

WOMB & BOARD

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KEY POINTS

- Housing affordability directly shapes whether young adults can form independent households, influencing marriage, fertility, and long-term family stability.
- Rising housing costs and limited supply increase co-residence with parents, delaying transitions into marriage, and reducing childbearing rates.
- Starter homes and family-sized housing have largely disappeared due to zoning, land-use regulations, and minimum lot size mandates.
- Homeownership and stable housing are strongly associated with earlier marriage, higher fertility, and improved long-term family outcomes.
- Expanding housing supply through regulatory reform can lower costs and restore pathways to family formation without direct government subsidies.

INTRODUCTION

Housing affordability has emerged as one of the defining economic and public policy challenges shaping the life trajectories of young adults in the United States. Rising housing costs increasingly determine whether young people can leave their parents' homes, establish independent households, and reach milestones traditionally associated with adulthood, including marriage and childbearing. As housing expenses consume a growing share of income, delayed household formation has become more common, carrying implications not only for individual opportunity but also for demographic stability, labor mobility, and long-term economic growth.

Recent research suggests that housing affordability is closely linked to transitions into marriage and parenthood ([Acolin et al., 2024](#)). This empirical work finds that worsening affordability increases the likelihood that young adults will co-reside with parents—a living arrangement associated with lower probabilities of marriage and childbearing over time. Higher rent-to-income and price-to-income ratios are similarly associated with measurable declines in fertility outcomes, indicating that housing constraints may produce lasting demographic effects rather than temporary postponements.

Policy analysis increasingly echoes these findings. Today's fractured housing market has substantially raised the cost of homeownership and limited access to independent housing for young households, contributing to delayed marriage and reduced childbearing as financial stability becomes a prerequisite for

continued

family formation ([Antoni, 2024](#)). Housing affordability therefore functions not merely as a market concern but as a structural condition shaping when—and whether—young adults form families.

Academic and policy research points to housing affordability as a key determinant of household formation, demographic trends, and long-run economic stability. Addressing the housing shortage is therefore central to facilitating family formation and supporting marriage and childbearing. Policies that expand housing supply, reduce regulatory barriers, and increase access to family-sized housing have the potential to mitigate delays in household formation and reinforce housing’s role as a foundational component of social and economic policy.

THE PROBLEM

Housing Affordability as a Constraint on Family Formation

The consequences of constrained housing affordability extend beyond delayed household formation to broader demographic outcomes, particularly fertility. As housing costs absorb larger shares of young adults’ budgets and postpone transitions into independent living, economic pressures increasingly shape decisions about whether and when to have children. Public opinion data from 2025 indicate that financial constraints—including housing expenses—have become the leading factor Americans cite when determining family size, with a majority reporting that the cost of raising children makes larger families difficult to justify ([Somasingh, 2025](#)). These perceptions align with demographic trends showing historically low U.S. birthrates and declining fertility among younger cohorts.

The Direct & Indirect Cost Channels: Housing Prices and Delayed Household Formation

Economic research provides a clear mechanism linking housing markets to fertility decisions. [Dettling and Kearney’s](#) foundational work demonstrates that metropolitan house prices influence birthrates by altering the effective cost of childrearing. Ana-

lyzing U.S. metropolitan data from 1990–2006, they find that rising house prices are associated with lower birthrates among non-homeowners, for whom higher housing costs increase financial barriers to having children ([Dettling & Kearney, 2011](#)). Because housing represents the largest single component of childrearing expenses—exceeding food, childcare, and education costs—price increases directly affect family planning decisions ([Belsie, 2012](#)). Although existing homeowners may experience positive wealth effects that can increase fertility, declining access to homeownership among younger adults means the aggregate effect of rising housing costs is often negative in markets where many prospective market entrants remain priced out of ownership ([Dettling & Kearney, 2011](#); [Dettling & Kearney, 2013](#)).

Housing affordability also influences fertility indirectly by delaying the formation of stable households. When affordable, family-sized dwellings are scarce, potential parents frequently postpone childbearing until they achieve sufficient housing security, often defined by ownership or access to larger living spaces. Policy analysts argue that land-use regulations and supply constraints reinforce this dynamic by limiting construction and keeping prices elevated, thereby reducing access to housing suitable for families ([Pethokoukis, 2025](#)). These findings suggest that declining fertility should not be understood solely as a product of cultural change or shifting preferences; housing market conditions operate as a structural determinant of childbearing behavior. Empirical analysis indicates that worsening affordability explains a significant share of the rise in co-residence among young adults in the early 21st century ([Acolin et al., 2024](#)). Where housing costs rise faster than incomes, young adults are more likely to remain in parental homes rather than establish independent households, with estimates suggesting that affordability pressures account for up to one-quarter of the observed increase in co-residence.

Longitudinal cohort studies reinforce these findings. Comparing successive generations of young adults, researchers find that differences in local hous-

ing costs explain a substantial share of variation in household formation rates. In higher-cost regions, young adults today are significantly more likely to live with parents into their late twenties and early thirties than earlier cohorts, even after controlling for education, employment conditions, and demographic factors (Cooper & Luengo-Prado, 2016). Housing markets therefore shape not only economic outcomes, but also the timing of core life transitions associated with adulthood.

These dynamics extend to fertility timing as well. Classic demographic research finds that women living in high-cost housing markets have substantially higher mean ages at first birth than those in more affordable regions, reflecting delayed transitions into independent living, partnership formation, and family life (Clark, 2012). While education, labor force participation, and broader economic conditions also play important roles, housing affordability consistently emerges as a meaningful contributor to delayed entry into family formation (Hu et al., 2022).

Housing and Family Size

Housing conditions influence not only when families begin but also whether they expand. A growing literature finds that high rents, limited living space, and restricted access to homeownership are associated with both delayed childbearing and smaller family size. Evidence from Japan shows that higher rents and smaller dwellings significantly reduce the likelihood of additional births, suggesting that physical housing constraints independently shape fertility decisions (Simon & Tamura, 2008). European longitudinal research similarly finds that persistent rent burdens correlate with lower progression to second or higher-order births, as housing-related financial uncertainty discourages family expansion (Flynn, 2013). Qualitative research in high-cost U.S. housing markets reinforces these findings, with young adults frequently citing limited living space and housing insecurity as central reasons for postponing or forgoing additional children (Gullett, 2022).

In contrast, homeownership is consistently associated with earlier marriage and higher likelihoods of childbearing. Demographic analyses across Europe and North America show that homeowners are more likely than renters to transition into married family households and to have children sooner, even after accounting for socioeconomic differences (Mulder et al., 2005). Stable housing tenure appears to provide both financial predictability and psychological security that support long-term family planning.

Policy research reaches similar conclusions. Reports such as the Institute for Family Studies' "Homes for Young Families" emphasize that shortages of starter homes and family-sized units constrain young adults' ability to establish stable households capable of supporting children (IFS, 2025). Cross-national evidence suggests that countries with more accessible pathways to homeownership and greater availability of family-appropriate housing tend to exhibit higher rates of marriage and childbearing among young adults. Commentators likewise argue that limited access to stable, affordable housing contributes directly to delayed marriage and fertility by preventing young Americans from achieving the residential stability they associate with starting a family (Abrams, 2025).

Taken together, the evidence indicates that high rents, constrained housing supply, limited living space, and barriers to homeownership do more than strain household budgets—they reshape the timing and likelihood of family formation itself. Housing accessibility is therefore not a peripheral economic concern but a central determinant of whether young adults can form independent households, marry, and have children. Understanding housing policy through this demographic lens clarifies why expanding access to affordable, family-sized housing is integral to supporting family formation and long-term demographic stability.

POLICY PRESCRIPTIONS FOR TEXAS

To encourage family formation, Texas ought to strengthen its position as a leader on housing affordability. Through addressing the systemic barriers increasing the age of first-time home buyers in particular, but also more broadly the factors increasing housing cost, the Lone Star State can help restore the economic preconditions historically associated with marriage, childbearing, and independent household formation.

Regulatory impositions put upon by the federal, state, and local governments raise entry costs for first-time buyers and restrict the supply of modest, family-sized homes (Bonura et al, 2025). To the greatest extent possible, the Legislature should address these constraints to foster the conditions necessary for independent household formation and facilitate pathways to financially stable family life. These constraints primarily take the form of zoning and land-use regulations which dictate where, what, and when housing can be built. The result has been the gradual decline in the quantity of entry-level homes.

The disappearance of starter housing is visible in both the size and price of homes built. As one of the authors noted in his research elsewhere,

During the 1940s, nearly 70% of single-family homes were 1,400 square feet or less; today, fewer than 8% are. Over the same period, household size has decreased dramatically, from 3.7 to 2.5 persons per household. As households have shrunk, lots and houses have grown, driving up costs. In inflation adjusted dollars, home prices have risen in Texas from \$33,113 in 1940 to \$339,000 in 2024. Unsurprisingly, starter homes under \$200,000 have fallen from half of all homes for sale in 2010 to less than 1.7 percent of the Texas market today. (Crockett, 2025)

As smaller and more affordable homes have vanished from the market, policymakers and housing scholars have increasingly focused on two reforms capable of restoring entry-level housing supply:

Light touch density and minimum lot size reform. Both of these policies directly comport with the aims of family formation: namely, creating homes for families, and keeping families together as they grow. They also reinforce one of the central advantages of homeownership: the flexibility and permanence that allow families to adapt their living arrangements when circumstances change. As Timothy Carney (2025) notes,

Why is home ownership so important to parents or would-be parents? The answer probably lies in the combination of flexibility and permanence. As your family grows, you may need to convert a walk-in closet into a nursery. You may want to convert your garage into a granny flat. You may need to turn two bedrooms into a large barracks room for all three boys, or split a basement up into three tiny bedrooms. You probably cannot do these modifications in a home you're renting.

Light touch density refers to incremental, neighborhood-scale housing options, such as duplexes, townhomes, and accessory dwelling units (ADUs), typically introduced into areas zoned exclusively for detached single-family homes (Pinto et al., 2022). Rather than imposing large multifamily structures, this approach allows gentle infill that expands supply while maintaining community continuity. To legalize light touch density across the state would require preempting municipal bans on the previously mentioned housing types (i.e., townhomes, ADUs, cottage homes) within residential and general suburban zones.

This preemption could enable flexibility for families. After all, housing that can expand, subdivide, or accommodate additional family members allows households to respond to life-cycle changes—marriage, childbirth, aging parents, or multigenerational co-residence—without the disruption of relocation. Policies that expand the supply of adaptable, ownership-oriented housing therefore do more than lower prices; they enable the physical environments in which family life can develop and mature over time.

Minimum lot size mandates operate more directly on land consumption. Many municipalities require new single-family homes to sit on parcels significantly larger than what structural safety or basic livability requires. These mandates artificially increase per-unit land costs and prevent the construction of modest starter homes that historically served as the entry point to homeownership for young families (Bonura et al., 2025). Reforming or eliminating such mandates—specifically, permitting lots as small as 1,200 square feet in new subdivisions—would allow builders to produce smaller, more affordable detached homes. Notably, through Senate Bill 15 (2025), Texas has already begun to partially pursue this reform in 19 cities.

Looking at these policy prescriptions empirically can aid in understanding their statewide impact. According to the American Enterprise Institute, reducing the minimum mandated lot size to 1,200 square feet statewide could generate approximately 63,200 additional single-family homes per year, with a projected median value of \$347,000, about 13% below

the median value of Texas single-family homes built in new subdivisions between 2000 and 2024 (AEI, n.d.). Similarly, light touch density reforms could add roughly 28,900 net new homes annually, with a projected median value of \$317,000, approximately 16% below the median value of new single-family infill housing constructed between 2014 and 2024 (AEI, n.d.).

Taken together, these reforms could add more than 90,000 additional homes per year, materially expanding Texas's supply of entry-level housing and lowering the cost barriers facing young households. By restoring the availability of attainable starter homes and adaptable housing, Texas can shorten the path to homeownership and strengthen the material foundations upon which marriage, child-bearing, and long-term household stability depend. While cliché, it is a truism that families turn houses into homes; perhaps homes can help turn people into families. ■

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ABOUT THE AUTHORS



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For her senior thesis, Hannah conducted an in-depth analysis of the “kingpin strategy” in Mexico and evaluated the broader efficacy of U.S. intervention, strengthening her skills in data-driven policy research and comparative analysis. While at Patrick Henry College, she represented her school twice at the Transatlantic Dialogues in Paris, France, placing first in 2024 and third in 2025. These experiences broadened her perspective on governance, civic institutions, and the role strong families play in thriving societies.



Ben Crockett is a Policy Scholar at the Texas Public Policy Foundation, where he combines data-driven research with accessible commentary to advance liberty, opportunity, and free enterprise.

Crockett’s commitment to civic life began early through his involvement in Junior Statesmen of America and Texas Boys State. A proud member of the Fightin’ Texas Aggie Class of 2025, he earned a B.A. in Political Science from Texas A&M University. During his time at A&M, he served as a Bush School Ambassador and on the Executive Council of the American Enterprise Institute’s collegiate chapter. His team earned top honors for Best Policy Paper at the Student Conference on National Affairs. Within the Student Government Association, Crockett rose from Vice President for Municipal Affairs to Chief of Policy, where he led policy analyses that contributed to four bills filed in the 89th Texas Legislature.

In 2024, the City of College Station recognized Crockett for his outstanding service and commitment to respectful civic discourse. In that same spirit, he founded 451 Now, a public-affairs book review podcast, where he has interviewed leading thinkers and public figures including former U.S. Senator Phil Gramm, George Will, and Dennis Prager.

His writing and commentary have appeared in regional and national publications, including *The Dallas Morning News* and *The Federalist*, and his work has been cited by outlets such as *Chron.com* and *The Bryan-College Station Eagle*. He has also served as a member of the Bush School Youth Leadership Program Advisory Board and as a contributor with Young Voices.

