



On Edge: Ohio Renters Could Fall Hundreds of Millions Short

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The economic crisis and novel coronavirus pandemic have exacerbated the state's years-long affordable housing shortage, making it increasingly difficult for low-income Ohioans to pay their rent. Ohio's soaring unemployment has undermined the financial security of the state's renters, causing hundreds of thousands to scramble for rent dollars and threatening to increase homelessness. Despite expansions in unemployment benefits, too many Ohioans will struggle to maintain stable, affordable housing.

Building on analysis by the Urban Institute, COHHIO estimates that more than 630,000 renters have been laid off in Ohio since the coronavirus pandemic hit the state.¹ These unemployed tenants owe a combined total of more than \$500 million each month. Since current labor market conditions are unpredictable, the estimate does not include increases in unemployment that might occur after May 1.

Low-income workers have been devastated by the economic downturn. More than 90 percent of Americans who lost their jobs in March were in low-wage industries.² The national trends conform with data in Ohio. The Ohio Department of Job and Family Services reported that the state's hospitality and leisure industry lost 27,000 jobs in March alone – more than any other industry the agency monitors.³ Overall, nearly one-in-five Ohioans employed in February will be out of a job by the end of April.

Estimates from the Congressional Budget Office suggest that the economic pain will be long-lasting with national unemployment rates at 15 percent throughout the third quarter. The nonpartisan agency predicts double-digit unemployment well into 2021.⁴

¹ The Urban Institute's assumptions were applied to Ohio's laid off tenants. Please see Kaul, K. and Goodman, L. (2020). "The Price Tag for Keeping 29 Million Families in Their Homes: \$162 Billion." *The Urban Institute*. <https://www.urban.org/urban-wire/price-tag-keeping-29-million-families-their-homes-162-billion>

² Cornell University Law School. Job Quality Index. April 17, 2020. <https://bit.ly/2VNrT2A>

³ Crow, B. & Terez, A. (2020). "March Ohio and U.S. Employment Situation (Seasonally Adjusted)." Ohio Department of Job and Family Services. <http://jfs.ohio.gov/RELEASES/unemp/202004/index.stm>

⁴Swagel, P. (2020). "CBO's Current Projections of Output, Employment, and Interest Rates and a Preliminary Look at Federal Deficits for 2020 and 2021." Congressional Budget Office. April 24. <https://www.cbo.gov/publication/56335>

Federal assistance has provided some relief for the state’s low-income residents in the form of stimulus checks and greater unemployment cash assistance through the federal CARES Act. The funding has provided a critical lifeline to some housing insecure families. However, as noted in the table on the following page, renters will face a significant drop in aid when the additional \$600 in weekly federal support for state unemployment benefits expires at the end of July.⁵ Similarly, Ohio’s Pandemic Unemployment Assistance fund, a program that uses federal dollars to support people ineligible for state benefits such as gig workers, is largely comprised of a \$600 weekly financial support that will terminate at the end of July.⁶

Monthly Budget for Unemployed Ohio Family of Three at 50 Percent of Area Median Income After Federal Unemployment Boost Expires	
Item	Income or Expenditure Amount
Unemployment Compensation	\$1,180
Rent	-\$700 to -\$990
Food	-\$550
Healthcare	-\$575
Total Left at End of the Month	-\$645 to -\$935

Sources: American Community Survey; Urban Institute, Economic Policy Institute and NLIHC⁷

Data indicates that 34 percent of the state’s households are renters and have fewer economic resources than homeowners. For instance, in 2018, Ohio’s renters earned a median household income of \$40,531, while owners made nearly double that amount.⁸ The differences in earnings are reflected in the amount of money that households save for emergencies. Fewer than one-in-four low-income Americans have enough resources to endure a three-month long loss of income.⁹

Rental assistance offers a cost-effective mechanism for the government to support low-income households when the federal unemployment funding expires at the end of July. Ohio’s renters will need emergency rental assistance as the economic downturn lingers into the summer and fall. The support is particularly necessary as the state’s unemployment claims system experiences high volume.¹⁰

⁵ Cunningham, M., Goodman, L., & Hyun Choi, J. (2020). “Don’t Overlook the Importance of Unemployment Benefits for Renters.” <https://www.urban.org/urban-wire/dont-overlook-importance-unemployment-benefits-renters>

⁶ Ohio Department of Job and Family Services. (2020). Coronavirus and Unemployment Insurance Benefits.” <https://unemploymenthelp.ohio.gov/expandedeligibility/>; U.S. Dept. of Labor. (2020). Unemployment Insurance Program Letter No. 17-20. Washington, D.C.

⁷ U.S. Census Bureau. American Community Survey 2018. www.data.census.gov; Cunningham, M., Goodman, L., & Hyun Choi, J. (2020). “Don’t Overlook the Importance of Unemployment Benefits for Renters.” <https://www.urban.org/urban-wire/dont-overlook-importance-unemployment-benefits-renters>

⁸ Aurand, A., Emmanuel, D., Rafi, I., and Yentel, D. (2019). Out of Reach. National Low Income Housing Coalition. https://reports.nlihc.org/sites/default/files/oor/OOR_2019.pdf

⁹ U.S. Census. American Community Survey. “Ohio Housing Characteristics.” www.data.census.gov

⁹ Parker, K., Horowitz, J. & Ardit, T. (2020). About Half of Americans Report Household Job or Wage Loss Due to COVID-19. Pew Research Center. https://www.pewsocialtrends.org/wp-content/uploads/sites/3/2020/04/PSDT_04.21.20_covidfinance_FULL.REPORT.pdf

¹⁰ Crow, B. & Terez, A. (2020). “Unemployed Ohioans Encouraged to File Claims on Designated Days.” Ohio Department of Job and Family Services. <http://jfs.ohio.gov/RELEASES/pdf/042120-UI-Claimant-Weekly-Filing.stm>

Most Economically Vulnerable Positions	
Barbers	Retail clerks
Maintenance	Manufacturing
Food service workers	Flight attendants
Tourism workers	Sales

Source: St. Louis Federal Reserve Bank¹¹

Ohio’s affordable housing crisis has long acted as an obstacle to people striving to move out of poverty. A low-wage worker in the state would have to earn \$15.75 an hour in order to cover the cost of fair-market rent for a two-bedroom apartment. However, the average wage for renters in the state was \$13.92.¹² Federal policymakers should take action to help struggling renters make ends meet and prevent a wave of evictions that could leave thousands of families newly homeless over the next several months.

Hundreds of thousands of Ohio’s unemployed tenants face a looming crisis as rent bills go unpaid month after month. An expansion of federal funding for rental assistance will stabilize the housing needs of the state’s renters, diminish the risk of eviction, and keep America’s unemployed households safe during the pandemic.

¹¹ Leibovici, F., Santacreu, A., Famiglietti, M. (2020). Social Distancing and Contact-Intensive Occupations. Federal Reserve Bank of St. Louis. <https://www.stlouisfed.org/on-the-economy/2020/march/social-distancing-contact-intensive-occupations>

¹² Aurand, A., Emmanuel, D., Rafi, I., and Yentel, D. (2019). Out of Reach. National Low Income Housing Coalition. https://reports.nlihc.org/sites/default/files/oor/OOR_2019.pdf