

BRIEF

# Housing for a Changing Nation: Reimagining Family Life, Community, Solidarity, and Care

Unifying Family Policy series

By: Elise Anderson

Where should family policy in the United States head over the next five to 15 years?

The *Unifying Family Policy* series reimagines key areas of family policy as interconnected threads in a shared tapestry. The series challenges underlying assumptions and invites fresh thinking in light of the deep societal transformations underway and those still to come. Each brief explores how a specific policy area intersects with others, and how, woven together, they can build a coherent, stable foundation for families in a rapidly changing world.

This brief focuses on housing and makes the case that:

- How families live is inseparable from how they care for one another, connect, and flourish.
- Family life in America is evolving, yet our housing policies are not keeping pace.
- Our housing systems and policies must be reimagined in order to withstand the transformative forces that will shape family life for decades to come.
- An approach to our homes and communities rooted in deep hospitality will strengthen care networks, social connection, and belonging.
- Housing policy should be oriented toward the common good: strengthening belonging, shared responsibility, and the conditions for human flourishing.

## Current Context and Future Trends

Where and how we live shapes family life. Housing and neighborhoods play important roles in child development, early relational health, and family well-being. Babies, toddlers, and their caregivers spend around [80%](#) of their time in or near their homes. Our homes are primary places for our learning, comfort, and security. They are where our most intimate relationships and attachments form, where we rest, where we play, and where we spend precious time with our loved ones.

Housing policy is family policy. It is a bedrock concern for a strong society, not a niche program area. Yet today's housing policies and housing stock do not align with what families need throughout their lives and treat housing almost exclusively as a financial asset instead of vital infrastructure to support thriving families.

## Affordability and Compatibility

Families today face a deepening affordability crisis. Housing costs have risen [far faster](#) than household incomes, making it harder both for families with young children and for older adults to secure stable housing. There is a well-established need for more housing overall, including for affordable housing for young, unmarried adults.

Affordability, however, is only part of the problem. The United States lacks sufficient housing that is compatible with family needs across different life stages.

The misalignment between who we are, what we need, and our available housing is evident. Many older adults remain in single-family homes that no longer fit their needs, while younger families struggle to find affordable, family-sized housing. Empty nesters own [twice](#) as many three-bedroom or larger homes as millennials with children, often living in homes that are too big or too difficult to manage as their mobility declines. Yet downsizing often makes little financial sense because of potential capital gains taxes. The federal gains tax exclusion threshold for primary residences has remained unchanged since 1997, leaving many seniors to face substantial tax liabilities if they sell their homes. There are also other policies that actively encourage seniors to stay in these larger homes. Medicaid long-term care allows beneficiaries to exclude primary residences (with home equity valued as high as \$1.1 million in some states) from means testing. Additionally, homeowners aged 62 or older can use a home equity conversion mortgage, insured by the Federal Housing Administration, to access home equity without monthly mortgage payments.

At the same time, new housing construction is failing to meet family needs. Developers operate within tight zoning constraints and high land and construction costs, leading them to prioritize smaller units [with fewer bedrooms](#), even as families express strong preferences for larger homes. Some families may also value the private outdoor space that comes with a suburban lot that gives their children room to play. These preferences, however, may be difficult to accommodate within current density-focused development models.

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## Caregiving Challenges

[More than half of Americans in their forties](#) are part of the sandwich generation (people who are caring for aging parents and their own children at the same time). And [29%](#) of family caregivers overall are sandwich caregivers, shouldering the financial and caregiving responsibilities that come from these dual roles. A growing number now also fall into the [club sandwich generation](#) (people caring for their parents, their adult children, *and* their grandchildren).

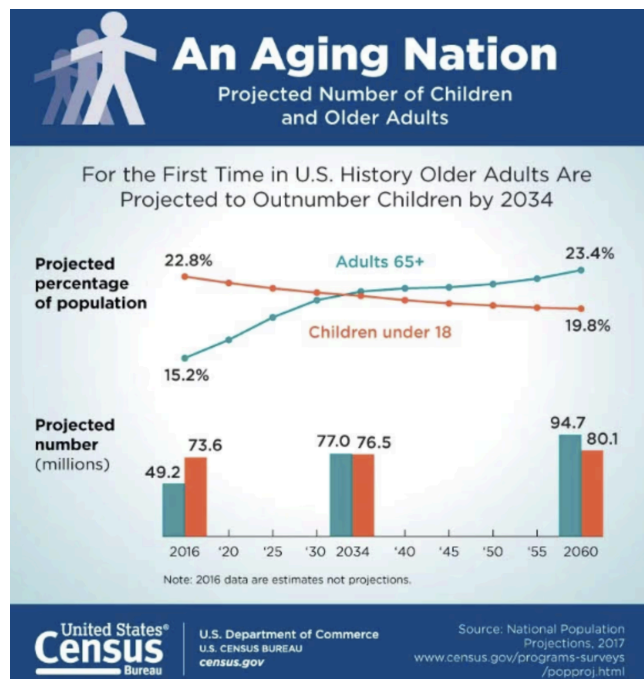
Data consistently shows that women bear the lion's share of caregiving responsibilities. As more women enter the sandwich generation and the number of multigenerational households grows, so will caregiving demands. In multigenerational households specifically, women are more likely to take on [all of the household chores](#) and care tasks.

These living and care arrangements could have [substantial consequences](#) for women's participation in the labor force and their long-term economic security, as women who reduce their work hours or leave the workforce altogether to care for children and aging relatives face lost income, slower career advancement, reduced savings, and fewer Social Security and retirement benefits. We must support the caregivers, especially women, who make these households function by enacting policies on paid leave, affordable child care, and Social Security caregiver credits.

## Aging Population

Demographic changes will only intensify these problems, as will pressures on Social Security. The next generation of aging Americans may face an even weaker safety net, with trust fund reserves projected to be depleted within the next decade.

One of the most significant demographic shifts of our time will be the rapid aging of our population. By 2038, [nearly one-third](#) of U.S. households will be headed by someone aged 65 or older, according to projections. By the end of this decade, [60%](#) of middle-income older adults will have mobility limitations and 20% will have high health care needs, according to other projections. Yet [fewer than 4%](#) of homes meet basic accessibility requirements. The median annual cost of a private



Source: [U.S. Census Bureau](#)

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room in a nursing home reached [\\$127,750](#) in 2024. We are grossly unprepared to meet the housing needs of aging Americans.

## Isolation

It is often said that raising a child takes a village, but today that village is shrinking. Many parents live far from extended family, lack close relationships with neighbors, and feel the strain of raising young children without a strong care network. In fact, [66% of parents report feeling isolated and lonely](#), and 38% say they have no one to support them in their parenting role.

Reducing isolation and expanding care networks is also increasingly urgent as the population continues to age rapidly. Nearly [one in four seniors](#) is socially isolated. In addition, of those without children, [40%](#) live alone. This is twice the rate of seniors who are parents, making them particularly vulnerable to loneliness, depression, and social isolation. This is a problem that is likely to grow as fertility rates continue to decline.

Taken together, these demographic and social trends illustrate the need to realign housing to the realities of modern family life. Affordability certainly matters, but so does compatibility, and whether our homes and communities support the evolving rhythms, caregiving demands, and intergenerational ties that define family life today and for the foreseeable future. As family life evolves, so must our housing.

## The Opportunity

Reimagining housing as a place that fosters belonging and *interdependence* is essential to rebuilding the village that so many families are missing. We can design homes and communities premised on deep hospitality. We can create places that literally and figuratively welcome a multitude of family structures. We can embrace models that extend beyond the nuclear family and encourage connection to strengthen the social fabric that families need.

Rebuilding the village is partly a question of shared agency: designing places where people can more easily act together, swapping care, sharing meals, checking in, and showing up. It is also a matter of rethinking zoning regulations, policies, and cultural attitudes that prioritize nuclear households and treat housing exclusively as a commodity rather than as vital social infrastructure. Here are three models to consider: multigenerational housing, community living, and reimagined senior living.

## Multigenerational Housing

Multigenerational living, in which [multiple adult generations of a family live under one roof](#) or on the same property, is the norm in many parts of the world, especially across Asia, southern Europe, and Latin America. In the United States, multigenerational households were also common for much of the nation's history, especially during the 19<sup>th</sup> and early 20<sup>th</sup> centuries, before postwar economic and

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housing policies prompted the shift toward the nuclear family. One such example is the Federal Housing Administration (FHA) mortgage insurance program, which was created in the early 1930s and expanded after World War II. The program heavily favored single-family, suburban homes over extended living arrangements that were better suited for multigenerational families.

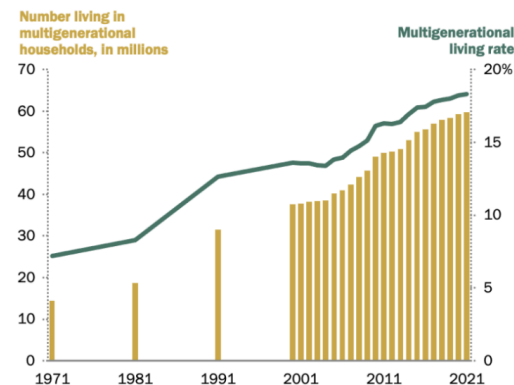
While nuclear family households remain dominant, the tide is starting to turn. [Two-parent, parent-only households are declining](#), and multigenerational households are rising. In 2016, 20% of Americans, roughly [64 million people](#), lived in multigenerational households. By 2021, that figure had climbed to [26%](#).

## [Multigenerational households](#)

include two or more adult generations, or a "skipped generation" which includes grandparents and their grandchildren younger than 25, according to the Pew Research Center. A variety of arrangements fall into this category, including parents and their adult children and households with 3 or more generations (e.g., a grandparent, an adult child, and a grandchild).

### U.S. population in multigenerational households quadrupled since 1971

Number and % of people who live in multigenerational households in U.S.



Note: Multigenerational households include at least two generations of adults mainly 25 and older or grandparents and grandchildren younger than 25.

Source: Pew Research Center analysis of Current Population Survey Annual Social and Economic Supplement (ASEC) data files for 1971, 1981, 1991, and 2000-2021 (IPUMS). "Financial Issues Top the List of Reasons U.S. Adults Live in Multigenerational Homes"

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Source: [Pew Research Center](#)

households are [less likely to live in poverty](#), with the impacts among elderly Americans especially striking. Poverty rates for adults aged 85 and older drop by 40% when they live with family. Research also shows that these arrangements can [strengthen family bonds](#), [reduce loneliness](#), and [improve life satisfaction](#), especially among older adults who derive meaning and purpose from the grandparent role, including passing down cultural traditions and wisdom.

More families are turning to this model. High housing costs, the rising cost of living, and the growing responsibilities of elder care and child care, especially among members of the sandwich generation, make multigenerational living [both practical and necessary](#). [One in 6 homes](#) purchased in 2024 were intended for multigenerational use. Among buyers who cited caring for aging parents as their primary reason for purchasing a multigenerational home, 30% also had minor children.

Multigenerational housing offers numerous benefits, enabling families to share expenses and caregiving responsibilities. People living in multigenerational

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It seems this trend is here to stay. People living in this arrangement view it [positively overall](#), and [72%](#) plan to continue doing so long term. However, most housing stock and housing policies in the United States are not designed with multigenerational families in mind, and deeply entrenched cultural beliefs surrounding possessive individualism persist.

## Community Living

As [fewer Americans live near extended family](#), redefining what a village can look like has become increasingly important. Co-ownership (property that is purchased jointly by two or more people) is one emerging approach as a growing number of homeowners, [especially those in Gen Z](#), are purchasing homes with friends or nonromantic partners to pool resources and lower costs. In California, searches for co-ownership have increased by [60%](#) over the past decade, and 14% of homebuyers in 2024 purchased homes with friends (up from 4% in 2022).

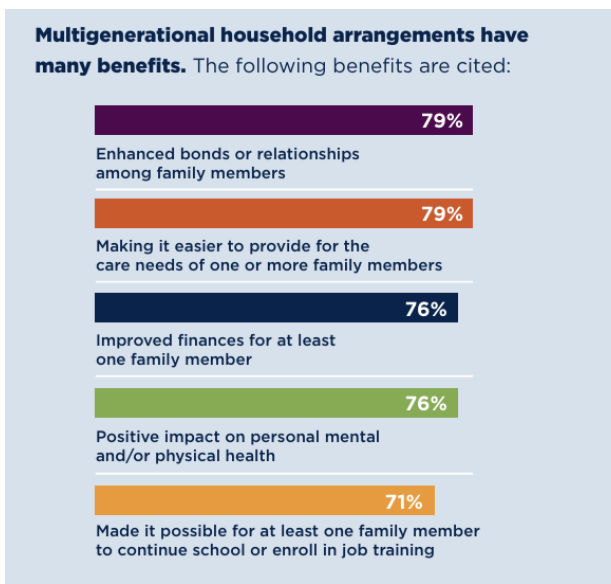
Cohousing communities (in which residents have private homes around shared communal spaces) offer another pathway. These developments pair private dwellings with shared outdoor and gathering spaces, creating intentional communities that foster connection. Models such as [Amabel](#) in Ithaca, New York, or [Radish](#) in Oakland, California, are designed with young families in mind and focus on building strong social ties while also promoting affordability.

Cohousing and co-ownership models can provide a scaffolding for belonging and mutual care by helping us respond to rising loneliness, high housing costs, and distance from extended family by giving people new ways to form networks of care and community. To create conditions for human flourishing in the decades ahead, we must update policies to support more of these models and broaden our understanding of what a village can be.

## Reimagined Senior Living

Meeting the needs of older adults, particularly those without traditional family support and who face unique vulnerabilities, requires innovative housing solutions.

More affordable senior living communities with shared spaces, built-in social support, and easy access to social services can help address the challenges seniors face. Models that promote intergenerational living do exist: [pairing seniors and](#)

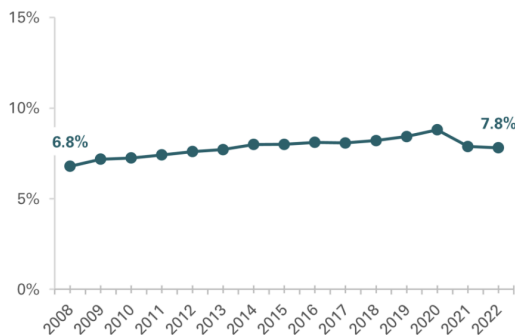


Source: [Generations United](#)

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[college students](#), for instance, or matching older adults with compatible housemates through platforms like [HomeShare](#). These models reduce housing costs, prevent loneliness, and help seniors remain in their homes with more stability and support.

Figure 1. Percentage of Minors Living in a Grandparent-Headed Household, 2008-2022



Source: [National Center for Family and Marriage Research](#)

At the same time, a [growing number](#) of children live in grandfamilies, in which a grandparent is the primary caregiver. Roughly [one million children](#) in the United States live with a grandparent who is fully responsible for their basic needs. (Grandfamilies can also be families in which children are raised by other relatives or even family friends without a parent present in the home). Social security benefits are an increasingly important support for kids, especially as children are now [more likely to live in a household receiving Social Security than TANF](#).

Yet support for these families is often a policy blind spot, and housing policy presents some of the steepest barriers. Children are typically [not permitted to live in subsidized senior housing](#), limiting options for low-income grandparents and leaving them with severe rent burdens. Fewer than [one-third](#) of eligible grandfamilies receive housing assistance, and nearly half of all low-income grandparent-headed households spend more than [50%](#) of their income on rent. Grandparent caregivers [have double the poverty rate](#) of older adults overall.

Despite the scale of this need, dedicated housing for these families is rare. [Only 9](#) affordable developments nationwide are designed to accommodate grandparents raising grandchildren.

## What To Do

To support family flourishing, policymakers must remove existing barriers and establish the enabling conditions for more flexible, family-centered housing solutions. The recommendations below are directed toward federal, state, and local policymakers.

### Enact zoning reform to diversify housing types

Families need a continuum of housing types that better align with family needs across life stages, yet [75%](#) of residential land in American cities is zoned exclusively for detached, single-family homes. Policies should allow development of “missing middle” housing, such as townhomes for young

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and growing families, duplexes and triplexes that support multifamily and multigenerational living, and condominiums that may be ideal for older adults.

## Support multigenerational housing by updating land-use regulations to allow accessory dwelling units (ADUs)

Accessory dwelling units are smaller, independent residential units on the same lot as stand-alone (detached) single-family homes. [Only 8 states](#) (plus the District of Columbia) have statewide ADU policies, and many local zoning codes still prohibit ADUs on single-family lots. Updating zoning codes to allow ADUs would create more flexible spaces for multigenerational families to comfortably live together.

## Invest in community land trusts (CLTs) as long-term affordability solutions

Community land trusts are nonprofit, community-based organizations that own land and lease it to those who live in houses built on that land, often with the goal of providing affordable housing in perpetuity. CLTs retain ownership of land and sell homes at below-market prices to lower-income households whose buyers agree to resale restrictions that ensure homes remain affordable for subsequent buyers. This model preserves affordability for generations and stabilizes neighborhoods while still allowing families to build wealth. Federal and state governments should expand CLTs through grant programs, technical assistance, and preferential access to surplus public land.

## Encourage developers to build accessible and family-friendly housing

A federal tax credit for accessible housing, structured similarly to existing credits that provide incentives for low-income housing, could encourage developers to build housing with features that promote accessibility, such as no-step entries, wider doors and hallways to accommodate wheelchairs, lever handles, and ramps. This could operate as a stand-alone credit or be layered into the Low-Income Housing Tax Credit to incentivize developers to include accessible features in affordable housing units, though that may present practical challenges and concerns about administrative capacity. A similar tax credit for building larger, three-bedroom units could help address the persistent shortage of family-sized housing.

## Recognize co-ownership as a distinct housing model

As housing costs rise, more families are turning to co-ownership arrangements to provide an affordable pathway to homeownership. However, many jurisdictions classify co-ownership under short-term rental or boarding house laws, creating significant barriers. States and municipalities should create a distinct legal category for co-ownership agreements and establish clear frameworks so families can pursue shared-ownership models.

## Expand housing support for grandfamilies

Congress should enact legislation, such as the [Grandfamily Housing Act](#), to create a national pilot program to expand grandfamily housing and provide income stabilization grants for these families.

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## Establish tax credits or subsidies for home modifications that support multigenerational living

Forty percent of low-income adults in multigenerational households report that their homes lack sufficient space to live comfortably. Tax credits or subsidies could help families retrofit existing homes to create [more space and privacy through modifications](#) such as private entrances, second kitchens, flexible partitions, and soundproofing. These investments could address challenges involved in sharing space and increase satisfaction with multigenerational living.

## Adjust the capital gains tax threshold

Increasing the capital gains threshold and indexing it to inflation would reduce the tax penalties that discourage many older people from selling their homes. This would unlock housing for young families and allow older adults to downsize more comfortably, choosing homes that best support their mobility, safety, and social well-being.

## The Tough Questions

How do we balance today's housing needs while recognizing that demographic change may leave us with excess or outdated housing in the future? At some point this century, we may confront problems already visible in countries where there are too many homes and not enough people to live in them. Japan offers an early warning in the form of its [9 million unoccupied homes](#) (about one in every 8), a result of its sustained [population decline](#). By 2038, the number of unoccupied homes is expected to reach 23 million.

While population decline is more pronounced in Japan than in the United States, we may soon follow a similar trajectory. Planning for this possibility now can help communities adapt rather than react. States and local governments can use demographic forecasting to anticipate changes in household composition and housing demand and prioritize development accordingly. We can also embrace [standards](#) that promote adaptability not only within individual households, but also across neighborhoods that can evolve as family structures and community needs change.

How do we move forward when cultural attitudes stigmatize multigenerational and co-living arrangements? The barriers to other housing models are not only structural; they are also cultural. While policy reform may influence what is possible, deeply entrenched beliefs shape what is considered desirable and socially acceptable.

The United States glorifies what, at Capita, we call "possessive individualism" and tends to equate self-reliance and autonomy with success. [One-third](#) of Americans believe that young adults living with their parents is bad for society. Young adults' so-called "failure to launch" may be fueling this negativity and consequently impacting the broader approach to multigenerational households.

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This attitude stands in stark contrast to approaches in many other parts of the world. People in Asia and Latin America view multigenerational households [far more positively](#) than Americans or Europeans and tend to perceive these arrangements as natural extensions of love, connection, and support.

Capita believes that when people see themselves exclusively as individuals rather than members of a collective with a responsibility to connect with and care for others, we jeopardize our own flourishing. Multigenerational living can be reframed as a model of deep hospitality, designed to welcome extended family, to make room for aging parents or returning adult children, and to strengthen bonds.

Normalizing nontraditional housing models in media and framing these arrangements as drivers of family well-being, rather than deterrents, can help shift the narrative and dismantle stigma.

## Recommended Reading

For more reading on the research base and different perspectives on this topic, we recommend these 6 resources.

[Family Matters: Multigenerational Living is on the Rise and Here to Stay](#), Generations United

[The State of the Nation's Housing 2025](#), Joint Center for Housing Studies of Harvard University

[Making Multigenerational Communities Happen](#), Urban Land Institute

[Our Epidemic of Loneliness and Isolation](#), U.S. Department of Health and Human Services

[America's Housing Market is Failing Older Adults](#), Urban Institute

[Grandparent Caregivers and the Social Safety Net](#), Brookings Institution

## Connections

Housing is a critical thread running through family life and is a foundational element of stability and well-being. Homes do more than provide shelter; they are anchors for connection and care. When families lack affordable, secure, and compatible housing, other areas of family life suffer profoundly.

DEMOGRAPHIC CHANGE shapes what families need from housing. Declining birth rates combined with an aging population increase the need for adaptable, flexible housing models. Housing must evolve alongside demographic shifts to ensure that it is compatible with family life.

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How families live and work is increasingly driven by ARTIFICIAL INTELLIGENCE (AI), introducing new challenges to economic stability and social connection. Housing can be a powerful catalyst for family and community connectedness in this era of profound change.

Periods spent caring for children or aging relatives can come with significant financial consequences. Housing stability is often one of the sacrifices, as reduced income makes it more difficult to keep up with rent, mortgages, and unexpected costs. SOCIAL SECURITY CAREGIVER CREDITS can help mitigate the long-term penalties of caregiving by allowing caregivers to collect retirement benefits during periods when they are absent or are less involved in the workforce.

PREDICTABLE SCHEDULES are essential to securing stable housing. Irregular shifts often mean irregular pay, making it difficult for families to consistently pay for housing and other basic necessities.

PAID LEAVE allows families to welcome a new child, care for an aging parent, or recover from illness without risking their financial stability. It reduces the likelihood that families will fall behind on rent or their mortgage or be pushed into overcrowded or unsafe housing because of lost income.