Emerging and Uninsured Risks Facing the Younger Generations: Housing

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Urban Institute

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Millennial Homeownership

Homeownership Rate among Household Heads Ages 18 to 34

Sources: The Decennial Census and the American Community Survey.
Impact of homeownership on wealth

Median Home Equity at Age 60 or 61 and Median Value of First Home

- Median Housing Wealth at Age 60-61 ($2015)
- Median First House Value ($2015)

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>below 25</td>
<td>$130,000</td>
<td>$67,302</td>
</tr>
<tr>
<td>25-34</td>
<td>$148,625</td>
<td>$125,457</td>
</tr>
<tr>
<td>35-44</td>
<td>$125,457</td>
<td>$125,671</td>
</tr>
<tr>
<td>45 and over</td>
<td>$123,375</td>
<td>$123,375</td>
</tr>
</tbody>
</table>

**First Age of Buying a Home**

**Homeowner Versus Rental Net Worth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013 Dollars</th>
<th>Home Equity</th>
<th>Median Net Worth (Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>$201,581</td>
<td>$82,488</td>
<td>$256,069</td>
</tr>
<tr>
<td>Renter</td>
<td></td>
<td>$5,500</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Urban Institute calculation using Panel Study of Income Dynamics.

<table>
<thead>
<tr>
<th>Year</th>
<th>2016 Dollars</th>
<th>Home Equity</th>
<th>Median Net Worth (Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>$231,420</td>
<td>$100,000</td>
<td>$331,420</td>
</tr>
<tr>
<td>Renter</td>
<td></td>
<td>$5,200</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Survey of Consumer Finances.
Homeownership by Race/Ethnicity

Racial Composition (Heads 18-34)

<table>
<thead>
<tr>
<th>Year</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>76.1%</td>
<td>11.7%</td>
<td>3.9%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2000</td>
<td>66.5%</td>
<td>13.1%</td>
<td>13.7%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2005</td>
<td>63.1%</td>
<td>13.5%</td>
<td>16.4%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2010</td>
<td>61.6%</td>
<td>13.2%</td>
<td>17.4%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2015</td>
<td>59.9%</td>
<td>13.4%</td>
<td>17.7%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Homeownership by Race/Ethnicity (Heads 18-34)

Sources: The Decennial Census and the American Community Survey.
Homeownership by Marital Status

Marital Status among Household Heads Age 18 to 34

Homeownership Rate by Marital Status among Household Heads Ages 18 to 34

Sources: The Decennial Census and the American Community Survey.
Millennials are Rent Burdened

Share of Rent-Burdened Households with Heads Ages 18 to 34

Sources: The Decennial Census and the American Community Survey.
Changes in Real Rents have Outpaced Change in Real Income from 2005-2017

Percent change in rent versus percent change in income, by MSA (2005-2017)

Change in Income (Percent)

Change in Median Rents (Percent)
Headship Rate has Dropped

Headship Rate among 18-to-34-Year-Olds

Sources: The Decennial Census and the American Community Survey.
Living with Parents has Increased Significantly

Share of Young Adults Living with Parents (Age 18-34)

Share of Young Adults Living with Parents (Age 25-34)

Sources: The Decennial Census and the American Community Survey.

Sources: The Decennial Census and the American Community Survey.
Long Term Impact of Living with Parents is Negative

Headship and Homeownership Post 10-years (Age 35-44)

Headship Post 10 Years: 68.0% Live with parents, 98.3% Headship Post 10 Years, 99.1% Homeownership Post 10 years.

Head-Own Post 10 Years: 36.7% Live with parents, 47.9% Headship Post 10 Years, 83.7% Homeownership Post 10 years.

Homeownership Post 10 Years: 54.0% Live with parents, 48.7% Headship Post 10 Years, 84.5% Homeownership Post 10 years.

Sources: The Decennial Census and the American Community Survey.
Rents are an important contributor to living with parents.

Share of Young Adults (Age 25-34) by MSA Median Rental Costs: $2017

Percent Living with Parents by Income and Rent (Age 25-34)

Sources: The Decennial Census and the American Community Survey.
Millennials moving to low supply elasticity MSAs

Homeownership, Share of Young Adults, and Housing Supply Elasticity (Ages 18 to 24)

Source: Urban Institute, Millennial Homeownership Report
Higher Educated millennials are moving to low supply elasticity MSAs

Changes in the Share of 18-to-34-Year-Olds and Housing Supply Elasticity

Source: Urban Institute, Millennial Homeownership Report
Millennial Location Preferences and Median Home Prices in Washington, DC Metro Area

Sources: Black Knight Financial Services property records and the American Community Survey.
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