



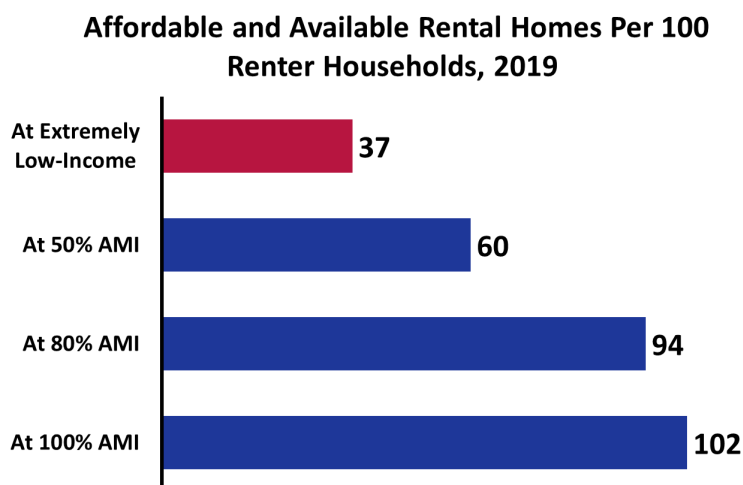
Expanding the Housing Choice Voucher Program to Improve Housing Affordability and Economic Security for the Lowest-Income Families

The economic impact of the coronavirus pandemic has shone additional light on the ongoing housing affordability crisis that affects millions of low-income renters each year, along with the associated risks of eviction, homelessness and financial insecurity. A significant expansion of the Housing Choice Voucher (HCV) program, which provides rental support to the most disadvantaged families, would help address this crisis. Doing so will reduce poverty, increase housing stability and support the broader economy. Though significant investments in housing supply are needed to fully address the housing crisis, vouchers are the best policy option to ensure the lowest-income Americans can quickly access stable housing.

The U.S. faces a rental affordability crisis, and only one in four eligible families are currently able to access vouchers that provide stable, affordable housing

Recent evidence shows how the private rental housing market has failed to provide affordable units for the lowest-income Americans. One measure from the National Low Income Housing Coalition (NLIHC) found that in 2019 there were [only 37 available affordable units](#) for every 100 extremely low-income renter households. This shortfall helps explain why [10.3 million](#) of the lowest-income Americans were spending over half of their income on rent (known as being “severely housing cost burdened”) even before the pandemic.¹ Now, with 4.5 million low-income renter households [behind on their rent](#),² housing costs making up an [average of 40%](#) of a low-income family’s budget and [rents going up](#) across the country, the issue is even more dire. This affordable housing shortfall [hits families of color especially hard](#), as Black and Hispanic renters are far more likely than white renters to be severely cost-burdened.

Figure 1: The lowest-income renter families have the least access to affordable housing



Source: [NLIHC tabulations](#) of 2019 ACS PUMS data. AMI = Area Median Income

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The federal HCV program [helps families afford stable housing](#) through subsidies that ensure most participants pay no more than 30% of their income towards rent. Families primarily qualify for vouchers if their income is low relative to their local Area Median Income, yet estimates find that only [1 in 4 eligible families](#) actually receives federal rental assistance. Due to insufficient program funding, families are waitlisted for [an average of 2.5 years](#) before getting a voucher, and [only 2.3 million](#) of the 10.3 million potentially eligible families described above currently receive the benefit. In contrast, the mortgage interest deduction provides a subsidy to reduce the cost of homeownership [to every higher-income American who qualifies](#), exacerbating housing inequality.

Funding the voucher program to cover the lowest-income and most cost-burdened renters would help house 7.6 million families, cut poverty and provide long-term benefits for children

The [NLIHC estimated](#) that roughly 7.6 million families both met the Department of Housing and Urban Development (HUD) definition of extremely low-income (earning less than 30% of the relevant Area Median Income) and were spending over half their income on rent in 2019. Congress should increase funding for the voucher program in the upcoming budget reconciliation package to ensure that these families can receive the support they need.

Research shows that expanding the voucher program would:

- significantly [reduce poverty](#),
- [reduce racial and ethnic disparities](#) in housing security,
- decrease the likelihood that [families experience homelessness](#), and
- improve a number of other [health and well-being metrics](#) for children and adults.

Helping the lowest-income families access housing vouchers could increase their disposable income by \$33.3 billion

An estimate from the Public and Affordable Housing Research Corporation (PAHRC) found that expanding the HCV program would [boost annual disposable income](#) by an average of \$4,400 per participating family.³ Expanding the voucher program to cover the 7.6 million neediest families **would increase their disposable income by an estimated \$33.3 billion** which could cover the costs of household necessities, investments in their children, financial emergencies or other important purchases.

Because low-wealth families are [more likely than high-wealth ones to spend](#) additional income, policies that bolster incomes for disadvantaged families generate more spending in local economies and support the broader economy. This makes policies that primarily benefit high-wealth families less effective at stimulating economic growth.

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Table 1: State-by-state impacts of expanding the Housing Choice Voucher program to cover all lowest-income, high-need families

Estimated Impacts of Expanding the HCV Program to Cover the Lowest-Income Families		
State	Number of Extremely Low-Income and Severely Cost-Burdened Renters	Increase in Disposable Income by State
Alabama	116,182	\$511,979,764
Alaska	10,513	\$46,325,308
Arizona	137,739	\$606,972,798
Arkansas	65,533	\$288,783,088
California	966,055	\$4,257,102,976
Colorado	120,292	\$530,090,106
Connecticut	95,041	\$418,817,268
Delaware	19,817	\$87,328,570
Dolumbia	28,785	\$126,848,100
Florida	420,199	\$1,851,684,260
Georgia	235,444	\$1,037,529,660
Hawaii	27,560	\$121,448,233
Idaho	23,602	\$104,006,298
Illinois	300,679	\$1,324,998,541
Indiana	145,563	\$641,451,254
Iowa	71,312	\$314,247,972
Kansas	54,758	\$241,300,144
Kentucky	103,608	\$456,569,012
Louisiana	132,671	\$584,637,765
Maine	24,043	\$105,951,410
Maryland	143,426	\$632,033,897
Massachusetts	179,022	\$788,894,099
Michigan	228,242	\$1,005,790,401
Minnesota	106,652	\$469,982,089
Mississippi	70,276	\$309,683,833
Missouri	140,238	\$617,985,773
Montana	22,286	\$98,208,859
Nebraska	35,647	\$157,086,529
Nevada	85,245	\$375,649,044
New Hampshire	22,355	\$98,511,951
New Jersey	214,261	\$944,181,201
New Mexico	42,123	\$185,623,712
New York	674,862	\$2,973,904,514
North Carolina	229,202	\$1,010,019,500
North Dakota	17,691	\$77,956,867
Ohio	288,163	\$1,269,845,580
Oklahoma	90,182	\$397,403,937
Oregon	101,417	\$446,911,755
Pennsylvania	292,284	\$1,288,003,162
Rhode Island	25,258	\$111,302,715
South Carolina	109,625	\$483,082,731
South Dakota	16,053	\$70,739,505
Tennessee	143,561	\$632,626,597
Texas	620,426	\$2,734,025,395
Utah	47,467	\$209,172,480
Vermont	12,040	\$53,057,934
Virginia	171,731	\$756,762,910
Washington	155,921	\$687,093,437
West Virginia	39,604	\$174,521,766
Wisconsin	122,263	\$538,775,115
Wyoming	11,337	\$49,957,961
United States	7,558,254	\$33,306,867,776

Sources: JEC Democratic staff calculations based on NLIHC's [state-level estimates](#) of the number of extremely-low income and severely cost-burdened renters, and PAHRC [estimates of the increase in disposable income](#) due to expanded rental assistance

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Policymakers must improve the HCV program to fully realize these economy-wide benefits and ensure that families can successfully use their vouchers to access stable housing

Recent HUD data shows that roughly [88% of families](#) who received vouchers in 2021 were able to successfully lease a unit. Researchers and advocates have elevated several key programmatic fixes to the voucher program that can help more families with vouchers successfully find a home. These fixes include:

- increasing the [value of vouchers](#) in higher-cost neighborhoods so that families can afford rental units in more areas;
- barring landlords from [discriminating against families who rely on vouchers](#) to afford the rent;
- hiring [housing navigators](#) to help families find units in competitive and stressful housing markets, especially in lower-poverty, high-opportunity neighborhoods;
- providing [flexible funds](#) that families can use to afford costs like security deposits or application fees;
- [streamlining bureaucratic processes](#) to make it easier for landlords to participate in the program and quickly get families into their units; and
- providing [backstops and/or incentives](#) to landlords who may otherwise be hesitant to participate in the voucher program.

These changes will improve both the family and landlord experience with the voucher program, which should increase the share of families who can successfully use their vouchers to rent a unit.

¹ NLIHC GAP Report, combining 7.6 million extremely low-income + 2.1 million very low-income + 656k low-income severely cost burdened renter families

² Using Housing Table 1b for Week 36, defining low-income as all households earning below \$35,000.

³ Adjusts the \$321 monthly increase to an annual amount, then adjusts from July 2015 dollars to July 2021 dollars using the [BLS CPI calculator](#)