

NAHMAanalysis

NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

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September 18, 2020

NAHMAanalysis 2020-0918

Covid-19 and the Impact on Minority Renters

Synopsis:

Housing security is a significant concern across the nation, particularly among families of color, as represented by the higher rates of Covid-19 related income losses among minority groups. Meanwhile, the perilous financial circumstances of most renters before the pandemic, regardless of income, continues to worsen. Several policy options exist in the near and long term to address the numerous housing affordability challenges, such as greater federal income supplements for renter households. For most low and extremely low income families, these benefits are vital to helping pay rent during the current pandemic. This NAHMAanalysis highlights recent data on the disproportionate impact of Covid-19 on minority households, renters, and communities.

Covid-19 Increases Racial Disparities in Housing

With Covid-19 cases in the U.S. still climbing, emerging data is indicating that the pandemic is disproportionately impacting households of color, especially Black and Hispanic families. Structural racism and discriminatory policies and practices have contributed to Black and Hispanic households being more likely to be renters and to have lower incomes and fewer assets, which puts them at higher risk of missing rent payments and being evicted. Before the Covid-19 pandemic, Black and Hispanic renters were more likely to be cost-burdened, and this pandemic only exacerbated this problem. It continues to impact renters of all racial and ethnic backgrounds and continues to worsen existing disparities, many of which can be traced to explicit and implicit discriminatory housing policies. According to a recent Census Bureau Household Pulse Survey conducted in July, wide racial and ethnic disparities are one of the main contributors to the affordable housing crisis.

Impacts of Historically Disenfranchising Housing Policy

Historically, certain public policies have produced racial disparities that resonate to this day. From the 1930s through the late 1960s, the federal government practice of “redlining” limited or denied mortgage insurance in neighborhoods with high rates of Black households and other households of color, exacerbating existing racial segregation in private home mortgage lending. The legacy of this discrimination continues today, in exclusionary zoning practices that restrict where people can live by artificially constraining supply and keeping house prices and rents

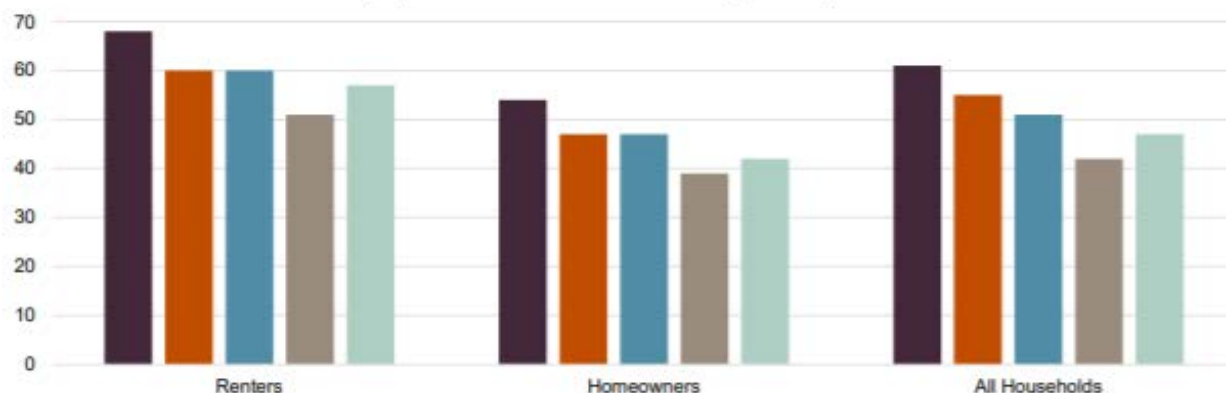
beyond the reach of many low-income households, who are disproportionately households of color.

Discriminatory housing policies such as racialized zoning, predatory lending, and urban renewal have resulted in stark outcomes. According to the National Low-Income Housing Coalition's publication, *The Gap: A Shortage of Affordable Homes 2019*, there are just 37 rental homes for every 100 extremely low-income renter households. Black, Hispanic, and Native American households are more likely than white households to be extremely low-income renters. In fact, 20 percent of Black households, 18 percent of Native American households, and 16 percent of Hispanic households are extremely low-income renters. Only six percent of white non-Hispanic households are extremely low-income renters.

This has been compounded by fact that communities of color are disproportionately affected by Covid-19, while also being impacted economically by public health measures such as Stay-At-Home orders. An overrepresentation in low-skilled or temporary positions means that these populations cannot transition to working remotely. The Bureau of Labor Statistics reported in May that the unemployment rate for Hispanics rose to a record high of 18.9 percent, meaning nearly 1 in 5 Hispanics are unemployed. The rate is higher than any other racial or ethnic group surveyed by the department. The unemployment rate rose to 16.7 percent for Blacks, 14.5 percent for Asians and 14.2 percent for whites. The layoffs related to Covid-19 for Black and Hispanic workers are also more likely to exacerbate their housing instability, with minority families already having reported higher rates of financial insecurity and lower savings to draw from, to weather economic shocks before the crisis began.

Renter Households of Color Are More Likely to Have Lost Income as a Result of COVID-19

Share of Households that Lost Employment Income Since Mid-March (Percent)



Race/Ethnicity of Respondent ■ Hispanic ■ Black ■ Asian/All Other ■ White ■ Total

Note: The HPS household weight is a pseudo-household weight created by dividing the given person weight in the HPS by the number of adults in the household. Weights are used in survey research to make estimates derived from samples more representative of the population. White, Black and Asian/ other households are non-Hispanic. Hispanics may be of any race.
Source: JHCS tabulations of US Census Bureau, Household Pulse Survey, Week 12.

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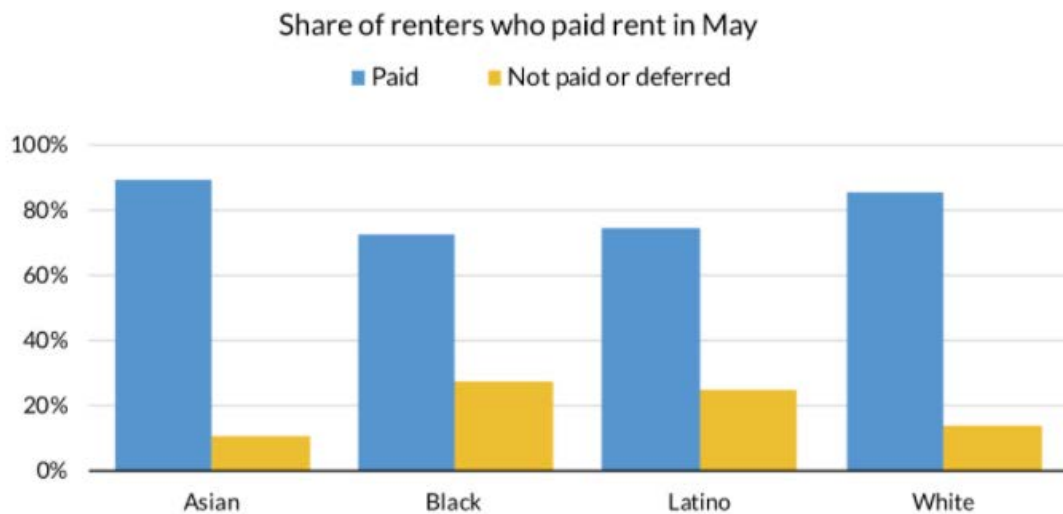
Minority Renters Deeply Impacted by the Pandemic

Covid-19 has only worsened the grim economic reality engulfing many minority renters and has the potential for disastrous near-term consequences. The Census Bureau published its August

Household Pulse Survey and found that people of color and lower-income families are struggling to cover their housing costs and are more likely now to experience housing instability in the near future. According to the survey, more than half of Hispanic (58 percent) and Black (53 percent) households experienced a decline in employment income since mid-March, much higher than the share of white (39 percent) households. Additionally, 25 percent of Black and Hispanic renters who responded to the survey did not pay or deferred their rent in May, compared with 14 percent of white renters. And while a quarter of white renters expressed slight or no confidence in their ability pay rent in June, nearly 50 percent of Black and Hispanic renters expressed similar concerns.

Notably, a recent Harvard study found that 52 percent of all renters had lost income from employment in May and June, with Hispanic renters being hit the hardest. Almost two in every three Hispanic renters, or 64 percent, lost employment income in the last couple months, followed by 57 percent for Black renters, and 47 percent for white renters (Triple Pandemic, July 7, 2020).

Renters by Race and Ethnicity



Source: Urban Institute, *New Data Suggest Covid-19 is Widening Housing Disparities by Race and Income*, May 29, 2020

In addition to the economic factors that present housing challenges for minorities are a range of negative conditions still prevalent in many communities of color. Racial disparities in access to healthy food at the neighborhood level, with generally lower quality and higher prices relative to stores in predominantly non-Hispanic white neighborhoods. For example, nearly 21 percent of Black families are food insecure, or being either uncertain of having or unable to purchase enough food for themselves or all their family members. Black families are also subjected to higher levels of air pollution and lead exposure than white families, regardless of income. Black and Hispanic communities are more likely to lack important community services, such as quality, multimodal transit, broadband internet access and recreational spaces necessary for physical activity. Black and Hispanic communities also continue to face significant inequities in the U.S. education, employment and justice systems, which hinders upward mobility for workers and families. These not only lead to poorer health outcomes for low-income communities, but also more precarious economic conditions that will make weathering the Covid-19 crisis that much more challenging.

Conclusion

While hardships caused by Covid-19 have affected almost all Americans, these impacts have unequally burdened minority families. Black and Hispanic households have been much more likely not only to contract Covid-19, but also to suffer from lost income and face housing insecurity as a result of the pandemic. Several policy priorities follow from these findings. If renters who have been impacted by Covid-19 do not receive additional support until the current crisis abates, through rental assistance, cash transfers or the continued supplement of unemployment benefits, states across the country could see much larger increases in hunger, eviction, and homelessness for the foreseeable future. With so many suffering from lost income during the pandemic and facing continual housing insecurities, Black and Hispanic families are especially at risk.