Economics of Means-Tested Transfer Programs in the United States, Volume II
National Bureau of Economic Research

Officers
Martin B. Zimmerman, *chairman*  
Karen N. Horn, *vice chairman*  
James M. Poterba, *president and chief executive officer*  
Robert Mednick, *treasurer*

Kelly Horak, *controller and assistant corporate secretary*  
Alterra Milone, *corporate secretary*  
Denis Healy, *assistant corporate secretary*

Directors at Large
Peter C. Aldrich  
Elizabeth E. Bailey  
John H. Biggs  
John S. Clarkeson  
Don R. Conlan  
Kathleen B. Cooper  
Charles H. Dallara  
George C. Eads  
Jessica P. Einhorn  
Mohamed El-Erian  
Linda Ewing  
Jacob A. Frenkel  
Judith M. Gueron  
Robert S. Hamada  
Peter Blair Henry  
Karen N. Horn  
John Lipsky  
Laurence H. Meyer  
Michael H. Moskow  
Alicia H. Munnell  
Robert T. Parry  
James M. Poterba  
John S. Reed  
Marina v. N. Whitman  
Martin B. Zimmerman

Directors by University Appointment
Timothy Bresnahan, *Stanford*  
Pierre-André Chiappori, *Columbia*  
Alan V. Deardorff, *Michigan*  
Ray C. Fair, *Yale*  
Edward Foster, *Minnesota*  
John P. Gould, *Chicago*  
Mark Grinblatt, *California, Los Angeles*  
Bruce Hansen, *Wisconsin–Madison*  
Benjamin Hermalin, *California, Berkeley*  
Marjorie B. McElroy, *Duke*  
Joel Mokyr, *Northwestern*  
Andrew Postlewaite, *Pennsylvania*  
Celicia Rouse, *Princeton*  
Richard L. Schmalensee, *Massachusetts Institute of Technology*  
David B. Yoffie, *Harvard*

Directors by Appointment of Other Organizations
Jean-Paul Chavas, *Agricultural and Applied Economics Association*  
Martin J. Gruber, *American Finance Association*  
Arthur Kennickell, *American Statistical Association*  
Jack Kleinhenz, *National Association for Business Economics*  
William W. Lewis, *Committee for Economic Development*  
Robert Mednick, *American Institute of Certified Public Accountants*  
Alan L. Olmstead, *Economic History Association*  
Peter L. Rousseau, *American Economic Association*  
Gregor W. Smith, *Canadian Economics Association*  
William Spriggs, *American Federation of Labor and Congress of Industrial Organizations*  
Bart van Ark, *The Conference Board*

Directors Emeriti
George Akerlof  
Jagdish Bhagwati  
Carl F. Christ  
Franklin Fisher  
George Hatsopoulos  
Saul H. Hymans  
Rudolph A. Oswald  
Peter G. Peterson  
John J. Siegfried  
Craig Swan
Relation of the Directors to the Work and Publications of the National Bureau of Economic Research

1. The object of the NBER is to ascertain and present to the economics profession, and to the public more generally, important economic facts and their interpretation in a scientific manner without policy recommendations. The Board of Directors is charged with the responsibility of ensuring that the work of the NBER is carried on in strict conformity with this object.

2. The President shall establish an internal review process to ensure that book manuscripts proposed for publication DO NOT contain policy recommendations. This shall apply both to the proceedings of conferences and to manuscripts by a single author or by one or more co-authors but shall not apply to authors of comments at NBER conferences who are not NBER affiliates.

3. No book manuscript reporting research shall be published by the NBER until the President has sent to each member of the Board a notice that a manuscript is recommended for publication and that in the President’s opinion it is suitable for publication in accordance with the above principles of the NBER. Such notification will include a table of contents and an abstract or summary of the manuscript’s content, a list of contributors if applicable, and a response form for use by Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied and the main conclusions reached.

4. No volume shall be published until forty-five days have elapsed from the above notification of intention to publish it. During this period a copy shall be sent to any Director requesting it, and if any Director objects to publication on the grounds that the manuscript contains policy recommendations, the objection will be presented to the author(s) or editor(s). In case of dispute, all members of the Board shall be notified, and the President shall appoint an ad hoc committee of the Board to decide the matter; thirty days additional shall be granted for this purpose.

5. The President shall present annually to the Board a report describing the internal manuscript review process, any objections made by Directors before publication or by anyone after publication, any disputes about such matters, and how they were handled.

6. Publications of the NBER issued for informational purposes concerning the work of the Bureau, or issued to inform the public of the activities at the Bureau, including but not limited to the NBER Digest and Reporter, shall be consistent with the object stated in paragraph 1. They shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The Executive Committee of the Board is charged with the review of all such publications from time to time.

7. NBER working papers and manuscripts distributed on the Bureau’s web site are not deemed to be publications for the purpose of this resolution, but they shall be consistent with the object stated in paragraph 1. Working papers shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The NBER’s web site shall contain a similar disclaimer. The President shall establish an internal review process to ensure that the working papers and the web site do not contain policy recommendations, and shall report annually to the Board on this process and any concerns raised in connection with it.

8. Unless otherwise determined by the Board or exempted by the terms of paragraphs 6 and 7, a copy of this resolution shall be printed in each NBER publication as described in paragraph 2 above.
## Contents

Preface xi  
Robert A. Moffitt

1. **The Supplemental Security Income Program** 1  
Mark Duggan, Melissa S. Kearney, and Stephanie Rennane

2. **Low-Income Housing Policy** 59  
Robert Collinson, Ingrid Gould Ellen, and Jens Ludwig

3. **Employment and Training Programs** 127  
Burt S. Barnow and Jeffrey Smith

4. **Early Childhood Education** 235  
Sneha Elango, Jorge Luis García, James J. Heckman, and Andrés Hojman

Contributors 299  
Author Index 301  
Subject Index 307
Preface

Robert A. Moffitt

This volume contains four chapters that were prepared as part of a research project sponsored by the National Bureau of Economic Research (NBER) on the economics of means-tested transfer and human-capital programs for the disadvantaged in the United States. Two of the chapters survey the history, policy issues, rules, caseloads, and research on a major means-tested transfer program (the Supplemental Security Income program and Housing Assistance programs) and two of the chapters cover the same topics for, respectively, employment and training programs and early childhood education programs, which are human-capital programs. In addition to these four chapters, four chapters appear in a first volume along with an introduction that summarizes the chapters in both volumes. The introduction in volume I also gives an overview of the current structure and historical trends in US means-tested programs.

The chapters in both volumes are revised versions of papers presented at a conference convened by the NBER in Cambridge, Massachusetts, on December 4–5, 2014. The editor would like to thank the Smith Richardson Foundation for financial support.

Robert A. Moffitt is the Krieger-Eisenhower Professor of Economics at Johns Hopkins University and a research associate of the National Bureau of Economic Research. For acknowledgments, sources of research support, and disclosure of the author’s material financial relationships, if any, please see http://www.nber.org/chapters/c13684.ack.