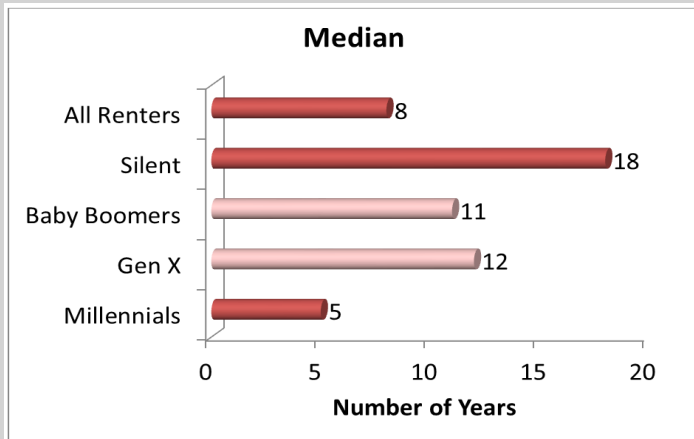


Why Has Gen X Been Renting Longer Than Baby Boomers?

Nestled between the largest generations in American History—Baby Boomers and Millennials—Gen X is often overlooked simply because it is less populous. As this generation nears its peak earning years, its impact on the economy will become more significant. First they will have to overcome some financial challenges, particularly when it comes to housing. The recent recession most severely impacted Gen Xers simply because of their age and where they were at that point in their lives.

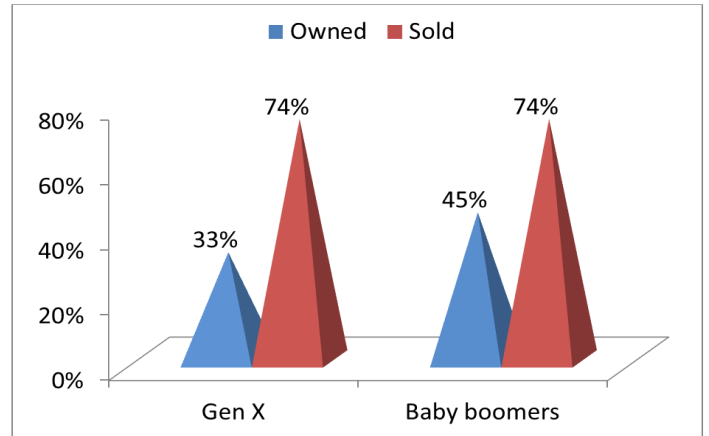
Contrary to what most would expect to be the case—that Baby Boomers should have a longer tenure as renters than younger generations simply because of age—C.A.R.'s 2016 Renter Survey found the opposite to be true. Gen X has actually been renting for a median of 12 years, one year longer than Baby Boomers, who have been renting for a median of 11 years. This is due to Gen X being hardest hit by the housing crash of 2007.

Figure 1: Total Number of Years Renting



When digging a little deeper into the Survey findings, it all makes sense. A smaller proportion of Gen X renters (33%) previously owned a primary residence (compared to 45% of Baby Boomer renters), yet the same percentage (74%) of both generations have since sold that primary residence.

Figure 2: Primary Residence Owners and Sellers



Further evidence of the more detrimental impact of the housing crisis on Gen X is demonstrated by the fact that the majority of Gen X (56%) who previously owned a primary residence sold it in 2008 or later—during the aftermath of the Great Recession—versus 42% of Baby Boomers. When looking at their reasons for selling, it becomes abundantly clear that Gen X was more negatively impacted by the housing crash than Baby Boomers, as 41% of Gen X sold their home due to financial difficulties (foreclosure, short sale, or bankruptcy) compared to only 26% of Baby Boomers. The Great Recession effectively robbed Gen X of 6 to 8 years of homeownership and turned them into renters.

Despite the hardship they faced, many remain optimistic and plan to buy a home. More than four out of ten Gen Xers (41%) said they plan to buy a home after they move from their current rental.

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