

USC Dornsife  UnionBank®

# LA Barometer



## Top 5 Takeaways *from* The Affordability & Prosperity Report

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# EXECUTIVE SUMMARY

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When COVID-19 arrived in the United States in early 2020, it hit Los Angeles County particularly hard. Compared to the rest of the country, a higher percentage of L.A. County residents were unable to afford basic needs like housing and food. Levels of economic insecurity and psychological distress were systematically higher in L.A. County than in the rest of the country, and rates of infection and death were exceptionally grave.

Why were Angelenos particularly vulnerable to the effects of the pandemic on their finances and health? Because so many struggled to afford basic needs long before the pandemic arrived.

The goal of this Affordability & Prosperity Report – the fourth in our series of USC Dornsife-Union Bank LABarometer surveys – is to bring new data to an old problem in Los Angeles, the problem of access and affordability. Each year, LABarometer's Affordability & Prosperity survey will evaluate the accessibility and affordability of four key resources in L.A. County: housing, healthcare, food, and education. It will also assess residents' financial health and spending habits, their barriers and pathways to social and economic mobility, and the real and perceived impact of growth and change in their neighborhoods.

In this first wave of the survey – which was fielded from September 30, 2020, to November 1, 2020 – Angelenos were still coping with the social and economic effects of a global pandemic. Correspondingly, our findings reveal a population in struggle.

With respect to housing, we see that the high cost of housing in L.A. hurts renters and non-white residents the most. Approximately 65% of L.A. renters are rent-burdened, or spend more than 30% of their income on housing, and rates are much higher among Black and Hispanic residents than they are among non-Hispanic white residents. We also see that displacement pressure is ubiquitous in L.A. Last year, 3 out of every 4 residents saw changes occur in their neighborhood that are known to increase risk of displacement, including turnover and development. Among the renters who moved last year, almost 1 in 3 did so because they had been formally or informally displaced by their landlord – most commonly, due to building neglect, rent hikes, or eviction.

With respect to health, our survey shows that many Angelenos are not getting the care they need, due in part to their inability to afford healthcare. Just 60% of residents saw a primary care doctor last year and 1 in 3 postponed or went without necessary medical care because the cost of care was too high.

When it comes to educating their children, we see that the challenge for L.A. parents is not affordability but equity. Public schools guarantee an affordable education to all, yet not all public schools are of equal quality, and many Black parents are looking outside of their neighborhood for adequate schooling options.

Finally, our data suggest that levels of food insecurity in L.A. have declined substantially since the record numbers we saw at the start of the pandemic. Still, approximately 870,000 adults currently suffer from food insecurity in Los Angeles, especially those who are young, low-income, or isolated in food deserts.

Altogether, these results paint a sobering picture of the social and economic conditions in L.A. County. In particular, they highlight the challenges many Angelenos face in accessing and affording the housing, food, healthcare, and schooling they need for their families. Only time will tell which of these challenges are singular to the pandemic and which reflect more entrenched social problems.

On the next page, you will find the top five takeaways from our Affordability & Prosperity survey. For the full set of our results, please find our final report online at [https://cesr.usc.edu/labarometer/reports\\_releases](https://cesr.usc.edu/labarometer/reports_releases).

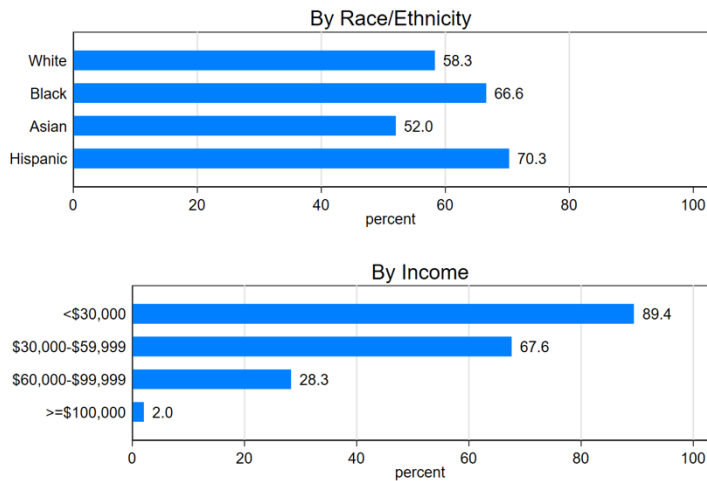
# TOP 5 TAKEAWAYS

## 1. The high cost of housing in L.A. County hurts renters and non-white residents the most.

According to our survey, 65% of renters are rent-burdened, or pay more than 30% of their income on rent; 44% of renters are severely rent-burdened, or spend more than 50% of their income on rent. Rates of rent burden vary substantially across racial and ethnic groups, with non-Hispanic white and Asian renters exhibiting lower rates of rent burden (58% and 52%, respectively) than Black or Hispanic renters (67% and 70%, respectively). As expected, rates of rent burden increase as household income decreases.

According to our survey, 89% of renters who make less than \$30,000 a year spend more than 30% of their income on rent, compared to only 2% of renters who make six figures or more.

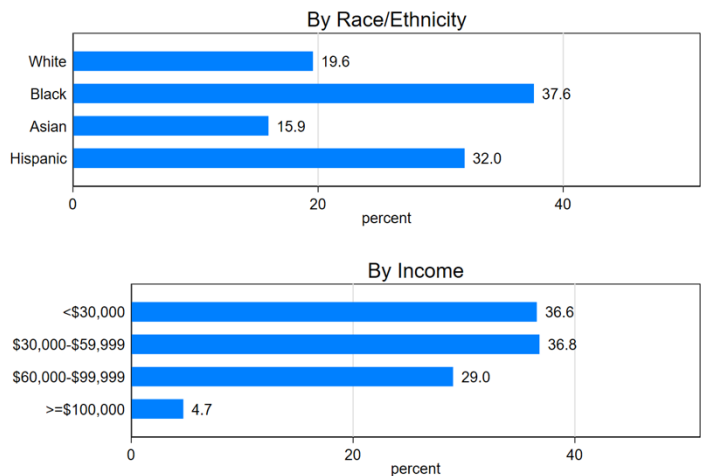
Proportion of Renters Who Are Rent-Burdened



Relative to renters, a much lower percentage of homeowners are burdened by the cost of housing. Overall, 23% of L.A. County homeowners report that they are mortgage-burdened, or pay more than 30% of their income on a mortgage or house loan. Rates of mortgage burden do vary across racial and ethnic groups, however.

Among Black and Hispanic homeowners, rates of mortgage burden increase to 38% and 32%, respectively. Among non-Hispanic white and Asian residents, they decrease to 20% and 16%, respectively.

Proportion of Homeowners Who Are Mortgage-Burdened



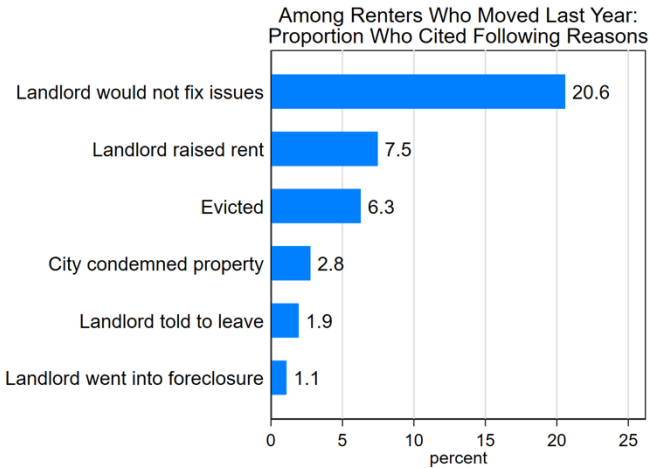
We also find that a higher percentage of low- to middle-income homeowners (37%) are mortgage-burdened compared to middle- to high-income homeowners (29%). Only 5% of homeowners who make more than six figures report spending more than 30% of their income on a mortgage.

Altogether, these data suggest that both low- and middle-income residents are living beyond their means to cope with the high cost of housing in L.A. Furthermore, Black and Hispanic residents are more likely than white and Asian residents to stretch their finances to afford the cost of renting or owning a home. For more information about this and related findings, see pages 5-8 of our full report.



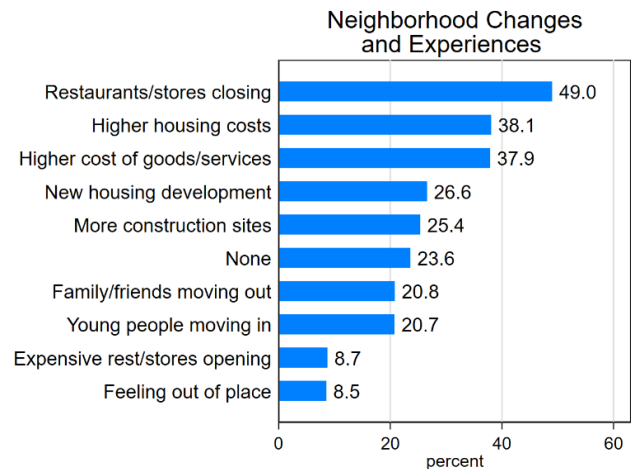
**2a. Of the renters who moved last year, almost 1 in 3 did so because they had been evicted or informally displaced.**

Approximately 12% of L.A. County residents moved in the last 12 months. When asked to provide the primary reasons why they had moved from their previous residence, 29% of those who rent reported that they moved because they had been evicted or informally displaced by their landlord. More specifically, these respondents cited one of the following reasons for their move: the landlord would not make necessary repairs, the landlord raised the rent, they were formally evicted, the city condemned the property, the landlord told them to leave, or the landlord went into foreclosure.



In the figure to the right, we provide a breakdown of these reasons for moving. According to our data, 6% of renters left their previous residence due to a formal eviction and 2% left because they were explicitly told by a landlord to leave. A high percentage of movers also reported informal processes of displacement: 8% reported leaving because their landlord raised the rent and 21% reported leaving because their landlord would not fix anything and the place had become too rundown to live in. For more information about this and related findings, see pages 9-10 of our full report.

**2b. Last year, 3 out of every 4 residents witnessed displacement pressure in their neighborhood.**

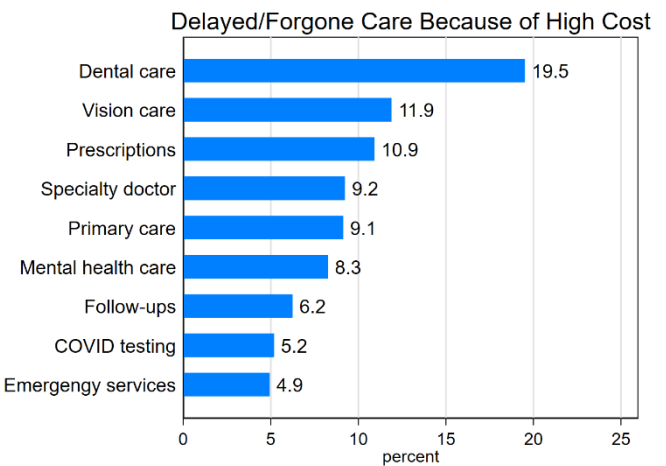


Approximately 76% of residents reported some form of displacement pressure in their neighborhood in 2020, from young people moving in and neighbors, friends, and family moving out, to upscaling, new housing developments and the closing of restaurants and stores. Almost half of residents saw restaurants or stores close and 1 in 3 saw costs increase; about 1 in 4 reported signs of residential or commercial development; 1 in 5 watched friends or family leave or younger neighbors move in.

Overall, renters, non-Hispanic whites, and residents under age 40 were more likely to observe these changes in their neighborhood than homeowners, non-white residents, and seniors (age 60+), respectively. Additionally, while a majority of residents saw signs of change in their neighborhood, only 9% reported feeling out of place. For more information about this and related findings, see pages 9-10 of our full report.

**3. In 2020, Asian and Hispanic residents were the least likely to seek medical care, and the high cost of medical care hurt dental health the most.**

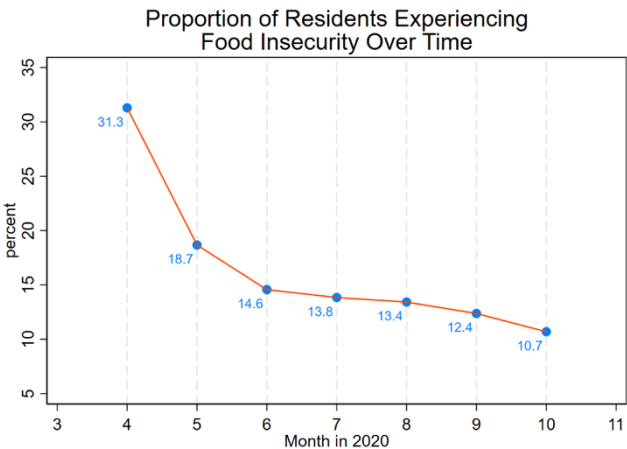
On average, 60% of adult residents visited a primary care doctor at least once this year and 20% visited an urgent or emergency care center. Rates of care-seeking were consistently lower among Asian and male residents. Just 50% of Asian residents visited a primary doctor, compared to 67% of non-Hispanic white residents. It is possible that this is at least partially attributable to the pandemic, as Asians and Hispanics have been more likely to shelter in place due to COVID safety concerns.



When asked if they had delayed or gone without medical care in the last 12 months because the cost of care was too high, 30% of residents reported having delayed or gone without at least one form of care. According to our survey, the health domains most frequently neglected by residents due to their high cost are teeth and vision, with 20% of residents not getting needed dental or vision care due to cost and 12% not getting needed vision care. For more information about this and related findings, see pages 10-13 of our full report.

**4. Food insecurity affects 1 in 9 adults – approximately 870,00 Angelenos – and is most common among those who are young, low-income, and isolated in food deserts.**

When asked to report on their food habits and experiences over a two-week period, 11% of residents reported experiencing some level of food insecurity, including 11% who worried about having enough food to eat (mild food insecurity), 9% who ate less than they thought they should (moderate food insecurity), and 4% who did not eat for a whole day (severe food insecurity).



While levels of food insecurity were high towards the end of 2020, they were much lower than towards the start of the COVID-19 pandemic, in April 2020, when 31% of residents experienced mild to severe food insecurity. Upon further analysis, we find that age, income, and distance from a food source are all correlated with experiences of food insecurity. More specifically, we find that food insecurity is more common among young adults, low-income residents, and residents who live far from food sources. For more information about this and related findings, see pages 13-15 of our full report.

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## 5. The majority of non-white parents feel their children are getting a better education than they did as children, yet black parents are more likely to look outside their neighborhood for schooling options.

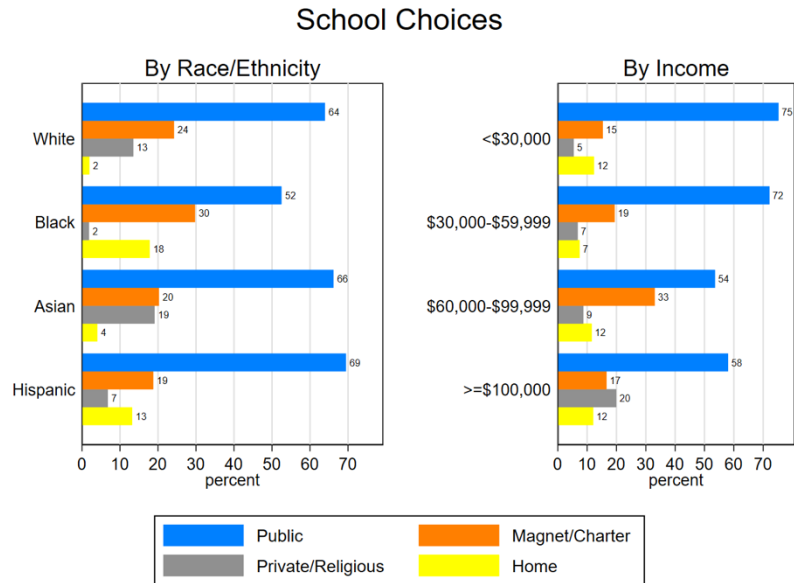
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While only about half of L.A. County households rate the overall quality of their local schools as good or excellent, 67% send their children to neighborhood public schools. After neighborhood public schools, the most frequently attended are public magnet schools (12%), charter schools, home schools (11%), and private, religious, or charter schools (9%).

Notably, our data show that patterns of school choice in L.A. vary substantially by race. Black parents (52%) are significantly less likely than white (64%), Asian (66%), and Hispanic (69%) households to send their children to local public schools, likely due to longstanding racial inequalities in access to high-quality public education. It is well-established that predominantly white and Asian neighborhoods offer residents higher quality public schooling options, on average, than predominantly Black neighborhoods. As a result, Black parents who live in predominantly Black neighborhoods and want their children to attend a high quality school must spend more time and energy than other parents searching outside of their neighborhood for adequate schooling options.

When asked to compare the education their children are currently receiving to the education they received as children, Black, Hispanic, and Asian parents are significantly more likely than non-Hispanic white parents to report that their children are receiving a better education than the one they received as children. In fact, Black parents are the most likely to report that their children are receiving a better education than they received.

For more information about this and related findings, see pages 15-16 of our full report.



# ABOUT US

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## USC Dornsife LABarometer

LABarometer is a quarterly, internet-based survey of approximately 1,800 randomly selected Los Angeles County residents, designed and administered by the *Center for Economic and Social Research* at the University of Southern California. The survey monitors social conditions in Los Angeles, with a focus on four key issues: livability, mobility, sustainability & resiliency, and affordability & prosperity. By following the same residents over time, LABarometer aims to capture trends and shifts in residents' attitudes and circumstances, allowing decisionmakers in the public and private sectors to better understand the evolving lives and needs of L.A. residents. LABarometer is made possible by the financial support of Union Bank.

## About the Affordability & Prosperity Survey

The LABarometer Affordability & Prosperity survey assesses the accessibility and affordability of four key resources in L.A. County: housing, healthcare, food, and education. It will also assess residents' financial health and spending habits, their barriers and pathways to social and economic mobility, and the real and perceived impact of growth and change in their neighborhoods.

## Data and Methods

A total of 1,326 Los Angeles County residents participated in the Affordability & Prosperity survey from September 30 through November 1, 2020. Participants were recruited from LABarometer's survey panel of 1,761 adults living in randomly selected households throughout Los Angeles County. The participation rate for the survey was 75%. The margin of sampling error<sup>†</sup> is 2.6 percentage points.

The survey was conducted in respondents' choice of English or Spanish. To participate in a survey, respondents could use any computer, cell phone, or tablet with Internet access. Internet-connected tablets were provided to respondents without internet access.

<sup>†</sup>Sampling error is calculated at the 95% confidence level, using a sample proportion of 0.5 to generate an upper bound of uncertainty. Please note that factors other than sampling error, including question wording, question order, sample type, survey method, and population coverage, may affect the results of any survey.

## For More Information

For a complete description of our data, methods, and findings, please find our full Affordability & Prosperity Report online at [https://cesr.usc.edu/labarometer/reports\\_releases](https://cesr.usc.edu/labarometer/reports_releases). For more information, contact us at [labarometer-l@usc.edu](mailto:labarometer-l@usc.edu).