

# BLINK ≡ YOU'RE AN ADULT

Do you own your home, your car, investment accounts, retirement funds?

72 million Americans are in their 30s! Millennials are in, or are approaching, their 30s. Of these young adults, born between 1981 and 1991, less own a home today, than since the Great Depression! There are many theories on why this staggering statistic is at just 35.4% (1st Quarter 2019) according to the Census Bureau. Regardless of why, it's time for the trend to be reversed.

## HEAD WINDS:

1. Millennials witnessed the fallout from the Great Recession.
2. Home prices out pacing salary increases.
3. Mortgage approval more difficult.
4. Tax code less favorable toward home ownership.
5. Government programs for first time home buyers are at an embarrassing low point in this country.
6. Wage disparity - millennium males working full time as head of household earned 18% less than GenX (born 1965-1980) and 20% less than Baby Boomers (born 1946-1964) at the same ages when adjusted for inflation, per Fed Reserve.
7. Student debt at an all time high.

## SIDE BAR

**B**ravo to billionaire Robert F. Smith for your REAL contribution to the graduating class at Morehouse College in Atlanta when, as the commencement speaker, he announced he will pay off their student loans! OK Jeff, Bill, Warren, Bernard, Larry, Mark, Michael, Charlie, David, George, Steve, Rob, Alice, Jim, Oprah & others — the bar has been set!

## TAIL WINDS:

1. Millennials are better educated than any other generation — 40% have a Bachelor's degree as per the Federal Reserve analysts.
2. Median household income in 2018 for millennials, according to Pew Research Center, was approximately \$105,300/yr.
3. Female millennials make 24% more in income than their Baby Boomer counterparts and 12% more than GenX at same ages.
4. Two income households — that is if they would marry. A mere 27% of millennials are married according to the Gallop Report compared to 65% of baby boomers at the same age.
5. Mortgage interest rates remain at historic lows.
6. Employment at an all time high. As of April 2019, US employment rate dropped to a mere 3.6%.
7. A little help from the FAM, unlike previous generations that were not in a position to be able to seek help from parents or grandparents since they were scraping to keep their own finances in order. Millennials can lean on their families to co-sign a mortgage or even better — to help with a down payment.

"The American Dream" of home ownership, historically, has been the primary vehicle for Americans to build personal wealth.

Homeownership encourages sustainable communities. And this is just the tip of the iceberg of the benefits of **owning vs. renting**... stability, investment, responsibility, pride, creative release, lifestyle, gathering place for family and friends, a sense of belonging... the list goes on as you take the first step to securing your future. Last but not least, when you are ready, your home can help provide a comfortable retirement for you.

Bottom line — all indicators point to the benefits of home ownership far outweighing not owning, but to get there you must **SAVE**.

Separate "needs" from "wants". Start with computing what you spend on Starbucks, Uber or Lyft, lunch, drinks, dinner. That is tough for a generation that is bombarded with ads to purchase everything from toiletries to blue jeans every time they go on their devices. Apps and prompts that are set up to take your hard-earned money with just a click. Don't do it! Instead think **SAVE, SAVE, SAVE**. I promise you will not regret it!

## THE DEFINITION OF MATURITY IS THE ABILITY TO DELAY GRATIFICATION.

Buy what you can afford, put some sweat equity into it and keep buying whatever you can afford and later in life you will thank me. After all, the next time you BLINK you'll be 50 and then the question will be "what do you own so you don't have to struggle in your golden years"?

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