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Young Adults After the Recession: Fewer Homes, Fewer Cars, Less Debt

FOR FURTHER INFORMATION, CONTACT

Pew Research Center
1615 L St., N.W., Suite 700
Washington, D.C. 20036

Media Inquiries:
202.419.4372
www.pewresearch.org

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Young Adults After the Recession: Fewer Homes, Fewer Cars, Less Debt

By Richard Fry

OVERVIEW

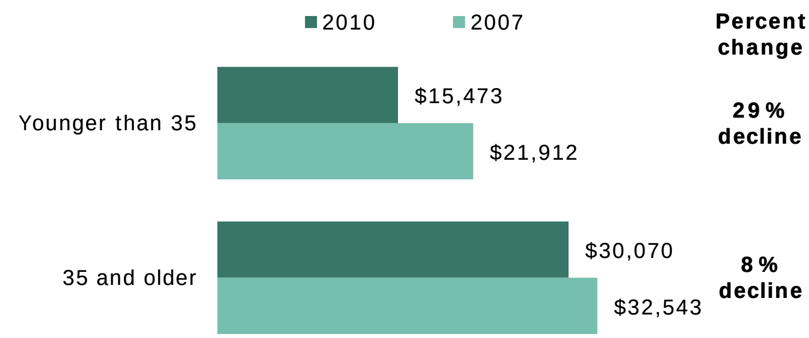
After running up record debt-to-income ratios during the bubble economy of the 2000s, young adults shed substantially more debt than older adults did during the Great Recession and its immediate aftermath—mainly by virtue of owning fewer houses and cars, according to a new Pew Research Center analysis of Federal Reserve Board and other government data.

From 2007 to 2010, the median debt of households headed by an adult younger than 35 fell by 29%, compared with a decline of just 8% among households headed by adults ages 35 and older. Also, the share of younger households holding debt of any kind fell to 78%, the lowest level since the government began collecting such data in 1983.

Debt reduction among young adults during bad economic

Median Total Debt of Households, by Age of Head, 2007 and 2010

in 2011 dollars



Note: The median is calculated among all households, including those without any debt.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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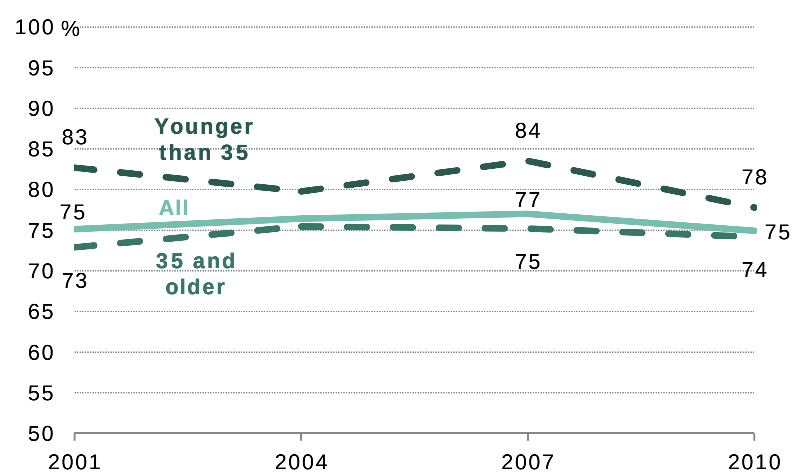
Share of Households with Any Debt, by Age of Head, 2001-2010

%



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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times has been driven mainly by the shrinking share who own homes and cars, but it also reflects a significant decline in the share who are carrying credit card debt, from 48% in 2007 to 39% in 2010.

On the other side of the ledger, many more younger households were carrying student loan debt after the recession than before: 40% had such debt in 2010, up from 34% in 2007 and 26% in 2001.

These shifts in the debt profile of younger adults reflect a broader societal shift toward delayed marriage and household formation that has been under way for decades. This report analyzes the patterns of debt holding and asset ownership among younger households over time.[1] Here are its key findings:

Home

The share of younger households owning their primary residence fell sharply from 40% in 2007 to 34% in 2011. Among younger households, the fall in ownership was accompanied by a decline in how many younger households had debt secured by residential property.[2] In 2007, 38% of younger households had debt secured by residential property. By 2010 only 35% had such debt. The median outstanding amount of residential property debt owed (by younger households with such debt) fell from about $150,000 in 2007 to $128,000 in 2010.

Cars

In 2007, 73% of households headed by an adult younger than 25 owned or leased at least one vehicle. By 2011, 66% of these young households had a vehicle. Among households younger than 35, outstanding vehicle debt declined from 2007 to 2010. In 2007, 44% of households younger than 35 had vehicle debt. By 2010, only 32% had vehicle debt. The typical outstanding amounts owed among young households with vehicle debt fell from $13,000 in 2007 to $10,000 in 2010.

[1] The report shows that the composition of households headed by those younger than 35 has changed over the decade. Since 2001 young adults have formed fewer households. In 2001, 100 young adults were associated with 40 households headed by a young adult. By 2011, 100 young adults were associated with only 33 young adult households. Those who are not households heads, their spouse or unmarried partner typically live with relatives or roommates.
[2] Debt secured by residential property includes debt on primary residences as well as debt on second homes, time shares and other types of residential properties.

Credit Card

Younger households have pared their credit card balances. In 2010 only 39% of them carried a balance, down from 48% in 2007 and 50% in 2001. The median outstanding amount owed among younger households with balances has fallen over the decade from $2,500 in 2001 to $2,100 in 2007 and diminishing further to $1,700 in 2010.

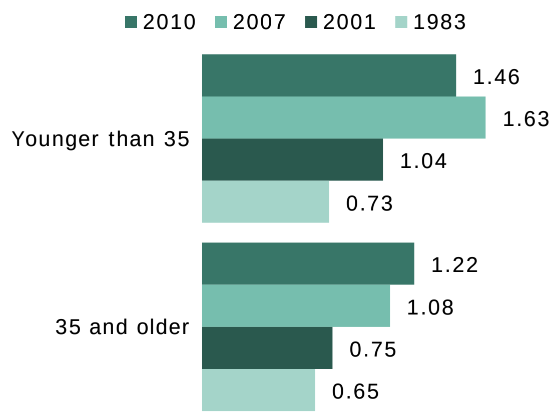
Student Loans

Student debt was the only major type of debt to increase in prevalence among young households during the recession. In 2007, 34% of young households had outstanding student debt. By 2010, 40% of younger households had student debt. However, the median amount owed by households with student debt fell from $14,102 in 2007 to $13,410 in 2010.

Debt-to-Income Ratios

One way to measure a household's financial well-being is its debt-to-income ratio, which compares total outstanding debt to annual income. As the figure to the right indicates, the debt-to-income ratio of younger adult households more than doubled from 1983 to 2007, when it peaked at 1.63. By 2010 it had fallen back to 1.46. By contrast, the ratio among older households continued rise through this entire period. As of 2010 it has risen to 1.22, still below that of younger households.

Debt Owed as a Share of Household Income, 1983-2010



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Concentration of Young Adult Debt

A significant majority of the outstanding debt of households headed by young adults was owed by households with college-educated heads. This partly reflects that better-educated households were more likely to owe student debt, but they were also much more likely to own their homes and have debt secured by residential property.

Younger and Older Households

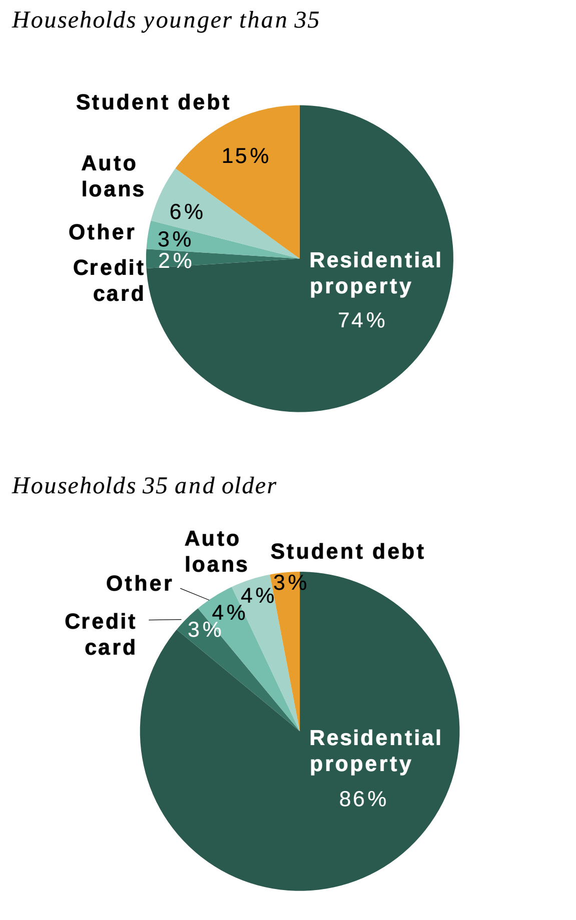
During the Great Recession, households headed by younger and older adults were on different debt trajectories. From 2007 to 2010, the median debt of households headed by those 35 and older fell by just 8% — from $32,543 in 2007 to $30,070 in 2010 — compared with a 29% drop among younger households. The share of older households having any kind of debt declined slightly, from 75% in 2007 to 74% in 2010, as did the homeownership rate of older households. In 2011, 72% of older households owned their principal residence, down from 74% in 2007. But there has been very little change in the share of older households that have debt secured by a residential property, or the median amount of such debt.

With regard to other types of debt, older households have shed less than younger households. The prevalence of vehicle debt fell from 32% in 2007 to 30% in 2010 among older households, compared with a 12 percentage point drop among younger households. The share of older households carrying a credit card balance declined from 45% in 2007 to 40% in 2010, while the share among younger households dropped by 10 percentage points.

Debt Profile by Age

The recession did not significantly alter the overall debt profile of households 35 and older. In both 2007 and 2010, 86% of all their debt was secured by residential property. But among younger households, the debt profile has shifted. Student debt is a growing share of their total debt (rising from 9% in 2007 to 15% in 2010), and debt tied to residential property and vehicle and credit card debt have become relatively less important. Debt tied to residential property constituted 74% of the debt of young households in 2010, down from 79% in 2007.

Composition of Debt, 2010



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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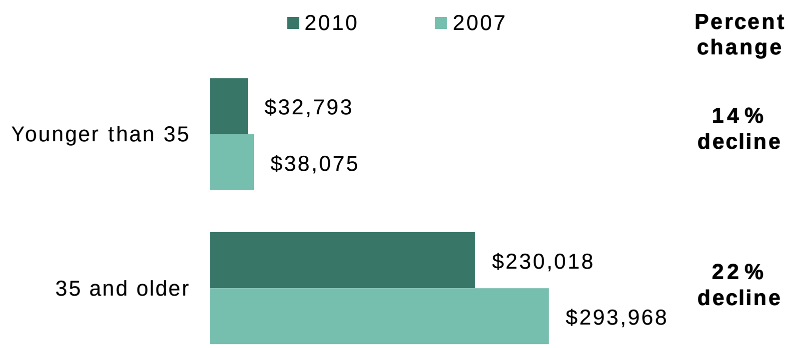
Financial and Non-Financial Assets

Younger and older adults both saw their median household assets – which includes homes, cars and other durable goods, plus all financial assets such as savings accounts and stock holding — decline from 2007 to 2010. Older adults have many times more assets overall than younger adults, and they suffered steeper asset declines during this period – a 22% drop, compared with 14% among younger adults. One reason for the difference is that older adults have more of their assets in financial holdings, and stock market valuations took a steep downturn from 2007 to 2010. Since then, the stock market has regained virtually of all its losses, while the housing market in most of the country has remained well below its historic peak.

Median Household Assets, by Age of Head, 2007 and 2010

in 2011 dollars



Note: The median is calculated among all households, including those without any assets.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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About the Report

With the exception of Chapter 2, the focus of the report is on the characteristics of households, classified by the age of the head of the household. Most data on homeownership and vehicle ownership, as well as liabilities, are organized around what the household owns, not what the individual owns.

The analysis of household debts utilizes the Federal Reserve Board's Survey of Consumer Finances; 2010 is the most recent year available. The homeownership tallies are based on the American Community Survey. Vehicle ownership relies on the Consumer Expenditure Survey. The analysis of recent mover households uses the American Housing Survey. These surveys are described in greater detail in Appendix B.

The report emphasizes trends in indebtedness and acquisition at the time points of 2001, 2010 or 2011, and occasionally 1983. To some extent the choice of time periods reflects data availability. However, the time periods are desirable due to the fact that they are roughly comparable points in the business cycle. Business cycle troughs occurred in November 1982, November 2001 and June 2009, according to the National Bureau of Economic Research. So the 1983 and 2001 periods occurred at the close of recessions. Admittedly, 2010 and 2011 occurred during a cyclical upswing, but many observers assess the recovery as less than vigorous. For example, the for-sale housing market continued to be depressed through much of 2011 (Joint Center for Housing Studies, 2012).The 2007 time point was near a cyclical peak as the National Bureau of Economic Research dates the peak at December 2007.

Throughout the report a "young adult" refers to a person at least 18 years old and younger than 35. A "young adult household" refers to a household headed by a person younger than 35 (including a small number of households with heads younger than 18).

Dollar amounts are adjusted for inflation and reported in 2011 dollars. The inflation adjustment utilizes the Bureau of Labor Statistics' Consumer Price Index Research Series (CPI-U-RS) as published in DeNavas-Walt, Proctor and Smith (2012). This is the price index series used by the U.S. Census Bureau to deflate the data it publishes on household income.

This report was written by senior economist Richard Fry. Paul Taylor, executive vice president of the Pew Research Center, assisted the writing of the overview and provided guidance on the scope of the project. Research assistant Eileen Patten provided expert assistance with the preparation of charts and formatting the report. Patten and research assistant Ana Gonzalez-Barrera number-checked the report. It was copy-edited by Marcia Kramer.

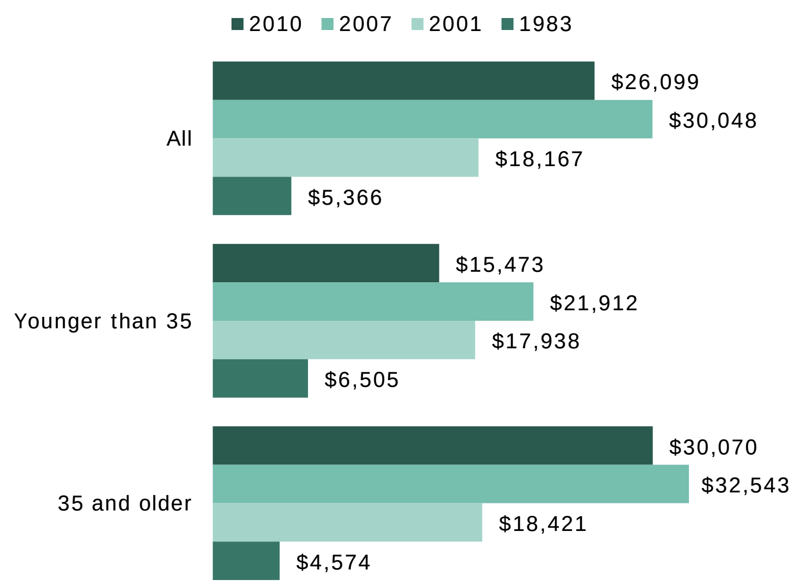
CHAPTER 1: THE CHANGING FINANCIAL MILEPOSTS OF YOUNG ADULTS

The tendencies of young adults to leave home later and to delay or forgo marriage have been well-documented (Settersten and Ray, 2010; Pew Research Center, 2011a; Mykyta, 2012). Less attention has been paid to characteristics of young adults once launched. Available financial data make it difficult to pin down the exact timing of such financial milestones as when a person first buys a home or car. Nonetheless, households headed by young adults have weathered the past decade financially in a significantly different fashion than older adults.

The flow of cheap credit and the accompanying expansion of debt reached its zenith with the popping of America's housing bubble in 2006. From 1980 until the mid-2000s, the typical American household had rising levels of debt outstanding (Dynan and Kohn, 2007). Although the specifics vary by metropolitan area, national housing prices peaked in 2006 and the Great Recession commenced in December 2007. At the same time, the period of household deleveraging and reduction of debt commenced. The reduction of household debt has not been uniform across households.

Median Total Household Debt, by Age of Head, 1983, 2001, 2007 and 2010

in 2011 dollars



Note: The median is calculated among all households, including those without any debt.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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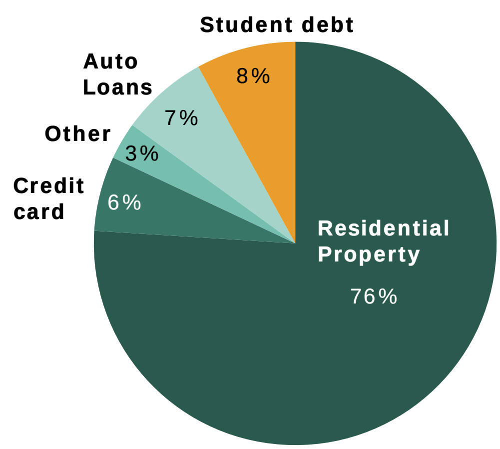
From 2001 to 2010 households headed by young adults have reduced their overall indebtedness. By contrast, households headed by those age 35 and older increased their indebtedness from 2001 to 2010. The typical household headed by those younger than 35 had about $18,000 in debt outstanding in 2001, according to the Federal Reserve's Survey of

Consumer Finances (SCF). Since rising to about $22,000 in 2007, young adult household indebtedness has markedly declined. The median young adult household owed only about $15,000 to creditors in 2010. Older households have also deleveraged since 2007, but not nearly to the extent of households headed by young adults. The typical household headed by those age 35 and older was $30,000 in debt in 2010. This was much more indebted than they were in 2001 ($18,000), but less indebted than they were in 2007 ($33,000). In short, the typical American household grew more indebted in the new millennium, but not the typical American household headed by a young adult.

The changing debt fortunes of young adults are even more surprising when placed in their historical context. Perhaps reflecting all the changes when young adults launch and establish independent households (as well as changes in the age when older Americans can "burn" their mortgage), in 1983 the typical young adult household was more in debt (about $7,000) than the typical household headed by those 35 and older (about $5,000). This has starkly reversed. Relative to 30 years ago, the typical older household in 2010 was more in hock to its creditors ($30,070) than households headed by young adults ($15,473).

Consumer Debt, Sept. 30, 2012



Source: Federal Reserve Bank of New York, *Quarterly Report on Household Debt and Credit* (November 2012)

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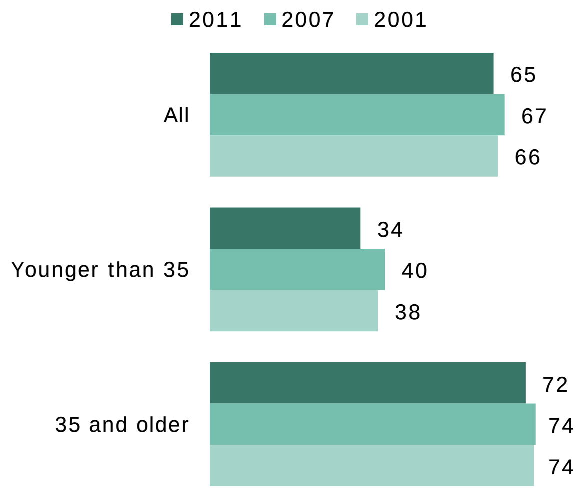
Changes in total debt almost invariably involve mortgage debt and the ownership of homes. Debt related to homes is the single largest type of debt, accounting for 76% of all consumer debt outstanding as of the third quarter of 2012 (Federal Reserve Bank of New York, 2012).

U.S. homeownership rates experienced a boom and bust over the 2000s similar to house prices (Gabriel and Rosenthal, 2011). By 2011, 65% of U.S. households owned their homes, a decrease from 66% in 2001.

Households headed by young adults experienced a greater decline in homeownership than households headed by those 35 and older. Among young adult households the homeownership rate fell 4 percentage points, from 38% in 2001 to 34% in 2011. Among households headed by those age 35 and older the homeownership rate fell only 2 percentage points, from 74% in 2001 to 72% in 2011.

Households Owning Their Primary Residence

%



Source: Pew Research Center tabulations of American Community Survey (ACS) Integrated Public Use Micro Samples

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Available data cannot pin down the timing of home purchase decisions. Unlike age at first marriage, Census Bureau data do not reveal age at first home purchase. So it is not clear that young adult heads are postponing or forgoing homeownership. But homeownership declined among young adult households over the past decade, and fewer of them had mortgages. In an accounting sense, this is the first and foremost reason that indebtedness among young adult households declined.

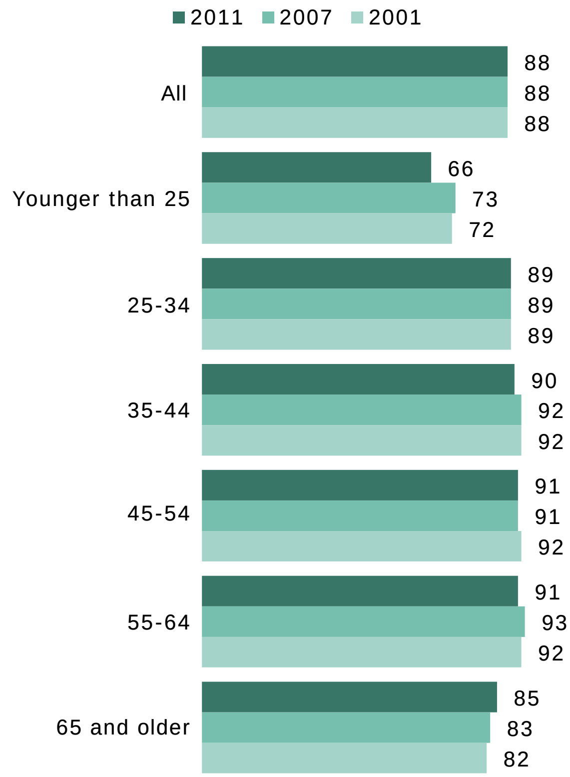
Similarly, households headed by young adults are less likely own a vehicle than in 2001. By contrast, vehicle ownership has not declined among older households and increased among households with heads age 65 and older. U.S. Bureau of Labor Statistics consumer expenditure data indicate that 72% of "consumer units" younger than age 25 owned or leased at least one vehicle in 2001.[3] By 2011 only 66% of consumer units in the youngest age bracket owned or leased a vehicle. Changes in vehicle ownership from 2000 to 2011 were much more modest among older consumer units. Consistent with the decline in vehicle ownership, households headed by younger adults were much less likely in 2010 to have debt related to the purchase of a vehicle compared to 2001. The incidence of vehicle debt among households 35 and older did not decline much over the decade.

[3] In the Consumer Expenditure Survey, a consumer unit is not a household. A consumer unit is members of a household related by blood, marriage, adoption or some other legal arrangement; a single person living alone or sharing a household with others, but who is financially independent; or two or more persons living together who share responsibility for at least two out of the three major types of expenses: food, housing and other expenses. Students living in university-sponsored housing are also included in the sample as separate consumer units (Bureau of Labor Statistics, 2003).

Households headed by young adults are less likely to own the big-ticket consumer durables that their peers of the same age possessed in 2001. They also do not have as much corresponding debt financing the acquisition of homes and cars.

Consumer Units Owning or Leasing at Least One Vehicle, by Age of Householder

%



Note: "Vehicle" is defined as a car, truck (minivan, van, sport utility vehicle or jeep), or other vehicle (motorcycle and aircraft).

Source: U.S. Bureau of Labor Statistics published tabulations of the Survey of Consumer Expenditures

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CHAPTER 2: YOUNG ADULTS FORMING INDEPENDENT HOUSEHOLDS

The tendency of young adults to not form independent households increased over the past decade. Focusing in this section of the report on the outcomes of adults, rather than households, Census data reveal the "headship rate" or basically the number of households per person. Adults are forming fewer households or, alternatively, the number of adults per household has increased. In 2001 there were 54 households among every 100 adults. By 2011, 100 adults resided in 50 households.

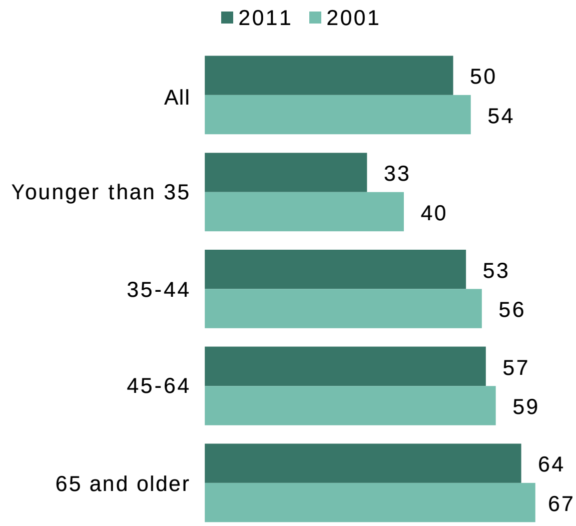
Since 2001 young adults have been especially less likely to form independent households. In 2001, 100 young adults yielded 40 young adult households. By 2011, 100 young adults resulted in 33 young adult households.

Adults of all ages, but especially young adults, are less likely to "launch" and form independent households since 2001.

That young adults are less likely to form independent households does not necessarily imply that they are staying at home and residing with parents or other relatives. Alternatively, it could represent an increase in "doubling-up" and simply living with either housemates or as a boarder. An appendix shows that, over the decade, adults were more likely to reside with kin (other than a spouse or unmarried partner) as well as with roommates or to live as boarders. Adults of all ages were more likely to live with kin, but the tendency was pronounced among young adults.

Young Adults are Less Likely to Form Independent Households, 2001-2011

% of household heads



Note: Excludes the population residing in group quarters.

Source: Pew Research Center tabulations of American Community Survey (ACS) Integrated Public Use Micro Samples

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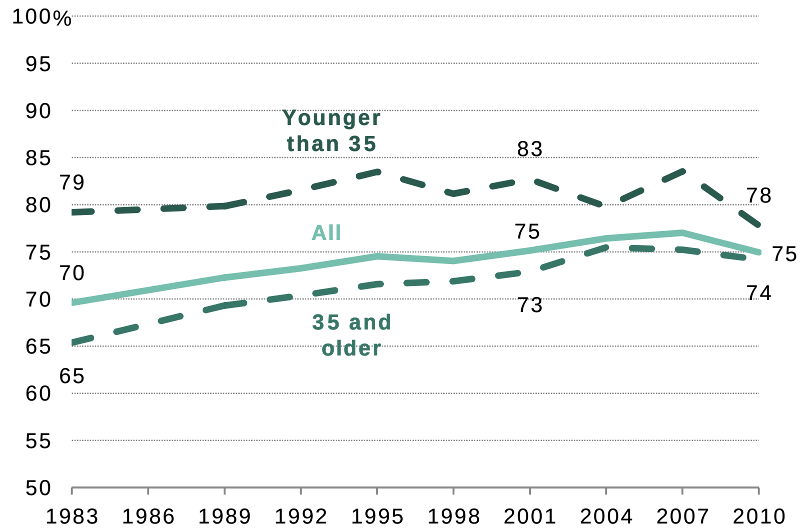
CHAPTER 3: DECLINE IN YOUNG ADULT INDEBTEDNESS

Households Owing Debt

Analysis of the Survey of Consumer Finances indicates that the median debt of households headed by those younger than 35 fell from 2001 ($17,938) to 2010 ($15,473). The median debt of older households rose. The decline in the median debt of young adult households partly reflects that fewer young adult households had any debt at all. In 2001, 83% of young adult households owed a debt. By 2010, only 78% of young adult households reported an outstanding debt. The Federal Reserve has been collecting the SCF on a triennial basis since 1983. The incidence of household debt among young adults in 2010 (78%) is the lowest level observed since 1983. In 1983, 79% of young adults households reported having any outstanding debt. By contrast, among households headed by those 35 and older the share having any debt rose over the decade (from 73% in 2001 to 74% in 2010) and since 1983 (65%).[4]

Share of Households with Any Debt, by Age of Head, 1983-2010



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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[4] Age 35 and older is not a narrowly defined age group. As such it can be affected by demographic changes such as changes in age composition. As discussed by Dynan and Kohn (2007), in 1983 few baby-boomer households were in the 35 and older group (since the oldest boomer was only 38 years of age). Some of the rise in indebtedness among households 35 and older since 1983 reflects the growing presence of younger (indebted) households as the baby boomers matured.

Debt Unrelated to Residential Property

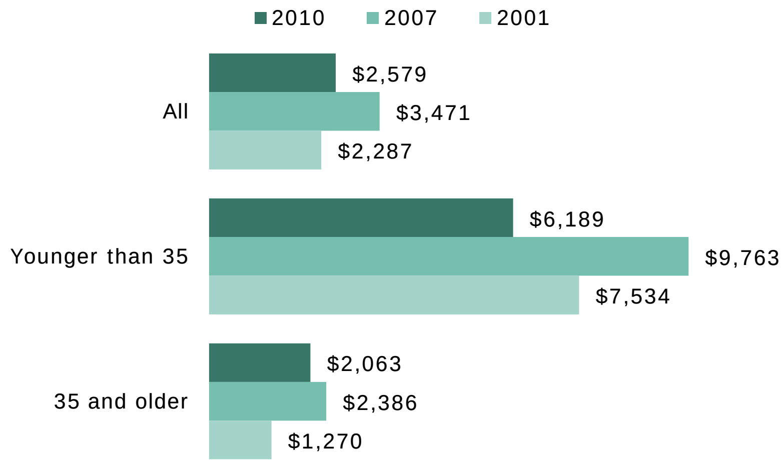
The vast majority of household debt involves debt secured by residential property. Debt not tied to residential property includes installment debt (such as student debt and vehicle loans) and credit card debt. Much of the decline in debt among younger households is due to the fact that they are less likely to own homes and have a mortgage than they were in 2001. But the typical younger household also owes less debt that does not involve residential property (such as student debt and credit cards).

In 2001 the median level of debt not tied to residential property was $7,534 among households headed by a young adult. After rising to $9,763 in 2007, the median debt unrelated to property fell to $6,189 in 2010 among younger households.

By contrast, older households tend to have greater non-property-related debt than they did at the start of the decade. In 2001 the typical household with a head 35 and older owed $1,270 in debt not tied to property. By 2010 the median older household owed $2,063.

Median Debt Not Related to Residential Property, by Age of Head, 2001, 2007, and 2010

in 2011 dollars



Notes: Includes credit card debt, installment debt (such as student loan debt and vehicle loans), and any other debt not secured by residential property. The median is calculated among all households, including those without any debt.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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So, broadly speaking, younger households have shed debt over the decade and older households have become more indebted, and it goes beyond simply what has occurred in the housing market.

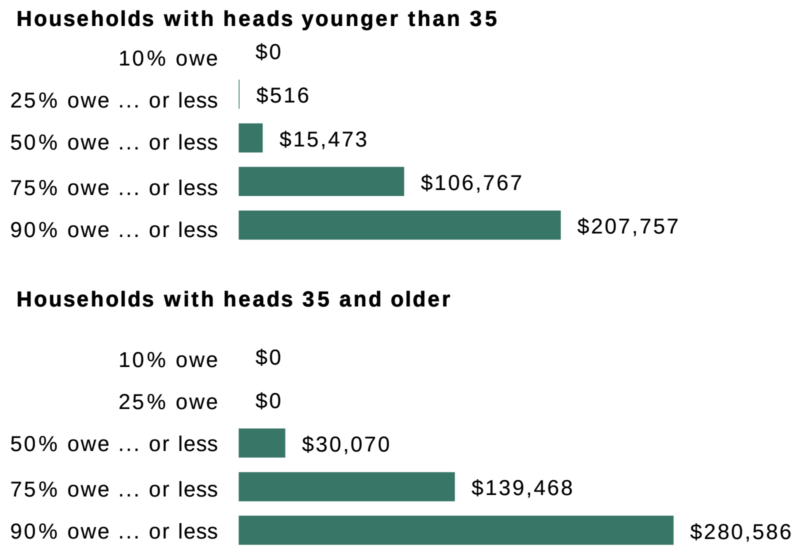
The Distribution of Debt

Returning to all debt, including debt secured by residential property, the median household debt among young adults declined from 2001 ($17,938) to 2010 ($15,473). The median household refers to the middle household, meaning that half of young adult households owed $15,473 or less in 2010 and half owed more than $15,473. The shortcoming of the median statistic is that debt, like wealth, is heavily concentrated. Some households have no debt, and a few households have accumulated very large amounts of debt. Given how skewed debt is across households, it is revealing to examine the distribution of debt and not just the median.

Among young adults, a quarter of households owed $516 or less to their creditors in 2010. Though half owed $15,473 or less, a significant segment of young adults had much larger amounts of debt. A quarter of young adult households owed at least $106,768, and the most indebted 10% owed at least $207,758.

Total Debt, by Age of Household Head, 2010

in 2011 dollars



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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The distribution of young adult debt did not decline uniformly from 2001 to 2010. In the lower half of the distribution, debt declined. For example, in 2001, 25% of young adult households owed $1,270 or less. By 2010 a quarter of young adults households owed $516 or less. But at the upper end of the debt distribution, more young adult households owed large amounts of debt. In 2001, the most indebted quarter of young adult households owed more than $85,880. By 2010, a quarter of young adult households owed more than $106,767.

Among households with heads younger than 35, 56% of households saw either a decline in indebtedness or no change from 2001 to 2010, while the upper 44% of the distribution saw an increase in indebtedness. Thus the trend in indebtedness among young adult households from 2001 to 2010 partly depends on whether one focuses on the majority of households (indebtedness declined) or the more indebted slice of households (indebtedness rose). But comparing the indebtedness of older households to households headed by young adults, it pretty much is always the case that over the decade older households did not shed as much debt as (or became more indebted than) younger households.

For example, the median debt of households headed by a young adult fell 14% from 2001 to 2010, while it rose 63% among households headed by someone 35 and older. Focusing on the most indebted quarter of young adult households, debt increased 24% from 2001 ($85,880) to 2010 ($106,767). But among the most indebted quarter of older households, debt increased 36% from 2001 ($102,649) to 2010 ($139,468).

Distribution of Total Debt, by Age of Head

in 2011 dollars

	Younger than 35				
Year	10th percentile	25th percentile	Median	75th percentile	90th percentile
2010	$0	$516	$15,473	$106,767	$207,757
2007	$0	$1,627	$21,912	$137,764	$262,076
2001	$0	$1,270	$17,938	$85,880	$160,071
Percent change, 2001-2010	0%	-59%	-14%	24%	30%

	35 and older				
Year	10th percentile	25th percentile	Median	75th percentile	90th percentile
2010	$0	$0	$30,070	$139,468	$280,586
2007	$0	$33	$32,543	$144,272	$284,617
2001	$0	$0	$18,421	$102,649	$192,594
Percent change, 2001-2010	0%	0%	63%	36%	46%

Note: Each group's debt equals the dollar amount shown or less.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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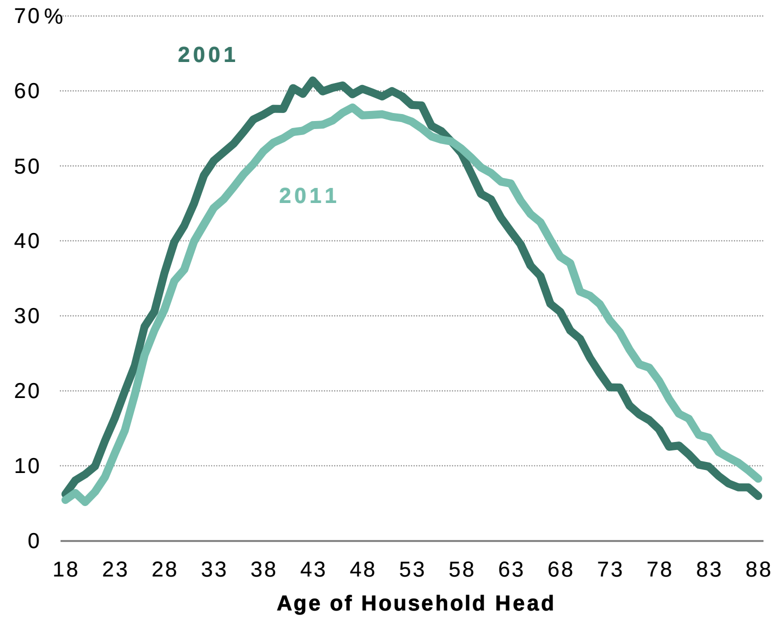
Uniformly across the distribution, debt tended to increase more for households age 35 and older than for young adult households from 2001 to 2010.

Fewer Young Adult Households Have a Mortgage

A major driver of the decline in indebtedness among young adults is that fewer of them have a home mortgage. The American Community Survey reveals the fraction of households who have a loan on their primary residence. In 2001 34% of households headed by those younger than 35 had a mortgage. By 2011 only 30% of young adult households had a mortgage. The ACS shows that households whose heads were up to about the age of 57 were less likely to have a mortgage in 2011 than in 2001. But households whose heads were age 58 and older were more likely to have a mortgage (or less likely to own their homes free and clear) in 2011 than in 2001. Generally, mortgage debt tends to be significantly greater than other types of debt such that these changing patterns of owing a mortgage account for why young adults tend to be less in debt over the decade but households headed by those 35 and older are more in debt.

Share of Households with a Mortgage, by Age of Head



Note: Mortgage refers to any loan against the household's owner-occupied residence. It does not include loans on vacation homes, time-shares and rental properties.

Source: Pew Research Center tabulations of American Community Survey Integrated Public Use Micro Samples

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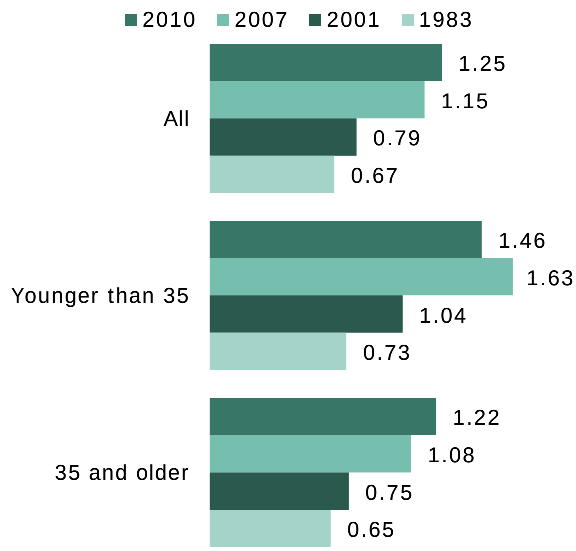
Debt Compared to Household Income

Measured at the median, households headed by those younger than 35 had less debt ($15,473) in 2010 than older households ($30,070). Debt is probably best not viewed in isolation, however, but in comparison to the economic resources of the household to service that debt. Younger adult households tend to have lower household incomes, and their household incomes have declined since 2001. Comparing the debt owed by younger households to their incomes, the debt-to-income ratio of younger households rose from 1.04 in 2001 to 1.63 in 2007.

Reflecting the decline in debt, the debt-to-income ratio of younger households declined since 2007 but still remains above 2001 levels. The debt-to-household income ratio of households 35 and older has risen since 2007 (from 1.08 to 1.22).

Debt Owed as a Share of Household Income, 1983-2010



Source: Pew Research Center tabulations of Survey of Consumer Finances data

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The Specifics of Debt

In the Survey of Consumer Finances the household's total debt can be broken down into six separate types of debt: debt secured by residential property (including vacation homes and rental properties as well as the primary residence), vehicle loans, student loan debt, other installment debt (for example, for furniture or appliances), credit card debt (including debt on revolving store accounts and gasoline company cards), and other kinds of debt.

In the critically important category of debt against residential property, the share of young adult households owing such debt fell from 37% in 2001 to 35% in 2010, according to the Survey of Consumer Finances. Among households with heads age 35 and older, the incidence of debt against residential property increased from 49% in 2001 to 52% in 2010.

Share of Households with Debt, by Type of Debt and Age of Head, 2001-2010

%

	Younger than 35			35 and older		
	2001	2007	2010	2001	2007	2010
Any debt	83	84	78	73	75	74
Type of debt						
Secured by residential property	37	38	35	49	53	52
Vehicle loans	45	44	32	32	32	30
Student loans	26	34	40	7	10	13
Other installment debt	18	14	13	9	9	11
Credit card debt	50	48	39	43	45	40
Other debt	10	8	7	8	8	9

Notes: Debt secured by residential property includes debt for other residential properties, for example, vacation homes, as well as mortgages and other borrowing on a primary residence. "Installment debt" refers to loans that have fixed payments and a fixed term, such as student loans, and loans for consumer durables, such as automobiles, furniture and appliances. The "other debt" category includes loans on cash value life insurance policies, borrowing against pension accounts and borrowing on margin accounts, as well as open-ended lines of credit other than a home equity line.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Vehicle loans have been a diminishing component of household debt over the decade, in part because fewer households owe vehicle debt. The incidence of vehicle debt markedly fell among households headed by those younger than 35. In 2001 45% of young adult households had outstanding vehicle loans. In 2010 only 32% of young adult households were repaying vehicle loans. The incidence of vehicle debt also dropped among households headed by those 35 and older, but not nearly as much. In 2010 30% of older households owed vehicle loans, down from 32% in 2001.

Similarly, the prevalence of outstanding credit card balances among young adult households was greatly reduced over the decade. In 2001, 50% of young adult households were carrying a credit card balance. By 2010 only 39% of young adult households carried a balance. Older households also scaled back the carrying of credit card balances, but not nearly as much. The incidence of credit card debt among households older than 35 fell from 43% in 2001 to 40% in 2010. At the start of the decade, young adult households were more likely than older households to carry credit card debt. By 2010 they were about equally likely as older households to carry such debt.

Student loan debt has been a growing component of total household debt (Fry, 2012; Federal Reserve Bank of New York, 2012), and both the incidence and outstanding amounts owed have been rising. The incidence of borrowing for education was up sharply for both younger and older households. By 2010 40% of households headed by a young adult had one or more outstanding student loans, up from 26% in 2001. Student loan obligations also nearly doubled in terms of prevalence among households headed by those 35 and older. In 2010, 13% of older households owed student loans, up from 7% in 2001.[5]

Median Debt Owed Among Households Owing the Debt, by Type of Debt and Age of Head, 2001-2010

in 2011 dollars

	Younger than 35			35 and older		
	2001	2007	2010	2001	2007	2010
Type of debt						
Secured by residential property	$97,821	$149,696	$127,914	$88,929	$114,984	$112,441
Vehicle loans	$11,053	$12,518	$10,212	$12,069	$12,475	$10,316
Student loans	$10,417	$14,102	$13,410	$9,528	$11,932	$13,410
Other installment debt	$1,906	$1,844	$2,238	$3,176	$3,797	$3,920
Credit card debt	$2,541	$2,061	$1,651	$2,414	$3,471	$3,095
Other debt	$2,541	$4,014	$2,063	$5,082	$5,424	$5,983
Any debt	*$31,760*	*$39,203*	*$41,190*	*$54,373*	*$81,085*	*$81,700*

Notes: Debt secured by residential property includes debt for other residential properties, for example, vacation homes, as well as mortgages and other borrowing on a primary residence. "Installment debt" refers to loans that have fixed payments and a fixed term, such as student loans, and loans for consumer durables, such as automobiles, furniture and appliances. The "other debt" category includes loans on cash value life insurance policies, borrowing against pension accounts and borrowing on margin accounts, as well as open-ended lines of credit other than a home equity line.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Examining the typical amounts of outstanding debt (if the household has that type of debt), the largest outstanding debts tend to be secured by residential property. The median amount owed on debt against residential property rose for both younger and older households from 2001 to 2010. Based on the median owed, the outstanding amount of vehicle loans fell over the decade for both younger and older households. Student loan balances were up, and they increased for both younger and older households. In regard to credit card debt, fewer young adult households carried balances, and the outstanding amounts owed fell over the decade. In 2001 the typical young adult household carrying a balance owed about $2,541. By 2010 the median credit card balance among those carrying a balance fell to $1,651. Older households increased their credit card indebtedness over the decade on the basis of the median amount owed. The

[5] The outstanding student debt may have been incurred for the householder or spouse's education, but it may have also been incurred for the householder's children. Furthermore, the child's own outstanding student loan balance is included if the child resides in the parent's household.

typical older household owed $2,414 on credit cards in 2001. By 2010 the median outstanding credit card balance had risen to $3,095 among older households carrying a balance.

Composition of Total Debt Outstanding, by Type of Debt and Age of Head, 2001-2010

%

	Younger than 35			35 and older		
	2001	2007	2010	2001	2007	2010
Type of debt						
Secured by residential property	75	79	74	83	86	86
Vehicle loans	10	7	6	6	5	4
Student loans	7	9	15	2	2	3
Other installment debt	2	1	2	2	2	2
Credit card debt	4	3	2	3	4	3
Other debt	1	1	1	3	2	2
Total	100	100	100	100	100	100

Notes: Debt secured by residential property includes debt for other residential properties, for example, vacation homes, as well as mortgages and other borrowing on a primary residence. "Installment debt" refers to loans that have fixed payments and a fixed term, such as student loans, and loans for consumer durables, such as automobiles, furniture and appliances. The "other debt" category includes loans on cash value life insurance policies, borrowing against pension accounts and borrowing on margin accounts, as well as open-ended lines of credit other than a home equity line.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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Among households with debt it is useful to summarize trends in debt by examining the composition of total debt. For both younger and older households, debt against residential property is far and away the most important debt component. Most debt owed is debt secured against property. But, interestingly, for younger households their student loan debt was the only type of debt that was rising as a share of total debt over the past decade. In 2001 outstanding student loan balances accounted for 7% of the total debt outstanding of households headed by young adults. Younger households over the decade were less likely to have mortgages, less likely to have car loans, and less likely to have credit card balances. Hence, by 2010 outstanding student loan debt accounted for 15% of the total debt owed by younger households. For older indebted households, student loan debt was not the only growing component of debt owed. Student loan debt rose from 2% to 3% of outstanding debt, but debt secured by residential property also grew in importance. In 2001 debt against property accounted for 83% of the outstanding debt of older households. By 2010 debt secured against residential property rose to 86% of the debt outstanding.

The Indebtedness of Young Adult Households

Finally, households headed by young adults, by some measures, were less indebted by 2010 but clearly in 2010 there were some young adult households who owed large amounts of debt. In 2010 the median household headed by a young adult owed $15,473 to its creditors. As discussed earlier, debt tends to be concentrated. Many households owe little, and a few owe very large sums. The most indebted fourth of young adult households owed at least $106,768 to creditors in 2010. The most indebted one-tenth of young adult households owed more than $207,757 to creditors. Of all the debt owed by households headed by a young adult in 2010, 79% was owed by the most indebted one-fourth of households. The most indebted one-tenth owed 47% of all the debt owed by young adult households. So one out of 10 households accounted for nearly half of all the debt.

Concentration of Debt of Young Adult Households, 2010

in 2011 dollars

	Debt to qualify	Median debt	Share of young adult debt
Least indebted quarter	$0 to $516	$0	0%
Second indebted quarter	$517 to $15,473	$5,777	2%
Third indebted quarter	$15,474 to $106,767	$47,452	18%
75th to 90th most indebted	$106,768 to $207,757	$157,107	33%
Most indebted tenth	more than $207,757	$294,409	47%
			100%

Note: Young adult refers to households headed by those younger than 35 (including a small number of households with heads younger than 18). Share of young adult debt refers to each group's total debt compared to the total debt outstanding of young adult households.

Source: Pew Research Center tabulations of 2010 Survey of Consumer Finances data

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Generally, the more indebted young adult households were the households with the more educated heads. Among all young adult households, 78% were in debt in 2010. Among college-educated households, 88% were in debt, compared with 47% of those whose head had not completed high school. Of the households that were in debt, the typical household whose head had not finished high school owed $6,396. The median debt of the college-educated household in debt was $114,504. Debt shares reveal that most of the debt is owed by the more educated. Young adult households whose heads had not pursued any education beyond high school owed only 18% of all the outstanding debt. College-educated households owed 63% of all the outstanding debt.

Are the better-educated households more heavily indebted because of student loan debt? Partly, but there clearly are other more important factors. Better-educated households are more likely to have student loan debt; 55% of young adult households with a college-educated head had outstanding student loan debt in 2010. Only 11% of households whose head had not finished high school had student loan obligations. But, as we showed above, student loan debt is dwarfed by debt against residential property. The typical student loan obligation of a young adult household owing student loans was $13,410, while young adults owing debt on residential property typically owe $127,914. College-educated households are more in debt largely because they are more likely to own a home and have a mortgage balance — 51% of college-educated households have debt against residential property, compared with 11% of young adult households whose head has not finished high school.

Among young adults, less-educated households have a lot less debt, but they also have a lot less assets. The debt-to-asset ratio among households whose heads had not finished high school was 0.58. The better-educated households have more debt, but their debt-to-asset ratio is similar at 0.52, implying they tend to have a lot more assets as well.

So there are some young adult households that are very indebted. They tend to be the college-educated young adult households, and it is partly because they are much more likely to own their homes.

Financial Indicators of Young Adult Households, by Education of Head 2010

	No HS diploma or GED	HS diploma or GED only	Some college	Bachelor's degree or more
Average age	28	28	27	29
In debt	47%	71%	83%	88%
Median debt among debtors (in 2011 $)	$6,396	$18,259	$25,088	$114,504
Debt-to-household income	0.54	1.01	1.28	1.85
Debt-to-household assets	0.58	0.49	0.53	0.52
Owe residential property debt	11%	28%	30%	51%
Owe student debt	11%	26%	46%	55%
Share of all young adult debt	2%	16%	19%	63%

Notes: Debt-to-household income (or assets) refers to the total outstanding debt of the group compared with the total household income (or assets) of the group. Debt secured by residential property includes debt for other residential properties, for example, vacation homes, as well as mortgages and other borrowing on a primary residence.

Source: Pew Research Center tabulations of Survey of Consumer Finances data

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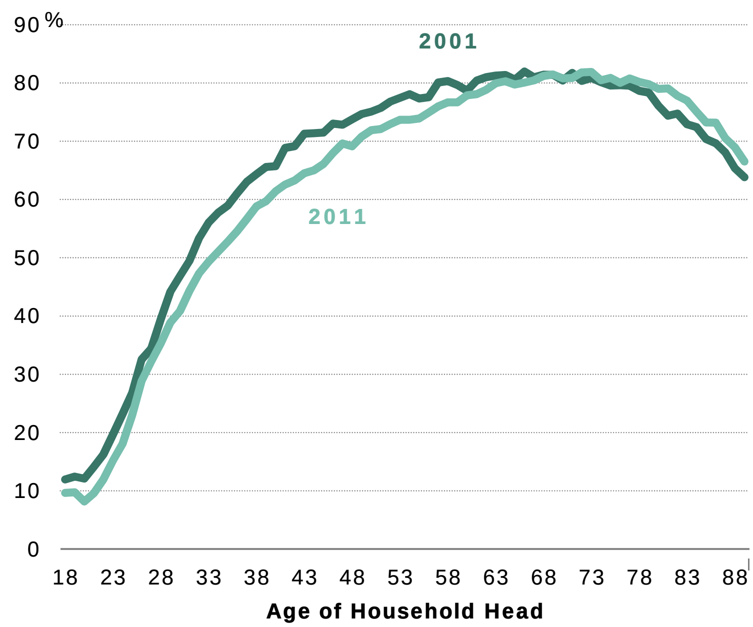
CHAPTER 4: DECLINE IN YOUNG ADULT HOME ACQUISITION

Homeownership has fallen over the decade, and younger households have experienced a greater decline than older households. Census Bureau data indicate that among households headed by those 65 and older, homeownership increased between 2001 and 2011. Homeownership among the nation's seniors was at near-record levels in 2011 (Joint Center for Housing Studies, 2012). Among households headed by young adults, only 34% owned their home in 2011, down from 38% in 2001.

Homeownership Among Young Adult Households Has Declined

% owner-occupied



Source: Pew Research Center tabulations of American Community Survey (ACS) Integrated Public Use Micro Samples

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Though suggestive, this does not imply necessarily that young adults have become more reticent to purchase homes. The homeownership rate reveals the share of households who are owners at the survey date and reflects both the decisions of renters to become homeowners and the movement of homeowners to become renters (either voluntarily or through foreclosure). In principle the homeownership rate could be lower because fewer homeowners remain owners rather than homeownership having lost its allure to young renters.

New Homeowners

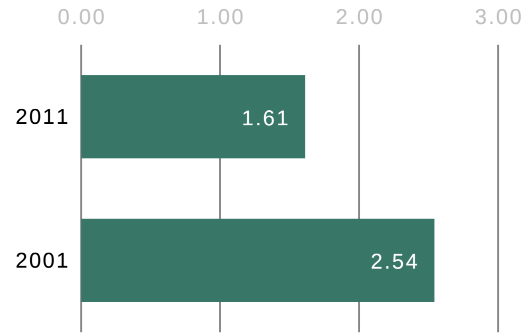
The American Housing Survey is a household survey that reveals the previous and current tenure of “recent movers,” that is, households who moved within the past year from within the United States. To gauge the attraction of homeownership, we can examine the number of “new homeowners” — recent movers who previously rented and now own their homes.

The ranks of new homeowners fell between 2001 and 2011. In 2001, 2.54 million previous renters became homeowners within the prior year. In 2011, 1.61 million renter-occupied households became homeowners within the prior year.

The number of new homeowners does not account for the size of the pool of renters who could have become homeowners. To adjust for changes in the number of renters who could have become owners, a rate is derived by dividing the number of new homeowners by the number of current renters and new homeowners.

Number of New Homeowners

in millions



Notes: Based on householders who moved during the past year from within the United States. “New homeowners” refers to owner-occupied households whose previous tenure was renter occupied.

Source: Pew Research Center tabulations of the American Housing Survey

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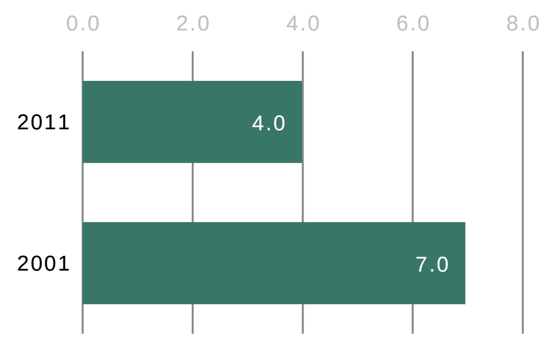
New Homeowner Rate

% of renter households who became homeowners within the past year



Notes: Based on households who moved in the past year from within the United States. “New homeowners” refers to a homeowner who recently moved and whose previous tenure was renter occupied.

Source: Pew Research Center tabulations of the American Housing Survey

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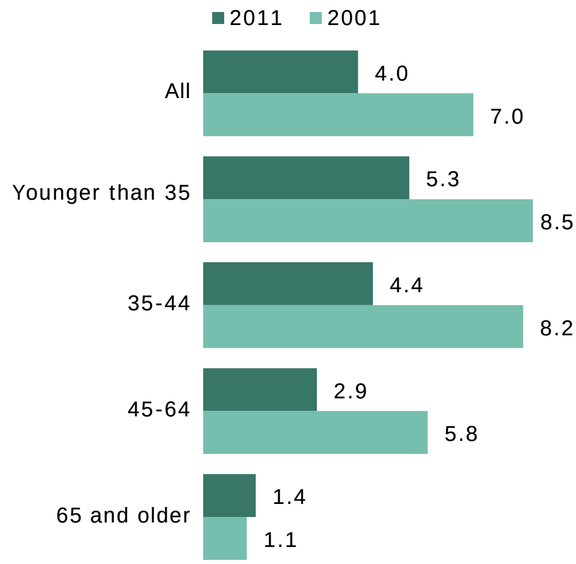
In 2001, seven of every 100 renters moved and became a homeowner over the prior year. Moving into homeownership was substantially down by 2011. In 2011 only four of every 100 renters moved and became a homeowner.

However, tabulating "new homeowner rates" by the age of the household head reveals that young adult households were not unique in increasingly staying put and continuing to rent. In 2011 about 53 out of every 1,000 eligible young adult renters moved and became a homeowner. This was much lower than the 85 out of every 1,000 eligible to become a homeowner in 2001. Very large declines in the new homeowner rate also occurred among renters aged 35 to 44 and 45 to 64. Only among renter households headed by those 65 and older was there an uptick in the movement into homeownership over the decade. So homeownership appears to have lost its allure for a wide swath of non-elderly households, not just young adult households.

New Homeowner Rate by Age of Household Head

% of renter households who became homeowners within the past year



Notes: Based on households who moved in the past year from within the United States. "New homeowners" refers to a homeowner who recently moved and whose previous tenure was renter occupied.

Source: Pew Research Center tabulations of the American Housing Survey

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New Renters

The recent mover data also illuminate the flows out of homeownership, or how many recent movers who previously were owner-occupied are now renters. In 2011, 3.0 million recent movers who were previously homeowners became renters. This is substantially greater than the flow into renter status observed in 2001, when 2.56 million prior homeowners became renters.

Adjusting for the pool of households eligible to become renters does not alter the conclusion that more homeowners became renters later in the decade than earlier. In 2001, 34 out of every 1,000 eligible homeowners became renters over the prior year. By 2011, the new renter rate upticked to 38 per 1,000 eligible.

The increased movement from homeownership to renting was concentrated among younger households, though not exclusively households younger than 35. In 2001, 123 out of every 1,000 eligible young adult homeowners became renters over the prior year. By 2011, the new renter rate among young adult homeowners had increased to 139. The new renter rate is much lower among households 35 and older and did not increase as much over the decade.

So the recent mover data suggest that the attraction to homeownership among renters clearly declined over the decade, but that tendency among young adults was no more protracted than among other adults. However, whether voluntarily or through foreclosure,

Number of New Renters

in millions

Notes: Based on householders who moved during the past year from within the United States. “New renters” refers to renter-occupied households whose previous tenure was owner occupied.

Source: Pew Research Center tabulations of the American Housing Survey

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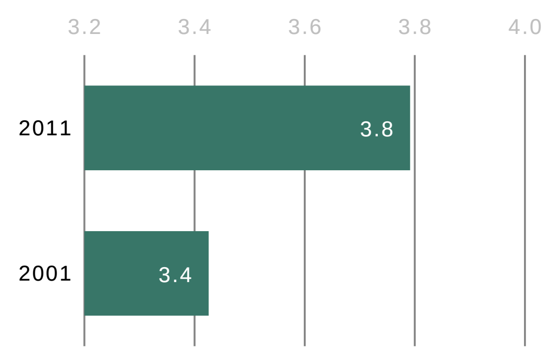
New Renter Rate

% of owner-occupied households who became renters within the past year



Notes: Based on householders who moved during the past year from within the United States. “New renters” refers to renter-occupied households whose previous tenure was owner occupied.

Source: Pew Research Center tabulations of the American Housing Survey

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homeowners can also become renters, and that tendency is much greater among young adults once one adjusts for the many fewer homeowners among young adult households.

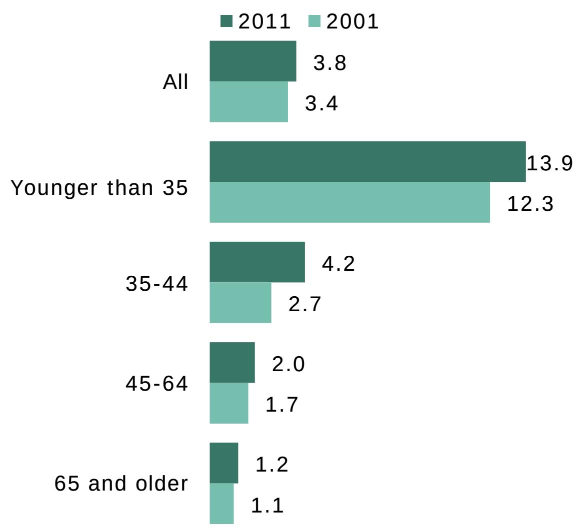
The Dynamics of Young Adults in the Housing Market

The recent household mover data reveal how the predilections of young adult households have changed over the decade. In both 2001 and 2011 a similar number of young adult households moved within the past year (from within the United States): about 8.5 million in 2001 and 8.3 million in 2011. In both years, it was young adult households who tended to be on the move. In both years, about 15.5 million households were recent movers *in toto*, so the majority of recent movers in both years tended to be households headed by young adults.

In 2001 the flows into and out of homeownership among young adults roughly balance each other. About 1.3 million young adults who had been renters became homeowners over the prior year. However, in 2001 about 1.4 million young adult households who were previously homeowners became renters over the prior year.

New Renter Rate by Age of Householder

% of owner-occupied households who became renters within the past year



Notes: Based on households who moved in the past year from within the United States. “New renters” refers to a renter who recently moved and whose previous tenure was owner occupied.

Source: Pew Research Center tabulations of the American Housing Survey

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By 2011 the flows in and out of homeownership among young adults were more lopsided. About 1.5 million young adult households who were previously homeowners became renters. This outflow was not matched by a comparable inflow of renters into homeownership. In 2011 less than 0.9 million young adult renters became homeowners over the year. So the flow into homeownership among young adults was noticeably constricted in 2011 compared with 2001.

Recent Movers Among Households with a Head Younger than 35, 2001 and 2011

2011

	Present tenure		
	Owner-occupied	Renter-occupied	Total
Tenure of previous residence			
Owner-occupied	448,466	1,506,761	1,955,227
Renter-occupied	871,079	5,484,951	6,356,030
Total	1,319,545	6,991,712	8,311,257

2001

	Present tenure		
	Owner-occupied	Renter-occupied	Total
Tenure of previous residence			
Owner-occupied	783,180	1,440,894	2,224,074
Renter-occupied	1,347,281	4,940,923	6,288,204
Total	2,130,461	6,381,817	8,512,278

Notes: Recent mover refers to households who moved during the past year from within the United States. Excludes recent movers whose previous residence was other than a house, apartment, or manufactured/mobile home.

Source: Pew Research Center tabulations of the American Housing Survey

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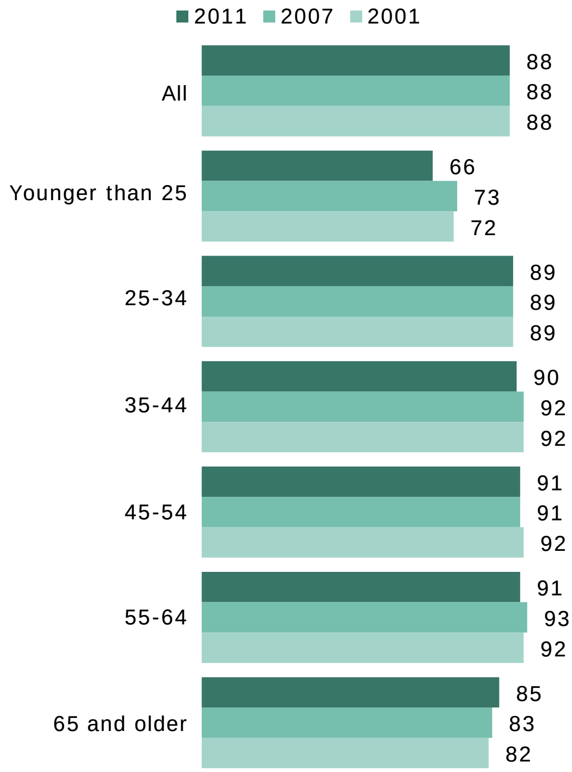
CHAPTER 5: DECLINE IN YOUNG ADULT VEHICLE OWNERSHIP

Information on vehicle purchases by age is not readily available. Hence it is not clear that young adults are increasingly postponing or forgoing automobile purchases. A vehicle is one of the most widely held nonfinancial assets of American households. Data collected by the Bureau of Labor Statistics indicate that 88% of consumer units own or lease at least one vehicle. Among most age groups, the level of ownership in 2011 was similar to 2001. However, among households headed by those younger than 25, a decline is evident. In 2011, 66% of households headed by those younger than 25 owned or leased at least one vehicle, down from 72% in 2001.

The decline in vehicle ownership may be a reflection of declining preferences to drive among the young adult population. Federal Highway Administration figures indicate that the number of licensed drivers between the ages of 18 to 34 increased from 58.2 million in 2001 to 60.3 million in 2011. So the share of young adults with a license fell from 86% in 2001 to 83% in 2011. By comparison, the share of adults 35 and older with a license rose from 89% to 90% over the same period.

Consumer Units Owning or Leasing at Least One Vehicle, by Age of Householder

%



Notes: A consumer unit consists of any of the following: (1) All members of a particular household who are related by blood, marriage, adoption or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who use their incomes to make joint expenditure decisions.

Source: U.S. Bureau of Labor Statistics published tabulations of the Survey of Consumer Expenditures

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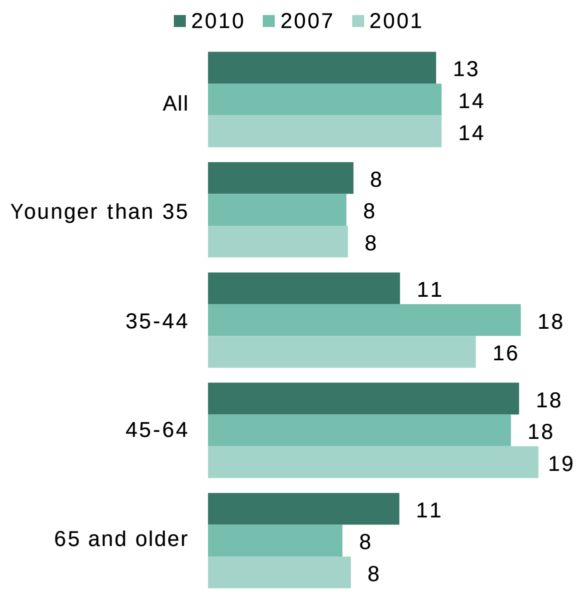
CHAPTER 6: BUSINESS OWNERSHIP

In addition to homeownership, Americans have considerable stakes in private businesses.[6] On this score, however, there is not much evidence that young adult households are any less likely to own a business. According to Federal Reserve data, about 8% of households headed by those younger than 35 owned a privately held business in 2010, similar to the level observed in 2001. Business ownership did decline among households in the 35-to-44 age bracket.

Households Owning at Least One Business, by Age of Householder

%



Notes: Includes ownership in sole proprietorships, limited partnerships, other types of partnerships, subchapter S corporations and other types of corporations that are not publicly traded, limited liability companies, and other types of private businesses.

Source: Pew Research Center tabulations of the Survey of Consumer Finances data

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[6] In 2010 business equity was 28% of the value of all nonfinancial assets of American households, second only to residential property (59%) (Bricker et al., 2012).

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APPENDIX A: THE COMPOSITION OF YOUNG ADULT HOUSEHOLDS

Much of the analysis in the report focuses on the households headed by those younger than 35. Between 2001 and 2011, the composition of households headed by those younger than 35 has changed. Young adults are less likely to form independent households, and Census Bureau data suggest that young adults in independent households are a select group. Young adults in independent households tend to be the more economically successful young adults.

Adult Relationship to Head of Household, 2001 and 2011

%

	2001				2011			
	Head, spouse or unmarried partner	Related to head (e.g., child, niece/ nephew)	Unrelated	Total	Head, spouse or unmarried partner	Related to head (e.g., child, niece/ nephew)	Unrelated	Total
Age								
18-34	63	30	7	100	51	41	9	100
35-44	91	7	2	100	85	11	3	100
45-64	94	5	1	100	89	8	2	100
65 and older	92	7	1	100	89	10	1	100

Note: Excludes the population residing in group quarters.

Source: Pew Research Center tabulations of American Community Survey (ACS) Integrated Public Use Micro Samples

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Regarding the change in composition, using the American Community Survey, we can classify young adults by the nature of their relationship to the head of the household.[7] The young adult may be in an independent household in that the young adult may be either the head, spouse of the head, or the unmarried partner of the head of the household. Alternatively, the young adult may be residing with family (other than spouse) in that the young adult may be the child, child-in-law, niece/nephew, sibling, grandchild or other relative of the head. Finally, the young adult may be residing independently of family by living with a roommate or being a boarder or lodger of the head of the household.

There has been compositional change in young adult households in that fewer young adults are living independently and more are residing with family. In 2001, 30% of young adults were related to the head (other than spouse) and not living independently. By 2011, 41% of young adults were residing with family (other than spouse). The Census data show that adults of all

[7] The analysis is thus restricted to the population residing in households.

ages were more likely to reside with family (other than spouse) in 2011 than in 2001, but the decline in independent living was greatest among young adults.

Economic Characteristics of Young Adults by Living Arrangements, 2011

	Mean age *(years)*	At least some college *(%)*	Bachelor's degree or more *(%)*	Employed *(%)*	Mean earned income *(in 2011 $)*
Living arrangement					
Living independently	28	67	31	76	$27,747
Living with family	23	49	12	56	$10,366
Younger than 25					
Living independently	22	64	16	67	$13,404
Living with family	21	47	7	51	$6,693
Ages 25-34					
Living independently	30	68	36	78	$32,245
Living with family	29	53	21	64	$17,315

Note: Excludes young adults residing in group quarters.

Source: Pew Research Center tabulations of 2011 American Community Survey (ACS) Integrated Public Use Micro Sample

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ACS data from 2011 indicate that living independently of family is associated with higher educational attainment and labor market earnings. Young adults who fare better in the labor market are more likely to not live with family (other than spouse). Young adults related to the head of the household tend to be much younger, and thus it is instructive to examine the characteristics of young adults in two age breakdowns: 24 or younger and 25 to 34. In either age group, young adults residing independently of family (either the head/spouse/unmarried partner or roommate/boarder/lodger) tend to be better educated and more likely to be employed at the date of interview, and they report higher earned income. For example, 36% of young adults age 25 to 34 who live independently of kin have at least a bachelor's degree, while only 21% of their peers residing with kin have at least that level of education.

So, the analysis based on households takes the households as formed as given, but, admittedly the young adult households in 2010 or 2011 are more selected economically at the end of the decade than in 2001. That is, the young adult households observed at the end of the decade tend to have higher incomes, are more likely own their own homes, and are more likely to be in debt. The compositional changes that have occurred are likely leading us to understate the decline in homeownership and indebtedness that has occurred.

APPENDIX B: DATA SOURCES

The analysis utilized four different surveys collected by the federal government. The unit of analysis differs among them. A brief description of the four surveys follows.

The Survey of Consumer Finances

Most of the analysis of debt and assets is based on the Survey of Consumer Finances. The SCF is collected every three years and is sponsored by the Board of Governors of the Federal Reserve System in cooperation with the U.S. Department of the Treasury. The interviews are conducted roughly between May and December. Aside from the detailed information on the assets and liabilities of the household, the SCF has detailed demographic information on the head of the household. While other sources exist on trends in aggregate indebtedness, the SCF is the foremost source of information on which demographic groups have particular kinds of outstanding liabilities. Bricker et al. (2012) is a good introduction to the survey. Prior analyses of young adult indebtedness have also utilized the SCF (Chiteji, 2007).

The most recent SCF available is for 2010. The tabulations presented are based on the public use version of the SCF available on the Federal Reserve's website: http://www.federalreserve.gov/econresdata/scf/scfindex.htm. The SCF sample typically consists of approximately 4,500 households. The 2010 data have 6,482 unweighted households in the survey, of which 1,178 were households younger than 35. The 1983 SCF had a sample size of 4,098, of which 1,152 were headed by young adults.

The definition of a "household" in the SCF differs from that used in Census Bureau studies. The sampling unit in the SCF is the "primary economic unit" (PEU), not the household. As stated by the Federal Reserve Board, "the PEU consists of an economically dominant single individual or couple (married or living as partners) in a household and all other individuals in the household who are financially interdependent with that individual or couple." Federal Reserve Board publications refer to the PEU as a "family," but readers may infer that this necessitates the presence of two related persons, though a PEU can consist of a person living alone. In this document, a PEU is referred to as a "household."

American Housing Survey

The analysis of recent mover households utilized the American Housing Survey. The AHS is conducted by the Census Bureau and sponsored by the U.S. Department of Housing and Urban Development. The national data survey has been collected every odd-numbered year, and 2011 is the most recent available national data. The survey started in 1973 and has had the same core sample since 1985.

Several Census data sets provide information on occupied and vacant housing units and provide information on national homeownership rates. Data sets such as the American Community Survey and Current Population Survey also shed light on household mobility, in that they inquire as to whether the respondent resided in the same residence one year ago or five years ago. Those responding "different house" are asked the location of the prior residence and hence these surveys shed light on geographic mobility. The American Community Survey and Current Population Survey do not inquire as to the previous ownership of the dwelling or tenure (whether the household was owner-occupied versus renter-occupied).

The American Housing Survey interviews are conducted over several months. For example, the 2011 AHS conducted interviews between July and December of 2011.

The tabulations published herein are derived from the public microdata files available from HUD: http://www.huduser.org/portal/datasets/ahs.html. The tabulations very closely approximate the national summary tables published by the HUD.

Matching the tabulations on recent movers published in the summary report, "recent movers" refers to householders who moved during the year prior to the month of interview and moved from within the United States. The structure of the previous residence must have been a house, apartment or manufactured/mobile home.

The number of households surveyed has increased since the 2001 survey. In the 2001 survey the nation's occupied households are represented by 47,852 unweighted households. Recent movers are captured by 6,072 unweighted households, of which 3,262 were young adult recent movers.

American Community Survey

Analysis of the living arrangements of persons and homeownership rates is based on the U.S. Census Bureau's American Community Survey. The ACS is the largest household survey in the

United States, with a sample of about 3 million addresses. It covers the topics previously covered in the long form of the decennial census. The ACS is designed to provide estimates of the size and characteristics of the resident population, which includes persons living in households and group quarters. Further information on the ACS can be found at http://www.census.gov/acs/www/about_the_survey/american_community_survey/. The tabulations are based on the one-year 2001 and 2011 ACS files. The specific files analyzed were the Integrated Public Use Microdata Series (IPUMS) provided by the University of Minnesota.[8]

To most closely match the universes in the other data sets, the ACS analysis is restricted to adults residing in households. The sample size in the ACS has increased over time, but even in 2001 it was very large. The number of unweighted adults in the 2001 ACS residing in households was 896,036, of whom 239,920 were younger than 35.

Homeownership rates are based on analysis of households, not adults. Nonetheless, the unweighted counts of households in the ACS are quite large. In the 2001 ACS there are 93,892 households headed by those younger than 35. By single year of age of the head, the fewest number of cases in the 2001 ACS were those headed by 18-year-olds. In the 2001 ACS there were 545 unweighted households headed by an 18-year-old.

Consumer Expenditure Survey

Automobile ownership rates are derived from the Consumer Expenditure Survey, conducted by the U.S. Census Bureau for the Bureau of Labor Statistics. The goal of the CE survey is to collect data on the buying habits of American consumers. The current form of the survey dates to 1980, but it has undergone revisions in the interim that affect the comparability of data over time. The survey has two components—a quarterly Interview Survey and a weekly Diary Survey, each with its own questionnaire and sample. In the Interview Survey, families in the sample are interviewed every three months over five calendar quarters. Respondents to the Diary Survey maintain a detailed record of expenditures for two consecutive weeks. At the present time, the Interview and Diary components collect completed surveys from approximately 7,000 housing units each.

The expenditure data are collected and reported for “consumer units.” A consumer unit consists of any of the following: (1) All members of a particular household who are related by

[8] Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 (Machine-readable database). Minneapolis: University of Minnesota, 2011 http://usa.ipums.org/usa.

blood, marriage, adoption, or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who use their incomes to make joint expenditure decisions.

Further information on the CE can be found at http://www.bls.gov/cex/home.htm#publications.

The auto ownership rates are from the published current expenditure tables at http://www.bls.gov/cex/home.htm#tables.