

# Less than 20% of Americans say they're living the American Dream—here's why

Shawn M. Carter | @shawncarterm, CNBC, Tue, 19 Sept 2017



Realtor.com *A home in Luxemburg, Wisconsin*

Fewer than one in five Americans feel like they're living the American Dream, according to Hearth Insights' 2017 State of the American Dream report, which surveyed 2,000 people.

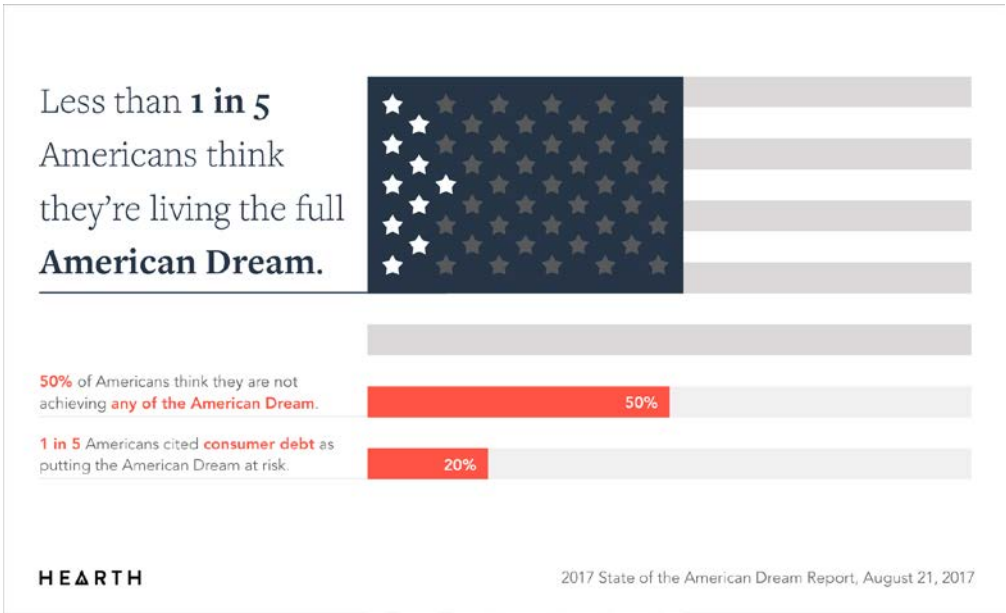
That dream is "a complex concept that involves a variety of factors," Anthony Ghosn, 5  
Hearth's chief executive officer, tells CNBC Make It, but says homeownership is the "most important element." Hearth helps Americans finance renovations.

Almost 40 percent of Americans do not own homes, according to the U.S. Census Bureau. Ghosn says nearly 50 percent of millennials rent.

10 "Millennials faced one of the worst recessions in American history, which made it tough to find jobs, especially as older generations delayed retirement," he says. "They also have to deal with soaring student loan debt and stagnant wages."

15 "On the housing price side," he says, "factors like development restrictions increase demand for the existing housing stock, which increases the [overall] price. All of these factors combine to make a down payment on a home unaffordable for many millennials."

Still, according to the survey, owning a home remains a vital goal. Two-thirds of millennial renters view homeownership as important to the American Dream. Millennials are 29 percent more likely than baby boomers to see a home as an achievement that reflects hard work.



20 What's more, when asked to select the three most important elements of the American Dream, respondents rated "owning a home I love" higher than any other option, including "starting a family" and "finding a fulfilling career."  
Boomers are 16 percent more likely than millennials to think they're living at least some of the American Dream, according to the survey.

25 That's because, the survey reports, "Baby Boomers have had more time to build wealth, invest in their home and find fulfilling careers. Many millennials are still struggling to launch their careers and find a home."  
Three specific threats put the American Dream at risk, the survey says, particularly for millennials: Consumer debt, lack of financial literacy and stagnant wage growth.

30 "I think all of these factors are tied together into a broader problem of people not feeling like they have control of their financial future," Ghosn says. "Many people graduate high school, and even college, without a basic understanding of how the financial system works."  
"This lack of education leaves Americans vulnerable to deferred interest schemes and  
35 other anti-consumer antics from the financial sector."

Still, there's light at the end of the tunnel for millennials who aspire to own a home. The survey found that, among respondents who don't think they're achieving any of the American Dream, millennials are 49 percent more likely than Boomers to think the dream is within reach.

40 "There's a path to success here," Ghosn says. "We have to remember that a home, in addition to all of its emotional benefit, is a financial investment."  
By taking the time to learn about basic finances and how to make rational decisions about money, "millennials [who want to become homeowners] can put themselves on a path to [achieving it]."