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## Economic precariousness and living in the parental home in the UK

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## ABSTRACT

Today's young adults are facing increased economic uncertainty as a result of unemployment, the continued growth of low-paid, insecure and often part-time employment, accelerated by the recent economic downturn. Recent media attention has focused on the trend for increased co-residence of adult children with their parent(s). It is generally assumed that this trend relates directly to the increased economic uncertainty of young adults, combined with the challenges of affordability in the housing market. This research is motivated by the need to identify which groups are most at risk of economic uncertainty and to investigate the consequences for young adults' abilities to make successful transitions to adulthood. The paper contributes to the literature on both youth employment and housing transitions and the intersection of both.

The aim of the paper is three fold: 1) To explore how different aspects of precariousness (labour market insecurity, employment insecurity, and income insecurity) can be operationalised using quantitative data; 2) To use these indicators to provide estimates of precarity amongst young men and women aged 18-34; 3) To examine how these indicators are related to the likelihood of living in the parental home. We use data from the first wave of the United Kingdom Household Longitudinal Study (UKHLS) which was conducted in 2009/10, at the height of the economic downturn. By disaggregating analyses by gender and age we get beneath aggregate summary statistics and provide new insights into how young people's experience of employment changes across the transition from older teenager, to those in their twenties and for those in their early thirties.

The survey data suggest considerable income inequalities between young adults. Not surprisingly, the unemployed and economically inactive are concentrated in the lowest income quartiles. Among employed young adults, income levels differ significantly according to the hours worked, and occupational status. Our analyses show that young people are over-represented in routine and semi-routine jobs, most of these jobs tend to be low-paid and are in the bottom income quartile. Whilst the proportion in routine and semi-routine jobs decreases with age as young people gain the necessary skills and experience to climb the occupational ladder, a sizeable proportion – about one in five men and women in their early thirties remain in a routine or semi-routine job.

A significant minority of young adults are self-employed. Among this group, we find a bi-modal income distribution, suggesting that for some, self-employment is an entrepreneurial success story. However, over one half of the self-employed in their late twenties and early thirties are in the lowest quartile suggesting that for others, self-employment is a new form of precarity. This research also quantifies the extent to which different indicators of precarity are related. We find that young adults often face multiple dimensions of economic precarity. For example, male part-time workers tend to have lower personal incomes, and part-time work is associated with being on a temporary contract and being in semi-routine or routine jobs.

Almost all the indicators of precariousness were found to be associated with a higher likelihood of living in the parental home, suggesting that these young adults face constraints on their ability to make the transition to residential independence. Some

differences are seen according to age. For men and women aged under 25, both unemployment, being temporary or part-time employed, or being in a (semi)routinised job are associated with a higher likelihood of remaining in the parental home. By their late twenties only a small proportion of women, but a higher proportion of men remain living with their parents. At these ages, it is unemployed and economically inactive and men in (semi) routine jobs, and men with lower levels of personal income who are significantly more likely to remain living with their parent(s).

This research has implications for various actors including national and local government, housing agencies and employee groups as well as the self-employed. Young adults are concentrated in parts of the economy dominated by zero and short-hours contracts and governments should regulate these types of contracts. In addition, uncertainties associated with self-employment need to be recognised since they may have implications for making stable housing and family transitions. New policies need to consider the groups struggling most with housing costs; young single people, especially those without children, who are renting single bedroom properties, particularly in London. Furthermore, policies need to be developed to support pay and skills progression among young adults.

## **KEYWORDS**

Leaving home; economic uncertainty; precarity; parental home; youth labour market

## **EDITORIAL NOTE**

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# ECONOMIC PRECARIOUSNESS AND LIVING IN THE PARENTAL HOME IN THE UK

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# 1 INTRODUCTION

Young people's life trajectories have become more complex, less linear and more protracted over the last four decades (Furlong & Cartmel, 2007). This is the result of a number of changes in the economic structure of the UK and many other western nations, including the collapse of the youth labour market, outsourcing of manufacturing, emergence of service sector-led economies, and flexibilisation (Roberts, 2009; Kalleberg, 2009; Barbieri, 2009). These have manifested in extended school to work transitions, increases in the number of young people who are not in education, employment or training (NEET), and increased economic uncertainty for those who are employed in the labour market. While this is a long standing issue, young people have been particularly affected by the economic downturn resulting from the global financial crisis of 2008 (Barham, 2009; Office for National Statistics, 2014).

Debates about the impact of increased uncertainty associated with transitions undertaken by today's youth continue apace in the field of youth studies. Some commentators focus on the potentially liberating and positive consequences, where freedom of choice coincides with an opportunity to promote experimentation and a self-constructed biography, devoid of the constraints of social class and gender (Arnett, 2004; Patterson et al, 2009). Another view sees youth transitions as remaining shaped by pervasive structural factors, resulting in variation in experiences and destinations e.g. by class and gender (Evans, 2002; Bynner, 2005; Cote & Bynner, 2008). As a way of understanding this more fully, MacDonald (2011) suggests that understanding of the consequences of the current economic downturn requires a broader lens. Consideration needs to be given to young people in the 'missing middle' (Roberts, 2011), who are 'not-NEETs' and 'not-troubled', but who are now also exposed to precarious conditions. Furthermore, more focus on university-to-work transitions, rather than just school-to-work transitions, is required (Macdonald, 2011).

Recent academic, policy-making and media attention has focussed on the types and forms/ degrees of economic precariousness affecting young people, and the

implications for young adults' ability to successfully transit to adulthood (Mills & Blossfeld, 2005). One example of this would be their capacity to make the transition away from the parental home to independent living (Stone et al, 2011; Barham et al, 2009). In comparison to the school-to-work transitions, the transition into independent living has been less intensively studied (Roberts, 2013). Notable exceptions include the collection by Forrest & Yip, (2012), the work of Heath and Calvert (2013) showing the importance of parental economic and material capital in facilitating transitions, and Stone and colleagues' (2014) analyses of young adults 'boomeranging' back into the parental home.

This paper contributes to the literature on both youth employment and housing transitions - and the intersection of both. The aim of the paper is three fold: i) to explore how different aspects of precariousness can be operationalised using quantitative data; ii) to use these indicators to provide estimates of precarity amongst young men and women (aged 18-34); and, iii) to examine how these indicators are related to the likelihood of living in the parental home.

In the following section we identify the key aspects of economic precariousness as outlined in the literature and consider which are most relevant to analysing *young* people's lives. Next, we consider which indicators could be used to identify young adults experiencing issues such as cycles of low pay no pay, horizontal labour market movement, and low skills jobs traps. We then briefly review recent evidence on the increasing proportion of young adults who are living with parents. Data from the United Kingdom Household Longitudinal Study (UKHLS) are then used to identify the proportion of men and women aged 18-34 who might be considered to be in an economically precarious situation during the economic downturn in 2009-10 (Section 3), and secondly how these dimensions of precariousness are associated with one another (Section 4). Finally, in section 5 we explore whether those who are in a precarious position are more likely to be living with at least one biological or step-parent.

## 1.1 MAKING SENSE OF PRECARIOUSNESS

The notion of economic precariousness (or precarity) and its attendant consequences has taken centre stage in international discussion about the future of work (Krestos.

2010), particularly as it pertains to labour market situations of young people (Standing, 2011). 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. A common underlying theme is that we are observing a rising tide of economic precariousness, affecting ever greater proportions of working populations. Based on these studies we have constructed Box 1 which provides a general overview of the structure of economic precariousness. We suggest that there are a wide variety of indicators that can be used to identify types and dimensions of economic precariousness, and avoid the narrow conception of precariousness as only employment insecurity e.g. in relation to employment tenure. We identify three dimensions of precarity: 1) Labour market conditions, 2) Employment relations and 3) Social and Political relations. This broader conceptualization allows for a more comprehensive assessment of contemporary inequalities. In this paper we focus on the first two dimensions of precarity shown in Box 1, examining three types of precariousness: labour insecurity, income security, and employment insecurity and their relationship with co-residing in the parental home.

<b>Dimensions</b>	<b>Types</b>	<b>Indicators</b>
1-Precarious labour market conditions	A-labour insecurity	i-(Un)employed
	B-income insecurity	ii-Occupational class & mobility i-Earnings, wages
2-Precarious employment relation	A-Employment insecurity	i-Part-time contract
		ii-Temporary contract iii-Other: seasonal, shifts, over-time
	B-Skill reproduction insecurity C-Work insecurity	i-Training & development i-Protection against accidents, illness, inferior treatment
3-Precarious social and political relations	A-Representation insecurity	i-Trade union representation
	B-Social insecurity	ii-Right to strike i-Social benefits & social policies ii-Socio-economic situation partner, parents or other relatives

**Box 1:** Dimensions, types, and indicators of economic precariousness

**Note:** Adapted from Kalleberg (2009), Standing (2011), and Wilson & Ebert (2013).

## **1.2 RESEARCHING PRECARITY AND YOUNG WORKING LIVES**

### **1.2.1 LOW PAY – NO PAY CYCLES**

Young people in advanced economies face mounting concerns associated with increases in unemployment and the growth of atypical employment (Quintini & Martin, 2014). Whilst not new, youth unemployment in the UK increased during the economic downturn, reaching a peak of 22% in 2011 (Office for National Statistics, 2014). When in work, young adults are often employed in low skilled occupations and recent academic and policy attention has been given to what Shildrick and colleagues (Shildrick et al, 2010; Shildrick et al, 2012) call the low pay – no pay cycle, defined as repeated movement in and out of (low) paid work. Such work is often characterised by routine tasks with low skill requirement, poor remuneration, demanding working conditions and high staff turnover. Whilst these jobs are experienced by individuals across the life course, (and in particular mothers with child care responsibilities who are restricted in their employment choices in terms of hours and location), they are the kinds of jobs where young people are often located. Experiencing this cycle makes it difficult to escape poverty, as it fails to provide the necessary stepping stones to a better job. In terms of our identifiers in Box 1, the low pay – no pay cycle will be reflected in labour and income insecurity.

### **1.2.2 INCREASED CASUALISATION OF LABOUR**

There has also been widespread focus on the apparent casualisation and increased flexibility of the labour market. Part time employment, casual work and temporary work are often combined together as being symptomatic of the flexible employment practices that dominate today's service economy, but they are not necessarily the same. For example, fulltime work is not the only stable form - part time work is not necessarily undertaken on a temporary contract, and full-time workers often have temporary or fixed term contracts. Nonetheless, the rise of part-time and temporary employment are key indicators of the way in which employers have increased the flexibility of their workforce. In the retail sector, for example, increasing part-time staff numbers is often the most important instrument used by employers to adjust and maintain flexible staffing levels for (often daily) fluctuations in activity.

### 1.2.3 THE NATURE OF TEMPORARY WORK IN THE UK

In comparison with other European countries, the proportion of workers on temporary contracts has tended to be quite low. Reviewing 20 years of British Labour Force Survey data, Coats (2006: 26) declared that “it would be quite wrong to conclude that a tsunami of casualisation is washing across the UK labour market”. Coats’s position complements the work of Fevre (2007) who similarly used survey data to show that the ‘age of insecurity’, while appearing to hold theoretical consensus e.g. through the writings of Beck, Giddens, Bauman, Sennett and others, has little empirical legitimacy. Nonetheless, whilst the overall prevalence of temporary contracts may be quite low in the UK, the prevalence can be much higher among particular population sub-groups, including young adults and those with low levels of education. Conley (Conley, 2008: 733-734) also notes the need to consider gender and wider issues of vulnerability - “the sectors and occupations where temporary work is more likely to be experienced are often gendered, reinforcing the link between labour market segregation and segmentation. In addition to the prevalence of temporary work in the public sector there are indications that temporary work is likely to be an experience of those who are classified as ‘vulnerable workers’”.

On average, temporary workers tend to have lower levels of job satisfaction, receive less training and are less well-paid (Booth et al, 2002). Thus, in terms of our indicators of precarity we might expect them to face increased income insecurity as well as employment insecurity. However, the nature of temporary work, and its association with precariousness, is complex since the reasons for temporary employment differ considerably across countries, between occupational classes and between individuals (Van Lancker, 2012). Some individuals are on temporary or fixed term contracts after having been unable to find permanent work. For others, this status may be associated with an apprenticeship or a probationary period, such as remains the case in Germany and Austria (Eurofound, 2013). Among older workers, some individuals will be employed on temporary contracts in industries that are characterised by demands for short term project work (e.g. creative industries/ IT). Even within particular industries, such as the media, there is variation in terms of whether a fixed term contract can be associated with economic insecurity because of differing levels of remuneration, differing capacities to make the transition to a permanent job (Barbieri, 2009), and differential access to parental social and material

resources that provide an important cushioning role in navigating periods of job inactivity in the interim periods between temporary or fixed term contracts (Eikhof & Warhurst, 2013).

Furthermore, limited attention has been given to the qualitative differences between, on the one hand, work that is temporary and likely to be an arrangement that is not the preference of the employee, and, on the other hand, work that might be described as fixed term contracts, perhaps the elected option for some workers (Cutuli & Guetto, 2013). Such situations can have different outcomes. MacDonald (2009) concurs that work that is labelled as insecure may take on a very different form for those young adults at the bottom of the social hierarchy, with negative issues such as low pay, low skills development, and poor terms and conditions becoming enduring, longer term characteristics, relative to more middle class peers.

#### 1.2.4 HORIZONTAL JOB MOVES

Beyond temporary work, economic precariousness can result from a series of horizontal moves from one employer to the next, but perhaps remaining in the same occupation and perhaps moving from one permanent contract to another. Job changes, rather than involvement in the low pay no pay cycle, can be seen as a normative labour market behaviour at a life stage when job experimentation is acceptable. Alternatively, it can be a response to the limited scope, quality and potential of jobs available to many young people (Roberts, 2011). Workers in such positions may not feel insecure per se in respect of their contract tenure, but the industries in which they are often employed are often susceptible to high levels of staff turnover (Brown et al, 2001; Davidson et al, 2011). Job hopping in this fashion might not be problematic in and of itself, but a lack of development of transferable skills limits young people's scope of movement to horizontal changes only, with limited prospects for progressing up the pay scale or occupational hierarchy. This situation occurs largely within routine and semi routine occupations and will be indicated by lack of social class mobility (Box 1, 2 B).

Further nuance can be observed when considered that even apparently secure, permanent employment does not necessarily obviate precariousness. Recent research on “the forgotten working poor” or “missing middle” by O'Reilly (2008), Roberts

(2011), and Whittaker & Bailey (2012) highlight a number of other indicators related to economic precariousness, such as low income and low skilled work. These additional characteristics can be constitutive of problematic statuses that underscore a more broadly conceived precarious existence (Box 1). Remaining in such work can constitute a low skill jobs trap. Roberts (2013b) suggests this trap might be within a single firm or at single occupational level after movement between firms. It might also be associated with full or part time work, (although these industries often have a disproportionately high part time workforce) and is qualitatively different from temporary work. Where contract tenure is permanent, contrastingly, the opportunities for training and development are limited and/ or where they do exist they are not related to opportunity for progression. For example, much training is related to legal obligations such as health and safety training (and refresher training), which is unlikely to provide the building blocks for occupational development (Devins et al, 2014). Even where industry specific training has been available, its content and subsequent value attached to the qualification by the candidates can be very negatively perceived (Roberts, 2013b). Indicators of this status are difficult to identify with cross sectional quantitative data. For identifying access to training opportunities longitudinal data would be preferable.

We might expect people to progress to greater stability and experience less precariousness as they reach their early 30s. In light of this, we disaggregate the 18-34 year olds in this paper into four distinct groupings (18-21, 22-24, 24-29, 30-34) to observe the distribution of various indicators of precariousness across the young adulthood age range. This is furthermore important in light of recent work by Holmes and Tholen (2013) who demonstrate that the share of workers over 40 in (routine) service jobs has been rising since 1992, perhaps suggesting that at least some people do not progress out of what are widely deemed to be labour market entry positions.

An important issue is the extent to which increased economic precariousness impacts on debates about choice, constraint and normative expectations among young adults. This is exemplified by the possible relationship between indicators of precariousness and the likelihood of remaining living in the parental home. Identifying a strong positive relationship would suggest that constraint acts as a

motivating factor and indicates that precariousness has wider implications from the transition to adulthood.

### **1.3 ECONOMIC UNCERTAINTY AND THE LIVING ARRANGEMENTS OF YOUNG ADULTS**

The impact of increased economic uncertainty on transitions to adulthood has been the topic of much debate extending back prior to the recent economic downturn (e.g. Mills and Blossfeld, 2005). Particularly in continental Europe, economic uncertainty has been seen as an important factor driving a ‘postponement transition’ whereby moving out of the parental home, into marriage and parenthood have been delayed to older ages and transitions have become de-standardized in terms of their timing and sequencing (Billari & Liefbroer, 2010). In the UK, the pattern was slightly different with early transitions to adulthood (e.g. teenage parenthood) remaining more common among those from the poorest socio-economic backgrounds. The UK also stands out from many (particularly Southern and Eastern European) countries in that the transition to residential independence traditionally took place at an early age (Berrington & Murphy, 1994; Billari, 2001). In recent years however, an increasing proportion of young adults remain living with their parents for longer. Whilst predating the economic downturn starting in 2008 (especially among women in their early twenties), the trend for co-residence with parents accelerated in the period 2008 to 2012 (Berrington & Stone, 2014). Unemployment has repeatedly been associated with a higher likelihood of remaining in the parental home from early studies of the 1980s (e.g. Wallace, 1987) through to and including the last decade (e.g. Stone et al, 2011). This said, there is also evidence that some people leave home in search of jobs (Jones, 2002). It is important to note that economic uncertainty is likely to be associated with other indicators of disadvantage (e.g. parental family breakdown, parental housing precarity) and thus some in more precarious work positions are forced to leave home through necessity, rather than choice (Jones, 1995; Crisis, 2012). Note that those sleeping rough, or sofa surfing are unlikely to appear in social surveys and thus we are likely to under-report the percentage of young adults who are living away from home.

## **2 DATA AND METHODS**

### **2.1 THE SAMPLE**

In this paper we examine how the different indicators of economic precariousness are associated with remaining in the parental home at different ages across young adulthood. We use data from the first wave of UKHLS which was conducted at the height of the economic downturn in 2009/10. Subsequent analyses will use the prospective panel data to examine how economic precariousness is associated with *transitions* out of the parental home between one panel wave and the next.

The UKHLS is a large nationally representative survey following up over 30,000 households annually (McFall, 2012). The large sample size allows us to stratify analyses by gender and age group to examine how economic uncertainty changes by gender and across young adulthood. Since relatively few 16-17 year olds are in work (and very few will be working in certain types of occupations e.g. professional and managerial) we focus our analyses on young adults aged 18-34. This also makes sense when examining young adults' living arrangements, given the vast majority of 16-17 year olds remain living with a parent (Berrington et al, 2009). Given that young people's lives develop rapidly over the young adult years we begin by examining the distribution of young men and women according to different indicators of precariousness. We compare results for the age groups 18-21; 22-24; 25-29 and 30-34. In the subsequent sections we examine the intersectionality of these indicators and their relationship with young adults' living arrangements. To ensure more robust analyses, we collapse the four age groups into two large groups: 18-24 and 25-29. All analyses are weighted to account for complex sample design and survey non-response.

### **2.2 MEASURES OF ECONOMIC UNCERTAINTY**

#### **2.2.1 ECONOMIC ACTIVITY**

First, we examine self-reported main economic activity. UKHLS asks respondents "Which of these best describes your current employment situation? Self-employed; Paid employment (ft/pt); Unemployed; Retired ; On maternity leave; Looking after family or home; Full-time student; Long term sick or disabled; On a government training scheme; Unpaid worker in family business; Doing something else". Full-time

students who also work are identified as full-time students. Those who report themselves as ‘retired, long term sick’ or ‘doing something else’, we categorize as economically inactive. For young men, we also include in this group the handful who report that they are ‘looking after family or home’. Among young women however we separate out those who are undertaking family/home care from the rest of those economically inactive<sup>1</sup>.

### 2.2.2 OCCUPATIONAL CLASS

We then investigate the extent to which occupational class is a useful identifier of economic precariousness for young adults. Jobs are classified using the eight-class version of National Statistics Socio-economic Classification (NS-Sec) which aims to measure employment relations and conditions of occupations (Office for National Statistics, 2005). Subsequently, categories are combined to avoid small samples. With regard to economic precariousness we are especially interested in those in routine jobs. Therefore we merged classes 7 (semi-routine) and 8 (routine) together to form the category ‘(semi) routine jobs’. Furthermore, we constructed a category ‘managerial and professional occupations’ by combining classes 1-3 (higher and lower managerial or professional occupations), and mid-level job classes by joining classes 4 and 6 (intermediate occupations, lower supervisory and technical occupations). Class 5, small employers and own account workers, remains a separate class. Moreover, we added a category for those whose job we could not classify, and another category for those not employed or doing something else as their main activity; this latter category includes for example full-time students who might have a (part-time) job.

### 2.2.3 FULL TIME / PART TIME WORK

Subsequent tables explore how job security and part-time working differ by gender and age amongst just those who are employed. Recall that our definition of employed relies on the self-definition of respondents – i.e. it is those who said that their main activity was employed. Thus, full-time students who also work are not included in the tables which focus on the employed sample since their main activity will have been

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<sup>1</sup> Those who report themselves to be an unpaid worker in a family business, or on maternity leave, are included in the employed category. Those who report themselves on a government training scheme are included with the unemployed.

reported as ‘full-time student’<sup>2</sup>. Part-time work is defined as working 30 hours or less a week. This measure is based on total hours, i.e. including both normal and overtime<sup>3</sup>. UKHLS did not obviously allow for cases where workers had no fixed hours and we cannot really tell how those on ‘zero hour contracts’ would respond.

#### 2.2.4 PERMANENT / TEMPORARY CONTRACT

UKHLS asks respondents in employment (employees and self-employed): ‘Leaving aside your own personal intentions and circumstances is your job 1) permanent or 2) is there some way that it is not permanent?’ The latter answer category is used to note those on a temporary contract.

#### 2.2.5 PERSONAL INCOME

Next, we examine the personal income distributions of young adults. Respondents are asked to report wages, self-employed earnings, second job earnings, interest and dividends, pensions, benefits, other income sources such as educational grants, rent from lodgers, and payments from family members living outside the respondents household. Income from these sources is then summed to provide an estimate of overall gross monthly personal income. In cases where some or all of this information is missing, income has been imputed<sup>4</sup> <sup>5</sup>. We examine the distribution of personal income stratified by age and gender. We compute gender- and age-group-specific quartiles of income so that we can see how other indicators of precariousness relate to the income distribution.

### 2.3 LIVING IN THE PARENTAL HOME

The final section of the paper examines relationships between indicators of precariousness and the likelihood of remaining in the parental home in 2009/10. We designate young adults living with at least one natural, step or adoptive parent as

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<sup>2</sup> Thus our results are not directly comparable with some others, e.g. Barham et al (2009), who include all those who do a paid job in their definition of employed, irrespective of whether they are a full-time student or not.

<sup>3</sup> For proxies we only know whether their *normal* working hours are full-time or part-time.

<sup>4</sup> The percentage of respondents who have some aspect of their personal income imputed increases with age from 22% of those aged 18-21 to 32% of those aged 30-34.

<sup>5</sup> It is unclear how benefits provided to a family e.g. child benefit or a tax credit, will be reported by a particular member of that family. This is important for means-tested benefits, where the income of other members of a household affects the entitlement of the respondent to receive a benefit.

living at home. We conduct the analysis separately for the two age groups 18-24 and 25-34. Results are graphed with 95% confidence intervals.

### **3 INDICATORS OF ECONOMIC PRECARIOUSNESS AMONG UK YOUNG ADULTS**

#### **3.1 UNEMPLOYMENT AND NEET**

Table 1 shows the economic activity distribution by gender and age in 2009/10 for the UK. As expected, the proportion of young adults who are full-time students is highest at youngest ages and decreases rapidly with age. In comparison with some other continental European countries, young adults complete formal education at an early age and by age 25 only a small minority remain full-time students. The overall proportion of young adults who are employed rises from just over one third of those aged 18-21 to two thirds for those aged 22-24 to 86% of men and 71% of women in their early thirties. Thus only at the youngest ages are a similar number of young men and young women employed. Unemployment, expressed as a percentage of *the total age group*, is generally higher among young men, than among young women<sup>6</sup>, and peaks for men in their twenties. We can calculate the unemployment *rate* (the number unemployed as a proportion of the economically active population). The unemployment rate peaks among women aged 18-21 (22%) and men in their early twenties (19%). By their early thirties, in 2009/10, 9% of economically active men, and 8% of economically active women were unemployed<sup>7</sup>.

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<sup>6</sup> This is not the case among those aged 18-21 where the overall proportion unemployed is higher for women.

<sup>7</sup> These estimates are consistent with official estimates of unemployment based on the Labour Force Survey.

	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
<b>Employed</b>	38.7	37.4	67.7	62.0	77.4	69.3	86.1	71.3
<b>Unemployed</b>	6.4	10.7	15.5	9.5	13.1	8.1	8.8	5.9
<b>Ec. inactive</b>	3.3	2.1	2.3	2.7	3.3	1.8	3.6	2.5
<b>FT students</b>	51.6	42.7	14.5	13.6	6.2	4.1	1.5	1.9
<b>Family care</b>	0.0	7.1	0.0	12.1	0.0	16.8	0.0	18.4
<b>N (100%)</b>	1447	1662	1096	1252	1826	2455	1964	2494

**Table 1:** Economic activity distribution of all UK young adults 18-34, by gender and age (Percentages).

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

The proportion who are not in education, employment or training (NEET) is higher for women than for men. For men, the age group where the highest percentage is NEET is 22-24 (18%) and among women in their late twenties and early thirties when it is around 27%. Roughly two thirds of female NEETs in their late twenties report themselves as caring for family or home. Thus, if we use unemployment as an indicator of economic uncertainty then young men would appear more precarious than young women. However, if NEET status is taken as an indicator of vulnerability, the higher proportion of women undertaking family care means that a higher proportion of females are classified as vulnerable than are men.

### 3.2 ROUTINE AND SEMI-ROUTINE JOBS

Table 2 shows the overall distribution of occupational class for all young adults whether or not they are currently employed. We can see that a significant proportion do not have a valid occupational class, often because they have not yet had a job. Thus we are missing occupational class for almost two thirds of those aged 18-21. Most of these are full-time students. If we consider only those in employment (Table 3), a significant proportion of young adults are employed in routine and semi-routine jobs which include shop shelf stackers, care workers, bar staff, cleaners and so on. This is particularly the case for employed 18-21 year olds where 50% of men and 59% of women are in (semi) routine jobs. The proportion in this occupational class declines steadily with age, but one in five men and women aged 30-34 continue to work in (semi)routine occupations. Young adults often undergo occupational mobility as they age, which is what we would expect given that many managerial or

professional occupations require experience or additional qualifications. Also noticeable is the increase with age in the proportion employed as small employers and own account workers, particularly for men. One in ten men aged 30-34 were in this category. Recent research has highlighted the recent growth in self-employment in Britain. Whilst for some individuals this represents an entrepreneurial success story, for others low-paid self-employment might be seen as a new form of precarious work “leaving many with little security and few employment rights” (D'Arcy & Gardiner, 2014a:3).

	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
<b>Managerial &amp; prof.</b>	4.3	3.95	19.4	18.3	34.2	30.8	39.6	36.1
<b>Intermed. &amp; lower supvr. &amp; tech.</b>	11.6	10.2	19.7	21.6	17.2	17.1	17.2	14.0
<b>(Semi) routine</b>	19.5	22.2	24.1	18.1	18.0	16.0	17.7	14.8
<b>Small empl. &amp; own account workers</b>	2.1	0.5	0.3	2.3	6.8	3.3	10.3	2.8
<b>Occupational status unknown</b>	1.1	0.5	1.2	1.8	1.1	2.0	1.3	1.6
<b>Not employed</b>	61.3	62.6	32.3	37.9	22.6	30.7	13.9	28.7
<b>N (100%)</b>	1447	1662	1096	1251	1826	2455	1964	2494

**Table 2:** Occupational class distribution of all UK young adults 18-34, by gender and age (Percentages).

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
<b>Managerial &amp; prof.</b>	11.2	10.5	28.6	29.5	44.2	44.5	46.0	50.7
<b>Intermed. &amp; lower supvr. &amp; tech.</b>	29.9	27.4	29.1	34.7	22.3	24.8	20.0	22.4
<b>(Semi) routine</b>	50.4	59.3	35.6	29.2	23.3	23.2	20.6	20.8
<b>Small empl. &amp; own account workers</b>	5.5	1.3	5.0	3.6	8.8	4.8	11.9	3.9
<b>Occupational status unknown</b>	2.9	1.5	1.7	2.9	1.5	2.8	1.5	2.2
<b>N (100%)</b>	486	538	684	705	1375	1544	1651	1630

**Table 3:** Occupational class distribution of employed UK young adults 18-34, by gender and age (Percentages).

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

In sum, these analyses confirm that (semi)routin jobs dominate the working lives of the youngest age groups, even when full-time students are excluded from the analyses. If such jobs are an indicator of economic precariousness, then one third of young adults in their early twenties, and one in five of those in their early thirties are in precarious occupations. Interestingly the figures are very similar for men and

women, although it should be noted that men and women are differentially distributed across low level occupations within particular industries.

### 3.3 JOB SECURITY

Next we focus on the type of contract held by young adults in work. Table 4 shows that, in the youngest age group (18-21), around 16% of males and females in employment have a temporary contract. This percentage drops to around one in eight of those aged 22-24 and just 7% of those aged 25-34. These findings are consistent with earlier reports suggesting that, compared with other European countries, the prevalence of temporary jobs is relatively low in the UK (Barbieri. 2009; Van Lancker. 2012; Eurofound. 2013). Our findings suggest that if we rigidly defined precariousness as having a temporary contract then precariousness would be similar for males and females and would be concentrated amongst the youngest age groups.

	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
<b>Permanent</b>	81.3	83.8	86.4	86.7	92.1	90.2	92.4	91.7
<b>Temporary</b>	16.7	15.4	12.7	11.3	7.2	7.6	6.8	6.5
<b>Contract duration unknown</b>	2.0	0.8	0.9	2.0	0.6	2.2	0.8	1.8
<b>N (100%)</b>	486	538	684	705	1375	1544	1651	1630

**Table 4:** Contract duration distribution of employed UK young adults 18-34, by gender and age (percentages).

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

### 3.4 PART TIME WORK

Table 5 is also based on those who report being employed as their main activity. Individuals are coded according to the number of hours worked in the previous week. Those working more than 30 hours a week are coded as full time, those working 30 hours or less as part-time. A small minority of respondents did not provide hours worked. Among men, part-time working is most common for the youngest age group (22% of those aged 18-21), and declines rapidly with age such that only 6% of those in their late twenties and early thirties are working part-time. At all ages women are more likely to be working part-time. A somewhat different age-pattern is seen for women than men whereby part-time work is most common amongst the youngest and oldest groups (one third of those aged 18-21 and one third of those in their early thirties are part-time).

	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
Full time	74.8	66.3	82.7	76.3	92.3	71.2	91.0	64.0
Part time	21.6	32.0	13.9	21.2	5.5	25.8	5.9	33.9
Employment status unknown	3.6	1.7	3.4	2.5	2.2	3.0	3.1	2.1
N (100%)	486	538	684	705	1375	1544	1651	1630

**Table 5:** Employment status distribution of employed UK young adults 18-34, by gender and age (percentages).

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

The increase in part-time working for women at older ages is associated with being the primary carer of young children. Thus for women, if not for men, it is too simplistic to equate part-time work with economic precariousness. Ideally, we would also want to consider whether part-time status is voluntary or involuntary.

### 3.5 PERSONAL INCOME

Table 6 shows the values of the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> quartile of gross personal income within each age group. All young adults, irrespective of whether they have a job are included in this analysis. Overall we see that income increases with age and is higher for males than for females at older ages. Levels of income inequality are large especially at the youngest ages when many young adults may have practically no income (and some will be in debt). But even among those in their late twenties and early thirties men and women on the 75<sup>th</sup> percentile receive around two and a half times the income of those on the 25<sup>th</sup> percentile.

In the youngest age group (18-21) the lowest quartile has very low absolute income. To understand how this occurs we undertook further analyses of the characteristics of individuals falling in this group, and considered the UKHLS questionnaire wording. Further inspection of the data reveals that full-time students and the unemployed are over-represented in this group. The UKHLS does not include student loans as income and only financial transfers from family members living in a different household are counted as income. Thus, for many 18-21 year olds living in the parental home, parental support e.g. for spending on clothes, travel etc. will not be

recorded<sup>8</sup>. Not all of those who are unemployed will receive welfare benefits such as Job Seekers Allowance, since many of these are means-tested. Furthermore, if the young person is living with a partner (and they are not responsible for a child) their eligibility will depend upon their partner's income.

We conclude that for those in their teens and early twenties, personal income as measured by the UKHLS, may not be a particularly good indicator of economic precariousness since many young adults (and more often those from advantaged socio-economic backgrounds) are still in full time education, and will be receiving student loans and support, e.g. from family members, which are not recorded in the UKHLS survey.

Quartiles	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
25%	30	150	391	542	867	763	1148	750
50%	295	460	1040	1040	1517	1300	1880	1380
75%	818	900	1600	1450	2250	1862	2817	2179
N	1447	1662	1096	1252	1826	2455	1964	2494

**Table 6:** Quartiles of gross monthly personal income (in pounds), all UK young adults 18-34, by gender and age.

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

If we restrict our interest to those in employment (Table 7) we see that the income distribution is shifted upwards. Large inequalities remain, albeit reduced slightly. Among those in their late twenties and early thirties the 75<sup>th</sup> percentile receive twice as much income as compared the 25<sup>th</sup> percentile. Men continue to have higher monthly income than women. If we compare Tables 6 and 7 we see that median income among those employed is not too dissimilar to median income for all 30-34 year olds. This is because most men and women of this age are in employment (86% men and 71% women). At younger ages the incomes of employed males and females far outstrip those who are students, the unemployed and inactive.

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<sup>8</sup> Students living with their parents may well receive parental support e.g. food and lodging. Any 'within household transfers' of resources e.g. parents giving young adults 'pocket money' or money for clothes is not recorded in UKHLS.

Quartiles	18-21		22-24		25-29		30-34	
	Men	Women	Men	Women	Men	Women	Men	Women
25%	650	525	997	940	1300	1093	1443	1110
50%	1010	867	1330	1245	1800	1517	2100	1699
75%	1292	1161	1841	1696	2500	2078	3002	2500
N	486	538	684	705	1375	1544	1651	1630

**Table 7:** Quartiles of gross monthly personal income (in pounds), employed UK young adults 18-34, by gender and age.

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

### 3.6 SUMMARY – HOW PREVALENT IS ECONOMIC PRECARIOUSNESS AMONG UK YOUNG ADULTS?

Using data collected at the height of the economic downturn in 2009 and 2010 we have quantified economic precariousness among UK young adults using a number of alternative indicators. If we are interested in labour market precariousness then the likelihood of being unemployed is a key measure, although as we have discussed, calculating unemployment rates for young adults and making comparisons over time is affected by the proportion of an age group who are still in education.

Levels of in-work precariousness are highest if being in a routine or semi-routine job are considered as a valid measure of precarity. But the interpretation of this indicator is complex because for some young adults such routine jobs represent being stuck in low paid, insecure work. But this might not be the case for all – often such jobs act as stepping stones to more secure, better paid work. Nonetheless, even among those in their early thirties (when issues relating to emergent adulthood should have passed and young adults will be more settled in their occupational class) one in five young adults is working in a (semi) routine job with the likely attendant low pay, lack of training and career opportunities.

The findings suggest that employment insecurity among UK youth is more prevalent if it is defined as being in part-time work than if it is defined as being on a temporary contract. However, for men, both types of atypical working are concentrated in the youngest ages – by age 25 fewer than one in ten men are either working part time or on a fixed term contract. For women, part time working is far more common, in part as a response to childcare responsibilities. It is thus difficult to

interpret part time working as an indicator of precarity for women since not all would wish to increase their hours of work. Nonetheless, the lower level of earned income resulting from reduced hours can potentially mean that women are in a precarious position, especially if they experience partnership dissolution and no longer have the support of a partner's earned income.

Our findings suggest that personal income may not be a useful indicator of economic precariousness for young adults. First, at younger ages a high proportion are in full-time education and often do not earn any income. Secondly, many young adults will be living with parents or other relatives and receive benefits in kind. Financial and in kind transfers between individuals living within the same household are not recorded in the UKHLS. Thus without considering *household* income we could erroneously come to the conclusion that a degree-educated young adult who is living with their parents and, for example, working for free as an intern, is economically precarious, when in fact they are being fully supported e.g. in terms of housing, travel to work, and clothing costs by their parents. Finally, for young adults who are living with a partner it is not clear how respondents would report benefits that are awarded jointly e.g. couple Job Seekers Allowance, or Child Benefit – many of these benefits are only paid to one member of the couple – does this mean that the other partner will not report them as income?

In the next section we investigate the extent to which indicators of income, labour and employment insecurity overlap, or whether they measure different dimensions of economic uncertainty.

## **4 INTER-RELATIONSHIPS BETWEEN INDICATORS OF PRECARIOUSNESS**

### **4.1 WHAT IS THE RELATIONSHIP BETWEEN INCOME INSECURITY AND LABOUR AND EMPLOYMENT INSECURITY?**

In this section we address the following questions: To what extent is low income related to not being in employment? Among employed young adults how does the income profile differ according to occupational class, hours worked and contract

duration? Table 8 presents the distribution of young adults across the personal income quartiles according to their current economic activity. Recall that the income quartiles are calculated for the two age groups separately. If there was no association between economic activity and income then we would see 25% of the sample in each cell. Clearly this is not the case.

Economic activity	Age group	Highest quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	Lowest quartile	N (100%)
<b>Males</b>						
Employed	18-24	43.8	39.3	14.1	2.9	1170
	25-34	30.4	30.1	27.3	12.2	3026
Economic inactive	18-24	3.3	16.6	37.1	43.0	65
	25-34	2.0	1.9	20.8	75.3	133
Unemployed	18-24	1.9	9.5	49.6	39.1	433
	25-34	0.1	1.4	9.2	88.8	441
Full-time student	18-24	4.8	10.5	29.8	54.9	875
	25-34	2.4	4.0	17.4	76.2	190
<b>Females</b>						
Employed	18-24	41.6	33.9	20.5	4.0	1243
	25-34	33.3	29.9	24.5	12.3	3174
Economic inactive	18-24	23.6	21.2	24.5	40.6	73
	25-34	4.5	20.8	29.4	45.4	112
Unemployed	18-24	8.4	19.0	22.3	50.3	327
	25-34	3.4	15.9	26.1	54.5	383
Full-time student	18-24	5.0	10.5	32.3	52.2	958
	25-34	6.2	12.8	24.5	56.6	177
Family care	18-24	22.8	33.7	28.1	15.4	313
	25-34	4.6	12.9	26.3	56.2	1103

**Table 8:** Personal income distribution by economic activity status. UK males and females aged 18-34.

**Notes:** These income quartiles are for the whole sample (both employed and not employed).

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

For men, especially, there is a very strong relationship between being a full-time student, unemployed or economically inactive and being in the two lowest income quartiles. For example, 89% of unemployed men aged 25-29 were in the lowest quartile of income for that age group. The flip side of this is that very few men who are unemployed, economically inactive or in full-time education are in the top income quartile. For women, the same pattern occurs whereby it is those who are employed who are far more likely to be in the highest income quartile, whereas those not in paid work are more likely to be in the lowest income quartile. However, compared to men, the relationship is less extreme. For example, around one in five

unemployed and one in four economically inactive women report above median income (as compared to 4% and 1% of economically inactive and unemployed men).

We conclude that for young adults there is a significant divide in income between the employed and the non-employed. The high degree of co-linearity between unemployment and income level suggests that it may be better to focus on those in work when, for example, exploring the relationship between personal income and leaving the parental home in an analytical model. We continue this section focusing only on young adults in employment.

Table 9 presents the income distribution for employed young adults according to their occupational status. The patterns are similar for both genders. For young men, the majority (about 70% in both age groups) of those working in managerial or professional occupations have an income level in one of the two highest quartiles. In contrast, about two thirds of men aged 18-24 and around 77% of men aged 25-34 in (semi)routine occupations have an income level in one of the lowest two quartiles. This confirms our expectations concerning the greater income insecurity of those in (semi)routine jobs. Also notice the bi-modal income distribution of self-employed men and women who tend to either have a relatively high income, or a relatively low income. The fact that over one half of small employers and own account workers aged 25-34 are in the lowest quartile chimes with recent concerns that for many self-employment is a new form of precarity (D'Arcy & Gardiner, (2014a).

Occupational class	Age group	Highest quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	Lowest quartile	N (100%)
<b>Males</b>						
Managerial & prof.	18-24	45.2	25.2	15.0	14.6	250
	25-34	39.2	31.1	19.1	10.7	1332
Intermed. & lower superv. & tech.	18-24	30.8	30.3	25.1	13.8	322
	25-34	17.8	27.6	33.1	21.4	616
(Semi) routine	18-24	11.5	20.8	32.7	35.0	506
	25-34	6.7	15.2	34.9	43.2	702
Small empl. & own account workers	18-24	25.2	22.7	20.7	31.4	58
	25-34	15.8	13.5	17.4	53.3	310
<b>Females</b>						
Managerial & prof.	18-24	55.7	25.6	11.8	6.9	261
	25-34	41.7	32.2	17.1	9.0	1460
Intermed. & lower superv. & tech.	18-24	23.5	32.3	24.5	19.7	386
	25-34	13.3	24.5	33.1	29.1	766
(Semi) routine	18-24	10.4	21.3	33.1	35.2	536
	25-34	5.1	15.2	35.2	44.5	727
Small empl. & own account workers	18-24	29.9	7.0	13.5	48.6	24
	25-34	18.2	8.1	17.0	56.7	131

**Table 9:** Income distribution by occupational class. UK males and females aged 18-34 in employment.

**Notes:** These income quartiles are based only on the employed sample. Source: UKHLS 2009/10. Weighted percentages and unweighted sample size.

Table 10 shows the relationship between income insecurity and part-time working - personal income levels are significantly lower among young adults working part-time as compared to those working full time. This is particularly the case for young men - for example over three quarters of men aged 18-24 working part-time are in the lowest income quartile as compared to 13% of men working full time. Recall that this analysis does not include full time students, suggesting that for many young part-time workers, short hours may well be involuntary. These individuals will face income insecurity unless they have other means of financial support e.g. from parents.

Employment status	Age group	Highest quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	Lowest quartile	N (100%)
<b>Males</b>						
Full time	18-24	29.5	28.8	28.6	13.1	880
	25-34	26.3	26.1	26.3	21.2	2700
Part time	18-24	4.0	6.2	13.7	76.1	244
	25-34	5.5	10.2	14.5	69.8	227
<b>Females</b>						
Full time	18-24	30.6	29.8	27.3	12.3	863
	25-34	33.4	29.5	25.8	11.3	2114
Part time	18-24	10.3	12.8	19.5	57.4	347
	25-34	7.4	16.2	23.9	52.5	974

**Table 10:** Personal income distribution by employment status. UK males and females aged 18-34 in employment.

**Notes:** These income quartiles are based only on the employed sample. Source: UKHLS 2009/10. Weighted percentages and unweighted sample size.

Table 11 presents the income distribution of employed young men and women according to their contract duration. Those in permanent employment are fairly evenly distributed through the income quartiles. However, men and women in temporary work are more often to be found in the lowest income quartile. For example, almost half of men aged 18-24 working on a temporary contract are in the lowest income quartile for that age group, as compared to just one in five men on permanent contract.

Contract duration	Age group	Highest quartile	2 <sup>nd</sup> quartile	3 <sup>rd</sup> quartile	Lowest quartile	N (100%)
<b>Males</b>						
Permanent	18-24	27.6	26.1	26.2	20.1	966
	25-34	25.6	25.7	25.5	23.2	2762
Temporary	18-24	11.5	17.4	23.8	47.3	183
	25-34	19.4	15.1	23.1	42.4	225
<b>Females</b>						
Permanent	18-24	26.4	26.2	25.0	22.4	1062
	25-34	25.9	25.8	25.3	23.0	2876
Temporary	18-24	18.4	18.9	25.1	37.6	159
	25-34	21.2	21.6	22.5	35.9	230

**Table 11:** Personal income distribution by contract duration. UK males and females aged 18-34 in employment.

**Notes:** These income quartiles are based only on the employed sample. Source: UKHLS 2009/10. Weighted percentages and unweighted sample size.

Comparison of the findings from Tables 9, 10 and 11 suggest that income differs more according to whether the young adult is working full or part time, than between occupational classes, or between those who are on a permanent or temporary contract. Of course, in reality these indicators of precariousness are likely to intersect. It is important to understand the extent to which say, part-time work, or temporary work is concentrated in particular types of occupations, and this is explored in the next section.

#### **4.2 WHAT IS THE RELATIONSHIP BETWEEN LABOUR MARKET INSECURITY AND EMPLOYMENT INSECURITY?**

In this section we ask whether young adults working in semi-routine and routine jobs are more likely to be on a temporary contract, or to be working part-time. We also examine whether those on temporary contracts are more likely to be working part-time. We remind the reader that these analyses only include young adults whose main activity is employment and hence we exclude full-time students (whose experience of part-time working and temporary work will be qualitatively different from those not in education).

It seems that it is only among the younger age group (18-24) that the likelihood of being on a temporary contract differs significantly by occupational class, with temporary contracts being far more common among men and women in (semi)routine jobs (Table 12). For example, among men aged 18-24, 18% of those in (semi)routine jobs were on temporary contracts compared to 10% of those in managerial and professional occupations and 12% of those in intermediate, lower supervisory and technical jobs. By age 25-34, the overall proportion on a temporary contract has dropped to just 7% of men and women and this percentage is roughly similar within the occupational groups<sup>9</sup>.

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<sup>9</sup> Although, the percentage of men aged 25-34 who are small employers or own account workers on temporary contracts is quite high at around one in five.

Occupational class	Age group	Males		Females	
		% temporary	N	% temporary	N
Managerial & prof.	18-24	10.2	250	10.7	261
	25-34	5.0	1332	7.6	1460
Intermed. & lower superv. & tech.	18-24	11.5	322	12.7	386
	25-34	5.7	616	6.3	766
(Semi) routine	18-24	18.3	506	14.6	536
	25-34	6.6	702	7.5	727
Small empl. & own account workers	18-24	18.9	58	22.3	24
	25-34	19.8	310	7.6	131
Total	18-24	14.3	1170	13.1	1243
	25-34	7.0	3026	7.1	3174

**Table 12:** Percentage of employed UK young adults 18-34 who have a temporary contract, by gender, age and occupational classes.

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

Table 13 suggests that part-time work among young men is concentrated among those in (semi)routine jobs – thus almost one in three men aged 18-34 in a (semi)routine job is working less than 30 hours a week. Among women part time work is generally more common than for men, but is found less often among young women working in managerial and professional occupations in comparison to lower status occupations. Indeed over half of women aged 25-34 who work in (semi)routine occupations are working part time.

Occupational class	Age group	Males		Females	
		% Part-time	N	% Part-time	N
Managerial & prof.	18-24	9.7	250	9.0	261
	25-34	3.2	1332	16.4	1460
Intermed. & lower superv. & tech.	18-24	5.1	322	18.7	386
	25-34	4.9	616	34.7	766
(Semi) routine	18-24	30.5	506	40.8	536
	25-34	9.9	702	53.3	727
Small empl. & own account workers	18-24	11.4	58	30.3	24
	25-34	9.8	310	46.5	131
Total	18-24	17.0	1170	25.9	1243
	25-34	5.3	3026	29.8	3174

**Table 13:** Percentage of employed UK young adults 18-34 who are working part-time, by gender, age and occupational class.

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

Finally, we find a significant association between working part-time and being on a temporary contract, for both men and women and across both age groups. For example, 38% of 18-24 year old men in temporary work are working less than 30 hours a week, in comparison to just 14% of similar aged men who have permanent contracts. Of course, part-time working is more common for women than for men in their late twenties and early thirties, but women on permanent contracts are far less likely to work part time (29%) than those on temporary contracts (43%).

Contract duration	Age group	Males		Females	
		% Part-time	N	% Part-time	N
Permanent	18-24	13.7	966	24.6	1062
	25-34	5.0	2762	29.3	2876
Temporary	18-24	38.2	183	37.6	159
	25-34	16.0	225	42.9	230
Total	18-24	17.0	1170	25.9	1243
	25-34	5.3	3026	29.8	3174

**Table 14:** Percentage of employed UK young adults 18-34 who work part time, by gender, age and contract duration.

**Source:** UKHLS 2009/10. Weighted percentages and unweighted sample size.

#### 4.3 SUMMARY – HOW DO THE INDICATORS OF PRECARIETY INTERRELATE?

The findings remind us that indicators of labour market insecurity (e.g. occupation), employment insecurity (e.g. temporary contracts and part time working) and income insecurity are related. Hence young adults often are faced with multiple dimensions of economic precarity. Part-time workers tend to have lower personal incomes, especially for men, and part time work is associated with being on a temporary contract and being in semi-routine or routine job. Unfortunately the UKHLS did not ask respondents working short hours if they would like to work longer hours, but these data suggest that short hours working is likely to be associated with economic precariousness. These findings for young people echo those of recent research focusing on low pay across the working ages (Corlett & Whittaker, 2014).

## **5 ECONOMIC PRECARIOUSNESS AND LIVING IN THE PARENTAL HOME**

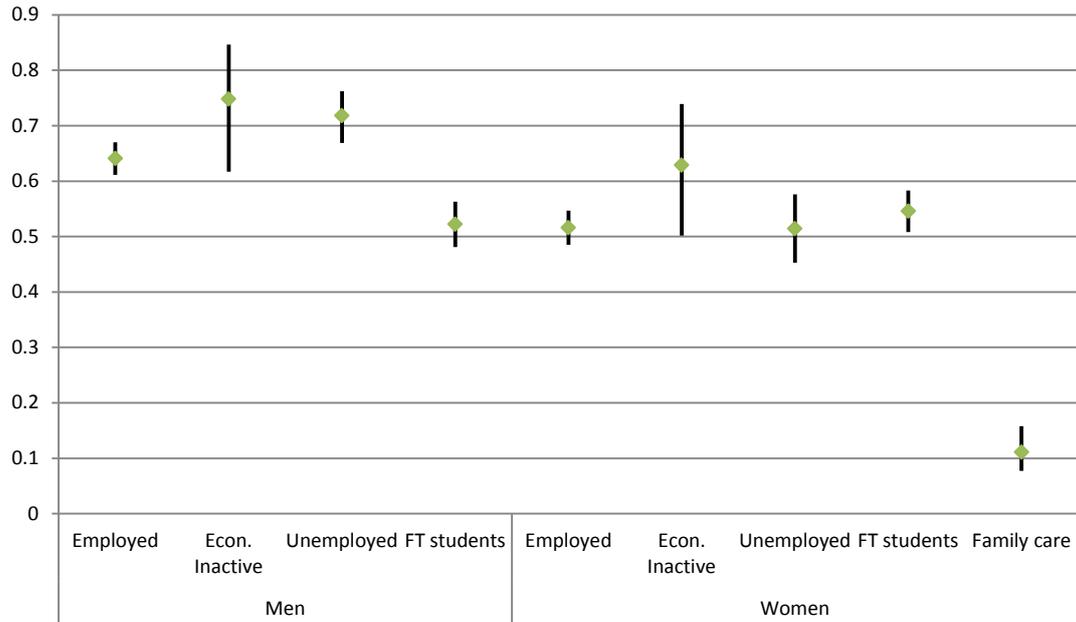
This section examines which indicators of precariousness are most associated with remaining in the parental home. Since the predictors of leaving home differ according to gender and age (Stone et al, 2011) we undertake separate analyses for males and females and for those aged 18-24 and aged 25-34.

### **5.1 ECONOMIC UNCERTAINTY AND LIVING WITH PARENTS AT AGES 18-24**

A higher proportion (59%) of men aged 18-24 are seen to live with their parent(s) in 2009/10 as compared with women (49%). Figures 1 to 5 examine how the proportion living at home differs by the respondent's economic activity, occupational class, hours worked, permanency of employment contract and personal income quartile.

Figure 1 shows how the proportion living with a parent relates to economic activity. Among men aged 18-24, full time students are less likely to live with their parent(s) compared to all other categories of economic activity. Furthermore, employed men are less likely to live with their parent(s) (64%) than unemployed men (72%). Although the proportion of economically inactive men living with their parent(s) is the highest of all, they show a large confidence interval due to the small number men in this category (n=65). Among women aged 18-24 those who are undertaking family care are much less likely to live with their parent(s) when compared with the other economic categories. Many of these women will have left home and formed their own families. Among women who are economically active no difference is seen in the likelihood of remaining living with parents among the employed compared to the unemployed (51% in both groups).

In Figures 2-4 we focus only on economically active young adults, removing full time students, those undertaking family care and other economically inactive young adults from the analyses. Figure 2 shows a negative occupational class gradient in the proportion living with a parent. Young men and women working in professional and managerial occupations are significantly less likely to be living in the parental home as compared to those in intermediate or (semi)routin occupations.



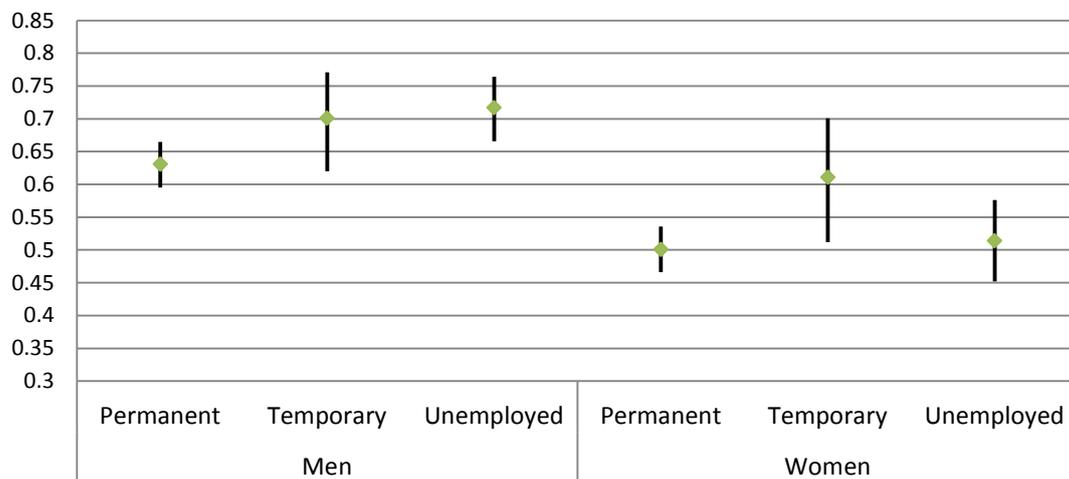
**Figure 1:** Proportion (and 95%CI) living with parent(s) according to economic activity. Men and women aged 18-24, UK, 2009/10

**Notes:** Economically inactive including full time students and those undertaking family care are excluded from the analysis.



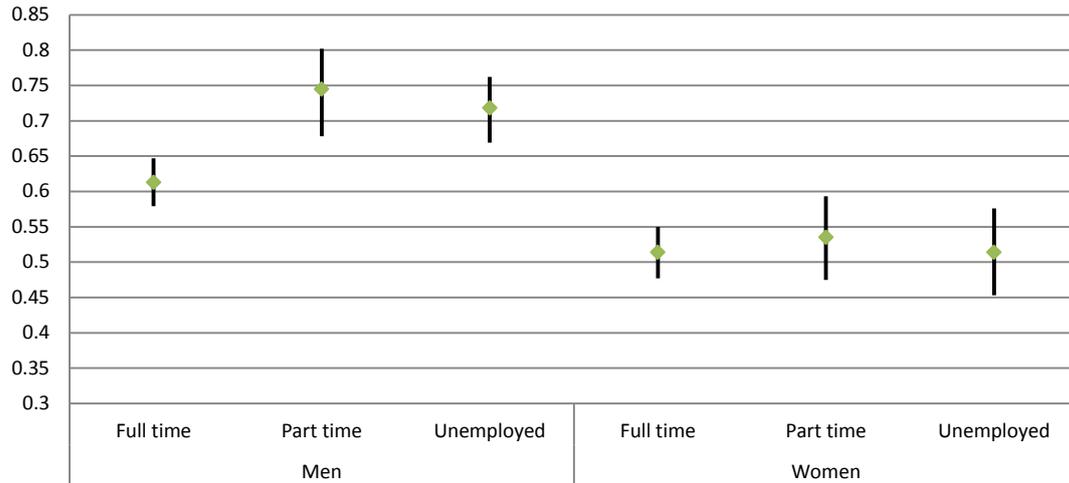
**Figure 2:** Proportion (and 95%CI) living with parent(s) according to occupational class. Men and women aged 18-24, UK, 2009/10

Figures 3 and 4 examine the proportions living with their parent(s) according to employment insecurity. The proportion living with their parent(s) is significantly lower among young men who have a permanent contract than those who are unemployed (Figure 4), 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 full-time work are significantly less likely to be living with their parent(s) than those who have a part-time job or are unemployed (Figure 4). No differences according to hours worked are found for women.



**Figure 3:** Proportion (and 95%CI) living with parent(s) according to contract duration. Men and women aged 18-24, UK, 2009/1

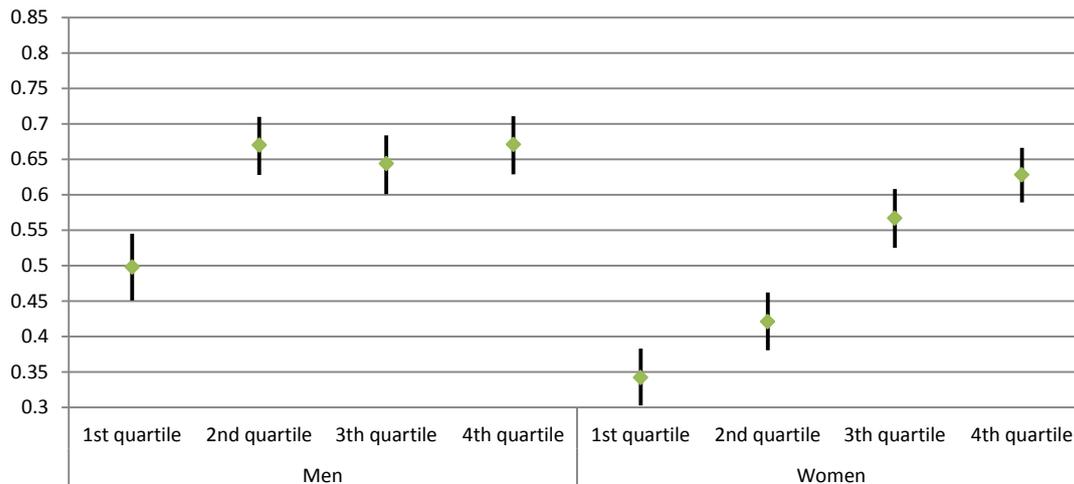
**Notes:** Economically inactive including full time students and those undertaking family care are excluded from the analysis.



**Figure 4:** Proportion (and 95%CI) living with parent(s) according to hours worked. Men and women aged 18-24, UK, 2009/10

**Notes:** Economically inactive including full time students and those undertaking family care are excluded from the analysis.

Figure 5 examines the relationship between personal income and living arrangement for all young adults aged 18-24. For young men, those in the highest income quartile are significantly less likely to be living with their parent(s) as compared to the other quartiles, among whom the proportion living with their parent(s) 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 parent(s) than those in the two lowest income quartiles. Furthermore, women in the third income quartile are also less likely to live with their parent(s) than those in the lowest income quartiles.



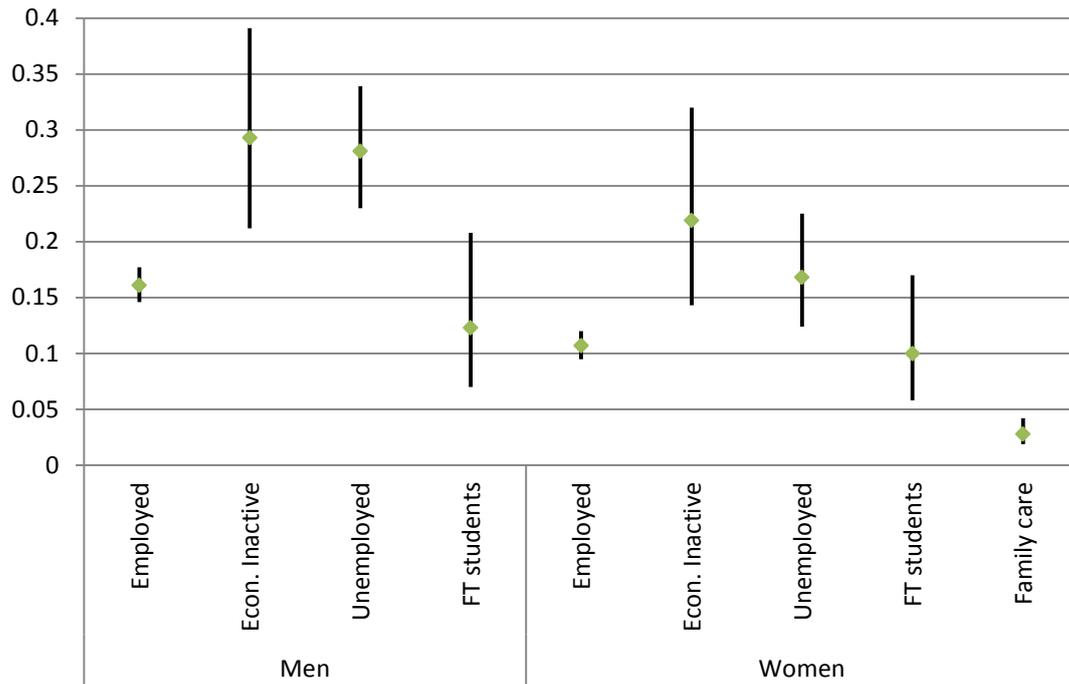
**Figure 5:** Proportion (and 95%CI) living with parent(s) according to total personal income. Men and women aged 18-24, UK, 2009/10

## 5.2 ECONOMIC UNCERTAINTY AND LIVING WITH PARENTS AT AGES 25-34

The likelihood of remaining living with at least one parent declines steady with age such that 18% of men in their late twenties and early thirties are living with a parent as compared with 10% of women. Figures 6-11 examine how the proportion of men and women aged 25-34 living at home differs by economic activity, occupational class, hours worked, permanency of employment contract and personal income quartile.

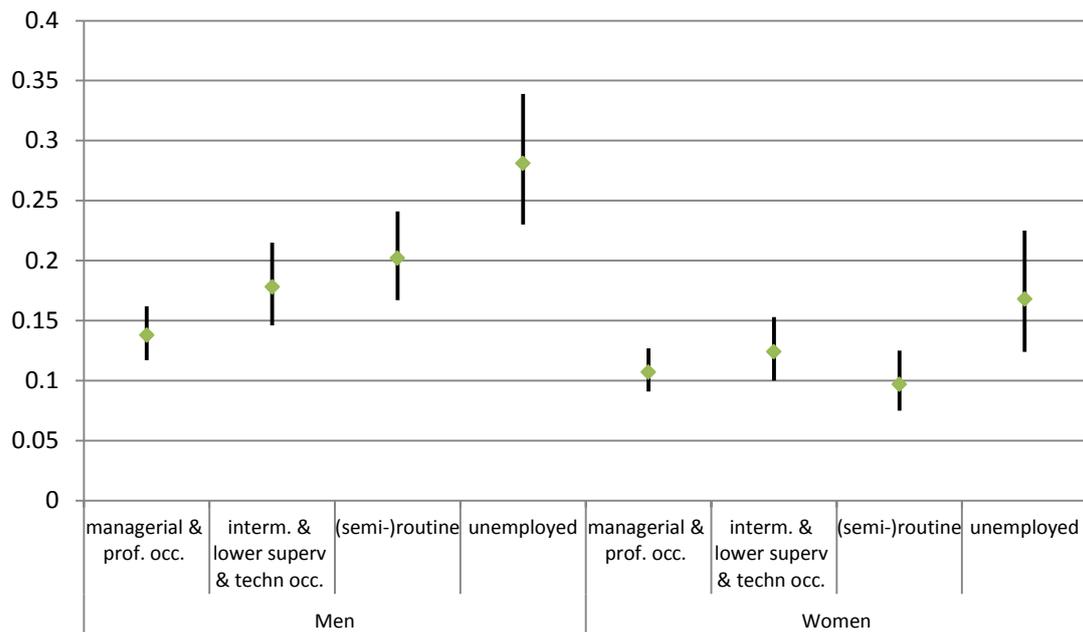
Employed men are less likely to live with their parent(s) compared with those who are unemployed or economic inactive (Figure 6). Full time students are also unlikely to be living with their parents, although their absolute number is small resulting in the large confidence interval<sup>10</sup>. Among women aged 25-34 those in employment are less likely to be living in the parental home (11%) as compared to the unemployed (17%). As seen for the younger age group, women caring for family are least likely to live with their parent(s).

<sup>10</sup> Among the respondents aged 25-34, 190 men are full-time students and 177 women are full-time students.



**Figure 6:** Proportion (and 95%CI) living with parent(s) according to economic activity. Men and women aged 25-34, UK, 2009/10

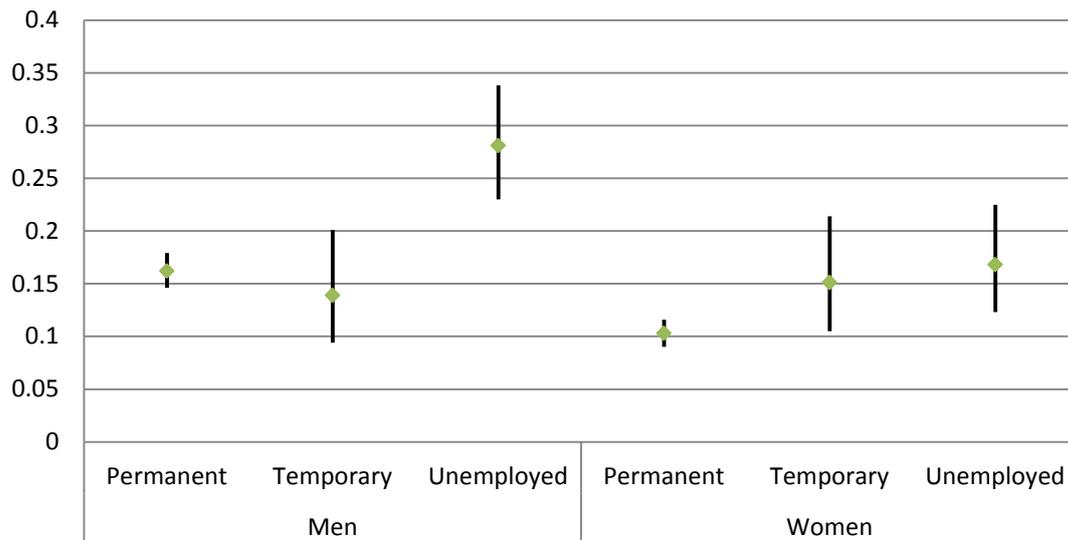
The proportion of men aged 25-34 in (semi)routin occupations and living with their parent(s) does not differ significantly from those in mid-level job classes (i.e. intermediate occupations, lower supervisory and technical occupations), but is significantly higher than those with jobs in the highest occupational classes (i.e. higher and lower managerial or professional occupations) (Figure 7). The proportion of men in (semi)routin jobs living with their parent(s) is, however, lower than that among unemployed men (significant only at 10% level). Among women the proportion living with their parent(s) does not differ that much according to occupation, although the proportions living at home are higher among the unemployed.



**Figure 7:** Proportion (and 95%CI) living with parent(s) according to occupational class. Men and women aged 25-34, UK, 2009/10

**Notes:** Economically inactive including full time students and those undertaking family care are excluded from the analysis.

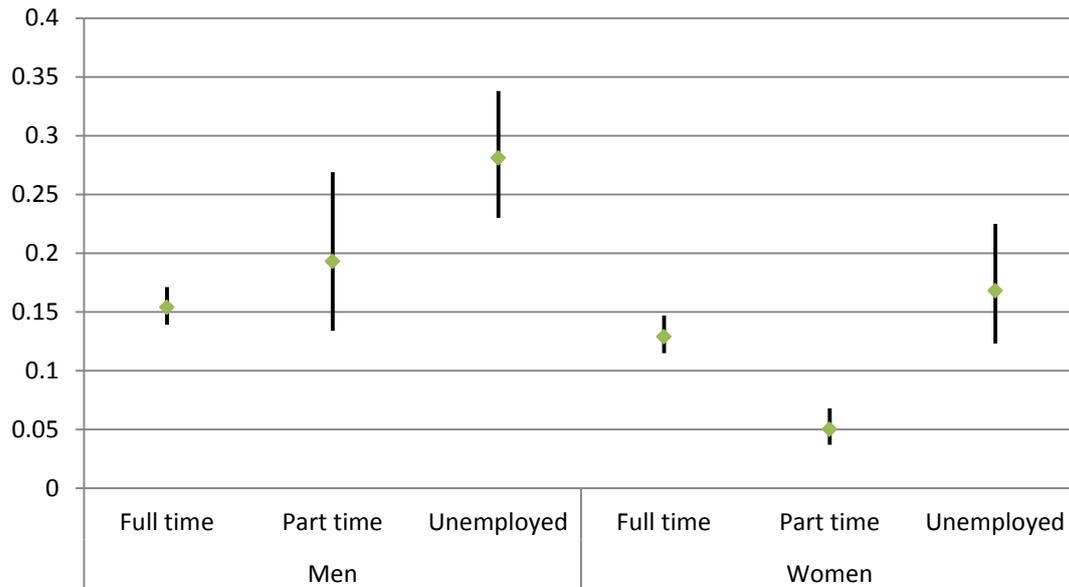
For men in their late twenties and early thirties no significant differences are seen for those on temporary contracts versus permanent contracts (Figure 8). Women on temporary contracts are more likely to be living with their parents, however.



**Figure 8:** Proportion (and 95%CI) living with parent(s) according to contract duration. Men and women aged 25-34, UK, 2009/10

**Notes:** Economically inactive including full time students and those undertaking family care are excluded from the analysis.

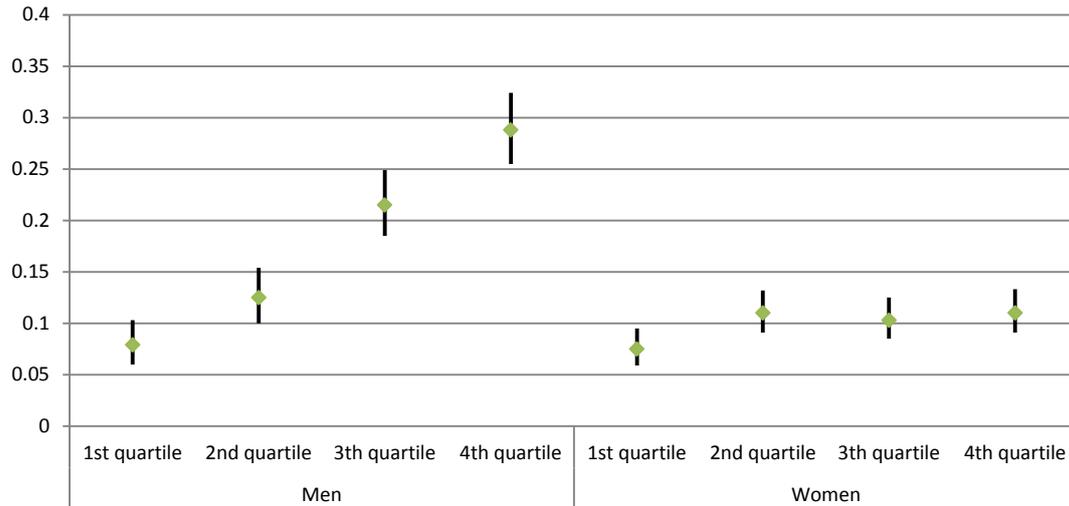
The percentage living in the parental home is higher (19%) for men who are working part-time than for those working full time (15%), but the difference is not statistically significant. Women working part-time are significantly less likely to be living with their parent(s) (5%) than full time workers (13%) (Figure 9). A large share of woman aged 25-34 with a part-time contract are likely to be looking after children and hence will have formed a new household of their own.



**Figure 9:** Proportion (and 95%CI) living with parent(s) according to hours worked. Men and women aged 25-34, UK, 2009/10

**Notes:** Economically inactive including full time students and those undertaking family care are excluded from the analysis.

There is a clear negative gradient in the proportion living with their parent(s) when considering personal income (Figure 10). For men aged 25-34 only 8% of men in the highest income quartile are living with a parent compared to 29% of those in the lowest income quartile. In contrast, among women in their late twenties and early thirties differences according to personal income are far smaller. Those in the highest income quartile are less likely to be living in the parental home (around 8%) but the percentage for the remaining quartiles is also low at around 10%.



**Figure 10:** Proportion (and 95%CI) living with parent(s) according to total personal income. Men and women aged 25-34, UK, 2009/10

### 5.3 SUMMARY

All of the measures of economic uncertainty are associated to some extent with an increased propensity to remain living in the parental home. The association is stronger for men than for women. Among youth aged 18-24 both those who are unemployed and those in work, but in (semi)routine jobs or on temporary contracts, are more likely to remain at home. By age 25 however, there is a clear distinction between those in work and those out of work, with smaller differences among those in paid work according to occupation or contract duration. This said, among older men there is a strong linear relationship between personal income and the likelihood of remaining in the parental home. Among older women aged 25-34 only around one in ten remain living in the parental home and there are fewer differences according to occupation, but the unemployed are over-represented in this group. Income differences for women were greater at ages 18-24 which possibly reflects the fact that this earlier age is the peak age for leaving home among young women.

## 6 CONCLUSIONS

### 6.1 WHAT THIS PAPER ADDS

Unlike many previous empirical studies of atypical working patterns and increased economic uncertainty within the overall UK labour force (e.g. Fevre. 2007; D’Arcy &

Gardiner. 2014a; Devins et al. 2014), this paper has conceptualised and estimated economic precariousness among young adults aged between 18 and 34, that is to say, the ages at which many of the transitions to adulthood, e.g. leaving the parental home, establishing co-residential partnership and entering parenthood are achieved. By explicitly considering differences by gender and by age group, we move beyond aggregate measures to examine where levels of precariousness are most concentrated, according to which type of measure. Our findings support Tweedie (2013), who defends the age of insecurity proponents, especially Richard Sennett. Tweedie explains that the approaches taken by these writers enable us to move beyond aggregate measures of insecurity towards understanding the experience of insecurity and its deleterious consequences when it fails to provide “a stable foundation that allows [people] to understand her efforts as part of a meaningful ongoing project” (Tweedie. 2013:101).

It is generally assumed by policy makers and the media that, given the UK context of high private housing costs, lack of social housing and welfare retrenchment, economic precarity is increasingly associated with the continued co-residence of young adults with at least one parent (See Berrington and Stone (2014) for detailed discussion). Using data collected in 2009-10 at the height of the recent economic downturn, this paper provides new insights as to whether economic precarity is associated with a so called “failure to launch”, whether the association is similar for men and women and is similar across the young adult age range.

## **6.2 SUMMARY OF KEY FINDINGS**

### **6.2.1 DIFFICULTIES IN QUANTIFYING ECONOMIC PRECARIOUSNESS AMONG YOUNG ADULTS.**

Some commonly used indicators of economic precariousness are problematic when applied to young people. Unemployment rates, as defined as the proportion of the economically active workforce, are difficult to interpret, especially time series, due to the significant increase in enrolment in further and higher education which has taken place in the UK since the 1980s (Office for National Statistics, 2014). Unemployment rates can increase even if the total number of unemployed young people remains stable. Secondly, the concept of NEET is problematic since it does not take account of the significant minority of (mainly) women who are not economically active due to the need to care for young children. This is particularly important in the UK where

rates of young (i.e. under 23) parenthood remain significantly above European averages.

The meaning and consequences of working in a (semi)routinised job, on low pay, are likely to be different for young adults as compared those at older ages since for some, but not all, young adults these low paid, entry jobs will act as stepping stones to future career advancement. It is difficult to know at what age, those in low paid work will remain stuck there – we note Devins and colleagues' (2014) report which found that two in five low paid workers aged 25+ had been trapped in low paid jobs for at least the past decade.

There is also a problem in interpreting the high levels of part-time work among young adults in terms of whether it is voluntary e.g. as a way to combine work and study or as response to childcare needs, or represents under-employment (Bell & Blanchflower, 2013). A better indicator of precariousness instead would be whether those in part-time work believe they have sufficient numbers of hours, or whether they in fact need or want more hours, illuminating whether they are part-time through choice. Such focus would allow for explorations of underemployment, which is identified as being significant issue (MacDonald, 2011; Quintini & Martin, 2014), one occurring on an unprecedented scale since the 2008 financial crisis (Bell & Blanchflower, 2013; Cam., 2012).

It is particularly problematic to use measures of personal income to identify economic precarious among young adults. Firstly, many “younger” young adults (those aged 18-24) have no income at all, e.g. because they are in full time education. Student loans are not counted as income in some surveys, including Understanding Society. Secondly, many young adults may have no earned income but do not qualify for state benefits (e.g. because their partner works, or because their parents are still claiming child benefit). It is thus important to consider personal income in relation to overall levels of household income. Thirdly, many young adults receive both financial support and in kind support from parents and other relatives (Heath & Calvert, 2013). Of particular importance are parental contributions to housing costs. The UKHLS does not count as income any money which is given from one individual to another if they are residing in the same household. Thus, we are not able to

properly discriminate between young adults living with their parents who are on a low income and who are in a precarious position, from those young adults who, despite having a low income, are in a financially secure position since they are fully supported by their parents.

#### 6.2.2 LABOUR MARKET INSECURITY: UNEMPLOYMENT, NEET AND OCCUPATIONAL CLASS

Unemployment, expressed as a percentage of *the total age group*, is generally higher among young men, than among young women, and peaks for men in their twenties. If unemployment is used as an indicator of economic uncertainty then young men would appear more precarious than young women. However, if NEET status is taken as an indicator of vulnerability, the higher proportion of women undertaking family care means that a higher proportion of females are classified as vulnerable than are men.

Labour market insecurity is also related to occupation and sector. Young people in the UK have been particularly affected by increased casualization of the labour market because they tend to be concentrated in elementary jobs in sectors such as retail and hospitality. According to our research, over half of employed 18-21 year olds are in (semi)routine jobs. Whilst many young adults rise up the occupational hierarchy as they age and gain appropriate experience and qualifications, a sizeable proportion – about one in five young adults remain in a (semi)routine job in their early thirties. Given the low pay, lack of prospects, and high rate of turnover associated with these occupations it would seem very unlikely that these young adults are able to gain a foothold on the housing ladder, unless they can rely on financial support, for example from a partner, or parents/grandparents.

Also noticeable is the fact that one in ten men aged 30-34 reports themselves as self-employed. Whilst for some individuals this represents an entrepreneurial success story, for others low-paid self-employment might be seen as a new form of precarious work. Recent research has highlighted the decline in earnings of the self-employed in recent years and difficulties experienced by self-employed in accessing the credit, for example, which would be required for a mortgage (D’Arcy & Gardiner,. 2014).

### 6.2.3 INCOME INSECURITY: PERSONAL INCOME

Median income rises rapidly across the young adulthood age range as increasing proportions of young adults gain employment. This is especially the case for men where for example monthly gross median income for *all* young men aged 18-21 was only £295 compared to £1880 for those in their early thirties. There are large inequalities in personal income, even among those who are employed – for example among employed men, gross income for those in the 75<sup>th</sup> percentile is roughly twice that of the 25<sup>th</sup> percentile. At the youngest age (18-21) women report higher levels of income than men, but for all other age groups women report lower levels of income. This is likely to be due to young women with dependent children being eligible for additional welfare payments. If we focus only on those in paid work we find that the increase in income across young adulthood is slower and women have lower income than men at all ages. Young women, when they are lone mothers/living in household where there are no earners, may be especially vulnerable. Other women with indicators of precariousness, e.g. those in temporary or part-time jobs may be better protected than men, since the women are more often secondary earners in dual earning families (van Lancker, 2012).

### 6.2.4 EMPLOYMENT INSECURITY: TEMPORARY CONTRACTS AND PART TIME WORK

We have found relatively low levels of temporary contracts among young men and women compared to other European countries (and in contrast to what much of the media and political rhetoric would lead us to believe). According to Understanding Society data, temporary contracts are most prevalent among those aged 18-21 (around 16%), declining to around 12% among those aged 22-24, and 7% for those aged 25-29 and 30-34. This is consistent with research (Barbieri, 2009; Eurofound, 2013) which has described how in liberal economies such as the UK labour market adjustments have tended to relate to increased wage inequality, whereas for example in Mediterranean countries the adjustments have been based on an increased inequality in job security. At each age the proportion employed on temporary contracts is similar for men and women. However, we note that if we were able to look within particular sectors we may see a much larger gender differentiation (van Lancker, 2012).

In fact the data suggest that employment insecurity resulting from part-time work is far more of an issue than temporary contracts among UK youth: almost one third of employed women aged 18-21, and one in five men aged 18-21 are working part-time<sup>11</sup>. Comparable figures for those aged 22-24 are 14% and 21% respectively. Whilst part-time working is much less common (around 6%) for men aged 25 and above, around one third of women work less than 30 hours a week when they are in their early thirties.

#### 6.2.5 INTER-RELATIONSHIPS BETWEEN INDICATORS OF PRECARIOUSNESS

Our results show that young adults working in (semi)routine jobs often face multiple dimensions of economic insecurity – being more likely to be in the lowest income quartile, to be more likely to work part-time, and to be on a temporary contract. The association between (semi)routine jobs and temporary contracts is particularly strong among those aged 18-24: 18% of men and 15% of women in (semi)routine jobs were on temporary contracts. Whereas above age 25 most of those employed in (semi)routine jobs are on permanent contracts. The association between (semi)routine jobs and part-time work is especially strong for women aged 25-34, where over half of these women are in part-time work as compared to just 16% of women in professional and managerial occupations.

Also of note is the bi-modal income distribution of self-employed men and women who tend to either have a relatively high income, or a relatively low income. The fact that over one half of small employers and own account workers in their early thirties is in the lowest quartile chimes with recent concerns that for many self-employment is a new form of precarity (D’Arcy and Gardiner, 2014).

For men in particular there is a strong association between being on a temporary contract and working part-time, and between temporary contracts and low income. Recent research suggests that during the economic recession the number of men in low paid, part-time work increased. Cam (2012) argues that for such men,

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<sup>11</sup> Recall that this percentage is based on those whose main activity is employed, and does not include full time students who may be working at the same time as studying.

particularly in the private sector where there is low unionisation, much of this part-time working is involuntary.

Workers may not feel insecure per se in respect of their contract tenure, but the industries in which they are often employed are often susceptible to high levels of staff turnover (Brown et al, 2001; Davidson et al, 2011). Indicators associated with horizontal job changing behaviour might include temporary contract status, evidence of multiple jobs over a period of time, prevalence of low income, being located in semi and routine occupations and the choice of whether a job has ended or whether it has been enforced.

#### 6.2.6 PRECARIOUSNESS AND THE TRANSITION OUT OF THE PARENTAL HOME

The proportion of young adults living in the parental home declines steadily with age. At any given age young men are more likely to remain than young women. By age 25-34 only one in ten women still remains living with at least one parent as compared to 18% of men. Our findings are consistent with those of Stone and colleagues (2011) which suggest that economic precarity is associated with remaining in the parental home, particularly for men. At younger ages (18-24), both labour market precariousness and employment precariousness are associated with the likelihood of living at home. In contrast, among those aged 25-34 the main distinction is between those in work and those who are unemployed (who are more likely to remain at home).

Women who face economically precarious situations may be able to make the transition away from the parental home if they are secondary earners in dual earning families. Furthermore, young lone mothers are provided with more protection through access to social housing and welfare benefits as compared to young non-resident fathers who are more likely to rely on parental support following partnership dissolution (Berrington & Stone, 2014; Stone et al, 2014).

Given the significant levels of economic uncertainty faced by today's youth it is not surprising that many young adults are struggling to afford the (increasing) costs of private rented accommodation, let alone being able to save for a mortgage deposit.

This is especially so in the context of welfare retrenchment and the capping of housing benefit for those aged under 35 without dependents.

The ability to access independent housing is affected by income insecurity, in that young adults may not be able to afford private rent, or save for deposits. Among young adults in work, income insecurity is greatest for those in (semi)routinised occupations (especially those working less than 30 hours a week), as well as self-employed men. In addition however, the ability to make the transition to independent living is also affected by labour market and employment security. Our findings suggest that for those under age 25 temporary contracts and under-employment may well hinder the ability to leave home. But after age 25 most men who are in work are in permanent, full time employment. At these older ages it is more likely to be unemployment and income precarity which are associated with a failure to launch.

### **6.3 LIMITATIONS AND FURTHER RESEARCH**

One of the limitations of the Understanding Society data is the limited detail about flexible work hours. The current questionnaire needs to be developed so that information, for example on zero hours contracts can be collected (Gardiner, 2014a). Currently, the survey only asks respondents to provide details of actual hours worked in the past week. Future research needs to understand how zero hours contracts particularly impacts on young adults lives, for example through their lack of control over their time, and their corresponding ability to make transitions to adulthood (Woodman, 2012).

We are not able to distinguish between voluntary and involuntary part-time work. Even when the question is asked (e.g. in the Labour Force Survey) there is some fuzziness since many individual's choices will be constrained, e.g. mothers not being able to work longer hours due to lack of affordable childcare (Cam, 2012).

We also recognise that there is great diversity in the meaning of temporary work – further research is required to understand the different experiences of, say, a civil engineer on a training contract, an artist, and a low skilled manual worker undertaking agency work. We note that there is a need to set temporary contracts against “normative frameworks” for that particular type. For example, the experience

of being on a series of temporary contracts will be different for a highly qualified professional, who has a high likelihood of securing another contract to follow, and may have been able to make some savings in order to smooth the periods in between contracts, as compared someone in a low skilled routine job with no savings.

Whilst this report has looked beyond aggregate numbers to identify differences in the experiences of men and women, and contrasted the situation of “younger” and “older” young adulthood, it will clearly be the case that young people’s experiences of economic precarity will also differ along other dimensions, not least ethnicity, and place of residence. This report speaks only of the UK as a whole but the importance of local labour markets in shaping young adults’ aspirations and realities has been repeatedly demonstrated (e.g. Ashton et al, 1997).

#### **6.4 POLICY IMPLICATIONS**

This research has implications for various actors including national and local government, housing agencies and employee groups as well as the self-employed. Our findings suggest that young adults (particularly men) who are in economically precarious positions are far more likely to remain living with their parents into their late twenties and thirties. Future Government policies will have to deal with the long-term consequences of flexible labour markets. Previous research documented long term scarring effects of unemployment (Gregg & Tominey, 2005; Bell & Blanchflower, 2011) for example for cohorts impacted by the recession of the early 1980s. New research is needed to understand how under-employment, and lack of job progression in early adulthood may have long- term consequences for the life courses’ of the current generation.

Young adults are concentrated in parts of the economy dominated by zero and short-hours contracts. Current evidence of the impact of this type of flexible working on young adults’ lives is limited but suggests that it can be far-reaching (Woodman, 2012). Further consideration needs to be given as to whether, and in what manner, the Government should regulate these types of contracts. For example, what would the implications be for employers and employees if those on short hours contracts, after a period of time in a job, were given the right to request a fixed hours contract? It is clear that any policies will have to take into account that gender and ethnicity interact

with the causalisation of the labour market. Furthermore, policies supporting high quality, affordable but flexible childcare need to be developed if young parents are to be able to successfully juggle work – family responsibilities when they do not have a fixed working pattern.

Policies need to be developed to support pay and skills progression among young adults. There is much debate about how best to provide advanced vocational education and training (e.g. Wolf, 2011; Dolphin, 2014; Heyes, 2014). As discussed by Devins et al (2014) companies need to be persuaded to invest more in their low skilled workforce, for example by providing job rotation, progression ladders, accredited learning. “The development and communication of pathways within firms can change dead end jobs into stepping stones” (Devins, 2014: 7).

Self-employment accounts for around two-thirds of the increase in employment across all ages since 2008 (Corlett & Whittaker, 2014). Our analyses have shown that one in ten men in their early thirties is self-employed and that the income distribution is clustered at both ends of the scale. That is to say, there will be some young adults for whom self-employment is a success story. For others, however the uncertainties associated with self-employment may have implications for making stable housing and family transitions – for example it may be difficult to get access to mortgage credit.

Young people’s ability to make the transition to residential independence is affected not only by their level of income, but the costs of securing independent accommodation. During the recent recession, trends in housing costs have differed dramatically for different population sub-group (Gardiner, 2014b). If you were a couple, both in full time work with a mortgage you are likely to have benefitted from low interest rates. However, a young, single person, renting in the private sector who has just lost their job, will be faced with high rents and tighter limits on welfare benefits e.g. due to changes in the age limit for the shared accommodation rate of housing benefit (Berrington & Stone, 2014). Policies will need to consider the groups struggling most with housing costs – which tends to be young single people, especially those without children, and who are renting single bedroom properties, especially in London (Gardiner, 2014b). Low paid work makes it difficult to achieve

residential independence in areas where rents and house prices are particularly high. It is questionable whether it continues to make sense to have a national minimum wage given the much higher costs of accommodation in certain regions, especially London and the South East.

We have found large income inequalities among young adults in the UK. For those in the lowest income quartiles, owner occupation will be very difficult to achieve without help from others. Given the continued contraction in the availability of social housing, low income young adults will have to rely on the private rented sector more than previous generations (McKee, 2012; Kennett et al, 2013; Berrington and Stone, 2014). These trends have not gone unnoticed, prompting calls for greater regulation of the private rental sector (Clapham et al, 2012; Chartered Institute of Housing and Resolution Foundation, 2014). For those aged under 35 the high start up costs of renting can be problematic and many on housing benefits can struggle to find a landlord that will accept them. Of particular need is to respond to the greater need for security of tenure especially for those households with children who are increasingly in the private rented sector for the long term.

Part of the solution the challenge of providing affordable housing to young people is to build more homes, either to rent or buy, in the places where young adults want to be. Furthermore, policies should consider how wider societal changes relating to the postponement of family formation to later ages, and government policies restricting levels of housing benefit for young single people, combine together to result in increased demand for shared houses. Thus both the number and the type of housing required are important. Young adults who attend higher education often benefit from living in halls of residence, or shared student houses when they first leave home. Policies should be developed to help other young adults who do not benefit from attending university, make their housing transitions. Such policies might include financial incentives for developers to build properties for longer term rent.

Our research has shown that economic precariousness is associated with remaining in the parental home. Young adults on low and insecure incomes require significant financial help from others, e.g. parents and grandparents to make the transition out of the parental home. According to recent research one third of all first time buyers

receive money from their parents as a gift or loan (Humphrey & Scott, 2012). Given class inequalities within the (grand)parental generation in terms of access to savings and particularly housing assets, social inequalities in young adults' housing transitions are likely to widen in the future.

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