

# EQUITY IN THE DISTRIBUTION OF THE EMERGENCY RENTAL ASSISTANCE PROGRAM



*A descriptive study of equity in the first-ever nationwide eviction prevention program*

## What priority outcome did we evaluate?

The first and second rounds of the Emergency Rental Assistance (ERA) program provided over \$46 billion USD in funding to states, territories, Tribal governments, counties, and cities (“grantees”) to prevent eviction and housing instability in the wake of the pandemic.<sup>1</sup> Overseen by the U.S. Department of the Treasury (“Treasury”), ERA provided direct cash assistance to renters and landlords to assist with rent, utilities, and other housing-related expenses. It was the first-ever nationwide program aimed at preventing eviction through direct assistance to renters.

OES partnered with Treasury to understand how the demographic profile of renters who were eligible for ERA compared to the demographic profile of renters who received ERA.

Over 3.5 million households receive eviction filings in a typical year.<sup>2</sup> Research prior to the pandemic shows that Black and women renters represented a disproportionate share of those served with eviction filings.<sup>3</sup> Ensuring equitable access to emergency relief is a top Federal priority.<sup>4</sup> This aim was reflected in Treasury’s guidance and demographic reporting requirements, and in grantees’ adoption of program flexibilities that aimed to increase equity in access to ERA funding. The unusually rich administrative data on the demographics of program recipients provided an opportunity to measure progress toward an equitable recovery from the pandemic.

## What were the key findings?

Relative to their presence in the population of eligible renters, OES found Black, women, and

extremely low income renters were overrepresented among recipients of ERA, as were renters who identify as AIAN, Pacific Islander, or Hawaiian Native.<sup>5</sup> Latinx and White renters with extremely low incomes were also overrepresented, while their eligible counterparts with higher incomes were underrepresented. Consistent with other benefits programs, Asian renters were underrepresented.

## What did we do?

OES estimated the demographics of renters using grantee reports on households who received ERA (which included gender, race, ethnicity, and income) and compared this to the profile of ERA-eligible renters, estimated using Census data.

The analysis presented two main challenges. First, as [Treasury reported](#), not all grantees reported demographic data for all quarters of ERA that they distributed.<sup>6</sup> Second, to understand equity in the distribution of ERA one cannot compare recipient renters to the population of *all* renters, as many renters would not have been eligible for ERA. To measure ERA eligibility, one needs information on household income, size, and metropolitan area to establish whether a renter is below 80% of the HUD<sup>7</sup>-determined [area median income](#) (AMI), as well as information on whether the household experienced financial hardship and housing instability due to the pandemic. Datasets that contained this information were either small or suffered from systematic sampling error, while large and high-quality datasets did not measure these key eligibility characteristics.

<sup>1</sup> ERA1 provided \$25 billion under the [Consolidated Appropriations Act, 2020](#), and ERA2 \$21.55 billion under the [American Rescue Plan Act, 2021](#).

<sup>2</sup> See: [National Estimates Study](#) by the Eviction Lab.

<sup>3</sup> See Table 1 in Collinson, R. et al. “[Eviction and Poverty in American Cities](#).” NBER 30382 (2022), and Figure 1 in: Hepburn, P. R. L., and Desmond, M.. “[Racial and Gender Disparities among Evicted Americans](#).” *Sociological Science* 7 (2020): 649-662.

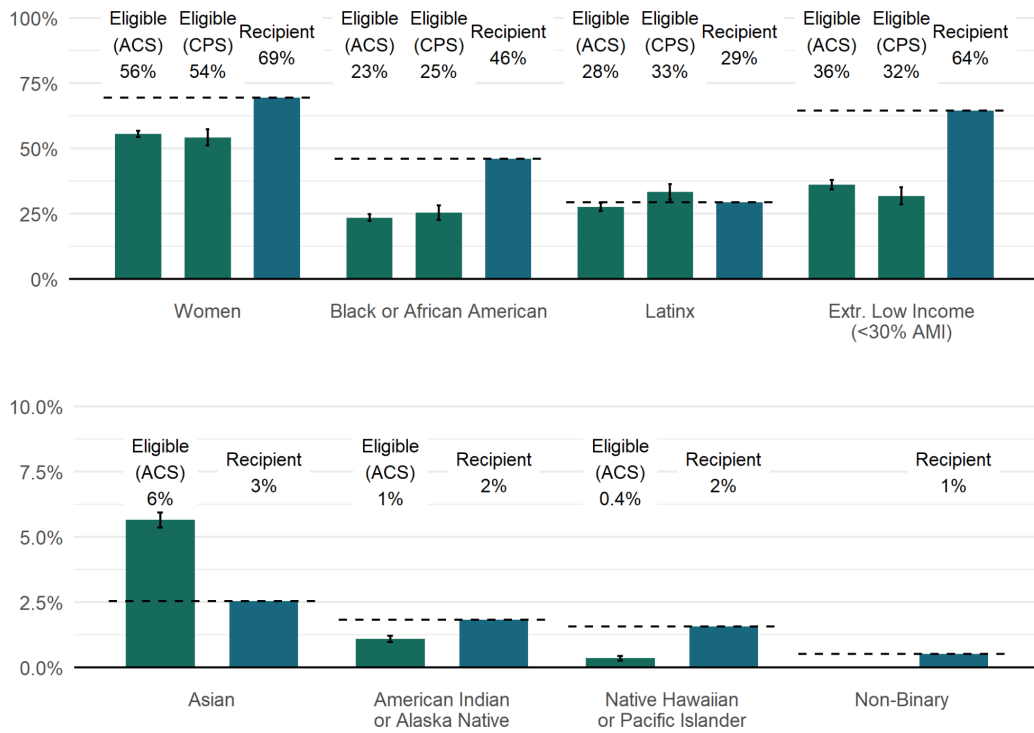
<sup>4</sup> Reflected in Congressional legislation ([Consolidated Appropriations Act, 2021](#), and [American Rescue Plan Act of 2021](#)) and in administration executive orders (e.g., the “[Equity](#)” [Executive Order 13985](#)).

<sup>5</sup> “Extremely low income”: generally those with household incomes at or below 30% of the median income of similarly sized households in their area ([see here](#)). “AIAN”: American Indian or Alaska Native.

<sup>6</sup> As of February 2022, in CY21 Q1-Q4 ERA data released [here](#), some 33% of households were not accounted for (this number is calculated using the households not accounted for in ERA1 on Tab 1 and in ERA2 on Tab 5). OES received the raw demographic reports data covering CY21 Q1 to CY22 Q1 in June 2022. Grantees submitted additional reports for CY21 Q1-Q4 when submitting CY22 Q1. OES had at least one report on recipient demographics for 88% of grantees.

<sup>7</sup> U.S. Department of Housing and Urban Development

**Figure 1: Demographic characteristics of renters who received and renters who were eligible for ERA.**



Note: height of bars represents estimated proportion of population falling into that demographic category for the ACS, CPS, and Treasury recipient data, respectively. Error bars represent 95% confidence intervals on the difference between the eligible and recipient proportions, calculated through bootstrapped imputation standard errors.

OES took a multiple datasets approach to estimate differences in the race, ethnicity, gender, and income of renters who received and renters who were eligible for ERA.<sup>8</sup>

#### Estimating the Demographic Profile of Recipients

OES analyzed the raw demographic reports on recipients of ERA submitted by grantees from Q1 2021 to Q1 2022, using two main techniques to address missingness. First, where a demographic category was only partially missing for a given grantee (a missing quarter, round, or subgroup), we used the demographic reports available for that grantee to fill in for those that were missing. Second, where we had data on the addresses of a grantee’s ERA recipients but no direct demographic reports, we imputed the demographics of that

grantees’ recipients based on the demographics of renters in the areas in which money was spent. The area-level estimation involved geocoding 5.3M transactions and matching them to 2015-2019 American Community Survey (ACS) 5-year tract-level estimates across the country. We account for the uncertainty in our estimates by averaging across 100 imputed datasets that are each bootstrapped 2000 times.

#### Estimating the Demographic Profile of Eligible Renters

OES compared three main methods for estimating the demographic profile of likely eligible renters. (1) The “CPS” method involved simply estimating weighted demographic proportions among a subset of 1,497 renters from the 2020 and 2021 Current Population Survey<sup>9</sup> whom we were able to identify as likely eligible for ERA.

<sup>8</sup>The analysis reported in this abstract was prespecified in an analysis plan, which can be found at <https://oes.gsa.gov>. See the [technical appendix](#) for a description of analytical decisions that were not pre-specified.

<sup>9</sup>OES used the IPUMS tools to link the Basic Monthly Survey with the March Annual Social and Economic Supplement

**Figure 2: The intersection of income, race, and ethnicity among renters who received and renters who were eligible for ERA.**



See note on Figure 1. Columns are divided by eligible income brackets; rows by racial and ethnic group

The next two methods combine the 2015-2019 ACS microdata<sup>10</sup>—which were produced with sampling strategies that are well understood and generally considered of high quality but contain no direct measures of COVID-related hardship—with the 2020-2021 Census Pulse data. The Pulse survey directly measures COVID-related financial hardship and risk of housing instability, but encountered significant challenges with sampling during the pandemic. (2) The “ACS” method involves using the common variables in both datasets to fit four predictive models of eligibility in the Pulse (ridge regression, LASSO regression, decision tree, and random forest). We used the

random forest model as it was able to correctly predict 97% of renters as likely eligible in the randomly selected testing set. (3) The “Pulse” method reweighted the Pulse sample so that it resembles the characteristics of those in the higher-quality ACS sample. We report only the CPS and ACS methods here (1 & 2), as the Pulse method (3) appears to yield inaccurate results.<sup>11</sup> We account for uncertainty in our estimates using 2000 bootstrapped samples. The technical appendix contains the Pulse results, as well as results using Census-produced replicate weights to estimate imputation standard errors.

<sup>10</sup> Steven Ruggles, Sarah Flood, Ronald Goeken, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 12.0 [dataset]. Minneapolis, MN: IPUMS, 2022.

<sup>11</sup> Due to sample size constraints, we do not use the CPS to report data on small demographic categories or on any geographic units smaller than a Census Division.

## What did we learn?

### Overall Trends

The top row of Figure 1 reports results for major demographic groups for which both the ACS and CPS methods provide reliable estimates, while the bottom row reports results for smaller demographic groups using the larger ACS sample.<sup>12</sup> Black renters were strongly overrepresented among recipients of ERA – their share of the recipient population was 21-22 percentage points higher than their share of the eligible population. White renters were underrepresented—though as explained below, this picture changes when one considers income distributions. Latinx<sup>13</sup> renters occupied a share of ERA recipients roughly proportional to their share of the eligible population. Extremely low income renters were overrepresented: at 64%, their share of the recipient population was twice their share of the eligible population. The share of recipients who identify as women was 14-15 percentage points higher than their share of eligible renters. This overrepresentation could result from a household division of labor, whereby women are more likely than men to submit ERA applications and thus show up more often in recipient demographics, which pertain to primary applicants. However, as described in the appendix, this seems unlikely for a number of reasons. For example, among eligible renters with extremely low incomes, who are strongly overrepresented among ERA recipients, over half of households are headed by women. It is therefore reasonable to infer that overrepresentation of women among ERA recipients is driven at least in part by high rates of receipt by women-headed households.

Turning to the bottom row of Figure 1, Asian renters appear underrepresented among recipients

of ERA. Their share of the recipient population was three percentage points lower than their share of the recipient population; as discussed below, this pattern mirrors Asian underrepresentation in other government benefit programs. The gap in ERA receipt is smaller when income is taken into account below.

American Indian and Alaska Native renters were overrepresented by a margin of one percentage point, as are Native Hawaiian and Pacific Islanders, by a margin of 1.6 percentage points. Estimates for recipients here pertain to non-Tribal government programs only, so overrepresentation may be even higher. One percent of recipients identify as non-binary—we have no data on non-binary gender identification among the eligible population.

### *The intersection of income with race and ethnicity*

Recall the upper income threshold for eligibility in ERA was 80% of the area median income, but grantees were encouraged to target funds to those at the lowest end of the income spectrum; the share of renters with household incomes between 0 and 30% of the area median income was twice as high among recipients as among eligible renters. Importantly, income distributions vary by race and ethnicity. In the CPS data plotted on Figure 3, for example, the majority of Black, Latinx, and Asian eligible renters fell into the “Extremely Low Income” category, while most eligible White renters were in the highest eligible income category (which is still a low income category, according to HUD’s definitions).

As Figure 2 shows, the share of ERA recipients who had extremely low incomes and were Black, Latinx, and White was 19, 3, and 5 percentage points higher, respectively, than the share of those groups in the eligible population. Even amongst the higher-income brackets of eligible renters, Black renters were proportionally represented. For White and Latinx renters, the overrepresentation of extremely low income renters is offset by underrepresentation of those with incomes between 30% and 80% AMI. Asian underrepresentation is less stark when income is taken into account, though it remains present among all eligible income levels, at .6-1 percentage points. The [technical appendix](#) illustrates that these

<sup>12</sup> Estimates for recipients reported here are within 1 percentage point of those reported by Treasury (excluding ‘Declined to Answer’ and ‘Data Not Collected’ from the denominator). OES estimates Latinx households comprised 29% of recipients versus aggregate 22% in Treasury’s report. The higher estimate reported here is due to 3 months’ additional data (Q3 21-Q1 22) and imputation of missing data from 2021.

<sup>13</sup> Treasury reporting guidance and the Census surveys used here both classify renters as “Latino or Hispanic.” Since at least one percent of recipients of ERA identify as non-binary, however, we follow [DCFP guidance](#) and use “Latinx.”

trends mirror uptake of other government programs, such as food assistance, public health insurance, and public income assistance. Among those predicted eligible for ERA who have extremely low incomes, for example, uptake of such programs among Black renters is over twice that of Asian renters.

### Regional and State-Level Variation

As reported in the [technical appendix](#), there is no region in which Black, extremely low income, or women renters were underrepresented – compared to their share in the eligible population, these groups occupy the same or a higher share of the recipient population in all regions and almost all states. Some regions exhibit overrepresentation of Latinx renters (South Atlantic and East North Central), while others exhibit underrepresentation (Pacific, West South Central).

### What are the key takeaways?

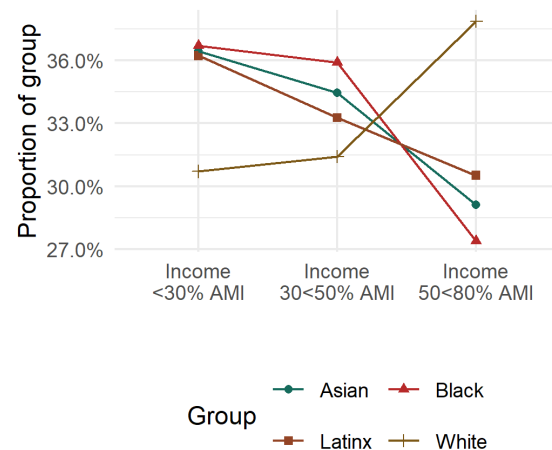
Existing research illustrates that Black and women renters were the most likely to receive eviction notices prior to the pandemic. In ERA, an unprecedented rental assistance program that Treasury and hundreds of grantees stood up and implemented in a number of months, OES found that those renters were most likely to receive funds, across all regions of the US.

Renters who identify as Native American, Alaska Native, Pacific Islander, or Hawaiian Native were overrepresented among recipients, which is notable given OES likely underestimated receipt by these groups due to the unavailability of demographic data from Tribal governments. Due to incompatibility between datasets, we were unable to estimate over- and underrepresentation of those who identify as Non-Binary or as Mixed Race.

Among eligible renters, ERA funds were much more likely to reach those with the lowest incomes. This matters for the representation of ethnic and racial groups, because income distributions vary by race and ethnicity. OES estimated underrepresentation of White and Latinx renters only at the higher end of the eligible income spectrum—extremely low income White and Latinx renters were overrepresented among recipients. For Asian renters, who were underrepresented in the

program, gaps appeared less stark when accounting for income but remained nonetheless. The category “Asian” represents a diverse group of ERA-eligible renters who, according to analyses in the [technical appendix](#), generally have low uptake of other government programs. OES recommends further research focusing on ways to boost access to and receipt of government benefits among this group.

**Figure 3: Income distributions among different racial and ethnic groups.**



*Note: The Y axis represents the proportion of each demographic group falling into each income category plotted on the X axis. These estimates are derived from CPS microdata on eligible renters.*