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# Evaluating a Cash Transfer Benefit to National Housing Trust Residents

**PREPARED FOR**

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Monsenor Romero Apartments. Credit: National Housing Trust

## Executive Summary

Between May and August 2022, the National Housing Trust (NHT) ran a small-scale, direct cash transfer program which was intended to help stabilize tenants across eight of their twelve low-income housing developments in Washington, D.C. As part of the program, Housing Initiative at Penn (HIP) researchers worked with NHT to design and implement multiple surveys of residents. Through intensive outreach, the surveys captured a population that is particularly vulnerable and often hard to survey. The results include important findings about the impact of the COVID-19 pandemic on low-income households, as well as the potential of direct cash transfers to stabilize these families:

*Even with the benefits and wrap-around services associated with living in an NHT property, tenants reported significant financial and housing instability during the pandemic.*

- Roughly half of survey respondents reported being behind on rent.
- Fifteen percent of residents reported delaying medical care to make life more affordable during the pandemic, and nearly half reported having difficulty implementing Covid-19 health guidance (often due to issues of affordability).

*The monthly cash grant was associated with reduced levels of anxiety about housing stability and fewer tradeoffs in health and other household needs.*

- Most NHT residents who received cash payments reported that this assistance improved their households' finances (69%) and reduced stress (62%).
- Among those who received the cash benefit, the share of residents who reported having skipped or delayed medical care in order to make life more affordable decreased from 14% to 5%.

*Tenants most often used the monthly cash benefit to buy groceries and help pay their regular expenses, but some indicated they used the funds to access care that would otherwise not be available.*

- Sixty percent of those who received the cash benefit used the funds to buy groceries, and more than forty percent reported using it for other monthly bills.
- One in five residents who received the cash transfer report that it allowed them to access care that would have otherwise been inaccessible.

*Tenants with unit-based vouchers experienced less housing instability during the pandemic.*

- Respondents with vouchers were much less likely to report being behind on rent (28% compared to 50%), less likely to have to borrow money to pay rent (11% compared to 41%), and less likely to apply for StayDC's rent relief program (22% versus 59%).

## Introduction

The Covid-19 pandemic brought about a historic level of economic stress for households across the country. This stress was particularly acute in low-income communities. Since 1990, the National Housing Trust (NHT) has served such communities by building and preserving low-income housing through policy innovation and advocacy, real estate development, lending, energy solutions, and community impact and outreach. Many NHT tenants faced financial challenges because of the pandemic and NHT was well positioned to help these households respond by helping to facilitate access to various sources of federal and local Covid-19 assistance.

Between May and August 2022, the NHT ran a small-scale, direct cash transfer program which was intended to help stabilize tenants across eight of their twelve low-income housing developments in the District of Columbia. Participating households received \$230 dollars a month over three months in the form of a VISA gift card. The program was designed to complement federal COVID-19 relief aid and to better understand the impact of unrestricted benefits to renters.

The cash benefit in this pilot program is distinct from both a Section 8 Voucher and StayDC funding as it is paid to the tenant rather than the landlord. This type of benefit allows individuals greater levels of autonomy, empowering them to determine how they can best meet their needs. Unlike StayDC funds or a Section 8 voucher, these funds can be used not only for housing-related expenses but also to meet other needs (such as accessing medical care and food) that are important to overall wellbeing and long-term stability.

## Methods

The Housing Initiative at Penn (HIP) designed and analyzed longitudinal tenant surveys. Both the baseline and follow up survey asked tenants about their rental history, current finances, and the health and wellbeing of members of their household to gauge the financial and housing stability of NHT tenants and to evaluate the impact of receiving cash assistance on housing stability, household finances, and stress.

HIP worked closely with NHT staff to identify tenants to be involved in the cash transfer program and associated research. One-hundred and fifty tenants were initially identified to receive cash transfers and an additional one-hundred and fifty were identified as a control group. One hundred and fifty-seven were surveyed at baseline in April and May of 2022; one hundred of the one-hundred and fifty in the treatment group responded to the follow up survey in July 2022. Selection was based on tenant interest in the program with an effort to include variation across NHT properties, whether households had received rent relief through StayDC, and whether tenants had Section 8 vouchers.

National Housing Trust's resident services coordinators managed the outreach with tenants, including phone calls and texts with resident-participants as well as door knocking and other face-to-face interaction. The survey was designed to be completed online through a platform called Qualtrics, although in some cases resident service coordinators administered a paper version of the survey. The survey was available in three languages but all respondents completed the survey in either English or Spanish.

Resident services coordinators faced significant difficulty engaging members of the control group, particularly in follow up. Therefore, our longitudinal findings focus on the treatment group, meaning those residents who received the cash-based assistance. This brief summarizes our findings from the baseline surveys completed by members of both the treatment and control groups and follow up surveys with those who received cash assistance.

**Table 01.** Household Characteristics at Baseline

|                                           | Entire Sample |          | Received Section 8 |          | Received StayDC |          | Received Cash Benefit |          |
|-------------------------------------------|---------------|----------|--------------------|----------|-----------------|----------|-----------------------|----------|
|                                           | Count         | Percent  | Count              | Percent  | Count           | Percent  | Count                 | Percent  |
| <b>Receives Housing Stability Benefit</b> |               |          |                    |          |                 |          |                       |          |
| Section 8                                 | 18            | 12%      | 18                 | 100%     | 4               | 4%       | 17                    | 17%      |
| StayDC                                    | 93            | 59%      | 4                  | 22%      | 93              | 100%     | 57                    | 57%      |
| <b>Race</b>                               |               |          |                    |          |                 |          |                       |          |
| White/Caucasian                           | 6             | 4%       | 0                  | 0%       | 3               | 3%       | 3                     | 3%       |
| Black/African American                    | 89            | 57%      | 17                 | 94%      | 52              | 56%      | 65                    | 65%      |
| Asian/Pacific Islander                    | 1             | 1%       | 0                  | 0%       | 0               | 0%       | 1                     | 1%       |
| Multi-racial                              | 1             | 1%       | 0                  | 0%       | 1               | 1%       | 1                     | 1%       |
| Other/Not Reported                        | 60            | 38%      | 1                  | 6%       | 37              | 40%      | 30                    | 30%      |
| <b>Ethnicity</b>                          |               |          |                    |          |                 |          |                       |          |
| Hispanic/Latinx                           | 52            | 33%      | 0                  | 0%       | 35              | 38%      | 26                    | 26%      |
| <b>Other Characteristics</b>              |               |          |                    |          |                 |          |                       |          |
| With Children                             | 93            | 59%      | 13                 | 72%      | 56              | 60%      | 5                     | 61%      |
| Without Internet Access                   | 39            | 25%      | 3                  | 17%      | 21              | 23%      | 22                    | 22%      |
| Overcrowding                              | 32            | 20%      | 0                  | 0%       | 23              | 25%      | 18                    | 18%      |
| <b>Total</b>                              | <b>157</b>    | <b>-</b> | <b>18</b>          | <b>-</b> | <b>93</b>       | <b>-</b> | <b>100</b>            | <b>-</b> |

## Household Characteristics

The large majority of NHT units in the District of Columbia are in the southeast in Wards 7 and 8. These communities are majority Black or African American, and also have significant numbers are Hispanic or Latinx. The households in these areas have incomes which are, on average, 55% lower than for the city at large. More than half of households are headed by women.

HIP’s survey sample of NHT residents was largely reflective of the demographics in these areas. Overall, 57% of respondents to the baseline survey self-identified as Black or African American and 33% identified as Hispanic or Latinx; similarly, 65% of respondents to the follow-up survey self-identified as Black or African American and 26% identified as Hispanic or Latinx.

Most respondents to the baseline and follow up surveys (75% and 77%, respectively) self-identified as female. The average reported household size at both baseline and follow up was 2.8, and about three out of five respondents at both baseline (59%) and follow up (61%) reported the presence of children under 18 in the household.

## Housing Stability

Most NHT tenants live in Low Income Housing Tax Credit (LIHTC) properties which set maximum monthly rent amounts. Tenants are responsible for 100% of their rent with no additional subsidies to support any monthly shortfalls. However, some NHT residents receive unit-based Section-8 vouchers, which ensure that housing related expenses are not more than 30% of a household’s income. Among those surveyed, 12% of households surveyed receiving a unit-based voucher at baseline, and 17% in the follow up. Among survey participants, households with tenant-based vouchers were less likely to report being behind on rent, and were less likely to have to borrow money to pay rent, compared to participants living in unit-based LIHTC properties. This could be related to their monthly rent being tied to their incomes; unexpected income shocks can be compensated for with additional subsidy. While our sample is small, it suggests an important avenue for additional research.

During the Covid-19 pandemic, there has been unprecedented funding for rental relief. In the District of Columbia, these funds were administered through a program called StayDC. More than half of surveyed residents received StayDC funding, and 59% of NHT tenants surveyed at baseline reported receiving rent relief through the StayDC program.

Despite participation in these programs, we observed significant housing instability among NHT residents during the pandemic, based on our baseline survey. However, there was much less instability among the tenants with unit-based vouchers. Twenty percent of those surveyed reported overcrowding in their units, but no households that receive a Section 8 voucher reported overcrowding. Nearly half (49%) of respondents reported being behind on rent, but only 28% of households with unit-based vouchers were behind on rent. Many NHT tenants (41%) also reported having borrowed money to pay rent within the last year to help pay rent, but only 11% of those with Section-8 vouchers reported having done so. Households that received StayDC funding were more likely report these indicators of housing instability. Households that received StayDC funding were more likely to be behind on rent (66%) and more likely to have borrowed money to pay rent within the last year (47%).

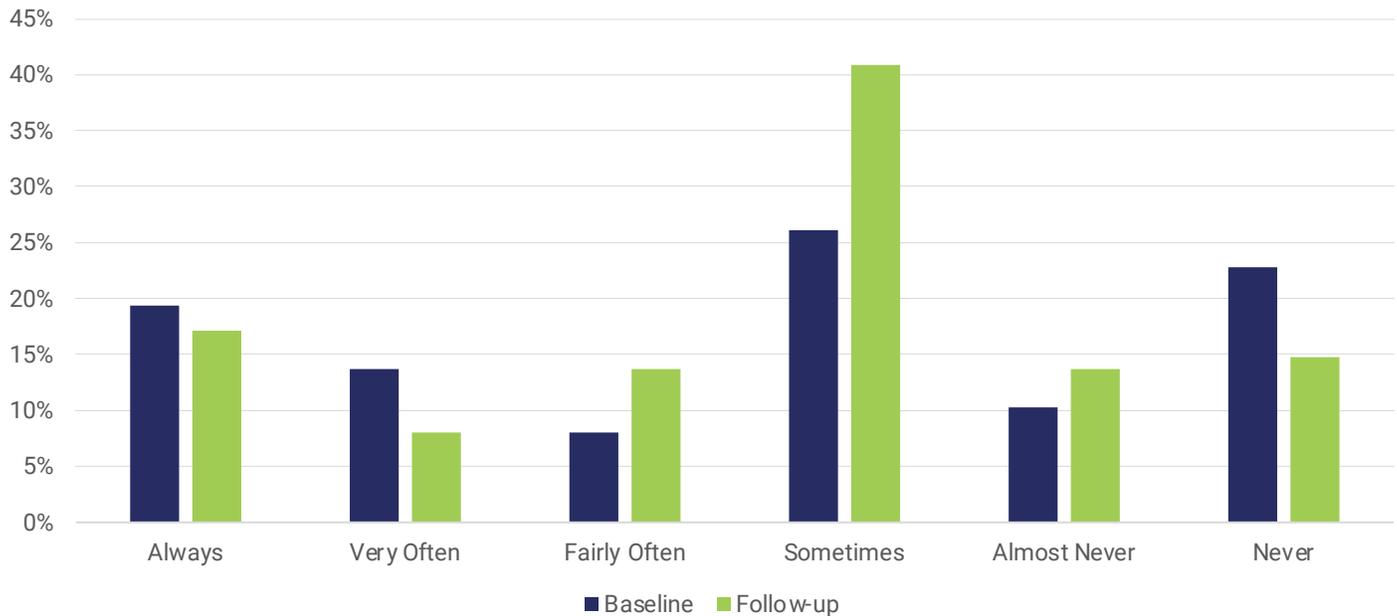
NHT tenants reported a significant level of anxiety about their housing. Nearly one in three (31%) reported being “Always” or “Very Often” worried about being able to stay in their current housing, and one in four (22%) reported being “Always” or “Very Often” worried about their housing conditions. This level of concern about being able to stay in housing and about housing conditions was consistent across

**Table 02.** Measures of Housing Stability

|                   | Baseline      |         |                    |         |                 |         |                 |         | Follow-up       |         |
|-------------------|---------------|---------|--------------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|
|                   | Entire Sample |         | Received Section 8 |         | Received StayDC |         | Treatment Group |         | Treatment Group |         |
|                   | Count         | Percent | Count              | Percent | Count           | Percent | Count           | Percent | Count           | Percent |
| Overcrowding      | 32            | 20%     | 0                  | 0%      | 23              | 25%     | 18              | 18%     | 18              | 18%     |
| Behind Rent       | 77            | 49%     | 5                  | 28%     | 61              | 66%     | 48              | 48%     | 48              | 48%     |
| Borrowed for Rent | 65            | 41%     | 2                  | 11%     | 44              | 47%     | 41              | 41%     | 29              | 29%     |

**Figure 01.**

Change in Frequency of Worry about Staying in Current Housing Between Baseline and Follow Up in Treatment Group



subgroups. This level of anxiety is likely tied to previous experiences with homelessness and extreme housing instability. At baseline, one in seven (15%) of respondents reported at least one experience of extreme housing instability or homelessness in the prior year; this number was significantly smaller for those respondents with a Section 8 housing voucher (6%) but consistent for those who received StayDC funding (14%). The most common type of reported extreme housing instability was couch surfing.

The monthly cash grant was associated with reduced levels of anxiety about housing stability. Among households that received the monthly cash grant, 29 respondents reported being “Always” or “Very Often” concerned about staying in their unit at baseline, and this number dropped to 22 at the follow-up. We also observe a reduction in the rate of borrowing in order to pay rent among members of the treatment group between baseline and follow up.

## Financial Stability

Survey respondents reported significant financial insecurity during the pandemic. At baseline, nearly one in five (18%) of NHT residents reported that they were currently going into debt, one in ten (10%) reported that they were living on their savings, and roughly half (51%) reported that they were “Just managing.” Only one in twenty (5%) reported that they either had “a bit of money left over” or had “enough money left to be able to save.” The figures for the treatment group at both baseline and follow up are quite similar.

Almost nine out of ten households reported cutting back or making changes to make life more affordable during the pandemic. Our baseline survey found that only 12% had not adjusted household spending in the previous last year. At that time, half of households reported cutting back on spending on clothing, 45% reported delaying paying bills, 32% reported cutting back on transportation related expenses, 26% cut back on utilities, and 15% of households had delayed or skipped medical care.

**Table 03.** Self-Reported Spending Changes Made In Order to Make Life More Affordable

|                                  | Baseline <sup>1</sup>      |         |                              |         | Follow-up <sup>2</sup>       |         |
|----------------------------------|----------------------------|---------|------------------------------|---------|------------------------------|---------|
|                                  | Entire Sample<br>(n = 157) |         | Treatment Group<br>(n = 100) |         | Treatment Group<br>(n = 100) |         |
|                                  | Count                      | Percent | Count                        | Percent | Count                        | Percent |
| Cut back on clothing             | 79                         | 50%     | 47                           | 47%     | 53                           | 53%     |
| Delayed bill payments            | 71                         | 45%     | 46                           | 46%     | 42                           | 42%     |
| Skipped medical treatment        | 24                         | 15%     | 14                           | 14%     | 5                            | 5%      |
| Took on more debt                | 30                         | 19%     | 17                           | 17%     | 14                           | 14%     |
| Cut back on transportation costs | 50                         | 32%     | 33                           | 33%     | 28                           | 28%     |
| Cut back on utilities            | 40                         | 26%     | 27                           | 27%     | 25                           | 25%     |
| Other                            | 14                         | 9%      | 9                            | 9%      | 4                            | 4%      |
| None of Above                    | 18                         | 12%     | 13                           | 13%     | 16                           | 16%     |

1. Baseline survey asked about adjustments to spending made in the prior year

2. Follow up survey asked about adjustments to spending made in the prior two months

However, several months later, households who received the monthly cash grant reported making fewer tradeoffs in the previous two months compared to what they reported at baseline. We observe a slight increase in the number of residents who reported not making any changes to their household budget, and a slight decrease in the number of residents who report having to cut back in most other areas. The most notable difference between baseline and follow up is in the decrease in the rate (from 14% to 5%) of residents who report having skipped or delayed medical care in order to make life more affordable.

NHT tenants were asked how they would currently pay for a \$400 emergency expense; the question was designed so that respondents could select more than one response. At baseline 45% of respondents indicated that their households would not be able to cover a \$400 emergency expense; 43% reported that they would borrow funds from a family member or friend; and only 6% reported that they would be able to cover this expense using cash or money currently in a checking or savings account.

## Health and Covid

A link between financial and housing stability and health has been established in academic research; and it is well understood that the Covid-19 pandemic hit marginalized communities, like those the NHT serves, particularly hard.<sup>1</sup> At the baseline, nearly half (47%) of respondents indicated that they faced some difficulty implementing Covid-19 precautions—some of the most common issues included tenants not being able to afford to buy high quality masks, gloves, or hand sanitizer, not being able to afford to miss work while experiencing symptoms or after being exposed, and not having space to isolate household members while they were sick. These barriers to implementing public health guidance likely resulted in more Covid-19 cases among NHT residents than would have existed without these barriers. 41% of survey respondents

<sup>1</sup> Vasquez Reyes, M. (2020, December). The Disproportional Impact of COVID-19 on African Americans. *Health and Human Rights*, 22(2):299-307. PMID: 33390715; PMCID: PMC7762908.

**Table 04.** Self-Assessment of General Health

|           | Baseline      |         |                 |         | Follow-up       |         |
|-----------|---------------|---------|-----------------|---------|-----------------|---------|
|           | Entire Sample |         | Treatment Group |         | Treatment Group |         |
|           | Count         | Percent | Count           | Percent | Count           | Percent |
| Poor      | 10            | 6%      | 4               | 4%      | 4               | 4%      |
| Fair      | 46            | 30%     | 30              | 30%     | 25              | 26%     |
| Good      | 50            | 32%     | 36              | 36%     | 38              | 39%     |
| Very Good | 36            | 23%     | 21              | 21%     | 16              | 16%     |
| Excellent | 12            | 8%      | 8               | 8%      | 15              | 15%     |

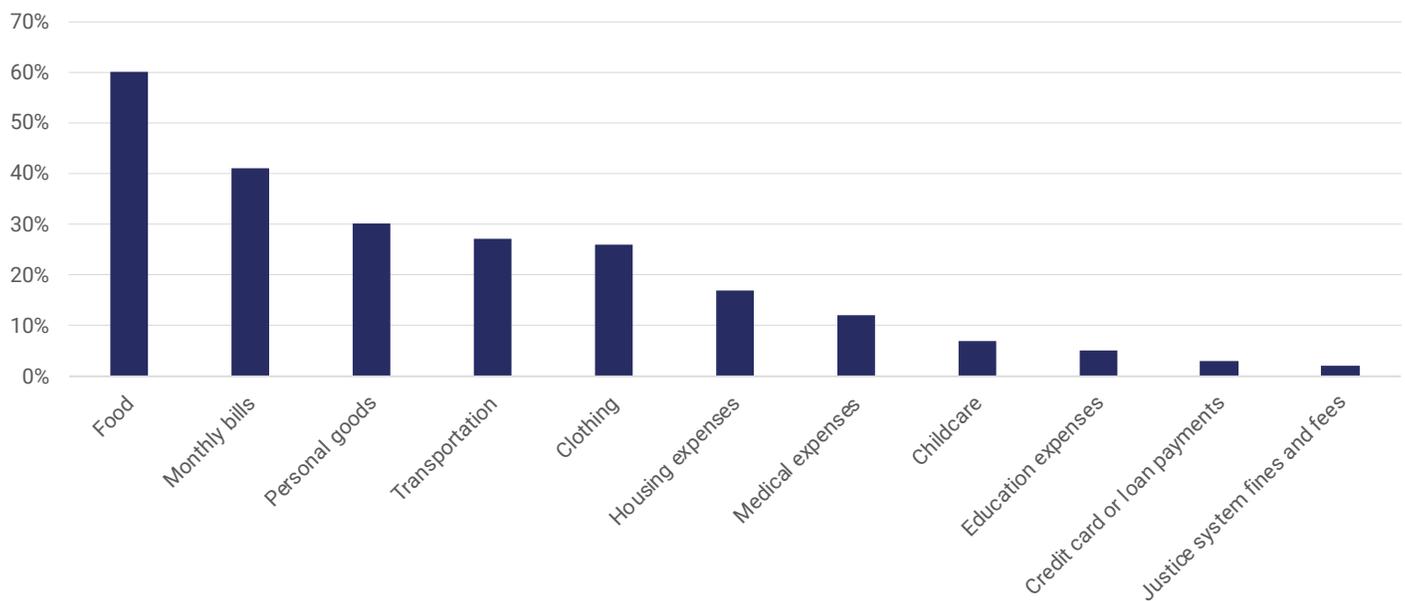
indicated at baseline that they or someone in their household had tested positive for Covid within the last year and 10% reported that they or someone in their household was experiencing ongoing symptoms, such as brain fog, fatigue, and/or physical symptoms, which they attributed to having had Covid-19.

HIP’s survey also asked at both baseline and follow up for respondents to rate their own health from poor to excellent. At baseline, 31% of those who responded rated their own health as “Very Good” or “Excellent” while 36% judged their health to be “Poor” or “Fair.” The number of survey respondents in the treatment group who self-evaluated their health as either “Fair” or “Poor” dropped during the treatment period from 34% to 30%. Table 04. (above) shows that this change was driven by a shift from participants self-evaluating their health as “Fair” to self-evaluating their health as “Good.” The sample size here is modest, however, this shift may be related to the change we observed between baseline and follow up in the number of participants who reported having delayed or skipped medical treatment in the previous months order to make life more affordable (see Table 03. on the previous page).

## Internet and Access

Our survey suggests that not having reliable internet access may pose a significant barrier to accessing benefit programs for many NHT respondents. One in four survey respondents (24.5%) reported not having internet access, and 46% of those with kids report not having a device other than a phone for online schooling. Our survey also asked those respondents who received assistance from StayDC about issues they had accessing this assistance: 15% indicated that “Issues with internet access” posed a barrier to accessing this funding. Internet access, digital literacy, and inconsistent phone access were also brought up in informal conversations with partners at NHT, limited digital literacy were cited as barriers to engagement with research. This also suggests that the actual figures for NHT residents without reliable internet access may be higher than our survey was able to capture.

**Figure 02.** Recipients Reported Spending Cash Benefit on:



## Self-Reported Impact of Cash Benefit

Most NHT residents who received cash payments as part of the NHT’s cash benefit pilot program reported that this assistance improved their households’ finances (69%) and reduced stress (62%). Survey respondents were asked to self-report how the funds were used in their household budgets: more than half of respondents reported using the funds to buy groceries; many respondents also reported using the funds to cover monthly bills, personal goods, transportation, and clothing.

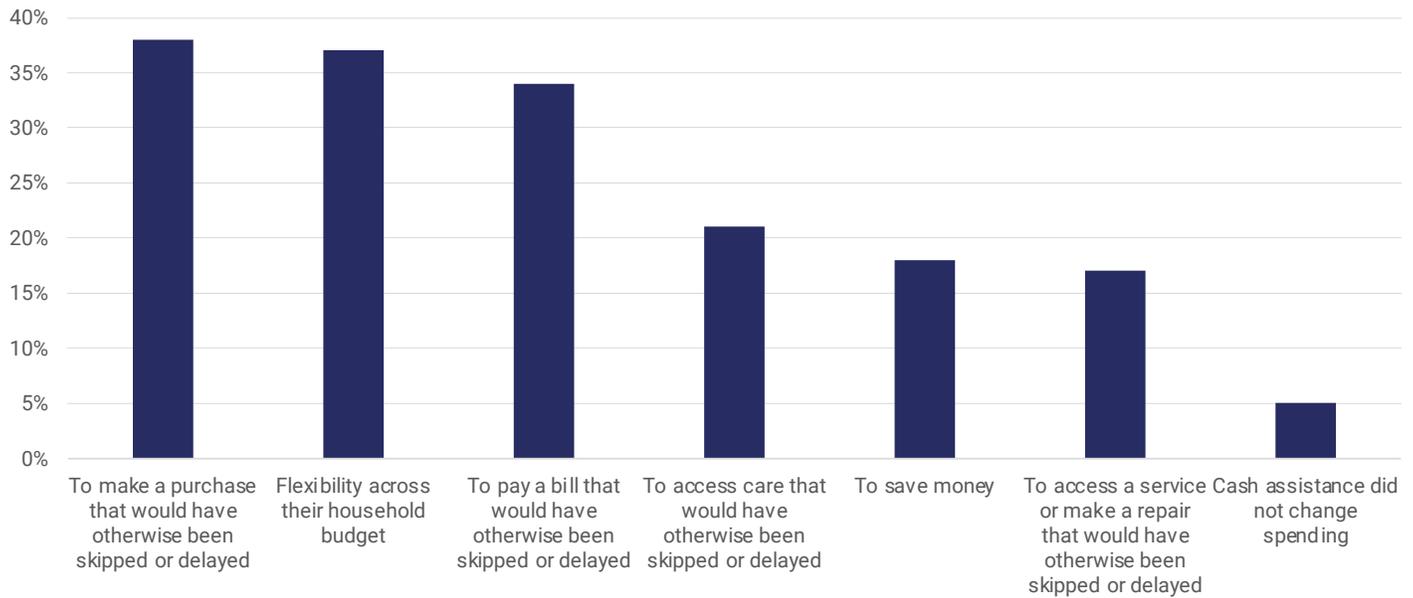
Our survey also asked in a more general way about how receiving the cash benefit impacted household budgets. One in three tenants reported that the funds provided flexibility across their budgets, allowed them to pay a bill that would have otherwise not been paid (or have payment delayed), and allowed them to make a purchase that would have either been skipped or delayed. One in five respondents indicated that the funds allowed their household to access care that they would have otherwise went without or delayed, and 17% indicated that funds allowed them to access a service or make a repair, and 18% were able to save because of the transfer. Only one in twenty reported that the funds did not change household spending.

## Discussion

National Housing Trust tenants reported facing significant housing and financial instability during the pandemic, which impacted their health and ability to respond to emergency situations. Even with the wraparound services provided by living in an NHT property, 15% of NHT residents reported delaying medical care to make life more affordable, and nearly half reported having difficulty implementing Covid-19 health guidance, often due to issues of affordability. While there were many services available during the pandemic, having reliable internet posed a significant barrier for some respondents trying to access benefit programs.

Half of all respondents reported being behind on rent in our baseline survey. However, only 28% of those with Section 8 Vouchers (28%) reported being behind on rent, compared to 66% of those who received StayDC funding. This suggests that StayDC funding played an important role supporting tenants who fell behind on rent during the pandemic. In addition, this differential suggests that the Section 8 tenant-based voucher—a benefit program which ties monthly rental payments to income—can be quite effective at stabilizing tenants through crisis periods such as this pandemic.

**Figure 03.** Recipients Reported that the Cash Assistance Allowed Them:



The majority of respondents who received the cash benefit self-reported that it had a positive impact on their household finances as well as on financial stress. This impact is not borne out when comparing the overall stress levels or the self-reported financial situation of the treatment group at follow up to the treatment group at baseline. There may be several factors influencing this differential between the reported and observed impact of the cash benefit including, the short period of treatment, the relatively low benefit level, and the high rate of inflation during this the treatment window.

The most common ways in which the cash benefit was used include for food (60%) and monthly bills (41%). Treatment group respondents also report making fewer adjustments to their budgets during the treatment period than they had during the prior year despite high levels of inflation during this time. Moreover, we observed a modest improvement in self assessed health, a trend likely attributable to the increased ability of residents to marshal the cash transfer in the ways that best support their overall wellbeing whether this is accessing medical, buying food, or meeting other basic needs.

## Implications

Findings from this pilot program indicate that there is persistent housing and financial insecurity among NHT residents and that a cash transfer program may help alleviate this insecurity. More research is necessary to understand how a cash benefit would function over the long term, as well as how it would complement other benefit programs.

A major limitation of the evaluation of NHT's cash benefit pilot was difficulty engaging resident-participants. While members of the control group were offered a gift card as compensation for taking the surveys, it had to be quite small in order not to cancel out the impact of the shallow cash transfer in the treatment group. Any future cash transfer research should consider from the outset strategies for boosting participation among control group members. Limited access to internet and low levels of digital literacy also impacted the evaluation; future research could introduce focus groups and phone or in-person interviews to address these barriers.

## **ACKNOWLEDGMENTS**

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