

A Quasi-Experimental Approach to the Analysis of the Employment Outcomes of Public Housing Tenants

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Abstract: This paper utilises public housing administrative records from Western Australia to examine the impacts of public housing institutional arrangements on employment outcomes. Using a quasi-experimental approach, we explore welfare locks, housing stability and the work incentive effects of income-related rents in relation to public housing. We find that welfare locks while prospective tenants are on wait turn lists are large, and this is particularly evident among males. Individuals experience housing stability once they enter public housing and we find that this has a positive impact on employment outcomes. The impact is once again larger for males than females. On the other hand, we cannot detect generally significant effects from rebated rents on employment status.

1. Introduction¹

The existing public housing literature offers multiple hypotheses on the effects of public housing on employment. The welfare lock hypothesis states that the requirement to maintain income below the public housing income eligibility limit may ‘lock’ applicants in an unwaged state while on the wait list in order to maintain eligibility (Yelowitz, 2001). Public housing can have a positive impact on employment outcomes by providing housing stability (Van Ryzin, Kaestner and Main, 2003). Many individuals are in inadequate housing circumstances while on the wait list (e.g. homelessness) but once in public housing they have a secure address from which they can conduct their job search. On the other hand, the withdrawal of housing subsidies as income increases can create sharp work disincentives for public housing tenants (Wood, Ong and Dockery, 2007). This paper utilises empirical analysis to measure the effects of welfare locks, housing stability and income-related rents on employment outcomes. This research question has strong policy relevance as the empirical identification of the avenues through which public housing affects employment can guide policy-making that are designed to encourage economic participation through housing assistance.

Analysis of the effects of public housing on employment outcomes is often plagued by reverse causation. For example, public housing may blunt work incentives and therefore impact negatively on employment outcomes, but low incomes that result from inferior employment outcomes can also result in eligibility for public housing. Unravelling cause and effect relationships poses challenges to researchers and policy-makers. These challenges are added to when there are unobservable factors that are correlated with both public housing status and employment outcomes. For example, intellectual disabilities are not commonly measured in surveys that are not specific to health. Those suffering mental health problems have relatively low rates of labour market activity because their impairments adversely impact employability; as a consequence low incomes and a disproportionately high enrolment in housing assistance programmes can be anticipated. The effect of the unobservable, in this case intellectual impairments, can be confounded and adverse employment outcomes can be falsely attributed to housing assistance.

Quasi-experimental methods can be used to circumvent these issues. An example of a quasi-experiment in the housing context is the rationing of public housing (Fischer, 2000). There are more people eligible for public housing than there are vacancies. Eligibility requires satisfaction of income tests, and once these tests are met applicants enrol on wait turn lists. Once applicants reach the top of the wait turn lists they are offered assistance; administrators cannot select from the wait turn lists those who have tended to have inferior employment records. As a consequence variation in housing assistance between applicants making transitions into public housing, and applicants still on wait turn lists may be treated as uncorrelated with unobservable variables that shape employment outcomes. Quasi-experiments mimic the approach of medical researchers who randomly assign clients between treatment groups that receive a drug, and control groups that receive a placebo. Quasi-experiments assume that if the treatment were not delivered the outcomes of both groups would on average be the same. Any differences that do emerge with treatment can be attributed to the effects of that treatment rather than differences in the characteristics of the two groups. Other public housing studies have typically made use of random variation in the gender mix of children to isolate the impacts of public housing on outcomes. A family with

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same-sex children will likely be offered a smaller property than an observationally equivalent family with mixed-sex children. The latter therefore receives a larger public housing subsidy due to random variation in the children's gender mix that is uncorrelated with unobservable variables that shape economic or social outcomes. Examples of such studies include Currie and Yelowitz (1998), Currie and Yelowitz (2000), Yelowitz (2001) and Fertig and Reingold (2006). The only known Australian study to utilise this approach is Dockery, Ong, Wood and Whelan (2007).

This paper adopts a quasi-experimental approach to examine the effects of welfare locks, housing stability and income-related rents on the employment outcomes of public housing tenants. In section 2 we describe the institutional arrangements that are the source of welfare locks, housing stability and work disincentives through income-related rents. In section 3 we construct employment profiles for working age public housing tenants. We compare employment outcomes before and after entry into public housing, and find that employment outcomes improve following entry. Section 4 reports findings from the estimation of models that are designed to detect the presence and strength of causal links. Welfare locks and housing stability impacts on employment are detectable as wait list applicants make transitions into public housing. However, we find that housing assistance provided via income-related rents in public housing has at most small negative impacts on employment outcomes. A common thread throughout this paper is the use of confidentialised administrative records from the Department of Housing and Works (DHW) database in Western Australia. Though our findings are based on Western Australian data, we believe that there is sufficient uniformity in the operations of state housing authorities to generalise on the basis of our results.

2. Public Housing Institutional Arrangements

Public housing is offered at below market rents but in insufficient amounts to meet the demand for housing at these rents. The excess demand results in rationing with allocation governed by queuing as applicants are placed on wait lists, with offers made once an applicant reaches the top of the list. The queue is administered by income eligibility rules that are applied on application and when the applicant reaches the top of the list. To maintain their position in the queue, prospective tenants must therefore continue to satisfy income thresholds otherwise an offer will not be made. While on wait lists the time that applicants wait can be thought of as an investment. It is a sunk cost because it cannot be reversed once it has been incurred. If you accept a job that takes income above the eligibility thresholds an offer of public housing will not be made, and though income might fall in the future on reapplication the household will find themselves at the end of the queue.

These rules create a potentially powerful welfare lock given that waiting times are typically close to one year². An applicant may be deterred from accepting job offers because the higher income from earnings could jeopardise the applicant's position in the queue. As state housing authorities' income thresholds have fallen in real terms, the welfare lock is now binding at lower percentiles of the income distribution. In Western Australia current price income eligibility thresholds remained unchanged over the decade 1996 to 2006 (Hafekost, 2007), and declined in real terms by 29%³. Table 1 presents nationally representative population estimates from the Household, Income and Labour Dynamics Australia Survey of the number and percentage of working households⁴ with assessable household income⁵ below the income

² In Western Australia the average wait time before entering public housing of tenants listed between 1999 and 2005 is 10 months.

³ Between June 1996 and June 2006, the Consumer Price Index increased from 119.8 to 154.3 (ABS, 2007a). This represented an increase of 29%. However, over the same period, income eligibility limits remained the same in nominal terms.

⁴ A working household is a household with one or more employed adults.

thresholds determining eligibility for public housing. Between 2001 and 2005 the number of eligible working households fell from 1,086,000 to 806,000, and there is an even sharper decline as a percentage of all working households (see second row of table 1). It is increasingly difficult to work and retain eligibility for public housing; the welfare lock has been tightening its grip over the 2001-2005 timeframe.

Table 1: Number and percentage of working households with assessable household income below the income thresholds determining eligibility for public housing in Western Australia

	2001	2002	2003	2004	2005
Number of eligible working households '000	1,086	1,066	1,009	871	806
% of all working households	21.5	20.5	19.2	16.5	14.9

Source: Household, Income and Labour Dynamics Australia Survey waves 1-5, WA DHW (2006)

Once a wait list applicant has successfully made the transition into public housing, income eligibility limits become notional as they are not generally applied. This is because it is operationally easier to withdraw an offer of public housing to someone on the wait list, than it is to terminate the lease of resident tenants who have breached income eligibility limits, but faithfully observed the terms of leases. The welfare lock is relaxed as their tenure in public housing is not generally threatened by acceptance of a job offer. In November 2005 17% of Western Australian public housing tenants (who have entered since January 1999) were living in households that technically breached income eligibility limits. Many individuals also experience precarious housing circumstances while on the wait list, but once in public housing they are granted housing stability and a secure address from which they can conduct job search.

Once a household has entered public housing their rents are income-related. Rents in public housing are set at levels that are in the vast majority of cases below market rents. Typically, tenants pay rents that are a fixed percentage of their assessable income and state housing authorities employ somewhat different definitions of household assessable income. Assessable incomes generally include the government benefit entitlements of the principal earner and their partner, but practice varies with respect to the fraction of income of other household members that is included in assessable income. Typical rents are currently set at between 10 to 15% of assessable family payments and 25% of other assessable income. Rents increase as assessable income increases so tenants may be deterred from accepting job offers because of the work disincentives associated with higher earnings.

3. The Employment Profile of Public Housing Tenants and Applicants

We conduct our empirical analyses using the DHW confidentialised public housing administrative data. The sample comprises all households who entered the wait list between 1 January 1999 and 30 November 2005. The eligibility threshold was a weekly household income level of \$390 (\$550) for non-disabled single persons in the metropolitan and country (north-west and remote) regions over this period, and was higher for larger or disabled households (WA DHW, 2006). As mentioned previously, the period covered by the data was one during which income eligibility thresholds in Western Australia remained unchanged in nominal terms but declined in real terms by 29%.

Because of the panel nature of the data, we are able to track the employment profile of individuals from the point of entry onto the wait list. Using a sample of working age individuals who have spent time on the wait list, table 2 presents estimates derived from

⁵ Assessable household income is measured using gross household income. Most sources of household income are assessable.

tracking the employment profile of individuals at three points in time - on acceptance onto the wait list, on entry into public housing and finally the most recent observation⁶. The table shows that the aggregate employment rate of persons is 14% at entry onto the wait list, increases to 16% at entry into public housing, but then rises to 20% at the most recent observation. There is only weak evidence here of a welfare lock. Employment rates improve more after transition into public housing than they do while on the wait list. The table conducts the same comparisons for subgroups of the sample defined by geography and key socio-demographic characteristics. There are inter-regional differentials, with higher employment rates observed for tenants in country regions such as the Pilbara and Kimberley than for metropolitan regions. Persons who are on the priority list also have somewhat lower employment rates than those on the normal wait turn list⁷. Males are more likely to be employed than females, and non-disabled persons than disabled persons. We find higher employment rates among Aboriginal tenants than non-Aboriginal tenants. However, the employment trend as tenants make transitions from wait lists into public housing tenancies remains the same across all groups.

Table 2: Employment rate at entry onto the wait list, entry into public housing and most recent observation, by socio-demographic characteristics, working age tenants, per cent ^a

	Entry onto wait list	Entry into public housing	Most recent observation	Sample
All regions	13.9	15.8	20.2	26,880
Priority level during wait list period				
Wait turn	15.5	18.3	22.6	16,569
Priority	15.8	15.7	21.4	2,717
Wait turn, then priority	10.0	10.4	14.7	7,594
Gender				
Male	16.6	19.8	25.1	10,288
Female	12.3	13.4	17.2	16,591
Aboriginality				
Non-Aboriginal	13.1	14.8	19.9	17,716
Aboriginal	15.5	17.8	20.9	9,164
Disability status				
Not disabled	14.7	16.7	21.4	24,097
Disabled	7.2	7.9	9.8	2,783
Metropolitan regions				
North Metro	8.8	10.5	15.2	6,508
South Metro	9.7	10.6	15.2	3,771
South East Metro	11.0	12.4	18.5	5,045
All metropolitan regions	9.7	11.2	16.3	15,324
Country regions				
Great Southern	19.5	20.3	22.2	893
South-West	15.1	16.8	20.4	1,551

⁶ For tenants still in public housing at the end of the data timeframe most recent refers to 30 November 2005. For tenants who exited public housing before the end of the timeframe most recent refers to the exit date from public housing.

⁷ Applicants considered to be particularly disadvantaged, such as the homeless and victims of domestic violence are placed on priority lists.

	Entry onto wait list	Entry into public housing	Most recent observation	Sample
Goldfields	14.9	16.2	20.9	1,719
Midwest-Gascoyne	14.2	17.4	21.4	1,864
Pilbara	22.6	25.3	29.6	2,216
Kimberley	32.2	36.0	38.6	1,607
Wheatbelt	18.3	20.7	22.8	1,706
All country regions	19.5	21.9	25.4	11,556

Source: Authors' calculations from DHW public housing data 1999-2005

Interpretation of table 2 is obscured by changes in general labour market conditions that accompany the panel's transition from wait lists into public housing. During the period considered labour market conditions were strengthening and so improving employment profiles are to be expected regardless of housing circumstances⁸. Table 3 addresses these concerns by comparing the employment outcomes of working age tenants during year t with the *contemporaneous* employment outcomes of working age wait list applicants in the same year. The year t employment outcome of applicants and tenants are both measured on 1 July. Table 3 reports contemporaneous outcomes of all working age tenants and applicants. Table 4 cross tabulates by priority status.

Table 3 demonstrates that the employment rate among wait list applicants is below that of those that have already entered a public housing tenancy. The average employment rate of tenants is 18% as compared to a contemporaneous employment rate of 13% for applicants. Hence, overall, tenants are 5 percentage points more likely to be employed than applicants and this difference is statistically significant at the 1% level. This comparison is evident in each of the years 1999 to 2005, with tenants' employment being more favourable than applicants' contemporaneous outcomes regardless of the year. We find the same pattern by gender, disability status, Aboriginality and region, with tenants' outcomes being significantly better than the contemporaneous outcomes of applicants in all subgroups examined⁹. These findings offer stronger evidence of welfare locks, though further analysis has to be undertaken in order to determine whether this increase in employment is principally attributable to welfare locks or the ontological security that public housing provides.

Table 3: Contemporaneous employment rates of applicants and tenants, by year^a

	1999	2000	2001	2002	2003	2004	2005	All
Employment rate (%)								
Applicants	15.3	14.9	13.9	12.6	12.0	12.0	12.2	12.9
Tenants	15.9*	18.9*	17.4*	16.1*	17.9*	18.4*	20.0*	18.2*
Sample								
Applicants	4,255	10,472	15,298	16,073	15,643	15,422	15,284	92,447
Tenants	578	2,368	4,420	6,464	8,230	9,720	10,686	42,466

Source: Authors' calculations from DHW public housing data 1999-2005

Notes:

a. Excludes transfer applicants, that is, individuals already living within public housing who have applied to transfer to another public housing property.

* Significantly different from applicants at 1% level

⁸ The Western Australian unemployment rate in 1999 was 6.9%, and it then fell to 4.4% in 2005 (ABS, 2007b).

⁹ Details are available from authors on request.

We address this issue by dividing the sample into two subgroups – wait turn and priority applicants. Priority applicants are assessed as being in urgent need of housing assistance because they are in extremely unsatisfactory housing circumstance (e.g. homeless), have complex needs (e.g. disabilities) and maybe victims of abuse (e.g. domestic violence). They are then likely to be in precarious housing circumstances where the offer of stable housing opportunities could have wider benefits that include improved employment outcomes. There is also an element of administrative discretion in who is housed first, and so those who may benefit most are first offered housing. Applicants accepted onto wait turn lists meet income eligibility tests, and must wait until they reach the top of the queue in the region where they have lodged an application before an offer of housing will be made. Their housing circumstances do not warrant priority status. Wait turn applicants must wait considerably longer for offers of public housing. Applicants in our dataset typically spend slightly over one year on the wait list while the typical wait for priority applicants is nearly half that duration at 7 months. Wait turn applicants must therefore make greater investments of time to gain offers of public housing, and their incentive to maintain income below eligibility thresholds is then stronger. We can expect welfare locks to be particularly apparent among wait turn applicants. On the other hand, the shorter time that priority applicants wait, and their insecure circumstances would suggest that the stability afforded by public housing is the main reason for employment gains.

Table 4 shows that regardless of priority status, tenants’ employment outcomes are better than applicants’ contemporaneous outcomes. The typical employment gain made by wait-turn (priority) tenants’ following entry into public housing is 7 (5) percentage points. These gains are statistically significant at the 1% level for tenants that entered from wait turn and priority lists. These percentage point findings seem to suggest that welfare locks and housing stability effects are both present. But we cannot rule out other differences between those still on wait lists and those that have been housed. These differences might be correlated with both wait list status and employment outcomes, and could therefore account for the patterns that we observe from the straightforward comparisons drawn in tables 3 and 4. We explore this further in the following section.

Table 4: Employment rates of applicants and tenants, by priority level and year, per cent

	1999	2000	2001	2002	2003	2004	2005	All
<i>Wait-turn</i>								
Employment rate (%)								
Applicants	15.6	15.3	14.3	12.9	12.4	12.3	12.6	13.3
Tenants	18.4*	20.1*	18.8*	17.1*	19.9*	20.7*	22.5*	20.1*
<i>Priority</i>								
Employment rate (%)								
Applicants	11.3	8.9	7.3	7.2	6.5	6.8	6.4	7.3
Tenants	4.0* ^b	14.4*	12.7*	12.7*	12.2*	12.0*	13.2*	12.6*

Source: Authors’ calculations from DHW public housing data 1999-2005

Notes:

- a. Excludes transfer applicants, that is, individuals already living within public housing who have applied to transfer to another public housing property.
- b. The number of priority applicants who were allocated a public housing property in 1999 is very small (366). Hence, this estimate needs to be interpreted with caution.

* Significantly different from applicants of same priority level at 1% level

4. The Effects of Welfare Locks, Housing Stability and Housing Subsidies on Employment

In this section we employ such a quasi-experiment to model the employment outcomes of applicants for public housing where these are measured in each year from entry onto the wait list to the most recent observation. The model specification is known as a difference-in-difference model (Meyer, 1995) that makes employment outcomes a function of:

- Whether the applicant successfully entered public housing over the time frame; this is known as the treatment variable.
- Whether the observations belong to a time period before or after entry into public housing; this is the difference-in-difference variable.
- A list of controls that include age, sex, household type and size, region or residence, ethnicity, disability characteristics and the year of observation.

The treatment variable distinguishes those who entered public housing from those still on the wait list at the end of the timeframe. Its role is to pick up the net effect of unmeasured differences between tenants (the treatment group) and the comparison group of applicants still on the wait list at the end of the timeframe. There are 22,628 tenants in the so-called treatment group and 38,016 applicants that remain on the wait list at the end of the timeframe (the comparison group). The difference in difference variable detects if there is a significant change in employment outcomes for those making it into public housing as compared to those still waiting for a public housing opportunity. It is the key variable in the present context. Its estimated impact allows for observed differences in characteristics related to the chances of being employed, as captured by the list of controls¹⁰.

Table 5: Welfare locks; difference-in-difference model estimates^a

Explanatory variables ^b	Marginal effects (percentage points)					
	All males (1)	All females (2)	Wait-turn males (3)	Wait-turn females (4)	Priority males (5)	Priority females (6)
Treatment group	-2.9*	-1.7*	-3.1*	-1.5*	3.3**	1.7
Difference-in-difference	11.1*	5.3*	11.5*	5.3*	3.6*	1.9*
No. of observations	51,567	81,829	46,491	71,058	5,076	10,771

Source: Authors' calculations from DHW public housing data 1999-2005

Notes:

- a. Excludes transfer applicants, that is, individuals already living within public housing who have applied to transfer to another public housing property.

* Statistically significant at 1% level; ** Statistically significant at 5% level

The difference-in-difference specification is estimated as a logit model, and the model's coefficients are used to obtain marginal estimates that represent the change in probability of employment when a particular characteristic is present¹¹. The marginal effect estimates are

¹⁰ The quasi-experimental approach assumes that if the treatment (entry into public housing) were not applied the outcomes (in this case employment) would be the same for treatment and comparison groups.

¹¹ The marginal effect has a somewhat different interpretation when applied to a continuous variable. It is the change in probability with respect to a 1 percent change in the continuous variable.

presented in table 5 for the key treatment group and difference-in-difference variables¹². In the first two columns of table 5 our findings for all males and females are presented. Separate models of male and female labour market behaviour are common in the literature because such behaviour is typically found to differ between the sexes. Both males and females in the treatment group have small but noticeably inferior unmeasured characteristics that are of similar magnitude. But the difference-in-difference variable has a much larger impact among males; the transition of males into public housing is the cause of an *11 percentage point* increase in employment participation, as compared to a smaller but nevertheless important employment gain of 5 percentage points for all females.

The remaining columns are of importance from a policy perspective because they seek to unbundle this employment gain into welfare lock effects and housing stability effects. Columns 3 and 4 estimate the model for males and females on wait turn lists, where welfare locks are believed to be the primary source of employment gain. Columns 5 and 6 use a sample of male and female priority list applicants only, where welfare locks are less likely, but housing stability is believed to be a more important source of gain. These estimates offer clearer implications about the source of employment gain than do the straightforward comparisons in section 2. Once again the employment gain is larger for males than females, regardless of priority status. But more importantly, the employment gains are large for wait turn applicants at 12 (5) percentage points for males (females), yet priority applicants make much smaller employment gains of 4 (2) percentage points for males (females). The difference for males is striking, and the improvement in employment outcomes for male wait turn applicants is large.

Welfare locks and housing stability impacts on employment are detectable as wait list applicants make transitions into public housing. Once in public housing income-related rents can negatively affect work incentives. Those tenants who for one reason or another become unemployed or reduce work effort will typically receive higher amounts of public housing housing subsidy. When the reasons for change in employment outcomes are causally unrelated to public housing housing subsidy, it would be wrong to conclude that the consequent increase in housing subsidy has caused the inferior employment outcome.

The challenge for researchers is to isolate variation in housing subsidy that is independent of factors that impact tenant employment outcomes. In the present context housing subsidy is the difference between rebated rents and the market rent. We exploit a potential source of independent variation in housing assistance among parents with two children. DHW in Western Australia employs occupancy rules that will assign two bedroom properties if the parents have two children of the same gender, and three bedrooms if children are of mixed gender¹³. The market rents of three bedroom properties are typically higher. Since there is no reason to expect differences in the characteristics of parents of same and mixed gender children, the parents of mixed gender children will receive higher levels of housing assistance independent of their propensity to be employed. Since the chances of parenting two children of mixed or same gender is an act of nature, research designs of this kind are labeled natural experiments.

The sample frame is then parents of two children that became public housing tenants in Western Australia between 1999 and 2005. To allow for lagged effects on employment decisions, we measure employment outcome 2 years after entry into public housing. A regression model has been estimated for this sample. The key variable is housing subsidy, defined as the difference between market rent and the rebated rent paid by the tenant. Since

¹² Estimates for the controls have been omitted, but include socio-demographic characteristics such as age, whether partnered or not, number of dependent children, disability status and region.

¹³ In fact occupancy rules are a somewhat complicated by criteria that take into account the age of children. It should also be pointed out that these rules are applied in so far as the available housing stock allows, a point we return to at the end of this section.

the available stock of housing varies by region and size there is reason to suspect that the chances of being assigned a 2 or 3 bedroom property will differ across regions. This will undermine the natural experiment study design. We address this by including regional controls in the model.

Our findings suggest that public housing subsidy has no impact on the labour market behaviour of female parents. There is some evidence of a negative impact for fathers. Model estimates indicate that a \$1 per week increase in public housing assistance will reduce the probability of male employment by 0.7 percentage points. This is a sizeable negative impact but must be treated with caution as the sample size (358) is small compared to that used to detect female employment impacts (1,120). There is also an important reservation. The capacity of DHW to apply its occupancy rules is compromised by an apparent shortage of 2 bedroom properties. This means that most parents of two children are assigned three bedroom properties and this limits the variation in housing assistance that is linked to the gender mix of children. We believe that on balance our evidence here indicates that housing assistance provided via income-related rents in public housing has at most small negative impacts on employment outcomes.

5. Summary and Concluding Comments

This paper has used the administrative records of a state housing authority to explore welfare locks, housing stability and the work incentive effects of income-related rents in relation to public housing. Welfare locks and housing stability impacts on employment are detectable as wait list applicants make transitions into public housing. We find that welfare locks while prospective tenants are on wait turn lists are large, and this is particularly evident among males where employment rates are impacted by 12 percentage points. On the other hand, we cannot detect generally significant effects from rebated rents on employment status.

The findings reported in this paper play an important role in shaping the policy proposals. It seems that work disincentives arising from rent formulae are not responsible for the deterioration in employment rates of public housing tenants relative to the rest of the population. A more likely explanation is *tighter welfare locks* because income eligibility rules used to admit applicants onto wait lists are more stringent, as state housing authorities have sought to target public housing on those Australians most in need of housing assistance. In more recent years the deteriorating affordability of housing in private markets has aggravated the situation, by encouraging low income households to invest more time on wait turn lists given the relatively affordable rents in public housing. Finally declining stocks of public housing mean that applicants have to wait longer before they reach the top of the queue.

The policy perspective that emerges is both intriguing and worrying. The evidence suggests that state housing authorities' understandable attempts to marshal their resources to meet those most in need could be counterproductive because they risk entrenching poverty and disadvantage among public housing applicants by creating welfare locks. The extension of income eligibility rules by offering fixed-term tenures that are not renewable unless tenants can be shown to be in 'need', would catch tenants as well as applicants in welfare locks. While fixed-term tenures might be motivated by a desire to meet the urgent needs of applicants on waiting lists, they could be counterproductive if they encourage tenants to 'game the rules' in order to renew tenancies. To the extent that the increase in employment rates following the transition into public housing represents an enabling effect, state housing authorities have to be cautious about the application of fixed-term tenures that might threaten the stability of tenants' housing circumstances, or alternatively ensure that the tenants have the means to establish stable alternative housing before removing them from public housing.

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