

# The Death Of The American Dream: Is Home Ownership Dead?

by **Lori Bitter**, Columnist, Yesterday

It seems that baby boomers and millennials have quite a bit in common. Both are losing sight of what was once the great American Dream, a home of one's own. In the past few years, home ownership rates have fallen to a historic low. And while millennials are part of the issue, a study by the Joint Center for Housing Studies at Harvard found that the 45-64-year-old demographic saw twice the share of renter growth of younger households.

Especially vulnerable are urban centers where home prices have grown at unprecedented rates, pitting boomers and millennials for available rentals. Boomers, who always depended on the 30% rule to define their housing spend, have had sticker shock as they hunt for high-quality rental property and follow the trend for living more urban, walkable lifestyles as they age.

A new report just released from **NHP Foundation** reveals that one-third of boomers have "housing affordability anxiety" at least once a month. It's worse for retirees; 42% report such anxiety on a daily basis. Further, 65% of boomers worry monthly about their children's ability to afford desirable housing. As NHPF points out, it is a multigenerational pot of anxiety; 75% of the population is worried about losing their home at any given time.

## **Renting Focuses on Realities**

Usually, renting is cheaper. Boomers are moving proceeds from home sales into retirement savings, as opposed to using reverse mortgages late in life. Renting provides flexibility for boomers who are still working but thinking about their next move, or retirees who are looking for their ideal location. And they get the convenience of no maintenance and no large unexpected expenses (like a roof).

One of the key reasons boomer move to a rental is the desire to downsize. Renting affords them the time to figure out their next step, and for many, appears to be a permanent solution. Most say they want to sell and downsize earlier rather than later, while they are healthy and making decisions without the pressures of poor health and financial strife.

## **Suddenly Seeking Roommates**

One in ten baby boomers was divorced in the '90s, a number that has more than doubled since. Boomers are more likely to have multiple marriages, which have a higher divorce rate. There are also more "single by choice" people in this generation than any previous generation of older adults. If visions of the "Golden Girls" dance in your heads, let go of your '80s notions and think "Grace and Frankie," the breakout show starring Jane Fonda and Lily Tomlin.

Both shows reflect the reality of divorce and widowhood on unmarried women. Social Security says these women rely on Social Security benefits for 50% of their income, and they who never wed aren't eligible for spousal and widow benefits.

Boomers who decide to take a roommate begin with financial motivations, but continue for the social support. People who are unmarried late in life have more health issues than those who are partnered, particularly single men. They are also more likely to become socially isolated in old age. Living with someone of similar values and interests is a positive way to maintain better mental and physical health.

Increasingly, boomers are using technology to find housemates. Unlike younger people who will turn to Craigslist, older people are more circumspect. New sites, like **Silvernest.com**, provide a safe environment for boomers who have homes to share to connect with singles seeking a home. With safeguards like background checks, online payment processing, lease agreements, and more, these sites eliminate objections and problems older adults have in making roommate arrangements. And the rental income allows boomer homeowners to stay in their home.

Certainly this shifts our perspective on what it means to age in place.