

How do Renters Cope with Unaffordability? Household-Level Impacts of Rental Cost Burdens in Los Angeles

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EXECUTIVE SUMMARY

This research presents data from a door-to-door household survey conducted to generate new insight into the impacts of the housing affordability crisis on Los Angeles renters. Most rental affordability research to date has examined the impacts of affordability at a high level, using large administrative datasets to track broader, population-level patterns among impacted households. As a result, we lack critical insight into how rental affordability operates, how it impacts residents in Los Angeles specifically, and how its effects differ across populations. To address this knowledge gap, we conducted an in-person survey of almost 800 households in Los Angeles in 2019. This work develops new insights into the impacts of the housing affordability crisis in Los Angeles, with implications for urban regions across the nation.

Methods:

We collected primary survey data from January through October 2019, on both weekdays and weekends. Our team conducted an in-person survey of 794 renter households across the Los Angeles Promise Zone (LAPZ), in Central Los Angeles, and the South Los Angeles Promise Zone (SLATE-Z) (see Figure 1). Our survey lasted approximately 50 minutes and was conducted in English and Spanish. We randomized the sample by block and address to allow for generalizing across neighborhoods and between immigrant and U.S.-born respondents.

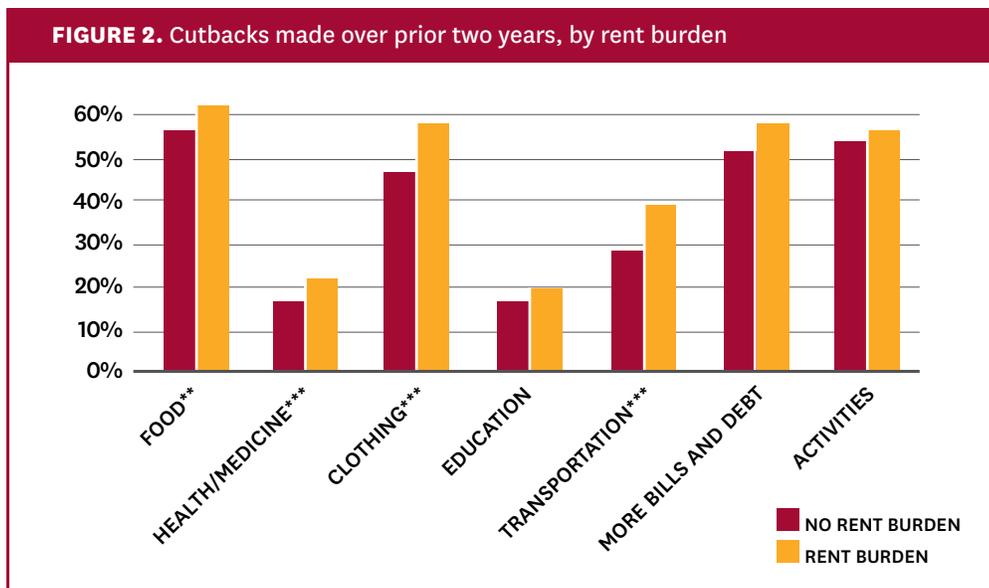
Key findings:

Survey results suggest that housing affordability impacts residents differently, forcing many Los Angeles households to cut back on critical basic needs in impactful and lasting ways. Housing affordability is measured in terms of rent burden, when households that pay over thirty percent of their income on rent and utilities are considered rent-burdened—an important threshold after which households make cutbacks or adjustments to afford their rent. Specifically, we found that:

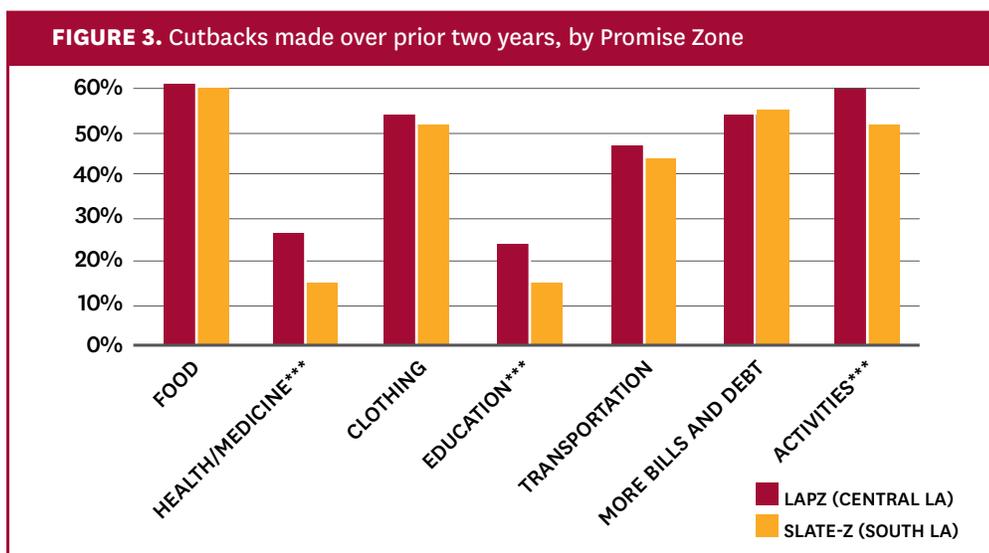
- Surveyed households were likely to have cut back in many basic needs over the prior two years in order to make rent, including food, clothing, and family activities. Additionally, rent-burdened households were more likely to have made cutbacks than non-rent-burdened households (see Figure 2). Over 60 percent of surveyed households reduced food consumption and approximately 45 percent reduced spending on clothing and/or entertainment and family activities. About 45 percent of households reported delaying bill payment or taking on additional debt. About one in five households reduced their health expenses, and nearly the same share reduced education expenses. Roughly one in three households reduced their transportation costs. These effects differed across rent burden status: rent-burdened households were more likely to have cut back on food, health and medicine, clothing, and transportation than non-rent-burdened households.
- Results suggest that many household cutbacks are not temporary coping strategies, but have become semi-permanent shifts that impact

These findings, which suggest both concentrated and dispersed economic strain from rent burden and associated cutbacks or adjustments, are particularly important in light of the COVID-19 pandemic and related economic recession that unfolded just months after survey data collection concluded. While the pandemic introduced an additional economic shock with widespread and significant effects, this research shows the deep, long-standing economic precarity that existed prior for Los Angeles renters. Therefore, this research underscores that current efforts to protect

renters during the crisis must support policy solutions that address the deep issues with the foundation of the rental market. Even before the pandemic, renters already endured enormous housing cost-related pressures. As a result, researcher and practitioner efforts must extend beyond promoting solutions to stop the impending evictions crisis and return to the pre-pandemic status quo. Rather, policies to support renters must tackle the enduring rental affordability crisis in Los Angeles.



Note: ** and *** indicates a difference statistically significant at the $p < 0.01$ and $p < 0.001$ levels respectively.



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