



The Future of Senior Headship and Homeownership

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Summary

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- The number of senior households—those headed by someone age 65 or older—will explode over the next 20 years, increasing from 34 million to 48 million between 2020 and 2040.
- Although the senior homeownership rate will remain high at 73 percent, that's much lower than it has historically been, producing an unprecedented number of senior renters, particularly among households of color.
- There are some states where the senior renter growth is the most rapid and the need for housing solutions is most acute.
- The nation's current housing policy is not equipped for this sharp rise in senior renters, but changes to federal policies, programs, and funding priorities can better prepare communities to accommodate this large increase.

Methodology

Methodology-----2030 and 2040 projections

- To develop our scenarios of housing demand, we use observed householder and homeownership rates by age and race from 1990, 2000, and 2010–2018, extending the cohort-specific changes in those rates to 2030 and 2040, based on 2020 projections.

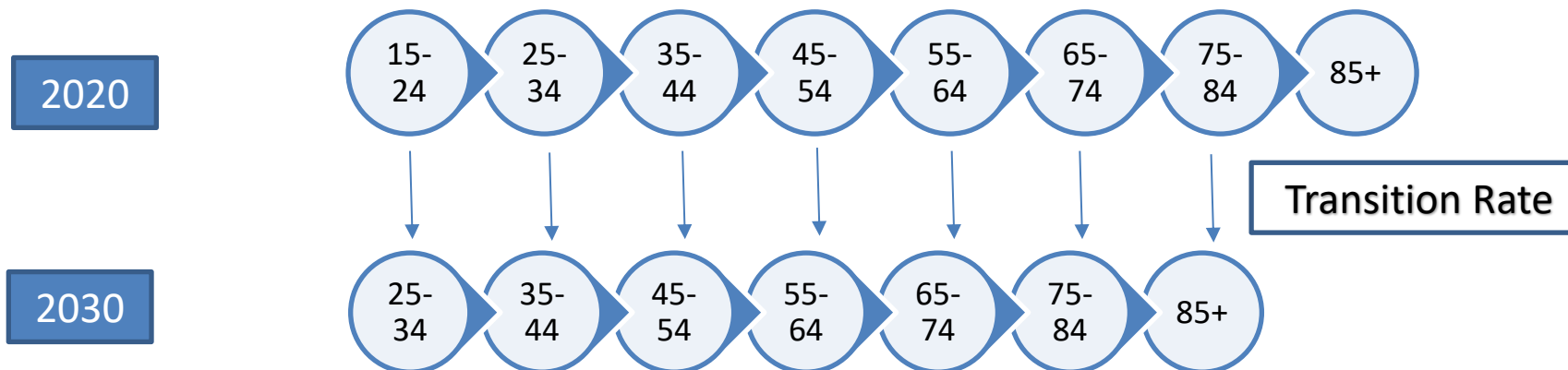
- $Dif1 = c2010_{age} - c2000_{age-10}$

- $Dif2 = c2000_{age} - c1990_{age-10}$

- $Dif3 = \frac{10}{8}(A2018_{age} - A2010_{age-8})$

- **Slow scenario:** $\min(Dif1, Dif2, Dif3)$ **Fast scenario:** $\max(Dif1, Dif2, Dif3)$

- The average scenario results are shown in the results



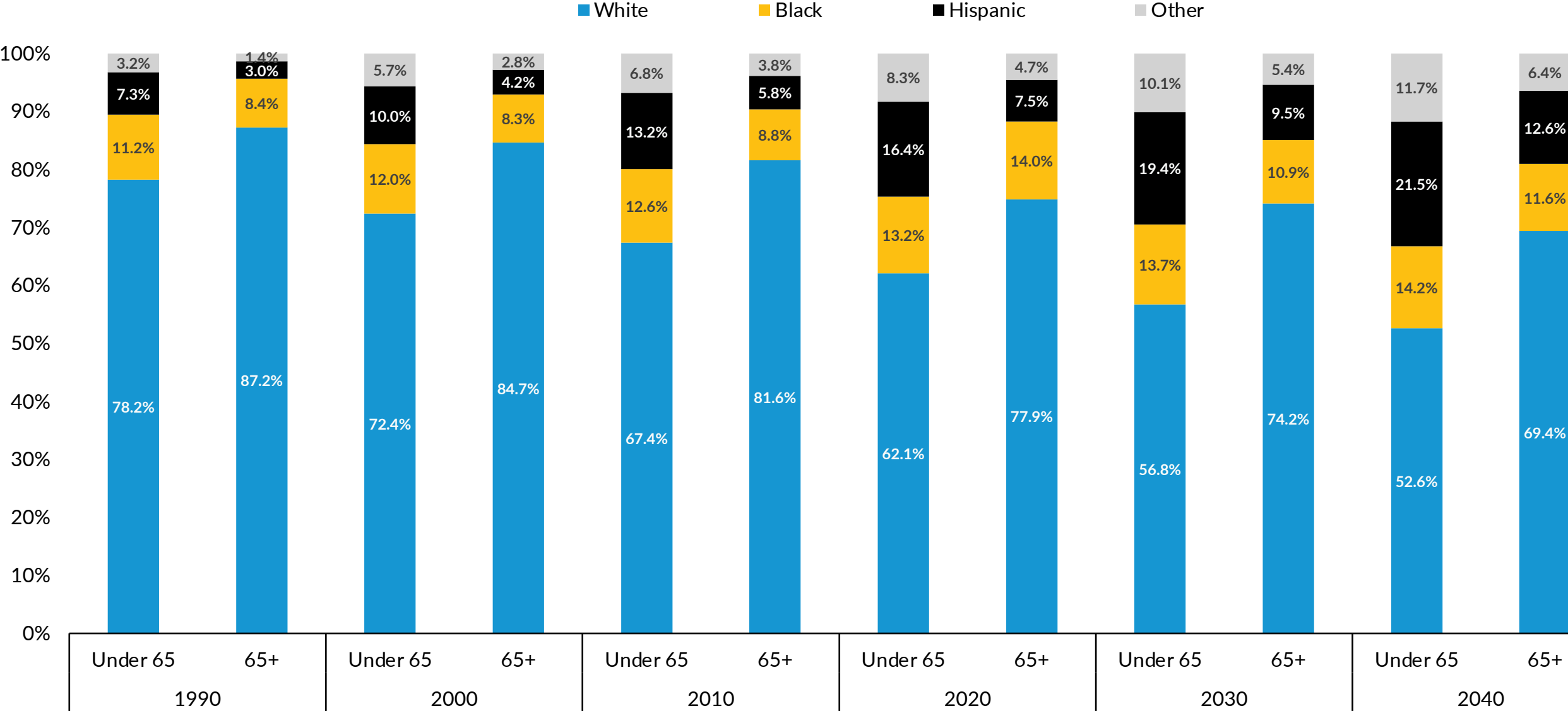
Household Growth

There will be 9.6 million more senior households, versus 8.5 million more total new households overall



Sources: Decennial censuses and Urban Institute projections.
Notes: Values for 2020, 2030, and 2040 are projected values.

White households are much older than Hispanic, Black, and Asian and other households.

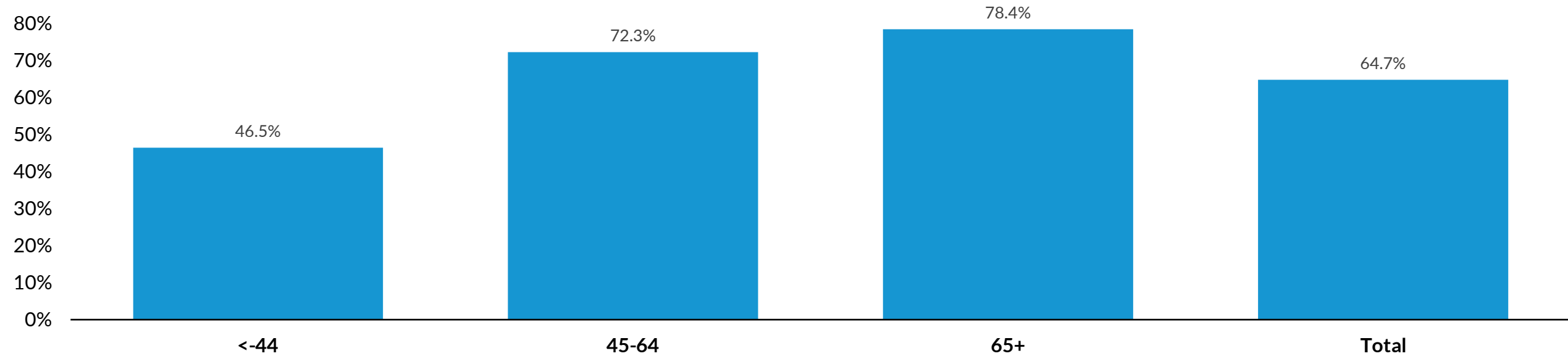


Sources: Decennial censuses and Urban Institute projections.

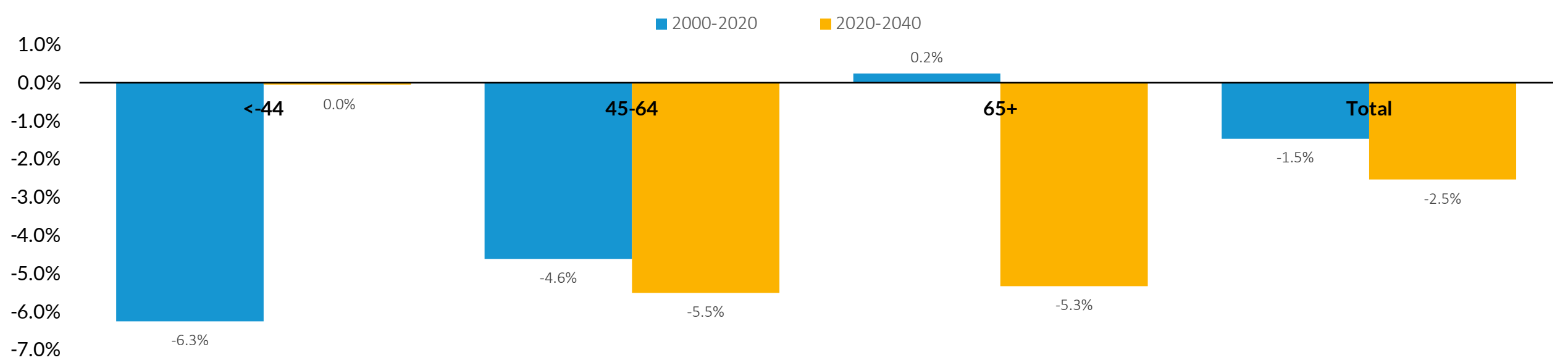
Notes: Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial individuals.

Homeownership

Homeownership Rates by Age Group, 2020

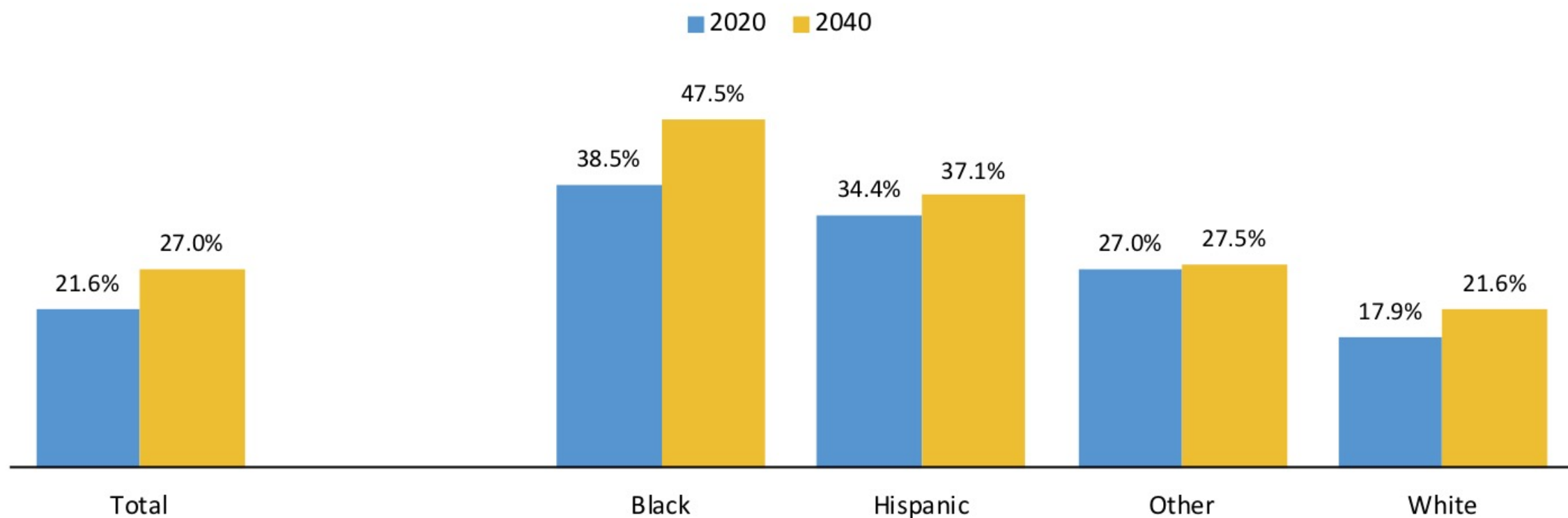


Change in Homeownership Rates from 2000-2040



Sources: Decennial censuses, American Community Surveys, and Urban Institute projections.

Renting Rate for Senior Households, by Race or Ethnicity, 2020–2040

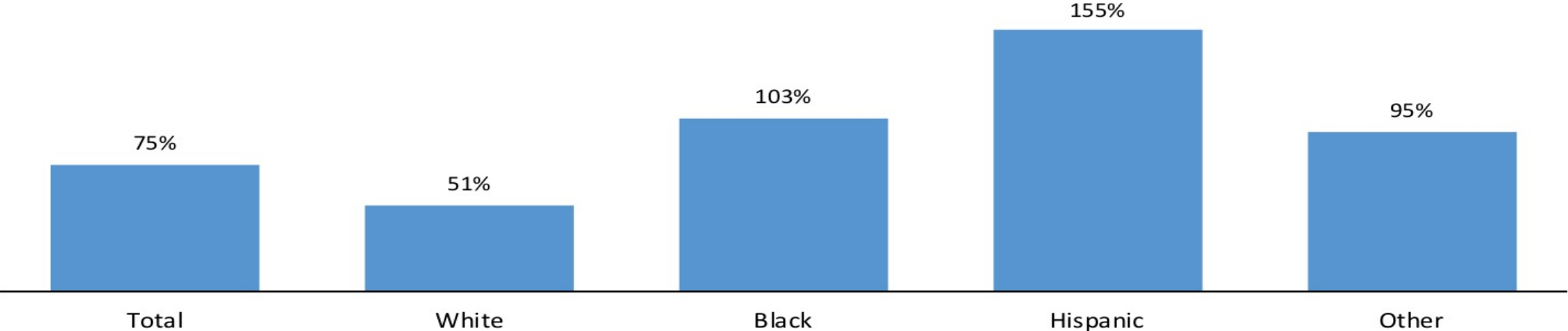


URBAN INSTITUTE

Source: Urban Institute projections based on data from decennial censuses and the American Community Survey.

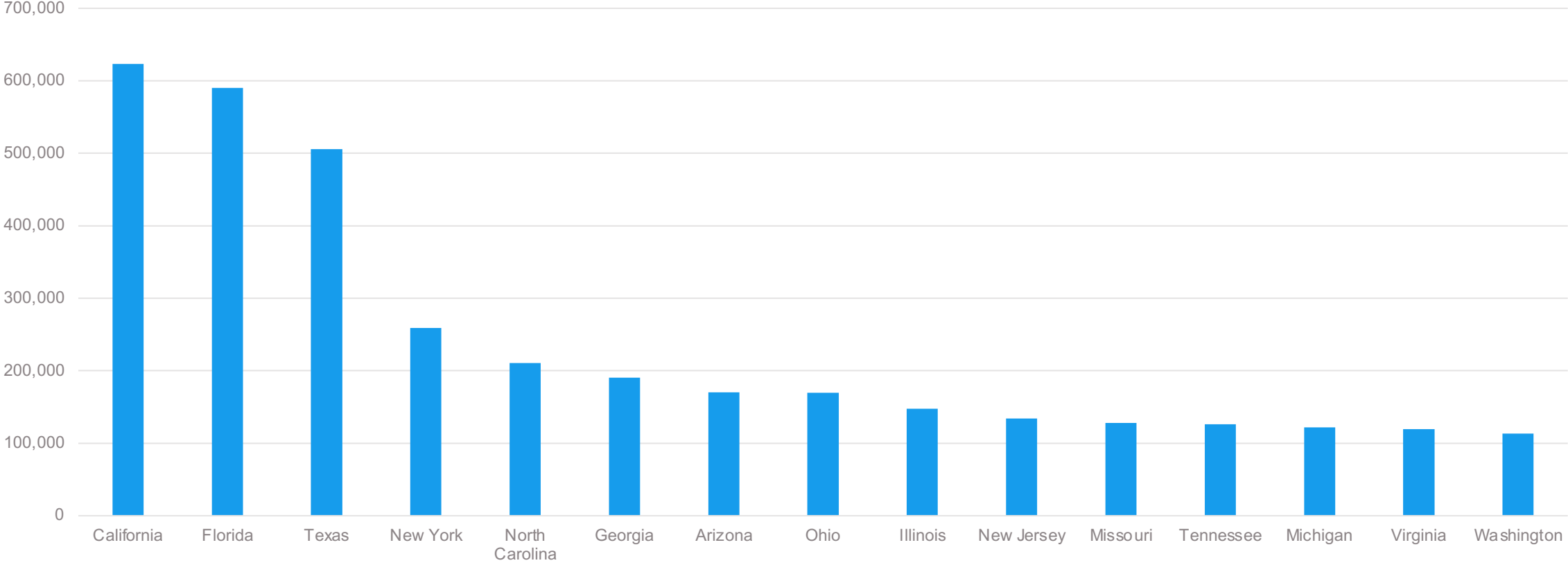
We need to support 5.5 million more senior renters by 2040

Percentage Increase in Senior Renter Households, by Race or Ethnicity, 2020–2040



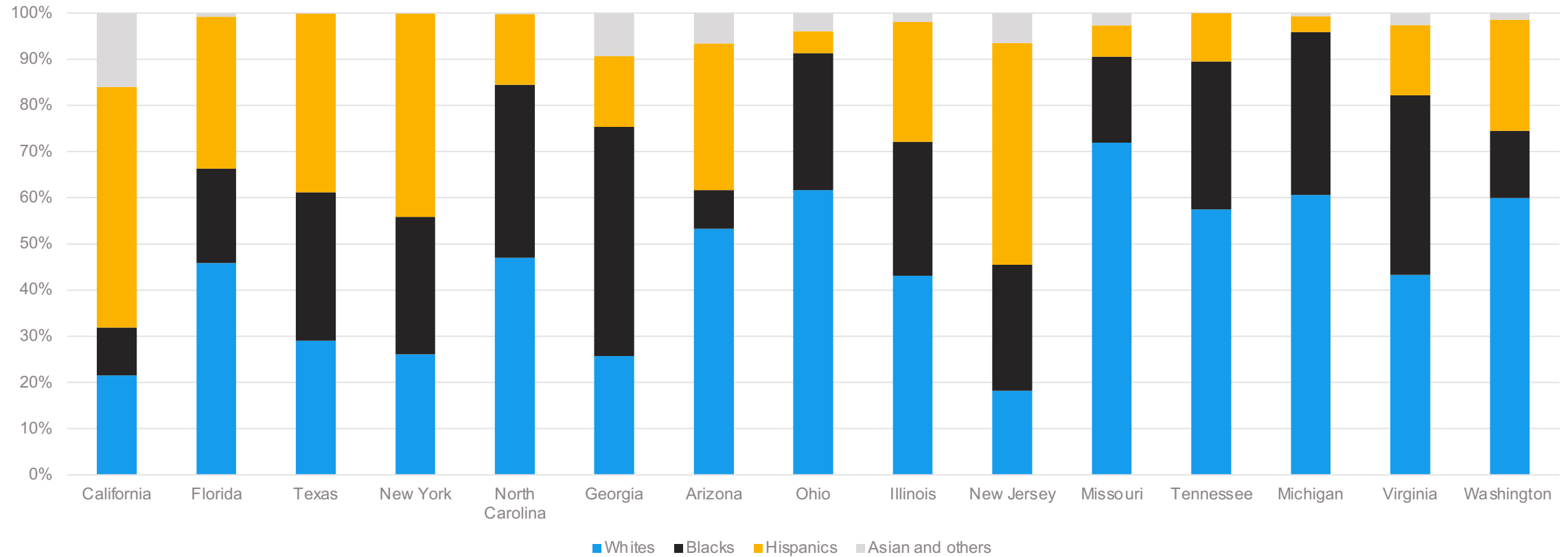
States' Homeownership

Close to 70 percent of the increase in the number of senior renters will come from 15 states



The expected growth rate of senior renters differ sharply not only by state but by race and ethnicity

Share of the total senior renters' change



Implications of the Analysis

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- An increased commitment of federal, state, and local funds will be necessary to ease the near-future rental crisis for seniors, both through an increased supply of affordable rental units for senior households and through the expansion of supportive services.
 - At the federal level, there is need to expand the Section 202 program.
 - Tax credits or grants at both the federal and the state and local levels, like the Low-Income Housing Tax Credit program, could fund additional construction of senior-tailored units to help alleviate affordability pressures.
 - Expand the housing choice voucher program.
- Connecting housing and health services is also important.
- Federal, state, and local policymakers all have a role to play in accommodating the coming surge of senior renters, who will need more affordable, senior-friendly housing in the next two decades. Failure to do so will not only fail one of our most vulnerable populations but will have a profound impact on their children and their communities.

Questions and Answers

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