SaverLife

DECEMBER 2024

THE HOUSING PARADOX

UNDERSTANDING THE FINANCIAL DRIVERS OF HOUSING INSECURITY

Introduction

The high cost of housing is placing severe strain on many households in the U.S., especially those living with low-to-moderate incomes (LMI). For decades, rent and mortgage payments have risen much faster than income. According to a 2024 Harvard study, inflation-adjusted rents have gone up 10 times faster than renters' income since 2001. More than 30% of U.S. households were cost-burdened in 2023, including 27% of households with a mortgage and nearly 50% of households paying rent. Home prices have soared, putting the dream of home ownership far out of reach for many people who would once have built wealth and stability through a home purchase.

The U.S. housing affordability crisis is deeply intertwined with other financial challenges, especially for those earning low-to-moderate incomes like our SaverLife members. Financial health is at the core of housing insecurity, as insufficient income creates barriers first to finding housing and then to maintaining it.

Income is a key financial driver of housing instability — not just how much a person earns as income, but also the stability of that income and how much money they have on hand. A 2023 UCSF study found that loss of income was the primary reason why California renters left their last housing.

While losing income directly impacts housing stability, long-term financial challenges also play a significant role. Stagnant wages often fail to keep pace with the rising cost of living. Limited savings and high living costs also make many households vulnerable to housing insecurity. Even full-time employment does not guarantee sufficient income to live independently, forcing many to "double up" in overcrowded housing. Low or volatile wages limit financial flexibility, leaving individuals more exposed to financial shocks. Without adequate, reliable income, a job loss or a health emergency can quickly lead to housing loss.

Rising inflation has made it much more difficult for individuals to afford their basic needs, including housing. While temporary relief measures like eviction moratoriums helped some renters during the pandemic, the end of these supports has brought eviction rates back to near pre-pandemic levels. Black and Latino households are disproportionately affected, facing higher financial barriers to meeting rent and a greater likelihood of eviction.

Financial constraints trap many individuals in a cycle of housing insecurity that leaves them unable to save or invest in better housing conditions. Their unstable housing situation increases their debt and worsens their financial instability.

As SaverLife's members face these challenges in housing affordability, our research leverages member surveys and interviews to develop deeper insights on their experiences.

In this brief, we explore factors that predict higher risk of housing cost burden and housing instability, including household finances, employment, housing prices, housing conditions, temporary housing, and relocation/moving. We also examine how members cope when housing is unaffordable, probing into member awareness and use of housing assistance resources.

Key Findings

Finding one: More than a third (34%) of members had problems making at least one housing payment in the prior year, including 41% of renters and 24% of homeowners. However, a much greater number – 63% – made financial sacrifices, such as taking on gig work or spending less on groceries, in order to make housing payments.

Finding two: Income and expense shocks are significant drivers of housing payment challenges. Among various income and expense shocks, income disruptions or unexpected expenses resulting from severe weather events or natural disasters emerged as the clearest risk factors, but costs associated with moving also contribute to housing payment challenges.

Finding three: Limited savings are a major risk factor in making rent or mortgage payments. For both renters and homeowners, having $500 or more in short-term savings greatly lessens the risk for problems making housing payments.

Finding four: Debt problems create challenges for both renters and homeowners. Homeowners with no reported debt problems had only a 5% chance of having problems with mortgage payments, yet this chance jumps to 34% with just one debt problem.

Finding five: SaverLife members who identify as Black and members who are parents with children in the home are more likely to experience housing payment challenges. Half (50%) of members identifying as Black said they had problems paying rent compared to 36% of members with other racial or ethnic identities. Over half (56%) of members with children had problems paying rent compared to 24% of those without children and were more likely to face eviction.

Finding six: Awareness and usage of assistance programs is low – over half of renters are unaware of housing counseling programs, and only 6% have received these services. Among homeowners, two-thirds are unaware of property tax assistance programs and 55% are unaware of home repair subsidies that may be available.

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Methods

A sequential explanatory mixed methods design was used to answer the research questions. First, a total of 719 SaverLife members completed a survey from March 13 through May 1, 2024, concerning their experiences with housing and their employment and financial circumstances. After validating responses, a sample of 578 members was retained for statistical analysis using bi- and multivariate methods. Second, survey results were reviewed to determine topics and lines of inquiry for interviews with 14 members in June and July 2024. Interview transcripts were reviewed and coded to identify key themes related to the research questions. As part of ongoing storytelling and narrative shift efforts, three member interviews were conducted to learn more about the members' daily realities navigating housing costs and their short- and long-term financial health goals. Additional detail can be found in the Appendices:

Appendix A: Detailed results of regression analysis
Appendix B: Methodological details and study limitations

1 *The Federal Reserve Bank of San Francisco did not receive or disseminate any funds related to this project. The views expressed by this panelist in the context of her participation are hers alone and not necessarily those of the Federal Reserve Bank of San Francisco or the Federal Reserve System.*

Survey Demographics

Nearly two-thirds (64%) of SaverLife members who completed the survey were between 25 and 44 years old, 32% were between 45 to 64 years old, 4% were 65 and older, and 1% were 18 to 24 years old.

The vast majority of members identified as women (78%). Almost half (46%) of members identified as White, 30% Black or African American, 10% bi- or multi-racial, 7% Hispanic or Latino, 5% Asian or Pacific Islander, and 2% other identities.

Over a quarter (27%) of members had annual household income below $25,000, 31% had income between $25,000 and $50,000, 15% had income between $50,000 and $75,000, and 9% had income of $75,000 to $100,000, and 17% had income of $100,000 or higher.

Over half (52%) of members said they were single while 48% lived with a partner or spouse. 51% had one or more children, and 60% lived in a home with three or more people while 27% were in a home with two people, and 13% lived by themselves.

Half of SaverLife members rent, one-third own their homes

The majority of survey members (51%) were renters, 35% owned their homes, and 14% lived in a home owned by someone else. Over a third of members were in a temporary living situation: 21% were living temporarily with family or friends, and 13% said a family member(s) or friend(s) were living temporarily with them.

Among all members, a plurality (48%) said they lived in a single-family home, followed by 30% who lived in an apartment or condo, 11% in a duplex, townhome, or row house, 8% in a manufactured home, and 3% in other types of housing.

Among renters, 88% pay all or part of the rent and 76% are listed on the lease. A plurality of renters (48%) said their landlord was a property management company, followed by 33% whose landlord is an individual. 12% rent from a parent or family member, and 7% rent from a public housing authority or nonprofit organization. Only 13% of renters said they were using a service that reports rent payments to credit reporting agencies.

Among homeowners, most (64%) said they bought their home on their own or with a partner or spouse, 19% had financial help, and 15% inherited their home. Among homeowners who received financial help, 39% had help from parents or family members, 28% from a homeownership program, 28% from an inheritance or other financial windfall, and 5% other sources of help.

A majority of members experience suboptimal housing conditions

We asked SaverLife members whether they have challenges in their homes, such as mold or broken appliances. Some conditions in the home may be unsafe or unhealthy. Some may make financial burdens worse, such as water leaks or broken windows that result in higher utility bills. Overall, 71% of members said they had at least one of these challenges, with an average of 1.53 and median of 1 problem in the home. The most common was plumbing – affecting a quarter of members with at least one problem in the home –followed by roaches and other insects.

Table 1. Housing Conditions

Problem Conditions in the Home	%
Frequent plumbing problems	25
Roaches or other insects	22
Structural damage (e.g., leaking roof, broken stairs)	18
Broken or lack of central heating or A/C	15
Mice or other rodents	15
Mold	14
Broken appliances or lack of stove, oven, or refrigerator	13
Unsafe wiring and/or faulty electrical system	11
Broken windows	11
Front door or other entries that do not lock	8

Members who are female, have children, and have lower incomes and low short-term savings had a higher number of problems with housing conditions. A combination of low income and low savings is likely to make it hard for these members to pay for these housing problems to be fixed. Renters with lower income and savings may also find themselves in lower-quality housing units where landlords are unresponsive to tenant concerns.

Housing problems were equally distributed among both homeowners and renters, across different types of homes (e.g., apartment, manufactured home), and types of landlords. Put differently, being a homeowner did not mean having fewer problems.

Temporary housing situations often related to income shocks

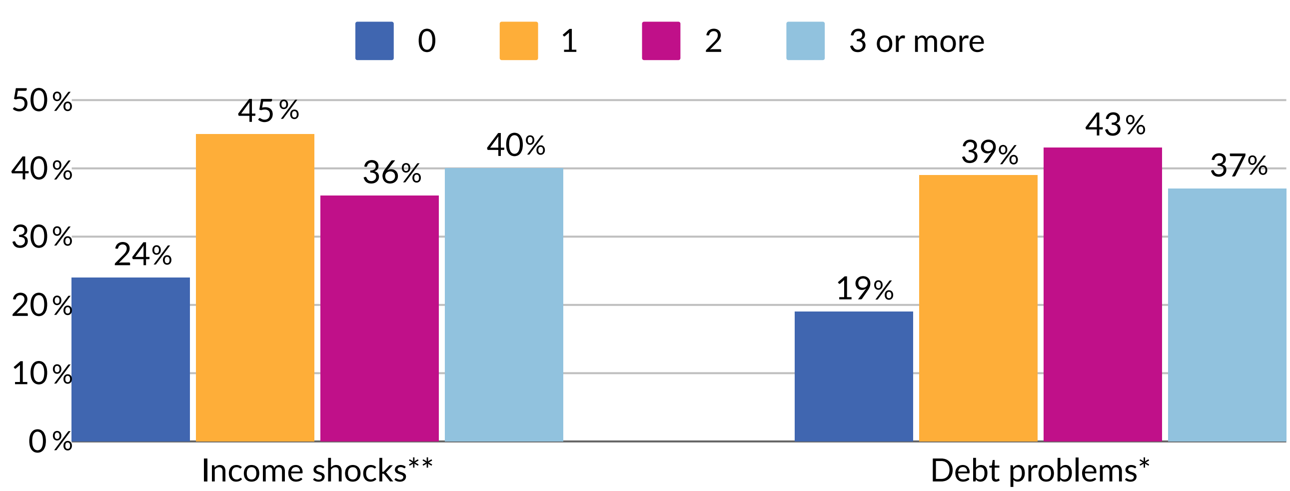
More than a third of SaverLife members said they were living temporarily with friends or family members or had friends or family members temporarily living with them. These living situations may be necessary due to financial circumstances but also may be difficult for all in the home due to overcrowding, sharing facilities and resources, different work schedules, and different living habits.

All four of the following financial circumstances among SaverLife members had statistically significant associations with temporary housing situations:

- Income shocks ($p < .001$)
- Expense shocks ($p < .01$)
- Lack of short-term savings ($p < .01$)
- Debt problems ($p < .001$)

When considering all of these factors together in the same model while controlling for age, gender, income, and other demographic and housing characteristics, income shocks and debt problems remained statistically significant predictors of temporary housing situations.

Figure 1. Financial Predictors of Temporary Living Situations



Note: * $p < .05$ and ** $p < .01$ which indicate that the observed differences are statistically significant with less than a 5% and 1% probability of occurring at random, respectively.

For example, the chances of being in a temporary situation rose by 84% among members with one compared to no income shocks. Members experiencing income volatility and debt problems may attempt to lower their housing costs by living temporarily with family members or friends or by having family members or friends live with them to share housing costs. Being single and between 25 and 34 years old was also associated with being in a temporary housing situation, but not any other factors such as gender, race/ethnicity, or life events. Having children and living with a spouse or partner made it less likely that members were living temporarily with family members or friends.

Many members relocate in search of lower housing payments

Moving can be disruptive and expensive but also necessary or even desirable, depending on one's life circumstances. Nearly a quarter (23%) of SaverLife members said they moved within the prior 12 months. Top reasons for relocation included finding a better place to live and being unable to afford rent or mortgage payments.

Table 2. Reasons for moving

Reason	%
Found a better place to live	19
Could no longer afford rent or mortgage	17
Life change (e.g., marriage)	12
Move to a new town or city	12
Job change	10
Neighborhood safety concerns	9
Lease was not renewed	8
Crowding in the home	8
Conflict or violence in the home	7

Both income and expense shocks ($p < .05$) were statistically significant predictors of moving. For example, the chances that a member moved increased by 68% and 69% when they experienced an income shock or expense shock, respectively. Demographic analysis showed that SaverLife members 45 years and older were less likely to move than younger members, but other characteristics like gender, race/ethnicity, and family composition were not related to moving.

One in three members have difficulty paying for housing

Housing cost burden often makes it challenging to manage debt and build assets. One indicator of housing cost burden is when people have trouble making rent or mortgage payments. While SaverLife members who rent may be subject to surging rental prices, an advantage of homeownership is that with a fixed-rate mortgage, the homeowner can "lock in" a mortgage payment that is not affected by housing inflation.[2] But both renters and homeowners have experienced difficulties in making their payments.

2 Yet home price inflation will affect property taxes homeowners pay while home insurance premiums are rising rapidly as discussed below.

SaverLife members were asked how many times in the prior 12 months they had been late with, missed, or made a partial rent or mortgage payment. Overall, more than a third (34%) of members had problems with at least one payment, including 41% of renters and 24% of homeowners. Nearly a fifth (18%) of renters were behind on rent while 48% of homeowners said they had trouble paying for non-mortgage housing expenses like property taxes (see Table 3 below).

Table 3. Housing Hardships: Renters and Homeowners

Late, missed or partial rent payments prior 12 months	
Never	59
1 time	16
2-3 times	12
More than 3 times	14
Rent arrears	
I am current on my rent	82
I am behind by less than $1,500	10
I am behind by $1,500 to $3,000	7
I am behind by more than $3,000	2
Late, missed or partial mortgage payments prior 12 months	
Never	77
1 time	8
2-3 times	11
More than 3 times	3
Difficulty paying for homeowner expenses prior 12 months	
Yes	48
No	52
Home or other property repairs	28
Repairing or replacing a major appliance	26
Repairing or replacing a central heating or cooling system	17
Property taxes	15
Homeowners insurance	14
Threatened with eviction or foreclosure, prior 12 months	
Yes	14
No	86
Water or electricity shut off due to lack of payment	
Yes	14
No	86

Note: Totals may exceed 100% due to rounding

When we examine whether demographic characteristics of SaverLife members are associated with various problems paying for housing shown in the[2] above table, we find the following statistically significant differences:

- Half (50%) of members identifying as Black said they had problems paying rent compared to 36% of members with other racial or ethnic identities ($p < .05$).
- Over half (56%) of members with children had problems paying rent compared to 24% of those without children ($p < .001$). These members with children were also twice as likely to face eviction or foreclosure (18%) and water or electricity shut offs (21%) than members without children (9% and 6%, respectively) ($p < .01$).
- Members younger than 55 years of age were more likely to face eviction or foreclosure (15%) and water or electricity shut offs (16%) than members 55 and older (7% and 3%, respectively) ($p < .05$ and $p < .01$, respectively).
- Women (15%) and members identifying as gender non-binary (21%) were more likely than men (6%) to face water or electricity shut offs ($p < .05$).
- Over half (53%) of members who live with a partner or spouse experienced a problem covering homeowner expenses compared to 40% of single members ($p < .05$).

Meet SaverLife Member Alicia (KY)

Conversations with members underscored the impact that expense shocks can have on members' ability to afford their housing payments. In 2022, Alicia and her family experienced an extreme flood that left their house severely damaged. "We had to dig ourselves out, literally, with my husband's tractor. We cleared the road because the county couldn't get to us," Alicia said. The damage from the flood has had surprising impacts on many aspects of Alicia's budget. With damaged electrical wiring and insulation, she has seen an increase in their utility bills month over month. This makes her anxious about running their heating system in the winter, even though she knows the house will be colder without the heater on. Additionally, the road to their house is full of large and unavoidable potholes that have caused increased damage to their truck. She has had to replace eight wheel bearings on her truck in two years, and Alicia doesn't see this problem going away until the city fills the potholes. "When you're on a budget like us," she says, "You've got groceries to pay for. Then you've got your utilities, your gas, and your insurance for your vehicles. It's a lot to cover." Read Alicia's story.

Ultimately, difficulty making rent or mortgage payments has several consequences. SaverLife members may face tough decisions such as whether to pay rent on time, make an on-time car payment, or pay monthly childcare fees. Problems affording housing payments also make it hard for members to save money they need to cover unexpected expenses or dips in income. The vicious cycle of housing cost burden leading to insufficient savings may result in the threat of eviction or foreclosure, which was true for 14% of SaverLife members. Evictions and foreclosures are financially devastating setbacks and harm the health and well-being of household members, especially young children.

Financial drivers of housing insecurity: income, expense shocks, savings levels, and debt

Struggling to make ends meet becomes even more challenging when housing costs consume a large portion of a person's income, forcing difficult trade-offs between paying for housing and affording other necessities. This reality is reflected in qualitative interviews with members, who describe the financial strain caused by high housing costs and low incomes.

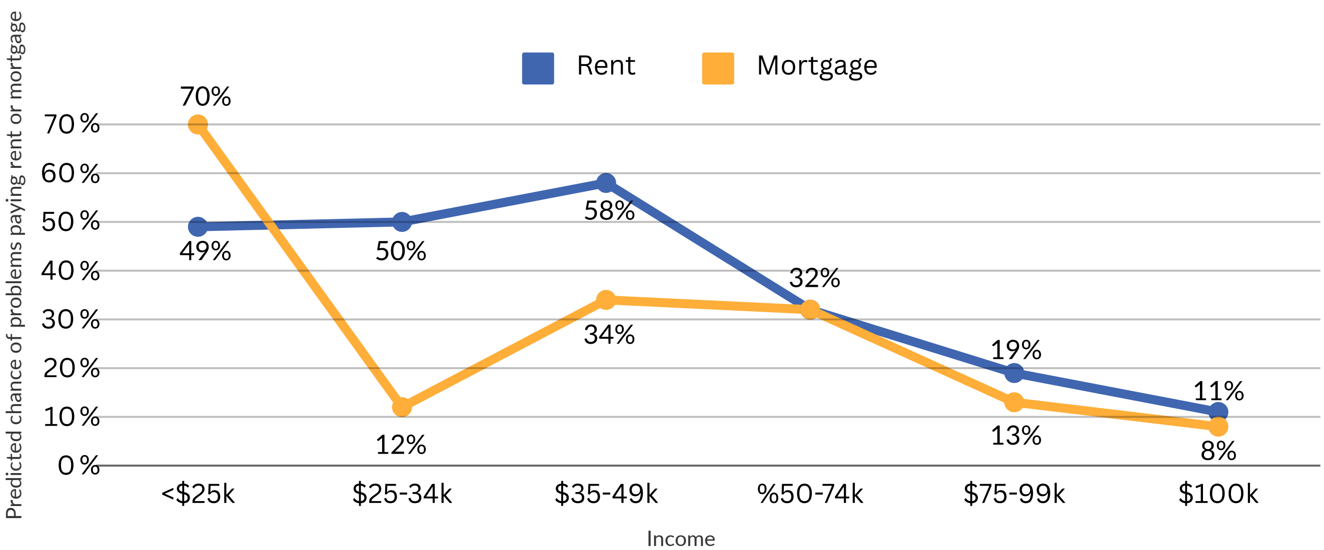
One interviewee emphasized how crucial it is to prioritize rent above all else: “I pay my rent first thing out of my disability, otherwise I probably would be homeless. I get like $1,400 a month, and my rent is $1,150. So you know, it’s crazy.” With rent consuming nearly 82% of their income, they are left with little room to cover other essentials. Members also highlight how unsustainable this housing cost burden is for the long term: "My ideal housing situation would be not paying more than half my income on rent, and to get there I would need some kind of financial help from the government."

Another interviewee who pays a more manageable portion of their income toward a mortgage still feels financial pressure. They work a second job on weekends just to make ends meet, sharing, “I actually work a second job on the weekends to kind of help me balance out.” Even though their mortgage accounts for just over 30% of their income, the need for additional work shows that balancing housing costs with other financial obligations remains a challenge.

Similarly, another individual describes the juggling act required to stay afloat, stating, “I have to just figure out what I could pay right now, and kind of put stuff on payment plan arrangements sometimes, or choose not to buy something to pay.” For them, managing the financial demands of housing means constantly making trade-offs, choosing between basic necessities, and delaying important bill payments.

The chart below shows how different levels of income relate to problems making rent or mortgage payments, while controlling for member characteristics like age and gender, rent prices, and location. At most income levels, SaverLife members who rent have more difficulty making housing payments than members who are homeowners.

Figure 2. Income as a Predictor of Rent Hardship



For renters, the risk of difficulty in paying rent does not drop until income reaches $50,000. For homeowners, the chance of problems making mortgage payments is very high among those with incomes under $25,000 but is much lower as income rises. Even a modest monthly mortgage payment of $800 would consume nearly 40% of income for a household with $25,000 in annual income. Yet in the $25,000 to $50,000 range, homeowners are much better off than renters.

But income is just one factor when it comes to paying for housing. Other financial circumstances that are often overlooked in discussions about housing affordability may also have an impact.

> Even a modest monthly mortgage payment of $800 would consume nearly 40% of income for a household with $25,000 in annual income.

Three types of financial challenges - income shocks, expense shocks, and debt problems - are very common among SaverLife members and may affect their ability to pay for housing:

- 50% of members said they had at least one type of **income shock**. A loss of income – especially if it is sudden and unexpected – can throw off household budgets and make it hard to pay bills.
- 74% of members said they had at least one type of **expense shock**. Events like unexpected car repairs may make it hard to pay for basic expenses like groceries and gas. Even expected but irregular large expenses like replacing a set of tires on a car can put strain on household budgets.
- 68% of members said they had at least one type of **problem paying debt**. Keeping up with multiple loan and credit card payments to avoid delinquency and default is an additional strain on household budgets and can make it hard to pay rent on time.

Types of financial shocks and debt problems that cause financial vulnerability:

Income shocks
- A major weather event or natural disaster
- Period of unemployment
- Reduction in work hours
- Loss of government benefits
- Worked less or stopped working because of illness or injury
- Worked less or stopped working to care for others who were sick or injured
- Worked less or stopped working to take care of children

Expense shocks
- A major weather event or natural disaster
- A major out-of-pocket medical or dental expense
- An unplanned gift or loan to a family member or friend
- A major vehicle repair or replacement
- A major house or appliance repair
- A major pet care expense
- A computer or mobile phone repair or replacement
- Legal expenses, taxes, or fines
- Increase in childcare or dependent care expenses
- Moving costs

Debt problems
- Trouble paying medical or dental bills
- Trouble making student, auto, or personal loan payments
- Trouble paying back a personal loan from a family member or friend
- Falling behind on credit card payments
- Falling behind on child support payments
- Contacted by a collection agency

Qualitative interview results underscore the impact that expense shocks can have on members' ability to afford their housing payments. Unexpected expenses can quickly derail even the most carefully planned budgets, leaving individuals overwhelmed and falling behind on rent. Several members described how a single unplanned financial event caused a ripple effect, impacting their ability to cover housing costs. One individual shared how a car accident led to an unplanned expense: "I live in the city, and I have to park my car on the side of the road. Somebody side-swiped it in the middle of the night, so I had to pay a large deductible, and that was supposed to be my rent. So now my rent is late." This situation highlights how unexpected costs like car repairs can leave individuals scrambling to make up for the money they had set aside for rent, leading to late payments and added stress.

Meet a SaverLife Member

As part of SaverLife's storytelling series, we spoke with Mecca, a renter in California who has been renting her parents' home since 2020 and knows too well how unexpected expenses can contribute to financial stress. After the sewer backed up, they needed to replace six feet of sewer line which cost over $10k. Mecca shared that the city informed her they 'don't take care of anything behind the sidewalk.' She was left to call her landlord (her parents) to tell them, "I don't have that type of money. I just don't have it; it was very expensive." Read Mecca's story.

Another member faced a similar situation when a medical bill unexpectedly consumed a large portion of their budget. "A medical bill came up pretty quickly, and it was a big chunk. I put that on a payment plan, but it still required a good amount to be put down first, and that affected how much I could put towards my rent."

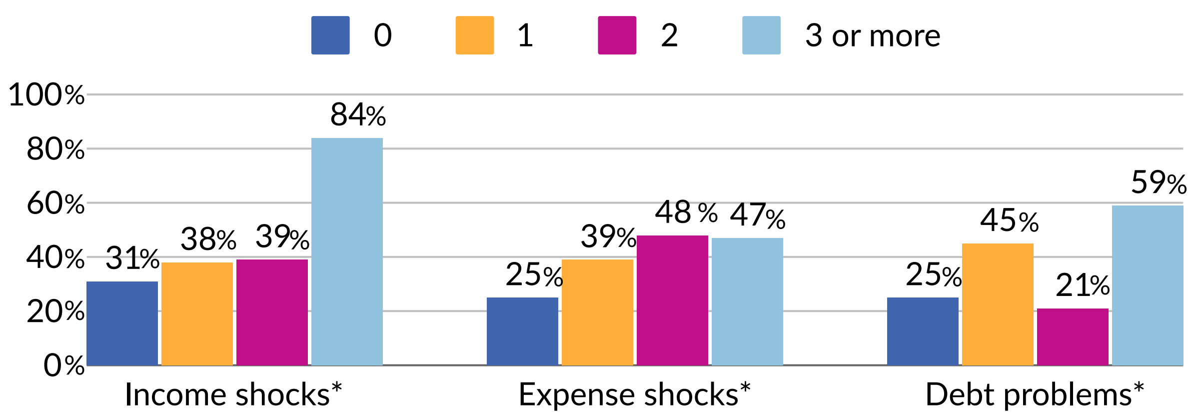
These examples illustrate how financial shocks can destabilize an already fragile financial situation, pushing people into housing insecurity or forcing them to make difficult decisions about how to allocate limited resources. Financial shocks include car repairs, home repairs, medical bills, accidents, and other unpredictable events.

Financial shocks and debt drive housing payment problems

We examined whether the number of 1) income shocks, 2) expense shocks, and 3) debt problems affected the risk that members would have problems making rent or mortgage payments. Because rent and mortgage are different types of housing payments, we did separate analyses for renters and homeowners.

Results indicated that all three factors were statistically significant predictors of housing payment problems:

Figure 3. Financial Drivers of Problems Paying Rent

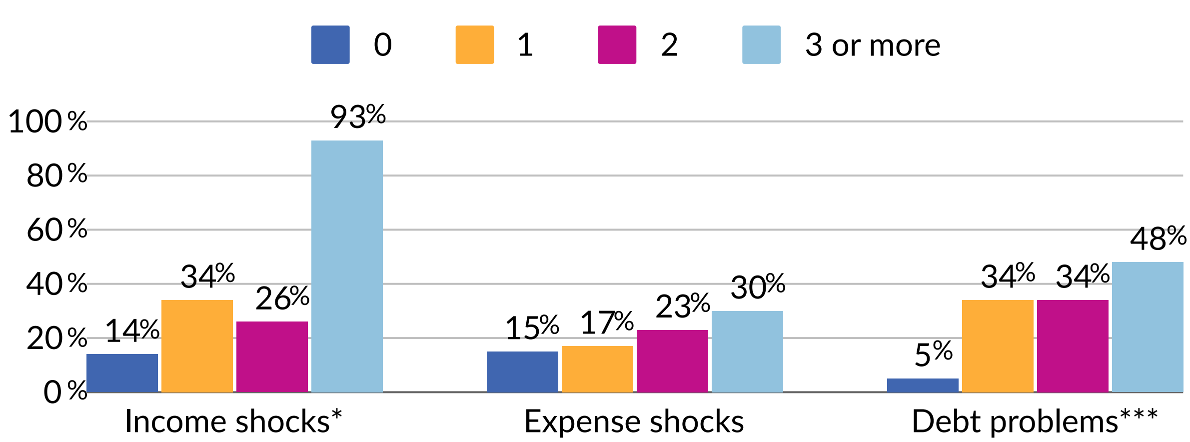


Note: * p < .05 which indicates that the observed differences are statistically significant with less than a 5% probability of occurring at random.

The chance of having problems paying rent generally rises with a greater number of income and expense shocks and debt problems, showing that all of these situations are risk factors for paying rent. There is a big spike in rent payment problems when members go from experiencing one or two income shocks to three income shocks or more. But there is still a significant chance that members will have problems paying rent even if they are not faced with these challenges.

The pattern looks similar among homeowners making mortgage payments, except that expense shocks were not a statistically significant driver:

Figure 4. Financial Drivers of Problems Making Mortgage Payments



Note: * p < .05 and *** p < .001 which indicate that the observed differences are statistically significant with less than a 5% and 0.1% probability of occurring at random, respectively.

Debt problems also loom large for homeowners. Those with no reported debt problems had only a 5% chance of having problems with mortgage payments, yet this chance jumps to 34% with just one debt problem.

We took a closer look at income shocks and expense shocks, given that each of these types of events can have very different impacts on members. We examined whether each type of shock affected members' ability to make rent or mortgage payments. The data showed that most specific types of shocks were unrelated to problems paying for housing, with notable exceptions:

- **Income shocks:**
  - Severe weather or natural disaster ($p < .001$). Climate-related events may result in lost wages from missing work or if one's employer closes down, not being able to earn income from gig work or other side jobs, and other disruptions.

- **Expense shocks:**
  - Severe weather or natural disaster ($p < .001$) Climate-related events can result in property damage, spoiled food and/or medication, added costs of coping with the event, and more.

  - Moving expenses ($p < .05$). Even a local move will cost at least a few hundred dollars and moving may include paying rent and utility deposits and other transition-related expenses like buying new furniture and household items.

Among homeowners, car repairs were related to problems making mortgage payments ($p < .01$), though no other specific expense shocks or income shocks were related. For renters, the impacts of climate change loom large, an impact which we explored in a recent report. Renters face "double jeopardy" of losing income and having added expenses due to severe weather and natural disasters, which makes paying rent more difficult.

Multiple expense shocks increase the difficulty of affording homeownership

The financial obligations of homeownership do not end with mortgage payments. Homeowners must pay property taxes and must be prepared to pay for costly repairs. They may need to have insurance if they have a mortgage, and possibly additional insurance to protect from storms and other natural disasters.

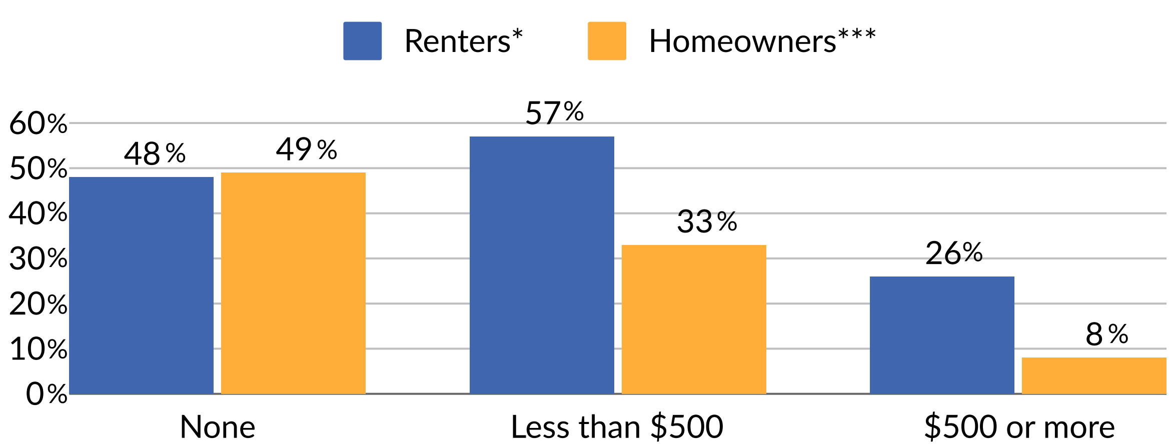
One individual expressed the strain of keeping up with homeownership expenses: "It's maintaining the house, the property taxes, and it seems like every time you turn around, there's an appliance that breaks down. Last year, it was the fridge and then the hot water heater." For homeowners, the cumulative burden of unexpected repairs and ongoing costs like property taxes adds another layer of financial pressure, making it harder to keep up with housing payments.

Expense shocks were a statistically significant predictor of trouble covering homeownership expenses ($p < .01$), though income shocks, debt problems, and short-term savings were not predictors. For example, homeowners with one, two, and three or more expense shocks had a 54%, 64%, and 79% chance of trouble covering homeowner expenses, respectively, compared to 43% risk among homeowners with no expense shocks. No other factors such as age, race/ethnicity, or income were associated with trouble covering homeowner expenses.

Having $500 or more in savings greatly reduces the risk of housing insecurity

For both renters and homeowners, having short-term savings can help with housing payments when SaverLife members face income shocks, expense shocks, or debt payments.

Figure 5. Lack of Short-term Savings as a Predictor of Problems Making Rent or Mortgage Payments



Note: * $p < .05$ and *** $p < .001$ which indicate that the observed differences are statistically significant with less than a 5% and 0.1% probability of occurring at random, respectively.

Yet only 35% of members said they had $500 or more in short-term savings. To have and build short-term savings, members' household income needs to at least occasionally exceed household expenses. When income exceeds expenses (known as having financial slack), money left over at the end of the month can be set aside in savings.

Job instability is a major driver of housing insecurity

SaverLife members' employment status and circumstances may affect their ability to make rent or mortgage payments. For example, irregular work hours that result in income volatility or being self-employed and lacking access to employee benefits may make it hard to make housing payments.

We find that employment status (e.g., working full- or part-time, being self-employed or unemployed) was unrelated to problems making rent or mortgage payments. However, looking further into employment circumstances, we see that 58% of SaverLife members who are employed said they encountered at least one of the following situations indicating job instability within the prior 12 months:

- Concerned their job may not last
- Looking for a new job
- Do not get enough work hours
- Work hours vary a lot
- Work schedule varies a lot

Job instability problems were especially common among self-employed and gig workers, 90% of whom had at least one of the challenges listed above compared to 47% of those employed full-time. Concerning job tenure, 49% of members had been with their employer for three or more years, 27% for one to two years, and 24% for less than one year. Concerning employer benefits, 31% of members had four or more benefits such as health insurance and a retirement plan, 29% had one to three benefits, and 40% had none.

Examining the link between employment circumstances and problems paying for housing we find:

- Job instability made problems paying rent more likely to occur ($p < .05$), but not for making mortgage payments.

- Members who were with the same employer for three or more years had a lower chance of problems making mortgage payments (15%) compared to members who were with their employers for one to two years or less than one year (38%) ($p < .05$). However, job tenure was unrelated to making rent payments.

- The number of employer benefits received was unrelated to problems making rent or mortgage payments. However, receiving certain types of benefits were related to a lower chance of housing payment problems including paid family leave ($p < .05$) and emergency financial assistance ($p < .01$).

Over a third of members go without groceries or healthcare to pay the rent or mortgage

The majority of SaverLife members did not have trouble making their rent or mortgage payments in the prior year. While this is a positive finding, it's also important to understand what financial sacrifices members are making so they can afford their housing payments. Nearly two-thirds (63%) of members said they took at least one of the actions listed below, with an average of 2.17 actions. This means that only about a third of members did not have to take extra action to afford housing.

Table 4. Actions SaverLife Members Take to Afford Housing Payments

Action	%
Did gig work or a side hustle	30
Reduced spending on groceries	27
Asked for more hours at work	25
Put off getting medical or dental care or prescriptions	21
Used my tax refund to catch up on rent	21
Maxed out credit card(s)	16
Sold a personal item(s)	14
Borrowed money from a friend or family member	13
Got a pay or cash advance	11
Took out a personal loan	10
Took money out of a retirement account(s)	9
Sold blood plasma for money	7
Took out a payday, pawn shop, or auto title loan	7
Summarized Actions	**%**
Increased income	48
Decreased spending on food and healthcare	35
Increased debt	30
Used tax refunds or retirement funds	26

The results above show that SaverLife members prioritized increasing their incomes over other ways to help make rent or mortgage payments. Still, over a third of members said they cut back on groceries and put off needed healthcare. It is clear that members are making trade-offs that may harm their quality of life, such as increasing their risk for food insecurity and health problems due to a lack of care.

Among members who had been threatened with eviction or foreclosure due to non-payment, most (51%) sought help from family and/or friends, while others sought help from a local organization (30%). Only 6% said they did not seek any help.

Many SaverLife members lack awareness of housing assistance programs

In the U.S., there are several local, state and federal programs to help renters and homeowners afford housing. Yet awareness and use of these programs varies among SaverLife members. Once a SaverLife member is aware of a program they may need, they still need to go through the application and eligibility determination process. Even if they are found eligible, the assistance still may not be available due to a lack of funding.

Housing assistance programs are broadly inaccessible to our members and present administrative burdens to members trying to utilize them

During our member interviews, we found members who indicated that though they are well-informed about housing programs, they are frustrated with the usability of the programs offered to them. SaverLife member Mecca began navigating the rental process by applying for a Housing Choice Voucher (HCV) that she could put toward rent. After qualifying for the voucher, she located a home that met her needs. But once Mecca submitted her rental application, she began to encounter new and unexpected challenges with the process. She discovered that in a competitive housing market, the HCV program does not have the rapid services needed to operate on landlords' timelines.

To entice the prospective landlord to reserve the place for her, Mecca agreed to put a deposit down on the house. However, she needed additional assistance to cover the full cost. Knowing that United Way's 211 service offers deposit assistance, Mecca contacted their office every day — often multiple times a day — to try to secure the money. Finally, a 211 employee returned her call and completed the request.

Mecca then needed 211 to fast track her payment to the landlord so that he would hold the house for her. "I texted the landlord almost every other day," Mecca said. "I kept thinking that at any moment he's going to say, 'You know what? I can't wait any longer. I'm going to go with someone who doesn't have a voucher or someone who has the money right now.'" This reality frustrated Mecca who knows that landlords have a responsibility to accommodate HCV requirements. Though her persistence led to success, her experience demonstrates the friction that many members encounter when they try to seek out assistance programs. Read Mecca's story.

We asked SaverLife members whether they were aware of and had applied for or used the assistance programs listed in the chart below.

Table 5. Housing Assistance Programs Awareness and Use

Program	Unaware	Aware	Denied	Receive	Used to receive
Housing counseling	54	37	2	1	5
Rental vouchers*	20	48	12	16	5
Public housing*	12	63	8	9	8
Reduced rent housing*	43	46	4	5	3
LIHEAP	17	55	5	11	11
Home repair**	55	38	3	2	1
Property tax assistance**	63	32	1	3	<1
Mortgage forbearance, modification**	42	52	2	1	3

All figures are percentages. Row totals may not equal 100 due to rounding. LIHEAP: Low Income Home Energy Assistance Program. * Restricted to members who live in a rented home. ** Restricted to members who live in an owned home.

Members who rent their homes were more aware of programs than those who own their homes or live in a home owned by someone else. For example, over half of owners had not heard of home repair programs, while the awareness gap was largest for property tax assistance programs. Conversely, more renters were aware than unaware of subsidized rental housing.

Overall, usage rates were low, which may reflect that members may not need the program, are unaware of it, have not tried to access it, or there are too few available resources. For example, almost half of renters are aware of voucher programs (e.g., Housing Choice Vouchers) yet only 16% currently receive them. This may in part reflect that only one in four eligible renters receive rental assistance due to a lack of adequate funding to meet demand. Our findings suggest that project-based programs like the Low-income Housing Tax Credit (LIHTC) program are less visible to SaverLife members than vouchers, even though there are more LIHTC units (3.1 million) than Housing Choice Vouchers (2.3 million).

Interview results show that many members are aware of housing programs, but they are frustrated with the usability of the programs offered to them. Either the housing offered through the programs is undesirable, or it is hard to access. Many members said that the supports available to them through housing programs are inadequate: “I don't think the support is adequate enough. I think that it takes too long. There's a lot of hoops you have to jump through to get to community support, especially if there’s money involved. And then that's not a guarantee that you'll get it.” – California, SaverLife member

Certain groups of SaverLife members may be missing out on programs that can help them:

Rental vouchers:

- 30% of male members were unaware compared to 19% of female members ($p < .05$).
- 29% of members employed full-time, 22% of self-employed members, and 22% of retired members were unaware compared to 7% of members living with a disability ($p < .05$).

Reduced rent housing:

- 54% of male members were unaware compared to 41% of female members ($p < .05$).
- 57% of members without health insurance were unaware compared to 39% of members with insurance ($p < .05$).

Home repair:

- 54% of male members were unaware compared to 41% of female members ($p < .05$).

Property tax assistance:

- 69% of female members were unaware compared to 48% of male members ($p < .01$).

Housing counseling and education:

- 63% of members with incomes under $25,000 were unaware compared to 48% to 55% of other income groups ($p < .05$).

Concerning financial circumstances, members who had experienced income shocks ($p < .01$) and lacked short-term savings ($p < .01$) were more aware of housing counseling and education. Otherwise, financial circumstances were unrelated to awareness of various housing programs.

Summary of Findings:
Financial resilience creates greater housing stability, and vice versa

Income and expense volatility are significant contributors to housing instability
Households experiencing financial shocks, such as sudden income loss or unexpected expenses, are far more likely to struggle with housing payments. These findings reflect a broader reality in the U.S., where financial disruptions can quickly destabilize the many households living paycheck-to-paycheck.

Limited savings and high levels of debt are major risks for difficulty in making rent or mortgage payments
Having even modest short-term savings greatly reduces the likelihood of housing payment problems. However, a majority of surveyed members are unable to build and maintain

savings, leaving them exposed to financial shocks and making it difficult to recover from housing-related challenges. Those reporting challenges with debt are more likely to fall behind on rent or mortgage payments. These findings underscore the importance of financial resilience in maintaining stable housing.

Inequities deepen housing challenges for parents and Black members
The report highlights that Black households and households with children face disproportionately high rates of housing instability. These patterns are consistent with national trends and reflect longstanding systemic disparities including lack of access to affordable childcare and other support for the significant cost of raising children. Such inequities make it harder to achieve and maintain stable housing conditions.

Temporary living situations and relocation are linked to financial stress
Temporary housing and relocation are frequent among households experiencing financial stress. Many individuals may find themselves moving in with friends or family or having others stay with them to share the costs. Even relocating to a non-shared household — whether due to rising costs, eviction, or other financial pressures — creates instability that disrupts work, education, and community ties. Together, these patterns reveal a cycle of housing insecurity where financial vulnerability may be creating unstable or transient living situations.

Low-quality housing conditions are pervasive among households with limited financial resources.
Issues such as mold, broken appliances, and unsafe infrastructure are common across both rental and owned properties, illustrating that financial constraints often force families into substandard living environments. Such conditions not only pose health and safety risks but may increase financial burdens through higher utility costs and repair expenses. This widespread prevalence of poor housing quality reflects a deeper challenge in ensuring safe and adequate housing for all households, regardless of their financial circumstances.

Awareness of and accessibility to housing assistance resources is limited
The findings show that many households are either unaware of or unable to access housing assistance programs, despite the significant need for such resources. This limited use contributes to ongoing housing insecurity for those most at risk. The gap between available support and its actual use reflects a critical barrier in addressing housing affordability challenges.

Recommendations: Increasing financial resilience is key to combating housing insecurity

We find clear evidence that SaverLife members are negatively affected by the housing affordability crisis in the U.S., especially members who are Black, have children, experience income and expense shocks, have debt problems, and have less than $500 in short-term savings. Increasing household financial resilience is crucial to improving housing security and should be prioritized along with other strategies such as increasing the supply of affordable housing.

Expansion of current credits and vouchers
A range of actions can increase the supply of affordable housing units. One such action would be expanding and reforming the Low-income Housing Tax Credit program. In addition, spending on rental subsidies such as Housing Choice Vouchers should increase dramatically to close the gap between need and available assistance that we find among SaverLife members. Income eligibility for these subsidies should have a gradual phaseout so individuals do not experience a "benefit cliff" and lose the subsidy once their income exceeds the eligibility limit. Still, spending on vouchers alone is insufficient, as we learned from our members who detailed how difficult it is to actually find a landlord who will accept these vouchers.

While homeownership has many economic advantages over renting, homeownership is increasingly out of reach for many. Policies that expand access to homeownership — like down payment assistance, local or state mortgage credit certificates, and mortgages backed by government agencies (e.g., FHA, VA, USDA) — would create more LMI homeowners and reduce risks of housing insecurity. However, we find that even members who own homes struggle to pay for other expenses such as property taxes or home repairs, so raising awareness of and funding for available support for homeowners is critical.

Solutions to assist LMI households in building financial resilience
Given that having at least $500 in short-term savings protects against problems affording housing, policies to help people living with low-to-moderate incomes save and build assets should be viewed as a strategy to lessen the risk of eviction or foreclosure. Similarly, debt problems increase the risk of missed housing payments for both renters and homeowners, further emphasizing the importance of financial resilience.

Creating and expanding matched savings programs, automatic savings tools, and tax-advantaged savings accounts designed to cover emergency expenses can help LMI households build savings. Households also need greater access to programs that help restructure or reduce high-cost debt, and lower-cost options to access credit when emergencies arise, such as small-dollar loan products offered by credit unions and banks.

However, the pervasive challenge is that people find it hard to build short-term savings and reduce debt when their incomes are not enough to afford housing along with other basic expenses like food, healthcare, transportation, and childcare.

Child Tax Credit extension and expansion

In previous research, we found that additional Child Tax Credit (CTC) payments from July through December 2021 allowed SaverLife members to increase their savings and reduce their debt. Making these additional CTC payments permanent and increasing the amount of the Earned Income Tax Credit for single tax filers would go a long way to help SaverLife members increase financial slack and build short-term savings to reliably cover their housing payments. Making additional CTC payments is particularly important given our findings that members with children were at much higher risk for problems making housing payments than those without children.

Connecting unemployment to housing payment assistance

Much more could be done to help people who cannot make their rent or mortgage payments during a period of time during which they may be dealing with job loss, a death in the family, or some other emergency, such as a natural disaster. During the COVID-19 pandemic, the federal government successfully implemented strategies to help people get through tough times, including measures such as additional rental financial assistance, eviction moratoria, and mortgage forbearance. One similar measure that policymakers could consider is to extend the unemployment benefits system to provide direct payments to landlords when a renter files an unemployment claim. For other documented circumstances, the Department of Treasury's Emergency Rental Assistance Program and the mortgage payment forbearance provisions under the CARES Act (both launched during the COVID-19 pandemic) could be made permanent.

SaverLife recommends these policy changes as opening steps to address the ongoing crisis in housing affordability. Having stable housing is one of the chief necessities for any SaverLife member to achieve financial health, and vice versa — increased financial health clearly decreases the risk of housing insecurity. For this reason, advocating for affordable housing alongside policies that create greater financial stability for low-income households is a crucial part of our mission to building a more equitable financial system in the United States.

Appendix A: Detailed regression analysis

Linear Probability Model Results: Problems Paying Rent

	Model 1		Model 2		Model 3		Model 4		Model 5	
Variable	**Estimate**	**S.E.**	**Estimate**	**S.E.**	**Estimate**	**S.E.**	**Estimate**	**S.E.**	**Estimate**	**S.E.**
Age	0.000	0.005	0.002	0.005	-0.000	0.005	-0.002	0.005	-0.002	0.004
Gender	0.049	0.082	0.045	0.069	0.048	0.077	0.047	0.077	0.041	0.077
Race/ethnicity	-0.035	0.020	-0.043*	0.017	-0.034	0.021	-0.038	0.023	-0.033	0.020
Income	-0.085**	0.025	-0.082**	0.026	-0.094***	0.024	-0.084**	0.023	-0.053*	0.025
Employment status	-0.033	0.030	-0.040	0.032	-0.029	0.030	-0.025	0.030	-0.030	0.029
Health insurance	-0.050	0.112	-0.072	0.118	-0.038	0.115	-0.066	0.112	-0.079	0.103
Current student	-0.078	0.064	-0.063	0.061	-0.060	0.059	-0.090	0.069	-0.080	0.069
Marital/partner status	0.005	0.072	-0.009	0.072	-0.026	0.077	-0.027	0.081	-0.012	0.074
No. of children	0.117***	0.029	0.101**	0.032	0.114***	0.029	0.103**	0.030	0.096**	0.030
County	0.000	0.000	-0.000	0.000	-0.000	0.000	-0.000	0.000	-0.000	0.000
Rent prices	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
No. of income shocks			0.124*	0.053						
No. of expense shocks					0.078*	0.037				
No. of debt problems							0.090*	0.034		
Short-term savings									-0.139*	0.054
Constant	0.630	0.388	0.533	0.331	0.561	0.345	0.639	0.358	0.765*	0.376
R^2	0.18		0.23		0.20		0.22		0.22	
N	145		145		145		145		ç	

Note: Estimates are from linear probability models. S.E. = Standard error. * p < .05, ** p < .01, *** p < .001.

Linear Probability Model Results: Problems Paying Mortgage

	Model 1		Model 2		Model 3		Model 4		Model 5	
Variable	**Estimate**	**S.E.**	**Estimate**	**S.E.**	**Estimate**	**S.E.**	**Estimate**	**S.E.**	**Estimate**	**S.E.**
Age	0.001	0.004	0.002	0.003	0.001	0.003	-0.001	0.004	--0.001	0.003
Gender	0.112	0.081	0.120	0.080	0.089	0.080	0.065	0.082	0.127	0.089
Race/ethnicity	-0.010	0.014	-0.007	0.012	-0.013	0.014	-0.021	0.015	-0.014	0.013
Income	-0.085*	0.032	-0.056	0.032	-0.084*	0.031	-0.046	0.026	-0.024	0.028
Employment status	-0.033	0.027	-0.035	0.025	-0.036	0.027	-0.014	0.025	-0.017	0.021
Health insurance	-0.039	0.093	0.016	0.094	0.027	0.102	0.011	0.083	0.096	0.066
Current student	0.176**	0.062	0.157*	0.063	0.180**	0.065	0.148*	0.063	0.210***	0.053
Marital/partner status	0.098	0.076	0.050	0.079	0.088	0.073	0.076	0.067	0.086	0.065
No. of children	0.041	0.040	0.047	0.039	0.042	0.041	0.044	0.040	0.051	0.041
County	-0.000	0.000	0.000	0.000	-0.000	0.000	-0.000	0.000	-0.000	0.000
No. of income shocks			0.119*	0.055						
No. of expense shocks					0.051	0.032				
No. of debt problems							0.147***	0.036		
Short-term savings									-0.212***	0.040
Constant	0.143	0.363	-0.084	0.339	0.085	0.358	0.072	0.309	0.111	0.361
R^2	0.15		0.19		0.17		0.26		0.27	
N	116		116		116		116		116	

Note: Estimates are from linear probability models. S.E. = Standard error. * p < .05, ** p < .01, *** p < .001.

Appendix B: Methodological details and study limitations

We ran a set of Linear Probability Models with standard errors using state of residence as the clustering variable to predict the probabilities that SaverLife members:

1. Had one or more instances of problems making rent or mortgage payments
2. Had one or more instances of problems covering expenses related to homeownership
3. Were aware of various housing assistance programs

Frequency percentages used throughout the brief reflect marginal effects from models.

Each dependent variable was binary (1/0) and the following covariates were used in models:

- Age (continuous)
- Gender (Male, female, or non-binary/gender queer)
- Race/ethnicity:
  - Black or African American
  - White
  - Hispanic or Latino
  - Asian or Pacific Islander
  - American Indian or Alaska Native
  - Middle Eastern or North African
  - Multiracial or some other race/ethnic identity
- Annual household income:
  - Less than $25,000
  - $25,000 to $34,999
  - $35,000 to $49,999
  - $50,000 to $74,999
  - $75,000 to $99,999
  - $100,000 or more
- Marital/partner status (married/partnered or single)
- Number of children in the home (None, one, two, or three or more)
- Employment status:
  - Employed full time
  - Employed part time
  - Self-employed
  - Living with a disability
  - Retired
  - Full-time caregiver
  - Unemployed

- Student status (in college full-time, part-time or not enrolled)
- Health insurance status (yes/no)
- County of residence
- Rent prices (renter analysis only) using Zillow Observed Rent Index (ZORI) data.

Additional notes

SaverLife members who indicated that they were living temporarily with friends or family were excluded from the analysis. For the model predicting problems paying for housing, in relation to job instability, a count of income shocks excluded "Reduction in work hours." For the model predicting problems paying expenses related to homeownership, a count of expense shocks as a predictor excluded "A major house or appliance repair." These adjustments were made to control for multicollinearity.

Study Limitations

The sample is representative of SaverLife members, but not of the U.S. population. Characteristically, SaverLife members are different than the U.S. population in that they choose to sign up for SaverLife, which means they are motivated to improve their financial health and are comfortable using technology. Demographically, SaverLife members are more likely than the U.S. population to be women, Black, and have lower incomes, and less likely to identify as Hispanic. Geographically, though SaverLife members live in all 50 states, members who completed this survey live in 42 states.

Regarding our examination of income and expense shocks, while we measured a count of these events, we did not capture the magnitude of each event, such as the amount and duration of its financial impact.

Learn more
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