Hispanic Homeownership Advancement through Recession and Boom: Tracking Cohort Aging and Replacement with 5-Year American Community Survey Data in the United States, Los Angeles, and a Gentrifying District

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Abstract

Aging baby boomers create an imbalanced age structure in the housing market, while the growing numbers of younger Hispanic homeowners hold potential to absorb the growing elderly sell-off. This article addresses the gap between Hispanic and White homeownership. It quantifies the volume of homeownership entrances and exits in different ages in recent years, distinguishing periods of recession and boom. A novel method is proposed for measuring cohort life-cycle flows into and out of homeownership with the recently released 5-year files from the American Community Survey. This method captures the market slowdown during the Great Recession downturn, followed by a strong recovery after 2014. Findings from the cohort life-cycle method are starkly contrasted with misleading measurements derived from simple age group growth in the same periods. The crucial importance of growth in Hispanic homeowners is investigated at multiple levels of geography. Changes tracked in 10-million-resident Los Angeles County resemble a U.S. future of fewer older White homeowners being replaced by a large and growing Hispanic resident base. Contrasting this, in a gentrifying district near downtown Los Angeles, we find Hispanics are the departing elderly and Whites (and Asians) are the young replacements.

Introduction

Homeownership has been on an unstable rollercoaster in the first 2 decades of this century. The nation's homeownership rate rose to record heights from 2000 to 2006—from 66.2 to 67.3 percent—but the financial crisis of 2008 precipitated a sharp decline to 63.9 percent by 2012, 3 years after the official end of the Great Recession.[1] Still, the national rate continued to decline, finally bottoming at 63.0 percent in 2015. The homeownership rate slowly began to rise, reaching 64.1 percent in 2019.

Hispanic homeownership has increased more strongly than average homeownership during boom periods (Painter and Yu, 2014). However, the Hispanic rate also has pulled back in the aftermath of recessions. Reasons for this stronger increase rest on the strengthening economic foundations of the Hispanic populations and the especially rapid progress of immigrant Hispanics (Myers and Lee, 1998; NAHREP, 2019).

Less visible, but of greater dynamic consequence, is the age structure of the Hispanic homeowners, who are younger than other homeowners, especially in contrast to the much older White homeowners who dominate the housing market. Indeed, the homeownership rates of White households ages 70–74 are the highest of any age and ethnicity in the housing market (85.0 percent). In fact, as will be shown, the bulk of growth in homeownership is found above age 55, and little weakness is observable in the strength of this demand. Yet this large reservoir of homeowners is also shedding homes for sale as cohorts pass through late in life. Temporarily, even larger Baby Boomer cohorts are replacing those being lost from the older age group, but the already large outflow is increasing, and replacements will eventually dwindle (Myers and Ryu, 2008; Simmons and Myers, 2018).

Evidence developed here shows that the elderly sell-off proceeded at the same pace during both the last recession period and the mid-2010s recovery. The young and middle-aged Hispanic cohorts are a growing resource of new homeowners, while White households are net sellers. However, young and middle-aged adults of all races are shown here to have been much less likely to invest in homeownership during the recession and the lingering aftermath than they were in the second half of the decade in prosperous times of economic expansion.

The picture provided by the nation as a whole is a useful summary, but the dynamics and outcomes could differ substantially in specific metropolitan areas or key subareas due to a host of geographic reasons (Sanchez-Moyano, 2020). We analyze the changes more specifically in Los Angeles County. This very large and diverse region is home to one of the largest and longest established Hispanic or Latino populations in the United States. Compared to White homeownership in Los Angeles, the Hispanic homeownership gap is also among the lowest in the nation, as to be presented, and yet housing prices are presently also among the highest. An excess of home sellers has the potential to require softened prices to stimulate a comparably large volume of replacement demand. This risk seems remote in 2021, given the extremely low turnover and currently acute inventory shortages in the existing housing stock. Even though aging is destined to proceed, traditional age group analysis conclusions may fail to reflect that process. This analysis offers a more reliable alternative.

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[1] Homeownership rates are from the American Community Survey (ACS) and the decennial census. An alternate series is the Housing Vacancy Survey, which is issued quarterly based on a much smaller sample and yielding slightly higher estimates that follow the same trend pattern as the ACS/decennial.

Specific neighborhoods do not always follow the metropolitan or national pattern of change. When homes for sale are in short supply, one consequence is that prices are bid up. Another is that an overflow of home seekers may spill into neighboring areas that offer more affordable opportunities (Goodman, Seidman, and Zhu, 2020). Undergirding this price competition are the demographic trends of supply and demand. The Highland Park/Eagle Rock district in the northeast of the city of Los Angeles, a majority Hispanic subarea some 5 to 8 miles north of city hall, affords a microstudy of gentrifying dynamics in Los Angeles County as a whole. There we find it is the older Hispanic homeowners who are leaving the area, while it is young White—and also Asian—homeowners who are the replacements moving in, the opposite generational and racial dynamics that are playing out in the region as a whole. Ironically, even as Whites decline as a share of all homeowners in the nation and Los Angeles County, their presence grows in Highland Park/Eagle Rock and other central areas.

We propose a cohort life-cycle advancement method tailored to the newly available 5-year data from the Census Bureau's American Community Survey (ACS). This method estimates changes over time that are consistent with a narrative of life-cycle progress that also varies by historical position in the business cycle, whether a period of recession or booming recovery. Drawing on the cohort longitudinal approach in housing demography (Myers, 1999), we develop a method tailored to exploiting the three ACS files spaced 5 years apart in history. The newest file pools cases collected in 2015 through 2019 and can be compared to the first file offered from the ACS, covering 2005 through 2009. Thus, these two files span a full decade, which enables analysis of cohorts growing 10 years older. However, even greater insight is enabled by adding a third file covering the period between the other two, 2010 through 2014. This enables tracing cohorts as they grow 5 years older and advance through their housing life cycle.[2]

More importantly, this "in-between" dataset represents the depth of the Great Recession and its depressed aftermath, whereas the two other files represent homeownership accumulated in the boom preceding the recession and in the boom that follows the recession. Tracing gains and losses in homeownership *from boom-to-bust-to-boom*, disaggregated by age cohorts and by race or Hispanic origin, holds strong potential to shed useful light on the demographics of homeownership change among Hispanic, White, and all households. In essence, we capture the net entrances and exits from homeownership in each age group in each period, reflecting the true pattern of growing and declining demand. This application of cohort methods over the business cycle has rarely been attempted. However, the new ACS data make that readily possible for every state and large county or city in the United States.

The following section surveys the metrics of homeownership by Hispanic households, addresses the important Hispanic-White homeownership gap, and compares other measures that enable supportive insights. These include measures of shares of *growth* (important due to Hispanics' large and growing population presence), age differences (important for the implications of Hispanics' younger age than the White homeowners), and cohort measures important for tracing net accruals through key ages in both recessions and housing booms.

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[2] The ACS 1-year files can be used to compare more precise, single-year dates that are spaced 5 years apart; however, those files have much smaller sample sizes and are far less accurate for describing smaller urban areas. For that reason, the 5-year files are the most commonly used in urban analysis.

We then introduce our detailed data for fine-grained analysis, namely the three nonoverlapping 5-year files of the ACS. Next, we explain our strategy for studying the change in Hispanic homeownership over the last 15 years of the housing boom, Great Recession, and the long recovery preceding the 2020 pandemic recession. We also discuss the comparative strategy for different levels of geography.

Next, we present a close examination of Hispanic and White homeownership by age and how they have changed from boom to bust and back to boom. First, we use the traditional age-specific homeownership rates to compare recent changes in access to homeownership between Hispanics and Whites in both the United States and Los Angeles (LA) County. Second, we present a head-to-head comparison of the standard growth measurements by age group with the cohort life-cycle advancement measurements, both using the same ACS data. We spotlight some extreme differences in results and evaluate the improvements to plausibility made by the new cohort advancement method. The contrast of approaches under both recession and recovery conditions clarifies the great advantage of the cohort advancement formulation. Among other things, this explains why the Hispanic-White homeownership gap has narrowed so greatly in Los Angeles.

Finally, we bring this investigation of Hispanic homeownership change down to the neighborhood level, finding different outcomes in diverse neighborhoods of the Highland Park/Eagle Rock district in northeast Los Angeles city. Long settled by Hispanic residents, as well as White and Asian (Filipino) residents, and with growing homeownership, the Great Recession stunted gains among the young of all races, but elderly losses proceeded from the ranks of long-established Hispanic owners. This is the opposite of the county-wide pattern of older White homeowners being replaced by younger Hispanics and Asians. Since 2014, losses of older Hispanic homeowners continued, while the emergence of young White and Asian homeowners has escalated to replace them. The net result is that the Hispanic share of homeowners, which had increased since 1990 by 10 percentage points in this subarea, has reversed in the last decade by 7 percentage points.

The conclusion addresses implications for knowledge about Hispanic homeownership and spotlights important findings that can be replicated in other urban areas by applying the cohort life-cycle advancement method to the newly available three sets of 5-year ACS data.

Metrics of Hispanic Homeownership

A variety of different metrics are used to describe the status of Hispanic or other groups' homeownership. Each metric provides a different insight or emphasis and can be used with different data. Although we will be developing innovative methods for use with new data, it is helpful to see these first in the context of more standard metrics.

Different Metrics Provide Different Views

A listing of metrics in use includes the following (but the listing is not exhaustive):

1. Size of a group expressed as a share of the total.

2. Growth "impact" of a group expressed as a quantity of change.

3. Growth rate expressed as a percentage rate of change.

4. Growth "importance" expressed as a share of the total change.

5. Success of a group expressed as a percentage that are homeowners.

6. Disadvantage expressed by the homeownership gap, the disparity between a reference group and the group for attention, e.g., the Hispanic-White homeownership gap.

7. Life-cycle differences measured by comparison of age group and homeownership status at a moment in time.

8. Cohort advancement of a group specified by generation, a 10-year or 5-year birth group that is passing between successive age groups in the life cycle as time passes.

9. Geographic similarity of exceptionality discovered by comparison of status in a specific place with the average status for a broader geographic reference area (e.g., comparison to a state or the United States as a whole).

The previous list focuses on homeownership status, and we could substitute other indicators of housing well-being, such as rent affordability or overcrowding.

All of these metrics are applied to make points in this paper. But the first metric of shares of a total provides a simple introduction to this report's topic. Hispanic people constitute a much smaller share of homeowners (9.7 percent) in the United States than their share of the total population (18.0 percent), as shown in exhibit 1. Their share of renter households (19.3 percent) is slightly greater than their population share. The fact that the Hispanic share of all households (13.2 percent) is less than the population share implies that Hispanic households have a greater number of persons per household than average in the population, although a very small percentage of people do not reside in households but in group quarters (or who experience homelessness). The small homeownership share is also reflected in other metrics for disparities, which we turn to next.

Exhibit 1

Hispanic and Other Race Shares of Population, Households, and Housing in the United States, 2019*

	Hispanic (%)	White, NH (%)	Black, NH (%)	Asian, NH (%)	Other, NH (%)	Total (%)	All Races
Population	18.0	60.7	12.3	5.6	3.4	100	324,697,795
Households	13.2	67.5	12.1	4.8	2.4	100	120,756,015
Owners	9.7	76.0	7.9	4.5	2.0	100	76,869,907
Renters	19.3	52.6	19.4	5.4	3.3	100	43,886,108

NH = non-Hispanic.
Notes: The date marked by 2019* denotes the 5-year American Community Survey file collected from 2015 to 2019. Numbers may not total 100 percent due to rounding.
Source: Analysis with American Community Survey IPUMS, 2015–2019

Race and Age Disparities of Homeownership

The Hispanic homeownership gap is a widely recognized metric for representing inequality of access to homeownership (Cortes et al., 2006; NAHREP, 2020). This is a problem because homeownership has been the major pathway to wealth accumulation among the middle class (NAHREP, 2020; Strochak,Young, and McCargo, 2019). The homeownership prevalence among households, defined as the homeownership rate, is subject to substantial disparities between White and Hispanic households, as well as with other races. In the United States, the homeownership rate among White, non-Hispanic, households, 71.7 percent, is the highest of any group, some 24.9 percentage points above Hispanic households (46.8 percent), as shown in exhibit 2. Homeownership of Black households is a little below that (41.7 percent), while homeownership of Asian and Pacific Islander households has a smaller gap (-12.7 percentage points) as compared with Whites.

Similar disparities are found in Los Angeles County, but with key differences. In general, the median house price in Los Angeles County reached a pre-pandemic peak in 2019 of $650,000 (compared to $240,500 in the United States), and the total homeownership rate was nearly 20 percentage points lower, 45.3 percent, compared to the United States (exhibit 2). All racial disparities with White homeowners are smaller in Los Angeles County, particularly Hispanic homeowners. The Hispanic homeownership gap is only 15.2 percentage points relative to White homeowners in Los Angeles, compared to 24.9 percentage points in the United States. Reasons for this narrower gap are yet to be determined. However, part of the reduction in disparity is that White homeownership is more sharply reduced in Los Angeles than any other group. Additional factors may include the large sell-off by older White homeowners, removing those who typically have the highest ownership rates, as explored in the following paragraphs.

Even greater than race disparities are the age disparities between young adults, represented by ages 30–34, and the generation 40 years older, 70–74. This age gap amounts to 30.6 percentage points in the United States and 38.0 in Los Angeles among Hispanic households. However, among White households, the respective gaps are far greater in Los Angeles (29.6 percentage points in the United States versus 48.2 in Los Angeles). In fact, the age gap is some 10 percentage points greater in Los Angeles among Whites than it is among Hispanics, and the lagging homeownership among White households explains in part why the racial homeownership gap is smaller in Los Angeles (exhibit 2).

These age disparities require close attention because of their magnitude and differences between Hispanics, Whites, and others. The age gap takes on critical importance due to the total sizes of different generations that may be impacted. With a large generation with high homeownership preparing to relinquish their homes, younger generations will need to step up. However, prices are very high in Los Angeles, in particular. The wide gap in ownership rates between young and old indicates that the necessary step is a very long stretch.

Exhibit 2

Disparities of Homeownership Rates by Race and Age, the United States and Los Angeles

UNITED STATES				
	Hispanic (%)	**White, NH (%)**	**Black, NH (%)**	**Asian, NH (%)**	**All Races**
All Ages	46.8	71.7	41.7	59.0	63.7
Race Gap	– 24.9	0.0	– 30.0	– 12.7	
Selected Ages					
30–34	33.2	54.8	20.4	39.0	44.8
70–74	63.8	84.4	62.9	73.1	80.3
Age Gap	30.6	29.6	42.5	34.1	35.5
LOS ANGELES COUNTY				
	Hispanic (%)	**White, NH (%)**	**Black, NH (%)**	**Asian, NH (%)**	**All Races**
All Ages	38.1	53.3	33.4	52.9	45.3
Race Gap	– 15.2	0.0	– 19.9	– 0.4	
Selected Ages					
30–34	20.0	23.5	11.5	33.1	22.4
70–74	58.0	71.8	56.7	64.8	65.3
Age Gap	38.0	48.2	45.3	31.7	43.0

NH = non-Hispanic.
Source: Analysis with American Community Survey IPUMS, 2015–2019

New Opportunities with the American Community Survey

We have already used data from the ACS, but this deserves a better introduction for its important new opportunities. In December 2020, the Census Bureau released its newest 5-year data collected in the ACS during 2015 through 2019. Data pooled this way yield a larger sample size and provided the only data available for small areas such as neighborhoods. The larger sample also makes it possible to study very small subgroups, such as small minorities or very finely specified age groups. A special feature of the new data release is that the ACS has three, nonoverlapping datasets for the first time, covering 2005–2009, 2010–2014, and 2015–2019. These are fortunately timed and offer the remarkable potential for dynamic observation of Hispanic homeownership attainment.

Data Timing for Representation of Recession and Recovery

Data in the ACS are collected monthly on a year-round basis, then assembled into 1-year or 5-year datasets. The first 5-year dataset, 2005–2009, collected data in years that reflected the achievements during the housing boom and the first years of the Great Recession. While current economic activity turned sharply downward in 2008, homeownership status is lagged because it accumulates past homebuying. If the ACS was fully operational 2 years earlier, an earlier data collection window would be ideal, but given the 2005–2009 data collection period, we can use

that to represent the 2000s' housing boom, acknowledging that our measure of these conditions is slightly muted.[3]

The second dataset, 2010–2014, collected data during the deepest period of the recession effects and its lingering aftermath. The year with the fewest movers to owner-occupancy was 2011 (3.37 million), and the number did not rise above 3.8 million until 2014. House prices in the nation also did not begin to rise in real dollars until 2014. Poverty and income did not appreciably change from their recession levels until 2013 and 2014, respectively (Myers and Park, 2020). The Great Recession was distinguished by an unusually prolonged economic recovery. The third dataset, 2015–2019, captures the effects of the robust recovery, which was especially strong in homeownership after 2016 when the national homeownership rate began to rise for the first time since 2005.

Although this sequence of 5-year data collection periods does not capture a sharp picture of a "boom," as in the single year of 2006, or of "recession effects" as in the single year of 2011, nor of "robust recovery" as in the single year of 2018; nonetheless, the 5-year windows provide a reasonable approximation, especially in light of the lagged accumulation status of homeownership attainment. For simplicity of communication, we can assign these data a shorthand based on their final year of collection, 2009*, 2014* and 2019*, employing the asterisk to indicate the end of a 5-year collection. Thus, these datasets are spaced 5 years apart, and we can use that to our advantage. The interval between the first two datasets corresponds to the change from the boom period to the recession period. That change represents "recession" effects, while the change from the middle to third dataset corresponds to the impact of "recovery." Thus, these three datasets are strategically timed to the good fortune of researchers.

In addition, this systematic 5-year spacing also allows us to investigate some intricate changes as cohorts pass 5 years in age from one period to the next, growing older and demanding housing, alternatively under recession or recovery conditions. We expect that the changes to homeownership behavior may be substantially different at different ages.

Homeownership Growth over 5 Years Instead of 10 Years

It might seem convenient to simply use the two datasets 10 years apart, 2005–2009 and 2015–2019, assuming we do not need to observe 5-year changes in age groups. However, even for total changes, the crucial advantage of studying the separate 5-year changes is a representation of recession and recovery effects. Consider the difference between the 10-year and 5-year measurement of changes in the number of homeowners observed among Hispanics and different races (exhibit 3).

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[3] In the 2005 to 2009 time span, annual data indicate an average of 5.0 million movers to owner-occupied homes per year, but in 2008, the volume of these buyers dropped to 4.4 million, and in 2009 it fell further to 3.7 million. How much this reduced the representation of "boom" can be roughly estimated thusly: If the pace of buying in two of the strongest years in the period were used as the standard for "boom," that would average 5.46 million per year. Buyers in 2008 fell 19.7 percent short of this, and in 2009, 31.8 percent short. Each of these two shortfall years carried only a one-fifth weight in the 5-year data, and after weighting, the two together contributed a 10.3 percent dampening of the measure of boom conditions when using the 2005–2009 dataset.

Exhibit 3

Changes in the Number of Homeowners over 5-Year Periods

UNITED STATES						
	Hispanic	**White, NH**	**Black, NH**	**Asian, NH**	**Other, NH**	**All Races**
Change						
2009* to 2019*	1,434,617	– 1,237,186	42,242	906,948	365,307	1,511,928
2009* to 14*	455,550	– 1,681,526	– 98,446	346,914	141,646	– 835,862
2015* to 19*	979,067	444,340	140,688	560,034	223,661	2,347,790
LOS ANGELES COUNTY						
	Hispanic	**White, NH**	**Black, NH**	**Asian, NH**	**Other, NH**	**All Races**
Change						
2009* to 2019*	12,222	– 95,159	– 14,479	47,298	7,968	– 42,150
2009* to 14*	– 9,800	– 57,050	– 9,483	21,462	5,251	– 49,620
2015* to 19*	22,022	– 38,109	– 4,996	25,836	2,717	7,470

NH = non-Hispanic.
Source: Analysis with American Community Survey IPUMS, 2005–2009, 2010–2014, and 2015–2019, each identified by the labels of, successively, 2009, 2014*, and 2019**

Hispanic households' homeownership increased by 1.434 million owners in 10 years, while among all races, homeownership increased by 1.511 million owners. Accordingly, by the share of growth "importance" metric, Hispanics accounted for virtually all (94.9 percent) of the nation's total gain in this period. However, Asian and Pacific Islanders also contributed to growth in homeownership, adding 907,000 owners, and they could be said to account for 60.0 percent of the national gain. What enables the two shares of growth together to exceed 150 percent is that White, non-Hispanic households experienced a *decline* of 1.237 million owners, or -81.8 percent of the total gain.

The 5-year picture of recession followed by recovery yields a puzzling insight (exhibit 3). White and Black households are the only ones to experience net losses in homeownership during the recession. Hispanic households achieved a net increase of 455,000 owners, more than any other group, despite the nation suffering a loss of 835,000 owners. The massive 1.681 million loss among White households outweighs the gains of others. The fact that White homeownership suffered such loss in the recession while Hispanic owners flourished might contradict expectations. A weakness of the share of growth metric is that it is calculated based on net changes of the whole, not a count of individual foreclosures or other hardships. In fact, as we will find later, the net decline for Whites is concentrated in elderly age groups, and a very different, more realistic picture emerges if we compare young Whites to young Hispanics.

In the subsequent 5-year recovery period, all groups enjoyed net increases in homeownership. Again, Hispanics have the largest gains, although amounting to less than half of the total. As will be shown in the following paragraphs, the revival of young households' homeownership is key to these gains. However, in Los Angeles, White homeowners declined in number even during recovery, as did Black homeowners, who were older and long settled in Los Angeles, like Whites. It bears emphasis in this analysis that we do not attempt to link the expansion and contraction of

different racial groups in a causal order. From these data we cannot determine even that Hispanic homeowners have purchased homes from Whites or Blacks, or from new builders. All that is known is that the exits by older homeowners and their succession by younger ones follows a sequence of life-cycle advancement. Outmovers need to occur before inmovers find opportunities in the existing stock. Thus, the role of particular age groups requires closer attention.

Cohort Gains and Losses in Homeownership

Age Perspective

The familiar metric of homeownership success by age groups is based on the percentage of households living in owner-occupied homes at each age of the householder, i.e., age-specific homeownership rates. These rates are compared over time in Los Angeles County and between Hispanic and White households (exhibit 4). The three points in time—2009*, 2014*, and 2019*—are calculated from the 5-year ACS datasets. As described previously, essentially, the three points in time represent the culmination of the boom period of the 2000s, the full impacts of the Great Recession, and then the culmination of the 2010s' housing boom before the pandemic. The White, non-Hispanic homeownership rates in the United States stand well above those for Hispanics or Latinos, 11.0 percentage points higher in 2009* when measured at age 40–44. Comparing the United States to LA County, the LA rates fall well below their U.S. counterparts. That LA disadvantage increases over the study period.[4]

With age, homeownership rates rise dramatically and do not peak until people reach their 70s. If more of the population is older, presumably we have more homeowners, although with more young adults we have more potential homebuyers in future years. However, comparing the lines for each period shows how much change occurred after 2009*, especially among Hispanics and particularly in Los Angeles (exhibit 4).

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[4] Whereas the U.S. White homeownership rate at age 40–44 of 76.0 percent fell 5.6 percentage points from 2009* to 2019*, the U.S. Hispanic rate fell 9.2 points. Meanwhile declines in LA were twice as great among Whites, declining by 11.2 percentage points, while the Hispanic rate declined by 10.5 points, similar to the U.S. decline.

Exhibit 4

Homeownership Rates by Age Group in Los Angeles County, Comparing Hispanic and White, in 2009*, 2014*, and 2019*
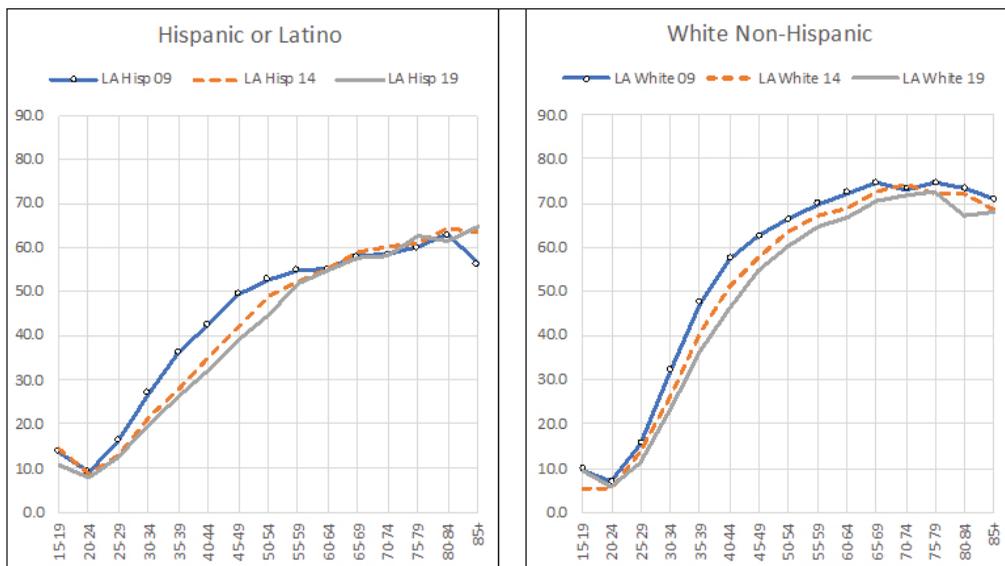
LA = Los Angeles.

Notes: Data are labeled by the last year in their collection period: 2009 (2005–2009), 2014* (2010–2014), and 2019* (2015–2019). The recession period is reflected by the change between 2005–2009 and 2010–2014, while the recovery period is between 2010–2014 and 2015–2019.*

Source: 5-year American Community Survey IPUMS

What is alarming is how much these age rates of homeownership have decreased in just the last decade, without any substantial rebound. Between 2009* and 2014*, the Great Recession negated homeownership gains among Hispanics that would have been expected under the 2009* rates. For example, a Hispanic household with a 36.2 percent homeownership rate in the 35–39 age group in 2009* would have been expected to rise to 42.7 percent homeownership when reaching ages 40–44 5 years later, but instead the 2014* data found a homeownership rate of 35.3 percent at that older age, more than 7 percentage points lower than expected (exhibit 4). All age groups younger than 60 revealed this slump during the recession years. Even by 2019*, the homeownership rates for middle-aged Hispanics have not bounced back to what they were before the Great Recession. Nor have they bounced back for White households in Los Angeles. Ground that was lost at age 35 is not readily made up at age 45, especially when house prices have returned to their previous high levels. Yet, the setbacks for Hispanic households are particularly pronounced, reflecting their greater exposure to foreclosures when the housing bubble burst (Myers and Lee, 2016; Rugh, 2015).

The Longitudinal Cohort Alternative for Measuring Change

The last 15 years have been an especially volatile era. We can best capture the legacy effects on housing careers by tracing cohorts as they pass through their life cycle over time. The cohort longitudinal approach has the advantage of better representing the direction of change, as well as differences with preceding cohorts (Myers, 1999). To answer questions about Millennials moving

into their 30s or Baby Boomers entering their 70s, tracked cohort changes are necessary. We simply "connect the dots" on cohorts that are 5 years older every 5 years, traced from boom (2009*) to bust (2014*) to boom again (2019*). Thus, the new ACS data allow us to measure cohort progress through the boom-bust-recovery cycle.

By contrast, the common comparison of age groups over time is a static comparison that does not follow any group's housing progress as they grow older through a given period of history. As will be demonstrated, the simple age method for estimating changes yields estimates and conclusions that are misleading or even nonsensical. These faults are clearly exposed in the case of estimates of homeownership change during recession and recovery.

The shortcoming of relying on simple age group change is clearly illustrated here in Hispanic and White homeownership in Los Angeles County (exhibit 5). However, a very similar pattern of comparison is found for the United States (not shown). The top pair of plots show age group growth, measured by subtraction *within* each age group of the numbers of homeowners observed at two points in time. The losses in homeownership among young Hispanic and White owners could be plausible in a recession. However, two major anomalies loom large. In *both* recession and recovery, this age group method produces massive, almost identical *gains* in middle age and early elderly years that seem nonsensical. First, *how is it possible to achieve such large gains in a recession?* Secondly, *why is there such an escalation in homeownership so late in life?* The graphs of homeownership rates shown previously clearly begin to level off after age 50 (exhibit 4).

Together, the graphs of homeownership change by age group (upper plots of exhibit 5) appear to reflect changes among both Hispanics and Whites that are contrary to expected behavior: homeownership grows at *older ages*, growing *even* in the recession, and in the White graph, it *falls even in recovery*. Further, in the Hispanic graph—or the White graph as well—why is homeownership growing so much more during the recovery phase for people over age 50 than for those who are closer to age 30 and in the expected age for greatest homeownership increase (based on the upward curves of exhibit 4)?

Exhibit 5

Homeowner Growth by Age Groups Compared to Growth by Cohorts from Late 2000s to Late 2010s, Los Angeles County

Hispanic

White
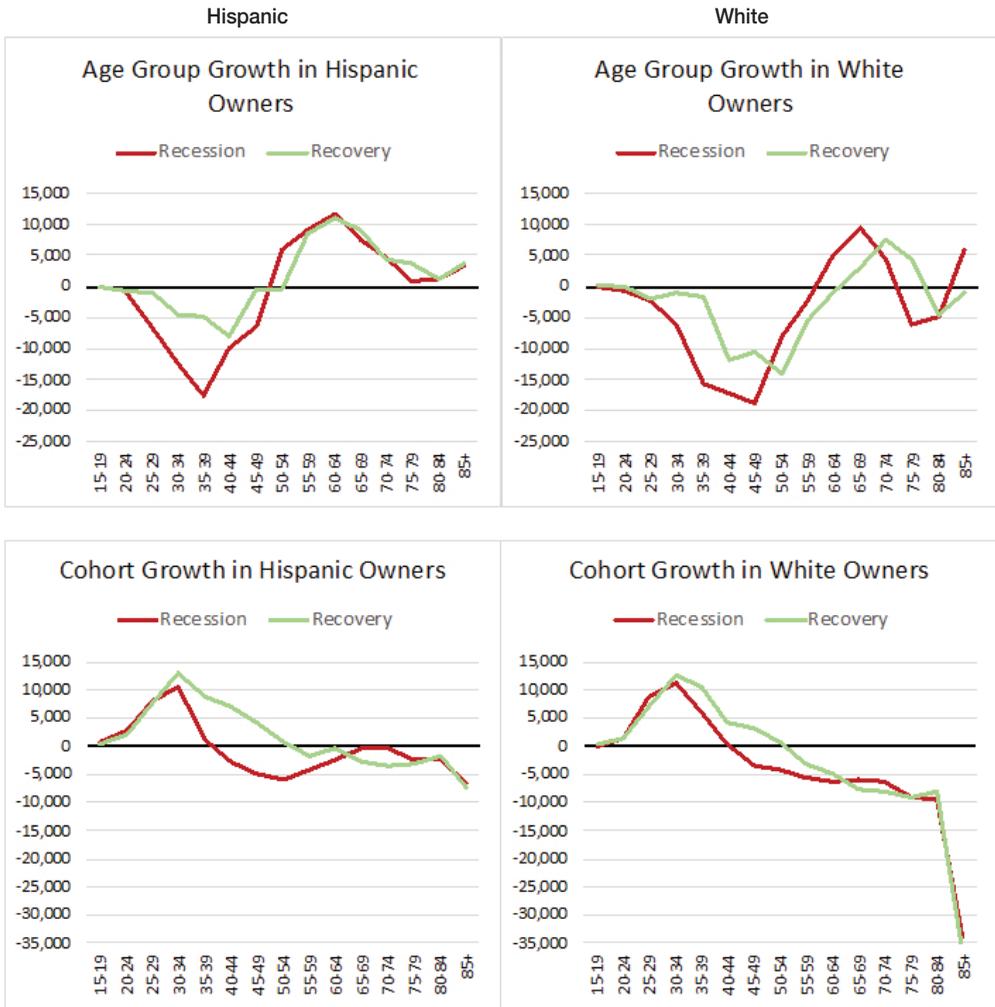
Recession = (2005–2009 to 2010–2014); Recovery = (2010–2014 to 2015–2019).
Source: Analysis by authors; American Community Survey 5-year files

The alternative plots of homeowner growth or loss by cohorts as they *pass between* age groups yield very different findings (lower plots of exhibit 5). They compare a later age group to the one 5 years younger when observed 5 years earlier (because cohorts grow older over time). The resulting changes are almost the reverse of the age group changes: the greatest increase in homeownership is found among young adults, not older adults. That matches the steep upward age curve of homeownership rates in exhibit 4. However, an apparent inconsistency with those homeownership rates is that the cohort changes show *decreased* homeownership in elderly years, even though their age-group homeownership rates are extremely high. How is that apparent inconsistency explained?

Here we find clearly illustrated two main points in explaining differences between age group and cohort changes. Foremost, the growth and decline in age groups do not reflect behavior but differences in underlying age group size, which is carried forward by cohorts to their next older age group every 5 years. The aging of large Baby Boomer cohorts carries ever-larger groups of homeowners into older brackets, regardless if it is a period of recession or recovery. However, the cohort plots, in contrast, measure the net accumulation of homeownership when each cohort enters the next age range, not the differences in size between one cohort and the next. Thus, we find rapid surges into homeownership at young ages, very little changes after age 50, and then a steep drop off at the end of life.[5] In the late-in-life age groups, the behavior is to downsize, exit from homeownership, move to retirement homes, or exit from housing for health reasons or death. These exits are not reflected in the high homeownership rates in old age because those rates are only calculated for people who live in housing and run their own households, not including those who left the housing market in old age because they died, moved in with relatives, or moved to assisted living.

Finally, granted that the cohort changes are the more plausible way of representing real gains in homeownership over time, at least among older households, how should we explain the rapid *increase* in homeownership *at young ages* during recession conditions? The answer is that young people face urgent pressures to form households, marry, and start families, all of which can motivate homebuying (Myers, Lee, and Simmons, 2020), and they are reaping income gains from their newly established careers, although the increases during a recession are much less than in a recovery. Even in the worst homebuying year of the Great Recession—2011—nationwide, there were 944,211 new owner-occupants age 25–34, down from 1,698,359 in 2006 (a decrease of 44.4 percent). Cohort increases are sizable because people move from very little homeownership at age 20–24 to many times more at ages 25–29 or 30–34, even if that advancement is stunted in a recession. In fact, the most worrisome discovery here is how precarious ownership gains are for middle-aged households. Gains in a recession are completely blocked in the nation as a whole and even reversed in Los Angeles for cohorts in their 40s and 50s.

The conclusion of this comparison between simple age group comparisons and cohort life-cycle advancement is that only the cohort life-cycle advancement reflects net results of home buying and selling over time that could be considered realistic and practically relevant. The cohort estimates better match expected age-related behavior in both recession and recovery periods and for both Hispanic and White households. We can apply the cohort method further.

Adding Up Losses and Gains to Cohorts in Recession and Boom

The cohort life-cycle advancement method, applied to the sequence of 5-year ACS datasets, can be applied to all ethnoracial groups, summing their effects within each age group that the cohorts occupy at the end of the recession or recovery periods. This provides a practical measure of the net

[5] One reason the late-in-life downturn in homeowners appears so steep among White households is that 75 thousand owners in LA County were ages 80 and older in 2010–2014, compared to 20,000 Hispanic homeowners of that age. In addition, even more of the White homeowners are skewed toward ages above 85, which would make them especially prone to exits. Moreover, White homeowners demonstrate a stronger propensity than Hispanic homeowners, even in their 60s and 70s, to exit homeownership in Los Angeles, whether for retirement homes or out-migration.

demand increase for homeownership, as well as the net supply released when groups relinquish their homeownership in a given area. Hispanic homeowners may have roles in the process that are different from White homeowners. Observation for the United States as a whole provides a benchmark picture of the changes by race and age that are net of any internal migration or localized home building.

This longitudinal perspective on homeownership attainment in recession/expansion context can be extended downward to Los Angeles County and then to the newly popular gentrifying subarea 5 miles north of the Los Angeles downtown, the Highland Park/Eagle Rock district, where multiple groups are competing for housing. Our display is arranged in six plots, following Tufte's (1983) principle of "small multiples," showing estimates for cohorts traversing each age group, first in the recession and then the recovery period, and at successively lower levels of geography (exhibit 6). Within each plot, we show estimates of net homeownership gains or losses accrued in each age group by Hispanic and White households and all other racial groups combined, employing the stacked bar technique. A "total" bar then sums the changes for all races of all ages in the recession or recovery period of the given geography.

United States Losses and Gains in Homeownership

Changes in homeownership in the United States (top panel) provide a useful backdrop for comparing changes in subregions of the nation. The "total bar" of changes in the recession period indicates more losses than gains, but a net loss of 1.68 million homeowners is registered among White households (exhibit 6). In contrast, the number of homeowners increased among Hispanics by 456,000 during the recession period and, then during the recovery period, increased by nearly a full million homeowners. The combined growth of Asian, Black, and all other homeowners nearly matched the growth of 1-million by Hispanic owners during the recovery period, expanding from 390,000 during the recession. The number of White homeowners also increased during the recovery period, but only half as much as the other groups (444,000).

It might seem surprising that White homeowners would sustain greater exits from homeownership in the recession than Hispanics or others. The explanation is found in the age detail of homeownership change, revealing some major cross-currents of buying and selling by Hispanics and members of different races of different ages. Previously, in exhibit 5, we reviewed the cohort advancement changes of gain or steep decline. Exhibit 6 quantifies the net changes, showing the apportionment by Hispanic, White, and all other racial groups. Most dramatic is how the number of White homeowners plunges downward after age 75. While all the ages over 75 yielded large losses, one age group, 25–34, still exhibits substantial gains in the recession. Nearly 2 million White buyers (net of departures from homeownership) were added during the recession period to the group aged 25–34. This age also included nearly 400,000 Hispanic buyers (net of any Hispanic sellers who did not repurchase). Changes were fairly minor in all other ages except elderly years. Beginning at age 75, more than 3 million White households phased out of homeownership in 5 years' time, also accompanied by losses of about 400,000 aging African American and Asian homeowners.

Exhibit 6

Net Entrants and Departures from Homeownership in the Recession and Recovery Years: Estimated by Age Cohort Among Hispanic, White and Total Households, United States, Los Angeles, and Highland Park/Eagle Rock
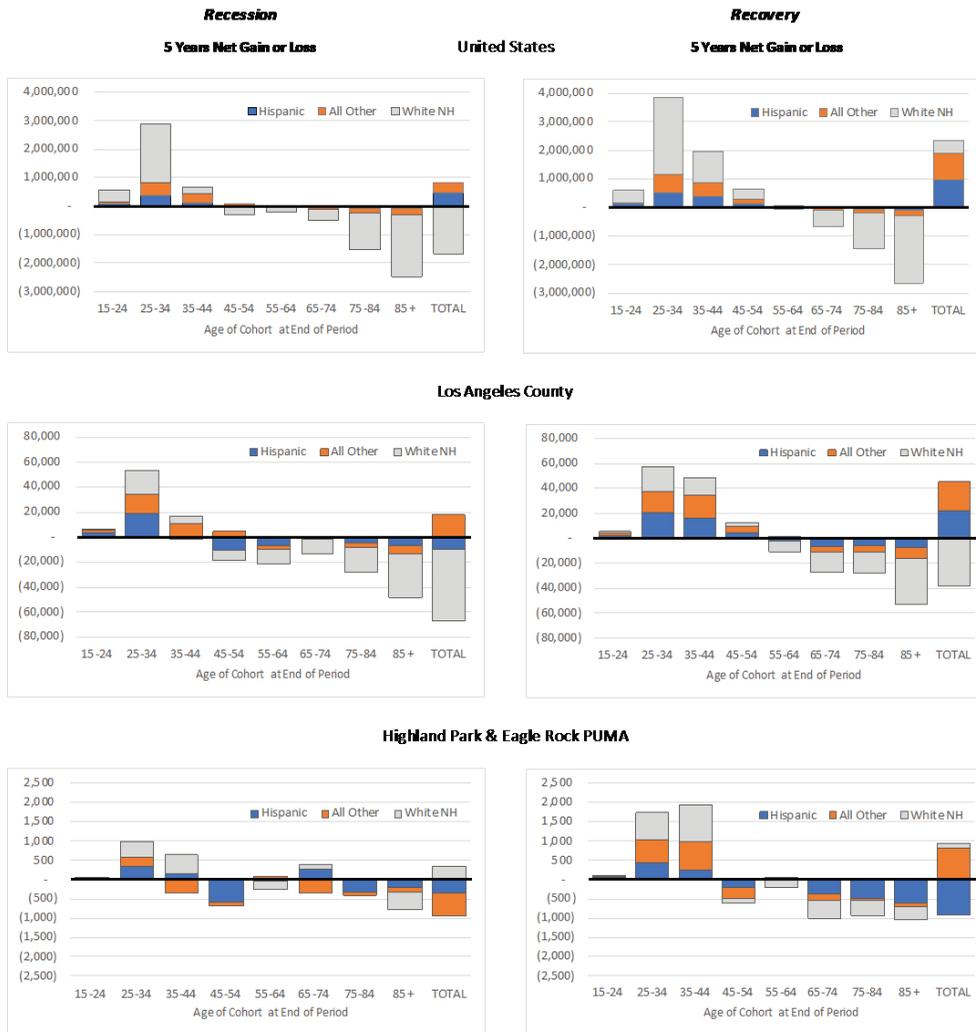
NH = non-Hispanic. PUMA = Public Use Microdata Area.
Notes: Data are drawn from the 5-year American Community Survey IPUMS, as labeled by the last year in their collection period: 2009* (2005–2009), 2014* (2010–2014), and 2019* (2015–2019). The recession period is reflected by the change between 2005–2009 and 2010–2014, while the recovery period is between 2010–2014 and 2015–2019. Gains or losses of homeownership are recorded when age cohorts advance 5 years older between these periods.
Source: 5-year American Community Survey IPUMS

What is striking is how similar are the losses of older homeowners in different periods, as found previously for the 1990s, 2000s, and 2010s (Simmons and Myers, 2018). Here we find a consistency of losses among elderly homeowners even in recession and boom. Instead, the greatest difference in the recovery period is concentrated among young people, no matter the race. Gains

in those young age brackets have contributed to the total gain in Hispanic homeowners and other races, leading to a substantial total increase during the post-recession recovery. Combined with the massive loss of older White owners, the large gains in White owners at young ages yield a much smaller total increase in homeowners than Hispanic homeowners alone.

Los Angeles County Losses and Gains in Homeownership

Against this backdrop of national change, we can better assess the case of Los Angeles County, an extremely large (10 million population) and diverse urban area with very high prices and low homeownership rates, as introduced previously. Losses of older White homeowners occurred much as in the nation, but in Los Angeles, they are joined by losses of long-established, aging Hispanic homeowners, as well as elderly owners who are Black or Asian (exhibit 6). However, at younger ages, diversity is even greater. The growth in homeownership is more evenly divided among Hispanic, White, and other (largely Asian) groups. During the recession period, unlike in the nation, Hispanic homeowners declined in total. That overall loss can be attributed to sizable losses for cohorts arriving in ages 45–54 and 55–64, which were even greater for Hispanic homeowners than the losses in elderly years.

In the recovery years, total Hispanic homeowners increased because losses stemmed in middle age (especially ages 45–54) and because a new accumulation of homeownership was achieved at ages 35–44, extending the earlier growth at ages 25–34. Comparing the age rates of homeownership shown earlier for Los Angeles County (exhibit 4), we see that homeownership rates have not rebounded to the high level observed in 2005–2009; instead, they have continued to slip slowly downward among both Hispanic and White households. What enables homeownership acquisition to grow, despite the declining age rates, is that cohorts move up to the next older age group where the average probability of owning is higher. The falling rates in the recession were so great that cohorts moved sideways or downward in homeownership rate for a few years. In reality, the "rate" is a statistical abstraction. People do not move down in rate; they sell more homes in their cohort than they buy. It is the net losses in homeownership (while sustaining renting) that nudge the rate lower than it would have been.

Los Angeles is a long-established immigrant gateway, but it has become less of a magnet for new Hispanic immigrants in recent years. This follows a national pattern in the last decades of the 20th century, when changes to city structures and regional economies began to drive immigrant suburbanization. Currently, the fastest growth is occurring in "secondary" Hispanic metros and metros with historically small Hispanic populations (Sanchez-Moyano, 2020). Longer established Hispanic residents are also gravitating outward, both following the suburbanization of jobs and seeking larger housing units at reasonable prices (Alba and Logan, 1991; Hardwick, 2008; Sanchez-Moyano, 2020). And yet, increasingly, new immigrants are bypassing central cities and settling directly in the suburbs. Painter and Yu (2014) observe also that immigrant Latinos are more resistant to loss of homeownership in recession periods than U.S.-born households, likely due to immigrant networks and also the upward mobility of established immigrants, as highlighted by Myers and Lee (1998).

These dynamics apply In Los Angeles, which we can view through changes in the Highland Park vicinity that has been an ethnic enclave with a majority Hispanic population. Our research discussed next shows that the traditional pattern is not taking place in Highland Park. Hispanic homeowners continue to hold onto older housing stock in the region, and in some cases move to suburban areas in neighboring counties such as San Bernardino and Riverside counties. However, data indicate that newly arrived immigrants are no longer replacing them, and households of other racial designations are instead succeeding them in key life-cycle stages.

The Highland Park/Eagle Rock District and its Homeownership Changes

Our local study area is set within the overall housing market context of Los Angeles, occupying a northeastern district of Los Angeles city known as the Highland Park/Eagle Rock area. One might assume that the trends in this local area would parallel those for racial groups in the county as a whole. However, the unique location and history of the Highland Park/Eagle Rock area, with its very small, combined size (about 2 percent of Los Angeles County population), creates the potential for substantial divergence. The dynamics of gentrification in this area might also create a very different pattern of changing homeownership, but we can track changes separately for each major racial group by using the 5-year ACS files. In particular, it is unknown how those dynamics might differ between the recession and recovery periods. We begin here with a comparison of available microdata for the PUMA (Public Use Microdata Area) that covers the district of Highland Park, Eagle Rock, and vicinity. The next section investigates changes within separate neighborhoods described at the census tract level for the same periods.

Here we examine trends in buying and selling for the district as a whole (exhibit 6, lower panel). Looking first at the total bar in the recession period, White homeowners increased in number, while Hispanic and other races declined. This White trend is sharply different from the decline recorded for Los Angeles County as a whole in the recession. The Hispanic downturn, however, closely mirrors that of the county, while that for all other races (84 percent of whom are Asian, predominantly Filipino in this area) shows a steep downturn in this district, counter to the gain in the county. In the recovery period, the Hispanic decline in homeownership intensifies, while the other race group enjoys a very large gain summed across all age groups (with a virtually negligible increase among Whites).

Net changes by age group again can yield insights into the dynamics underlying these total changes in homeownership. As in LA County, people age 45–54 suffered the most notable loss of Hispanic homeowners during the recession downturn, whereas the sizable loss among the "all other" group is accumulated across many ages. In the recovery years, Hispanic homeowners deepen their decline across the elderly age groups, joined by Whites. However, Hispanic homeowners quell the deep loss at age 45–54, just as in the county as a whole, and add small increases under age 45, but with roughly one-half the proportional prominence of Hispanic gains in Los Angeles County. The truly dramatic new picture in the recovery years is a strong increase in buyers under age 45, roughly split between White and other (largely Asian) homeowners.

Contrary to Los Angeles as a whole, or the nation, Hispanic homeowners are slowly phasing out of the Highland Park area, led by the elderly departures, and with very little replacement by young

Hispanic homebuyers. Instead, there is a surge of young White and Asian homeowners that mark a generational transition in the area.

Neighborhood Changes in the Highland Park/Eagle Rock Area

These foregoing changes in demand may or may not be evenly spread or clustered in neighborhood pockets. At the neighborhood level, housing choices become the primary locational attraction. In the diversity of Los Angeles, households of many different races and ancestries are often competing for the same housing opportunities. The extremely high price of housing in Los Angeles, approximately three times the national average, creates an added incentive for middle-income home seekers to explore opportunities in lower-income neighborhoods. Larger-sized Hispanic families face particular pressures of meeting larger space needs with middle incomes. One response is to live at higher household density, so-called "overcrowding," and another is to move into areas that middle-income White households may consider undesirable and overlook because of their growing ethnic mix. However, the extremely high affordability pressures in Los Angeles increasingly push middle-income White households into former ethnic enclaves and neighborhoods of lower-income (Goodman, Seidman, and Zhu, 2020), especially if these neighborhoods contain housing with access or view amenities and if the structures can be easily remodeled. The more centrally located, the better for such a residential choice. By the late 1990s, housing preferences of many young adults, especially with two earners, began to swing toward central city convenience (Myers, 2016).

For all these reasons, the Highland Park/Eagle Rock vicinity has become highly sought after by multiple groups. Because of hilly topography and for historical reasons, this northeast district is composed of several distinct neighborhoods, all of which lie within the city limits of Los Angeles. The two largest subareas are the historic Highland Park core and a somewhat newer, lower-density area known as Eagle Rock, each with about 30,000 residents. Highland Park is at the junction of the two main arteries, York Avenue and Avenue 54, with Figueroa Street being the principal artery to downtown Los Angeles before the Pasadena Freeway. That also was the pathway of the original Route 66 from Chicago to LA, but Highland Park now has a light rail station at its core.

The Eagle Rock section on the northern edge of the study area is lower density and anchored by Occidental College, a small liberal arts college (current undergraduate enrollment 2,081) with a disproportionate impact on the nation. Its two most notable alumni are 44th U.S. President, Barack Obama, and Jack Kemp, the star quarterback who went on to success with the Buffalo Bills in the National Football League, then took his leadership skills to U.S. Congress, serving from 1971–89. Kemp then capped his career serving as the Secretary of the Department of Housing and Urban Development (HUD), 1989–93.

The changing housing fortunes of Hispanics in this diverse community are our principal interest. The district lies at the far northern end of the large "east side" swath of Latino residents bordering downtown Los Angeles and flowing down to suburbs far to the southeast. The map in exhibit 7 highlights the study area lying between 5 and 8 miles north of downtown, just north of Dodger Stadium at Chavez Ravine, a former community of Mexican Americans, and bounded by major

freeways running along the Los Angeles River and Arroyo Seco from Pasadena, and two others through the hills.

The growing Hispanic population in the region was situated most densely in areas of lower-cost housing, blocking their access to the west side of LA. In the Highland Park vicinity, opportunities were found in the oldest housing, or pockets in the hills, often low-lying areas like Cypress Park near the railroad tracks along the Los Angeles River on the south side of the study area. However, the largest and most urban settlement was at the core of Highland Park, and that retains among the highest Hispanic population shares (70 percent) in the vicinity today. The lowest Hispanic population concentration is in Eagle Rock (35 percent) on the northern end or on Mount Washington (40 percent), which is elevated between two areas with much higher Hispanic concentration (exhibit 7).

Exhibit 7

Hispanic Population Share of Neighborhoods North and East of Downtown Los Angeles
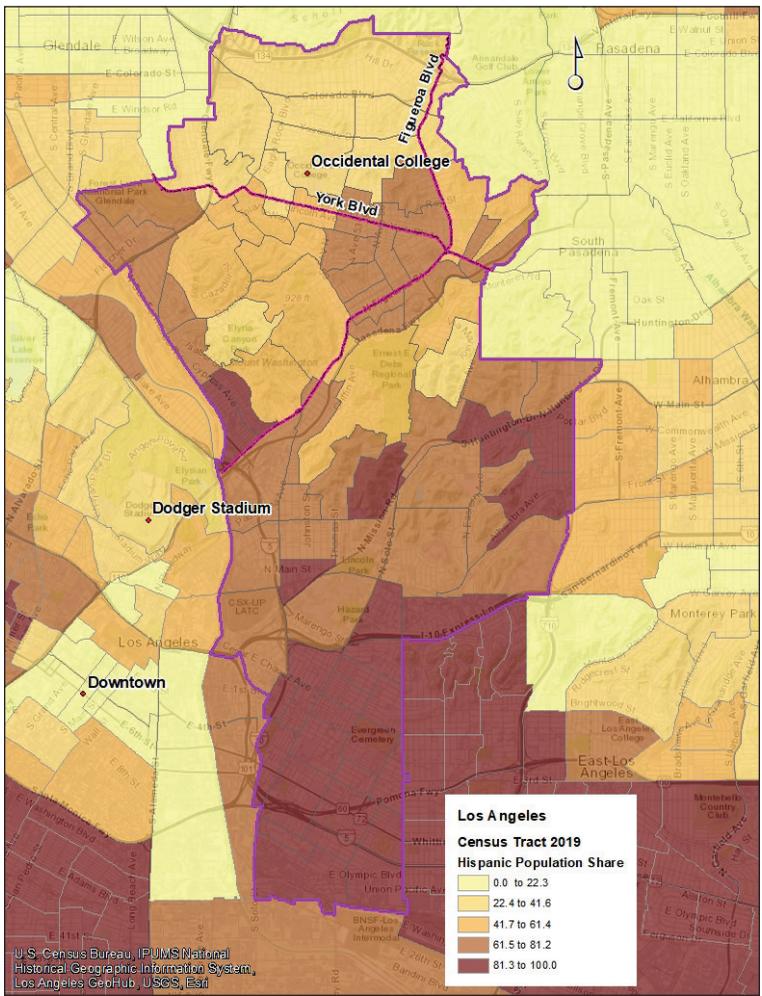
It is not a coincidence, we should note, that there are fewer Hispanic residents on top of Mount Washington or in Eagle Rock. All the in-movers are looking for more affordable housing than they could find elsewhere. The median house value in the Mount Washington subarea is 29 percent higher than the median house value in Los Angeles County, so there is no perceived bargain there unless you might be a housing refugee coming from Silver Lake or the west side of Los Angeles, where prices are far higher. If your comparison is other residential areas to the east and south, Mount Washington is not a good value. Certainly, many Hispanic families do prefer this location for its convenience and amenities. However, its Hispanic share is lower than surrounding areas. Eagle Rock is similar, where the house values are about equal to Mount Washington, and its Hispanic share is also lower.

The comparison of the Highland Park area housing prices to bordering areas of the Latino east side is striking, especially when we compare prices in 1990 to what they have become in 2019 (exhibit 8). Whereas prices to the east of downtown Los Angeles have retained a low value relative to the county-wide median, it is clear that all the neighborhoods in the Highland Park vicinity to the north have moved up in value substantially, with more of them approaching the former high level of Eagle Rock. In contrast, most of the Highland Park vicinity had relatively affordable house values, with some 13 percent below the county median (index value of 1.0). However, by 2015–2019, most of the area was now priced more than 23 percent above the county median.

Exhibit 8

Median House Value in 1990 and 2019 as a Ratio to the Los Angeles County Median, Highland Park Vicinity and the Southern Arc of Neighborhoods Stretching to East Los Angeles
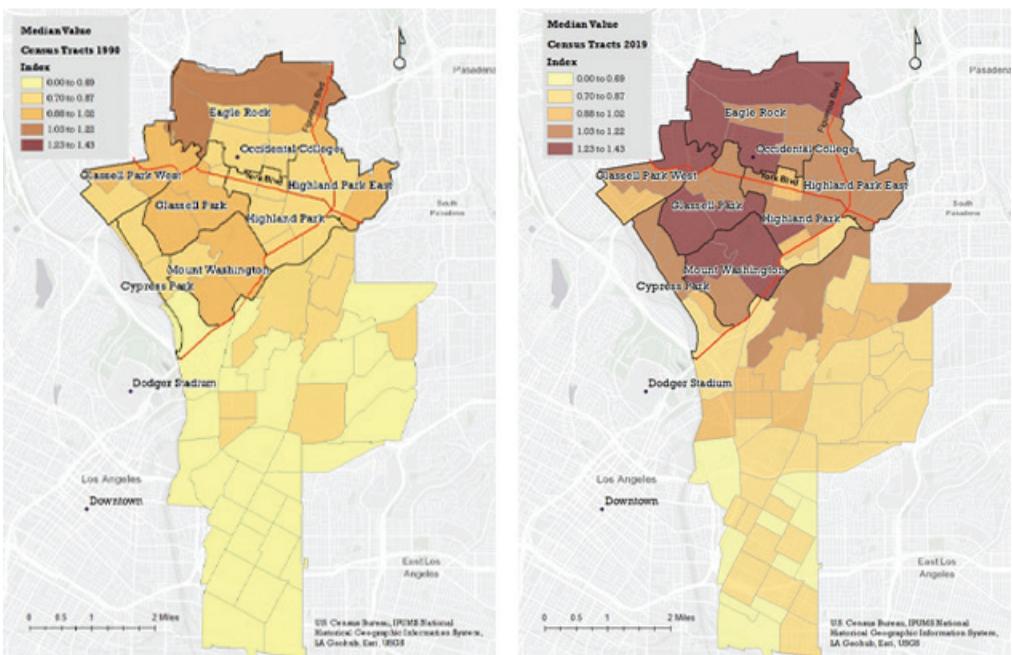
Taking a housing demographic perspective, it is necessary to remember that population groups do not live simply in communities marked in space on a map; rather, the vast majority live in housing units. We should describe what portion of the owner-occupied or rental housing provides shelter for Hispanic households compared to other groups. In the latest data, the overall Hispanic share of households is lower (47 percent) than their share of the population (56 percent), because Hispanic households on average have more persons per household, a difference noted earlier for Hispanics in the United States as a whole (exhibit 1).

How these housing shares that are Hispanic-occupied may have increased or declined during boom and recession is our greatest interest in this study. We calculated the shares separately for the owner-occupied and renter-occupied units, beginning with the changes between 1990 and 2000, then from 2000 to 2009* (during the boom), next from 2009* to 2014* (in the recession), and finally from 2014* to 2019* (in the recovery). These incremental changes in shares accumulate over time but can be reversed as well. The incremental dynamics are represented for every subarea in exhibit 9.

Exhibit 9

Expansion and Reversal of Growth in Hispanic Share of Owned or Rented Housing, by Subareas of the Highland Park/Eagle Rock District (percentage point change in Hispanic share in four periods since 1990)
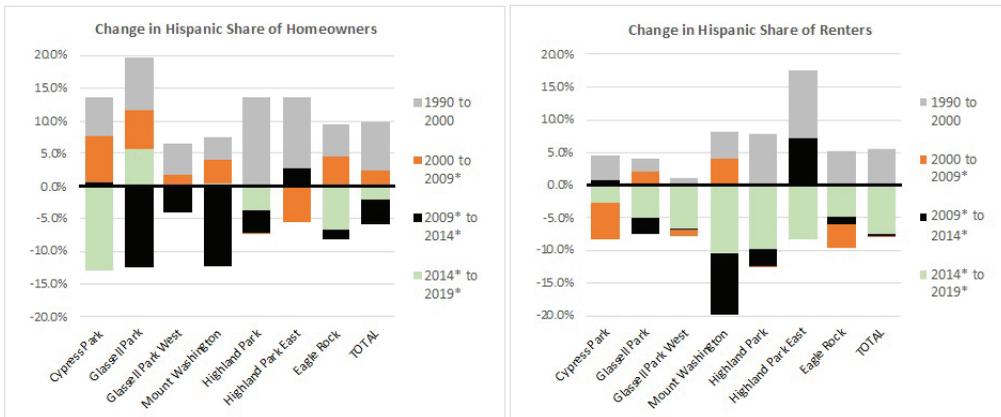
Note: Data are drawn from the 1990 and 2000 Census and the 5-year American Community Survey summary tables, as labeled by the last year in their collection period: 2009* (2005–2009), 2014* (2010–2014), and 2019* (2015–2019).
Sources: U.S. Census Bureau; American Community Survey

The "TOTAL" bar for each plot in the exhibit provides an overall summary for the whole area. In the case of homeowners, Hispanic buyers gradually expanded their share of the area's owner-occupied housing, growing by 7 percentage points from 1990 to 2000 and by another 3 percentage points during the heated housing boom (exhibit 9). After that, the Hispanic growth in share reversed itself, falling back 4 percentage points in the recession period (2009* to 2014*), with another 2-percentage point decline during the strong recovery period through 2019*. Most of the specific subareas followed this general pattern, with some declining in recession and others during recovery. Losses of homeownership during the recession would be more expected than during the recovery when the economy was strengthening. Loss during the recession might indicate financial

difficulties, possibly even foreclosures. Loss during the economic upswing, in contrast, more likely indicates the Hispanic share was reduced by greater demand from other social groups that sought properties in the area as Los Angeles house prices renewed their upswing after 2014. The housing price changes depicted in exhibit 8 are surely taking their toll on the Hispanic share in the Highland Park/Eagle Rock area.

In general, Hispanics occupy a larger share of the rental units (55.8 percent) than of the owner-occupied units in the district (37.1 percent), according to the latest data. The changes in share since 1990 are more consistent across subareas for the renters, but they also suggest much greater competition by non-Hispanic renters in the recent recovery period. A greater reduction in the Hispanic share of rentals had occurred in all subareas save Cypress Park during the recent recovery period, when the average reduction in rental share exceeded 7 percentage points. The fact that Hispanic rentals were more steeply reduced in the recovery years, without increased Hispanic homeowners, implies that Hispanic renters were displaced elsewhere. The previous analysis by age group (exhibit 6) indicates that an older generation of Hispanic owners was selling off. The new, incoming generation was White or Asian, with only a small number of Hispanic buyers. Those calculations were only about owners, but Millennials from the same groups are likely landing rentals as well, with rising rents pushing out Hispanic residents.

Conclusions

This study has sought deeper information about the growing role of Hispanic households in achieving homeownership and helping to absorb the massive release of owner-occupied homes by millions of Baby Boomer homeowners, mostly White, in their retirement years. Current methods are too static to capture these dynamics of change. To better capture the inflows and outflows from homeownership over time, we have developed a cohort life-cycle advancement model of transitions every 5 years, designing this specifically for application with the three 5-year datasets collected by the Census Bureau through the ACS: 2005–2009, 2010–2014, and 2015–2019. The fortunate timing of these data is that they encapsulate periods of recession and boom in homeownership, with the changes between the first two datasets reflecting the downturn into the recession and its bleak aftermath, while the pairing of the last two datasets captures the upswing into a renewed homeownership boom. This is the first time that cohort longitudinal estimation (Myers, 1999) has been used to trace expansion and contraction of homeownership advancement during recession and recovery and over the full life cycle.

Hispanic households have traveled a different path than White households through these periods. The differences are illuminated by comparing Los Angeles County to the United States pattern because Hispanics are much more prevalent and long-established in Los Angeles, while the White homeowners are less numerous and even older than the national average. These age dynamics in recession and boom elevate our understandings in important ways.

The Hispanic-White homeownership gap is smaller in Los Angeles than in other regions, not only because the Hispanic population is a larger share of the population (Strochak, Young, and McCargo, 2019), or because a larger share of Hispanics is comprised of long-settled generations (Myers and Lee, 1998), or because the price of housing is much higher (Sanchez-Moyano, 2020),

but most directly because the White homeownership rate is depressed. High prices affect all groups in a local housing market, but different ages are affected differently. Older households typically made their purchases decades earlier when prices were much lower. As a result, we find an unusually wide age gap in homeownership between ages 30–34 and 70–74 among White households because the young homeownership rate is depressed. However, at the same time, older White homeowners are experiencing a more rapid exodus (commencing at earlier ages) than average for the nation. Thus, the White segment of Los Angeles residents has been losing its highest homeowning members while replacing them with unusually low-homeowning, young households.

The findings from the cohort life-cycle advancement model provide direct insight on these dynamics of change, and these results were compared to findings from a traditional age group analysis that uses the same data but focuses on *changes within age groups* rather than *within cohorts* that are passing from one age group to the next. The two concepts are not interchangeable and deliver highly divergent results (exhibit 5). The cohort advancement method clearly yields estimates that much better summarize the experience and impacts of Millennial or elderly households, for reasons detailed previously. Further, we have demonstrated the opportunity, and necessity, to frame trend analysis as representing changes in housing behavior in 5-year periods subject to radically different recession and boom conditions.

The cohort advancement method's net changes estimated in each age group were displayed for Hispanic, White, and other homeowners, arraying these in hierarchical geographic comparison, from the United States to Los Angeles County, and down to a gentrifying district (exhibit 6). Geographic comparison to the next higher level permits us to see what behaviors may be distinctive during the recession or recovery in the smaller geographic area that is a subset of the whole. Researchers can bring these insights to bear in any local area that is covered by the ACS 5-year datasets. With access to microdata in places of at least 100,000 population, the full cohort life-cycle advancement analysis can be applied. But even in small communities or census tracts, researchers can follow the advancement and retreat of Hispanics, Whites, and other racial groups as a share of the local homeowner or rental sectors (exhibit 9).

Looking ahead, 2020 and 2021 mark the COVID recession, with a strong recovery expected before mid-decade. Lessons derived from tracing cohort advancement in previous recessions and booms surely can provide an underpinning to understanding the "surprising" strength of Millennial housing demand that has been so under-supplied by construction. Higher turnover in the existing stock is urgently needed to create greater generational opportunity. The cohort advancement model can help shed light on the prospects for future turnover, under recession or boom conditions, in neighborhoods with concentrations of older homeowners. As demonstrated here, the cohort approach is far better suited to spotlight the direction and volume of change than traditional age group methods.

Acknowledgments

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