

## Understanding the Impacts of the Emergency Rental Assistance Program (ERA) – Methodology

In 2021, the Treasury’s Emergency Rental Assistance programs (ERA) provided more than \$46 billion in funding to assist households that were unable to pay their rent or utilities amidst the COVID-19 pandemic. A 2022 [working paper](#) from the Harvard Joint Center for Housing Studies – utilizing microdata from the Census Bureau’s Household Pulse Survey – found that renter households who received ERA payments were significantly less likely to report being behind on rent relative to those who had applied and were still waiting on a response.

However, expanding upon the methodology utilized in the Harvard study, we found evidence that this mitigating impact of ERA on rental delinquency started to diminish in the months and years after assistance was received, suggesting that this type of emergency rental assistance may provide only temporary relief for renters.

Specifically, we estimated the following logit model where the likelihood that an ERA applicant was behind on their rent depends on the explanatory variables listed in the left-hand column:

|                                    | Coefficient | Standard Error |
|------------------------------------|-------------|----------------|
| ERA recipient                      | -1.388      | 0.064***       |
| Time of survey (default = 2H 2021) |             |                |
| 1H 2022                            | -0.054      | 0.045          |
| 2H 2022                            | -0.168      | 0.050***       |
| 1H 2023                            | -0.302      | 0.051***       |
| 1H 2022 * ERA recipient            | 0.111       | 0.079          |
| 2H 2022 * ERA recipient            | 0.179       | 0.083**        |
| 1H 2023 * ERA recipient            | 0.248       | 0.085***       |
| Race (default = white, alone)      |             |                |
| Black, alone                       | 0.411       | 0.031***       |
| Asian, alone                       | -0.001      | 0.080          |

|   |        |          |
|---|--------|----------|
| Other                                       | 0.112  | 0.042*** |
| Hispanic                                    | -0.006 | 0.037    |
| Age (default = under 30)                    |        |          |
| 30-44                                       | 0.349  | 0.046*** |
| 45-64                                       | 0.316  | 0.049*** |
| 65+   | -0.406 | 0.068*** |
| HH Income (default = <\$25,000)             |        |          |
| \$25,000 - \$34,999                         | 0.001  | 0.035    |
| \$35,000 - \$49,999                         | -0.157 | 0.040*** |
| \$50,000 - \$74,999                         | -0.245 | 0.047*** |
| \$75,000 - \$99,999                         | -0.378 | 0.077*** |
| \$100,000+                                  | -0.607 | 0.097*** |
| Marital status (default = married)          |        |          |
| Widowed                                     | 0.047  | 0.071    |
| Divorced                                    | 0.021  | 0.040    |
| Separated                                   | 0.361  | 0.060    |
| Never married                               | 0.013  | 0.037    |
| Number of adults in household (default = 1) |        |          |
| 2   | 0.066  | 0.032**  |

|   |        |          |
|---|--------|----------|
| 3+  | 0.162  | 0.038*** |
| Educational attainment (default = less than High School)  |        |          |
| High School graduate or equivalent  | -0.051 | 0.054    |
| Bachelor's or above   | -0.222 | 0.060*** |
| Presence of children  | 0.259  | 0.029*** |
| Household job loss in last four weeks   | 0.678  | 0.028*** |
| Employed  | 0.002  | 0.029    |
| Constant  | -0.563 | 0.088*** |
| Number of Observations  | 29,834 |          |
| Pseudo R squared  | 0.1154 |          |
| Notes: Logit model. The dependent variable is equal 1 if the renter household reported having received emergency rental assistance and 0 if the household applied for assistance but was either still waiting for a response or was denied. |        |          |
| *significant at 10%; **significant at 5%; ***significant at 1%  |        |          |

Our model found that ERA recipients in all survey weeks had a lower likelihood of being behind on their rent compared to renters who were either waiting on a response from their application or had been denied assistance. However, our results also indicate that this negative association between ERA and likelihood of being behind on rent tended to diminish in later survey weeks, as seen by the interaction between ERA and time of survey.

The interaction between ERA receipt and the second half of 2022 was statistically significant at 5% and significant at 10% running the model with state fixed effects. Likewise, the interaction between ERA receipt and the first half of 2023 was significant at 1% and significant at 5% when including state fixed effects.

Since the HPS does not ask respondents *when* they had received emergency assistance — just *if* they had received assistance — we assume that the average ERA recipient responding to earlier rounds of the survey would have received their funds closer to the time of the survey.



These results also suggest that higher income households were less likely to be behind on rent while conversely, households with children or had lost employment in the last four weeks were more likely to be behind on rent during the time period captured by the HPS.

In conclusion, while this analysis draws insights into the long-term effects of direct rental assistance, more work needs to be done. Limitations of the data set, mainly it being cross sectional as opposed to longitudinal, as well as the difficulty in separating out the effect of any single Covid-era program, as many of them were co-occurring, points to the need for further investigation into such programs.

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