



Moving Forward Work Requirements: Update on Impacts

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Updated Work Requirement Analysis

Executive Summary

Since January 2014, the Charlotte Housing Authority (CHA) has enforced a work requirement at five of its fifteen public housing developments. This policy mandates that work-able residents work 15 hours per week or complete, with case manager approval, work-related activities.¹ Non-compliant residents face sanctions, namely loss of rental subsidy; the first residents were sanctioned in July 2014. CHA has provided residents with on-site case management since September 2011, and these services continued following policy enforcement.

CURS recently analyzed work requirement impacts the on tenant employment and evictions through December 2014.² While employment and income (as measured by percentage paying minimum rent) did not rise when residents only received case management, they did increase following work requirement enforcement. Further, those gains were statistically-significant when compared to tenants not subject to the work requirement. Contrary to some advocates' predictions, enforcement did not correspond with an uptick in tenant evictions.

This evaluation brief provides an update of impacts of the Charlotte Housing Authority's work requirement by extending the analysis through December 2015. Like our previous report, it analyzes changes in minimum renters, employment, hours worked, and move-out rates. It also reports sanctions levied against non-compliant tenants. The report concludes with recommendations for helping work requirement residents move to self-sufficiency.

Findings

- The percent of work requirement residents paying minimum rent continued to decline in 2015. At the non-FSS sites (Cedar Knoll, Leafcrest, and Tarlton Hills), the number of minimum renters fell by a third – from 45 to 30 percent – while this figure declined by a modest three percent at the FSS sites (Claremont and Victoria Square).
- Employment among residents active in case management continued to increase in 2015, especially at the non-FSS sites (rising six percentage points). From October–December 2015, both the former FSS and non-FSS sites exceeded 90 a percent employment rate.
- Despite gains in employment, average weekly hours worked *among employed residents* remained relatively flat at approximately 28 hours per week for both the former FSS and non-FSS sites.

¹ CHA recently expanded the policy to mandate that work-able adults who are not heads of household work five hours per week.

² Rohe, W.M., M.D. Webb, and K.P. Frescoln. 2015. "Work Requirements in Public Housing: Impact on Tenant Employment and Evictions." Chapel Hill: Center for Urban and Regional Studies.

- Those employed prior to work requirement enforcement increased their work efforts by an average of two hours since enforcement began. Further, following enforcement, the percent of residents working over 25 hours per week has increased six percentage points.
- Sanctions for non-compliance remain low, and slightly decreased between 2014 (an average of 2.0 residents sanctioned per month) and 2015 (1.6 residents sanctioned per month).
- Evictions for rent non-payment are infrequent among residents subject to the work requirement. While these increased by one in both 2014 and 2015 at the non-FSS sites, only one individual (in 2014) was evicted due to inability to pay a rent sanction.
- Following enforcement, positive move-outs – i.e., moving to private-market housing – increased for residents at the former FSS sites, while remaining relatively stable for tenants at the non-FSS sites.

Recommendations

- As a vast majority of residents are already working, case managers should prioritize connecting tenants to full-time and career-type jobs, with the goal of helping residents achieve self-sufficiency and move to private market housing.
- Enhanced marketing of existing Moving Forward initiatives to residents may also encourage increased their work efforts and move toward self-sufficiency. These efforts could highlight how biennial recertifications and banded rents allow tenants to increase their earnings without paying more in rent, and how incentive accounts can help residents save for a security deposit.
- To encourage positive-move outs, consider having case managers refer residents to housing counseling services that can assist with the transition from public to private-market housing.

Introduction

The Center for Urban and Regional Studies (CURS) has evaluated the Charlotte Housing Authority's Moving Forward program for the past seven years. One key Moving Forward initiative is a work requirement imposed at five public housing developments.³ The policy mandates that work-able heads of household work fifteen hours per week or face sanctions; the work requirement was recently expanded to mandate that work-able adults who are not the head of household work five hours per week. The CHA has provided case management at these sites since September 2011. Work requirement enforcement began in January 2014, although non-compliant residents were not sanctioned until May 2014.

In September 2015, CURS released a report entitled "Work Requirements in Public Housing: Impact on Tenant Employment and Evictions," which evaluated the work requirement through its first year of enforcement (through December 2014). We found that, while case management alone did not result in increased resident employment, when coupled with enforcement of the work requirement employment increased substantially compared to those not subject to the work requirement.. Furthermore, work requirement enforcement did not correlated with an increase in evictions. However, while residents were largely compliant with the policy, we found little evidence that enforcement corresponded with an increase in hours worked.

In this evaluation brief, we update our analysis of work requirement impacts through December 2015. As in our previous report, we examine changes in minimum renters, employment, hours worked, and move-out rates. In addition, we report sanctions levied against non-compliant tenants. We utilize a variety of data, including MTCS and End-of-Month reports, move-out data, and tabulations of sanctions maintained by case managers.

We find that the percentage of work requirement residents paying minimum rent continued to decline in 2015, with especially sharp decreases among tenants at the non-FSS sites. Among residents active in case management, employment continued to increase in 2015, while average hours worked remained roughly the same. Both evictions for rent non-payment and sanctions for work requirement non-compliance remained low in 2015. In fact, the rate of sanctions decreased modestly between 2014 and 2015.

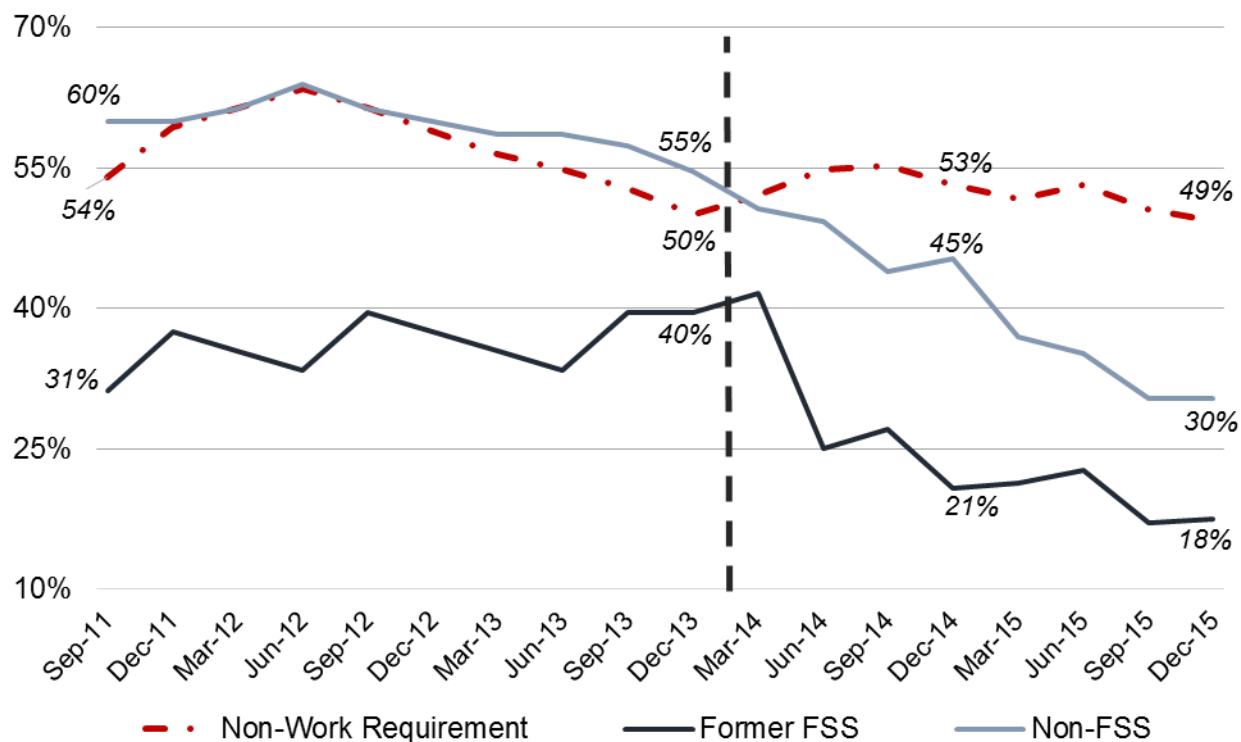
³ Among those developments, two (Claremont and Victoria Square) were reserved for participants in the Family Self-Sufficiency program exclusively. These developments are referred to as 'former FSS' in this report. The other three developments (Cedar Knoll, Leafcrest, and Tarlton Hills) were not reserved for any particular populations, and are referred to as 'non-FSS' in this report.

Change in Minimum Renters

To compare changes in minimum renters⁴ between the work requirement and non-work requirement sites, we use the same sample as in our previous report. This sample is limited to those in CHA housing in September 2011 and December 2014, and we utilized propensity scores – which allow us to control for differences between residents – to match every work requirement resident to two tenants not subject to the policy. Tenants who left the CHA in 2015 were not replaced in the sample.

The number of work requirement tenants paying minimum rent continued to decline in 2015, especially at the non-FSS sites (see Figure 1). At those developments, the percent of minimum renters decreased from 45 to 30 percent – a sharper decrease than in the first year of enforcement, when the percent paying minimum rent fell ten percentage points. The number of minimum renters at the FSS declined modestly in 2015, from 21 to 18 percent. The percentage of minimum renters at non-work requirement developments fell a comparable four percentage points.

Figure 1: Change in minimum renters, September 2011–December 2015. Line denotes work requirement enforcement. Labels represent September 2011, December 2013, December 2014, and December 2015.



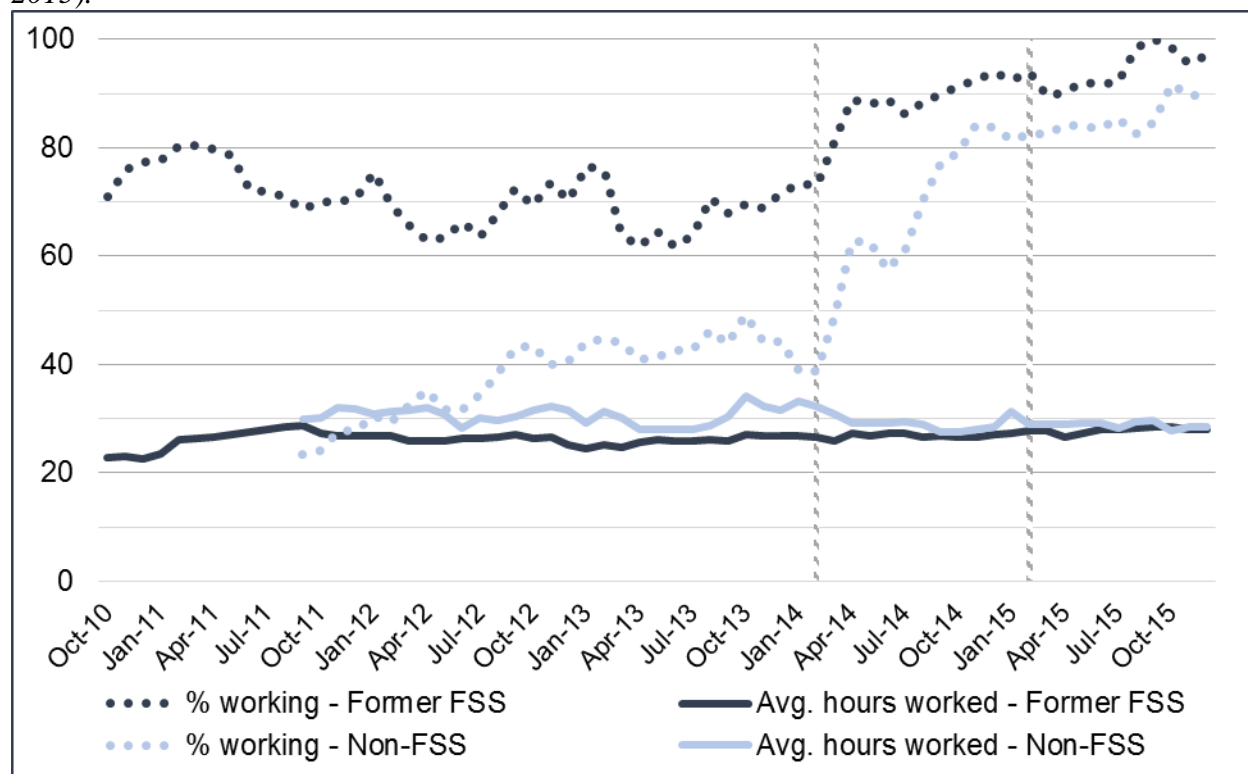
⁴ With the CHA’s move to biennial recertifications, we are unable to compare changes in wage income between the two cohorts. Minimum renters are CHA households whose adjusted annual earnings are below \$3,000.

Change in Employment and Hours Worked

To gauge changes in employment and average hours worked, we draw on End-of-Month (EOM) case manager reports. Because this data is only available for the work requirement sites, we do not have a comparison group for the analysis. Further, EOM data are limited to residents active in Moving Forward case management.

Employment among work requirement residents continued to increase in 2015, rising three percentage points at the former FSS sites and six percent at the non-FSS developments (see Figure 2). As a result of these gains, both FSS and non-FSS tenants exceeded 90 percent employment between October–December 2015, and *all* residents active in case management at the former FSS sites were working in October 2015.

Figure 2: Change in employment rate and hours worked, October 2010–December 2015. Lines denotes work requirement enforcement (January 2014) and one year after enforcement (January 2015).

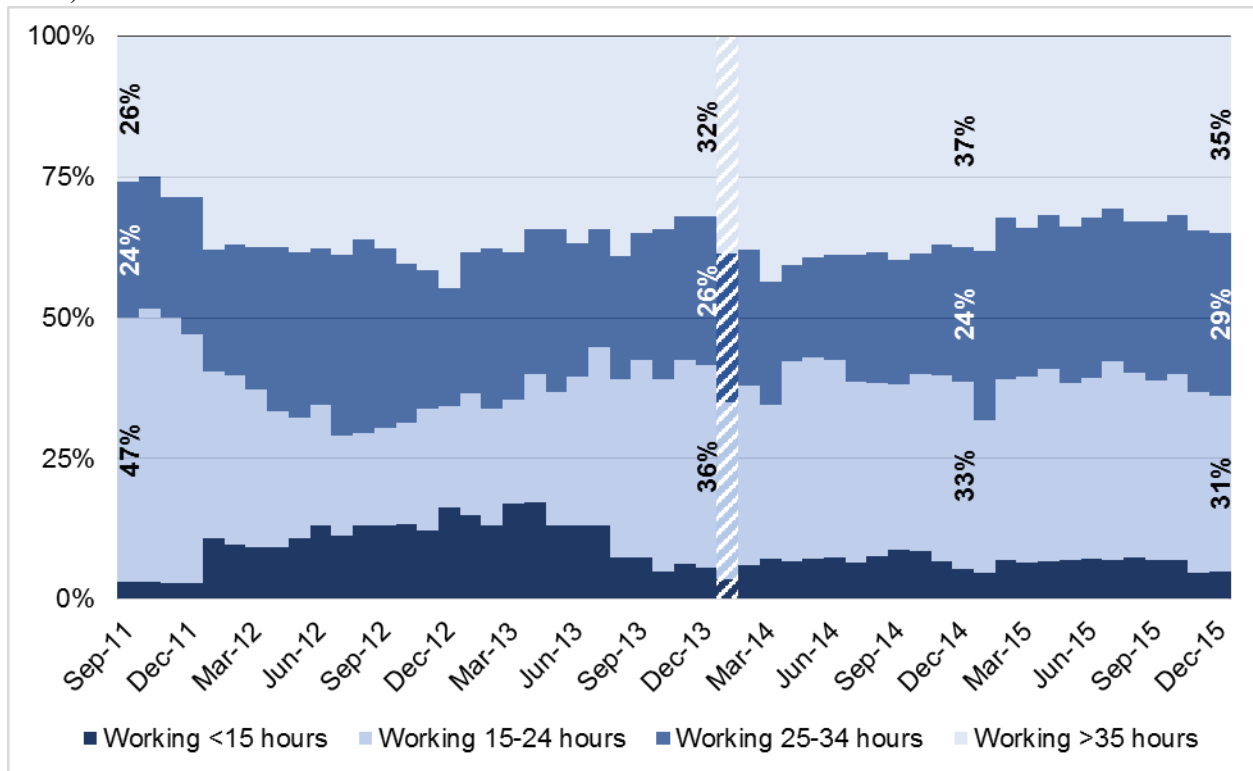


Despite gains in employment, tenants’ average hours worked did not increase in 2015. In December 2015, residents at the non-FSS sites worked, on average, 28.5 hours per week (compared to 28.4 in December 2014), while tenants at the former FSS sites worked 28.0 hours per week (vs. 27.2 in December 2014).

To better understand changes in hours worked, we conducted two additional analyses. First, we examined changes in residents working (i) under 15 hours per week, (ii) 15-24 hours per week,

(iii) 25-34 hours per week, and (iv) over 35 hours per week. Since beginning case management, the percent of residents working both 25-34 and over 35 hours has increased (by nine and five percentage points, respectively) (see Figure 3). At the same time, the percentage working between 15-24 hours per week declined by 16 percentage points. Following enforcement, the percentage working over 25 hours per week increased six percentage points, from 58 to 64 percent.

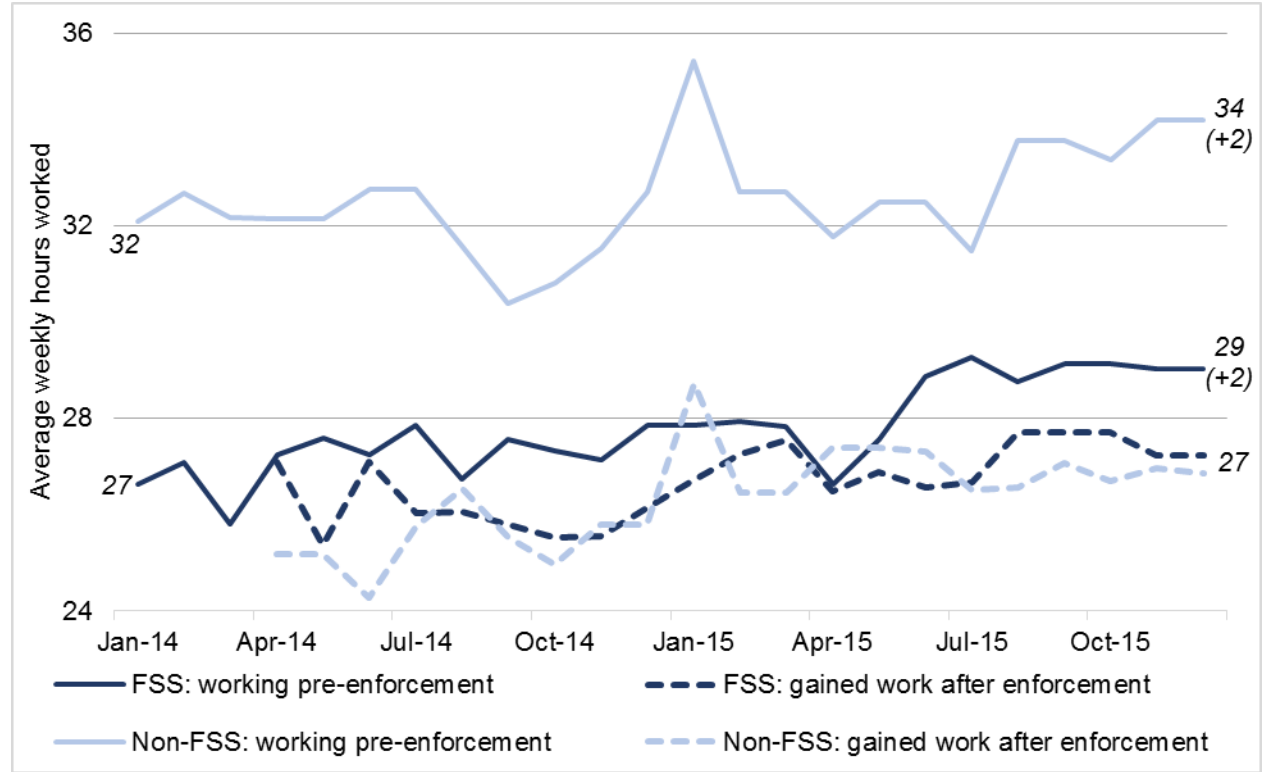
Figure 3: Change in work efforts among work-able residents active in case management, September 2011–December 2015. Dashed bar indicates beginning of work requirement enforcement in January 2014. Labels represent September 2011, December 2013, December 2014, and December 2015.



As seen in Figure 4 average hours worked (among those employed) remained relatively stable following enforcement despite significant increases in employment. One could hypothesize that those gaining employment following enforcement would work fewer hours, thus lowering average hours worked. However, since average work efforts remained flat, those employed pre-enforcement might have increased their work efforts

To test this hypothesis, we analyzed average hours worked for two groups: those working prior to work requirement enforcement and those who gained employment after it (see Figure 4). Results from this analysis largely confirm this hypothesis. Those who began working after enforcement are employed, on average, fewer hours than those who were already working. Further, those working prior to enforcement modestly increased their work efforts in 2014 and 2015: both FSS and non-FSS residents increased their hours worked by two hours, on average.

Figure 4: Average Hours Worked for work-able residents active in case management, January 2014-December 2015



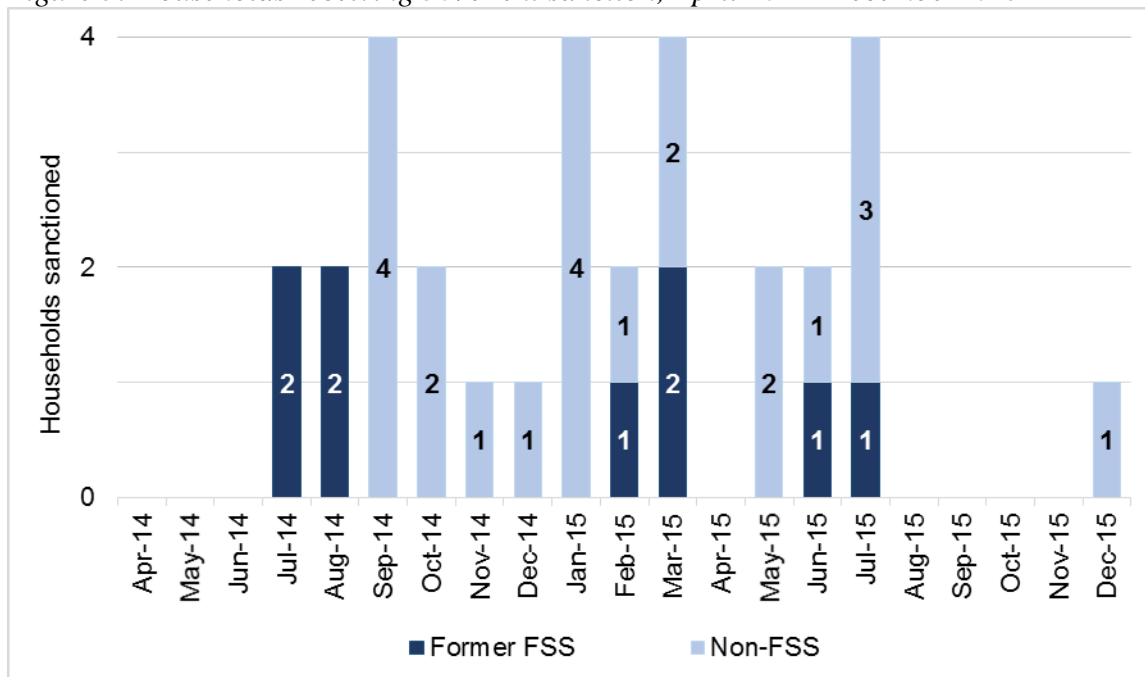
Sanctions for Non-Compliance

Residents not compliant with the work requirement are initially placed on a two-month Improvement Plan, where they complete certain tasks (developed with their case manager) to bring them into compliance. If residents remain non-compliant at the end of their Improvement Plan, they lose half of their rental subsidy.

The number of residents receiving a rental sanction has remained very low – ranging from zero to four residents per month (see Figure 5). On average, two households (1.06% of units subject to the work requirement) were sanctioned each month⁵ in 2014, while an average of 1.6 residents (0.8% of units subject to the policy) were sanctioned each month in 2015. While more non-FSS residents have received rent sanctions, note that there are over 75 percent more non-FSS units (147) compared to former FSS units (82).

⁵ Rent sanctions did not begin until July 2014,

Figure 5: Households receiving 50% rent sanction, April 2014–December 2015



Change in Move-Outs

Tenant advocates argue that work requirements may increase evictions, as households that cannot find work are unable to afford rent sanctions.⁶ This section analyzes changes in rates of both evictions due to non-payment of rent and positive move-outs – such as moving to homeownership or a private-market rental. To do so, we calculated the number of move-outs for these reasons and then divided them by the number of units within each program (1,936 for the non-work requirement sites, 82 for former FSS sites, and 147 for non-FSS sites).

As shown in Figure 6, work requirement enforcement did not result in a notable increase in evictions for non-payment of rent for residents subject to the policy. The number of residents evicted at the former FSS sites was less in the two years of enforcement (zero in 2014 and two in 2015) compared to the year prior to enforcement (when six households were evicted). The number of evicted residents at the non-FSS sites increased by one each year following enforcement, though only one of those evictions was due to an inability to pay a rent sanction (and occurred in 2014). Evictions at developments not subject to the work requirement decreased by 40% from 2013–2015, possibly due to continued improvements in Charlotte’s economy.

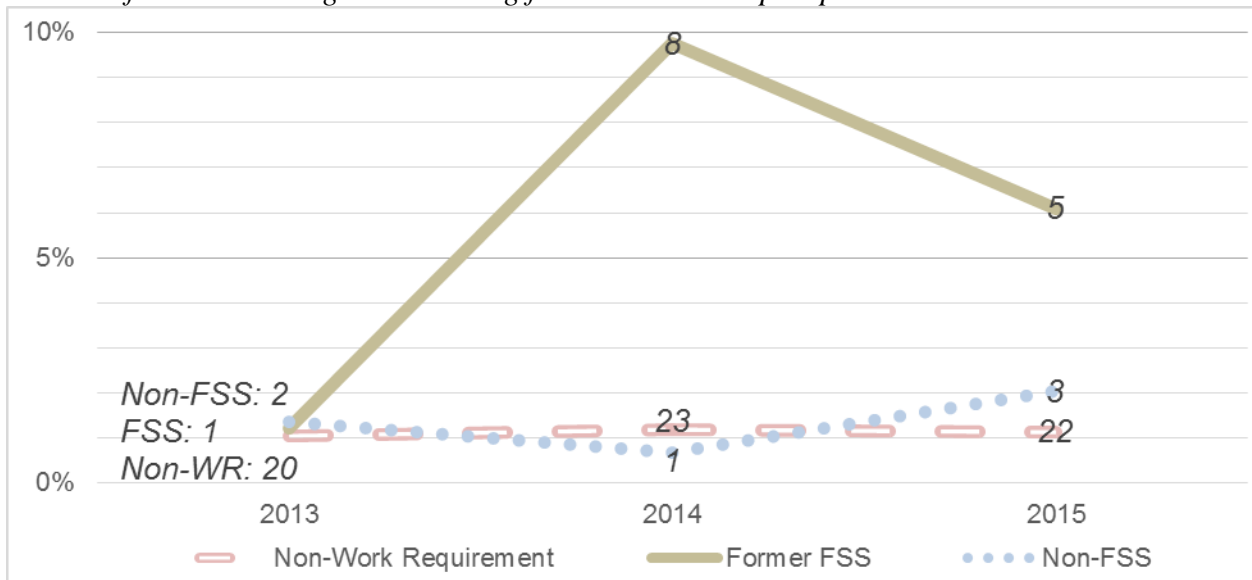
⁶ For example, see Fischer, W. 2015. “Moving to Work’ Demonstration May Not Boost Work.” Center on Budget and Policy Priorities. <http://www.cbpp.org/blog/moving-to-work-demonstration-may-not-boost-work>

Figure 6: Eviction rates (as percent of housing units) for non-payment of rent, 2013–2015. Labels represent the number of tenants evicted.



By encouraging residents to gain employment, work requirements may increase the rate of positive move-outs. We find that positive move-outs increased following enforcement for residents at the former FSS sites: from one in 2013 to eight in 2014 and five in 2015. In contrast, positive move-outs have remained relatively flat for residents at the non-FSS sites, as they also have for residents not subject to the work requirement.

Figure 7: Positive move-out rates (as percent of housing units), 2013–2015. Labels represent number of tenants leaving CHA housing for homeownership or private-market rentals.



Conclusions and Recommendations

This report has provided an update on the impacts of CHA's work requirement through its second year of enforcement. We find that, in 2015, residents subject to the policy continued to increase both their wages (as measured by the number of minimum renters) and employment. These gains were especially strong for residents at the non-FSS sites, where the percentage of minimum renters decreased by a third – from 45 to 30 percent. Employment also edged upward in 2015, with tenants at both the FSS and non-FSS sites achieving over 90% employment from October–December 2015. Possibly as a result of greater employment, the number of residents at the former FSS sites leaving CHA for private-market housing has increased since work requirement enforcement began.

Despite these successes, we note one area of concern. First, the work requirement has not led to increases in average hours worked. Residents subject to the policy work, on average, about 28 hours per week, and this figure has not substantially changed since the beginning of Moving Forward case management in September 2011. However, more detailed analysis indicates some increases in hours worked. More residents are working over 25 hours per week compared to the pre-enforcement period, and tenants who were employed prior to enforcement modestly increased their work efforts in 2014 and 2015.

Given that so many residents are already working, case managers should increase their attention to transitioning tenants to full-time work, with the goal of moving them to self-sufficiency and out of public housing. CHA can support these efforts by enhancing marketing for incentive accounts, and highlighting how the biennial recertification and banded rent policies allow them to increase their earnings without paying more in rent. Furthermore, case managers may refer residents to counseling services to assist them in transitioning from public to private-market housing.