

Are Vouchers a Barrier to Housing Access? Evidence from Baltimore city

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ABSTRACT

Using a sample of 600 households from Baltimore City, this paper investigates whether housing vouchers rather than enabling access serve as barriers to housing because of the negative signals that vouchers convey to the potential landlords. The extant literature suggests that vouchers are a significant barrier to housing access, notwithstanding the legislation against such discrimination. In the context of a broader study on housing access in Baltimore City, some specific evidence was uncovered that revealed that housing vouchers were not barriers to obtaining affordable housing. This is an important finding in the context of evaluating the efficacy of housing vouchers as a policy intervention instrument.

Keywords: *Baltimore City; Barriers to affordable housing, rent vouchers; housing choice voucher program.*

INTRODUCTION

Housing policy in the United States has been regulated through Federal and local statutes, which has intended to prevent discrimination, ensure the safety of tenants, and make housing available to minority low-income individuals and families, but this has not ended inequities regarding poverty and housing (Ramirez & Villarejo, 2012). For example, the Federal Fair Housing Act prohibited discrimination in housing on the basis of race, sex, gender, religion, marital status, disability, or national origin. In order to provide minority and other low-income individuals with affordable housing, the Congress created the Housing Choice Voucher Program (formerly known as Section 8 housing) which has operated under the supervision of the U. S. Department of Housing and Urban Development (HUD). Keeping with the program objective, individuals who meet certain income requirements are entitled to the use of housing vouchers, which they could apply towards their rent (Read & Tsvetkova, 2012). However, there is now anecdotal evidence that families who were voucher holders were actually discriminated against by landlords in some areas and that these voucher holding families were "disproportionately minorities" (Daniel, 2010, p. 177). This suggests that rather than alleviating the housing access problem, the voucher program initiative exacerbated it by acting as a signal – that the

holder of the vouchers were unattractive tenants (Sullivan & Picarsic, 2012). Using a sample of 600 households from Baltimore City, this paper investigates if housing vouchers served as a signal of tenant unattractiveness, and thus contributed to, rather than resolved, housing access issues. The findings from this paper would add to the evidence on the efficacy or otherwise of housing voucher programs as a policy intervention to resolve housing access issues. Notably, the study does not investigate if the voucher program facilitates access to housing, rather it examines if housing vouchers had a deleterious effect on housing access.

The remainder of the paper is organized as follows. Section 2 briefly reviews the literature on voucher discrimination as a barrier to obtaining affordable housing in the United States. Section 3 described the method used to collect and analyse the data. Section 4 presents and discusses the findings and Section 5 concludes the paper.

BRIEF REVIEW OF THE LITERATURE

Voucher payment regulations stipulated by the Housing Choice Voucher Program (formerly known as Section 8 housing) states that individuals who met certain income requirements were entitled to the use of housing vouchers, which they could apply towards their rent (Ramirez & Villarejo, 2012). It is illegal to discriminate against persons who receive public

assistance (including rental assistance). For example, any person with a Section 8 voucher would be able to rent an apartment when the landlord signs the lease but if the landlord refuses to do so due to a dislike for vouchers, a case of illegal discrimination arises. Likewise, even a refusal by a landlord to accept voucher payments is illegal.

Notwithstanding the legal provisions in place, it is believed that the practice of discriminating against voucher holders is widespread (Mannina, 2008). That is, the voucher itself was being used by the landlords as a signal of tenant unattractiveness and the program far from enabling access to housing was a potential barrier to affordable housing for low-income families.

Daniel (2010) present detailed evidence that substantiates the arguments in Mannina (2008). To cite an anecdotal example as context, Daniel recounts the case of a Caucasian female tenant with one child who had reached an understanding with a landlord on renting arrangements.

When the tenant volunteered information that she would be using a housing voucher, the landlord reneged. But there is more than anecdotal evidence on this problem. Following Hurricane Katrina, in New Orleans, 82% of 100 landlords reported that they refused to accept vouchers or they demanded higher security deposits/increased rent if vouchers were used (Daniel, 2010).

In New York City in 2007, only 9% of 415 landlords reported that they would accept vouchers (Daniel, 2010).

It also appears that the housing available to those that use vouchers are decidedly inferior, suggesting that vouchers come into play only in case of poor quality houses in unfavourable neighbourhoods that are otherwise not rented. For example, Holloway (2014) using a large sample of 1,839 households reported on the housing characteristics in suburban neighbourhoods in Chicago that accepted housing voucher families. The neighbourhoods were generally viewed unfavourably and housed high numbers of poor, African American, and female-headed household populations. And, the quality of housing was poor.

The current paper attempts to add to the literature on housing vouchers using a sample of households from Baltimore City. The objectives our study was broader, but we were compelled

to report our evidence on vouchers as a barrier to housing independently as our findings are not in line with those discussed in the literature review.

METHOD

The paper applies an analysis of variance (ANOVA) approach to test the null hypothesis that vouchers are not a barrier to affordable housing access. A convenience sample of 600 households was selected. Following the ethics committee approval, all participants were recruited on a volunteer basis according to availability. Participants were solicited through advertising in neighbourhood publications, public health clinics, health centres, community facilities, and other venues where local residents were likely to see the advertisements. Participants were selected from three designated census tracts in Baltimore City: Tract 1: income below or near the poverty line; Tract 2: income above the poverty line but not exceeding the poverty line plus 25%; Tract 3: with income between the poverty line plus 25% and the poverty line plus 50%.

The primary constructs for this study included access to affordable housing and landlord's rejection of housing vouchers. Statistical assumptions underpinning the method include normality, statistical independence and homogeneity of variance were found to have been met.

FINDINGS AND DISCUSSION

In a usable sample of 594 observations, the following was observed: 25.3% of the households were male-led, while 74.7% were female led. This is not unusual as female led households are common within underprivileged sections of the society. Likewise, another unremarkable finding was that 72.7% of the households were singles (with or without kids), while 27.8% of the respondents were married.

The sample was racially diverse, with Caucasians making up 56.7% and the African-Americans making up 30.8%; other populations such as Hispanics, Asian Americans and Native Americans made up the remaining of the sample. It is believed that racial minorities are more likely to have access issues to affordable housing and in that sense, this sample dominated by Caucasians may not be entirely representative of the population. However, the large number of observations alleviated this issue somewhat and, in any case, a majority of the respondents did not identify racial

discrimination as a barrier to housing access. See table 1.

Table 1. Race/Ethnicity Barrier

Frequency	Percent	
Never	361	60.8
Rarely	100	16.8
Sometimes	85	14.3
Very Often	32	5.4
Always	16	2.7

One of the questions asked of the respondents was whether they were ever denied affordable housing on the grounds of their income? This is a critical question in the study as it establishes financial status as a barrier. Compiled results for this question are presented in Table 2.

Table 2. Household Income Barrier

Frequency	Percent	
Never	154	25.9
Rarely	80	13.5
Sometimes	151	25.4
Very Often	137	23.1
Always	72	12.1

Of specific interest to this paper, the respondents were also asked whether they had a housing voucher rejected by a landlord. The majority of the participants in this study reported never having faced this issue (See, table 3). This finding was in contrast with the literature as it is commonly posited that a housing voucher might be a barrier to finding affordable housing.

Table 3. Voucher Rejection Barrier

Frequency	Percent	
Never	467	78.6
Rarely	41	6.9
Sometimes	47	7.9
Very Often	26	4.4
Always	13	2.2

The study tested the the null hypothesis that vouchers are not a barrier to affordable housing access using ANOVA and the results are presented in Table 4.

Table 4. ANOVA for Hypotheses testing vouchers as a barrier to housing

	F	Sig.
Housing Vouchers	.896	.466

The test concluded that housing vouchers are not a barrier to affordable housing in Baltimore City. This is an important result in the broader context of the literature and, indeed, motivates the current paper. While Mannina (2008), Daniel (2010) and Holloway (2014) present a

compelling case for believing that the vouchers are counter-productive and are effectively a signal to the landlords on the unattractiveness of the tenant, this finding runs contrary to this view.

It is not clear to us at this stage whether the legislation in place prevents voucher discrimination. As such it is also possible that vouchers are useful for housing access in some cases/neighbourhoods (Holloway, 2014), ineffective in some, and even detrimental in others.

CONCLUSION

A number of studies have reported that housing vouchers, rather than being enablers for housing access to low income households have instead been counter-productive as policy interventions. The intended use of vouchers for rent was posited as a signal to the landlords of the unattractiveness of the tenant. While this is understandable in theory, there are existing legislations against discrimination based on voucher use.

Much of the extant literature suggests that despite the illegality, voucher users are discriminated against. This paper, forming a part of a broader study on housing access in Baltimore City, investigated vouchers as a barrier to housing. In a large sample of 600 households, we found no evidence to suggest that vouchers were an actual barrier. More information is needed to understand why vouchers did not act as barriers.

Is it because the legislations against voucher discrimination are being strictly implemented? Or does a housing voucher offer some form of guarantee to the landlord, in which case the vouchers are possibly positive rather than negative signals? Or are housing vouchers variously efficacious depending on the neighbourhood, city, housing quality or other factors?

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