

“They are sucking the lifeblood out of us”

Millions of Americans cannot pay their rent

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On May 1, millions of Americans were not able to pay their rent due to the dire social crisis sparked by the COVID-19 pandemic, opening up a housing crisis in which many working class families face a future of debt, eviction and homelessness.

The exact number of people who failed to meet rent or mortgage payments on May 1 has not been published. However, based on statistics gathered by the National Multifamily Housing Council, 31 percent of renters (25.8 million people) across the country will either fail to pay their April rent or will do so belatedly.

Experts predict that the rate will be far higher for the month of May, as the economic and social impact of the COVID-19 crisis deepens. An estimated 44 percent of New York City residents say they cannot pay their May rent, according to a localized survey by PropertyNext.

In addition, 6.4 percent of all active home mortgages are currently in forbearance, temporarily extending the due date on a family's payment, according to financial website Bankrate. This accounts for roughly 8 million households involving mortgages carrying an unpaid principal of \$754 billion.

Already, at least 3.8 million homeowners have sought mortgage relief and had stopped making their payments by the end of April, a 2,400 percent increase from early March, according to Black Knight, a mortgage technology and data provider.

According to official figures, more than 30 million people have applied for unemployment benefits over the past six weeks. This is likely an underestimation of the number of people who have been laid off or furloughed due to the inability of many individuals to successfully file a claim, as underfunded and technologically backward state unemployment offices are inundated with requests. The true unemployment rate is estimated at between one-third and one-fourth of the eligible population.

While trillions of dollars are handed over to the financial oligarchy by the political establishment, tens of

millions of Americans face unemployment, loss of health care coverage, poverty and hunger. Without jobs and still waiting on stimulus checks and unemployment benefits, thousands are lining up their cars at food banks across the country. Small business owners are among those affected, as are undocumented immigrants, who do not qualify for any benefits.

Emberlea, a veteran with metastatic stage four cancer who is living with her adult son in the Sacramento area of California, spoke with the *World Socialist Web Site* about the enormous financial hardship produced by the pandemic and the area's high rents.

“Our rent is close to \$2,000 a month,” she explained. “That is close to 60 percent of our regular income. We paid only \$500 this month for rent because my son hasn't gotten compensation yet. The apartment complex took the \$500 and applied the rest over the next eight months, an extra \$170 per month.”

States such as Arizona, California, Colorado, Illinois, Maryland, Massachusetts, Michigan, New York, Oregon and Washington have enacted moratoriums on evictions, preventing landlords from initiating the eviction process for an average of two months. However, families are still responsible for repaying their missed payments on top of their ongoing monthly expenses. This creates a situation of insurmountable debt, which most people will never be able to pay off, given the fact that the majority of the US population did not have enough saved to afford a \$1,000 emergency expense before the pandemic.

“If you lose your job for two or three months, you might be \$3,000 in the hole with no way to really make that up,” Matt Desmond, a sociologist and lead investigator at a Princeton University project called Eviction Lab, told National Public Radio. “We're faced with millions of families who are behind in rent.”

The financial impact will hit renters in major US cities particularly hard, given the enormous cost of living that is difficult to manage even while working a full-time job. To

give a sense of the burden, the average monthly cost of a two-bedroom apartment ranges between \$974 in St. Louis to \$3,629 in San Francisco.

The National Low Income Housing Coalition calculated that 11.5 million or more people will now be spending at least 50 percent of their income on rent, up by 1.5 million people since the mass layoffs and state shutdowns began in March.

Calls for a freeze on rent and mortgage payments have found growing support from renters and homeowners in major cities throughout the United States and parts of Canada. In some cities, tenants are organizing rent strikes to collectively negotiate with their landlords or issue demands to state governments.

Emberlea has been trying to organize her Sacramento neighborhood to collectively withhold their rent and mortgage payments. “We have so many people out of work,” she said. “We have to make it very clear that the capitalist class, the owners, the CEOs, the bankers, the politicians are sucking the lifeblood out of us. They are working us so hard for almost nothing.”

She added: “How out of touch do you have to be when we’ve got food banks where there are lines miles and miles long of people needing food? They are destroying crops of food. They’re pouring milk out at dairies. They’re crushing eggs because if they can’t sell it, they don’t need it. This is happening all over California, everywhere.”

Facebook groups for tenant coordination are growing and new ones are being established in cities such as Portland, San Francisco, Oakland, New York City, Los Angeles, Kansas City, St. Louis, Jersey City, San Francisco, Seattle, Austin, Milwaukee, Chicago and Philadelphia, as well as cities in Canada.

In New York City, tenants from 2,000 living units across 57 buildings have organized rent strikes to demand that Governor Andrew Cuomo order a halt to rent payments. The Los Angeles Tenant Union reported a rise in membership from 3,000 before the outbreak to 8,000 by mid-April. As of this writing, nearly 1.8 million people signed a “Rent Strike 2020” petition, stating their agreement with the demand for a mortgage and rent freeze along with their intention to withhold rent payments, either voluntarily or because they have no money.

A coalition of pseudo-left and activist groups that stands behind the official “Rent Strike 2020” campaign are seeking to subordinate popular opposition to the Democratic Party, under the false claim that Democratic politicians can be pressured to carry out serious measures

to address the social crisis.

This role is exemplified by Socialist Alternative member and Seattle City Councilwoman Kshama Sawant, who is working to channel popular anger behind appeals to Democratic Governor Jay Inslee to enact a temporary cancellation of rent payments. Sawant told her audience at an April 16 town hall that to pressure the Democratic Party, “We will need a fighting movement, and a May 1 rent strike will help to build momentum.”

To mount an effective fight against evictions and impossibly high rents, the struggle must be consciously directed not to the Democratic Party, but rather to the growing wave of strikes and protests by the working class against the policy of both parties to impose the full cost of the pandemic crisis on the working population, summed up in the drive to force workers back to work without any protection against the virus.

Behind the landlords stand banks and big investors who reap immense profits from the private housing market. Thus, the struggle must be guided by the principle that the health and basic needs of the population must take unconditional priority over private profit. The Socialist Equality Party calls for the formation of workers’ neighborhood committees to link up with rank-and-file factory and workplace committees, independent of the pro-corporate trade unions and the Democratic Party.

The criminally negligent response to the pandemic on the part of the Trump administration and governments around the world, driven by a class policy of subordinating human life to corporate profits and the stock market, has demonstrated that the fight against COVID-19 is a fight against the capitalist system. It must be guided by a program to unite the working class internationally to put an end to the profit system and establish socialism.



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