

Owning a home may not be in the cards for many millennials

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In the mid-20th century, it was a common expectation that just about every working 20-something could purchase a home.

That 20-something was likely male, married, making an average wage and wasn't college-educated. He was probably the sole breadwinner.

"You could have this decent middle-class life with all the accoutrements that came with it, and that has really changed," said Elizabeth Currid-Halkett, an urban planning professor at the USC Price School of Public Policy and author of *The Sum of Small Things: A Theory of the Aspirational Class*.

Millennials are entering their 20s and 30s at a time when housing isn't a given. Perhaps they lived with their parents after graduating college for a bit or have roommates well into their 30s. Being middle-class in the global economy is expensive—the average rent for a one-bedroom in New York City is \$3,680—and [millennials](#) are changing housing trends because of it.

For one, they're not moving around.

"We're much less mobile than we were 50 years ago, whether it's across the street or across the country," said USC [public policy](#) Professor Richard Green, chair of the USC Lusk Center for Real Estate and former housing adviser for President Barack Obama.

Pew Research Center reports that in 2016, only 20 percent of 25- to 35-year-olds reported they had moved in the last year. That's compared to 26 percent of Gen Xers in 2000 and 27 percent of late baby boomers in 1990.

"It's a bit of a mystery why this is happening," Green said.

It's an easy assumption that millennials would be moving more. They're marrying at lower rates, they're renting at higher rates and most millennials don't have kids. Only 37 percent of millennials were living in

homes they owned in 2016, compared to 56 percent of baby boomers when they were 25-35 years old, Pew reports.

Green thinks that the recession could have had something to do with those housing choices.

"I strongly suspect that millennials who grew up in an economically tough time in this country—many of them saw their parents lose their jobs, lose their homes—they just might be more cautious over their entire lifetime than previous generations," Green said.

To the cities?

It's also a myth that millennials are flocking to cities.

"The return to the city is a phenomenon for educated people," Green said. "People without college degrees are living farther out than ever before."

Green looks at Los Angeles, where educated millennials move to places such as Silver Lake and Highland Park – both known for cool shops, hip eateries and plenty of things to do – but millennials without a college degree are flocking to more affordable areas outside big cities, such as Corona or Upland, according to Green.

And that's a trend that could continue, since two-thirds of millennials haven't finished college.

Dowell Myers, a USC Price demography professor, says L.A. reached "peak millennial" with 1.14 million in 2015, and aging millennials are already starting to head for the 'burbs.

Case study: The O.C.

Locally, he points to Orange County as a case study. The county of roughly 3 million just south of L.A. is catering to millennials with hip commercial and retail developments such as The Camp and O.C. Mix in Costa Mesa, Pacific City in Huntington Beach and Anaheim's Packing House.

Unlike their parents, Myers said, millennials are going to be less focused on "McMansions" with big backyards and more interested in smaller-scale housing near amenities—or at least close enough that they can lure friends to make the drive.

It plays to their habits as a generation. They go to restaurants and bars way more than their parents did and entertain at home way less, Myers said. And developers are likely taking note of this need for practical space at home. "The living room has been on its way out for quite some time. With millennials, it has its death knell," Myers said.

Women will likely have a big hand in shaping the future of housing choices. They outpace men in higher education, earning more college degrees, and one-third of women outearn her partner. Men are also increasingly sharing domestic responsibilities.

"For 50 years, the house was the career," Green said of women's shifting role. "Now it's a place to eat and sleep.

"The way they're going to look at housing will be different, exactly how that shakes out I'm not sure."

A dwindling privilege

With the rising costs of housing, Currid-Halkett thinks the millennials who do end up buying homes might be signaling a dwindling privilege.

"This generation may be the first to do less well-off than their parents," she said. "I think a huge part of that is social mobility has become more and more expensive and exclusive. It's not just college degrees; it's elite [college degrees](#). In order to get those highly coveted jobs, you need to live in a big global city, and global cities are more and more cost-prohibitive and housing costs are through the roof."

Because of this, Currid-Halkett suspects that millennials will increasingly turn to parents for support.

"Having parents who can help at all or provide a better starting point, whether its tutors and college tuition or later on helping you buy a house or rent subsidize ... these are all going to be helpful for this generation," she said. "The reality for this generation is for most people this is a rarity and it's a privilege to live in a big global city and to have a parent that can help you buy a house and pay for grad school."

It might also be the case that this generation, if they continue to marry and have children at lower rates as predicted, will be less anchored to the idea of the home. Green suspects home owning could lose its place as one of the hallmark investments of adulthood.

More information: The Sum of Small Things: A Theory of the Aspirational Class: press.princeton.edu/titles/10933.html

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