Eviction and Poverty in American Cities

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More than two million U.S. households have an eviction case filed against them each year. Policymakers at the federal, state, and local levels are increasingly pursuing policies to reduce the number of evictions, citing harm to tenants and high public expenditures related to homelessness. We study the consequences of eviction for tenants, using newly linked administrative data from Cook County (which includes Chicago) and New York City. We document that prior to housing court, tenants experience declines in earnings and employment and increases in financial distress and hospital visits. These pre-trends are more pronounced for tenants who are evicted, which poses a challenge for disentangling correlation and causation. To address this problem, we use an instrumental variables approach based on cases randomly assigned to judges of varying leniency. We find that an eviction order increases homelessness, and reduces earnings, durable consumption, and access to credit. Effects on housing and labor market outcomes are driven by impacts for female and Black tenants.