Implementing Financial Work Incentives in Public Housing

Lessons from the Jobs-Plus Demonstration

Alissa Gardenhire-Crooks

with

Susan Blank
James A. Riccio

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TO IMPROVE SOCIAL POLICY

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Overview

Public housing residents who leave welfare for work often see their rents rise in tandem with their higher household income, creating a potential disincentive for them to find or keep jobs. The Jobs-Plus Community Revitalization Initiative for Public Housing Families incorporates the first large-scale test of new rent rules that help make low-wage work pay. Drawing on the experiences of housing authorities in six cities, this report presents lessons on the implementation and use of these innovative work incentives as part of a comprehensive package of employment-related assistance.

Traditionally, public housing rents are set at 30 percent of a household's income. The Jobs-Plus rent incentives changed this policy in a variety of ways. Some sites continued to calculate rent as a percentage of household income but dropped the rate below the standard 30 percent level. Others established flat rents, which kept rent the same even when earnings increased household income. Most sites enriched their plans with other benefits to reward sustained employment. The plans, which were phased in between 1998 and 2000, reflect — and substantially extend — the public housing rent reforms established by 1998 federal housing legislation.

Key Findings

- **Marketing and explaining rent-based work incentives required sustained, varied, and broadly targeted efforts.** The constant arrival of new residents and, in some sites, the range of ethnic groups with vastly different languages and cultures made outreach a challenge. This challenge was compounded by the complex nature of most plans. Helpful tactics in publicizing and clarifying the plans included involving housing managers and resident volunteers in marketing campaigns and seeking diverse forums to explain incentives. Several sites focused outreach on already-employed residents and may have missed opportunities to use incentives to encourage nonworkers to seek employment.
- **Residents' use of the incentives was substantial.** The target population for Jobs-Plus included all households headed by residents who were of working age and nondisabled, whether or not they were already employed. Across all sites, 48 percent of such households used rent incentives. In three sites, well over half did so. However, some eligible residents did not use the incentives because they remained unaware of or confused by the offer, were suspicious of a housing authority initiative, or had other reasons for not participating in the plan.
- **Residents' use of the incentives varied dramatically by site.** Depending on the site, between 19 percent and 75 percent of all targeted households eventually took advantage of the rent incentives offer. (While only working residents qualified for incentives, site differences in employment rates do not account for this variation.) In general, the rates were highest at sites where housing authority managers actively partnered with Jobs-Plus to promote the incentives.
- **Incentives created welcome boosts in household incomes and reportedly encouraged additional work effort among residents who were already employed.** The money saved on rent was mostly used to make basic purchases and pay bills. Strikingly, given the generally modest incomes of public housing tenants, some households managed to increase their savings. Reports of some staff and residents suggest that the relationship between incentives and work behavior was mixed, with these reforms doing more to sustain and even increase work among employed residents than to induce nonworkers to find jobs.

A subsequent report will present findings on how the Jobs-Plus program's full package of incentives, services, and supports affected residents' employment, earnings, and other outcomes.

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Preface

Historically, poor people who receive public benefits have faced economic disincentives to seek work. The potential payoff from taking a job in the low-wage labor market has been offset by a loss of various public assistance benefits, with few or no fringe benefits to compensate. For people living in public housing, this problem has been compounded by traditional rules that calculate a household's rent as a proportion of its income. Under those rules, a substantial share of the extra money gained from taking a job or working more hours has gone into paying a higher rent. In purely economic terms, many residents were convinced that work just did not pay.

Over the past decade, policymakers have tried to tackle this dilemma by altering the structure of income transfer programs so that they do not discourage recipients from taking jobs or working more hours. In the realm of public housing, these efforts have resulted in provisions that are part of a wide-ranging 1998 federal law and that hold rent increases in check by expanding opportunities for public housing residents who work to keep more of the extra money they earn.

But how do policies that aim to make work pay for public housing residents operate on the ground, and how do residents respond to them? This report, the first large-scale study to address these questions, examines a variety of rent incentives being tested in the national Jobs-Plus demonstration. It is part of a larger, ongoing evaluation of Jobs-Plus, a program that combines financial incentives, job-related services, and efforts to stimulate neighbor-to-neighbor support for work with the goal of increasing residents' employment and earnings.

This analysis of how rent incentives unfolded in Jobs-Plus adds to a larger body of research, conducted by MDRC and others, on how a wide variety of public benefits and policies can be designed to help make work pay. We are grateful to the residents and staff whose voices are heard in this report and who spoke candidly about their experiences with rent incentives. They have helped us to understand the day-to-day challenges involved in implementing such policies — why the incentives appealed to many residents and how they benefited from the rent savings, and why other residents resisted them. Overall, these voices clarified the human dimensions of an ambitious reform that tries to change the calculus of work, rent, and economic self-sufficiency in public housing and other policy areas.

Gordon Berlin
Executive Vice President

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The research team that conducted interviews at the Jobs-Plus demonstration sites across the country included Stan Bowie, Crystal Dunson, Sandy Gerber, Louise Godbold, Linda Kaljee, Carolina Katz, Ed Liebow, Francisca Magana, Theresa Myadze, Gabrielle O'Malley, Susan Phillips, Ellie Robinson, and Chia Vang. At MDRC, Linda Kato also conducted interviews, and Johanna Walter processed the quantitative data. Herbert Collado produced the tables and figures and, with Laboni Rahman, checked the report for accuracy. Robert Weber edited the report, and Stephanie Cowell prepared it for publication.

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The Authors

Executive Summary

Rethinking the Link Between Earnings and Rent

The practice of tying rental rates in public housing to household income has long been thought to discourage work. Typically, a household is expected to pay 30 percent of its income — excluding certain deductions and up to a ceiling level — for its rent. Under this arrangement, rents rise along with income; and when someone in the household takes a job, gets a raise, or works more hours, the economic benefits of making these changes are undercut.

The Jobs-Plus Community Revitalization Initiative for Public Housing Families ("Jobs-Plus" for short) — a national research demonstration that aims to promote employment among public housing residents — is testing rent reforms and related innovations designed to address this problem.[1] The program has been operating since 1998 at seven public housing development sites in six cities: Baltimore, Chattanooga, Dayton, Los Angeles (two developments), St. Paul, and Seattle. As part of the Jobs-Plus intervention, each site designed a financial incentives plan centering on changes in rental policies known as "rent incentives," which aim to reduce the increase in residents' rent when they earn more income. Besides rent incentives, the plans called for other activities designed to help make low-wage work pay — for example, counseling on how to take advantage of public benefits and tax credits that can supplement earnings.

The Jobs-Plus rent incentives are consistent with the kinds of approaches that the federal Quality Housing and Work Responsibility Act (QHWRA) of 1998 calls on public housing authorities nationwide to adopt for certain residents. However, the Jobs-Plus financial incentives are more generous and varied and are meant to apply to all working residents.

Despite the growing interest in using financial incentives in public housing to promote work among residents, little systematic information is available on how these innovations operate in practice. By examining the experiences of the Jobs-Plus demonstration sites, this report intends to help answer such basic questions as: What are practical and appealing ways of structuring rent policies to help make work pay? What does it take to publicize and explain these plans and other financial incentives to residents? How likely are residents to take advantage of the offer of such assistance? And how do residents use the extra income that they gain from rent incentives? Findings are based on a series of in-depth interviews with Jobs-Plus staff, local

[1]Jobs-Plus was developed by the U.S. Department of Housing and Urban Development (HUD), The Rockefeller Foundation, and MDRC. In addition to HUD and The Rockefeller Foundation, Jobs-Plus funders include the U.S. Departments of Health and Human Services and Labor; the Joyce, Annie E. Casey, James Irvine, Surdna, Northwest Area, and Stuart Foundations; BP; and Washington Mutual Foundation.

housing authority officials, and residents at the Jobs-Plus sites; on program materials; and on quantitative data on the use of the incentives.

Besides financial incentives, Jobs-Plus programs consist of two other broad strategies or components: employment and training services and neighbor-to-neighbor community support for work. Moreover, because Jobs-Plus is defined as a "saturation" intervention, its three components are aimed at *all* nondisabled working-age residents (ages 18 to 61) who are legally residing in the Jobs-Plus developments. A separate study in the evaluation of Jobs-Plus will examine the effects of the entire package of services — including the financial work incentives — on residents' employment, earnings, and other outcomes.

While this report focuses on a public housing intervention, it should be noted that rent incentives are part of a broader movement to minimize what are perceived as economic disincentives for work associated with a range of public benefits and tax policies. For example, over the past decade, states have been allowing welfare recipients to keep more of their benefits when they go to work. In addition, Congress has steadily expanded the Earned Income Tax Credit (EITC), which is designed to support the employment efforts of working-poor families by using the tax system to supplement their incomes. Thus, the findings in this report should also be of interest to policymakers and others who are concerned about using financial incentives outside the public housing arena to encourage work and improve income among the poor.

What Kinds of Financial Incentives Were Adopted to Promote Work at the Jobs-Plus Sites?

- **The Jobs-Plus sites adopted either flat rents or lower income-based rents to allow working residents to keep more of their earnings. Some sites also used bonus savings accounts or rent credits as further inducements for job retention.**

Under the Jobs-Plus financial incentives component, each site developed a plan for setting rents in ways that would reward work. The new policies were phased in at the different sites between 1998 and 2000, and they ended in December 2003 in all sites except Dayton, where they continued into 2004.

The incentives plans — which allowed working residents who enrolled in Jobs-Plus to pay less rent than they would have been charged under the traditional 30-percent-of-income rule — were of two basic types. Under one approach, the link between rent and income was completely severed. Based on the number of bedrooms in their apartments, residents were charged a *flat rent*, meaning that the rent was held constant and did not rise with income. In most sites, the flat rent was usually lower at the beginning of a lease and rose to one or more higher levels, or “steps,” in subsequent years. The intention was to allow residents to keep more of their earnings as they made an initial transition to work but also to have a less costly public subsidy over the longer term by making the rent reduction less generous in later years and, in some sites, eventually eliminating it. In some cases, rent steps were also seen as a strategy to encourage working residents to try to advance in the labor market so that they could eventually afford higher rents. An alternative approach to flat rents — adopted by two sites — was an *income-based rent* that was set at a rate lower than the usual 30 percent.

Both the flat-rate and the income-based rents of Jobs-Plus were lower than what participants might pay even under rent rules established by QHWRA. Depending on the particular rent incentives plan, the amount of potential rent savings was considerable. During the early stages of the demonstration, for example, a single parent who had two children and who worked full time at $6 per hour could often save between $100 and $200 per month. Other households (depending on their size and the amount of earnings) could save even more.

In addition to the changes in basic rent, a number of demonstration sites offered participants two kinds of special incentives to reward employment retention: (1) bonus accounts — known at the sites as “escrow accounts” — whereby a portion of the participant’s monthly rent was deposited in a savings account and paid out periodically; and (2) rent credits that accrued for each month the participant stayed employed.

Designers of the rent incentives plans assumed that the potential to promote employment would best be realized if participants were able to take advantage of other assistance that would limit the costs of going to work. Thus, to complement these rent-based strategies, the Jobs-Plus sites were expected to counsel residents on a wide variety of other benefits and supports, such as food stamps and the EITC, that augment low-wage incomes. The sites also offered participants some assistance with work-related transportation costs and child care, and several sponsored financial education workshops.

- **Flat-rent plans were easier to implement than income-based plans, although both were feasible. Bonus accounts and rent credits, as structured for Jobs-Plus, were burdensome to administer.**

The degree of complexity associated with the various features of the Jobs-Plus incentives plans had implications for the ease or difficulty with which those features could be put into practice. For example, adjusting rents under any of the plans was not particularly difficult for housing authority staff, because calculating rent adjustments is a familiar duty for them. But after initial rent levels were set, flat-rent plans took less effort to administer than income-based plans, which had to be readjusted whenever residents reported income gains or losses. Sites that included complex bonus accounts and rent credits in their plans incurred additional administrative burdens, because managing these features required staff to take on new and often time-consuming responsibilities. In particular, the sites' decision to track and verify residents' work status month by month in order to determine eligibility for these special incentives became onerous (and contrasted with the common housing authority practice of initiating basic rent adjustments by relying on residents' self-reporting of employment or income).

How Did Residents Learn About the Jobs-Plus Rent Plans and Other Work Incentives?

- **Vigorous and varied marketing campaigns were needed to meet the considerable challenges of building residents' awareness of the rent incentives. Engaging resident volunteers and housing management staff in these efforts was key.**

Although rent incentives can improve residents' economic situations, messages about their availability through Jobs-Plus had to claim the attention of often-changing (because of significant move-out rates), skeptical, and, in some locations, ethnically and linguistically diverse populations of residents. The Jobs-Plus sites were generally energetic and creative in developing marketing campaigns that took these challenges into account.

In addition to notifying residents about the rent incentives through flyers and other printed materials, the demonstration sites found it essential to discuss the incentives plans with residents in one-on-one exchanges as well as public meetings. It was also a productive strategy to use resident volunteers to help spread the word among other tenants in door-to-door outreach campaigns and daily interactions with their neighbors. Housing managers and their staff were also critical players in some sites' marketing efforts. Despite all these efforts, however, some residents were never aware of, or never fully aware of, the rent incentives. This underscores the importance of conducting ongoing marketing efforts.

- **At sites where the incentives plans included rent steps, alerting residents to rent increases proved to be a particularly difficult aspect of the overall education effort.**

Another dimension of the challenge of translating rent incentives plans into practice was explaining their many and sometimes complex features to residents. Staff in sites that used flat-rent plans had to help residents understand that the amount of their flat rent would jump to a higher level at one or more points in time. In addition, staff had to educate residents about how bonus accounts and rent credits worked (in the sites where these were available), along with the requirements for receiving these benefits. In the housing developments that were home to ethnically and culturally diverse populations and where many tenants did not read or speak English, the challenges of educating residents about rent incentives were multiplied.

Most of the Jobs-Plus programs recognized the need to be active in explaining and clarifying rent incentives plans to residents, and most took advantage of different kinds of meetings and settings to explain how the plans functioned. But in the sites that had rent-step plans — despite extensive efforts to prepare residents for higher rents at set intervals — many tenants said that they were caught off guard by the increases, and they expressed considerable frustration and anger about them. Also, staff indicated that Jobs-Plus participants were often unable to boost their earnings significantly over the study period, with the result that many residents felt that their household incomes could not easily accommodate higher rents when they moved up to new rent steps. Overall, the difficulties of helping residents internalize the reality of rent steps had not been fully appreciated when the demonstration began.

- **Jobs-Plus staff publicized the EITC and sometimes advised or assisted residents in applying for it. However, they rarely emphasized taking full advantage of all available financial work supports as a way for residents to maximize their incomes while working.**

Despite the original intention of making the rent incentives part of a larger financial incentives package, staff who taught residents about how to make work pay devoted most of their time to the rent incentives themselves. Jobs-Plus staff did counsel residents about the availability of the EITC, but, on the whole, they did little to help them understand the larger picture of what would happen to their net income — for example, the combined effects of increased earnings on their welfare payments, food stamps, taxes, and other work-related expenses by going to work full time or part time or by taking jobs at different wages levels — and how they could maximize their disposable income.

How Extensively Did Residents Use the Jobs-Plus Rent Incentives?

- **Across the demonstration sites, the use of rent incentives was substantial. Nearly half the households targeted by the Jobs-Plus program took advantage of this benefit.**

One way to estimate how deeply Jobs-Plus penetrated a housing development with its rent incentives component is to measure the use of the incentives by the broad group of households that the program was intended to assist — primarily, those headed by working-age, nondisabled people (whether or not they were actually working). Among these "targeted households" in the Jobs-Plus developments in 2000 (the first year when incentives plans were operating at all sites), 48 percent had used incentives by December 2002 (Figure 1A).

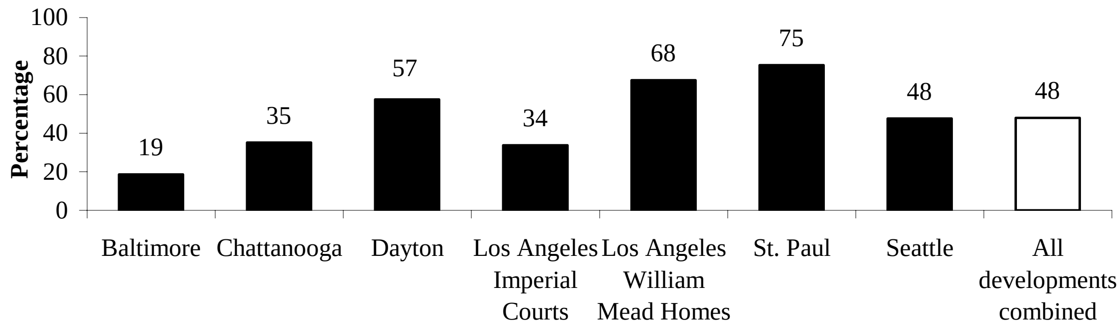
The Jobs-Plus Demonstration

Figure 1

Rent Incentives Take-Up Rates
Among Targeted Households Living in the Jobs-Plus Developments in 2000

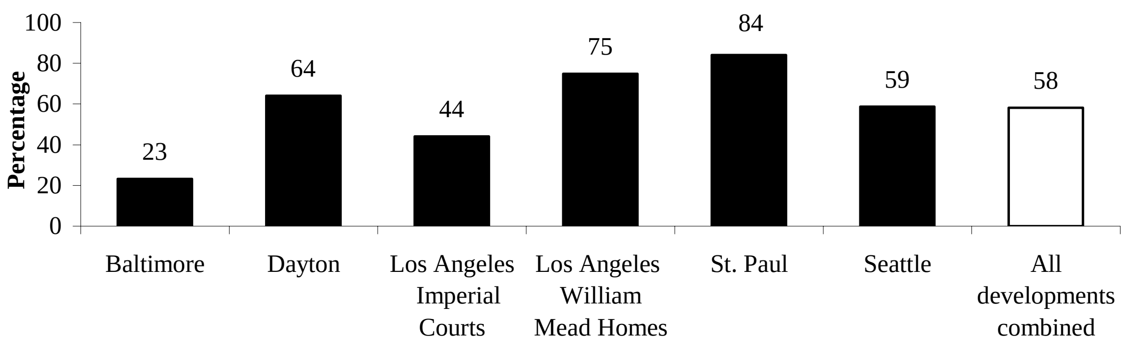
A. All Targeted Households

What proportion of all targeted households had ever received rent incentives by December 2002?



B. All Targeted Households with at Least One Employed Person[a]

What proportion of all targeted households with an employed person in 2001 had ever received rent incentives by December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

NOTES: The term "targeted households" refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

In the average for all developments combined, the results for each housing development are weighted equally.

[a]Results for Chattanooga are not included in this figure because data on employment were not available in time for this report.

- **Rates of incentives use varied dramatically across the sites. High take-up rates in some sites demonstrate the feasibility of reaching most intended recipients, while much lower rates in other sites underscore the challenges of doing so.**

In St. Paul, an impressive 75 percent of all targeted households living in the development in 2000 had used rent incentives by the end of 2002, and a clear majority of such households had done so in two other sites, Dayton (57 percent) and Los Angeles's William Mead Homes (68 percent). The rates were lower but still substantial in three other sites: Los Angeles's Imperial Courts (34 percent), Chattanooga (35 percent), and Seattle (48 percent). The take-up rate was distinctively low in one location, Baltimore, where only 19 percent of targeted households used the rent incentives.

It might be thought that sites where the take-up rates were lower had a smaller proportion of households headed by an employed person — a key eligibility requirement to receive the rent incentives — but this was not the case. In fact, residents' employment rates did not differ widely across the sites. Moreover, when rates of incentives use were calculated only for targeted households headed by employed persons, the site variation was still dramatic, ranging from 23 percent (Baltimore) to 84 percent (St. Paul) (Figure 1B). As explained below, the differences primarily reflect implementation factors.

- **Rates of using rent incentives were highest in sites where housing management staff were deeply involved in marketing them and in trying to make certain that residents took advantage of them.**

The four housing developments with the highest rates of incentives use were distinguished by having housing management staff who were much more committed to the Jobs-Plus program and its rent incentives than were their counterparts in the other developments. For example, in these four developments, the housing management staff aggressively promoted the availability of rent incentives to residents, sought out those who were eligible, and directed them to the Jobs-Plus office (sometimes even escorting them there) to begin the enrollment process.

At the same time, it is noteworthy that these housing managers tended to focus their marketing efforts on residents who were already working. They tended not to use the availability of the rent incentives to encourage nonworking residents to become employed. Had they taken a broader view, they might have contributed more than they did to building residents' understanding of the economic gains that — with the help of the rent incentives — could be achieved by taking even low-paying jobs.

- **Residents had many different reasons for not availing themselves of rent incentives.**

In some cases, despite the programs' energetic efforts to publicize the availability of rent incentives, some residents remained unaware of them. For some residents who were not working (and thus not eligible for the rent incentives until they became employed), the incentives offer was not attractive enough to induce them to enter the labor market — because they were pursuing an education, had family demands, or faced other obstacles that kept them from working. Still other residents avoided the incentives offer because they were suspicious of the housing authority and/or Jobs-Plus, or they had unreported income, or they were otherwise violating their leases and did not want to invite any further housing authority scrutiny into their lives.

- **Among residents who used the rent incentives, most (68 percent) did so for more than a year, with the benefits amounting to a substantial income enhancement.**

Across all the Jobs-Plus sites — even those with low rates of participation in incentives plans — residents received rent incentives for an extended period of time. Across all developments, 68 percent used incentives for at least one year, and more than 32 percent used them for at least two years. Thus, these benefits were not a transitory feature of these residents' lives but an important source of extra support over time.

Did the Rent Incentives Influence Residents' Economic Behavior?

- **The Jobs-Plus rent incentives may have done more to help to sustain and strengthen the work effort of residents who had jobs than to stimulate nonemployed residents to seek work.**

Residents and staff who were interviewed for the field research did not think a rent incentives offer induced more people to work. According to the interviews, residents who entered the labor market after the incentives plans were in effect typically had other, more compelling reasons for having done so, and they might have sought work even in the absence of the incentives. But other observations from the field research are a reminder that success in the labor market depends on more than finding a job. Although the evidence is only anecdotal, interviewees noted that rent incentives seemed to encourage some employed residents to work more hours, add household members to the workforce, stay on the job longer, and move more quickly to replace lost jobs in order to maintain their rent savings.

- **Rent incentives helped people who typically had very limited and often volatile incomes to purchase basic items and some durable goods and to build savings.**

Residents found that the extra income from rent incentives gave a welcome boost to their household incomes. They were able to use the money saved from their reduced rents to make food, clothing, and other small purchases that improved their quality of life. Some residents were able to make major purchases, such as automobiles, which made getting to work much easier. Strikingly — given their modest economic circumstances — a number of residents reported that they set aside some or all of the money gained through rent reductions, enabling them to accumulate small to moderate amounts of savings.

Recommendations

The following recommendations are offered to policymakers and housing administrators interested in adapting the Jobs-Plus financial incentives strategies to other public housing settings, and they may also be relevant for increasing the use of certain rent-based work incentives available under the 1998 federal housing legislation:

- In deciding whether to implement rent incentives plans that involve gradually increasing steps, do not count on residents' income levels keeping pace with the higher rents that the plans impose, especially in the short term.

- For ease of administration, consider the advantages of flat-rent plans and plans without rent steps, which involve calculations that are somewhat simpler than calculations for income-based plans with steps.

- In formulating plans for changes in rent rules, recognize that these incentives may not necessarily exercise a strong influence on whether residents go to work, which depends on many factors, but that they also have the potential to strengthen work efforts in other ways — for example, by making it more advantageous for additional household members to work or by encouraging people to stay employed.

- Do not expect that official announcements and flyers about the availability of rent incentives will suffice to catch the residents' attention. To publicize these benefits adequately, devote energy to ongoing marketing campaigns with multiple strategies that involve personal interactions between staff and residents in groups and one-on-one. Involve resident volunteers to help get the word out and to counteract suspicion of the housing authority.

- Recognize that many housing managers command the respect of tenants and that their personal efforts to promote rent incentives can be a key asset to marketing campaigns. Managers should try to publicize incentives vigorously to nonemployed residents as well as those who are working.

- Incorporate efforts to educate residents about the incentives plans into other events, such as annual rent reviews. However, be aware that extra time may be needed in order to avoid "information overload" and to ensure that residents understand the more complex features and requirements of the plans.

- Under incentives plans that involve rent steps, be ready to offer ongoing clarifications and reminders to prepare residents for periodic rent increases.

- Make outreach and education on rent incentives part of a broader effort to help residents take advantage of other financial work supports — including the EITC, food stamps, and child care subsidies — that can help make low-wage work pay.

- Given the modest sums involved in most bonus accounts and rent credit payments and the expenditures of staff time needed to monitor employment status, consider requiring only quarterly or less frequent tracking to determine whether residents qualify for these benefits.

- To improve the operation of a rent incentives plan, provide housing managers with the training needed to meet the challenges associated with a role that expands their responsibilities beyond property management.

Chapter 1

Introduction

Over the past decade, U.S. public policy has been marked by growing efforts to ensure that income transfer programs for low-income people do not discourage them from working. Historically, for many poor families, taking a job did not pay. Depending on how much they earned, they could lose some or all of their welfare payments, Medicaid, and other benefits — including, in the case of public housing residents, their rent subsidies — leaving them little better off or sometimes in even worse financial circumstances than would have been the case if they had been unemployed and remained on public assistance.

Recognizing these perverse disincentives to work, over the past decade states have been "disregarding" more of the income of welfare recipients in calculating their residual benefits when they find jobs. In addition, at the federal level, Congress has steadily expanded the Earned Income Tax Credit (EITC), which is designed to support the employment efforts of working-poor families by supplementing their income.

In keeping with this trend, the U.S. Department of Housing and Urban Development (HUD) has established a number of programs to help public housing residents who receive subsidies strengthen their employment skills and find and keep jobs.[1] The Quality Housing and Work Responsibility Act (QHWRA) of 1998 includes some rent incentives provisions that can hold down rent increases for certain residents when their income rises as a result of work. (Appendix A summarizes the changes that QHWRA introduced.) The Jobs-Plus Community Revitalization Initiative for Public Housing Families ("Jobs-Plus" for short) — a national research demonstration project that is testing strategies to promote employment among residents of public housing developments — anticipated QHWRA's national rent reform with its own rent incentives component, which is the subject of this report.

While a growing body of information exists on the use and effects of other kinds of financial incentives, such as wage supplements and welfare disregards (see Box 1.1 at the end of this chapter for a synthesis of this information), much less is known about rent incentives offered through public housing authorities. The Jobs-Plus demonstration is the first to study these strategies in combination with other employment supports, on a large scale, and this report on Jobs-Plus's financial incentives to work is intended to help fill the knowledge gap on the role of incentives in public housing settings. The report examines key operational issues associated with the Jobs-Plus rent and related financial incentives — focusing especially on what kinds of

[1]Newman, 1999; Newman and Harkness, 2000.

managerial challenges the incentives plans presented, what it took to meet the challenges, and how residents perceived and used the plans. The report points to numerous and varied difficulties but also delineates a significant record of accomplishment, with many examples of administrative problem-solving that enabled programs to produce incentives plans that worked and that were used by large numbers of residents.

Overview of the Jobs-Plus Demonstration and Its Financial Incentives

Originally authorized by Congress as part of the Moving-to-Work demonstration, the Jobs-Plus demonstration has operated in seven public housing development sites in six cities: Baltimore, Chattanooga,[2] Dayton, Los Angeles (two developments), St. Paul, and Seattle.[3] Sites were selected for the demonstration in 1997, and operations began in 1998. The demonstration is supported by the U.S. Department of Housing and Urban Development (HUD) and The Rockefeller Foundation and by other public and private agencies,[4] and it was designed by HUD and The Rockefeller Foundation in partnership with MDRC.

Jobs-Plus reflects a growing recognition that, besides providing shelter for poor families, public housing policies can serve an important secondary purpose of promoting residents' economic self-sufficiency. The program fits well with QHWRA's focus on resident employment. However, mainly because of two features that are described next — a saturation approach and a multicomponent strategy — Jobs-Plus was designed to go much further to promote employment than is expected even now from typical public housing authorities.

The "saturation strategy" of the Jobs-Plus approach means that the program's service package is extended to *all* nondisabled working-age residents legally residing at the Jobs-Plus sites. Complementing this strategy are the three broad components shown in Figure 1.1.

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[2]Chattanooga's public housing authority, by agreement with MDRC and HUD, scaled back its demonstration activities significantly in 2000 to focus exclusively on the new rent incentives.

[3]Seattle was removed from the national Jobs-Plus demonstration when, after the demonstration began, the housing authority received a HOPE VI grant to tear down and rebuild Rainier Vista Garden Community, the housing development that was operating Jobs-Plus. The significant dislocation of residents made this development too different from the others in the demonstration. However, the housing authority continues to run a version of Jobs-Plus at Rainier Vista; this program, known as HOPE-Plus, is now being evaluated in a separate MDRC study.

[4]Other funders include the U.S. Departments of Health and Human Services and Labor; the Joyce, Annie E. Casey, James Irvine, Surdna, Northwest Area, and Stuart Foundations; BP; and Washington Mutual Foundation.

Employment-related services include job search, placement and development services, and strategies to improve residents' educational and work skills, while *community support for work* largely takes the form of neighbor-to-neighbor sharing of information about jobs and the Jobs-Plus program, as well as peer support for employment-related matters.

The Jobs-Plus Demonstration

Figure 1.1

The Jobs-Plus Approach

Saturation — Reaching all working-age residents through:

Employment-related services +	Financial work incentives +	Community support for work =	Big improvements in employment, earnings, and quality of life

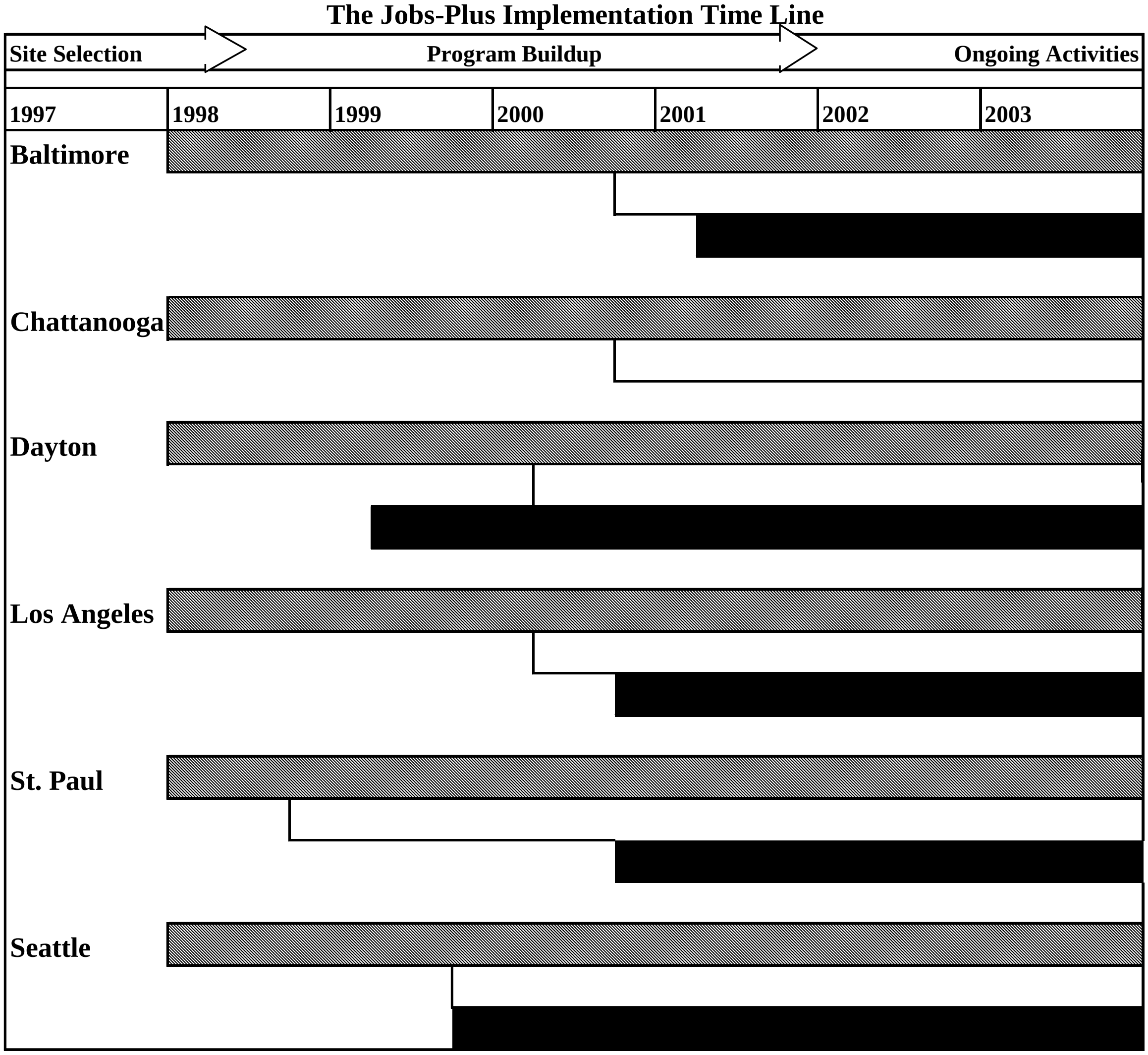
The *financial incentives component* of the demonstration was phased in at the various sites between 1998 and 2000. At all sites except Dayton, where the component will continue to operate through the end of 2004, the period of offering incentives ended in December 2003. (Figure 1.2 illustrates the demonstration's time line.) As Chapter 2 describes in detail, the incentives consisted of rent incentives and guidance on a variety of other financial supports — such as the Earned Income Tax Credit (EITC) — that are available to many low-wage workers. For the rent incentives, programs offered participants either a flat rent, based on the number of bedrooms in their apartment, or a rent that was a lower percentage of "countable" (or adjusted) income than the 30 percent traditionally used by housing authorities in their calculations. In either case, the rents were set at rates lower than what residents might pay under QHWRA's rules. (Appendix B provides examples of how the rent incentives could affect participants' net income.)

Some of the Jobs-Plus programs also "sweetened the pot" with escrow accounts and rent credits. Escrow accounts contained deposits of a portion of the monthly rent set aside or put into savings accounts for participants and were paid out to them at designated periods. Participants accumulated rent credits for each month they remained employed, and at the end of a specified period of time — either annually or at the end of the demonstration — these credits were applied to their future rent obligations. For example, in Los Angeles, participants who worked for 12 consecutive months were entitled to receive one month's free rent.

As the time line in Figure 1.2 shows, the sites developed the program's three components in stages, generally first offering employment and training services, followed by financial incentives to work, and then adding community support for work activities. The implementation

Figure 1.2

The Jobs-Plus Implementation Time Line



Employment-related services refers to the availability of this Jobs-Plus component at each site, beginning with the year when the local Jobs-Plus program opened an office and began officially enrolling participants. Initially, the Jobs-Plus programs only offered employment-related services that varied widely across the sites in their scope and quality.

Financial (rent) incentives refers to the availability of this Jobs-Plus component at each site, beginning with the year when Jobs-Plus could begin enrolling households into the incentives program.

Community support for work refers to the availability of this Jobs-Plus component at each site, beginning with the year when the Jobs-Plus programs began hiring and training residents to assist with program outreach, for instance, as building captains (Dayton), community coaches (Los Angeles), and court captains (Baltimore). Chattanooga had not fully implemented this component before it became a financial-incentives-only program. And Seattle included a range of other activities under this component, such as a Community Shares program in which residents contributed services to the community (for example, transportation or child care assistance) for credits that could be exchanged for modest rent reductions or material products.

(continued)

Figure 1.2 (continued)

NOTES: "Program Buildup" refers to the demonstration time period during which the sites were still implementing the Jobs-Plus components, developing the program flow, and building the program staff.

"Ongoing Activities" refers to the demonstration time period during which the full complement of Jobs-Plus components was generally in place across the sites (with the exception of Chattanooga, which became a financial-incentives-only program in 2003).

of financial incentives came later than expected at most sites. The source of the delay was HUD's plan — approved by Congress — to encourage housing authorities to try bold approaches to incentives in Jobs-Plus by compensating them for lost rent revenues resulting from the incentives. Deliberations of HUD and a congressional committee over how to fund the compensations slowed the startup of the plans. Through 2003, HUD had reimbursed the sites an average of $15,606 per month per site[5] for each month that the incentives were available.[6]

Jobs-Plus Research

MDRC is conducting a multiyear evaluation of Jobs-Plus, consisting of both implementation and impact research. This report is part of the series of publications associated with the implementation research. It is a companion to the 2002 publication *Making Work Pay for Public Housing Residents: Financial-Incentive Designs at Six Jobs-Plus Demonstration Sites*,[7] which describes incentives plans being tested in the Jobs-Plus developments and explains how these strategies can increase residents' net income and influence their decisions about work. The earlier report also summarizes what has been learned from studies of non-housing-related financial incentives to work. (Box 1.1 at the end of the chapter presents excerpts from that research.) The 2002 report thus provides a context for this report's examination of the actual experiences of implementing the Jobs-Plus financial incentives.

Overall, the Jobs-Plus *implementation research* is intended to generate cross-site lessons from the demonstration about the feasibility of the program, residents' responses to it, and best practices. In addition to the issues related to financial incentives covered in this report, the focal points of this implementation research include Jobs-Plus outreach, residents' participation

[5]By site, the average monthly cost of rent incentives that HUD reimbursed was: Baltimore, $9,125; Chattanooga, $9,800; Dayton, $24,623; Los Angeles, $23,346; St. Paul, $22,355; and Seattle, $20,000.

[6]After conferring with the sites, HUD agreed to reimburse them according to a formula that, in essence, estimated the difference between the rents paid by tenants under the Jobs-Plus rules and the higher rents that those same tenants would have paid while working if the 30-percent-of-income rule had been applied.

[7]Miller and Riccio, 2002. For a list of earlier MDRC reports on Jobs-Plus, see p. 113.

patterns, employment and counseling services, and the operation of the Jobs-Plus community support for work component.[8]

The implementation research will help to explain findings from the *impact evaluation*. To determine what effects Jobs-Plus has on residents exposed to its treatment, the impact research will compare outcome trends for people living at the Jobs-Plus developments and for residents of other housing developments that were similar demographically at the outset of the demonstration but where no Jobs-Plus program operated. Within each city, Jobs-Plus and comparison developments were selected randomly. The main areas of interest for the impact research center on outcomes for residents' employment levels, earnings, and levels of welfare receipt as well as changes in their quality of life as a result of Jobs-Plus.

Overview of This Report

This report is intended for two somewhat overlapping audiences. The first includes policymakers and practitioners in the public housing field who seek information about the implementation of financial incentives in public housing developments. The second is a broader group of readers who are concerned about antipoverty issues, who may find that the report's lessons and insights can be applied to the operations of incentives in fields other than public housing. Both audiences may use the report's findings to help assess the feasibility of expanding the use and generosity of rent incentives so that they have a more prominent place in the arsenal of strategies aimed at helping to "make work pay."

The report addresses the following main questions:

- What kinds of challenges did the Jobs-Plus sites face in translating incentives plans into operations? What strategies worked best to meet these challenges?
- What were the pros and cons of the various incentives plans that the sites used?
- What were the patterns of incentives use at the sites?

[8]Besides this report and the Miller and Riccio (2002) publication, the implementation research has thus far generated a number of other published reports, including studies of participation in Jobs-Plus, the functioning of interagency and resident partnerships that supported the development of the program, mobility rates of public housing residents, pre-Jobs-Plus employment among residents of the demonstration developments, the circumstances of children at the beginning of the demonstration, and the special challenges associated with operating an employment program in culturally diverse sites. For a list of earlier reports, see p. 113.

- How did residents in the Jobs-Plus housing developments view financial work incentives? What role did incentives play in shaping family members' economic decisionmaking and circumstances?

- What does the Jobs-Plus experience show about how to publicize incentives, how to help residents recognize the value of incentives, and what can be done to make incentives as simple as possible to understand and use?

This report is based on both qualitative and quantitative data from a variety of sources. The *qualitative data* include a series of interviews with staff from Jobs-Plus and the local housing authorities and with residents living in the Jobs-Plus developments. The interviews were conducted periodically from the start of the demonstration through mid-2003; most of the interviews used for this report were conducted during the spring and summer of 2002. The interviews relied on semistructured protocols, or guides with questions in the topic areas of interest, including general awareness of or knowledge about the rent incentives; enrollment experiences; perceptions of how incentives influenced families' work, finances, and mobility; the marketing of and outreach for incentives; and the administrative division of labor for rent incentives. The qualitative data also include materials that the programs used in administering rent incentives— for example, outreach materials, such as flyers and letters, and forms for tracking participation in rent incentives plans. The *quantitative data* — which were drawn from housing authority, state unemployment insurance, and Jobs-Plus files — are described in Chapter 4.[9]

Chapter 2 profiles the various incentives plans and approaches used by the Job-Plus programs. Chapter 3 considers the actual work of implementing Jobs-Plus incentives to make work pay. Chapter 4 presents quantitative data to analyze the use and nonuse of rent incentives in the demonstration. Chapter 5 explores residents' views on rent incentives, including their reasons for using or not using them and how they think the incentives affected their financial situations. Chapter 6 concludes the report by offering recommendations for managers who are interested in implementing rent incentives in settings other than public housing.

Box 1.1 helps to set the stage for this report's discussion of the Jobs-Plus financial incentives by synthesizing key research findings on other financial incentives to work. While the synthesis indicates that a number of factors affect the capacity of financial incentives to encourage people to work, it nevertheless shows that incentives are a promising strategy for boosting work and earnings levels among low-wage workers.

[9]A survey of residents living in the Jobs-Plus and comparison developments will collect other information on the degree of use of rent and other incentives, but data were not available in time for this report.

Box 1.1

LESSONS AND CAUTIONS FROM OTHER STUDIES OF PROGRAMS OFFERING ENHANCED FINANCIAL WORK INCENTIVES*

Will changing rent rules encourage many public housing residents to take jobs? The answer depends on how sensitive individuals are to changes in the payoff to work. It is easy to imagine, for example, that some people would not take a job in response to greater financial incentives because they face other barriers to employment. However, mounting evidence from welfare-to-work evaluations and studies of other policies targeted to low-income families shows that better financial incentives for low-wage workers can foster more employment and higher earnings, resulting in reduced poverty. These findings lend empirical support to the decision by the national designers of Jobs-Plus to include a financial incentives component in the program model.

- **Providing wage supplements and reducing the extent to which recipients lose welfare benefits when they go to work increases employment. The programs are most effective when the incentives are combined with work or participation mandates.**

A number of carefully evaluated welfare-to-work programs increased the financial incentive for recipients to work by increasing their "earnings disregards" — that is, the amount of earnings that could be ignored or "disregarded" when calculating the amount of welfare a recipient was entitled to receive.† Disregards have been more generous in these recent programs than they were under the old AFDC system and have had positive effects on employment outcomes. In general, programs that included this feature increased recipients' employment and earnings and increased the stability of their employment, as well. Most of the programs that have been evaluated combined the enhanced incentives with work or participation requirements; when only the incentives were offered, the employment increases were more moderate.

Although the rent incentives in QHWRA and Jobs-Plus are not offered in combination with work mandates, residents receiving welfare are already subject to work requirements through welfare reform. However, lacking their own participation mandate, housing authorities may need to provide an especially strong employment message and services to back it up in order to maximize the effects of more favorable work incentives. Better coordination with welfare agencies could reinforce this employment message.

- **Incentives lead to larger increases in employment and earnings among long-term welfare recipients and others who are least likely to go to work on their own.**

In general, the financial incentives programs had their largest effects among individuals who were least likely to have gone to work on their own. Effects were more modest for those who were working already or for those, including new welfare applicants, who would have returned to work without the incentives. For groups who were more disposed to work already, the program incentives provided a "windfall," meaning that the additional income did not influence their labor market behavior. A program that simply provides more benefits but does not generate much new employment or improve job retention will be less cost effective, but the higher program costs may be of less concern if one of the goals is to reduce poverty.

(continued)

Box 1.1 (continued)

For housing authorities, providing financial incentives that lower rent for residents who are already working without increasing either employment among nonworking residents or job retention among those who are employed could result in costly revenue losses. At the same time, rent incentives would likely ensure that housing costs in the housing authority development would be lower than those on the private market, thus helping housing authorities achieve what for some is the important goal: keeping working families in public housing for longer periods of time. It is noteworthy that the evaluation of a Minnesota program that combined incentives, services, and mandates found that the program's positive earnings effects were largely concentrated among long-term urban welfare recipients who were living in public or Section 8 housing.

- **Some tenants may reduce their work hours if the enhanced financial incentives make it possible to do so without sacrificing income.**

Programs that try to reduce poverty by providing more benefits often have the unintended consequence of discouraging work through what economists refer to as "income effects." Giving people more income allows them to perform less paid work and still have the same standard of living as before. That inclination to reduce work hours was confirmed in a few of the programs studied — usually those that provided incentives without a work or participation mandate — and was particularly strong among second earners in two-parent families. One program overcame this effect by requiring that recipients work at least full time in order to qualify for the incentives. Theoretically, at least, rent incentives plans developed by housing authorities could lead to a similar reduction in work because many families would pay lower rent than they had before, though the consequences of this would not necessarily be negative. If some parents who are working long hours reduce their hours, it may help the family better manage child-rearing and work responsibilities.

- **Financial incentives in a variety of forms and combinations may be effective in helping low-income workers.**

Although most of the findings mentioned so far have been from welfare-to-work programs, incentives have been found to increase employment in a variety of contexts. Recent expansions to the EITC, for example, have been credited with increasing employment among single mothers.[‡] The extensions of Medicaid eligibility have also been found to increase work.[§] Even a wage supplement program that was run outside the welfare system significantly increased employment among recipients.[||] What all these programs had in common was that they made work pay. In addition, the welfare-to-work programs operated in the context of the very generous EITC, showing that incentives can increase employment when placed on top of other incentives. These findings are encouraging news for rent incentives, since the changes in rent rules will operate in the context of the rules for EITC and for TANF (Temporary Assistance for Needy Families, the federal welfare program) which, in most states, allow recipients to keep more of their benefits when they go to work.

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*Material in this box is drawn from Miller and Riccio (2002).
[†]Michalopoulos and Berlin, 2000.
‡Meyer and Rosenbaum, 2000.
§Yelowitz, 1995.
||Michalopoulos and Berlin, 2000.

Chapter 2

What Types of Incentives Plans Did the Jobs-Plus Programs Implement?

The Jobs-Plus Community Revitalization Initiative for Public Housing Families demonstration is testing a number of rent incentives plans at six sites as part of its efforts to make work pay. Although all the Jobs-Plus sites offered substantial rent savings to residents who worked, they accomplished this in different ways. The diversity was intentional: Programs were given the latitude to design financial incentives plans that they thought their residents would respond to and would best fit the needs of their communities. Under the guidance of MDRC and with the ultimate approval of the U.S. Department of Housing and Urban Development (HUD), the incentives plans were developed, at each site, by the Jobs-Plus staff, the local public housing authority staff, and various members of Jobs-Plus collaboratives — local partnerships of public agencies, nonprofit organizations, and residents that convened early in the demonstration to govern and provide resources to the local programs.

As noted in Chapter 1, this report is a companion to the MDRC implementation report *Making Work Pay for Public Housing Residents: Financial-Incentive Designs at Six Jobs-Plus Demonstration Sites.*[1] Drawing significantly on that earlier report, this chapter describes the major incentive strategies used by the Jobs-Plus programs and highlights some of the advantages and disadvantages of these different approaches. Because most programs used a combination of strategies, this presentation is organized by type of strategy rather than by site. However, interspersed throughout the chapter are text boxes that describe the combinations of approaches being tried in each location.[2]

The chapter opens by describing the principles used to guide changes in rent policies. Then it explains the following specific incentive strategies:

- Flat, or fixed, rents
- Reductions in the proportion of income to be charged in rent
- Lower ceiling rents
- Safety nets

[1]Miller and Riccio, 2002.
[2]For detailed descriptions of the sites' overall Jobs-Plus programs, see Bloom (2000) and Kato (2003).

After examining changes that affect the normal rent calculation rules, the chapter turns to other changes in financial incentives provided at some or all of the Jobs-Plus programs. These changes include escrow accounts to encourage asset accumulation, rent credits to offset future rent obligations, and subsidies to compensate working families for transportation costs. (Table 2.1 summarizes the features of the financial incentives plans across sites.)

Guiding Principles for the Sites' Incentives Plans[3]

Jobs-Plus's financial incentives component was based on five key "make-work-pay" principles for public housing residents, as set by MDRC and HUD:

1. **Residents should be financially better off working than not working.** A key goal of Jobs-Plus is to eliminate situations in which residents are left with less disposable income after going to work. This involves making sure that residents receive the rent incentives plus the other benefits to which they are entitled, such as child care subsidies and the Earned Income Tax Credit (EITC).

2. **Working full time should leave residents financially better off than working part time.**[4] An increase in earnings resulting from additional hours of work could yield little extra income if work-related expenses, higher rent, and the loss of other benefits outweigh the increase in earnings. Residents who devote more time to working should have more net income to show for it.

3. **Higher-wage jobs should leave residents financially better off than lower-wage jobs.** Finding or advancing to a higher-paying job should also leave residents with more income, but this may not happen if a wage increase is not large enough to offset the loss of other benefits it triggers.

4. **Work should pay more under Jobs-Plus than it does under the traditional rent rules.** The Jobs-Plus rent rules were designed to make work pay more for residents at the demonstration sites than it does for those living at other public housing developments (including the comparison developments that are used for the formal evaluation of Jobs-Plus's impacts on employment and other outcomes). To measure how much more it pays to work under the Jobs-Plus rules, participating residents' net income is

[3]Material in this section is drawn from Miller and Riccio (2002).
[4]However, both part-time and full-time workers were eligible for the rent incentives.

The Jobs-Plus Demonstration

Table 2.1

Cross-Site Summary of Jobs-Plus Financial Incentives Plans

Incentive	Baltimore	Chattanooga	Dayton	Los Angeles	St. Paul	Seattle
Rent freeze (or 100% disregard of new earnings) Rent is fixed at its pre-Jobs-Plus level for a certain period.				✓		✓
100% disregard of all earnings Rent for a certain period is based only on welfare income minus standard disregards.					✓	
Flat/fixed rent steps Rent is set to a fixed level that does not vary with income and is increased to a new fixed level every year or two.			✓	✓	✓	✓
Income-based formula, with rent set to a lower percentage of adjusted income Rent is set to 10% or 20% of adjusted income.	✓	✓				
Reduced ceiling rent The maximum rent a resident can pay under an income-based formula is reduced.	✓	✓				
Escrow accounts Part of resident's rent payments is deposited into a savings account, which may be interest-bearing.	✓					✓
Rent credits Residents receive rent credits for joining Jobs-Plus or for each month they work.				✓	✓	
Transportation assistance Direct assistance with transportation costs through free or low-cost van programs or a deduction for transportation costs when calculating adjusted income.	✓	✓	✓			

SOURCE: Jobs-Plus sites' incentives plans.

compared with what it would have been under “traditional rules,” which are assumed to cap rent at 30 percent of “countable” income, rather than the flat-rent option offered to some residents under the Quality Housing and Work Responsibility Act (QHWRA) of 1998 — inasmuch as most public housing residents continue to have their rent calculated at the 30 percent rate.

5. **Work should pay for different types of residents.** Each plan should create an added incentive to work for a broad cross-section of residents in the development, and not only for the typical family. For example, the plan should benefit residents in families on welfare, families not on welfare, single-parent families, two-parent families, families with few children, and families with many children. Because benefits from other programs depend on earnings, and because the rent rules interact with other benefits, it is important to assess how the plans affect different types of residents.

As the following descriptions illustrate, although the addition of different combinations of such special features as safety nets and escrow accounts made each site’s plan distinctive, the Jobs-Plus rent plans fall into two basic categories: (1) The so-called “flat-rent” plans held rents steady, regardless of changes in income, while (2) the “income-based” plans called for changes in rents as income shifted.

Changes to the Rent Rules

Flat, or Fixed, Rents

A flat rent — the norm in the private, unsubsidized rental housing market — fixes housing costs at a certain level for a defined period of time and does not change as a resident’s income changes. When applied to public housing, the level at which the rent is fixed will determine which families benefit from it. A high flat rent might not benefit a resident with very low earnings, for example, because it could be considerably higher than what the resident would pay under the traditional (30 percent) income-based rule. But if set at the right level, a flat rent may encourage a working resident to seek a higher-paying job or a job with longer hours, because rent would stay the same even after earnings increased. It might also encourage other family members to work, since their additional earnings would not affect the family’s rent.

JOBS-PLUS RENT INCENTIVES IN BALTIMORE

Development: *Gilmor Homes*

Number and type of housing units: 528 apartments in low-rise buildings

Demographics: Nearly all residents are African-American.

Other community characteristics: This is the largest housing development in the demonstration; it is located in Sandtown-Winchester, a West Baltimore area that has been the focus of several community-building initiatives.

When the Jobs-Plus rent plan went into effect: November 2000

Key considerations: Staff and collaborative partners wanted a rent structure that was easy for staff to implement and easy for residents to understand. In addition, staff recognized that the existing authoritywide ceiling rents were set at levels so high that residents in Gilmor Homes rarely earned wages high enough to benefit from them.

Principal features:

- **Rent was fixed** at 20 percent of adjusted income rather than at 30 percent, as under traditional rules.
- **Ceiling rents** were reduced by 50 percent from the authoritywide level. Rent increases were capped at a level that allowed families with higher wages or two wage-earners to keep substantially more of their earned income.
- Through an **escrow savings plan,** working residents had half of their reduced rent deposited into a non-interest-bearing escrow account for each month they worked over a consecutive 12-month period. At the end of each annual cycle (which ended in October), savings from these accounts were rebated to residents, to be used as they wished. Residents who reported that they were not employed for 30 days or more during any 12-month cycle forfeited the savings accumulated during that period. Their rent also reverted back to the 30-percent-of-income rate.

Because the Jobs-Plus rent structure was based on residents' income, the plan included a **built-in safety net** that reduced rent if reported income declined.

All Jobs-Plus programs except Baltimore's incorporated incrementally increasing rent "steps" that gradually decreased benefits over the course of the demonstration.[5] They did so for a variety of related reasons: to test an intervention that had a mechanism for containing government expenditures on its benefits, to underscore that the benefits were to encourage residents to improve their economic positions, and to prepare residents gradually to pay rents that are at or nearer market rates. Seattle and St. Paul used a series of fixed rents that increased every year or two, rising ultimately to levels that were much higher than those at the other sites.

Seattle's plan went furthest in decreasing benefits over time. The plan reflected a vision of rent subsidies as a temporary benefit for families to use as they work toward self-sufficiency. Program designers at that site explicitly set a goal of preparing residents to pay market-rate rents eventually, anticipating that they would someday either move into private housing or continue to live at the public housing development without a subsidy. In the program's first step, rent was frozen for the first two years of employment. It increased to a new fixed level every two years after that, until the fixed rent was equal to market-rent rates by the fourth round of increases.[6]

The St. Paul Jobs-Plus program placed a cap on how high flat rents could rise. Following the 100 percent earnings disregard in the first year, a resident's rent increased to a fixed level, which was raised every year thereafter. The highest rents that could be charged were the ceiling rents that the housing authority adopted as the new flat rents for all developments in response to QHWRA. Still, during the period covered by this report, peak rents in the St. Paul Jobs-Plus development remained well below market-rent rates.

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[5]Rules that determine when precisely each rent step begins and ends are another important factor that differentiated the sites' plans. For example, steps that started and expired on specified dates were governed by "calendar time." By contrast, steps whose start date was determined by when the resident chose to enter the Job-Plus program operated by what might be called "relative time."

Did it matter to residents which approach was used? In the Jobs-Plus demonstration, the differences could be dramatic. For example, in a calendar-time rent plan that had several steps of successive increases (such as in the Chattanooga, Los Angeles, and St. Paul programs), a resident who enrolled late would miss some or all of the more generous incentives offered in the plan's early steps. But under a relative-time sequence of rent steps (as in Dayton and Seattle), residents would cycle through each step in sequence, starting from the date they signed up for Jobs-Plus. As a practical matter, however, it is unlikely that many housing authorities that want to offer rent incentives in a nondemonstration setting would adopt a calendar-based plan, except, perhaps, as part of a one-time transition to a new rent system.

[6]The definition of "market-rate rent" for the development was based on rents for similar-size apartments in Seattle's Rainier Valley, as determined by a real estate appraisal firm.

JOBS-PLUS RENT INCENTIVES IN CHATTANOOGA

Development: *Harriet Tubman Homes*

Number and type of housing units: 423 occupied residences in one- and two-story buildings

Demographics: Nearly all residents are African-American.

Other community characteristics: About one-third of the housing units have been recently renovated; the surrounding area features several churches and many small and medium-size commercial establishments.

When the Jobs-Plus rent plan went into effect: November 2000

Key considerations: The partners sought to create an especially generous incentive during the initial period of the demonstration; to develop an administration policy that would be easy to manage over the long term; to help participants defray work-related expenses; and to provide extra encouragement for young adults to work.

Principal features:

- **Rent was reduced** from 30 percent to 10 percent of adjusted income during the 16 months following the start of the Jobs-Plus incentives program.
- During a second phase, **rents were fixed** at 20 percent of adjusted income until the end of the demonstration.
- To **reduce the expense of commuting** to and from work, the income on which rent was calculated was reduced by $100 per month for families with a full-time worker, to offset transportation costs. If two adults in a household were working full time, they each received this transportation disregard.
- The **earnings of dependents ages 24 and under were not counted** as income when calculating rent. The traditional rent rules disregarded only the earnings of those under age 18.
- **Working residents were not required to pay "excess" utility costs.** Utility charges for a given apartment could vary widely from month to month in Harriet Tubman Homes. Jobs-Plus absorbed the price spikes.

A potential drawback of pushing flat rents to increasingly higher levels is that this approach assumes that residents will be able to increase their earnings commensurately over time. If residents cannot keep pace, their disposable incomes will fall as they pay higher and higher rents.[7]

[7]Recent research (for example, Gladden and Taber, 1999) finds that although less-skilled workers do experience wage growth, the increase is fairly modest.

The Jobs-Plus programs in Dayton and Los Angeles took simpler approaches. Although they also used fixed rents, they minimized the steps. Under Dayton's plan, rent was fixed during the first year a resident was employed, and it increased to a somewhat higher fixed level thereafter. This second-stage rent increase, however, was still lower than the market-rate flat rents that the housing authority adopted systemwide in response to QHWRA. In Los Angeles, the initial rent was frozen for a transitional period of 18 months, after which a single step made it a fixed rent.

In setting their own flat-rent levels, neither of these programs was seeking to reach or approach market rents. With a goal of minimizing revenue losses, the Los Angeles program set the fixed rent equal to the average rent paid in both of that city's Jobs-Plus developments before the new policies went into effect. In Dayton, where affordable housing is relatively plentiful on the private market, the goal was to keep rent increases in the Jobs-Plus development low enough to encourage working families to stay in the development longer than they might have otherwise. In both the Dayton and the Los Angeles plan, the final-stage rents were much lower than the final rents in St. Paul and Seattle.

Setting Rent at a Lower Percentage of Income Than Under Traditional Rent Rules

Under HUD's traditional rules, rent is set at 30 percent of adjusted household income. Simply reducing this percentage creates more of an incentive to work, because residents get to keep more of what they earn. Jobs-Plus in Baltimore adopted this modified income-based approach. It lowered its rent rate to 20 percent of adjusted income (up to a ceiling-rent cap), although, for residents who worked, half of that 20 percent was placed in an escrow account and was rebated, as discussed below. The program in Chattanooga also remained within the traditional income-based formula. Rent started at 10 percent of adjusted income for the first 16 months after the inception of the incentives. After this transitional period, rent was set at 20 percent of adjusted household income, where it remained for the duration of the demonstration. Chattanooga's plan also provided a weekly rent reduction to residents who worked full time, to help cover their transportation costs.

Lower Ceiling Rents

Ceiling rents set a cap on the amount that residents are required to pay for housing; they are a companion to income-based rents. Without the cap, tenants who increase their earnings over time may be encouraged to leave public housing, since their rents would eventually exceed rents on the private market. But once the resident's income-based ceiling rent reaches the cap, its incentive value is like that of a flat rent: It could encourage the resident to increase earnings by working more, by taking a higher-paying job, or by inducing other members of the household to work. To help foster that potential to increase work incentives, ceiling rents in the Baltimore Jobs-Plus development were set at just 50 percent of prevailing rents elsewhere in the city's public housing developments.

JOBS-PLUS RENT INCENTIVES IN DAYTON

Development: *DeSoto Bass Courts*

Number and type of housing units: 350 row-house residences

Demographics: Nearly all residents are African-American.

Other community characteristics: The development is close to bus lines connecting to outlying suburbs and is located about 5 miles from the county's job center.

When the Jobs-Plus rent plan went into effect: May 2000

Key considerations: Because affordable housing is readily available in the area surrounding DeSoto Bass Courts, program designers in Dayton set relatively low flat rents for Jobs-Plus, in order to encourage working families to remain in the development for longer periods of time. They also wanted the Jobs-Plus incentives to reflect rules changes in QHWRA, which requires all housing authorities to establish flat rents as an alternative to income-based rents.

Principal features:

- The plan eliminated income-based rent calculations and replaced them with a simple **two-step, flat-rent system** pegged to apartment size. During the first step, which began as soon as a resident signed up for the incentives, rents were set to about one-third of the normal market-based flat rent for a given-size unit for one year. This was expected to result in lower rents for most working residents than under the income-based rules. In the second step, rent increases were limited to about one-half of the normal flat rent for a similar unit for the remainder of the demonstration.
- **Residents could choose** to pay rent according to traditional income-based rules, if that was more beneficial. Although the flat rents were set at low levels, some part-time workers would have been better off paying the income-based rent and were expected to elect this option. This feature of the plan also served as a **safety net** for residents who lost their jobs.
- In an effort to help **defray initial transportation costs,** working residents were provided free bus passes until they received their first paycheck. Dayton's plan also included a van program to transport residents working in remote areas.

Safety Nets

Income-based rent policies that tie rent to earnings typically provide less incentive for public housing residents to move to higher-wage jobs — at least until earnings reach the ceiling-rent level — because over 20 percent of additional earnings are “taxed away” by higher rents as calculated on higher earnings. Yet income-based plans have the advantage of providing an immediate safety net to residents who lose their jobs; when residents provide verification of a drop in income to the housing authority, their rents are lowered, in turn. Fixed rents provide no automatic rent adjustment in response to a drop in earnings. To correct for that adverse result, St. Paul and Seattle allowed residents who lost their jobs to pay minimum rents for as long as three months while they looked for work. Furthermore, the fixed-rate plans at all the sites included provisions under which residents could switch to income-based rents if paying the fixed rent created a hardship or was otherwise not to their advantage. The option to switch from fixed to income-based rent was not without restrictions, however. If residents in St. Paul, for example, chose to switch to income-based rents, they could not switch back to Jobs-Plus incentive rents until their next annual lease renewal or recertification. In Seattle, residents who wanted to switch to the income-based rules had to appear before a rent review board to seek approval. Seattle did offer additional help to residents who lost earnings: On-site job coaches helped residents get access to such resources as TANF Grant Diversion funds and unemployment insurance, and participants could draw from an emergency reserve of up to $1,000 from their escrow funds.

Changes Outside the Rent Rules

Enrollment

Regardless of how the Jobs-Plus sites formulated their financial incentives plans, they shared one approach to implementing them: They all required residents to enroll in Jobs-Plus to take advantage of the incentives. In establishing this precondition, staff did not tend to debate or weigh its value; the decision to tie incentives receipt to enrollment flowed naturally from the earlier decision to make financial incentives one of the program’s three components and to have the components work in synergy. Thus, some sites reasoned that requiring residents to fill out Jobs-Plus enrollment forms to qualify for incentives would give staff an opportunity to inform enrollees about the program’s employment services and community support for work activities.

It is also possible, of course, to establish rent incentives plans without enrollment requirements. Under this arrangement, rent reductions are applied to a household automatically when one of its members reports employment.

JOBS-PLUS RENT INCENTIVES IN LOS ANGELES

Developments: *Imperial Courts* and *William Mead Homes*

Number and type of housing units: *Imperial Courts:* 481 apartments in low-rise buildings; *William Mead Homes:* 414 apartments in low-rise buildings

Demographics: *Imperial Courts:* Residents are African-American and Latino. *William Mead Homes:* 80 percent of residents are Latino, and many of the others are of Southeast Asian origin. More than half of all households have two or more adults.

Other community characteristics: *Imperial Courts* is located near the Alameda Corridor, an area that has been the focus of concentrated development efforts. *William Mead Homes* is located at the northern end of the Alameda Corridor.

When the Jobs-Plus rent plan went into effect: May 2000

Key considerations: The partners wanted to test the viability of a long-term flat-rent policy in two Jobs-Plus developments with an approach that would maximize benefits to residents in terms of lower rents while minimizing rent revenue losses for the housing authority.

Principal features:

- Residents were charged according to a **two-step rent structure.** During the first 18 months after the start of the Jobs-Plus incentives, residents' rents were frozen if their current rents were less than the Jobs-Plus flat rent* or were reduced to the proposed flat rent if their current rents were higher than the proposed flat rent. During this phase, the employment requirement was waived for participants. After 18 months, rents were increased to the flat rent for all participating families, and the incentives were extended only to families with working members.
- **Flat rents based on bedroom size were set equal to the average rent** paid by working and nonworking families in the two developments prior to the start of Jobs-Plus.
- Residents' **rent did not increase as earnings increased** or as additional household members began to work.
- If their earnings fell, **residents could choose** to have their rent calculated according to traditional rules, at 30 percent of income, as an alternative to paying the Jobs-Plus flat rent.

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LOS ANGELES (continued)

- Residents who were not employed or who were enrolled in a training program before enrolling in Jobs-Plus accumulated a rent credit equal to one-twelfth of one month's rent for each month that they were employed or in training during the first year of the program. The maximum value of the rent credit could grow to the equivalent of one month's rent and could be used at any time during the subsequent year.

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*A rent freeze fixes the resident's monthly rent at its current level for a certain period of time, provided that he or she remains employed. It has the same effect as a 100 percent disregard of new earnings, and it is designed to benefit families making the transition to work. Allowing residents to keep all their increased income from new earnings without raising their rents might be especially helpful during the first few months of employment, when residents could face new work-related expenses (such as paying for new clothing) that are not otherwise subsidized. It might also help cement the residents' commitment to working while they wait to receive job-related wage gains or to acquire enough experience to qualify for higher-paying positions.

Escrow Accounts

Recent research has shown that the distribution of wealth in the United States is much more unequal than the distribution of income, with many low-income families having no assets or facing large debts. Accumulating savings is thought by many to be an important step on the road to self-sufficiency. A buffer of savings can protect against periods of unemployment, cover the costs of further education, help start a small business, or lead to eventual home ownership.[8]

To encourage work and savings among public housing residents and persons receiving Section 8 housing vouchers, housing authorities that operate a HUD-funded Family Self-Sufficiency (FSS) program can place the rent increases of residents whose incomes rise due to increased earnings into interest-bearing escrow accounts.[9] After several years, and complying with certain requirements, these savings are rebated to the residents, who can use them for any one of three purposes: pursuing additional education, making a down payment on a home, or starting a business.

Two of the Jobs-Plus programs — in Baltimore and in Seattle — made use of their own version of escrow accounts. Program designers reasoned that, in addition to encouraging savings, this feature would make Jobs-Plus more attractive to residents, many of whom

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[8]Oliver, 1997.

[9]Most FSS recipients are in Section 8 housing; however, residents of public housing developments who do not receive Section 8 subsidies are eligible for the program.

JOBS-PLUS RENT INCENTIVES IN ST. PAUL

Development: *Mt. Airy Homes*

Number and type of housing units: 296 apartments in a mix of low-rise and high-rise buildings

Demographics: About 65 percent of residents are of Asian origin, mostly Hmong, and there is an increasing Latino population.

Other community characteristics: Mt. Airy Homes is located about one mile from downtown St. Paul. Extensive renovations to add pitched roofs and porches have transformed the development.

When the Jobs-Plus rent plan went into effect: December 1998

Key considerations: The partners sought to create a rent incentives plan that provided the largest benefits early on, with a steady progression of rent increases through the end of the demonstration.

Principal features:

- During the first year that the Jobs-Plus incentives were in effect, **100 percent of residents' earnings were disregarded** in calculating their first-year rent.*
- In sequential **rent steps** during the second through the fifth years of the plan, rents were tied to the authoritywide ceiling rents (which were also adopted as the new QHWRA flat rents). Thus, in the second year, rent was capped at 45 percent of the authoritywide ceiling rent. In the third, fourth, and fifth years, rents were set at 60 percent, 75 percent, and 90 percent of the ceiling rent, respectively. The rent steps took effect by calendar year, meaning that residents entered the step that was in effect during the year in which they signed up for the program.
- Since the families in Jobs-Plus developments paid their own utility bills, rent at each step was reduced by a **utility allowance.** Thus, rent increased each year but was always lower than rent in the other developments.
- **One month of rent was free** for residents who enrolled in Jobs-Plus and, at the beginning of the year, for residents who had earned income in each of the preceding 12 months.
- A **rent credit** of $25 was given for each month that the household earned income during the second through fifth years. The credit could be used to pay rent after the demonstration or could be taken as cash if the family left the development.

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ST. PAUL (continued)

- Residents who signed up for Jobs-Plus could choose to pay rent under the program's rules or under traditional rules, which calculate rent as 30 percent of adjusted household income. At each recertification period, residents who chose to pay Jobs-Plus flat rents **could opt to revert to the traditional rent rules,** which might be to their advantage if their income fell. Adding to this **safety net** feature, **rent could be reduced** to $25 for up to two months per year for residents who suffered an income loss and could not find another job immediately.

*This program not only disregarded new earnings but also exempted total earnings for the first year of its rent plan. With none of their earnings being applied to the calculation of their rents, working residents at this site were required to pay rent based only on their residual welfare payments for the first 12-month period, or, if they were no longer receiving welfare, they would pay only the minimum rent of $25 per month required by the housing authority.

had expressed interest in escrow accounts during the early planning stage of the demonstration. Program planners at some of the other developments chose not to use escrow accounts because they were concerned that administering the accounts would be complicated and costly.[10]

The escrow accounts operated with small differences in the two sites that offered them. In Baltimore, half a resident's rent was placed in a non-interest-bearing escrow account for each month of employment in consecutive 12-month periods. Unless the resident was out of work for 30 days or more, these funds were rebated to the resident at the end of each period. This benefit acted as an inducement to participants to maintain employment for more than a few weeks or months. In Seattle, a portion of working residents' rent payments (in each rent step above the first one) was put into interest-bearing accounts, up to a maximum amount of approximately $8,000 to $10,000, depending on the size of the housing unit. Residents who reached this cap or moved out of the development could withdraw the funds to use for whatever purpose they chose. If they wished to withdraw from their accounts before the end the demonstration and were still living in the development, they had to use the proceeds for an approved purpose: education, home ownership, or entrepreneurship.

[10]Housing authorities not participating in the Jobs-Plus demonstration can set up similar kinds of escrow plans under the FSS program and can have their revenue losses that are due to forgone rent covered by HUD's regular operating subsidies.

Rent Credits

The Jobs-Plus sites in Los Angeles and St. Paul offered residents credits for a reduction in rent if they worked for a specified amount of time. At the end of that period, residents could apply the accumulated credit toward their rent obligations. Both sites also offered residents one month of free rent for signing up for Jobs-Plus.

During the first phase of the Los Angeles program, residents who were not working or in training prior to Jobs-Plus were provided with a rent credit that accrued at the rate of one-twelfth of a month's rent for each month that they worked during the first year. Thus, those who worked all year would receive one month of free rent, making the rent credits an incentive not only to work but also to stay employed.

In St. Paul, residents received one month of free rent at the beginning of each year if the family had earned income in each of 12 previous months. As an additional reward to encourage job retention, the plan also provided that, for each month a family had earnings, they received a $25 credit that could be applied toward rent at the end of the demonstration.

Transportation Assistance

The significant bite that transportation expenses can take out of a low-wage worker's paycheck can be another impediment to working that many welfare recipients and public housing residents must overcome. Public housing authorities can take various steps to reduce these costs, including such measures as additional earnings disregards, direct transportation assistance (in the form of reduced-price or free bus or subway passes), or a transportation program created specifically for a particular housing development. Several Jobs-Plus sites used these and other strategies to help residents overcome their transportation difficulties.

Assessing the Potential of the Incentives Plans

The ultimate question about the Jobs-Plus sites' financial incentives plans is whether and to what extent they encouraged residents to increase their employment or earnings. Absent an impact study, the question cannot be answered (although this report will discuss the impressions of residents' and staff about how the incentives may have influenced residents' labor market behavior). What can be addressed, however, is a threshold question of whether the incentives, as designed, made it financially worthwhile to work. Analyses from *Making Work Pay for Public Housing Residents*[11] indicate that they did. (See also Appendix Table B.1, which offers hypothetical examples of how the various sites' plans could help make work pay for Jobs-Plus residents.)

[11]Miller and Riccio, 2002.

JOBS-PLUS RENT INCENTIVES IN SEATTLE

Development: *Rainier Vista Garden Community*

Number and type of housing units: 481 residences in low-rise buildings

Demographics: Many residents are immigrants from Asia and East Africa; more than 20 languages are spoken.

Other community characteristics: Originally constructed to house aircraft workers during World War II, the development was to be razed and rebuilt in stages under a HOPE VI grant from HUD. Although this site is no longer part of the national Jobs-Plus demonstration, it continues to operate a Jobs-Plus program, now called HOPE-Plus.

When the Jobs-Plus plan went into effect: September 1999

Key considerations: The plan developers wanted to encourage residents to work, to increase their earnings, and eventually to progress toward paying market-rate rents for their housing.

Principal features:

- The traditional rent structure was replaced with a **series of rent steps** that gradually increased to market rates. During Step 1, which lasted two years, residents' rents were frozen at their current levels. Rents were then increased in steps every two years — to 40 percent, 75 percent, and, in the final step, 100 percent of prevailing market rents in the surrounding community. The rent steps began when participants entered the program, and residents could start at any step they chose. Thus, a resident who was already paying a high rent might choose to begin at Step 2 rather than have the rent frozen at its current level.

- Beginning in Step 2, a portion of the resident's rent was deposited into an interest-bearing **escrow account.** Assets in the accounts could accumulate to a maximum of between $8,000 and $10,000, depending on the size of the resident's apartment, and residents could tap those savings at any time for use as a down payment on a house, to pay for additional education, or to start a business. Once they had saved the maximum amount, moved out of public housing, or no longer relied on Section 8 subsidies, they could use their savings for any purpose they chose. Residents had access to up to $1,000 from their escrow funds to be used for employment-related emergencies.

- As a **safety net,** families who could not pay the flat rent could have their **rent reduced** to as little as $25 per month for up to three months over a 12-month period. In some cases, the Jobs-Plus rent review board might develop a unique rent plan for families who could not pay the flat rent. A resident wishing to revert from paying the flat rent to the traditional income-based rent had to seek the approval of the rent review board.

As noted in *Making Work Pay,* expansions of welfare earnings disregards and the EITC reduced financial disincentives to work for public housing residents in the 1990s.[12] These changes were reinforced by provisions of the 1998 federal housing law (QHWRA) that modified the rules for setting rents in public housing. By keeping rents down even more for working residents and thus further reducing penalties associated with employment, the Jobs-Plus incentives plans improved on an already-improving situation.

Moreover the sites' incentives plans successfully adhered to the five guiding principles presented earlier in this chapter. Residents who signed up for these plans and who took advantage of all other major financial supports available to them (for example, food stamps, child care subsidies, and the EITC) would have been better off working than not, would have been better off with higher-wage than lower-wage jobs, and would have found that work paid more than under traditional rent rules. In addition, the plans had the potential to benefit a broad cross-section of residents. Finally, the structure of the plans helped to ensure that full-time work would leave residents better off than working part time, arguably making it more attractive for them to increase their hours of work.

In assessing the potential of the plans, it is also worth noting that although housing authorities could initially lose rent revenues when the plans cut rents of employed residents, the plans were not destined to be a drain on these resources over the long run. Rather, it was possible that the benefits of the plans to housing authorities could eventually offset and perhaps even outweigh their costs, because aggregate rent revenues could increase if more nonemployed residents go to work or reduce their spells of unemployment or if employed residents work more hours.

Conclusion

Focusing on the designs of the Jobs-Plus financial incentives plans, this chapter has shown the wide variety of options available to housing authorities interested in adjusting rents to help make work pay. Two basic approaches are at the core of all the plans: holding rents flat or adjusting them to reflect income changes. Yet the sites' approaches to these two basic strategies varied — for example, in the generosity of incentives or in the amount of time between steps. In addition, several sites further encouraged residents to keep jobs by adding supplementary incentives in the form of escrow accounts and rent credits. Chapter 3 discusses how the sites put these diverse plans into operation — and the challenges they confronted along the way.

[12]According to the Tax Policy Center, since 1996, the federal EITC has reached more eligible families than either TANF or food stamps (Burman and Kobes, 2003).

Chapter 3

Putting the Jobs-Plus Incentives Plans into Action

As the Jobs-Plus demonstration sites moved from the design of the rent incentives plans described in Chapter 2 to operating those plans, they faced three major challenges. First, they had to make all residents, working or not, aware of the incentives. Next, they had to educate residents about what the plans offered and their benefits. Finally, they had to build program capacity to administer and manage the incentives. This chapter describes how sites confronted these challenges.

The Context for Implementation

Roles of the Housing Authority Staff and the Jobs-Plus Staff

The responsibilities for implementing the rent incentives plans were primarily shared by two entities: the public housing authority's staff and the Jobs-Plus staff. Although most Jobs-Plus staff members in the demonstration were employees of the public housing authority, their roles were distinct from those of other housing management employees. As Jobs-Plus staff, they worked on employment-related issues, individual case management, and job placement of participants. In contrast, traditional housing authority staffs focused on property management — setting and collecting rents; maintenance; and other administrative, fiscal, and legal duties related to operating the housing developments. Jobs-Plus staff were located on-site in community centers or in apartment units that had been converted into office space; these facilities were set apart from housing management offices to help distinguish the program from other housing management functions.

In the area of rent incentives, Jobs-Plus staff were primarily responsible for marketing, for educating residents about the incentives plans and their benefits, and for initiating the enrollment process. The housing management staff were also involved in some marketing, but they were mainly responsible for following through with enrollments and adjusting rents to incentives levels. Jobs-Plus and housing management employees shared the responsibility of tracking residents' participation in incentives.[1] Some residents also were involved in the implementation of Jobs-Plus, primarily by participating in outreach efforts.

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[1]Although the roles of the two staffs were largely distinct even in the area of rent incentives, often residents did not make this distinction. They sought out Jobs-Plus staff for help with housing problems, and they (continued)

Threshold Challenges Posed by Conditions in Jobs-Plus Communities

Part of the implementation story of an intervention is the nature of the community in which it operates, and certain realities of life in the Jobs-Plus housing developments posed challenges to trying to effect widespread use of rent incentives. If those realities are not taken into account, it could seem that bringing incentives — with their opportunities for extra income — to the communities would have been a relatively straightforward and undemanding effort, involving little more than a general announcement that the benefits were available. But because of certain community features, implementing incentives was not this easy. Chapter 5 presents many of the relevant conditions of life in the developments in the words of residents and staff. But to set the stage for the discussion of implementation in this chapter, it is helpful to recognize that incentives were introduced into communities typified by high rates of mobility, language barriers, and the kinds of hardships associated with living in poverty that can make it difficult for people to look beyond the stress of their daily lives.

In addition, employment (the prerequisite for receiving incentives) was problematic for many residents. Some residents had powerful reasons — situational, personal, or a combination of the two — to stay out of the labor market. Others cycled in and out of jobs, and others — at least according to some Jobs-Plus staff members and fellow residents — worked but did not report their earnings to the housing authority (although it should be noted that the researchers were given no firm evidence of the extent of "off-the-books" work). Finally, some residents were simply unable to find work.

Another reality — which is discussed in Chapter 5 and which has implications for operating incentives plans — is that some residents see the housing authority as an adversary, rather than as an ally or source of support. In all, viewing the implementation records of the Jobs-Plus sites against the backdrop of these conditions helps to put into proper perspective both what the sites did and what they did not manage to accomplish.

Site by Site: What Did the Implementation of Rent Incentives Look Like?

Chapter 2 shows that each site in the Jobs-Plus demonstration had a distinctive environment and a distinctive rent incentives plan. This chapter mainly examines how those plans were implemented, by focusing on the generic activities of outreach, education, tracking, and other management tasks at all sites. However, for readers who are interested in how individual

turned to housing management staff for employment assistance. Generally, both staffs made cross-referrals to their counterparts.

programs approached the incentives, the following brief summary highlights aspects of each site's implementation experiences that stand out in the field research findings.

- **Baltimore.** For a number of reasons, Baltimore seems to have been the site that had the most difficulty implementing financial incentives. As discussed in Chapter 4, this site's take-up rates for incentives were unusually low. (Box 4.1 in Chapter 4 presents an extended discussion of the implementation factors that seem to have contributed to the lack of response to rent incentives in Baltimore.) Partly because the Baltimore housing authority faced significant external pressure from a federal audit, managers were often diverted from administering the rent incentives, and Jobs-Plus staff found that they had to compete with other priorities for housing authority attention. Midway through the demonstration period, the Jobs-Plus program decided to concentrate all its marketing of incentives on working residents. This decision may have further limited the reach of this program component.

- **Chattanooga.** As in Baltimore, Jobs-Plus in Chattanooga struggled to keep the attention of its housing authority. Although the housing authority began its operations with enthusiasm for Jobs-Plus, staff were sidetracked from focusing on the program because of a major effort to privatize the management of all of the city's public housing developments, which started midway through the demonstration. Ultimately, the housing authority decided to make the rent incentives the *only* active component of the site's Jobs-Plus program. However, as discussed later in this chapter, Chattanooga was the one site that successfully integrated the use of the "Income Calculator" into its operations.

- **Dayton.** The rent incentives component in Dayton received consistent support and attention from the housing authority, from Jobs-Plus staff, and from an active resident association. In addition, the site's Jobs-Plus and housing authority staffs had a strong working relationship. Combined with high rates of resident mobility, delays in the start-up of the incentives plan in Dayton may have complicated efforts to build momentum for the plan.

- **Los Angeles.** This was the only site to design an incentives plan that did not require recipients to hold jobs in the initial stage — an 18-month period during which rents were frozen. This decision was seen as a way to engage all residents in the plan early on. Subsequently, when the employment requirement went into effect, some residents withdrew from this component of the program. Both of the participating housing developments in Los Angeles —

Imperial Courts and William Mead Homes — began implementing rent incentives when staffing shortages limited the amount of consistent attention that could be paid to them. Later, however, staffing problems were resolved, and the incentives component became more active, especially at William Mead Homes, where a new housing manager demonstrated a high level of commitment to making the plan work.

- **St. Paul.** The rent incentives component enjoyed consistent support from both central and on-site housing authority staff in St. Paul, and while Jobs-Plus was an energetic presence at the site, in many ways, it was the housing authority — known for its consumer-oriented services — that took the lead in administering the plan. For example, when HUD's commitment of funds to implement rent incentives was delayed, the housing authority committed its own funds to speed up operations of the incentives plan.

- **Seattle.** Quite early in the demonstration period, the Seattle site received a HOPE VI grant from HUD for major redevelopment, involving at least temporary relocation of many residents while apartment complexes were torn down and rebuilt. Because the HOPE VI effort made the context of Jobs-Plus in Seattle so different from that of the other sites and would make it difficult to attribute changes in outcomes among residents at this development exclusively to Jobs-Plus, the Seattle site was withdrawn from the national demonstration. However, its implementation and its impact results are being analyzed in separate MDRC studies. Despite the dislocation associated with HOPE VI, Jobs-Plus and the incentives component were solid and viable interventions at the site. Overall, Seattle's Jobs-Plus program was characterized by the strong interest of its staff in institution building and resident empowerment. As in St. Paul, the housing authority in Seattle invested some of its own funds in the rent incentives component to shorten implementation delays.

This chapter now turns to a more thematic examination of the different kinds of efforts involved in implementing the Jobs-Plus rent incentives plans.

Building Residents' Awareness of Rent Incentives

To promote the use of rent incentives as a way to stimulate work efforts, housing management staff, Jobs-Plus staff, and residents had to actively publicize and market the incentives. As this analysis shows, each played different roles in getting out this information.[2]

Roles of the Housing Authority Staff

Local housing authorities varied in the degree to which they promoted the Jobs-Plus rent incentives. Some did very little. For example, the Baltimore and Chattanooga on-site housing management staffs rarely referred working residents to Jobs-Plus. One Chattanooga official observed:

> The biggest drawback was [that the rent incentive] wasn't being promoted through the [housing management] office. So we had to go and knock on doors and do our own promotion. It should have been promoted from the office.

However, the field research shows that, elsewhere, on-site housing management offices were important conduits for information about Jobs-Plus rent incentives. In Dayton, residents who were thinking of leaving the development — because of poor living conditions or because their rents had been raised when they went to work — were referred to Jobs-Plus by the housing management office assistant. And it was common for the housing staff in St. Paul or William Mead Homes in Los Angeles to refer working residents to Jobs-Plus to learn more about the rent incentives and enroll in the program. St. Paul's housing management staff also included flyers about the incentives in the monthly rent statements to residents.

The active efforts of several housing managers proved to be among the most powerful strategies used to focus residents' attention on rent incentives. Managers in Dayton, St. Paul, and William Mead Homes in Los Angeles built on established relationships with residents and capitalized on their influence as landlords. They were all strong supporters of Jobs-Plus and the rent incentives, and they made direct contact by mail or in person with qualified working residents to recommend that they apply for incentives. For example, at William Mead Homes, when the manager reviewed residents' files to prepare for the annual redetermination of rent levels, he flagged the files of residents whose earnings seemed to make them good candidates for the incentives, and he invited those residents to talk with him about the incentives plan. If

[2]At times, outreach included efforts to publicize nonrent financial incentives, such as learning how to apply for the Earned Income Tax Credit (EITC). However, since the publicity and marketing were heavily oriented to rent incentives, this discussion focuses on rent incentive outreach efforts. Sites' efforts to use nonrent incentives are discussed separately later in this chapter.

they were interested, he directed them to the Jobs-Plus office to begin enrollment — and sometimes even walked them to the office himself.

Interestingly, the housing developments with higher take-up rates for the rent incentives had managers who were more actively involved in outreach for Jobs-Plus. (Chapter 4 presents quantitative data on take-up rates for all sites.) It should be noted, however, that the housing managers who were most engaged in outreach tended to see the incentives as a benefit for *working* residents and to focus on that group. While correct, this view of rent incentives does not take into account another purpose of these benefits, which is to encourage nonworking residents to enter the labor market without fear that their rent will rise along with earnings. Thus, by targeting outreach to working residents, housing managers in the demonstration sites might have lessened the influence that the incentives could have had on nonemployed residents.

At some developments, the housing management staff teamed up with Jobs-Plus to conduct outreach to residents. For example, some management offices regularly gave Jobs-Plus staff lists of the names of working residents who were not enrolled in the rent incentives plan and of new residents just coming into the development. The Jobs-Plus staff then invited these residents to their offices to learn more about rent incentives and Jobs-Plus. In Los Angeles, for instance, the Jobs-Plus staff used the list that the housing office gave them, and they sent letters, made phone calls, handed out flyers, and even surveyed the nonparticipating households to learn why they had not enrolled in the rent incentives plan.

Like on-site housing offices, some central housing offices engaged in outreach for the Jobs-Plus rent incentives; management staff talked about these benefits when people applied for public housing.[3] In describing local housing developments to prospective residents, these staff explicitly mentioned that Jobs-Plus and the rent incentives would be available at a particular development. Often they gave the prospective residents Jobs-Plus materials and described the local Jobs-Plus development as a "work-oriented community." Some residents reported that they had chosen their development in order to have access to Jobs-Plus and the rent incentives.

Roles of the Jobs-Plus Staff

While a number of housing management staff members helped with Jobs-Plus outreach, the field research indicates that it was program staff who played the central role in getting out the word about rent incentives. Nearly half the Jobs-Plus participants who were interviewed for this report said that they first learned about the rent incentives from a Jobs-Plus staff member. Across the sites, Jobs-Plus staff created flyers, newsletters, and welcome packets for new resi-

[3]In Dayton, a Jobs-Plus staff member partnered with the central housing office to offer this early orientation to prospective residents.

dents that announced the availability of rent incentives, and materials were disseminated not once but repeatedly. For example, the Dayton program publicized information about the incentives both in a welcome packet and on the front page of a monthly newsletter.

Staff tried to think of creative ways to package printed information. For example, to catch the eye of residents, Baltimore's staff made flyers green — to resemble money — and, in one brainstorming session, they even considered making the flyers look like checks. Initially, the program hired a consultant to develop an informational packet about rent incentives. According to one staff member, many residents were intrigued with what was produced:

> [Residents] came in with the packet, and they would say, "You know, I got this. I want to enroll. What does it mean?" And so then they would be set up with a case manager to discuss that particular component and enroll.

Many residents reported that the printed materials introduced them to the idea of rent incentives, and overall these materials did help to motivate residents — especially working residents — to come to the Jobs-Plus offices to learn more about the incentives plan. But residents who were less motivated, who had literacy or language barriers, or who were simply too busy often paid little attention to printed material alone. Jobs-Plus staff members and participants reported that when printed information was deposited at residents' doors or in their mailboxes, it was often thrown out or ignored. Thus, the sites also relied on more personalized outreach methods. One resident in Baltimore explained the value of this approach:

> I think if somebody sits down and talks with them and tells them that their rent could be cheaper . . . some people just don't pay attention to papers.

Jobs-Plus staff had a number of built-in opportunities to talk with residents about rent incentives, including program intake and case management and job development sessions. Staff members also canvassed their housing developments to talk about Jobs-Plus and what its rent incentives could offer to residents.

At some sites, Jobs-Plus staff members — or, at St. Paul, Jobs-Plus and housing staff jointly — held stand-alone group orientations to explain the rent incentives. While the sessions were educational, in essence they were a form of outreach, because, for some people, they introduced the rent incentives and provided the first opportunity to ask questions about them.

In another effort to do more personalized outreach, Baltimore's Jobs-Plus staff wrote letters to qualified but unenrolled households and were able to sign up a number of prospective participants who responded. Sites that tried this approach, including Baltimore, reported that the response to such letters was significant but not overwhelming.[4]

Roles of Residents

Resident outreach workers — who were known, depending on the site, as "building captains," "court captains," "community coaches," or "community outreach workers" — conducted some of the neighbor-to-neighbor outreach on rent incentives. These residents were volunteers who assisted Jobs-Plus in numerous ways and who were paid small stipends for their efforts. Their work included delivering flyers about the incentives and other Jobs-Plus offerings to neighbors' doors. While they sometimes simply deposited the materials in mail slots or screen doors, they were encouraged to hand the information to residents personally — and to return, if no one was home, for discussions and questions. In Baltimore, the consultant who was hired to develop the informational packet about rent incentives also gave initial training to the resident staff members about how to talk about this program component with their neighbors.

One limitation on the effectiveness of using resident outreach workers was that although they had a basic knowledge of rent incentives plans, they were not always familiar with the details. Also, unlike the Jobs-Plus staff, resident workers were not empowered to enroll their neighbors in this component on the spot. However, these resident workers would refer anyone who had questions about the incentives to Jobs-Plus staff.

Moreover, there was one important advantage of using residents, rather than just professional staff, for outreach: Because resident outreach workers were usually trusted members of their communities, their words carried special weight with their neighbors, who, in turn, felt free to express themselves to these peers. A community member in Los Angeles who also worked for Jobs-Plus described her role in presenting the rent incentives:

> I tell them how [the rent incentive plan] works, because a lot of people misunderstand our case managers, when they explain it to them. They kind of say, "Oh, yeah"; they agree with it, but then they actually really don't understand, and then when they talk about it or we get on the subject of it and they bring up their point of view about it, or what they're concerns are, . . . you know, just bring out the paper on them, "This is how it actually go." Or "This is it." Because some people just don't want you to think that they don't understand or comprehend what you're saying, and, instead of asking, they take it and be, like, "Yeah, I got it." And actually they don't.

[4]As discussed in Chapter 5, these working but unenrolled households likely faced other barriers to enrollment.

Besides these personal outreach efforts, the sites relied on a mode of resident-led recruitment that was not formal or organized: information spreading from one neighbor to another. Sometimes the information could be negative or was, in fact, misinformation, but often — especially when it led people to contact Jobs-Plus directly — the information strengthened other outreach efforts. A Jobs-Plus participant in Baltimore described such neighbor-to-neighbor communication:

> And I be telling my mother, my sister. I be telling everybody, and I be telling people that I do know in the developments of Gilmor about Jobs-Plus. And I told them to inquire about it.

Neighbor-to-neighbor communication was very important in such housing developments as William Mead Homes in Los Angeles, where flyers were not always translated into the languages spoken by the site's many Chinese and Vietnamese immigrant residents.[5] At William Mead Homes, one neighbor who spoke English used hand gestures and nodding to communicate the content of flyers to her Chinese neighbors. A field researcher described the interactions:

> They come over to her apartment with flyers they receive and [they] gesticulate in a way that she has learned means: "Is this something we should know about?" She says, "Calm down," and shakes her head for "No" when she thinks it isn't relevant to them. But if she does think it might be important, she makes some hand gestures. She often takes them to . . . Jobs-Plus for further assistance.

One example of the importance of informal neighbor-to-neighbor recruitment for monolingual immigrants comes from St. Paul, where all the participants in a focus group of Hmong-speaking residents said that they had heard about the program's rent incentives plan through another resident. For example:

> A friend of mine was in the program, and he told me about it.
>
> My cousin told me that there was this program. I thought it was a great idea.
>
> I was told by my aunt. She had come to a meeting and got the information. She shared the information with me, so I came in to find out more.

[5]Most flyers at this development were produced only in English and Spanish, by staff who had limited access to community volunteers who could translate materials into Asian languages.

Some residents were initially skeptical about the incentives and waited to see how the program worked for a friend or neighbor before signing up. A staff member in St. Paul described this pattern:

> We had a very few Vietnamese people sign up initially. We had people come in and go through the orientations and say: "No. I won't sign up. I don't trust this. It's too good to be true." But they came back after a year or more and signed on. They said: "I didn't believe it at first. But now my neighbors, my friends, and cousins have signed on and gotten all this."

For monolingual immigrants, however, there were limitations on the effectiveness of neighbor-to-neighbor outreach. Well into the demonstration period, one Los Angeles staff member reported that, despite the site's best efforts, most Asian immigrants at William Mead Homes "still don't know anything about Jobs-Plus." During the second half of 2001, these conditions improved somewhat through staffing enhancements at both of the housing developments that were part of the Los Angeles program.

In some sites, word-of-mouth reports extended beyond the Jobs-Plus housing developments. "A lot of the new move-ins ask to come here because of the rent incentives," said a staff member at St. Paul's Mt. Airy Homes, where several new residents confirmed that they had requested a unit in the development because they had heard about the rent incentives from friends or relatives who already lived there.

The Outreach Record: Success and Limitations

Overall, the Jobs-Plus demonstration programs found that a mixture of different outreach strategies, each with its own strengths and limitations, was useful in publicizing and marketing the rent incentives component. The experience of one resident in Los Angeles illustrates how a sequence of the three main outreach techniques — printed materials created by Jobs-Plus staff, resident-to-resident outreach, and direct staff outreach — could lead to enrollment:

> [I heard about the rent incentives] at first through the flyers; they had sent the flyers, and then I think one of my neighbors had signed up for Jobs-Plus, and she started telling me about it. . . . I came to a meeting — that's what really made me come and sign up; I went to a meeting. They had a meeting over at the learning center, and that's when I signed up.

How outreach played out at many of the Jobs-Plus developments is captured by the observations of one housing management staff member in St. Paul:

> I would really fall over if anyone in Mt. Airy didn't know what Jobs-Plus [the total program and its rent incentives plan] was by now. . . . But, of

> course, we also said that in Year 1, because we slept and ate and dreamed Jobs-Plus. And there were still people who said they didn't know about it.

Consistent with this description, program efforts to make residents aware of the rent incentives were generally energetic and effective. But sometimes — to the surprise of staff who were caught up in the excitement of this new effort — there remained people who did not know about the incentives. This is not surprising, given that participation was voluntary, that some residents did not read English well (or at all) or were not well connected to active participants, and that many people moved in and out of the developments while the incentives were in effect. In addition, at some sites, safety concerns limited the ability of staff and outreach workers to reach all sections of the developments with the rent incentives message. In Baltimore, for example, drug-related violence at Gilmor Homes made the high-rises and certain courts in the development too dangerous for staff and outreach workers to venture into. Although residents living in these areas were mailed outreach materials, they were excluded from most in-person contact outside the Jobs-Plus offices.

Building Residents' Understanding of the Rent Incentives Offer

Educating public housing residents about the Jobs-Plus rent incentives turned out to be more complicated than the demonstration's planners had envisioned. To do a thorough job of education, program staff had to make it clear to residents how the various incentives plans worked. They also had to explain — at least in a general way — why the plans were beneficial; ideally, they also wanted to give each resident a personalized picture of exactly how the incentives would affect his or her income. Conveying all this complex information could be challenging. For example, interviews reveal that, early in the demonstration, even some Jobs-Plus staff members were confused about aspects of their program's incentives plans. Adding to the confusion was the fact that rent incentives rules were just one set of many regulations that residents — especially people on public assistance — had to abide by.

Although the programs in Los Angeles and St. Paul conducted some stand-alone educational sessions that focused on rent incentives, across sites, such education was mainly incorporated into a variety of other Jobs-Plus activities: marketing, case management and enrollment sessions (including enrollment for the incentives themselves), and even social events. Because Jobs-Plus is a voluntary program, staff felt that they could not count on residents' showing up for a set of meetings or even a single meeting devoted solely to rent incentives. Instead, they often decided to be more opportunistic, capturing residents' time and attention whenever they were available.

This merging of incentives education and other activities was sometimes problematic. Because the rent incentives plans ranged from moderately to very complicated and because they departed from traditional public housing policies, residents often needed repeated explanations of the new rent-based formulas before they could understand what they were signing up for. When rent incentives enrollment took place at the same time as Jobs-Plus enrollment and apartment leasing, residents often found it hard to process all the information they were given. In Dayton, one participant who was new to public housing spoke forcefully about the need for fuller explanations:

> [Explain it] for people who don't know as far as what's going on! Like when I was turning in my papers, you know I had never been in an apartment or been on my own, so it's, like, I feel you should explain things to me a lot better than you would another [more experienced] person.

Another sign that information overload could be a problem comes from Baltimore, where — after an initial period of incorporating rent incentives education into regular program intake and assessment procedures — staff decided to provide the education to residents only after they were employed. They felt that residents who sought their help were simply not ready to focus on rent incentives until they had found jobs. Despite this more targeted approach, Baltimore's low take-up rates did not improve very much.

Notwithstanding that educational sessions with several purposes tend to swamp residents with information, the experience of the St. Paul program suggests that careful planning of multiple-topic meetings could alleviate the problem. Although, as noted, St. Paul did hold some stand-alone sessions about rent incentives, the program also organized meetings devoted to a combination of Jobs-Plus enrollment and reenrollment, rent incentives enrollment, and lease recertification matters. Even though the sessions were very full, staff carved out extra time and thoroughly explained both lease and incentives obligations. Interestingly, residents at the St. Paul site were among the savviest users of rent incentives who were interviewed for this report: They seem to have been unusually adept in knowing how to use their safety net system to their advantage, and at the meetings about rent incentives, they seemed particularly comfortable asking questions about them.

In most cases, Jobs-Plus staff were solely responsible for educating residents about rent incentives, but housing management staff also sometimes played a role. In Dayton, housing staff were proactive in trying to make rent incentives clear to new residents. The staff member in charge of leasing and rent recertification presented residents with a form that listed all their rent options: the Jobs-Plus flat rent, the QHWRA flat rent, and the traditional rent calculation. She then invited them to choose a rent level and to initial their choice. Although residents almost always chose the lowest rent, Jobs-Plus staff viewed the housing office form as a graphic way to help residents understand the program's rent incentives bargain.

Educating residents about the rent incentives was an ongoing process. For example, a Jobs-Plus case manager in Los Angeles said that some participants had lost track of how they benefited from the incentives:

> A lot of people are not aware. They might have signed up in the year that the program started. So they don't realize that they are saving money because of the rent incentives. They forget about it.

In addition, because people moved into and out of the housing developments constantly, staff continually had to orient new residents to the incentives. Education about rent incentives was clearly challenging for the programs, but — except for education about rent steps, which is discussed next — staff usually managed to give residents a general understanding of what they were signing up for, and the rent incentives component of the program could operate without major problems.

Preparing Residents for Rent Increases

Most of the Jobs-Plus programs that included rent steps in their incentives plans found that helping residents understand the steps was the most difficult part of their educational efforts. One problem was that the outreach about rent incentives tended to emphasize the advantage of rent savings. Although orientations did mention that savings would be reduced in future years as rents increased at progressively higher steps, this feature of the plans was not stressed. Hence, many residents were not well prepared for this unwelcome change.

In St. Paul, which had the longest experience with step increases and where the steps were regular, the process of preparing residents for rent hikes proceeded quite smoothly; staff discussed the steps with residents at annual recertification meetings. Hinting that St. Paul's education was successful, one interviewee said that she recognized the value of the step increases, noting that, even in the later steps, rent was still lower than it would have been under the traditional calculation.

Educating residents was more challenging for sites where the rent steps were fewer and less regular. In Chattanooga, for example, after 16 months, rent increased from 10 percent of countable income (Step 1) to 20 percent (Step 2). In that housing development and others, special efforts beyond regular rent reviews were needed to remind residents of pending increases. In Dayton, information about an upcoming rent increase was featured on the monthly newsletter's front page for months in advance, and Jobs-Plus and housing management staff worked together to notify and prepare residents for the change.

Despite such efforts, interviews show that the residents in the demonstration were unprepared for the step increases and were shocked when they occurred. Even in sites that had made concerted efforts to prepare residents for the rent steps, many interviewees were outraged and wondered, "Why Jobs-Plus didn't tell us the increases were coming?" For example, when the rent freeze came to an end in Los Angeles — in effect, moving residents up to a new step — residents complained bitterly to Jobs-Plus staff. One interviewee recalled:

> People were upset because they didn't understand. They thought [rent] was just going to stay the same, but it was explained to them, it was written out on a paper for them. Maybe people didn't read the paper clearly, or maybe they interpreted wrong.

And another said:

> The only thing that they didn't tell us . . . I don't remember them telling me this, how the stages after the 18 months the freeze, how you go back . . . I don't remember them explaining that part. A lot of people was like surprised by that. They was like, "They didn't tell us this!" I don't know if some people were aware or not; maybe it was just like a phase that we should have known about, you know.

Further complicating efforts to attune residents to the idea of rent steps was that the original vision of how the steps would work was flawed. The conception was that wages would keep pace with rent increases and that, at the same time, rent increases would encourage residents to seek higher wages. One staff member in Dayton expressed the conception this way: "What it boils down to is you cannot survive on a fast-food salary, you know, once you start paying real rent." The comment typifies a view shared by many staff members — that since incentives were temporary, residents needed to plan ahead to improve their career prospects and finances. But staff often found that residents were more interested in getting jobs quickly than in participating in job training and otherwise trying to advance their careers. In addition, according to one staff member in Seattle, the failure of some residents to look ahead was reinforced by a feeling that the rent incentives were a safety net that they could count on — that somehow the housing authority would "bail them out" if their rents became too high.

In fact, Jobs-Plus staff members reported that, for most participants in the rent incentives plans, wages started low and did not rise much over time. Although residents' own attitudes could have contributed to this problem in some cases, a number of external factors also clearly made it very difficult for them to advance in the workplace. Notably, the Jobs-Plus job developers reported that, beginning in 2001, many entry-level jobs were cut in the worsening economic environment , making it more difficult for the program to place residents. In Seattle — where a bleak economic outlook prevailed for a significant part of the study period — one staff member said that the site's primarily immigrant population had made no wage gains in part because of their limited English proficiency and job skills.

Although staff did devote time to stressing economic betterment through home ownership and personal financial management, overall — despite their widespread convictions about the importance of career advancement — staff found it difficult to help residents move up the economic ladder. It was not until late in the demonstration, if at all, that the sites — prompted by technical assistance advice from MDRC and by some growing interest in career advancement among residents — were ready to work on this issue. This evolution came after months and years of program operations, however, and was too late to affect many residents' responses to rent steps.

Educating Residents About Obligations Associated with Rent Incentives

In addition to informing residents about the obligation to pay higher rent under the step-increase provision, the Jobs-Plus sites had to educate residents about other obligations associated with the rent incentives. For example, residents had to understand that, to receive the incentives, they needed to enroll formally in Jobs-Plus and needed to be working. Staff also had to remind residents that those who participated in the rent incentives plan were subject to the same lease terms as nonparticipants.

Most of the Jobs-Plus programs offered rent incentives participants financial literacy education, and three of them had one other obligation (at least in theory): Rent incentives participants were to attend money management workshops. Also, in Dayton, participants were required to attend several resident council meetings over the course of the year, in order to maintain eligibility for rent incentives. There is no evidence that programs actually withdrew rent incentives from residents who failed to meet these obligations.

Responses of Residents and Jobs-Plus Staff to Obligations to Report Income and Employment Changes

In order to qualify for the Jobs-Plus rent incentives, residents at the demonstration sites had to give the program proof of employment. In addition, to stay eligible for the incentives, they were told that they had to maintain employment month to month and had to report any job losses and unemployment to Jobs-Plus. They were also required to report changes in income and employment to their housing management offices — at least once a year, at their annual rent recertification meetings, and more often in some sites. Except for escrow accounts and rent credits (discussed in Chapter 2), both the Jobs-Plus staff and the housing management staff relied on residents to self-report these changes.

According to the field research, the rent incentives plans influenced residents' willingness to report income changes in different ways. Some residents who were paying the flat rent were conscientious about reporting changes in household income to Jobs-Plus, because they knew that these income shifts would not affect their rents and they did not want to jeopardize their incentives by not reporting. Other residents who paid flat rents seemed to draw a different — and incorrect — conclusion from the delinking of rent and income. They told interviewers that they were not required to report income changes until their annual rent reviews, because their rents would not change despite monthly fluctuations in income. Even in sites where HUD required only yearly reports, however, these residents were mistaken, because Jobs-Plus stipulated that they report any change as soon as it occurred.[6]

The field research reveals one particularly interesting trend related to employment and reporting. Staff noted that some participants — living in developments with either flat or reduced-percentage rents — avoided reporting lost jobs despite being obligated to do so by stipulations in leases at some sites and in all Jobs-Plus incentives agreements. The pattern was most pronounced among residents who expected their unemployment periods to be brief. Residents who did not disclose their unemployment moved quickly to find new jobs while continuing to pay their incentives rent (which was higher than they would pay at a minimum-rent level — typically $25 a month — or even higher than the 30 percent rate calculated on less income). Only after they were in new positions would they report their changed employment status.

Residents had several reasons for this reporting behavior. First, in housing developments with escrow accounts or rent credits, residents knew that receipt of the entire amount of these benefits could be at stake if they reported unemployment. In Baltimore, for instance, residents who reported that they were not employed for more than 30 days during any 12-month cycle forfeited their escrow savings. Second, at some developments, residents who were removed from incentives plans due to unemployment faced waiting periods before they were allowed to reenroll. Thus, rather than risking removals, losses, or waiting periods, residents tried to protect their incentives participation by bearing the costs of higher rent than they would have incurred if they had reported their job losses and by trying to find new jobs quickly.

The interviews suggest that concern about jeopardizing their benefits kept some residents who lost jobs from seeking help from Jobs-Plus to find new ones. In fact, this concern might have been somewhat exaggerated. Generally, the programs gave residents who did report the loss of a job about a month to find another one before removing them from the incentives plan. Moreover, housing authorities follow the rule of giving a month's notice before any change is made in a household's rent.

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[6]Although it was true that residents' rents would remain the same, the amount of the HUD reimbursements to the housing authorities for the cost of Jobs-Plus rent incentives was contingent on the amount that the residents *would have paid* under the traditional 30 percent formula; thus, the failure of residents to report changes may have had financial implications for the housing authorities.

The Implications of Rent Incentives for Net Income: The Income Calculator

As discussed in Chapter 1, the Jobs-Plus planners believed that many nonemployed residents at the demonstration sites would be financially better off if they worked and took advantage of both rent incentives and other public benefits, including tax credits. For example, the demonstration's designers thought that the federal Earned Income Tax Credit (EITC) and, when available, state EITCs[7] could make an even bigger contribution to participants' incomes than the rent incentives.[8] There was also interest in encouraging participants to take advantage of the Child and Dependent Care Credit for child care. In addition, the Jobs-Plus programs were encouraged to help residents get maximum access to work supports and other public benefits, such as income disregards, food stamps, and the child care and Medicaid subsidies that are available to welfare recipients for a year after they become employed.

However, the demonstration's planners recognized one obstacle in encouraging the use of tax credits, work supports, and public benefits. Because eligibility for these supports and the way in which they interact vary by household, it is often very difficult for people to grasp how their incomes will be affected by the mix of different benefits for which they qualify when they make a change in their situations. In addition, many low-income people fear the possibility of losing public assistance benefits when they go to work; for public housing residents, that fear is compounded by concerns about higher rents. Indeed, the public housing residents who were interviewed for the Jobs-Plus baseline survey reported that anxiety about increased rent was a primary barrier to working.

To respond to these problems, MDRC developed the Web-based Income Calculator (Box 3.1). Its purpose is to help show residents (1) what their entire household income would look like after employment and (2) how working could increase the amount of money that they had to spend and save each month. The Income Calculator requires input of the following information: the amount of previous benefits received, what wages any working household members will receive and for how many hours, the number of adults and children in the household, and the household's costs for child care and transportation. Taking into account comparisons between standard rent and rent under Jobs-Plus incentives plans, the Income Calculator can then be used to compare the monthly net income of the household on public assistance — paying

[7]Two states in the Jobs-Plus demonstration that offer a state version of the EITC are Maryland and Minnesota (Lazere, 1998).

[8]Some studies (Romich and Weisner, 1999; Cauthen, 2002) have concluded that the EITC has positive effects on employment and income both among people entering the workforce and those already working, and particularly among single mothers and persons receiving cash assistance, pushing many above the poverty line. The federal EITC has also been credited with lifting "more children out of poverty than any other government program" (Johnson, Llobrera, and Zahradnik, 2003).

Box 3.1

JOBS-PLUS INCOME CALCULATOR
A WEB-BASED COMPUTER TOOL TO DETERMINE: DOES IT PAY TO WORK?*

Enter:	Resident's expected wage rate, hours of work per week, work-related costs, and rent
Get instantly:	Resident's projected net income, after adjustments for changes in welfare and food stamp benefits, taxes, the EITC, and rent
Compare:	The effects on net income of working at different wage rates and different numbers of hours each week
Learn:	How much, if at all, is the resident financially better off working than not working? Working full-time rather than part-time? Working at a higher-wage job?

All entries are confidential and the data from each session are not saved for any purpose.

*From Miller and Riccio, 2002, p. 24.

attention to both TANF payments and food stamps — and the monthly net income of the household with one or more members employed. It goes on to show the annual household income, this time taking into account available tax credits (notably, the EITC), state or city versions of this credit when they are available, and the Child and Dependent Care Credit.[9]

By showing the change in income that people will experience as they move from public assistance to work or from part-time to full-time work, the Income Calculator is designed to allay fears about losing income and to ensure that low-income workers are aware of all the benefits available to them. It is also intended to be a tool that aids career planning — for example, by helping users determine what level of earnings is needed in order to make a major leap in net household income and to enable them to develop personalized plans to achieve such a goal.

The Income Calculator turned out to be less central to Jobs-Plus than anticipated. It was routinely used only in Chattanooga late in the demonstration, where its information did seem to reduce residents' anxiety about losing income if they went to work. After an orientation session

[9]The EITC is a refundable credit — which can result in cash in hand to those who qualify. Most of the state and city credits are nonrefundable but will reduce state and city taxes up to 100 percent for those who qualify.

with the Income Calculator, one resident, who was thinking of opening her own cosmetology school, was impressed:

> It was showing me, uh, once I saved the money and how much I could save, that gave me the more incentive to put money back to save money. Oh! Well, if I can save that much, I'm gonna put it back.

The main obstacles to using the Income Calculator appear to have been technological — for example, inadequate wiring for the Internet or lack of appropriate computers. In Baltimore, few of the Jobs-Plus staff members had personal computers on their desks for easy use when they were talking with participants. Dayton's staff did have desktop computers, but there were no Internet connections in individuals' offices until mid-2002.

Besides technological obstacles, another reason why almost no sites embraced the use of the Income Calculator is that they had difficulty integrating the counseling it entails into their program flow. In most cases, staff were not trained on how to use the Income Calculator until they had already established their routines, at which point they had other priorities for working with participants. Also, many case managers mainly had contact with residents who worked during Jobs-Plus's office hours via telephone conversations, with no chance for the face-to-face meetings that are needed for counseling with the Income Calculator. Finally, using the Income Calculator requires that its information on benefit levels be updated, and many counselors did not find time to do that.

Interestingly, Jobs-Plus's employment counselors — who generally had no role in financial incentives work beyond enrolling residents in the component — made minimal use of Income Calculator counseling, which might have helped residents to see the financial implications of finding jobs at different wage levels or hours of work. Wider use of the Income Calculator might have also helped to alleviate a problem discussed earlier: residents' failure to fully anticipate rent steps. If case managers had worked with them to predict the effect of future rent steps, residents might have more fully appreciated that if their wages failed to keep up with the rent increases, their work would pay less and less over the course of the demonstration.

Additional Activities to Help Make Work Pay

Counseling on Benefits

Most of the Jobs-Plus programs actively encouraged residents to use the EITC. For example, the Baltimore program assisted residents with the EITC as part of overall help on tax preparation. Staff members prepared the tax returns of participants, allowing them to drop off their materials and to pick up completed tax returns at a later date. One participant said:

> Actually, this year, [a Jobs-Plus staff member] helped me a lot with my taxes. She prepared my taxes for me, and that was a big help. Because someone had done a big screw-up on my taxes, so when I brought it to [her], . . . I was, like, "Thank you. It was a big help. It was a big help."

Many residents reported that they had learned about and taken advantage of the EITC before they became involved with Jobs-Plus, by receiving either paid or free tax preparation assistance. For example, a Baltimore participant said, "Actually, I've always known about it, as far as when it's time to do your taxes."

Nonetheless, Jobs-Plus did become another source of EITC information and tax help for participants. In St. Paul, a housing management staff member reported: "We've certainly had high success with folks taking advantage of the tax services at Mt. Airy. That's one of the things that they do go over with the residents there." Her observation was confirmed by the fact that over 250 residents at this development were given tax-filing assistance in 2002.

The programs were far less active in counseling on the Child and Dependent Care Credit. Field research indicates that few, if any, residents were aware of or took advantage of this credit, and few staff mentioned it as a benefit that they promoted to residents.

Jobs-Plus participants who were receiving Temporary Assistance for Needy Families (TANF) generally had welfare caseworkers who managed their benefit levels and overall cases both before and after they began working. When residents needed help understanding their TANF disregards or the extension of child care and Medicaid benefits under TANF, Jobs-Plus case managers generally referred them to these caseworkers. However, Jobs-Plus staff increasingly came to consult with welfare caseworkers directly about participants' benefit receipt problems. This consultation was probably useful, because early field notes reveal that welfare staff themselves were not consistent in informing recipients who were making a transition to work about the availability of continued child care and other assistance.

Financial Literacy Courses

The emphases of the Jobs-Plus programs' financial literacy courses differed depending on their audience (for example, TANF recipients or prospective home owners), but the courses typically covered such subjects as how to budget, use checking accounts, and manage credit.

The Baltimore program's experience with money management education offers one illustration of how this service was delivered. The program decided to focus its financial literacy efforts on budgeting, after about half the rent incentives participants did not receive year-end escrow checks for two successive years because they had failed to pay their rent on time —

which was a prerequisite for receiving the bonuses.[10] Staff felt that some of these participants had difficulty setting aside enough money to cover their rent at the beginning of each month, and so the budgeting sessions helped participants create a "spending calendar" to allocate their money throughout the month's expenses.

Many rent incentives participants complained forcefully about requirement to attend financial literacy sessions, but most who did complete the courses found them useful. Particularly toward the end of the demonstration, residents at many Jobs-Plus developments were eager to take advantage of financial management courses, because they saw them as a source of help in making the transition from rent incentives back to traditional public housing rents. Some made an even-greater transition, from public housing to unsubsidized apartments and even home ownership. Most sites were able to connect interested participants to first-time home buyers' programs.

Transportation Assistance

Transportation assistance was part of the financial incentives plans at all the Jobs-Plus sites. Dayton's program provided a van to take residents to remote work sites, and it made free bus passes available to new workers until they received their first paychecks. In Baltimore, funds were set aside to subsidize transportation costs for residents who were searching for jobs, engaged in training activities, or in their first month of work. Chattanooga's program helped defray the transportation costs of residents who had full-time jobs, by deducting $25 weekly from the amount of income that was counted in calculating their rents. The program in St. Paul provided gas coupons and assistance with car repairs to working participants who commuted by car, and it gave bus passes to those who used public transit. The field research indicates that these and other kinds of transportation help were widely used at all the sites and that only minimal educational efforts were needed to make residents aware of them.[11]

Managing the Rent Incentives

Both the Jobs-Plus staff and the housing management staff were involved in administering the rent incentives — that is, in the work of managing the incentives systems, as opposed to the tasks of outreach and counseling. The key administrative tasks were enrolling residents for

[10]The housing management office sent these participants court notices for late rent payments. At the end of the demonstration, the research revealed that not all the payments were actually late; some were considered late because the management office was slow in applying the rent payments to certain accounts. At the time of this writing, the exact number of cases in which this problem occurred is unknown.

[11]In theory, the tokens or passes were to be used only for job search or during the first weeks of employment. Most were probably used this way, but because their use was largely unregulated, staff and residents report that it is likely that transportation assistance was sometimes used for nonwork purposes.

the incentives, monitoring their eligibility, ensuring that they were billed correctly for rent, and filing for HUD reimbursements.

The Administrative Capacity and Buy-In of Public Housing Authorities

Across the Jobs-Plus developments, the level of partnership between housing authority and Jobs-Plus staffs varied considerably; some housing authorities apparently had a much stronger sense of ownership of the incentives plans than others. The housing authority in St. Paul was at one end of the spectrum. As indicated earlier, it was unusually active in marketing the rent incentives and educating residents about them. It was also unusually thorough in tracking incentives activities. St. Paul's central office staff knew the details of incentives administration, and its on-site housing management staff could talk with ease to residents and others about the benefits and requirements of participating in the plan.

In contrast, front-line housing authority staff in Baltimore showed little buy-in to rent incentives. According to a Jobs-Plus staff member:

> A lot of delays that were caused in the beginning were, to me, . . . were due to resistance, a resistance to change. There were people who had to be involved in the process who were resistant to the idea of changing the way that they calculated rents. There was a lot of talk of the housing authority losing revenues. There was a lot of talk from clerical staff about having to do something different.

The source of such problems in Baltimore seems to have been a lack of direction from the central management office, which, as discussed earlier, had other pressing priorities. The situation was compounded by cutbacks of staff for Jobs-Plus and by considerable turnover among the housing authority staff.

Most housing authorities in the demonstration sites were neither as engaged as St. Paul's nor as removed as Baltimore's. Overall, however, Jobs-Plus staff and site representatives agreed that at least a fairly strong level of commitment to rent incentives was needed to ensure smooth administration of the sometimes-complicated plans.

Administrative Issues

Chapter 2 reports that some sites in the demonstration adopted flat-rent plans while others used plans that were income-based; some used rent steps while others did not; and almost all of the sites enhanced their plans with special features — notably, escrow accounts and rent credits. In examining the sites' experiences with the rent incentives plans, it is useful to inquire whether any of these options made a difference in how easy or how difficult it was to administer the plans.

Regarding flat-rate and income-based plans, housing management staff pointed to the significant number of hours that they had to spend on the early stages of establishing new rent levels. But because calculating rent adjustments is a familiar duty for housing authorities, staff were not overwhelmed by this demand. Once systems were in place and a round or two of reimbursements had been completed, they reported that the tasks fell into basic routines. However, staff did note that flat-rate plans — which did not require readjustments of rents whenever residents reported income changes — were easier to maintain than income-based plans.

Rent credits and escrow accounts were the most difficult features of the incentives plans to administer, but this may be because of how Jobs-Plus chose to handle the task of tracking eligibility for these benefits. As described earlier, participants were expected to report any changes in income or employment to Jobs-Plus; as also noted, Jobs-Plus followed the customary housing authority practice of relying on self-reports to adjust rents under the basic flat-rate or income-based plans. But to determine whether residents were eligible for rent credits or escrows — and, in St. Paul, to determine whether residents who had continuously worked for a year qualified for a month of free rent — the Jobs-Plus sites actively verified and tracked continuous monthly employment.[12]

Typically, rather than monitoring participants' employment behavior every month, the sites tried to re-create monthly employment histories through quarterly or even annual verifications. Especially early on, some sites found that these procedures did not go smoothly. One example of the difficulty comes from Los Angeles, where rent credits — which were calculated at one-twelfth of each month's rent — were to be distributed annually. At the end of the first year that the plan was in effect, staff undertook a complicated and time-consuming process of combing a year's worth of case files, gathering pay stubs from participants, and contacting employers directly, to establish and verify the status of participants who were potentially eligible for rent credits.

[12]Although the housing authorities had to account to HUD for the reimbursements that they requested for the extra expenses associated with escrow checks and rent credits, HUD neither dictated the frequency of employment tracking nor the requirements for receiving escrows and credits. The sites themselves set the requirement that participants maintain employment continuously in order to receive these benefits, and it was the sites that elected to verify residents' month-by-month employment status.

To collect for the reimbursements, on-site housing staff typically gathered information on monthly rent losses and transmitted it to the central office, which then applied for the reimbursements semiannually. The tracking systems used for these purposes ranged from simple spreadsheets to complex additions to existing management information systems. Typically, the fields of information that were added included enrollment dates, the amount of rent paid under the incentives plan, the amount that would have been paid under the standard 30 percent calculation, and the difference between the two — that is, the "loss."

In St. Paul, a housing authority staff member recalled the initial difficulty of tracking employment to verify eligibility for the month's free rent:

> In the first year, it got so confusing. People had more than one job or changed jobs several times. We lost track because it was, like, they had free rent, and it didn't make any difference how many jobs they had worked, so don't tell management that they're working six different places. So when we were trying to verify that they had continued employment for 12 months, it was a nightmare. So now it's: "You tell us. Your rent won't change. But we need to verify it."

Later St. Paul developed a workable tracking system for the credits: Whenever residents changed employers, they came to the office to sign a verification form, which was then sent to the employer. However, the site expended considerable effort on this monitoring. Interestingly, across sites, few residents actually received the benefits for which they were being monitored. And, in general, compared with the amount of extra income available to residents through the basic rent incentives plans, the levels of expenditures that the housing authorities expected to make for Jobs-Plus rent credits, escrows, and features like St. Paul's rent credit were relatively minor. It appears that the amount of time spent monitoring eligibility for these benefits may have been out of proportion to the amount of money that the benefits represented.

Conclusion

This chapter's review of the Jobs-Plus sites' experiences in implementing rent incentives plans indicates that, on the whole, the sites acted with energy and creativity. Ultimately, some implementation efforts emerged as stronger than others. As is often the case, the robustness of implementation depended in part on the extent to which top administrators — in this case, housing authority managers and higher-level staff — were committed to making the intervention work. In combination with quantitative information presented in Chapter 4, the field research suggests that there was some association between the housing managers' level of involvement in marketing rent incentives and the residents' responsiveness to the offer. This pattern is noteworthy, because, as has been discussed, public housing developments are typically marked by some level of distrust between residents and the housing authority. The apparent influence of strong housing managers over residents' decisions to enroll in the rent incentives plans suggests that — notwithstanding these traditional tensions — residents do respond positively to the efforts of housing management staff to publicize benefits and interventions. Given this response, if the housing managers in the demonstration had done more to market rent incentives to nonemployed residents as well as to those who were already working, they might have been more effective at promoting work and expanding the use of incentives in their housing developments.

The demonstration sites actively marketed rent incentives to residents, and overall they were successful in heightening awareness of these benefits. One element of success seems to have been a willingness to try a variety of outreach strategies. The sites also grasped the need to go beyond the initial marketing of rent incentives and provide more in-depth education, to help residents understand the complex plans. While demonstration staff often opportunistically chose to incorporate incentives education into other scheduled activities, such as rent reviews, explaining the plans in these settings sometimes led to information overload for residents.

For a variety of reasons, almost none of the sites made wide use of the Jobs-Plus Income Calculator, even though residents in Chattanooga — the one site that used it — seem to have reacted positively to this counseling technique. Sites did use other techniques to educate residents about the value of benefits other than rent incentives, but, on the whole, they devoted most of their energy to explaining the incentives plans. Perhaps this is not surprising, since, unlike the other benefits, the rent incentives plans were launched and operated within the housing authorities' own systems.

The administrative tasks of establishing and using tracking systems required important investments of time and energy on the part of both Jobs-Plus and housing management staff. But after significant upfront efforts, it appears that the rent incentives required substantial but not overwhelming amounts of extra administrative oversight, with most of the extra work coming from tracking escrow accounts and rent credits.

This chapter has primarily examined the sites' implementation experiences and records. The following two chapters shift the focus to the residents. Chapter 4 presents quantitative information on how they responded to the rent incentives, while Chapter 5 adds to that information by providing qualitative evidence from the field research.

Chapter 4

Residents' Use of the Jobs-Plus Rent Incentives: A Quantitative Assessment

Chapter 3 describes various methods of outreach for the rent incentives component of Jobs-Plus. This chapter reports on results of that outreach — the actual take-up rates for the rent incentives and the patterns of incentives use in the housing developments that were in the demonstration. The chapter addresses the following questions: What proportions of households and residents used the rent incentives? How long did they use them? How did these patterns of usage vary across the sites and the different subsets of residents within them, and what accounts for this variation?

Measuring Participation in the Rent Incentives Plans

This chapter relies primarily on quantitative data to describe the patterns of use of the Jobs-Plus rent incentives, although it also draws on qualitative information to help explain those patterns. The quantitative data — which were collected between January 1998 and December 2002 — consist of:

- Public housing authority data (gathered on HUD form 50058) on the household composition, income, earnings, race/ethnicity, and gender of new and continuing residents in October of each year
- Jobs-Plus records on residents' use of rent incentives
- Employment data from state unemployment insurance records

This analysis computes rates of incentives use for targeted individual residents and targeted households. *Targeted residents* legally resided in a Jobs-Plus development, were between the ages of 18 and 61, and were nondisabled.[1] To get the rent incentives, these residents had to be employed and enrolled in Jobs-Plus.[2] Thus, someone who met those criteria and who enrolled in the rent incentives component is considered a *rent incentives recipient* or a *rent incentives participant.*

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[1]Jobs-Plus did not deny services to disabled or older persons who came to the program for help finding work.

[2]In Los Angeles during the first stage of program implementation, participants could be nonemployed, enrolled in a training program, or looking for work and could still take part in the rent incentives component.

When someone enrolled in the rent incentives component, his or her household, as a unit, also became an incentives recipient, because the benefit of reduced rent cannot accrue to only one person in a household. As a result, households are also counted here; in fact, they are the primary unit of measure used in this chapter. *Targeted households* include any household at a Jobs-Plus development headed by a working-age, nondisabled person, whether or not that person was actually working.

Data were collected for the 1998, 1999, and 2000 annual rosters, or *cohorts*, of nondisabled, working-age residents in the Jobs-Plus developments. Collectively, these cohorts encompass all residents between the ages of 18 and 61 who were tenants of a Jobs-Plus development in October of one or more of these years. In general, if someone is in the 2000 cohort, that person lived in the development in October of that year.[3] If that person also was living in the development in 1998 and/or 1999, he or she is also considered part of the 1998 and/or 1999 cohort.

This report looks at multiple cohorts rather than at a single cohort of targeted residents in order to develop a fuller picture of participation in Jobs-Plus over the course of a multiyear demonstration. On the one hand, inclusion of the 1998 cohort permits the research to follow a group of targeted residents for a longer period of time, starting from the onset of the Jobs-Plus program. On the other hand, the addition of the 1999 and 2000 cohorts makes it possible to examine the experiences of targeted residents who moved into the developments after 1998, particularly after fully formed Jobs-Plus programs were in place. This is an important consideration for the analysis of rent incentives participation, because, as noted in Chapter 2, most of the rent incentives plans did not come into effect until mid- or late 2000. Consequently, in developments with higher rates of mobility, it is possible that many residents in the 1998 cohort and some in the 1999 cohort had left the development before the incentives were available. Combining the experiences of the earlier and later cohorts thus provides a better picture of the overall experiences of the full group of residents targeted by Jobs-Plus.

The observation period for incentives take-up patterns extends from the start date of incentives availability through December 2002, a period ranging from 26 to 49 months. For the programs in Baltimore and Chattanooga, the start date was November 2000; for Dayton, it was May 2000; and for Los Angeles, it was June 2000. St. Paul's program began to offer rent incentives in December 1998, and Seattle's did so in September 1999.

[3] A resident who moved into a development after the October count of residents, or who had moved out before October, generally would not be considered part of that year's cohort.

What Were the Take-Up Rates for Targeted Households?

Starting with the broadest question about participation in the rent incentives component of Jobs-Plus: What were the overall take-up rates for all targeted households — whether or not anyone in the household was working — at all the housing developments combined? Figure 4.1 shows the proportion of each of the three cohorts of targeted households that used the rent incentives by December 2002. As can be seen, there is a general upward trend in the rates across cohorts, climbing from 37 percent of the 1998 cohort to a substantial 48 percent of the 2000 cohort. One reason the take-up rate grew is, as noted, that households in the earlier cohorts were more likely to have left their developments before the rent incentives were available. An increase in residents' employment rates over this period may have also contributed to this trend. Figure 4.2 presents take-up rates at each Jobs-Plus development for all targeted households living in the developments between 1998 and 2000. As the figure indicates, the rates varied widely across the sites. They were highest in St. Paul (67 percent) and lowest in Baltimore (12 percent; see Box 4.1). William Mead Homes in Los Angeles achieved the second-highest rate of all the developments — 59 percent. The remaining developments fell into the middle range, with rates between 26 percent and 41 percent.

In every housing development, the take-up rate was higher among later than earlier cohorts, as shown in Figure 4.3. However, this trend was most pronounced in Dayton, a site with very high move-out rates. Dayton's rate grew from 28 percent for the 1998 cohort to 57 percent for the 2000 cohort. It should be noted that — unlike the situation for households in the earliest cohort — almost all households in the latest cohort were living in the Jobs-Plus development when the incentives component was in full operation.

What Were the Take-Up Rates for Targeted Individual Residents?

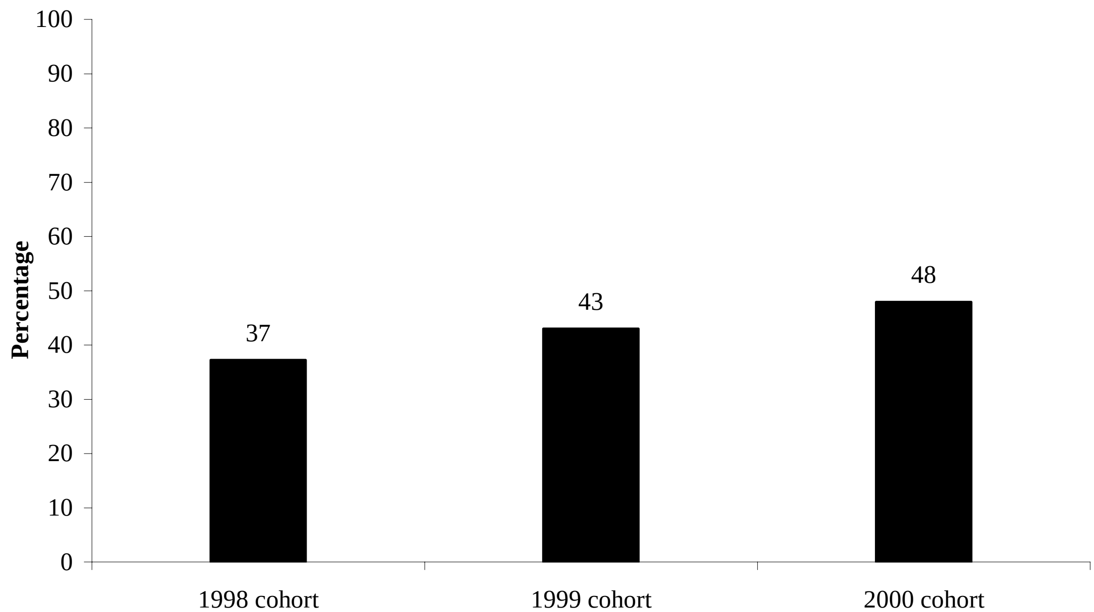
Take-up rates can be calculated from the perspective of targeted residents as well as targeted households. Although rent incentives apply to households, the policy is aimed at all working-age adults, including those in households with more than one adult. Thus, to understand the reach of the Jobs-Plus incentives more fully, it is important to measure the proportion of the targeted adult population that took up the rent incentives. This measure encompasses both people who are "active" recipients of the incentives because they are working and others who are receiving the incentives "passively" because of the employment of someone else in their households. (In the latter case, even if someone is not adding to the household income through employment, she or he may have been affected by the incentives by living in a household with more resources than it would have had without these benefits.) As it turns out, the take-up rates for targeted residents (Figure 4.4) were almost the same as for targeted households (Figure 4.2).

The Jobs-Plus Demonstration

Figure 4.1

Rent Incentives Take-Up Rates
Among All Targeted Households Living in the Jobs-Plus Developments,
by Year of Residence
(All Developments Combined)

What percentage of households had ever received rent incentives by December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

NOTES: The term "targeted households" refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed. A cohort includes all targeted residents living in the development in the specified year. A resident may be part of more than one cohort depending on the number of years she or he lived in a Jobs-Plus development.

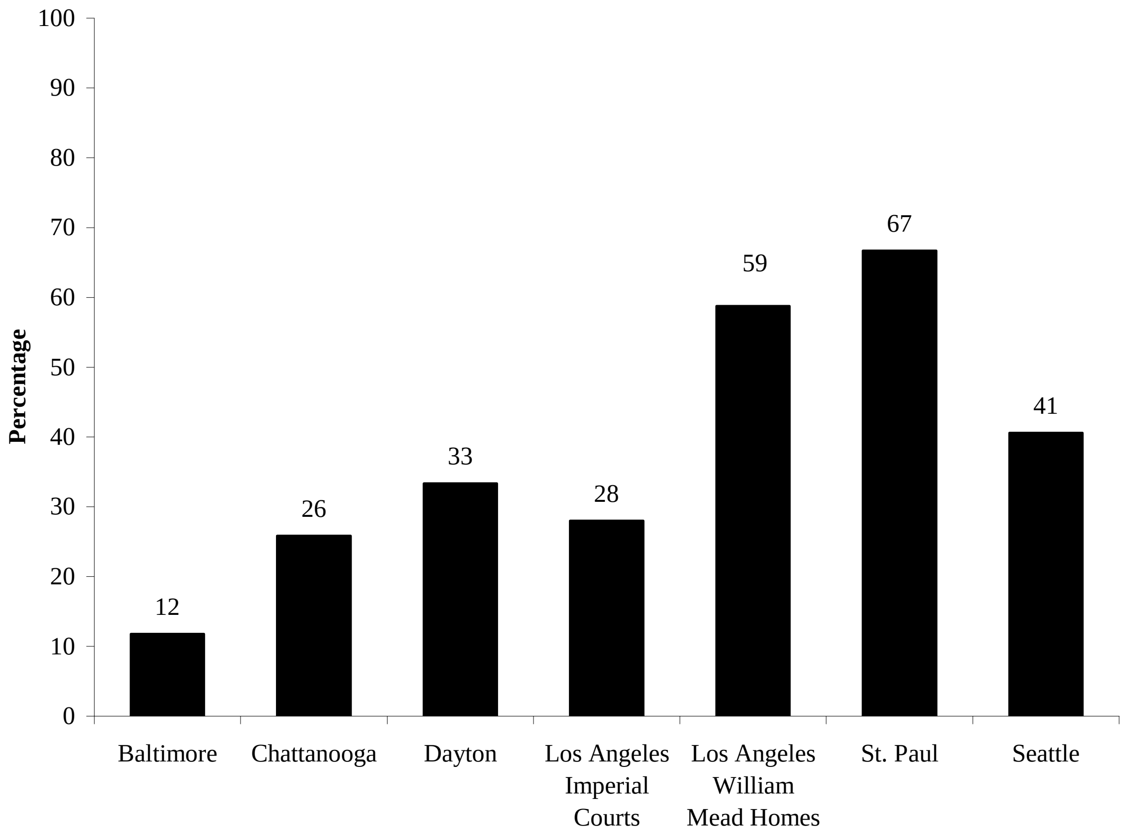
The results for each housing development are weighted equally.

The Jobs-Plus Demonstration

Figure 4.2

Rent Incentives Take-Up Rates
Among All Targeted Households Living in the Jobs-Plus Developments at Any Time Between 1998 and 2000, by Development

What proportion of households had ever received rent incentives by December 2002?[a]



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

NOTES: The term "targeted households" refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

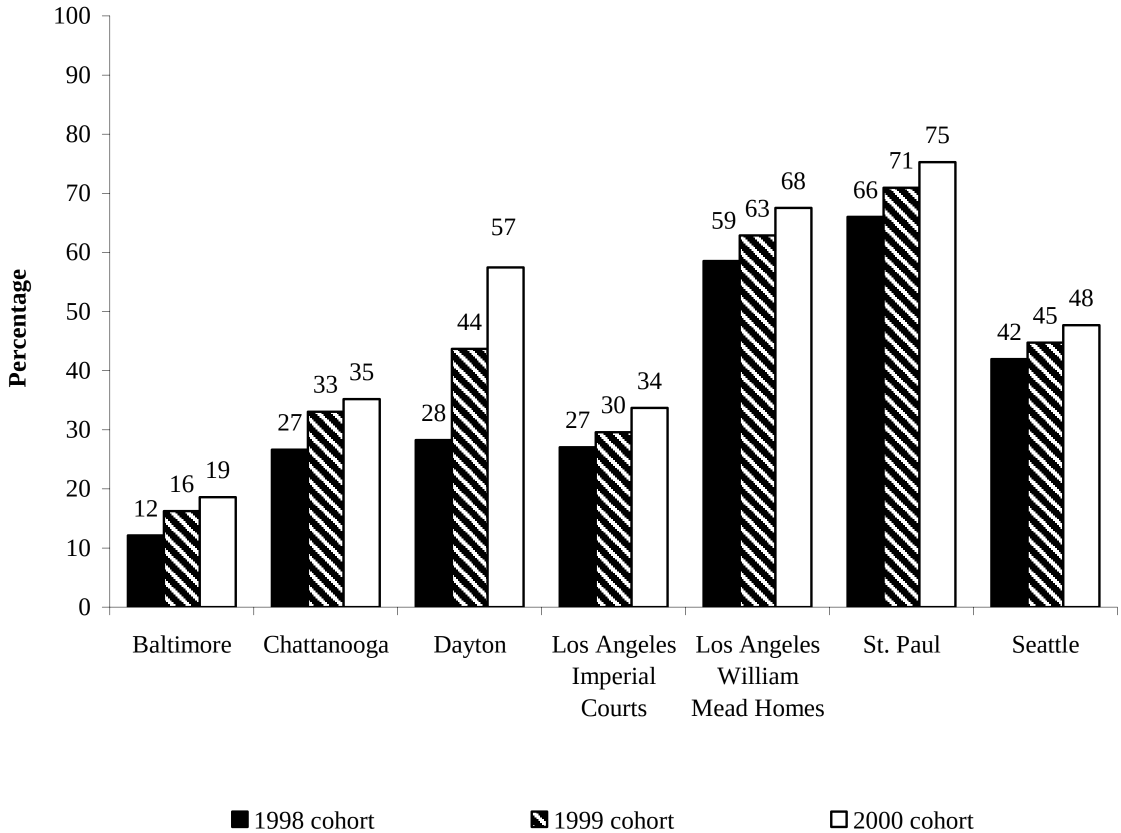
[a]The opportunity to enroll in the Jobs-Plus rent incentives component continued into 2003 in all sites except Seattle, where new enrollments ended in May 2001.

The Jobs-Plus Demonstration

Figure 4.3

Rent Incentives Take-Up Rates
Among All Targeted Households Living in the Jobs-Plus Developments,
by Development and Year of Residence

What proportion of targeted households had ever received rent incentives by December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

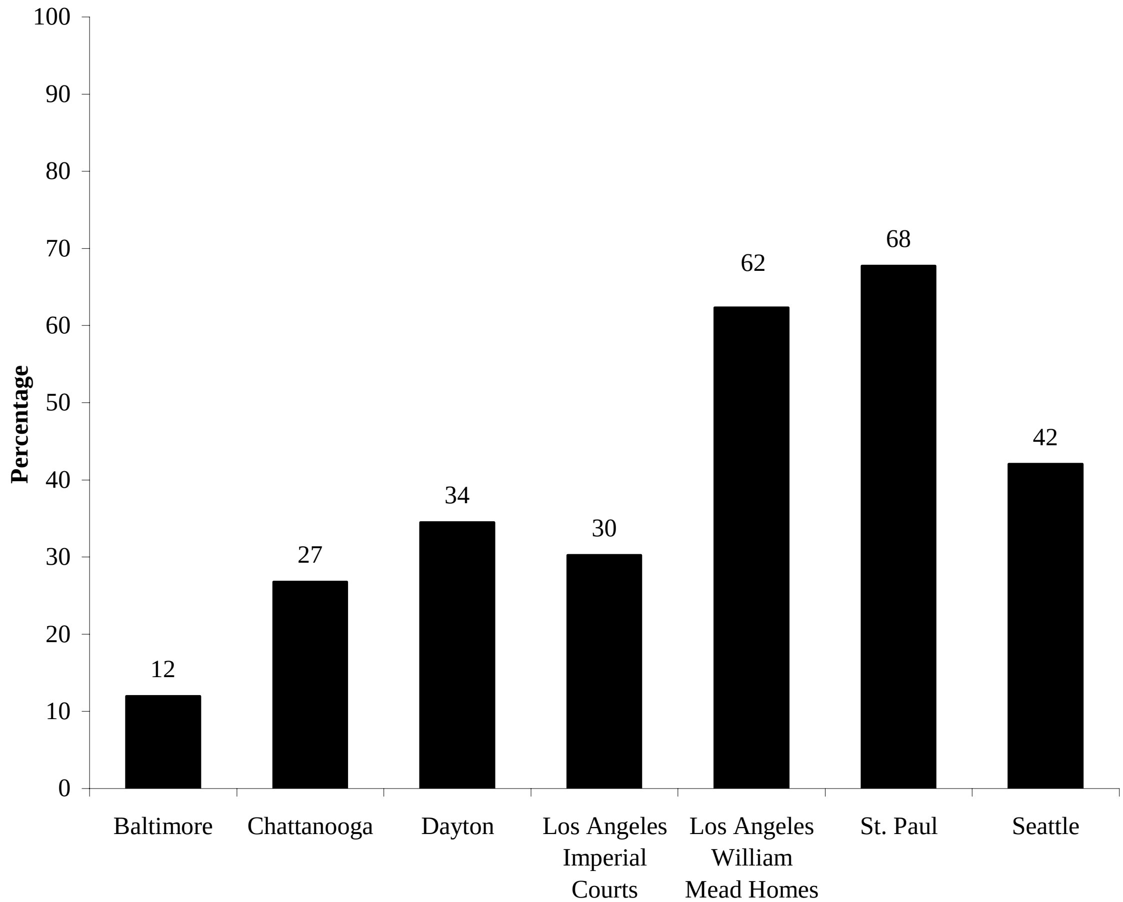
NOTES: The term "targeted households" refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed. A cohort includes all targeted residents living in the development in the specified year. A resident may be part of more than one cohort depending on the number of years she or he lived in a Jobs-Plus development.

The Jobs-Plus Demonstration

Figure 4.4

Rent Incentives Take-Up Rates Among All Targeted Residents Living in the Jobs-Plus Developments at Any Time Between 1998 and 2000, by Development

What proportion of residents ever lived in households that had received rent incentives by December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

NOTES: The term "targeted residents" refers to nondisabled residents aged 18 to 61 living in a household headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

Box 4.1

FOCUS ON BALTIMORE:
A TOUGH ENVIRONMENT FOR IMPLEMENTING THE JOBS-PLUS RENT INCENTIVES

The quantitative analysis reveals that Baltimore's Jobs-Plus program consistently registered low take-up rates. Implementation factors discussed in Chapter 3 — particularly the housing authority's limited role in marketing and managing these incentives — probably influenced these rates. The housing authority began the demonstration with a commitment to Jobs-Plus, but a high degree of turnover both at the downtown housing authority headquarters and in the on-site housing management office, as well as the demand that remaining staff respond to a number of problems uncovered in a federal audit, drew attention away from the program. This turnover forced Jobs-Plus staff to repeatedly reengage and reeducate the housing management staff who became responsible for administering the rent incentives component at Gilmor Homes. One Jobs-Plus staff member reported:

> The rent incentives are getting a little out of hand. We had a meeting with Mr. [X], who is the new executive deputy director, [who] took Mr. [Y's] place, to introduce the rent incentive to him.

The staff member said that she had to get the new official "on board" so that his staff would take up the administrative duties associated with the incentives. She went on to say:

> We would enroll folks in rent incentive, and we would send them over to the management office [to have their rents adjusted], and they would send them back out of their office, and say, "No, we're not doing it." And we were, like, going crazy!

Additionally, the housing manager who was responsible for incentives during the first few months of their availability "enforced every rule stringently," rejecting many otherwise-qualified applicants, who, according to a Jobs-Plus staff member, were not "model citizens." According to the field research, problems in how the incentives were administered (for example, delays in enrollment and misapplied rents) gave them a generally poor reputation, at least among some Baltimore residents.

Another problem at this site was that while core staff members were retained throughout most of the demonstration, ongoing staffing cuts complicated efforts to implement the program. From a high point of 11 staff members before the start of rent incentives in 2000, staffing numbers had dropped by over half by the end of the observation period. Remaining staff had to take on new duties to fill in service gaps. Ultimately, some tasks and projects were dropped, and staff who were left after the cutbacks felt stretched to their limits in general.

The introduction of Section 8 vouchers to recipients of Temporary Assistance for Needy Families (TANF) between February and June 2000 also siphoned off a number of potential rent incentives users. When the vouchers became available to a number of residents, those whom the case manager referred to as the most easily "mainstreamed" took advantage of the vouchers and moved out of the development, including at least one Jobs-Plus resident staff member. The Jobs-Plus case manager reported that it was just "common sense that a program like [that] would take the most ambitious people — the ones that are working, that want to go to school, that want to do more."

(continued)

Box 4.1 (continued)

Crime, safety, and drug abuse at Gilmor Homes also made implementing rent incentives difficult. Drug abuse was mentioned repeatedly by both staff and residents as the most significant barrier to work — and thus to receiving rent incentives. One resident said:

> [Around Gilmor Homes] you've got your people that have barriers, the people who do drugs; they do drugs all day, every day . . . or when they can.

Over the course of the demonstration, drug transactions, prostitution, and even sometimes shootings and murders took place out in the open around the Jobs-Plus offices and in other parts of the development. Residents who were interviewed reported that they felt that crime and safety in the area had either stayed the same (high) or worsened (to become very high) over the course of the demonstration. In fact, as noted in Chapter 3, staff and resident outreach workers would not venture into certain areas of the development, for safety reasons. Some residents and staff who were interviewed reported that they believed that many households had some connection to the development's drug trade, either through sales or addiction. According to the field research, drugs were a bigger problem at Gilmor Homes than at the other Baltimore City housing developments.

Appendix Table C.1 shows the rent incentives take-up rates — both site by site and across the demonstration — for subgroups of targeted residents with particular demographic or income-related characteristics. The rates tended to be higher among residents in households that reported earnings at the time they entered the research sample. The rates were also generally higher among residents in households that reported no welfare receipt at that time. Although these differences did not hold for every site, the overall pattern is consistent with the observation reported in Chapter 3 that much of the marketing of rent incentives focused on residents who were already employed.

What Were the Take-Up Rates for Households That Had Employed Members?

So far, this chapter has focused on the extent to which the targeted residents and households in the Jobs-Plus demonstration used the program's rent incentives component. However, it must be remembered that the incentives applied only to households that included working members, because households with no one working were ineligible.[4] In assessing take-up rates, it is thus important to know what proportion of households that had working members — as opposed to all households — took advantage of the incentives offer. Data limitations make this

[4]As discussed, the one exception to this rule during the demonstration was Los Angeles, which in an initial stage allowed nonworking residents to receive the rent incentives.

a more difficult calculation than the one for all households, particularly because it requires aligning the dates of employment as shown on administrative records with the dates of residency and incentives receipt. Nevertheless, it was possible to construct one measure that offers some insight into the issue. The measure focuses on households in the 2000 cohort (those living in the development in October of the year that the rent incentives began) that also had at least one member employed during the subsequent year. For these households, the measure shows the proportion that ever received rent incentives[5] over the next two years — by the end of 2002. This measure is particularly important in making cross-site comparisons, because, in effect, it controls for the fact that getting high take-up rates among *all* targeted households was more difficult in developments where fewer households met the basic eligibility requirement — having an employed member — for receiving the benefits.

The results of using this measure are displayed in Figure 4.5, and the same cross-site pattern as for the earlier analysis of take-up rates emerges. The Los Angeles William Mead Homes and St. Paul developments show the highest take-up rates: 75 percent and 84 percent, respectively, of households with employed members received the incentives. Baltimore again falls at the other extreme, with only 23 percent of such households receiving the incentives.[6] These results make it clear that the variation across the developments was not driven by differences in the proportions of residents who were ever employed during this period.[7] At the same time, while the take-up rates were quite high in four of the developments, the analysis also indicates that a substantial number of residents who were eligible for the rent benefits in some developments did not take advantage of them. Chapter 5, which draws on the field research to examine residents' experiences with the rent incentives, contains information on why residents, including some who were working, did not use the incentives.

What Was the Duration of Rent Incentives Use?

Figure 4.6 shows the average number of months that households in all cohorts participated in the Jobs-Plus rent incentives component. As in most of the previous analysis, it

[5]Some of these households may have moved out of the Jobs-Plus developments before a member became employed in 2001, and, of course, they would not have been eligible for the incentives. However, measuring incentives receipt for households with a member employed close in time to a date of known residency (October 2000) reduces this problem and yields a more accurate estimate of incentives use among those truly eligible than would be the case if the date of known residency were more distant from the time of employment being measured.

[6]Across the six developments, with each weighted equally, an average of 58 percent of targeted households in the 2000 cohort that had an employed member used the rent incentives.

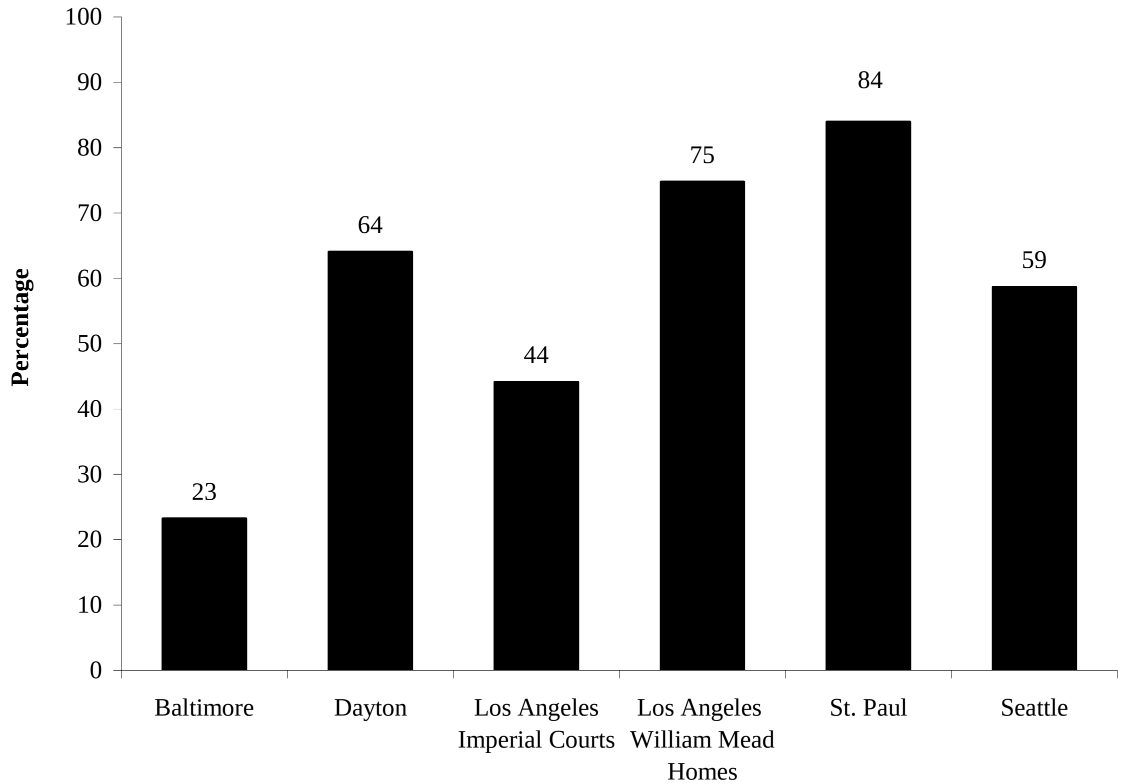
[7]At all the developments, over 70 percent of the targeted households living in the development at any time between 1998 and 2001 had members who were employed at some point during 2001 (Appendix Figure C.2).

The Jobs-Plus Demonstration

Figure 4.5

Rent Incentives Take-Up Rates Among All Targeted Households Living in the Jobs-Plus Developments in 2000 and Including at Least One Employed Person

What proportion of households with an employed person in 2001 received rent incentives at any time through December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records housing authority (50058) records, and state unemployment insurance wage (UI) earnings records.

NOTES: The term “targeted households” refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

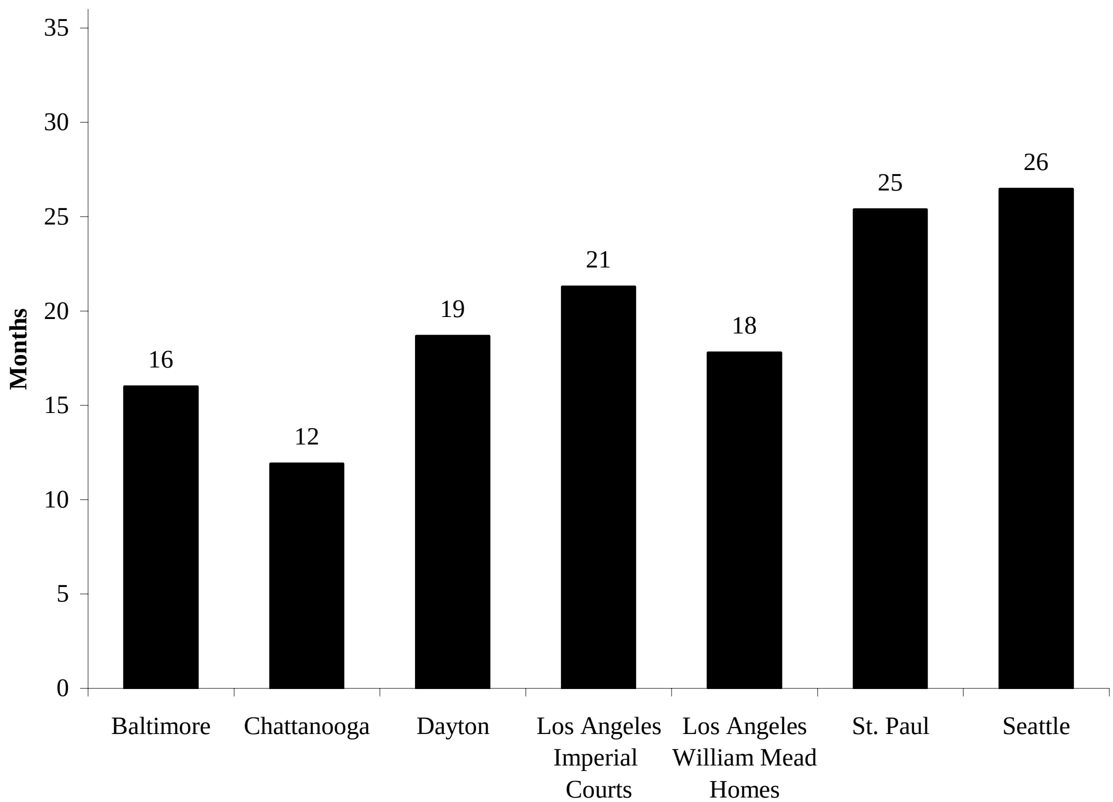
Results for Chattanooga are not included in this figure because data on employment were not available in time for this report.

The Jobs-Plus Demonstration

Figure 4.6

Average Number of Months Participating in Jobs-Plus Rent Incentives Program Among Targeted Households Receiving Incentives, by Development

What is the average number of months a household received rent incentives by December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

NOTES: The term "targeted households" refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

combines the 1998, 1999, and 2000 cohorts.[8] This figure shows that households across all developments, even those with low take-up rates, received incentives for a significant amount of time — over a year in most cases. Furthermore, because the incentives were available for another year after data collection ended, these estimates are lower than the true duration of receipt. In short, for most participants, rent incentives were not transitory benefits but lasted a significant amount of time.

Table 4.1 shows the duration of rent incentives receipt in terms of a percentage distribution; it indicates that substantial numbers of households took advantage of the incentives offer for all or almost all of the time that it was possible to do so. For example, 35 percent of Baltimore's incentives recipients received them for 19 to 24 months out of a possible 26 months. In all other sites except Chattanooga, from one-third to more than one-half of recipient households received the incentives for longer than two years. Across all developments combined, 68 percent of incentives recipients received the incentives for more than one year, and 32 percent received them for more than two years.[9]

What Explains Site Differences in the Use of Rent Incentives?

The field research points to several factors related to the way that the Jobs-Plus programs were implemented that may have contributed to cross-site differences in the take-up rates for rent incentives. To start, whether or not a housing authority was deeply involved in marketing the incentives may have influenced the rates. For example, the developments where the take-up rates were the highest (in St. Paul, in Los Angeles's William Mead Homes, and — based on its 2000 cohort rates — in Dayton) are those where housing managers played the most active role in promoting rent incentives. Housing authority staff were also very active in marketing the incentives in Seattle, a site that had lower but still substantial take-up rates.

In addition, in all these sites, the Jobs-Plus and the housing management staffs coordinated their efforts to publicize rent incentives and enroll residents in the program. In St. Paul, both Jobs-Plus and housing management staff attended annual rent recertification meetings in which residents were told about the rent incentives or were asked to reenroll. In Dayton, although it was primarily Jobs-Plus staff who informed the people already living in the development about the incentives, housing management staff together with Jobs-Plus staff were represented at interviews for new residents, informing them of the incentives offer and giving them

[8]A separate analysis shows that there was little difference in average months of incentives receipt for the individual cohorts. This is likely because most incentives programs were not available until mid- to late 2000; thus, households in the 1998 cohort would have had about as much time to use incentives as households in the 2000 cohort.

[9]For the estimates for all developments combined, the results for each development were weighted equally.

Table 4.1

Percentage Distribution of Duration of Jobs-Plus Rent Incentives Receipt Among Targeted Households in the 1998-2000 Cohorts That Received Incentives

				Los Angeles				All
Participation Measure	Baltimore	Chattanooga	Dayton	Imperial Courts	William Mead Homes	St. Paul	Seattle	Developments Combined
Percentage distribution (%)								
1-6 months	5	32	13	7	14	11	3	12
7-12 months	32	25	24	16	17	16	11	20
13-18 months	28	17	14	17	23	11	8	17
19-24 months	35	19	15	14	16	14	20	19
25+ months	0	7	34	46	29	48	58	32
Number of months from inception through December 2002	26	26	32	31	31	49	40	34
Sample size	60	117	181	134	215	184	143	1,034

SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records and housing authority (50058) records.

NOTES: The term "targeted households" refers to households headed by a nondisabled resident between the ages of 18 and 61.
In the average for all developments combined, the results for each housing development are weighted equally.

an opportunity to sign up for the component on the spot, if they were already working.[10] In contrast, Baltimore's program, with its low take-up rates, was characterized by low levels of involvement by the housing authority, which was occupied by other priorities.

Three implementation changes toward the end of the observation period very likely helped to boost take-up rates at William Mead Homes as the project matured. First, in early spring 2001, a new housing manager, who was very supportive of Jobs-Plus, began contacting employed residents to encourage them to take advantage of the rent incentives. He reported personally walking some participants to the Jobs-Plus office to start the enrollment process. Second, in summer 2001, a bilingual, Spanish-speaking Jobs-Plus case manager came on board, giving the program its first full staffing since startup. She assumed responsibility for rent incentives outreach and enrollment duties, making it easier for residents to enroll. Finally, the addition of a Vietnamese intern further expanded the outreach to that community.

The example of Dayton — which had high rates of residential mobility and low take-up rates for the rent incentives among the earliest cohort but dramatically improved the rates among the latest cohort (Figure 4.3) — suggests that mobility may also have played a role in determining why programs did or did not achieve certain levels of incentives participation, especially early on. Adding weight to the possibility that mobility played a role in take-up rates, the two programs with the highest overall take-up rates, St. Paul and William Mead Homes in Los Angeles, had low levels of residential mobility. Still, low mobility did not necessarily guarantee high take-up rates. The other Los Angeles development, Imperial Courts, had mobility rates comparable to the rates at William Mead Homes, but its overall incentives take-up rates among all targeted households and among households with working members were much lower.

Conclusion

Taking a variety of perspectives, this chapter examines quantitative data on the use of rent incentives in the Jobs-Plus demonstration. The analysis shows that sharp differences existed across the sites in the proportion of households that ever used the rent incentives and that implementation factors very likely played a key role in that variation. Despite the variation, all sites showed increases in take-up rates over time. Although many eligible residents did not use incentives for the full number of months that they were available, a substantial number of people did take advantage of the incentives for considerable periods of time.

[10]Dayton might have experienced even higher take-up rates during 2002 but for two factors. First, the illness of the housing manager curtailed his ability to do as much outreach as in past years, and, second, a general downsizing of staff at Dayton Metropolitan Housing Authority led to the transfer of the administrative assistant, who had encouraged many residents to enroll in the rent incentives program.

Chapter 5

Residents' Views of the Jobs-Plus Rent Incentives

In describing the implementation of Jobs-Plus, Chapter 3 offers glimpses of how residents in the demonstration sites viewed the program's rent incentives component, and Chapter 4 gives another view by providing quantitative information about the patterns of incentives use. To understand these patterns and their implications for residents' lives more fully, this chapter uses qualitative data to explore how residents viewed the incentives, what factors prevented or discouraged some people from taking up the rent incentives, and how participants in the incentives plans used the extra money that they accumulated through rent savings.

The chapter draws primarily from the extensive field research undertaken over the course of the demonstration, consisting primarily of in-person interviews with residents and with staff of both Jobs-Plus and housing management. One qualification about the interviews for the incentives research should be noted: They were not conducted with a random sample of residents and thus are not statistically representative of the resident population. Most of the interviews were conducted with residents who had taken up the rent incentives; few nonparticipants were contacted, largely because it was difficult to do so.[1] Staff and the residents who were interviewed spoke knowledgeably about nonparticipants, but the difficulties of directly interviewing nonparticipants did limit the amount of information that is available about their experiences.

Residents Who Took Up the Rent Incentives

Staff described the rent incentives participants as generally the most work-oriented of the residents they served at the Jobs-Plus developments. Typifying those attitudes, a rent incentives participant from Los Angeles said that people who want to work "find ways" to do so, despite barriers like transportation costs or even safety concerns. Another user of rent incentives from Los Angeles expressed similar attitudes:

[1]The focus on the Jobs-Plus population and incentives users was in part purposeful, because the field research was most concerned with the impressions of participants. But this emphasis also had to do with the way in which the research was organized. The initial interviewers, who began working in 1998, were locally based researchers, who had easy access to the housing developments and were often able to build relationships with residents independent of the Jobs-Plus staff. By 2002, however, interviews were being conducted by MDRC staff based in New York, who had to rely primarily on Jobs-Plus staff for contacting residents and setting up appointments. These MDRC interviews account for a significant proportion of all the interviews contained in the field research for this report. Jobs-Plus staff tried hard to arrange interviews with the different kinds of residents that MDRC staff wanted to speak to, and the interviews that resulted from these arrangements were a good source of information on how residents experienced rent incentives. Nevertheless, it was much more difficult to arrange interviews with nonparticipants.

> It doesn't matter where or it doesn't matter what kind of job you want or are looking for. If you like it, if you're going to work; you're going to do it. If I go to find a job and they tell me, "You're qualified," I'm ready to work at any time. I like to work, because I don't like to be dependent on nobody. I want to be independent. I like to make my own money.

As described in detail later in this chapter, many rent incentives participants worked hard, often at more than one job, in order to provide themselves and their families with financial benefits. And some staff members pointed to the important additional benefits beyond rent savings that the residents gained from working — such as self-esteem, stability, and normal routines. What is more difficult to disentangle, of course, is how the rent incentives themselves may have influenced residents' decisions about working.

Rent Incentives and Employment Retention and Advancement

Field research suggests that the Jobs-Plus households that participated in rent incentives worked more hours or more jobs, had more members at work, and tried harder to keep jobs than the households that did not participate. There is even modest evidence that participants secured higher wages while on the incentives. One resident in Chattanooga expressed her satisfaction with how rent incentives could help:

> Jobs-Plus can help you save on rent, because [with] the money that I make, my rent would be higher if I wasn't on Jobs-Plus. Right now, I just got a raise — I'm at $10.05 [per hour]. I pay $224 for rent.

Residents at many housing developments in the demonstration reported that they took "full advantage" of the rent incentives by increasing the number of hours that they worked or the number of jobs that they took. For example, one Chattanooga participant succeeded in opening a new business financed partly with her rent savings. The St. Paul development was filled with households that seemed to have taken seriously the message that the incentive could help make work pay. The head of St. Paul's "Most Hardworking Family" (an award from the housing authority) said:

> Any time my supervisor calls me and offers me an extra job, . . . I don't hesitate. I don't have to worry, "Oh, if I make more money, I'll have to pay more [rent]." This is one of the opportunities of the rent incentives.

Another participant in St. Paul said:

> Any work . . . two or three jobs, I don't worry; with Jobs-Plus, it's unlimited.

A resident who worked for the housing authority in St. Paul made the connection between extra work and the rent incentives:

> [With the rent incentives,] people can get ahead by taking on other jobs. [For instance,] this housekeeping job now helps me get extra income; before, that would have been counted in as 30 percent of my income.

At William Mead Homes in Los Angeles, a husband and wife both trained to become nurses' assistants with the help of Jobs-Plus. Both are now attending nursing school and are working at jobs that pay between $16 and $20 per hour. The husband praised the assistance that he and his wife had received from Jobs-Plus, and he added that while the couple saw the rent incentives as one of the less important services of the program, they appreciated how their nearly $300 monthly savings from incentives had financed his training.

A single mother in Dayton reported that she had held a "family meeting" with her children to let them know that she would be moving from part-time to full-time work to take advantage of the opportunity to save for home ownership through the rent incentives plan. She told the children that she would even have to work some nights and would have less time to spend with them, at least for a while. In a little over a year, she was able to achieve her goal of moving the family out of the housing development and into their new home.

Some households were able to maximize their earnings by increasing the number of their workers — a significant step, since the addition of workers can have a relatively large impact on a household's finances. In St. Paul and at William Mead Homes in Los Angeles (the sites with a prevalence of two-adult households), a number of staff and residents reported that they had noticed that some participating households enlisted the work of all able members. One working participant who was living with his employed parents in Los Angeles said:

> We took full advantage of [the rent incentives]. [In addition to my parents,] my brother and little sister went to work too.

A Jobs-Plus staff member in St. Paul talked about another family who had taken advantage of the rent incentives:

> All five members are working. And three of them are also going to school — one of them, in college.

Staff and residents agreed that the incentives were also a good way to encourage residents to remain employed. A Chattanooga participant talked about how difficult it can be for many young women making a transition from welfare to work to stay employed. She said that usually when they began working:

> Everything . . . was cut off from them . . . and they were not able to cope with that. That really made them quit their jobs and go back on [welfare]. And so when they came up with the idea of still helping them for a certain . . . period of time [with incentives], I felt like it would be better for a lot of ladies . . . it would keep them working.

As discussed in Chapter 3, many participants did not report their job losses but quickly became reemployed and continued to pay their incentives rent, only later reporting a job *change*. In doing so, they protected their rent incentives, but it also should be noted that they avoided what some staff call "running to housing" to get their rents reduced as soon as they experienced unemployment, preferring to strike out on their own to find new jobs. The lead case manager in Dayton described what she saw as the interactions among rent incentives, not reporting a job loss, and job retention:

> They don't report [job losses], and I'm not just saying that. If they lost their job before they come here, they'll get another job and come here and say: "I'm not working there anymore; I'm working here." . . . If they're *about work* [speaker's emphasis], they're going to get another job so they don't lose the rent incentives.

The housing manager in St. Paul also noticed how incentives seem to have encouraged job retention:

> When I go site to site, I find that the other sites have more residents that are employed, laid off, employed, laid off, then back on the job again. It seems to me — and I can't back it up statistically — that the incentive to stay employed is really different here.

A number of Jobs-Plus employment counselors and case managers observed that work itself promotes job retention because it engenders feelings of pride and self-esteem in residents that reinforce their desire to remain employed. Although one case manager said that she thinks the incentives are not the main source of motivation to stay in the labor market, she does see them as adding to the overall package of incentives for job retention that comes with holding down a job.

As discussed in Chapter 3, residents and Jobs-Plus staff were more apt to focus on finding jobs and on job retention than on career advancement, especially because the residents faced significant barriers to career mobility — both lack of skills and, in the latter part of the demonstration period, a weakening economy. But when it seemed feasible, some residents made small steps to improve their financial circumstances, under the inducement of the rent incentives. A member of the housing management staff in St. Paul summed up the staff's observations about such improvements:

> They would start off at little over minimum wage, and then they would say they wanted more money. They would then look for 50 or 60 cents an hour more. They would come in and say to us, "I'm up to $8.25 now." They knew what they were doing. It wasn't necessarily a career, but they were looking for steady employment with wages that would support their families.

Other rent incentives participants were able to increase their wages more significantly. Some secured wages above $15 per hour. A woman who claims to have been the first enrollee in the rent incentives component at William Mead Homes in Los Angeles spoke of her pursuit of higher wages while using the rent incentives. She reported that she had been able, since enrolling, to earn as much as she could without fear of a rent increase. While participating in the rent incentives, she moved from working as a hospital aide to the construction field, where she earned $26 an hour, which was more than she had earned previously. She noted that, with the rent incentives, she was paying a reasonable rent of $320 per month — even less than she had paid when working at a lower-wage job, when her rent was calculated at the 30 percent rate.

Rent Incentives as a Reason to Go to Work

Interestingly, even though the field research suggests that rent incentives influenced the work-related behavior of a number of employed residents, there is less evidence that these benefits did much to motivate residents to go to work in the first place. To start, many participants said that they had been working before signing up for rent incentives and that they would have been doing so regardless of whether incentives had been available.[2] For instance:

- An East African couple in St. Paul, who were working and going to school before the incentives were introduced, decided to enroll because they could see that they would save money. They also liked the fact that they could get a month of rent free for every 12 months that they worked.

- In Chattanooga, an employed resident reported that, before the rent incentives began, she "just tossed aside" the flyers and other materials from Jobs-Plus covering such topics as résumé preparation and interview techniques, because

[2] As noted, for part of the demonstration period, the Jobs-Plus staff in Baltimore focused their incentives outreach and education on employed residents. Thus, during that time, the rent-based incentive to go to work was eliminated for nonworking residents at this site. In the Los Angeles developments, where working was not originally a requirement for receiving incentives, many residents simply withdrew from the rent incentives plan when it was made contingent on employment, as it was at the other sites.

> she was already working. Once the incentives became available, however, she paid attention to outreach materials and decided to enroll in Jobs-Plus in order to take advantage of the rent savings from the incentives plan.

What about those residents who were not employed when they first joined Jobs-Plus and who were helped to find work through the program? None of the residents in this category who were interviewed reported that the rent incentives were the reason they had secured jobs, and staff in and out of the Jobs-Plus program also said that the incentives themselves were not the reason that residents decided to seek employment. A Baltimore participant discussed what did motivate her to work:

> [The rent incentive] is nice, but . . . no, it didn't make me go nuts. . . . My interest in working is coming from me. . . . It wasn't coming from just because the rent incentive. . . . I mean, the enthusiasm you're asking about as far as the rent incentives. I got my enthuse [sic] from my two children. . . . More than the rent incentives. They make me say, "Oh, I got to get that other pay stub." Not the rent incentive.

Residents talked about getting a job for reasons of pride, to set a good example for their children, or to establish or maintain their independence, but not to secure rent incentives. And, of course, some residents who were receiving welfare were probably at least partly motivated to go to work by TANF's work requirements, time limits, and sanctioning.

Residents Who Did Not Take Up the Rent Incentives

The quantitative data in Chapter 4 (Figure 4.5) show that, in most housing developments in the Jobs-Plus demonstration, over half the households that had an employed person in 2001 had ever received the rent incentives by December 2002. As noted, however, a substantial proportion of households with someone working never used a rent incentive. One resident in Chattanooga expressed regret about this situation:

> I know they say there are people not taking advantage of it. . . . It's sad. Somebody is offering you this opportunity, and you're not taking advantage of it . . . knowing you need it.

What discouraged these residents from using the rent incentives? As discussed in Chapter 3, despite active outreach, some residents were unaware of the incentives offer, and some may have had some conception of it but were not introduced to it forcefully enough. (Recall that the housing managers who vigorously marketed the incentives tended to focus on employed residents.) Also, for some marginally employed residents, the flat rents that were provided through the incentives offer were higher than what they would have paid under the standard 30 percent calculation, so it simply was not sensible to accept the offer.[3] Yet there remained other residents who were employed, who did know about the incentives, and who would have had their rents reduced if they had used them. And, of course, there was still another group of non-employed residents who did not find this benefit a sufficiently powerful inducement to go to work. The following sections examine reasons that might have kept all these people from using rent incentives even though they were working — or that might have kept some residents from not working at all, despite the availability of the incentives.

Negative Attitudes Toward Jobs-Plus and the Housing Authority

When Jobs-Plus first arrived at the demonstration sites in 1998, its rent incentives component was often promoted as a primary benefit of participating in the program. However, as noted in Chapter 1, the delivery of this component was delayed pending an administrative decision that required input from HUD and a congressional committee about how to fund the financial incentives. Resolution came in May 1999, but most sites' incentives component did not start until mid- to late 2000.

These delays were difficult to explain to residents. The field research reveals that many resident leaders who were enthusiastic proponents of the rent incentives and the Jobs-Plus program withdrew their support from them and also influenced fellow residents to view the incentives negatively. In the words of a Chattanooga resident:

> It seemed like a good idea, but I started to get suspicious when, like, six months [had passed], and still no rent incentives. You know, . . . "What's up? Why did ya'll say this?" . . . A lot of the programs that came to the ladies . . . they'll say one thing and do another . . . over and over again. . . . Once the incentives didn't kick [in] after a certain while, a lot of people started saying, "That's that same old stuff; here we go again!" and that made a lot of people not take advantage of it.

Another negative reaction was that older, more seasoned residents attempted to warn new ones not to have any involvement with housing authority programs, including Jobs-Plus, which they perceived as being under the control of the housing authority. One Los Angeles participant said that she did not get involved with any activities at her development for the first year she lived there because she listened to the advice of some of her neighbors:

> When I first moved over here, that's what a lot of people said, "Don't get involved with housing." I'm, like, "Technically, I am involved. I done signed a

[3]Of the 42 percent of households that had a working member but did not take up the incentives, it is not known how many hours the household members worked (for example, part time or full time).

> lease." But they're talking about the different activities we have here, "Don't get involved." And I'm, like, "Why?" "Oh, no, all they want is to get into your business. I don't do that!"

This woman subsequently became quite involved in Jobs-Plus and other activities at her development and reported that she had experienced only benefits from the experience. As discussed in Chapter 3, peer influence about Jobs-Plus could follow two different patterns, either discouraging or encouraging neighbors to engage with the program and its rent incentives.

Reasons Related to Violations of Lease Agreements

Several interviewees believed that although residents in the demonstration sites sometimes said that they did not want to participate in the Jobs-Plus rent incentives because that would keep housing management "out of their business," they were really just trying to shield activities that conflicted with their lease agreements. As one resident staff member of the housing authority in St. Paul said:

> All of them won't apply, because they think that public housing wants to be in their business. You know, their bank accounts and whatever. But [reporting income is] mandatory when you sign your lease and renew your lease anyway. . . . These people are paranoid. So far, I know of six people who haven't signed up because of that.

Some residents did not report all of their income or each job that they held to the housing authority. According to interviewees, these residents justified such omissions by pointing to the small amounts that they earned and the instability of the work they were able to get. One participant in Los Angeles offered this perspective:

> When them employers fill out that paper and they put down your wages or whatever, . . . they have no telling when they're going to lay you off, so they're going to put [that] you're working presently, you're going to continue to work. But now, on the other hand, when you get laid off and you take it to housing management, they're going to be, like, "Dang, you just reported this in." 'Cuz when you report it in, that you're working, that following month, you get your status of how much your rent is going up or whatever, the following month, you're going to bring in the paper saying that you got laid off or you're going to be showing them that you got laid off, [and] they're going to be, like, "Well, you're going to have to pay this, this month, but that following month, we're going to try to make it go back down."

The residents who worked but who did not report earnings to the housing authority owed back-rent or arrears that could have amounted to hundreds or even thousands of dollars. They thus refrained from enrolling in the rent incentives plans in order to avoid detection and eviction.

Echoing a widespread — although, as noted, usually not well documented — perception of public housing residents, the interviews suggest that some residents who were working but not reporting income were employed off the books. Such residents would have been ineligible for the rent incentives program because they were not able to verify their employment. Most were likely self-employed in some legal but untaxed trade, such as babysitting or day labor. Others may have been engaged in illegal activities. According to one resident in Dayton, "Some of them are doing stuff they're not suppose to be doing." A resident in St. Paul agreed:

> They say they can't join the Jobs-Plus [incentives] program because management is mad at them. It's not that. It's certain things that they've done. But they're ashamed to say what they've done. . . . [They're young, and] they get caught up in drugs sometimes.

In fact, it appears that residents who did not report accurately could expect to get mixed responses from the Jobs-Plus and the housing authority staff. To start, Jobs-Plus staff tried to make it clear to residents that the program was a separate entity from housing management; that staff were not the "police"; and that, up to a point, work-related information that was given to Jobs-Plus in connection with the rent incentives was confidential. But staff also pointed out that, for incentives enrollments to be processed, some information had to be shared with the housing management office — and that if the information revealed a failure to abide by the terms of a lease, it could have consequences. On occasion, residents were caught during the enrollment process with unreported earnings or employment. Typically, the housing management staff attempted to work with them to bring their back-rent up to date and then to enroll them in the incentives program. It is also worth noting that, according to the "One Strike and You're Out" rule in effect at all public housing authority developments, any resident who is involved in illegal activities is to be evicted and not allowed to return, but individual housing managers exercise a great deal of discretion in enforcing this rule.

Reasons for Not Working, Despite Rent Incentives

For some nonemployed residents in the demonstration, the barriers to work — whether external or psychological — seem to have been too high to be overcome by the attractiveness of Jobs-Plus's rent incentives. The field research suggests that the faltering national economy, health problems, caretaking responsibilities, pursuit of education, skill deficits, and, in some cases, antiwork attitudes might have played a role in preventing some residents from taking advantage of the incentives. A Baltimore resident talked about how a combination of such factors had kept her out of the job market:

> I haven't worked constantly the last year and a half, because I was on bed rest during my pregnancy. Then by my son being ill and me being in college; I'm a full-time college student.

Like this woman, a number of residents across the sites were full-time students. For example, many respondents to an informal survey of nonparticipating residents at William Mead Homes in Los Angeles reported that they were in school and not working and were therefore unable to enroll in the incentives plan.

Welfare recipients had to calculate whether enrolling in the rent incentives made sense. Many who responded immediately to TANF's work requirements did want to take advantage of the incentives, but the benefits were less attractive to others who had decided to stay on public assistance, often because they were pursuing education and training to improve their earnings potential. One Los Angeles resident noted that she could not get a good job with her current employment skills and English literacy level. She noted that working at any job she could get without further education or training would yield the flat-rent "bargain" of $275 a month for a two-bedroom apartment and would still be "too high for me."

Like the nonworking resident in Baltimore who had a sick infant (quoted above), other people had health-related barriers to employment, either personally or in their families. For example, a rent incentives participant in Seattle whose baby was in poor health asked to be removed from the program's incentives component when she decided to leave work and stay home until her child became stronger.

Some residents seemed to be out of the labor force because they didn't want to work.[4] A Jobs-Plus employment counselor in St. Paul reported that some participants — including some who faced TANF's time limits and sanctioning — did not move into employment, even with the additional security that the rent incentives offered:

> You know, I think that for those people here who still aren't working, it doesn't make any difference. They can be sanctioned from MFIP [Minnesota's welfare-to-work program]. And it doesn't seem to provide any motivation [to work].

[4]A few participants and staff talked about the depression or general malaise that they observed in some residents who didn't seem to want to or be able to "do anything."

As noted, both staff and residents suspected that some people in this category had other sources of income that they were not reporting to either the welfare department or the housing authority.

Another employment counselor in St. Paul agreed that the rent incentives were not enough to motivate some people to get jobs:

> I truly believe that there are other reasons that are making them unsure about what they want to do. "I have so-and-so problems, and I need to take care of these first. It's a matter of time." But time doesn't wait.

Did Enrollment and Other Participation Requirements Discourage Residents from Taking Up the Rent Incentives?

As noted earlier, the demonstration sites required participants to enroll in both Jobs-Plus itself and the program's financial incentives component. At some sites, residents were also required — at least officially, if not ultimately in practice — to participate in such activities as financial management workshops in order to receive the rent incentives.

It is difficult to disentangle whether these requirements alone kept some residents from participating in the rent incentives plans. But those who did participate reported that the enrollment process was not particularly difficult and that they did not hesitate to share required information about their employers and employment status with staff. Busy residents were somewhat negative about other requirements, such as attending a certain number of resident council meetings per year or financial literacy workshops, but many of them made an effort to comply, and the programs ultimately did not penalize those who failed to comply. It is also interesting to note that incentives take-up rates were highest in St. Paul, which required participants to enroll in the plans not just once but every year. All these indications that enrollment requirements were not perceived as onerous suggest that they were not a major deterrent to participation in rent incentives. Nevertheless, it is likely that at least some working residents who did not take up the incentives would have done so if the benefits had been granted automatically to all households that reported employment, without any need to take extra steps to claim them.

Rent Incentives and Participants' Financial Well-Being

With few exceptions, the rent incentives participants who were interviewed said that the incentives had a positive impact on their lives. Overall, residents in flat-rent housing developments seemed to respond more positively to incentives than people in the developments where rent was based on a reduced percentageof income. The flat-rent residents noted that they did not have to worry about the rent increasing when they worked more. As the husband in the couple who were training to be nurses' assistants said:

> It's great. You don't have to worry about making more money, and they'll charge . . . more for the rent.

Another rent incentives participant observed that the flat rent gave her husband the freedom to take on extra work hours or jobs without worrying about raising the couple's rent: "You can work as much as you can."

In general, residents of the housing developments that had flat rents spoke enthusiastically about this feature of flat-rate plans — perhaps because a system that leaves the rent unchanged regardless of a household's employment circumstances offers people a particularly visible and understandable benefit. There were no signs of a similar level of enthusiasm for incentives plans at the sites with income-based rents.

Thanks to the rent incentives, Jobs-Plus participants reported saving between $50 and $200 or more per month. Most interviewees clearly understood and appreciated what they were saving. "It's much different than what I am used to," said a resident in St. Paul. A participant in Chattanooga put it this way:

> I guess because before I joined Jobs-Plus, I was paying $200 or something [for rent] and wasn't even making what I make now. Then, when I joined Jobs-Plus, $125 was the highest I've had to pay since I've been a member of Jobs-Plus. And I've had a son in college, so that's been a real help in helping him somewhat.

"Every little bit helps," said a participant in St. Paul, who elaborated on the role that the rent incentives played in his life:

> If you're a struggling single father like I am and living a meager existence off of my disability pension [and part-time work], this helps me a lot; like, it was designed for a guy like me.

According to a field researcher, the rent incentives not only helped this father pay his bills but also made it more worthwhile for him to work.

Another interviewee in St. Paul, who repeatedly emphasized that she felt punished by the many public systems that she dealt with, nevertheless admitted:

> I don't mind paying my rent. I'm lucky getting a three-bedroom apartment and not paying more than $500 a month. One rent [step] raise makes no difference, because it's still cheaper than the regular rent [on the private market]. That's how I look at it.

Like some other interviewees, this participant had lived in market-rate rental apartments in the past, and she understood that most of the savings she enjoyed were attributable to living in public housing. But it was also clear to her that, with the Jobs-Plus rent incentives, she was benefiting from an extra discount.

Unlike other sites' incentives plans, which provided the safety net stipulation that participants who chose to leave the plan could revert to rent based on the standard 30-percent-of-income calculation, St. Paul's incentives plan included a safety net addition that reduced rent to $25 for up to two months a year for incentives participants who suffered income losses and could not immediately find jobs. Many participants who faced unemployment took advantage of this feature.[5] One interviewee, who had not yet found a summer job to cover the months when her regular position with the school district was suspended, said that she was relieved knowing that "next month my rent will drop down to $25." Reflecting on the safety net feature — and possibly on the full bundle of benefits that came with rent incentives and Jobs-Plus — she spoke positively about the support she had received: "They are very good about trying to help you figure something out here." She added that she had previously used the safety net when an injury on the job (which provided no paid sick leave) prevented her from working for several months.

Uses of Extra Income from Rent Reductions

> Let's say it like this, it helped me, you know, to get stuff that I ain't had, and to save more money.

This observation by one rent incentives participant in Chattanooga — who apparently chose to do a combination of spending and saving the money that she was not obliged to pay in rent — is a reminder that the participants, like everyone who acquires extra income, had the option either to make purchases immediately or to save. Rough calculations of interviewees' patterns of using the extra income that was generated by rent savings indicate an even split between immediate spending and saving.[6]

Immediate Spending

With their typically modest earnings, many Jobs-Plus participants said that using the extra income from rent incentives to meet the needs of daily living superseded the desire to save. The money went to improving the family's quality of life, buying more or better-quality neces-

[5]In the 1998 cohort in St. Paul, 8.1 percent of households used the safety net; and in the 2000 cohort, 9.8 percent of households did so.

[6]In a rough count of text marked by the author, the count was 19 to 19.

sities, or paying monthly bills to keep the lights on and the phone ringing. The following comments from across the demonstration sites offer glimpses of how some participants responded to having extra funds for these and similar purposes:

> I have four children, so, before, I didn't buy too many clothes; now I have the opportunity to do that more often. . . . And plus, before, I didn't even have the opportunity to go to the movies or something like that, and now I'm doing that. I like to be with my family; I like to have fun with them; so now sometimes I can take them to the movies or out to eat something.

> All our bills are paid up. The only thing we are paying are rent, telephone, cell phone, and electricity. . . . [The rent incentives] helped us manage our accounts and pay our debts.

> I feel that God has been with me. I've had my rent paid. I've been able to go buy a car. I've been able to afford the insurance. I'm thankful for that.

> We travel a lot too. Yeah, I take my kids everywhere. We go to Georgia, Virginia, Pennsylvania, Chicago. Our next stop is we're going to Florida. . . . I love to take them to different cities. We don't have to be stuck here!

> Like I said before, I love it. It helped me out. And like I got a check in November that really helped me out, because it was during the Christmas holiday. And then I paid my rent up about four months ahead of time.

A participant in Chattanooga described her situation before the rent incentives were in effect:

> We can hardly afford [to] buy groceries and clothe your children. . . . I feel trapped; I feel like nothing is happening for me . . . every time I try to make a move to get out of here, something happens. Like I said, someone will break into my house, or I'm replacing stuff that keeps getting stolen. . . . Just said, "Forget it." . . . I don't have nothing no more. Everything is just plain.

With rent incentives, this woman reported, her family was able to spend more money on clothes, after-school activities, and recreational events for the children.

Another reason that participants who had relatives across the world — and sometimes across the street — spent their rent incentives bonuses quickly was to "send money home." Those who had family members nearby spoke of making loans that were "sometimes paid back," while those whose families were in foreign refugee camps or rural villages sent money to help their relatives survive and perhaps ultimately join them in the United States. These comments from a participant in St. Paul describes one such situation:

> I would like to save money. But most of the time I need to send money to my parents, to my uncles. My father has five brothers and one sister. He said his relatives rely on him because they are unable to find a permanent source of financial stability in the midst of war, high unemployment, and a precarious existence in foreign refugee camps. He said they write letters to him in which they plead with him: "I'm sick. I don't have money to go to Dakar to buy medicine. Please send me money. . . . I don't have clothes. My kids are dying for hunger." He said in anguish: "You can't just sit here and eat when a part of your family is somewhere starving . . . so whatever is left, I just send it."

Another participant in St. Paul first paid for necessities at home but then sent money to her husband, brother, and sister, who remained in refugee camps in Kenya. For participants in general — and for those who had relatives overseas in particular — the obligation to share with and support family members was a potential drain on their resources and typically hindered their ability to save significantly.

Savings

Most Job-Plus rent incentives participants saved only modest amounts of money; some reported saving only $5 a week. Considering their generally low incomes and their many immediate needs, however, the fact that they were able to save at all — and chose to do so — is remarkable. A newsletter at William Mead Homes in Los Angeles profiled one rent incentives participant who finally did see an opportunity to save:

> I have two jobs and have tried unsuccessfully to save money. Fortunately, since I have joined the rent incentive program, I have been much more successful. My rent has been reduced to $275 from the original $375 it was before I had started on the program.

Given their relatively low levels of savings, most rent incentives participants were not attempting to amass fortunes but to "put away a little bit" for the future. Some used the money they had saved to cover special purchases, such as braces for a child's teeth. Rent savings also helped participants respond to emergencies, such as unexpected car repairs or bouts of unemployment. A participant in St. Paul noted that savings from rent incentives could also be used to get clear of debt:

> It helped me pay off some old debts that I had . . . saving money here and there. . . . As a single parent, it's hard.

One reasonably substantial purchase that many participants did make with their rent savings was a car. A vehicle could ease their commute to work or help them conduct daily business, like taking children to and from child care or school. A participant in Chattanooga said:

> I feel like if I did not have the rent incentives, I could not have bought this car. [Without the incentives,] I could not have done this.

Another participant, who worked part time for the local housing authority in St. Paul, described how the rent incentives program had helped him buy a car and enabled him to boost his income:

> It helped me get a car and keep it running . . . with a car, I can get around to the other housing developments and be available for them. It makes me more money.

At most sites in the Jobs-Plus demonstration, some participants used savings — including savings from reduced rent — to move into market-rate apartments. For example, a staff member in Baltimore reported that, for two successive years, a number of participants had used their annual escrow checks to move out of the housing development.

A smaller number of participants worked toward buying their own homes. The resident council president at the Dayton site described her plan:

> I'm here. It's for this period of time. I've got a plan. I want to save some money. I'm going to get my credit together. I'm going to go into home ownership.

To pursue her goals, she took part in a first-time homebuyers program, which provided her with information about home purchasing and maintenance and helped her to strengthen her credit record and ultimately qualify for a loan.

Conclusion

Although the public housing residents who were interviewed for this report are not statistically representative of either Jobs-Plus participants or public housing residents generally, the interviews with them — along with the interviews with staff and other field research — yield several interesting insights about employment and rent incentives. There is no strong field research evidence that rent incentives motivated the nonemployed residents in this demonstration to go to work. Many would have done so anyway, and some had reasons for not working that the incentives did not change. However, staff observers noted that rent incentives seem to have encouraged some employed people to work more hours, to hold on to jobs, and to bring more household members into the workforce.

Some Jobs-Plus participants chose to ignore the rent incentives rules that required them to report any job loss immediately. Instead, they waited to report unemployment until after they had found a new job. In the interim, they continued paying rents that were higher than they would have had to pay if they had reported their lost earnings. Despite this short-term sacrifice and the violation of rent incentives agreements by concealing job losses, their behavior is perhaps understandable. By not reporting spells of unemployment, those residents who were subject to plans with reenrollment waiting periods or those who had special benefits that were contingent on sustained employment were able to protect them. In addition, from the perspective of efforts to promote residents' attachment to the labor market, delaying a report to Jobs-Plus and the housing authority may also have indicated a willingness to consider job search as a first response to unemployment — rather than the common practice of relying on the rent reduction that is available to public housing residents who lose jobs.

The interviews with residents in the demonstration sites reveal a number of possible reasons why some did not take up the Jobs-Plus rent incentives. Their reasons included negative feelings about the program or the housing authority, hidden lease violations, and a variety of obstacles to working that were too high to be overcome by the benefits of the rent incentives offer. In addition, to receive the rent incentives, residents had to take the step of enrolling in the plan as well as in Jobs-Plus; in some sites, they also had to participate in such activities as financial management classes (although such rules were seldom enforced). While none of these requirements seemed excessively burdensome to most enrollees, the extra steps may well have reduced the take-up rates for rent incentives below what they would have been if these benefits had been offered automatically to all residents who reported earnings to the housing authority.

Overall, the people who did use the Jobs-Plus rent incentives reported that these benefits made at least modest — and sometimes very significant — financial differences to them and their families. Perhaps the sense of well-being that they experienced would have been even more pronounced if the demonstration sites had made greater use of the Income Calculator (see Box 3.1 in Chapter 3), had done much more to present the full range of other work supports that were available, and had given more consistent help in securing those benefits and supports. Still, the positive responses to rent incentives at many of the Jobs-Plus sites indicate that this feature of the program did matter to the people who experienced it.

Chapter 6

Recommendations for Offering Rent Incentives in Public Housing Settings

The experiences of the Jobs-Plus demonstration sites in designing and implementing financial incentives plans indicate that it is feasible to institutionalize rent and related incentives in public housing developments in ways that are meaningful to residents and will be used by large proportions of households. The experiences also point to a number of recommendations that could facilitate future efforts to extend these benefits to more public housing residents.

- **Given their ease of administration and appeal to residents, flat-rate incentives plans may be preferable to reduced-income-based plans. Plans without rent steps also can simplify administration.**

In the Jobs-Plus demonstration, the flat-rate rent plans were easier for staff to administer, inasmuch as they required no recalculation of rents when participants' incomes changed. Keeping rent calculations simple is desirable, since mistakes in calculating rents are common in public housing. A 2001 HUD report[1] found that, in 2000, due to "a variety of income calculations and other errors," over $600 million in annual rent overpayments were made and that rent underpayments were $1.7 billion. In addition, the Jobs-Plus field research shows that residents had somewhat greater enthusiasm for flat rents than income-based rents.

Evidence from the field research on rent steps suggests that residents' incomes often did not rise at a rate that made the higher rents more affordable. Moreover, from an implementation perspective, the use of rent steps entailed some communications problems. It can take a great deal of effort to explain changes from one step to the next, and residents may have a hard time understanding and responding to the steps. Housing authorities that are considering the use of rent steps should note that HUD recommends that federal laws and regulations and the agency's own requirements be simplified to the greatest extent possible.[2]

To minimize the stress that rent steps might entail for residents, public housing managers who do want to use them should build an effective educational strategy to accompany this policy.

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[1]Office of Policy Development and Research, 2001.

[2]"The current statutory environment poses substantial obstacles to efficient, accurate income and rent calculations. It contains dozens of requirements which may all be well-intentioned and have potentially desirable impacts but which, taken as a whole, make the income and rent determination process incomprehensively complex." See Office of Policy Development and Research, 2001, Executive Summary, p. viii.

- **In deciding to use escrow accounts and rent credits, housing managers should factor in the need to track residents' employment and should consider how frequently to do so.**

The Jobs-Plus demonstration sites themselves set the standard that residents maintain continuous employment in order to receive rent credits and escrows, and the sites made the decision to verify the month-by-month employment status of residents to determine whether they could receive these benefits. Although residents who used escrow accounts and rent credits no doubt appreciated them, some administrators found the tracking requirements burdensome.

Housing managers who are interested in rent credits and escrows may want to reflect on whether the level of effort that the Jobs-Plus sites expended on monitoring was out of proportion with the small number of residents who ultimately received the benefits. It may be preferable to try some middle-ground level of effort between monitoring month-by-month employment and self-reporting — perhaps by verifying quarterly employment through pay stubs or letters/forms from employers.

Outreach and Education for Rent Incentives Plans

- **Outreach for rent incentives should be ongoing and should be organized around a variety of strategies.**

The experiences of the Jobs-Plus sites point to two reasons why staff who are implementing rent incentives plans should continually market the benefit to residents. First, new residents regularly move into public housing developments and must be informed of the incentives. Second, even when residents are not newcomers, they often do not respond to initial outreach efforts — for example, because they are unemployed, are suspicious of housing authority programs, do not take in the outreach information completely, or are simply occupied by other priorities. Repeated outreach is likely to engage at least some of these residents at times when they are more open to the intervention.

The demonstration sites' experiences also show that different kinds of outreach — for example, printed material, word-of-mouth recommendations from neighbors, and more organized personal contacts from staff, both professional and resident — had different advantages for marketing the benefits. Also, because some public housing residents have weak literacy skills (in some cities, a growing proportion of this population does not speak English or has limited English proficiency), housing managers who want to publicize rent incentives must ensure that printed materials are highly readable, are translated into as many relevant languages as possible, and are supplemented with personal contacts.

- **Housing managers should conduct energetic outreach to nonworking residents as well as to working residents.**

The Jobs-Plus field research indicates that when housing managers took a strong interest in marketing the program's rent incentives, they tended to focus on residents who were already working. However, to use these benefits to promote work most fully, they should be marketed vigorously to all residents, regardless of their employment status**.**

- **Staff must build in adequate time to meet with residents to explain the complexities of rent incentives plans.**

Care should be taken not to overwhelm residents with too much information at one time. To avoid information overload, staff must spend enough time with individual residents to ensure that they understand the details of the rent incentives plans. It is especially important that any housing managers who do decide to use rent steps make ongoing efforts to prepare people for this change.

In the absence of a program like Jobs-Plus — which offers many natural meeting points between residents and staff — rent incentives administrators may find it difficult to incorporate the needed education into existing forums. Thus, it may be advisable to supplement any education that occurs in already-scheduled meetings with well-publicized stand-alone orientation sessions about the rent incentives plans.

- **Housing managers should consider using such tools as the Income Calculator to educate residents about the full package of benefits that are available with rent incentives.**

Inadequate technology and a lack of time for both counseling and updating information about the Jobs-Plus Income Calculator (see Box 3.1 in Chapter 3) led to minimal use of this tool in the demonstration sites, and similar problems could easily crop up in other settings. However, in view of the calculator's strong potential to give residents a picture of how rent incentives can combine with other benefits to help make work pay, significant efforts to solve these kinds of problems seem warranted. In particular, it seems worthwhile for employment interventions that are targeted to public housing residents to take advantage of an opportunity missed in the Jobs-Plus demonstration: integrating the Income Calculator into employment counseling sessions, thereby making it easier for residents to understand the financial implications of the level of work that they expect to seek — and easier for staff to help residents develop career plans that can improve their earnings substantially.

The Administration of Rent Incentives

- **Maximizing the number of residents who are reached by rent incentives may require that managers modify housing authority policies that limit the take-up rates for these benefits.**

A key implementation lesson from the Jobs-Plus demonstration — and one that is consistent with findings from other programs that offer benefits to low-income groups — is that managers cannot assume that public housing residents (even working residents) will take advantage of rent incentives simply because they are available. In the Jobs-Plus sites, residents did not use rent incentives for many reasons, but apparently some people were deterred because they were in violation of their leases for back-rent or other infractions. Housing managers could probably boost the take-up rates for incentives by issuing amnesties for residents who have arrears or lease violations but who are otherwise good tenants — although the advantages of doing so have to be weighed against the other purposes that the lease policies are intended to serve. In addition, housing authorities may wish to consider the option of automatically applying rent incentives to all working households, without any enrollment requirements. Although this approach would limit the housing authority's opportunities to provide other kinds of employment assistance or financial education to residents in conjunction with rent incentives, it would very likely expand the number of residents using them.

- **Housing managers who wish to operate successful rent incentives plans must be prepared to expand their traditional duties.**

The Jobs-Plus implementation findings suggest that successful operation of rent incentives depends not only on adequate management systems but also on having housing management staff who are willing to place a priority on making the incentives work. The take-up rates for incentives tended to be higher at those demonstration sites where the coordination between Jobs-Plus staff and housing management staff was the strongest and where housing managers paid a great deal of attention to the rent incentives.

Public housing managers who become engaged with the implementation of rent incentives plans — and especially with the marketing and education associated with them — must add a new dimension of work to their traditional and already-demanding property management responsibilities. This shift is consistent with recent changes in the roles of housing managers, which call on them to interact with residents more frequently and about a wider variety of issues than in the past. Managers who adopt this more holistic approach to serving public housing residents should reflect on what resources and training they and their staff need in order to meet the challenges associated with this new way of working.

Appendix A

Changes in Federal Rent Rules for Public Housing Under the 1998 Housing Law

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 changed public housing policies concerning admissions, occupancy, and rent in order to achieve three goals: (1) to bring higher-income working families into the public housing developments, (2) to encourage working families to remain as residents, and (3) to encourage existing residents to work. Although the law includes several mandates, it devolves a fair amount of discretion to the local public housing authorities (PHAs) to set their own rent and admissions rules. Specific rules regarding the law's requirements have been worked out over time, and the final rules were issued in March 2000.[1]

Changes in How Rent Is Calculated

Under traditional public housing rules, rent is set at 30 percent of a household's "countable" (or adjusted) income, which is defined as total income minus certain deductions, or "disregards." The new law includes several provisions that sever the tie between earned income and rent.

100 Percent Disregard of Increased Income from Employment (Mandatory)

When calculating adjusted income to determine rent, PHAs are required to disregard any increase in income resulting from employment for 12 months for tenants who had been receiving Temporary Assistance for Needy Families (TANF) benefits within the prior six months, for those who have been unemployed for a year or more, and for those who increase their earnings while participating in a qualifying job training or family self-sufficiency program. After this 12-month period, rent for the next 12 months would increase by only half the amount it would have been raised under the traditional income-based rules. PHAs were required to implement this disregard by October 1999. Alternatively, they could have residents pay the higher rent and deposit the difference into an escrow account.

Flat-Rent Option (Mandatory)

PHAs had to establish a flat rent for each apartment by October 1999. (For apartments already subject to ceiling rents or to caps on the amount of rent that residents were required to pay at the time the new law came into effect, PHAs had until October 2002 to determine what the flat rent would be.) Tenants may decide at annual lease renewals whether to pay the flat rent or the traditional income-based rent. They are also free to switch to the income-based rent dur-

[1] For details, see Sard, 2000; Devine, Rubin, and Gray, 1999.

ing the year if they find that they are unable to pay the flat rent. Because PHAs must set flat rents based on the market values of the apartment units, the flat rents might ultimately be too high to encourage many residents to go to work. Most residents may opt, instead, to continue paying the income-based rent.

Lower Ceiling Rents (Optional)

Under HUD's ceiling-rent rules, residents are required to pay no more than 30 percent of their adjusted income for rent until their rent reaches the ceiling rate. Prior to QHWRA, the lowest ceiling rent that PHAs were permitted to set could be no lower than the average operating cost they incurred. This rule left the ceiling rent for most units too high to benefit many tenants. Under the new rules, however, PHAs can set ceiling rents to as little as 75 percent of operating costs. In contrast to how ceiling rents are set, the flat rents are to be based on market values of the apartments. Thus, in areas with tight housing markets and high market rental rates, PHAs may have less incentive to use the option of lower ceiling rents, since those rents may fall below the flat rents. Furthermore, the new law stipulated that, after 2002, PHAs would absorb the cost of lost revenue from ceiling rents but not from flat rents. (PHAs that had both policies in place would feel the impact of the lost revenues immediately.)

Additional Income Disregards (Optional)

When adjusting tenants' income for purposes of calculating rent obligations, PHAs may establish additional income disregards that apply either to all tenants or just to certain groups of them. For example, a PHA can disregard a proportion of total earnings or can reduce adjusted income by subtracting specific work-related expenses.

PHAs have to absorb the cost of these optional policies.

Other Relevant Provisions of the Law

Preferences for New Tenants

Before QHWRA's enactment, a limited number of public housing units could be set aside for higher-income families. The new law repealed rules governing which types of families should receive preference, and it allows PHAs to set their own priorities. Although they must still set aside a minimum number of newly available units for families with extremely low incomes, they can assign the remaining units to families whose incomes range more widely.

Poverty Deconcentration

The law prohibits PHAs from concentrating very low-income families in particular housing developments or in particular sections of developments.

Minimum Rents

PHAs may establish a minimum rent of $50 or less, but they must exempt from this minimum families who meet hardship criteria.

TANF Sanctions and Rent

PHAs must reduce rent for families whose income decreases after losing welfare benefits, unless the benefit loss is due to the family's failure to comply with TANF's work-related requirements.

Community Service

Adult residents must contribute eight hours of community service per month. Exemptions are granted to tenants who are employed, elderly, disabled, or meeting TANF's participation requirements.

Appendix B

How Jobs-Plus Rent Incentives Affect Residents' Net Income

Drawing from some hypothetical cases developed in the earlier Jobs-Plus report on designing the rent incentives,[1] it is possible to estimate the potential range of rent savings for some "typical" resident cases. For example, as shown in Appendix Table B.1, for a single mother of two living in Chattanooga and working for $6 per hour, participating in the rent incentives at Step 1 can save $188 per month, compared with what the family would pay under traditional rent rules. This amounts to a yearly savings of $2,256. For a married couple in Los Angeles with two children and one parent already working full time at $6 per hour, the household's rent savings when the second parent goes to work full time at $6 per hour would amount to $324 per month at Step 2, or $3,888 per year. The table also shows the range of rent savings across sites for other hypothetical participants in the Jobs-Plus demonstration.

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[1]Miller and Riccio, 2002.

The Jobs-Plus Demonstration

Appendix Table B.1

Net Monthly Income (After Rent) and Rent Payments Under Traditional Rules and Jobs-Plus Incentives, by Site

A. Baltimore[a]

	Traditional		Jobs-Plus		Rent
Scenarios[b] ($)	Net Income	Rent	Net Income	Rent	Savings
Single parent with two children ($6 per hour)					
Not working	542	83	542	83	n/a
Part-time work	750	138	796	92	46
Full-time work	1,041	276	1,133	184	92
Single parent with two children ($10 per hour)					
Not working	542	83	542	83	n/a
Part-time work	986	233	1,064	155	78
Full-time work	1,029	445	1,200	274	171
Single parent with two children ($6 per hour) Food stamps/no welfare					
Not working	335	0	335	0	n/a
Part-time work	739	130	782	87	43
Full-time work	1,041	276	1,133	184	92

(continued)

Appendix Table B.1 (continued)

B. Chattanooga

Scenarios[b] ($)	Traditional		Jobs-Plus Step 1		Jobs-Plus Step 2		Rent Savings	
	Net Income	Rent	Net Income	Rent	Net Income	Rent	Step 1	Step 2
Single parent with two children ($6 per hour)								
Not working	473	32	473	32	473	32	n/a	n/a
Part-time work	800	176	917	59	858	117	117	59
Full-time work	1,029	267	1,217	79	1,138	158	188	109
Single parent with two children ($10 per hour)								
Not working	473	32	473	32	473	32	n/a	n/a
Part-time work	1,024	261	1,124	75	1,049	149	186	112
Full-time work	1,051	392	1,382	135	1,247	271	257	121
Single parent with two children ($6 per hour) Food stamps/no welfare								
Not working	310	25	310	25	310	25	n/a	n/a
Part-time work	726	120	806	40	766	80	80	40
Full-time work	1,029	267	1,217	79	1,138	158	188	109

(continued)

Appendix Table B.1 (continued)

C. Dayton

Scenarios[b] ($)	Traditional		Jobs-Plus Step 1		Jobs-Plus Step 2		Rent Savings	
	Net Income	Rent	Net Income	Rent	Net Income	Rent	Step 1	Step 2
Single parent with two children ($6 per hour)								
Not working	548	88	548	88	548	88	n/a	n/a
Part-time work	825	203	938	90	888	140	113	63
Full-time work	1,022	281	1,213	90	1,163	140	191	141
Single parent with two children ($10 per hour)								
Not working	548	88	548	88	548	88	n/a	n/a
Part-time work	997	255	1,162	90	1,112	140	165	115
Full-time work	965	444	1,319	90	1,269	140	354	304
Single parent with two children ($6 per hour) Food stamps/no welfare								
Not working	285	50	285	50	285	50	n/a	n/a
Part-time work	714	120	745	90	695	140	30	-20
Full-time work	996	262	1,168	90	1,118	140	172	122
Two parents with two children (Second parent at $6 per hour, first parent already working at $6 per hour)								
Second parent not working	1,215	307	1,433	90	1,383	140	217	167
Second parent part-time work	1,130	396	1,435	90	1,385	140	306	256
Second parent full-time work	1,067	538	1,515	90	1,465	140	448	398
Two parents with two children (Second parent at $10 per hour, first parent already working at $6 per hour)								
Second parent not working	1,215	307	1,433	90	1,383	140	217	167
Second parent part-time work	1,042	491	1,443	90	1,393	140	401	351
Second parent full-time work	1,194	726	1,830	90	1,780	140	636	586

(continued)

Appendix Table B.1 (continued)

D. Los Angeles

Scenarios[b] ($)	Traditional Net Income	Traditional Rent	Jobs-Plus Step 1 Net Income	Jobs-Plus Step 1 Rent	Jobs-Plus Step 2 Net Income	Jobs-Plus Step 2 Rent	Rent Savings Step 1	Rent Savings Step 2
Single parent with two children ($6 per hour)								
Not working	650	164	650	164	650	164	n/a	n/a
Part-time work	933	275	1,044	164	933	275	111	0
Full-time work	1,223	353	1,334	164	1,223	275	189	78
Single parent with two children ($10 per hour)								
Not working	650	164	650	164	650	164	n/a	n/a
Part-time work	1,113	327	1,276	164	1,165	275	163	52
Full-time work	1,147	496	1,479	164	1,367	275	332	221
Single parent with two children ($6 per hour) Food stamps/no welfare								
Not working	335	0	335	0	335	0	n/a	n/a
Part-time work	741	132	1,208	0	933	275	132	-143
Full-time work	1,057	288	1,498	0	1,223	275	288	13
Two parents with two children (Second parent at $6 per hour, first parent already working at $6 per hour)								
Second parent not working	1,348	389	1,463	275	1,463	275	114	114
Second parent part-time work	1,271	467	1,464	275	1,464	275	192	192
Second parent full-time work	1,284	599	1,609	275	1,609	275	324	324
Two parents with two children (Second parent at $10 per hour, first parent already working at $6 per hour)								
Second parent not working	1,348	389	1,463	275	1,463	275	114	114
Second parent part-time work	1,239	548	1,511	275	1,511	275	273	273
Second parent full-time work	1,503	807	2,035	275	1,930	275	532	532

(continued)

Appendix Table B.1 (continued)

E. St. Paul

Scenarios[b] ($)	Traditional Net Income	Traditional Rent	Jobs-Plus Step 1 Net Income	Jobs-Plus Step 1 Rent	Jobs-Plus Step 5 Net Income	Jobs-Plus Step 5 Rent	Rent Savings Step 1	Rent Savings Step 5
Single parent with two children ($6 per hour)								
Not working	653	136	653	136	653	136	n/a	n/a
Part-time work	998	219	1,154	63	888	329	156	-110
Full-time work	1,210	288	1,472	25	1,136	329	263	-41
Single parent with two children ($10 per hour)								
Not working	653	136	653	136	653	136	n/a	n/a
Part-time work	1,187	258	1,420	25	1,116	329	233	-71
Full-time work	1,182	496	1,653	25	1,287	329	471	167
Single parent with two children ($6 per hour) Food stamps/no welfare								
Not working	0	25	0	25	0	25	n/a	n/a
Part-time work	543	132	650	25	346	329	107	-197
Full-time work	1,008	288	1,271	25	935	329	263	-41
Two parents with two children (Second parent at $6 per hour, first parent already working at $6 per hour)								
Second parent not working	1,419	296	1,689	25	1,385	329	271	-33
Second parent part-time work	1,296	431	1,702	25	1,398	329	406	102
Second parent full-time work	1,295	581	1,850	25	1,546	329	556	252
Two parents with two children (Second parent at $10 per hour, first parent already working at $6 per hour)								
Second parent not working	1,419	296	1,689	25	1,385	329	271	-33
Second parent part-time work	1,284	535	1,794	25	1,490	329	510	206
Second parent full-time work	1,375	761	2,111	25	1,807	329	736	432

(continued)

Appendix Table B.1 (continued)

F. Seattle

Scenarios[b] ($)	Traditional Net Income	Traditional Rent	Jobs-Plus Step 1 Net Income	Jobs-Plus Step 1 Rent	Jobs-Plus Step 4 Net Income	Jobs-Plus Step 4 Rent	Rent Savings Step 1	Rent Savings Step 4
Single parent with two children ($6 per hour)								
Not working	618	140	618	140	618	140	n/a	n/a
Part-time work	856	218	934	140	487	587	78	-369
Full-time work	1,067	296	1,223	140	776	587	156	-291
Single parent with two children ($10 per hour)								
Not working	618	140	618	140	618	140	n/a	n/a
Part-time work	1,036	270	1,165	140	718	587	130	-317
Full-time work	1,133	490	1,482	140	1,035	587	350	-97
Single parent with two children ($6 per hour) Food stamps/no welfare								
Not working	335	0	335	0	335	0	n/a	n/a
Part-time work	737	129	726	140	279	587	-11	-458
Full-time work	1,049	282	1,190	140	743	587	142	-305

SOURCES: Adapted from Miller and Riccio (2002).

NOTES: The components of income and expenses used for the estimates in this table include: earnings; AFDC/TANF; food stamps; child care costs and subsidies; transportation costs and subsidies; federal, state, and local taxes; the EITC; and rent. Table assumes that this parent needs full-time child care for both children. Part-time work is assumed to be 20 hours per week, and full-time work is assumed to be 40 hours per week. Child care costs for part-time and full-time work are assumed to be $3 per hour per child for 25 and 45 hours, respectively.

The estimates do not take into account incentives outside the basic rent rules, such as escrow accounts.

Rent payments are included in the calculation of net monthly income. If a single parent is not working, the calculations assume that she pays rent according to the traditional rent rules.

[a]Unlike the other sites, Baltimore has only one rent step under the Jobs-Plus incentives program.

[b]Residents who were not working were not eligible for the rent incentives.

Appendix C

Supplementary Tables and Figures on the Use of Rent Incentives

The Jobs-Plus Demonstration

Appendix Table C.1

Rent Incentives Take-Up Rates Among All Targeted Residents Living in the Jobs-Plus Developments in 1998-2000, for the Full Sample and by Subgroup

What proportion of residents ever lived in households that had received rent incentives by December 2002?

Characteristic[a] (%)	Baltimore	Chattanooga	Dayton	Los Angeles: Imperial Courts	Los Angeles: William Mead Homes	St. Paul	Seattle	All Developments Combined
Full sample	12	27	34	30	62	68	42	39
Age								
18-24	9	18	30	26	63	65	46	37
25-34	11	27	34	26	55	75	38	38
35-61	15	41	44	37	65	62	43	44
Gender								
Male	12	33	33	38	64	68	43	42
Female	12	26	35	28	61	68	41	39
Race/ethnicity								
Black (non-Hispanic)	12	27	36	28	69	70	45	41
White (non-Hispanic)	--	--	--	--	--	--	20	20
Hispanic	--	--	--	35	63	--	--	49
Asian	--	--	--	--	49	65	49	54
Other	--	--	--	--	--	--	42	42
Missing	--	--	9	27	--	69	41	37
Reported earnings at time of sample entry								
Yes	21	45	61	49	65	82	47	53
No	9	17	27	26	61	63	38	34

(continued)

Appendix Table C.1 (continued)

Characteristic[a] (%)	Baltimore	Chattanooga	Dayton	Los Angeles: Imperial Courts	Los Angeles: William Mead Homes	St. Paul	Seattle	All Developments Combined
Reported AFDC/TANF receipt at time of sample entry								
Yes	8	18	31	19	57	63	40	34
No	13	34	36	37	64	70	43	42
Number of adults in household at time of sample entry								
One adult	12	24	33	23	51	62	40	35
Two or more adults	14	40	46	39	66	71	44	46
Sample size	552	497	589	628	658	412	490	3,826

SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records, and housing authority (50058) records.

NOTES: The term “targeted residents” refers to nondisabled residents aged 18 to 61 living in a household headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

"--" indicates cell sizes of less than 20.

In the average for all developments combined, the results for each housing development are weighted equally.

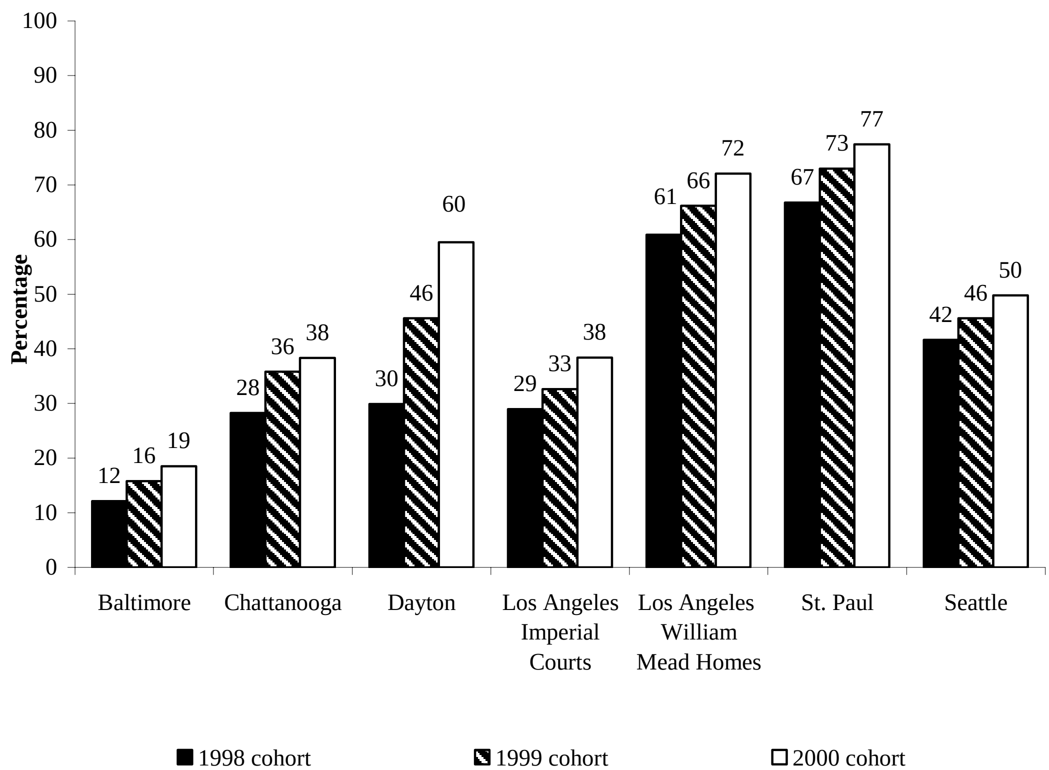
[a]Characteristics are as of the earliest year of residence between 1998 and 2000.

The Jobs-Plus Demonstration

Appendix Figure C.1

**Rent Incentives Take-Up Rates
Among All Targeted Residents Living in the Jobs-Plus Developments,
by Development and Year of Residence**

*What proportion of residents had ever lived in a household
receiving rent incentives by December 2002?*



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records, and housing authority (50058) records.

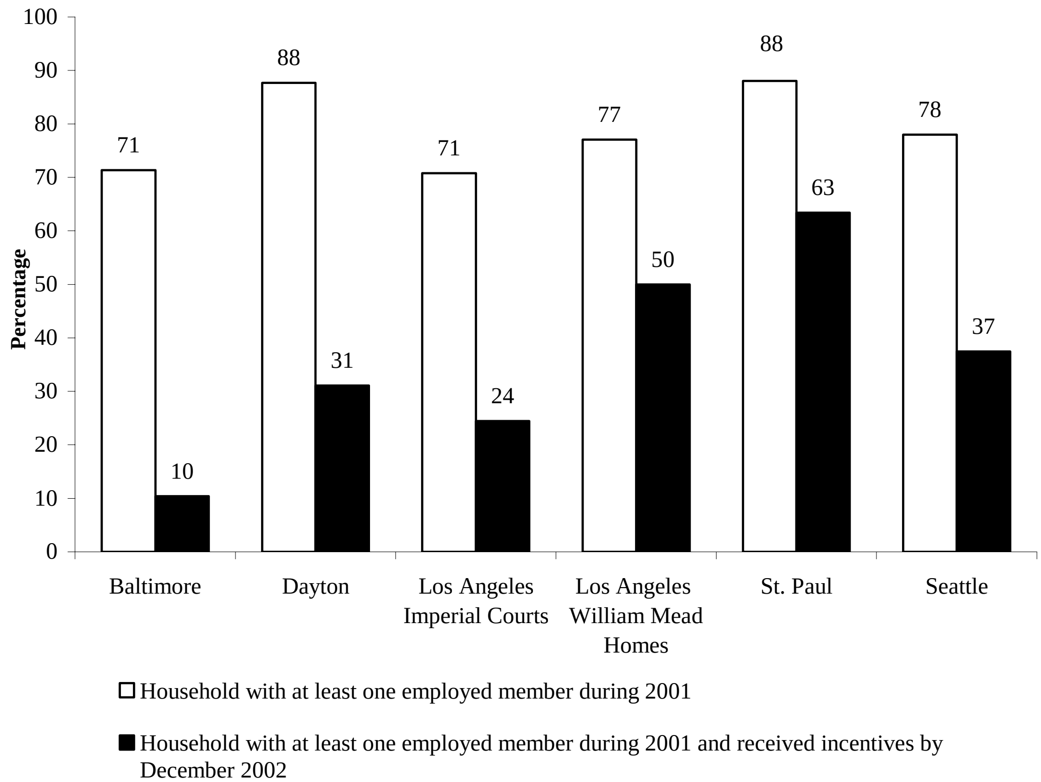
NOTES: The term "targeted residents" refers to nondisabled residents aged 18 to 61 living in a household headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed. A cohort includes all targeted residents living in the development in the specified year. A resident may be part of more than one cohort depending on the number of years she or he lived in a Jobs-Plus development.

The Jobs-Plus Demonstration

Appendix Figure C.2

Rates of Employment and Jobs-Plus Rent Incentives Receipt Among All Targeted Households Living in the Jobs-Plus Developments Between 1998 and 2000, by Development

What percentage of targeted households in Jobs-Plus developments between 1998 and 2000 had employed members during 2001 and received rent incentives by December 2002?



SOURCES: MDRC calculations using data from Jobs-Plus rent incentives records, housing authority (50058) records, and state unemployment insurance wage (UI) earnings records.

NOTES: The term “targeted households” refers to households headed by a nondisabled resident between the ages of 18 and 61, regardless of whether any household members were employed.

Results for Chattanooga are not included in this figure because data on employment were not available in time for this report.

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Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods to determine a program's effects, including large-scale studies, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

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