Millennials Form the Critical Foundation for Housing
Four Major Background Indicators of Change

Total Growth Slowdown
Immigration In-Flows Reduced
Aging of Population
Downturn in Homeownership
What Year Does LA County Reach 12 Million Population?

- Old Expectation = 2030
- New Outlook = after 2060

Source:
California Department of Finance, 2007 and 2013

Dowell Myers, USC Price
Annual Immigrant Arrivals
Percentage Change in Net Flow Since 1970

Dowell Myers, USC Price
Growth in Age Groups in LA County, Then and Now

1990-2010

2010-2030

Dowell Myers, USC Price
A Half Century of Homeownership Rates

Homeownership per 100 people (%), 1970-2013

Note: Shaded areas indicate US recessions. Refer to 2015 research.stlouisfed.org.

Dowell Myers, USC Price
Millennials and Other Young Adults are the Foundation
The Foundation of the U.S. Housing Market:

Native-Born Turning Age 25, Plus New Immigrants

Myers and Pitkin, “Demographic Forces and Turning Points”  
Dowell Myers, USC Price
Ages 35-44
Aggregate Trend Ratio based on 2000

California

LA county

Population
Households
Homeowners

Dowell Myers, USC Price
Ages 25-34
Aggregate Trend Ratio based on 2000

California

LA county

Dowell Myers, USC Price
Ages 15-24
Aggregate Trend Ratio based on 2000

California

LA county

Population
Households
Homeowners

Dowell Myers, USC Price
Cohort Momentum Under Way
Number of Homeowners by Age, 2000 to 2010
Cohort Trajectories of Absolute Numbers (Baby Boomers in red)

California

LA county

Maintaining the balance between
A: Future sell-off of Baby Boomers in 2020s and 30s
B: Future move-up buyers of diverse backgrounds

Source: Decennial Census; see Myers and Ryu, “Aging Baby Boomers and the Generational Housing Bubble”

Dowell Myers, USC Price
Cohort Changes in **Homeowners** 2000 to 2010
by Cohort Age at the End of Decade

**California**

**LA county**

Note: Scales are different for California and LA county; CA slightly underestimated at 85+.

Dowell Myers, USC Price
Cohort Changes in *Households* 2000 to 2010
by Cohort Age at the End of Decade

California

LA county

Note: Scales are different for California and LA county; CA slightly underestimated at 85+.  

Dowell Myers, *USC Price*
Comparison of Progress into U.S. Homeownership
by Four Cohorts Observed in Same Age Intervals

Increment in Homeownership Rate by Cohorts
in 5 Years After Beginning Date

Source: Dowell Myers analysis of Housing Vacancy Survey data
Comparison of Homeownership Rate Between the Boomers and the Millennials in the U.S.

Note: Boomers and Millennials are represented by selected sub-age groups for greater precision of comparison

Alternative Projections of Homeownership Rate
1980-2012 (actual), and 2012-2036 (projected)

## The Eroded Market Power of the Millennial Generation

![Bar chart comparing market power of different groups](chart.png)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Value</th>
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<tbody>
<tr>
<td>Size of Gen X to Compare</td>
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<tr>
<td>Size of Millennials</td>
<td>116</td>
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<tr>
<td>Diversity Grows w/same Inequality</td>
<td>109</td>
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<tr>
<td>Income Reduced</td>
<td>98</td>
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<tr>
<td>Parents' Wealth Reduced</td>
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<tr>
<td>Credit Access Below Normal</td>
<td>46</td>
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<td></td>
<td>23</td>
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See Appendix for explanation of factors and calculation of cumulative eroded market power

Dowell Myers, USC Price
Questions

So how fast are we getting back to normal now?

Or more hopefully.....
Will there be a period of “super normal” while we make up for deferred housing advances?

And in policy terms....
What can we do to get the Millennials on track to fill the big shoes of aging Baby Boomers?
So
What is the New Normal?
How Can We Make it a Relatively Good New Normal?

Thank you