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 are low-income families segregated into lower-opportunity areas? How can we design affordable housing policies to help families “move to opportunity” if they wish to do so?

Starting in April 2018, we tested a new program, Creating Moves to Opportunity (CMTO), designed to reduce the barriers that families face in moving to higher-opportunity neighborhoods in the Seattle Metro area. The program provided housing search assistance, connections to landlords, and financial support to housing voucher recipients. We evaluated the program using a 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.
- All types of families benefited from the program.
- 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.
- The program’s capacity to address each family’s needs in a customized manner was critical to its success.
- More standardized policies, such as financial incentives, have smaller impacts on moves to opportunity.

**THIS EXECUTIVE SUMMARY DESCRIBES:**

1. How we identify “high-opportunity” neighborhoods
2. The design of the CMTO program
3. Results from the randomized evaluation

For further details, see the full-length research paper or this video.
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.

It 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 on page 2 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 higher-opportunity neighborhoods, but face barriers that limit their access to such areas? If so, how can we reduce these barriers?
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 summarized in Figure 1: search assistance for families, landlord engagement, and short-term financial assistance.

Search assistance was provided by a non-profit group through in-person meetings and phone calls. The services were tailored to individual family’s 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 expedite the lease-up process. Landlords were also offered access to a damage mitigation fund for damages to the unit above and beyond security deposits.

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

For more details on program design, see our program overview document.
EXPERIMENTAL RESULTS

We used a randomized controlled trial to evaluate whether CMTO increases the percentage of families who move to higher-opportunity neighborhoods. Families with young children (less than age 15) eligible to receive a voucher were then randomly assigned to one of two groups: treatment or control.

The control group received standard services from the housing authority, which included a briefing about voucher use but no specific information about opportunity areas. Families in the treatment group received the CMTO services described above, but importantly were not required to move to opportunity areas to use their voucher. In contrast to many previous mobility programs, the CMTO program was designed to expand rather than constrain families’ neighborhood choices.

The trial was conducted from April 2018 to April 2019 with 430 families.

FINDING 1:

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

In the control group, 15% of families found housing in high-opportunity neighborhoods, consistent with historical averages. In the treatment group, 53% of families moved to high-opportunity areas.

If families stay in the neighborhoods to which they moved—an assumption that we will evaluate in coming years—our estimates imply that these changes in neighborhood choice will increase the household incomes of children who moved to high-opportunity neighborhoods at birth by $214,000. These moves are likely to increase college attendance rates and reduce teen birth rates substantially as well.

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 voucher. 86% of families in the control group leased-up a unit somewhere using their housing vouchers; 87% of households leased up in the treatment group. The large change in where families chose to live as a result of CMTO services accords with data from pre-move surveys, which revealed that families did not have strong preferences about moving to opportunity neighborhoods compared to other neighborhoods.

FINDING 3:

All types of families benefited from the program.

The CMTO program 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.
“[CMTO] was like someone turned the light on… I think it was just the supportive nature of having lots of conversations with [Family Navigators], that they could call the landlords… And, you know, helping pay the deposit was immense.”

JACKIE, CMTO PARTICIPANT

**FINDING 4:**

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.

Almost all the families induced to move to high-opportunity areas by CMTO stayed in higher-opportunity areas when their leases came up for renewal (one year after their initial move). Moreover, 64% of families in the treatment group report being “very satisfied” with their new neighborhood, compared with 46% in the control group. Families who moved to high-opportunity areas did not make sacrifices on other neighborhood characteristics, such as commute times, nor in the quality of the unit they rent, as measured by its size, age, etc.

**FINDING 5:**

The program’s capacity to 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, we conducted in-depth interviews with 161 participating families. Families reported that several mechanisms were instrumental in helping them overcome the challenges associated with moving to high-opportunity areas, including emotional support from program staff, increased excitement about moving to a high-opportunity areas, a more streamlined search process, direct brokering services with landlords, and targeted short-term financial assistance.

Depending on each family’s needs, the search assistance staff used a combination of the above approaches to help them rent a home in a high-opportunity area. It was this customized approach, rather than a strict set of protocols, that led to the program’s large impacts. The general lesson may be that having a highly motivated case worker support each family can help them make more effective use of housing assistance programs (and perhaps other public programs more generally).

**FINDING 6:**

More standardized policies, such as financial incentives, have smaller impacts on moves to opportunity.

We 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.

These findings provide further evidence that additional supportive services along the lines of the CMTO program are essential for inducing more moves to opportunity, above and beyond policies that only increase payment standards in certain neighborhoods. However, sufficiently high payment standards may be a necessary precursor to facilitate opportunity moves in some housing markets.

**CONCLUSIONS**

Our findings suggest that the growing economic segregation of American cities is not an inevitable consequence of preferences, but rather a trend that can be addressed through feasible changes in public policies. Many families live in low-opportunity areas because of barriers that prevent them from moving to higher-opportunity neighborhoods. Redesigning affordable housing policies to provide customized search assistance during the housing search process could thus reduce residential segregation and increase upward mobility substantially.

More broadly, our results provide support for increasing the availability of affordable housing in higher-opportunity areas through other policies such as the Low Income Housing Tax Credit, project-based units, or changes in zoning regulations. In parallel, recognizing that not all families can move to opportunity, we also hope to identify place-based investments that can improve outcomes for residents of lower-opportunity areas.

**THE PATH FORWARD: NATIONAL SCALING**

In light of these encouraging findings, we are working to scale up the CMTO program by partnering with other housing authorities around the country to scale this model of housing mobility services, improve its cost effectiveness, and understand its impacts in other settings. The Seattle and King County areas are unique in several respects, and it will be valuable to understand what types of programs are most effective in other markets.
Want to learn more?

Read the Paper

See Presentation Slides

Watch a Video Summary

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