

# Economic Precariousness and Leaving the Parental Home

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## 1. Introduction

In previous decades, young adults in the UK displayed relatively early home leaving pattern similar to that of many Nordic countries (Billari et al., 2001). However, young adults' transitions to residential independence in the UK have become increasingly protracted and non-linear (Holdsworth & Morgan, 2005; Stone et al., 2013). It seems likely that recent increases in the numbers co-residing with their parents have resulted from greater uncertainty in the lives of young adults (Berrington & Stone, 2013). This paper aims to establish the role of economic precariousness on the ability to leave home in the UK.

Increased uncertainty in the lives of young adults has been driven by the global recession and many of the constraints to residential independence are interrelated. Housing has become increasingly unaffordable due to prohibitive mortgage deposit costs, high house prices and rents. At the same time the UK Government's austerity measures put in place to reduce Government debt means that young adults, especially single adults, have seen reductions in the financial support available from the welfare state. The increase in unemployment during the Great Recession has been disproportionately greater for young adults (Bell & Blanchflower 2011). In addition we have seen significant increases in the levels of economic precariousness amongst those in work (e.g. Pennycook et al. 2013; Whittaker & Hurrell 2013). Economic precariousness among those in work can arise in a number of ways including low pay; underemployment; low promotion prospects; fixed-term contracts, part time or reduced hours working, or zero hours contracts. Given these recent changes in society, we examine the transition to residential independence of young adults who are in an economically precarious situation. In this article we use new, longitudinal data from "Understanding Society" the United Kingdom Household Longitudinal Study (UKHLS), allowing us to follow young adults' living arrangements. Using these panel data we address the following two questions:

Q1: Are economically precarious young adults more likely to be living in the parental home in 2009-10?

Q2: Among those living at home, is economical precariousness associated with leaving the parental home in the subsequent year?

## 2. Conceptualising economic precariousness among young adults

Recent work on "the forgotten working poor" or "missing middle" by O'Reilly (2008), Roberts (2011), and Whittaker and Bailey (2012) highlight a number of indicators related to economic precariousness such as low income and low skilled work. Kalleberg (2009) relates precarity to changes in employment relations and workplace arrangements resulting in more insecure, flexible and risky work, whilst Standing (2011) and Wilson and Ebert (2013) outline other types of economic precariousness such as representation insecurity and social insecurity. Based on these studies we have constructed Table 1 which provides a general overview of the structure of economic precariousness. This structure can be applied to both men and women, and to those in work and not in work. In this paper we operationalize these dimensions of economic precariousness, using the indicators as guidelines to construct a number of measures. These measures are then used to examine how economic precariousness relates to the likelihood of living with a parent at the start of the panel survey, and to the likelihood of making the transition out of the parental home between successive panel waves.

### 3. Data and Methods

We use data from the first two waves of UKHLS, a new longitudinal prospective survey following up annually all the 16+ aged members of around 40,000 households interviewed in wave 1. The panel started in 2009/10 and data collection for each wave takes place over a two year time interval. Individuals (aged 16+) are re-interviewed annually and are followed up even when they leave original households to form new households (or join existing ones). Those living in the same household as at least one natural or step-parent are deemed to be living in the parental home. Our first research question looks at how the proportions of men and women aged 18-34 living with a parent at wave one differ according to the different dimensions of economic precariousness. The second question uses a binary logistic regression model to identify whether the dimensions of economic precariousness are associated with the likelihood of leaving home between waves 1 and 2. Individuals living with a parent at wave 1 might have never left the parental home, but they might have left the parental home and returned. It is not possible to make a distinction between those two groups and hence we analyse home leaving regardless of whether the individual is leaving for the first or subsequent time.

Since the predictors of leaving home are likely to differ according to gender and age we undertake separate analyses for males and females and for those aged 18-24 and 25-34. (Results for the first age group are presented here.) The descriptive analyses of living arrangement in wave 1 are weighted using survey weights to account for survey design and differential non-response. The regression analyses of the determinants of leaving home are unweighted since weights are not available for our longitudinal sample, but many of the variables used in the cross-sectional weighting scheme are included in our model. There is some attrition between waves 1 and 2 of the UKHLS survey and we recognise that sample attrition is likely to be associated with mobility relating to home leaving. Hence our proportions of leaving home are likely to be underestimated. However, we have minimised the number of young adults lost to our sample by relying on reports from other family members, particularly their parents, to ascertain young adult's current living arrangements.

### 4. Preliminary Results

#### 4.1 Are economically precarious young adults more likely to be living in the parental home?

Overall, a higher proportion (59%) of men aged 18-24 are seen to live with parents in 2009/10 as compared with women (49%). To answer our first research question we examine how the proportions living at home in wave 1 differ by occupational class, income, and type of employment contract. As shown in Figure 1, young men aged 18-24 in routine and semi-routine occupations are the most likely to live with a parent. Although their proportion does not differ significantly from those in mid-level job classes (i.e. intermediate occupations, lower supervisory and technical occupations) it is significantly higher than those with jobs in the highest occupational classes (i.e. higher and lower managerial or professional occupations), and those unemployed or economically inactive. This latter group includes students. Among women aged 18-24, we see a similar pattern.

We categorize young adults' income into quartiles; the first quartile presenting 25% with the highest income level and the fourth quartile presenting the 25% with the lowest income level. As shown in Figure 2 men aged 18-24 in the highest income quartile are less likely to be living with a parent as compared to the other quartiles, among whom the proportion living with a parent does not significantly differ. Among women aged 18-24, the proportion living at home is lowest in the highest income quartile. Unlike men, women in the second income quartile are also less likely to live with their parents than those in the two lowest income quartiles.

Figures 3 and 4 examine the proportions living with a parent according to characteristics of their employment. Those working part time or on temporary contracts face a more insecure environment than those on full time and permanent contracts. Our results show that the proportion living with their parent(s) is significantly lower among young men who have a permanent contract than those who are unemployed (Figure 3), but no difference is seen between those with a permanent or temporary contract. Among women aged 18-24, those in temporary contracts are more likely to be living at home than those with a permanent contract, though the finding is not statistically significant at the 5% level. Men in a full time job are significantly less likely to be living with a parent

than those who have a part time job or are unemployed (Figure 4). No differences according to hours worked are found for women.

#### 4.2 Are economically precarious young adults less likely to make the transition out of the parental home?

Among the 1,256 men aged 18-24 living at the parental home in 2009/10, 156 had left home one year later. Table 2 shows the results from a logistic regression analysis of economic precariousness on leaving the parental home among these young men. In these analyses we introduce different indicators of economic precariousness while controlling for age, educational level of young adult and maternal education. The first three models we investigate the impact of income and social insecurity. In Model 1 we introduce equivalized (parental) household income in quartiles. By introducing this indicator, we acknowledge the third dimension of economic precariousness presented in Table 1. That is to say that young adults may find support from parents and those with a greater household income in wave 1 are likely to have more parental resources available to them. Indeed we find that equivalised household income has a significant impact on home leaving: those in the highest quartile are twice as likely ( $\exp^{(0.702)}$ ) to have left by wave 2 than those in the lowest quartile. This effect remains significant even after the personal income level and indicators related to job and employment insecurity have been introduced in subsequent models. Although personal income shows a significant positive impact on home leaving in Model 2, this effect is not significant anymore in the subsequent models when other indicators of economic precariousness are introduced. In Models 4 to 6 we investigate the impact of job and employment insecurity. Model 4 shows that young adult men with a full time contract are more likely to leave the parental home than those with a part time contract. Model 5 finds no difference in the likelihood of leaving home for men on a permanent job contract as compared with a temporary contract. Furthermore, once parental characteristics are controlled we find no differences in the likelihood of leaving according to the respondent's occupational class (Model 6). Those who are unemployed or economically inactive, e.g. studying, however, are less likely to have left the parental home than those in (semi) routine jobs, indicating that being outside the labour market reduces the probability to leave home.

Among the 1,184 women aged 18-24 living at home in wave 1, 178 had left home a year later. Contrary to men, personal income is of more importance than the household income for young women, as the results in Models 1 to 3 of Table 3 show. Young adult women with a higher personal income are more likely to have left the parental home by wave 2. The effect size of women's personal income in model 2 is similar to that for household income for men in Model 1 of Table 2: Women in the highest income quartile are twice as likely to have left home as compared to woman in the lowest income quartile. This effect remains significant after introducing indicators related to job and employment insecurity in subsequent models. Household income has only a small effect in Models 4 and 5, and has no significant impact in Model 6 when occupational class is controlled. Unlike men, young women having a full time contract are not more likely to have left the parental home than those with a part time contract, as shown by Model 4. Those whose contract hours are unknown, unemployed women and woman whose main task is family care, however, are more likely to have left home by wave 2. We speculate that many of these women undertaking family care will have left home to live together with their partner, relying on partners' income, and perhaps also on parental income as the household income shows a positive weak significant effect in this model. Occupational class does not have an impact on home leaving among young woman.

### **5. Conclusion and future work**

In this paper we have conceptualised and operationalized several indicators of economic precariousness. Using data collected at the time of the Great Recession we have examined the relationship between economic precariousness and residential independence - one of the first phases in the transition into adulthood in Western Europe. Young men and women employed in (semi) routine jobs were more likely to be living with a parent in 2009/10, than those employed in higher status jobs. For young women, higher personal income was also associated with residential independence. Contract duration and contract hours are not found to be related to the proportion living in the parental home among young men. Young men with a permanent contract show lower proportions living with their parents than those with no job, and young men full time employed lower proportions living with their parents than

those in part time jobs or are unemployed. In general we might conclude that young adults employed in a lower job status, having a lower personal income and are unemployed or are part time or temporary employed are more likely to live with their parents. These findings show that economic precariousness among young adults is associated with higher proportions living in the parental home.

In our dynamic model of home leaving among young adult men aged 18-24, (parental) household income and having a full time contract are of importance in obtaining residential independence. Contrary to young men, young women's personal income is of more importance than the parental household income, while contract hours did not show any significant impact on home leaving. Furthermore, young unemployed women and women whose main task is family care are more likely to leave than those who are employed in part time, temporary or low skilled jobs. This might indicate that those young women might have left home to live together with their partner. They rely then on partners' income or on state benefits for child care or housing.

From these findings we draw the following conclusions. First, it is worthwhile to distinguish several dimensions and types of precariousness, as our findings show that some types of economic precariousness have a bigger impact on home leaving, such as income level, than other types. Secondly, economic precariousness has a bigger impact on young men's transition to become residentially independent. Taking these conclusions in consideration we suggest that there needs to be a reconsideration of how welfare benefits differentially provide support for residential independence among young men and young women. In particular, young single men in precarious positions find it very hard to leave the parental home.

In future work, we will extend our analyses in a number of ways: we will consider using sample selection models to take account of who remains living at home in wave 1 (Aassve et al., 2002); include local area unemployment rates (another indicator of economic precariousness) and further control variables (such as parental family structure). Furthermore, we would like to include wave 3 of the UKHLS (soon to be released by the data collectors) to better investigate the impact of economic precariousness. Moreover, we will undertake analyses for the older age groups 25-34. Including other variables in our analytical framework, extending our period of analyses and broadening our research group will hopefully result in a better understanding of the impact of economic precariousness on residential independence among young adults.

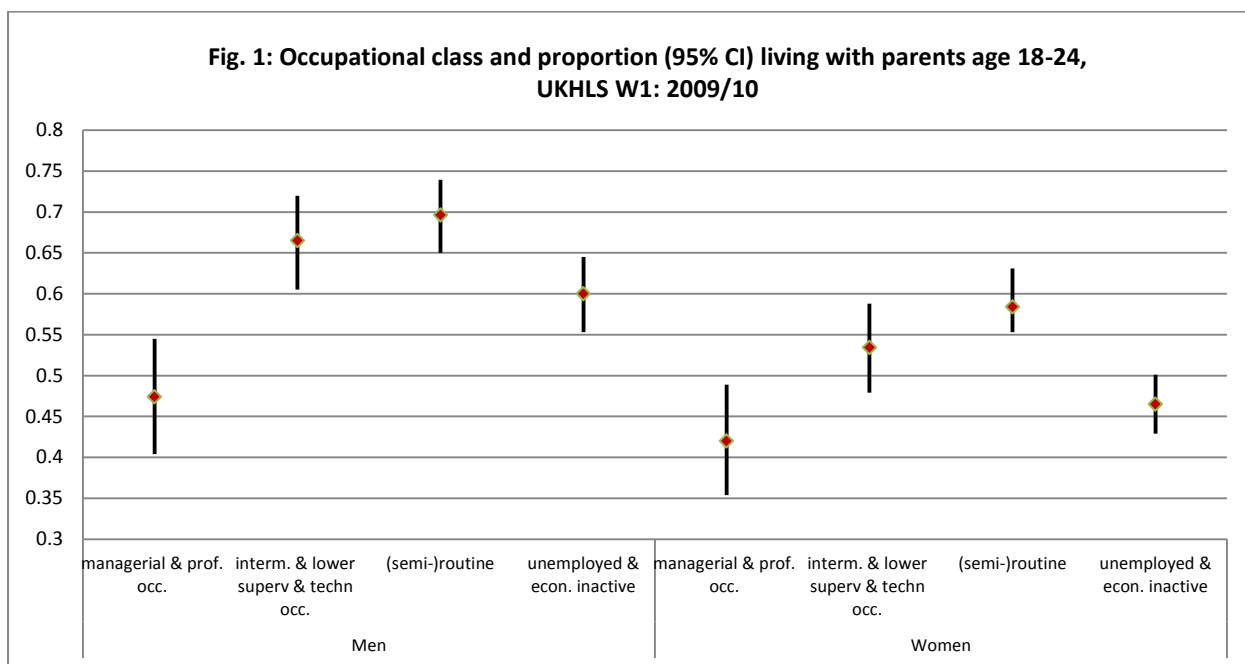
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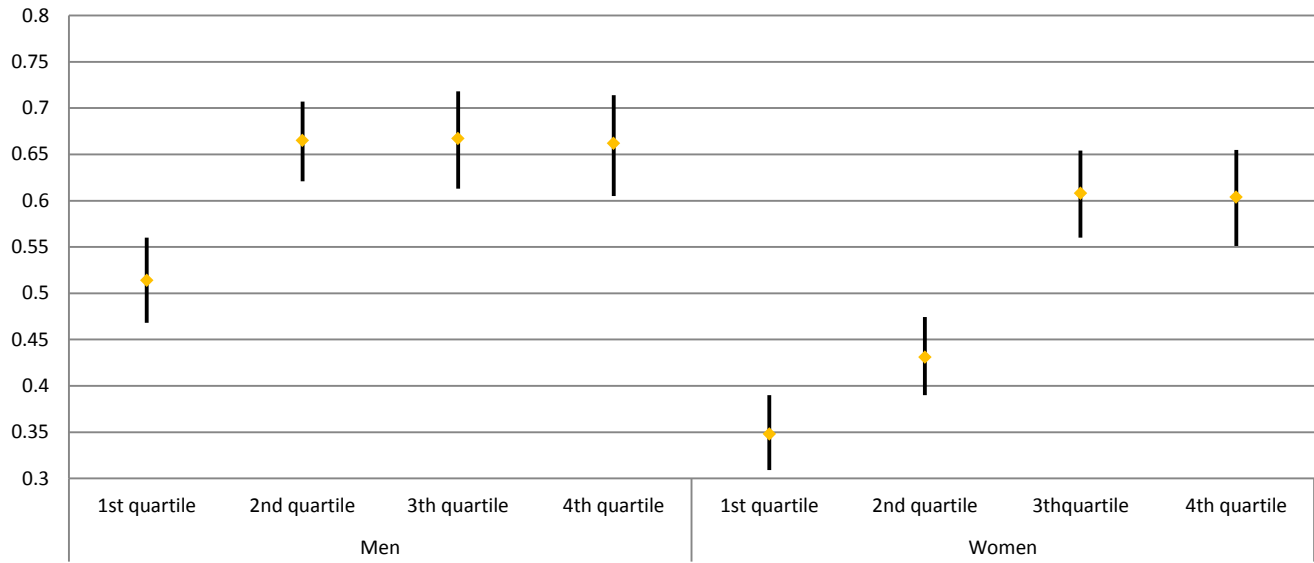
**APPENDIX: FIGURES & TABLES**

Table 1: Dimensions, types and indicators of economic precariousness

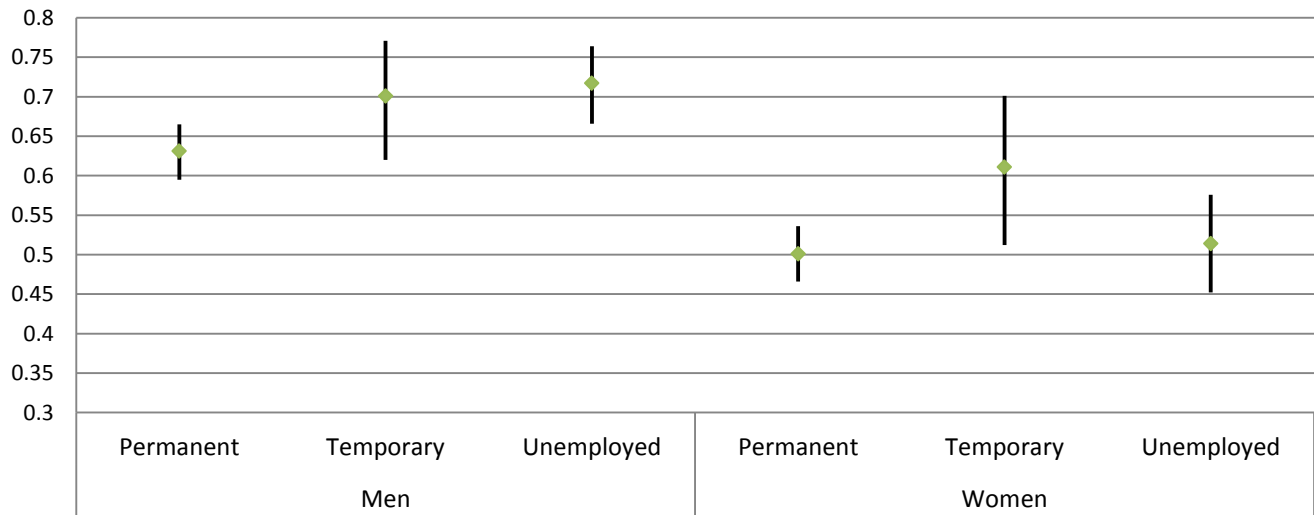
Dimension	Type	Indicators
1-Labour market & industrial conditions	A-Job insecurity	i-Being (un)employed
		ii- occupational class & mobility
	B-income insecurity	i-Earnings, wages
2-Employment relation	C-labour market circumstances	i-local unemployment rates
	A-Employment insecurity	i-Part-time contract
		ii-Temporary contract
		iii-Other: seasonal, shifts, over-time
	B-Skill reproduction insecurity	i-Training & development
	C-Work insecurity	i-Protection against accidents, illness, inferior treatment
3-Social and political relations	A-Representation insecurity	i-Trade union representation
		ii-Right to strike
	B-Social insecurity	i-Social benefits & social policies
		ii-Socio-economic situation partner, parents or other relatives



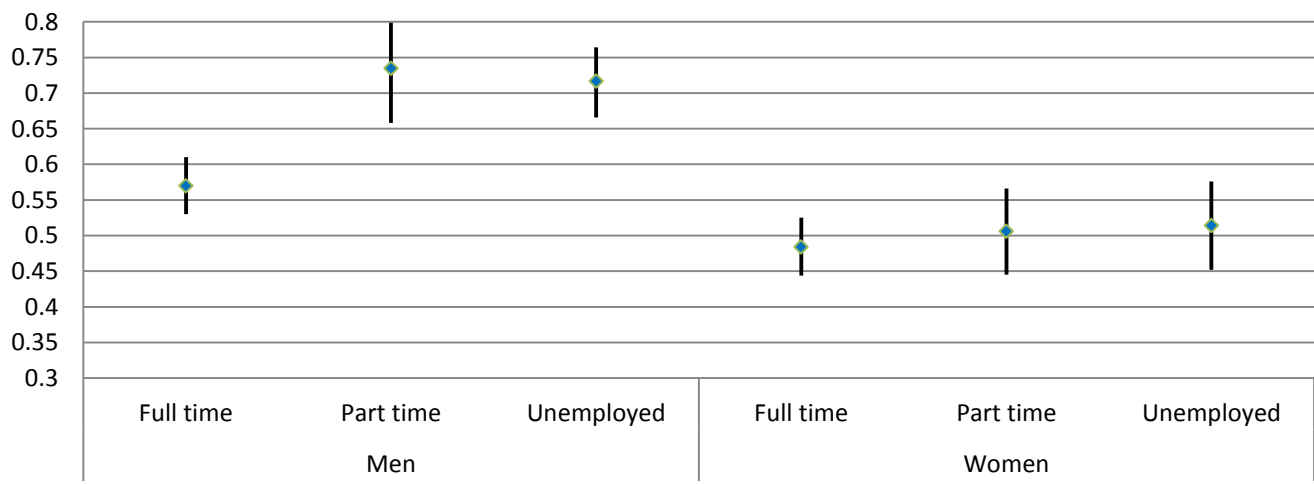
**Fig. 2: Personal annual gross income level and proportion (95% CI) living with parents age 18-24, UKHLS W1: 2009/10**



**Fig. 3: Contract duration and proportion (95% CI) living with parents age 18-24, UKHLS W1: 2009/10**



**Fig. 4: Contract hours and proportion (95% CI) living with parents age 18-24, UKHLS W1: 2009/10**



**Table 2: Logistic regression parameters (B), expressing the likelihood of leaving parental home for men aged 18-24**

	Income & social insecurity			Job & employment insecurity		
	<i>Model 1 Household income</i>	<i>Model 2 Personal income</i>	<i>Model 3 Income all</i>	<i>Model 4 Contract hours</i>	<i>Model 5 Contract duration</i>	<i>Model 6 Occupational class</i>
Constant	-2.558***	-2.120***	-2.436***	-2.474***	-2.166***	-2.018**
Age 18-21	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Age 22-24	.246	.246	.195	.175	.172	.181
Educational level mother : low <sup>1</sup>	Ref.		Ref.	Ref.	Ref.	Ref.
Educational level mother: high	.354~		.410*	.419*	.416*	.422*
Educational level mother: unknown	.332		.363	.356	.364	.359
Equil. lowest HH income quart.	Ref.		Ref.	Ref.	Ref.	Ref.
Equil. highest HH income quart.	.702**		.659**	.602*	.628**	.623**
Equil. 2nd highest HH income quart.	.212		.155	.093	.112	.106
Equil. 3th highest HH income quart.	.232		.229	.201	.207	.208
Educational level young adult: low <sup>1</sup>		Ref.	Ref.	Ref.	Ref.	Ref.
Educational level young adult: high		-.078	-.252	-.207	-.237	-.229
Pers. ann. gross lowest income quart.		Ref.	Ref.	Ref.	Ref.	Ref.
Pers. ann. gross highest income quart.		.412*	.218	-.210	-.061	-.042
Pers. ann. gross 2nd income quart.		.073	-.024	-.269	-.233	-.262
Pers. ann. gross 3th income quart.		.009	.004	.002	-.050	-.061
Part time employed				Ref.		
Full time				.519~		
Contract hours unknown				.594		
FT students or economic inactive				.023		
Unemployed				.016		
Temporary employed					Ref.	
Permanent employed					.067	
FT student or economic inactive					-.270	
Unemployed					-.264	
(Semi) routine occupational class						Ref.
Managerial & prof. occ. class						-.187
Interm. & lower superv. & techn. occ.						-.199
Small employers & own account						.098
Occupational class unknown						-.869
Unemployed & econ. inactive						-.417~
Number of strata	1	1	1	1	1	1
Number of psu's	950	949	949	949	949	949
Number of obs.	1256	1254	1254	1254	1254	1254
F	(6, 944) =5.02	(5, 944) =1.79	(10, 939)=3.62	(14, 935)=2.98	(13, 936)=2.88	(15, 934)=2.95
Prob > F	0.0000	0.1130	0.0001	0.0002	0.0000	0.0001

~=>p>.1; \*=>p>.05; \*\*=>p<.01; \*\*\*=>p<.001

<sup>1</sup> lower education: no qualification, other qualification, GCSE; higher education: A level, other higher, degree.

**Table 3: Logistic regression parameters (B), expressing the likelihood of leaving parental home for women aged 18-24**

	Income & social insecurity			Job & employment insecurity		
	Model 1 Household income	Model 2 Personal income	Model 3 Income all	Model 4 Contract hours	Model 5 Contract duration	Model 6 Occupational class
Constant	-2.215***	-1.589**	-1.856***	-2.800***	-2.566***	-2.449***
Age 18-21	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Age 22-24	.262~	.020	.048	-.067	-.049	.0114
Educational level mother : low <sup>1</sup>	Ref.		Ref.	Ref.	Ref.	Ref.
Educational level mother: high	.239		.372*	.421**	.414*	.351*
Educational level mother: unknown	-.0007		-.035	.139	-.131	-.016
Equil. lowest HH income quart.	Ref.		Ref.	Ref.	Ref.	Ref.
Equil. highest HH income quart.	.284		.054	.201	.245	.117
Equil. 2nd highest HH income quart.	.382*		.222	.413~	.433~	.314
Equil. 3th highest HH income quart.	.487~		.359	.491	.491	.414
Educational level young adult: low <sup>1</sup>		Ref.	Ref.	Ref.	Ref.	Ref.
Educational level young adult: high		-.618**	-.680**	-.423**	-.437**	-.702***
Pers. ann. gross lowest income quart.		Ref.	Ref.	Ref.	Ref.	Ref.
Pers. ann. gross highest income quart.		.671**	.636*	.879**	.934**	1.065**
Pers. ann. gross 2nd income quart.		.412	.360	.449	.443	.623
Pers. ann. gross 3th income quart.		-.167	-.183	-.228	-.247	-.073
Part time employed				Ref.		
Full time				.316		
Contract hours unknown				.734~		
FT students or economic inactive				.296		
Unemployed				1.566***		
Family care				2.219**		
Temporary employed					Ref.	
Permanent employed					.060	
FT student or economic inactive					.069	
Unemployed					1.337***	
Family care					1.977*	
(Semi) routine occupational class						Ref.
Managerial & prof. occ. class						.568
Interm. & lower superv. & techn. occ.						-.145
Small employers & own account						Omitted
Occupational class unknown						.097
Unemployed & econ. inactive						.592*
Number of strata	1	1	1	1	1	1
Number of psu's	924	924	924	924	924	920
Number of obs.	1184	1184	1184	1184	1184	1180
F	(6, 918) =1.58	(5, 919) =8.17	(10, 914) =5.47	(15, 909) =6.63	(14, 910) =6.83	(14, 906) =4.44
Prob > F	.1511	.0000	.0000	.0000	.0000	.0000

~=>p>.1; \*=>p>.05; \*\*=>p<.01; \*\*\*=>p<.001

<sup>1</sup> lower education: no qualification, other qualification, GCSE; higher education: A level, other higher, degree.

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