Who Has Been Evicted and Why?

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The views expressed are ours and do not necessarily reflect those of the Federal Reserve Bank of New York or the Federal Reserve System.
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?
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, $1/12^{th}$ (~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

![Graph showing the correlation between household income and eviction experiences. The x-axis represents household income in thousands, ranging from 0 to 250. The y-axis represents the percentage of knowing someone evicted and the percentage of having been evicted. The graph shows a clear trend where eviction experiences increase with lower income levels.](image-url)
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- 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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2. Credit Access
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   - 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