The role of parents in their adult children’s housing and residential locations
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CHAPTER 1

INTRODUCTION
1.1 HOUSING, RESIDENTIAL LOCATIONS AND THE ROLE OF PARENTS

The first empirical evidence of the role of parents in their adult children’s housing was published in the 1980s (Henretta, 1984; Jenkins & Maynard, 1983; McDowell, 1980). At that time, research on housing and residential locations had focused mostly on the characteristics of individuals or households, rather than on parents living outside the household. For the explanation of such residential behaviour as long-distance moves, short-distance moves, and housing choice, scholars had thus far used a cost-benefit perspective (Sjaastad, 1962), human capital theory (Becker, 1964), or motivations (De Jong & Fawcett, 1981) and the influence of the socio-spatial context (Gordon & Vickerman, 1982; Desbarats, 1983).

Possibly, the role of parents in their adult children’s residential locations had not been investigated because an interdisciplinary approach would have been required, which was not common at the time. Housing and residential locations were mainly studied by geographers and economists, whereas the relationship between parents and their adult children was the domain of sociologists and demographers. From social stratification research, however, it had already become clear that parents play a role in several of their children’s socioeconomic outcomes. In the late 1960s, Blau and Duncan’s (1967) status inheritance model revealed that occupational status is often transmitted from parents to children. Later studies found similar results for wealth (Harbury & Hitchens, 1979), social class (Goldthorpe, 1980), level of education (Mayhew and Rosewell, 1981), and income (Atkinson, Maynard & Trinder, 1983). The first studies of housing similarities between parents and children (Henretta, 1984; Maynard, 1983; McDowell, 1980) stem from the same era.

About a decade later, concerns about population aging and the decline of the family increased attention for the role of parents in their adult children’s residential locations. Family sociologists, demographers, and geographers became increasingly interested in the geographic proximity of parents and their children. Living close, they claimed, was positively associated with the exchange of support and keeping contact, two aspects of family solidarity that many feared would be slowly eroded (Bengtson & Roberts, 1991; Joseph & Chalmers, 1996; Rossi & Rossi, 1990; Silverstein & Bengtson, 1997). Whether or not family relations are being eroded in contemporary individualized societies is a topic that still interests scholars in the 21st century (Bengtson, 2001; Hank, 2007).

Today, little is still known about the role of parents in their adult children’s housing and residential locations. The importance of intergenerational continuities in housing quality is almost exclusively focused on housing tenure (Helderman & Mulder, 2007), and much is still unclear about the extent to which family solidarity influences the geographical proximity of parents and children. A further elaboration of the role of parents in their adult children’s housing and residential locations would enrich the literature on housing, residential behaviour, and family solidarity and bridge the gap that currently divides these research areas (Mulder, 2007). As they influence people’s wellbeing, social status, and access to jobs, schools, amenities, and social networks, housing and residential location are of great importance in
people’s lives. Furthermore, the study of the role of parents in their adult children’s housing and residential locations is relevant to at least two problems current in today’s Western societies: social inequality and the provision of care (Mulder, 2007). The central research question that is addressed in this study is:

*To what extent do parents play a role in their adult children’s housing and residential locations, and how far can this role be explained by intergenerational continuities and family solidarity?*

### 1.2 INTERGENERATIONAL TRANSMISSION OF HOUSING QUALITY

The first empirical evidence on intergenerational continuities in housing quality referred to tenure (McDowell, 1980; Henretta, 1984), density and amenities (McDowell, 1980), and size and expenditure (Jenkins & Maynard, 1983). In all these aspects of housing quality, adult children were found to be likely to resemble their parents. Similarities between parents’ and children’s housing still exist today, at least in tenure (Helderman & Mulder, 2007). There are several mechanisms that explain why the children of homeowners are more likely than other children to become homeowners themselves. These mechanisms possibly also play a role in intergenerational transmissions of other aspects of housing quality, such as housing value.

The first mechanism through which parents play a role in their adult children’s housing quality is the proximity of parents and children. Children who live close to their parents are likely to operate in the same housing market (Helderman & Mulder, 2007). Types of housing, rent, and house prices are similar within a local housing market, so children’s housing is likely to resemble that of their parents when they live close.

Second, parents are likely to play a role in their adult children’s housing quality through their socioeconomic status. The more parents invest in their children’s future, the better the access their children have to the socioeconomic resources needed to obtain and improve housing. Adult children whose parents have high incomes are therefore likely to have better housing quality than other children are. Third, a part of the effect of the parents’ socioeconomic status on their adult children’s housing quality runs through gift giving (Saunders, 1990). Parents’ gifts and loans can be used to purchase a home or obtain a mortgage (Helderman & Mulder, 2007; Mulder, 2007). Parental gifts can also be used to improve the interior or exterior of the child’s home, which increases the housing value. For Italy, the extent to which children receive parental gifts has been found to be positively associated with the geographical proximity of their parents (Tomassini et al., 2003).

Fourth, adult children are believed to strive for at least the same standard of living as their parents used to have (Helderman & Mulder, 2007; Henretta, 1984). Socialization in the parental home might therefore make children who grew up in high-value housing more likely than other children to strive for it themselves. Also, parents in high-value housing might
actively stimulate their children to strive for it in later life; this effect is referred to as active socialization (Helderman & Mulder, 2007).

Housing tenure is an important source of social inequality (Kurz & Blossfeld, 2004). Because of the intergenerational transmission of homeownership, existing inequalities in homeownership are being reproduced across generations. The role of intergenerational transmission might have become increasingly important for people’s entry to the owner-occupied market. Today, parents have more assets and fewer children than they had about fifty years ago. Thus, when their children enter the housing market, today’s parents are more capable of providing financial support than were parents in the 1950s (Mulder, 2007). There is reason to believe that the role of parents in their adult children’s housing may become even more important in the future. The recent implementation in the Netherlands of the so-called generation mortgage, which enables young adults to purchase a home with the financial help of their (grand)parents, gives children from prosperous families easier access to homeownership. At the same time, however, this practice may lead to rising house prices and increasing difficulties for those who have no parental help to rely on to enter the owner-occupied market (Mulder, 2007). If people come to depend partly on parental help in becoming a homeowner, the gap between socioeconomic classes in society will widen.

Although there is reason to believe that the intergenerational transmission of homeownership has become increasingly important throughout the last five decades, evidence of this idea is still lacking. The question remains whether the role of parents in their adult children’s transition to homeownership has changed and, if so, for whom. In this context, it is also of great importance to investigate the extent to which household events are associated with the transition to homeownership, and whether this association has changed throughout the years. In Chapter 2 I address the following research question:

1) To what extent can the transition to first-time homeownership in the Netherlands be explained by household events and parental homeownership, and has this changed over time?

Furthermore, little is currently known about the intergenerational continuities of other aspects of housing quality. Some evidence was found for the intergenerational transmission of housing density, expenditure and amenities (Jenkins & Maynard, 1983; McDowel, 1980) but to my knowledge no more recent studies have been published. This lack of scholarly attention can probably be ascribed to data limitations. As mentioned above, housing was mainly studied by geographers and economists, who usually did not have information about the respondents’ parents or adult children. As a result, the question of whether other aspects of housing are also subject to intergenerational continuities in today’s society remains unclear. In Chapter 3 of this study, the following research question is addressed:

2) To what extent is the housing value of adult children associated with that of their parents, and how can this association be explained?
1.3 FAMILY SOLIDARITY AND RESIDENTIAL LOCATIONS

From the 1990s onwards, family solidarity (the extent to which mutual affinity exists within family relationships and actual support is exchanged) has received increasing scholarly attention. Driven by concerns about the erosion of family solidarity in an aging society, many studies have addressed the extent to which (elderly) parents and children maintain contact and exchange support (Bordone, 2009; Hank, 2007; Lawton, Silverstein & Bengtson, 1994; Shelton & Grundy, 2000; and many others). One of the major findings of these studies is that geographical proximity facilitates contact and support exchange. Parents and children who live close to each other exchange more support than do families whose members live further away from each other (Bordone, 2009; Hank, 2007; Knijn & Liefbroer, 2006; Mulder & van der Meer, 2009), particularly when they live together (Hoyert, 1991; White & Rogers, 1997). This finding raises the question, what factors may account for the fact that parents and children live close to each other or even share a residence.

The large differences in intergenerational contact and proximity between the northern European countries and the United States on the one hand and the southern and eastern European countries on the other (Fokkema & Liefbroer, 2008; Hank, 2007; Giuliano, 2007) indicate that cultural and institutional factors play an important role in family solidarity. Other than in the Mediterranean countries, where coresidence rates are much higher, most adult children in the Netherlands leave the parental home before they turn thirty (Fokkema & Liefbroer, 2008) and most elderly parents prefer to live independently from their children (De Jong Gierveld & Van Tilburg, 1999). Given the fact that the Netherlands is characterized by a cultural context in which values that stress individual autonomy and independence are highly prioritized, three aspects should be taken into account when analysing intergenerational proximity and coresidence in the Netherlands’ context.

First, the need or desire for privacy is likely to be negatively associated with coresidence. This need may be greater for people who have a partner and children than for those who do not. Many previous studies have shown a substantial positive effect of having an unmarried adult child on elderly parents’ odds of intergenerational coresidence (Aquilino, 1990; Grundy, 2000; and many others).

Second, local ties may make people reluctant to move away from a certain location (Da Vanzo, 1981). People who already live close to kin might therefore be less likely to move further away from them and people who live far from kin might be less likely to move closer because they are tied to their residential environment for reasons of work or childcare.

Third, support needs might trigger people to move or to stay close to parents or children or to live together with them. Situations associated with support needs, such as divorce (Da Vanzo & Goldscheider, 1990; Michielin et al., 2008; Ward et al., 1992), widowhood (Lee & Dwyer, 1996; Roan & Raley, 1996), having children (Michielin et al., 2008), having health problems (Choi, 2003; Hank, 2007; Joseph & Chalmers, 1996), and having a weak socioeconomic status (Dunn & Phillips, 1998; Hank, 2007) have indeed been found to be related to coresidence and geographical proximity.
Support given by children to parents and by parents to children might become increasingly important in the future. With population aging and the continuing shift from state-provided healthcare to market-provided care, children might increasingly become their elderly parents’ caregivers (Mulder, 2007). Moreover, middle-aged parents may help out increasingly often with the care of their grandchildren while their own children are at work Hank & Buber, 2009; Pettersson & Malmberg, 2009). These changes suggest a growing importance of intergenerational coresidence and geographical proximity. However, although much has been published about the factors that are associated with coresidence, very little is known about the transition to coresidence. Most previous work was based on cross-sectional data, whereas longitudinal data are required to investigate who is more likely to move in with the other. This issue is addressed in Chapter 4, which answers the following research questions:

3) To what extent is intergenerational coresidence explained by situations associated with a greater need for support?

4) What situations and events influence the transition to intergenerational coresidence and who, under what circumstances, is likely to move in with whom when the transition is made?

The studies on geographical convergence between family members have also mostly been based on cross-sections. A few studies have used longitudinal data (e.g. Michielen et al., 2008), but did not investigate the moves of adult children and their parents simultaneously. Instead, these studies mainly focused on the characteristics of only one of the generations. An exception is the study by Pettersson and Malmberg (2009). In their study, however, moves in the direction of parents and moves in the direction of adult children include moves that result in coresidence. This is a pity, because it is likely that the support needs of people who move very close to kin (but still live independently) differ from those of people who move in with kin (and lose their independence). In Chapter 5, the investigation of the moves of adult children very close to their parents and those of parents very close to their children is reported. The research question answered in Chapter 5 is:

5) To what extent do situations and events associated with parents’ and their children’s needs for support influence the likelihood of moving close to each other, and who, under what circumstances, is most likely to move close?

1.4 RESEARCH APPROACH

Data limitations partly explain why the research questions mentioned in this chapter have not been addressed before. Measures of housing quality other than tenure have not often been collected in large-scale surveys. Also, events such as moving close to parents or children or
moving in with them are not easily captured in a survey, even when it includes thousands of respondents. Two data sources have been used throughout this study: the Netherlands Kinship Panel Study (NKPS) (Dykstra et al., 2005) and the Social Statistical dataBase (SSB) (Bakker, 2002). Research Question 1 was answered using event-history analyses. For the answering of Research Question 2, OLS regression analyses were performed. Other methods used were logistic regression analysis (Research Question 3) and multinomial logistic regression analysis (Research Questions 4 and 5).

**The Netherlands Kinship Panel Study (NKPS)**
The NKPS is a nationally-representative panel study that focuses on the strength of family ties in the Netherlands. Because the survey was designed to study family relationships, the data were collected not only from primary respondents, but also from other family members living in and outside the household, including the respondents’ parents. The NKPS now consists of two waves, but only the first wave, collected between October 2002 and September 2004, was used in this study. The main sample of the first wave of the NKPS consists of 8,161 respondents aged 18 to 79 living in private households. The data were collected using face-to-face computer-assisted personal interviews (CAPI) and on-paper self-completion questionnaires. The response rate was 45 percent, which is comparable with other large-scale surveys in the Netherlands (Dykstra et al., 2005). The NKPS provides information on a wide variety of family and socioeconomic characteristics, of which the information on the timing of first-time homeownership and other important events in the life course were particularly relevant for this study. These data enable the answering of Research Question 1 in Chapter 2.

**The Social Statistical dataBase (SSB)**
The SSB data were used to answer Research Questions 2 to 5. The SSB, provided by Statistics Netherlands, includes data on the whole Netherlands population based on the population register and other administrative registers (see Bakker, 2002 for a description of the database). The information is available for September 1998 to September 2006 and updated on a yearly basis. The data include basic personal information (age, gender, marital status, position on the labour-market, tax income), household characteristics (household type, age of the youngest and oldest children in the household) as well as information on the level of address (tenure, housing value). Family networks can be reconstructed through the linkage of individual records to those of the parents. The SSB is particularly suitable for the purpose of investigating the role of parents in their adult children’s residential choice for three reasons.

First, the SSB offers a wide variety of similar information for parents and children. This dual inclusion is unique, because most surveys focus on only one of the two generations. Even when surveys are designed to investigate family networks, they often have an unequal distribution of parental and children’s characteristics.

Second, the SSB contains a unique measure of housing quality that facilitates the investigation of housing quality in a much broader sense rather than focusing on tenure only. This measure of *housing value* (in Dutch: WOZ-value) is used in the Netherlands as a base for
property tax\(^1\) and it reflects the current market value of each property. This value is determined by referring the property to three similar objects that had recently been sold in the same neighbourhood. Property characteristics such as the year in which it was built and renovated, the size and type of the property were also taken into account for the determination of the value.

The third reason why the SSB offers suitable data for the study of the parents’ role in their children’s residential choice is its large size. For the investigation of rare events, such as moving in with parents or adult children or moving close to them, even large-scale surveys are often too small. They either contain simply too few events or show too little variation among the explanatory variables. The answers to Research Questions 3 to 5 (see Chapter 4 and Chapter 5) could therefore only be obtained using data that included millions of cases, rather than thousands.

Although the SSB has considerable advantages, it also has limitations. The population registers of the Netherlands’ municipalities have only been combined in one database since October 1st 1994. These municipal registers contained personal registration numbers for each inhabitant. When children had lived in the same municipality as their parent(s) at some point in time after October 1st 1994, their individual registration numbers were also documented in their parents’ records and vice versa. Since that date the individual records of these parents and children could be linked, regardless of where in the Netherlands either of them had moved to. Children who had not lived in the same municipality as their parents since October 1994 could still be linked to their parents’ records through the dates of birth of both parents. Matching a child’s record, on which both parents’ dates of birth were given, to that of a married couple with both spouses still alive in October 1994 (such that the marriage certificate included the birthdates of both spouses) resulted in a successful linkage. This procedure results in an underrepresentation of record linkages among older birth cohorts and people who had left the parents’ municipality before 1994 and had never returned. The analyses performed in this study were not carried out until several steps were undertaken to avoid possible problems with the selectivity of the data. These steps are described in the separate chapters of the study.

1.5 RESEARCH CONTEXT

This study is part of the research program ‘The Family Context and Residential Choice’. The program is focused on residential outcomes of individuals and households and addresses the general Research Question: ‘How is residential choice influenced by people’s wider family context and family attitudes, and how does this influence differ between men and women, between people with different levels of education, socioeconomic status, age, household situations and health, between ethnic categories, and between different socio-spatial contexts? ’. The program is funded by NWO VICI grant no. 453-04-001. The

\(^1\) Tax under the Valuation of Immovable Property Act (in Dutch: wet Waardering Onroerende Zaken (WOZ)).
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REFERENCES


