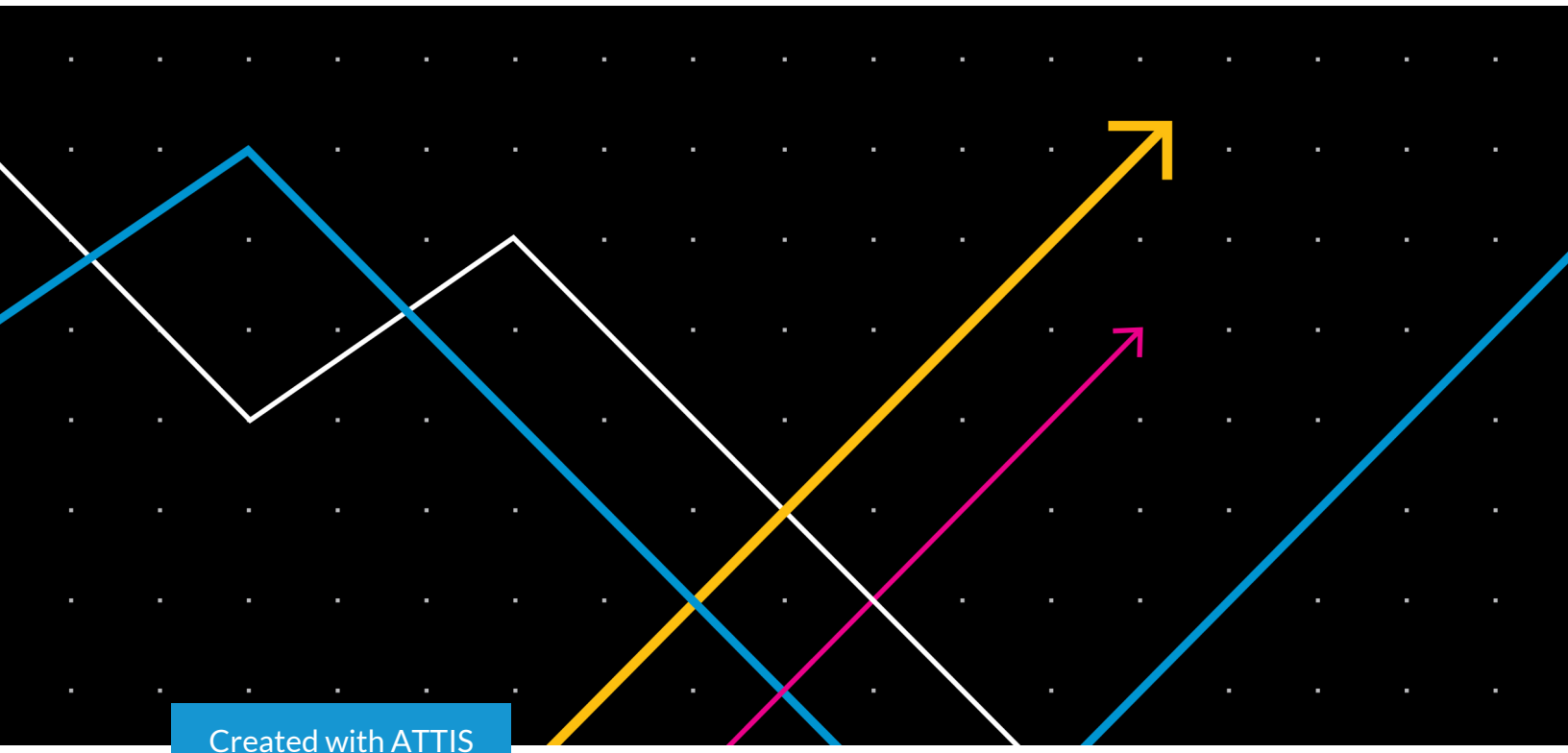

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RESEARCH REPORT

How Much Could Full Funding and Use of Housing Choice Vouchers Reduce Poverty?

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The Urban Institute's Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model allows Urban experts to examine how today's safety net supports US families and how changes to it could affect their economic well-being. By using data and evidence created with ATTIS, today's decisionmakers are better positioned to advance equitable and effective policy solutions that help individuals and families meet their basic needs. To learn more, visit urban.org/attis.

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Acknowledgments

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Executive Summary

The US social safety net includes a range of programs to help families with lower incomes obtain additional cash income, additional resources for food, and help with housing, child care expenses, and energy costs. However, many of the people who are eligible for these programs do not receive help. One barrier is that some programs, including housing assistance, are not funded at a level that would serve all eligible households. Previously, we estimated that full funding and participation in six benefit programs (not including housing assistance) would reduce the poverty rate as measured by the Supplemental Poverty Measure (SPM) from 14.7 percent to 12.1 percent. If all households eligible for housing assistance were then provided with a housing voucher and found a rental unit that would accept it, the poverty rate would fall further to 10.1 percent (Giannarelli et al. 2023). Here, we estimate the antipoverty effect of full funding and provision of housing assistance separately, without the assumption of full funding and participation in other government programs. We estimate the effect of full funding and full use of housing vouchers using projected 2022 data from the Analysis of Transfers, Taxes, and Income Security (ATTIS) microsimulation model. We show results in terms of aggregate benefit dollars and reductions in poverty as measured by the SPM, both nationally and at the state level. We also examine results by age group and by race and ethnicity.

Key findings include the following:

- Households currently receiving housing assistance represent 25 percent of households that would receive assistance with full funding and use of housing vouchers.
- With full funding and use of housing vouchers, total housing subsidies would increase by over three times, from about $50 billion to $168 billion per year.
- Full funding and use of housing vouchers would reduce the share of people with resources below the SPM poverty level from 14.7 to 12.8 percent, a reduction of 13 percent.
- The child poverty rate would fall by 23 percent, poverty among adults ages 18 to 64 would fall by 12 percent, and poverty among adults 65 and older would fall by 7 percent.
- Hispanic people would have the largest reduction in poverty (19 percent), followed by Black, non-Hispanic people (15 percent), Asian and Pacific Islander people who are not Hispanic (13 percent), and white, non-Hispanic people (9 percent).
- Poverty would fall by 13 percent for citizens and 14 percent for noncitizens.
- Poverty would fall across states, with the reduction ranging from 4 percent in Kentucky and West Virginia to 24 percent in Hawaii and 25 percent in California. Child poverty would fall by between 8 percent in Idaho and West Virginia and 51 percent in Hawaii.

- Even with full funding and use of housing vouchers, most people currently below the poverty level would remain in poverty. Reasons include the following:
  - Forty-two percent of people below the poverty level are homeowners (or live with a homeowner) and would not benefit from the voucher,
  - Nine percent already receive housing assistance,
  - Eight percent are renters who are ineligible for a voucher, and
  - Twenty-seven percent would benefit from the voucher but would need additional income or benefits to rise above the poverty level.

How Much Could Full Funding and Use of Housing Choice Vouchers Reduce Poverty?

In our earlier work, we estimated that full funding and use of housing vouchers would deliver a larger increase in benefit dollars to individuals and families than would full funding and participation in any other of the six benefit programs examined and would account for over 40 percent of the antipoverty effect produced by full funding and participation in the seven combined programs (Giannarelli et al. 2023).[1] Specifically, we estimated that if all people eligible for Supplemental Security Income (SSI), the Supplemental Nutrition Assistance Program (SNAP; commonly known as food stamps), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Temporary Assistance for Needy Families (TANF), child care subsidies supported by the Child Care and Development Fund (CCDF), and the Low Income Home Energy Assistance Program (LIHEAP) participated in these programs and received the benefits for which they were eligible, the poverty rate as measured by the SPM would fall from 14.7 percent to 12.1 percent. If, in addition, there was full funding for housing vouchers and every household eligible for assistance received and found a unit that would accept the voucher, the poverty rate would fall further to 10.1 percent.

In this analysis, we examine the potential effect on poverty of full funding and use of housing vouchers separately, without the assumption of full funding and participation in other government programs. We begin with an overview of the housing choice voucher program and other rental assistance funded by the US Department of Housing and Urban Development (HUD) and discuss our approach to estimating the effect of full funding and use of housing choice vouchers. We then show how much subsidies would increase with full funding and use of housing choice vouchers and present estimates of the antipoverty effect of full funding and use of vouchers, both nationally and for people in different demographic groups and states.

Housing Choice Vouchers and Rental Assistance

HUD provides housing assistance to approximately 4.4 million households in the 50 states and the District of Columbia each year.[2] The most common types of assistance include vouchers to help pay for a unit rented through the private market, low-rent units in public housing owned and operated by the

local public housing authority (PHA), and low-rent units in project-based housing owned and operated by private landlords under contract with the federal government (CRS 2019).[3] Housing assistance has a substantial antipoverty effect, removing an estimated 3 million people from poverty in 2018 (Fox 2019).[4] However, housing assistance programs are not funded at levels that would serve all eligible households, and prior studies find that slightly less than one-quarter of eligible households receive assistance.[5]

Housing choice vouchers are the most common type of assistance provided by HUD and account for about half of the households served. Vouchers subsidize the rent of units obtained through the private market. The voucher equals the difference between the household's required payment (based on income) and the HUD fair market rent (FMR) for a rental unit large enough to meet the household's needs. To use the voucher, recipients must find a suitable housing unit with a landlord that will accept a voucher. The local PHA then pays the housing subsidy (voucher amount) to the landlord on behalf of the participating family. The family pays the difference between the subsidy and the actual rent. To be eligible for a voucher, a household must generally have income below 50 percent of the area median income (AMI) for the county or metropolitan area in which they reside. Households with income up to 80 percent of AMI who meet certain criteria may also qualify. Households must have at least one citizen or person with eligible immigrant status. People who are not lawfully residing in the United States or are temporarily in the United States through a student or work visa are ineligible for assistance. With certain exceptions, college students who do not live with their parents are ineligible for assistance.[6]

The voucher program and other housing assistance programs are not entitlement programs. Congress authorizes and funds about 2 million vouchers per year (CRS 2019). Because of limited funding, households seeking assistance typically face long wait times, and in some areas, wait lists are closed and it may not be possible to apply (Acosta and Gartland 2021). Households receiving a voucher may face additional barriers to entry because participants must find a unit to rent on the private market. Many landlords do not accept vouchers and renters may find it difficult to find a unit that meets their needs and will accept the voucher. In a study of five metropolitan areas, Cunningham and colleagues (2018) found that 78 percent of landlords in Fort Worth, 76 percent in Los Angeles, and 15 percent in DC did not accept vouchers. DC had local protections for voucher holders, which make discriminating against voucher holders illegal, while Los Angeles and Forth Worth did not. A recent national study on voucher success rates found that 61 percent of renters who received a voucher succeeded in using it to lease a unit within a 180-day search window (Ellen, O'Regan, and Strochak 2021).[7]

Modeling a Housing Choice Voucher Expansion

We estimate the potential for housing vouchers to reduce poverty using the Urban Institute's ATTIS microsimulation model. ATTIS enables us to simulate a comprehensive set of benefit and tax programs and to impose "what if" scenarios. We apply ATTIS to detailed household data from the 2018 American Community Survey (ACS) that we have adjusted to represent 2022.[8] ATTIS applies real-world program eligibility rules to the people and families in each household in the ACS data, computes the benefits for which they are eligible, determines whether those who are eligible receive assistance, and compares family resources (income and benefits less taxes and necessary expenses) to the poverty level. Giannarelli and Werner (2022) and Giannarelli and colleagues (2023) describe the development of the 2022 ATTIS estimates and provide details on the other simulated benefit programs. Below, we describe how we assign housing subsidies to currently assisted households and simulate the effects of full funding and use of housing vouchers. For additional detail on the ATTIS model's housing assistance simulation approach, see Wheaton, Kwon, and Cunningham (2020).

Assigning Subsidies to Currently Assisted Households

To be identified as eligible for housing assistance under current rules, a household must have gross income below 80 percent of AMI, the HUD low-income limit; report in the ACS that they rent or live rent free; have at least one citizen, lawful permanent resident, refugee or asylee; and have a required rental payment less than the HUD FMR based on the household's number of reported bedrooms.

ATTIS calculates gross income by summing the earned and unearned income of household members, excluding the earned income of children under 18. We obtain AMI and FMR values from HUD and merge them with the ACS ATTIS data by county or metropolitan area.[9] The ACS reports whether people are citizens or noncitizens but not their detailed immigrant status. ATTIS imputes refugee, lawful permanent resident status, temporary resident status, and unauthorized immigrant status.

ATTIS follows the rules of the housing choice voucher program to calculate the household's required rental payment, setting the payment equal to the greater of 10 percent of their gross income or 30 percent of their adjusted income (income after various deductions).[10] The subsidy is the difference between the FMR and the household's required rental contribution. Households containing members

who are ineligible for assistance because of immigration status receive a prorated subsidy for eligible household members. Housing benefits are generally higher than other social assistance benefits families receive; we estimate that the average monthly value of subsidies in 2022 was approximately $940 and that households assigned a new voucher in our estimates would receive a $765 monthly subsidy, on average. Receiving a housing subsidy can therefore have a very substantial effect on a family's economic well-being.

The ACS does not ask respondents whether they receive housing assistance and so ATTIS selects recipients from among the eligible households. The number and characteristics of the assisted households reflect real-world totals for HUD programs by state, income relative to AMI, primary source of income, race and ethnicity, household composition (single parent, family with children, or presence of a head or spouse who is older than 62 or has a disability), and number of bedrooms.

Assigning New Vouchers

After developing estimates for housing assistance received at current levels of funding and receipt, we use ATTIS to impose a hypothetical scenario in which there is full funding for housing vouchers, all households eligible for housing vouchers apply, and all households that receive a voucher find a unit that will accept it. We assign the new vouchers to all eligible renters below 50 percent of AMI that do not currently receive assistance.[11] Although households that meet certain criteria can continue to receive assistance at incomes up to 80 percent of AMI, they reflect a small share of program participants. Households with income between 50 and 80 percent of AMI are included when simulating current levels of funding and receipt and continue to receive assistance in our 100 percent funding scenario.

Our estimate is a thought experiment and has several caveats. First, even with full funding of vouchers, many households would face challenges finding a unit that would accept them. The current 61 percent success rate in using vouchers would likely fall as greater numbers of households sought to use vouchers. Additional changes, beyond full funding, would be needed to ensure that all households receiving a voucher would be able to use it. Second, we likely understate the number of vouchers that would be issued because we do not simulate vouchers for people who are currently unhoused (unhoused people are absent from our data), and we do not capture the possibility that greater availability of housing vouchers might cause some people who currently share living quarters to seek separate housing.[12] Third, we do not impose labor supply effects in this analysis because of uncertainty about the appropriate assumptions and to show the maximum possible impact of the hypothetical

scenario.[13] Fourth, we do not assume any changes in participation in other government programs or geographic location arising from assignment of the housing vouchers.[14] Finally, our estimates do not capture the possibility that rent might rise in some areas in response to the greater availability of housing vouchers (Turner and Teles 2023).

Estimating Poverty Effects

We assess poverty using the SPM. We generally follow the Census Bureau's approach to estimating the SPM with ACS data (Fox, Liana, Brian Glassman, and José Pacas 2020), but use the ATTIS model's simulated values for most benefit programs, child care expenses, taxes, and tax credits. We use the SPM because its measure of resources includes the value of in-kind benefits as well as cash income. Thus, the SPM is affected by the housing benefits considered here (whereas the official poverty measure would be affected only by direct cash benefits). The SPM also uses different poverty thresholds (poverty "lines") in different parts of the country depending on their relative rental costs; this reflects the fact that an amount of money that might be sufficient to meet housing needs in one part of the country might not be sufficient in an area with much higher rental costs.

Although our estimates are based on projected 2022 data, our poverty estimates exclude the higher SNAP benefits that families received because of COVID-19-related policy expansions that were still in effect in 2022 but ended in 2023. SNAP "emergency allotments" had a substantial antipoverty effect, reducing poverty by an estimated 9 percent in participating states in the final quarter of 2021 (Wheaton and Kwon 2022). Thirty-two states and the District of Columbia continued emergency allotments through February 2023, at which point Congress discontinued the program (Rosenbaum, Bergh, and Hall 2023).[15]

We follow the standard SPM approach of grouping related household members and cohabiting couples together when determining the poverty level. Families and individuals who are not related to or cohabiting with other families or individuals in the household are treated separately for poverty determination. If a household has more than one unrelated family or individual, we divide the household's subsidy equally across all household members and then add up each household member's share when summing up resources for the individual or family. We follow the Census Bureau's approach of capping the amount of the housing subsidy that is counted in resources so that the family's required rental payment plus housing subsidy do not exceed the housing portion of the poverty threshold. This ensures that the subsidies are only counted as resources to the extent that they help a family or individual meet their housing needs (Fox 2019).

We first estimate the level of housing assistance and SPM poverty with current levels of participation in HUD programs.[16] We then estimate the effects of the hypothetical scenario.

What Share of Eligible Households Receive Subsidies? How Much Could Potentially Be Received?

Consistent with prior research, we estimate that about 25 percent of households eligible for housing assistance currently receive it (figure 1). About 4.4 million households currently receive housing assistance and we estimate that this would increase by 13.2 million to a total of 17.6 million with full funding and use of housing vouchers (figure 2). Currently assisted households receive about $50 billion in housing subsidies. We estimate that providing subsidies to all who are eligible would increase the total amount of subsidies paid by $118 billion, to a total of $168 billion (figure 3). Thus, subsidies distributed to currently participating households represent about 30 percent of the total housing assistance that would be distributed if vouchers were fully funded and used. The share of potential subsidies currently distributed is higher than the share of potentially eligible households currently assisted because PHAs are required to target subsidies to the lowest-income households, and households with lower income qualify for higher subsidies, all else equal. Seventy-five percent of households admitted each year must have extremely low income, defined as being up to the poverty line or 30 percent of AMI, whichever is higher (CBPP 2021).[17]

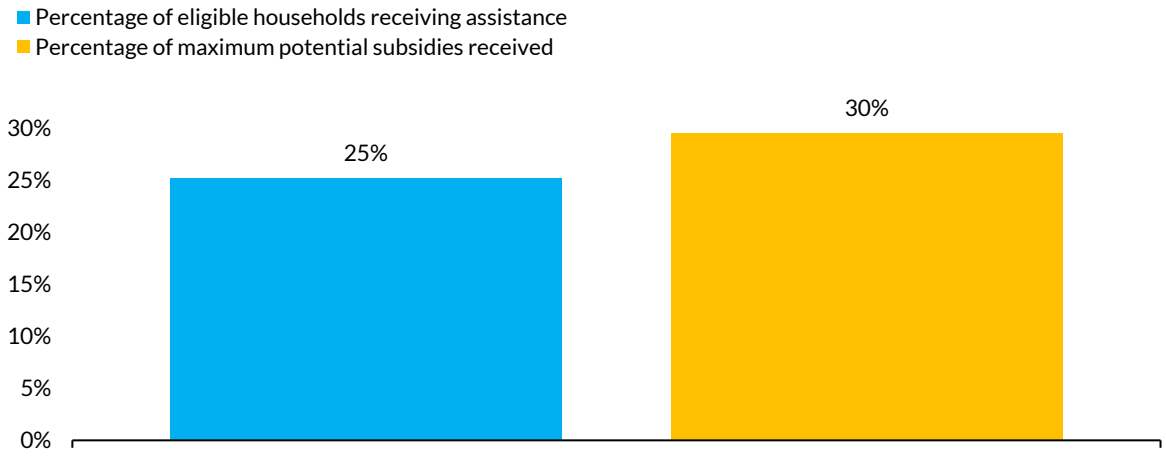
$118 billion

more received in subsidies with full funding and use of housing vouchers

FIGURE 1

Percentage of Eligible Households Receiving Housing Assistance and Percentage of Maximum Potential Housing Subsidies Received

2022



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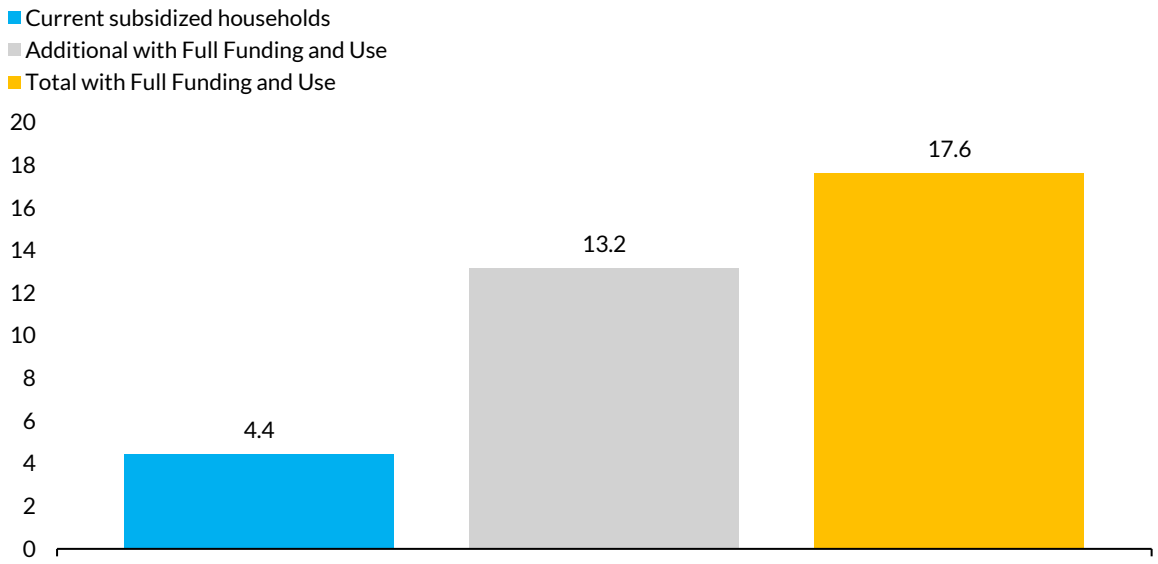
Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: This figure shows currently assisted households and housing subsidies as a share of potential recipients and subsidies under a scenario in which funding is expanded to provide vouchers to all eligible renters below 50 percent of area median income (AMI), and all eligible households obtain and use a voucher. The estimates reflect current and potential assistance through HUD public and subsidized housing programs. Current recipients with income up to 80 percent AMI are included in the estimates. Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters.

FIGURE 2

Number of Households Receiving Subsidies would increase by 13.2 million with Full Funding and Use of Housing Vouchers

2022, in millions of households



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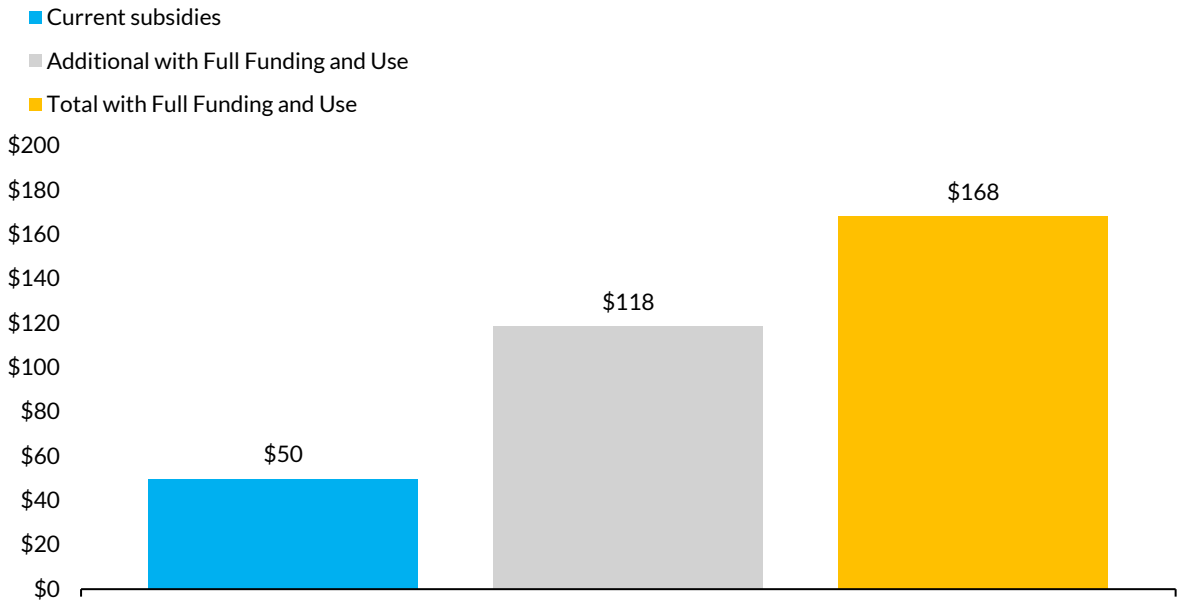
Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: This figure shows the number of households currently receiving housing subsidies through HUD public and subsidized housing programs, the additional number that would receive vouchers if funding was expanded to provide vouchers to all eligible renters below 50 percent of area median income (AMI) and all eligible households obtained and used a voucher, and the total number of households receiving assistance from HUD public and subsidized housing programs under this scenario. Current recipients with income up to 80 percent AMI are included in the estimates. Estimates do not include people who are unhoused or are in nursing homes, homeless shelters, or other group quarters.

FIGURE 3

Housing Subsidies would increase by $118 Billion with Full Funding and Use of Housing Vouchers

2022, in billions of dollars



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Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: This figure shows housing subsidies currently provided to households receiving assistance through HUD public and subsidized housing programs, the additional amount that would be received if funding was expanded to provide vouchers to all eligible renters below 50 percent of area median income (AMI) and all eligible households obtained and used a voucher, and the total subsidies that would be received under this scenario. Current recipients with income up to 80 percent AMI are included in the estimates. Estimates do not include people who are unhoused or are in nursing homes, homeless shelters, or other group quarters.

How Much Would Poverty Be Reduced if All Eligible Renters Received Assistance?

One way of assessing the degree to which increased receipt of housing assistance would improve families' economic well-being is to consider how much the poverty rate would fall if those benefits were received. We measure poverty using the SPM because it captures the effect of the housing benefits included in this analysis. Specifically, housing subsidies are counted as part of a family's total resources.

We estimate that at current levels of housing assistance, 14.7 percent of the population is below the SPM poverty level. This estimate reflects the ATTIS model's 2022 projections, but without the SNAP COVID-19-related expansions that substantially reduced poverty that year.[18] We estimate that the poverty rate would fall to 12.8 percent with full funding and use of housing vouchers, a reduction of 2 percentage points (table 1). Each percentage-point reduction in the poverty rate means that 1 percent of the entire US population would see their families' resources increase from below the poverty threshold to above that threshold. The reduction in the rate from 14.7 percent to 12.8 percent amounts to 6.4 million people moving from below poverty to above poverty because of the increased resources from housing subsidies (not shown), for an overall 13 percent reduction in the number of people with resources below the poverty level.[19]

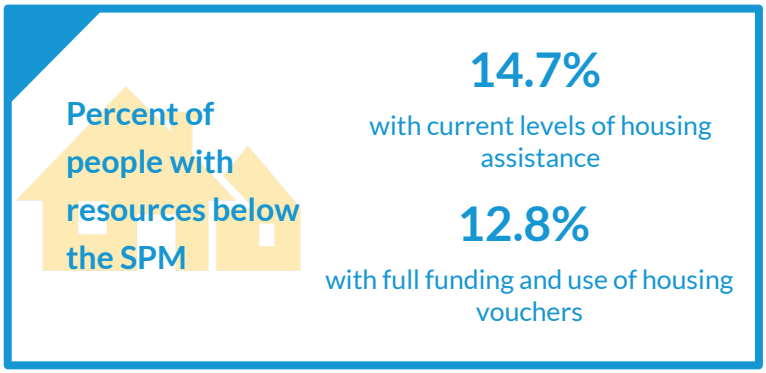


TABLE 1

Supplemental Poverty Measure Poverty Rate: Current and with Full Funding and Use of Housing Vouchers

2022 (without pandemic policies)

	Current	With Full Funding and Use of Housing Vouchers	Percentage Point Reduction	Percentage Reduction
Percent of people with resources below SPM poverty level				
All people	14.7%	12.8%	2.0	13%
Children	15.2%	11.7%	3.4	23%
Adults 18–64	14.3%	12.6%	1.7	12%
Adults 65+	15.7%	14.6%	1.1	7%
Percent of people by SPM poverty range				
< 50%	4.2%	3.2%	1.1	25%
50 < 100%	10.5%	9.6%	0.9	9%
100 < 200%	29.8%	31.8%	-2.0	-7%
Percent of people below 100% SPM poverty level, by largest race/ethnicity groups				
Asian & Pacific Islander, non-Hispanic	16.9%	14.7%	2.2	13%
Black, non-Hispanic	20.9%	17.8%	3.1	15%
Hispanic	22.6%	18.2%	4.4	19%
White, non-Hispanic	10.6%	9.7%	0.9	9%
Percent of people below 100% SPM poverty level, by citizenship status				
Citizens	13.8%	11.9%	1.8	13%
Noncitizens	28.5%	24.6%	3.9	14%

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022. We use the term "Hispanic" throughout this brief, as this is the primary terminology used by the US Census Bureau in the American Community Survey, which is the source of household data for this analysis. Survey respondents are asked to report race and ethnicity, including whether they identify as being of "Hispanic, Latino, or Spanish origin." People who are not Hispanic and who identify as some other race or combination of races are not shown separately. In columns showing reductions in poverty-related measures, negative values indicate increases.

Poverty would fall for all age groups, for each of the largest racial and ethnic groups in the US, and for both citizens and noncitizens. We estimate that if all eligible households received housing assistance, child poverty would fall by 23 percent, and 2.5 million children would be removed from poverty. Poverty among adults ages 18 to 64 would fall by 12 percent, and poverty among adults 65 and older would fall by 7 percent.

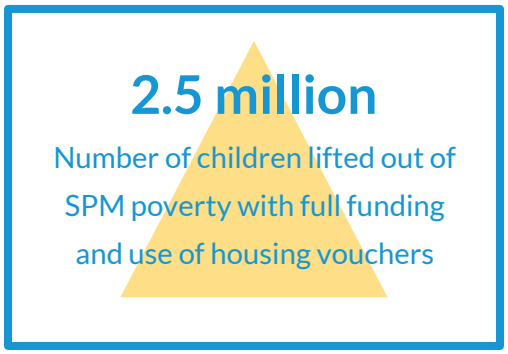


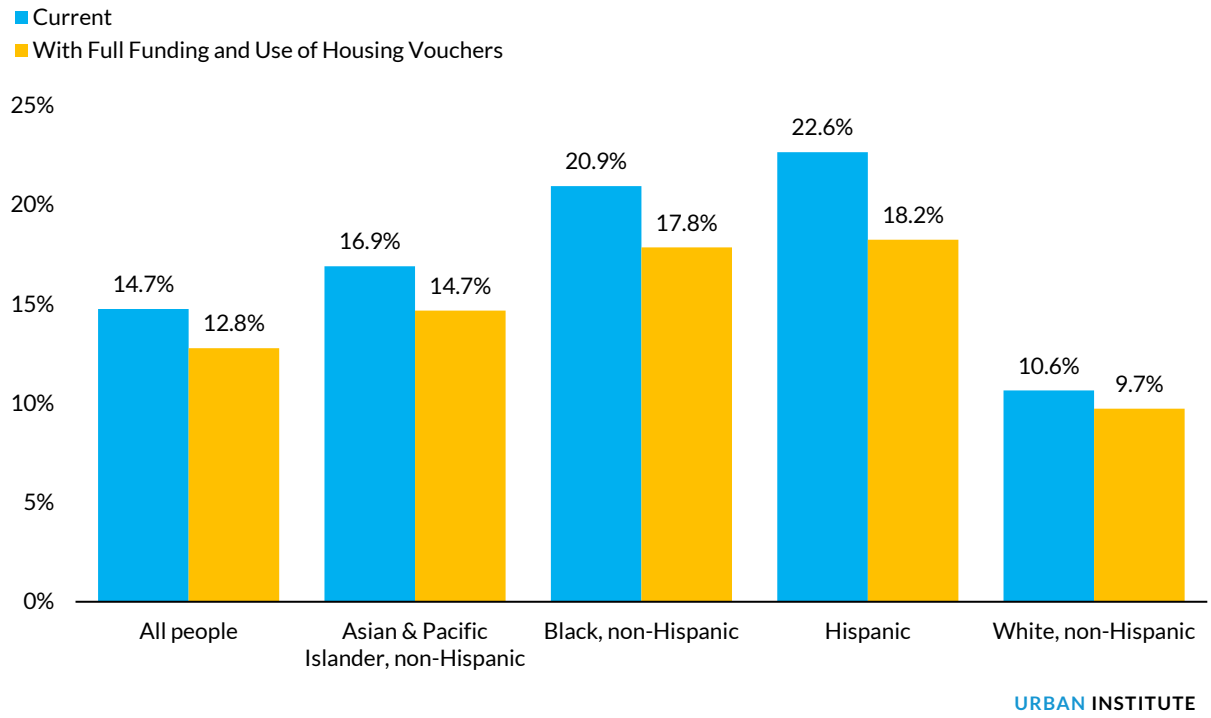
Figure 4 shows results for all people and for the four largest US racial and ethnic groups. Hispanic people would have the largest reduction in poverty of the groups shown, with poverty dropping by 4.4 percentage points (19 percent).[20] Estimated poverty would decrease by 3.1 percentage points (15 percent) for Black, non-Hispanic people, 2.2 percentage points (13 percent) for Asian and Pacific Islander people who are not Hispanic, and 0.9 percentage points (9 percent) for white, non-Hispanic people (table 1 and figure 4). Though differences in poverty rates would narrow across the racial and ethnic groups shown here, poverty would remain higher for Hispanic and Black, non-Hispanic people than for non-Hispanic Asian American people and white, non-Hispanic people.

Poverty would fall by similar percentages for noncitizens (14 percent) and citizens (13 percent). Some people who are ineligible for housing assistance because they are unauthorized immigrants or temporary residents would be lifted above the poverty level by the subsidy received by eligible members of their households.

FIGURE 4

Supplemental Poverty Measure Poverty Rate: Current and with Full Funding and Use of Housing Vouchers, by Race and Ethnicity

2022 (without pandemic policies



Source: Urban Institute, using the ATTIS model (Analysis of Transfers, Taxes, and Income Security) applied to 2018 American Community Survey projected to 2022.

Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022. We use the term "Hispanic" throughout this brief, as this is the primary terminology used by the US Census Bureau in the American Community Survey, which is the source of household data for this analysis. Survey respondents are asked to report race and ethnicity, including whether they identify as being of "Hispanic, Latino, or Spanish origin." People who are not Hispanic and who identify as some other race or combination of races are not shown separately.

As with adults, Hispanic children would experience the largest reduction in poverty (26 percent) (table 2). Non-Hispanic Asian and Pacific Islander children and Black, non-Hispanic children would receive the next highest reductions in poverty (both 23 percent). Poverty among white, non-Hispanic children would fall by 17 percent. Although differences in child poverty rates across race and ethnic groups would narrow somewhat, the poverty rate for non-Hispanic white children would remain well below the other groups shown here (with 6.9 percent in poverty) while poverty among Hispanic and Black, non-Hispanic children would remain substantially higher (at 18.4 percent and 17.2 percent, respectively).

We estimate that full funding and use of housing vouchers would reduce the SPM child poverty rate by 23 percent for citizen children and by 18 percent for noncitizen children. The rate would remain much higher for noncitizen children (30.3 percent) than for citizen children (11.2 percent). Child poverty rates would fall by 24 percent for children living with both parents, by 23 percent for children living with one parent, and by 11 percent for children not living with either parent. Children living in households with only one parent or without either of their parents present would continue to have much higher poverty rates than children living with both parents.

Full funding and use of housing vouchers would substantially reduce the share of people in "deep poverty," those with resources below 50 percent of the SPM poverty threshold. The number of people living in deep poverty would fall by 25 percent overall, and the number of children living in deep poverty would fall by 44 percent (table 1 and table 2). The share of people with resources between 50 and 100 percent of the SPM poverty threshold would also decline, falling by 9 percent overall and by 17 percent for children. Full funding and use of housing vouchers would increase the share of people who are "near poor," those with resources between 100 and 200 percent of poverty, because full funding and use of housing vouchers would move more people into this income range from levels below poverty than would be moved out of this income range to levels above 200 percent of poverty.

TABLE 2

Supplemental Poverty Measure Child Poverty Rate: Current and with Full Funding and Use of Housing Vouchers

2022 (without pandemic policies)

	Current	With Full Funding and Use of Housing Vouchers	Percentage Point Reduction	Percentage Reduction
Percent of children with resources below SPM poverty level	15.2%	11.7%	3.4	23%
Percent of children by SPM poverty range				
< 50%	3.0%	1.7%	1.3	44%
50 < 100%	12.1%	10.0%	2.1	17%
100 < 200%	37.7%	41.2%	-3.4	-9%
Percent of children below 100% SPM poverty level, by largest race/ethnicity groups				
Asian & Pacific Islander, non-Hispanic	15.2%	11.8%	3.4	23%
Black, non-Hispanic	22.4%	17.2%	5.1	23%
Hispanic	24.8%	18.4%	6.4	26%

	Current	With Full Funding and Use of Housing Vouchers	Percentage Point Reduction	Percentage Reduction
White, non-Hispanic	8.4%	6.9%	1.4	17%
Percent of children below 100% SPM poverty level, by age group				
0–2	16.7%	12.5%	4.2	25%
3–5	16.1%	12.1%	4.0	25%
6–12	15.1%	11.6%	3.4	23%
13–17	13.9%	11.3%	2.7	19%
Percent of children below 100% SPM poverty level, by citizenship status				
Citizens	14.5%	11.2%	3.3	23%
Noncitizens	36.9%	30.3%	6.7	18%
Percent of children below 100% SPM poverty level, by presence of parents				
Two parents	10.1%	7.7%	2.5	24%
One parent	24.4%	18.7%	5.7	23%
No parents	29.3%	26.0%	3.2	11%

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.
Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022. We use the term "Hispanic" throughout this brief, as this is the primary terminology used by the US Census Bureau in the American Community Survey, which is the source of household data for this analysis. Survey respondents are asked to report race and ethnicity, including whether they identify as being of "Hispanic, Latino, or Spanish origin." People who are not Hispanic and who identify as some other race or combination of races are not shown separately. In columns showing reductions in poverty-related measures, negative values indicate increases.

Why Do Poverty Reductions Vary across Groups?

Although the hypothetical scenario of full funding and use of housing vouchers would reduce poverty by 13 percent, most families with below-poverty resources would remain poor. Some people who are currently below the poverty level would not benefit from full funding and use of housing vouchers because they live in an owned home, already receive housing assistance, or are ineligible for a voucher based on income or immigrant status. Others would remain below the poverty level despite receiving the voucher.[21] The extent to which a particular group would be removed from poverty by full funding and use of vouchers is therefore influenced by the extent to which members of that group who are below the poverty level live in an owned home, already receive housing assistance, are ineligible for a

voucher, or would require additional increases in income or government benefits (beyond that provided by the voucher) to be lifted above the poverty level.

Homeowners

We estimate that nationally, 42 percent of people with below-poverty resources own their own home or live with a homeowner (table 3).[22] Most are homeowners or a relative or cohabiting partner of the homeowner.[23] Our estimates make the simplifying assumption that people who own their home or live in a household with the owner would continue to live in those houses and would not benefit from the voucher expansion.

Adults ages 65 and older who are below the poverty level are much more likely to own their own home or live in a household with a homeowner than are younger adults and children below the poverty level. Sixty-four percent of adults ages 65 and older who are below the poverty level live in owned homes. This is twice the level for children below poverty (32 percent) and substantially above the level for adults aged 18 to 64 below poverty (38 percent). The higher rate of homeownership among older people below the poverty level helps explain the relatively lower antipoverty effect of increased vouchers for this group (7 percent, compared with 23 percent for children and 12 percent for adults aged 18 to 64).

Homeownership is also more common among white, non-Hispanic people below the poverty level than for the other racial and ethnic groups shown here. Over half (53 percent) of white, non-Hispanic people below the poverty level live in an owned home and would not benefit from the voucher expansion, compared with 43 percent for Asian and Pacific Islander, non-Hispanic people, 32 percent for Hispanic people, and 29 percent for Black, non-Hispanic people. The relatively higher rate of homeownership among white, non-Hispanic people below the poverty level helps explain the relatively lower antipoverty effect of the voucher expansion for this group (9 percent, compared with 13 to 19 percent for the other groups shown here).

Homeownership is much more common among citizens below the poverty level (44 percent of whom live in an owned home) compared with noncitizens (26 percent). Even so, the antipoverty effect of the voucher expansion is similar for the two groups. Noncitizens are more likely than citizens to be ineligible for the subsidy or to remain in poverty despite receiving a voucher. Therefore, the antipoverty

effect of the voucher expansion is similar for citizens and noncitizens despite the higher homeownership rate for citizens.

TABLE 3

People below the Supplemental Poverty Measure Poverty Level by Demographic Group: Outcome with Full Funding and Use of Housing Vouchers

2022 (without pandemic policies)

	Begins to Receive Voucher		Does Not Begin to Receive Voucher		
	Lifted above Poverty	Less poor, but still below poverty	Lives in owned home	Already subsidized	Renter, ineligible for subsidy
Percent of people with resources below SPM poverty level					
All people	13%	27%	42%	9%	8%
Children	23%	27%	32%	13%	5%
Adults 18–64	12%	30%	38%	8%	11%
Adults 65+	7%	16%	64%	9%	3%
Percent of people below 100% SPM poverty level, by largest race/ethnicity groups					
Asian & Pacific Islander, non-Hispanic	13%	25%	43%	4%	14%
Black, non-Hispanic	15%	27%	29%	23%	6%
Hispanic	19%	31%	32%	7%	10%
White, non-Hispanic	9%	24%	53%	6%	7%
Percent of people below 100% SPM poverty level, by citizenship status					
Citizens	13%	26%	44%	10%	7%
Noncitizens	14%	34%	26%	5%	21%

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022. We use the term "Hispanic" throughout this brief, as this is the primary terminology used by the US Census Bureau in the American Community Survey, which is the source of household data for this analysis. Survey respondents are asked to report race and ethnicity, including whether they identify as being of "Hispanic, Latino, or Spanish origin." People who are not Hispanic and who identify as some other race or combination of races are not shown separately.

Households Already Receiving Housing Assistance

We estimate that nationally, 9 percent of people currently below the poverty level already receive housing assistance and would not benefit from our hypothetical voucher expansion. Black, non-Hispanic people below the poverty level are much more likely than the other racial and ethnic groups examined here to already be receiving housing assistance. Twenty-three percent of Black, non-Hispanic people below the poverty level receive housing assistance, compared with 4 to 7 percent for the other groups. Current receipt of housing assistance appears to be the primary explanation for the relatively lower antipoverty effect of the housing voucher expansion for Black, non-Hispanic people (15 percent) than for Hispanic people (19 percent). By other measures examined here, Black, non-Hispanic people would be more likely than Hispanic people to be lifted above the poverty level by a voucher expansion. They are slightly less likely than Hispanic people below the poverty level to own their own home, less likely to be ineligible for a subsidy, and less likely to receive a voucher but remain below the poverty level.

Households Ineligible for a Housing Subsidy

We estimate that 8 percent of people with resources below the poverty level are in households that rent but are ineligible for housing assistance. The household might be ineligible because the household's combined income exceeds 50 percent AMI, the household's required rental payment exceeds the FMR, or the household does not contain at least one member who is a citizen, lawful permanent resident, or refugee.

Some individuals and families below the poverty level do not receive a housing voucher because they live in a household with an unrelated higher-income family or individual whose income renders the household as a whole ineligible for assistance. Our estimates assume the entire household would apply for a voucher together. However, in actual practice, some lower-income families or unrelated individuals might apply separately from higher-income household members and become eligible.

The relatively higher ineligibility rate for people who are Hispanic or Asian or Pacific Islander, non-Hispanic arises in part because people in these two groups are more likely to be ineligible because of immigrant status. Differences in eligibility by racial and ethnic group may also be influenced by other factors, such as the extent to which people below the poverty threshold live in households with unrelated families or individuals whose income renders the household ineligible for assistance.

Households Requiring More Than a Housing Voucher to Be Removed from Poverty

We estimate that 27 percent of people who are currently below the SPM poverty level would receive a housing voucher in our hypothetical scenario but would need additional income or benefits (beyond the voucher) to rise above poverty. Hispanic people and noncitizens are more likely than other groups to be in this category, at 31 percent and 34 percent respectively. Both groups are relatively more likely to be in a household with prorated benefits, reducing the value of the subsidy and the likelihood that it will be enough to remove them from poverty. Differences in the extent to which housing subsidies remove different groups from poverty are also influenced by differences in the depth of poverty among people in each group prior to receiving the voucher.

How Much Would Housing Assistance Increase by State?

We estimate that if housing assistance was fully funded and all eligible households that are not currently assisted received and used a housing voucher, aggregate subsidies would increase to 3.4 times the current level (table 4). The increase in aggregate subsidies, by state, would range from a factor of 1.9 in Rhode Island to 7.0 in Arizona. Differences by state arise from differences in the extent to which eligible households in each state currently receive housing assistance. For example, we estimate that 49 percent of eligible households in Rhode Island currently receive housing assistance compared with 12 percent in Arizona (detail not shown).

We expect that all else equal, the aggregate dollar amount of the increase in subsidies will be higher in states with higher FMRs. For example, the median FMR for a two-bedroom unit in Hawaii is $2,240, about double the median FMR for the same size unit in Maine ($1,043). We estimate that if all eligible households received housing assistance, Hawaii and Maine would experience similar increases in the number of participating households (55,000 and 51,000 additional households, respectively) but the increase in the total dollar amount of housing subsidies would be much higher in Hawaii (an $875 million increase) than in Maine (a $335 million increase). Although full funding and use of housing vouchers would produce a greater increase in subsidies in areas with higher FMRs, the SPM poverty threshold (the amount that a family or individual must have to be considered above the poverty level) is also higher in those areas. Therefore, a larger subsidy in a high-cost area does not necessarily translate into greater poverty reduction than a lower subsidy in a lower cost area. As shown in the next section, we estimate that Hawaii would experience greater poverty reduction with full funding and use of housing vouchers than Maine, but this is not determined by the dollar increase in subsidies alone. Other factors (such as higher home ownership among people below the poverty level in Maine) influence the differences in estimated outcomes for these states.

Range of the ratio of aggregate subsidy increase

Rhode Island

1.9

times more in subsidies

to

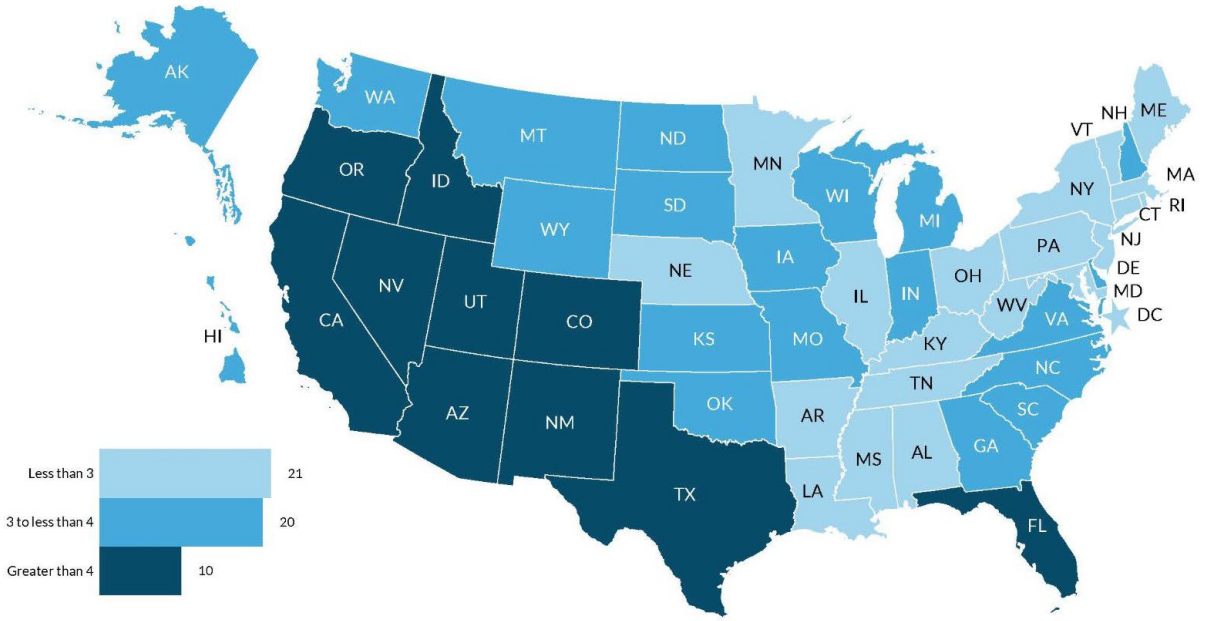
Arizona

7.0

times more in subsidies

FIGURE 5

Ratio of Benefits with Full Funding and Use of Housing Vouchers Compared to Benefits under Current Funding and Use



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Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: Both the current amount and the amount received with full funding and use of housing vouchers are from ATTIS data. The value of each eligible household's public and subsidized housing subsidy is estimated as the fair market rent minus the household's required rental payment. The value of housing subsidies in the scenario with full funding and use of vouchers includes all households estimated to be in public or subsidized housing under current policies plus all other potentially eligible households with income under 50 percent of area median income, which is the income limit to initially enroll.

TABLE 4

Median Fair Market Rent and Aggregate Housing Subsidies: Current and with Full Funding and Use of Housing Vouchers

2022, in millions of dollars

		Aggregate Subsidies			
	Median fair market rent	Current (millions)	With full funding and use of housing vouchers (millions)	Change relative to current (millions)	Ratio of full funding and use to current (millions)
National Total	$1,188	$49,609	$168,074	$118,465	3.4
Alabama	$861	$560	$1,390	$830	2.5
Alaska	$1,248	$72	$229	$157	3.2
Arizona	$1,311	$367	$2,558	$2,192	7.0
Arkansas	$748	$241	$707	$466	2.9
California	$2,044	$7,951	$35,881	$27,930	4.5
Colorado	$1,659	$659	$2,922	$2,262	4.4
Connecticut	$1,302	$823	$2,173	$1,350	2.6
Delaware	$1,298	$107	$325	$218	3.0
District of Columbia	$1,785	$463	$1,056	$593	2.3
Florida	$1,347	$2,289	$9,709	$7,420	4.2
Georgia	$1,289	$1,053	$3,916	$2,862	3.7
Hawaii	$2,240	$371	$1,246	$875	3.4
Idaho	$1,010	$88	$477	$388	5.4
Illinois	$1,340	$1,973	$5,569	$3,596	2.8
Indiana	$904	$486	$1,676	$1,190	3.4
Iowa	$814	$199	$646	$447	3.3
Kansas	$823	$179	$670	$490	3.7
Kentucky	$843	$491	$1,157	$666	2.4
Louisiana	$890	$592	$1,623	$1,030	2.7
Maine	$1,043	$191	$527	$335	2.8
Maryland	$1,395	$1,067	$2,997	$1,931	2.8
Massachusetts	$2,059	$2,977	$6,872	$3,895	2.3
Michigan	$1,041	$915	$2,969	$2,054	3.2
Minnesota	$1,329	$679	$1,928	$1,250	2.8
Mississippi	$807	$369	$864	$495	2.3
Missouri	$947	$514	$1,603	$1,090	3.1
Montana	$877	$71	$257	$185	3.6
Nebraska	$888	$151	$433	$282	2.9
Nevada	$1,216	$228	$1,466	$1,239	6.4
New Hampshire	$1,413	$182	$568	$386	3.1
New Jersey	$1,558	$2,029	$5,547	$3,519	2.7
New Mexico	$996	$151	$629	$477	4.2
New York	$2,065	$9,232	$26,148	$16,916	2.8
North Carolina	$952	$921	$3,427	$2,506	3.7
North Dakota	$859	$60	$195	$135	3.2
Ohio	$890	$1,352	$3,533	$2,181	2.6
Oklahoma	$925	$307	$994	$687	3.2
Oregon	$1,303	$584	$2,410	$1,826	4.1
Pennsylvania	$1,038	$1,564	$4,648	$3,084	3.0

	Median fair market rent	Aggregate Subsidies: Current (millions)	Aggregate Subsidies: With full funding and use of housing vouchers (millions)	Aggregate Subsidies: Change relative to current (millions)	Aggregate Subsidies: Ratio of full funding and use to current (millions)
Rhode Island	$1,234	$332	$621	$289	1.9
South Carolina	$990	$502	$1,599	$1,097	3.2
South Dakota	$856	$65	$210	$146	3.3
Tennessee	$895	$722	$2,154	$1,432	3.0
Texas	$1,208	$2,427	$10,698	$8,271	4.4
Utah	$1,105	$180	$789	$609	4.4
Vermont	$1,059	$95	$251	$156	2.6
Virginia	$1,193	$960	$3,252	$2,292	3.4
Washington	$1,735	$1,141	$4,320	$3,179	3.8
West Virginia	$780	$198	$426	$227	2.1
Wisconsin	$926	$447	$1,693	$1,246	3.8
Wyoming	$870	$34	$121	$87	3.6

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: Both the current amount and the amount received with full funding and use of housing vouchers are from ATTIS data. The value of each eligible household's public and subsidized housing subsidy is estimated as the fair market rent minus the household's required rental payment. The value of housing subsidies in the scenario with full funding and use of vouchers includes all households estimated to be in public or subsidized housing under current policies plus all other potentially eligible households with income under 50 percent of area median income, which is the income limit to initially enroll.

How Much Would Poverty Fall by State?

We estimate that California, Hawaii, and New York would experience the largest decreases in poverty with full funding and use of housing vouchers. The largest decrease would be in be in California, where poverty would fall by an estimated 25 percent overall and by 39 percent for children (table 5). Hawaii would experience the next greatest reduction in poverty, with declines of 24 percent overall and 51 percent for children. We estimate that poverty would fall by 23 percent in New York overall and by 34 percent for children. These three states are among the states with the highest housing costs, with median FMRs for a two-bedroom apartment of $2,044 (California), $2,240 (Hawaii), and $2,065 (New York), well above the $1,188 national median.

We estimate that full funding and use of housing vouchers would have the smallest effect on poverty in Kentucky and West Virginia; we estimate a decline of 4 percent overall in both states. We estimate that poverty would fall by five percent in Arkansas, Idaho, Nebraska, and South Dakota. Of these states, Idaho has a median FMR just below the national median of $1,188. Housing costs are lower in the other four states, with median FMRs for a two-bedroom apartment ranging from $748 in Arkansas to $888 in Nebraska. The smallest percentage reductions in child poverty would be in Idaho and West Virginia (8 percent) and Kentucky, Nebraska, and South Dakota (10 percent).

In general, states that would experience relatively greater poverty reduction overall would also experience relatively greater reductions in child poverty. We estimate that in all states, full funding and use of housing vouchers would cause a larger decline in child poverty than in poverty overall.

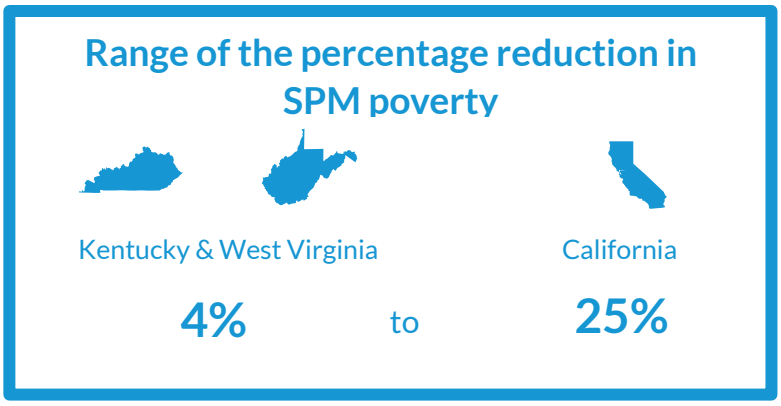
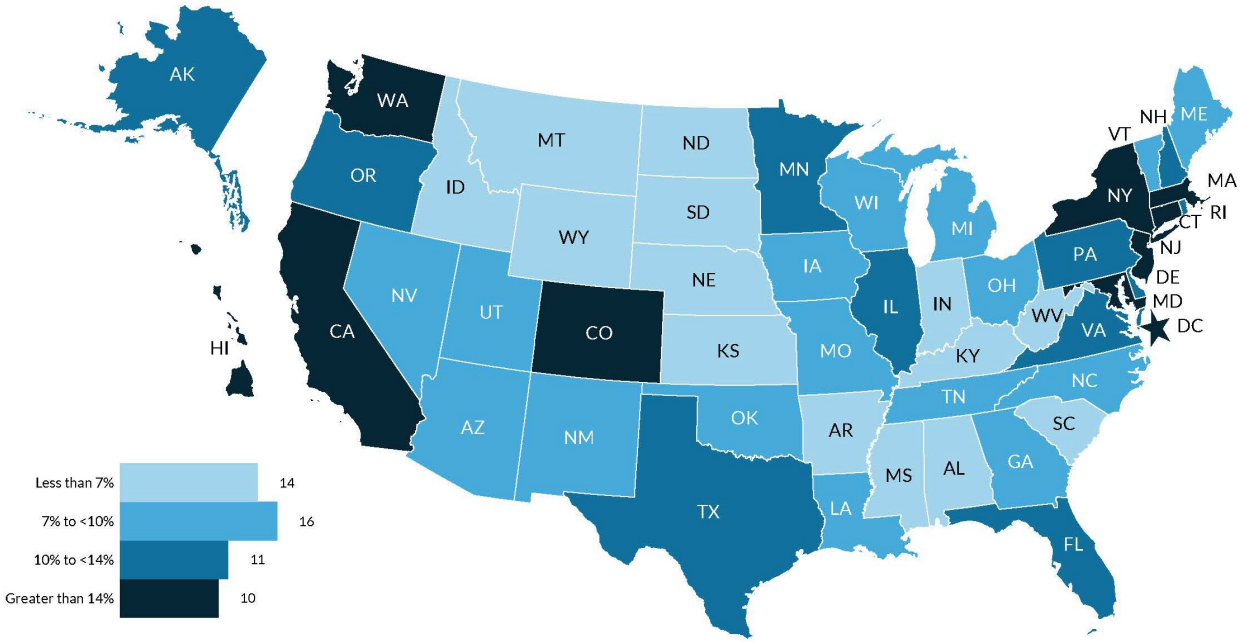


FIGURE 6

Percentage Reduction in Supplemental Poverty Measure Poverty with Full Funding and Use of Housing Vouchers

2022 (without pandemic policies)



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Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022.

TABLE 5

State Supplemental Poverty Measure Poverty Rates for All People and for Children: Current and with Full Funding and Use of Housing Vouchers

2022 (without pandemic policies)

	All People			Children		
	Current	With full funding and use of housing vouchers	Percentage reduction in poverty	Current	With full funding and use of housing vouchers	Percentage reduction in poverty
National Total	14.7%	12.8%	13%	15.2%	11.7%	23%
Alabama	16.0%	15.1%	6%	16.2%	14.1%	13%
Alaska	13.5%	12.1%	10%	13.5%	11.4%	15%
Arizona	15.3%	13.8%	10%	16.5%	13.7%	17%
Arkansas	16.2%	15.3%	5%	16.5%	14.7%	11%
California	18.5%	13.9%	25%	20.5%	12.5%	39%
Colorado	12.4%	10.6%	14%	12.2%	9.2%	24%
Connecticut	12.3%	10.3%	17%	12.4%	9.4%	24%
Delaware	13.2%	11.6%	12%	15.5%	12.0%	23%
District of Columbia	15.7%	13.4%	14%	17.1%	13.5%	21%
Florida	17.7%	15.7%	11%	18.8%	14.9%	21%
Georgia	15.0%	13.7%	9%	16.2%	13.7%	15%
Hawaii	12.7%	9.6%	24%	10.2%	5.0%	51%
Idaho	12.2%	11.7%	5%	11.1%	10.2%	8%
Illinois	12.7%	11.2%	12%	12.3%	9.6%	22%
Indiana	13.2%	12.3%	7%	13.1%	11.5%	12%
Iowa	10.0%	9.3%	7%	8.0%	7.0%	13%
Kansas	12.4%	11.6%	6%	10.8%	9.5%	12%
Kentucky	15.7%	15.0%	4%	15.0%	13.5%	10%
Louisiana	18.2%	16.7%	8%	18.4%	15.2%	17%
Maine	10.6%	9.6%	10%	7.7%	6.5%	16%
Maryland	11.7%	10.0%	15%	11.9%	9.0%	24%
Massachusetts	12.0%	9.7%	19%	10.9%	7.4%	32%
Michigan	13.9%	12.7%	8%	13.7%	11.5%	16%
Minnesota	9.7%	8.6%	11%	7.4%	5.6%	23%
Mississippi	17.9%	16.8%	6%	17.7%	15.4%	13%
Missouri	13.1%	11.9%	9%	13.2%	11.1%	16%
Montana	12.8%	12.0%	6%	10.5%	9.0%	14%
Nebraska	10.7%	10.1%	5%	8.0%	7.3%	10%
Nevada	15.9%	14.4%	10%	16.8%	14.3%	15%
New Hampshire	9.5%	8.3%	13%	9.5%	7.6%	21%
New Jersey	13.3%	10.7%	19%	15.0%	10.8%	28%
New Mexico	17.1%	15.6%	9%	16.8%	13.8%	18%
New York	17.0%	13.1%	23%	18.0%	11.9%	34%
North Carolina	14.5%	13.1%	9%	15.4%	12.9%	16%
North Dakota	9.8%	9.2%	6%	6.1%	5.0%	18%
Ohio	12.1%	11.1%	8%	11.3%	9.6%	15%
Oklahoma	14.1%	13.1%	7%	14.1%	12.3%	13%
Oregon	14.1%	12.3%	12%	14.0%	10.8%	23%
Pennsylvania	12.6%	11.2%	11%	11.8%	9.5%	19%

	All People			Children		
	Current	With full funding and use of housing vouchers	Percentage reduction in poverty	Current	With full funding and use of housing vouchers	Percentage reduction in poverty
Rhode Island	11.9%	10.5%	12%	12.2%	9.6%	21%
South Carolina	15.3%	14.3%	7%	15.5%	13.5%	13%
South Dakota	12.3%	11.7%	5%	11.9%	10.7%	10%
Tennessee	14.9%	13.8%	8%	16.1%	13.7%	15%
Texas	16.3%	14.5%	11%	18.1%	14.9%	18%
Utah	10.2%	9.4%	8%	8.2%	7.0%	15%
Vermont	11.9%	10.8%	9%	8.5%	6.4%	25%
Virginia	14.0%	12.1%	13%	14.9%	11.3%	24%
Washington	11.2%	9.5%	15%	10.3%	7.7%	25%
West Virginia	14.7%	14.0%	4%	13.8%	12.6%	8%
Wisconsin	10.2%	9.4%	8%	8.2%	7.0%	14%
Wyoming	12.1%	11.4%	6%	12.9%	11.2%	13%

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.
Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022.

The poverty reduction estimates vary by race and ethnicity across states and do not necessarily have the same pattern as at the national level (table 6). Although Hispanic people are estimated to experience the greatest poverty reduction nationally, we estimate that Black, non-Hispanic people would experience greater poverty reduction than Hispanic people in 20 of the 33 states that have sufficient sample size for comparison. Although white, non-Hispanic people are estimated to experience the lowest poverty reduction nationally, we estimate that Asian American and Pacific Islander, non-Hispanic people would have a lower poverty reduction than white, non-Hispanic people in 17 of the 30 states where results can be compared. We estimate that the poverty reduction for white, non-Hispanic people would be higher than for Black, non-Hispanic people in West Virginia and higher than for Hispanic people in Arkansas, Kentucky, Mississippi, and Oklahoma.

TABLE 6

Percentage Reduction in the Supplemental Poverty Measure Poverty Rate from Full Funding and Use of Housing Vouchers, by State and Race and Ethnicity

2022 (without pandemic policies), percentage reductions in poverty rates

	All people	Asian & Pacific Islander, non-Hispanic	Black, non-Hispanic	Hispanic	White, non-Hispanic
National Total	13%	13%	15%	19%	9%
Alabama	6%	6%	9%	8%	3%
Alaska	10%	--	--	--	10%
Arizona	10%	3%	18%	12%	8%
Arkansas	5%	--	5%	3%	5%
California	25%	18%	28%	30%	17%
Colorado	14%	5%	16%	22%	10%
Connecticut	17%	1%	16%	22%	14%
Delaware	12%	--	16%	22%	4%
District of Columbia	14%	--	11%	--	9%
Florida	11%	3%	15%	15%	7%
Georgia	9%	8%	12%	9%	5%
Hawaii	24%	22%	--	41%	19%
Idaho	5%	--	--	6%	5%
Illinois	12%	5%	16%	17%	7%
Indiana	7%	10%	9%	7%	5%
Iowa	7%	--	--	6%	5%
Kansas	6%	--	16%	5%	5%
Kentucky	4%	--	7%	2%	4%
Louisiana	8%	0%	11%	6%	6%
Maine	10%	--	--	--	8%
Maryland	15%	11%	16%	22%	9%
Massachusetts	19%	16%	18%	29%	15%
Michigan	8%	2%	13%	12%	7%
Minnesota	11%	5%	30%	14%	7%
Mississippi	6%	--	7%	3%	4%
Missouri	9%	3%	17%	11%	6%
Montana	6%	--	--	--	5%
Nebraska	5%	--	--	14%	3%
Nevada	10%	5%	13%	11%	6%
New Hampshire	13%	--	--	--	12%
New Jersey	19%	9%	18%	25%	16%
New Mexico	9%	--	--	10%	6%
New York	23%	21%	26%	31%	14%
North Carolina	9%	5%	13%	10%	7%
North Dakota	6%	--	--	--	4%
Ohio	8%	3%	11%	9%	7%
Oklahoma	7%	--	13%	4%	7%
Oregon	12%	11%	--	12%	11%
Pennsylvania	11%	9%	14%	17%	8%
Rhode Island	12%	--	--	15%	12%
South Carolina	7%	0%	9%	12%	4%
South Dakota	5%	--	--	--	4%

	All people	Asian & Pacific Islander, non-Hispanic	Black, non-Hispanic	Hispanic	White, non-Hispanic
Tennessee	8%	5%	11%	10%	6%
Texas	11%	9%	15%	11%	8%
Utah	8%	5%	--	8%	7%
Vermont	9%	--	--	--	9%
Virginia	13%	10%	18%	18%	9%
Washington	15%	13%	17%	20%	13%
West Virginia	4%	--	3%	--	5%
Wisconsin	8%	7%	15%	9%	7%
Wyoming	6%	--	--	--	6%

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.

Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022. We use the term "Hispanic" throughout this brief, as this is the primary terminology used by the US Census Bureau in the American Community Survey, which is the source of household data for this analysis. Survey respondents are asked to report race and ethnicity, including whether they identify as being of "Hispanic, Latino, or Spanish origin." People who are not Hispanic and who identify as some other race or combination of races are not shown separately.

Why Do the State-Level Poverty Effects Vary?

The factors that influence the antipoverty effects of full funding and use of housing vouchers for members of different demographic groups also affect the relative antipoverty effects by state. All else equal, the extent to which full funding and use of housing vouchers would reduce poverty for a state is influenced by the extent to which residents below the poverty level own their own homes, already receive housing assistance, or do not meet voucher eligibility requirements. Poverty reduction is also affected by the extent to which state residents who benefit from the new voucher would require additional increases in income or government benefits (beyond that provided by the voucher) to be lifted above the poverty level.

For example, of the five states with the greatest estimated poverty reduction (California, Hawaii, New York, New Jersey, and Massachusetts), all but Hawaii have a lower share of owners among their below-poverty population than the national average (table 7). Of the six states with the lowest estimated poverty reduction (Arkansas, Kentucky, Idaho, Nebraska, South Dakota, and West Virginia) all but South Dakota have ownership rates for the below-poverty population that are above the national average. The below-poverty residents of the District of Columbia have a lower homeownership rate (22 percent) and higher receipt of housing assistance (29 percent) than any state. These factors appear to offset one another so that the estimated poverty reduction for the District of Columbia is just above the national average.

In five states—Idaho, Kansas, Nevada, North Dakota, and Wisconsin—at least a third of the population below the poverty level would receive a voucher and would need additional income or benefits to be removed from poverty. In contrast, just 16 percent of the below-poverty population in Alaska and Hawaii meet these criteria, suggesting that housing costs play a greater role in poverty as measured by the SPM in Alaska and Hawaii than in other states. However, the SPM poverty level only captures variation in housing costs—to the extent other necessities cost more in Alaska and Hawaii than in the rest of the nation, poverty in these two states may be understated.

TABLE 7

People below the Supplemental Poverty Measure Poverty Level by State: Outcome with Full Funding and Use of Housing Vouchers

2022 (without pandemic policies)

	Begins to Receive Voucher		Does not Begin to Receive Voucher		
	Lifted above poverty	Less poor, but still below poverty	Lives in owned home	Already subsidized	Renter, ineligible for subsidy
National Total	13%	27%	42%	9%	8%
Alabama	6%	24%	49%	14%	7%
Alaska	10%	16%	58%	7%	9%
Arizona	10%	28%	49%	4%	9%
Arkansas	5%	27%	47%	14%	8%
California	25%	27%	33%	6%	10%
Colorado	14%	26%	43%	7%	10%
Connecticut	17%	28%	34%	14%	7%
Delaware	12%	19%	51%	8%	10%
District of Columbia	14%	25%	22%	29%	10%
Florida	11%	24%	47%	7%	12%
Georgia	9%	29%	44%	10%	8%
Hawaii	24%	16%	44%	7%	9%
Idaho	5%	34%	48%	5%	8%
Illinois	12%	28%	41%	12%	7%
Indiana	7%	31%	45%	10%	7%
Iowa	7%	29%	45%	11%	8%
Kansas	6%	33%	42%	10%	9%
Kentucky	4%	24%	49%	15%	7%
Louisiana	8%	25%	46%	13%	8%
Maine	10%	21%	57%	9%	5%
Maryland	15%	24%	42%	12%	7%
Massachusetts	19%	22%	34%	14%	10%
Michigan	8%	26%	50%	10%	7%
Minnesota	11%	26%	44%	12%	7%
Mississippi	6%	25%	48%	16%	5%
Missouri	9%	28%	44%	11%	8%
Montana	6%	25%	53%	8%	8%
Nebraska	5%	27%	48%	10%	10%
Nevada	10%	33%	40%	5%	12%
New Hampshire	13%	26%	47%	10%	5%
New Jersey	19%	26%	34%	12%	8%
New Mexico	9%	24%	55%	6%	6%
New York	23%	28%	30%	12%	7%
North Carolina	9%	29%	44%	9%	8%
North Dakota	6%	36%	34%	15%	9%
Ohio	8%	30%	40%	15%	7%
Oklahoma	7%	29%	44%	11%	9%
Oregon	12%	29%	39%	7%	13%
Pennsylvania	11%	27%	45%	10%	7%
Rhode Island	12%	24%	34%	22%	7%

	Begins to Receive Voucher		Does not Begin to Receive Voucher		
	Lifted above poverty	Less poor, but still below poverty	Lives in owned home	Already subsidized	Renter, ineligible for subsidy
South Carolina	7%	23%	51%	12%	7%
South Dakota	5%	31%	39%	17%	7%
Tennessee	8%	27%	45%	12%	8%
Texas	11%	29%	44%	8%	8%
Utah	8%	30%	43%	7%	12%
Vermont	9%	20%	56%	9%	6%
Virginia	13%	29%	40%	9%	8%
Washington	15%	25%	41%	8%	11%
West Virginia	4%	21%	56%	15%	4%
Wisconsin	8%	34%	42%	10%	6%
Wyoming	6%	27%	54%	7%	5%

Source: Urban Institute, applying the ATTIS (Analysis of Transfers, Taxes, and Income Security) model to the 2018 American Community Survey, IPUMS USA, University of Minnesota, www.ipums.org, projected to 2022.
Notes: Estimates do not include people who are unhoused or in nursing homes, homeless shelters, or other group quarters. SPM = Supplemental Poverty Measure. The SPM poverty rate is calculated without the pandemic-related Supplemental Nutrition Assistance Program expansions that were in effect in 2022.

Conclusions

We estimate that in a hypothetical scenario in which all renters who are eligible for a housing voucher received a voucher and found a unit that would accept it, poverty would fall from 14.7 to 12.8, a reduction of 13 percent. The greatest percentage reductions would occur for children (23 percent), Hispanic people (19 percent), and Black, non-Hispanic people (15 percent). Poverty would fall across states, with the reduction ranging from 4 percent in Kentucky and West Virginia to 24 percent in Hawaii and 25 percent in California. Child poverty would fall by between 8 percent in Idaho and West Virginia and 51 percent in Hawaii.

The monetary value of housing subsidies is substantial. We estimate that currently assisted households receive a monthly subsidy of $940 and households assigned vouchers in our hypothetical scenario would receive an average subsidy of $765 per month. Why then are antipoverty effects not more pronounced? One reason is that a substantial share (42 percent) of people below the poverty level own their own homes or live in a household with the homeowner. Nine percent of people below the poverty level already receive housing assistance and another 8 percent are renters who do not meet eligibility criteria for the voucher. Twenty-seven percent would be made better off by the voucher but would require additional income or benefits to be lifted above the poverty level.

These factors suggest that, while providing housing assistance to renters with low income is a key tool in combatting poverty, it is only one piece of a larger strategy. Our companion study shows that full funding and use of housing vouchers, combined with full funding and participation in six other government benefit programs—SSI, SNAP, WIC, TANF, CCDF, and LIHEAP—would reduce the poverty rate to 10.1, for an overall 31 percent reduction in poverty. Child poverty under this scenario would fall by almost half (44 percent). Housing assistance, working in combination with other programs, has the potential to substantially reduce poverty.

This analysis is intended as a thought experiment. Full funding and use of housing vouchers is a lofty goal. Even if housing vouchers were made an entitlement, many households would be unable to find suitable rental units with landlords willing to take subsidies. Some families might not wish to receive government assistance or feel that the benefits are not worth the effort required to obtain them. Nevertheless, our estimates provide insight into the potential antipoverty effect of increased voucher funding and use and how this might vary by demographic subgroup and state.

Notes

[1] Our analysis of the effect of full participation in seven benefit programs was based on an earlier study focused on one state (Giannarelli, Minton, and Wheaton 2023).

[2] We calculate the number of assisted households using data from HUD's Picture of Subsidized Households data (https://www.huduser.gov/portal/datasets/assthsg.html). We multiply the total number of subsidized units available by the percent occupied and exclude housing assistance provided to households in Guam, the Northern Mariana Islands, Puerto Rico, and the US Virgin Islands.

[3] HUD rental assistance programs also include housing for the elderly (Section 202), and housing for people with disabilities (Section 811). Our estimates only capture rental assistance paid through HUD programs. We do not capture rental assistance provided by the United States Department of Agriculture to households in rural areas or rental assistance funded by state or local governments.

[4] Housing subsidies do not affect the official poverty measure but are counted as resources in the calculation of the Supplemental Poverty Measure (SPM).

[5] The Center on Budget and Policy Priorities estimates that 23 percent of eligible households receive assistance, "Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance," Center on Budget and Policy Priorities, accessed July 24, 2023, https://apps.cbpp.org/shareables_housing_unmet/chart.html. Macartney and Ghertner (2022) estimate that 22 percent of eligible households receive assistance.

[6] For detail on eligibility rules, see "The Housing Choice Voucher Program Guidebook," US Department of Housing and Urban Development, accessed July 24, 2023, https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook.

[7] When the search was extended to 240 days, 63 percent of households issued a voucher succeeded in leasing a unit.

[8] The American Community Survey data used by ATTIS are made available by the University of Minnesota's Integrated Public Use Microdata Series project (Ruggles et al. 2020). ACS data for 2022 will be available in fall of 2023. However, because respondents are asked to report their income and employment in the 12 months prior to the survey, and because interviews are conducted throughout the year, respondents who were surveyed in early 2022 reported their income during 2021—a year still substantially affected by the COVID-19 pandemic. The ATTIS model's projected 2022 data reflect the 2022 population, state minimum wage levels, employment rates, and income levels.

[9] Because of data disclosure restrictions, some counties and metropolitan areas are not identified in the ACS data. For these areas, we use the average metropolitan or nonmetropolitan area AMI and FMR for the state. AMI varies by the number of people in the household. The FMR varies by the number of bedrooms in the unit.

[10] Households receive an annual deduction of $480 for each dependent and $400 for households in which the head or spouse is over the age of 62 or has a disability. ATTIS also captures deductions for child care expenses but does not capture the medical expense deduction available in households with a person over the age of 62 or with a disability. If the calculated monthly rent is less than $25, the household is assigned a rental payment equal to the lesser of $25 or 60 percent of the household's monthly gross income, as an approximation of minimum rent paid by households with little or no income.

[11] The eligibility determination for new vouchers differs from the eligibility determination for current participants in that we use the number of bedrooms for which the household would qualify (rather than the reported number of bedrooms), do not assign vouchers to households that report living rent free, and do not assign vouchers to households between 50 percent and 80 percent AMI.

[12] Our estimates assume that all household members would apply together for a housing voucher, including households containing families and individuals who are unrelated to one another. Although the housing choice voucher program permits unrelated families and individuals to share the same rental unit, we do not model detailed circumstances in which the voucher amount would be determined separately for certain families or individuals within a shared unit. See "Notice PIH 2021-05," US Department of Housing and Urban Development, January 15, 2021, https://www.hud.gov/sites/dfiles/PIH/documents/pih2021-05.pdf for further background on rules governing shared living quarters and the Housing Choice Voucher program.

[13] An expert panel convened to explore the impact of policy changes on child poverty assumed that increased availability of housing would somewhat reduce labor supply (Duncan and Le Menestrel 2019). Collyer et al. (2023) interpret the literature as showing mixed results for the effect of housing voucher expansions on labor supply and indicate that where effects are observed, the number of people reducing their labor supply is small relative to the number who would benefit from receiving the voucher.

[14] Another limitation is that we do not model eligibility restrictions for college students who do not live with their parents (though college students living in dormitories are excluded from the estimates). This could cause us to overstate voucher eligibility for adults in their early twenties, although that might be offset if full funding and use of housing vouchers caused some young adults who currently reside with families or roommates to split into separate households. Collyer et al. (2023) cite prior literature finding mixed results regarding the effect of housing vouchers on geographic mobility.

[15] SNAP emergency allotments enabled participating states to provide all families with the maximum benefit for their family size and guaranteed that families already receiving a benefit at or near the maximum amount would receive at least $95 per month in additional benefits. SNAP emergency allotments Our SNAP estimates also exclude COVID-related eligibility expansions for college students and the temporary suspension of the time limit for certain adults without dependent children who do not meet a work requirement. We exclude these COVID-19-related policy expansions so that our estimates will be more representative of coming years.

[16] Our estimates of current assistance include households that currently receive vouchers or receive assistance from other HUD programs, including project-based rental assistance, public housing, housing for the elderly (Section 202), and housing for people with disabilities (Section 811).

[17] The poverty line used for targeting assistance to the lowest income households is the poverty line used for program administration, not the SPM poverty threshold used for this analysis.

[18] This SPM poverty rate will differ from the Census Bureau's estimates of SPM poverty in 2022 (which will be released in fall 2022) because our estimates use ATTIS-generated benefit amounts that are consistent with actual program participation and because we exclude expanded SNAP benefits enacted in response to the COVID-19 pandemic that expired in 2023.

[19] Collyer et al. (2023) estimate that extending housing vouchers to all eligible households would reduce poverty as measured by the SPM by 2.2 percentage points—slightly more than the 2.0 percentage point reduction estimated here. Collyer et al. apply an eligibility limit of 80 percent rather than 50 percent of AMI for the new vouchers and use a different data source and year for their estimates.

[20] We use the term "Hispanic" throughout this brief, as this is the primary terminology used by the US Census Bureau in the American Community Survey, which is the source of household data for this analysis. Survey respondents are asked to report race and ethnicity, including whether they identify as being of "Hispanic, Latino, or Spanish origin."

[21] We estimate that about 38 percent of people in households that would receive a voucher with full funding and use of housing vouchers have resources above the poverty level even without the voucher, but do not focus on them here because our interest is in the antipoverty effect of full funding and use of vouchers. Most of the

people receiving a voucher are below or just above the poverty level. Just 3 percent have income above 150 percent of the SPM poverty level prior to receiving the voucher.

[22] We include people who report living "rent free" in the count of homeowners unless they were assigned by ATTIS as "already receiving housing assistance."

[23] Of people below the poverty level who live in a household that is owned by a household member, 90 percent are related to the owner or are the cohabiting partner of the owner or a family member of the cohabiting partner (not shown).

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