Despite debt, college educated more likely than peers to buy homes

In May 2016, the Brookings Institution, a nonprofit research and policy organization, released a report finding that while those with college debt entered the housing market later than those who graduated with no debt, this difference had essentially vanished by both groups’ 30’s. They further found that while the non-college-educated entered the housing market robustly in their early 20’s, a home ownership gap began to form in their late 20’s that only widened over time. While the exact data used by Brookings is not available for the local area, there is some comparable data in the U.S. Census Bureau American Community Survey.

Data shows that the largest users of rental properties are young adults, aged 25 - 34. However, cross tabulations of home ownership and education suggest a different pattern. The chart below shows that, in Pensacola, home ownership increases as educational attainment rises. Overall, 23 percent of high school graduates’ own homes while 32 percent of those with a bachelor’s degree or higher are home owners.
Florida Fast Stats

New Permits: ↑22%
Q2 2018

House Price Index: $454.39
↑8.9%
Q2 2018

Home Ownership: 65.1%
↑1.5%
Q2 2018

Rental Vacancy: 7.7%
↓0.8%
Q2 2018

All data is presented alongside its percent change over the last year.
Sources: US Census Bureau & Federal Reserve Bank of St. Louis (FRED)

Data Dive

Florida Cost of Living Index, Q2 2018

The Haas Center collected data for the Pensacola-Ferry Pass-Brent MSA last spring for the Q2 2018 Cost of Living Index (COLI). Pensacola's overall index score was 96.4, meaning that it is less expensive than the average metropolitan area, and less expensive than five other Florida metros. Above, the overall index score for all of the Q2 participating areas in Florida.

Read more here to see how each of those areas compare across the index's sub-components: groceries, housing, utilities, transportation, healthcare and miscellaneous.

About the Index: The Council for Community and Economic Research (C2ER) produces the Cost of Living Index to provide a useful and accurate measure of living cost differences among urban areas. The Cost of Living Index measures relative price levels for consumer goods and services in participating areas. The average for all participating places, both metropolitan and non-metropolitan, equals 100, and each participant’s index is read as a percentage of the average for all places.
HUD defines cost-burdened families as those who pay more than 30 percent of their income for housing. A quick look across the state suggests that none of the major metro areas’ median wages allow for housing costs at less than 30% of monthly income.

How many hours do you need to work to earn to afford a two-bedroom apartment in your county? If you earn the median hourly wages in the Pensacola area, it takes 1.5 weeks of work (56 hours) to afford rent. If you earned the state’s minimum wage, it takes 2.5 weeks (103 hours) to pay rent.

READ MORE

In Case You Missed It

Achieve Escambia

Escambia County’s cradle to career initiative Achieve Escambia unveiled their 2018 Community Report - "Better Together" on August 29th at C.A. Weis Community School.

The Haas Center has been proud to serve as Achieve’s data and research partner from the beginning. Be sure to check out our updated data dashboard.
Check Out The Data

**Additional Reading**

DeSantis, Scott Lead in Inaugural Haas Political Poll

OEDE's SEDI Program a Finalist

Haas Blog: Investors Driving Local Housing Market?

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