

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

Recent media attention has focused on the increased numbers of adult children co-residing with their parent(s). It is generally assumed that this trend relates to increased economic uncertainty among young adults, combined with the challenges of affordability in the housing market. In this paper, using data from the United Kingdom Household Longitudinal Study, we investigate whether the evidence supports the assertion that those in an economically precarious position were more likely to remain living with a parent during the recent recession. The research in this briefing paper summarises findings from CPC Working Paper 55.

## Key Points

- The proportion of young adults living in the parental home decreases rapidly with age.
- At all ages a higher proportion of men than women are living in the parental home. By their late twenties / early thirties, 10% of women and 18% of men are living at home.
- Among teenagers and those in their early twenties, those who are on a temporary contract, working short-hours or in a low paid semi-routine or routine job are more likely to remain in the parental home.
- At older ages unemployment and income precarity are associated with living in the parental home, especially for men.
- The ability to access independent housing is affected by income insecurity, as young adults may not be able to afford private rents or be able to save for deposits.
- Policies need to consider the groups struggling most with housing costs.
- Given class inequalities within the (grand)parental generation e.g. in terms of access to savings and housing assets, policies need to address the likelihood that social inequalities in young adults' housing transitions are likely to widen in the future.

## Introduction

Young adults face increased economic uncertainty as a result of unemployment and the growth of low-paid, insecure and often part-time employment.

Recent media attention has focused on the trend for increased numbers of adult children to live with their parent(s). It is generally assumed that this trend relates to the increased economic uncertainty of young adults, combined with the

challenges of affordable housing. This research is motivated by the need to investigate the consequences of economic precarity on young adults' ability to make successful transitions to adulthood.

**The study**

The study uses 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. Economic precarity is defined as being unemployed (or economically inactive for men), being in semi-routine or routine work, being on a temporary contract, working part-time or being in the lowest quartile of gross personal income. We compare the proportions living with at least one parent (natural, adoptive or step) according to these dimensions of economic precarity. By examining the patterns of men and women separately and for two age groups (18-24 and 25-34), we highlight where the association between economic precarity and residence in the parental home is strongest

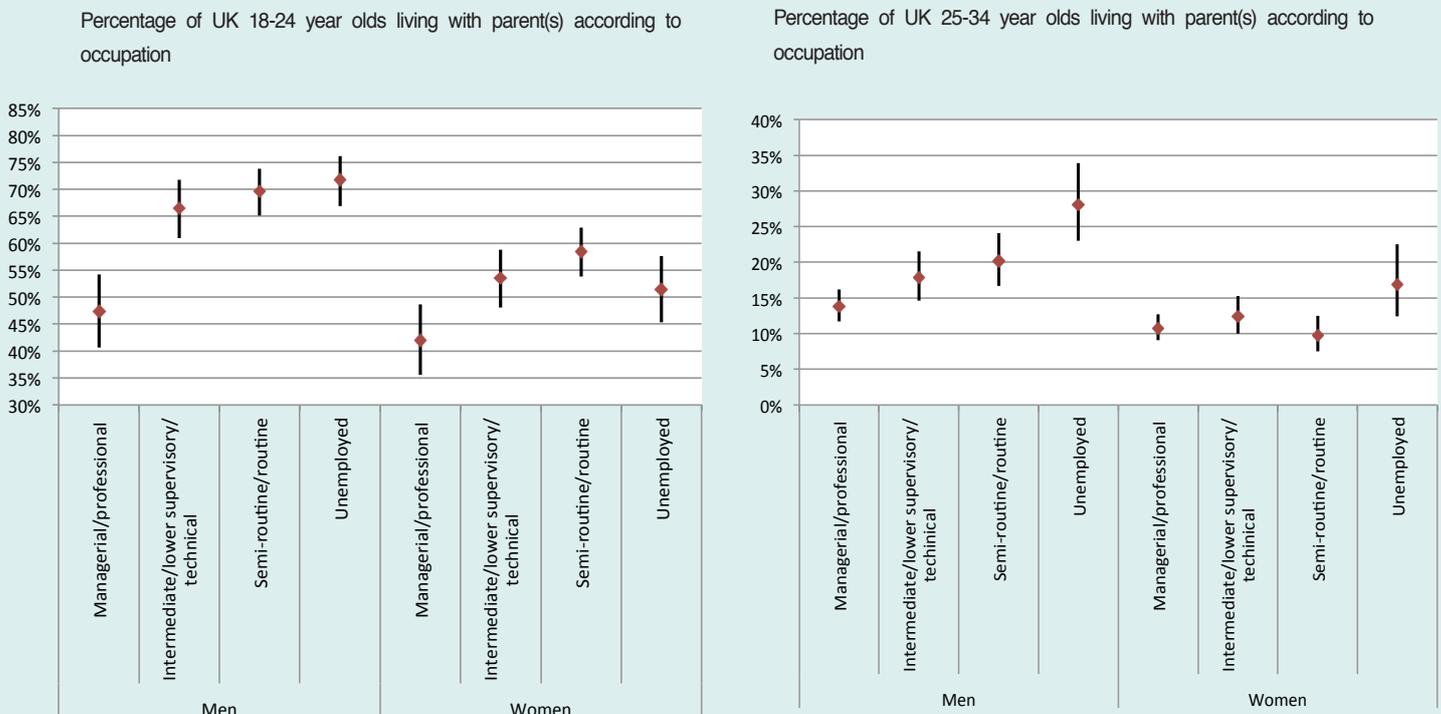
**Main findings**

**Is economic precariousness related to the likelihood of living in the parental home?**

Almost all the indicators of precariousness were found to be associated with a higher likelihood of living in the parental home. This suggests that young adults with precarious economic characteristics face constraints on their ability to make the transition to residential independence. We find that the proportion of young adults living in the parental home declines steadily with age but at all ages young men are more likely to remain in the parental home than young women. By age 25-34 only one in ten women are living with at least one parent, compared to 18% of men.

The alternative aspects of precarity seem to affect the two age groups differently; For men and women in the younger age group (18-24) the unemployed, those in temporary or part-time employment and those in a semi-routine or routine job are more likely to stay in the parental home (Figure 1). Furthermore, for women, but less so for men, those with the least personal income are most likely to live in the parental home (Figure 2).

Figure 1



Source: author's analyses of UKHLS, wave 1, 2009/10

Note: Lines show 95% confidence interval for the point estimate.

In other words, among those aged 18-24 it is both labour market insecurity and also in-work precarity, which are associated with a lack of independence from the parental home.

For men and women in the older age group (25-34) we see a different pattern. At these ages, it is men who are unemployed and economically inactive, those in semi-routine and routine jobs and men with lower levels of personal income who are significantly more likely to remain living with their parent(s) (Figures 1 and 2). For example, four times as many men in the lowest income quartile are living with a parent (28%) compared to men in the highest personal income quartile (7%). At this age, among those in work there is no difference according to occupation, contract duration or temporary working (for men). Thus, in-work precarity is less important at these ages than it is at younger ages.

Unemployed women in their late twenties and early thirties are also more likely to be living in the parental home than those in work, but women working part-time are significantly more likely to be living independently than men who work part-time. One explanation for this is that 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 have access to more protection through social housing and welfare benefits than young non-resident fathers who are more likely to rely on parental support following partnership dissolution.

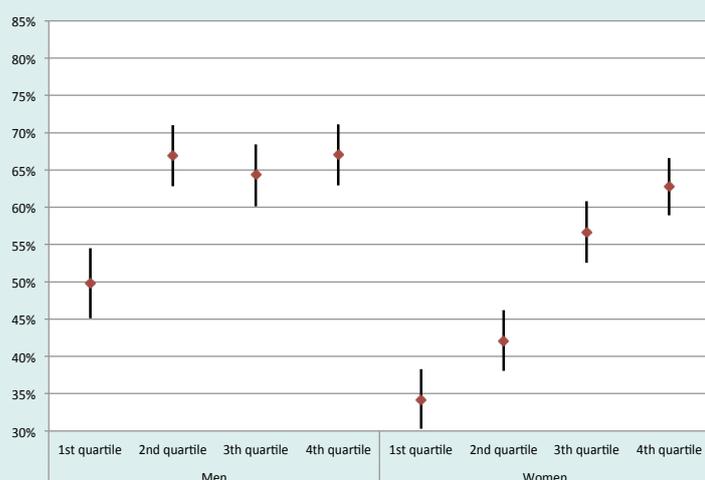
### Policy implications

Young adults are concentrated in parts of the economy dominated by semi-routine and routine jobs, low pay and part-time working. The Government needs to consider how best to regulate these types of contracts and promote pay and career progression so that young adults can make successful transitions to independent living.

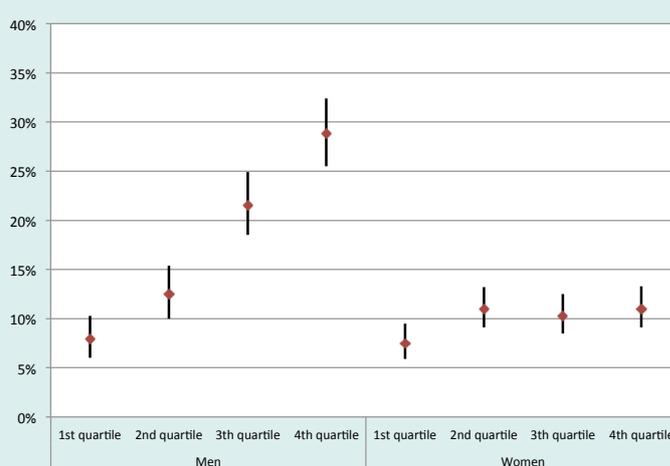
Given high house prices and the continued contraction in the availability of social housing, current young adults on low incomes have to rely on the private rented sector more than previous generations. These trends have not gone unnoticed, prompting calls for greater regulation of the private rental sector. It is particularly important for policy to address the greater need for

Figure 2

Percentage of UK 18-24 year olds living with parent(s) according to total personal income



Percentage of UK 25-34 year olds living with parent(s) according to total personal income



Source: author's analyses of UKHLS, wave 1, 2009/10

Note: Lines show 95% confidence interval for the point estimate.

security of tenure, especially for households with children who are increasingly in the private rented sector long term. Policies also need to consider the groups struggling most with housing costs.

Given recent welfare changes including raising the shared accommodation rate of housing benefit to age 35, young single people without dependents, including non-resident fathers, face considerable challenges in securing appropriate accommodation. This particularly affects those in areas where housing costs are highest.

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