



FEDERAL RESERVE BANK *of* NEW YORK

## Who Has Been Evicted and Why?

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# Eviction May be Important, but It's Poorly Understood

- Over a third of households are renters
  - Over two million at risk of evictions each year
- Eviction is correlated with many social ills:
  - Prolonged homelessness
  - Poor health outcomes
  - Lack of credit access
- But many questions remain
  - How many get evicted?
  - Is the causal factor eviction, or lack of resources/poverty?
  - What are the long run prospects for evictees?
  - Will there be a “wave” of evictions this fall?



# Our Contribution

- We conducted a novel national survey on evictions within the Housing Module of the Survey of Consumer Expectations (SCE) in February 2019 and 2020.
- NY Fed's SCE surveys a representative national sample of around 1,200 households each month
  - Households stay in the panel for 1 year
  - Each month, 1/12<sup>th</sup> (~100) exit and are replaced
  - We ask a battery of housing questions each February
- Our evictions questions are designed to elicit honest responses

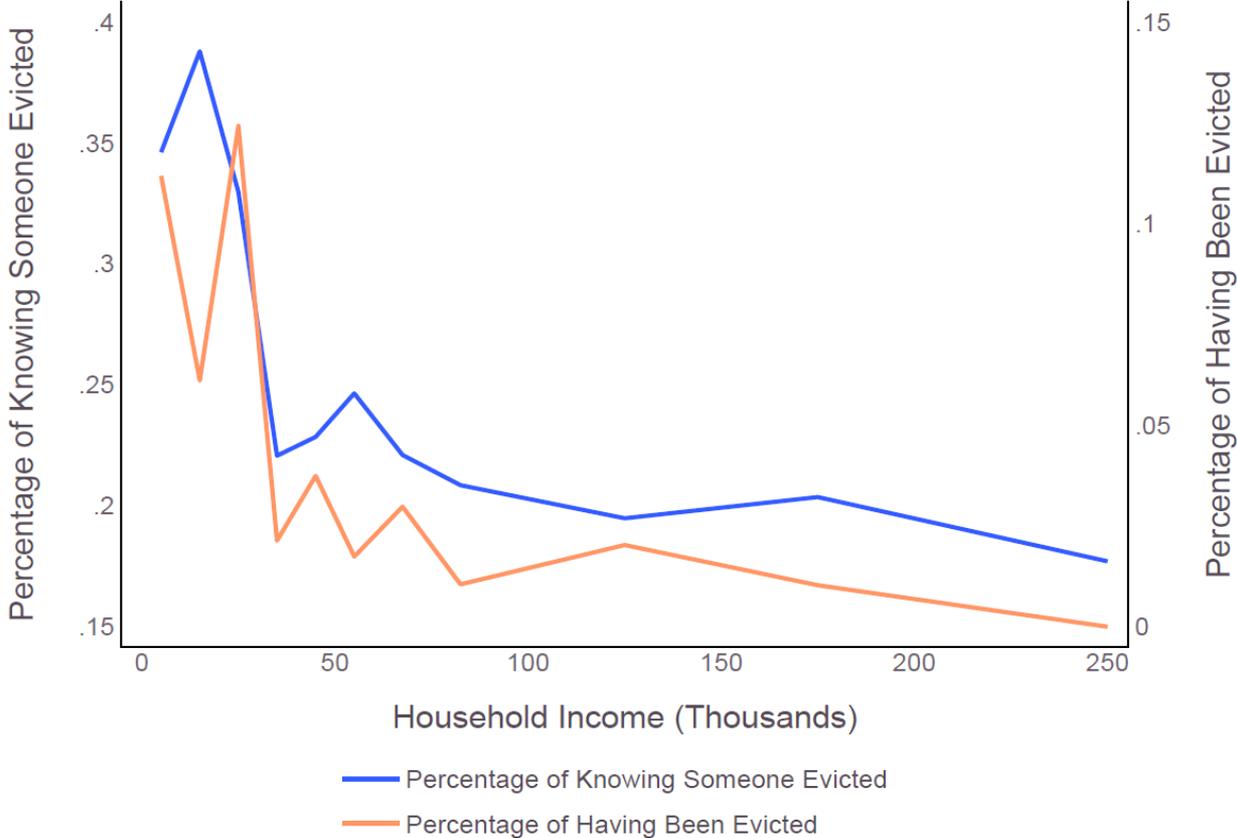


# Some Results

- Evictions are fairly common
  - About a quarter of households know someone evicted
  - About 4% report having been evicted themselves
  - Among renters, these figures rise to 37.5% and 8.9%
  - Among homeowners, rates are lower
- Eviction experiences are strongly related to income



# Eviction Experiences Highly Correlated with Income

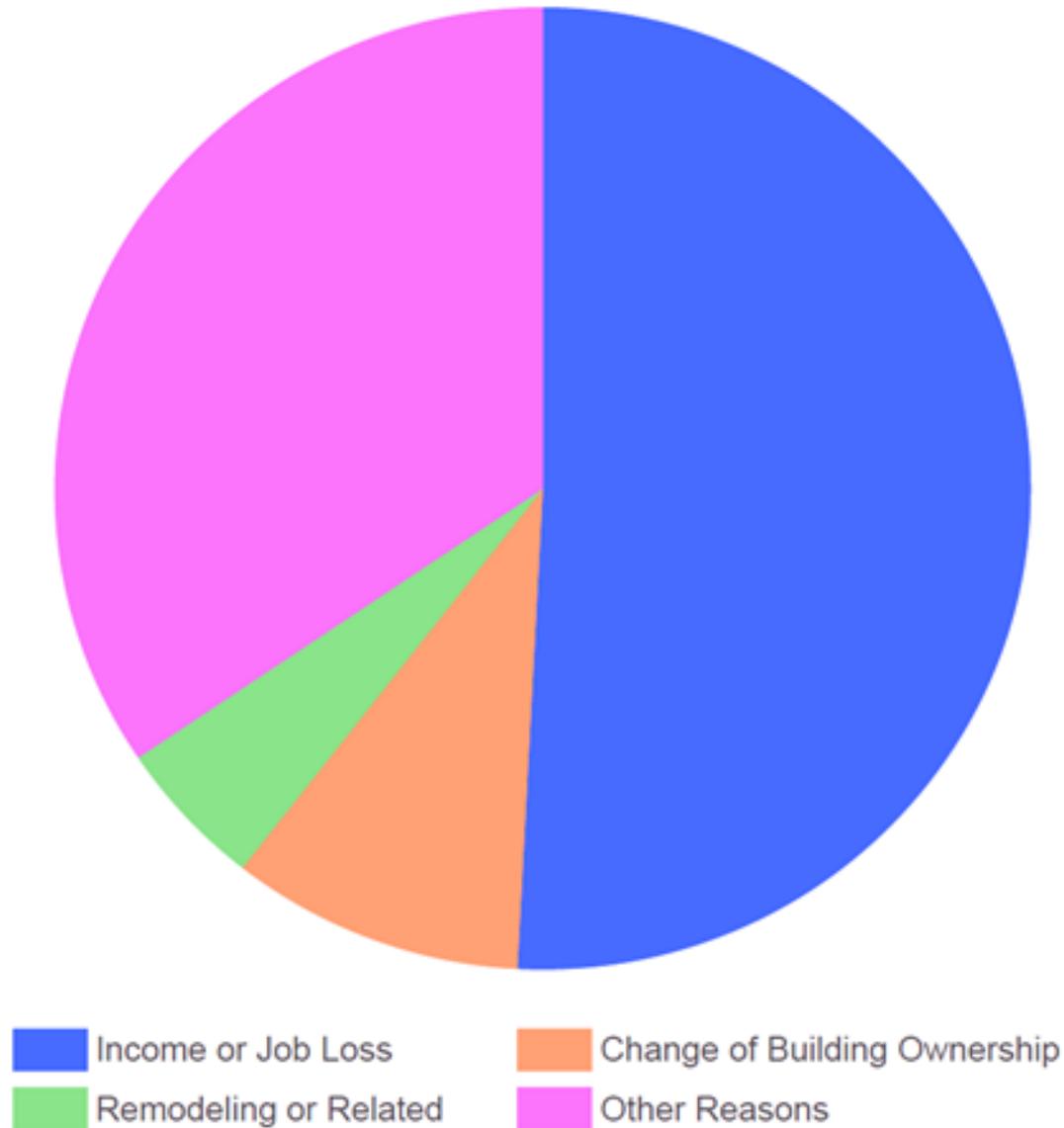


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  - Among renters, these figures rise to 37.5% and 8.9%
  - Among homeowners, rates are lower
- Eviction experiences are strongly related to income
- Eviction experiences somewhat related to race
  - Minority respondents more likely to report having been evicted
  - But this is explained by their income and education
  - Minority respondents 8% more likely to know someone evicted; not accounted for by income and education



# Income Loss and Change of Ownership Are Common Reasons for Eviction



# Longer Run Effects of Evictions

## 1. Homeownership

- Overall homeownership rate in our sample is 74%
- Only 35% of those with past evictions won now
- Half Empty or Half Full?
- Possible to move up anyway

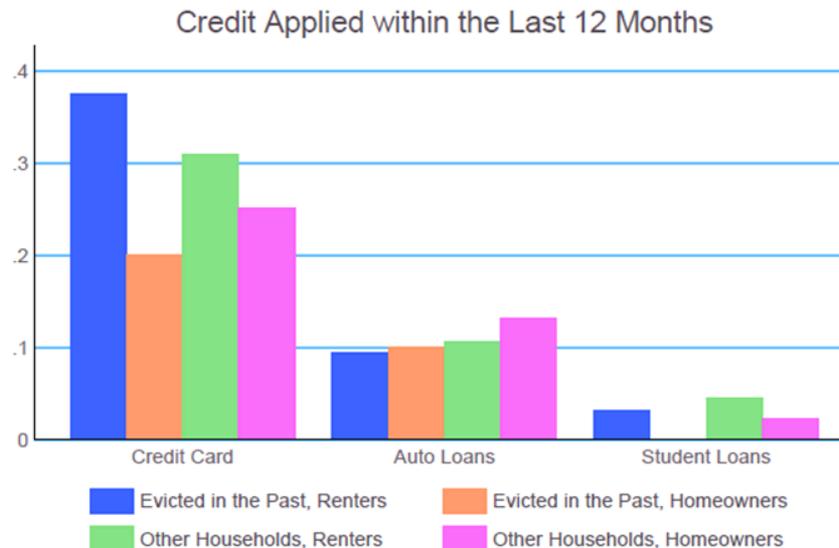
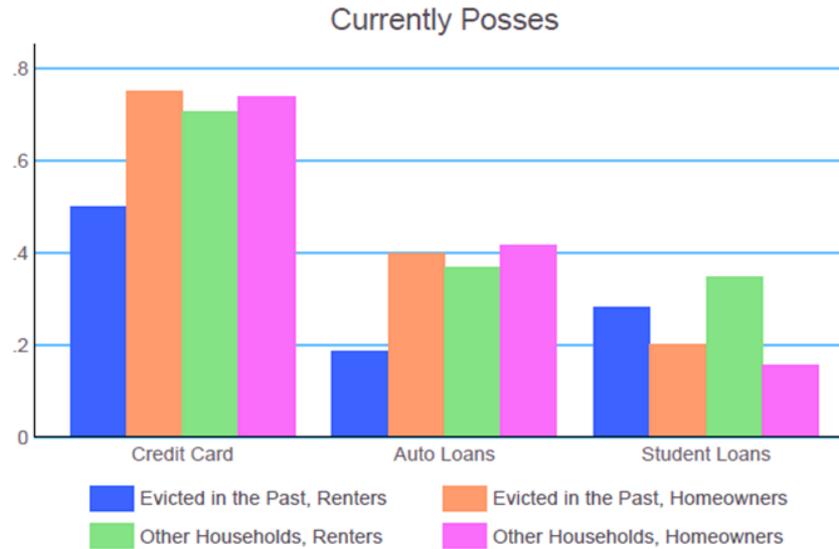
## 2. Credit Access

We consider 4 groups:

- Renters, with past eviction
- Renters, no past eviction
- Owners, past eviction
- Owners, no eviction



# Renters with Past Evictions Are Less Likely to Have Credit Cards Despite Applying More



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  - Owners, no eviction
- Which group you end up in really matters



# Summary and Conclusions

- New survey results on a poorly understood group
- Some unsurprising results
  - Eviction strongly correlated with income; income loss
  - Eviction correlated with race . . .
    - . . .albeit in a complex way
- A few surprising results (to us)
  - Change of building a frequent cause of eviction
  - 1/3 of evicted become homeowners
  - Those who do look a lot like other owners
- More work to come on race, and a “no-fault” cohort of evictees

