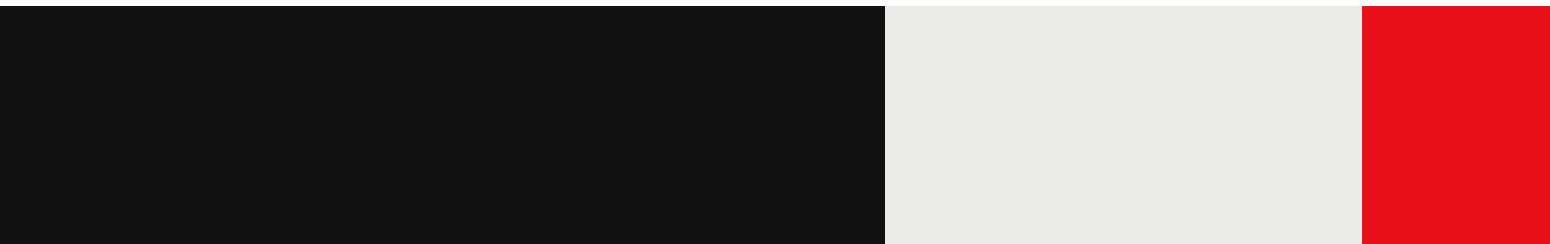



When it comes to homeowners insurance, Gen Z has unique needs

Article



The findings: A recent Rocket Mortgage [survey](#) revealed that **72% of Gen Z plan to buy a home within the next six years.**

- Though Gen Z's demand for homeowners insurance is about to grow, they aren't looking for the same things as their predecessors.

- These findings are based on a Rocket Mortgage survey conducted in December 2022 of 2,000 American adults born between 1997 and 2003.

By the numbers: Gen Z's motivation and homeownership needs differ from previous generations.

- **63.6% plan to start or grow a family, and 34.2% cited this as a reason they're looking to buy.** Millennials, on the other hand, have been slower at entering this life stage and are less eager to have children.
- The biggest delay to their homeownership goals, at 23.4%, was **insufficient income—almost 10 percentage points higher than home prices.**
- Over 40% believe they can only afford homes under \$100,000, and another 39.5% want homes under \$200,000.
- Of Gen Zers stashing away cash, 56.2% are saving with the intention of buying a home.

How we got here: These young adults have become a relatively fiscally conservative generation that's focused on reducing their spending due to inflation, diminished savings, and rising debt.

- Expensive cities like San Francisco and New York were at the bottom of the list for metropolitan areas in which Gen Z sought mortgages in 2022.
- Rather, they gravitated toward more affordable cities like Salt Lake City, Oklahoma City, Cincinnati, Louisville, and Minneapolis.
- Remote work has also enabled Gen Z to carefully choose their cities and towns, while millennials were drawn to large metropolitan areas for job opportunities.

The rising costs of insurance: Gen Z is well aware of climate change—but what they may not know just yet is how it will affect the price of their homeowners insurance. Given their aversion to overspending and accumulating more debt, insurers should design accessible products that put customers in the driver's seat for choosing the final cost.

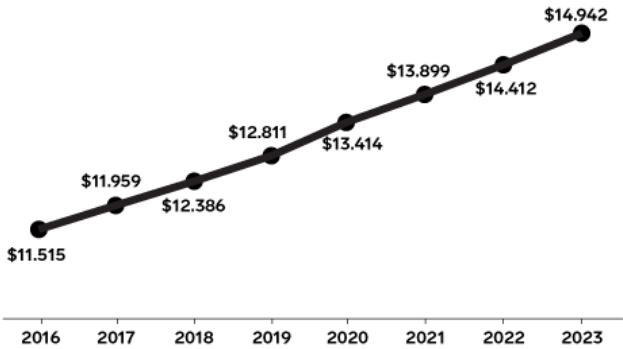
- To bridge the affordability gap, provide transparent calculations for what factors into the premiums, along with customizable solutions that allow Gen Z to raise and lower coverage depending on their insurance needs.

Embedded insurance as a marketing tool: Considering all of the factors involved in homeownership, reaching Gen Z will be key to maintaining a competitive edge in this growing market.

- Partnering with financial institutions, real estate agencies, or web sites allows insurers to offer **embedded insurance** at various stages of the customer journey.
- This can boost customer acquisition and helps insurers meet Gen Z’s digital-first expectations.

US Mortgage Debt Balance, 2016-2023

trillions



Note: includes all mortgage installment loans, including first mortgages and home equity installment loans (HEs), both of which are closed-end loans; excludes nonresidential and farm loans
Source: Insider Intelligence, Jan 2022