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Work Requirements and Time Limits in Rental Assistance Programs Will Worsen Housing Instability

The National Housing Law Project, the Center for Law and Social Policy, Justice in Aging, the National Low Income Housing Coalition, and Southern Poverty Law Center

Everyone deserves the freedom to live in a safe, affordable home. Our federal government protects that freedom through its rental assistance programs that help more than 10 million people – 3.2 million of whom are children – keep a roof over their heads.¹ Permitting public housing agencies (PHA) and owners of HUD-assisted housing to take away housing assistance from people who exceed strict time limits² or who do not meet harsh work requirements will put millions of people at risk of losing their homes *without* increasing employment opportunities or wages.

The Trump administration is currently drafting a rule that, reportedly, would allow more providers of rental assistance and other HUD-assisted housing to add work requirements and/or time limits to their programs.³ Under the draft rule, housing providers could:

- Require “work-eligible” adults to engage in work activities for up to 40 hours per week to continue receiving rental assistance
- Allow providers to establish term limits of no less than two years for non-elderly, non-disabled families

These policies will lead to more families and children experiencing eviction and homelessness.

Affordable housing programs play an important role in reducing historic racial disparities in housing and homelessness. Taking housing benefits away from people based on arbitrary and burdensome requirements will lead to fewer people receiving assistance, with people of color at greater risk.

For example, when work requirements were implemented for the Supplemental Nutrition Assistance Program (SNAP) program, research showed Black SNAP recipients were more likely to have their benefits sanctioned, or cut off, for non-compliance compared to white recipients, even when individuals’ structural and personal challenges were similar.⁴

HUD already allows these policies for some Moving-To-Work (MTW) agencies, and the agency itself has acknowledged a lack of research demonstrating the long-term effects of

work requirements and time limits. The MTW demonstration was established to study these types of local policies.

Many agencies that originally implemented work requirements and time limits eventually abandoned them, and the promised studies on the policies' efficacy have never been published in full.

People who are able to work but lack reliable shelter struggle to find and maintain a job, care for loved ones, and develop their skills. **Federal, state, and local policymakers must reject harmful policies like work requirements and time limits, which would ultimately deprive low income and working families of critically necessary housing stability.**

WORK REQUIREMENTS AND TIME LIMITS ARE ROOTED IN FALSE STEREOTYPES ABOUT PEOPLE WHO USE PUBLIC BENEFITS.

Most people in HUD housing who can work, do work. Few “work-able” adults who receive rental assistance are unemployed.⁵ Eighty-one percent of non-disabled people without young children worked in the past year, and those who do not work attend school, are caregivers,⁶ or are ill.⁷

About **39%**, or 1.8 million, of the 4.6 million households who receive HUD rental assistance are headed by individuals who are considered “work-able.”⁸

The remaining **61%** of HUD households are headed by someone with a disability (19%) and/or an older adult aged 62 or older (42%).⁹

Many working people still need rental assistance to help them afford housing because wages have not kept up with housing costs. Seventeen of the 25 most prevalent occupations in the U.S. pay a median hourly wage that's lower than the wage a full-time worker needs to earn to afford a modest one- or two-bedroom apartment.¹⁰

Working people with unpredictable schedules risk losing their benefits because their hours fluctuate from week to week.

About **one in four** U.S. employees face schedule unpredictability (27%) or instability (28%).

About **40%** have little or no control over their work schedules.¹¹

POLICIES THAT TAKE AWAY HOUSING ASSISTANCE LIKE WORK REQUIREMENTS AND TIME LIMITS PUNISH PARENTS AND THEIR CHILDREN.

These policies harm children. 3.2 million children who live in HUD-assisted households are not responsible for the work, wages, or hours their parents or caregivers maintain, but they are deeply harmed by lack of adequate government assistance. Evictions and homelessness have negative impacts on children's health, education, and even criminal justice involvement.

The typical work-able household receiving rental assistance consists of a working mom and two school-age children. There is not a community in the U.S. where a single mother working 40-hours a week and earning minimum wage can afford a two-bedroom fair-market rental home.¹²

To look at it from a different perspective, in 37 states, these families cannot afford even a one-bedroom apartment making the state's average hourly wage (which is typically higher than the federal minimum wage).¹³

The combination of low-wage jobs and lack of affordable child care limits work options for many parents of young children. As a result, many struggle to afford the consistent child care necessary to remain stably employed. In 2021, federal child care programs assisted only about 15% of income-eligible children.¹⁴ Most low-income families have to contribute significant, and often prohibitive, portions of their paycheck toward child care to maintain work.

WORK REQUIREMENTS AND TIME LIMITS JEOPARDIZE ASSISTANCE FOR PEOPLE WITH DISABILITIES, OLDER ADULTS, AND THEIR CAREGIVERS.

Every additional piece of paperwork that people are required to submit during an

application or recertification period increases the likelihood that households lose assistance.¹⁵ Proving compliance with work requirements further increases the risk that people will lose benefits, including those who are meeting their requirements and those who should be exempt from the requirements.

Many disabled people who are unable to work may not receive the necessary exemptions from these policies because they are unable to navigate documentation requirements to prove their disability(ies).¹⁶ This is true for seniors as well. Seniors who are exempt might still lose their assistance because of complicated paperwork. All seniors would be forced to navigate burdensome reporting requirements to stay eligible.

Millions of disabled people who are work-able also face serious barriers to employment, such as disability discrimination. People with disabilities face double the unemployment rate compared to nondisabled people because of ableism.¹⁷

Older adults are the fastest growing age group among people experiencing homelessness. In 2024, older adults aged 55 and over comprised about 20% of all people experiencing homelessness.¹⁸ While seniors 62 and above would be exempt from work requirements, many older adults between ages 50 and 62 would be subject to them. These older adults often have health conditions or experience age discrimination that prevent them from working.¹⁹

HARMFUL POLICIES LIKE WORK REQUIREMENTS MAKE IT HARDER FOR PEOPLE TO FIND AND KEEP QUALITY JOBS THAT PAY ENOUGH TO MAKE MARKET RENT.

Work requirements do not increase employment rates among benefit recipients. In nearly all of the government programs studied, employment among recipients not subject to work requirements is equal to, or higher than, employment among individuals subject to work requirements.²⁰

Most people subject to work requirements continue to experience poverty. Even in studies that found that recipients were more likely to be employed in the first two years after becoming subject to work requirements, earnings were not sufficient to lift these recipients out of poverty.²¹

Families and individuals subject to work requirements must submit burdensome paperwork proving that they've completed work-related activities every month. Programs that mandate work are burdened with processing this paperwork. People who are self-employed or work non-traditional jobs may struggle to obtain the necessary paperwork to report employment hours. People who work irregular schedules may not

meet month-to-month documentation requirements while still maintaining stable employment. Participants who experience technology literacy issues may be penalized or risk loss of their assistance simply because they are unable to navigate documentation systems.

IN UNAFFORDABLE MARKETS, HARMFUL POLICIES LIKE TIME LIMITS ONLY SERVE TO KICK PEOPLE OFF ASSISTANCE.

Families cannot close the gap between income and rent against a time clock.

Research shows that placing time limits on rental assistance results in housing instability for families. In one study, families who were offered only 18 months of rental assistance were twice as likely to be doubled up or homeless after three years compared to families who were offered ongoing, needs-based assistance.²²

Not a single HUD-subsidized housing provider has ever attempted to implement two-year time limits. Eleven of 19 MTW agencies that attempted to impose longer time limits later terminated these policies²³ citing lack of well-paying jobs, skyrocketing market rents, and lack of capacity to provide adequate supportive services.

Tacoma Washington abandoned its flexible five to seven year time limit after finding that only **6%** of participants were actually able to achieve self sufficiency at the time of their program exit.

In fact, participants were **three times more likely** to achieve self sufficiency and exit the program if they were **not** subject to term limits.²⁴

WORK REQUIREMENTS AND TIME LIMITS ARE EXPENSIVE TO IMPLEMENT AND FORCE PUBLIC HOUSING AUTHORITIES AND HUD-SUBSIDIZED PROPERTY MANAGEMENT TO DIVERT THEIR SCARCE RESOURCES.

Imposing work requirements and time limits would create new administrative costs for housing providers. Housing providers will be forced to divert resources away from property maintenance and employment-related supportive resident services that actually help people increase employment to pay for additional staff and regulatory compliance.

Implementing work requirements will require PHAs to invest more taxpayer dollars into administrative costs rather than direct assistance. In 2019, the Government Accountability Office (GAO) analyzed administrative costs in implementing Medicaid work requirements over a three-year period. They found that taxpayers had paid nearly \$408 million for implementation — in just five states.²⁵

Abruptly ending assistance for families every two years would also reduce the number of private landlords who are willing to rent to voucher-holders. The dependable payments vouchers provide are the most important reason many landlords accept them. This would narrow the housing choices available to voucher-holders, particularly in lower-poverty neighborhoods and in jurisdictions without source-of-income protection.²⁶

OUR GOVERNMENT SHOULD ENACT PROVEN SOLUTIONS TO POVERTY.

Instead of taking housing away from millions of people, the federal government should enact proven solutions to help struggling households earn more and get ahead. Ending housing insecurity starts with expanding investments in affordable homes to help people thrive. Congress and the administration should:

- Expand rental assistance to ensure it is universally available to every eligible household. Currently, only one in four eligible households receive any assistance because of chronic underfunding by Congress.²⁷
- Expand investments to build homes affordable to people with low incomes. Nationally, there is a shortage of 7 million homes affordable and available to people with the lowest incomes.²⁸
- Expand existing voluntary programs that provide services and financial incentives to help households achieve financial stability, like Jobs Plus and Family Self-Sufficiency.
- Evaluate existing demonstration programs, like Moving to Work, to determine the impact of work requirements and time limits on tenants and outcomes before imposing across-the-board changes.
- Further utilize HUD's Section 3 regulation, which provides an opportunity to promote job training and hiring among people receiving housing benefits.

ENDNOTES

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