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TEMPORARY HOUSING OR PERMANENT COMMUNITIES?  
THE DETERMINANTS OF TENURE AMONG PUBLIC HOUSING RESIDENTS

by

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## ABSTRACT

### Temporary Housing or Permanent Communities? The Determinants of Tenure Among Public Housing Residents

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Although federal housing policy has largely shifted from government-operated, subsidized housing developments, some individuals remain in public housing for extended lengths of time. This dissertation analyzes the determinants of tenure among public housing residents between 1986 to 2011. Using a national sample of public housing residents from the Panel Survey of Income Dynamics, this dissertation ascertains the individual characteristics, intergenerational parental effects, housing market factors and local economic conditions associated with longer stints of tenure. The results suggest that tenure and age were significant in terms of the odds of exiting public housing. In addition, levels of neighborhood poverty and median household income had significant effects on the likelihood of exit. However, neither individual characteristics nor neighborhood conditions could fully explain duration dependence. Furthermore, the results suggest all racial groups tend to exit public housing at the same rate; however, it implies African Americans have higher rates of entry. This dissertation discusses individual and structural barriers of mobility surrounding public housing and other housing assistance programs. It also reconsiders current debates around poverty and place-based strategies as a means of understanding the intersection of individual and structural constructions of poverty. Future research should explore extended durations of

poverty spells within newly formed communities as a method of determining the effectiveness of public assistance programs and neighborhood development.

## PREFACE

I have never lived in public housing. Yet, I spent a lot of time there growing up in Philadelphia, PA. Whether it was walking through Westpark Plaza to go to an elementary school basketball game at St Ignatius or watching the recent demolition of the Queen Lane and Norman Blumberg apartment sites, the “projects” have always been a staple of my neighborhood. Even when I graduated undergrad from Penn State, I moved to southwest Philly minutes away from Paschall Apartments. Not too long after my return, Paschall Apartments was surrounded with a metal gate, and I started to read articles of its upcoming redevelopment efforts. These apartments dated back to the mid-1960s, a pivotal moment in urban housing policy history. Paschall Apartments were slated for demolition in order to be redeveloped into a high-performance, green development. Opening in 2011, Paschall Village emerged, a newly designed energy efficient housing development replacing the outmoded, concrete structures of the past. However, beyond this obsolete form of substandard living, there was a community.

Looking at the construction of Paschall Village as it was taking place, I continuously wondered about *where did the former residents go?* I was curious about *how long did people live there before the demolition, did they move to another project or did they get a housing voucher, or did not have a place to live at all?* Lastly, *if Paschall Apartments needed to be completely demolished because of its deplorable conditions, why did the government let the projects get to that point in the first place?* Having little knowledge about the historical development of public housing beyond my individual experience, I embarked on a quest to understand why things were changing so rapidly in Philly. In the eyes of many, construction and redevelopment are a good thing. Yet, if you asked my

grandmother would she leave her home for a new, bigger house in a “better” neighborhood, she would quickly respond, “Why the hell would I do that?”

This dissertation explores the history of urban housing policy in order to understand neighborhood change. The story of housing policy is vast; however, an examination of public housing yields itself to other areas of social inquiry including poverty dynamics, urban politics, community development, regional planning, and social inequality. The convergence of individual choice and structural conditions has dominated poverty literature forcing scholars to align with one side of the aisle. This intersection of both individual and structural factors elucidates the nuanced nature of poverty altogether. This analysis serves as the beginning of an empirical journey to understand issues surrounding my own neighborhood. The formulation of research questions does not only judge the society in which we live, but my own existence. It is here where I begin my quest.

## ACKNOWLEDGEMENTS

To many, the scholastic journey of college begins and ends at the undergraduate level. That odyssey tends to be filled with many obstacles. Whether it is latent with family issues, academic setbacks or battles with the financial aid office, the path to graduation is not equitable depending on one's social position within society. The culmination of this academic adventure realized in a successful defense of the dissertation and the writing of this section is a milestone for many and not just of myself.

This dissertation is dedicated to two exemplary individuals: Lola D. White and Richard Johnson. Affectionately called "Nana", my grandmother has been my biggest supporter and the driving force of motivation to complete this journey. In every piece of literature I've read surrounding issues of race, housing, poverty and inequality, I see her life. I see her reality as a single mother of four, a black woman from Tallahassee, FL migrating to Philadelphia, PA, a tough-loving "mother" of some, and a gentile spirit to all. My impatience in completing this dissertation was for you, so that you may bear witness to the man that you have raised. Words will never fully capture the beautiful art of humanity you illustrate.

Secondly, to one of my best friends from high school, Rich, this dissertation is dedicated to you. Your dreams of becoming a lawyer were taken away from you weeks after our graduation from the Prep. I vividly remember when we got t-shirts and dog-tags made in honor of your passing. That same t-shirt currently hangs in my office and will continue to do so for as long as I live. Your departure reminded us all of a reality we knew too well. Yet, I cherish the times we shared at the Prep whether it was playing video games after school or watching rap battles in an empty classroom, those instances

of escape from the academic rigor of high school and the social, political and economic conditions, which shaped our lives, provided me clarity in a state of conflict. For that, I am eternally grateful.

A great number of individuals aided me in writing this dissertation. I first would like to thank Paul A. Jargowsky, my dissertation chair. I surely would not be the scholar I am today without your continued support and guidance. It stretched beyond the classroom into other arenas, at times forcing me to confront my own ignorance and to find fulfillment in exploring the unknown. In addition, I would like to thank the rest of my dissertation committee, Brandi L. Blessett, Natasha O. Fletcher, and Christopher B. Goodman. I do not think I could have put together a more supportive group. Thank you for not only critically probing my position on a range of topics, but holistically preparing me to be a better academic. Furthermore, I would like to acknowledge the faculty of the Department of Public Policy and Administration at Rutgers University – Camden for your instruction and support over the years. Your faith in me to succeed has been insurmountable. Moreover, to my cohort, Ashley Nickels, Jason Rivera, and Zachary Wood, thank you for sharing in the misery and enlightenment of pursuing a doctorate. Our linked fates surely made this dream attainable.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

Recently, the Supreme Court fortified its position on the Fair Housing Act of 1968 reminding state and local governments that it is illegal to spend money in ways that contributes to the continued production of segregation. Justice Anthony Kennedy wrote in his opinion, “Much progress remains to be made in our nation’s continuing struggle against racial isolation”, after noting that cities have become more diverse under the Fair Housing Act (De Vogue, 2015). Centered on the “disparate impact” of housing decisions regardless of the intentional nature of it, the Supreme Court’s ruling highlights the persistent nature of inequality within housing policy across the nation. Stemming from a long history of racial conflict and political debate, housing policy has served as a critical component for understanding the changing landscape of American cities.

Affordable housing remains a concern as individuals grapple with making choices about where to live with limited options. Other things must be considered when making this choice such as neighborhood amenities, safety, and access to education and employment opportunities. Single individuals tend to look for different amenities than individuals with families. Millennials make different choices than seniors. Even members of different racial groups may consider where to live based off the cultural diversity present in a neighborhood. Yet, even with multiple relationships existing between the choice of where to live and one’s level of satisfaction, the number of options people have is not equal across the board.

For example, millennials struggle with making this decision. According to Trulia's Chief Economist Jed Kolko, Dayton, OH is the most affordable place to live while San Francisco lands at the other end of the spectrum (Thompson, 2014). Thompson (2014) writes about this paradox asserting the best cities to get ahead are often the most expensive places to live, and the most affordable places to live can be the worst cities to get ahead. The decision whether to live in Dayton, OH versus San Francisco, CA is not dependent solely on one's preference on climate. Many factors contribute to making this decision including employment opportunities and housing options. And while this may seem like an issue everyone has, the choice to move from place to place bears not only on local conditions, but also on national ones while individuals relocate to access areas with greater resources.

Based on this perception of the American Dream, the ability to buy a house and raise a family in the land of opportunity seems more like a desperate struggle for survival as the number of options dwindle for most Americans. Homeownership stands at the hallmark of American ideology. As Karolak (2003) argues, this perception was not inherent in the nation's development. The notion of homeownership served multiple purposes such as instilling an instinct in workers for them to invest their savings into their homes to increase war manufacturing productivity, stabilizing neighborhoods around manufacturing to decrease mobility among workers, and creating a vision of shared prosperity so that workers would not strike (Karolak, 2003). The idea of homeownership was to build wealth and create strong and stable communities. Although Karolak's (2003) argument was focused on 1917-1919, the continued promotion of homeownership remains a staple in American identity.

Media coverage of the ebb and flow of homeownership indicates the continued promotion of it as a necessary component of American life. Titles such as “Millennials on the Homeownership Path”, “Homeownership and Wealth Creation”, and “Reaching the American Dream is Harder for People of Color” have appeared in the New York Times within this past year (Prevost, 2015; Editorial Board, 2014; Bender, 2015). While there is a preoccupation with homeownership, there has been a continued shaming of individuals lacking the economic means of acquiring a home for themselves. Up until recently with the changing culture of renting versus buying, homeownership has become so entangled with American ideas of social status (Shlay, 2006). Furthermore, homeownership is expected to bring positive social, behavioral, political, economic and neighborhood changes, many due to the behaviors expected with the economic investment that homeownership represents (Shlay, 2006). This negative depiction of renters is particularly strong regarding individuals utilizing different forms of government assistance (Gilens, 1999).

Public housing operates within the broader realm of federal housing assistance programs. Since its inception in 1937, it has served as a major form of housing in many urban areas such as New York, Chicago, Philadelphia, and Baltimore. Its transformation over the years has served as a pivotal example of social and neighborhood change. As Goetz (2003) argues, “The radical remaking of public housing is an important watershed moment in American domestic policy. An entire policy landscape and urban landscape are being remade” (pg. xi). To interrogate public housing is to question the formation of American urban cities. Vale (2013) also suggests that understanding public housing requires a larger immersion into American cultural and intellectual history. It is here

where I introduce myself among a league of scholars interested in unpacking the historical development of public housing. I am explicitly interested in the way public housing changed the lives of its residents as well as the neighborhoods in which it has been constructed, redeveloped, and even demolished.

As previously stated, public housing operates within a broader environment of government housing assistance programs. Yet, the program itself has caused much controversy as many politicians, scholars, and policymakers have targeted it for criticism. For example, a recent New York Times article paints a vivid picture of economic diversity among public housing residents around the country (Navarro, 2015). Focused on New York, the article argues that organizations such as the New York City Housing Authority (NYCHA) have to balance two critical, yet opposing, objectives: 1) to maintain economic diversity in the crumbling housing projects, and 2) to make room for its neediest residents (Navarro, 2015). And while these same critics may lean one way or another against this assumed juxtaposition, it is necessary not to view these objectives as mutually exclusive.

Serving as a temporary housing option for most individuals, higher earners within public housing are often not forced to leave. Since their rental payments are based off a percentage of their income (usually 30 percent), New York and other housing authorities have encouraged those families above the income threshold to stay because they are positive role models and keep projects from becoming isolated pockets of poverty (Navarro, 2015). But while the attention of this article is particularly looking at the issue of tenure within public housing developments, it also raises questions around the perception of deservedness and poverty altogether. The idea of serving as “role models”

for other residents implies that there is something inherently wrong with the residents not making more than the income threshold for public housing eligibility. Another problem presented here deals with housing affordability and the ability of individuals to acquire and maintain adequate housing options within and beyond their local communities.

This paradox of public housing converges with media and political attention (Gilens, 1999). Heightened attention to poverty spells has caused a macrocosm of concern around the work ethic and self-sufficient nature of individuals in America's capitalistic society. Individuals not progressing economically are often depicted as lazy and skill-less. In addition, those receiving some sort of public assistance are often thought of as dependent upon government aid (Murray, 1984; Magnet, 1993). While I would not argue that this does not exist, I would maintain that its prevalence within popular discourse supersedes its actual presence in everyday life. The extent to which people live in poverty and stay poor is more nuanced than to attribute it solely to an effect of subversive, cultural behavior. I maintain continued arguments surrounding poverty and dependency mask a flawed idea of individualism and equality among all people of this nation. History clearly shows us that the starting point for many individuals is often yards, if not miles, apart.

## **1.2 Problem Statement**

This dissertation attempts to redirect the debate around poverty spells using public housing as a critical domain of inquiry and analysis. Three questions arise as a response not only to the social construction of public housing residents in popular discourse, but empirical research around housing spells, public assistance programs, and welfare

dependency. Such research seems to ground itself within two camps. One camp tends to pinpoint cultural and behavioral explanations for poverty spells while the other camp tends to focus on structural and neighborhood conditions for causes. It is here where the issue lies. Giving precedence or utility to one theoretical framework over another further complicates the concerns associated with public housing. Scholars from each camp tend to focus on a defined set of assumptions around poverty and its causes and effects without positioning both within empirical research. This has led to over-arching or unsupportive assertions about poverty and the ability of poor people. People living in poor places are not monolithic (Navarro, 2015). The behavior of poor people is not the same even within the development of one public housing site.

This dissertation begins to address these concerns raising questions around housing spells and the combined nature of individual and structural causes for longer stints within poverty. The first question directly investigates individual explanations for poverty. The first question asks *what individual characteristics are related to tenure in public housing?* The second question centers on the matter of dependency within public housing. The second question asks *does time spent in public housing have an effect on the odds of an individual exiting public housing?* Lastly, the third question critically looks at both individual and structural conditions and their effect on public housing spells. The third question asks *how do local economic conditions and housing market characteristics affect the odds of leaving public housing, controlling for individual characteristics?* This dissertation addresses and pinpoints the contention surrounding poverty spells more broadly in an effort to provide practical solutions as well as theoretical insight into poverty studies.

### 1.3 Outline

Chapter 2 begins by investigating the historical development of public housing to place this research within the context of political discourse and social change. It is here where I argue that the acceptance of public housing as a suitable housing option is less dependent on the design of the program and more so focused on the perception of the people living in it. Using Schneider and Ingram's (2005) thesis of the social construction of target populations as a basis, I explore public housing to highlight the contradiction between the American ideal of equality and the reality of an underclass of marginalized and disadvantaged people who are largely seen as incompetent and undeserving. Chapter 3 provides a literature review centered on three concepts: 1) the shift of housing policy to address alternative views of poverty, 2) the growth of dependency research to address problems of abuse and mistreatment of government assistance, and 3) the empirical strengths and weaknesses associated with analyzing housing assistance programs as a metric of poverty spells. Chapter 4 details the data and methodology associated with analyzing the aforementioned research questions in this dissertation.

I begin this chapter by discussing the research questions more in depth and provide hypotheses based on previous studies allowing the literature to guide my selection of variables throughout this process. Hypotheses are developed in regards to the perceived relationship between different individual-level characteristics and neighborhood effects upon the likelihood of exit from public housing. Although, there are some assumptions made during this process. Specifically, I assume that public housing was designed to serve as a temporary housing program. That is to say that its use by residents for extended periods of time, specifically longer than 5 years, flies in face of the intention of

the policy altogether. It is important to note here that this assumption is grounded with the background chapter in which I investigate the limited scope of the program as well as the dual nature of the housing stock dilemma held by private interests and government officials alike after World War II. Previous research on the permanency of communities in public housing, due to external concerns such as affordability, social networks, and the overall housing stock, inform this decision (Dinzey-Flores, 2007). Furthermore, because of trends within public housing tenure, I assume that any length of time over 5 years is rather long. The designation between shorter and longer periods of tenure is constantly discussed throughout this dissertation as a method of not only testing the hypotheses, but also as a way to tease out topics of dependency.

In this chapter, I then discuss the use of the Panel Survey of Income Dynamics (PSID). The PSID serves as a useful analytical tool to discuss poverty and housing trends (Holloway et al. 1998; Freeman, 1998). From its inception in 1968, PSID allows one to ascertain changes among individuals and families for longer durations of time. The use of secondary data in this dissertation allows me to ascertain the determinants of housing spells over a 24-year period. This is imperative as other research tends to focus on the use of qualitative methods to perform in-depth or comparative cases studies between two or more different populations over shorter periods of time. Moreover, previous quantitative studies have also been limited in their scope utilizing national, representative data sets over shorter periods of time or individual case studies to make their argument. This dissertation offers a more holistic view of housing spells and tenure within public housing building off previous research that lacked the ability to integrate neighborhood effects into their analysis further perpetuating this fascination with cultural and

behavioral explanations. Lastly, in Chapter 4, I discuss the use of quantitative methods in determining the level of significance of different explanatory variables. I employ an event history (also known as survival) analysis in this dissertation to ascertain the determinants of tenure. Specifically, I use the discrete time method to analyze the level of effects of both individual characteristics and structural conditions and their relation to public housing exits.

Chapter 5 presents the findings of this dissertation. It also offers a brief discussion in terms of the methodological techniques employed to ascertain the determinants in question. I offer this discussion for concerns around data limitations and the misappropriation of findings based off flawed specifications as an exercise to understand spells and exits when doing this type of research. Chapter 6 offers a discussion on policy recommendations and ideas for future research projects that would begin to address issues of data limitation and empirical imprecision. The purpose of this dissertation is to introduce not only the foundation of my research agenda, but also to provide methods of effectively designing and evaluating policy solutions as well as responses to common misconceptions such as welfare dependency and public housing as a demonizing trap (Crump, 2000). It also discusses limitations within the research presented here.

This research provides evidence for discussing the controversy of cultural and behavioral explanations for poverty, housing spells, and dependency. But it does not fully explain all of the concerns around public housing such as establishing supportive ties (McCarthy and Saegert, 1978) or the inability for residents to secure other types of adequate housing (Fauth et al., 2004; Manzo et al., 2007). Such attempt would be naïve and go well beyond the theoretical framing and methodological techniques used here.

However, urban scholarship has failed to adequately highlight the structural and institutional arrangements of housing policy. As a result, a focus has been on individual and group dynamics rather than the institutional arrangements that give rise to the realities of urban poverty. This dissertation serves in a line of research that seeks to investigate normative discussions of poverty to understand the construction of public policy and popular political discourse. As Small et al. (2010) argue, culture is back on the poverty research agenda for many reasons. To study poverty is 1) to analyze why people cope with poverty and why they differ in their ability to escape it, 2) to debunk existing myths about the cultural orientations of the poor, and 3) to develop and clarify what scholars mean by “culture” (Small et al., 2010). The nature of public housing is changing every day with shifts from the traditional bricks and mortar approach and an increasing appreciation of the importance of neighborhood characteristics in escaping poverty. Effective approaches to reducing poverty and inequality must be based on a rich analysis of the causes and effects of these problems. This dissertation shares in that tradition.

## **CHAPTER 2**

### **BACKGROUND**

#### **2.1 Introduction**

The history of public housing in the United States is very rich, depicting the effects of growing tensions between political figures, business elites, and the mass opinion of the American public. Stemming from the efforts of organizations such as the National Public Housing Conference during the Depression era, the tradition of adequate and affordable housing has long been an area of policy concern. However, the political development of public housing shows how policy has changed depending on the beneficiaries (Schneider & Ingram, 1993). Depending on its population, the approach and sustained support for public housing has varied.

This chapter discusses the changing social identity of public housing tenants as an impetus for political support and policy changes. Using a historical analysis consisting of congressional testimony during the post-WWII period, this chapter explores the initial underpinnings of federal appropriations for the development of public housing after the WWII era. The “problem poor”, often depicted as the urban underclass, who replaced the submerged, middle-class of the Depression Era (Friedman, 1966) was not the initial target population for public housing. Political leaders and business elites feared what would become of public housing after returning veterans left. Particular emphasis will be placed on the response to post-WWII housing for returning veterans as a foundation for the theoretical framework utilized in this dissertation. This chapter argues that it was the general political consensus on “who” was deserving as well as the role of the federal

government in supplying housing that spurred policy changes to either support or deter public housing for returning veterans versus the underclass.

## **2.2 Federal Action in Creating Public Housing**

Housing has always served as one of the biggest areas of social concern. For those on the lower end of the socioeconomic ladder, it has largely served as a catalyst between many different stakeholders including political figures, business elites, and community activists alike. However, in terms of policy responses, changes within housing assistance programs have only garnered support when they have been brought to the forefront of the political arena. “The people of the United States will not get low-cost housing on any scale commensurate with the needs until the housing question is made a major political issue...” said Langdon Post, Tenement House Commissioner of New York City and Chairman of the New York Housing Authority in 1935 (Shaplen, 1935). Until then, low-cost, federally subsidized housing was not a nationally sponsored initiative. In 1935, Post told the Tamiment Economic and Social Institute, “The most important thing is to make housing a major political issue...This must be applied both locally and nationally” (Shaplen, 1935). Post’s (1935) outlook on the state of affordable and adequate housing for needy families serves as a prelude to the state of housing conditions in America during the Great Depression.

In 1937, the Wagner-Steagall Act established public housing in an effort to supply low-income, federally subsidized housing to needy families (Schwartz, 2010). It was intended to provide temporary housing for families that fell under economic hardships heightened by the Great Depression. This national housing program received much

opposition during its formation from private business owners and policymakers alike (Radford, 2000). Nonetheless, President Roosevelt signed the bill into law in 1937 as the United States Housing Act (Radford, 2000). Different political interests largely pushed this piece of legislation. For instance, on the one hand, conservatives thought it would provide a jumpstart to the economy through massive construction contracts to private companies. On the other hand, liberals in most urban areas thought it would provide housing options for some of their most vulnerable populations through direct federal aid.

According to Radford's (2003) vivid account of the federal government's entry into "directly aided housing", she wrote, "The purposes of the bill were defined in terms of slum clearance, providing housing for the poor, and promoting industrial recovery" (pgs. 108). The establishment of the federal government as a permanent actor in real estate development for low-income families challenged the private interests struggling to rebound from the Depression era. However, this contention over public housing clouded the federal support of the commercial sector and middle- and upper-income families (Jackson, 1985). Prior to the passage of the Wagner-Steagall Act, the federal government responded to the needs of the commercial sector and families of middle- and upper income by passing legislation such as the Federal Home Loan Bank Act and creating the Home Owners Loan Corporation as well as the Federal Housing Administration (Schwartz, 2010).

These institutions would offset the impact of massive foreclosure rates by guaranteeing homeownership as a federally sponsored standard. A combination of financial support was now available to some homeowners who would now have reduced mortgage payments and extended terms. This solidified homeownership as an impetus

for housing construction and job growth. As a result, middle- and upper-income families could pursue homeownership and lessen their financial burden upon buying a home and the commercial sector got the stimulus it needed to engage in massive homebuilding throughout the country. It was the ability of community organizations, business leaders, and elected officials to make housing a national political issue, through various protests, community organizing, and media outlets that ultimately changed the scope of how the federal government acted. These groups held social and political power that was of great concern to policymakers and elected officials, which led to beneficial policy outcomes.

However, the same could not be said about those who fell under extreme economic hardships, largely consisting of a growing demographic of African Americans within the United States. Friedman (1966) discusses this transition from when the nation engaged in massive slum clearance and created the high-rise superstructures of public housing (also known as the “bricks and mortar” approach), which was commonplace then but more of a mirage today in modern housing policy. Friedman (1966) discusses this transition, saying:

Perhaps a radical fringe of housing reformers looked on public housing as something more fundamentally “public”; but the core of support lay in an old and conservative tradition. If this general analysis is correct, what would happen to public housing if a rising standard of living released the submerged middle class from dependence on government shelter? The permanent poor would inherit public housing. The empty rooms would pass to those who had at first been disdained – the unemployed, “problem” families, those from broken homes. The program could adapt only with difficulty to its new conditions, because it had been originally designed for a different clientele (pg. 649).

This submerged, middle-class consisted of those Americans who suffered greatly following the Depression era; however, they “had enjoyed prosperity in the twenties. They retained their middle-class culture and their outlook, their articulateness, their habit of expressing their desires at the polls” (pgs. 646, Friedman, 1966). They were middle-

class, white American families who were accustomed to the collective perceptions of the American Dream. This population descended into poverty because of no fault of their own, but due to an unjust, economic system which forced them into a temporary state of deprivation (Friedman, 1966). They were not members of the “problem poor”. The “problem poor” consisted of lower-class Negro families, who had an alternative form of culture, as well as outlook on American life, who lacked the articulateness of the submersive, middle-class, and who by their own fault were accustomed to a chronic state of poverty (Friedman, 1966).

This chapter discusses the shift of public housing immediately after WWII during a period when a large portion of public housing developments was to be inhabited by returning veterans. Through their flight to the suburbs, it became the homes of the urban or “problem poor”. Due to their social identity as deserving through their direct military service as well as the common practice of racial discrimination and the exclusion of African Americans from different economic resources, the response to returning White veterans was quite different from Blacks living in deprivation. I maintain that the sustained state of individuals living in the “urban crisis” – the effects of larger economic structural changes as well as local political and social challenges<sup>1</sup> – perpetuates a lasting stereotype of Blacks deemed by both politicians and policymakers as socially undeserving, and as a result, lacking the need for subsequent policy responses.

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<sup>1</sup> See Thomas Sugrue’s (1996) thesis in *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* for more discussion on the concept of the “urban crisis”.

### **2.3 Previous Work on the Development of Public Housing**

The history of urban housing policy is vast and provides insights into the institutional barriers to equitable, affordable housing in America. Whether it is the operation of the dual housing market, racial discrimination, exclusionary zoning, massive social housing experiments, or disruptive planning techniques, the field of housing policy is rich. It describes a development not just of housing issues, but one of social, economic, and political matters as well. This discussion seeks to expand the understanding of urban housing policy by examining a period after WWII when different solutions were implemented to aid residents within public housing. I argue that policies were largely based on the racial and social identity of the residents inhabiting public housing. This determination of who was “deserving” was largely based on two primary categories of reasoning: 1) individuals became poor by forces outside of their control and 2) individuals were steadily working to escape deprivation (Friedman, 1966). Following Schneider and Ingram’s (1993) thesis on the social construction of target populations, the construction of the social identity of the urban poor as a deviant and dependent group and returning veterans as an advantaged group led to different political agendas and subsequent policy designs for solving the postwar housing crisis.

According to Schneider and Ingram (1993), veterans have a positive social identity as well as large political power in the policy domain. However, following this same logic, public housing residents, lacked that same political power. This was partly due to the social construction of Blacks within the United States. The “problem poor” as Friedman (1966) points illustrates a subversive view of their social identity. These were individuals who lied between the realm of both dependents and deviants. Their cultural

characterization within mainstream society created an alternative course of policy compared to their veteran counterparts. Rooted in institutional racism emanating from the Jim Crow era, weak political power combined with the negative construction of the black urban poor resulting led to systemic issues of housing discrimination.

Housing policy is but one scenario in which this can be analyzed. Nevertheless, it lends itself for theoretical interpretation given the rich history throughout American society as well as the strong effect it has had on shaping urban America. And while researchers have tried to analyze different facets of urban housing policy, the complexity of the matter has forced many to concentrate on certain periods of time rather than investigating the historical roots of public housing in order to explain its current state.

For example, in 1983, Arnold Hirsch published *Making the Second Ghetto*, a book in which he discusses the creation of institutional arrangements in postwar Chicago during 1940 – 1960 to create and maintain the ghetto. According to Hirsch (1983), the development of housing policy and urban renewal strategies in postwar Chicago served as tools of racial and economic exclusion during the intensifying state of the urban crisis. His selection of Chicago demonstrates how local development plans and concepts were adopted into federal legislation into a national renewal effort. In the beginning of his book, Hirsch (1983) says, “Significant redevelopment and renewal legislation had been placed on the books, on both local and national levels, and a massive public housing program, explicitly designed to maintain the prevailing pattern of segregation, was well under way” (pg. xiv, Hirsch, 1983). His analysis dramatically accounts for a combination of forces that produced the second ghetto including the formation of institutional arrangements by local business and political groups who were threatened by the

perceived economic despair carried by African Americans and the resistance of this group facilitated by government support and public funds. And while his book depicts a vivid account of racial tension and the response of white, inner-city ethnic groups to combat racial and economic integration, it does not explain different alternatives of addressing housing concerns during a period of economic growth, particularly for public housing.

Other researchers have argued that due to the chronic state of racial tension and economic decline, urban housing policy during the postwar era failed to provide the needed, safety net allowing residents of color to leap out of urban poverty into mainstream, middle-class America. Biles (2000) describes this response by the federal government saying, “Policymakers in Washington opted for slum clearance with the passage of major housing bills in 1949 (urban redevelopment) and 1954 (urban renewal), while the provision of low-income housing assumed secondary importance” (pgs. 143, 2000, Biles). The relief efforts for low-income individuals living in high numbers in public housing took second stage to the redevelopment efforts of the postwar era. The implications here posed a greater risk to African Americans during this time period.

Although Harry S. Truman signed the Housing Act of 1949 into legislation, his attempt to establish “a decent home and suitable living environment for every American family” primarily focused on new construction and demolition (Truman, 1949). The Housing Act of 1954 amended this law in order to promote rehabilitation of existing housing stock rather than demolition and new construction (HUD, 2007). The housing stock after WWII was very limited. Although many legislative measures provided a stimulus for the massive, national engagement into new home construction, the Housing

Act of 1954 mitigated this process. It provided a legislative precedent for future responses to housing policy, policies that would be aimed not only at new construction but also at rehabilitating and renovating the existing housing stock. Prior actions focused initially on individuals rather than location provide a theoretical starting point of this analysis.

Place-based strategies were the dominant policy approach and not the market-based alternatives that took its place in the late 1980s. Prior urban research such as the *Moynihan Report* written by sociologist and later U.S. Senator Daniel P. Moynihan in 1965 about the dependency and potential problem of the American Negro (Moynihan, 1965) and the depictions of Lewis' (1966) "culture of poverty" in which there was no way to change the aberrant behavior of poor individuals presented cultural explanations for the subordination of low, income African American (and Latino) families. It wasn't until the work of Wilson's (1987) book, *The Truly Disadvantaged*, in which causal explanations encompassed not only both structural arguments as well as theories of aberrant cultural behavior to the persistence of urban poverty.

In this dichotomy, larger economic and political challenges, such as the incline and decline of the national economy due to deindustrialization, as well as adaptive individual characteristics (such as welfare dependency and the rise of female-headed households) created a system in which poverty persists. This effect, according to Wilson (1987), could be overcome with equitable, public policy aimed at increasing the opportunities for low, income individuals (pg. 118). And while these conclusions were widely argued among urban researchers, their overall implications would be seen through different policy initiatives and social experiments.

Nonetheless, the “underclass” in all of these cases was depicted as a less-deserving, poor segment of the population. The description here poses a parallel between the analysis of the “problem poor” and the “underclass”; allowing one to provide a more appropriate theoretical basis. Peterson (1991) discusses the poverty paradox and categorizes the “underclass” thesis as “lowly, passive, and submissive, yet at the same time, the disreputable, dangerous, disruptive, dark, evil, and even hellish. And apart from these personal attributes, it suggests subjection, subordination, and deprivation” (pg. 3). Peterson’s (1991) critique identifies a culmination of operationalizations of the “underclass” in the field of urban poverty to explain the discursive nature of low-income, minority groups during and after the WWII era. The underclass thesis suggests urban minorities were poor due to their inability to acculturate into American society. They behaved in a manner that was not in line with mainstream American thought. Thus, the characterization of the urban poor as poor led to different policy outcomes. As a result, their plight with urban poverty was perpetuated beyond the structural forces that shaped urban America after WWII.

In their book, *American Apartheid*, Massey and Denton (1993) discuss poverty as collection of many “social ills”. In their discussion of the creation of underclass communities, Massey and Denton (1993) wrote, “Poverty, of course is not a neutral social factor. Associated with it are a variety of other social ills such as family instability, welfare dependency, crime, housing abandonment and low educational attainment” (pg. 130). Their discernment here of the underclass further pinpoints how structural forces can heighten the effects of urban poverty, as Massey and Denton (1993) continued saying, “To the extent that these factors are associated with poverty, any

structural process that concentrates poverty will concentrate them as well” (pg. 130). Massey and Denton’s (1993) analysis not only built upon the structural and cultural arguments of Wilson (1987), they offer segregation as a causal explanation for the persistence of urban poverty due to social isolation. This institutionalization of segregation not only restricted the choices of African Americans to move to neighborhoods of opportunity, it fortified their isolation through different legal measures.

On the other hand, appropriate policy initiatives aimed at some of the most vulnerable segments of the population living in public housing could have greatly changed patterns of segregation by providing greater upward mobility to its residents. Instead, budgets were cut once veterans were able to move out, and the submersive middle-class found other housing options, leaving the poorest of the poor in public housing to fend for themselves. White and Black flight did not spur greater need for policy changes, yet it provided policymakers a vignette for arguing this population was poor due to their own control and if not forced to, they would never escape deprivation on their own. The underclass would continue to become dependent on public housing as an ultimate solution for their housing needs. Thus, during the 1990s, housing policy took a new course of action: poverty deconcentration. The goal was to relocate individuals to less-poor neighborhoods in order to increase their life chances.

The Gautreaux program was one of the first actions taken by the federal government to establish housing opportunities for low-income individuals outside of their poverty stricken communities. In 1976, the Supreme Court decided on *Hill v. Gautreaux*, a case in which African American public housing tenants and applicants brought separate class actions against the Chicago Housing Authority (CHA) and the Department of Housing

and Urban Development (HUD) claiming that CHA had purposefully selected family public housing sites in Chicago to further segregate African Americans from white neighborhoods (U.S.S.C., 1976). This was in direct violation of the federal statutes and the 14<sup>th</sup> amendment. Moreover, HUD was responsible for providing financial assistance and other support for such discrimination (U.S.S.C., 1976). African Americans were located primarily in black, low-income, urban areas and had no chance of living in white, middle-income, suburban areas. The Supreme Court ruled in favor of the plaintiffs calling for remedial action to ensure the non-discriminatory practice of providing housing options in white suburbs. Public housing residents (and applicants) could now apply for a Section 8 voucher, by which the government largely subsidized their rent of a private, rental apartment. Recipients could theoretically now choose to live in other parts of Chicago and most of its white suburbs. Although redlining and restrictive covenant were common practices, the mobility patterns of poor, minority groups became of great interests. This allowed researchers to determine how “choice” plays a role in life chances.

Subsequent research of Gautreaux shows that between 1976 – 1998, approximately 7,000 families participated in the program. However, there were many families excluded from this selection as well. Rosenbaum et al. (2005) discuss this exclusion saying,

By necessity, the program excluded people who seemed unlikely to handle program demands. It eliminated about one-third of applicants because their families were too large for apartments or because they had poor rent payment records, which would likely lead to eviction (pg. 156).

The exclusion of certain families from a “choice” to live in some of the white, suburb communities directly identifies the perceived “problem poor”. Indeed, it suggests the underclass operates at a heightened sense of deprivation. By relocating some residents in these areas into white suburbs, there may have been higher costs associated with those

left behind. Johnson et al. (2001) wrote, “any reduction in the concentration of poverty could in principle impose offsetting costs on those poor families who were left behind in central city areas...” (pg. 126). Again, the premise here is that certain members of the population, even within the poorest segment, are more deserving than others. Moreover, those most in need did not “deserve” the relief needed to increase their life chances because they could not “handle” it. Their acculturation to mainstream, suburban America was seen as a necessary exclusion due to social (family structure) and economic (rental payment records) indicators, characteristics which initially placed them into public housing. Due to the inequitable implementation of the Gautreaux program, researchers turned to see what the differences were in the outcomes for the individuals who were able to relocate versus those who were left behind.

Several studies have concluded that the effects of the program have had numerous benefits such as increases in employment opportunities, education, and social integration (Rosenbaum, 1995; Goering and Feins, 2003; Mendenhall et al, 2006; Popkin et al, 2007). Because of these effects, HUD in consultation with policy experts and academics designed and implemented the Moving-to-Opportunity (MTO) program in 1993. Largely based on the Gautreaux program, MTO would test several theories around neighborhood effects. In the book, *Moving to Opportunity: The Story of an American Experiment to Fight Ghetto Poverty*, De Souza Briggs et al. (2010) discuss the process by which MTO was designed and implemented saying:

HUD staff decided on a formal experimental structure in which families in public or assisted housing who volunteered to participate in MTO would be randomly assigned to the “experimental” group, which would receive Gautreaux like relocation assistance and a “restricted” housing voucher that could be used to lease up only in a low poverty neighborhood; a comparison group, which would receive a “regular” voucher with no special assistance or location restrictions, and a control group that would continue to receive assistance in the form of a public housing unit (pg. 52, De Souza Briggs et al., 2010).

MTO represents the largest social experiment to date placing a total population of 4,608 families into randomized housing assignments in 5 of the largest housing authorities in the country (HUD, 2007). The purpose of the program was to test how neighborhoods impact individual outcomes. Poor people, by their own virtue, would never assimilate into mainstream America because of their residential locations, predominantly in urban areas with high levels of poverty and segregation. Thus, the question arises, *was the approach of MTO based largely on the neighborhoods themselves, or was the program more concerned about the type of people living there?* More importantly, *were policymakers concerned about the individuals living there or the deteriorating conditions of the neighborhoods and how neighborhoods impact individual outcomes?* Particularly relevant to this dissertation, the broad question is *how was public housing suppose to address the overall housing shortage?*

In order to provide background information for the overall argument of this dissertation concerning issues of public housing and the duration of tenure, I turn back to the housing shortage of the post-WWII era for a deeper understanding of the perception of public housing. This period in time provides a useful context in order to determine the growing stigmatization of the population being aided and subsequent policy approaches. This chapter analyzes how the perception of deservedness dominated housing policy debates, and thus, influenced contrasting policy outcomes for different populations. Similarly to Skocpol's (1992) thesis concerning the U.S. and its transformation of the welfare state<sup>2</sup>, I maintain that veterans were seen as more deserving than the urban poor.

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<sup>2</sup> In Theda Skocpol's (1992) book, *Protecting Soldiers and Mothers*, she argues that the United States led efforts related to social spending in the world in terms of its elderly, disabled, and dependent citizenship. Changes were due to the political reform of the Progressive era. Because of party politics and generational

As a result, policies aimed at the veteran population focused more on individuals (market-based approach). On the other hand, the urban poor was not seen as deserving, and as a result, policies aimed at this particular population focused more on neighborhood redevelopment (placed-based approach).

Current literature concerned with the historiography of housing policy does not fully explain the effects of the stigmatization of the urban poor. Therefore, this chapter provides a needed corrective in the understanding of divergent policy approaches based on the perceptions of the target population. By performing a historical analysis using congressional testimony during the height of post-WWII housing debate, I test my hypothesis concerning stigmatization and policy attention as a way to uncover the root disdain for public housing.

## **2.4 Returning Veterans & the Housing Shortage**

On January 17, 1945, there were hearings held before the Special Committee on Post-war Economic Policy and Planning on “Post-war economic policy and planning”.<sup>3</sup> This was pursuant to a resolution made by the 78<sup>th</sup> Congress in order to determine post-WWII assistance to veterans, specifically in terms of housing. The timing of these hearings places it at the nexus of the core argument of this chapter and provides a critical lens into the planning process of housing solutions for returning veterans versus the “problem poor”. The hearings contained a myriad of public officials and private stakeholders including administrators from the Veterans Administration (VA), the Department of

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changes in representation, the U.S. became a *maternalistic* welfare state. I argue that this same notion was evident in the U.S. during the post-WWII period as a time of extreme racial tension domestically and its involvement in the world more broadly.

<sup>3</sup>“Post-war Economic Policy and Planning, Housing and Urban Development, Part 12”. (1945, January 17). *Hearings before a Subcommittee of the Special Committee on Post-war Economic Policy and Planning*, U.S. Senate, 78<sup>th</sup> Congress, 1<sup>st</sup> Session – 79<sup>th</sup> Congress.

Agriculture (DOA), the Mortgage Bankers Association of America (MBAA), as well as the Department of Housing and Urban Development (HUD).

The opening statement was made by the Chairman of the Subcommittee of Housing and Urban Development and member of the Special Committee on Post-war Economic Policy and Planning, Senator Robert A. Taft of Ohio, saying:

I have, of course, a great interest in this housing program, not only from the standpoint of the effect that it has upon the veteran who desires to build or buy a home, but it has a bearing upon the reemployment of the veteran, and also has a great bearing upon the citizenship of our country. (pg. 1761, R. Res. 33, 1945)

Senator Taft's construction of the housing problem provides useful insight into the perceived importance that housing places on an individual's sense of civility. Housing is not just important from a residential stance, but it also has a "bearing upon the reemployment of the veteran", as well as the validation of citizenship. Due to extreme concentration on homeownership since the days of President Herbert Hoover, housing was made a political issue, and as such, homes took part of individuals' national identity (pg. 82, Hutchinson, 2000). However, temporary housing was necessary in order for veterans to reclaim their status into middle class America. This issue of civility is particularly interesting given its connection with housing. As an indication of decorum and respect, the reintegration of the veteran into American society lies on their ability to ascertain decent living accommodations. Beyond the realm of housing, veterans were the focused of other key legislation that had a bearing on their reentry into civil society.

In his discussion with Chairman Taft, General Hines identifies the Servicemen's Readjustment Act of 1944, commonly known as the GI Bill of Rights, a law which provided aid to returning veterans for their reentry into civilian life (pg. 1761, R. Res. 33, 1945). Chairman Taft acknowledges the post-war housing problem as well, saying in

testimony in 1945, “Our main interest is to see how that is going to fit in with the whole post-war housing problem, which Mr. Blandford has outlined as calling perhaps for the construction of 1,260,000 homes a year for 10 years” (pg. 1761, R. Res. 33, 1945). This shortage would undoubtedly require a long-term strategic plan for housing for returning veterans, as well as support from the federal government.

General Hines identifies the course of the GI Bill saying in testimony that the bill “gives the Veterans’ Administration an interest in the post-war housing problems. This is so, although the act is veterans’, and not a housing act” (pg. 1761-1762, R. Res. 33, 1945). General Hines depicts the housing problem as one of great interests to the VA. Because of the threat of many veterans not receiving the support they needed to reenter into civil life, it was the goal of the VA to make this topic a political issue. The construction of the housing problem in America during the post-WWII era describes a state in which the VA took interest into a divergent field of domestic affairs in order to appease the population it sought to aid. This action pinpoints a critical juncture in the study of housing policy given the conditions surrounding the return of veterans to the mainland. The overall impact of the GI Bill was to benefit largely that segment of the population seen as deserving. The legislation did not focus on one particular resource that was lacking but it encompassed a variety of programs aided in improving returning veterans’ reentry into civil society. General Hines supports this proposition in his testimony saying:

I would further urge that Congress if it gives consideration, as it doubtless will, to the question of post-war housing, consider the housing problem as a whole and not as one pertaining particularly to veterans. I believe it is a correct conclusion that veterans will benefit more by sound economy and by sound general programs conceived in the interest of all than they possibly could by special differentiations based upon their status as veterans. In this respect I think the Congress acted wisely in making the Veterans’ Readjustment Act of 1944 a veteran’s act and not an education or housing act (pg. 1772, R. Res. 33, 1945).

Not only does General Hines' testimony here identify the need for post-war housing as a whole, he also directs attention to the nation's housing problem. He is confident that the federal government will act, but he is not sure in what fashion. More importantly is that he directly highlights the equitable nature of public policy in America. His urgency of federal action not only identifies veterans as being more advantageous of population-specific policies, General Hines' sees them as being greater beneficiaries of general economic and social policies.

Because of the inequitable distribution of policy outcomes, the effects of post-war housing could have been mitigated if housing was transformed into low-income housing to mitigate the burden of substandard housing conditions existing at this time for an even more marginalized group of people. This transformation would have necessitated sustained financial support in terms of maintenance and operation. However, that was not the primary goal of the federal government, nor was it in the interest of several stakeholders of this congressional hearing.

## **2.5 Transferring Housing to a New Population**

The presence of post-war housing would become a political issue. If the federal government was to commit to providing temporary housing relief for returning veterans as well as other special programs, then the question becomes what was to become of that "temporary" relief. As history tells us, the transformation of post-war housing into public housing was one of failed compromise. Housing advocates were able to hold onto the stock of temporary housing, yet they were unable to maintain adequate funding of operations and maintenance once the population inhabiting it was replaced with one of less political significance. The testimony given hereafter further supports the contention

of keeping the temporary war housing stock. In terms of facilitating temporary relief to returning veterans, it was held by participants of the hearings such as General Hines and others representing the Mortgage Bankers Association of America, including L.E. Mahan, President of MBAA, that the stock should be demolished after the veteran population moved out.

In 1945, testimony from the MBAA clearly emphasized this point saying, “We recommend that the program for disposition of real estate including war housing, be centralized in one agency and that careful consideration be given to an orderly liquidation of all real property” (pg. 1852, R. Res. 33, 1945). The operation and maintenance of war housing should not be maintained or operated by the federal government and it was up to other institutions to provide housing to their own respective groups. According to the MBAA, it was not the role of the federal government in maintaining and operating programs that would benefit others if it wasn’t adhering to their original purpose. The MBAA further discusses this stance in its testimony saying:

In preparing this report we adhere to the general principle that private enterprise and local communities should be responsible for the development of housing needs of the people. The Federal Government, however, has a clear responsibility to help private enterprise and local communities to do the job... (pg. 1854, R. Res. 33, 1945).

The discussion here identifies a theoretically interesting paradox in the understanding of federal involvement in the national problem of housing. MBAA’s responses pinpoint the responsibility of providing adequate and affordable housing in the hands of local communities and private industry and not under the direction of the federal government. Furthermore, MBAA expresses an opinion opposed to the establishment of the traditional public housing under the federal government. MBAA stated:

Our association wishes to go on record as opposing public housing wherein the Federal Government becomes the direct owner or operator of housing property. The social and political

implications of public ownership are well known to the student of political economy (pg. 1852, R. Res. 33, 1945).

However, their testimony here lacks the understanding of housing issues as they existed in 1945, specifically between Whites and Blacks in urban America, being heavily concentrated in areas that were production zones of war industry. For example, Hirsch's (1983) account of the housing situation in Chicago, IL illustrates the influence of national action in fortifying racial color lines as well as an effort "to make the novel federal presence in urban America as unobtrusive as possible" (pg. 14, Hirsch, 1983). Perhaps this was in response to the changing neighborhood composition that was taking place during and after the war. Such analysis goes beyond the scope of this chapter, yet previous work has argued the changing state of America as well as the fortification of racial boundaries that existed during this era (e.g. Hirsch, 1983; Wilson, 1987; Massey & Denton; 1993).

Nevertheless, further observation of the testimony depicts not only a call for temporary war housing for returning veterans, but also a disbelief in temporary housing for the poor altogether. This stance is not more evident than the discussion between Senator Taft and Mr. Mahan, President of MBAA, as Taft questions Mahan on being against the possibility of disposing temporary war housing to local city government or public housing authorities. In his 1945 testimony, Mahan states, "That is our [MBAA] opinion, and I think that is also the opinion of the Hancock-Baruch report" (pg. 1863, R. Res. 33, 1945). However, the designation of temporary versus permanent housing is clouded in its understanding as identified in the Hancock-Baruch Report on War and Post-War Adjustment Policies. In his response to Mahan, Senator Taft says, "I do not think they [Hancock-Baruch report] distinguish very much between what may be called

permanent war housing and the war housing everybody agrees ought to be gotten rid of somehow” (pg. 1863, R. Res. 33, 1945).

During 1943, Messrs. Bernard M. Baruch and John M. Hancock launched a study of the entire demobilization question of surplus. War housing was seen as surplus offsetting economic demands. On February 15, 1944, their report nationally known "Report on War and Post-War Adjustment Policies" was placed in the hands of War Mobilizer Jamie F. Byrnes in which they discussed actions to facilitate the post-war adjustment policies to “prepare for peace in a time of war.” That Report clarified the demobilization task as breaking into three major segments, namely: Contract Termination; Surplus Property Disposal; The "Human" Side of Demobilization (jobs, placement of veterans, etc.) (Mack, 1944). The disposition of war housing raised much concerns across the dilution of temporary housing and its identity as war housing or public housing. Despite Mr. Mahan’s discontent with public housing, he points out confusion for the nature of war housing altogether. The construction of the housing problem is muffled by the misunderstanding of the difference between temporary versus permanent war housing. Both indicate different responses by the federal government as well as differing levels (short- versus long-term) of commitment. This confusion is further identified by Mahan response to the disposal of war housing to local communities as he stated:

I do think every situation must be studied. It is very difficult to lay down any general rule. There may be situations where it might be highly advantageous to dispose of it of public housing in a certain community to supply a housing need. It would be ridiculous to destroy housing units where they are needed in a community (pg. 1863, R. Res. 33, 1945).

This notion of disposal goes beyond need in this instance. It conflates the idea of the housing shortage as a community-based issue when it was a national issue requiring federal attention. Further evidence to support this claim is observed in the testimony of

MBAA as they discuss the nature of the permanent federal administrative organizations of the housing agencies as it stated:

We believe that such Government agencies as area created in a time of emergency should be liquidated as soon as that emergency has passed, and that in our established system of government, agencies created to meet special emergencies should not be perpetuated when those emergencies have ceased; otherwise, there is a likelihood that our whole economy might be distorted by Government interference in normal business pursuits (pg. 1852, R. Res. 33, 1945).

The comments made here by MBAA display two different points: 1) the federal government should only act in times of emergency and once that emergency is thwarted, the federal government should no longer be involved, and 2) the long-term support of public housing is not due to an emergency and as said before, local communities and private enterprise can and will solve the problem with help from the federal government.

This is a particular interesting argument in terms of the position of the representatives of MBAA as well as some of the other testimony observed before. The problems of returning veterans are thus depicted as an emergency requiring immediate and committed aid from the federal government. Support from the federal government should be multi-faceted while offering several avenues of relief. On the other hand, the national housing problem is not categorized as an emergency requiring immediate and committed aid from the federal government. Nor should the federal government address the problems of the the need for low-income, affordable housing. Local communities and private enterprise have the ability to solve these issues. The federal government should be in the business of supporting these agents in order to provide relief for those in need. However, other witnesses disagreed with this sentiment.

For example, Dr. Caroline F. Ware, a prominent member of the American Association of University Women and a professor at American University, provided testimony

beginning with a joint statement on housing representing several organizations at this hearing.<sup>4</sup> In her joint statement on housing, Ware furthers this idea that any approaches to housing policy must be made for all people since it is not just a veterans' issue, but also an American family issue. In her statement, Ware said:

It is a matter of common knowledge that household rent and household operation take, on the average, 29 percent of the family budget, a larger item than anything except food; that enough decent dwellings do not exist to house the American people properly, even if all families had enough money to rent decent homes, and that a large proportion of American families could not afford a decent home even if houses were available at rents which represent adequate standards under sufficient present conditions of private construction (pg. 1909-1910, R. Res. 33, 1945).

Ware addresses this concern for veterans and depicted a broader picture of housing for American families. The issue was not rooted in a need for housing just for returning veterans. It fell into other economic and social concerns. These concerns are rooted in the position of many American families – that even if they had enough housing, they could not afford to buy these places.

In addition, changes in economic status of American families should not automatically displace them out of affordable housing options. Ware stated:

Furthermore, families whose incomes fall into the “no man’s land” between the top of the income brackets for which public housing has been built and the bottom of the private housing bracket should not be overlooked, but must be provided for in one way or another. Measures should be sufficiently flexible, too, to apply to families whose incomes change, so that, for example, families would not have to go house-hunting and children be separated from their playmates and forced to change schools because of an increase in the family income (pg. 1910, R. Res. 33, 1945).

Ware’s statements rely on an idea rooted in changing the economic and social landscape of American life. It further identifies the purpose of the federal government to provide assistance to all of its individuals. Yet, as Ware stated, it requires the full backing of the

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<sup>4</sup> Ms. Ware’s joint statement on housing reflected the opinion of the American Association of University Women, American Home Economics Association, Consumers Union, General Federation of Women’s Clubs, League of Women Shoppers, Inc., National Board, Young Woman’s Christian Association, National Council of Jewish Women, National Council of Negro Women, and the National Women’s Trade Union League.

federal government. This is exemplified in her discussion with Senator Taft when asked how long it would take to achieve this goal. Ware, replied, “If we do it, really do the whole job of good houses in good neighborhoods for all the people in 10 years, I think, Senator, we should be proud” (pg. 1914, R. Res. 33, 1945).

The levels of concern of both witnesses pinpoints a strong difference of opinion in regards to the federal involvement in terms of the housing shortage. While MBAA agrees with the housing issue, it feels that the solution is present within local communities and private enterprises and not federal government. Yet, Ware as a representative of several civic and community-based organizations stated, housing was a national issue requiring full backing of all members including the federal government in supplying adequate housing to fill the needs of American families.

## **2.6 Conclusion**

“If any would not work, neither should he eat” summarizes the perception carried by many actors in terms of providing relief to veterans rather than the poor (KJV, 2005). Returning veterans served their country; their time spent fighting WWII should be compensated by the country they chose to protect. It was the responsibility of the federal government to support various policy initiatives (including financial programs, housing programs, and workforce training programs) in order to mitigate the process by which veterans would reenter society. Public policy should be directed at them in order to facilitate their transition back to civil society. On the contrary, American families, those living in deprivation, were deemed as socially undeserving and as a result, policy should not focus on them. The housing shortage after WWII was not deemed as a chronic emergency. As a result, even though many local housing authorities and local

governments obtained housing from the disposal of postwar housing under WWII legislation and policy initiatives, the support needed to maintain and operate these developments was never seen as long-term due to the categorization of the “urban crisis” existing as one more reliant on the understanding of social identity and deservedness rather than a chronic emergency.

## **CHAPTER 3**

### **LITERATURE REVIEW**

#### **3.1 Introduction**

This chapter begins by discussing the changing nature of public housing since its inception. Serving as a temporary housing assistance program to permanent communities, I argue that public housing wasn't designed to serve the poorest of the "poor". As such, I maintain time spent in public housing became an unintended effect as politicians and policymakers debated about appropriate policy responses. The next section discusses the basis for understanding poverty spells and critiques several scholars who formed two camps within poverty literature. One camp stresses the importance of individual shortcomings and personal moral hazard while the other camp stresses structural conditions and "neighborhood effects". I use this as a basis of understanding housing assistance spells, or housing tenure. The last section discusses housing tenure as a more appropriate means of understanding poverty spells. I critique several scholars as a way to situate this dissertation within the broader literature around housing assistance and poverty spells. I argue that while some scholars have shifted to using housing assistance as more adequate way of measuring poverty spells, their methods have tended to be theoretically flawed or methodological lacking in many respects. This dissertation seeks to address some of those concerns.

#### **3.2 Shift of Policy Environment**

Since the 1930s, public housing has served as a prominent social provision of the United States as a mechanism to support struggling individuals and families through economic hardships by providing them housing assistance. While many receive housing

assistance for a short period of time, some policymakers and researchers blame individuals living in public housing for longer periods of time (Katz, 1989, Wacquant, 1997). Many public housing residents are often stigmatized and depicted as outcasts from mainstream American society. While this concept is nothing new, scholars are still debating how, when, and why this change occurred.

Friedman (1966) discussed this transformation as the switch from residents being “poor” to the “problem poor”. Friedman (1966) illustrates this pivotal moment in urban history stating, “many of the ‘poor people’ were formerly members of the middle class, who had enjoyed prosperity in the twenties. They retained their middle-class culture and their outlook, their articulateness, their habit of expressing their desires at the polls” (pg. 645). The discursive nature of public housing came with the shift from tenants being “friends and neighbors” that were accustomed to mainstream middle-class culture to “foreigners”, the problem poor and those least welcome “forbidden neighbors”, especially “the lower class Negro” (Friedman, 1966, pg. 652). Members of these groups were alienated from mainstream activities and as such, any social program geared towards this population, underwent extreme scrutiny. Public housing shared in this tradition largely because since inception, both liberals and conservatives alike have debated the utility of the program.

The role of the federal government in providing housing assistance stretched far beyond government-owned developments. It did so through other provisions such as the Housing Act of 1934, which established the Federal Housing Administration and the latter formation of the Federal National Mortgage Association (also known as Fannie Mae) (HUD Historical Background, 2007). These institutions emphasized

homeownership not only as a tool to provide individuals with credit and loans, but also as a way to jumpstart the economy during a depressive economic period. However, little attention was paid to the scale and scope of the problem. As a result, following the momentum of the National Housing Movement of the early 20<sup>th</sup> century, there was a large effort for the formation of a federally sponsored housing program that provided direct aid to local housing authorities.

After failing to pass through Congress twice, the 1937 Wagner-Steagall Bill (also known as the Housing Act of 1937) created the U.S. Housing Authority (USHA) to administer the nation's first federal housing program (Radford, 2000). Radford (2000) illustrates that this time period proves to be critical to the understanding of the housing landscape in the United States. Radford (2000) describes the passage of the first drafts of the legislation spearheaded by New York Senator Robert Wagner along with other housing advocates including Mary Sinkhovitch and other “associates of the National Public Housing Conference (NPHC), an organization founded in 1931 to orchestrate the campaign for a federally supported public housing program” (Radford, 2000). The housing situation in America during the Great Depression was bleak, and while many individuals were not able to secure suitable places to live, the problem for the urban poor was even more acute.

Since its initial passage, the Federal Housing Act of 1937 has been amended multiple times. Table 3.2.1 illustrates some of the most important changes in federal housing acts since the inception of the Housing Act of 1937:

*Table 3.2.1 –Important Changes in Federal Housing Policy in the United States*

[See Table 3.2.1]

Most housing programs deliberately placed residents in the lowest market rate areas causing concentrations of the poor, minority groups. Some attempts to disperse public housing units has been met with resistance by residents of receiving communities which has contributed to and maintained patterns of segregation. Indeed, Hirsch (1983) elucidates the pathways through which African Americans have been discriminated against through his “second ghetto” thesis. The “second ghetto” is the effect of broader historical developments including resistance by white groups to desegregation, the disinvestment of the private and public sectors, the growth of the black middle-class, and the functioning of the dual housing market, all of which constrained the expansion of the “black metropolis” (Hirsch, 1983). Hirsch (1983) argues that the problem of the ghetto raised concerns for two reasons: 1) there was a long-standing problem of urban slums and such productions of social inequalities between Blacks and Whites would inherently make the problem of housing instrumental for all racial groups and 2) veterans returning home from WWII presented another housing concern due to the lack of adequate housing options.

Their entrance into some of these urban slums would have created a paradox of social concern given the extent of racial conflict in America during this time period. Whites would begin to reclaim the limited housing stock occupied by Blacks after WWII. During WWII, housing construction was placed on hold since the domestic economy centered on war-related industry such as weapons production. Labor and material were diverted to war needs (Hirsch, 1983, pg. 18). As a result, there was an extreme housing shortage after the war. Hirsch (1983) writes, “The desperate need for new housing and the Blacks’ improved economic condition combined to render old borders unstable. The

underside of the process of suburbanization was the redefinition of the city's geographical racial accommodation" (pg. 27). This shift in racial and class dynamics within Chicago facilitated a process of constant mobility among all racial groups as Whites became less cramped in their house and Blacks sought after deplorable housing options as a last resort.

Because of the dual nature of the housing market, a market divided by racial differences in terms of price-fixing, redlining, and systemic patterns of segregation, patterns of racial exclusion exacerbated the housing crisis (Satter, 1999). Although Hirsch's (1983) analysis centers on Chicago, IL, his assessments are applicable to other urban areas. The developments in Chicago's housing market served as blueprints for other urban areas across the nation. Moreover, many cities were left to deal with the problems of urban decline after the establishment of the Veterans Administration's home loan program in 1944 (HUD Historical Background, 2007). This act supported VA loans for returning veterans to pursue homeownership. During that time, the veterans and other middle-class families left for the suburbs – white flight – signifying a mass exodus of the middle-class to the newly, formed outer rings of urban areas in the form of suburban America categorized by single-family dwellings on large parcels of land. In response to urban decline, the Housing Act of 1949 was enacted to aid in slum clearance and urban redevelopment (HUD Historical Background, 2007). The problem of "the ghetto" was of great concern. Yet, this process in itself seemed to initiate an entirely new form of isolation and exclusion unprecedented in American history. The scale to which urban sprawl took place intensified the problems already existing in poor, urban areas, and "the ghetto" could no longer be seen as a place, but a process in itself.

Scholars have argued that this process of ghettoization was the main cause of racial and economic isolation and exclusion. Massey and Denton (1993) argued racial segregation is the institutional apparatus that supports other racially discriminatory processes and binds them together into an effective system of racial subordination. Through methods of “violence, collective anti-black action, racially restrictive covenants, and discriminatory real estate practices”, racial segregation increased until 1970, after which it declined but at a very slow rate (Massey & Denton, pg. 42). The consistent trend of black economic gain in relation to spatial and social isolation created an expansion of the black ghetto beyond the escape of the black middle class in the early twentieth century. Due to the dual housing market, those entering the black middle class were constrained to many areas just shy of “the ghettos”, which they sought to escape. As Patillo (1999) suggests, the black middle class continued to live near and with the black poor.

Since public housing was a typical characteristic of many urban areas in the post-WWII era, many poor individuals without other suitable living options saw these governmentally funded housing programs as the only reliable place to live. However, the extent to which people made these places their home over the course of subsequent decades has been an unintentional effect. This was due to the absence of time limitations as policymakers constantly changed urban housing policy and public assistance programs while individuals adapted to such changes with few alternatives to sustain suitable living conditions. This unintended effect of the long stints on housing assistance programs, specifically public housing, becomes of great concern since it is highly unlikely that the government will shift back to the tradition bricks and mortar approach.

### **3.3 Poverty Spells and Welfare Dependency**

Public housing is one element of the social safety net aimed at temporarily assisting individuals who experience hardship. It is one function within a broader set of social programs (commonly known as welfare) that provide public assistance to individuals in need. Much attention has been paid to welfare over the latter part of the 20<sup>th</sup> century; however, it has often been difficult to delineate which programs are effective at providing individuals with enough temporary support to make them self-sufficient. As Kleit and Rohe (2005) argue, self-sufficiency programs have sought to transform public housing developments from permanent housing into way stations for low-income people. The effectiveness of public assistance programs has been increasingly difficult given the political nature of policy development and implementation. This broad understanding of welfare leaves many scholars to pick one specific program to analyze. As such, questions concerning the effectiveness of welfare rely on analyses of one specific line of aid to poor individuals rather than looking at other factors that contribute to a program's inefficiency or the lack of other supportive services that normally work in conjunction with such programs.

For instance, the Temporary Assistance for Needy Families (TANF) program provides families with cash assistance depending on family income and size (TANF, 2013). TANF replaced the Aid to Families with Dependent Children (AFDC) program in 1996 during former President Clinton's push to "change welfare as we knew it" (Levitz, 2013). Yet, the focus was largely on helping recipients of public assistance to achieve self-sufficiency rather than addressing the issues that made individuals poor in the first place.

Payne (2012) discusses poverty as a systemic problem involving four different frames: individual choices, resources of the community, racial/gender exploitation, and economic/political systems and structures. The extent to which each of these frames impact individuals' socioeconomic status remains a debate. I maintain that poverty is often categorized as a temporary state of being – a limited point in time by which individuals are experiencing economic hardships. Yet, the intergenerational presence of people in poverty causes greater concern for scholars and policymakers alike with many families remaining in the same poor neighborhoods as prior generations. As a result, research began to pinpoint the conditions of poverty as causes of poverty spells.

Jargowsky's (1997) seminal book, *Poverty and Place*, illustrates how the concentration of poverty in metropolitan areas was expanding and often due to policies and processes beyond the scope of local control. Jargowsky (1997) writes, "A primary finding of my research is that the extent of ghetto and barrio poverty within a metropolitan area and the changes in it over time are largely determined by dynamic metropolitan-wide processes" (pg. 145). The degree to which people remain in these poor areas is less dependent, as Jargowsky (1997) states, on proximity to available jobs or the presence of a culture of poverty. It is more dependent on the functioning of the metropolitan, not the local, economy. If this is true, then why has so much attention been placed on getting people off the welfare rolls in light of deteriorating urban life? How can scholars and policymakers address the use of social welfare programs without changing the opportunities in place for poor individuals?

De Souza Briggs (2005) asserts that "[n]owhere are the opportunities and challenges posed by increased diversity more significant than in metropolitan areas" (pg. 2). This is

not to say that there have not been massive social welfare program reforms in place, yet the rhetoric about the poor still tends to fall on either side of the line of political ideologies. There seems to be something deeper than just the idea that people cannot get off welfare; there seems to be this idea that people do not want to. If this is the case, then any attempts to aid poor people in escaping poverty would be rendered ultimately useless. As Bertrand et al. (2004) stated, individuals who fall into this camp attribute a variety of psychological and attitudinal shortcomings of the poor to misguided views and fallible choices.

One particular reason lies on the widespread popularity of the “cultural of poverty” argument. A range of literature has supported this thesis yet it began with Oscar Lewis’ (1966) seminal book, *La Vida*. In this book, Lewis (1966) asserts that slum dwellers develop a unique set of counterproductive attitudes and behaviors, which ultimately get transferred to subsequent generations, as a form of persistent cultural behavior. Lewis (1966) describes characteristics of those living in a culture of poverty that cannot be overcome with just the sheer elimination of poverty since it has become a way of life.

Other notable works describing the cyclical nature of poverty include Moynihan’s (1965) *The Negro Family*, a report issued by the United States Department of Labor. He also argued that there was a specific pathology existing with “the Negro American” that would keep perpetuation itself without some type of targeted intervention. Like Lewis (1966), Moynihan (1965) also believed that the process of changing such a culture was a task the national government should take more seriously. However, due to much criticism about their seeming attacks on poor individuals, Moynihan’s (1965) and Lewis’ (1966) call for national action was ignored (Wilson, 2013). Similar themes rise up in

their descriptions such as an alternate view of work, the disorganization of the family, a lack of motivation and competency, and an attraction to deviant behavior. Stretching notions raised in Harrington's (1962) description of the "other America", Herrnstein and Murray (1994) argue racial differences in intelligence in *The Bell Curve*. The authors here argue that both genetics and environmental conditions produce inequalities within our social structures placing the "cognitive elite", those with high intelligence, above other people. The most controversial aspect of the book lies in its use of racial eugenics arguing that racial differences in IQ tests are genetically based. It is this line of thinking – the genetic inferiority of non-White racial groups - that has refocused the discussion on the causal factors of poverty, especially relative to the African American population.

Other scholars agree that a poverty pathology may exist; but have argued it can be changed given appropriate policy interventions. This theoretical framework focused on the "neighborhood effects" argument, which stressed the importance of focusing on the neighborhoods in which poor people lived rather than their perceived behavior as causes of poverty. One of the most notable proponents of this concept is Wilson (1987), who argues that most of this previous research was based on subjective reactions to extremely limited research. Wilson (1987) states, "much of the evidence from which their conclusions were drawn was impressionistic – based mainly on data collected in ethnographic or urban field research that did not capture long-term trends" (pg. 4). As a result, such qualitative work tended to focus on just a snapshot in time rather than taking into account these cultural traits over time. Unlike his predecessors, Wilson's (1987) arguments framed the problem with the growing concentration of poverty in inner city "ghettos" as a result of not just the inclination of self-perpetuating behavior, but as a

result of the changing dynamics of the places in which these people lived. The emergence of neighborhood effects literature thus shaped the way scholars looked at poverty and its root causes as well as associated behavior.

Having formally relied on only individual characteristics in explaining self-perpetuating pathologies, Wilson's (1987) incorporation of economic shifts (specifically the changing national economy as well as the movement of the middle class from the inner city into the suburbs) captured an extremely important facet of urban decline as well as poverty spells. And since that time, with many advancements in methodological approaches to performing research and the available of new data in various forms (longitudinal, cross-sectional, etc.), research on urban poverty has grown.

One of the most recent notable works on intergenerational poverty dynamics is by Patrick Sharkey (2013) in his book, *Stuck in Place*. Sharkey (2013) discusses how the persistence of segregation and the changing level of concentrated poverty continue to plague American society into two separate racial worlds. Using various quantitative methodological techniques, Sharkey (2013) illustrates mobility in and out of poor and affluent neighborhoods across generations. The mobility patterns of today are starkly different from those in previous migration periods. The process by which individuals move, specifically poor individuals, depicts a growing problem of urban poverty and economic/racial inequality. Such evidence suggests another complicated layer upon reviewing urban poverty research: "Neighborhood advantages and disadvantages have been passed down to the current generation, and the consequences for racial inequality have been severe" (Sharkey, 2013, pg. 166). While Sharkey's (2013) conclusion could be misinterpreted as the presence of a self-perpetuating cycle of behavior that encourages

deprivation and stagnation, his analysis goes beyond this normative rhetoric. Similarly to Wilson (1987), his research shows that the reason why poor individuals, predominantly poor African Americans, stay in poor neighborhoods depends on both individual and family characteristics and neighborhood conditions as well as broader structural socioeconomic and political conditions. These factors categorize what types of policies were implemented, and thus, the need for examining welfare programs becomes relevant.

The discussion of welfare usually focuses upon AFDC/TANF or the Supplemental Nutrition Assistance Program (SNAP), commonly referred to as food stamps. Even within research, analyses of cash assistance programs have yielded some interesting depictions of poverty. Bane and Ellwood (1994) discuss the dynamics of welfare in relation to their understanding of AFDC. They are primarily interested in similar questions offered in this dissertation regarding the duration of time spent on “welfare”. They provide insight into seemingly contradictory claims about how long people remain on public assistance. Bane and Ellwood (1994) stated:

- Roughly 35 percent of all current recipients have been on welfare for two years (twenty-four consecutive months) or less. Only about 20 percent have been on for ten years or more.
- Half of all spells of welfare last less than two years. Only 14 percent last ten years or more.
- Less than 15 percent of all current recipients will be on welfare for two years or less. Some 48 percent will be on in ten or more years.

The first two answers make welfare look very short lived indeed. The last answer conveys a very different impression. Remarkably, all three are correct. And all three come from the same set of data. (pg. 29)

The complexity of the issue hinges upon different methodological approaches, such as point-in-time analysis versus completed spell distributions, in relation to the over-arching idea of what welfare consists of and how one should approach these questions.

In their analysis, they find that African Americans typically have much longer spells than Whites on AFDC, controlling for variables such as age, education, family structure, and disability status constant. The effect of race on duration is modest at best (controlling for other variables). Rather, disability status and work experience are associated with spells of time spent on AFDC and “with above-average probabilities of recidivism” (Bane & Ellwood, 1994, pg. 46). In other words, having a physical disability and the amount of work experience an individual hold is indicative of how long they receive AFDC. Other scholars such as O’Neill et al. (1987) have also looked at welfare dynamics using AFDC as a point of reference. O’Neill et al. (1987) found that welfare participation has a high degree of turnover with only 18 percent remaining on the program longer than five years. This study speaks to the relatively short duration of welfare participation as it exists with AFDC. However, similarly to Bane and Ellwood (1994), their choice of AFDC further complicates the issue of welfare dependency.

O’Neill et al. (1987) and Bane and Ellwood (1994) provide a rich methodological approach to the topic at hand; however, their analysis of AFDC does not adequately capture the entire picture of welfare. AFDC exists as one form of public assistance in a larger realm of social welfare policies. While it is indicative of public assistance, I maintain that housing programs serve as a better example of the utilization of public assistance. While their analysis of AFDC elucidates the relationship between poverty spells and welfare, it does not explain the impact of housing assistance programs, as a form of public assistance. My research focuses on larger forms of public assistance in the form of housing assistance programs as a more appropriate indication of dependency.

### 3.4 Dependency on Housing Assistance

Politicians have debated the issue of welfare dependency since its initial inception. Still, policymakers today have various frames through which they view individuals using different forms of welfare and the reality of the indigent living with assistance from the government. A substantial amount of literature exists that discusses poverty and welfare dynamics (e.g. Duncan, 1984; Bane and Ellwood, 1994; Jargowsky, 1997; Wilson, 1987; Wilson, 1997; Sharkey, 2013). However, there are very few works that depict this dynamic of spells within public housing. Nevertheless, research on public housing and spell lengths expands upon the complexity of housing assistance overall. It stands at the crossroads of government assistance and welfare dependency.

Still, some scholars have pinpointed the need for understanding this dynamic in various ways. For example, Hungerford (1996) examines the duration of housing assistance spells using the Survey of Income and Program Participation (SIPP)<sup>5</sup> between 1986 - 1988. Hungerford (1996) analyzes individual characteristics of the head of household, factors affecting their labor force status, and conditions in the local housing market to determine the exit rate from housing assistance. His results provide some interesting points in terms of understanding housing assistance spells. First, many individuals do move out of public housing or cease from using rental subsidies after relatively short periods of time. Hungerford (1996) also describes the differences among social groups. His research suggests that female heads of households, the elderly, and the less educated are less likely to leave housing assistance than male head of households, working-age individuals and the more educated (Hungerford, 1996). Contrary to popular

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<sup>5</sup> For a more detailed discussion of SIPP, please see Chapter 4. Along with SIPP, other longitudinal studies will be discussed in an effort to not only understand the advantageous and disadvantageous of these datasets, but also the appropriateness of the PSID in this dissertation.

discourse, Hungerford's (1996) analysis suggests relatively short periods of tenure among public housing residents.

In addition, As Freeman's (1998, 2005) research asserts, many individuals do leave housing assistance after short periods of time. Yet, similarly to Bane and Ellwood's (1994) argument, Hungerford's (1996) analysis suggests that although many people leave quickly, some receive assistance for long periods of time and these individuals consume the most resources and are disproportionately represented in the recipient pool at any particular point in time. Following this logic, long-term public housing residents provide an additional burden requiring more assistance from local housing authorities and public agencies authorized to managed these units.

Second, leaving housing assistance is related to receiving other forms of welfare (Hungerford, 1996). Indeed, individuals that receive housing assistance as well as other forms of public assistance have a higher chance of leaving public housing altogether. The economic relief of additional financial resources is expected to reduce the time spent in public housing. However, the next question centers around "duration dependence", which returns this discussion back to the idea of the "culture of poverty" argument. Duration dependence was an implicit idea within Lewis' (1966) "culture of poverty" argument.

In terms of duration dependence, the longer someone receives a public good or benefit, the more likely it is for that individual to become dependent on that benefit. Duration dependence, according to Freeman (1998), is the notion that a form of assistance becomes harder to relinquish the longer an individual receives it. Individuals are thus less likely to leave public assistance programs because their lifestyles have

garnered a new form of attachment. This attachment is arguably a false sense of entitlement; however, it is important to note that this attachment functions in the absence of other resources. For example, an individual may continuously use a form of public assistance such as “food stamps” only when they have exhausted other options or available options do not provide a greater level of satisfaction. Yet, as Hungerford’s (1996) research suggested, there was no evidence of duration dependence in housing assistance spells.

Other studies have tried to combine both types of housing assistance programs (Shroder, 2002; Freeman, 2005); however, public housing functions differently than housing vouchers. While public housing is a physical subsidized housing development managed by a public agency, voucher recipients operate in the private market rental market. As a result, private landlords are introduced into the process of housing a voucher recipient, which adds another layer of bureaucracy and complexity to the overall practice. Since landlords are now involved with the process, some unintended effects may occur in this case that are not present in public housing developments such as rental discrimination or management issues in terms of maintenance and operations with the rental unit itself.

For example, Shroder (2002) reviews several arguments surrounding the indirect effects of housing assistance on the self-sufficiency of assisted families. Although his review of the literature also looks at housing assistance more broadly, Shroder (2002) asserts that neighborhoods have immediate effects on the short and long run economic actions and outcomes of individuals. Various forms of housing assistance may distort neighborhood choice leading to adverse effects of its mission (Shroder, 2002). In his

essay, Shroder (2002) also discusses different means-tested housing programs and the stigma carried by many economists' suspicions. This skepticism arises from different examples such as the Gautreaux Project and the Moving-to-Opportunity Program (MTO).

As previously discussed, the Gautreaux Project formed from the 1976 decision of a housing discrimination case based in Chicago, IL (Rosenbaum & DeLuca, 2008). The case developed due to issues of residential segregation restricting low-income black families from entering in more affluent, white neighborhoods. As a result, these families were given housing vouchers to move to many different kinds of community, including white middle-income suburbs and low-income black city neighborhoods (Rosenbaum, 1995). Serving as the biggest residential mobility program in the history of housing policy, Gautreaux laid roots to the later formation of the MTO. Such prominent housing experiments, along with many cities adopting their own versions of diversifying their method of providing housing assistance ushered in a varied range of effects.

Many studies have carefully examined the effects of several housing assistance programs or experiments such as the Gautreaux Project and MTO Program (MTO) (e.g. Goering & Feins, 2003; De Souza Briggs et al., 2010; Rosenbaum & DeLuca, 2000, 2008). Yet, housing assistance is not monolithic. It not only incorporates programs like traditional public housing and housing vouchers, but also programs such as scattered site properties<sup>6</sup> and senior living facilities. All of these programs serve within the realm of housing assistance programs. Therefore, it is important to distinguish between different types of housing assistance program in an effort to understand its independent effect upon individuals' ability to move.

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<sup>6</sup> Scattered-site properties serve as individual housing units located throughout a city or region that are managed by the local housing authority or public agency. "Scattered Sites" mix residents with private renters and homeowners in their neighborhood.

While Hungerford's (1996) analysis helps clarify some of the complexity of housing assistance duration, his analysis is somewhat limited by the data used. For example, he examines a 3-year period to understand housing assistance exit rates. A much longer analysis, such as the one offered in this dissertation, would help capture additional changes in individual characteristics rather than the short period of time he analyzed. Moreover, his definition of housing assistance includes both public housing and rental subsidies. I argue that the "choice" of whether a person stays in a public housing development or continues to use a rental subsidy may be quite different. There is a need to delineate between these different types of housing assistance programs as a way to pinpoint suitable policy options.

As stated before, the social environment of public housing is much more structured and homogeneous than the rental market. Individuals living in public housing tend to have a similar socioeconomic status while individuals using a rental subsidy have more autonomy in the selection of their housing unit within different neighborhoods. The effect on whether an individual leaves based on the type of housing assistance he or she receives is not captured in Hungerford's (1996) analysis. Other research such as Freeman (1998) has separated housing assistance programs into individual programs such as public housing versus housing voucher programs, in order to understand residents' "choice" more generally.

Other research has examined the determinants of tenure using administrative data from the tenant files of the New York City Housing Authority (NYCHA) (Bachieva and Hosier, 2001). NYCHA is known for being the poster child for housing authorities due to their management structure as well as their facility operations and policy

implementations. However, Bachieva and Hosier (2001) show that they, too, have longer spells of tenure among public housing residents than other public housing authorities. Using a hazard rate to model the probabilities of exit, the researchers discover that the median length of stay in public housing is predicted by the duration model to be 16 years for younger residents (individuals between the ages of 21 – 41) and 23 years for middle-aged residents (individuals between the ages of 41 – 61) of the NYCHA (Bachieva and Hosier, 2001). Additionally, the individuals most likely to exit public housing tend to be young or very old, single, white or non-Latino recent immigrants (Bachieva and Hosier, 2001). This analysis provides a useful depiction of tenure and spells within public housing; however, it relies on the information of just one housing authority. And while NYCHA may be seen as an extreme case since it operates in one of the most expensive housing markets in the country and is by far the largest housing authority, this discussion yields some interesting evidence on the duration of tenure within public housing.

Other research such as Freeman's (2005) study of duration dependence on housing assistance also offers some analytic utility. Using data from the Multifamily Tenant Characteristics System (MTCS) and the Tenant Rental Assistance Certification System (TRACS), Freeman (2005) looks at individuals living in public housing and those receiving a housing voucher in an effort to identify the determinants of exits from housing assistance.<sup>7</sup> His results suggests that the availability of other housing options, an individual's race/ethnicity, disability status, and life-cycle factors<sup>8</sup> have the largest effect on exiting housing assistance.

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<sup>7</sup> Freeman (2005) discusses other housing assistance programs including the Below Market Interest Rate Program, Section 202, Section 236, Section 811, Rent Supplement, and Rental Assistance Programs.

<sup>8</sup> Life-cycle factors include marital status, age, and the presence of children (Freeman, 2005).

Furthermore, Freeman (2005) discusses a more “nuanced view” of dependency suggesting that as the dependency on housing assistance increases, motivation decreases due to the experience of receiving housing assistance. Freeman (2005) states, “This more nuanced view would also see an unwillingness to take advantage of other opportunities as indicative of dependency. Under this more nuanced view, while the elderly and disabled are viewed as long-term users of housing assistance, they would not be considered dependent.” However, his results are inconsistent with this nuanced view. There was little evidence to suggest that duration dependence exists. While Freeman’s (2005) analysis provides a more expansive view of duration dependence on housing assistance programs, it also conflates the social environment in which housing assistance programs operate since he did not delineate between different housing assistance programs. Nevertheless, his critical look at housing assistance depicts a different dynamic of dependency unlike that of traditional welfare critiques.

### **3.5 Conclusion**

Because of the dynamics surrounding housing assistance, more specifically tenure within public housing, it becomes a necessity to look at public housing individually if the public assistance system is thought to create some sort of dependent culture. The degree to which people utilize the program becomes much more nuanced than other welfare analyses. Public housing has a long history including influences from mismanagement, racial discrimination, and segregation. It has served as a staple in many urban areas across the country and as an indicator of extreme poverty. For many poor residents, poverty has become not only a designation of socioeconomic status but also a way of

living. Indeed, poor people continue to be stigmatized due to numerous political and social transformations through the latter part of the 20<sup>th</sup> and early years of the 21<sup>st</sup> century. Thus, it is important for further research on public housing assistance to provide evidence for the determinants of housing tenure that will break down the rhetoric of both political sides in order to achieve more appropriate policy responses.

## **CHAPTER 4**

### **DATA & METHODOLOGY**

#### **4.1 Introduction**

In this chapter, I describe the use of the Panel Survey of Income Dynamics (PSID) and its appropriateness for this dissertation. PSID serves as a useful analytic tool for understanding tenure as well as different dynamics surrounding poverty and residential mobility. I then revisit the individual research questions and the quantitative approach associated with each question to test several hypotheses related to the construction of the perceived tenure issue existing within public housing. Hypotheses are made based on the relationship of the explanatory variables and their perceived effect on the likelihood of exiting public housing as discussed in the literature review. An extensive list of control variables is discussed along with their coding scheme. The coding of the explanatory variables is based on survey questions asked within the PSID itself. Particular attention is given to individual and neighborhood characteristics as proxies for the broad overarching factors of individual attributes, local economic factors and local housing market conditions.

#### **4.2 Discussion of Data – Panel Survey of Income Dynamics (PSID)**

From its beginning in 1968 at the Institute for Social Research at the University of Michigan, the PSID has served as a nationally representative sample of individuals and families living in the United States. It is a longitudinal, cross-sectional dataset consisting of information gathered through the use of various survey methods and has been reported annually until 1997. After 1997, the survey began to survey individuals and report their

findings on a biennial basis. The information includes measures of family dynamics, employment, education status, disability status, and philanthropy, as well as other questions of interests depending on the year (PSID, 2014).

Uniquely suited for this dissertation, the PSID contains information on whether or not a person lived in public housing from its inception in 1968; but not between 1973 – 1985. Freeman (1998) relied on the period between 1986 – 1992 for his analysis. This dissertation goes beyond the scope of that time period to include shifts over the mid-1990s up until 2011. The extension of this analysis also accounts for greater variance in entries and exits in public housing. There is variation in the number of residents living in public housing for each year across the observed time period. This variation allows me to account for differences among their exits in terms of individual characteristics and neighborhood conditions. Other datasets such as the Survey of Income and Program Participation (SIPP) were identified and vetted for their appropriateness to address the question of tenure in public housing. However, the PSID offers some unique advantages over its counterparts. For example, PSID has the socioeconomic status of individuals over an extended period of time and it allows for more localized measures of economic and housing market conditions to be included in the analysis (with some time limitations).

While the PSID is very useful in understanding who moves and who stays, it is not without its limitations. First, information related to the specific month of a move-out is not available, only the status at the time of interview. Furthermore, changes in characteristics across the months of a specific year are also not available. In the nomenclature of event history analysis, the PSID provides discrete time data, with a

period of observation of one or, after 1997, two years. Therefore, tenure is related to the amount of years an individual stays in public housing. Second, characteristics associated with the housing units themselves are not observed in the PSID. It is quite plausible that the design of the public housing unit or the type of public housing unit may have an effect on whether or not a family moves. For example, changes in an individual's family composition may cause families to relocate (Rossi and Shlay, 2010). However, this dissertation is focused on the effects of individual characteristics, local economic and housing conditions, and time in public housing. The choice to leave or exit public housing may not be much of a choice at all. Yet, the individual and neighborhood conditions which structure a person's choices become of even greater concern.

In addition, the public version of the PSID does not provide information on specific addresses. However, this issue is solved by merging the restricted Geocoded Data Supplemental file to the public individual and family data files at the census tract level to ascertain local effects on public housing exits. This file also identifies the exact type of housing assistance being used so that the respondents' answers in the original data can be verified by its designation within the restricted files. Moreover, restricted data related to information on the individuals at the neighborhood level is also utilized to tease out theories based upon local economic conditions, geographical disparities in housing costs, and different neighborhood effects (Wilson, 1987; Jargowsky, 1997; Bradshaw, 2007). Table 4.2.1. supplies a table of summary statistics including means, minimal and maximal data points for the PSID:

*Table 4.2.1 – Summary Statistics for PSID Data, 1987 – 2011*

[See Table 4.2.1]

It is also important to note that these summary statistics are for the final sample of the PSID. That is, this sample takes into account only completed or right censored spells beginning after 1986 in determining the descriptive statistics. Frequencies are given for categorical variables. The minimums, maximums, means and standard deviations are given for numerical values. Individuals living in public housing in 1986 were excluded since the start of that spell is unknown. Missing values were also recoded to reflect non-integer values in order to not obscure the descriptive statistics. In many cases, PSID codes its missing values as with integers such as “999” or “998”.

Lastly, it is important to define how an exit is calculated in terms of the data. Again, the PSID asked heads of household two questions about their living arrangements starting from its inception in 1968. However, these particular questions were not asked between 1973 to 1985. Therefore, a sample was created by identifying consecutive responses by each head of household across the 1986 – 2011 time period. As defined by the PSID, the head of household of each family unit must be at least 16 years of age and the person with the most financial responsibility for that family (PSID, 2014). Originally, if the family contained a husband-wife pair, the husband was arbitrarily designated the “Head” to conform with Census Bureau definitions in effect at the time the study began. The person designated as the head of household may change over time.<sup>9</sup> With over 200,000 total observations in the initial sample, the sample of analysis was narrowed down to 3,092 subjects for each individual’s first spell. The initial number of observations was 203,901. Observations were ignored because 1) their unique identifier was missing, 2) their entry time was missing, and 3) they never entered public housing. In some cases, there was some recidivism in terms of living in public housing. Multiple spells were

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<sup>9</sup> Family units with a change in the head of household were dropped from this analysis (n = 2).

observed in this data set in order to account for entrances and exits from public housing. This increased the total number of observations to 5,279. The maximum number of spells for an individual was equal to 5. That is to say that this head of household had 5 total *observed* spells based off the defining states of entry and exit. Table 4.2.2 provides a detailed variable list of the PSID:

*Table 4.2.2 – PSID Variable List*

[See Table 4.2.2]

The coding and relevant hypotheses for the variable list is then to discussed to elucidate the expected relationship of explanatory variables as it pertains to public housing exits. Further description of the variable list is also given to fully explain the coding of the data.

#### *A. Variable Coding & Subsequent Hypotheses*

The following propositions have been developed to reflect hypotheses originating in the literature. References to the PSID are made to indicate the specific variables used and their coding scheme as well as their statistical interpretation in relation to the regression models. In terms of factors associated with forms of tenure (or length of stay) in public housing, subsequent hypotheses are based on the following sets of or control variables:

##### *1. Individual Characteristics*

**Tenure:** The “tenure” variable is the primary variable of interest in this dissertation. It reflects the number of years a person has lived in public housing. If a person was identified to have multiple, complete spells, then those spells were included in the analysis. Since the data does not allow me to identify a person’s first stint in public

housing, multiple observed spells are used. Furthermore, this variable is treated as a categorical variable in order to determine short versus long tenure periods. The “tenure” variable is coded as 1 if a person has been in public housing between 2 – 5 years, and 2 if a person has been in public housing between 6 – 10 years, and 3 if the person have been living in public housing for more than 10 years. Individuals living in public housing for 1 year serves as the base case. I expect to see the likelihood decreasing as tenure increases. That is to say, the longer an individual lives in public housing, the lower the probability of exit.

**Spells:** The issue of recidivism is also of concern. Multiple entries and exits in public housing suggest issues internal issues of dependency but also external issues of renting and home-buying among residents. If an individual cannot sustain suitable housing options outside of public housing, then they may likely return to some form of housing assistance. The overall process to gain entry into public housing is not a new phenomenon to them so there are prior expectations at work here. Individuals with higher number of spells are expected have lower probabilities of exit.

**Sex:** According to Freeman (2005) and other scholars, female-headed households are often found to be more vulnerable to persistent poverty. As a result, they are more likely to be among long-term residents in public housing. This is also echoed through various policy interventions specifically targeted at women on public assistance programs such as SNAP and TANF. This variable is treated as a categorical, or dummy variable with 1 indicating Male, and 0 indicating Female.

**Age:** The older an individual becomes, the less likely they are to leave public housing due to various changes in their life cycle. For instance, older adults tend to have less mobility in terms of their places of employment. As a result, their income levels remain relatively stable. On the other hand, younger adults (18-25) are more likely to change places of employment in the earlier part of their lives resulting in various changes in their income levels and economic status (Dychtwald et al., 2013). In addition, family composition also changes as older adults may become more dependent than their younger counterparts. This variable is treated as a categorical variable for the individual head of household in effort to show differences among various age groups (Young: Ages 18 – 24; Middle Age: Ages: 25 – 44; Upper Middle Age: Ages: 45 – 64; Senior: Ages 65+). “Young” heads of household are used as the base case in order to determine the difference between age groups.

**Race:** The racial identity of heads of households is necessary for this analysis. Since most of the literature targets the differences among racial and ethnic groups in socioeconomic mobility discussions, it is necessary to include this in the construction of the explanatory variables for the model. The value for race is analyzed as a set of dummy variables with 1 and 0, respectively, indicating whether or not an individual identified as White/Caucasian, Black/African American, Hispanic/Latino, and “Other” for race. These variables include “white”, “black”, “latino”, and “other” in the regression models. Based on HUD Data, all other racial groups only make up only 5% for the distribution of heads of households living in public housing (HUD Characteristics Report, 2014). The PSID

surveyed heads of households based on ethnic origin (including Mexican, Mexican American, Chicano, Puerto Rican, Cuban, or other combinations) and racial group (including White, Black, American Indian, Aleut, Eskimo, Asian, Pacific Islander, or any other race) (PSID Data Center, 2014). Therefore, white heads of household are expected to have higher exit rates than other racial groups.

**Education:** Education is discussed in the literature as one of the main proponents for providing individuals with mobility. The expectation is that the more education an individual has, the more likely they are to move out of public housing, controlling for all other independent variables. The range of values for this variable includes completed years of education from the elementary level up to the collegiate graduate level. The values for this variable are dependent upon two survey questions that determine whether or not a person graduated from high school and how many years of post-secondary education a person received (PSID Data Center, 2014). I expect this value to be constant over time for many of the individual heads of households if he or she graduated from high school with an additional effect for each year of additional schooling. However, for the purposes of this dissertation, only 1 additional year of post-secondary education is used to demonstrate the difference in pursuit of additional education versus an individual stopping at the high school level. A “educ” dummy variable was created for secondary and post-secondary levels. Individuals who graduated high school were coded as 1. Individuals who received a GED were coded as 2. Individuals who attended at least 1 year of post-secondary training or 1 year of college were coded as 3, while others who

indicated that they did not finish college were coded as 0. Individuals who did not graduate college were used as a base case.

**Marriage:** The PSID identifies the head of household and the wife or “wife” of such individual. In the PSID, an opposite sex romantic partner who has moved into an FU less than 1 year prior to the interview is labeled a boyfriend or girlfriend (code 88) in that first wave that he or she appears in the study. If the cohabiter has moved in at least one year before the interview, the couple will be coded as Head and "Wife" (code 22 from 1983 on). In the next wave, if the boyfriend or girlfriend is still living in the FU and the couple is still unmarried, they are recoded as Head and "Wife" (That is, a male head will remain head but his girlfriend will be labeled "Wife" or a Female Head will become "Wife" while her boyfriend will become Head) (PSID, 2014). Information is then gathered on the wife/"wife" across the time. The PSID does not recognize same-sex couples. In the literature, it is assumed that married individuals are more likely to move due to lower concerns of stability and additional income. The probability is expected to be higher amongst married individuals compared to single individuals. This variable is based on a survey question related to whether or not the head of household identified as being married, single, widowed, divorced, or separated (PSID Data Center, 2014). I expect being married has a positive effect on the odds of exiting public housing. Dummy variables were created for 3 different categories based on the marital status of the head of household. The variable “headsingl” is coded as 1 if the head of household is single during a given period of time and 0 if the head of household had any other marital status. The variable “headmarried” indicates 1 if an individual is legally married and 0 if the

person is not legally married. If an individual is separated, he or she does not fall into this category. The variable “headother” indicates 1 if a person is separated, widowed, or divorced and 0 otherwise. Single heads of household were used as the base case.

**Children/Dependents:** The number of children and/or dependents will greatly impact the likelihood of leaving public housing. The financial and social burden of additional members to the family nucleus may hinder the possibility of moving. If this is the case, then heads of households with more children and dependents would remain in public housing for longer periods of time. The value for the number of children and/or dependents is treated as a continuous variable. This variable is based on the number of children and dependents under 18 living with the family unit as identified by the head of household (PSID, 2014). I expect an increasing number of children to have an increasing negative effect on the hazard rate. The “child” variable is treated as a continuous variable in order to reflect changes in the family structure of the head of household.

**Income:** Although there are restriction levels on income dependent upon family size, it is necessary to know if individuals near the higher end of that bracket are more likely to move than their counterparts at the lower end. Income would be assumed as one of the biggest determinants of mobility within public housing. The value for the income variable is treated as a continuous variable. The head of household’s total income from wages and salary pay is used to discern this effect. The PSID defines this as all taxable income (or working wages). Other income including Aid to Dependent Children (ADC), Aid to Families with Dependent Children (AFDC), and Aid to Dependent Children of

Unemployed Fathers (ADCU) benefits (PSID Data Center, 2014) are not captured in this variable. Both are noncontributory public welfare programs, and administered by states, counties, or large cities, but generally supported by federal grants-in-aid (Morgan and Smith, 1969). There were no negative values since this variable is based off earned income. The “income” variable was divided by a 1,000 in order to illustrate and interpret a more significant change in an individual’s income. To capture inflation, income was adjusted to 2010 dollar levels.

**Additional Governmental Services:** Receipt of additional income in the form of governmental assistance is often associated with some form of dependency rather than necessity. The purpose of the programs is to provide additional aid to needy families. The amount of aid heads of households receive will undoubtedly affect whether they are able to move or not, freeing up other forms of income. This value is separate from income and should be treated as such. Therefore, it is necessary to treat these variables independently in terms of additional financial assistance, which would indicate an individual’s ability to move. This variable is treated as continuous. Only programs not captured in the family income variable were used to compute this variable so that the effect of additional public assistance could be measured exclusively. The “afdc” variable was divided by a 1,000 in order to illustrate and interpret a more significant change in a person’s additional income versus a change by one dollar. To capture inflation, income was adjusted for 2010 dollar levels.

**Disability Status:** The ability of the individual to work is highly significant. Individual heads of household are found to be less likely to move due to their inability to find gainful employment due to their disability status. In order to capture this effect upon public housing residents, the individual head of household status is included. The PSID surveyed heads of households asking them about their physical and “nervous condition” that may limit the type of work, or the amount of work the individual can do (PSID Data Center, 2014). Morgan and Smith (1969) explain the real concern here is whether or not the person’s disability affects the family’s economic position, by reducing the amount an individual can earn or by requiring additional expenses. The “disability” variable is coded as 1 if a person has a physical and/or nervous condition and 0 otherwise.

## *2. Intergenerational Individual Effects*

### **Parental Income / Parental Family Structure:**

As discussed before, many scholars have begun to look at the intergenerational persistence of poverty. That is to say those individuals who grew up poor are more likely to have children who are in poverty versus other groups. This evidence suggests that there may be some intergenerational transmission of cultural norms or a sustained system of structural conditions that limit the ability for people to escape poverty altogether. This “parental effect” particularly evident in Sharkey’s (2013) book pinpoints a concern with the economic trajectory of children who grew up poor and the said inheritance of a class of disadvantaged (Galster et al., 2007; Ham et al., 2014). Therefore, it is necessary to include controls for the head of household’s parental level of income and the family structure of their household while growing up.

For parental income, the PSID asked subjects about the perceived level of their parents' income ranging from "poor" to 'well off'. I maintain that while the actual income of an individual's parents in real dollars may be more appropriate, the perception held by an individual would play a significant role in how one perceives their lifestyle as well as their economic trajectory. In addition, the family structure of the household is important. The experience of living in a single-family household versus a dual-family household may have some effect on the life-course of children (Amato, 1996; Galster et al, 2007; Ham et al., 2014). Therefore, individuals who grew up in a dual-family household are more likely to have that type of structure which would have an effect on their overall economic status. The PSID asked subjects if they grew up with both parents in the household while growing with answers including "Yes", "No", and "Did not living with parents". Both variables described here are used as categorical variables in order to ascertain the "parental effect" on the likelihood of exit from public housing.

This set of variables is treated as dummy variables in order to ascertain the differences among parental effects. The variable "paravg" is coded as 1 if the head of household identified their parents as having average or varied income while they were growing up and 0 otherwise. The variable "parrich" is coded as 1 if the head of household identified their parents as being rich or wealthy while they were growing up and 0 otherwise. Individuals who grew up poor are used as the base case in order to more effectively interpret the results from the regression models. The variable "parboth" is coded as 1 if the head of household identified that they grew up in a dual-parent household and 0 otherwise. Individuals who grew up in foster care or members of their family who were not their biological parents were as treated as not living with both their parents while

growing up. Additionally, the education level of the head's parents was also identified in the PSID. However, it was not statistically significant in any of the models performed. Therefore, it was left out of the final analysis performed here. I used perceived income versus education as an indicator of socioeconomic status of the head's household while growing up.

### *3. Neighborhood Characteristics*

**Level of Poverty:** Most public housing units are typically located in neighborhoods of concentrated poverty. Purposefully designed communities may be seen as organic or a natural development of housing policy; however, public housing developments were structured in disadvantaged places (Hirsch, 1986). Being largely segregated from other communities, public housing became a place of refuge for many poor Americans, especially Blacks who experienced other forms of discrimination including residential segregation, rental discrimination, and other forms of redlining and zoning practices. Therefore, it is necessary to understand how the level of poverty in a given area may affect an individual's ability to move. This poverty threshold was taken from the Census Bureau.<sup>10</sup> The Census Bureau based the threshold values on family size, the number of persons in the family under age 18, and the age of the householder (PSID Data Center, 2014). The “ipoverty” variable is measured at the census tract, or neighborhood, level for the poverty rate for the population Ages 18 – 64.

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<sup>10</sup> For specific reference, please see <http://www.census.gov/hhes/www/poverty/threshld/index.html>. Table is entitled “Poverty thresholds by Size of family and Number of Children”.

**Unemployment Rate:** Most public housing units are typically located in neighborhoods of high unemployment. In order to capture the effect of such, the unemployment rate of the census tract is used as a descriptor of neighborhood characteristics. Individuals living in neighborhoods with higher rates of unemployment are assumed to be less likely to move out of public housing. This variable is measured at the census tract level for the unemployment rate for the population ages 16 years and over. The variable “iunemploy” reflects the percentage of working adults unemployed in a given county as defined by the census. The unemployment rate at the county level is indicative of the employment section outside of the neighborhood. Many individuals do not work in their local neighborhoods so the unemployment rate at the county level is more indicative of an individual’s available job market.

**Median Household Income:** Median household income serves as an indicator of the economic viability of a particular area. Neighborhoods with rising or stable income are seen to be as better for its residents with little to increasing shifts in the amount of resources in those particular areas. Declining household income indicates a decline in the local economic state of a neighborhood and thus may have a negative effect on the population living there in terms of residential mobility, especially for those living in public housing. Therefore, it is necessary to consider if a relationship affects the odds of exiting public housing altogether. Using census data, the median household income at the neighborhood level was used as a control variable. The variable “imedhouseinc” was divided by 1,000 in order to illustrate and interpret a more significant change in the

household income of a neighborhood. The median household income was adjusted to the 2010 inflation rate.

**Housing Vacancy Rate:** The availability of housing options outside of public housing will directly impact directly impact whether or not an individual can move out of public housing. Areas with low vacancy rates offer little to no options for those living in public housing. Therefore, it is likely that an individual will stay in public housing until a suitable alternative arises in order to maintain their present level of satisfaction. Housing vacancy remains an indicator of blight. It is also directly correlated with homeownership. Therefore, it is necessary to consider the amount of housing available in a neighborhood. Using census data, the rate of vacant units at the neighborhood level was included as a control variable named “ivacant”.

**Rental Vacancy Rate:** As discussed in the background section, public housing in its initial development was to serve as a transitional housing problem. Yet, with some residents being offered loans for mortgages to obtain their own home, many were left to either stay in public housing or rent. The rental vacancy rate was included as a control variable for multiple reasons. First, the trend of owning a home has shifted over this period so it is important to denote the changes in the local rental market. Secondly, residents of other housing programs have been seen to relocate to close proximity to their form public housing unit. And lastly, obtaining a mortgage typically requires a level of savings out of bounds of public housing residents since such assets would make them

ineligible for public housing. Using census data, the rate of vacant rental units at the neighborhood level is included as a control variable named “irentvacant”.

**Median Gross Rent:** The median gross rent in a neighborhood is also relevant. If public housing residents are looking for rentals within their neighborhood, they may be priced out of their market if the rent is too high. On the other hand, the lower the gross rent may indicate either a poor economic state in that locality or a lack of suitable housing options. Furthermore, because of the 30% requirement of rental payment based on income level for each public housing resident, the rental market may play a larger role in the rate at which individuals exit public housing. Because of this requirement, the median gross rent is measured in terms of the median percentage of rent paid from the household income for the corresponding year of observation within a given neighborhood. Using census data at the neighborhood level, the “imedgrossrent” variable is to reflect the median gross rent as a percentage of household income in a neighborhood.

**Reform:** One of the major foreseen limitations of this study concerns the demolition of an individual’s public housing site. This may lead to a forced relocation of a family to another public housing, a transition to housing voucher, or some other living situation not captured in this analysis. In order to account for the increase amount of demolitions due to major housing reforms in the late 1990s, a “reform” dummy variable was created to mark the shift in time. The reform variable is indicative of policy changes beginning in 1998, the year when the HOPE VI program received formal legal recognition. A significant effect of this variable is interpreted as housing reforms after 1997 having an

effect on tenure among public housing residents. The specific housing reform policy is not available; however, it does capture stark changes in the development of public housing altogether.

I maintain that while there are differences in exit rates among public housing residents, neighborhood composition and local economic and housing factors also have an effect on the probability of exit. To test this hypothesis, proxies of neighborhood effects were included in this analysis. It is important to note that the census data used in this state was based off the 1990 and 2000 Decennial Census Data files and the American Community Survey 5-Year Estimates (ACS 5YE 2005 - 2009, 2006 - 2010, 2007 - 2011, 2008 - 2012, and 2009 – 2013). The ACS 5YE data identified the middle year as the basis for the estimate. For example, ACS 5YE 2005-2009 used 2007 as the year of approximation in the multivariate analysis. Furthermore, interpolations were performed based on the first observed year of data within each census tract up until the last year of observation in public housing. Interpolations were used to provide measures of local housing market factors and economic conditions during years in between actual observations.

Interpolations provide an estimate during periods in which data was not available by the census. Because they were bounded between observed years, this limits the amount of error introduced into the model while also providing a unique indicator during unobserved years. In addition, the concern here is whether a relationship exists or not between the housing market factors and local economic conditions upon the odds ratio rather than the level of the relationship. Therefore, the results for this particular set of

variables are centered on the positive or negative relationship upon the odds ratio rather than the level to which it affects the odds of exiting public housing.

### **4.3 Discussion of Research Questions & Hypotheses**

*Question 1: What individual characteristics are related to tenure in public housing?*

Individual characteristics are associated with the likelihood that people stay in public housing for short versus long periods of time. As discussed earlier, the proposed bill in Obama's 2014 proposal sought to limit public housing assistance to 5 years. Moreover, many housing authorities have implemented work requirements and time limits (Levitz, 2013). When discussing spells of time in any condition, there is a statistical relationship between the probability of exiting public housing in any given period and the distribution of time until exit from public housing. By identifying the factors that increase or decrease the probability of leaving public housing, I am able to explore the factors associated with shorter or longer spells in public housing. Prior literature suggests that white, single, unmarried, those with fewer (or no) children and higher levels of education would be able to move out of public housing more quickly than other groups (Freeman, 1998; Bachieva and Hosier, 2001).

Due to a multitude of reasons ranging from previous discussions in terms of cultural explanations as well as structural conditions, this demographic is not surprising to have a faster exit rate than its counterparts. However, these hypotheses have never been completely vetted through adequate longitudinal studies since other researchers relied on short periods of time (less than 5 years) to test similar questions. Due to the nature of spells within public housing, a much longer analysis is needed in order to discern changes

in individual characteristics such as age, the number of children or dependents, or income. This makes the analysis more robust.

*Question 2: Does time spent in public housing have an effect on the odds of an individual exiting public housing?*

While the first question provides a descriptive analysis of the factors associated with longer public housing stays, this subsequent question seeks to analyze the probability or likelihood of an individual to exit public housing based on how long they live there. Housing authorities across the country have varied amounts of tenure among their public housing residential population. For instance, Table 4.3.1 depicts the length of stay of individuals within 10 cities nationwide in the country:

*Table 4.3.1: 2015 Percentages of Tenure in Public Housing Units and Total County of Residents in Selected Cities and the United States Overall (As of June 30, 2015)*

[See Table 4.3.1]

Many individuals do stay for more than 5 years. According to HUD, 49 percent of the individuals currently living in public housing have resided there for more than 5 years (HUD RCR, 2015). Both conservative and liberal political perspectives could explain longer durations in public housing. While the ghettoization of public housing as a result of political actors is beyond the scope of this dissertation (Jackson, 1985), this analysis provides empirical evidence for a dialogue about appropriate policy responses in reference to tenure.

It is important to note that a person's likelihood of exiting public housing, in this case, does not directly point to ability; rather, it discusses a probabilistic situation given a set of

explanatory controls. As scholars, such as De Souza Briggs (1997), Kleit et al. (2006), and Manzo et al. (2008) have suggested, people create socially functioning communities that incorporate bonds and ties to their surrounding neighbors and institutions which may further complicate the question of “ability” and “choice” in terms of residential mobility and escaping poverty. However, these two research question particularly seeks to understand differences across demographics in addition to relationships between individuals and their neighborhoods.

Duration dependence becomes a concern as well. As Freeman (1998) discusses, the experience of living in public housing has spurred much debate around dependency, especially on government assistance. Specifically, “the longer one partakes, the more difficult it becomes to quit” (Freeman, 1998). As a result, cultural arguments identify the use (or misuse) of public assistance as the cause of welfare dependency by poor people. However, this obscures the nature of dependency to the effect of one individual concern rather than the combined effect of living in poverty and the structural conditions imposed on those individuals within their neighborhoods. A decrease in the probability of exit may reflect duration dependency but it could also reflect characteristics of people remaining in public housing as more mobile people leave. Thus, self-efficacy arguments are raised around how much control do individuals in poor places actually have (See Rosenbaum et al. (2002) for further discussion). Other scholars such as Hungerford (1996) have found no evidence to support the presence of duration dependence. As Zorn (2000) suggests, scholars have become increasingly aware of the potential substantive importance of duration dependence as it analyzes the extent to which the conditional hazards of the events of interests are rising or falling over time. In this case, the degree to

which time spent in public housing, or rather tenure, affects an individual's time to exit is of interest.

*Question 3: How do local economic conditions and housing market characteristics affect the odds of leaving public housing, controlling for individual characteristics?*

This question goes beyond the second question to control for local economic conditions as well as proxies for local housing economic characteristics. Neighborhood effects are likely to have an effect on an individual's ability to move (Wilson, 1987). In order to understand how neighborhood conditions affect the likelihood of exiting public housing, variables at the census tract and county levels are tested. The objective of this question is to characterize the neighborhoods in which respondents live as well as their environmental influence on individuals and their likelihood of exiting public housing. For example, indicators such as poverty levels, vacancy rates, the unemployment rate, and the median rents of the neighborhood may have an effect on respondent's probability of exiting public housing into market-rate rentals or other housing options.

#### **4.4 Discussion of Methodology**

##### *A. Descriptive Analysis – Kaplan-Meier Estimator*

The first question relies on the use of non-parametric descriptive statistics across decades in order to portray the complexity of understanding the dynamics around tenure within public housing. A Kaplan-Meier estimate was used in order to illustrate the proportion of the sample over the time period of 1986 – 2011 that has moved out of public housing. More specifically, the Kaplan Meier estimate is a nonparametric estimate

of the survivor function  $S(t)$ , which is the probability of survival past time  $t$  or, equivalently, the probability of failing after  $t$  (Cleves et al., 2008). The model is given by:

$$\hat{S}(t) = \prod_{t_i \leq t} \frac{n_i - d_i}{n_i}$$

The Kaplan-Meier estimate is also known as the product limit estimate of  $S(t)$  for a dataset with observed failure times from  $t_i$  to  $t$ , where  $n_i$  is the number of individuals at risk at time  $t_i$  and  $d_i$  is the number of failures at time  $t_i$  (Cleves et al., 2008). A set of graphs are given to illustrate the differences among the sample in terms of their probability of exiting public housing. This also provides preliminary evidence of variability across the data in order to discern its appropriateness for the research questions.

Much like Bane and Ellwood's (1994) discussion of welfare realities, this analysis is not as straightforward as it may seem. Providing the descriptive statistics may uncover a paradox of tenure among public housing residents. However, if this is the case, it provides further reasoning for the growing complexity of understanding tenure as well as a baseline for the analyses of the remaining research questions. That is to say, individuals observed in later years may reflect one subgroup or sample of the population which cannot readily be used as causality. Rather, their presence may reflect a multitude of conditions which give rise to their presence in later years of tenure.

Lastly, I employed a log-rank test of equality to test for statistical significance across survivor functions. The log-rank test of equality is a type of hypothesis test that

compares two or more groups and their survival distributions. It is a non-parametric test and useful for data that may be right-skewed or in this case, censored. Since I am analyzing the time to an event occurrence, the log-rank test of equality is uniquely suited for this type of analysis to ascertain differences in the survivor curves based on different explanatory variables.

### *B. Spell Distribution*

To examine spell durations, it is important to note exactly what constitutes a spell as well as how it is calculated in an event history analysis. This dissertation analyzes discrete time intervals in relation to individuals living in public housing. According to Beck (1996), discrete time methods are all driven by an underlying model of the probability of a unit of analysis surviving up to a given time. The exit probabilities as a function of spell duration,  $p(t)$ , are computed as the exits observed in time  $t$  divided by the number of spells that survived until time  $t$ . Following Bane and Ellwood's (1983) critique, the fraction of a given cohort of spells that last  $t$  years,  $D(t)$  is given by:

$$D(1) = p(1) \quad \text{for } t = 1$$

$$D(t) = p(t) [ 1 - \sum_{j=1}^{t-1} (D(j)) ] \quad \text{for } t = \{2, \dots, T\}$$

The term in brackets is fraction of spells that survives to year  $t$ .

The residents of public housing at a point in time, however, are more heavily weighted towards longer term inhabitants. As Figure 4.4.1 shows, at any given point in time it is possible to observe one cohort of spells that will last one year, two cohorts of spells that will last two years, three cohorts of spells that will last three years, and  $t$  cohorts of spells that last  $t$  years.

*Figure 4.4.1: Spells of 1 to 5 Years Observed at a Point in Time*

[See Figure 4.4.1]

This figure illustrates that spell durations at the time of observation may be less than the completed spell length. The hazard rates described in this situation are depicted as a distribution of public housing spell durations as shown in Figure 4.4.2. For a cohort of persons entering public housing, nearly 60 percent will have leave in the first two years.

*Figure 4.4.2: Distribution of Spells by Length*

[See Figure 4.4.2]

Only 12 percent remain in public housing more than 10 years. The average spell length is 5 years.<sup>11</sup> Despite that, the picture is quite different when residents are observed living in public housing at any particular point in time. The longer term residents of public housing accumulate in the same way that sicker patients accumulate in a hospital (Bane and Ellwood 1983; Bane and Ellwood 1994). In fact, more than half of the residents in public housing were in the midst of a spell in public housing for more than 10 years. The average spell length for those in public housing at a point in time is 13.7 years, far longer than the average length for program participants generally.

The distribution of observed durations in public housing, in other words not counting any years remaining on residents' ongoing spells, is less extreme. A third have been in public housing two years or less. Nearly three in ten have already been in public housing

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<sup>11</sup> Note that the longest spells in the data were 24 years and they were right-truncated, so they may actually be longer. They were counted as 24 years in computing the average. Given that there were only 4 spells this long out of nearly 4,000, the effect on the mean is negligible. Moreover, attrition is minimal in this dataset since the analysis is based on a subsample of observed exits. Since the analysis is over a 24-year period, attrition is expected. Yet, its effect in this analysis is lessened by only using individual respondents' change in their answer to the survey question as the basis for the event occurrence. Individuals lost in the data are treated as censored rather than experience the event of exiting public housing. In addition, the results are reported in shorter versus longer periods to account for some this bias versus attributing significance exits based on yearly increments.

for more than ten years. The average length that persons in public housing at a point in time have been in living in public housing is 7.4 years. The discrepancies between these three different ways of looking about public housing duration contribute to the controversy about the program altogether. Advocates are correct to state that most people who use the program do so temporarily. Critics are correct to state that most of people in public housing now stay there for long periods. They also account for the bulk of the expense of the program.

### *C. Multivariate Analysis – Event History Method*

To examine the subsequent research questions, an event history analysis is used to analyze the effects of different individual and neighborhood characteristics on the likelihood of exiting public housing. Again, an analysis of a sample of the PSID data is used from 1986 – 2011. Event history analysis is also known as a survival analysis, considering it is based on the survival function  $S(t)$ . However, to be consistent with terminology, I will continuously refer to this method as an event history analysis. The purpose of using an event history analysis is based on the premise that events occur and certain circumstances influence these events to occur (Allison, 1984). In this case, I am looking at exits from public housing and the individual and structural conditions that may influence an individual's exit. Specifically, I am employing a discrete-time logistic regression in order to understand the rate at which individuals exit public housing. The discrete-time logistic regression is used to model the probability of exiting public housing within each yearly interval. I also use an event history analysis due to its consideration of censoring (specifically right-censoring) and non-normality (Cleves et al., 2008). That is,

the data may not be normally distributed for the distributions of time to an event occurring. An event history analysis model can be depicted as:

$$\text{Log} [P_{it} / (1 - P_{it})] = \alpha_t + \beta'x_{it}$$

The dependent variable is the failure of the event, which in this case would be moving out of, or exiting public housing. The dependent (or outcome) variable is defined as the hazard rate (specifically  $P(t)$ ), which indicates the probability of an event occurring at a particular time to a particular individual, given that the individual is “at risk” at that time (Allison, 1984). In this case, the head of household is at risk of exiting public housing. Since I am calculating the probability of exiting in a given year,  $P(t)$  lies between 0 and 1. The explanatory side of the model includes  $a(t)$  for tenure categories, which indicates the baseline hazard or constant of the equation,  $\beta$  which indicates the coefficients of the unknown parameters given here by  $X$ , with  $i$  indicating the respective order of the explanatory variable and  $t$  indicating the respective values of such variable across years for those variables that vary over time. The unit of analysis is the individual head of household. The head of household is the primary person in a family with the ability to dictate whether a family moves or not. The variation in the number of households across this time period is driven by entries into and exits from public housing. Some of the heads of households viewed in this data are truncated. The truncation exists on both ends of the spectrum for entries before 1986 and exits after 2011. Furthermore, Table 4.4.3 illustrates the length of spells of all of the heads of household during the full period of observation using a survivor function. As mentioned before, only right truncated spells exists within this sample.

*Table 4.4.3 – Survivor Function of Heads Exiting Public Housing Based on Tenure*

[See Table 4.4.3]

Table 4.4.3 supports the assumption that most people leave public housing in less than 5 years. However, there are many individuals who end up staying in public housing much longer. Nevertheless, this chart provides further evidence to the use and appropriateness of this dataset. Multiple variables were used in different models including individual and neighborhood characteristics.<sup>12</sup> Restricted and unrestricted models are used to ascertain the effects of different sets of variables as related to research questions 2 and 3.

Thus, the discrete-time logistic regression model depicts the probability of an individual exiting public housing given a set of explanatory variables. The event in question is exiting public housing, and  $t$  is the time at risk, defined as the number of years since the household was first observed in public housing.  $P(t)$  is the probability of exiting public housing at time  $t$ . As discussed earlier, exiting public housing can occur multiple times as individuals move in and out of public housing. Heads of household that experienced multiple spells were included in the analysis to capture multiple observed spells for individual heads of households. The rationale for this decision is based on the assumption that the process of leaving public housing the first time is distinctly different from latter attempts since individuals are more familiar with the process of entering public housing in terms of the application process as well as other processes related to

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<sup>12</sup> As discussed before, parental education was considered but found statistically insignificant. In addition, regional fixed effects were considered. The purpose of using regional fixed effects is to examine the effects of the covariates on the outcome variable within particular regions. Because public housing is substantially located in urban areas and in the northeast region, regional effects were considered to determine biased estimates. However, these results were also statistically significant. Lastly, because of New York's longer durations of tenure, heads of households living in public housing within New York City were dropped from the analysis to see if that had any effect on the individual and neighborhood characteristics. However, there was still a strong presence of duration dependence in each model without these observations (n=28).

facilitating the relationship with representatives from the local housing authority, or public agency operating the facility. Individuals re-entering public housing (either through choice or lack thereof) are arguably more knowledgeable with the process to gain approval. However, I cannot rule out the possibility that some individuals had a spell of public housing that occurred before 1986 or during the period that the PSID did not ask the public housing question. Thus, the analysis is focused on the probability of exit from *observed* spells during this period. In addition, I started the analysis in 1987 to account for spells where the entry was actually observed.

The dependent variable in this dissertation is the conditional probability of “exit”, which depicts the probability of an individual moving out given a set of time-varying, explanatory variables. The rate is conditional because it gives the rate at which individuals have moved out of public housing by time  $t$ , given that the individual hasn’t moved out up until time  $t$ . The data used to estimate the rate is a dichotomous variable for each head of household identified as living in an apartment or house owned by a local housing authority or public agency at the end of each year of observation. Each individual has a value of 1 for each year that they lived in public housing and a value of 0 the first year that observation changed; or rather, they identified as living somewhere other than public housing. This dichotomous variable did not originally exist in the data; however, it was derived from 2 particular questions that ascertain whether or not a subject lived in public housing.

The PSID provides two questions in its publicly available data that specifically look at the type of housing unit. The first question asked, “Is this (house/apartment) in a public housing project, that is, is it owned by a local housing authority or other public agency?”

This particular question was asked twice based on whether the individual identified if they rent or own their house/apartment. This question was asked between 1986 and 1997, and biennially thereafter (PSID, 2014). This is also verified using the Assisted Housing Supplemental Data file received from ISR. Each PSID family in every year through 2009 (except 1969, for which the addresses are unavailable) has been identified as living in housing units subsidized by HUD, the Farmer's Home Administration, through tax credits administered by the Department of Treasury, or state housing programs. This was accomplished by matching the addresses of PSID families in each year with those in the Assisted Housing Database (PSID, 2014).

Some variables are constant over time within individual heads of households in the sample, such as race and gender; for these variables, the subscript  $t$  may be dropped. Previously mentioned hypotheses are tested using the aforementioned methods. Also, the regression models are clustered on the head of household to account for the occurrence of multiple events. In this case, entering and exiting public housing is seen as multiple spells within public housing.

The odds ratio is used to discuss the effect of  $X$  on the odds of an event occurring versus it not occurring (in this case, an exit occurring versus it not occurring). The odds in its simplest form is given by:

$$\text{Odds} = \text{probability of event occurring} / (1 - \text{probability of event occurrence})$$

The odds ratio compares the odds of a change in one of an explanatory variable over the odds of another control. Examples of this can be seen in the odds ratio of men versus women or young versus old heads of household. As Singer and Willet (2003) state, in the case of discrete-time event history analysis, where the hazard is a conditional probability,

the probability that event will occur in any time period given that it has not occurred in earlier periods is given as a conditional odds of an event occurrence. That is to say that, it is the odds of an individual exiting public housing given that they have not exited public housing up until that specific time. The odds ratio is especially useful in this case since the purpose of this dissertation is to examine differences upon exits given a set of explanatory variables.

#### *D. Multicollinearity*

It is quite plausible that there may be issues of collinearity present in the modeling. The covariates in the model may be correlated in some way. Because multicollinearity is about linear relations among the covariates, it is not necessary to evaluate it within the context of an event history analysis (Allison, 2010). However, preliminary checks were carried out in order to determine if these issues were present. In this case, the variance inflation factor (VIF) was used to determine the level of collinearity in a linear regression. The VIF is indicative of how much the estimated variance of the regression coefficients is above the proportional variance of the independent variable. It is related to the tolerance of the model, which is  $1 - R^2$ . The VIF is  $1/(1-R^2)$  making it always greater than or equal to 1 (O'Brien, 2007). The rule of thumb for this statistical test is if the VIF is above the threshold of 10, multicollinearity is present with the model. That is to say, some of the independent variables are highly correlated. However, in this case, the VIF never crossed that threshold meaning that it is highly unlikely that any of the independent variables are correlated with each other.

## **CHAPTER 5**

### **DATA ANALYSIS**

#### **5.1 Introduction**

The duration of time spent in public housing was analyzed using various descriptive and inferential indicators. It is important to remember that while the overall number of observations in public housing is equal to 5,279 with 2,070 observed exits across 24 years, the amount of individuals observed in each year varies since their entrance into public housing is determined as the year indicated by their survey response.

Approximately 1,022 spells were truncated due to missing data and right censoring (including death, change in head of household, or outside of the time window). In addition, it is important to remember that this dissertation is looking at completed spells within public housing. Due to the nature of the PSID data, all spells with observed beginnings after 1986 are analyzed in an effort to parse out missing data and to critically look at the entry and exits of public housing residents, particularly the head of household of each family unit. While there may have been entrances and exits before 1986, this dissertation includes only entrances into public housing after 1986.

Part 2 begins by illustrating a series of descriptive statistics including sample distributions, Kaplan-Meier estimate graphs, log-rank of equality tests and an estimated survivor function to describe the differences among individuals living in public housing relative to their tenure and exits. Part 3 of this chapter illustrates the multivariate analysis using the odds ratios from several models determining the relationship of different variables to the likelihood of exiting from public housing. A brief summary discussion is given to further understand the nuanced nature of this analysis.

## 5.2 Descriptive Analysis

In order to address the first research question, the following discussion underlines the time to exit for individuals given their differences in individual characteristics. The Kaplan Meier survivor estimate illustrates the proportion of individuals still living in public housing in each period based on selected characteristics. The graphs show the proportion of public housing residents who remain in public housing by the duration of their tenure in public housing. The first year they are observed in public housing is  $t = 0$ , regardless of the calendar year they enter the program. The following graph illustrates the overall duration of individuals in public housing:

*Figure 5.2.1 – Kaplan Meier Estimate – Survivor Function*

[See Table 5.2.1]

Here, the proportion of individuals living in public housing after 5 years is approximately 24 percent of the initial sample. In addition, approximately 12 percent of the initial sample is still observed living in public housing after 10 years. While most of the sample exits in the first 10 years, there are still individuals observed living in public housing continuously up to year 24. This graph paints an overall view of the exits made by individuals. However, now I compare the survivor function of individuals based on their demographic characteristics.

As discussed earlier in the literature review, in terms of sex, it is expected that males move out of public housing at a faster rate than their female counterparts. The following graph illustrates this difference in terms of their time to exit:

*Figure 5.2.2 – Kaplan Meier Estimates – Overall Exits from Public Housing by Sex*

[See Figure 5.2.2]

Beginning in year 1, there is a difference between the two sexes in terms of their exits that follows the literature. As expected, this graph illustrates that men move out of public housing at a faster rate than women. The difference remains evident across the total period of observation. Using a log-rank test for equality, I find that the difference in the survivor functions by sex is statistically significant across these two groups ( $X^2$ : 47.83;  $\text{Pr}>X^2$ : 0.0000).

Racial differences are of interest in terms of the composition of public housing residents. According to 2014 HUD's Resident Characteristics Report, white (50 percent) and black (45 percent) families make up 95 percent of the total number of residents (HUD RCR, 2014). As discussed before, the literature also overwhelmingly suggests that Whites will leave public housing at a faster rate than other racial groups. White heads of household will be used as a reference case in order to discern their tenure juxtaposed to other racial groups. The following graph illustrates the difference between racial groups:

*Figure 5.2.3 – Kaplan Meier Estimates – Overall Exits from Public Housing by Race*

[See Figure 5.2.3]

Contrary to suggestions made in the literature, this graph suggests that White heads of household exit at a similar rate compared to other heads of household of different racial groups. While Whites exit at approximately the same rate, they are not observed in public housing after 15 years ( $t = 15$ ). In other words, all white households who had not exited after 15 years were right truncated. Only Blacks are observed in public housing during the entire analysis time. Other racial groups exit faster but this may be due to their smaller sample size. PSID has fewer observations for non-white and non-black public housing residents. The proportion of observations of this particular group is equal to 25

percent, while Blacks equal to 70 percent, Latinos equal to less than 1 percent and individuals who identify in other racial groups equal to approximately 5 percent. The “otherrace” variable includes individuals that identify as Asian, Native Hawaiian, Pacific Islander, or another racial group not defined by the survey choices (PSID, 2014). Latino and other racial groups are a small proportion of the overall sample, which coincides with the national average. Using a log-rank test for equality, I find that race is not statistically significant across racial groups ( $X^2$ : 1.56;  $\text{Pr}>X^2$ : 0.6675). Even if race is controlled for individually, it is still statistically insignificant across the 4 racial groups. Particular interest lies in the difference between the White and Black groups where Blacks are observed living in public housing longer than any other racial group. The following graph illustrates the exit rate between White and Black heads of households:

*Figure 5.2.4 – Kaplan Meier Estimates – Overall Exits from Public Housing – Whites Vs. Blacks*

[See Figure 5.2.4]

While there are no White individuals observed in public housing after 15 years ( $t = 15$ ), Blacks are observed still living in public housing in year 24. Using a log-rank test for equality for a restricted sample of White and Black heads of household, I find that race is not statistically significant across these two racial groups ( $X^2$ : 0.61;  $\text{Pr}>X^2$ : 0.4366). To the extent that Blacks are disproportionately represented in public housing, this analysis suggests that the reason is differential entry, rather than exit. This suggests that a disproportionate amount of Blacks is entering public housing compared to their white counterparts. Yet, they are exiting at a similar rate as than other racial groups.

Age also presents an interesting dynamic. As previously discussed, as residents of public housing become older, their chances of leaving altogether are expected to drop. More federal policies have pushed for senior living public housing units; however, this may be theoretically contradictory to the temporary state of the program itself. Therefore, I created dummy variables to separate heads of households into different age groups depending on their time of entry age at time of exit. The following graph illustrates differences among a subset of age groups in terms of their tenure in public housing (Young: Ages 18 – 24; Middle Age: Ages 25 – 44; Upper Middle Age: 45 – 64; Senior: Age 65+):

*Figure 5.2.5 – Kaplan Meier Estimates – Overall Exits from Public Housing by Age Group*

[See Figure 5.2.5]

The survival function differs sharply across the age groups. As expected, younger adults exit public housing at a faster rate than other age groups. However, individuals between the ages of 45 and 64 seem to have the slowest exit rate. The eldest group consisting of individuals over the age of 65 leaves at a slower rate than heads of household under 44 but slightly faster than heads of household between 45 and 64.<sup>13</sup> However, there is evidence that suggests that younger adults leave public housing at a faster rate than other age groups. Using a log-rank test for equality for these age groups, I find that age is statistically significant across these 4 age groups ( $X^2$ : 44.82;  $Pr > X^2$ : 0.0000). The concept of age weighs heavily in debates around public housing since most

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<sup>13</sup> It is important to note that exits among individuals between over the age of 64 may be due to other life changes such as transitioning into alternative housing (senior living facilities) or death. However, this dissertation is analyzing at specific individual and environmental conditions rather than mortality and transitional housing programs.

of the focus has shifted from traditional housing units for families to a stronger focus on senior living units for the elderly and rental assistance programs for families. While this graph demonstrates that younger people exit public housing at faster rate, it is important to denote that individuals between the ages of 25 – 44 make up 52 percent of the number of observations while other groups are smaller in nature (Ages 16 – 24: 14 percent; Ages 45 – 64: 21 percent; Ages 65+: 12 percent).

Education in its simplest form is thought to increase the life chances of an individual. That is to say that, the more education a person attains, the better opportunities they have in life in regards to labor force opportunities. But does this hold true in terms of an individual's ability to leave public housing? As previously discussed in the literature review, individuals with higher levels of education are thought to have more access to employment opportunities and thus are expected to leave public housing at a faster rate than those with lower levels of education. In terms of post-secondary education, it is expected that those that pursue or obtain a college degree will have more choices in life compared to those who do not. Public housing residents who are in the process of attaining a college degree (or participate in another post-secondary training program) would be expected to leave at a faster rate than their counterparts. Their choice of options within the workforce is higher, their potential income is greater, and they are less likely to have children. The following graph depicts the differences among individuals at the secondary and post-secondary education level:

*Figure 5.2.6 – Kaplan Meier Estimates – Overall Exits from Public Housing by*

*Education Level*

[See Figure 5.2.6]

This graph paints an interesting picture of education. It seems that individuals that attended at least one year of college or post-secondary training leave public housing at a slightly faster rate than other groups. However, the exit rate among high school diploma recipients, those that attended post-secondary training or college for at least 1 year, and those did not graduate high school is approximately the same within the first 5 years ( $t = 5$ ). In terms of popular convention, a GED is often looked upon as less meaningful than a high school diploma (Cameron and Heckman, 1991; Heckman et al., 2010). However, it may be the case that individuals that have a GED are using it as a mechanism to enter the workforce faster or even require further educational training that requires a high school diploma or an equivalent. Yet the differences in GED recipients versus other groups is stark past 6 years ( $t = 6$ ). The difference between individuals who attended some form of post-secondary education training and those who didn't in terms of their rate of exit from public housing is minimal across time. Overall, individuals who attended a post-secondary education program have a slight advantage over those who did not but that advantage in terms of the rate of exit seems to be marginal at best. Individuals, who did, however, are censored after 18 years. While this graph demonstrates that those with a GED exit public housing at the slowest rate, it is important to note that individuals in this group make up 6 percent of the number of observations while other groups are much larger (HS Diploma: 31 percent; Some College: 22%; Neither: 42% percent). Using a log-rank test for equality for these education groups, I find that a person's secondary education level is not statistically significant across these 4 groups ( $X^2$ : 2.39;  $Pr > X^2$ : 0.4946).

Family composition is also important in terms of the ability for individuals to move. As discussed in the literature review, whether or not a person is classified as married will have an impact on their ability to move. Whether marriage is seen as an indicator of life stability or merely as additional financial support from one's spouse, it definitely plays a part in terms of mobility. Living in public housing creates an environment for this same understanding. Having two working adults in a subsidized unit should increase their ability to leave that unit versus a single person. However, marriage is not monolithic and the ability between those who are married versus those who are not (single, widowed, separated) should be investigated. The following graph illustrates exits by marital status:

*Figure 5.2.7 – Kaplan Meier Estimates – Overall Exits from Public Housing by Marital Status*

[See Figure 5.2.7]

As expected, individuals that are legally married (or permanently cohabitating) leave public housing at a faster rate than other subgroups. However, there is little to no difference between individuals who identify as single versus those who indicated another type of marital status (divorced, separated, widowed). This may be due to the instability of the household with different changes in the family structure of those living in public housing. Changes within a household may greatly decrease the income of that household. This issue may be compounded if those with children and dependents are left to carry on the weight of the household without the additional support. Using a log-rank test for equality for these marital groups, I find that a person's marital status is statistically significant across these 3 groups ( $X^2:29.58$ ;  $Pr>X^2: 0.0000$ ).

Family composition also includes children (or other dependents under the age of 18) within the family unit. As discussed in the literature review, in terms of their rate of exit, it is expected that individuals with children may have greater difficulty leaving public housing. Theoretically, the more dependents a person has, the less financial freedom that person has in terms of disposable income. The additional expenses caused by multiple dependents places an added expense upon the head of household, which deters them from leaving public housing due to financial instability. The following graph considers the sheer presence of children (and other dependents under the age of 18) and illustrates their exits over time:

*Figure 5.2.8 – Kaplan Meier Estimates – Overall Exits from Public Housing by Presence of Children (Or Dependents)*

[See Figure 5.2.8]

Surprisingly, the difference between individuals with and without children is minimal. Public housing residents with children leave at relatively the same rate as those without children, holding all other variables constant. The curves of each survivor function approximately mirror each other with a stark decrease in the survivor function around year 20 ( $t = 20$ ). This is probably due to a few observations lasting in the latter part of this tenure period. Using a log-rank test for equality for these family groups, I find that a person's dependent status is statistically insignificant across these 2 groups ( $X^2$ : 0.03;  $\text{Pr} > X^2$ : 0.8583). This may be due to the wide range in the amount of children (or dependents) held by the head of household. However, it is important to note that this difference exists. This may also be due to an issue with the age of the head of household (elderly versus non-elderly). Therefore, a restricted sample was taken of heads of

households between the ages of 18 – 44 to ascertain the differences in their exit rates.

Investigating the presence of children for heads between the ages of 18 – 44 yields the following result:

*Figure 5.2.9 – Kaplan Meier Estimates – Overall Exits from Public Housing by Presence of Children (Or Dependents) for Heads Ages 18 – 44*

[See Figure 5.2.9]

Here, just as before, heads with no children still exit faster than their counterpart group. This difference is observed after 1 year of living in public housing and carries on throughout the entire observation period. However, the curve of both survivor functions seemingly mirror each other but clearly heads with no children between the ages of 18 and 44 exit at a rate faster than their counterparts. Using a log-rank test for equality for these family groups, I find that a person's dependent status is statistically significant across these 2 groups ( $X^2$ : 13.46;  $Pr > X^2$ : .0002). The relationship changes for this restricted sample of heads of household.

Another important factor may reside in the intergenerational experiences of individuals from their parents. How has growing up in poverty affected a person's chances of escaping poverty? This remains a question as many scholars look at the intergenerational effects of growing up poor. However, in this dissertation, two particular dynamics of interest are the presence of both parents in the household versus single parents, as well as the perceived income level of those parents.<sup>14</sup> As discussed in the literature review, it is expected that individuals that grew up with both parents would exit public housing at a faster rate than those with one parent within the household. In

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<sup>14</sup> The PSID asked respondents, "Were you living with both your natural parents most of the time until you were age 16?" and "Were your parents poor when you were group up, pretty well off, or what?" Categorical variables were generated separately based off of these two survey questions (PSID, 2014).

order to describe this difference, the following graph depicts the sample of the data that grew up with both parents versus individuals who grew up in a single parent household in order to compare their exits over the 24-year period:

*Figure 5.2.10 – Kaplan Meier Estimates – Overall Exits from Public Housing by Presence of Parents Within the Head’s Household While Growing Up*

[See Figure 5.2.10]

Here, individuals that grew up with both parents exit public housing at relatively the same rate as those who grew up in a single parent household. There starts to be a difference after year 1 ( $t = 1$ ), however that difference is marginal at best where both survivor function curves mirroring each other. After 14 years, individuals who did not grow up with both parents leave at a slight faster rate but this is due to the limited number of observations at this time. While this does not clearly indicate to what effect growing up in a single- versus a dual-parent household has on the exit rate, it does indicate that comparing these two groups against each other reveals a marginal difference, holding all other variables constant. Using a log-rank test for equality for these family groups, I find that a person’s parental status while growing up is statistically significant across these 2 groups ( $X^2$ : 4.50;  $Pr > X^2$ : 0.0338).

Another explanatory variable lies in the income level of the parental household. For example, growing up poor may indicate to the extent an individual may remain in poverty. The opposite can be said for individuals coming from relatively wealthy households. The transmission of poverty or wealth coincides with the presumed cultural values associated with each group. Therefore, it is necessary to understand how does the

experience of growing up poor compares to the experience of other groups.<sup>15</sup> The following graph depicts this dynamic demonstrating a sample of heads based on a question about how they perceived the income level of their parents while they grew up:

*Figure 5.2.11 – Kaplan Meier Estimates – Overall Exits from Public Housing by Perception of Income Level of Family While Growing Up*

[See Figure 5.2.11]

Here, comparing individuals who indicated they grew up “poor”, “average/varied”, or “pretty well off” shows relatively similar exit patterns. The group who indicated that they did not live with their parents (which may include those who lived with other relatives, foster children, etc.) lags behind other comparative groups up until year 9 ( $t = 9$ ). In addition, a greater proportion of the original sample that indicated that they were “poor” and “pretty well off” remains in public housing exiting in the later years of tenure. However, those that grew up poor still exit at relatively the same rate as its comparative groups. That is to say, people who grew up poor did not exit public at a slower rate than those who grew up in an “average/varied” household or a household that was “well off”. However, those that did not grow up with their parents did leave public housing at a slower rate. Using a log-rank test for equality for these family groups, I find that a person’s perceived parental income status while growing up is statistically insignificant across these 4 groups ( $X^2$ : 5.50;  $\text{Pr}>X^2$ : 0.1386).

The last explanatory individual-level variable included in this analysis that may be a great determinant of whether or not an individual remains in public housing exist in their

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<sup>15</sup> The actual income level of the head’s parents is not available; however, the perception may be more appropriate if there is this belief of the intergeneration transmission of culture. While income may be more descriptive of one’s status, I argue that cultural arguments around poverty are more concerned with the perceived behavior than actual descriptive indicators in terms of transmission.

disability status. It is quite likely that those with a disability status may find it harder to leave public housing to a multitude of other reasons such as an inability to secure suitable employment, physical structure demands, or supportive care services. Therefore, it is necessary to compare those individuals who identify as possessing a physical disability (or nervous condition) with those who do not identify as such. Based on a survey question that asks individuals if they had a physical or nervous condition that limits the type of work or amount of work they can do, the following graph depicts the exits of the sample:

*Figure 5.2.12 – Kaplan Meier Estimates – Overall Exits from Public Housing by Disability Status*

[See Figure 5.2.12]

The disability status of the head seems to have some variation after year 1 ( $t = 1$ ). Individuals without a disability tend to exit faster than their counterparts until later years. The difference carries on until year 15 ( $t = 15$ ) where the curves of the survivor functions merge together. And while this does not indicate the level of significance of one's disability status, it does provide insight into the difference based on these two subgroups. Using a log-rank test for equality for these family groups, I find that a person's disability status is statistically insignificant across these 2 groups ( $X^2$ : 12.69;  $\text{Pr} > X^2$ : 0.0004).

The Kaplan-Meier estimates illustrate some interesting differences among the survivor functions for comparative groups based on contrasting individual characteristics. The log-rank of equality test indicated that the survivor functions for factors including sex, age, marital status, the presence of children for heads of households between the ages of 18 – 44, and the presence of both parents in the household while growing up were

statistically significantly different. On the other hand, the survivor curves for race, educational attainment, the income level of the parent's household while growing up, the disability status and the presence of children or dependents for all households were not significantly different. In summary, abled individuals who were younger, male, married, with no children or dependents, and who grew up with both of their parents in their household exited public housing faster than their counterpart groups. While this bivariate analysis yields interesting results, it does not fully capture the effect of these characteristics upon the odds of exiting public housing.

### **5.3 Multivariate Analysis**

This section examines the effects of individual characteristics, local housing market factors and the economic conditions related to the likelihood of an individual exiting public housing. In line with the research questions, the relationship between tenure and exits is of interest as well as the effect of housing market factors and local economic conditions on the likelihood of an exit occurring. As discussed previously, an event history analysis was used by implementing the discrete time method as a logistic regression for the following models. While previous studies (Hungerford, 1996; Freeman 1998, 2005; Susin, 1999; Bahchieva and Hosier, 2001) look primarily at the individual characteristics, this dissertation explores the neighborhood effects of living in public housing as other determinants. For example, Table 5.3.1 illustrates the odds of exiting public housing based on tenure as a control variable. Since the analysis spans 24 years, it is important to note that some years did not have exits at all. Therefore, tenure was transformed into a categorical variable in order to ascertain the effects of shorter versus

longer periods of time (Tenure = 1 (2 – 5 Years), Tenure = 2, (6 - 10 Years), Tenure = 3, (10+ Years) with Tenure = 0 (1 Year) as the base case). Sampling weights were also included into the analysis to account for the number of subjects in the overall population that each observation represents when computing the logistic regression. Model 1 considers the effect of tenure and the number of spells on the odds of exiting public housing. Model 2 builds upon Model 1 and considers individual level characteristics including age, race, the number of children or dependents, marital status, income (measured in the \$1000s), the amount of additional public assistance (measured in the \$1000s), education, and disability status. Model 3 builds upon Model 2 and considers the intergenerational or parental effects. And lastly, Model 4 builds upon Model 3 and considers the vacancy rate, rental vacancy rate, the percentage of income spent on the median gross rent, the median household income (measured in the \$1000s), the poverty and unemployment rates, as well as the reform variable to account for policy changes occurring after 1997. Odds ratio, robust standard errors, Chi-Squares, Pseudo R<sup>2</sup>, P-Values, and the mean VIF are given in the following table:

*Table 5.3.1 – Event History Analysis – Model 1- 4*

[See Table 5.3.1]

### *5.3.1 Model 1 Results*

The odds ratio of exiting public housing for an individual with tenure of 2 – 5 years is 0.541 versus an individual that has tenure of 1 year at the 99 percent confidence level. Therefore, the odds of a person exiting public housing are 46 percent lower for a person with tenure between 2 – 5 years versus a person with tenure of 1 year ( $t = 1$ ). This result is statistically significant (z-score = -6.21). The odds for a person exiting with tenure

between 6 - 10 years are 71 percent lower and are statistically significant (z-score = -6.38). Moreover, the odds for a person exiting public housing after 10 years of time spent there is 89 percent lower than an individual with 1 year of tenure. The number of spells for an individual was not statistically significant. The model itself was statistically significant with a p-value of .0000. Therefore, the longer the time spent in public housing, the odds of moving exiting public housing declines sharply. The odds of exiting are much higher in earlier years rather than subsequent years. This result is consistent with previous literature that looks at exits based on time spent in public housing; however, as Freeman (1998) discusses, there may be some unobserved heterogeneity due to left out variable bias in the absence of other control variables.

### *5.3.2 Model 2 Results*

Model 2 adds individual level characteristics age, sex, race, the number of children or dependents, marital status, income, education level, and disability status to the model. Age, number of children and dependents, marital status, income, education level, and disability status were allowed to change over the duration of the analysis to account for changes in the life of the head of household. In other words, they are time-varying covariates. The model itself was statistically significant with a p-value of .0000. The results indicate that tenure, age, income, individuals of other marital statuses were statistically significant at the 95 percent confidence level. Tenure, age and income were even significant at the 99 percent confidence level. Other variables such as individuals of other races and education at the secondary level were statistically significant at the 90 percent confidence level. The same relationship of tenure in Model 1 was also exhibited

here in Model 2 with substantial higher odds of exiting in earlier years rather than later durations of time spent in public housing. The number of spells was also statistically insignificant. However, the covariates do not explain the duration dependence revealed in Model 1.

Age was categorized as a dummy variable to show the relationship of different age groups with being “young” (Ages: 18 – 24) serving as the base case. Also, age had a negative effect on the odds ratio. The odds of exiting public housing were 36 percent lower for middle-aged individuals, 53 percent lower for upper, middle-aged individuals, and 57 percent lower for senior heads of households. That is to say, younger heads of households have much higher odds of exiting public housing versus all other age groups.

In regards to race, the only significant effect was among those individuals who identified as a part of another racial group other than “White”, “Black” or “Latino”. The odds of exiting public housing for individuals of other racial groups were 86 percent higher than their white counterparts. Yet, it is important to reiterate that this result was significant at the 90 percent confidence level. Also, individuals in this racial group do not make up a substantial amount of public housing residents in the sample or in the national count of public housing residents. Yet, their propensity to exit may help to explain why that is the case. In addition, individuals who experienced a change in their marital status such as a divorce, separation, or death of a partner had an odds 33 percent higher than those who were single. This may be due to the need to relocate or find alternative housing options. Furthermore, income was statistically significant yet its effect was marginal. An increase in income (\$1000s) increases the odds of exiting public housing by 2 percent.

Interestingly enough, in regards to education, individuals who received a HS Diploma or GED had lower odds of exiting public housing versus those who do not receive either. That is to say that individuals who did not attain a high school level education had higher odds of exiting public housing versus those that did. However, this result was only significant at the 90 percent confidence level. Up until this point, this analysis has mirrored other studies in their approach of individual characteristics to understand public housing tenure. Yet, the following discussion builds upon these results to understand the intergenerational effect of parents within the household.

### *5.3.3 Model 3 Results*

Model 3 includes the effects of the parents of the head of household while growing up. As stated before, the addition of these proxies of parental effects are used as measures of intergenerational influence upon the head of household. While other measures may be more appropriate, due to data limitations, I maintain that the effects of living with both parents and the income level of the parental household while growing up are imperfect, but theoretically sound measures of the intergenerational effects among the life cycle. These variables were added to Model 2 in order to further investigate the duration dependence exhibited in Models 1 and 2.

The results show that parental effects had no significant effect on the odds of exiting public housing. The model itself was statistically significant with a p-value of .0000. Duration dependence was still observed in regards to tenure with substantial higher odds of exiting public housing in earlier years versus later years. Again, spells were not statistically significant. As in previous models, the odds of exiting public housing are starkly higher in earlier years versus later years. In addition, the number of spells is not

statistically significant. Age had an almost identical effect as in Model 2. The odds of exiting public housing were 37 percent lower for middle-aged individuals, 54 percent lower for upper, middle-aged individuals, and 58 percent lower for senior heads of households. That is to say, younger heads of households have much higher odds of exiting public housing versus all other age groups. In regards to the individual characteristics, the effects are similar to Model 2. Individuals of other marital statuses as well as income were statistically significant at the 95 percent confidence level. Individuals of other races and secondary education level attainment were statistically significant at the 90 percent confidence level.

Yet surprisingly, the intergenerational effects of living with both parents or the perceived income level of the household of the parents were both statistically insignificant. That is to say, the perception of their familial income level and the presence of both parents in the household did not have a significant effect on the odds of exiting public housing. Other variables in regards to race, the number of children or dependents, income, having additional public assistance, and one's disability status yielded insignificant results as well. Moreover, one's income through wages and public assistance again did not yield significant results.

However, like previous studies, this analysis thus far has paid close attention only to individual level or "cultural" explanations instead of looking at the neighborhood influences upon stances of poverty. In this case, this instance is exiting public housing. Therefore, the following discussion includes neighborhood factors to account for the duration dependence analyzed in previous models.

#### 5.3.4 Model 4 Results

Model 4 includes measures of the vacancy rate, the rental vacancy rate, the median gross rent as a percentage of household income, the median household income (measured in \$1000s), the poverty rate, and the unemployment rate. Previous measures of tenure, spells, individual characteristics, and “parental effects” were also included in this measure. Surprisingly, the results here have some similarities as other models. The model itself was statistically significant with a p-value of .0000. Even when controlling for different local economic conditions and housing market characteristics, the odds of exiting public housing are starkly higher in earlier years of tenure relative to later years of tenure.

Tenure is statistically significant at the 99 percent confidence level. The odds ratio of exiting public housing for an individual with tenure of 2 – 5 years is 0.482 versus an individual that has tenure of 1 year at the 99 percent confidence level. Therefore, the odds of a person exiting public housing are 52 percent lower for a person with tenure between 2 – 5 years versus a person with tenure of 1 year ( $t = 1$ ). This result is statistically significant (z-score = -4.69). The odds for a person exiting with tenure of 6 - 10 years are 87 percent lower and are statistically significant (z-score = -5.50). Moreover, the odds for a person exiting public housing after 10 years of time spent there is 91 percent lower than an individual with 1 year of tenure. The number of spells for an individual was not statistically significant. Therefore, the longer the time spent in public housing, the odds of moving exiting public housing decline sharply.

In regards to individual level characteristics, the effects are similar to previous models. Age is statistically significant. Individuals who identify as being a member of

another race have much higher odds (3.295) than their White counterparts in exiting public housing. Being married is significant at the 90 percent confidence level as shown in Model 3. The odds of exiting public housing are 41 percent higher for individuals who experienced some change in their marital status (divorce, separation, death of partner). In terms of income, its significance declines when controlling for neighborhood conditions. Income was only statistically significant at the 90 percent confidence level. Furthermore, education becomes insignificant when controlling for these additional neighborhood effects. The parental effects also did not exhibit any significant results.

As far as local market and economic conditions, this model provides some interesting results. The housing vacancy rate, the rental vacancy rate, and the percentage of the median gross rent to the household income, and the unemployment rate are all statistically insignificant. However, median household income is statistically significant at the 99 percent confidence level. That is to say, a percentage change in a neighborhood's median household income increases the odds of exiting public housing by 1 percent. Since median household income is measured in (\$1000s), the placement of public housing units in much wealthier or higher income neighborhoods would have a greater effect on the odds of an individual exiting. However, when comparing that to the poverty rate, the issue becomes more nuanced.

The poverty rate is statistically significant at the 99 percent confidence level. A percentage increase in the poverty rate increases the odds of an individual exiting public housing by a factor of 2.2 percent. That is to say, individuals living in public housing in poorer neighborhoods have higher odds of exiting versus less poor neighborhoods. This result is theoretically interesting given the idea that public housing is thought of as a trap,

especially within poorer neighborhoods. However, it may be conflicting with the measure of median household income. Furthermore, the reform variable also significant. That is to say, individuals living in public housing after 1997 have an odds of exiting public housing 75 percent higher than house living in public housing before 1997. The result suggests that major policy changes in later years may have strongly encouraged, or even forced, exits from public housing. Yet, this analysis does not adequately describe which particular policy programs caused this situation. Several explanations could explain this effect such as the proliferation of HOPE VI funding for redevelopment, a decentralization of public housing stock to market rate rentals, and new forms of slum clearance and demolition could all be at work here.

#### *5.3.5 Summary Discussion of Results*

Model 4 highlights some interesting results compared to previous models. Some neighborhood factors do matter in regards to individuals leaving public housing. If public housing is designed to serve as a temporary housing assistant program, it is important to consider the neighborhoods in which they are located. Factors such as tenure and age play a significant role in determining exits. Individuals of races other than Whites, Blacks, and Latinos have a greater propensity of exiting public housing versus their White counterparts. Furthermore, income does matter but marginally. But once I accounted for neighborhood conditions, the significance of income declined. Education also loses its significance once accounting for neighborhood conditions. Being married does have an effect on the odds of exiting public housing versus being single. Yet, its effect is marginal also well. The parental effects examined here did not have any effect

on the odds of an individual exiting public housing. That is to say, there is no evidence here to suggest a transmission of cultural behavior or the intergenerational effects of growing up poor or with a single versus a dual-parent household and its effect on the odds of exiting public housing. This may be due to the imperfect nature of the variables used to ascertain the intergenerational effect. However, I maintain that ideas such as the breakdown of the family or the income level of a child's household are indicative of intergenerational effects. While they may prove to identify other concerns of poverty, they do not adequately explain the odds of exiting public housing.

This dissertation presents a refined method of ascertaining the effects within longitudinal data with the ability to follow individuals for extended amounts of times. However, in all the models, the odds of exiting public housing are starkly higher in earlier years versus later years. There is strong evidence to suggest duration dependence. However, there may be some unobserved effects not analyzed in these models. Most individuals leave public housing in the first five years. This is consistent with the previous literature, which constantly challenges this notion that public housing becomes a trap that maintains people in poor environments. While it serves as a type of public assistance program in the form of subsidized housing, this evidence suggests that most people use it as a temporary mode of assistance while very few use it for longer durations of time. This analysis does not particularly look at the long-term conditions of living in public housing nor does it seek to make the argument that public housing has become a "home" for some, yet it analyzes the changing nature of an individual's life *and* the environment in which they live. While it is conventional wisdom to blame individuals

for their long durations, this dissertation shows that some of the conditions of the neighborhoods in which individuals reside play a significant role.

## **CHAPTER 6**

### **CONCLUSION**

#### **6.1 Introduction**

The ongoing debate surrounding the use of public housing as a long-term housing option presents a dilemma among activists, politicians and policymakers alike. The degree to which people use it as more of a permanent housing option conflates the very nature of the program altogether. As critics have constantly argued for its demolition, this dissertation provides some interesting results regarding public housing tenure during a period of increased skepticism of social welfare programs. This chapter summarizes those findings and discusses limitations within this analysis. Individual characteristics and neighborhood effects comprised the two main camps within the framing of this dissertation. Therefore, it is also necessary to refer the findings back to the theoretical framework to delineate the paradox existing between the two schools of thought as housing assistance programs have traditionally faltered at producing more inclusive, equitable communities. It is also important to suggest internal and external barriers of exit. Future research will also be discussed to frame this dissertation within the broader spectrum of poverty research.

#### **6.2 Summary of Tenure Differences**

This research presents a conflicting view about tenure and the extent to which people leave public housing. While the idea of long-term residents in public housing is popular in the media, the evidence here suggests that the overall picture of tenure is much more nuanced. Most individuals that enter public housing tend to leave within 5 years. If 5

years is to serve as the designation between long-term versus short-term stays, approximately less than 24% of the initial sample of individuals stays in public housing longer than that period. As Figure 5.2.1 illustrates, there is approximately 12% of the original population living in public housing past year 10 ( $t = 10$ ). Compared to actual HUD data on the length of stays among public housing residents, 50% of individuals residing in public housing leave within 5 years. However, individual characteristics differ among social groups.

This research suggests that males leave faster than their female counterparts. The difference is apparent after the first year (or  $t = 1$ ). Gender differences are consistent within the literature in terms of escaping poverty. In terms of racial groups, the difference among individuals is not as widespread. Heads of households who identified as members of other races (Asian, Pacific Islander, Native American, and Multi-Racial) tend to exit public housing faster than all other racial groups. They are not observed past year 8 ( $t = 8$ ). Yet, this population is so small within this data set, as well as the national population, that the result itself doesn't provide much theoretical or practical use. Therefore, it was necessary to parse out the difference between Whites and Blacks, the largest racial groups living in public housing. The difference between these two racial groups is minimal at best. The curves of the survivor functions almost mirror each other. However, White heads of households are truncated after 15 years ( $t = 15$ ), while black heads of households are observed living in public housing up to the last year of observation ( $t = 24$ ). This lack of difference among their exits calls attention to external barriers of exit rather than internal circumstances. If white and black families are leaving public housing at the same rate, then there has to be some sort of barrier existing outside

of public housing. It also implies a difference in entries rather than exits from public housing. Possible reasons include rental and financial discrimination, the spatial concentration of poverty, and zoning laws, which limit their ability to access certain neighborhoods. The clustering of racial groups begs further questions around self selection versus discriminatory structural conditions which facilitate these processes to occur.

In terms of age, younger heads of household exit public housing at a faster rate than their peer groups. The slowest rate of exit exists among the upper-middle aged group (Ages: 45 – 64). With a shift in HUD funding from traditional public housing to more senior-designated public housing facilities, this result is somewhat surprising. In addition, the senior group may experience other forms of exit due to transitions into senior-living facilities or even death. It is also plausible that upper-middle aged individuals are less likely to be hired versus other age groups. In terms of educational attainment, there are differences between the secondary and post-secondary education level. Heads of households with some post-secondary education leave at a slightly faster rate than their counterparts. Yet, those with a GED have the slowest rate of exit, even when compared to their counterparts that have not received a GED or high school diploma. Therefore, education does play a role in determining public housing exits. However, those with GEDs may have to pursue additional training to have a better chance of leaving public housing.

Family structure is often seen as significant in poverty studies. In terms of marital status, heads of household identified as legally married leave public housing at the fastest rate. Those identified as single and individuals who identified as having experienced

some other change in their marital status (divorce, separation, death of partner) had little to no difference in their exit rates. While previous research has indicated single individuals as having the greatest ability or the fastest exit rate, Figure 5.2.7 suggests that married individuals have the greatest propensity of exit. The number of children and dependents is also of concern. Yet, as Figure 5.2.8 illustrates, there is no real difference between heads of household that have children and dependents versus their childless and dependent-less peers. The survivor curves of both groups tend to mirror each other up until 20 years ( $t = 20$ ) of tenure.

However, this graph illustrates members of all groups. There may be some over specification for senior members in this graph. Therefore, Figure 5.2.9 illustrates this same difference using a subsample of heads of household between the ages of 18 – 44. Here, the difference between family groups is slightly more apparent. Individuals with no children or dependents exit public housing slightly faster than their peer group. This raises additional questions around family structure and its relationship to poverty spells. The interesting point about this graph is I expected the difference to be more widespread. Yet, the concern around the number of children may be alleviated due to an increase in income or a dual-parent household. The intergenerational effect of parents within the household of the individual while growing up is also of interest. Figure 5.2.10 indicates that there is virtually no real difference between individuals who grew up in a dual-parent household versus others who grew up in a single-parent household. Figure 5.2.11 illustrates the difference in exit rates among individuals with varying levels of income while growing up. Again, there is little to no difference in terms of the perception of the income of one's household while growing up versus the rate at which these same

individuals exit public housing. The curves of all the survivor functions tend to mirror each other after that, holding all other variables constant.

Lastly, disability status was of interest in this dissertation. In Figure 5.2.12, is it clear that individuals with no physical or nervous condition tend to leave public housing faster than their peers. This difference is observed up until 15 years ( $t = 15$ ) with the curves merging together afterwards. Just like other variables, the difference among individual characteristics is more apparent in shorter periods of tenure versus longer periods. That may be due to the small number of long-term residents as well as a lack of heterogeneity among social groups. And while these survivor functions illustrate differences among social groups, the significance of individual characteristics and neighborhood conditions is not explained using descriptive analyses alone.

As illustrated in Model 1 (Table 5.3.1), tenure had a significant effect on the odds of exiting public housing. Individuals with tenure of 2 – 5, 6 – 10, and 10 or more years have lower odds of exiting public housing versus individuals with 1 year of tenure. These results were significant at the 99 percent confidence level. The odds of exiting public housing are 46 percent lower for individuals with tenure between 2 – 5 years. The odds of exiting fall sharply with individuals with tenure between 6 – 10 and 10 or more years dropping to 71 percent and 89 percent respectively. As Model 2 illustrates, when only analyzing individual-level characteristics, tenure, age, individuals of other marital statuses and income attainment were statistically significant at the 95 percent confidence level. In terms of tenure, individuals with longer periods of tenure have lower odds of exiting public housing versus their counterparts with shorter periods of tenure. As observed in Model 1, Model 2 also indicates that tenure duration drops significantly the

longer an individual stays in public housing. Individual characteristics do not fully explain the duration dependence observed in Model 1 or Model 2. Younger individuals with shorter years of tenure and increasing income are more likely to leave public housing than other individuals. Other factors such as if an individual identified as another race or education at the secondary did have an effect. Although, these effects were only significant at the 95 percent confidence level.

Model 3 adds the parental effects to ascertain the implications of an intergenerational outcomes. The same individual characteristics observed in Model 2 yielded the same levels of significance in Model 3. Although, married heads of households were now statistically significant at the 90 percent confidence level. The odds of exiting public housing was 36 percent higher for individuals who were married versus those who were single. Furthermore, the additional parental effects yielded no significance on the odds of exiting. Individual and parental effects could not explain the duration dependence observed in Models 1, 2, and 3. Model 3 paints an interesting view of tenure and its related effects, yet Model 4 (Table 5.3.1) yields the combined effects of individual characteristics, parental effects and neighborhood conditions. Model 4 yields some variation in the level of significance of various individual characteristics than in previous models. Tenure, age, individuals of other marital statuses were statistically significant at the 95 percent confidence threshold. Individuals of other races now became significant at the 99 percent confidence level compared to previous models. Income became less significant versus earlier models (shift from 99 to 90 percent confidence level). In addition, secondary education attainment was no longer significant even at the 90 percent confidence level.

In terms of neighborhood conditions, the poverty rate and the median household income of the neighborhood had a significant effect on the odds of exiting public housing. For every \$1,000 increase in the median household income of a neighborhood, the odds of exiting public housing increase by 1 percent. Therefore, public housing sites placed in higher income neighborhoods may slightly increase the odds of its residents exiting versus those placed in lower income neighborhoods. However, the poverty rate has a contradictory effect on the odds ratio. In regards to the poverty, there is evidence here to suggest that the poorer the neighborhood in which individuals live, the higher the odds among those same individuals have of exiting public housing. Specifically, a percentage increase in the poverty rate increases the odds of exiting public housing by a factor of .5. Both of these controls were statistically significant at the 99 percent confidence level. It is plausible that these results describe extreme differences. That is to say the poorest neighborhoods make it harder for individuals to stay in public housing.

Furthermore, historically, the concentration of public housing in the poorest neighborhoods has often been targeted for demolition or redevelopment. Therefore, it may not necessarily mean that individuals are choosing to leave but they are forced to do so because of these practices. In addition, individuals in higher income neighborhood may have access to other suitable housing options such as affordable housing developments or housing vouchers which are not as accessible in poorer neighborhoods. Other factors, such as neighborhood housing vacancy rates, rental vacancy rates, the unemployment rate, and the median gross rent as a percentage of household income were statistically insignificant. Yet, none of this variables could explain the duration dependence exhibited by in any of these models.

Similar to other studies (Bahchieva and Hosier, 2001; Freeman, 1998; Freeman, 2005; Hungerford, 1996), this research reveals differential advantages of leaving public housing based on individual characteristics. To the extent that each group leaves, age and income seem to be the best predictors alluding to the ability of younger individuals with more income have the largest propensity of exit. Similar to Bahchieva and Hosier (2001), the results here suggest that individuals living in neighborhoods with higher poverty rates leave public housing more quickly. Although Bahchieva and Hosier (2001) view this same dynamic in neighborhoods with higher crime rates, and poverty and crime are highly correlated.

The major contribution of this research lies in evidence of duration dependence. While other studies did not find evidence of duration dependence, this research here suggests that it is present among public housing residents. This does not necessarily discount other studies. The issue may lie in their inability to analyze duration dependence across longer periods of time. Freeman (2005) research suggested that dependency is widespread among housing assistance recipients. As Freeman (2005) states, “a more nuanced and perhaps more appropriate view of dependency, however, would define it as those who lose motivation due to the experience of receiving housing assistance. This more nuanced view would also see an unwillingness to take advantage of other opportunities as indicative of dependency” (pg. 131). Following this rationale, the elderly and disabled, although long-term residents may not be considered dependent. Rightfully so, as Freeman (2005) points out, a much more expansive view of dependency is needed in terms of understanding poverty dynamics. The presence of long-term residents in public housing does not only raise questions of dependency or moral hazard.

It brings to light internal and external barriers of leaving public housing as well as how individuals view their housing unit. As Gothman and Brumley (2002) note, public housing as a form of space is important in its constitutive dimension of agency and identity among the urban poor. In this respect, the complexity of such poverty research needs to move beyond individual and structural causes of poverty in order to understand conflicts which give rise to such battles to form.

### **6.3 Internal & External Barriers of Mobility**

While this dissertation looks predominantly at factors of individual characteristics, local housing market conditions and economic factors, other research suggests there may be internal and external barriers limiting the ability of exit. There may be some unobserved characteristics not accounted for in these models that could more fully explain the duration dependence. Issues of community and place attachment have been seen amongst different pockets of urban poverty, especially amongst long-term residents.

As Brown and Perkins (1992) assert, place attachment involves dynamic but enduring positive bonds between people and prized sociophysical settings such as their homes. While public housing may have a negative connotation, Brown et al. (2003) assert that residential place attachment often provides a sense of stability, familiarity, and security among individuals. Social ties amongst individuals residing in housing assistance sites has also been seen to have negative consequences once broken off (Popkin et al., 2004). Furthermore, the community itself may be affected through the changing composition of social networks within these communities (Fullilove, 2004). As Blokland (2008) argues, the ongoing process of placemaking for individuals living in public housing residents

may produce unequal relational positions as well as a reinforced understanding of their fellow community members. The communal sense of place, regardless if it exists within the private market or through a housing assistance program, plays an important role in the socioeconomic state of a neighborhood. And while some research suggests that public housing residents are ambivalent towards staying (Vale, 1997), other research has suggested that place attachment is present allowing residents to create bonds and roots within their communities (Tester et al., 1997; Manzo et al., 2008). It is quite plausible that place and community attachment could explain extended durations of time. However, the existence of attachment among public housing residents does not necessary support the presence of dependency. These two theories are mutually exclusive. Yet, they may work in tandem further complicating the study of tenure and dependency within public housing.

External barriers include various factors related to the economic position of former (or soon to be former) public housing residents. Based on a premise of self-sufficiency, the backlash of leaving public housing could be the inability of individuals to secure and maintain adequate housing in their same (or new) neighborhoods. Buron et al. (2007) suggests that voucher holders lived in better quality housing in less poor, safer neighborhoods. However, these same tenants were faced with new financial challenges including paying rent on time and being responsible for separate utility bills (Buron et al., 2007). The added burden of paying separate utilities is usually not existent in public housing since their payments are bundled together. Returning to an older model of public housing in which social services were directly placed in public housing developments may be more appropriate. Examples of this can be seen in the Promise Neighborhood

Initiative beginning in 2010 veiled as an education program (U.S. DOE, 2015).

Comprehensive neighborhood planning for all types of residents including those receiving vouchers beyond the realm of constructed physical sites should also be explored.

Furthermore, vouchers present another potential problem. As Susin (2002) argued, low-income households in metropolitan areas with more vouchers have experienced faster rent increases than those where vouchers are less abundant. Susin (2002) finds that vouchers have caused a \$8.2 billion increase in the total rent paid by low-income non-recipients, while only providing a subsidy of \$5.8 billion to recipients, resulting in a net loss of \$2.4 billion to low-income households. Rent control in this regard would prove useful. However, it also may limit the incentive for private investors to explore options in unfavorable neighborhoods.

In addition, the nature of private ownership adds another layer of concern. Missing from most research, especially in terms of providing affordable housing for poor individuals is the role of private landlords. Little research has been able to fully capture the effect of this group in providing adequate housing options for those in need. Recently, Desmond's (2016) book, *Evicted*, starts to explore this dynamic surrounding the dual operation of landlords and tenants in the rental market. As Stegman (2007) argued, this is in part a function of a political system which condones government support of homeownership, considered a direct benefit to the consumer, but which frowns upon support of equity investors in real estate. At best, such support is considered only an indirect aid to the rental consumer. The presence of absentee landlords and "slumlords" further limits housing options within poor and low-income neighborhoods,

often thought of as a last resort of many, but the first choice of longstanding members of the community. Oversight of vacant properties through local governmental action including eminent domain, tax seizures, license and inspection violations, as well as vacant or abandoned laws would curtail this practice. However, mechanisms would need to be put in place that do not harm the residents in these communities that such laws would aimed to protect.

Lastly, “self-sufficiency” is discussed here as flawed view of public assistance programs. While the premise of public housing along with other social welfare programs hinges on this idea of “self sufficiency”, the idea behind it may prove more pretentious and demeaning than valuable as a mission. For example, the Family Self-Sufficiency (FSS) program established in 2014 by congress enables families “to increase their earned income and reduce their dependency on welfare assistance and rental subsidies” (HUD, 2015). However, the dependency in question applies to welfare assistance and rental subsidies and fails to address larger issues related to government appropriations to economic incentives such as tax credits and other social welfare programs. This particular valuation of some social welfare programs as bad and others as good ranges more on the side of the social identity of the people receiving the subsidy rather than the effectiveness of the program. Recalling Friedman’s (1966) discussion of the submersive class versus the problem poor, it is plausible that criticism of public housing and other social welfare programs is based less on the effectiveness and evaluation of the policy itself and more on the political and social acceptance of the goal of the policies as well as the level of deservedness among the recipients.

Fineman (2000) argues that this reliance of social acceptance is present within the context of family dynamics and gendered identities. Fineman (2000) asserts, “the assumed family is a specific ideological construct with a particular population and gendered form that allows to privatize individual dependency and pretend it is not a public problem.” While Fineman (2000) theory applies to the institution of the family, her premise applies to the institution of homeownership and individual responsibility. The construction of public housing as a problem focuses attention to its physical development and constructed social environments rather than structural conditions that have wrought its existence. The nature of dependency and self-sufficiency in this regard becomes a flawed view as individuals, such as homeowners, benefit more so than their counterparts. As Schwartz (2015) asserts:

Whereas about 7 million low-income renters benefited from federal housing subsidies in 2012, more than 34 million homeowners took mortgage-interests deductions on their federal income taxes. Federal expenditures for direct housing assistance totaled \$47.9 billion in 2012; however, mortgage-interest deductions and other homeowner tax benefits exceeded \$220 billion. Moreover, the lion’s share of these tax benefits...go to households with incomes above \$100,000 (pg. 7).

The threshold of assistance in the form of public dollars being appropriated to individuals in need is bounded by this idea of self-sufficiency – a popular view of emphasizing individual behavior and personal shortcomings rather than structural conditions and deservedness. If social welfare programs aimed at the poor are to be critiqued, then the same attention and examination should be placed on the appropriation of other government funding. For far too long, mischaracterizations of the urban poor have dominated political discourse. As a result, inefficient or superficial responses to poverty have done little to curb other political, social and economic areas of conflict.

#### **6.4 Future Research**

Future research projects should explore the dynamic between individual level characteristics and neighborhood conditions and its effects on poverty in multiple contexts. While this dissertation begins to do that, other measures of neighborhood conditions should be explored that encompass the changing dynamics of local economic programs and their effects on concentrations and movement of poverty. The movement or displacement of poverty tends to be overlooked in research while scholars focus more on the spatial changes of particular areas. Some research has begun to address this point such as Kneebone and Garr's (2010) and Anacker's (2015) work on the suburbanization of poverty. Due to the mobility of individuals, local and regional research on the mobility patterns of the poor must take into account actions taken at the regional and national level. For example, the designation of empowerment zones and regionalism may play more of a role in determining concentrations and the movement of poverty than previously assumed.

The extent to which individuals build a sense of community in poor places should be further explored. An individual's sense of place and belonging creates a new identity of the place they call home. And in doing so, many individuals may, to their detriment, limit their economic opportunities by staying in these familiar settings. As Gotham and Brumley (2002) assert, a better question to ask is "how do the poor "use space" to create their own autonomous identities and challenge externally imposed, stigmatized identities?" (pg. 269). While researchers have called for the deconcentration of poverty, it is alarming that the solution remains for people to be relocated to less poor communities further exacerbating issues around inclusion and exclusion as well as the

incapacity of government and enterprise to provide resources within these poor spaces. The degree to which poverty and housing studies have been cross-linked to evaluate the long-term effects of policy should be revisited. Often overlooking the dimensions of social ties, communal support, and extended networks, research has indulged in preferencing studies of movement rather than stagnation. Poverty studies have looked at the enduring effects of living in poor places and growing up in poverty, but it is plausible that such places are not transitional. The inequality in an area may not be perceived at the individual level. In addition, an individual's construction of reality within poor spaces varies within and beyond different neighborhoods. Their level of satisfaction depends on their own person value system. Like studies mentioned before that look at issues of place attachment and community attachment among poor people, mobility may not be the answer. It is somewhat elitist to offer movement to more wealthy areas as the only or best option for achieving social mobility and economic opportunities.

Such recommendations have surrendered to the idea that poor places should subscribed to a standard set of measures that may not be plausible in different local contexts. As Øyen (1996) argued, the comparative aspect of poverty studies brings out questions such as why researchers in developing countries are using nonsensical poverty measures formulated in developed countries for another time and another context. Poverty is simultaneously culturally-bound and universal in the sense that the culture-bound causes and manifestations of poverty can be identified and marked as different from those causes and manifestations of poverty that seem to be universal. The production of poverty serves on a continuum independent of the culture where poverty is found (Øyen, 1996). Therefore, as Reese (2014) suggests, the broader discipline of urban

research yields theoretically interesting and interdisciplinary methodological applications that should stretch across traditional disciplines in an effort to understand the importance of urban policy as well as the increase number of individuals living in urban areas.

This dissertation couches itself within the broader understanding of the landscape of urban areas. Situated in analyzing tenure within public housing, future research should look at the use of alternative forms of housing assistance to understand the longevity of individuals on social welfare programs. Within this inquiry of deconcentrating poor people into more economically diverse communities, questions arise on the long-term effects of those changes. Are individuals able to successfully establish a sense community within their new spaces? And are these new spaces more or less accepting of individuals receiving some sort of public assistance? Future research should focus on the changing nature of newly formed communities within and beyond city limits to discuss the developing fabric of longstanding communities affected by displacement and gentrification as well as rural and suburban areas. Scholars such as Anacker's (2015) research on inequality in American suburbs as well as other studies have started to go beyond city boundaries to discuss poverty (*See* Cooke, 2010; Kneebone & Berube, 2013; Lee, 2011; Wang et al., 2012). By this direction, poverty studies will take a more nuanced view of American life.

## FIGURES

**Table 3.2.1 - Important Changes in Federal Housing Policy in the United States**

Key Legislation	Effect on State of Public Housing
Housing Act of 1937	Established the public housing program, authorized loans to local public housing agencies for lower-rent public housing construction expenses
Housing Act of 1949	Provided federal funds for slum clearance and urban renewal as well as expanded the fund to build public housing units as a result of the extreme housing shortage post-WWII
Housing and Urban Development Act of 1965	Created the Department of Housing and Urban Development and the introduction of rent subsidies
Fair Housing Act of 1968	Established the rights of protective classes in face of redlining practices and racial covenants as well as new construction design for public housing developments
Housing and Community Development Act of 1974	Created the Section 8 voucher program in order to encourage private investment and construction
HOPE VI (formally recognized in 1999)	Called for the demolition and rehabilitation of traditional public housing as well as the creation of housing units in non-poverty neighborhoods and mixed-income communities

(HUD historical background, 2007)

**Table 4.2.1 – Summary Statistics for PSID Data, 1987 – 2011**

Variables	Observations	Mean	Standard Deviation	Min	Max
Tenure	5,279	2.750	2.763	1	24
Spell	5,279	1.335	0.637	1	5
<b>INDIVIDUAL CHARACTERISTICS</b>					
Age	5,279	43.74541	17.570	18	96
Male	5,279	45.24	0.000	0	1
Head of Household Income	5,105	\$8,822.27	12487.30	\$0.00	\$178,906.00
AFDC Amount	5,277	\$189.07	879.68	\$0.00	\$12,684.00
Race					
<i>White</i>	5,279	0.245	0.430	0	1
<i>Black</i>	5,279	0.699	0.459	0	1
<i>Latino</i>	5,279	0.009	0.097	0	1
<i>Other Races</i>	5,279	0.047	0.211	0	1
Education					
<i>Graduated High School     or GED</i>	5,143	0.576	0.494	0	1
<i>Attended College (1 Yr.)</i>	5,142	0.219	0.413	0	1
Family Structure					
<i>Head Single</i>	5,275	0.395	0.489	0	1
<i>Head Married</i>	5,275	0.202	0.402	0	1
<i>Other Marital Status</i>	5,275	0.403	0.491	0	1
<i>Children/Dependents</i>	5,279	1.087	1.382	0	9
<b>PARENTAL EFFECTS</b>					
<i>Income - Poor</i>	5,269	0.457	0.498	0	1
<i>Income - Average/Varied</i>	5,269	0.253	0.435	0	1
<i>Income - Rich</i>	5,269	0.214	0.410	0	1
<i>Household - Grew Up     With Both</i>	5,172	0.593	0.491	0	1
Disability Status (1 = Yes)	5,268	0.288	0.453	0	1

Reform (1 = Yes)	5,279	0.385	0.487	0	1
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**NEIGHBORHOOD  
EFFECTS**

Poverty Rate	4,353	14.64	11.196	0	77.75
Vacancy Rate	4,353	9.83	8.196	0	75.98
Rental Vacancy Rate	4,298	30.64	23.462	0	100.00
Median Gross Rent	4,351	28.70	6.806	0	50.09
Median Household Income	4,354	\$41,846.19	\$22,020.580	0	\$193,187.50
Unemployment Rate	4,353	8.43	5.627	0	52.78

**Table 4.2.2 – PSID Variable List**

Variable	Variable Definition
tenure	tenure = 0; Lived in public housing 1 Year tenure = 1; Lived in public housing 2 - 5 Years tenure = 2; Lived in public housing 6 - 10 Years tenure = 3; Lived in public housing 11+ Years
spell	Number of periods lived in public housing (1 - 5)
age bracket	Age of Head agebracket = 0; Ages: 18 - 25 agebracket = 1; Ages: 26 - 44 agebracket = 2; Ages: 45 - 64 agebracket = 3; Ages: 65+
sex	Sex of Head sex = 0; male sex = 1; female
black	Race of Head - Black / African American black = 0; No black = 1; Yes
latino	Race of Head - Latino/Hispanic origin latino = 0; No latino = 1; Yes
otherrace	Race of Head - Any other racial composition otherrace = 0; No otherrace = 1; Yes
child	Number of children of Head of Household
headmarried	Head Married headmarried = 0; No headmarried = 1; Yes
headother	Head Separated, Widowed or Legally Divorced headmarried = 0; No headmarried = 1; Yes
income thou	Head's Income from Wages and Salaries in Dollars Divided by 1000
afdcthou	Head's Income from ADC / AFDC in Dollars Divided by 1000

educ	Education Level of Head educ = 0; Did Not Graduate High School educ = 1; Received High School Diploma educ = 2; Received GED educ = 3; Attended at least 1 Year of Postsecondary Training
disability	Disability Status of Head disability = 0; No Physical or Nervous Condition disability = 1; Physical or Nervous Condition Present
paravg	Perceived Income of Parents (Base Case: Parents' were poor) paravg = 0; Parents' Income was not average/did not vary paravg = 1; Parents' Income was average/varied
parrich	Perceived Income of Parents (Base Case: Parents' were poor) parrich = 0; Parents' were not pretty well off paravg = 1; Parents' Income were pretty well off
parboth	Lived with both natural parents most of the time until you were 16 years old? parboth = 0; No parboth = 1; Yes
ivacant	Neighborhood Vacancy Rate for Population Ages 18 - 64 (Interpolated)
irentvacant	Neighborhood Rental Vacancy Rate (Interpolated)
imedgrossrent	Neighborhood Median Gross Rent as a Percentage of Household Income (Interpolated)
imedhouseincthou	Neighborhood Median Household Income Divided by 1000 (Interpolated)
ipoverty	Neighborhood Poverty Rate for Population Ages 18 - 64 (Interpolated)
iunemploy	County Unemployment Rate for Population Ages 16+ (Interpolated)
reform	Dummy Variable for Policy Reforms After 1997 reform = 0; Before 1998 reform = 1; After 1997

**Table 4.3.1 - 2015 Percentages of Tenure in Public Housing Units and Total County of Residents in Selected Cities and the United States Overall (As of June 30, 2015)**

City	State	Less Than One Year	1 to 2 Years	2 to 5 Years	5 to 10 Years	10 to 20 Years	Over 20 Years	Count
New York	NY	7	5	14	18	26	30	202,071
Chicago	IL	29	12	23	19	13	4	29,867
Philadelphia	PA	23	10	22	21	17	6	39,976
Baltimore	MD	19	10	25	21	17	9	6,029
Boston	MA	13	8	22	25	24	8	31,503
Cleveland	OH	26	12	24	20	13	5	40,987
Atlanta	GA	25	12	24	19	13	7	27,450
Miami	FL	22	11	24	21	15	6	30,041
Denver	CO	25	11	22	22	14	6	7,267
Los Angeles	CA	12	7	19	25	22	15	21,470
United States		21	10	20	19	17	13	951,109

*(HUD Resident Characteristics Report, 2015)*

**Figure 4.4.1 – Spells of 1 to 5 Years Observed at a Point in Time**

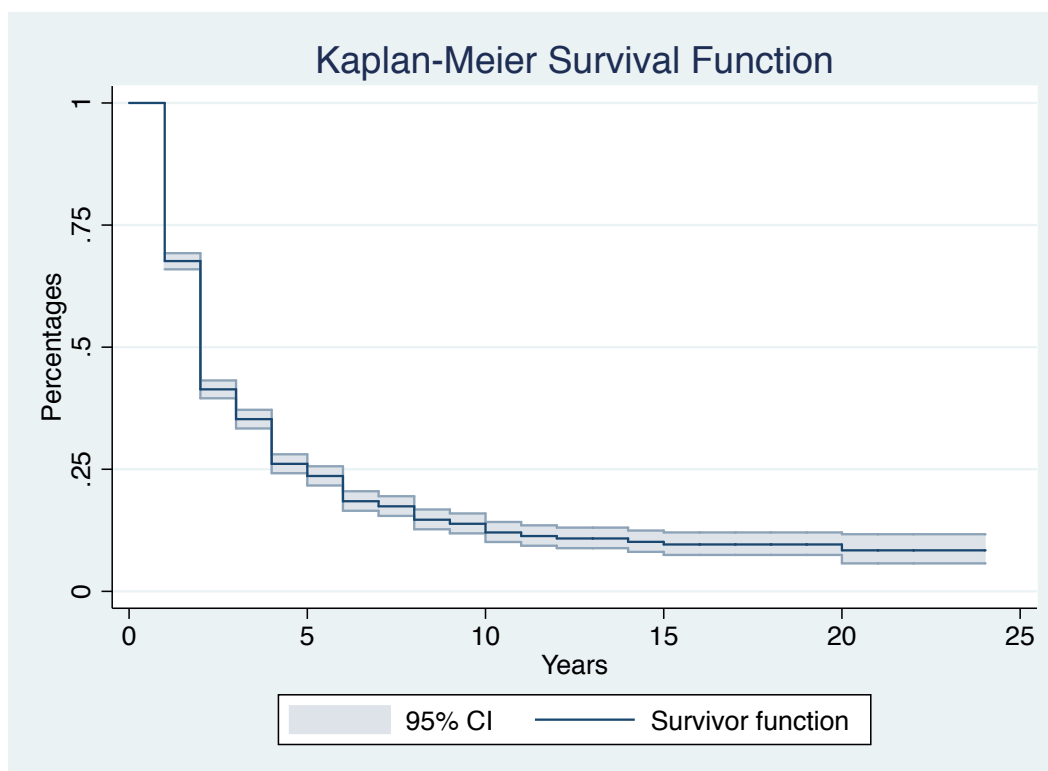
Time									Completed Spell Length	Spell Duration Observed
t-4	t-3	t-2	t-1	t	t+1	t+2	t+3	t+4	F	G
1	1	1	1	1					5	5
	1	1	1	1	1				5	4
		1	1	1	1	1			5	3
			1	1	1	1	1		5	2
				1	1	1	1	1	5	1
	1	1	1	1					4	4
		1	1	1	1				4	3
			1	1	1	1			4	2
				1	1	1	1		4	1
		1	1	1					3	3
			1	1	1				3	2
				1	1	1			3	1
			1	1					2	2
				1	1				2	1
				1					1	1

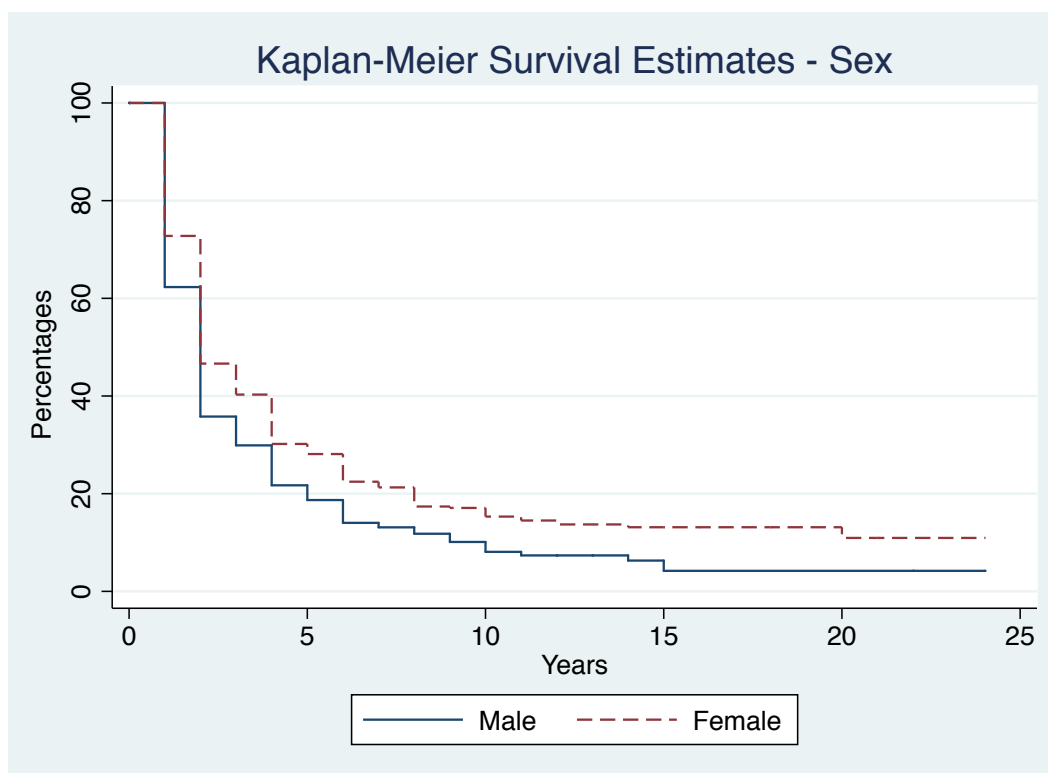
**Table 4.4.2 – Distribution of Spells by Length**

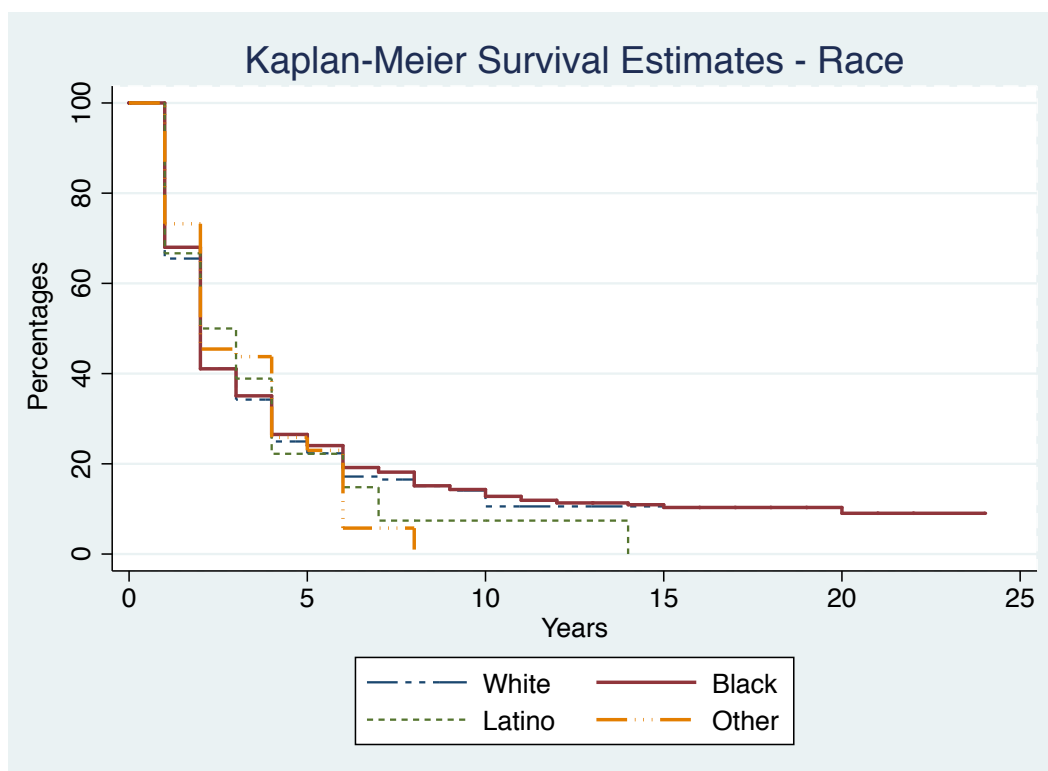
<b>Years</b>	<b>Ever in Public Housing</b>	<b>Point in Time</b>	
		<b>Completed Spells</b>	<b>Observed Duration</b>
1-2	59%	17%	34%
3-4	15%	11%	16%
5-6	8%	9%	10%
7-8	4%	6%	7%
9-10	3%	5%	6%
>10	12%	52%	28%
Total	100%	100%	100%
Mean	5.0	13.7	7.4

**Table 4.4.3 – Survivor Function of Heads Exiting Public Housing Based on Tenure**

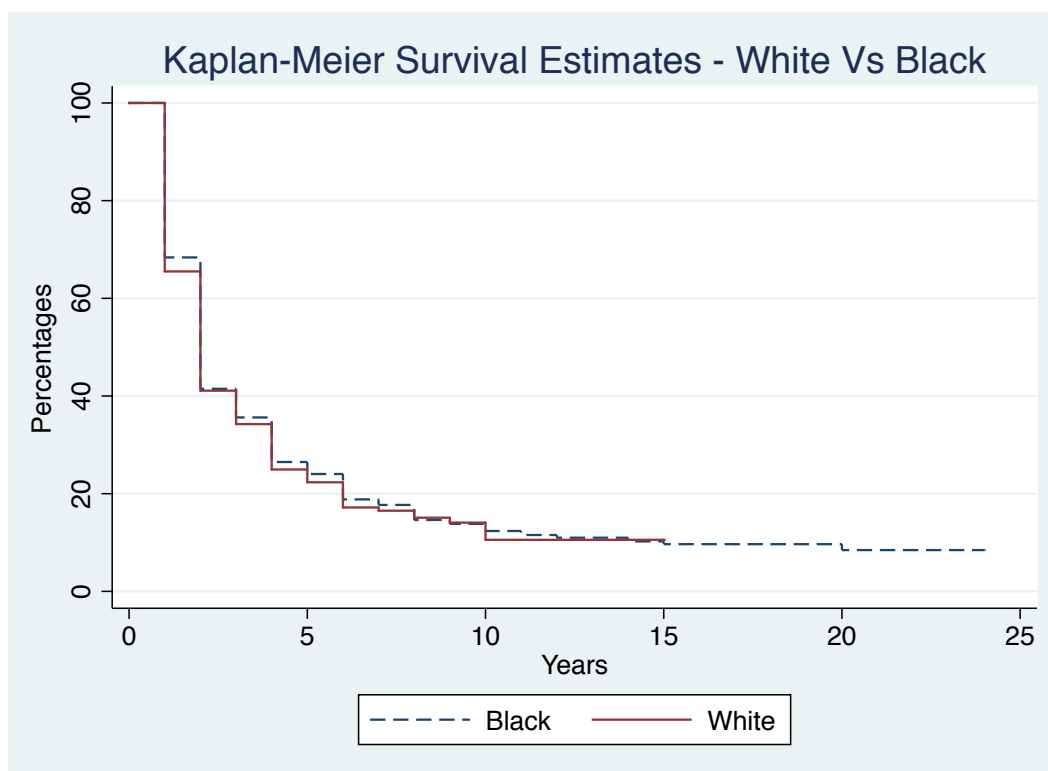
Time	Total	Exit	Truncated	Survivor Function	Std. Error	[95 Confidence Interval]	
1	3092	1001	273	0.6763	0.0084	0.6595	0.6924
2	1818	706	441	0.4136	0.0093	0.3954	0.4318
3	671	99	48	0.3526	0.0097	0.3336	0.3717
4	524	136	105	0.2611	0.0099	0.2419	0.2806
5	283	27	32	0.2362	0.0100	0.2168	0.2561
6	224	49	33	0.1845	0.0102	0.1650	0.2049
7	142	8	7	0.1741	0.0103	0.1545	0.1947
8	127	20	19	0.1467	0.0403	0.1272	0.1676
9	88	5	5	0.1384	0.0104	0.1188	0.1594
10	78	10	19	0.1206	0.0105	0.1011	0.1420
11	49	3	0	0.1132	0.0107	0.0934	0.1351
12	46	2	7	0.1083	0.0107	0.0884	0.1305
13	37	0	6	0.1083	0.0107	0.0884	0.1305
14	31	2	10	0.1013	0.0111	0.0809	0.1244
15	19	1	1	0.0960	0.0118	0.0746	0.1206
16	17	0	2	0.0960	0.0118	0.0746	0.1206
17	15	0	4	0.0960	0.0118	0.0746	0.1206
18	11	0	2	0.0960	0.0118	0.0746	0.1206
19	9	0	1	0.0960	0.0118	0.0746	0.1206
20	8	1	0	0.0840	0.0152	0.0573	0.1169
21	7	0	2	0.0840	0.0152	0.0573	0.1169
22	5	0	1	0.0840	0.0152	0.0573	0.1169
24	4	0	4	0.0840	0.0152	0.0573	0.1169

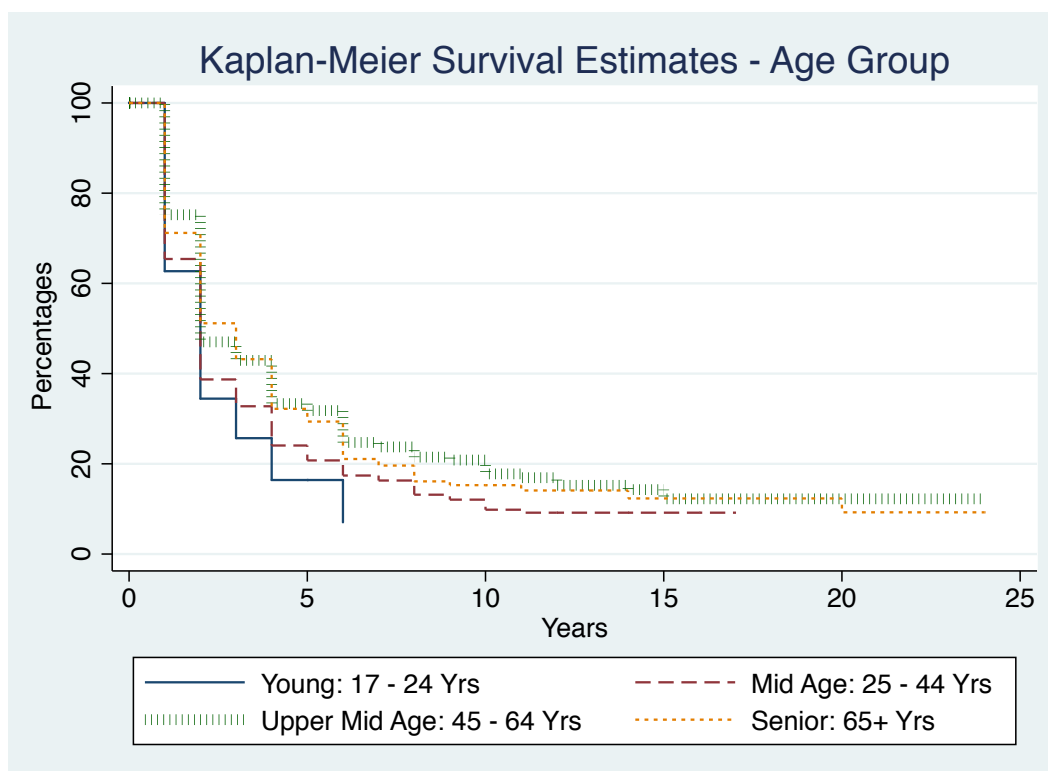
**Figure 5.2.1 – Kaplan Meier Estimates – Survivor Function**

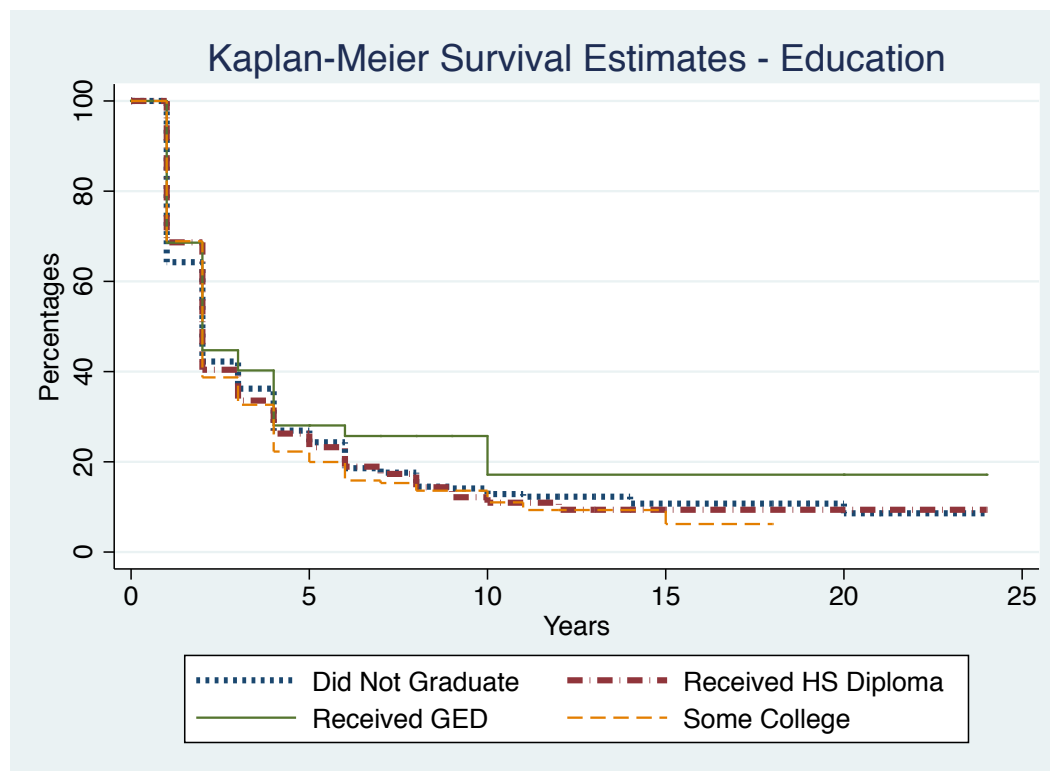
**Figure 5.2.2 – Kaplan Meier Estimates – Sex**

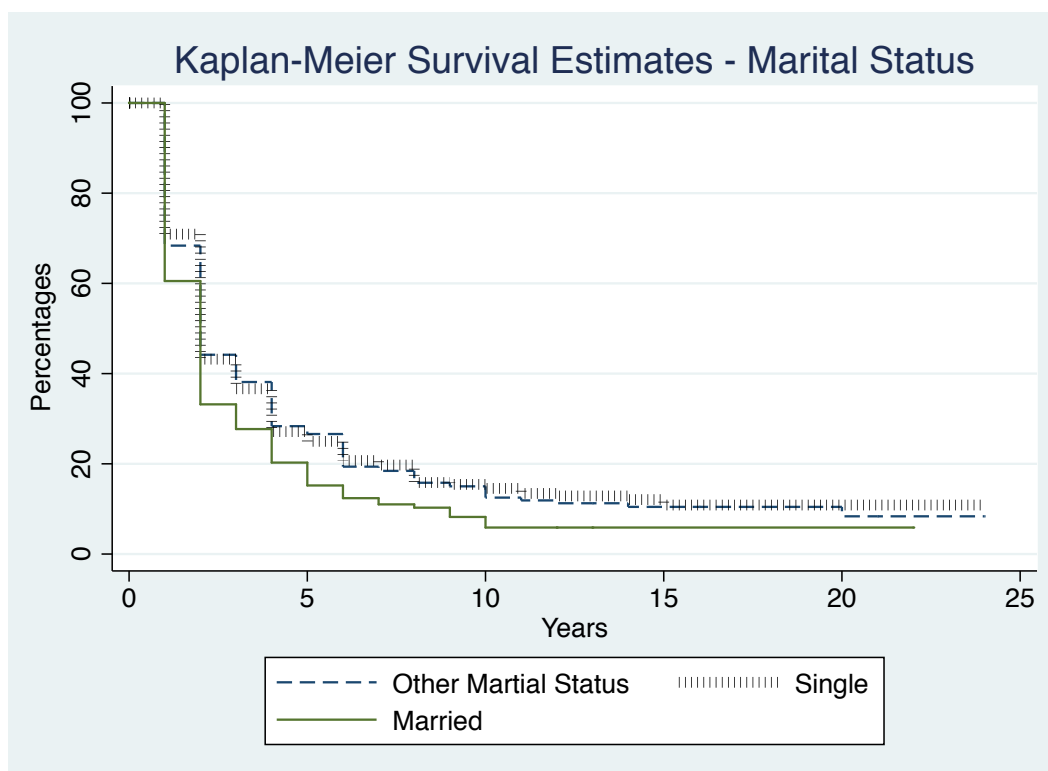
**Figure 5.2.3 – Kaplan Meier Estimates – Race**

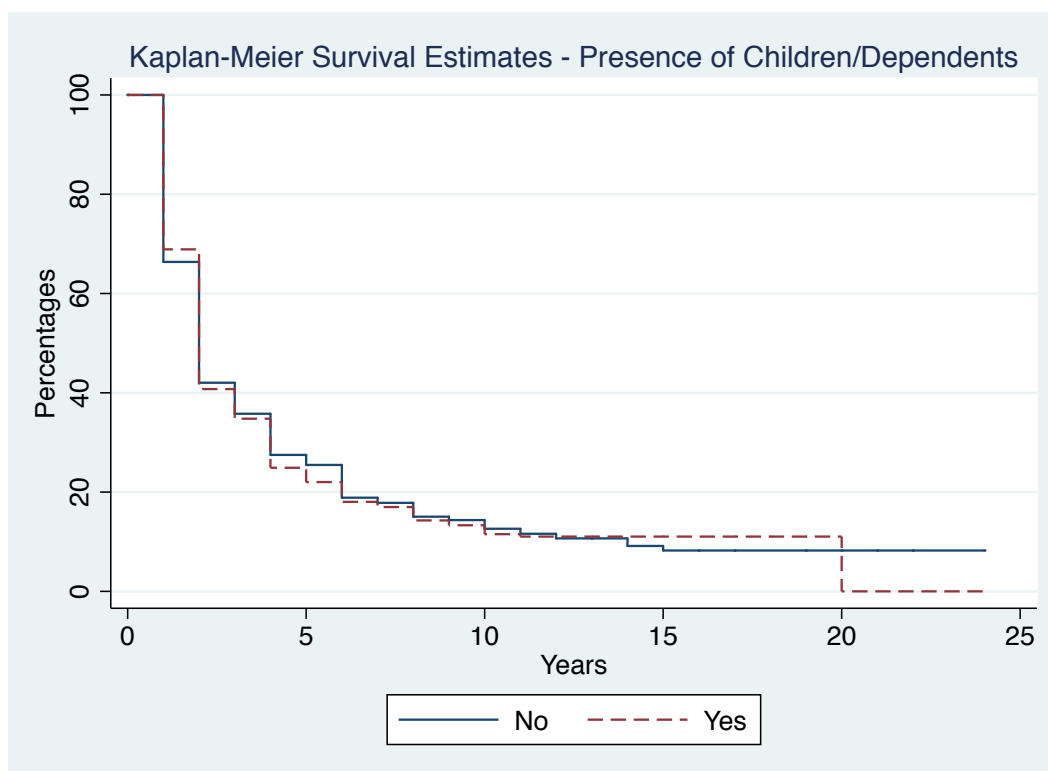
**Figure 5.2.4 – Kaplan Meier Estimates – Race - Whites Vs. Blacks**



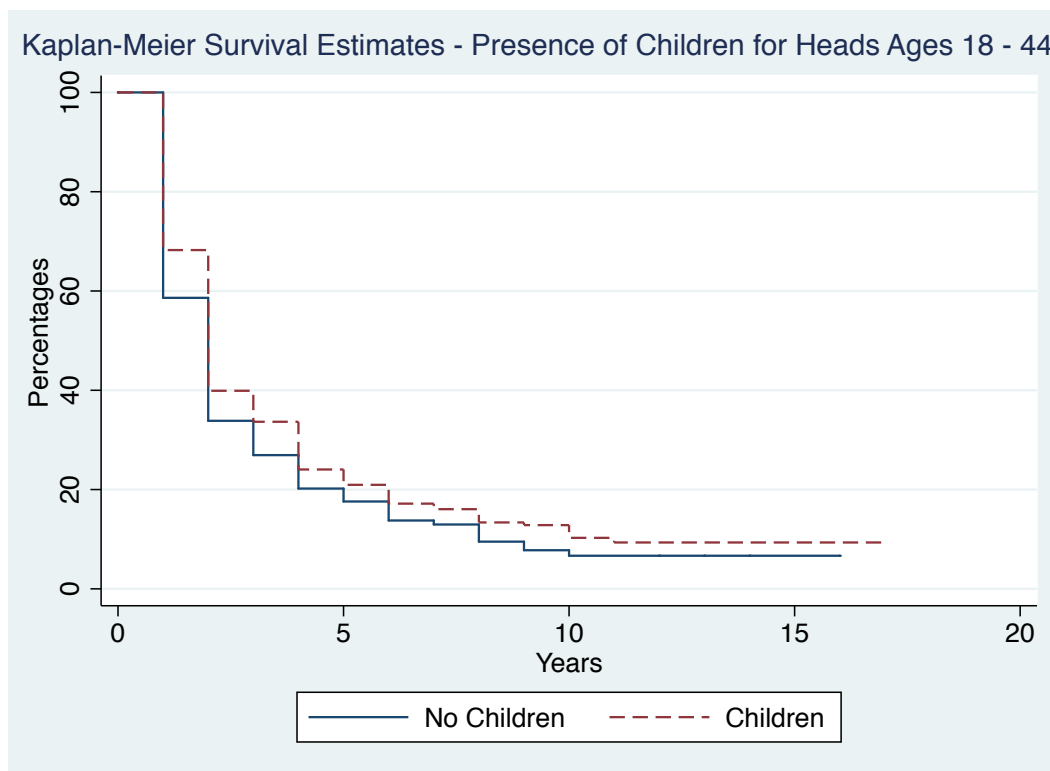
**Figure 5.2.5 – Kaplan Meier Estimates – Age Groups**

**Figure 5.2.6 – Kaplan Meier Estimates – Education Level**

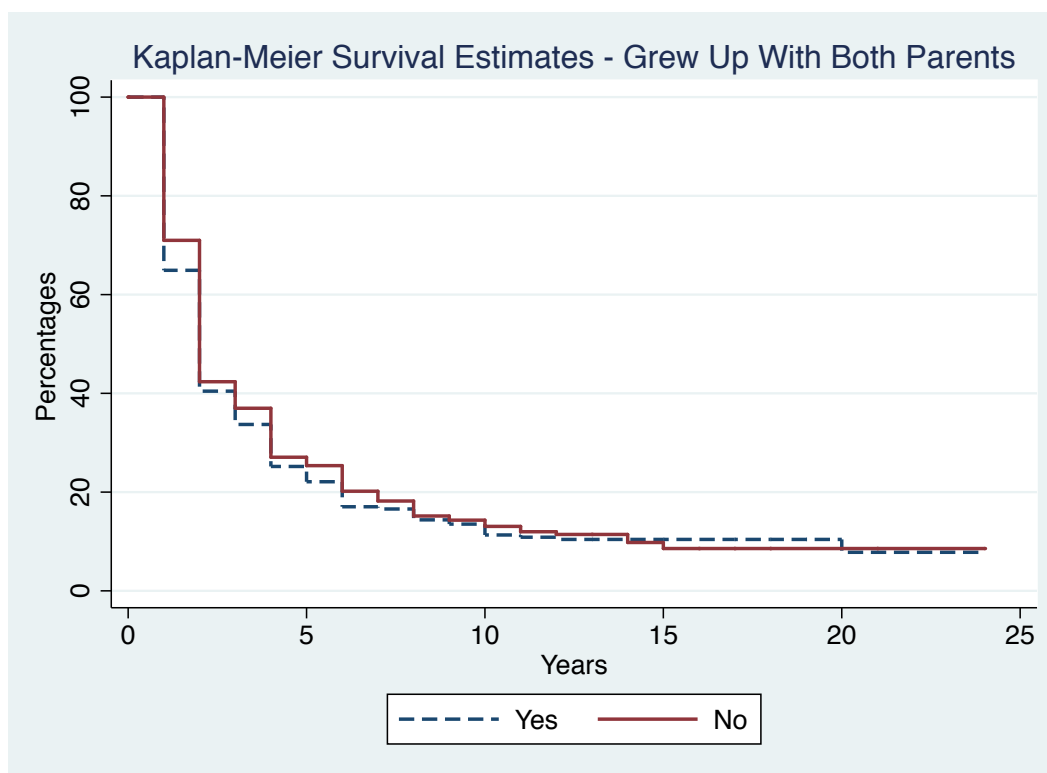
**Figure 5.2.7 – Kaplan Meier Estimates – Marital Status**

**Figure 5.2.8 – Kaplan Meier Estimates – Presence of Children (and/or Dependents)**

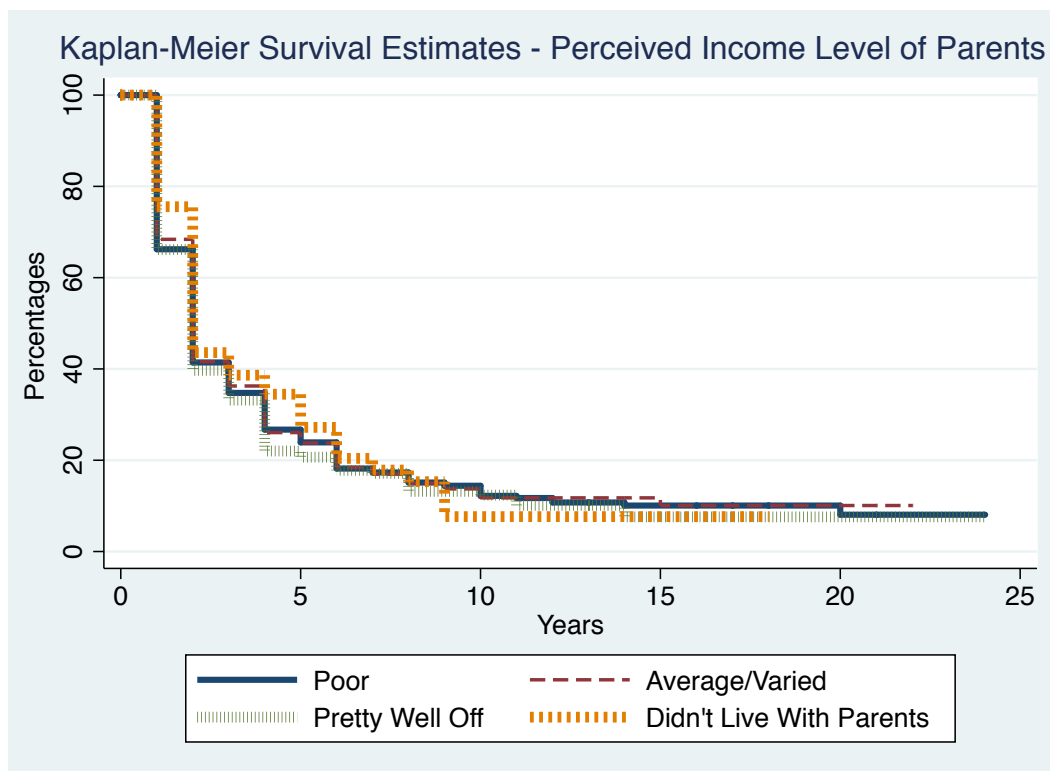
**Figure 5.2.9 – Kaplan Meier Estimates – Presence of Children (and/or Dependents) for Heads Ages 18 – 44**

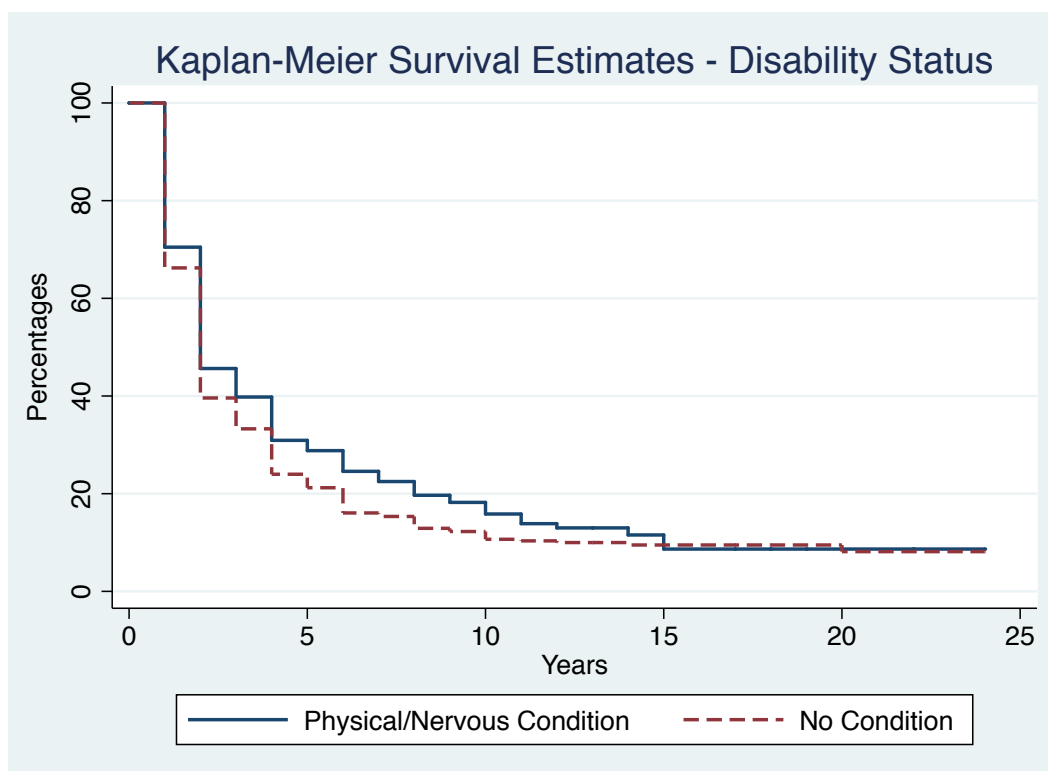


**Figure 5.2.10 – Kaplan Meier Estimates – Presence of Parents Within the Head's Household While Growing Up**



**Figure 5.2.11 – Kaplan Meier Estimates – Perception of Income Level of Family While Growing Up**



**Figure 5.2.12 – Kaplan Meier Estimates – Disability Status**

**Table 5.3.1 — Event History Analysis – Models 1 – 4**

VARIABLES	(Model 1) Odds Ratio	(Model 2) Odds Ratio	(Model 3) Odds Ratio	(Model 4) Odds Ratio
<b>DV: Exit</b>				
Tenure: 2 - 5 Yrs.	0.541*** (0.054)	0.562*** (0.058)	0.563*** (0.058)	0.482*** (0.075)
Tenure: 6 – 10 Yrs.	0.291*** (0.056)	0.301*** (0.061)	0.303*** (0.061)	0.230*** (0.062)
Tenure: 11+ Yrs.	0.108*** (0.056)	0.124*** (0.067)	0.126*** (0.068)	0.139*** (0.051)
Spells	0.887 (0.069)	0.960 (0.081)	0.961 (0.081)	0.918 (0.086)
<b>INDIVIDUAL EFFECTS</b>				
Middle Age		0.639*** (0.103)	0.630*** (0.101)	0.676** (0.120)
Upper Middle Age		0.473*** (0.103)	0.461*** (0.101)	0.676*** (0.120)
Senior		0.432*** (0.100)	0.417*** (0.099)	0.432*** (0.110)
Female		0.937 (0.122)	0.946 (0.125)	0.942 (0.140)
Black		0.997 (0.112)	1.022 (0.121)	1.023 (0.140)
Latino		1.021 (0.404)	1.061 (0.432)	1.015 (0.430)
Other Race		1.855* (0.619)	1.945* (0.660)	3.295*** (1.251)
Children/Dependents		0.968 (0.048)	0.964 (0.047)	0.931 (0.047)

Married	1.308 (0.233)	1.345* (0.241)	1.426* (0.280)
Other Martial Status	1.332** (0.192)	1.347** (0.198)	1.407** (0.232)
Income (\$1000s)	1.015*** (0.005)	1.014*** (0.005)	1.010* (0.006)
AFDC (\$1000s)	0.984 (0.053)	0.985 (0.053)	0.975 (0.060)
HS Diploma	0.785* (0.105)	0.771* (0.102)	0.854 (0.124)
GED	0.692* (0.145)	0.687* (0.146)	0.770 (0.163)
Some College	1.042 (0.147)	1.011 (0.141)	1.150 (0.180)
Disabled	1.160 (0.153)	1.179 (0.156)	1.018 (0.146)
<b>PARENTAL EFFECTS</b>			
Parents: Avg Income		1.104 (0.147)	1.140 (0.169)
Parents: Rich/Wealthy		1.065 (0.149)	1.197 (0.184)
Grew Up With Both		1.023 (0.110)	1.035 (0.120)
<b>NEIGHBORHOOD EFFECTS</b>			
Vacancy Rate (%)			0.997 (0.007)
Rental Vacancy Rate (%)			1.000 (0.002)
Median Gross Rent (%)			0.989 (0.009)

Median Household Income (\$1000s)				1.008** (0.003)
Poverty Rate				1.022** (0.009)
Unemployment Rate				0.980 (0.014)
Reform				1.751*** (0.257)
Constant	1.297*** (0.162)	1.638** (0.339)	1.555** (0.363)	1.331 (0.527)
Observations	5,191	4,882	4,838	3,937
X <sup>2</sup>	79.17	133.10	139.77	138.99
Pseudo R <sup>2</sup>	0.035	0.058	0.059	0.065
P-Value	0.000	0.000	0.000	0.000
Mean VIF	1.15	1.71	1.68	1.80

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Robust Standard Errors in Parentheses

\*\*\* p < 0.01 ; \*\*p < 0.05 ; \*p < 0.10

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