



Coronavirus Layoffs More Severely Threaten Housing Security for Asian, Latinx and Black Households

By Zillow
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SEATTLE, April 27, 2020 /PRNewswire/ -- Massive job losses due to the COVID-19 pandemic have touched nearly every industry in some fashion, but perhaps none more so than food, arts and retail workers. Latinx, Asian and black households will feel the impact of layoffs in these industries most significantly, a new Zillow® analysis (<https://c212.net/c/link/?t=0&l=en&o=2786566-1&h=344693204&u=https%3A%2F%2Fwww.zillow.com%2Fresearch%2Fcoronavirus-layoffs-racial-impact-26929%2F&a=Zillow%C2%AE+analysis>) showsⁱ.

More than 22 million Americans have filed unemployment insurance claims over the past four weeksⁱⁱ, including many in the food, arts and retail industries. Latinx, Asian and black workers are disproportionately represented in these jobs compared to white workers -- nationwide, 8.3% of white workers are employed in these industries, compared with 12.7% of Latinx workers, 10.2% of Asian workers and 10.1% of black workers.

This is compounded by these non-white households typically facing a greater rent burden, meaning after they pay rent they have less left over for other expenses or to save for an economic hardship. Typical renter households that receive the majority of their income from these industries are below or near the accepted 30% guideline for the amount of income spent on rent for each race included in Zillow's analysis. White households in these industries spend 25.1% of their income on rent, black households spend 28.3% on rent, Latinx households are right at 30% and Asian households are just over at 30.6%.ⁱⁱⁱ

For lower-income households that are already bumping against the affordability threshold, an income shock can push them into housing insecurity. If these workers were to go without income for two months, only white households would stay within the affordability guideline at 29.4% -- black households would jump to 33.2% of income spent on rent, Latinx households to 34.8% and Asian households to 35.7%. In a more severe scenario where workers would go four months without pay, that would rise to 35.3% for white households and at least 40% for non-white households.^{iv}

"This analysis highlights the financial tightrope many households walk in our vital service industries," said Skylar Olsen, senior principal economist at Zillow. "While it's encouraging that many who receive government assistance appear to be on solid footing for a few months, it's important to remember that some workers will see labor disruptions, such as a loss of hours, that don't qualify them for these unemployment benefits that are so crucial right now. And if the pandemic were to last beyond the summer, it could have lasting impacts that push many more into housing insecurity."^v

Financial assistance from the CARES Act -- which provides unemployment insurance at standard levels for up to 39 weeks, with an additional \$600 a week through July 31 -- and state-level unemployment insurance appear likely to play a crucial role during this crisis. White households that go four months without work but receive direct payments from the CARES Act and state and federal unemployment assistance would see their rent burden reduced to 19%, and Asian households would have the highest rent burden at 22.8%, well below what it would have been with



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year, qualify for benefits and are able to receive these payments in a timely manner, which has not always been the case recently as state unemployment programs have been overwhelmed by the unprecedented volume of applications. And the July 31 expiration of the additional CARES Act assistance will change the equation for households that experience wage losses beyond that date.

Race	% Employment from Food, Artson and Retail Industries	% Income No Wages Lost	% Income on Rent – Two Months Wages Lost	% Income on Rent, Four Months Wages Lost	% Income on Rent – Four Months Wages Lost with CARES Act and Unemployment Assistance
Asian	10.2%	30.6%	35.7%	42.9%	22.8%
Black	10.1%	28.3%	33.2%	40.0%	20.0%
Latinx	12.7%	30.0%	34.8%	41.7%	21.6%
White	8.3%	25.1%	29.4%	35.3%	19.0%

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ⁱ 2018 American Community Survey data was used to determine rent burdens. Food, arts and retail workers include all jobs in the Retail and Arts, Entertainment, Accommodation and Food Services sectors, as defined by the American Community Survey: <https://usa.ipums.org/usa/volii/indcross03.shtml> (<https://c212.net/c/link/?t=o&l=en&o=2786566-1&h=1614641032&u=https%3A%2F%2Fusa.ipums.org%2Fusa%2Fvolii%2Findcross03.shtml&a=https%3A%2F%2Fusa.ipums.org%2Fusa%2Fvolii%2Findcross03.shtml>)

ⁱⁱ United States Department of Labor: <https://www.dol.gov/ui/data.pdf> (<https://c212.net/c/link/?t=o&l=en&o=2786566-1&h=1102417106&u=https%3A%2F%2Fwww.dol.gov%2Fui%2Fdata.pdf&a=https%3A%2F%2Fwww.dol.gov%2Fui%2Fdata.pdf>)

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