

Partner City Report | April 2021

# Housing Trends and the Impact of COVID-19 Rental Assistance in the City of Atlanta

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## Executive Summary

This study attempts to understand the experiences of tenants in Atlanta, Georgia, who applied to the City's COVID-19 emergency rental assistance program. Using survey data, this report examines housing stability, household finances, and other household characteristics both prior to and since the onset of the COVID-19 pandemic. Key findings of this analysis include:

The pandemic exacerbated preexisting challenges among low-income renters, including high rates of rent burden, resulting in high rates of housing insecurity.

- Surveyed households' ability to pay their full rent decreased steadily over time; 59.2% paid their full rent in May 2020, but only 32.3% paid their full rent in November 2020.
- Relatedly, more than half of households that participated in a follow-up survey (55.5%) indicated that they are very worried about being evicted in the next few months.

Since the onset of the pandemic, low-income renters have faced persistent financial precarity.

- The majority of households that participated in the baseline survey stated they were either going into debt (41%) or just managing (35.3%), and households with children are financially struggling at greater rates.
- Over three quarters of baseline survey participants reported delaying bill payments at high rates, and though many tried to borrow money, a majority of participants' applications were denied.
- As of January 2021, over half of households (56%) reported having had no paid work within the last week, and of these households, 56.3% reported being laid off or furloughed due to the pandemic.

The pandemic has uniquely impacted households with children.

- Almost all households with school-aged children reported that their child's school was closed and many indicated that their child's school was not providing resources for at-home teaching.
- This has resulted in increased childcare burdens; 60.5% of households with children said that childcare responsibilities impact their ability to work.

Households that received rental assistance appear to be experiencing more housing stability than unassisted households.

- They reported fewer instances of homelessness and lower levels of concern about being evicted.
- Tenants receiving assistance are still struggling with housing costs, however, and the data are mixed as to whether the subsidy helped stabilize households' other finances.

## Introduction

The goal of this study is to both understand the impact of COVID-19 on the housing security and welfare of low-income households, and to look at the impact that rent relief efforts have on these outcomes. This report uses the case of Atlanta’s COVID-19 emergency rental assistance program to provide a unique and critical foundation for understanding the myriad of ways that the pandemic is affecting households. It also serves as the foundation for ongoing research estimating the impact of the pandemic, and of programmatic responses on the short and long-term wellbeing of low-income renters.

## Atlanta’s Rental Landscape

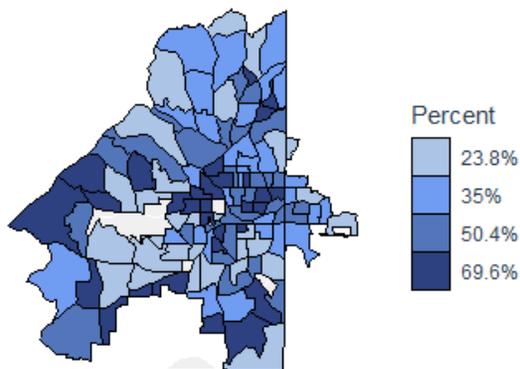
Atlanta’s housing market is characterized by substantial racial and income inequities. Recent development in Atlanta has catered to wealthy, White residents in not only the ownership market, but also in the rental market, resulting in a shortage of units affordable to renters in lower-income brackets.

Figure 1 shows the distribution of renters in Atlanta by race and ethnicity. A greater share of Black renters are located to the south and southwest of the downtown area.<sup>1</sup>

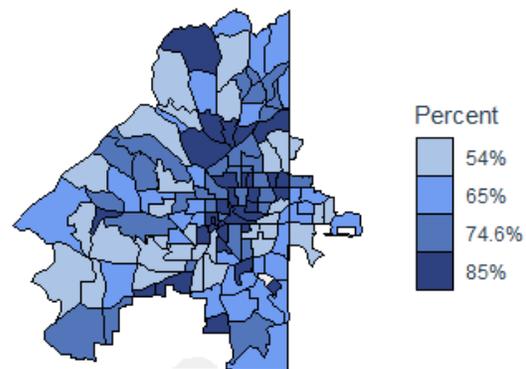
<sup>1</sup> Maps throughout this report use quantile breaks.

**Figure 01.** Tenant Race and Ethnicity by Census Tract

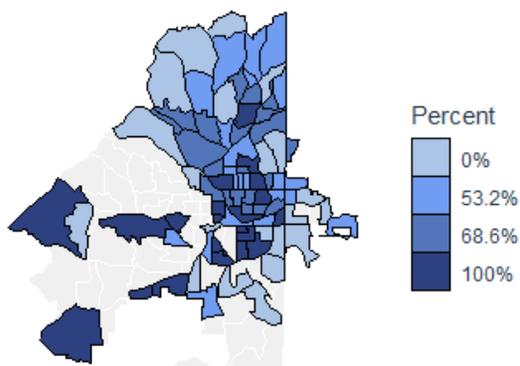
*Percentage of White Renters*



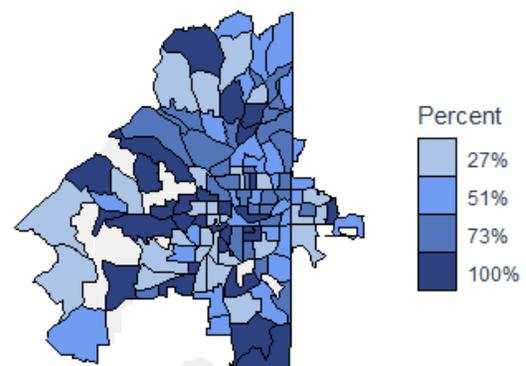
*Percentage of Black Renters*



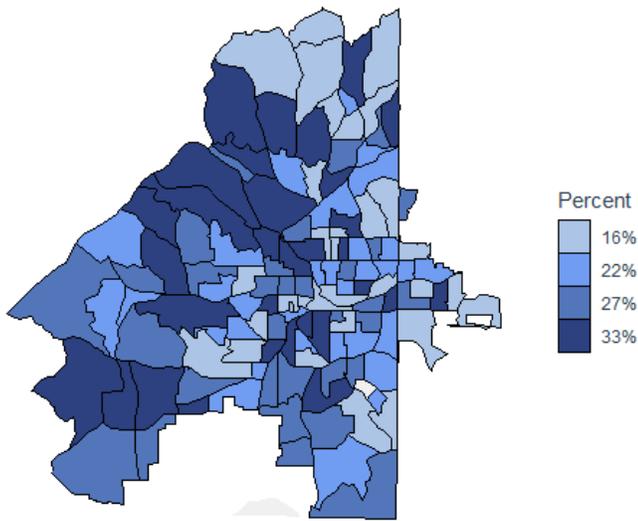
*Percentage of Asian Renters*



*Percentage of Hispanic Renters*



**Figure 02.** Share of Households Who Are Rent-Burdened



This section of Atlanta is also home to the city’s most economically distressed renters. Across Atlanta, more than 50% of renters are rent-burdened as of 2018, paying more than 30% of their incomes towards rent. However, the share of rent-burdened households reaches 69% in areas of southwest Atlanta, where the median household income among renters is under \$20,000 a year (Figure 2).

Black renters in Atlanta are disproportionately rent-burdened compared to their White counterparts. Among the Atlanta zip codes with median household

incomes below \$37,400, which is 50% of the region’s area median income (AMI) as of 2018, all have majority Black populations.

In addition, unemployment in these areas reached as high as 17.6% in 2018, well above the citywide rate of 7.7% and exponentially higher than rates in north Atlanta tracts, some of which have unemployment rates below 2%. Low-income and unemployed renters living in the south and southwest regions of Atlanta are particularly vulnerable to the fallout of the COVID-19 pandemic and face the greatest risk of losing their homes.

*The Impact of COVID-19*

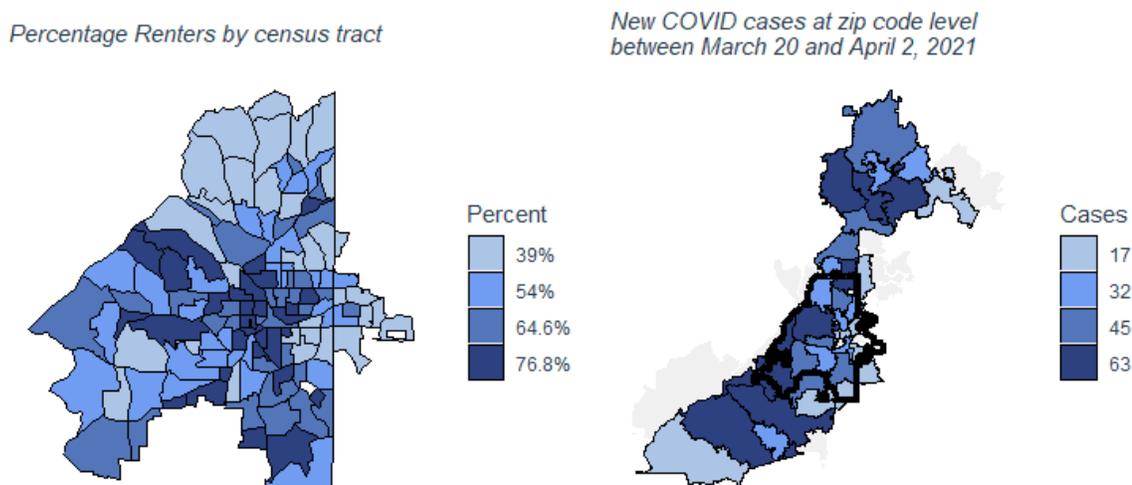
Since the pandemic began, Fulton County, in which Atlanta is located, has seen 79,340 cases and 1,221 deaths from COVID-19.<sup>2</sup> Figure 3 shows that Atlanta’s renters, particularly Black renters, are at the greatest risk of exposure to COVID-19.<sup>3</sup> As Atlanta grapples with the economic and health impacts of COVID-19, these residents will also face the greatest pressure from landlords to pay rent or face eviction.

<sup>2</sup> Cumulative COVID-19 cases and deaths for Fulton County were collected on April 9, 2021. This information is updated frequently and can be found here:

<https://www.fultoncountyga.gov/covid-19>

<sup>3</sup> Due to limitations of available data on COVID-19 cases, the count of COVID-19 cases represented in the map are cases that occurred in Fulton County during the most recent 14-day reporting period (3/20/2021 - 4/2/2021). More information can be found in the April 9th COVID-19 Fulton County Epidemiology Report, <https://www.fultoncountyga.gov/covid-19/epidemiology-reports>

**Figure 03.** Renter-ship and Rates of COVID-19 Infection



## *The City of Atlanta's Rental Assistance Program*

In response to the COVID-19 crisis, the City of Atlanta launched an emergency rental assistance program in August 2020. The primary goal of the program is to limit the displacement of Atlanta's most vulnerable tenants who have lost income due to COVID-19. Leveraging funds from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the \$22 million program was expected to serve approximately 8,300 households with rental and utility assistance and provide a maximum assistance of \$1,000 per month per household for three months.

Atlanta's rental assistance program is directed by the Mayor's Office with support from a third-party administrator, United Way of Greater Atlanta, which operates a hotline and central application portal. United Way also manages a network of community-based service providers whose role is to conduct program intake.

Tenants applied for the program on a rolling basis and applicants were selected on a first come, first served basis. To qualify, applicants had to have incomes at or below 60% of AMI (i.e. at or below \$49,620). The City of Atlanta also prioritized families with children, lower-income households, and other vulnerable populations (e.g. elderly, veterans and those who are differently abled) to receive assistance.

Similar to other CARES Act rental assistance programs launched across the country in 2020, Atlanta's program paid assistance directly to eligible tenants' landlords, who in exchange, had to agree to forgive all rent arrears. Although the program was far from meeting the estimated needs of all renters, it was designed to take a step towards stabilizing the economy while protecting Atlanta's poorest residents from homelessness and displacement. As of mid-March 2021, the program had served nearly 6,000 households.<sup>4</sup>

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<sup>4</sup> City of Atlanta Press Release, March 18, 2021. <https://www.atlantaga.gov/Home/Components/News/News/13651/>

## **Methodology**

Ultimately, this study will evaluate the impact receiving rental assistance has on household stability by examining the link between interventions and a host of outcomes. It uses survey data to track households over time with respect housing stability, household finances, experiences with COVID-19, and more. We expect to find that receiving rental assistance reduces the odds that a household is evicted, reduces individual stress levels, and provides greater household stability, which translates into better educational, health, and economic outcomes in the long term.

Tenants who applied to the City of Atlanta's COVID-19 rental assistance program will be surveyed three times as part of this study. A baseline survey was embedded in the application for the City's rent relief program. A follow-up survey was conducted approximately three months after the baseline survey. And finally, a second follow-up survey will be launched approximately three months after the first follow-up survey. Each survey captures a snapshot of tenant experiences, and by the time of the first and second follow-up surveys, most tenants will have begun to receive assistance if selected by the program.

A link to the baseline survey was presented to tenants applying for rental assistance on the confirmation of submission page of the rental assistance program's online application. If applying by phone, hotline operators helped applicants complete the survey. The survey asked general questions on housing instability, health and anxiety, household finances, childcare, and COVID-19 exposure. As an incentive to respond to the optional survey, 500 participants were randomly selected to receive a \$10 gift card.

The follow-up surveys expand on the above topics, asking more in-depth questions on tenant movement since the rental assistance program launched, elaborating on household finance questions to include forms of borrowing, and understanding the difficulties of childcare during the pandemic. While new questions are incorporated, many questions asked in the initial survey are repeated in each follow-up to facilitate a direct comparison of household experiences over time.

### *Surveying Tenants in Atlanta*

Tenants had the opportunity to participate in the baseline survey from August 2020 through November 2020 (the period during which the rental assistance program accepted applications). A total of 2,408 tenants responded to the initial survey after cleaning the data to remove duplicate responses and responses from those who did not consent to participate in the study.

HIP collected tenants' email addresses in the baseline survey. Providing this information was optional and not all tenants responded to this request. The follow-up survey was emailed to those tenants who provided a valid email address to HIP. The follow-up survey was emailed to 1,769 tenants, of whom 659 submitted responses. All tenants who participated in the follow-up survey were mailed a \$20 gift card. The follow-up survey was open between December 2020 and January 2021.

HIP plans on joining the survey data to application data received from the City of Atlanta to understand which tenants that responded to the survey were selected to receive the rental assistance subsidy. Application data were not yet available for this analysis, however. Rather, we rely on a question included in the follow-up survey which asked tenants to self-report whether they had received assistance; 256 of the 659 respondents (38.8%) reported receiving the subsidy.

## **Profile of Survey Participants**

### *Baseline Survey*

The majority of tenants who applied to the rental assistance program and completed our survey were Black (73%). Additionally, as noted in Table 1, 65% of participants were women; about a third were young adults aged 25 to 35 (31%).

**Table 01.** Gender, Race of Baseline Survey Participants

<b>Gender</b>	<b>Percent</b>
Female	65.4%
Male	15.7%
Non-Binary/Gender Non-Conforming	0.5%
Prefer not to say	18.3%

<b>Race/Ethnicity</b>	<b>Percent</b>
Black/African American (Non-Hispanic/Latinx)	73.3%
White/Caucasian (Non-Hispanic/Latinx)	4.8%
Hispanic/Latinx	2.8%
Other	2.8%
Indigenous (Non-Hispanic/Latinx)	0.9%
Asian/Pacific Islander (Non-Hispanic/Latinx)	0.8%

Most applicants reported having children; 62.1% of participants have either one or two children, and another 27.1% have three to four. About half of all applicants have children under the age of 18 (46%). However, across households of all sizes, most participants (46%) belong to households that rely on just one member's income. An additional 17% of tenants noted that there is no one above 18 earning income in their household.

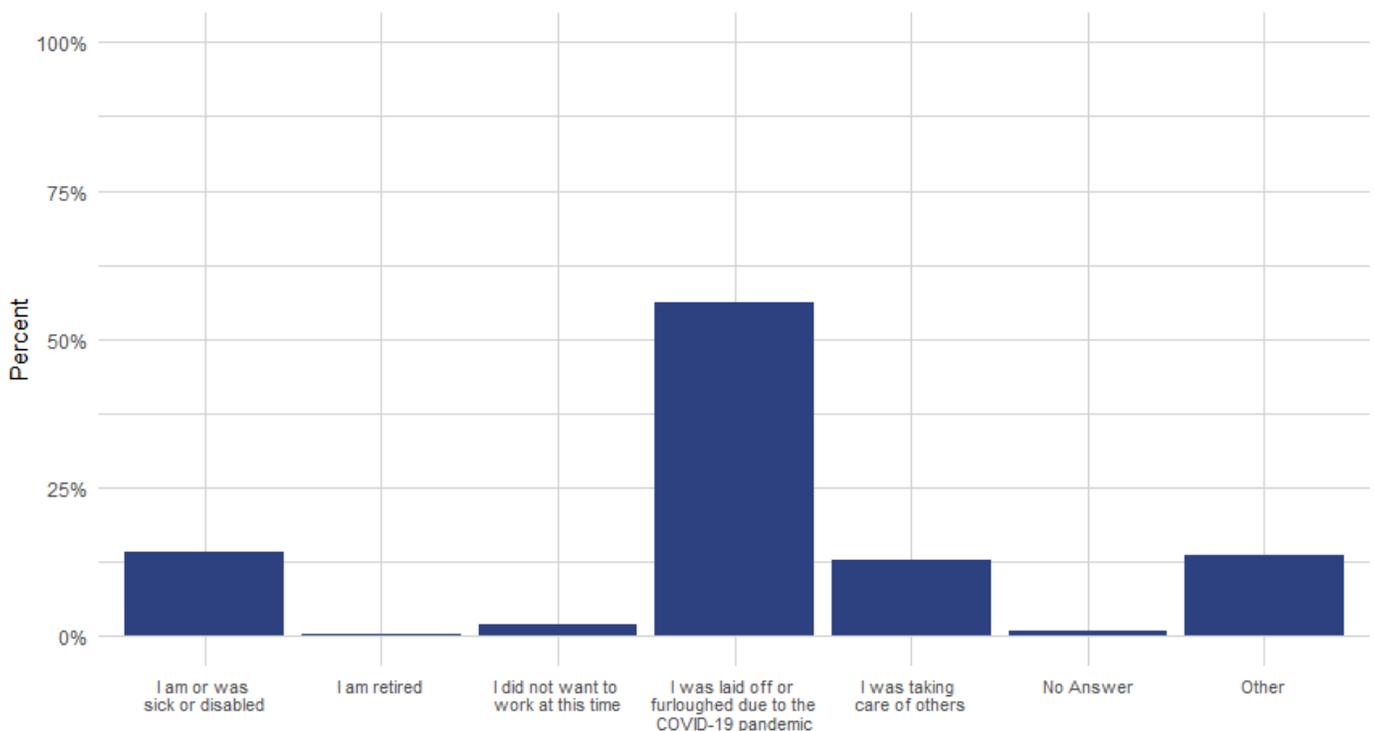
Employment volatility also impacts tenants' housing stability. Only 3.9% of applicants have been unemployed on more than three occasions prior to COVID-19. However, 38% of participants noted that their take home pay changes weekly, and 17.3% of participants work in the service sector. This preexisting volatility combined with the economic impact of COVID-19 on the service sector likely created daunting financial challenges for respondents in our sample.

*Follow-Up Survey*

The demographics of participants in the first follow-up survey—conducted in December 2020 to January 2021—are similar to those captured in the baseline survey. In the follow-up survey, a vast majority of participants were Black (86.3%) and female (84%). Most tenants also reported having children (57.7%).

Results indicate that participants were experiencing worsening economic instability. More than half (56%) of respondents had no paid work within the week previous to filling out the survey. Households with children under 18 reported an even higher rate of joblessness (58.2%). Of the respondents without paid work, more than half (56.3%) reported having been laid off or furloughed due to the pandemic (Figure 4). Respondents also reported having to make difficult trade-offs between their health and finances; 18.7% of participants stated that they were prevented from practicing social distancing because they could not afford to miss work.

**Figure 04.** Reason for Not Having Worked



## Tenant Experiences Prior to and Early on in the COVID-19 Pandemic

The following section examines responses from the baseline survey that gathered responses from 2,408 applicants to the City of Atlanta’s COVID-19 Rental Assistance program. Results support the conclusion that low-income tenants in Atlanta were particularly vulnerable to the financial impacts of the pandemic. The COVID-19 pandemic also exacerbated many preexisting issues. Survey results show that tenants, particularly those with children, were more likely to face housing instability after the onset of the pandemic. A substantial share of households are worried or very worried about their current housing situation.

### *Housing Instability and Prior Movement*

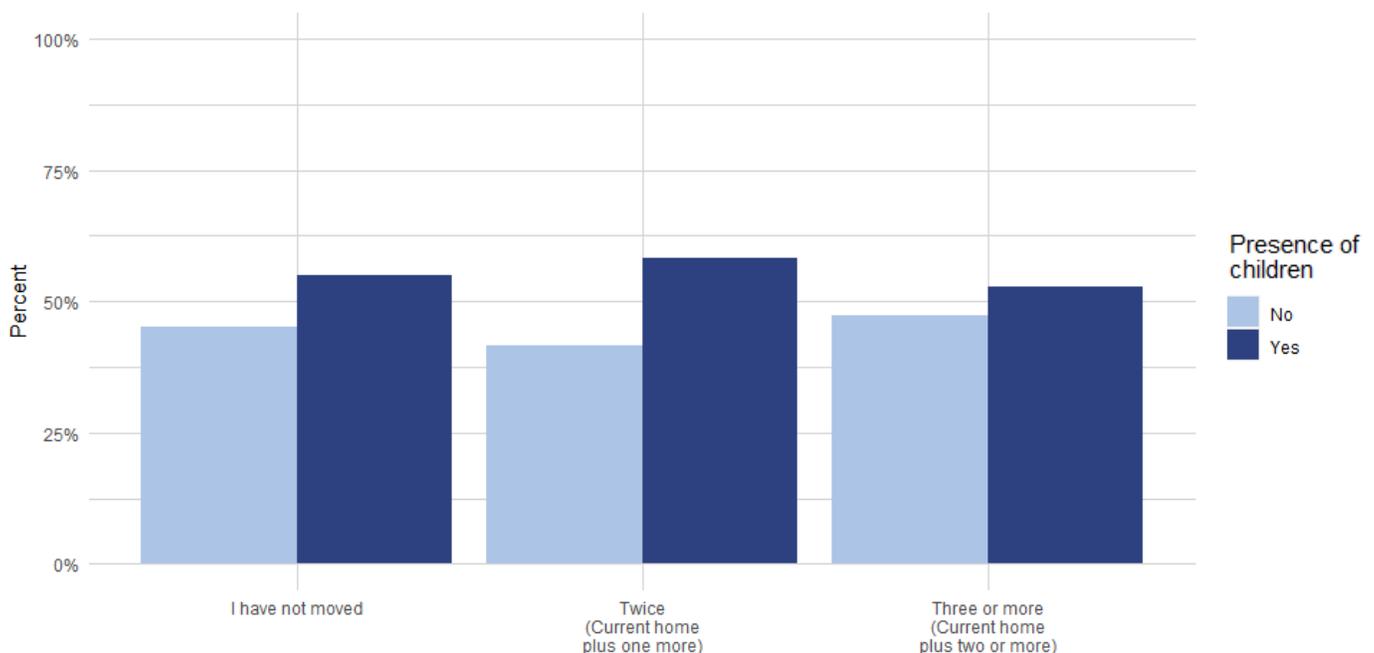
Stable housing is critical for positive household outcomes. Studies show that households that move frequently are more likely to face more unexpected expenses, the loss of critical social networks, and poorer school performance in children. Baseline survey results show that most participants were in stable housing scenarios prior to the COVID-19

pandemic, with a little less than half of participants (46.2%) having lived in the same housing unit for the past three years. A similar share (41.5%) had moved once (living in their current home plus one more). In addition, over three-quarters of participants reported being at least somewhat satisfied with their current housing.

Households with children under 18 moved more frequently, however (Figure 5). Of those who moved once and of those who moved two or more times, 58.3% and 52.8% had children, respectively. This suggests that children may experience a greater degree of housing instability with adverse consequences for their education and health.

Interestingly, a greater share of non-White respondents reported having lived in the same unit in the past three years compared to White tenants. About 47% of Black participants and 44.8% of Hispanic respondents stated that they had not moved, whereas only 34.8% of White participants reported the same. In addition, 19.1% of White participants reported they had moved two or more times (their current house plus at least two more) compared to only 12% and 10.4% of Black and Hispanic participants, respectively.

**Figure 05.** Number of Residences by Presence of Children



For a substantial share of households, the survey shows that moves were made under duress. Almost 22% of initial survey participants said they were forced to move by their landlord at least once in the past three years, as shown in Table 2. Even tenants who moved without reporting a “forced move” were likely influenced by income and housing cost constraints. Households of color reported being forced to move three or more times in the past three years at greater rates than White tenants did.

Despite the majority of respondents having occupied the same unit for at least three years and reporting satisfaction with their housing, many indicated that they are still worrying about their current housing situation frequently. Table 3 shows that 34% of participants worried “very often” about being able to stay in their current housing over the course of the previous two weeks. About 25% of tenants reported they worried “very often” about being able to find better housing and 30% of tenants were worried “very often” about the condition of their housing.

Households facing housing insecurity may experience various forms of homelessness. The baseline survey asked whether tenants had experienced any of a broad range of alternative housing situations, including staying with friends or family members, living in a car, or staying in a shelter, in the past three years. The vast majority of survey participants did not answer this question. For the small portion that did, the most common response was staying with family members.

**Table 02.** Forced Moves

<b>Forced Moves in Past 3 years</b>	<b>Responses</b>	<b>Percent</b>
None	1,883	78.2%
1	395	16.4%
2	83	3.5%
3 or more	45	1.9%
Did not say	2	0.1%

*The Impact of COVID-19*

By the time tenants were applying to Atlanta’s COVID-19 rental assistance program, the pandemic was already underway. The overall goal of HIP’s baseline survey was to understand instabilities and hardships prior to the pandemic; however, it also asked a number of questions related to current circumstances. The sections that follow analyze both the financial situation of tenants as well as the impact of COVID-19 on their ability to pay rent between March and August 2020.

**Table 03.** Frequency of Worrying about Current Housing Situation in Previous Two Weeks

<b>How Often Did You Worry About...</b>	<b>Never</b>	<b>Almost Never</b>	<b>Sometimes</b>	<b>Fairly Often</b>	<b>Very Often</b>	<b>Did Not Say</b>
Finding better housing	16.0%	13.5%	24.5%	13.5%	25.2%	7.2%
Housing condition	13.3%	10.4%	23.9%	16.4%	29.9%	6.1%
Safety of neighborhood	19.6%	17.9%	27.2%	12.1%	15.9%	7.1%
Being able to stay in your home	8.3%	5.8%	25.9%	18.4%	34.4%	7.1%

**Table 04.** Current Household Financial Status

Status	Responses	Percent
I am going into debt	981	40.7%
I am just managing	849	35.3%
I am living on my savings	93	3.9%
I have a bit of money left over	33	1.4%
I have enough to be able to save	19	0.8%
I do not know	101	4.2%
I prefer not to say	88	3.7%
No answer	244	10.1%

*Financial Hardships*

While the COVID-19 pandemic created new challenges for low-income households, many of these families responding to our survey had been struggling financially for quite some time. Table 4 shows that about 41% of survey respondents indicated they were going into debt and another 35.3% reported they were “just managing.”<sup>5</sup>

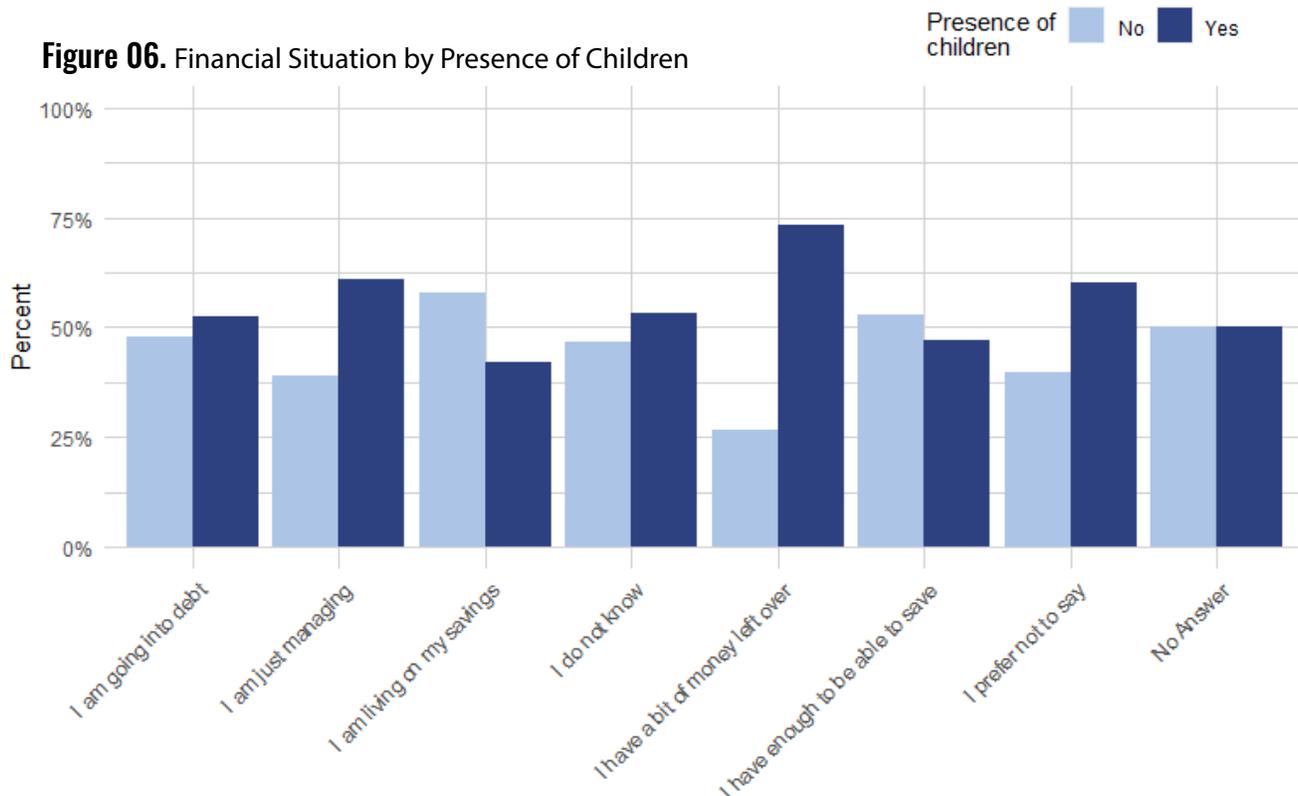
The gravity of tenants’ financial situations is also reflected in the fact that less than 1% of applicants indicated that they are able to save any money.

As discussed previously, racial and income inequities are prevalent in Atlanta’s housing market. The survey results are mixed with respect to the current finances of baseline participants. Hispanic and Asian participants reported going into debt at the greatest rates (62.7% and 60%, respectively). Not far behind are White respondents, 58.3% of whom indicated they were going into debt. Black renters were least likely to report going into debt, at 43.4%, but this share is still high. Black respondents were the least likely of any group to state they had enough to be able to save.

From the results it appears that households with children are in a worse financial state than those without children. About 52% of those who are going into debt have children under 18, as do 61.1% of households that are “just managing” (Figure 6).

<sup>5</sup> “Just managing” is defined in the survey as “having just enough money to be able to pay the smallest amount of money possible necessary to live.”

**Figure 06.** Financial Situation by Presence of Children



**Table 05.** Expenses for Which Households Need Financial Assistance

<b>Expense</b>	<b>Responses</b>	<b>Percent</b>
Housing expenses like rent, mortgage, or security deposit	1751	72.7%
Monthly bills like phone, utilities, etc.	1597	66.3%
Transportation expenses like car repair, bus pass, or car payment	1036	43.0%
Medical expenses	385	16.0%
Childcare expenses	303	12.6%
Education expenses	203	8.4%
Fines and fees associated with the justice system	140	5.8%
Other	109	4.5%

To make ends meet, over three-quarters of survey participants reported delaying bill payments. In fact, housing expenses were the main reason why a household would need financial help, as indicated by about 72.7% of survey participants, followed by 66.3% of tenants reporting needing help to pay for monthly bills (Table 5).

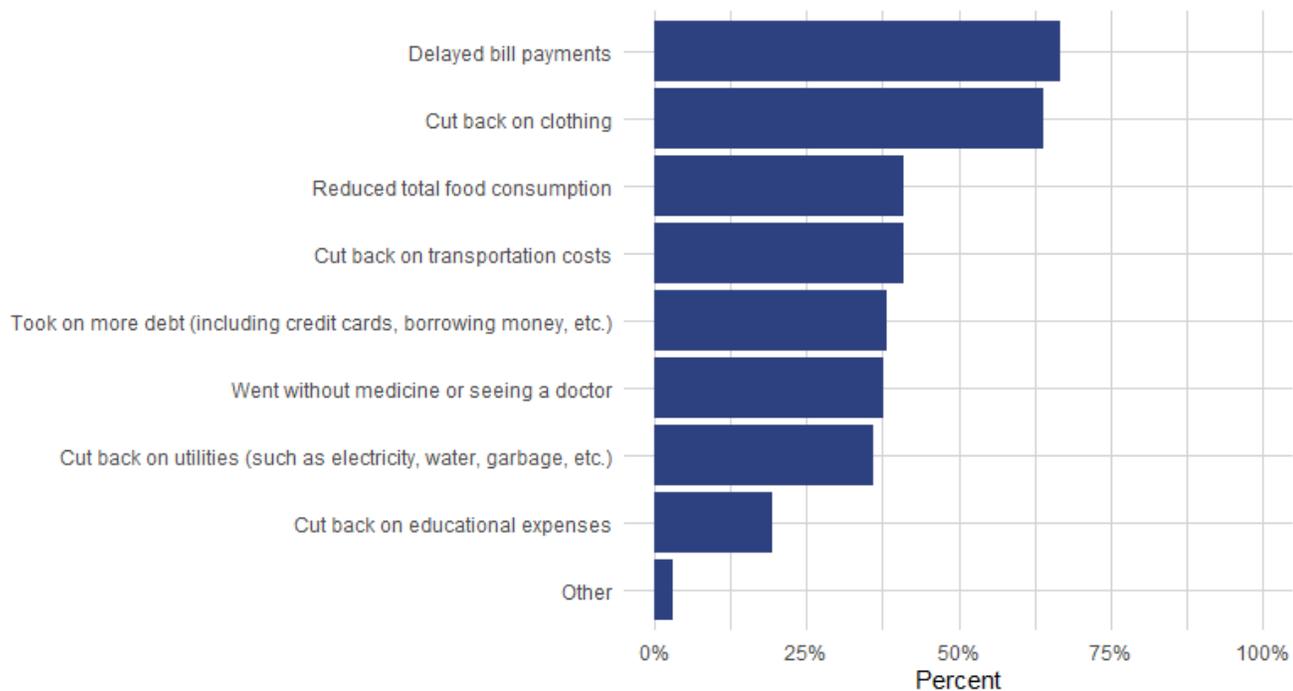
The COVID-19 pandemic brought about many unexpected expenses. When asked how they would pay for a \$400 emergency expense, over half of households (55.8%) stated they would not be able to pay for the expense at the time of the first survey.

Given the tumultuous state of household finances, this is unsurprising. Many households stated that they would take on more debt to pay for the expense and given that 41% reported already going into debt this could have dire long-term consequences for household finances. About 9% of households said they would put the expense on their credit card and pay it off over time and 7.8% indicated they would use a payday loan – both of which are subject to high interest rates. Approximately 32% of households indicated they would borrow from a family member or friend.

**Table 06.** Methods for Paying for an Unexpected \$400 Expense

<b>Method</b>	<b>Responses</b>	<b>Percent</b>
None (wouldn't be able to pay for the expense right now)	1343	55.8%
Borrowing from a friend or family member	780	32.4%
Selling something	466	19.4%
Using the money currently in checking/savings account, or with cash	237	9.8%
Putting it on a credit card and paying it off over time	227	9.4%
Using a payday loan, deposit advance, or overdraft	189	7.8%
Putting it on a credit card and paying it off in full at the next statement	76	3.2%
Using money from a bank loan or line of credit	69	2.9%
Other	91	3.8%

**Figure 07.** Adjustments Made to Make Life More Affordable



Survey participants reported a variety of adjustments they underwent in the previous two years to make life more affordable. Over half (63.8%) cut back on clothing and, alarmingly, 40.9% have reduced food consumption. Of similar concern is that nearly 30% went without medicine or seeing a doctor.

### *Paying Rent*

Many tenants in Atlanta were struggling financially prior to March 2020 and HIP expected to find that the situation for Atlanta renters was only exacerbated by the COVID-19 pandemic. To participate in Atlanta’s COVID-19 rental assistance program, landlords needed to waive rent arrears for their tenants, and HIP asked tenants what months they owed rent for to get a better idea of how large of a barrier to participation this would be.

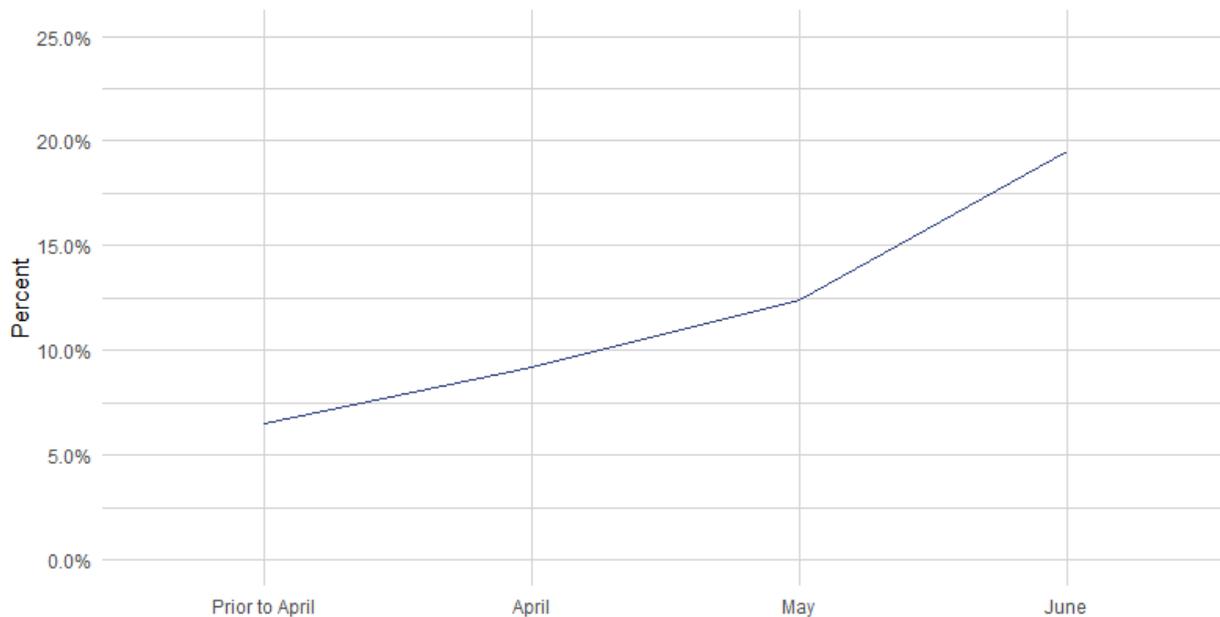
Prior to April 2020, only 6.5% of survey participants reported owing back rent to their landlords. However, this increased dramatically where by June 2020, almost 20% of participants did (see Figure 8 on the following page). This is most likely a result of many low-income tenants losing their job during this period.

Interestingly, prior to April 2020, White participants were slightly more likely to owe back rent (9.6%) compared to Black tenants (7.7%). Between April 2020 and June 2020, the rate of Black participants stating they owed back rent steadily increased from 10.1% to 24.1%. However, the rate of White renters behind on rent (18.3%) remained constant.

Prior to the pandemic, tenants experienced income gains and losses in nearly equal shares. Between January 2019 and January 2020, about 26% of tenants saw their monthly incomes increase and 23% saw their incomes decline.

Income loss became prevalent after the onset of the pandemic. In January 2020 the average respondent’s income was \$2,889, but at the time of the survey, average income was only \$1,702.

**Figure 08.** Share of Households Owing Back Rent by Month



Many participants faced pressure from their landlords to pay rent even though they were facing significant financial hardships. Almost 23% of tenants reported receiving a notice to vacate their unit, despite Atlanta’s eviction moratorium being in place for a period of time when the survey was available.<sup>5</sup>

<sup>5</sup> The City of Atlanta’s eviction moratorium expired on August 31, 2020.

### Changes to Household Outcomes During the Pandemic

A follow-up survey was distributed to applicants of the City of Atlanta’s COVID-19 rental assistance program from early December 2020 through early January 2021. The survey presented several new questions regarding borrowing methods and childcare responsibilities, but it also asked several of the same questions that were presented to participants in the baseline survey. This allowed HIP to examine how tenant experiences may have changed over time.

Overall, the follow up survey was sent out to 1,769 participants that provided their contact information in the baseline survey, out of which 659 tenants responded to the follow-up surveys. The results presented below show that many households continue to struggle financially and have little confidence in their current housing situation.

**Table 07.** Receipt of Notice to Vacate Unit

Notice Received	Responses	Percent
Yes		%
No		%
Did not say		%

## Housing and Rent Insecurity

The majority of follow-up survey respondents (76%) had not moved between May 2020 and November 2020. This is consistent with baseline survey, which found that more than 54% of applicants had not moved in the past three years.

Since the onset of the pandemic, ability to pay full rent has decreased steadily over time. More than half (59.2%) of respondents paid their full rent in May 2020; this share declined to 32.3% by November 2020. The trend was even starker among households with children under the age of 18. While 64.5% had paid full rent in May 2020, 32.1% paid full rent in November 2020 (see Figure 9).

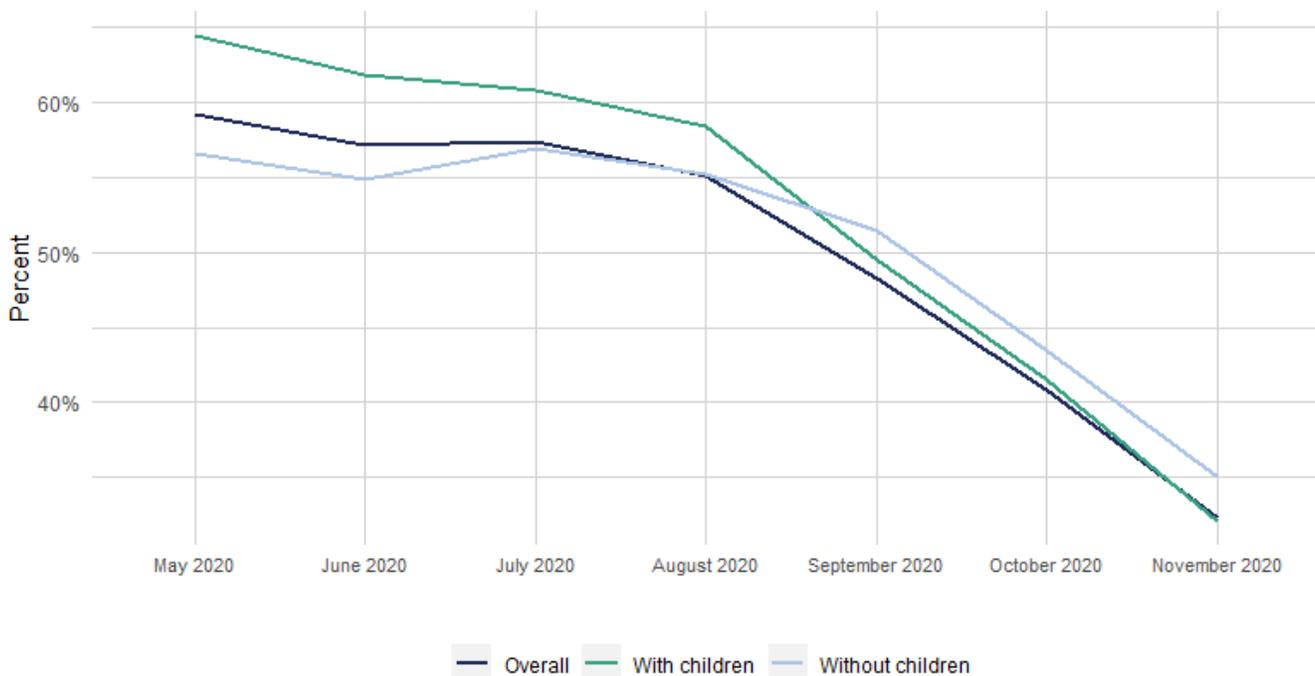
Survey results show more fluctuation in the ability to pay rent among households without children, with their ability to pay rent declining from May to June; increasing in July; then declining again throughout the Fall through November 2020.

Black households followed the overall trend in declining ability to pay rent, with 61.4% reporting they paid full rent in May 2020 but only 33.4% paying full rent in November 2020. While other racial and ethnic groups also reported struggling to pay rent, the small number of participants in these groups makes it challenging to accurately extrapolate trends.

At the time of the follow-up survey, only 9.6% of respondents reported that they could “definitely” pay their December 2020 rent. Households with children were slightly more likely to say that they definitely could *not* pay December 2020 rent (45.3%, compared to 42.2% of households without children).

Given these realities, it is not surprising that 55.5% of participants reported being “very worried” about being evicted within the next few months. The share was even higher (61.6%) among households with children.

**Figure 09.** Ability to Pay Full Rent Over Time by Presence of Children



White survey respondents were the most likely of any racial or ethnic group to say they “definitely” could not pay their December 2020 rent (47.1%). Among Black survey respondents, 43.8% said they “definitely” could not pay their December 2020 rent. While no Hispanic respondents indicated that they “definitely” could pay December 2020 rent, 41.7% said they “probably” could.

*Financial Precarity*

Among tenants who completed both the baseline and follow-up survey, 96% did not report any change in their financial status since taking the baseline survey. As a result, the vast majority of tenants are still either going into debt (42.8%) or are just managing (38.1%).

Most respondents also continue to make adjustments in order to make life more affordable. As shown in Table 9, over three-quarters (75.7%) of respondents have delayed bill payments, and almost half (46.4%) have reduced their total food consumption. Over 40% went without medical care. Households with children are making similar adjustments: 40% cut back on food, 66.6% cut back on clothing, and 38.4% went without medical care. Notably, almost half of all households with children reported taking on more debt to cover expenses (47.6%).

**Table 08.** Ability to Pay Rent in December 2020

<b>Ability</b>	<b>Responses</b>	<b>Percent</b>
Definitely can	63	9.6%
Probably can	136	20.6%
Probably cannot	152	23.1%
Definitely cannot	274	41.6%
Did not say	34	5.2%

Interestingly, White respondents reported making adjustments at greater rates across the board than Black respondents did. About 79% of White households indicated they cut back on clothing, compared to 64.8% of Black households. White tenants were also more likely to state (at 70.6%) that they were reducing total food consumption than Black participants were (at 47.5%). However, both groups reported very high rates of delaying bill payments to make life more affordable (White: 82.4%; Black: 79.3%).

**Table 10.** Adjustments Made to Make Life More Affordable

<b>Adjustment</b>	<b>Responses</b>	<b>Percent</b>
Delayed bill payments	499	75.7%
Cut back on clothing	414	62.8%
Cut back on transportation costs	323	49.0%
Reduced total food consumption	306	46.4%
Took on more debt (including credit card debt, borrowing money, etc.)	303	46.0%
Cut back on utilities (such as electricity, water, garbage, etc.)	297	45.1%
Went without medicine or seeing a doctor	267	40.5%
Cut back on education expenses	120	18.2%
Other	16	2.4%
None of the above	11	1.7%

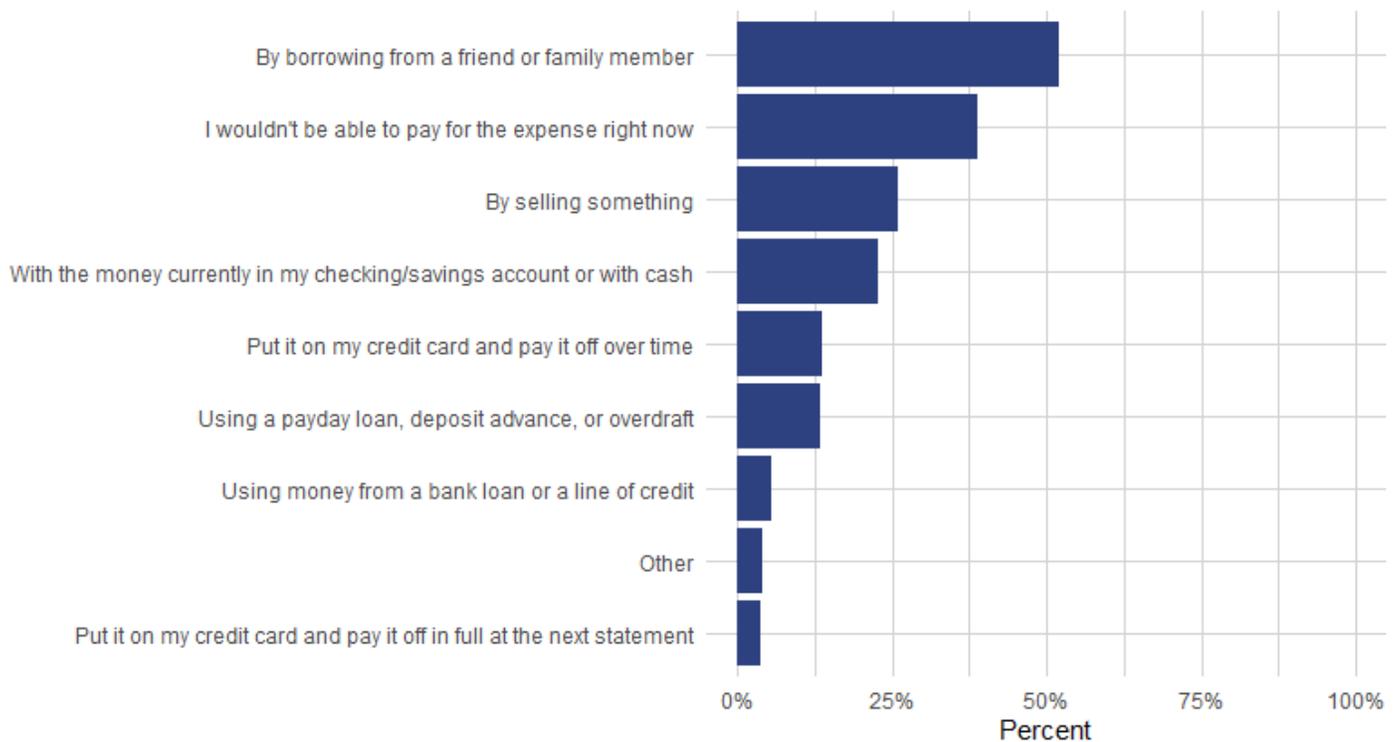
The follow-up survey also asked households what expenses they currently needed financial help to cover. The most common response was housing expenses (79.6%), followed by monthly bills (70.4%). Among households with children, 21% reported needing financial help for childcare expenses. More than half (57.1%) of households with children also reported needing help paying for transportation costs, compared to 43.9% of those without children.

A majority of all households (76.3%) reported facing an unexpected expense during the period between the baseline survey and the follow-up survey. Surprisingly, households without children were slightly less likely to have experienced an unexpected expense (77.6%, compared to 83.1% of those with children). When asked how they would pay for this expense, about half of all participants indicated that they would borrow from a friend or family member (51.9%). Many also noted they simply wouldn't be able to pay for the expense (38.8%), and those with children gave this

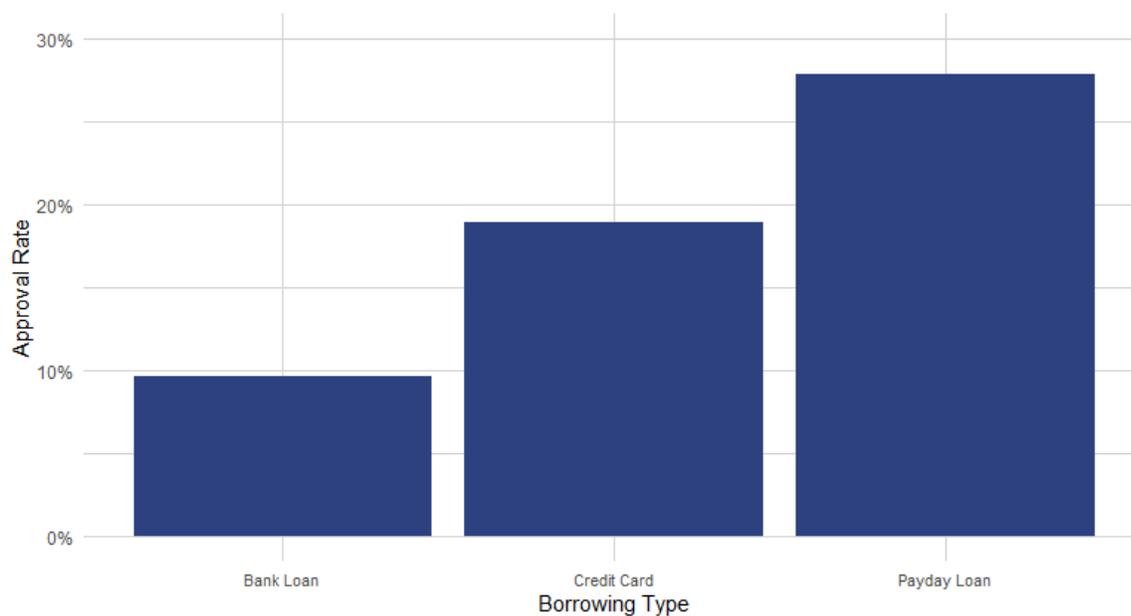
response at higher rates (41%, compared to 37.1%). When the survey asked respondents to consider how they would pay for a hypothetical \$400 emergency expense, the share of tenants who noted they would not be able to pay for the expense increased significantly, to 60.2%.

Three-quarters of participants also reported having tried to borrow money in the last four months in order to help stabilize their financial situation. Households with children tried to borrow money at a higher rate than those without children (82.9% and 75.5%, respectively). Additionally, respondents with children were slightly more likely to ask a friend or family member for financial assistance (90.2%, compared to 84.9% of those without children).

**Figure 10.** Methods for Paying for Unexpected Expenses



**Figure 11.** Approval Rates by Borrowing Method



As shown in Figure 11, a majority of respondents’ applications for a new credit card or loan were denied. Specifically, 88.5% of bank loan applicants, 80.4% of credit card applicants, and 72.2% of payday loan applicants indicated that their applications were not approved. Households with children were slightly more likely to be denied across all forms of borrowing.

*Impact of COVID-19 on Childcare Responsibilities*

Slightly more than half (57.7%) of follow-up survey participants have children under 18 and the majority of these (90%) have school-aged children. Almost all households with school-aged children reported their child’s school was closed due to the pandemic. Many

reported that their child’s school was not providing any resources for at-home learning. Less than a third of those with school-aged children reported that their child was participating in online sessions with their teacher and only about 9% said the school was providing support for parents (Table 11 on the following page).

Less than half (42.3%) said their child’s school had provided a computer for remote learning. While nearly three-quarters of households reported having a device other than a cellphone which their child could use, 24.3% did not have such a device available. Children without access to teacher-guided learning or non-cellphone devices are likely at high risk of accumulating learning deficits during the pandemic.

**Table 10.** Attempts to Borrow Money in Last 4 Months

Attempt	Responses	Percent
I asked a friend or family member	437	88.3%
I applied for a payday loan or title loan	169	34.1%
I applied for a new credit card	153	30.9%
I applied for a loan from a bank	113	22.8%

**Table 11.** Resources Provided by School for Virtual Learning

Resource	Responses	Percent
Computer	260	42.3%
Online sessions with the teacher	193	31.4%
Support for parents	54	8.8%
One-on-one tutoring sessions	49	8.0%
Print-outs of materials	49	8.0%
Other	9	1.5%

Households with children also faced challenges related to childcare. A concerning high share (76.8%) of households with children under the age of five noted that they “definitely cannot” continue to pay for childcare for even the next three months. Relatedly, 42.6% of all households with children said that childcare responsibilities impact their ability to work “a lot,” and an additional 17.9% said these responsibilities “somewhat” impact their ability to work.

Households with minor children are concerned about the physical and mental wellbeing of their children. A majority are either “very worried” (58.2%) or “somewhat worried” (18.4%) that their child will be exposed to COVID-19 through childcare or school. In terms of mental health, about half (49.5%) of participants with children under the age of 18 saw increased irritability in their children over the course of the previous month.

Finally, food insecurity continues to affect households with children. For instance, 17.4% of those with children under 18 received assistance from a food bank in September 2020. And at the time of the follow-up survey, 68% of households with children reported experiencing some level of food insecurity in the past month.

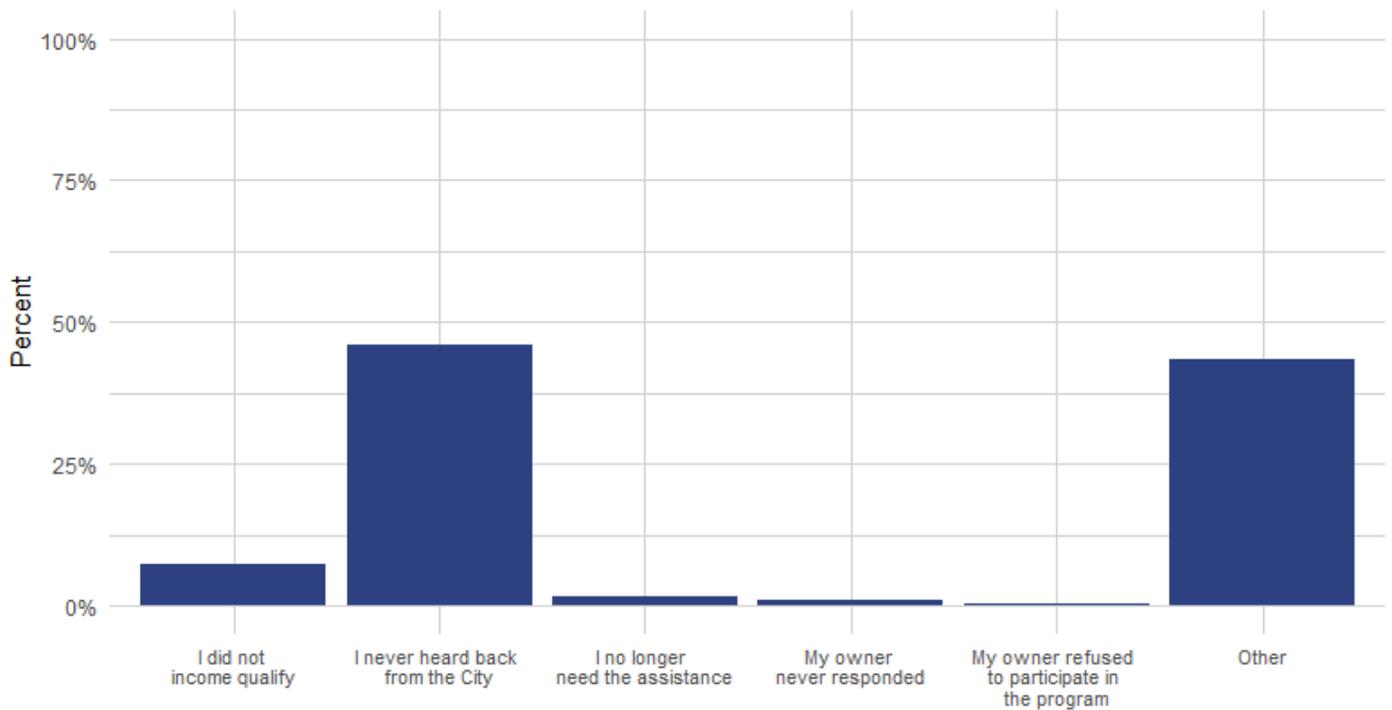
### Potential Impact of Rental Assistance Programs

There are many ways to judge a program’s efficacy—how much money was distributed, and the number of households served, to name two. We would also expect that a successful rental assistance program may help tenants in other aspects of their lives, not just in their ability to remain housed and pay rent. Of the 659 tenants who participated in the follow-up survey, 256 reported receiving assistance through the City of Atlanta’s program. The following section examines how participating in Atlanta’s COVID-19 rental assistance program may have impacted tenant experiences during the COVID-19 pandemic.

#### *Reasons for Non-Receipt of Assistance*

As of mid-March, Atlanta has served nearly 6,000 households through its rental assistance program, not far short of its original goal to serve 8,300 households. In our follow-up survey, HIP asked households to self-report whether they were receiving assistance from the City. Almost 40% of follow-up participants responded in the affirmative. Of those who were not receiving assistance, 46% said they had never heard back from the City regarding their application.

**Figure 12.** Reasons Follow-Up Survey Participants Did Not Receive Assistance



Very few tenants reported that their landlord did not respond (1%) and even fewer stated that their landlord refused to participate in the program (less than 1%). This result is surprising given HIP’s finding that landlord participation was a hurdle for many emergency rent relief programs across the country, including in [Philadelphia](#) and [Los Angeles](#).

*Impacts on Housing Instability and Eviction*

The rental assistance subsidy is associated with increased housing stability. Assisted households reported lower rates of homelessness than those not receiving the subsidy (74.2% compared to 65.5%). This finding also held true for every individual form of homelessness, from doubling up with relatives to sleeping in a vehicle or on the street.

Households receiving assistance had greater confidence that they would not be evicted. About 61% of those who had not received assistance at the time of the follow-up survey reported being “very worried”

about eviction, compared to only 53% of those who had begun receiving payments. Yet the fact that more than half of assisted tenants remained concerned about eviction suggest that the subsidy alone could not resolve tenants’ housing insecurity.

*Impacts on Household Finances*

Tenants receiving rental assistance still struggle with housing costs. In fact, 85.5% reported that the last time they needed financial help, it was to cover housing expenses; this share is 10 percentage points higher than the share of those *not* receiving the subsidy. This result likely reflects that the rental assistance program served households with higher initial levels of need.

We might expect that rental assistance helped stabilize tenants’ overall finances by reducing housing costs. In reality, the results are mixed. While assisted households were less likely than unassisted households to say that they would not be able to pay for an unexpected expense, they also reported trying to borrow money at

*greater* rates than unassisted households. Households receiving assistance were more likely than their unassisted counterparts to describe their financial situation as “just managing,” suggesting that the rental assistance was merely one factor in a delicate balancing act to stay afloat.

## Conclusion

The full impact of COVID-19 on household outcomes, and of the potential of rental assistance to improve those outcomes, will not be known for some time. Current evidence from Atlanta is largely encouraging. Assisted households reported greater confidence that they could stay housed, and experienced fewer instances of homelessness.

These positive outcomes must be placed in the context of low-income tenants’ overwhelming need. HIP’s surveys show that despite federal protections against eviction, tenants are burdened with high levels of rent arrears, non-rent debt, and persistent fears of eviction. Atlanta’s first round of rental assistance offered a relatively shallow subsidy both due to limited federal funding and the program’s structure. The high levels of debt households have taken on to stay in their homes, much of which is now credit debt, cannot be addressed by a rental assistance program and will likely place long-term economic strains on households. And while the City of Atlanta is on its way to reaching its original goal of serving 8,300 households, this target is small compared to the number of low-income tenants in need of assistance.

Combined, these findings suggest that a better-funded, more flexible program could have a greater impact on household outcomes. But even with such a program in place, households need a broader sets of housing stability services, as well as financial assistance to address non-housing debt. Absent such supports, the pandemic may manifest as a permanent tax on those with the least means to pay it.

This study is very much in progress. The data presented in this report here will be combined additional survey and administrative data to uncover the deeper, ongoing, and temporally sensitive realities that many low-income households face. Although much remains unknown, the magnitude of the challenge is becoming visible. Both retrospective policy correction and prospective solutions will be necessary to ensure access to decent, stable, and affordable housing for low-income households.

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