Changing Living Arrangements and Household Formation: A Review

Ann Berrington
University of Southampton, UK

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Overview

1. Key changes in partnership and parenthood in UK
2. Demographic events and household composition
3. Living arrangements of young adults
   - Changing socio-economic context
   - Where are young adults living?
   - Factors associated with leaving the parental home
   - Factors associated with returning to the parental home
4. The future?
1. Key changes in patterns of partnership and parenthood in UK
Key changes in partnership and parenthood

1. Postponement of family formation to later ages
Percentage of women who remain childless at age 30 and 45, by birth cohort, Eng & Wales

Key changes in partnership and parenthood

1. Postponement of family formation to later ages
2. Decline in marriage at young ages, increase in cohabitation
Figure 1  
**Percentage ever having cohabited, married, or entered any union by specified exact ages, and by sex. Great Britain, GHS 2000-2004/07**

by 25th birthday

Source: Beaujouan & Ni Bhrolchain (2011)
Key changes in partnership and parenthood

1. Postponement of family formation to later ages
2. Decline in marriage, increase in cohabitation
3. Increased partnership instability, lone parenthood and repartnering
2. Demographic Events and Household Composition
Demographic Transitions Into and Out of a One Person Household

Experience partnership dissolution / widowhood

Departure of last child from lone parent HH

Leave an existing household e.g. parental home to live alone

Form a co-residential partnership

Return of child to lone parent HH

Have a child

Move in with existing HH (may / may not include relatives)

Note: This diagram ignores issues such as Shared Parenting and Living Apart Together
Percentage Living in One Person Household by age, Britain 2000-2008

Source: Author’s analysis of GHS/GLS, 1985-2008
What are the Drivers of Trend in One Person Households?

- **In young adulthood:**
  - 1980s and 1990s saw increase in one person HH driven by delay in family formation
  - Decline 2000-2008 possibly due to increased cost of renting / buying separate residence (plus more sharing associated with experience of HE) (Berrington & Stone, 2013).

- **In middle age:**
  - Continued increase in one person HH, especially for men due to increased partnership dissolution, plus significant minority men who never partner (Demey et al, 2013).

- **At older ages:**
  - 2000s saw decline in one person HHs due to increased marriage among cohorts born in 1940s now in older age and declining widowhood (Murphy, 2011).
3. Changing household formation patterns of young adults
Changing context of young adults’ household formation

- Increased enrolment in Higher Education, especially among females
- Youth unemployment and economic precariousness for those in work
- Decreasing availability and affordability of housing
- Welfare retrenchment
- Increased international migration

(See Berrington & Stone 2013 for detailed discussion)
Where are young adults living?

• Cross-sectional evidence from repeated surveys
  – UK Labour Force Survey (Berrington and Stone, 2014)
  – 20-21, 22-24, 25-29, 30-34
Proportion of UK young adults living as a couple

Percentage living as a couple, 1998, 2008 and 2012

Males

Females

Source: Authors’ analysis of LFS, Oct-Dec quarter, 2008 and 2012
Less consistent trend in proportion of UK young adults who are sharing with others

Percentage living outside parental home who are in a shared household, 1998, 2008 and 2012

Source: Authors’ analysis of LFS, Oct-Dec quarter, 2008 and 2012
Increase in co-residence of UK young adults living with their parent(s)

Percentage living with parent(s), 1998, 2008 and 2012

Source: Authors’ analysis of LFS, Oct-Dec quarter, 2008 and 2012
Is the increase in co-residence a result of later leaving or more returning home?

• Longitudinal data from British Household Panel Study suggests that it is a bit of both
  – Increase in period 1991-2008 in proportion of 16/17 year olds not leaving home by age 21/22
  – Increase in period 1991-2008 in returning home for young women in their early twenties (Stone et al., 2013)
Factors associated with leaving home 2009 – 2011 UKHLS

- Important factors include:
  - Gender
  - Age
  - Household income
  - Living outside London
  - Parental family structure

Annual probability of leaving home in London, Men aged 18-21.

Source: Tammes, Roberts and Berrington’s analysis of UKHLS w1 and w2
Factors associated with returning home

• Turning points in the life course associated with “boomeranging” to parental home
  – Experiencing a partnership dissolution, especially for men
  – Finishing full time studies
Annual predicted probability of returning home according to change in economic activity, by sex. Men and women aged 20-24.

Source: Stone, Berrington and Falkingham (2013): Gender, turning-points and boomerangs: returning home in the UK; *Demography, on-line first*
Summary of Household Formation Trends in Young Adulthood

- Decreasing headship rates due to postponement of leaving / more returning to the parental home and the postponement of partnership formation.
- As young adults increasingly leave home for reasons other than family formation they are more likely to return home.
- As a result of increased HE enrolment young women have become more like young men in their leaving and returning home behaviour.
- Proportions sharing significant among those in their early twenties. No evidence of sustained increase in shared households during 2008-2012 period.
- Decreases in living alone.
4. The Future?
Future affected by underlying longer term shifts in demographic behaviour, plus cohort effects and period shocks

- Trend reversals possible given historical cohort effects
  - In comparison with 1940s birth cohorts, 1960s baby boomers have experienced increased non-marriage, childlessness and marital dissolution => living alone in old age likely to increase once again unless policy changes / incentives to share. May also be offset to some extent by increased male life expectancy
- Trends that may continue (or at least not reverse) given changes in gender roles, attitudes and behaviour since 1960s
  - E.g. later mean ages at marriage and parenthood, increased partnership instability => current high rates of living alone in mid-life may continue (although shared parenting / LATs need to be considered)
  - E.g. “emerging adulthood” (Arnett, 2000), especially as a result of increased school leaving age & proportions entering HE => will there be a shift away from family formation before early twenties?

Source: Boliver (2011) and Department for Business (2012)
Period shock vs. lasting cohort effect?

- Will young adults (e.g. aged 25-34) recover their household formation when economic situation improves?
  - “Help to buy” but overall affordability ratios
Future affordability of buying a house?

Table 1. Ratio of lower quartile house price to lower quartile earnings by region 1997 to 2011

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Notes: ‘p’ figures are provisional

Sources: Communities and Local Government, Live Tables on Housing Affordability, Table 576, Table 583
Office for National Statistics. Annual Survey of Hours and Earnings [accessed via nomisweb]

Source: Keep (2012)
Period shock vs. lasting cohort effect?

- Will young adults (e.g. aged 25-34) recover their household formation when economic situation improves?
  - “Help to buy” but overall affordability ratios
  - High rental prices
  - Welfare retrenchment
  - Increased student fees / debts
References


Acknowledgements

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