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New Research from EBRI:

Home Ownership Trends Among Older Americans

WASHINGTON—Home ownership peaks at age 65, then falls slowly until the age of 75, when the rate of home ownership declines steadily, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

The EBRI study finds that owning is the most common housing arrangement for older Americans: At the traditional retirement age of 65, more than 8 in 10 Americans report living in houses they own. After 65, home ownership rates fall and at the age of 90, 6 in 10 Americans report living in their own houses.

“Housing is not only an asset, it also provides housing services,” said Sudipto Banerjee, EBRI research associate and author of the report. “That is why housing wealth does not start to decline until people reach very advanced ages.”

EBRI’s research shows that death of a spouse is the most common factor associated with a housing transition: Almost 42 percent of households that went from owning to renting experienced the death of spouses. The next-most common factor is a drop in household income: 30.5 percent of households that made such transitions also reported drops in household income. Just over 1 in 10 households that shift from owning to renting report nursing-home entry of a family member (self or spouse).

Other key findings in the report:

- Renting and other housing arrangements (like living rent-free with family or friends etc.) show the exactly opposite trending pattern of home ownership; lowest at age 65, then increasing steadily after 75.
- Median household income for those between ages 50 and 64 who continue to own their home is \$79,758, while those who shift from owning to renting in that same age group have a median household income of \$53,520.
- Ownership rates are very different for couples and singles: home ownership rate hovers around 90 percent for couples and 60 percent for singles.

The study is based on data from the University of Michigan’s Health and Retirement Study (HRS), which is sponsored by the National Institute on Aging, and is the most comprehensive national survey of older Americans. The full report, “Own to Rent Transitions and Changes in Housing Equity for Older Americans,” is published in the July issue of *EBRI Notes*, online at www.ebri.org

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