

Rental Vouchers for Families with Young Children

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The United States is facing a massive shortage of affordable rental housing with worrying effects on millions of children. Rental vouchers can help.

The Problem

Today, not a single county in the country has enough affordable rental housing to meet the demand.

- Housing vouchers, which help offset high rents for low-income families, are limited. In 2017, Congress appropriated slightly more than \$20 billion for the Housing Choice Voucher Program. Yet only 23 percent of those in need receive a voucher or other rental assistance.
- More than 6 million families with children experience housing insecurity, and the problem is projected to grow.
- Housing instability harms children. A mother's stress from unstable housing is linked to increased risk of child neglect and abuse. Toxic stress can affect children's brain development, leading to learning, behavioral, and mental health problems. For school-age children, lack of stable housing is linked to classroom struggles.
- Where housing is located matters too. A family's neighborhood determines what schools children attend, who their peers are, and how much violence they are exposed to. Every year that low-income children spend in very poor neighborhoods hinders how they fare as adults.

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700,000 extremely low-income families with young children pay more than half their income for rent.
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The Solution

Housing vouchers can have a significant impact on child outcomes, including reducing poverty, homelessness, housing insecurity, and child welfare involvement. We propose the following steps:

1. **Create an additional 500,000 housing vouchers for families with children under age 6.** Doing so could largely eliminate homelessness among families with young children and substantially reduce the number growing up in neighborhoods of concentrated poverty.
2. **Prioritize low-income, high-need families with young children.** Only pregnant women and families with children under age 6 who either have a recent history of homelessness or housing instability or live in an area of concentrated poverty (or are at risk of being pushed out of an opportunity area) would qualify for these new vouchers.

3. **Phase in the vouchers over five years** at 100,000 per year, which we estimate to cost \$1.05 billion in the first year and approximately \$13.5 billion over five years.
4. **Provide services** that have a proven track record of helping families move out of poverty and that support parents, including mobility counseling and home visiting.

WHAT PHILANTHROPY CAN DO

The federal government is the only entity that has the capacity to support a program of this scale—because of both the infrastructure needed to administer the program and its overall cost.

But philanthropy can educate policymakers and the public about the robust body of research that supports such a proposal, thereby helping lay the groundwork for its adoption. In addition, philanthropy could provide the additional resources housing agencies need to enable more families that already have vouchers to use them in high-opportunity neighborhoods.

WHAT GOVERNMENT CAN DO

For decades, Congress has funded special vouchers designed for the unique needs of certain populations, including veterans and families involved in the child welfare system. We suggest a similar strategy for these proposed vouchers, which we have named Family Stability and Opportunity vouchers. HUD would award these vouchers through a competitive process to public housing authorities that operate well-managed housing choice voucher programs. The competition would give priority to authorities that partner with home visiting programs.

WHAT DOES “MOBILITY” FROM POVERTY MEAN?

The US Partnership on Mobility from Poverty’s definition of mobility has three core principles: economic success, power and autonomy, and being valued in community. These principles drive five mutually reinforcing strategies:

- Change the narrative
- Create access to good jobs
- Ensure zip code is not destiny
- Provide support that empowers
- Transform data use

Rental vouchers are part of the strategy to ensure zip code is not destiny.

HOW IMPROVING HOUSING STABILITY CAN IMPROVE MOBILITY

- **Economic success:** Children whose families move to lower-poverty neighborhoods will have higher college attendance and lifetime earnings.
- **Power and autonomy:** Parents and children will experience less stress and depression and have a greater sense of self-efficacy.
- **Being valued in community:** Families living in safe, well-maintained, and economically integrated neighborhoods that provide opportunities for high-quality education and other amenities will feel valued by society.

This brief summarizes the paper *Helping Young Children Move Out of Poverty by Creating a New Type of Rental Voucher*. The paper lists sources for the research summarized here.