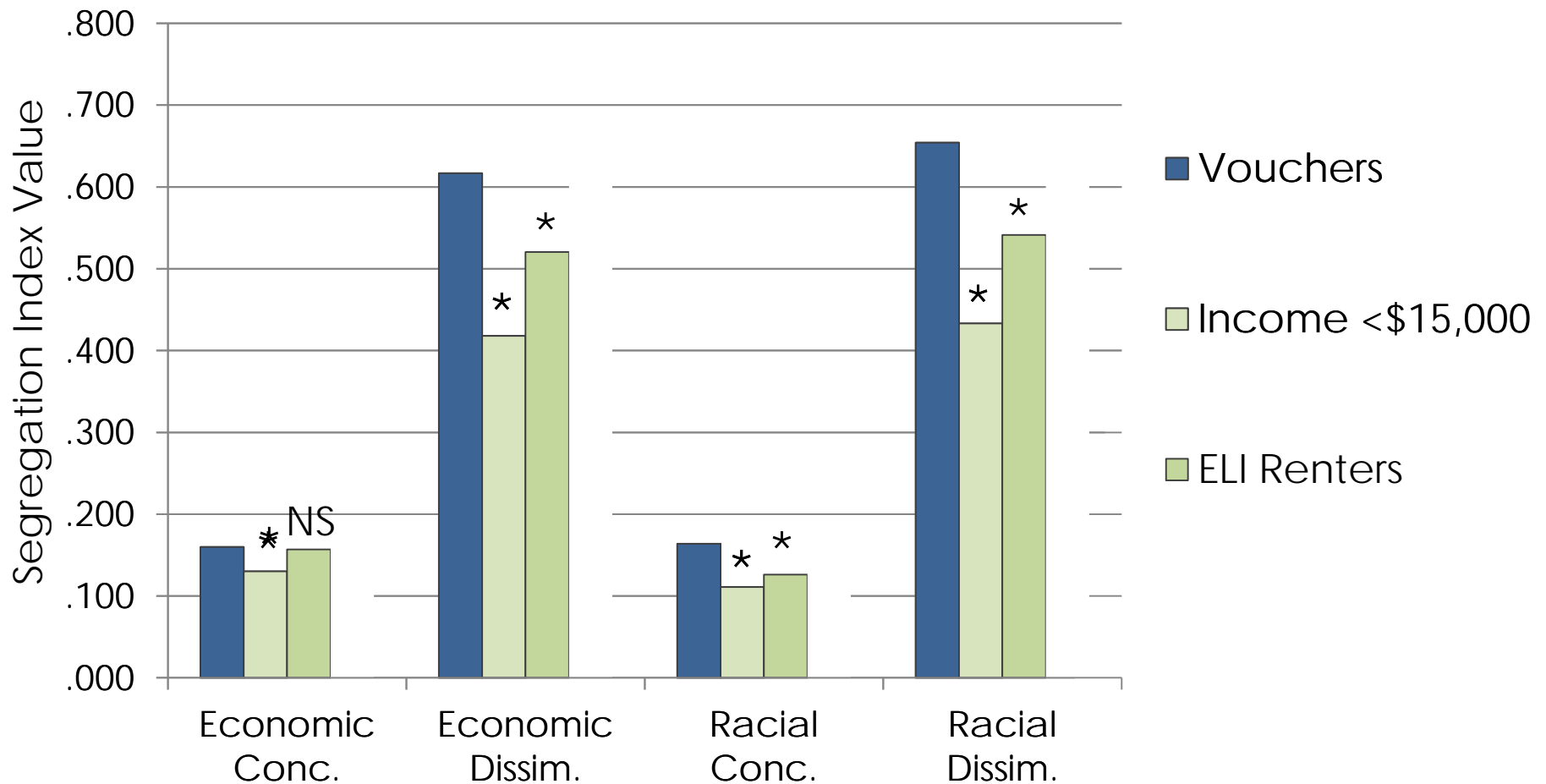
- Special tabulation of
Picture of Subsidized Households, 2013

COMPARISON GROUPS

- (1) Households earning <\$15,000 annually
 - ACS 2007-11
- (2) Extremely low-income (“ELI”) renters
 - CHAS 2007-11
- (3) Cost-burdened ELI renters
 - CHAS 2007-11



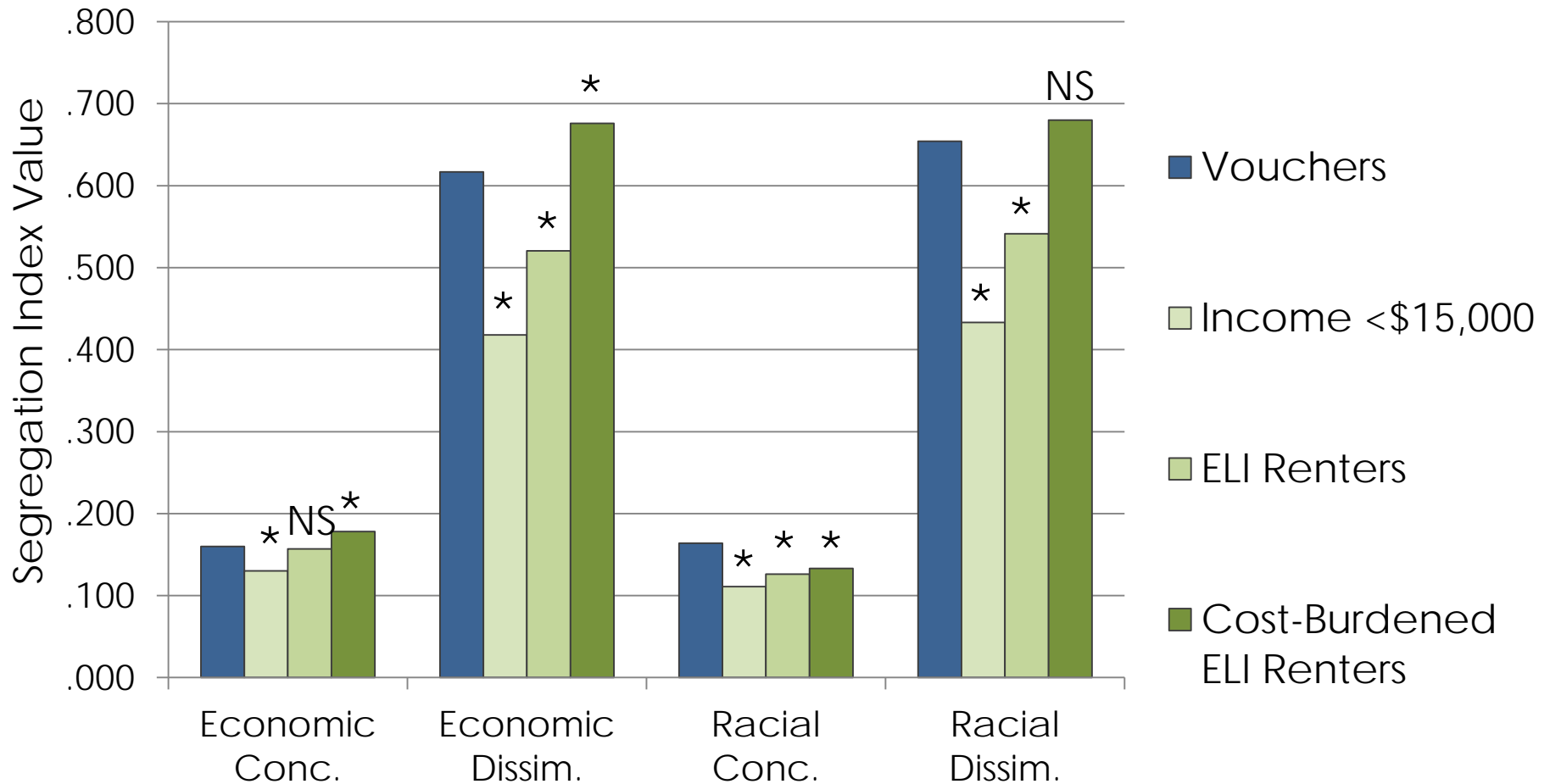
Figure 1. Mean Segregation Index Scores for Vouchers and Comparisons (Metzger & Pelletiere, 2015)



* = $p < .01$ difference from vouchers

NS = Not significantly different than vouchers

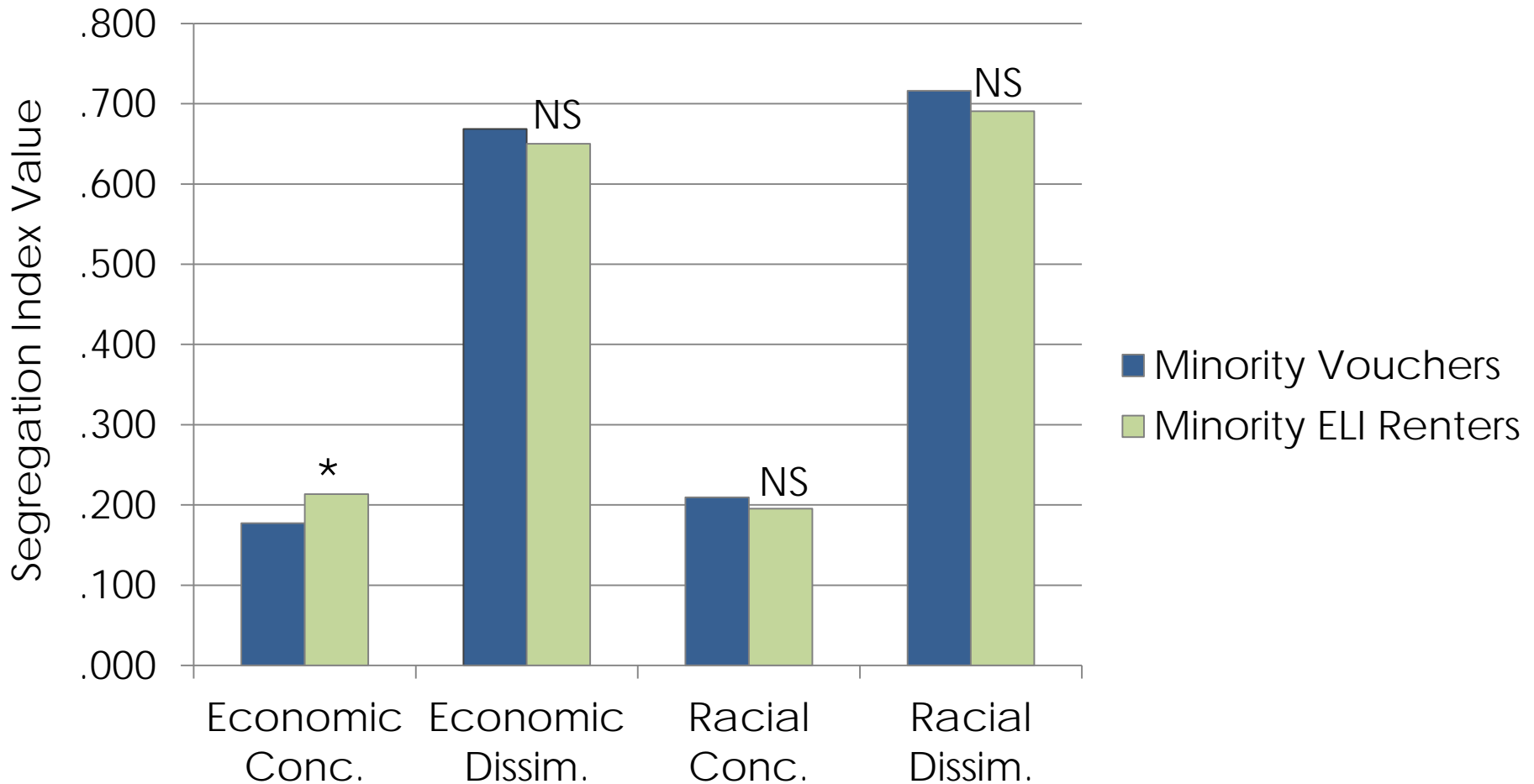
Figure 1. Mean Segregation Index Scores for Vouchers and Comparisons (Metzger & Pelletiere, 2015)



* = $p < .01$ difference from vouchers

NS = Not significantly different than vouchers

Figure 2. Mean Segregation Index Scores for Racial/Ethnic Minority Renters (Metzger & Pelletiere, 2015)



* = $p < .01$ difference from vouchers

NS = Not significantly different than vouchers

Differences by SOI

- Voucher households appear **less segregated** in metro areas with source of income ("SOI") fair housing protections.
- **But only relative to <\$15k** comparison group:
 - economic concentration, $p = .64$
 - economic dissimilarity, $p = .11$
 - racial concentration, $p = .13$
 - racial dissimilarity, $p = .13$



Figure 3. MSAs with Most and Least Segregated Housing Choice Vouchers (Metzger & Pelletiere, 2015)

Comparison Group:	Economic Conc.			Economic Dissimilarity			Racial Conc.			Racial Dissimilarity		
	1	2	3	1	2	3	1	2	3	1	2	3
Most Segregated HCVs												
Atlanta, GA												
Birmingham, AL												
Nashville, TN												
New Orleans, LA												
Austin, TX												
Least Segregated HCVs												
Phoenix, AZ												
Baltimore, MD												
Las Vegas, NV												

1= Compared to <\$15k

2 = Compared to cost-burdened ELI renters

3 = Compared to minority ELI renters

Purple = Top 5 most segregated (out of 50 MSAs)

Green = Bottom 5 most segregated (out of 50 MSAs)

Summary of Results

- **Results vary** by segregation index and comparison group
- Section 8 voucher receipt is more strongly associated with **economic integration** than with racial integration.
- Limited evidence that **source of income** protections work.
- Tremendous **variation** across metros.



Policy Considerations: Federal

- **Incentivize** housing authorities to support “opportunity moves”
- Allow for HAs to provide **extended time** for housing searches
- Set **small-area fair market rates**
- Simplify **portability** across housing authorities
- Finalize the **AFFH “new rule”**

(Sard & Rice, *CBPP*, 2014)



Policy Considerations: Local & State

- **Mobility counseling**
- Eliminate discriminatory **occupancy permits**
 - St. Louis example
- **Source of income** fair housing protections
- **Tax incentives**
 - For Section 8 landlords
 - Points for LIHTC proposals in opportunity areas

