

## New Legal & General Study on Millennials and Housing Looks at the Effects of Wage Stagnation on Home Ownership

### More Than Half of Millennials Aren't Saving for a Down Payment; Cite Underpaying Jobs or Joblessness as Primary Obstacle

- 36% of millennials find home ownership hard to afford where they currently live
- An additional 20% of millennials find home ownership *extremely* hard to afford
- Only half of recent millennial graduates managed to find a job matching their skills and education right after graduating – of these, 28% are still looking

New York, NY, October 14, 2021 — With broad economic concern about the Fed raising interest rates and the knock-on effect of increased borrowing costs, millennials' attitudes around housing turn to the decades-long failure of wages to keep up with the cost of housing. Today, the third part of a broad new study conducted by [Legal & General Group, \*U.S. Millennials and Home Ownership – A Distant Dream for Most\*](#), is released, zeroing in on how millennials' income, and in particular the long-standing issue of wage stagnation, has contributed to the reality of housing unaffordability for millennials.

This third segment of the data-rich study, *Wage Stagnation Has Flipped the Housing Equation for Millennials*, takes a deep dive into the effects of sluggish income growth versus the skyrocketing cost of housing on specific demographics within the 25- to 40-year-old U.S. millennial population. The long-term consequences are still unfolding, but according to the survey data, many millennials were living with their parents, and more than half of those surveyed found housing in their area to be cost prohibitive.

Legal & General Group Chief Executive **Nigel Wilson** commented: “We’re seeing similarities between many parts of the U.S. and the U.K. in terms of the supply-demand imbalance, which further compounds the last few decades of median wage stagnation, something we are addressing at Legal & General. And while many millennials may have reasons beyond affordability to delay home ownership, the overwhelming majority of those who would like to become property owners continue to face significant challenges. It’s time to take action— and create solutions that will address the wage issue, as well as create a larger stock of affordable homes.”

Study Co-Author and Legal & General Corporate Affairs Director **John Godfrey** notes: “With affordability and job opportunities at the top of millennials’ list of reasons why they would move, there clearly needs to be a rebalancing of priorities in order for this demographic to step onto the housing ladder. Median income for millennials in the U.S. has risen 24 percent since 2012, but the median cost of a home has risen by 86 percent, nearly four times that. This discrepancy is unsustainable.”



Legal & General's study looks not only at housing affordability, but also at geographic and demographic choices based on age and life stage, and at various drivers shaping these choices, including the duality of wage stagnation and the rising cost of housing. Future segments will look in depth at the intergenerational housing gap; home ownership on U.S. Millennials' bucket list; student debt and the cost of healthcare; and where Millennials stand on retirement and other savings vehicles.

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#### Media Contact:

**For more information on the 2021 *U.S. Millennials and Home Ownership* study, or to see a copy of Part 3 of the report, please contact:**

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#### Notes To Editors

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#### About the Study

Legal & General undertook proprietary research into the attitudes and changes, as well as geographic shifts, U.S. Millennials are experiencing in relation to home purchases and affordable housing. The **U.S. Millennials and Home Ownership** research was compiled using original survey data 875 U.S. based Millennials who don't own a property, then segmented into three distinct age groups and other demographic markers. The survey work was carried out by Legal & General. Fieldwork was undertaken during March and April 2021. All surveys were carried out online.

#### About Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the U.S., Europe, Middle East and Asia. With over \$1.4 trillion in total assets under management, Legal & General is the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.