RESEARCH REPORT

# The Future of Headship and Homeownership

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# 1. Introduction

Homeownership has historically been the best way for American families to accumulate wealth, though it is not without risks. Homes generally appreciate in value over time, but there have been periods when this was not the case. Borrowers pay down their mortgages and make tangible improvements to accumulate equity and can build additional home value through "sweat equity." As of 2019, the median net worth of US homeowners was $254,900, 47 percent of which, or $120,000, was home equity.[1]

Given homeownership's role as a wealth-building tool, it is important to understand the trajectory of the homeownership rate: where it has been, where it is going, who has benefited, and who has been left behind. Current homeownership rates show a large and growing gap by race and ethnicity: 72 percent of non-Hispanic white households owned homes in 2018, compared with 57 percent of Asian households, 48 percent of Hispanic households, and 42 percent of Black households. Notably, the current homeownership rate for Black households is even lower than it was when fair housing laws were passed in 1968.

In this report, we look at household formation and homeownership through time, showing how economic cycles and public policies have caused racial and ethnic homeownership gaps to widen. As a nation, we have failed to address the systemic barriers that replaced the overt pre-1968 barriers. After the historical review, we project future headship rates (the rate at which new households form) and homeownership rates. To project future rates, we use a transition methodology[2] that begins with data from 1990 to 2018 and projects through 2040 what share of the adult population will be householders (the headship rate) and what share of householders will be homeowners (the homeownership rate) for each race or ethnicity and age group. We provide a full range of estimates, including a slow scenario, an average scenario, and a fast scenario, as policy choices we make in the future can increase or decrease both the headship and homeownership rates. In our discussion, we focus on the average scenario to make our points more crisply.

Our investigation of headship and homeownership national trends and forecasts reveals that the increase in new households will be entirely nonwhite, and without intervention, the gap between the white and Black homeownership rates will continue to grow for 45-to-74-year-olds, and the rental growth rate will be double the homeownership growth rate over the next two decades. Here are seven highlights.

1. **New household formation will decline to 7.6 million per decade in 2030–40.** The headship rate will continue to drop for every age group through 2040. This means there will be more

people per household, regardless of the age of the household head, except for households headed by people 85 years of age and older. We believe this will be because of young adults living with their parents and more single adults living with roommates or relatives. Because of these factors, plus a slow pace of population growth exacerbated by declines in immigration, the rate of household formation for the next two decades will be lower than it was from 1990 to 2000 and from 2000 to 2010 but slightly higher than it was from 2010 to 2020. Net new household formation averaged 12.4 million per decade from 1990 to 2010, 7.3 million from 2010 to 2020, and, we project, 8.5 million from 2020 to 2030 and 7.6 million from 2030 to 2040.

2. **All future net household growth will be from nonwhite households.** Between 2020 and 2040, 16.1 million net new households will form: 8.6 million more Hispanic households, 4.8 million more Asian and other households, 3.3 million more Black households, and 600,000 fewer white households.

3. **Almost all future net household growth will be among senior households.** There will be a 16.1 million net increase in households formed between 2020 and 2040, and 13.8 million of these households will be headed by someone older than 65, simply reflecting the nation's aging population.

4. **The homeownership rate will continue to drop for most age groups through 2040.** This pattern is consistent across all races and ethnicities and across all age groups but is particularly pronounced in the 45-to-75 age group. The most affected age group is those who were 25 to 44 years old in 2010 and are 35 to 54 years old today. They were unable to enter the market at the same rate as their older counterparts at the same age because of the financial crisis. As credit has tightened and home prices have increased more quickly than incomes over the past decade, it has become even harder for many households in this group to afford a home and obtain a mortgage. The aging of the population will, however, mask the drop in the overall homeownership rate, as older households tend to have higher homeownership rates than younger households. We project the overall homeownership rate will decline from 64 percent in 2018 to 62 percent by 2040.

5. **The decline in the homeownership rate is particularly pronounced for Black households headed by 45-to-74-year-olds.** Absent intervention, the gap between the homeownership rates of non-Hispanic white and Black households headed by 55-to-64-year-olds will increase from 28.9 percentage points in 2018 to 33.3 percentage points by 2040. Similar increases are expected in the 45-to-54 and 65-to-74 age groups. Black households in these age groups will

have significantly lower homeownership rates than in past generations at the same age because many have not yet achieved homeownership or because they became homeowners but lost their home in the financial crisis. Critically, this will produce an unprecedented number of elderly Black renters. We predict that the number of Black renters 65 and older will more than double from 1.3 million in 2020 to 2.6 million in 2040.

6. **Net new homeowners from 2020 to 2040 will be all nonwhite and mostly Hispanic.** Between 2020 and 2040, there will be 6.9 million net new homeowners, a 9 percent increase, thanks to net new household formation. There will be 4.8 million more Hispanic homeowners, 2.7 million more Asian and other homeowners, and 1.2 million more Black homeowners but 1.8 million fewer white homeowners.
7. **The pace of renter growth will be more than double the pace of homeowner growth from 2020 to 2040.** Between 2020 and 2040, there will be 9.3 million net new renters, a 21 percent increase: 3.8 million more Hispanic renters, 2.2 million more Black renters, 2.1 million more Asian and other renters, and 1.2 million more white renters.

Our findings have important implications for policy and practice.

1. To better support the large number of senior households, we need to develop and implement policies that will address their specific needs.
2. To prepare for the surge in renters and demographic changes, we need to increase the supply of affordable homes and better tailor these homes to the needs of future owners and renters, through more flexible zoning and land-use regulations, a more efficient permitting process, and greater flexibility in building technologies.
3. To decrease the racial homeownership gap, we need to take concerted action:
    a. improve and expand financial education and homeownership preparation; increase the visibility, access, and types of down payment assistance programs; and expand financing options to meet the needs of future creditworthy borrowers
    b. reexamine how we qualify borrowers for mortgages, and revamp the process to more precisely assess creditworthiness
    c. implement programs that sustain homeownership for low-wealth, disproportionately minority borrowers

Many of these policy recommendations have been discussed for years. But after reviewing the headship and homeownership estimates, it is clear that if the issues above are left unaddressed, the future holds a lower homeownership rate and associated wealth-related consequences for many Americans, especially Black households. It is time to implement policies and practices that allow today's young adults, regardless of race or ethnicity, to achieve sustainable homeownership.

The outline of the report is as follows. Section 2 contains our methodology and data. Section 3 contains our results on headship, and section 4 contains our results on homeownership. Section 5 contains the summary and policy implications.

# 2. Methodology and Data: Headship and Homeownership Rates

## Definitions

In this report, "household" refers to all of the people occupying a single housing unit, regardless of relationship. The headship rate is defined as households divided by the population, and, for the nation as a whole, population divided by households (or 1 / the headship rate) is a proxy for household size. That is, if the national headship rate is 46 percent, the average household size is 1 / 0.46, or 2.17 people per household. As the focus of this report is homeownership, we further separate households into two groups: homeowners and renters. The homeownership rate is defined as the number of households headed by homeowners divided by total households. We include the population of people ages 15 and older for all our calculations.

To project racial and ethnic disparities, we use four groups: Hispanic, non-Hispanic white, non-Hispanic Black, and non-Hispanic people of other races, a category that includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals. For the rest of the report, we will use "white" and "Black" to refer to non-Hispanic white and non-Hispanic Black people. Where we cross-tabulate race or ethnicity with age, we refer to these as [age, race] groups.

## Data

The most robust data source on population, headship, and homeownership is the decennial census surveys, which are mandatory and intend to cover all households. But the last available decennial census data were collected in 2010, when the financial crisis was strongly depressing household formation and dragging down the homeownership rate. Much of the financial crisis's effects on homeownership occurred after the 2010 Census. 2020 Decennial Census data have been collected but have not been released.

To supplement the decennial census with more recent data, we have four choices: the American Community Survey (ACS), the American Housing Survey, the Housing Vacancy Survey (HVS), or the Annual Social and Economic Supplement (ASEC). Both the HVS and ASEC are part of the Current

Population Survey. All four of those sources are based on sampling, whereas the more complete decennial census is a count of the entire population. Although the HVS has the most up-to-date information, both the HVS and ASEC have relatively small samples (72,000 people per quarterly sample) compared with the ACS, an annual survey with a sample size of 3.5 million. The American Housing Survey is conducted every other year, which is less frequent than the ACS, and uses a smaller sample than the ACS (117,000 households per survey). Given the reliance on these numbers for long-term forecasting, we use the ACS, in combination with the 1990, 2000, and 2010 Decennial Censuses, to project headship and homeownership rates. At the time we started this analysis, the 2018 ACS was the latest available, so we rely on that.

# Methodology

In this report, we define age group as a group of people born within the same 10-year span, and we compute headship rates and homeownership rates for each age group. For example, the 15-to-24 age group in 2010 is the group of people ages 15 to 24 in 2010. Our methodology is based heavily on the transition rates of these age cohorts. Those in the 15-to-24 age group in 2010 will transition into the 25-to-34 age group in 2020 and the 35-to-44 age group in 2030.

Because household formation and homeownership are milestones reached over the life course, the share of people of a given race or ethnicity and age who are householders or homeowners at any one time is a function of both age and cohort effects. We will use both “age group” and “age cohort.”

To develop our scenarios of housing demand, we use observed headship and homeownership rates by age and race or ethnicity from 1990, 2000, and 2010–18, extending cohort-specific changes in those rates to 2020, 2030, and 2040. We did not make projections past 2040, believing that both headship and homeownership changes are happening quickly enough that any errors are compounded the longer the term. Accordingly, policy projections past 2040 are of limited usefulness in informing policy.

For the household projection counts in each [age, race] cohort, we multiply our projections of headship rates by the middle-series 2017 Census population projections for 2020, 2030, and 2040. These projections include estimates on immigration. We then apply our homeownership rate projections to our household projections to yield the projected number of homeowners and renters in different scenarios.

## 2020 Projections

To forecast 2020 headship and homeownership rates, we use the 2018 ACS as the starting point, adjusting for two years of transition from 2018 to 2020. For the transition rates, we use average 2015–18 transition rates. The following equations describe the calculations:

$$f\ \ 2020_{age} = A2018_{age-2} + Transition_{2\ years} \tag{1}$$

where

$$Transition_{2\ years} = 2/3 * (A2018_{age} - A2015_{age-3}) \tag{2}$$

For example, to estimate the headship rates for the 25-to-34 age group in 2020, we start with the 23-to-32 age cohort in 2018, as people 25 to 34 years old in 2020 would be 23 to 32 in 2018. The headship rate for the 23-to-32 age cohort in 2018 was 39 percent. Then, to calculate the two-year transition from 2018 to 2020, we double the annual transition rate from 2015 to 2018. For example, people who were 25 to 34 in 2018 were 22 to 31 in 2015. We took the headship rates for the 22-to-31 age cohort in 2015, which was 35.8 percent. With three years' transition, the headship rate for this cohort in 2018 increased to 43 percent, resulting in a 2.4-percent-increase-per-year transition rate, or 4.8 percent per two years. Thus, for the 23-to-32 age cohort in 2018, their average projected headship rate would be 39.0 percent + 4.8 percent, or 43.8 percent, in 2020.

## 10-Year Transition Paths

This transition methodology allows us to project what share of individuals will be householders (the headship rate) and what share of householders will be homeowners (the homeownership rate) for each race or ethnicity and age group. We translate the headship rates and homeownership rates into the number of households and the number of homeowners to project net national housing demand.

From the adjusted starting point of 2020, we develop three scenarios for the transition from the 2020 estimate to projected rates in 2030 and 2040 for both household formation and homeownership. The three scenarios are constructed from three recent transition periods. The first occurred from 2000 to 2010, when the financial crisis dramatically slowed household formation and homeownership attainment. The second occurred in the 1990s, and the third is based on an adjustment to 2010 to 2018, when transitions were considerably faster than from 2000 to 2010 but slower than in the 1990s for most age-race cohorts.

We conduct three calculations for each age-race cohort: the 10-year transition rate from 2000 to 2010, the average 10-year transition rate from 1990 to 2010, and the average transition rate from 2010 to 2018 (grossed up to reflect a 10-year period).

$$Dif1 = c2010_{age} - c2000_{age-10} \tag{3}$$

$$Dif2 = c2000_{age} - c1990_{age-10} \tag{4}$$

$$Dif3 = \frac{10}{8}(A2018_{age} - A2010_{age-8}) \tag{5}$$

where $c2010_{age}$ is the 2010 Census headship or homeownership rate for people of the same age and race or ethnicity in a given 10-year age group and $c2000_{age-10}$ is the 2000 Census headship or homeownership rate for the same cohort a decade earlier. Thus, if $c2010_{age}$ is 25-to-34-year-old white people in 2010, $c2000_{age-10}$ is 15-to-24-year-old white people in 2000.

For a slow scenario, the minimum of Dif1, Dif2, and Dif3 is used to calculate the transition for 10 years to form the future projected age- and race-specific headship and homeownership rates.

$$Transition_{min} = min(Dif1, Dif2, Dif3) \tag{6}$$

$$Transition_{max} = max(Dif1, Dif2, Dif3) \tag{7}$$

## 2030 Projections

For the 2020s, we apply these 10-year slow and fast age- and race-specific transition rates to the headship and homeownership rates each cohort reaches in 2020. The following equations summarize the projections:

$$f_{fast}2030_{age} = f\ \ 2020_{age-10} + Transition_{max} \tag{8}$$

$$f_{slow}2030_{age} = f2020_{age-10} + Transition_{min} \tag{9}$$

For the 15-to-24 age group, we do not have a transition rate, so for the slow scenario, we use the 2020 headship and homeownership rate for this age group. For the fast scenario, we use the 2020 headship and homeownership rate and add the difference between the 2000 and 1990 15-to-24 age cohorts to capture a more robust starting point. This is described in the following calculations:

$$f_{fast}2030_{15-24} = f\ \ 2020_{15-24} + c2000_{age} - c1990_{age} \tag{10}$$

$$f_{slow}2030_{15-24} = f\ \ 2020_{15-24} \tag{11}$$

We also compute an average scenario. That is, we first multiply the projected headship and homeownership rates in 2030 by population and householders, as we did for the slow and fast

scenarios. Using the average of householders and homeowners, we then recalculate their headship rates and homeownership rates as in the following equations:

$$Household_{fast}2030_{age} = Population2030_{\text{age}} * HSR_{fast}2030_{age} \quad (12)$$

$$Homeowner_{fast}2030_{age} = Household_{fast}2030_{age} * HOR_{fast}2030_{age} \quad (13)$$

$$Household_{slow}2030_{age} = Population2030_{\text{age}} * HSR_{slow}2030_{age} \quad (14)$$

$$Homeowner_{slow}2030_{age} = Homeowner_{slow}2030_{age} * HOR_{slow}2030_{age} \quad (15)$$

$$HSR_{average}2030_{age} = (Household_{fast}2030_{age} + Household_{slow}2030_{age})/Population2030_{\text{age}} \quad (16)$$

$$HOR_{average}2030_{age} = (Homeowner_{fast}2030_{age} + Homeowner_{slow}2030_{age})\ /(Household_{fast}2030_{age} + Household_{slow}2030_{age}) \quad (17)$$

HSR stands for headship rate, and HOR stands for homeownership rate.

## 2040 Projections

For the 2030s, we apply these same 10-year slow and fast age- and race-specific transition rates to the headship and homeownership rates each cohort will reach in 2030. For 2040, we calculate four scenarios. Because our scenario analysis contains both boom and bust periods, we believe we are providing reasonable bounds for 2040.

$$f_{slowfast}2040_{age} = f_{slow}2030_{age} + Transition_{max} \quad (18)$$

$$f_{fastfast}2040_{age} = f_{fast}2030_{age} + Transition_{max} \quad (19)$$

$$f_{slowslow}2040_{age} = f_{slow}2030_{age} + Transition_{min} \quad (20)$$

$$f_{fastslow}2040_{age} = f_{fast}2030_{age} + Transition_{min} \quad (21)$$

For the 15-to-24 age group, we use the following equations to yield race-specific 2020 and 2030 headship and homeownership rates.

$$f_{slowfast}2040_{15-24} = f_{slow}2030_{15-24} \quad (22)$$

$$f_{fastslow}2040_{15-24} = f_{fast}2030_{15-24} \quad (23)$$

$$f_{slowslow}2040_{15-24} = f_{slow}2030_{15-24} \quad (24)$$

$$f_{fastfast}2040_{15-24} = f_{fast}2030_{15-24} \quad (25)$$

We also compute an average scenario for 2040. That is, we first multiply the projected headship and homeownership rates in 2040 by population and householders as in four scenarios. Using the average of householders and homeowners, we then recalculate their headship rates and homeownership rates as in the following equations:

$$Household_{slowfast}2040_{age} = Population2040_{\text{age}} * HSR_{slowfast}2040_{age} \quad (26)$$

$$Homeowner_{slowfast}2040_{age} = Household_{slowfast}2040_{age} * HOR_{slowfast}2040_{age} \quad (27)$$

$$Household_{slowslow}2040_{age} = Population2040_{\text{age}} * HSR_{slowslow}2040_{age} \quad (28)$$

$$Homeowner_{slowslow}2040_{age} = Household_{slowslow}2040_{age} * HOR_{slowslow}2040_{age} \quad (29)$$

$$Household_{fastslow}2040_{age} = Population2040_{\text{age}} * HSR_{fastslow}2040_{age} \quad (30)$$

$$Homeowner_{fastslow}2040_{age} = Household_{fastslow}2040_{age} * HOR_{fastslow}2040_{age} \quad (31)$$

$$Household_{fastfast}2040_{age} = Population2040_{\text{age}} * HSR_{fastfast}2040_{age} \quad (32)$$

$$Homeowner_{fastfast}2040_{age} = Household_{fastfast}2040_{age} * HOR_{fastfast}2040_{age} \quad (33)$$

$$HSR_{average}2040_{age} = (Household_{fastslow}2040_{age} + Household_{fastfast}2040_{age} + Household_{slowfast}2040_{age} + Household_{slowslow}2040_{age})/Population2040_{\text{age}} \quad (34)$$

$$HOR_{average}2040_{age} = \frac{Homeowner_{fastslow}2040_{age} + Homeowner_{fastfast}2040_{age} + Homeowner_{slowfast}2040_{age} + Homeowner_{slowslow}2040_{age}}{Household_{fastslow}2040_{age} + Household_{fastfast}2040_{age} + Household_{slowfast}2040_{age} + Household_{slowslow}2040_{age}} \quad (35)$$

## Headship and Homeownership Rates for the Total Population

For all the years (i.e., 2020, 2030, and 2040), we calculate the overall headship rate for a given racial or ethnic group in two steps. We first aggregate the household numbers using the following equation (using 2040 white households as an example):

$$Household_W2040 = \sum_{i=15-24}^{85+} Household_w2040_i \quad (36)$$

The overall headship rate for white households in 2040 would be

$$HSR_W2040 = \frac{Household_W2040}{Population_w2040} \quad (37)$$

We use the same methodology for homeownership rates. We calculate the overall homeowner numbers and household numbers for each racial and ethnic group and then calculate the homeownership rates. The following two equations summarize the process:

$$Homeowner_W2040 = \sum_{i=15-24}^{85+} Homeowner_w2040_i \quad (38)$$

The overall homeownership rate for white households in 2040 would be

$$HOR_W2040 = \frac{Homeowner_W2040}{Household_w2040} \quad (39)$$

Using the same methodology, we calculate the overall headship rate for an age group in two steps. We first aggregate the household numbers using the following equation (using the 15-to-24 age cohort in 2040 as an example):

$$Household_T 2040_{15-24} = Household_W 2040_{15-24} + Household_B 2040_{15-24} + Household_H 2040_{15-24} + Household_O 2040_{15-24} \quad (40)$$

where W stands for white, B stands for Black, H stands for Hispanic, O stands for other race or ethnicity, and T stands for total, or all races.

The overall headship rate for the 15-to-24 age cohort in 2040 would be

$$HSR_T 2040_{15-24} = \frac{Household_T 2040_{15-24}}{Population_T 2040_{15-24}} \quad (41)$$

The following two equations summarize the homeownership rate calculations for the overall 15-to-24 age group.

$$Homeowner_T 2040_{15-24} = Homeowner_W 2040_{15-24} + Homeowner_B 2040_{15-24} + Homeowner_H 2040_{15-24} + Homeowner_O 2040_{15-54} \quad (42)$$

The overall homeownership rate for 15-to-24-year-old white households in 2040 would be

$$HOR_T 2040_{15-24} = \frac{Homeowner_T 2040_{15-24}}{Household_T 2040_{15-24}} \quad (43)$$

Thus, for all headship and homeownership rate calculations at an aggregate level, we always calculate the sum of the population, households, and homeowners. The ratios are the headship and homeownership rates.

## Projections for Renters

Households are separated into two groups: homeowners and renters. Thus, the total number of renter households ("renters") would be the difference between total households and total homeowning households ("homeowners"). We project renters in all scenarios (fast, slow, and average) for all age groups and racial and ethnic cohorts and aggregate to the total population as well.

# 3. Headship

The headship rate measures the share of the population that is the head of a household. The inverse of the headship rate is the number of people in the household.[3] In this report, we exclude everyone 14 and younger in all calculations. Figure 3.1 shows that the headship rate increased considerably from 1930 to 1980, as the average household size dropped from 2.9 people in 1930 to 2.2 people in 1980. The headship rates have largely leveled out since then. Our topline projection shows that we should stay around the current 46 percent headship level through 2040.

FIGURE 3.1A

**Average Number of People per Household, 1930–2040**

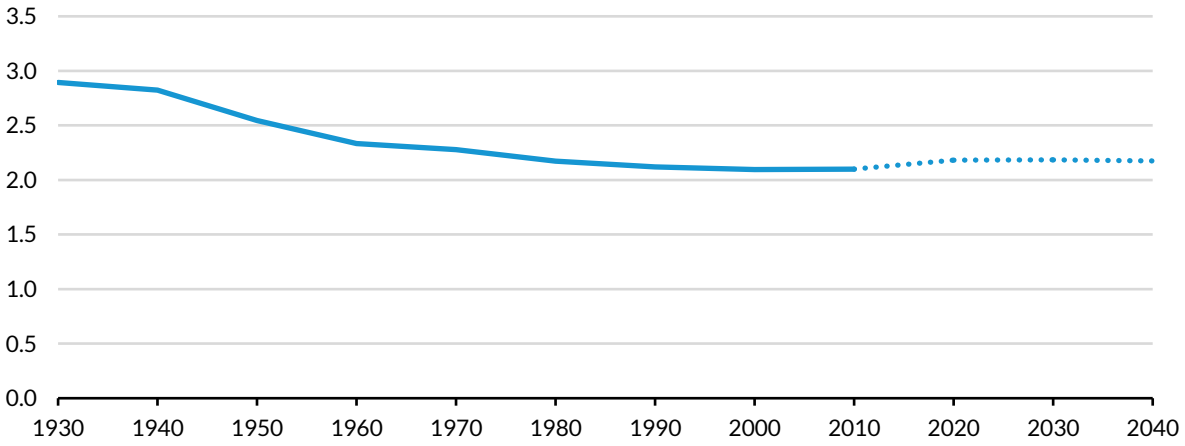
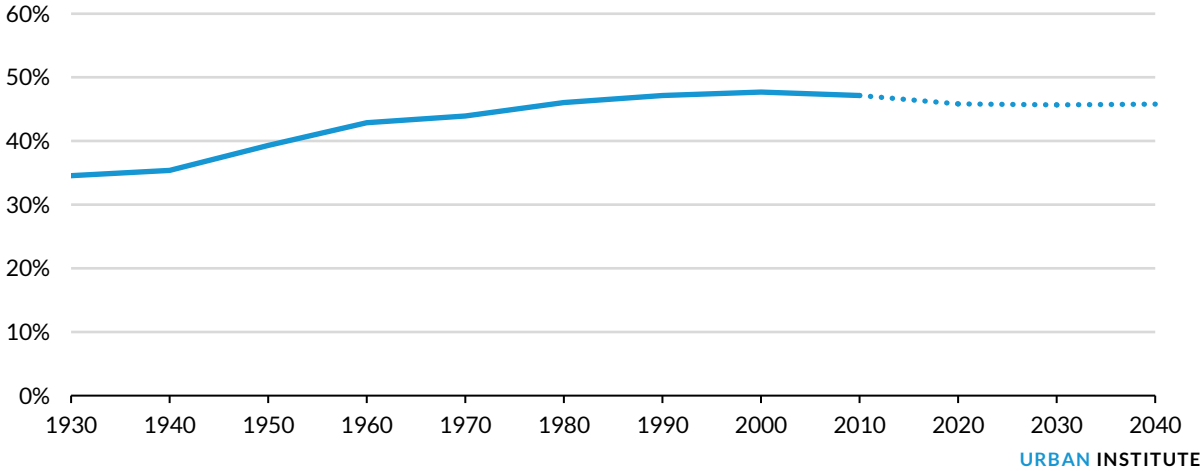



FIGURE 3.1B

**Headship Rate, 1930–2040**



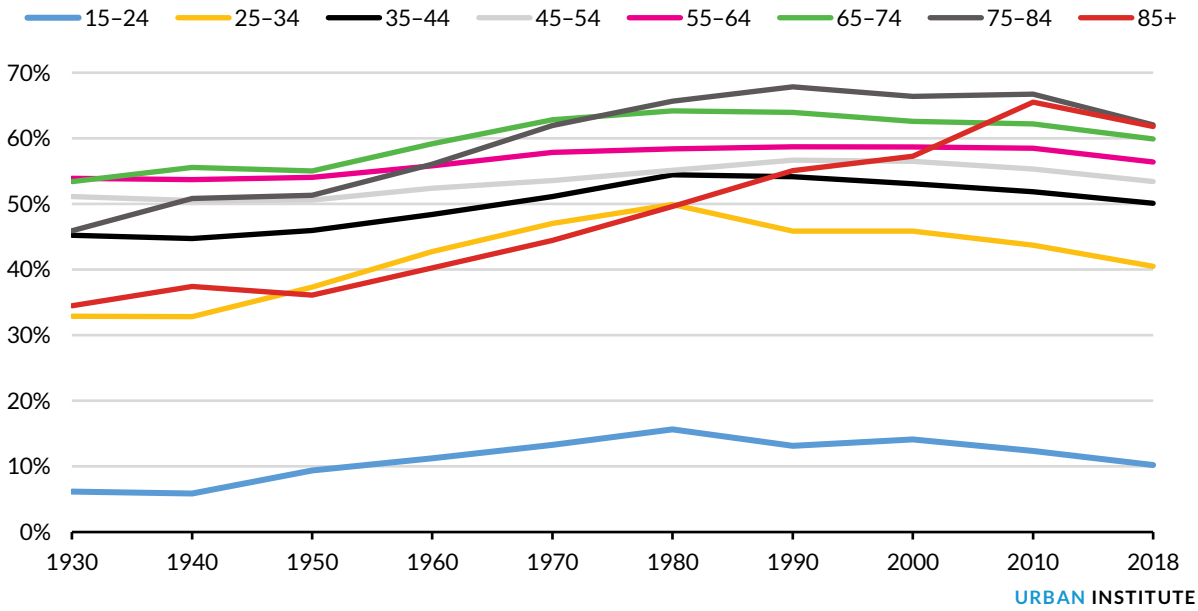

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

# Historical Overview of Headship

The rise then leveling out of the headship rate masks a more complex picture. Figure 3.2 shows the headship level by the age of the household head. We separated the population into 10-year age groups. There are two distinct phases: 1930 to 1980 and 1980 to the present. For the first phase, there is a large increase in the headship rates for most groups. This reflects an increase in the number of adults living outside their family units. In 1940, more than 90 percent of households were family units. By 1980, that number had dropped to 72 percent.[4] In 1940, 76 percent of households were married couples. By 1980, that number had decreased to 58 percent. Moreover, nonfamily households increased significantly from 1940 to 1980, reflecting an increase in the age of first marriage; a decrease in the marriage rate; an increase in the propensity of those who were not married to live alone or with non–family members; an increase in life expectancy, leaving more older adults in single-person households; and a sharp increase in the divorce rate. In short, every indicator pointed to a higher headship rate. For a more complete description of these trends, see Goodman, Pendall, and Zhu (2015).

FIGURE 3.2

**Headship Rate among US Adults Ages 15 and Older, 1930–2018**




**Sources:** Decennial censuses, American Community Surveys, and numbers extracted from Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. 2010. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota.

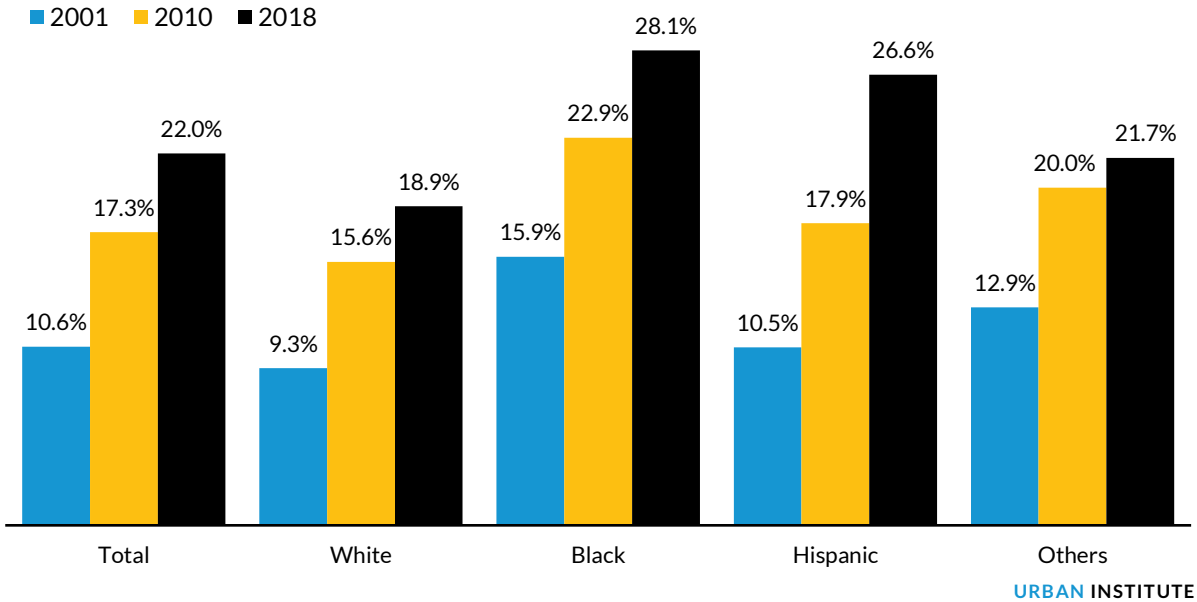
Since 1980, there has been a drop in the headship rate for all groups, particularly for 15-to-54-year-olds. The only group that has not experienced a sharp drop in the headship rate is people ages 85 and older. At first glance, this does not make sense, as many of the earlier trends are still in place.

Our data show that the increase in the median age of first marriage continues to trend higher: for men, it rose from age 24 in 1980 to almost 30 in 2018, and for women, it rose from age 22 in 1980 to age 28 in 2018. Moreover, the marriage rate dropped from 10.6 per 1,000 people in 1980 to 6.5 per 1,000 people in 2018. The divorce rate has trended sharply downward, after peaking around 1980. In 1940, the divorce rate was 0.20 percent; from 1979 to 1982, it peaked at 0.53 percent; and now, it is 0.29 percent, down by almost half from the 1980 level, contributing to a lower headship rate.

But the sharp declines in divorce alone do not explain declines in headship. Other factors are at play. First, more young adults are living with their parents longer. The share of 25-to-34 year-olds living with their parents was fairly stable until the financial crisis, when it began to increase precipitously (Choi, Zhu, and Goodman 2019). Figure 3.3 shows the share of 25-to-34-year-olds who live with their parents, by race or ethnicity, which increased from 10.6 percent in 2001 to 17.3 percent in 2010 to 22.0 percent in 2018. This sharp increase holds for all races and ethnicities.

FIGURE 3.3

**Share of Young Adults Living with Parents, Ages 25–34**




**Sources:** American Community Surveys.

**Note:** The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

Moreover, unmarried people are less apt to live alone and are more likely to live with roommates. Our analysis shows that the share of 25-to-54-year-olds living alone dropped from 18.0 percent in 2005 to 15.7 in 2015 to 15.2 percent in 2018. Living with roommates or relatives increased from 9.5 percent in 2005 to 13.3 percent in 2018.

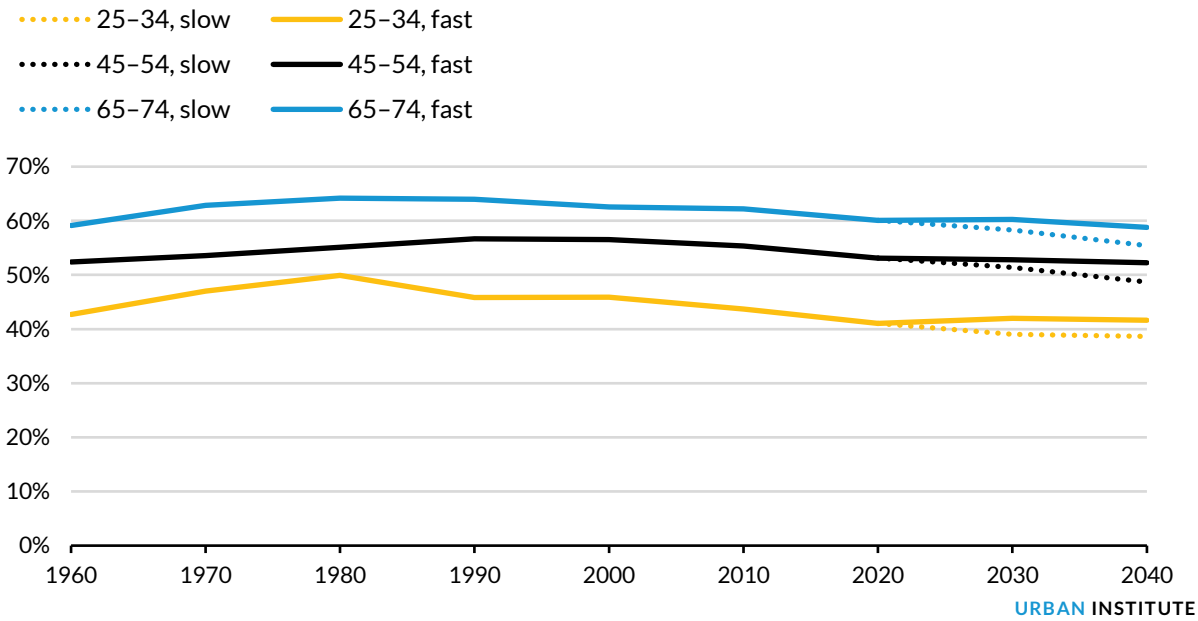
## Headship Forecasts

We forecast our headship results as we describe in the methodology section. The slow and fast results are shown in figure 3.4 for three age groups: 25 to 34, 45 to 54, and 65 to 74. For the 2040 projections, where the assumptions generate four sets of results (slow_slow, slow_fast, fast_slow, and fast_fast), we show the results only for the slow_slow scenario (labeled as "slow") and the fast_fast scenario (labeled as "fast") for simplicity. Our projections broadly suggest the headship rate will be largely constant for the 25-to-34 age group, while continuing to decline for the two older groups. The headship rate for the 25-to-34 age group was 41 percent in 2020, and we project that by 2040, the headship rates for the 25-to-34 age group will be 41.6 percent in the fast scenario and 38.6 percent in the slow scenario.

In contrast, for the two older age groups, the headship rates, even under the fast scenario, are lower than their 2018 levels. Moreover, the ranges are reasonably narrow. For the 45-to-54 age group, the 2020 number was 53.1 percent. For 2030, the range is 51.4 to 52.8 percent, with an average of 52.1 percent, and for 2040, the range is 48.7 to 52.3 percent, with an average of 50.8 percent.

FIGURE 3.4

**Continued Decline in Projected Headship Rates, by Age Group**

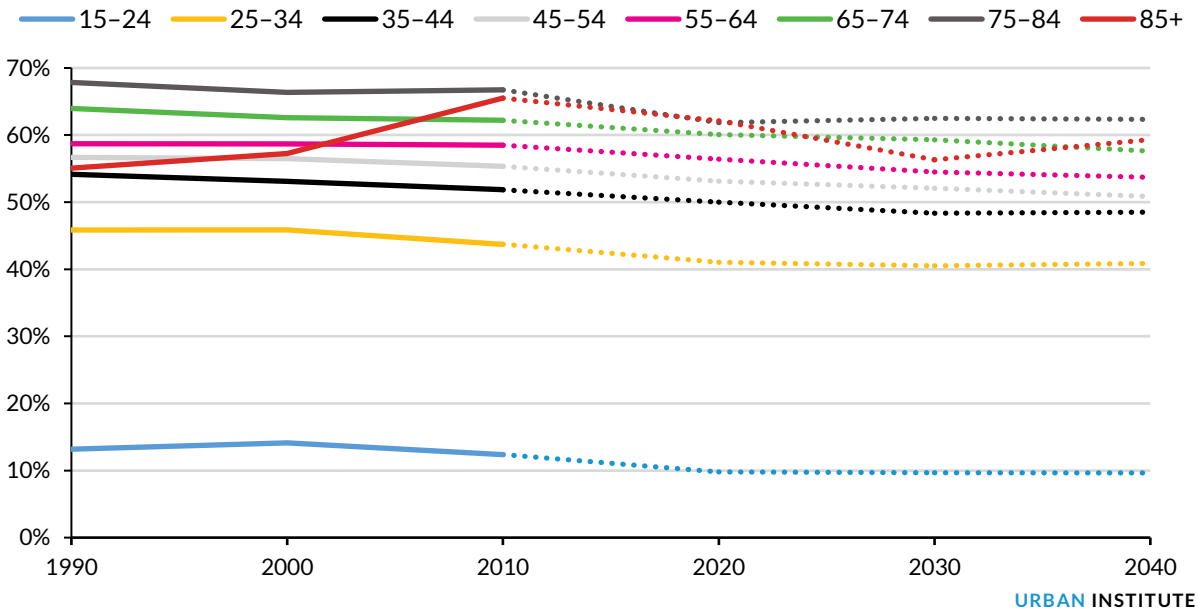



**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

Figure 3.5 shows historical headship rates since 1990, our projections for 2020, and our "average" projections for 2030 and 2040. The projected numbers are indicated by dotted lines. We project that overall headship rates will remain constant in the future, with very small change from 45.8 percent in 2020 to 45.7 percent in 2030 and then to 45.8 percent in 2040. But headship rates for most age groups are dropping. The most pronounced declines in headship rates are among the 45-to-54, 55-to-64, and 65-to-74 age groups. Note that people who are 45 to 74 in 2040 were 15 to 44 in 2010 and were the most heavily affected by the drop in headship caused by the financial crisis. These 45-to-74-year-olds are unable to achieve the headship rates of older cohorts, even 30 years after the end of the crisis.

FIGURE 3.5

**Headship Rates among US Adults Ages 25–84, 1990–2040**



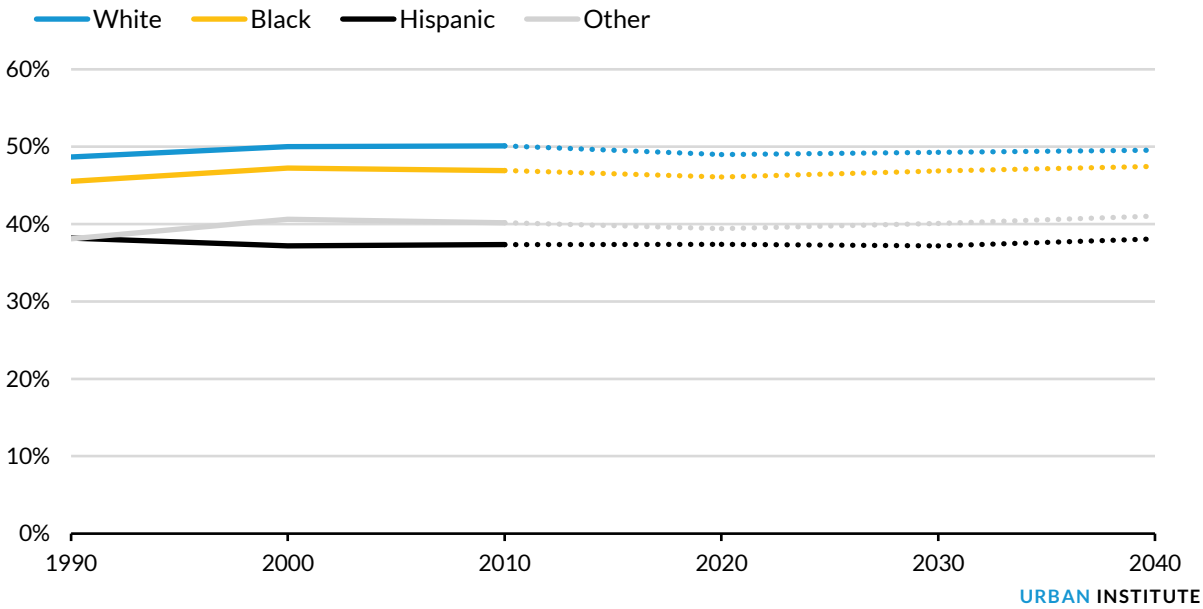

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

Why will the overall headship rate stay constant (figure 3.1) while most age groups will experience lower headship rates going forward? The major reason is the aging of the population. The higher age groups have higher headship rates up to age 84. As the US population ages, the drop in age-specific headship rates is offset by the rise in the share of the population in the older age groups. If we apply the 2018 age composition of the population to our 2030 and 2040 age-specific headship rate projections, the overall 2030 headship rate drops from 45.8 percent to 44.7 percent, and the overall 2040 headship rate drops from 46.0 percent to 44.4 percent.

Thus far, we have focused on headship rates by age group. If we divide headship rates by race and ethnicity, rather than by age, we can make two observations (figure 3.6). First, there are distinct headship rates by race or ethnicity, but these differences stay largely, but not completely, constant. White households have the highest headship rates, followed by Black households and then Asian and other households. Hispanic households have the lowest headship rates. Second, we project that all races will make small headship rate increases in two decades. For example, the headship rate for Black households is expected to rise slightly. The 2020 headship rate for Black households is 46.1 percent, and by 2040, it rises to 47.5 percent. We project a slight increase in headship for Asian and other households as well. These households have a 2020 headship rate of 39.4 percent, which will rise to 40.1 percent in 2030 and 41.0 percent in 2040.

FIGURE 3.6

**Headship Rates among US Adults, All Ages, 1990–2040**




**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections
**Notes:** Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

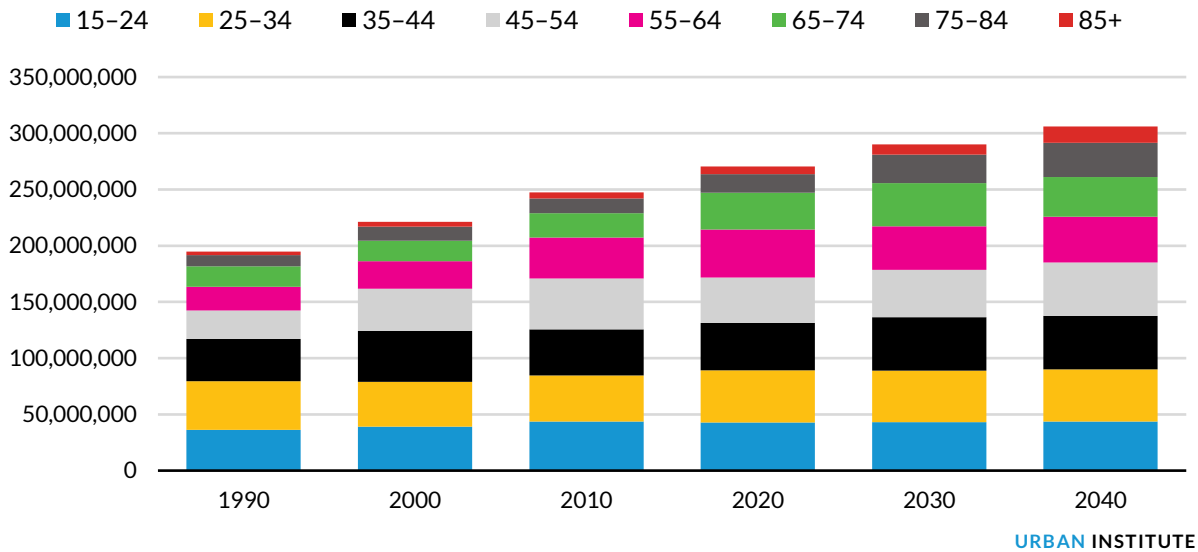
Hispanic, Black, and Asian and other households have lower headship rates than white households (figure 3.6), and nonwhite groups make up increasing shares of the population. Such changes in racial and ethnic composition will also affect overall headship rates. If we apply the 2018 racial and ethnic composition of the population to our 2030 and 2040 race-specific headship rate projections, the overall 2030 headship rate increases from 45.8 percent to 46.2 percent, and the overall 2040 headship rate increases from 46.0 percent to 46.8 percent.[5]

## Household Projections

Our population projections are based on the 2017 National Population Projections Tables (which provide projections out to 2060) middle-series population projections. Figure 3.7 shows the new gains in population by age group over time. By 2030, baby boomers, the youngest members of whom were born in 1964, will all be 65 and older. There will be large gains among 65-to-84-year-olds from 2020 to 2030 and large gains among 75-to-84-year-olds in 2040.

FIGURE 3.7

**Net Gains in Population, All Ages, 1990–2040**

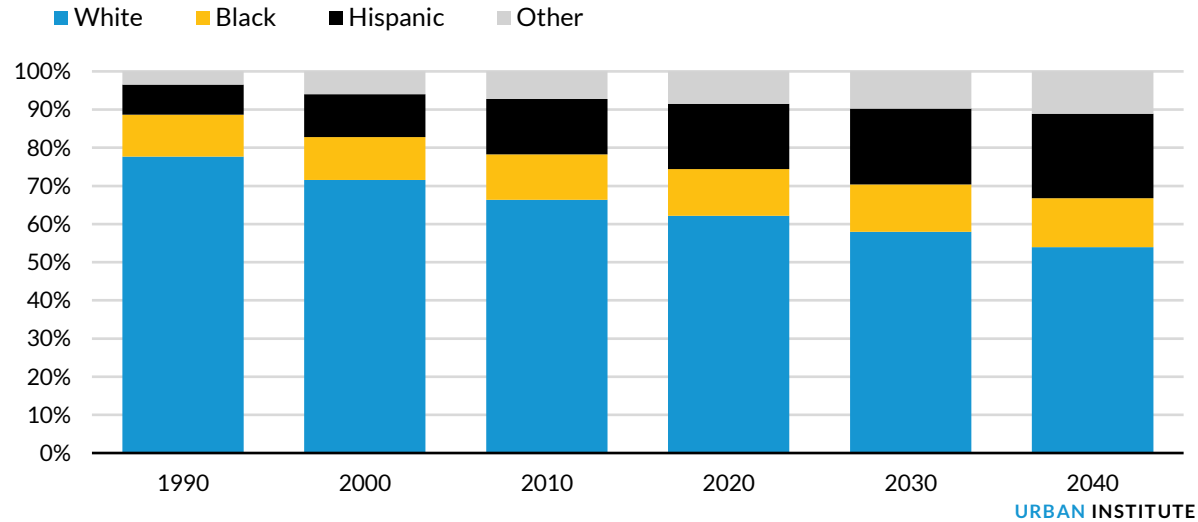



**Sources:** Decennial censuses, American Community Surveys, and 2017 National Population Projections Tables.

A huge expansion of the Hispanic population will shape the US population over the next two decades (figure 3.8). By 2040, almost half the population will be from a community of color: 22 percent Hispanic, 13 percent Black, and 11 percent Asian or other race or ethnicity.

FIGURE 3.8

**Population Distribution, by Race or Ethnicity, 1990–2040**




**Source:** Decennial Censuses, American Community Surveys, and 2017 National Population Projections Tables.
**Notes:** Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

Multiplying the population numbers by our headship rates, we can calculate the number of households through time. The number of net new households (i.e., the difference in the number of households between any given period and the previous period, which we refer to as new household formation) has been declining for the past two decades: 13.7 million new households formed between 1990 and 2000 and 11.2 million new households formed between 2000 and 2010. Projecting forward, slower population growth, together with declining headship rates for nonseniors, will slow new household formation. We estimate that 7.3 million net new households were formed between 2010 and 2020 and that 8.5 million new households will form between 2020 and 2030 and 7.6 million more will form between 2030 and 2040.[6]

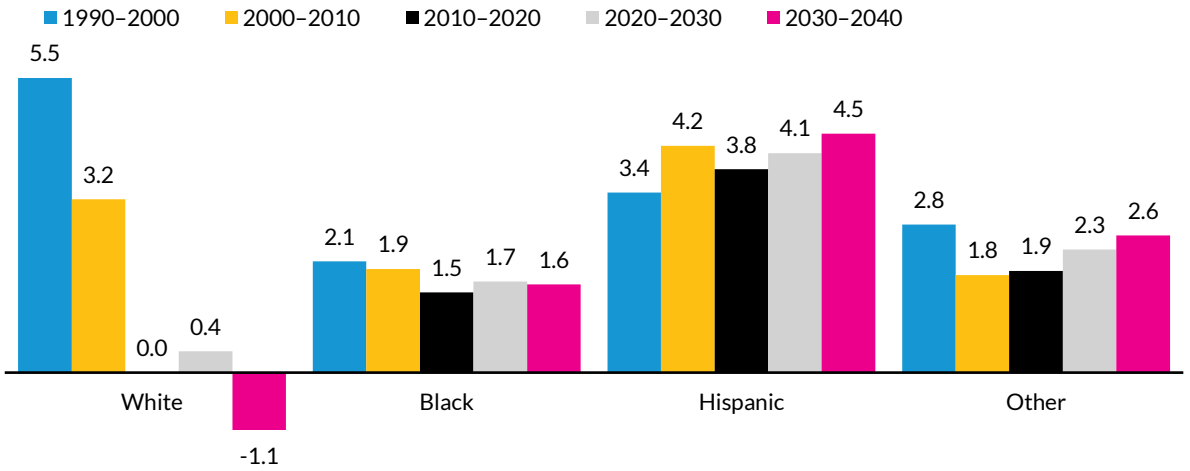
## Household Formation, by Race or Ethnicity

New household formation is not proportionately distributed among racial and ethnic groups. Figure 3.9 shows new household formation by race or ethnicity over time. Between 2010 and 2020, we estimate that 7.3 million net new households were formed. Of these, virtually all new households will be nonwhite: 3.8 million Hispanic households, 1.9 million Asian and other households, and 1.5 million Black households. We anticipate these trends will continue. From 2020 to 2030, we expect 8.5 million new households will be formed, with only 455,000 of these being white. We forecast 1.7 million net new Black households, 4.1 million net new Hispanic households, and 2.3 million net new Asian and other households from 2020 to 2030. Between 2030 and 2040, we expect 7.6 million net new households: a 1.1 million net decrease in white households, a 1.6 million net increase in Black households, a 4.5 million net increase in Hispanic households, and a 2.6 million net increase in other households.

FIGURE 3.9

**Net Household Formation, by Race or Ethnicity, 1990–2040**

*Millions*

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**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.
**Notes:** Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

# Household Formation, by Age

If we look at population projections by age, we observe an overall aging population. Figure 3.10 shows that from 2010 to 2020, the largest growth in the number of households was in the 65-to-74 age group, followed by the 55-to-64 age group. But between 2010 and 2020, there was a net contraction in households younger than 54, especially among 45-to-54-year-olds.

From 2020 to 2030, the largest growth is expected to be in the 75-to-84 age group, followed by the 65-to-74 age group. This reflects the fact that baby boomers were an order of magnitude larger than the silent generation that preceded them. Older boomers (born between 1946 and 1955) transitioned into the 65-to-74 age group between 2010 and 2020 and will transition into the 74-to-85 age group between 2020 and 2030. Younger boomers (born between 1956 and 1964) constitute the second-largest growth group as they age. Although the millennial generation (born between 1981 and 1996) is larger than Gen X (born between 1965 and 1980), the differences in cohort size are more muted.

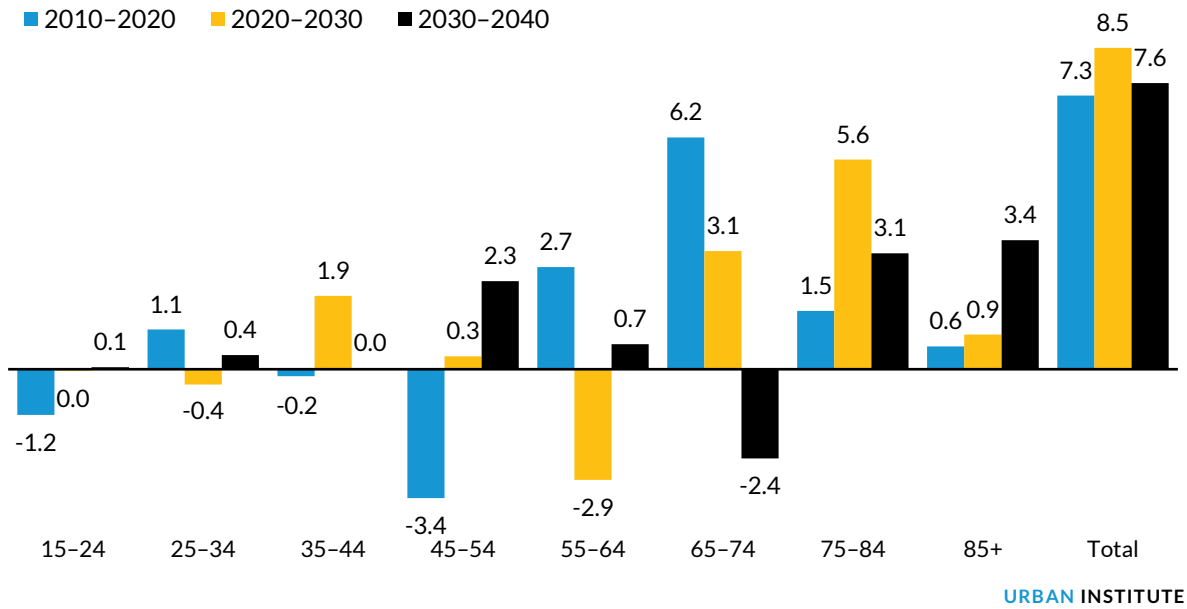
More fundamentally, from 2020 to 2030, the increase in households ages 65 and older is higher than net household formation; the large increase in the number of households simply reflects the aging of the population. In this period, there will be 9.6 million more senior households, versus 8.5 million

more total new households overall. Between 2030 and 2040, the growth of the senior population will still be high but less dominant than between 2020 and 2030. We are projecting 7.6 million total households, and 4.1 million will be senior households.

FIGURE 3.10

**Household Formation, by Age Group, 2010–2040**

*Millions*

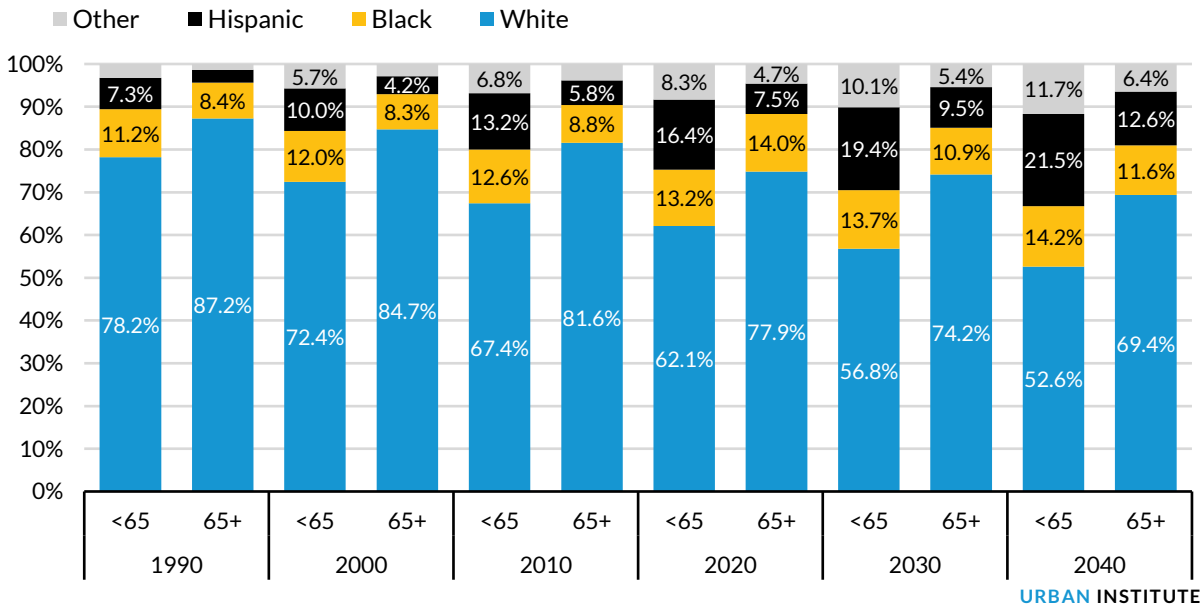



**Sources:** Decennial censuses and Urban Institute projections.
**Notes:** Values for 2020, 2030, and 2040 are projected values.

While the population is aging, the age distribution differs by race and ethnicity. White households are much older than Hispanic, Black, and Asian and other households. If we divide the population at age 65 and look at the composition for each group, as we do in figure 3.11, we find that in 2020, 62.1 percent of people younger than 65 were white and 77.9 percent of people 65 and older were white. And the nonwhite composition of the younger group will rise faster than that of the older group. By 2040, we project the younger group will be 52.6 percent white (a 9.5 percent decrease) and the older group will be 69.4 percent white (an 8.5 percent decrease).[7] The large differences in age distribution by race and ethnicity has enormous implications for homeownership, as we will see in the next section.

FIGURE 3.11

**Household Composition, by Age and Race or Ethnicity, 1990–2040**




**Sources:** Decennial censuses and Urban Institute projections.

**Notes:** Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

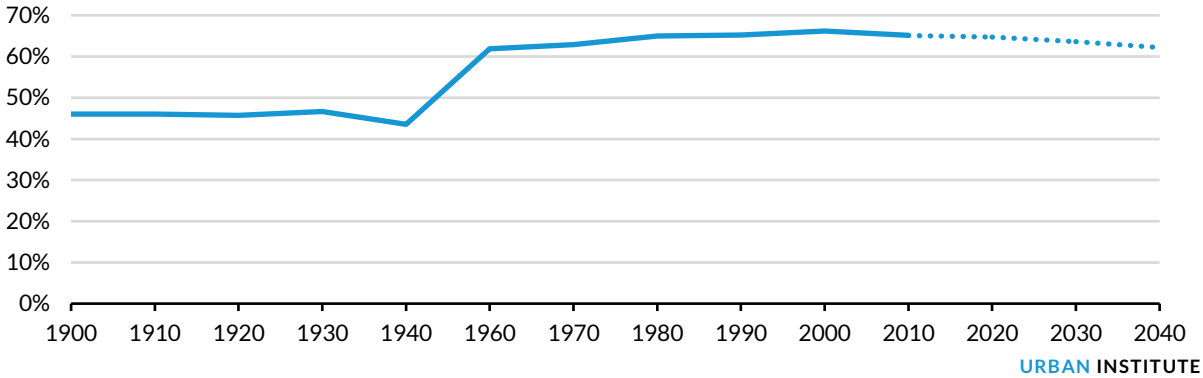
We have now established our projections for the household composition of the nation through 2040. The key components include weak household formation overall with a rapidly aging population. Almost all household growth will be nonwhite, with Hispanic households being the largest contributors. We have now set the stage to look at homeownership rates (the share of households headed by homeowners) going forward.

# 4. Homeownership

A look at the history of the US homeownership rate (figure 4.1) puts the current rate in perspective. Before 1940, less than half of homes were owner occupied. The homeownership rate shot up from 44 percent at the end of the Great Depression to 62 percent by 1960. This was caused by the advent of the low–down payment, 30-year amortizing mortgage created by the Federal Housing Administration; support for veterans under the GI Bill; and increasing incomes (Goodman, Pendall, and Zhu, 2015). Over the next 45 years, the homeownership rate gradually rose from 62 percent in 1960 to a high of 66 percent in 2000 and dropped to 65 percent in 2010. After that, the homeownership rate hovered around 65 percent for the next 10 years. The rate is projected to reach 64.7 percent in 2020. Going forward, we expect a moderate drop in the overall homeownership rate, from 63.6 percent in 2030 to 62.2 percent in 2040. That said, there is plenty of room for policy changes to affect these results, which are discussed below.

FIGURE 4.1

**US Homeownership Rate, 1900–2040**




**Sources:** Laurie Goodman, Rolf Pendall, and Jun Zhu, *Headship and Homeownership: What Does the Future Hold?* (Washington, DC: Urban Institute, 2015), Decennial Censuses, and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

## Historical Overview of Homeownership

Figure 4.2 shows historical homeownership rates by age group, where a more dramatic picture emerges. First, the homeownership rate rose significantly for all age groups from the 1940s to the 1960s, with a more gradual increase through 1980. Since then, the homeownership rate for those younger than 65 has largely declined. In contrast, the homeownership rate for those ages 65 and older has continued to increase.

FIGURE 4.2A

**US Homeownership Rates, by Age Group, 1900–2018**

*All age groups*

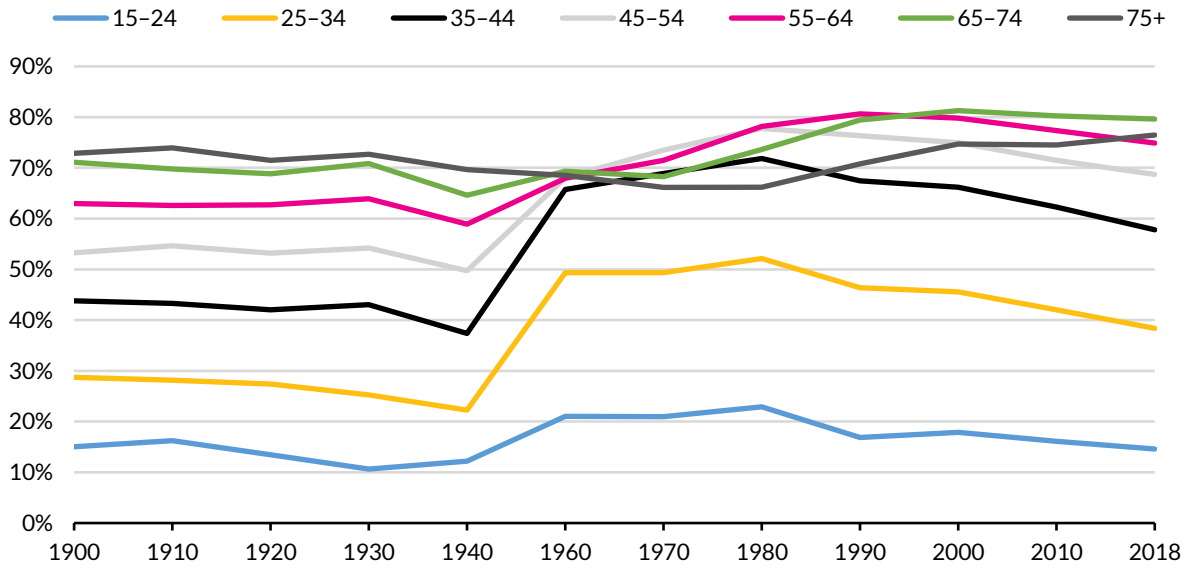



FIGURE 4.2B

**US Homeownership Rates, by Age Group, 1900–2018**

*Ages 15–54*

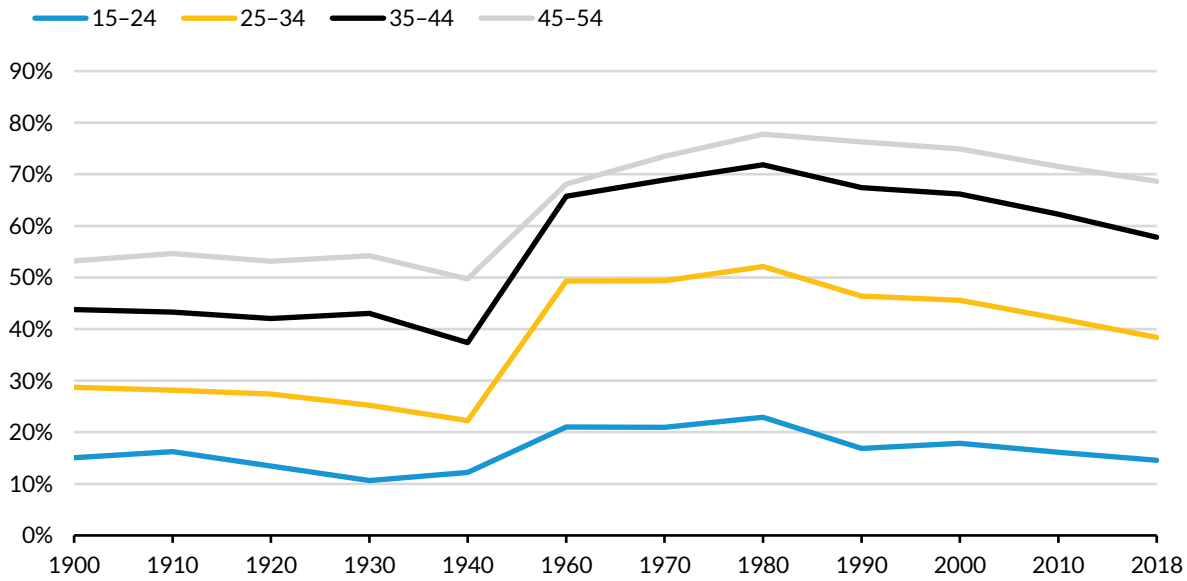
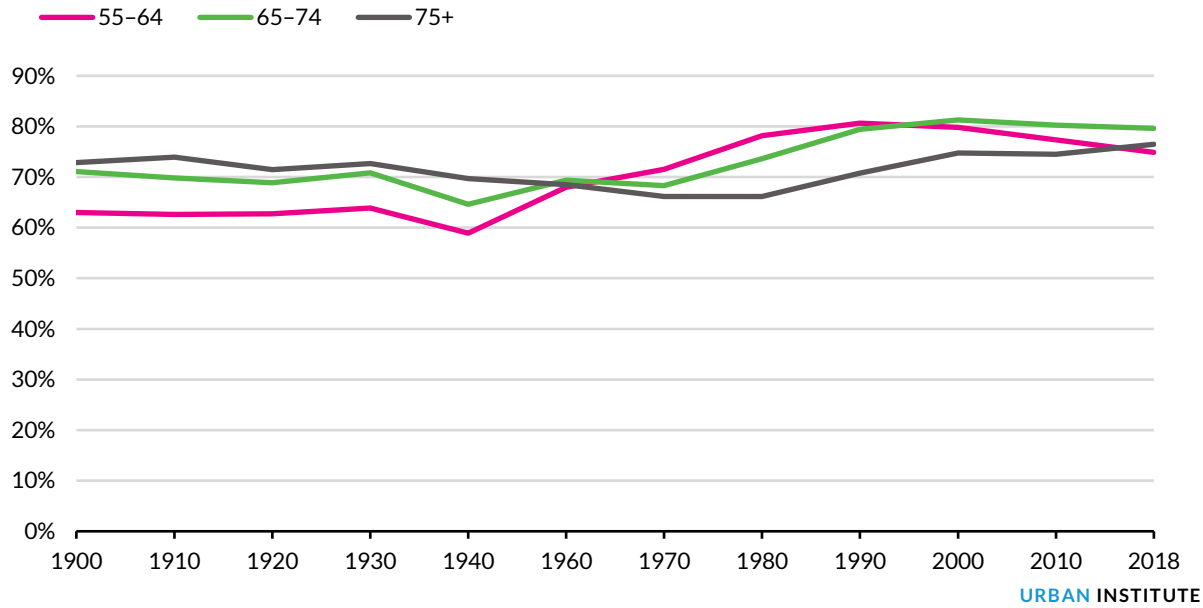


FIGURE 4.2C

**US Homeownership Rates, by Age Group, 1900–2018**

*Ages 55 and older*




**Sources:** Laurie Goodman, Rolf Pendall, and Jun Zhu, *Headship and Homeownership: What Does the Future Hold?* (Washington, DC: Urban Institute, 2015), Decennial censuses, and American Community Surveys.

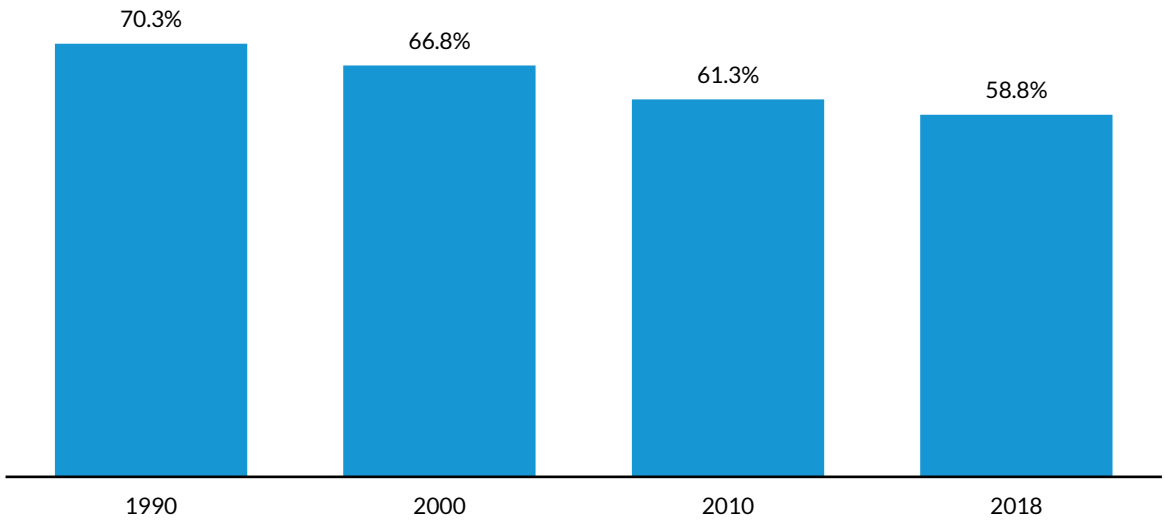
The much lower homeownership rate for the younger age groups in 2018 compared with 1990 is important, as it indicates how delayed each successive age cohort has moved into homeownership. Between 1990 and 2018, the homeownership rate for 25-to-34-year-olds fell from 46.4 percent to 38.4 percent, and the rate for 35-to-44-year-olds fell from 67.4 percent to 57.8 percent. These two groups are usually considered the prime age groups for homebuying. But all groups younger than 65 have been affected (e.g., the rate for 45-to-54-year-olds fell from 76.3 percent to 68.7 percent). The homeownership rate for the 65-to-74 age group was roughly flat over this period, at around 79.5 percent, while the rate for the 75-to-84 age group increased from 72.4 percent to 79.4 percent, and the rate for the 85-and-older age group increased from 63.9 percent to 69.0 percent, as adults are living longer and staying healthier in their senior years, allowing for an extended period to live independently.

The decreasing homeownership rates for the younger age groups are in part because of the increase in the Black, Hispanic, and Asian and other households in these age groups, who have lower homeownership rates than their white counterparts. We address the differences in homeownership by race and ethnicity later.

The decrease in the overall homeownership rate is also because of the increase of the median age at which young adults marry and have children, as well as the sharp drop in the marriage rate overall. Figure 4.3 shows marriage rates among 25-to-54-year-olds in 1990, 2000, 2010, and 2018. Marriage is a key determinant of the homeownership rate (Choi et al. 2019; Goodman and Mayer 2018), adding about 25 percentage points to the homeownership rate.[8]

FIGURE 4.3

**Marriage Rates among 25-to-54-Year-Olds, 1990–2018**

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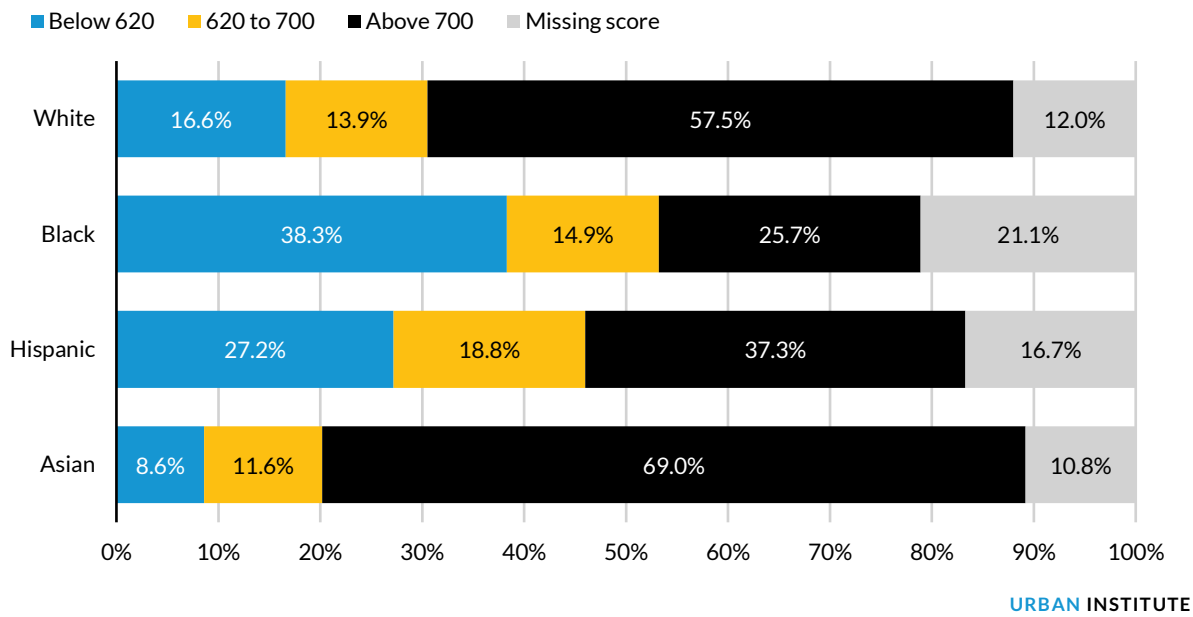
**Sources:** Urban Institute calculations from the 1990, 2000, and 2010 Decennial Censuses and the 2018 American Community Survey.

Tight credit standards have also played a role in homeownership rate declines since 2005. In particular, the credit scores that are required to take out a mortgage have increased dramatically, leaving homeownership out of reach for many households. In particular, Black and Hispanic borrowers have lower credit scores than their white counterparts (figure 4.4) and will compose an even larger share of first-time homebuyers in the coming decades. In addition, debt-to-income ratios have increased as student loan debt has ballooned, increasing households' debt burden, and lenders have become stricter about counting income, decreasing the denominator. This has made it harder for many borrowers to qualify for a mortgage.

FIGURE 4.4

**FICO Scores, by Race or Ethnicity, 2018**



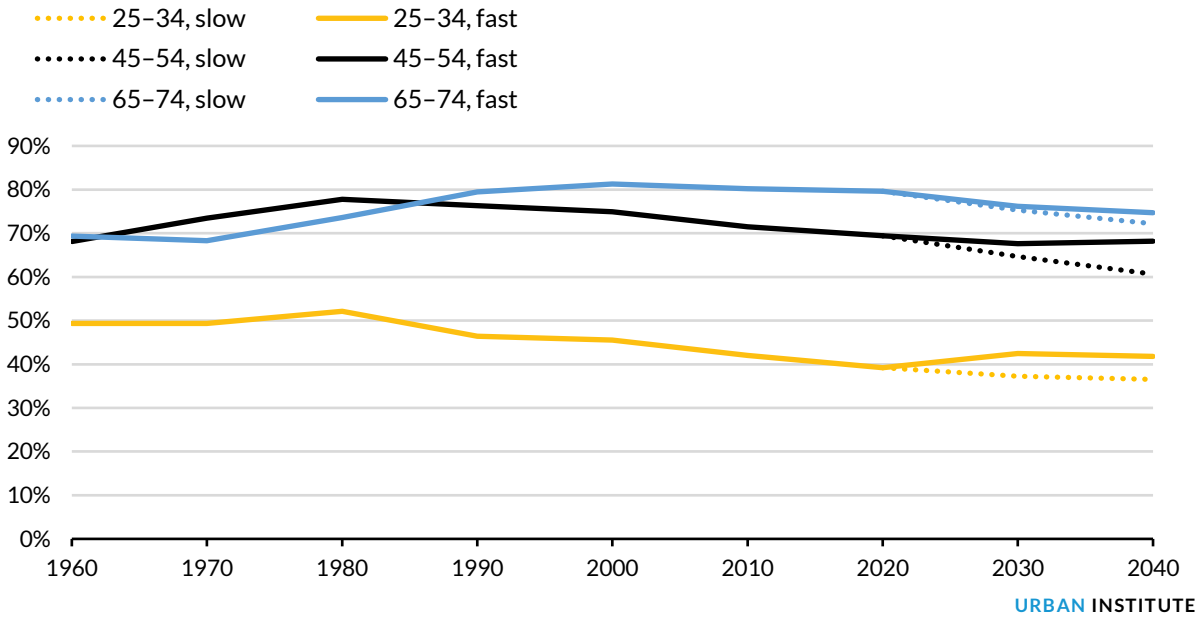

**Source:** Freddie Mac.

# Homeownership Forecasts, by Age

We forecast our homeownership rates according to the methods described in the methodology section. The slow and fast results are shown in figure 4.5 for the 25-to-34, 45-to-54, and 65-to-74 age groups. Our projections broadly suggest that the homeownership rate will be largely constant for the 25-to-34 age group, while continuing to decline for the two older age groups. That is, the homeownership rate for the 25-to-34 age group in the fast scenario for 2040 is higher than the level in 2020, the slow scenario is lower, and the average of the fast and slow is the same as the 2020 level. In contrast, for the two older age groups, the homeownership rates are lower in 2040 than in 2020. For example, for the 45-to-54 age group, the 2020 homeownership rate is 69.4 percent. The 2030 slow and fast scenarios are 64.7 percent and 67.6 percent, for an average of 66.2 percent. The 2040 slow and fast scenarios range from 60.6 percent to 68.2 percent, for an average of 64.4 percent. These ranges are broader than in our headship estimates.

FIGURE 4.5

**Projected Homeownership Rates, by Age Group**

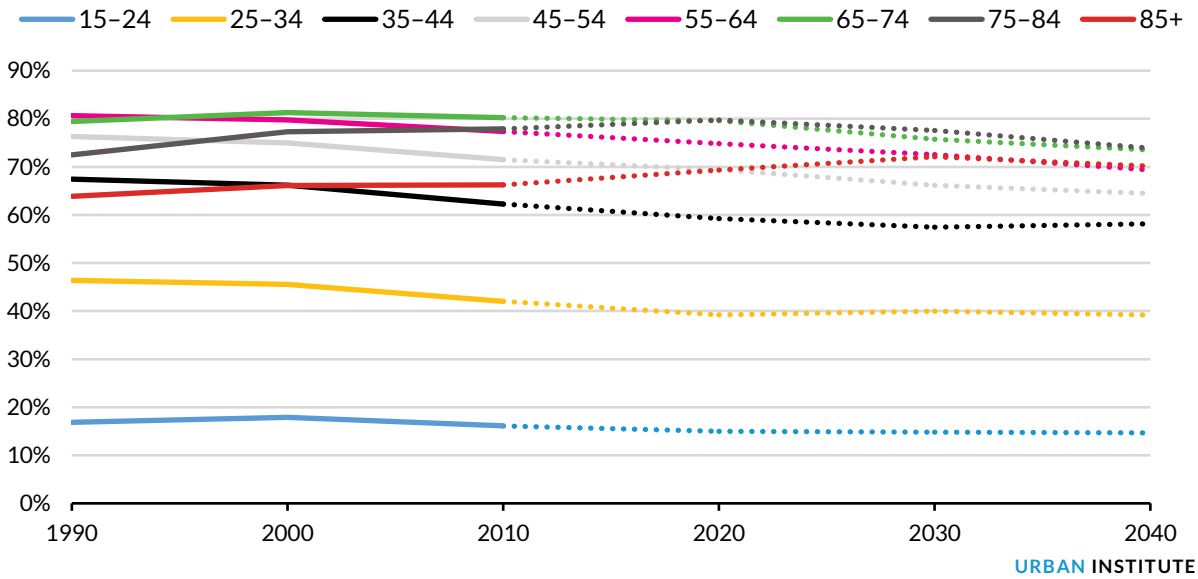



**Sources:** Decennial censuses and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

Figure 4.6 shows historical homeownership rates since 1990, plus our projection for 2020 and the "average" projections for 2030 and 2040. Again, the homeownership rate decline is most pronounced in the 45-to-74 age groups, people who are nearing and entering retirement. People who will be 45 to 74 years old in 2040 were 15 to 44 years old in 2010 and were the most heavily affected by the homeownership decline caused by the financial crisis. Given this starting point, we forecast that these households will be unable to achieve the homeownership rates of previous generations, even 30 years after the crisis and even under our most optimistic scenario. This suggests that the financial crisis has had a long-run structural impact in addition to a short-run cyclical impact.

FIGURE 4.6

**Homeownership Rates, by Age Group, 1990–2040**




**Sources:** Decennial censuses and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

The age composition of the population has a strong effect on homeownership. Although some individual age groups will have lower homeownership rates going forward, the overall drop in the homeownership rate is muted, increasing from 64.0 percent in 2018 to 64.7 percent in 2020 and then dropping to 63.1 percent in 2030 and 62.1 percent in 2040. This reflects the higher homeownership rates of the aging population (homeownership rates peak for 65-to-84-year-olds at just under 80 percent). Thus, the large drop in the age-specific cohort homeownership rate is somewhat masked by the rising age of the population. If we apply the 2018 age composition of the population to the 2030 and 2040 age-specific homeownership rates, the hypothetical homeownership rates for 2030 and 2040 would be 55 percent and 54 percent, respectively, much lower than the projected numbers.

It should be noted that even for the overall homeownership results, the variations across scenarios are wide. Although the homeownership rate for 2040 is 62.1 percent with the average scenario, the range is from 59.3 percent to 65.0 percent. That is, with the current starting point, the actual homeownership rate in 2030 and 2040 is heavily scenario dependent, and under optimistic (fast) scenarios, it could be higher than it is now.[9]

# Homeownership Forecasts, by Race or Ethnicity

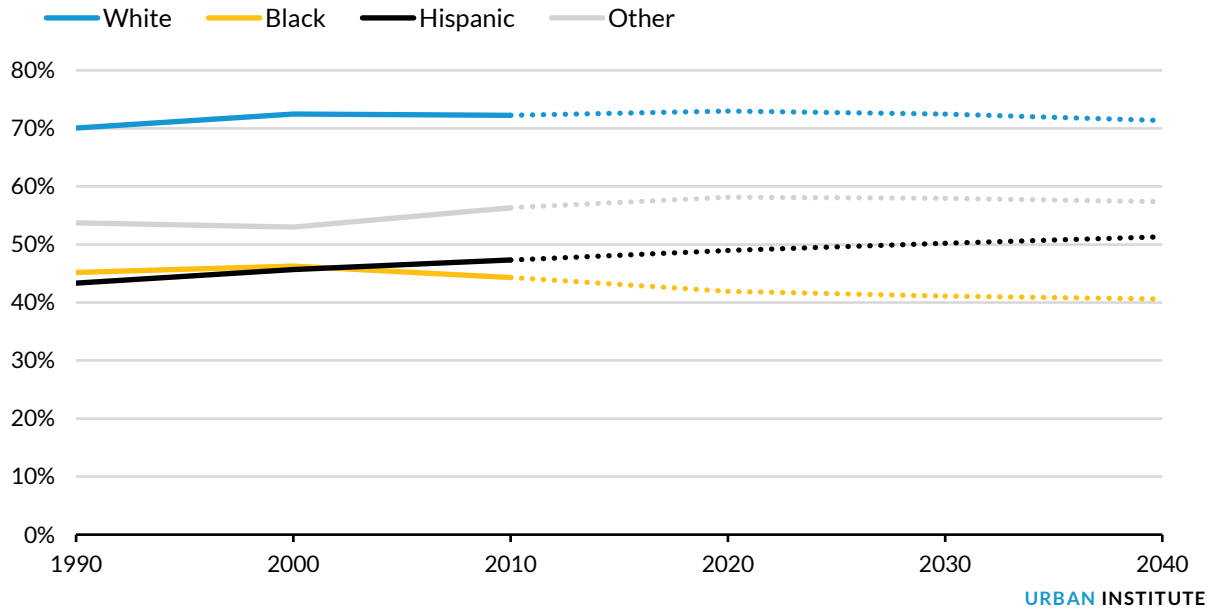
If we divide homeownership rates by race and ethnicity, rather than by age, we see large differences that vary considerably over time (figure 4.7). White households have the highest homeownership rates, followed by Asian and other households, Hispanic households, and Black households.

In 1990, the Black homeownership rate was 2 percentage points higher than the Hispanic homeownership rate, but the Hispanic homeownership rate gradually surpassed the Black homeownership rate. In fact, the gap had expanded to 7 percentage points by 2020, reflecting both large gains in Hispanic homeownership and large drops in Black homeownership. In the following two decades, we expect these trends to continue: the Hispanic homeownership rate will increase from 49 percent in 2020 to 51.3 percent by 2040, while the Black homeownership rate will slide from 41.9 percent in 2020 to 40.6 percent by 2040.

The homeownership rates for white households and Asian and other households are constant over time. We expect the white homeownership rate to stay constant at 71 to 72 percent and the Asian and other homeownership rate to stay constant at 57 to 58 percent.

FIGURE 4.7

**Homeownership Rates, by Race or Ethnicity, 1990–2040**




**Sources:** 1990–2010 Decennial Censuses and 2007–2018 American Community Surveys.
**Notes:** Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

Figure 4.8 further breaks this down by age group: younger than 65 and 65 and older. For Black households, the largest drops have already occurred in the younger category. The average homeownership rate dropped in two decades, from 42.9 percent in 2000 to 36.3 percent in 2020. We expect the homeownership rate for this category to remain fairly constant going forward, with our projection of 35.5 percent for 2040. But between 2020 and 2040, Black households 65 and older, which experienced a modest drop in the homeownership rate, will experience a more dramatic drop. The average homeownership rate of Black households 65 and older will drop from 61.5 percent in 2020 to 52.5 percent in 2040.

Hispanic households will see continued increases in the homeownership rate for both age groups. For Hispanic households younger than 65, we project the homeownership rates will increase from 46.1 percent in 2020 to 48.4 percent in 2040. A more detailed breakdown of homeownership rates by race or ethnicity and age can be found in appendix table A.5.

FIGURE 4.8A

**Homeownership Rates, by Race or Ethnicity, 1990–2040**

*Younger than 65*

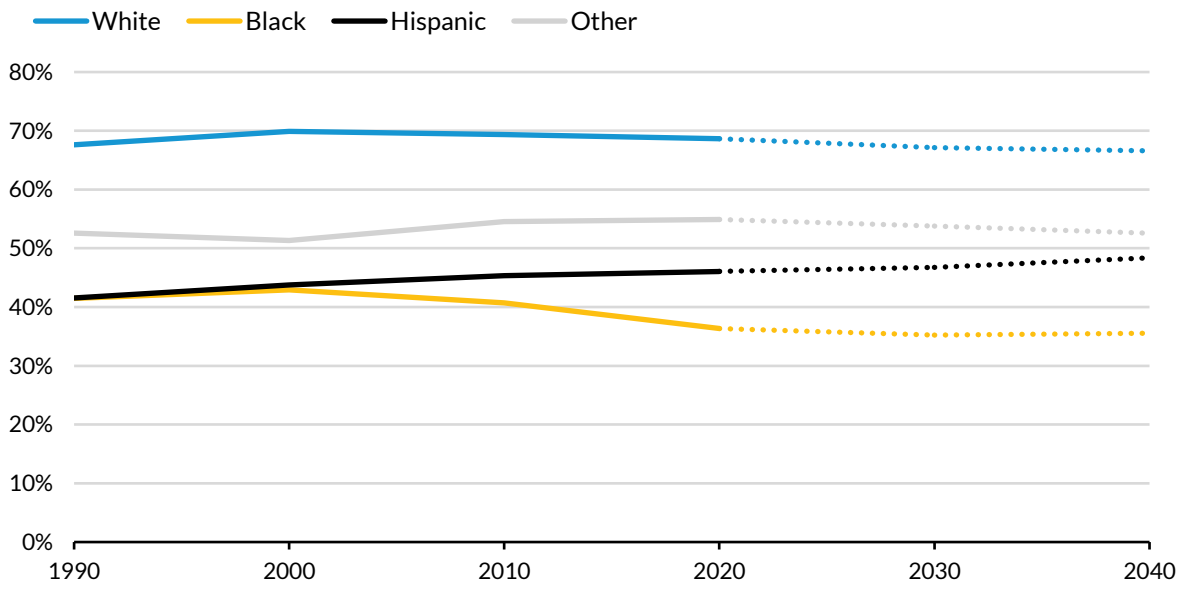
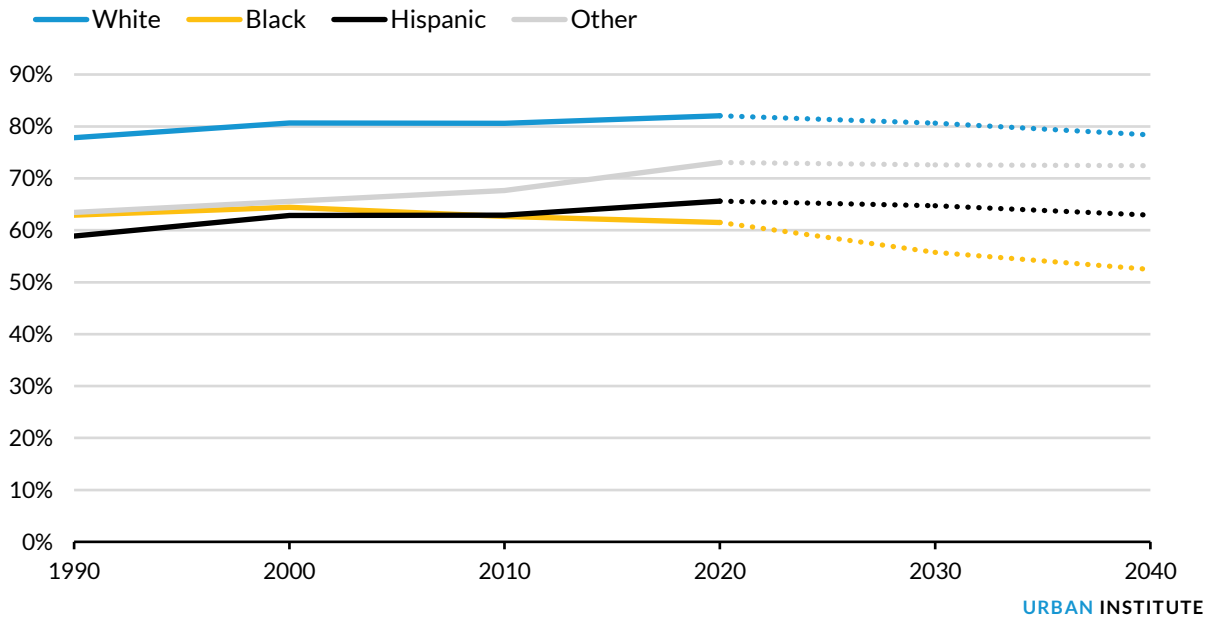



FIGURE 4.8B

**Homeownership Rates, by Race or Ethnicity, 1990–2040**

*65 and older*




**Sources:** 1990–2010 Decennial Censuses and 2007–2018 American Community Surveys.

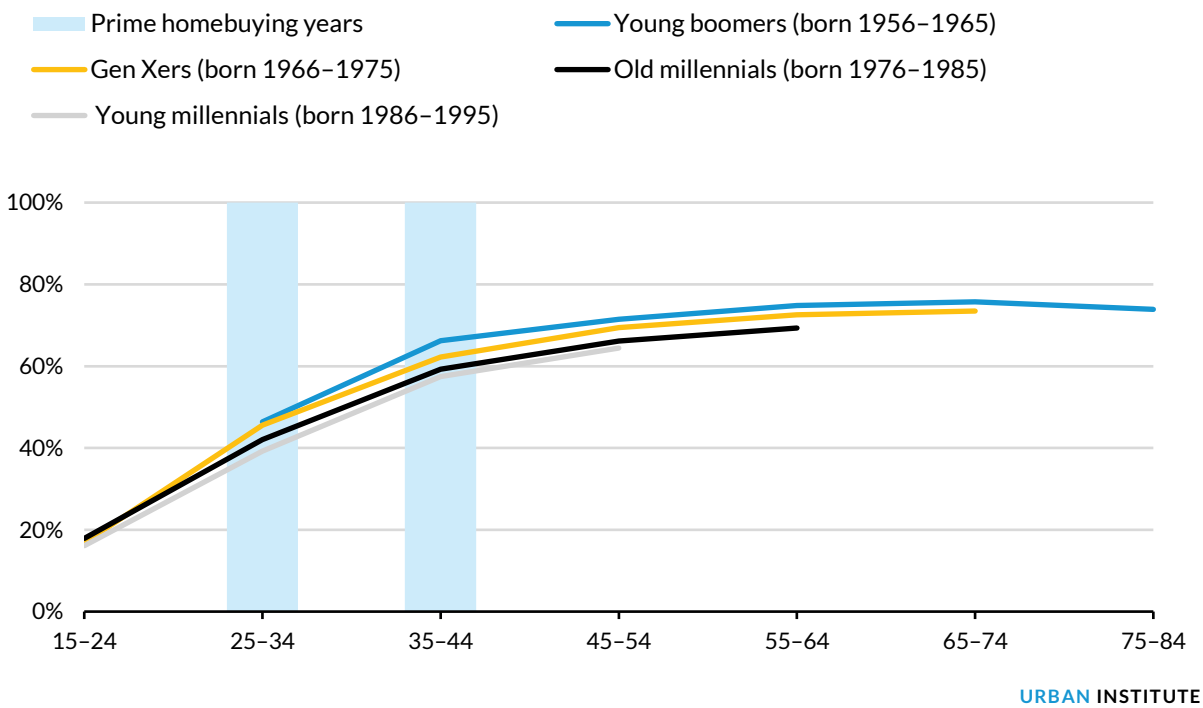
**Notes:** Values for 2020, 2030, and 2040 are projected values. The "Other category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

If we focus on homeownership rate differences between white, Black, and Hispanic households (i.e., the homeownership gaps), there are three observations. First, the overall homeownership gap between white and Black households will widen slightly between 2020 and 2040. But the widening will be particularly dramatic for the 45-to-74 age groups. For example, from 2020 to 2040, we project the homeownership gap between white and Black households in the 55-to-64 age group will increase from 29.8 percent to 33.3 percent. Second, the overall homeownership gap between white and Hispanic households will narrow, from 24 percent in 2020 to 20 percent in 2040. Moreover, the narrowing will occur in most age groups. Third, the homeownership gap between Hispanic and Black households will increase from 7.0 percent in 2018 to 10.7 percent by 2040.

Another way to look at homeownership rates over time is to examine homeownership rates by birth cohorts at different ages. Figure 4.9 compares the homeownership rates of young boomers, Gen Xers, and young and old millennials as they age from 15 to 84. This figure also includes our projections. Millennials have lower homeownership rates than previous generations at the same age for several reasons. One is racial and ethnic diversity, as there are more Hispanic and Black millennial households than in previous generations, and we know that nonwhite households have homeownership rates almost 15 percentage points lower than white households. Moreover, millennials are more likely than previous generations to delay marriage and childbearing, life changes that frequently lead to homeownership (Choi et al. 2018).

FIGURE 4.9

**Homeownership Rates of Total Households, by Generational Cohort and Age Group**




**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

Figure 4.10 further breaks this down by race and ethnicity. For white households, the homeownership rates are lower for every successive generation, but the differentials are small. For Black households, the homeownership rates are lower for every successive generation, and the differentials are larger. Black millennials seem to be faring much worse relative to their older cohorts. We estimate that when older Black millennials are on the cusp of retirement, at ages 55 to 64, in 2040, they will have a homeownership rate of just 45 percent, significantly lower than the 51 percent of young Black boomers and the 50 percent of Black Gen Xers.

In contrast, the homeownership rates for Hispanic households and Asian and other households seem to be fairly constant across groups, with some small but notable differences. Young Hispanic millennials track Gen Xers closely, while older millennials fare slightly worse. Asian and other Gen Xers actually outpace older boomers.

FIGURE 4.10A

**Homeownership Rates, by Generational Cohort and Age Group**

*White households*

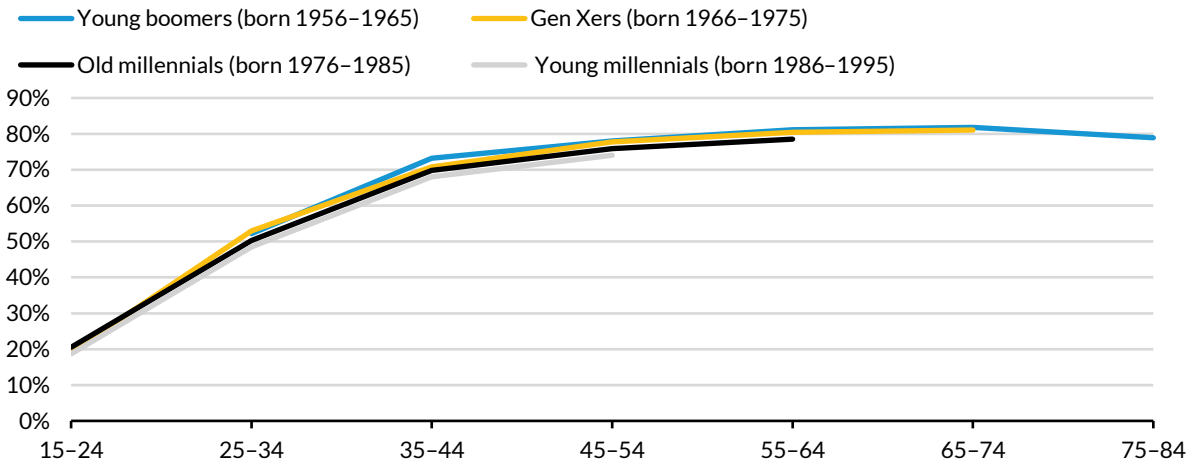



FIGURE 4.10B

**Homeownership Rates, by Generational Cohort and Age Group**

*Black households*

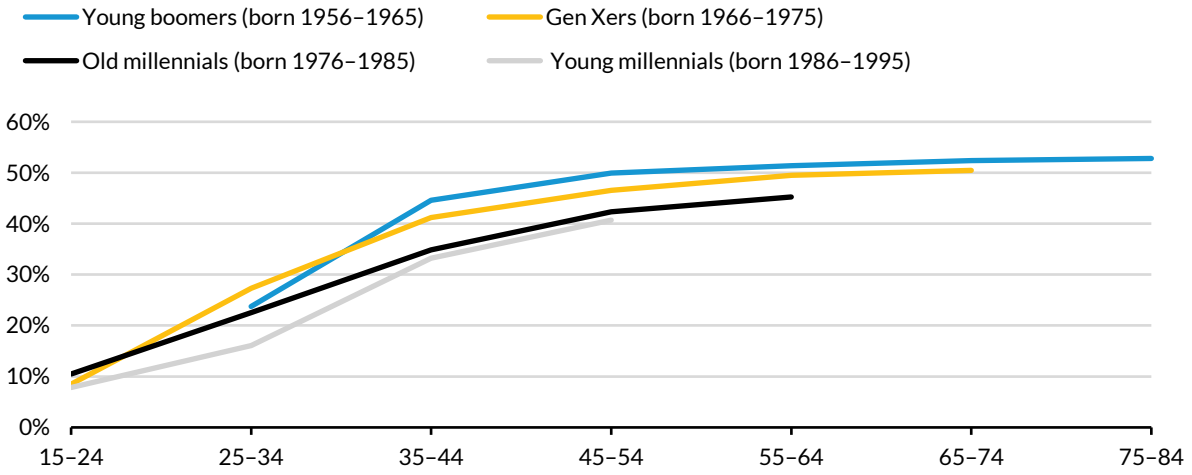


FIGURE 4.10C

**Homeownership Rates, by Generational Cohort and Age Group**

*Hispanic households*

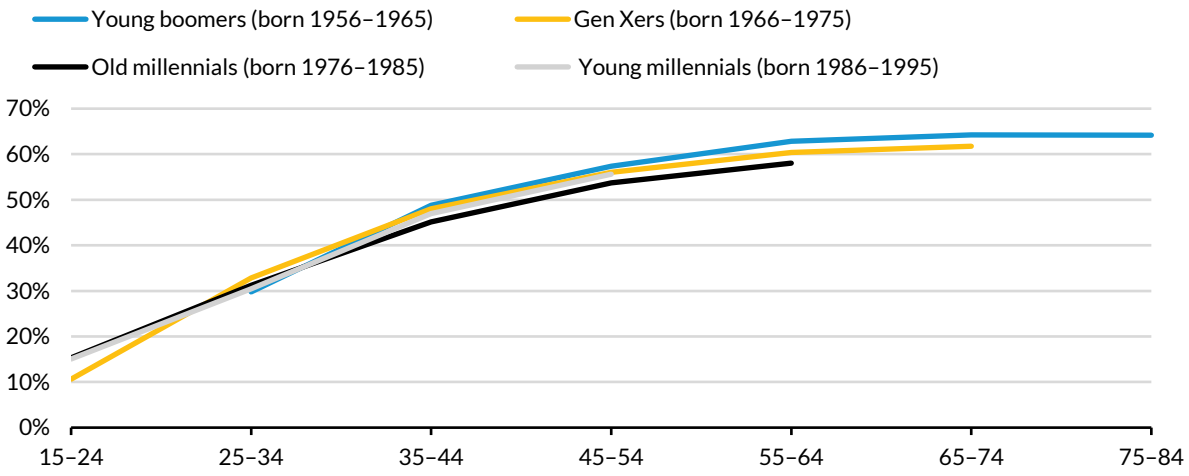
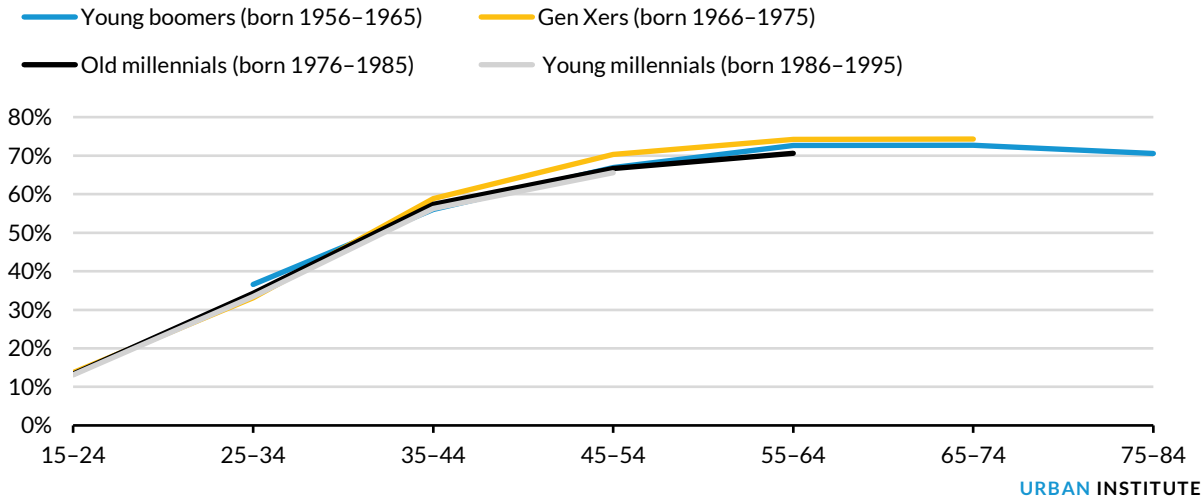



FIGURE 4.10D

**Homeownership Rates, by Generational Cohort and Age Group**

*Asian and other households*




**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

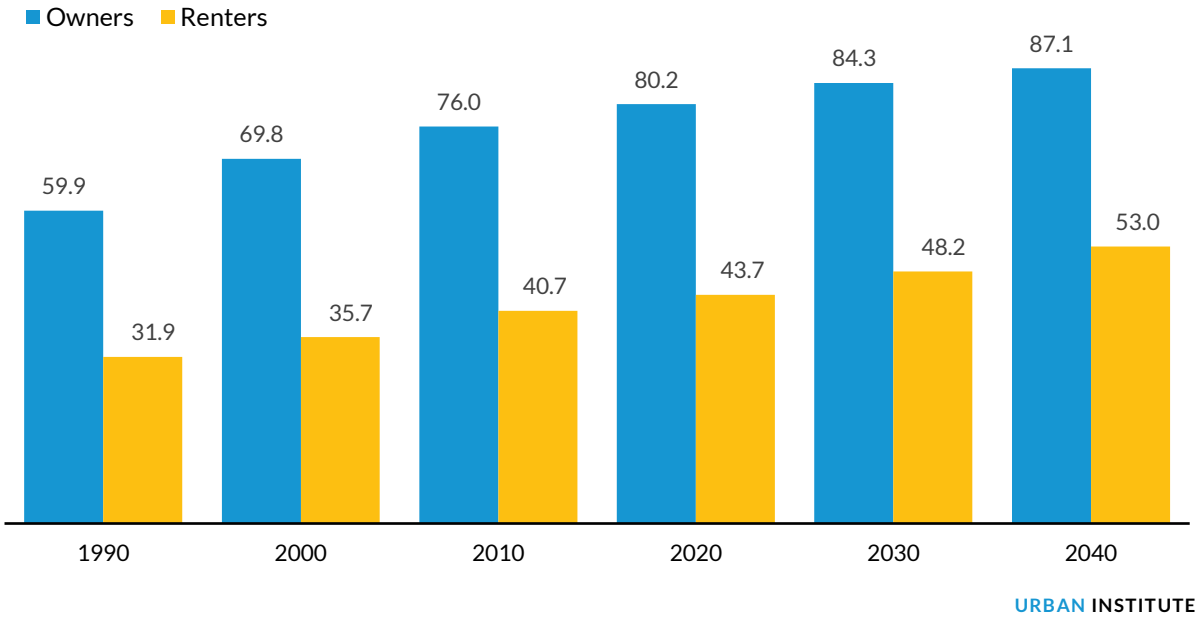
# Projections: Number of Homeowner versus Renter Households

The implications of this analysis are dramatic. Although the homeownership rate decline is small (from 64.7 percent to 62.2 percent between 2020 and 2040), the difference in the number of owning and renting households is large. We expect the number of homeowner households to increase from 80.2 million to 84.3 million between 2020 and 2030 and to 87.1 million in 2040, an 8.6 percent increase in two decades (figure 4.11). In contrast, we expect the number of renter households to increase from 43.7 million to 48.2 million between 2020 and 2030 and to 53.0 million in 2040, a 21.2 percent increase over the two decades. The increase in renter households will be predominantly older renters, with particularly large increases among older Black and Hispanic renters.

FIGURE 4.11

**Total Owners and Renters, 1990–2040**

*Millions*




**Sources:** Decennial censuses and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

If we break this down by race and ethnicity, the results are particularly significant (figure 4.12). The net number of white homeowner households is expected to decrease from 60.1 million to 58.3 million between 2020 and 2040. The net gain in nonwhite homeowners will be 8.7 million over the next two decades—the 6.9 million net increase in total homeowners plus the 1.8 million household drop among

white homeowners. Of the 8.7 million additional nonwhite homeowners, 4.8 million are expected to be Hispanic families, 2.7 million are expected to be Asian and other families, and 1.2 million are expected to be Black families. **Stated differently, of the 6.9 million new homeowner households, 70 percent will be Hispanic, 38 percent will be Asian or another race or ethnicity, and 17 percent will be Black. White households will experience a 24 percent decline.**

FIGURE 4.12A

**Total Owners and Renters, by Race or Ethnicity, 1990–2040**

*White households (millions)*

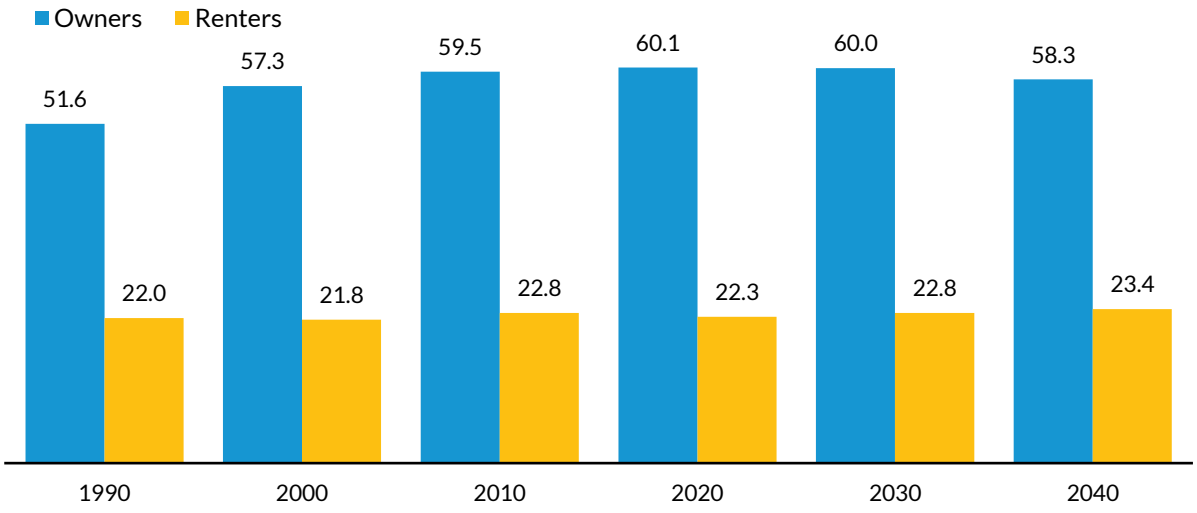



FIGURE 4.12B

**Total Owners and Renters, by Race or Ethnicity, 1990–2040**

*Black households (millions)*

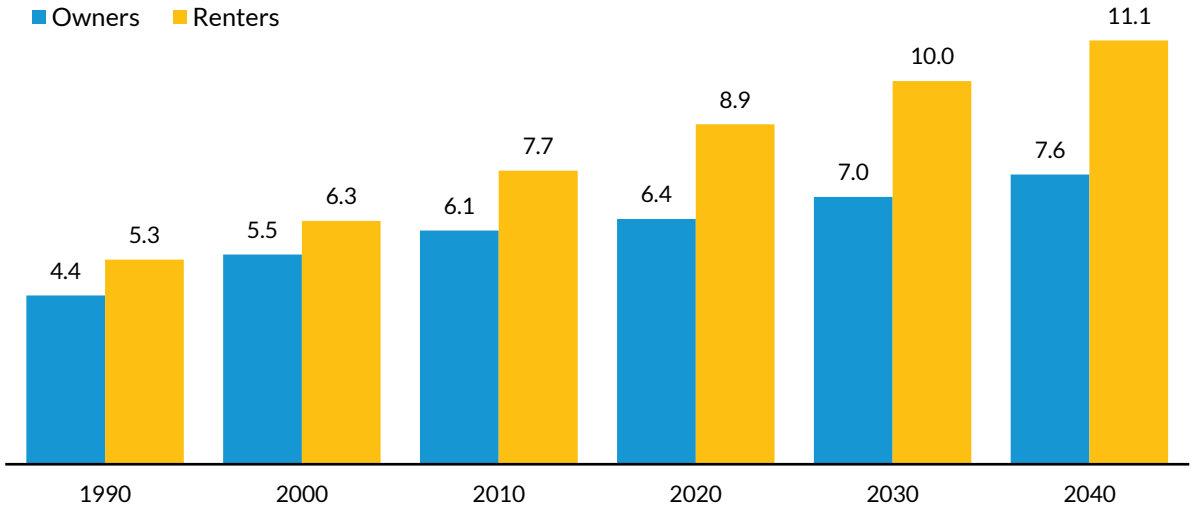


FIGURE 4.12C

**Total Owners and Renters, by Race or Ethnicity, 1990–2040**

*Hispanic households (millions)*

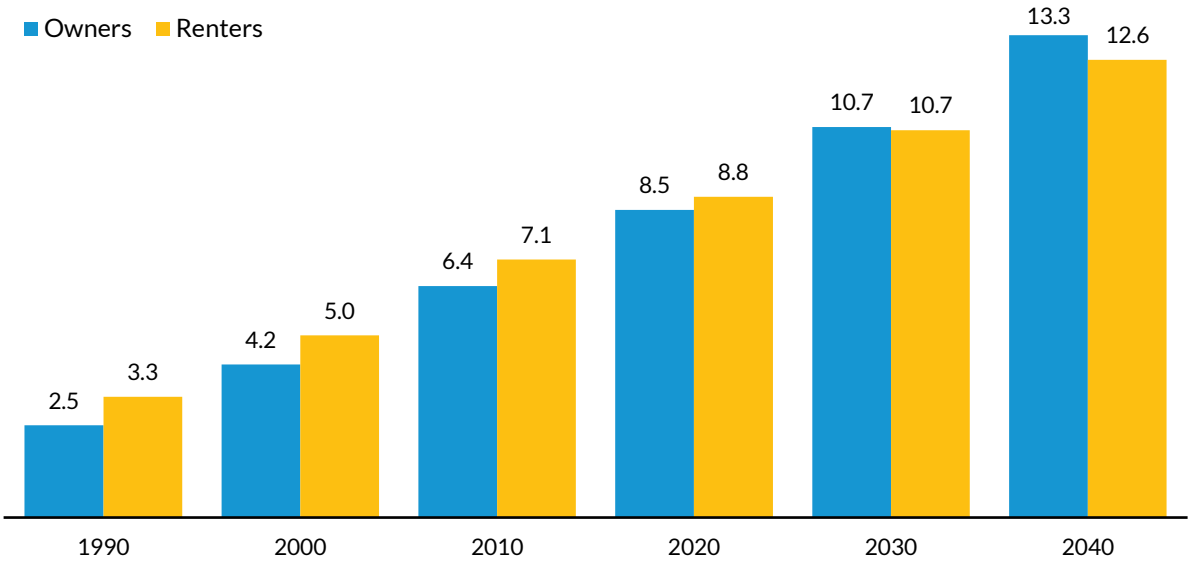
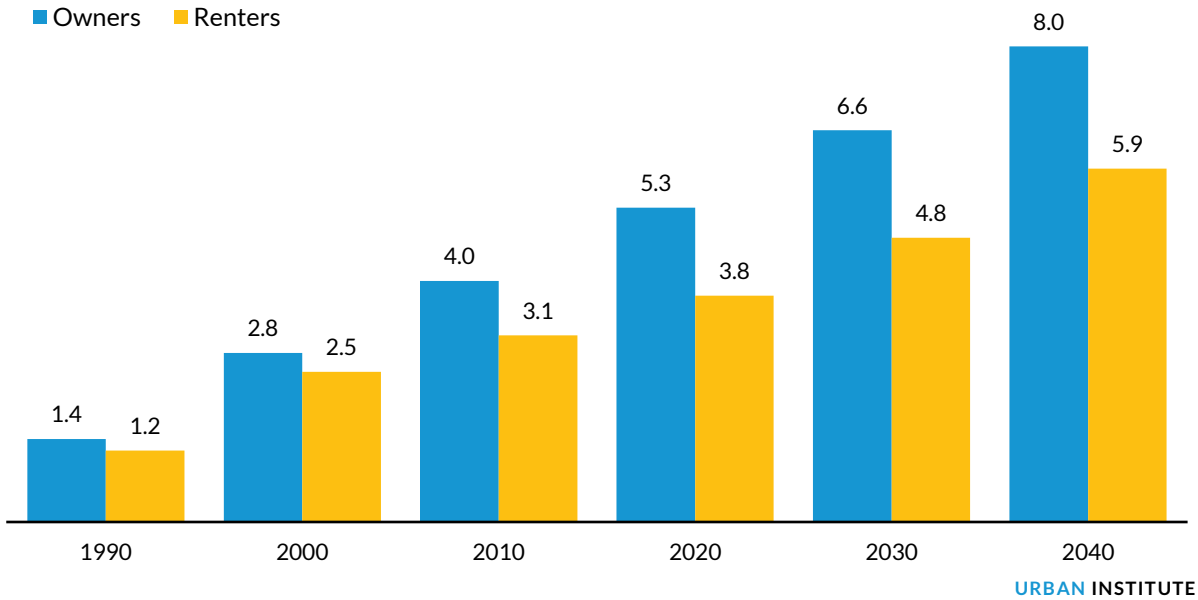



FIGURE 4.12D

**Total Owners and Renters, by Race or Ethnicity, 1990–2040**

*Asian and other households (millions)*




**Sources:** Decennial censuses and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

We further divide the owners and renters by age (younger than 65 and 65 and older), which reveals four important points. First, the decline in the white homeownership numbers will occur almost entirely among those younger than 65 because there will be an absolute contraction in the number of white households younger than 65, from 38.3 million to 32.3 million between 2020 and 2040 (figure 4.13).

Second, the rapid increase in nonwhite homeownership will occur for both households younger than 65 and those 65 and older, though the numbers will vary by race and ethnicity. We expect sizable growth in the number of Black households, from 15.3 million in 2020 to 18.6 million in 2040. Of the 3.4 million projected new households, 2.2 million of the increase will have household heads 65 and older and 1.2 million will have household heads younger than 65; 1.2 million will be homeowners, and 2.2 million will be renters. The new homeowners are more likely to be 65 and older, thanks to the decline in the number of young white households, as well as the low homeownership rates for young Black families. Of the 4.8 million new Hispanic homeowners, 2.7 million will be younger than 65, and 2.1 million will be 65 and older. The pattern for Asian and other households looks similar to that for Hispanic households. Of the 2.7 million new Asian and other homeowners, 1.6 million will be younger than 65, and 1.1 million will be 65 and older.

Third, the number of renter households will rise faster than the number of nonwhite households. The number of white renters will increase just 5.2 percent between 2020 and 2040 (from 22.3 million to 23.4 million), compared with 24.7 percent, 42.7 percent, and 56.1 percent, respectively, for Black renters (8.9 million to 11.1 million), Hispanic renters (8.8 million to 12.6 million), and Asian and other renters (3.8 million to 5.9 million).

Fourth, the increase in renter households between 2020 and 2040 for all racial and ethnic groups will be dominated by older households. For Black households, more than half of the 2.2 million new renter households that will form between 2020 and 2040 will be 65 and older.

FIGURE 4.13A

**Total Owners and Renters, by Age and Race or Ethnicity, 1990–2040**

*White households younger than 65 (millions)* *White households 65 and older (millions)*

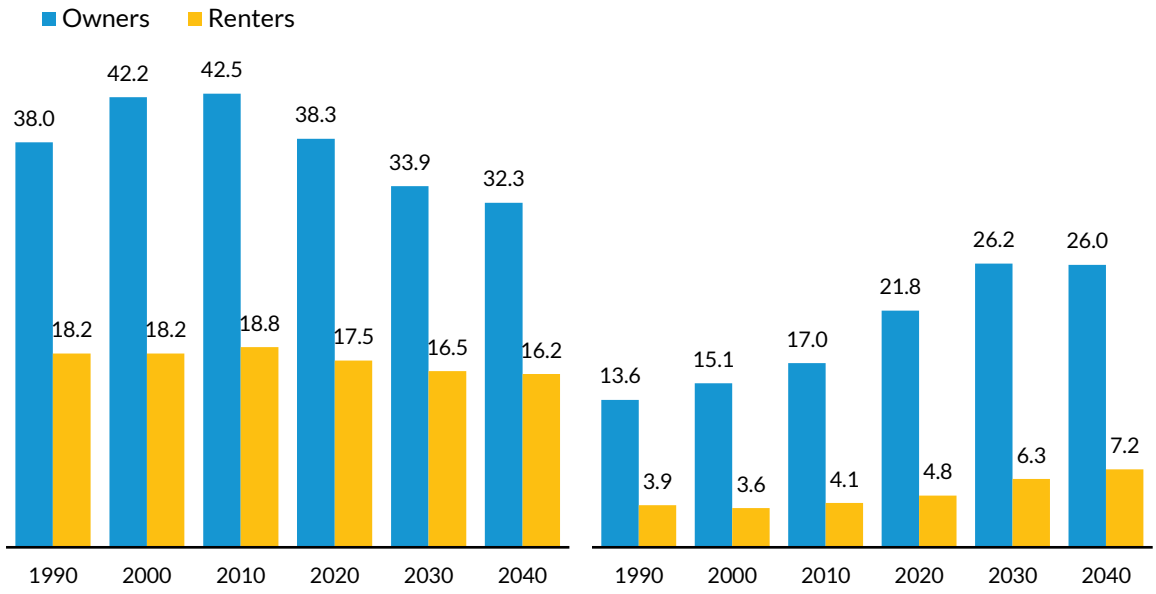



FIGURE 4.13B

**Total Owners and Renters, by Age and Race or Ethnicity, 1990–2040**

*Black households younger than 65 (millions)* *Black households 65 and older (millions)*

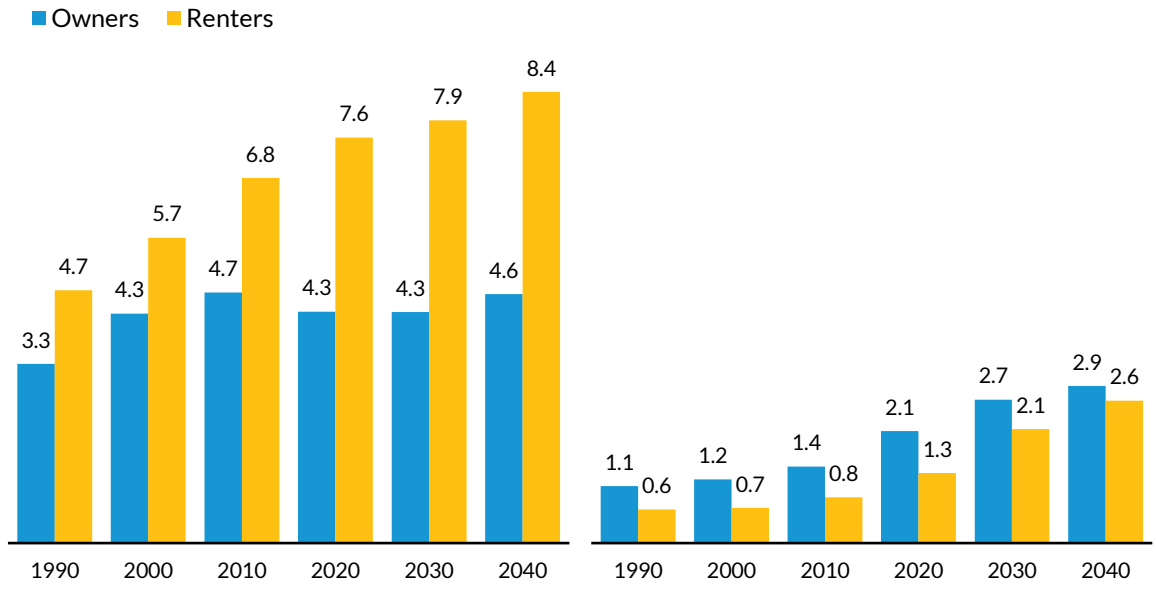


FIGURE 4.13C

**Total Owners and Renters, by Age and Race or Ethnicity, 1990–2040**

*Hispanic households younger than 65 (millions)* *Hispanic households 65 and older (millions)*

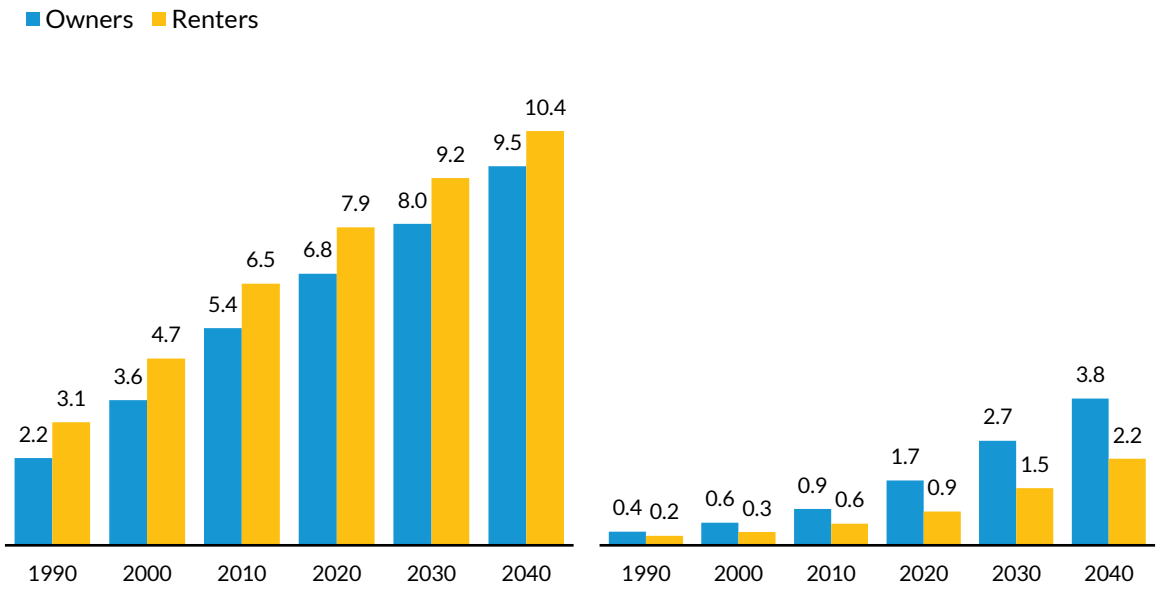
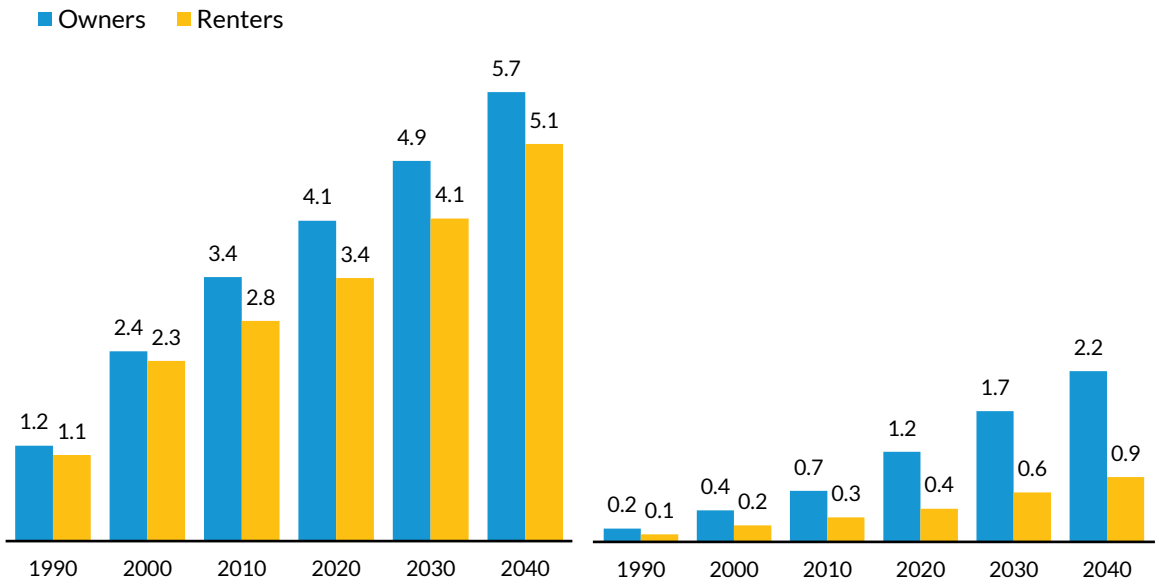



FIGURE 4.13D

**Total Owners and Renters, by Age and Race or Ethnicity, 1990–2040**

*Asian and other households younger than 65 (millions)* *Asian and other households 65 and older (millions)*




URBAN INSTITUTE

**Sources:** Decennial censuses and Urban Institute projections.
**Note:** Values for 2020, 2030, and 2040 are projected values.

# 5. Conclusion and Policy Implications

These projections tell us what we will see if current policies continue for the next 20 years—including a decline in the homeownership rate for most age groups, disproportionately affecting Black households, and a rental growth rate that is more than twice the growth rate of homeownership—and, accordingly, make a strong argument for significantly altering current policies. Policymakers, thought leaders, and changemakers hoping to build a more equitable, inclusive, and sustainable housing landscape should note seven trends uncovered in this analysis:

1. **There will be weak household growth from 2020 to 2040.** Household growth averaged 12.4 million households per decade from 1990 to 2010, 7.3 million from 2010 to 2020, and, we project, 8.5 million from 2020 to 2030 and 7.6 million from 2030 to 2040. This is a product of subdued population growth and a decline in headship rates for most age groups.
2. **All future net household growth will be nonwhite.** The 16.1 million net new households created between 2020 and 2040 will consist of 8.6 million more Hispanic households, 4.8 million more Asian and other households, 3.4 million more Black households, and 600,000 fewer white households.
3. **The number of households headed by seniors, ages 65 and older, will expand dramatically.** Senior household growth will account for virtually all household growth from 2020 to 2030, and most of it from 2030 to 2040, as Americans continue to age.
4. **The homeownership rate will continue to decline for each age group, with the largest drops between 2020 and 2040 in the 45-to-74 age groups.** This is in stark contrast to the past decade, when the largest drops were in the 25-to-44 age groups. Overall, the significant aging of the population masks the magnitude of declining homeownership rates in the key homebuying population. The overall homeownership rate will drop only 2.5 percentage points from 64.7 percent in 2020 to 62.2 percent by 2040.
5. **The decline in the homeownership rate is particularly pronounced for Black families, particularly the 45-to-74 age group.** If we do not alter current policies, the Black homeownership rate will descend well below the rate of previous generations at the same age and cause an unprecedented number of elderly Black renters. We project the number of elderly Black renters will more than double from 1.3 million in 2020 to 2.6 million in 2040.
6. **The growth in the number of homeowners from 2020 to 2040 will be all nonwhite and mostly Hispanic.** The number of white homeowners, particularly those younger than 65, will decline,

along with the white population share. The largest force behind the increase in the number of homeowners from 2020 to 2040 will be Hispanic households, with a strong assist from Asian and other households.

7. **Renter growth will be more than twice the pace of homeowner growth from 2020 to 2040.** The absolute number of new homeowners will increase between 2020 and 2040 by 6.9 million, or 9 percent, because of net new household formation, but the number of new renter households will increase by 9.3 million, or 21 percent, during the same two decades. The increase in the number of Black and Hispanic renter households will be much faster than the increase in the number of white renter households.

Our findings have five important implications for policy and practice going forward. Our projections are based on past transition rates and current household demographics. These factors are, in turn, driven by past policies. Some of the projections, such as the aging of the population, cannot be altered, but other projections, such as those corresponding to racial and ethnic homeownership gaps, can be placed on a different trajectory by implementing specific policies.

**First, the spike in the number of senior homeowners and renters increases the urgency of implementing policies that address their needs.** Retirement has already begun for older baby boomers, and by 2030, all baby boomers will be seniors. Almost all household growth from 2020 to 2040 will occur in the 65-and-older age group.

We will need policies to support the large increase in senior renters, who are more likely to be cost burdened than their homeowning counterparts (JCHS 2019). And the large number of senior Black renters are apt to be particularly cost burdened, given their significantly lower incomes and wealth that decades of disproportionate policies and practices have delivered. This point needs the necessary supply of affordable rental units for seniors, and an increased federal commitment seems inevitable. Policy levers could include an expansion of the US Department of Housing and Urban Development's Section 202 program, which provides interest-free capital advances to private or nonprofit sponsors to finance the construction, rehabilitation, or acquisition of structures that will be supportive housing for low-income elderly people and provides rent subsidies for the projects to make them affordable.[10] One could also conceive of pairing an expansion of the low-income housing tax credit with expanded Section 202 housing assistance. Support for low-income senior tenants might also include an expansion of the Housing Choice Voucher program (formerly Section 8 vouchers). This program pays the difference between the rent on an apartment selected by the renter and 30 percent of a renter's income, with the maximum payment determined by Department of Housing and Urban Development guidelines.

Currently, only one in five renters who qualifies for Section 8 vouchers receives them (Scally et al. 2018).

Many seniors lack enough savings for a comfortable retirement (Fannie Mae 2016), and this problem is likely to continue. But our projections have shown that seniors are likely to maintain high homeownership rates through 2040, and most have built up home equity. (Even Black seniors, who have the lowest homeownership rates of any racial or ethnic group, still have homeownership rates above 50 percent). For senior homeowners who lack enough retirement income, home equity extraction can be useful and should be made more accessible. Goodman, Kaul, and Zhu (2017) show that wealth is concentrated in home equity among senior households, especially for Black and Hispanic homeowners. The 2019 Survey of Consumer Finances shows that this trend has magnified. In 2019, at the median, home equity accounted for 77 percent of the net worth of Black homeowners 65 and older compared with 73 percent in 2016. As of 2019, median home equity was 70 percent of net worth for Hispanic homeowners 65 and older, 59 percent for Asian and other homeowners, and just 46 percent for white homeowners in the same age group. Home equity will be a key financial resource for aging American homeowners.[11]

We need policies that can help seniors safely tap into their home equity, including in ways that help them age in place independently for as long as possible. Policies to improve the "reverse mortgage" or the home equity conversion mortgage program should be an urgent priority. These polices should include simplifying reverse mortgage product design and lowering costs on safer products, improving reverse mortgage literacy so seniors can adequately assess whether a reverse mortgage instrument is right for them, and taking steps to reduce foreclosure frequency and loss severity. Goodman (2019) and Moulton and Haurin (2019) offer specific recommendations.

Other policy levers could include property tax relief for seniors in all states, as well as public funding for cost-effective home modifications for those with insufficient home equity to cover the costs. Eriksen, Greenhalgh-Stanley, and Engelhardt (2015) show that certain home modifications save taxpayers money as they avoid costly medical bills for trip-and-fall accidents.

**Second, we need to increase the supply of affordable homes (including condominiums) and better tailor these homes to the needs of future owners and renters through more flexible and inclusionary zoning and land-use regulations, a more efficient permitting process, and greater flexibility in building technologies.** The demographics of the United States are changing dramatically, and the faster growth of the renter population suggests the need for more affordably priced rental housing. Current zoning and land-use regulations increase construction costs and limit the types of properties that can be built.

Zoning and land-use regulations (which are more lenient toward single-family housing construction) need to be revised to promote affordable multifamily housing, and the permitting process needs to be expedited to allow developers to move forward with affordable rental and condominium construction. And with the largely expected increase in the number of senior renters, more of these units will need to be handicap accessible.

With most of the increase in homeowners coming from Hispanic and Asian or other communities, who are more apt to live in multigenerational households than their white counterparts, zoning should permit (and builders will want to construct) more housing that comfortably accommodates multigenerational living. In addition, relaxing regulations to allow for accessory dwelling units and encouraging safe systems to match roommates, renters, and boarders could help seniors, most of whom prefer to age in place. Converting part of their home to accommodate a second family or adding a freestanding unit would allow seniors to receive additional income after retirement or move closer to adult children.

But this is not sufficient. We need expanded zoning to allow for manufactured homes and updates to zoning and building codes to allow for modular and panelized construction. Manufactured homes are of better quality than ever before and often cannot be differentiated from their site-built counterparts. Modular, panelized, and precut construction remains a tiny share of total construction, despite their cost saving potential. Broader adoption of newer technologies, in which parts of structures are prepared or built in a factory, would increase the housing supply, especially the supply of affordable units.

**Third, we need to take concerted steps to close the racial homeownership gap.** Homeownership rates for Black households are slipping, and we project the homeownership gap between white and Black households will slip marginally further, with particularly large declines in the 45-to-74 age group. Our analysis demonstrates how the past haunts the future. Cohorts of Black households that are now seniors often faced discrimination in housing and lending during their peak homebuying years, blocking their path to homeownership, which caused today's gaps. Black homeowners also suffered greater loss of homeownership during the financial crisis. Since then, tight credit standards have barred all cohorts of Black consumers from achieving homeownership at rates similar to their white counterparts, locking in another long cycle of disadvantaging Black families in building housing wealth as a basis for their economic security and that of their children. If we want to avoid locking in the current racial wealth gaps for generations to come, we need to take urgent and decisive action. The following three policy recommendations, while not new, are specific implementable steps necessary to address the racial homeownership gap. The analysis in this report has demonstrated the urgency of addressing these issues.

**1. Ensure that current renters, for whom homeownership would be advantageous, are aware of and can take advantage of their option to own. We need to improve and expand financial education and homeownership preparation; increase the visibility, access, and types of down payment assistance programs; and expand financing options to meet the needs of creditworthy borrowers of the future.** Survey results indicate that securing cash for a down payment and closing costs is one of the largest barriers to homeownership (Goodman et al. 2018), and most renters are not familiar with low–down payment options or local payment assistance programs.

Providing financial education, homeownership preparation, and down payment assistance are important policy levers to help close the racial wealth gap (McCargo, Choi, and Golding 2019). We need more sophisticated targeting and outreach to ensure that today's renters are aware of their homeownership options and can assess whether it is right for them.

Parental wealth and family history of homeownership are strongly correlated with a person's likelihood of owning a home (Choi, Zhu, and Goodman 2018). Accordingly, Black and Hispanic consumers without the advantage of parental support when purchasing a home may significantly benefit from targeted assistance, especially homeownership counseling and enhanced down payment assistance.

Down payment assistance can help first-time homebuyers purchase a home. But there are other entry obstacles for the first-time homebuyers. Some first-time buyers purchase homes that need work (fixer-uppers), requiring rehabilitation loans that are cumbersome to obtain and often have stringent requirements for minimum loan-to-value ratios. Condominium purchases come with obstacles, as well: borrower requirements for obtaining a condominium loan are more restrictive than on single-family homes, and there are requirements on the building in terms of owner-occupied percentages and homeowner's association budgets. These requirements should be reevaluated: condominium purchasers are much more likely to be female and are somewhat more likely to be nonwhite than purchasers of other property types (Goodman and Zhu 2016). Community land trusts and responsible lease-to-purchase arrangements—where the renter has the option, but not the obligation, to purchase the home—are alternative paths to homeownership. Financing difficulties often preclude homeownership. It is important to reevaluate the accessibility of and restrictions on financing through these channels.

**2. We need to look at how we qualify borrowers for mortgages and revamp the process to continue to capture creditworthiness but make sure we meet the needs of tomorrow's borrowers.** The increasingly Hispanic composition of the homeownership base highlights the need to develop credit

standards that adequately reflect the financial situation of this group. This requires rethinking two of the three qualifying measures of mortgage credit: the debt-to-income ratio and the credit score. Counting more diverse sources of income to qualify for a mortgage is critical (McCargo, Choi, and Golding 2019). Debt-to-income ratios traditionally require consistent income for a two-year period, and many workers who are fully self-employed or partially self-employed in the gig economy lack this income history (Goodman, Kaul, and Zhu 2020). In addition, there is a reluctance to count the income of borrowers who are not a party to the mortgage. This affects multigenerational households, particularly Hispanic households, where more than two incomes contribute to the mortgage payment. Traditional mortgage underwriting largely ignores family contributors not named on the mortgage. It also ignores the contribution of live-in partners or roommates who are not on the mortgage but contribute to monthly housing expenses, often through a rental payment. A more robust underwriting system would give at least some "credit" for these contributions.

In addition, we need to incorporate alternative data in credit scoring models and use technology to responsibly expand access to credit. Black and Hispanic borrowers have lower credit scores than white borrowers, and more than 1 in 10 adults—disproportionately Black and Hispanic adults living in low-income neighborhoods—do not have a credit score (Brevoort, Grimm, and Kambara 2015). Because Black and Hispanic borrowers are more likely to have no or low credit and are more likely to be renters, incorporating rental payment history and telecommunication payments into credit evaluations could help bridge homeownership disparities across racial and ethnic groups. Goodman and Zhu show that rental payment history is highly likely to be predictive of mortgage loan performance, yet these payments do not count toward a potential borrower's credit score, as they are usually not reported to the credit bureau.[12] Telecommunication, utility, and cable payment data are also not reported to credit bureaus.[13] The most direct way to allow for more flexible credit measures to allow creditworthy borrowers to gain access to mortgage credit would be through the use of bank statements. These statements can be harnessed with existing technology.

**3. We need to implement programs to sustain homeownership for households with low wealth, disproportionately Black and Hispanic borrowers.** The amount of financial reserves is a key determinant of a borrower's ability to sustain a mortgage (Farrell, Bhagat, and Zhao 2019). Many low-income borrowers put their limited savings into a down payment, leaving them with no resources to meet unexpected expenses. One way to address this issue is to develop and standardize mortgage programs or products that allow for a lower down payment in exchange for holding more reserves. Another alternative would be to establish an insurance fund to allow homeowners to borrow funds for home repairs. Lenders can also provide wealth-building mortgages that allow households to access the

instruments with lower initial loan-to-value ratios and build in reserves by accumulating equity more quickly.

We also need more streamlined and standardized options for mortgage loss mitigation, particularly on government mortgages, to help borrowers when they run into problems. Government mortgages have the most vulnerable borrowers and the least flexible loss mitigation options, which are poorly positioned in a rising-rate environment (Goodman and Kaul 2019).

Finally, with the onset of COVID-19, general and mortgage interest rates have been historically low. But many borrowers with low credit scores, who are disproportionately Black and Hispanic, have been unable to refinance their mortgages (Gerardi, Willen, and Zhang 2020). A streamlined refinance program would be helpful and prevent defaults, as the Home Affordable Refinance Program did in the aftermath of the Great Recession (Karamon, McManus, and Zhu 2017).

With the implementation of these policy recommendations to address the needs of seniors (i.e., providing affordable supply and closing the racial wealth gap), the nation could better accommodate the needs of the households in 2040. We look forward to future discussion on these topics.

# Appendix

TABLE A.1

**Population, by Age and Race or Ethnicity**

| | Decennial Census | | | ACS | Census Projection | | |
|---|---|---|---|---|---|---|---|
| **Age** | **1990** | **2000** | **2010** | **2018** | **2020** | **2030** | **2040** |
| **Total** | | | | | | | |
| 15–24 | 36,200,394 | 39,183,891 | 43,626,342 | 43,101,837 | 42,797,739 | 42,945,717 | 43,612,506 |
| 25–34 | 43,379,781 | 39,891,723 | 41,063,948 | 45,277,017 | 46,321,202 | 45,927,263 | 46,458,577 |
| 35–44 | 37,533,460 | 45,148,528 | 41,070,605 | 41,687,290 | 42,205,849 | 47,672,539 | 47,568,308 |
| 45–54 | 25,417,127 | 37,677,952 | 45,006,716 | 41,592,338 | 40,441,167 | 41,915,283 | 47,545,003 |
| 55–64 | 21,059,204 | 24,274,683 | 36,482,729 | 42,282,184 | 42,643,607 | 38,745,008 | 40,550,089 |
| 65–74 | 18,172,148 | 18,390,986 | 21,713,430 | 30,587,720 | 32,735,788 | 38,460,623 | 35,480,664 |
| 75–84 | 9,957,638 | 12,361,180 | 13,061,122 | 15,501,544 | 16,595,197 | 25,332,484 | 30,338,321 |
| 85+ | 2,991,889 | 4,239,587 | 5,493,433 | 6,318,285 | 6,773,387 | 9,108,555 | 14,417,580 |
| **Total** | **194,711,641** | **221,168,530** | **247,518,326** | **266,348,215** | **270,513,936** | **290,107,472** | **305,971,048** |
| **White** | | | | | | | |
| 15–24 | 25,552,856 | 24,354,676 | 24,768,434 | 22,817,942 | 22,499,722 | 20,621,604 | 20,117,067 |
| 25–34 | 31,987,508 | 25,356,272 | 23,722,840 | 25,001,054 | 25,171,107 | 22,907,905 | 21,126,117 |
| 35–44 | 29,013,240 | 31,801,336 | 25,202,620 | 23,436,170 | 23,877,984 | 25,230,753 | 23,068,168 |
| 45–54 | 20,215,836 | 28,387,160 | 31,141,170 | 25,870,368 | 24,591,405 | 23,523,375 | 24,955,897 |
| 55–64 | 17,365,300 | 19,027,680 | 27,277,532 | 29,573,082 | 29,356,007 | 23,496,705 | 22,702,993 |
| 65–74 | 15,653,484 | 14,978,449 | 16,940,824 | 22,934,853 | 24,396,355 | 26,460,005 | 21,503,189 |
| 75–84 | 8,749,622 | 10,592,279 | 10,608,247 | 12,068,434 | 12,864,835 | 18,834,795 | 20,843,370 |
| 85+ | 2,653,651 | 3,674,132 | 4,660,361 | 5,067,797 | 5,408,438 | 7,027,068 | 10,685,062 |
| **Total** | **151,191,497** | **158,171,984** | **164,322,028** | **166,769,700** | **168,165,853** | **168,102,210** | **165,001,863** |
| **Black** | | | | | | | |
| 15–24 | 4,986,040 | 5,444,382 | 6,380,951 | 6,012,214 | 5,872,595 | 5,788,466 | 6,067,484 |
| 25–34 | 5,278,697 | 5,061,656 | 5,266,847 | 6,130,172 | 6,590,995 | 6,153,333 | 6,177,061 |
| 35–44 | 4,094,310 | 5,413,503 | 5,138,677 | 5,333,357 | 5,374,161 | 6,692,092 | 6,336,564 |
| 45–54 | 2,598,786 | 3,997,011 | 5,372,614 | 5,122,330 | 5,033,360 | 5,301,319 | 6,649,430 |
| 55–64 | 1,958,064 | 2,321,532 | 3,786,591 | 4,872,688 | 5,013,924 | 4,743,986 | 5,089,810 |
| 65–74 | 1,486,589 | 1,580,109 | 1,960,064 | 3,008,694 | 3,269,327 | 4,347,792 | 4,235,893 |
| 75–84 | 753,844 | 878,115 | 1,013,043 | 1,311,469 | 1,417,244 | 2,404,527 | 3,300,758 |
| 85+ | 219,460 | 306,868 | 371,724 | 465,354 | 520,556 | 757,641 | 1,349,455 |

| | Decennial Census | | | ACS | Census Projection | | |
|---|---|---|---|---|---|---|---|
| **Age** | **1990** | **2000** | **2010** | **2018** | **2020** | **2030** | **2040** |
| **Total** | **21,375,790** | **25,003,174** | **29,290,509** | **32,256,278** | **33,092,162** | **36,189,156** | **39,206,455** |
| **Hispanic** | | | | | | | |
| 15–24 | 4,142,672 | 6,581,073 | 8,854,430 | 9,858,682 | 10,163,392 | 11,638,587 | 11,753,122 |
| 25–34 | 4,374,737 | 6,510,235 | 8,434,954 | 9,301,100 | 9,772,731 | 11,477,677 | 13,052,920 |
| 35–44 | 2,912,785 | 5,129,310 | 7,298,740 | 8,655,563 | 8,776,802 | 10,407,611 | 12,171,396 |
| 45–54 | 1,695,003 | 3,136,103 | 5,463,528 | 7,011,037 | 7,296,003 | 8,791,023 | 10,468,275 |
| 55–64 | 1,161,409 | 1,710,440 | 3,213,817 | 4,891,255 | 5,326,690 | 7,021,801 | 8,498,052 |
| 65–74 | 667,751 | 1,076,619 | 1,648,718 | 2,673,808 | 3,022,806 | 4,913,811 | 6,482,397 |
| 75–84 | 304,632 | 506,264 | 862,296 | 1,243,643 | 1,366,377 | 2,460,276 | 3,989,957 |
| 85+ | 80,429 | 150,708 | 270,610 | 468,929 | 510,120 | 803,257 | 1,460,657 |
| **Total** | **15,339,418** | **24,800,752** | **36,047,093** | **44,104,017** | **46,234,921** | **57,514,043** | **67,876,776** |
| **Asian and other** | | | | | | | |
| 15–24 | 1,518,826 | 2,803,760 | 3,622,528 | 4,412,999 | 4,262,030 | 4,897,060 | 5,674,833 |
| 25–34 | 1,738,839 | 2,963,560 | 3,639,307 | 4,844,691 | 4,786,369 | 5,388,348 | 6,102,479 |
| 35–44 | 1,513,125 | 2,804,380 | 3,430,569 | 4,262,200 | 4,176,902 | 5,342,083 | 5,992,180 |
| 45–54 | 907,502 | 2,157,678 | 3,029,405 | 3,588,603 | 3,520,399 | 4,299,566 | 5,471,401 |
| 55–64 | 574,431 | 1,215,031 | 2,204,789 | 2,945,159 | 2,946,986 | 3,482,516 | 4,259,234 |
| 65–74 | 364,324 | 755,810 | 1,163,824 | 1,970,365 | 2,047,300 | 2,739,015 | 3,259,185 |
| 75–84 | 149,540 | 384,522 | 577,536 | 877,998 | 946,741 | 1,632,886 | 2,204,236 |
| 85+ | 38,349 | 107,879 | 190,738 | 316,205 | 334,273 | 520,589 | 922,406 |
| **Total** | **6,804,936** | **13,192,619** | **17,858,696** | **23,218,220** | **23,021,000** | **28,302,063** | **33,885,954** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

**Note:** ACS = American Community Survey.

TABLE A.2

**Household Composition, by Age and Race or Ethnicity**

*Thousands*

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | | | |
| 15–24 | 4,763 | 5,534 | 5,401 | 4,397 | 4,192 | 4,152 | 4,205 | 4,152 | 4,205 | 4,152 | 4,205 |
| 25–34 | 19,884 | 18,298 | 17,957 | 18,328 | 19,012 | 18,609 | 18,989 | 17,928 | 17,952 | 19,290 | 19,335 |
| 35–44 | 20,327 | 23,968 | 21,291 | 20,883 | 21,104 | 23,051 | 23,076 | 22,555 | 21,617 | 23,547 | 24,034 |
| 45–54 | 14,405 | 21,293 | 24,907 | 22,209 | 21,485 | 21,830 | 24,170 | 21,528 | 23,147 | 22,131 | 24,842 |
| 55–64 | 12,364 | 14,247 | 21,340 | 23,851 | 24,055 | 21,116 | 21,778 | 20,853 | 21,059 | 21,379 | 22,212 |
| 65–74 | 11,625 | 11,508 | 13,505 | 18,326 | 19,665 | 22,805 | 20,437 | 22,428 | 19,662 | 23,182 | 20,857 |
| 75–84 | 6,756 | 8,205 | 8,716 | 9,618 | 10,265 | 15,831 | 18,914 | 15,415 | 17,858 | 16,247 | 19,465 |
| 85+ | 1,648 | 2,428 | 3,599 | 3,905 | 4,208 | 5,130 | 8,554 | 4,680 | 7,259 | 5,579 | 9,144 |
| **Total** | **91,771** | **105,480** | **116,716** | **121,517** | **123,986** | **132,523** | **140,125** | **129,538** | **132,759** | **135,509** | **144,096** |
| **White** | | | | | | | | | | | |
| 15–24 | 3,551 | 3,597 | 3,333 | 2,588 | 2,454 | 2,249 | 2,194 | 2,249 | 2,194 | 2,249 | 2,194 |
| 25–34 | 15,157 | 12,203 | 11,003 | 10,757 | 11,018 | 10,040 | 9,397 | 9,740 | 8,982 | 10,339 | 9,535 |
| 35–44 | 15,831 | 17,156 | 13,362 | 12,010 | 12,205 | 12,490 | 11,528 | 12,279 | 10,937 | 12,701 | 11,926 |
| 45–54 | 11,421 | 16,154 | 17,438 | 14,039 | 13,273 | 12,453 | 12,874 | 12,332 | 12,472 | 12,574 | 13,147 |
| 55–64 | 10,155 | 11,234 | 16,129 | 16,970 | 16,834 | 13,145 | 12,531 | 13,010 | 12,218 | 13,280 | 12,714 |
| 65–74 | 10,025 | 9,472 | 10,692 | 14,013 | 14,907 | 16,175 | 12,948 | 15,919 | 12,512 | 16,432 | 13,176 |
| 75–84 | 5,980 | 7,135 | 7,238 | 7,711 | 8,167 | 12,150 | 13,617 | 11,850 | 12,917 | 12,450 | 13,985 |
| 85+ | 1,469 | 2,142 | 3,139 | 3,276 | 3,518 | 4,129 | 6,671 | 3,756 | 5,650 | 4,502 | 7,125 |
| **Total** | **73,590** | **79,093** | **82,333** | **81,365** | **82,376** | **82,831** | **81,761** | **81,134** | **77,883** | **84,528** | **83,802** |
| **Black** | | | | | | | | | | | |
| 15–24 | 578 | 787 | 780 | 592 | 553 | 545 | 571 | 545 | 571 | 545 | 571 |
| 25–34 | 2,314 | 2,385 | 2,399 | 2,462 | 2,680 | 2,629 | 2,707 | 2,492 | 2,502 | 2,765 | 2,776 |
| 35–44 | 2,292 | 2,930 | 2,812 | 2,799 | 2,796 | 3,319 | 3,316 | 3,229 | 3,048 | 3,409 | 3,499 |
| 45–54 | 1,592 | 2,380 | 3,103 | 2,874 | 2,808 | 2,898 | 3,507 | 2,846 | 3,319 | 2,951 | 3,629 |
| 55–64 | 1,276 | 1,490 | 2,384 | 2,945 | 3,036 | 2,797 | 2,950 | 2,785 | 2,881 | 2,809 | 3,007 |
| 65–74 | 1,031 | 1,076 | 1,337 | 1,962 | 2,142 | 2,783 | 2,656 | 2,759 | 2,610 | 2,807 | 2,678 |

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75–84 | 523 | 593 | 703 | 862 | 934 | 1,569 | 2,130 | 1,531 | 2,034 | 1,607 | 2,174 |
| 85+ | 124 | 167 | 228 | 272 | 303 | 420 | 768 | 387 | 659 | 453 | 819 |
| **Total** | **9,731** | **11,808** | **13,745** | **14,767** | **15,252** | **16,960** | **18,605** | **16,575** | **17,624** | **17,345** | **19,152** |
| **Hispanic** | | | | | | | | | | | |
| 15–24 | 480 | 795 | 885 | 794 | 786 | 900 | 909 | 900 | 909 | 900 | 909 |
| 25–34 | 1,751 | 2,501 | 3,122 | 3,288 | 3,456 | 3,888 | 4,500 | 3,749 | 4,263 | 4,026 | 4,579 |
| 35–44 | 1,471 | 2,490 | 3,457 | 4,031 | 4,097 | 4,656 | 5,315 | 4,567 | 5,012 | 4,745 | 5,514 |
| 45–54 | 909 | 1,621 | 2,808 | 3,508 | 3,650 | 4,282 | 4,939 | 4,209 | 4,719 | 4,355 | 5,072 |
| 55–64 | 644 | 886 | 1,693 | 2,494 | 2,745 | 3,483 | 4,163 | 3,384 | 3,913 | 3,582 | 4,293 |
| 65–74 | 389 | 584 | 883 | 1,402 | 1,616 | 2,548 | 3,285 | 2,474 | 3,048 | 2,621 | 3,424 |
| 75–84 | 176 | 278 | 476 | 630 | 704 | 1,291 | 2,076 | 1,233 | 1,876 | 1,349 | 2,182 |
| 85+ | 38 | 66 | 136 | 213 | 230 | 340 | 666 | 304 | 533 | 376 | 733 |
| **Total** | **5,858** | **9,222** | **13,461** | **16,361** | **17,284** | **21,387** | **25,852** | **20,820** | **24,273** | **21,954** | **26,706** |
| **Asian and other** | | | | | | | | | | | |
| 15–24 | 153 | 354 | 403 | 424 | 399 | 459 | 531 | 459 | 531 | 459 | 531 |
| 25–34 | 662 | 1,208 | 1,433 | 1,821 | 1,858 | 2,053 | 2,385 | 1,947 | 2,205 | 2,159 | 2,445 |
| 35–44 | 732 | 1,392 | 1,660 | 2,041 | 2,006 | 2,586 | 2,917 | 2,479 | 2,620 | 2,692 | 3,095 |
| 45–54 | 483 | 1,138 | 1,558 | 1,788 | 1,754 | 2,197 | 2,851 | 2,142 | 2,637 | 2,252 | 2,995 |
| 55–64 | 289 | 637 | 1,134 | 1,442 | 1,440 | 1,691 | 2,133 | 1,673 | 2,047 | 1,708 | 2,199 |
| 65–74 | 179 | 376 | 593 | 949 | 1,000 | 1,299 | 1,549 | 1,276 | 1,492 | 1,322 | 1,579 |
| 75–84 | 77 | 200 | 299 | 415 | 460 | 821 | 1,091 | 800 | 1,031 | 842 | 1,124 |
| 85+ | 17 | 52 | 96 | 145 | 157 | 240 | 448 | 233 | 416 | 248 | 467 |
| **Total** | **2,593** | **5,357** | **7,176** | **9,025** | **9,073** | **11,346** | **13,907** | **11,009** | **12,979** | **11,682** | **14,435** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

TABLE A.3

**Forecasted Changes in Household Composition, by Age and Race or Ethnicity**

*Thousands*

| Age | 1990–2000 | 2000–2010 | 2010–2020 | 2020–2030 average | 2030–2040 average | 2020–2030 slow | 2030–2040 slow | 2020–2030 fast | 2030–2040 fast |
|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | |
| 15–24 | 771 | -133 | -1,209 | -39 | 53 | -39 | 53 | -39 | 53 |
| 25–34 | -1,586 | -340 | 1,055 | -403 | 380 | -1,084 | 25 | 277 | 45 |
| 35–44 | 3,642 | -2,677 | -187 | 1,947 | 25 | 1,451 | -938 | 2,443 | 487 |
| 45–54 | 6,888 | 3,614 | -3,422 | 345 | 2,340 | 44 | 1,619 | 647 | 2,711 |
| 55–64 | 1,883 | 7,093 | 2,715 | -2,939 | 662 | -3,203 | 206 | -2,676 | 833 |
| 65–74 | -117 | 1,997 | 6,161 | 3,140 | -2,368 | 2,763 | -2,767 | 3,517 | -2,325 |
| 75–84 | 1,450 | 511 | 1,548 | 5,566 | 3,083 | 5,150 | 2,443 | 5,983 | 3,218 |
| 85+ | 780 | 1,171 | 609 | 922 | 3,425 | 472 | 2,579 | 1,371 | 3,565 |
| **Total** | **13,709** | **11,236** | **7,269** | **8,538** | **7,601** | **5,553** | **3,220** | **11,523** | **8,587** |
| **White** | | | | | | | | | |
| 15–24 | 46 | -265 | -879 | -205 | -55 | -205 | -55 | -205 | -55 |
| 25–34 | -2,954 | -1,200 | 16 | -979 | -643 | -1,279 | -758 | -679 | -804 |
| 35–44 | 1,325 | -3,794 | -1,157 | 285 | -962 | 74 | -1,343 | 496 | -775 |
| 45–54 | 4,733 | 1,284 | -4,165 | -820 | 421 | -941 | 141 | -698 | 572 |
| 55–64 | 1,079 | 4,895 | 705 | -3,689 | -614 | -3,824 | -792 | -3,554 | -566 |
| 65–74 | -554 | 1,220 | 4,215 | 1,268 | -3,227 | 1,012 | -3,407 | 1,525 | -3,256 |
| 75–84 | 1,155 | 103 | 928 | 3,983 | 1,467 | 3,683 | 1,067 | 4,283 | 1,535 |
| 85+ | 674 | 996 | 379 | 611 | 2,543 | 238 | 1,895 | 984 | 2,623 |
| **Total** | **5,503** | **3,240** | **43** | **455** | **-1,070** | **-1,242** | **-3,251** | **2,151** | **-725** |
| **Black** | | | | | | | | | |
| 15–24 | 209 | -7 | -227 | -8 | 26 | -8 | 26 | -8 | 26 |
| 25–34 | 71 | 14 | 281 | -51 | 79 | -188 | 10 | 85 | 11 |
| 35–44 | 638 | -119 | -16 | 523 | -3 | 433 | -182 | 614 | 90 |
| 45–54 | 788 | 724 | -296 | 90 | 609 | 38 | 473 | 143 | 679 |
| 55–64 | 214 | 894 | 652 | -239 | 153 | -251 | 96 | -227 | 198 |
| 65–74 | 45 | 261 | 805 | 641 | -127 | 617 | -149 | 665 | -129 |

| Age | 1990–2000 | 2000–2010 | 2010–2020 | 2020–2030 average | 2030–2040 average | 2020–2030 slow | 2030–2040 slow | 2020–2030 fast | 2030–2040 fast |
|---|---|---|---|---|---|---|---|---|---|
| 75–84 | 70 | 110 | 232 | 634 | 561 | 597 | 503 | 672 | 567 |
| 85+ | 43 | 61 | 75 | 117 | 348 | 84 | 272 | 150 | 366 |
| **Total** | **2,077** | **1,937** | **1,506** | **1,708** | **1,645** | **1,323** | **1,049** | **2,093** | **1,807** |
| **Hispanic** | | | | | | | | | |
| 15–24 | 315 | 90 | -99 | 114 | 9 | 114 | 9 | 114 | 9 |
| 25–34 | 750 | 621 | 334 | 432 | 612 | 293 | 515 | 570 | 553 |
| 35–44 | 1,019 | 968 | 639 | 559 | 659 | 470 | 445 | 648 | 769 |
| 45–54 | 712 | 1,187 | 842 | 631 | 657 | 558 | 510 | 704 | 717 |
| 55–64 | 242 | 807 | 1,052 | 739 | 679 | 640 | 528 | 837 | 711 |
| 65–74 | 195 | 299 | 733 | 931 | 737 | 858 | 574 | 1,005 | 803 |
| 75–84 | 103 | 198 | 227 | 588 | 785 | 530 | 643 | 645 | 833 |
| 85+ | 29 | 70 | 94 | 110 | 326 | 74 | 229 | 146 | 357 |
| **Total** | **3,365** | **4,239** | **3,823** | **4,103** | **4,465** | **3,536** | **3,452** | **4,670** | **4,752** |
| **Asian and other** | | | | | | | | | |
| 15–24 | 201 | 49 | -4 | 59 | 73 | 59 | 73 | 59 | 73 |
| 25–34 | 547 | 225 | 424 | 195 | 332 | 89 | 258 | 301 | 286 |
| 35–44 | 660 | 267 | 347 | 579 | 331 | 473 | 141 | 686 | 403 |
| 45–54 | 655 | 420 | 196 | 443 | 654 | 389 | 495 | 498 | 743 |
| 55–64 | 348 | 497 | 306 | 251 | 443 | 233 | 374 | 268 | 490 |
| 65–74 | 197 | 217 | 407 | 299 | 250 | 276 | 215 | 322 | 257 |
| 75–84 | 123 | 99 | 161 | 361 | 270 | 340 | 230 | 382 | 282 |
| 85+ | 34 | 45 | 61 | 84 | 208 | 76 | 184 | 91 | 219 |
| **Total** | **2,764** | **1,820** | **1,897** | **2,272** | **2,561** | **1,936** | **1,970** | **2,608** | **2,753** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

TABLE A.4

**Headship Rates, by Age and Race or Ethnicity**

*Percent*

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | | | |
| 15–24 | 13.2 | 14.1 | 12.4 | 10.2 | 9.8 | 9.7 | 9.6 | 9.7 | 9.6 | 9.7 | 9.6 |
| 25–34 | 45.8 | 45.9 | 43.7 | 40.5 | 41.0 | 40.5 | 40.9 | 39.0 | 38.6 | 42.0 | 41.6 |
| 35–44 | 54.2 | 53.1 | 51.8 | 50.1 | 50.0 | 48.4 | 48.5 | 47.3 | 45.4 | 49.4 | 50.5 |
| 45–54 | 56.7 | 56.5 | 55.3 | 53.4 | 53.1 | 52.1 | 50.8 | 51.4 | 48.7 | 52.8 | 52.3 |
| 55–64 | 58.7 | 58.7 | 58.5 | 56.4 | 56.4 | 54.5 | 53.7 | 53.8 | 51.9 | 55.2 | 54.8 |
| 65–74 | 64.0 | 62.6 | 62.2 | 59.9 | 60.1 | 59.3 | 57.6 | 58.3 | 55.4 | 60.3 | 58.8 |
| 75–84 | 67.8 | 66.4 | 66.7 | 62.0 | 61.9 | 62.5 | 62.3 | 60.8 | 58.9 | 64.1 | 64.2 |
| 85+ | 55.1 | 57.3 | 65.5 | 61.8 | 62.1 | 56.3 | 59.3 | 51.4 | 50.3 | 61.3 | 63.4 |
| **Total** | **47.1** | **47.7** | **47.2** | **45.6** | **45.8** | **45.7** | **45.8** | **44.7** | **43.4** | **46.7** | **47.1** |
| **White** | | | | | | | | | | | |
| 15–24 | 13.9 | 14.8 | 13.5 | 11.3 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 | 10.9 |
| 25–34 | 47.4 | 48.1 | 46.4 | 43.0 | 43.8 | 43.8 | 44.5 | 42.5 | 42.5 | 45.1 | 45.1 |
| 35–44 | 54.6 | 53.9 | 53.0 | 51.2 | 51.1 | 49.5 | 50.0 | 48.7 | 47.4 | 50.3 | 51.7 |
| 45–54 | 56.5 | 56.9 | 56.0 | 54.3 | 54.0 | 52.9 | 51.6 | 52.4 | 50.0 | 53.5 | 52.7 |
| 55–64 | 58.5 | 59.0 | 59.1 | 57.4 | 57.3 | 55.9 | 55.2 | 55.4 | 53.8 | 56.5 | 56.0 |
| 65–74 | 64.0 | 63.2 | 63.1 | 61.1 | 61.1 | 61.1 | 60.2 | 60.2 | 58.2 | 62.1 | 61.3 |
| 75–84 | 68.3 | 67.4 | 68.2 | 63.9 | 63.5 | 64.5 | 65.3 | 62.9 | 62.0 | 66.1 | 67.1 |
| 85+ | 55.3 | 58.3 | 67.3 | 64.6 | 65.0 | 58.8 | 62.4 | 53.4 | 52.9 | 64.1 | 66.7 |
| **Total** | **48.7** | **50.0** | **50.1** | **48.8** | **49.0** | **49.3** | **49.6** | **48.3** | **47.2** | **50.3** | **50.8** |
| **Black** | | | | | | | | | | | |
| 15–24 | 11.6 | 14.5 | 12.2 | 9.8 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 |
| 25–34 | 43.8 | 47.1 | 45.6 | 40.2 | 40.7 | 42.7 | 43.8 | 40.5 | 40.5 | 44.9 | 44.9 |
| 35–44 | 56.0 | 54.1 | 54.7 | 52.5 | 52.0 | 49.6 | 52.3 | 48.3 | 48.1 | 50.9 | 55.2 |
| 45–54 | 61.3 | 59.5 | 57.8 | 56.1 | 55.8 | 54.7 | 52.7 | 53.7 | 49.9 | 55.7 | 54.6 |
| 55–64 | 65.2 | 64.2 | 63.0 | 60.4 | 60.6 | 59.0 | 58.0 | 58.7 | 56.6 | 59.2 | 59.1 |
| 65–74 | 69.3 | 68.1 | 68.2 | 65.2 | 65.5 | 64.0 | 62.7 | 63.5 | 61.6 | 64.6 | 63.2 |

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75–84 | 69.4 | 67.5 | 69.4 | 65.7 | 65.9 | 65.2 | 64.5 | 63.7 | 61.6 | 66.8 | 65.9 |
| 85+ | 56.6 | 54.5 | 61.4 | 58.4 | 58.3 | 55.4 | 56.9 | 51.1 | 48.8 | 59.8 | 60.7 |
| **Total** | **45.5** | **47.2** | **46.9** | **45.8** | **46.1** | **46.9** | **47.5** | **45.8** | **45.0** | **47.9** | **48.9** |
| **Hispanic** | | | | | | | | | | | |
| 15–24 | 11.6 | 12.1 | 10.0 | 8.1 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 |
| 25–34 | 40.0 | 38.4 | 37.0 | 35.4 | 35.4 | 33.9 | 34.5 | 32.7 | 32.7 | 35.1 | 35.1 |
| 35–44 | 50.5 | 48.5 | 47.4 | 46.6 | 46.7 | 44.7 | 43.7 | 43.9 | 41.2 | 45.6 | 45.3 |
| 45–54 | 53.6 | 51.7 | 51.4 | 50.0 | 50.0 | 48.7 | 47.2 | 47.9 | 45.1 | 49.5 | 48.4 |
| 55–64 | 55.4 | 51.8 | 52.7 | 51.0 | 51.5 | 49.6 | 49.0 | 48.2 | 46.0 | 51.0 | 50.5 |
| 65–74 | 58.3 | 54.3 | 53.6 | 52.4 | 53.5 | 51.8 | 50.7 | 50.4 | 47.0 | 53.3 | 52.8 |
| 75–84 | 57.6 | 54.9 | 55.2 | 50.6 | 51.5 | 52.5 | 52.0 | 50.1 | 47.0 | 54.8 | 54.7 |
| 85+ | 46.8 | 44.0 | 50.3 | 45.5 | 45.2 | 42.4 | 45.6 | 37.8 | 36.5 | 46.9 | 50.2 |
| **Total** | **38.2** | **37.2** | **37.3** | **37.1** | **37.4** | **37.2** | **38.1** | **36.2** | **35.8** | **38.2** | **39.3** |
| **Asian and other** | | | | | | | | | | | |
| 15–24 | 10.1 | 12.6 | 11.1 | 9.6 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 | 9.4 |
| 25–34 | 38.1 | 40.8 | 39.4 | 37.6 | 38.8 | 38.1 | 39.1 | 36.1 | 36.1 | 40.1 | 40.1 |
| 35–44 | 48.4 | 49.6 | 48.4 | 47.9 | 48.0 | 48.4 | 48.7 | 46.4 | 43.7 | 50.4 | 51.6 |
| 45–54 | 53.2 | 52.7 | 51.4 | 49.8 | 49.8 | 51.1 | 52.1 | 49.8 | 48.2 | 52.4 | 54.7 |
| 55–64 | 50.4 | 52.4 | 51.4 | 49.0 | 48.9 | 48.6 | 50.1 | 48.0 | 48.1 | 49.1 | 51.6 |
| 65–74 | 49.3 | 49.8 | 50.9 | 48.2 | 48.8 | 47.4 | 47.5 | 46.6 | 45.8 | 48.3 | 48.5 |
| 75–84 | 51.7 | 52.0 | 51.8 | 47.3 | 48.6 | 50.3 | 49.5 | 49.0 | 46.8 | 51.6 | 51.0 |
| 85+ | 44.7 | 47.8 | 50.4 | 45.7 | 46.9 | 46.2 | 48.6 | 44.7 | 45.1 | 47.6 | 50.6 |
| **Total** | **38.1** | **40.6** | **40.2** | **38.9** | **39.4** | **40.1** | **41.0** | **38.9** | **38.3** | **41.3** | **42.6** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

TABLE A.5

**Homeownership Rates, by Age and Race or Ethnicity**

*Percent*

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | | | |
| 15–24 | 16.9 | 17.9 | 16.1 | 14.6 | 15.0 | 14.8 | 14.7 | 14.8 | 14.7 | 14.8 | 14.7 |
| 25–34 | 46.4 | 45.6 | 42.0 | 38.4 | 39.2 | 40.0 | 39.2 | 37.3 | 36.5 | 42.5 | 41.8 |
| 35–44 | 67.4 | 66.2 | 62.3 | 57.8 | 59.2 | 57.4 | 58.1 | 55.2 | 53.1 | 59.6 | 63.0 |
| 45–54 | 76.3 | 74.9 | 71.5 | 68.7 | 69.4 | 66.2 | 64.4 | 64.7 | 60.6 | 67.6 | 68.2 |
| 55–64 | 80.6 | 79.8 | 77.3 | 74.9 | 74.8 | 72.5 | 69.3 | 71.7 | 66.9 | 73.4 | 71.7 |
| 65–74 | 79.5 | 81.3 | 80.2 | 79.6 | 79.6 | 75.7 | 73.5 | 75.3 | 72.2 | 76.1 | 74.7 |
| 75–84 | 72.5 | 77.3 | 77.9 | 79.5 | 79.7 | 77.6 | 73.9 | 76.5 | 72.4 | 78.6 | 75.3 |
| 85+ | 63.9 | 66.1 | 66.2 | 69.1 | 69.3 | 72.1 | 70.1 | 69.5 | 66.5 | 74.3 | 73.4 |
| **Total** | **65.3** | **66.2** | **65.1** | **64.0** | **64.7** | **63.6** | **62.2** | **62.2** | **59.3** | **65.0** | **65.0** |
| **White** | | | | | | | | | | | |
| 15–24 | 19.2 | 20.5 | 18.7 | 17.0 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 | 17.4 |
| 25–34 | 52.2 | 53.0 | 50.3 | 47.3 | 48.5 | 49.2 | 49.2 | 47.1 | 47.1 | 51.2 | 51.2 |
| 35–44 | 73.0 | 73.2 | 70.8 | 68.3 | 69.9 | 68.0 | 68.7 | 66.4 | 65.0 | 69.6 | 72.2 |
| 45–54 | 80.9 | 80.3 | 78.0 | 76.7 | 77.8 | 75.9 | 74.0 | 74.6 | 71.1 | 77.1 | 76.9 |
| 55–64 | 84.3 | 84.1 | 82.4 | 80.9 | 81.2 | 80.5 | 78.5 | 79.9 | 76.7 | 81.0 | 80.3 |
| 65–74 | 82.1 | 84.7 | 84.4 | 84.2 | 84.4 | 81.8 | 81.1 | 81.5 | 80.2 | 82.1 | 81.9 |
| 75–84 | 74.0 | 79.3 | 80.7 | 82.7 | 82.9 | 81.5 | 78.9 | 80.4 | 77.5 | 82.5 | 80.3 |
| 85+ | 64.4 | 67.0 | 67.1 | 70.1 | 70.3 | 73.5 | 72.0 | 70.7 | 68.1 | 75.9 | 75.5 |
| **Total** | **70.1** | **72.4** | **72.2** | **72.2** | **73.0** | **72.5** | **71.4** | **71.3** | **69.2** | **73.5** | **73.5** |
| **Black** | | | | | | | | | | | |
| 15–24 | 8.5 | 10.5 | 7.8 | 6.5 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 | 7.7 |
| 25–34 | 23.7 | 27.3 | 22.6 | 15.8 | 16.1 | 21.1 | 20.9 | 15.0 | 15.0 | 26.5 | 26.5 |
| 35–44 | 45.1 | 44.6 | 41.2 | 34.1 | 34.9 | 33.2 | 38.2 | 29.4 | 28.3 | 36.9 | 47.4 |
| 45–54 | 57.0 | 55.4 | 50.0 | 46.1 | 46.5 | 42.3 | 40.7 | 39.3 | 33.8 | 45.2 | 47.2 |
| 55–64 | 62.8 | 61.8 | 57.0 | 52.0 | 51.4 | 49.5 | 45.2 | 47.6 | 40.3 | 51.4 | 50.0 |
| 65–74 | 63.4 | 64.7 | 61.9 | 60.1 | 58.9 | 52.4 | 50.5 | 51.4 | 47.6 | 53.3 | 53.3 |

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75–84 | 62.3 | 64.5 | 64.2 | 65.4 | 65.6 | 59.4 | 52.8 | 58.4 | 50.9 | 60.4 | 54.7 |
| 85+ | 61.5 | 62.4 | 62.3 | 66.2 | 67.1 | 64.6 | 58.4 | 63.4 | 56.2 | 65.7 | 60.4 |
| **Total** | **45.2** | **46.3** | **44.3** | **41.7** | **41.9** | **41.1** | **40.6** | **38.4** | **35.3** | **43.7** | **45.8** |
| **Hispanic** | | | | | | | | | | | |
| 15–24 | 10.6 | 15.3 | 15.1 | 14.4 | 14.7 | 14.7 | 14.7 | 14.7 | 14.7 | 14.7 | 14.7 |
| 25–34 | 29.8 | 32.9 | 31.3 | 29.4 | 30.5 | 33.6 | 33.6 | 30.1 | 30.1 | 36.9 | 36.9 |
| 35–44 | 47.0 | 48.8 | 48.0 | 43.5 | 45.1 | 47.0 | 50.2 | 44.4 | 44.1 | 49.5 | 55.9 |
| 45–54 | 56.6 | 56.8 | 57.4 | 55.0 | 56.1 | 53.7 | 55.6 | 52.4 | 51.7 | 55.0 | 59.4 |
| 55–64 | 63.0 | 61.9 | 61.9 | 62.1 | 62.9 | 60.4 | 58.0 | 59.3 | 55.7 | 61.4 | 60.3 |
| 65–74 | 60.8 | 64.4 | 63.2 | 64.7 | 65.4 | 64.2 | 61.8 | 64.1 | 60.6 | 64.3 | 62.8 |
| 75–84 | 55.7 | 61.5 | 63.5 | 65.4 | 66.5 | 65.3 | 64.1 | 64.5 | 63.3 | 66.0 | 65.0 |
| 85+ | 53.8 | 54.8 | 59.1 | 64.0 | 64.3 | 66.1 | 64.9 | 64.1 | 62.1 | 67.7 | 67.2 |
| **Total** | **43.3** | **45.7** | **47.3** | **47.5** | **49.0** | **50.2** | **51.3** | **48.4** | **47.8** | **51.9** | **54.6** |
| **Asian and other** | | | | | | | | | | | |
| 15–24 | 13.7 | 13.3 | 13.1 | 11.2 | 10.8 | 10.8 | 10.8 | 10.8 | 10.8 | 10.8 | 10.8 |
| 25–34 | 36.6 | 33.1 | 34.3 | 32.2 | 33.5 | 31.0 | 31.0 | 30.2 | 30.2 | 31.8 | 31.8 |
| 35–44 | 58.3 | 56.1 | 58.9 | 56.6 | 57.4 | 56.3 | 53.7 | 53.0 | 49.6 | 59.3 | 57.6 |
| 45–54 | 68.1 | 66.0 | 66.9 | 68.5 | 70.3 | 66.7 | 65.6 | 65.1 | 60.7 | 68.2 | 70.1 |
| 55–64 | 69.3 | 70.5 | 71.5 | 72.3 | 72.6 | 74.2 | 70.6 | 72.7 | 67.5 | 75.7 | 73.6 |
| 65–74 | 65.4 | 67.9 | 71.0 | 74.3 | 75.4 | 72.7 | 74.3 | 71.2 | 71.3 | 74.2 | 77.3 |
| 75–84 | 60.4 | 63.1 | 64.1 | 70.0 | 72.4 | 73.3 | 70.6 | 71.6 | 67.3 | 75.0 | 73.7 |
| 85+ | 56.5 | 57.8 | 58.1 | 59.5 | 60.0 | 69.5 | 70.5 | 67.4 | 66.6 | 71.5 | 74.1 |
| **Total** | **53.7** | **53.0** | **56.3** | **57.0** | **58.1** | **57.9** | **57.4** | **56.3** | **54.2** | **59.5** | **60.5** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

TABLE A.6

**Homeowner Composition, by Age and Race or Ethnicity**

*Thousands*

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | | | |
| 15–24 | 803 | 990 | 870 | 641 | 628 | 615 | 617 | 615 | 617 | 615 | 617 |
| 25–34 | 9,224 | 8,336 | 7,547 | 7,036 | 7,454 | 7,438 | 7,438 | 6,680 | 6,558 | 8,197 | 8,083 |
| 35–44 | 13,707 | 15,867 | 13,256 | 12,072 | 12,501 | 13,241 | 13,417 | 12,441 | 11,478 | 14,041 | 15,137 |
| 45–54 | 10,993 | 15,957 | 17,804 | 15,253 | 14,912 | 14,441 | 15,575 | 13,919 | 14,034 | 14,963 | 16,930 |
| 55–64 | 9,971 | 11,367 | 16,503 | 17,858 | 17,998 | 15,317 | 15,099 | 14,944 | 14,095 | 15,689 | 15,923 |
| 65–74 | 9,236 | 9,353 | 10,834 | 14,593 | 15,652 | 17,271 | 15,018 | 16,892 | 14,192 | 17,651 | 15,588 |
| 75–84 | 4,897 | 6,340 | 6,789 | 7,643 | 8,185 | 12,278 | 13,973 | 11,787 | 12,930 | 12,768 | 14,660 |
| 85+ | 1,052 | 1,606 | 2,384 | 2,698 | 2,917 | 3,698 | 6,000 | 3,251 | 4,828 | 4,145 | 6,713 |
| **Total** | **59,882** | **69,816** | **75,986** | **77,793** | **80,247** | **84,300** | **87,135** | **80,530** | **78,731** | **88,070** | **93,651** |
| **White** | | | | | | | | | | | |
| 15–24 | 682 | 738 | 622 | 440 | 427 | 391 | 382 | 391 | 382 | 391 | 382 |
| 25–34 | 7,911 | 6,463 | 5,538 | 5,092 | 5,348 | 4,940 | 4,621 | 4,589 | 4,232 | 5,290 | 4,879 |
| 35–44 | 11,556 | 12,566 | 9,461 | 8,207 | 8,527 | 8,495 | 7,916 | 8,151 | 7,105 | 8,839 | 8,613 |
| 45–54 | 9,241 | 12,965 | 13,601 | 10,772 | 10,327 | 9,450 | 9,531 | 9,201 | 8,872 | 9,698 | 10,104 |
| 55–64 | 8,563 | 9,448 | 13,285 | 13,735 | 13,668 | 10,576 | 9,841 | 10,396 | 9,373 | 10,756 | 10,211 |
| 65–74 | 8,229 | 8,025 | 9,028 | 11,800 | 12,578 | 13,233 | 10,498 | 12,977 | 10,039 | 13,489 | 10,790 |
| 75–84 | 4,427 | 5,660 | 5,844 | 6,377 | 6,771 | 9,901 | 10,746 | 9,525 | 10,014 | 10,277 | 11,225 |
| 85+ | 946 | 1,435 | 2,105 | 2,296 | 2,471 | 3,034 | 4,803 | 2,653 | 3,849 | 3,415 | 5,379 |
| **Total** | **51,554** | **57,301** | **59,484** | **58,719** | **60,116** | **60,019** | **58,338** | **57,884** | **53,866** | **62,155** | **61,582** |
| **Black** | | | | | | | | | | | |
| 15–24 | 49 | 83 | 61 | 39 | 43 | 42 | 44 | 42 | 44 | 42 | 44 |
| 25–34 | 549 | 652 | 541 | 390 | 431 | 554 | 567 | 374 | 376 | 734 | 737 |
| 35–44 | 1,033 | 1,306 | 1,158 | 955 | 975 | 1,103 | 1,267 | 949 | 864 | 1,258 | 1,657 |
| 45–54 | 908 | 1,319 | 1,550 | 1,325 | 1,307 | 1,227 | 1,427 | 1,119 | 1,123 | 1,334 | 1,715 |
| 55–64 | 801 | 921 | 1,360 | 1,531 | 1,559 | 1,383 | 1,335 | 1,325 | 1,162 | 1,442 | 1,505 |
| 65–74 | 653 | 696 | 827 | 1,180 | 1,263 | 1,457 | 1,340 | 1,419 | 1,243 | 1,496 | 1,426 |

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75–84 | 326 | 382 | 451 | 564 | 613 | 932 | 1,125 | 894 | 1,034 | 970 | 1,189 |
| 85+ | 76 | 104 | 142 | 180 | 203 | 272 | 449 | 246 | 371 | 298 | 495 |
| **Total** | **4,397** | **5,463** | **6,091** | **6,163** | **6,393** | **6,970** | **7,553** | **6,367** | **6,216** | **7,573** | **8,767** |
| **Hispanic** | | | | | | | | | | | |
| 15–24 | 51 | 122 | 133 | 115 | 115 | 132 | 133 | 132 | 133 | 132 | 133 |
| 25–34 | 521 | 822 | 976 | 967 | 1,053 | 1,308 | 1,511 | 1,129 | 1,285 | 1,487 | 1,691 |
| 35–44 | 691 | 1,215 | 1,659 | 1,754 | 1,848 | 2,188 | 2,666 | 2,028 | 2,209 | 2,348 | 3,085 |
| 45–54 | 515 | 922 | 1,611 | 1,930 | 2,046 | 2,300 | 2,747 | 2,206 | 2,440 | 2,395 | 3,011 |
| 55–64 | 405 | 549 | 1,048 | 1,549 | 1,726 | 2,103 | 2,416 | 2,008 | 2,179 | 2,198 | 2,588 |
| 65–74 | 237 | 376 | 558 | 907 | 1,057 | 1,637 | 2,029 | 1,587 | 1,847 | 1,687 | 2,152 |
| 75–84 | 98 | 171 | 303 | 412 | 468 | 843 | 1,332 | 796 | 1,187 | 891 | 1,418 |
| 85+ | 20 | 36 | 80 | 136 | 148 | 225 | 432 | 195 | 331 | 255 | 493 |
| **Total** | **2,538** | **4,213** | **6,368** | **7,772** | **8,462** | **10,737** | **13,266** | **10,082** | **11,611** | **11,392** | **14,570** |
| **Asian and other** | | | | | | | | | | | |
| 15–24 | 21 | 47 | 53 | 48 | 43 | 50 | 57 | 50 | 57 | 50 | 57 |
| 25–34 | 242 | 400 | 492 | 587 | 622 | 637 | 739 | 587 | 665 | 686 | 777 |
| 35–44 | 427 | 780 | 977 | 1,156 | 1,151 | 1,455 | 1,567 | 1,313 | 1,300 | 1,596 | 1,783 |
| 45–54 | 329 | 751 | 1,042 | 1,226 | 1,232 | 1,465 | 1,870 | 1,394 | 1,600 | 1,536 | 2,101 |
| 55–64 | 201 | 449 | 810 | 1,043 | 1,046 | 1,255 | 1,507 | 1,216 | 1,381 | 1,294 | 1,619 |
| 65–74 | 117 | 256 | 421 | 705 | 754 | 945 | 1,151 | 909 | 1,063 | 980 | 1,220 |
| 75–84 | 47 | 126 | 192 | 290 | 333 | 602 | 771 | 573 | 694 | 631 | 829 |
| 85+ | 10 | 30 | 56 | 86 | 94 | 167 | 316 | 157 | 277 | 177 | 346 |
| **Total** | **1,393** | **2,839** | **4,043** | **5,140** | **5,275** | **6,574** | **7,978** | **6,198** | **7,038** | **6,951** | **8,732** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

TABLE A.7

**Renter Composition, by Age and Race or Ethnicity**

*Thousands*

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | | | | | |
| 15–24 | 3,960 | 4,544 | 4,531 | 3,757 | 3,564 | 3,538 | 3,589 | 3,538 | 3,589 | 3,538 | 3,589 |
| 25–34 | 10,660 | 9,961 | 10,410 | 11,292 | 11,558 | 11,170 | 11,552 | 11,248 | 11,395 | 11,093 | 11,252 |
| 35–44 | 6,620 | 8,101 | 8,035 | 8,811 | 8,603 | 9,810 | 9,659 | 10,113 | 10,139 | 9,507 | 8,897 |
| 45–54 | 3,412 | 5,336 | 7,103 | 6,957 | 6,572 | 7,389 | 8,596 | 7,609 | 9,113 | 7,168 | 7,912 |
| 55–64 | 2,394 | 2,880 | 4,838 | 5,993 | 6,057 | 5,799 | 6,679 | 5,908 | 6,964 | 5,690 | 6,289 |
| 65–74 | 2,389 | 2,154 | 2,670 | 3,733 | 4,014 | 5,534 | 5,420 | 5,537 | 5,469 | 5,531 | 5,269 |
| 75–84 | 1,859 | 1,866 | 1,927 | 1,975 | 2,080 | 3,553 | 4,942 | 3,627 | 4,928 | 3,479 | 4,805 |
| 85+ | 595 | 822 | 1,215 | 1,207 | 1,291 | 1,432 | 2,554 | 1,429 | 2,431 | 1,434 | 2,431 |
| **Total** | **31,889** | **35,664** | **40,730** | **43,724** | **43,739** | **48,223** | **52,990** | **49,008** | **54,027** | **47,439** | **50,445** |
| **White** | | | | | | | | | | | |
| 15–24 | 2,870 | 2,859 | 2,710 | 2,148 | 2,027 | 1,858 | 1,813 | 1,858 | 1,813 | 1,858 | 1,813 |
| 25–34 | 7,246 | 5,740 | 5,465 | 5,665 | 5,670 | 5,100 | 4,776 | 5,150 | 4,750 | 5,049 | 4,657 |
| 35–44 | 4,275 | 4,590 | 3,901 | 3,803 | 3,678 | 3,995 | 3,611 | 4,128 | 3,832 | 3,862 | 3,313 |
| 45–54 | 2,180 | 3,189 | 3,837 | 3,266 | 2,946 | 3,004 | 3,343 | 3,131 | 3,600 | 2,876 | 3,042 |
| 55–64 | 1,592 | 1,786 | 2,844 | 3,235 | 3,167 | 2,569 | 2,690 | 2,614 | 2,845 | 2,524 | 2,503 |
| 65–74 | 1,797 | 1,446 | 1,664 | 2,213 | 2,330 | 2,942 | 2,450 | 2,941 | 2,472 | 2,943 | 2,386 |
| 75–84 | 1,553 | 1,474 | 1,394 | 1,335 | 1,396 | 2,249 | 2,871 | 2,325 | 2,903 | 2,173 | 2,761 |
| 85+ | 523 | 708 | 1,033 | 980 | 1,046 | 1,094 | 1,869 | 1,102 | 1,801 | 1,087 | 1,746 |
| **Total** | **22,035** | **21,792** | **22,849** | **22,646** | **22,260** | **22,811** | **23,422** | **23,250** | **24,016** | **22,373** | **22,220** |
| **Black** | | | | | | | | | | | |
| 15–24 | 529 | 705 | 719 | 553 | 510 | 503 | 527 | 503 | 527 | 503 | 527 |
| 25–34 | 1,765 | 1,733 | 1,858 | 2,072 | 2,250 | 2,075 | 2,141 | 2,118 | 2,126 | 2,031 | 2,039 |
| 35–44 | 1,259 | 1,625 | 1,654 | 1,844 | 1,821 | 2,216 | 2,049 | 2,280 | 2,184 | 2,152 | 1,842 |
| 45–54 | 684 | 1,061 | 1,553 | 1,550 | 1,501 | 1,672 | 2,080 | 1,727 | 2,196 | 1,616 | 1,915 |
| 55–64 | 475 | 569 | 1,024 | 1,413 | 1,477 | 1,413 | 1,616 | 1,461 | 1,719 | 1,366 | 1,502 |
| 65–74 | 378 | 379 | 509 | 782 | 879 | 1,326 | 1,315 | 1,340 | 1,367 | 1,311 | 1,251 |

| Age | 1990 | 2000 | 2010 | 2018 | 2020 | 2030 average | 2040 average | 2030 slow | 2040 slow | 2030 fast | 2040 fast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 75–84 | 197 | 211 | 252 | 298 | 322 | 637 | 1,005 | 637 | 1,000 | 637 | 985 |
| 85+ | 48 | 63 | 86 | 92 | 100 | 149 | 319 | 142 | 289 | 156 | 324 |
| **Total** | **5,334** | **6,345** | **7,654** | **8,604** | **8,859** | **9,990** | **11,052** | **10,208** | **11,408** | **9,772** | **10,385** |
| **Hispanic** | | | | | | | | | | | |
| 15–24 | 429 | 673 | 752 | 680 | 670 | 768 | 775 | 768 | 775 | 768 | 775 |
| 25–34 | 1,230 | 1,679 | 2,146 | 2,321 | 2,403 | 2,580 | 2,989 | 2,619 | 2,979 | 2,540 | 2,888 |
| 35–44 | 780 | 1,275 | 1,798 | 2,277 | 2,249 | 2,468 | 2,649 | 2,538 | 2,803 | 2,397 | 2,430 |
| 45–54 | 394 | 700 | 1,197 | 1,578 | 1,604 | 1,981 | 2,192 | 2,003 | 2,279 | 1,960 | 2,061 |
| 55–64 | 238 | 337 | 646 | 945 | 1,019 | 1,380 | 1,747 | 1,376 | 1,734 | 1,384 | 1,705 |
| 65–74 | 152 | 208 | 325 | 494 | 559 | 911 | 1,256 | 888 | 1,201 | 934 | 1,273 |
| 75–84 | 78 | 107 | 174 | 218 | 235 | 448 | 744 | 437 | 689 | 458 | 764 |
| 85+ | 17 | 30 | 56 | 77 | 82 | 115 | 234 | 109 | 202 | 121 | 240 |
| **Total** | **3,320** | **5,010** | **7,093** | **8,589** | **8,822** | **10,651** | **12,586** | **10,739** | **12,662** | **10,562** | **12,136** |
| **Asian and other** | | | | | | | | | | | |
| 15–24 | 132 | 307 | 350 | 376 | 356 | 409 | 474 | 409 | 474 | 409 | 474 |
| 25–34 | 420 | 809 | 942 | 1,234 | 1,236 | 1,416 | 1,646 | 1,360 | 1,540 | 1,473 | 1,668 |
| 35–44 | 305 | 612 | 682 | 886 | 855 | 1,131 | 1,350 | 1,166 | 1,320 | 1,096 | 1,312 |
| 45–54 | 154 | 387 | 516 | 563 | 521 | 732 | 981 | 748 | 1,038 | 716 | 894 |
| 55–64 | 89 | 188 | 324 | 400 | 394 | 436 | 627 | 457 | 666 | 415 | 579 |
| 65–74 | 62 | 121 | 172 | 244 | 246 | 355 | 398 | 368 | 429 | 342 | 359 |
| 75–84 | 31 | 74 | 107 | 125 | 127 | 219 | 321 | 227 | 337 | 211 | 295 |
| 85+ | 7 | 22 | 40 | 59 | 63 | 73 | 132 | 76 | 139 | 71 | 121 |
| **Total** | **1,200** | **2,518** | **3,133** | **3,885** | **3,798** | **4,771** | **5,929** | **4,811** | **5,941** | **4,731** | **5,703** |

**Sources:** Decennial censuses, American Community Surveys, and Urban Institute projections.

# Notes

[1] Urban Institute calculations from the 2019 Survey of Consumer Finances.

[2] The estimates in this report do not account for the effects of COVID-19. The data we used were pre-COVID data. Reliable post-COVID data are not available. We believe that even though the pandemic's economic effects will change the short-run numbers, our estimates are longer term (2030 and 2040 projections) and should not be greatly affected.

[3] Although this applies in the aggregate, for any given age group, the number of people per household cannot be approximated from the inverse of the headship rate.

[4] A family unit is defined as two or more people related by birth, marriage, or adoption residing together.

[5] Goodman, Pendall, and Zhu (2015) provide projections for headship rates for 2020 and 2030. Our current projections more heavily reflect recent trends, as we have five additional years of experience for projections; we have a lower headship rate for most age groups, as more adults are living with their parents; and more adults are living with roommates. Our 2015 headship projections were too high. Our current 2020 headship rate projection is 45.8 percent, compared with 47.0 percent for our 2015 projections. Our current 2030 headship rate projection is 45.8 percent, compared with 46.9 percent for our 2015 projections. With a 2018 headship rate of 45.6 percent, we believe these new projections more adequately capture market realities.

[6] We need to estimate the 2020 numbers, as the 2018 ACS contains the latest data. 2020 Decennial Census data will not be available until late 2021.

[7] Net household growth was much lower than projected in Goodman, Pendall, and Zhu (2015). This reflects weak household formation between 2010 and 2020, declines in headship rates for most age groups, and changes in the population estimates from the National Population Projections Tables.

[8] Marriage is an important driver of homeownership beyond the contribution of a second income. Goodman and Mayer (2018) and Choi and coauthors (2019) control for family income in the regression analysis and find the marriage variable is highly significant. Indeed, the declining marriage rate and the later age at time of first marriage are important contributors to the decline in homeownership for young and middle-aged households.

[9] These projections of homeownership rates are higher than those presented in Goodman, Pendall, and Zhu (2015), with the current average projections above the fast projections in the earlier work. Our current analysis suggests that by 2020, homeownership rates would be 64.7 percent, higher than the previous projection of 63 percent under the fast scenario. Our current projection shows an average 63 percent homeownership rate in 2030, compared with 62.2 percent under the previous fast scenario. This is partly because of the sluggish rate of household formation, as well as actual homeownership growth from 2013 to 2018, buoyed by low interest rates. The sluggish rate of household formation results in less homeownership growth and less rental growth.

[10] The capital advance does not have to be repaid if the facility serves low-income seniors for 40 years.

[11] This is not the total fix for a comfortable retirement for everyone. Home equity is a resource that applies only to homeowners and will not be enough for many homeowners. While beyond the scope of this paper, a broader fix to fund retirement will still be necessary.

[12] Laurie Goodman and Jun Zhu, "Rental Pay History Should Be Used to Assess the Creditworthiness of Mortgage Borrowers," *Urban Wire* (blog), Urban Institute, April 17, 2018, https://www.urban.org/urban-wire/rental-pay-history-should-be-used-assess-creditworthiness-mortgage-borrowers.

[13] These data are reported to the National Consumer Telecom and Utilities Exchange, which is comprehensive and contains more than 300 million accounts and 200 million customers (Kaul and Goodman 2018). FICO has been given limited use of these data to score and underwrite consumers with no credit score for credit cards.

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