



MAINE AFFORDABLE HOUSING COALITION

TENANT INTERVIEW PROJECT:

How Working Renters are Faring While Navigating the COVID-19 Public Health and Economic Crises

JANUARY 2021 SUMMARY

BACKGROUND AND PROJECT OVERVIEW

The Maine Affordable Housing Coalition has launched a year-long project to better understand how working, low income renter households are navigating the public health and economic crises brought on by the COVID-19 pandemic. While tenants in Maine and throughout the country have thus far managed to pay their rent with more success than many observers predicted, landlord rent receipt data alone does not shed light on *how* tenants are paying their rent, whether paying the rent is creating other problems for the household, and how family members are faring more generally as they look to the uncertain months ahead.

The project involves in-depth phone interviews with low-income tenant households in Maine who rely, in full or in part, on earned income in order to pay their monthly rent. The interviews are being undertaken with each such household once per month for a year, in order to gain a more robust understanding of the challenges that families are facing over time.

JANUARY INTERVIEW RESULTS

MAHC conducted interviews with 62 renter households in January, the eighth month of the project. Each of the subject families are working or were working immediately prior to the pandemic lockdown in March, typically earning wages between \$12-\$20 per hour. These 62 working renter households were spread out across 20 different municipalities in Maine: Auburn, Bangor, Bath, Belfast, Biddeford, Corinna, Ellsworth, Fryeburg, Lewiston, Lincoln, Norway, Portland, Saco, Scarborough, Searsport, South Portland, Veazie, Waldoboro, Waterville and Westbrook. The interviews focused on how tenant households have navigated through the month of December and into January, and yielded the following:

- **56% of households reported having lower earned income, through reduced hours or job elimination, than they did prior to the pandemic.**
 - “It’s taking me a month to make what I was making in a week before the pandemic. I’m still making money, and paying bills, but I’m not able to save anything.”
 - “My boss might bring me back to 1 day a week. But at least I have a job to go back to.”
 - “I might be able to work two months without interruption, but then if there’s an exposure at work I don’t get paid. There were a couple weeks where I didn’t work, so it’s like, what do I pay? What can be postponed? What can be put on a payment plan?”

- **Despite the widespread income loss, 82% of the households were eventually able to find a way to pay their full December rent.**

- “I put everything towards rent in order to not have any issues with my landlord, but when I do that, there’s very little left over.”

- “I can pay my rent, but I have absolutely nothing left over.”

- “COVID took away my ability to pay my rent.”

- **Tenants paid their December rent by cobbling the money together from an array of sources. 23% reported receipt of unemployment benefits, while 40% reported more reliance on savings than usual and 40% reported more reliance on credit cards than usual.**

- “My stimulus was gone in 60 seconds. I paid all my bills off. My electric bill was really high. I was lucky to be able to go grocery shopping a couple times this month.”

- “I had to borrow money from my mom to pay my December rent. And I skipped my electric. I’m going to try to pay double for this month once I get my next check.”

- “After I pay all my bills, it will be tight. I might have to borrow some money from my daughter.”

- “I’m getting a credit card soon because I need to be able to pay for things I can’t currently afford.”

- **However, to meet their rent obligations, 35% of interviewees reported that they skipped payment of other bills and expenses.**

- “I always skip one bill each month. I rotate them out. I rob Peter to pay Paul.”

- “I’m at the point where I’m going to skip electricity because I know they won’t shut it off. Even though I know I’ll have to deal with it later. But when you need money, you need money.”

- “I got a shutoff notice for my electric bill, I need to deal with that. But today is my daughter’s birthday.”

- “I got a disconnect notice from CMP. I applied for the low-income heating program and never heard back. Everybody is so overwhelmed, but we don’t get a break. I’m still supposed to pay. I challenge anybody to walk a day in my shoes.”

- **Households reported widespread problems in accessing the rent relief funds that they need in order to stay current on their rent obligations.**

- "I applied, but they said they were still working on November. I followed up several times and nobody knew anything. I got so panicked about it, I went ahead and paid my rent with what we had towards the end of December. I didn't want to get put on some list I've never been on before."

- "I applied for rental assistance in October. By the end of December, I started calling every other day. They basically knew my first name. Finally they said I was approved. I asked if they needed help, I'll volunteer! They never answered the phone. It was so much stress on me that didn't have to happen."

- "Applying for rental assistance is so stressful because you have to apply every month. It takes like four to five weeks before I hear from them. Sometimes, like for November and December, I didn't hear from them. I had to ask my landlord if they got any information. It's so stressful to keep waiting. Will the answer be positive or not?"

- "I filed for rental assistance in November, but never got anything back at all. Nothing. No email, no letter. But I still got letters from my landlord saying I owed them."

- **Many interviewees reported that their savings have been very negatively impacted, and their credit card debt had sharply increased, over the course of the pandemic. While about a quarter of households did not have any savings prior to the onset of COVID-19, 64% of those who did have savings reported that those savings had been significantly or completely depleted over the past ten months. An additional 3% reported having somewhat less savings now, while 23% had about the same amount of savings as prior to the pandemic and only 6% said that they now have more.**

Similarly, of the 48 households that had a credit card, 46% reported carrying more debt on them now than they did before the pandemic started, while only 10% reported carrying less. 44% indicated that their credit card debt was about the same as it was prior to the pandemic.

- "I have just enough [savings] to cover an emergency. I've used about 2/3 of my savings."

- "My savings are totally gone. I only have \$25 in there to keep the account open."

- "There is nothing left [in my savings]. It's impossible."

- "My credit card balance is a lot worse now. Before, I was just using it for emergencies."

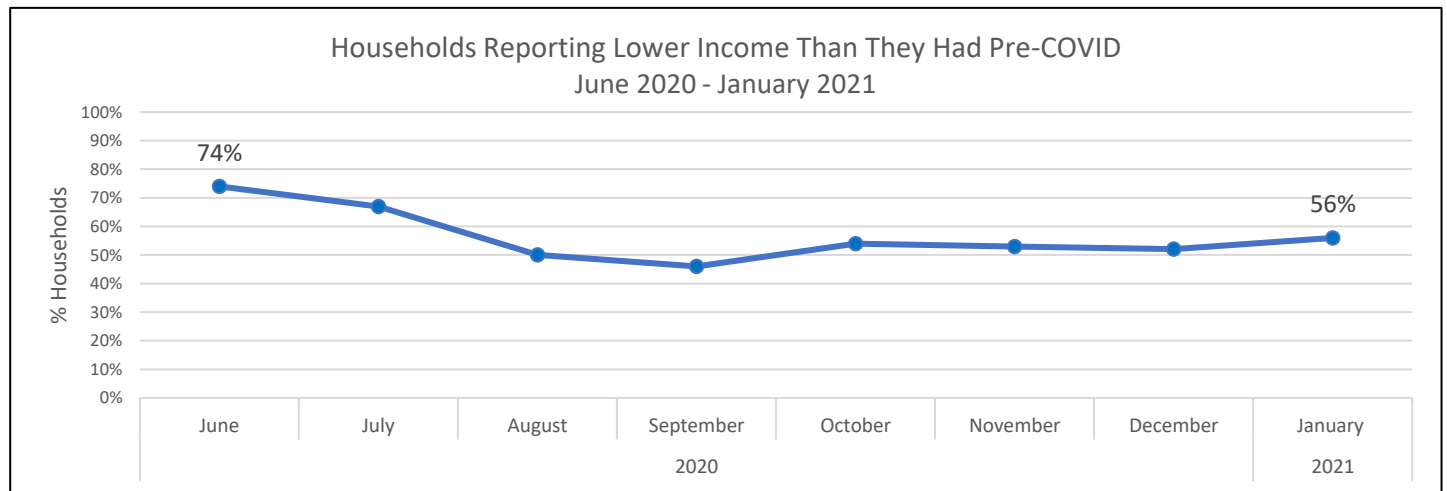
- "I had to increase the limit on my credit cards, and they're all maxed."

- "My credit card is a lot more (than before). Like, double."

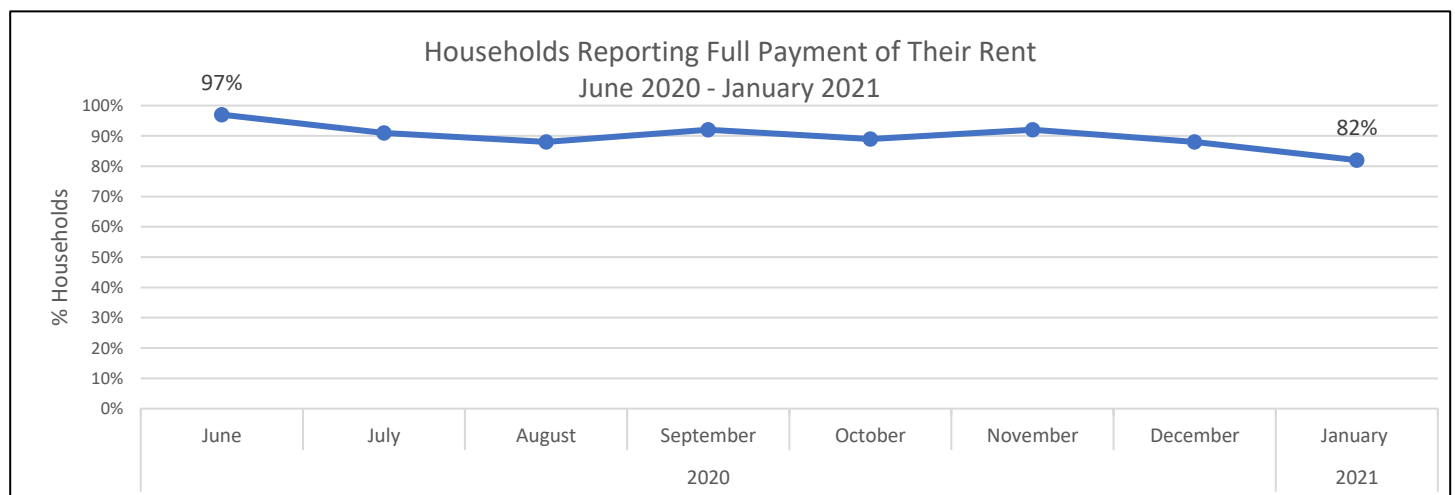
- "My credit card balance has gone up a lot. I make the minimum payment. I try not to use them unless I really have to. Before the pandemic, I only used it for Christmas or emergencies. But now I have to use it for groceries."

VISUAL OVERVIEW OF RESPONSES TO KEY TENANT INTERVIEW QUESTIONS

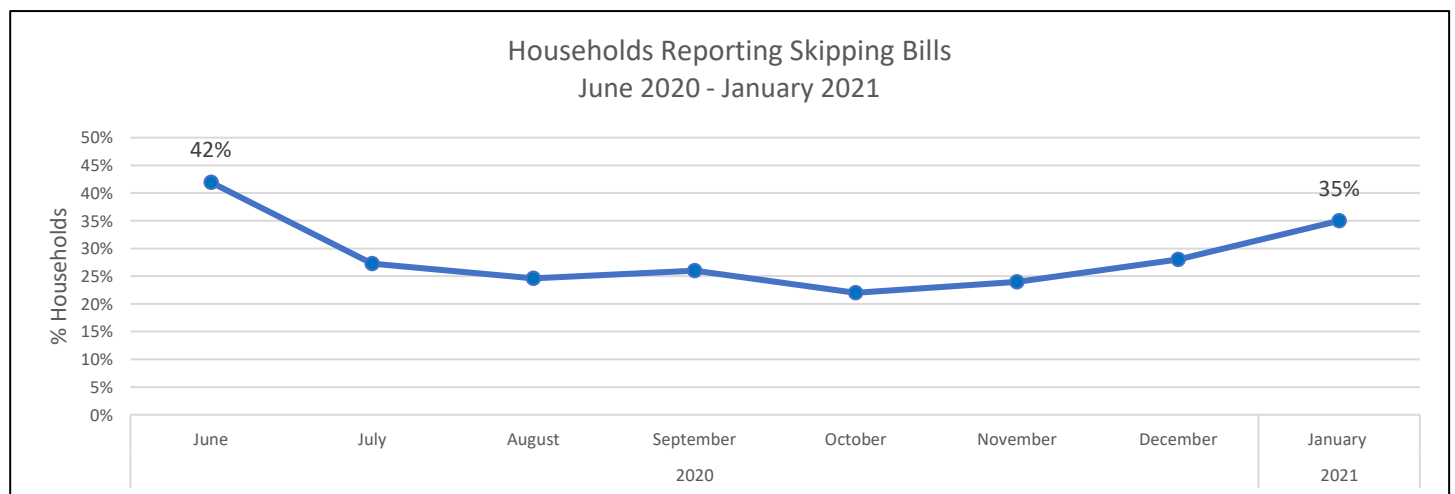
- 1) A majority of respondents continue to report that they have lower household income than they did before the pandemic started:



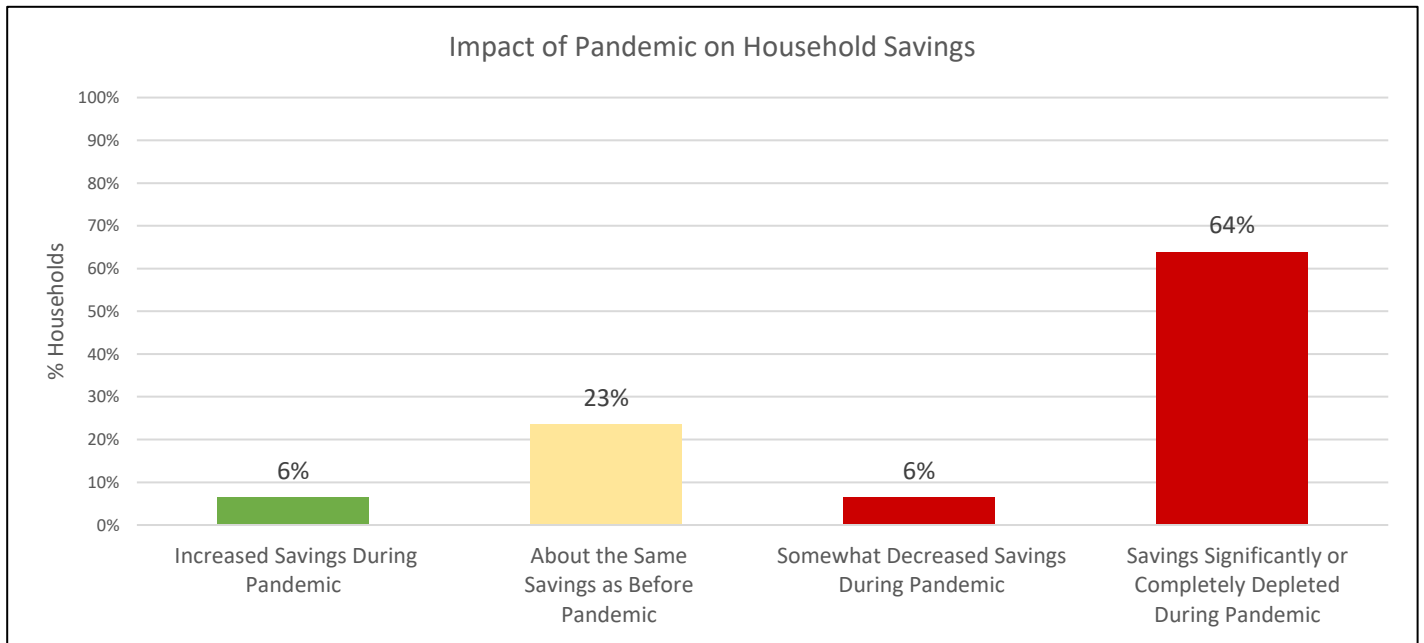
- 2) Despite those lower incomes, most families have found a way to continue paying their rent – though this number is slowly declining:



- 3) To help meet their rent obligations, a significant and growing number of respondents report skipping bills:



4) Respondents also report that their household savings have been very negatively affected during the pandemic...



5) ... while their reliance on credit card debt has sharply increased:

