The Generational Impact of the TN Housing Crisis

By Jordan Austin

While many young adults in the region continue to struggle with rising costs and an uncertain job market, one reality remains certain: East Tennessee has a housing problem.

On March 27, the ETSU Department of Economics and Finance hosted the 2026 Appalachian Highlands Economic Forum where several leaders in the field of finance gathered to discuss the world of economics in our region.

While several topics were brought before the attendees such as the growing role of AI within finances, there were none more pressing than the topic of the growing housing crisis.

Among these leaders is Leton Harding Jr., president, chairman and CEO of Powell Valley National Bank, who led the presentation to a crowd of approximately 100 in the Powell Recital Hall.

Harding said that although many view the crisis as a strictly housing market issue, what we're really seeing is an income-based issue.

According to a statistic presented by Harding, the median income for TN and VA sits $91K below being able to comfortably afford a mortgage.

Joseph Dotson, a senior finance major at ETSU, said that while he is already familiar with the crisis, several bits of data still shocked him. Along with the $91K affordability gap, another statistic that stood out to him was the median age of first-time home buyers which has been raised to 39-years old.

"I didn't realize how high that number had gotten," Doxson said. "When you think about how housing prices have grown compared to wages, it makes sense. We all feel that."

Young adults, like Dotson, have been feeling the effect of the growing gap between income and housing affordability for years now with many viewing homeownership as a much later goal in life.

Even casual browsing of listings and online homebuying sites has reinforced these concerns as Dotson describes modern affordability often coming at the price of quality.

“There are still houses out there for around $120,000, but they’re very small or not in great neighborhoods,” said Dotson. “So it becomes a question of what you’re willing to accept and what will actually hold value over time.”

While the gap is staggering, during the closing Q&A session Tom Barkin, president and CEO of the Federal Reserve Bank of Richmond, suggests that this is likely due to a displacement issue in the workforce rather than a strict lack of jobs.

WIth many young adults turning away from skilled trades and placing their focus on higher education, Barkin argues that this latest shift has contributed to the mismatch we’re seeing in the labor market, leaving critical trade opportunities unfilled while demand for housing continues to rise.

“At a certain point, you have to ask yourself where the breaking point is,” said Dotson. “Do I stick with my degree, or do I pivot to something else just because that’s where the money is?”

While many students and attendees were shocked to hear these findings, associate professor of finance Dr. Anca Traian says she’s not surprised by the growing gap in housing affordability as she’s been echoing many of these same sentiments for years.

“This isn’t new,” said Traian. “We’ve been talking about supply and demand, wages not keeping up, and rising costs since before the 2008 financial crisis. It’s an ongoing problem without a simple solution.”

Traian mentioned that instead of viewing the crisis as something to be solved with a single fix, we should turn our attention to the broader, longer-term perspective of the issue, particularly increasing housing supply while balancing the role of housing as both a necessity and an investment.

“We are seeing some movement, especially locally, with more affordable housing being built,” said Traian “But it’s not one solution. It’s a combination of factors, and even then, unexpected changes can shift everything.”

Reflecting back on her own experience with moving to Tennessee, Traian shared that she also was unable to purchase her first home until her late 30s, which closely aligns itself with current regional trends.

“There are so many variables,” said Traian. “Where you go to school, where you work, whether you move. It all affects when or if you can settle down and buy a home.”

For many attendees and faculty alike, that uncertainty is exactly what makes the issue so pressing as for the new generation of homebuyers, the question is no longer just when they will own a home, but if they will be able to at all.