

9-3-2020

## COVID-19: Housing Hardship Index

Yanneli Llamas

*University of Nevada, Las Vegas, yanneli.llamas@unlv.edu*

Madison Frazee-Bench

*University of Nevada, Las Vegas, madison.frazee@unlv.edu*

Caitlin J. Saladino

*The Lincy Institute and Brookings Mountain West, caitlin.saladino@unlv.edu*

William E. Brown Jr.

*Brookings Mountain West, william.brown@unlv.edu*

Follow this and additional works at: [https://digitalscholarship.unlv.edu/bmw\\_lincy\\_hre](https://digitalscholarship.unlv.edu/bmw_lincy_hre)

 Part of the [Public Policy Commons](#), and the [Real Estate Commons](#)

---

### Repository Citation

Llamas, Y., Frazee-Bench, M., Saladino, C. J., Brown, W. E. (2020). COVID-19: Housing Hardship Index. *Housing & Real Estate Fact Sheet No. 6* 1-3.

Available at: [https://digitalscholarship.unlv.edu/bmw\\_lincy\\_hre/6](https://digitalscholarship.unlv.edu/bmw_lincy_hre/6)

This Report is protected by copyright and/or related rights. It has been brought to you by Digital Scholarship@UNLV with permission from the rights-holder(s). You are free to use this Report in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/or on the work itself.

This Report has been accepted for inclusion in Housing & Real Estate by an authorized administrator of Digital Scholarship@UNLV. For more information, please contact [digitalscholarship@unlv.edu](mailto:digitalscholarship@unlv.edu).

## COVID-19: HOUSING HARDSHIP INDEX

### Housing & Real Estate Fact Sheet No. 6 | September 2020

Prepared by: Yanneli Llamas, Madison Frazee-Bench, Caitlin J. Saladino, and William E. Brown, Jr.

#### PURPOSE:

This fact sheet highlights the impact of the COVID-19 pandemic on May 2020 unemployment rates and mortgage delinquencies in the Mountain West: Arizona, Colorado, Nevada, New Mexico, and Utah. This synthesis is based on nationwide data originally reported by Bankrate senior mortgage reporter Jeff Ostrowski in “Housing Hardship Index: Coronavirus crushes some state economies, spares others.”<sup>1</sup>

#### ABOUT THE DATA:

The original report measures the housing hardship and economy of each state in the U.S. using the Bankrate Housing Hardship Index. This index “sums mortgage delinquencies and unemployment to show which states are enduring the most extreme slowdowns during the pandemic.”<sup>2</sup> Mortgage delinquencies and unemployment rates usually go hand in hand, as a longer period of unemployment usually leads to more mortgage delinquencies.

Researchers compiled data from the data firm Black Knight Inc. and the U.S. Department of Labor. Previous investigations into this topic have measured housing hardship using inflation and employment data. Because inflation is a less relevant measure in today’s housing market, housing hardship rates are instead calculated using mortgage delinquency rates and unemployment data.

#### KEY FINDINGS:

1. Nevada has the highest Housing Hardship Index among Mountain West States (35.29) and ranks 3rd in the nation for housing hardship.
2. Utah fared best among Mountain West states, with the lowest Hardship Index (14.12), and the lowest unemployment rate (8.5%).
3. Even with a relatively high unemployment rate, Colorado is reported to have the lowest mortgage delinquency rate (4.45) in the Mountain West region.

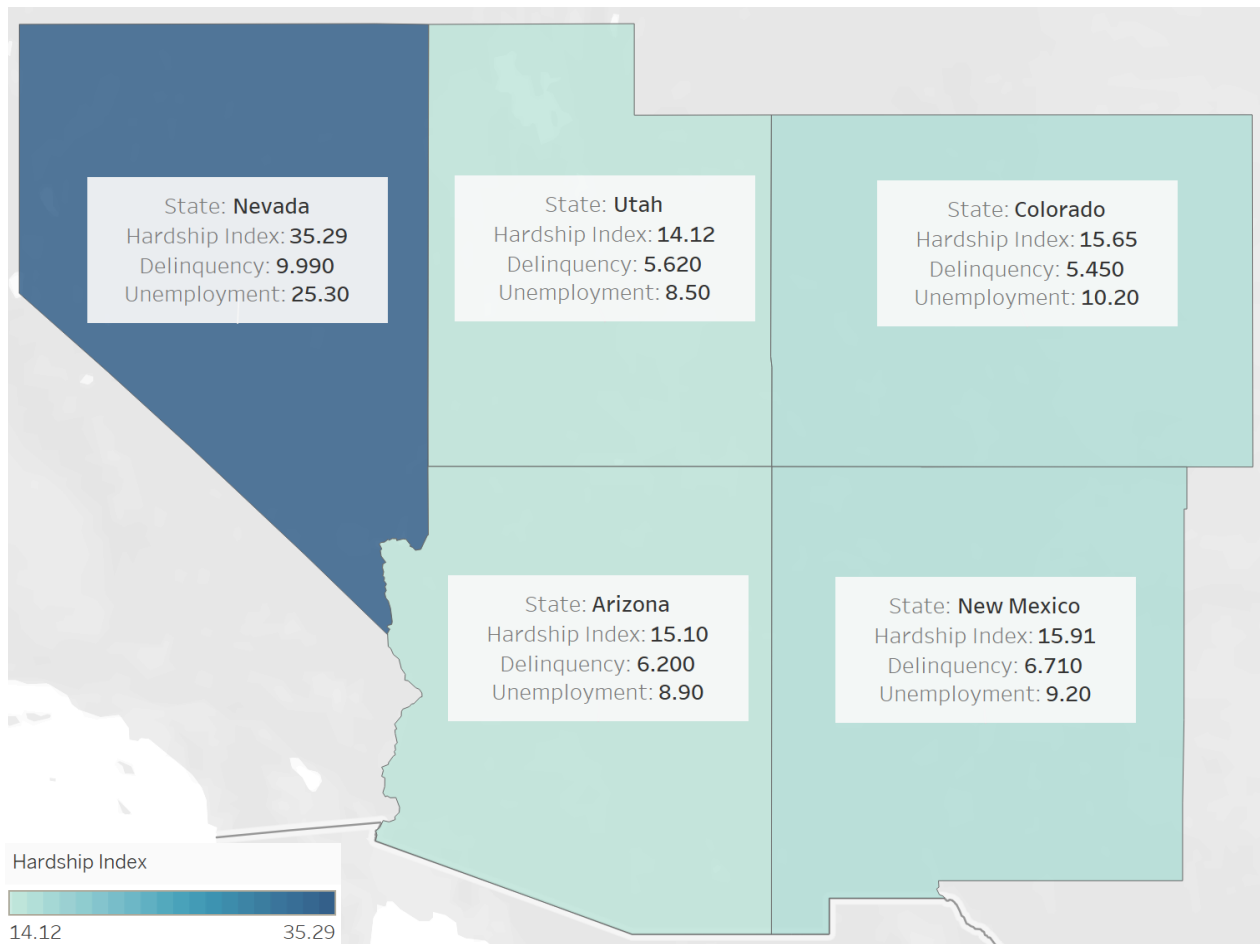
---

<sup>1</sup>Ostrowski, Jeff. (July, 2020) “Housing Hardship Index: Coronavirus crushes some state economies, spares others.” *Bankrate*. <https://www.bankrate.com/mortgages/housing-hardship-index/>

<sup>2</sup> Ibid.

The map presented in Figure 1 illustrates the Housing Hardship Index scores in the Mountain West, which is the sum of each state’s mortgage delinquency rate and unemployment rate. The darker color denotes a higher Hardship Index value. Among Mountain West states, Nevada is reported to have the highest Hardship Index value (35.29). This means that Nevada has the highest sum of mortgage delinquency and unemployment rates of the Mountain West states, indicating the “most extreme [economic] slowdowns”<sup>3</sup> of the region.

**Figure 1: Housing Hardship Index in the Mountain West**

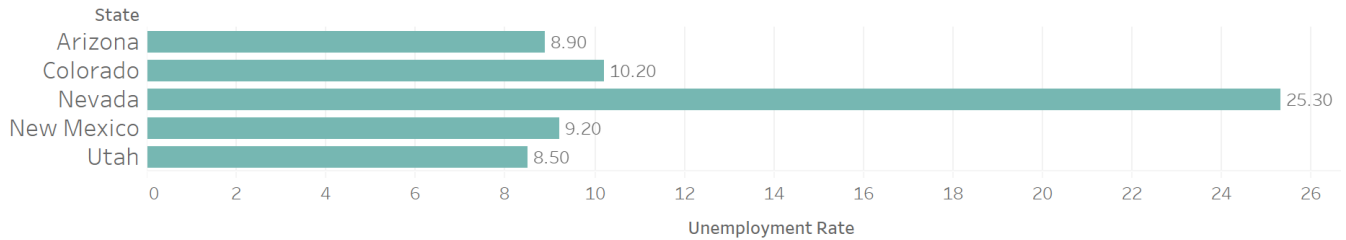


\*Adapted from Ostrowski, Jeff. (July, 2020) “Housing Hardship Index: Coronavirus crushes some state economies, spares others.” *Bankrate*.

<sup>3</sup> Ibid.

Figure 2 compares the May 2020 unemployment rate for each of the Mountain West states examined in this fact sheet. While most states reported approximately 10% unemployment, Nevada’s unemployment rate was more than double its Mountain West peers at 25.3% during the same period.

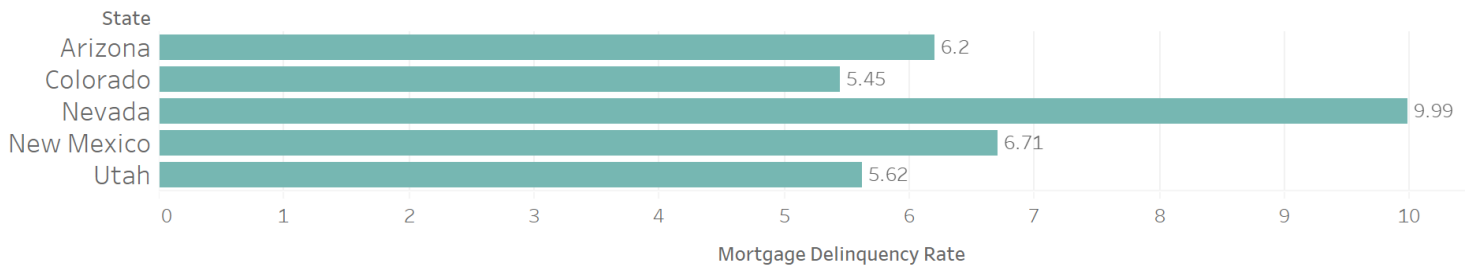
**Figure 2: Unemployment Rate in the Mountain West, May 2020**



\*Adapted from Ostrowski, Jeff. (July, 2020) “Housing Hardship Index: Coronavirus crushes some state economies, spares others.” *Bankrate*.

Figure 3 highlights the mortgage delinquency rate in the Mountain West. Nevada led the region with a rate of 9.99 percent followed by New Mexico (6.71%), Arizona (6.2%), Utah (5.62%), and Colorado (5.45%).

**Figure 3: Mortgage Delinquency Rate in the Mountain West (May 2020)**



\*Adapted from Ostrowski, Jeff. (July, 2020) “Housing Hardship Index: Coronavirus crushes some state economies, spares others.” *Bankrate*.