REPORT | NOVEMBER 21, 2016

HOME SHARING: A POWERFUL OPTION TO HELP OLDER AMERICANS STAY IN THEIR HOMES

This report was prepared by the Economics and Policy Data Science team at Airbnb working closely with Gene Sperling, who served as lead consultant on the report. Mr. Sperling formerly served as National Economic Advisor and Director of the National Economic Council under Presidents Clinton and Obama. He currently heads Sperling Economic Strategies, where he advises companies, non-profits, and start-ups such as Airbnb.

Executive Summary

The challenge for older Americans to stay in their homes and age in place without significant economic strain: *More than three-quarters of mid-life and older adults have reported to AARP their strong preference to age in place* – to stay in the homes and neighborhoods where they have lived the majority of their lives. Yet millions of older Americans face significant economic strain in paying for housing as they age and are left with three sub-optimal solutions to address this burden: 1) downsize and leave the homes they love 2) stay in their homes and experience excessive financial strain, or 3) rely on lending instruments such as reverse mortgages which are increasingly difficult to obtain.

Fortunately, the rise of home sharing has surfaced a new solution for Baby Boomers and older Americans: allowing them a chance to stay in their homes while earning extra income to make this affordable. Airbnb internal data show that a significant and increasing number of older adults engage in home sharing, enabling them to stay in the housing of their choice while reducing financial hardship.

The key findings of this report

- **As Americans age, housing cost burdens can become excessive.**
    - Older Americans experience a median household income drop of 25 percent upon reaching age 65, compared to their income at ages 55-64. Income drops *another* 37 percent for adults over age 75.
    - With this drop in income, housing burdens rise. A typical family's monthly mortgage payment of $1,500 represents 49 percent of income for American adults age 65 to 75, and an astounding 63 percent of income for adults over age 75.
    - On average, severely cost-burdened households—those spending more than half their income on housing—spend 43 percent less on food and 59 percent less on healthcare than less cost-burdened peers.
    - As America ages, housing costs will burden an ever-widening swath of the population.

- **Supplemental income from home sharing can make the difference between whether aging in place is affordable or a financial hardship**. The average American Airbnb host over the age of 65 earns $8,350 in supplemental income annually for a single listing.[1] For the typical host, this income could:
    - lower housing/mortgage costs from 49 percent of gross income to an affordable 26 percent of income.
    - represent a full 52-percent increase over typical Social Security fixed income.
    - cover more than two years' worth of real estate taxes, repairs, insurance and other housing expenses.

- **Older Americans are embracing home sharing at record rates.**
    - Hosts aged 60 and older have earned a collective $747 million from home sharing on Airbnb.
    - The fastest-growing age demographic of US Airbnb hosts is people age 60 or over.
    - Older *women* hosts in particular are growing faster than any other Airbnb host demographic and are rated the best Airbnb hosts in the US.
        - 63 percent of US Airbnb trips hosted by older women resulted in a 5-star review.

- **Older Americans report both financial and social benefits data from home sharing.**
    - 58 percent of older adults report that income from Airbnb hosting has helped them stay in their homes.
    - 13 percent report that hosting has helped them avoid foreclosure.
    - 35 percent report that hosting has helped them avoid eviction.
    - 64 percent of older adults report that hosting has positively changed the way they think, and 45 percent say that hosting has positively affected the way they interact with their community.

[1] Average for all listing types as of August 1, 2016.

HOME SHARING AS AN IMPORTANT NEW OPTION FOR OLDER AMERICANS TO AGE IN PLACE WITHOUT SIGNIFICANT ECONOMIC STRAIN

Detailed analysis

For millions of older Americans, being able to stay in their homes without facing economic strain is a critical economic and emotional issue in their lives, one that is likely to become more acute with the aging of the US population. The growing demographic of older Americans reports a widespread preference to age in place, defined by the Centers for Disease Control and Prevention as “the ability to live in one’s own home and community safely, independently and comfortably, regardless of age, income or ability level.” Yet older Americans who are not fortunate enough to own their homes outright, or have the security of high levels of savings, are left with only unattractive housing options.

Home sharing has the potential to be a new and more palatable option for older Americans who want to age in place without facing economic strains, or who simply want to benefit from supplemental income that can be applied toward living expenses or home modifications that make aging at home safer and more comfortable.

I. OLDER AMERICANS FACE A SERIOUS HOUSING CHALLENGE

For some fortunate older adults, housing is not a source of economic strain, whether because they own their home outright, have significant home equity, continue to work at high income levels, or have accumulated adequate savings. However, for the many older adults not in these circumstances, the decline in their income as they age, while mortgage and other housing costs remain stable, can create significant economic strain.

Housing can become a significant burden for older Americans

2014 US Census Bureau Current Population Survey

Age	Median Income	Mean Income
35 to 44 years	$66,693	$88,504
45 to 54 years	$70,832	$95,313
55 to 64 years	$60,580	$82,794
65 to 74 years	$45,227	$65,991
65 years and older	$36,895	$56,333
75 years and older	$28,535	$43,846

Income tends to decline in later years: Even factoring in the income supplements of Social Security, pensions, and retirement savings, Americans face steeply decreasing incomes as they age. Older Americans see a median household income drop of 25 percent in between ages 65 and 74, compared to the previous decade, and another 37 percent decline after age 75.[2]

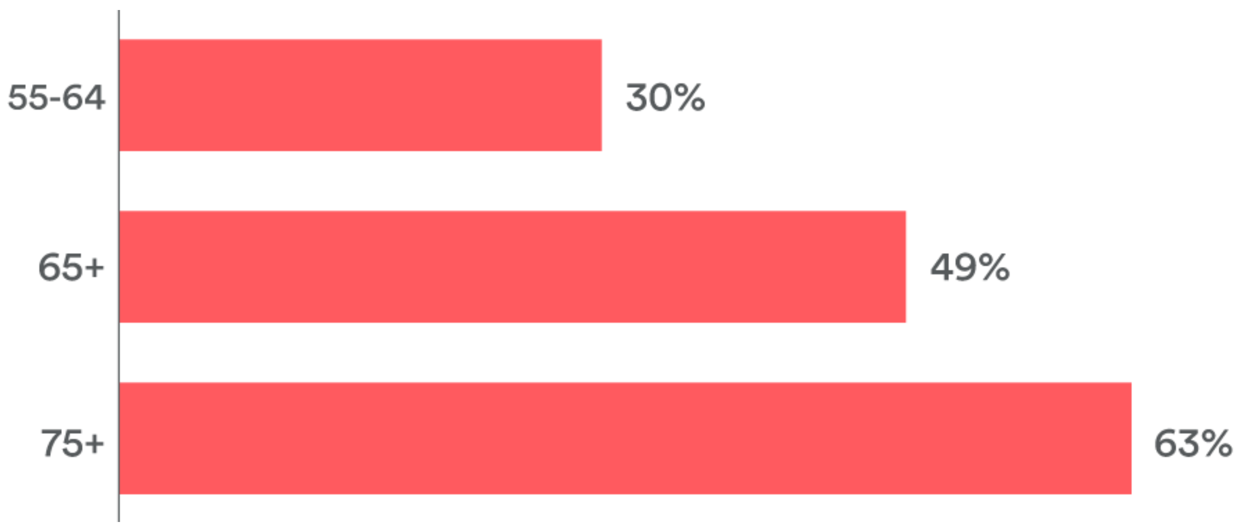
Even more concerning, this drop is more pronounced for low-income families, a not insubstantial portion of the population. According to Harvard's Joint Center for Housing Studies, 24 percent of households age 80 and older live on less than $15,000 annually. Moreover, low-income households (defined as lowest expenditure quartile) age 65 and older rely on Social Security for 85 percent of their incomes.

Housing cost burden can become excessive for older Americans: According to general guidelines, to ensure economic stability, monthly housing costs should not exceed 30 percent of

[2] US Census, Historical Data, http://www.census.gov/hhes/www/income/data/historical/index.html

gross monthly income.[3] Yet due to declining income upon retirement, many older adults find themselves well over that threshold. Consider the following: For a family whose wage earners are between ages 55 and 64 and making the median household income per year of $60,580, a housing cost of $1,500 per month is the limit of what is considered affordable. But as the family ages, if income declines follow the guidelines above, *a full 63 percent of their income* will go towards housing when they are over 75.

FRACTION OF INCOME SPENT BY OLDER ADULTS ON HOUSING



Calculations based on fixed monthly housing payment of $1,500 and median income for each age group from 2014 US Census Bureau Current Population Survey.

Among homeowners with mortgages, roughly one third of those age 50 to 64 are *cost-burdened*. This fraction increases to 45 percent of homeowners age 65 to 79, and a disturbing 61 percent of those age 80 and older.[4]

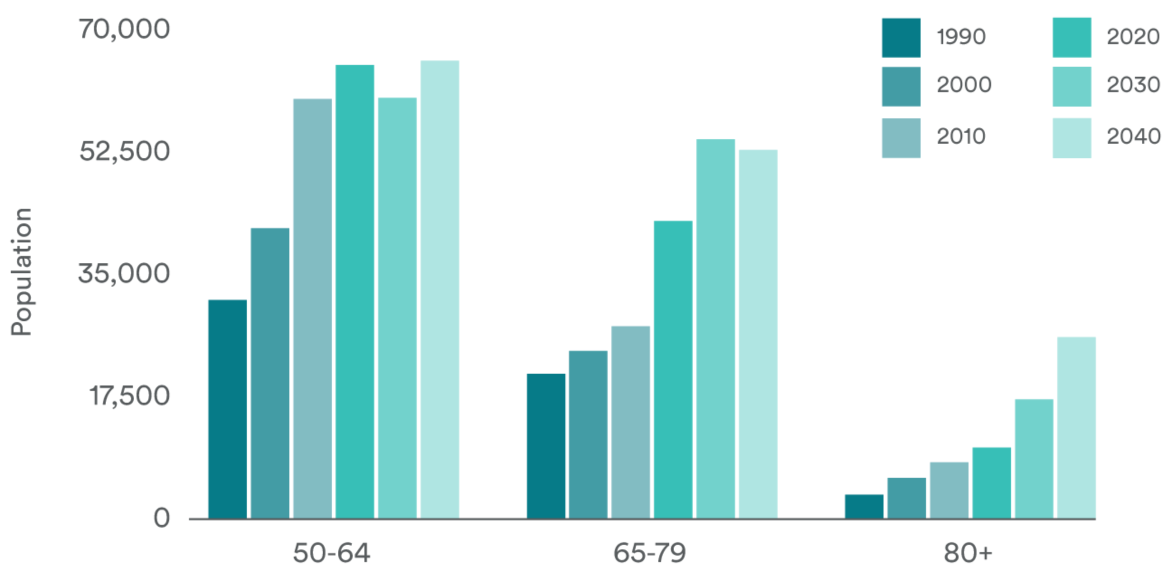
Not unexpectedly, the cost burden of homeownership is even greater for low-income families. While overall, renters are more likely to be cost-burdened than homeowners with mortgages, the reverse is true for older, low-income households. Ninety-nine percent of older households with a mortgage and income of less than $15,000 a year are cost-burdened, compared to 75 percent of renters in the same income bracket.

[3] Joint Center for Housing Studies. “Housing America’s Older Adults.” 2014.

[4] *Id.*

Burden is likely to become more widespread with the shifting demographics of the Baby Boom: The US faces substantial growth in its population of older Americans. By 2030, approximately 1 in 5 Americans will be over age 65.[5] The Urban Institute predicts that the number of homeowners over age 65 will expand by 9 million households this decade, and by another 10.5 million by the end of the next decade.[6] This massive demographic shift means that housing cost challenges are likely to impact more and more Americans in the coming years.

THE OLDER POPULATION IS ON TRACK TO INCREASE DRAMATICALLY



Source: Joint Center for Housing Studies. "Housing America's Older Adults." 2014.

Along with this demographic trend is the legacy of the recent financial crisis, which dealt a severe blow to the retirement outlook for many families. While much of the wealth has been recaptured nationally, many lower-income and middle-class savers have not seen their savings recover.[7] As a result, millions of older Americans are still not whole, and face additional economic strain as they enter their retirement years.

---

[5] Joint Center for Housing Studies. "Housing America's Older Adults." 2014.

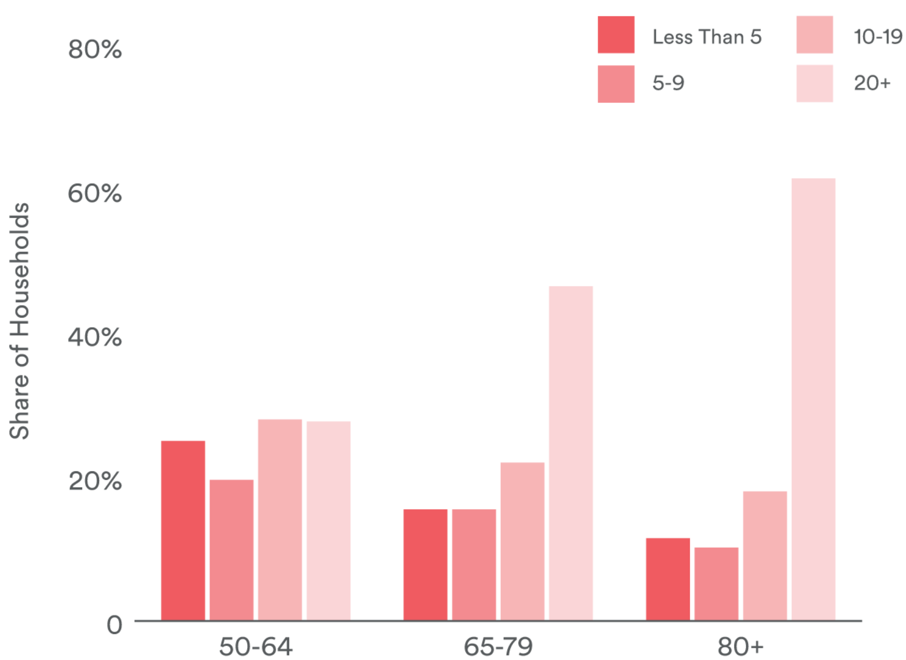
[6] Urban Institute: Headship and Homeownership What Does the Future Hold, June 2015.

[7] Council of Economic Advisers: Economic Report of the Progress, February 2016. Available at: https://www.whitehouse.gov/administration/eop/cea/economic-report-of-the-President/2016

II. OLDER AMERICANS WANT TO STAY IN THEIR HOMES, BUT TRADITIONAL OPTIONS ARE SUB-OPTIMAL

Older Americans express an overwhelming preference to remain in their homes as they age. *More than three-quarters of mid-life and older adults* have reported that they want to stay in their homes as long as possible, according to a 2014 survey conducted by AARP.[8] *This preference increases with age: from 68 percent of those age 45 to 49 wanting to age in place, to 88 percent of those over age 65*. Indeed, adults are less likely to relocate as they age, a reflection of their preference to *age in place*.[9] The figure below indicates that for those able to stay in their homes, nearly 50 percent of adults age 65 to 79 have lived in the same house for over 20 years.

YEARS IN HOME: MOST OLDER HOUSEHOLDS HAVE LIVED IN THE SAME HOUSE FOR MORE THAN A DECADE



---

[8] *American Association for Retired Persons Research Center: Home and Community Preference of the 45+ Population 2014, September* 2014 American Association for Retired Persons Public Policy Institute: Aging in Place – A State Survey of Livability Policies and Practices, December 2011. Available at: http://www.ncsl.org/documents/transportation/Aging-in-Place-2011.pdf

[9] Joint Center for Housing Studies. "Housing America's Older Adults." 2014.

Aging in place provides older adults with numerous benefits, including life satisfaction, health, and self-esteem. However, for tens of millions of older Americans with strong preferences to stay in their longtime family homes, the math does not add up. Older adults facing increasingly challenging financial situations are often left with three sub-optimal choices.

Option 1: Downsizing by moving away from the home and neighborhood where they hoped to age

Simple economics suggest that older adults should simply move and downsize to lower-cost homes. Yet this misses the key emotional and social reasons why older Americans *prefer* to age in place. Selling their homes, downsizing, or moving to senior living facilities may be economically viable but unattractive options for retirees. Two-thirds of retirees say they are living in the best homes of their lives, and their desire to stay in their homes stems from their emotional attachment to their residences. According to a survey conducted by Merrill Lynch and Age Wave, the emotional value of a home outweighs its financial value for the majority of individuals over age 65.[10]

This emotional attachment has real impact on quality of life, and forced relocation can be detrimental. For example, New Zealand researchers have found that attachment to "place" helps older adults maintain a sense of identity and well-being. More than three-quarters of older Americans expressed positive feelings about their homes, stemming from a sense of ownership and pride, familiarity, convenience of location, local social attachments, and a sense of belonging. As a result of staying in their home, older adults felt a sense of security and comfort, leading to successful adjustments into older age.[11] According to AARP, three-quarters of older adults cite "liking what their community has to offer" as the primary reason they want to stay in their home.[12] Often, communities provide a feeling of familiarity and a support system. Seventy-four percent of those over age 65 surveyed by AARP claim being near family and friends is an important reason to stay in their current community for as long as possible. Older adults often have deep knowledge of their community resources; more than 7 in 10 older

---

[10] Merrill Lynch Retirement Study conducted in partnership with Age Wave of people age 50+. 2015. Available at: http://www.usatoday.com/story/money/personalfinance/2015/04/02/homes-of-the-future-for-retirees/24710737/ While adults under the age of 65 value their homes primarily for its contribution to their net worth, 56 percent of persons aged 65+ say that the emotional value of their home is more important than financial value, and that sentiment grows to 63 percent for individuals over the age of 75.

[11] Wiles, Janine L., Ruth E.S. Allen, et al. *Older People and their Social Spaces: A Study of Well-Being and Attachment to Place in Aotearoa New Zealand.* Social Science & Medicine. Auckland, New Zealand. 2008. *See also:* Wiles, Janine L., Annette Leibing, et al. *The Meaning of "Ageing in Place" to Older People.* The Gerontologist. Auckland, New Zealand. 2011.

[12] *American Association for Retired Persons Research Center: Home and Community Preference of the 45+ Population 2014, September 2014.*

Americans found it important to be near where they want to go, such as grocery stores, doctors' offices, and the library, and 57 percent cited being near church or social groups as an important reason for wanting to stay in their community. Overall, staying in their home and community is emotionally beneficial for older Americans.

: Home and community preferences of the 45+ population

In 2014, AARP released an update to their 2010 survey report entitled, "Home and Community Preferences of the 45+ Population." This report provides up-to-date information about what mid-life and older adults think about continuing to live in their homes and their communities. The survey of over 1,000 older Americans revealed:

- **Older Americans want to stay in their homes:** More than **three-quarters** (78%) of respondents "strongly or somewhat agree" with the statement, "What I'd really like to do is stay in my current residence for as long as possible."
    - The preference to "age in place" increases with age.
        - **83%** of adults age 60 to 64 want to stay in their homes
        - **88%** of adults age 65 and older want to stay in their homes
    - There was no significant difference by gender, household income, education, or ethnicity.

- **Older Americans feel strongly connected to their communities: 8 in 10** (80%) respondents "strongly or somewhat agree" with the statement, "What I'd really like to do is remain in my local community for as long as possible."
    - Older adults are more likely to say they want to stay in their home because they like what their community has to offer
        - **73%** of adults age 60 to 64 and **75%** of adults age 65 and older have strong attachments to their communities
    - When asked about ten different community characteristics and the level of importance they have for them, more than **7 in 10** said "being near family/friends" (71%) or "being near where you want to go" (69%) is "extremely or very important."

- **Growing number of older Americans open to sharing their homes to age in place:** Almost **4 in 10** (38%) adults over age 45 would considering sharing their home with another person as they grow older.
    - Women (41%) and those with lower incomes (43%) are more open to shared housing

In a study reported in the *Journal of Health and Social Behavior*, researchers find that relocating can be socially isolating for those who have long-established ties to their neighborhoods and communities. Maintaining links with social networks, religious institutions, and other community organizations becomes increasingly important as people age. Sustaining these relationships lowers the risk of isolation, and provides a social and emotional outlet for older adults, particularly those who do not live near close relatives. This study is part of a growing body of scientific research establishing that "indicators of social isolation… including living alone, having a small social network, infrequent participation in social activities, and feelings of loneliness" are "independently associated with lower levels of self-rated physical health" among older adults.[13]

Option 2: Staying in place and facing high housing cost burdens

Some older adults choose to stay in their homes as they age, despite reduced income. This option is often accompanied by debilitating financial hurdles.

For most older households, housing costs represent the single largest expenditure in their budgets. Recall that 45 percent of owners age 65 to 79 are cost-burdened, with this fraction jumping to 61 percent for adults over 80—higher than the share of same-aged renters who are cost-burdened.[14]

To compensate, cost-burdened families often cut back on necessities. On average, severely cost-burdened households spend 43 percent less on food and 59 percent less on healthcare than their less cost-burdened peers. In a recent study by the National Council on Aging, nearly one quarter of older adults reported difficulty paying their monthly living expenses.[15] Moreover, nearly 1 in 5 older Americans are not confident in their ability to pay for an unexpected expense, leaving them one major financial event away from a fiscal emergency. This financial instability is even more prominent for low-income older adults, half of whom are unsure that their income will be adequate to meet their monthly expenses over the next 10 years. A 2012 study by AARP found that the risk of serious delinquency—defined as 90 days delinquent or in foreclosure—has grown fastest for people over 50, and these findings get worse with age. Indeed, among

---

[13] Cornwell, Erin York and Waite, Linda J. *Journal of Health and Social Behavior.* "Social Disconnectedness, Perceived Isolation, and Health Among Older Adults." 2009.

[14] Joint Center for Housing Studies. "Housing America's Older Adults." 2014.

[15] National Council on Aging: United States of Aging Survey, June 2015. Available at: https://www.ncoa.org/news/press-releases/inaugural-united-states-of/

homeowners over age 75, the foreclosure rate grew more than eight-fold from 2007 to 2011.[16] And while overall delinquency and foreclosure rates have declined since 2011, a 2014 Consumer Financial Protection Bureau report warned that older homeowners who live on reduced retirement income are particularly vulnerable to financial distress, and have greater difficulty recovering due to their incidences of health problems, cognitive impairment, and difficulties returning to the workforce.[17]

These statistics demonstrate that for many older Americans, staying in their home is impossible without facing severe financial repercussions.

Option 3: Taking out a reverse mortgage

For some older homeowners, reverse mortgages can be an attractive economic choice. With a reverse mortgage (e.g., the Federal Housing Administration's [FHA] Home Equity Conversion Mortgage [HECM]), older Americans with sufficient home equity receive cash in exchange for reduced equity in their homes. The outstanding loan is later repaid with proceeds from the sale of the home, which often occurs after the death of the homeowner. With reverse mortgages, homeowners may typically opt for a lump sum of cash, draw down the loan as an annuity or line of credit, or use a combination of these payment options. Using the money from the reverse mortgage, homeowners may age in place, while only being required to pay their taxes and homeowners insurance.

Yet a reverse mortgage is not for everyone. To begin with, this option is only available for those who have sufficient equity in their homes. The decline in home prices from the Great Recession, which remain 6.7 percent below their April 2006 peak, wiped out significant home equity.[18] This vastly reduced the number of older Americans eligible to benefit from HECM. When home prices plummeted during the financial crisis, FHA was exposed to huge losses as lenders were unable to recover the loan balance from the sale of the property and filed claims with FHA. The agency responded by reducing the principal limit factors—or the permissible amount of money that can be extended, which equated to a higher equity requirement to be eligible for the program. When the housing market peaked in 2008, approximately 115,000 reverse mortgages were originated. Partly as a consequence of FHA tightening its limits, only 58,000 were originated in FY2015. HECM borrowers represented only 0.9 percent of all households with one member age 62 or older.[19]

---

[16] Lori A. Trawinski, AARP Pub. Policy Inst., "Nightmare on Main Street: Older Americans and the Mortgage Crisis 3" (2012), http://www.aarp.org/content/dam/aarp/research/public_policy_institute/cons_prot/2012 /nightmare-on-main-street-AARP-ppi-cons-prot.pdf.

[17] CFPB Office for Older Americans, "Snapshot of Older Consumers and Mortgage Debt". May 2014.

[18] Corelogic. "Home Price Index Report." June 2016.

[19] US Department of Housing and Urban Development FY 2015 HECM Actuarial Review

Moreover, older adults represent a population that is particularly vulnerable to scams, and older Americans seeking reverse mortgages have been a target.

While HUD has done a commendable job in addressing these issues, problems persist. This led the Consumer Financial Protection Bureau to issue an advisory warning to consumers in June 2015 to watch out for misleading or confusing reverse mortgage advertisements.[20] More recently, in November 2015, the HUD inspector general issued a warning to the reverse mortgage industry regarding highly inflated and fraudulent appraisals being used to increase the loan amount of a HECM. Overvalued appraisals make it more difficult for an older adult to transfer the property to their children upon passing, or to refinance their HECM later on if interest rates fall, as it becomes more likely the loan balance will exceed the true property value.

As a result, while reverse mortgages represent one option to access liquidity, limited access, along with consumer protection concerns and a reduction in equity available to the spouse or heirs, makes this a choice for only a very limited set of older homeowners.

[20] CFPB Report to Congress, "Reverse Mortgages", June 2012. Can be found at: http://files.consumerfinance.gov/a/assets/documents/201206_cfpb_Reverse_Mortgage_Report.pdf

III. HOME SHARING CAN PROVIDE A POSITIVE NEW SOLUTION FOR OLDER AMERICANS

The rising popularity of home sharing represents a new opportunity for aging in place. Older Americans who own their homes have the opportunity to generate additional income through home sharing platforms like Airbnb at a time in life where many see their income declining, or have been forced to draw down on their life savings. *One third of older Americans surveyed by AARP have said they would consider sharing their home with another person, and that percentage grows to 43 percent for those with annual incomes under $25,000.*[21]

In recent Airbnb surveys, half of older hosts cite economic reasons as their primary motivation to list their home on Airbnb. Forty-nine percent of older hosts reported living on fixed retirement incomes, and 62 percent rely on their Airbnb income to "make ends meet" and cover the basic costs of living.[22]

A body of research has demonstrated that small increases in supplemental income can make a big impact on older Americans' ability to stay in their homes. A study in the *Journal of Urban Economics* attributed between half and as much as all of the rise of homeownership rates of households with one member age 65 and older, from 1978 through 2001, to the rise in Social Security benefits over the same period.[23] By extension, comparable supplements to income, such as Airbnb host income, would enable more older Americans to stay in their homes. This supplemental income can be used to help make mortgage payments or fund essential maintenance and improvements like relocating a bedroom to the first floor, building wheelchair ramps, installing handrails, or making a bathroom more accessible.

Internal Airbnb data reveal that the average single-property host over age 65 makes an extra $8,350 annually.[24] This means that:

- **Supplemental income from home sharing meaningfully reduces monthly housing costs:** Let's return to the previously mentioned hypothetical family with an annual gross

[21] *American Association for Retired Persons Research Center: Home and Community Preference of the 45+ Population 2014, September 2014*.

[22] Airbnb conducted surveys for a random sample of hosts in 2015 (Senior Host Survey) and 2016 (Global Host Survey).

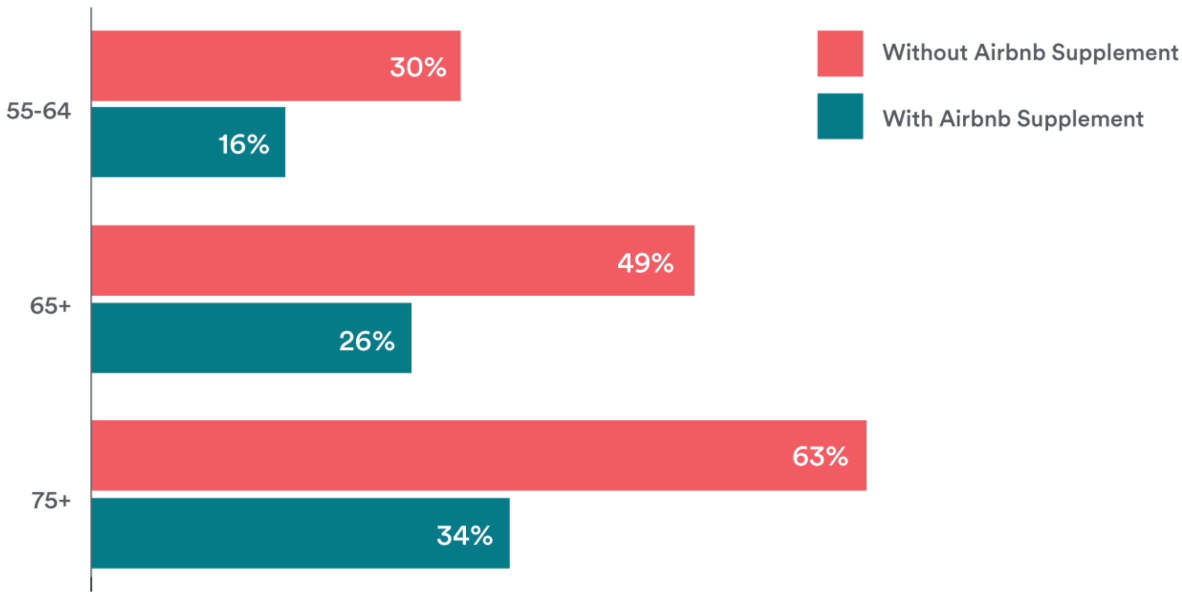
[23] Engelhardt, Gary V. *Social Security and Elderly Homeownership.* Journal of Urban Economics 63 (2008) 280-305. Over the past 25 years, elderly homeownership rates grew by 6.1 percentage points, while over the same time period average Social Security benefits grew by 23 percent in real terms. If Social Security benefits were cut by 10 percent, the study authors estimated that more than 520,000 older homeowners would move to renting.

[24] Average for all listing types as of August 1, 2016. Average for all listing types as of August 1, 2016.

salary of $60,580 ($5,000 per month), with monthly housing costs of $1,500 (30 percent of income). If they experience the typical decline in income upon retirement, their income is reduced to $36,895 and they will spend nearly half (49 percent) of their gross income on housing.

The extra $8,350 generated from home sharing can reduce their monthly housing costs to $804, or 26 percent of post-retirement income, representing a significant improvement in their ability to pay monthly expenses. The benefits are even more pronounced as hosts age, as illustrated in the chart below.

FRACTION OF INCOME SPENT BY OLDER ADULTS ON HOUSING



Calculations based on fixed monthly housing payment of $1,500 and median income for each age group from 2014 US Census Bureau Current Population Survey.

- **Home sharing can pay for necessary home modifications**: A Georgetown University study found that while 91 percent of older Americans wanted to live in their homes as they age, most do not plan to take critical safety steps, such as home repair, remodeling, or making age-related modifications to ensure their own residences continue to be safe and convenient for them as they age.[25]

[25] Georgetown University McDonough School of Business and Philips, "Aging Well Working Series: Creating Communities for Aging Well," June 2014. Found at http://socialenterprise.georgetown.edu/wp-content/uploads/2015/04/Creating-Connected-Communities-for-Aging-Well_FINAL.pdf

According to the Centers for Disease Control, falling is the leading cause of fatal and nonfatal injuries in adults over age 65, with many of these falls occurring within their own homes.[26] Approximately one in three older adults experience a fall each year, with approximately 30 percent of falls reported resulting in medical attention.[27] On average, medical treatment for a fall injury will cost an older American between $14,000 and $21,000 depending on the specific injury; injuries requiring hospitalization cost older Americans an average of $35,000.[28] Instead of risking their safety and paying excessive hospital bills, older Americans can invest instead in modifications to their homes that pre-empt injury and also allow them to age in place independently.

Home modifications, including no-step entry, single-floor living, extra-wide doorways and halls, accessible electrical controls and switches, and lever-style door and faucet handles greatly reduce the incidence of at-home injuries for older adults in their own homes. Less than 1 percent of the current US housing stock has all five of these universal design features to allow for owners to age in place, let alone incremental modifications such as added railings on stairways, grab bars in the tub or shower and next to the toilet, and improved indoor lighting for the visually impaired.[29] *According to a survey by AARP, only 4 in 10 older Americans have homes with a step-free entrance, and slightly more than one third of those over age 65 have homes with doorways wider than standard.*[30] These home modifications can range in cost from $1,000 to $12,000. The typical older American's income on Airbnb goes a long way towards putting these modifications in reach for many families. Furthermore, the opportunity to stay in Airbnb listings with home modifications provides older guests a chance to test out living with these features before investing in those modifications for their own home. In this way, home sharing is helping older adults build a community of shared information and experiences on how best to age in place.

---

[26] Centers for Disease Control. http://www.cdc.gov/homeandrecreationalsafety/falls/adultfalls.html

[27] Centers for Disease Control. http://www.cdc.gov/homeandrecreationalsafety/falls/adultfalls.html

[28] Centers for Disease Control. http://www.cdc.gov/homeandrecreationalsafety/falls/fallcost.html

[29] American Housing Survey, 2011. Cited by Eisenberg, Richard. *Forbes*. "The Next Housing Crisis: Aging Americans' Homes." http://www.forbes.com/sites/nextavenue/2014/09/02/the-next-housing-crisis-aging-americans-homes/2/ September 2, 2014.

[30] *American Association for Retired Persons Research Center: Home and Community Preference of the 45+ Population 2014, September 2014.*

By the numbers: What home sharing means for the typical older American household

Supplement to Social Security

For the average American household over age 65, the $8,350 made by the typical Airbnb host in one year represents a 52-percent increase over typical Social Security income.[31]

Healthcare

For the average American household over age 65, the $8,350 made by the typical Airbnb host in one year could more than cover all their medical expenses in retirement, with $2,500 left over.[32] This includes:

- Health insurance, with a mean annual expenditure of $3,951
- Medical services, with a mean annual expenditure of $954
- Prescription drugs, with a mean annual expenditure of $721
- Medical supplies, with a mean annual expenditure of $223

Food

For the average American household over 65, the $8,350 made by the typical Airbnb host in one year could cover an entire year's food budget, with nearly $2,900 left over.[33]

Home improvements

The $8,350 made by the typical Airbnb host over 65 in one year could pay for either:

- Eight railing or handle installations
- Seven door widenings
- Two wheelchair ramps, or
- 70 percent of the cost of a stair lift

[31] The average Social Security retirement benefit as of December 2015 was $1,341.77, or $16,101 per year. Social Security Administration, "Benefits Paid by Type of Beneficiary," found at http://www.ssa.gov/OACT/ProgData/icp.html.

[32] Data from Bureau of Labor Statistics, Consumer Expenditure Survey, 2014, http://www.bls.gov/news.release/pdf/cesan.pdf. Mean annual expenditure on medical expenses was $5,849 for individuals 65 and older in 2014.

[33] Data from Bureau of Labor Statistics, Consumer Expenditure Survey, 2014, http://www.bls.gov/news.release/pdf/cesan.pdf. Mean annual expenditure on food (at home and away from home) was $5,463 for individuals age 65 and older in 2014.

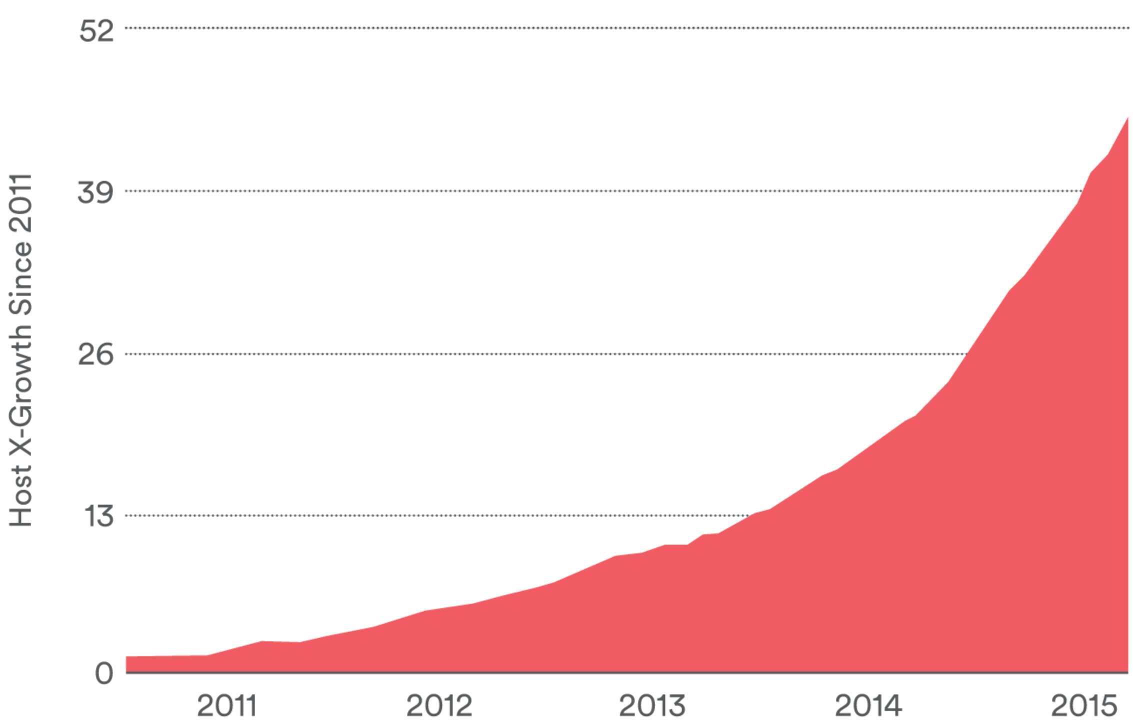
IV. AIRBNB DATA DEMONSTRATES THAT MORE AND MORE OLDER AMERICANS ARE RECOGNIZING THE BENEFITS OF HOME SHARING

Older Americans are quickly embracing the benefits of Airbnb as a tool to stay in their homes and reduce financial insecurity. Those who have embraced this option have seen much-needed relief in the form of reduction of foreclosure and eviction risks, along with other benefits–both economic and noneconomic.

Airbnb has seen rapid growth of home sharing within the older adult community

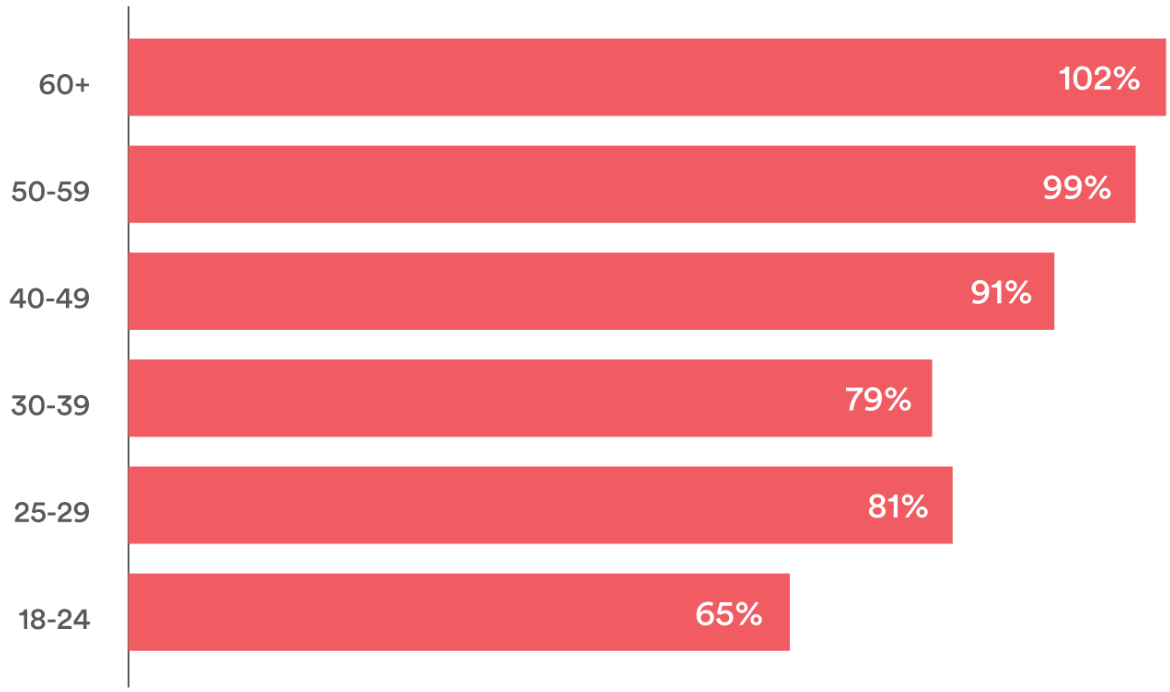
Older adults are the fastest-growing demographic of Airbnb hosts in the US. The graph below shows the dramatic increase in older adult hosts on Airbnb–more than 40-fold growth since 2011.

US ADULTS OVER AGE 60: AIRBNB HOST GROWTH SINCE 2011



In the past year, older adult hosts have grown more than 100 percent year-over-year, faster than any other host age group in the US.

Y-O-Y GROWTH IN US LISTINGS, BY AGE OF HOST



Older women hosts, in particular, are growing at a faster rate than any other host demographic, and they are rated the best Airbnb hosts in the US–63 percent of trips hosted by older women resulted in a 5-star review.

The outstanding hosting by older adults on Airbnb means that not only are older Americans benefiting from participating as hosts because of the supplemental income, but also the overall Airbnb community is benefiting from their participation due to the high-quality listings they offer.

Older Americans see both financial and non-financial benefits from home sharing

As of April 2016, the *over 320,000 US Airbnb hosts over age 60* had earned a collective *$700 million* from sharing their homes. Nearly 6 in 10 (58 percent) of those hosts are female, and these older Americans tend to make 6 to 7 percent more than the typical Airbnb host. These much-needed earnings help older Americans address their very real housing challenges. *More than half of those over age 65 (56 percent) and three-quarters of hosts over age 75* are retired, indicating that Airbnb income is a major source, if not the only source, of necessary annual income being earned to supplement their Social Security.

Airbnb data from surveys conducted in 2015 and 2016 demonstrate that income from home sharing directly reduces the burden of housing costs for older Americans.[34]

- 60 percent of *all* Airbnb hosts say the income generated through home sharing helps them to meet ongoing housing costs. In cities that have higher housing costs, this fraction is closer to 70 percent.
- 58 percent of older American hosts report that Airbnb has helped them stay in their homes.
- 13 percent of older American hosts report that hosting has helped them avoid foreclosure.
- 35 percent of older American hosts report that hosting has helped them to avoid eviction.

Beyond these financial benefits, Airbnb's older adult hosts report that hosting generates substantial non-financial benefits.

- 83 percent of older American hosts report that hosting on Airbnb has helped them stay more mentally engaged.
- 78 percent report that Airbnb has helped them stay more physically active than they would otherwise be.
- 82 percent report that Airbnb has helped them stay more socially and emotionally connected.
- 31 percent report that Airbnb has helped them to trust strangers more.
- 64 percent report that hosting has positively changed the way they think.
- 45 percent report that hosting has positively affected the way they interact with their community.

Home sharing provides a unique opportunity for older Americans to achieve their goal of staying in their current homes as they grow older without compromising their financial security. However, Airbnb recognizes that everyone in the housing community must support comprehensive public- and private-sector policies that will help minimize housing shortages that can strain housing budgets for other older—and younger—Americans. Those engaged in short-term rentals must carefully review their local policies and work with cities and communities to prevent escalating rental prices and strains to the budgets of renters. Airbnb is seeking to do its part by working with cities that have identified a shortage of affordable housing as a critical issue to pass laws that legalize home sharing while also preventing short-term rentals from impacting the availability of long-term housing.

But everyone should be clear: solving this affordable rental crisis also will require comprehensive policy solutions at the local, state and federal level. Only one-quarter of low-income renters receive federal assistance, leaving nearly 14 million households unable to find housing in the private market where rents are generally higher absent subsidies. Moreover, only 38 percent of income eligible older renters receive any federal assistance, even though HUD has a *Housing Choice Voucher Program, Project-Based Rental Assistance and Supportive*

---

[34] Airbnb conducted surveys for a random sample of hosts in 2015 (Senior Host Survey) and 2016 (Global Host Survey).

Housing for the Elderly Program (Section 202).[35] Policy measures must include greater support for these programs as well as programs that support the new construction of affordable housing units like the Low-Income Housing Tax Credit, innovative renter credits, and policies like HOME block grants. At the same time, state and local governments need to review and carefully consider whether zoning and land use restrictions are unnecessarily restricting the supply of affordable housing and whether policies like density bonuses can be of assistance.

For those older Americans looking to stay in their homes and age in place, the growing adoption of home sharing by older Americans suggests they recognize this opportunity and are “voting with how they use their homes.” In the coming years, we anticipate that more and more older homeowners will develop awareness that, alongside the slate of imperfect options that have been available in the past, there is a new option: home sharing helps older Americans age in place.

[35] Center for Budget and Policy Priorities: Chart Book: Federal Housing Spending is Poorly Matched to Need,” June 8, 2016.