OPPORTUNITY INSIGHTS

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

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The United States government spends approximately $45 billion per year on affordable housing programs, including $20 billion on Housing Choice Vouchers, a program that provides rental assistance to low-income families.

Though the voucher program allows families to rent units in any neighborhood within their housing authority's jurisdiction, most of the 2.2 million families with vouchers currently live in relatively high-poverty, low-opportunity neighborhoods.

Why don't more low-income families take advantage of these options and move to opportunity? More broadly, what explains the segregation of low-income families into high-poverty, low-opportunity neighborhoods?

We consider three explanations. First, that low-income families prefer their current neighborhoods due to other attributes. Second, it could be the case that low-income families lack information about the benefits of moving to high-opportunity neighborhoods. Finally, perhaps low-income families face barriers that prevent them from moving to high-opportunity neighborhoods. Distinguishing between these explanations is important for understanding the drivers of residential segregation as well as for designing affordable housing policies to address any barriers that limit moves to opportunity.
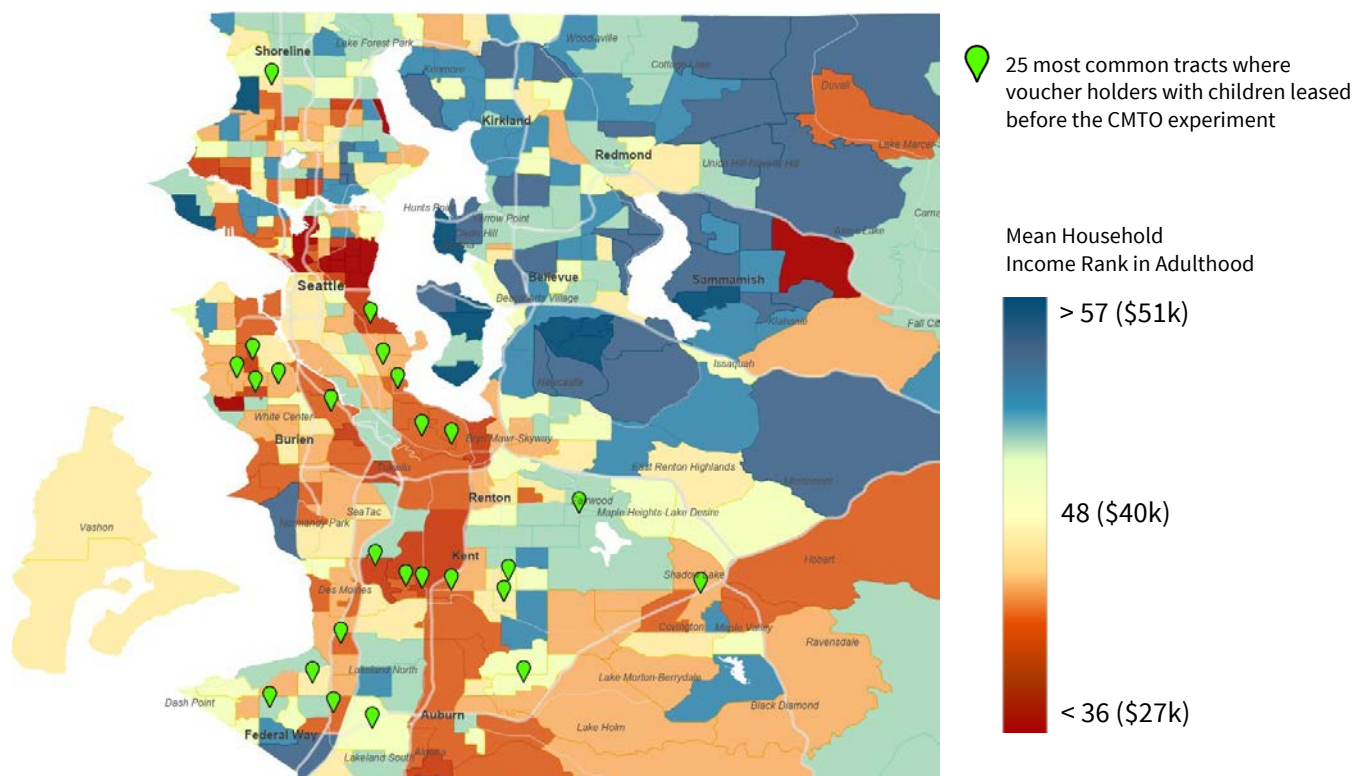
THIS RESEARCH SUMMARY DESCRIBES:

1. How we identify "high-opportunity" neighborhoods

2. The design of the CMTO program

3. Results from the randomized evaluation

KEY FINDINGS

- CMTO increased the number of families who moved to high-opportunity neighborhoods by 38 percentage points.

- CMTO changed where families chose to move but did not affect overall voucher utilization rates.

- Most families who move to high-opportunity areas stayed there when their leases come up for renewal and reported being more satisfied with their new neighborhoods.

- The program's capacity to provide services that addressed each family's needs in a customized manner was critical to its success.

- The full bundle of high-intensity CMTO support services had larger impacts on moves to high-opportunity neighborhoods than lighter touch or individual service elements alone.

Most Common Locations of Families with Housing Vouchers 2015-2017

25 most common tracts where voucher holders with children leased before the CMTO experiment

Mean Household Income Rank in Adulthood

> 57 ($51k)

48 ($40k)

< 36 ($27k)

The map shows the Opportunity Atlas estimates of upward mobility, defined as the mean predicted household income rank in 2014-15 for children whose parents were at the 25th percentile of the national household income distribution. Dots represent Top 25 tracts where Voucher Recipients with Children leased units in 2015-17. To protect confidentiality, the locations shown are approximated by introducing a small amount of random noise.

HIGH-OPPORTUNITY NEIGHBORHOODS

To identify high-opportunity neighborhoods, we start with data from the **Opportunity Atlas**. The Atlas shows rates of upward income mobility for children growing up in low-income families across neighborhoods (census tracts) in the U.S.

The Atlas provides a direct measure of opportunity by showing us where children from low-income families have a historical record of succeeding. We focus on children's outcomes when defining high-opportunity areas because **prior research**, such as the Moving to Opportunity experiment, has shown that neighborhoods have the largest impacts on children's rather than adults' economic outcomes.

Using the Atlas data, shown in the map above, we began by defining high-opportunity neighborhoods as Census tracts in the Seattle and King County areas that historically are in the top third of neighborhoods in terms of upward mobility. Our research shows that rates of upward mobility are generally stable over time. Nevertheless, we made adjustments to capture potential changes in neighborhoods by using recent school district data and insights from our housing authority partners.

Rather than relying on proxies for opportunity such as poverty, crime rates, or tools like the composite Kirwan Child Opportunity Index that have been widely used in prior work, our definition of

"high-opportunity" neighborhoods is based on the actual outcomes of low-income children from each neighborhood. The distinction matters in practice because there are several areas – such as the eastern part of Kent in King County and the Northeastern part of Seattle – that rate poorly according to Kirwan-type or poverty-rate-based indices but offer high rates of upward mobility for low-income children. Such areas often excel on other dimensions that are correlated with upward mobility, such as measures of social capital and family stability, despite having higher poverty rates. Using the Opportunity Atlas to define high-opportunity areas yields predicted impacts on upward income mobility that are nearly 40% larger than what one would have obtained if one identified the same number of high-opportunity tracts based on the Kirwan Index or poverty rates.

Voucher holders in Seattle and King County, much like the rest of the nation, tend to live in low-opportunity neighborhoods. The dots on the map above show the most common locations of voucher holders with children in Seattle and King County prior to CMTO implementation. Families were clustered in low-opportunity neighborhoods (red and orange colors). This pattern of residential segregation in low-opportunity areas motivates our central questions: do families with vouchers want to live in high-opportunity neighborhoods, but face barriers that limit their access to such areas? If so, how can we reduce these barriers?

THE CMTO PROGRAM

In collaboration with the research team, the Seattle and King County Housing Authorities developed a set of services designed to support moves to high-opportunity neighborhoods, building on lessons from prior mobility and housing search assistance programs. The program included three components: search assistance for families, landlord engagement, and short-term financial assistance. The total up-front cost of the program, including all services, was $2,670 per family.

Search assistance was provided by a team of Navigators at a non-profit group through in-person meetings and phone calls. The services were tailored to individual families' needs and included: (1) providing information about "high-opportunity" areas; (2) making families more competitive tenants by preparing rental documents and addressing issues in their credit and rental history; and (3) helping families identify available units, connect with landlords in opportunity areas, and complete the application process. On average, non-profit staff spent about six hours assisting each family in the treatment group.

Non-profit staff also engaged with landlords in high-opportunity areas to encourage them to lease units to CMTO families and to expedite the lease-up process. Landlords were offered access to a damage mitigation fund for damages to the unit above and beyond security deposits.

Finally, families were offered short-term financial assistance that could be used for various up-front fees and security deposits. On average, these payments amounted to about $1,000 per family.

EXPERIMENTAL RESULTS

We used a randomized controlled trial separated into two phases to evaluate whether CMTO increased the percentage of families who move to high-opportunity neighborhoods. The first phase of the trial enrolled families from April 2018 to April 2019 and evaluated the impacts of the comprehensive intervention described above. The second phase enrolled families from July 2019 through March 2020

CMTO Service Components

Navigator Services
Tailored support services consisting of high-opportunity area education and information, rental application coaching, and housing search support services.

Landlord Services
Services designed to facilitate the leasing process between the family and landlord, to include cultivating relationships with landlords in high-opportunity areas, expediting the housing inspection process, and managing a property damage mitigation fund.

Financial Assistance
Short-term financial supports intended to facilitate families' move-in process, including covering costs of application fees, security deposits and other one-time moving expenses (on average $1,000).

and unbundled the phase one treatment into multiple arms to shed light on mechanisms underlying the impacts of the full intervention.

The sample for both phases consisted of low-income families with a child below age 15 issued a Housing Choice Voucher in the Seattle and King County area. The control group received standard services from the housing authority, which included a briefing about voucher use but no specific information about opportunity areas.

CMTO Experimental Design

Phase I

Treatment
Families received full bundle of high-intensity CMTO services.

Control
Standard services provided by the public housing authority.

Phase II

Treatment 1 (T1)
Families received only financial support services.

Control
Standard services provided by the public housing authority.

Treatment 2 (T2)
Families received a low-intensity version of CMTO services.

Treatment 3 (T3)
Families received full bundle of high-intensity CMTO services.

FINDING 1:

CMTO increased the number of families who moved to high-opportunity neighborhoods by 38 percentage points.

In the control group, 15.4% of families found housing in high-opportunity neighborhoods, consistent with historical averages. In the treatment group, 53.2% of families moved to high-opportunity areas.

Despite some variations in the magnitude of the effect, the CMTO program significantly increased the fraction of families moving to opportunity across racial and ethnic groups, families with lower vs. higher incomes, and those born in or outside of the U.S.

FINDING 2:

CMTO changed where families chose to move but did not affect overall voucher utilization rates.

CMTO primarily shifted *where* families chose to live rather than whether families were able to use their vouchers. 86.8% of families in the control group leased-up a unit somewhere using their housing vouchers compared to 87.3% of households leased up in the treatment group. Such similar lease-up rates indicate that CMTO services reduced specific barriers families face in accessing high-opportunity areas rather than addressing barriers families may have in the housing search process generally.

Additionally, families in the treatment group that made moves to high-opportunity neighborhoods were widely dispersed across the metro area, suggesting that CMTO services enabled broad geographic access across high-opportunity areas and did not reconcentrate families to specific neighborhoods.

FINDING 3:

Most families who move to high-opportunity areas stay there when their leases come up for renewal and report being more satisfied with their new neighborhoods.

Three years after the initial lease-up, 58.6% of families in the treatment group lived in high-opportunity neighborhoods, compared with 22.4% in the control group. This neighborhood persistence among CMTO families is encouraging given prior evidence that each year a child spends growing up in a high-opportunity neighborhood has an additive effect on the long-term benefits of growing up in these areas.

Post-move surveys also found that families in the treatment group expressed higher rates of satisfaction with their new neighborhoods, with 64.2% of families in the treatment group reported being "very satisfied" with their new neighborhood compared to 45.5% in the control group. Our estimates indicate that children who moved to high-opportunity neighborhoods at birth through the CMTO program would see a $212,000 increase in adult lifetime earnings; these moves are also likely to substantially increase college attendance rates and to reduce teen birth rates.

The proportion of families moving to high-opportunity areas was significantly higher among those receiving CMTO services during Phase I.
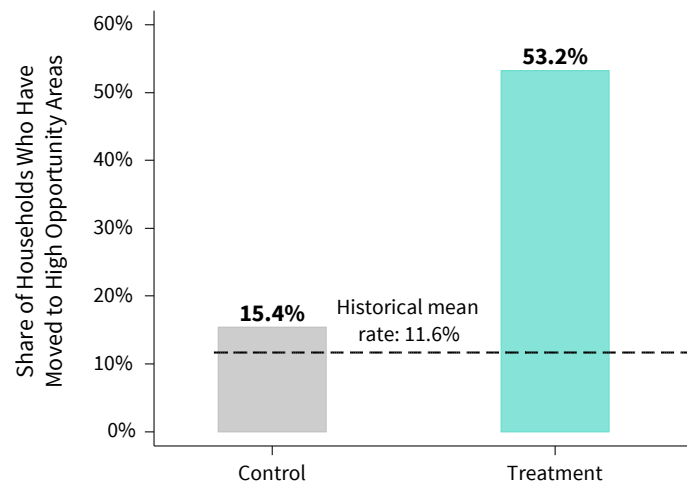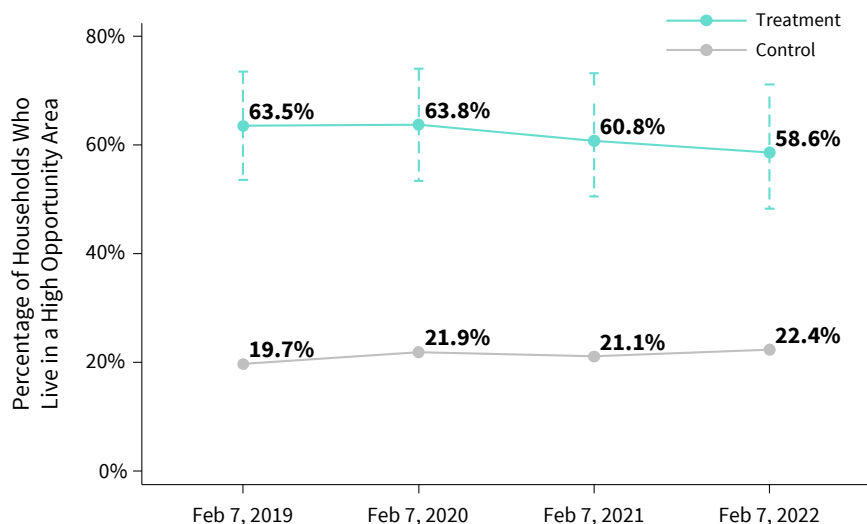

This figure shows the proportion of families during Phase I of the experiment who leased a unit in a high-opportunity area. It compares the those receiving regular services (Control) to those receiving the bundled CMTO services (Treatment). The dashed line shows the proportion of voucher recipients who leased units in high-opportunity areas during the two years prior to the CMTO experiment (2015 – 2017).

CMTO families successfully leased units across all high-opportunity areas.
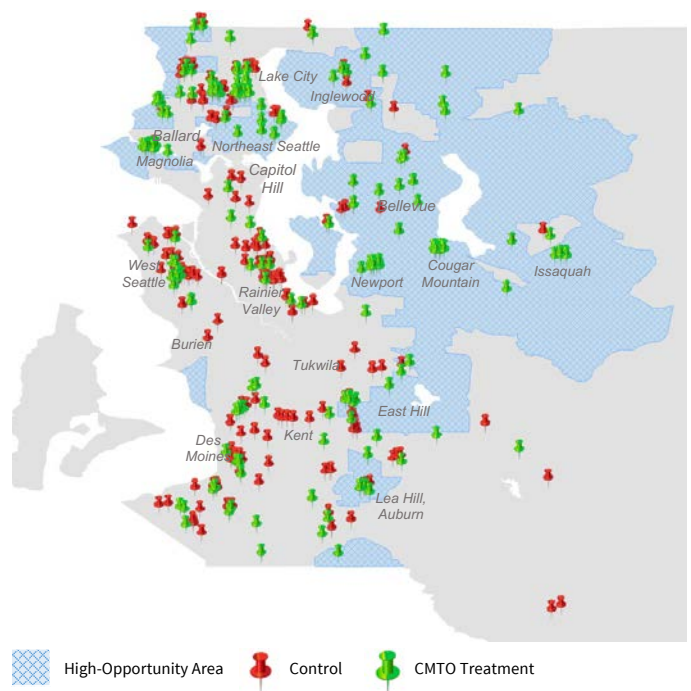
This figure shows the approximate lease locations of families across the Control and CMTO Treatment groups.

CMTO families moving to high-opportunity neighborhoods show prolonged exposure to these areas.

This figure plots the proportion of families from Phase I who initially leased a unit in a high-opportunity area (whose average lease-up date was February 7, 2019) alongside the fraction who live in a high-opportunity area as of February 7, 2020, February 7, 2021, and February 7, 2022. The figure also shows 95% confidence intervals for each of the treatment effect estimates.

FINDING 4:

The program's capacity to provide services that address each family's needs in a customized manner was critical to its success.

To determine why the CMTO program made families more likely to move to opportunity neighborhoods, we conducted in-depth interviews with 251 participating families. Many families reported that they had extremely limited time and resources to search for housing and were pessimistic about the prospect of finding housing in high-opportunity areas given histories of past unfruitful searches.

Evidence gathered from interviews shows that the Navigators' ability to respond in a customized manner to each family's specific needs was critical to CMTO's success. Families from both phases of the experiment point to a similar set of channels by which CMTO Navigators helped to address their challenges: providing emotional support and communication, increasing their motivation to move to a high-opportunity neighborhood by making such a move seem more attainable, streamlining the search process by helping to prepare rental applications and "rental resumes," providing brokerage services and representation with landlords, and deploying timely financial assistance for fees and deposits that could prevent a lease from being signed.

FINDING 5:

The full bundle of high-intensity CMTO support services had larger impacts on moves to high-opportunity neighborhoods than lighter touch or individual service elements alone.

Consistent with the Phase I opportunity move rates, during Phase II, 53.3% of families receiving the full bundle of CMTO services moved to high-opportunity neighborhoods. This rate was significantly greater than opportunity move rates among families receiving light-touch services (26.3%), financial incentives and information alone (21.4%), or the Control group that received standard services (12.5%). These results suggest that CMTO's impact is owed in large part to the customized, high-intensity services provided by CMTO Navigators, not solely the provision of financial assistance or information.

Families receiving the full bundle of CMTO services move to high-opportunity neighborhoods at far greater rates than families receiving other service approaches.
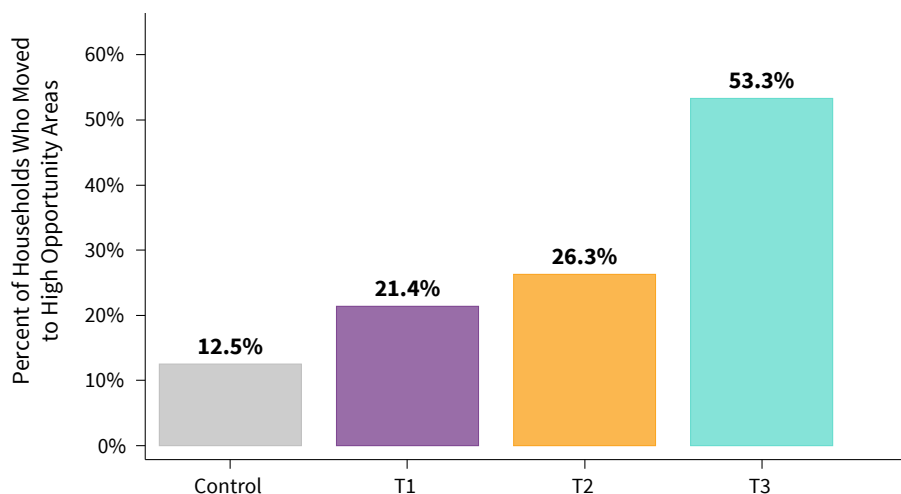
This figure shows the rates at which families in the Control and three treatment groups moved to high-opportunity neighborhoods during Phase II of the experimental study.

We also conducted a complementary quasi-experimental analysis of changes in payment standards that increased voucher amounts in higher-rent or higher-opportunity areas in Seattle and King County. These financial incentives had much smaller impacts on families' neighborhood choices: only 20% of families moved to high-opportunity areas even after the payment standard increases. Though sufficient payment standards may be a necessary precursor to opportunity moves in some housing markets, these findings indicate that payment standard adjustments alone do not induce opportunity moves at the same magnitude as those supported by more comprehensive supportive services along the lines of CMTO.

CONCLUSIONS

The segregation of low-income families into lower-opportunity neighborhoods is not driven by preferences; many low-income families live in such areas because of barriers preventing them from moving to high-opportunity neighborhoods. These barriers consist largely of challenges associated with the housing search process and can be overcome with customized support.

These findings call for greater focus on programs that offer personalized social support. A key challenge with such programs is replicability and scalability. The recently launched **Community Choice Demonstration** promises to shed light on this important issue by replicating housing mobility programs informed by CMTO in nine other cities that represent diverse housing markets and policy environments. In parallel and recognizing that not all families can or wish to move to neighborhoods presently defined as high-opportunity, it will be valuable to continue research on place-based solutions to improve opportunity in all places and for all persons.

Want to learn more?

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