



2020 Housing Impact Report: Career-Age Families

# Working through the Pandemic

## Publicly supported homes improved housing stability and financial security for 5.8 million career-age individuals in 2019.

Publicly supported housing programs reduce the cost of housing for low-income families by providing a subsidy, tax incentive, mortgage loan, or insurance to a property or by offering a voucher to a household<sup>1</sup>. These programs position families to live in a higher quality and more affordable home than they otherwise would have if they were forced to find a home on the private rental market. Lower rental payments enable families to make timely rent payments. They also reduce the likelihood of moves, overcrowding, and evictions<sup>2</sup>. Publicly supported homes can also position families to access housing in neighborhoods with employment opportunities and accessible transportation. Living in a publicly supported home can also connect families to career development programs in the community, providing more tools to boost the ability of these families to achieve economic independence. This feature examines trends among career-age families living in publicly supported rental homes and offers new insights into how COVID-19 is impacting these families and how housing providers are supporting families through the pandemic.

### Trends in Career-Age Families Receiving Assistance

Publicly supported rental homes stabilized the lives of 5.8 million career-age individuals in 2019 (defined as people in the 18–61 age range), down 2.5% from 2018<sup>3</sup>. While 43% of people living in publicly supported homes are career-age<sup>4</sup>, one-third of these individuals have a physical limitation that precludes work<sup>5</sup>.

While many career-age families living in publicly supported homes are unable to work, most that can work are working. In 2019, only 43% of households living in publicly supported homes had at least one able-bodied career-age household member who was likely able to work<sup>6</sup>. Among these able-bodied career-age households, 85% reported that at least one household member was working or was recently working in 2019<sup>7</sup>, down from 87% in 2018<sup>8</sup>. Nearly four-fifths of families with able-bodied career-age household members who were not recently working cited family obligations, like care-giving, or school as their reason for not working<sup>9</sup>. While nearly two-thirds of able-bodied career-age assisted renters who were employed in March 2018 worked a full-time job,

these workers reported median hourly wages of only \$13.00, and still struggle to pay for rent and other necessities<sup>10</sup>. Working families living in publicly supported housing are generally employed in jobs that do not pay enough to afford market-rate housing options.

Overall, 1.75 million families living in publicly supported homes earned a majority of their income from wages in 2019, up 0.2% from 2018. Families earning a majority of their income from wages represent over one-fourth of all families living in publicly supported homes. While it is likely that the number of families earning the majority of their income from wages declined in 2020 due to the pandemic, data are not yet available to estimate this impact.

The number of low-income families with a career-age adult has also increased. In 2018, the latest year data are available, 18.74 million households with a career-age adult earned below 80% of the state median income<sup>11</sup>. Between 2017 and 2018, the number of career-aged earning below 80% of the state area median income increased 1.2%<sup>12</sup>.

Conservative estimates suggest that expanding rental assistance programs to likely eligible families with a career-age adult would mean that an additional 9.76 million households could realize the benefits of an affordable home in 2018. Likely eligible households include those earning less than 80% of the area median income (the HUD definition of low income) and paying more than 30% of their annual income toward housing (the HUD definition of cost burden). These figures increased 1.3% from 2017.

### Working Families Living in Publicly Supported Homes

5.8M career-age adults live in publicly supported homes.

43% of households living in publicly supported homes have an able-bodied career-age adult and are likely able to work

85% of households with a career-age able-bodied adult were employed or recently employed in 2019.

\$13/hr is the average amount full-time workers living in publicly supported homes earn making market rate housing unaffordable.

9.76M households with a career-age adult likely qualify for rental assistance and don't receive it.



## New Insights into How Housing Providers are Serving Career-Age Families in the Labor Force

Shutdowns and the economic downturn caused by the COVID-19 pandemic lead to widespread job loss, which particularly threatens the economic stability of low-income career-age families. As of August 15, 2020, 29 million people continue to receive unemployment benefits, suggesting the recovery is far from over<sup>13</sup>. Forty-four to forty-seven million jobs, representing one third of workers, are vulnerable to reduced hours, pay cuts, temporary unpaid leave, and layoffs related to shutdowns or inactivity due to COVID-19<sup>14</sup>. Eighty-six percent of these jobs paid less than \$40,000 per year, suggesting that low-wage workers are most vulnerable to COVID-19 layoffs<sup>15</sup>.

Low-income workers who remain employed during the pandemic face increased risk of COVID-19 exposure when they report to work. A large percentage of low-wage earners work in occupations that require working close proximity to others at higher rates and more frequently expose them to infectious diseases compared to higher-wage earners<sup>16</sup>. Sixty-five percent of workers earning below the national median work in occupations that require close physical proximity to others, while only 45% of workers earning above the national median must work in close proximity to others<sup>17</sup>. Low-wage workers are also less likely to work in occupations that can accommodate teleworking; only 18% of low-income workers worked from home in May 2020, compared to 46% of high-income workers<sup>18</sup>. Relatedly, many low-income individuals are frontline workers working in occupations deemed essential and cannot work from home. Almost one in four frontline workers earns below 200% percent of the poverty line<sup>19</sup>. Frontline workers earn lower wages on average than the US workforce at large (\$21.95 per hour vs \$24.98 per hour)<sup>20</sup>.

Low-income workers are also more vulnerable to the health impacts of COVID-19 exposure and job loss. Income influences health disparities through numerous mechanisms<sup>21</sup>, which may further increase the likelihood that low-income workers will contract COVID-19. One such mechanism is access to health insurance. One in five low-wage workers did not have health insurance in 2018<sup>22</sup>. Additionally, nearly 45% of low-wage workers relied on their employer for health insurance in 2018, which puts these workers at risk for losing coverage if they lose their jobs<sup>23</sup>. Low-income individuals also report lower self-reported health, which increases the likelihood of contracting COVID, and are more likely to live in larger households with an older adult, which could put them and their families at higher risk of exposure<sup>24</sup>. They also face greater food and housing insecurity and less access to medical care compared to their higher income peers, decreasing the likelihood that they will be able to absorb income losses or afford healthcare if they become sick<sup>25</sup>.

Similar to low-income workers at large, many assisted renters face high risk of exposure to COVID-19 at work. In March 2019, one-fifth of employed assisted renters worked in occupations that were exposed to infectious diseases once a month or more, and 29% worked in occupations that require working in moderate or very close proximity to others<sup>26</sup>. Taken together, 16% of employed assisted renters worked in high-risk occupations with high exposure to infection and close working quarters<sup>27</sup>. Approximately 46% of employed assisted renters in March 2019 worked in occupations that would become frontline occupations in the COVID-19 pandemic, such as home health aides, grocery store clerks, and janitors<sup>28</sup>. These frontline workers were employed in industries classified as essential by the Department of Homeland Security and are not amenable to telework. Among assisted renters working in frontline occupations, 31% face high exposure to infection and close proximity to others. More broadly, 60% of employed assisted renters worked in industries that would be deemed



## Many employed assisted renters are on the frontlines of the pandemic

**46%**

work in frontline occupations

**21%**

work in occupations with exposure to infectious diseases once a month or more

**29%**

work in occupations that require working in moderate or very close proximity to others

## At the same time, many assisted workers work in occupations that may face high levels of employment insecurity during the pandemic...

**40%**

work in non-essential occupations

**77%**

work in occupations not amenable to telework

## ...and they are more vulnerable to the health impacts of COVID-19 exposure

**34%**

have a health condition that increases their risk of developing a severe case of COVID-19

**25%**

do not have health insurance

**36%**

working families live with someone that has a health limitation

essential during the pandemic; however, only 23% worked in occupations amenable to telework.

Assisted renters also face the risk of income loss due to COVID-19 shutdowns and slumped job prospects. Forty percent of employed assisted renters work in non-essential industries that may experience layoffs or furloughs at higher rates than essential workers as additional restrictions are put in place to contain the virus<sup>29</sup>. Workers in non-essential industries may not be able to work until restrictions are lifted since over three-quarters were employed in occupations not amenable to telework<sup>30</sup>.

Additionally, employed assisted renters and their families are vulnerable to severe illness from COVID-19. One-third of assisted renters employed in 2018 reported having a risk factor that increases the likelihood of contracting a severe case of COVID-19, such as diabetes, heart disease, breathing problems, cancer, asthma, kidney problems, or old age<sup>31</sup>. Over one-third of employed assisted families also report living with someone that has a health limitation, which could put their

families at risk of exposure<sup>32</sup>. Additionally, one-quarter of employed assisted renters do not have health insurance, suggesting many of these individuals may have trouble accessing medical care<sup>33</sup>.

Affordable housing providers are supporting residents through the pandemic by checking in on them, collecting and distributing food and supplies, keeping them informed, and adjusting rents as income changes<sup>34</sup>. For instance, public housing providers are connecting with residents by phone, flyer distribution, social media, and their website to inquire about their well-being and whether they need any resources or services, such as access to food, during the pandemic. However, as need for health, employment, and other safety net programs drastically increased, many housing agencies targeted these services toward their most vulnerable populations: seniors and individuals with disabilities<sup>35</sup>. Many housing providers facilitate employment service programs, such as Jobs Plus, Family Self Sufficiency, and Section 3, which connect residents to jobs, onsite employment services, case managers, and training to build their labor market skills to help them return to work

when it is safe for them and their family to do so<sup>36</sup>. These programs can help residents qualify for and locate higher paying jobs that are necessary to afford market-rate housing. While many of these programs have moved online as a result of the pandemic, they can still play a role in connecting families back to the labor market once the pandemic subsides and the economy recovers<sup>37</sup>. However, additional funding from Congress is needed to enable housing providers to support and expand programs to help the growing number of vulnerable families<sup>38</sup>. Additionally, funds are needed to expand access to affordable housing and services to the many new families in need of assistance<sup>39</sup>.

## Citations

- 1 Each reported estimate specifies the exact types of federal assistance programs included in the figures. In general, programs covered in this report include public housing, Housing Choice Vouchers, project-based section 8, low-income housing tax credit (LIHTC), Federal Housing Administration (FHA) loans with affordability restrictions, special purpose vouchers, and some selected state programs. For more information regarding how estimates in the Trends in Children Receiving Rental Assistance section were generated, access the methodology documentation.
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- 4 PAHRC tabulation of NHPD retrieved 2020, RCR retrieved January 2020, POSH 2019, USDA Multifamily Occupancy Report 2020, and LIHTC Resident Characteristics Report 2018.
- 5 PAHRC tabulation of Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) 2019.
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