

WISCONSIN OUTPACES NATION IN TREND TOWARD SMALLER HOUSEHOLDS

The size of the average American household steadily declined over the last five decades, and this trend was even more pronounced in Wisconsin. Longer lifespans help explain the trend, as do shifting cultural preferences relating to children, marriage, and living arrangements. Average household size is projected to decline further in the future, with implications for our state’s housing stock, social connections, and more.

American households have changed dramatically over the last 50 years. A metric that demonstrates one facet of these changes is “average household size,” or the average number of people for each occupied unit of housing in a given area.

For the United States, the average household size in 1970 was 3.11 people, U.S. Census Bureau data show. That number has declined every decade since, reaching a low of 2.55 in 2020, an 18.1% drop over the five decades.

In Wisconsin, this decline was even more stark. As shown in Figure 1, our state’s average household size in 1970 was 3.22 but declined to 2.36 by 2020 – a 26.7% drop. The shift during this period has been caused by

multiple trends: Americans are living longer on average, having fewer children, and are more likely now, for various reasons, to live in a single-person household.

In this report, we seek to analyze some of the factors in this ongoing trend and discuss potential implications.

WISCONSIN’S DECLINE OUTPACES NATION

Average household size is calculated by dividing the total population living in households by the total number of households.

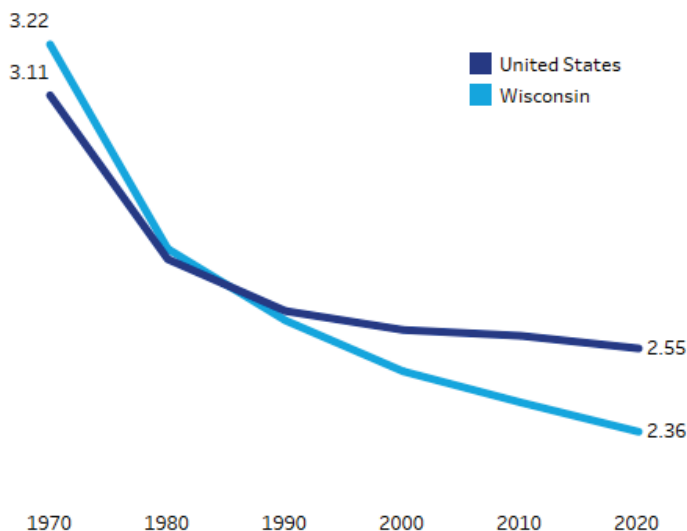
[A household is defined by the Census Bureau](#) as the people residing in an occupied housing unit: a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or vacant but intended for occupancy) as separate living quarters. This definition excludes people living in group quarters such as nursing homes, dormitories, military barracks, or prisons.

In 2020, the state with the largest average household size was Utah (3.04), while Vermont had the smallest (2.27). Wisconsin, at 2.36, ranked 45th-largest among the 50 states. The 2020 ranking stands in stark contrast to Wisconsin’s rank of 15th among the states in 1970.

Nationally and in Wisconsin, the 1970s was the decade during which most of the decline of the past half century occurred. The average U.S. household decreased in size from 3.11 in 1970 to 2.75 in 1980; in Wisconsin, it decreased from 3.22 to 2.77.

Since then, the rate of decrease has steadily slowed, as Figure 1 shows, but Wisconsin’s average household size has fallen more than the nation’s. Wisconsin saw the

Fig. 1: Average WI Household Size Declines Significantly
Average household size, 1970-2020, Wisconsin versus United States



Source: U.S. Census Bureau



fourth-largest percentage drop of any state in average household size from 2000 to 2020, and the fifth-largest decline from 2010 to 2020.

AGING POPULATION KEY

One factor fueling this trend is longer lifespans. [U.S. life expectancy increased significantly since 1970](#), meaning more households are comprised of one or two people who are 70 or older. Very few people of this age have minor children, and a sizable share are unmarried or widowed, with many living in one-person households.

Figure 2 shows the correlation between each state’s median age and its average household size. In general, states with younger populations have larger average households and older states have smaller households.

There are exceptions: North Dakota has both a low median age and low average household size. Hawaii is the opposite; it is an older state but has larger households. These are among the biggest outliers to the clear pattern shown in Figure 2.

Wisconsin fits the national pattern, with both older residents and smaller households.

FAMILY TRENDS ALSO A FACTOR

Beginning in the mid- to late 20th century, trends in family planning and structure contributed to declining

household size. As contraception became more available, U.S. [fertility rates began to decline significantly](#). That left families – and thus many households – smaller on average.

The U.S. divorce rate – the rate of newly divorced people as a share of the married population – [also increased sharply](#) from 1960 to 1980. Since then, it has steadily declined and is now roughly comparable to 1970 levels.

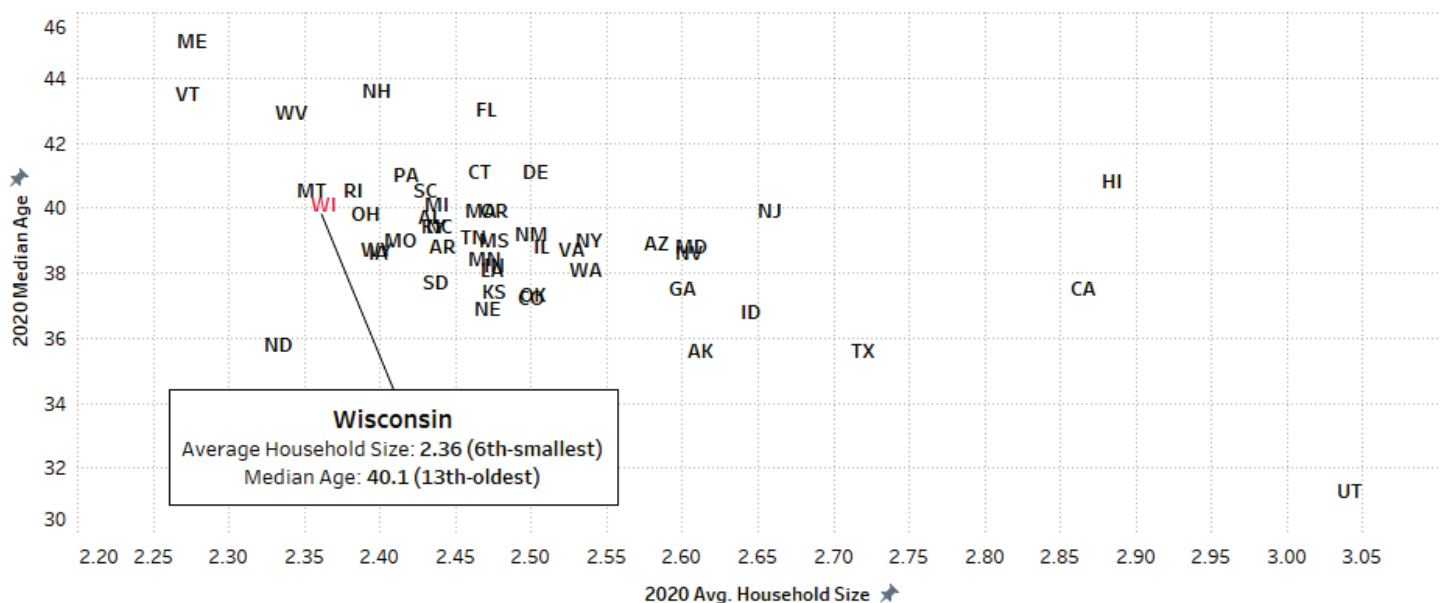
At the same time, rates of marriage nationally have steadily declined since 1970. In fact, the share of Americans age 25 to 50 who [have never been married](#) has increased dramatically. A 2020 analysis by the Institute for Family Studies found it nearly quadrupled from 1970 to 2018, rising from 9% to 35%.

A trend that occurred alongside these developments was an [increase in family households](#) consisting of a single parent with children.

Meanwhile, there is mixed evidence regarding trends in the share of households comprised of multigenerational members – parents living with adult children (with or without a third generation of minor children). It appears clear that the [share of such households declined rapidly](#) during the 20th century, as incomes and material living standards improved. However, there also is [evidence that this practice increased](#) in more recent decades.

Figure 2: Older States Typically Have Smaller Household Sizes

Average household size versus median age by state, 2020 data



Source: U.S. Census Bureau



MORE ONE-PERSON HOUSEHOLDS

Average household size has decreased over time because the total number of households increased more than the household population (those living in occupied housing units, or all units except group quarters).

Nationally, the household population increased 63.7% from 1970 to 2020. Meanwhile, the total number of households increased 99.9%. This gap was significantly larger in Wisconsin: our household population increased 34.1% during this period, but total households increased 82.8%.

A related metric is the share of total households with only one person. Figure 3 shows that from 1970 to 2020, the share of total households nationally that were single-person households increased from 17.6% to 27.6%, a rise of 57.2%.

Unsurprisingly, given the other trends discussed, Wisconsin's increase in this share has been larger than nationally. Our state went from 16.9% single-person households in 1970 to 30.3% in 2020, a 78.7% increase.

This points toward one of the most significant implications of these trends: how they affect our housing needs, and how current housing demand

squares with existing housing inventory. Broadly speaking, it means we need more – but smaller – units than what our current housing stock provides.

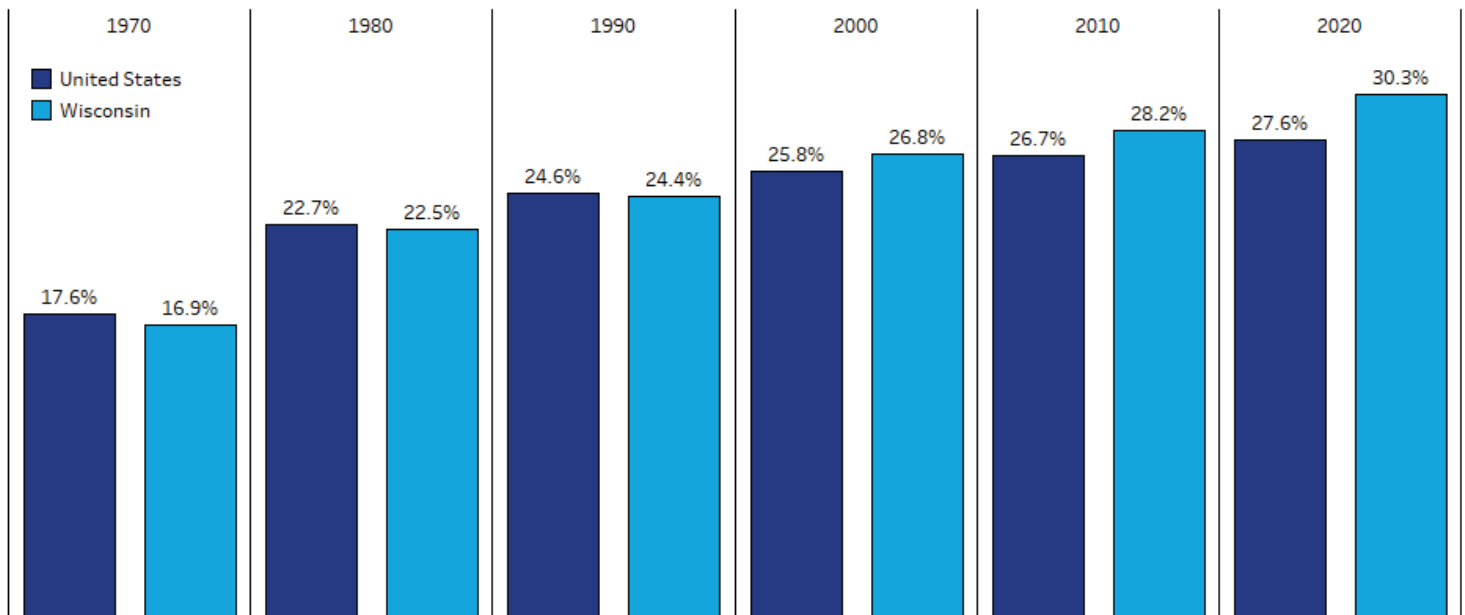
[The median year in which U.S. housing units were built](#) is 1979, U.S. Census data show. In Wisconsin, the median year is 1974. Nearly one-fifth (18.7%) of housing units in our state were built before 1940.

During these years, the average household was larger and there were fewer single-person households. Now, the demand for small housing units for one or two people is greater. Though not necessarily as significant as factors such as rising mortgage interest rates or the slowdown in housing construction during and after the Great Recession, this “housing mismatch” may be contributing to rising housing costs. In addition, one-bedroom units tend to be more expensive on a per-person basis than units for multiple people, since all units must have a bathroom and kitchen.

John Johnson, a research fellow at Marquette University Law School's Lubar Center for Public Policy Research and Civic Education, recently [highlighted how this dynamic affects the Milwaukee housing market](#). Johnson found that even with various construction projects around Milwaukee building single-unit apartment complexes, this construction was still lagging growth in single-person households in the region. He

Figure 3: Share of One-Person Households in Wisconsin Nearly Doubles Over Last 50 Years

% of one-person households as share of all households, 1970-2020, United States versus Wisconsin



Source: U.S. Census Bureau



found that in the past decade, the city of Milwaukee added around 9,300 one-person households, compared to about 2,200 new studio or one-bedroom housing units.

While some one-person households may easily afford a unit built for two or more, others may struggle to do so. And in a market of scarce housing, having one-person households renting or buying larger units also reduces the supply of them, thereby driving up housing costs for larger households.

SOCIAL CONNECTION

Another impact that may be felt from declining household size relates to the broadly documented trend in the United States toward increasing levels of social disconnection and loneliness. [A recent report from the U.S. Surgeon General's Office](#) noted that surveys show increases from 2003 to 2020 in the amount of time Americans say they spend alone.

The Surgeon General's report points to "overall declines in some of the critical structural elements of social connection (e.g., marital status, household size), which helps to explain increases in reported loneliness and social isolation and contributes to the overall crisis of connection we are experiencing."

The report cites several policies to foster greater social connection such as ensuring a community's built environment and public spaces and amenities promote social interaction and supporting programming and community groups that strengthen social ties.

CONCLUSION

The Wisconsin Department of Administration's Demographic Services Center in 2013 released projections for average household size based on 2010 U.S. Census data. While updated projections (using 2020 Census data) will not be available until next year, these figures remain useful. They project the average Wisconsin household declining in size to 2.30 by 2030 and to 2.26 in 2040.

With the size of households likely to continue to shrink, policymakers and economic development leaders may need to more deeply consider how housing policies should respond and whether new incentives may be offered to spur changes in housing construction and renovation.

