



Generation to Generation

Housing Disparities

Younger generations' ability to purchase homes is hindered by stagnant wages and an affordability crisis.

Average Household Earnings
+ High Home Prices
+ Increased Mortgage Rates



A more expensive home buying market for millennials and Gen Z than Gen X or baby boomers when they were at the same age

Contributing Factor #1

Generational Wealth Gap

Household incomes have risen far slower than the price of a new home, when adjusting for inflation.

- Overall, millennials earn about 20% less than baby boomers did at the same stage of life, and lower income levels have a long term impact on the ability to accumulate wealth, either through savings or home equity.
- For younger generations, career-long positions have become scarcer, unemployment spells are longer, earnings inequality has increased, and those on lower incomes have seen their earnings stagnate or decrease.

With less stable incomes, households are wary of making a large investment like buying a home and of assuming a large amount of gross debt.

Contributing Factor #2

Home Prices

A large proportion of homes are being built that are more expensive.

- New homes built that cost under \$200,000 dropped from 10% of new home stock in 2019 to less than 1% in 2022.
- In April 2023, the average new home sold for about \$501,000, and the median new home price was \$420,800.
- There are almost no homes on the market below a certain minimum price and quality; households unable to access a mortgage for that minimum amount are shut out of the housing market.

Limited existing inventory.

- With rising construction and labor costs, homebuilding hasn't kept up with population growth.

Based on average pay relative to the average cost of a home, it was easier to purchase a house during the Great Depression than it is today.

Homeownership is a secure way to build wealth through equity, which families can pass on to future generations. Making changes that will create available, affordable housing will benefit this generation and the next (and the next).