Now Lay Me Down To Sleep

Emergency Family Assistance (EFA)
Causes and Effects of Eviction

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Introduction

Baltimore eviction rate among highest in country, study says

Every year in Baltimore, more than 6,000 renters and their families are evicted from their homes — forced into court proceedings at a higher rate than any other major American city except Detroit, according to a new study from the Public Justice Center.

The evictions are ordered in Baltimore District Court from a docket known as Rent Court that largely favors landlords, the study concluded. The system often ignores poor conditions that would justify a tenant's decision to withhold payments, authors, including Dan Pascuiti of the Johns Hopkins University and Michele Cotton of the University of Baltimore, wrote.

"Baltimore needs to answer its rent eviction crisis, and change to the Rent Court system should be a major component of that answer," the authors wrote. "The court is undeniably overrun by the pressure to collect for landlords. The resulting 6,000 to 7,000 rent evictions reflect our leaders' in attention to the state of the court system and the magnitude of crisis."

The study was conducted with the Right for Housing Alliance and funded by the Abell Foundation. It found that most renters facing eviction had legally justifiable grounds for withholding rent payments.

In a survey of about 300 renters facing eviction, 78 percent reported having one or more threats to health or safety existing in their home at the time they appeared at court. About 58 percent reported insect or rodent infestation, 41 percent reported flaking or peeling paint and 37 percent reported plumbing leaks, according to the study.

The survey results demonstrate that most Rent Court defendants have "good cause not to pay at least some portion of their rents," the authors concluded. But most defendants are not represented by a lawyer and do not realize they have a legal defense, the authors wrote.

Causes and Effects of Eviction

Eviction, the forced legal process of removing a tenant from a residence, has reached crisis levels in America. What once was a relatively rare occurrence now threatens more than 11 million Americans, with poor, renting families bearing the worst of it. The rise in evictions stems from three problems that have surfaced in the past 20–30 years.

- **Incomes** for renting families have fallen or stagnated. The eviction crisis has revealed a stunning lack of affordable housing across the country. In 2017, a fulltime worker earning minimum wage could afford a one-bedroom apartment in only twelve U.S. counties. In other words, low-income Americans do not—and cannot—earn enough money to pay the rent in the vast majority of jurisdictions across the country. This leads poorer renters to housing further away from jobs and opportunities

- **Housing costs**, including utilities and rent, continue to rise. Federal guidelines have indicated for more than 80 years that households should not spend more than 30% of their income on rent. Without government assistance, extremely low-income families end up paying far too much of their income on housing. Today, because of rising housing costs, the majority of poor families spend more than 50% of their income on rent. This leaves very little for school field trips, medicine, food, clothing, or emergencies.

- **The federal government** has not stepped in to help fill the gap. Current federal and state commitment to housing assistance does not begin to cover the millions of low-income Americans who need help paying for a place to live. In 2015 the federal government spent $29.9 billion on Section 8, which gives vouchers for low income renters. This is less than half the amount spent on the mortgage interest deduction, for example, which benefits high-income households. Additionally an eviction can make tenants illegible for the very services and programs they need to secure housing

THE CRISIS The eviction crisis stems from three fundamental problems that have surfaced in the past 20–30 years. Incomes for poor, renting families have fallen or stagnated, while housing costs—including both utilities and rent—have risen. Meanwhile, the U.S. government has not made a significant investment in promoting affordable homes for all. This nationwide problem threatens extremely low-income renters—more than 11 million Americans. These workers do not make enough money to pay rent in most markets. Though they qualify for government housing aid, they do not receive it because there is not enough aid to meet the growing demand.

Key Points

Housing is the largest single expenditure for most households and is often one of the most significant factors in determining financial security. Unaffordable and unstable housing has harmful effects for low-income households and dramatically reduces spending on food, transportation, healthcare, and other basic necessities.

Eviction, and subsequent homelessness, is one of the most extreme consequence of housing instability.

A stable place to call home is one of the best predictors of success. Yet, each year more than 2.3 million Americans, most of them low-income renters, face eviction. While it used to be rare even in the poorest neighborhoods, forcible removal has become ordinary, with families facing eviction from the most squalid, barely inhabitable apartments.

Eviction occurs when renters are forcibly removed from their home by court order. Evictions and the threat of removal are disproportionately experienced by African American single mothers in many cities, but affect people of all backgrounds. An eviction record can mean that a family is now ineligible for other subsidies such as public housing. It can make job-hunting more difficult, if not nearly impossible. Finding a new place to live becomes almost a full-time job, especially in a sprawling metropolitan area without a car.

Housing instability threatens all aspects of family life: health, jobs, school, and personal relationships. Landlords hesitate to rent to those with eviction records, or charge them extra money, causing a devastating negative feedback loop. Children switch schools too often to make friends or be noticed and helped by teachers; neighbors cannot develop bonds; personal belongings are left in storage or out on the street. Americans often take home for granted—homes forms the building blocks of community life—and this stability is under attack when eviction looms.

This phenomenon exposes not only income inequality in America, but also the growing separation between the built environments of the rich and the poor.

Eviction can be a cause, rather than a result of poverty.

- Housing instability leads to problems at work and school, health issues, and community disengagement for children and families.
- Adults and children who have gone through an eviction are more likely to suffer from depression and other mental health challenges, and experience worse physical health than their counterparts with stable housing. In addition, frequent moves can wreak havoc on health plans and relationships with doctors for those with chronic illness.
- Changing schools means that students cannot develop relationships with counselors or teachers. They may struggle to keep up with different curricula, and lose out on opportunities to sustain friendships. Even if evicted students somehow avoid changing schools, they face higher stress levels. Job performance problems and even job loss can be traced directly to extreme stress caused by eviction, including hours lost to the legal process and finding a new place to live, and longer commute times to jobs from the next round of housing.

Who plays a role in eviction? **TENANTS** Many low-income renters are permanently in the rental market and will never own a home. The number of low-income renter households most at risk for eviction continues to grow. Once a family experiences hard times leading to an eviction, it can be difficult to find a landlord or rental company willing to rent to them, continuing a spiral of downward mobility.

In 2017, almost 2.5 million American households faced court-ordered eviction. Even more people lived with the threat of being forcibly removed from their homes, but managed to find another living situation before the final knock on the door. Eviction is more common for African American single mothers than for all other groups. In fact, poor single mothers of all races are particularly at risk. Children often expose families to eviction instead of protecting them, as landlords often see youth as disruptive.

LANDLORDS In 2016, 37% of homes were sold to buyers who did not occupy the property. Landlords are playing a new and significant role in the housing market. "Slumlords" in poor neighborhoods can often make more money than they could in more upscale markets. Sometimes they will raise rents in anticipation of incurring losses. They may also save by foregoing upkeep and maintenance.

OUR CITIES HAVE BECOME UNAFFORDABLE TO OUR POOREST FAMILIES, AND THIS PROBLEM IS LEAVING A DEEP AND JAGGED SCAR ON THE NEXT GENERATION. —**MATTHEW DESMOND, AUTHOR**

AFFORDABLE HOUSING SHORTAGE

The eviction crisis has revealed a stunning lack of sufficient and affordable housing across the entire country. In 2018, a full-time worker earning minimum wage could not afford to rent a 2-bedroom apartment anywhere in the country. In other words, low-income Americans do not—and cannot earn enough money to pay the rent in the vast majority of jurisdictions across the country. On a small income, there are very few options. Even if rents are similar in different neighborhoods, the upfront costs, utilities, and security deposits, as well as rules about previous eviction records, can keep low-income renters out of most apartments and communities. Often, after a long and frustrating search, families are forced into increasingly dilapidated housing in neighborhoods far from work and opportunity. But even this insufficient, crowded housing, often without reliable hot water and heat, comes at a high cost.

CAN THEY STILL BUY FOOD AND NECESSARY MEDICATION, PAY UTILITY BILLS, MAINTAIN THEIR HOME, AND PAY FOR TRANSPORTATION? —URBAN INSTITUTE

SPENDING TOO MUCH ON RENT Federal guidelines have indicated for more than 80 years that households should not spend more than 30% of their income on rent. This is increasingly impossible. Without government assistance, extremely low-income families (with an income under the poverty line) end up paying far too much money on housing. Today, because of rising housing costs, the majority of poor families—over eight million people—are severely cost burdened, which means they spend more than 50% of their income on rent. Some even more. This presents major problems for families who then have little funds left for medicine, food, clothing, transportation, or emergencies, let alone entertainment. Because the rent eats first.

EVICTION IS NOT JUST A CONDITION OF POVERTY. IT IS A CAUSE OF POVERTY. —MATTHEW DESMOND, AUTHOR

WHO GETS EVICTED? People of all ages, races, and ethnicities experience eviction. Any family living on the edge may need only one thing to go wrong for rent to lapse. However, eviction is more common for African American single mothers than any other group. In general, families with children can have trouble finding new places to live, as landlords are wary of renting to them. Other heavily impacted groups include poor women of color, poor single mothers of all races, and domestic violence victims. The cycle of being evicted, then struggling to find new housing, and ending up in worse housing in more dangerous neighborhoods than before, can bring families without a safety net into poverty

WOMEN ARE MOST AT RISK

Eviction rates are higher among low-income women, especially women of color. Desmond's research in Milwaukee, Wisconsin found that women from black neighborhoods accounted for 30% of evictions even though they only made up 9.6% of the population. **Nationally, 8% of Latina women and 20% of black women are evicted each year** . Desmond finds that the main risk factors of eviction for women are having children, lower wages, domestic violence, and even the gender dynamics between male landlords and female tenants. According to the U.S. Census, children living with a single mother is the second most common family arrangement after children living with two parents. Single mothers with children must bear the cost of a larger rental unit, in addition to other related expenses, such as childcare, education, and healthcare.

Generations of discrimination have also resulted in lower average wages for women, with black women facing the greatest pay gap of 61 cents for every dollar paid to white men for the same work. Landlords sometimes evict victims of domestic violence or even deny applications from women who have experienced domestic violence to protect the safety of their properties. Taken together, these systemic factors result in a higher eviction rate for women in the US.

IN 2016, 37% OF HOMES WERE SOLD TO BUYERS WHO DID NOT OCCUPY THE PROPERTY

LANDLORDS In 2016, 37% of homes were sold to buyers who did not occupy the property. Landlords are playing a new significant roles in the housing market and may no longer have the personal relationship many renters once had with their landlords. Landlords in poor neighborhoods can often make more money than they could in more upscale markets. Sometimes they will raise rents in anticipation of incurring losses. They may also save by foregoing upkeep and maintenance. “Slumlord” is a derogatory term used to describe a landlord who does not provide basic repairs and services to an apartment, while still demanding rent payment. These landlords know their tenants have few options and many not complain about housing quality for fear of risking eviction. Landlords need the rent in order to pay the mortgage. If tenants fall behind, finding solutions—property maintenance, mediation, extra time—that do not involve court evictions may help.

CAUSE AND EFFECT OF EVICTIONS

Families who are evicted regularly lose their possessions, lose their jobs, and experience higher rates of depression. For children, the instability caused by eviction can result in worse outcomes in education, health, and future earnings.

POVERTY IS A FACTOR

Eviction is highly correlated with poverty. Out of the 10.3 million renter households with an income below the poverty line, 71% are severely cost-burdened, spending more than half their income on housing. This cost burden can be detrimental for low-income families who may not have enough leftover income to cover other basic needs, such as food, healthcare, transportation, and childcare. In the *Evicted* exhibit stagnant incomes, higher rents, and a lack of public assistance are cited as the main causes of the eviction crisis *(Image 1)*. The rising gap between household incomes and housing costs has created affordability problems for many families. Between 2000 and 2016, median gross rents have **increased by 8.6%** while median renter incomes have decreased by 6.2%.

Why it Matters:
Housing is the key to reducing intergenerational poverty and increasing economic mobility. Research shows that increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility in the United States. Stanford economist Raj Chetty found that children who moved to lower poverty neighborhoods saw their earnings as adults increase by approximately 31%, an increased likelihood of living in better neighborhoods as adults, and a lowered likelihood of becoming a single parent. Moreover, children living in stable, affordable homes are more likely to thrive in school and have greater opportunities to learn inside and outside the classroom.

Emergency Family Assistance (EFA) Solutions

Increasing access to affordable housing bolsters economic growth. Research shows that the shortage of affordable housing costs the American economy about $2 trillion a year in lower wages and productivity. Without affordable housing, families have constrained opportunities to increase earnings, causing slower GDP growth. In fact, researchers estimate that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing. This would have led to a $1.7 trillion increase in income, or $8,775 in additional wages per worker. Moreover, each dollar invested in affordable housing boosts local economies by leveraging public and private resources to generate income—including resident earnings and additional local tax revenue—and supports job creation and retention.

EVICTIONS LEAD TO HOMELESSNESS