



Economic Review

Labor Market Improvement and the Use of Subsidized Housing Programs

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Local and demographic-specific labor market conditions are more useful than national aggregates in explaining subsidized housing use.

Improved employment outcomes and opportunities could assuage the need for subsidized housing programs by increasing household incomes. But at the national level, the relationship between labor market outcomes and subsidized housing use is unclear. State-level data may paint a more detailed picture. Local public housing agencies allocate resources and subsidies based on local priorities. Moreover, employment conditions and demographic factors are state-specific, causing the use of subsidized housing to vary across states in a manner that national indicators do not capture.

Nicholas Sly and Elizabeth M. Johnson estimate how state-level changes in labor market conditions for particular sex, age, and race groups are associated with participation in a variety of subsidized housing programs. They find that the use of housing choice vouchers tends to fall as more women and prime-age workers obtain employment. Their results highlight the importance of local and demographic-specific labor market conditions, not national aggregates, in explaining subsidized housing use.

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