

**COVID-19 and economic recession threatens significant increase in evictions and homelessness especially among black and latinx renter households. Statewide eviction moratorium and rental assistance are key to keeping people in their homes.**

**Introduction**

Due to the onset of the COVID-19 pandemic, the United States Census Bureau is tracking how people’s lives have been impacted by the pandemic through new [Household Pulse surveys](#). They are tracking actual and expected loss of employment income, food scarcity, delayed medical care, K-12 educational changes, and housing insecurity.<sup>1</sup> The first release of these numbers was for the week of May 7<sup>th</sup> through the 12<sup>th</sup>, and has gone through 8 weeks, with the latest release for June 18<sup>th</sup> through the 23<sup>rd</sup>. The Census bureau is tracking whether renter households were able to pay rent for the current month and their confidence in their ability to pay rent the next month. Relatedly, they are also tracking how people are making ends meet. According to the data, there is a large discrepancy in Washington State between different racial groups and between income groups in ability to pay rent and in confidence in ability to pay upcoming rent. The data also shows a disturbing trend of people using credit cards in order to float themselves financially. Strikingly, more tenants report using credit cards than unemployment insurance to pay for their basic needs.

**June’s rent status**

According to the most recent release of data, for the week of June 18<sup>th</sup> to June 23<sup>rd</sup>, **8% of Washington renter households who responded were unable to pay June’s rent.** This means **136,394 households didn’t make rent in June.** According to the 2017 American Community Survey, the state’s median rent was \$1216<sup>2</sup>, meaning **there is around \$165,855,104 of rent debt in Washington for the month of June alone.**

**By Race**

While this dataset at the overall level shows a rent crisis in Washington State, the breakdown of the data shows sharp discrepancies between races in the impact of the rent crisis. **While 4% of white renters here in Washington were unable to make rent in June, 30% of Black of renters were unable to do so.** 11% of Latinx renters didn’t make rent in June, as well as 10% of Asian renters.

<b>Table 1: % of WA Renters Unable to Pay Rent in June by Race</b>	
<b>Select Characteristics</b>	<b>% Were not able to Pay Rent</b>
Hispanic or Latino (may be of any race)	11%
White alone, not Hispanic	4%
Black alone, not Hispanic	30%
Asian alone, not Hispanic	10%
Two or more races + Other races, not Hispanic	5%

<sup>1</sup> US Census Bureau, Household Pulse Survey. July 2020. Retrieved from <https://www.census.gov/data-tools/demo/hhp/>

<sup>2</sup> US Census Bureau, American Community Survey 2017 5-year estimates.

### By Income

Unsurprisingly, the ability to pay rent is associated with your income. While 9% of renters who make less than \$25,000 per year weren't able to make rent in week 8, only 4% of people making \$75,000 - \$99,999 had trouble making rent. **In week 7, June 11<sup>th</sup> through the 16<sup>th</sup>, 28% of people making less than \$25,000 a year were unable to make rent compared to 9% the following week.** According to Michele Thomas, Director of Policy and Advocacy at the Housing Alliance, this change is likely due to a variety of factors, including local rental assistance programs becoming available. This underscores how important it is to have rental assistance and the statewide eviction moratorium to keep people in their homes throughout this crisis.

Select Characteristics	% Did Not Pay Rent
Less than \$25,000	9%
\$25,000 - \$34,999	5%
\$35,000 - \$49,999	11%
\$50,000 - \$74,999	16%
\$75,000 - \$99,999	4%
\$100,000 - \$149,999	0%

### Confidence in paying next month's rent

More than just the ability to pay for the current month, another measure for determining if someone's housing situation is unstable is their confidence that they are going to be able to pay rent the next month. **21% of total respondents have only slight to no confidence that they will be able to pay rent in July.**

### By Race

As shown in table three, there is a stark disparity between races in Washington State in confidence that they will be able to make rent. **51% of Black renters have slight to no confidence that they will be able to make rent in July, which is in sharp contrast to the 16% of White renters.** The disparities don't stop there with 17% of Latinx renters, 21% Asian renters, 30% of mixed-race renters having little confidence in their ability to make rent.

It's also striking to see the trend over time. White renters are consistently confident and steady that they will be able to make rent, while Black and Latinx renters are consistently concerned about whether or not they will be able to do so. For more information on this, see "WA Renters by Race with Slight to No Confidence in Ability to Pay Rent" graph below.

Select Characteristics	% With Slight to No Confidence
Hispanic or Latino (may be of any race)	17%
White alone, not Hispanic	16%
Black alone, not Hispanic	51%
Asian alone, not Hispanic	21%
Two or more races + Other races, not Hispanic	30%

## By Income

A clear trend is also seen in the confidence to pay July’s rent by income, with **42% of people making less than \$25,000 a year reporting slight to no confidence in the ability to pay July’s rent**, but with 11% of people earning \$75,000 - \$99,999 a year saying the same.

The trend over the few months that the Census has been gathering this data has been consistent as well. Those making less than \$25,000 dollars per year are consistently more concerned about making rent while those who earn more have more confidence. However, as the graph “Percent of Washington Renters Reporting Slight or No Confidence in Ability to Pay Next Month’s Rent, By income,” those making higher salaries show upticks in concerns about being able to make rent around the end of the month as well. Note that income is based on 2019 earnings and not current income.

Household Income	% With Slight to No Confidence in ability to Pay
Less than \$25,000	42%
\$25,000 - \$34,999	24%
\$35,000 - \$49,999	13%
\$50,000 - \$74,999	17%
\$75,000 - \$99,999	11%
\$100,000 - \$149,999	8%

## How People are Meeting Their Financial Needs

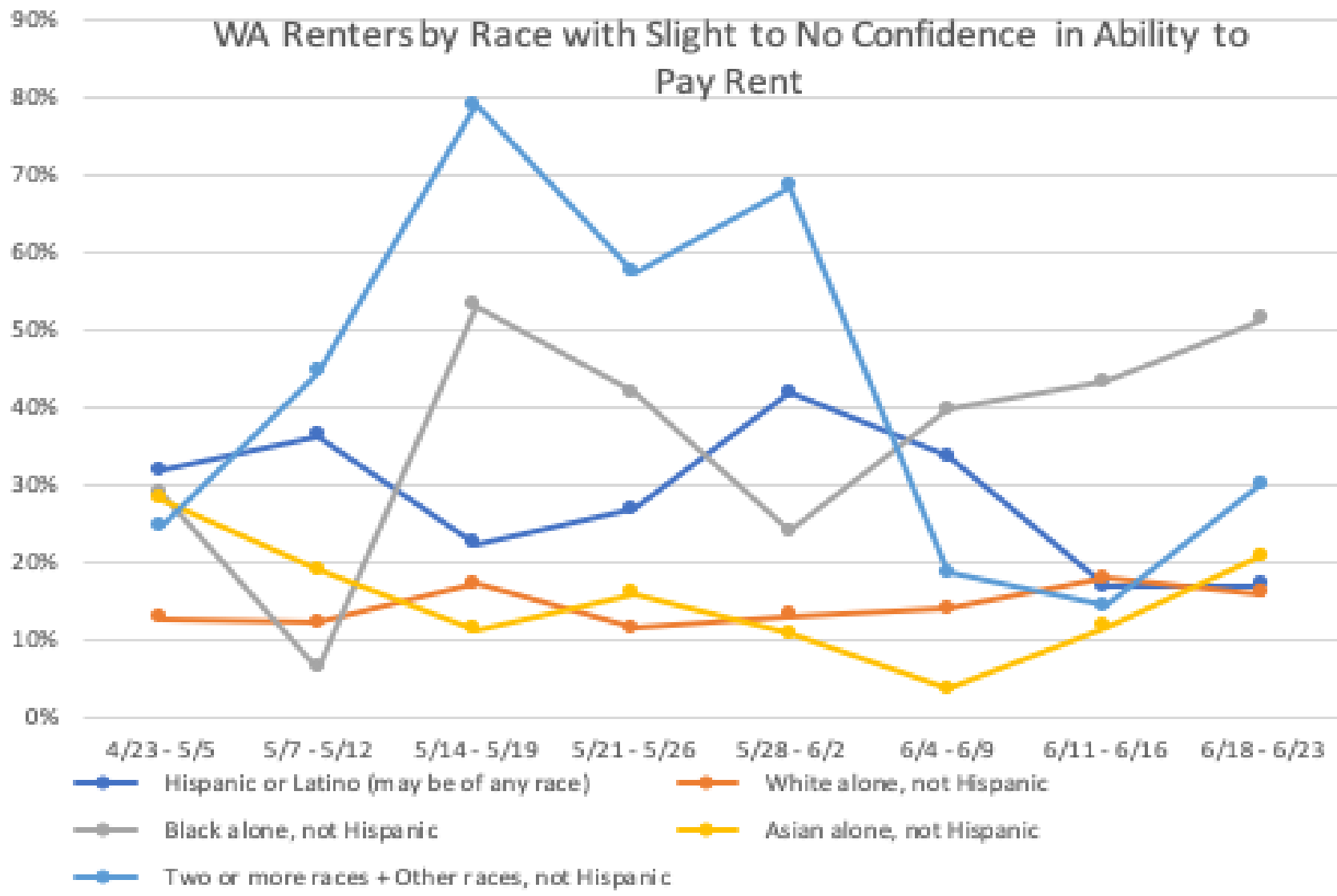
Another emerging issue is how folks are meeting their spending needs. For many, they are just using the same sources that they were using from before the pandemic. However, **437,200 people reported using credit cards or loans in order to meet their needs**. According to WalletHub, the average credit card interest rate is 15.09% APR<sup>3</sup>, and these interest rates can often go higher - especially for lower income households.

This leads to the strong likelihood that there will be a credit card debt crisis piled on to the rental debt that is already accumulating for low income renters. It is also notable that many more tenants report using credit cards rather than unemployment benefits to meet their needs.

Regular income sources like those used before the pandemic	1,139,975
Credit cards or loans	437,200
Money from savings or selling assets	400,501
Borrowing from friends or family	304,117
Unemployment insurance (UI) benefit payments	316,015
Stimulus (economic impact) payment	382,915
Money saved from deferred or forgiven payments (to meet spending needs)	49,550
Did not report	5,059

<sup>3</sup> WalletHub, What is the Average Credit Card Interest Rate? April 6, 2020. Retrieved from <https://wallethub.com/edu/cc/average-credit-card-interest-rate/50841/>

### WA Renters by Race with Slight to No Confidence in Ability to Pay Rent



Percent of Washington Renters Reporting Slight or No Confidence in Ability to Pay Next Month's Rent, By Income

