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HOUSING INSECURITY PERSISTS FOR RENTERS OF COLOR AMID THE COVID-19 PANDEMIC

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Disclaimer

The views expressed herein are those of the authors and not necessarily those of the University of California, Los Angeles as a whole. The authors alone are responsible for the content of this report.

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EXECUTIVE SUMMARY

The COVID-19 pandemic has deepened California's chronic economic and housing inequalities for low-income and people-of-color households. This brief uses data from the US Census Bureau's Household Pulse Survey (HPS) and California's Emergency Rental Assistance Program (ERAP) to analyze the experience of renters and their participation in critical emergency rental-assistance programs. We find significant disparities linked to income class and race/ethnicity among California renters who are experiencing financial distress and who have participated in rental relief programs. It is likely that the racial/ethnic disparities are due in large part to two characteristics that are not measured for the HPS or by ERAP but have been shown to be barriers to accessing other safety-net programs: limited English proficiency, and immigration status. Immigrants are generally mistrustful of government programs, and immigrants who are not yet naturalized may be concerned that their participation in safety-net programs may identify them as a public charge. Our results echo recent findings showing that barriers to access—for instance, difficulty accessing the online application, delays in approval, and inadequate language access—have prevented many struggling renters from benefitting from ERAP.¹

Our main findings are as follows:

1. Low-income renters and renters of color are more likely than their white counterparts to struggle to keep up with rent payments.
2. Although more than 534,000 California renters applied for the state's rental assistance program between March 2021 and March 2022, a majority of renters experiencing housing-related stress did not benefit from rent relief.
3. Among renters who received rent relief, Asian and Latino renters were severely underrepresented relative to whites, even after accounting for income, age, and metropolitan area of residence.

Based on our findings, we recommend the following:

1. Extend California's ERAP until unemployment rates for all racial/ethnic groups fall below pre-pandemic rates. This extension will help ensure that all eligible renters can apply for and receive rental assistance.
2. Extend emergency safety-net programs such as those that prevent utility shut-offs, offer debt forgiveness, and provide food security for families and children until unemployment rates for all racial/ethnic groups fall below pre-pandemic rates.
3. Design and implement concerted efforts to reach eligible renters, including outreach programs that partner with trusted community-based organizations to ensure that renters receive the rental assistance that they are eligible for.

INTRODUCTION

In addition to affecting the health of millions of Californians, the COVID-19 pandemic deepened California’s chronic economic and housing inequalities for low-income and people-of-color households. Previous research shows that pre-pandemic inequalities and labor-market hardships associated with the pandemic amplified systematic disparities among renters, with Blacks and Latinos being most adversely affected.² The magnitude of the pandemic’s economic impact is evident in unemployment rates that continue to lag behind those in pre-pandemic periods, particularly for Asians and women.³ The economic impact of the crisis has left many Californians struggling to pay for housing, food, and essential services such as water, gas, and electricity.⁴

In response, California’s public officials—who were under pressure from advocates for racial and economic equity—enacted temporary COVID-19 support programs. These include temporary tenant and utility debt protections, extended unemployment insurance and food security benefits, and relief to small businesses, renters, homeowners, and landlords. This brief uses data from the US Census Bureau’s Household Pulse Survey and the CA COVID-19 Rent Relief Dashboard, provided by California’s Emergency Rental Assistance Program (ERAP), to analyze renters’ experience with and participation in critical emergency rental assistance programs. The HPS is sponsored by multiple federal agencies and is designed to quickly collect and report data that measure

the social and economic effects of COVID-19 on American households. The ERAP Dashboard reports the number of rent relief applications, households served, the amount of funds dispersed, and basic applicant demographics.

We find that not much has changed since the onset of the pandemic: low-income people and people-of-color are still struggling to pay the rent. We also show that among renters in financial distress, Asians and Hispanics are less likely to receive assistance. These racial disparities persist even after accounting for income, age, and metropolitan area of residence. These results echo recent findings showing that California’s ERAP has left behind many struggling renters because of barriers that include difficulty accessing the online application, delays in approval, and inadequate language access.⁵





DATA AND METHODOLOGY

Our research sought to determine whether renters face current or potential housing difficulties and whether they applied for, received, or were denied rental assistance. The analysis relies on estimates from the HPS, an experimental Census Bureau product, which track disruptions to employment, spending patterns, food security, housing, health, and education that are related to the COVID-19 pandemic.⁶

The survey is conducted in phases in which data collection alternates with data dissemination. This study uses data collected in weeks 34 to 41, covering July 21, 2021, to January 10, 2022. The questionnaire is available in English and Spanish but not in any Asian language. The latter limitation probably means that limited-English-language

Asian immigrants are underrepresented in the sample. Since they tend to be low-income individuals who have less formal education, HPS statistics on Asians may be upwardly biased toward the more advantaged segment.

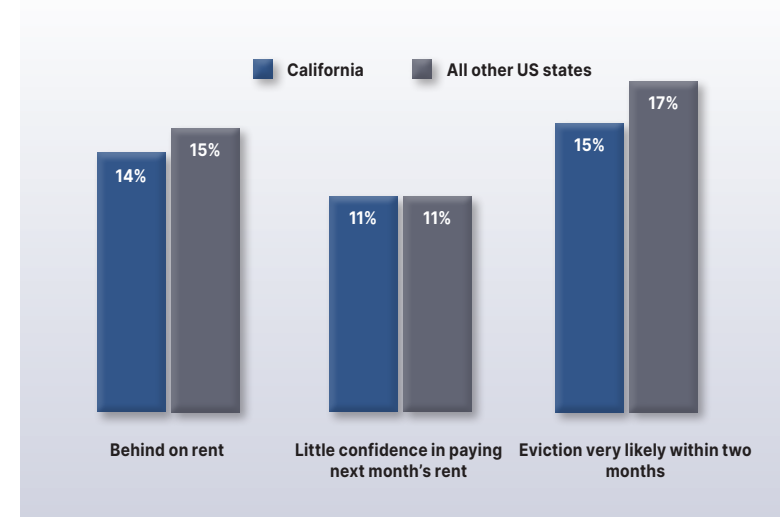
We used racial/ethnic information from the HPS to create demographic categories as well as three modified household income categories adjusted for household size: low-income households (those falling roughly below two times the federal poverty level and 80 percent of the Area Median Income [AMI]); upper-income households (those in roughly the top third of the income distribution); and middle-income households (those not in either of the other two groups). For our analysis we also identified distressed renters, who are defined as renters that were behind on rent plus those who were not behind because they had received assistance. The assumption is that the latter would have been stressed if they had not received relief. Finally, we compare the results from the HPS with information from the ERAP Dashboard.⁷

FINDINGS

Fifteen Percent of California Renters Are Experiencing Housing-Related Stress

California and the nation are facing an unprecedented crisis in the rental housing market. Figure 1 shows three measures of housing-related stress in the state and the nation. An estimated 14 percent of California renters were behind on their rent during the study period, and 15 percent feared eviction. Eleven percent were not confident that they would be able to pay the next month's rent—the most conservative measure of housing-related stress. These indicators of housing-related problems are not unique to California, as figure 1 indicates. The COVID-19 pandemic has resulted in widespread renter vulnerability across the nation.

FIGURE 1. Renters who experienced housing-related stress, July 21, 2021–January 10, 2022



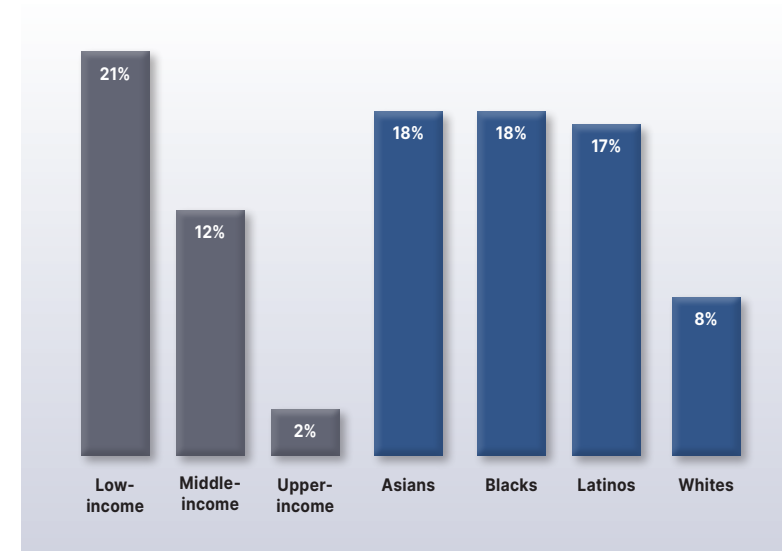
SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022).

NOTE: Values are a percentage of all US renters.

Low-Income Renters and Renters of Color Are More Likely to Struggle to Keep Up with Rent

Not much has changed for low-income renters and renters of color since the onset of the pandemic. Among California renters, those with low income and people of color were more likely to struggle to keep up with rent. Figure 2 shows those who were behind on rent during the study period. When compared to upper-income renters, roughly ten times as many low-income renters were behind on their rent. When compared to their white counterparts, more than twice as many Asian American, Black, and Latino renters had difficulty paying their rent.

FIGURE 2. Californians who were behind on rent, by income class and race/ethnicity, July 21, 2021–January 10, 2022



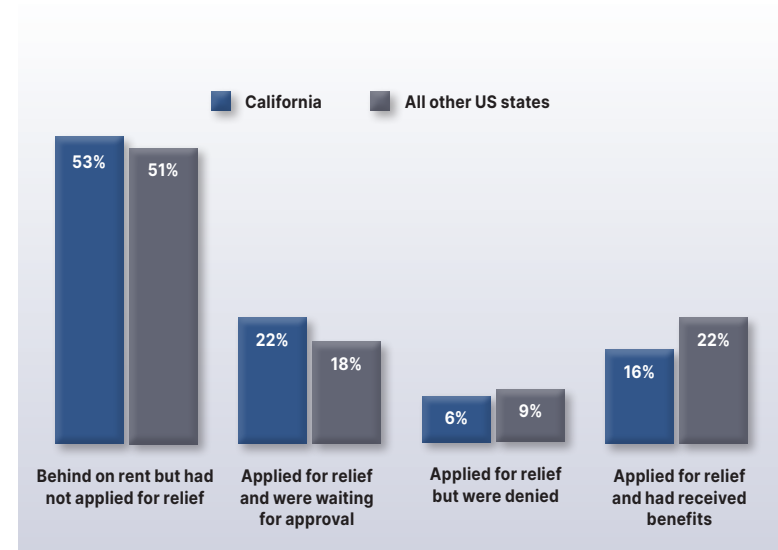
SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022).

NOTE: Values are a percentage of all California renters.

A Majority of California Renters Experiencing Housing-Related Stress Did Not Benefit from Rent Relief Programs

Figure 3 presents self-reported renters' participation in rent relief programs in California and the nation. Roughly 60 percent of distressed renters nationwide who were behind on their rent either did not apply to rent relief programs or applied and were denied relief. California renters were less likely to receive rental assistance relative to renters in all other US states. Only about 16 percent of distressed California renters applied for and received aid, compared to 22 percent for all other US states. Aside from California's application rate, which was lower than the rate for the rest of the nation, the disparity was likely due to the state's slow start in accepting rental assistance applications and the backlog of applications waiting to be processed.⁸

FIGURE 3. Distressed renters, by participation in rent relief programs, July 21, 2021–January 10, 2022



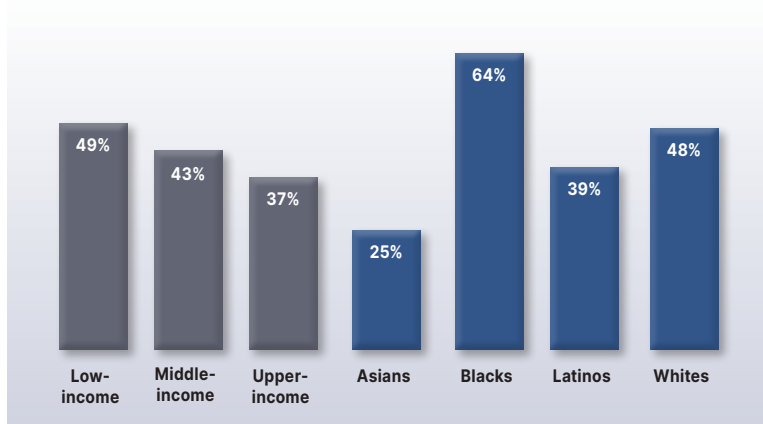
SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022).

NOTE: Values are a percentage of all distressed US renters.

Low-Income, Asian American, and Latino Renters Are Severely Underrepresented among Those Receiving Debt Relief

As expected, among distressed renters in California, those with low income were more likely to apply for rental assistance. Asian American and Latino renters, however, were less likely to apply to debt relief programs. Figure 4 shows the share of distressed renters who applied for rent relief. Almost half of low-income households applied for rent relief. Asian American renters had the lowest application rate. Only 25 percent of distressed Asian American renters applied

FIGURE 4. Distressed California renters who applied for rent relief, by income class and race/ethnicity, July 21, 2021–January 10, 2022

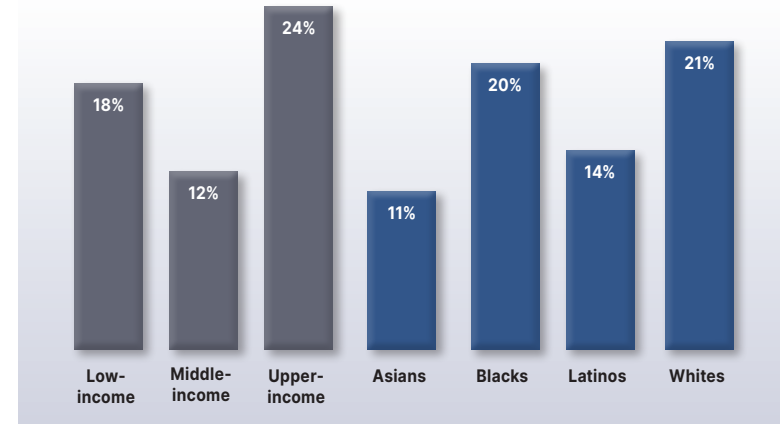


SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022).

NOTE: Values are a percentage of all distressed California renters.

for relief, compared to almost 50 percent of white renters and 64 percent of Black renters. The second lowest application rate, 39 percent, was among distressed Latinos. Similarly, figure 5 shows the percentage of distressed renters that received relief by income class and race/ethnicity. The data show that upper-income renters were more likely to receive debt relief than low-income households, even though the latter had significantly higher application rates. The rate of rent relief for Asian American renters was half that for white and Black households. The second lowest relief rate was for Latino distressed renters.

FIGURE 5. Distressed California renters who received rent relief, by income class and race/ethnicity, July 21, 2021–January 10, 2022



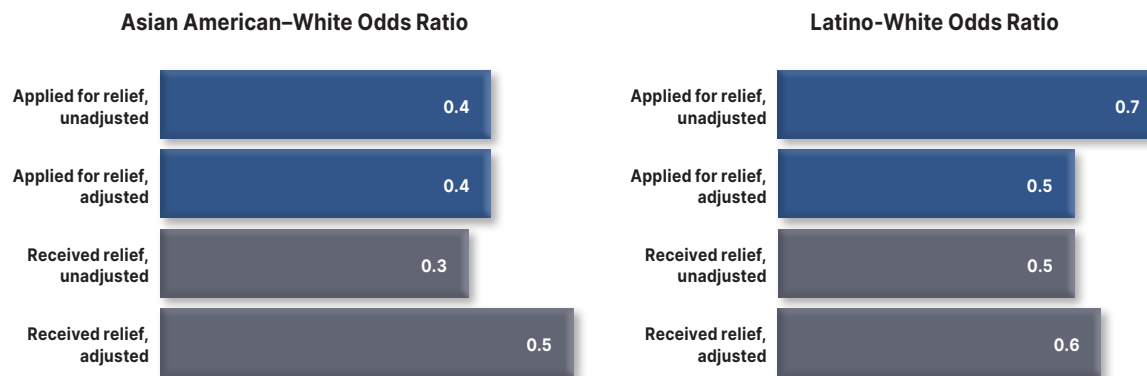
SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022).

NOTE: Values are a percentage of all distressed California renters.

Figure 6 shows the likelihood that distressed Asian American and Latino renters applied for and received rent relief in comparison to distressed renters who were white. This likelihood is expressed by unadjusted and adjusted odds ratios. Adjusted ratios control for income, age, and metropolitan area of residence. An odds ratio with a value of 1 means parity between a minority ethnic group (e.g., Asians) and the comparison group (whites). Less than 1 indicates the group was less likely to apply for and receive funding than the comparison group, and a value of more than 1 means that they were more likely. The odds ratio can also be interpreted as a percentage. For instance, if the odds ratio is 0.70, the likelihood of applying for and receiving rent relief is 30 percent lower.

Compared to distressed renters who were white, Asian Americans had a 60 percent lower likelihood of applying for rent relief. The disparities in application rates remain the same even after adjusting for income, age, and metropolitan area of residence. In terms of receiving rent relief, Asian Americans were half as likely to have received assistance compared to Whites after adjusting for income, age, and metropolitan area of residence. The differences between Asian Americans and Whites are statistically significant. Similarly, distressed Latinos were also worse off in terms of applying for and receiving relief. Latinos were about half as likely as whites to have applied for and received relief, even after adjusting for income, age, and metropolitan area of residence.⁹

FIGURE 6. Odds ratio for distressed Asian American and Latino renters in California who applied for and received rent relief

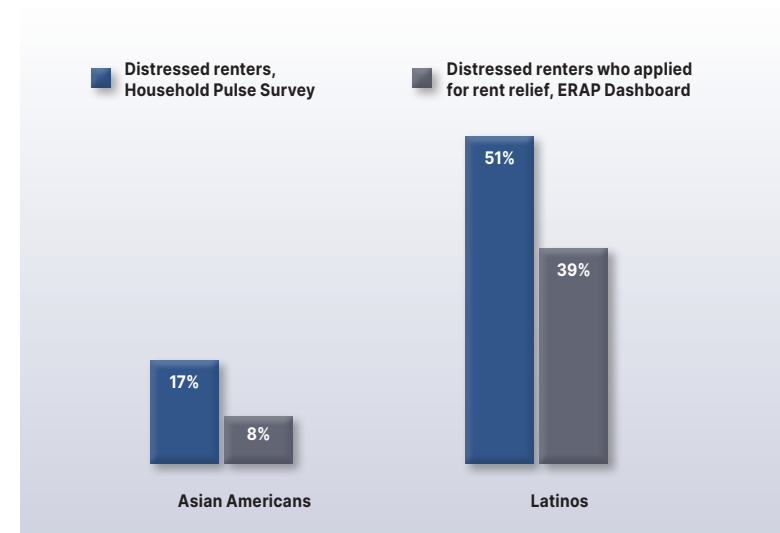


SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022).

NOTE: Values are a percentage of all distressed California renters.

To test the robustness of our findings, we compared the gap between the percentage of Californians who were distressed renters by race and ethnicity, as reported in the APS, to the percentage of rent relief applicants, as reported in the ERAP Dashboard, for Asian Americans and Latinos. We found that the gaps were similar (as shown in fig. 7), which supports our conclusion that relative to their housing needs, Asian Americans and Latinos are underrepresented among those who have received rent relief. While 17 percent of Asian American renters experienced housing distress, they accounted for only 8 percent of applications. The gap for Latinos was slightly wider, at 51 percent compared to 39 percent.

FIGURE 7. Comparison of data on distressed California renters from the American Pulse Survey and the CA COVID-19 Rent Relief Dashboard



SOURCE: Authors' calculations from US Census Bureau, Household Pulse Survey, weeks 34 to 41 (July 21, 2021–January 10, 2022), and ERAP Dashboard, February 2022.

NOTE: Not all observations from the ERAP dashboard have information on race and ethnicity.

CONCLUSIONS AND POLICY RECOMMENDATIONS

Previous research shows that pre-pandemic inequalities and pandemic labor-market hardships amplified systematic racial disparities among renters. Our research finds that not much has changed since the onset of the pandemic for low-income renters and renters of color. At least 650,000 California renters were experiencing housing-related stress during the study period. Low-income renters and renters of color were more likely to struggle to keep up with rent payments than their white counterparts. Further, although more than 534,000 California renters had applied for the rent relief program, Asians Americans and Latinos were less likely to receive assistance even after accounting for income, age, and metropolitan area of residence. It is likely that the racial and ethnic disparities are due in large part to two characteristics that have been barriers to accessing other safety-net programs: limited English proficiency, and immigration status,

particularly for those who are not yet naturalized. Considering our findings, we recommend the following:

1. Extend ERAP until unemployment rates for all racial/ethnic groups fall below pre-pandemic rates. This extension will help ensure that all eligible renters apply for and receive rental assistance.
2. Extend critical safety-net programs such as those that prevent utility shutoffs, offer debt forgiveness, and provide food security for families and children until unemployment rates for all racial/ethnic groups fall below pre-pandemic rates.
3. Design and implement concentrated efforts to reach eligible renters, including outreach programs that partner with trusted community-based organizations to ensure that renters receive the rental assistance that they are eligible for.

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1. Tenants Together, *Broken Promises: 2021–22 Statewide Emergency Rental Assistance Program (ERAP) Survey* (San Francisco: Tenants Together, 2022), https://actionnetwork.org/user_files/user_files/000/072/973/original/TT_2021-22_ERAP_Survey.pdf.

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3. UCLA Latino Policy and Politics Institute (@UCLALatino), “Employment growth by race/ethnicity and gender (Feb. 2020 vs. Feb. 2022),” Twitter, March 4, 2022.

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and Ariana Hernandez, *Keeping the Lights and Water On: COVID-19 and Utility Debt in Los Angeles’ Communities of Color* (Los Angeles: UCLA Center for Neighborhood, UCLA Luskin Center for Innovation, 2021), <https://innovation.luskin.ucla.edu/wp-content/uploads/2021/04/Keeping-the-Lights-and-Water-On.pdf>.

5. Tenants Together, *Broken Promises*.

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8. Sarah Treuhhaft, Alex Ramiller, and Selena Tan, “State of Waiting: California’s Rental Assistance Program On the Eve of Expiration,” National Equity Atlas website, March 22, 2022, <https://nationalequityatlas.org/CArentalAssistance>.

9. Unfortunately, we do not have information on other confounding factors, such as nativity and language. Adjustments were made with what is possible given the data available.



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The UCLA Latino Policy and Politics Initiative addresses the most critical domestic policy challenges facing Latinos and other communities of color through research, advocacy, mobilization, and leadership development to expand genuine opportunity for all Americans.

The mission of the UCLA Asian American Studies Center is to expand the scholarly capabilities of Asian Americans and Pacific Islanders and to deepen public understanding of their lives, with the goal of a healthy, just, democratic, and compassionate society for all.

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