

2023

NEXTGEN WOMEN'S HOMEBUYER REPORT

By Kristin Messerli
Sponsored by National MI

*For informational purposes only



INTRODUCTION

The 2023 NextGen Women's Homebuyer Report is a research project developed in partnership with National MI to deliver practical insights into a key segment of today's homebuyer population. Millennial women are the largest demographic purchasing homes independently in the US today. Many of them are single and at least half of them are heads of household. Additionally, single women make up the second largest cohort of homebuyers, more than double that of single men, who are purchasing their first home at the median age of 33 (NAR).

We may intellectually know that women make up a significant proportion of the market, but the data shows businesses are missing the mark in connecting with them. Women report feeling less trusting of housing and finance professionals, more uncertain of where to start the process, and less satisfied with their overall experience after the home purchase.

While women have made significant strides in reducing gender inequality, women still experience major disparities in financial and health outcomes. As a single millennial female, homeownership has dramatically improved my sense of health, community, and financial wellness. My goal with this project is to elevate the voice of young, female homebuyers and empower more professionals with some understanding of her challenges, preferences, and strategies to effectively grow in a difficult market.

I would love to hear your thoughts and questions, as we grow together. Please feel free to connect with me on LinkedIn.

Cheers,

Kristin Messerli
Author | Speaker | Consultant



A DISCLAIMER ON GENDER

Data gathered in this report is inclusive of all survey respondents who self-identify as “woman” including cisgender and transgender women. I would like to gather more data to represent the voice of the LGBTQ+ community in the future, which would include non-binary and other genders not included in this report.

Secondly, I want to acknowledge that this data is representative of the average responses within this population, and although we collected a diverse representation of race, ethnicity, and geography, this will not reflect the views of all women.

Lastly, research shows that women’s voices are still underrepresented across all industries today. This is why it is important for us to share data about women and to be intentional today about designing our future with women and all voices in mind.

Kristin Messerli

2022

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74%	YouTube
73%	Instagram
72%	Facebook

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ACCESS THE REPORT

NextGenHomebuyer.com

2022 Top Insights

NextGen Homebuyer Report

1

Education: Lack of financial knowledge was the third biggest challenge this year for NextGen respondents.

2

Support: Only 56% of NextGen consumers said they have the financial advice and support they need to achieve their financial goals.

3

Confidence: Over half of NextGen consumers said they were not confident in the stability of the housing market.

4

Trust: One in three NextGen homebuyers said they did not trust their loan officer to help them make smart decisions about their mortgage.

5

Experience: NextGen homebuyers who met in person were 41% more likely to give a 5-star experience vs buyers who had only met over online video.

BACKGROUND & METHODOLOGY

The ongoing study of Millennial and Gen Z homebuyers currently includes a total of 3,250 respondents over three years. The majority of the research reflected in this study comes from data gathered in October 2022 and January 2023, which includes the following:

- 1,000 respondents, collected in October 2022 and 250 respondents in January 2023
- Between the ages of 18-44, equal distribution between Gen Z (18-24), Younger Millennials (25-34), and Older Millennials (35-44)
- Diverse sampling by race and income, representing population demographics
- October sampling includes:
 - 51% homeowners, 49% renters
 - 22% purchased a home within the past 18 months
- January sampling includes
 - Only renters
 - Over half stated homeownership is within their five-year plan
 - 72% of respondents were female in this sampling
- Survey responses are collected through Pollfish, a market research software and survey tool

DEMOGRAPHICS

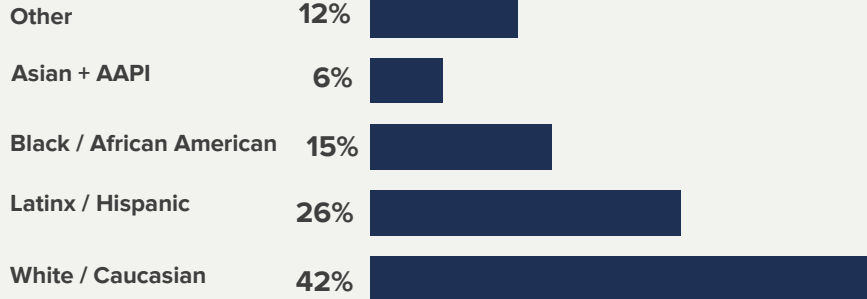
GENDER



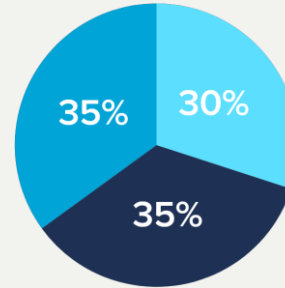
56% Female

44% Male

RACE AND ETHNICITY



AGE



30% Gen Z (18-24)

35% Young Millennial (25-34)

35% Older Millennial (35-44)

INCOME



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About Kristin Messerli and National MI

Women's Wealth & Power in the U.S.

- ◆ **Education:** Female vs. male heads of household are equally educated today, and that education correlates with higher rates of homeownership ([Urban Institute](#))
- ◆ **Purchasing Power:** Women control a third of US household financial assets. ([McKinsey](#))
- ◆ **Head of Household:** Among married households, the share of women heads of household increased 24.3 percentage points, from 21.8 percent in 1990 to 46.1 percent in 2019. ([Urban Institute](#))
- ◆ **Decision-Making:** There has been a 30% increase over the past 5 years in married women making financial decisions. ([McKinsey](#))



Single Women Homebuyers

- ◆ **Buying More Homes:** Single women are the second largest cohort of home buyers in the market today, double that of single men (19% vs 9%). ([NAR](#))
- ◆ **Increasingly Head of Household:** From 1990 to 2019, the share of households headed by single women increased from 17.6 percent to 22.6 percent ([Urban Institute](#))
- ◆ **Not Waiting for Marriage:** 2 in 3 single women (65%) reported that they would rather not wait until they were married to buy homes, regardless of how old they were. ([Bank of America](#))

Challenges

for nextgen women homebuyers



Millennial & Gen Z Women

Introduction to Challenges

The largest barrier to women's homeownership remains housing affordability, which three-quarters of women stated was a current barrier to homeownership this year. While most of the respondents this year were optimistic about their dream of homeownership (84%), they face many challenges in the process.

Women consistently report higher levels of financial stress than men. There are many variables that contribute to this stress such as higher levels of household responsibilities, child and elder care, trauma, rent burden, as well as the wage gap and racial disparities to name a few.

In our study, we focused on confidence levels across economic conditions, financial or housing literacy, and access to trusted resources.

Top Financial Challenges

for nextgen women

“What have been the biggest challenges to your financial situation this year?”
(Oct 2022)

58%

High Cost of Living

37%

Mental Health or Anxiety

30%

Debt

28%

Personal Financial Knowledge

27%

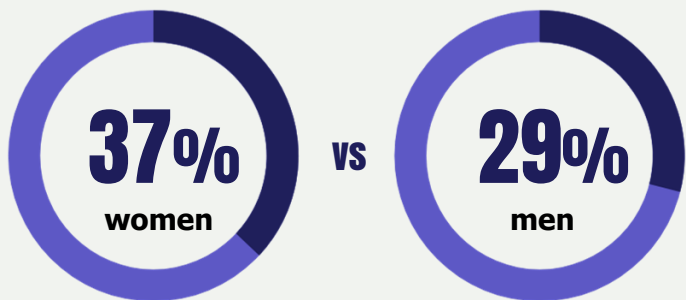
Job Stability

Women respondents were more likely to report anxiety and job stability as their biggest financial challenges in 2022 in comparison with men.

NextGen Homebuyer Report, Oct 2022, n=1,000

FINANCIAL ANXIETY

NextGen women are more stressed about their finances than men



NextGen Homebuyer Report, Oct 2022, n=1,000

NextGen women are disproportionately impacted by job instability, COVID-19 outcomes, unpaid child and elder care, and other factors outlined in this and past reports.



“

If you work really hard and get educated, you should be able to have the life that you want, but without the financial education, those other things don't matter... I realized to get to the other side, I needed to face what I fear, which was my finances... Today, I just want to make it easier for people to face what they don't want to face because **it's actually not that scary and it's really empowering.**

- Rose Han, 28, financial literacy educator / YouTube creator

Top Homebuying Challenges

for nextgen women

“What is currently preventing you from buying a home?” (Jan 2023)

High home prices	73%
Need for job stability	72%
Insufficient down payment	72%
Low credit score	60%
Finding the right home	51%
Buyer competition	47%
Uncertainty in where to start	40%

NextGen Homebuyer Report, Jan 2023, n=250

Women agreed more frequently than men that not knowing “where to start the process” was preventing them from purchasing a home (40% vs. 30%).



NextGen Women's

Barriers to Homebuying

- 1 Confidence in the Economy:** NextGen women were less confident in the stability of the housing market, home values, or their jobs, in comparison to NextGen men.
- 2 Confidence in Financial Knowledge:** NextGen women reported lower confidence in their knowledge about personal finance and where to start the home buying process.
- 3 Confidence in Advisors:** NextGen women reported less access to financial resources and lower trust in housing and finance professionals.

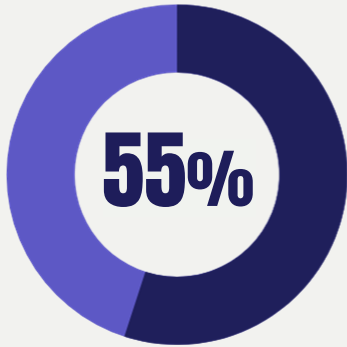
CHALLENGE #1

Confidence in the Economy

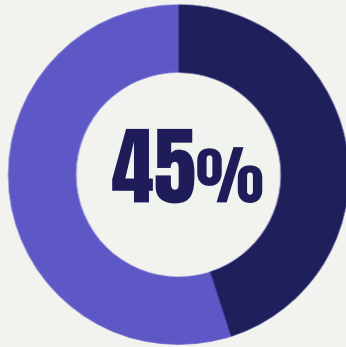
Both men and women reported housing prices and competition in the market as top barriers to homeownership this year. However, women expressed significantly higher concerns over volatility in the market and maintaining the value of their homes over time. Women have also consistently reported higher levels of fear about job stability and lower risk tolerance in non-retirement investing.

NextGen Women Job Stability

WOMEN



MEN



Millennial and Gen Z reported job stability as a major challenge to their financial situation in 2022, and a barrier to homeownership in 2023.

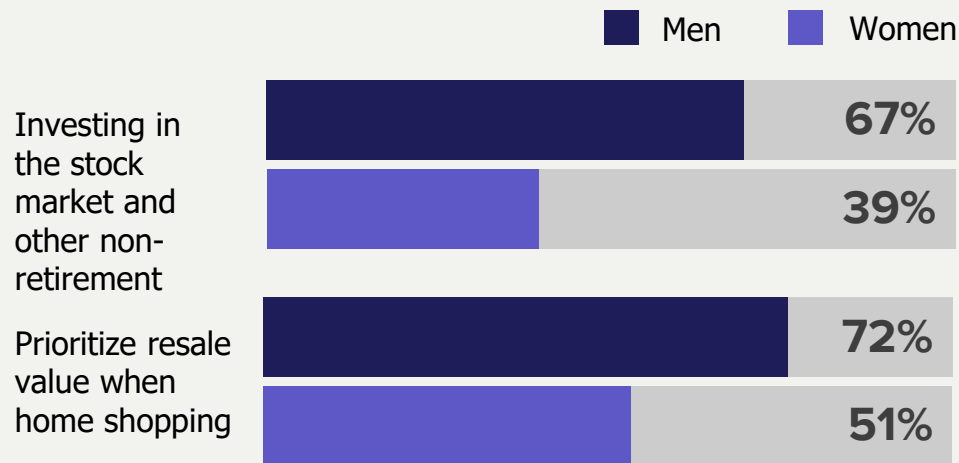
NextGen women report higher levels of job insecurity than men.

In 2023, NextGen women reported higher levels of concern over job stability in 2023 (72% vs 67%).

In 2022, NextGen women respondents were 21% more likely to report being challenged with job stability than men.

NextGen Women

Investments



NextGen women are less likely to invest in non-retirement investments.

In 2020, men were over **three times** more likely to be investing than women.

This mindset carries to their home buying perspective. Men are three times more likely to utilize their home as an income property like renting it out on Airbnb or finding roommates.

In 2023, women were significantly less likely to prioritize a return on investment when buying a home in comparison to men (51% vs. 72%).

NextGen Women

The Housing Market



36%

of NextGen women state they agree that the housing market will remain stable over the next five years (vs 43% of men)



79%

of NextGen women homeowners believed their home would be a good investment (86% of men)

Women reported **higher levels of distrust** in the housing market and professionals, which may contribute to the lower concern for market returns on real estate.

However, women have good reason to expect lower returns. According to a recent [Yale study](#), single women are buying homes for an average of 2% more and selling for 2% less than single men. When accounting for the mortgage, men earn an average of 6% more in annual returns ([Forbes](#)).

CHALLENGE #2

Financial Knowledge

Young people, women, and diverse segments experience the largest gaps in financial literacy, further compounding challenges in wealth-building and equality. In the most basic financial literacy quiz, only a quarter of Millennials could answer four out of five questions correctly. For nearly all homebuyers, education is a barrier and an opportunity for housing and financial professionals to deliver value, improving access to new leads and more referrals.

Education will not solve our affordability crisis, but it can be a crucial tool in helping Millennial and Gen Z women both afford and access homeownership.

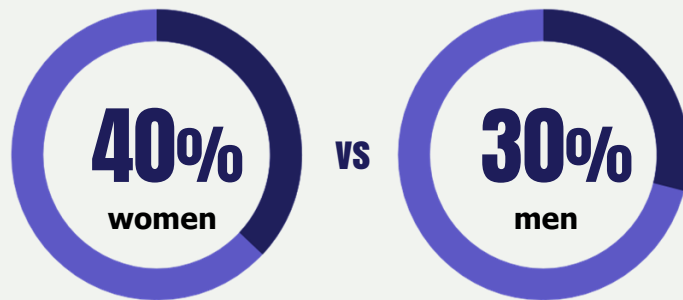
NextGen women are less confident in where to begin the home buying process

**"I think in the past,
there hasn't been a
lot
of transparency**

about the process
and there's just so
many steps that are
really intimidating.

- Reina, 31

**"I don't know where to start the process
of buying a home."**



NextGen Homebuyer Report, Oct 2023, n=250

In 2020 and 2023, NextGen women reported their uncertainty about the process as a major barrier to homeownership.

NextGen Women

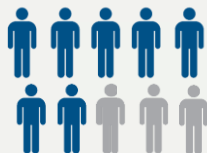
Financial Knowledge

Confidence in knowledge of personal finance



58%

of women say they are confident in their knowledge about personal finance



69%

of men say they are confident in their knowledge about personal finance

NextGen women were more likely to report a lack of confidence in where to begin the home buying process as compared with men.

Women reported a fear of being taken advantage of as a primary reason for not turning to a financial advisor (2020), and only 47% said they have the financial advice and support they need to achieve their goals (2022).

NextGen Homebuyer Report, Oct 2022, n=1,000

The down payment myth & barrier



77% of NextGen men and women equally stated they believed you need 20% down or weren't sure.

Millennial women are making the highest down payments. According to a study by NerdWallet, 41% of millennial women paid more than 20% for the down payments (2021).



70% of renters in 2023 stated their down payment was a current barrier to homeownership.

NextGen Homebuyer Report, Oct 2022, n=1,000 and Jan 2023, n+250

"I think a lot of millennials don't know how much you need for a down payment or to buy a home. They just think it's a big amount that they don't have. Most people are nervous to talk to me about it because they think they aren't ready."

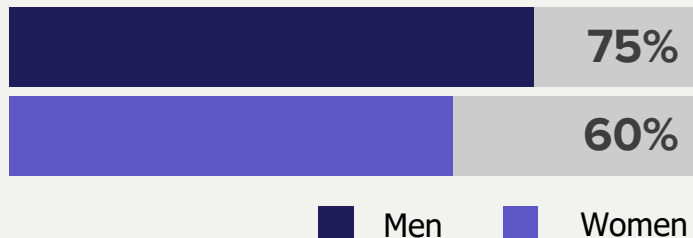
- Jacqui B.,
35, Realtor



NextGen Women

Early Education

“Did you grow up learning how to budget and make a financial plan?”



When controlling for early financial education, many of the gender gaps in our research (i.e. investments, savings) were significantly decreased.

NextGen Homebuyer Report, Oct 2020, n=1,000

Financial education is a better predictor of homeownership than parents' household incomes.

Recent homebuyers (72%) were significantly more likely than future homebuyers (62%) to grow up learning how to make a budget or financial plan.

CHALLENGE #3

Access to Trusted Resources

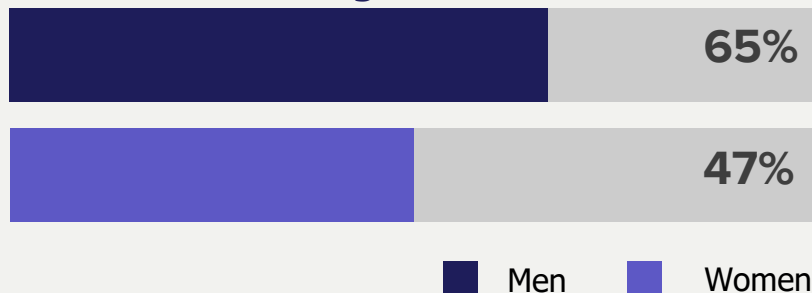
In addition to low levels of confidence in the market and their own financial knowledge, Millennial and Gen Z women report low levels of confidence in advisors.

Institutional trust has decayed rapidly in recent years across all market segments and industries, and yet is responsible for 70% of purchasing decisions (PwC). Building trust and connections with this segment will pay dividends in business growth and social impact.

NextGen Women

Advice & Support

"I have the professional financial advice and support I need to achieve my financial goals."



NextGen Homebuyer Report, Oct 2020, n=1,000

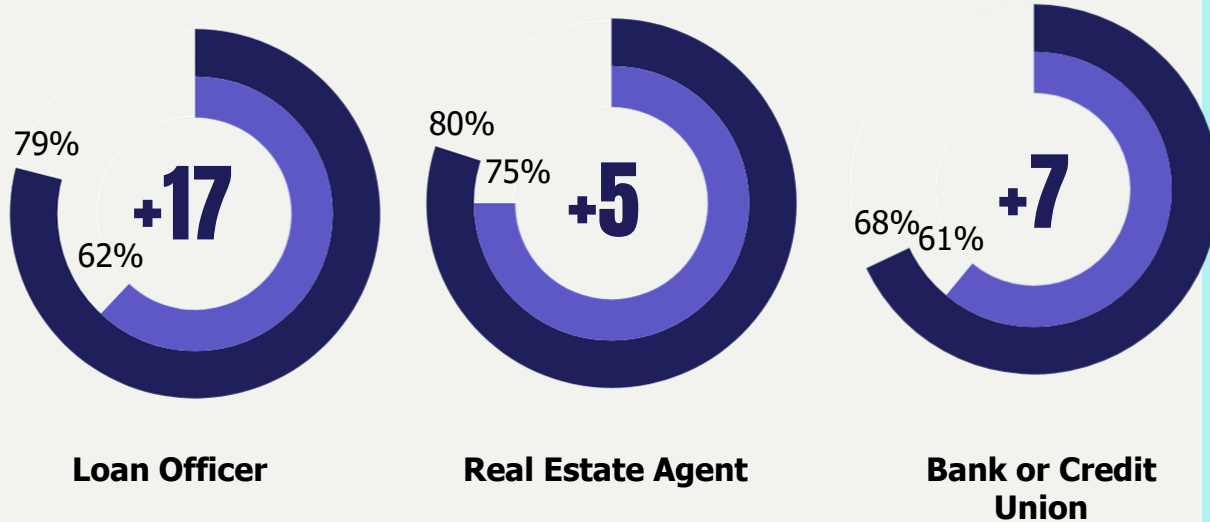
Nearly 20% more men reported having access to needed financial advice and support than women.

Women of color had significantly more challenges with access to financial support and information. Women of color also reported less places they turn to for financial support or advice.

Trust in Advisors

"I trust my professional to help me make smart decisions."

■ Men ■ Women



NextGen Homebuyer Report, Oct 2022, n=1,000

Women of color and low-to-moderate income report lower levels of trust.

All consumers were more likely to trust real estate professionals over loan officers, lenders, or banks and credit unions.

In the 2021 Report, two in three NextGen homebuyers reported they did not think their lender was trustworthy or reliable. This year, we identified trust increases when asked about the individual but remains lower at the institutional level.

NextGen Women's Go-To Educational Resources

44% Family / Friends

40% Financial Advisor

37% Social Media

37% Bank or Credit Union

25% Blogs

NextGen Homebuyer Report, Oct 2022, n=1,000

Millennials don't know about the options for financing or how to start the process to get a mortgage. They don't have information or education on that, and we're really not sure where to go for that.

- Samy, 29



Priorities

for nextgen women homebuyers



Millennial & Gen Z Women

Introduction to Priorities

In homeowner interviews, women shared their experiences in purchasing a home, and more often than not, they stated feeling either lost in the process or undervalued. Even when they had a positive experience overall, women frequently shared experiences of frustration around feeling their goals and priorities were not understood by their loan officer or real estate agent.

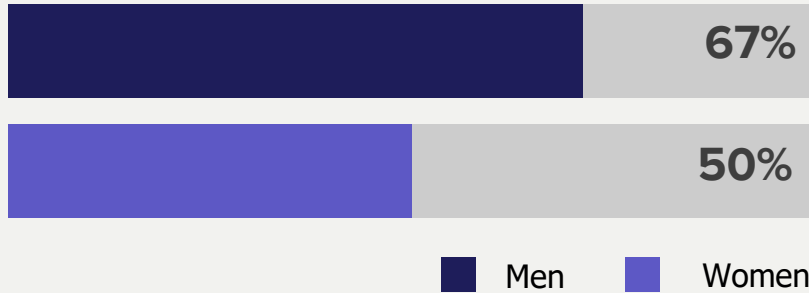
In our October survey, women were significantly less likely than men to rate their loan officer or real estate agent with five stars. Those poor or mediocre experiences turn into lost dollars, as Millennial and Gen Z consumers are much more likely to refer business when they have had a good experience.

Millennial and Gen Z women are particularly loyal and vocal about the people and brands they trust, who align with their values, and who provide an exceptional customer experience. This section provides an introduction to some of those values when it comes to home type preferences and social media behavior.

CUSTOMER EXPERIENCE

NextGen women were less satisfied overall with homebuying experience

Number of respondents who rated their home purchasing experience with 5/5 stars



NextGen Homebuyer Report, Oct 2022, n=1,000



“

We were afraid to start talking about our financial situation. It wasn't horrible, but we didn't think it was good enough to buy a house. Our agent was really good at helping us lower our guard and said even if we weren't in the place we wanted to be in, she'd help us get there. **We bought within six months!** Our Realtor made us feel like she was on our side and that even if we weren't there right now, she would be with us through the process.

- Carly R., 38

Home Preferences

Women vs Men

“When shopping for a home, what do you prioritize?” (Jan, 2023)

Men agreed nearly 20% higher percentage points than women that a return on investment is a priority when shopping for a home.

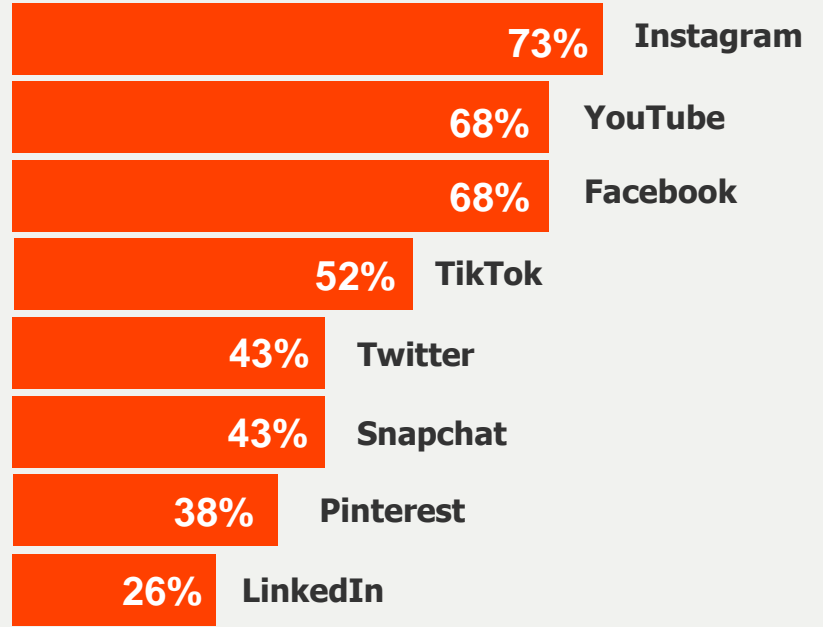
HOME FEATURES	WOMEN	MEN
Safety of the home / neighborhood	86%	86%
Living in a good school district	73%	78%
Home design features	65%	70%
Energy efficiency / sustainability	62%	71%
Job proximity	62%	67%
Proximity to friends / family	55%	67%
Resale value / ROI	51%	72%

NextGen Homebuyer Report, Jan 2023, n=250

Top Social Media Platforms

for nextgen women

Men were more likely to report regular use on YouTube (80%), Facebook (77%), and Twitter (62%), and less likely to use Pinterest (24%).



NextGen Homebuyer Report, Oct 2022, n=1,000

Strategy

to connect with nextgen women homebuyers



Millennial & Gen Z Women

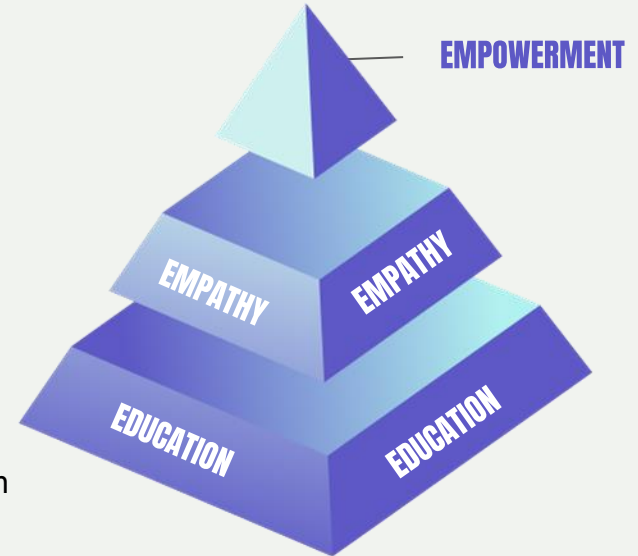
Strategy Overview

Education, empathy, and empowerment are the most powerful tools you have available to build trust and referrals with young and diverse consumers. Whether you are looking at technology or branding, this model should be the lens through which you evaluate those processes.

The same could be applied to your employees. In a time when companies are experiencing pay cuts and layoffs, leaders need to apply the same model of education, empathy, and empowerment to their employees.

Through this lens, consider the following:

- Education with social media and video
- Assess your social platforms and whether the messaging aligns with women
- Start first customer meeting with reviewing their goals and concerns
- Review process steps thoroughly



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ABOUT KRISTIN MESSERLI

Kristin Messerli is a leading strategist and keynote speaker on housing and finance trends in young and diverse markets. Kristin has worked with hundreds of lenders, startups, and nonprofits to craft successful go-to-market strategies and build trust with their consumers.

Kristin founded and sold the digital marketing agency, Cultural Outreach, with the mission to promote sustainable homeownership in underserved communities. She was previously the VP of Sales and Strategy at Experience.com, and has consulted with numerous fintech startups across product design, marketing, and research. Kristin produced and authored the 2020-2022 NextGen Homebuyer Reports, highlighting key insights from over 4,000 NextGen homebuyers and she holds her Master in Public Administration from University of Oklahoma.

Kristin can be contacted at kristin@kristinmesserli.com, or visit her website at kristinmesserli.com.

ABOUT NATIONAL MI

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