

HOUSING ASSISTANCE AND SSI PARTICIPATION

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Local Public Housing Authorities' Housing Choice Voucher Policies Can Affect SSI Participation

Local Public Housing Authorities choose how to manage their Housing Choice Voucher (HCV) waitlists among three methods: first-come-first-served, lotteries, and preference-based systems. Of those that use preferences to determine which low-income households receive HCVs, the most common preference is for household heads with disabilities. How does the availability of preference-based benefits interact with SSI applications?

Housing Choice Voucher Policies and SSI Participation

Interactions between social safety net programs can be complex but are important to understand for policymaking. For instance, Supplemental Security Income (SSI) largely targets low-income households containing at least one member who has a disability to receive a modest monthly cash transfer. Being eligible for SSI automatically qualifies individuals for Medicaid and the Supplemental Nutritional Assistance Program (SNAP), while typically disqualifying them from receiving Temporary Assistance for Needy Families (TANF) cash benefits. Receiving SSI qualifies one for — but does not guarantee — housing choice vouchers (HCVs). Further, because housing availability is limited, HCVs are rationed, and thus many eligible applications are denied due to lack of availability. Although receiving SSI does not guarantee a household will receive an HCV, in many areas household heads with disabilities receive prioritized access to these valuable units. A cursory look at the data suggests that 36% of non-elderly HCV recipients are household heads with disabilities. This project explores the complementarity or substitutability of two programs aimed at low-income individuals: SSI and HCVs.

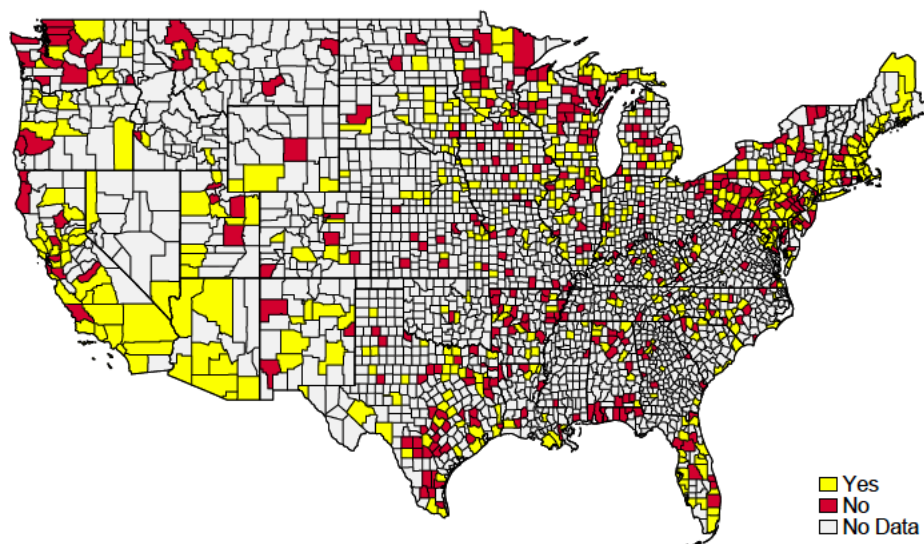
Housing assistance is a large benefit for low-income households, yet because of the limited number of available units, only a quarter of income-eligible households actually receive housing assistance. Once they receive HCVs, recipients tend to keep these benefits for many years. In 2015, the average HCV household exiting the program had received benefits for 6.6 years. While HCVs are not exclusively available to household heads with disabilities, local public housing authorities (PHAs) can choose to prioritize eligible households on long waitlists; and it is common for PHAs to designate a preference for household heads with disabilities. We ask how the availability of preference-based housing assistance affects SSI applications and awards.

To answer this question, we collected data from 1,154 local PHAs across the country to obtain a broader picture of HCV waitlist administration and preferences. We began by documenting national variation in preference-based housing assistance policies, in contrast to first-come-first-served or lottery systems. After documenting these patterns, we are the first to show variation in the number of months per year local PHAs had open waitlists from 2010 to 2017.

Using this data, we explored the effects having an open waitlist in an area with a preference for household heads with disabilities had on SSI applications. The availability of preference-based housing assistance could increase SSI participation by incentivizing those who may be considering applying for disability to seek a disability diagnosis from a physician. However, the availability of preference-based housing may also reduce SSI participation for two reasons. First, because applying for SSI is less financially burdensome after receiving an HCV, household heads may delay applying for SSI if they believe they will soon receive an HCV. Second, the implicit tax on SSI income through the HCV rent formula may also dissuade marginal SSI applicants. Given these potential explanations, whether SSI and HCVs are complements or substitutes to one another remains an open empirical question.

Nearly half of local Public Housing Authorities Across the Country Prioritize Household Heads with Disabilities when Assigning Housing Choice Vouchers.

Based on the data collected, we found that 48% of PHAs had a stated preference for household heads with disabilities when allocating HCVs. In the map below, we show that there is no clear geographic pattern in the counties that do and do not have these preferences.



When HCV waitlists opened in areas where PHAs prioritize households with disabilities, both SSI applications and awards fell.

Applications declined when waitlists opened up in areas that had a disability preference. In all other scenarios (areas where waitlists always remained closed, always remained open, or did not have a disability preference) over the same time period, applications for SSI remained steady.

SSI awards also fell. The effects are most pronounced in the period of the waitlist opening, suggesting that recipients would have likely received SSI in the first round of applications. These findings suggest that the promise of housing assistance can reduce reliance on SSI for households with disabilities.

Implications

- *Nearly half (48%) of PHAs in the US have disability preferences for HCV receipt. The existence of disability preferences appears to be random, with no discernable geographic pattern.*
- *Due to variations in systems throughout the country, not everyone eligible for housing assistance even has the opportunity to put their names on a waitlist. For example, of all HCV waitlists from 2010-2017: 23% always remained open, 9% never opened, and the remaining opened and closed over a set time frame. Keeping these variations in mind could help policymakers understand the complexity of these program interactions.*
- *When HCV waitlists open in areas where PHAs prioritize households with disabilities, SSI applications and awards fall. The timing of these effects suggest that applicants would likely have received SSI in the first round of applications.*
- *A greater investment in housing assistance for household heads with disabilities could reduce reliance on SSI.*

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