



MAINE AFFORDABLE HOUSING COALITION

TENANT INTERVIEW PROJECT: FINAL REPORT AND KEY FINDINGS

September 2021

To better understand the impacts of the COVID-19 pandemic on low-income, working renters, the Maine Affordable Housing Coalition conducted interviews with 80 Maine households every month from June of 2020 through July of 2021. The project was undertaken on the premise that without direct feedback from tenants, it would be virtually impossible to understand and adequately respond to their experience of the effects of this unprecedented public health and economic crisis.

Rent revenue has, for many Maine landlords, been healthier than expected throughout the pandemic (this reality was reflected in our interviews: at even its lowest ebb in February of 2021, 82% of interviewed households reported that they had managed to pay the rent due). Undoubtedly the availability of rent relief has contributed significantly to this result, but our interviews also illuminated a stark truth: safe housing is fundamental to the human experience and perhaps the highest priority for use of the income that families have. A more fulsome understanding of the impacts of the pandemic on renter households requires going beyond an analysis of landlord rent revenues, to ask critical underlying questions: *how* have tenants been paying their rent, and *what are the implications thereof?*

To inform policymakers, advocates and others concerned with understanding and addressing the short- and long-term consequences of the pandemic on low-income, working Maine renters, this report outlines four key takeaways from 14 months of interviews: (1) a widespread loss of savings and increased debt may plague families for years, making it more difficult for them to make forward economic progress and weather future financial challenges; (2) while most households have regained the employment income they had prior to March 2020, about a third have not and are still struggling to make ends meet; (3) Maine's rent relief program appears to have overcome past challenges and is now more successful in meeting tenant needs; and (4) various federal initiatives undertaken to help people navigate the pandemic have largely been well received and effective.

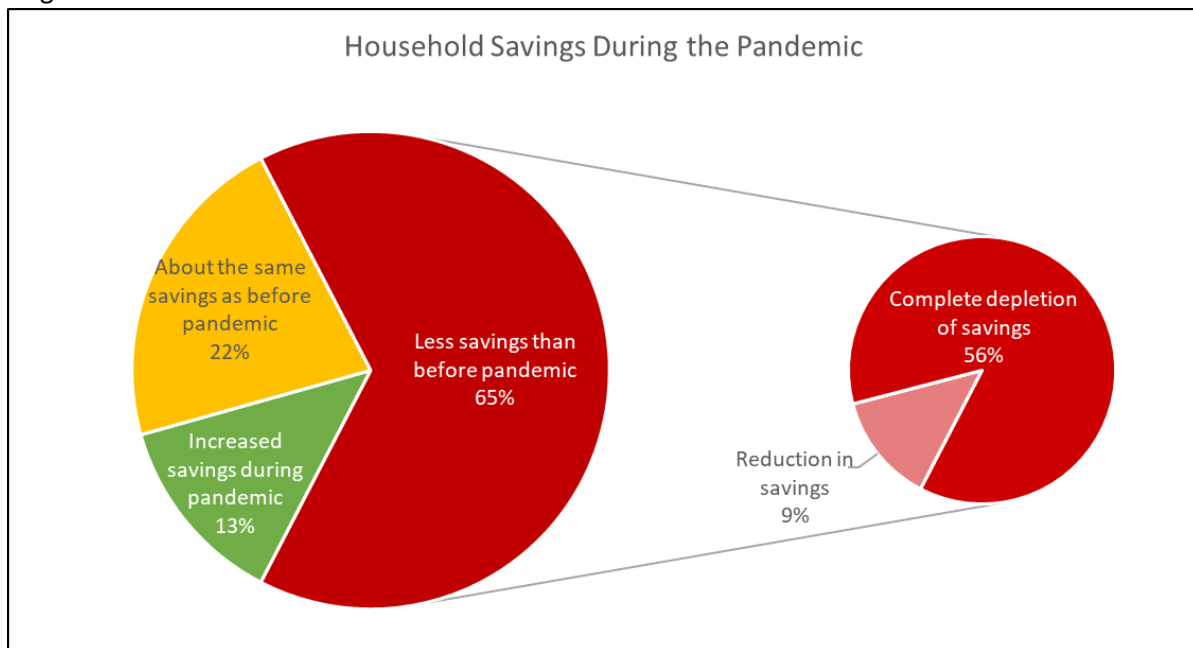
1) Depleted savings and increased debt are likely to have highly problematic long-term consequences for the financial health of low-income renters.

One of the overarching narratives from our interviews is that, for most tenants, "the rent eats first". As working households lost jobs or work hours, but the full rent was nonetheless due every month, many had to make difficult decisions about how to ensure their housing security at a time when remaining safe at home mattered in a newly urgent way. Confronted with this new reality, many families chose to keep current on their rent by spending down the modest savings they had built up over time, taking on additional credit card debt and skipping other bills such as for electricity and their internet connection. Those decisions may have been necessary to address short-term challenges, but now appear likely to have serious long-term impacts on their financial well-being.

As part of the July 2021 interviews, we asked households whether they had savings prior to the onset of the pandemic and, if so, to compare their current savings with the amount they had in March of 2020. As shown in Figure 1 below, of the 46 interviewees who had savings before the

pandemic, nearly two-thirds reported lower or no remaining savings balances, while only 10% reported having more savings. ***In fact, 56% of those who had savings prior to the pandemic said that those savings accounts have been completely depleted.***

Figure 1



This loss of savings may ultimately be the most devastating long-term legacy of the pandemic for many renter households: while homeowners are realizing significantly increased wealth as a result of the steep rise in home values throughout Maine, many renters have fallen further behind due to rising rents and the decimation of the nest eggs they had developed over time.

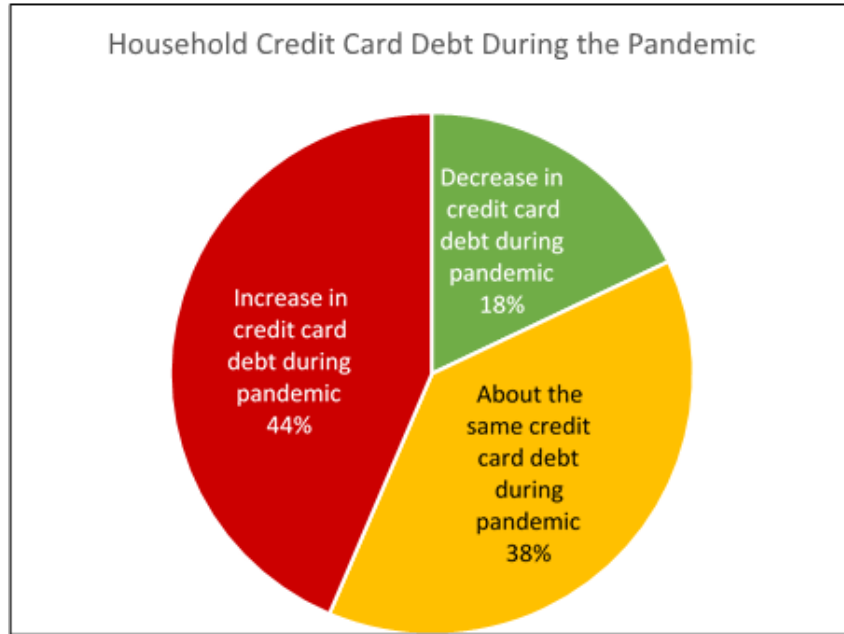
“I was hoping to buy a house but that’s been put on hold. The savings I had that would have helped put money down is now gone.” - A.K., renter in Bath

“I was saving for a house. That’s what I was saving for. It has been completely abolished – I can’t get a house at this point. I don’t qualify for a loan anymore. The down payment I had saved is completely gone.” - B.M., renter in Auburn

“My husband and I were trying to buy a house and now it's put off because we have no savings. And the cost of everything has skyrocketed. Housing has gotten crazy.” - L.D., renter in Lewiston

We also asked interviewees whether they had credit cards, and if so, to compare their credit card debt in July 2021 to what it was before the pandemic hit. While about 37% of households indicated that they did not have credit cards – in most cases citing their concern about accruing debt they could not pay off – many respondents indicated that they used credit cards during the pandemic as a tool to ensure that the monthly rent got paid. As illustrated in Figure 2 below, of the 39 interviewees who had credit cards, ***44% indicated higher debt balances than before the pandemic, 38% reported their credit card debt to be about the same, and 18% indicated lower levels of credit card debt now.***

Figure 2

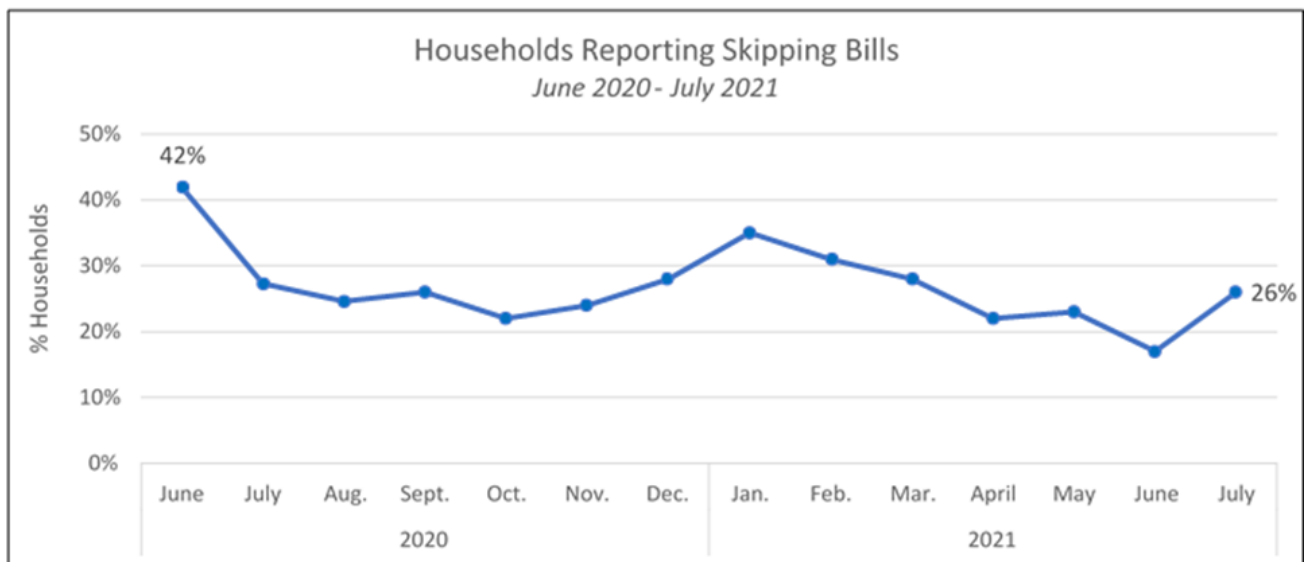


“My savings are gone, my credit cards are maxed out. I was just starting to build my credit, and it was going up so fast, and then I had to open multiple credit cards and they’re maxed. My credit is so much lower, it’s really disappointing and discouraging.” - D.S., renter in Lewiston

“I’ve been using my credit card a lot more, mainly for food.” - M.D., renter in Biddeford

Many interviewees are also now working to get current on bills that they skipped as a way of managing their finances from month to month and ensuring payment of rent. Figure 3 below shows the percentage of interviewees who reported that they skipped other bills so they could pay for their housing that month.

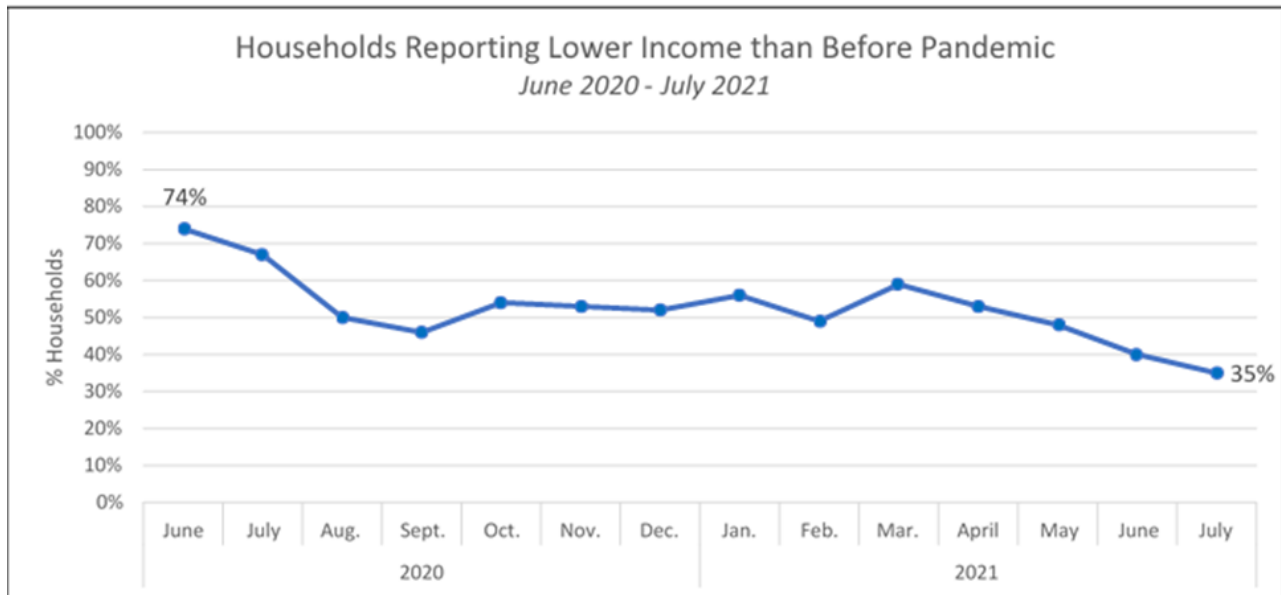
Figure 3



2) While most households have been able to regain the income they had prior to the pandemic, their anxiety about employment stability remains high; and about a third of interviewees still have not climbed back to pre-pandemic income levels.

As shown in Figure 4 below, the economic fallout from the initial months of the pandemic resulted in income loss for the vast majority of interviewees. As the economy has recovered over time, the percentage of households reporting lower incomes has dropped from 74% in June 2020 to 35% in July 2021.

Figure 4



However, the tenuous nature of the jobs that many renters returned to is causing them great concern about income stability, while others remain challenged in their efforts to get back to work by health and childcare concerns. Many interviewees cited their frustration with losing work hours to sickness, temporary layoffs and quarantine requirements without pay. Uncertain weekly paychecks for these families are proving to be a poor fit with static or rising rent payment obligations.

“I caught COVID and I was sick for 9 days, I was in the hospital. Before I was working 40 hours, now it’s only 32 hours.” - A.N., renter in Portland

“I had a potential exposure at work, and I ended up losing hours because of it. I didn’t get paid for 10 days.” - C.N., renter in Portland

“In the past three weeks, I’ve had zero work. Just nothing. Groceries have gone up, and gas.” - B.M., renter in South Portland

For the roughly one-third of households still with income levels below pre-pandemic levels, their return to work has most typically been frustrated by other COVID-related challenges, particularly around health and childcare. Less than 20% of interviewees reported that their jobs allowed them to work from home.

“There is only one person working in the household and spending is high, income is low. Before, I was working too. But now I can’t [work] because of the kids.” - A.M., renter in Westbrook

“I haven’t been able to (return to work). I haven’t been able to find any childcare that was suitable. Unfortunately, that is a big reason I haven’t returned to work.” - L.H., renter in Lewiston

“I lost my second job because of COVID. And I caught COVID. Since I had it, my health has gone down. I am no longer able to work as much as I used to. My age plus COVID, I don’t think I could handle two jobs now.” - E.N., renter in Portland

3) The rent relief program was very challenging to navigate for many months, but has made significant progress lately and is now a very helpful resource for renters trying to remain stably housed.

Interviews conducted in the fall of 2020 found widespread problems with tenant awareness and utilization of rent relief funds. In October, for example, only slightly more than half of respondents indicated that they were aware that such assistance was even available, and only 9% had received rental assistance in the prior month. Many households reported that they sought information about rent relief, or even applied for it, but never heard anything back. Rule changes, shifting eligibility guidelines, diffuse program access points, staffing challenges and periodic program closures between April and December of 2020 created a great deal of confusion about who could receive rent help and how.

Maine’s rent relief program was shut down in January and February of 2021 and re-launched in March with a new infusion of federal funds. While some interviewees indicated continued frustration with program response times and a lack of communication in March and April – perhaps reflective of a pent-up demand for rent relief statewide that resulted in the filing of thousands of applications shortly after the program was re-launched – those concerns waned over the spring and into the summer. By July, of the 17 interviewees who had applied for rent help, 13 had received some type of response to their application and 11 reported that the months they had applied for had been paid. Many households also voiced their recognition of how important the rent relief program is as a resource for people struggling to remain stably housed through the pandemic:

“I’m very thankful for what they did. It took lots of calls and confusion, but it’s been pretty great. Rental assistance was a life saver. We probably would have been homeless.” - D.S., renter in Lewiston

“They finally got it together. I’ll give the benefit of the doubt, everybody was working with something new. It was a mixed mess, now they have worked out the kinks and the communication is much better. Rental assistance was a godsend.” - D.C., renter in Bangor

“The rental relief program was the biggest help. Getting emergency housing help lifted my eviction status.” - J.A., renter in South Portland

4) In addition to rent relief, interviewees cited enhanced unemployment insurance benefits, boosted SNAP benefits and federal stimulus payments as particularly helpful in allowing them to cover household expenses while their employment income was down.

In MAHC's final interviews in July, we asked participants to reflect on the policy and program interventions that they accessed for help in navigating the impacts of the COVID-19 pandemic. Responses focused most frequently on rent relief, enhanced UI, SNAP and stimulus payments. Some examples include:

"For those of us who lost our jobs long term, the extra unemployment helped. I was out 2.5 months before I got recalled to my job." - T.B., renter in Biddeford

"Extra SNAP benefits are why I didn't have to spend more on my credit cards." - J.G., renter in Portland

"The stimulus payment and rent assistance absolutely helped, and utility assistance. With my last job I found that I was pretty much \$1,000 in the hole every month because it was going to pay towards rent and utilities. That money was gone out of my budget. I found myself really living paycheck to paycheck. The stimulus has given me the ability to create a buffer, it's not huge, it's not where I feel comfortable, but at least it's something. At least I'm not finding myself with \$2 in the bank having to put gas in my car." - S.C., renter in Waterville

We also asked families what assistance was *not* available to them during their pandemic experience but which they believe would have been helpful in addressing their most pressing financial needs:

"The housing market just seems so inflated and just such a cash cow, if there was more affordable housing that was protected for people who don't have piles of cash." - C.B., renter in Biddeford

"Rental assistance is a good program, but up to this moment I'm not sure if they're gonna pay or not. One month I'd be eligible, but the next month maybe I made more money and I'm not eligible. That's a fear. My income changes. More communication, more reassuring people... just something that shows we are working on your case, so you shouldn't be worried." - C.N., renter in Portland

"Childcare so I could return to work." - L.H., renter in Lewiston

PROJECT DESIGN AND LIMITATIONS

MAHC identified the participants in this project with the assistance of staff at affordable housing properties located in about 20 different municipalities throughout the state. We specifically sought to be connected with working renter households whose rent was not automatically adjusted based on their monthly income (as is the case, for example, with recipients of ongoing rental assistance such as Section 8 vouchers). Once those introductions were made, property staff were no longer involved in the project or any of the individual monthly interviews that were conducted.

A total of 80 households participated in interviews with MAHC over the course of the 14-month project, but 18 of those households became unreachable at some point prior to the final interviews conducted in July of 2021. MAHC has no means by which to determine what happened to those families and thus cannot speak to whether their early exit from the project relates to the economic challenges described herein. Additionally, we do not make any representation as to whether those who agreed to participate in this project are representative of all low-income, working renter households in Maine. Participants received a \$10 grocery store gift card after each interview, and \$25 grocery store gift cards at the 6-month and 12-month points, as an acknowledgment of their time and engagement.

MAHC thanks the National Low Income Housing Coalition and Hannaford Supermarket for their generous financial support for this project.