



FINANCE *of* AMERICA  
— R E V E R S E —

# 2023 Home Equity Punchlist

 **The Harris Poll**  
Harris Insights & Analytics LLC, A Stagwell Company



## Research Background

# RESEARCH METHOD

## Survey Details



Online  
15-minute Survey



Fielded  
May 15 – 26, 2023

## Notes on Reading the Report

Percentages may not add up to 100% due to weighting, computer rounding, and/or the acceptance of multiple responses.

Results based on small samples ( $n < 100$ ) should be interpreted as directional only.

### Qualification Criteria (N=2,011)

United States Residents | Homeowner | Age 18+

## Weighting

Results for adults age 18+ were weighted separately for each generation using age within gender, region, race/ethnicity, marital status, size of household, employment status, generation, income, and education where necessary to align them with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

## Methodology (to be included in all materials for public release)

The Harris Poll conducted the survey online on behalf of Finance of America Reverse (FAR), from May 15th – 26th, 2023, among  $n=2,011$  U.S. homeowners 18+ who live in the United States. Respondents for this survey were selected from among those who have agreed to participate in our surveys. Base sizes shown in the report are reflective of the unweighted base to accurately convey the number of respondents who participated. The weighted base sizes used to calculate the results are not included but can be made available upon request.

The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within + 2.9 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

All sample surveys and polls, whether or not they use probability sampling, are subject to other multiple sources of error which are most often not possible to quantify or estimate, including, but not limited to coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments.



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# EXECUTIVE SUMMARY



# Key Findings: The Opportunity

- **There is an opportunity to highlight home equity loans as a way for homeowners to meet their financial needs. Older generations stand to benefit the most, however, interest is stronger among younger homeowners.**
  - Most are interested in *aging in place* (led by Retirees), *home renovating/remodeling*, and *retiring early*.
  - Top financial priorities revolve around *saving* (for the future, retirement, or an emergency) and *reducing monthly costs*.
  - Anxiety levels remain highest about the *economy*. Half of homeowners are also anxious about the ability to *retire on their own terms*, *ability to pay for unexpected medical expenses*, and *afford home improvements*.
    - **Notably, anxiety levels are significantly lower among Boomers/Silent Generation.**
  - With access to 20-50% of their home's value, most would allocate the proceeds to *home improvements/remodeling* (47%), *supplementing retirement savings* (38%), or *paying off debt* (35%).
  - Among those with a financial advisor, younger generations are more likely to discuss topics such as *home equity*, *retiring in the home*, and *long-term care* with their financial advisor than Boomers/Silent Generation.
  - Outside of renovations to increase the value of the home (58% Likely), only around 2 in 10 are likely to leverage their home to generate income – dropping to less than 1 in 10 among Boomers+.



# Key Findings: Filling in the Education Gaps About Home Equity

➤ **Knowledge gaps about accessing home equity remain a major challenge.**

- Overall, the knowledge gap is wider among women than men. For example, Only half (53%) of homeowners know that home equity could supplement income in retirement, falling to 4 in 10 women.
  - Additionally, only 3 in 10 women are familiar with a reverse mortgage or cash-out refinance.
- There is much confusion about reverse mortgages, and their product identity is not well established. While the minimum age to qualify for a Reverse Mortgage is as low as 55, 61% of Gen Z/Millennials indicated that they had taken out a reverse mortgage though they are not even able to qualify.
- The benefits and unique use cases of various types of home equity products are not well known. Respondents believe that a home equity loan can be used for home renovations (83%), accessing a line of credit (72%), or paying off higher interest debt (71%), but did not widely recognize these same use cases in a reverse mortgage (63%, 61%, 62%, respectively).
  - Eliminating a monthly mortgage payment is perhaps the most distinctive feature of a reverse mortgage. However, only 49% correctly indicated that a reverse mortgage can be used for that purpose. Meanwhile, 32% erroneously believed that a traditional home equity loan can be used for that purpose.





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# DETAILED FINDINGS



FINANCE *of* AMERICA  
- REVERSE -

# Current Context: Establishing the Opportunity

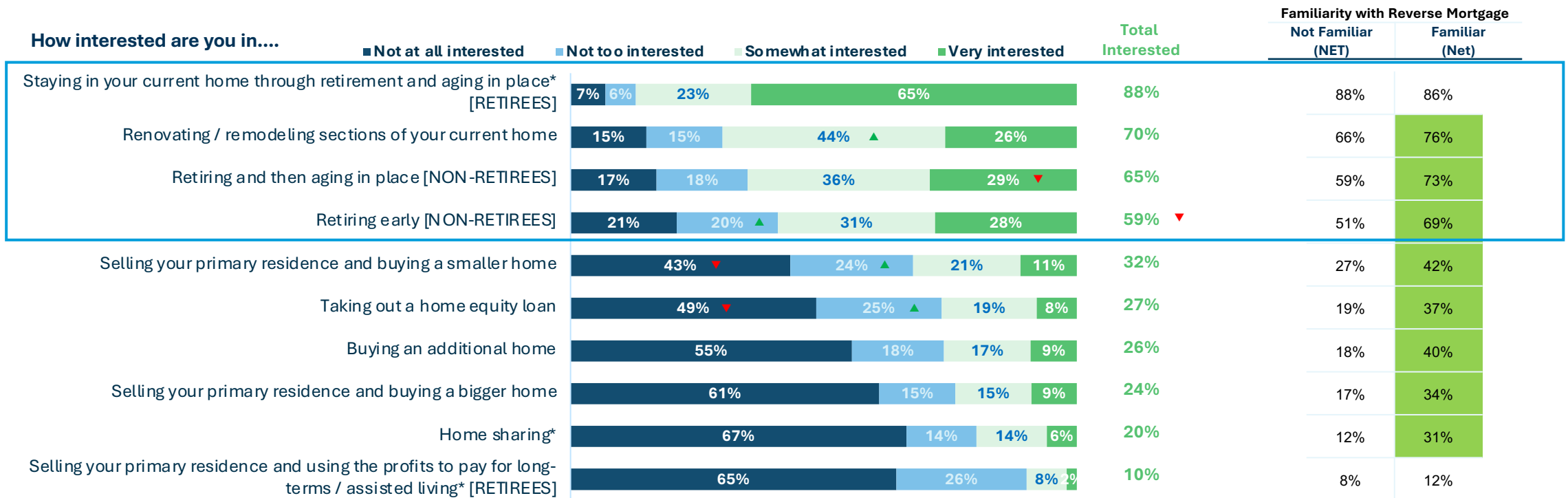




## 2023 HOME EQUITY PUNCHLIST

Nearly all retired homeowners are interested in *aging in place*, dropping to two-thirds of non-retired homeowners. Homeowners interest is also high for *home renovations* and *retiring early*.

- Those familiar with a reverse mortgage are generally more interested in most home-related issues.
- For Boomers/Silent Generation, interest is highest in *aging in place* (Boomer retirees: 86%; Boomer non-retirees: 77%). However, interest in *home sharing* is much lower among Boomers/Silent Generation (7%) than Gen Z/Millennials (41%) or Gen X (22%).



BASE: ALL QUALIFIED RESPONDENTS 2023 (N=2011) 2022 (N=2000)  
Q105. Moving on, how interested are you in...?

▲ ▼ significantly up/down since 2022 at 95% confidence level  
\* indicates a new statement in 2023

■ Significantly higher than the total

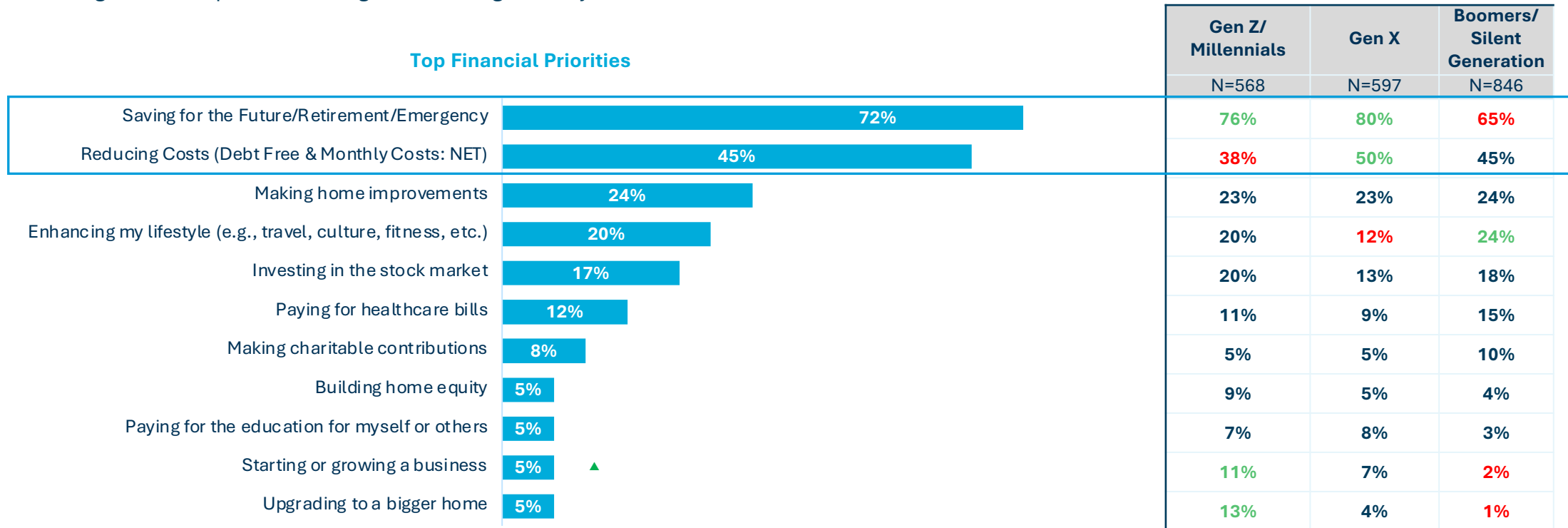




## 2023 HOME EQUITY PUNCHLIST

### Top financial priorities continue to revolve around *saving* and *reducing monthly costs*.

- All generations prioritize saving and reducing monthly costs.



**BASE: ALL QUALIFIED RESPONDENTS (2022 N=2000; 2023 N=2011)**

**Q100.** To begin, which of the following are your current top financial priorities?  
You may select up to three.

▲ ▼ significantly up/down since 2022 at 95% confidence level  
\* indicates a new statement in 2023

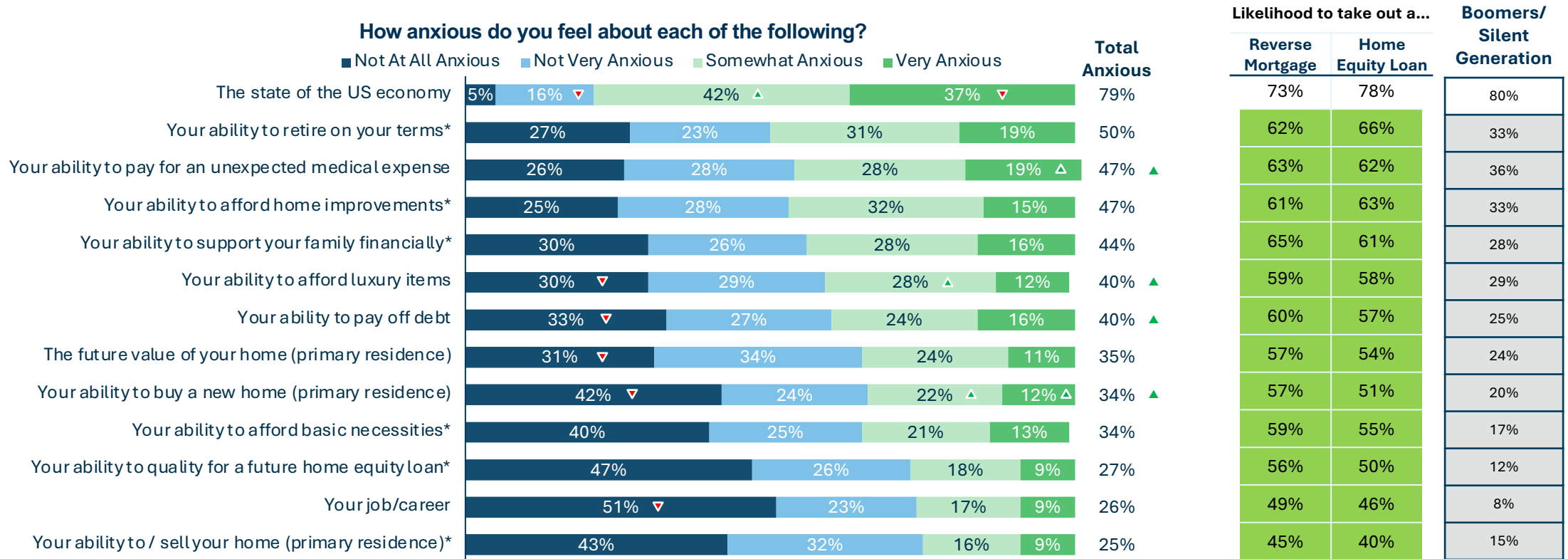
**Red:** Significantly lower than a counterpart  
**Green:** Significantly higher than a counterpart



## 2023 HOME EQUITY PUNCHLIST

# Anxiety about the *economy* remains high. Half are anxious about *retiring on their terms*. *Unexpected medical expense* anxiety is up significantly.

- Those likely to take out a reverse mortgage or home equity loan generally feel more anxious about a range of financial issues.
- Apart from anxiety about the *economy*, anxiety levels are lower among Boomers/Silent Generation.



BASE: ALL QUALIFIED RESPONDENTS (2023 N=2011; 2022 N=2000)

Q101. How anxious do you feel about each of the following?

▲ ▼ significantly up/down since 2022 at 95% confidence level

\* indicates a new statement in 2023

■ Significantly higher than the total  
■ Significantly lower than the total



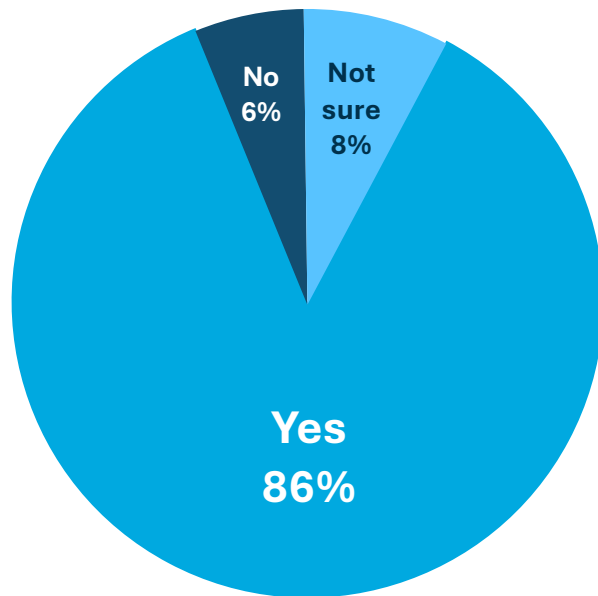
## 2023 HOME EQUITY PUNCHLIST

For most (86%), home values have increased since 2022. With an opportunity to access 20-50% of home value, remodeling, retirement savings, & paying off debt lead.

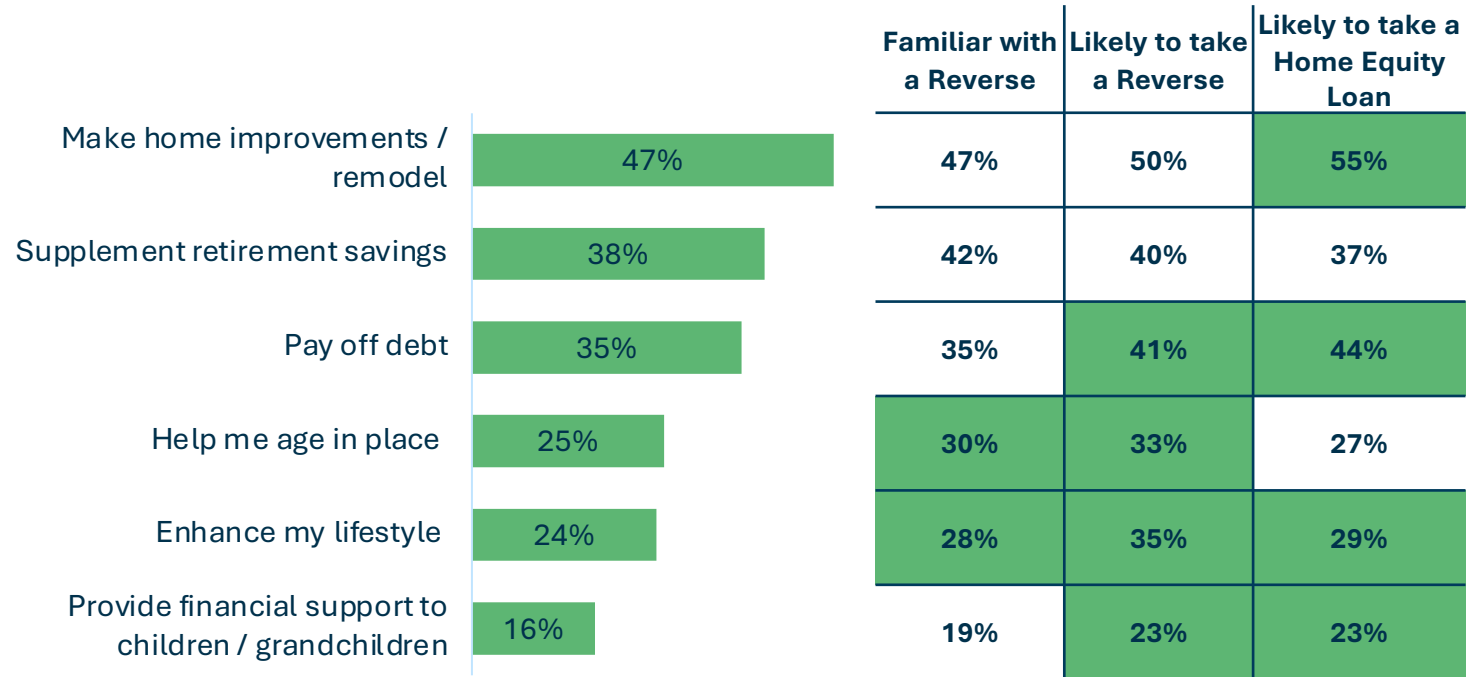
- For those familiar with a reverse mortgage and/or likely to take out a reverse, *aging in place* and *enhancing their lifestyle* are higher priorities than the total. For Boomers/Silent Generation, *supplementing their retirement savings* (45%) and *home improvements* (39%) are their top priorities.



Has your home increased in value since you bought it?



If you had the opportunity to access 20-50% of your home's current market value, what would you do with the proceeds?



■ Significantly higher than the total

BASE: ALL QUALIFIED RESPONDENTS (2023 N=2011; 2022 N=2000)

Q103. Has your current home (primary residence) increased in value since you bought it?

Q109A. If you had the opportunity to access 20-50% of your home's current market value, what would you do with the proceeds? You may select up to three.



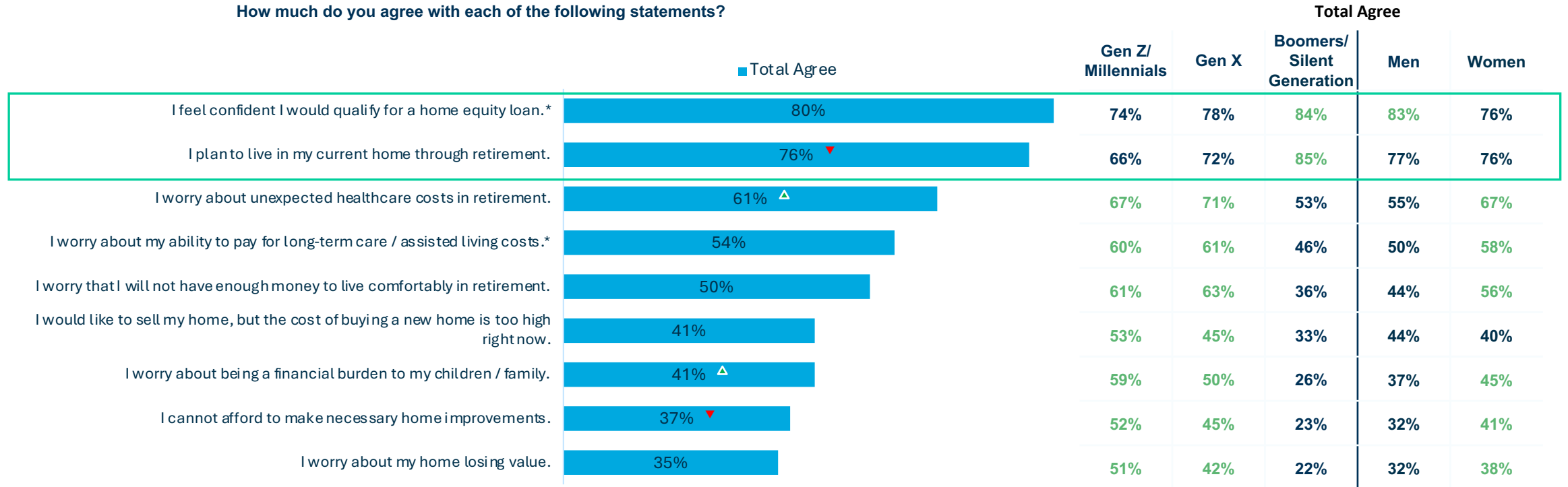


## 2023 HOME EQUITY PUNCHLIST

# Most are confident they would qualify for a home equity loan & want to live in their current home through retirement.

- Women and younger generations are more worried about various long-term financial matters, including the value of their homes.

How much do you agree with each of the following statements?



BASE: ALL QUALIFIED RESPONDENTS (2023 N=2011; 2022 N=2000)

Q111. How much do you agree with each of the following statements?

▲ ▼ significantly up/down since 2022 at 95% confidence level

\* indicates a new statement in 2023

■ Significantly higher than the total

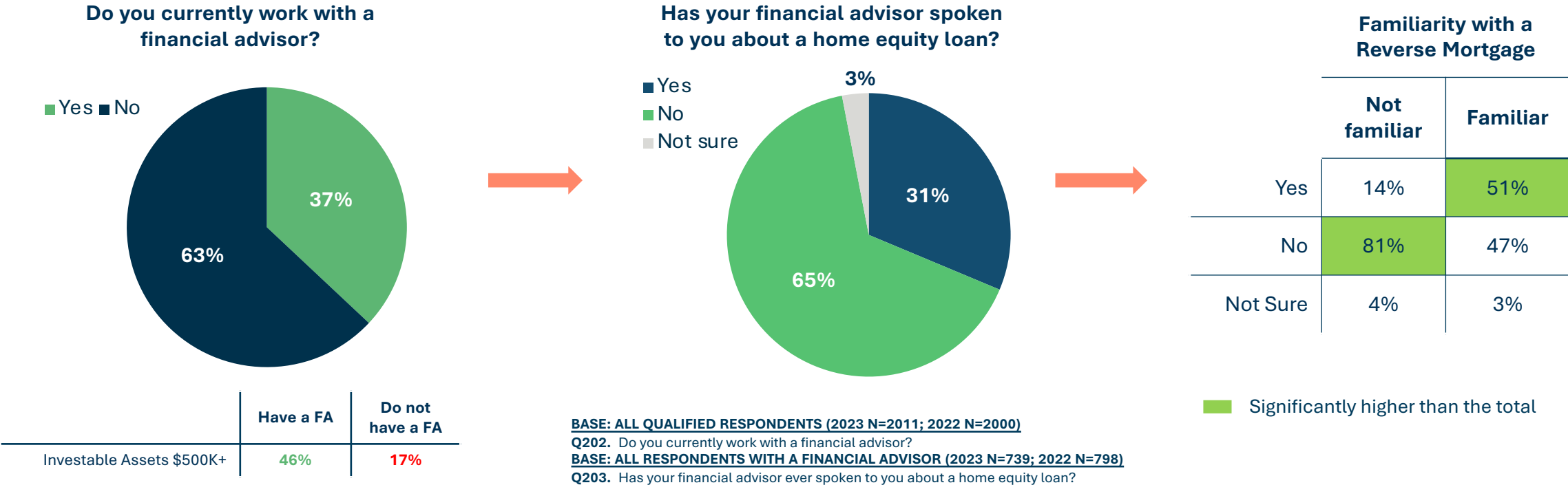
■ Green: Significantly higher than a counterpart



## 2023 HOME EQUITY PUNCHLIST

**Only 3 in 10 of those with a financial advisor have spoken with them about a home equity loan. This rises to half (51%) of those familiar with a reverse mortgage.**

- Roughly 4 in 10 homeowners work with a financial advisor (similar to 2022). Those that do report having significantly higher asset levels than those who do not.





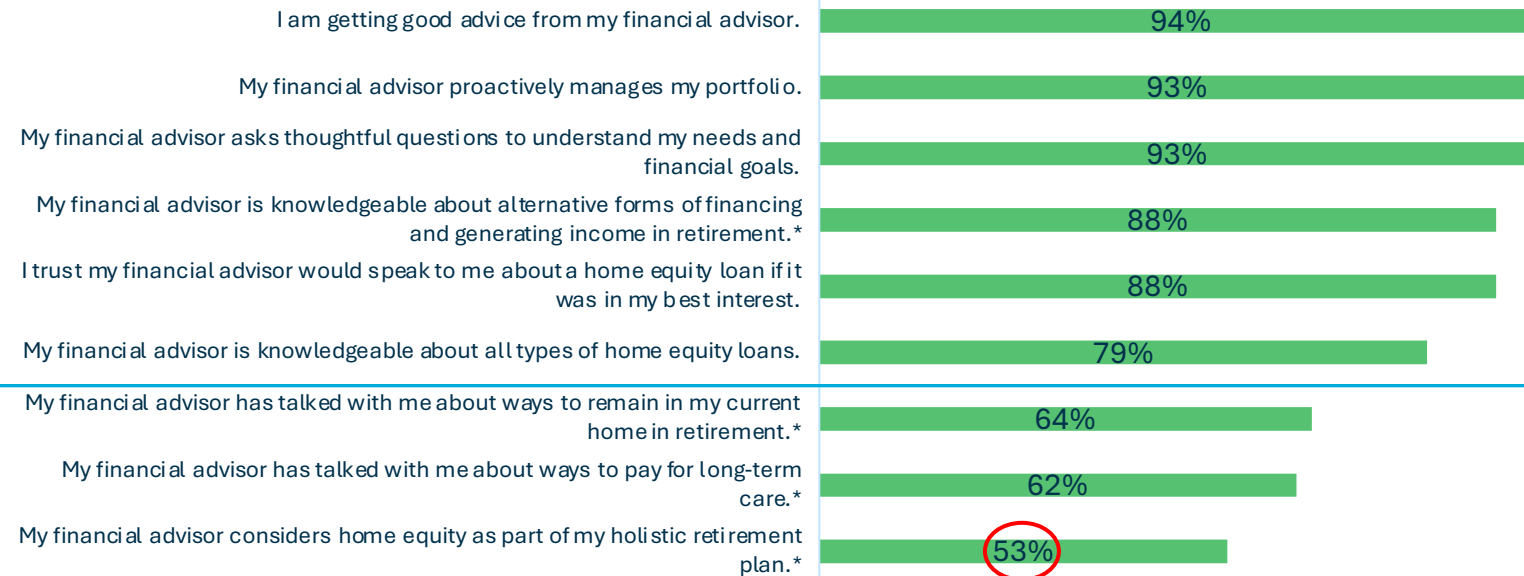
## 2023 HOME EQUITY PUNCHLIST

### While most feel they are getting good advice from their financial advisor, many advisors are not considering home equity as part of a holistic retirement plan.

- Younger generations with a financial advisor are more likely to discuss *aging in place*, *long-term care*, and *home equity* with their advisor.

#### Agree/disagree about your financial advisor

■ Total Agree



Gen Z/ Millennials	Gen X	Boomers/ Silent Generation
N=213	N=186	N=328
89%	96%	96%
89%	95%	94%
87%	96%	94%
91%	92%	85%
88%	88%	88%
86%	82%	73%
76%	73%	54%
75%	68%	52%
77%	60%	38%

**BASE: ALL RESPONDENTS WITH A FINANCIAL ADVISOR (2023 N=739; 2022 N=798)**

**Q204.** Please indicate how much you agree or disagree with the following statements about your financial advisor.

\* indicates a new statement in 2023

**Red:** Significantly lower than a counterpart  
**Green:** Significantly higher than a counterpart

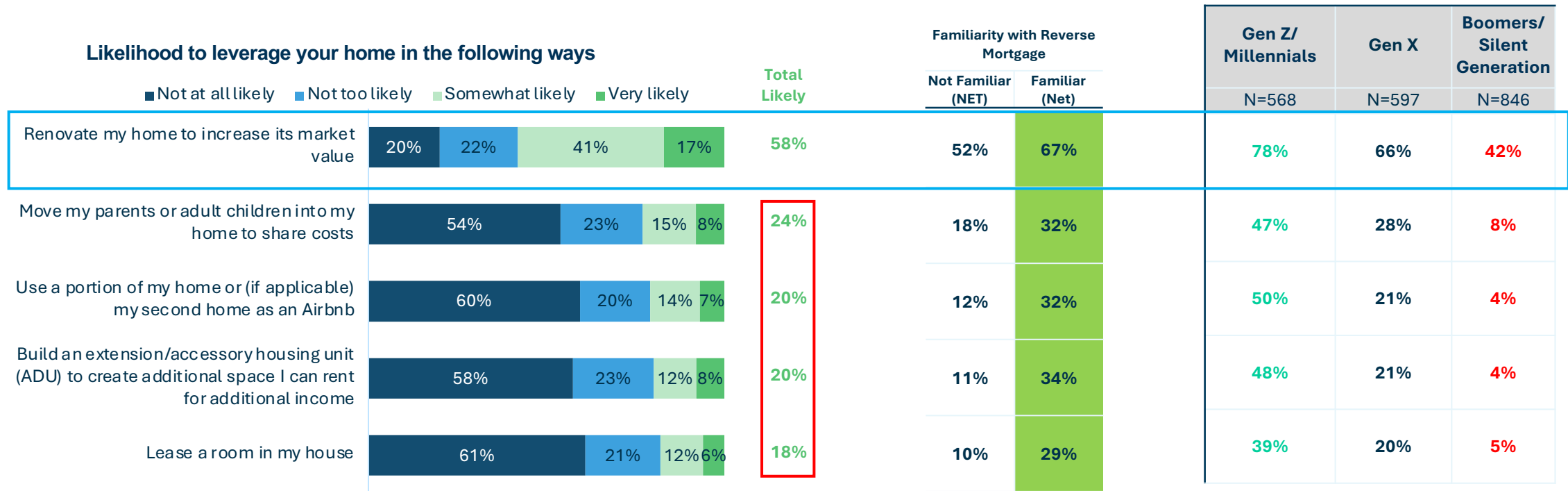




## 2023 HOME EQUITY PUNCHLIST

While 6 in 10 would consider home renovations to increase market value, most are only somewhat likely to do so.

- Likelihood to leverage their home in other ways to generate income is much lower. That said, likelihood is higher among those familiar with a reverse mortgage and younger homeowners.
- Other than home renovations, Boomers/Silent Generation are not currently likely to consider leveraging their home to generate additional income/cost share.



Significantly higher than the total

Red: Significantly lower than a counterpart

Green: Significantly higher than a counterpart

BASE: ALL QUALIFIED RESPONDENTS (N=2011)

Q2304. How likely are you to leverage your home in any of the following ways?

# Home Equity Loans: Familiarity, History, Knowledge, & Perceptions

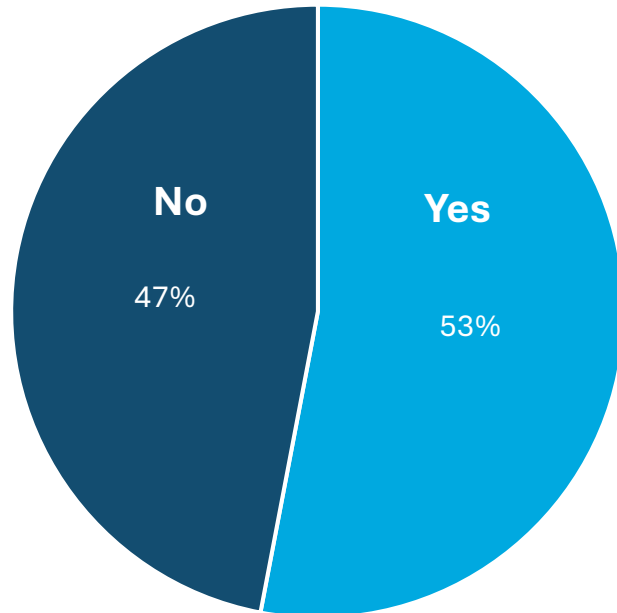




## 2023 HOME EQUITY PUNCHLIST

Only half (53%) know home equity could supplement income in retirement, led by those familiar with reverse mortgages (73%), men (65%), and Boomers/Silent Generation (57%).

Did you know home equity could help supplement income in retirement?



Familiar with a Reverse Mortgage – **73%**  
Not familiar with Reverse Mortgage – **40%**

Gen Z/Millennials – **51%**  
Gen X – **48%**  
Boomers/Silent Generation – **57%**

Men – **65%**  
Women – **42%**

**BASE: ALL QUALIFIED RESPONDENTS (N=2011)**

**Q2303.** Did you know home equity could help supplement your income in retirement?

**Red:** Significantly lower than a counterpart

**Green:** Significantly higher than a counterpart

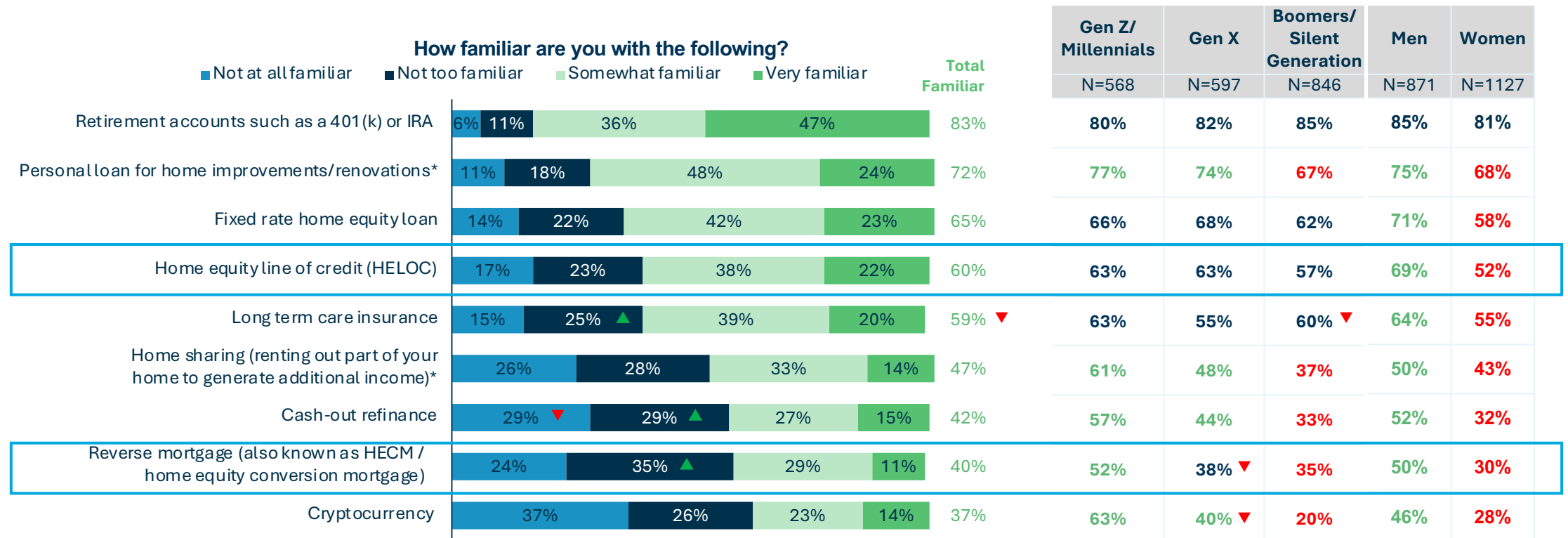




## 2023 HOME EQUITY PUNCHLIST

**While 6 in 10 are familiar with a HELOC, less than half are familiar with a reverse. Women are less familiar with all except retirement accounts.**

- Familiarity with a *HELOC*, *home sharing*, *cash-out refinance*, and *reverse mortgage* decline with age and is lowest among Boomers/Silent Generation.



BASE: ALL QUALIFIED RESPONDENTS (2022 N=2000; 2023 N=2011)  
Q110. How familiar are you with the following?

▲ ▼ significantly up/down since 2022 at 95% confidence level  
\* indicates a new statement in 2023

Red: Significantly lower than a counterpart  
Green: Significantly higher than a counterpart

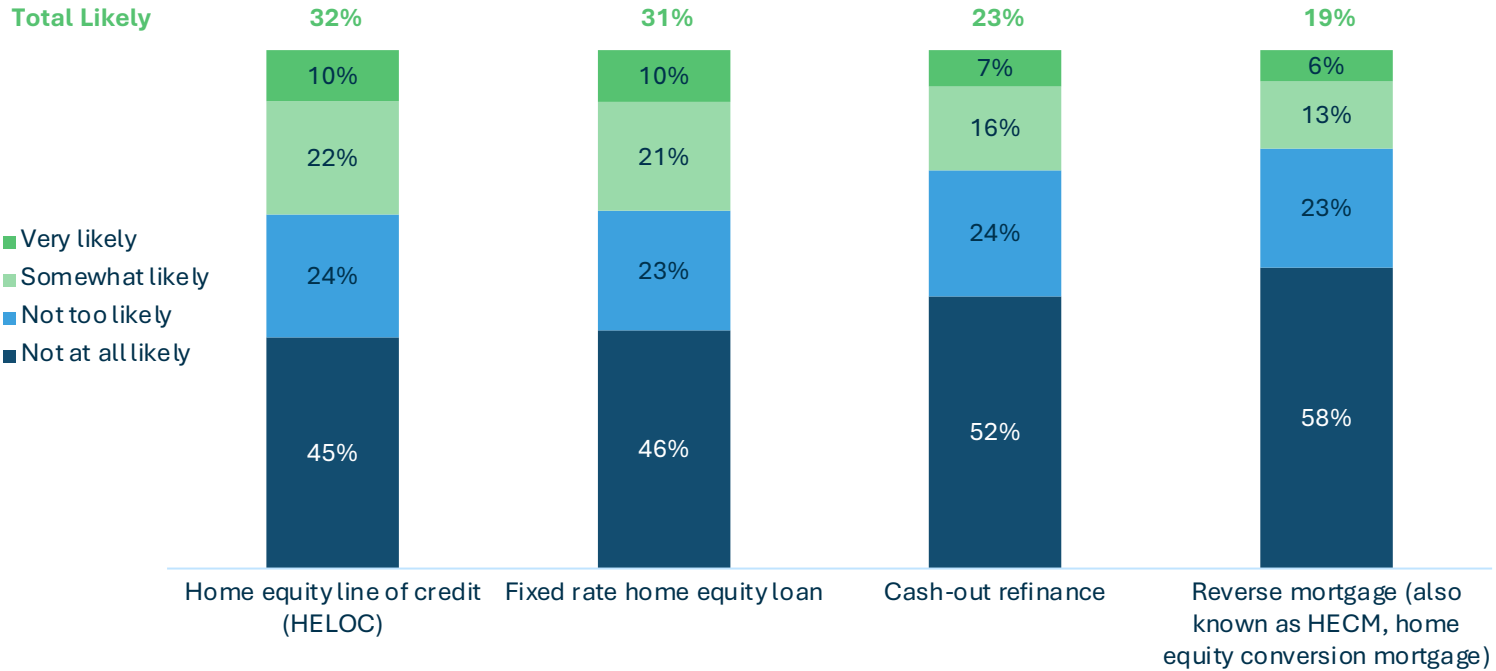


## 2023 HOME EQUITY PUNCHLIST

Roughly 3 in 10 are likely to use a *HELOC* or *fixed rate loan* to fund their financial needs while 2 in 10 are likely to use a *cash-out refinance* or *reverse mortgage*.

- Roughly 4 in 10 of Gen Z/Millennials indicate a likelihood to use a *reverse*, compared to only 6% of Boomers/Silent Generation.

### How likely are you to use one of the following home equity loans to help fund your financial needs?



	NET LIKELY		
	Gen Z/ Millennials N=568	Gen X N=597	Boomers/ Silent Generation N=846
Fixed Rate Home Equity	61%	38%	11%
HELOC	60%	37%	13%
Reverse Mortgage	43%	21%	6%
Cash Out Refinance	52%	25%	8%

**Red:** Significantly lower than a counterpart  
**Green:** Significantly higher than a counterpart

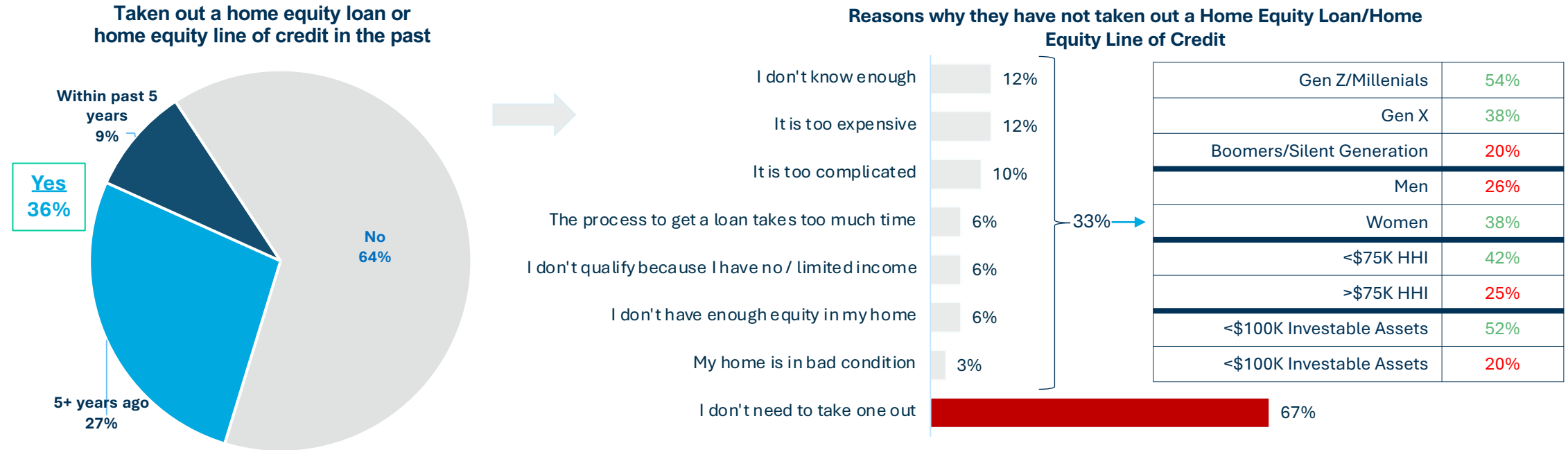
**BASE: ALL QUALIFIED RESPONDENTS (N=2011)**

**Q2301.** Given the state of the economy, inflation and high interest rates, how likely are you to use one of the following home equity loans to help fund your financial needs?

## 2023 HOME EQUITY PUNCHLIST

Similar to last year, just over one-third (36% vs. 37% in 2022) have taken out a home equity loan or line of credit. Most who haven't indicate they don't need to (67%).

- Among the remaining 33%, most lack knowledge about what it is and how to do it. This sentiment is led by younger generations, women, lower household income earners, and those with less investable assets.



BASE: ALL QUALIFIED RESPONDENTS (2023 N=2011; 2022 N=2000)

Q106. Have you ever taken out a home equity loan or home equity line of credit, either on your current primary residence or a home that you may have purchased in the past?

BASE: HAVE NOT TAKEN OUT A HOME EQUITY LOAN (N=1223)

Q115A. Being as specific as you can, please let us know why you have not taken out a home equity loan or home equity line of credit?

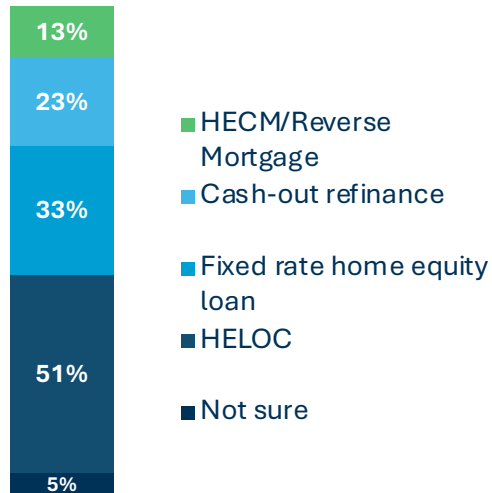
**Red:** Significantly lower than a counterpart  
**Green:** Significantly higher than a counterpart

## 2023 HOME EQUITY PUNCHLIST

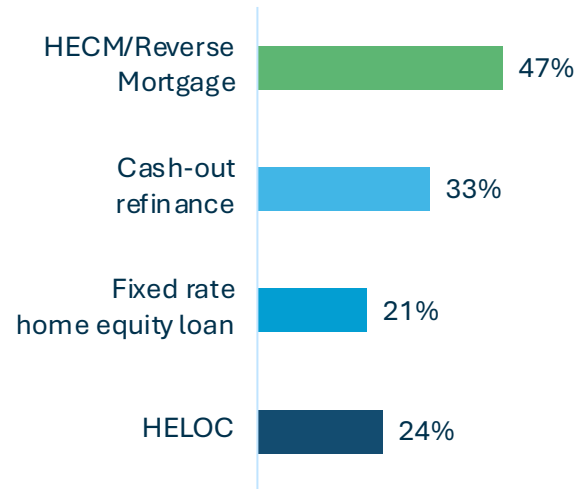
Among those who indicate they have taken out a home loan, half (51%) indicate it was a HELOC, 13% a reverse.

- HELOC and fixed-rate loan are most popular among Boomers/Silent Generation; Gen X are split across all four types. Most Gen Z/Millennials who have taken out a home loan, believe they have taken out a reverse mortgage.
- Half (47%) of those who indicate they took out a reverse mortgage are currently paying off student debt. This compares to 33% for cash-out refinance, 24% for a HELOC, and 21% for a fixed rate loan.

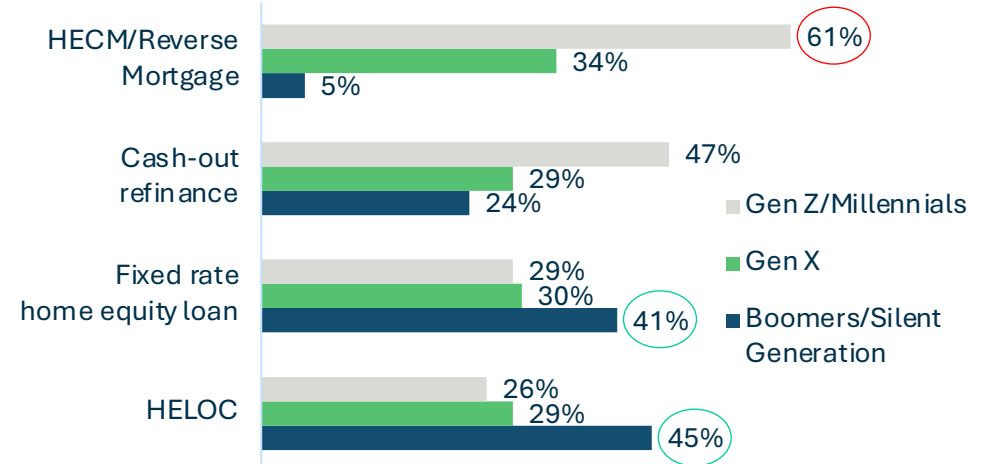
**Type of Loan Taken Out**  
(Among those who have taken out a loan.  
Select all that apply)



**% Paying Student Debt by Loan Type**



**Type of Loan Taken Out by Generation**



**BASE: HAVE TAKEN OUT A HOME EQUITY LOAN (n=788)**

Q106A. What type of home equity loan did you use? Please select all that apply.



## 2023 HOME EQUITY PUNCHLIST

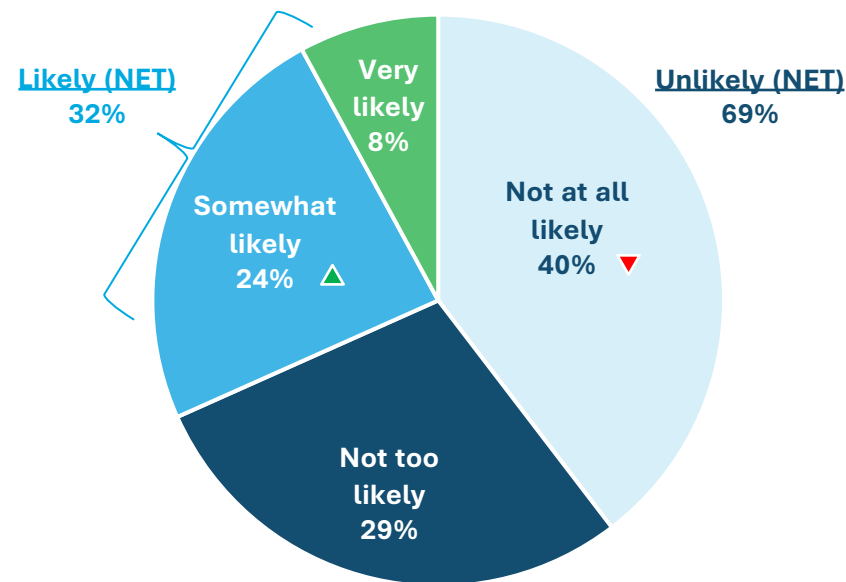
### Similar to last year, 3 in 10 homeowners are likely to take out a home equity loan, dropping to 1 in 10 Boomers/Silent Generation.

- Younger generations, those with some home equity loan experience, those who have owned a home for less than 20 years, and those familiar with a reverse mortgage are more likely than their counterparts to take out a home equity loan.

Gen Z/Millennials	63%
Gen X	37%
Boomers/Silent Generation	12%
Home Equity Experience	47%
No Home Equity Experience	24%
Less than 20 yr. Homeowner	39%
More than 20 yr. Homeowner	17%
Familiar with a Reverse	46%
Not Familiar with a Reverse	23%

Significantly higher/lower than the total

Likelihood to take out a home equity loan to take advantage of increased value of current home



▲▼ significantly up/down since 2022 at 95% confidence level  
\* indicates a new statement in 2023

Lack of interest (49% ▲) and not wanting to take on more debt (17% ▲) are the leading reasons why homeowners are unlikely to take out a home equity loan. Here is a sample of what they said when asked about their likelihood of taking out a home equity loan.



“The home is newer and paid for. We are retired and don’t want to take on debt.”

“I don’t want to owe anything on my home it is owned out right currently and I want to keep it that way.”

“Don’t want to use my home, don’t want another bill, or debt.”

“I have other funds that I can access without having to incur more debt.”

“I have no need for extra income generated by putting the ownership of my primary residence at risk.”



#### BASE: ALL QUALIFIED RESPONDENTS (N=2000)

**Q108.** For the majority of homeowners in the U.S., the value of their property has increased over the past several years. How likely are you to take out a home equity loan to take advantage of the increased value of your current home?

**Q108A.** Being as specific as you can, why are you [INSERT RESPONSE FROM Q108 IN LOWERCASE] to take out a home equity loan to take advantage of the increased value of your current home?



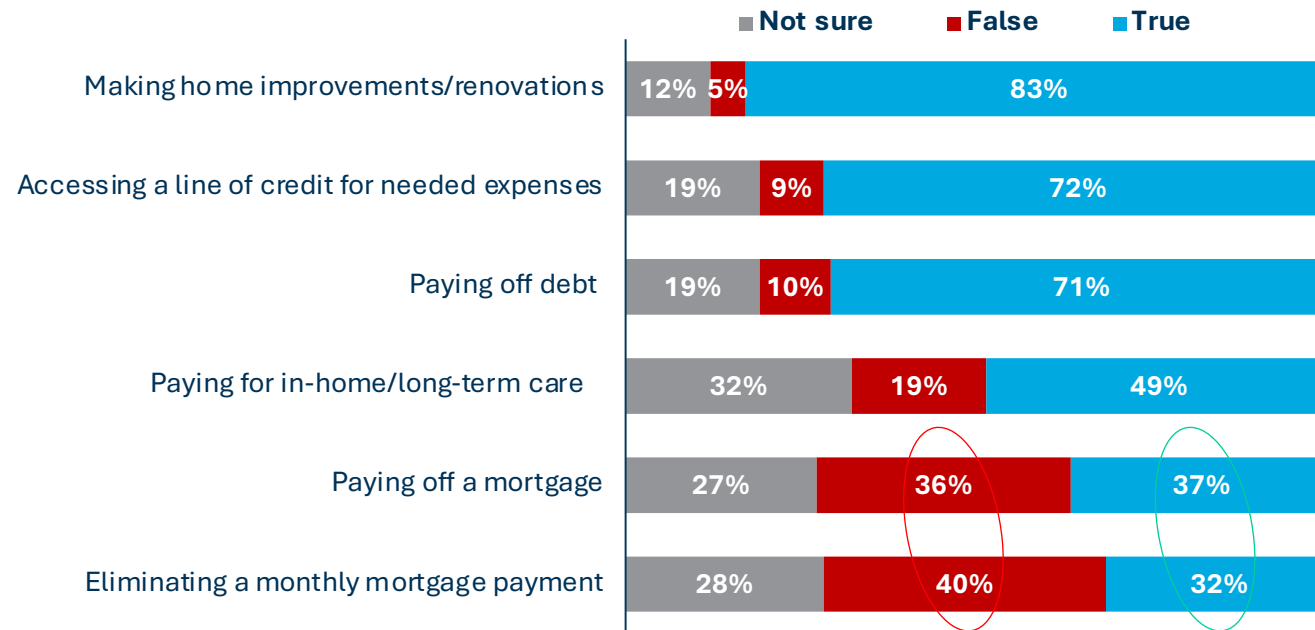


## 2023 HOME EQUITY PUNCHLIST

While knowledge of several home equity loans use cases is high, it is low for *paying off a mortgage & eliminating a monthly payment*.

- In particular, most Boomers/Silent Generation do not believe home equity loans can be used to *pay off a mortgage* or *eliminate a monthly mortgage payment*. Even less than half of those familiar with a *reverse mortgage* believe these use cases are true.

### Use Cases for Home Equity Loans



% TRUE

% TRUE

Familiarity with a Reverse Mortgage		Gen Z/ Millennials	Gen X	Boomers/ Silent Generation
Not familiar	Familiar	N=568	N=597	N=846
81%	88%	77%	84%	86%
68%	77%	66%	72%	75%
67%	78%	61%	75%	75%
39%	64%	52%	47%	49%
31%	46%	48%	38%	31%
27%	41%	41%	35%	26%

Green: Significantly higher than the total

Red: Significantly lower than a counterpart

Green: Significantly higher than a counterpart

BASE: ALL QUALIFIED RESPONDENTS (N=2011)

Q113. As far as you know, are the following use cases for home equity loans true or false?

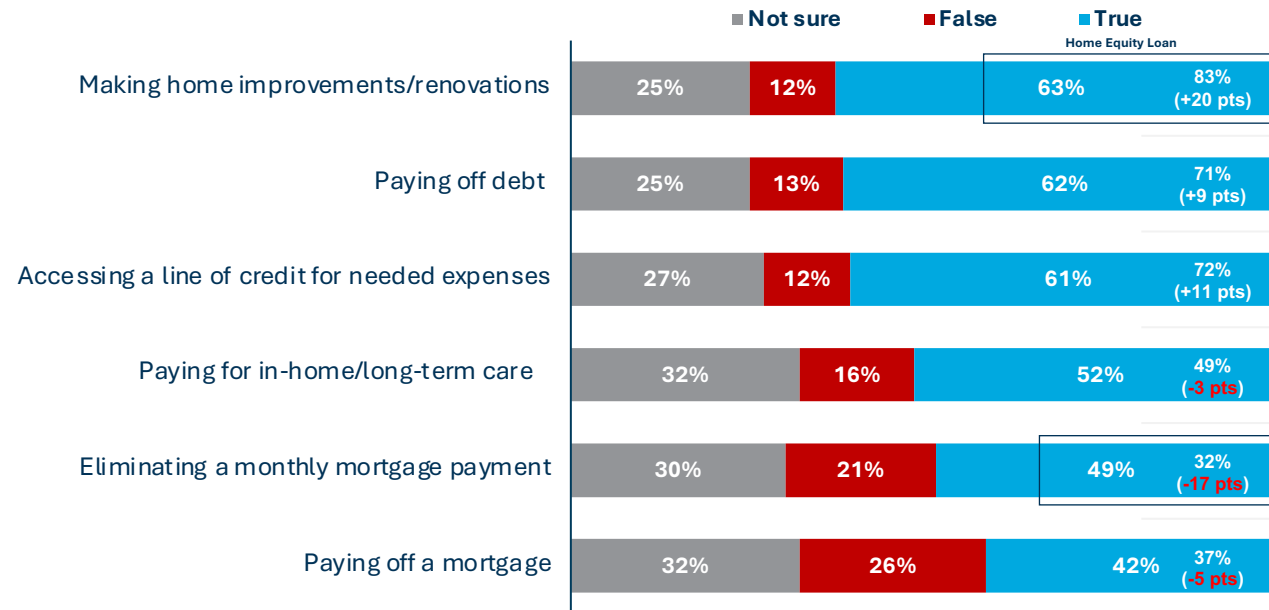


## 2023 HOME EQUITY PUNCHLIST

### Homeowners do see a difference in use cases between a home equity loan and a reverse mortgage.

- While fewer homeowners believe a *reverse mortgage* can be used for *home improvements*, a higher percentage believe they can be used to *eliminate a monthly mortgage payment*. With the exception of *paying off a mortgage*, a majority of Boomers/Silent Generation recognize several use cases of a reverse mortgage.

#### Use Cases for Reverse Mortgages



		% TRUE		
		Gen Z/ Millennials	Gen X	Boomers/ Silent Generation
Familiarity with a Reverse Mortgage		N=568	N=597	N=846
Not familiar	Familiar			
		53%	77%	62%
		62%	61%	64%
		55%	72%	54%
		62%	62%	66%
		54%	72%	56%
		60%	60%	64%
		41%	68%	47%
		49%	49%	56%
		40%	62%	43%
		46%	46%	54%
		34%	54%	49%
		40%	40%	39%

BASE: ALL QUALIFIED RESPONDENTS (N=2011)

Q2302. As far as you know, are the following use cases of some reverse mortgages true or false?

Significantly higher than the total

Red: Significantly lower than a counterpart

Green: Significantly higher than a counterpart

2023 HOME EQUITY PUNCHLIST

# THANK YOU

## Financial Advisors:

Contact FAR's Retirement Strategies Division to learn how accessing home equity can be a smart and strategic piece of a holistic financial plan.

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# Demographics



# Respondent Profile - 2023

	TOTAL (n=2,011)
<b>Gender</b>	
Male	48%
Female	52%
<b>Generation</b>	
	<i>Mean age</i> <b>55.6</b>
Gen Z (18-26) / Millennials (27-42)	24%
Gen X (43-58)	30%
Boomers/Silent Generation (59+)	46%
<b>Region</b>	
Northeast	16%
Midwest	25%
South	39%
West	21%
<b>Race</b>	
White	74%
Black/African American	8%
Hispanic	9%
Asian	6%
<b>Education</b>	
Less than High School	4%
High School to Less Than College	50%
4-Year College Degree or More	46%
<b>Annual Income</b>	
Less than \$35K	11%
\$35K - <\$75K	26%
\$75K or more	62%
<b>Marital Status</b>	
Never married	8%
Married/Living with partner	75%
Divorced/Separated/Widowed	17%

	TOTAL (n=2,011)
<b>Employment Status</b>	
Employed (FT, PT, or self)	55%
Unemployed, student, homemaker	10%
Retired	35%
<b>Main income source in retirement</b>	
Social Security	27%
401(k) savings and/or IRA savings	29%
Pension	18%
Investment portfolio(s)	11%
Other (inheritance/cash/annuity/home equity)	8%
<b>Amount saved for retirement</b>	
\$0	32%
\$1-\$199,999	29%
\$200K - <\$1M	25%
More than \$1M	14%
<b>Total investable assets</b>	
Less than \$100K	33%
\$100K - <\$500K	30%
More than \$500K	29%
Prefer not to answer	10%
<b>Years owned current home</b>	
0-5 years	26%
6-10 years	20%
11-20 years	23%
21 or more years	31%
<b>Currently paying off student debt</b>	
Yes (NET)	13%
My own	10%
My dependents	5%
No/Not sure	87%



# Respondent Profile - 2023

	TOTAL (n=2,011)	Gen Z/Millennials (n=568)	Gen X (n=597)	Boomers/Silent Generation (n=792)
<b>Annual Income</b>				
Less than \$35K	11%	12%	13%	11%
\$35K - <\$75K	26%	21%	24%	30%
\$75K or more	62%	67%	62%	59%
<b>Amount saved for retirement</b>				
\$0	32%	35%	34%	29%
\$1-\$199,999	29%	43%	33%	19%
\$200K – <\$1M	25%	16%	25%	30%
More than \$1M	14%	6%	8%	22%
<b>Total investable assets</b>				
Less than \$100K	33%	44%	38%	23%
\$100K – <\$500K	30%	28%	32%	29%
More than \$500K	29%	22%	21%	36%
Prefer not to answer	10%	7%	8%	12%
<b>Currently paying off student debt</b>				
Yes (NET)	13%	30%	14%	4%
My own	10%	24%	9%	2%
My dependents	5%	8%	5%	3%
No/Not sure	87%	70%	86%	96%



# Appendix



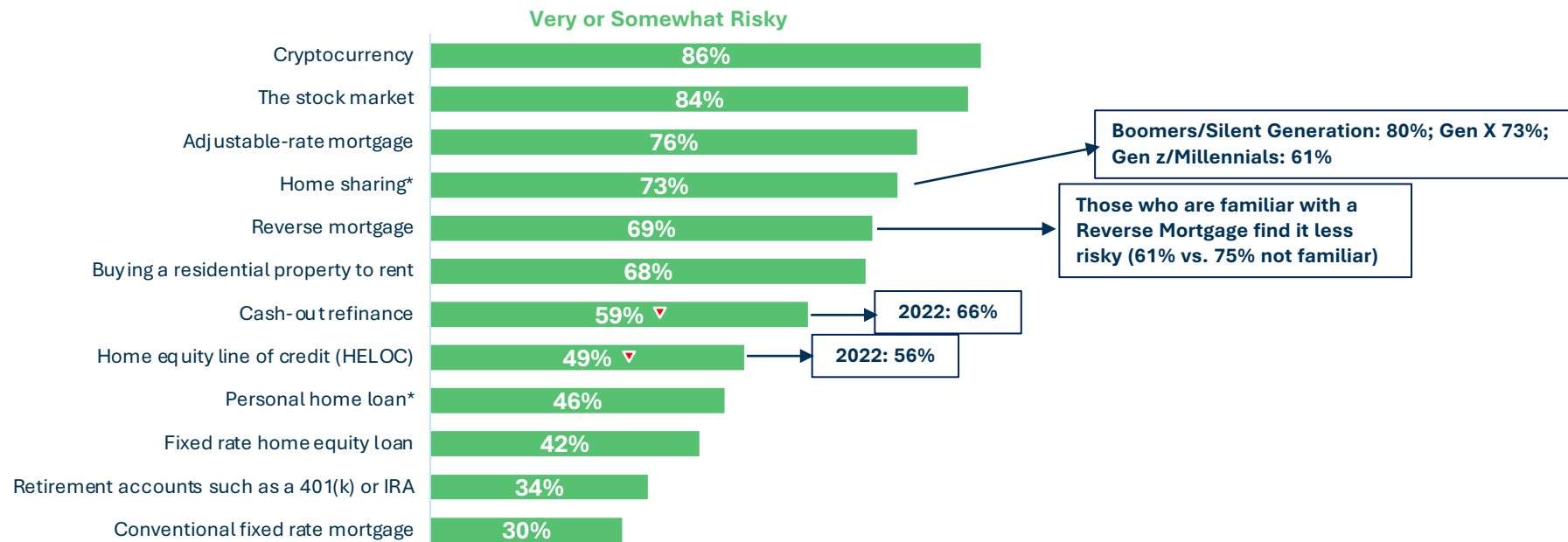


## 2023 HOME EQUITY PUNCHLIST

More than 8 in 10 find *cryptocurrency and the stock market* as risky. This falls to ~7 in 10 for *home sharing* and a *reverse mortgage* and 6 in 10 for *cash-out refinance*.

- Those familiar with a *reverse* believe they are less risky than those not familiar (61% vs. 75%).
- Perceived risk levels of a *cash-out refinance* and *HELOC* have fallen from last year; *reverse* is unchanged (also 69% in 2022).

### How risky do you view each of the following financial tools / investments?



BASE: ALL QUALIFIED RESPONDENTS (2023 N=2011; 2022 N=2000)

Q209 How risky do you view each of the following financial tools/investments?

▲ ▼ significantly up/down since 2022 at 95% confidence level

\* indicates a new statement in 2023