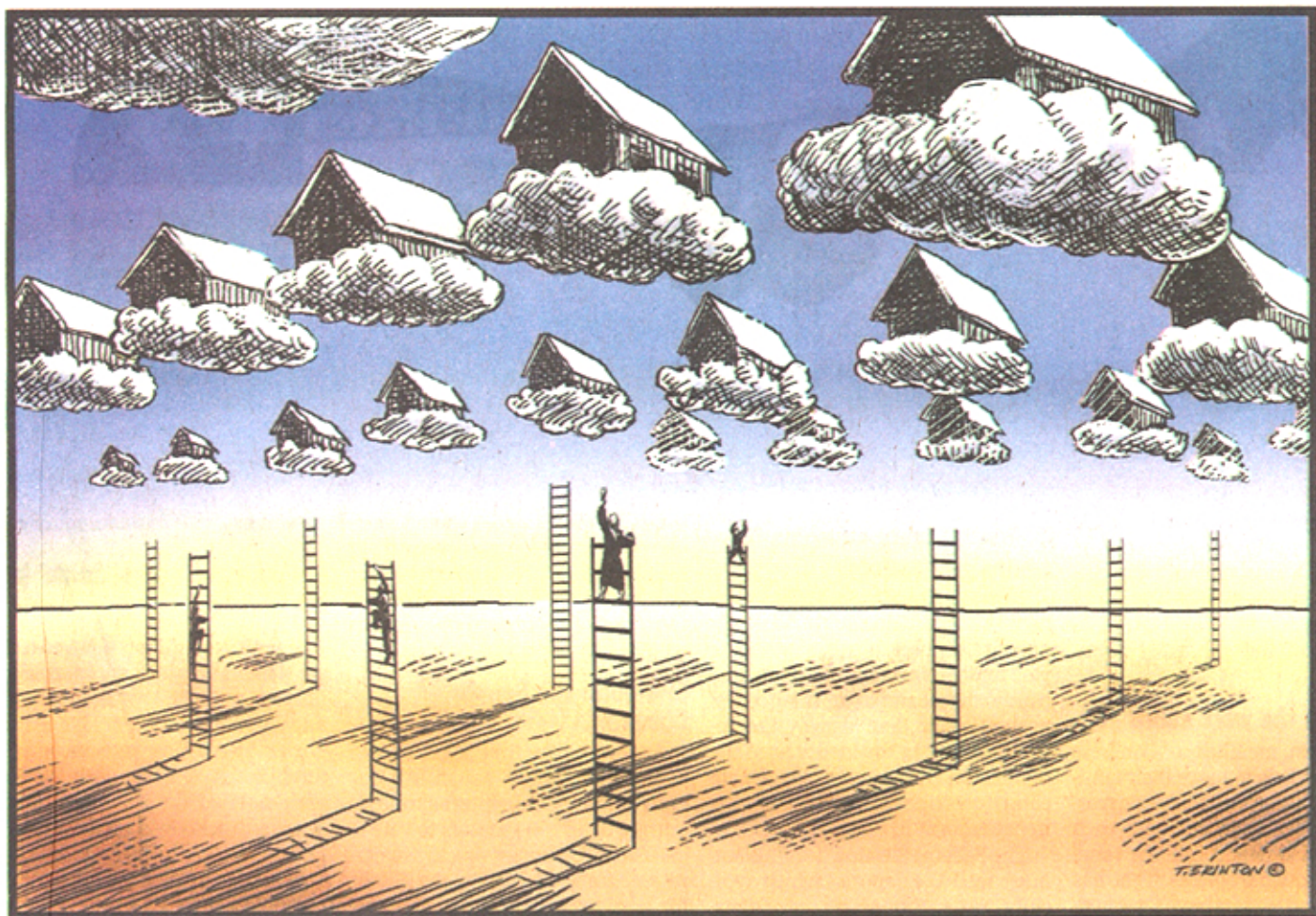


# Housing market links older whites, young Latinos



Tim Brinton NewsArt

## BOOMERS SHOULD CULTIVATE HOMEBUYERS BY BACKING EDUCATION

Rapid demographic change in the United States has spawned a generational divide along racial and ethnic lines. On one side are whites over age 60; on the other, young minorities, mostly Latino. Pointing to the anti-immigrant hysteria in Arizona, many experts and advocates, both conservative and progressive, warn of dire conflict across this divide.

Why the divide? Don't older folks need young people, and vice versa? Isn't there something to bring older whites and young Latinos together? Data from the 2010 census suggest an incipient partnership between the two groups is emerging, and it is most striking here in California, a state that is no stranger to the immigration wars.

The catalyst for this partnership? The desire to own a home.

Newly released California census data offer a glimpse of the partnership's potential. During the past decade, the big sellers of homes were 75 or older in 2000, with 67 percent of them changing addresses. About 26 percent of homeowners who were 65 to 74 years old at the beginning of the decade went on to sell their homes by 2010, while nearly 10 percent of homeowners age 55 to 64 in 2000 did so.

These sellers were overwhelmingly white, but younger whites, unlike in the previous decades, were not replacing them as homeowners. In the 1980s, white homeowners



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Homeownership in California in the 2000s: Now Seeking Generational Replacements."

under age 45 were a prominent growth factor in California, but in the ensuing two decades, their house buying tapered off to the point where the number of white homeowners actually declined by roughly 158,000 in the 2000s.

So who were the buyers? Mostly Latinos. At decade's end, they accounted for 78.5 percent of California's total growth in homeownership, and about 32 percent of new homeowners under 45 were Latinos.

Last decade's linkage between Latino buyer and white seller across generations should not only consolidate over the next 10 years but also dramatically grow. In California's busted housing market, there are currently too many sellers and not enough buyers. Unlike in the past, however, this mismatch will not disappear as the economy improves and greater numbers of people start buying houses again. It will only intensify because extra large numbers of California homeowners are moving into the home-selling stage of life.

This wave of potential house sellers will be mostly fueled by aging white baby boomers, who constitute nearly half of the state's 7 million homeowners. How big might it be? If you apply the home-selling rates of older whites last decade to the soar-

ing numbers likely looking to sell this decade, an additional 156,000 houses - 18.6 percent - will be coming to market at a minimum.

Where will the extra homebuyers come from?

The coming great white sell-off threatens to extend California's housing malaise and further dampen home prices. But the state's growing Latino population can supply large numbers of potential buyers who could absorb the surge in houses for sale and put a floor under home prices.

This isn't mere speculation. Homeownership rates of young Latinos compare very favorably with the statewide rate of 55.9 percent. According to the 2010 census, 42.1 percent of Latinos own homes by the time they are age 35 to 44.

Here's the challenge - and opportunity. Home sellers can cultivate their future buyers, in effect grooming them for the job. If older white sellers want to get top dollar for their homes in 10 years, they must care enough that the future buyers are sufficiently educated to fill high-paying jobs. "Who is going to buy my house?" should become the rallying cry of a new commitment to public education among the state's aging white population.

Future sellers also take note: College-educated Latinos, on average, pay 64 percent higher prices for houses than those with only a high school education, according to available census data.

"What generational divide?" you may be asking. The road connecting California's - and the nation's - young Latinos to the older white generation runs through the American dream of home ownership.