

Real Estate Digest

Serving Leading Lenders and Real Estate Professionals

Contact us to schedule your next closing

closing@title-smart.com

Office: 651-779-3075 • Fax: 651-779-3066



TitleSmart, Inc.



January • 2019

Volume 45 • Number 1

Buying a Home Before 35 Gives Homeowners a Boost During Retirement

Today's young adults are less likely to own homes as compared to Gen Xers and baby boomers at the same age. The Urban Institute recently conducted a study to investigate why millennials have lower homeownership rates than prior generations. However, the long-term impact of delays in homeownership is not well understood.

Despite the lack of research into this topic, the analysis performed by the Urban Institute uncovered some surprising facts. Delaying homeownership has the potential to reduce the wealth millennials generate over their entire lifetime.

The Majority of Today's Older Homeowners Purchased Their Homes Before Age 35

Using the Panel Study of Income Dynamics (PSID), a dataset that has tracked U.S. individuals since 1968, the Urban Institute reviewed people who reached age 60 at some point between 2003 and 2015. The dataset was also adjusted to account for the fact that the PSID began to perform the survey on a biannual basis in 1997.

The findings uncovered that older adults became homeowners at a younger age than the young adults of today. Roughly 50 percent of the adults in the sample purchased their first home between 25 and 34 years old. An additional 27 percent of older adults purchased their first home before age 25.



In contrast, only 37 percent of household heads ages 25 to 34 and 13 percent of young adults ages 18 to 24 had purchased a first home as of 2016.

continued on next page