

## CHA Families and the Plan for Transformation

## The Limits of Relocation *Employment and Family Well-Being among Former Madden/Wells Residents*

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The Chicago Housing Authority's (CHA) Plan for Transformation has brought about substantial improvements in quality of life for most residents. The HOPE VI Panel Study showed that by 2005, four years after relocation began, Madden/Wells respondents who had relocated with vouchers or to mixed-income housing reported living in better housing and safer neighborhoods (Popkin 2010). In 2009, nearly all former residents reported such improvements (Burton and Popkin 2010a, b; Price and Popkin 2010). But despite these positive changes, the HOPE VI program and the CHA's efforts have been less successful in helping residents move toward self-sufficiency. Employment rates have proved intransigent, holding steady from the baseline study in 2001 through the third round of data collection in 2005. As we found in 2005 (Levy and Woolley 2007), the overall employment rate masks considerable cycling, as people move into and out of jobs. We have documented several barriers to employment that make it challenging for some people to find or to keep a job, particularly poor health.

In recent years, the CHA has increased its efforts to promote self-sufficiency for its

residents, through both its FamilyWorks case management services and Opportunity Chicago, whose goal is to connect CHA residents to the labor force.<sup>1</sup> In its boldest move, the agency introduced a work requirement for all residents of its traditional public housing properties in January 2009, requiring that every adult resident of a public housing unit (age 18 to 61) must work no less than 15 hours a week or otherwise be engaged in activities that lead to employment, such as volunteering or enrolling in classes. As of January 1, 2010, the requirement increased to 20 hours a week. The requirement for residents living in mixed-income developments is set higher: heads of households must work a minimum of 30 hours a week; all other adult residents must work at least 30 hours a week or engage in activities that lead to employment.<sup>2</sup>

With the CHA's increased emphasis on employment and self-sufficiency since 2005, we might expect to see improved employment rates and self-sufficiency in 2009—at least for the portion of our sample living in public housing and mixed-income communities. The major economic downturn, however, might have tempered potential

gains. In this brief, we explore what has happened to working-age Madden/Wells respondents' economic status since 2009, especially their rates of employment and economic security. Our analysis indicates that although employment rates have not increased, Madden/Wells respondents have experienced some gains in economic well-being. However, even with these gains, respondents continue to face considerable economic hardship.

### The Proportion of Employed Residents Has Not Changed

As in our earlier analyses on work and self-sufficiency (Levy and Woolley 2007; Levy and Kaye 2004; Popkin, Levy, and Buron 2009), we focus on the portion of Madden/Wells respondents who could be expected to be in the labor market—adults between 18 and 61 years of age who do not receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI). Thus, the sample for this brief includes 80 respondents, which represents 66 percent of the 2009 survey respondents.<sup>3</sup> Despite the changes in CHA's policies since 2005, our analysis shows an employment picture for respondents that is essentially unchanged.

- The rate of employment among working-age respondents, at 50 percent, has not

changed significantly since the baseline survey in 2001.<sup>4</sup>

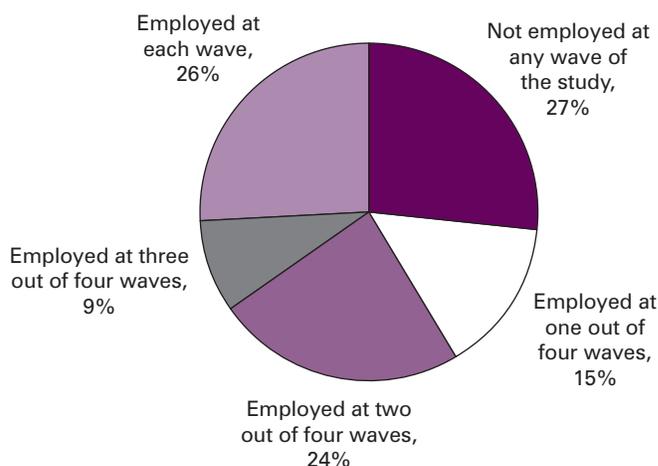
- The share of respondents working full-time also has held steady. Among employed respondents, 60 percent indicated they work full-time, roughly the same percentage as in 2001.
- As in 2005, just under half of the respondents reported some employment cycling over the course of the Panel Study (47 percent). Figure 1 shows 15 percent of respondents reported being employed one of the four times we surveyed them between 2001 and 2009, 24 percent reported being employed at two of the four survey rounds, and 9 percent reported being employed at three of the four rounds. About a quarter of respondents reported being employed at each survey wave from 2001 to 2009. Slightly more (27 percent) never reported employment.

### CHA's Work Requirements Are Influencing Residents' Activities

Although the CHA's work requirements had only been in effect for about six months at the time of the 2009 panel survey, our analysis indicates that it had already had some impact on respondents' employment-related activities.<sup>5</sup>

*"The rate of employment among working-age respondents has not changed significantly since 2001."*

FIGURE 1. Employment Cycling in 2009



Source: 2001, 2005, and 2009 Chicago Panel Study Sample.

- Among working-age respondents in 2009, just over a third of those not employed at the 2005 follow-up said the new CHA work requirement led them to look for or apply for a job and one out of five said the requirement had led them to enroll in a job training or readiness class. Just over 10 percent of those not working in 2005 said they had engaged in volunteer activities in response to the requirement.
- Respondents also said they engaged in nonwork activities that meet the terms of the new requirement. Twenty-two percent said the requirement motivated them to meet with their case manager. However, only 3 percent of respondents reported signing up for GED or other types of classes. And only 9 percent of respondents said they applied for SSI benefits even though SSI receipt would render them immune to the work requirement.

### Health Remains the Biggest Barrier to Employment

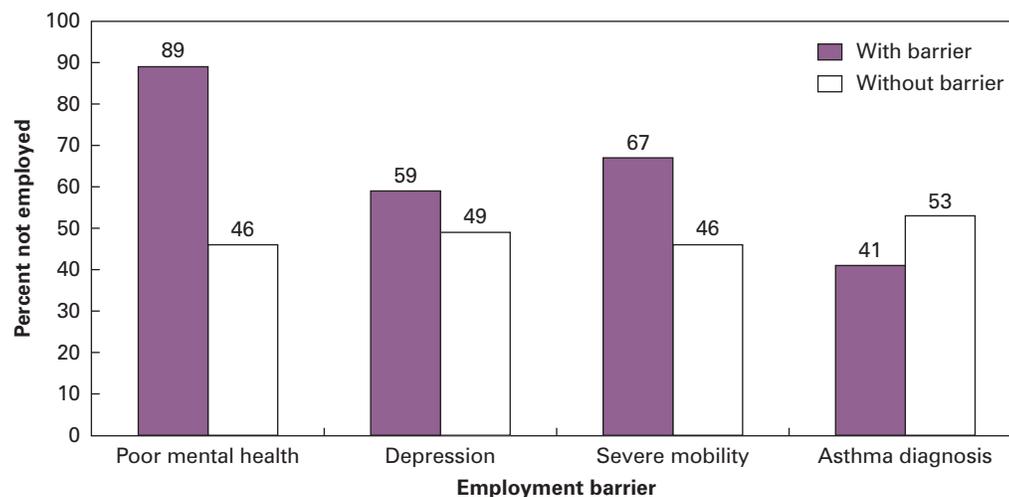
Respondents' extremely poor health has been a major theme of the HOPE VI Panel Study research since 2001. In our analysis of the 2005 survey, we highlighted the fact that poor physical and mental health were

the most significant barriers to employment (Levy and Woolley 2007).

- Our analysis for the full 2009 sample shows that health remains a serious issue; respondents' health appears to be declining and mortality rates remain high (Price and Popkin 2010). The same trends hold for Madden/Wells respondents who are working-age: the percentage of these respondents who reported good to excellent health overall declined from 73 to 55 percent since 2005. They reported substantially worse physical health than they did in 2005. And, with the exception of an improvement in overall mental health among residents of public housing units in mixed-income developments,<sup>6</sup> there were no significant improvements in mental health.
- Figure 2 shows that in 2009, as in previous rounds of the survey, poor health remained strongly associated with lower rates of employment: among respondents reporting poor overall mental health, 89 percent were not working, and of those reporting depression, 59 percent were not working at the time of the survey.<sup>7</sup> Sixty-seven percent of respondents who reported two or more mobility limitations were not employed.<sup>8</sup>

*“Among respondents reporting poor mental health, 89 percent were not working; 67 percent of respondents who reported two or more mobility limitations were not employed.”*

FIGURE 2. Health and Employment



Source: 2009 Chicago Panel Study Sample.

- Lack of education also continues to be a barrier to employment for Madden/Wells respondents. Findings showed that not having a high school degree was a major barrier to obtaining employment (Popkin, Levy, and Buron 2009). In 2009, we found no improvement in educational attainment for Madden/Wells respondents, and the relationship between education and employment remains strong: 60 percent of working-age respondents with a high-school education or the equivalent were employed, compared with 20 percent of those without a high school degree.

### Household Income Has Increased, but Most Respondents Are Still Poor

While overall employment rates have not changed, our 2009 survey indicates that total household incomes have increased, although it is not clear why—respondents could be earning more, more respondents could be receiving SSI, or more could be living with other household members who are now employed.<sup>9</sup> Nevertheless, the majority of former Madden/Wells respondents continue to report incomes below the poverty line.

- Figure 3 shows that the proportion of respondents reporting annual household income of between \$20,000 and

\$30,000 has grown more than other income categories, from 6 percent in 2001 to 15 percent in 2009. At the same time, the proportion of households that reported a household income of \$5,000 or less has decreased substantially, from 49 percent in 2001 to 31 percent in 2009.

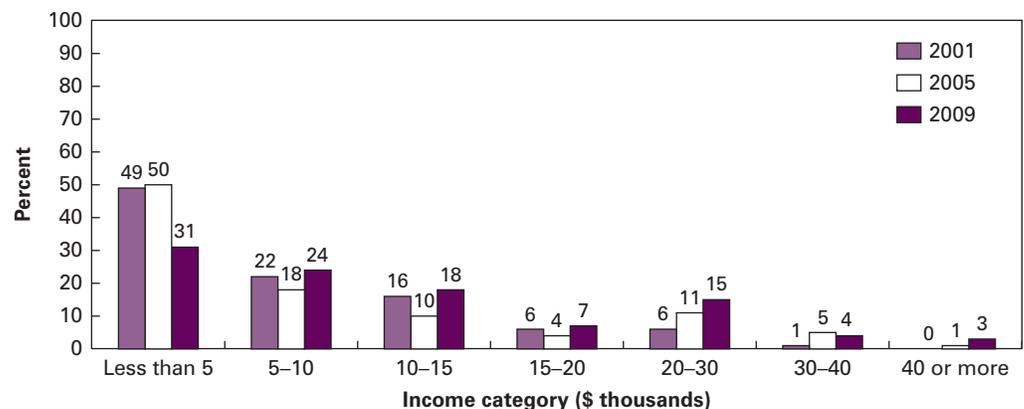
- Despite these gains, three-quarters of the working-age respondents continue to live below the poverty line. And, while most impoverished respondents were not employed, just over half of those working also were living below the poverty line (54 percent).
- In addition to the overall positive trend in household income, TANF receipt has decreased significantly from 42 percent in 2001 to 7 percent in 2009. The study does not explore reasons for changes in levels of public assistance receipt, so we do not know what portion of the considerable drop is due to enforcement of time limits, increases in income above program limits, or other factors.

### CHA Residents Continue to Struggle to Make Ends Meet

While income has increased somewhat, Madden/Wells respondents continue to report considerable economic hardship, particularly difficulty in paying utilities and worrying about running out of food. As in 2005, respondents might be making trade-offs, choosing to pay their rent on

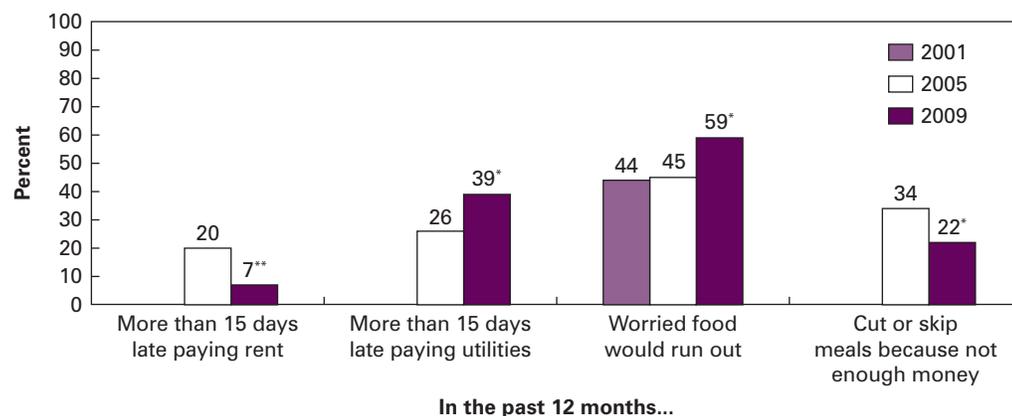
*“Respondents continue to report considerable economic hardship, particularly difficulty in paying utilities and worrying about running out of food.”*

FIGURE 3. Change in Household Income over Time



Source: 2001, 2005, and 2009 Chicago Panel Study Sample.

FIGURE 4. Reported Hardship



Source: 2001, 2005, and 2009 Chicago Panel Study Sample.  
 \*indicates change from baseline is significant at the  $p < .10$  level.  
 \*\*indicates change from baseline is significant at the  $p < .05$  level.

time to remain lease compliant and delaying utility payments (Levy and Woolley 2007).

- As figure 4 shows, the proportion of respondents who said they had paid their rent more than 15 days late during the previous year declined significantly from 2005 to 2009. At the same time, significantly more Madden/Wells respondents reported challenges paying utility bills on time in 2009 (39 percent vs. 26 percent in 2005). This increased hardship could relate to the increase in the number of working-age households paying utility costs; many former Madden/Wells residents now live in private market or mixed-income units that require them to pay their own heat and electricity. In 2009, only 2 percent of respondents said their rent included utilities, compared with 13 percent in 2005. Among the 39 percent of respondents who reported late payments, 94 percent said they were charged a late fee, 73 percent received a warning notice of a utility shut-off, and 30 percent had their gas, water, or electricity shut off for nonpayment.
- Households with vouchers reported a significant increase in late utility bill payments. In 2005, 31 percent of these respondents reported late payments; by 2009, nearly half of voucher holders paid utilities late (49 percent).

- Madden/Wells respondents' struggles with paying utilities were reflected in our in-depth interviews. Interview respondents spoke of having trouble paying their gas (heating) bills, and a few said they had their gas turned off for failure to pay their bill or to stick to a payment plan. One woman said she supplements gas heat with less expensive electric heaters to reduce costs, and others talked about turning to CEDA<sup>10</sup> each winter to help pay their gas bill. Other respondents spoke of furnace problems that led the families to turn their thermostats ever higher to get any heat at all. Once the furnaces were repaired or replaced, each of these respondents' gas bills returned to normal; however, they were still accountable for the exorbitantly high bills they incurred in the meantime.

Figure 4 shows a mixed picture of food hardship. The percentage of respondents who said they worry sometimes or often about running out of food increased from 44 percent in 2001 to 59 percent in 2009.<sup>11</sup> The proportion of respondents who reported ever reducing the size of or skipping meals in the past year decreased significantly, from 34 percent in 2005 to 22 percent in 2009; 80 percent of the respondents who did reduce or skip meals were employed. Though not shown in figure 4, the proportion of respondents who said

their food sometimes did not last and they had no money to purchase more increased from 32 percent in 2005 to 45 percent in 2009.<sup>12</sup>

### Implications

Connecting CHA residents to the workforce and enabling them to improve their economic well-being remains a major challenge. Our findings from the 2009 Panel Study show an employment picture that has changed little over the past four years, even as the CHA has invested in workforce programs, revamped its supportive services, and implemented a work requirement for its family public housing developments. However, there are hints that the CHA's efforts may be beginning to pay off. We also find some increases in economic well-being, with respondents reporting higher household incomes. Several key factors may have reduced the odds of our detecting an impact on employment in 2009: first, the CHA's changes to its supportive services and its work requirement were still relatively recent at the time of the survey and may not have had time to have much effect; second, a majority of Madden/Wells respondents had chosen vouchers and were not subject to the work requirement or receiving supportive services; and finally, the severe recession almost certainly affected respondents' employment prospects.

While our findings should not be viewed as a real assessment of the impact of the CHA's workforce efforts, they do suggest several implications for policy.

- **The CHA should continue its supportive service and workforce efforts programs.** Although we did not see a significant shift, our results make clear that even CHA residents who do work often find it difficult to sustain a regular connection to the workforce. Particularly during these tough economic times, residents need support and incentives to continue to keep trying to achieve regular employment.

- **Poor health remains relocatees' biggest barrier to self-sufficiency.** In 2009, respondents reported even worse health than in 2005 (Price and Popkin 2010). For many people, health problems are the most significant barrier standing in the way of employment. It is difficult to imagine employment rates will change without a targeted effort that addresses the poor health, physical and mental, of many working-age relocatees.
- **The CHA needs to continue to provide supportive services to ensure relocatees are not falling into economic hardship.** Most Madden/Wells respondents continue to live below the poverty line and many report difficulty making ends meet. As in 2005, those who have moved to the private market or mixed-income housing appear to be making trade-offs that place them at risk of serious hardship, paying their rent to avoid sanctions while struggling to pay utilities and afford food. These relocatees, whether employed or not, continue to need support and services to help them sustain the gains in housing quality and well-being they have realized.

### Notes

1. <http://www.opportunitychicago.org/>
2. For details of the work requirements, see the FY 2009 Admissions and Continued Occupancy Policy (ACOP) and the Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities (MTSP) at [http://www.thecha.org/pages/plans\\_reports\\_policies/40.php](http://www.thecha.org/pages/plans_reports_policies/40.php).
3. This figure is unweighted. As in earlier rounds of the panel survey, the vast majority of working-age respondents are female heads of household (90 percent), with a median age of 46. All respondents are African American.
4. All reported differences in means and proportions are significant at the  $p < .10$  level.
5. All respondents were asked the series of questions on the impact of the CHA work requirement policy even though the requirement only affects households living in public housing units. Consequently, the results reported here reflect responses from all working-age respondents who were not employed at the time of the third round of the survey.
6. Overall mental health is based on the Mental Health Inventory five-item scale (MHI-5). The  $n$  is very small for this group.

7. The *n*'s for the number of people reporting overall poor mental health and depression were quite small (*n* = 10 for overall poor mental health and *n* = 8 for depression).
8. Mobility impairment is based on a measure of the ability to carry out activities of daily living such as walking, standing, and climbing stairs. Asthma also remains a barrier to employment though it is not as strong a barrier as other health factors. Among symptomatic respondents (*n* = 21), 48 percent were not employed.
9. Reported household income was not adjusted for inflation.
10. CEDA is the Community Economic Development Association, which serves Cook County. The organization offers assistance paying utility bills to low-income households with LIHEAP funds (Low-Income Home Energy Assistance Program).
11. The percent of respondents that reported receiving food benefits (SNAP) has held steady since baseline (76 percent in 2001 to 72 percent in 2009).
12. The increase in the percent of respondents reporting that sometimes food did not last and they had no money to buy more was statistically significant but the declines in the percent of respondents reporting this was never true and the percent reporting it was often true were not significant.

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## About the Authors



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## **The Chicago Panel Study**

The Chicago Panel Study is a follow-up to the five-site HOPE VI Panel Study, which tracked resident outcomes from 2001 to 2005. The Chicago Panel Study continues to track the residents from the Chicago Housing Authority's Ida B. Wells Homes/Wells Extension and Madden Park Homes who were part of the original HOPE VI Panel sample. In October 2009, the CHA marked the 10th anniversary of the Plan for Transformation; the purpose of the Chicago Panel study is to track the circumstances of the families in the Chicago HOPE VI Panel Study sample to assess how they are faring as the Plan for Transformation progresses.

Revitalization activities began in Madden/Wells in mid- to late 2001, and the last residents were relocated in August 2008. At the baseline in summer 2001, we surveyed a random sample of 198 heads of household and conducted in-depth, qualitative interviews with seven adults and seven children. We conducted follow-up surveys and interviews for the HOPE VI Panel Study in 2003 (n = 174, response rate 88 percent) and 2005 (n = 165, response rate 83 percent). In 2009, when we attempted to track the original Madden/Wells sample for the Chicago Panel Study, we surveyed 136 heads of household (response rate 69 percent) and conducted in-depth interviews with 9 adults and 9 children. The largest source of attrition between 2001 and 2009 was mortality; we were able to locate, if not survey, nearly all original sample members in the 2009 follow-up.

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