**The Cost of NOT Owning Your Home**
by [The KCM Crew](http://www.keepingcurrentmatters.com/author/kcmcrew/)

Owning a home has great financial benefits. Because of this, more and more experts are growing concerned about the ramifications of a falling homeownership rate. Today, let’s look at the financial reasons why owning a home of your own has been a part of the American Dream for as long as America has existed.

The outcomes of a falling homeownership rate can be devastating. As [explained](https://www.apartmentlist.com/rentonomics/widening-gap-between-owners-renters) by*ApartmentList.com*:
*“Our research indicates that not owning a home has a sizable financial cost, as renters miss out on low mortgage rates and are hit by higher rents.*

*This phenomenon may exacerbate inequality in our society, as those wealthy enough to invest in real estate benefit from lower interest rates, whereas minorities and younger Americans, hit by rising rents and student debt, risk being locked out of homeownership.”*

**What proof exists that owning is financially better than renting?
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1. A [study](http://www.keepingcurrentmatters.com/2016/06/13/harvard-5-reasons-why-owning-a-home-makes-sense-financially/) published by the *Joint Center of Housing Studies at Harvard University*shows the financial benefits of homeownership*.*The study mentions five major financial benefits:

* Housing is typically the one leveraged investment available
* You're paying for housing whether you own or rent
* Owning is usually a form of “forced savings”
* There are substantial tax benefits to owning
* Owning is a hedge against inflation

2. [Studies](http://www.keepingcurrentmatters.com/2016/07/19/a-homeowners-net-worth-is-45x-greater-than-a-renters/) have shown that homeowners have a net worth that is 45X greater than that of a renter.
3. A family buying an average priced home this past January could build more than $46,000 in       family wealth over the next five years.
4. Some argue that renting eliminates the cost of taxes and [home repairs](http://www.keepingcurrentmatters.com/2015/10/15/do-you-really-think-your-landlord-pays-for-repairs/). Every potential renter must realize that all the expenses the landlord incurs are baked into the rent payment already – *along with a profit margin!!*

**Bottom Line**

Owning a home has always been, and will always be better from a financial standpoint than renting.