HOUSING · COLLEGE · JOBS · FAMILY · THEN AND NOW

Cost of Living for Gen Z

16%

of Americans — 55.3 million people — are 18 to 29 [1]

Do you face a different basic economy than your parents and grandparents did at your age? These facts will help you answer that question for yourself.

This brief compares young adults at the same age in three years — 1985, 2005 and the latest year published — using one measurement series per line, so the comparison is apples to apples. Where a series starts later than 1985, it says so. Every number prints its own year and compares "apples to apples".

Know the Terms

Real dollars — a figure adjusted for inflation, so we can compare past dollars to today. Tables say which year.

Median — the middle value: half above, half below. Not the average.

Householder — the person in whose name a home is owned or rented. "Under-35 households" are headed by someone under 35.

Cost-burdened — paying more than 30% of income for housing.

Living in a parent's home — in Census counts, an unmarried college student in a dorm is counted as living at home.

Benchmark premium — the price of the second-lowest-cost silver plan on the Affordable Care Act marketplace, before any subsidy.

Dollars of the day — the figure as reported that year, not adjusted for inflation.

Transfers — money from government programs such as Social Security, food assistance or tax credits. "After taxes and transfers" counts them as income.

Ratio, share — a cost divided by an income in the same year. Needs no inflation adjustment.

Price-to-income — median home price divided by median household income. 5 means five years of income.

Underemployed — working in a job that typically does not require a college degree. It does not mean part-time.

HOW TO READ THE TABLES

Each row is one measurement, taken the same way in each year shown. The three columns are 1985, 2005 and the latest year published — the year sits inside the cell, because surveys report on different schedules. A dash means the series had not begun. The bracketed number links straight to the source; the same source is listed again at the end.

WHAT ARE THE FACTS?

INCOME — HIGHER AT THE SAME AGE, GENERATION AFTER GENERATION

Real median household income, 2024 dollars [2]	1985	2005	2024
Householder 25–34	$65,390	$72,670	$90,100
Householder under 25	$39,230	$44,130	$60,310
All households	$61,570	$71,060	$83,730

Median income at ages 36–40, after taxes and transfers, vs. the generation before at the same age [3]	Boomers Bn. 1946–64	Gen X Bn. 1965–80	Millennials Bn. 1981–96
Gen Z (1997–2012) is too young to measure.	+27%	+16%	+18%

Census Bureau, Current Population Survey; Federal Reserve Board working paper (one study, not peer-reviewed).

COST OF LIVING FOR GEN Z

WHAT ARE THE FACTS?

BUYING A FIRST HOME

	1985	2005	Latest
Median age of first-time buyer, realtor association survey — same survey all three years [4]	29	32	40 (2025)
Same, from records of closed mortgages [5]	—	—	32–33 (2025)
Households headed by someone under 35 who own their home [6]	39.9%	43.0%	37.0% (2025)
30-year mortgage rate, Freddie Mac weekly survey [7]	11.31%	6.30%	6.66% (Aug. 2026)
Median down payment, first-time buyers, share of price [30] [31]	about 10% (1989)	about 3%	10% (2025)
Median down payment, repeat buyers [30] [31]	about 23% (1989)	about 16%	23% (2025)
Median existing-home sale price, dollars of the day [8]	$75,500	$219,000	$440,600 (June 2026)
Home price ÷ median household income, all households [2] [8] [9]	3.2	4.7	about 5 (2025)
Total monthly cost of the median-priced home — mortgage, taxes, insurance — dollars of the day [10]	$996 (1990)	$1,698	$3,168 (2025)

Mortgage-rate readings are the weeks of Dec. 13, 1985, Dec. 15, 2005 and Aug. 27, 2026. Under-35 ownership was 35.2% in April–June 2026. The monthly-cost series begins in 1990 and assumes 3.5% down. Down payments for 1989 and 2005 are read from NAR's chart; loan records put the mid-2000s at 3% and 20%.

RENTING

	1985	2005	Latest
Median asking rent, dollars of the day [11]	$343 (1988)	$605	$1,490 (2025)
A year's asking rent ÷ median household income, same year [11] [2]	15.1% (1988)	15.7%	21.3% (2024)
Renter households paying over 30% of income for housing (considered cost-burdened) [12]	35% (1980)	40.6% (2001)	49% (2024)
Average yearly rent increase, Consumer Price Index [13]	—	3.3% a year, 1985–2005	3.5% a year, 2005–2026

Asking rent is for vacant units; the Census series begins in 1988. The cost-burden series has 1980, 2001, 2019 and 2024.

LIVING WITH PARENTS

	1985	2005	2025
Ages 18–34 living in a parent's home (college students in dorms counted as home) [14]	28.1%	26.9%	33.0%

Computed from Census counts: 19.3 of 68.7 million (1985); 18.1 of 67.3 million (2005); 25.2 of 76.4 million (2025).

COST OF LIVING FOR GEN Z

WHAT ARE THE FACTS?

COLLEGE

Public four-year, in-state, 2025 dollars [15]	1985–86	2005–06	2025–26
Published annual tuition and fees	$3,950	$9,050	$11,950
Annual tuition and fees plus housing and food	$11,550	$19,980	$25,850

Enrollment-weighted averages of published prices, before grants.

JOBS

	1985	2005	Latest
Share of 18–24-year-olds enrolled in college [16]	27.8%	38.9%	39% (2022)
Unemployment rate, all workers [17] [18]	7.2%	5.1%	4.1% (Aug. 2026)
Unemployment, recent college graduates ages 22–27 [19]	3.4% (1990)	4.4%	5.7% (June 2026)
Unemployment, all workers ages 22–27, any education [19]	7.6% (1990)	8.5%	7.2% (June 2026)
Recent graduates working in jobs that do not typically require a degree [19]	42.9% (1990)	44.1%	42.0% (2026)

The graduate series begins in 1990 and reports 12-month averages; readings are January 1990, January 2005 and June 2026.

CHILD CARE

	2025
National average annual price of child care for one child, all ages and settings [20]	$13,184

Child Care Aware of America, an advocacy organization; average of three methods across 47 states. No comparable series exists for 1985 or 2005.

HEALTH CARE

	1985	2005	Latest
Worker's yearly share of an employer family plan [21] [22]	— (series begins 1999)	$2,713	$6,850 (2025)
Worker's yearly share, single coverage [21] [22]	—	$610	$1,440 (2025)
Buying your own coverage: benchmark marketplace premium, age 40, before subsidies [23]	— (begins 2014)	—	$7,500 a year (2026)
Health care as a share of all household spending [24] [25]	4.7%	5.7%	7.9% (2024)

Employer plans: the employer paid $8,167 of the family premium in 2005 and $20,143 in 2025.

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WHAT ARE THE FACTS?

FOOD AND GASOLINE

	1985	2005	2024
Food as a share of all household spending [24] [25]	**14.8%**	**12.8%**	**12.9%**
Food as a share of income before taxes [24] [25]	**13.8%**	**10.1%**	**9.8%**

	1985	2005	Latest
Regular gasoline, price per gallon, dollars of the day [32]	**$1.23 (Aug. 1985)**	**$2.51 (Aug. 2005)**	**$4.20 (Aug. 2026)**

In 2024 the average household spent $6,224 on groceries and $3,945 eating out. Gasoline readings are August of each year, from one monthly series that begins in 1976; the price hit $2.93 in Sept. 2005 after Hurricane Katrina and was $3.07 in Feb. 2026.

MARRIAGE AND CHILDREN

	1985	2005	Latest
Median age at first marriage, men / women [26]	**25.5 / 23.3**	**27.1 / 25.3**	**30.2 / 28.6 (2024)**
Mother's average age at first birth [27] [28] [29]	**23.7**	**25.2**	**27.6 (2024)**

When you hear a claim, ask

- Same age? A 60-year-old's wealth against a 28-year-old's measures age, not generations.
- Same measurement? A mail survey and a mortgage record put the first-time buyer at 40 and 33 in the same year.
- Sticker or net? Dollars of the day or real dollars? Share or dollars?
- Which age band — under 35, 25–34, 22–27? They are not interchangeable.
- Is it a measurable fact or an assumption, opinion or attribution? Births, jobs and living arrangements are counted; motives are not.

What do the facts say to Gen Zers?

- Income at the same age is higher than your parents' and grandparents' was.
- Housing, college, health care and gasoline prices are the main costs that take a larger share of income.
- The main cost, housing, now takes about five years of income to buy, up from three; a fifth of income for rent, up from a sixth; ownership under 35 down from 43% to 37%.
- The mortgage rate is below your grandparents' and near your parents'. The price is the difference.
- One in three young adults lives at home or in dorms, up from one in four — the 1980s were higher than the 2000s.
- College sticker price tripled in real terms; graduate underemployment has not changed in 36 years.
- Food takes about the same share of spending as in 2005; health care takes more.
- Marriage and first births come about five years later than in 1985.

Stay Current

Harvard Joint Center for Housing Studies — jchs.harvard.edu. Publishes *The State of the Nation's Housing* every June and *America's Rental Housing* every other spring, with interactive tables updated in between. Housing is the cost that changed most for young adults, and this is the one resource that republishes the numbers on a schedule.

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Sources & Links

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30. National Association of Realtors, "Typical Down Payment Among Home Buyers 1989–2024," Economists' Outlook, 2025; 2025 values from the Profile fast-facts sheet.
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Our Research Process

Every Fact Brief follows the same discipline — so you can trust what's on these pages, and check it yourself.

1. Identify issues voters care about.
2. Do independent, nonpartisan research using primary documents and verifiable, most up-to-date data.
3. Human-defined and directed throughout: we set the questions and the scope, redirect the research as fact patterns emerge, and verify every source. Three or more AI tools assist with searching, organizing and drafting. Claude.ai formats the final brief.
4. Cross-check for accuracy and fairness.
5. Produce a concise Fact Brief.
6. Verify that each key factual claim is backed by a directly relevant, credible source.
7. Present the facts on contested points; note where credible sources disagree.
8. Use sources across the political spectrum, chosen for reliability — not for the conclusions they reach.

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