

WELCOME TO THE MINNEAPOLIS FED



FEDERAL RESERVE BANK
OF MINNEAPOLIS

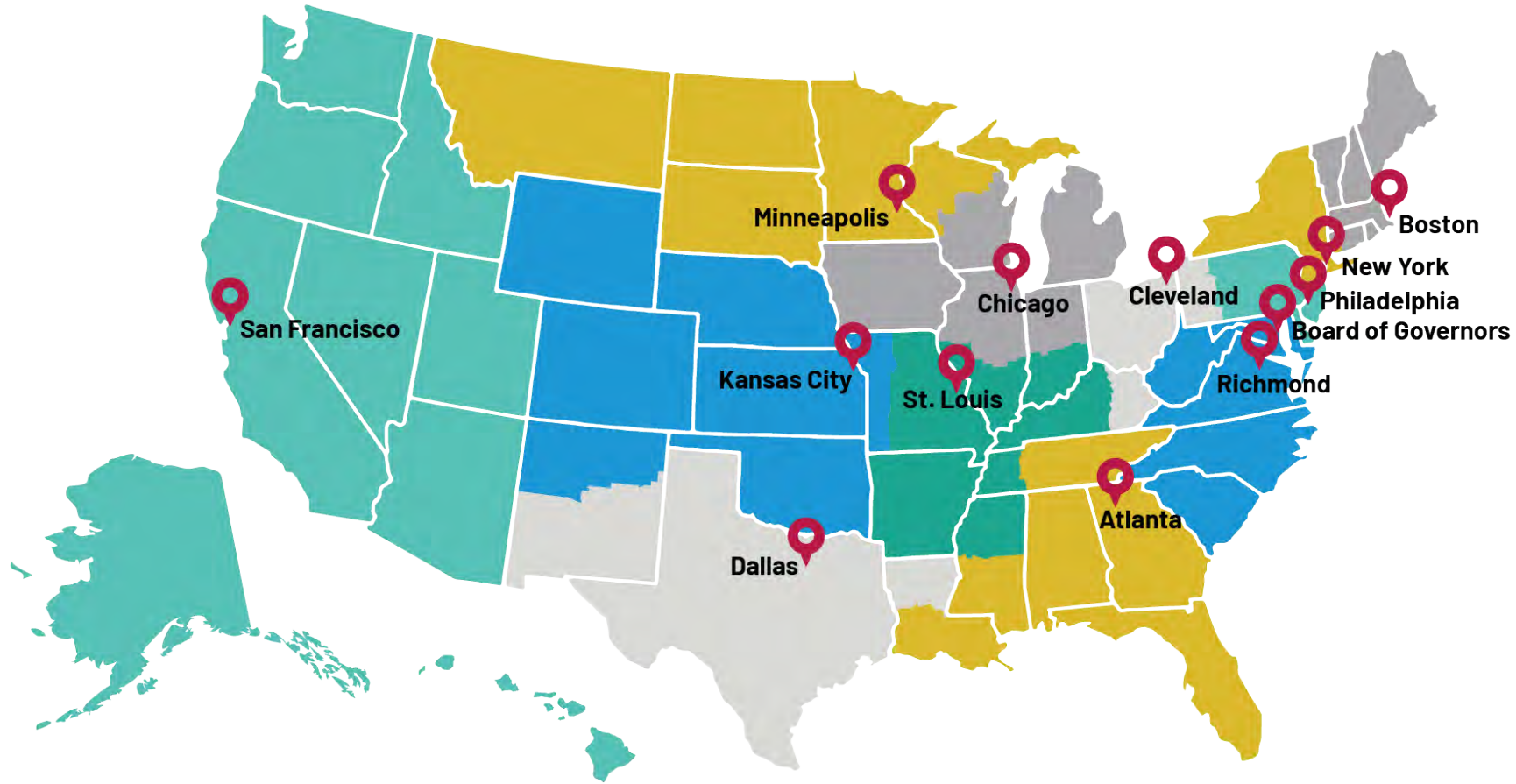


DISCLAIMER

The views expressed here are the presenters' and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.



FEDERAL RESERVE BANK OF MINNEAPOLIS



The Federal Reserve Bank of Minneapolis serves the public by pursuing a growing economy and stable financial system that work for all of us.



FEDERAL RESERVE BANK OF MINNEAPOLIS

COMMUNITY DEVELOPMENT

Community development is one of the Federal Reserve's **core functions** as the central bank of the United States.

Community development work fosters **access to credit, investment, and financial services in low- and moderate-income communities**, and promotes a better understanding of their economic conditions so that people in every community have opportunities to participate in the economy and prosper.



Rich/Adobe Stock



FEDERAL RESERVE BANK OF MINNEAPOLIS

COMMUNITY DEVELOPMENT AT THE MINNEAPOLIS FED

The Community Development and Engagement team advances the economic well-being of low- to moderate-income individuals, households, and communities through **policy analysis**, **applied research**, and **convenings** that inform public policy discussions.

We work closely with **policymakers**, **practitioners**, and **community leaders** to provide research-based insights and engage a variety of perspectives that can inform their decision-making.



Housing affordability is one of our focus areas: We conduct research, convene experts, and engage our community to better understand housing affordability in our region.



FEDERAL RESERVE BANK OF MINNEAPOLIS

INTRODUCING THE HPOP: HOW OUR NEW HOMEOWNERSHIP MEASURE PUTS PEOPLE FIRST

September 28, 2026

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Senior Economist, Community Development and Engagement



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WHAT SHARE OF AMERICANS OWN THEIR HOME?

- “That system is why we have a huge homeownership rate. About two-thirds of Americans own their home...” (Conor Dougherty, NYT, The Daily Podcast, Nov 17, 2025)
- “About two-thirds of Americans own their home” (ChatGPT response to “What share of Americans own their home?”)
- “Roughly two-thirds of Americans own the home they live in, as of the first quarter of 2025” (Redfin, June 5, 2025)
- “Homeownership has fallen to its lowest level since before the COVID-19 pandemic, with just 65.1% of Americans owning a home in the first quarter of 2025” (realtor.com, April 29, 2025)



WHAT SHARE OF AMERICANS OWN THEIR HOME?

- Our new measure: the homeowners-to-population ratio (HPOP) answers this question.



WHAT SHARE OF AMERICANS OWN THEIR HOME?

The “owner-occupancy rate” is the traditional homeownership measure, based on *housing units or households*:

$$\frac{\text{owner} - \text{occupied housing units}}{\text{all occupied housing units}}$$

- Let’s walk through an example:



AN EXAMPLE NEIGHBORHOOD: OWNER-OCCUPANCY

Picturing a new approach for measuring the homeownership rate

HOUSING UNIT

- 1 Couple owns the home, woman's parents live with them
- 2 Couple owns the home, recent college graduate son lives with them
- 3 Man owns the home, friend lives with him
- 4 Couple owns the home, young children live with them
- 5 Three roommates rent the home, owner lives elsewhere

Traditional: Owner occupancy

Share of occupied housing units where the owner is a resident

- Housing unit includes a homeowner
- Housing unit does not include a homeowner



80% homeownership rate

4 out of 5 housing units contain a homeowner



WHAT SHARE OF AMERICANS OWN THEIR HOME?

The homeowners-to-population ratio (HPOP) is based on *people*:

$$\frac{\text{adults who own their home}}{\text{all adults}}$$



AN EXAMPLE NEIGHBORHOOD: HPOP

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New: HPOP (homeowners-to-population ratio)

Share of the adult population that owns their home

- Adults who are homeowners
- Adults who are not homeowners



50% homeownership rate

7 out of 14 adults are homeowners



WHAT SHARE OF AMERICANS OWN THEIR HOME?

The homeowners-to-population ratio (HPOP) is based on *people*:

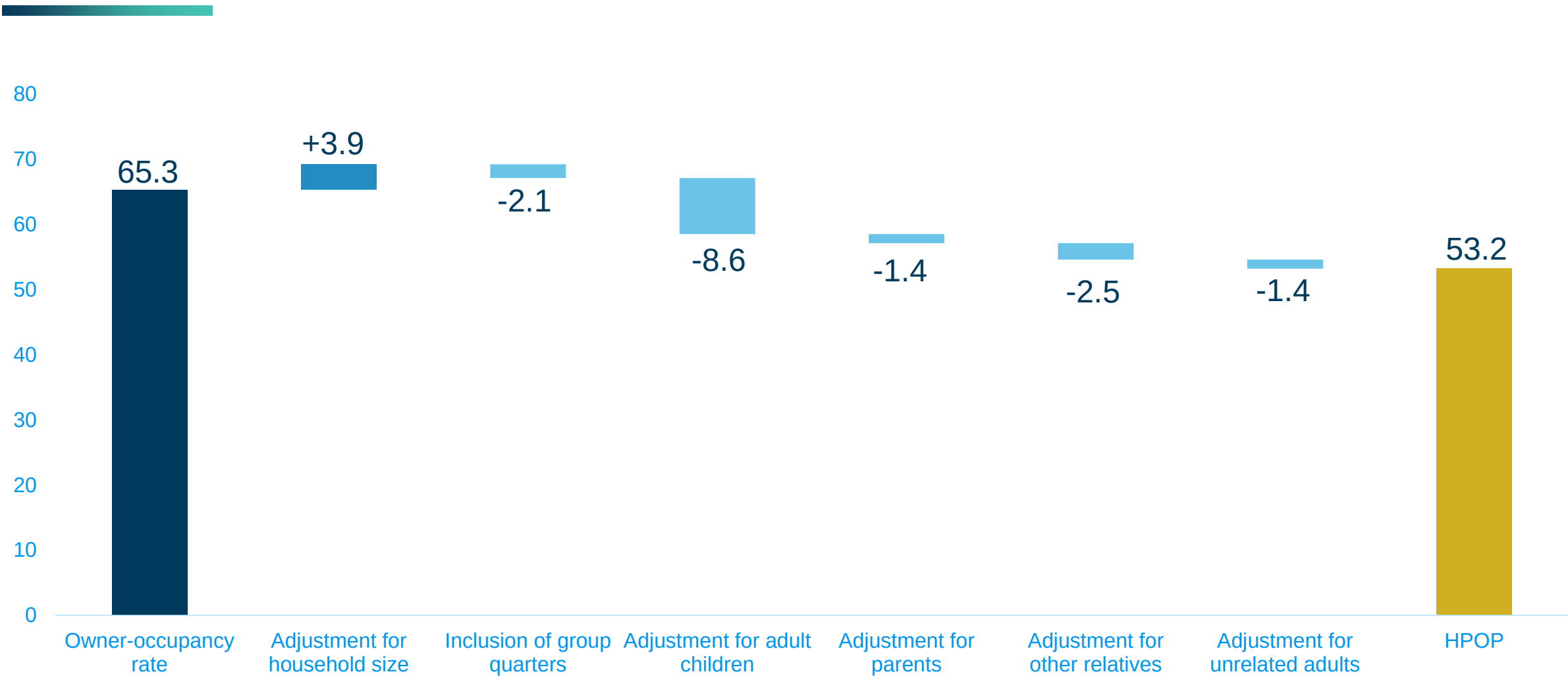
$$\frac{\text{adults who own their home}}{\text{all adults}}$$

Details of calculation:

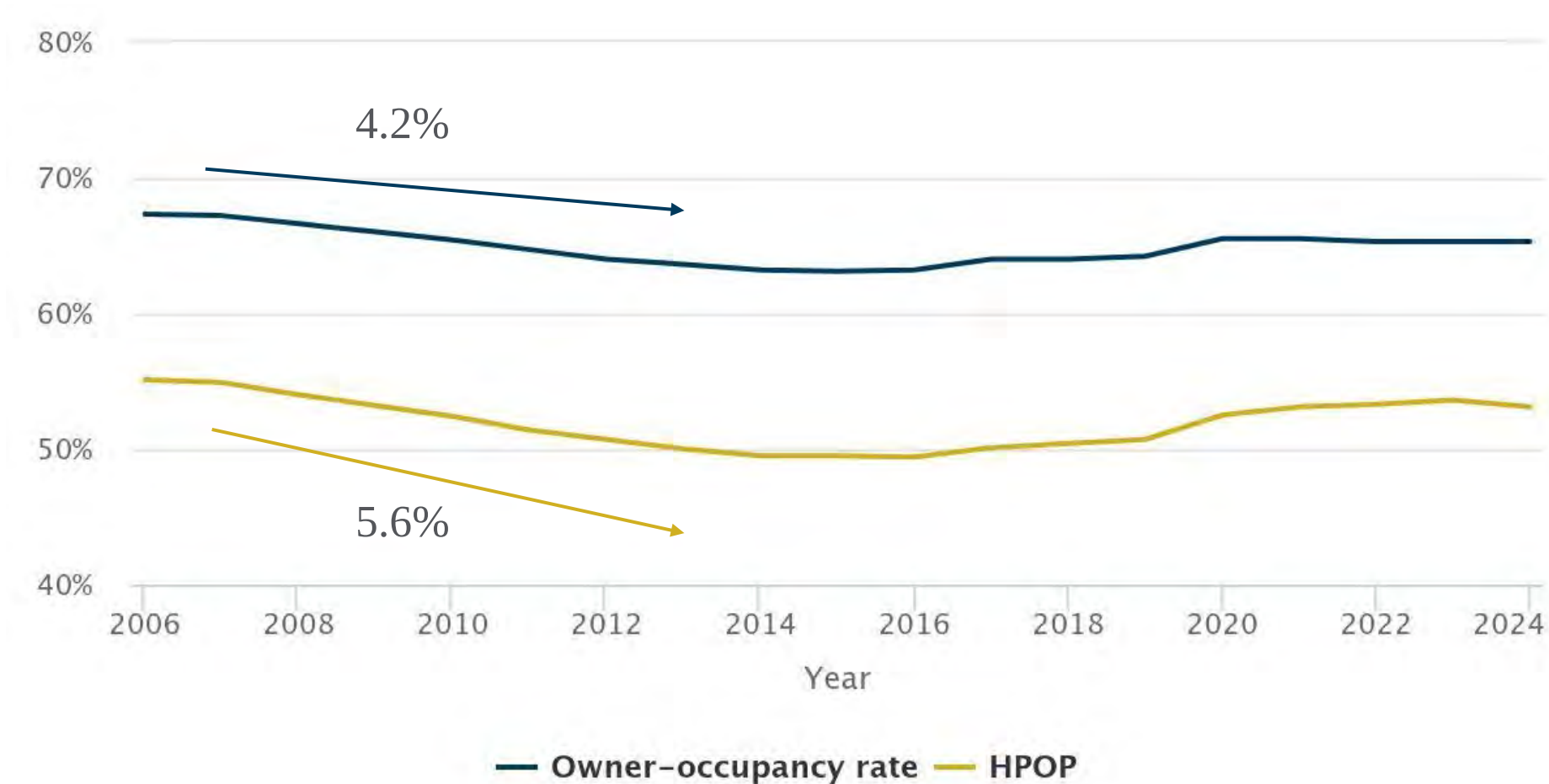
- Owner-occupancy directly reported at the household level—**Assume** reference person is owner, other **assumed** owners include spouses, unmarried partners
- Non-owners: all other adults (18+) living in owner-occupied homes, renters, group quarters
- Using American Community Survey (ACS) data



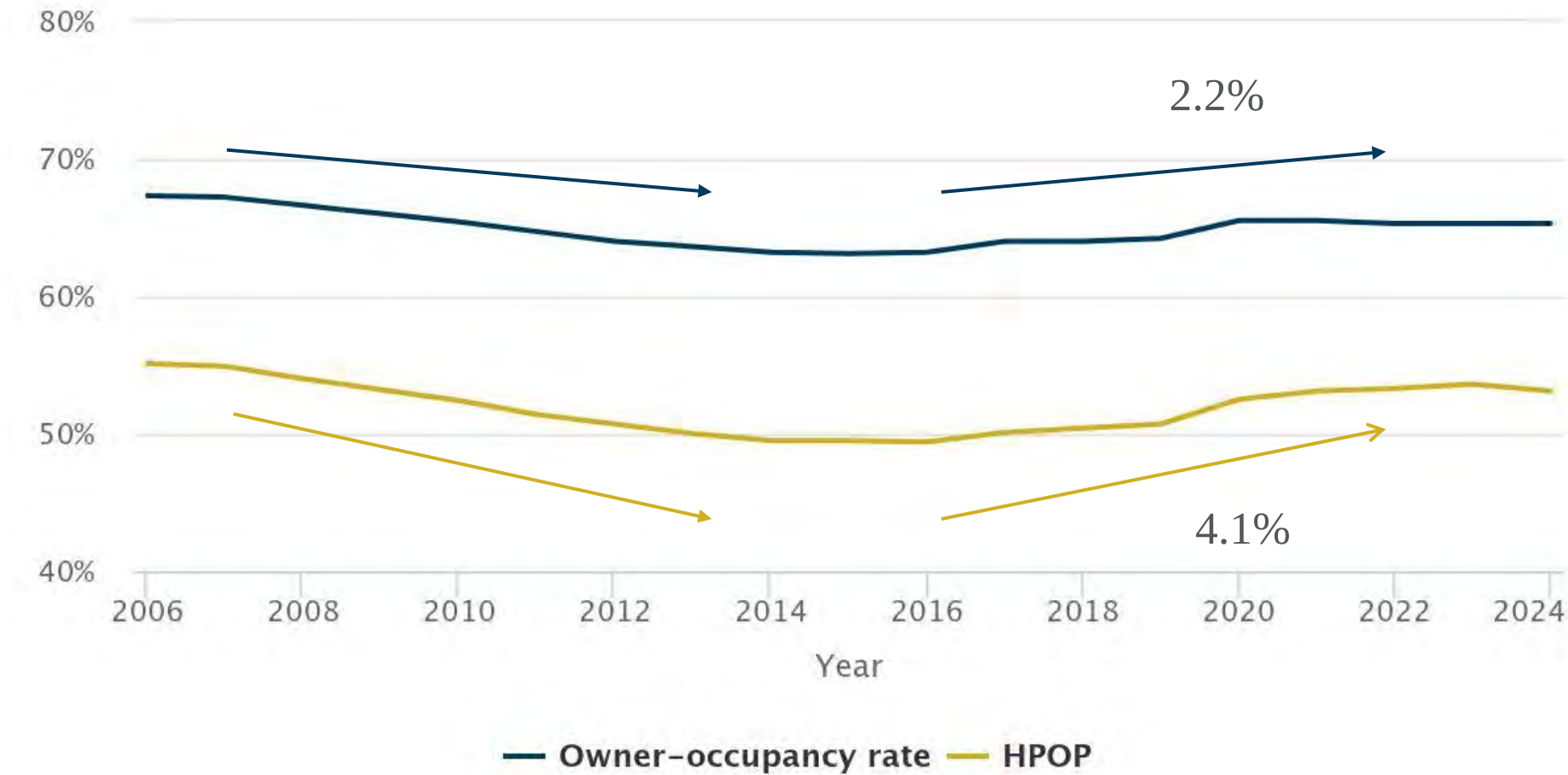
MOVING FROM OWNER-OCCUPANCY TO HPOP



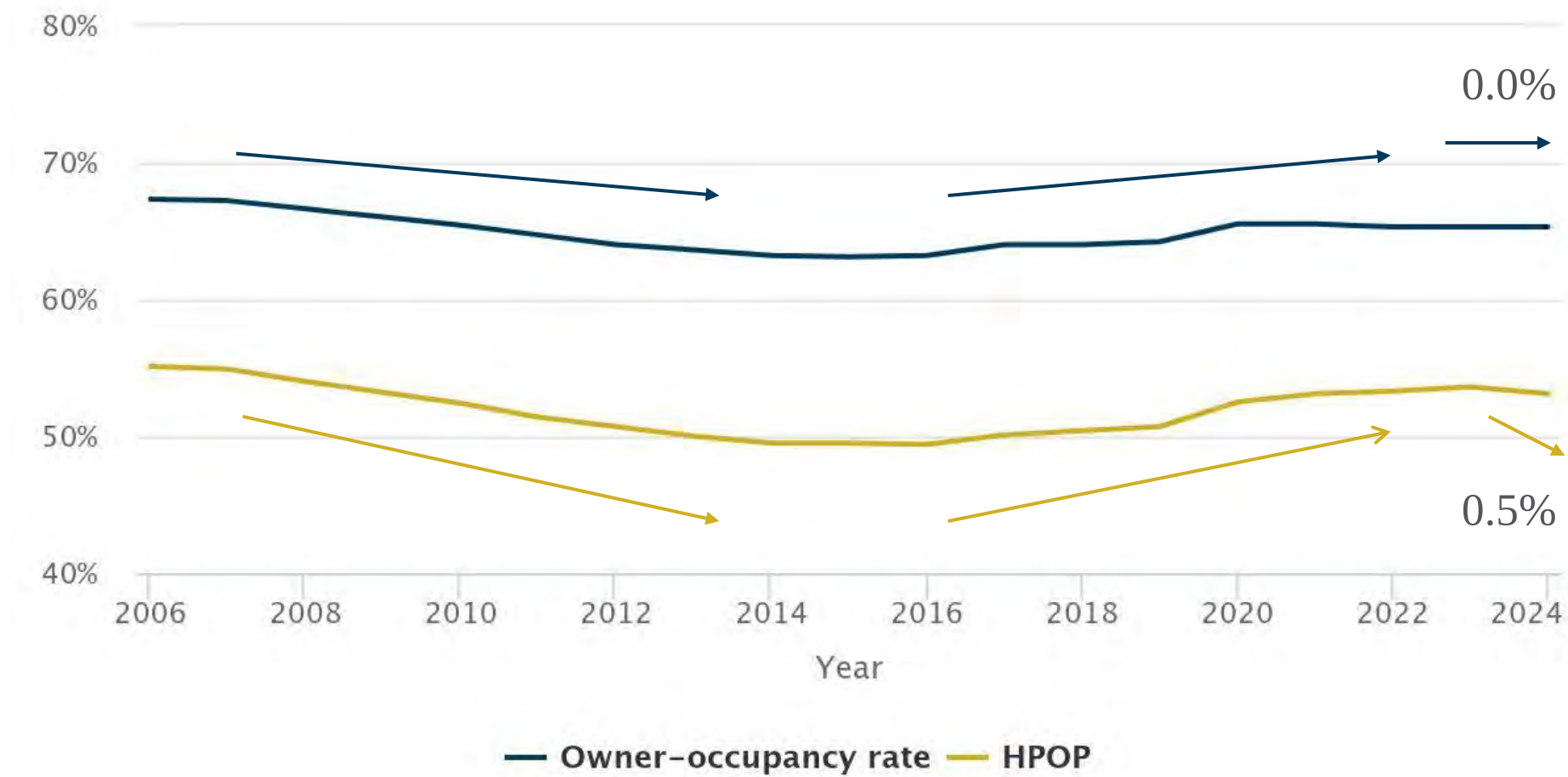
HPOP MORE RESPONSIVE TO BUSINESS CYCLES



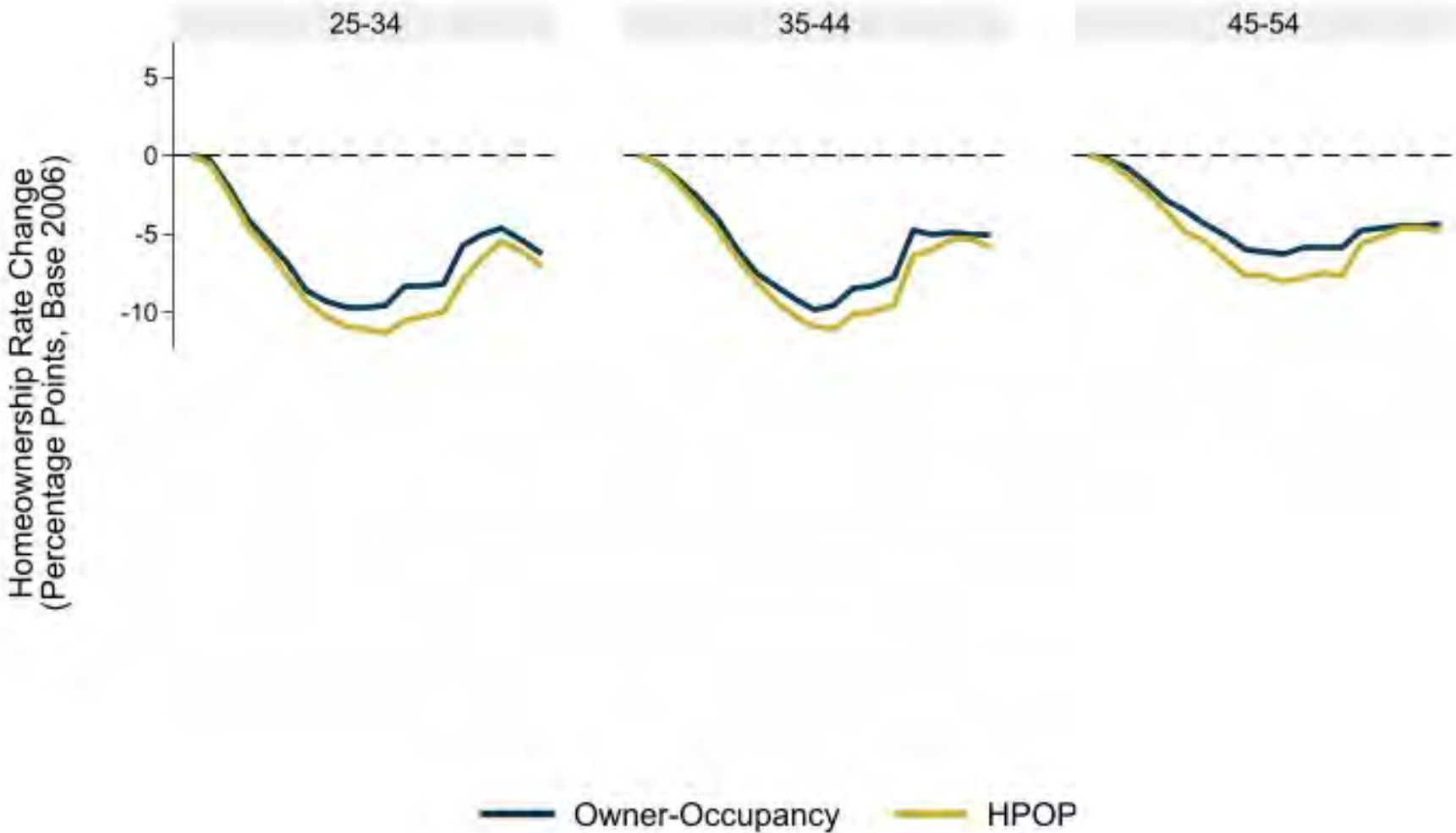
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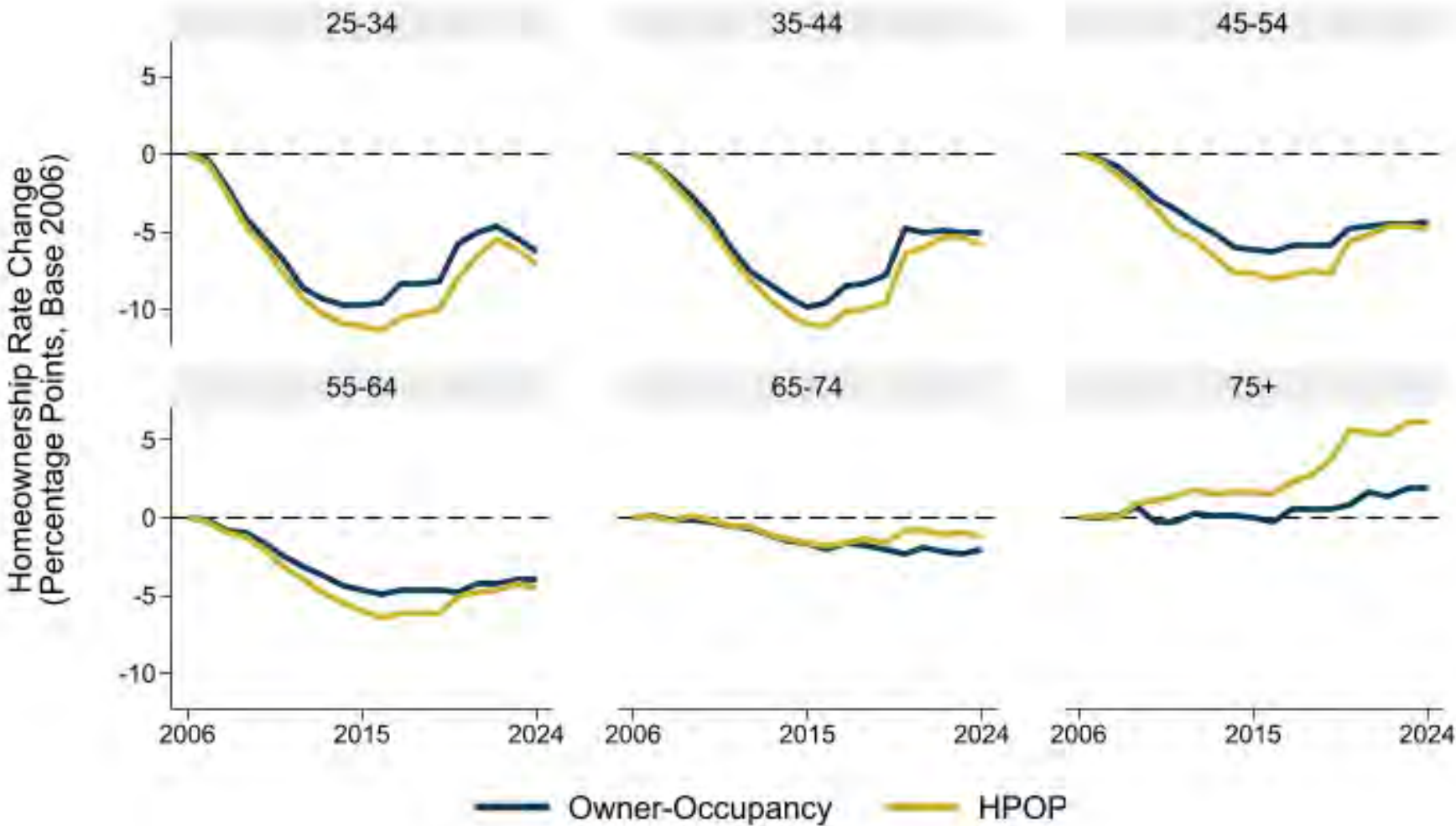
HOMEOWNERSHIP CHANGES BY AGE GROUP FROM 2006-2024



HPOP highlights greater  and  of young adults



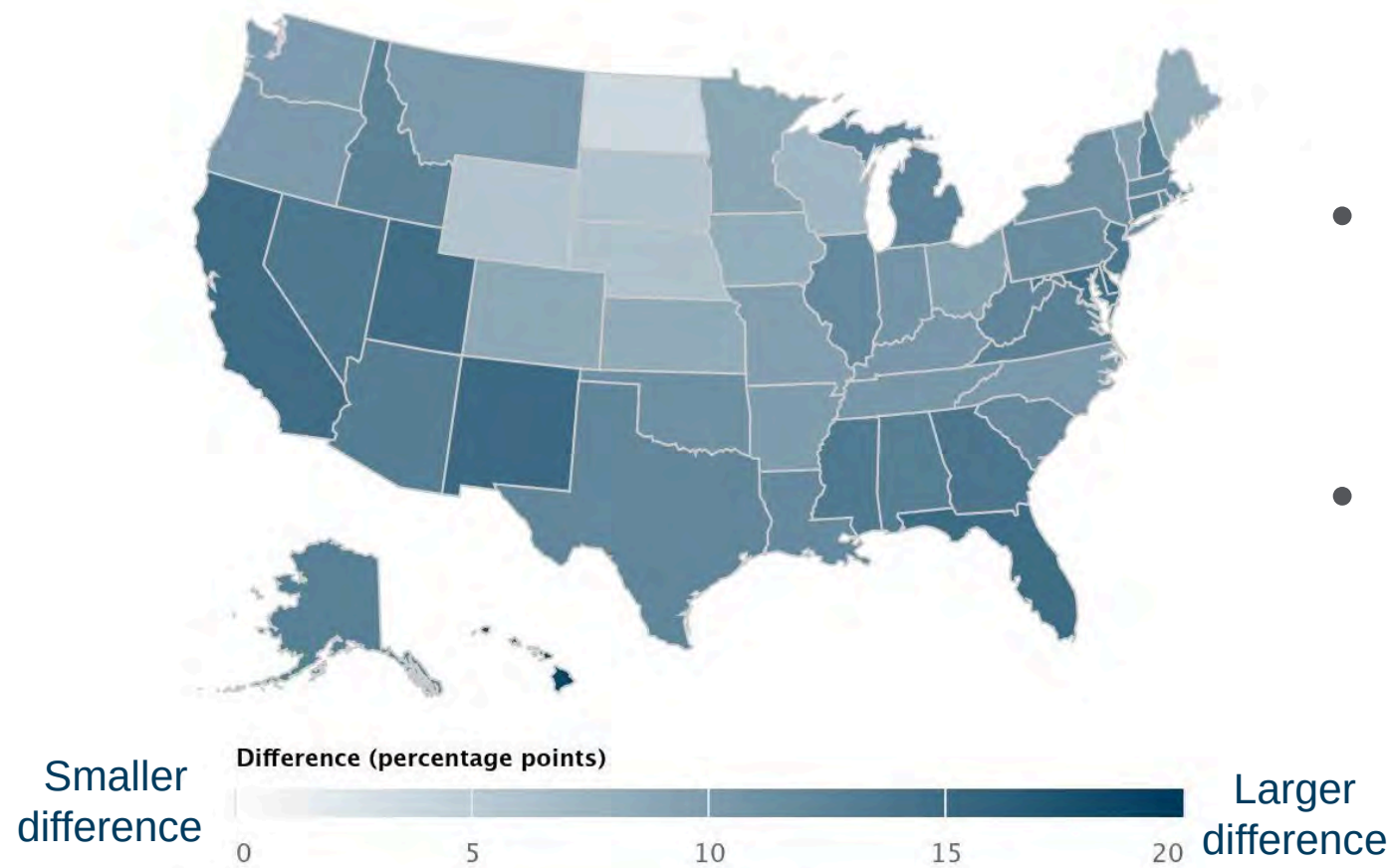
HOMEOWNERSHIP CHANGES BY AGE GROUP FROM 2006-2024



Reveals larger  of homeownership among older adults

COMPARING GAPS IN HOMEOWNERSHIP RATES BY STATE

The gap between the owner-occupancy rate and the HPOP in 2024



- Midwest has smaller gaps between HPOP and occupancy rates
- Coastal states have larger gaps between HPOP and occupancy rates
- Smallest gap in North Dakota (3.9 percentage points); largest gap in Hawaii (18.9 percentage points)

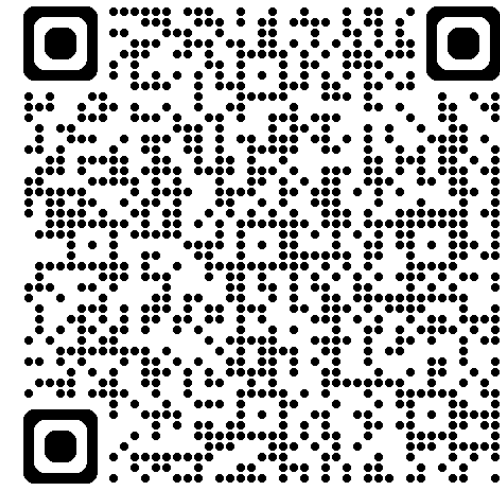
ACCESS HPOP DATA AT MINNEAPOLISFED.ORG



DATA

Homeowners-to-Population Data

A portal for accessing the data and calculations behind the homeowners-to-population ratio, or HPOP, an alternative measure of homeownership



IN SUMMARY

- HPOP is person-first
- About half of adults own their homes (not two-thirds)
- Amplifies homeownership responses to the business cycle
- Accentuates life-cycle homeownership trends (young adults ↓ and older adults ↑)



Photo credit: Thitiporn/Adobe Stock



THANK YOU!

For more information:

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