Young adults’ living arrangements and housing careers in the UK

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Conference on The New Demographics and the Housing System, 18th-19th April 2011, Centre for Housing Research, University of St. Andrews.
Outline

• Theoretical background
  – Contextual changes
  – Exploration or uncertainty
• Typology of living arrangements
• Key findings from recent CPC research (Juliet Stone, Jane Falkingham)
  – Leaving and returning home
  – Non family living
• Discussion of findings
  – Housing demand / availability
  – Government policy
Theoretical background

• Contextual changes
  – Increased uptake of higher education
  – Collapse of youth labour market
  – Housing costs

• Extended and individualised
  – Timing
  – Sequencing
  – Non-linear
Postponement of family formation: Exploration or uncertainty?

- **Exploration**
  - Extended transition to adulthood as a ‘positive’ experience of role exploration (Arnett, 2000)
  - Link to experience of higher education and ‘cultural expectation’ of shared living (Ford et al, 2002)

- **Uncertainty**
  - Precarious youth labour market (Furlong et al, 1997)
  - Economic insecurity as a barrier to residential independence
Housing pathways e.g. Ford et al. 2002; Rugg, 2010

Level of family support

Level of planning

Chaotic early leavers

Unplanned but supported pathways

Young family home makers

Student pathways
Typology of living arrangements

- Living with parent(s)
- Living in a new family (with partner and/or children)
- Living alone
- Living with others
  - kin
  - non-kin
Typology of living arrangements

**What do we expect to see?**

- **Living with parent(s)**
- **Living in a new family (with partner and/or children)**
- **Living alone**
- **Living with others** - kin, non-kin

**Increasing**
- Uncertainty: link to precarious labour market position
- Exploration: link to higher education
- Uncertainty: housing benefits

**Decreasing**
- Postponed/abandoned
Some research questions

1. How have young adults’ living arrangements changed over past decades?
2. Who is more likely to be living with their parents in their late twenties and early thirties?
3. Are young adults now less likely to leave home or more likely to return?
4. To what extent is non-family living (as a marker of ‘emerging adulthood’) associated with experience of higher education?
5. What are the implications for housing demand and Government policy?
UK Labour Force Survey (ONS)
 – 1998 and 2008 (Quarterly household datasets)

• Provides detailed information on household composition and family units within the household

• “A household comprises of a single person, or a group of people living at the same address who have the address as their only or main home. They also share one main meal a day or share the living accommodation (or both).” Source: LFS User Guide, Volume 8. (Office for National Statistics, 2008)
Research questions

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3. To what extent are young adults less likely to leave or more likely to return home?
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Trends in living arrangements 1: Living with parents

Trends in living arrangements 2: New family/no family?

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Economic uncertainty in young adulthood

• Those in economic uncertainty defined as:
  – Part time work
  – Temporary contracts
  – Unemployed
  – Economically inactive (esp. men)
  \[\text{“Other employed”}\]
Men – living with parents has increased most among insecure jobs, unemployed or inactive.

Percentage of men aged 25-34 living with a parent in 1998 and 2008 by economic activity status - UK-born only.

- **Employed FT, perm**
- **Other employed**
- **Unemployed**
- **Student**
- **Inactive**

Women – living with parents has increased among most groups

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Fewer leaving or more returning? We need longitudinal data

- Annual interviews – full household grid and questions on those who have left or joined original households
- Repeated cohorts of 16-17 year olds and 23-24 yr olds followed up for 5 years
16-17 yr olds followed up over subsequent 5 years

Trajectories of leaving and returning to the parental home among young adults aged 16-17 years at t0, with five years' follow-up

- Never left
- Left once
- Left and returned once
- Left and returned more than once

1991-1996 at t0
1997-2002 at t0

MEN
WOMEN
23-24 yr olds followed up over subsequent 5 years

Trajectories of leaving and returning to the parental home among young adults aged 23-24 years at t0, with five years' follow-up
Research questions

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Men with degrees are more likely to be living outside of a family at all ages.

Women with degrees are more likely to be living outside of a family at all ages.

Those with degrees are more likely to be sharing with non-relatives

Unemployed solo-living men increasingly reliant on social housing

Distribution of housing tenure among men aged 25-29 years, living alone, in 1988 and 2008

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Unemployed solo living men more likely to rely on prepaid energy

Source: English House Condition Survey, 2006
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5. How do those in shared housing compare with those living alone?
6. What are the implications for housing demand and Government policy?
How much of the increased reliance on private rented sector is due to choice or constraint?

First Time Buyers (FTBs)

- Much discussion re difficulties for FTBs
  - Recent increase in deposit amounts required
    - CML
  - Assisted mortgages
    - CML: In 2005 38% FTBs <30 required assistance by 2010 this had increased to 84%
    - Deposit / shared equity /linked parental savings accounts

- But given extended transitions should young adults be aspiring to O/O?
  - What about vulnerable young adults?
    - Care leavers
    - Those with mental health problems
    - Those who cannot rely on parental support
Make private renting more affordable and appropriate (Heath, 2008)

- Eradicate age-inequalities e.g. in housing benefit, job seeker’s allowance
- Supported housing
- Access to information
  - Student experience for non-students
Government proposals to increase Single Room Rent Policy age threshold to 35

- HM Treasury (2010. p. 69) “This will ensure that Housing Benefit rules reflect the housing expectations of people of a similar age not on benefits.”

- Some evidence associated with experience of higher education – hence a choice?

- But
  - Less prevalent among those in their thirties
  - Much accommodation not physically suitable for shared living
  - Share with whom? Friends…..acquaintances…….strangers
    - Desire to avoid living with older strangers (Kemp and Rugg, 2008)
    - Shared living might be particularly challenging for those leaving care, those with mental health issues
  - Many young men will be non-resident fathers – need suitable accommodation to host their children
Summary

• Delay in transition to family formation
  – Gender differences in response
    • Women – increase in living with parents
    • Men – increase in non-family living
• Economic uncertainty vs exploration phase
  – Unemployed and inactive more likely to remain in the parental home or to live alone
    • Don’t necessarily have a “fast track”
  – Shared households – more common (but not exclusive to) those with experience of higher education
    • Some evidence in support of “emergent adulthood” phase
Summary cont:

• Sharing – some through choice, others constraint
  – Concerns re impact of SRR (Kemp and Rugg, 1998; Rugg, 2010)

• Those living alone are a very heterogeneous group
  – Policy concerns for those more vulnerable living alone (Garthwaite, 2010)

• Owner occupation out of reach for most without parental assistance (Tatch, 2007)
  – How, given inter-generational changes, do parents decide how and when to support their children’s activities? (Jones, 2008)
  – Shared equity schemes (with state / family / friends etc)
  – Polarisation of O/O – concentrated among children whose parents are owner occupiers (Heath, 2008)
Acknowledgements

This research is funded by ESRC Grant number RES-625-28-0001. The Centre for Population Change is a joint initiative between the University of Southampton and a consortium of Scottish Universities in partnership with ONS and GROS. The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors and should not be attributed in any manner to ONS or GROS.

The Labour Force Survey is conducted by the Office for National Statistics and the Northern Ireland Statistics and Research Agency. Access to the data is provided by the UK Data Archive.

The British Household Panel Survey is carried out by the Institute for Social and Economic Research at the University of Essex. Access to the data is provided by the UK Data Archive.
### Sampling frame

**Target population:** All persons resident in private households or NHS accommodation in the UK. Includes students living in halls of residence as members of non-term-time private household (usually parental household).  
**Private households in Great Britain:** Postcode Address File (small users subfile).  
*NB. Due to sparse population north of the Caledonian Canal, a random sample was drawn from the published telephone directory.*  
**Residents in NHS accommodation:** All district health authorities and NHS trusts were asked to supply a complete list of their accommodation.  
**Northern Ireland:** Valuation List (used for ratings purposes).

### Sampling strategy /Stratification

**For GB south of the Caledonian Canal:** Single stage sample of addresses with random start and constant interval. Addresses are sorted by postcode, so effectively, the sample is stratified geographically.  
**North of Caledonian Canal:** Single stage sample with random start and constant interval. Participants approached initially by telephone.  
**Northern Ireland:** Valuation list is organised into three geographical strata.  
1. Belfast District Council area,  
2. Eastern sub-region (most of Antrim, Down and part of Armagh),  
3. Western sub-region (remainder of Northern Ireland).  
Within each stratum rateable units are selected at random without substitution, to obtain the 650 'new' addresses entering the panel each quarter.

### Weights

Yes – household weight PHHWT07
Results: Earlier home leaving.... but more likely to return?