

# Forecasting Homelessness in Arizona During the COVID-19 Crisis

## Update – February 2020

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TPCH Membership Meeting - February 11th 2021



THE UNIVERSITY OF ARIZONA  
COLLEGE OF SOCIAL & BEHAVIORAL SCIENCES

**Southwest Institute  
for Research on Women**

# The Situation has Changed Dramatically

- Unusually high financial strain is being met with unusually generous amounts of financial supports.
- Previously, a major question of concern was “how many people are likely to experience a housing disruption and potentially homelessness on a short timeline following the expiration of eviction moratoria?”
- Now, the question has become “how many people are likely to experience a housing disruption and potentially homelessness steadily over time despite eviction moratoria?”
  - How many will fall through the cracks of current protections and supports?
- Do we have the luxury of thinking about big structural changes again?

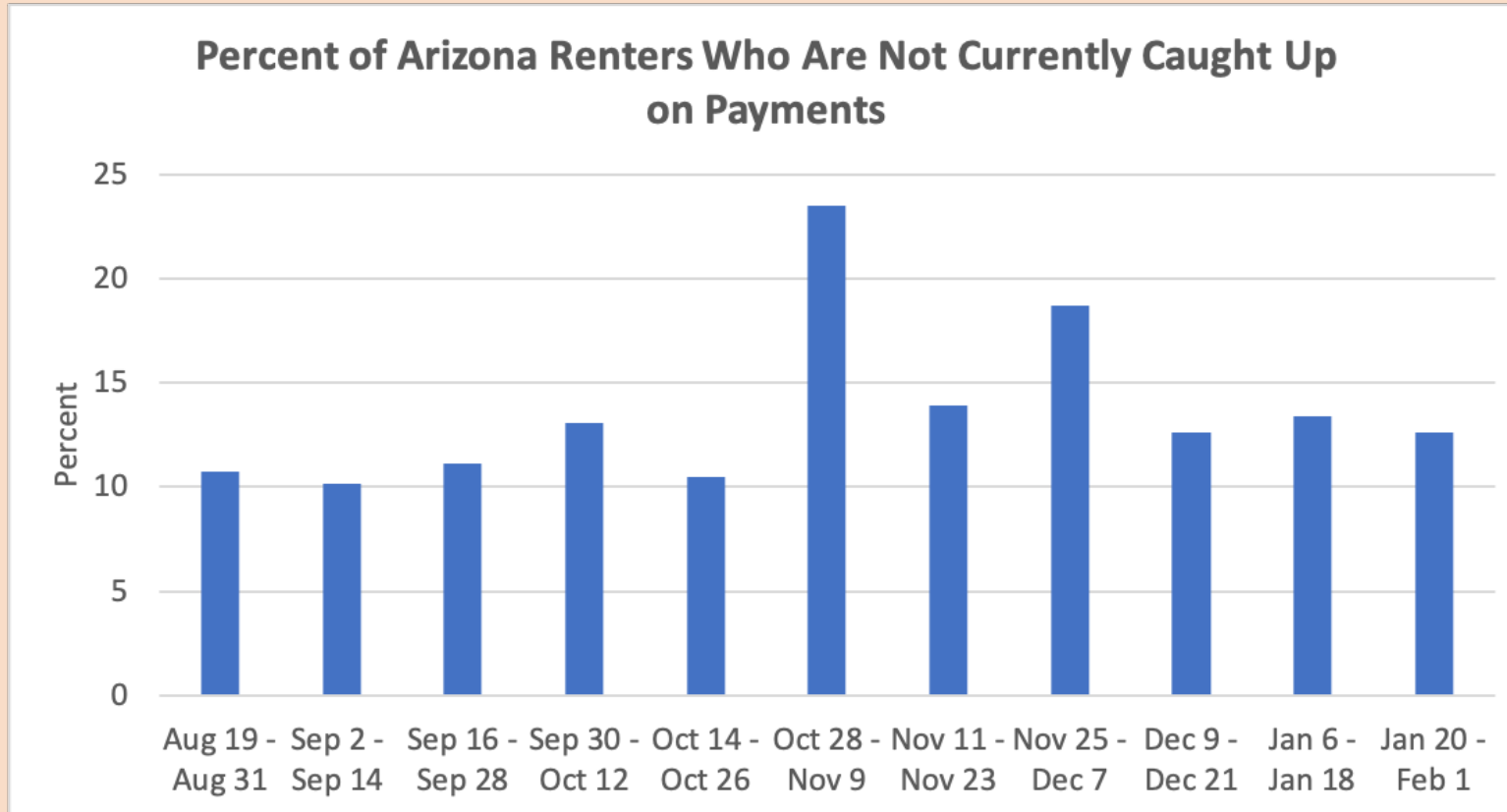


U.S. recessions are shaded; the most recent end date is undecided.

Source: U.S. Bureau of Labor Statistics

[fred.stlouisfed.org](https://fred.stlouisfed.org)

# Scope of the Problem – AUGUST 2020 - February 2021

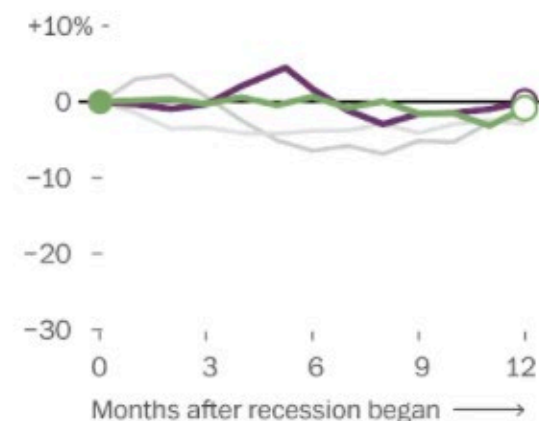


*Source: Census Household Pulse Survey -Week 13-23*

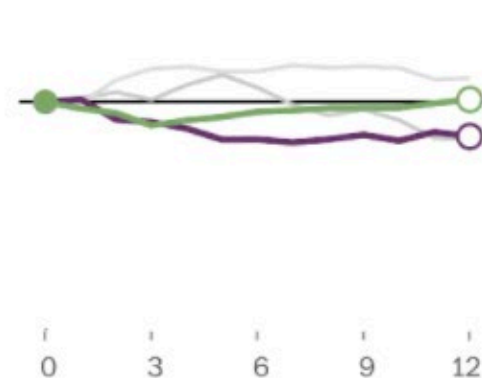
# The coronavirus crisis is different

Job growth (or loss) since each recession began, based on weekly earnings

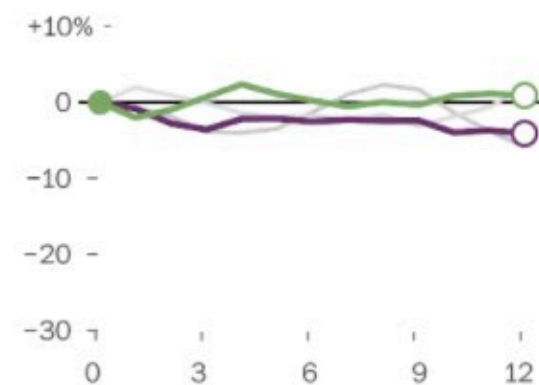
## 1990 recession



## 2001 recession



## 2008 recession



## Coronavirus crisis

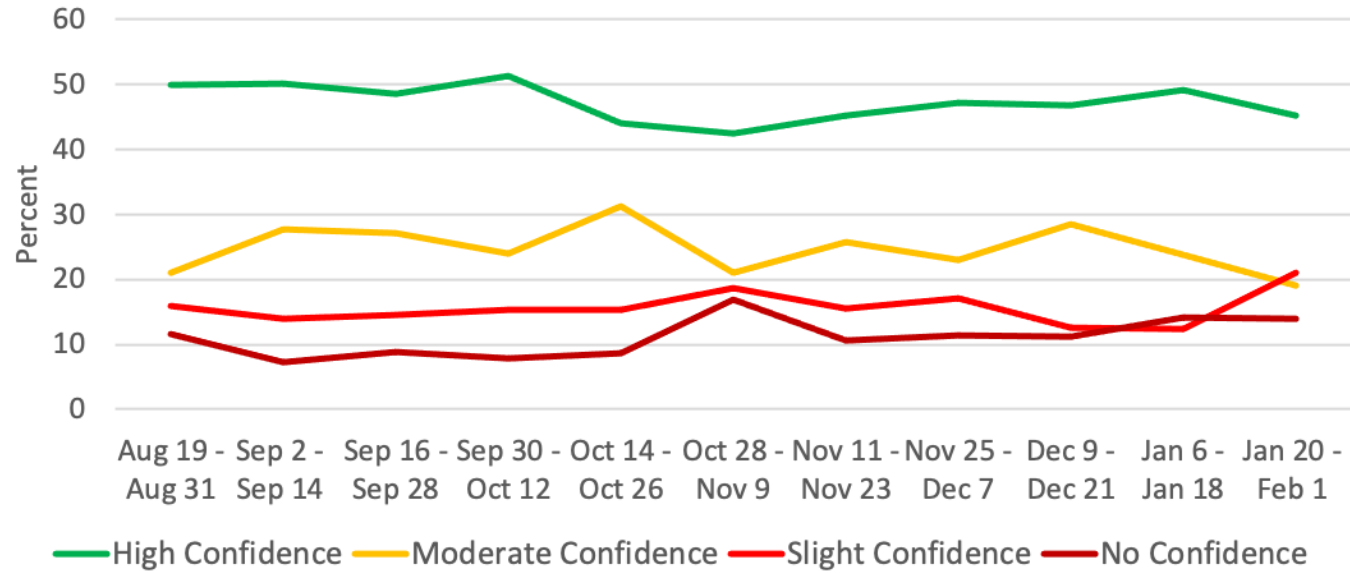


Notes: Based on a three-month average to show the trend in volatile data.

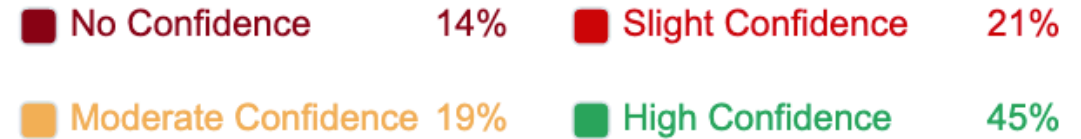
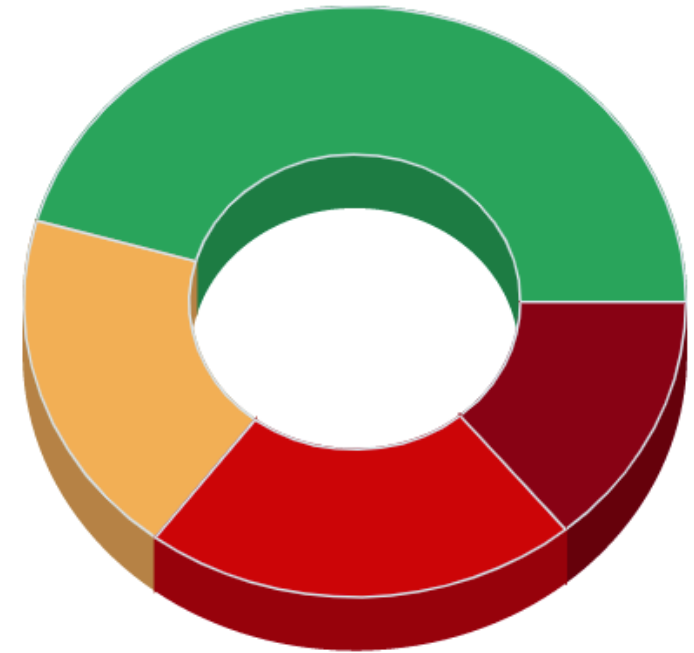
Source: Labor Department via IPUMS, with methodology assistance from Ernie Tedeschi of Evercore ISI

THE WASHINGTON POST

### Confidence in Ability to Pay Next Month's Rent August 2020 - February 2021

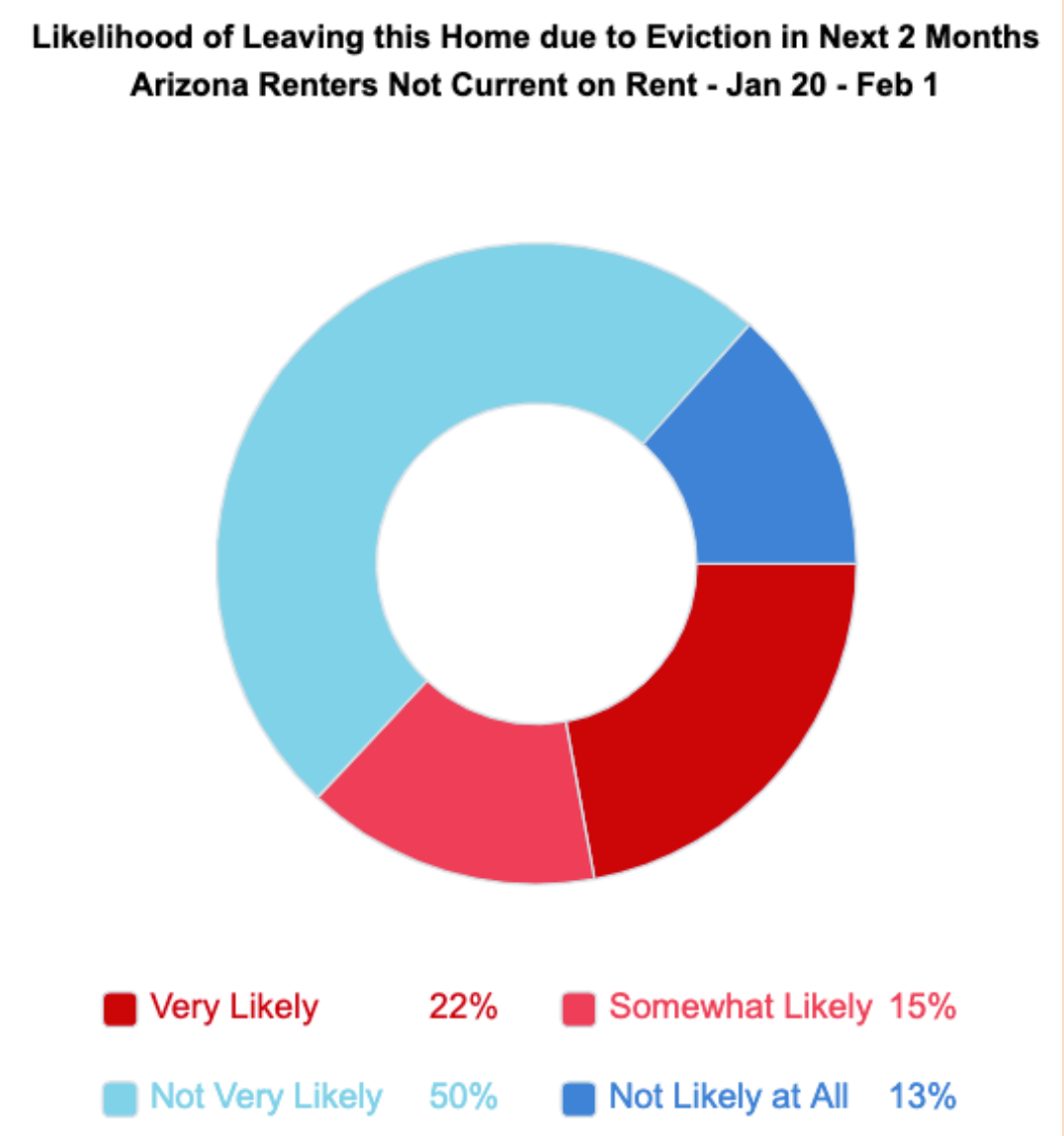
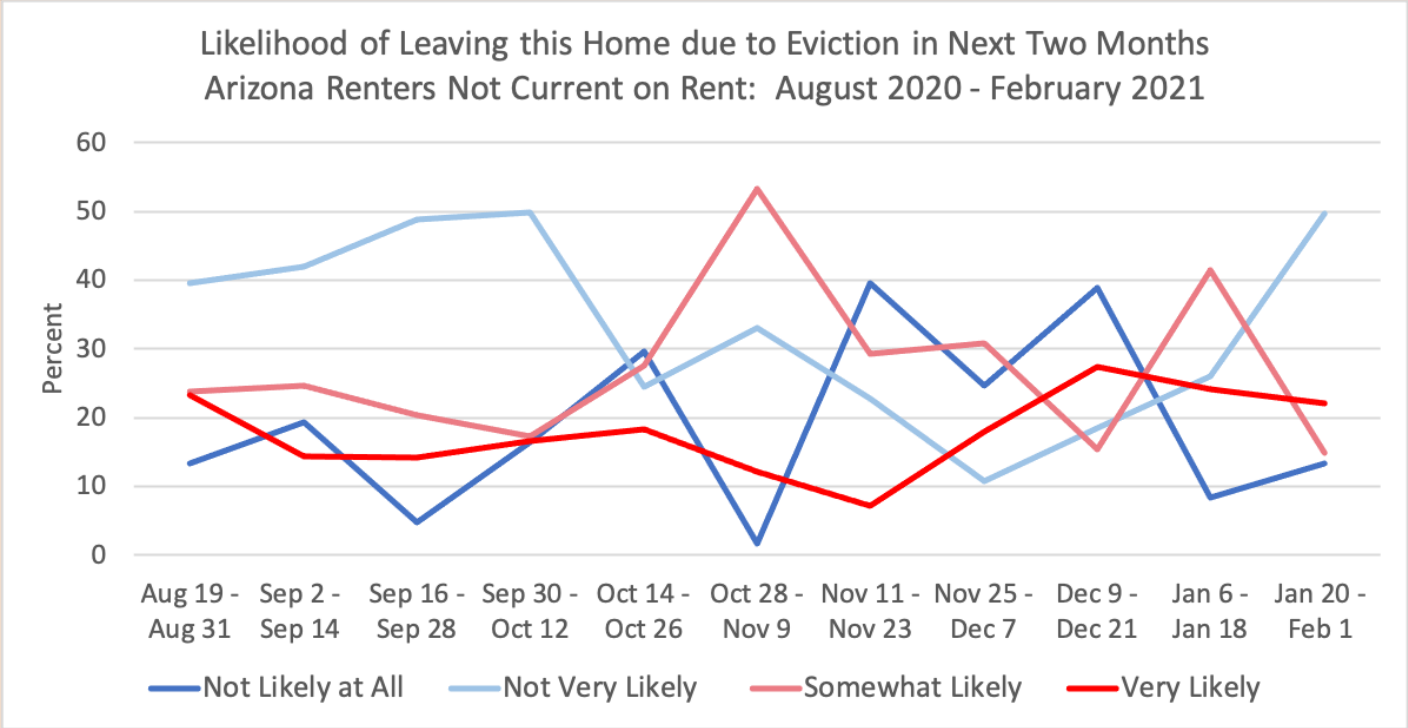


### Confidence in Ability to Pay Next Month's Rent Arizona Renters - Jan 20 - Feb 1



Source: Census Household Pulse Survey Weeks 13 – 23

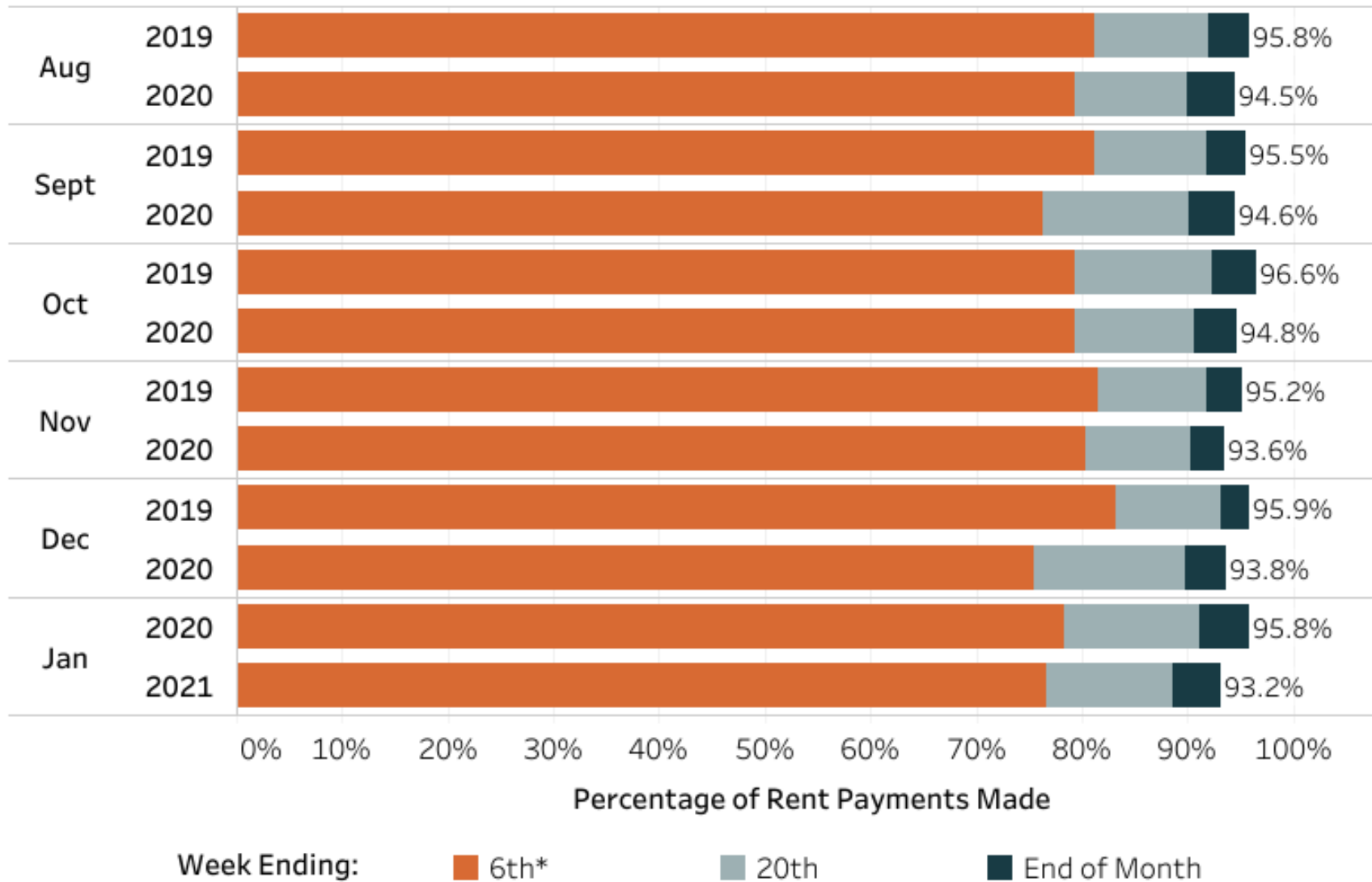
This question is only asked of the **12.6%** of all Arizona Renters Not Caught Up on Rent:  
Jan 20<sup>th</sup> – Feb 1<sup>st</sup>



Source: Census Household Pulse Survey Week 23

## Rent Payment Tracker: Full Month Results

\*\*Data collected from between 11.1 - 11.6 million apartment units each month



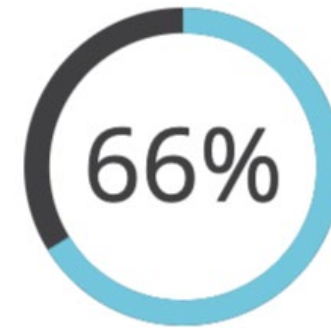
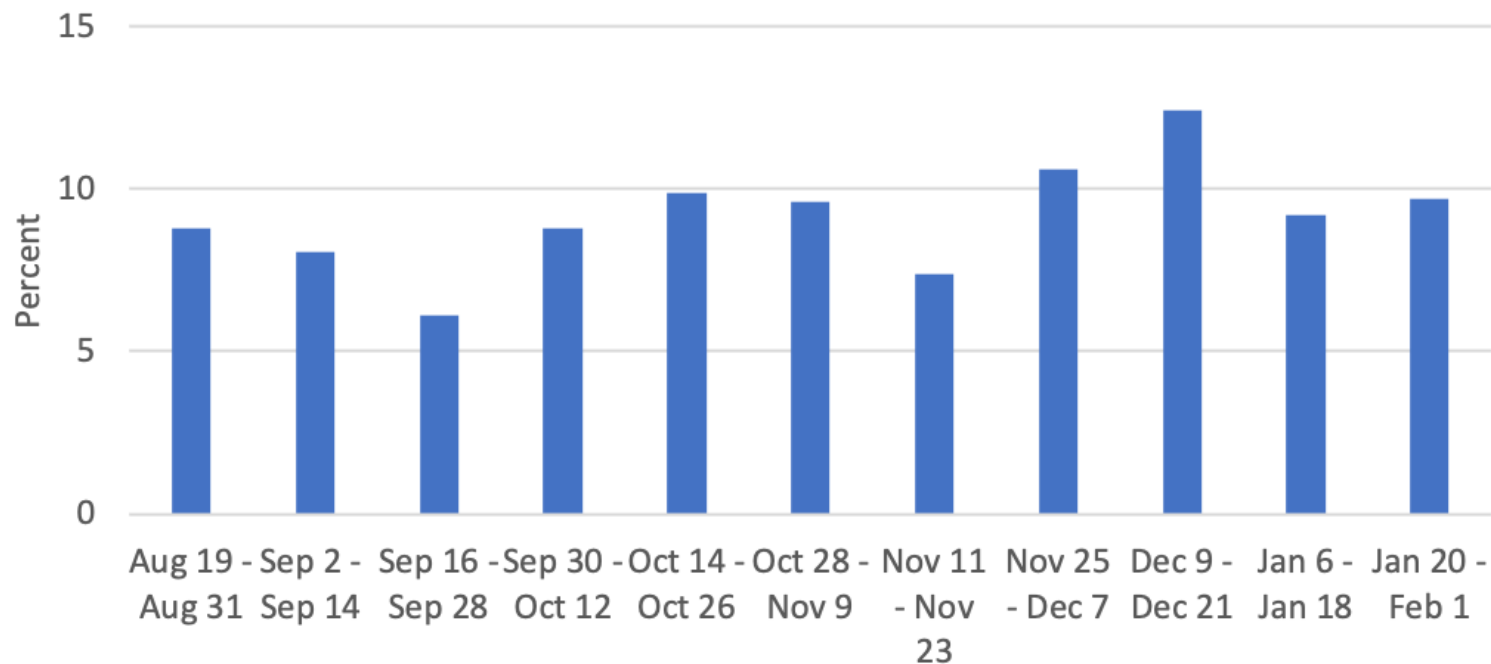
Source : National Multifamily Housing Council Rent Payment Tracker



# Other Indicators of the Scope of the Problem

## – AUGUST 2020 - FEBRUARY 2021

Percentage of Arizona Mortgage Holders Who Are Not Currently Caught Up on Payments

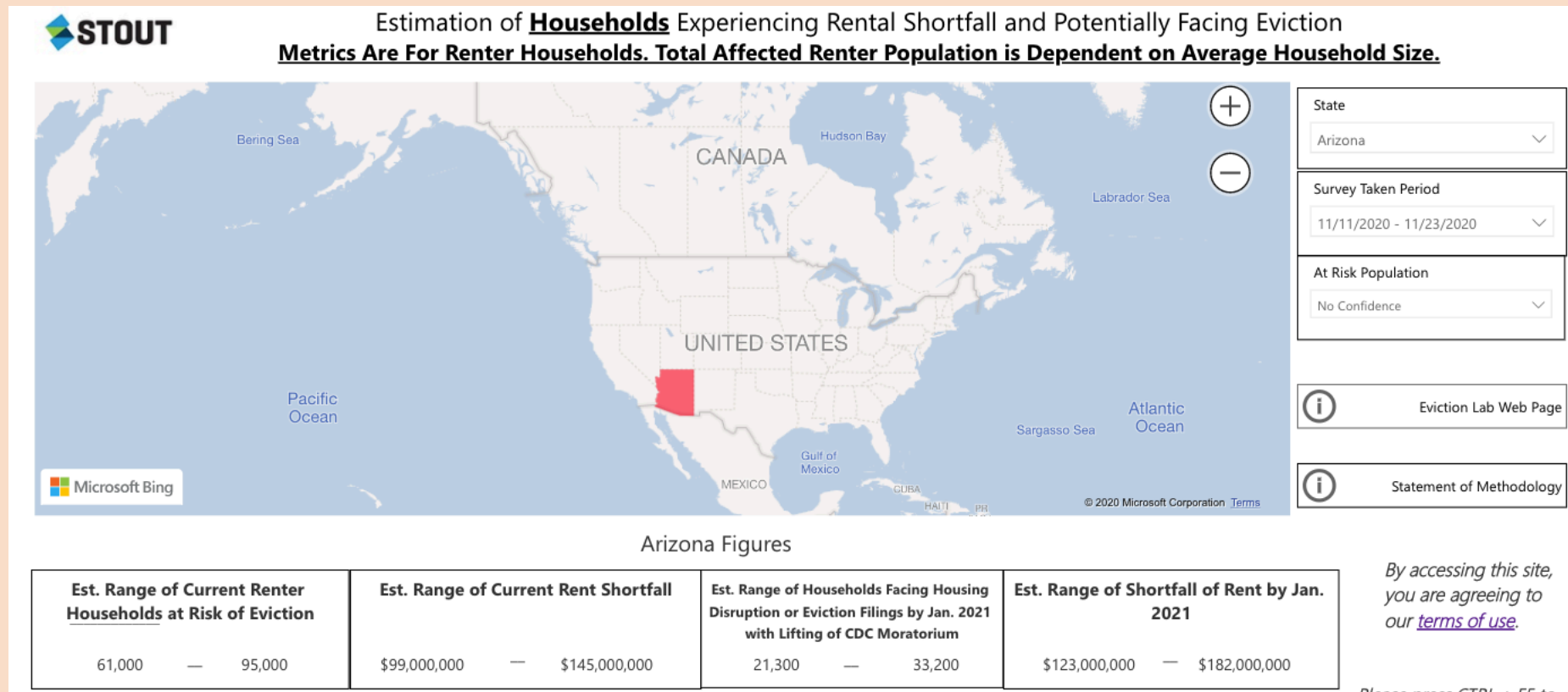


Homeownership Rate in  
2018 in Arizona

*Source: Census Household Pulse Survey –Week 13 - 23*



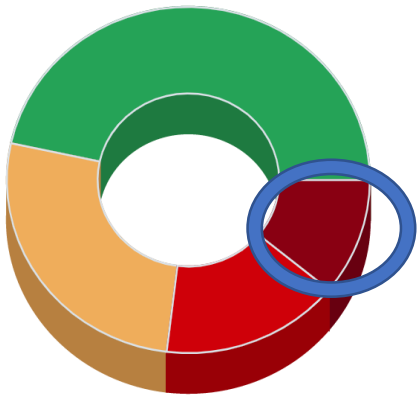
Stout Risius Ross is a global investment bank and advisory firm that has developed a model predicting likely displacement and potential evictions at the state level.



# Stout Provides A Wide Range of Estimates, Depending on Who is Considered at Risk

## Confidence in Ability to Pay Next Month's Rent

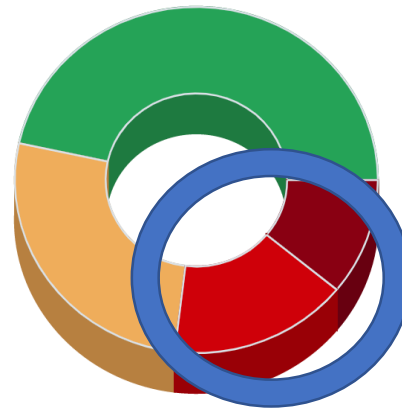
Arizona Renters - Nov 11 - Nov 23



No Confidence	10.6%
Slight Confidence	15.5%
Moderate Confidence	25.7%
High Confidence	45.2%

## Confidence in Ability to Pay Next Month's Rent

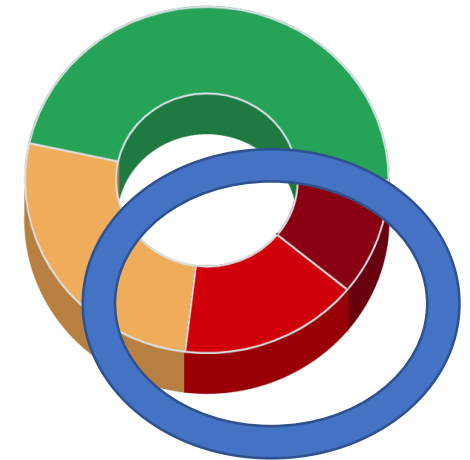
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At Risk Population:	No Confidence	No Confidence + Slight Confidence	No Confidence + Slight Confidence + Portion of those with Moderate Confidence
			
Est. Range of Current Rental Households at Risk of Eviction	61,000 – 95,000	97,000 – 220,000	128,000 – 250,000
Est. Range of Current Rent Shortfall	\$99 - \$145 million	\$143 - \$291 million	\$190 - \$329 million
Est. Range of Households Facing Housing Disruption or Eviction Filings by Jan. 2021 With Lifting of CDC Moratorium	21,300 – 33,200	34,000 – 77,000	44,700 – 87,600
Est. Range of Current Rent Shortfall by Jan 2021	\$123 - \$182 million	\$180 - \$365 million	\$234 - \$406 million

These estimates do not include the impacts of rental assistance and other income supports coming through recent legislation.

*Source: Stout Risius Ross, LLC – Based on Nov 11- Nov 23 HPS Census Data for AZ*

At Risk Population: ARIZONA	No Confidence	No Confidence + Slight Confidence	No Confidence + Slight Confidence + Portion of those with Moderate Confidence
			
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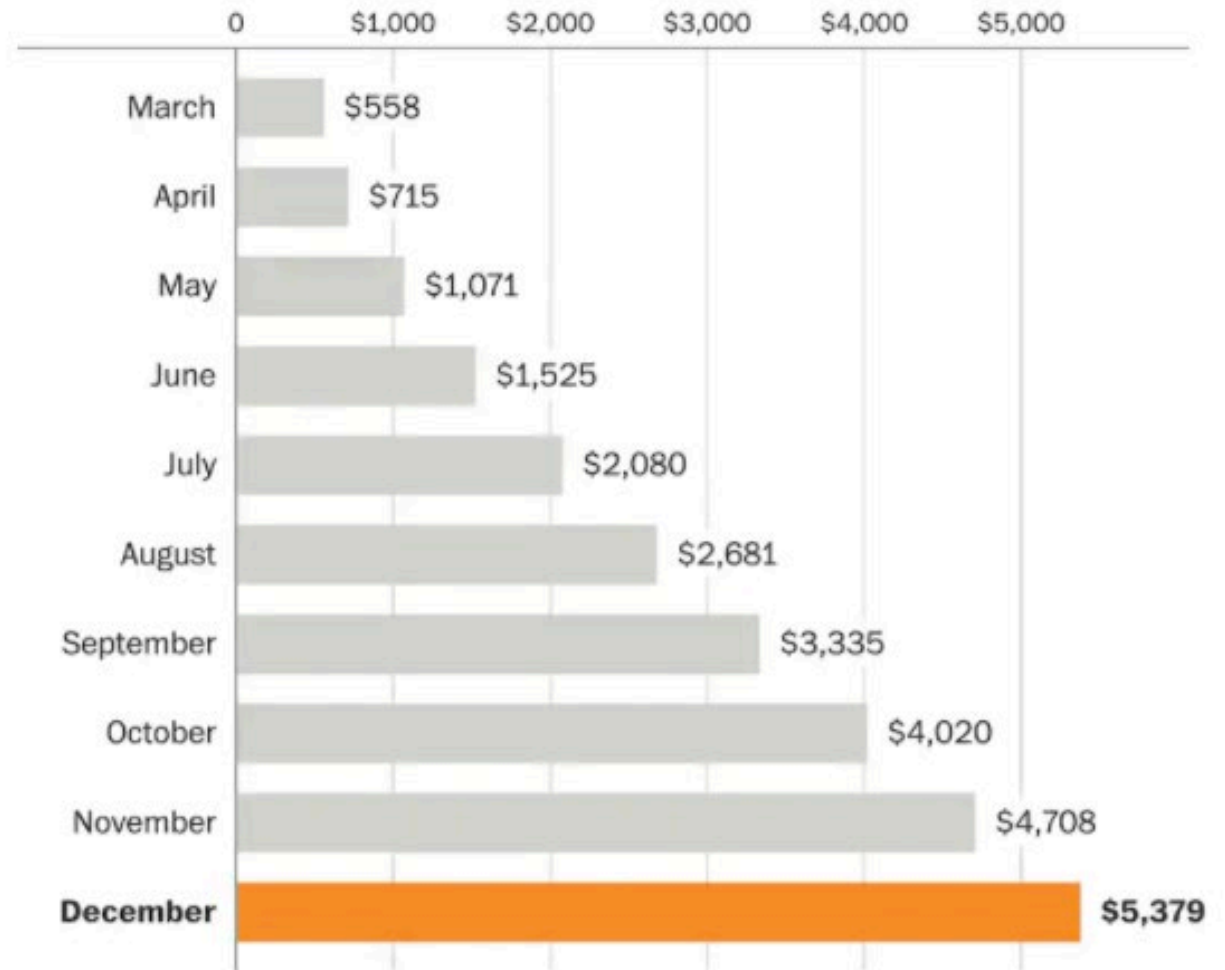
*Source: Stout Risius Ross, LLC – Based on Nov 11- Nov 23 Census Data*

In December 2020, Moody's Analytics predicted \$70 billion in unpaid rent nationally by January 2021.

-Long, Heather *Washington Post* Dec 7 2020

### Housing debt among unemployed renters has spiked

The Federal Reserve Bank of Philadelphia calculates 1.3 million rental households where someone lost a job during the pandemic are now behind, on average, nearly \$5,400 on rent and utilities.



Note: The data take into account various government aid payments like unemployment insurance and a stimulus check that many unemployed renters received.

Source: Federal Reserve Bank of Philadelphia

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**Likelihood of Leaving this Home due to Eviction in Next 2 Months**  
**Arizona Renters Not Current on Rent - Jan 20 - Feb 1**



■ Very Likely 22% ■ Somewhat Likely 15%  
■ Not Very Likely 50% ■ Not Likely at All 13%

These Stout Risius Ross estimates suggest that between **27,000 and 56,000 renter households** could be at risk of displacement or an eviction filing by Jan 1<sup>st</sup> 2021.

927,771 Renter-Occupied Housing Units in Arizona in 2019\*

**12.6% of all AZ renter households were not current on their rent payments as of late-January.**

12.6% of 927,771 = **116,899 renter households**

22.1% of 116,899 = **25,835 AZ renter households** think it is “very likely” that they will be evicted in the next two months.

37.0% of 116,899 = **43,253 AZ renter households** think it is either “somewhat likely” or “very likely” that they will be evicted in the next two months.

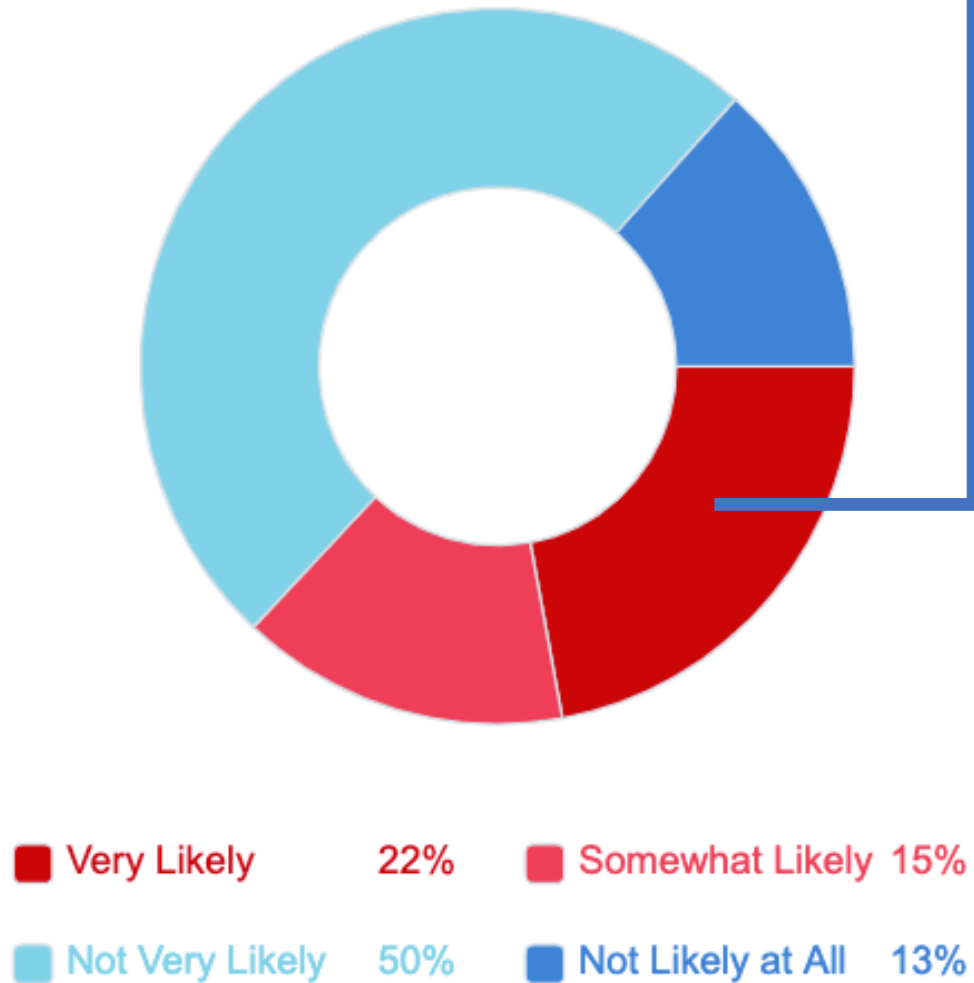
# Back of the Envelope Estimates of Implications – ARIZONA

*Based on Nov 11 - Nov 23rd 2020 Census Survey*

At Risk Pop ARIZONA	Midpoint of Range of Households Facing Housing Disruption or Eviction Filings by Jan. 2021 With Lifting of CDC Moratorium	Adjustment (not all filings result in displacement) Number of Households	Number of People Average HH Size in AZ = 2.69 (# X 2.69)	Assuming 25% of displaced actually become homeless	Assuming 10% of displaced actually become homeless
No Confidence	27,250	20% result in displacement: 5,450	14,661	3,665	1,467
No Confidence	27,250	40% result in displacement: 10,900	29,321	7,330	2,932
No/Slight Confidence	55,500	20% result in displacement: 11,100	29,859	7,465	2,986
No/Slight Confidence	55,500	40% result in displacement: 22,200	59,718	14,930	5,972



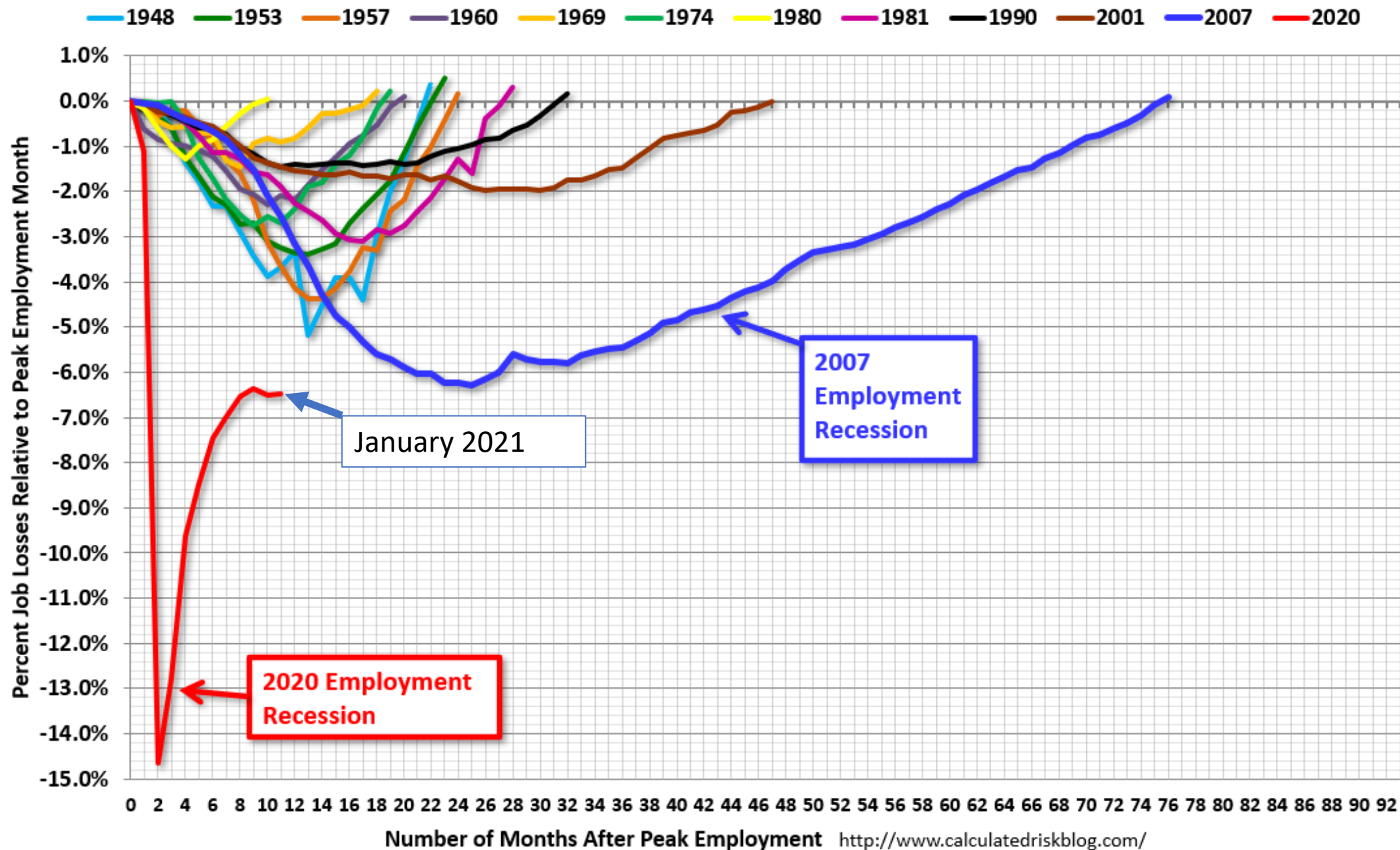
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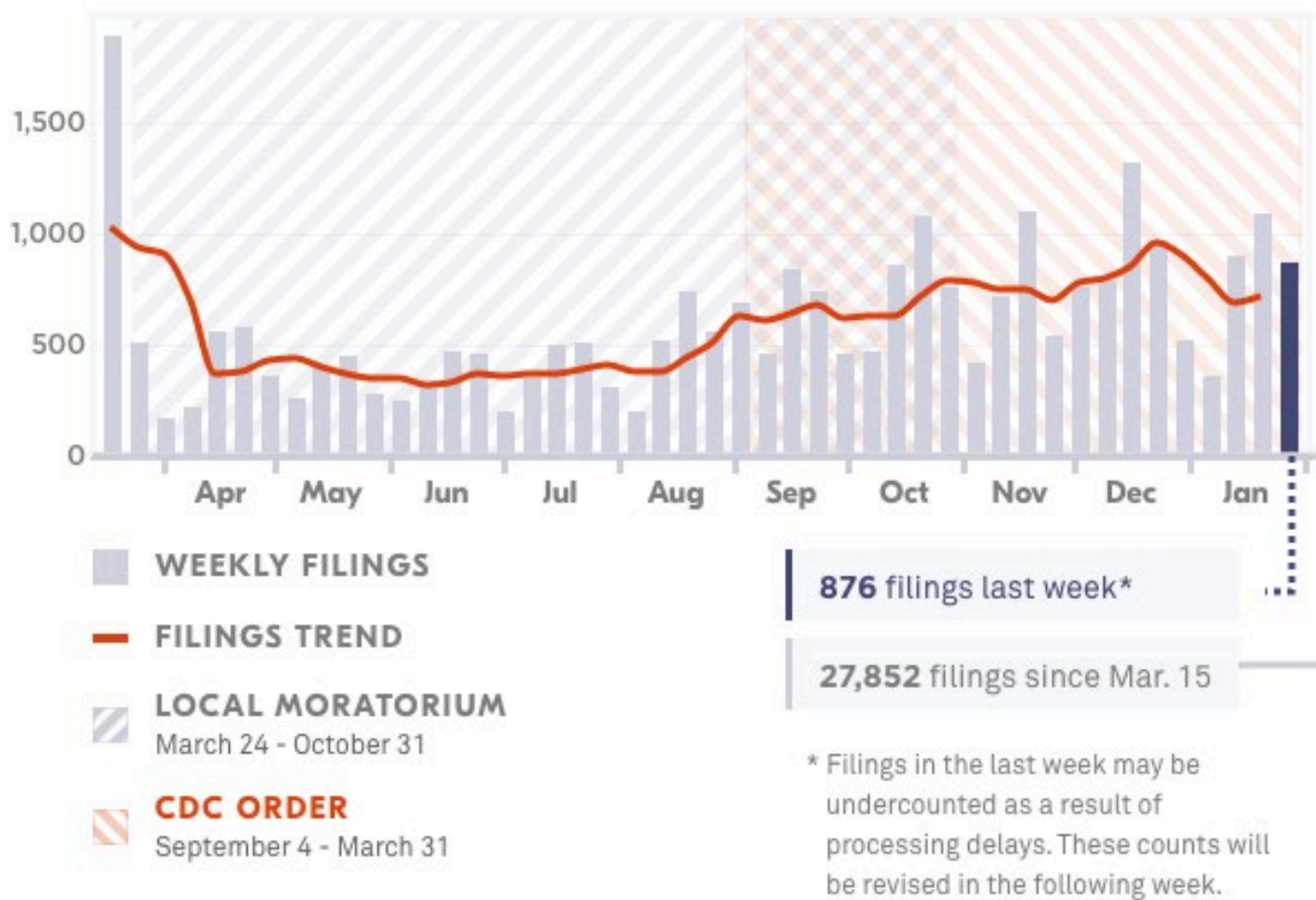
Used in the last 7 days to meet spending needs	% of those reporting being "Very Likely" to be evicted in 2 months
Credit cards or loans	41%
Money from savings or selling assets	46%
Borrowing from friends or family	60%
Stimulus payment	71%
SNAP	42%

Source: Census Household Pulse Survey Week 23 – Jan 20 - Feb 1<sup>st</sup>

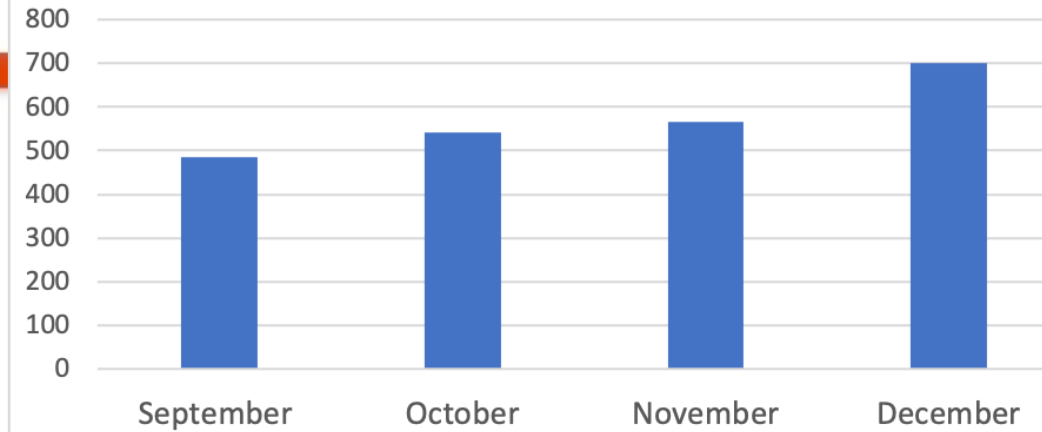
## Percent Job Losses in Post WWII Recessions



## EVICTON FILINGS BY WEEK



## Pima County Eviction Hearings - End of 2020



*Filings and hearings do not indicate actual enforced evictions, but some households self-evict in response to a filing and some judgements continue to be enforced.*

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# Looking Forward

- **Urgent Concern:** How do we reach and provide support for the those households (disproportionally low-income and people of color) who will continue to be displaced despite forthcoming assistance, especially in the very short term.
- **Hope** (what is this feeling again?): Can we mitigate this lower boil strain, AND work towards larger structural changes to reduce homelessness?
  - Eviction prevention court
  - Substantial investments in low barrier permanent housing

# Questions/Discussion

Please feel free to contact us for information sharing or questions:

[-keithb@arizona.edu](mailto:-keithb@arizona.edu)



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