

# Cutting Housing Benefits Would Increase Homelessness and Housing Poverty

One of the biggest barriers to economic prosperity for America's lowest income families is the lack of decent, accessible, and affordable homes. Research shows that when people have a stable, decent, and accessible home that they can afford, they are better able to find employment, achieve economic mobility, age in place, perform better in school, and maintain improved health.<sup>1</sup>

Proposals to slash federal housing benefits would leave even more low income people without a stable home, making it harder for them to climb the economic ladder and live with dignity. Congress should reject proposals to take away housing benefits and instead enact proven solutions to help struggling families earn more and get ahead. This starts with expanding—not slashing—investments in affordable homes, job training, education, childcare, and other policies to help families thrive.

## WITHOUT HOUSING BENEFITS, IT WILL BE EVEN HARDER FOR STRUGGLING FAMILIES TO GET AHEAD AND LIVE WITH DIGNITY.

- If Congress cuts housing benefits, even more families would be homeless, living in substandard or overcrowded conditions, or struggling to meet other basic needs because too much of their limited income would go to paying rent. When families cannot afford rent, they are forced to cut back on investments in their future, including education, training, retirement savings, and healthcare.
- Increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility.<sup>2</sup>
- Investing in affordable homes generates long-term savings to federal, state, and local governments. Numerous studies have demonstrated that access to affordable housing and service coordination reduces healthcare costs and other expensive interventions for older adults, people with disabilities, and people experiencing homelessness.



## CUTTING HOUSING BENEFITS WILL NOT CREATE THE WELL-PAYING JOBS AND OPPORTUNITIES NEEDED TO LIFT FAMILIES OUT OF POVERTY.

- **Work requirements will only make it more difficult for families to get and keep their jobs.** Research shows that for most families, work requirements do not lead to stable employment or a path out of poverty. In fact, work requirements are counter-productive and actually prevent people from working. Work requirements will have the greatest impact on people with disabilities, who need affordable homes, as well as supportive services offered by housing providers – in order to maintain employment. Without housing assistance, low income people face a greater risk of eviction and homelessness – circumstances that make it incredibly difficult to maintain a job. Affordable housing and housing assistance are fundamental to employment and economic security.<sup>3</sup>

1 Weiss, E. (2017). *A Place to Call Home*. The Campaign for Housing and Community Development Funding.

2 Newman, S. J. & Holupka C. S. (2014). Housing Affordability and Investments in Children. *Journal of Housing Economics*; Fischer, W. (2015). Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long Term Gains Among Children. Center on Budget and Policy Priorities; Giannarelli, L., Lippold, K. et al. (2015). Reducing Child Poverty in the US: Costs and Impacts of Policies Proposed by the Children's Defense Fund. Urban Institute.

3 Desmond, M. and Gershenson, M. (2016). Housing and Employment Insecurity among the Working Poor. *Social Problems* 63: 46-67.

- **It is misguided to increase rent on struggling families who are already paying their fair share.** Families with rental assistance are already required to pay what they can afford in rent, based on their income. Charging higher rents would force them to divert money away from basic needs like medicine or clothing, or would put them at risk of eviction and homelessness. Rent increases, such as higher minimum rents or cuts to utility payments, target the very poorest people, including seniors and people with disabilities, who are already at great risk of homelessness.<sup>4</sup>
- **Time limits do not reflect the reality of low wage jobs.** Imposing arbitrary time limits will only cut people off from the very housing benefits that make it possible for them to find and maintain jobs. Arbitrary time limits are especially harmful in high-cost areas and rural communities, where rents are well above what a low-income worker can afford and where there is a severe shortage of affordable homes. Time limits will not address this structural problem; only investments in affordable homes and job creation will.
- **These proposals undermine public-private partnerships, making it more expensive for the private sector to build, preserve, and maintain affordable rental homes.** Imposing work requirements, time limits, and rent increases creates new administrative costs for housing providers, without providing significant benefits to residents or the public. Housing providers will be forced to divert resources away from property maintenance and the employment-related resident services they already provide to pay for additional staff and regulatory compliance.

## CONGRESS SHOULD INSTEAD ENACT PROVEN SOLUTIONS TO POVERTY.

Instead of taking away housing benefits, Congress should enact proven solutions to help struggling families earn more and get ahead. This starts with expanding—not slashing—investments in affordable homes, job training, education, childcare, and other policies to help families thrive. Congress and the administration should:

- **Expand voluntary programs** – like Jobs Plus and Family Self-Sufficiency – that provide services and financial incentives to help families increase their earnings without the risks and added costs.
- **Evaluate existing demonstration programs** – like Moving to Work – to determine the impact on tenants and outcomes before imposing across-the-board changes.
- **Use HUD’s Section 3 regulation**, which provides an opportunity to promote job training and hiring among people receiving housing benefits.
- **Implement bipartisan changes** recently enacted by Congress in the *Housing Opportunity Through Modernization Act* that encourage work among housing beneficiaries.

<sup>4</sup> Fischer, W. et al. (2017). Trump Budget’s Housing Proposals Would Raise Rents on Struggling Families, Seniors, and People with Disabilities. Washington, DC: Center on Budget and Policy Priorities.