The role of parents in their adult children’s housing and residential locations
Smits, A.W.M.

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SUMMARY

This study is about the quality of housing and the residential locations of adult children in the Netherlands. Housing quality, referring to the characteristics of a residence (such as type, size, and value), and residential locations, referring to the place of residence, are of great importance in people’s lives. They influence not only people’s well-being and social status, but also the extent to which people have access to jobs, schools, public transport, shops, social networks, and the amenities needed for almost all activities in daily life. The novelty of this study is that the quality of housing and the residential locations of adult children are investigated with a focus on the role of parents. Previous studies of the quality of the housing and residential locations of adult children have mainly been carried out by geographers and economists, who tended to focus on the nuclear household rather than people living outside the nuclear household, such as parents. At the same time, sociologists and demographers who have studied the role of parents in their adult children’s socioeconomic outcomes have rarely focused on housing quality or residential locations, but rather on level of education or occupational status.

Throughout the study, two mechanisms are used to investigate how the influence of parents in their adult children’s housing quality and residential locations can be explained. The first mechanism is that of the intergenerational transmission of housing quality. A small number of studies from the 1980s have provided evidence for the existence of the intergenerational transmission of housing quality, but the evidence is old and mainly refers to tenure. Recent evidence of the intergenerational transmission of homeownership and other aspects of housing quality is required to comprehend the extent to which existing inequalities on the housing market are currently being reproduced across generations. The second mechanism is that of family solidarity. From the 1990s onwards, the geographic proximity of parents and their adult children has been of increasing interest to scholars. Their studies have revealed that living close was positively associated with the exchange of support and keeping in contact, aspects of family solidarity that many feared would be slowly eroded in seemingly individualized societies. The question of whether or not family relationships are being eroded and to what extent family solidarity plays a role in the residential behaviour of family members is still of interest today.

The aim of this study is to contribute to existing knowledge on housing quality, residential locations, intergenerational transmissions, and family solidarity and to bridge the gap that currently divides these research areas. The main research question is: To what extent do parents play a role in their adult children’s housing and residential choice and how far can this role be explained by intergenerational continuities and family solidarity?

Two different large-scale datasets have been used for this study. The first is the Netherlands Kinship Panel Study (NKPS), a panel survey that focuses on the strength of family ties in the Netherlands. The data were collected between 2002 and 2004 and refer to 8,161 respondents aged 18 to 79, living in private households. The NKPS data provide information about a wide
array of family and socioeconomic characteristics, including entry to first-time homeownership and the timing of other demographic events during the life course.

The second data source is the Social Statistical dataBase (SSB) of Statistics Netherlands (CBS). The SSB includes data on the whole Netherlands population and is based on the Netherlands population register as well as other administrative registers. An important feature of the data is that individual records are linked to those of the parents, which enables the reconstruction of family networks. The SSB data are particularly suitable for this study because they include millions, rather than thousands of cases. As a result, analyses of rare events, such as adult children’s moves to within one kilometre of their parents, are possible. The SSB data used for the empirical analyses in this book stem from the years 2003, 2004, and 2005.

**Intergenerational transmission of housing quality**

The first part of this study addresses the question to what extent housing quality is transmitted from parents to children. To answer this question I have studied the effect of parental homeownership on a child’s transition to becoming a homeowner, as well as the effect of parental housing value on that of an adult child. The results suggest that, for these two measures of housing quality, intergenerational transmissions play an important role. Thus, children from home-owning parents are more likely to become homeowners than children whose parents live in rented dwellings, and children whose parents have higher housing values are more likely than other children to have high housing values themselves. The positive association between parents’ and children’s housing quality remains after controlling for several indicators of the parents’ and the child’s socioeconomic status, such as level of education and income. This association means that the intergenerational transmission of housing quality cannot be explained entirely by the wealthier parents’ greater means for direct and indirect investments in their adult child’s housing quality. The remaining association might be explained by unobserved assets that parents might use to help their children obtain higher-value housing, or by a role-modelling process that stimulates children to do so. In either case, the findings imply that existing inequalities on the housing market are being reproduced across generations.

Two other findings referring to the intergenerational transmission of housing quality are noteworthy. The first is the finding that the positive effect of parental homeownership on the odds of becoming a first-time homeowner increased slightly between 1970 and 2003, whereas the role of household status had become less important. In 1970, the likelihood of becoming a homeowner was greater for married people and people about to get married, but the effect lost importance throughout the years. Instead, single and cohabiting people had a greater likelihood of becoming a homeowner in 2003 than three decades earlier. It is striking that, despite the fact that the differences between types of household have decreased on the owner-occupied market, differences between people who grew up in rented dwellings and in owner-occupied dwellings have slightly increased.
The second finding related to the intergenerational transmission of housing quality that stands out in the analyses is the fact that the positive association between the parents’ and the child’s housing value is stronger for parents and children who live close to each other. This finding might well be explained by the fact that living close facilitates the exchange of support and contact and might result in more financial (housing) support from parents.

**Residential locations and relocations of parents and their adult children**

The second part of this study refers to the question whether residential locations and relocations of parents and their adult children (aged 30 and over) are associated with the support needs of either generation. For this purpose I studied the effects of situations and events associated with support needs on intergenerational coresidence (the situation in which adult children live together with their parents) and moves close (within a distance of one kilometre) to parents and adult children. The findings reveal that both intergenerational coresidence and moves close to parents and children are associated with the support needs of both generations, particularly those of the adult child.

My study on coresidence shows that the vast majority of the moves that result in coresident households in the Netherlands are those of an adult child into the parents’ home, and it is likely that a substantial part of coresident households are the result of continuing coresidence: adult children who have never left the parental home in the first place. Never-married single adult children, those who are divorced or widowed, and those who receive a long-term disability benefit are particularly likely to live together with their parents. Because continuing coresidence cannot be traced in the data, I also studied the transition to coresidence (situations in which parents and children did not live together in year \( t \), but did so in year \( t+1 \)) in order to see how those making the transition differ from those who might have lived together for a much longer period. The results show that moves of an adult child into the parents’ home are particularly likely after a child’s divorce and a child’s loss of income. Having a partner and having children decrease the likelihood of (transitions to) intergenerational coresidence, probably because the nuclear family’s need for privacy is much greater in these situations. An exception is the situation of never-married singles with children: they are more likely than married people without children to live with parents and to move in with them, possibly because they need their parents’ support with childcare. For parents, moves into their adult child’s home are more likely for recently-divorced parents.

The main findings of my study on moves close to parents and children reveal that moves close to parents are extra likely (and even more likely than moves in another direction) for divorced and divorcing adult children, possibly because of support needs. Moves close to parents are also more likely when another sibling already lives close to the parents, which suggests that the presence of a sibling serves as a mobility attraction for the adult child. Moves in the opposite direction, that of parents close to an adult child, are particularly likely when the adult child has children older than one year living in the household, when the adult child
is female, and when the adult child is an only child. All these moves are even more likely than moves in another direction and may reflect the parents’ wish to live close to their (grand) children, possibly in order to maintain contact, receive occasional support, and to help their adult children care for their own children.

**Reflection**

This study is one of the first in which the housing quality and residential locations of adult children are explicitly connected to those of their parents. Two main conclusions can be drawn from the study. The first is that parents play an important role in their adult children’s housing quality. As a result, existing inequalities on the housing market are being reproduced across generations. Second, the residential locations of adult children and their parents are associated, which can be partly explained by either generation’s need for support. Thus, adult children and (elderly) parents take into account each other’s residential location when they feel an increased need for support.

Although my study provides some relevant new insights as well as new evidence supporting old insights, some issues should be discussed here. The main one refers to the data used in this study. The analyses shed light on the patterns of the intergenerational transmission of housing quality and on the residential locations and relocations of parents and children, but do not provide sufficient evidence of all the mechanisms that underlie these patterns. In the case of the intergenerational transmission of housing quality, several of the mechanisms that play a role have been controlled for in the analyses. The remaining effect is partly attributed to that of a role-modelling process. Such a process would, however, be very hard to measure. In the case of coresidence and moves close to parents and children, the results suggest that situations and events associated with increased support needs play an important role, but the data did not include information on people’s actual needs for support. Future studies on the geographic proximity of parents and children should be concerned with this issue.

Future studies could also be carried out from an international perspective; taking into account the role of cultural, political and socioeconomic conditions that characterize different nations. Needless to say, the extent to which intergenerational continuities play a role on the housing market also depends on the characteristics of the housing market and the legislation referring to it. Moreover, distances between family members also depend on the geography of a country and the extent to which support needs might influence these distances are partly related to cultural norms (for example: do adults normally take care of their elderly parents?) as well as the country’s healthcare system. Another issue that should be addressed in future studies refers to the different roles of parents and parents-in-law: whose parents are more influential in the intergenerational transmission of housing among couples, his or hers? Related to this issue are the different findings for males and females in my analysis of intergenerational coresidence. The extent to which support needs influence their likelihood of coresidence or that of moving close to parents should be studied in more depth. Finally, my study does not
address the duration of stay. Moves of parents and their adult children should be studied with a longitudinal approach, taking into account their duration of stay in a particular residential location at a certain stage of the life-course.

The findings of this study have at least two implications for social science. First, the conclusion that in modern western societies, socioeconomic status has become increasingly dependent on people’s achievements (for example, the education they have completed) rather than being the result of ascription (referring to the advantages and disadvantages of the socioeconomic status of the parents) does not seem to be entirely applicable to housing quality in the Netherlands. Second, the fact that parents and children take into account each other’s residential location in the situation of increased needs for support might indicate that family members living outside the household will become increasingly important in the near future. This statement is in line with Bengtson’s (2001) conclusion that multi-generational bonds are becoming increasingly important in American society. Also in the Netherlands, households have become more fluid as a result of increasing divorce rates and an increasing share of single-person and single-parent households, and parents spend longer ‘years of shared lives’ with their children and grandchildren as a result of population aging.

REFERENCE