Making the Rent
Household Spending Strategies During the COVID-19 Pandemic

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Making the Rent: Household Spending Strategies During the COVID-19 Pandemic

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The Housing Crisis Research Collaborative aims to address the longstanding inequities in access to safe, stable, and affordable rental housing that have been laid bare by the COVID-19 pandemic. We provide policymakers at all levels of government with the data and analysis they need to design, implement, and evaluate more equitable and effective rental housing and community development responses to pandemic and the ongoing rental housing affordability crisis. For more visit: www.housingcrisisresearch.org.

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Abstract

As has been well documented, the financial impact of the pandemic has disproportionally impacted renters, leading to high shares who have fallen behind on rent. Less well recognized are the many ways that renters tapped a range of financial resources to make rent even in the face of income lost due to the pandemic. To fill this gap in what is known about the financial impacts of the pandemic, this paper analyzes data from the Census Bureau's Household Pulse Survey to identify the financial resources utilized by renters to meet their expenses after losing income. The results indicate that renters relied on numerous and varied financial resources, in many possible combinations, in response to a financial shock. Lower-income renters and renters of color, in particular, have relied on both a range of government supports as well as drawn from a broad spectrum of personal resources, including savings and credit. Lower-income renters and renters of color are also much more likely to rely on borrowing from family and friends to pay their expenses. The findings indicate that the financial impacts of the pandemic are deeper than estimates of rent arrears alone would suggest and extend beyond the households who lost income, given those households' reliance on social networks to provide financial support.

Introduction

In a recent paper, Airgood-Obrycki et al. reviewed evidence from dozens of studies on renters' responses to the loss of income during the COVID-19 pandemic and the extent to which renters fell behind on rent payments through early 2021.[1] One of this paper's key findings was that renters responded to income loss during the pandemic by tapping a range of resources to meet rent and other expenses, including drawing down savings and turning to different forms of borrowing. As a result, rent arrearages by themselves represent an underestimate of the financial costs of the pandemic for renters. In addition, the study found that existing research rarely disaggregated findings by race and other demographic characteristics, by type of property, or by geographic area. The study concluded that a more complete understanding of renters' financial responses to the pandemic, and of which segments of the renter population have been most impacted financially, would be useful in tailoring policy responses that both take into account a more comprehensive assessment of financial hardship to alleviate the pandemic's impacts and target efforts where they are needed most.

This paper is intended to fill the information gaps identified by Airgood-Obrycki et al. through detailed analysis of the US Census Bureau's Household Pulse Survey. Specifically, the paper addresses the following questions:

- To what extent did renters who experienced a loss of income rely on a range of public programs (including unemployment, stimulus payments, or the Supplemental Nutritional Assistance Program (SNAP)) or personal financial resources (including savings, assets, credit or other debt, or borrowing from family and friends) to meet their expenses?
- To what extent was tapping these various resources, both individually and in combination, associated with falling behind on their rent?
- How did the reliance on these different financial resources vary with renters' demographic characteristics and the type of housing they occupied?[2]

[1] Whitney Airgood-Obrycki, Ben Demers, Solomon Greene, Christopher Herbert, Alexander Hermann, David Luberoff, and Sophia Wedeen, "Renters' Responses to Financial Stress During the Pandemic," Joint Center for Housing Studies of Harvard University, April 2021, https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_renter_responses_covid_airgood-obrycki_etal_2021.pdf.

[2] A subsequent study will examine geographic variations in renters' responses to the loss of income during the pandemic using internal Census Bureau data that identifies the census tracts where respondents to the Household Pulse Survey live.

The following sections describe the data and methods used for this analysis and present findings on each of the above questions. The paper concludes with a summary of findings and their implications for research and policy.

Data and Methods

The primary data source for this paper is the Household Pulse Survey (HPS), a nationally representative experimental survey from the US Census Bureau used to track—in close to real time—the economic, social, and health impacts of the COVID-19 pandemic. The HPS contains detailed demographic data including the race/ethnicity, educational attainment, and age of the respondent as well as important household characteristics such as pre-pandemic household income, number of adults, and number of children in the household, and the type of housing occupied. Moreover, the HPS contains questions about key topics pertinent to this study, including the tenure of the household and indicators for whether the household had lost employment income, was behind on its rental payments, and had tapped financial resources to meet spending needs.

While the HPS has been fielded regularly since April 2020, our study examines the seven-month period from mid-August 2020 through late March 2021, encompassing fifteen waves in Phase 2 and Phase 3 of the survey. Waves in the HPS over this period had two-week collection periods and the samples were independently drawn, allowing us to pool surveys to produce adequate sample sizes for conducting analyses of renter subgroups. The universe under study is renter households who are charged rent, and particularly renter households who lost income at some point since the start of the pandemic. Our pooled sample totaled 234,000 renters overall, including 113,000 with lost employment income.

Pooling our sample was appropriate due to minimal wave-to-wave variation along key estimates. For example, the share of renters behind on rent over the entire study period was 16.6 percent, ranging from a high of 19.4 percent in early-to-mid January to a low of 14.3 percent in late March. Likewise, 52.2 percent of all renters in the study sample reported having lost employment income during the pandemic.[3] Phase 2 and Phase 3 cover the peak of financial distress estimated in the HPS and also predate the implementation of federal programs designed to aid renters passed in

[3] The share of renters reporting lost income ranges from a low of 48.9 percent in mid-to-late August to a high of 56.1 percent in mid-December and then declines to 51.1 percent by late March. In general, this share would be expected to only increase over time as more households are added to the rolls of those experiencing a loss of income at some point since March 2020. The slight decline after December 2021 likely reflects some variation in the households included in the survey and some amount of misremembering or misinterpreting the survey question.

December 2020 and March 2021. However, the study period does encompass the time when households could have benefited from federal stimulus payments, expanded unemployment aid, and greater flexibility in access to the Supplemental Nutritional Assistance Program (SNAP), and survey questions capture households' use of all of these programs. Earlier and later phases of the HPS were also excluded due to different sampling methods and inconsistencies in key questions asked.[4]

The relevant survey questions we examine included the following:

- **Income loss:** "Have you, or has anyone in your household experienced a loss of employment income since March 13, 2020?"
- **Behind on rent:** "Is this household currently caught up on rent payments?"
- **Spending sources:** "Thinking about your experience in the last 7 days, which of the following did you or your household members use to meet your spending needs?
    - Regular income sources like those received before the pandemic
    - Credit cards or loans
    - Money from savings or selling assets
    - Borrowing from friends or family
    - Unemployment insurance (UI) benefit payments[5]
    - Stimulus (economic impact) payment[6]
    - Money saved from deferred or forgiven payments (to meet your spending needs)[7]
    - Supplemental Nutrition Assistance Program (SNAP)"

Despite its large sample size, frequency, timeliness, and rich demographic data, the HPS also has some notable limitations. Response rates for the survey have been low, ranging from 8 to 10 percent in Phase 2 and from 5 to 8 percent in Phase 3, raising concerns about nonresponse bias in the sample. A Census Bureau analysis of HPS waves from 2020 found some evidence for potential nonresponse bias, but indicated that weighting helped to mitigate some of the bias.[8]

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[4] Phase 1 had a one-week collection period and respondents from one week could be included for the following three weeks. The question about rent nonpayment was also changed at the start of Phase 2. Beginning in Phase 3.1, the question on lost income covered a different time span.

[5] Expanded unemployment insurance was available throughout the pandemic. The CARES Act provided an additional $600 per week of unemployment benefits, extended unemployment to gig workers, and enabled states to lengthen coverage periods. The expanded unemployment supplement expired in mid-2020 before being replaced with a $300 supplement at the end of December 2020.

[6] Three rounds of economic impact payments went out to income-eligible people, including $1,200 in April 2020, $600 in December 2020, and up to $1,400 in March 2021.

[7] This could include agreements with landlords or student loan deferrals enacted through the CARES Act.

[8] Sandra Peterson, Norilsa Toribio, James Farber, and David Hornick, "Nonresponse Bias Report for the 2020 Household Pulse Survey," US Census Bureau, March 24, 2021, https://www2.census.gov/programs-surveys/demo/technical-documentation/hhp/2020_HPS_NR_Bias_Report-final.pdf.

However, in a synthesis of renter surveys during the pandemic released in March 2021, Airgood-Obrycki et al. found that estimates derived from the HPS on lost income and rent nonpayment were mostly consistent with other surveys of renters.[9] Indeed, a survey of 100,000 renters by SatisFacts conducted in April 2020 found that just over half (53 percent) experienced a loss of income due to COVID-19, in line with the 52 percent share who reported lost income in the HPS in late May (although the HPS question does not specify whether the income was lost due to COVID). Moreover, the share of renters in mom-and-pop-owned structures with either partial or no payment by the end of the month ranged from 14 to 15 percent from August 2020 until March 2021, according to data from the Avail Rental Payment Tracker.[10] Though time periods differ—HPS data collection is not confined to the end of the month—estimates from the Pulse Survey indicate that between 13 percent and 20 percent of renters (for an average of 18 percent) living in structures with 1-4 units were behind on rent over those months. In aggregate, key estimates derived from the HPS are mostly consistent with both other surveys and administrative data.

There are additional limitations of the HPS specific to this study. The question on income shortfalls asks households if they lost employment income at any point since the start of the pandemic, so we know little about how households' income situation was impacted at the time of the survey. We also do not know the severity, circumstances, or extent of the income losses. There are also mismatching time periods across several questions. For example, households are asked about income losses since the start of the pandemic, but about their use of income sources for spending needs over the past seven days and about their rent payment status at the time of the survey. Results might also be affected by the timing of benefits dispersed, namely Economic Impact Payments and Unemployment Insurance benefits.

A final limitation concerns the HPS questions about spending. Although this study focuses on what renters have needed to do to keep up with their rental payments since the start of the pandemic, the HPS questions ask about the resources households tapped to meet spending needs generally, not specifically to keep up with rent. However, rent is of course a major spending need for most renter households, and renters often give it priority over other needs in order to stay stably housed.[11]

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[9] Airgood-Obrycki et al., "Renters' Responses to Financial Stress During the Pandemic."

[10] "Avail Rental Payment Tracker Data," Urban Institute, https://datacatalog.urban.org/dataset/avail-rental-payment-tracker-data.

[11] Whitney Airgood-Obrycki, Alexander Hermann, and Sophia Wedeen, "The Rent Eats First: Rental Housing Unaffordability in the US," Joint Center for Housing Studies of Harvard University, January 13, 2021, https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_rent_eats_first_airgood-obrycki_hermann_wedeen_2021.pdf.

Combining the survey questions about whether respondents are currently behind on rent and whether they have lost income since the start of the pandemic provides a good indication of whether the households' financial distress includes being unable to make rent.

Methodologically, this study uses descriptive statistics to determine the extent to which households who lost income and were behind on their rent payments used different financial resources to meet their spending needs, comparing the results to those who lost income but were on time with their rent payments. Descriptive statistics are also used to examine variations in the ways that renters of different incomes and races/ethnicities met their spending needs. We also use a logistic regression to test the association between spending sources and nonpayment for financially distressed renters, independent of other factors that influence both—such as household income, education, race/ethnicity, the presence of children in the household, and more. Throughout the descriptive statistics and logistic regression, we use HPS-provided household weights to make our estimates representative of US renter households headed by an adult age eighteen or over.

Results

In the sections that follow we present findings from our analysis on each of the research questions identified above. Following the presentation of results, we discuss implications of these results for policy and practice.

A Majority of Households Who Lost Income Did Not Fall Behind on Rent, but Lower-Income Renters and Renters of Color Were More Likely to Not Make Rent

Despite income losses, the majority of renter households continued to make rent payments during the pandemic. Twenty-four percent of households that lost income reported falling behind on rent, compared to 9 percent of households that did not lose income**.** The fact that one in ten renters who did not lose income during the pandemic are behind on rent is a stark reminder that the affordability challenges facing renters are not solely the result of the pandemic—and so supports aimed at mitigating the pandemic's impact will leave some renters out.

It is also noteworthy that while households that lost income were nearly three times more likely to be behind on rent than households that didn't lose income, 76 percent of those that lost income continued to pay the rent. This latter figure highlights that the majority of renters were absorbing the loss of income by tapping other financial resources and that supports for rent arrearage will not fully address renters' financial needs.

Among households who lost income, there were significant demographic disparities in their ability to make the rent. Lower-income households, households of color, households with children, and households living in manufactured housing, all of whom had higher housing cost burdens before the pandemic, were all more likely to fall behind on rent after income losses. Indeed, these same groups were also more likely to be behind on rent even if they had not experienced a loss of income. Thirty-two percent of lowest-income households (those making less than $25,000) reported falling behind on rent, nearly three times the share of households making $75,000 or more. Compared to households living in any other type of structure, households in manufactured housing had a higher rate of falling behind on rent, at 38 percent, a difference reflecting their lower incomes compared to residents of other structure types. Meanwhile, 25 percent of households in single-family rentals and 20 percent of households in large multifamily buildings fell behind on rent.

Households of color, who tend to receive lower wages and had higher housing cost burdens before the pandemic, were substantially more likely to fall behind on rent.[12] More than a third of Black renter households (37 percent) who lost income reported being behind on rent payments, along with 27 percent of Hispanic households and 23 percent of Asian households. These rates were well above the 18 percent of white households who lost income and fell behind.

Households with children also had higher a higher rate of missing rent payments. Nearly a third of households with children who lost income reported being behind on rent, making them twice as likely as households without children to fall behind after losing income. Households with children may have had greater demands on their financial resources, putting them at greater risk of missing rent.

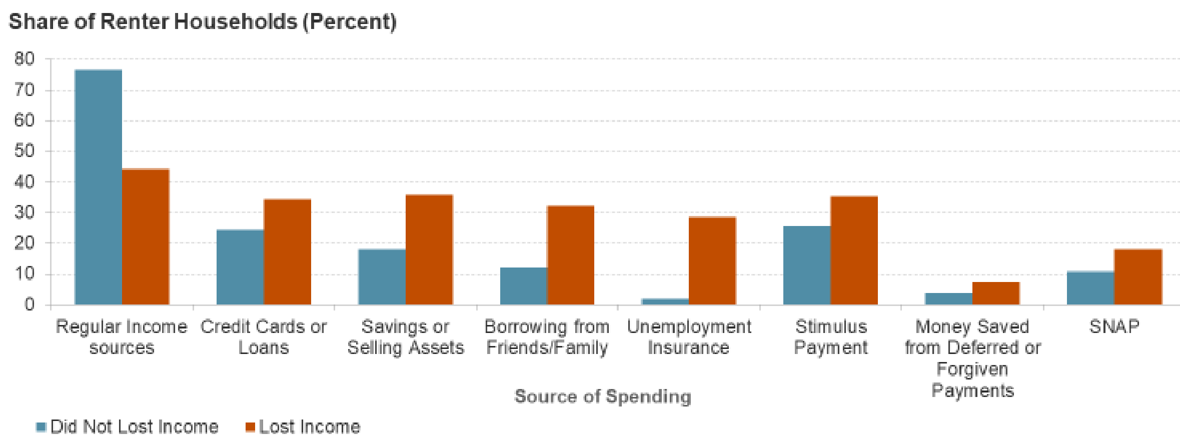
Renter Households Who Lost Income Were More Likely to Tap Other Financial Resources to Meet Expenses

Households that lose income will, by necessity, have to turn to other resources to meet their ongoing expenses, including rent. Common sources of financial support include borrowing from formal or informal sources, drawing down savings or selling assets, seeking deferrals or forgiveness of payments, and tapping a variety of public supports. Of course, these resources are also routinely tapped as a means

[12] Sharon Cornelissen and Alexander Hermann, "A Triple Pandemic? The Economic Impacts of COVID-19 Disproportionately Affect Black and Hispanic Households," Joint Center for Housing Studies of Harvard University, July 7, 2020, https://www.jchs.harvard.edu/blog/a-triple-pandemic-the-economic-impacts-of-covid-19-disproportionately-affect-black-and-hispanic-households; ApartmentRatings and SatisFacts, "COVID-19 National Renter Study: Round 1 Results & Analysis," May 26, 2020.

of accommodating normal variations in income to support a steady level of spending on necessities. But households who reported a loss of income were, not surprisingly, more likely to have turned to these other financial resources to meet expenses **(Figure 1)**.

Figure 1: Renter Households That Lost Income During the Pandemic Were Much More Likely to Rely on Other Sources to Meet Their Spending Needs



Notes: Employment income losses occurred at any time during the pandemic.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Unsurprisingly, a smaller share of households that lost income drew from regular income sources to meet spending needs as compared to those who did not lose income. Only 44 percent of households that lost income during the pandemic reported using regular income sources like those received before the pandemic to pay for necessities over the preceding seven days, compared to 76 percent of households that did not lose income. It is important to recall that the HPS asks whether households have lost income at any time since the start of the pandemic, which explains why such a large share of respondents are still able to rely on regular income to meet recent expenses.

Also not surprisingly, households who lost income were much more likely to tap into personal resources including credit cards, savings, and borrowing from friends or family to meet their spending needs. Just under a quarter of households who didn't lose income reported using credit cards or loans, compared to 34 percent of households who lost income. Households who lost income were also much more likely to tap into their savings or sell assets than households that didn't lose income (36 percent compared to 18 percent). They were also nearly three times as likely to borrow from friends or family than households that didn't lose income (32 percent compared to 12 percent).

Households that lost income were also more likely to use public supports to meet expenses, including unemployment insurance, SNAP, and stimulus payments, as well as money saved from deferred or forgiven payments. The greatest differential was evident for the use of unemployment income, as those who did not lose income would not have been eligible for this support. Both those with and without lost income relied to some degree on other forms of public financial supports, but those with lost income used these sources to pay for expenses to a greater degree. Over a third of households who lost income used stimulus payments to pay for necessities, compared to 26 percent of households that didn't lose income. SNAP was used by 18 percent of households that lost income and 11 percent of households that didn't lose income. Whether they lost income or not, relatively small shares of households (7 percent that lost income, and 4 percent that didn't) relied on money saved from deferred or forgiven payments to meet their spending needs.

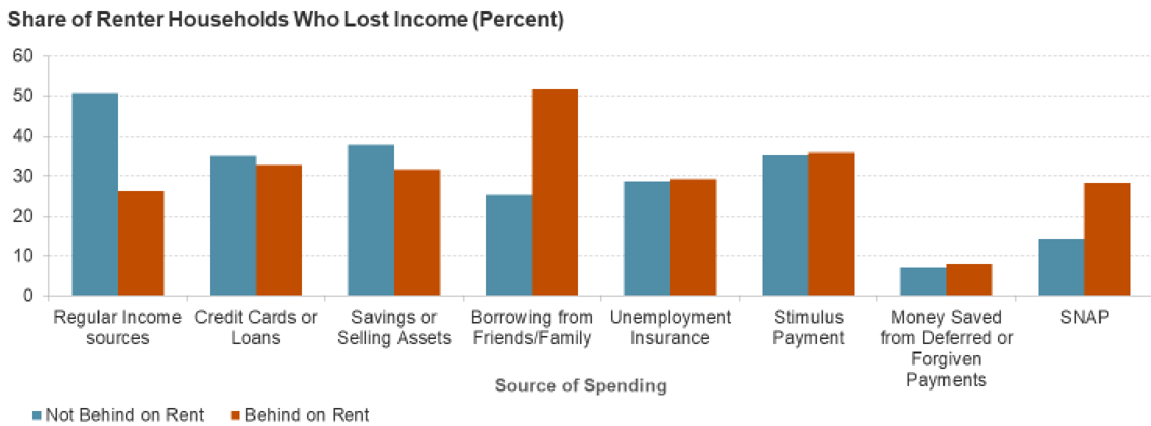
Among Renters Who Lost Income, Borrowing from Family and Friends Was Much More Common for Households Behind on Rent

While a majority of renters who lost income were able to keep up with rent payments, there were some significant differences in the use of financial resources among those who were unable to make rent. Households behind on rent were much more unlikely to be able to rely on regular income to meet expenses—only a quarter of them did so, half the share of those caught up on rent. This suggests that households that fell behind on rent experienced a more persistent loss of income during the pandemic.

Aside from differences in the use of regular income, the other most notable difference among households that lost income during the pandemic is that those who fell behind on rent were more than twice as likely to have borrowed from family and friends and to have used SNAP to meet their spending needs **(Figure 2)**. Just over half of households behind on rent (52 percent) reported borrowing from friends or family, compared to a quarter of households not behind on rent. High rates of borrowing from immediate social networks suggest that households behind on rent had already depleted their own financial resources and that the financial impact of the pandemic extends beyond those directly affected by the loss of income.

Households behind on rent were also more than twice as likely to use SNAP to meet their spending needs, with 28 percent of these households reporting they used SNAP, compared to 14 percent of households not behind on rent. The greater reliance on SNAP likely reflects the fact that only households with both very low incomes and very low levels of assets are eligible for these benefits and so these households will have less ability to use savings or formal credit sources, both of which are used by a slightly lower share of those who missed rent than by those who did not.

Figure 2: Among Renter Households That Lost Income, Households Who Also Fell Behind on Rent Were Much More Likely to Borrow from Friends/Family or Use SNAP

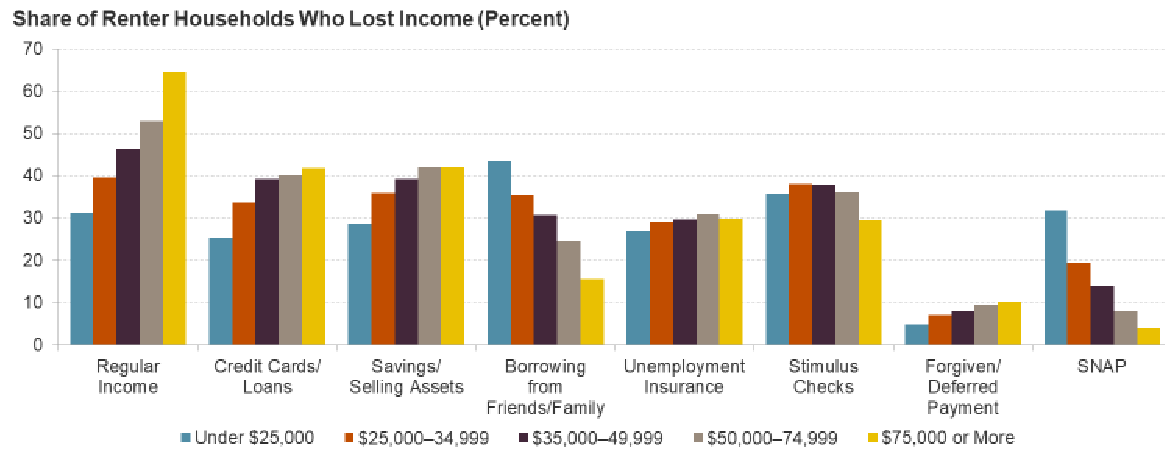


Notes: Employment income losses occurred at any time during the pandemic. Households behind on rent reported that they were not caught up at the time of the survey. Sample is cash renter households who lost income.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Lower-Income Renters Were Particularly Likely to Borrow from Family and Friends and Rely on SNAP to Make Ends Meet

Household income and the race/ethnicity of the respondent were related to different spending strategies, again likely related to variations in the financial resources available. Higher-income renters who lost employment income during the pandemic were more likely to be able to continue paying rent. This likely reflects the fact that they had more financial resources to draw on and that they may have been more likely to still have regular income. Nearly two-thirds of households (65 percent) with incomes over $75,000 who lost employment income at some point during the pandemic reported using regular income for their spending needs over the last seven days, compared to nearly a third (32 percent) of households with incomes under $25,000 **(Figure 3)**. Higher-income households were also more likely to use money from savings and credit cards or loans, probably because they were more likely to have these resources to begin with. While only a small share used money saved from deferred or forgiven payments, higher-income households were more likely to have used this source, possibly relating to higher rates of college education and student loan debt with payments that may have been paused during this period.

Figure 3: Lower-Income Households Were Less Likely to Rely on Regular Income and Were More Likely to Borrow



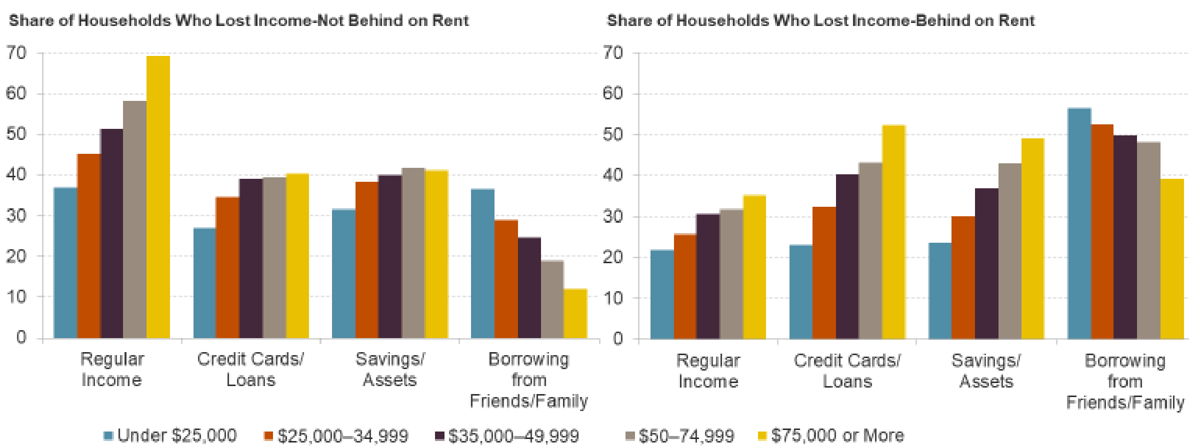
Notes: Employment income losses occurred at any time during the pandemic. Sample is cash renter households who lost income.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Lower-income households relied more heavily on informal borrowing and SNAP to meet their spending needs. Forty-three percent of lower-income households borrowed from friends and family, compared to just 15 percent of higher-income households. Given that SNAP has income eligibility requirements, it is less surprising that 31 percent of lower-income and 4 percent of higher-income households used this spending source. Lower-income households had a slightly higher frequency of using stimulus payments but were slightly less likely to use unemployment insurance.

Comparing households who lost income and were behind on rent with those who were not behind reveals similar patterns by income across these two groups, though the magnitude is different. In both groups, higher-income households were more likely to rely on regular income than lower-income households **(Figure 4a)**. Those who were not behind on rent had higher rates of using regular income, and this held across all income categories. Further, even the lowest-income households who weren't behind on rent had higher rates of using regular income than even the highest-income households who were behind on rent. The differences associated with income in the use of credit cards and savings were greater among those who were behind on rent, suggesting that these were key resources to compensate for lost income among those with higher incomes.

Borrowing from friends and family stood out as a crucial resource for lower-income households who lost income, for both those who were behind on rent and those who were not. Among those who were not behind on rent, 36 percent of households with incomes under $25,000 borrowed from their networks, but this share jumps to 57 percent for those behind on rent. Thus, while higher-income households may have had access to savings and formal credit to make rent, lower-income households more frequently drew from their social networks. Notably, though, across all income groups renters behind on rent were very likely to turn to family and friends, indicating the importance of social networks for all households in times of extreme distress. The fact that informal borrowing rates were so high among lower-income renters, including those who did not fall behind on rent, implies that there are financial ripple effects that stretch into the community beyond the directly impacted households.

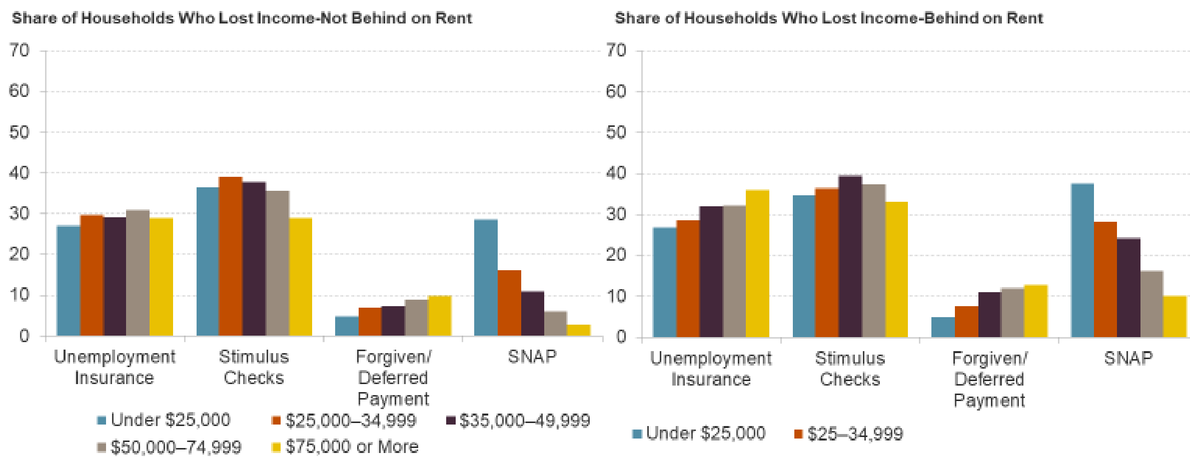
Figure 4a: Higher-Income Households Behind on Rent Were More Likely to Turn to Credit Cards While Lower-Income Households Borrowed from Friends or Family



Notes: Employment income losses occurred at any time during the pandemic. Households behind on rent reported that they were not caught up at the time of survey. Sample is cash renter households who lost income.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

When it comes to COVID-related supports and SNAP, the patterns are similar between those who were not behind and those who were behind on rent. Use of unemployment insurance is close to 30 percent for most income groups, whether behind on rent or not, though higher-income households behind on rent were slightly more likely to use unemployment insurance **(Figure 4b)**. Whether behind on rent or not, SNAP was an important resource for lower-income households. For the 29 percent of lower-income renter households using SNAP who were not behind on rent, SNAP may have been an important method for meeting food spending needs that enabled them to make rent. Across all incomes, SNAP usage was higher for households behind on rent, possibly reflecting the more precarious financial position that made them eligible for SNAP.

Figure 4b: Whether Behind on Rent or Not, SNAP Was an Important Resource for Lower-Income Households



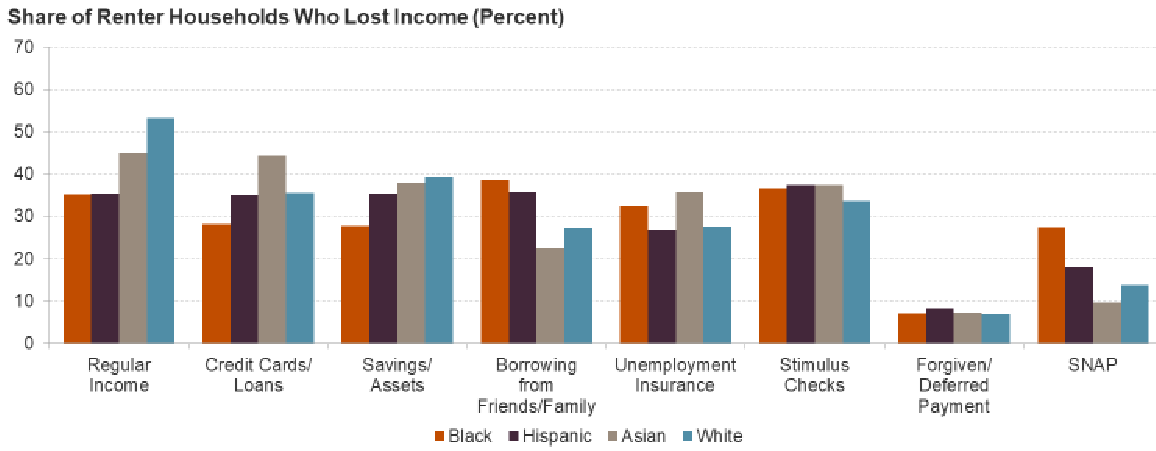
Notes: Employment income losses occurred at any time during the pandemic. Households behind on rent reported that they were not caught up at the time of survey. Sample is cash renter households who lost income.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Renters of Color Were Similar to Lower-Income Renters in Their Reliance on Borrowing from Family and Friends and SNAP in Response to Income Loss

Given that Black and Hispanic households have lower incomes on average resulting from decades of discrimination in labor markets and educational settings, not surprisingly the spending strategies for Black and Hispanic households are similar to those for low-income renters generally. Black and Hispanic households who lost income were less likely than white and Asian households to rely on regular income, credit cards or loans, or savings **(Figure 5)**. The rates of using credit cards or savings were particularly low for Black households, at just 28 percent. In lieu of these resources, Black and Hispanic households turned to borrowing from friends and family at substantially higher rates. Additionally, Black households used SNAP much more frequently.

Following the income pattern, households of all races and ethnicities who were not behind on rent had higher rates of using regular income than those who were behind on rent **(Figure 6a)**. The racial

Figure 5: Black Households Who Lost Income Were Far Less Likely to Use Credit Cards, Savings, or Assets

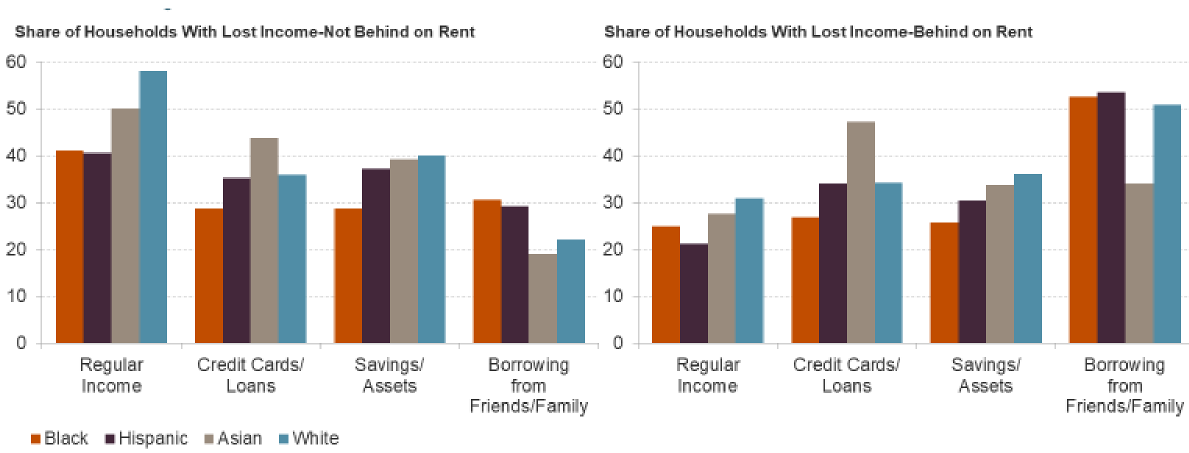


Notes: Employment income losses occurred at any time during the pandemic. Sample is cash renter households who lost income. Black, Asian, and white respondents are all non-Hispanic. Hispanic respondents may be of any race.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

disparity in using regular income held even among households behind on rent, which is conceivably a group of renters that all face significant financial challenges. Regardless of payment status, white and Asian households were more likely to be able to rely on regular income than Black and Hispanic households. White, Black, and Hispanic renter households behind on rent had a much higher rate of borrowing from friends or family than those who were not behind on rent, likely because these households did not have other resources to draw from. Asian households stand out for turning to credit cards much more so than white, Black, or Hispanic households.

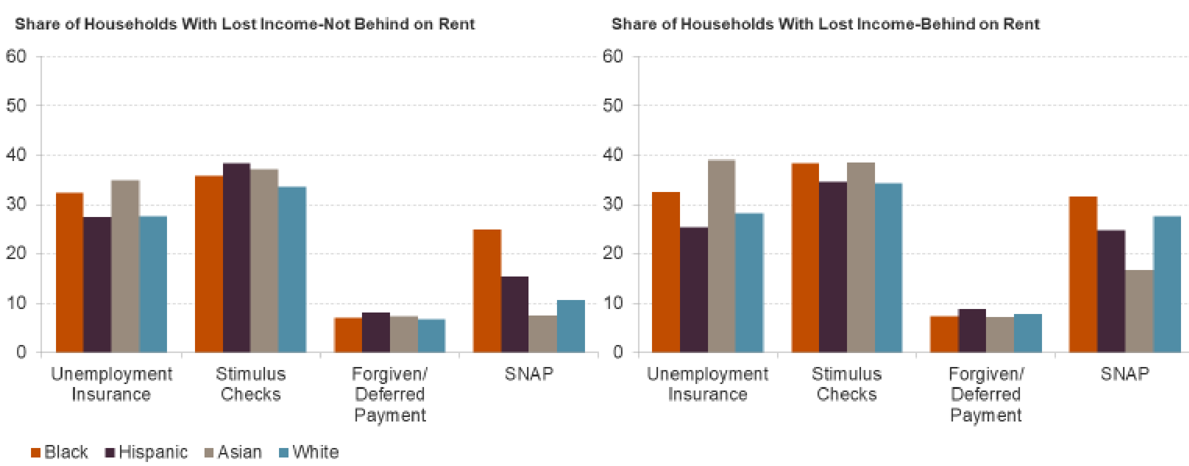
Asians also had a slightly higher rate of use of unemployment insurance when behind on rent **(Figure 6b)**. While particularly high among Black renters, SNAP usage for those behind on rent was substantially higher across all races/ethnicities compared to those who were not behind, again suggesting that SNAP was likely an important resource for food spending in households that otherwise faced financial precarity.

Figure 6a: Black and Hispanic Renter Households Had Highest Rates of Borrowing from Friends or Family, Regardless of Their Rent Payment Status



Notes: Employment income losses occurred at any time during the pandemic. Sample is cash renter households who lost income. Black, Asian, and white respondents are all non-Hispanic. Hispanic respondents may be of any race.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Figure 6b: SNAP Usage Was Higher for Households Behind on Rent Across All Races or Ethnicities

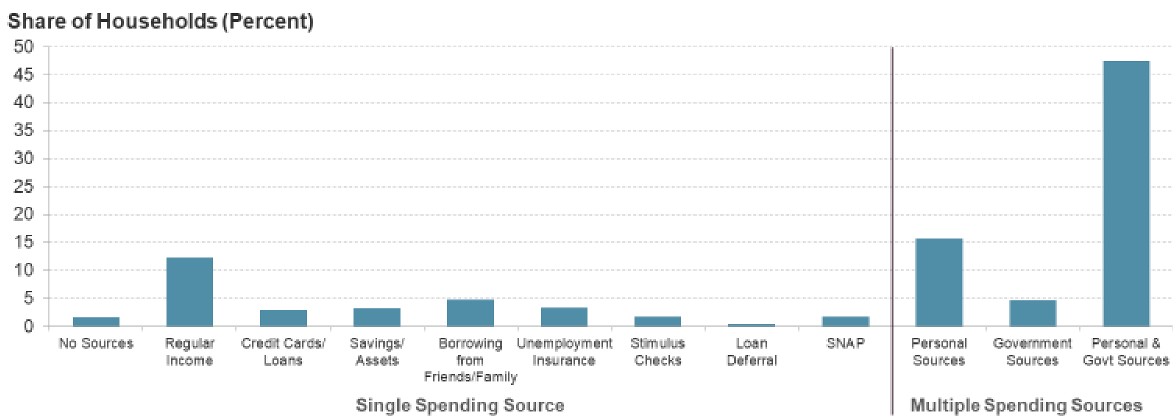


Notes: Employment income losses occurred at any time during the pandemic. Sample is cash renter households who lost income. Black, Asian, and white respondents are all non-Hispanic. Hispanic respondents may be of any race.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Most Households Who Lost Income Tapped Multiple Resources

In addition to examining the prevalence of specific financial resources in response to income loss, it is also instructive to examine how often renters tapped multiple resources to make ends meet. In fact, renter households who lost employment income over the course of the pandemic used complicated combinations of financial resources to meet their spending needs. Just under a third of households who lost income used only one spending source. Regular income was by far the most common single source, with 12 percent of households reporting that they used only income to meet their spending needs **(Figure 7)**.[13] Borrowing from friends and family was the next most common single source, at 5 percent.

Figure 7: Most Households Who Lost Income Used a Combination of Sources to Meet Their Spending Needs



Notes: Employment income losses occurred at any time during the pandemic. Sample is cash renter households who lost income. Personal sources include regular income, credit cards/loans, savings/assets, and money borrowed from friends/family. Policy sources include unemployment insurance, stimulus checks, money from deferred or forgiven loans, and SNAP.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

However, most households combined multiple financial resources to make ends meet in the face of lost income, with 247 permutations of spending combinations evident. Combining personal resources (including regular income, credit cards or loans, savings or assets, and money borrowed from friends or family) with government resources (including unemployment insurance, stimulus checks,

[13] For those who did not report losing income since the start of the pandemic, 41 percent reported relying solely on regular income to meet expenses.

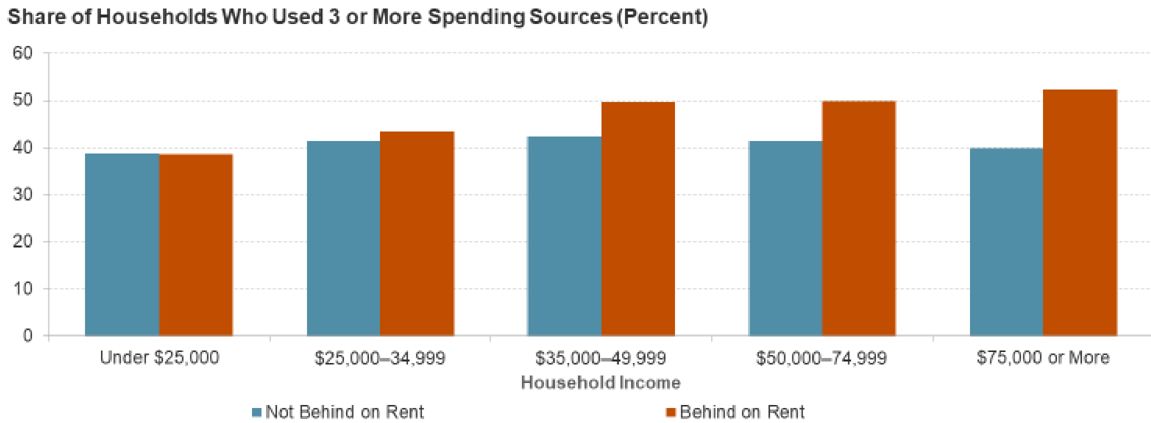
money saved from deferred or forgiven payments, and SNAP) was the most frequent strategy used.[14] Nearly half (47 percent) of households who lost income used at least one personal and one policy spending source. An additional 16 percent of households just tapped combinations of their personal resources. A very small share of households relied on government resources without contributing their own personal resources. Five percent used multiple government resources while an additional 2 percent used just one policy resource. Pairing regular income with credit cards, with stimulus payments, or with savings were the three most common combinations, but these three accounted for just 8 percent of all households who lost income.

Households who lost income and were behind on rent used a greater variety of financial sources but still fell short. Nearly 70 percent of those who were behind on rent and lost income used at least two spending sources to cover their expenses, including 44 percent who used at least three sources. Households who were behind on rent were also slightly more likely to use more sources than those who were caught up with their housing payments. Among households who lost income and weren't behind on rent, 68 percent used at least two spending sources and 40 percent used three or more.

Among households who were behind on rent and lost income, 39 percent of households with incomes below $25,000 tapped three or more spending sources **(Figure 8)**. The share rises with each income category, up to 52 percent of households with incomes of at least $75,000. This pattern likely reflects that households with higher incomes may have more resources to tap to make up for lost income, including savings and formal credit, and were also more likely to have used regular income.

[14] Of note, this category includes deferrals of payments to landlords and for student loans. While student loan deferrals are a form of government support, landlord deferrals are not. But these types of deferrals cannot be separately identified.

Figure 8: Higher-Income Households Who Lost Income and Fell Behind on Rent Used More Spending Sources



Notes: Employment income losses occurred at any time during the pandemic. Households behind on rent reported that they were not caught up at the time of survey. Sample is cash renter households who lost income.
Source: JCHS tabulations of US Census Bureau Household Pulse Surveys, August 2020–March 2021.

Multivariate Analysis Confirms Importance of Borrowing from Family and Friends Among Those Who Lost Income and Fell Behind on Rent

The analysis presented above examines how the use of different financial resources varied with household characteristics. A logistic regression model is estimated to assess the independent association of both household characteristics and the use of financial resources and the likelihood that a household who lost income during the pandemic fell behind on rent payments. One particularly important use of the regression analysis is to isolate the association between race and ethnicity and the financial impacts of the pandemic while controlling for household income and other demographic characteristics. The results shown in Table 1 provide the odds ratio for being behind on rent associated with each independent variable.[15]

The model results largely confirm the cross-tabulation findings discussed earlier. Among households who lost income, Black and Asian renters were nearly twice as likely as white householders to be behind on rent, even taking into account differences in income, education, and family composition

[15] The odds ratio indicates how much more or less likely the outcome is for each independent variable, with values of 1 indicating no change in the odds, values less than one indicating a lower likelihood, and values above 1 indicating a higher likelihood. For example, a value of 0.97 indicates that the variable is associated with a 3 percentage point lower likelihood of the outcome, while a value of 1.56 indicates a 56 percentage point higher likelihood.

(Table 1). However, Hispanic renters did not have a statistically significant higher risk of being behind on rent when other factors are accounted for. All else equal, the presence of kids in the household was associated with 56 percent higher odds of missing rent than for households without kids. Households with incomes in the two lowest categories, under $35,000, were also more likely to miss rent, as were those with only a high school diploma or less. When it comes to housing structure type, manufactured housing stood out with 54 percent higher odds of missing rent compared to renters living in single-family homes. Households reporting moderate or severe food insufficiency were almost three times more likely to miss rent than those whose basic food needs were met, likely because food insecurity is serving as an indicator of severe financial insecurity.

The model also confirms the financial strategies highlighted in the cross-tabulations. Those who used regular income were half as likely to miss rent as those who did not. Savings and assets also provided a buffer for households who lost income, being associated with a reduction in the odds of missing rent by 16 percent. Borrowing from friends and family was associated with twice the likelihood of being behind on rent, likely reflecting that households who turn to this strategy have fewer other resources to draw on. SNAP benefits were also associated with a higher likelihood of being behind on rent and may be capturing a household's lack of other financial resources. The use of two COVID income support policies was associated with relatively small differences in the odds of making rent. Stimulus payments reduced the odds of being behind by just 7 percent, holding all other factors constant. This result is perhaps not surprising since these payments went to a large share of US households regardless of need. The use of unemployment insurance had no significant association with being behind on rent. This may reflect the fact that unemployment insurance was used at nearly equal rates by households behind or not behind on rent and at similar rates across household income categories. Thus, as with stimulus payments, it may be that the widespread availability of unemployment benefits, including for those not normally eligible for them, resulted in their not being a differentiating factor in whether households could make rent.

Table 1. Logit Model Results

Outcome: Behind on rent payment

Sample: Cash renter households who lost income

	Odds Ratio	*p*	95% Confidence Interval	
Number of adults in household				
1	(reference)			
2	0.97	0.44	0.89	1.05
3	0.97	0.58	0.89	1.07
Kids in household				
No	(reference)			
Yes	1.56	0.00	1.46	1.68
Marital status				
Married	(reference)			
Unmarried	1.08	0.09	0.99	1.18
Never Married	1.02	0.69	0.93	1.11
Gender				
Female	(reference)			
Male	1.19	0.00	1.12	1.28
Race/ethnicity				
White	(reference)			
Black	1.83	0.00	1.67	1.99
Hispanic	1.18	0.00	1.08	1.30
Asian	1.78	0.00	1.53	2.08
Multiracial/another race	1.30	0.00	1.16	1.47
Age	1.00	0.00	1.00	1.01
Household income				
Less than $25,000	1.28	0.00	1.14	1.43
$25,000–34,999	1.32	0.00	1.17	1.48
$35,000–49,999	1.25	0.00	1.11	1.40
$50,000–74,999	1.17	0.00	1.05	1.31
$75,000 or more	(reference)			
Educational attainment				
High school diploma or less	1.41	0.00	1.30	1.53
Some college	1.36	0.00	1.27	1.45
College graduate	(reference)			
Structure type				
Single-family	(reference)			
Multifamily 2–4 units	0.85	0.00	0.78	0.93
Multifamily 5–19 units	0.89	0.02	0.82	0.98
Multifamily 20+ units	0.84	0.00	0.76	0.92
Manufactured	1.54	0.00	1.33	1.78

Table 1. Logit Model Results *(continued)*

Outcome: Behind on rent payment
Sample: Cash renter households who lost income

	Odds Ratio	*p*	95% Confidence Interval	
Moderate/Severe Food Insufficiency				
No	(reference)			
Yes	2.73	0.00	2.55	2.92
Spending sources				
Regular income				
No	(reference)			
Yes	0.57	0.00	0.53	0.61
Credit cards/loans				
No	(reference)			
Yes	0.98	0.63	0.92	1.05
Savings/assets				
No	(reference)			
Yes	0.84	0.00	0.78	0.89
Borrowing from friends/family				
No	(reference)			
Yes	2.02	0.00	1.89	2.16
Unemployment insurance				
No	(reference)			
Yes	0.98	0.50	0.91	1.05
Stimulus payment				
No	(reference)			
Yes	0.93	0.04	0.87	1.00
Money from deferred/forgiven payments				
No	(reference)			
Yes	1.26	0.00	1.12	1.41
SNAP				
No	(reference)			
Yes	1.46	0.00	1.35	1.59
Intercept	0.07	0.00	0.05	0.10
State fixed effects	X			
Week fixed effects	X			
AIC	187,710,335			
Pseudo R^2	0.1594			
Number of observations	106,235			

Conclusions and Policy Implications

In this paper, we use the US Census Bureau's Household Pulse Survey to better understand the strategies and resources that renters who have suffered financially during the pandemic have utilized to keep up with their housing payments. We found that renters rely on a variety of income sources to meet their spending needs, in many possible combinations, in response to a loss of income. Most households who lost income kept up with their housing payments—indeed, three-quarters of renters who lost income remained current on their rent—due to some combination of personal and public resources. Still, a quarter of households with lost income did fall behind on their rent, and these households were far more likely to borrow from family or friends and benefit from SNAP payments, indicating that many of these households had already exhausted their own personal financial resources. The heavy reliance on borrowing from family and friends also illustrates how the financial fallout of lost income and housing insecurity extends beyond the individual directly impacted.

Strategies for coping with a financial shock also vary by household demographic characteristics. Lower-income households and households of color—Black and Hispanic renters in particular—were all more likely to fall behind on rent after suffering a loss of income. In response, lower-income households were far more likely than higher-income households to borrow from family and friends and use SNAP benefits to meet their essential needs, likely due to a lack of access to other means including credit cards and loans, savings, or even regular income. Black and Hispanic households, who tend to have lower incomes due to legacies of discrimination in labor and housing markets, follow a similar trend. Relative to white households, households of color were more likely to use SNAP and borrow from friends and family and were less likely to use personal financial resources like regular income, credit cards, and savings/assets. Given that reliance on social networks was more pronounced for renters of color and those with lower incomes, these financial impacts are also likely concentrated in the specific communities where these renters live.

Renters who suffered a financial shock since the start of the pandemic often engaged in complex and multiple strategies for their spending needs. Just one-third of renters with lost income relied on a single spending source, most commonly regular income (12 percent) or borrowing from friends and family. Instead, the majority of renters relied on multiple sources of income, including 44 percent who relied on at least three sources, resulting in 247 unique spending combinations. Nearly half of households (47 percent) tapped both personal financial resources and policy sources of income in some combination.

These findings suggest several avenues for improved policymaking. For starters, federal assistance aimed specifically at renters to date has focused on payments to make up for missed rent. However, this paper shows that missed rent is just the tip of the iceberg for renters with lost income. Renters with lost income were far more likely to use credit cards or loans, draw down their savings or assets, and borrow from family or friends to meet their essential spending needs. A focus on missed rent payments alone, excluding other possible hardships incurred by both individuals and those close to them, will be necessarily incomplete. As a result, broad-based cash-assistance programs such as expanded unemployment insurance benefits, SNAP, and stimulus payments provide both crucial supports for renters and help mitigate the full financial impacts of the pandemic that radiate outwards beyond those directly impacted.

These findings also signify the many ways renters—those who have and those who haven't missed rental payments—have drawn down their own assets or borrowed against the future. The complex strategies households engage in could make those households even less financially resilient to subsequent or lasting income shocks. They could also deprive or delay the pursuit of homeownership, especially the ability to qualify and meet downpayment and closing cost requirements. As a result, efforts to repair credit, reduce acquired debt, and provide downpayment assistance will become more important for those harmed financially by the pandemic.

Lastly, households who lost income and fell behind on rent despite extensive and complicated coping strategies remain among those hit hardest by the pandemic's financial fallout. For these renters, emergency rental assistance remains crucial. Rental assistance programs need to be designed to preclude overly burdensome reporting and documentation requirements and distributed as expediently as possible to renters in need. Moreover, households behind on their rent, exhausted financially, and unable to attain rental assistance may require additional eviction diversion supports, in the form of legal aid, help with moving costs, credit repair, and assistance with a deposit and other up-front costs for a new apartment. Ultimately, the radiating financial impacts of the pandemic on lower-income renters and households of color necessitate an ongoing, comprehensive, and multifaceted policy approach.