WHO LIVES *in* FEDERALLY ASSISTED HOUSING?

Characteristics of Households Assisted by HUD programs

Approximately 4.8 million households in the United States receive housing assistance through programs of the U.S. Department of Housing and Urban Development (HUD). Up-to-date data about who these tenants are have been hard to come by for many years, helping to fuel misconceptions and misinformation about who lives in federally assisted low income housing.

Fortunately, HUD has made available a new household-level Public Use Microdata Sample (PUMS) that provides an in-depth look at the characteristics of tenants participating in major federally assisted housing programs. The new dataset complements HUD's periodic report, *A Picture of Subsidized Households*, which was last published in 2009. *Picture* provides the same type of data reported here, aggregated to either the property level or to a certain geographic level. The new PUMS data offer a closer look at households that received federal housing assistance in 2009, based on a 5% randomly selected sample of all households participating in the Housing Choice Voucher, public housing, Project-Based Section 8, Section 202 and Section 811 programs (See program definitions on page 4).

Approximately 4% of all households in the United States and 12% of all U.S. renter households receive federal housing assistance. About 1.1 million households live in public housing, and 2.1 million households utilize housing vouchers. An additional 1.3 million households live in apartments subsidized through the Project-Based Section 8 program, and 140,000 households live in units subsidized through

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the Section 202 and Section 811 programs, programs that serve people who are elderly and people with disabilities, respectively.

Unfortunately, the number of low income households who receive housing assistance from these HUD programs is far fewer than those who need it and are eligible for it. Only 1 in 4 households eligible for assistance are actually assisted.[1] As of 2010, there were 9.8 million extremely low income[2] (ELI) renter households in the United States, and 7.4 million of these households faced a severe housing cost burden, spending at least half of their income on the costs of rent and utilities alone.[3]

In this issue of *Housing Spotlight*, NLIHC provides an overview of tenant demographic characteristics, covering race, gender, income and family type. In addition, we look at the poverty level of the neighborhoods where tenants reside. Our findings affirm that housing assistance goes to those who need it the most: extremely low income households, many of which include seniors, children and people with disabilities.

The vast majority of households living in subsidized housing earn less than $20,000 a year. This ranges from 86% of those who live in public housing to 96% and 98% of those receiving assistance from the Section 202 and Section 811 programs. Close to two-thirds (63%) of households living in Project-Based Section 8 units and 51% of those in public housing are composed of people who are elderly or have at least one member who has a disability.

[1] Steffan, B. et al. (2011). *Worst case housing needs 2009: report to congress*. Washington, D.C.: HUD.
[2] Extremely low income households are those with incomes at or below 30% of the area median income.
[3] National Low Income Housing Coalition tabulations of 2010 American Community Survey Public Use Microdata Sample (PUMS) Housing and Population files.

HOUSEHOLD TYPE

Elderly households (those including a household head or spouse who is at least 62) are a large part of the tenant population across all programs. Nearly a third (30%) of public housing residents are elderly, as are nearly half (46%) of residents in Project-Based Section 8 housing. Households including a member with disabilities are also a sizeable group, composing one-fifth (21%) of those living in public housing, and over a quarter (28%) of voucher recipients (See Table 1). Both of these household types are very likely to be living on a fixed income such as Supplemental Security Income or Social Security and thus will need housing assistance for most of the rest of their lives.

A little more than a third (35%) of public housing households include children under the age of 18, and 43% of households with vouchers have children (See Table 1).

INCOME

On the whole, assisted housing tenants are among the lowest income people in the U.S. Almost all (93%) tenants living in Project-Based Section 8 units have incomes less than $20,000 a year, and 87% of households with vouchers also have incomes of less than $20,000. Public housing is no different, with 86% having incomes under $20,000. This pattern does not vary widely by race; most households have extremely low incomes across racial groups. These data confirm that these housing programs are serving households who are most in need of affordable housing (See Table 2).

GENDER

Across all housing assistance programs, female-headed households are disproportionately common. Female-headed households include any household where the primary applicant for housing assistance was female.

As shown in Chart 1, three-quarters of households living in public housing and in Project-Based Section 8 housing are female-headed, and over 83% of voucher-holding households are headed by women. A large proportion (72%) of Section 202 housing units are also home to female-headed households.

table 1 | HOUSEHOLD TYPE BY HOUSING PROGRAM

	Household with disability*	Elderly*	Non-elderly, non-disabled, with children	Non-elderly, non-disabled, without children
Project-Based Section 8	17%	46%	28%	9%
Public Housing	21%	30%	35%	13%
Section 202	1%	99%	0%	0%
Section 811	84%	15%	0%	1%
Vouchers	28%	19%	43%	10%

*Elderly households and household with at least one member with a disability include some households with children.
Source: NLIHC tabulations of Public Use Microdata Sample. www.huduser.org/portal/pumd/index.html.

table 2 | HOUSEHOLDS WITH INCOMES BELOW $20,000 BY HOUSING PROGRAM AND RACE*

	Black	Hispanic	White	Other	All
Project-Based Section 8	93%	90%	95%	94%	93%
Public Housing	85%	84%	91%	86%	86%
Section 202	95%	98%	97%	98%	96%
Section 811	98%	100%	98%	100%	98%
Vouchers	84%	85%	92%	85%	87%

*These calculations exclude households for which data on race are not available.
Source: NLIHC tabulations of Public Use Microdata Sample. www.huduser.org/portal/pumd/index.html.

chart 1 | PERCENTAGE OF FEMALE-HEADED HOUSEHOLDS BY HOUSING PROGRAM

Program	Percentage
Project-Based Section 8	75%
Public Housing	75%
Section 202	72%
Section 811	47%
Vouchers	83%

Source: NLIHC tabulations of Public Use Microdata Sample. www.huduser.org/portal/pumd/index.html.

RACE[4]

According to the 2010 American Community Survey (ACS), non-Hispanic whites make up 71% of all households in the U.S, 56% of renters and 47% of ELI renter households. While black households compose 12% of all households, and 19% of renters, they are overrepresented among ELI renter households (26%). Hispanics compose another 12% of all households, 18% of renters and 19% of ELI renters.

The distribution of residents living in Project-Based Section 8 housing units is similar to the racial composition of ELI renters. About half (49%) of Project-Based Section 8 residents are white, about a third (33%) are black and 13% are Hispanic (See Chart 2).

Across all public housing, about 45% of residents are black while another third (32%) are white and a little over 20% are Hispanic. The residents utilizing housing vouchers resemble those of public housing, with a slightly higher proportion (35%) of white tenants and a slightly lower proportion (16%) of Hispanic tenants. Black households are 45% of voucher holders (See Chart 2).
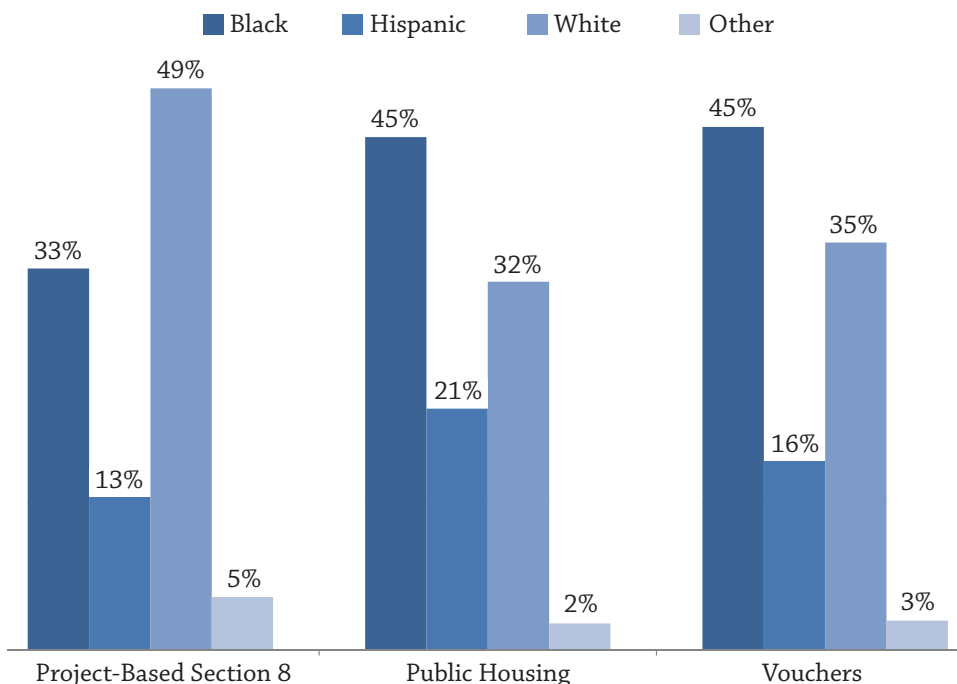
POVERTY RATES BY CENSUS TRACT

Public housing tenants tend to be clustered in census tracts with high poverty rates, and black and Hispanic residents of public housing are the most likely to live in census tracts with poverty rates over 40%. Chart 3 shows that black and Hispanic public housing residents are four times more likely than white public housing residents to live in high poverty neighborhoods, and black and Hispanic voucher recipients are about three times as likely as their white counterparts to live in high poverty neighborhoods. Census tracts with a poverty rate of 40% or more fell into the highest poverty concentration category within the dataset. The 40% threshold is commonly used as a measure of extremely high poverty.[5]

[4]All 2010 American Community Survey data in this section are from National Low Income Housing Coalition tabulations of Public Use Microdata Sample (PUMS) Housing and Population files.
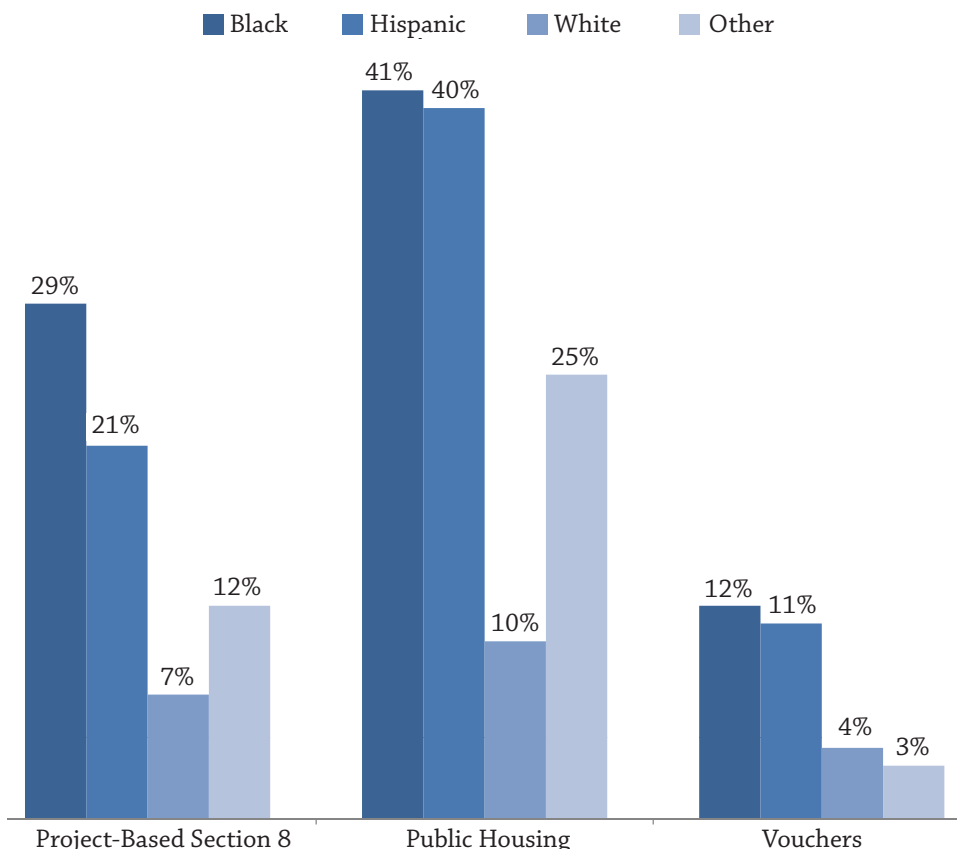
[5]Kneebone, E., et al. (November 2011). *The re-emergence of concentrated poverty*. Washington, D.C.: Brookings Institution.

chart 2 | HOUSEHOLDS BY RACE, ACROSS HOUSING PROGRAMS*

Legend: Black, Hispanic, White, Other

Project-Based Section 8: Black 33%, Hispanic 13%, White 49%, Other 5%
Public Housing: Black 45%, Hispanic 21%, White 32%, Other 2%
Vouchers: Black 45%, Hispanic 16%, White 35%, Other 3%

*These calculations exclude households for which data on race are not available.
Source: NLIHC tabulations of Public Use Microdata Sample. www.huduser.org/portal/pumd/index.html.

chart 3 | HOUSEHOLDS LIVING IN HIGH POVERTY NEIGHBORHOODS (40% +) BY RACE, ACROSS HOUSING PROGRAMS*

Legend: Black, Hispanic, White, Other

Project-Based Section 8: Black 29%, Hispanic 21%, White 7%, Other 12%
Public Housing: Black 41%, Hispanic 40%, White 10%, Other 25%
Vouchers: Black 12%, Hispanic 11%, White 4%, Other 3%

*These calculations exclude households for which data on race are not available.
Source: NLIHC tabulations of Public Use Microdata Sample. www.huduser.org/portal/pumd/index.html.

Voucher recipients are not as likely as public housing residents to live in census tracts with the highest poverty rates, although this pattern varies by race. As indicated in Table 3, a substantial proportion (28%) of white voucher recipients live in the lowest poverty neighborhoods (with poverty rates of 0-9%), while just 16% of black and 14% of Hispanic residents live in similarly low poverty communities. Both black and Hispanic voucher recipients are less likely than their counterparts in public housing to live in the highest poverty census tracts.

table 3 | CENSUS TRACT POVERTY RATES BY HOUSING PROGRAM AND RACE*					
Census Tract Poverty Rates*:	0 - 9%	10 - 19%	20 - 29%	30 - 39%	40% +
Project-Based Section 8					
Black	6%	18%	25%	22%	29%
Hispanic	8%	25%	25%	21%	21%
White	25%	37%	22%	10%	7%
Other	21%	28%	27%	12%	12%
Public Housing					
Black	4%	13%	21%	21%	41%
Hispanic	4%	13%	20%	24%	40%
White	15%	36%	27%	13%	10%
Other	11%	20%	23%	21%	25%
Section 202					
Black	10%	23%	30%	19%	18%
Hispanic	16%	27%	26%	17%	13%
White	37%	37%	19%	5%	2%
Other	22%	39%	26%	6%	7%
Section 811					
Black	14%	25%	26%	20%	15%
Hispanic	28%	33%	5%	13%	21%
White	35%	31%	21%	9%	4%
Other	59%	27%	15%	0%	0%
Vouchers					
Black	16%	29%	27%	17%	12%
Hispanic	14%	31%	26%	17%	11%
White	28%	40%	21%	7%	4%
Other	25%	41%	23%	8%	3%

*These calculations exclude households for which census tract poverty rate data and data on race were not available.
Source: NLIHC tabulations of Public Use Microdata Sample. www.huduser.org/portal/pumd/index.html.

PROGRAM DEFINITIONS

PROJECT-BASED SECTION 8

This housing is subsidized through long-term contacts between HUD and private property owners. The owner agrees to provide housing to eligible tenants in exchange for a long-term subsidy from HUD. Project-based assistance limits tenant contributions to 30% of a household's income. Assistance is attached to the unit, and stays with the housing when the tenant moves.

PUBLIC HOUSING

Public housing is housing that is owned and operated by local public housing agencies. HUD provides federal funds to local housing agencies that manage the properties and rent units to eligible low income households. Rents are restricted to 30% of a household's income.

SECTION 202

This HUD program provides government loans or grants to nonprofits to develop housing for low income people who are elderly. The program provides both capital grants and rental assistance contracts.

SECTION 811

This HUD program provides funding to nonprofits to develop housing with supportive services for very low income adults with disabilities. The program provides rent subsidies to the projects, making them affordable.

VOUCHERS

Administered by state and local housing authorities, Housing Choice Vouchers are allocated to households and provide a rental subsidy, limiting the tenant's contribution to 30% of their income. Vouchers help low income households find affordable housing in the private housing market by reimbursing the landlord for the difference between the household's portion of the rent and the fair market rent for that area as determined by HUD.

CONCLUSION

HUD's new publicly accessible database helps residents, researchers and advocates understand the characteristics of the households that rely on federal housing assistance programs. The data reveal that households served by housing assistance programs are extremely low income; many are elderly or contain members with a disability, and many are led by women and include children. These demographic characteristics are not surprising. They closely parallel recent findings from the 2011 Current Population Survey Annual Social and Economic Supplement.

In 2011, the U.S. Census Bureau counted 46.2 million Americans living in poverty in the United States, a poverty rate of 15% (U.S. Census Bureau, 2012).[6] The poverty rate for 2011 is much higher among women and children; nearly half of children under age 18 living in a female-headed household live in poverty. In all, demographic groups disproportionately affected by poverty are also more likely to be served by federal housing assistance programs.

The HUD microdata also provide important insight into the geographic distribution of housing assistance by race. The data suggest that receipt of housing assistance alone is not an indicator of the poverty level of the neighborhood in which a household lives. However, race and, to a lesser extent, the specific housing program, seem to play a role. Black households living in public housing are four times more likely than their white counterparts to live in census tracts where the poverty rate exceeds 40%. Among voucher holders, the story is different: just 12% of black households live in high poverty census tracts compared to 4% of white households.

Improvements to existing housing assistance programs can shift these consequences of federal housing policy. For example, the revitalization of public housing through current efforts like the Rental Assistance Demonstration and the Choice Neighborhoods Initiative should provide public housing residents with more choices in their housing. As neighborhoods and properties improve, residents may wish to stay in or close to their communities. And some residents may wish to use a voucher to move to other neighborhoods. Both options should be provided to public housing residents.[7]

Improvements to the voucher program itself can also help increase renter choice. NLIHC supports HUD's efforts to better match the value of rental assistance provided by a voucher with the actual rents in a particular neighborhood. This shifting from a single, metropolitan-wide assistance value to rental assistance tied to the local cost of renting in a neighborhood, by ZIP code, will give voucher-assisted households greater opportunity to live in neighborhoods of their choosing.

NLIHC also supports more regional approaches to voucher administration and protection against housing discrimination based on income source.

However, these reforms will not end the shortage of housing that the lowest income households in the U.S. can afford. That requires new investments in affordable housing such as the National Housing Trust Fund.

For more information on the National Housing Trust Fund, go to www.nhtf.org.

ABOUT THE DATA

The Public Use Microdata Sample is available to researchers upon request. Although public, prospective users must provide their names, institutions and email addresses and certify that they will use the data for legitimate research purposes and will in no way use the data to try to identify households. One of HUD's primary concerns is the privacy of the tenants served by these programs. HUD used strategies in the data to ensure that no personally identifiable information is revealed with this release. HUD's goal is to update this database annually.

To request access, please visit HUD's website at www.huduser.org/portal/pumd/index.html.

[6] DeNavas-Walt, C., Proctor, B.D., and Smith, J.C. (September 2012). *Income, poverty, and health insurance coverage in the united states, 2011.* www.census.gov/prod/2012pubs/p60-243.pdf.
[7] Crowley, S. and Pelletiere, D. (2012). *Affordable housing dilemma: the preservation vs. mobility debate.* Washington, D.C.: National Low Income Housing Coalition. http://nlihc.org/sites/default/files/Affordable_Housing_Dilemma_Report_May-2012.pdf.

MEMBER BENEFITS

Housing Spotlight is among the valuable reports produced by NLIHC. An increased supply of housing data in the past few years means it can be difficult to know what data to use and when. One of the benefits of being an NLIHC member is that our Research Team is here to help you understand the data and identify the statistics you really need to become a more effective advocate. This assistance is provided at no additional charge.

To take advantage of this great membership benefit, contact NLIHC Research Director Megan Bolton.

Join NLIHC and become eligible for research assistance and other benefits at www.nlihc.org/join.

FOR MORE INFORMATION

If you are interested in learning more about the datasets mentioned in this edition of *Housing Spotlight,* have questions on the methodology used, or have any other comments or questions, please contact NLIHC's Research Team.

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NATIONAL LOW INCOME HOUSING COALITION

The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

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