Analysis:

* What implications are surmised from the overall state of the housing market?

In our analysis, we focused on income trends and their influence. We noted that the data revealed compelling insights regarding the correlation between income trends and the overall housing market dynamics.

Furthermore, our analysis indicated that the average family incomes in California, Florida, Illinois, New York, and Texas have been struggling to keep pace with the increasing housing costs.

Lastly, these trends have a detrimental effect on JP Morgan’s portfolio management strategies, mortgage offerings, and investment advisory services.

* How was the data selection procured and what steps were taken in the clean-up process?

Our datasets were found using the Census with the API to locate median household incomes and the housing data was obtained on realtor.com which provided the data for the median listing prices from 2016 to 2023.

The clean-up process was done by first reducing the housing data to a focused time frame from 2019 to 2021. We then combined the housing data with the income data. Finally, we created the appropriate visualizations which compared the housing data to the focused demographics.

* How did the group utilize data visualizations to create a clear and concise picture of the topic?

The group utilized bar graphs and line graphs to highlight the correlation between housing prices and the average family incomes, shedding light on the affordability gap. These visualizations also show how income and housing affordability have changed from 2019 to 2021, in term providing invaluable trajectorial data. Visual comparisons were also observed between states which helped to identify patterns, allowing the group to locate where mediation would have the most impact. Lastly, the data visualization allows for an audience like stakeholders to comprehend and digest complex datasets and make informed decisions regarding housing affordability.

* Compare the household income to the home prices between 2019 and 2021.

A graph of different colored bars

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* What were the income trends that were noted after performing the analysis of the datasets?

Our analysis sheds light on considerable regional variability in income growth rates. While some areas exhibit steady growth, there is still a disparity in comparison with the housing market. These disparities bleed into different ethnic and generational groups. Millennials and baby boomers are experiencing distinct challenges, specifically regarding attaining and sustaining income levels compared to older generations. Furthermore, the rising cost of living and housing expenses is compounding the affordability dilemma. Families are allocating a higher proportion of their income towards housing, impacting their overall financial stability. Lastly, JP Morgan’s proactive response involves tailoring financial solutions to address income disparities and housing affordability challenges, aligning with our commitment to inclusive with our commitment to inclusive financial growth.

* What was the comparison between income and age from 2019 to 2021?

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A graph of a line

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* Based on the analysis, what are the segment populations that face the greatest challenges in the housing market?

We observed that families with lower incomes are particularly vulnerable to housing affordability challenges, facing difficulties in finding suitable options within their means. Millennials often struggle to afford their first homes due to student debt, stagnant wages, and soaring home prices. Marginalized communities, including racial and ethnic minorities, often face housing disparities that are exacerbated by income inequalities and systemic barriers. Vulnerable populations in urban areas face different affordability dynamics compared to those in suburban regions due to variations in job opportunities and living costs. Housing insecurity can lead to a range of social and economic consequences including promoting job growth, providing education and skill development opportunities, and advocating for fair wage policies.

* What are some of the implications and solutions the group noted?

In our analysis, we noted that despite economic growth, wage increases have not kept pace with rising living costs, making it difficult for many families to afford housing. The wealth gap has widened over the years, with high-income households benefiting disproportionately from economic gains. The pandemic has further exacerbated income disparities, with job losses and reduced work hours affecting lower-income individuals more severely. Income levels vary significantly across regions, contributing to varying housing affordability challenges in different areas. Furthermore, addressing income disparities requires comprehensive strategies, including promoting job growth, providing education and skill development opportunities and advocating for fair wage policies.

* What were your key findings?

The gap between income growth and rising home prices has widened significantly, particularly in high-demand areas like California and New York. Income disparities are impacting diverse demographics, including low- and middle-income families, millennials, and marginalized communities. Our data shows that income trends and housing affordability challenges vary substantially between states, with Florida and Texas displaying more favorable income-to-home-price ratios. Lastly, despite challenges, opportunities for targeted real estate investments exist, especially in regions with positive income growth trajectories and favorable affordability ratios.