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The Rent Is Due, and So Is a New Definition of "I've Made It"

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Introduction

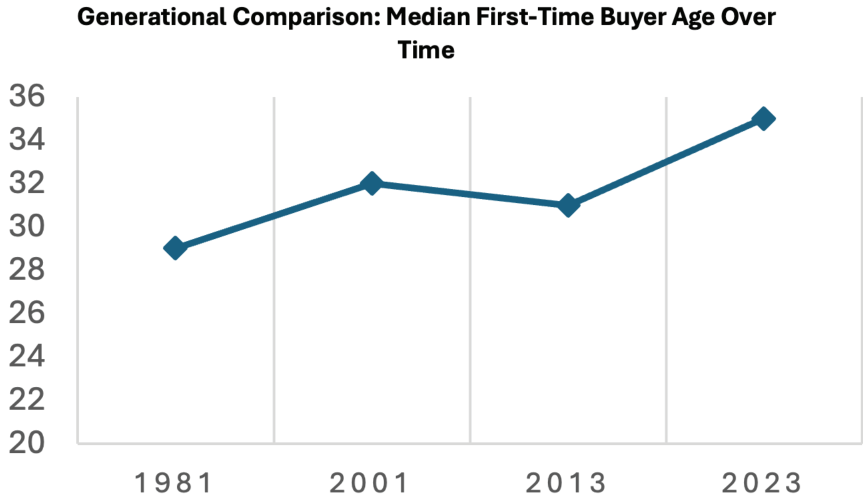
On your walk to the office, you move through the same morning scene you have come to know by heart, penthouse lights still glowing from someone's late dinner. You do not look too closely at them anymore. Homeownership fell off your radar somewhere between your last Zillow scroll and your last student loan payment. You still stop for your overpriced coffee, though, tapping your card and sighing as the card reader asks if you would like to leave a tip.

You did everything right. Good school, student loans to pay for it, a real job with a 401(k) and a badge that opens the elevator. But most months, over a third of your paycheck disappears into a one-bedroom you do not own, in a city you cannot imagine leaving because that is where the job is. The rest goes to paying off a student loan balance that never seems to shrink. Buying a home is not a decision you're putting off; it is not a real option, and you do not need a spreadsheet to tell you that.

Land ownership has been tied to American opportunity since the country's founding, evident in Jefferson's vision of a nation of independent landowners and the Homestead Act's promise of free land to anyone willing to work it. However, the American Dream itself was never really about the land or the house on it. At its core, the American Dream is about wealth creation and upward mobility; it is the ability to build something from nothing and to hand a better starting point to the next generation.

The version of that dream your grandparents inherited was not an accident of the free market; it was deliberately constructed. The GI Bill's support for low-cost mortgages, Congress's continued enthusiasm for the mortgage interest tax deduction, and the Federal-Aid Highway Act of 1956 combined to elevate and prioritize the post–World War 2 homeowner. The foundation of all of it was a financing mechanism most take for granted: the 30-year mortgage, made possible by the National Housing Act of 1934 and the 1938 creation of Fannie Mae, which let a buyer put down 10% to 20% and finance the rest over three decades.[1] It worked; homeownership rates never dropped below 63% from 1965 onward.[2] It is, however, important to acknowledge the opportunity of homeownership was not extended to

Exhibit 1. Median First-Time Buyer Graph [5]



The median age of the first-time American homebuyer has risen by six years since 1981, not because young people want to rent, but because the financial requirements for ownership have outpaced their income growth. ***Source***: National Association of Realtors Annual Survey, *The New York Times*, September 7, 2024, https://www.nytimes.com/2024/09/07/realestate/american-dream-homeowner-young-people.html

all Americans equitably: Levittown, New York, and developments like it excluded nonwhite families outright. Black veterans were largely excluded from GI Bill benefits, and women were routinely denied mortgages without a man's signature next to theirs.[3]

However, homeownership has become an increasingly difficult milestone to accomplish. The median age of a first-time homebuyer has climbed from 29 in 1981 to 35 today as seen in Exhibit 1.[4,5] Between 1999 and 2022, rent rose 135% while income rose only 77%, and the average share of a paycheck allocated for rent has climbed from 25% to 40%, making it more difficult for renters to save for a down payment.[6] The home-price-to-income ratio has now exceeded its peak from the 2008 housing bubble, a record nobody wanted to break. What has changed for Gen Z is not the American Dream itself, but rather the math underlying it.

That shift in math has come with a shift in how the dream itself gets defined. Nearly half of 18- to 29-year-olds now live with their parents, the largest share since the Great Depression.[7] A 2024 Minnesota State University Mankato study found that when millennials were asked to define the American Dream, homeownership came in third, and, for Gen Z, having a family was the most common answer.[8] A 2024 Bankrate survey found that 88% of baby boomers still consider owning a home part of the American Dream, compared to just 68% of Gen Z. The other 32% presumably are at peace with renting forever with a really nice couch.[9] By 2025, more than half of current homeowners no longer see ownership as "absolutely" essential to achieving that dream.[10]

It would be easy to read these statistics as evidence that Gen Z simply chooses debt freedom over a down payment, flexibility over a white picket fence. Although there is some truth to that, attitudes have shifted, and we will examine how a deeper analysis of the data clearly shows that the shift in mindset is downstream of a shift in math. Gen Z has not abandoned the goal of homeownership. Rather, the distance between wanting a home and affording one has grown dramatically, far beyond what prior generations experienced.

> **"Gen Z's shift away from homeownership is a rational adaptation to structural barriers. Homeownership hasn't stopped being a viable wealth-building tool, but it is no longer the default path to the American Dream."**

So, the real question for Gen Z isn't whether homeownership remains part of the American Dream—it is whether buying is still the smartest path to building wealth. We will walk through four questions: What does the affordability math look like for a Gen Z buyer today? Why aren't there enough homes, and who is competing for the ones that exist? Is the American Dream morphing, or is Gen Z simply priced out? And, finally, when does buying still make sense, and what do the alternatives look like when it does not? To bring that math to life, we'll follow two Gen Z prototypes throughout: Marcus, a 25-year-old financial analyst in Charlotte, North Carolina, earning $100,000 yearly, and Sophia, a 25-year-old financial analyst in New York, New York, with $200,000 in combined household income with her partner. As traditional pathways become less accessible, a new version of the American Dream may be emerging—one built not solely on homeownership, but on financial security, flexibility, and alternative routes to long-term wealth creation.

For this piece, we interviewed three individuals below, whom we refer to by name throughout the paper. They are:

Tyrone Ross, founder and CEO of 401 Financial, a San Diego–based RIA (registered investment advisor) built for investors ages 25 to 45, who are the "right now investors" that Ross felt the industry kept talking about but never actually served. Previously he was the CEO of Onramp Invest and has been named among InvestmentNews' 40 Under 40 and Investopedia's Top 100 Financial Advisors.

Sallie Schutz, a corporate banking analyst at Wells Fargo based in Charlotte, North Carolina. She is a Sapere Aude alum whom we interviewed for her firsthand perspective on how young buyers are approaching these decisions.

Andy Winkler and Kristen Klurfield of the Bipartisan Policy Center. Winkler is the BPC's managing director of housing and infrastructure policy, and Klurfield is the associate director of the BPC's J. Ronald Terwilliger Center for Housing Policy. The BPC worked with Congress on the 21st Century ROAD to Housing Act, passed into law on July 11, 2026.

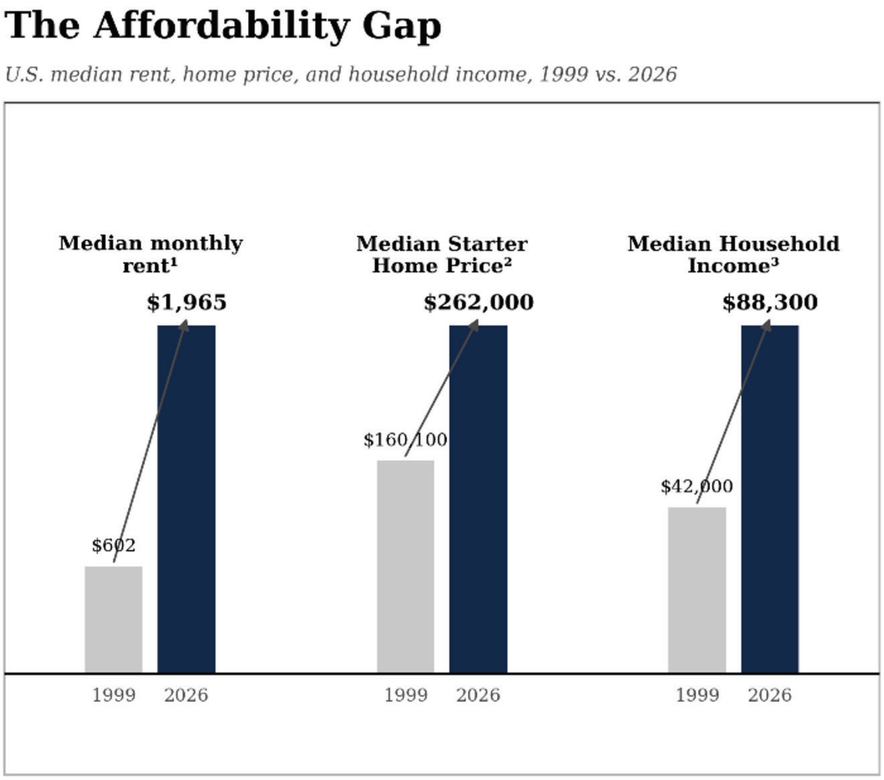
What Does the Affordability Math Look Like for a Gen Z Buyer?

The gap between wanting a home and affording one is ultimately measured in dollars and cents. Homeownership today requires far more than just the ability to make a monthly mortgage payment. Gen Z prospective buyers must first accumulate a down payment while navigating student debt, qualify for financing, and absorb higher interest rates, all before they even get the housekeys. Together, these financial hurdles help explain why the path to homeownership has become significantly more challenging for Gen Z.

Cost-Burdened: A Bureaucratic Term for "You're Broke"

Let's see how affordability is measured. Housing affordability is commonly measured using the US Department of Housing and Urban Development's cost-burdened benchmark: a household is considered "cost-burdened" if it spends more than 30% of its gross income on housing.[11] That threshold has become the standard yardstick for whether housing costs are financially sustainable. Although it doesn't account for differences in household circumstances, it is the widely accepted framework, and by that standard housing cost burdens are widespread and growing. According to Novogradac, 20.7 million households were cost-

Exhibit 2. The Affordability Gap [14]



burdened in 2024.[12] Therefore, the challenge facing Gen Z isn't just accumulating capital for a down payment but also maintaining financial stability even after purchase.

Housing prices and mortgage rates keep climbing, squeezing Gen Z buyers from two directions. According to Goldman Sachs, average monthly mortgage payments have risen from below 20% of income prior to the pandemic to over 30% since 2022.[13] This shift signals a sharp decline in affordability. As Exhibit 2 shows, the median monthly rent and median starter home price have grown exponentially from 1999 to 2026.[14] As a result, many Gen Z homeowners now allocate a larger share of their income toward housing than previous generations. Gen Z isn't losing interest in homeownership. However, the financial bar to get there continues to rise.

Let's look at the math. According to Redfin, the national median price of a starter home is about $262,000 as of June 2026.[15] Assuming a 20% down payment of $52,400 and factoring in a 30-year mortgage at 6.6%,[16] as well as a median yearly income of $59,280 for people ages 25 to 34,[17] the monthly principal and interest payment comes out to roughly $1,338. However, the true cost of homeownership extends beyond the mortgage itself. Homeowners also must pay property taxes and homeowner's insurance—ongoing expenses that protect the property and satisfy lender requirements while also adding to the monthly payment.[18] Annual property tax hovers at around 1% of the home price, which is about $2,620, or roughly $218 monthly, for the average house, and the monthly homeowner's insurance payment is about $208.[19] Factor in these costs, and monthly housing expenses come to about $1,678, or 34% of gross monthly income. Exceeding the 30% affordability benchmark, this calculation demonstrates how a median Gen Z buyer becomes cost-burdened. It's the clearest illustration of how the economics of homeownership have shifted for Gen Z, as the cost of an entry-level home now exceeds what is traditionally considered "affordable" for a typical young adult.

Another cost rarely makes it into the headline numbers: private mortgage insurance, or PMI. PMI is generally required when a borrower makes a down payment of less than 20% of the home price, protecting the lender if the buyer defaults. Depending on the loan amount, the buyer's credit profile, and the lender, PMI usually costs, per year, between 0.46% and 1.50% of the original loan amount.[20] For a borrower purchasing a $262,000 home with a 10% down payment, the loan amount comes out to about $235,800, with an average PMI rate of 0.70%, roughly $1,651 per year, or about $138 per month on top of the mortgage payment itself. For buyers who are already struggling to scrape together a 20% down payment, PMI is one more toll to pay.

Although making a monthly mortgage payment may feel like steady progress toward homeownership, most of the early payments do not immediately lead to wealth-building. Fixed-rate mortgages require you to pay the same monthly amount for the term of the mortgage—usually 30 years—with every payment split between principal and interest. However, the split between the two is far from even. As Exhibit 3 shows, in the first few years of payments, almost all of the payment goes toward interest, and only a small amount goes toward paying off the principal and building equity.[21] As a result, homeownership remains a valuable long-term wealth-building tool, but the benefits accumulate over time, requiring buyers to overcome significant upfront costs before attaining meaningful gains.

Recent increases in mortgage rates have made the math worse. Rates rose from a historic low of 3% in 2021 to above 7% in 2025, settling at the current rate of around 6.6%.[22] Although today's rates remain well above recent lows, they are close to the historical average, which has hovered around 7% to 8% since the early 1970s.[23] The 3% mortgage rate available during the pandemic was actually an anomaly.

That said, the rate swing has significantly increased the monthly cost of carrying the same home for a buyer entering the market today versus an older millennial who purchased in 2021. The math illustrates the generational cost difference for the median starter home price of $262,000 for a home with a 30-year mortgage and a 20% down payment of $52,400. The buyer that locked in a 3% rate in 2021 pays about $884 per month, whereas the buyer with a 7% rate pays $1,395 per month. That's a difference of $511 per month for the exact same house—just because the 2026 buyer was born a few years later.

The rising costs of housing are not limited to buying a home. Rents have grown nearly twice the rate of income over the last 20 years. According to the New York Times, between 1999 and 2022 rents increased approximately 135%, while incomes grew only 77%.[24] Also, according to EY, the average share of income allocated to rent has risen from 25% in 2000 to approximately 40% today,[25] leaving Gen Z renters with significantly less monthly capacity than prior generations to save toward a down payment.

Exhibit 3. Amortization Breakdown of a Mortgage [21]

A HOME IS NOT A SHORT-TERM INVESTMENT

$425,000 home · 10% down · 30-yr fixed at 6.6%

Loan amount $382,500 · Monthly payment (P&I): $2,442.87 · 360 monthly payments

5 YEARS IN
6.3% of loan paid down (principal)
24.7% of lifetime interest paid

10 YEARS IN
15.0% of loan paid down (principal)
47.4% of lifetime interest paid

YEAR-BY-YEAR AMORTIZATION SNAPSHOT

Cumulative figures at 5-year intervals over the full 30-year term

Year	Principal Paid	Balance	Interest Paid
5	$24,029 6.3% of loan	$358,471	$122,543 24.7% lifetime
10	$57,422 15.0% of loan	$325,078	$235,722 47.4% lifetime
15	$103,829 27.1% of loan	$278,671	$335,888 67.6% lifetime
20	$168,321 44.0% of loan	$214,179	$417,968 84.1% lifetime
25	$257,947 67.4% of loan	$124,553	$474,914 95.6% lifetime
30	$382,500 100.0% of loan	$0	$496,933 100.0% lifetime

SHORT-TERM WINDOW

TAKEAWAY

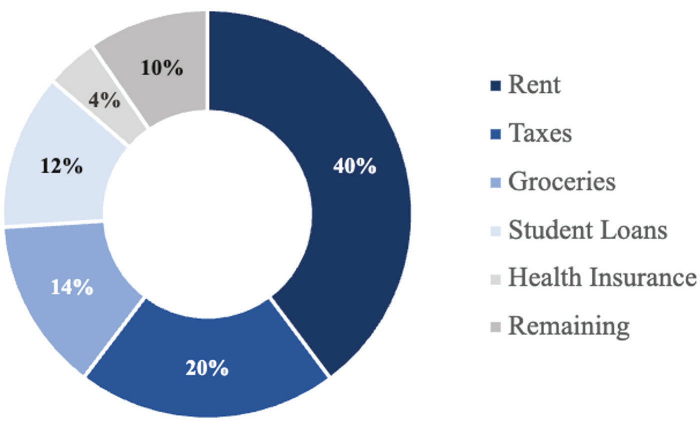
A buyer who sells at year 5 or year 10 has built almost no equity — just 6% and 15% of the loan, respectively — while having already covered nearly half of all the interest they'll ever pay. Selling in that window locks in a loss relative to what's gone into the homeowner's favor over the long run: by year 20 the balance is under 56% of the original loan, and by year 25 more than two-thirds is paid off — but it is not a short-term investment, and the first decade is exactly why.

For many Gen Z buyers, the challenge extends well beyond rising home prices—it is compounded by every additional claim to their paycheck. Student loan repayments reduce the monthly cash flow available for down payment savings, while simultaneously increasing debt-to-income ratios that lenders use to determine eligibility for a mortgage. And it gets even tighter once you factor in retirement savings. A Gen Z worker earning the median income of about $59,280 is encouraged to contribute enough of their salary to their 401(k) to fully take advantage of the employer match, often called "free money." The employer's match varies by company, but a typical match could be

50% of the employee's own contribution up to a total employer match of 3%, which would require the employee to contribute 6% of their salary to receive the maximum employer match. This equals an employee contribution of about $3,557 per year, or roughly $300 per month, to get the full employer match of $1,778 yearly or about $150 per month of free money. Between the two, that is about $5,335 going into your 401(k) account yearly. Although contributing to your 401(k) the amount necessary to get the "match" is a sound financial decision, doing so reduces the amount of income available to save for a down payment.

Exhibit 4. Breakdown of the Typical Gen Z Paycheck [28]

Now here is the real question: Given all the competing interests of a typical Gen Z employee, how long would it take for them to accumulate the



capital for a traditional 20% down payment? Even with a median starter home price of $262,000, a buyer would need to have saved about $52,400.[26] Assuming the GenZ median annual income of $59,280, a 6% contribution into their 401(k), and an overly ambitious savings rate of 20%, the answer is roughly seven years. For many young adults, the down payment alone has become a substantial hurdle, one that keeps growing as home prices climb faster than the income available to chase them.

But Where Does Gen Z's Paycheck Go? Here's a Real-World Example

The median 25- to 34-year-old working full time earns, before taxes, about $4,940 a month, or $1,140 a week, based on US Bureau of Labor Statistics data from Q1 2026.[27] As shown in Exhibit 4, rent alone eats 40% of that, well above the standard 30% affordability benchmark.[28]

To see how the math works for an actual buyer, take Marcus, our 25-year-old who lives in Charlotte, North Carolina. Marcus has set aside $30,000 for a down payment but also graduated with $20,000 in student loan debt, which is still on the books. He rents currently but is interested in seeing what the numbers look like to buy a home. For this exercise, we're using $385,000—the median price of a starter home in Charlotte—as the target purchase price.[29]

As shown in Exhibit 5, Marcus's numbers work under a standard 20% down payment (so, $77,000 of the $385,000 price), but the $47,000 gap between that and Marcus's $30,000 in savings will take years to close through normal savings alone.[30] Putting down less speeds up the timeline: a 10% down payment shrinks the gap to $8,500, which can be closed in a year or so, but raises his monthly payment past the 30% affordability benchmark and, because he has made a smaller down payment, requires him to buy private mortgage insurance. That is a real trade-off, not a shortcut.

We found a similar story when we spoke with Sallie Schutz, a corporate banking analyst at Wells Fargo in Charlotte. She introduced a

Exhibit 5. Housing Breakdown for Marcus [30]

What should Marcus do?

25, financial analyst, Charlotte NC, $100K/yr

His benchmark

$8,333/mo income, 30% rule = $2,500/mo max on housing

His actual payment

$385K home (Charlotte median starter home), 20% down, $308K financed at 6.6%/30yr = ~$1,967/mo. Under budget.

The down payment gap

Needs $77K, has $30K. A $47K gap to close.

Verdict:

Buying is achievable, but the $47K gap won't close on its own. It takes a deliberate plan.

different perspective from Marcus but also tells the story of many prospective Gen Z buyers. She has not even thought about buying a home yet. Why? Because in the markets where she would want to buy, prices are simply too expensive. Instead of saving for a down payment, she is plowing her extra money into personal investments, such as her 401(k) and a Roth IRA. Between Marcus and Sallie Schutz, the affordability math shows the unique barriers that prospective buyers in Gen Z confront. As a result, more Gen Z buyers are being forced to rationalize and prioritize home-buying differently than prior generations.

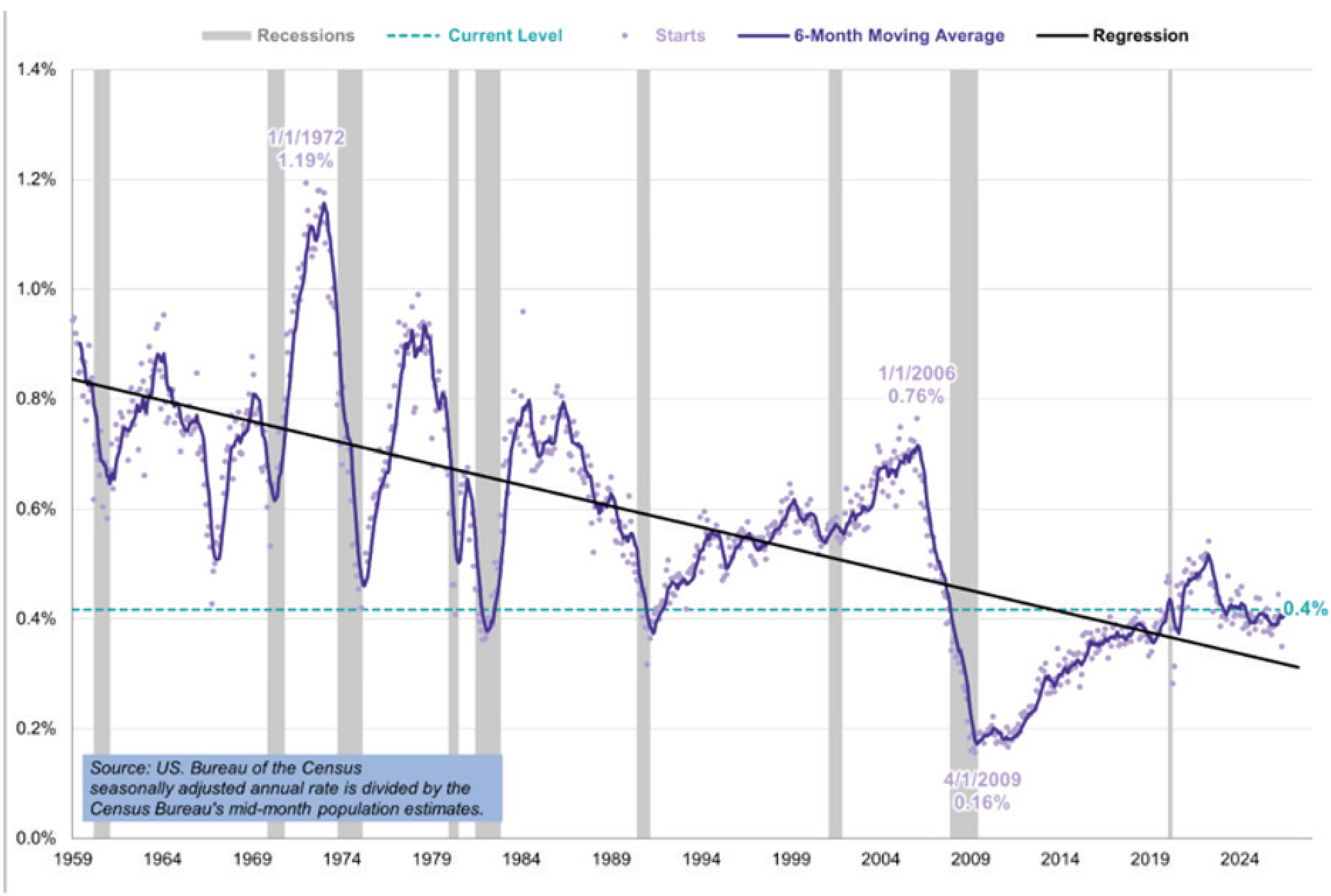
Why Aren't There Enough Homes?

The housing affordability crisis is not just a story about mortgage rates—it is a story about scarcity. There are not enough homes available, with three forces that choke the supply: the lock-in effect keeping existing homes off the market, a slowdown in new home construction, and rising institutional competition for existing homes.

To understand the issues that undermine today's housing market, let's rewind to 2008. In response to the Global Financial Crisis, the Federal Reserve introduced a zero-interest-rate policy and quantitative easing, and mortgage rates gradually declined over the following decade, settling in the mid-3% to 4% range by the late 2010s.[31] The Fed cut rates again following the COVID-19 pandemic, pushing the 30-year mortgage rate to a record low of 2.65% in early 2021, and with such cheap financing available, millions of homeowners refinanced or bought at those historic lows.[32] However, in 2022, the Fed reversed course to fight inflation, and rates jumped to 7%, more than double the pandemic-era lows. Although the current 30-year average mortgage rate of 6.6% sits at about the historical average, it certainly feels much higher. And anyone holding a 3% mortgage has zero incentive to sell to buy a similar house at double the price.

This "lock-in" effect has kept millions of homes off the market, forcing potential buyers to keep renting, which is why already low rental vacancy rates have dropped even lower and are adding pressure to rental prices. First-time buyers now compete for a shrinking pool of listed homes,

Exhibit 6. Housing Starts as a Percent of the Population [35]



making homeownership increasingly difficult for the younger generation seeking to enter the market. The market, in short, is a lot less capable of responding to demand than it used to be.

Builders Did Not Get the Memo

Economic theory suggests that rising prices should incentivize builders to produce more units. However, between 1970 and 2000, a 1% appreciation in home prices produced a 0.5% increase in the housing supply, and by the 2010s, the same price appreciation produced only a 0.3% increase.[33] Rising prices no longer generate the new construction needed to restore affordability.

Since 1980, the US population has grown by roughly 50%, increasing from 227 million to nearly 342 million—but construction has not kept pace, as Exhibit 6 illustrates.[34, 35] Adjusted for population growth, 2025 housing builds were down roughly 27% for single-family units, 76% for multifamily for-sale units, and 7% for multifamily for-rent units compared to 1980–2024 averages.[36] Goldman Sachs puts the total shortfall at 3 to 4 million housing units, equivalent to 2% of the current stock.[37] Three things drive that gap: limited land availability, restrictive local zoning, and declining construction productivity. Combined, they are keeping the market from finding equilibrium and building enough homes to make housing affordable once more.

Land Scarcity

Housing can only be built where land is available, and many cities with the strongest economic opportunities have the least room to expand. As metropolitan areas have grown, undeveloped land near job centers has steadily declined from roughly 70% in the 1960s to 40% today.[38] That squeeze is now intensifying, as tech companies compete for the same land to build AI data centers instead of homes. In Northern Virginia, the past two years of data-center construction have outpaced the previous nine years combined, even as the region faces a shortage of over 75,000 homes.[39] The Wall Street Journal shares the story of one home builder, Stanley Martin, who sold land he had purchased for $50 million to Amazon for $700 million to build a data center instead of homes.[40] This was one of the largest vacant land sales ever recorded—a return nearly 14 times greater than what a housing developer could ever generate by building homes instead.

This shrinking supply is starting to shape where members of Gen Z choose to build a career and where they can build wealth. Consider our two Gen Z examples, Sophia (who, with her partner, has a combined income of $200,000) and Marcus. Marcus took a job in Charlotte, whereas Sophia took one in New York. According to the Wall Street Journal's 2026 rankings of the best cities for new graduates, New York ranks in the 94th percentile for wages, one of the strongest in the country, but only in the 6th percentile for affordability. Charlotte, by contrast, ranks lower in wages at the 54th percentile but far higher in affordability at the 63rd percentile.[41] The difference comes down to land: Charlotte still has room to build, so it can turn wage growth into affordability. New York does not,[42] so no matter how much Sophia earns, her salary gets swallowed by high prices that arise when a fixed supply of homes cannot stretch to meet demand.

Increased Zoning Restrictions

Even when the land exists, stringent regulations slow building progress and restrict capacity. Across 240 of the largest US metropolitan areas, 60% of all residential land caps buildings at two or three stories, and only 7% allows anything taller.[43] New York's 1961 Zoning Resolution cut the city's zoned capacity for housing by 80%;[44] new parking and lot size rules in 2004 cut new construction by two-thirds.[45] Goldman Sachs research found that if regulations in major metropolitan areas were loosened to match the 25% of cities with the least stringent land use restrictions, around 2.5 million more housing units would be added in the next decade, effectively alleviating about two-thirds of the estimated housing shortage. That's roughly two-thirds of the entire shortage, solved by paperwork alone.

Declining Productivity

Land is not the only constraint on the housing supply; the construction industry has also grown less efficient over time. Since 1965, labor productivity in US construction has fallen at an average pace of 0.6% each year, compared to the general economy's productivity, which has grown by about 1.6% annually.[46] Part of that is a technology freeze: from 1948 to 1968, the share of industrial machines in construction costs increased from 4% to 12%, then fell back to 10% today. Goldman Sachs Research estimates that a 1% rise in industry innovation should boost productivity by 0.2%; instead, six decades of technological progress have only added 0.8% in total, and regulatory delays and approval costs have clawed back 0.7% of that gain.[47]

Technology is not the only lag; the workforce itself is shrinking. The National Association of Home Builders estimates the industry is short roughly 250,000 workers every month, a gap that adds nearly two months to typical construction timelines and drives costs higher.[48] The Sun Belt regions building the most housing are also the ones most reliant on immigrant labor, who make up close to 80% of the workforce in some trades.[49] With stricter immigration policies, that dwindling labor pool ends up constraining supply precisely where it is needed most. Six decades after US construction productivity peaked in 1965, the industry is slower, costlier, and still falling behind. The people who will feel that impact the most: Gen Z buyers.

Wall Street Wants Your Starter Home, Too

A housing shortage increases not only prices, but also the competition for the same properties. Today, that competition has increasingly been driven by institutional investors. This was not always the case: prior to the Global Financial Crisis, the single-family rental market was made up of small-scale investors who owned 10 or fewer properties.[50] The 2008 financial crisis changed that. The economy was gripped by a wave of foreclosures in which home prices hit historic lows, yet tighter lending standards and mass unemployment meant the average American still could not qualify to buy, effectively being priced out.[51] Fearing a deeper recession, the Federal Housing Finance Agency (FHFA) launched the Real Estate Owned (REO) pilot program in 2010, selling thousands of foreclosed Fannie Mae-owned properties to private investors with the intent to convert distressed single-family homes into rental housing.[52] This program was meant to be temporary; instead, it created an attractive new asset class for institutional investors.

Since the 2008 crash, institutional investors have poured more than $60 billion into single-family housing, acquiring about 5% of the nation's 14 million single-family rentals, as of early 2022. Analysts at MetLife Investment Management project that share could rise to 40%, or roughly 7.6 million homes, by 2030.[53] Investors have an advantage most individual buyers do not: lots of cash. Whereas first-time buyers are compelled to wait for a mortgage approval, institutional buyers show up with all-cash offers—faster, simpler, and far more appealing to sellers. Buyers who need financing therefore are outbid and keep renting.

This dynamic creates a self-reinforcing loop: renters pay rent, landlords and institutional owners collect that income and reinvest it in additional properties, and the added demand pushes home prices and rents higher still. Rising prices build wealth for existing owners, while rising rents eat further into what renters can set aside, leaving less saved for a down payment, and less room to exit the rental market. The longer someone stays a renter in a rising market, the harder that exit becomes.

The REO Initiative was created to correct the imbalance between supply and demand, and institutional buyers were selected specifically because of the capital and liquidity they brought to the market. Nationwide, large institutional investors own less than 0.5% of the total single-family housing stock and 3% of single-family rental homes, and that presence is concentrated in specific markets rather than spread evenly across the country.[54] A 2023 study found that, in those markets, institutional investors' cost advantages—lower operating costs, efficient maintenance, and bulk insurance rates—allow them to profitably offer lower rents than small landlords.[55] The bulk purchases of institutional investors pushed rents down by 2.3% for every 1% of housing they acquired.[56] Many homes also needed substantial renovation, and institutional owners typically have invested $20,000 to $40,000 into repairs per home, compared to roughly $6,300 for the average homeowner in their first year.[57] This investment matters when 44% of owner-occupant renovation-loan applications were denied in 2024.[58] That said, the issue is not whether institutional capital adds value. The same 2023 study found that for every home institutional investors purchased, rental supply grew by 0.5 homes, but homeownership fell by 0.22.[59] The real concern for Gen Z is that every home converted into a long-term rental is one that is no longer available for a first-time buyer to purchase and use to accumulate equity.

Exhibit 7. The ROAD Act Provisions [60]

BECAME LAW · JULY 11, 2026

21st Century ROAD to Housing Act

NEW CONSTRUCTION	
SEC. 206 Faster approvals	**Does:** exempts small and infill housing from full environmental review. **Impact:** cuts approval time on the projects most likely to add units quickly.
SEC. 102 Cheaper construction	**Does:** lets builders use single-stair apartments up to six stories. **Impact:** lowers per-unit build cost, opens smaller urban lots to multifamily.
SEC. 104 Land transparency	**Does:** requires cities to publish a searchable database of publicly owned vacant land. **Impact:** surfaces buildable sites developers couldn't otherwise find.
EXISTING STOCK	
SEC. 210 Vacant-to-housing	**Does:** pilot funds converting vacant, abandoned buildings into homes. **Impact:** adds occupiable units with no new land or construction.
SEC. 212 Public housing rehab	**Does:** raises the cap on units eligible to convert into the Rental Assistance Demonstration program. **Impact:** preserves and modernizes units that would otherwise fall into disrepair or exit the stock.
SEC. 105 Small-dollar mortgages	**Does:** pilots better financing for mortgages under $100,000. **Impact:** lets buyers access cheap existing homes that conventional lenders skip over.
SEC. 1001 Investor limits	**Does:** bars entities owning 350+ single-family homes from buying more. **Impact:** keeps existing homes available to owner-occupants, not institutional landlords.

"We've under-built by millions of units since the bubble. It has become increasingly acute."
— Andy Winkler, Bipartisan Policy Center

Policymakers have looked for a way to fix the shortage at its source, the housing supply. On July 11, 2026, the 21st Century ROAD to Housing Act became law—bipartisan bill the Bipartisan Policy Center (BPC) helped shepherd through Congress. Andy Winkler and Kristen Klurfield of the BPC told us that the bill "includes more than 60 pieces of individual legislation, half of which is bipartisan, and has great potential to make a positive impact" since it was drafted specifically to target supply. The provisions read almost like a checklist against the major barriers we have highlighted: specifically, construction regulation, limited land availability, restrictive zoning, and investor competition for existing homes, as shown in Exhibit 7.[60]

Even so, the math is humbling. Closing a shortfall measured in millions of housing units will take years. Whether Gen Z ever gets a real shot at ownership may come down to what this bill can deliver over the next decade.

Is the American Dream Morphing, or Is Gen Z Simply Priced Out?

Every generation inherits a version of the American Dream, and all will be judged by how faithfully they pursue it. For the post–World War 2 generation, the dream came with a common blueprint: steady job, spouse, suburb, mortgage. For Gen Z, the verdict from older generations came quickly: too distracted, too noncommittal, too indifferent to saving to be taken seriously as wealth-builders. It is a convenient conclusion for everyone, except for the target of that criticism.

The data does not support that verdict. Gen Z has not stopped aspiring to own homes. They simply cannot afford to do so, and, somewhere along the way, that economic reality was converted into a generational personality flaw. Calling Gen Z's shift of wealth building through rent and alternative forms of investment a "preference" is easier than acknowledging that the system has changed and is failing new home buyers.

The Down Payment Hurdle

Let's start with the math. Talker Research finds that two-thirds of Gen Z save at least 11% of their income each month.[61] At the same time, Realtor.com reported a national median list price of $399,900 in January 2026.[62] Redfin estimated the national median price of a starter home at $262,317 as of April 2026—about 34.4% below Realtor.com's national median list price.[63] Even at that lower price, a 9% down payment would require roughly $23,600 in upfront cash. For a young adult saving about 11% of income, assembling that down payment can still take years of disciplined saving—before closing costs, taxes, insurance, maintenance, and higher monthly housing payments are considered. Once the purchase is made, much of that savings is no longer liquid; it is tied up in a home, an asset that cannot be quickly or easily converted back into cash.

This matters, because the same capital could continue compounding elsewhere. A Gen Z buyer who puts $23,000 toward a down payment is choosing not to invest that money in their 401(k) or Roth IRA like Sallie Schutz is doing—or, at the very least, a high-yield savings account. That trade-off was easier to justify when home prices were lower relative to income and alternative investment options were less accessible. But in 2026, homebuying is a much harder case to make.

Geography only compounds this problem. Gen Z changes jobs more frequently than any other generation did at the same age,[64] and that mobility is often the single most effective wealth-building tool available to an early-career professional. In a labor market where switching jobs can produce a 10% to 20% income jump that a raise at one's current company rarely matches, the ability to move laterally has become invaluable. Homeownership could undercut their mobility entirely, as a 30-year mortgage does not account for that better job offer. This, in effect, locks up two things Gen Z values most at this early career stage: flexibility and mobility. Savings that are locked into a house cannot compound the way liquid investments can, leaving individuals with fewer options to relocate whenever it serves their financial or personal interests. Delaying homeownership, then, becomes a rational response to how best to allocate the scarce resources available to a Gen Z employee.

Sophia's Case: The Co-op Catch

The same math we ran for Marcus in Charlotte tells a more complicated story for Sophia in New York. Her parents have set aside $20,000 for her, specifically for the down payment on a home purchase. Using Brown Harris Stevens' Q4 2025 market report, a Manhattan co-op one-bedroom apartment—the standard entry point for first-time buyers in the borough—carries a median price of $777,036.[65] As seen in Exhibit 8, Sophia's mortgage alone looks workable against her 30% housing benchmark.[66] But a co-op requires far more than a mere mortgage.

Buying a co-op means buying shares in the corporation that owns the building, and that corporation bills every shareholder a monthly maintenance fee on top of the loan. Unlike a condo's common charges, that fee also

Exhibit 8. Sophia's Ideal Choice [66]

What should Sophia do?

25, financial analyst, Manhattan, partnered, $200K combined

Her benchmark

$16,667/mo combined income, 30% rule = $5,000/mo max on housing

Her mortgage

$777,036 (Manhattan co-op 1-bedroom median, Q4 2025) — a co-op, the typical first-time-buyer path in Manhattan. 20% down, $622K financed at 6.6%/30yr = ~$3,970/mo (79% of benchmark, alone).

The co-op catch

Maintenance (the building's own debt, taxes, staff, reserves) adds $1,500–$2,500/mo more. Real cost: $5,470–$6,470/mo — 109%–129% of benchmark.

The down payment gap

Needs $155K, has $20K earmarked. A $135K gap to close.

Verdict:

The mortgage alone clears her benchmark; the maintenance bill blows past it. Add a ~709 sqft unit and a board that can still say no, and the numbers don't work.

bundles the building's own debt service, staff salaries, reserves, and a pass-through of the building's property tax—so the fee isn't an add-on to a separate tax bill, it *is* most of the real housing cost.[67] Sophia's real monthly cost climbs past her 30% housing benchmark instead of staying comfortably under it. A smaller down payment doesn't fix this problem: it shrinks the cash needed up front but raises the mortgage enough so that her total cost gets worse, not better.

Although co-ops are the main entry point for first-time buyers in Manhattan—co-ops constitute roughly three quarters of the borough's housing stock—the boards that approve buyers commonly require more than the standard 20% down, sometimes 25% or more, on top of a full financial vetting process that, say, most condo purchases do not require. [68]

Marcus's budget buys a five-bedroom house on a two-acre lot in Charlotte; Sophia's buys a roughly 420-square-foot one-bedroom apartment in Manhattan.[69] The contrast is not simply apartment versus house—it is a substantially larger, multi-bedroom home with private outdoor space versus a compact urban apartment. Manhattan's overall cost of living is also substantially higher than Charlotte's, meaning that the income Sophia has left after her mortgage is likely to be absorbed more quickly by other everyday expenses.[70] The real question for Sophia is not whether she can technically afford the mortgage, but whether committing her budget to a small apartment—and leaving little room for maintenance, housing fees, or other unexpected costs—is a better use of her money than renting and investing the difference

Every Milestone That Once Preceded Homeownership Is Happening Later

A delay in homeownership is not an isolated problem for Gen Z. It is part of a broader shift in the timing of when adults hit certain milestones. Moving out of one's childhood home, marriage, and having children are all being delayed:

By 2025, the median age at first marriage had increased to 28.4 for women and 30.8 for men, up from ages 23.5 and 21.1, respectively, in 1975.[71]

Nearly half of 18- to 29-year-olds currently live with their parents, the highest share since the Great Depression.[72]

Gen Z are having children later and moves more frequently for work than prior generations did.

Taken together, these changes reduce demand for homeownership at the ages when baby boomers and Gen X were typically buying homes and help explain the life cycle compression shown below in Figure 9 and Exhibit 10.[73, 74]

Exhibit 9. Milestone Shift [73]

Top Combinations of Milestones of Adulthood: 1975 and 2024

1975

Ranking	Milestones	Percentage of 25- to 34-year-olds
①	**All four milestones:** Away from parents, in labor force, ever married, with children	45
④	Away from parents and in labor force	6

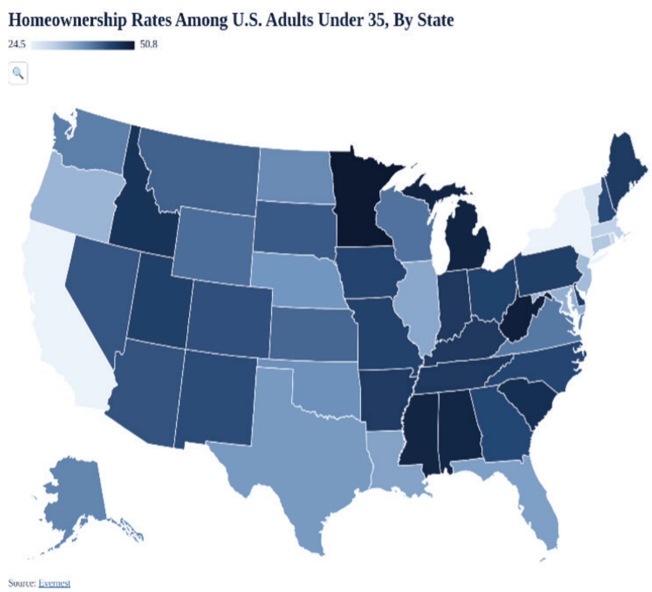
2024

Ranking	Milestones	Percentage of 25- to 34-year-olds
①	Away from parents and in labor force	28
②	**All four milestones:** Away from parents, in labor force, ever married, with children	21

Source: U.S. Census Bureau, Current Population Survey, 1975 and 2024 Annual Social and Economic Supplements.

It matters how you read the data. There is a lingering cultural nostalgia that treats homeownership, marriage, and kids by your late twenties as the default life script that, as the numbers above suggest, was really true only for a narrow slice of the postwar era. The better question for a 27-year-old today is not whether something is wrong with their finances, but which part of the life cycle they are actually in. For a mid-century adult, marriage and settling down by 27 was a common expectation. But for a 27-year-old member of

Exhibit 10. Homeownership Rates [74]



Gen Z, being single, living in a city they might soon leave for the next, and still paying down student debt is a far more likely scenario than saving for a down payment and building wealth through homeownership.

The Debt Freedom Shift: Convincing Yourself You Never Wanted It

More than half of American homeowners now say “debt freedom” has replaced homeownership as their version of the American Dream, rising to 68% among Gen Z specifically.[75] For a generation graduating with an average of $42,673 in student loan debt,[76] for whom buy-now-pay-later options like Klarna, Afterpay, and Affirm are embedded into nearly every purchase, debt freedom has become the defining financial aspiration.

It is worth asking how the idea of debt freedom became so popular in the first place. The debt freedom narrative did not come out of nowhere; it became more common after 2022, when mortgage rates more than doubled from pandemic-era lows and homeownership began to feel increasingly out of reach for many young buyers. When something people still want begins to feel unattainable, it is natural for them to convince themselves that they did not want it that badly in the first place. A 2025 Kin Insurance survey captures that tension clearly. As shown in Exhibit 11, the same Gen Z homeowners who say debt freedom has replaced homeownership as the American Dream are also more likely than Gen X homeowners to say that owning a home is an “extremely important” personal status symbol (29% of Gen Z versus 19% of Gen X.[77]; evidently, you can say you have let go of something but still want it more than a previous generation).[78]

The geographic data makes that seeming disconnect even harder to ignore. Where homeownership is still affordable, Gen Z buys homes at meaningfully higher rates than they do in expensive coastal cities. If Gen Z had truly moved on from homeownership, then this would not be the case.

When Buying Still Makes Sense, and the Alternatives When It Does Not

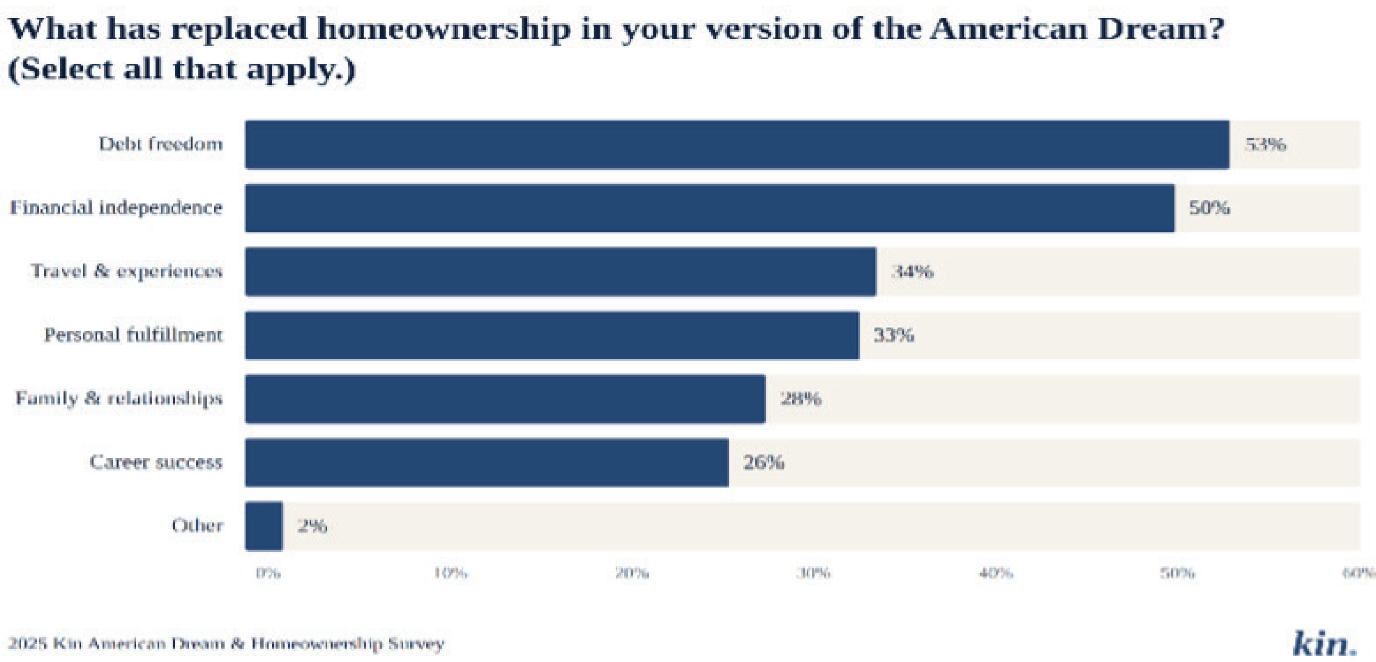
When the Math Actually Works

Everything we have discussed so far shows that Gen Z’s retreat from homeownership is a rational response to structural barriers, not just a change in preference. That raises the next natural question: When does buying still make sense, and what should you do when it does not?

Homeownership remains a viable wealth-building tool, but the factors that make it an attractive investment have narrowed. The 2008 financial crisis is the clearest proof that homeownership was never a guaranteed investment. The common belief at the time, that purchasing beyond affordability was normal and even encouraged, and that home equity was a risk-free asset, led to devastating financial outcomes for millions of Americans and produced one of the worst financial crises in modern history.[79] The lesson was not that homeownership is inherently risky—but it is a leveraged investment that requires responsible financial planning and a long-term perspective, as seen in Exhibit 12.[80] Mortgage lending standards today are much stricter than they were before 2008, so qualified Gen Z buyers are not comparable to subprime-era borrowers. Affordability, in other words, remains the greater challenge.

So, what does “responsible” look like in practice? Tyrone Ross, founder of 401 Financial, defined “responsible” very specifically: two incomes and two years of combined income saved before buying. That is a far higher savings bar than most first-time buyer guides suggest, but it is worth considering because Ross is someone who has watched what happens when buyers do not clear that mark.

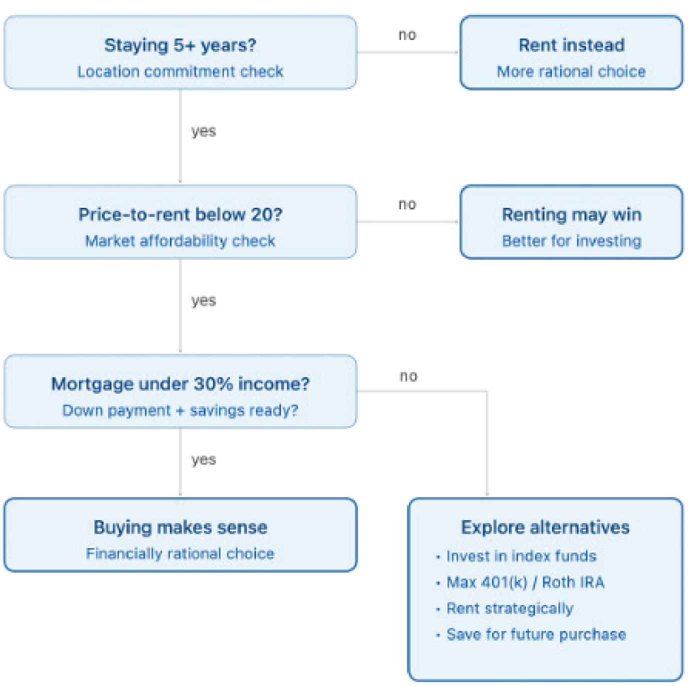
Exhibit 11. "The New American Dream" [77]



No Free Lunch, Just Better Odds

For Gen Z buyers who cannot buy or choose not to, the alternatives are not a consolation prize; they are legitimate wealth-building strategies, not just a way to wait out the housing market. From 1992 to 2024, the S&P 500 returned an average of approximately 10.39% annually, compared to US housing appreciation of roughly 5.5% per year.[81]

Exhibit 12. Decision Framework: When Does Homeownership Make Financial Sense? [80]



Certain retirement accounts, including Roth IRAs and employer-sponsored 401(k)s, offer a tax-advantaged version of that return without a down payment or maintenance costs and with far more liquidity than a house. Renting while investing the money you would otherwise save for a down payment is a financially sound choice for young would-be homebuyers in high-cost markets, if their savings discipline holds.[82]

But investing while renting is not the only alternative to gaining ground. As shown in Exhibit 13, a growing menu of fintech tools now markets itself directly to buyers who try to shrink or skip the down payment altogether.[83] These tools seek to get a potential buyer into homeownership faster, rather than offering alternatives to to homeownership. But this easier access does not mean risk-free access. At the same time, the risks do not mean these tools are worthless. For the right buyer, they can be the difference between renting for three more years and owning sooner. But a lower barrier to entry is not necessarily a lower cost entry. Long-term wealth still comes down to staying disciplined, regardless of the vehicle you use to build that wealth.

The Catch Nobody Likes to Say Out Loud

Although renting and investing at the same time may be the individually rational choice, homeownership is still how most American wealth is accumulated and passed down across generations. Tyrone Ross is blunt about this: those who own homes are positioned to

Exhibit 13. Fintech Solutions [83]

No Free Lunch: Fintech's Down Payment Shortcuts

> *"An alternative to homeownership? No. An alternative to wealth generation? Yes." — Tyrone Ross*

1% down mortgages (Rocket Mortgage)

Pitch: buy with almost nothing down, a $400K home for just $4,000

Catch: you're financing nearly the full $400K, so you pay interest on money a 20%-down buyer never borrows, plus mandatory PMI until your equity catches up

Down payment grants (Flagstar Bank)

Pitch: grant or forgivable loan covers part of your down payment, free money, on paper

Catch: usually income- or location-capped, and selling or refinancing too soon can trigger repayment

"Whatever they're doing to give you something on the front end, it's costing you on the back end." — Sallie Schutz

pass down assets, whereas those who rent, however wisely, are more likely to pass down nothing at all, or even debt. But Ross's point goes deeper than the math. A mortgage payment is forced savings in a way that a brokerage statement is not. The payment due date arrives whether you feel like being disciplined that month or not. Homeownership also tends to travel alongside the other things that build financial discipline: a partner, a family, a reason to stay in one place long enough for interest compounding to work. Beyond the financial benefits, homeownership can also provide stability, a stronger sense of community, and a permanent foundation for raising a family—advantages that are difficult to measure but often shape long-term financial and personal well-being. Rent-and-invest closes the gap only if investing half of that plan happens every single month, and that is the tenuous part. It is easy to slide from "I'll rent and invest the difference" into just not investing the difference at all, because homeownership seems impossible to attain: a kind of financial nihilism, where saving toward a goal you have already written off seems pointless.

That is not a reason to abandon the rent-and-invest strategy, as the math in this paper demonstrates. But it is a reason not to treat that strategy as a costless substitute. The alternatives close the wealth-building gap; they do not necessarily close the generational-equity gap.

It Still Depends Where You're Standing, (Literally)

Whether homeownership is the right decision for Gen Z also depends heavily on geography as demonstrated by Marcus and Sophia. Affordable housing for first time buyers varies dramatically across regional markets. Although many Midwestern areas fall within historically affordable norms, where the 30% benchmark is achievable on a median home, coastal cities and growing areas in the sunbelt have become extremely expensive.[84] As a result, Gen Z buyers who are capable and willing to be flexible often have a considerably greater opportunity than those who are tied to high-cost markets. It is key that wealth managers consider local market conditions and the client's long-term goals, rather than just applying advice relative to a national average, which could be misleading.

Rather than treating homeownership as an automatic milestone, buyers should instead evaluate a home purchase the way they would evaluate any major investment. Harvard Business School's real estate investment framework highlights factors such as the local price-to-rent ratio, the expected holding period, potential for appreciation, risk factors, and overall affordability when deciding whether buying a home is a rational decision.[85] It is the exact calculation Marcus and Sophia each ran above, producing two different verdicts in two different markets.

The important thing to recognize is that homeownership still works as a wealth-building tool, but it is not the only one. For wealth management professionals, the challenge is no longer convincing clients that homeownership is crucial, it is helping them decide the most strategic and financially responsible time to buy while simultaneously building wealth in the meantime.

Running the Numbers: Marcus and Sophia

On paper, Marcus's Charlotte math is comfortable.

A $385,000 starter home with 20% down puts his mortgage at $1,967 a month, which is only 79% of the $2,500 ceiling he could spend before being considered cost-burdened according to HUD's 30%-of-income housing standard. His down payment gap ($47,000) closes in a couple of years at a reasonable savings rate, and his debt-to-income ratio, even with his student loans, stays well under the 36% lending ceiling. Sophia's math looks similar at first glance: her mortgage on a $777,036 Manhattan one-bedroom co-op is $3,970 a month, also under her (higher) $5,000 ceiling. But a co-op isn't just a mortgage—it comes with a mandatory monthly maintenance fee that bundles the building's own debt, staff, and property tax. Add that in, and her real housing cost climbs to $5,740—$6,470 a month, 109% to 129% of her ceiling—well over the "cost-burdened" line, and her debt-to-income ratio moves to the edge of or past the 36% lending threshold. So, while Marcus's numbers clear every benchmark, Sophia's clear the mortgage test but fail the real-cost test—two different verdicts, on paper, for two people in the same boat. Take a look at Figure 14 for the full breakdown of both scenarios.[86]

Geography Matters but Isn't the Whole Story

Swap Marcus and Sophia's ZIP codes, and their verdicts swap with them. Move Sophia's household income to Charlotte, and the math stops being a question—the same $385,000 median starter home in Charlotte runs about 39% of her affordability benchmark, even more comfortable than Marcus's 79% of that same ceiling, as shown in Figure 14.

Move Marcus's single income to Manhattan, and the same co-op does not just get tight, it becomes impossible: the mortgage alone runs to 159% of his ceiling, or 48% of his gross income before he has paid a cent of maintenance. Add the co-op's mandatory fee, and his real housing cost climbs to 219% to 259% of his ceiling—66% to 78% of his gross income going to housing alone. That is the "impossible" case: not a tight budget, but a cost no lender would approve and no household could sustain. The location decides the verdict: the same Manhattan co-op fails a single $100,000 salary badly and strains a combined $200,000 household income, too.

It is also worth noting that neither of them is an average earner losing to an average price. Marcus's $100,000 sits 1.2 times above Charlotte's median household income; Sophia's household clears New York's median by roughly 2.5 times. Split evenly, half of $200,000 is $100,000—the same as Marcus's income—and that same Manhattan co-op, run against a single $100,000 salary, is where the math breaks. But even together, Sophia and her partner do not clear the bar comfortably.

Marcus and Sophia did not arrive at different verdicts because one of them wants a house more than the other. They arrived there because the same salary bracket meets a fundamentally different set of local conditions—home price, ownership structure, and cost of living—depending on where it lands.

It's Not You, It's the Market

Here is what a wealth manager needs to consider: the Gen Z client across the table who says they are "not really thinking about buying" is not being flaky or irresponsible; they are being rational. Four sections of evidence arrive at the same place—the math has changed, but the goal of homeownership has not. Treating that client's hesitation as immaturity, or their rent-to-invest plan as second best, is a failure of the manager's understanding, not a failure of the client.

Laurie Goodman and Christopher Mayer, in The Journal of Economic Perspectives, note correctly that homeownership remains a viable wealth-building tool.[87] But "viable" is doing a lot of quiet work in that sentence. Viable might not be the best option—it is not automatic, not guaranteed, and, as the cases of Marcus and Sophia demonstrate, not the same answer for everyone earning the same paycheck. The old playbook of "save aggressively, buy as soon as you can" was never universal.

For an advisor, that redefines their actual job. The question a Gen Z client needs help answering is not: "Should I buy a house?" The right question is: "Given my age, relationship status, where I live, what I earn, and what I owe, is homeownership the smartest move available to me right now, and, if not, what is?" Sometimes the honest answer is to buy a house. However, increasingly the answer is to open a Roth IRA that gets funded before a down payment does, or to develop a rental strategy paired with real investment discipline instead of resignation.

That is a harder conversation than "here's how to save for a down payment." But it is also a much more useful one. The advisors who win this generation's trust will not be the ones who insist homeownership is still the holy grail. Successful advisors will be those who can look at a client's demographic, ZIP code, income, and debt, and tell them whether buying is the smart move or just the familiar one. Gen Z isn't asking to be talked out of the American Dream. They are asking for a plan to realize whatever that dream may consist of for them.

Exhibit 14. Marcus and Sophia Side-By-Side Breakdown [86]

Same Salary Bracket, Same Generation, Different Verdict

	Marcus — Charlotte, NC	Sophia — Manhattan, NY
INCOME & BENCHMARK		
Gross annual income	$100,000	$200,000 (combined)
Gross monthly income	$8,333	$16,667
30% HUD benchmark	**$2,500/mo max**	**$5,000/mo max**
HOME PRICE & FINANCING (6.6%, 30-YR FIXED)		
Median home price	$385,000 (Charlotte starter home)	$777,036 (Manhattan co-op 1BR, Q4 2025)
Down payment (20%)	$77,000 → loan $308,000	$155,407 → loan $621,629
P&I @ 20% down	$1,967/mo	$3,970/mo
% of benchmark @ 20% down (mortgage only)	**78.7%**	**79.4%**
Co-op maintenance (Sophia only)	n/a	+$1,500–$2,500/mo (bundles building debt, tax, staff)
Real housing cost @ 20% down	$1,967/mo	$5,470–$6,470/mo
% of benchmark @ 20% down (real cost)	**78.7%**	**109%–129%**
Down payment (10%)	$38,500 → loan $346,500	$77,704 → loan $699,332
P&I + PMI (~0.75%/yr) @ 10% down	$2,213 + $217 = $2,430/mo	$4,466 + $437 = $4,903/mo
Real housing cost @ 10% down	$2,430/mo	$6,403–$7,403/mo
% of benchmark @ 10% down (real cost)	**97.2%**	**128%–148%**
DOWN PAYMENT GAP & TIMELINE		
Cash on hand	$30,000	$20,000 (earmarked from parents)
Gap @ 20% down	**$47,000 → ~31 mo @ $1,533/mo (18.4% of income)**	**$135,407 → ~44 mo @ $3,067/mo (18.4% of income)**
Gap @ 10% down	**$8,500 → ~8 mo @ $1,042/mo (12.5% of income)**	**$57,704 → ~28 mo @ $2,083/mo (12.5% of income)**
DEBT-TO-INCOME (36% CEILING, REAL HOUSING COST)		
Total DTI @ 20% down / 10% down	26.2% / 31.8% (incl. $220/mo student loan)	**32.8%–38.8% / 38.4%–44.4% (incl. co-op maintenance) — straddles or exceeds the ceiling**
WHAT THE PAYMENT DOESN'T SHOW		
Typical size at this price	~1,740 sqft single-family house	**~709 sqft 1-bedroom (Charlotte 1BR avg: 744 sqft)**
Cost of living vs. Charlotte	baseline	**+43% overall, incl. rent**
Co-op board approval	n/a	**Boards often require >20% down + full financial vetting**

Monthly P&I calculated via standard mortgage amortization formula, 6.6%, 30-year fixed. PMI estimated at 0.75% of loan value annually for <20% down scenarios. Co-op maintenance ($1,500–$2,500/mo range for a Manhattan 1BR) already bundles the building's underlying debt service, staff, reserves, and a pass-through of its property tax bill, so it is not stacked on a separate tax line the way a condo's would be. DTI for Marcus includes housing cost plus his estimated $220/mo student loan payment; Sophia's DTI includes housing cost plus co-op maintenance (no other reported debt). Charlotte square footage calculated from price ÷ median price-per-square-foot (Realtor.com/FRED). Manhattan/Charlotte 1-bedroom size comparison from RentCafe/Yardi Matrix. Cost-of-living comparison from Numbeo, New York vs. Charlotte, including rent. Manhattan co-op 1BR price from Brown Harris Stevens, Q4 2025 Manhattan Apartment Market Report.

Authors' Note

Homeownership has long been treated as the cornerstone of financial stability, but for Gen Z, that cornerstone feels increasingly out of reach. In completing our Opinion Snapshot, we set out to examine the real math behind that shift. Our goal was to separate the economics of this shift from the narrative surrounding it, and to show what it takes for our generation to buy a home today.

We extend our heartfelt gratitude to the Sapere Aude Consortium for the opportunity to pursue research on this meaningful topic and for a summer of mentorship, education, and community that shaped not just this paper but also how we think going forward in our lives. This would not have been possible without the professionals who generously gave us their time and perspectives: Tyrone Ross, founder & CEO of 401 Financial; Sallie Schutz, analyst at Wells Fargo; and Andy Winkler and Kristen Klurfield of the Bipartisan Policy Center. Their first-hand insight grounded our research in the realities young buyers face.

Finally, we want to recognize our mentors, Joe Craven, Kate Fulton, and Sallie Schutz, whose guidance and dedication to our team were invaluable at every stage of this project. We could not have done this without them.

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