

The Importance of Integrating Rigorous Research Objectives into any Reauthorization of the “Moving to Work” Demonstration

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March 2, 2007

Executive Summary

The Moving to Work (MTW) Demonstration was launched in 1996 to test different approaches for helping families with children make progress toward self-sufficiency and improving efficiency in the public housing and Section 8 Housing Choice Voucher programs. As the Urban Institute concluded in its evaluation, however, the lack of attention to research objectives in designing the demonstration and “the lack of consistent data on resident characteristics, incomes, and rent payments” have meant that “there is no way to determine with certainty whether individual programs have achieved the goal of work and self-sufficiency.” HUD’s Inspector General similarly concluded that insufficient data had been collected to determine whether the various goals of the demonstration had been met.

This paper does not take a stand on the question of whether or not to reauthorize the Moving to Work demonstration. Should the demonstration be reauthorized, however, we believe it is imperative that it be designed and funded in such a way as to learn *real, validated lessons* about which approaches are most effective for helping families make progress toward self-sufficiency and achieving the other goals of the demonstration. To this end, the demonstration’s research objectives should be integrated into the core fabric of the demonstration and adequate funding should be provided to ensure that an evaluation can be conducted utilizing the highest professional standards.

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Introduction

Congress is presently considering whether, and if so how, to reauthorize a U.S. Department of Housing and Urban Development (HUD) demonstration called “Moving to Work.” Established in 1996, the Moving to Work demonstration provides HUD with broad authority to grant waiver requests by up to 30 public housing authorities of the statutory rules applicable to two large rental housing assistance programs – public housing and the Section 8 Housing Choice Voucher program. The purpose of the demonstration is to test different approaches for “reduc[ing] cost and achiev[ing] greater cost-effectiveness in federal expenditures,” providing “incentives to families with children . . . to obtain employment and become economically self-sufficient,” and “increase[ing] housing choices for low-income families.”¹

Reauthorization proposals advanced toward the end of the prior Congress range from a straightforward reauthorization of roughly the current scope to a much more extensive expansion to up to 250 agencies that could, depending on how it is administered by HUD, re-write the rules applying to more than a million families nationwide.

One important issue that has not received sufficient attention in the reauthorization debate concerns the opportunity presented by a reauthorized Moving to Work demonstration to generate real, validated, lessons about which strategies are most effective in achieving the goals of the demonstration: improved efficiency, progress toward self-sufficiency, and increased housing choice. This same opportunity was present – but largely missed – during the initial authorization. Should a decision be made to move forward with reauthorizing the Moving to Work demonstration, it is critical that this opportunity not be missed again.²

The failure to collect rigorous data on outcomes and the lack of a research design in the original Moving to Work demonstration severely limited the lessons that could be drawn through evaluation

As with most other demonstrations, the legislation authorizing the Moving to Work demonstration referenced the need for program evaluation; the legislation even set aside funds for this purpose. With one prominent exception, however (discussed below), program evaluation was not built into the core fabric of the demonstration. As a result, the demonstration was set up in a way that made it extremely difficult to compare results across agencies (because every agency changed many different rules at the same time). There also was generally no control group against which to measure the efficacy of program changes. Perhaps the most obvious sign that program evaluation was an afterthought rather than a core component of the demonstration was the fact that HUD stopped collecting from Moving to Work sites even the basic data about program participants that HUD required from non-demonstration sites.

As a result, the Urban Institute, in its evaluation of Moving to Work, was forced to conclude:

Unfortunately, given the design of MTW and the lack of consistent data on resident characteristics, incomes, and rent payments, there is no way to determine with certainty whether individual programs have achieved the goal of work and self-sufficiency.³

HUD's Office of Inspector General similarly noted the problems associated with the failure to collect basic tenant data on the families served by agencies with Moving to Work waivers. Without the missing tenant data, the Office of the Inspector General wrote:

HUD was not able to provide the measurable and comparable results initially planned to support answers to the question posed by the Moving to Work Demonstration legislation. HUD's evaluation could not cite (1) statistics showing Moving to Work Demonstration activities could be considered models for reducing costs and achieving greater cost effectiveness, promoting resident employment and self-sufficiency, and increasing housing choices for low-income households, and (2) comparative analyses intended to show the impact of program activities and importance of individual policy changes.⁴

The rigorous evaluation of the Jobs-Plus demonstration shows the promise for such evaluations in identifying effective strategies for moving families to work

There was one shining exception to this overall pattern. With a small number of the Moving to Work waivers, HUD implemented the Jobs-Plus demonstration. Jobs-Plus was a separate demonstration with a strong research design that tested a "saturation" approach to promoting work among low-income families that combined innovative rent policies with comprehensive services designed to help every non-disabled adult in a public housing development increase his or her work effort. An evaluation of Jobs-Plus found that it was effective in increasing earnings among public housing residents – especially in the agencies that made a serious attempt to implement it. Across all six sites, Jobs-Plus "increased residents' average annual earnings by 6.2 percent beyond what they would have been without the program. . . . In three sites that built programs of reasonable quality, Jobs-Plus had an earnings effect that averaged 14 percent per year — and nearly 20 percent in the fourth year."⁵

While it would be very expensive to implement the full-blown version of Jobs-Plus on a national scale, the Jobs-Plus demonstration provides a wealth of information that could be mined to develop specific models for less-expensive interventions that could be further evaluated to test their efficiency and effectiveness.

The precedent from welfare: rigorous evaluations of programs implemented through waivers built valid, actionable knowledge about "what works," which had a major impact on policy

To assess the potential of rigorous evaluations of demonstrations based on waivers of federal requirements to build knowledge and improve policymaking, it is helpful to examine the lessons learned from the major evaluations of state welfare reform demonstrations that preceded, and laid the foundation for, the 1996 federal welfare reform legislation.

During much of the 1980s and 1990s, the U.S. Department of Health and Human Services (HHS) had in place a "demonstration waiver" policy. Under this policy, HHS waived certain provisions of federal law to allow state grantees to test new welfare reform approaches, but only if the grantees agreed to evaluate their reforms utilizing a rigorous, experimental design that randomly assigned families to control and treatment groups to facilitate a fair assessment of the impact of

the intervention. This policy directly resulted in more than 20 large-scale randomized controlled trials of welfare reform programs from the mid-80s through the mid-90s.

These trials – along with those that HHS funded directly – built valuable, scientifically-valid knowledge about what works in helping individuals move from welfare to work. Of particular value, they showed conclusively that programmatic changes that provided more emphasis on and support for families’ direct transition to work boosted both employment and earnings among long-term welfare recipients, compared to the existing welfare program (Aid To Families With Dependent Children). Many of these alternative programs also produced a net savings in government expenditures.

This knowledge was key to the bipartisan consensus behind the 1988 welfare reform act and helped shape the major 1996 welfare reform act that has contributed, along with other factors, to a reduction in welfare rolls and gains in employment among low-income families.

The knowledge-building process that began with rigorous evaluations of the welfare reform waivers has continued with rigorous evaluations of states’ implementation of the federal welfare reform act. In 2002, Gordon Berlin of Manpower Demonstration Research Corporation (MDRC), analyzed much of the research evidence to date and summarized key conclusions in his paper, “What Works in Welfare Reform: Evidence and Lessons to Guide TANF Reauthorization.” The paper is chock full of verified quantitative data on the effectiveness of different approaches to welfare reform. For example, one learns from the paper that a flexible approach – that assigns families to job search or education pathways based on their particular needs and capabilities – is more effective in boosting earnings than programs that focus only on one or another of these pathways. The research results also provided compelling data showing that many of the initial gains in employment and earnings under welfare reform dissipated over time, suggesting a need for renewed attention in the next phase of welfare reform on how to maintain families’ employment gains.

Core principles to guide potential reauthorization of the Moving to Work demonstration

In light of the above discussion, we suggest the following set of core principles that ought to apply to any reauthorization of the Moving to Work demonstration:

- 1. A principal goal should be to learn lessons that can be applied to the broader universe of housing agencies that are not included in the demonstration.**
- 2. A rigorous research methodology should be employed to ensure that the lessons learned are meaningful and reliable.**
- 3. Adequate funding should be authorized and appropriated to ensure that the research can be conducted effectively.**
- 4. Congress should monitor implementation closely to ensure the demonstration succeeds in building real knowledge of which innovations are effective and which are not.**

Critics will argue that we cannot afford to wait five or ten years for the results of rigorous research to inform policymaking. The circumstances of the Moving to Work demonstration provide an obvious and effective rejoinder. If the original demonstration had been structured as a rigorous research demonstration, rather than as a collection of disparate waivers with no serious data collection or evaluation requirements, Congress, HUD, and the broader housing field would now know which interventions had proven effective and which had not. As a result, there could very well have been data available right now to suggest that certain program changes should be made available to the entire universe of housing agencies and the families they serve. We also would now have a much better sense of which interventions ought to be tested in the next phase (if any) as well as better data from which to analyze the pros and cons of granting such broad waiver authority in the first place.

Instead of having a new debate focused on facts established during the initial ten years of the Moving to Work demonstration, the field is essentially having the same debate all over again. This is the fundamental problem with demonstrations that do not have a rigorous research design. Rather than speeding up the policymaking process, they actually slow it down by neglecting to build a strong foundation of rigorously established facts that can form the basis for sound decision-making.

Key elements of a rigorous research framework for a reauthorized Moving to Work demonstration

There are many questions that arise in thinking about how to ensure that any reauthorized Moving to Work program includes a solid research component. Many of these questions can be resolved at the implementation phase once legislation is in place. But there are certain key points that need to be addressed in the reauthorization legislation itself. These include:

1. ***A strong commitment by Congress to building a rigorous evaluation program into any reauthorized Moving to Work demonstration***, as expressed through:
 - ***explicit requirements for a rigorous evaluation*** (utilizing randomized assignment to the extent practicable) and
 - ***adequate authorization and appropriation of necessary funds***.
2. ***A commitment to ensuring that the ultimate design of any reauthorized demonstration is conducive to rigorous evaluation across sites***. In other words, the goal of really learning something should be considered as one key factor in determining which waivers are granted. This is not to say that waivers should be limited only to stylized interventions dreamed up by researchers, but rather that the ultimate pattern of waivers needs to be capable of rigorous evaluation across sites.

In practical terms, this suggests that waiver requests may need to be considered in groups, where a range of alternatives for achieving similar goals are studied across sites. It also suggests that, in addition to granting waivers of proposals advanced by housing agencies, some waivers should be reserved for agencies that agree to implement certain specific strategies that need to be tested to round out a complete evaluation protocol, or that prior research suggests may be promising for achieving the goals of the statute.

3. ***A requirement that the results of prior evaluations of HUD programs be considered in determining the nature and scope of waivers granted.*** If the field is going to build knowledge, it is essential that we build on what has been learned from past research and experience, rather than continually reinventing the wheel. While the housing field has suffered from inadequate attention to and funding of rigorous program evaluation, there is nevertheless an important body of research literature that should be mined to determine which interventions have the greatest likelihood of success. This literature base includes formal evaluations of the Jobs-Plus, Moving to Opportunity and Welfare to Work Voucher demonstrations, as well as evaluations of the Family Self-Sufficiency and HOPE VI programs and evaluations of various aspects of the public housing and Section 8 voucher programs.

As with the prior objective, the point here is not to limit new waivers to interventions that are certified by researchers. Nor is it to denigrate or exclude from consideration the important body of experience that housing agencies have accumulated in administering HUD programs. Rather, the goal is simply to ensure that, in addition to reflecting the needs and experiences of public housing agencies, any new waivers also build on what we have learned from prior research.

Conclusion

If reauthorized, the Moving to Work Demonstration should be designed so as to learn real, validated lessons about which of the strategies it funds are most effective. To this end, the demonstration's research objectives should be integrated into the core fabric of the demonstration and adequate funding should be provided to ensure that an evaluation can be conducted utilizing the highest professional standards.

Endnotes

¹ Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, 110 Stat 1321).

² This paper does not take a stand on the question of whether or not to reauthorize the Moving to Work demonstration. Should the demonstration be reauthorized, however, we believe it is critical that one of its principal objectives be to learn lessons through rigorous research that could pave the way for more fundamental reform throughout the nation.

³ Martin D. Abravanel, Robin E. Smith, Margery A. Turner, Elizabeth C. Cove, Laura E. Harris, and Carlos A. Manjarrez. *Housing Agency Responses to Federal Deregulation: An Assessment of HUD's "Moving to Work" Demonstration: Final Report*. Washington, DC: The Urban Institute. Available on the Internet at: <http://www.hud.gov/offices/pih/programs/ph/mtw/evalreport.pdf>.

⁴ "Design and Implementation of the Public Housing/Section 8 Moving To Work Demonstration Program," HUD IG Report 2005-SE-0001, April 12, 2005. Available on the Internet at: <http://www.hud.gov/oig/ig500001.pdf>.

⁵ Howard S. Bloom, James A. Riccio, and Nandita Verma with Johanna Walter. 2005. *Promoting Work in Public Housing: The Effectiveness of Jobs-Plus*. New York, NY: MDRC. Available on the Internet at: <http://www.mdrc.org/publications/405/overview.html>.