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MULTIFAMILY
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RESEARCH NOTES NEWSLETTER

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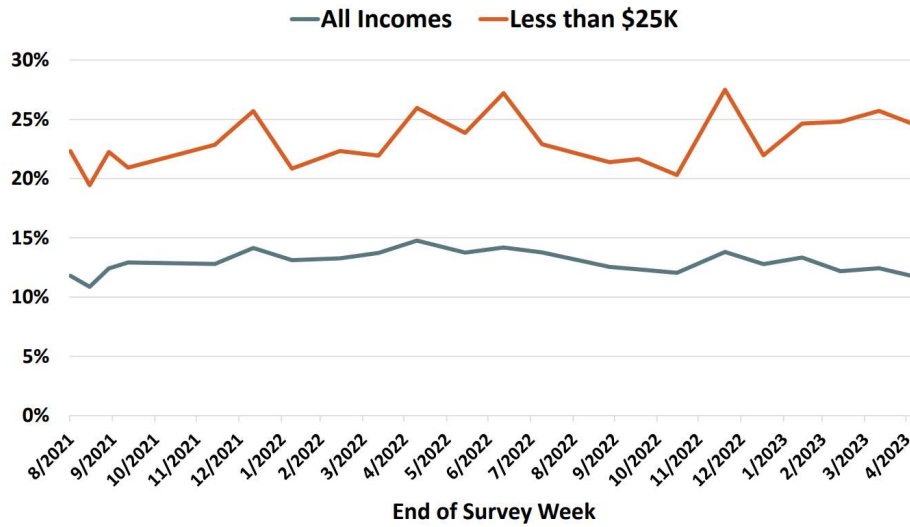
Understanding the Impacts of the Emergency Rental Assistance (ERA) Programs

In 2021, the Treasury Department's Emergency Rental Assistance (ERA) programs provided more than \$46 billion in funding to assist households that were unable to pay their rent or utilities amidst the COVID-19 pandemic—\$25 billion from ERA1 (authorized in December 2020) and \$21.55 billion from ERA2 (March 2021).

While the outcomes and implementation of this program have been widely scrutinized, does the data back up much-talked-about critiques and praises of the program? Like many fledgling programs, lessons learned aren't entirely cut and dry. In this edition of NMHC Research Notes, we examine the short- and long-term impacts of the program. We found that, while ERA payments seemed to prevent renters from being behind on their rental payments in the short-term, there is evidence that this positive impact may have started to diminish in the months and years after assistance was received. Therefore, this type of emergency rental assistance may provide only temporary relief for renters.

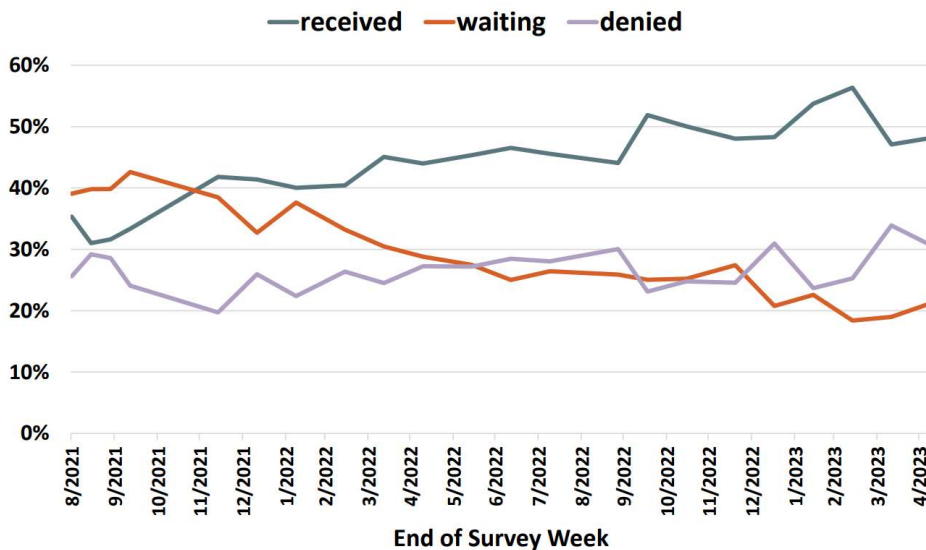
Breaking Down Program Participation

Between August 2021 and April/May 2023, the share of renter households who reported having applied for emergency rental assistance remained relatively stable, according to the Census Bureau's Household Pulse Survey, ranging from 10.9% to 14.8%. Figure 1 illustrates, however, that the lowest income households (less than \$25,000 annually) applied for rental assistance at significantly higher rates, ranging from 19.4% to 27.5% of households surveyed.

FIGURE 1**Share of Renter Households Who Applied for ERA by Household Income**

Source: NMHC tabulations of Census Household Pulse Survey microdata

As can be seen in Figure 2, the share of ERA applicants who received assistance steadily increased from approximately 35.3% in August 2021 to 48.1% in April 2023, while the share of applicants who were denied also increased over time, albeit at a somewhat slower pace. Meanwhile, the share of ERA applicants who were still waiting on a response steadily decreased from 39.1% in August 2021 to 21.2% in April 2023.

FIGURE 2**Share of ERA Applicants Who Received Assistance, Were Denied, or Were Still Waiting for a Response**

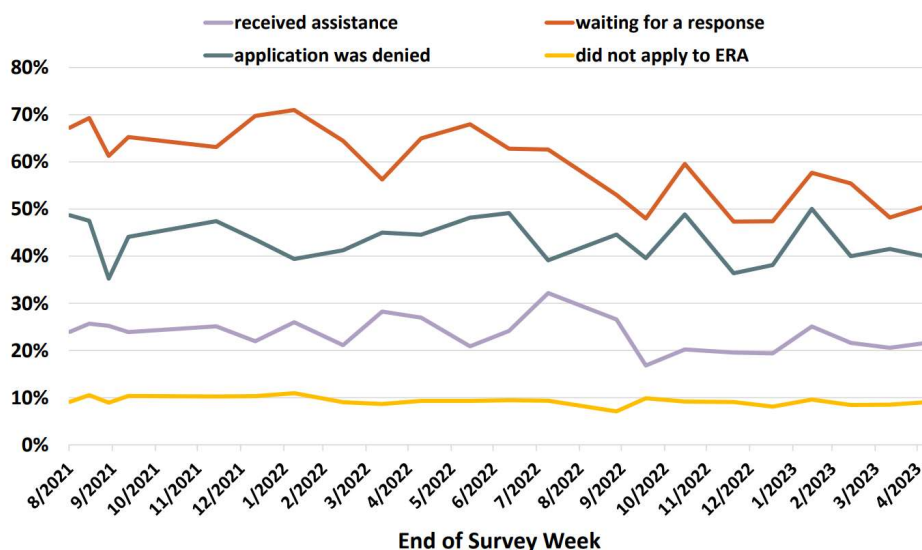
Source: NMHC tabulations of Census Household Pulse Survey microdata

Data Indicate Clear, Positive Short-term Impact

There is good evidence that these ERA funds had at least a short-term positive effect on renters' financial well-being. In every round of the Census Bureau's Household Pulse Survey (HPS) conducted between August 2021 and May 2023, renter households who received ERA payments were less likely to report being behind on rent compared to those renters who had applied and were denied or applied but had not yet received ERA funds.

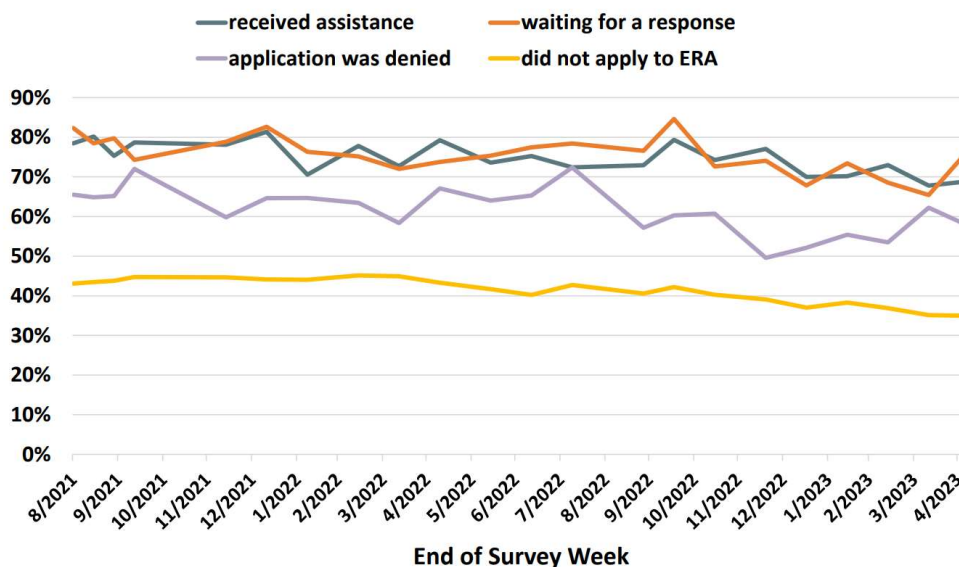
FIGURE 3

Share of Renter Households Behind on Rent by ERA Status



Source: NMHC tabulations of Census Household Pulse Survey microdata

Households who applied for assistance whose application was denied reported lower rates of rental delinquency compared to those who were still waiting for a response, but higher rates of delinquency compared to those who had received rental assistance. Presumably, this is because households who were denied assistance were denied because they did not possess a great enough need. Figure 4, for example, shows that the share of households making under \$35,000 was consistently lower among households who were denied assistance compared to those who were still waiting for a response.

FIGURE 4**Share of Renter Households Earning Under \$35K Annually**

Source: NMHC tabulations of Census Household Pulse Survey microdata

In this same vein, renter households who did not apply for emergency rental assistance at all tended to both have higher incomes and lower rates of rental delinquency compared to households who applied for assistance.

Figure 3 shows that even among households still waiting for a response from their ERA application, however, rental delinquency rates appear to be on the decline, which may be indicative of overall improving economic conditions.

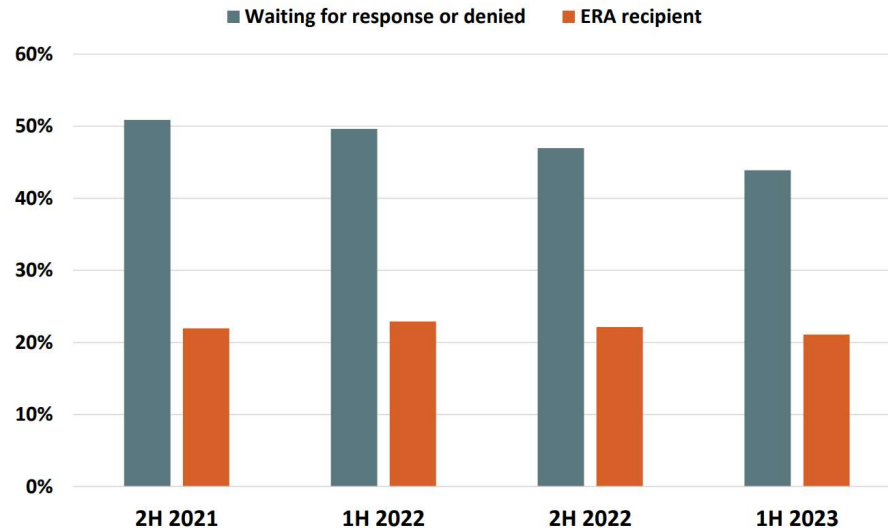
Longer-term Impact is Less Clear—Does ERA Support Renters Over Time?

A 2022 working paper from the Harvard Joint Center for Housing Studies found similar results – even after controlling for factors such as a renter’s age, income, race/ethnicity, gender and marital status, 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.

Building upon the methodology utilized by the Joint Center, we examined whether this positive impact of emergency rental assistance persisted beyond the time that funds were received (see [Appendix](#) for a detailed methodology).

Our model estimated that ERA recipients surveyed in the latter half of 2021 had a 28.9 percentage point lower average probability of being behind on their rent

compared to renters who were either waiting on a response from their ERA application or had been denied assistance. By the first half of 2023, however, we estimated that ERA recipients had just a 22.8 percentage point lower average probability of being behind on their rent compared to their unassisted counterparts.

FIGURE 5**Average Probability of Being Behind on Rent**

Source: NMHC tabulations of Census Household Pulse Survey microdata

While the Census Bureau's Household Pulse Survey does not ask respondents *when* they received their emergency assistance – just *if* they have received assistance – it's fair to 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. For example, a survey respondent in June of 2021 who reported having received emergency rental assistance *must* have received assistance not long before responding to the survey, since funds were only made available earlier that year. On the other hand, of those ERA recipients who responded to the Household Pulse Survey in 2023, some proportion must have received their funds a year or more earlier.

Therefore, while our results suggest that emergency rental assistance did significantly improve renters' likelihood of staying current on their rental payments, this impact may have diminished in the months and years after funds were received.

The Takeaway

When devising future rental assistance initiatives, it is important for us to understand both the cost and efficacy of past programs. In 2021, the Treasury's Emergency Rental Assistance (ERA) program provided more than \$46 billion in funding to assist households that were unable to pay their rent or utilities amidst the COVID-19 pandemic. Our analysis of data from the Census Bureau's Household Pulse Survey indicates that this had a strong, positive impact on renters' ability to stay current on their rental payments. However, we also found evidence that this impact may have started to diminish in the months and years after assistance was received, which means that this type of emergency rental assistance may provide only temporary relief for renters.

While our analysis of the ERA program strongly indicates positive impacts for renters in the short-term, it also suggests the program was not a silver bullet for rental affordability in the long term. It again underscores the critical need for such policies to work in tandem with supply-side solutions that reliably address the root causes of long-term affordability.

[Click here to download the Appendix \(Methodology\).](#)

About Research Notes

Published quarterly, Research Notes offers exclusive, in-depth analysis from NMHC's research team on topics of special interest to apartment industry professionals, from the demographics behind apartment demand to effect of changing economic conditions on the multifamily industry.

Questions

Questions or comments on Research Notes should be directed to NMHC Senior Director of Research **Chris Bruen** at cbruen@nmhc.org or NMHC Research Assistant **Ryan Hecker** at rhecker@nmhc.org.

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