This past summer, Vice President Biden’s presidential campaign put forward a plan to address the housing affordability crisis through the Section 8 Housing Choice Voucher program. Current law limits the number of Section 8 vouchers that can be issued, and only 23 percent of households that are eligible for a voucher actually receive one. Among recipients, the benefit reduces the poverty rate by 43 percent. The Biden proposal would transform Section 8 into an entitlement program so that all who are eligible for a voucher could receive one. Such an expansion could lead to substantial reductions in the national poverty rate, which we quantify for the first time in this brief.

The Biden campaign’s Section 8 proposal aims to expand the impact of an existing policy by filling in shortfalls in coverage, and as such it joins proposals advanced during the campaign season that address gaps left by other policies. This includes the LIFT Act, which was introduced by Vice President Biden’s running mate Senator Kamala Harris. The LIFT Act would build upon the Earned Income Tax Credit (EITC), the federal tax credit for low- and moderate-income workers, by increasing credit values and expanding coverage to middle-income households that are currently ineligible for the credit. Another proposal is the American Family Act (AFA), which addresses gaps in coverage left by the Child Tax Credit. Families with children can receive up to $2,000 per child, per year from the Child Tax Credit, but a third of children are ineligible for the full credit because their families earn too little to qualify. The AFA would make low-income children who are currently ineligible for the full Child Tax Credit eligible, increase the credit’s value, and deliver it monthly. Senator Harris is a cosponsor of the AFA, and the proposal was endorsed by Vice President Biden as a form of relief from the impacts of the COVID-19 pandemic. In past work, the Center on Poverty and Social Policy quantified the impacts of both the LIFT Act and the AFA. Our analyses found that the LIFT Act could reduce the national poverty rate by 22 percent and the child poverty rate by 26 percent. The AFA could reduce the national poverty rate by 16 percent and the child poverty rate by 42 percent.

**Key Findings**

- The Section 8 expansion could reduce the national poverty rate by nearly a quarter, moving 9 million people in the United States out of poverty—exceeding the current impact of the EITC.
- Combining the Section 8 expansion with the LIFT Act and the AFA would yield greater cumulative impacts, cutting the national poverty rate by half and the child poverty rate by nearly 75 percent. This translates to moving a total of 20 million people in the United States out of poverty, 7.5 million of whom are children.
- The Section 8 expansion would reduce racial disparities in the incidence of poverty, but these disparities would be more substantially reduced if the expansion was implemented alongside the LIFT Act and the AFA.
These three proposals—the Section 8 expansion, the LIFT Act, and the AFA—have been advanced or considered by Vice President Biden, Senator Harris, or both, and they each address a gap in coverage left by an existing policy. Given these similarities, this brief explores the impact of the Section 8 expansion on its own, as well the cumulative impacts it could have if it were implemented alongside the LIFT Act and the AFA. Our results focus on the impacts of these proposals on the national poverty rate and the child poverty rate, on the rate of deep poverty, \(^7\) and on racial and ethnic disparities in the incidence of poverty at the national level and for children.

Policy Background
Below, we describe the Section 8 expansion proposal, the LIFT Act, and the AFA. The summaries also provide background information on the programs that these proposals build on: the existing Section 8 program, the EITC, and the Child Tax Credit.

The Section 8 Expansion
The Section 8 Housing Choice Voucher Program provides rental assistance for low-income individuals. It is run by the Department of Housing and Urban Development (HUD) and it is their largest subsidy program for low-income households. Under current policy, most program participants pay 30 percent of their adjusted income on rent, while the remainder of their rental payment is subsidized through a voucher. The 30 percent payment follows national guidelines set by HUD, and, according to the Department, "families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care." However, due to limited funding, only about 23 percent of households that are eligible for a Section 8 voucher currently receive one, while the remainder are still cost burdened. The proposal from the Biden campaign to turn the Housing Choice Voucher Program into an entitlement would guarantee that all who are eligible to receive subsidies could actually receive them.

The Livable Incomes for Families Today (LIFT) Act
Under current law, the EITC benefits low- and moderate-income workers through a refundable tax credit. The credit can reach upwards of $3,526 for families with children, while the maximum credit for tax filers without children is roughly $529. The LIFT Act, proposed by Senator Harris, would build on the EITC by providing an additional refundable tax credit of up to $3,000 for single tax filers and $6,000 for joint filers and heads of household. This new benefit would phase in dollar-for-dollar with earned income and then phase-out contingent on tax filing status and income. The credit would completely phase out at $50,000 in earnings for individuals and $100,000 in earnings for heads of household or joint filers—thresholds that are much higher than the current EITC phaseouts. In effect, the credit would increase the value of the EITC for low- and moderate-income workers and expand coverage to middle-income workers.

The American Family Act
The Child Tax Credit is the nation’s largest federal expenditure on children, but roughly one-third of all children are ineligible for the full credit because their families do not earn enough to qualify. The American Family Act (AFA), introduced by Senators Michael Bennet and Sherrod Brown and Representatives Rosa DeLauro and Suzan DelBene, impacts childhood poverty rates by eliminating the credit’s earnings requirement which bars low- and middle-income children from accessing the full credit. In so doing, it allows those children who are currently left behind to receive the full credit. The AFA would also increase the maximum Child Tax Credit from $2,000 per child to $3,000 per year for children between the ages of 6 and 17, and to $3,600 for children under 6 years old, and deliver the credit in monthly increments. \(^9\)
**Impact on Poverty at the Population Level**

Figure 1 shows the predicted poverty rates if the Section 8 expansion were implemented on its own, as well as in combination with the LIFT Act and the AFA. The Section 8 expansion could reduce the poverty rate by roughly 3 percentage points, moving 9.3 million people out of poverty (see Figure 1 and Table 1). To put this in perspective, the EITC moves between 5 and 6 million people out of poverty.²⁰ The Section 8 expansion would also move roughly 3.2 million people out of deep poverty defined as living below half the poverty threshold (see Table 1).

**Figure 1. Predicted Poverty Rates with the Section 8 Expansion and the Combined Policies**

<table>
<thead>
<tr>
<th>Poverty Rate</th>
<th>Poverty</th>
<th>Deep Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>12.7%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Section 8 Expansion</td>
<td>9.9%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Section 8 Expansion, the LIFT Act, and the AFA</td>
<td>6.5%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>


While the impact of the Section 8 expansion is substantial, the poverty rate would continue to hover around 10 percent and over 30 million people would still live in poverty if the expansion were to go into effect. When we combine the Section 8 expansion with the LIFT Act and the AFA, we see greater cumulative impacts. This combination could reduce the national poverty rate by nearly half (to 6.5 percent). This translates to moving 20.2 million people above the poverty line and 5.6 million people out of deep poverty.

**Table 1. Number of People Moved out of Poverty and Deep Poverty with Section 8 Expansion and the Combined Policies**

<table>
<thead>
<tr>
<th></th>
<th>Number of People in Poverty</th>
<th>Number of People Moved Out of Poverty</th>
<th>Number of People in Deep Poverty</th>
<th>Number of People Moved Out of Deep Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>41,300,000</td>
<td>13,400,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 8 Expansion</td>
<td>32,000,000</td>
<td>9,300,000</td>
<td>10,200,000</td>
<td>3,200,000</td>
</tr>
<tr>
<td>Section 8 Expansion, the LIFT Act, and the AFA</td>
<td>21,100,000</td>
<td>20,200,000</td>
<td>7,800,000</td>
<td>5,600,000</td>
</tr>
</tbody>
</table>
**Impact on Racial Disparities in the Poverty Rate**

In the United States, racial and ethnic disparities in poverty remain stark, and the poverty rate among the Black and Hispanic populations is roughly 2.6 times that of the White population (see Figure 2). With this Section 8 expansion, this gap could narrow. The poverty rate could fall by about 1 percentage point to 7.5 percent for the White population, from 20.4 to 15.2 percent for the Black population (2 times that of the White population post expansion), and from 20.3 to 13.4 for the Hispanic population (1.8 times that of the White population post expansion). These disparities could be further narrowed if the Section 8 expansion were implemented at the same time as the LIFT Act and the AFA. Combined, these three policies could lower the poverty rate to 9.4 percent for Black individuals, to 7.0 for Hispanic individuals, and to 5.6 percent for White individuals. The poverty rate of the Black population would thus be 1.6 times that of the White population post-reform, and the Hispanic poverty rate would be 1.25 times that of the White population—a substantial narrowing of the racial and ethnic poverty gap. However, large gaps would remain a reality.

**Figure 2. Predicted Poverty Rates with the Section 8 Expansion and the Combined Policies, by Race and Ethnicity**


**Impacts on Child Poverty and on Racial Disparities in the Incidence of Child Poverty**

Before the COVID-19 pandemic, there were roughly 10 million children living in poverty in the United States. The Section 8 expansion could reduce the child poverty rate by 4.6 percentage points and move 3.4 million children out of poverty (see Figure 3 and Table 2). When combining the Section 8 expansion, the LIFT Act, and the AFA, the child poverty rate falls by more than 75 percent, moving roughly 7.5 million children out of poverty and 1.8 million children out of deep poverty.
Pairing Housing Vouchers and Tax Credits Could Cut the National Poverty Rate in Half

Figure 3. Predicted Child Poverty Rates with the Section 8 Expansion and the Combined Policies


Table 2. Number of Children Moved out of Poverty and Deep Poverty with Section 8 Expansion and the Combined Policies

<table>
<thead>
<tr>
<th></th>
<th>Number of Children in Poverty</th>
<th>Number of Children Moved Out of Poverty</th>
<th>Number of Children in Deep Poverty</th>
<th>Number of Children Moved Out of Deep Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>10,100,000</td>
<td>2,400,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 8 Expansion</td>
<td>6,700,000</td>
<td>3,400,000</td>
<td>1,400,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Section 8 Expansion, the LIFT Act, and the AFA</td>
<td>2,600,000</td>
<td>7,500,000</td>
<td>600,000</td>
<td>1,800,000</td>
</tr>
</tbody>
</table>

The proposals could also narrow disparities in the incidence of child poverty along racial and ethnic lines. Prior to the COVID-19 outbreak, Black and Hispanic children were more than three times as likely to be in poverty than White children. Nearly 24 percent of Black children and 21.7 percent of Hispanic children lived in poverty, compared to 7 percent of White children. If the Section 8 expansion was implemented alongside the LIFT Act and the AFA, the combination could reduce the poverty rate to 5.8 percent for Black children, to 4.1 percent for Hispanic children, and to 2.5 percent for White children. While these proposals substantially narrow these disparities, poverty rates would remain higher among Black and Hispanic children than White children.
Limitations and Considerations

Our results rely on data from before the COVID-19 outbreak in the United States and the associated economic downturn. The results thus provide insights into what impact these policies might have in a period when the economy is operating “normally” or “in the long run.”

In addition, the policies that we modeled could result in changes in labor market behaviors among some recipients. For example, expansions to the EITC have been found to increase labor market participation among unmarried women with children and to decrease labor market participation among married women with children. However, recent analysis has suggested that evidence is weak for labor supply responses to EITC expansions given confounding effects from the macroeconomy and welfare reform in the 1990s. Results in the literature on changes in labor force participation in response to housing subsidy receipt are also mixed. One possible reason we might see reduced labor force participation after receiving a housing subsidy is the high marginal tax rate faced by subsidy recipients. For Section 8 recipients, 30 percent of each additional dollar that they earn must go towards their rent. That said, evidence from prior work examining expansions to housing subsidy programs shows that the number of people who reduce their labor force participation is small relative to the number of households that could benefit. The same is true for the expansion to the Child Tax Credit outlined in the AFA. Based on these studies, we do not expect that potential changes in labor force participation associated with the Section 8 expansion we have modeled would substantially offset the impacts on the poverty rate that we estimated.

The Section 8 expansion could also result in changes in the rental housing market and changes in recipients’ housing related choices—for example, they might choose to move to different areas. Though again, the results from the studies that examine residential mobility and subsidy...
In addition, we assume a 100 percent take-up rate for each policy that we modeled, and for this reason, our findings should be considered as upper bound estimates. These choices (i.e., labor force participation, mobility, or take-up) could all have an impact on our estimates that we have not incorporated, and like all estimates, ours are bound by a margin of error. Overall, however, they provide insight into the possible impacts that these policies could have, and we would not expect the effects that we did not incorporate would substantially offset the predicted impacts that we present.

Conclusion
The Section 8 expansion put forward by the Biden campaign could reduce the poverty rate in the United States by nearly a quarter and move more than 9 million people out of poverty. If enacted alongside the LIFT Act and the AF A, policies that address gaps in the EITC and the Child Tax Credit, poverty reduction could be even more dramatic. Together, the three policies could lead to a 50 percent reduction in the national poverty rate and a 75 percent reduction in the rate of child poverty. This combination of policies would also reduce disparities in the incidence of poverty along racial and ethnic lines, and it could cut the child poverty rate of Black and Hispanic children by more than 75 percent. Though not explored in this brief, the AF A and the LIFT Act would also deliver substantial benefits to middle-income families who many say have seen their economic position deteriorate in recent decades. Our analysis shows that filling in the gaps in existing social policies that target poverty and economic insecurity would make a substantial impact in terms of poverty reduction.

Acknowledgements
This brief is made possible with the support of the Annie E. Casey Foundation. The authors thank Irwin Garfinkel, Sonia Huq, and Jane Waldfogel for their useful comments. All errors and assertions in this brief are our own.
Appendix A. Cost Estimates

The Institute for Taxation and Economic Policy has estimated the costs of the LIFT Act and the AFA. They estimate the costs of the LIFT Act to be $270.9 Billion and the AFA to be $105.2 Billion. We were unable to find a cost estimate of the Section 8 expansion, so we derived an estimate based on the current budget for the Section 8 program. As of the 2020 budget published by HUD, the Section 8 program cost $22.2 billion per year. Knowing that 23 percent of eligible households actually receive a Section 8 voucher, we determined that the total cost of the Section 8 program as an entitlement could be roughly $96.7 billion per year if providing vouchers to the remaining 77 percent of eligible non-recipient households cost the same, on average, as it does for the 23 percent of current recipient households. This leaves the net cost estimate of the Section 8 expansion at $74.5 billion. This is an estimate based on current spending, and there are many reasons why the actual costs could be different. The cost would be different if those who newly received subsidies are, for example, more likely to live in high cost areas or they have higher incomes. In addition, the cost would vary based on broader economic circumstances and would likely be higher during recessionary periods.

Appendix B. Combined Impact of the Section 8 Expansion and the Working Families Tax Relief Act

Other legislative proposals that addresses the EITC and the Child Tax Credit have also been put forward. One example is the Working Families Tax Relief Act (WFTRA). The WFTRA was introduced by Senators Sherrod Brown, Michael Bennet, Richard Durbin, and Ron Wyden alongside Representatives Daniel Kildee and Dwight Evans and is cosponsored by the vast majority of the Senate Democratic caucus. It would make changes to the EITC and the Child Tax Credit in a single bill. This bill would expand the EITC for childless workers by quadrupling the maximum benefit for this group and ensuring a larger share are eligible for the maximum benefit by increasing income eligibility limits. The WFTRA also provides roughly a 25 percent increase in EITC benefits for adults with children. The WFTRA would also eliminate the Child Tax Credit’s earnings requirement which bars low- and middle-income children from accessing the full credit. Children who are currently ineligible for the full credit of $2,000 per qualifying child would become eligible, and the proposal would increase the benefit level to $3,000 for children under the age of six.

To understand the poverty effects of these proposed changes in combination with an expansion of housing support, figures B1 and B2 present the predicted cumulative impacts of the Section 8 expansion and the WFTRA.
Figure B1. Predicted Poverty Rates with the Section 8 Expansion and the Combined Policies


Figure B2. Predicted Child Poverty Rates with the Section 8 Expansion and the Combined Policies

Appendix C. Methodology

To analyze the effects of various proposals assessed in this brief, we use the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS), the national household dataset used to calculate annual poverty statistics. We use the Supplemental Poverty Measure (SPM), as this measure counts benefits from the tax system and other non-cash sources, making it a more comprehensive measure of income poverty. We use data from the recent 2019 survey, which calculates poverty for calendar year 2018. We retrieved the data from the Integrated Public Use Microdata Series hosted by the University of Minnesota. Below, we describe the models we built in the CPS data to predict the impacts of the proposals that we examine in this brief.

Expansion of the Section 8 Program

We evaluated the poverty impacts of reforming Section 8 so that all eligible households receive a voucher in three steps.

1. Identified households in the 2019 CPS-ASEC that were eligible for a Section 8 voucher but did not receive one. We used the following criteria to identify eligible households (in our model, households had to meet all of these criteria to be considered eligible for Section 8).
   - The household’s total cash income was below 80 percent of their area median income. HUD publishes Section 8 income eligibility thresholds for all counties across the United States that are set at 80 percent of their area’s median income. We do not have a county identifier for all households in the CPS, but we do know if households are located in metro or nonmetro areas. To match households in the CPS to income thresholds in the HUD data, we calculated the average Section 8 threshold for metro and nonmetro areas in each state. This approach gave us two Section 8 income thresholds for each state (metro and nonmetro), which we then matched to households in the CPS. As HUD does, we adjusted these thresholds to household size.
   - The residence was a rental unit.
   - There was at least one citizen in the household.
   - The household was not currently receiving housing subsidies or in public housing.

2. Evaluated the value of the housing subsidy that each of these eligible households would receive from Section 8. (The assumptions here are that household members would not move after receiving the voucher and that their landlord would accept the voucher). To evaluate the value of the housing subsidy, we took an approach that was formerly used when estimating housing subsidies in the Supplemental Poverty Measure. This approach requires that we estimate the maximum value of the housing subsidy and the amount of rent that the household is expected to contribute—the housing subsidy is equal to the maximum value net the household’s contribution. Here are the steps taken to evaluate the housing subsidy.
   - Set the household’s contribution at 30 percent of their household income.
   - Set the initial maximum subsidy at the regional Fair Market Rent for households based on their size (i.e., same number of bedrooms) and location. To do this, we first calculated the average Fair Market Rent in metro and nonmetro areas using data from HUD. We then imputed the number of bedrooms for households in the CPS-ASEC using the methodology described in (Johnson et al., 2011). We then matched households in the CPS-ASEC to their FMR based on state, metro/nonmetro residence, and the number of bedrooms in their household.
   - Calculated the new recipients’ household subsidy (for the whole household) as the difference between their FMR and 30 percent of their household income.
   - Prorated the housing subsidy for households with more than one SPM unit. For example, if there is a household with two SPM units and the first SPM unit includes three people and the second includes one person, then the first SPM unit receives 75 percent of the subsidy and the second unit receives 25 percent of the subsidy.
   - If the SPM unit’s prorated subsidy was larger than the shelter and utilities portion of their SPM threshold, reduced it so that it is not larger than this portion of the threshold.

3. Added the new subsidy to the tabulation of household resources used to determine poverty status and recalculated the SPM poverty rate.
The LIFT Act
Senator Kamala Harris has proposed a large expansion to EITC benefit levels and eligibility in her LIFT (Livable Incomes for Families Today) the Middle Class Act of 2018. Instead of revising the current EITC program parameters, the LIFT Act would add an additional benefit on top of the current EITC schedule, where the additional amount would also have a phase-in region where benefits increase with earnings, a maximum benefit, and a phase-out region where benefits decline toward zero at higher income. The proposed expansion is limited to adults aged 18 and over with household income no greater than $100,000. Instead of varying benefit schedules by number of children, the additional benefits from LIFT would vary by tax unit filing status: individuals, heads of household, and married.

New benefits from the LIFT Act would phase-in dollar-for-dollar with earned income, regardless of filing status. The maximum benefit is capped at $3,000 for individuals and heads of household, or $6,000 for married tax filers. Benefit values phase out over different income ranges for each filing status: $30,000 to $50,000 for individuals, $60,000 to $100,000 for married couples, and $80,000 to $100,000 for heads of household. About 50 million new families would become eligible for LIFT given the larger expansion of phase-out thresholds into higher income ranges of the middle class. The simulated benefits from LIFT are added on top of the EITC amounts and new poverty estimates are constructed.

The American Family Act
The American Family Act increases the maximum value of the Child Tax Credit and eliminates the Child Tax Credits’ earnings requirement and phase in. If the AFA were to become law, the maximum credit value would increase from $2,000 per child to $3,600 for younger children and $3,000 for older children, and many low-income families who currently do not receive a Child Tax Credit or receive a partial Child Tax Credit would qualify for a full credit. To simulate the AFA, we first identified all individuals in the ASEC with dependents under the age of 18 and then calculated the value of the Child Tax Credit they would qualify for according to the following parameters outlined in the AFA.

1. The maximum credit for young children (under 6 years old) is $3,600, and the maximum credit for older children (ages 6 to 17) is $3,000.
2. The credit phases out for joint filers with an adjusted gross income (AGI) above $200,000 and for single filers with an AGI above $150,000.
3. Individuals with AGIs below the phase-out thresholds qualify for the full credit outlined in the proposal; this includes individuals with qualifying dependents who did not file taxes because they had very low or no earnings.

To estimate the poverty impacts of the proposal, we replaced the current Child Tax Credit values included in the CPS-ASEC microdata with the Child Tax Credit values we calculated according to the parameters outlined in the AFA. We then determined each household’s poverty status with the new credit.
Notes

1. See the Center on Budget and Policy Priorities analysis of the share of low-income renters who do not receive federal rental assistance.


3. The full proposal title is the LIFT (Livable Incomes for Families Today) the Middle Class Act. For more information about the LIFT Act, see Hartley, Collyer, Kimberlin, and Wimer (2019). Access here.


5. An overview of the Biden campaign’s plan for expanding Section 8 can be found here.

6. For more information about the AFA, see Hartley, Collyer, Kimberlin, and Wimer (2019). Updated estimates for the impacts of the AFA can be found in a letter to the authors of the bill, available here.

7. Defined as living below 50 percent of the poverty threshold.

8. For estimates of the costs associated with these policy proposals, see Appendix A. Our analysis also compares these results to an alternative policy package: combining the Section 8 expansion with the Working Families Tax Relief Act (WFTRA)—a bill introduced by Senator Sherrod Brown and co-sponsored by much of the Senate Democratic Caucus that would make changes to the EITC and Child Tax Credit together. See Appendix B for a brief legislative summary and estimates for its impact, when combined with a Section 8 expansion, on poverty and child poverty.


13. See here for an analysis of low-income at-risk renters by the Center on Budget and Policy Priorities

14. In 2019, the maximum credit amounts were $3,526 for families with one child, $5,828 for families with two children, and $6,557 for families with three or more qualifying children. The current EITC schedule is available here.
Pairing Housing Vouchers and Tax Credits Could Cut the National Poverty Rate in Half

15 The legislative language is available here.

16 The current EITC schedule is available here. See Hartley, Collyer, Kimberlin, and Wimer (2019) for more information about the LIFT Act.

17 Collyer, Harris, and Wimer (2019).

18 The legislative language for the Senate version of the bill is available here. The version of the bill introduced in the House is available here. See note 19 for a description of the difference between these bills. Note that in both bills, the Child Tax Credit begins to phase out when adjusted gross incomes reach $150,000 for heads of household and $200,000 for joint filers (down from the current phaseouts of $200,000 for heads of household and $400,000 for joint filers).

19 The AFA has been introduced in both the US Senate and the US House of Representatives. Under the version of the bill introduced in the House, 17-year-olds qualify for the credit, while 17-year-olds do not qualify in the version of the bill introduced in the Senate. In this report, we model the version of the bill introduced in the House of Representatives.


21 Eissa and Liebman (1996) and Meyer and Rosenbaum (2001) find expansion to the EITC lead to an increase in labor force participation among unmarried women with children. Eissa and Hoynes (2004) find that the EITC reduced labor supply by 1 percent among married women with children.


23 A study by Jacob and Ludwig (2012) found that housing subsidy receipt among working age able-bodied adults in Chicago results in a reduction in labor force participation by 4 percent and quarterly earnings by $285, while other studies have found that housing subsidies are not linked to reductions in labor force participation (see Owens and Baum 2009, and Shroder 2002). For an overview of the literature on labor supply responses to housing subsidies, see Collinson, Ellen, and Ludwig (2015), and Scally, Batko, Popkin, and DuBois (2018).


25 The authors of the National Academy of Sciences (NAS) report on policy packages to reduce child poverty, A Roadmap to Reducing Child Poverty, simulated an expansion to the Section 8 program where 70 percent of eligible households with children who did not receive subsidies received one. In their model, they accounted for the reduction in labor market participation among household heads using the estimates from the Jacob and Ludwig (2012) paper. From their analysis, they found that 2.9 million households heads who have children who receive a subsidy and 96,000 of those household heads would exit the labor force. In terms of poverty reduction, when the model did not account for the reductions in labor force participation from the Jacob and Ludwig (2012) paper, the Section 8 expansion reduced the rate of child poverty by 3.2 percent. When they did account for the reduction in labor force participation, they saw a 3 percent reduction in the rate of child poverty associated with the Section 8 expansion.
The authors of the NAS report on child poverty also modeled a policy similar to the AFA. Like their model of a Section 8 expansion, their estimated impact of the expansion to the Child Tax Credit on the child poverty rate was nearly the same when they incorporated changes in labor market behaviors and when they did not (there was a difference of 0.1 percentage points).

In a review of the evidence by Collinson, Ellen, and Ludwig (2015), they find studies that show subsidy recipients moving fewer times over a five-year period relative to a control group (see Mills et al, 2006), and studies where subsidy recipients were more likely to move after receiving a subsidy relative to a control group (see Jacob and Ludwig, 2012).


This budget is available here.

See here for an analysis produced by the Center on Budget and Policy Priorities that documents the share of low-income renters who do not receive federal rental assistance.


Access the HUD data here.

That is, 80 percent of area median income.

This is a weighted average based on the population size of the counties that make up the metro areas and the nonmetro areas in each state.

Learn more about HUD’s calculations here.

This method was updated using a Census calculator that matches respondents to HUD administrative data; we are unable to use the updated approach because we do not have access to this Census data, so we used the approach that was formerly used when valuing housing subsidies in the SPM framework. See Renwick (2010). Access here.

This is a weighted average based on the population size of the counties that make up the metro areas and the nonmetro areas in each state.

Access this HUD dataset here: https://www.huduser.gov/portal/datasets/fmr.html

Works Cited


