



Analysis of Current and Expected Rental Shortfall and Potential Evictions in the U.S.

Prepared for: National Council of
State Housing Agencies

September 25, 2020

Table of Contents

Executive Summary	3
Analysis of Rent Shortfall.....	6
Statement of Methodology	9
Sources Underlying the Analysis.....	9
Key Assumptions Driving Estimate of At-Risk Renter Households.....	10
Key Assumptions Driving Estimate of Rent Shortfall	13
The Role of Economic Recovery in Estimating Renter Housing Stability and Rent Shortfall	15
The Economic Impact of COVID-19	16
Current Renter Household Instability	25
CDC Eviction Moratorium	27
Conclusion.....	29
Assumptions and Limiting Conditions	29
Additional Supporting Data Sources and Considerations.....	30
State-by-State Analysis	35

Section I

Executive Summary

The COVID-19 pandemic has created both a public health crisis and an economic crisis in the United States. As of September 21, 2020, there have been more than 6.9 million confirmed COVID-19 cases and more than 200,000 reported COVID-19 deaths in the United States.¹ The effects of the pandemic on the economy have been “unprecedented in scale: the pandemic has created a demand shock, a supply shock, and a financial shock all at once.”² Record levels of gross domestic product (GDP) decline and job loss were observed in the second quarter of 2020. Economists predict that the path to economic recovery will take longer than initially expected and may be “U-shaped” or “swoosh-shaped,” recognizing that economic recovery has already begun to stall.³

The hardest hit industries, especially small businesses within these industries, include Accommodation and Food Services; Educational Services; Arts, Entertainment, and Recreation; Mining, Quarrying, and Oil and Gas Extraction; and Other Services (except Public Administration).⁴ Approximately 44% of small business respondents to the U.S. Census Bureau Small Business Pulse Survey indicated that they do not expect to return to normal (i.e., pre-pandemic) operations for six months or more.⁵

Along with small business owners, renters and individual landlords are also experiencing financial hardship. A monthly survey by Apartment List that started in June found that for each of the last four months, approximately 33% of American rental households did not make an on-time rent payment.⁶ In July, more than 40% of renters making less than \$25,000 missed their rent payment.⁷ As a result of these late or missed payments, approximately 66% of renters expressed concern about eviction within the next six months.⁸ Renters and individual landlords – those owning a few investment properties rather than those with large real estate

¹ Sangameswaran, S. “U.S. surpasses grim milestone of 200,000 COVID-19 deaths.” Reuters. September 21, 2020.

² Bauer, Lauren et al. “Ten Facts about COVID-19 and the U.S. Economy.” Brookings Institution. September 17, 2020. Referencing Triggs and Kharas 2020.

³ Hannon, Paul & Chaudhuri, Saabira. “Why the Economic Recovery Will Be More of a ‘Swoosh’ Than V-Shaped.” The Wall Street Journal. May 11, 2020; Lambert, Lance. “Recovery or double-dip recession? How the U.S. economy is doing in 9 charts.” Fortune. August 17, 2020; Davidson, Paul. “What shape is the economic recovery in: U, V or W?” ABC News. August 13, 2020; Thomson-DeVeaux, Amelia & Paine, Neil. “Don’t Expect A Quick Recovery. Our Survey Of Economists Says It Will Likely Take Years.” FiveThirtyEight. May 26, 2020.

⁴ U.S. Census Bureau Small Business Pulse Survey.

⁵ Ibid.

⁶ Popov, Igor et al. “32% of Americans Entered August with Unpaid Housing Bills.” Apartment List. August 6, 2020.

⁷ Warnock, Rob and Salviati, Chris. “Missed Housing Payments Continue Piling Up In July.” Apartment List. July 8, 2020.

⁸ Popov, Igor et al. “32% of Americans Entered August with Unpaid Housing Bills.” Apartment List. August 6, 2020.

investment companies – likely have limited access to capital and therefore are turning to making payments via credit cards, borrowing from family and friends, taking out high-interest payday loans, and depleting their emergency savings funds.⁹ The uncertainty about whether rent payments will be made or not likely has both renter households and landlords on edge.

On September 4, 2020, the Centers for Disease Control and Prevention (CDC) issued an Agency Order to temporarily stop certain residential evictions through December 31, 2020 to prevent the further spread of COVID-19.¹⁰ Stout has conducted a variety of analyses to estimate: (1) the range of renter households in the United States that are unable to pay rent and are at risk of eviction; (2) the range of rent shortfall for renter households in the United States that are unable to pay rent and are at risk of eviction; (3) the range of renter households in the United States that may experience an eviction filing by January 2021.

Stout estimates that as of September 14, 2020 there are between 9.7 million and 14.2 million renter *households* in the United States that may be unable to pay rent and at risk of eviction. This translates to between approximately 23.3 million and 34.0 million individual renters.

Stout estimates that renter households have already accumulated between \$12.2 billion and \$16.7 billion of shortfall in their owed rent.

Stout estimates that by January 2021 the rent shortfall for these households will be between \$25.1 billion and \$34.3 billion.¹¹

Furthermore, Stout estimates that by January 2021, up to 8.4 million renter households, which include 20.1 million individual renters, could experience an eviction filing.

Given what appears to be a slow economic recovery, it is reasonable to expect ongoing elevated unemployment, high rent burden among low-income renter households, continued accumulation of unpaid rent, and continued risk of eviction beyond January 2021.

⁹ Dougherty, Conor and Friedman, Gillian. “They’re Making the Rent. Is it Costing Their Future?” The New York Times. August 21, 2020.

¹⁰ 85 FR 55292.

¹¹ If one were to interpret the Week 14 Household Pulse Survey responses as relating to respondents’ confidence in their ability to pay September rent, Stout estimates the rent shortfall by January 2021 to be between \$30.7 billion and \$42.1 billion.

Section II

Analysis of Rent Shortfall

Stout has based its analysis largely on the Household Pulse Survey administered by the U.S. Census Bureau. The Household Pulse Survey was “designed to deploy quickly and efficiently, collecting data to measure household experiences during the coronavirus pandemic.”¹² The Household Pulse Survey has two phases. Phase 1 (April 23, 2020 through July 21, 2020) of the survey collected information about individuals’ employment status, access to food, housing, physical and mental health, access to healthcare, and disruption to education.¹³ Phase 2 (August 19, 2020 tentatively through October 2020) of the survey includes many of the questions from Phase 1 to assess trends over time and additional questions about receipt of governmental benefits (e.g., unemployment, Social Security, Supplemental Security Income, Medicare), spending patterns, access to financial resources, remote working, and travel practices.¹⁴

Based on data from the Household Pulse Survey, with responses as of September 14, 2020, Stout estimates that there are between 9.7 million and 14.2 million renter households (between 23.3 million and 34.0 million individual renters) in the United States that are unable to pay rent and at risk of eviction. The 9.7 million renter households at the low end of the range are renter households that have indicated no or slight confidence in their ability to pay next month’s rent and excludes those households that receive certain forms of rental assistance (e.g., public housing, Section 8 vouchers). The 14.2 million renter households at the high end of the range are all renter households that have indicated no or slight confidence in their ability to pay next month’s rent, as well as a portion of renter households that have indicated moderate confidence in their ability to pay next month’s rent, and does not make any exclusions for the renter households that receive certain forms of rental assistance within these two sub-populations (i.e., all renter households that have indicated no or slight confidence in their ability to pay next month’s rent and a portion of renter households that have indicated moderate confidence in their ability to pay next month’s rent).

Stout estimates that the rent shortfall by the end of September 2020 for these households is between \$12.2 billion and \$16.7 billion and that this rent shortfall will increase to between \$25.1 billion and \$34.3 billion by January 2021. Unlike other estimates of back-rent owed, Stout’s estimate of rent shortfall considers that a portion of renters will make partial rent payments though they may have to rely on credit cards or other (often higher risk) mechanisms of accessing capital to do so. Stout’s estimate of rent shortfall does not include interest or fees that landlords may charge renters who are unable to pay rent during the CDC eviction moratorium. Given what appears to be a slow economic recovery, it is reasonable to expect ongoing elevated unemployment, high rent burden among low-income renter households, continued accumulation of unpaid rent, and continued risk of eviction beyond January 2021.

Stout estimates that by January, up to 8.4 million renter households (20.1 individual renters) could experience an eviction filing. The actual number of renter households that may

¹² <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>

¹³ Ibid.

¹⁴ Ibid.

experience an eviction filing could vary based on renters’ awareness of the CDC moratorium and the degree to which courts are consistently applying the CDC moratorium. For example, the Texas Supreme Court ruled on September 17, 2020 that “eviction citations will have to inform renters about the moratorium requirements and include the form needed to apply for protection,” that landlords must notify the court immediately upon receiving a declaration in an already-filed case, and that the court must immediately abate the action absent certain limited exceptions.¹⁵ Conversely, the Maryland District Court has stated that even after the tenant has provided the declaration to the landlord, the court will still hear eviction cases and that the court will “determine the merits of the case and/or the amount that is due for possession” but withhold entering judgment until after the CDC order expires, at which point judgment will be entered automatically.¹⁶

Stout also analyzed the data by income category. Figure A shows the estimated range of renter households (nationally) that may be unable to pay rent and at risk of eviction, estimated eviction filings by January 2021, and estimated range of rent shortfall by January 2021 for each of the six income brackets used in the Household Pulse survey. This analysis considers both reported household income and reported rent burden for each income category in estimating average household rent burden. It then applies Stout’s methodology to estimate both potential rental shortfall and eviction filings. Unsurprisingly, renter households with the lowest incomes are more likely unable to pay rent and at risk of eviction. Renter households with annual incomes of less than \$50,000 constitute 71% of the estimated eviction filings by January 2021.

Income Bracket	Estimated Range of Renter Households Unable to Pay Rent and at Risk of Eviction	Estimated Eviction Filings by January 2021	Estimated Range of Rent Shortfall by January 2021
Annual Income <\$20,000	3,040,000 - 4,530,000	2,670,000	\$3,642,000,000 - \$5,422,000,000
Annual Income \$20,000 - \$34,999	2,080,000 - 3,260,000	1,920,000	\$4,572,000,000 - \$6,778,000,000
Annual Income \$35,000 - \$49,999	1,510,000 - 2,330,000	1,380,000	\$4,413,000,000 - \$6,169,000,000
Annual Income \$50,000 - \$74,999	1,880,000 - 2,410,000	1,420,000	\$6,352,000,000 - \$7,657,000,000
Annual Income \$75,000 - \$99,999	750,000 - 980,000	580,000	\$3,098,000,000 - \$3,824,000,000
Annual Income \$100,000+	530,000 - 780,000	460,000	\$4,428,000,000 - \$6,045,000,000
Total	9,790,000 - 14,290,000	8,430,000	\$26,505,000,000 - \$35,895,000,000

Note: The income level estimates (calculated at the national level) do not directly reconcile to the state level estimates due to rounding factors in the state level estimates which are then aggregated.

Figure A

Provided throughout the following section is information to assist in understanding the methodology used to develop the estimates of households experiencing rental shortfall and

¹⁵ Supreme Court of Texas, Misc. Docket 20-9109, *Twenty-Fifth Emergency Order Regarding the COVID-19 State of Disaster* (Sept. 17, 2020), <https://www.txcourts.gov/media/1449728/209109.pdf>.

¹⁶ District Court of Maryland, Office of the Chief Judge, *Communication Regarding Landlord/Tenant Actions During Phase IV of the Maryland Judiciary’s Reopening Plan* (Sept. 4, 2020), https://www.courts.state.md.us/sites/default/files/import/district/phaseIV_communication_landlordtenant_9.4.20.pdf

potentially facing evictions as well as other information considered in the development of these calculations.

Statement of Methodology

Stout’s Statement of Methodology is divided into three sections: (1) Sources Underlying the Analysis; (2) Key Assumptions Driving Estimate of At-Risk Renter Households; and (3) Key Assumptions Driving Estimate of Rent Shortfall.¹⁷

Sources Underlying the Analysis

This analysis relies on two primary sources of data to derive its estimates: (1) the U.S. Census Bureau’s Table of Household Income by Gross Rent as a Percentage of Household Income in the Past 12 Months (“Table B25074”) from its 2019 American Community Survey (“ACS”), released on September 17, 2020 and (2) the U.S. Census Bureau’s Table of Confidence in Ability to Make Next Month’s Payment for Renter Occupied Housing Units, by Select Characteristics for each State (Housing Table 2b) from its Household Pulse Survey (“HPS”), released weekly from June 17 through July 29, 2020 and biweekly since September 9, 2020.

The American Community Survey dataset uses a 90% confidence level to determine the margins of error for each of its point estimates.¹⁸ This results in a range of between +/- 0.6% and 6.2% for the statewide estimate of the number of renter households across all income levels, depending on the state. As with any dataset, subsets of the data – by income level and rent as a percentage of income – have higher margins of error. Less than 2% of lowest-level subset of household estimates have margins of error above +/- 30%, which the U.S. Census Bureau considers the threshold for, “potentially serious data quality issues related to sampling error.” Over 78% of the lowest-level subset of 2019 1-year estimates of renter households resulted in a margin of error of less than +/- 10%.

As described by the U.S. Census Bureau, the sample sizes for the Household Pulse Survey datasets, “were determined such that a two-percentage point detectable difference in weekly estimates for an estimate of 40 percent of the population would be detectable with a 90% confidence interval within each sample area. The overall sample sizes within the sampling areas were adjusted for an anticipated response rate of five percent.” The results of the Household Pulse Survey for renter occupied households have demonstrated a consistent concern that renter households will be unable to make the next month’s rent. This is particularly the case for

¹⁷ Stout revised this methodology in September 2020 to account for the issuance of the CDC moratorium order and its impact on eviction filings. In addition, we have refined our assumption for the exclusion of low-income households that receive rental assistance from federal data to now reflect state-level data. Due to these changes, the estimates presented in this report should not be directly compared to Stout’s previously published estimates.

¹⁸ Stout has not calculated confidence levels for every input. Please review the U.S. Census Bureau technical document (https://www2.census.gov/programs-surveys/acs/tech_docs/accuracy/ACS_Accuracy_of_Data_2019.pdf) for more information about the confidence levels used for the surveys that Stout has relied on for its analysis.

the lowest income categories with approximately two-thirds of respondents only moderately confident or less.

In our analysis of rent payment confidence, we have omitted the responses to the survey indicating “No response.” The number of these respondents is relatively small, less than 1% of all estimated renter households. Similarly, those responses indicating “Payment is or will be deferred,” also 1% or less of all estimated renter households, are included in the denominator of our calculations but are not separately identified as households potentially facing a rent shortfall. We also excluded renter occupied households with non-cash rent or occupied without rent from the analysis, representing approximately 5% of the total renter households estimate, as they are not expected to be at risk of eviction nor contribute to the rent shortage.

Household Pulse data reports both household estimates as well as the number of respondents (individuals) for their Public Use File datasets. U.S. Census Table B25074 is a measure of households. We have used the proportion of estimated households across each measure of the Household Pulse data as the unit of measure is most comparable to the numbers provided in Table B25074.

It should be noted that the income categories compiled in the Household Pulse Survey results, as well as the American Community Survey, are based on the 2019 annual income levels reported by the respondents. The economic impact of COVID-19 has likely reduced that income in 2020 for many households.

Additionally, the Household Pulse Survey income categories are slightly different than the income categories reported in Table B25074 of the 2019 American Community Survey. The three lowest reported income categories in Table B25074 are “Less than \$10,000,” “\$10,000 to \$19,999” and “\$20,000 - \$34,999.” The lowest reported income category in the Household Pulse data is “Less than \$25,000” and the second income category is “\$25,000 - \$34,999.” For purposes of this analysis we used the American Community Survey income categories and have assumed that the proportions indicated in the Household Pulse Survey data for the lowest two income categories would reasonably align with those of the American Community Survey. We have also combined the two lowest income categories from Table B25074 and combined all Household Pulse Survey income categories greater than \$100,000 into a single category for reporting purposes. All other income categories are aligned.

Key Assumptions Driving Estimate of At-Risk Renter Households

We have assumed that all renter households estimated to have No or Slight confidence in the ability to make next month’s rent will have some degree of rent shortfall. Correspondingly, we have assumed that 25% of all renter households estimated to have Moderate confidence in the ability to make next month’s rent will have some degree of rent shortfall, as described below. It is possible that the proportion of respondents who indicated they have a Moderate confidence in paying next month’s rent that would have a rent shortfall could vary based on income levels or rent burden. That is, respondents at higher income levels or lower rent burden who

responded with Moderate confidence may have a lesser likelihood of having a rent shortfall. The inclusion of 25% of the households with Moderate confidence is intended to consider that certain incomes and rent burden may have a higher or lower likelihood of having a rent shortfall. A more refined analysis of this variation could cause the total estimated rent shortfall to be different – possibly higher or lower.

For purposes of determining the level of rent shortfall needed in this analysis, we have assumed that those households indicating No or Slight confidence in ability to pay next month's rent will have an average rent shortfall consistent with 50% of their monthly rent. This is consistent with further analysis of Household Pulse Survey regarding households that reported the loss of employment and any gainful work performed in the last 7 days. Likewise, we have assumed that the 25% of households indicating Moderate confidence in ability to pay next month's rent that will have a rent shortfall, will also fall short by 50% of their monthly rent owed for each month of rental arrears. As with our estimate of the proportion of Moderate confidence households that will experience a rent shortfall, our use of a 50% rent shortfall amount for Moderate confidence households is intended to consider that certain incomes and rent burden may have a higher or lower level of rent shortfall and is consistent with our analysis of other Household Pulse Survey results regarding employment impact for these households. Our analysis does not adjust for available (unused) local, state, or federal emergency rental assistance. We expect that renter household confidence will be informed by the availability of emergency rental assistance for which they may be eligible.

We have assumed that households with the greatest rent burden would be most likely to indicate they would not be able to make next month's rent. As such, we have measured the amount of rent shortfall for renter households with the greatest rent burden first. We then apply this to successive levels of lower rent burden until the total number of expected households having rent shortfall has been included – calculated separately for No/Slight confidence and Moderate confidence renter households. While it would certainly be expected that employment disruption and rental confidence has been impacted across all rent burden levels for all income categories, it is also reasonable to expect that the greatest risk would be faced by those with the highest rent burden especially at lower income levels. Therefore, certain of the income-level/rent burden cohorts in the model are displayed as having no impacted households due to the assumed application of need at the highest rent burden levels first. Modifying this assumption to distribute the impacted population across all rent burdens would reduce the estimate of rent shortfall, as the distribution of monthly rent shortfall for lower rent burdens would be modified, but would not change the overall number of households likely to experience a rent shortfall.

In considering renter households in the United States that receive some form of rental assistance, we have considered both the inclusion of these household in the calculation, as well as their exclusion under the premise that they are subsidized units for whom other forms of relief or rental adjustment may be available. Under the exclusionary scenario, we analyzed

housing data from the Center of Budget and Policy Priorities for the number of households in each state that use federal rental assistance in comparison to the American Community Survey estimates of total renter households in low-income brackets in each state. Nationally, 20% of the estimated number of low-income renter households received federal rental assistance. For the scenario excluding these households, we have calculated the percentage of low-income renter households living in federally subsidized housing in each state discretely and removed that percentage from the estimates for the three lowest income brackets. In other words, we assume, based on the ratio of subsidized units to the total number of renter households in each state for those income levels, that a certain percentage of those households that may have a rent shortfall are in subsidized units for whom other forms of relief or rental adjustment may be available and we have excluded these households from the calculation for this scenario. We have not included consideration of any other funding or relief that may be available to renter households, including CARES or unemployment compensation, or state/local rental assistance programs. Based on the timing of the survey results, it would be reasonable to expect that the survey responses have been informed by the receipt of CARES stimulus funding as well as unemployment benefits or other rental assistance programs for most households.

Additionally of note, when collecting information about rent burden the U.S Census Bureau's instructions direct the respondent to, "report the rent agreed to or contracted for, even if the rent for your home, apartment, or mobile home is unpaid or paid by someone else. Do not include any subsidy amount which may be paid by a local housing authority or other agency." Subsequently, the U.S. Census Bureau published a survey indicating that for this question, 25% of respondents are likely answering the question as it was intended to be answered, while 71% are reporting rent amounts that are less than the contract amount (reporting net of subsidy), and 4% are reporting an amount higher than the contract amount. This is relevant to consider when assessing rent burden reported, particularly by low-income levels that may be receiving rental subsidies.

To estimate the number of evictions that may occur by January 2021 resulting from the rent shortfall for these households, we first applied the percentage of respondents to the U.S. Census Household Pulse Survey who said that they were currently caught up on rent payments but had No or Slight confidence in the ability to make next month's rent – which was approximately 65% of respondents, to the total number of estimated renter households that will experience a shortfall this month, resulting in the number of renter households that are estimated to be only one-month in arrears next month. We then stratified the remaining 35% of households into two-, three-, and four-months in arrears cohorts. These calculations do not adjust for or otherwise consider the number of households that are facing a pending eviction case. Households that indicated they will not be able to pay next month's rent may already be facing a pending eviction filing.

We have assumed that, in each subsequent month, 75% of households that were only one-month in arrears will be able to pay enough to remain only one-month behind, with the other

25% falling one month further behind in rent payments. For households that were two or more months in arrears, we have assumed that a significant portion (75% or more, increasing as months in arrears increases) of each cohort of renter households in arrears will continue to fall one month further behind in rent payments.

When estimating the number of monthly eviction filings, we have assumed that in the current economic climate landlords will file an eviction notice after a tenant falls three months behind in rent payments. Pre-COVID research indicated that landlords typically filed evictions after 1.5 to 2.0 months of rental arrears (see additional supporting information and sources in Appendix A). Therefore, in each month, we assume that any households which have fallen three or more months into arrears on rent payments will receive an eviction notice. As noted above, it is important to note that Stout's assumption regarding how long a landlord may wait before filing an eviction (3 months) may be longer than what will be experienced. If landlords bring eviction filings after less than 3 months in all or partially missed rent, the number of eviction filings estimated would increase. This assumption is particularly challenging given the limited information available about landlord response in the current economic climate, as well as the economic climate that may exist by January 2021 and related months of rent shortfalls. Further, it is unclear at this time whether a significant number of eviction filings have been or will be stayed as a result of the CDC moratorium or state or local moratoriums.

Recently, the CDC issued an order establishing the first and only federal moratorium on evictions, set to remain in place until December 31, 2020. In light of this order, we have assumed that a portion of those households that would have received an eviction notice under the previously outlined criteria (three months or more in arrears) will be protected under the CDC order, deferring their eviction until January 2021. In order to be eligible for the CDC moratorium tenants must (1) fill out a form certifying that they meet certain eligibility requirements and give it to their landlord, (2) Make less than \$99,000 or \$198,000 if you file a joint tax return, (3) be unable to make full rent, "due to substantial loss of household income, loss of compensable hours of work or wages, a lay-off, or extraordinary out-of-pocket medical expenses," (4) be making an effort to make timely, partial rent payments, (5) have used your "best efforts" to seek out and apply for all available state or local rental assistance programs, and (6) be at risk of homelessness or at risk of having to double up with others in cramped, close quarters if you were evicted. Based on these requirements we have assumed that all renter households in the \$100,000 or more income level are ineligible for the CDC moratorium protection. At the time of this writing, it is unclear how courts across the country will interpret and apply the various criteria of the CDC moratorium. We have not included consideration for the incremental impact of any state or local moratoria efforts that may protect certain renter households over and above the CDC moratorium order.

Key Assumptions Driving Estimate of Rent Shortfall

We have estimated the average monthly rent using the midpoint income level and rent burden for each cohort. For the lowest and highest income and rent burden levels we have estimated a

reasonable average income and expected rent for these households. Based on the distribution of the estimated renter households at risk of eviction across each income level/rent burden cohort, and the assumed 50% rent shortfall for these at-risk renter households, we calculate a weighted average monthly rent shortfall per household for each state. This rent shortfall per household is then applied to the number of estimated renter household estimated to be in each group of rental arrears with each increasing group of months in arrears assumed to owe an additional month of rent shortfall. For each subsequent month, the weighted average monthly rent shortfall is assumed to be needed for all renter households estimated to be at risk of eviction for based on the assumed aging of rental shortfall for these households.

Section III

The Role of Economic Recovery in Estimating Renter Housing Stability and Rent Shortfall

When forecasting renter household stability and ability to pay rent, it is important to consider the current economic environment as well as the potential for economic recovery. A recent survey found that 54% of renters experienced job loss as a result of the economic fallout of COVID-19, and of the renters who lost their jobs, nearly half were full-time employees and 30% were part-time employees or self-employed.¹⁹ The Turner Center for Housing Innovation at the University of California, Berkeley estimated that nearly 16.5 million renter households have at least one worker in an industry immediately affected by the various efforts to curb the spread of COVID-19.²⁰ This means that “nearly 50 million people live in renter households likely experiencing immediate job or income losses.”²¹ The frequency of COVID-19-related job loss for renter households, the magnitude of renter households that are experiencing income losses, and the precarious housing situations that renter households find themselves facing may only be beginning to be mitigated by an economic recovery. The degree to which economic recovery is expected can impact the reasonable range of renter households that are unable to pay rent and are at risk of eviction, the rent shortfall for these renter households, and the range of renter households that may experience an eviction filing by January 2021.

The Economic Impact of COVID-19

Beginning in February 2020, the COVID-19 pandemic plunged the United States economy into a recession.²² In the first quarter of 2020, real GDP – an indicator of economic health – declined at an annualized rate of 5%, and in the second quarter, GDP declined by a historic 32%.²³ This is the largest quarterly economic contraction in U.S. record-keeping history, surpassing the previous record decline of 10% in 1958 by over three-fold.²⁴ Figure B illustrates this year’s historic GDP decline. Figure C provides a more detailed depiction of the same data for the years 2011-2020.

¹⁹ Williams, Terri. “How COVID-19 is affecting landlords and renters.” MultiBriefs: Exclusive. June 15, 2020.

²⁰ Kneebone, Elizabeth and Murray, Cecile. “Estimating COVID-19’s Near-term Impact on Renters.” Turner Center for Housing Innovation, University of California, Berkeley. April 24, 2020.

²¹ Ibid.

²² “NBER Determination of the February 2020 Peak in Economic Activity,” The National Bureau of Economic Research. June 8, 2020.

²³ “Gross Domestic Product, 2nd Quarter 2020 (Second Estimate); Corporate Profits, 2nd Quarter 2020 Preliminary Estimate,” U.S. Bureau of Economic Analysis. August 27, 2020.

²⁴ Boak, Josh. “U.S. economy plunged an annualized 31.7% in second quarter.” AP News. August 27, 2020

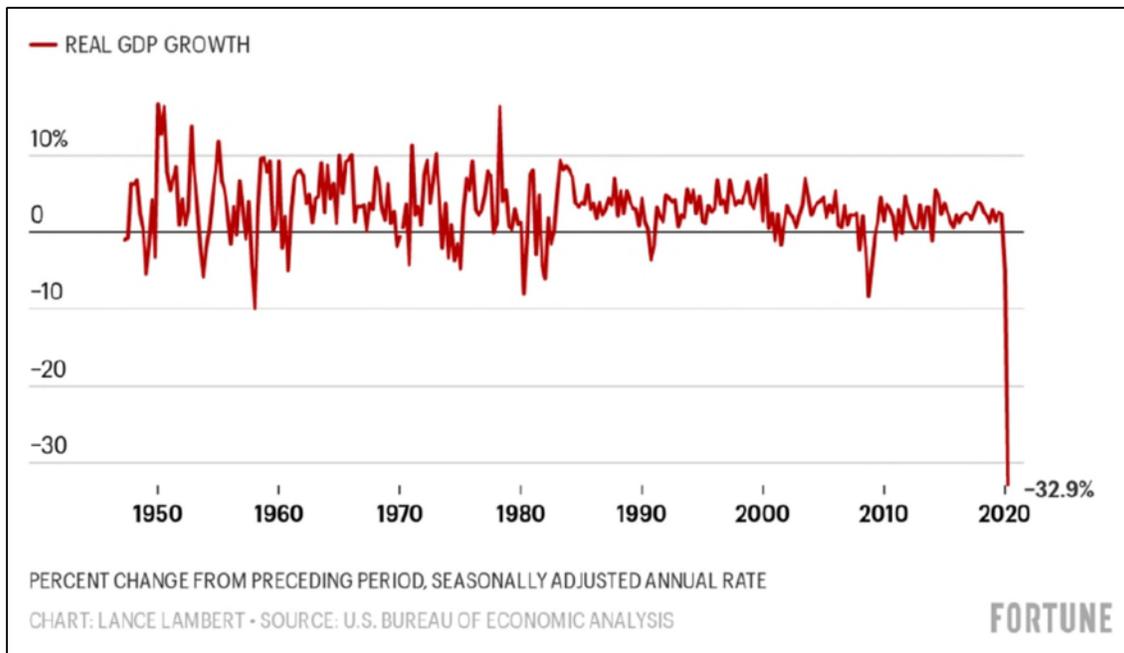


Figure B²⁵

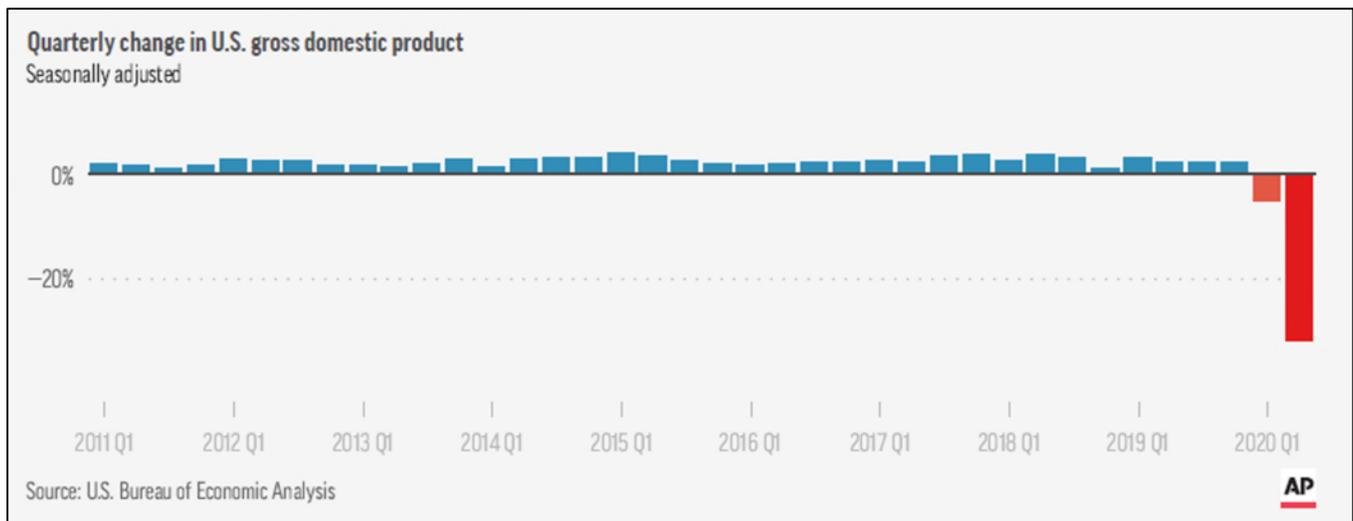


Figure C²⁶

Unemployment is a secondary indicator of economic health. More than 17.2 million jobs were lost in March and April 2020 at the onset of COVID-19, resulting in a peak unemployment rate of approximately 15%.²⁷ Since April 2020, the U.S. labor market has exhibited signs of recovery,

²⁵ Lambert, Lance. "Recovery or double-dip recession? How the U.S. economy is doing in 9 charts." Fortune. August 17, 2020.

²⁶ Boak, Josh. "U.S. economy plunged an annualized 31.7% in second quarter." AP News. August 27, 2020.

²⁷ U.S. Bureau of Labor Statistics.

with 2.7 million jobs added in May and 4.8 million in June.²⁸ However, during July and August recovery rates decelerated, with only 1.7 million and 1.4 million jobs added, respectively.²⁹ The labor market remains more than 11 million jobs short of pre-pandemic levels, and the unemployment rate is 8.4% - more than twice the pre-pandemic rate.³⁰ Figures D and E illustrate the recent trends in the unemployment levels and rates. Figure F compares current unemployment rates to that of the previous recession.

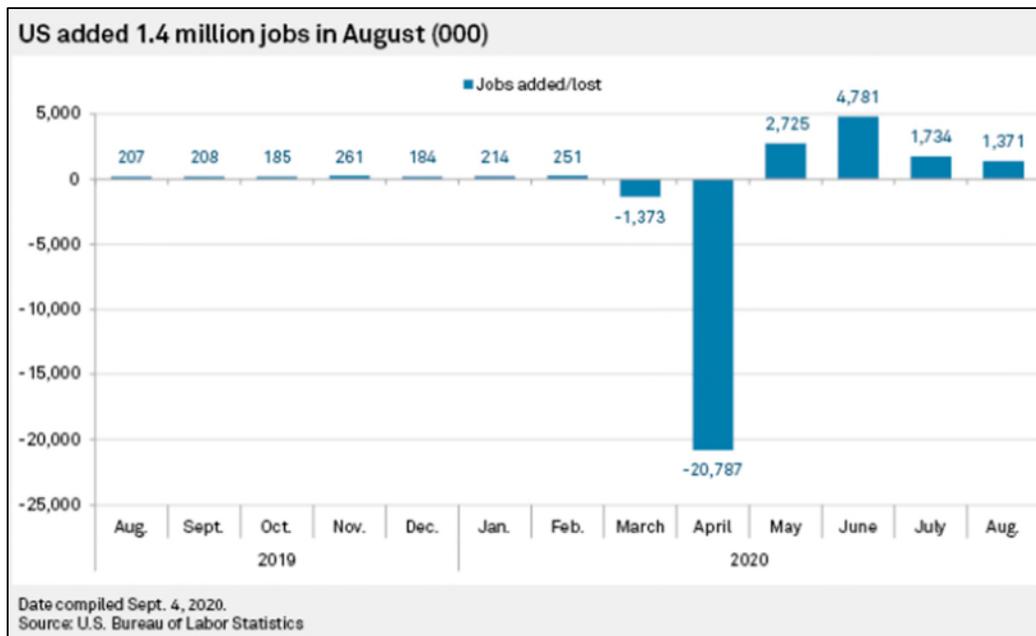


Figure D³¹

²⁸ Ibid.

²⁹ “Powell Says Rates Are Likely to Stay Low for Years.” The New York Times. September 18, 2020.

³⁰ Ibid.

³¹ Fallor, Evan. “US jobs recovery seen at risk without further stimulus.” S&P Global. September 4, 2020.

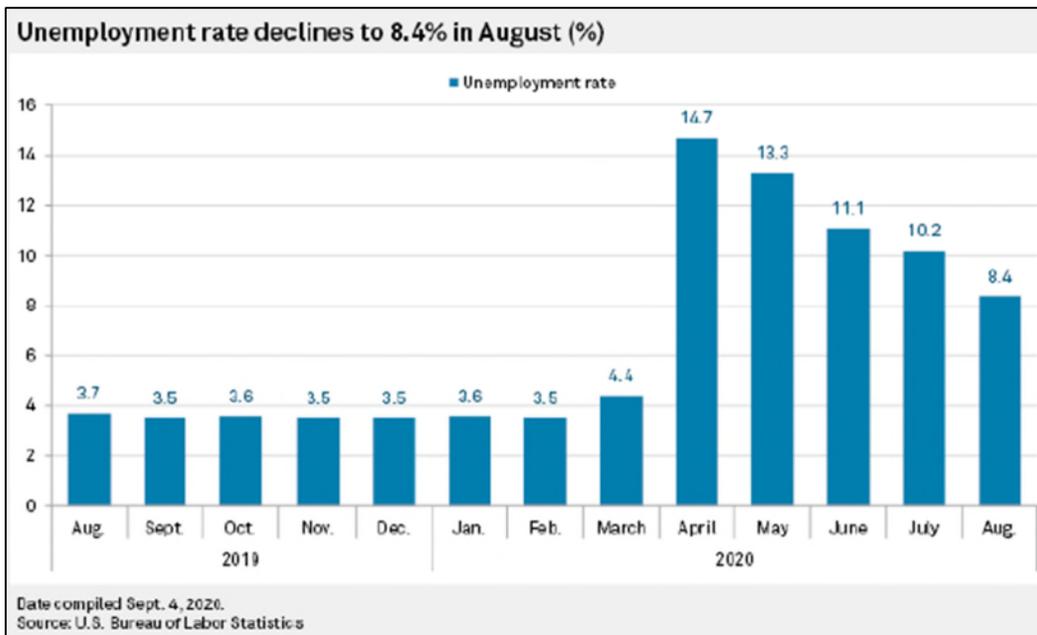


Figure E³²



Figure F³³

³² Ibid.

³³ “Powell Says Rates Are Likely to Stay Low for Years.” The New York Times. September 16, 2020.

It is important to note that August job growth was inflated by the hiring of nearly 240,000 temporary workers for the 2020 census, most of whom will be laid off when canvassing ends at the end of September.³⁴ This puts actual job growth for the month closer to 1.1 million.³⁵

Further analysis suggests additional weakness and stagnation in the labor market and the economy as a whole. Overall, permanent job loss has increased by approximately a third from February 2020 to August 2020.³⁶ There has also been a recent resurgence of permanent job loss, with layoffs increasing by 534,000 in August after a brief plateau in July.³⁷ Additionally, workers are experiencing significantly longer periods of unemployment, increasing from two weeks in April to 17 weeks in August.³⁸ Finally, there's been an increase in the number of individuals filing for unemployment benefits. Weekly filings reached a peak of 6.9 million in late March, which steadily declined into July, at which point improvements began to stagnate.³⁹ Since mid-July, new filings have marginally decreased from 1.4 million to 1 million in late August.⁴⁰ Even the improvement to 1 million filings in late August is above the pre-pandemic record of 695,000 in 1982.⁴¹ Continued claims from all unemployment programs totaled 29.6 million for the week ending August 22, 2020.⁴² During the Great Recession, continued claims peaked at 6.5 million, and approximately five years passed before continued claims returned to pre-recession levels.⁴³ Taken together, these employment metrics may be signs of long-term, structural damage to the economy.

³⁴ "Powell Says Rates Are Likely to Stay Low for Years." The New York Times. September 16, 2020.

³⁵ Lane, Sylvan. "On The Money: Five things to know about the August jobs report." The Hill. September 4, 2020.

³⁶ Rosenberg, Eli. "The economy added 1.4 million jobs in August, and the unemployment rate fell below 10 percent." The Washington Post. September 4, 2020.

³⁷ Lane, Sylvan. "On The Money: Five things to know about the August jobs report." The Hill. September 4, 2020.

³⁸ Rosenberg, Eli. "The economy added 1.4 million jobs in August, and the unemployment rate fell below 10 percent." The Washington Post. September 4, 2020.

³⁹ Morath, Eric. "Rise in Weekly Unemployment Claims Points to Faltering Jobs Recovery." The Wall Street Journal. July 30, 2020; Mutikani, Lucia. "U.S. labor market recovery slowing; economists urge more fiscal stimulus." Reuters. August 27, 2020.

⁴⁰ Ibid.

⁴¹ Morath, Eric. "Rise in Weekly Unemployment Claims Points to Faltering Jobs Recovery." The Wall Street Journal. July 30, 2020.

⁴² "Tracking the COVID-19 Economy Weekly Labor Market Information." Federal Reserve Bank of Philadelphia. September 5, 2020.

⁴³ Ibid.

Future economic recovery is difficult to predict. The United States has never experienced a recession like this – one stemming from a public health crisis rather than a financial crisis. There are several trajectories that future economic recovery may take. Those trajectories are most commonly described as Z-shaped, V-shaped, U-shaped, swoosh-shaped, W-shaped, and L-shaped. Figures G through L illustrate these trajectories and are generally ordered from most optimistic to least optimistic.⁴⁴

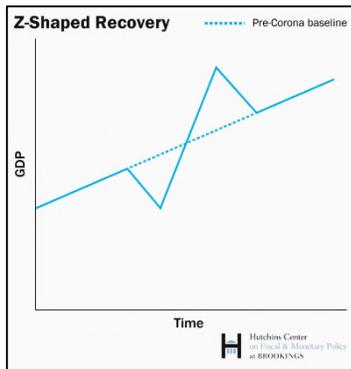


Figure G

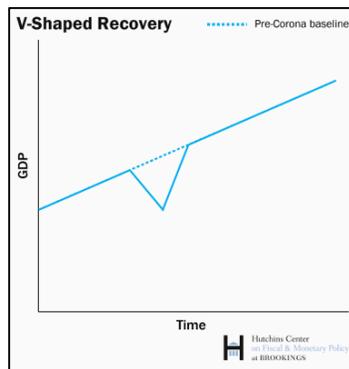


Figure H

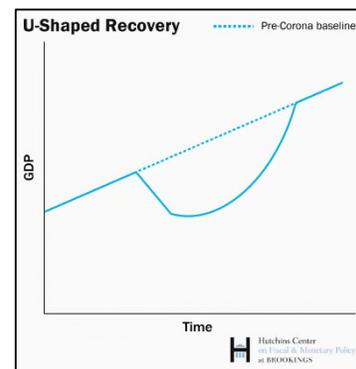


Figure I

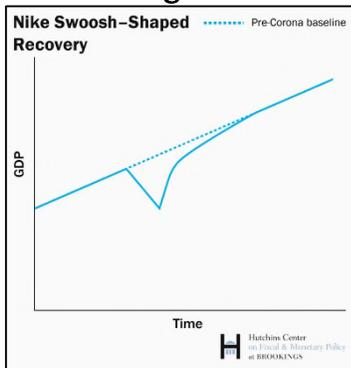


Figure J

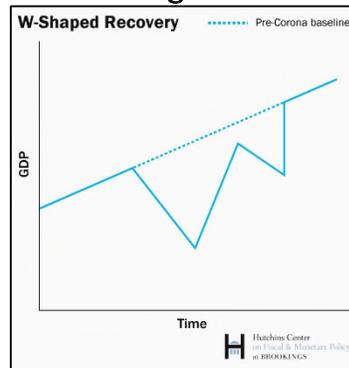


Figure K

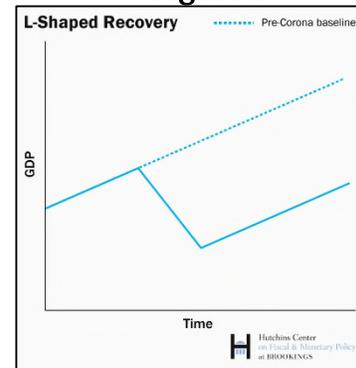


Figure L

⁴⁴ Figures F-K sourced from Sheiner, Louise and Yilla, Kadija. “The ABCs of the post-COVID economic recovery.” Brookings Institution. May 4, 2020.

Initially, expectations regarding the path of recovery were debated, though V-shaped recovery emerged as a dominant early expectation: a sharp economic contraction followed by a quick bounce back to pre-pandemic levels of activity.⁴⁵ More recently, professionals are largely expecting to see a U- or swoosh-shaped recovery.⁴⁶ This shift in expectations reflects the realization among economists and business professionals that economic recovery is stalling. This has widely been attributed to the resurgence in the number of COVID-19 cases, which has caused some states and businesses to rollback or reverse re-openings.⁴⁷ Figure M depicts daily COVID-19 cases from March-September. It is notable that the timing of the increase in daily COVID-19 cases aligns with the slowing economic recovery the country has experienced since June.

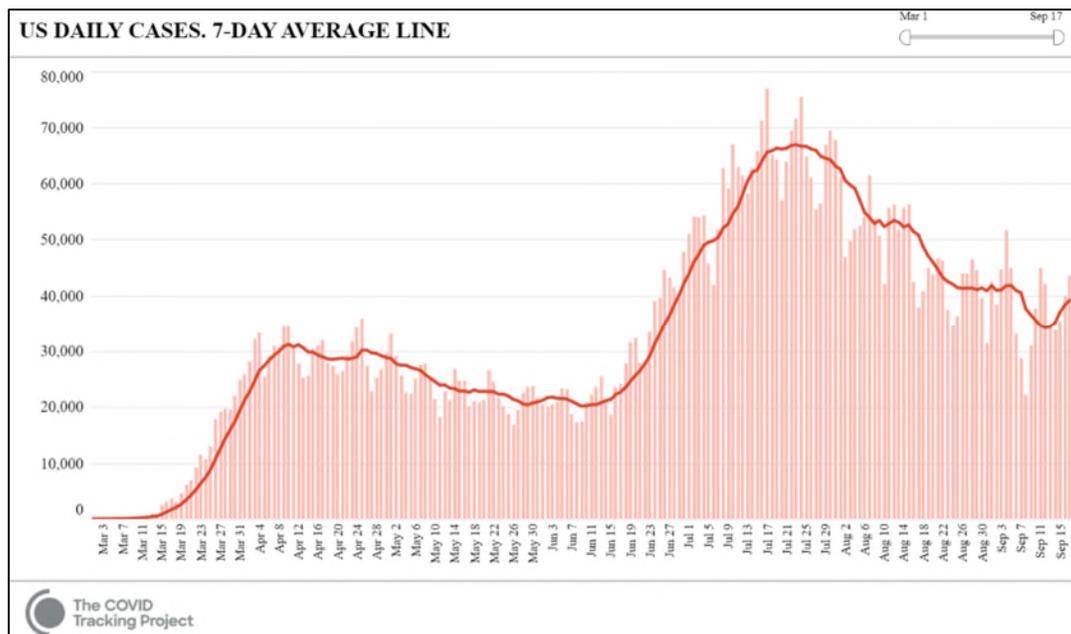


Figure M⁴⁸

⁴⁵ Carlsson-Szlezak, Philipp; Swartz, Paul, & Reeves, Martin. “Taking Stock of the Covid-19 Recession.” Harvard Business Review. August 14, 2020; Zentner, Ellen. “2020 Midyear Economic Outlook: Embracing a V-Shaped Recovery.” Morgan Stanley. July 1, 2020.

⁴⁶ Hannon, Paul & Chaudhuri, Saabira. “Why the Economic Recovery Will Be More of a ‘Swoosh’ Than V-Shaped.” The Wall Street Journal. May 11, 2020; Lambert, Lance. “Recovery or double-dip recession? How the U.S. economy is doing in 9 charts.” Fortune. August 17, 2020; Davidson, Paul. “What shape is the economic recovery in: U, V or W?” ABC News. August 13, 2020; Thomson-DeVeaux, Amelia & Paine, Neil. “Don’t Expect A Quick Recovery. Our Survey Of Economists Says It Will Likely Take Years.” FiveThirtyEight. May 26, 2020.

⁴⁷ Marte, Jonnelle. “Fed policymakers say pickup in infections slowing U.S. economic recovery.” Reuters. August 5, 2020; Tankersley, Jim & Casselman, Ben. “A Resurgence of the Virus, and Lockdowns, Threatens Economic Recovery.” The New York Times. July 15, 2020; Egan, Matt. “The economy is in deep trouble again. Coronavirus is to blame.” CNN Business. July 23, 2020.

⁴⁸ The COVID Tracking Project.

Consistent with the expectation of a gradual, U- or swoosh-shaped recovery is the assumption that the economic recovery timeline will span several years. A key factor in timeline predictions is the ability to control the spread of COVID-19, which is expected to be achieved through a vaccine. Most professionals believe that a COVID-19 vaccine will be widely distributed by early- to mid-2021.⁴⁹ If true, it is expected that the economy will not fully recover until at least 2024, and potentially 2025 or later.⁵⁰ The hardest-hit industries are primarily responsible for the extended recovery time. For instance, in September, Airlines for America, which represents the largest U.S. airlines, estimates that the industry will not return to pre-pandemic levels until 2024.⁵¹ Figure N shows recovery time prediction for several additional industries.

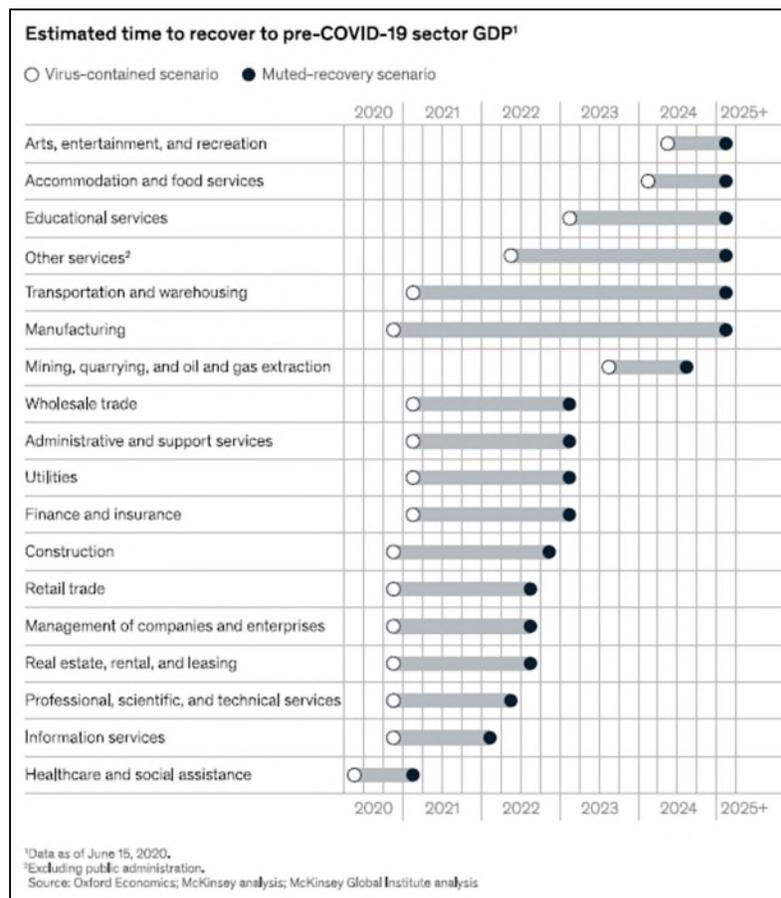


Figure N⁵²

⁴⁹ Harrison, Matthew. “After the Coronavirus Peak, What’s Next?” Morgan Stanley. April 15, 2020; Nagarajan, Shalini. “Goldman Sachs lifts 2021 US GDP forecast to 6.2% and predicts a COVID-19 vaccine will be ‘widely distributed’ by mid-2021.” Business Insider. August 10, 2020.

⁵⁰ Bogdanova, Kelly. “How long will the economic recovery take?” RBC Wealth Management. July 30, 2020; Dua, André; Mahajan, Deepa; Oyer, Lucienne; Ramaswamy, Sree. “US small-business recovery after the COVID-19 crisis.” McKinsey & Company. July 7, 2020.

⁵¹ Gangitano, Alex. “Airline industry warns it won’t rebound until 2024.” The Hill. September 3, 2020.

⁵² Oxford Economics. McKinsey Analysis.

In July, there were greater-than-expected employment gains at restaurants, retail stores, and healthcare.⁵³ However, these industries are among the hardest-hit by the pandemic and remain at significant risk should jurisdictions need to pause re-opening.⁵⁴ Within these industries, many small businesses that gained jobs in July were using funds from the Paycheck Protection Program (PPP) to avoid layoffs.⁵⁵ At the height of PPP usage, the program was supporting 1.3 million jobs.⁵⁶ A reversal of the July job gains may already be happening, as evidenced by weaker employment at small businesses – the primary beneficiaries of the PPP – based on ADP payroll data.⁵⁷

In response to COVID-19, the U.S. Census Bureau created and deployed a new survey intended to measure the effect of the pandemic on small businesses (i.e., businesses with less than 500 employees) across the country. Phase 1 of the survey was from April 26, 2020 to June 27, 2020, and Phase 2 began August 9, 2020 and is ongoing.

Respondents were asked questions related to difficulties they faced with business operations and finances, temporary or permanent closings, and employee terminations or lay-offs. At the conclusion of Phase 1, approximately 44% of small business respondents indicated that they did not expect to return to normal operations for six months or longer compared to approximately 31% of respondents during the first week of the survey.⁵⁸ Between the first and third weeks of the survey, the percentage of small businesses that reported receiving financial assistance, including Paycheck Protection Program assistance, increased from approximately 38% to approximately 67%.⁵⁹ As Phase 1 of the survey concluded and Phase 2 started, small businesses began responding with more optimism.

As of September 5, 2020, approximately 32% of small businesses in the United States indicated that COVID-19 has had a “large negative effect” on them, a decrease from approximately 51% at the end of April.⁶⁰ As the portion of small businesses responding that COVID-19 has had a “large negative effect” on them has decreased, the portion of small businesses responding that COVID-19 has had a “moderate negative effect” on them has been increasing. This relationship indicates marginal improvement in small business sentiment.

Although small business sentiment has improved marginally, from August 9, 2020 to September 5, 2020, approximately 40% of respondents indicated that they had not re-hired any paid

⁵³ Zandi, Mark. “The Week Ahead-U.S. Europe, Asia-Pacific.” Moody’s Analytics. August 13, 2020.

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Callen, Jane A. “Census Bureau Launches Phase 2 Small Business Pulse Survey.” August 20, 2020. Referencing U.S. Census Bureau Small Business Pulse Survey.

⁵⁹ Ibid.

⁶⁰ U.S. Census Bureau Small Business Pulse Survey.

employees who had been furloughed or laid off after March 13, 2020.⁶¹ Furthermore, when asked how much time they think will pass before their business returns to its normal level of operations relative to one year ago, approximately 31% of respondents indicated six or more months during the week of April 26, 2020 compared to approximate 45% during the week of August 30, 2020.⁶²

The degree to which small businesses reported COVID-19 having a “large negative effect” on them differs by sector. As of September 5, 2020, the five sectors with the high portions of small businesses reporting COVID-19 having a “large negative effect” on them are:

- Accommodation and Food Services – 66.6%
- Educational Services – 63.5%
- Arts, Entertainment, and Recreation – 61.9%
- Mining, Quarrying, and Oil and Gas Extraction – 43.7%
- Other Services (except Public Administration) – 40.3%⁶³

Even though small businesses are shifting from having experienced large negative effects to now experiencing moderately negative effects, there are indications that they are still struggling – the lagging re-hiring of furloughed or laid off employees and an increased portion of small businesses expecting six or more months before returning to normal operations. In addition to small business owners, renters throughout the country are facing uncertainty.

Current Renter Household Instability

A monthly survey by Apartment List that started in June has found that for each of the last four months approximately 33% of American rental households did not make an on-time rent payment.⁶⁴ As a result of these late or missed payments, approximately 66% of renters expressed concerned about eviction within the next six months.⁶⁵ Furthermore, of the renters concerned about eviction in the next six months, two-thirds had not made a full August rent payment.⁶⁶ Not including August rent payments, the portion of renters owing rent to their landlords by amount owed were:

- 15% owing less than \$1,000;
- 11% owing between \$1,000 and \$2,000; and
- 5% owing more than \$2,000.⁶⁷

⁶¹ Callen, Jane A. “Census Bureau Launches Phase 2 Small Business Pulse Survey.” August 20, 2020. Referencing U.S. Census Bureau Small Business Pulse Survey.

⁶² U.S. Census Bureau Small Business Pulse Survey.

⁶³ U.S. Census Bureau Small Business Pulse Survey.

⁶⁴ Popov, Igor et al. “32% of Americans Entered August with Unpaid Housing Bills.” Apartment List. August 6, 2020.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

A Moody's Analytics analysis estimates that by the end of 2020, the average back-rent owed by renters in the United States will be \$5,400, accumulating to \$70 billion by the end of the year.⁶⁸ There appear to be several key differences between Stout's estimates and Moody's estimate. Stout assumes that some renters may be able to pay a portion of their rent or have other access to capital (as described above) in order to make a partial payment of rent each month. In addition, the Moody's estimate appears to have been completed on or before August 13, 2020 and would not have had the benefit of the most recent Household Pulse survey data incorporating renter confidence indicators from September 2 – 14, 2020. With a further review and understanding of the methodology used by Moody's in developing its estimates Stout may be able to further reconcile the differences between the conclusions.

The methods by which renters are paying their rent, whether fully or partially, include using credit cards, borrowing from friends or family, taking out high-interest payday loans, and depleting savings and emergency funds. A rent payment processing company reported that the number of tenants paying rent by credit card was 30% higher during the first week of April compared to the first week of March.⁶⁹ While this solution addresses the short-term need to pay rent, renters who are unemployed or underemployed may be paying double-digit interest rates and accruing debt if they are paying only the minimum payment on their credit cards.⁷⁰ Even renters who are working have expressed challenges with paying rent. According to an August 2020 survey conducted by a property management software firm, approximately 44% of employed renters were paying 31% to 50% of their yearly income on rent alone before COVID-19.⁷¹ Any change in income or employment exacerbates the financial strain that these renters were already experiencing pre-pandemic.

To make full or partial rent payments, approximately 42% of renters indicated they are spending their savings or emergency funds.⁷² Landlords, particularly small landlords, are also using their savings or emergency funds to pay for rental property expenses. Approximately 35% of landlords responding to the same August 2020 survey reported using savings to pay for expenses that are typically covered by rent income from tenants.⁷³ Landlords' need to use savings or emergency funds may be a function of their size. A Brookings Institution analysis found that "40% of residential property units are owned by individual investor landlords. Among those owning residential investment property, roughly a third are from low- to moderate-income households; property income constitutes up to 20% of their total household

⁶⁸ Zandi, Mark. "The Week Ahead-U.S. Europe, Asia-Pacific." Moody's Analytics. August 13, 2020.

⁶⁹ "More plastic in the pandemic: Credit-card rental payments up 30%." The Real Deal New York Real Estate News. April 15, 2020.

⁷⁰ Ibid.

⁷¹ Scott, Marin. "Landlords and Renters Struggling to Make Ends Meet During COVID-19 Uncertainty." Avail. September 11, 2020.

⁷² Ibid.

⁷³ Ibid.

income.”⁷⁴ Figure O shows household income and share of income from rental property for landlord households.



Figure O⁷⁵

These individual investor landlords, especially those with low- to moderate-incomes likely have less access to capital compared to large corporate landlords. These properties also tend to be more affordable and attract lower-income tenants, who have been disparately impacted by COVID-19.⁷⁶ The combination of less access to capital and having a renter-base that is disproportionately affected by the economic fallout of COVID-19 has put smaller landlords in similar situations as their renters.

CDC Eviction Moratorium

On September 4, 2020, the CDC issued an Agency Order to temporarily stop residential evictions through December 31, 2020 to prevent the further spread of COVID-19.⁷⁷ In the Agency Order, the CDC states:

“In the context of a pandemic, eviction moratoria – like quarantine, isolation, and social distancing – can be an effective public health measure utilized to prevent

⁷⁴ Broady, Kristen E. et al. “An eviction moratorium without rental assistance hurts smaller landlords, too.” Brookings Institution. September 21, 2020.

⁷⁵ Ibid.

⁷⁶ Dougherty, Conor and Friedman, Gillian. “They’re Making the Rent. Is it Costing Their Future?” The New York Times. August 21, 2020.

⁷⁷ 85 FR 55292.

the spread of communicable disease. Eviction moratoria facilitate self-isolation by people who become ill or who are at risk for severe illness from COVID-19 due to an underlying medical condition. They also allow State and local authorities to more easily implement stay-at-home and social distancing directives to mitigate the community spread of COVID-19. Furthermore, housing stability helps protect public health because homelessness increased the likelihood of individuals moving into congregate settings, such as homeless shelters, which then puts individuals at higher risk to COVID-19.”⁷⁸

The Agency Order does not apply to any State, local, territorial, or tribal area with a residential eviction moratorium that provides the same or greater protections than the Agency Order, and the Agency Order does not preclude any State, local, territorial, or tribal area from instituting more restrictive requirements that protect public health.

For tenants to invoke the Agency Order, they must complete and provide an executed copy of a Declaration, under penalty of perjury, to their landlord, owner of the residential property, or other person who has the right to evict or remove them.

⁷⁸ Ibid.

Conclusion

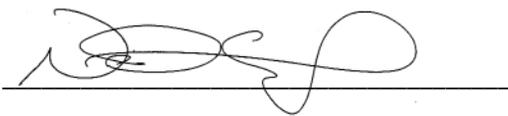
Stout estimates that there are between 9.7 million and 14.2 million renter households (between 23.3 million and 34.0 million individual renters) in the United States that may be unable to pay rent and are at risk of eviction. Stout estimates that renter households have already accumulated between \$12.2 billion and \$16.7 billion of shortfall in their owed rent. Stout estimates the rent shortfall for these households will be between \$25.1 billion and \$34.3 billion by January 2021. Given what appears to be a slow economic recovery, it is reasonable to expect ongoing elevated unemployment, high rent burden among low-income renter households, continued accumulation of unpaid rent, and continued risk of eviction beyond January 2021. Furthermore, Stout estimates that by January 2021, up to 8.4 million renter households (20.1 million individual renters) could experience an eviction filing.

Assumptions and Limiting Conditions

This report and analysis was prepared for the National Coalition of State Housing Agencies. Stout has no affiliation or interest (financial or otherwise) in the National Coalition of State Housing Agencies. No one who worked on this report has any known material interest in the outcome of the analyses.

Any distribution of this report by the National Coalition of State Housing Agencies, or other parties, does not create a relationship with, or obligation to, any recipients or readers of the report.

Stout's analyses are based on information reviewed to date. Stout reserves the right to, but is not obligated to, change or supplement these analyses should additional information become available.



Neil Steinkamp
Managing Director
Stout Risius Ross, LLC

Appendix A

Additional Supporting Data Sources and Considerations

- A recent national online survey by the website Property Nest found that roughly 39 percent of respondents said that they would be unable to pay rent if they lost their job during the coronavirus pandemic.
- The National Association of Realtors (NAR) estimates that 42% of households across the country would struggle to pay for housing solely with unemployment benefits. Parsed further, the organization says that 31% of renters have monthly housing costs that are higher than the amount they can pay with unemployment benefits.
- An analysis of the Household Pulse Survey Public Use File (PUF) data files for Weeks 1 to 5 shows that about half of those respondents who indicated they have No/Slight confidence in making next month's rent also indicated they were unable to pay last month's rent as well.
- At a time of historically low unemployment in 2019, the Fed reported that 38% of Americans did not have the resources to pay an unexpected expenditure of \$400.
- A pre-COVID analysis of eviction filings in Rochester, NY indicates that 47% of evictions were filed based on less than 1.5 months of rent. 65% involved 2 months of rent. 77% involved 2.5 months.
- The Rochester (NY) Metro Area Poverty Initiative published data recently showing that over 30% of respondents indicate that they are unable to pay their rent, haven't paid their rent, don't know how they will pay their rent or has a landlord that is trying to evict them.
- The National Multifamily Housing Council (NMHC) and Entrata reported at the end of April that:
 - New York State had one of the lowest overall percentages in the country of units that made a rent payment as of April 22 (89.8%) and one of the highest percentages of uncollected rent.
 - This same report indicated a significant increase (nationwide) in payments being made by credit card in April and in repayment plans negotiated with tenants (note: this report has not yet been updated for May).
- A recent survey by Gracie Hill indicated "The evolution in sentiment may continue to reflect the timing of stimulus payments from the federal government. When our survey closed in mid-May, the portion of residents who said they would ask landlords to defer their rent was set to be 30%, compared to 40% in April. Sixty-eight percent reported receiving stimulus assistance, and of those 38% said it helped them feel more financially secure, whereas 49% said it made no difference. Fourteen percent of residents reported they believed they would be more financially secure in three to six months compared to how they were before COVID-19. Forty-eight percent anticipated they would be

somewhat (28%) or significantly (20%) less secure financially 3-6 months from now than they were before COVID-19.”

- This is an early indicator of the possibility of modest short-term improvement in the ability to pay rent – but also the expectation of longer-term instability as well.
- The Furman Center reports that, “About 20 percent of New York City renters live in 2-4 unit buildings. Across the nation, 34 percent of renters live in single-family homes, with an additional 17 percent in 2-4 unit buildings. Rental arrears may pose particular problems for owners of smaller buildings, placing those owners at risk of maintaining mortgage payments.”
 - A pre-COVID analysis of eviction filings in Rochester, NY indicates that 69.2% of all eviction filings in Rochester involved buildings with 4 units or less (65.1% of all rental units are in buildings with 4 units or less).
- Another Furman Center study, based on an examination of unemployment insurance claims in New York State, estimates that, “1.1 million renter households in New York State have at least one member who has lost their job due to COVID-19,” and that the related rental assistance required would amount to \$391 million for low-income households and \$743 million for all renter households in New York State.
 - While this Furman Center analysis uses a different calculation methodology, its estimates of the number of rent insecure households and the rent relief funding needed is consistent with the results of the Stout model, as described above.
- A recent survey conducted by the website Apartment List (in partnership with SurveyMonkey) found that in June 2020, 32% of American rental households missed their rent payments, of which, about two-thirds missed their full payment and one-third made only a partial payment.
 - The survey determined that delayed payments in one month was a strong predictor for missed payments in the next month with 70% of respondents who were late making May’s payment also making no or partial payment for June and 91% of respondents who made no payment for May making no or partial payment for June, more than half of which made no payment.
 - The survey showed that over one-third of renters are at least somewhat concerned that they will be served an eviction notice in the next six months with that figure climbing to 56% among those households who did not pay their full rent for the month of June.
 - The survey also reported that a majority of households that missed their rent payment at the beginning of the month were able to close the gap with late payments in the following weeks, with only about 10% of households remaining delinquent by the end of the month.

- A new study of American renter households' income, savings, and housing cost burdens by the COVID-19 Eviction Defense Project (CEDP) states that between 19 million and 23 million Americans are at risk of eviction by the end of September 2020, assuming between 25% and 30% renter unemployment.
- An article published in March by Multi-Housing News (MHN) reported that a recent study found that of the average, "\$22 billion in monthly rent collected by apartment landlords, renters may require between \$7 billion and \$12 billion in temporary assistance over the next three to six months," due to the economic freeze caused by the coronavirus. The article also states that between 15% and 26% of U.S. renters will likely be affected by COVID-19 related business closures resulting in the reported rent shortfall and required assistance funding.
- In May, the Amherst Group reported on the disparity between renter and homeowner households and the impact of COVID-19 on these households. The report notes, "that only 39% of U.S. households have received government housing relief, leaving tens of millions of renters at risk of eviction or foreclosure in the event of a prolonged downturn." The report also found that roughly 28 million renter households are estimated to be at greatest risk of eviction – 23% of all households whose homes are not owned or financed through government vehicles. The report highlights that approximately 25% of all renters spend more than 50% of their incomes on rent vs. only 11% of homeowners with a mortgage and renters who live in properties not within the government supported infrastructure are not receiving any targeted housing relief programs at the national level. As a result, the Amherst analysis indicates that, "absent additional intervention, there is a risk America will experience evictions and foreclosures in excess of the levels we saw in the wake of the Great Recession."
- In a brief published in June summarizing their findings on the level of assistance needed to support renters through the COVID-19 crisis, the Urban Institute estimated that it will cost \$5.5 billion a month - without state unemployment insurance and the CARES Act financial support - to bring renter households back to their pre-coronavirus rent-to-income levels, and \$1.8 billion a month with state and federal supplemental support. Further, the brief estimated that, "in order to alleviate housing cost burdens for the nearly half of renters who were spending more than 30 percent of their income on rent before the crisis in addition to the renters who lost income due to the COVID crisis, rental assistance of \$15.5 billion a month [without the state unemployment insurance and the CARES Act \$600 weekly supplement] would be required."
- An analysis by ApartmentList.com published on July 8, 2020 indicates:
 - "32 percent of Americans did not make a full on-time housing payment in July, up slightly from 30 percent in June.

- Missed payments continue to concentrate among renters, young and low-income households, and residents of dense urban areas.
- Compared to last month more Americans are concerned about evictions and foreclosures, even as federal and certain local displacement protections are extended.
- For the fourth straight month, a historically high number of renters and homeowners were unable to pay their full housing bill.”
- In early April, the percentage of Americans unable to make a full on-time housing payment jumped to 24 percent, then rose to 31 percent in May. This missed payment rate has since stabilized, dipping slightly to 30 percent in June before ticking back up to 32 percent in July. During the first week of this month, 19 percent of Americans had made no housing payment, while an additional 13 percent paid only a portion of their monthly bill.
- While eviction protections today vary dramatically from place to place, our survey shows widespread and growing concern about housing insecurity. From June to July, the share of renters who are either “very” or “extremely” concerned about being evicted rose from 18 percent to over 21.”

Appendix B

State-by-State Analysis

State	Estimated Range of Renter Households Unable to Pay Rent and at Risk of Eviction	Estimated Eviction Filings by January 2021	Estimated Range of Rent Shortfall by January 2021
Alabama	150,000 - 240,000	140,000	\$279,000,000 - \$401,000,000
Alaska	20,000 - 30,000	20,000	\$49,000,000 - \$74,000,000
Arizona	170,000 - 250,000	150,000	\$461,000,000 - \$630,000,000
Arkansas	100,000 - 140,000	80,000	\$170,000,000 - \$225,000,000
California	1,110,000 - 1,730,000	1,030,000	\$3,692,000,000 - \$5,561,000,000
Colorado	150,000 - 230,000	140,000	\$469,000,000 - \$666,000,000
Connecticut	100,000 - 160,000	90,000	\$281,000,000 - \$400,000,000
Delaware	20,000 - 30,000	20,000	\$59,000,000 - \$78,000,000
District of Columbia	20,000 - 40,000	30,000	\$80,000,000 - \$130,000,000
Florida	830,000 - 1,080,000	640,000	\$2,130,000,000 - \$2,662,000,000
Georgia	340,000 - 460,000	270,000	\$824,000,000 - \$1,052,000,000
Hawaii	50,000 - 70,000	40,000	\$224,000,000 - \$266,000,000
Idaho	40,000 - 50,000	30,000	\$73,000,000 - \$103,000,000
Illinois	350,000 - 540,000	320,000	\$857,000,000 - \$1,232,000,000
Indiana	180,000 - 250,000	150,000	\$376,000,000 - \$485,000,000
Iowa	80,000 - 120,000	70,000	\$161,000,000 - \$211,000,000
Kansas	60,000 - 80,000	50,000	\$133,000,000 - \$185,000,000
Kentucky	130,000 - 200,000	120,000	\$236,000,000 - \$350,000,000
Louisiana	150,000 - 230,000	140,000	\$281,000,000 - \$394,000,000
Maine	20,000 - 40,000	20,000	\$55,000,000 - \$81,000,000
Maryland	160,000 - 240,000	140,000	\$412,000,000 - \$599,000,000
Massachusetts	160,000 - 290,000	170,000	\$472,000,000 - \$757,000,000
Michigan	270,000 - 400,000	240,000	\$603,000,000 - \$808,000,000
Minnesota	70,000 - 120,000	70,000	\$162,000,000 - \$287,000,000
Mississippi	100,000 - 150,000	90,000	\$159,000,000 - \$225,000,000
Missouri	150,000 - 230,000	130,000	\$294,000,000 - \$417,000,000
Montana	10,000 - 30,000	10,000	\$23,000,000 - \$51,000,000
Nebraska	60,000 - 80,000	50,000	\$125,000,000 - \$162,000,000
Nevada	140,000 - 180,000	110,000	\$337,000,000 - \$431,000,000
New Hampshire	30,000 - 40,000	20,000	\$69,000,000 - \$101,000,000
New Jersey	330,000 - 480,000	280,000	\$1,009,000,000 - \$1,331,000,000
New Mexico	60,000 - 80,000	50,000	\$105,000,000 - \$153,000,000
New York	800,000 - 1,230,000	730,000	\$2,504,000,000 - \$3,437,000,000
North Carolina	300,000 - 410,000	240,000	\$632,000,000 - \$824,000,000
North Dakota	20,000 - 30,000	20,000	\$41,000,000 - \$56,000,000
Ohio	250,000 - 400,000	240,000	\$544,000,000 - \$792,000,000
Oklahoma	130,000 - 180,000	100,000	\$248,000,000 - \$323,000,000
Oregon	100,000 - 150,000	90,000	\$249,000,000 - \$378,000,000
Pennsylvania	260,000 - 400,000	240,000	\$697,000,000 - \$958,000,000
Rhode Island	30,000 - 60,000	30,000	\$77,000,000 - \$119,000,000
South Carolina	150,000 - 210,000	120,000	\$329,000,000 - \$429,000,000
South Dakota	20,000 - 30,000	20,000	\$36,000,000 - \$49,000,000
Tennessee	220,000 - 310,000	180,000	\$457,000,000 - \$599,000,000
Texas	1,120,000 - 1,460,000	860,000	\$2,819,000,000 - \$3,401,000,000
Utah	40,000 - 60,000	40,000	\$120,000,000 - \$166,000,000
Vermont	10,000 - 20,000	10,000	\$20,000,000 - \$33,000,000
Virginia	220,000 - 320,000	190,000	\$578,000,000 - \$802,000,000
Washington	190,000 - 300,000	170,000	\$600,000,000 - \$858,000,000
West Virginia	40,000 - 70,000	40,000	\$70,000,000 - \$102,000,000
Wisconsin	170,000 - 240,000	140,000	\$345,000,000 - \$465,000,000
Wyoming	20,000 - 30,000	10,000	\$36,000,000 - \$45,000,000
U.S Total	9,700,000 - 14,200,000	8,380,000	\$25,062,000,000 - \$34,344,000,000