

Where did the American Dream go?

Unable to buy a home, maxed out credit, wages not keeping up with inflation. What has happened to the American Dream? More and more Americans are facing economic limitations they weren't expecting. Securing American Greatness supports policies that will make the American Dream a reality again, such as broad tax cuts to stimulate economic growth. Such policies can stem a number of issues creating these troubles for potential home buyers.

- Median U.S. home price is [\\$412,300](#), 40% higher than in 1990, even after adjusting for inflation.
- Mortgage rates have [more than doubled since 2022](#) and increased monthly payments.
- Home prices have [grown twice as much as incomes](#) since 1985.
- The median house price in the U.S. is now 5.8 times more than the [median annual income of \\$80,000](#).
- The average 30-year fixed mortgage rate [more than doubled](#) from historic lows of around 3% in 2020 to a high of 7.6% in October 2023. The average is still well over 6%.
- Americans need to earn around \$111,000 to afford a median-priced home with a 20% down payment — a staggering 50% increase over the past four years, [according to Bankrate](#).
- [CBS reports](#) that credit card debt has been surging nationwide, with revolving debt, which includes credit cards, growing at a troubling annual rate of 9.4% in July, according to data released this month by the [Federal Reserve](#).
- The total amount of credit card debt nationwide has also been increasing, with balances recently hitting [a record high of \\$1.14 trillion](#).
- About 20% of credit card users [are maxed out](#).
- Average credit card interest rates are currently sitting at [a record high of nearly 23%](#), so many cardholders are seeing their balances grow faster than they can pay them down.

A recent CNBC article describes the trouble homebuyers face when trying to purchase a home.

A housing shortage that's driven the median U.S. home price to [\\$412,300](#). That's 40% higher than in 1990, even after adjusting for inflation. Buyers are further squeezed by higher mortgage rates, which have [more than doubled since 2022](#) and increased monthly payments.

Homes [have always been a major expense](#) for first-time buyers, including boomers and Gen Xers. What's changed is that houses — along with college tuition, rent and health-care costs — have become significantly more expensive, even when adjusted for inflation.

Wages aren't rising fast enough to keep up: Home prices have [grown twice as much as incomes](#) since 1985.

The median house price in the U.S. is now 5.8 times more than the [median annual income of \\$80,000](#). In 1990, homes cost just two times as much as the median income.

In recent years, the average 30-year fixed mortgage rate [more than doubled](#) from historic lows of around 3% in 2020 to a high of 7.6% in October 2023. The average has since come down slightly to 6.2%.

Americans now need to earn around \$111,000 to afford a median-priced home with a 20% down payment — a staggering 50% increase over the past four years, [according to Bankrate](#).

Making matters worse, [CBS reports](#) that credit card debt has been surging nationwide, with revolving debt, which includes credit cards, growing at a troubling annual rate of 9.4% in July, according to data released this month by the [Federal Reserve](#). The total amount of credit card debt nationwide has also been increasing, with balances recently hitting [a record high of \\$1.14 trillion](#). This comes at a time when [serious payment delinquencies](#) are also on the rise and about 20% of credit card users [are maxed out](#).

Further compounding the issue is the skyrocketing cost of credit card debt. Average credit card interest rates are currently sitting at [a record high of nearly 23%](#), so many cardholders are seeing their balances grow faster than they can pay them down. This combination of rising balances and steep interest rates has created a double bind for consumers, many of whom are feeling squeezed by shrinking disposable income and [higher living costs](#).

Securing American Greatness supports policies to correct these issues, to stimulate economic growth and to bring the American Dream within reach again.