JOINT ECONOMIC COMMITTEE
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Protecting Renters from Eviction Can Both Keep Families Housed and Ensure an Equitable Economic Recovery

Eviction moratoria effectively keep families in their homes, and the CDC's decision to bar evictions in counties with elevated COVID-19 transmission through October 3 will be a vital tool to protect public health. Federal, state and local policymakers must now step in with additional action to both keep families housed and distribute more of the nearly $47 billion in federal Emergency Rental Assistance (ERA) before the ban expires.

Doing so will not only protect families from the trauma of an eviction, but will also help prevent the job losses, greater financial stress and worsened physical and mental health that are associated with housing displacement. Studies show that a disproportionate share of those facing an eviction are Black and Hispanic families, meaning that an eviction moratorium and the ERA program are important for preventing further racial inequality.

- Prior to the CDC announcing its new moratorium, Census data show that 3.1 million low-income renter families said they were likely or very likely to be evicted in the next two months, out of the 6.3 million low-income families who say they were behind on their rent.[1] The new CDC order will cover 80% of all counties and approximately 90% of all families.
- Implementing federal, state and local eviction protections will keep millions of families stably housed and should give state and local governments enough time to get the nearly $47 billion in Emergency Rental Assistance out the door.
- A conservative estimate based on prior research puts the broader cost of each eviction to tenants, landlords and the broader community at roughly $6,500, meaning an effective rollout of eviction protections and rental assistance could prevent $18.3 billion in additional economic costs.
- State and locally-run ERA programs have already helped nearly 640,000 families[2], but most local governments must still take steps to streamline their programs to quickly get rental assistance to the low-income renters who need it the most.

Keeping families stably housed can prevent the numerous harmful secondary effects of evictions and could save $18.3 billion in added economic costs

Eviction protections spare families the trauma of being displaced and provide protection against the continued threat of COVID-19. In addition, evictions have significant economic consequences on impacted individuals and families, so every prevented eviction has positive ripple effects for the broader economy. Studies find that adults who have been evicted are 11-22

[1] JEC calculations based on Census Household Pulse Survey from early July 2021, defining low-income as those families earning less than $75,000 in household income
[2] Calculated based on data from the Treasury Department's ERA Compliance Report posted here

percentage points more likely to experience job loss, have significantly less access to credit, earn 17% less in subsequent employment and suffer from longer-term mental and physical health issues. Additionally, evictions increase the likelihood that families apply to a homeless shelter by 16 percentage points. By effectively avoiding these costs with strong eviction protections, governments can better support a broad-based economic recovery.

While putting a dollar value on these costs is inherently difficult, researchers estimate the costs to tenants from the employment and debt effects at $2,700 per eviction, or an average of $8,000 over two years factoring in other societal costs related to homelessness and hospitalizations. Additionally, evictions can cost landlords between $2,500-$13,000 per eviction in filing costs and unpaid rent. Combining the one-year total costs to tenants ($4,000) with the lower end of the filing and back rent costs to landlords ($2,500) yields a conservative cost per eviction of roughly $6,500. Assuming that 90% of the over 3.1 million low-income renter families at risk of eviction are protected from displacement by the new moratorium and the ERA program, **this will save a total of $18.3 billion in one year**. Given the many other financial and non-financial costs of evictions, plus the ripple effects into the broader economy, this figure likely represents a lower bound on the total benefits associated with preventing evictions.

Despite the strong economic recovery, millions of low-income renters still need government support to avoid an eviction

The economy has rebounded significantly from the COVID-19 economic crisis following the passage of the American Rescue Plan Act and the largely successful vaccine rollout. However, the lingering effects of the pandemic mean that low-income renters still face significant challenges that demand further action.

Estimates vary but between 6.3 million and 11.4 million renter families are behind on their rent, and approximately 3.1 million low-income renters reported in June to the Census Household Pulse Survey that they were likely or very likely to be evicted in the next two months. Estimates of total back rent range from $11 billion-$21 billion depending on the population of interest. Taken together, these significant headwinds mean that even the strong economic recovery the U.S. is experiencing could still leave many families at risk of eviction due to unpaid rent.

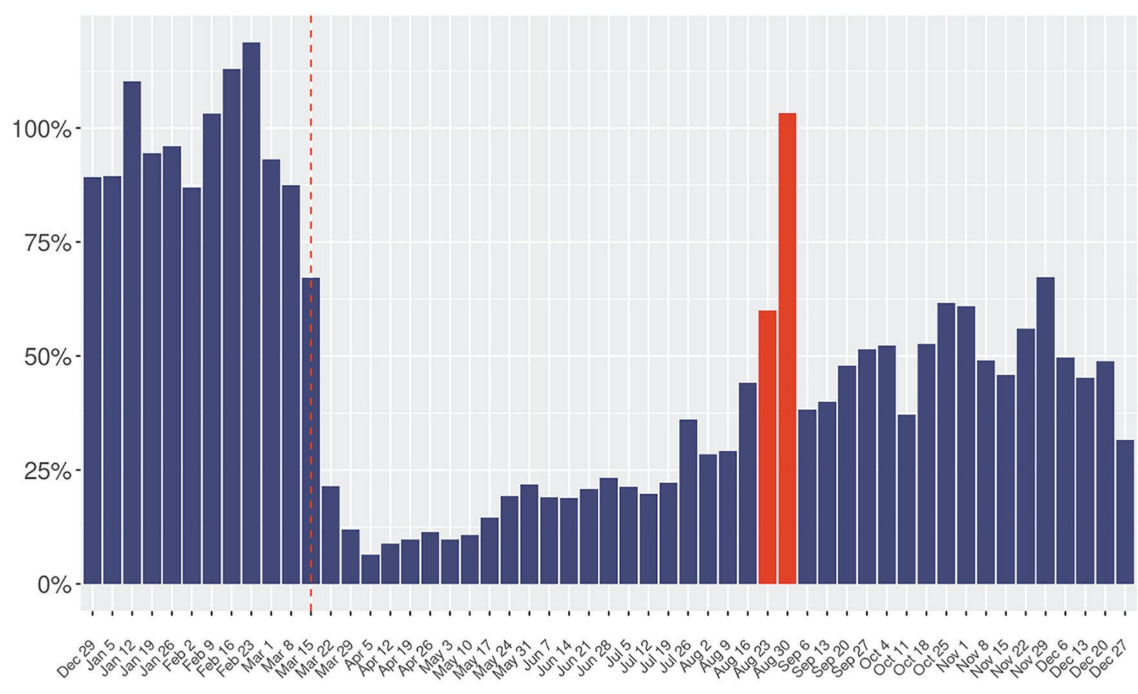
Recent statistics from the Census Bureau's Household Pulse Survey and from the Eviction Lab's data show that Black and Hispanic renters are disproportionately at risk of experiencing pandemic-related evictions. This worrying pattern replicates pre-pandemic research findings that Black renters represented 32.7% of eviction filings in 2019 despite only accounting for 19.9% of all renters. The issue is even worse for Black and Hispanic women, who were evicted at rates 2.5 and 1.78 times higher than their respective male counterparts.

Eviction moratoria effectively keep most families in their homes, and play a key role in protecting public health

The CDC initially instituted an eviction moratorium because of the vital role that stable housing plays in protecting the public from COVID-19. Though legal challenges from landlord groups meant that the first moratorium expired on July 31, 2021, the CDC enacted a new eviction ban on August 3 that applies to counties with "substantial" or "high" rates of COVID-19 transmission. This order currently covers 85% of U.S. counties, and is estimated to protect 90% of the U.S. population.

Research shows that these moratoria can successfully keep low-income renters in their homes. A study by the Eviction Lab of available data from 32 court systems across states, cities, and counties found that there were 65% fewer eviction cases than in a typical year while the initial federal moratoria were in effect. This study also noted a significant increase in evictions in the two-week period in summer 2020 that lacked a federal eviction ban. A separate study found that the expiration of local moratoria led to 433,700 excess COVID-19 cases and 10,700 excess deaths. While gaps in the CDC's prior ban meant that some evictions could still occur, this evidence shows how effective eviction moratoria are at keeping renters housed and supporting public health. Maintaining these protections is especially important given the threat that the more contagious Delta variant of COVID-19 poses to evicted families.

Evictions spiked in late August 2020 during a lapse in federal eviction protections, showing the importance of further protections



Source: U.S. Eviction Filing Patterns in 2020, data comes from the Eviction Tracking System. Notes: Vertical axis is the share of evictions compared to the historical norm. Orange bars are months between the CARES Act moratorium's expiration and the initial CDC moratorium's start.

Federal, state and local policymakers must still take significant action to protect vulnerable renters and distribute available rental aid

State and local rental assistance programs must get ERA funds out the door to the families who need it. The Biden administration and Congressional Democrats have together committed nearly $47 billion in ERA funds that can go towards paying rental debt, covering unpaid utilities and helping low-income families move to stable housing. This amount should be enough to cover the $11 billion - $21 billion backlog in unpaid rent caused by the pandemic, and most households who receive assistance are temporarily protected from eviction. However, set-up costs and difficult federal guidance from the previous administration contributed to the slow rollout of the ERA program. The Biden administration shifted guidance to make it easier for families to prove their eligibility, ensure that programs pay tenants directly when landlords aren't responsive and generally make the application process more straightforward.

Several jurisdictions have adopted these process changes to great effect, with the Treasury Department highlighting several model programs around the country. These include the statewide program in Virginia that uses simple application forms and direct outreach to help the highest-need families complete their applications, the Houston and Harris County program that automatically prioritizes families at the highest risk of eviction and the statewide program in Massachusetts that reduces documentation for renters enrolled in other government support programs. Shifts in programs like these have increased the pace of ERA rollout for each of the last three months, with nearly 300,000 families getting assistance in June out of the nearly 640,000 total families who have received assistance since January. If more local programs follow their lead, the ERA program can fulfill its goal of providing housing stability for low-income families and financial support for landlords.

While ERA funds are distributed, federal, state and local governments must act to prevent needless evictions. While the new CDC moratorium is a vital step, recent court challenges suggest that the ban may not last as long as intended. Given this risk, federal agencies should continue to explore any additional authority they may have to help keep tenants housed. HUD, the FHFA, USDA, and the VA have already moved to extend protections for certain homes in their portfolios through September 30, 2021. Alongside these provisions, Treasury and the Justice Department have pushed for state and local courts to pause eviction proceedings until tenants and landlords can access ERA funds and roll out eviction diversion programs that ensure evictions are avoided at all costs.

Similarly, state and local officials largely have the authority to bar evictions in their local court systems, as many jurisdictions have already done during the pandemic. A judge in DeKalb County, Georgia, established a local moratorium as soon as the CDC's initial order expired in order to protect renters and give local officials more time to implement the ERA program. While most state-level eviction orders are currently set to expire before the end of the new CDC moratorium, more states should join places like California, New York, New Jersey and Washington to create state-level backstops. This can ensure that families stay housed in the event that federal courts overturn the new CDC ban.

These jurisdictions could also tie the expiration of these moratoria to explicit data-driven outcomes based on the amount of ERA assistance disbursed, local vaccination or COVID-19 case rates or other metrics that measure the scale of the housing and public health crises.