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NATIONAL LOW INCOME  
HOUSING COALITION

## ISSUE BRIEF

# Low-Income Older Adults Face Unaffordable Rents, Driving Housing Instability and Homelessness

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# INTRODUCTION

Older adults are at the center of our nation's housing affordability and homelessness crisis, as our nation's population is aging and income inequality continues to grow, especially for older adults of color. Older adult renters are more likely to spend a large share of their income on rent than the population as a whole, and these rental cost burdens place them at increased risk of housing instability and homelessness. Due to discrimination and higher rates of poverty, Black and Latinx older renters are more likely than white older renters to have insufficient income and few assets as they enter retirement. Decades of disinvestment in affordable housing at the federal level and rising rental costs in communities across the nation have also led to a diminishing supply of affordable housing<sup>1</sup> for older adult renters.<sup>2</sup>

Caught in the vise between their fixed, lower incomes and steadily rising costs for rental housing, low-income seniors are facing unsustainable rent burdens, paying ever higher percentages of their meager incomes on housing. This untenable situation causes life-threatening stress and leads to people having to choose between paying rent, eating, or buying medications—while also increasing the risk they will be forced onto the streets.

Even before the pandemic and the related economic downturn, older adults living on low, fixed incomes faced increasingly unaffordable rents. **Nationally, more than 1.7 million extremely low-income (ELI) renter households with an older adult are severely cost-burdened, spending more than half of their income on rent and utilities.** An ELI household has income at or below 30% of the Area Median Income, or the Federal Poverty Level, whichever is greater.<sup>3</sup>

Securing stable, affordable housing for older adults has become more imperative in the context of the COVID-19 pandemic.

People 65 years of age and older and those with underlying medical conditions are at greatest risk for serious health consequences or death if they become infected with the virus. As of December, 2020, 30% of all renter households with a member age 65 and older reported a loss of employment income since March, and more than 9% of older renter households were behind in their rent payments.<sup>4</sup> For older renters, being evicted from one's home and having to move in with others or becoming homeless—particularly during COVID-19—can have life-threatening consequences.

“Caught in the vise between their fixed, lower incomes and steadily rising costs for rental housing, **low-income seniors are facing unsustainable rent burdens, paying ever higher percentages of their meager incomes on housing.**”

## THE INTERSECTION OF AGE AND RACE/ETHNICITY ON RENTAL COST BURDEN

### MORE RENTERS FACE COST BURDENS AS THEY AGE

**Across all racial and ethnic categories, a higher proportion of older renter households<sup>5</sup> face rental cost burdens and severe cost burdens compared to the renter population as a whole.<sup>6</sup>** While 47% of all renters are cost-burdened, more than half of older renter households (53% or 4.7 million households) are housing cost-burdened, and almost one in three (30% or 2.6 million households) experience a severe cost burden.<sup>7</sup> Black and Latinx older renters are also disproportionately rental cost-burdened.

Furthermore, a higher proportion of older renters experience cost burdens as they age, with 57% of renters age 75 and older experiencing cost burdens compared to 53% of renters age 62 and older (Figure 1).<sup>8</sup> Older renters may have exhausted retirement savings, are spending more on medical expenses, and are more likely to be living alone, bearing the entire rental burden themselves. Older renter households also tend to have lower incomes than those of the general population.<sup>9</sup>

## BLACK AND LATINX RENTERS ARE MORE LIKELY TO FACE HIGH COST BURDENS

### Racial and ethnic disparities in rent

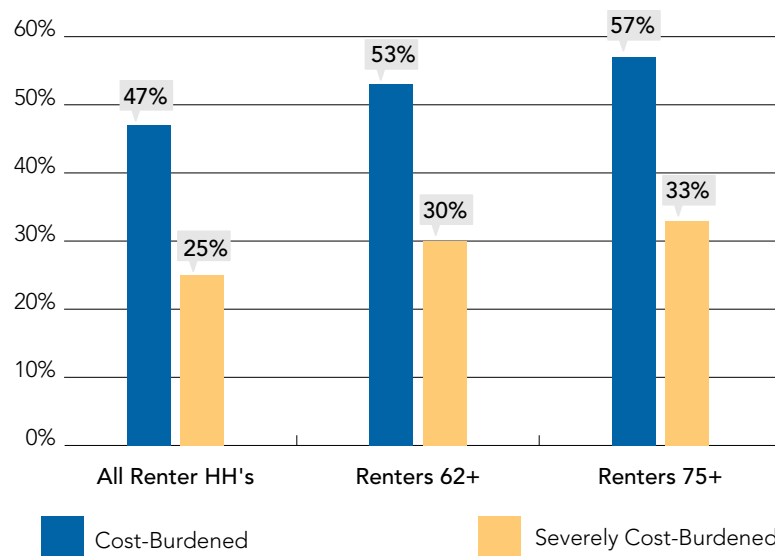
**burdens also exist**, with Black and Latinx

renters more likely than white renters to be

both cost-burdened and severely cost-burdened. Among renters of all ages, more than half (55%) of Black renter households are cost burdened and almost a third (31%) are severely cost-burdened.

FIGURE 1

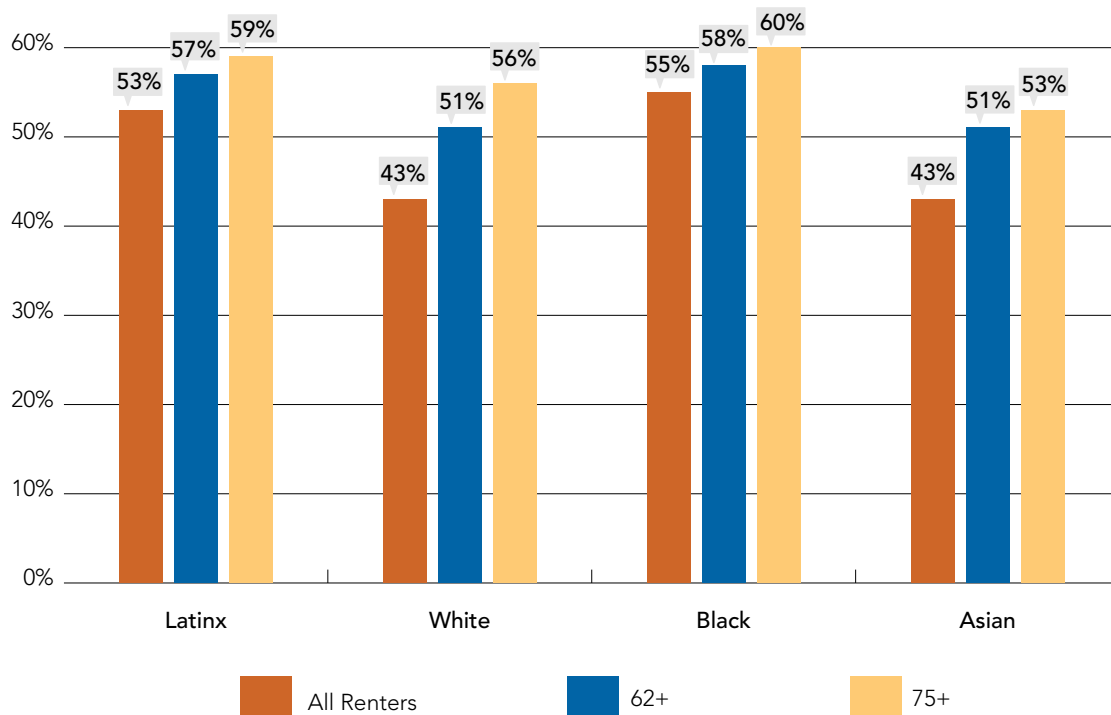
Percent of Cost-Burdened and Severely Cost-Burdened Renter Households by Age



Source: NLIHC tabulations of 2018 American Community Survey data.

FIGURE 2  
Percent of Cost-Burdened Renter Households by Age and Race/Ethnicity

Source: NLIHC tabulations of 2018 American Community Survey data.



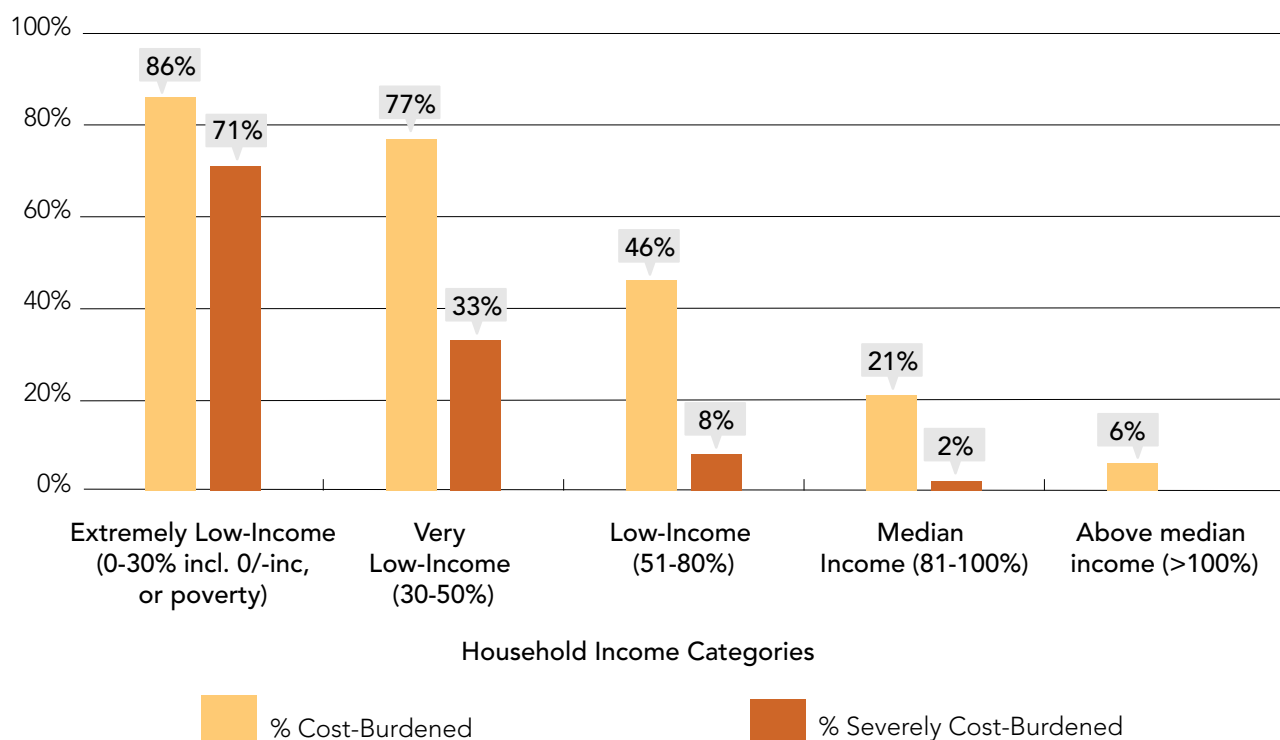
**Moreover, racial and ethnic disparities in cost burdens persist for older renter households.** While the proportion of white older (age 62+) renters who are cost-burdened is quite high (51%), the shares of older Latinx and Black renters who are cost-burdened are even higher: 57% of older Latinx households and 58% of older Black households are cost-burdened (Figure 2).

## OLDER BLACK AND LATINX RENTERS' DISPARATE COST BURDENS ARE ROOTED IN INCOME INEQUALITY

### EXTREMELY LOW-INCOME RENTERS (ELI) ARE PARTICULARLY COST-BURDENED

**Demonstrating that inadequate income is the strongest predictor of rent unaffordability, ELI renter households of all ages and across all racial and ethnic groups remain overwhelmingly cost-burdened, with 86% cost-burdened and 71% severely cost burdened (Figure 3).<sup>10</sup> Seniors and persons with disabilities comprise almost half (46%) of all ELI renter households.<sup>11</sup> ELI renter households are forced to spend such a large share of their income on housing that they are more likely to be evicted, have less savings for emergency expenses, and are at higher risk of entering homelessness.<sup>12</sup>**

FIGURE 3  
Percent of Renter Households by Income and Cost Burden (All Ages)



Source: NLIHC tabulations of 2018 American Community Survey data.

# BLACK AND LATINX SENIORS ARE MORE LIKELY TO LIVE IN ELI RENTER HOUSEHOLDS

Racial and ethnic disparities exist in the proportion of renter households who are ELI. Older households of color are much more likely than older white households to be ELI, and are therefore in even greater need of affordable, available homes. **Older Black, Latinx, Asian, and Native American households are about three times more likely to be ELI renters than older white households.**<sup>13</sup> Whereas 5% of older white, non-Hispanic seniors live in ELI renter households, 18% of Black older households, 17% of older Hispanic households, 14% of older Asian households, and 13% of older American Indian or Alaska Native (AIAN) households are ELI renter households (Figure 4).

Older Black and Latinx renters who have experienced a lifetime of discrimination in employment and wages, housing, and wealth accumulation face significant barriers to economic security as they age. These inequities compound over time, leaving them more likely to rent rather than own their own homes and to have lower incomes and less retirement savings. Older Black and older Latinx renters are more likely to be both ELI renters and severely rent-burdened.

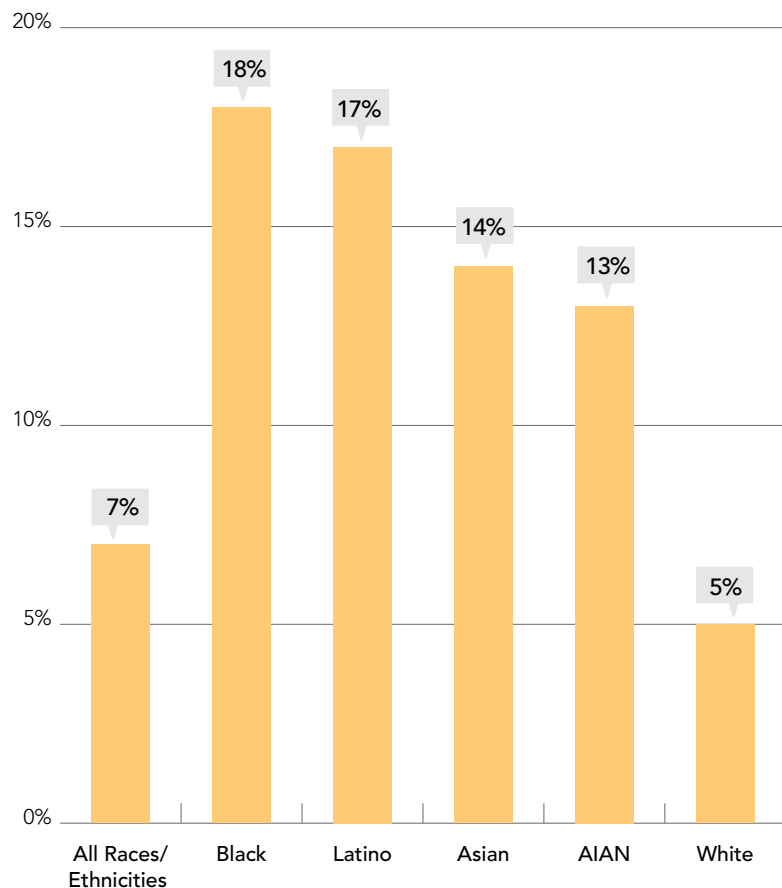
The most pronounced disparities in the incidence of homelessness occur for Black people who, in California, are more than five times more likely to become homeless than white individuals. And, these racial disparities in the risk of becoming homeless cannot be explained by the differences in poverty rates alone.<sup>14</sup>

## A NATIONWIDE SHORTAGE OF AFFORDABLE RENTAL UNITS

No state has an adequate supply of affordable and available rental units to meet the needs of low-income renters, including seniors. The decrease in available, affordable units has contributed to increasingly more older adults becoming rent burdened or severely rent burdened.<sup>15</sup>

Over the last few decades, the federal government has failed to invest in the creation and maintenance of enough

FIGURE 4  
Percent of Older Households Who Are Extremely Low-Income (ELI) Renters







Nationally, there are only **36 affordable units for every 100** Extremely Low-Income (ELI) renters who need them, with many **states and localities having an even lower supply.**

affordable rental units, and local governments have resisted equitable housing solutions in their communities. Developers of new construction in the private rental market have been producing more high-end rental units, and local governments have passed restrictive zoning laws that impede the development of multi-unit housing. Each year, privately owned but publicly subsidized housing developments are being converted to market rents when the mortgage is paid off or the subsidy contract expires. These factors have combined to decrease the number of low-cost units.

Nationally, there are only 36 affordable, available units for every 100 ELI renters who need them, with many states and localities having an even lower supply.<sup>16</sup> More than 2.6 million older renter households pay more than one half of their monthly income for rent and are just one medical bill or emergency away from being pushed into the streets. With an overwhelming portion of their incomes dedicated to rent, many severely rent burdened older adults are going without heat, food or medication in order to pay their rent. Cost-burdened adults are more likely to report an inability to fill a prescription or adhere to health care treatments as a result of cost.<sup>17</sup>

[You can click here to learn about the housing affordability gap in your state,](#) and the percentage of ELI renters who are *severely rent burdened*.

## A SURGE IN OLDER ADULT HOMELESSNESS

For the overwhelming majority of older ELI renters—who are disproportionately renters of color—rent burdens are unsustainable. Increasing numbers of older adults forced out of their homes are ending up homeless. In many parts of the U.S, older adults represent the fastest growing age segment of the homeless population, with nearly half of all older homeless people becoming homeless for the first time after age 50.

Without prompt and significant interventions, the number of people age 65 or older experiencing homelessness in the U.S. is estimated to almost triple to 106,000 by 2030.<sup>18</sup>

## POLICY SOLUTIONS

### INCREASE AFFORDABLE, ACCESSIBLE HOUSING FOR SENIORS

Stable, affordable housing can improve health outcomes at any time,<sup>19</sup> and particularly during a pandemic.<sup>20</sup> In order to provide long term housing stability, policymakers must dramatically expand rental assistance so that every qualified household receives help, dramatically expand the supply of housing affordable to the lowest income people, and create a permanent Emergency Assistance Fund that would offer short-term financial assistance and stability services to help households facing economic shocks.<sup>21</sup>

Research demonstrates that affordable housing can improve overall health by freeing up needed dollars to pay for food and health care expenditures. Rent burdened older adults who are paying excessive amounts of their income for housing often are left with insufficient resources for other essential needs, including food, medical insurance, and health care.

### INCREASE INCOME SUPPORTS FOR LOWER-INCOME SENIORS

Expand and protect safety net programs such as Social Security and Supplemental Security Income (SSI) so that they provide sufficient basic income to ensure that no older adult pays more than 30% of their income for rent. New policies should also eliminate program barriers so that people at risk of, or experiencing homelessness, can benefit.

### MAKE HEALTH CARE AFFORDABLE AND ACCESSIBLE

Expand Medicare and Medicaid benefits so that seniors' out-of-pocket costs for health care don't threaten their economic security. Prioritize community-based health care, making comprehensive home and community-based services (HCBS) a mandatory Medicaid benefit.

## CONCLUSION

We must bring our housing, health, and income security policies together to ensure older adults can afford to remain housed by increasing the availability of affordable housing, ensuring basic economic security, providing targeted rent relief to low-income renters, and integrating affordable housing with community-based health and social supports. [You can read more here about Justice in Aging's recommendations](#) to the Biden/Harris administration to ensure that all low-income older adults have access to affordable, accessible, age-friendly housing.

“In many parts of the U.S., older adults represent the **fastest growing age segment of the homeless population**, with nearly half of all older homeless people **becoming homeless for the first time after age 50**.

# ENDNOTES

- 1 The U.S. Department of Housing and Urban Development (HUD) defines “affordable” as housing that costs no more than 30 percent of a household’s monthly income. U.S. Department of Housing and Urban Development, *Archives*, available at, <https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm>.
- 2 During the seven-year period from 2012 to 2019, the average median rent for people’s primary residences rose an average of 28 percent – more than four times faster than the Consumer Price Index for all non-shelter items. Joint Center for Housing Studies of Harvard University, *America’s Rental Housing 2020*, available at, <https://www.jchs.harvard.edu/americas-rental-housing-2020>.
- 3 An Extremely Low-Income (ELI) household has income below 30% of the Area Median Income, or the Federal Poverty Level, whichever is greater. The Area Median Income (AMI) varies widely from region to region, and can be found for each state and county in the U.S. at [https://www.huduser.gov/portal/datasets/il/il2020/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2020/select_Geography.odn). The federal poverty level in 2020 for an individual living alone is \$12,760/year and for a 2-person household is \$17,240, applicable in all 48 continental states and the District of Columbia. Office of the Assistant Secretary for Planning and Evaluation, *2020 Poverty Guidelines*, (January 21, 2020), available at, <https://aspe.hhs.gov/2020-poverty-guidelines#thresholds>.
- 4 In the December 2020 U.S. Census Household Pulse Study, 30.4% of renter households with a member age 65 or older reported a loss of employment income since March 13, 2020. Twenty nine percent of Black renter households (all ages) reported they were behind on their rent payments, more than twice the rate for white households. Source: Joint Center for Housing Studies of Harvard University tabulations of U.S. Census Bureau, Household Pulse Study for December 9-21 (Week 21), 2020, available at, [Interactive Tool Illustrates the Disparate Economic Impacts of the Pandemic | Joint Center for Housing Studies \(harvard.edu\)](#).
- 5 “Older renters” or “older renter households” are used interchangeably to refer to renter households with at least one person age 62 and older. Such households could be a single older adult, an older adult living with a related older adult, or an older adult living with one or more related younger household members.
- 6 The U.S. Department of Housing and Urban Development (HUD) defines cost cost-burdened households as those who pay more than 30% of their income for rent and utilities. A household is severely cost-burdened if their rent and utility costs exceed 50% of their income. Unless otherwise noted, all rental cost burden data is from National Low-Income Housing Coalition (NLIHC) tabulations of the 2018 American Community Survey (ACS) PUMS one-year data.
- 7 “Affordable” housing includes both private market housing and publicly subsidized housing that costs no more than 30% of household income. This report focuses on older households’ *rental* cost burdens; however, a growing number of older homeowners with mortgages also face housing cost burdens. A total of 12.5 million older homeowner *and* older renter households are cost-burdened.
- 8 Source: National Low-Income Housing Coalition (NLIHC) tabulations of 2018 American Community Survey, PUMS one-year data.
- 9 *Id.* The problem is more acute for the growing number of people age 80 and over living alone, who have less than half the income of the same aged individual in a married couple, and are more than twice as likely to face rental cost burdens as married couples of the same age. Jennifer Molinsky, Joint Center for Housing Studies of Harvard University, *The Number of People Living Alone in their 80’s and 90’s is Set to Soar*, (March 10, 2020), available at, <https://www.jchs.harvard.edu/blog/the-number-of-people-living-alone-in-their-80s-and-90s-is-set-to-soar>.
- 10 *Id.* *Severely Housing Cost-Burdened Renters by income*, 2018, available at, [https://reports.nlihc.org/sites/default/files/gap/gap-20\\_figure\\_06.pdf](https://reports.nlihc.org/sites/default/files/gap/gap-20_figure_06.pdf).
- 11 National Low-Income Housing Coalition, *The Gap: A Shortage of Affordable Homes: 2020*. Washington DC, available at, <https://nlihc.org/gap>, p. 15.
- 12 *Id.* at p. 16.
- 13 Source: National Low-Income Housing Coalition (NLIHC) tabulations of 2018 American Community Survey, PUMS one-year data.
- 14 The official poverty rate for white Californians is 8.4% and is 19.3 % for Black Californians, or 2.3 times the rate of whites. Yet Black Californians are more than five times more likely to become homeless than their white counterparts. Poverty Rate by Race/Ethnicity, 2020 American Community Survey, available at, <https://www.census.gov/library/publications/2020/demo/p60-270.html>.
- 15 National Low-Income Housing Coalition, *The Gap: A Shortage of Affordable Homes: 2020*. Washington DC, available at, <https://nlihc.org/gap>.



16 *Id.*

- 17 Center for Housing Policy, *The Impacts of Affordable Housing on Health*, (2020), available at, <https://www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf>.
- 18 Dennis Culhane et al., AISP, *The Emerging Crisis of Aged Homelessness: Could Housing Solutions be Funded by Avoidance of Excess Shelter, Emergency Room and Nursing Home Costs?*, available at, <https://www.aisp.upenn.edu/aginghomelessness/>.
- 19 Peggy Bailey, Center on Budget and Policy Priorities, *Housing and Health Partners Can Work Together to Close the Housing Affordability Gap*, 2020, available at: <https://www.cbpp.org/research/housing/housing-and-health-partners-can-work-together-to-close-the-housing-affordability>.
- 20 Alayna Calabro et al., National Low-Income Housing Coalition, *Housing is Healthcare: Challenges, Best Practices, and Policy Recommendations to Improve FEMA Programs to House People Experiencing Homelessness in Non-Congregate Shelters During the Pandemic*, (November 12, 2020), available at, [https://nlihc.org/sites/default/files/FEMA\\_Housing-Is-Healthcare.pdf](https://nlihc.org/sites/default/files/FEMA_Housing-Is-Healthcare.pdf).
- 21 Opportunity Starts at Home, *Within Reach: Ambitious Federal Solutions to Meet the Housing Needs of the Most Vulnerable People*, (2020), available at: [https://nlihc.org/sites/default/files/OSAH\\_Policy-Agenda.pdf](https://nlihc.org/sites/default/files/OSAH_Policy-Agenda.pdf).