The Impact of Emergency Rental Assistance on Housing Stability during Covid-19 in the United States

Sector(s): Social Protection

J-PAL office: J-PAL North America

Location: Washington, Illinois, California, Texas

Sample: 136,209 tenants

Target group: People experiencing housing instability

Outcome of interest: Housing stability

Intervention type: Housing and neighborhoods

AEA RCT registration number: AEARCTR-0007167

Research Papers: The Effects of Emergency Rental Assistance During the Pandemic: Evidence from F…

Partner organization(s): Los Angeles Housing and Community Investment Department, Mayor's Office of the City of Los Angeles, Catholic Charities of Galveston-Houston, King County Department of Community and Human Services, Chicago's Department of Housing, The Resurrection Project

The Covid-19 pandemic increased the incidence of and risks associated with housing instability across the United States. In response, policymakers across the country devoted substantial resources to renters in the form of emergency rental assistance (ERA). Researchers leveraged existing randomization to evaluate the impact of ERA programs during the pandemic in four urban areas in the United States on measures of housing stability, financial security, and mental health. Receipt of rental assistance increased rent payment in the short term and modestly improved self-reported mental health. However, it had limited impacts on housing stability and financial security. These results suggest that other factors during the pandemic, such as increased government support and rental market conditions unfavorable to landlords, may have mitigated the effects of ERA programs.

Policy issue

Housing instability, which can encompass difficulty paying rent, frequent moves, overcrowding, and eviction, impacts the health and well-being of millions of households in the United States.[1] Evictions have been found to decrease earnings and lead to higher rates of homelessness and hospitalization. Prior to the Covid-19 pandemic, approximately three million households faced eviction court filings each year. Eviction disproportionately impacts certain populations such as families with children and Black renters.

Pandemic-related economic hardships were projected to put an even greater number of renters at risk. In August 2020, approximately 5.4 million people reported they were likely to face eviction or foreclosure in the next two months. Moreover, public health concerns motivated a federal eviction moratorium, which prevented court proceedings from September 2020 until August 2021.[2]

To curb evictions and support renters and landlords alike, the federal government allocated over $50 billion to emergency rental assistance (ERA), which represented more than double the usual amount of federal assistance for rental assistance. While ERA programs have long been a common tool for helping renters cover missed payments, there is limited causal evidence on the impacts of these programs both in the short and long term, and no evidence on its impact in the context of a national economic and health crisis. As such, researchers sought to identify the effects of ERA programs on housing stability, financial security, and physical and mental health amid the Covid-19 pandemic.

Context of the evaluation

Researchers evaluated the impact of five emergency rental assistance programs that were implemented between May 2020 to December 2020 across four locations in the United States: Chicago, Harris County (Houston), King County (Seattle), and Los Angeles. All of these locations are large urban areas with high rates of homelessness, though their housing markets and eviction policies vary. Moreover, while all of the ERA programs in these cities involved an embedded lottery, programs differed in regard to participant eligibility and program administration. In total, these programs received over 200,000 applications from residents.

Table 1. Program Overview

Chicago	Chicago (TRP)	Harris County	King County	Los Angeles
Eligibility: Income impacted by the pandemic; income no greater than 60 percent of the area median income (AMI) prior to the pandemic **Amount**: $1,000 **Recipient**: Tenant	**Eligibility**: Targeted Chicago residents who were not eligible and did not receive aid from the CARES Act; income below 300 percent of the federal poverty line **Amount**: $1,000 **Recipient**: Tenant	**Eligibility**: Income less than 60 percent of local AMI or receiving public assistance and could demonstrate that the pandemic had a negative impact on income **Amount**: $1,200 **Recipient**: Tenant	**Eligibility**: Income at or below 50 percent of local AMI during the 60 days prior to application; experience of Covid-related financial hardship; at risk of housing instability **Amount**: Average of three months' back-rent or credit toward future rent; up to six months' rent. **Recipient**: Landlord	**Eligibility**: Pre-pandemic income at or below 80 percent of local AMI; documentation of a Covid-related loss of income occurring after March 13, 2020 **Amount**: $1,000–$2,000 **Recipient**: Landlord or tenant (if landlord opted out or did not respond)

Photo: Shutterstock.com

Details of the intervention

Due to excess demand for all of the programs, all five programs used lotteries to select who received assistance. Researchers leveraged the embedded lottery systems in each program to evaluate their impact on housing stability, financial security, and mental health. Researchers noted that because random assignment already existed within the program design, the ethical considerations of this study were more straightforward than a typical randomized evaluation and solely focused on the process of linking existing datasets.

To assess program impacts on the selected outcomes, researchers utilized a combination of survey and administrative data sources. Surveys asked program applicants about ability to pay rent, physical and mental health, and feelings of economic insecurity. Administrative data sources were used to track participants' residential mobility, measure credit history, and assess housing instability. Some administrative data sets (e.g., housing and homelessness data) differed from location to location, while surveys were similar, but not identical, across all four cities.

Results and policy lessons

Study results show that, across the five programs, the emergency rental assistance programs helped participants pay their rent in the short term, modestly improved mental health, and were well targeted (i.e., they reached tenants with high financial need). The programs on average did not significantly impact housing or financial stability.

Outcomes across all programs

The ERA programs in all four locations were well targeted to assist households with high levels of financial insecurity. Compared to the average tenant in each location, those who received assistance had 33–100 point lower credit scores, higher balances in collections, and greater levels of debt.

While keeping participants in their homes is a policy objective of ERA programs, the results showed that receiving assistance did not impact participants' likelihood of moving both in the short term (2 months after applying for assistance) or long term (1 year after applying for assistance). Receipt of assistance also did not impact short- or long-term measures of financial insecurity or experiences of extreme housing instability, such as evictions or homelessness, with the exception of the program administered by Chicago's The Resurrection Project (see below).

Outcomes from Chicago, Seattle, and Houston

Due to differences with the Los Angeles survey, researchers reported the following impacts on survey outcomes, excluding Los Angeles. Participants who received rental assistance were 5.8-13.1 percentage points more likely to pay their rent in the months following the lottery (8.9-35.5 percent increases from baselines of 38.8-67.8 percent). Those who received assistance also reported a 3.4 percentage point reduction in anxiety (6.7 percent decrease from a baseline of 50.6 percent). Specifically, concerns about getting evicted were reduced by 4.6 percentage points (15.6 percent decrease from a baseline of 29.3 percent).

Outcomes from Chicago's The Resurrection Project

Participants who received assistance from The Resurrection Project (TRP) in Chicago were 0.35 percentage points less likely to appear in the homelessness system 9 months after the lottery (a 65 percent decrease from a baseline of 0.55 percent). This program was the only one to target undocumented residents who were typically not eligible for many other assistance programs.

The results overall run counter to those found in prior studies on pre-pandemic ERA programs that provided similar amounts of assistance. Researchers posit that the policy context during Covid-19 may be responsible for the modest effects seen, rather than issues with program design or targeting, both of which were broadly similar to programs studied pre-pandemic. For example, there was a general expansion in government support during the pandemic, such as Covid-19 relief payments and expansions of the Earned Income Tax Credit. This theory is supported by the results from Chicago's TRP, which found positive impacts on appearance in the homelessness system and targeted residents who may not have been eligible for other supports. In addition, the researchers found that landlords, wary of evicting tenants during unfavorable rental market conditions, may have entered into temporary agreements with tenants that prevented evictions.

These results provide the foundation for ongoing evaluation to better understand how subsequent rounds of emergency rental assistance impacted tenants and landlords at later stages of the Covid-19 pandemic as well as during other times of economic distress.

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1. Healthy People 2030. (2030). Housing Instability. https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/housing-instability

2. Romer, C. & Broady, K. https://www.brookings.edu/blog/the-avenue/2021/09/14/in-overturning-the-eviction-moratorium-the-supreme-court-continues-its-history-of-harming-black-households/