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Unintended Consequences: Impact of Covid Relief Payments on Families and the Housing Industry

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Panel Session Title:	Unintended Consequences: Impact of Covid Relief Payments on Families and the Housing Industry
Session Track:	TBD
Session Chair:	Dr. Tami James Moore, CFLE Professor or Family Science UNK
Panel Participants:	Tami James Moore, Jared Burgoon and invited conference attendees as determined by submissions and registration

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The Intent of Covid Relief Payments

Stimulus payments and other economic incentive programs created to blunt the initial impact of the Covid pandemic in the United States relied heavily on traditional definitions of a family unit. When the government determined that stimulus checks were necessary to protect the economy, the question of who should receive that money was somewhat arbitrary, heralded as relief for struggling families. The intent of the stimulus payments was to mitigate the negative impact of the shut down on the national economy. The impact on family financial situations was a secondary consideration.

Actual Impact on Economy

The first round of stimulus checks had an immediate, yet short-term impact on consumer spending. Almost half of stimulus deposits to those with little liquidity (less than $500 savings) was spent within 10 days of receipt. Most of that spending was on food, bills, and rent—quality of life assistance. The areas of the economy hit hardest such as companies producing durable goods saw very little impact.

Home sales surged during the pandemic in certain locations. Families with real estate or other savings, combined with the stimulus payments, and continuing low interest rates, entered the housing market. In parts of the country home prices also surged, shutting many families out of the market, with additional negative impacts on rental pricing.

Impact on the Housing Industry

As the pandemic moved back and forth across the country, the housing industry continued to face intense workforce shortages—at all-time highs before Covid-- rising material prices, and strong product demand. As the pandemic eased and the nation focused on strengthening the economy, housing continues to lag in the recovery. The quest for "affordable housing" remains entrenched in the economic tug-of-war between supply and demand. Those at or below the poverty line are most negatively impacted by this type of industry dynamic.

The intended purpose of the stimulus money provided to individuals and families did not have the intended impact on their quality of life, especially at the lower income levels. Housing, as one of the major needs among families, can be a strategic base for economic recovery, but only if current and future policy utilizes available data to formulate equitable policies for consumers and the housing industry.

Proposed Panel

This panel discussion will briefly cover the actual post-stimulus impact on family resources and the housing industry. Panelists will provide an analysis of unintended consequences and overviews of the current challenges of family economic situations, housing construction, and real estate implications.