Policy Brief:
A Year in Review: Housing Instability Trends for Hoosier Families and Counties Most Affected by COVID-19

Indiana Institute for Working Families, Indiana Youth Institute, Prosperity Indiana

Executive Summary

The ongoing COVID-19 pandemic has exacerbated a pre-existing housing stability crisis in Indiana, with effects particularly concentrated among renter households, families with children, Black and brown Hoosiers, and low-income households. Throughout the first year of the pandemic, these Hoosier households were most likely to be affected by job and income loss and least likely to be able to stay current on housing payments. Therefore, they were most at risk of eviction or foreclosure.

After a year of economic disruptions, Indiana has experienced over 41,000 eviction filings at an average rate over 750 per week, despite two eviction moratoria and two rounds of federally-funded emergency rental assistance. With the addition of a new state law that increases eviction powers and reduces local control over landlord-tenant relations, nearly one third of the state's counties are now above pre-pandemic eviction filing rates, with the highest increases concentrated in Indiana's smaller and more rural counties.

This joint policy brief was produced in partnership by the Indiana Institute for Working Families, Indiana Youth Institute, and Prosperity Indiana. The report considers data from the weekly U.S. Census Household Pulse Survey, Federal Reserve Bank of Atlanta's Unemployment Claims Monitor, and EvictionLab's Eviction Tracking System to analyze the economic and social demographics and geographies of COVID-19 housing instability. Recognizing the significant federal resources becoming available to address COVID-related housing instability for renters concurrently with state and federal law and policies making eviction an increasingly available option for landlords, the brief also provides policy recommendations designed to inform Indiana's state and federal policymakers regarding measures needed to rebuild housing stability and move towards long-term housing security.

Housing instability in Indiana: a pre-existing condition worsened by COVID-19

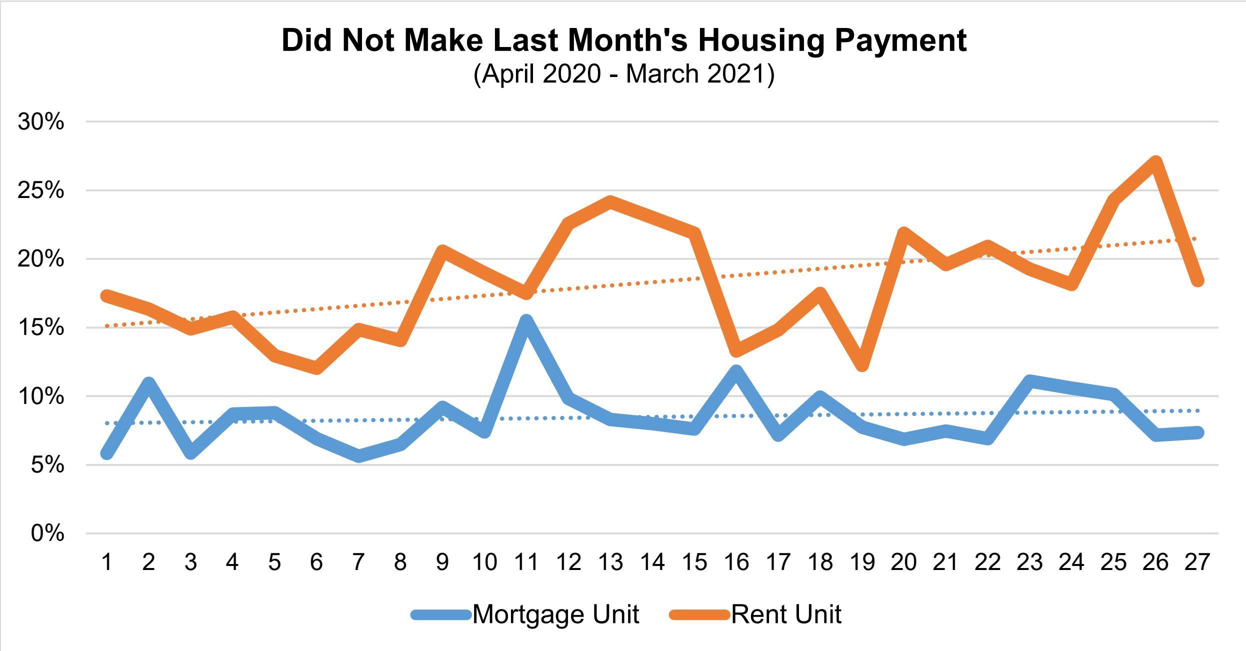
The economic downturn spurred by the coronavirus has further increased the risk of housing instability for millions of low-wage renters (and homeowners), particularly those with children, at a time when stable housing is vital. However, housing instability has been an ongoing crisis for households and families across Indiana, even before the COVID-19 pandemic began affecting the state widely in March 2020. EvictionLab data show that 31% of Hoosiers are renters and that an average of 87 evictions per day occurred during 2016 (the most recent pre-pandemic year of data available), with an overall rate 1.7% higher than the U.S. The typical renter in Indiana pre-COVID-19 earned $14.44, which was $1.88 less than the hourly wage of $16.32 needed to afford a two-bedroom unit at fair market rate, according to the National Low-Income Housing Coalition.

Several policy interventions were made at the state and federal levels to address evictions due to the economic downturn. On March 19, 2020, Governor Eric Holcomb signed an executive order establishing a moratorium on residential evictions, which lasted until August 15. On March 27, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which allocated funding that the states of Indiana used to serve 27,314 households with $57.9 million used for emergency rental assistance, in addition to $33.6 million used to serve 15,835 households in Marion County. On September 1, the Trump Administration, through the Centers for Disease Control and Prevention (CDC), issued a new nationwide eviction moratorium as a means to curb the potential spread of COVID-19. Under the Biden Administration, the CDC has extended the moratorium most recently through June 30, 2021. And under the Consolidated Appropriations Act 2021, enacted on December 27, 2020, Indiana received an additional $447.9 million for Emergency Rental Assistance programs. The funds are currently being administered by six local programs, in addition to the balance of the state program.

While the moratorium extension provides temporary relief to Hoosiers concerned about losing their homes as new rental assistance is rolling out, data shows an ongoing lack of confidence in the ability to pay rent. As explored later in this paper, more than 40,000 evictions were filed in Indiana during the first year of the pandemic, despite the ongoing federal moratorium. Once the moratorium expires on June 30, the Hoosier households most economically impacted by the pandemic, but not adequately served by relief efforts, will see heightened risk of eviction and housing instability.

Which Hoosier Households are most likely to experience COVID-19 housing instability?

With new opportunities for rental assistance on the horizon in a race against the CDC's eviction moratorium lifting, it is essential to identify which Hoosier households have been most likely to experience housing instability during the pandemic and which families are left most at risk. This brief analyzes data from the U.S. Census Bureau's Household Pulse Survey through 27 biweekly segments available from April 23, 2020 through March 29, 2021. The Survey measures household experiences during the pandemic, with data collection still in progress. Our analysis finds consistent trends that the Indiana households most affected by the pandemic include renter households, households with children, low-income households, and Black and brown households. The Survey data shows these households were less likely to have made the previous month's housing payments and had less confidence in being able to make the next month's payment. These effects remained consistent despite periods when rental assistance programs were active.



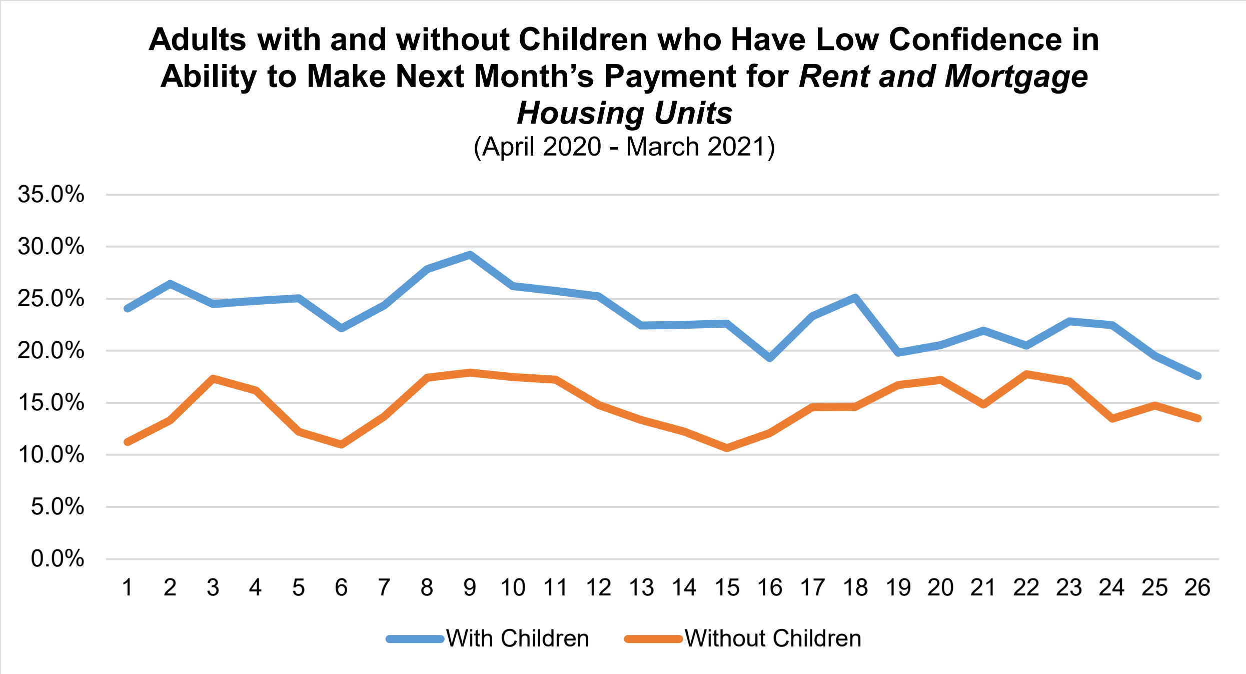
Source: U.S. Census Bureau, Household Pulse Survey, Indiana, April 23, 2020 – March 29, 2021

Hoosier renter households are increasingly unable to make their housing payments

Data shows that the percentage of Hoosier renter households with low confidence in making next month's payment is higher than Hoosier homeowner households by 19.7 percentage points (Rent Unit: 31.9% and Mortgage Unit: 12.2%). The fact that housing insecurity and the inability to make payments are affecting renters at consistently higher and increasing rates compared to homeowners suggests that these families were 1) more likely to lose income and spend through savings as the pandemic proceeded and 2) that they had not received sufficient income replacement or rental assistance to make up the difference. This inference is supported by data showing that the occupations with the largest unemployment claims during COVID-19 are those primarily held by low-income renters, including accommodation and food services, retail, and other front-line, high-touch service occupations.

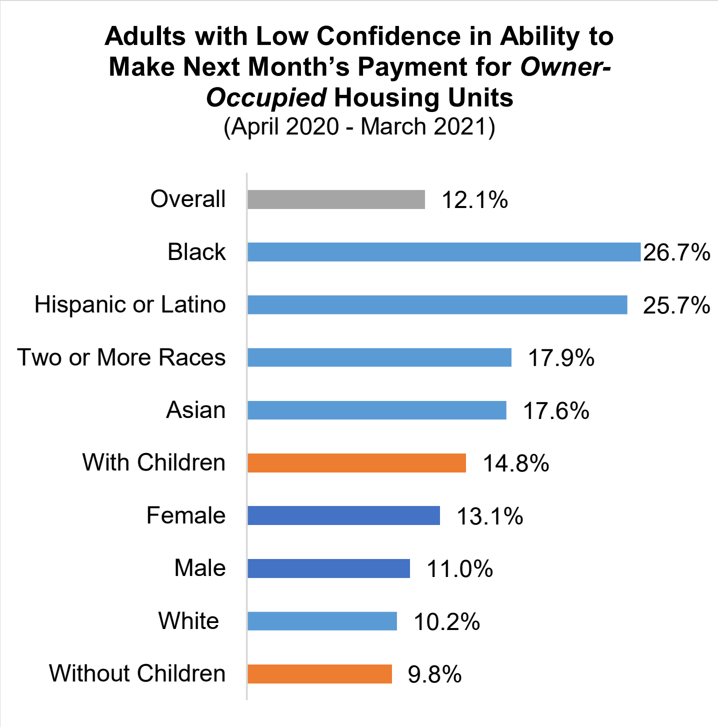
Hoosier renters with children experience more burden than renters without children

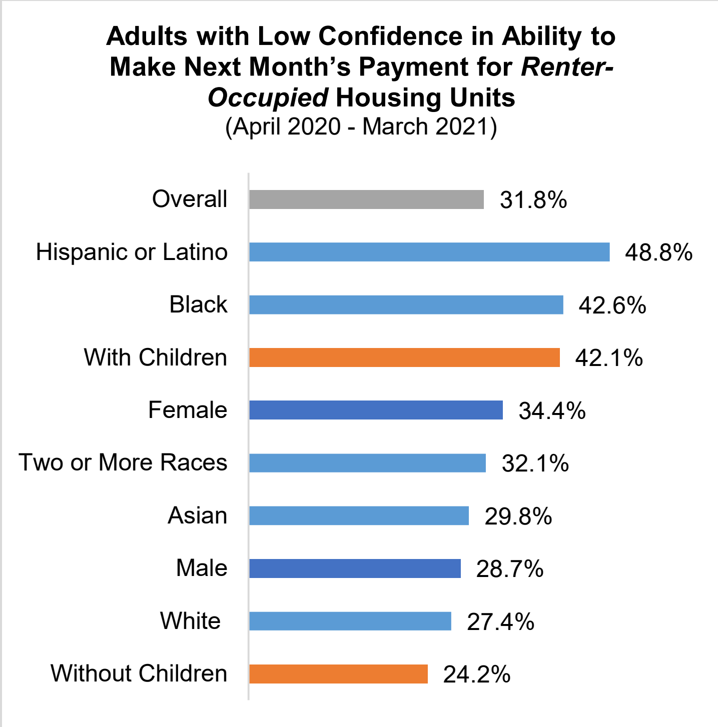
Throughout the pandemic, households with children had higher percentages of reporting low confidence in making next month's payment than households without children. From the aggregate of all the data, an average of 23.4% of households with children have low confidence in their ability to make next month's payment. This average is 4.9 percentage points higher than Indiana's overall average percentage of 18.5% and 8.8 percentage points higher than the average for households without children (14.6%). These data points illustrate that, throughout the COVID pandemic, Hoosier households with children have had a higher likelihood of experiencing housing insecurity and potential evictions than households without children.



Source: U.S. Census Bureau, [Household Pulse Survey, Indiana, April 23, 2020 – March 29, 2021]

Housing insecurity and the inability to make payments affect renters at higher rates compared to homeowners. Across all racial and ethnic subgroups, those in renter-occupied units are almost twice as likely to report low confidence in making next month's payment than owner-occupied housing units. Households with children, regardless of whether they are home owners or renters, indicate lower confidence in their ability to make payments by at least five (5) percentage points.

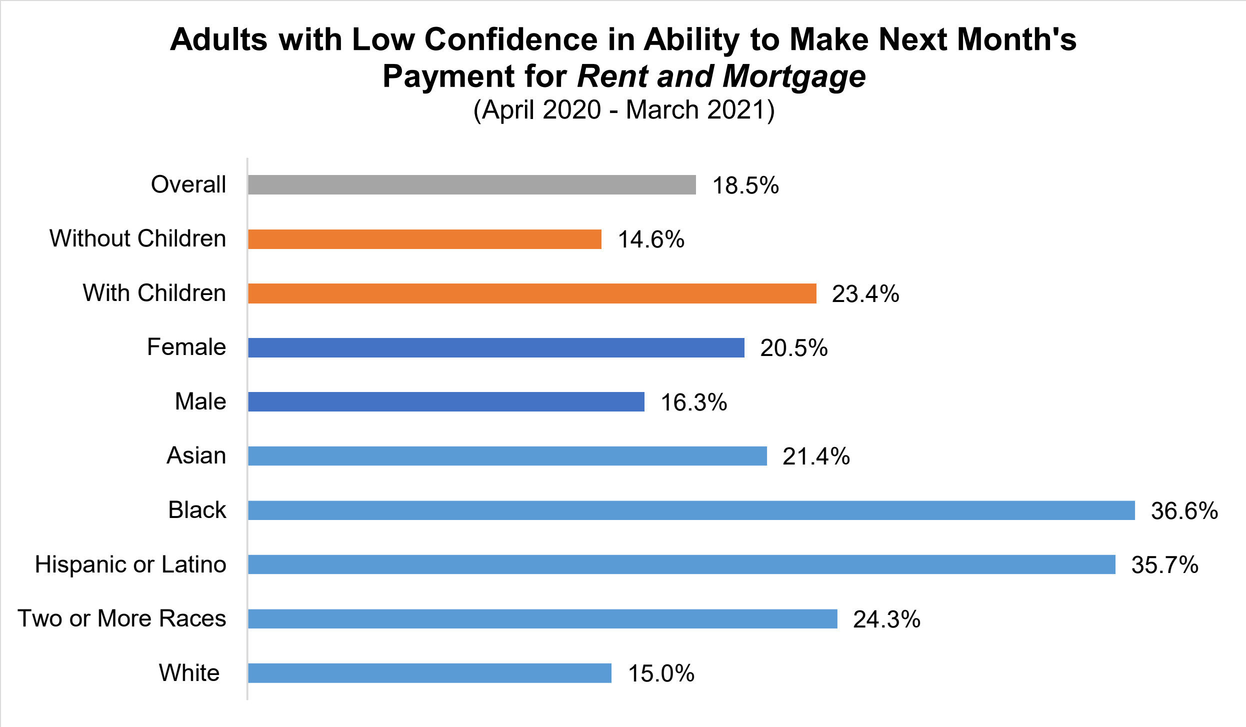




Source: U.S. Census Bureau, Household Pulse Survey, Indiana, April 23, 2020 – March 29, 2021

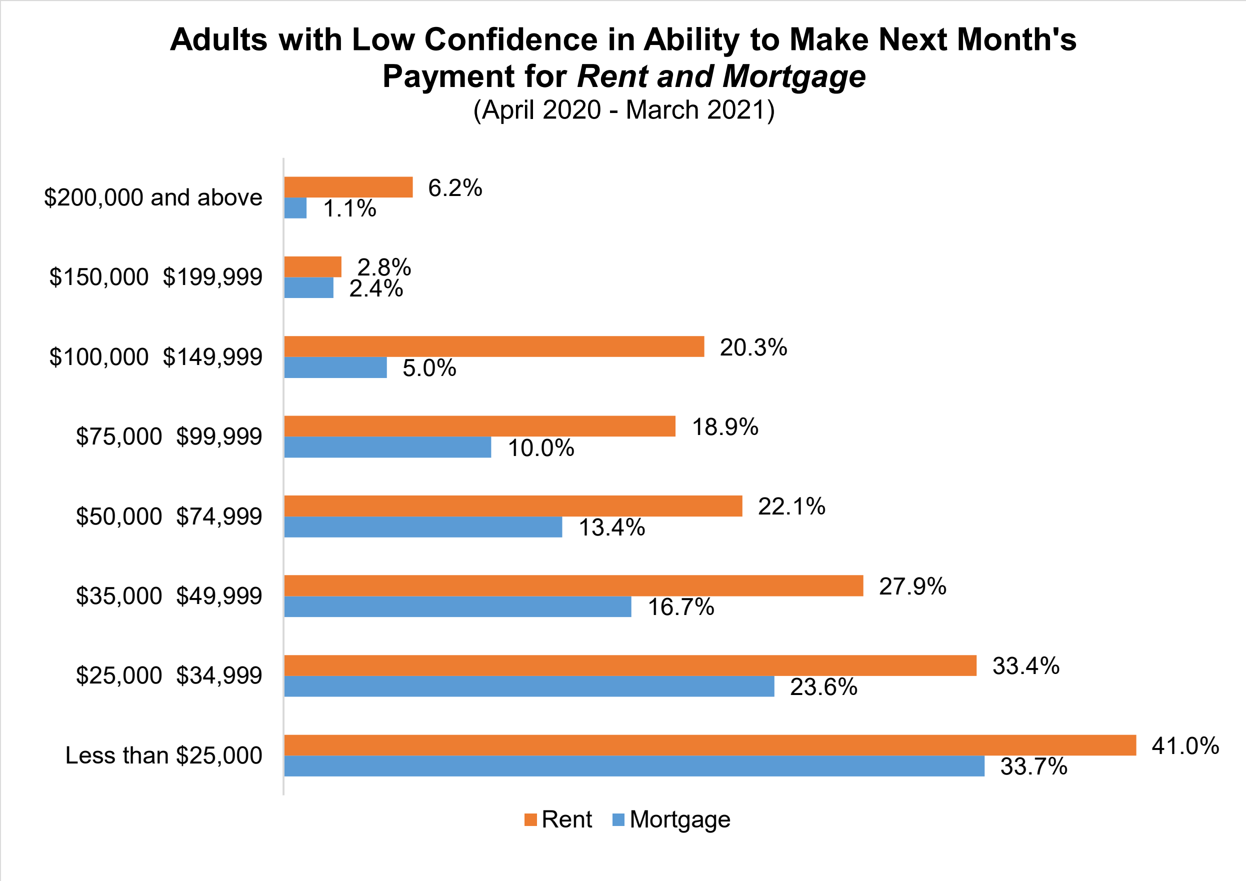
Hoosier Households of color have less confidence in being able to pay next month's rent

Of all Hoosier households, 18.5% reported low confidence in their ability to pay next month's payments between the beginning of the pandemic and March 29, 2021. Overall, white Hoosier households had the highest confidence in their ability to make next month's payment; only 15.0% of White households reported low confidence, 3.5 percentage points lower than the overall for Indiana. In comparison, Hoosiers of color had a significantly higher concern with 35.7% of Hispanic or Latino Households and 36.6% of Black Households indicating low confidence in making next month's payment, nearly two times higher than the overall percentage of 18.5%.



Source: U.S. Census Bureau, Household Pulse Survey, Indiana, April 23, 2020 – March 29, 2021

Low confidence in making next month's payment not only affects those who fall in the lower-income bracket but also those who are middle-income**.** According to Pew Research, households who make less than $40,100 are considered low-income, and families who make between $41,000 and $120,000 are considered middle-income. Households which fell in the low- and middle-income brackets on the Household Pulse Survey reported lower confidence in their ability to make next month's payment compared to those in the upper-income bracket (more than $120,000). For example, of those who rent, 74.4% of households earning $34,999 or less and 68.9% of households earning between $35,000 and $99,999 indicated having low confidence in their ability to make next month's payment. As Indiana's median income in 2019 was $57,603, this data indicates that housing insecurity is not isolated to low-income Hoosiers, but that those in Indiana's middle-income bracket have also been impacted by the economic volatility of COVID-19.



Source: U.S. Census Bureau, [Household Pulse Survey, Indiana, April 23, 2020 – March 29, 2021]

For Hoosiers of color, this level of uncertainty in their ability to pay rent is tied to the trends during the pandemic, as well. [The Unemployment Claims Monitor], released by the Federal Reserve Bank of Atlanta, shows that unemployment insurance claims for people of color and females were higher from the beginning of the pandemic through the end of 2020 when compared to the rest of the labor force. The resulting decrease in income during the pandemic exacerbated the uncertainty in the ability to pay rent or mortgages for these populations.

Even before COVID-19, people of color were shown to have higher rates of being cost-burdened. Cost-burdened is "paying more than 30 percent of their income for housing" and "may have difficulty affording necessities such as food, clothing, transportation, and medical care." [1] In 2020, across Indiana, 40.4% of White renter households were cost-burdened by housing, while 44.5% of Indiana's Hispanic or Latino households and 51.4% of Black households were cost-burdened. With Hoosiers of color already experiencing a high cost-burden for housing pre-pandemic, coupled with higher unemployment rates during the pandemic, these factors increased the uncertainty in their ability to make next month's housing payment. Overall, for Indiana and the United States, people of color were more impacted by COVID-19 and job loss and, therefore, housing instability, thus necessitating a focus on ensuring equitable access to resources, including rental assistance.

Lower-Income Hoosiers are less likely to be current on rent payments

When analyzing households who are current on rent payments by income levels, Hoosier renters with income at or below $49,999 annually experienced significantly lower rates of being current, when compared to higher income ranges, from August 31, 2020 to March 29, 2021. Aside from one outlier data point, where households making $25,000 to $34,999 had the lowest rate of being current on rent (March 1, 2021), households making less than $25,000 consistently had lower rates of being current on rent than any other income group. Households in Indiana with an income of less than $25,000 annually are generally the least current on rent payments, with only 54.4% being current at the lowest point during the period, according to data analysis from STOUT.

This data is especially striking, when considering the fact that, to afford a modest, two-bedroom apartment at fair market rent in Indiana, full-time workers need to earn $16.32 per hour. As previously highlighted, the typical renter in Indiana pre-COVID-19 earned $14.44, which is $1.88 less than the hourly wage needed to afford a modest unit, in turn affecting Hoosier's ability to stay up to date on payments.

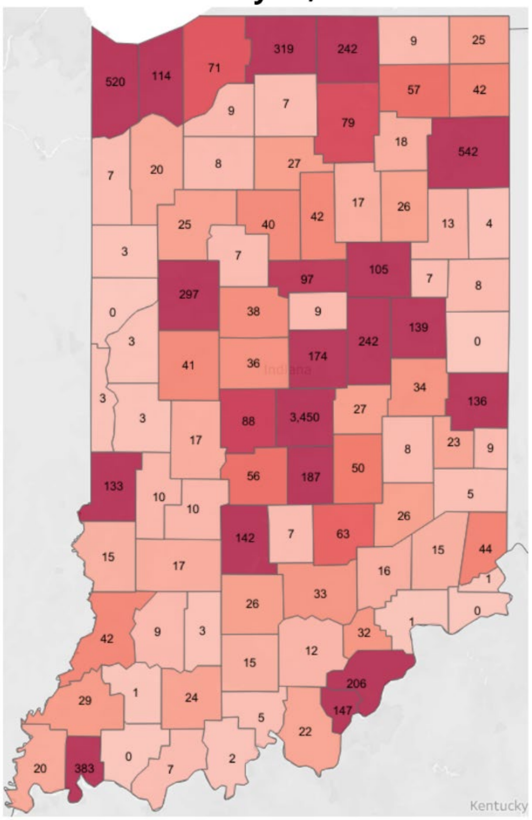
What the Census data says about how to prioritize Indiana's COVID-19 housing resources

Data from the Household Pulse Survey shows the need to prioritize renters, particularly those with children, as they are experiencing higher levels of uncertainty about making the next month's housing payment (44.3%). This indicates the pandemic and related income-loss has had an immediate impact on renters, and especially necessitate an increased focus on and assistance for people of color – specifically those with children to avert massive evictions and homelessness; this may be achieved through active outreach and targeting communities that show higher levels of racial diversity for rental assistance.

Where are the most COVID-19 eviction filings occurring in Indiana, and which counties have seen the largest increases in eviction filing rates?

According to EvictionLab's [COVID-19 Eviction Tracking System](), 41,139 evictions were filed in Indiana March 15, 2020, when the COVID-19 public health emergency began, through May 1, 2020, despite the state and ongoing CDC eviction moratoria. While the largest number of eviction filings continue to occur in the state's most populous counties, the areas with the most elevated *rates* of eviction filings are mostly in rural counties and those hardest-hit by the pandemic. Compounding the problem is a new state law that reduces local housing stability efforts and allows new forms of expedited evictions.

Eviction Filings since SEA 148 enacted February 17, 2021



Source: EvictionLab COVID-19 Eviction Tracking System, data as of May 1, 2021

On February 17, 2021, the Indiana General Assembly completed its override of Governor Eric Holcomb's 2020 veto of [SEA 148](). The law, which took effect immediately, allows landlords to use emergency possessory actions (evicting tenants in three days), not just for destroying property, but for six additional reasons including for reporting code violations. SEA 148 also codifies other loopholes in anti-retaliation protections that leave renters vulnerable.

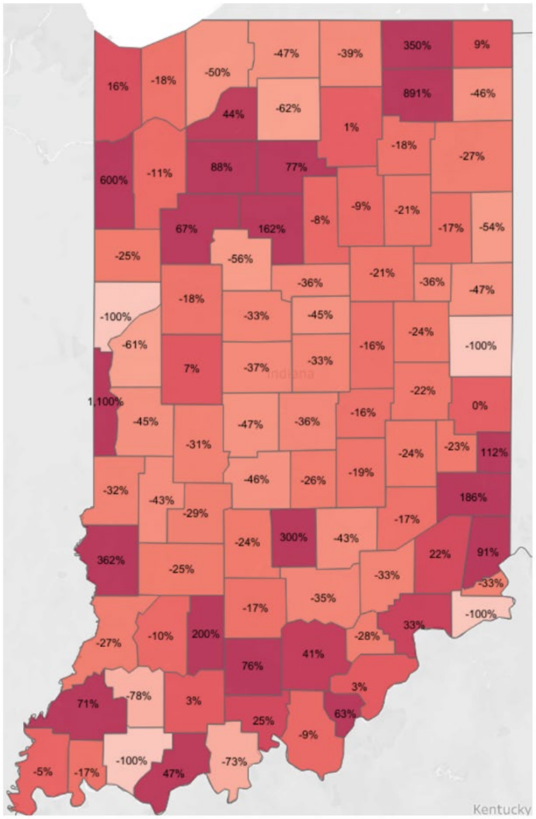
The rate of evictions filed since SEA 148 became law, February 17, through May 1, 2021, is only 14.2 percent below the pre-pandemic average statewide, despite the CDC moratorium. The most populous counties are typically also those with the highest overall number of eviction filings during the pandemic, including Marion (3,450), Allen (542), and Lake (520). This is in line with overall trends showing a slightly lower rate of eviction filings throughout the first year of the pandemic compared to average.

However, nearly a third of Indiana's counties – 29 of 92 counties statewide – saw an increase in the rate of eviction filings since SEA 148 became law on February 17, above the average pre-pandemic rates during that same period.

- Of the counties that saw an increase in eviction filings above pre-pandemic levels, 68% were rural counties, 18% were a mix of rural and urban, and 14% were urban.

- Counties that saw an increase in eviction filing had child poverty rates (ages 0 – 18) ranging between 5.1% and 24.9%, while counties that saw a decrease had child poverty rates ranging between 5.3% and 28.7%. Owen County has the highest child poverty rate of 28.7% and saw a decline of four eviction filings (14 to 10). Union County has the lowest child poverty rate of 5.1% and saw an increase of five eviction filings (4 to 9).

Change from Average Filing Rate since SEA 148 enacted February 17, 2021



Change in eviction filing rate from Feb 17 to May 1, 2021 compared to average historical county filings, 2016-2019, from Feb 17 to May 1
Source: EvictionLab COVID-19 Eviction Tracking System, data as of May 1, 2021

What the EvictionLab data says about how to prioritize Indiana's COVID-19 housing resources

The large number of eviction filings across Indiana and the substantial proportion of counties with increased rates of eviction filings, despite moratoria and increased rental assistance availability, points to locations that need additional resources and protections in order to recover economically from COVID-19. These may be areas that currently lack an adequate legal or social services infrastructure to absorb an increase in evictions without incurring long-lasting damage to the community. Indiana's policymakers should continue to monitor areas with increased numbers and rates of evictions, as well as areas at highest risk of COVID-19 housing instability, to target recovery resources and policy remedies.

Recommendations

In light of the data and research in this brief, in order to restore housing stability damaged by over a year of the COVID-19 pandemic and recession, Indiana's state and federal policymakers must ensure resources reach the households, providers, and communities most in need. To avoid falling prey to the 'pre-existing conditions' that have made Indiana so vulnerable to housing instability during the pandemic, policymakers must also increase the stock of affordable housing and increase levels of renter protections statewide.

State- and local-level recommendations

Indiana's policymakers at the state and local level can take immediate action to ensure federal resources reach those who need them most and incorporate the experience and perspective of housing providers, residents, and community leaders in a coordinated housing policy response.

- Ensure that hardest-hit families and households, providers, and communities receive targeted outreach and resources available through locally- and state-administered programs. This should include targeting communities with heightened eviction filing levels and areas most impacted by COVID-19 housing instability. Each program should also employ a framework to serve priority populations.

- Indiana should establish a 'Housing Stability Lead and Task Force' to monitor and implement a housing policy response across agencies and to include stakeholder input. The Task Force should include representatives from impacted households and localities, housing providers, homelessness prevention services, and community advocates to identify and resolve bottlenecks in resource delivery.

- To address the tens of thousands of households who have already fallen through the cracks of housing instability, the state is encouraged to create an eviction expungement process allowing tenants to expunge certain evictions from their court records. An eviction on a record can be detrimental and prevent Hoosier families from finding and maintaining quality affordable housing. Tenants who are denied housing should also have the right to see their tenant screening records to remedy and/or rectify inaccurate information and prevent further housing stability barriers.

- Indiana should include a 'Housing Stability Dashboard' on the state's website with data on evictions, foreclosures, outcomes of rental assistance, and other housing stability programs by county and Census tract, as well as metrics of housing availability and affordability for families with and without children.

- The state court system should facilitate local problem-solving housing courts to test effective remedies for landlords and tenants. The court should also take steps to ensure fair representation and outcomes in housing stability proceedings for all parties.

Federal-level recommendations

Because Indiana's housing outcomes are below average for our peers in the Midwest, including elevated eviction rates, low rates of affordable housing, and high rates of severe cost burden, improvement in long-term housing stability depends in part on investment in housing and affordability at the federal level. Hoosiers stand to gain among the most from these federal 'HoUSed' (universal, stable, affordable) recommendations:

- Bridge the gap between incomes and housing costs by expanding rental assistance to every eligible household, prioritizing those families with children.

- Expand and preserve the supply of rental homes affordable and accessible to people with the lowest incomes.

- Provide emergency rental assistance to households and families with children in crisis by creating a national housing stabilization fund.

- Strengthen and enforce renter protections.

[1] Definition of cost-burdened renter from
https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html