

# Bankrate

## Home Improvements and Debt Consolidation Are Top Reasons to Tap Home Equity

*Millennial homeowners are more likely to support using equity for non-essential purchases*

---

NEW YORK - August 7, 2024 - More than half of current homeowners (55%) see home improvements or repairs as a good reason to access built-up home equity as cash (e.g., cash-out refinance, home equity loan or home equity line of credit). Notably, Americans held a record of nearly \$33 trillion in housing equity as of the first quarter of 2024, according to Federal Reserve data. Click here for more information:

<https://www.bankrate.com/home-equity/home-equity-insights-survey/>

After home improvements or repairs, current homeowners also say they consider the following as good reasons to tap home equity: debt consolidation (30%), followed by paying tuition or other education expenses (16%), keeping up with household bills (16%), making other investments (16%), taking a vacation (7%), and buying big-ticket items such as electronics or a boat (6%).

Notably, about 1 in 5 of homeowners (18%) say there is no good reason to tap home equity and 8% say they do not know which, if any, would be good reasons to tap home equity.

“A small but significant share of homeowners said they’re willing to tap into their home equity for questionable purposes,” said Bankrate Analyst Jeff Ostrowski. “While Bankrate endorses using home equity for home renovations and repairs, we advise against tapping equity for short-term outlays such as shopping sprees or vacations. You don’t want to be paying off that one-week cruise for the next 15 years.”

Overall, older homeowners are less likely to see any good reason to tap home equity than younger homeowners, and also less likely to see merit in tapping home equity for non-essential reasons:

Reasons for tapping home equity*	Millennial Homeowners (ages 28-43)	Gen X Homeowners (ages 44-59)	Baby boomer Homeowners (ages 60-78)
Home improvements or repairs	46%	61%	58%
Debt consolidation	27%	37%	32%
Paying tuition or other education expenses	15%	18%	14%
Keeping up with regular household bills	23%	13%	12%
Making other investments	30%	13%	8%
Taking a vacation	14%	6%	2%
Buying big-ticket non-essential items	11%	4%	2%
Other	1%	2%	4%
Don't know	9%	7%	8%
There is no good reason to tap home equity	9%	19%	23%

\*Respondents could select more than one

Overall, there was little variation among income levels as far as good reasons to tap home equity. However, among those making less than \$50,000 annually, nearly a quarter say they'd tap equity to keep up with regular household bills (23%), compared to just 11% of those making \$100,000 or more annually.

“Because mortgage rates have doubled in the past few years, homeowners no longer are tapping equity through cash-out refinances,” added Ostrowski. “Instead, they’re leaving their 3% mortgages in place and taking home equity loans or home equity lines of credit (HELOCs) to extract some of the value. Rates on home equity loans and HELOCs are about 9%, according to Bankrate data, compared to 7% for mortgages.”  
[\(https://www.bankrate.com/home-equity/heloc-rates/\)](https://www.bankrate.com/home-equity/heloc-rates/)

### Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,294 U.S. adults, of whom 1,133 are current homeowners. Fieldwork was undertaken between June 18-20, 2024. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a

weighting scheme on the back end designed and proven to provide nationally representative results.

**About Bankrate:**

Bankrate has guided savers and spenders through the next steps of their financial journeys since 1976. Whether it's rates or information on mortgages, investing, credit cards, personal loans, insurance, taxes or retirement, the company offers various free resources to help consumers reach their goals. From product comparison tools to award-winning editorial content, Bankrate provides objective information and actionable next steps. Bankrate also aggregates rate information from over 4,800 institutions on more than 300 financial products, with coverage in more than 600 local markets. It's why over 100 million people put their trust in Bankrate every year.

**For more information:**

Taylor Lynch

Publicist

[taylor.lynch@bankrate.com](mailto:taylor.lynch@bankrate.com)

980-366-0594

---

Bankrate

