

Fake it ‘Til You Make It: Oregonians are Buying Homes but Can’t Afford the Down Payment

Fifty-nine percent of Oregonians aspire to buy a home, but fifty-two percent cite affording a down payment as the greatest financial barrier to homeownership

Portland, Ore. (March 19, 2019) – The American Dream of owning a home is still alive, as millennials are prioritizing purchasing a home (70 percent) ahead of getting married (52 percent), paying off debt (46 percent) and traveling (18 percent), according to the latest COUNTRY Financial Security Index®.

However, although millennials hope to own a home one day, many say the down payment is their biggest barrier when it comes to purchasing. In fact, sixty-three percent of Oregon millennials and fifty-two percent of Oregonians overall cited affording a down payment as the greatest financial barrier to homeownership.

“Oregon’s status as a desirable place to live has risen significantly in recent years and finding and purchasing an affordable home continues to be challenging for many,” said Scott Jensen, financial planning consultant with COUNTRY Financial in Salem. “It’s important for first time homebuyers to remember to consider the financial implications beyond the initial down payment to get a realistic view of the costs of homeownership. Luckily there are great programs here to help educate and financially assist Oregonians on their path to homeownership.”

Oregonians Skipping on the Down Payment

Although the down payment continues to be a barrier for most Oregonians, it’s not stopping them from purchasing a home. In fact, many Oregonians reported making small down payments to afford their homes.

Half of Oregonians reported putting down 10 percent or less of their mortgage loan on a new home purchase, while one in three (34 percent) said they put five percent or less of their mortgage loan on their down payment.

Millennials Eager to Buy Homes

When it comes to age, Oregon millennials are the most eager homebuyers of the bunch. They are even the most likely to purchase a home in the next two years when compared with other age groups: 18-34 (23 percent), 35-49 (9 percent), 50-64 (13 percent), 65+ (6 percent).

If given \$25,000 tomorrow, more millennials would put it toward a down payment for a new home or pay off a mortgage (20 percent) than use it for purchases like travel or a new car (7 percent). By contrast, only 12 percent of Oregonians between the ages of 35-49 would put it toward a down payment or a mortgage.

While buying a home is a priority for millennials, other age groups have different concerns. Most Oregonians aged 35-49 selected travel (94 percent) as their greatest priority, while those aged 50-64 selected retiring (62 percent). For the majority of Oregonians overall, paying off debt is a top concern.



Renting vs. Buying

Home ownership is a top priority for most millennials in Oregon, despite 79 percent believing their rent is less than what a monthly mortgage would be. In addition, two-thirds of Oregon homeowners are still paying off their mortgages.

Nineteen percent of Oregonians say that 40 percent or more of their salary goes toward their monthly mortgage payments, while 17 percent of Oregonian renters claim to spend 40 percent or more of their salary on rent.

COUNTRY Financial's Security Index also found that many Oregonians are working to pay off their mortgage into retirement age. In fact, more than two in five Oregonians are still doing so after they turn 65 years old (42 percent). Nearly eight in 10 Oregonians ages 50-64 are paying off a mortgage (78 percent), and seven in 10 Oregonians ages 49 or younger are as well.

Nonetheless, only about six percent of Oregon homeowners somewhat regret purchasing a home, suggesting that despite the extensive time it can take to pay off a mortgage, Oregonians still feel that it is a worthwhile investment.

"The Portland market is a challenging one when weighing whether it's better to rent or buy, even if you're in a position to make that choice," said Jensen. "This decision is mostly driven by personal situation and preference. It's entirely possible to have one option be the clear-cut winner when evaluated from a lifestyle perspective, but also be hands down loser from a financial viewpoint. Each 'rent vs. buy' decision should be evaluated in context as it relates to the individual's goals and circumstances."

About The COUNTRY Financial Security Index®

Since 2007, the COUNTRY Financial Security Index has measured Americans' sentiments of their personal financial security. The Index also delves deeper into individual personal finance topics to better inform Americans about the issues impacting their finances. Survey data, videos and analysis are available at www.countryfinancial.com/newsroom and on Twitter at @helloCOUNTRY.

The COUNTRY Financial Security Index was created by COUNTRY Financial and is compiled by Ipsos an independent research firm. Surveys were conducted using Ipsos' KnowledgePanel®, a national, probability-based panel designed to be representative of the general population and includes responses from approximately 1,006 U.S. adults for national surveys. The margin of sampling error for a survey based on this many interviews is approximately +/- 3 percentage points with a 95 percent level of confidence.

About COUNTRY Financial®

The COUNTRY Financial® group (www.countryfinancial.com) serves about one million households and businesses throughout the United States. It offers a wide range of financial



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