
Living with the COVID-19 Pandemic for a Year: The Exacerbated Housing Insecurity Issue

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Key Takeaways

- Housing insecurity for both owner and renter households has worsened compared with the early stages of the COVID-19 pandemic (late April 2020).
- Nationwide, about one in ten owner households and one in five renter households reported that they were behind on mortgage/rent payments for the last month as of late February of 2021, a slight increase from the early stages of the pandemic. Households in the Inland Region reported facing similar levels of housing insecurity.
- In the Inland Region, Hispanics and Latinos make up a substantial portion of the population. Hispanic/Latino and Non-Hispanic Black mortgage holder households were faced with the lowest level of housing insecurity in terms of the proportion of not being caught up on mortgage payments for the past month (9% and 2% respectively), while renter households of the same racial/ethnic groups were faced with the highest level of housing insecurity (30% and 28% respectively).
- In the Inland Region, one in four unemployed renter households was not caught up on rent in the past month. For these households, the high level of housing insecurity is exacerbated by income insecurity.
- Only about half of the homeowners in the Inland Region reported high confidence in making their next mortgage payment. Confidence among renters was much lower: only one-third of renters in the region reported high confidence in next month's payment. Both owner and renter payment confidence were lower compared with the U.S. as a whole, and substantially lower than the best-performing metropolitan areas: San Francisco-Oakland-Berkeley, CA MSA and Seattle-Tacoma-Bellevue, WA MSA.
- About one in four owner households in the Inland Region reported that they were "somewhat likely" to involuntarily leave their homes due to foreclosure in the next two months.
- In the Inland Region, about half of renter households reported they could be evicted in the next two months. Additionally, even more troubling, about two in three unemployed renters reported they could be evicted in the next two months.
- We provide three recommendations for improving housing security in the Inland Region: 1) expanding the COVID-19 relief to protect against foreclosures and evictions, 2) making place-based policies for improving fair housing and equity, and 3) directing more and diversified resources to unemployed renters.

Introduction

At the outset of the COVID-19 pandemic, California issued its first stay-at-home order in mid-March 2020. Due to the longevity of the pandemic, California has reached the year anniversary of its first COVID-19 restrictions.¹ Since the onset of the pandemic, for many Americans the home has become the place of school, work, and leisure, creating a novel set of challenges and difficulties for American society, culture, and the economy. Perhaps the most important challenge facing the American public is the economic downturn. Business closures, reduced working hours, mass unemployment are only a few of the economic externalities affecting the American people.

The prevalence of economic hardship and unemployment only worsen housing insecurity. According to the Pew Research Center, about 50% of those who lost their jobs due to the pandemic are still unemployed; and one in four American adults reported that they or someone in their household were laid off due to the pandemic.² The latest stimulus bill, the American Rescue Plan Act of 2021, signed into law this month provides some ephemeral relief, although some experts claim the bill is economically questionable.³ With the roll-out of the vaccine, the U.S. is expected to make a full economic recovery from the pandemic, although estimates on how much time the recovery will take vary.⁴ This increase in uncertainty and the stagnation of the job market warrant a reanalysis of the housing insecurity in the Inland Region.

In this report, we provide an update to our previous report, *Housing Insecurity and the COVID-19 pandemic*, published in July of 2020. In this report, we provide an up-to-date analysis of the impacts of the pandemic on housing insecurity for both renter and owner households as of February 2021. Our analysis focuses on the 15 most populous metropolitan areas in the United States, with special attention to the Riverside-San Bernardino-Ontario metropolitan area. Based on the findings, we provide both general housing policy recommendations, as well as recommendations specific to the Inland Region. At this stage, a year into the pandemic and its restrictions, its effects on personal finance and housing continue to be critical issues for our region.

We consider three dimensions of housing (in)security experienced by owner and renter households of the U.S. and the Inland Region. The first dimension is whether residents were able to pay their mortgage/rent for the last month. The second dimension is residents' confidence in making next month's housing payment. The third is the likelihood of having to leave the house in the next two months due to foreclosure or eviction. Each dimension is measured based on Week 25 (February 17 - March 1, 2021) of the Household Pulse Survey (HPS). The HPS is an experimental data product designed and conducted by the U.S. Census Bureau targeted at measuring household experiences during the pandemic. The Data Section provides more details about this dataset. We also consider racial/ethnic characteristics and the employment status of the households for a more comprehensive understanding of the impact of the pandemic on American housing.

1 State of California, 2020

2 Parker, Kim & Minkin & Bennett, 2020

3 Daley, Terri, 2021

4 Pickert, Reade & Qiu & McIntyre, 2021

Data

Household insecurity is measured in three different manners based on the near real-time data produced by the Household Pulse Survey (HPS).⁵ The HPS is an experimental data product designed and conducted by the U.S. Census Bureau in collaboration with multiple federal agencies such as the Department of Housing and Urban Development (HUD) and the Bureau of Labor Statistics (BLS). It is a weekly survey targeted at measuring household experiences during the pandemic to inform federal and state response and recovery planning and contains three phases: Phase 1 (April 23, 2020 - July 21, 2020), Phase 2 (August 19, 2020 - October 26, 2020), and Phase 3 (October 28, 2020 - March 1, 2021).⁶ We analyze the most recently released data for Phase 3 and also the last period of Phase 3 - Week 25. It covers the period from February 17 to March 1, 2021.⁷ As noted by Census Bureau, these data are experimental and estimates for subpopulations may not be accurate due to small sample sizes and large standard errors.

⁵ Refer to the appendix for a list of housing related questions asked in Phase 3 of the HPS.

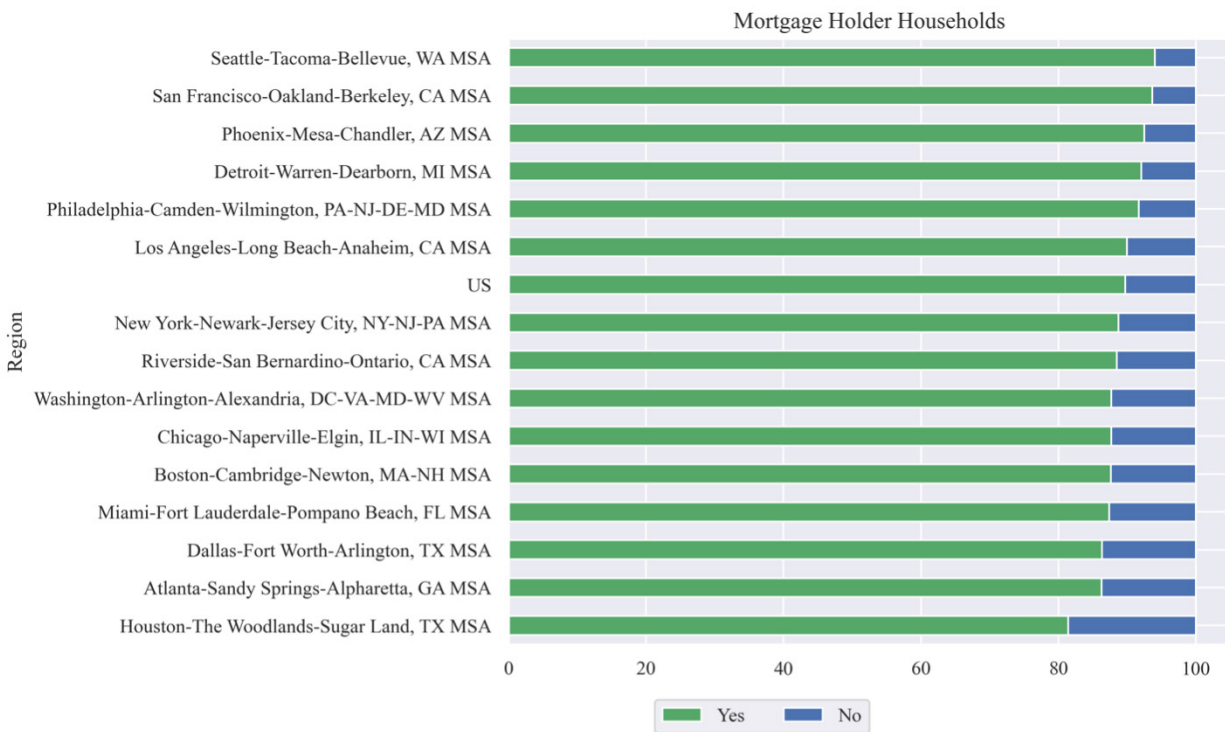
⁶ Phase 1 of the HPS was collected and disseminated on a weekly basis while Phases 2 and 3 are collected and disseminated on a bi-weekly basis. As noted on the Census Bureau's website, the HPS continues to call these collection periods "weeks" to maintain continuity.

⁷ The HPS data for Week 25 (February 17 – March 1, 2021) was downloaded from the U.S. Census Bureau website on March 10, 2021.

Households of Inland Region Similar to National Average for Paying Last Month's Mortgage/Rent

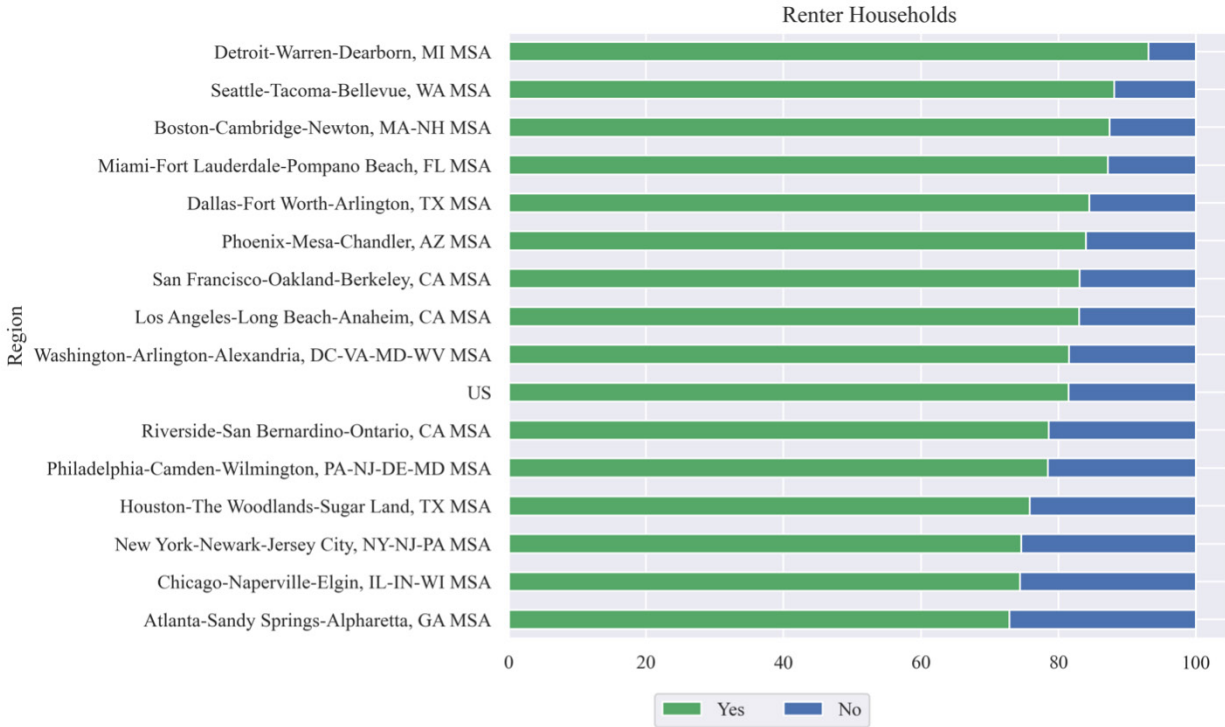
Similar to our findings last year, we observe a large gap in housing insecurity between owner and renter households for the U.S. as a whole. The latter were faced with higher levels of unaffordability and housing insecurity issues before the pandemic, and this disparity has only intensified during the pandemic. During the two-week survey period, from February 17 to March 1, 2021, about 10% of owner households and 19% of renter households reported that they had failed to pay their mortgage or rent for the last month, representing an increase from 8% and 15%, respectively, for the initial survey period April 23 – May 5, 2020.⁸ Households in the Inland Region were generally faced with similar levels of housing insecurity. Among the 15 most populous Metropolitan Statistical Area (MSAs), the Inland Region ranked 8th in terms of homeowners' ability to pay their mortgage for the last month and ranked 10th for on-time rent payment for renter households.

Figure 1 Housing payment status for the past month for the 15 largest MSAs:
(a) Mortgage Holder Households (b) Renter Households



(a)

⁸ It should be noted that since Phase 2 of the HPS, the question regarding housing payment status for last month has been rephrased and not included the answer, "Payment was deferred". This answer can be considered to be subsumed under the answer of "Yes". Therefore, caution should be taken when comparing the results with the earlier ICSD report on housing insecurity amid the COVID-19 pandemic.



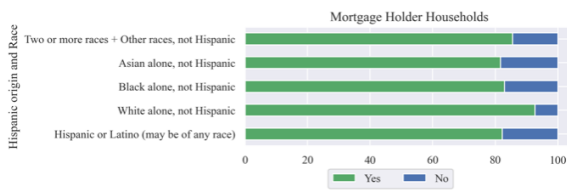
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Racial/Ethnic Disparities

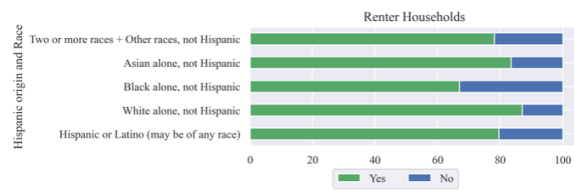
We observe a relatively low level of racial/ethnic disparity in mortgage payment status for the past month at the national level as shown in Figure 2: Non-Hispanic White owner households had the lowest percentage of not paying their mortgage payments (7%) while Non-Hispanic Black, Hispanic/Latino, and Non-Hispanic Asian owner households had the highest percentage of on-time payments (about 18%). These statistics do not apply to the Inland Region where the demographics differ substantially from the national average. The Inland Region, where Hispanics/Latinos make up a substantial portion of the population (51%) and Non-Hispanic Black's occupy a smaller percentage of the population (6.9%), these two racial/ethnic groups have the lowest percentage of missing mortgage payments, 9% and 2% respectively.

Renter households displayed a higher level of racial/ethnic disparity. Nationwide, similar to homeowners, Non-Hispanic White renter households had the lowest percentage of missing their mortgage payments (13%), while Non-Hispanic Black renter households had the highest percentage (33%). For the Inland Region, the pattern is quite different; contrary to the regional scenarios for homeowners, Hispanic/Latino and Non-Hispanic Black renters had the highest percentages of missing their rent at 30% and 28%, respectively.

Figure 2 National Trend: Housing Payment Status for the Past Month for Five Racial/Ethnic Groups

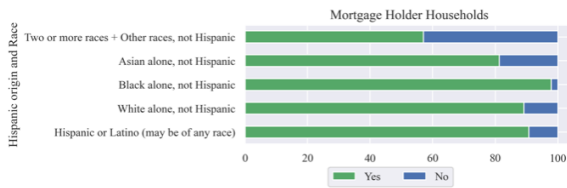


(a)

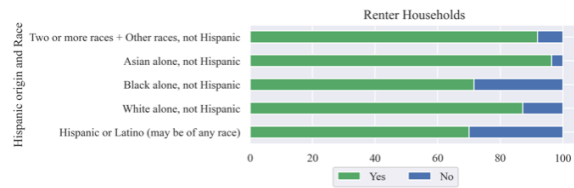


(b)

Figure 3 Riverside-San Bernardino-Ontario MSA: Housing Payment Status for the Past Month for Five Racial/Ethnic Groups



(a)

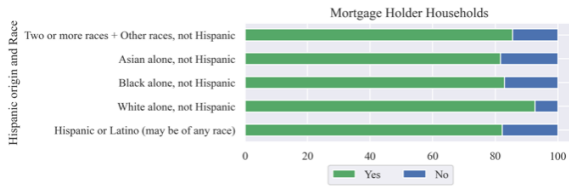


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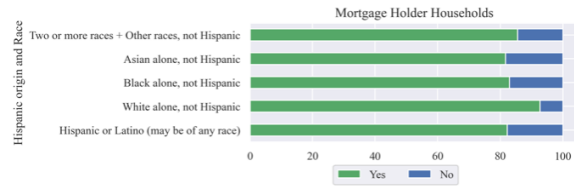
Employment Status and Housing Insecurity

We also differentiate households who are currently employed from those who are unemployed. As shown in Figures 4 and 5, regardless of tenure status, households who are currently employed were less likely to experience housing insecurity, which is measured by the ability to make housing payments in the past month. For the Inland Region, unemployed renter households were more likely to suffer from missed rent payments for the last month; about 28% of unemployed renter households were behind on rent payments. For these households, the elevated level of housing insecurity is exacerbated by income insecurity. Policies that provide additional help for unemployed renters to avoid losing homes should be considered.

Figure 4 National Trend:
Housing Payment Status for the Past Month for Currently Employed VS Unemployed

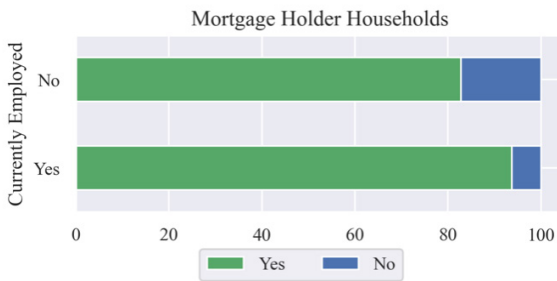


(a)

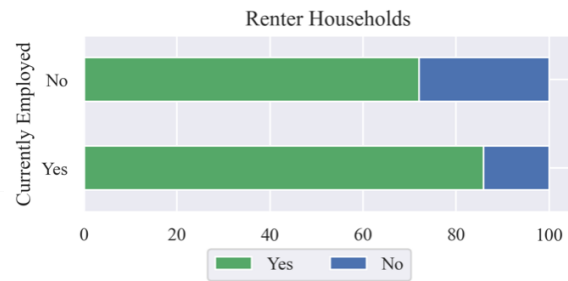


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Figure 5 Riverside-San Bernardino-Ontario MSA:
Housing Payment Status for the Past Month for Currently Employed VS Unemployed



(a)



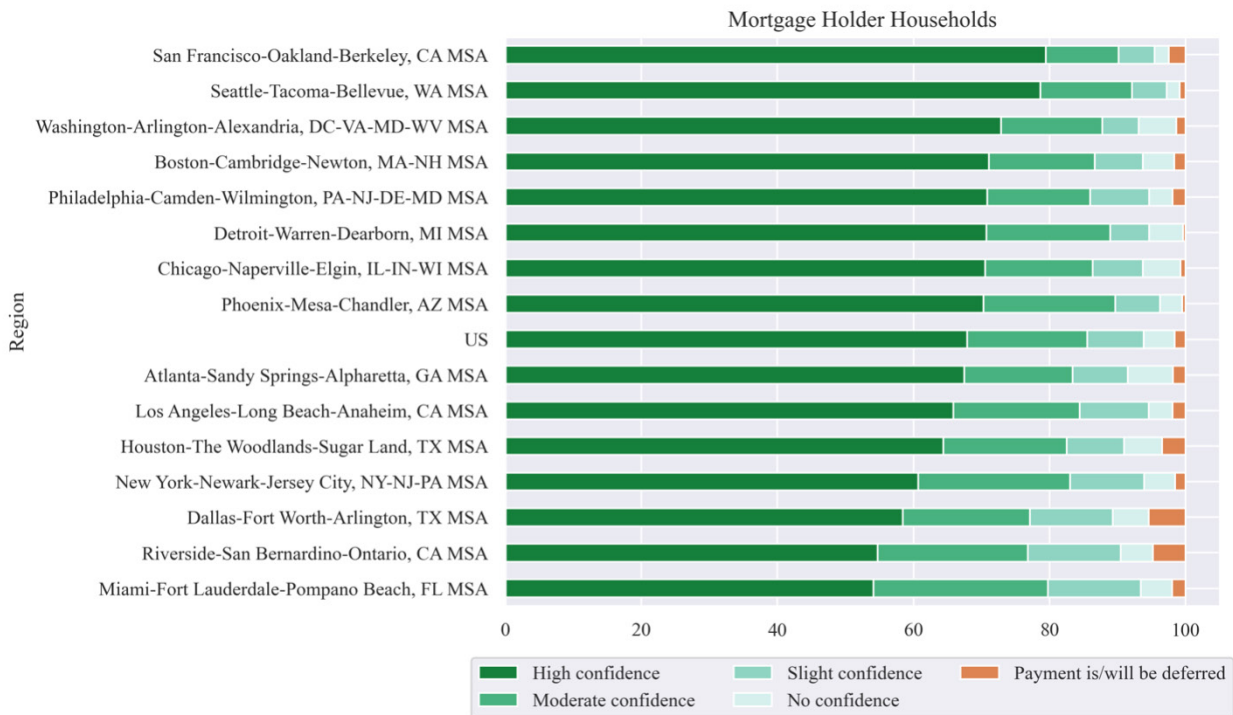
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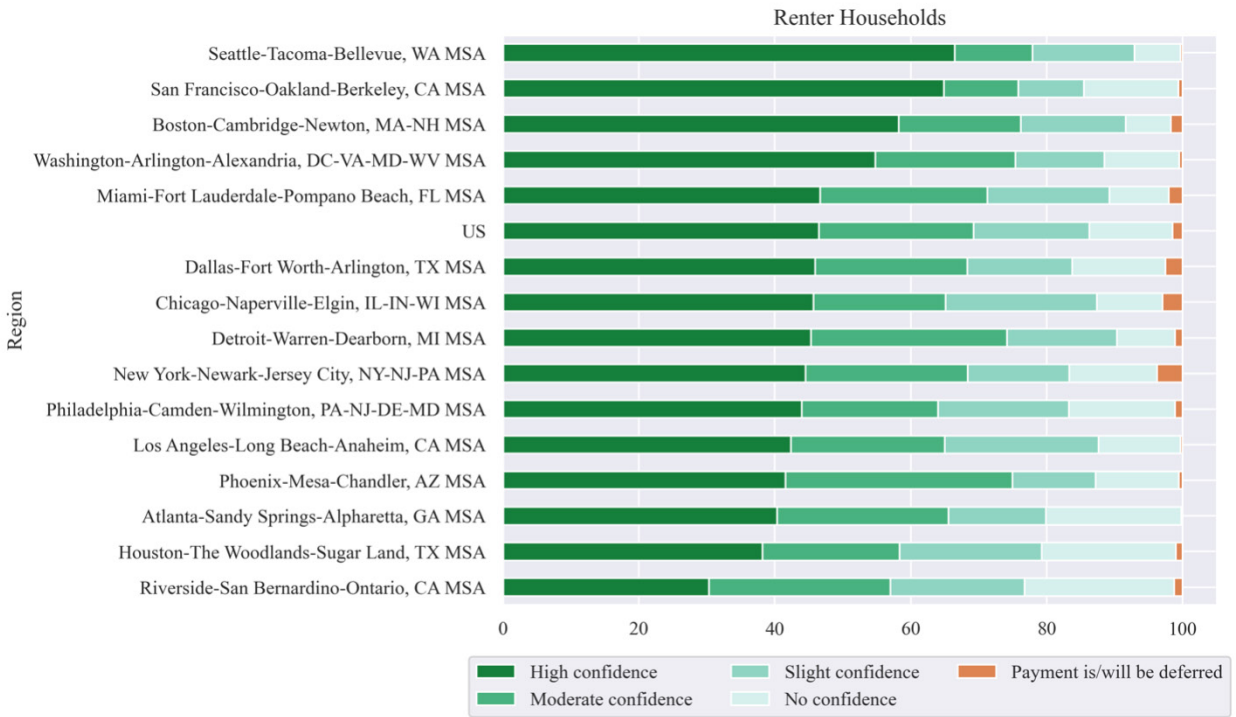
Fewer Households in Inland Region had High Confidence in Making Mortgage/Rent Payments in the Next Month

Both homeowners with a mortgage and renters in the Inland Region had lower levels of confidence in making on-time housing payments in the next month compared with the national average. Only about 55% of homeowners in the region reported high confidence in making their next payment whereas nationwide about 68% of homeowners had high confidence in making the next mortgage payment. This is in stark contrast with the best-performing San Francisco-Oakland-Berkeley, CA MSA where about 79% of homeowners reported high confidence.

The gap is even larger for renters. In the Inland Region, only 30% of renters reported high confidence in making the rent payment for the next month. The gap between this region and the best-performing MSA, the Seattle-Tacoma-Bellevue, WA MSA is striking: 67% of renters in the latter reported high confidence.

Figure 6 Confidence of Housing Payment for the Next Month for the 15 largest MSAs:
(a) Mortgage Holder Households (b) Renter Households





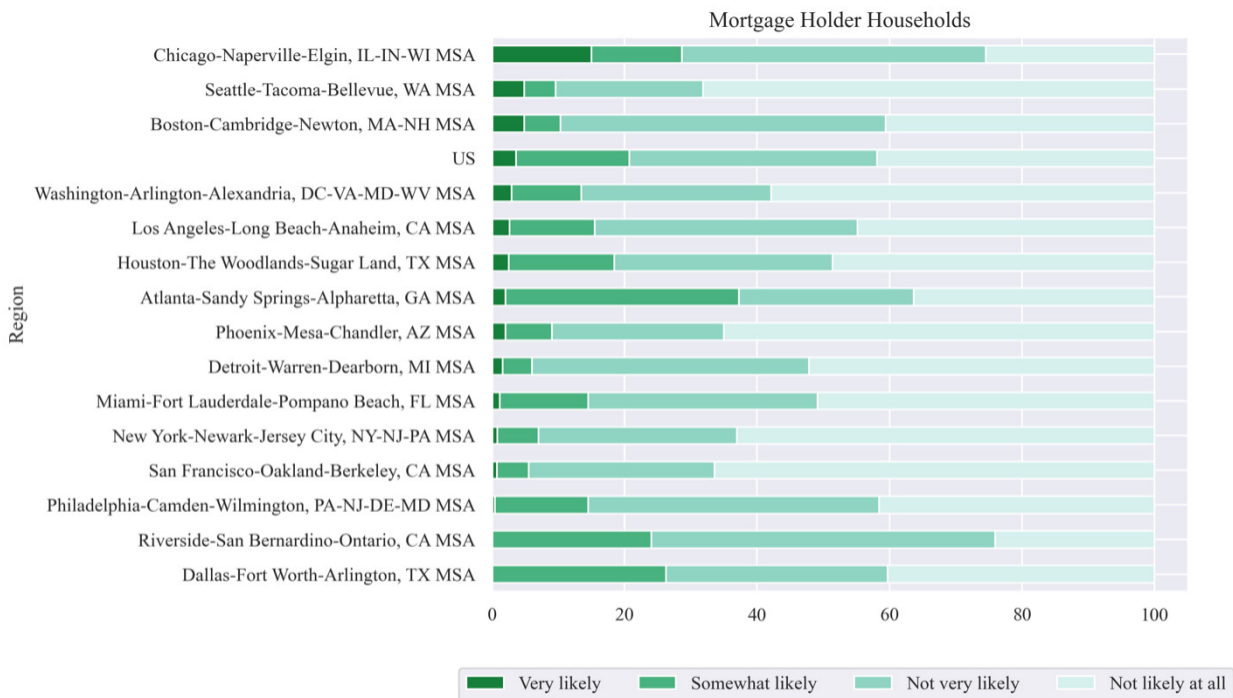
(b)

More Renter Households Reported High Likelihood of Eviction in Next Two Months

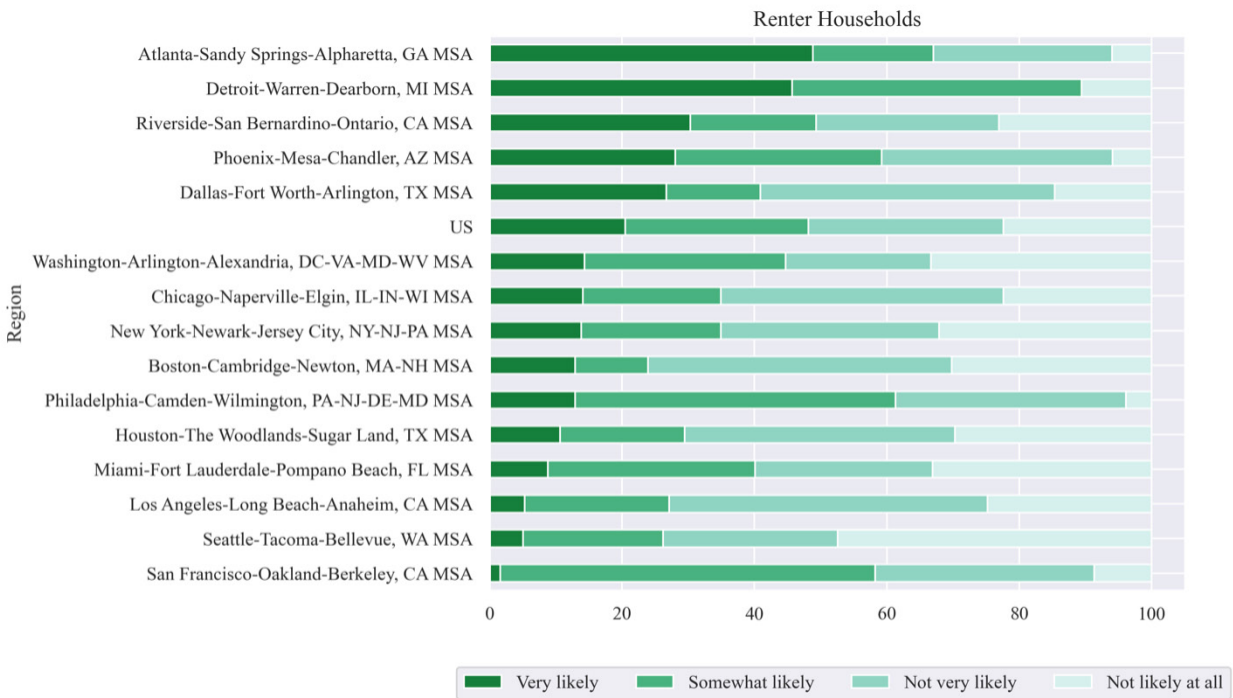
Nationwide, about 4% of homeowners reported a high likelihood of having to involuntarily leave their homes in the next two months due to foreclosure. This statistic varied widely across space. For example, 15% of households in the Chicago metro area reported a high likelihood of having to involuntarily leave their homes. In other words, about one in seven homeowners in the Chicago metro area with a mortgage were at high risk of having to leave their houses and potentially become homeless. The rate of the likelihood of involuntary mobility was relatively better in the Inland Region, where none of the surveyed homeowners reported a high likelihood. However, 24% of homeowners in the Inland Region reported that they were “somewhat likely” to leave their homes involuntarily, a much higher percentage than the national average at 17%.

The eviction scenario was much more troubling for renter households. Nationwide, 21% of renters reported a high likelihood of being evicted in the next two months. The percentage for the Inland Region was even higher – about 30% of the renter households reported a high likelihood of eviction. Additionally, about 19% reported “somewhat likely”, which indicates that about half of renter households thought they may be evicted in the next two months.

Figure 7: Likelihood of Having to Involuntarily Leave this House in Next Two Months for the 15 largest MSAs:
 (a) Due to Foreclosure for Mortgage Holder Households (b) Due to Eviction for Renter Households



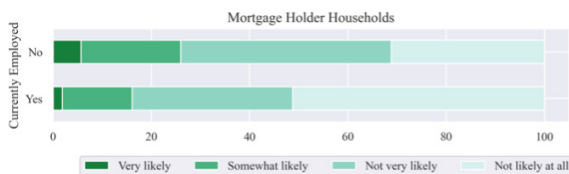
(a)



(b)

Nationwide, a small percentage of homeowners reported a high likelihood of foreclosure in the next two months irrespective of having a job or not. Homeowners in the Inland Region were faced with a better scenario – none have reported being very likely to have to involuntarily leave their houses due to foreclosure. However, nationwide 26% of renter households reported that they were very likely to be evicted in the next two months. The unemployed renter households in the Inland Region were faced with a more troubling reality – about 44% of them reported “Very Likely” while 22% reported “Somewhat Likely”. Therefore, about two in three of the unemployed renter households were worried about facing eviction in the next two months. The scenario is much better than employed renter households in this region – none reported “Very Likely” and only 13% reported “Somewhat Likely”.

Figure 8 National Trend: Likelihood of Having to Involuntarily Leave this House in Next Two Months for Currently Employed VS Unemployed

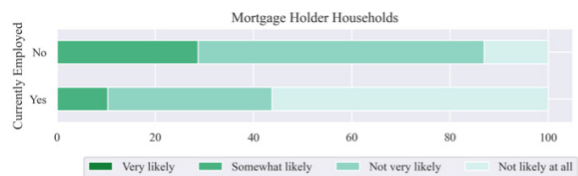


(a)



(b)

Figure 9: Riverside-San Bernardino-Ontario MSA: Likelihood of Having to Involuntarily Leave this House in Next Two Months for Currently Employed VS Unemployed



(a)



(b)

Discussion & Policy Recommendations

1. Expand the COVID-19 relief to protect against foreclosures and evictions:

Federal, state, and local governments should consider expanding policy measures to protect against foreclosures and evictions and help building confidence and a sense of stability in housing. Although the vaccine is widely distributed and is expected to stop the spread of the virus, a long path to full economic recovery from the pandemic is still expected. At the federal level, the government is passing new economic relief legislation: President Biden's \$1.9 trillion package passed the House on March 10, 2021, and was signed into law on March 11, 2021. The package provides comprehensive assistance to Americans. In addition to a set of direct cash assistance to households including a \$300 per week boost to unemployment benefits through September 6, 2021, and an up to \$1,400 stimulus check. The package also provides financial assistance to renters and homeowners from losing their homes.⁹ Future relief packages, including those after the pandemic, should be adopted to assist those who have greatly suffered during the pandemic to keep their house and thrive again.

2. Consider adopting place-based policies for improving fair housing and equity:

Racial/ethnic disparity in housing insecurity existed before the onset of the pandemic. A recent analysis of the 2018 American Housing Survey (AHS) reveals significant mortgage interest rate disparities between white and black homeowners.¹⁰ More specifically, black homeowners received higher interest rates for primary mortgages than white homeowners with similar incomes. Black households also received higher interest rates than white homeowners with substantially lower incomes. The associated larger monthly housing payments for black homeowners reduce housing affordability and increases housing insecurity for this group. Much of previous analyses have focused on the disparities between white and black households which have systematic racist roots like racially restrictive covenants and the inability to qualify for the G.I. Bill. However, for the Inland Region where the Hispanic/Latino population is relatively substantial, a more comprehensive analysis and perspective should be considered. Our analyses reveal that Hispanic/Latino and Non-Hispanic Black mortgage holder households were faced with the lowest level of housing insecurity in terms of not being able to be caught up with mortgage payment for the past month (9% and 2% respectively), while renter households of these two groups were faced with the highest level of housing insecurity (30% and 28% respectively). These patterns are quite different from the national average. Policymakers should take account of this regional difference and make place-sensitive policies to improve fair housing and equity in this region.

3. More and Diversified Resources for Unemployed Renters:

In the Inland Region, about one in four unemployed renter households were not caught up on rent in the past month. About two in three unemployed renter households reported they could be evicted in the next two months.

⁹ National Low Income Housing Coalition, 2021

¹⁰ Joint Center for Housing Studies (JCHS) of Harvard University, 2021

These households are at a high risk of losing their homes and becoming homeless. For these households, the high level of housing insecurity is exacerbated by income insecurity as they are most likely to rely on assistance from the government or families to live with the pandemic. In addition to the financial assistance such as the unemployment benefit and stimulus check, more diverse resources to these households to improve their resilience to the pandemic should be considered. Some examples include rent deferral, on-line counseling to help ease the anxiety, and training for better jobs after the pandemic.

Appendix

Questions on housing in the HPS Phase 3

Q39 Is your house or apartment...? Select only one answer.

- Owned by you or someone in this household free and clear? (1)
- Owned by you or someone in this household with a mortgage or loan (including home equity loans)? (2)
- Rented? (3)
- Occupied without payment of rent? (4)

Q39a Which best describes this building? Include all apartments, flats, etc., even if vacant. Select only one answer.

- A mobile home (1)
- A one-family house detached from any other house (2)
- A one-family house attached to one or more houses (3)
- A building with 2 apartments (4)
- A building with 3 or 4 apartments (5)
- A building with 5 to 9 apartments (6)
- A building with 10 to 19 apartments (7)
- A building with 20 to 49 apartments (8)
- A building with 50 or more apartments (9)
- Boat, RV, van, etc. (10)

<If Q39 = 3 then display Q40b>

Q40b Is this household currently caught up on rent payments? Select only one answer.

- Yes (1)
- No (2)

<If Q39 = 2 then display Q40c>

Q40c Is this household currently caught up on mortgage payments? Select only one answer.

- Yes (1)
- No (2)

<If Q39 = 2 or 3 then display Q41>

Q41 How confident are you that your household will be able to pay your next rent or mortgage payment on time? Select only one answer.

- Not at all confident (1)
- Slightly confident (2)
- Moderately confident (3)
- Highly confident (4)
- Payment is/will be deferred (5)

<If Q40b = 2 then display Q41a>

Q41a How likely is it that your household will have to leave this home or apartment within the next two months because of eviction? Select only one answer.

- Very likely (1)
- Somewhat likely (2)
- Not very likely (3)
- Not likely at all (4)

<If Q40c = 2 then display Q41b>

Q41b How likely is it that your household will have to leave this home within the next two months because of foreclosure? Select only one answer.

- Very likely (1)
- Somewhat likely (2)
- Not very likely (3)
- Not likely at all (4)

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