



Do renters need more government help?

Sarah Schweinsberg

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Since last March, most renters who miss payments cannot be evicted. It's part of an order under the government's broad authority to curb the spread of disease. This COVID order extends through March 31st.

REICHARD: Additionally, those who can't pay can apply for help through a rental assistance program approved by Congress last year. It includes about \$25 billion for qualified tenants.

And the assistance fund could soon grow: President Biden's proposed stimulus package promises another \$30 billion for renters and landlords.

EICHER: Is all that federal rent assistance really necessary? **WORLD's Sarah Schweinsberg reports.**

SARAH SCHWEINSBERG, REPORTER: Aden Batar works with more than 100 refugee families in the Salt Lake City area. His agency, Catholic Community Services, helps them get settled.

***BATAR:** When they arrive, it is our responsibility to find housing for them wherever we can find it.*

How many of these families live in rental housing?

***BATAR:** All of them.*

Batar says the refugee community has had a difficult year. Most refugees work in service and labor-intensive jobs making \$10 to \$15 an hour. Most rent a three bedroom apartment for around \$1,500 a month.

***BATAR:** It takes at least two, two income to pay for those housing.*

But with COVID business closures and children home from school, some parents haven't been able to work as much. Batar says 40 percent of his refugee families have asked for rent assistance this year.

Batar says the eviction moratorium has been helpful because it offers families flexibility on payments. Flexibility, but not a free pass.

Even though landlords can't evict families right now, not paying rent at all would have long-term consequences.

BATAR: We don't want anyone to have credit issues, right. So because landlords will report to the credit bureaus, we always encourage them to have their American Dream right to own their own homes. And so it is important that they financially become self sufficient, and also build their credit.

Batar says stimulus checks and rental assistance have helped keep families from falling too far behind.

Landlords and property owners say federal money helps them, too. Bob Pinnegar heads the National Apartment Association.

Even with government help, Pinnegar says some property owners are losing money every month because they can't evict delinquent tenants.

PINNEGAR: One of my volunteer leaders had a conversation with an operator out of Florida. And they were sharing that their uncollected rents is approaching a million dollars a month. So there is distress out there.

Pinnegar says while eviction moratoriums remain in place, federal rent assistance for tenants offers renters a way to not get buried in back rent. And it gives landlords the ability to collect the money they need to pay their bills.

PINNEGAR: I think that anything that we can do to try to assist is going to ensure that we maintain our rental stock on the other side of this crisis.

But despite federal help, millions of Americans are still struggling.

According to data analyzed by the Center On Budget and Policy Priorities, about 13 million adults—or 1 in 5 renters—are behind on rent. The Center gathers that data from the Census Bureau's Household Pulse Survey. But it only began collecting that data after the pandemic started, so it can't be directly compared to pre-COVID rates.

Other data does shed some light on how COVID conditions have affected renters.

Joel Griffith is a financial regulations scholar at the Heritage Foundation. He points to numbers from the National Multifamily Housing Council. It collects information from 11 million rental units.

Griffith says analysis shows pre-COVID and post-COVID rental payments haven't changed that much.

GRIFFITH: If you look at data from the National Multifamily Housing Council, it shows that 93.8 percent actually made their rent payments by the end of December, and that is very close to the number from December of 2019, which is close to 96 percent. So you're talking about roughly a 2 percentage point difference.

Griffith argues that increase in delinquent renters doesn't warrant another \$30 billion in taxpayer-funded assistance.

GRIFFITH: That suggests that there's about 900,000 to 1.3 million additional people delinquent each month. Well, \$30 billion in additional aid, divided by roughly 1 million delinquent renters. That's about \$23,000 to \$33,000 over the course of one year, for each of those delinquent units. That's a lot of money.

Joel Griffith says the rental market is ready to get back to normal. No more eviction moratoriums and no more federal spending programs.

GRIFFITH: The fact is, we have an economic recovery underway, not because of increased federal funding. We have an economic recovery underway right now, because large parts of the country have actually opened up.

But even after a full economic recovery millions of Americans will still struggle to pay their rent. That was the case pre-pandemic, says Michael Tanner. He's a poverty scholar at the Cato Institute.

Tanner says shutdowns have just intensified existing rental market problems.

TANNER: How you disaggregate the existing problem from the COVID portion is something that statisticians can argue about. But I think there's no doubt that we had a problem before COVID with high rental costs, caused by too little supply of rental units needing to be dealt with through more building. And we have a problem that is caused by COVID of people not having income in order to pay their rents. And you can argue about how the interplay between the two works. But they're both problems.

But Tanner worries government efforts to help solve rent struggles caused by COVID-shutdowns will lead to bigger issues down the road.

TANNER: What we want to be careful of when you have a federal program like this is it tends to live forever. What you don't want to do is have short term interventions become a long term program that will end up doing more harm than good.

Reporting for WORLD, I'm Sarah Schweinsberg