



COVID-19 and Renter Distress: Evidence from Los Angeles

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Summary

We examine the condition of tenants in Los Angeles during the COVID-19 emergency, using data from the US Census, and in particular an original survey of tenants in 1,000 LA County. Our results reveal distress along multiple dimensions, almost all of them stemming from losses of work and income. These economic losses interact with many renters' low household incomes and other pre-COVID vulnerabilities to create a host of difficulties, which could compound over time if left unaddressed.

The renter distress we document owes to two overlapping factors. First, renters are more likely than homeowners to have lost work or income during the pandemic. Second, in part because of their pre-pandemic lower incomes and insecurity that can accompany renting, renters who have lost work or income during the COVID emergency are faring worse than homeowners in a similar position. Compared to homeowners who have lost employment or lost income, in short, renters who have lost employment or income are more likely to struggle financially, and to suffer from depression and anxiety.

The most important manifestation of renter distress is nonpayment of rent, and we find that troubling proportions of tenants are unable to pay rent, in part or in full. This nonpayment puts those tenants at risk of eviction, and by our estimate, about 15 percent of tenants who are behind on their rent have been threatened with eviction. Eviction, however, while doubtless the most dire consequence of nonpayment, is not the only consequence. Renters are also suffering disproportionately from mental health problems and food insufficiency. Many—even among those tenants paying on time and in full—are relying on credit cards, loans from family and friends, and even payday and other emergency loans to cover their expenses.

Our specific findings include:

- Despite extraordinary economic difficulty (between 58 and 68 percent of tenant households have lost income since March 13), most renters are paying on-time and in-full.
- Many tenants who are paying are nevertheless having difficulty, and are paying by relying in part on their savings, or going into debt, or imposing on friends and family to do so. Across our whole LA County sample, the use of credit cards to pay rent tripled from before to during the pandemic, and over 20 percent of tenants paying on time and in full have dipped into their savings to pay rent.
- Not all tenants are able to pay on time and in full. In each month we surveyed, from May through July, about 16 percent of tenants paid late. Because many tenants who paid

- The evidence in sum suggests that renters in LA are confronted with ***an income crisis layered atop a housing crisis***. In normal times rents in Los Angeles are high, and renters often struggle to pay their rents. But rent levels for the most part did not change during the COVID pandemic. What changed was renters' ability to pay. It is the loss of income, sometimes through sickness but mostly due to shelter-in-place, that has been decisive.
- This evidence suggests the ***vital importance of getting more money into the hands of struggling renters***. Our data strongly suggest that renters who can pay will. The vast majority of renter households who missed rent had members who lost work, became sick with COVID, or both. Delivering assistance to renters now can not just stave off looming evictions, but also prevent quieter and longer-term problems that are no less serious, such as renters struggling to pay back credit card or other debt, struggling to manage a repayment plan, or emerging from the pandemic with little savings left. Renter assistance can also help the smaller landlords who are disproportionately seeing tenants unable to pay.

All of this means that the economic contraction resulting from COVID-19 could pose a grave threat to tenants. These concerns could be particularly salient in the nation's high-cost metropolitan areas, where many of America's tenants live. The MSAs of Boston, New York, Los Angeles, San Francisco, and Washington DC together hold about 15 percent of the nation's population, but over 20 percent of its renters. Almost 30 percent of the rental units in these MSAs are \$2,000 or more per month.² In these high-priced, low-vacancy-rate cities, lower-income renters often struggled to make rent even before the pandemic struck.

When a household cannot pay rent, the most serious potential consequence is eviction. Eviction can be awful in the best of circumstances, but it can be devastating if the evicted household has nowhere to go afterward and falls into homelessness. Becoming homeless is especially dire in cities—like Los Angeles—where homeless beds and services are chronically scarce. In addition to homelessness, eviction has been found to have adverse effects on mental and physical health, employment security, and other key outcomes. Further, eviction disproportionately affects particular populations, specifically Black women and families with children.

Thus far, government efforts to prevent eviction during COVID-19 have taken two forms. The first is direct income assistance (programs that give money to tenants to help them pay rent) and the second is direct renter protection (rules that prevent evictions from occurring, regardless of payment status). Both types of programs have been stopgap and inconsistent. Income assistance has taken the form mostly of one-time federal CARES Act checks, limited city-level programs, and federally-enhanced unemployment benefits. Not every low-income household qualified for the one-time CARES checks, however, and enhanced unemployment benefits expired on August first.

Direct renter protection has largely taken the form of eviction moratoria. Early in the pandemic, the national government imposed an eviction moratorium, but advocates estimate that this ban covered only about 30 percent of the nation's tenants. Individual states and localities have, in addition, imposed different forms of eviction moratoria, both through legislatures and the courts. None of these steps, however, canceled or forgave rent, and none to our knowledge stopped landlords from initiating evictions, instead only delaying the date when those evictions could be heard and acted upon. Many of these moratoria have either recently expired or will expire soon, raising concerns that evictions could spike.

Eviction, moreover, is not the only consequence of an inability to pay rent. Holes in eviction moratoria notwithstanding, data from the Princeton Eviction Lab show eviction filings down dramatically in cities across the country, relative to recent years. This eviction downturn is apparent even in cities without any anti-eviction measures. In some places these low eviction filing levels likely reflect COVID-driven court closures, and may simply foreshadow a surge in evictions when courts reopen. In Milwaukee, for example, an eviction moratorium ended in May. Within weeks, landlords had filed over 1,000 evictions, and evictions there are now

² Calculated from the 2018 US Census American Community Survey

II. Data and Approach: Measuring Renter Distress

Tenants who realize they may be unable to pay a coming month's rent can react in a number of ways. They might seek help from friends or family members, or—if the option is available—try to put some of their rent on a credit card or get a payday loan. They might pay their rent late, and/or pay only a portion of their rent. Only as a last resort, presumably, would they move or simply not pay any rent at all. The tenants' chosen course of action will depend on their ability to pay (both the cash they have and their other expenses) and their perceived consequences of nonpayment. A financially-strapped tenant who believes their landlord will be more forgiving of nonpayment (for example, if the tenant rents from family or friends) might be more likely to skip a payment, devote resources to food or other necessities, and hope for the landlord's forbearance.

The landlord, similarly, will evaluate their own circumstances in deciding how to react when the tenant does not pay. All landlords will have expenses of their own, but some may be better able than others to absorb missed payments. Large rental companies might have more cash reserves, for example, than small mom-and-pop landlords. On the other hand, mom-and-pop landlords might be more likely to own property free and clear, and thus might be more able to be patient. These smaller landlords may also have closer personal relationships with their tenants, making them less likely to aggressively pursue rent or initiate an eviction. If a smaller landlord does *not* own property free and clear, however, he or she might worry more about missed payments, because each payment is a larger share of the landlord's income, and more necessary to paying down debt on the rental property.

All landlords, when confronted with tenants falling behind, will need to consider their ability to fill vacant units amidst a downturn: in some cases, it might be easier to wait for late payment, or negotiate a repayment plan, than to evict a current tenant and find a new one (This is one potential explanation for evictions not surging to record levels in Houston, for example). Landlords who own rent-stabilized units, however, might have a bigger incentive to evict tenants who do not pay, because the unit's price will float to market rate with new tenants, meaning the eviction offers an opportunity for substantially larger future earnings.

Together, all this logic could suggest that owners of newer and larger properties may be less likely to evict tenants. Because these units tend to be more expensive, they may be less likely to have vulnerable tenants to begin with. They may also be better able to absorb nonpayment, and because they are new, they are not rent-controlled.

Ideally, we would have reliable data that captures renter behavior along all these dimensions. But tracking rent payment is difficult, especially for vulnerable renters. No regularly-available

short-turnaround instrument that will provide valuable data to aid in the post-pandemic recovery.”⁴

The Pulse survey is administered in English and Spanish, and weighted to provide representative information about the United States overall, about each state, and about the nation’s 15 largest MSAs. Our analysis draws on both summary tables the Census makes available, and microdata from the Pulse Public Use File (PUF). We focus on data for the Los Angeles-Long Beach-Anaheim MSA, which is essentially LA and Orange Counties.

The Pulse asks two housing questions of interest for us. The first and more pertinent reads:

Did you pay your last month’s rent or mortgage on time? Select only one answer. [Yes/ No/ Payment was deferred]

The second reads:

How confident are you that your household will be able to pay your next rent or mortgage payment on time?

Our main interest is in the first question—was rent paid on time?—and we should emphasize what this question does and does not tell us. Because rent can be paid late but nevertheless paid in part or full, the question does not automatically tell us if a household is in arrears. This ambiguity is particularly important because it is not also clear how respondents will interpret the question. The first Pulse was administered the week of April 23rd. A respondent in that week might understand the phrase “last month” to mean March, and answer accordingly, but could also understand the phrase “last month’s rent” to mean “the most recent payment you had to make” and respond about April. Given that shelter-in-place orders did not start until March 13th, the latter interpretation might be more sensible: March rent would be unlikely to be affected by closures in mid-March. If some respondents interpret “last month” as “most recent,” however, then the likelihood of reporting late rent might vary with the week the survey is taken. As a result of this phrasing, we should interpret late payment in any given week as evidence of difficulty paying, but not necessarily of a tenant not having paid, in part or full, by month’s end.

A further consideration that arises with this question is how to classify deferred rent. On the one hand, deferral is evidence of renter distress: difficulty paying. Presumably tenants do not seek deferral if they think they can pay as usual. On the other hand because deferral is granted by the landlord, it can prevent or at least delay the worst consequences of nonpayment. As it turns out, deferment is much less common than late payment, so we concentrate our analysis on late payment.⁵

⁴ See <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>

⁵ In the first week of the Pulse, about 6 percent of tenants had their rent deferred. Over the next 11 weeks that proportion of tenants deferring rent is usually between 1 and 3 percent.

The Pulse also cannot tell us if tenants are behind on multiple months of rent. It does not ask a cumulative non-payment question (e.g. “Are you late this month and the month before?”). Conceivably the Pulse could get at this question, because it has a unique quasi-panel composition: if a household agrees to be interviewed one week, the Census Bureau tries to re-interview that same household twice more, mostly to help it get the number of respondents it needs to make the survey valid. Most of these re-interviews occur in the same month, however, so the Pulse cannot say if some households are falling behind on multiple months’ rent. Re-interviews, moreover, account for a relatively small share of total Pulse respondents. In the 12 weeks of LA Pulse data, for example, 64 percent of respondents answered once, 20 percent twice, and 16 percent three times.

2.2 The Los Angeles County Renter’s Survey

We address some of the Pulse’s limitations with our second data source, an original survey of Los Angeles County renter households that we designed, and that was administered in July 2020 by LRW Research. This 45-question survey received 1,000 responses, and was completed 79 percent online and 21 percent by telephone. We built the survey quotas to demographically and economically match Census ACS data for LA County renter households, along dimensions of race, age, gender, and income. Geographically, we sought to have 40 percent of our respondents in the City of Los Angeles, and 60 percent in the remainder of the county. We did not sample zip codes that were predominantly large group quarters, such as the premises of colleges, universities and military bases. The survey was available in English, Spanish and Mandarin.

We began fielding the survey on July 6, one day after rent is typically due. Our hope was to close the survey by July 30, but we had difficulty reaching our targeted sample of 1,000 respondents by month’s end, and held the survey open into the first three days of August. Forty respondents completed the survey in August.

Our survey asks about three months of rent payment. For July, June, and May, we ask if the respondent paid rent at all, paid partially, and (if payment was made) paid on time. Although there is an obvious risk of recall bias when we ask in July about events in May, a large event like not paying rent probably looms large in people’s memory. To avoid any confusion about what “last month” means, we named the relevant month when we asked the question. The question about July, for example, asks:

In talking to people about the current situation, we are finding that many people are having trouble paying rent this month. What about you? In July, has your household a) Paid rent in full b) Paid part of the rent, c) Not paid rent at all.

In addition to these questions about rent payment, we ask how respondents usually pay their rent, and if during COVID they had to rely on different and nonconventional sources of income (credit cards, savings, friends). For renters who paid only partly or not at all in a given month, we ask if landlords have negotiated, threatened or begun evictions against them. We round this

discrepancy is notable. In part it might reflect the surveys' slightly different geographies, and in part it might suggest that along one axis we are undersampling struggling households.

A final potential bias we need to consider involves differential response: that households truly struggling might have been less likely to agree to take a survey.

One important limitation of our survey relative to the Pulse is sample size. We collected 1,000 complete responses over about three weeks of sampling. The Pulse survey collected over 1,000 responses from the LA MSA each week. The Pulse's larger sample size gives more leeway in statistical analysis, because statistical relationships are easier to detect with more observations.

Figure 2 focuses on the LA MSA, and examines late payment by race and ethnicity. We see immediately that late payment is much more common in Black and Hispanic households. The spike in late payment we saw in late April, in fact, appears to have been driven entirely by Black and Hispanic late payment—during this time late payment among White and Asian renters was falling while Black and Hispanic late payment was rising. Late payment overall is much less common in White and Asian households (although we note that late payment among Asian renters begins to climb in early July).

Figure 2.
Share of Renter Households Late on Rent, by Week and Race/Ethnicity, Los Angeles MSA

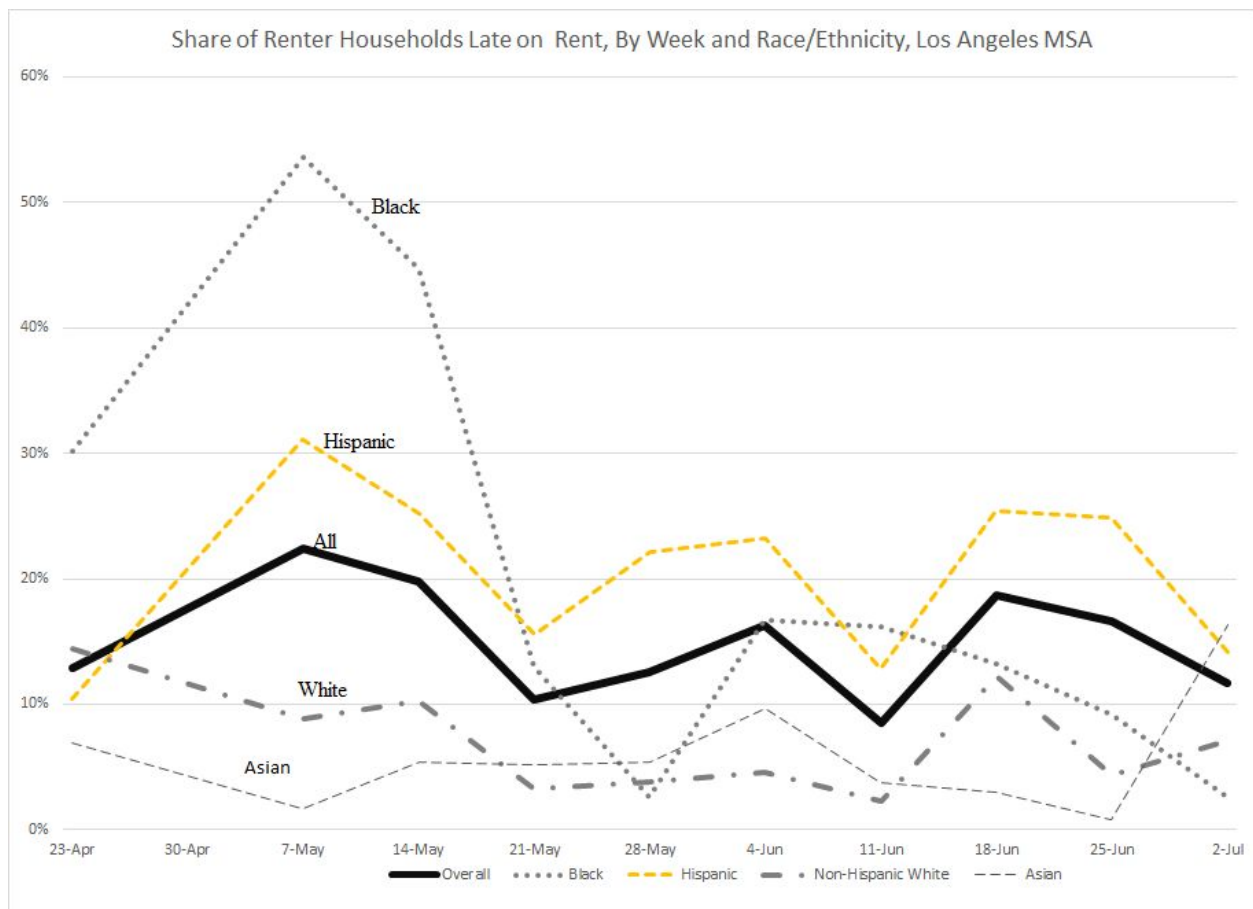
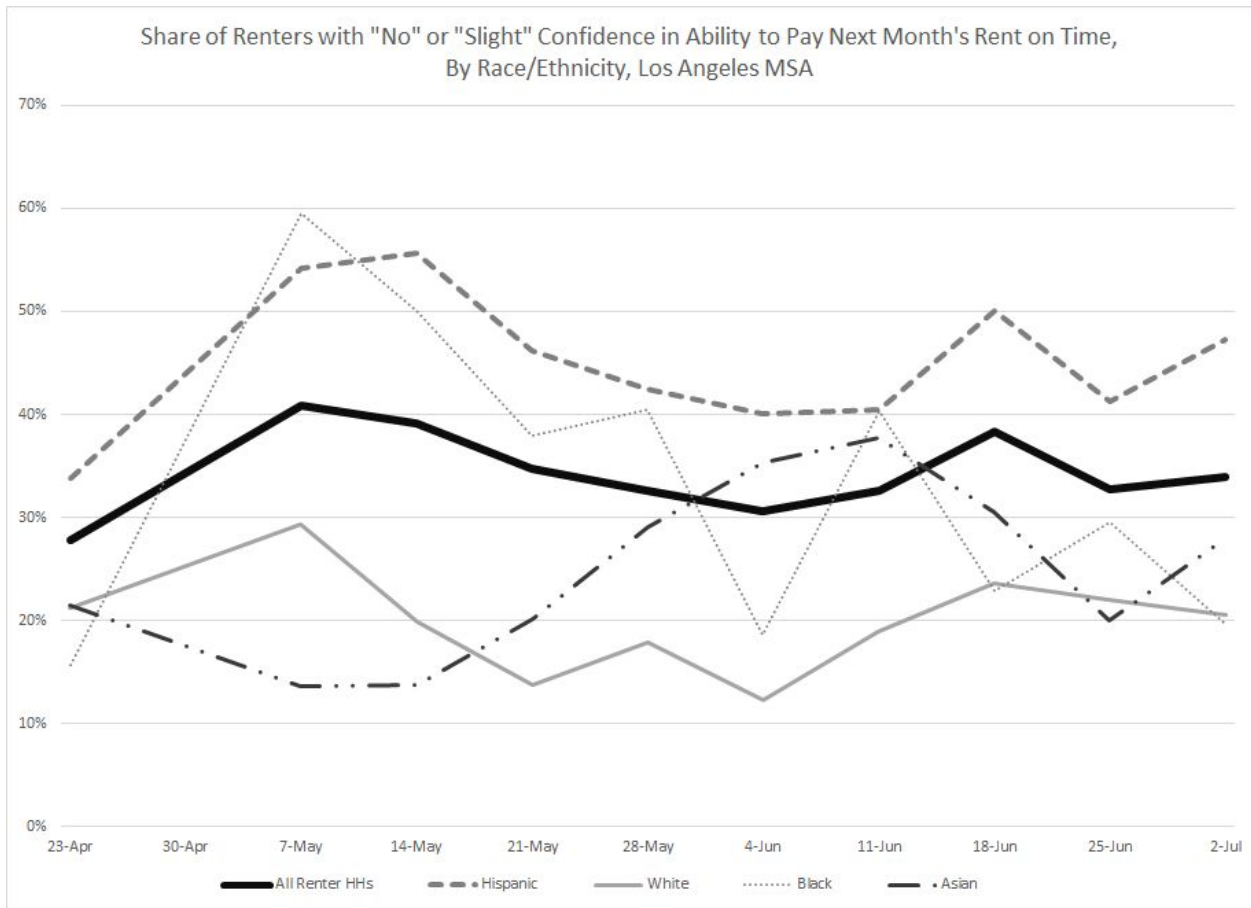


Figure 3 turns to the question of confidence in the ability to pay upcoming rent. We plot the share of renters who report having “no” or “slight” confidence in their ability to pay rent. We call these “low-confidence” tenants. In Los Angeles, California and the US as a whole, the share of tenants that are low-confidence has been consistently high across time, regularly well

percent), and consistently high among households earning less than \$25,000 per year. White renter households have much more confidence in their ability to pay rent on time. Although not shown, only about 2 percent of renters earning above \$100,000 per year report low confidence in the ability to pay rent.

Figure 4.
Share of Renter “No” or “Slight” Confidence in Ability to Pay Next Month’s Rent on Time, by Race/Ethnicity, Los Angeles MSA



Asian households report having lost income since March 2020, and almost 30 percent are unemployed and not being paid. But these figures, large as they are, are much smaller than the corresponding figures for traditionally more vulnerable groups. Lost income was reported for 60 and 69 percent of Black and Hispanic households. Almost 70 percent of low-income households report losing income, and 54 percent of respondents from such households were unemployed without pay at the time of the survey.

The table’s fourth column shows that these harder-hit groups are much more likely to be renters. Fewer than half of White and Asian households rent, compared to well over half of Blacks and Hispanics. Fully 71 percent of the lowest-income households rent (and, though not shown, 61 percent of these lowest-income households are Hispanic). In short, the groups most likely to have lost work or income are also much more likely to rent. This fact helps explain the findings in the table’s bottom rows: renters are 15 percentage points more likely than owners to have lost work or income.⁸

Table 2.
Adverse Economic Impacts of COVID-19, By Select Social Groups

	Unemployed	Unemployed w/o Pay	Lost Income	Renter
White	31%	28%	54%	43%
Black	33%	29%	60%	67%
Hispanic	45%	38%	69%	56%
Asian	33%	29%	51%	37%
Household Income <\$25k	58%	54%	67%	71%
Renters	45%	40%	68%	100%
Owners	29%	25%	53%	0%

Source: Pulse Survey, Weeks 1-12

Unemployed = involuntarily not working in week of survey

Lost income = household lost employment income since March 13, 2020

But that is not the full story. Table 3 shows that renters report more distress than owners even *conditional* on job or income loss. Among owners who report either being unemployed or having lost income, 26 percent report low confidence in their ability to make their next mortgage payment. Among renters in the same situation, 43 percent report low confidence in their ability to make the next month’s rent. Similarly, seventy percent of renters who are

⁸These unemployment figures differ from federally-reported unemployment rates, for a few reasons. First, the Pulse is a weekly quasi-panel sample while unemployment tends to be reported monthly. Second, our definition is intentionally broader than the federal definition of unemployment, which is restricted to people looking for work who cannot find it. Third, the Pulse follows households that may contain multiple workers, while typical unemployment rates follow individual workers.

Table 4.
Vulnerabilities during COVID-19, by Housing Status

	Food Insufficient	Children without Internet	Physical Health Problems	Very Anxious	Depressed
Nonpaying Tenants	36%	6%	32%	48%	83%
Paying Tenants	13%	3%	18%	34%	62%
Homeowners	5%	1%	14%	26%	53%

Source: Pulse Survey, Weeks 1-12

We can see a final indicator of tenant distress in data on how different groups report spending their federal stimulus payments (Table 5). Late paying tenants were much more likely to spend this money on necessities like food, housing, and utility bills, and far less likely to use it for savings, charitable contributions, or paying down debt.

Table 5.
Stimulus Spending by Housing Status

	Nonpaying Tenants	Paying Tenants	Homeowners	Overall
Food	88%	74%	77%	76%
Rent	96%	77%	13%	48%
Utilities and telecommunications	72%	54%	50%	52%
Debt	15%	25%	29%	25%
Charity	3%	3%	5%	4%
Savings or investments	3%	10%	15%	11%

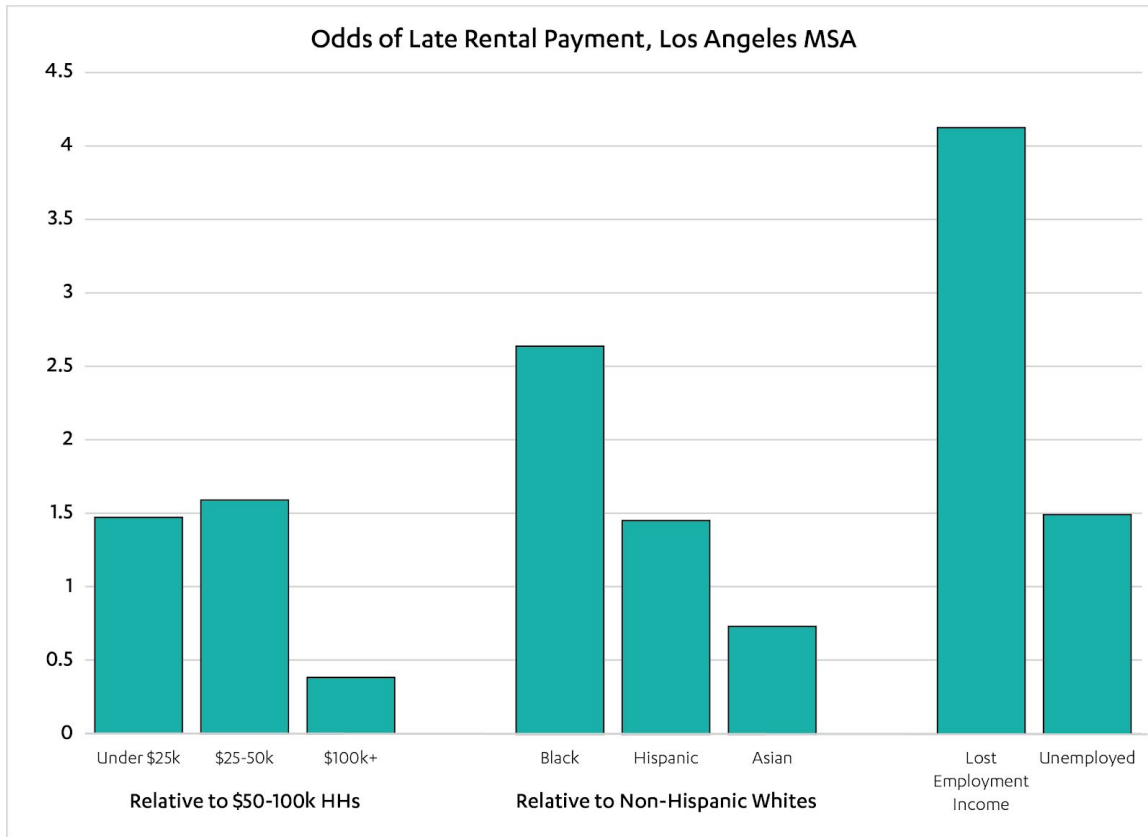
Source: Pulse Survey, Weeks 1-12. Sample sizes are small because stimulus was not available until May

3.3 Pulse Regression Analysis of Late Payment

The previous sections suggest strong relationships between race, low-income, lost work, and late rental payment. Of course, some of these categories overlap: for instance, Blacks and Hispanics are more likely to be low-income and to lose work. Moreover, other factors that we have not yet analyzed may also contribute to late payment. A household with more children, for example, may have additional expenses, be they food purchases or school supplies, that

is initial income or race/ethnicity. Households that lost income were over four times as likely to pay rent late than those who did not, even controlling for an array of other factors.

Figure 6.
Odds of Late Rent Payment, Los Angeles MSA



IV. Results from the Los Angeles County Renter's Survey

Having used the Pulse survey to establish broad trends in late-payment, and to measure some potential causes of late-payment, we now turn to our survey of LA County renters. As mentioned above, this survey lets us examine nonpayment rather than just late payment, and to also examine the consequences of nonpayment. We take these issues up in turn.

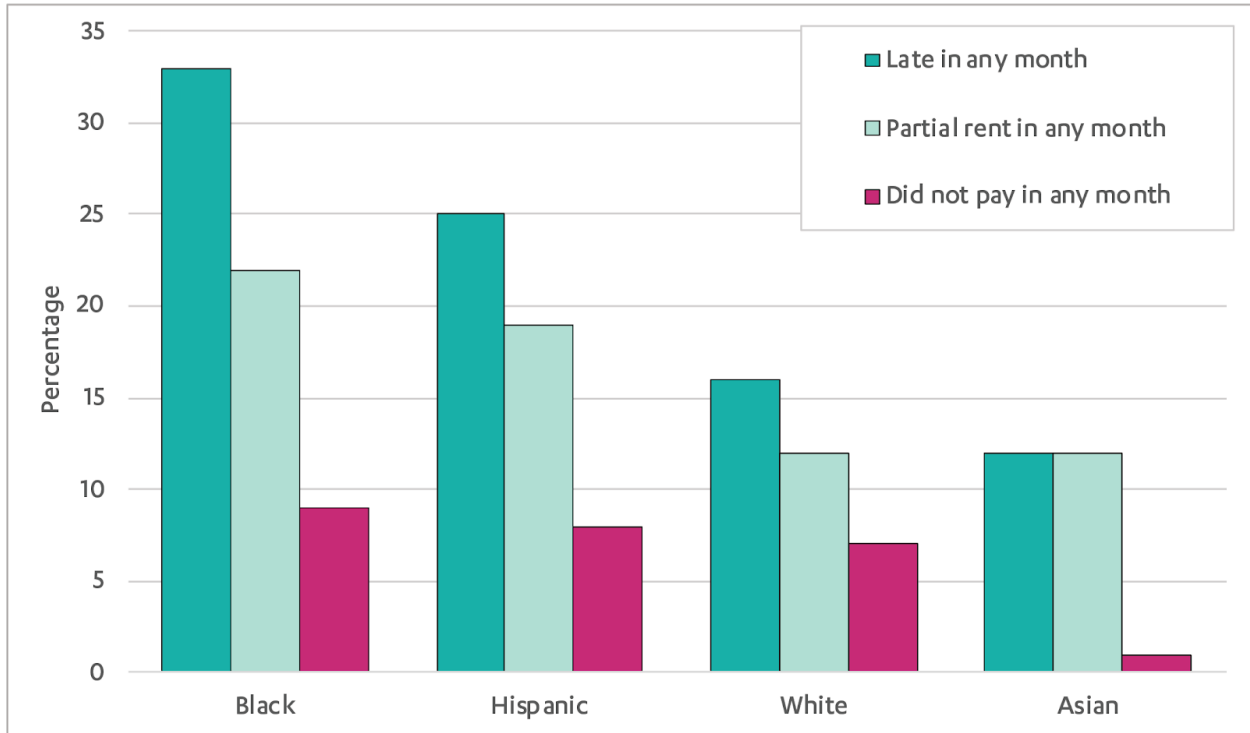
4.1 Prevalence of Nonpayment

Most Los Angeles County renters (78 percent) were able to pay rent in full and on time in each of the three months in question (May, June, and July). Of the 22 percent of renters who were unable to pay on time in at least one month, about a quarter were able to pay in full by that month's end, meaning about 17 percent of renters were unable to fully pay rent in at least one month. Difficulty paying rent seems to increase over time, though we caution that July's jump might reflect the survey being administered then—where 9 and 90 percent of respondents said they had paid May and June rent in full, only 83 percent said the same about July. We caution that this difference might arise simply because people took the survey in July. As we have seen, a portion of people paying rent do ultimately pay in full by month's end, so some people may have taken the survey while they were working to come up with a payment (Appendix Table A2 shows all these tabulations).

About seven percent of renters were unable to pay at all in at least one month. About two percent of renters were unable to pay *any* rent in *any* month: May, June or July. These proportions are small, and a testament to the resilience of tenant households. Despite massive economic trauma, the vast majority are still making rent. In a large place like Los Angeles County, however, small proportions are big numbers. Assuming our sample is representative (and we remind readers of the potential biases we discussed above), these proportions suggest that up 137,000 renter households (7 percent of renter households) are one full month behind, and that almost 40,000 renter households could be three full months behind. The poorest renter households are the most likely to be in these dire straits. Among households earning less than \$25,000 per year, four percent—twice the proportion of renters overall—report paying no rent from May through July.

Figure 8 breaks down various forms of payment compliance by income in more detail. An important point here is that—as was the case in the Pulse survey—*late* payment is most common among households earning between \$25,000 and \$50,000. *Nonpayment*, in contrast, is much higher among households earning \$25,000 or less. Presumably the households making \$25,000 to \$50,000 struggle to pay on time, but are better able over the course of the

Figure 9.
Late, Partial, or Non-Payment of Rent by Race



One area where we do *not* see a difference between tenants who are and are not able to pay is the level of rent. Asking rent month-over-month for tenants who report trouble paying is slightly lower than asking rent for tenants who pay on time and in full, but these differences are not statistically significant. This fact reinforces the idea that the crisis facing tenants is primarily a crisis caused by COVID-19. Los Angeles has a housing crisis, and rents in the region are inexcusably high, but the typical renter by necessity chooses a unit where they think they can reliably make rent. That judgment, however, is based on the household having its income intact. When income disappears, the ability to pay rent falls.

Nonpayment does vary by landlord type. Late payment and nonpayment are more common among renters who rent from friends and family. Tenants whose landlords were friends and family were about 12 percent of our sample, but 25 percent of the renters who missed at least part of their rent in one month. Conversely, over 40 percent of our sample rents from a management company, but these tenants account for less than 35 percent of late or missed payment. As discussed above, the decision to delay or not pay rent may reflect to some extent a tenant’s expectations about how a landlord will react. Presumably friends and family are more likely to give forbearance, and thus tacitly encourage nonpayment relative to other types of landlords. Figure 10 shows the share of renter households that did not pay on time or in full by landlord type.

Figure 11.
Associations Between Job Loss and COVID Impacts and Late, Partial, or Non-Payment of Rent

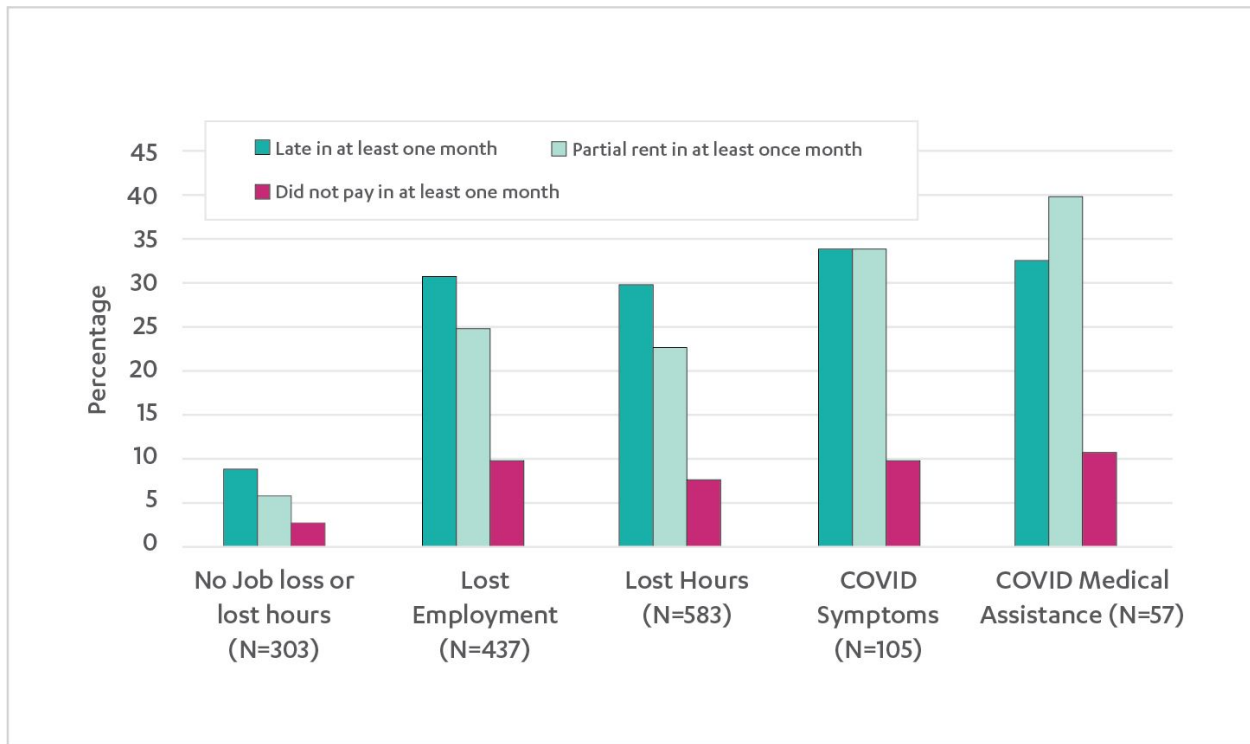


Figure 11 also shows that households hit directly by the COVID-19 virus are also much more likely to struggle with paying rent. Actually experiencing COVID-19 is much less common than experiencing its economic fallout. Where almost two-thirds of our sample reported being in a household with either job or income loss, only about 10 percent of our sample reported that someone in their household experienced symptoms associated with COVID-19, with just over half of these respondents stating that this person required medical attention. But experiencing COVID is strongly associated with difficulty paying rent, most likely because COVID results in lost work. Over sixty percent of households experiencing COVID symptoms reported job loss compared to 42 percent in those that did not. For those whose COVID symptoms required medical assistance, three quarters lost employment. Almost 35 percent of households where someone had COVID symptoms, moreover, were unable to pay rent on time or in full. This makes them over three times as likely as the full sample to not pay rent in full.

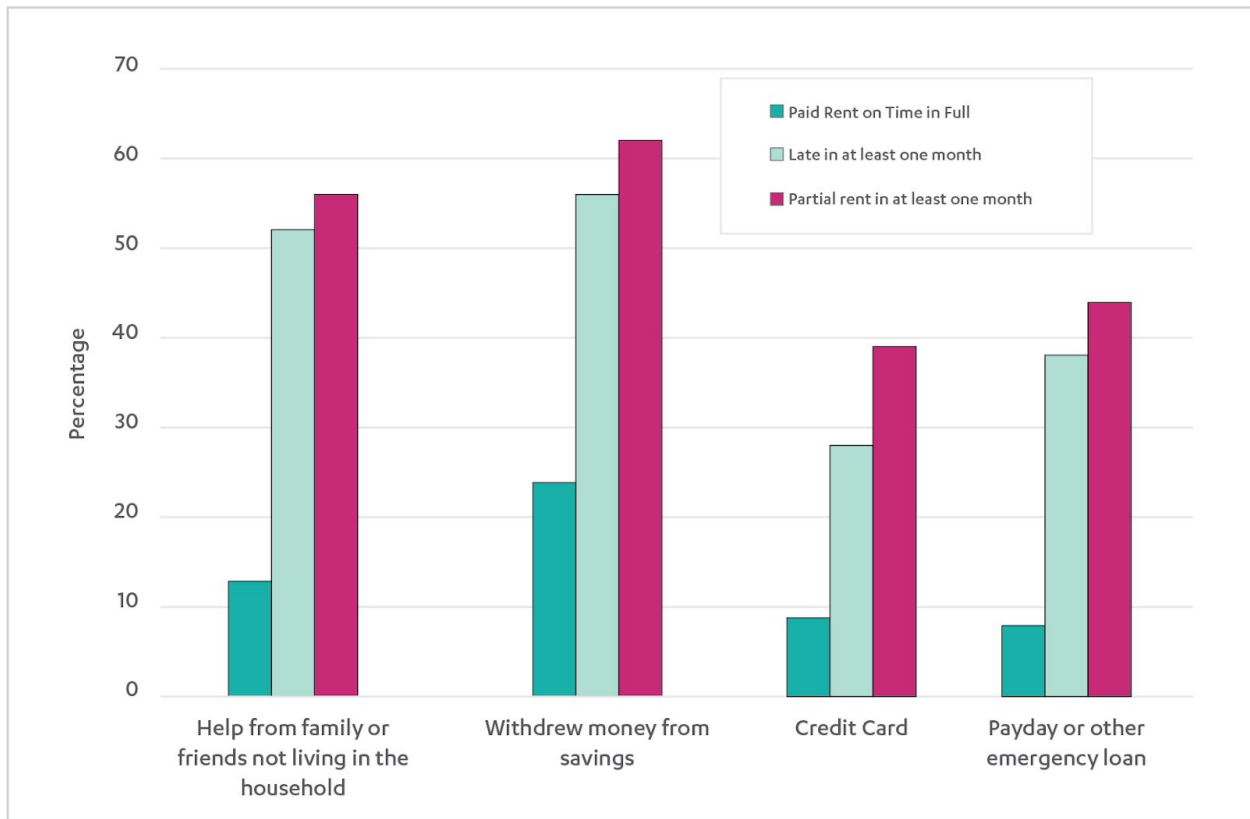
Among households that lost work, 60 percent reported receiving unemployment benefits, and these 60 percent fared much better paying rent fully and on time. Only 27 percent of households that lost work but received assistance were late, compared to 38 percent who lost work but didn't receive assistance. Of those getting benefits, 22 percent paid partial rent and

seven percent did not pay, whereas among those that didn't get benefits 30 percent paid partial rent and 14 percent did not make rent.

Unemployment assistance is a formal government program to get households more money. Our survey reveals, however, that tenants have also been relying heavily on informal and private sector sources of extra money, and have been doing so more as the pandemic has dragged on. Early in our survey we asked how households usually (i.e., before COVID) paid their rent. Less than three percent reported using a credit card. During the COVID months this proportion jumps. In May, seven percent of respondents reported using a credit card to help pay rent, and in July this climbed slightly. The proportion of tenants using credit cards, moreover, was three times higher among households that reported paying late or not paying in full. Among the lowest income renters, credit card payment was nearly nonexistent prior to COVID - only 1.5 percent reported paying in that manner. In May this proportion had more than quadrupled, to 6.6 percent.

When households use credit cards to pay rent, they exchange a short-term problem for a longer-term one—paying back the credit card, often at high interest rates. Households that can only partly pay rent, and do so with a credit card, then owe money to both their landlord and the credit card company. Credit cards, moreover, are only one source of additional income used to make rent. Households also turned to friends and family for assistance, dip into their savings, or take out payday or other emergency loans. Figure 12 shows the distribution of households using these different strategies.

Figure 12.
Share of Households Using Unconventional Methods of Paying Rent in at least one month (from May to July)



An important first point from Figure 12 is that nontrivial proportions of households that are paying rent on time and in full are still relying on unconventional sources of income to do so. Over ten percent of these households needed help from friends or family in at least one month, and over 20 percent used their savings. Smaller but still notable proportions relied on credit cards or emergency loans. Paying on time and in full, in other words, should not be mistaken for “having no problems” paying rent.

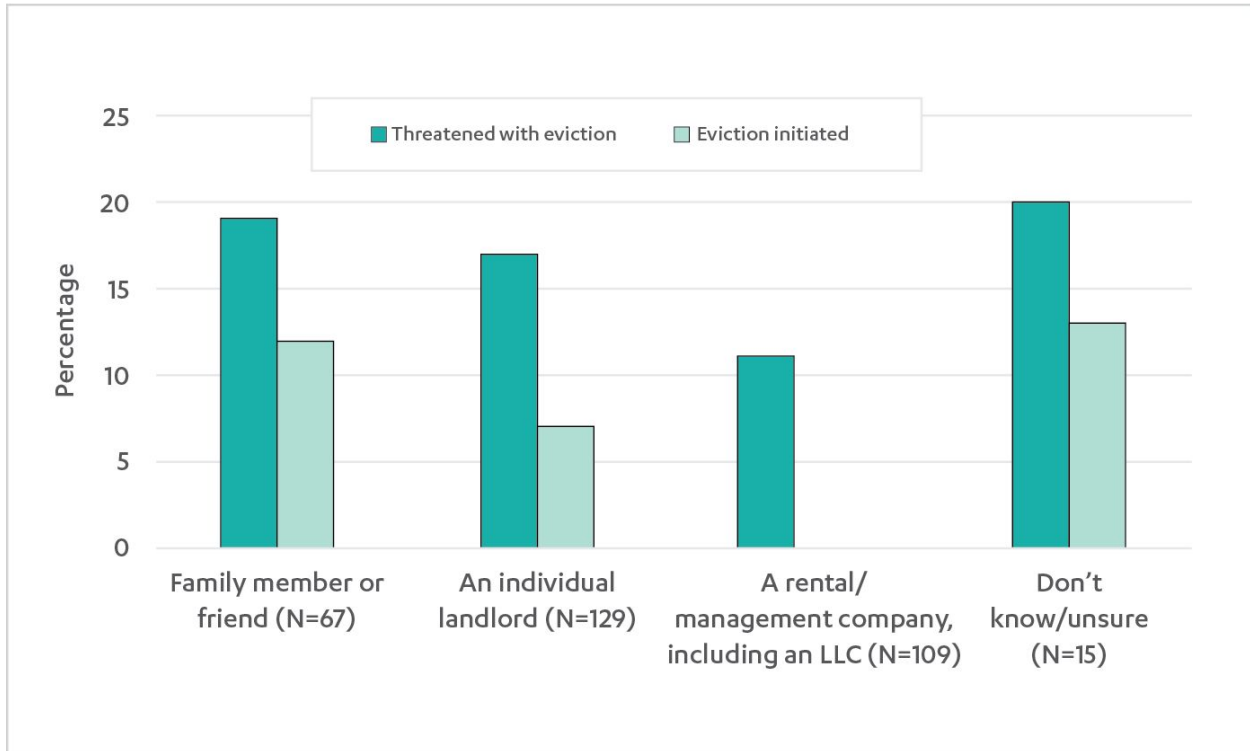
Among households that paid late or in part, the use of unconventional payment methods is much higher. These households are more than four times as likely as households that paid on time and in full to have asked friends and family for money to help pay rent, and well over twice as likely to have used their savings to pay. They are *five* times as likely to have taken out an emergency or payday loan. Many tenants who are paying are depleting their savings, going into debt, or imposing on friends and family to do so.

4.2 Consequences of Nonpayment

Eviction is the most dire consequence of not paying rent. Among those who did not pay rent (or paid only partial rent) at least one month between May and July, landlords threatened about 15 percent with eviction. About five percent of respondents report landlords actually initiating an eviction proceeding against them (i.e., the landlord has begun the eviction process in some way). Again assuming our sample is roughly accurate, this suggests that approximately 98,000 tenant households have been threatened with eviction, and that some 40,000 have had landlords begin an eviction process.

Among renters who did not pay rent, we observe no differences by race or ethnicity, or by income in the share who were threatened with eviction. (We show eviction by race in the Appendix). Eviction *does* seem to be more common, however, among some types of landlords, even when we account for the fact that some landlords are more likely to have tenants miss payments. Figure 13 breaks down evictions threats and initiations by landlord type, conditional nonpayment (i.e., it shows the share of missed rent payments that result in evictions activity). The figure shows that nonpayment is most likely to lead to a threatened or actually initiated eviction if the tenant rents from family members or friends, or from individual (“mom and pop”) landlords. Fifteen to 20 percent of nonpaying tenants in these landlord arrangements report being threatened with eviction, compared to ten percent of nonpaying tenants who rent from rental or management companies or Limited Liability Corporations (LLCs). Similarly, rates of reported evictions being initiated are between 7 and 12 percent for smaller landlords, and zero for larger rental firms.

Figure 13.
Eviction Threats and Initiations by Landlord Type (of Households with Partial or Non-Payment)

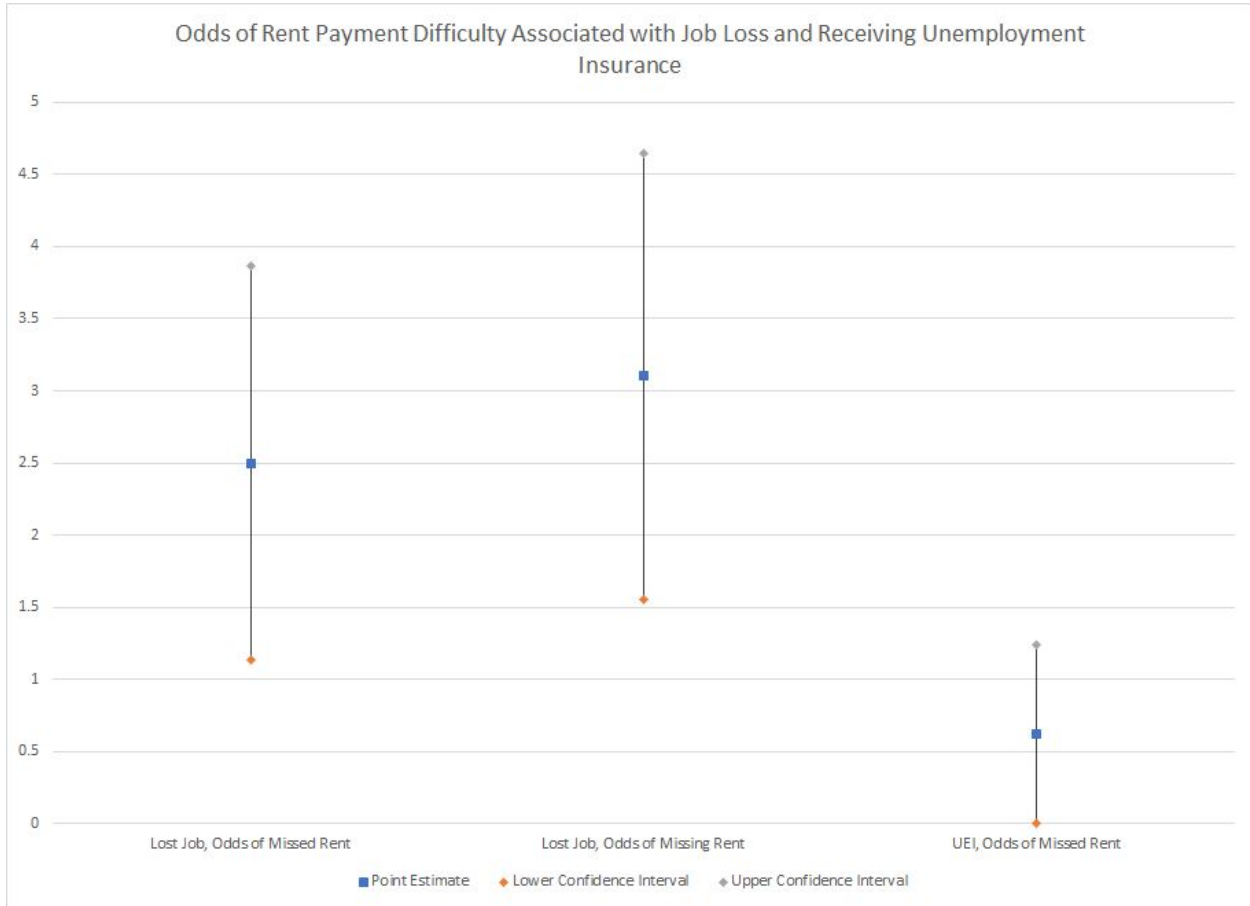


Two notes of caution here: first, the number of evictions reported in the sample is relatively low, so our inferences about details of them are likely to be less accurate. Second, a small number of nonpaying tenants report not knowing exactly who they rent from. Reported eviction activity among these tenants is high. It is possible that some other tenants have mistakenly identified their landlord type.

Far more common than eviction threats and initiations are negotiations between tenants and landlords. Half of the households that missed at least one full month of rent report discussing a repayment plan with their landlord, and of those that discussed it, about two thirds actually entered into a plan. Of the households that paid only partial rent in one month, 74% discussed a repayment plan, and 78% of those that discussed a plan entered into one. Finally, 72% of those that paid rent late discussed a repayment plan and 77% of those entered into this plan.

Not surprisingly, there is a greater likelihood of discussing a repayment plan if the landlord is a family member or friend of the tenant (77%), than if they are an individual (68%) or a rental/management company (68%). There is a greater share of repayment plan discussion with Black (76%) or Hispanic (75%) tenants than for white (64%) or Asian (43%) tenants. We do not know the details of these repayment plans. We emphasize, again, that a repayment plan

Figure 14.
Odds of Missed Rent or Anticipated Missing Rent if Lost Job or Received UEI (from May to July)



In Figure 15, we show odds ratios of missing rent associated with getting sick from COVID. Households where a member reported being sick with Covid-19 are more than twice as likely to have missed a rent payment and are also more than twice as likely to think they will miss some or all of their August payment.

V. Conclusion

Los Angeles has a housing crisis, and the brunt of that crisis has long been borne by low-income renters. These renters, often Black or Hispanic and having little in savings, frequently struggle to pay the region's high rents.

COVID-19 has magnified and exacerbated renter's difficulties, by depriving them of the income they relied on to stay current on rent. To be sure, the economic pain of COVID-19 has been widespread, and we do not seek to minimize the fear and uncertainty that job and income losses have brought to many homeowners. But renters were more likely to lose work and income, and they have fewer resources and safeguards to help them absorb their losses. And their losses translate directly into difficulty paying rent. Lost work consistently and strongly predicts late rental payments, missed rental payments, and reliance on loans, savings and credit cards to pay rent. Unemployment benefits, conversely, are associated with *ability* to pay rent. Help from the state matters.

The evidence we present in this report affirms that renters are facing a crisis of income, and that one important solution to this crisis is income assistance. Many negative outcomes can be avoided if policymakers can get money into the hands of renters who need it. Our data strongly suggest that renters who can pay will and that many households have been devising stopgap measures to stay housed. The vast majority of renter households who missed rent had lost work, became sick with COVID, or both. Delivering assistance to renters now can not just stave off looming evictions in the short term, but also prevent quieter and longer-term problems that are no less serious, such as renters struggling to pay back credit card or other debt, struggling to manage a repayment plan, or emerging from the pandemic with little savings left. Renter assistance can also help smaller landlords who are disproportionately seeing tenants unable to pay, and entering into repayment plans with them.

Table A1 cont.

Income			
Under \$15k	149	149	100%
\$15k-\$24,999	110	110	100%
\$25k-\$34,999	101	101	100%
\$35k-\$49,999	137	137	100%
\$50k-\$74,999	179	174	97%
\$75k-\$99,999	118	119	101%
\$100k+	206	160	78%
\$100k-\$145,999	119	108	91%
\$150k or more	87	52	60%
Prefer not to answer	0	50	NA
Method			
Online	650	788	121%
Phone	350	212	61%
Location			
LA City	400	391	98%
LA County	600	609	102%

Figure A1.
Eviction Threats and Initiations by Race of Households with Partial or Non-Payment)

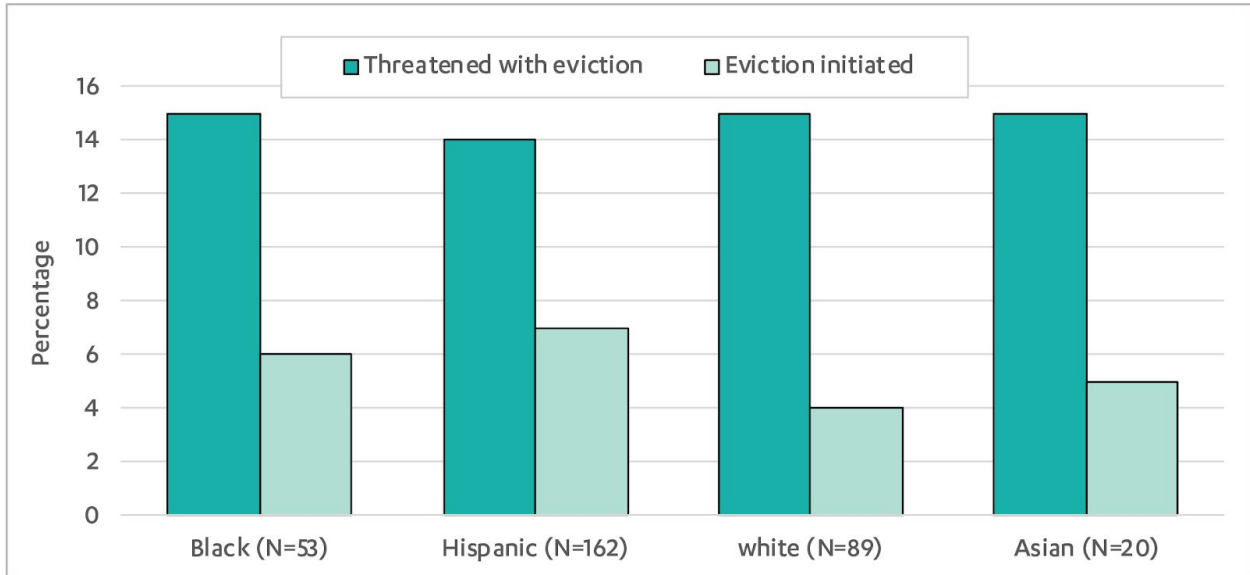


Table A3.
Associations with Late Payments, California and Los Angeles MSA

	California	Los Angeles
Income <\$25K	0.3797*** (0.0009)	0.3863*** (0.0012)
Income \$25k-\$50k	0.3393*** (0.0009)	0.4661*** (0.0011)
Income \$100K+	-0.6868*** (0.0015)	-0.9508*** (0.0022)
Female	-0.0295*** (0.0007)	-0.306*** (0.0008)
Age 18-30	0.0177*** (0.0007)	0.1918*** (0.0009)
Age 65 or Older	-0.9105*** (0.0019)	-1.265*** (0.0028)
Household Size	-0.0091*** (0.0002)	0.0209*** (0.0003)
Number of Children in HH	0.1244*** (0.0003)	0.0704*** (0.0004)
Black	1.0932*** (0.0012)	0.9716*** (0.0016)
Hispanic	0.4021*** (0.0009)	0.3786*** (0.0012)
Asian	-0.2977*** (0.0015)	-0.3106*** (0.0018)
Less than HS Degree	0.0559*** (0.0008)	0.0430*** (0.0010)
BA or Higher	-0.7178*** (0.0010)	-0.8427*** (0.0013)
Lost Employment Income	1.4570*** (0.0010)	1.4195*** (0.0013)
Unemployed at Time of Survey	0.398*** (0.0007)	0.4014*** (0.0009)
Constant	-3.6185*** (0.0019)	-3.7239*** (0.0023)
Logged Variance of Random Effect	-8.1944*** (0.1127)	-11.1883*** (0.2536)
N	19,534	8,994

Random effects panel regressions. Standard errors in parentheses

*p<0.05, **p<0.01, ***p<0.001

Notes: Both models include week fixed effects

California model has fixed for LA and San Francisco

MSAs LA MSA is Los Angeles and Orange Counties

income than did the Pulse. As we mentioned above, in the Pulse 45 percent of renters reported unemployment, while 68 percent reported some form of lost income. In the County survey the latter proportion was only 58 percent, and almost all of those had also lost a job.

Table A4 shows the full output of our payment regression, while Table A5 shows the output of regressions analyzing the use of credit cards, loans, or help from family and friends.

Table A4.

	(1)	(2)	(3)
	Missed Full Rent at least Once	Missed Full Rent at least Once among those who lost job	Will likely miss Full August Rent
rent	1.000 (0.21)	1.000 (0.74)	1.000 (0.89)
In rent controlled unit	0.786 (-1.10)	0.734 (-1.11)	0.841 (-0.73)
DK about rent control	1.092 (0.40)	1.019 (0.07)	0.852 (-0.65)

	(-0.43)	(-1.13)	(-1.04)
Lost income	0.897		0.946
	(-0.25)		(-0.12)
DK/NA lost income	1.372	1	1.277
	(0.35)	(.)	(0.21)
<i>N</i>	931	420	923

Exponentiated coefficients; *t* statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Other controls include categorical variables for income, education, Black, Asian, Hispanic, age, and marital status. Full results are available on request.

Table A5.

	(1)	(2)	(3)	(4)
	Credit Card	Savings	Friend or Family	Other Loan
Rent Paid	1.000	1.000	1.000	1.000
	(-0.84)	(1.40)	(1.24)	(0.19)

	(0.36)	(0.90)	(-1.78)	(-0.49)
DK/NA UEI	0.582	0.472	0.721	1.326
	(-0.83)	(-1.55)	(-0.62)	(0.33)
Sick with COVID-19	2.398**	1.988**	2.129**	3.904***
	(2.93)	(2.81)	(2.94)	(4.91)
Lost Income	1.299	0.998	0.632	0.276
	(0.48)	(-0.00)	(-1.04)	(-1.66)
DK/NA lost income	1.111	0.831	0.415	0.000
	(0.09)	(-0.20)	(-0.76)	(-0.02)
Received CARES	0.814	1.289	1.178	1.249
	(-0.78)	(1.26)	(0.76)	(0.82)

Appendix III: Survey Instrument

QLang: Please select your preferred language:

English	1	
Spanish	2	
Mandarin	3	

We appreciate your participation in this important research study. As part of our studies, we typically collect certain systems and device data which is used for analytical purposes, and other information you may choose to share, such as demographic information and occasionally, a name, email address, and photo, video and audio, all of which is used to conduct the research study. By clicking “Accept” you agree to keep the contents of the study strictly confidential, and further agree that to the extent you supply any personal data or we (MySoapBox) collect any systems-related data about you as part of the study, we or the research team may use it in connection with our conduct of the study. For more information, please visit our [Terms of Use](#), [Privacy Policy](#), and [Your Data, Your Rights Portal](#).

- Accept
- Decline

INTRO: Thank you for your time. Your honest answers are important to us!

DEMOGRAPHICS

65-69	1 1	
70-74	1 2	
75-79	1 3	
80-84	1 4	
85 or older	1 5	

Q2HIDDEN_QUOTA

CATEGORY	DEFINITION	QUOTA n=
Female	Q1=2	510
Female 18-24	Q1=2 AND Q2=2	22
Female 25-34	Q1=2 AND Q2=3-4	121
Female 35-44	Q1=2 AND Q2=5-6	116
Female 45-54	Q1=2 AND Q2=7-8	100

Male 75+	Q1=1 AND Q2=13-15	31
Non-binary/Other gender identity	Q1=3	No quota, allow to continue

DO NOT OVER-QUOTA/ UNTIL AFTER Q9

3. What is the zip code of the address where you are currently living?

ENTER ZIP CODE		
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Q3HIDDEN_QUOTA: Location:

CATEGORY			QUOTA n=
LA City		1	MIN=400
LA County		2	MAX=600
NONE		9 9	TERMINATE

DO NOT OVER-QUOTA/ TERMINATE UNTIL AFTER Q9

4. What type of home are you currently living in?

Single family home	1	
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1	1	
2	2	
3	3	
4	4	
5	5	
6	6	
7	7	
8 or more	8	

[ASK IF Q7>=2]

7b. How many children under the age of 18 currently live in your household?

0/None	0	
1	1	
2	2	
3	3	
4	4	
5 or more	5	

African-American (Non Hispanic)	Q8=2 AND NOT Q8=3		125
Asian (Non Hispanic, Non African-American)	Q8=5 AND NOT Q8=2,3		132
Caucasian/Other	NOT Q8HIDDEN_QUOTA=1, 2,3		305

DO NOT OVER-QUOTA/ TERMINATE UNTIL AFTER Q9

[ASK IF Q8=3]

8a. Which language do you speak most often in your home?

English	1	
Spanish	2	
Other	3	

[ASK IF Q8=5]

8b. Which language do you speak most often in your home?

English	1	
Chinese	2	
Other	3	

\$150,000 and over	8	
Prefer not to answer	99	

Q9HIDDEN_QUOTA

CATEGORY	DEFINITION		QUOTA n=
Under \$15K	Q9=1	1	149
\$15K-\$24,999	Q9=2	2	110
\$25K -\$34,999	Q9=3	3	101
\$35K-\$49,999	Q9=4	4	137
\$50K -\$74,999	Q9=5	5	179
\$75K-\$99,999	Q9=6	6	118
\$100K -\$149,999	Q9=7	7	119
\$150K and over	Q9=8	8	87
Prefer not to answer	Q9=99		No quota, allow to continue

ARE THERE ANY POTENTIAL RISKS OR DISCOMFORTS THAT I CAN EXPECT FROM THIS STUDY?

There are no anticipated risks or discomforts.

ARE THERE ANY POTENTIAL BENEFITS IF I PARTICIPATE?

There are no anticipated benefits.

WILL INFORMATION ABOUT ME AND MY PARTICIPATION BE KEPT CONFIDENTIAL?

Any information that is obtained in connection with this study and that can identify you will remain confidential.

WHAT ARE MY RIGHTS IF I TAKE PART IN THIS STUDY?

You can choose whether or not you want to be in this study, and you may withdraw your consent and discontinue participation at any time by closing your browser.

WHO CAN I CONTACT IF I HAVE QUESTIONS ABOUT THIS STUDY?

· **The research team:**

If you have any questions, comments or concerns about the research, you can talk to one of the researchers. Please contact:

Michael Manville: mmanvill@ucla.edu

Paavo Monkkonen: pmonkkon@ucla.edu

Michael Lens: mlens@ucla.edu

· **UCLA Office of the Human Research Protection Program (OHRPP):**

<p>3. I agree to participate in this study.</p>	<p>3</p>	<p>T E R M I N A T E</p>
<p>I no longer wish to participate. [CHECKBOX]</p>	<p>E X C L U S I V E, T E R M I N A T E</p>	

MAIN SURVEY

[TEXT] Thank you again for your time. We would like to understand more of the impact the COVID-19 pandemic has had on residents of Los Angeles. Your honest answers are important to us. Your responses will be kept confidential.

Not paid rent at all	3	
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[ASK Q14 IF Q13=1 or 2]

14. Did your household make the rent payment on the day it was due, or pay it late?

Paid on the day it was due	1	
Paid late	2	

[ASK Q15 IF Q13=1 or 2] [RANDOMIZE]

15. To your knowledge, did you or anyone you live with rely on any of the following options to pay rent this month? *(Please select all that apply)*

Help from family or friends not living in the household	1	
Credit Card	2	
Withdrew money from savings	3	
Payday or other emergency loan	4	
None of these	5	ANCHOR, EXCLUSI VE

16. How about in **June**? Did your household ...?

Pay June rent in full	1	
------------------------------	---	--

19. How about in **May**? Did your household ...?

Pay May rent in full	1	
Pay part of the rent	2	
Not pay rent at all	3	

[ASK Q20 IF Q19=1 or 2]

20. Did your household make the rent payment on the day it was due, or pay it late?

Paid on the day it was due	1	
Paid late	2	

[ASK Q21 IF Q19=1 or 2] [RANDOMIZE]

21. To your knowledge, did you or anyone you live with rely on any of the following options to pay rent in **May**? (Please select all that apply)

Help from family or friends not living in the household	1	
Credit Card	2	
Withdrew money from savings	3	
Payday or other emergency loan	4	

No	2	
----	---	--

[ASK Q25 IF Q13=2 OR 3 OR IF Q16=2 OR 3 OR IF Q19=2 OR 3]

25. Did your property manager or landlord reduce your services (for example, shut off utilities or reduce maintenance) after you did not pay rent?

Yes	1	
No	2	

[ASK Q26 IF Q13=2 OR 3 OR IF Q16=2 OR 3 OR IF Q19=2 OR 3]

26. An eviction is when your landlord or property manager forces you to move. Has your property manager or landlord threatened to evict you?

Yes	1	
No	2	

[ASK Q27 IF Q26=1]

27. Has your property manager or landlord, to your knowledge, begun an eviction against you?

Yes	1	
No	2	

No one in the household was employed before	3	
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[ASK Q31 IF Q29 OR Q30=1]

31. Has anyone in your household received unemployment insurance payments as a result of the loss of job or income?

Yes	1	
No	2	

[ASK Q32 IF Q31=1]

32. One thing we've heard is that many people are earning more money through unemployment insurance than they did at their job. How about in your household? Are the people receiving unemployment payments making more or less money than they did before?

More than before	1	
Less than before	2	
About the same as before	3	
Don't know / Not sure	4	

[ASK ALL]

[ASK ALL]

37. We'd like to get your feelings toward your landlord or property management firm. We are going to ask you to rate them using something we call the feeling thermometer. Ratings between 50 degrees and 100 degrees mean that you feel favorable and warm toward your landlord. Ratings between 0 degrees and 50 degrees mean that you don't feel favorable toward the person and that you don't care too much for your landlord. You would rate the landlord at the 50-degree mark if you don't feel particularly warm or cold toward your landlord.

[SLIDE SCALE WITH 0-100]		
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LAST QUESTIONS

[TEXT] Thank you again for your time. We have just a few more questions to help us group your answers with other respondents.

38. Please indicate the highest level of education you have completed.

Less than High School	1	
High School, no diploma	2	
High School graduate / G.E.D.	3	
Some college, no degree	4	

Family member or friend	1	
An individual landlord	2	
A rental/management company	3	
Don't know/unsure	4	

41. How many years have you lived at your current address?

Number of Years	____ ____ ____	[NUMERIC RESPONSE ONLY. ALLOW ZERO ONLY IF MONTHS HAVE RESPONSE]
Number of Months	____ ____ —	[NUMERIC RESPONSE ONLY. RANGE 0-11]

42. Is your primary residence rent controlled or rent stabilized?

Yes	1	
No	2	
Don't know/unsure	3	

43. Does your household receive any of the following types of public rental assistance?

Rental voucher (section 8)	1	
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