

# IRP

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## Housing Precarity: When Renters Struggle to Find and Keep a Home

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## From the Editors –

Rental housing involves a complex set of interrelated topics—much broader and deeper than three summary articles might encompass. That said, we cover important ground in this issue of *Focus on Poverty* and point towards directions of necessary future work.

Co-authors **Ingrid Gould Ellen**, **Katherine O'Regan**, and **Sarah Strochak** offer up-to-date insights on housing voucher lease-up rates. While housing vouchers have the potential to assist renters with low incomes in their search for stable housing, there has been little recent evaluation of the variables for successful leasing among voucher recipients. The authors introduce the topic and offer potential solutions to common barriers including extended search times, place-based rent ceilings, and greater source-of-income protections and enforcement.

When it comes to housing and displacement, the specter of gentrification looms large. Yet—as researchers **Peter Hepburn**, **Renee Louis**, and **Matthew Desmond** have found—evictions play a much larger role in renter displacement than gentrification. The geography of eviction demonstrates the persistent presence of forced displacement, especially among predominantly low-income households in non-gentrifying neighborhoods. The extent to which eviction can be considered a racialized phenomenon is based on its consistent and long-standing use in segregated Black communities nationwide.

Housing-cost burden among renters has become pervasive since the 1970s. As **Gregg Colburn**, **Christian Hess**, **Ryan Allen**, and **Kyle Crowder** explain, average rent prices have increased dramatically while working-class wages have remained stagnant. Data from 2019 demonstrates that nearly half of all rental households in the United States endured a spell of housing-cost burden. Addressing the root causes of this long-term problem, the research team says, deserves a policy response also focused on long-term solutions.

On a related topic—regarding housing and other concerns—an opportunity to learn about administrative burden will take place on September 25, 2024. Leading researchers **Carolyn Barnes**, **Elizabeth Bell**, **Meredith Dost**, and **Donald Moynihan** will take part in a webinar discussion hosted by IRP. Join us for: *Approaches to Reducing Administrative Burdens in Accessing and Maintaining Services from Government Agencies and Public Programs*. For more information and to register, see: <https://www.irp.wisc.edu/resource/approaches-to-reducing-administrative-burdens-in-accessing-and-maintaining-services-from-government-agencies-and-public-programs/>.

Also included with this issue of *Focus On Poverty* is the Classroom Supplement. Discussion topics and potential questions offer starting points for classroom work and in-depth conversation. Resources for further investigation, from IRP and non-IRP sources alike, include research papers, podcast episodes, webinars, and more. As usual, we hope you find this issue of *Focus on Poverty* enlightening and useful. Feedback and suggestions for future topics are welcome!

Sincerely, the IRP Editorial Team

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## Housing Voucher Lease-Up Rates

Ingrid Gould Ellen, Katherine O'Regan, and Sarah Strochak

### TAKEAWAYS

Housing choice vouchers provide significant benefits to the low-income households who successfully use them, yet nearly 40% of recipients fail to lease homes with their vouchers.

Voucher lease-up rates are lower for Black and Hispanic renters and their search times are longer.

Potential policy interventions include extending search times, setting neighborhood-based rent ceilings, and enacting and enforcing source-of-income protections.



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### Of the various federal rental-assistance programs available

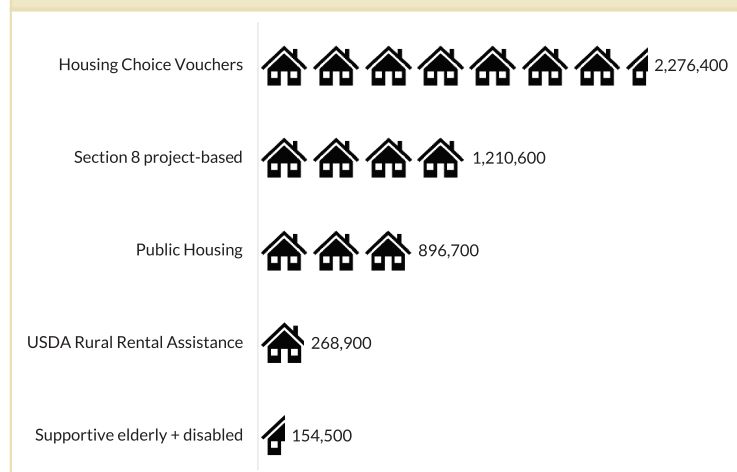
in the United States, housing choice vouchers support far more households than any other. Public housing agencies within cities across the nation facilitate housing choice voucher programs for approximately 2.3 million households with low incomes (see Figure 1).<sup>1</sup> Research shows that housing vouchers reduce rent burdens, help resolve overcrowding, and decrease the risk of homelessness.<sup>2</sup> But there is little research on voucher lease-up or success rates.

Here we summarize new research on voucher success rates using administrative data from about 85,000 voucher recipients (annually), in 433 U.S. metropolitan housing authorities, between 2015 and 2019.<sup>3</sup> In short, we find that location (i.e., housing markets) and neighborhood racial composition act as significant factors in predicting successful lease up. In metro areas with fewer housing vacancies, more spatial variation in rent prices, and an older housing stock, lease-up rates are significantly lower. We also find significant racial disparities. Black and Hispanic voucher recipients are less likely to successfully lease a home with their voucher within a typical 60-day window than other recipients in the same area, though lease-up rates tend to even out within a 180-day period.

### Predicting Successful Lease Up

One of the most obvious factors in finding a rental unit is availability; in markets with lower vacancy rates (i.e., a tighter market, or fewer available units overall), it is generally more difficult to lease a home with a voucher. The age and condition of a neighborhood's housing stock are also important factors. Because HUD requires its own housing inspection—separate from any municipal inspection—newer buildings may more easily pass HUD's quality inspection, thus creating more rental opportunities compared to markets with older units. It's also

**Figure 1. Number of U.S. Households Receiving Major Types of Federal Rental Assistance.**



Source: Center on Budget and Policy Priorities, 2022, Federal Rental Assistance Fact Sheets. <https://www.cbpp.org/research/federal-rental-assistance-fact-sheets#US>

likely that markets with more spatial dispersion in rents may be challenging for voucher holders because the share of units within the rent band that is affordable to voucher holders may be lower and those units will be concentrated in just a few neighborhoods.

Neighborhood characteristics where voucher recipients currently live are also important for many home seekers. Those starting off in neighborhoods with high rents may have to search further to find a willing landlord and a home with rent low enough to qualify for the voucher program. Those starting off in neighborhoods with older homes that can't pass HUD's inspections may also be at a disadvantage.

Housing agencies can also be influential. Practical and actionable guidance, information, and search assistance can reduce time spent searching across housing options. Some housing agencies work to foster and maintain relationships with landlords, expanding the number who are willing to accept vouchers.

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Lease-up rates are significantly lower in metro areas with fewer housing vacancies, more spatial variation in rent prices, and older housing stocks.

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Societal factors may create barriers for some of the neediest voucher recipients. Structural racism is one such barrier. Black and Hispanic households tend to take longer to find adequate housing, face spatial constraints in terms of social networks within segregated cities, and tend to search through personal networks rather than online systems.<sup>4</sup>

## Select Findings and Policy Implications

We estimate that 61% of voucher recipients successfully leased a home within six months of receiving their vouchers during the five years of our study, 2015 to 2019. On average, it took renters in this study between 59 and 63 days to secure a lease. Search times were generally longer, and lease-up rates generally lower, in metro housing markets with lower vacancy rates (i.e., fewer housing options) and higher cross-neighborhood variations in rent prices.

Even after controlling for various market factors in our analysis, however, we find significant differences along racial and ethnic lines. Simply put: Black and Hispanic voucher recipients are less likely to successfully use their vouchers—and, on average, take longer to do so. While our data do not allow us to definitively state cause-and-effect relationships, it appears that housing conditions within historically Black or Hispanic neighborhoods—often showing the effects of decades of disinvestment—play a key role in the struggles to find adequate housing. Potential systematic

## IRP Related Resource



Podcast: On the Concept of Who Deserves to Access to Public Housing. Prentiss Dantzer. February 2022. <https://www.irp.wisc.edu/resource/prentiss-dantzer-on-the-concept-of-who-deserves-to-have-access-to-public-housing/>

discrimination from landlords and other factors, such as more limited pools of resources among these families, also suggest that racist attitudes and longstanding struggles toward wealth accumulation have roles to play as well.

Public housing agencies can implement policies that would simultaneously boost voucher lease-up rates and reduce racial disparities in search outcomes. Racial gaps are lower for 180-day lease-up rates than for 60-day rates, for example, so extending allowable search times would likely increase lease-up rates while also benefiting Black and Hispanic voucher recipients.

Reducing or eliminating source-of-income discrimination—exemplified by landlords’ refusal to accept housing vouchers to pay rent—could also help boost lease-up rates while reducing racial disparities.<sup>5</sup>

Aligning with one of our recommendations, starting in 2025, a new HUD requirement will take effect in 41 metro areas across the nation to use Small Area Fair Market Rents (SAFMRs) as ZIP Code-level rent caps—this is in addition to the 24 metro areas that were previously mandated to use SAFMRs beginning in 2018.<sup>6</sup> Using SAFMRs, rather than city-wide fair market rent values to set rent subsidies, has the potential to help voucher recipients find homes in more neighborhoods since SAFMRs expand the geographical possibilities for finding affordable housing for voucher holders.

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## Housing conditions within historically Black or Hispanic neighborhoods—often showing the effects of decades of disinvestment—play a key role in the struggles to find adequate housing.

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One final adjustment regarding HUD policy would be to reconsider or modify its housing inspection policy. Homes having recently passed a municipal inspection, for instance, might qualify for housing choice vouchers without a subsequent, and largely duplicative, HUD inspection. Alternately, virtual inspections could also be considered as a means of documenting housing conditions while saving time and resources.

Reforms to the policies, processes, and practices of the housing choice voucher program could increase efficiencies, create greater opportunities for successful lease ups across a wider array of neighborhoods, and reduce racial and ethnic disparities in cities nationwide. ■

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<sup>1</sup>Center on Budget and Policy Priorities. (2022, Jan. 19). Federal Rental Assistance Fact Sheets. <https://www.cbpp.org/research/federal-rental-assistance-fact-sheets#US>

<sup>2</sup>Mills, G., Gubits, D., Orr, L., Long, D., Feins, J.D., Kaul, B., Wood, M., Amy Jones and Associates, Inc., Cloudburst Consulting, The QED Group. (2006, Sept.). *Effects of Housing Vouchers on Welfare Families*. Technical report. U.S. Department of Housing and Urban Development, Washington, D.C. [https://www.huduser.gov/publications/pdf/hsgvouchers\\_1\\_2011.pdf](https://www.huduser.gov/publications/pdf/hsgvouchers_1_2011.pdf)

<sup>3</sup>Gould Ellen, I., O'Regan, K., & Stochak, S. (2024). Race, space, and take up: Explaining housing voucher lease-up rates. *Journal of Housing Economics*, 63(101980). <https://doi.org/10.1016/j.jhe.2023.101980>

<sup>4</sup>Krysan, M., Crowder, K., Scott, M.M., Hedman, C., Adeeyo, S., Diby, S., Latham, S. (2018). *Racial and Ethnic Differences in Housing Search*. Technical report, U.S. Department of Housing and Urban Development, Washington, D.C., p. 283. <https://www.huduser.gov/portal/publications/HousingSearch.html>

<sup>5</sup>U.S. Department of Housing and Urban Development. (n.d.). *Source of income protections for Housing Choice Voucher holders*. [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/source-of-income-protections](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/source-of-income-protections)

<sup>6</sup>Center on Budget and Policy Priorities. (2023, Nov. 1). "HUD expands promising policy to support housing choice." <https://www.cbpp.org/blog/hud-expands-promising-policy-to-support-housing-choice>

**Type of analysis:** Quantitative

**Data source:** Housing and Urban Development individual-level administrative data for voucher issuances and use. American Community Survey 5-year data for area market conditions and neighborhood compositions.

**Sample definition:** 60-day and 180-day voucher lease-up rates and search times for 85,000 new voucher recipients annually in 430+ metropolitan public housing agencies (PHAs) in the United States.

**Time frame:** 2015 through 2019

**Limitations:** Results do not demonstrate causal relationships between policy interventions and voucher search experiences but, rather, provide suggestions for refined interventions to boost lease-up rates as well as reduce significant racial disparities in search experiences.

## Upcoming IRP Webinar

Wednesday, September 25, 2024

2:00–3:00 Eastern | 1:00–2:00 Central | 12:00–1:00 Mountain | 11:00–12:00 Pacific

### Approaches to Reducing Administrative Burdens in Accessing and Maintaining Services from Government Agencies and Public Programs.

**Panelists:** Carolyn Barnes, Associate Professor, Crown Family School of Social Work, Policy, and Practice, The University of Chicago; Elizabeth Bell, Assistant Professor, Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin; Meredith Dost, PhD, IRP National Poverty Fellow in residence at the Office of the Assistant Secretary for Planning and Evaluation (ASPE), U.S. Department of Health and Human Services (HHS); and Donald Moynihan, Professor, Gerald R. Ford School of Public Policy, University of Michigan

Administrative burden occurs when individuals are faced with obstacles that hinder their ability to fully participate in society and to access programs and benefits for which they qualify. This can affect many aspects of life, including voting, enrolling for health care coverage or educational opportunities, and applying for social safety net programs like SNAP, Unemployment Insurance, or the Housing Choice Voucher program. While most people will interact with one or more of these systems on a regular basis, low-income people and those from otherwise marginalized groups are particularly vulnerable to the barriers that are in place. In this webinar, the presenters will discuss their research on the causes and impacts of administrative burden as seen in several programs. They will offer applications and implications for policy and practice approaches that can alleviate administrative burden for affected individuals and communities.

Register for event or view recording: <https://www.irp.wisc.edu/resource/approaches-to-reducing-administrative-burdens-in-accessing-and-maintaining-services-from-government-agencies-and-public-programs/>



# Eviction, Gentrification, and Renter Displacement

Peter Hepburn, Renee Louis, and  
Matthew Desmond

## TAKEAWAYS

Stories about residential displacement often place the blame on gentrification and neighborhood change, without considering the geography of evictions and other mechanisms of forced displacement.

Displacement is common and consistent—especially in low-SES neighborhoods—while gentrification is relatively rare.

Evictions are often concentrated in segregated Black communities and can be considered a racialized phenomenon.

## Residential displacement—or being forced out of the place

where you live—is a consistent dynamic of neighborhood life across the United States. In both academic research and popular discourse, gentrification is often cited as a leading cause of displacement. As our research strongly suggests, however, displacement is far more common in stable, low-socioeconomic status (SES) neighborhoods compared to those that are gentrifying.<sup>1</sup> In the summary below, we draw important distinctions between the broader topic of gentrification and specific underlying drivers of displacement—such as evictions—in low-income neighborhoods throughout the nation.

In 2018, about 3.6 million eviction cases were filed in the United States.<sup>2</sup> Contrary to popular narratives about the dynamics of displacement for renter households, most evictions occur in low-SES neighborhoods that are not gentrifying. No one argues against the existence and potential harms of gentrification, but eviction cases simply are not concentrated in these spaces. Evictions act as a far greater driver of displacement in neighborhoods with majority low-income residents. This is especially true in majority-Black neighborhoods throughout the United States. We analyzed 72 of the largest 200 metro areas in the nation and found that 1 in 16 renter households face eviction each year in majority-Black neighborhoods compared to 1 in 38 renter households in gentrifying neighborhoods. Given robust evidence across decades of data, we consider eviction to be a racialized phenomenon, one very often concentrated in segregated Black communities.<sup>3</sup>

## Gentrification and Evictions

Using multiple measures of gentrification and various robustness checks to overcome limitations of prior research, our results support the assertion that eviction acts as a stronger and more consistent driver of forced displacement in low-SES neighborhoods compared to gentrifying neighborhoods. Data from 2000 to 2016 offers no evidence of gentrifying neighborhoods experiencing higher eviction rates than non-gentrifying low-SES neighborhoods.

### A broad research agenda studying forced displacement in low-SES urban neighborhoods might ask fundamental questions such as:

- Why have rents in low-SES neighborhoods accelerated at such a fast pace?
- Are evictions diffuse across low-SES neighborhoods or concentrated in specific blocks or buildings?
- Where do people go after being displaced from low-SES neighborhoods?
- How does residential instability affect daily life in low-SES communities?

Within our cross-sectional sample of over six million eviction court records, we find virtually no correlation between gentrification and eviction at the metropolitan level. Across all the cities in our study, about 13% of neighborhoods were considered gentrifying; these neighborhoods saw nearly 12% of the evictions we tracked. In contrast, the 45% of neighborhoods that we classified as non-gentrifying low-SES neighborhoods saw over 60% of evictions. While eviction rates varied by neighborhood racial composition, we consistently found significantly higher rates in low-SES neighborhoods compared to gentrifying neighborhoods.

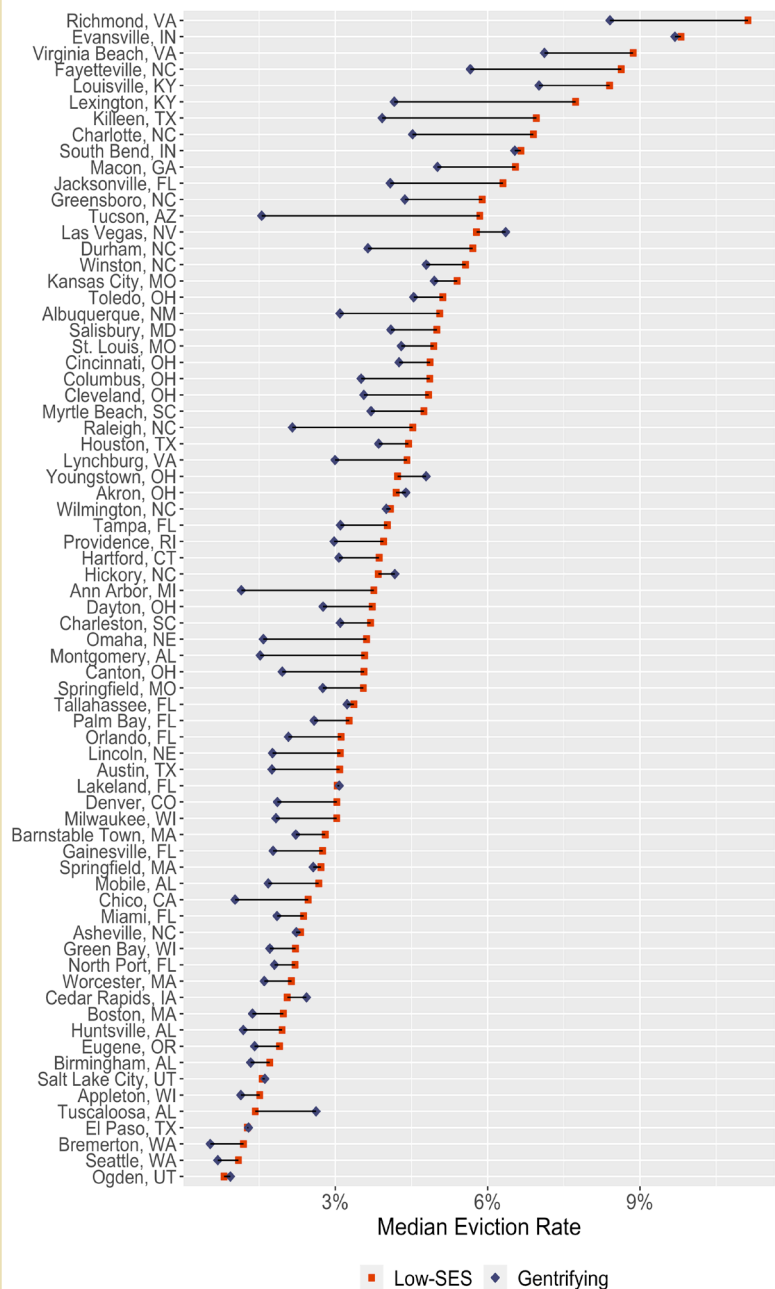
Six of every seven metro areas in our study saw higher median eviction rates in low-SES neighborhoods than in gentrifying neighborhoods (see Figure 1). In Tucson, AZ, for example, the median eviction rate in low-SES neighborhoods was 5.85%, compared to just 1.55% in gentrifying neighborhoods. Several large metropolitan areas had notable differences in this direction, including Charlotte and Raleigh, NC, Jacksonville, FL, and Austin, TX. Median eviction rates were higher in low-SES areas both in metropolitan areas where eviction is common (e.g., Richmond, VA, Durham, NC) and in those where it occurs much less often (e.g., Seattle, WA, Birmingham, AL). Given significant between-metro differences, however, we caution against drawing overly broad conclusions based on single-site studies.

## A Broader Research Agenda

Models of urban displacement developed in recent decades often center on the dynamics of gentrification alone. Based on our data, however, we argue that such theories must explore a broader range of phenomena. Displacement is common and consistent—especially in low-SES neighborhoods—while gentrification is relatively rare. Majority-Black neighborhoods are often resistant to gentrification.<sup>4</sup> But these neighborhoods, in cities nationwide, consistently see rising rents and high rates of forced displacement, even when gentrification is not occurring.

Results from this work lead us to support calls for a broader research agenda documenting the dynamics of urban displacement.<sup>5</sup> Understanding how concentrated poverty in cities emerges from disinvestment—or routine abandonment of urban neighborhoods—requires a

**Figure 1. Median eviction rate by neighborhood gentrification classification and metropolitan area (2012–2016).**



Source: Hepburn, Louis, & Desmond (2024).



shift away from gentrification as a central focus and towards a more robust sociology of displacement. Research along these lines might explore the reasons for skyrocketing rents, the ebbs and flows of low-income rental markets, and how cities and suburbs manage the segregated coexistence of both poor and affluent neighborhoods.<sup>6</sup> The main drivers of housing loss in low-SES neighborhoods, rather than periodic and external forces associated with theories of gentrification, are routine and internal to these neighborhoods. Residential churn and housing loss are, unfortunately, normalized features of low-SES neighborhoods. Recognizing and trying to address this routine displacement would forestall considerable suffering for families now and in the future. ■

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Renee Louis is a PhD candidate in sociology at Stanford University

Matthew Desmond is the Maurice P. During Professor of Sociology at Princeton University

## Sources & Methods

**Type of analysis:** Quantitative

**Data source:** Court records of 6,007,475 eviction cases.

**Time frame:** Years 2000 to 2016

**Sample definition:** Purposive sample drawn from eviction cases filed in 72 of the 200 largest metro areas in the United States; displacement documented by eviction judgments against tenants.

**Limitations:** Data on evictions vary by location and timeframe; reliability concerns arise when drawing upon such data sources. This research examines a specific period for 72 U.S. cities; relationships between gentrification, eviction, and displacement may differ at other times and in other locations. Underlying causes of eviction vary and can be difficult to determine; while this research examines heterogeneity in the relationships between gentrification and displacement, there is no attempt here to explain the causes of such variation. This work evaluates eviction and displacement risks for renters but does not address similar risks for homeowners.

<sup>1</sup>Hepburn, P., Louis, R., & Desmond, M. (2024). Beyond gentrification: Housing loss, poverty, and the geography of displacement. *Social Forces*, 102, 880–901. <https://doi.org/10.1093/sf/soad123>

<sup>2</sup>Gromis, A., et al. (2022). Estimating eviction prevalence across the United States. *Proceedings of the National Academy of Sciences of the United States of America*, 119(21), 1–8. <https://doi.org/10.1073/pnas.2116169119>

<sup>3</sup>Hepburn, P., Louis, R., & Desmond, M. (2020). Racial and gender disparities among evicted Americans. *Sociological Science*, 7, 649–662. <https://doi.org/10.15195/v7.a27>

<sup>4</sup>Hwang, J. & Sampson, R. J. (2014). Divergent pathways of gentrification: Racial inequality and the social order of renewal in Chicago neighborhoods. *American Sociological Review*, 79(4), 726–751. <https://doi.org/10.1177/0003122414535774>

<sup>5</sup>Brown-Saracino, J. (2017). Explicating divided approaches to gentrification and growing income inequality. *Annual Review of Sociology*, 43, 515–539. <https://doi.org/10.1146/annurev-soc-060116-053427>; Cornelissen, S. & Jang-Trettien, C. (2023). “Housing in the context of neighborhood decline.” In *The Sociology of Housing* (B.J. McCabe & E. Rosen, Eds.). Chicago: University of Chicago Press; Hwang, J. (2016). While some things change, some things stay the same: Reflections on the study of gentrification. *City & Community*, 15(3), 226–230. <https://doi.org/10.1111/cico.12188>

<sup>6</sup>Hwang, J. (2015). Gentrification in changing cities: Immigration, new diversity, and racial inequality in neighborhood renewal. *Annals of the American Academy of Political and Social Science*, 660, 319–340. <https://doi.org/10.1177/0002716215579823>

## IRP Related Resources



On Eviction and the Rental Housing Crisis in the Rural United States. Carl Gershenson. July 2024. <https://www.irp.wisc.edu/resource/carl-gershenson-on-the-rural-eviction-crisis/> Interview draws from: Gershenson & Desmond, 2024, Eviction and the Rental Housing Crisis in Rural America. *Rural Sociology*, 89(1), 86–105. <https://doi.org/10.1111/ruso.12528>



Webinar: Policy and Practice Approaches to Supporting Low-Income Renters at Risk of Eviction. Michael Lens, Eva Rosen, & Jennifer Prusak. June 2024. <https://www.irp.wisc.edu/resource/policy-and-practice-approaches-to-supporting-low-income-renters-at-risk-of-eviction/>

# Housing-Cost Burden Among U.S. Renters

Gregg Colburn, Christian Hess, Ryan Allen, and Kyle Crowder

## TAKEAWAYS

Housing-cost burden occurs when housing costs exceed 30% of a household's pretax income; severe cost burden is defined as housing costs exceeding 50% of a household's pretax income.

Since 1970, housing-cost burden has become pervasive, frequent, and persistent for an increasing number of U.S. households.

Rental households in this survey saw a nearly 20% increase in inflation-adjusted rent prices, while incomes for the same households fell by more than 10%.

Increases in the prevalence of housing-cost burden have been driven by increased entries into cost-burden status and longer duration spells.

Stark racial and socioeconomic disparities emerge on all measures of housing-cost burden among renters.



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**Housing affordability is a persistent and serious struggle for** many rental households in the United States. Housing-cost burden, as examined in our recent paper—*The dynamics of housing cost burden among renters in the United States*—is a measure of financial precarity defined as spending 30% or more of a household's pre-tax income to pay for housing.<sup>1</sup> A household faces severe housing-cost burden when spending 50% or more of household income on housing. Almost half of all rental households in the United States faced housing-cost burden in 2019.<sup>2</sup>

Because “the rent eats first,” households that face housing-cost burden may reduce or cut spending on other important household expenses.<sup>3</sup> Impacts of housing-cost burden can include higher stress, lower life satisfaction, decreased geographic stability, lower housing quality, reduced spending on household necessities, and negative impacts on children in the home.<sup>4</sup>

Drawing on 50 years of data, we examined the dynamics of renters' experiences with housing-cost burden in the United States. The dynamics of housing-cost burden, we find, stand in contrast to typical experiences of poverty. Despite common narratives about the chronic persistence of poverty, about 75% of poverty spells are less than one year in length.<sup>5</sup> Compared to the relatively episodic nature of financial precarity for most households, spells of housing-cost burden are more long-lasting and persistent.

## Data and Research Questions

Using longitudinal data from the Panel Study of Income Dynamics (PSID) from the years 1970 to 2019, we analyzed patterns of housing-cost burden among renter heads-of-household nationwide. Results and their implications for our analysis were guided by two central research questions:

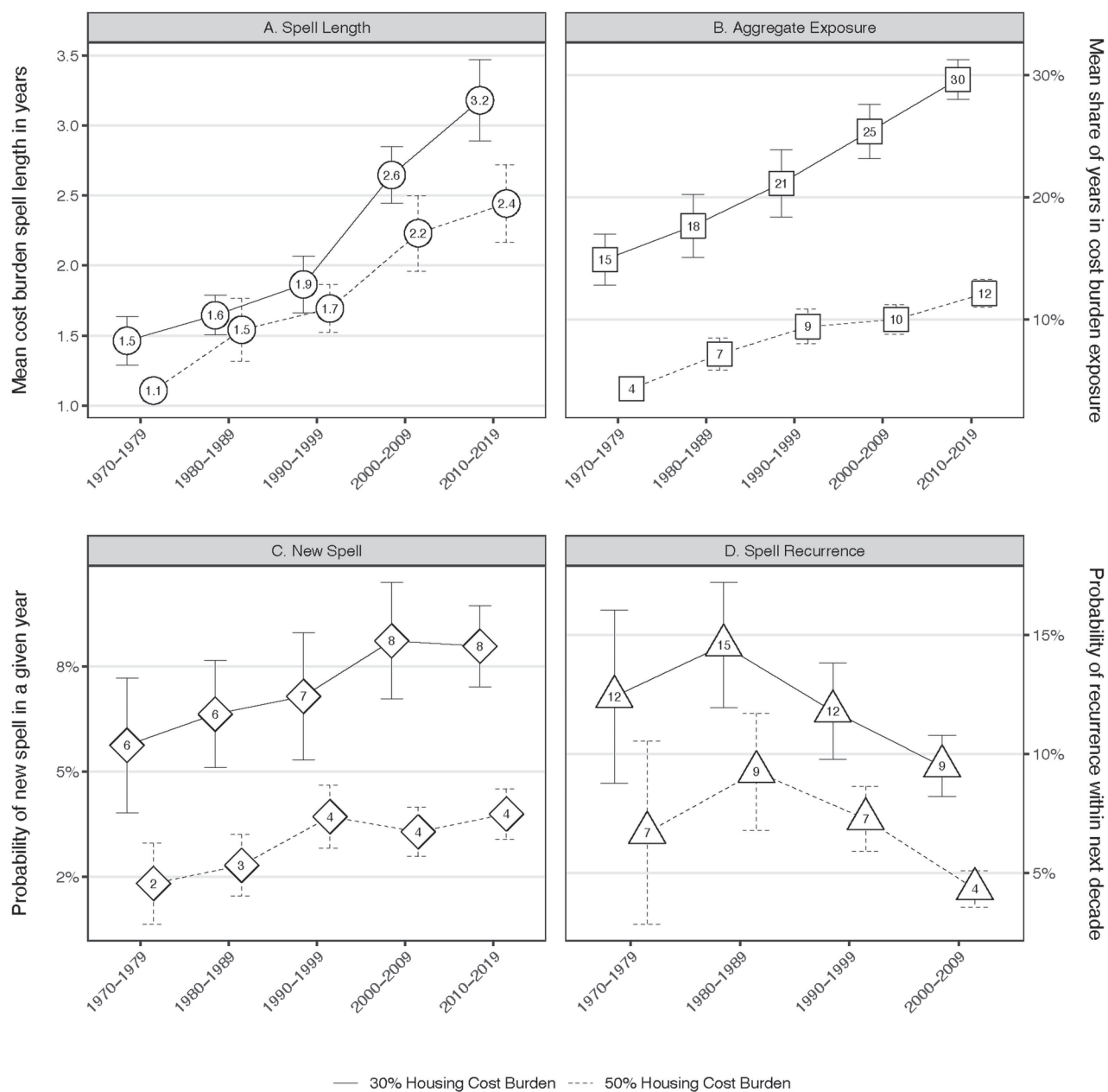
1. What are the relative contributions of changes in households' likelihood of entering, exiting, and re-entering this state to the growing prevalence of housing-cost burden?
2. To what extent do these mechanics of housing-cost burden differ by race and socioeconomic status?

The prevalence of housing-cost burden has steadily increased since 1970, effectively doubling by 2019.<sup>6</sup> In short, renters now face cost burdens for longer spells, experience longer cumulative exposure, and face higher rates of recurrence. We also find that experiences of housing-cost burden are not evenly distributed. Socioeconomic disparities combined with geographic variations create large pockets of chronic cost-burden status households.

## Dynamics of Housing-Cost Burden

To address our first research question, we draw from four distinct measures of housing-cost burden: cost-burden spell

Figure 1. Summary of housing-cost burden dynamics, 1970 to 2019.



**Note:** Bars represent 95% confidence intervals; solid line series denote cost burden based on 30% rent-to-income threshold while dotted line series represent a 50% rent-to-income threshold.

**Source:** Colburn et al. (2024). The dynamics of housing cost burden among renters in the United States. *Journal of Urban Affairs*.

length, aggregate (cumulative) exposure, the likelihood of a new spell in a given year, and probability of recurrence within the next decade. Trends for these measures over the past five decades are shown in Figure 1.

The average duration of a housing cost burden spell doubled over our study period, as seen in Panel A. A spell is defined as uninterrupted exposure to a given state, in this case the state of housing-cost burden. In the 1970s, average spell duration was about 1.5 years but by the 2010s the typical length of cost burden spell was over 3 years. For severe housing-cost burden, average spell length also doubled, from 1.1 years in the 1970s to 2.4 years in the 2010s.

Aggregate exposure, or overall time spent in a cost-burdened state during a decade, also increased significantly, as seen in Panel B. While households in the 1970s spent about 15% of their time in cost-burdened status, this rose to 30% by the 2010s. Aggregate exposure to severe housing-cost burden tripled in this same period.

The probability of households facing a new experience of housing-cost burden also increased, though less dramatically. As shown in Panel C, the probability of experiencing a new spell of housing-cost burden in the 1970s was about 6%, rising to 8% by the 2010s. The probability of facing a new spell of severe housing-cost burden doubled, from about 2% in the 1970s to 4% in the 2010s.

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The significant increase in overall exposure to housing-cost burden is best understood by the doubling of average spell length from the 1970s to the 2010s.

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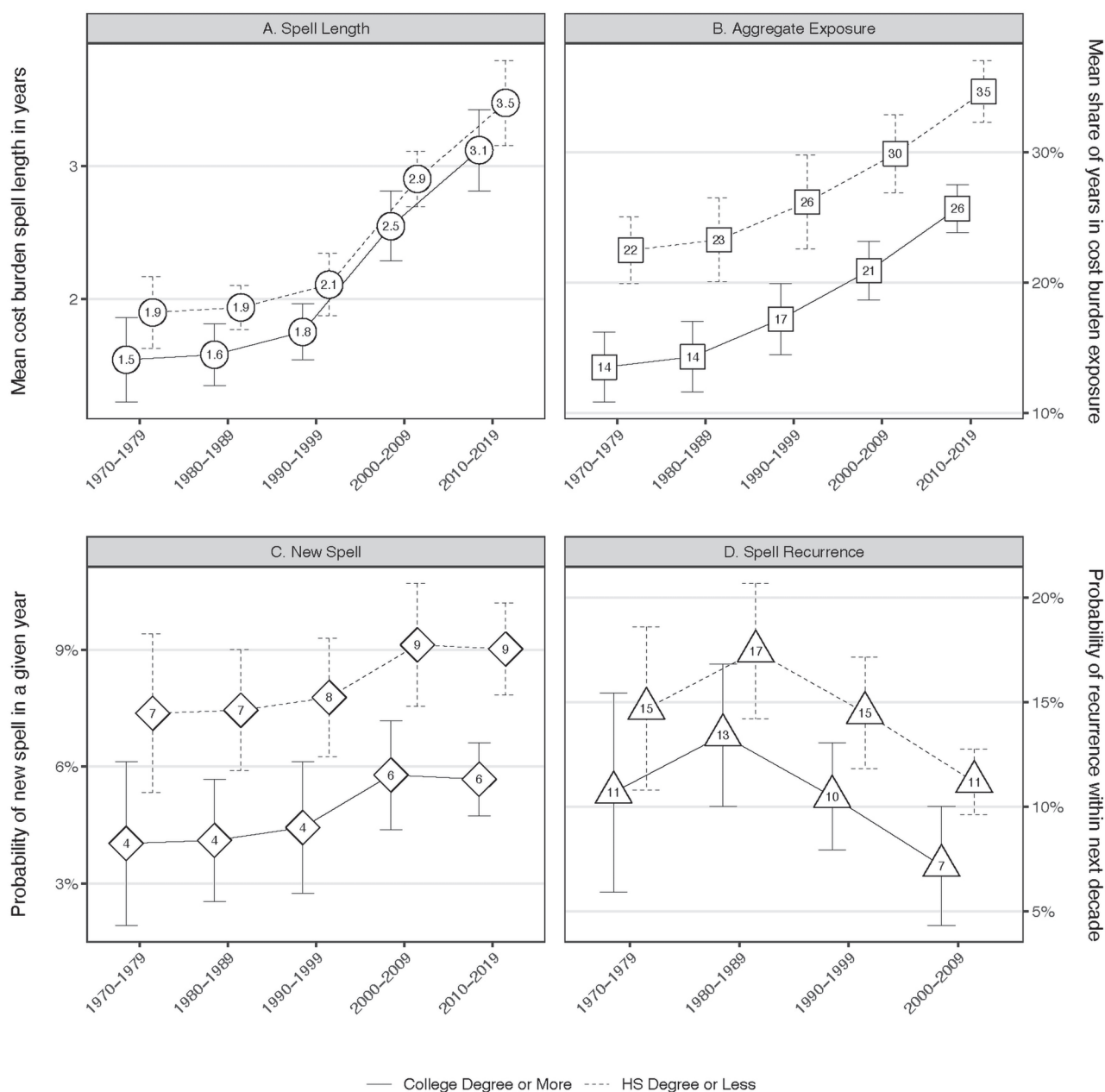
Change in the probability of recurrence within each decade is shown in Panel D (this measure excludes 2010–2019). From 2000–2009, 9% of households faced a subsequent spell of housing-cost burden after experiencing a previous spell at some point in the decade. This is a small but nontrivial number of households. When combined with increased spell lengths and the increase in the likelihood of new spells, these factors help to explain the sharp rise in the prevalence of housing-cost burden over the past 50 years.

## Variations by Education and Race

Our second research question focused on variations in the dynamics of housing-cost burden by educational attainment and race. The results highlight that households headed by a person without a college degree face longer duration spells, greater overall exposure, and are more likely to encounter new spells of housing-cost burden. These disparities, as seen in Figure 2, have been relatively consistent over the past 50 years.

Patterns of housing-cost burden—disaggregated by race—are consistent with patterns based on formal education. As shown in Figure 3, households of color, on average, face spells of housing-cost burden about 6 months longer than White households. Aggregate exposure to housing-cost burden was also significantly higher for households of color (Panel B). While overall exposure to housing-cost burden for White households was 26% in the 2010–2019 period, overall exposure was 34% for households of color.

Figure 2. Summary of housing-cost burden dynamics, by level of formal education.



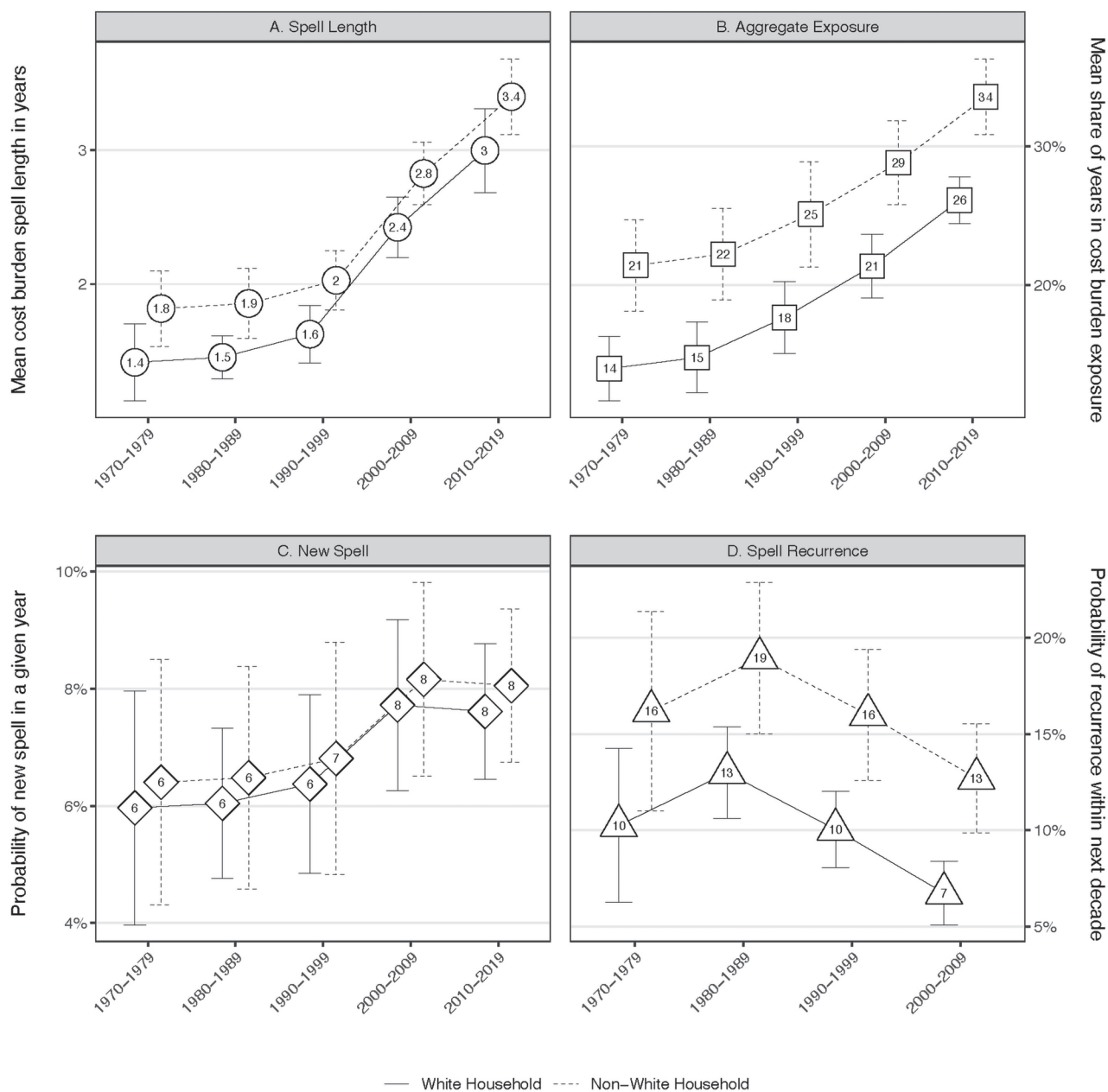
Source: Colburn et al. (2024). The dynamics of housing cost burden among renters in the United States. *Journal of Urban Affairs*.

## IRP Related Resource



Webinar: Housing and Climate Change. Max Besbris, Amy Chester, Ivis Garcia Zambrana, & James Elliott. October 2022. <https://www.irp.wisc.edu/resource/housing-and-climate-change/>

Figure 3. Summary of housing-cost burden dynamics, for White and non-White households.



Source: Colburn et al. (2024). The dynamics of housing cost burden among renters in the United States. *Journal of Urban Affairs*.



## Policy Implications and Conclusion

This research has confirmed steady increases in exposure to housing-cost burden throughout the United States over the past 50 years. This increase has been driven by longer spells of cost burden, greater aggregate time spent in a cost-burdened status, increased risk of entry into housing-cost burden, and rising rates of spell recurrence. Results also demonstrate deep disparities across racial and socioeconomic lines.

Housing-cost burden is a persistent and growing challenge for an increasing number of renters in the United States. The need for robust policy action to address housing affordability is vital. Policy responses focused on long-term support rather than short-term benefits will likely be more effective in addressing root causes of housing unaffordability and in correcting for systemic disparities among racially- and economically-marginalized populations. The central policy issue, as we see it, is not a lack of housing policies, but rather the inadequate scale of those that exist. In short, households with demonstrable need for help have difficulty receiving support. In fact, only about 25% of households eligible for federal housing support receive it.<sup>7</sup> Expanding existing housing policies to better support households with low incomes over longer periods of time is necessary to address the growing problem of unaffordable housing.<sup>8</sup> ■

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### Sources & Methods

**Type of Analysis:** Longitudinal, Quantitative

**Data Source:** Panel Study of Income Dynamics (PSID) longitudinal survey of U.S. households.

**Sample Definition:** Survey participants who are heads of households as renters.

**Time Frame:** 1970 to 2019

**Limitations:** Dichotomous measures of racial categories (i.e., White / non-White) were used due to limited sample size for certain racial and ethnic sub-groups.

<sup>1</sup>Colburn, G., Hess, C., Allen, R., & Crowder, K. (2024, Jan. 09). The dynamics of housing cost burden among renters in the United States. *Journal of Urban Affairs*. <https://doi.org/10.1080/07352166.2023.2288587>

<sup>2</sup>Fernald, M. (2020). *The State of the Nation's Housing 2020*. Joint Center for Housing Studies at Harvard University. <https://www.jchs.harvard.edu/state-nations-housing-2020>

<sup>3</sup>Desmond, M. (2016). *Evicted: Poverty, and Profit in the American City*. Penguin Random House.

<sup>4</sup>Acolin, A., & Reina, V. (2022). Housing cost burden and life satisfaction. *Journal of Housing and the Built Environment*, 37(4), 1789–1815. <https://doi.org/10.1007/s10901-021-09921-1>; Holme, J. J. (2022). Growing up as rents rise: How housing affordability impacts children. *Review of Educational Research*, 92(6), 953–995. <https://doi.org/10.3102/00346543221079416>

<sup>5</sup>Edwards, A. N. (2014). *Dynamics of Economic Well-Being: Poverty 2009–2011*. United States Census Bureau. [www.census.gov/hhes/www/poverty](http://www.census.gov/hhes/www/poverty)

<sup>6</sup>Chan, S., & Jush, G. K. (2017). *2017 National rental housing landscape: Renting in the nation's largest metros*. NYU Furman Center.

<sup>7</sup>Ellen, I. G. (2020). What do we know about housing choice vouchers? *Regional Science and Urban Economics*, 80, 1–5. <https://doi.org/10.1016/j.regsciurbeco.2018.07.003>

<sup>8</sup>Acosta, S. (2022, Dec. 02). *Final 2023 funding bill should support, expand housing vouchers*. Center on Budget and Policy Priorities. <https://www.cbpp.org/blog/final-2023-funding-bill-should-support-expand-housing-vouchers>



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