

# Emergency Financial Assistance

Emergency financial assistance (EFA), which provides people at risk of eviction with one-time or short-term payments to cover rent and other housing expenses, can—under normal policy conditions—keep people housed and reduce the likelihood of eviction.

This brief is part of a series of high-level resources on rigorous evidence in housing and homelessness. For a more extensive discussion of the literature, visit the J-PAL North America [Homelessness Evidence Review](#).

## KEY TAKEAWAYS

### 1 Emergency financial assistance averts evictions and episodes of homelessness in standard housing market conditions.

Research shows that an offer of EFA improves housing stability measured by incidence of homelessness<sup>6,8</sup> and rent payments.<sup>1</sup> While two evaluations found EFA to be less effective at stabilizing housing after the onset of the Covid-19 pandemic,<sup>1,10</sup> some researchers hypothesize that this was driven by the unprecedented expansion of social safety net programs and the establishment of eviction moratoria that weakened the link between unpaid rent and eviction.<sup>1</sup>

### 2 Emergency financial assistance has demonstrated mixed effects on secondary outcomes.

In a series of quasi-experimental studies examining one program in Chicago, EFA led to decreases in violent crime arrests and increases in property crime arrests,<sup>7</sup> increased the likelihood of receiving food assistance,<sup>5</sup> did not impact overall health care use<sup>3</sup> or residential mobility,<sup>5</sup> and found suggestive evidence of improvements in earnings driven by those with low baseline earnings.<sup>4</sup> During Covid-19, one EFA program relieved rent-related debt and decreased the likelihood that tenants borrowed money to pay rent.<sup>11</sup> Another evaluation during Covid-19 found no effect on financial wellbeing or residential mobility and suggestive evidence of improvements in physical and mental health.<sup>1</sup> More research is needed to more precisely understand the various secondary outcomes of EFA.

### 3 The effectiveness of emergency financial assistance hinges on program design and administration, and more research is needed to identify the most effective targeting strategies.

Timeliness in administering EFA programs is critical, as applicants are often at imminent risk of eviction and cannot afford delays. One quasi-experimental study found that an additional week of wait time in receiving assistance increased the probability of an eviction filing within one year by up to 29 percent.<sup>9</sup> In addition to timeliness, directing funds to households who would otherwise become homeless is crucial. Another quasi-experimental study estimated that the programmatic cost of averting an episode of homelessness was 35 percent lower for very low-income families than for the full sample, suggesting that cost-effectiveness improves when assistance is well-targeted.<sup>6</sup>

EFA recipients were  
**88% less likely**



to become homeless after 3 months relative to those who did not receive EFA.<sup>6</sup>

EFA recipients were up to  
**36% more likely**



to pay rent in full in the months shortly after receiving funds than those who didn't receive EFA.<sup>1</sup>

## COST EFFECTIVENESS

Limited cost effectiveness analyses found that the public and private benefits accrued from EFA, most notably from averted episodes of homelessness and reduced violent crime, exceed the total program costs. One study found \$2.47 of benefits per net dollar spent<sup>8</sup> and another found \$1.99 of benefits per net dollar spent.<sup>6</sup> Cost effectiveness is estimated to increase if programs are able to target EFA to the households most in need and with landlords most likely to pursue evictions.<sup>6,10</sup>

## INTERVENTION DETAILS

Housing instability, which can encompass difficulty paying rent, frequent moves, overcrowding, and eviction, impacts the health and well-being of millions of US households. Eviction, in particular, has been found to reduce earnings and lead to higher rates of homelessness and hospitalization.<sup>2</sup>

One-time and short-term emergency financial assistance programs have emerged as a key strategy for preventing evictions and supporting both renters and landlords. Sometimes referred to as emergency rental assistance, these programs cover arrears, future rent, utility bills, or other housing costs. Most EFA programs target renters at high risk of eviction, with some issuing payments directly to tenants and others paying landlords on their behalf.

EFA became especially widespread during the Covid-19 pandemic, when federal relief—including the CARES Act and the American Rescue Plan—directed substantial funding toward these programs.

### PROGRAM EXAMPLE

#### Eligibility requirements from Franklin County's Prevention, Retention, and Contingency (PRC) program [↗](#)

An individual or family is eligible for PRC short-term assistance if:

- They are at least 18 years old
- They reside in Franklin County, Ohio
- Their family includes at least one child under 18 or a 6+ month pregnant person
- Their family income is below 165% of the federal poverty line
- They have not received PRC one-time assistance in the prior 12 months
- They demonstrate and verify need and Franklin County's Department of Job and Family Services (FCDJFS) determines that provision of PRC will satisfy that need

When FCDJFS approves rental assistance for a PRC applicant, payment is made directly to the landlord, property owner, or property manager who is owed. Third parties must agree to participate in the program and arrange to receive payment with FCDJFS. Families facing deeper poverty are screened out and referred to other safety net programs.

## CITATIONS

Papers included in this brief are limited to quasi-experimental and randomized evaluations of emergency financial assistance in the United States.

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**Author:** Kate Christie, J-PAL North America

**Editor:** Laina Sonterblum, J-PAL North America

**Scientific Advisor:** David Phillips, Wilson Sheehan Lab for Economic Opportunities