



ISSUE BRIEF
COVID-19 RAPID RESPONSE SURVEY FINDINGS

**THE ECONOMIC WELL-BEING OF DETROIT RESIDENTS
TWO YEARS INTO THE COVID-19 PANDEMIC**

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M | DETROIT METRO AREA
COMMUNITIES STUDY

OVERVIEW

This report is part of a series of reports highlighting findings from a recent survey of the Detroit Metro Area Communities Study (DMACS). The survey was fielded between November 3 and December 15, 2021, and captures the views of a representative sample of 1,900 Detroit residents. The report offers a snapshot of Detroiters' financial well-being nearly two years after the COVID-19 pandemic was first declared a national emergency, including residents' sense of financial security, struggle with housing costs, and experience with economic hardships like evictions and service shut-offs. Additionally, the report examines how residents' perceptions of economic challenges have shifted over the course of the pandemic and the ways in which financial assistance programs may have contributed to economic well-being. It expands upon earlier findings on economic hardship reported in [August 2020](#). Results have been weighted to reflect the population of the City of Detroit.

[See full results from DMACS surveys here.](#)

INTRODUCTION

Since Detroit was first identified as a COVID-19 hotspot in March 2020, the city and its residents have weathered both the health and economic impacts of the pandemic. Over the last two years, many [businesses have had to navigate](#) concerns around public safety, restrictions on public gatherings, transitions to working from home, and an evolving financial crisis. In the same period, Detroit's [unemployment rate has fluctuated dramatically](#), climbing as high as 43% in June 2020, and an estimated 38,600 workers participated in the job churn of "the Great Resignation." Among residents who remained in the workforce, [a recent DMACS report](#) suggests that 41% were actively seeking opportunities that offered better employment conditions.

Against this backdrop of economic and employment upheaval, the federal government put in place a set of unprecedented financial assistance programs, including expanded unemployment insurance, stimulus payments, and the expanded Child Tax Credit. [Recent research suggests that this COVID-19 safety net was wide-reaching and positively impacted the financial situation of low-income U.S. households](#), including [many Detroiters](#) and [their families](#).

This report examines Detroit residents' self-reported economic well-being in late 2021. It finds that nearly two years into the pandemic many Detroiters say their financial situations have stabilized, though low-income households are more likely to report economic precarity. Findings also point to the need for policies to address housing instability, as an estimated 13,000 households were displaced from their homes in 2021 and many more face high housing costs and missed housing payments that could result in future evictions. At the same time, residents' perceptions of economic challenges have improved significantly since early 2020, likely aided by pandemic safety net policies. Altogether, these descriptive findings highlight opportunities and ongoing challenges on Detroit's path towards economic recovery.



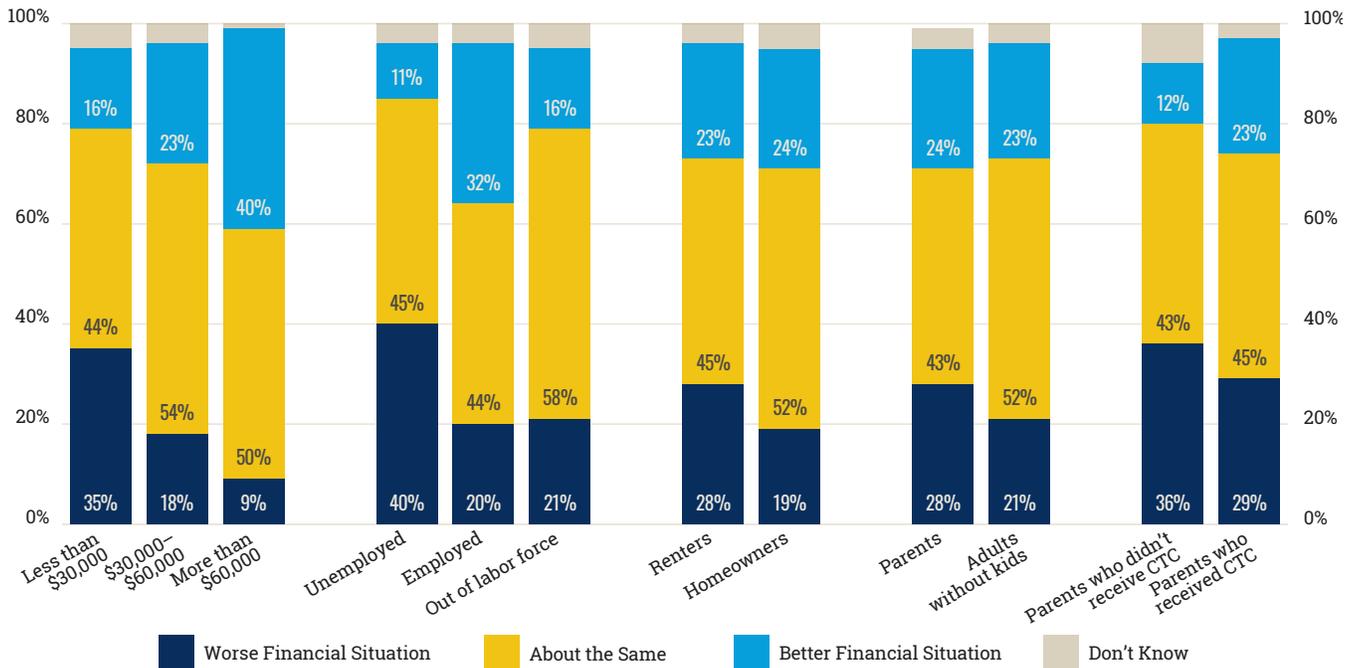
WHILE MANY REPORT THEIR FINANCIAL SITUATION IS STABLE, COVID-19 MAY HAVE REINFORCED ADVANTAGE AND DISADVANTAGE IN DETROIT.

- When asked in December 2021 about their current financial situation and how it compared to their financial situation a year ago, roughly half of Detroit residents (49%) report that their financial situation remains about the same. Nearly one-quarter of residents (23%) say they are in a better

financial situation than they were a year ago. However, an equal proportion (23%) say their financial situation has worsened over the past 12 months. Five percent say they don't know how their financial situation has changed in the last year.

FIGURE 1

DETROITERS' SHIFTING FINANCIAL SITUATION OVER THE PAST YEAR



- Low-income residents are significantly less likely to report improved financial situations over the past year than high-income households.
 - Though 44% of low-income residents—those in households earning less than \$30,000 annually—say they have achieved financial stability, more than one-third (35%) say they are in a worse financial situation than they were a year ago while 16% say their financial situation has improved.
 - By contrast, one-quarter (23%) of residents with household incomes between \$30,000-\$60,000 and 40% of residents in households earning \$60,000 or more report they are in a better financial situation now than a year ago.
- Residents out of the labor force—including many seniors—are more likely to report their financial situation over the past year remains about the same, while the unemployed are more likely to say they are in a worse financial situation and those working full-time report their finances have improved.
 - Detroiters who are in the labor force but unemployed are twice as likely (40%) to say their financial situation has grown worse in the past year as Detroiters who are currently working (20%) and those out of the labor force (21%).
 - One-third (32%) of employed Detroiters report their financial situation improved between 2020 and 2021.

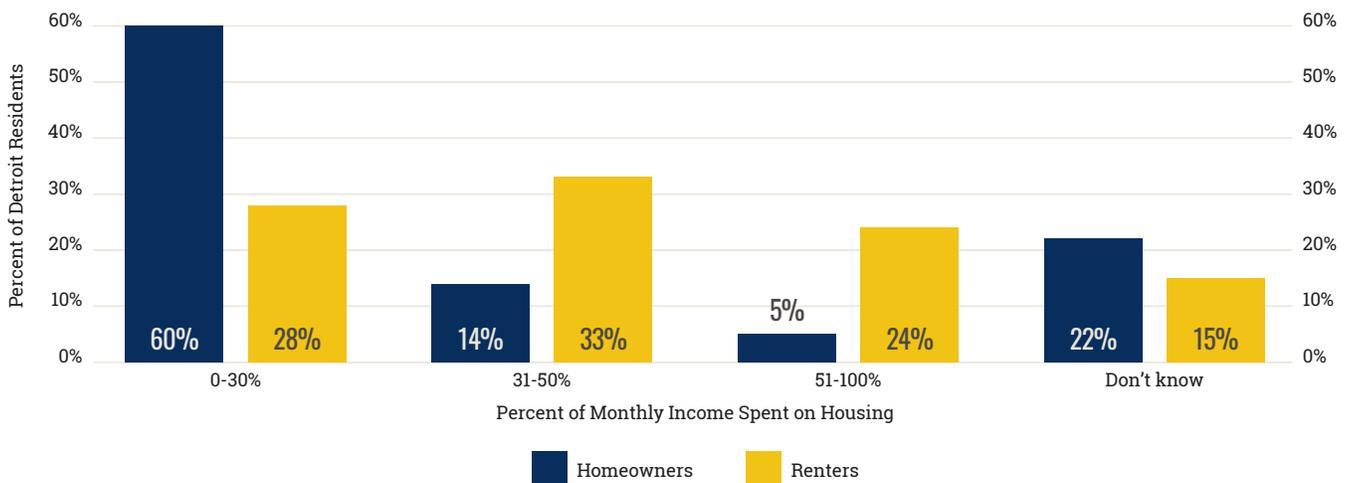
- The majority of both renters and homeowners report that their financial status is the same or better than a year ago. However, 1 in 3 (28%) renters report their financial situation has grown worse over the past year compared to 19% of homeowners.
- While parents reported worsening financial situations compared to other adults, recipients of the Child Tax Credit (CTC) are twice as likely as non-recipient parents to say their financial circumstances have improved.
- Though a majority of parents and non-parents report their financial situations are stable or improving, nearly 1 in 3 parents (28%) report that their financial situation has worsened over the past year compared to 21% of adults without kids.
- Parents who received the Child Tax Credit are significantly more likely to report improved financial circumstances compared to other eligible parents.¹ Twenty-three percent of CTC recipients reported they are in a better financial position now than a year ago compared to 12% of parents who were eligible but did not receive the tax credit.

HOUSING COSTS PLAY AN IMPORTANT ROLE IN FINANCIAL BURDEN, AS NEARLY 40,000 DETROIT HOUSEHOLDS SPEND HALF THEIR INCOME OR MORE ON HOUSING.

- Residents' financial well-being is likely influenced by housing costs. One in five residents (22%) say they spend between one-third and one-half of their income on housing payments, while 1 in 8 (13%) say their housing costs exceed half of their monthly income, qualifying as a severe housing cost burden.²
- Renters are significantly more likely to report housing cost burdens than homeowners. One-third (33%) of renters report spending 31-50% of their income on housing. Nearly one-quarter of renters (24%) say they spend more than half of their monthly income on housing.
- More than 1 in 6 homeowners (18%) report housing cost burdens: 14% say they spend between 31-50% of their income on housing and 5% say housing consumes half their income or more.
- This suggests that 39,000 Detroit households—33,000 renter households and 6,000 homeowner households—are under a severe housing cost burden.³

FIGURE 2

DETROITERS' HOUSING COST BURDEN



ONE-THIRD OF DETROITERS HAVE MISSED AT LEAST ONE HOUSING PAYMENT IN THE LAST YEAR, INCREASING THEIR RISK OF EVICTION OR FORECLOSURE.

- While roughly two-thirds (67%) of residents who pay for housing say they have managed their housing payments every month, 1 in 6 (16%) report missing one payment and 17% say they have missed three payments or more in the past year.
- Renters are more than twice as likely (46%) as homeowners (20%) to report missing one or more housing payments. In fact, roughly one-quarter (24%) of renters report they have missed or paid their rent late at least three times in the last year.
- Forty-three percent of parents report missing at least one housing payment in the past year, meaning many children might face risk of housing instability in the coming months.
- Households living with housing cost burdens—spending more than 30% of their income on housing—are significantly more likely to have missed a housing payment. Fifty-two percent of households that spend at least one-third of their income and 66% of those who spend half their income on housing report missing at least one rent or mortgage payment in the past year.
- Five percent of Detroit residents report they have been evicted from their housing in the past year, meaning an estimated 13,000 households may have been displaced from their homes in 2021.⁴
 - Eight percent of renters—more than 11,000 renter households—and 2% of homeowners—approximately 2,500 homeowner households—report they were evicted in the past year.⁵
 - Half (52%) of reported evictions occurred in the last four months of 2021, after the [federal eviction moratorium lapsed](#).
- Missed housing payments may be contributing to residents' housing displacement. Residents who have missed a housing payment are four times as likely to report being evicted. Nine percent of residents who have missed at least one housing payment and 13% of those who have missed three or more housing payments report they have been evicted or foreclosed on in the past year.

FIGURE 3

DETROITERS' FREQUENCY OF LATE HOUSING PAYMENTS

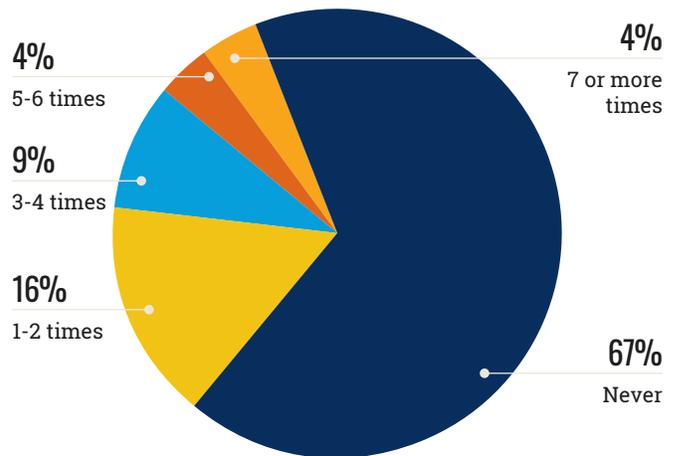
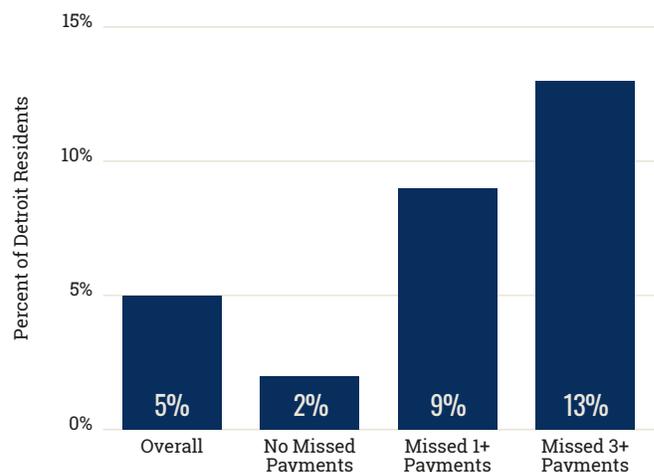


FIGURE 4

DETROITERS REPORTING AN EVICTION IN THE PAST YEAR

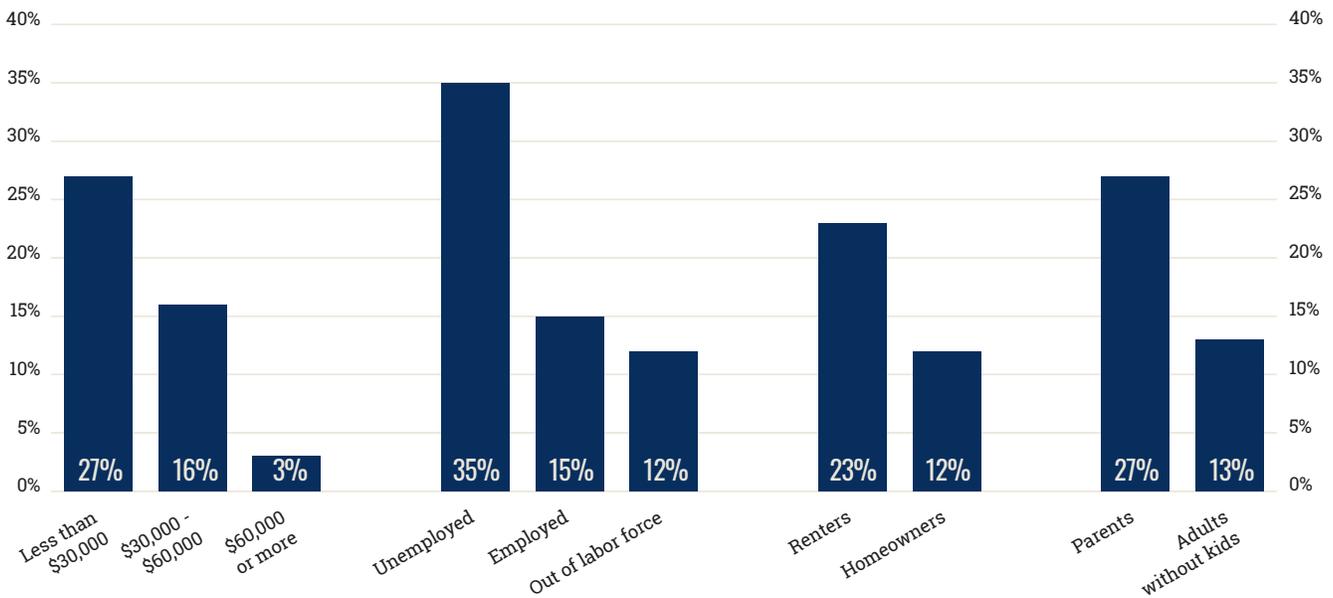


ONE IN SIX DETROIT RESIDENTS EXPERIENCED AT LEAST ONE UTILITY OR SERVICE SHUT-OFF IN THE LAST YEAR.

- Seventeen percent of Detroiters report experiencing one or more utility or service shut-offs in the last year.
- The most common service shut-off was phone or internet service. Fourteen percent of residents report they had their phone or internet service disconnected at least once in the past 12 months.
- Additionally, 7% of Detroit households report their gas or electricity was shut off in the past year.

FIGURE 5

DETROITERS' EXPERIENCE OF ONE OR MORE UTILITY OR SERVICE SHUT-OFF IN THE PAST YEAR



- Among low-wage earners—those in households earning under \$30,000 annually—27% experienced at least one utility or service shut-off in the past 12 months, compared to 16% of those in households earning \$30,000 to \$60,000 and 3% of those in households earning \$60,000 or more.
- More than one-third (35%) of residents who are in the labor force but unemployed report they’ve experienced a utility shut-off in the past year, compared to 15% of working Detroiters and 12% of those out of the labor force, which includes many seniors.
- Renters are nearly twice as likely (23%) as homeowners (12%) to report they’ve experienced a utility shut-off in the past 12 months.
- Parents (27%) are twice as likely to report experiencing one or more utility shut-offs compared to 13% of households without children.

FOR MOST RESIDENTS, EXPERIENCES WITH MAJOR ECONOMIC CHALLENGES PEAKED EARLY IN THE PANDEMIC. STIMULUS CHECKS LIKELY HELPED EASE THE BURDEN.

- Since May 2020, DMACS has asked respondents in most survey waves about their experiences of economic challenges caused by COVID-19 in the past month.⁶
- Longitudinal data show that whereas over one-third of Detroiters reported major economic challenges at the beginning of the pandemic, this share declined in late 2020 and leveled out throughout 2021.
- In the most recent survey (December 2021), 1 in 5 residents (21%) reported one or more major economic challenges.
- In December 2021, access to transportation was the most common major challenge that Detroiters report facing due to COVID-19 (9%), though one in every 15 Detroiters (7%) report accessing food, healthcare, or having a place to live similarly posed major challenges.

FIGURE 6

DETROITERS' EXPERIENCE OF MAJOR ECONOMIC CHALLENGES OVER TIME

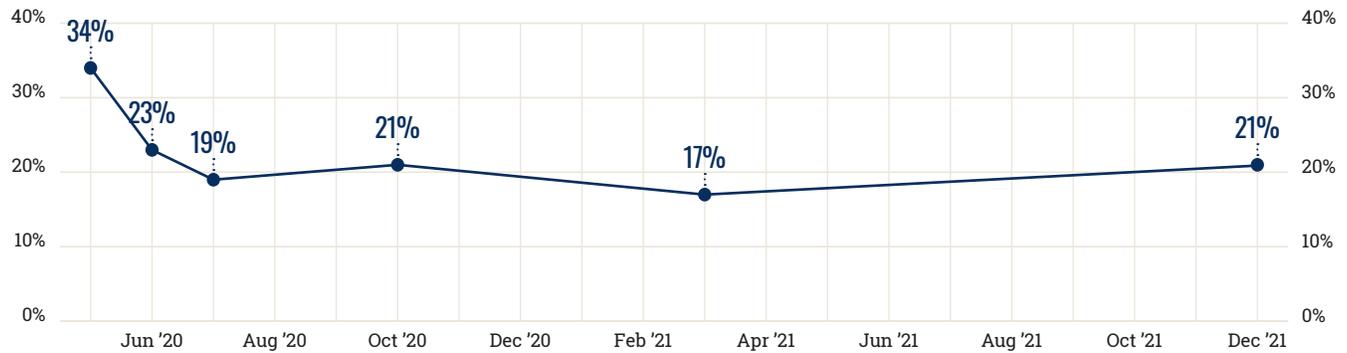
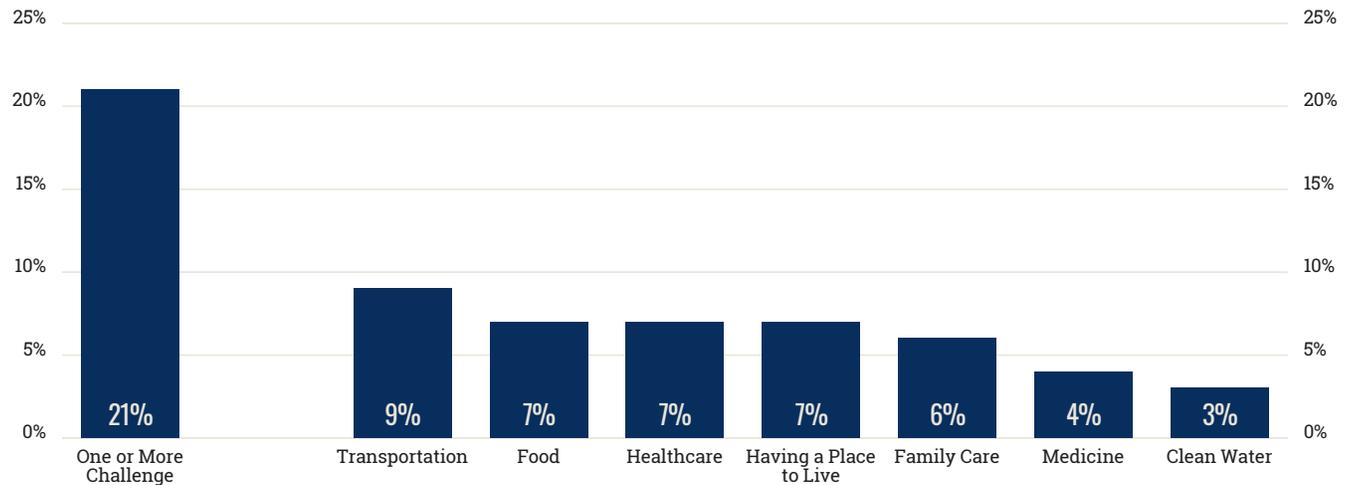


FIGURE 7

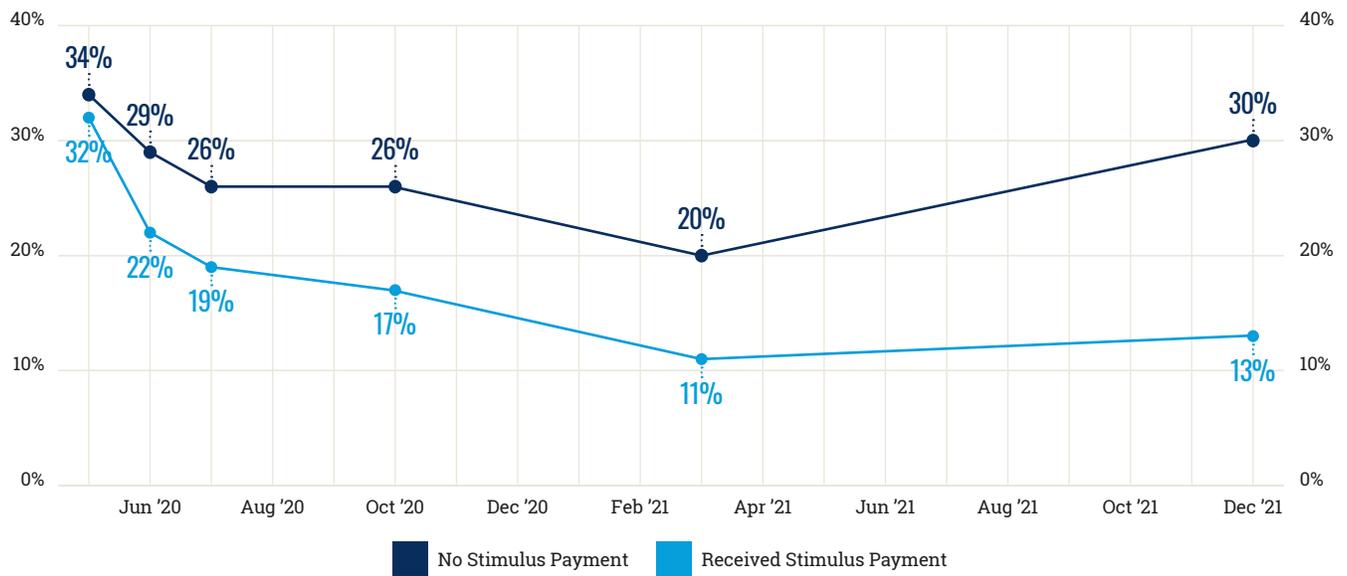
PERCENT OF DETROITERS EXPERIENCING MAJOR ECONOMIC CHALLENGES IN PAST MONTH BY TYPE, DECEMBER 2021



- The expansion of the COVID-19 safety net may have eased residents' economic challenges.⁷ DMACS panel respondents who reported receiving at least one stimulus payment from the federal government are significantly less likely to report experiencing major challenges as the pandemic wore on compared to respondents who did not receive any stimulus payment.
- Around the time of the third stimulus payment (spring 2021), stimulus recipients were half as likely (11%) to report major economic challenges as respondents who did not receive any stimulus payments (20%).
- While experiences with economic challenges among those who received stimulus payments remained relatively flat in the last half of 2021, data from the most recent survey suggest that respondents who did not receive any stimulus payments reported facing increasing economic challenges. By December 2021, respondents who did not receive any economic stimulus payments are nearly as likely to report one or more major economic challenges as they were early in the pandemic, in May 2020.

FIGURE 8

DETROITERS' EXPERIENCE OF MAJOR ECONOMIC CHALLENGES BY RECEIPT OF STIMULUS PAYMENTS



ENDNOTES

- 1 To assess the [impact of the Child Tax Credit](#), we focus on differences between Detroit parents who report receiving tax credit payments and those who are estimated to be eligible but did not receive the Child Tax Credit. We determine eligibility based on if a respondent is the custodial parent or guardian of someone younger than 18 and if their household earns \$100,000 or less in annual income.
- 2 The [U.S. Department of Housing and Urban Development](#) defines housing cost-burdened families as those “who pay more than 30 percent of their income for housing” and “may have difficulty affording necessities such as food, clothing, transportation, and medical care.” Severe rent burden is defined as paying more than 50 percent of one’s income on rent.
- 3 Estimates of the number of Detroit households living with a severe housing cost burden are calculated by multiplying the proportion of renter households who report a spending half of their income on housing (24%) by the number of renter occupied housing units (139,338) and multiplying the proportion of homeowner households who similarly spend half their income on housing (5%) by the number of owner-occupied housing units (127,801) in the city. Summed together, we estimate that 39,000 Detroit households may face a severe housing cost burden.
- 4 Our estimate of the number of households displaced from their homes in 2021 is calculated as the number of occupied housing units in Detroit according to the 2019 American Communities Survey 1-year estimates (267,139) multiplied by the percent of respondents who report their household was evicted in the past year (5%).
- 5 Though evictions are most commonly associated with landlord/tenant issues among renters, we do not limit our calculation to the number of renters who report being evicted because both renter households and homeowner households report experiencing evictions. Evictions of homeowners may signal a forcible removal following a foreclosure. In our data, 2% of homeowners and 8% of renters report experiencing evictions in the past year. If we calculate total housing displacements based on these proportions and the number of owner-occupied (127,801) and renter-occupied (139,338) housing units in the city, the number of displaced households increases slightly to 13,700.
- 6 To compare experiences of challenges over time, we examined weighted responses capturing if respondents had experienced one or more major challenge in the past month from surveys conducted in May 2020, June 2020, July 2020, October 2020, March 2021, and December 2021. Because response items changed slightly across survey waves, we focus on experiences of the following challenge types asked consistently across time: (1) “Getting the healthcare I need (including for mental health);” (2) “Having a place to live;” (3) “Getting the medicine I need;” and (4) “Getting to where I need to go.” In addition, all but the last two waves asked about challenges “Getting food, water, and other household supplies,” while the March and December 2021 surveys asked about “Getting enough food to eat” and “Having clean water to drink.” We combine these last two items in the March and December 2021 surveys to approximate answers from previous waves on challenges accessing household supplies. On the survey, respondents were asked to report if any of the above experiences had posed major or minor challenges. For ease of interpretation, in this report we focus on if respondents report an item posed a major challenge compared to those who reported an item was a minor challenge or “not a challenge.” In interpreting Figure 6, it should be noted that the trendline between labeled time periods has been smoothed to connect observations. Readers should take caution in interpreting unlabeled points.
- 7 In examining the impact of stimulus payments on respondents’ experiences of economic challenges, we focus on 712 panel respondents who (1) completed surveys in May 2020, June 2020, July 2020, October 2020, March 2021, July 2021, and December 2021 and (2) answered survey questions in June 2020 and July 2021 regarding their receipt of a stimulus payment. Focusing on panel respondents allows us to more precisely compare the experiences of the same residents over time. However, because weights are created for each wave of the data and not for cross-wave analysis, data from panel respondents reflects unweighted estimates and should not be interpreted as representing the experiences of all Detroit residents.

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