

The impact of parents on their adult children's housing transitions

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Parents and housing

- Parental home: starting point
 - Location
 - Type of housing
 - Type of residential environment
- Inter-generational transmission of socio-economic status
- Parental homeownership and gift-giving







Parental home: Location

- Residential inertia (Huff & Clark 1978)
 - Staying put
 - Staying close
- Parents as a keep factor (Mulder & Malmberg 2011 and work in progress with Malmberg and with Ermisch & Chan)
- Parents as an attraction factor (Smits 2010; Pettersson & Malmberg 2009)
- Outcome: close distance to parents (Mulder & Kalmijn 2006; Van der Pers & Mulder 2013)





Parental home: type of housing

- > Striving for same status as parents: Easterlin 1980
- Socialization into homeownership (idea, no evidence)
- Lots of evidence on inter-generational transmission of homeownership (see later)
- Also similarities in housing density: Jenkins & Maynard 1983







Parental home: type of environment

- > City persons vs village persons?
- Feijten, Hooimeijer & Mulder 2008: residential environment in later life similar to environment in youth (also after accounting for staying put)







Inter-generational transmission of ses

- > See Social Stratification literature
- Smits & Michielin 2010: similarities in adult children's and their parents' housing value
- Jenkins & Maynard 1983: similarities in housing expenditure







Parental homeownership and gift-giving

- Lower out-of-pocket costs at older ages
- > Using equity from the home
- Mortgage guarantees based on housing value
- Owners give more to children than others (homeownership help and just money; e.g. Mulder & Smits 2013)







Because of all this...

- Inter-generational transmission of homeownership
- > Evidence:

Separate studies, different variables, not comparable







Evidence on transmission of ownership

- Henretta 1984, 1987, Boehm & Schlottmann 1999, Aratani 2011 for USA
- Jenkins & Maynard 1983 for Britain
- Mulder & Wagner 1998 for West Germany and the Netherlands
- Kurz 2004 for West Germany
- Mulder & J. Smits 1999, Helderman & Mulder 2007, A. Smits & Mulder 2008, Blaauboer & Mulder for the Netherlands
- Leth-Sorensen 2004 for Denmark
- Lewin-Epstein, Adler & Semyonov 2004 for Israel
- Poggio 2008 for Italy







Unresolved issue

- Do children rely on their parents more in some contexts than in others?
- How does transmission of homeownership vary between contexts: welfare regimes, family systems, housing markets?







The inter-generational transmission of homeownership across Europe

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Research question

> How does inter-generational transmission of homeownership differ across European countries?







Theory (1)

- Welfare regimes (Esping-Andersen and later adaptations): role of state, market, family in producing welfare
 - Liberal regimes: Mainly market (note: not in data)
 - Social-democratic regimes: State important
 - Conservative/corporatist: Combination / institutions
 - Southern European: Family particularly important







Hypothesis (1)

 Transmission weakest in social-democratic regimes, stronger in conservative, strongest in Southern European regimes







Which countries?

- Social-democratic regimes: Sweden, Denmark, the Netherlands
- Conservative/corporatist: Germany, Switzerland, France, Belgium
- > Southern European: Italy, Spain, Greece







Theory (2)

- > Housing markets, mortgage markets
 - Widespread homeownership: renting no desirable alternative, strong norm
 - Hypothesis: more transmission in countries with widespread ownership
 - Developed mortgage markets: less need for family help
 - Hypothesis: less transmission in developed mortgage markets





Which countries?

- > Widespread ownership: Belgium, Italy, Spain, Greece
- Developed mortgage markets: Germany, Switzerland, Sweden, Denmark, the Netherlands







Data

- Survey of Health, Ageing and Retirement in Europe (SHARE)
- > Wave: SHARELIFE (retrospective data)
- Germany, Switzerland, France, Belgium, Sweden,
 Denmark, the Netherlands, Italy, Spain, Greece
- Left out: Austria, Poland, Czech Republic (too many people never move out of parental home; Eastern Europe: privatization of former rental homes around transformation 1990)





Data

- > Population: aged 50 and over, not living in institutions
- > N: 1200 2700 per country, total N 20870
- > Ever moved into home-ownership: 75%
 - Germany 55%
 - Denmark 88% (seems puzzling, but: moves back and forth rather common)







Method

- Logistic regression of person-years (discrete-time event history analysis)
- Parameters: effects on log-odds of making transition to home-ownership







Method

- Dependent variable: whether moved into owneroccupied home in own household
- Independent variable of interest: whether parental home was owner-occupied at respondent's age 10
- Control variables: parental and individual ses, urbanization, partnership status, N children, age

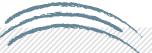






Notes

- > Results are preliminary. To be explored:
 - Men vs women
 - Differences in effect of partnerships/children
 - Impact of decreases in house prices
 - Statistical tests for differences in effects between countries
- Results are parameters from separate models per country







Results: effect of parents' homeownership

	Bivariate models	Full models
Germany	0.089*	0.174**
Switzerland	0.256**	* 0.360***
France	0.199**	* 0.110**
Belgium	0.202**	* 0.195***
Sweden	0.076	0.068
Denmark	0.262**	* 0.244***
The Netherland	s 0.228**	* 0.248***
Italy	0.300**	* 0.209***
Spain	-0.033	0.075
Greece	0.300**	* 0.398***







Conclusions (preliminary)

- Evidence of inter-generational transmission in most countries
- Differences between countries...
 but not in line with hypotheses
- Apparently, other factors important to differences: Tax treatment of gifts?
 Other suggestions?
 Main conclusion: differences not spectacular?



