

The Federal Reserve Bank of St. Louis Presents:



“THE FUTURE OF HOMEOWNERSHIP:
GENERATIONS X AND Y”

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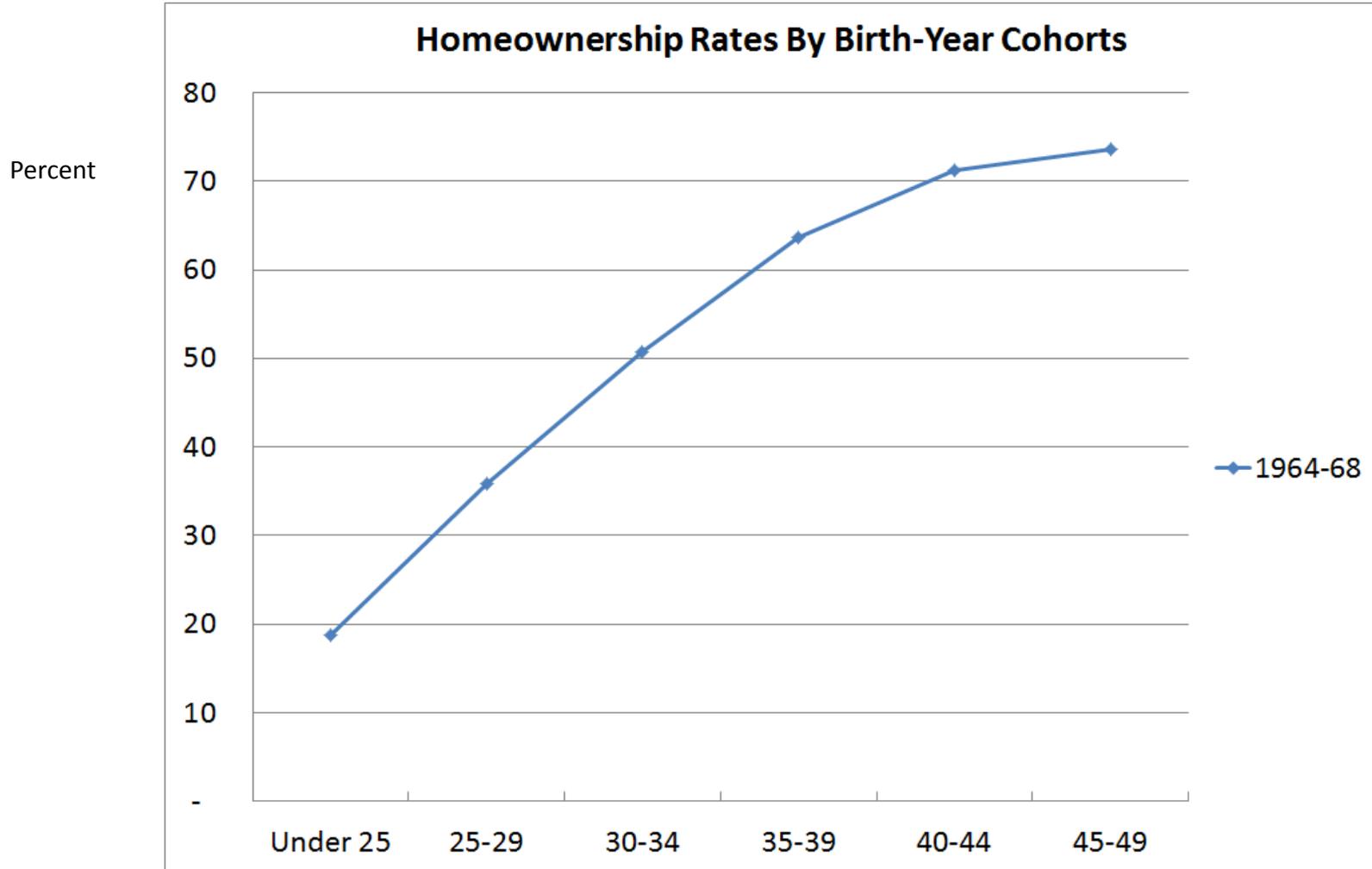
The Future of Homeownership: Generations X and Y

- Generations X and Y: Individuals and families under 50, born 1965 or later.
- Homeownership rates for Gen X were high before the crash; Gen-Xers were hit hard.
- Members of Gen Y—born after 1980—are entering homeownership slowly.
- Housing markets are struggling as young adults struggle.

Generations born in the 20th century

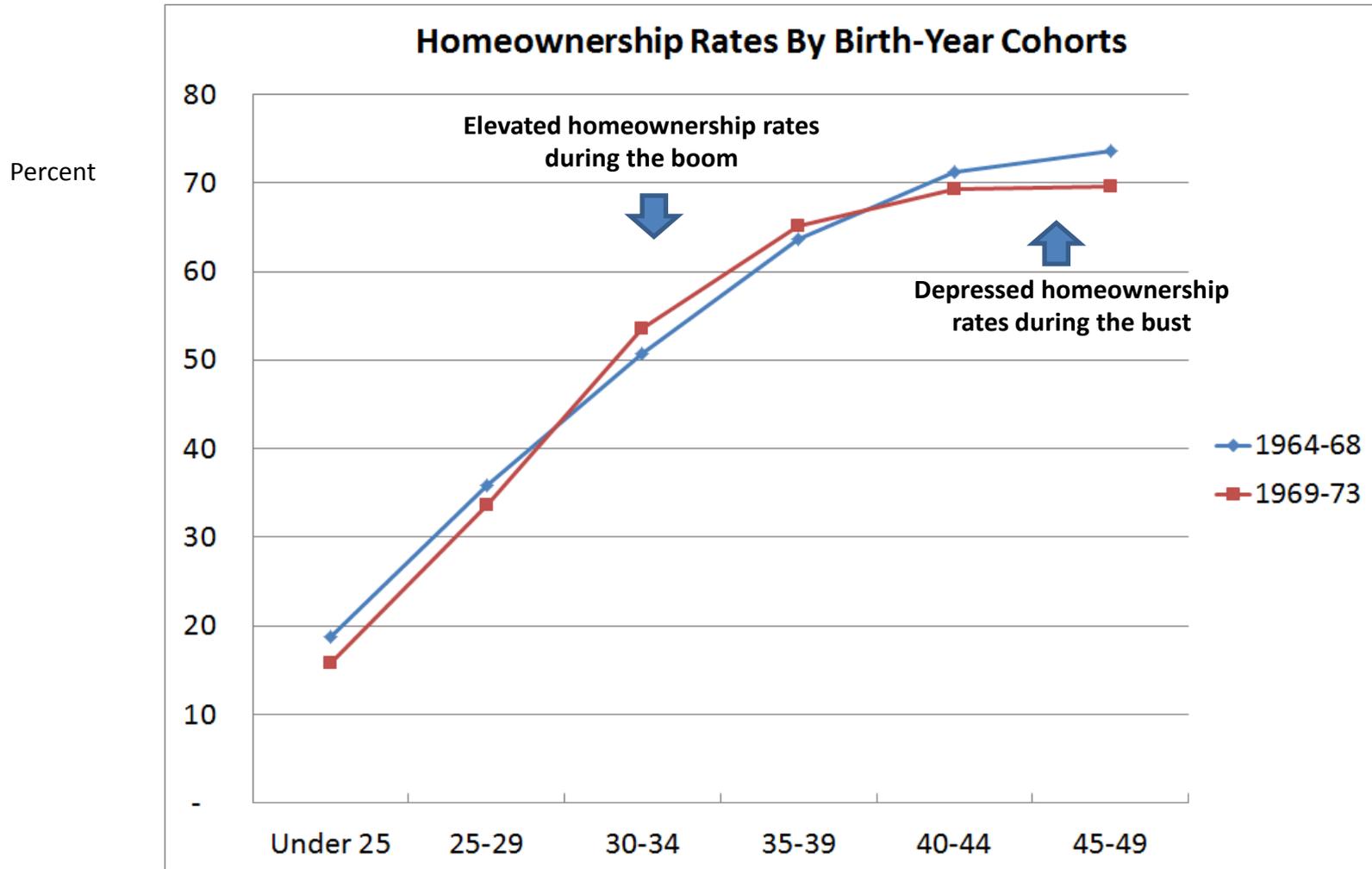
- | | <u>Currently</u> |
|--|------------------|
| • The “Greatest Generation,” born 1900-24
(included people who fought in WW II) | 90-114 years old |
| • The “Silent Generation,” born 1925-45
(Depression and WW II) | 69-89 |
| • “Baby Boomers,” born 1946-64 | 50-68 |
| • “Generation X,” born 1965-80 | 34-49 |
| • “Generation Y” (also called “Millennials”
or “Echo Boomers”), born 1981-2000 | 14-33 |
| • The “Post-Millennial Generation,” born
after 2000 | Under 14 |

Benchmark: Homeownership rates of people born 1964-68 (first wave of Gen X)



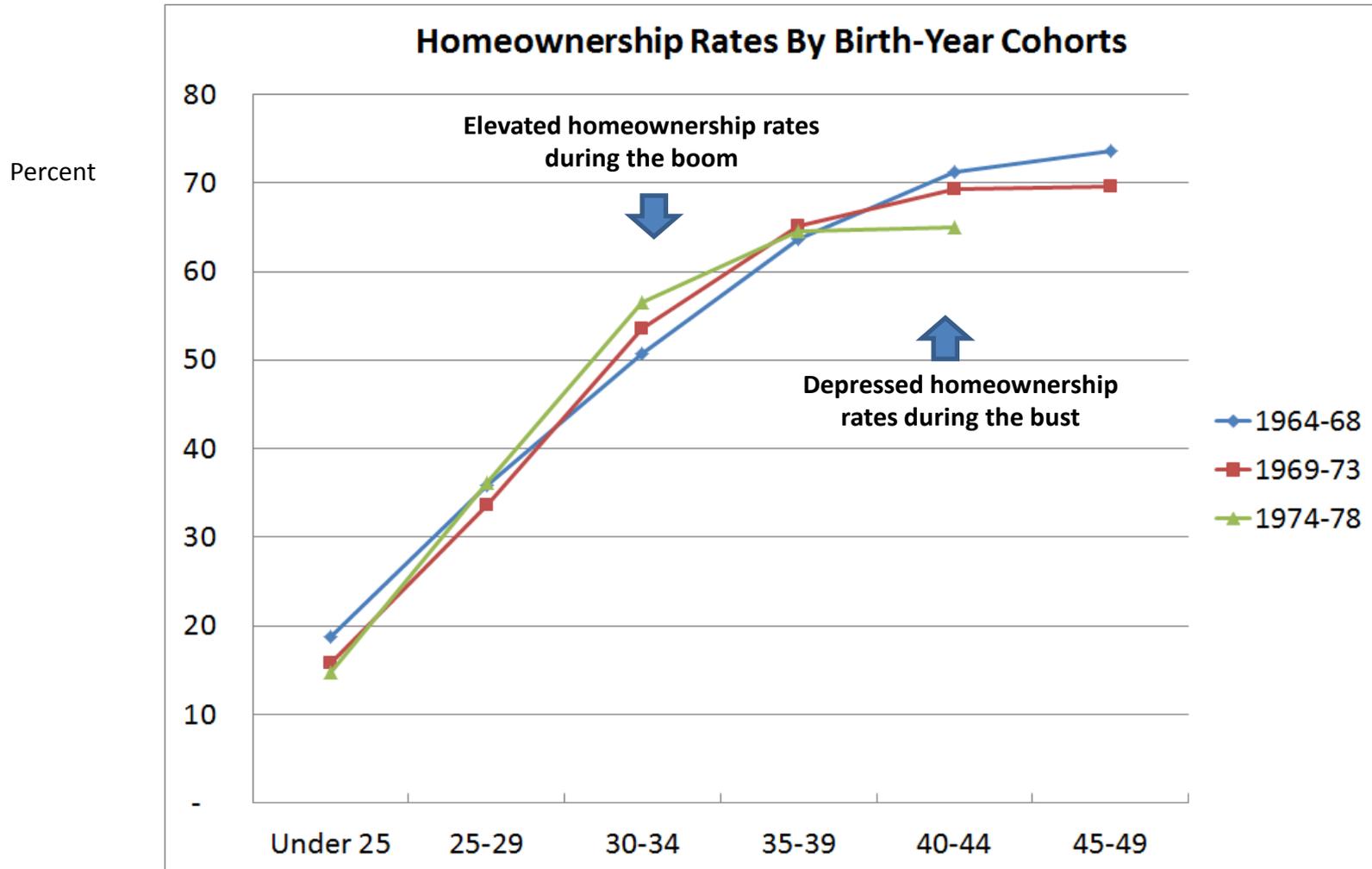
Source: Census Bureau

Gen X rushed into homeownership then crashed



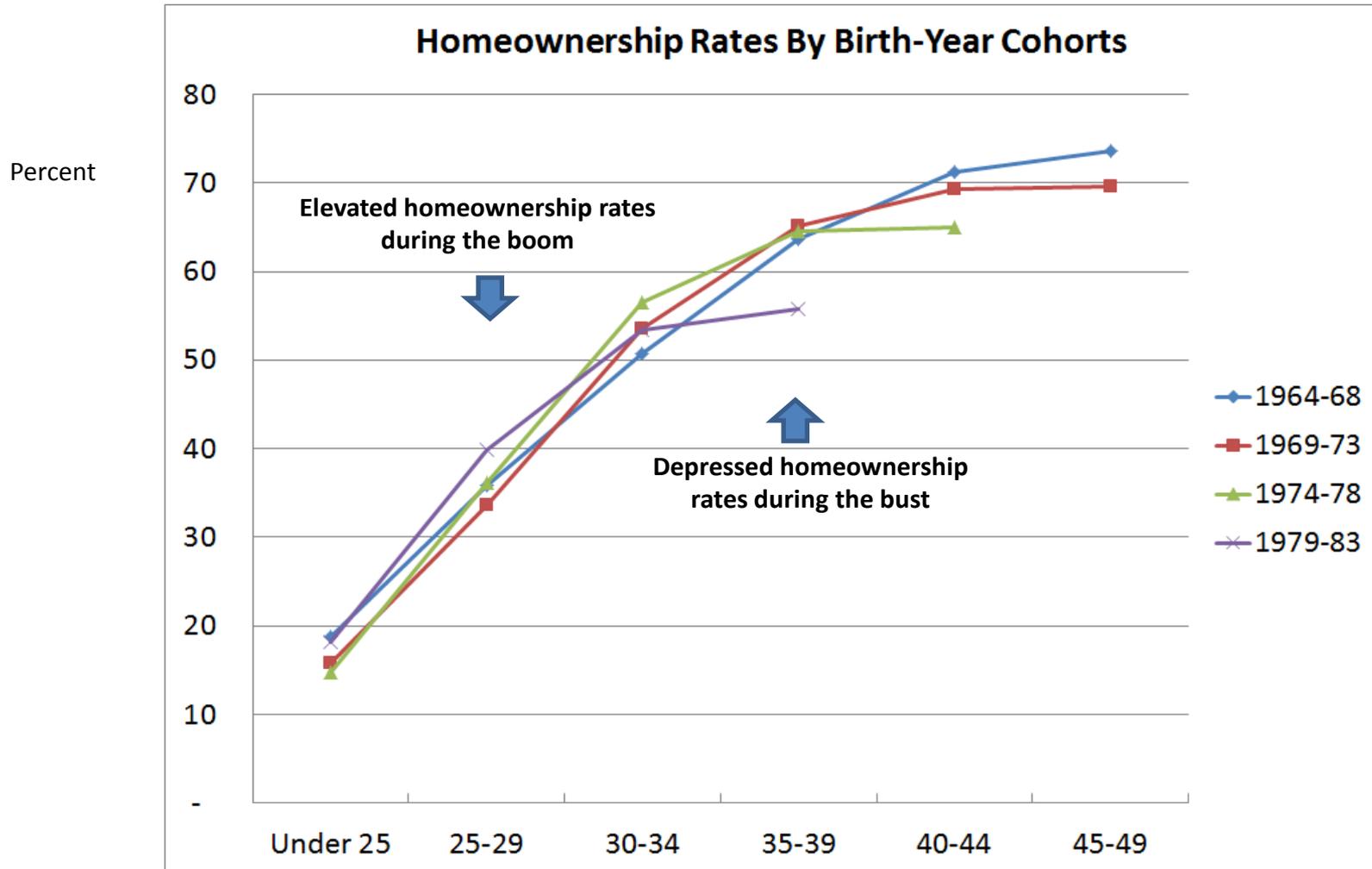
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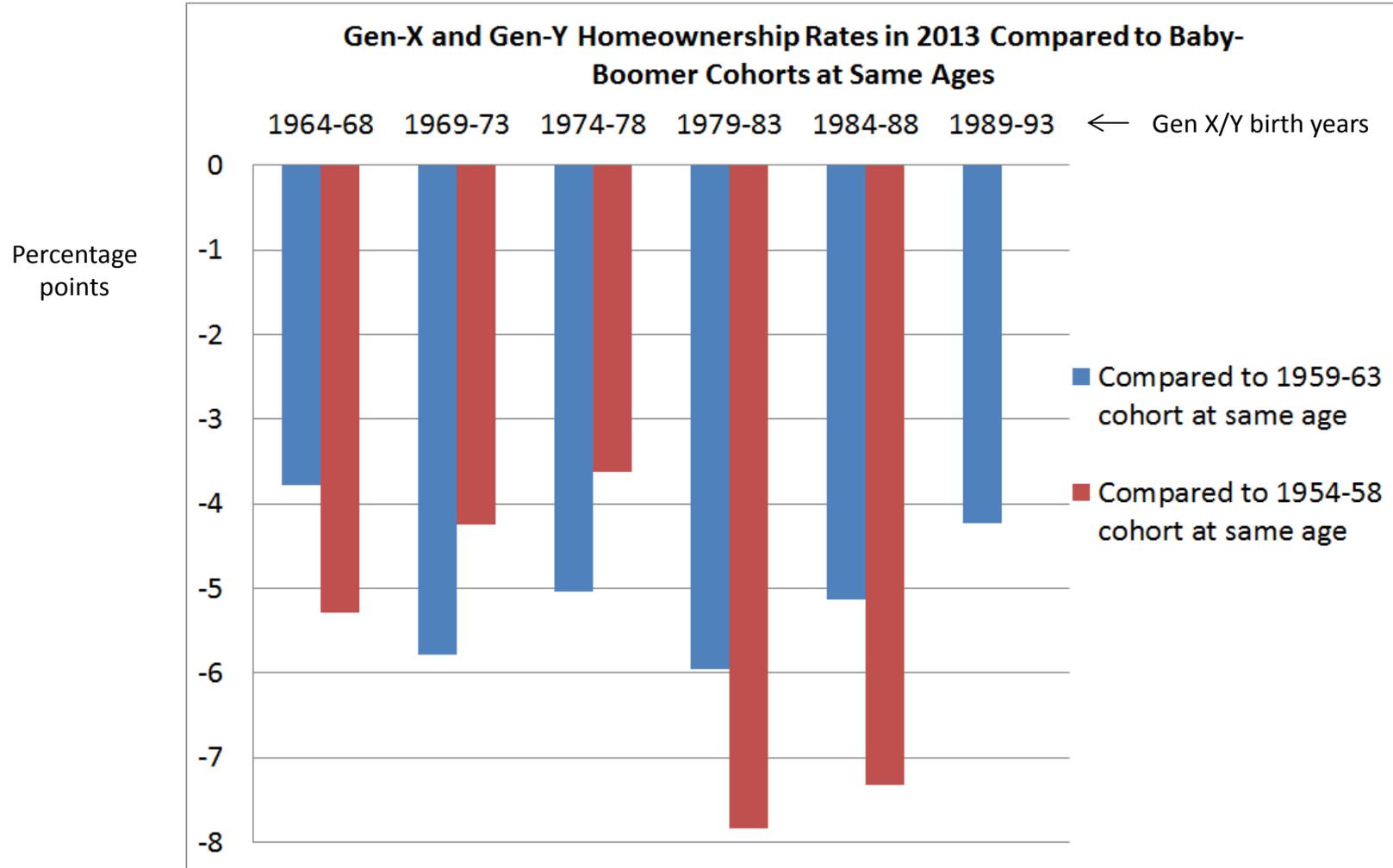
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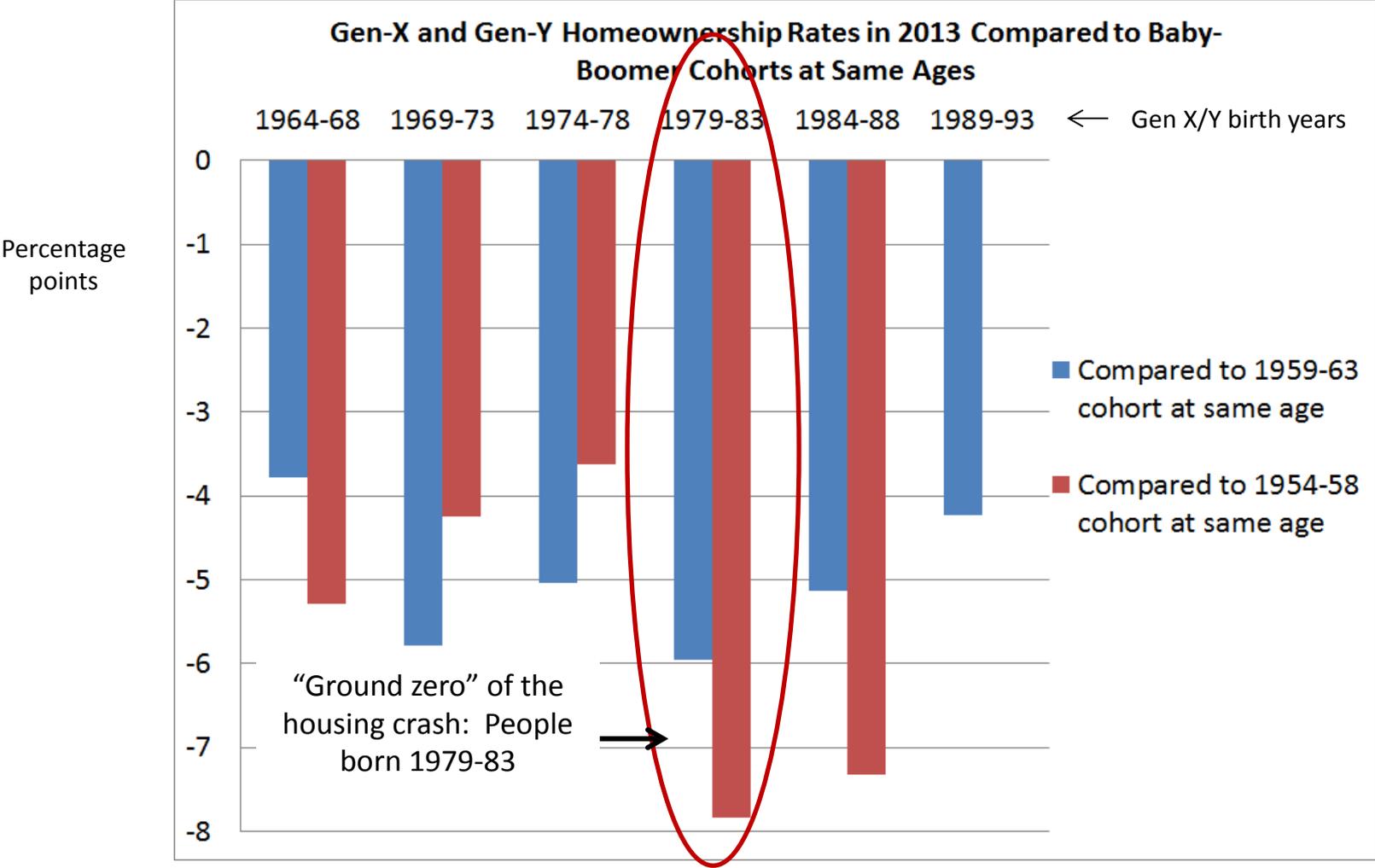
Source: Census Bureau

Gen X/Gen Y homeownership rates now 3 to 8 percentage points behind Boomers



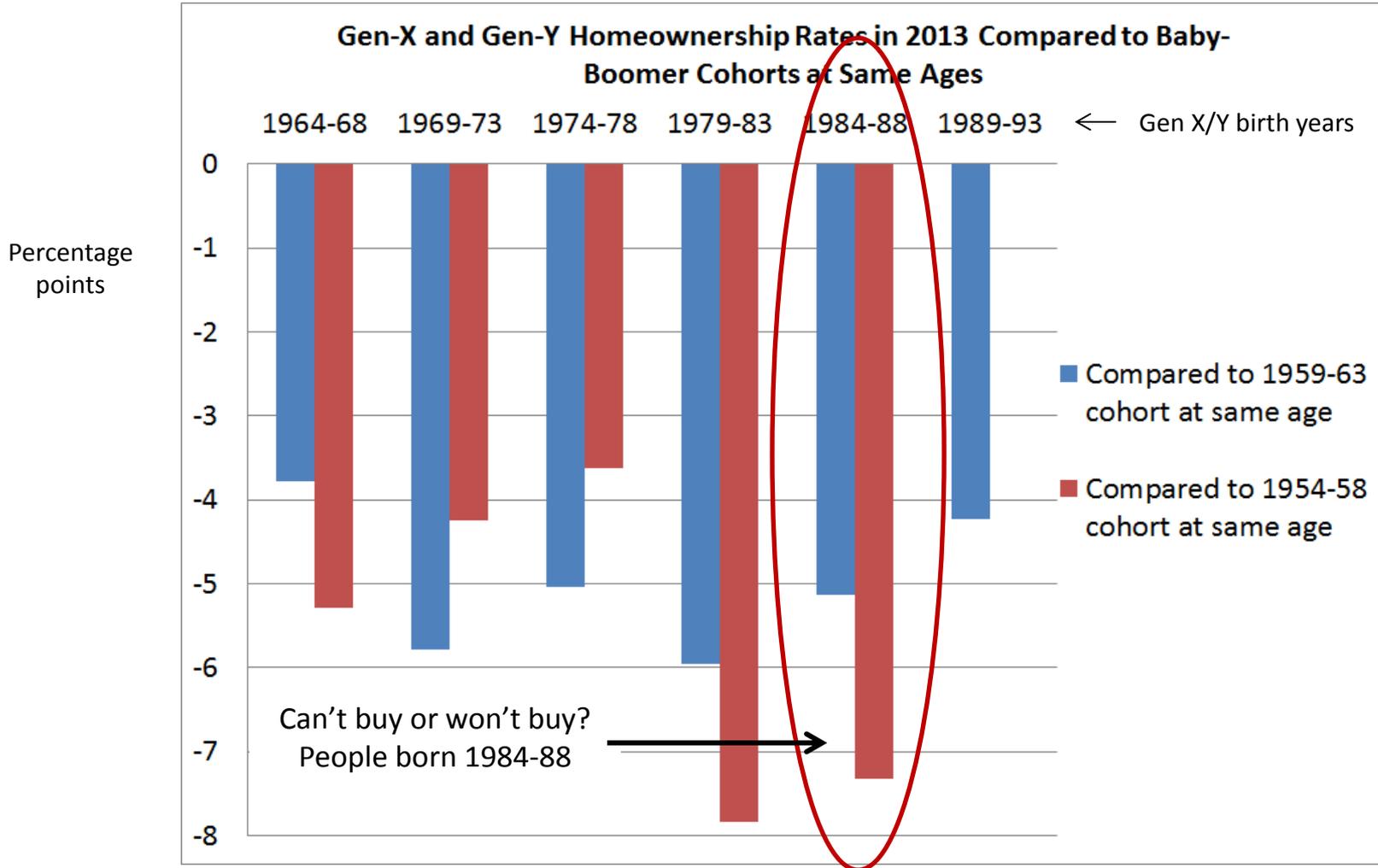
Source: Census Bureau

Hardest-hit group: Born 1979-83



Source: Census Bureau

Gen Y looks shell-shocked and/or credit-constrained



Source: Census Bureau

Current financial state of Gen X and Y does not bode well for housing market

- Gen X personified the housing boom and bust.
- Gen Y missed the boom but is feeling the bust.
- Bad omens for the housing market:
 - Gen X is financially damaged.
 - Gen Y is frightened and credit-constrained.
- Sluggish housing markets likely to persist.
- For more information: St. Louis Fed conference on young families' balance sheets,
<http://www.stlouisfed.org/household-financial-stability/events/20140508/agenda.cfm>.