

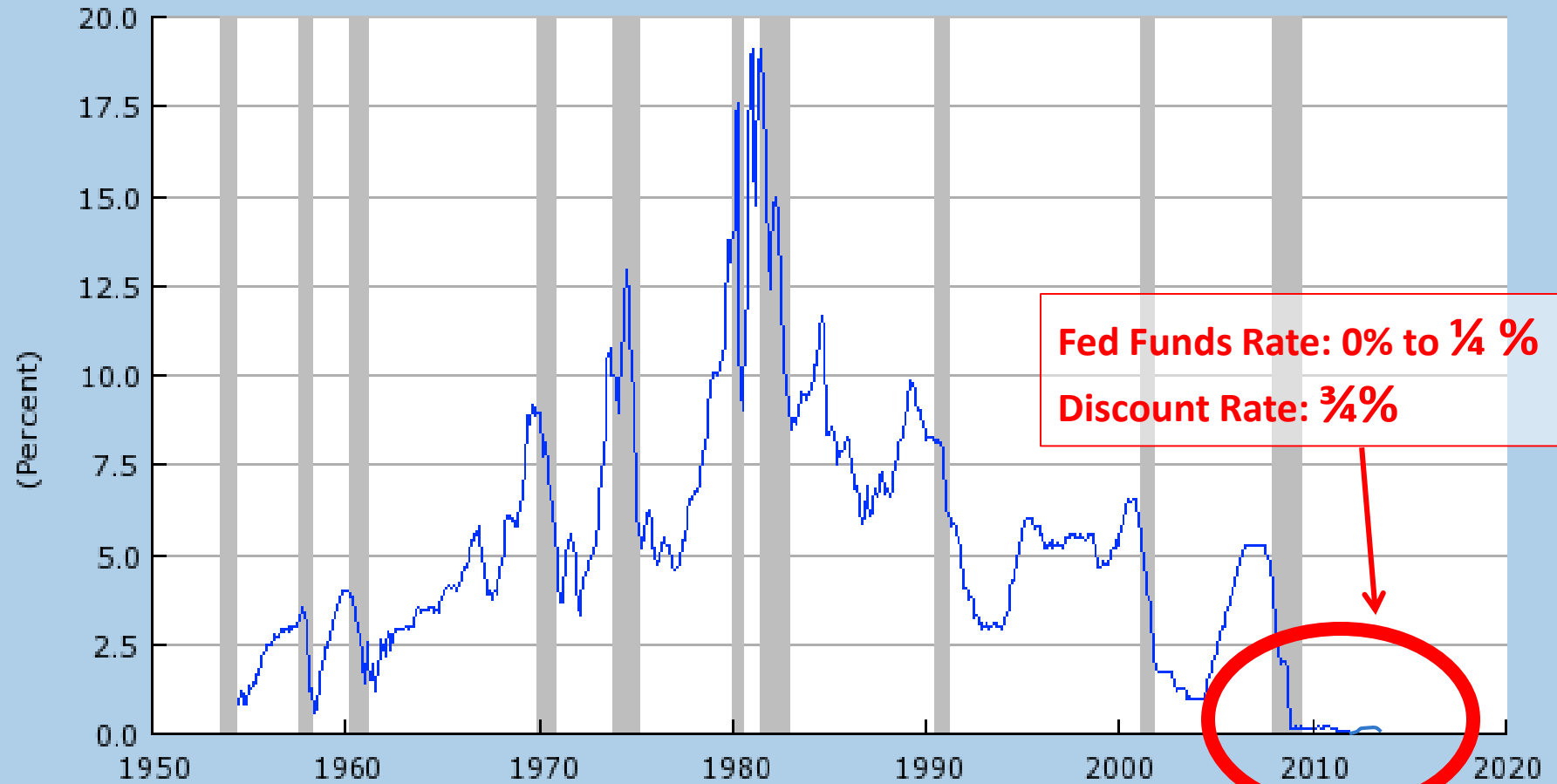
Generational Trends in Residential Real Estate

- **Millennials or Generation-Y**
 - Who Are They
 - Their Impact on Real Estate
- **Tax “Reform” Update – Potential Changes:**
 - Section 1031 Exchanges
 - Home Mortgage Interest Deduction
 - Personal Home Exclusion (Section 121)
 - Step-up in Basis
 - Increase in Capital Gains Tax Rate...*again!*
 - A Call To Action

Real Estate
for
Economic
Growth

Federal Reserve and Interest Rates

Effective Federal Funds Rate (FEDFUNDS)
Source: Board of Governors of the Federal Reserve System



Shaded areas indicate US recessions.
2012 research.stlouisfed.org



Investment Property Exchange Services, Inc.

Low Interest Rates Have Helped Housing Take Off...!

Housing Affordability Index (Composite)©

2015-08: **157.7** Index (+ see more)

Monthly, Not Seasonally Adjusted, COMPHAI, Updated: 2015-10-16 10:31 A

Housing Affordability Index

1yr | 5yr | 10yr | Max

1981-01-01

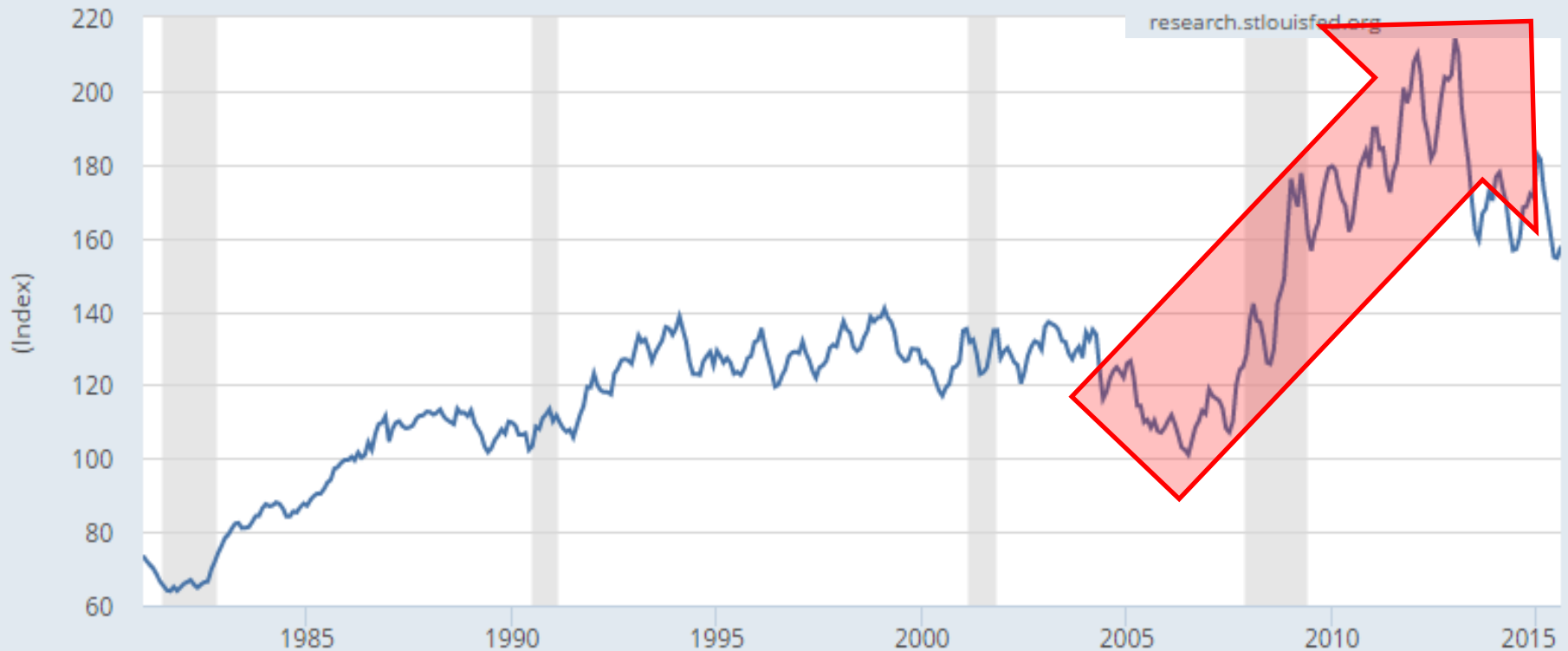
to

2015-08-01

FRED

— Housing Affordability Index (Composite)©

Source: National Association of Realtors
research.stlouisfed.org



S&P/Case-Shiller Composite 20 Home Price Index

Composite 10 Index

Metropolitan Regions in the S&P/Case-Shiller Home Price Indices

2013 Home Prices increased 13.8 % for 20- City
2013 Home Prices increased 13.7 % for 10- City

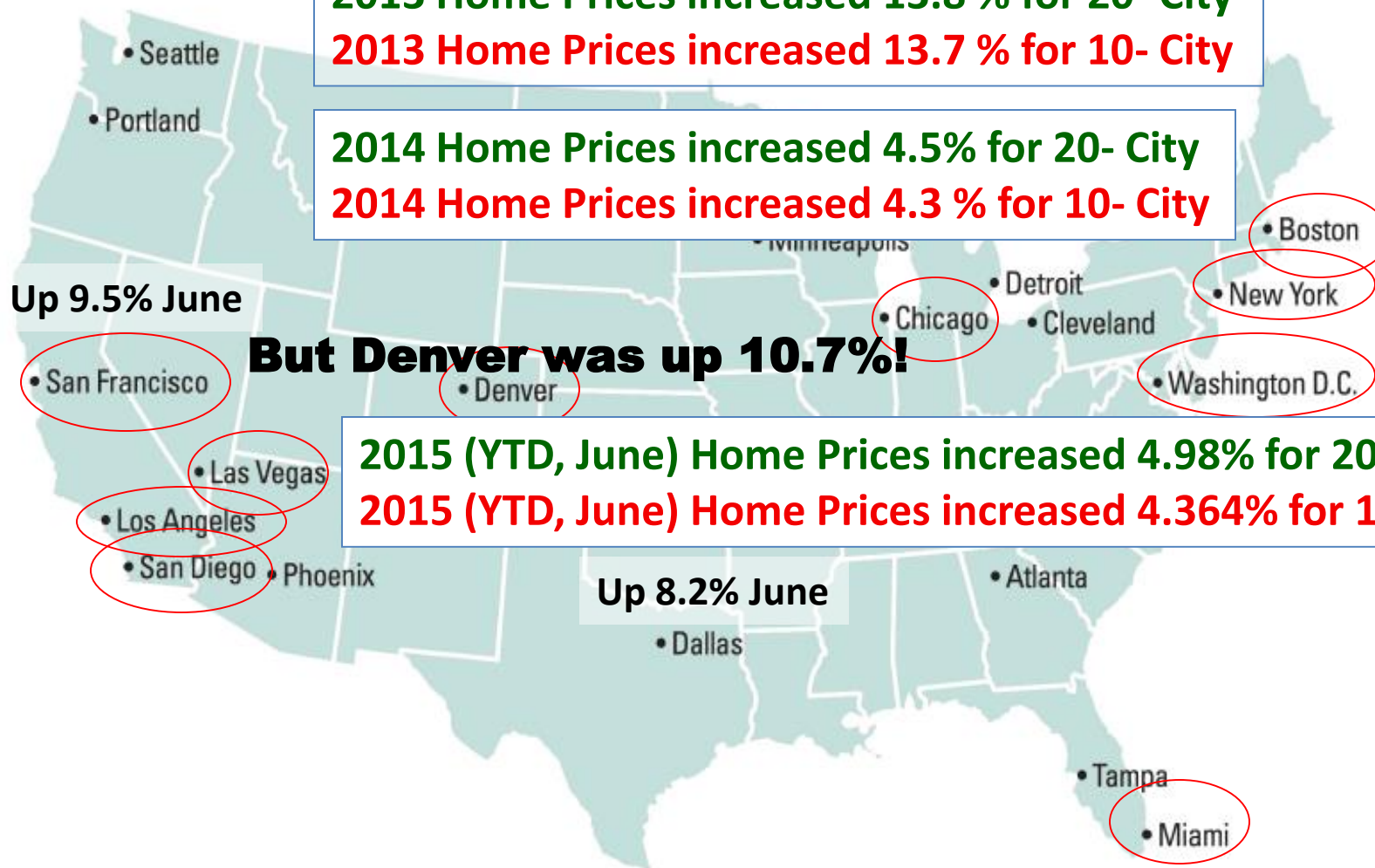
2014 Home Prices increased 4.5% for 20- City
2014 Home Prices increased 4.3 % for 10- City

Up 9.5% June

But Denver was up 10.7%!

2015 (YTD, June) Home Prices increased 4.98% for 20- City
2015 (YTD, June) Home Prices increased 4.364% for 10- City

Up 8.2% June



Real Estate for Sale



S&P/Case-Shiller City Index for Denver

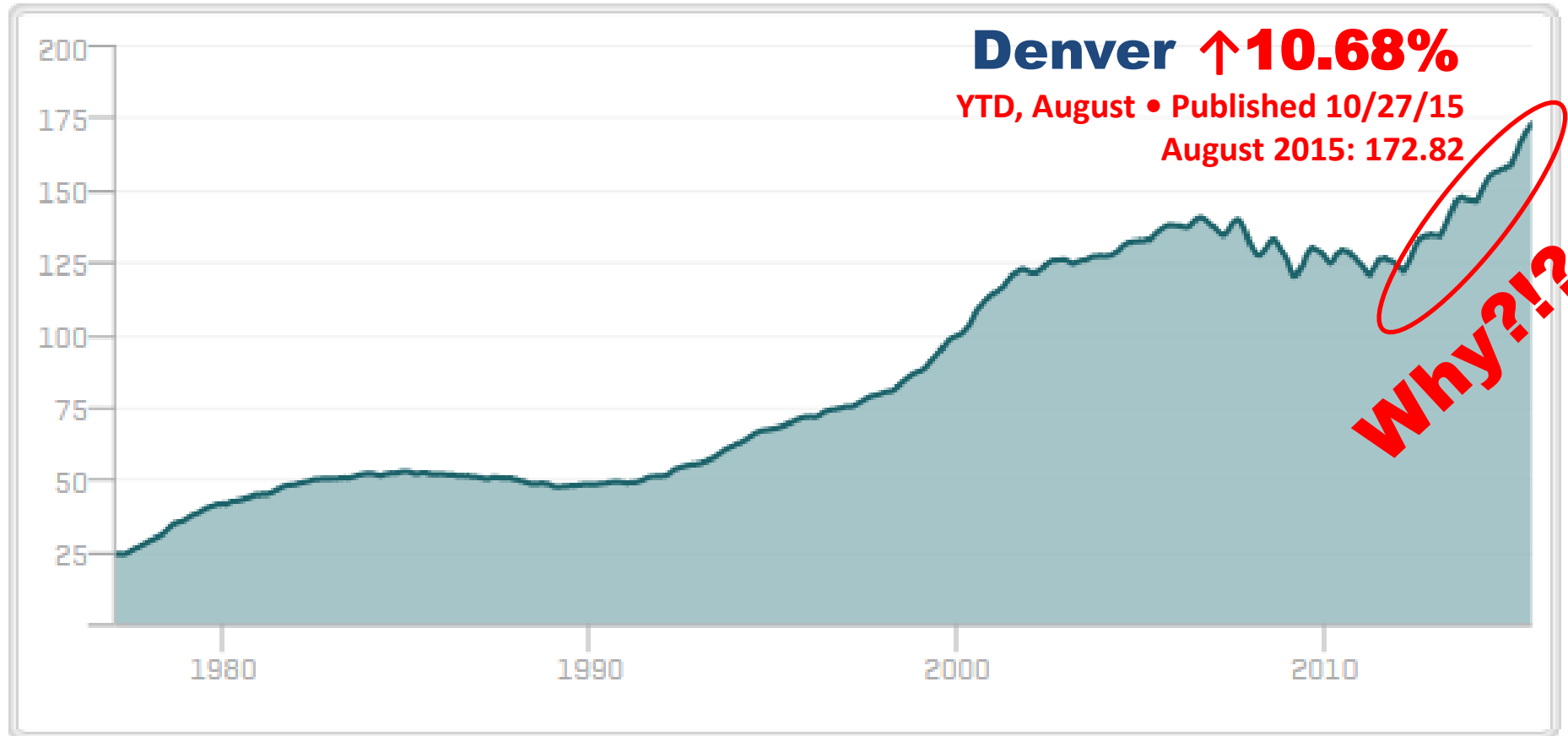
Investment Property Exchange Services, Inc.

20-CITY COMPOSITE


10-CITY COMPOSITE

NATIONAL

CITY ▼

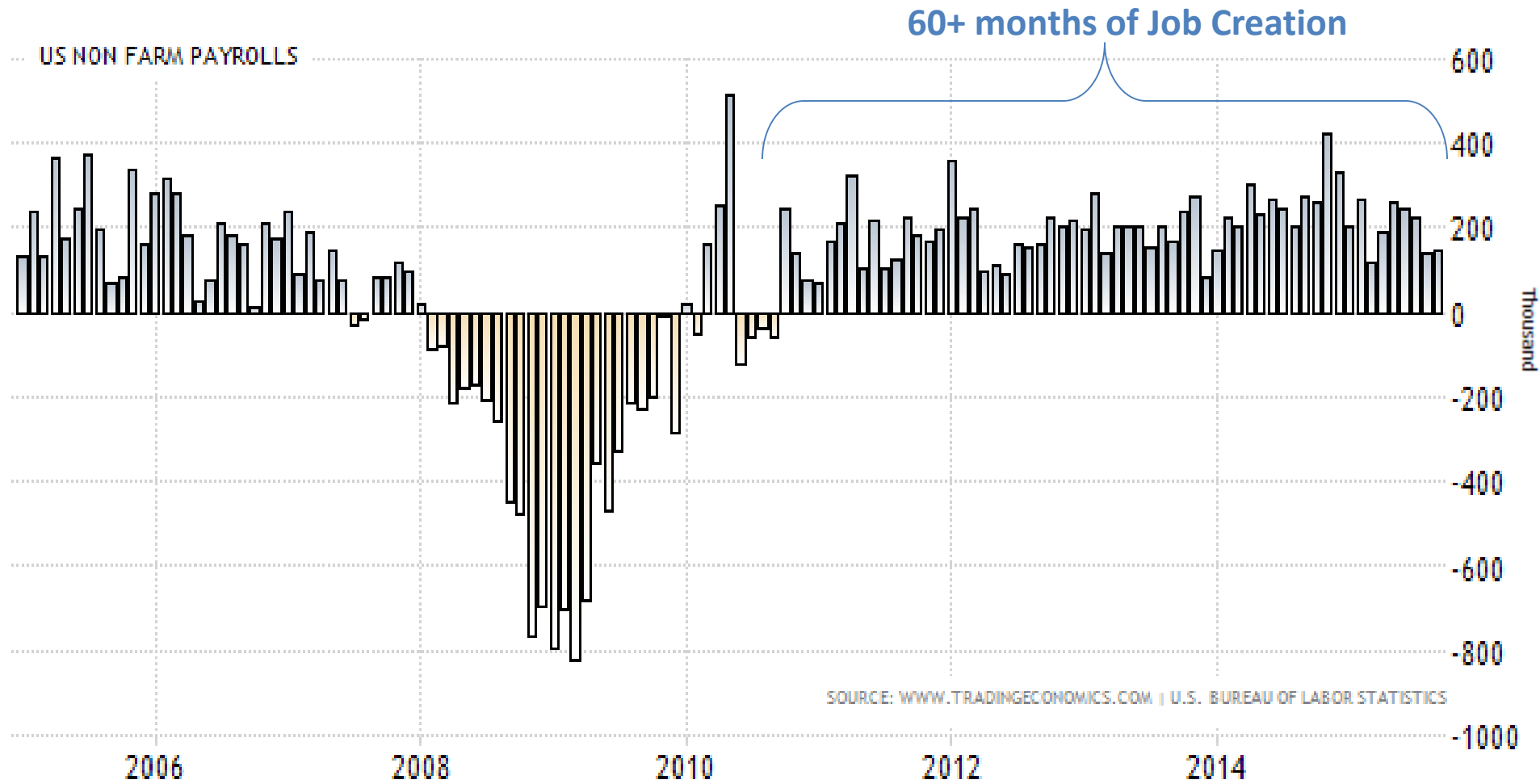


Colorado's Great Real Estate Boom – *Why?*

- Net migration into Colorado
 - Largely Millennials or Gen-Y
- Shortage of construction workers
- Colorado's economy is doing well
- Colorado's cannabis-industry 
- Colorado's condo-defect law inhibits construction of condos, and reduces the ability for first-time homebuyers to enter the market

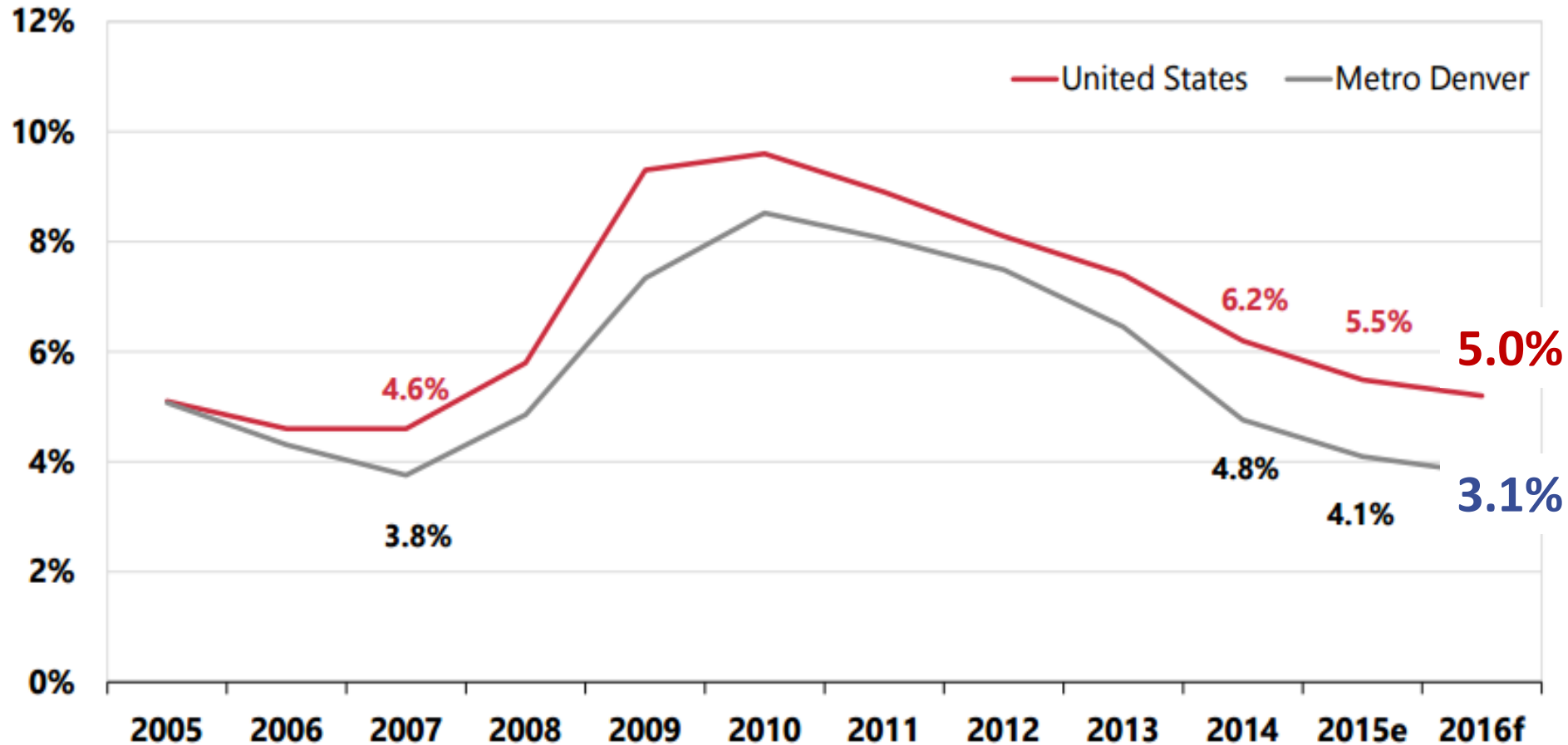
best
economic
forecast

Positive News on Employment



Unemployment Rates (not seasonally adjusted)

Metro Denver Total Labor Force = 1.6 Million



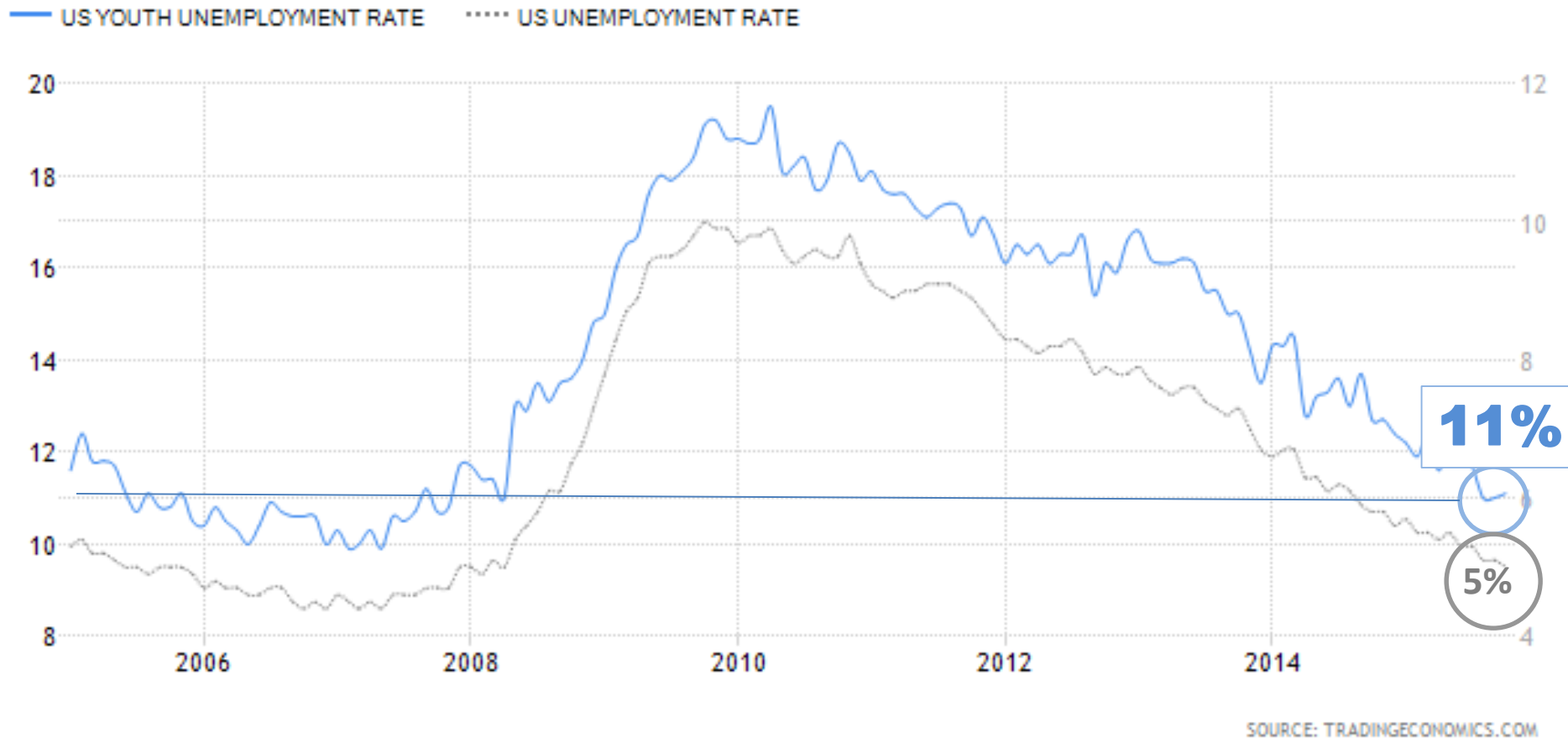
All Good News – Except for One Certain Group



- **Millennials or Generation Y**
- **The generation that failed to launch**
- **That's why millennials live in the moment**

1st for economic success

Youth Unemployment **11%** vs. U.S. **5%**



- The Great Recession was unusually cruel to Under-25 Youth...

The Decreasing Unemployment Rate Means Nothing to Millennials

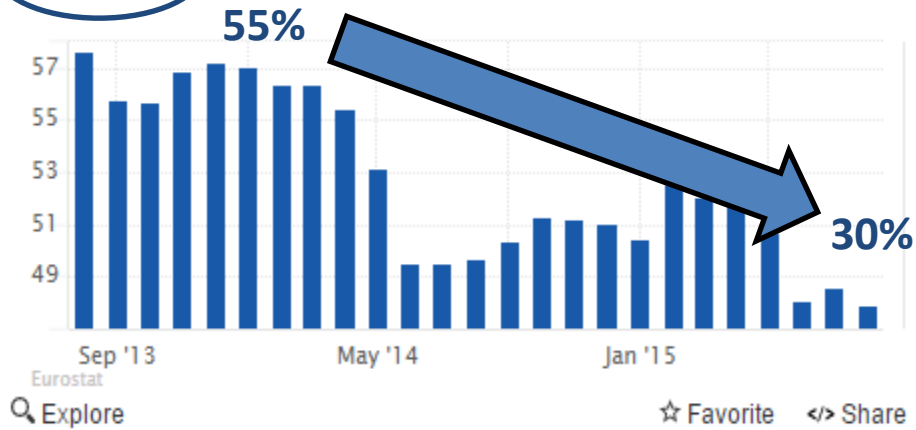
- Youth Unemployment is **11% vs. 5.1%** U.S. unemployment (U3).

–That's more than double the average rate!

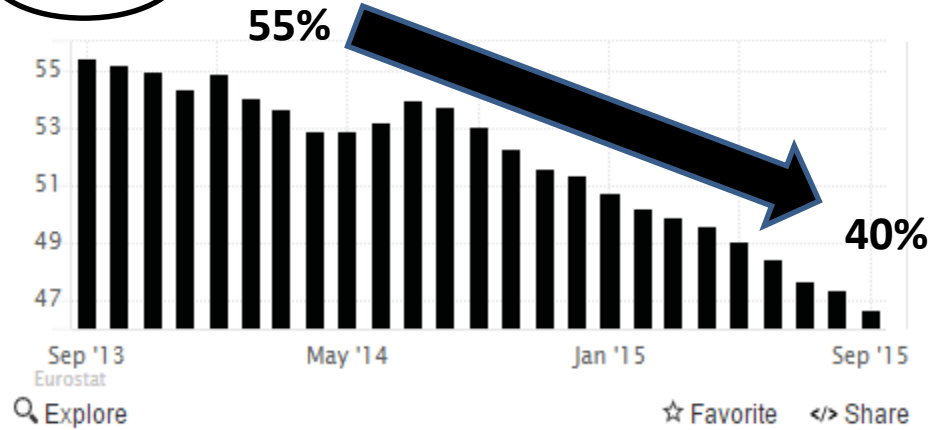
- **Why?**
- **Stagnant workplace:** employers are hesitant to hire new graduates, because Baby Boomers are delaying retirement and staying longer in their jobs due to financial insecurity.
- **Advances in technology** are making many jobs obsolete because they can easily and cheaply be automated.
- **Stuck in low-wage, dead-end jobs:** 44% of college grads – the highest rate in decades
- **The number of young people making less than \$25,000** has spiked to the highest level since the 1990s.

Youth Unemployment is Worse Outside the U.S.

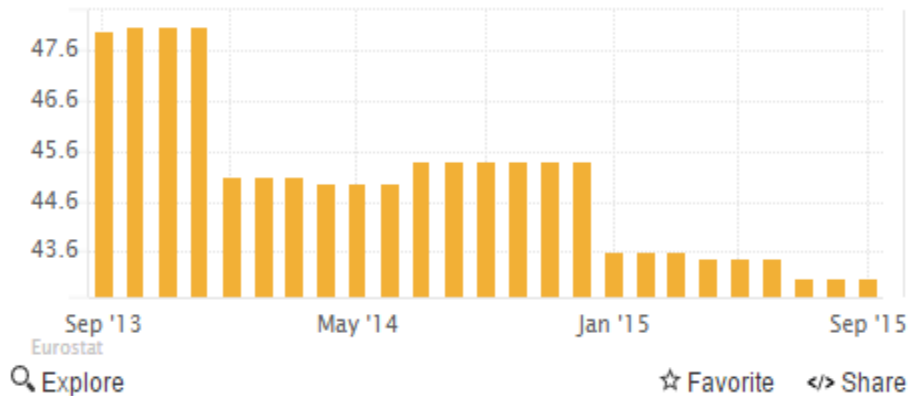
Greece Youth Unemployment Rate



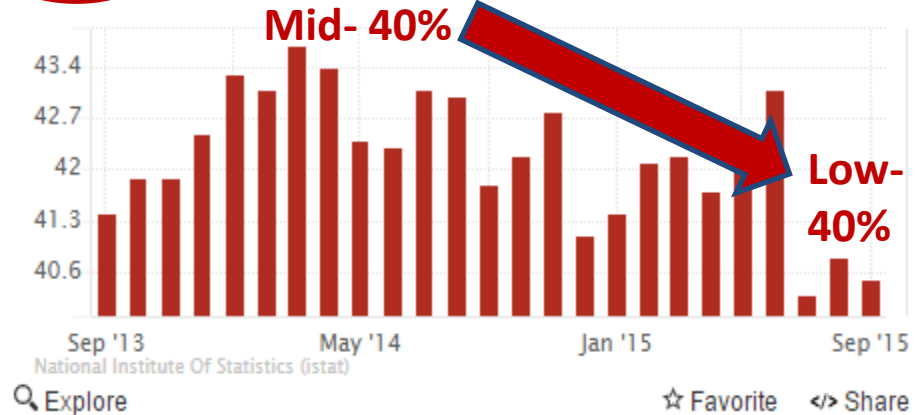
Spain Youth Unemployment Rate



Croatia Youth Unemployment Rate



Italy Youth Unemployment Rate



Some Demographic Basics

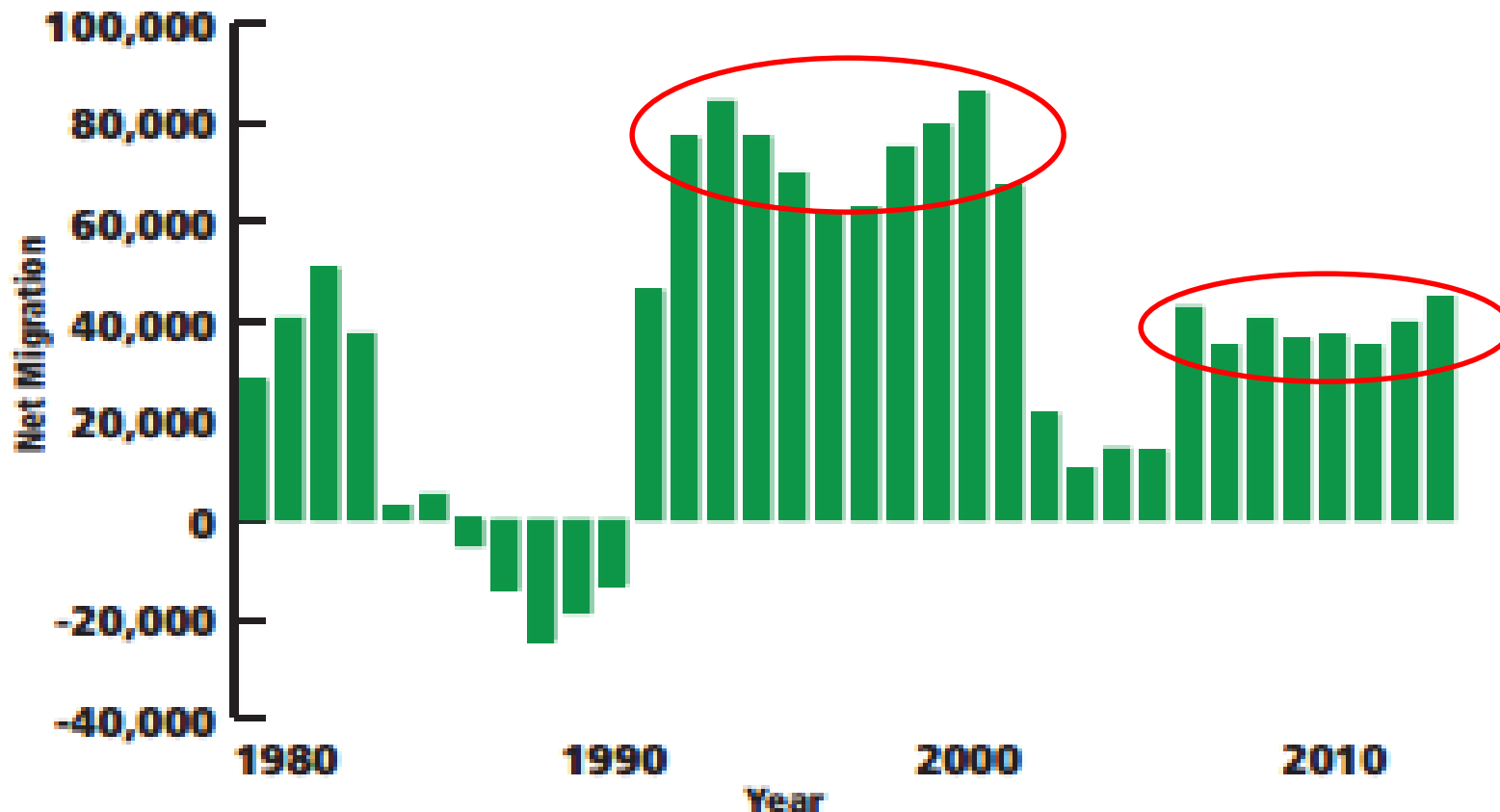
- U.S. population: 318 million
- CO population: 5.3 million
 - 70,157 moved into CO (a 1.4% increase) over 2011 & 2012
 - Denver population: 650,000
 - Metro Denver including six counties: 2.9 million
 - Which means 54% of the state's population live in the metro area
- CO is 4th fastest *annual* percentage growth state after ND, DC, UT
- CO is 5th fastest in *absolute* growth in the nation after TX, CA, FL, NC

Colorado's Population Growth

Net Migration was 60% of Population Increase in 2013 -14

Up 5% from 2012

Net Migration for Colorado, 1980-2013

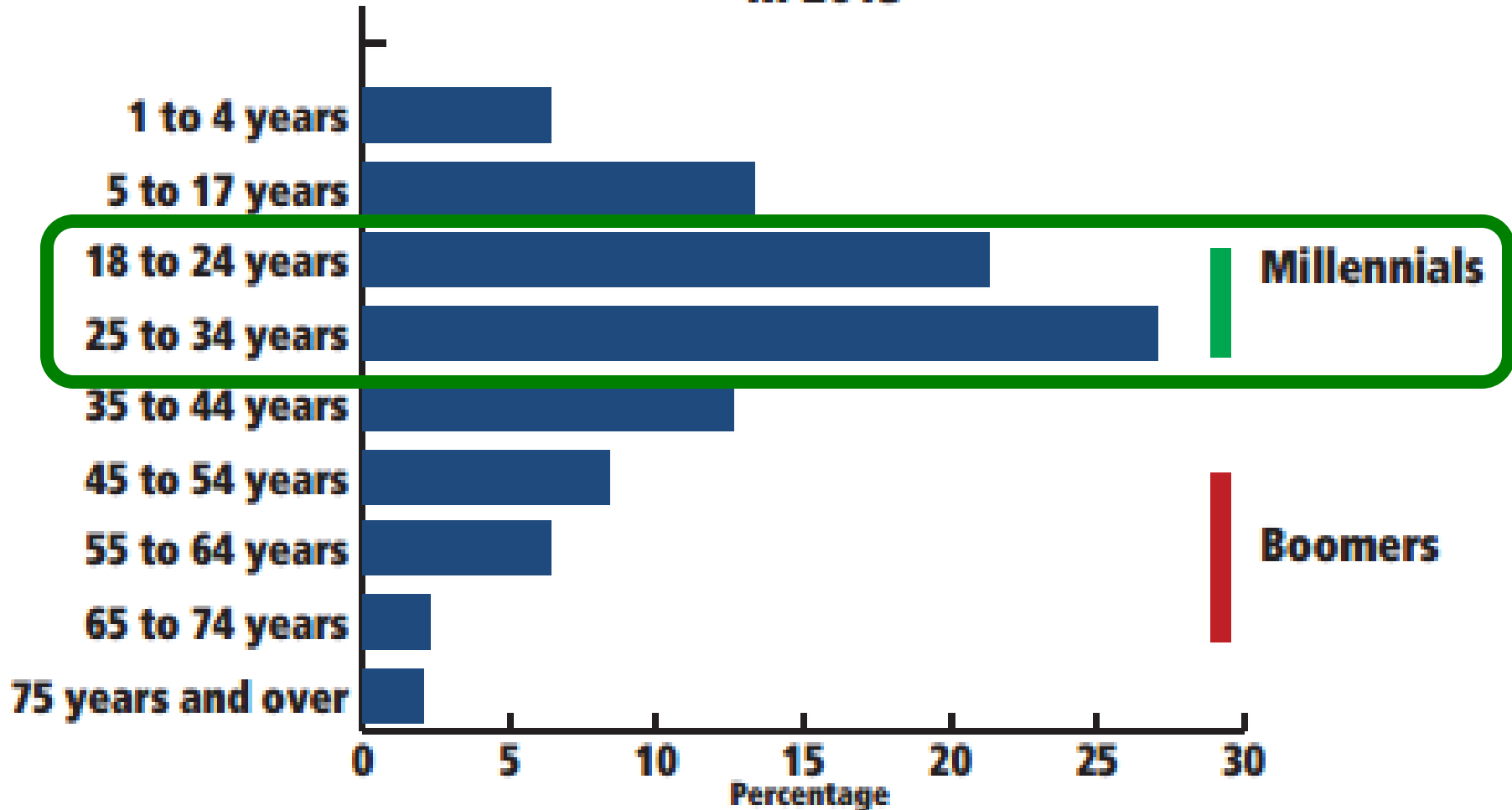


Source: State Demography Office Population Estimates, Vintage 2013

forecast

Millennials Make Up Most of this Net Migration

Age Distribution of Out of State Migrants to Colorado in 2013



Source: ACS 2013 1-Year Estimates

Gen Y's Impact on Real Estate



Definition of Generation-Y or Millennials

Gen Y

Born 1980-1995

15
Ages 20 to 35

2000



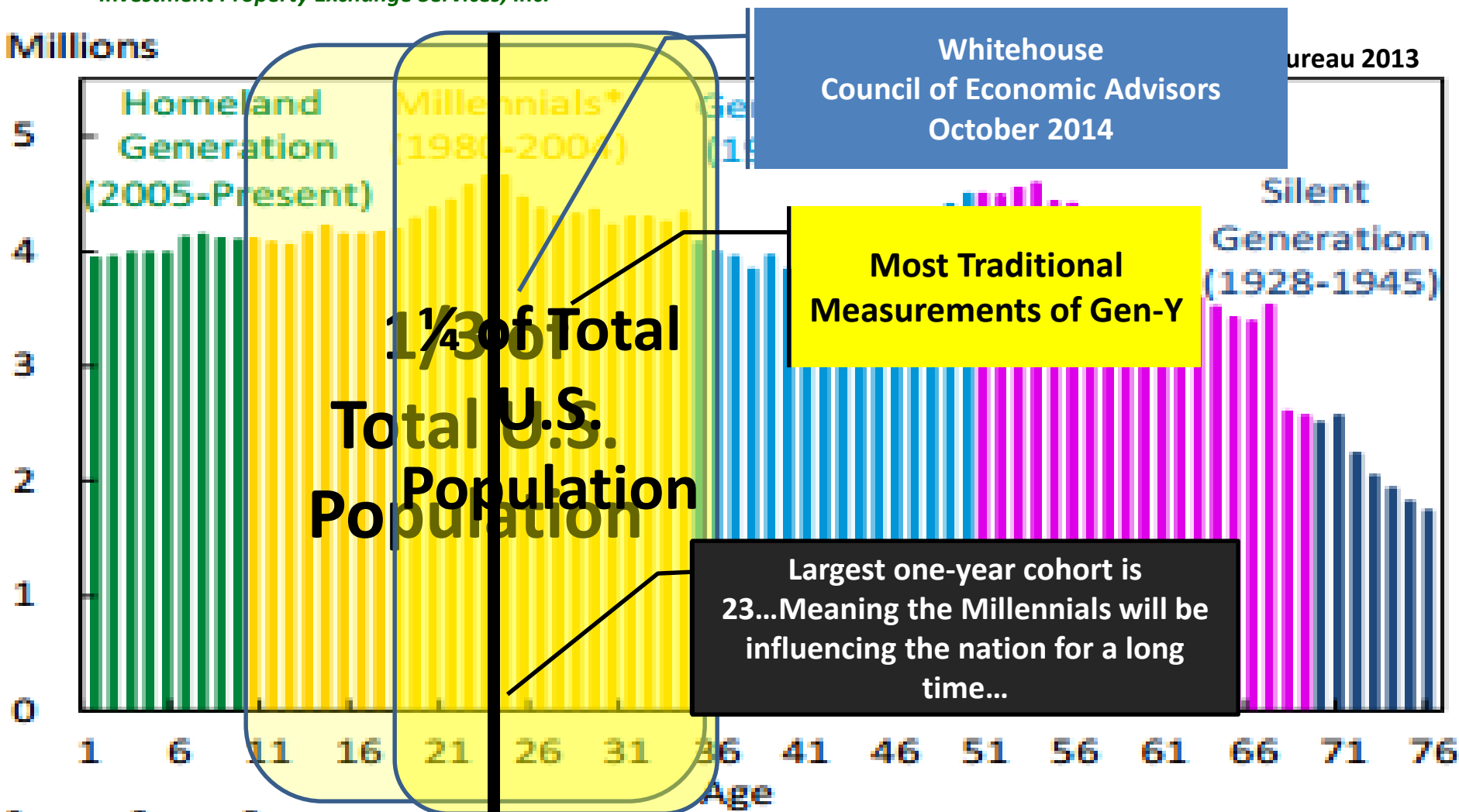
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Millennials as a Part of the Total U.S. Population

Investment Property Exchange Services, Inc.

Millions



Millennials (Gen Y) Are the Largest Demographic Cohort in U.S. History

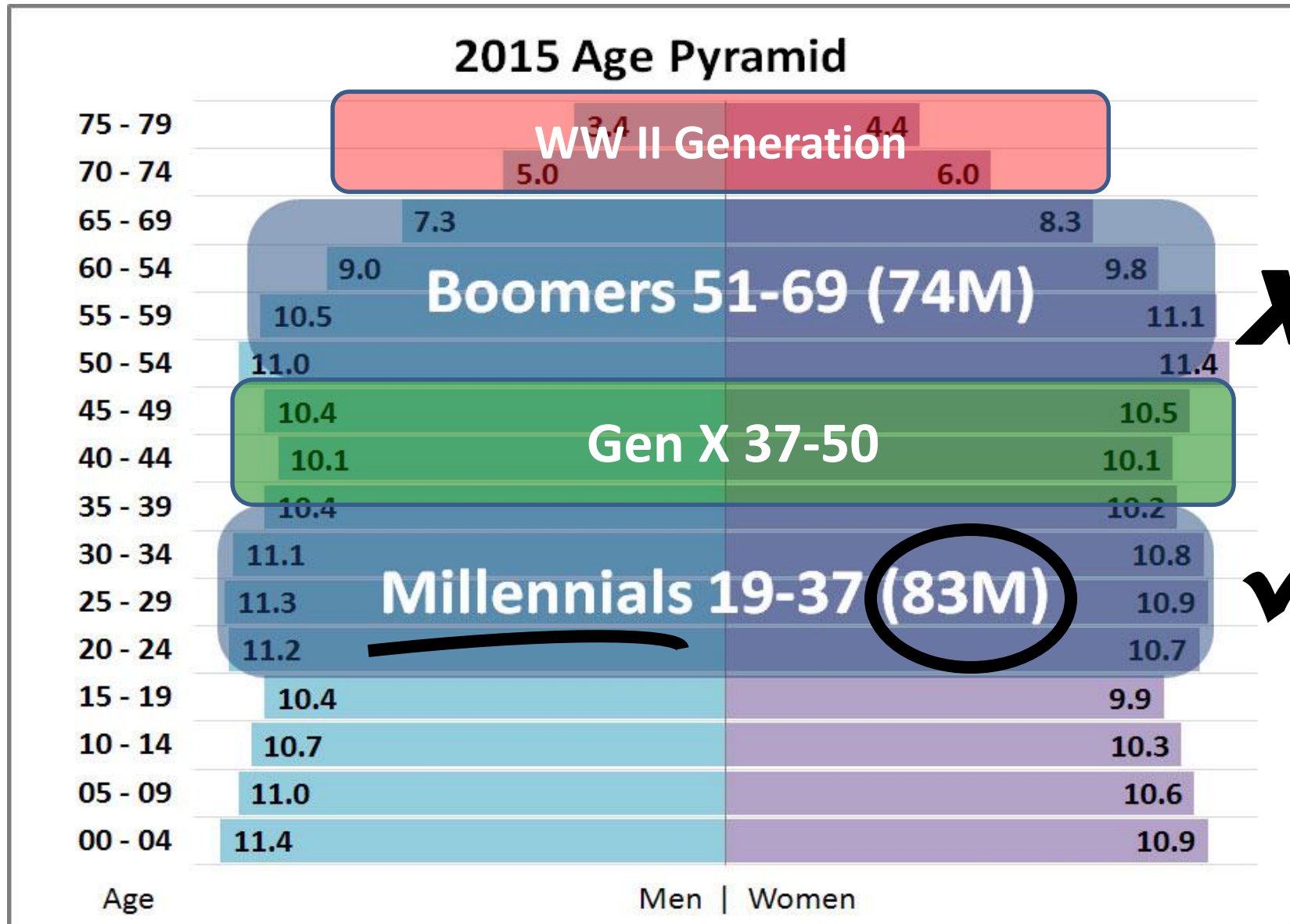
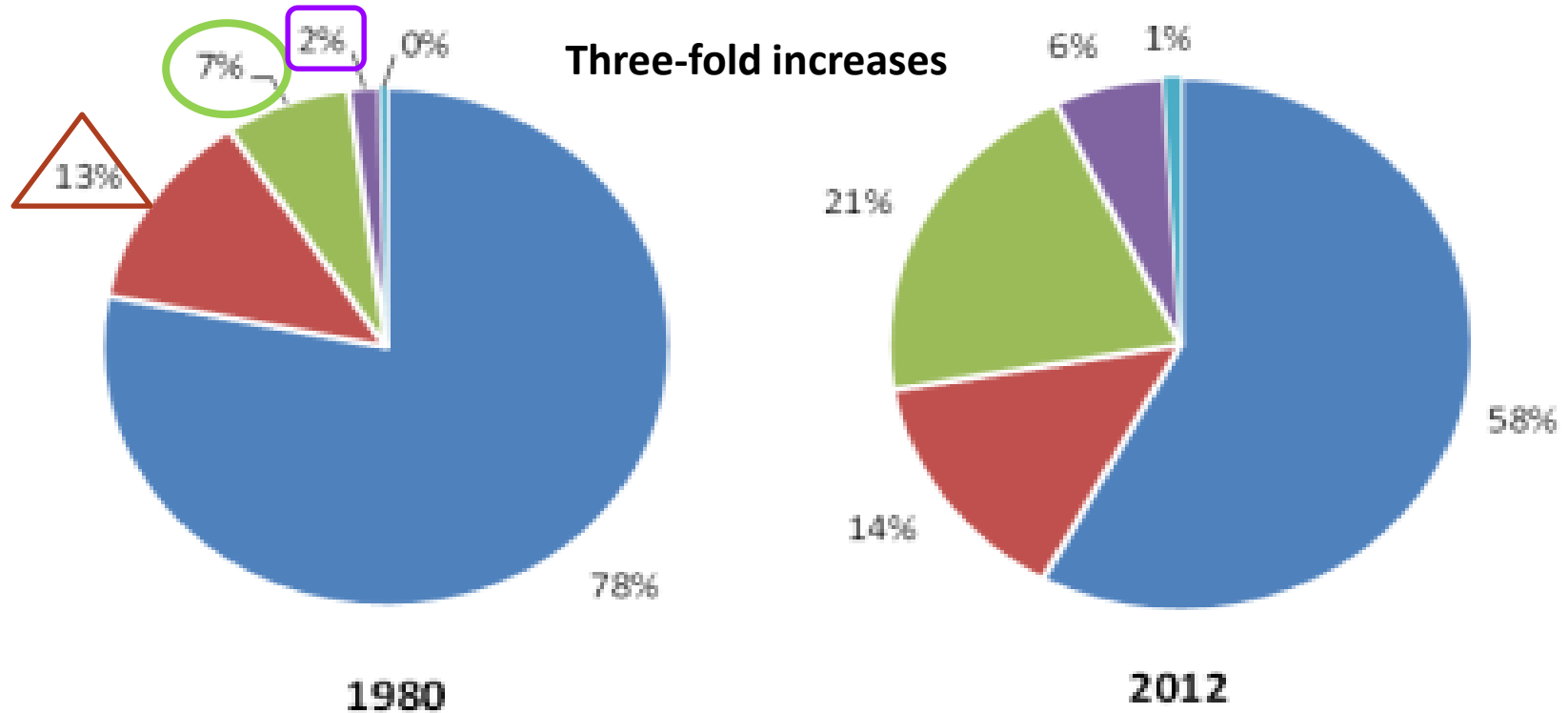


Figure 3: Race and Ethnic Group, 15 to 34 Year-Olds

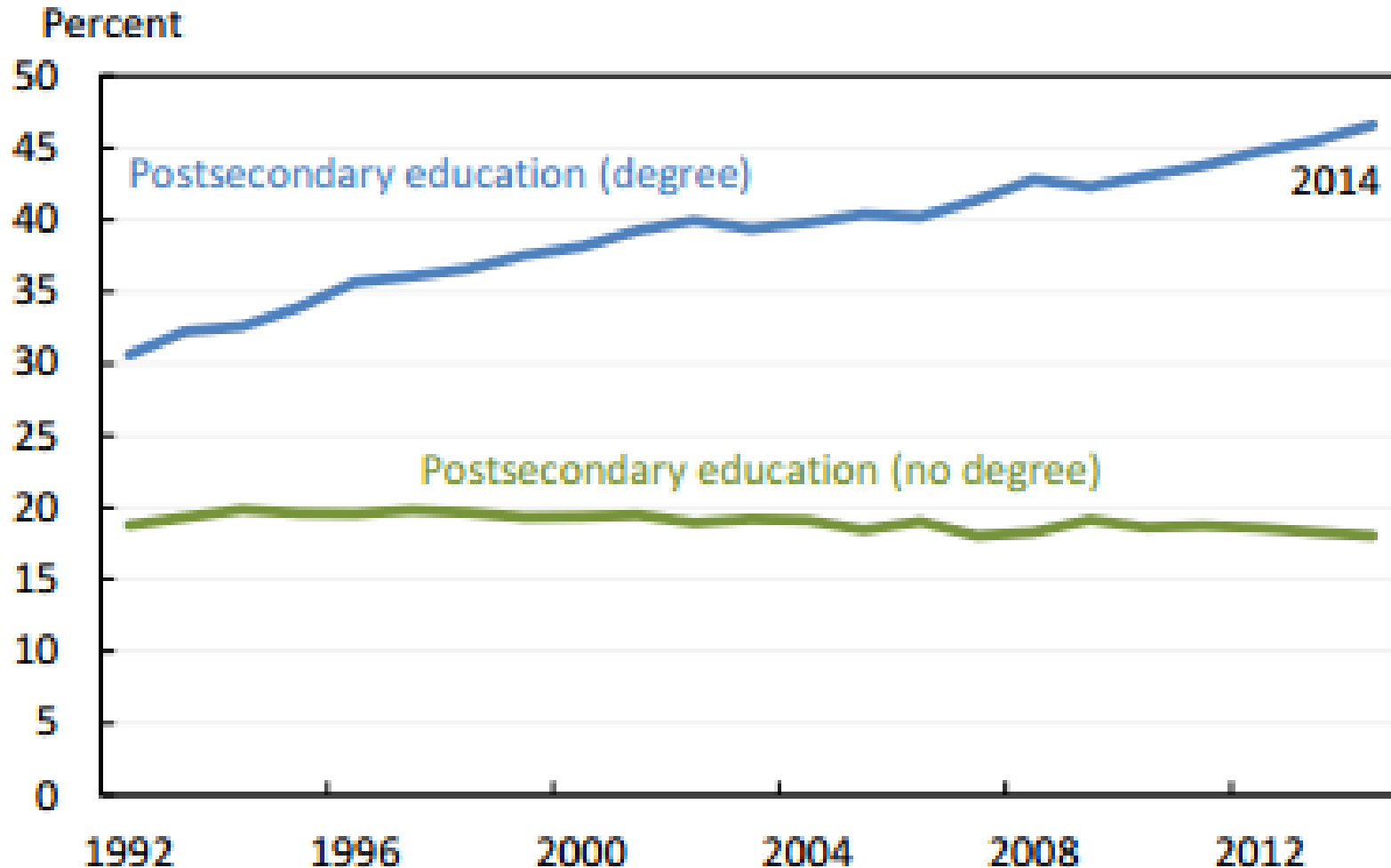


■ White, non-Hispanic
 ■ Black
 ■ Hispanic
 ■ Asian/Pacific Islander
 ■ Other

Aside from their large numbers, Millennials' diversity sets them apart from other generations – they are the product of immigrants: 15% of Gen-Ys were born in a foreign country – that's a higher percentage than it was for this same age group in 1950 and near the peak of 20% in 1910 (the largest wave of immigration into the U.S.)

More millennials have a college degree than other generation of young adults

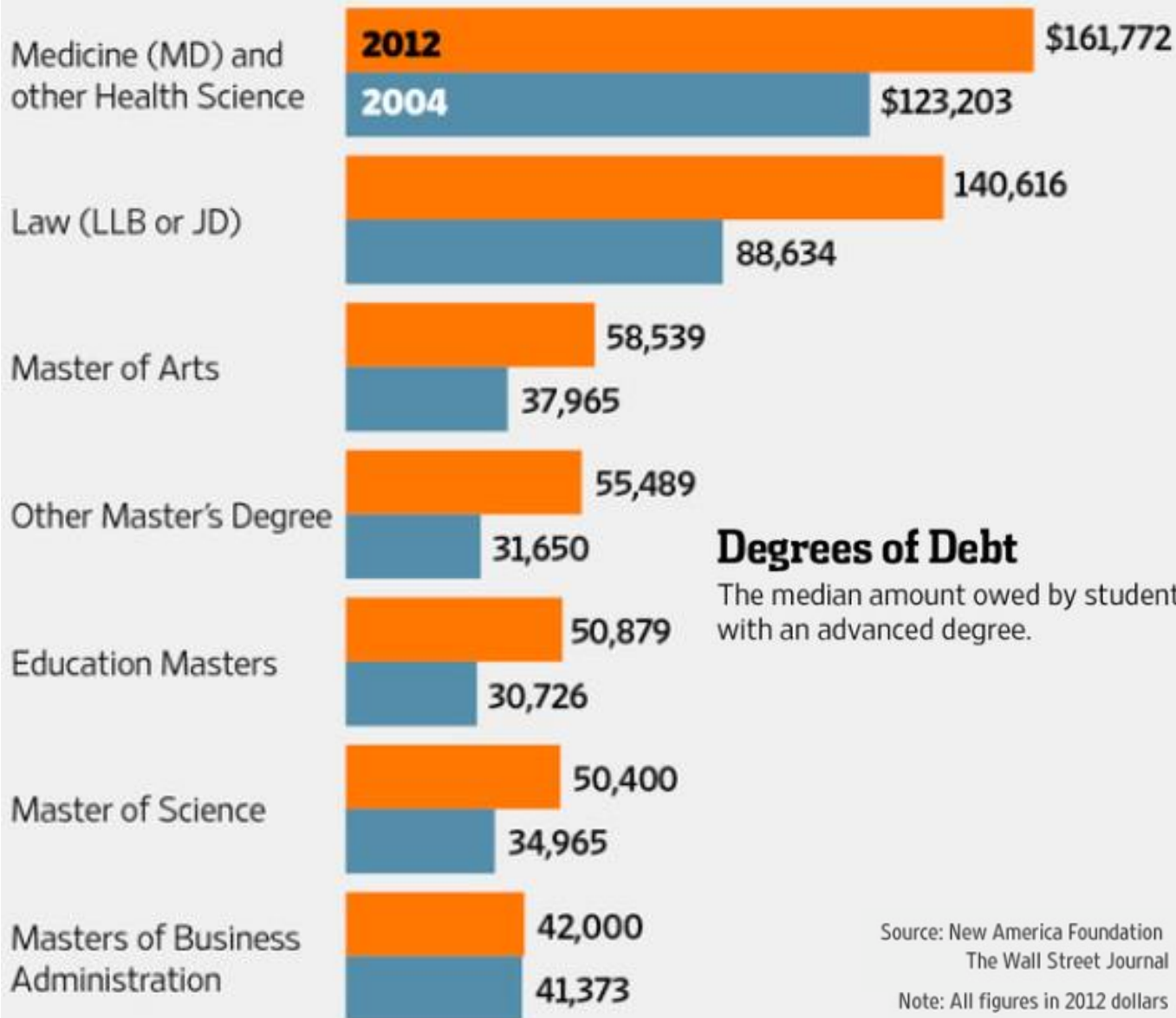
Figure 6: People Ages 25 to 34 By Educational Attainment,



economic
forecast

Source: Current Population Survey; CEA calculations.

Gen Y by Degree Earned



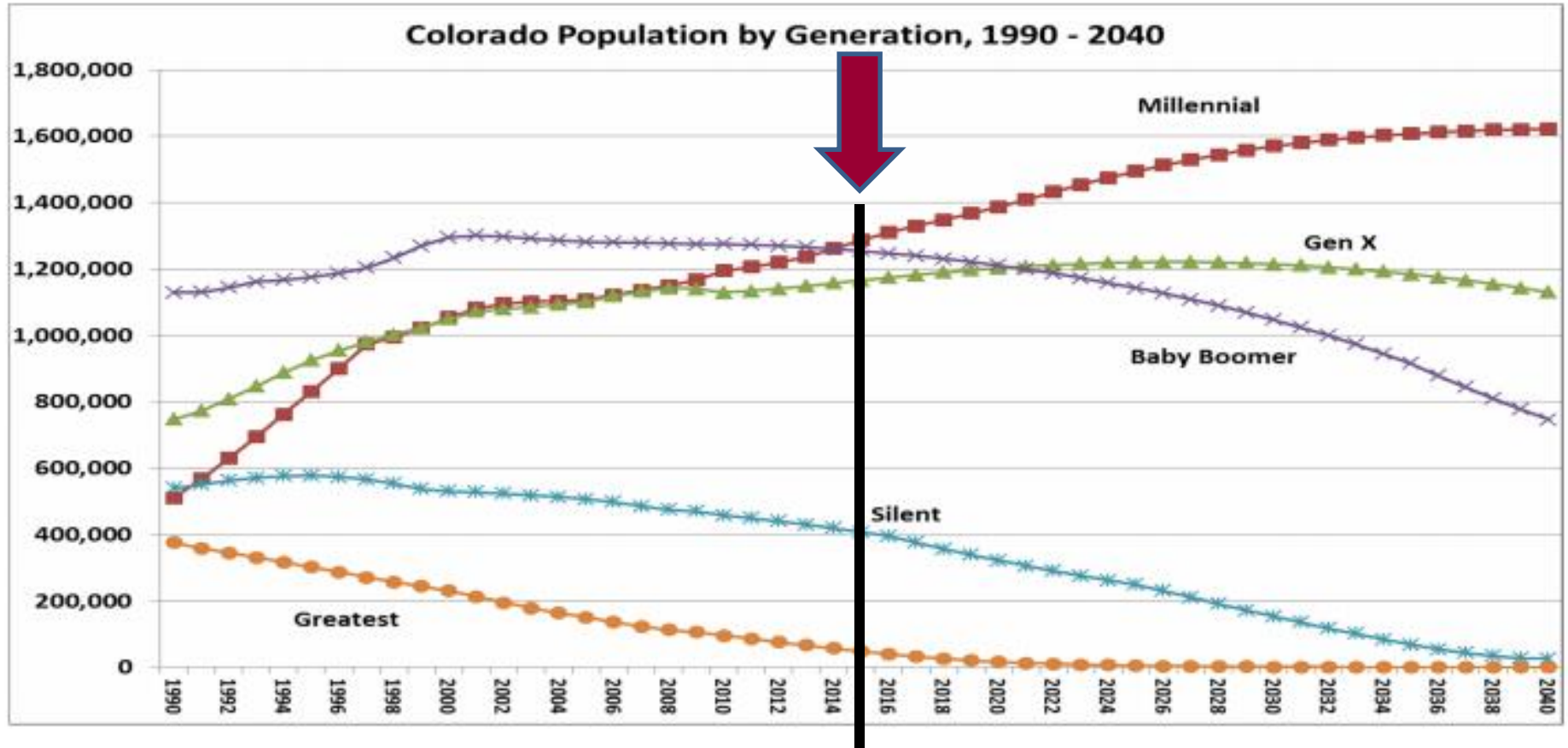
Degrees of Debt

The median amount owed by student borrowers upon leaving school with an advanced degree.

Source: New America Foundation
The Wall Street Journal

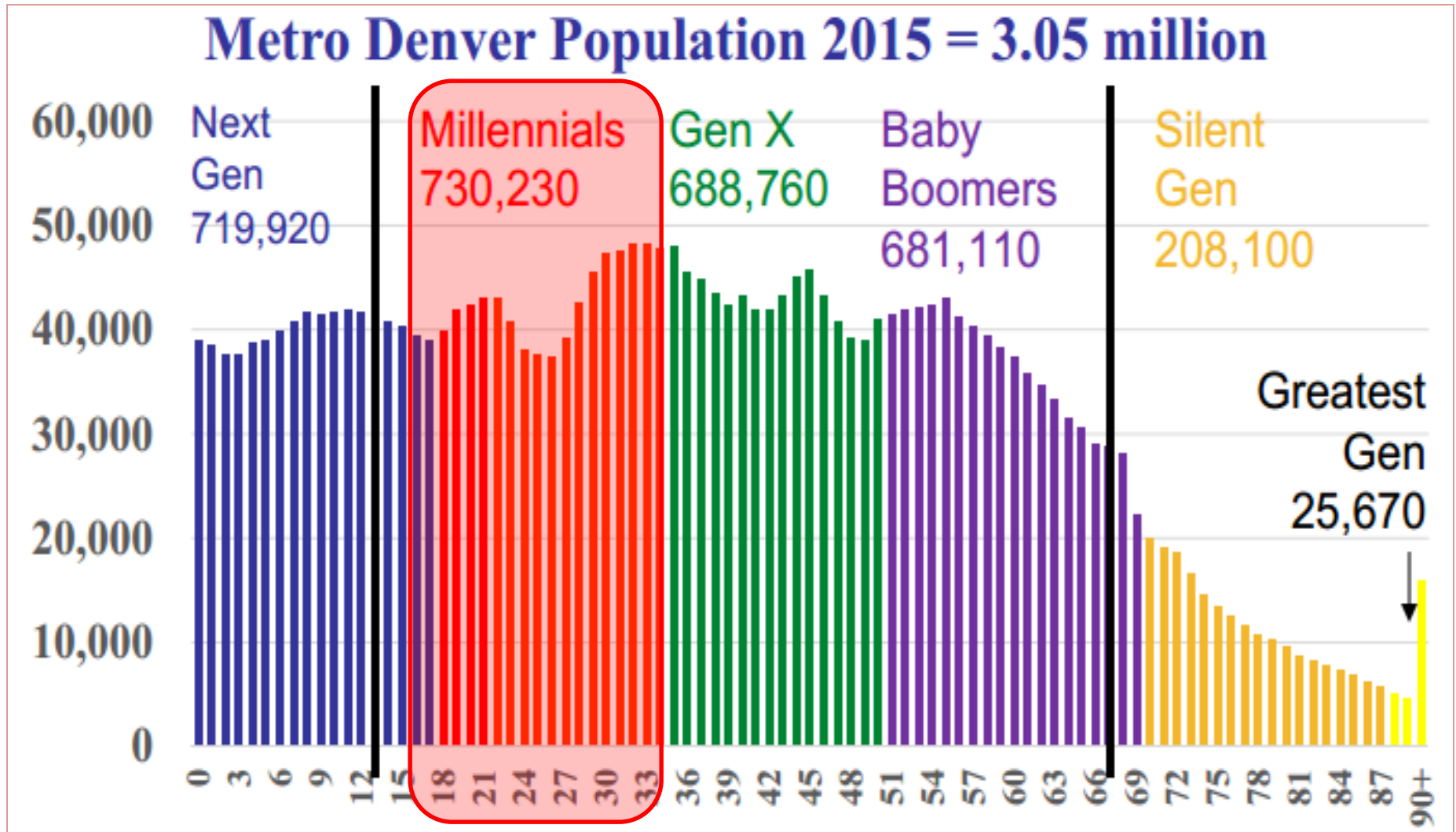
Note: All figures in 2012 dollars

Gen Y is Shaping Colorado Now –



Millennials Are Today's Largest Population Group

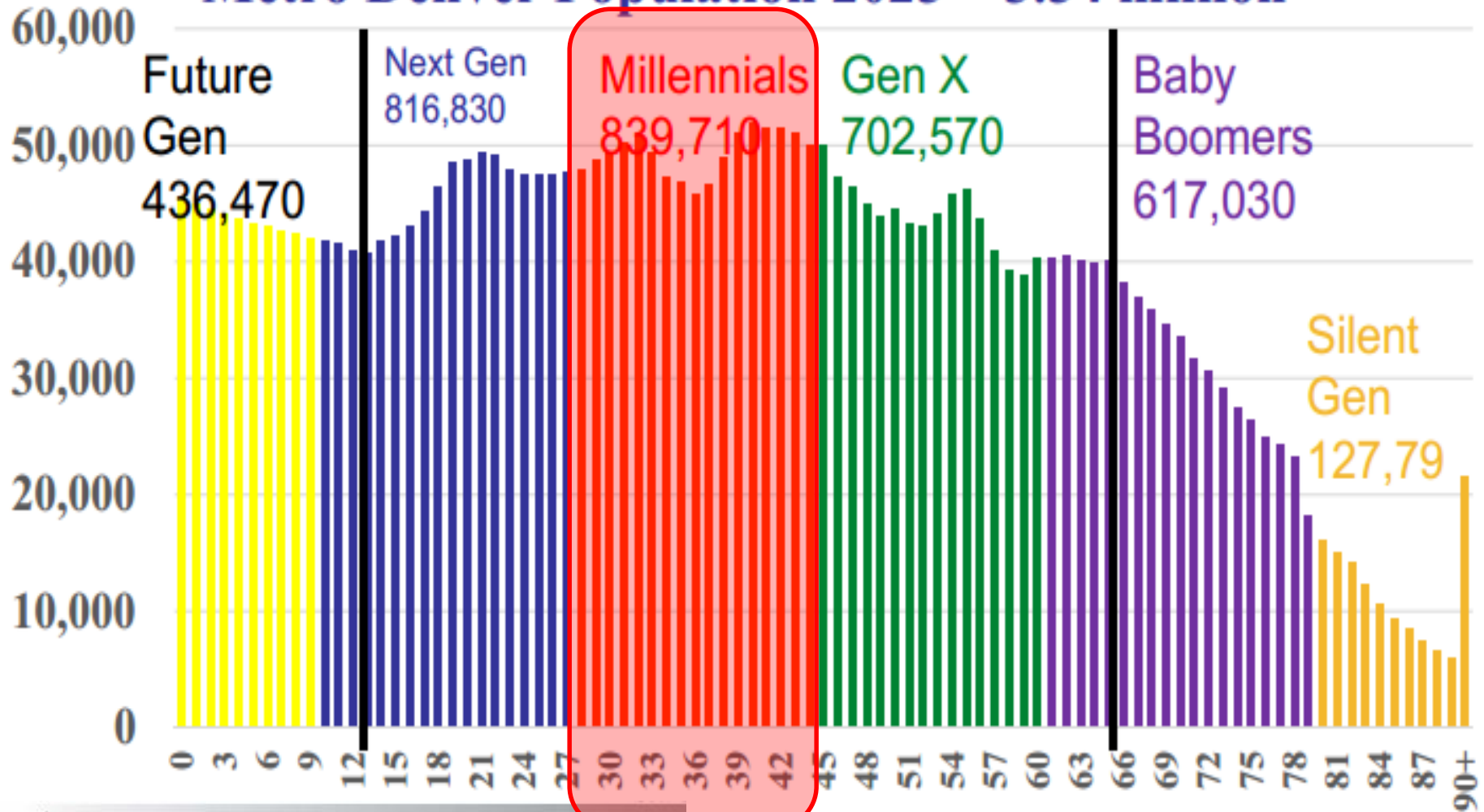
Source: Colorado Division of Local Government, State Demography Office



In Ten Years Millennials Dominate Labor Force

Source: Colorado Division of Local Government, State Demography Office

Metro Denver Population 2025 = 3.54 million



Ignore This Demographic At Your Peril

Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

Rise of Millennials in the Workforce



CBRE

Real Estate
forecast

Denver is Tops for Millennials

Top 5 Markets for Millennial Migration

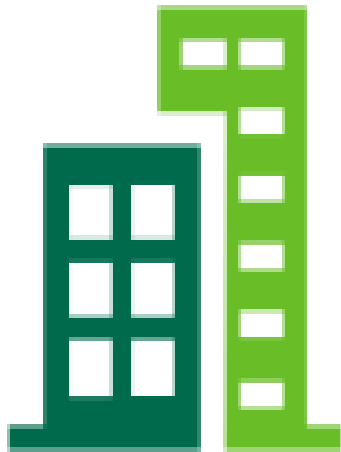
1. Washington DC

2. Denver

3. Portland

4. Houston

5. Austin



Source: William Frey, Brookings Institute,
2009-2012

Forbes Top 25 List for Gen Y

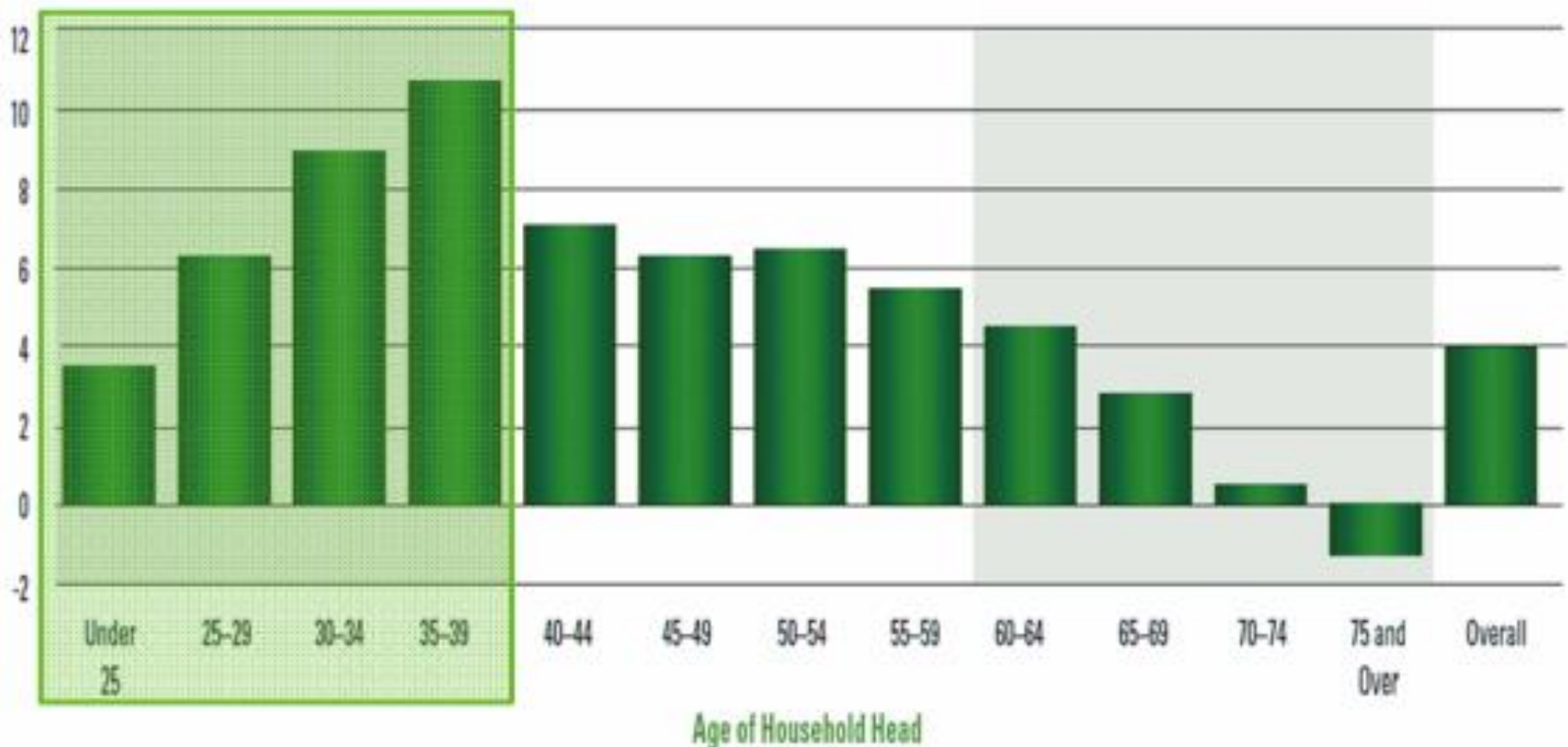
May 13, 2015

1. Cambridge, MA
2. Manhattan, NY
3. Alexandria, VA
4. San Francisco, CA
5. Jersey City, NJ
6. Seattle, WA
7. Washington, DC
8. Berkley, CA
9. Boston, MA
10. New York, NY
11. Denver, CO

Millennials are Driving the Rental Market

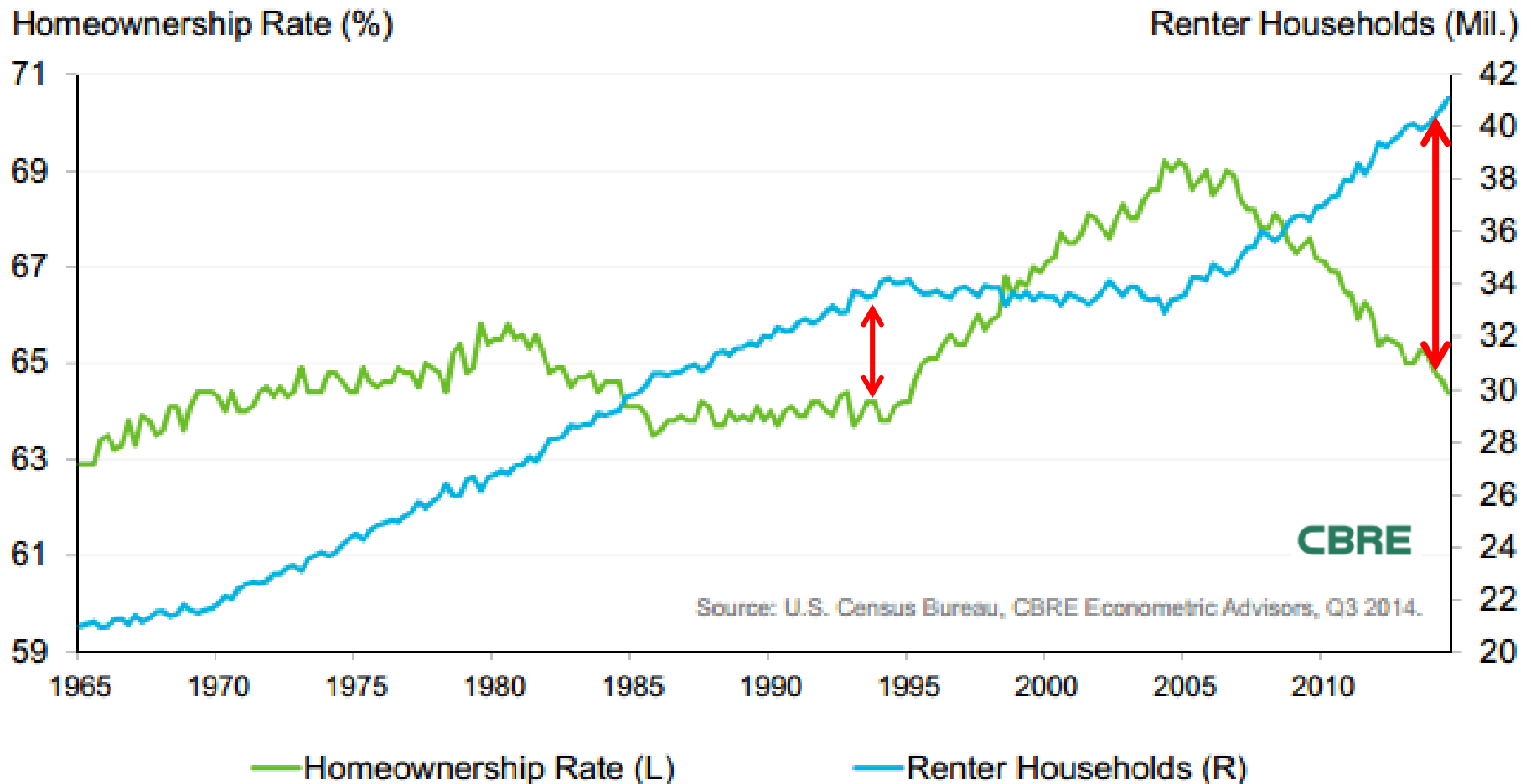
The Largest *Increase* in Renter Demographics is the Millennials

Change in Share of Households Renting 2004–2013:2 (Percentage points)



Tenure shift and demographics continue to support multifamily demand

U.S. Homeownership Rate and Renter Households



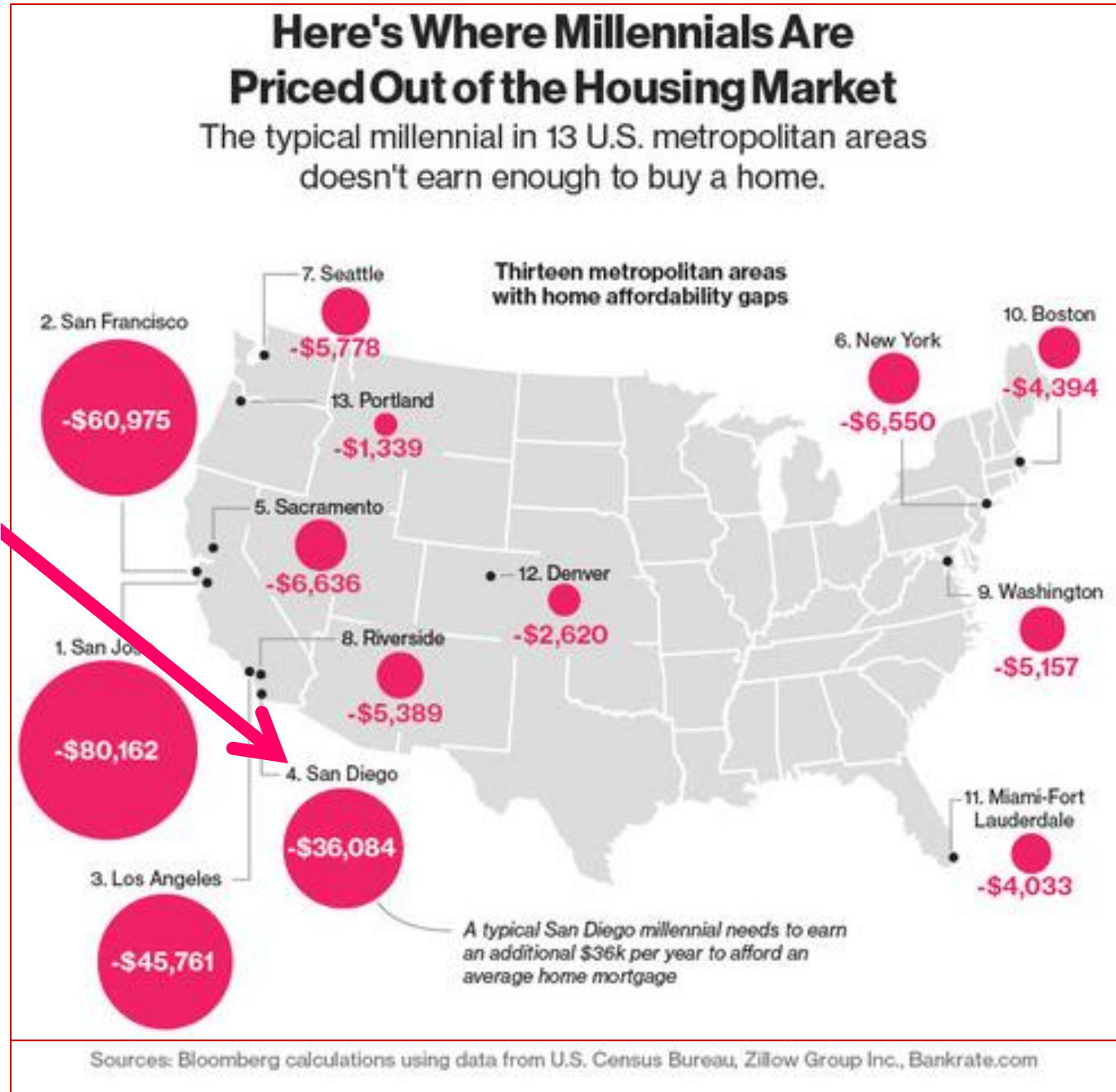
• Methodology:

- Fifty largest U.S. cities are ranked based on the **monetary gap** between the median earnings of millennials and the minimum earnings required to purchase a single family home for the given region.
- Home values, sourced from Zillow, are based on January to April 2015 monthly median values for detached single family homes within a given region.
- Millennials' earnings estimations are based on 2013 median earnings for workers ages 18 to 34 years old from the Census Bureau, assuming an escalation of 2 percent per year.
- The mortgage payment calculation assumed a standard 20 percent down payment and state-based monthly average of 30-year fixed rates in 2015, or jumbo rates if the home value was higher than \$417,000.
- Minimum salary required was the inferred amount, assuming one-third of the pre-tax income goes to mortgage payment.

Bloomberg Millennial Housing Affordability Index

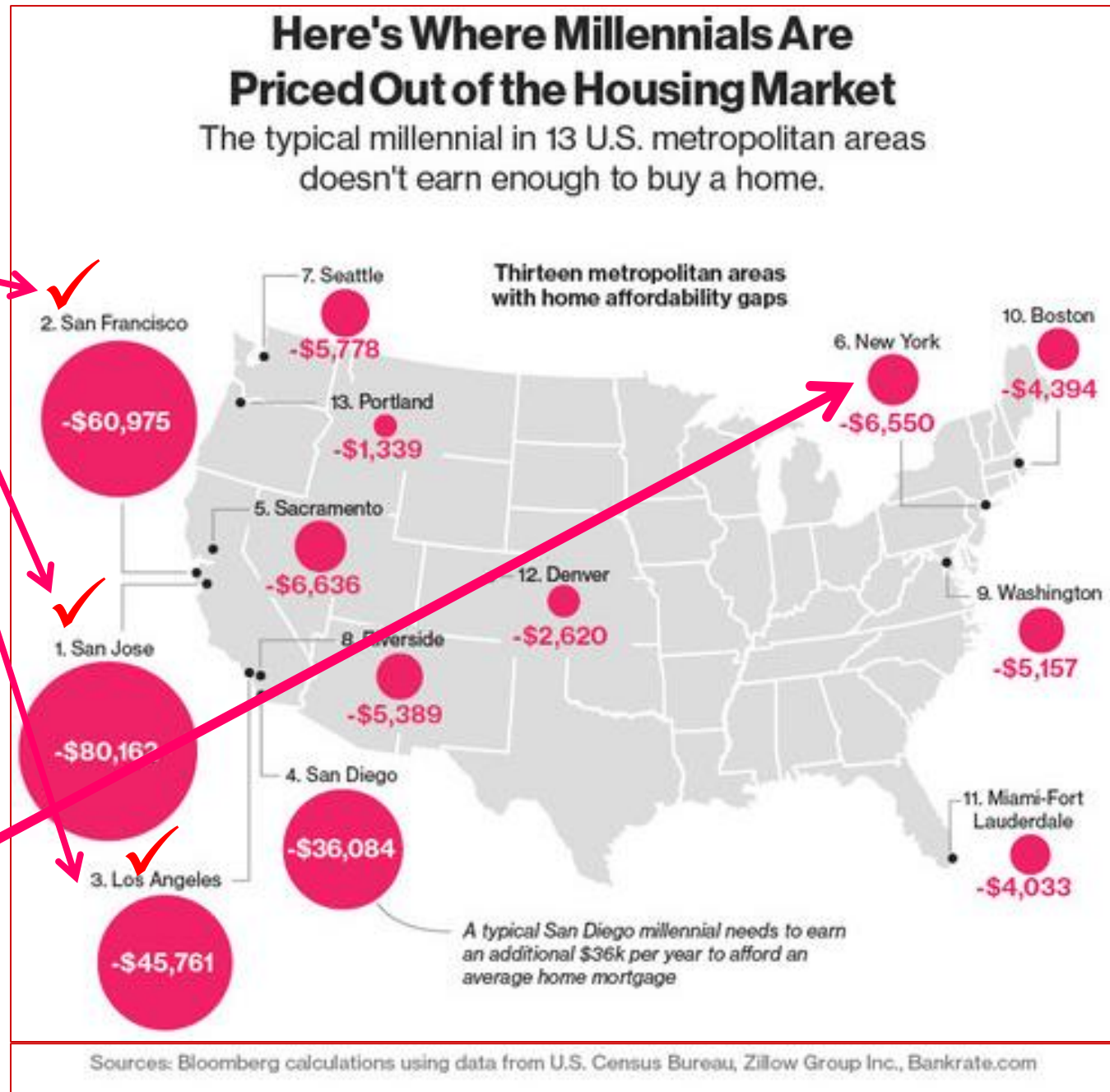
Rank	Metro area	Median home value	Median Millennial earnings	Min. salary required to purchase home	Earnings gap/surplus
1	San Jose, CA	\$924,825	\$53,215	\$133,377	-\$80,162
2	San Francisco, CA	764,925	49,342	110,317	-60,975
3	Los Angeles, CA	560,175	35,027	80,788	-45,761
4	San Diego, CA	509,800	37,439	73,523	-36,084
5	Sacramento, CA	341,050	38,908	45,544	-6,636
6	New York, NY	374,350	43,809	50,359	-6,550
7	Seattle, WA	360,450	42,830	48,608	-5,778
8	Riverside, CA	289,400	33,258	38,647	-5,389
9	Washington, DC	402,800	49,294	54,451	-5,157
10	Boston, MA	379,975	46,348	50,742	-4,394
11	Miami-Fort Lauderdale, FL	266,975	31,969	36,002	-4,033
12	Denver, CO	311,525	39,492	42,112	-2,620
13	Portland, OR	290,225	37,703	39,042	-1,339
14	Salt Lake City, UT	229,350	33,698	30,590	3,108
15	Virginia Beach, VA	217,650	33,654	29,030	4,624
16	Austin, TX	229,000	36,357	31,070	5,287
17	Providence, RI	235,450	37,697	31,519	6,178
18	Las Vegas, NV	205,425	34,488	27,635	6,853
19	Phoenix, AZ	213,250	35,790	28,547	7,243
20	Orlando, FL	180,125	31,938	24,290	7,648
21	Baltimore, MD	248,975	43,496	33,698	9,798
22	Nashville, TN	177,775	34,147	24,090	10,057
23	Milwaukee, WI	194,400	36,896	26,439	10,457
24	Philadelphia, PA	226,975	41,005	30,496	10,509
25	Raleigh, NC	200,300	38,298	27,176	11,122
26	Tampa, FL	159,800	33,138	21,549	11,589
27	New Orleans, LA	160,450	33,403	21,796	11,607
28	San Antonio, TX	147,825	31,935	20,056	11,879
29	Minneapolis-St Paul, MN	220,125	41,578	29,504	12,074

❑ The **Affordability Gap** is the difference between the median incomes for 18- to 34-year olds in each city and the minimum salary required to buy a home.



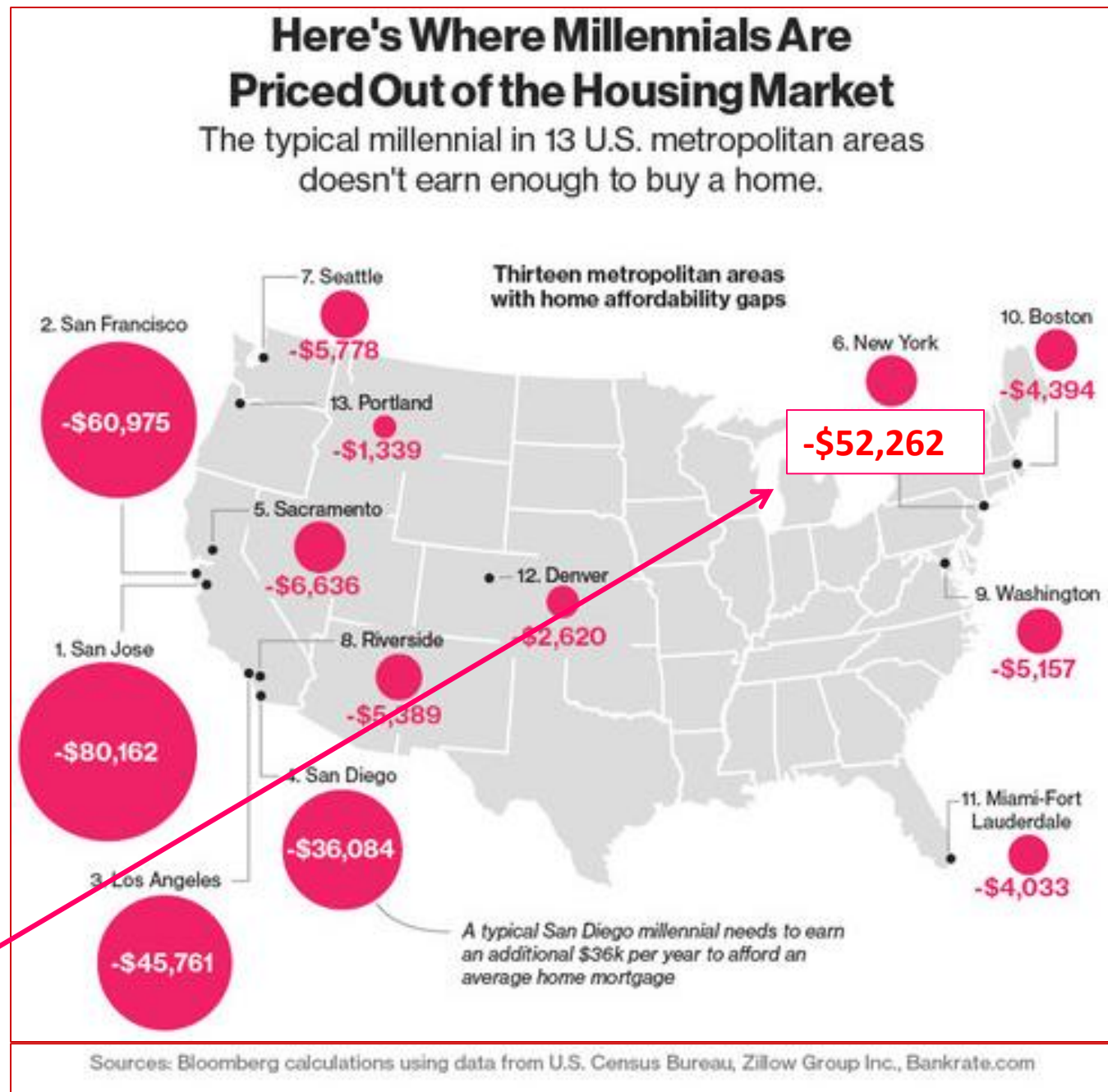
So what this map tells us is the following:

- ❑ The biggest disparities are on the West Coast. Take the three Californian hubs of San Francisco, San Jose (the heart of Silicon Valley), and Los Angeles – the typical young adult in those cities **doesn't even make half of what's needed** to afford a home...!
- ❑ That makes places such as New York, where millennials have an earnings gap of *just* <-\$6,550>, seem relatively affordable.



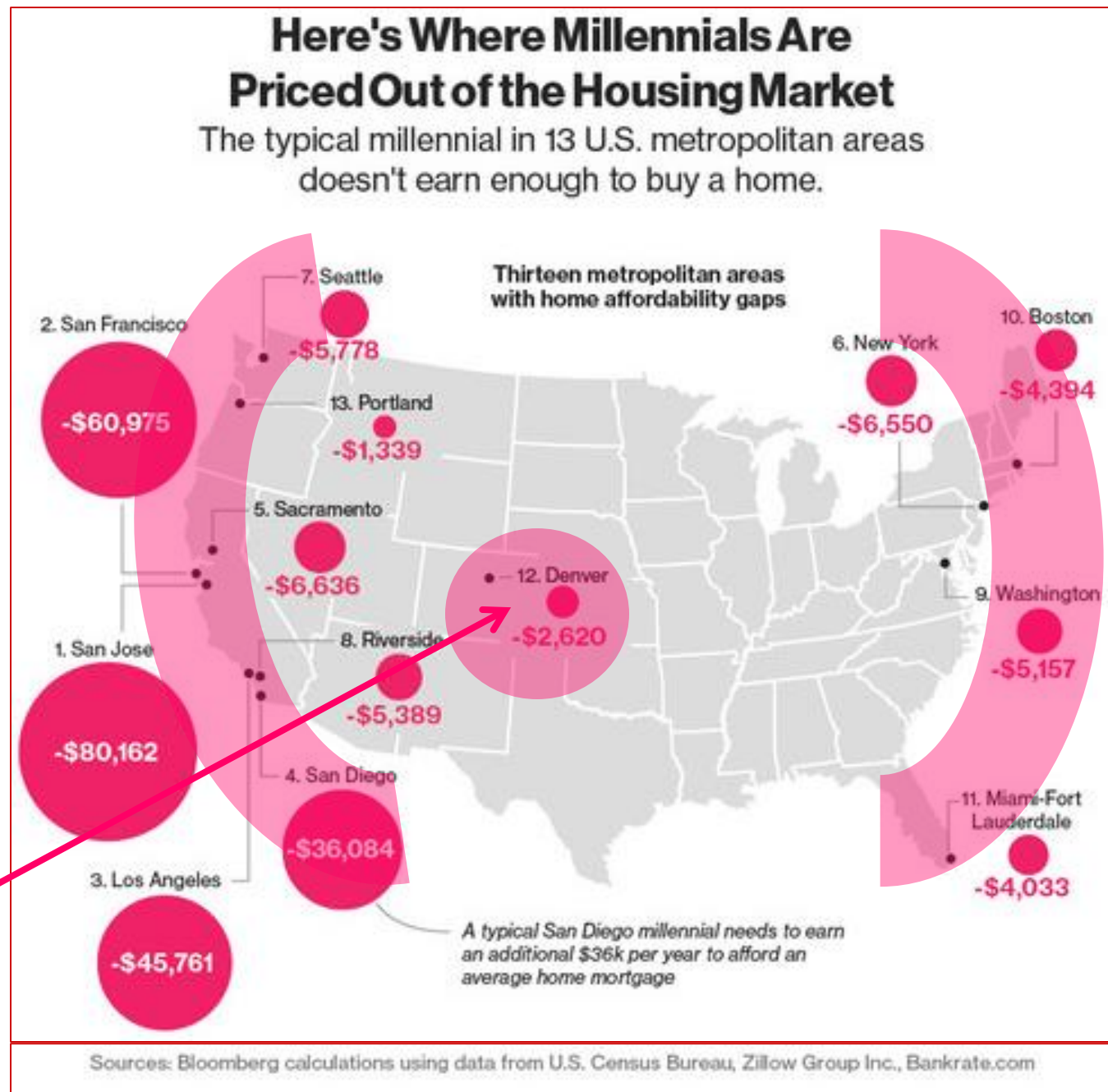
So what this map tells us is the following:

- ❑ But remember that New York's metropolitan statistical region includes places that are *outside* of the high-priced housing market in and around Manhattan, where \$374,350 (the median home value for the metro area) wouldn't even buy you a kitchen.
- ❑ Almost 80% of New York's millennials reside in *three* counties: New York County, Queens County, and Kings County, where Manhattan, Queens and Brooklyn respectively are located. Using the average median home value for just those three boroughs (\$749,596) and the 2015 estimated earnings for millennials living there (\$49,193), the affordability gap comes out to a **whopping <-\$52,262>**.
- ❑ But NYC and the East Coast are still “affordable” compared the West Coast



So what this map tells us is the following:

- Furthermore, Bloomberg's calculations for all MSA spots assume that millennials have already saved up the 20% down payment they'd need, which is a problem in itself. Families where the head of household was under 35 years old had a median net worth of just \$10,400 in 2013, according to the Federal Reserve's Survey of Consumer Finances.
- That means millennials living in unaffordable markets will be forced to shell out money for ever-increasing rents, instead of building equity. And this problem will not self-correct any time soon...
- Denver** – with an Affordability Gap of just <- \$2,620> looks like a bargain compared to every other city except for Portland and Salt Lake City.

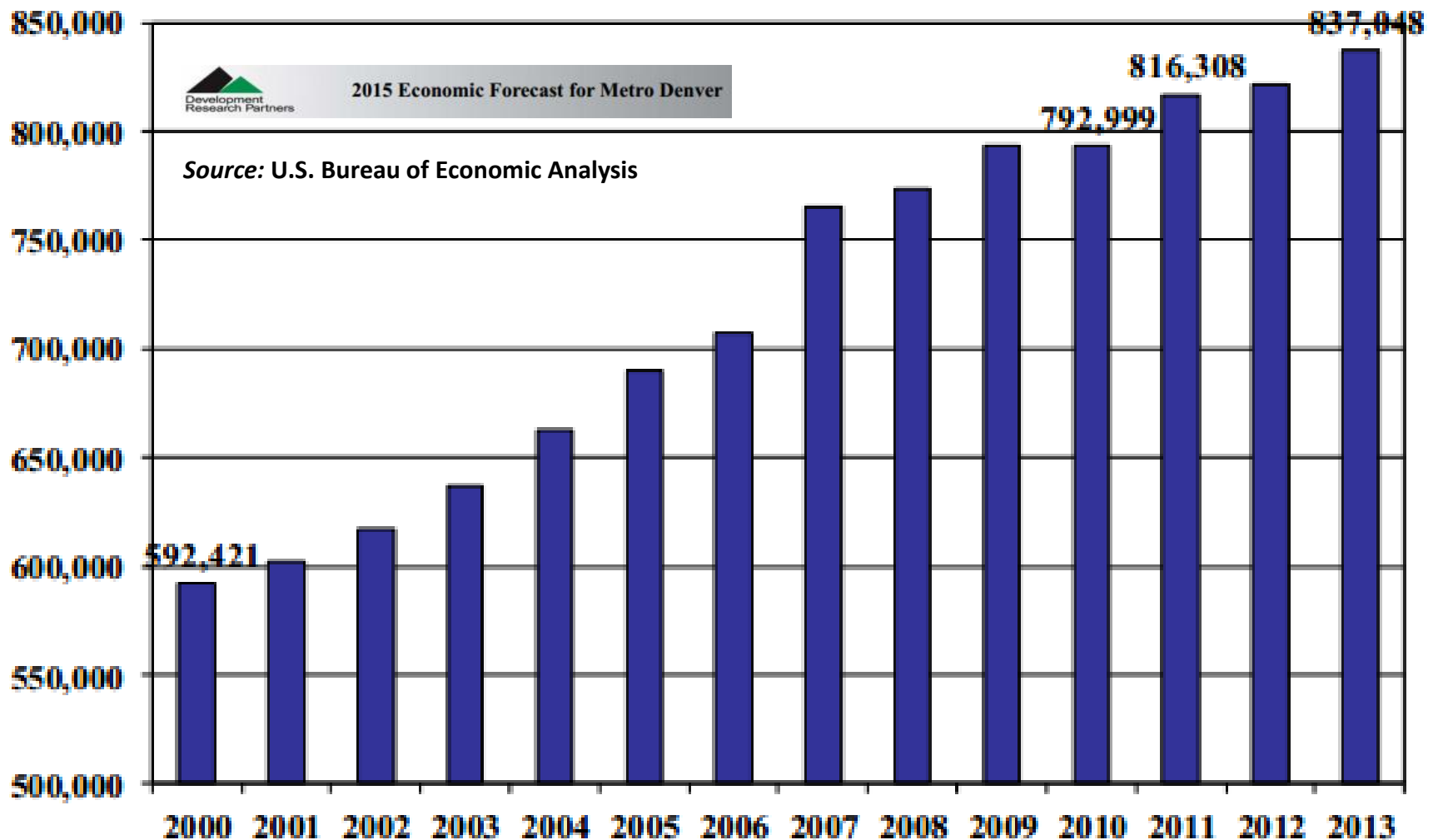




Proprietors Are A Significant Component of Employment

Proprietors Employment

25% of Colorado's Total Employment (US avg = 22%)



Millennials Have Lowest Credit Score of All Generations

- **Average score of 625 out of 850 (Experian)**
- **28% are ranked below 579**
- **The national average is 667**
- **650 for Generation X (aged 35 to 49) and 709 for baby boomers (aged 50 to 69)**
- **Millennials owe an average of \$52,000 in debt**
- **Have an estimated average income of \$34,430**
- **About 1/3 of millennials have never even applied for a credit card (NerdWallet)**
 - **That means they are not building credit and will have a hard time when they need a credit history.**
- **60% of younger renters report having insufficient assets to cover a 5% down payment plus closing costs on a typical starter home**

Millennials and Problems with Real Estate

- Homeownership rate, dropped to 64.8% in the first quarter, according to U.S. Census statistics. The rate was as high as 69.2% in the fourth quarter of 2004.
That's a 6% drop. (In Q4 2013 it was 65.2%)
- But for those younger than 35, the rate has fallen noticeably worse – **a 17% drop!** The homeownership rate for Millennials was as high as 43.6% in the second quarter of 2004, compared to 36.2% in the first quarter.
- The absence of young adults from the housing market continues to put a *big* dent in the residential real estate market.

Five Major Reasons Gen Y is a “No-Show” in Real Estate

- 1. Continued high un-employment**
- 2. Rising college enrollment**
- 3. Significant decrease in marriage**
- 4. Huge increase in alternative living arrangements: living with multiple, changing roommates for extended periods of time**
- 5. High, increasing debt (mostly from student loans)**



Reasons Gen Y is a “No-Show” in Real Estate

1. Kids moving back home to live with mom & dad – *true, but not as much as you think:*

- The share of young adults living at home with parents was fairly constant going from 32% in 1968 up to 36% in 2012

2. Alternative living arrangements

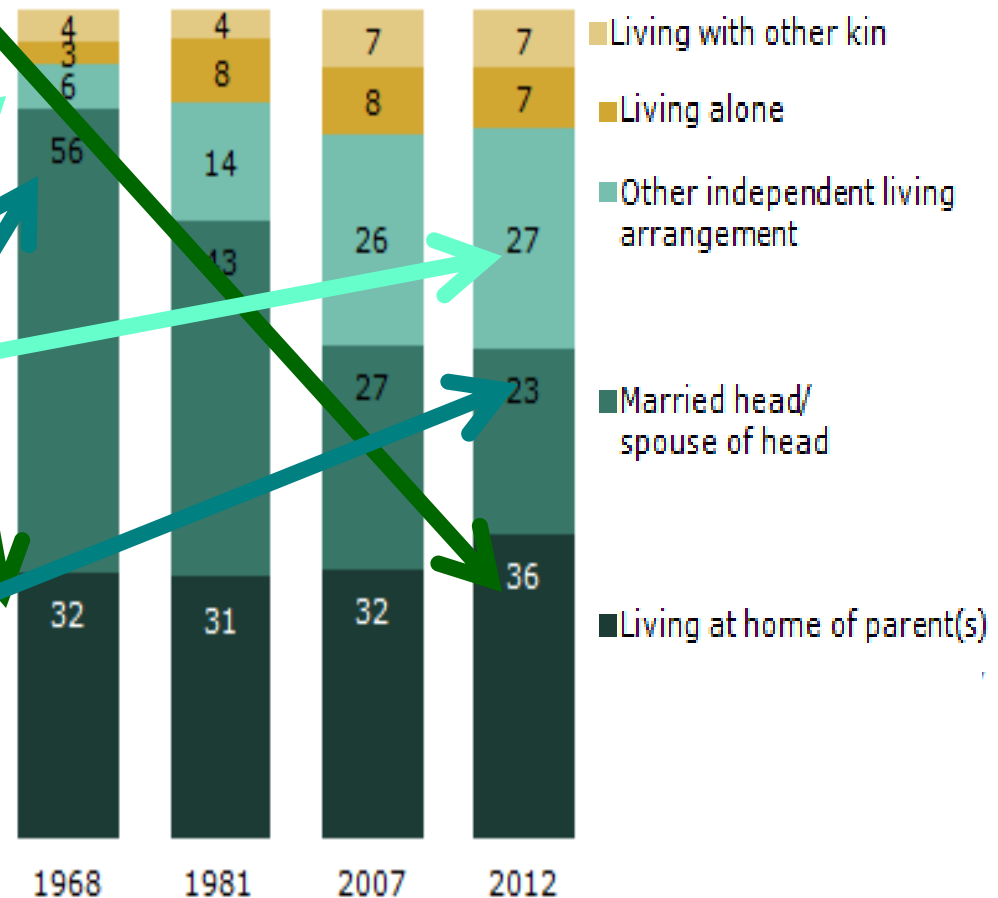
- Multiple changing roommates
- Increased 4-fold...!

3. Declining marriage:

- Decrease of 60%
- Married living with a spouse fell from 56% in 1968 to 23% in 2012

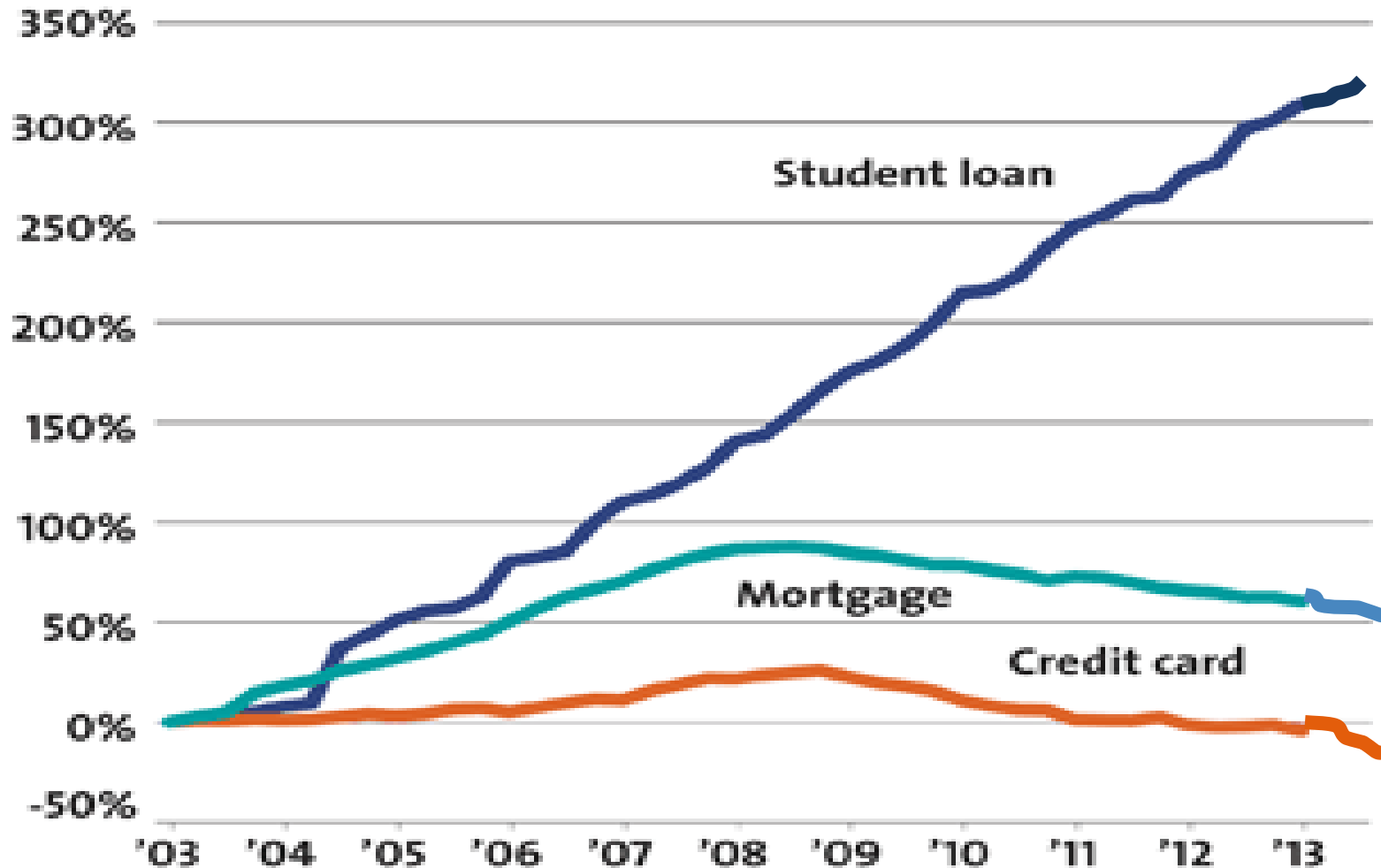
Living Arrangements of Young Adults, 1968-2012

% of adults ages 18 to 31 in each arrangement



Millenials Biggest Problem...

Change in total amount of debt since 2003



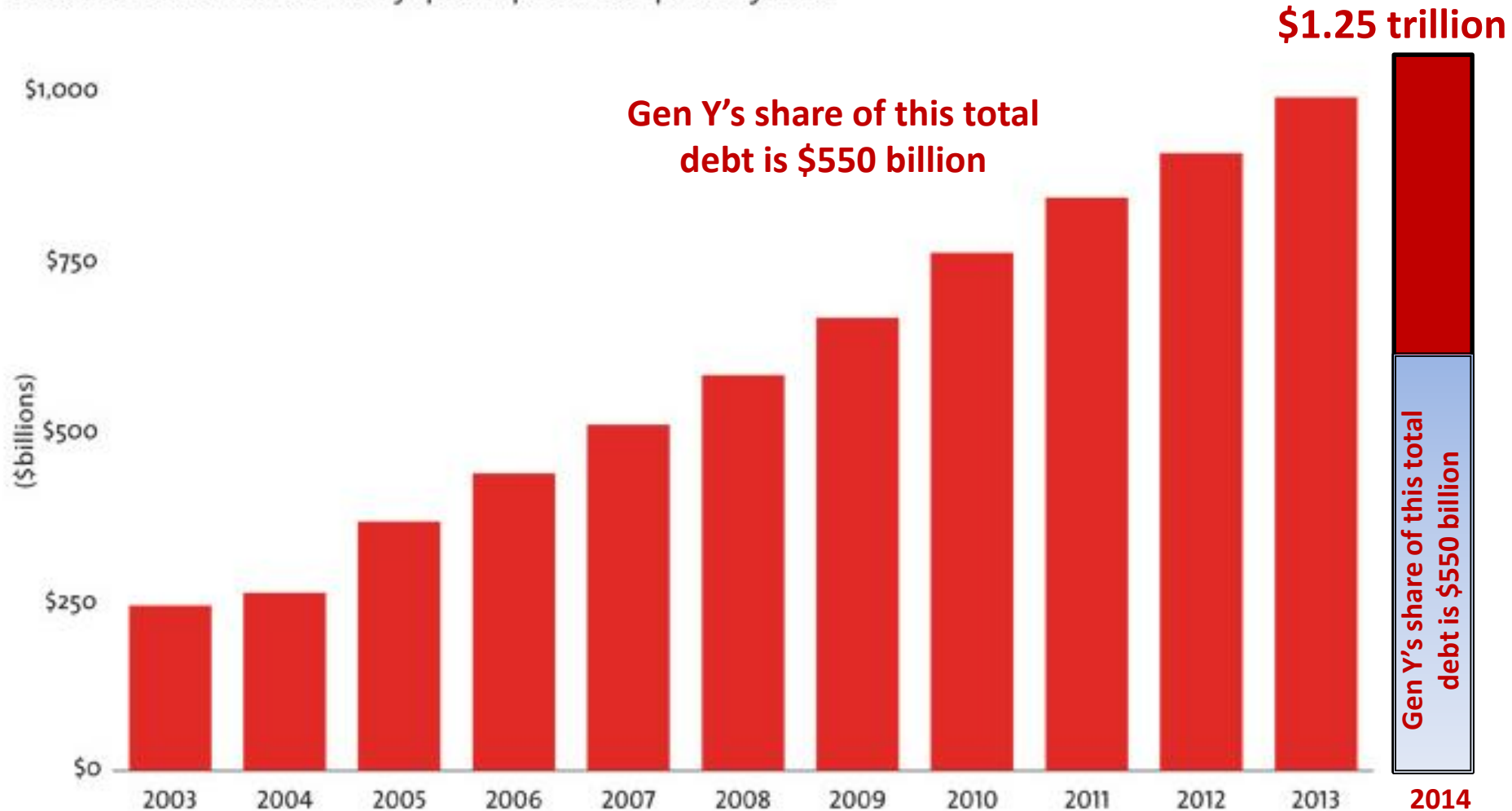
Source: Federal Reserve Bank of New York

Student Loan Debt (SLD)

Big Debt on Campus

Source: Federal Reserve Bank of New York

Student loan debt has nearly quadrupled in the past 10 years.

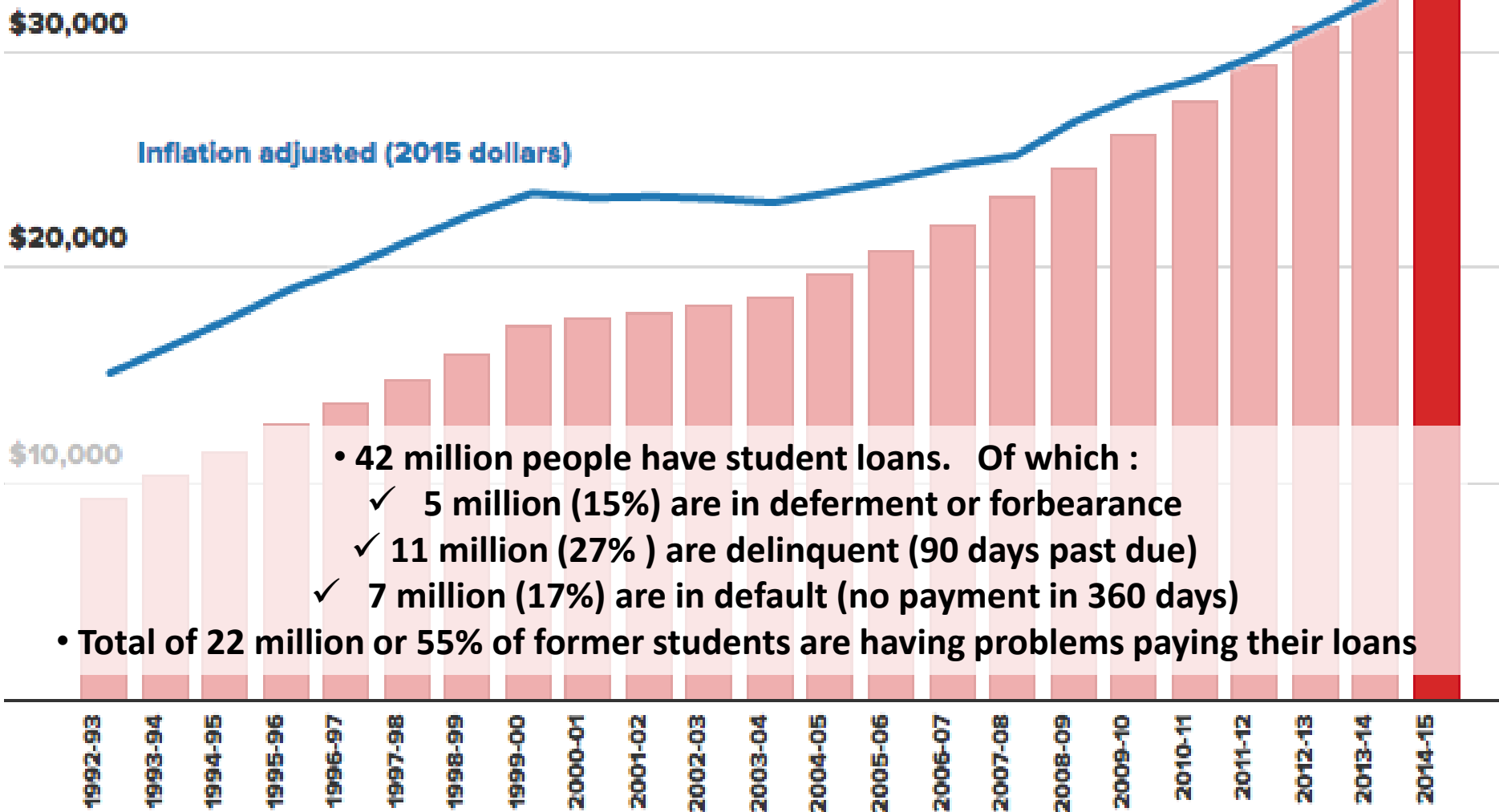


Average Debt per Student*

* Debt includes federal and private education loans

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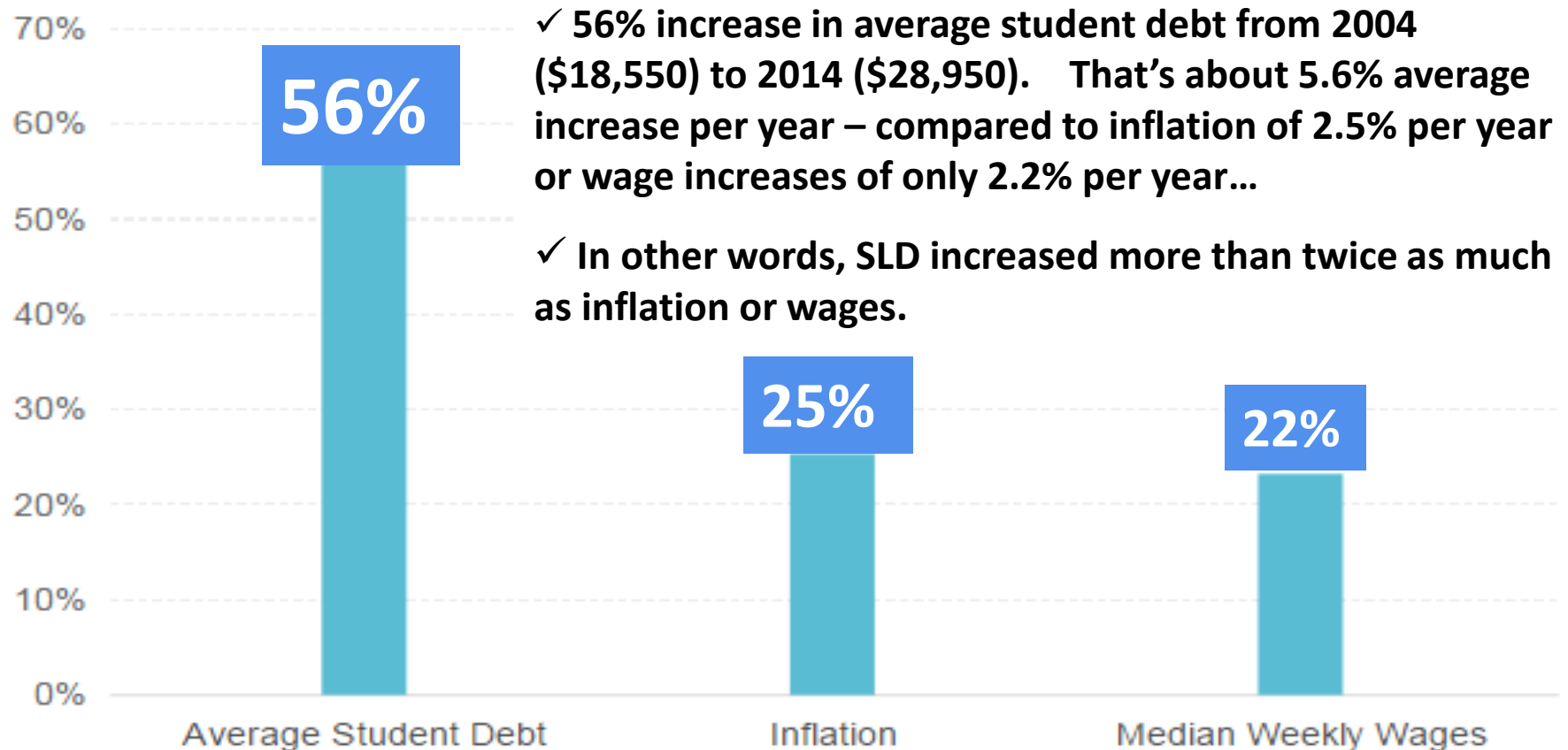
Source: Mark Kantrowitz, Edvisors.com



Student Loan Debt (SLD)

Ten-year change in student debt versus inflation and wages

Change between 2004 and 2014 in average cumulative debt for Bachelor's Degree recipients at public and nonprofit four-year colleges, CPI of all urban consumers, and median usual weekly earnings of employed full time wage and salary workers



Sources: [The Institute for College Access & Success](#) | [Bureau of Labor Statistics](#).

Summary of Gen Y - Millennials and Their Impact

- Millennials are moving to CO in droves – but they can't afford to buy a home (the Affordability Gap)
 - Even though Denver has the smallest Affordability Gap than any other city (except for SLC)
- Millennials are not currently a significant factor in the single-family residential market
 - But give them 5 to 10 years (hopefully)
- Millennials *are* however driving the multi-family market: (1) Rising rents, & (2) Lots of construction (perhaps at the sacrifice of SF Homes)
- Millennials are driving the retail and office markets in commercial real estate

Tax “Reform”

Impact on 1031 Exchanges

1. Tax “Reform” involves more than just 1031’s

2. Home mortgage interest deduction

- *If eliminated NAR estimates home prices will decline more than 15%*

3. Personal home sale exclusion (§121)

- *If eliminated a potential loss of \$245 billion of GDP according to Tax Foundation*

4. Stepped-up basis upon owner’s death (§1014a)

- *Although subject to a \$200,000 maximum exclusion, without a step-up in basis, many people and their heirs will be subject to both capital gains taxes and the estate or inheritance taxes.*

5. Increase in the capital gains tax rate from 20% to 28% for high-income households

- *The 3.8% Medicare surtax or Net Investment Income Tax (Section 1411) must be added to the 28% – **the effective capital gains tax rate is really 31.8%***
- *For real estate investments the combined effective capital gains tax goes from **30%** to 40%*

Tax “Reform” – Elimination of §1031 Exchanges

“ 45% of all commercial real estate transactions are 1031 exchanges ”

– CCIM, NAIOP, PwC

“ 20% of all residential investment transactions are 1031 exchanges ”

– NAR

1. Tax “Reform” involves more than just 1031’s

2. Home mortgage interest deduction

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IPX1031[®] Take Action

Here's a preview of your letters to Congress. Review and send below.

[Edit letter](#)

January 28, 2015

Dear Representative Issa:
Dear Senator Boxer:
Dear Senator Feinstein:

As a voter in your district and state, I urge you to oppose the proposals to eliminate 1031 Like-Kind Exchanges and to support the retention of IRC 1031 in the law's present form. Section 1031 is a valuable tax planning tool that provides a powerful engine to the US economy. Like-kind exchanges promote transactional activity that results in job creation and taxable income that fuels other businesses.

Repeal of section 1031 will cause a decline in real estate values as investors will be motivated to hold on to properties and to invest in more liquid, non-real estate investments with faster returns. The unintended consequence could be similar to implementation of the 1986 tax reform modifications that resulted in a recession.

Like-kind exchanges contribute to the velocity of the economy by stimulating a broad spectrum of real estate transactions, and encouraging taxpayers to replace and upgrade machinery and equipment, thus stimulating purchases, sales, and manufacturing of machinery, equipment, vehicles and other assets. Section 1031 is used widely by individuals and businesses at all levels.

The transactional activity stimulated by section 1031 results in jobs in the real estate, construction, financial services, vehicle and equipment leasing, manufacturing, and other industries. Fewer transactions ultimately result in fewer jobs in these industries and in local small businesses that generate revenue from the after tax dollars of employed workers. Since domestic real estate and assets used predominantly within the United States cannot be exchanged for foreign based real estate and assets, section 1031 directly stimulates reinvestment in US communities and businesses, promoting job growth within our own borders.

Thank you for your time and consideration regarding this matter.
Respectfully,

[Send Letters](#)



Send a Message to Congress

take-action.ipx1031.com/15473/send-message-to-congress/

Apps Imported From IE N Ninite - Install or Up...

1031 Tax Reform Updates

Tax Reform Proposals Learn More News 1031 Supporters **Take Action**

www.ipx1031.com/action

Thank you for taking the time to tell your elected representatives NOT to support a repeal or limitation of section 1031 as proposed in both the House and Senate. Section 1031 has been a vital tax policy since 1921 and brings immense benefit to our economy and economic wellbeing.

Please take a few minutes to send a message to your elected officials. Your voice is needed to preserve 1031 Exchanges.

We have created a simple template letter which outlines important key points. Please customize and stress the importance of keeping this tax policy.

First, Enter Your Zip Code

Zip Code: **Submit**

wwwnew.ipx1031.com/tax-reform-proposals-house/

2:57 PM 11/13/2014

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877-775-1031

*Investment Property
Exchange Services, Inc.*

1031

Tax Deferred Exchange Solutions Nationwide

- <http://www.realtor.org/field-guides/field-guide-to-millennial-home-buyers>
- <http://www.marketwatch.com/story/millennials-distrust-or-ignore-credit-cards-2015-04-15>
- https://www.whitehouse.gov/sites/default/files/docs/millennials_report.pdf
- <http://www.mediapost.com/publications/article/237314/5-ways-millennials-are-redefining-ownership-cultur.html>
- <http://bizmology.hoovers.com/millennial-characteristics-mindset>
- <http://fortune.com/2015/08/18/young-people-can-afford-homes-they-just-dont-want-to-be-homeowners/>
- <http://www.realtor.org/sites/default/files/reports/2014/2014-home-buyer-and-seller-generational-trends-report-full.pdf>
- <http://money.usnews.com/money/personal-finance/articles/2015/02/27/how-millennials-are-transforming-the-homebuying-process>
- <http://www.inman.com/2015/10/13/infographic-what-the-real-estate-industry-needs-to-know-about-millennials/>
- <http://www.bloomberg.com/news/articles/2015-02-20/real-estate-agents-are-desperate-to-understand-millennial-homebuyers>
- <http://time.com/money/3972572/buying-house-millennials-delay/>
- <https://www.stlouisfed.org/household-financial-stability/the-demographics-of-wealth/essay-3-age-birth-year-and-wealth>
- <https://www.stlouisfed.org/~media/Files/PDFs/HFS/essays/HFS-Essay-3-2015-Age-Birth-year-Wealth.pdf>
- <http://urbanland.uli.org/economy-markets-trends/evolving-housing-preferences-millennials/>

- <http://fusion.net/story/41833/wealth-gap-calculator-are-you-in-the-millennial-one-percent/>
- <http://www.forbes.com/sites/billgreiner/2015/02/25/how-a-lack-of-income-for-millennials-effects-household-formation/>
- http://www.slate.com/blogs/moneybox/2014/12/08/broke_millennials_the_decline_of_young_adult_incomes_since_the_recession.html
- <http://www.businessinsider.com/the-average-salary-of-millennials-2015-3>
- <http://www.goldmansachs.com/our-thinking/pages/millennials/>
- <http://blogs.wsj.com/economics/2014/09/04/it-only-takes-10400-to-be-richer-than-most-millennials/>
- <http://www.millennialmarketing.com/2013/07/new-research-the-millennial-generation-becomes-parents/>
- https://www.whitehouse.gov/sites/default/files/docs/millennials_report.pdf
- <http://www.leadscon.com/18-statistics-that-marketers-need-to-know-about-millennials/>
- <http://fortune.com/2014/07/08/millennial-employment/>
- <http://www.marketingcharts.com/traditional/demographic-stats-about-us-millennials-40016/>

Student Loan Debt (SLD)

Approximate amount of
outstanding student loan debt:

\$1.2 trillion

Average outstanding
balance for a borrower
with student debt

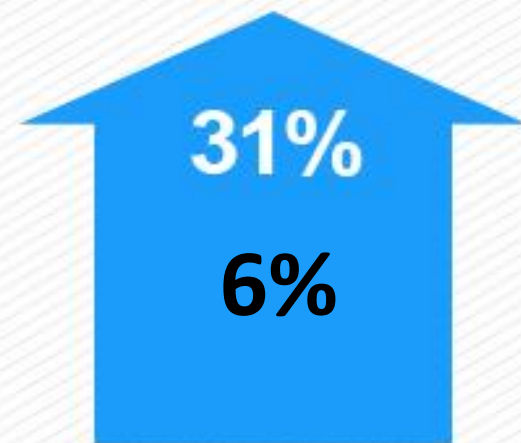


Borrowers with more than
\$50,000 in student debt

1 in 8



But looking at it over the
last decade, 2004 to 2014:
only about a 6% increase



U3 vs. U6 Measures of Unemployment

Macrotrends

- **U3:** Official unemployment rate (*includes people who worked as little as one hour per week*)
- **U6:** Is unemployed (U3) + discouraged workers + part time workers who want to work full time, but cannot due to economic reasons
- So...U6 is a better, *more comprehensive* measure of true unemployment

Real unemployment (U6) is 9.8%... which is double the 'official' widely reported rate (U3) of 5.0%

**9.8%
U6**

~ 18 million

U-6: 9.8%

Official: 5.0%

**U3
5.0%**

~ 9 million

Oct 2015

— Unemployment Rate (Official)

— Unemployment Rate (U-5)

— Unemployment Rate (U-6)

1995

2000

2005

2010

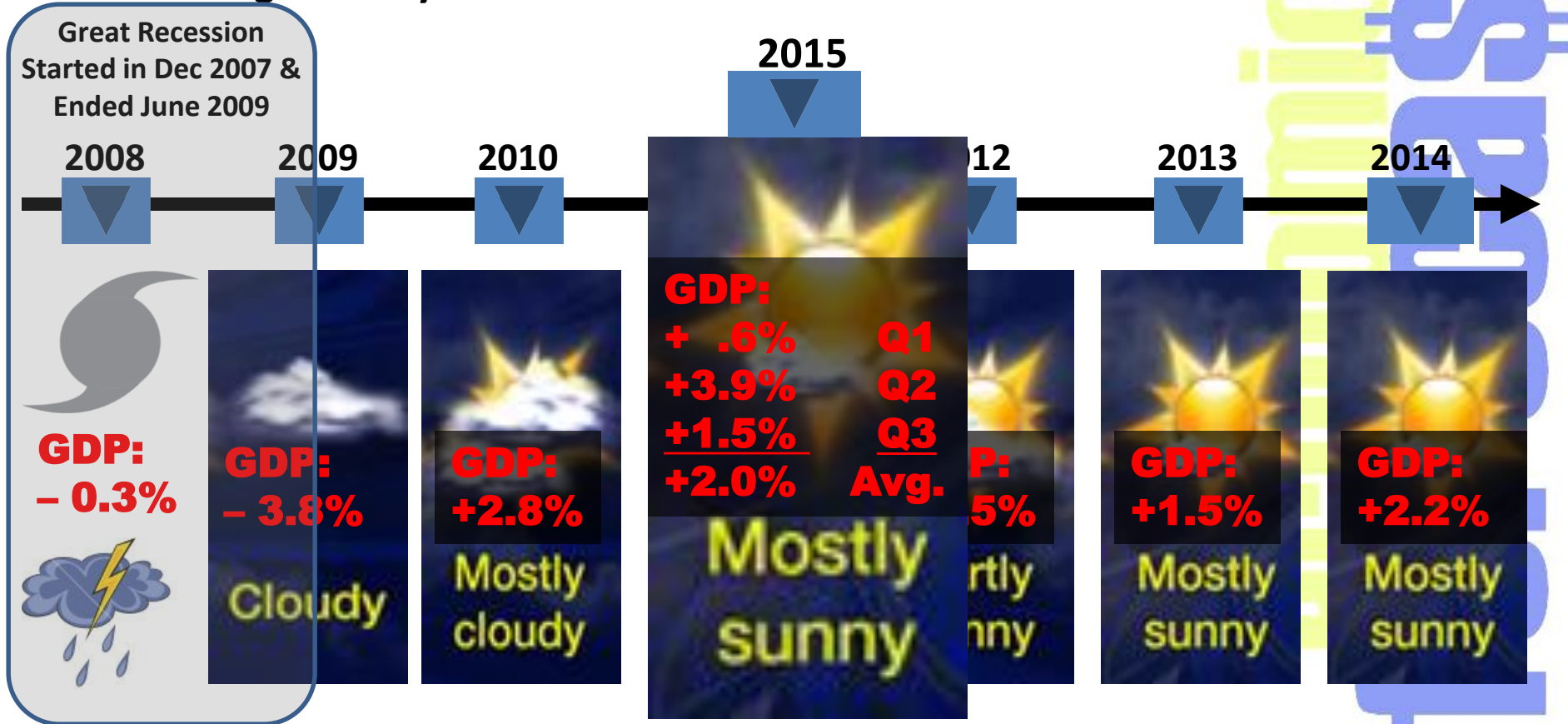
The Federal Reserve's *Three* Main Goals

1. Inflation low & steady
2. Full employment
3. Growing Economy

for
the
economy

Since the Great Recession Almost 7 Years Ago – the Economy has Improved – But Like the Weather Its Been Uneven

- ✓ 30 Year historical average for the U.S. is 3 ½ % to 4%
- ✓ Current administration's 6 ½ year growth rate has averaged a little over 1 ¾ %...
- ✓ Even excluding the *negative* 3.8% of 2009, the most recent five years produced an average of only a little over 2%...



Weak GDP Growth Hurts People and Business

- So the U.S. economy has been lagging behind what it could – *or should* – have been doing... Current GDP is below ***potential*** GDP
- We have been **missing out on about 2% to 3% of GDP** growth per year for the last several years
- That works out to be about **\$325 billion to \$500 billion of missed growth** opportunity each year for the last 6 years
- That's a **total of about \$1.9 trillion to \$3 trillion dollars** of GDP growth that we missed out on

Federal Government Debt

Put this in perspective – the federal government owes more than the *ENTIRE* economy produces in one year:

Debt of \$18.3 trillion > U.S. GDP of \$17.9 trillion

**Today: \$18.3 Trillion
Federal Gross Debt**



Investment Property Exchange Services, Inc.

Denver & Colorado Price Increases are Awesome

- For 2014 Denver was **5th** in the nation for price increases...
- And Denver was **#1** in the nation for every month since January with a year-over-year increase of **10% +**
- For the entire **state** of Colorado August's year-over-year increase in home prices was **10.9%**

Best
Economic
Forecast
for
2014

Gen Y

Born 1980-1995

Ages 35 and younger



economic
forecast

Millennials and Problems with Real Estate

- Millennials have the lowest credit scores of any demographic cohort, according to a report by Experian.
- The unemployment rate for 18-to-29-year-olds was 9.1% in April, which rises to 15.5% if you include those who have given up looking for work (U6 measurement)
- 60% of younger renters report having insufficient assets to cover a 5% down payment plus closing costs on a typical starter home.



Things Affecting the U.S. Economy

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