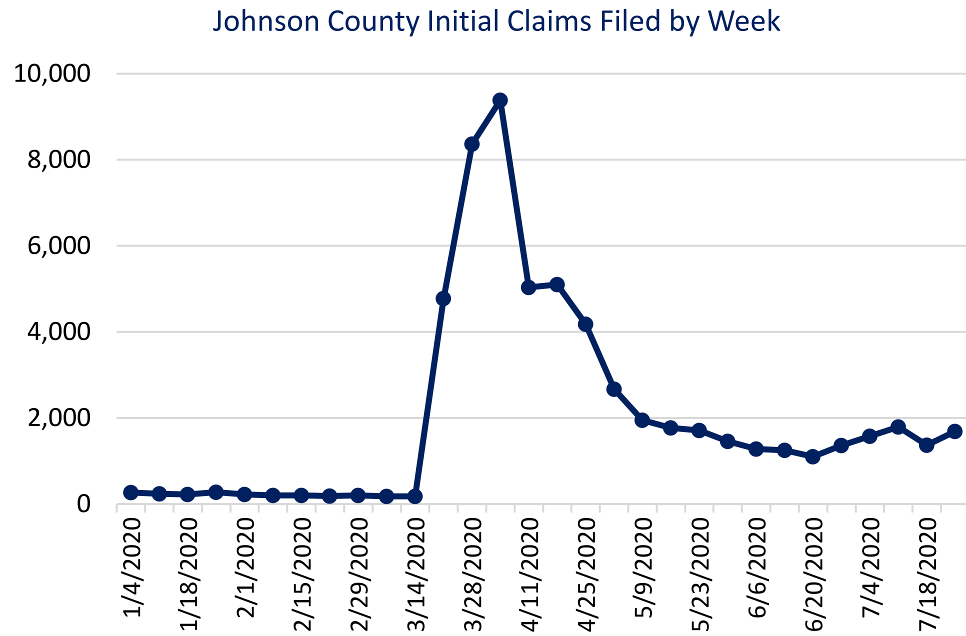
United Community Services
of Johnson County

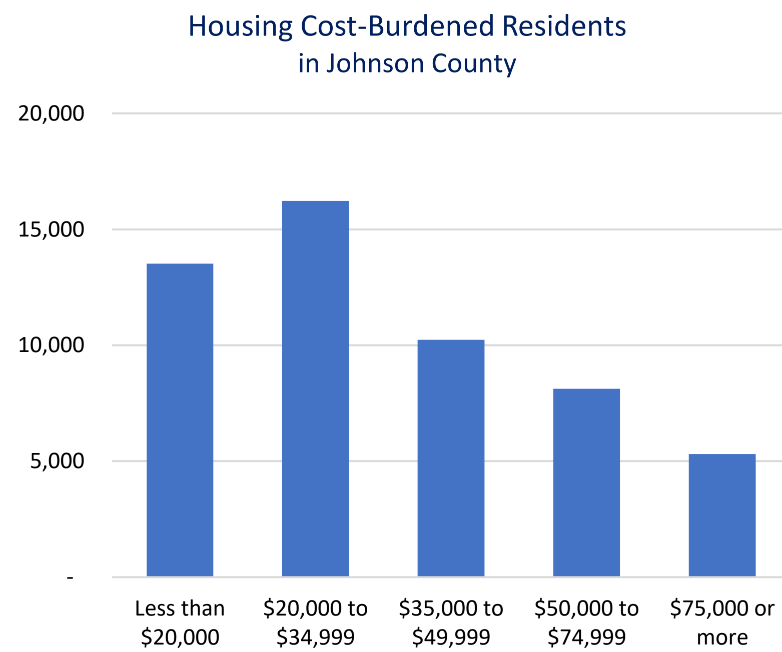
Unemployment and Housing Insecurity in the COVID-19 Pandemic

The COVID-19 pandemic prompted early local, state, and federal response aimed at protecting the economic well-being of families. Several of those policy measures, including a $600 weekly unemployment benefit and a moratorium on evictions, have expired. Nonetheless, unemployment remains higher than pre-pandemic levels and thousands of individuals in Johnson County may be at risk of losing their homes in the coming months.

Recent data from the Kansas Department of Labor indicates that Johnson County initial claims for unemployment are more than 800% higher than pre-pandemic levels, though they have decreased since the early days of the shelter-in-place orders which affected the local economy. Since the onset of the pandemic, more than 59,000 initial claims have been filed in Johnson County.

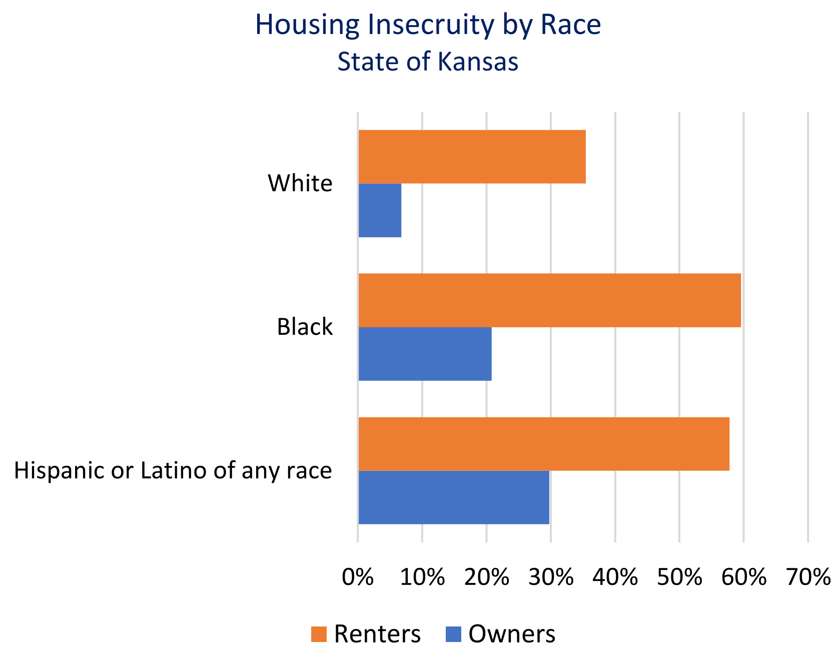


Unemployment is highest in occupations with low median annual wages: accommodation and food services, retail trade, and health care and social assistance. However, even higher-income occupations such as manufacturing and professional services, have higher rates of unemployment than in the pre-COVID era (through the end of March 14). Under the CARES Act (Coronavirus Aid, Relief, and Economic Security), the federal government paid out $600 a week in unemployment benefits. Unemployed residents receive these benefits in addition to the unemployment benefits paid out by the state of Kansas, regardless of each worker's prior income. Now that the benefit has ended, those households may struggle to pay their bills and meet basic needs – particularly housing costs, which typically consume a larger portion of household income than other expenses.



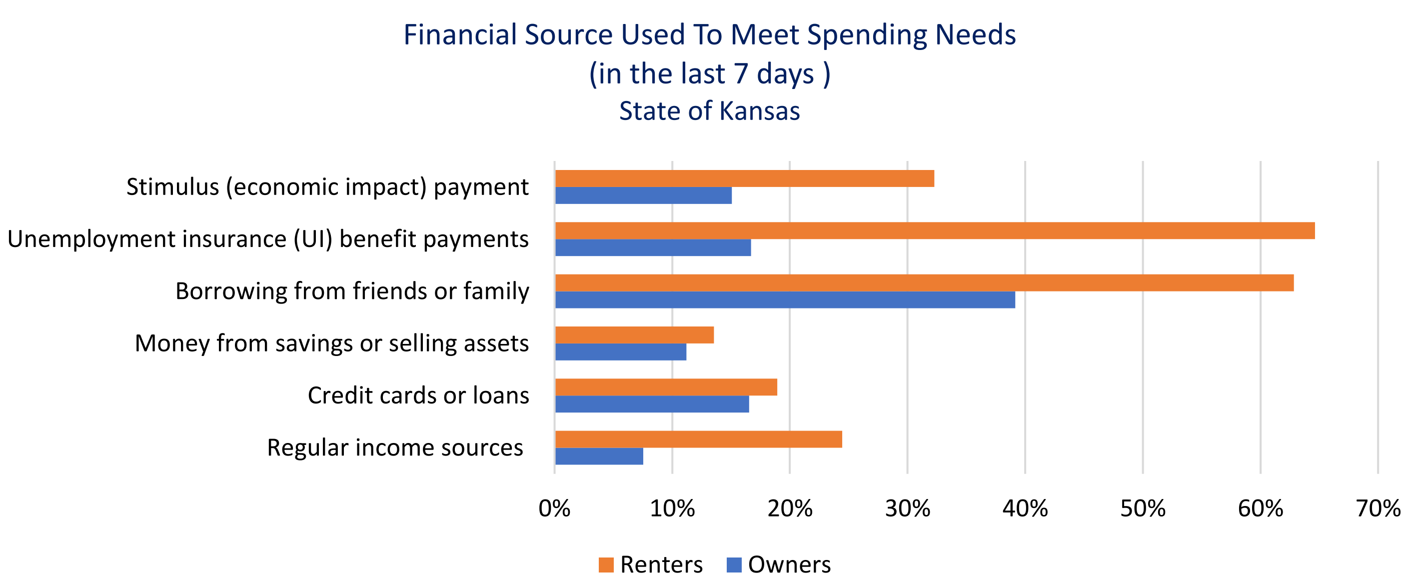
Research from UCS indicates that in Johnson County, regardless of whether renting or owning, approximately 1 in 4 households are burdened by the cost of housing: spending 30% or more of household income on housing costs. Overall, pre-COVID 19, at least 53,400 households were already experiencing cost burden in their housing.

The U.S. Census Bureau has tracked data since the last week of April on a range of ways in which people's lives have been impacted by the pandemic. The Household Pulse Survey asks individuals about their experiences in terms of employment status, spending patterns, food security, housing, physical and mental health, access to health care, and educational disruption. The "Housing insecurity" indicator measures the percentage of adults who missed last month's rent or mortgage payment, or who have slight or no confidence that their household can pay next month's rent or mortgage on time. According to the recent data (week of July 16-21), 1 in 4 Kansas residents are experiencing housing insecurity, up from approximately 1 in 7 during the week of June 11-16.



Housing insecurity varies significantly by various factors, according to recent Household Pulse data for Kansas. Renters are nearly four times as likely to experience housing insecurity compared to homeowners with a mortgage (11% compared to 39%). Households with children, multi-person households, and unmarried residents also are experiencing higher rates of housing insecurity than their counterparts. Racial disparities are also significant, with around 3 in 5 of Black renters and Latino renters (respectively) experiencing housing insecurity compared to roughly 1 in 3 White renters. Notably, 57% of renters have at least one household member who has experienced a loss of employment income, compared to 13% of homeowners.

The Household Pulse data for Kansas also indicates that Kansans are using a myriad of strategies to meet household spending needs beyond regular income sources like those used before the pandemic. Credit cards and loans, and money from savings and selling assets are equally common among renters and owners. Renters have been using unemployment benefits and economic stimulus payments to cover their bills at higher rates than homeowners. Renters and owners combined, report borrowing from friends and family at higher rates than any other strategy.



Sources: U.S. Census Bureau American Community Survey 5-year estimates 2014-2018; Kansas Department of Labor, U.S Census Bureau Household Pulse Data Week 12