2021 HOMEBUYER INSIGHTS REPORT
First-Generation Homeowner Spotlight
Our annual Homebuyer Insights Report explores homebuyer and homeowner preferences and behavior, and for the first time, we’re taking a closer look at first-generation homeowners. Earlier this year, we found hopeful homebuyers are more eager than ever to swap unpredictable monthly rents for steady monthly mortgage payments. Now, to better understand the challenges and opportunities prospective homebuyers today may face and to provide the best resources, we explore how first-generation homeowners made their dreams of homeownership a reality.

AJ Barkley
Head of Neighborhood and Community Lending

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Families Play a Key Role in First-Generation Homeownership

For first-generation homeowners, family support can play a pivotal role in helping them achieve homeownership – whether they were able to provide financial support, or simply motivation.

Twice as many say they bought a home because they felt their parents expected it

43%  
First-generation homeowners

20%  
Non-first-generation homeowners
The families of first-generation homeowners instilled in them an understanding of healthy financial habits.

- **75%**
  Taught the importance of building good credit

- **37%**
  Provided financial assistance to help buy a home
First-Generation Owners Value Unique Benefits of Homeownership

Aside from the advantage of building long-term wealth, owning a home has unique benefits for first-generation owners and their families, and the importance of these benefits has increased recently.

The importance of owning a home has increased

- 69% First-generation homeowners
- 43% Non-first-generation homeowners
74% of first-generation homeowners say they expect to buy another home in the future

Sheena C.
First-Generation Homeowner

When I moved to Detroit, I immediately knew I wanted to put down roots in this vibrant community, and Bank of America’s down payment and closing cost grants let me do just that. I view homeownership not only as a way to build generational wealth for me and my young daughter, but to also have a stake in the neighborhood.

The importance of building equity has increased

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<tr>
<th>First-generation homeowners</th>
<th>Non-first-generation homeowners</th>
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<tr>
<td>61%</td>
<td>39%</td>
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The importance of safety and security that homeownership provides has increased

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<th>First-generation homeowners</th>
<th>Non-first-generation homeowners</th>
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<tr>
<td>73%</td>
<td>60%</td>
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Overcoming Barriers to Homeownership

Prospective homebuyers face hurdles on their path to homeownership, but they are still making saving for a home a financial priority and there are tools and resources available.

Prospective buyers say the top barriers to homeownership are:

- High rent costs, making it harder to save for a down payment: 57%
- Expensive housing prices: 54%
Prospective buyers share the challenges as they get started on their financial journey

- 24% Say they’re proud of their credit score
- 89% Say there’s more they could do to save money
If given $20,000, prospective homebuyers said they would:

<table>
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<th>Percentage</th>
<th>Purpose</th>
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<tr>
<td>35%</td>
<td>Save for a home</td>
</tr>
<tr>
<td>22%</td>
<td>Pay off debt</td>
</tr>
<tr>
<td>17%</td>
<td>Save for the future</td>
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<tr>
<td>11%</td>
<td>Buy a car</td>
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No matter where you are on your financial journey, Bank of America is committed to helping today’s hopeful homebuyers get on the right path with a range of solutions – starting with tools that help manage spending and saving patterns while practicing responsible credit behavior. Knowing the stepping stones to achieve stability and control over your finances will put you closer to your savings goal before you know it.

AJ Barkley
Head of Neighborhood and Community Lending
Defining Generation of Homeowners:
First-generation: Parents and grandparents did not own a home.
Non-first-generation: Parents or grandparents owned a home.

Methodology
Sparks Research conducted a national online survey on behalf of Bank of America between February 18 and March 1, 2021. Sparks surveyed a national sample of 2,000 adults ages 18+ who currently own a home or plan to in the future. In addition, an augment of 185 surveys was conducted to oversample First Generation homeowner populations (363 surveys in total). The margin of error for the national quota is +/- 2.2 percent at the 95 percent confidence level. Select questions allowed respondents to choose more than one answer, resulting in responses that may equate to more than 100 percent.

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