Why Do Gen Z-ers Think They'll Never Be Able To Buy A House?

September 28, 2026 - For quite some time now, I've been hearing that those in the Gen Z crowd - those born between 1997 and 2012 - don't think they'll ever be able to purchase a home of their own. So the word is that they prefer to live in the moment. Take that vacation now. Buy the $8 coffee frap every morning. Live on mom and dad's couch and play video games. Truthfully, the advice being given to this generation appears to be very bad. And it is completely inaccurate.

Just looking at the math, if you were to get a job for $20 per hour - minimum wage in some parts of the country - with a corporation that has a 401K, you could do quite well over your lifetime. But it would take some discipline. Here's an example.
Starting at $20 per hour, with 2% annual cost of living adjustments and no promotions. If you contributed 10% of your salary to the plan and your employer contributed 5%, your account would look something like this:

Total first year wages: $33,280
First year contributions to plan (including employer match): $4,492
Account balance at age 50 at 8% rate of return: $852,000
Account balance at age 50 at 10% rate of return: $1,260,000

And if you work to age 65, it gets even better. At that point if the account averages an 8% rate of return, you'd be sitting on nearly $3 million. At a 10% rate of return, you'd have $5.63 million. You'll have more than enough to purchase a home.

Again that's without ever getting a promotion, without any overtime and never receiving any bonuses. At the 8% average rate of return, the account would actually be earning more money than you do at your job by the time you're 49 years old. And at a 10% rate of return, it would be earning more annually than you do by age 42. And yes, those are reasonable rates of return on investment accounts.

BUT, you would might have to sacrifice now to get to this point. Doing things like giving up on DoorDash, not have the expensive coffee daily, and going out less often. You might have to give up a trip or two as well. It isn't a matter of having no fun at all. But it is a matter of discipline.

Parents who allow their kids to remain at home and spend freely on all of the fun things in life aren't doing their grown children any favors. In fact, they are hurting them and creating a victim mentality. IF they want to stay at home, then charge them rent. You don't have to spend it. In fact you could start putting the money away for them to use in the future, but I wouldn't tell them that. And if your kids wind up resenting you for that, welcome to parenting; where nothing you do is ever right and they hate you now. Eventually, they'll come to appreciate what you're trying to teach them. And they'll wind up self-sufficient; not having to live on anyone's sofa ever again. That alone is a win!

by Jim Malmberg
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