

# The health, employment and education benefits of public housing

**THE REDUCED HOUSING COSTS, INCREASED RESIDENTIAL STABILITY, REDUCED CROWDING AND MORE SOCIALLY DIVERSE NEIGHBOURHOODS PROVIDED TO NEW PUBLIC TENANTS BENEFIT EDUCATIONAL OUTCOMES FOR CHILDREN, THE HEALTH AND WELL BEING OF TENANTS, AND REDUCE HEALTH COSTS FOR GOVERNMENT. AS FOR EMPLOYMENT, THE FINDINGS WERE MIXED: SOME NEW PUBLIC TENANTS WORKED MORE, OTHERS WORKED LESS.**

## KEY POINTS

- The health improvements experienced by new public tenants over the six months were attributed to reduced stress, more money to buy better food, reduced dust and hazards around the home, and improved self-esteem.
- There was also a change in the use of health services after people moved into public housing. Overall there was a small decline in the number and cost of visits to doctors. But heavy users of health services showed a much greater reduction in their use of health services, while light users showed a significant increase.
- People generally reported feeling safer after moving into public housing, due to improved security.
- Moving into public housing had a mixed impact on employment outcomes for people in the study. Some households reported less need to work due to reduced housing costs, and some used this opportunity to spend time training, caring for children, or undertaking voluntary work. Others felt more able to look for work once their housing issues were resolved.
- More than half of the 60 parents in this study felt that their children were performing better at school after moving into public housing, compared to only seven per cent reporting that they were performing worse. Similarly 45% felt that their children were more motivated, compared to 10% who felt that their motivation had declined.
- The main reasons given for these improvements were that the child was happier (25%), things were better at home (24%) and having a more motivated group of friends (18%). Parents also thought the child now had a better teacher (13%) and was attending a better school (12%) after the move.

## CONTEXT

Public housing is more than just a physical shelter. When government offers public housing to a new tenant, it is offering a bundle of 'goods' that reflect the different dimensions of public housing.

Some of these 'goods' are characteristics specific to the property (such as crowding, repair and amenity); some are characteristics of the tenure (lease conditions such as security of tenure and rent levels); and others are neighbourhood characteristics (whether the housing is located amongst private housing or other public rental housing); and area characteristics that shape, for example, the demographic of the local school population.

This study tries to tease out which dimensions of public housing have contributed to changes in non-shelter outcomes. Reduced cost, greater

*This Bulletin is based on research by Peter Phibbs from the AHURI Sydney Research Centre and Peter Young from the AHURI Queensland Research Centre. Their study tracked changes in the lives of 178 households in their first six months or so as public tenants.*



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stability, reduced crowding and more socially diverse neighbourhoods all seem to be important.

It also tries to shed light on processes – why and how do some aspects of housing (such as stability or neighbourhood) seem to influence some non-shelter outcomes (such as health or schooling)? Some impacts may be direct – for example, less dusty housing may reduce the incidence of asthma. Other impacts may be indirect – improved housing may improve self-esteem, increase one’s optimism of finding work, and encourage a person to spend more time job-seeking. Stress was identified in this study as a potentially significant housing – non-shelter outcome intermediary.

## THE METHOD

This study interviewed 178 tenants just after they moved into public housing and 151 about six months later. The survey focused on changes in the lives of these tenants, particularly with regard to their health, employment and the education of their children. It explored how the different aspects of assistance provided through public housing affected these different aspects of their lives.

As well as participating in interviews and completing a health and well-being survey, 80% of participants allowed access to their Medicare records a year before and a year after they moved into public housing.

## FINDINGS

### HEALTH

A number of participants reported an improvement in their health as a result of entering public housing. They reported:

- eating better foods as a result of increased financial resources;
- an ability to prepare their own foods rather than to buy take away food since they had a functioning kitchen;
- improved conditions in their dwelling such as less dust;
- increased self esteem, often associated with independent living, meaning that people were now looking after themselves better;
- extra income enabling them to participate in illness prevention programs such as joining a gym and getting more exercise;
- more support from neighbours;

- reduced stress due to security of tenure and more income; and
- improved access to medical resources.

A significant number of households were sharing with friends and relatives prior to moving into public housing. These people often reported greatly reduced stress levels when moving into their public housing because they no longer had to endure an ongoing conflict with a parent or carer.

Analysis of the Medicare data revealed some interesting trends. Overall there was a small decrease in the use of Medicare services. However there was a marked difference between previously light users of the Medicare system and heavier users. Light users tended to *increase* their levels of usage whilst heavier users *reduced* both the number and cost of services after they moved into public housing. The *net* cost outcome was a saving of \$30.71 of average benefits per person per month.

### EMPLOYMENT

There were mixed findings in this study about what was happening to respondents’ participation in the labour market.

In some cases, households used the extra disposable income they had since entering public housing to reduce their employment. Sometimes this enabled them to provide extra care for a household member or to spend more time with their children. In other cases it was to give them some more ‘time out’. Some households reduced their employment in order to undertake additional training. One man was able to give up his part time job as a result of his extra disposable income and to work for a charity on a full time basis.

Households were often aware that a benefit of reducing their employment levels was that their rent would go down. However, it was not clear that this was a primary financial consideration or that it influenced labour force participation decisions.

On the other side of the ledger, the increase in self esteem that some people reported meant that they wanted to work on their career – “well I have got my housing organised, now it’s time I got a good job organised”. Others reported that they had invested their financial savings into small businesses that they were starting. The additional disposable income also

**Table 1: Changes in the use of Medicare services before and after public housing**

	Average services per person per month before public housing	Average services per person per month after public housing	Average benefits per person per month before public housing	Average benefits per person per month after public housing
Total sample (N = 130)	1.92	1.86	\$60.96	\$58.66
Light users* (N = 42)	0.46	0.95	\$13.46	\$28.88
Heavy users** (N = 22)	4.32	3.39	\$152.36	\$106.23

\* where average services per month before public housing is less than 1. \*\* where average services per month before public housing is greater than 3.

Source: Authors analysis of data provided by the Health Insurance Commission.

meant that study participants had additional resources available for the job search.

The ambiguous findings about employment are consistent with previous research on this issue. Some people appear to consider financial factors when making decisions about employment, but this is clearly not the only consideration. For example, some participants in this study indicated that they had increased their levels of employment to reduce social isolation, to improve their self-esteem, and to provide a positive role model for their children. Financial factors such as increases in rent levels did not appear to be the predominant consideration for these people.

### CHILDREN'S SCHOOLING

The impact of public housing on education outcomes is possibly the clearest illustration in this study of the link between housing and non-shelter outcomes.

When pressed on the issue of why their children's performance had improved, people cited three main factors.

The first were to do with the nature of the neighbourhood and school, and included issues such as the quality of teaching and also having a more motivated group of peers.

The second concerned changes at home, and ranged from the increased happiness of the child now that he or she was living in a good quality dwelling and the reduced stress levels of their parents.

The third factor was more pragmatic – improved performance occurred because children now had more space and could do their homework without disturbing or fighting with their siblings.

It must be noted that for many participants their current housing was in marked contrast to a very mobile past that included a number of school changes.

In general the findings are consistent with the literature. The main unexpected outcomes of the study relate to the high profile of 'stress' as an issue amongst respondents and the results showing a very positive education impact even in a relatively short time period. Both these issues might relate to the very negative housing situations of the respondents prior to their move into public housing that was characterised by sharing with friends/relatives and frequent moves.

While about half of respondents reported that educational performance had improved after the move

**Table 2: Comparison of the educational performance of children before and after moving into Public Housing**

	Subject Performance (%)	Motivation Performance (%)
Better	53	45
Worse	7	10
About the same	40	45
Total	100	100

N = 60

**Table 3: Reasons for changed educational performance of children – Better performance**

Reason	Responses (%)
1. Better teacher	13
2. Better school	12
3. More motivated group of friends	18
4. Things are better at home	24
5. Child is happier	25
6. Other	9

Number of responses = 89

into public housing, no more than 10% reported that it had got worse. The number of respondents who thought their children's subject performance had improved outnumbered those who thought it had got worse by a factor of almost eight to one. Where the performance was better or worse, respondents were asked to suggest why. Table 3 presents the results of the question if they responded that performance had improved.

The first two reasons could be related to a locational issue where a child has changed schools but in some cases the student may have simply changed teacher. The third reason could be considered a neighbourhood effect – the peer group has changed for the child. The most important reasons relate to issues at home and the fact that the child is happier. When discussing this issue, respondents indicated that things like "family tension had decreased", the child "now had a private space to do their homework", "the child felt settled and had a group of friends in the neighbourhood", and "there is more space at home".

There were only a small number of responses that provided reasons for worse performance, with the main issue being that the respondents thought that the student had a worse teacher.

## POLICY IMPLICATIONS

This study has highlighted the connection between public housing and education. In particular the impact of frequent moves on educational outcomes appears to be an issue. These findings raise two key questions for policy makers – who to target for priority access to public housing, and what other forms of housing assistance to offer.

### WHO TO PRIORITISE FOR ASSISTANCE?

Because unstable housing and changing schools was found to reduce the effectiveness of school based remediation strategies, the following could be considered for inclusion in public housing priority allocation policies:

1. Households living in unstable housing and/or with a history of frequent moves; and
2. Households with a child requiring school based remediation.

Such a policy may result in improved school attainment levels and retention rates.

Table 4. Housing assistance measures.

	Example of program	Aspect(s) of housing need targeted
Multi Need	Public housing, community housing, Aboriginal and Torres Strait Islander housing	Housing cost, affordability, appropriateness, stability
Single Need	Rent assistance Bond loan	Housing affordability Housing access

Not all children living in unstable housing who require school-based remediation will necessarily benefit from stable housing. Some children with learning needs may live in an area where the required remediation support is not available, or where a school environment is not conducive to that child's particular needs. In such a case, stable housing in a *different* area may be most beneficial educationally.

#### WHAT FORMS OF ASSISTANCE TO OFFER?

The instability experienced by some households in the private rental market may be a key contributor to a number of non-shelter outcomes such as stress and poor educational attainment.

At present most housing authorities have a limited range of housing assistance measures, broadly categorised as either multi-need or single-need specific (see Table 4, above).

The findings from this research imply that a single need program only targeting housing instability associated with short-term private rental leases may be a useful complement to the range of housing assistance measures offered by housing authorities. This may be particularly important as more and more households become long term private renters.

In summary, this research suggests that there may be benefits in:

1. Reviewing public housing allocation policies with a view to improving educational outcomes for children, especially children with learning difficulties;
2. Developing housing assistance products that focus on increasing residential stability, such as products aimed at increasing the length of residential leases to reduce the number of times that children in highly mobile private rental households change schools;

3. Providing rental subsidies targeted at maintaining primary school students at the one school (particularly children requiring school based remediation); and
4. Education departments developing programs aimed at reducing the impact of frequent moves on educational performance through such mechanisms as better case management of children with learning difficulties when they change schools and better monitoring of children who are frequent school movers.

#### FURTHER INFORMATION

This bulletin is based on AHURI project 60008, *Housing assistance and non-shelter outcomes*. Reports from this project can be found on the AHURI website ([www.ahuri.edu.au](http://www.ahuri.edu.au)) by typing the project number into the search function.

The following papers are available:

- Positioning Paper
- Final Report

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