RENT FIRST, EVERYTHING ELSE LATER:

How Housing Costs Undermine Financial Stability in the NYC Metro Area

SaverLife

Deutsche Bank

Acknowledgements

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Introduction

This study builds on SaverLife's national housing research, The Housing Paradox, which uncovered a stark reality: one in three SaverLife members cut back on groceries or went without healthcare in order to make their housing payments. These are not just numbers - they reflect grave trade-offs between basic needs for housing security, often resulting in food insecurity, health problems, and chronic financial instability. In this report, we focus specifically on renters in the New York City (NYC) metropolitan area. By narrowing our lens to this region, **we bring the national housing affordability crisis into a sharper, local focus, illustrating how the struggle to pay rent intersects directly with financial health and overall well-being.**

One-third of SaverLife members cut back on groceries or went without healthcare in order to make their housing payments.

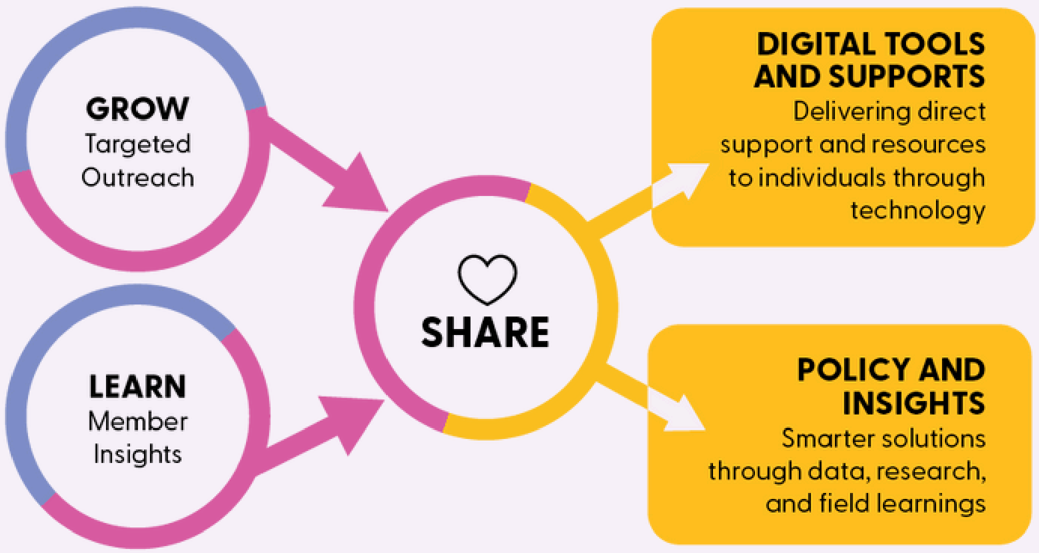
As a region facing a severe housing affordability crisis, New York City provides a critical case study into the housing challenges faced by many renters. Over half of NYC renters spend more than 30% of their income on rent, classifying them as rent-burdened, and a concerning portion spend over 50%, making them severely rent-burdened (Office of the New York City Comptroller 2024). The city's rental vacancy rate has plummeted to a historic low of 1.4%, the tightest market in over 50 years, exacerbating the scarcity of affordable units (Office of the New York City Comptroller 2024). This shortage has led to a 15.5% increase in eviction filings in 2023 compared to the previous year, highlighting the growing instability among renters (Velazquez 2024). Additionally, the expiration of affordability agreements, such as the Low-Income Housing Tax Credit (LIHTC), can threaten to displace long-term residents as units transition to market rates, further diminishing the stock of affordable housing (Velazquez 2024). The cumulative effect of these factors forces many New Yorkers to make untenable choices between housing and other essential needs (Lippman 2025).

Indeed, across the NYC region, SaverLife members reported considerable hardship affording essentials like groceries and healthcare alongside their housing costs. Income shocks make it particularly challenging to afford housing expenses, while emergency savings - even in modest amounts - appear to cushion households from housing hardships.

Yet strikingly, despite high awareness of public programs that could help stabilize housing, relatively few members are actually accessing them—underscoring a critical gap between knowledge and effective support. Whether due to administrative hurdles, timing, or accessibility, this underutilization of available resources compounds financial vulnerability.

Still, amid daily trade-offs and financial strain, interest in homeownership remains high. This is a silver lining that highlights both the resilience of low-to-moderate income renters and the urgency of ensuring affordable, stable housing so they can pursue long-term financial goals.

Laying the Foundation for this Work



New York City is one of the most expensive housing markets in the country, where high costs and financial precarity put consistent strain on low- and moderate-income renters. To better understand and support the financial lives of NYC metro area renters, SaverLife launched a multi-phase engagement and research initiative in 2024 with Deutsche Bank's support. This work aimed to grow SaverLife's local reach, generate timely insights into housing experiences, and identify opportunities to strengthen financial resilience in the face of housing instability.

Growth Phase: Expanding Reach across the NYC Metro Area

To support this research initiative and recruit a robust sample of NYC metro area renters, SaverLife launched a targeted digital campaign in the spring of 2024. This outreach included custom creative assets tailored to NYC residents and leveraged geo-targeted digital advertising to reach those most affected by the region's housing challenges. Key achievements included:

- Over 3,000 new members in the NYC metro area joined the SaverLife platform, a 340% increase over the prior month.
- New York members became our most engaged member base during this phase, more than doubling the 2024 average monthly number of NY-based visitors to the SaverLife platform.

These results demonstrate the power of strategic, localized outreach in engaging residents and set a strong foundation for data collection and storytelling.

Learning Phase: Gathering Insights on Housing and Financial Health

In this phase, SaverLife gathered qualitative and quantitative insights to better understand the financial realities of renters in the NYC metro area - and to identify actionable opportunities to address rent burden. This work included:

- Designing and fielding a custom survey in December 2024 that collected data on renters' housing status, expenses, debt, benefit usage, and financial behaviors.
- Conducting follow-up interviews with survey participants who reported experiencing housing insecurity to deepen our understanding of renters' lived experiences.
- Engaging in longer interviews with a subset of members to lift up key themes identified in the research.

Sharing Phase:
Informing the Field and Supporting our Members

In the final phase, SaverLife translated research insights into action by informing policymakers, local leaders, and the broader financial health field. This included:

- Publishing the stories of two members in the NYC metro area who had struggled to manage their housing costs.
- Disseminated learnings with partner organizations and local stakeholders.

Grow, Learn, Share engagements allow SaverLife and partners like Deutsche Bank to build deeper community connections by uplifting members' financial stories and identifying local opportunities for action. By grounding our content, advocacy, and recommendations in both data and lived experience, we amplify member voices and deliver timely, relevant tools that reflect the real challenges our communities face.

Meet Felecia and Emil: Two SaverLife Members who Call NYC Home

Felecia's housing experiences pose an ongoing question about her future: should she move elsewhere? And where will she go to afford rent, maintain financial stability, and still have ties to her support network? Learn how Felecia is navigating housing in New York City and redefining her goals of homeownership. Read Felecia's Story.

Emil recognizes that maintaining housing takes vigilance and know-how to secure a reliable apartment — and often at the expense of his savings goals. "I always pay my rent and utilities. They're my number-one priority because it's such a privilege to have the housing that I have. I will pretty much give up everything to keep my apartment safe." Read Emil's story.

About the Sample: NYC Metro Area SaverLife Members

SaverLife members reported a variety of living arrangements and rent levels, reflecting the diversity and challenges of renting in the New York City Metropolitan Statistical Area (NYC metro area). The majority (70%) lived independently, without any adult roommates outside their immediate family, while 30% shared their home with at least one non-family adult. Nearly half of the sample (45%) reported living with one or more dependents in their household. The survey sample also included:

- **Age:** A majority were between 25 - 44 years old (72%), with smaller shares aged 18–24 (2%) and 50+ (27%).
- **Race/Ethnicity:** Respondents were predominantly Black (39%), followed by Latino (20%), white (23%), and Asian/Pacific Islander (9%).
- **Gender:** 72% identified as women, 26% as men, and a small percentage identified as non-binary or did not disclose.
- **Income:** 63% of respondents had household incomes under $50,000.
- **Parental Status:** Approximately 45% had one or more dependents in the household.
- **Rental Accommodations:** 9% currently live in public housing provided by the New York City Housing Authority.

Voices of New York Renters:

We asked members what their biggest challenges are in buying a home someday

"My rent takes more than half our income sometimes. Without overtime, it's nearly impossible to catch up."

"Sometimes I just have to ask: what are we not going to pay this month so I can feed my kids?"

"When I lost work and moved states, unemployment barely covered anything. It was just so uncertain.

"I can pay the rent, but I'm stretched. Once I pay it, I can't afford to do anything else – no saving, nothing."

"In the past, I didn't understand how to catch up after missing rent. That turned into an eviction process."

"I don't have a savings cushion. One car repair, and everything falls behind."

Findings

Rent Burden[1] is Widespread, Severe and Contributes to Payment Difficulties

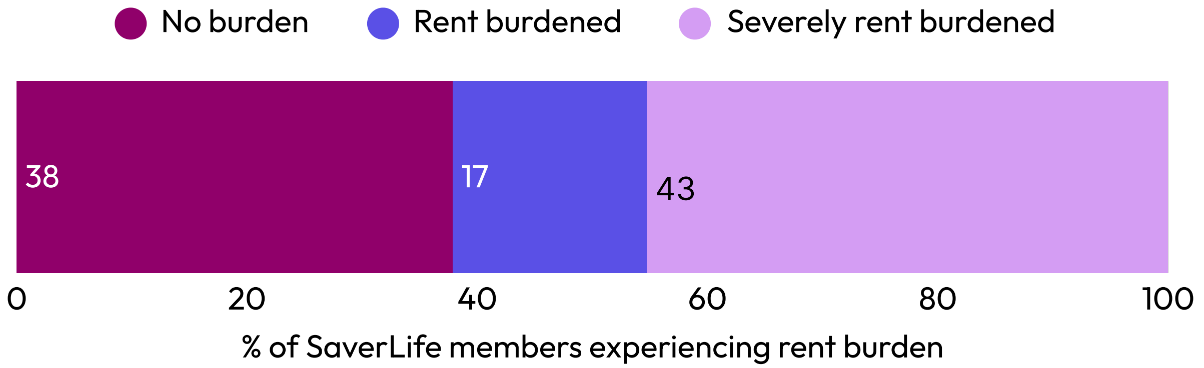
Rent in New York City are notoriously high. Many SaverLife members live in rental units with modest rents compared to NYC's average[2], but the rents are still a consequential burden when viewed in relation to members' household incomes. Indeed, qualitative interviews with SaverLife members underscore the burden of rent costs in relation to income, with one member explaining: "My rent takes more than half our income sometimes. Without overtime, it's nearly impossible to catch up." This type of burden is not an isolated experience. Instead, almost 60% of SaverLife members report experiencing rent burden, with over 4 in 10 members (43%) being severely rent burdened (Figure 1).[3]

Terms to Know from the US Census Bureau

Rent Burdened: When a renter spends more than 30% of their household income on rent

Severely Rent Burdened: When a renter spends more than 50% of their income on rent

Figure 1: Nearly 60% of Members are Experiencing Rent Burden



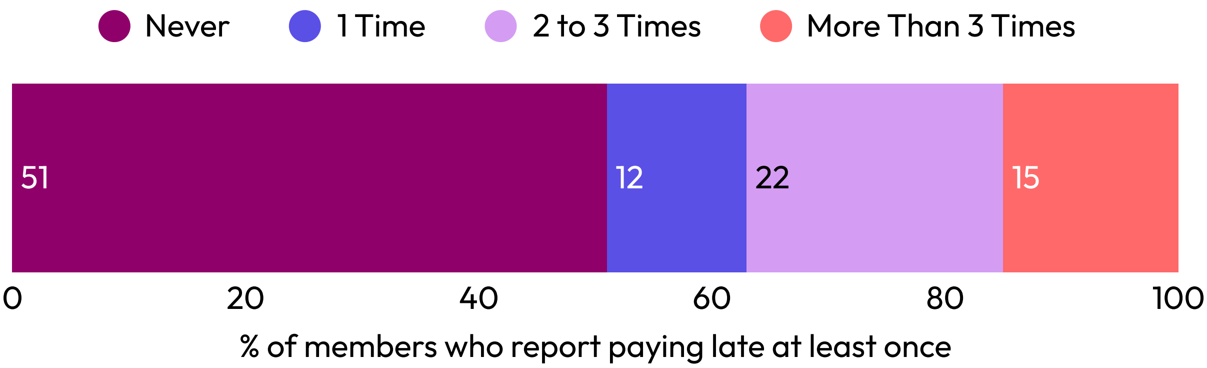
We find that staying current on rent emerged as a consistent and urgent challenge for SaverLife members. When we asked members about the current rent status, alarmingly, over one in four members (28%) were behind on rent at the time they took the survey. Moreover, nearly half (49%) reported paying rent late at least once in the past year, and more than a third (37%) had done so multiple times (Figure 2).

1 *Rent burden was calculated as the ratio of annualized rent to annual household income. This metric does not consider other critical household expenses (e.g., utilities, childcare, debt) or household size, which affect a household's actual financial strain. Nonetheless, this measure provides a well-established indicator of housing cost pressure and creates a foundation for more nuanced, holistic financial health analyses in future studies.*

2 *74% of SaverLife renters in the NYC metro area reported paying between $500 and $1,999 in monthly rent.*

3 *For the purposes of this study, we estimated members' rent burden by calculating the ratio of midpoint values from self-reported income ranges and monthly rent expenditures (see Appendix A for more details about this calculation).*

Figure 2: **Almost Half of Members Report Paying Rent Late at Least Once**



This is concerning because national research shows that falling behind on rent is one of the primary predictors of eviction, which can trigger a cascade of negative outcomes, including homelessness, job disruption, mental-health deterioration, and long-term financial instability (Airgood-Obrycki 2022; Urban Institute 2023). The connection between late payments and eviction is evident in qualitative data, with one member explaining: *"In the past, I didn't understand how to catch up after missing rent. That turned into an eviction process."*

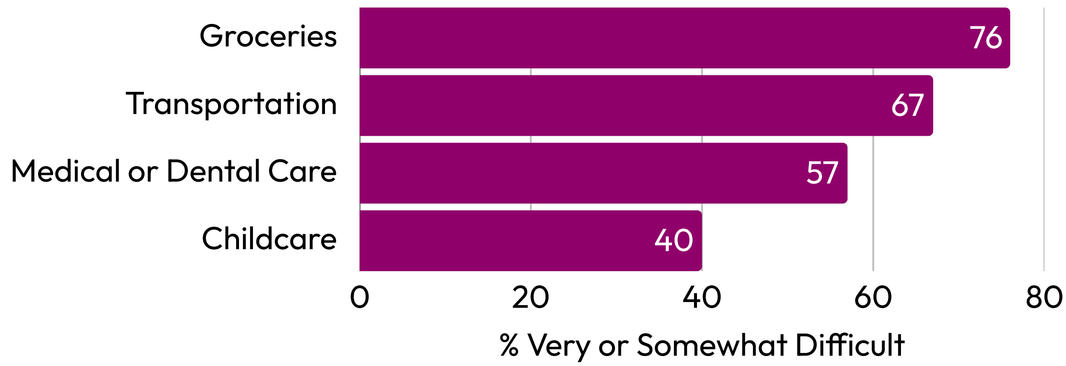
Housing Costs Undermine the Ability to Pay for Other Essential Expenses

Struggling to pay rent isn't just about paying for housing each month; it carries far-reaching consequences that compromise immediate well-being. When members are forced to make trade-offs between rent and other essentials, their overall well-being suffers.

One member described the difficulty of trying to purchase healthy food on a limited income: "*I've had to skip fresh fruits, vegetables, even meat—either because they spoil before I can prep them or I physically can't cook. Even mac and cheese is expensive because I need the gluten-free kind.*" Another shared how paying rent often means other bills go unpaid: *"Sometimes I just have to ask: what are we not going to pay this month so I can feed my kids?"*

These stories reflect a broader pattern seen in the survey data where members cut back on expenses to pay for rent (Figure 3). Over three-quarters (76%) of members reported cutting back on groceries to afford rent and more than half (57%) also said that paying rent made it difficult to cover health-related expenses, including medical and dental care.

Figure 3: How Rent Affects the Ability to Pay for Other Essential Expenses in the Past Year



Furthermore, essentials that help households maintain employment, such as transportation or childcare, are also affected by rent payments. In particular, two-thirds of members reported that paying rent affected their ability to pay for transportation costs, and 40% of members reported that rent challenges their ability to afford child care. These sacrifices reflect the broader impact of unaffordable housing, where the cost of keeping a roof over one's head comes at the expense of foundational aspects of financial security.

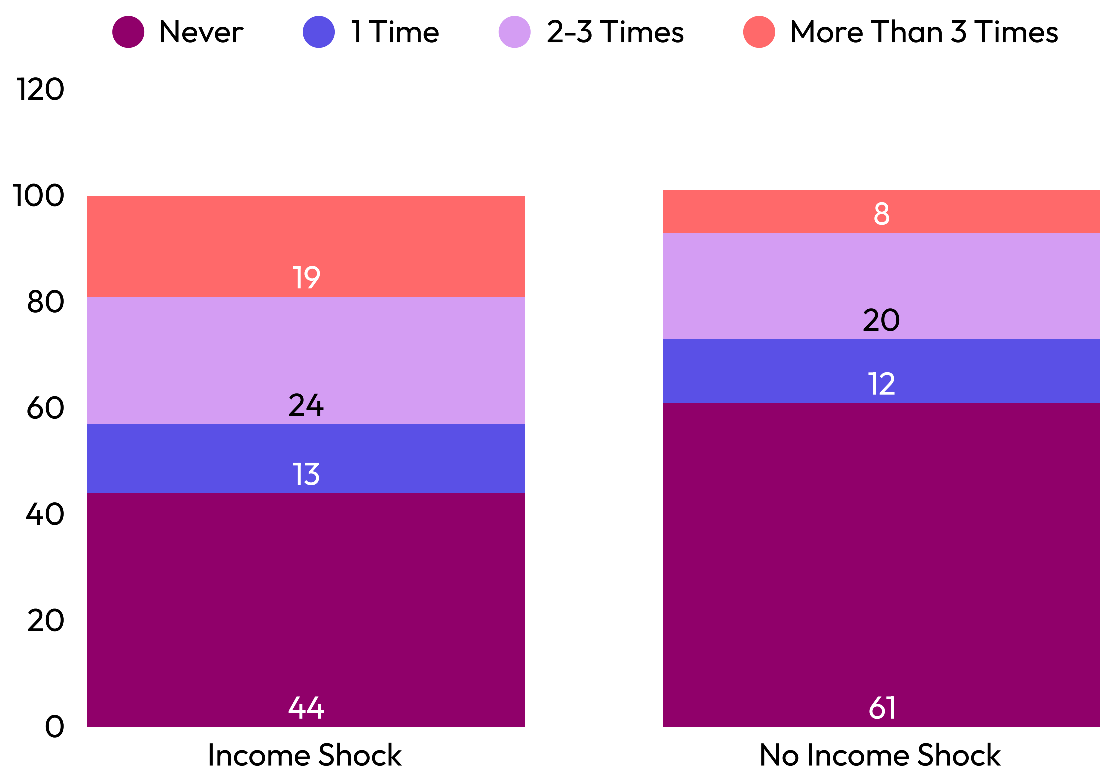
Income Shocks Can Tip NYC Renters into Crisis

Given the widespread difficulty in staying current on rent and its implications for the rest of a household's balance sheet, it's important to understand what, beyond the rent-to-income ratio, makes staying current on rent difficult for SaverLife members.

Income volatility plays a considerable role in shaping housing stability for SaverLife members, both nationally and in the NYC metro area. Previous national SaverLife research finds that job instability and the resulting income volatility is a major driver of housing insecurity. **In the NYC metro area, more than half (53%) of members reported experiencing an income shock in the past year.** These shocks include periods of unemployment or a reduction in benefits that led to an unexpected drop in household income. For one member, losing their job and receiving insufficient unemployment benefits made surviving very difficult: *"When I lost work and moved states, unemployment barely covered anything. It was just so uncertain."*

These disruptions often coincide with housing hardship and appear to increase the likelihood of falling behind on rent. Members who faced an income shock less often paid their rent on time: 44% said they had never paid rent late, compared to 61% of those who had not experienced a shock (Figure 4). Furthermore, nearly one in five (19%) of those who experienced an income shock reported paying rent late more than three times in the past year, whereas only 8% of those who had not experienced an income shock reported the same.

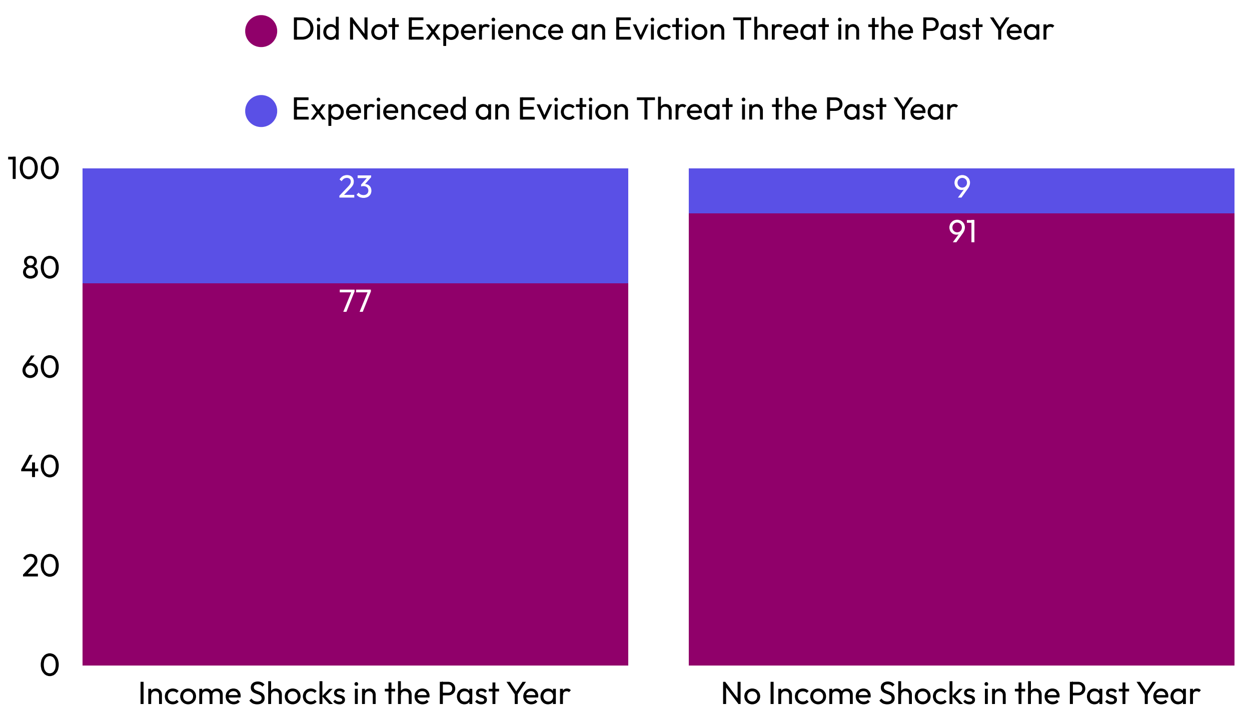
Figure 4: Members Who Experience Income Shocks Are More Likely to Pay Rent Late



While the difference may seem modest, it reflects a broader trend: income shocks can make it challenging for low- and moderate-income households to pay their rent on time.

Furthermore, **members who faced an income shock were at serious risk of eviction**. Overall, 19% of members reported being threatened with eviction, and these experiences are more common among members who faced income shocks. As seen in Figure 5 (below), members who experienced an income shock in the past year also more frequently report receiving an eviction threat than members who had not experienced an income shock. Together, these findings underscore the role of sudden income loss as a driver of housing instability.

Figure 5: Eviction Threats and Utility Disruption are Higher among Members Experiencing Income Shocks

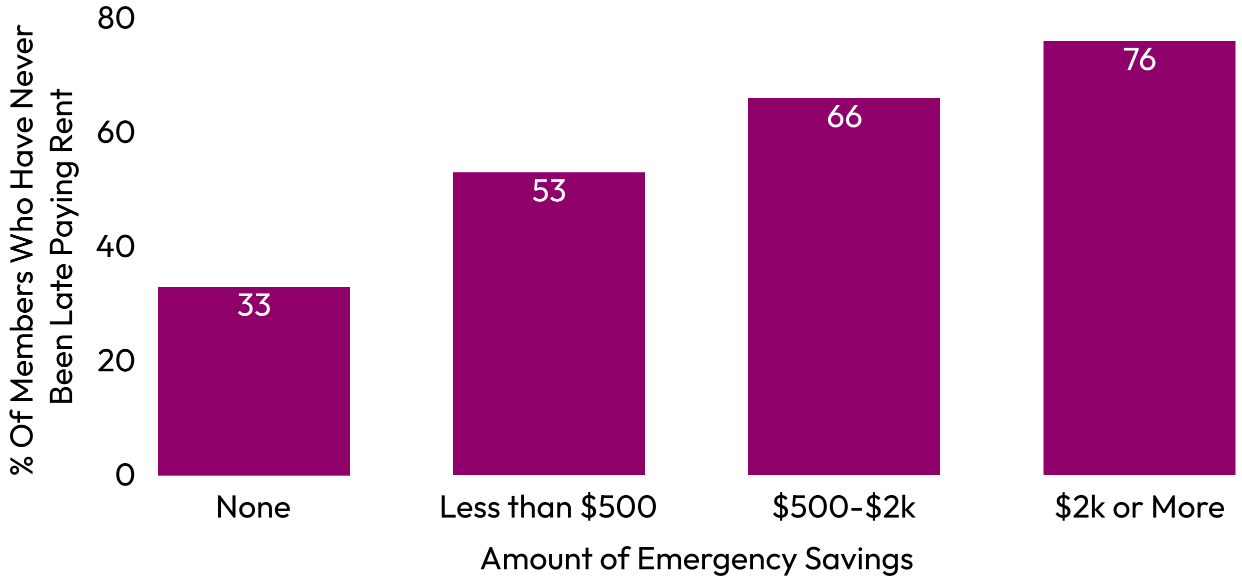


Emergency Savings Protect Against Housing Instability

It's clear that income disruptions can quickly ripple into housing instability. One of the most effective ways to guard against these disruptions is by maintaining emergency savings. Long considered a cornerstone of financial health, emergency savings help households absorb income shocks without falling into debt or experiencing other financial setbacks.

The same holds true when it comes to rent: **having savings on hand can make the difference between staying current and falling behind**. We asked members how many times in the past year they had been late on rent or had not paid the full amount. Members with savings more often reported they had never paid rent late, while members with little or no savings more frequently reported being behind on rent (Figure 6). For instance, 66% of those with at least some savings always paid rent on time, compared to 33% of those with none.

Figure 6: Members with Some Savings are Less Likely to Make Late Rent Payments



These findings suggest that even modest financial cushions can provide critical protection against housing instability. One member reflected on this dynamic saying: *"I don't have a savings cushion. One car repair and everything falls behind."*

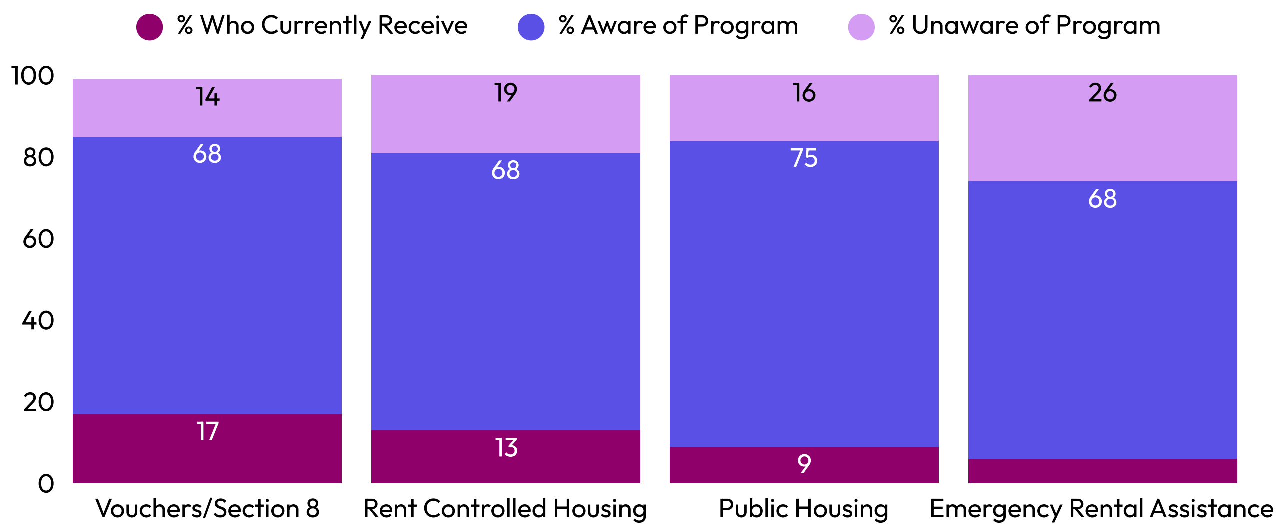
Publicly Available Supports and Services May Also Protect Against Housing Instability

Given the profound impacts of housing hardship on everything from rent payment to childcare, access to reliable supports and services becomes not just helpful, but essential. The findings in this report make it clear: disruptions, like an income shock can tip financially vulnerable households into crisis. In this context, community resources and public benefits play a crucial role in buffering against deeper instability.

When it comes to government-administered programs, awareness appears relatively high, but uptake remains low.

Too few members are accessing the public benefits that could help stabilize their housing and prevent future hardship. Figure 7 (below) highlights the stark gap between awareness and access to housing-related resources. While many members are familiar with programs like the Housing Choice Voucher Program or public housing, very few currently receive support.

Figure 7: Awareness of Support Programs is Mostly High, but Uptake Remains Low



Lack of access might be in part caused by difficulty navigating what members believe are overcomplicated systems: *"It's not that I don't want help. It's just too complicated – too many forms, and no one explains it."* Additionally, public resources might only be available after members have lost housing instead of helping them access support before housing loss: "*Public programs don't help you before you're homeless. And even then, you've got to jump through so many hoops.*"

Whether due to administrative barriers, eligibility constraints, or lack of follow-through, the gap between awareness and access represents a critical area for intervention. Increasing connection to these supports – whether through streamlined application processes, better outreach, or partnerships with trusted community organizations – could provide meaningful relief to households facing persistent housing stress and help support long-term financial well-being.

Building a Path to Financial Security through Affordable Housing and Policy Solutions

Affordable housing is more than just a short-term relief—and also a foundational investment in long-term financial security. When housing costs are manageable, individuals are freed from making untenable choices between paying rent and covering essential needs like groceries, utilities, or medical care. They are also better positioned to save for future goals that support financial stability and long-term asset building, like homeownership and retirement savings.

Despite the housing challenges detailed in this report, SaverLife members remain hopeful about their futures: 84% express a desire to own a home one day. This aspiration underscores the importance of ensuring that people with low to moderate incomes have access to affordable housing, earn wages high enough to meet basic needs and build emergency savings, and receive benefits that support retirement contributions and wealth-building goals like homeownership. Additionally, as policymakers consider changes to tariffs and public-benefit programs, it's critical to evaluate how such shifts could either support or undermine these goals. Cuts to benefits or increased costs of essential goods could make it even harder for households to achieve financial stability, let alone long-term milestones like homeownership.

Achieving these milestones requires more than individual effort—systemic change is essential. Our prior research, The Housing Paradox, points to policy solutions that strengthen the financial resilience of low- to moderate-income households alongside making rent more affordable. These include:

- Expand and reform housing subsidies, such as the Low-Income Housing Tax Credit (LIHTC) and Housing Choice Vouchers, with safeguards to prevent sudden loss of benefits ("benefit cliffs").
- Increase access to homeownership through down-payment assistance, mortgage-credit certificates, and financial support for recurring costs like taxes, insurance, and repairs.
- Support emergency savings by scaling matched savings programs and creating tax-advantaged accounts for short-term financial shocks.
- Improve access to responsible fintech innovations, including rent-smoothing tools like Flex, which allow renters to split rent into more manageable payments, and Esusu, which offers rent reporting to build credit.
- Make the expanded Child Tax Credit permanent and increase the Earned Income Tax Credit for single filers to help families cover expenses and build savings.
- Link unemployment benefits to housing stability through direct rent support for landlords or expanded emergency rental assistance during income disruptions.

Together, these interventions address both the root causes and ripple effects of unaffordable housing, providing families with the financial slack they need to withstand shocks and plan for the future.

Appendix A: Survey Questions Used to Calculate Rent Burden

To calculate rent burden (the percentage of household income spent on rent, we relied on the following survey questions. Midpoint values for each response category were used to estimate income and rent amounts.

1. Household Income (Annual, Pre-Tax)

What was the total income your household received from all sources in the past year before taxes and deductions? A "household" means an individual or couple who run the household and anyone who lives with them and depends on them financially.
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 to $149,999
$150,000 or more
I'm not sure (excluded)
Prefer not to answer (excluded)

2. Monthly Rent Payment

How much do you currently pay in rent per month?
Less than $500
$500 to $999
$1,000 to $1,499
$1,500 to $1,999
$2,000 to $2,499
$2,500 to $2,999
$3,000 or more
I'm not sure (excluded)

Calculation Method

Rent burden was calculated using the formula: (Estimated Monthly Rent × 12) ÷ Estimated Annual Household Income x 100 to calculate the percentage. Respondents who selected "I'm not sure" or "Prefer not to answer" for either question were excluded from the rent-burden analysis.

Appendix B: Study Limitations

Small Sample Size

The findings are based on a relatively small sample (n = 216), which limits statistical power and the ability to generalize results beyond the respondent group. However, this sample provides valuable directional insights into the experiences of financially vulnerable renters, particularly in high-cost markets like New York City. These early findings can inform hypotheses for future research, program design, and policy development.

SaverLife-Specific Population

This sample is representative of SaverLife members, but not of the general U.S. population. SaverLife members differ from the national population in several key ways. They have opted in to a platform focused on financial health, indicating higher financial engagement and motivation, and they are comfortable using technology and digital tools. Demographically, SaverLife members are more likely to be women, Black, and from lower-income households, and they are less likely to identify as Hispanic than the general U.S. population. While the findings are not nationally representative, the SaverLife member base offers a unique window into the experiences of financially engaged, tech-connected, lower-income individuals, especially of women and Black households. These communities are often underrepresented in financial research despite facing disproportionate housing challenges. The SaverLife sample provides an important lens into the needs and resilience strategies of a group that is highly motivated to improve its financial health.

Self-Reported Data

Survey responses were self-reported, which can introduce some variability. However, this method centers on the voices and lived experiences of those directly impacted by housing instability – insights that are often missing in administrative datasets. The dataset offers contextually rich information about how individuals perceive and navigate financial strain.

Income and Rent Estimated via Midpoints

Responses to income and rent questions were provided in ranges; we used midpoint values of those ranges for calculation. While this introduces some approximation, it enables consistent comparisons across participants. This approach is common in social research and allows for practical estimation of rent burden at the population level.

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