

**Transitions to Adulthood of Children in Subsidized Housing**  
by  
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Early adulthood is a demographically dense period characterized by multiple short-spaced transitions to higher education, marriage, parenthood, employment and independent living. It is a period when young adults “[try] out various life possibilities and gradually [move] toward making enduring decisions” (Arnett 2000, 473). However, the life circumstances of many young people may compel them to adopt adult roles at earlier ages or limit the types of transitions they can make (Keller et al. 2007). This paper will first examine the timing and types of transitions to adulthood of children who grew up in subsidized housing. Second, it will shed light on the degree to which the subsidized housing program reproduces itself by examining the frequency with which children who lived in subsidized apartments utilize housing subsidies as adults.

**Determinants of the Timing and Pathways out of the Parental Home**

Non-traditional family arrangements as well as low socioeconomic status accelerate the transitions out of the parental home. First, children in stepfamilies (White and Booth 1985) and single-parent families (Bianchi 1987, Mitchell, Wister, and Burch 1989, Aquilino 1991, Goldscheider and Goldscheider 1993) leave the nest sooner than children who live with both biological parents. The differences between children in two-parent families versus those who grew up with other living arrangements is particularly large when it comes to leaving home to attend college. (Goldscheider and Goldscheider 1998). Growing up in a variety of alternative family arrangements decreases the likelihood of leaving home via college attendance and increases the likelihood of leaving early, especially to independence and marriage (Goldscheider

and Goldscheider 1998). Nevertheless, among children who do not leave home to attend college, delayed home leaving and a period of premarital residential independence are associated with higher educational attainment (White and Lacy 1997).

Second, children from more affluent homes leave the nest later (Bianchi 1987) and marry later (Goldscheider and DaVanzo 1989, Michael and Tuma 1985) than less affluent children. This shows that parents could use their income to retard very early departures of their children and to deter the youngest adults' from leaving via marriage (Avery, Goldscheider and Speare 1992). Leaving home early while not being well prepared to enter the labor force or at the expense of additional educational attainment may restrict the future options of young adults especially with respect to career and family formation (Goldscheider and Goldscheider 1998).

Gender and race also have discernible effects on the timing and pathways out of the family home independent of family circumstances. Women leave the nest earlier than men, with most differentials stemming from women's earlier age at marriage (Goldscheider and DaVanzo 1985, DaVanzo and Goldscheider 1990). Girls with a stepparent and stepsiblings are more likely to establish early residential independence than girls from intact families (Aquilino 1991). Unmarried mothers, however, are much more likely to live with their parents than unmarried fathers (Goldscheider and DaVanzo 1985, Aquilino 1991). Blacks are less likely and Asians are much less likely than whites to be home leavers, with the differentials for blacks largely attributable to lower likelihoods of leaving for marriage (Goldscheider and DaVanzo 1989).

Nevertheless, parental resources, gender and race are only part of the determinants of leaving home. Housing costs (Christian 1989, Haurin, Hendershott and Kim 1993, Whittington and Peters 1996), job opportunities (Whittington and Peters 1996) and for women the extent of government-provided cash assistance (Ellwood and Bane 1995) affect when and how children

transition to adulthood. First, children are more likely to live outside their parents' homes if rents are lower and wage opportunities higher (Haurin et al. 1992). Second, higher welfare benefits reduce the likelihood of a single mother living with her parents (Ellwood and Bane 1985, Hutchens et al. 1989). In fact, the growth of Aid to Families with Dependent Children (AFDC) may have had as much an impact on the increase in the proportion of those ages 15 to 24 who head their own households between 1961 and 1979 as the growth in real wages (Kent 1992).

### **Welfare and Children's Well-Being**

Given the relationship between poverty and leaving home early especially for reasons other than education, one might expect that children whose parents received some form of welfare benefits would follow the paths out of the home that poor children usually take. For example, parental welfare receipt has a negative effect on children's educational attainment, regardless of race and gender, especially for children whose mothers received welfare payments when the child was an adolescent (Ku 2001). Teens whose mothers received welfare are more likely to give birth out of wedlock and receive welfare themselves (An et al. 1993). More generally, growing up poor makes children twice as likely to drop out of high school, 1.3 times more likely to have emotional or behavioral problems and three times more likely to have a teenage non-marital birth (Brooks-Gunn & Duncan 1997). Receiving welfare does not seem to break the cycle of the intergenerational transmission of poverty. Growing up poor has a negative impact upon the development of human capital, which in turn places individuals at a greater risk of needing aid from public assistance programs at some point later in life (Rank and Cheng 1995).

Nevertheless, there is some evidence that increasing welfare benefits leads to an increase in children's educational attainment, boosting the likelihood that a child would complete 1 to 4 years of college (Butler 1990). In this case, rather than creating a detrimental environment for children, welfare income is used by the family for investment in the human capital of the next generation similarly to other sources of income (Butler 1990). This finding is consistent with Becker's "Treatise on the Family" where he posits that parents invest in their children's human capital as they expect to reap high economic and psychic rewards from that investment later in life (Becker 1981). It is also consistent with the contention that rather than undermining the children's self-esteem and control over their lives, adequate welfare levels provide a floor of income security and allow the family to focus on the future rather than worry about daily expenses (Perlman 1960, Butler 1990).

### **Subsidized Housing and Children's Transitions to Adulthood**

Given the mostly negative effects of growing up poor and receiving welfare benefits on children's future life chances as well as the accelerated departures out of the home for children from disadvantaged backgrounds outlined above, how does subsidized housing influence the decision of children to leave the parental nest?

First, compared to all income-eligible renters, subsidized households are more likely to have lower levels of education, to be female-headed, and to rely on income from Social Security, TANF, SSI and Food Stamps (HUD 2008). Therefore, given their more disadvantaged socioeconomic backgrounds, children in subsidized housing may leave the parental home at a younger age. Second, subsidized housing residents are less likely to experience overcrowding, more likely to stay in their apartments longer and more likely to have access to better housing

quality than they would otherwise enjoy in the private market (HUD 2008, Newman and Schnare 1997). Moreover, receipt of project-based assistance is associated with large decreases in rent burden and modest decreases in paying utilities (Berger et al. 2008). Therefore, as subsidized tenants are less likely to suffer from overcrowding and about as likely to report housing quality deficiencies as the income-eligible population, children may not be compelled to move out at the first available opportunity due to physical inadequacies in their parents' homes (HUD 2008). Moreover, as subsidized households are more residentially stable than other income-eligible renters, children need not face the disruption of moving, adjusting to new schools and finding new friends (Newman 2008). Lastly, as rents in subsidized housing are lower than rents in the private sector, parents may have relatively more disposable income to invest in their children possibly cushioning the transition out of the family home (Newman 2008). In fact, children in subsidized housing are less likely to have been held back in school (Currie and Yelowitz 2000), less likely to be undernourished (Meyers et al., 1995, 2005), and more likely to be working and less likely to receive welfare as adults (Newman and Harkness 2002) compared to children of similar socioeconomic backgrounds who did not grow up in subsidized housing. These findings suggest that some of the negative effects of growing up in a poor family may be mitigated by access to stable, not overcrowded and structurally sound housing.

Nevertheless, results from Britain show that children of public housing tenants compared to children of renters and home-owners experience most transitions to adulthood faster (Kneale and Sigle-Rushton 2010). They not only become parents sooner but are more likely to stop their education at an earlier phase (Kneale and Sigle-Rushton 2010). The beneficial aspects of public housing do not work through investments in education but through the parents' ability to provide housing in kind, especially for their sons (Kneale and Sigle-Rushton 2010). The negative effects

of subsidized housing appear to be concentrated in more recent cohorts as the subsidized housing sector in Britain has become smaller and more focused on the most disadvantaged (Lupton et al. 2009). Therefore, the transition of the housing program to serving poorer households over time counteracted the beneficial effects of housing quality and stability and sped up children's nest leaving process (Kneale and Sigle-Rushton 2010).

A related question regarding the process by which children in subsidized housing transition to adulthood is whether they move out of the subsidized program at all or return to it at some later point. Ethnographic evidence captures many families that have been in subsidized housing for generations (Venkatesh 2002), however, it is not clear whether this is a feature of the subsidized program as a whole or only of the most distressed public housing projects. As public housing is far more likely to be located in racially segregated areas with high concentrations of households in poverty and high proportions of males who are not regularly employed (Newman and Schnare 1997), the passing-down of subsidized housing status goes hand-in-hand with the intergenerational transmission of disadvantaged neighborhood environments. The negative effects of prolonged exposure to poor neighborhoods not only manifest themselves within the same generation but also can propagate across generations (Sharkey and Elwert 2010). If the subsidized housing program is reproducing itself by elevating the risk of children reentering the program as adults and if subsidized units continue to be located in some of the poorest and socially marginalized inner-city neighborhoods, the program may be creating a persistent marginalized population that is not able to transmit the needed human and social capital to the next generation so that it would not need further government assistance.

## **Research Model**

This paper will specifically model the transitions of children who have ever lived in subsidized housing out of the family home as well as their probability of re-entering subsidized housing as adults. There is growing evidence that children who live in subsidized housing are better off than their counterparts in the private market when it comes to grade retention in adolescence and employment status and earnings later in life (Currie and Yelowitz 2000, Newmand and Harkness 2002). One mechanism through which the beneficial effects of subsidized housing might manifest themselves in adult outcomes is through the timing and types of transitions that children make at the juncture of entering adulthood. Therefore, by looking at the timing of exiting the parental home as well as the modes through which subsidized housing children make that exit, this paper will shed light on the mechanisms through which government welfare program might cushion the transition to adulthood. At the same time, by examining the frequency with which children return to the subsidized housing program as adults, this paper will answer the question of whether the program has any tendency to reproduce itself.

First, I hypothesize that given the disadvantaged status of families in the subsidized housing program, children would experience most transitions to adulthood at an early age. Second, I hypothesize that children in subsidized housing would transition to adulthood via single parenthood and employment more often than via college attendance. Third, I hypothesize that subsidized housing may postpone some of the transitions to adulthood, especially when it comes to establishing an independent residence. Fourth, I hypothesize that being in subsidized housing as a child elevates the risk of utilizing the program as an adult.

## **Methods**

Following Goldscheider and Goldscheider (1998), I will first conduct a descriptive analysis of the paths to adulthood out of the family home. These include: (a) marriage, (b) cohabitation, (c) single parenthood, (c) school attendance, (e) employment, and (f) independent living. In addition to computing the frequency with which children make these transitions, I will also compute the median age of transitioning to adulthood via these routes as well as the median age of first birth and the median age of leaving full-time education.

Second, I will conduct an analysis comparing the paths to adulthood that subsidized children take to those from income-eligible families who have not lived in subsidized housing. I will use propensity score matching techniques (Rosenbaum and Rubin, 1983, 1985) to draw a sample of youths who are similar to the ones in subsidized housing in terms of socioeconomic background. Specifically, I will estimate a model predicting the probability of living in subsidized housing and use that probability to match children who use the subsidy (the “treatment” group) to ones who are similar to them on observed demographic and socioeconomic characteristics but did not live in subsidized housing (the “control” group) (Morgan and Winship 2007, Guo et al. 2004). I will match children using information from the first year in which they are observed in subsidized housing. After I arrive at my treatment and control groups, I will calculate differences between them in terms of the frequency of specific transitions to adulthood, the median age at which these transitions occur and the probability that these children enter the subsidized housing program as adults.

An extension of this analysis would be to group children within strata based on the probability of residing in public housing before the age of 18 and estimate within-strata discrete-time event history models of the timing of leaving the parental home, the timing of first



marriage/cohabitation, the timing of first birth, the timing of completion of full-time education and the timing of entry into subsidized housing as an adult (Brand and Xie 2007).

Finally, I will also experiment with splitting my subsidized housing sample into groups depending on the length of stay of children in subsidized housing as well as the timing of that stay (early childhood vs. adolescence vs. both early childhood and adolescence) and calculate differences in routes out of the parental home based on these more disaggregated groups.

## **Data**

I will use the Panel Study of Income Dynamics (PSID) for my analysis. The PSID is a nationally representative, longitudinal survey of US households, which started in 1968. It was conducted annually through 1997 and biennially thereafter. The PSID contains a rich set of household structure and socioeconomic variables with an oversample of low-income families. The PSID has been asking household heads whether they live in public housing or whether they receive any other help from federal, state or local sources in paying their rent in every wave of the survey since 1986. Moreover, out of concern for the quality of information obtained by asking respondents about their receipt of housing subsidies (Shroder and Martin 1996), each PSID family in every year through 1995 (except 1969, for which the addresses were lost) has been identified as living in a subsidized unit by matching its address to HUD and local Public Housing Agencies' administrative records (Newman et al. 2009). Currently, there is a project to update the matching of addresses from 1996 through 2009. The subsidized status of voucher recipients has not been recoded, as HUD does not maintain a database with the addresses of those subsidized through the Section 8 voucher program.

Per Newman et al. (2009) there are 116 female-headed households with children in public subsidized housing operated by local Public Housing Authorities in addition to 207 such households in private subsidized housing for a total of 323 female-headed households with children in the PSID for the period between 1969 and 1995 (Newman et al. 2009). There is about 14 percent attrition over the course of the survey amongst these female-headed households. I will submit an application to the PSID in order to obtain access to these confidential data regarding the public housing status of households.

Using publicly available PSID data on the respondents' self reports of receipt of subsidized housing, I have identified 309 children who entered subsidized housing (both public and other types such as voucher housing) before the age of 18, who were at least 25 years old in 2007 and did not attrit from the survey before they reached 25. I have chosen to only examine the transitions to adulthood of children who have at least reached 25, as these respondents would have had sufficient time to experience most transitions while still under observation in the survey. These children spent a total of 622 spells in subsidized housing with the maximum number of spells being 5 and the median time of stay in subsidized housing being 2 years. About 61% of them either continued living in subsidized housing past their 18<sup>th</sup> birthday or re-entered the program as adults. Twenty-two percent of them entered subsidized housing before the age of 6, 41% - between the ages of 7 and 12 and 37% - between the ages of 13 and 18. Three-quarters of them are black, with 19% being white and 5% - another race or Hispanic. On average, they have received 12 years of schooling. By the last year they are observed in the PSID, 62% have never been married and 23% have never had a child. The median age at which they establish an independent household away from parents and/or other relatives is 23. The median age of having

a first child is also 23. Figures 1, 2, and 3 below show the hazards of exiting public housing, having a first child and getting married for the first time for the 309 children in my sample.

## **Conclusion**

The timing and circumstances of leaving home are an important part of the status attainment process (White and Lacy 1997). Early transitions to adulthood may have negative consequences for the life chances of children who may not be prepared to take on adult responsibilities or be able to sustain adult roles successfully (Chassin, Proessen, Sherman and Edwards 1992). This line of reasoning suggests that keeping children at home longer may provide parents more opportunity to share their resources with their children and to influence their children's behavior especially if they are not able to pay for college education (White and Lacy 1997). As subsidized housing provides stable and better-quality housing than what most families would be able to afford on their own in the private market, children growing up with rental subsidies may be shielded from some of the adverse consequences of growing up in poor families. On the other hand, if growing up in subsidized housing makes children more likely to remain in subsidized housing as adults, the program may be confining generations of individuals to poor disadvantaged neighborhoods. By analyzing how government support in childhood interacts with the transitions of children into adulthood as well as the transmission of subsidized housing status, this paper will shed light on whether federal policies aimed at supporting the poor have an impact that propagates through the status attainment process of the next generation.

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**Table 1. Percent children in subsidized housing by race**

Race	Percent
White	19
Black	75
Other	5
Total	100%
N	309

**Table 2. Percent children in subsidized housing by education**

Education	Percent
Less than HS	1
Some HS	17
HS	50
Some college	25
College and above	8
Total	100%
N	309

**Table 3. Total number of children**

Number of births	Percent
0	23
1	25
2	23
3	16
4+	12
Missing	1
Total	100%
N	309

**Table 4. Total number of marriages**

Number of births	Percent
0	62
1	34
2	2
3	0.3
Missing	1
Total	100%
N	309

**Table 5. In subsidized housing after age 18**

Race	Percent
No	39
Yes	61
Total	100%
N	309



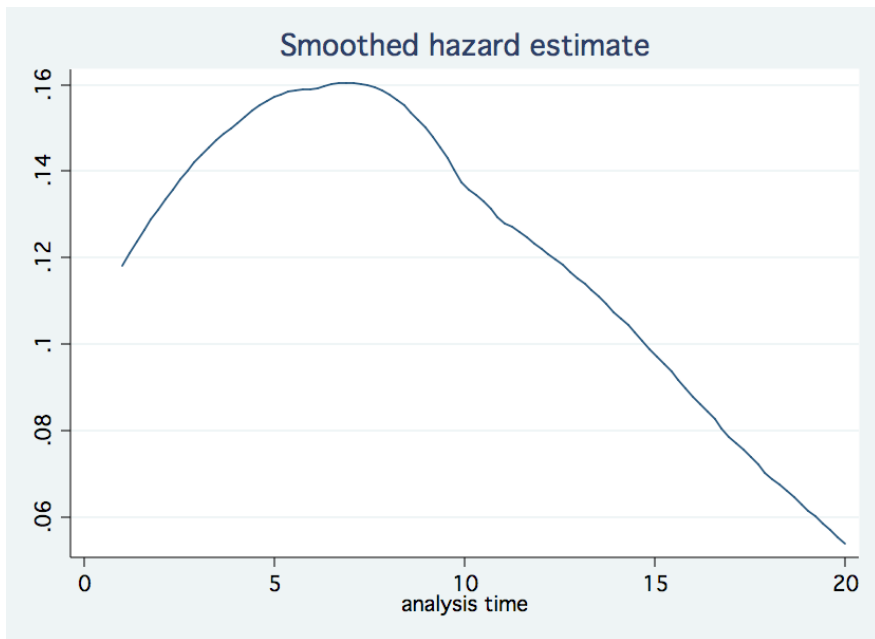


Figure 1. Hazard of exiting subsidized housing by years in subsidized housing

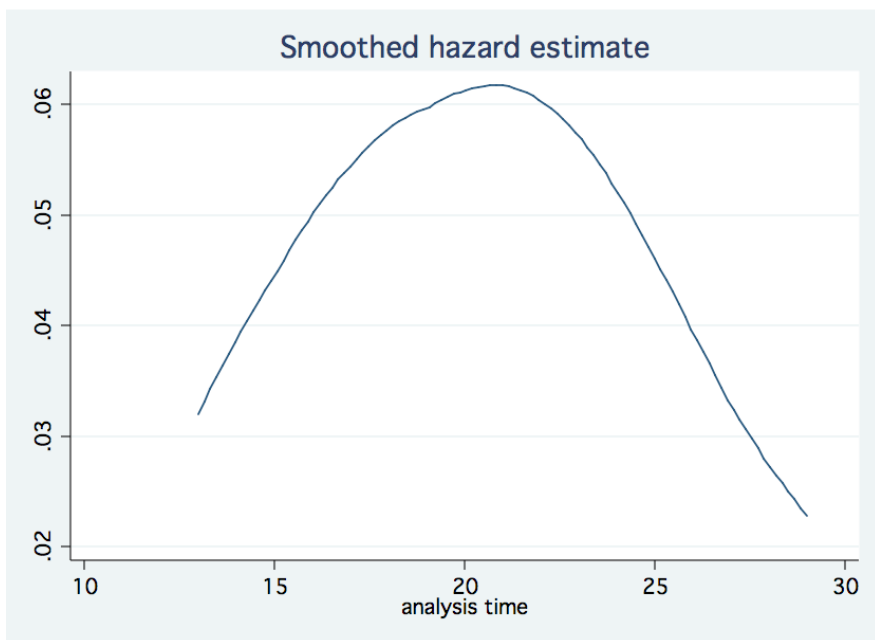


Figure 2. Hazard of having a first child by age

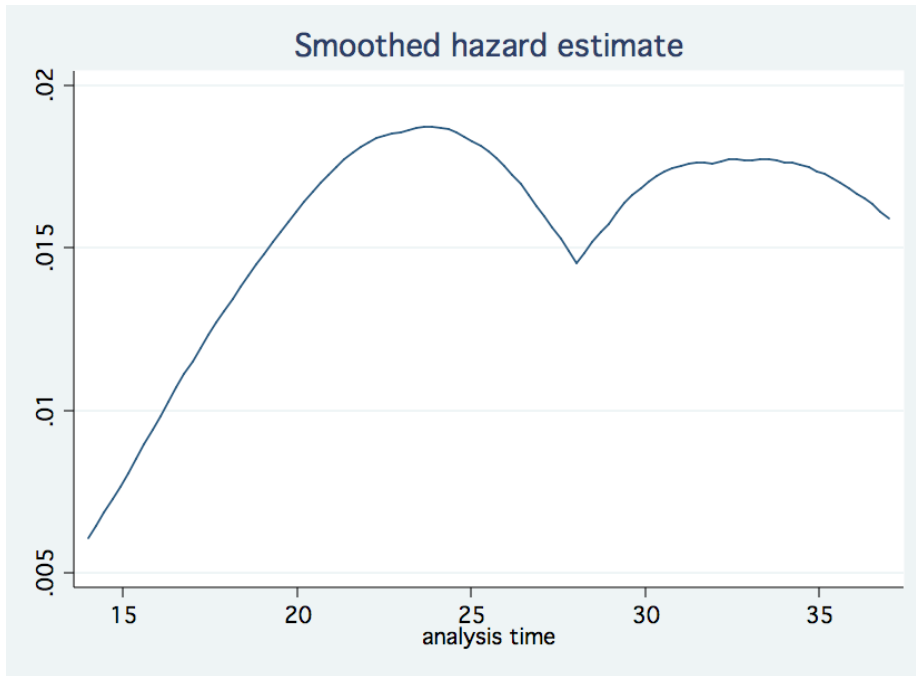


Figure 3. Hazard of first marriage by age