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

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Seattle Housing Authority, King County Housing Authority,  
MDRC, and J-PAL North America

January 2023
Motivation: Four Facts on Neighborhoods and Economic Opportunity

1. Children’s prospects for upward income mobility vary substantially across neighborhoods
The Geography of Upward Mobility in Seattle and King County
Average Income at Age 35 for Children with Parents Earning $27,000 (25th percentile)

- North Queen Anne: $41k
- Central District: $24k
- Normandy Park: $47k
- Des Moines: $31k

Source: Chetty, Friedman, Hendren, Jones, Porter (2018)
Motivation: Four Facts on Neighborhoods and Economic Opportunity

1. Children’s prospects for upward income mobility vary substantially across neighborhoods

2. Moving to better neighborhoods earlier in childhood improves children’s outcomes in adulthood significantly
Estimates of Childhood Exposure Effects

United States

- Slope (Age=23): -0.025 (0.002)
- Selection Effect: δ = 0.346

Source: Chetty, Friedman, Hendren, Jones, Porter (2018)

Australia

- Coefficient on difference in predicted outcomes

Source: Deutscher (2018)

Montreal, Canada

- Coefficient on difference in predicted outcomes

Source: Laliberté (2018)

Denmark

Source: Faurschou (2018)

MTO: Baltimore, Boston, Chicago, LA, NYC

- Experimental 1A, Control ITT on income ($)

Source: Chetty, Hendren, Katz (AER 2016)

Chicago Public Housing Demolitions

- Treatment Effect ($)

Source: Chyn (AER 2018)
Motivation: Four Facts on Neighborhoods and Economic Opportunity

1. Children’s prospects for upward income mobility vary substantially across neighborhoods

2. Moving to better neighborhoods earlier in childhood improves children’s outcomes in adulthood significantly

3. Low-income families who receive housing vouchers predominantly live in low-opportunity neighborhoods
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)
Motivation: Four Facts on Neighborhoods and Economic Opportunity

1. Children’s prospects for upward income mobility vary substantially across neighborhoods.

2. Moving to better neighborhoods earlier in childhood improves children’s outcomes in adulthood significantly.

3. Low-income families who receive housing vouchers currently live predominantly in low-opportunity neighborhoods.

4. Differences in rent do not explain why low-income families live in low-opportunity areas.
Mean Household Income Ranks of Children with Low-Income (25th Percentile) Parents vs. Median 2-Bedroom Rent in 2015

The Price of Opportunity in King County: Upward Mobility vs. Rents, by Census Tract
Question: Why Don’t Low-Income Families Move to Opportunity?

- Two classes of explanations:

  1. **Preferences**: families may prefer to stay in current neighborhoods because of other amenities (e.g., commute time, proximity to family)

  2. **Barriers**: families may be unable to find housing in high-opportunity areas because of lack of information, search frictions, or landlords’ tastes

- If barriers are what is driving segregation, can we reduce them through changes in affordable housing policy?
Randomized trial to develop and test scalable strategies to reduce barriers that housing choice voucher recipients may face in moving to high-opportunity areas in Seattle and King County
1 Program Description and Experimental Design

2 Treatment Effects

3 Mechanisms

4 Conclusion
2.2m families in U.S use housing vouchers each year

Administered by local housing authorities

Typical features:

- Income cutoff for eligibility (~30% of area median income)
- Waitlists: typically 2+ years
- Limited time to use voucher: typically 4 months
- Voucher subsidizes tenant’s rent
  - Tenant typically pays 30% of income toward rent and utilities
  - Landlord receives rent up to a cap based on “fair market rent”
- Inspection process for landlords
Definition of Opportunity Areas

- Experimental intervention seeks to help voucher families move to opportunity areas

- First step: define a set of neighborhoods as “opportunity areas”

- Starting point: identify Census tracts with rates of upward income mobility roughly in top third of distribution within Seattle (SHA) and King County (KCHA)

- Adjust definitions in collaboration with housing authorities to account for two issues:
  - Neighborhood change (using test score data to assess stability)
  - Creating contiguous areas
High-Opportunity Area

Designation of High-Opportunity Neighborhoods

Seattle City Boundary

- Central District
- West Seattle
- Rainier Valley
- Des Moines
- Magnolia
- Northeast Seattle

- Newport
- Cougar Mountain
- Issaquah
- Lake City
- Inglewood
- Cottage Lake
- Redmond
- Bellevue
- Issaquah
- East Hill
- Kent
- Des Moines
- Lea Hill, Auburn

Moving at Birth from Low to High-Opportunity Area → Mean Predicted Earnings Gain of $3,400 per year (13.3%)
Opportunity Atlas vs. Other Measures of Economic Opportunity

Opportunity Atlas Upward Mobility

Kirwan Child Opportunity Index

Population-Weighted Correlation Across Tracts: 0.30
Treatment Interventions

CUSTOMIZED SEARCH ASSISTANCE

On average, non-profit staff spend 6 hours with each household

DIRECT LANDLORD ENGAGEMENT

47% of rentals in high-opportunity areas made through links via non-profit staff

SHORT-TERM FINANCIAL ASSISTANCE

Average financial assistance of $1,000 for security deposits, application fees, etc.

Program Cost: $2,670 per family issued a voucher (2.2% of average voucher payments over 7 years)

Note: Families not required to move to high-opportunity areas
Key Elements in the CMTO Intervention

**CUSTOMIZED SEARCH ASSISTANCE**
- **High-opportunity area education** to increase families’ knowledge about high-opportunity areas.
- **Rental application coaching** to increase families’ competitiveness for rental units by addressing credit history and preparing a narrative.
- **Housing locator services** to help families identify suitable units in high-opportunity areas.

**INCREASED LANDLORD ENGAGEMENT**
- **Cultivate relationships** with landlords in designated high-opportunity areas to create housing opportunities for CMTO families.
- **Expedite lease-up processes** by completing PHA required documents and conducting housing inspections more quickly.
- **Insurance fund** to mitigate risks of property damage.

**SHORT-TERM FINANCIAL ASSISTANCE**
- Grants to **defray move-in expenses**, such as application fees and security deposits (on average $1,000).
Family Contacted
Notified of selection from waitlist

Intake Appointment
Consent
Randomization
Baseline survey

Nonprofit Staff Meet with Families and Landlords
Rental application coaching
Opportunity area education
Visiting locations

Voucher Issued

Unit Selected
Family approved by landlord for unit

Lease Signed

Lease Up
Receive paperwork and financial assistance (e.g. assistance for deposit)

PHA
Nonprofit
Family Milestone
# Creating Moves to Opportunity Program Costs

## A. Total Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of CMTO services per issuance</td>
<td>$2,668</td>
</tr>
<tr>
<td>Cost of CMTO services per lease / average 7-year HAP costs per lease</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

## B. Costs by Service Category

<table>
<thead>
<tr>
<th>Description</th>
<th>Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of CMTO financial assistance per issuance</td>
<td>$1,057</td>
</tr>
<tr>
<td>Cost of CMTO program services per issuance</td>
<td>$1,500</td>
</tr>
<tr>
<td>Cost of PHA CMTO administration per issuance</td>
<td>$392</td>
</tr>
<tr>
<td>Cost savings of PHA services paid by CMTO</td>
<td>($281)</td>
</tr>
</tbody>
</table>

## C. Housing Assistance Payment (HAP) Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average incremental HAP costs per lease per year</td>
<td>$2,519</td>
</tr>
<tr>
<td>Average incremental HAP costs per leased family over 7 years</td>
<td>$17,633</td>
</tr>
<tr>
<td>(Incremental HAP + CMTO services per lease) / average 7-year HAP costs per lease</td>
<td>17.2%</td>
</tr>
</tbody>
</table>

## D. Phase 2 Treatment Arms

<table>
<thead>
<tr>
<th>Description</th>
<th>Average Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1 (Financial Assistance + Info) cost per issuance</td>
<td>$338</td>
</tr>
<tr>
<td>T2 (Reduced Services) cost per issuance</td>
<td>$634</td>
</tr>
<tr>
<td>T3 (CMTO) cost per issuance</td>
<td>$2,692</td>
</tr>
</tbody>
</table>
Experimental Design

- Sample frame: families with at least one child below age 15 who were issued vouchers in either Seattle or King County

- Phase 1: April 2018 to April 2019
  - 430 families, split randomly into control (standard services) and treatment

- Phase 2: July 2019 to March 2020
  - 287 families, split randomly into control and three treatment groups to unbundle mechanisms
Experimental Design

- Sample frame: families with at least one child below age 15 who were issued vouchers in either Seattle or King County

- Phase 1: Randomly sampled 202 families for open-ended qualitative interviews
  - 80% overall response rate, N = 161

- Phase 2: Targeted 130 families across the three treatment groups for interviews
  - 70% overall response rate, N = 90
<table>
<thead>
<tr>
<th>Head of Household Characteristics</th>
<th>Pooled Mean</th>
<th>Control Mean</th>
<th>Treatment Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income</td>
<td>$20,009</td>
<td>$19,823</td>
<td>$20,181</td>
</tr>
<tr>
<td>% Black</td>
<td>49.1</td>
<td>49.8</td>
<td>48.4</td>
</tr>
<tr>
<td>% High School Grad</td>
<td>78.4</td>
<td>72.1</td>
<td>84.1</td>
</tr>
<tr>
<td>Head of Household's Age</td>
<td>34.2</td>
<td>34.2</td>
<td>34.2</td>
</tr>
<tr>
<td>Children’s Mean Age</td>
<td>6.6</td>
<td>6.6</td>
<td>6.7</td>
</tr>
<tr>
<td>% Homeless</td>
<td>13.4</td>
<td>14.8</td>
<td>12.2</td>
</tr>
<tr>
<td>% Currently Working</td>
<td>56.6</td>
<td>60.6</td>
<td>52.9</td>
</tr>
<tr>
<td>% Satisfied with Current Neighborhood</td>
<td>50.8</td>
<td>47.9</td>
<td>53.4</td>
</tr>
<tr>
<td>% Unsatisfied with Any Child's Current School</td>
<td>14.6</td>
<td>15.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Number of Observations</td>
<td>425</td>
<td>204</td>
<td>221</td>
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</table>

F-Test for Treat-Control Balance:  

<table>
<thead>
<tr>
<th>F-Statistic</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.156</td>
<td>0.245</td>
</tr>
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</table>
Outline

1. Program Description and Experimental Design
2. Treatment Effects
3. Mechanisms
4. Conclusion
Fraction of Families Who Leased Units in High Opportunity Areas

Share of Households Who Have Moved to High Opportunity Areas

- Control: 15.4%
- Treatment: 53.2%

Difference: 37.8 pp
SE: (4.2)
Fraction of Families Who Leased Units in High Opportunity Areas

Difference: **37.8 pp**
SE: (4.2)

Historical mean rate: 11.6%

Share of Households Who Have Moved to High Opportunity Areas

Control: 15.4%

Treatment: 53.2%

Difference: 37.8 pp
SE: (4.2)
Fraction Who Leased Any Unit

<table>
<thead>
<tr>
<th>Share of Households Who Have Moved</th>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>86.8%</td>
<td></td>
<td>87.3%</td>
</tr>
</tbody>
</table>

Difference: **0.5 pp**
SE: (3.3)
Fraction Who Leased Units in High Opportunity Areas, Conditional on Leasing Up Using Voucher

Share of Households Who Have Moved to High Opportunity Areas, Given They Moved

Control: 17.8%

Treatment: 61.0%

Difference: 43.2 pp
SE: (4.6)
Destination Locations for Families that Leased Units Using Housing Vouchers

- High-Opportunity Area
- Control
- CMTO Treatment

- West Seattle
- Rainier Valley
- Capitol Hill
- Northeast Seattle
- Lake City
- Inglewood
- Ballard
- Magnolia
- Cougar Mountain
- Issaquah
- Tukwila
- Kent
- East Hill
- Lea Hill, Auburn
- Burien
- Des Moines
Predicted Impacts on Upward Mobility

- How much do these moves improve children’s rates of upward income mobility?

- Cannot directly answer this question yet, but can make a prediction based on historical data on upward mobility by tract from the Opportunity Atlas
Upward Mobility in Destination Neighborhoods

Mean Household Income Rank (p=25) in Neighborhood

Control: 44.6
Treatment: 46.2

Difference: **1.6 ranks**  
SE: (0.4)
Predicted Impact on Upward Mobility

- Treatment effect on observed rate of upward mobility in destination tracts = 1.6 percentiles

- Translate this into predicted causal impact on earnings for a given child whose family is induced to move to a high-opportunity area by CMTO by making two adjustments
  1. Chetty, Friedman, Hendren, Jones, and Porter (2018) estimate that 62% of the observational variation in upward mobility across tracts is due to causal effects
  2. 37.8% of families induced to move to high-opportunity neighborhoods by treatment

- Adjusting for these two factors → causal effect of $1.6 \times \frac{0.62}{0.378} \approx 2.6$ percentiles
  - About $3,000 (8.4\%)$ in annual household income or $212,000 (undiscounted) over a child’s lifetime

- Alternative scaling: moving to a high-opportunity area reduces the intergenerational persistence of income (p25-75 gap in outcomes) by about 20%
Treatment Effects By Race and Ethnicity

Percent of Households Who Moved to High Opportunity Areas

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Control</th>
<th>Treatment</th>
<th>Diff.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Non-Hispanic</td>
<td>11.2%</td>
<td>48.0%</td>
<td>36.8%</td>
</tr>
<tr>
<td>White Non-Hispanic</td>
<td>19.6%</td>
<td>62.3%</td>
<td>42.7%</td>
</tr>
<tr>
<td>Other Race/Ethnicity</td>
<td>19.6%</td>
<td>56.6%</td>
<td>37.0%</td>
</tr>
</tbody>
</table>

Diff. = 36.8 (5.9)  
Diff. = 42.7 (9.0)  
Diff. = 37.0 (8.5)
Satisfaction with New Neighborhoods
Based on Surveys Six Months Post-Move

“Very Satisfied” with New Neighborhood?

- Control: 45.5%
- Treatment: 64.2%

Difference: 18.7 pp
SE: (10.1)

“Very Sure” Will Stay?

- Control: 30.3%
- Treatment: 47.7%

Difference: 17.4 pp
SE: (9.8)
Satisfaction in New Neighborhood by Type of Area Leased In

“Very Satisfied” with New Neighborhood?

- Moved to Non-Opp. Area: Control 30.4%, Treatment 88.9% (Diff. = 58.5 (17.2), n = 23)
- Moved to Opp. Area: Control 42.9%, Treatment 73.1% (Diff. = 30.3 (10.4), n = 28)

“Very Sure” Will Stay?

- Moved to Non-Opp. Area: Control 17.4%, Treatment 66.7% (Diff. = 49.3 (16.5), n = 9)
- Moved to Opp. Area: Control 32.1%, Treatment 53.7% (Diff. = 21.6 (11.1), n = 67)
Persistence of Treatment Effects, Conditional on Leasing Up Using Voucher
Up to Three Years Post-Move

Percentage of Households who Live in a High Opportunity Area

- **Treatment**
  - Feb 7, 2019: 63.5%
  - Feb 7, 2020: 63.8%
  - Feb 7, 2021: 60.8%
  - Feb 7, 2022: 58.6%

- **Control**
  - Feb 7, 2019: 19.7%
  - Feb 7, 2020: 21.9%
  - Feb 7, 2021: 21.1%
  - Feb 7, 2022: 22.4%

Change in Treatment Effect from Initial Move to Feb 7, 2022: **-7.6 pp**
SE: (7.3)
Implications for Models of Neighborhood Choice

- Experimental results suggest that barriers play a central role in neighborhood choice and prevent low-income families from moving to high-opportunity neighborhoods that they prefer ex-post

- Frictionless model would require that 43% of people happen to have (net) willingness to pay for low-opportunity areas between $0 and $2,670 (cost of treatment)
$2,670 (cost of CMTO program)

61.0% have WTP < $2,670 for low-opportunity neighborhood

17.8% have WTP < $0 for low-opportunity neighborhood

$2,670 (cost of CMTO program)

Distribution of Preferences for High Opportunity Neighborhoods Implied by Frictionless Model
Experimental results suggest that barriers play a central role in neighborhood choice and prevent low-income families from moving to high-opportunity neighborhoods that they prefer ex-post

- Frictionless model would require that 43% of people happen to have (net) willingness to pay for low-opportunity areas between $0 and $2,670 (cost of treatment)

- These barriers could potentially be captured in a standard model of housing search (e.g., Wheaton 1990; Kennan and Walker 2011) with sufficiently large search costs

- Important to unpack what these costs are to understand how to reduce them
Outline

1. Program Description and Experimental Design
2. Treatment Effects
3. Mechanisms
4. Conclusion
Mechanisms

- What are the barriers families face in moving to higher-opportunity areas?

- Two quantitative approaches:
  
  1. Second phase of experiment with unbundled treatments: financial assistance only and light-touch (non-customized) services
  
  2. Quasi-experimental analysis of other policy changes (e.g., increased payment standards)
### Summary Statistics for Experimental Sample – Phase 2

<table>
<thead>
<tr>
<th>Head of Household Characteristics</th>
<th>Pooled Mean</th>
<th>Control Mean</th>
<th>Treatment Arm 1 Mean</th>
<th>Treatment Arm 2 Mean</th>
<th>Treatment Arm 3 Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Household Income ($)</td>
<td>$19,260</td>
<td>$17,370</td>
<td>$16,844</td>
<td>$21,845</td>
<td>$20,675</td>
</tr>
<tr>
<td>% Black Non-Hispanic</td>
<td>48.1</td>
<td>54.8</td>
<td>47.7</td>
<td>50.0</td>
<td>40.3</td>
</tr>
<tr>
<td>% Less than High School Grad</td>
<td>16.0</td>
<td>19.2</td>
<td>24.6</td>
<td>13.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Age (years)</td>
<td>33.9</td>
<td>33.4</td>
<td>32.9</td>
<td>35.1</td>
<td>34.2</td>
</tr>
<tr>
<td>Children's Average Age</td>
<td>6.7</td>
<td>6.6</td>
<td>6.2</td>
<td>7.0</td>
<td>7.1</td>
</tr>
<tr>
<td>% Homeless</td>
<td>8.7</td>
<td>8.2</td>
<td>9.2</td>
<td>8.5</td>
<td>9.1</td>
</tr>
<tr>
<td>% Currently Working</td>
<td>56.3</td>
<td>49.3</td>
<td>49.2</td>
<td>64.8</td>
<td>61.0</td>
</tr>
<tr>
<td>% Satisfied with Current Neighborhood</td>
<td>50.0</td>
<td>48.5</td>
<td>45.8</td>
<td>49.2</td>
<td>55.7</td>
</tr>
<tr>
<td>% Unsatisfied with Any Child's Current School</td>
<td>20.1</td>
<td>23.7</td>
<td>20.5</td>
<td>20.0</td>
<td>16.4</td>
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<tr>
<td>Number of Observations</td>
<td>287</td>
<td>73</td>
<td>65</td>
<td>72</td>
<td>77</td>
</tr>
</tbody>
</table>

F-Test for Treat-Control Balance:  
- F-Statistic: 0.994, 0.983, 1.563  
- P-Value: 0.494, 0.511, 0.04
Fraction Who Leased Units in High Opportunity Areas in Phase 2 of the CMTO Experiment

- Control: 12.5%
- T1: 21.4%
- T2: 26.3%
- T3: 53.3%

Differences:
- T1 vs Control: Diff. = 8.9 (6.4)
- T2 vs T1: Diff. = 13.8 (6.5)
- T3 vs T2: Diff. = 40.8 (6.9)
We also conducted a qualitative study of 161 families in Phase 1 and 90 families in Phase 2 interviewed for two hours each during search process and post-move.

Key lessons from these interviews (based on systematic coding of 8,000 pages of transcripts):

1. [Scarcity] Most families have extremely limited time and resources to search [Mullainathan and Shafir 2013]

2. [Customization] Case workers’ ability to respond to each family’s **specific** needs is crucial above and beyond standardized resources
### Five Key Mechanisms Underlying the Treatment Effects

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</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treated Families who Moved to High-Opportunity Nbhd.</td>
<td>74</td>
<td>60.8%</td>
<td>31.1%</td>
<td>73.0%</td>
<td>60.8%</td>
</tr>
<tr>
<td>All Treated Families</td>
<td>117</td>
<td>50.4%</td>
<td>25.6%</td>
<td>53.8%</td>
<td>47.0%</td>
</tr>
<tr>
<td>Phase 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment Arm 1 (Incentivized Information)</td>
<td>37</td>
<td>5.4%</td>
<td>24.3%</td>
<td>2.7%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Treatment Arm 2 (Reduced Support Services)</td>
<td>34</td>
<td>38.2%</td>
<td>32.4%</td>
<td>52.9%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Treatment Arm 3 (Full Customized Services)</td>
<td>19</td>
<td>68.4%</td>
<td>26.3%</td>
<td>52.6%</td>
<td>31.6%</td>
</tr>
</tbody>
</table>
Illustrative Quotes

Emotional/Psychological Support
“It was this whole flood of relief. It was this whole flood of, “I don’t know how I’m going to do this” and “I don’t know what I’m going to do” and “This isn’t working,” and yeah...I think it was just the supportive nature of having lots of conversations with Megan.” –Jackie

Brokering with Landlords
“When you find a place, I will come with you and we will help you to fill out the application. I will talk with the landlord, I will help you to do a lot of stuff, that maybe sometimes will be complicated.” –Leah

Short-Term Financial Assistance
“I’m not going to be able to pay here and then there [in the new apartment] ...They were able to get me more money, so that they would pay more of my first portion of my rent. Because they understood the situation that I was in.” –Jennifer
Impacts of Financial Incentives:
Evidence From Changes in Rent Payment Standards

- Study two changes in payment standards that preceded CMTO experiment using a difference-in-differences design

1. March 2016: King County switched from a two-tier to five-tier payment standard, effectively increasing payment standards in more expensive areas of the county

2. February 2018: Seattle effectively increased payment standards in areas designated as “high opportunity” by making a supplemental payment to families with children
CMTO Has Much Larger Impact on Moves to Opportunity than Small Area Payment Standards

Effect of 5-Tier Reform: -3.59 ranks (5.75)
Effect of Increase in Payment Standards for High-Opportunity Areas in Seattle
Difference-in-Difference Estimate

Note: data shown from May 2018 onward are based on control group in CMTO experiment

DD Estimate: 10.6 pp (5.01)
Conclusions

1. Residential segregation of low-income families in the U.S. is driven more heavily by constraints than ex-ante preferences

2. Redesigning existing affordable housing policies to reduce such barriers could reduce segregation and increase upward mobility substantially
H. R. 5793

IN THE SENATE OF THE UNITED STATES
JULY 11, 2018

Referred to the Committee on Banking, Housing, and Urban Affairs

AN ACT

To authorize the Secretary of Housing and Urban Development to carry out a housing choice voucher mobility demonstration to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Housing Choice Voucher Mobility Demonstration Act of 2018".

SECTION 2. HOUSING CHOICE VOUCHER MOBILITY DEMONSTRATION.

(a) AUTHORITY.—The Secretary of Housing and Urban Development (in this section referred to as the “Secretary”) may carry out a mobility demonstration program to enable public housing agencies to administer housing choice voucher assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in a manner designed to encourage families receiving such voucher assistance to move to lower-poverty areas and expand access to opportunity areas.

(b) SELECTION OF PHAs.—

(1) REQUIREMENTS.—The Secretary shall establish requirements for public housing agencies to participate in the demonstration program under this section, which provide that the following public housing agencies may participate:
Conclusions

1. Residential segregation of low-income families in the U.S. is driven more heavily by constraints than ex-ante preferences.

2. Redesigning existing affordable housing policies to reduce such barriers could reduce segregation and increase upward mobility substantially.

3. More broadly, social determinants of choice appear to be extremely important, beyond traditional financial considerations.
From Jasmine, 7 years old, whose family moved to a high-opportunity area in Seattle
Appendix Figures
Preliminary vs Final Version of Opportunity Atlas Upward Mobility Measure

Final Version of Opportunity Atlas

Preliminary Forecasts Used to Define High-Opportunity Areas

Population-Weighted Correlation Across Tracts: 0.74
Satisfaction in Neighborhood at Baseline by Type of Area

**Satisfaction with Neighborhood at Baseline**

- Moved to Non-Opp. Area: Control 25.6%, Treatment 25.0%
- Moved to Opp. Area: Control 23.9%, Treatment 20.8%

**Difference**

- Moved to Non-Opp. Area: Diff. = -0.6 (8.3)
- Moved to Opp. Area: Diff. = -3.2 (6.4)

**Percentage Very Sure They Will Stay in Neighborhood at Baseline**

- Moved to Non-Opp. Area: Control 20.9%, Treatment 13.9%
- Moved to Opp. Area: Control 21.1%, Treatment 18.9%

**Difference**

- Moved to Non-Opp. Area: Diff. = -7.0 (7.5)
- Moved to Opp. Area: Diff. = -2.3 (6.1)
Post-Move Treatment Effects on Neighborhood Satisfaction

Satisfaction with New Neighborhood

Certainty about Wanting to Stay in New Neighborhood

Difference in % Very Satisfied: **18.7pp**
SE: (10.1)

Difference in % Very Sure Want to Stay: **17.4pp**
SE: (9.8)
Distribution of Upward Mobility in Destination Tracts

Control

Treatment

Density

Upward Mobility (Predicted Income Rank in Adulthood of Child with Parents at 25th Percentile) in Destination Tract
Distribution of Upward Mobility in Destination Tracts

Control Mean = 45th Pctile
T1 Mean = 45th Pctile
T2 Mean = 45th Pctile
T3 Mean = 47th Pctile

Upward Mobility (Predicted Income Rank in Adulthood of Child with Parents at 25th Percentile) in Destination Tract

- Control
- Financial Assistance
- Partial Services
- Full Treatment

Density
Fraction Who Leased **Any** Unit in Phase 2 of the CMTO Experiment

- **Control**: 65.8%
- **T1**: 89.3% (Diff. = 23.5, 6.8)
- **T2**: 82.3% (Diff. = 16.5, 7.2)
- **T3**: 89.7% (Diff. = 23.9, 6.6)
Fraction Who Leased Units in High Opportunity Areas, Conditional on Leasing Up Using Voucher, in Phase 2 of the CMTO Experiment

Percent of Households Who Moved to High Opportunity Areas

- **Control**: 19.1%
- **T1**: 24.0%
- **T2**: 32.2%
- **T3**: 59.3%

Differences:
- T3 vs. Control: Diff. = 40.2 (8.3)
- T3 vs. T2: Diff. = 13.1 (8.5)