



Long Island Regional Planning Board



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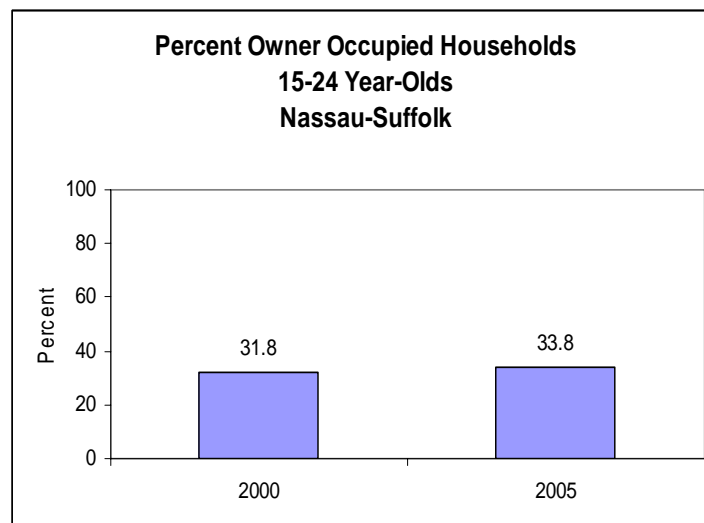
TO: LIRPB Members and Executive Director

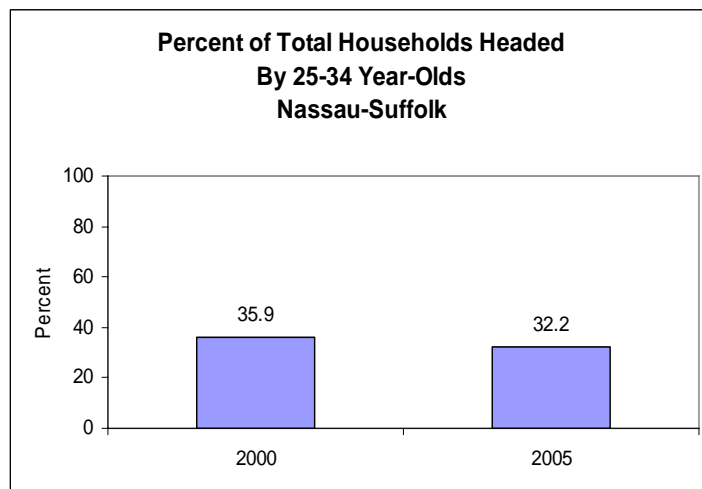
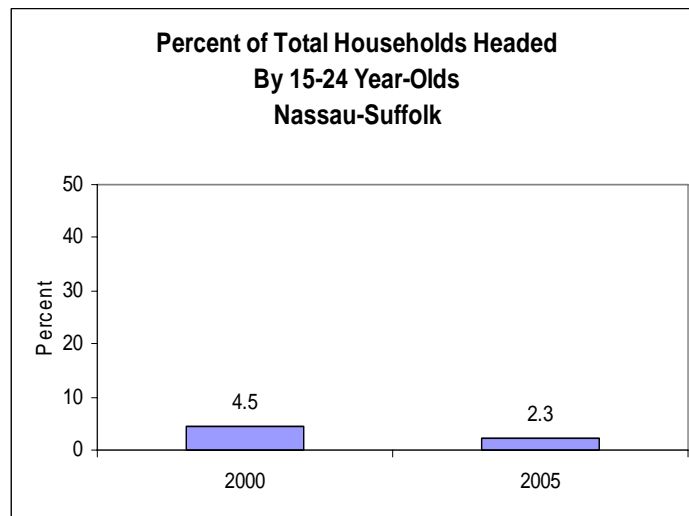
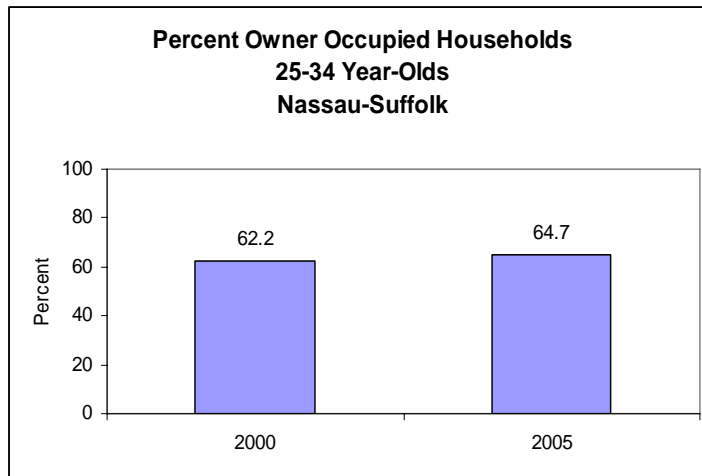
FROM: Seth Forman, Staff

DATE: March 13, 2007

RE: **Staff Report to Board**
Data on Households and Homeownership by Age Group

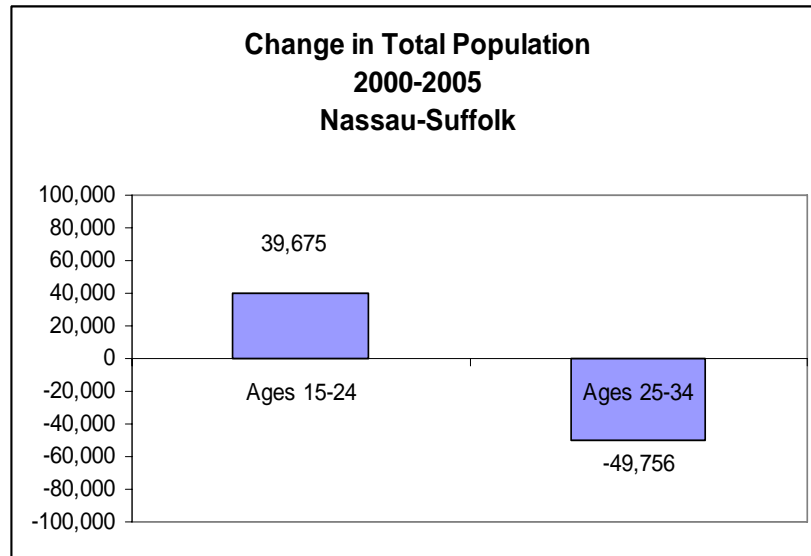
Data from the U.S. Census Bureau's 2005 American Community Survey indicate that since 2000 the rate of homeownership has increased for the youngest "work force" age groups, those aged 15-24 and those aged 25-34, since 2000. The data also show, however, that there has been a substantial decline in the number of householders in these age groups, basically those individuals who either alone or jointly own or rent homes. The percentage of all householders aged 15-24 who own their own homes has risen to 33.8 percent in 2005 from 31.8 percent in 2000. The percentage of all householders aged 25-34 who own their own homes has risen to 64.7 percent in 2005, from 62.2 percent in 2000.



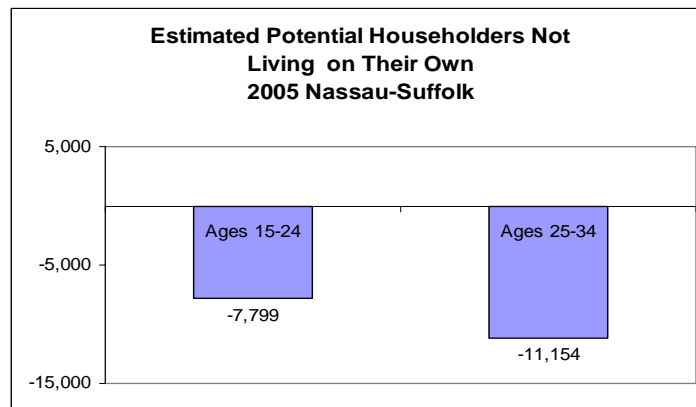


At the same time, the percentage of those aged 15-24 who are householders has declined from 4.5 percent in 2000 to 2.3 percent in 2005, just as has the percentage of those aged 25-34 who are householders has declined, from 35.9 percent in 2000 to 32.2 percent in 2005.

Conclusions about the drop in the number of householders are difficult to make. Changes in the population of individuals in these age group categories make comparison of the number of householders in 2000 and 2005 difficult. The 15-24 year-old age group has risen by almost 40,000 since 2000 while the 25-34 year-old age group has declined by almost 50,000.

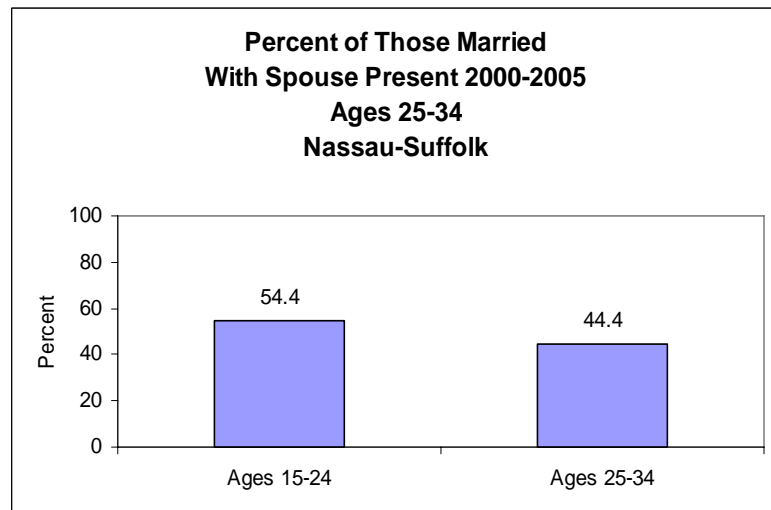
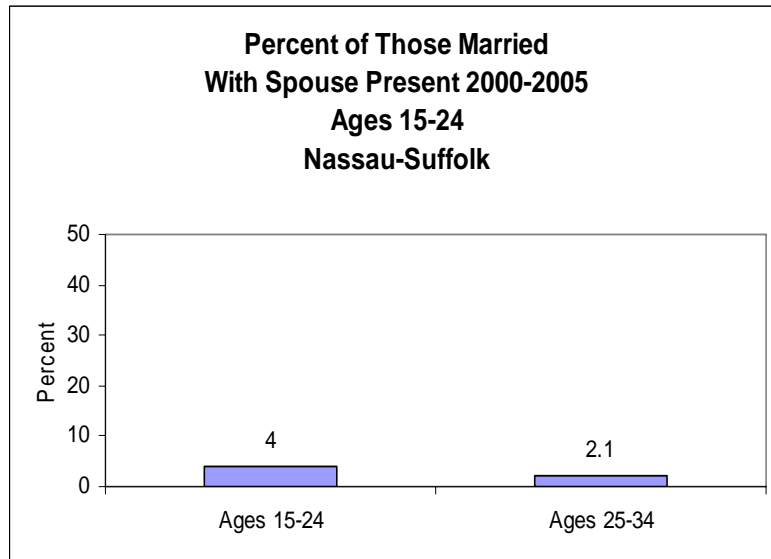


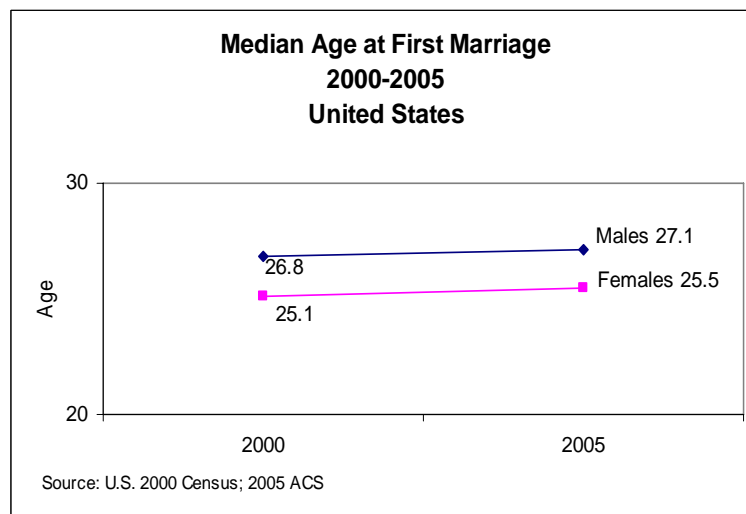
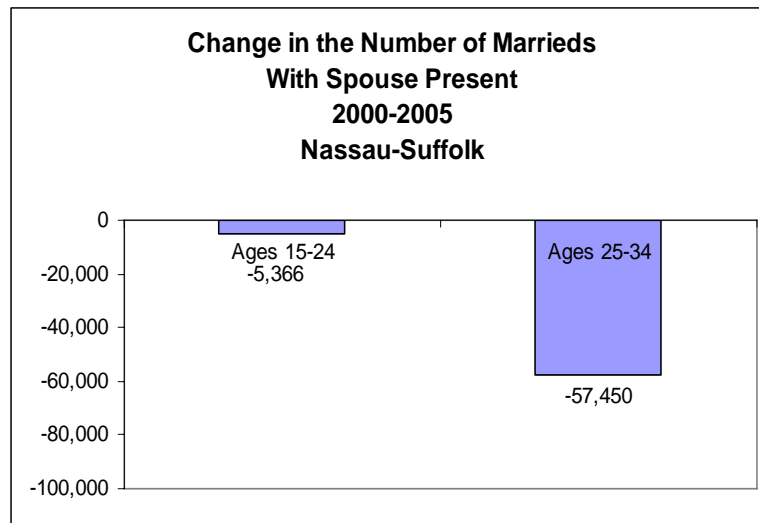
Nevertheless, if the percentage of individuals in these age groups who were householders in 2000 is applied to the total population of individuals in these age groups for 2005, we see that there has been a substantial decline in the number of householders in both age groups. In 2005, there were an estimated 7,799 fewer householders aged 15-24 than there would have been had the percentage of householders remained the same as in 2000. For the 25-34 year-old age group, the decline in the number of householders was 11,154, when the percentage of householders from 2000 is applied to the 2005 population.



There are several possible reasons why smaller numbers of individuals aged 15-34 are becoming householders. One is that a smaller number of individuals between these ages are marrying. Getting married remains one of the primary reasons why people seek to establish their own household, rather than live with parents or relatives. But the rate and the number of those between the ages of 15-34 who marry and live with their spouse has declined. For those aged 15-24, the percentage of those who are married to a spouse who is present has declined from 4 percent in 2000 to 2.1 percent in 2005. In actual

numbers, the number of individuals who are married to a spouse who is present has declined by 5,366. For those aged 25-34, the percentage of those who are married to a spouse who is present has declined from 54.4 percent to 44.4 percent between 2000 and 2005. The number of individuals who are married to a spouse who is present has declined by 57,450 over this time period. (The decline in married individuals aged 25-34 is not as dramatic as it might seem because the population of this age group has declined by 49,756).





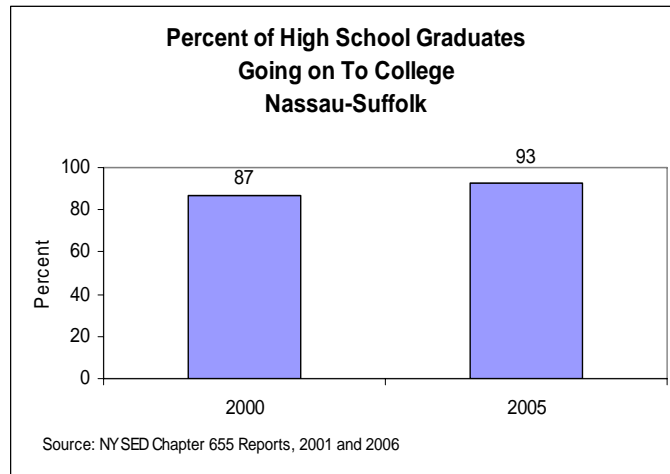
The decline in marriage among 15-34 year-olds does not come as a surprise. The age at which people get married for the first time has gone up substantially in the past few decades. In 1970 the median age for first marriages for women was 21 years. By 2000 the median age was 25.1, and in 2005 the median age rose to 25.5. For men the median age went from 23 to 26.8 over the same time period, and has risen again to 27.1 in 2005. In 1970, 42 percent of first married single brides were teenagers. By 1990 that had dropped to 17 percent.¹

The decline in those between the ages of 15-34 who marry and live with a spouse has been compounded by a significant increase in the percentage of high school graduates on Long Island that go on to college. The college-going rate for graduating seniors on Long Island has increased from approximately 87 percent in 2000 to 93 percent in 2005, according to data from the New York State Department of Education. This represents no fewer than 4,100 individuals in the 15-24 year-old age group.²

¹ Data from U.S. Census Bureau; the Centers for Disease Control and Prevention/National Center for Health Statistics

² Eastern Suffolk BOCES 2004 Regional Report Card, January 2006.

While many of these college-going high school graduates remain on Long Island, many also choose to attend college off Long Island or to live at home with parents if they attend on-island institutions of higher education.

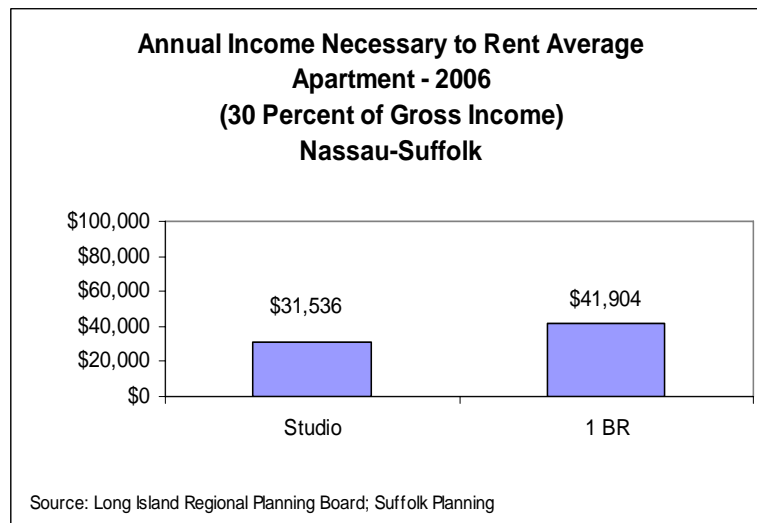
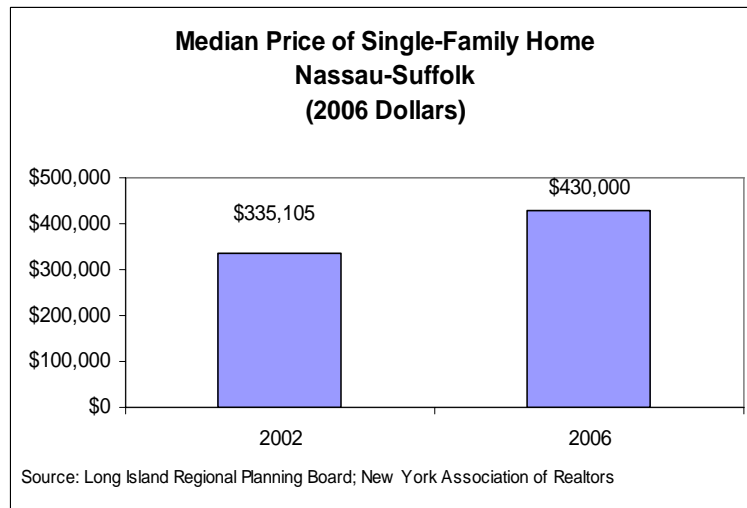
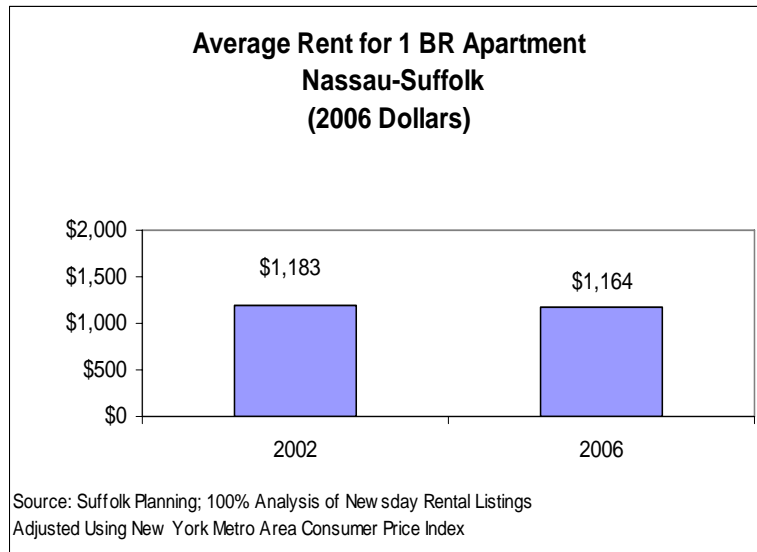


In both of these instances - the declining incidence of marriage among those 15-34 years of age and the increased college-going rate - it is not clear what is cause and effect. It is possible that many young people are delaying marriage until they are capable of affording a home of their own, or, as has been the case with the much larger number of women who have entered higher education and the work force in the past few decades, until they have finished their education and started careers.

It is also possible that more young people are enrolling in college to increase the likelihood of their being able to afford their own homes in the future by enhancing their future earnings potential, or to avail themselves of housing options (dormitories, off-campus housing, parents' homes) that are cheaper than lighting out on their own. It is unclear whether young people are choosing to rent in lower numbers because they can't afford to, or because the expense of renting and the increased freedom and independence it affords doesn't seem worth the opportunity cost of living at home and saving the larger sums of money now necessary for homeownership.

It should be noted in this regard that rents for studios and one-bedroom apartments have stabilized in the Nassau-Suffolk region over the last four years, rising less than the rate of inflation and well below that of single-family homes. In inflation adjusted dollars, the average rent for a one bedroom apartment in the Nassau-Suffolk region declined from \$1,183 in 2002 to \$1,164 in 2006, while the median priced single-family home increased from \$335,105 in 2002 to \$430,000 in 2006.

The gross annual income needed to afford an average studio apartment in Nassau-Suffolk in 2006 (at 30 percent of income) was \$31,536 in 2006, while the annual income needed to afford an average one bedroom apartment was \$41,904.



NOTE ON DATA: These data are based on estimates provided by the United States Bureau of the Census's American Community Survey. The U.S. Census Bureau uses a probability level of 90 percent with a large margin of error.