

## Legal & General Study on U.S. Millennials and Housing Quantifies Impact of Student and Medical Debt as Barriers to Home Ownership

### *Many Millennials Are Unable to Save or Build Credit*

- 36% of millennials report student debt a major barrier to saving for a down payment on a home
- While saving for a down payment is top priority for 45% of millennials, 26% prioritize first paying off student loans and 12% would first pay off their medical debt
- Only 60% of millennials surveyed carry their own health insurance

New York, NY, January 12, 2022 — Student debt has arguably affected the millennial generation more adversely than any other age cohort, with many 25- to 40-year-olds feeling financially crippled by the skyrocketing cost of college tuition at a crucial point in their lives, along with other economic challenges. Today, the fifth and final part of a broad new study conducted by [Legal & General Group, \*U.S. Millennials and Home Ownership – A Distant Dream for Most\*](#), is released, diving into the role of student and medical debt in creating a vicious cycle that keeps millennials from saving and building credit to purchase their own home. In the research, survey subjects repeatedly called for cancellation of oppressive student debt.

This fifth segment of the data-rich study, *Student Debt and Cost of Healthcare Turn Saving, Credit Building into a Vicious Cycle for Millennials*, looks at one final aspect of the multi-faceted conundrum the generation faces in gaining a foothold on the home ownership ladder. The research finds that a significant portion of college-educated millennials feel student debt has affected their ability to buy a home. Among those surveyed, 40 percent reported that it had exercised a “moderate” to “very strong” impact on their plans. Meanwhile, among millennials the study surveyed, 51 percent had received an unexpected medical bill over \$2,000, while only 60 percent held their own health insurance. The study looks at why millennials in particular have been so strongly affected by the similarly rocketing costs of education and medical coverage.

Legal & General Group Chief Executive **Sir Nigel Wilson** commented: “Student loan debt is a leading contributor to the economic imbalance our research identifies, meaning that saving for a down payment to purchase is a distant rather than near-term goal for many U.S. millennials. It has put this generation at a considerable disadvantage in terms of parlaying their hard-won education into wealth, in the form of home ownership.”

Study Co-Author and Legal & General Corporate Affairs Director **John Godfrey** adds: “Traditionally, health insurance in the U.S. has been a benefit provided by corporations to their employees. But a confluence of factors, from the Great Recession to the rise of the Gig Economy, have affected the



degree to which younger Americans were covered during this critical time, or had to purchase their own policies. When you add the cost of health insurance plans and medical debt to the student loan burden, it's less surprising that the percentage of U.S. millennial homeowners is at a historic low."

Legal & General's study looks not only at the inequities set up by student and medical debt, but also at demographic choices based on particular millennial age and life stage, and at various drivers shaping these choices. This final segment of the study wraps up our survey of the various obstacles that are hindering millennials in their home ownership quest.

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**For more information on the 2021 U.S. Millennials and Home Ownership study, or to see a copy of Part 5 of the report, please contact:**

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#### Notes To Editors

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#### About the Study

Legal & General undertook proprietary research into the attitudes and changes, as well as geographic shifts, U.S. Millennials are experiencing in relation to home purchases and affordable housing. The **U.S. Millennials and Home Ownership** research was compiled using original survey data 875 U.S. based Millennials who don't own a property, then segmented into three distinct age groups and other demographic markers. The survey work was carried out by Legal & General. Fieldwork was undertaken during March and April 2021. All surveys were carried out online.

#### About Legal & General Group

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the U.S., Europe, Middle East and Asia. With over \$1.4 trillion in total assets under management, Legal & General is the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.