Busting Demographic Myths: Millennials vs Boomers, & Cities vs Suburbs

Jed Kolko, Independent Economist
Outline

1. **Millennials, Xers, & Boomers: so what?**
2. How real is the urban rebound?

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Peak age: 24

Population by age, June 2015

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Growth comes from Boomers

Projected population growth by age group, 2015-2025

-10% 0% 10% 20% 30% 40% 50%
0-15 16-19 20-24 25-34 35-44 45-54 55-64 65-74 75+

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How Millennials really are different

% of 18-34 year-olds who are married with kids

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Still in Mom & Dad’s basement

% of 18-34 year-olds living in parents’ home
Boomers are driving the increase in households.

Household formation, 2014-2015, by age of householder (thousands)

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More seniors are staying in single-family homes

% of 70+ households living in single-family homes

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Older white folks don’t live with their kids

% 65+ living in home of child or other relative

- Foreign-born: 25%
- U.S.-born Hispanic: 15%
- U.S.-born Asian: 15%
- U.S.-born African-American: 10%
- U.S.-born white: 5%

Born in:
- India: 47%
- Vietnam: 44%
- Haiti: 41%

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Outline

1. Millennials, Xers, & Boomers: so what?
2. How real is the urban rebound?
The post-bubble urban rebound: real but brief

% population growth, by county type

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The suburbiest suburbs are growing fastest

Household growth, mid-2011 to end-2014, by neighborhood:
1=most urban, 10=most suburban

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Millennials in cities? An urban legend.

% of college-educated 25-34 y.o.’s in hyper-urban neighborhoods

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2013</th>
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<tbody>
<tr>
<td>%</td>
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<tr>
<td></td>
<td>10.2%</td>
<td>11.9%</td>
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% of all 25-34 y.o.’s in all urban neighborhoods

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
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<tr>
<td></td>
<td>25.6%</td>
<td>25.3%</td>
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@jedkolko on Twitter
An aging population boosts the suburbs

% living in urban neighborhoods, by age group

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Do people just love the suburbs?

- **Limited urban housing supply**
  - Population rising faster in suburbs
  - Prices rising faster in cities

- **Public policy favors the suburbs**
  - Restrictions on urban housing construction
  - Mortgage interest deduction
  - Transportation policy: low gas taxes; spending on roads

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