

Cutting Housing Benefits Would Increase Homelessness and Housing Poverty



One of the biggest barriers to economic security for households with low incomes is the lack of decent, accessible, and affordable homes. America's affordable housing crisis destabilizes communities and jeopardizes the well-being of millions. Research shows that when people have a stable, decent, and accessible home that they can afford, they are better able to find employment, achieve economic mobility, age in community, perform better in school, and maintain improved health.¹

Proposals to slash federal housing benefits would leave even more people with low incomes without a stable home. Without affordable homes, it is harder for households to climb the economic ladder and make ends meet. Congress should reject proposals to take away housing benefits and instead enact proven solutions to help struggling households earn more and get ahead. This starts with expanding—not slashing—access to and investments in affordable homes.

9 IN 10 HOUSEHOLDS RECEIVING HUD RENTAL ASSISTANCE ARE SENIORS, DISABLED, OR ARE ALREADY WORKING, BUT STILL CANNOT AFFORD RENT.

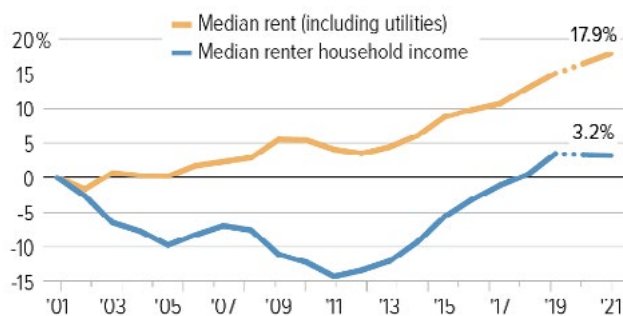
- Nearly 90 percent of the more than 4.6 million households that receive HUD rental assistance are older adults, disabled, working (or worked recently), or likely have access to work programs, such as job training or job search assistance, under the Temporary Assistance for Needy Families (TANF) program.²
- The typical working household receiving federal rental assistance is a family with two school-age children and a parent who works at a job that does not pay enough to cover the market rent for a modest apartment.
- Only a small share of non-elderly, non-disabled adults receiving assistance are persistently unemployed. These individuals face significant barriers to work due to access to quality education, multiple chronic health conditions, or because they are providing full-time care for a pre-school child or other family members.

CUTTING HOUSING BENEFITS DOES NOT ADDRESS A KEY CAUSE OF AMERICA'S HOUSING CRISIS: INCOMES ARE NOT HIGH ENOUGH TO KEEP UP WITH HOUSING COSTS.

- There is no state, metropolitan area, or county in the U.S. where a worker earning the federal or prevailing state or local minimum wage afford a modest two-bedroom rental home at fair market rent by working a standard 40-hour work week. A full-time minimum-wage worker can afford a modest one-bedroom rental home at fair market rent in only 9% of all U.S. counties.³
- There is no U.S. housing market where the over 4 million people with disabilities, ages of 18 to 64, who receive Social Security Income (SSI) can pay rent without assistance.⁴

Housing Costs Climbed During Pandemic While Renters' Incomes Stagnated

Percent change since 2001, adjusted for inflation



Note: Dashed line indicates missing 2020 1-year ACS data due to pandemic-related data collection issues.

Source: CBPP tabulations of the Census Bureau's American Community Survey

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1 Weiss, E. (2017). A Place to Call Home. The Campaign for Housing and Community Development Funding.

2 Mazzara A. and Sard, B. (2018). Chart Book: Employment and Earnings for Households Receiving Federal Rental Assistance. Washington, DC: Center on Budget and Policy Priorities.

3 Aurand, A. et al. (2022). Out of Reach: The High Cost of Housing. Washington, DC: National Low Income Housing Coalition.

4 Technical Assistance Council (2022). Priced Out: The Housing Crisis for People with Disabilities. Boston, MA.

- Eleven of the 25 largest occupations in the U.S. pay a lower median hourly wage than the wage a full-time worker needs to earn to afford a modest one- or two-bedroom apartment at the national average fair market rent.⁵
- After adjusting for inflation, median rent has risen 17.9 percent compared to a 3.4 percent increase in median renter household incomes.

WITHOUT HOUSING BENEFITS, IT WILL BE EVEN HARDER FOR STRUGGLING HOUSEHOLDS TO PROSPER.

- Affordable housing and housing assistance are fundamental to employment and economic security.⁶ Without housing assistance, people with low incomes face a greater risk of eviction, homelessness, and institutionalization – circumstances that make it incredibly difficult to maintain a job and stable health.
- If Congress cuts housing benefits, even more people would experience homelessness, live in substandard or overcrowded conditions, or struggle to meet basic needs because too much of their limited income would go to paying rent. When people cannot afford rent, they are forced to cut back on healthy food and medicine, as well as investments in their future, including education, training, retirement savings, and healthcare.

IMPOSING ARBITRARY RESTRICTIONS ON HOUSING BENEFITS WILL NOT CREATE WELL-PAYING JOBS AND OPPORTUNITIES NEEDED TO LIFT HOUSEHOLDS OUT OF POVERTY.

- Charging households higher rents would force households to either divert money away from basic needs, like medicine or food, or risk eviction or homelessness for not paying rent. Households with rental assistance are already required to pay what they can afford in rent based on their income. Rent increases, such as higher minimum rents or cuts to utility payments, target people who are already at great risk of homelessness, including older adults and people with disabilities.⁷
- Time limits do not reflect the reality of low wage jobs. Arbitrary time limits are especially harmful in high-cost areas and rural communities, where rents are well above what a low-wage worker can afford and where there is a severe shortage of affordable homes. Time limits will not address this structural problem; only investments in affordable homes and increased incomes will.
- Imposing work requirements, time limits, and rent increases creates new administrative costs for housing providers, without providing significant benefits to residents or the public. Housing providers will be forced to divert resources away from property maintenance and the employment-related resident services to pay for additional staff and regulatory compliance.

CONGRESS SHOULD INSTEAD ENACT PROVEN SOLUTIONS TO POVERTY.

Instead of taking away housing benefits, Congress should enact proven solutions to help struggling households earn more and get ahead. This starts with expanding—not slashing—investments in affordable homes to help people thrive. Congress and the administration should:

- Expand rental assistance to ensure it is universally available to every eligible household. Currently, only 1 in 4 eligible households receive any assistance because of chronic underfunding by Congress.
- Expand investments to build homes affordable to people with low incomes. Nationally, there is a shortage of 7 million homes affordable and available to people with the lowest incomes.
- Expand voluntary programs – like Jobs Plus and Family Self-Sufficiency – that provide services and financial incentives to help households achieve financial stability.
- Evaluate existing demonstration programs – like Moving to Work – to determine the impact on tenants and outcomes before imposing across-the-board changes.
- Use HUD’s Section 3 regulation, which provides an opportunity to promote job training and hiring among people receiving housing benefits.

⁵ Id.
⁶ Desmond, M. and Gershenson, M. (2016). Housing and Employment Insecurity among the Working Poor. *Social Problems* 63: 46-67.
⁷ Fischer, W. et al. (2017). Trump Budget’s Housing Proposals Would Raise Rents on Struggling Families, Seniors, and People with Disabilities. Washington, DC: Center on Budget and Policy Priorities.