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Brief

## Who Could Own Homes in the Year 2000?

After 4 decades of increase since 1940, the Nation's homeownership rate fell from 66 percent in 1980 to 64 percent in 1991. This decline actually took place between 1980 and 1985; since then, the rate has remained stable. But will it begin to rebound by the year 2000? This brief explains how it might change.

First it reviews how homeownership changed for different age groups during the 1980's. Then, it projects how owners' age and family composition could change. Two sources are used. One is the Census Bureau estimates for the 1990's (based on "Series B" projections originally published in 1986) of changes in the number of households of various types. Second is the actual 1989 homeownership rates for these groups (from the Current Population Survey/Housing Vacancy Survey). These projections thus assume there will be no changes during the 1990's in the homeownership rates for various ages and kinds of households.

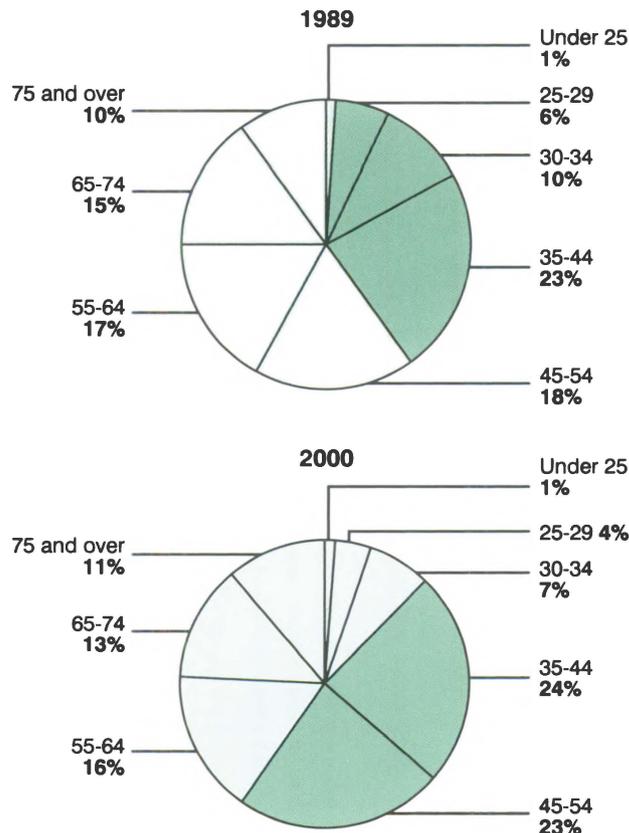
**In the 1980's, it became even less likely for younger persons to own a home.**

Householders under 35 years old, predominantly renters, became even more likely to rent, as just 39 percent owned homes in 1989, down from 43 percent as the decade began. On the

other hand, those aged 65 and over, mostly owners, became even more likely to own — 76 percent in 1989, up from 74 percent at the beginning of the decade. The chart on the back illustrates percent changes in the number of owners and renters during the decade.

### By the Year 2000, It's Expected That Nearly 1 in 2 Homeowners Will be Baby Boomers

Age distribution of homeowners, 1989 and 2000



Note: In 1989, there were 59.8 million owners; in 2000, the figure is projected to be 68.9 million.



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**Overall homeownership rate may rise by the year 2000.**

Even if homeownership rates for every different age group and household type remain at their respective 1989 levels, demographic changes alone may add up to big changes in the numbers and characteristics of homeowners. By the year 2000:

- It is projected there will be 9.1 million more owners (a 15-percent increase over 1989) and 3.9 million more renters (up 12 percent).
- Householders between 35 and 54 in the year 2000 (when "baby boomers" will be 36 to 54) are expected to account for 47 percent of homeowners in 2000; those aged 25 to 44 in 1989 comprised 39 percent in 1989.
- Because of the shift of these "baby boomers" to older age groups, where homeownership is much higher, the overall homeownership rate could increase slightly, from 64 percent in 1989 to 65 percent in 2000.

**Owners could be an older lot.**

As the population shifts, it's projected there will be nearly 2 million fewer homeowners under age 35 in 2000 than there were in 1989 — a 20-percent drop. At the same time, the number aged 35 or older is expected to grow by 11 million (23 percent). As mentioned above, most of them will be baby boomers — the number of owners aged 35 to 44 should rise by 2.7 million; 5.5 million owners should be added to the 45 to 54 age group, up 51 percent.

**Growth expected to be greater for nonfamily owners.**

Though more family than nonfamily owners are expected to be added during the 1990's, we project the rate of increase in the number of nonfamily owners

will be more than twice that of family owners (27 percent versus 12 percent). Married-couple owners, the household type with the highest homeownership rate, are expected to grow by 11 percent, less than the growth rate for all other household types.

**Changes could influence housing market.**

These projected changes could reduce the potential sales of homes to first-time home buyers, while increasing the market for purchase of "move-up" homes by middle-aged homeowners. Also, a decline in the number of young homeowners could reduce the incentive for homebuilders to build "starter" homes for that group.

**More information:**

*Housing in America: 1989/90, Current Housing Reports,*

Series H-123/91-1. Available from the U.S. Government Printing Office. Stock No. 003-024-08102-4. \$4.50.

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*This Brief is one of a series that presents information of current policy interest. It may include data from businesses, households, or other sources. All statistics are subject to sampling variability, as well as survey design flaws, respondent classification errors, and data processing mistakes. The Census Bureau has taken steps to minimize errors, and analytical statements have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources.*

**Percent Change in the Number of Owners and Renters, by Householder Age**

