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**CULTURAL OUTREACH**  
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**MGIC Webinar Series**

**Session Title:**  
**The Millennial  
Effect: Social  
Selling  
Strategies for  
Next Gen  
Borrowers**



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NextGen Homeownership

# Social Selling: Your New Referral Source



Bridging the Homeowners Gap *Together*

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# The Multicultural Market Represents A \$2.9T Opportunity

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# What About Today's Market?

## 5.4 Millennials Are Mortgage Ready Now

Source: Freddie Mac

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## Increased first-time homebuyers in the market

Almost half (46%) of current renters say they would now prefer to own versus rent. The majority of them are younger (millennials and Gen X groups combined), ranging in age from 25 to 44.

Source: The America at Home Study, conducted online in April 2023 of 3,001 consumers



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# 71% of homebuying millennials are still optimistic about buying a home

52% said COVID-19 hasn't impacted their homebuying plans and 15% it has impacted them positively

Source: Cultural Outreach, *NextGen Homebuyer Report, 2023*





Section 02

# Challenges for today's first-time homebuyers

According to 2023 survey data from 1,000 recent millennial homebuyers, collected by Cultural Outreach



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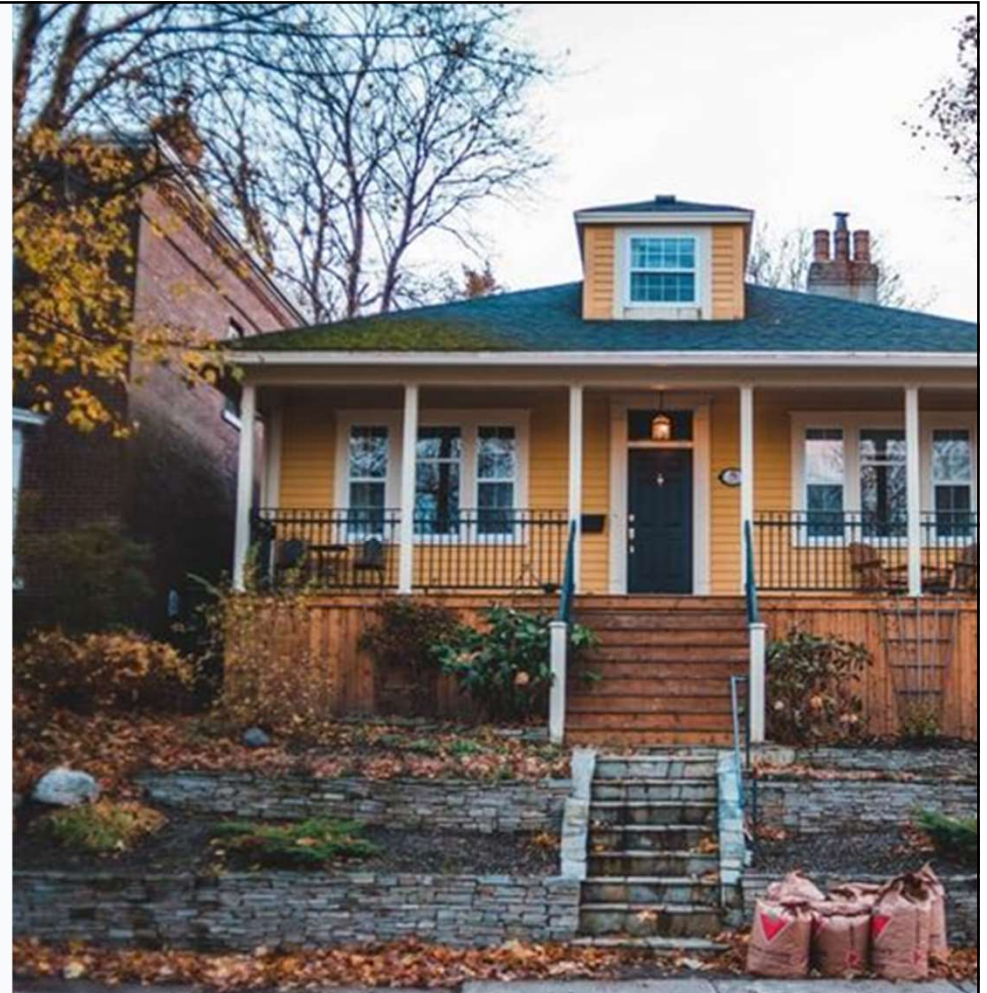
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# 1.Affordability

Sixty-eight (68%) of NextGen homebuyers cite affordability as their biggest fear related to home buying

*YET... Work from home mandates have allowed young professionals to move out of expensive city centers*



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## 2. Down Payment

- Listed as top financial hurdle
- Only 2 in 10 NextGen buyers expect to receive gift money
- Only 25% were aware of down payment assistance programs available



## Minimal Savings for Down Payment

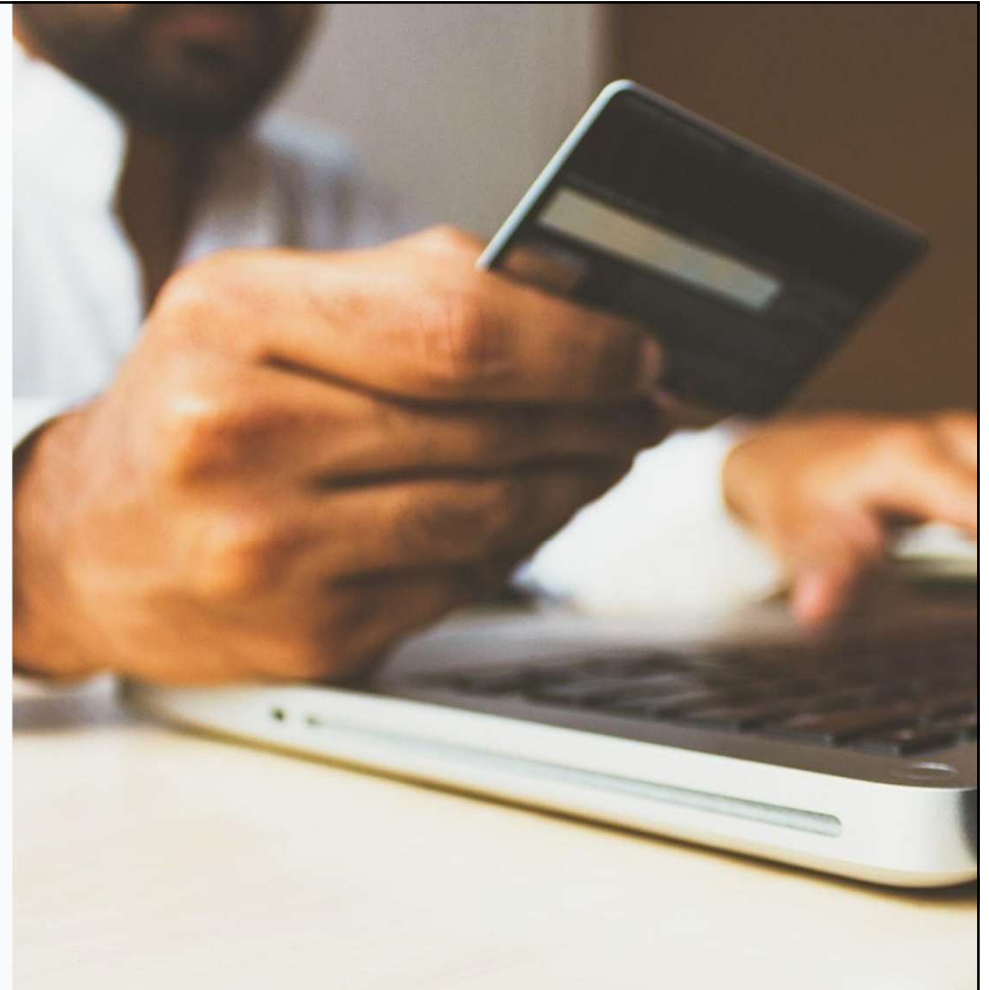
Seven of 10 (67.7%) are saving **less than \$500/month** towards a down payment, the equivalent of \$6,000 or less per year. For a home price of \$250,000, the average buyer would save **8 years** for a 20% down payment.



### 3. Debt

Consumer debt was the third top challenge listed by NextGen homebuyers

*YET... 77% had less than \$20k in debt*



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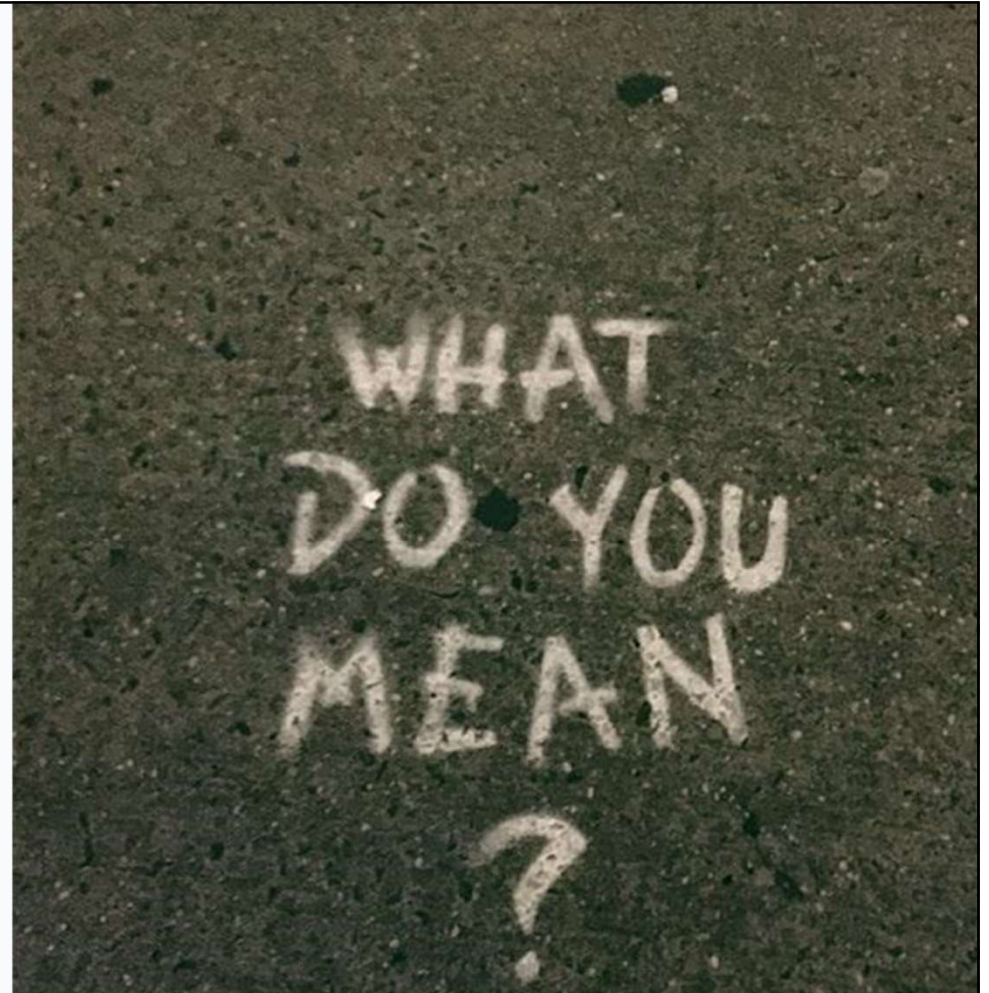
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## 4. Lack of Confidence

1 in 5 NextGen buyers said they were not confident in ANY step in the homebuying process.

40% said qualifying for a mortgage was one of their biggest fears related to home buying.



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# 98% of future buyers say they start their research online

Source: Cultural Outreach, *NextGen Homebuyer Report*, 2023



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But recent home buyers say their real estate agent was their most influential source for home buying information.

2023 (prior NAR settlement)

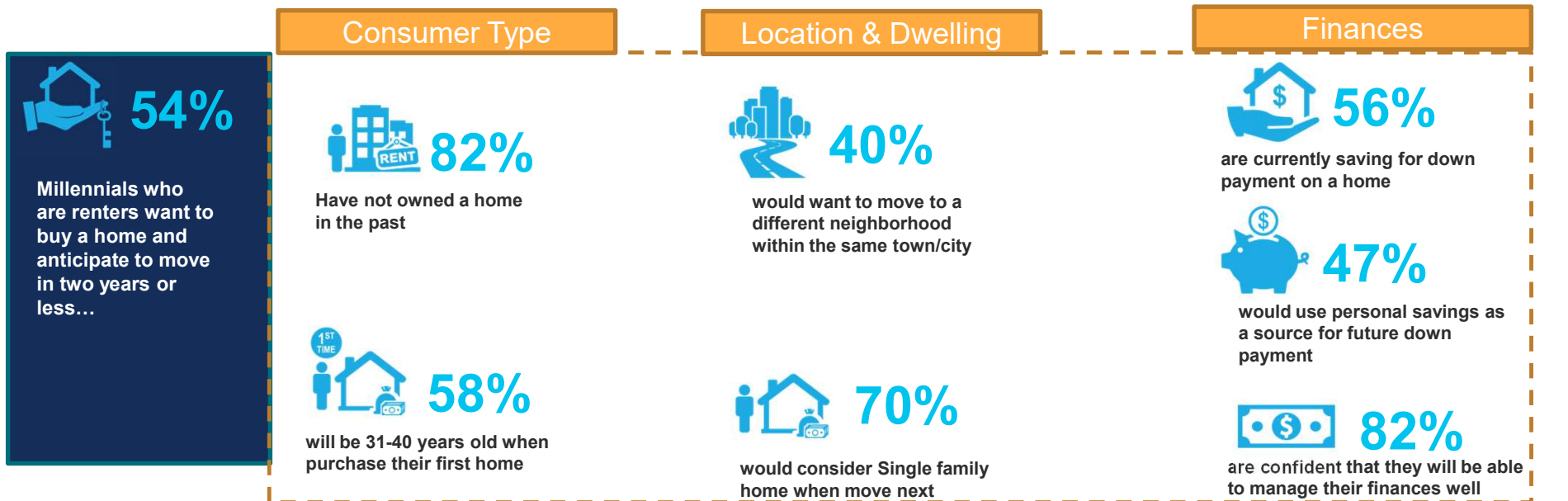


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# Millennials renters want to become homeowners in the next two years



Q. Which one of these statements best reflects your views about why you are currently renting? Q. When, if at all, would you anticipate moving to a new home or residence? Q. How would you describe your current living situation?; When you move next, which of the following would you consider Q. Thinking of your next move, to which of the following locations would you most want to move? Q. The following life milestones/events are often associated with one's decision to buy a home. Which event(s) do you think would influence your decision the most when deciding to buy your next home/ in the future? Q. Thinking about saving for the future, which of the following are you currently saving for? What are your primary savings goal? (N=320). Source: Freddie Mac

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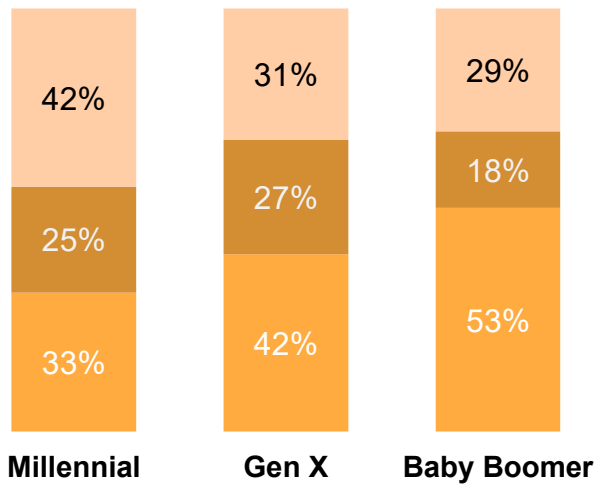
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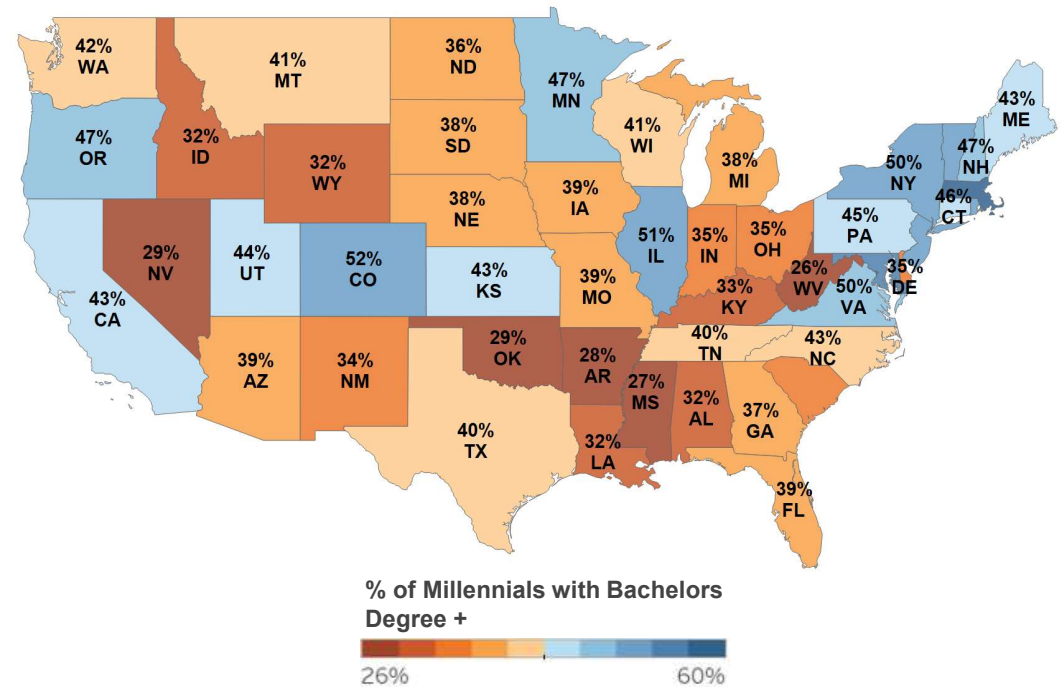
# Millennials are more educated than previous generations

Educational Attainment when aged 26-41

- Bachelors Degree +
- Associates Degree & Some College
- High school or less



Educational Attainment by State



Source: CPS Annual Social and Economic (March) Supplement 202203

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# The New Face of the Real Estate Market



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# 2023 NextGen Homebuyer Report

Annual Survey Results

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SECTION #1

# DEMOGRAPHICS



# Participant Background

**1,000**  
Participants

**50%**  
Male

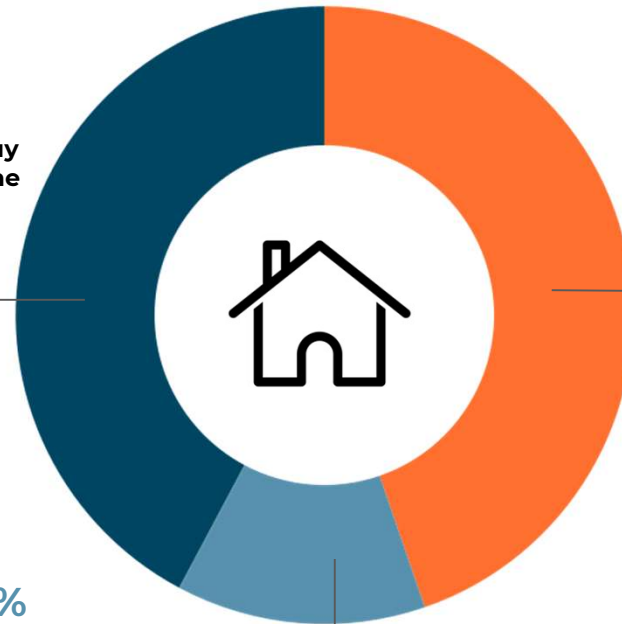
**50%**  
Female

**18-41**  
Age Range

**42%**  
I'm looking to buy a home within the next 1 - 3 years

**44%**  
I'm looking to buy a home within the next 12 months

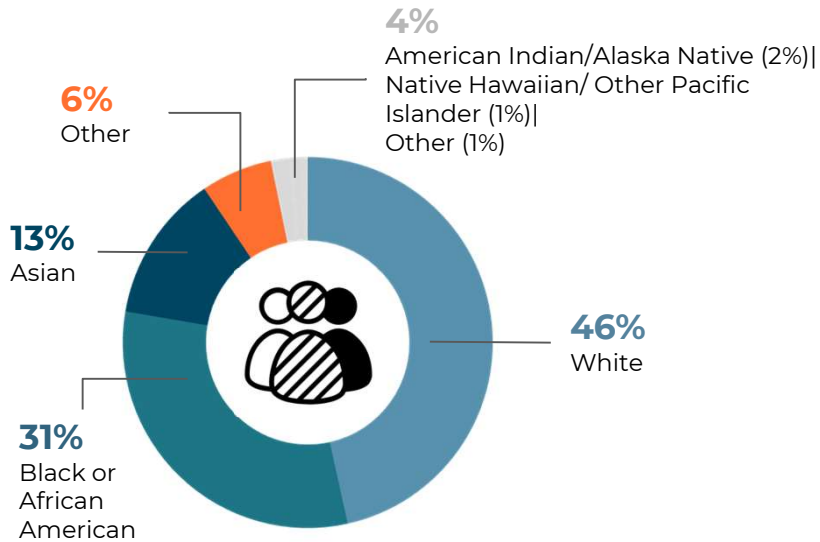
**13%**  
I already purchased a home within the last 3 years



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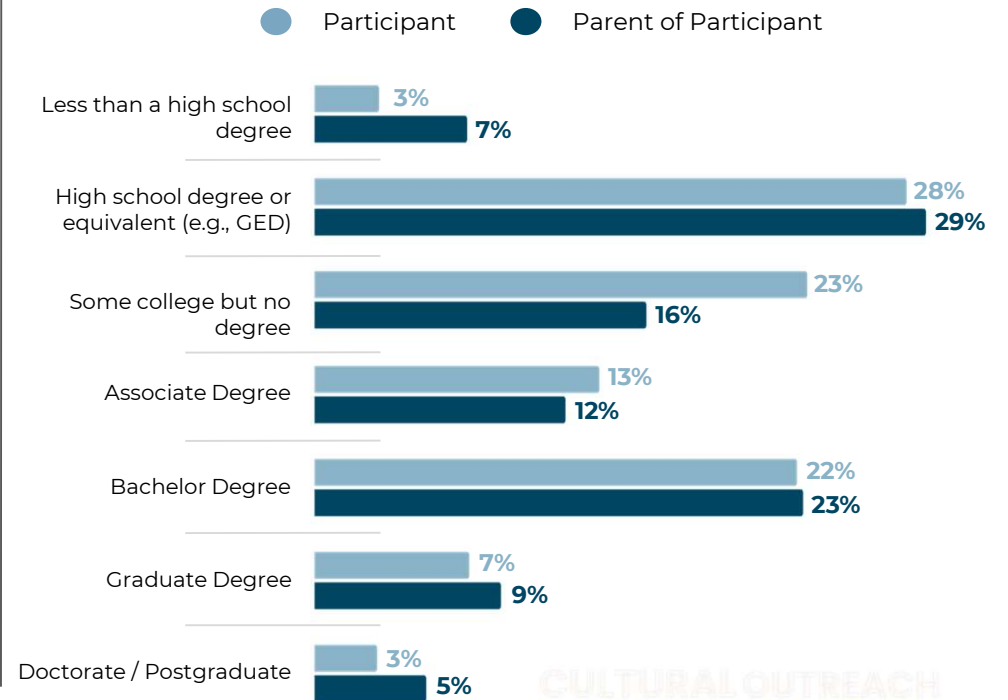
# Respondent Demographics

## Race/Ethnicity Breakdown



19% of respondents are of Hispanic, Latino, or of Spanish origin

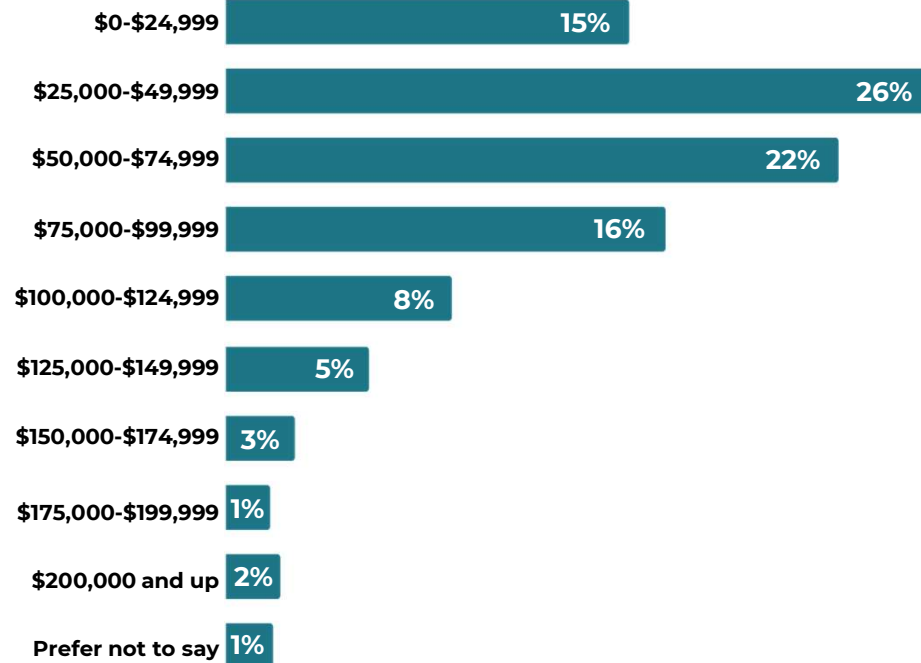
## Education Breakdown



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# Respondent Demographics

## Household Income



## Credit Score

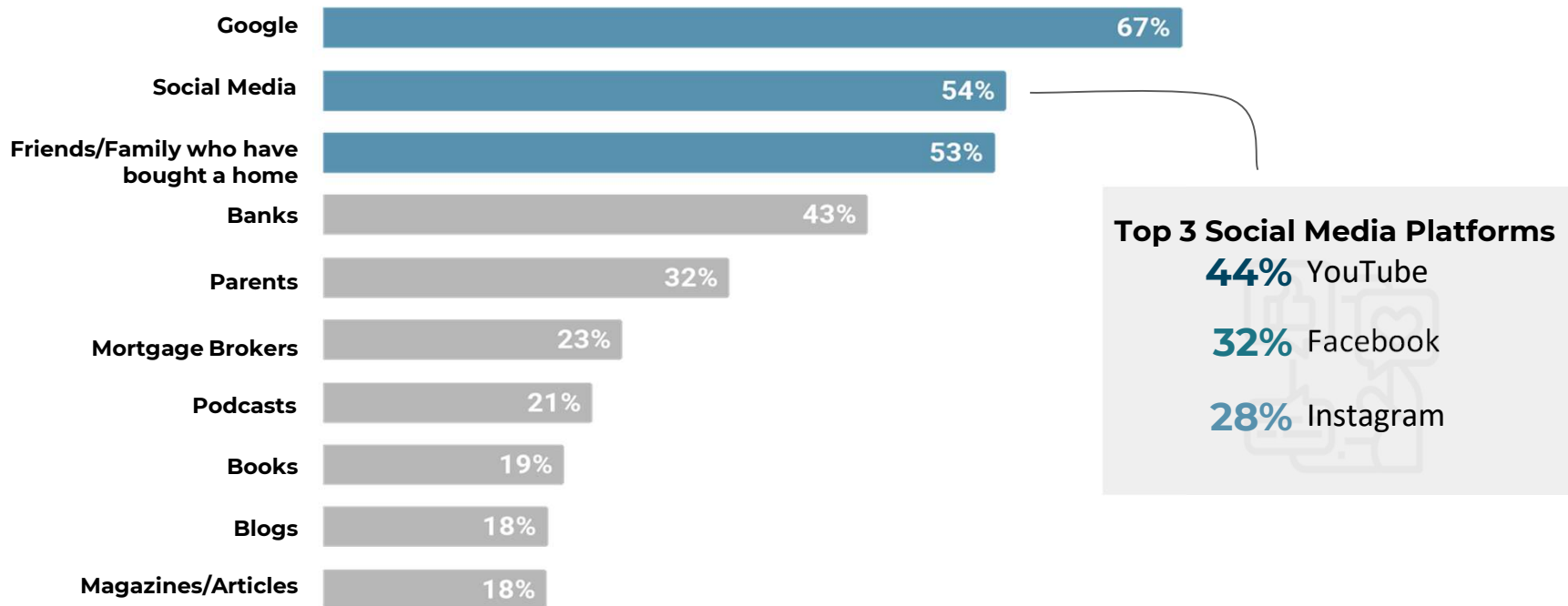
<b>Very Poor</b> (300-579)	<b>11%</b>
<b>Fair</b> (580-669)	<b>23%</b>
<b>Good</b> (670-739)	<b>29%</b>
<b>Very Good</b> (740-799)	<b>20%</b>
<b>Exceptional</b> (800-850)	<b>9%</b>
<b>Unsure/I don't know</b>	<b>8%</b>

SECTION #2

# SURVEY RESULTS

# FINANCIAL EDUCATION

Resources to learn more about personal finance:

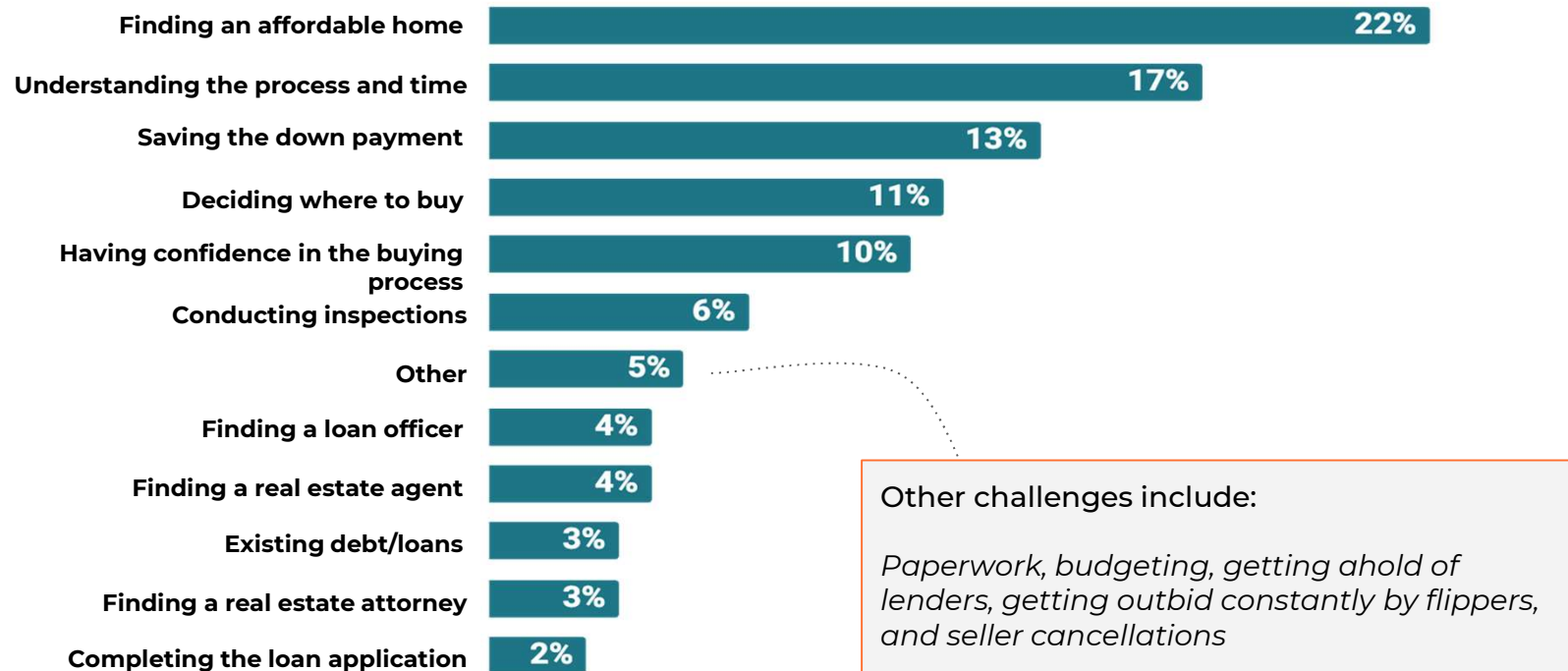


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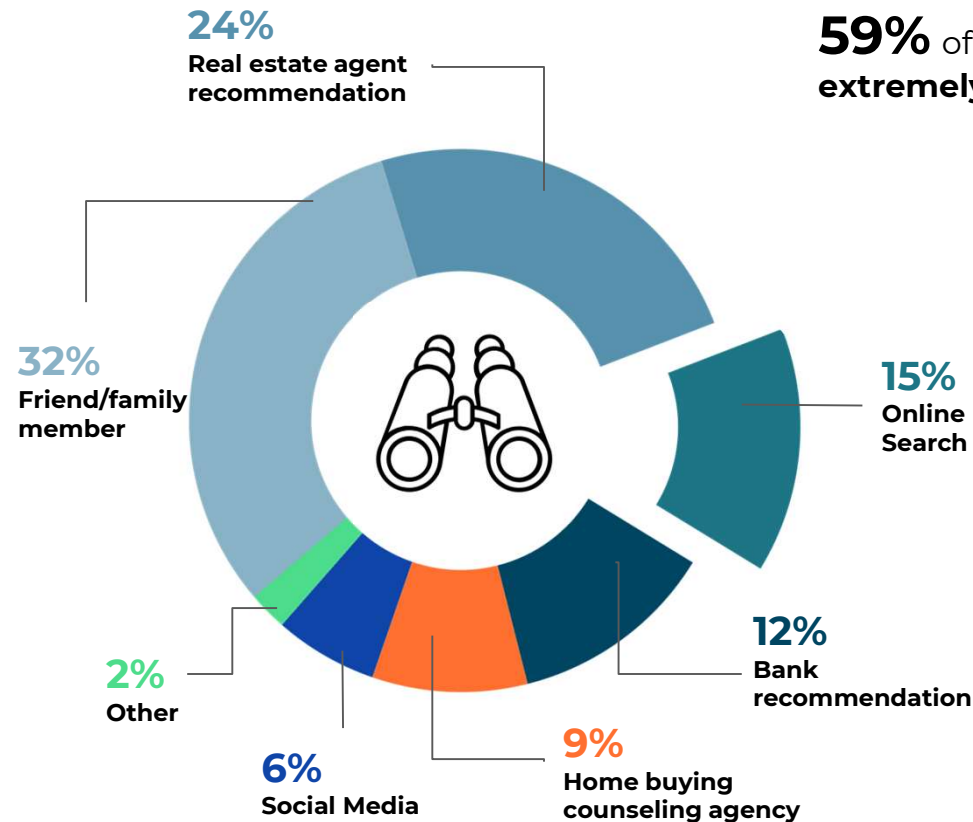
# HOME BUYING EXPERIENCE: RECENT BUYERS

## Biggest Challenges with home buying process



# HOME BUYER TEAM: LOAN OFFICER

How did you find your loan officer?



**59%** of respondents said that **reviews** were **very or extremely important** when it came to finding a **loan officer**.

Which **website** did you use to **read reviews** of your loan officer?

**34%** Google

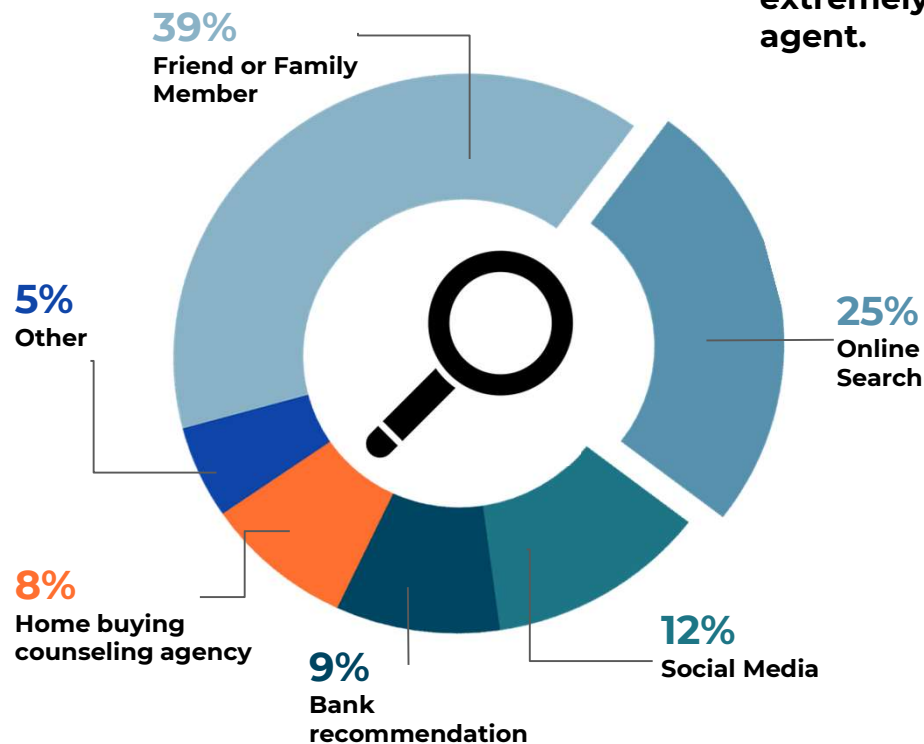
**24%** Did not read reviews

**24%** Real Estate Listings  
(Zillow, Trulia, Redfin, etc.)

Overall, participants had a **great experience** (34%) with their loan officers. Some participants indicated that their experience would be better if there was **more personalized care and attention** (16%) or **transparent mortgage or home buying pricing** (15%).

# HOME BUYER TEAM: REAL ESTATE AGENT

## How did you find your realtor?



**60%** of respondents said that reviews were **very or extremely important** when it came to finding a **real estate agent**.

Which **website** did you use to read reviews of your real estate agent?

**29%** Zillow

**25%** Google

**22%** Did not read reviews

Overall, participants had a **great experience** (35%) with their real estate agents. Some participants indicated that their experience would be better if there was **more personalized care and attention** (16%), **transparent mortgage or home buying pricing** (15%), **more responsiveness** (14%), or **different communication styles** (14%).

# HOME BUYING EXPERIENCE: CURRENT/FUTURE BUYERS

Which of the following best describes your biggest concern with buying a home?



**28%**

I will not be able to afford the mortgage payment



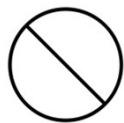
**27%**

I will not be able to save for a down payment



**17%**

My home will not be a good investment



**14%**

I do not have major concerns



**12%**

I will not be able to trust the lender (bank or mortgage company)

Few participants indicated other concerns (1%) they have when buying a home. Some of these concerns include:

*Being unable to afford a home*

*Funds for repairs*

*History*

*Lack of trust in bankers*

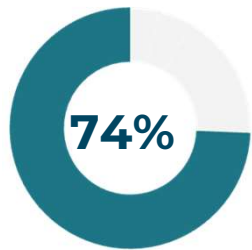
*Credit and mortgage payments*

*Home location*

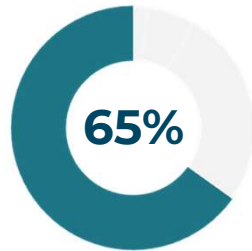
*Prices of homes*

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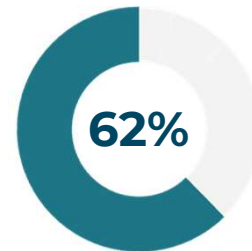
# HOME OWNING STATEMENTS



Homeownership is part of the American dream



Homeownership strengthens the local community



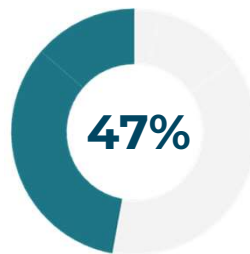
I need to save 20% for a home down payment



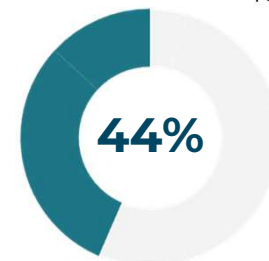
I need to be a W2 employee or work a traditional job to qualify for a mortgage



Student debt or car loans will prevent me from qualifying for a mortgage



Real estate agents are trustworthy and reliable



Lenders are trustworthy and reliable

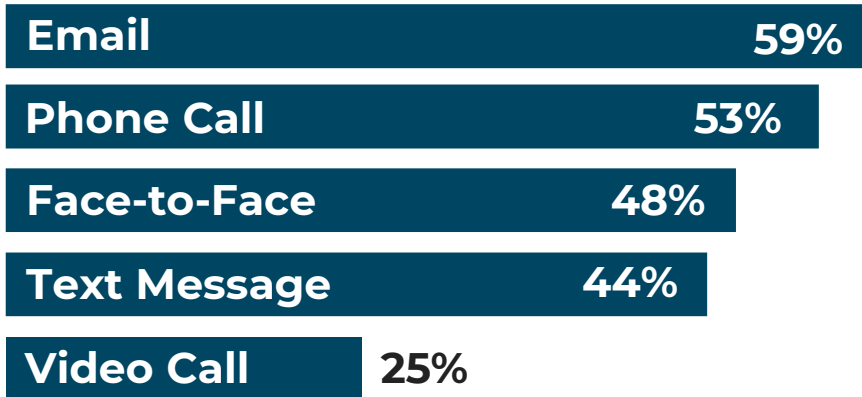
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\* Agree or Strongly Agree



# COMMUNICATION & SOCIAL MEDIA

What is your **preferred method of communication** for business or financial matters?

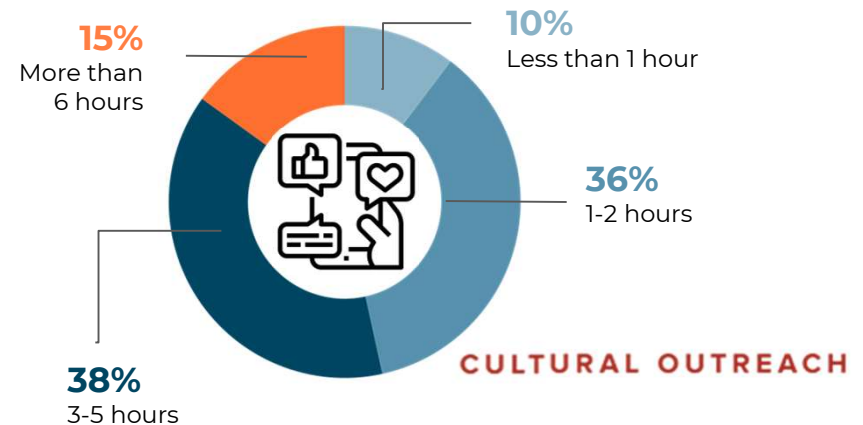


Most participants prefer **email** (59%) for business or financial matters. Participants also indicated that they spend an **average of 1-5 hours** on social media (74%)

**Top 5 social media platforms used:**  
(in descending order)

1. Youtube
2. Facebook
3. Instagram
4. TikTok
5. SnapChat

How often, on average, do you **spend on social media** each day?





# Key Takeaways

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# FINAL THOUGHTS

Diversity In Marketing  
Is More Important Than Ever...



J. Tony Thompson, CMB

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# “Let’s Connect”

*Jay D.*



SCAN QR CODE TO  
CONNECT WITH ME  
ON LINKEDIN

