

ADMINISTRATIVE DATA ON SUBSIDIZED HOUSING

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This paper reviews how thoroughly housing subsidy programs of the Department of Housing and Urban Development (HUD) cover the eligible population. By contrast with cash welfare programs or food stamps, which are available to all eligible applicants, housing subsidies are rationed to a fixed number of households. The number is set nationally by Congress and is set in each area by decisions of HUD, local governments, and housing developers. Within the fixed number of subsidized units, it is not always clear who ought to be served first. There has been a fairly clear consensus that the poorest families deserve first priority [1], but Congress has sought wider support for the programs by making a broad range of incomes eligible, and serving a subset of eligibles at each income level.

First the paper describes low income households in general. Second it discusses HUD coverage of each type of household. Coverage is compared for different household structures, different income levels and different racial and ethnic groups. Last, the paper mentions some plans for future research.

I. ALL LOW INCOME HOUSEHOLDS

Overall in 1979 there were 10,271,000 households with incomes below 30% of local median income (adjusted for household size). This income level was \$6,000 in 1979 and was comparable to the standard poverty definition. The most common households at this income level were el-

TABLE 1. LOW INCOME HOUSEHOLD TYPES IN 1979

ONE ADULT	
4+ CHILDREN	2%
1-3 CHILDREN	13
0 CHILDREN, ELDERLY ADULT	33
0 CHILDREN, NON-ELDERLY ADULT	15
TWO OR MORE ADULTS	
4+ CHILDREN	3%
1-3 CHILDREN	13
0 CHILDREN, ELDERLY ADULT(S)	11
0 CHILDREN, NON-ELDERLY ADULTS	11
TOTAL	100%

derly individuals without children, forming 33% of all low income households. The least common were large households, with four or more children. We show them separately in Table 1, not because they are common, but because they are a subject of public concern. The other households shown include individuals and couples, with and without children.

II. HUD COVERAGE

A. Household Structure Figure 1 shows what fraction of households were served by HUD programs. The first column shows that HUD serves 12% of all single, non-elderly individuals with no children. HUD does best, serving 29%, among one-adult households with four or more children,

FIG. 1. HUD COVERAGE OF HOUSEHOLDS AT 10-30% OF MEDIAN INCOME, 1979

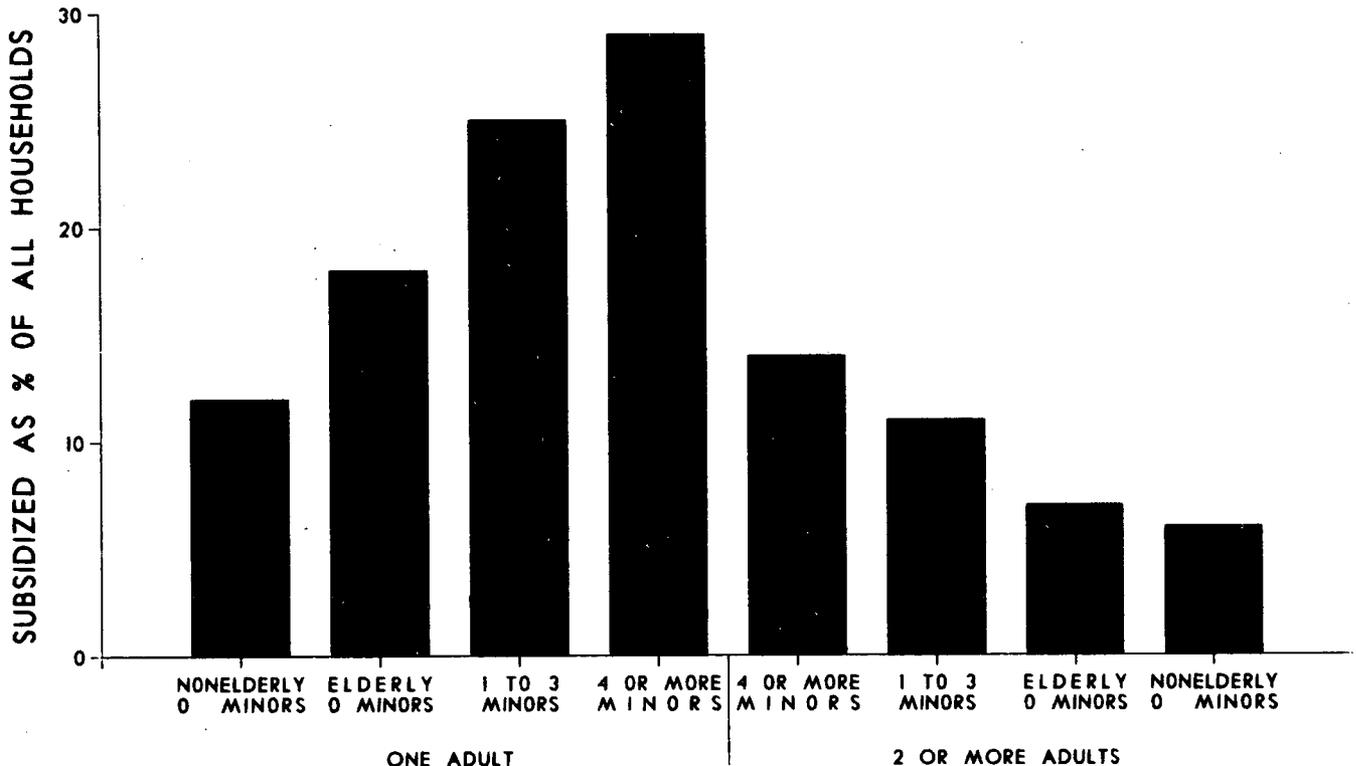
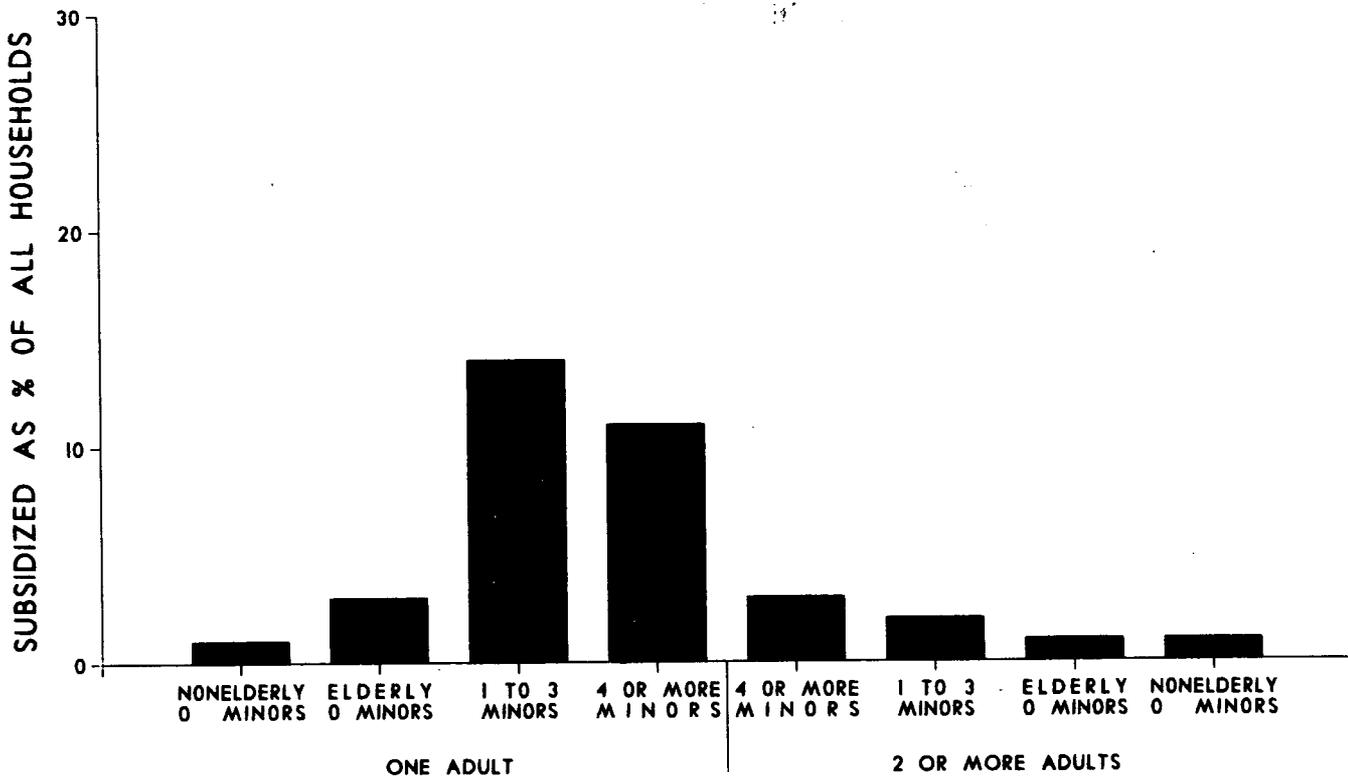


FIG. 2. HUD COVERAGE OF HOUSEHOLDS AT 0-10% OF MEDIAN INCOME. 1979



and almost as well for smaller one-adult households.

The left side of Figure 1 shows coverage of one-adult households. The right side, in a mirror image, shows coverage of households with two or more adults. In general, one-adult households are served better than two-adult households. This finding is surprising, but it occurs in all regions of the country, and at every income level (data not shown). The reason is partly that one-parent families face more problems in the housing market, so they apply to subsidized housing more frequently. It is also partly due to the fact that they stay poor longer than two-adult households [2], so they have more chance to apply for a subsidy and to stay on a waiting list long enough to reach the top.

**B. Income Levels** We have been discussing households from 10-30% of local median income (adjusted for household size). One would expect poorer households to be better served, since they are needier. However Figure 2 shows that poorer households are served even less often.

The income level in Figure 2, up to 10% of median income, corresponds to about \$2,000 per year for a four person household, or \$1,400 for one person. Welfare and Supplemental Security Income (SSI) payments are usually just above this level, and certainly any job is.

A common reason why people have such low incomes is that they cannot or do not deal successfully with society. Housing subsidies, like other welfare programs, have a bureaucratic bias: forms to be filled in; a waiting period of weeks or years before one moves in; a lease to sign; a regular rent payment to make, even if it is low. Many poor people can deal with these requirements. Those who cannot are not served. This

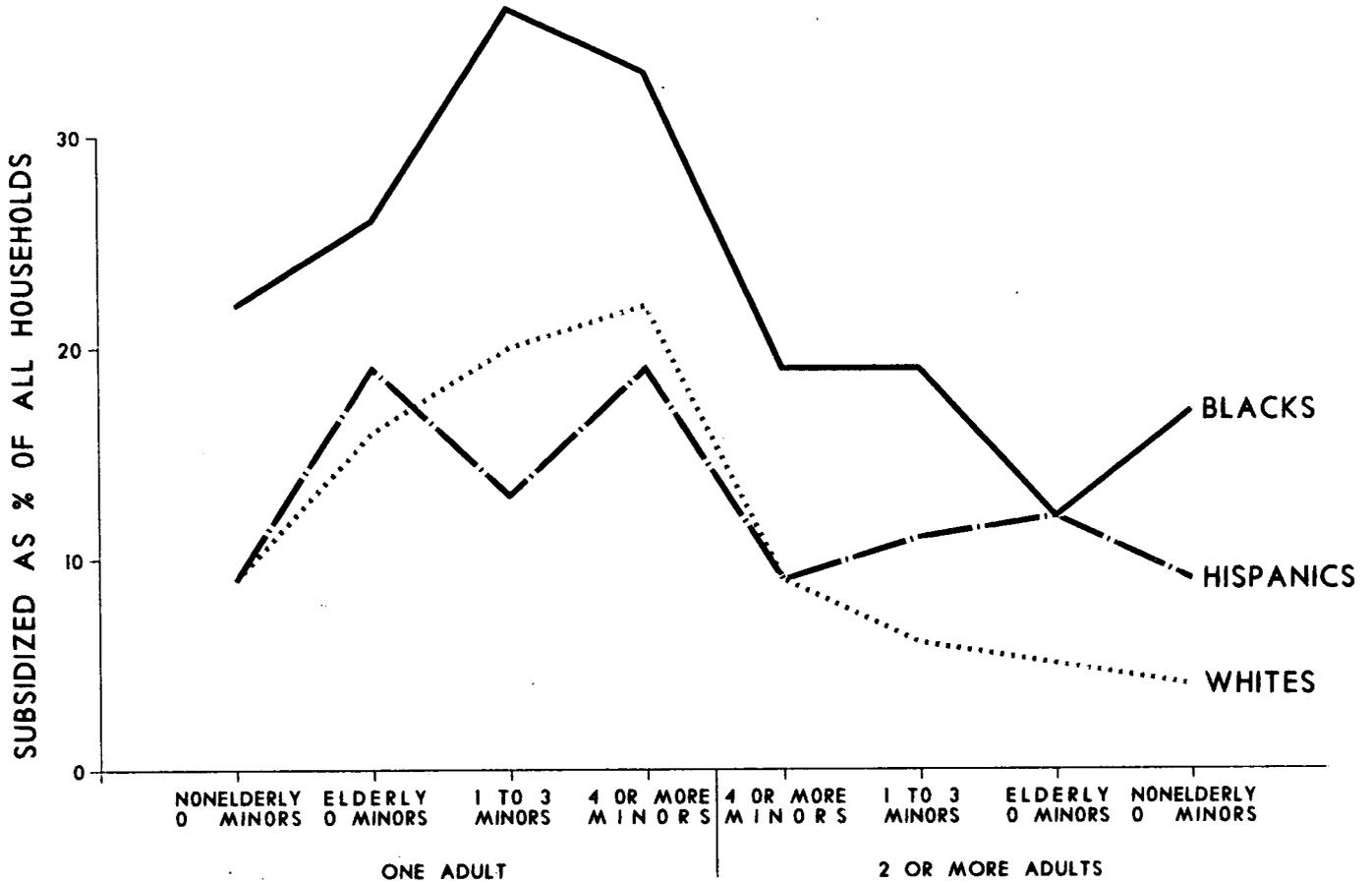
does not mean they are impossible to serve, just difficult. Salvation Army hostels, emergency shelters, and sometimes single room occupancy hotels do serve them. In rural areas they may have their own dilapidated houses or rent shelter. Some avoid help on purpose, but studies have shown that most people, even at this income level, do accept help if they can understand it and if they are treated with dignity [3-6]. HUD has not yet developed programs able to meet this specialized need.

**C. Race & Ethnicity** The last chart, Figure 3, compares how well HUD programs serve three racial and ethnic groups. Coverage for blacks is significantly higher than for hispanics or whites. The major reason for this difference may be the location of HUD projects. They are often in neighborhoods that were black when the projects were built or have since become black. The projects have rarely done affirmative marketing to attract poor hispanics or whites.

### III. FUTURE RESEARCH

In continuing research on this area, we are looking at data for other years to measure trends in subsidized housing. It appears, so far, that the major patterns continue without substantial change: one-parent households are served more often than two-parent households; the group from 10-30% of median income is served more often than the group below 10%; and blacks are served to a greater degree than hispanics or whites. We plan to study the income group under 10% of median income in more detail, to test our hypotheses about why HUD programs are apparently not reaching those who may need them the most.

FIG. 3. HUD COVERAGE OF HOUSEHOLDS AT 10-30% OF MEDIAN INCOME. 1979  
RACE & ETHNICITY



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- [2] Hill, Martha S. "Some Dynamic Aspects of Poverty"; in Five Thousand American Families - Patterns of Economic Progress, vol. 9, University of Michigan, 1981.
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- [5] Gonder, John, and Gordon, Steve, The Housing Needs of "Non - Traditional" Households, Government Printing Office, 1979.
- [6] Kromer, Tom, Waiting for Nothing, Alfred A. Knopf, 1935, reprinted: Hill and Wang, 1968.

TABLE 2. HUD PROGRAMS, BY HOUSEHOLD STRUCTURE AND INCOME

HUD AS PCT OF TOTAL HUD-SUBSIDIZED TOTAL HOUSEHOLDS RENTER HOUSEHOLDS	HOUSEHOLDS WITH ONE ADULT					HOUSEHOLDS WITH TWO OR MORE ADULTS					TOTAL
	SINGLE NONELDERLY ADULT & 0 CHILDREN	SINGLE ELDERLY ADULT & 0 CHILDREN	SINGLE ADULT WITH 1-3 CHILDREN	SINGLE ADULT WITH 4+ CHILDREN	2 OR MORE ADULTS WITH 1-3 CHILDREN	2 OR MORE ADULTS WITH 4+ CHILDREN	2 OR MORE ADULTS WITH 1-3 CHILDREN	2 OR MORE ELDERLY ADULTS & 0 CHILDREN	2 OR MORE NONELDERLY ADULTS & 0 CHILDREN		
0-10 PCT OF MEDIAN INCOME	1 5,000 361,000 272,000	3 5,000 190,000 88,000	14 32,000 225,000 167,000	11 3,000 24,000 17,000	3 1,000 43,000 16,000	2 7,000 348,000 150,000	2 1,000 120,000 27,000	1 4,000 1,000 1,000	1 4,000 287,000 165,000	1 2,000 4,000 165,000	4 57,000 1,598,000 901,000
10-30 PCT OF MEDIAN INCOME	12 136,000 1,138,000 1,841,000	18 567,000 3,191,000 1,625,000	25 284,000 1,130,000 975,000	29 60,000 208,000 179,000	14 32,000 230,000 149,000	11 106,000 944,000 580,000	7 72,000 993,000 315,000	7 54,000 839,000 596,000	6 9,000 839,000 596,000	15 25 8,673,000 5,260,000	
30-50 PCT OF MEDIAN INCOME	3 38,000 1,239,000 911,000	8 191,000 2,346,000 915,000	14 131,000 907,000 647,000	25 24,000 94,000 62,000	10 36,000 352,000 189,000	7 123,000 1,782,000 976,000	4 91,000 2,089,000 467,000	4 44,000 1,212,000 764,000	7 6,000 1,212,000 764,000	7 14 10,021,000 4,932,000	
50-80 PCT OF MEDIAN INCOME	1 24,000 2,271,000 1,659,000	3 35,000 1,353,000 415,000	6 63,000 1,009,000 548,000	8 4,000 45,000 18,000	2 13,000 633,000 188,000	2 75,000 4,977,000 1,859,000	1 34,000 2,631,000 378,000	1 31,000 2,640,000 1,385,000	2 2,000 15,558,000 6,450,000	2 4 278,000 5,558,000	
0-80 PCT OF MEDIAN INCOME	4 203,000 5,010,000 3,684,000	11 798,000 7,080,000 3,043,000	16 509,000 3,271,000 2,337,000	24 90,000 371,000 277,000	7 82,000 1,257,000 543,000	4 310,000 8,051,000 3,564,000	3 198,000 5,833,000 1,186,000	3 132,000 4,978,000 2,911,000	5 2,323,000 35,850,000 17,543,000	6 13 2,323,000 17,543,000	
80+ PCT OF MEDIAN INCOME	0 3,000 4,520,000 2,669,000	0 2,000 1,185,000 355,000	0 3,000 808,000 302,000	0 32,000 7,000	0 2,000 1,142,000	0 12,000 17,498,000 2,509,000	0 3,000 4,588,000 547,000	0 7,000 13,204,000 3,146,000	0 0 43,017,000 9,676,000	0 0 43,017,000 9,676,000	
TOTAL	2 206,000 9,530,000 6,352,000	10 800,000 8,265,000 3,397,000	13 513,000 4,079,000 2,638,000	22 90,000 403,000 283,000	3 84,000 2,440,000 685,000	5 322,000 25,549,000 6,073,000	12 201,000 10,421,000 1,733,000	2 138,000 18,182,000 6,056,000	1 2,000 78,867,000 27,219,000	3 9 2,354,000 8,673,000	

SOURCE: MICRO-SIMULATION SYSTEM, OFFICE OF POLICY DEVELOPMENT AND RESEARCH, HUD; 1979 DATA