Impacts of COVID-19 on New York Renters and the Housing Stock

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COVID-19, Job Loss and Rental Housing

- The COVID-19 pandemic has ravaged the U.S. economy
- But the damage has not been felt evenly
- Renters are disproportionately likely to work in occupations and industries affected by the virus
- Black and Hispanic renters and renters in small buildings are especially vulnerable

To Reach a Single A.T.M., a Line of Unemployed Stretches a Block

“It’s terrible,” said a woman who spent 45 minutes traveling from her Brooklyn home to the A.T.M. It took her more than two-and-a-half hours to reach the machine.

Mandy Zaxana, with her arms crossed, was part of a line of unemployed people waiting to use a card loaded with benefits at an A.T.M. in Manhattan. James Estrin/The New York Times
Majority of Low- and Moderate-Income Households with Vulnerable Workers in NYC are Renters

Renter share of households with at least one member employed in a more vulnerable occupation by household income

New York City, 2018

Notes: Error bars represent 90% confidence intervals, and value labels reflect point estimates

Sources: American Community Survey (2018), IPUMS USA, NYU Furman Center
New York City/State Estimates of Rent Shortfalls

- An estimated 1.2 million renter households in New York State have at least one household member who has lost their job due to COVID-19.

- An estimated 735,000 renter households in New York City have at least one household member who has lost their job due to COVID-19.

- The losses in earnings are massive – some $5 billion per month in NYS and $3.5 billion per month in NYC.
Important CARES Act Benefits

- One-time stimulus payment of up to $1200 per person
- Expanded Unemployment Insurance benefits for renter households in New York
  - Extra $600/week for households getting UI in addition to normal base rate
  - Extra $600/week expires 7/31
  - Standard state UI benefits extended to 39 weeks
## Estimated Impacts for Different Households Experiencing Unemployment

<table>
<thead>
<tr>
<th>Pre-COVID Earnings</th>
<th>Pre-COVID Rent Burden</th>
<th>Rent Burden through July 31</th>
<th>Rent Burden in August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single earner, $40,000</td>
<td>35%</td>
<td>28%</td>
<td>71%</td>
</tr>
<tr>
<td>Two earners, $20,000 each, only one UI eligible</td>
<td>35%</td>
<td>34%</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Single earner, $60,000</td>
<td>35%</td>
<td>37%</td>
<td>80%</td>
</tr>
<tr>
<td>Two earners, $30,000 each</td>
<td>35%</td>
<td>23%</td>
<td>70%</td>
</tr>
</tbody>
</table>
Estimated rental assistance need in New York State surges in August

**Total Monthly Rental Assistance Need**
Assuming 25% Job Recovery

- With Enhanced Benefits
- Without Enhanced Benefits

![Bar chart showing total monthly rental assistance need](chart.png)

Notes: All results include estimates of households that do not claim UI benefits but are likely to have experienced job loss. Error bars represent 90% confidence intervals, and value labels reflect point estimates.

Sources: American Community Survey (2018) via IPUMS USA, NYS Dept. of Labor, NYU Furman Center
Estimated rental assistance need in New York City surges in August

Total Monthly Rental Assistance Need
Assuming 25% Job Recovery

- With Enhanced Benefits
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New York City
All Renter Households

241M
532M

New York City
<80%AMI Renter Households

65M
267M

Notes: All results include estimates of households that do not claim UI benefits but are likely to have experienced job loss. Error bars represent 90% confidence intervals, and value labels reflect point estimates.

Sources: American Community Survey (2018) via IPUMS USA, NYS Dept. of Labor, NYU Furman Center
Factors Affecting Magnitude of Rent Shortfalls

- Take-up of UI benefits
- Extent of reduced earnings
- Rate of job recovery
- Potential rent reductions
Some Renters Will be Hit Especially Hard

- Black and Hispanic renters
- Renters in small buildings
- Renters in neighborhoods with more rent-burdened households
The pandemic will likely widen existing racial disparities in earnings.

**Share of wage earners employed in more vulnerable occupations by race/ethnicity**

New York City, 2018

- **Hispanic, of any race**: 48%
- **Non-Hispanic other**: 38%
- **Non-Hispanic Black**: 38%
- **Non-Hispanic Asian or Pacific Islander**: 35%
- **Non-Hispanic Two or more major races**: 28%
- **Non-Hispanic white**: 23%
- **Non-Hispanic American Indian or Alaska Native**: 15%

*Notes: Error bars represent 90% confidence intervals, and value labels reflect point estimates.*

*Sources: American Community Survey (2018), IPUMS USA, NYU Furman Center*
Renters in more vulnerable occupations live in all sizes of buildings, but are more likely to live in small buildings.

Distribution of renter households across building sizes, by economic vulnerability

New York City, 2018

Notes: Only renter households with at least one employed member are included. Households are considered more vulnerable if at least one member works in a vulnerable occupation and households without any members in such occupations are considered less vulnerable. Error bars represent 90% confidence intervals, and value labels reflect point estimates.
Sources: American Community Survey (2018), IPUMS USA, NYU Furman Center
Renters Vulnerable to Job Loss, by Neighborhood

Notes: The denominator includes only renter households with at least one wage earner. Areas with margin of error (90%) greater than 7 percentage points are not shown. There is less than a 10% that chance any given geography in this map is misclassified due to sampling error, and for each individual category, there is less than a 20% chance that any given geography is misclassified due to sampling error.

Sources: American Community Survey (2018), IPUMS USA, NYU Furman Center
Renters Vulnerable to Job Loss

Median Rent Burden

Notes: The denominator includes only renter households with at least one wage earner. Areas with margin of error (90%) greater than 7 percentage points are not shown. There is less than a 10% chance any given geography in this map is misclassified due to sampling error, and for each individual category, there is less than a 20% chance that any given geography is misclassified due to sampling error.

Sources: American Community Survey (2018), IPUMS USA, NYU Furman Center
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This research has been prepared by a Center affiliated with New York University School of Law and Wagner Graduate School of Public Service, but does not purport to present the schools' institutional views, if any.