An Evaluation of the
Massachusetts Department of Housing and Community Development's
Moving to Work Voucher Program

By

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ABSTRACT

Since implementation nearly 10 years ago there has been limited research into the outcomes of the Massachusetts Department of Housing and Community Development's Moving to Work rental subsidy program. The Congressionally authorized Moving to Work Demonstration program (MtW) deregulated housing agencies in order to provide flexibility to design and test innovative approaches to administering housing assistance programs. In 1999, DHCD began planning and implementation for two MtW pilots, one in Boston, targeting the shelter population, and another in Southern Worcester County, targeting working or "work-ready" households. The current program design provides 183 clients with fixed shallow rental subsidy amounts, support budgets, time limits, and case management to encourage and facilitate self-sufficiency. Preparing to transition its full HCVP portfolio to MtW status, DHCD initiated a process of evaluation and learning focused on the pilots. These lessons, which involve data collection processes and program implementation as well as outcomes, will inform the future of the statewide MtW program.

This research is a qualitative and quantitative assessment of both pilot programs. The research used available baseline and current client employment, income and locational data to determine how effective DHCD's MtW model was at facilitating self-sufficiency. Additionally, focus groups with MtW clients and interviews with administrators were conducted to understand the impact and effectiveness of the program from multiple perspectives. Using various poverty and self-sufficiency, measures, the research finds that, in general, the program has successfully kept clients out of "deep poverty" but has not moved them out of poverty. Hence, the program has fallen short on facilitating economic self-sufficiency. The paper concludes with a set of recommendations for DHCD's future implementation and expansion efforts.

Thesis Advisor: J. Phillip Thompson, Associate Professor of Urban Politics
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"Be generous in prosperity, and thankful in adversity. Be worthy of the trust of thy neighbor, and look upon him with a bright and friendly face. Be a treasure to the poor, an admonisher to the rich, an answerer to the cry of the needy, a preserver of the sanctity of thy pledge. Be fair in thy judgment, and guarded in thy speech. Be unjust to no man, and show all meekness to all men. Be as a lamp unto them that walk in darkness, a joy to the sorrowful, a sea for the thirsty, a haven for the distressed, an upholder and defender of the victim of oppression. Let integrity and uprightness distinguish all thine acts. Be a home for the stranger, a balm to the suffering, a tower of strength for the fugitive. Be eyes to the blind, and a guiding light unto the feet of the erring. Be an ornament to the countenance of truth, a crown to the brow of fidelity, a pillar of the temple of righteousness, a breath of life to the body of mankind, an ensign of the hosts of justice, a luminary above the horizon of virtue, a dew to the soil of the human heart, an ark on the ocean of knowledge, a sun in the heaven of bounty, a gem on the diadem of wisdom, a shining light in the firmament of thy generation, a fruit upon the tree of humility."

-- From the Writing of the Bahá'í Faith

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Introduction

Employment and subsidized housing historically have been linked in the United States. In the early days, housing assistance was used as a reward for working families but later transitioned to a haven for needy families who were chronically unemployment and in financial despair. In more recent years, policy-makers and politicians have increasingly viewed housing assistance, now mainly through private market rental subsidies rather than development subsidies, as an instrument for improving employment outcomes and fostering self-sufficiency. Numerous demonstrations, programs and initiatives have attempted to improve the well being of low-income families by providing housing assistance and, generally, some supportive services.

The U.S. Department of Housing and Urban Development's (HUD) Moving to Work Demonstration program (MtW) was primarily an outgrowth of a two simultaneous movements: 1) deregulation of housing agencies to allow for flexibility and innovation in program rules and regulations, and 2) welfare reform that focused on moving clients from "welfare to work." Participating agencies would be empowered to use their funding to modify programs in a manner they thought would achieve MtW's goals for promoting self-sufficiency, administrative efficiency and increasing housing choice. While mandatory employment was not a required component of the demonstration, many agencies used MtW as an opportunity to link program participation to employment explicitly, as a requirement, or implicitly, by capping rent subsidies and imposing time limits.

The Massachusetts Department of Housing and Community Development (DHCD), which "has the responsibility for administrative oversight of all state-aided public and private housing programs that address the housing needs of low- and moderate-income families"(MADHCD Website, 2009), was selected as an MtW demonstration site in 1999. Their MtW program, comprised of 183 housing choice vouchers, reflected the principles of welfare reform: helping families achieve economic self-sufficiency, moving them off welfare rolls by time limiting programs and making employment a mandatory component of participation. DHCD's initial goals for MtW were to: a) use their resources more creatively to help families off of welfare, b)

test a model with a shallow rent subsidy that promoted self-determination and c) use employment as a vehicle for facilitating housing choice and mobility.

Operating out of South Worcester County and Boston, the program's primary components were a fixed shallow rent subsidy, three-year time limit, supplementary support funds and case management. While structured similarly, the two programs targeted different populations and operated in different regional context. Worcester served working or "work-ready" households who were referred from career or workforce development centers in one of Massachusetts' most affordable housing markets, and Boston served the sheltered (or homeless) population and operated in one of Massachusetts' tightest housing markets. Regardless of these differences, they still had the same ultimate goal: getting low-income families economically self-sufficient in three-years.

Study Justification

Through a combination of poor leadership from HUD and limited resources and savvy on the part of DHCD staff at the start of the MtW program, there has been very little evaluation or observation of their impact and effectiveness, despite having been in operation for seven years. The only known attempts are two studies conducted by researchers at the *Urban Institute*, which were overviews of the various types of interventions that MtW sites had proposed and implemented, and annual site visits from HUD MtW consultants. Additionally, MtW administrators have produced figures about current income, enrollments, graduates, and other basic demographics but nothing about changes over time or clients outcomes.

In 2009, DHCD requested and received approval from HUD to expand their MtW authority to their entire portfolio of 19,000+ housing choice vouchers. That is to say, DHCD now has the power to expand their current MtW program or develop new models to implement with limited constraints[1]. To this end, DHCD will convene three tasks forces, one to address each of HUD's stated MtW goals (mentioned above), and to design and plan the implementation of the MtW expansion. This thesis represents the first attempt at a quantitative and qualitative analysis of

[1] DHCD will still have to receive HUD approval for any proposed changes to their voucher program and, presumably, support from the public before implementation.

DHCD's MtW pilot programs and their impact on participating families. Hopefully, it will act as a guide to DHCD staff and the MtW task forces as they plan for the future and a first step toward expanded monitoring, evaluation and learning.

Research Question

Through interviews with program staff, client-level data analysis and client focus groups, this research seeks to answer the question: ***how effective has DHCD's model of shallow fixed rent subsidies, time limits on rental assistance, mandatory savings accounts and referral-based case management been at facilitating self-sufficiency?***

The research methodology, described in Chapter 1, outlines the process for answering the research question.

This thesis is intended as a resource for DHCD, as it expands its MtW authority, but also as a reference for any other Moving to Work demonstration sites or housing agencies hoping to develop or modify their housing assistance programs to better serve their clients.

Chapter 1: Research Methodology

Stage 1: Background Research and Context

I began my thesis research by reviewing the relevant literature on the origins and purpose of the Moving to Work demonstration program, which primarily consisted of reports from the non-profit think tank, Urban Institute, and the Office of the Inspector General, and programmatic information from HUD and its consultants. This research guiding me down the path of the history of subsidized housing, the transition to market-oriented solutions to low-income housing through the implementation of the rental housing voucher and, ultimately, Moving to Work.

Stage 2: Interviews

After describing the history and development of the Moving to Work Demonstration as an outcome of a perceived failure of public housing and the policy trend toward market-oriented innovations to improving low-income housing assistance, I next sought to explore the origins, purpose, goals, operations and future of DHCD's Moving to Work pilot program. To this end, I conducted interviews with:

Director of DHCD's Office of Rental Assistance: The Director has been working at DHCD since the early 1970s and is now the head of Massachusetts Section 8 Program. She has been directly involved in DHCD's rental assistance programs since the Section 8 voucher (a.k.a certificate) program first came into existence. She helped draft the initial MtW application to HUD in 1999 and continues to oversee it as part of the rental assistance bureau. Through this interview I hoped to gain insights into DHCD's overall goal for the housing voucher program, its motivation behind pursuing the MtW program and its implementation and design strategy.

Interview Questions for DHCD Senior Staff

- What do you view as (or should be) the purpose of housing vouchers?
- Why did DHCD choose to become a Moving to Work demonstration site?
- Why were South Worcester and Boston singled out as the primary candidates to participate in MtW?
- What were DHCD's goals for the MtW program?
- How do you define a "successful" completion of the program?
- What was the process for developing MtW pilot's program rules and guidelines?

Former MtW Program Coordinator for DHCD: As DHCD's point person on MtW for nearly a decade, the Program Coordinator was able to provide additional information as to the strategy and evolution of the MtW program. Additionally, having been intimately involved with the program, she could also offer recommendations for areas of improvement and the future direction of the program.

Interview Questions for DHCD Staff

- What were the goals of the MtW demonstration?
- What was the process for determining the "rules" for the pilot project?
- Was there a lot of coordination and consultation with other service agencies in the area?
- What do you think were the best/worst components of the program?
- Was their discussion about data collection and reporting at the outset? If yes, why didn't it become a major component? If no, why not?
- How was DHCD planning on evaluating the pilot programs?
- Do you think there needs to be a heavy evaluation component?

MtW Housing Mobility Advisor for RCAP and MBHP: These individuals have been administering the MtW program for their respective agencies for the past few years. They understood all elements of the administrative process, were intimately familiar with operational challenges, could provide insights into the difficulties program participants faced and had daily contact with clients. Their daily jobs include monitoring program operations, meeting client's service needs, negotiating with landlords and administrative upkeep.

Interview Questions for Housing Mobility Advisors

- Describe MBHP/RCAP's, its role in the Voucher Program and its relationship to DHCD
- What are MBHP/RCAP's goals for the program?
- How do you define "successful" completion of the program?
- What are the current program rules?
- How do you recruit participants? What outreach do you do?
- Describe the steps involved in becoming an MtW participant from Intake to Exit?
- What is your view of the role of vouchers and how they can be most effectively used?
- What are your thoughts on the MtW pilot vis-a-vis MBHP/RCAP's other programs?

Stage 3: Data Collection (Quantitative)

Collecting client-level data proved to be the most complicated element of the research process. At the start of MtW, DHCD had a general vision as well as funding for evaluation and were awaiting HUD's lead on the research design process. Unfortunately, HUD never executed their elaborate evaluation scheme and DHCD did not have the technical savvy, at the time, to plan and implement one. Therefore, both RCAP and MBHP collect client data for administrative purposes only and not with the mindset that it will one day be analyzed or evaluated. HUD consultants conduct annual reviews of the program but their research focuses on process and administrative compliance. That is to say, there is no rigorous analysis of the programs "effectiveness."

Client information is kept in hardcopy files and dispersed throughout intake forms, payment stubs, lease documents, program contracts and other administrative documents. Additionally, DHCD's management information system, *TRACKER*, only records current point-in-time data on clients. Further complicating matters, files for most of the program graduates were in storage and the short time frame for the study did not allow for a random sampling of all past and present MtW participants. As a result, only active clients could be observed. Furthermore, data collection differed between the two MtW sites. In Boston (MBHP), the MtW advisor collected client information (employment, demographics, etc) at intake and also maintained a separate spreadsheet with current client data, which is updated at the annual recertifications. Meaning, they had data on clients at two points in time, intake and the present. Worcester (RCAP) maintained hardcopy forms of client data at intake, first recertification and second recertification. Therefore, in Worcester I could observe client outcomes as three points in time.

To retroactively collect data, I developed simple Excel spreadsheets for the respective sites with key variables that I wanted to observe. I determined which variables to collect with the aim of being able to assess the program's effectiveness at achieving its intended goals and to understand the client population. DHCD hired a temporary employee to review client files and enter all data into the spreadsheet.

Variables Collected at Intake and Recertification			
Demographics	**Housing and Neighborhood**	**Key Dates**	**Education, Employment and Income**
Name	Pre-Intake Housing	Intake Date	Employment Status
Date of Birth	Referring Agency	Enrollment Date	Employment FT or PT
Gender	Enrollment Address	Exit Date	Employment Income
Race	Current Address		Income from Benefits (MBHP only)
Ethnicity	Housing Inspection Grade (MBHP only)		Income from Child Support (MBHP only)
Household Size	Number of Bedrooms		Other Income (MBHP only)
Number of Children under 18			Educational Attainment
Number of Seniors			Additional Training

My analysis focuses on changes in employment and employment income during the life of the MtW program. I viewed this as a reasonable measure of client self-sufficiency, which was the primary goal of DHCD's MtW pilot program, and it was one of the few data points that were consistently and well collected. The primary questions I ask the data are: what does the MtW population look like, has income and employment changed over time, are clients moving into better neighborhoods and staying in their homes, are clients ready to leave the program after three years.

I also compare MtW client outcomes to the general Section 8 (Housing Choice Voucher Population) in each of the respective jurisdictions. I obtained the entire Section 8 client database through DHCD's *TRACKER* system.

Stage 4: Data Collection (Qualitative)

With the help of the MtW Housing Mobility Advisors, I convened separate S. Worcester and Boston focus groups to supplement and clarify the quantitative analysis. The client's perspective creates a framework to review the data and provides insights into the daily challenges they face on the path to self-sufficiency, how the program could best help them achieve their goals, the difficultly of navigating the housing market, and other details of the program's story that numbers on their own do not tell. For example, in Boston clients shared stories about the challenge of resolving their bad credit histories and how that one element significantly impeded their progress.

While I prepared an interview guide for the session, the questions were intended to be "conversation starters" as opposed to strict parameters for discussion. For example, my first question was about how clients learned about the program but the conversation was quickly steered by the clients toward program graduation. This experience gave me a glimpse of their extreme anxiety over losing the rental subsidy and post-MtW life.

Questions for the MtW Client Focus Group

- How did you learn about MtW and why did you decide to apply to the program?
- Where were you living before you started the program?
- Describe your housing search process after you were enrolled in the program?
- Did being in the MTW program change your options about where you could live? About where you wanted to live?
- Do you like your neighborhood? Are you satisfied with the community resources available, the schools for your kids, and other elements?
- How has being in MTW changed your work life?
- What type of assistance were you expecting when you enrolled in the program? What were your goals?
- How much (how often do you meet with) assistance did you receive from the MTW counselors? Did you meet often? Do you feel like you could use more help in figuring out how to achieve your goals? in what areas?
- What part of the program was most beneficial?
- What is the main thing that you would change about the program?

Conclusion

This analysis does not claim to be a model research design or evaluation. Such an effort would have required intentional and careful data collection from the start of the program and more time to design a comprehensive analysis. However, a number of interesting lessons arise from this

evaluation about the potential for facilitating self-sufficiency through vouchers, and client feedback provides interesting insights into possible improvements to the program. The ultimate goal was to provide relevant information that would inform DHCD and other stakeholders as they plan for the future expansion of the Moving to Work program. My research process reflects this goal and was an initial attempt to synthesize data on the MtW pilot programs, assess the programs' impact and focus future discussions. To this end, this paper will be presented at HUD's annual Moving to Work Conference in Washington, DC, where practitioners and housing administrators gather to share lessons, challenges and opportunities.

Chapter 2: The Roots of Moving to Work

Introduction

The Moving to Work Demonstration program was, in part, the product of decades of rich debate over how to effectively use subsidized housing to facilitating employment and economic self-sufficiency. These debates and past innovations left us with a wealth of knowledge about the intention and structure of housing assistance and what types are most and least valuable to low-income households. As the Massachusetts Department of Housing and Community Development plans for the expansion of its Moving to Work pilot program it is important to learn from the institutional knowledge on housing assistance so they do not repeat the mistakes of the past and implement a more thoughtful program. In this chapter, I review the history of federally assisted housing and the political and social policy climate that engendered the Moving to Work Demonstration.

First, I outline the story of public housing in the United States, from, its initial intention of serving vibrant communities that "reward" working class families to its transition to a haven for the most-needy families. Second, I describe how the convergence of dissatisfaction with government-subsidized housing development with the re-birth of a philosophy that put faith in the "invisible hand" of the free market brought about a transition to "demand-side" housing interventions to promote stable housing and economic opportunity; namely the Housing Choice Voucher Program.

Finally, I review the origins, structure and outcomes of the Moving to Work demonstration. This overview of MtW illustrates the context in which DHCD's MtW pilot programs were created. My analysis then focuses on the outcomes of their intervention by observing DHCD's current cohort of active MtW participants

An Abbreviated History of Public Housing

The Wagner-Steagall Housing Act of 1937--the first real US effort to house its working poor--set up the framework for the public housing system and initiated a thirty-year period where

government subsidies were used for "project-based" (or supply-side) development assistance (Varady & Walker, 2007). The United State Housing Authority (USHA) was empowered to fund public housing development by providing 60-year amortizing loans and capital subsidies to a network of local housing authorities. The goal of the program was to "eradicate slum housing and create modern, publicly supported housing for the poor" (Sugrue, 2003). Housing "inspectors" vetted prospective residents to ensure that they could meet the rent requirements and contribute to a well-functioning community. Public housing would be a reward for the "worthiest among the temporarily poor." Congress based the public housing system on the principle that tenant rents would be sufficient to cover all operating expenses. This provided an incentive for the housing authority to fill their units with working households that could afford to pay the full rent amount (Vale, 2002).

A dramatic shift in the purpose and composition of public housing occurred during the 1960s. The 1949 Housing Act gave priority to those families who were displaced as a result of urban renewal; a vast majority of whom were non-white, poor and unemployed. As poverty in inner-cities increased the U.S. Department of Housing and Urban Development (HUD) imposed strict income limits onto their public housing units. Public housing authorities ceased the practice of vetting incoming households and only those with very low incomes were eligible for housing assistance. White working-class households, who had previously resided in public housing, gained mobility through new mortgage finance mechanisms and left for the more economically prosperous suburbs. Eventually, public housing tenancy shifted from a mix of working-class and low-income families to those whose "minority status, lack of education or training, and/or family conditions relegated them to housing of a last resort." Additionally, subsidized housing moved from temporary shelter to permanent residence as the new demographic of tenant could not find employment because of discrimination or other challenges (Mitchell, 1985; Vale, 2002; Varady & Walker, 2003).

Over time, center-cities and public housing developments came to house a disproportionately high concentration of low-income minority families and were characterized by "unemployment, high crime rates, delinquency, troubled schools, drug abuse and dysfunctional families" (Varady & Walker, 2007). The media and community advocates further stigmatized "the projects" and

triggered public outrage by focusing their reports on the deleterious conditions in a small percentage of “severely distressed” developments.

The Emergence of a Market-Oriented Approach to Affordable Housing: Rental Subsidies

As public housing seemingly continued to fail, a new wave of “Neoliberal” thought, initiated by Nixon and catapulted by Reagan, shifted the government’s focus to market-based, or "demand-side," solutions to social challenges rather than the "supply-side" remedies that had been attempted the previous decades (Katz, 2001). Initially enacted primarily as a means to reduce the rent burden of low-income households, private market rental subsidies became increasingly viewed as a tool to stimulate employment through mobility and housing stability.

The federal legislation establishing a permanent housing subsidy program finds its roots in the Section 23 Leased Housing (1965) and the Experimental Housing Allowance (1973) Programs. Under the Section 23 program, public housing authorities (PHAs) leased units from private owners to sublet to low-income families. PHAs conducted all administrative duties, such as tenant selection and rent collection, and many maintenance responsibilities. The Experimental Housing Allowance Program (EHAP), represented the largest federal demonstration program to date and was the first large scale attempt to test "tenant-based" housing subsidies (i.e. tenants would receive a housing allowance and could find their own unit in the private market). This marked a major shift in U.S. housing policy, which had previously focused all of its efforts on project-based development subsidies. The subsidy would now be tied to the household (tenant-based) and not to the specific housing unit (project-based). EHAP was followed, in 1974, with the Housing and Community Development Act of 1974, which established the Section 8 Housing Certificate Program. The certificate program allowed tenants to rent any private housing unit in the administering housing authority’s jurisdiction that met regulatory rent and quality standards (Varady & Walker, 2007).

In 1982, President Reagan's commission on housing argued that the current housing problem was one of affordability, not supply. The commission recommended direct subsidies ("income supplements") toward tenants, greater reliance on the private sector and encouragement of free

housing markets (Katz, 2001). The power of the free market combined with individual choice would be the vehicle for empowering families and economic advancement. As a result, the rental subsidy program would continue to expand as the preferred method of housing assistance. The certificate program would later be supplemented by the voucher program, which added flexibility to the housing search process and expanded participants housing options. In 1998, Congress merged the certificate and voucher program into the Housing Choice Voucher Program (HUD Website, 2008).

Under current program guidelines, voucher recipients must find a housing unit within 60 days that meets HUD's Quality Assurance Standard, is at or below the Fair Market Rent (FMR) set by HUD, and pay 30% of their net monthly income in rent. The public housing authority administering the voucher subsidizes the remaining rent (Center of Budget and Policy Priorities [CBPP], 2007). A more detailed outline of HCVP rules can be found in Table 2.1.

Table 2.1: Summary of Housing Choice Voucher Program Rules

Fair Market Rents (FMR) and Payment Standards	The PHA sets a payment standard between 90% and 110% of the HUD determined FMR
Tenant Payment	Greater of: 30% of adjusted gross income, 10% of gross income, the welfare rent or the PHA-established minimum rent.
Subsidy Value	Different between the tenant payment and the lower of the gross rent or payment standard
Housing Quality Standards	All units must pass a HUD-mandated inspection to insure they are acceptable living conditions
Housing Search	Voucher recipients are responsible for locating housing within 60 days of issuance (extensions can be granted under certain conditions)

With the exception of a contentious reauthorization period in 1998, the tenant-based subsidy program has expanded over the past 38 years. In fact, it is the only federal housing program primarily serving poor families that has grown with need over the last 20 years. HCVP is currently the HUD's single largest housing program, costing $16 billion/year (HUD, 2008) and serving nearly 2.2 million families (Sard, 2008).

Improving Well-Being through Housing Mobility

The original goal of rental subsidies was, and arguably still is, to "reduce the severe rent burden" on the nation's poor households (Khadduri, 2005). However, in recent years researchers and policymakers have theorized that subsidizing low-income household's move to private market housing units in better neighborhoods would have positive impacts on adult and child well-being and improve their quality of life. Additionally, housing in better neighborhoods would create opportunities for better employment and educational attainment (Ellen & Turner, 1997; Newman & Schnare, 1997; Briggs & Turner, 2008).

The earliest instance of this was the court order *Gautreaux Special Housing Program*, which required the Chicago Housing Authority to provide public housing residents voucher to move into private rental housing in low minority neighborhoods. The outcomes of the Gautreaux program were generally positive. Various studies found that welfare families that moved into census tracts with higher educational attainment were less likely to be on welfare over time and youth and young adults were able to secure jobs with higher pay and benefits (Rosenbaum, 1995; Rosenbaum and DeLuca, 2000). Gautreaux's more ambitious successor, the *Moving to Opportunity for Fair Housing Demonstration*, attempted to replicate these outcomes on a larger scale but failed to do so with respect to education and employment in its first five years (Orr et al., 2003).

These are just two examples, albeit the most well known, of the many programs attempting to use rental subsidies and private housing as a conduit for better employment and life outcomes. The idea that market-oriented innovations were more effective at improving social welfare and ameliorating the deleterious conditions of public housing prevailed throughout the 1990s and led to a movement to privatize all public housing in the United States, a movement that resulted in the Moving to Work Demonstration program.

Continuing the Trend toward Market-Oriented Solutions to Social Welfare: The Moving to Work Demonstration

In the mid-1990s, a continued focus on market-oriented strategies to solving social welfare problems combined with the Clinton Administration's welfare reform agenda, which emerged in

part out of a growing dissatisfaction with the low labor participation of welfare recipients, led to the establishment of the Moving to Work (MtW) demonstration (Olsen et al., 2005).

Origins of Moving to Work

Congress, seeking new solutions to address the challenge of deteriorating public housing[2] and not content with spending taxpayer's money to own and operate housing initiated a debate about privatizing all public housing.

Congress initially proposed a complete deregulation of the public housing program that would put all decision-making and control about operations, management and funding in the hands of the local housing authorities. Under this proposal, the federal government would distribute "block grants" to housing authorities that could then use the money as they saw fit. However, given the multiple lobbying organizations with a stake in public and other low-income housing programs making such a drastic change would be a monumental undertaking. Additionally, the Clinton Administration was opposed to a block grant program and wanted any change to be connected to its new welfare-to-work agenda, which focused on encouraging self-sufficiency by imposing lifetime limits on benefits (TANF, TAFDC) and making employment a mandatory component of welfare programs. The result was a demonstration program[3] that would combine elements of both the deregulation and self-sufficiency agendas: *Moving to Work* (Urban Institute, 2004).

The Structure of Moving to Work

In 1996, Congress, under the *Omnibus Consolidated Rescissions and Appropriations Act* (Public Law 104-134, 110 Stat 1321), authorized HUD to "select up to 30 [housing authorities] that administer public and Indian housing and the Section 8 program to participate in the [five-year MtW] demonstration" (Federal Register, 2006). Soon after, HUD distributed a Notice to all agencies requesting that they submit proposals to create MtW demonstrations.

[2] One initiative, the Housing Opportunities for People Everywhere (HOPEVI) program to redevelop the most severely distressed public housing into mixed-income communities, was already fully underway.

[3] Policy-makers proposed a short-term demonstration program because it was easier to go through Congressional appropriations process than the legislative process.

The stated purpose of the demonstration was to give [housing authorities] the flexibility to design and test various approaches for providing and administering housing assistance to:

1. Reduce cost and achieve greater costs effectiveness,
2. Provide work incentives to promote self-sufficiency, and
3. Increase housing choices for low-income families (Federal Register, 2006).

To this end, housing authorities would be permitted to make changes to (i.e. request waivers for) regulations in the *Housing Act of 1937 as amended* pertaining to public housing and the Section 8 program. Additionally, housing authorities would be able to combine funding from both programs into one fungible pool. However, the following elements of the 1937 Housing Act could not be altered or overridden:

- Section 12 - Davis-Bacon wage regulations, which require prevailing wages be paid for all capital development projects paid for with federal funds.
- Section 18 - Demolition and sales of projects
- The programs must continue to serve low-income families (with 75% being very low-income families)
- All housing (public and Section 8) must continue to meet HUD's Housing Quality Standards.

Agencies would not receive any additional federal funding to administer MtW but they would be allowed to retain and reallocate any cost savings realized (NHLP, 1999).

In March 1997, 40 agencies applied to MtW and 24 were selected to participate. Each agency underwent an extended negotiation period with HUD where they outlined their demonstration proposal and received approval for their requested waivers. Most agencies did not complete this process until 2000 and a few dropped out along the way. The total number of demonstration sites would be later expanded to the 32 listed in Table 2.2.

Table 2.2: Current Moving to Work Sites							
	Site	Agreement Signed	Termination Date		Site	Agreement Signed	Termination Date
1	Alaska	06/24/08	06/30/18	17	New Haven	09/28/01	09/30/18
2	Atlanta	09/25/03	06/30/18	18	Oakland	03/31/04	06/30/11
3	Baltimore	12/24/08	06/30/18	19	Philadelphia	04/01/01	03/31/18
4	Cambridge	04/09/99	03/31/09	20	Pittsburgh	11/17/00	12/31/18
5	Charlotte	12/21/07	03/31/18	21	Portage	03/15/99	03/15/18
6	Chicago	02/06/00	12/31/18	22	Portland	01/13/99	03/31/09
7	Delaware	05/14/99	06/30/18	23	San Antonio	09/09/99	06/30/09
8	Greene	03/03/99	03/31/04	24	San Diego	12/08/08	12/31/18
9	High Point	03/29/99	12/31/04	25	San Bernardino	03/14/08	09/30/18
10	Keene	04/21/99	12/31/18	26	San Jose	02/26/08	06/30/18
11	King County	09/08/03	06/30/10	27	San Mateo	05/01/00	06/30/18
12	Lawrence-Douglas	03/30/99	12/31/18	28	Santa Clara	02/26/08	06/30/18
13	Lincoln	05/21/99	03/31/18	29	Seattle	12/30/98	09/30/18
14	Louisville	08/02/99	06/30/18	30	Tulare	04/05/99	06/30/18
15	***Massachusetts***	***04/21/99***	***06/30/18***	31	Vancouver	04/21/99	03/31/18
16	Minneapolis	08/27/98	09/30/18	32	Washington, DC	07/25/03	09/30/10

Implementing Moving to Work

Program structure and rules varied across agencies, which, as we will see shortly, prevented HUD from conducting any meaningful evaluation of the demonstration. DHCD was especially unique among the demonstration sites as it was the only agency that did not operate a portfolio of federal public housing in addition to housing vouchers. Consequently, they focused on modifying a small portion of their voucher program to facilitate self-sufficiency through case management and employment.

With respect to housing vouchers, agencies made four principle changes:

- ***Housing Assistance Payments*** would operate in three forms; traditional "percentage-of-income", a flat rent or combined approach (p-of-i with a ceiling). Agencies, like DHCD, thought that a flat rent system offered more incentive (or reward) for more work. That is to say, if you worked more hours and made more money you would keep the additional wages rather than it going to rent.

- ***Time limits*** were imposed so that clients had a target date for self-sufficiency and goal to work towards. Additionally, time limits on assistance allowed for better distribution of limited resources and supported the structure of welfare reform.
- ***Supportive Services*** would be an optional or mandatory component of the voucher programs, providing clients with the extra guidance they needed to navigate housing and job markets.
- ***Housing Quality Inspections*** would be conducted less frequently or met through traditional city inspection mechanisms in order to reduce administrative costs and burden.

Auditing the Implementation and Design of MtW: the Inspector General's Report

A few years after implementation, HUD's Inspector General's Office (IG) audited MtW's implementation and design process, and individual agency's compliance with program rules. The principle finding of the IG's report was that "HUD provided inadequate oversight to ensure that MtW agencies complied with basic federal rules, and insufficient oversight to ensure that MtW activities furthered the demonstration's goals and made effective use of federal funds" (Fischer & Sard, 2006). The IG released it's report at a time when Congress was set to expand the number of MtW demonstration sites and many policy-makers cautioned that hasty expansion posed serious costs and limited benefits. This is particularly significant because DHCD is currently in a similar position: preparing to expand their MtW demonstration and lacking concrete information about the benefits of the program. The IG's criticisms included:

<u>Poor Oversight</u>

- HUD resisted direct oversight of PHA plans and administrative procedures because it "would run counter to the 'philosophy' of the MTW demonstration."
- It was unclear which HUD departments or offices were responsible for the oversight.
- HUD lacked the resources to effectively implement and oversee the demonstration
- Despite Congress' explicit directive to focus on "high performer" housing authorities, HUD allowed agencies to participate that had shown to be "failure-prone" in the past.

Limited Policy Lessons and Data Collection

- HUD did not effectively collect data on agencies or programs to determine if they were innovative, effective and a good direction for housing policy (despite the fact that identifying innovations in housing assistance was a primary goal of MtW).
- HUD did not collect quantitative data on clients because its original data collection plan was not feasible.
- HUD never identified which policies it would like to test nor did it create a research design that could be evaluated.

The Inspector General's audit report should serve as a particularly important guide for DHCD as it implements, design and expands its MtW program. DHCD's failure to create a program that could be evaluated, both within and across sites, mirrors HUD's initial implementation and design flaws.

The Moving to Work Demonstration program, developed at the confluence of market-oriented social policy and welfare reform, empowered housing agencies to innovate and propose programs they felt would best meet the needs of their agency and its constituents. Many agencies used this as an opportunity to further the agenda of self-sufficiency through housing assistance. Chapter 3 profiles one of these agencies, the Massachusetts Department of Housing and Community Development, whose MtW program is the focus of this research.

Chapter 3: The Development the Massachusetts Department of Housing and Community Development Moving to Work Pilot Program

Background

Since 1975, the Massachusetts Department of Housing and Community Development (DCHD), through its Office of Rental Assistance Programs, has managed the federal housing choice vouchers that have been allocated to the state. Currently, DHCD has an allocation of nearly 19,000 vouchers[4]. To effectively administer the statewide vouchers, DHCD sub-contracts to eight Regional Administering Agencies (RAAs) that are responsible for all aspects of program administration, compliance, monitoring and reporting. The two RAAs with Moving to Work programs are RCAP Solutions (RCAP) in South Worcester County and the Metropolitan Boston Housing Partnership (MBHP) in Boston. Table 3.1 provides basic profiles of each of the jurisdictions.

Table 3.1: Area Profiles (2007)*

	Worcester	Boston
Population	173,966	599,391
Median Income	$45,058	$50,476
Median Rent	$813	$1,107
Median Home Value	$246,700	$425,700
Poverty Rate	18.0%	20.4%
Unemployment Rate (2008)	5.5%	4.6%
Cost of Living Index (2008)	122.2	140.7

*Source: www.city-data.com

Developing DHCD's Moving to Work Initiative

According to DHCD's Director of Rental Assistance programs, who has been with the agency since the inception of the voucher (i.e. certificate) program, rental subsidies were initially seen as a mechanism to reduce household rent burden and not as a means to directly achieve better neighborhood, employment or life outcomes. This perspective shifted overtime as DHCD and housing advocates determined that vouchers needed to be linked to supportive services (i.e. workforce development, life skills, etc) in order to achieve self-sufficiency. In 1997, as the

[4] Each public housing authority in the Commonwealth of Massachusetts receives additional vouchers that it administers.

Clinton Administration and Congress implemented the measures outlined in the new welfare reform bill, DHCD began a process to determine how to better utilize their resources to assist families leave the welfare roles. That is to say, to move families from "welfare to work" (The Urban Institute, 2004; Morrison).

To meet their new goals, DHCD submitted a proposal to participate in the Moving to Work demonstration. Although DHCD did not operate any federal public housing[5], agency officials believed that they would be able to create a more effective voucher program and use resources more efficiently with the deregulation and flexibility that MtW offered participating agencies. Howeverm, the scale and administrative complexities of DHCD's voucher operations made it nearly impossible to create a program that encompassed their entire voucher portfolio and they did not necessarily want to make such a drastic transition in so short a time period (Morrison).

In addition to not operating public housing, DHCD faced other obstacles that were unique to its institutional structure. HUD's MtW notice indicated that proposals would need to show extensive collaboration between the applying housing agency and the local supportive service providers. For public housing authorities that had a smaller and limited jurisdiction identifying service agencies to partner with would be relatively straightforward. However, DHCD, with a mandate to coordinate vouchers across the entire state, faced a daunting task of getting buy-in and facilitating collaboration between DHCD, the RAAs, the MA Department of Transitional Assistance (DTA) and Department of Employment and Training (DET), the latter two of which had their own vast network of local agencies that they operated. Most of the local DTA and DET offices had a contentious relationship and would not be able to resolve their differences in the short turn around time required for the MtW proposal. The only exception was in Worcester, where DTA and DTE had a strong working relationship and the RAA, RCAP Solutions, was amenable to operating a pilot program. As a result, Worcester was selected as the focus of DHCD's MtW proposal. Coincidentally, Worcester County also had one of the most affordable residential markets in Massachusetts (Morrison).

[5] However, Massachusetts is one of the few states that do have a portfolio of state-owned public housing.

DHCD intended to limit the program to South Worcester County but received strong resistance from homeless assistance advocacy groups that wanted Boston included. These advocacy groups were primarily concerned that the proposal would lead to creaming (the practice of vetting for easy to serve clients over the most needy) if the program had a strict work requirement and agencies would impose time limits. To appease some of the concerns of the advocacy community and further demonstrate its commitment to serving the most needy families, DHCD, through negotiation with the homeless assistance advocacy groups, agreed to propose a similar MtW pilot in Boston that would only serve homeless families living in shelters. Ultimately, DHCD proposed two small pilot programs and designated approximately 1% of its voucher portfolio as special MtW vouchers (122 for South Worcester and 61 for Boston) (Morrison).

An Overview of DHCD's MtW Program

Designed for clients who were transitioning to work, the stated goal of DHCD's MtW program was "to encourage long term success in the labor force and to promote and support housing choice for its target population" (DHCD's MtW Program Guide, 1999). DHCD also wanted to test a model built around the premise that putting greater financial decision-making in the hands of the clients and strongly promoting employment would encourage long-term self-sufficiency.

The MtW pilot program consisted of three main components:

1. A fixed subsidy that would be divided between a flat rent payment, an escrow deposit that could not be accessed until program completion, and supports budget that could be used for additional approved households expenses (e.g. transportation and childcare).
2. Referral-based case management and budgetary planning provided by an MtW Housing Advisor hired to administer the program.
3. A three-year time limit to provide a concrete goal for families to work toward. Program planners chose three-years because the demonstration was supposed to be five years and they assumed one year for planning and one year for evaluation (AREA Inc. & Urban Institute, 2007; Morrison).

Below I describe in more detail the current programs in South Worcester County and Boston, MA.

MtW Program Profile: South Worcester County

The South Worcester County Moving to Work pilot program is administered by RCAP Solutions. RCAP's stated mission is "to foster personal and public self-reliance and improve the quality of life for individuals, families and the communities in which they live." Initiated as an organization focusing on rural water and wastewater issues in New England, RCAP currently works across the country providing support and technical assistance on infrastructure planning, community development, housing and financial services, and advocacy (RCAP, 2009).

MtW S. Worcester Program Guidelines

- 122 vouchers
- 3-year time limit
- $458 per month distributed as follows: $250 housing assistance payment, $158 support account, and $50 placed into an escrow account for savings.

S. Worcester County is one of the most affordable rental markets in the state so program planners intentionally kept the housing assistance payment low and placed a significant portion of the funds into a support account. Additionally, the housing assistance decreases $100 each year with money diverted to the escrow or support budget. However, clients can request a lower housing payment in the first year or continue receiving the full rental subsidy for the duration of the program. The support budget can be used for transportation, childcare and other approved households expenses but clients cannot access these funds in the first year. Clients can potentially have $16,500 in savings by the end of their program if they choose to put their entire MtW subsidy into a savings account from the start.[6] Table 3.2 describes the subsidy distribution over time in the program (there is some flexibility in this arrangement):

Table 3.2: South Worcester County MtW Subsidy

	Year 1	Year 2	Year 3
Rent Assistance	$250	$150	$0
Support Funds	$158	$158	$0
Escrow Account	$50	$150	$458

[6] While rare, clients can technically be in the program and not need rental assistance.

Staffing: Although DHCD planned for two staff people (or one for every 60 clients), only one RCAP staff person works as South Worcester's MtW Housing Mobility Advisor. As the sole program staff, her responsibilities include administration, coordination, outreach, and case management. RCAP MtW advisor spends a considerable amount of time contacting MtW participants to check on their progress and see if they need any additional support or guidance.

Eligibility: The S. Worcester MtW Program serves individuals who live in Worcester City and S. Worcester County. To be eligible for the program, participants must have an income below HUD's low-income Section 8 income limits, have received public assistance (cash benefits) within the past two years, have one child under 18, be employed or ready to be placed in employment[7], and not currently receiving any Section 8 assistance (although they could be in a Low-income Housing Tax Credit or HOME unit). S. Worcester's target population is clients who are employed and renting in the private market. The employment criterion has historically been strict but given the current state of the economy they have relaxed the policy. That is to say, the program administrator is more willing to take on clients who are not employed if she feels they will be a good fit for the program.

Referral and Outreach: Consistent with their strong emphasis on serving employed heads of household, RCAP draws most of its clients from the Workforce Central Career Center operated by the City of Worcester with clients also coming from other workforce development agencies in the area (e.g. Salvation Army, Catholic Charities, Training Resources of America). Clients are placed on the waiting list in the order they apply to the program and are not prioritized based on need or housing condition. The waiting list is currently about five to six months compared to the Section 8 wait list, which is 4-6 years. The short MtW waitlist is likely a result of clients being less willing to participate in a program that is time limited and requires them to pay a fixed amount of rent each month.

[7] There is no concrete definition for "ready to be employed" but based on my discussions with program staff it is views as someone who has been employed and is actively engaged with a career training center.

Housing Search: Participants in the S. Worcester program generally stay in place upon entering the program. That is to say, they are already renting in the private market and only need financial assistance to meet their current rent payment or other needs.

Case Management: Clients are referred out for the majority of case management services not related directly to the administrative needs or requirements or the program. For example, budgeting classes are done through an electronic tutorial developed by the Federal Deposit Insurance Corporation, and for homebuyer courses clients are referred to a local service agency that offers classes on the topic. Since most clients enter the program through a workforce development center they continue to utilize those resources for their career and employment needs.

Exit: After three years clients "graduate" from the program and stop receiving financial assistance, whether or not they have secured affordable housing or other housing assistance[8]. The term "graduate" does not have a specific meaning beyond completing the program. That is to say, clients are not expected to reach certain milestones or meet goals before program completion to graduate. Following graduation, clients can access their escrow accounts and if they choose to buy a home DHCD will provide a 1:1 match on their escrow savings[9].

Clients can also self-terminate from the program (e.g. if they are offered a traditional Section 8 voucher they might want to leave) or be terminated before completion for non-compliance with program rules and requirements—although this is rare.

MtW Program Profile: Boston

The Boston Moving to Work pilot program is administered through the Metropolitan Boston Housing Partnership (MBHP), which is DHCD's largest RAA. MBHP's mission is "to ensure that the region's low- and moderate-income individuals and families have choice and mobility in finding and retaining decent affordable housing, increase economic self-sufficiency, and the enhance quality of the lives of those we serve" (MBHP, 2009). MBHP also administers other

[8] In their most recent administrative plan DHCD amended the time limit policy to include two one year extensions for a total of five years in the program.
[9] Due to state budget constraints DHCD will not off the 1:1 match after August 2009. Additionally, if a client does not purchase a home and spend their escrow money by this time they will only receive $500.

programs such as relocation assistance, homeownership counseling, family self-sufficiency and homeless prevention. Clients can also access other MBHP resources, such as the Housing Consumer Education Center, which offers workshops and events, newsletters and mediation services.

MtW Boston Program Guidelines

- 61 vouchers (53 in use)
- 3-year time limit
- $700 housing assistance payment[10] ($800 for large family with approval)
- $83 per month utility assistance
- $50 placed into an escrow account for savings

Staffing: One MBHP staff person serves as the Boston MtW Housing Mobility Adivsor. As the sole program staff, his responsibilities include administration, coordination, outreach, and case management.

Boston's MtW Advisor's primary function is program administrator. His role is to move families through the official steps of the programs, manage contracts and appointments and insure proper documentation of client progress and program changes. This is not to suggest that he views the supportive services as less important (on the contrary, he suggested several times that this was a critical component) but the administrative necessities consume a majority of one staff person's time and he is unable to give more attention to direct assistance on housing search, outreach and supportive services.

Eligibility: MtW is targeted toward very low-income working families in Greater Boston. To be eligible for the program, participants must be homeless and in shelter, have a household income below 50% of the area median income (AMI), be receiving DTA benefits, working (or "ready to work") and have one child under the age of 18. The work component is particularly important, as the head of household "must be working at the time of lease-up in order to qualify for the program" (MBHP MtW Flier). However, based on the current client data and discussions with

[10] This was initially $400 but was later increased to $700 as the Boston rental market tightened.

program staff I believe that overtime they eased this requirement because of the general economic downturn.

Referral: Participants are generally referred to the MtW program by local homeless shelters. According to the MtW Advisor, the primary shelters referring clients to MtW are: Children's Services of Roxbury, ABCD Housing, Project HOPE, Crittendon's Women's Shelter, and Travelers Aid Family Services. If another individual refers someone to the program (e.g. if they are homeless but not in a shelter or in danger of homelessness) they must get an official referral from a shelter or social service agency. Once a client is deemed eligible they are "scored" to determine priority and placed on the waiting list accordingly. The scoring is determined as follows: 3 points if they are in a shelter, 1 point if they are receiving DTA benefits and 1 point if they are a participant in the Transition to Work program, which is a collaborative programmatic effort between various homeless service agencies. The MtW advisor suggested that there is flexibility in the scoring and where clients are placed on the wait list, which is at the discretion of program staff.

Housing Search: Once a participant has been issued a voucher, they have 60 days to find adequate housing that meets HUD's Housing Quality Standards. Their traditional search assistance includes reviewing MBHP's housing list and conducting web searches with MtW staff. Additionally, they can meet with an MBHP's Housing Specialist, who will review apartment listings with them and offer other suggestions on the search process. When the current MtW advisor started he was much more "hands on" when it came to housing search assistance. He (and apparently his predecessors) used to go out into the field with the families to observe neighborhoods and identify housing. However, as his administrative burden increased he was able to provide less direct assistance and supportive services. Currently, his only involvement in client's housing is negotiating on their behalf in the face of evictions or other challenges.

Once a family identifies a unit they submit it to MBHP for inspection. The MBHP Housing Inspector visits the unit to insure it meets all HUD requirements. The unit must receive a grade of "C" or better to be approved. If a family is not able to identify a unit they may request a 30-day extension. While it generally takes more than 60 days for clients to identify housing in the

tight Boston rental market they generally succeed. If a households is unsuccessful at located suitable housing it is because they cannot identify a unit that is affordable enough to allow them to pay the tenant potion of the rent.

Case Management: After two months, participants are required to meet with the MtW Advisor for a goal and budgeting appointment. During the meeting, clients answer a series of questions with regard to their goals for the program (e.g. education/training, credit improvement, homeownership, etc) and outline their monthly budget. The families generally do not fill out the goal and budgeting forms themselves but dictate the information to the MtW advisor who records it on budgeting forms. According to the MtW advisor, clients frequently miss their case management and other appointments and do not always like to provide information or go through the goal and budgeting process.

Re-Certification: Clients are required to meet with the MtW Advisor annually to recertify their income and gauge their progress with respect to goals, education and employment. If a client's income has increased beyond program limits they can be exited from the program. If they fail to attend a recertification meeting after multiple notices they can be terminated from the program for non-compliance.

Exit: The same exit rules apply to both Boston and S. Worcester. However, the prospect of homeownership in Boston is far less than in S. Worcester and occurs less frequently.

Chapter 4: Analysis of the Boston Moving to Work Pilot Program

Part I: Observing the Data

Introduction

The Metropolitan Boston Housing Partnership (MBHP), which administers affordable housing on behalf of DCHD to qualifying households in XX cities in metro Boston, has an allocation of 61 Moving to Work vouchers, of which 53 are currently in use (due to turnover, leasing, administrative burdens). To conduct a more comprehensive evaluation, one would observe a random sample of all 130 past and present clients. Unfortunately, prior data collection efforts were limited at best and precluded such an approach. Therefore, the 53 active clients are the subjects of this analysis. For the Boston MtW program, the evaluation compares a client's baseline employment and income information to their current earning status in order to better understand the impact of the program on clients' movement toward self-sufficiency. In other words, to allow them to live without rental support after program exit.

I collected baseline data by reviewing all hardcopy case files and manually entering all relevant data into a spreadsheet[11]. Client data had never been collected with evaluation and monitoring in mind so the files were not organized to allow for easy access to information. Additionally, initial data collection by program staff was inconsistent and scattered (from an evaluation standpoint); therefore, confirming the quality of the data was a challenge. For example, employment income was often self-reported and assumed to be "gross income" but this cannot be confirmed. Current data (as of February 20, 2009) was obtained from an electronic database maintained by the MtW advisor. Information I collected includes client demographics, household size, educational attainment at intake, address at intake and present, employment and income at intake and present, benefits at intake and present and current support fund savings.

[11] Actual data entry was done by a temporary employee hired by DCHD

After all data collection and preliminary analysis were completed I conducted a focus group that consisted of any client who was willing and able to participate. Client feedback from the focus group is included in the second part of this chapter as a supplement to the quantitative analysis.

On average, the 53 clients have been in the MtW program for 20 months (median participation time was 24 months). As we will see later in the analysis, clients who have been in the program for more than 20 months tend to show more progress in some areas. Until recently, DHCD had a strict three-year time limit on participation. They have now relaxed this policy and a few clients in the database have received extensions beyond the 36-month limit. As of July 2009 the time limit will be extended to "up to five years" for all participants upon annual case review and approval.

Table 4.1: Referring Agencies	#	%
Children's Services of Roxbury	12	22.6%
Families in Transition	9	17.0%
ABCD	5	9.4%
Transition to Work	5	9.4%
MBHP	4	7.5%
Horizon Housing Program	3	5.7%
Missing	3	5.7%
Project HOPE	2	3.8%
Bigelow Shelter	1	1.9%
D.J. Lovison	1	1.9%
Father Bill's/Mainspring	1	1.9%
Hildebrand Family	1	1.9%
Long Island Shelter	1	1.9%
Mary Eliza House	1	1.9%
Roxbury Family Shelter	1	1.9%
Sojourner House	1	1.9%
St. Ambrose Family Shelter	1	1.9%
St. Mary's Women & Children	1	1.9%
	53	100.0%

Pre-Intake Housing Status

As one might assume, given the Boston MtW program's focus on individuals experiencing homelessness, the overwhelming majority of clients (83%) entered the program through a shelter. Only 8% reported that they were previously in an apartment. The most frequently referring agencies are: Children's Services of Roxbury (23%), Families in Transition (17%), ABCD Housing (9%) and Transition to Work (9%). It should be noted that some of these might not be actual shelters (e.g. Transition to Work) but organizations that the client was referred through.

Demographic and Household Composition

Nearly all of the program participants were female (92%). Furthermore, the majority of clients self-identified as Black (55%), and non-Hispanic (58%). The average age of active clients was 33 years old. While I did not officially record marriage information, there were no more than five clients who had a spouse (and even that is likely an overestimate). Therefore, the typical

Boston MtW client is a young Black single mother who is coming out of homelessness (see Table 4.2).

Table 4.2: Demographic Information		
Age		
Average	33 years	
Median	33 years	
Missing	10	
Gender	#	%
Female	49	92.5%
Male	4	7.5%
	53	100.0%
Race	#	%
Black	29	54.7%
White	10	18.9%
Asian/Pacific Islander	2	3.8%
American Indian	1	1.9%
Missing	11	20.8%
	53	100.0%
Ethnicity	#	%
Hispanic	14	26.4%
Non-Hispanic	31	58.5%
Missing	8	15.1%
	53	100.0%

Housing and Neighborhood Outcomes

Housing Search

As I previously mentioned, the vast majority of the clients entered the program through homeless shelters and had to conduct a new housing search to identify a unit in the private market. Program rules state that a client has 60 days from date of voucher issuance to locate and lease a rental unit that meets HUD's Housing Quality Standards. Consistent with Section 8 regulations, clients are able to get search extensions if they can demonstrate an active search process and hardship in finding a suitable unit. Based on the data, the median search time for clients was 66 days. The average search time was 89 days, the difference being a result of some clients with very long search times. The maximum was 481 days. When I shared this data point with MBHP's MtW Housing Advisor he was surprised that the number was so low. He stated that he had just helped a client identify a unit after over a year of searching. The very tight Boston rental market poses a significant challenge for all private market renters and even more so for those on rental assistance programs who have lower incomes and, often, limited search experience. 53% of the client's housing search process took more than 60 days. Boston MtW client's median baseline and current rents were $1178 and $1174, respectively. While housing search assistance through MBHP and the MtW advisor were available, during the focus group clients reported receiving minimal housing assistance from either of these sources. Some received assistance from staff at the referring shelter and others conducted their own search.

Neighborhood

At enrollment, most households (49%) relocated to the Dorchester neighborhood of Boston, which is one of the more affordable areas in the Boston metro area. The neighborhoods with the next largest contingent of MtW movers were Quincy (8%), Mattapan (6%) and Brockton (6%).

All four of these neighborhoods are geographically clustered together and located between five and 25 miles south of Boston's city center. As one can see from Table 4.3, client's neighborhood choice and mobility does not change over time. That it to say, clients are still concentrated in Dorchester despite higher incomes and more time in the MtW program.

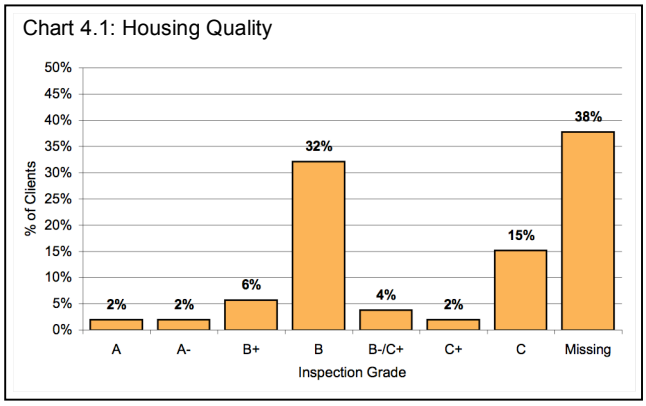
Table 4.3: Relocation Neighborhood

	1st Unit		Current Unit	
	#	%	#	%
Dorchester	26	49.1%	25	47.2%
Quincy	4	7.5%	3	5.7%
Brockton	3	5.7%	4	7.5%
Mattapan	3	5.7%	4	7.5%
Hyde Park	2	3.8%	1	1.9%
Malden	2	3.8%	2	3.8%
Roxbury	2	3.8%	2	3.8%
Boston	2	3.8%	2	3.8%
Cambridge	1	1.9%	1	1.9%
Everett	1	1.9%	1	1.9%
Jamaica Plain	1	1.9%	1	1.9%
Kingston	1	1.9%	0	0.0%
Lowell	1	1.9%	1	1.9%
Salem	1	1.9%	0	0.0%
South Boston	1	1.9%	1	1.9%
Taunton	1	1.9%	1	1.9%
Braintree	1	1.9%	1	1.9%
Lynn	0	0.0%	1	1.9%
Randolph	0	0.0%	2	3.8%
	53	100.0%	53	100.0%

Of the 31 clients who have been in the program more than 12 months (i.e. after the expiration of their first lease) 11 have moved, which is 35%. This is far greater than the general trend across the country but similar to rates among residents of other low income housing programs. In the United States, the average time between moves is approximately five years (Schachter, 2001). Between 1999 and 2000, 16% of US households moved, a rate that been declining annually (moving less frequently) since 1990 (Schachter, 2001). One focus group participant stated that she had moved five times during her two years in the program. MtW household's reasons for moving include increased rent, trouble with landlords, need for a larger unit or desire for a better neighborhood. This is very similar to the experiences of households in other voucher and mobility program (e.g. Moving to Opportunity) (Briggs, 2008).

Housing Quality

Most clients (38%) move into dwellings that received a "B" grade from the MBHP Housing Quality Inspection. According to MBHP's grading guidelines, "B" units are those with "most elements well maintained or recently repaired" but "not necessarily the highest quality materials." Very few (4%) moved into "A" units. As one can see there



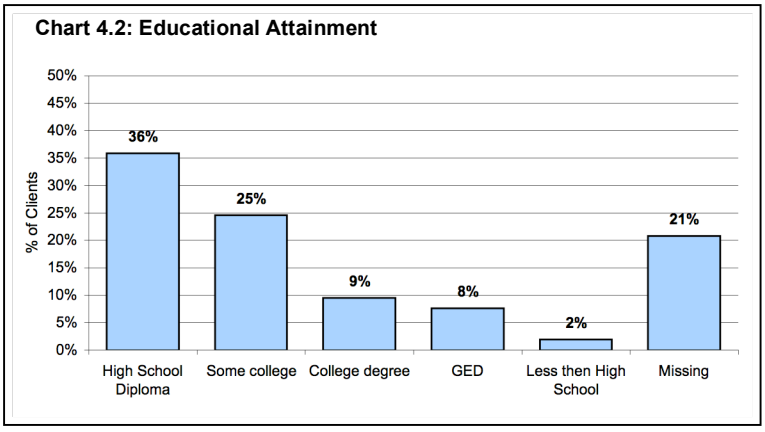
were also a lot of units that were inspected but never assigned a grade (although they were marked as "passed" on the forms). Additionally, the average household size and number of bedrooms were 3.2 and 2.6, respectively, suggesting that tenants were able to find units with adequate space.

Education, Employment and Income

Economic self-sufficiency has been the primary goal of DHCD's MtW program since its inception. For example, in an interview DHCD's former MtW coordinator stated that they viewed better quality neighborhoods and housing as positive externalities of facilitating employment and self-sufficiency rather than direct objectives. To learn about the program's success in facilitating economic self-sufficiency I focused my analysis on changes over time (when possible).

Education

24 of the 42 (57%) clients who responded to the question about education stated that their highest level of educational attainment was a high school diploma, its equivalent (GED) or less. Only 9% had a college degree (compared to a 23% college graduation rate for the Commonwealth of Massachusetts). There was no official documentation indicating whether client's received significant education and training during program participation. However, during the focus group I learned that program rules with regard to employment and the flat rent inhibit returning to school (I will discuss this further in the upcoming focus group section).



Employment

75% of the participants were employed when they enrolled into the program (i.e. at baseline). However, when drilling down to full- or part-time employment I found that only 33% of those employed were working full-time jobs.

Table 4.4: Employment Status

	Intake		Current	
	#	%	#	%
Employed	40	75.5%	46	86.8%
Full-time	*13*	*32.5%*	*34*	*73.9%*
Part-time	*26*	*65.0%*	*12*	*26.1%*
Missing	*1*	*2.5%*	*0*	*0.0%*
Unemployed	13	24.5%	2	3.8%
Temp	0	0.0%	3	5.7%
Student	0	0.0%	1	1.9%
Missing	0	0.0%	1	1.9%
	53	100.0%	53	100.0%

Currently, 87% of clients are employed and, perhaps more significant, 74% of those employed are in full-time jobs. In other terms, 85% of clients who were unemployed at baseline found employment during their time in the program. It should be noted that of the 6 clients who were not currently "employed" three listed themselves as "temps" and one as a "student." Therefore, there were only 2 clients who officially reported themselves as currently unemployed.

Clients are employed in a wide variety of fields but the most prevalent are healthcare (22%), retail/food services (22%) and education/child care (13%). These are current employment types and I did not get information about type at baseline. My impression, based on the official job titles clients listed (e.g. medical assistant), is that they were generally lower skill jobs with minimal growth potential. My assessment was confirmed during the client focus group.

Table 4.5: Income Change

	Baseline	Current	CAGR*
Income			
Average	$1,221	$1,852	23.2%
Median	$1,075	$1,856	31.4%

Change in Employment Income ($) per Month

	#	%
-1000 or more	3	5.7%
-1000 to -500	5	9.4%
-500 to 0	8	15.1%
0 to 500	11	20.8%
500 to 1000	10	18.9%
1000 to 1500	3	5.7%
1500 to 2000	4	7.5%
2000 to 2500	3	5.7%
2500 or more	5	9.4%
Missing	1	1.9%
	53	100.0%

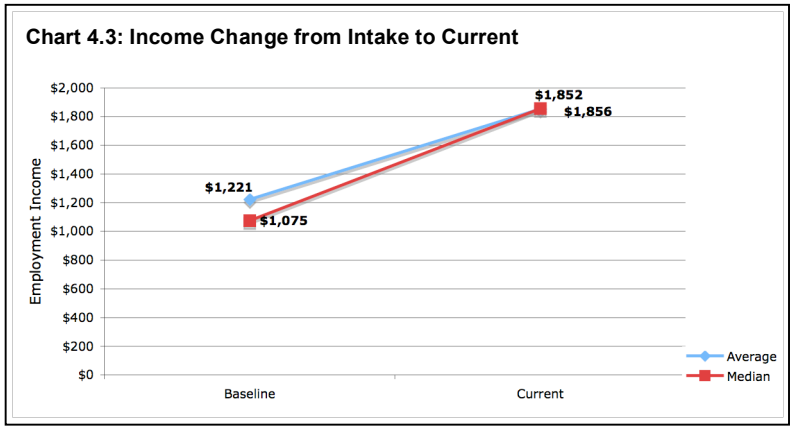
** Using the average and median program times, I infer a two year period between "baseline" and "current" to determine the compound annual growth*

Income

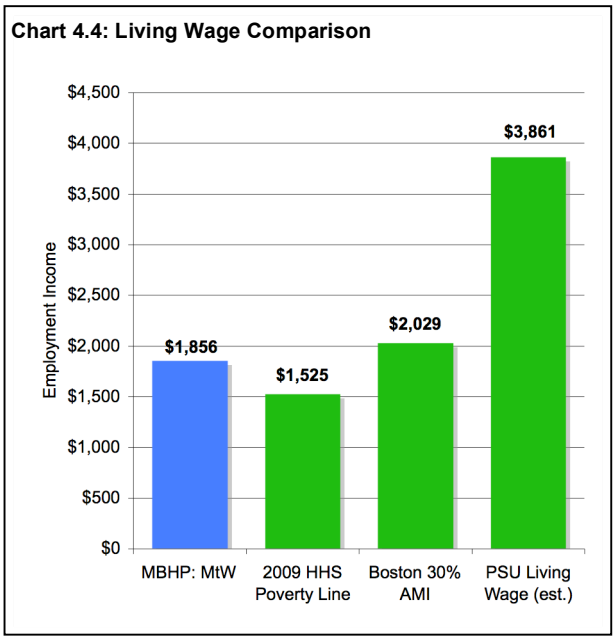
Median aggregate gross monthly employment income at intake (across all clients, including those who were unemployed) was $1,075/mo ($12,900/yr). The current median employment income across all clients is

$1,856/mo ($22,272/yr). This represents an annual growth rate[12] of 31.4% in the median employment income: the majority of the difference is from individuals who went from unemployed ($0 income) to employed. 47% of all clients experienced an increase in employment income of $500/mo or greater and 68% had an increase of any value.

Of clients who were already employed when they entered the program, the median change was 38% ($1385/mo to $1916/mo). Additionally, 38% of the clients who began the program employed increased their monthly income by at least $500 (63% had an increase of any value).



The increases are certainly impressive and a testament to the resolve of the clients and impact of the program. However, to put the current income figures in perspective one must compare them to federal and other poverty standards. According to the 2009 Health and Human Services guidelines, the poverty line for a household of three (the median size of an MtW household) is $1,525/mo ($18,310/yr) (HHS, 2009). Even with the large increase in wages families are only slightly above the federal poverty line. Furthermore, the federal poverty line is arguably a poor measure of what it takes for a family to meet its daily needs. Using these guidelines, a family paying $1174/mo in rent (the median rent for MtW participants, which is certainly as low as it gets in the Boston rental market) has less than $351 left for food, clothes, utilities and all other household expenses. Penn State University's Poverty in



[12] Using the average and median program times, I infer a two year period between "baseline" and "current" to determine the annual growth rate.

America Project sets Suffolk County, MA's "living wage" at $3,861/mo ($46,342/yr) for a household of one adult and one child[13] (Glasmeier, 2009).

Additionally, the median income is lower than 30% of the Metro Boston Area Median Income (AMI), which federal programs generally define as "extreme poverty." Using these measures as benchmarks for economic self-sufficiency one can see that the MtW households fall significantly short (See Chart 4.4). It should also be noted that the $1,856/mo is *gross* income.

Employment Income as a Percentage of Rent

Current standards suggest that a client should not pay more than 30% of their income in rent, which is the tenant contribution the Housing Choice Voucher Program requires. Although the MtW program does not limit what a client can pay in rent, and offers up to $700 in rental support per month, the data shows that on average MtW participants currently pay 25% of their income in rent (compared to 27% at intake). Presumably, since it is a flat rent payment (and not tied to income) the tenants have 5% more discretionary funds than they would under HCVP. That is to say, if they were HCVP participants the 5% would be captured as rent. Again, observing this in the context of the goal of self-sufficiency one can see that if the clients lost the subsidy then they would have to pay over 60% of their income toward rent given their current median incomes (median unit rent/median monthly income), a percentage that is unsustainable.

Table 4.6: Rent as % of Income

	Intake	Current	post-MtW Scenario
Median Rent	$1,178	$1,174	$1,174
Subsidy	$700	$700	$0
Tenant Paym	$478	$474	$1,174
Median Incor	$1,075	$1,856	$1,856
Rent as % of	44%	26%	63%

Income from Benefits

As employment income was increasing, income from welfare benefits was decreasing. At intake, the median income from benefits was $228/mo (average was $284) and currently the median is $0/mo (average is $204). The current high average and $0 median implies that there were a few clients who were receiving large amounts of benefits that made up the majority of all client's income from benefits.

[13] There were no estimates for families with one adult and two children.

Assets, Savings and Debt

The average and median debt amount for clients is $2,765 and $1,000, respectively. The average and median values of their current assets, which include money in checking and savings accounts, is $1,276 and $204, respectively. Clients receive $83/month to help pay for utilities and other approved expenses. If the clients choose, the money can remain in a savings account and accumulate over the course of three years. Table 4.7 shows a comparison between the average amounts clients could have saved and how much they actually have saved. As one can see, clients are able to retain very little of their support budget for savings over the course of the program.

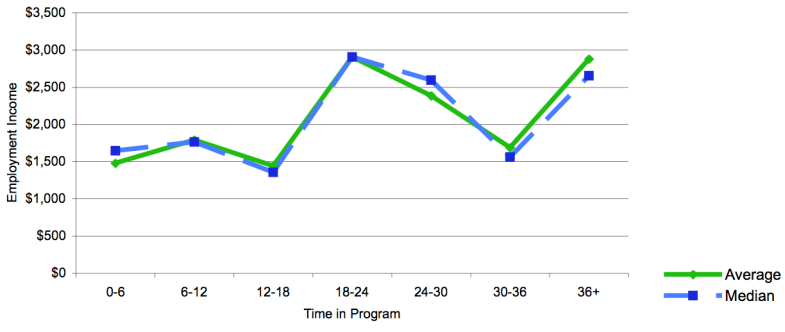
Table 4.7: Assets, Debt and Support Savings

Assets and Debt		
	Average	*Median*
Assets	$1,277	$204
Debt	$2,765	$1,000
Support Budget Savings		
	Average	*Median*
Actual	$719	$296
Possible	$1,641	$2,006

Employment Outcomes Over the Duration of the Program

The data suggests that there is a correlation between a client's time in the program and positive employment and wage outcomes. While there is no definitive point in time when a transformation occurs, at or near the two-year mark clients begin to see improvement. However, there also appears to be more income volatility past this point. Of the clients who have been in the program for 24 months or more, 67% had an increase of at least $500 in income compared to just 27% of those who have been in the program for less than 24 months.

Chart 4.5: Current Income by Time in the Program



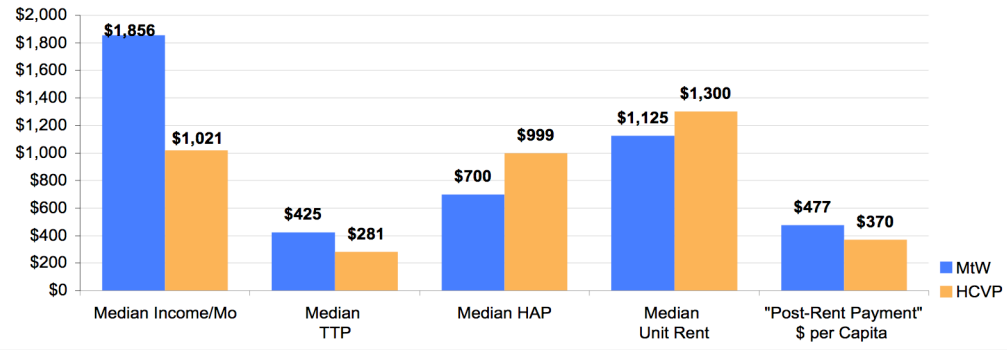
Comparison to MBHP's Housing Choice Voucher Program

Conventional experimental design requires that there be a treatment group (one that receives the benefits of the program under study—in this case the MtW group) and a control or comparison

group (one that does not receive the treatment). Both groups would be observed in similar settings and during the same time period. Unfortunately, I did not have a true control or comparison group in this scenario so I used the current HCVP participants as a proxy. Using the entire database of 19,000+ HCVP participants, I narrowed the group down to only those who were living in the Boston metro area (i.e. being served by MBHP). The HCVP participants represent a similar universe to the MtW clients in terms of their eligibility for state housing assistance, and are comparable on key demographic variables. In a rigorous analysis, the HCVP participants would be considered as the control group—the households who did not receive the MtW intervention.

Chart 4.6 shows the comparison between the two groups for the categories I was able to observe in the HCVP database. MtW participants appear better off than HCVP participants with respect to employment and income. The current median income of HCVP participants is over 80% lower than those in MtW ($1,021/mo compared to $1,856/mo). Interestingly, the HCVP median income is almost the same as the MtW participants' median income at baseline, which might be further evidence of the benefits of more intensive case management and support services. Again, because they are comparable groups, and MtW clients income was the same at intake as HCVP participants, the change suggests there is benefit to the MtW treatment.

Chart 4.6: Comparing MBHP's MtW and HCVP Clients



Additionally, the MtW household's "post-rent payment" per capita monthly income is higher than HCVP. What these numbers certainly do not capture is the amount of energy MtW participants are putting in to achieve seemingly marginal gains in per capita income. In addition, HCVP households are living in better units (when using unit rent, the only available variable to

compare apartments, as the key indicator) and have the assurance of long-term housing; whereas, the majority of MtW participants will likely not be able to maintain their current (or any) private market dwelling when they lose their subsidy.

This comparison shows promise for the potential of the MtW program to improve the lives of participants. However, it should be noted that there is a strong chance the MtW program is "self-selecting" for more motivated and easier to serve clients. That is to say, clients who are less likely or motivated to find employment, have severe disabilities, are dual diagnosed or have no interest in trying to keep up with a required rent payment will not enroll in the program after reviewing program rules and requirements.

Part II: Learning from Participants

I conducted a focus group with Boston MtW clients on Tuesday, April 7, 2009 at 5:30PM, in MBHP's offices. Thirteen MtW clients (11 females and 2 males) attended the session. Overall, the clients were very positive about the program and their potential to achieve self-sufficiency and improve their quality of life. However, there was significant concern and anxiety about losing the assistance before their new foundation was stable and thus falling back into homelessness. The following is a summary of their statements and selected quotes that best capture their opinions, suggestions, concerns and praise. To conduct the focus group, I developed a semi-structured interview guide with questions based on key themes that I identified during my preliminary research. While the conversation was generally free flowing, I have attempted to bring structure to the discussion for ease of reading.

Most of the focus group participants stated that they learned about the MtW program while they were in a shelter. Many had been in shelter for at least one year and all had been on the HCVP waiting list for an extended period of time (one couple could not get on the waiting list because it was closed). There are currently over 70,000 individuals on the statewide HCVP waiting list and homeless clients are prioritized. Since all of the rental assistance and subsidized housing waiting lists in the Commonwealth requird indefinite waits, MtW was their only option for getting out of shelter and into their own apartment. As part of the original MtW program structure, clients enrolling in the program could remain on the Section 8 waitlist and retain their homeless preference.

Time Limits and Program Graduation

Although I opened the discussion by asking, "How did you hear about Moving to Work?" participants quickly shifted the discussion to the uncertainty of life after program graduation, which they obviously did not view as "graduation" but as losing their subsidy.

One client shared that she has worked hard, participates in MtW meetings, is going to school, and has increased her salary but is still not in a much better or more stable situation. In four

months she will hit the three-year limit and she was concerned she would end up back in the shelter. In her words:

"At the end of the road are they just going to kick me into the street? …I don't think three years is enough and I don't know if five years is because I can't time myself…. I still feel like I just got out of the shelter."

Another client commented about graduation:

"When my three years are up where am I going to go? When the program is over how am I going to afford all that rent?"

And in response to that statement, another stated:

"Its scary, really scary."

The anxiety over losing the rental subsidy made participants more eager to get Section 8 vouchers that do not expire (unless you exceed the income limits).[14] Sensing their possible desire for longer-term rental assistance, I asked the participants if they thought the MtW program should not have a time limit. They responded that they *"did not want to be on the program forever"* (i.e. receiving government subsidies) but needed additional support to prepare them for the transition to self-sufficiency. Many suggested having intensive case management and graduation preparation for clients who were in their final months or year of the program. The case manager would help them create a post-MtW plan so they could find an appropriate apartment and access other supports (financial or otherwise) they might need to keep their lives stable. In addition, they wanted professional legal and accounting advice earlier in the process to resolve debt and credit issues. Another suggestion was having a stepped decrease in rental payments over the course of the program rather than $700/month for 36 months then all of a sudden nothing. One participant compared the exit process to quitting smoking, stating:

[14] When reviewing client records I learned that many clients do leave the MtW program when their name reaches the top of the Section 8 waiting list.

"When you quit smoking its better to not go cold turkey. You want to wean yourself off."

Employment and Education

There was a strong sentiment among the group that MtW (and other federal welfare programs) over-emphasize getting a job (any job) rather than promoting education and improving long-term career potential. In the words of a participant:

"I think there is an emphasis on the measure of success being 'how many people did we get off of welfare' not based on what kind of growth potential these individuals have in their career or what kind of quality of life they have."

With respect to education, participants stated that the program should facilitate education and make that the priority over employment in low-skilled jobs. Said one participant:

"The only way out of poverty is through education. The best thing they can do right from the beginning is not say 'OK, in three years there is going to be money left in the budget to go to school.' No, go to school now and then in three years or four years at least you will have a degree or some type of a foundation."

Many clients have tried to enroll in school part-time or take evening classes but were forced to withdraw either because the cost of education was too high or they were working single parents who could not afford evening childcare (clients had to work during the day night classes are the only option. One suggestion was that MtW should provide childcare for any participant who enrolls in school. Participants made it clear that they did not want free hand outs. Their comments suggested that they were more than happy to put in the time and effort needed to get educated and improve their career prospects if they received a little more support.

There was very little support for the traditional job training that is provided through federal programs. The participants had no interest in being stuck in low-skill, low-pay positions for their entire lives. Perhaps indicative of the resilience and ambition of the MtW participants is a

comment from one participant who said, *"I'm not interested in being someone's secretary for my whole life. I want to run your whole office."*

A rather interesting insight into the goal of self-sufficiency through employment focused on the possible programmatic disincentive to move up the work ladder. Quoting from the story of one participant who had been very successful in the program:

"I've been in this program for two years and I earned my way out of it. So I do not qualify because of my income. But the problem with that is its not like 'you are $500 over the limit so we [the program] will take away this much [meaning a small portion of the subsidy as opposed to all of it]'. Its kind of a disincentive to get a raise if your raise is not going to be substantial enough to make up that difference. I took all the raises I got but I was like 'man, this is good but its bad because I'm going to be worse off than had I not taken it'."

Bad Credit and Other Financial Challenges

One client expressed the financial challenges households face even with support from MtW:

"I went from making $40,000/year to making $20,000/year. The Moving to Work program's $700 [rental assistance payment] helps but when you are making $14/hour and you have one child on the way to college and two small children at home financially its impossible to keep up."

MtW participants face financial challenges beyond just being able to pay their monthly rent and living expenses. Many of the participants have poor credit histories and large debts that they can almost never hope to pay off on their own. The participants had all completed budgeting and financial planning classes but these were not adequate in getting to the root cause of their current financial issues. According to them, they need help from an individual or organization with the legal savvy and know-how (a "third party administrator") to help them organize and stabilize their finances. Perhaps telling of their financial and credit challenges, many of the focus group participants were not fully aware of the escrow account that was intended to help them become

homeowners. A combination of an extremely expensive Boston housing market and poor credit histories make it nearly impossible for participants to support or qualify for any mortgage.

Complicating their desire to resolve debt issues is their inability to accumulate any savings even with the program's incentives to use the escrow account (clients automatically receive $50/mo). Given the tight Boston rental market and high cost of living there is no way to save money in the program or have any money to pay off debt. Additionally, once your income is substantial enough to have savings you are disqualified from the program. One participant stated,

"As soon as you start making enough money to actually save they start taking things away from you."

A solution offered to help the debt challenge was to raise the subsidy but dedicate a portion of it to paying down participant's debt.

Supportive Services

The group had very high praise for the MtW Advisor, who obviously provided a significant amount of psychological, emotional and other practical support to clients. However, there was a clear need for more intensive case management and guidance. The client's comments reflected this:

"[We need] a little hand holding until we get to the point where its not overwhelming."

"Its very overwhelming to go from not having to pay anything [in shelter] to this."

"You have to rebuild yourself .you already lost everything so you have to rebuild yourself in the process of trying to save and trying to maintain a job"

"More structure would help a lot of people. When your life has been completely blown apart there is no structure and it is hard to bring that structure back into your life."

Participants also pointed out a need for greater or improved coordination between DHCD and agencies providing assistance. Participants suggested that DHCD, in collaboration with other

agencies, should develop a special package of assistance for the families in MtW who are transitioning into self-sufficiency. Clients lose many of their benefits (e.g. food stamps) when they go from the shelter into the MtW program and they should know what other types of assistance they do qualify for. Pointing out the apparent lack of logic in how benefits are distributed one client commented:

"When you're in the shelter you're not paying any rent, you're not paying any utilities yet you have $400 or $500 in food stamps. Why don't we get that now?"

Lastly, all of the programs, meetings and other support tools for helping low-income families take place during the day. Therefore, if one has a full-time job one cannot access or attend any of them unless one leaves work. Additionally, an hourly employee who has to spend their day in sessions or waiting in welfare lines loses income. This seems counter-intuitive given MtW's focus on employment and training.

Housing and Neighborhood

Overall clients did not express much concern about the housing search process. Clients generally used the MBHP website and listings and some received search assistance from the shelter they were in. The clients were very thankful for the housing quality inspection that MBHP conducts before approving occupancy, particularly if they have children and the home is potentially contaminated with lead.

With regard to neighborhood quality, the participants realize (or are resigned to the fact) that their income limits them to certain neighborhoods; therefore, they look for the best of what is possible. Community facilities and resources *"are what they are"* and they just live with what they are used to. One participant said, *"A lot times that's what we're used to… we're accustomed to what it is… you're always used to your own poverty."* The main things they look at when searching for a home or neighborhood are schools, public transportation and safety. This finding again is similar to other mobility studies, such as Moving to Opportunity, which show that households have well-defined and ordered priorities during their neighborhood and housing search (Briggs, 2008).

Quality of Life Issues

Participants also pointed out other small changes DHCD could make to improve the quality of life of the MtW families. Their main suggestion was facilitating leisure activities for participants and their families. For example, DHCD can work with different businesses to get coupons or special deals so families can go to sports games, movies, etc. One family shared that their children are involved in a free program that sent them to a leadership camp during the summers that focused on community service and skill building. They were very grateful that their kids had an opportunity to participate in these activities and hoped for more of such things for the whole family.

Praise for Moving to Work

While much of the discussion revolved around the participant's challenges and the need for improving the program, they made it clear that they were extremely thankful for the program and the positive impacts it has had on their lives:

"We came out of a shelter and it [MtW] saved our lives and we are very very grateful."

"I love this program. It took me and my kids out of the shelter and into my own place."

"[MtW] helped me get out of the shelter and into an apartment that was closer to work and it helped me show up to work better."

Conclusion: The Story of Boston's MtW Program

The data analysis and focus group told a similar story of the Boston MtW experience. The program had a positive impact and families were gradually improving and stabilizing their lives but they still face numerous obstacles to achieving the goal of self-sufficiency.

- Clients leaving shelters to participate in MtW need a higher level of case management and support to put back together the pieces of their lives (e.g. credit, and debt).
- Employment income has increased significantly but it has not reached a level that will allow families to remain in adequate private housing without a subsidy. Despite the increase, families are living only slightly above the federal poverty line and the current client median income is below 30% AMI for Boston.
- Clients have a strong desire to improve their educational outcomes beyond the job training and workforce development program generally provided. However, they do not have the childcare or funds to attend evening classes and cannot take time off work to attend school during the day.
- Clients are moving into decent quality homes that are sufficient size but the vast majority of clients are still concentrating in neighborhoods that have traditionally been the most affordable, which is in no smaller part due to the lack of community resources.
- Clients have anxiety about "graduation" and life post-MtW. They generally do not feel they are ready to lose the subsidy and worry about having to return to a homeless shelter. If a Section 8 voucher becomes available most clients would likely leave MtW.

Chapter 5: Analysis of the South Worcester County Moving to Work Pilot Program

Part I: Observing the Data

Introduction

My analysis of the South Worcester County Moving to Work program differs from that of the Boston program. Whereas MBHP collected income and housing information from participants during recertification and updated (i.e. overwrote) their database, RCAP requires each participant to annually fill out a recertification form that is kept in their hardcopy files. Therefore, I was able to capture information at three distinct points in time: intake (or baseline), first recertification and second recertification. By using this method I hope to gain additional insights into the changes in client outcomes based on one's time in the program. I will not conduct a comparative analysis between the Worcester and Boston programs but I will point out elements that demonstrate the unique circumstances under which each program is operating. It should be noted that that Worcester's data presented many of the same quality challenges as those outlined in *Chapter 1: Methodology* and in my Boston analysis. Also, I was not able to obtain information on client's current support budget, escrow savings, debt, or other federal welfare benefits.

RCAP has 122 MtW vouchers; however this database only contains 118 clients. One client was eliminated from the active study group because she passed away soon after enrolling into the program. It is unclear if the other 3 vouchers are not in use or the files were not available for data collection. Of the 118, 41 clients have only completed intake, 42 have gone through the first recertification process and 34 have been through two recertifications. This final group of 34 is in their final year of the MtW program. The average program participation time for all clients is 19 months (17 months median).

General Overview of All Participants

Similar to Boston, Worcester clients were overwhelmingly female (96%). Combining both Boston and Worcester's MtW vouchers, 95% of all Massachusetts MtW participants were

Table 5.1: Demographic Information		
Age		
Average	31 years	
Median	29 years	
Missing	1	
Gender	#	%
Female	113	95.8%
Male	5	4.2%
	118	100.0%
Race		
Black	11	9.3%
White	46	39.0%
Other	4	3.4%
Missing	57	48.3%
	118	100.0%
Ethnicity		
Hispanic	78	66.1%
Non-Hispanic	19	16.1%
Missing	21	17.8%
	118	100.0%

females. Of the clients who answered the race question, most identified themselves as White (39%); however, 49% left this question blank. Perhaps a better indicator of the cultural profile of the participants was "ethnicity" where 66% self-identified as "Hispanic."

The average household size was 3 with each household containing an average of about 2 children under the age of 18. The majority of households were composed of one adult and two children (only 16% of clients indicated that they had a spouse). The average age of participants was 31.

Educational attainment

Most clients (45%) received a high school diploma or equivalent (GED) but 95% did not have a college degree. Educational attainment did not change for any clients during their time in MtW.

Employment

94% of clients were employed at intake. Of the employed population, 75% were working full-time jobs. The average working hours were 34.4 hours/week and the median income was $1,574/mo. Table 5.3 shows the employment profile of Worcester and Boston clients at intake. One can see that in general Worcester clients entered the program in a better employment position than Boston clients. This is likely due to the fact that Worcester clients were being drawn from employment and career services programs.

Table 5.2: Employment at Intake for All Clients		
	Intake	
Employment Hours		
Average	34.4	
Median	39.3	
Income		
N	*117*	
Nmissing	*1*	
Average	*$1,612*	
Median	*$1,574*	
Employment Status		
	#	%
Employed	111	94.1%
Full-time	*83*	*74.8%*
Part-time	*27*	*24.3%*
Missing	*1*	*0.9%*
Unemployed	7	6.3%
Missing	0	0.0%
	118	100.0%

Table 5.3: Comparative Employment Statistics at Intake		
	Worcester	Boston
Employed	94%	76%
Full-time Workers	75%	33%
Median Employment Income	$1,574	$1,075

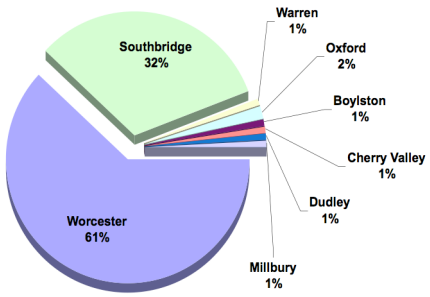
Housing and Neighborhood

All of the clients in Worcester's MtW program were living in a private apartment

when they enrolled in the program, a starkly different characteristic than the Boston participants. Consequently, a majority of the participants (86%) remained in their same homes after enrollment.

Most of the clients lived within the boundaries of Worcester city (61%) but a sizable contingent moved to Southbridge (32%), which is a little over 20 miles from Worcester's city center. During my interview with RCAP's MtW advisor she indicated that she often directs clients to Southbridge because it is a reasonable distance from Worcester (where most clients work) and has a sizable affordable housing stock. No other town in Worcester County received more than 2 households.

Chart 5.1: Location of Worcester MtW



The average rent at baseline was $724/mo and increases slightly for the clients who have been in the program for multiple years. According to DHCD staff, Worcester is one of the most affordable housing markets in Massachusetts and the average rents in the two data sets supports this notion. However, one can see from Table 5.4 that Worcester participants are contributing an equal portion toward rent (approximately $474/mo compared to $478/mo). Additionally, the rental subsidy decreases each year for Worcester clients ($250, $150, $0), meaning Worcester clients are paying the full $700+/mo their final year. What is most interesting is the perception that Boston clients have an unreasonable rent burden to face even with the subsidy. The true challenge or distinction is that there is a more dramatic jump between paying subsidized rent and paying full rent in Boston. Hence, preparing for the transition to unsubsidized housing is the factor that must be addressed (as one might recall, the transition was also the primary concern expressed by the Boston clients).

Table 5.4: Comparative Rent Statistics at Intake

	Worcester	Boston
Average Rent	$724	$1,178
Average HAP	$250	$700
Average Tenant Payment	$474	$478

First Recertification Clients

42 clients completed only their first recertification[15]. That is to say, they are in the second year of the MtW program. This section of the analysis will refer to these 42 clients and not the entire population. Therefore, any percentages represent a portion of the 42 (not 118).

Table 5.5: Employment for First Recertification Clients

	Intake	Recert 1	CAGR
Employment Hours			
Average	35.4	34.4	-2.8%
Median	37.5	40	6.7%
Income			
N	*42*	*38*	
Nmissing	*0*	*4*	
Average	*$1,631*	*$1,648*	*1.0%*
Median	*$1,575*	*$1,688*	*7.2%*

	Intake		Recert 1	
Employment Status				
	#	%	#	%
Employed	41	97.6%	37	88.1%
Full-time	*29*	*70.7%*	*28*	*75.7%*
Part-time	*12*	*29.3%*	*9*	*24.3%*
Unemployed	1	2.4%	2	4.8%
Missing	0	0.0%	3	7.1%
	42	100.0%	42	100.0%

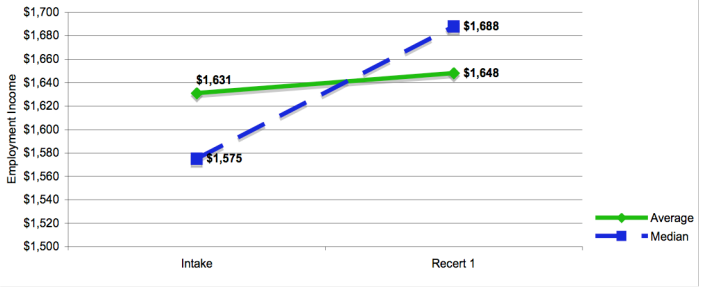
Housing

29% of these clients moved by recertification. Since the vast majority of Worcester clients remained in their apartments upon enrollment and the duration of their tenancy is unknown I cannot make the same statement about frequency of moves as I did in the Boston case. Their average rent at intake was $728/mo and has increased slightly to the current average rent of $741/mo. Presumably, most or all client's rent subsidy has decreased to $150/mo since they are in the second year of the program; therefore, tenants are contributing over $110/mo more in rent.

Employment and Income

As one can see from Table 5.5, overall employment decreased from 98% to 88% employed. However, while there were fewer employed clients, the percentage of employed clients who were full-time increased (71% to 76%). The average employment hours per week decreased from 35 to 34 (median increased from 38 to 40).

Chart 5.2: Employment Income at Intake and Recert 1



Median income increased 7% from $1,575/mo ($18,900/yr) to $1,688/mo ($20,256/yr). While this increase might seem odd in light of the decrease in

[15] 1 client was terminated from the program before their first recertification

overall employment, breaking the client income into quintiles shows that the increase was a result of 4 out of 5 quintiles having higher earnings (only the lowest 20% decreased). Chart 5.3 shows that 52% of the clients had an increase in their monthly income (the vast majority of those in the $0-$500 range).

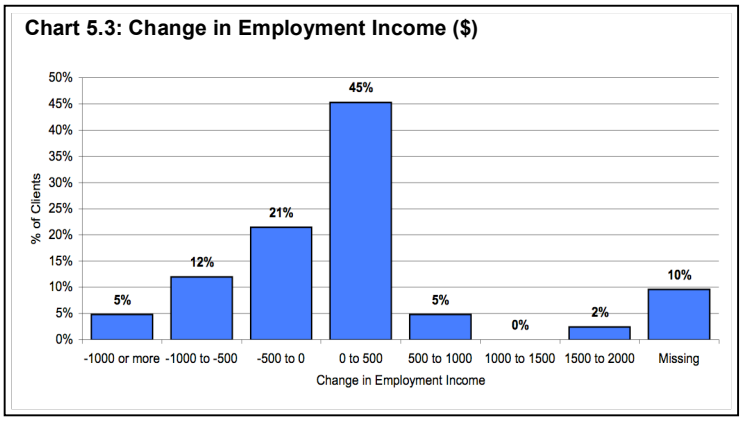
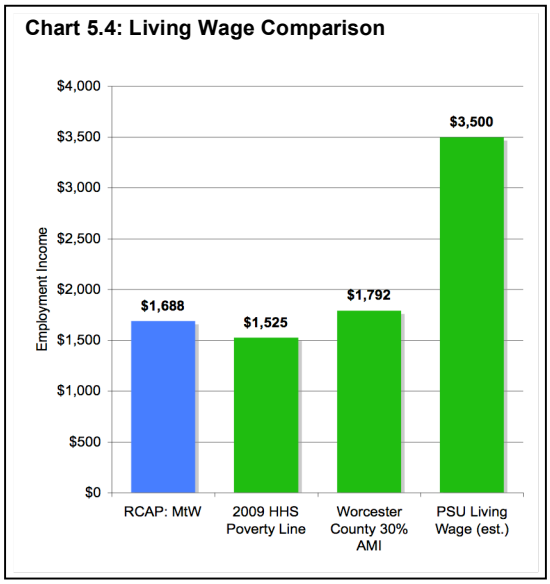


Chart 5.4 again compares the income figures to two measures of self-sufficiency and poverty, 2009 HHS poverty guidelines ($1,525/mo) and PSU Poverty in America project's living wage estimate ($3,500/mo for one adult and one child in Worcester County) (Glasmeier, 2009; HHS, 2009). However, since these clients still have up to two years remaining in the program one cannot fairly judge MtW's impact on self-sufficiency other than to say they still have a ways to go.



Rent as a Percentage of Income

Using median income and median rent figures, tenant's rent payment as a percentage of income increased from 32% at Intake and to 36%. The increase is a result of the growth in employment income not being sufficient to compensate for the $100/mo decrease in rental subsidy (the median rents were the same for both periods).

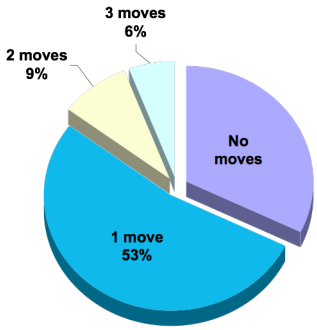
Table 5.6: Rent as % of Income

	Intake	Recert 1
Median Rent	750	750
Subsidy	*250*	*150*
Tenant Payment	*500*	*600*
Median Income	$1,575	$1,688
Rent as % of Income	32%	36%

Second Recertification Clients

34 clients have completed their second recertification, meaning they are in theie final year of the MtW program. Given their impending graduation, this client group provides additional insights into preparation for post-MtW life. Again, this section will refer to these 34 clients and not the entire population.

Chart 5.5: Relocation at 2nd Recertification



Housing

32% of these clients moved into a new housing unit at their second recertification. Chart 5.5 shows the breakdown of housing moves over the course of the program. 68% of the clients moved *at least* once in 2+ years and 15% completed 2 or more moves. Average rent at intake was $700/mo and has increased to $757/mo. These clients are not receiving any rental subsidy (except for a few clients who have requested that the rent subsidy continue).

Table 5.7: Employment for Second Recertification Clients

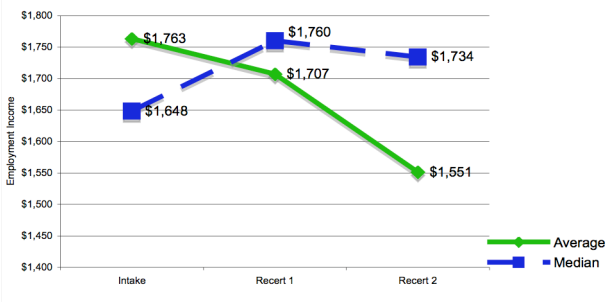
	Intake	Recert 1	Recert 2	CAGR
Employment Hours				
Average	37.3	34.9	30.6	-9.4%
Median	40	40	38.8	-1.5%
Employment Income				
N	*33*	*31*	*33*	
Nmissing	*1*	*3*	*1*	
Average	$1,763	$1,707	$1,551	-6.2%
Median	$1,648	$1,760	$1,734	2.6%

	Intake		Recert 1		Recert 2	
Employment Status						
	#	%	#	%	#	%
Employed	33	97.1%	32	94.1%	30	88.2%
Full-time	*29*	*87.9%*	*23*	*71.9%*	*21*	*70.0%*
Part-time	*3*	*9.1%*	*9*	*28.1%*	*8*	*26.7%*
Missing	*1*	*3.0%*	*0*	*0.0%*	*1*	*3.3%*
Unemployed	1	2.9%	0	0.0%	4	11.8%
Missing	0	0.0%	2	5.9%	0	0.0%
	34	100.0%	34	100.0%	34	100.0%

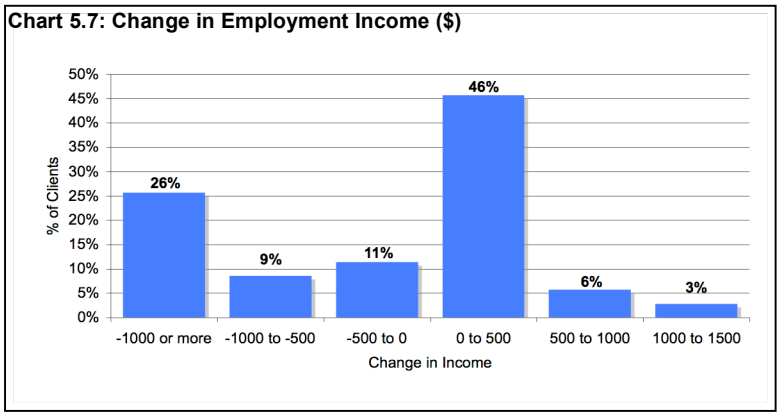
Employment and Income

There was a general downward trend in employment over the course of the program. Table 5.7 shows that employment declined from 97% to 88% as did average employment hours (37 hours/wk to 31 hours/wk). There was also a decrease in the percentage of employed clients who were full-time workers (88% to 70%). Again, despite the increase in unemployment, median income grew at an annual rate of 2.6% and is currently at $1,734/month ($20,808/yr). A peculiar outcome is that average employment income is moving in the opposite direction of median (i.e. average *decreased* at an

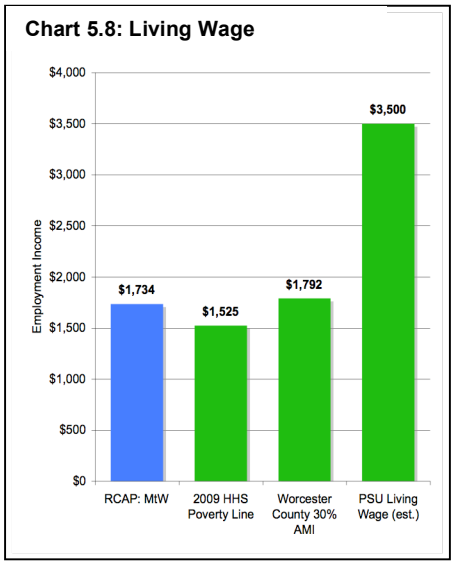
Chart 5.6: Employment Income from Intake to 2nd Recert



annual rate of 6.2%). The quintile data indicates that the lowest 40% of earners had far less income at the second recertification than at intake, which pulled down the average but left median relatively stable. However, as one can see from the table, median income also decreased between the first and second recertification. The majority of clients (54%) experienced a positive change in income but 26% lost "$1000 or more" in monthly income (Chart 5.7).



Since these clients are in their final year of the program and, presumably, preparing to transition to life without any housing subsidies, one can more fairly judge their movement toward self-sufficiency. To do this, I compare the current median employment income figures to the 2009 Health and Human Services poverty line, Penn State University's Living Wage estimate and Worcester County's area median income (AMI) (Glasmeier, 2009; HHS, 2009). As one can see from Chart 5.8, client's earnings are less than $200/mo above the poverty line, below 30% of AMI and, less than half of PSU's living wage, suggesting that even clients who are nearing graduation are far from being financially self-sufficient.



Rent as a Percentage of Income

Similar to the "first recertification" group, rent as a percentage of income increased throughout program participation. Beginning at 30% of income, tenant's percentage of rent has grown to 45%. Again, the growth in income did not keep pace with the increase in the tenant's rent payment. Tenant's portion of rent grew at an annual

rate of 26% while income grew at only 2.6% (see Table 5.9).

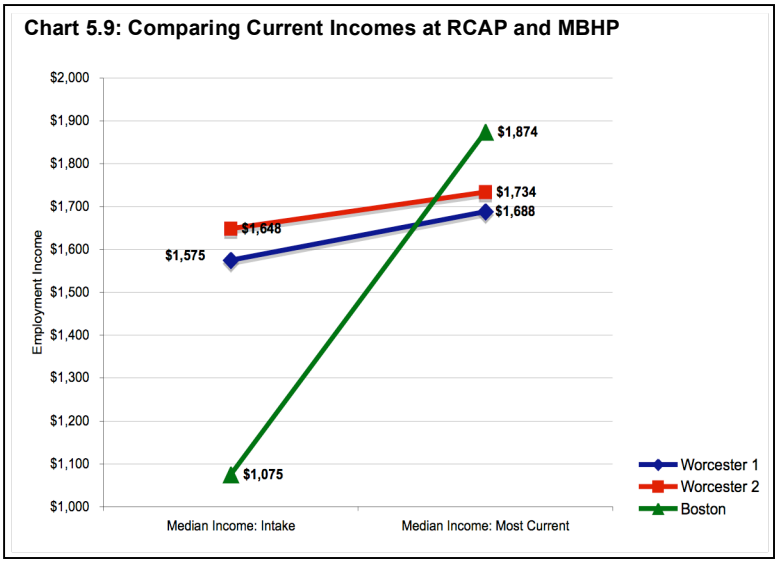
Table 5.9: Rent as % of Income

	Intake	Recert 1	Recert 2
Median Rent	$738	$750	$775
Subsidy	$250	$150	$0
Tenant Payment	$488	$600	$775
Median Income	$1,648	$1,760	$1,734
Rent as % of Income	30%	34%	45%

Comparing Boston and South Worcester's Employment Outcomes

Chart 5.9 compares the Worcester second recertification group's employment change to the Boston MtW participants. Boston's change in median income far exceeded Worcester and they finished at a slightly higher income, although relatively similar if you think about it in terms of real purchasing power. These findings do not "prove" or suggest that Boston was a more effective MtW program. In fact, one would assume that if the program could get Boston clients employed they would "naturally" earn more than Worcester workers because of the higher wages and cost of living in Boston. Not to mention, Worcester clients started ahead of Boston's with respect to income (Table 5.4). However, it does suggest that there might be a ceiling on the income increase MtW can engender. Given that across both programs the median income is only slightly above the federal poverty standard and below both 30% AMI and the estimated living wage, one must seriously question the programs ability to facilitate self-sufficiency and future viability in this area. Of course, a more thorough study of the entire population of MtW clients should be done to better understand this final point.

Chart 5.9: Comparing Current Incomes at RCAP and MBHP



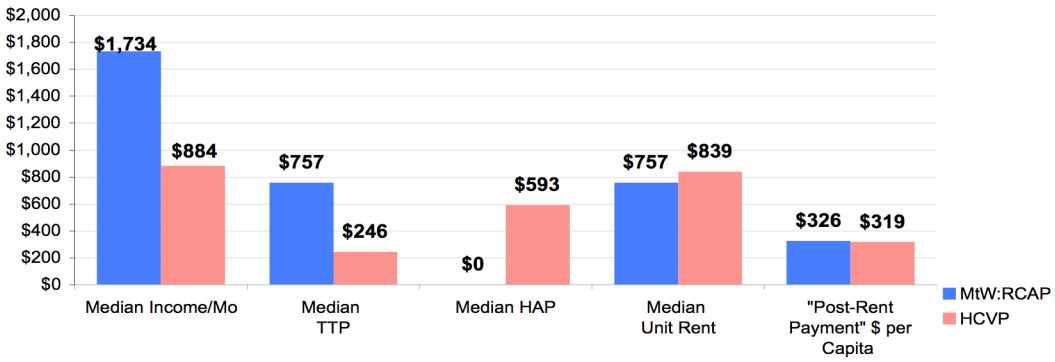
Comparing RCAP's MtW Clients to RCAP's HCVP Clients

I once again used DHCD's Section 8 database as a comparison group that faced similar constraints and environment as the MtW participants. Using HCVP client zip codes, I narrowed down the complete database to only those clients in RCAP's service area. I used the second

recertification MtW clients as the study group because they are the farthest along in the program and, presumably, better off than new participants.

MtW clients are doing much better in terms of employment, earning more than twice as much as HCVP participants. However, MtW client's median income at intake was already almost double that of HCVP clients; suggesting that the MtW program was drawing from a more "employment-ready" population. Because they are no longer receiving a rental subsidy, MtW participants are paying three times more in rent and, based on "unit rent," living in lower quality units. Both groups have relatively equal "post-rent payment $ per capita."

Chart 5.10: Comparing RCAP's MtW and HCVP clients



One might argue that the family's current ability to live without a rental subsidy during their final year in the program is evidence of self-sufficiency. However, one must keep in mind that the money that would have been subsidizing rent is being diverted into a support account that they use to pay for other household expenses (e.g. utilities, transportation fees, childcare, etc). MtW clients are certainly much farther along than HCVP participants in terms of self-sufficiency but still very far from achieving that outcome.

Part II: Learning from Participants

RCAP's MtW advisor contacted many of the MtW participants and obtained verbal commitments from 11 to attend the meeting. However, four individuals attended the focus group—three females and one male. A group of four is not representative of the 122 active participants but they did offer interesting information on the MtW experience.

Of the four participants, one was referred to the program through a homeless shelter, one through a workforce development agency and the other two had come to RCAP seeking financial assistance and were directed to the MtW program. The individual who came through a shelter had already moved into a private apartment by the time he reached the top of the MtW waitlist. Everyone in the group applied to Section 8 but none of them had obtained a voucher (one client was offered a voucher a few years ago but could not accept it because they had to temporarily move away for personal reasons). The individuals said that they were enrolled into the program and received a voucher almost immediately, which conflicted with the three to six month waitlist figure I received from the MtW mobility advisor. One participant believed it was particularly important to minimize wait time so agencies would not lose clients:

"*I think thats important because a lot of families in transitional life are moving from apartment to apartment or in a shelter and you can lose contact with them*."

Participants seemed to enroll into the program for more than just the "rental subsidy." A couple individuals enrolled with strong aspirations of saving money for homeownership. Said one participant,

"*I want a house some day and I don't think I would be able to do it by myself because I am a single mother of three. It is a great program. It [has] helped me out a lot*."

The client that was in a shelter also had aspirations of homeownership. He and his wife have saved $17,000 of the MtW funds they received by not spending any of their support budget and diverting most rent to savings as the program went along. If he puts all the money toward the

purchase of a home by August 2009, DHCD will match the savings 1 for 1. Unfortunately, he was recently laid off and does not have a stable income to cover any possible mortgage.

Housing and Neighborhood

The clients were not fully aware that they could move into new homes once they enrolled in the program or that they could get housing search assistance from the MtW advisor. One participant shared,

"We were never told ahead of time, that I know of, that if I wanted to move out I could have" and another responded with the question, *"Are you supposed to stay in the same housing unit?"*

This could be because of a lack of need for new housing as opposed to poor communication about program requirements. Both clients who made the above comments also stated that they had never considered moving or inquired about it.

There were no major complaints about neighborhoods or housing units. One client stated that they would like to move to a bigger unit because they recently had another child and another expressed general concerns over safety and neighbors. One participant stated,

"My neighborhood is fairly dangerous but the part where I live is fine. I definitely would not go for a walk after 10PM. You just don't do that. There are a lot of heroine users around there…. I like where I live because there is a community garden there, I coordinate the garden, and I love my neighbors."

The same participant shared that her kids received scholarships to attend nearby (but out of the area) private schools. Because of the lack of community facilities and resources and safety issues she sends them away for activities during evening and weekends. Another person, who lived in nearby Millbury, had the opposite experience; her neighbors are disruptive and loud but her neighborhood is generally quiet and there are good school options for her kids.

Case Management and Employment

Some clients believed that case management was the most critical or helpful part of the program. They appreciated having someone to provide guidance, direct them to helpful resources, and offer support and encouragement during difficult times. Among the participants, there was not a clear sense of the scope of MtW's case management component. The RCAP's MtW Advisor was viewed as a support system and program administrator and not necessarily as someone to go to for career guidance or advice.

"I did not know or think Carolina was the person to talk to about this. I just thought I go to her for finances, when I needed rent or my car broke down. I didn't realize I had that option."

About the scope of case management services another client stated,

"At the beginning of the program there was this one meeting and I don't really know much about the program at all. I just know [the MtW Advisor] calls me all the time and asks me if I need help. Anything I need she is there for me…. but I don't know what options are out there."

With respect to career building, clients expressed a need for more services that facilitated upward mobility and education. Clients wanted more focused career profiling and counseling session at the beginning of the program that would help them discover their ideal profession, set concrete goals and outline the steps to getting there in the next three years.

One client recently lost her job and said MtW was not providing much help with getting a new job. The only tangible assistance was RCAP's MtW advisor informing her of job postings and being supportive. Referrals to workforce agencies are not seen as being fruitful because, as the clients expressed, the MtW clients are just another name added to the files. Participants suggested building stronger relationships with the workforce agencies so they could offer more targeted assistance to MtW clients.

Clients did indicate additional motivation to work as a result of MtW. One client said, *"I want to stay working because I want to stay in this program."*

Education and Career Building

Similar to Boston, clients expressed time and childcare as the primary constraints to continuing education or job training. RCAP's MtW Advisor had told clients in the past that she could help them find and enroll in training courses but the clients could not take on any more responsibilities at the time. Shared one client,

"I [have] a part-time job. I don't make that much but I try to save. I try not to think about the money. It [MtW] is a good thing that helps me with the rent because its too much. She always says to me if I want to take a training or a course to let her know but its hard because I have two children. If I work they help me with daycare and if I don't work they don't help me with daycare because I won't have anybody to watch my kids. I can't work and study at the same time because who is going to take care of my kids?"

Another client said that she tried to work full-time and take courses in the evening and weekends but eventually burnt out from the stress.

Clients said that the only way to currently get state childcare benefits is to get on "Childcare Resource's ten-year waiting list" or to go on "welfare" (welfare recipients are given priority). They suggested working with childcare resources to get MtW participants the same waitlist preference as welfare clients. A final suggestion for dealing with education and childcare was for MtW to pay for clients to take online courses.

Current Program Structure

Participants liked having time limits but thought it would be helpful to extend it to five years so one would have more time to accomplish their educational and career goals and could be in a better position to purchase a home. They were also supportive of the gradual decrease in rental subsidy (with funds being diverted to a support budget). The gradual decreased helped prepare them for life after the program (i.e. without a subsidy).

Mentorship

Clients who attended the focus group were very happy to meet fellow MtW participants and graduates and hear stories of their successes and challenges. They expressed an interest in continuing such meetings and suggested that the program create a mentorship type component or social gatherings for MtW participants.

Post-MtW Planning

Finally, when I asked the clients who were still in the program if they thought they could continue living in their homes without MtW their responses were:

"No, definitely not. I don't make enough money." And *"It would be very stressful for me*."

Conclusion: The Story of South Worcester's MtW Program

The South Worcester MtW program recruited working or work-ready individuals who are living in private homes and looking to decrease their rent burden. The program produced mixed results in terms of employment and overall one cannot say the clients are much further along the path toward self-sufficiency now than when they entered the program.

- The median employment income for both the first and second recertification group increased during their time in the program. However, both increases were modest and the second group's median income decreased in the past year and average income decreased overall. Not to mention, the percentage of employed clients decreased with each recertification.
- According to the clients in the focus group, they accessed very little housing search assistance and case management from the MtW advisor. Additionally, they are not able to attend school or job training programs due to lack of childcare and time.
- Clients only received $250 in rental assistance (compared to $700 in Boston), allowing for a step-down rent subsidy and less dramatic transition to post-MtW renting. The very affordable rental market in Worcester made the lower rent subsidy possible.
- MtW participants had better employment outcomes than HCVP participants but that fact was true at both their program intake and currently, further suggesting that MtW draws in an "easier to serve" population.
- Both the first and second recertification group had incomes slightly higher than the federal poverty rate but lower than all other poverty indicators.

Chapter 6: Conclusions and Recommendations

Conclusions

My analysis, because of time constraints and data limitations, was confined to employment and income as the primary indicators of success. I believe this is a fair measure of self-sufficiency, since employment income is how the majority of the population meets its daily needs. However, it also only "scratches the surface" of what can be learned about the effects of the MtW program on clients. A more thorough analysis would attempt to understand a broad array of outcomes including mental and physical health, child education and poverty, increased self-confidence, declining benefits vs. increase in employment income, access to other work assistance and, perhaps most important, how clients fair one or two years after program participation.

My analysis shows that MtW helped families out of "deep poverty," which is defined as income below 50 percent of the federal poverty level, but not out of poverty. MtW participants in Boston and South Worcester who have been in the program for an extended period have increased or maintained their incomes (from about $1000 to $1800 in Boston and $1500 to $1700 in Worcester). However, the similar current median income across the sites suggests a ceiling to wages and employment prospects under DHCD's current MtW model. Additionally, median income has not increased to the equivalent amount of the full MtW subsidy in Boston or Worcester ($833 and $458/mo respectively) indicating that their current housing situation will be unsustainable after MtW graduation--and this does not consider the lost income from losing other pre-MtW federal benefits. Unsustainable housing is particularly true of the Boston case where the housing market is extremely tight (Worcester is a far more affordable market).

These findings are consistent with the mixed results from evaluations of other post-welfare reform programs that shared DHCD's philosophy of increasing self-sufficiency through time limits, and mandatory employment requirements. The Urban Institute found that, between 1997 and 2002 (the first five years after welfare reform), welfare family's median incomes increased and the percentage of families in "deep poverty" decreased (60 to 42 percent) but 69 percent of the families remained in poverty. Additionally, the heads of household remained in low-wage

low-skilled jobs (median wages of $8/hr) and the likelihood of returning to welfare after exit increased (The Urban Institute, 2006).

Similarly, the Center for Budget and Policy Priorities examination of TANF (Temporary Assistance for Needy Families) recipients found that single mothers who leave welfare for work have higher incomes but remain poor and face significant work expenses and material hardships. Furthermore, any employment gains were primarily tied to the strength of the overall economy and less than half was attributed to welfare-related policies (Parrott & Sherman, 2006).

In an evaluation of what was perhaps the most similar program to DHCD's MtW model in structure, purpose, and demographic, the federal government's Welfare to Work Voucher experiment, Abt Associates again found strikingly similar results with respect to employment and income. Abt's randomized experiment found a decrease in employment and earnings among voucher recipients in the short-term and no change in long-term employment and earnings (Abt Associates, 2006).

The lack of success in these examples supports the notion that DHCD must make significant changes to its MtW program if it hopes to achieve its stated goal of getting clients to self-sufficiency. I will come back to this point in the recommendations section; however, to paint a clearer picture of the effect of the various components of DHCD's MtW program I first review each separately.

Observing Each Component of the MtW Program

Time Limits

Welfare reform programs implemented time limits to encourage work and a concrete goal for which recipients could strive for during their time in the program. At program development and implementation, DHCD staff shared similar aspirations, although their three-year time limit was tied to demonstration length rather than any theory of workforce development. The impact of time limits in both Boston and Worcester were mixed and unclear. Clients obviously had an eye toward program graduation but the limited supports to facilitate professional growth created anxiety and stress over their future well-being rather than motivation. Furthermore, all clients

were willing to leave MtW if they were offered a Section 8 voucher because it offered them long-term stability. It is important to note that, despite the desire for a permanent Section 8 voucher, both groups stated that they do not want "to be dependent on the government forever." It was more about getting better and more targeted assistance to get them to self-sufficiency rather than a timeframe. A key question is: would more time be helpful for these families? DHCD recently extended their program time to "up to 5 years" but there is no clear indication as to whether, under current program procedures, the clients will be any further along in two years. That is not to suggest clients should not receive more years of assistance but that the program needs to be enhanced through services to take advantage of the added time (as I will discuss further in the recommendations section).

Fixed Shallow Rent Subsidy

The goal of a fixed rent subsidy was to encourage participants to constantly seek work since they were responsible for a set portion of the rent each month and, to a less degree, it simulated what it would be like to rent in the private market. Focus group participants stated that they were motivated to work because they wanted to remain in the program or had to pay their portion of the rent. However, one cannot say that the clients would not have been equally motivated if they had a traditional Section 8 voucher (i.e. paid a percentage of their income in rent). Clients in Worcester suggested that the step-down flat rent subsidy did help them prepare for graduation both because it made the transition gradual and allowed them to divert the money to savings. This might be a helpful strategy for preparing clients in Boston for program graduation too but the decrease would have to be carefully structured to account for the tight rental market and remain flexible.

Support Funds and Escrow

There is less information available about how clients use support funds. In Boston, the support fund ($83/mo) was primarily used to pay for household utilities (according to the MtW advisor) and they were able to save relatively little of it (median support fund savings was about $300 out of a possible of $2000). Additionally, Boston clients did not view purchasing a home as a viable option given their financial constraints and the expensive Boston housing market and, therefore, paid little attention to their escrow accounts.

While I did not receive data on Worcester in time to thoroughly analyze it for this research, a preliminary review suggests that clients were able to save on average a substantial portion (approximately 75%) of their support funds. Furthermore, the affordable housing market allows participants to actively look forward to and strive toward the goal of homeownership.

Referral-based Case Management

The data suggested that clients are not able to get out of poverty under the current MtW model, which focused primarily on housing assistance as a conduit for employment and self-sufficiency. Client input supported this notion as they indicated that they need more intensive case management to help them "rebuild" and "structure" their lives that have been disrupted by extended periods of homelessness, and overcome severe credit and debt issues and other social and financial challenges. For example, clients in Boston needed significant help understanding their rights and responsibilities toward credit agencies and planning for paying down their debt over time. They stated that budgeting exercises were not sufficiently meeting their needs.

Ultimately, there is a cap on what the current MtW model of time limits, shallow rent subsidies, referral-based case management and support funds can achieve. Furthermore, there is an apparent over-reliance on stable housing alone serving as the vehicle for self-sufficiency.

In the final section, I outline a few focus areas and recommendations that DHCD, and its MtW planning task forces, should consider as they move forward.

Recommendations

In his recent book on subsidized housing, Dr. Lawrence J. Vale (2002) said, *"if we wish to plan for the future of public housing, we must first learn from its past."* The past of DHCD's MtW program reveals that it was developed using theories that were largely untested and unproven. As already demonstrated, the components of their model (e.g. time limits, fixed rent, etc) were based on a series of assumptions about how to motivate employment and increase self-determination; assumptions that still cannot be said to be true. This suggests that one cannot presuppose that the model should continue in its current form. Any DHCD task force or individual reviewing the program should re-think the model in its entirety before deciding how to proceed, particularly if determining how to expand MtW.

Examples of questions that might be asked about the basic model of the program are: what is the purpose of time limits and shallow rent subsidies? Could eliminating time limits but retaining a shallow rent subsidy continue to motivate employment while simultaneously reducing anxiety and allowing each client to advance on their own terms and schedule? Is the escrow account's function as savings for homeownership irrelevant in certain markets or in times when homeownership has proven to be more challenging than previously assumed? Could it be more beneficial to divert escrow funds to an education or childcare account or use them to pay down a client's debt? In initiating this evaluation and convening task forces to plan for the future of MtW, DHCD has demonstrated a commitment to "learning from the past." As planning proceeds DHCD should continuously challenge existing assumptions and learn from their success and failures.

While all elements must be re-evaluated, there is also value to building on the current pilot programs in Boston and South Worcester to determine if additional non-housing activities could provide the necessary piece, if there is one, to move families out of poverty. The remainder of this paper will focus on improvements and additions to the current programs, assuming the basic structures will endure.

Evaluation

DHCD should not continue to overlook data collection and evaluation. Regardless of the model or direction of the MtW program, DHCD should be more intentional and systematic in its data collection, evaluation and monitoring so program administrators can continuously learn, improve and meet client needs. HUD set a poor example for evaluation by failing to follow through on its own evaluation scheme for the MtW demonstration and not providing sufficient evaluation guidance or assistance to participating housing agencies. Rather than following HUD's example, DHCD should learn from its shortcomings and not repeat its mistakes.

Short Term Changes

Much of the data collection challenges are tied into improving the current management information system, which cannot be completed immediately[16]. However, there are immediate changes that can be made with limited resources or technological savvy. All information currently collected in hardcopy should be recorded electronically. This might involve simplifying the respective program's intake and enrollment forms to decrease the data collection burden or require that only some of the data elements collected on paper be recorded electronically.

Additionally, the data should be preserved historically (i.e. updated as opposed to overwritten at re-certification and exit). This will permit program administrators (from DHCD or the respective MtW sites) to observe changes overtime and quickly gather information about client progress and program outcomes or, perhaps more importantly, preserve data so that it can be conveniently accessed for future evaluations. If the *Tracker System* does not have the capacity to record and store information without being overridden at each update then a simple Microsoft Excel spreadsheet or Access database should be developed to temporarily store information, which can later be merged into the new *Tracker System*.

DHCD should also consider conducting a survey or outreach effort to families that have exited the program (graduates, voluntary or non-compliance terminations). The positive trajectory of the MtW programs might have continued long after exit and clients might have eventually

achieved economic self-sufficiency or had other positive outcomes. This knowledge would paint a clearer picture of the program's long-term impact and possibly change one's perception of its effectiveness.

Table 6.1 again shows the variables that were recorded electronically for this research, with the addition of an "exit" category. This could serve as a guide or starting point for variables that MtW administrators should begin immediately collecting and recording electronically.

Table 6.1 Basic Data Collection

Demographics	Housing and Neighborhood	Key Dates	Education, Employment and Income	Exit
Name	Pre-Intake Housing	Intake Date	Employment Status	Exit to type of housing
Date of Birth	Referring Agency	Enrollment Date	Employment FT or PT	Exit to subsidized or unsubsidized housing?
Gender	Enrollment Address	Exit Date	Employment Income	
Race	Current Address		Income from Benefits	
Ethnicity	Housing Inspection Grade		Income from Child Support	
Household Size	Number of Bedrooms		Other Income	
Number of Children under 18			Educational Attainment	
Number of Seniors			Additional Training	

Long-Term Evaluation and Monitoring

The more challenging issue that will undoubtedly be the subject of much discussion for the MtW task forces is how to monitor and evaluate the programs going forward. The most basic question that must be answered is how to define program goals and success. DHCD's primary goal when it first created the MtW pilots was to facilitate economic self-sufficiency. The data suggests that client's earnings have improved but not to the point where they can remain in private housing without a subsidy. Does this imply that the program was not successful or is any increase in income sufficient? Having clearly defined program goals and measures of success is critical for more than just evaluation. They also serve as a guide for DHCD and administering agency staff in their efforts to direct clients and improve outcomes.

After defining program goals, DHCD should undertake a consultative process to create the evaluation framework. The following set of questions adapted from the *Field Guide to Nonprofit*

[16] My understanding is that DHCD is currently working with the database contractor to make the necessary changes to their information system so I will provide additional details on this topic.

Program Design, Marketing and Evaluation (2008) serve as an example of what should be considered when determining what to evaluate and how to evaluate a program:

1. What do you want to be able to decide as a result of the evaluation?
2. Who are the audiences for the information from the evaluation (e.g., clients, funders, management, staff, advocacy groups, etc)?
3. What kinds of information are needed to make the decision and enlighten your intended audiences? For example, will DHCD need information about the process of the program (its inputs, activities and outputs), the clients who experience the program (demographics and goals), strengths and weaknesses of the program, benefits to clients (outcomes), how the program failed and why?
4. What are the indicators of success (i.e., what outputs or outcomes determine whether the program is achieving its intended administrative and programmatic goals)?
5. From what sources should the information be collected (e.g., employees, clients, groups of clients, program documentation, etc)?
6. How can that information be collected and recorded in a reasonable fashion without over-extending already limited staff resources (e.g., questionnaires, interviews, examining documentation, observing employees, conducting focus groups among clients or employees, etc)?
7. When is the information needed?
8. What resources are available to collect the information?
9. How frequently should client's outcomes be reviewed and evaluated? For example, clients can be reviewed annually to observe incremental changes or at the end of each program cycle to observe the full impact of the program.

The answers to each question might differ slightly across MtW programs but the process will help create a clear vision and establish a culture of learning that will only enhance DHCD's efforts. Given that inadequate research currently exists on time limits, shallow rents and other program components DHCD must be particularly vigilant about observing outcomes both to inform their programs and the field of housing assistance in general.

Case Management & Supportive Services

Clients made it clear that the current referral-based system was not adequate and data from this and other research has repeatedly shown that housing assistance alone is not enough to get low-income families to self-sufficiency. There is no definitive evidence that more case management is the "missing piece" of the program. However, enhancing this component would be responding to a clear client demand for additional support in the form of life and financial guidance. If DHCD is going to retain their models in Boston and South Worcester then to better meet the service needs of clients and supplement housing assistance DHCD can make the following modifications:

- Provide more focused and intensive assistance from a professional case manager or social worker who can work with clients to create a detailed plan for their time in the program, develop goals and outline steps for achieving those goals before exiting the program. In short, bring more "structure" to and help them "rebuild" their lives. This should be mandatory for all clients but sensitive to their employment and childcare demands.

  This goal can be achieved in multiple ways including; having one MtW Mobility Advisor and one social worker at each site, hiring an experienced case manager to take on both rolls (although this should be accompanied by a maximum "clients per case worker"), or keeping the administrative structure as is and developing a partnership with a local non-profit or university to provide case management services.

- Seek out pro-bono or not-for-profit law firms or accountants that can provide clients with credit counseling and help them develop a strategy for reducing debt burden and improving credit scores. DHCD can partner with an organization like *Greater Boston Legal Services*, or a local law school or university to provide this service.

- One of the most, if not the most, important services that can be provided is childcare, particularly given the fact that nearly all participants are single mothers. Focus group participants stated that lack of childcare was a major impediment to accessing education and job training, and a financial burden. Their comments and concerns are consistent with research on this topic. A 2001 study found that 40 percent of poor, working, single mothers who had childcare paid at least half of their cash income for childcare. A longitudinal study of Census Bureau data showed that former welfare recipients who

received childcare assistance were 60 percent more likely to stay employed over the long term, in this case more than two years. Finally, a study in Michigan found that a childcare subsidy was associated with a 50 percent increase in work hours and over 100 percent increase in wages, when compared to similar families not receiving a childcare subsidy (Matthews, 2006).

In short, childcare assistance improves employment outcomes and keeps families off of welfare, regardless of marital status and educational attainment and low-income families without childcare are forced to decrease employment hours, take on additional debt and return to welfare (Matthews, 2006).

Workforce Development

Clients in Boston shared that the current job training structure did little more than help them find low-wage jobs with no upward mobility. They wanted better jobs that were more in line with their interests and aspirations. South Worcester clients suggested better coordination with career centers to prioritize MtW clients and more individualized career planning. If employment continues to be one of the main priorities of the MtW pilots than DHCD should direct more staff and financial resources toward improving the workforce development components of the program.

One of the more effective welfare-to-work programs, which operated in Portland, Oregon, was able to "help clients secure higher paying jobs that offered more opportunities for advancement than jobs that recipients typically find" (Parrott & Sherman, 2006). In a national evaluation of welfare-to-work strategies, the Manpower Demonstration Research Corporation (MDRC) found that the Portland model increased employment, job quality and earnings, with the wage gains being the highest of any site in the national evaluation and among the highest ever for a large-scale mandatory employment program. MDRC attributed this success to working closely with clients to identify career interests and skills, linking job search activities to the client's newly acquired skills and encouraging clients to only take "good" jobs, which they defined as full-time, paying higher than minimum, with benefits, and potential for significant career advancement (Scrivener, 1998).

It should be noted that the Portland program was operating in an environment of general economic growth and low unemployment in the City and most of its clients had high school diplomas or GEDs. The implications of this are two fold; first, that a strong economy is an important piece of the employment puzzle and, second, that Portland learned how to exploit the propitious conditions to the full benefit of their clients. DHCD should further investigate the Portland model and coordinate DTA Career Centers to provide similar employment assistance.

Education

To move up and away from low-skilled low-wage jobs clients need opportunities to improve their educational attainment. Childcare assistance will go a long way in making this possible but another step is subsidizing enrollment in courses (college, GED, online, etc). One example already mentioned is allowing clients to use the pool of money designated for the "escrow account" for taking classes of their choice. If DHCD chooses to put significant support behind improving educational outcomes, in addition to direct employment outcomes, they can incentivize clients to go to school by applying their matching scheme to every dollar spent on approved courses.

Place-based Innovations

Most families in the MtW program moved to Dorchester, Worcester city and Southbridge, so DHCD should consider having more place-based interventions to support families. If clients congregate in certain neighborhoods DHCD should develop strategies for place-based interventions that will improve the overall neighborhood and, consequently, MtW client opportunities and outcomes. Funding for these solutions can come, at least partially, from efficiencies realized through MtW. There are a variety of place-based policies that can be implemented but a few include; policing to improve neighborhood safety, infrastructure improvements (e.g. streetscapes, lighting, roads, public transportation), new affordable (or mixed income) housing developments, community facilities and daycare centers, and parks and recreation.

Expansion

The expansion scenarios are seemingly infinite and rather than suggest specific options I provide concepts that should be considered during the planning process. One element that all stakeholders seem to be in agreement about, and will not be discussed any further in this paper,

is that DHCD's MtW expansion should be incremental. However, it is important to add that DHCD's expansion should also be accompanied and informed by the evaluation procedures mentioned above. It is critical that DHCD understand the outcomes of its interventions before they replicate or expand them.

One Size Does Not Fit All

An overarching principle, initially stated by DHCD's Director of Rental Assistance programs, is "one size *does not* fit all." This idea applies across individuals, programs, RAAs, regions, etc. Different groups and markets require different interventions. The challenge or dilemma is the tension that exists between flexibility and efficiency. That is to say, customizing program rules for each client based on their needs might be most effective programmatically but it could simultaneously demand significantly more financial and human resources, which are already strained. DHCD must determine the appropriate balance between flexibility and creating an administratively efficient and sustainable program.

Regional Differences

The regional context in which the program is being developed also plays an important role. DHCD was in many ways fortunate to have selected Boston and South Worcester as their pilot sites because they represent housing markets on the opposite end of the Massachusetts spectrum; Boston is among the most expensive and Worcester among the least. What was learned about different market contexts? Perhaps the biggest impact of the market occurs at program exit. During their first year, both client groups were paying approximately the same percentage of their income in rent. However, at exit Worcester clients must make up $250/mo in rent for the lost subsidy compared to Boston client's $700/mo. It is much more difficult to increase one's salary to the point where one can support an additional $700/mo in rent compared to $250/mo. Additionally, Worcester's more affordable rental market allowed clients to annually decrease their rental subsidy and divert that money to savings for future use. This difference likely explains the extreme anxiety about graduation of Boston clients relative to those in Worcester. This has significant implications for future planning. For example, time limits (or program duration) might be more appropriate for some jurisdictions and not others. In this case, the Worcester market seems to be more amenable to time limits than Boston. If DHCD is going to

continue with time limits in a Boston-like market then how does one structure the program to create a gradual transition out of the program?

There are also implications for other components like the escrow account and potential for homeownership but these are slightly more obvious.

Target Population

There are at least two main ways to consider this issue: 1) do you develop a program and have it "self-select" for the most compatible clients or 2) identify a target population and tailor the program to their needs based on previously tried theories and practices? The current models seem to be examples of each method. The program was created in Worcester based on the assumption that clients would be working or work-ready families. It was later replicated in Boston and targeted the shelter population but with the same rules as the Worcester model. Hence, the Boston program ended up "self-selecting" for clients in the shelter who were most motivated and capable of working[17].

Boston clients seemed to fair well but the program might have been more effective if it had been more intentionally tailored to the shelter population. For example, Boston clients needed assistance finding and remaining in stable housing and with re-structuring their lives. While South Worcester clients already lived in private homes and were more interested in decreasing their rent burden and required less case management services.

This is by no means an exhaustive list of changes or modifications but it does cover what I believe are critical elements to molding the MtW pilots into more successful programs. DHCD's MtW programs helped clients make significant gains and by the client's own accounts provided an invaluable service to them and their families. MtW's shortcomings should not be viewed as failures but opportunities for learning, innovation and improvement. Hopefully, this thesis has

[17] Self-selection seemed to occur in South Worcester too but the point here is that the model was developed for a working population in private housing.

contributed constructive insights that will spur the development of an enhanced MtW model that stimulates opportunities for advancement and limits barriers to individual prosperity.

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