

## **Baby Boomers and Housing Down Payment Sources**

**Yoon G. Lee, Utah State University<sup>1</sup>**  
**Bonny C. Llewellyn, Utah State University<sup>2</sup>**

### **Abstract**

Using data from the 2001 American Housing Survey, the purpose of this study is to profile the economic and socio-demographic characteristics of baby boomer households according to housing down payment sources and to identify determinants of housing down payment sources among bay boomer households. Some people incur more debt by borrowing money for a down payment: if households have higher percentage of monthly payment out of their monthly income, they could have a housing burden that consequently leads to possibly losing their home. The ultimate risk of losing the home is heightened if the mortgage payment along with other consumer debt exceeds income. This study found that borrowers for down payments tended to not have expensive homes, tended to have lower levels of incomes and mortgage amount than the other three groups. This study also found that borrowers for down payments tended to be younger, be males, be less educated, and non-whites than the other three homeowner types.

On the other hand, it was noted that savers for housing down payment had a relatively higher income level compared to the gift receivers and borrowers; they also owned a relatively higher price of housing than did the gift receivers and borrowers. A greater proportion of married boomers were found in the saver group than those in both gift receiving and borrowing groups. It was noticed that gift receivers for housing down payment tended to have a relatively lower level of household income than the saver groups. The gift receivers were older than the borrowers, but they were younger than both savers and home sellers. The education level of the gift receivers was higher than the borrowers and savers and more women boomers were found in the gift receiver group than were in the other three groups. It was also found that baby boomers that used the housing down payment fund from selling a home or using an investment tended to be older and a higher proportion of this group indicated high education, males, married, and being Whites when compared to the other three groups. Results of the multinomial logistic regression analysis indicated that household income, housing value, age, education, gender, marital status, race, and geographic region were all significant determinants of housing down payment sources among baby boomers.

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<sup>1</sup> Assistant Professor, Department of Family, Consumer, and Human Development, Logan, Utah 84322-2905. E-mail: [yoonee@cc.usu.edu](mailto:yoonee@cc.usu.edu) Phone: (435) 797-1555 Fax: (435) 797-3845

<sup>2</sup> Graduate Student, Department of Family, Consumer, and Human Development, Logan, Utah 84322-2905. E-mail: [bonny@cc.usu.edu](mailto:bonny@cc.usu.edu) Phone: (435) 797-3408 Fax: (435) 797-3845