

Household Formation and Tenure Decisions among the 1958 Birth Cohort
A descriptive analysis

Pamela Di Salvo[†], John Ermisch[‡] and Heather Joshi[†]

[†] Social Statistics Research Unit, City University, Northampton Square, London EC1V 0HB

[‡] ESRC Research Centre on Micro-social Change, University of Essex, Wivenhoe Park,
Colchester CO4 3SQ

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Introduction

Leaving the parental home, establishing an independent household and entering into what are seen as stable tenures (owner occupation or local authority tenancy) are some of the key household formation processes which begin in young adulthood. These processes all have an important impact on the housing market and the planning of social housing. The number of young people entering adulthood at any given time, their patterns of household formation and how these patterns are affected by other life course events and external pressures all have a significant influence on the number and composition of British households. A recent Rowntree report concerned with the implications of population trends (Ermisch, 1990) showed that age distribution changes would, on their own, produce a dramatic deceleration in the growth in the number of British households during the 1990s. What is difficult to ascertain is the extent to which new patterns of household formation in the population, particularly by young people, would offset this deceleration from age distribution changes.

Until recently it has been difficult to study the dynamics of household formation because of the lack of appropriate longitudinal data. Analyses of people's living arrangements have had to rely primarily on associations derived from cross-sectional "snapshots" to make inferences about these processes. For example, Ermisch and Overton (1985) analyzed the effects of age, income and other characteristics of a single person on the probabilities that (s)he lives on his or her own, with parents or with others. Berrington (1993) and Berrington and Murphy (1993) take a similar approach in their recent studies, which use the large samples available in a series of Labour Force Surveys during 1981-91. Other studies have made inferences about household formation and dissolution on the basis of aggregated data, making them even further removed from the observation of individual behaviour (eg. Dicks, 1988).

One of the first dynamic studies of household transitions was a study by Richards, White and Tsui (1987) using American panel study data. Other studies have been conducted more recently (also using American panel study data) specifically on the leaving home process (Buck and Scott, 1992a, Buck and Scott, 1992b and Goldscheider, Thornton and Young-DeMarco, 1993). One of the advantages to using panel study data for this type of analysis is that researchers are able to date quite accurately an event (as the households are revisited each year) and they

have the freedom to define the event (Buck and Scott, 1992b). However, Buck and Scott (1992b) also highlight the difficulty with missing data in panel studies. In Great Britain this type of data is only now becoming available for analysis. However, one rich data source, the National Child Development Study (NCDS), does provide an opportunity for examining the process of leaving home in Great Britain.

Jones (1987), Kiernan (1991) and Kerckhoff and Macrae (1992) all use data from the fourth sweep of NCDS to look at leaving the parental home. These data were collected retrospectively when the cohort members were age 23. Retrospective data collection can cover longer periods of time than panel studies and problems of missing data are not as acute since only one interview is needed to collect the necessary data. However, this type of study design does introduce problems of recall. Data on leaving home from this fourth sweep of NCDS also raise a number of unanswered questions. Firstly, a large proportion of men, approximately 35%, had not left home by age 23 (although not as substantial a proportion, approximately 15% of women had not left either). Secondly, only one actual date was collected and this was in response to the question "When did you first leave [who you lived with at 16] to live elsewhere?" This limited information did not allow analysis of the timing of returning to the parental home or leaving again on a more "permanent" basis. Additionally, the yes/no question on returning home was confined to returns of greater than six months, imposing a definition on the event (returning) which could only be satisfied after a spell of at least six months had been completed. As observed by Kiernan (1991), the difficulty of precisely pinpointing when a young person has left the parental home suggests that other information, such as when a young person has entered their first major tenure (ie. social housing or owner occupation), may be a more demographically useful measure. This was not available in NCDS4, although the tenure of their first move from the parental home was recorded.

In this paper we use data from the fifth sweep of NCDS to examine the patterns of household formation and dissolution as well as tenure choices and changes (for a comparison of NCDS4 and NCDS5 results see Appendix I). Further work exploring the individual and macro-level factors which influence these patterns and processes is presented in Di Salvo and Ermisch (1995) and Ermisch and Di Salvo (1995).

The Data and the Methods

The National Child Development Study (NCDS) is a longitudinal study of those born in Great Britain during the week of 3rd-9th March 1958. Information on cohort members has been collected periodically ever since their birth some 37 years ago. In addition to the initial sweep, conducted in order to monitor development in the first weeks of their lives, they or their parents were interviewed when the cohort members were aged 7, 11, 16, 23 and 33. The most comprehensive history of their household formation and tenure decisions as young adults comes from the fifth follow-up conducted during 1991.

In this fifth sweep, an address history was collected as one section of the self-completion questionnaire entitled "Your Life Since 1974". For each address, it records the dates they moved in and out, what other adults shared the accommodation, the type and tenure of the accommodation, and their reason for moving. The analysis in this paper is based primarily on these address histories, although we also use data from the third and fourth sweeps of the NCDS to analyze and model early household formation and tenure processes (see Di Salvo and Ermisch, 1995 and Ermisch and Di Salvo, 1995).

From the original 11,178 cohort members answering "Your Life Since 1974", 10,811 could be included in analyses of household formation and tenure decisions. The vast majority of those cases which could not be used (292) either had histories in which all moving dates were missing, or in which all addresses had missing information on household composition (i.e. the question concerning "other adults sharing your accommodation" was not answered)¹.

The sample for our analyses was also restricted to those cohort members who reported that they were living with their parents or in the parental home (this additional specification serves to include some of those cohort members being cared for by relatives other than parents) at age 16. If the address they were living at on their birthday in March of 1974 was omitted, they were also included and residence in their parents' home at age 16 was assumed. These selection

¹ Data Note 1 on the "cleaning" of data for this project is available from: Social Statistics Research Unit, City University, Northampton Square, London EC1V 0HB.

criteria reduced our sample to 10,503 and probably excluded some cohort members who were in care or who were at boarding school when they turned 16 (2.7% of cohort members were full boarders at NCDS3 and 1.0% were in local authority care).

Our main tool of analysis is "survival analysis" which enables us for all cohort members, whether they have provided complete or incomplete housing histories, to estimate the length of time until an event of interest (i.e. leaving the parental home, entering a first major tenure, returning to the parental home etc.) occurs. From their 16th birthday in March of 1974, we can "observe" each month until the time of the interview at age 33. There are four possibilities when scrutinising each address history: 1) an event of interest occurs during the time period in which we have observed the cohort member and all information is complete; 2) although we have complete information on each month from the age of 16 to 33, an event has not yet occurred (but may still); 3) the housing history is incomplete, perhaps because an address has been omitted, and we can't make any firm conclusions about what happened during those missing months; or 4) although all addresses are in the history, some important piece of information such as who they were living with or the tenure of the accommodation is missing, and again we can't draw any firm conclusions about the event of interest. Survival analysis allows us to utilize as much information as possible from each of these types of individual histories. In the first case, we can indeed examine the length of time until the event of interest occurred. In the other three cases, we analyze only time periods for which we have complete continuous information and then remove them from the analysis. This allows us to estimate when and how quickly events occur (age specific probabilities²) for our population as a whole instead of only for those who we observe experiencing the event.

² Usually referred to as the hazard rate, roughly speaking this shows the probability of an event occurring in each month conditional upon the cohort member having not already experienced the event.

Leaving Home

Jones (1987), in an analysis of early housing careers, presents a summary of historical research on the patterns of leaving the parental home. Although young people are leaving home much later than in the mid-eighteenth to early nineteenth century, evidence points to a return to temporary independent living prior to marriage. Instead of leaving home for apprenticeships or domestic service as at the turn of the century, young people are leaving to pursue higher education and training programmes. For a period during the 1950s and 1960s, age at leaving home was synonymous with age at first marriage, but with the majority of marriages occurring later this no longer appears to be true for a substantial percentage of more recent cohorts of young adults.

Unlike other life course events such as first marriage or the birth of a first child, leaving home is difficult to define. Other studies in both Great Britain and abroad (for example, Buck and Scott, 1992a, Buck and Scott, 1992b, Goldscheider, Thornton and Young-DeMarco, 1993, Jones, 1987, Kiernan, 1991, and Kerckhoff and Macrae, 1992) have addressed this problem by distinguishing periods of "semi-autonomous" living or identifying cases of temporary living arrangements or accommodation, here we refer to "**living away**".

For the purposes of this analysis, three possible definitions of leaving home were considered. In the first definition, the moving-in date of the first address in which a young person is no longer living with parents is deemed to be the leaving home date, regardless of where the young person has gone or what the living arrangements were like. In the second definition, only moves after the cohort member had completed full-time continuous education were considered as moves away from the parental home. For the third definition, a move while still in full-time continuous education is considered as a valid break from the parental home but as a separate destination³. In all three definitions, only an actual change of address constitutes a move (a

³ The study by Kerckhoff and Macrae (1992) highlights other categories of semi-autonomous home leavers; eg. those in military service or job training schemes. As these programmes normally carry with them a wage and employment package, only those who went to live as students are seen in this study as likely to exhibit patterns of leaving home which are different from the rest of the population at risk. We do, however, recognise that living arrangements for these young people are likely to be temporary.

cohort member who remains in the parental home when their parents move would not be considered as having left home). A change of state (such as being a student to no longer being a student) is not sufficient.

Regardless of the definition used, the vast majority of cohort members (96%) have left the parental home by age 33. Even so, approximately 6% of men and 2.5% of women remain with their parents. Because leaving home is an event experienced by almost everyone, it would be more informative to analyse the departures from the parental home by reason for leaving or by destination.

Studies using NCDS4 data (Jones, 1987, Kiernan, 1991, and Kerckhoff and Macrae, 1992) have examined the leaving home process according to the reason for leaving home. At NCDS5, data were collected on the reason for moving at each address⁴. Unfortunately, it was not made clear whether this question referred to moving in or moving out. To explore the reliability of this data, the reason for moving given at the address designated as the leaving home address was checked. Cohort members who had first left home to live with a partner gave a variety of reasons for their move. Approximately 30% gave their relationship as a reason, while an additional 30% said they wanted a larger/better home. As education was not listed as a reason, it was expected that of those who went to live away as students, the vast majority would have chosen "other" as their reason for leaving home. This was in fact true for only 53% of cases. As is clear from these few explorations, reasons for the move could not easily be reconciled with the household composition of the supposed destination. Therefore, we have chosen to focus our attention on tangible characteristics of the destinations such as household composition, tenure and type of dwelling.

Throughout these analyses, we distinguish three main destinations, based on the household composition, for the first move away from home and subsequent moves: living with no other adults (often referred to here as 'alone'); living with friends or others; and living with

⁴ There were six options listed for this question: 1) wanted larger/better home; 2) because of work/partner's work; 3) relationship began/ended; 4) wanted to buy/rent own home; 5) no choice (eg. parents moved, evicted etc.); 6) other

a partner (either legally married or cohabiting). For only the first move from the parental home (definition three), a fourth destination, living away as a student, is also included. Tables 1 and 2 show comparisons in terms of destination for the three possible definitions. Missing information about when a cohort member left full-time continuous education is primarily responsible for the increased number of missing/unknown destinations for the second and third definitions. Also, as leaving home tends to be later for cohort members who spend time as

Table 1
Destinations of First Moves from Home
percentages

	definition 1 any move	definition 2 after student moves
no other adults	12.4	10.5
with friends or others	25.6	17.9
with a partner	54.9	51.2
missing/unknown	7.1	20.4
Total (N = 10,503)	100.0	100.0

Table 2
Destinations of First Moves from Home

definition 3 four destinations	definition 1 any move				TOTAL (N)	TOTAL %
	unknown/ no move	no other adults	with other s	with a partner		
unknown/no move	748	190	488	687	2,113	20.1
no other adults		922			922	8.8
with others			1450		1,450	13.8
with a partner				5007	5,007	47.7
away as student		189	746	76	1,011	9.6
TOTAL	748	1,301	2,684	5,770	N= 10,503	100 %

students under the second definition, other pieces of missing information are more likely to interrupt the history. Keeping students in the parental home as in the second definition comes particularly at the expense of cohort members going to live with friends or others. As shown in Table 2, which compares destinations for the first and third definitions, the majority of those going to live away as students were also defined as living with friends or others in the first definition. In considering both the first and the second definition of leaving home, it becomes apparent that potentially valuable information is unnecessarily lost. The first definition ignores the fact that the patterns of leaving home and indeed subsequent moves may be substantially different for those who have experienced semi-autonomous living. And, clearly, information about the first time a cohort member has lived without his or her parents is completely lost using the second definition. For the remainder of our analyses we will focus on the third definition of leaving home as a preferred definition.

Destination-specific hazard rates are shown for men and women in Figures 1(a) and 1(b), respectively⁵. These estimates are smoothed by a twelve-month moving average to suppress the seasonality (particularly of marriage). While in their teens, the highest departure rates from home for men are to live with friends or others or to move away as a student. Moving to live away as a student shows two clear peaks (as would be expected), one at age 16 and the other during the six months after the cohort members' eighteenth birthday, when young people usually go to university. It is not until age 20 that leaving home to live in a partnership dominates the leaving home process for men. The highest destination-specific hazard of leaving home for men is in partnerships at about age 25, with a second peak at age 28. The probability of leaving home to live alone remains the smallest destination-specific hazard until after their 23rd birthday, when leaving to live with friends or others is least common. For women, leaving home is dominated by moves into partnerships throughout most of their early housing careers. The only destination ever to surpass entries into partnerships is leaving to live away as a student. The two peaks for living away which were apparent for men are also present for women, and at the same ages. For the remainder of the sixteen year period, leaving home to live in a partnership overshadows all other destinations. Unlike men, departures into partnerships for women have only one peak at

⁵ Destination-specific hazard rates are calculated for the proportion of those at risk who move to a given destination in a given month. Cases who move to destinations other than the one of interest are removed from the analysis at the time of their first move.

Figure 1(a) Risk of Leaving Home by Destination
Men's Hazard Rates - Moving Average

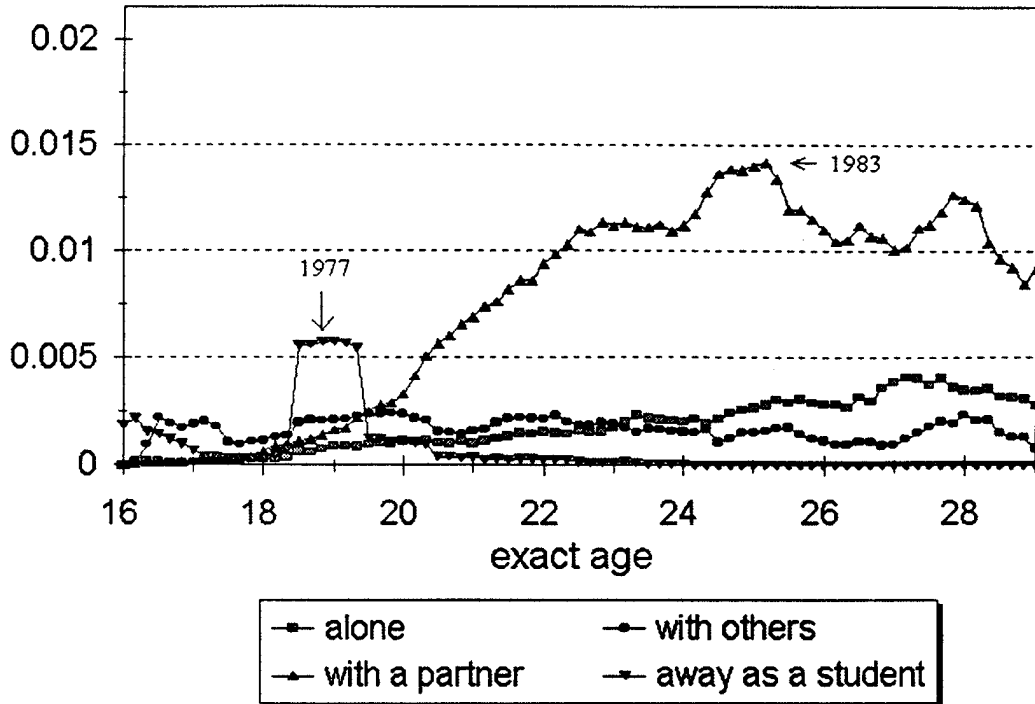
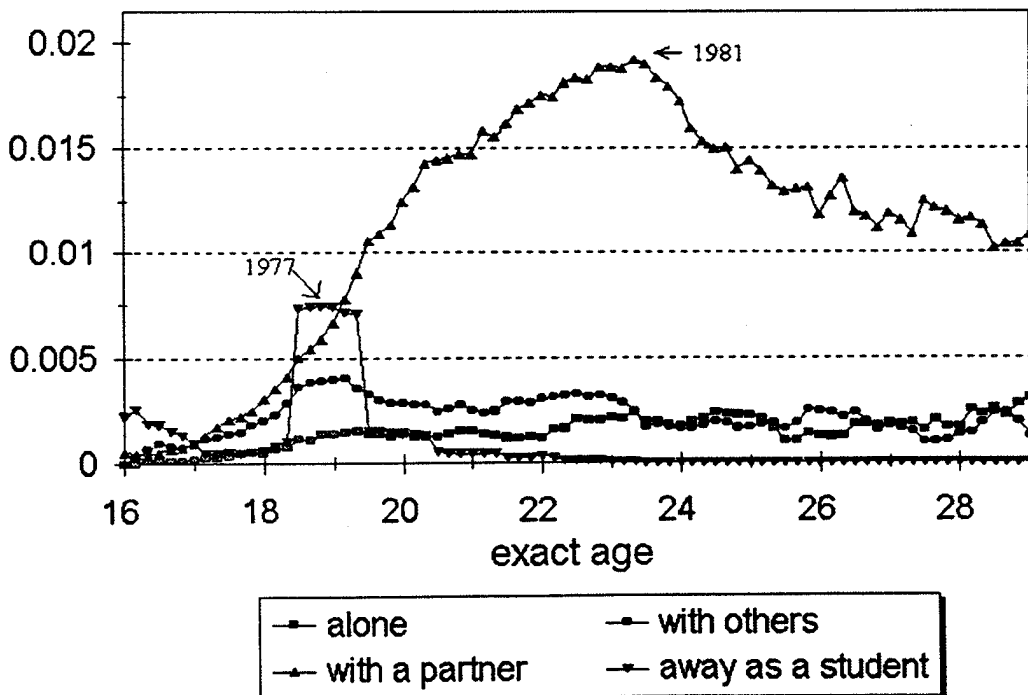
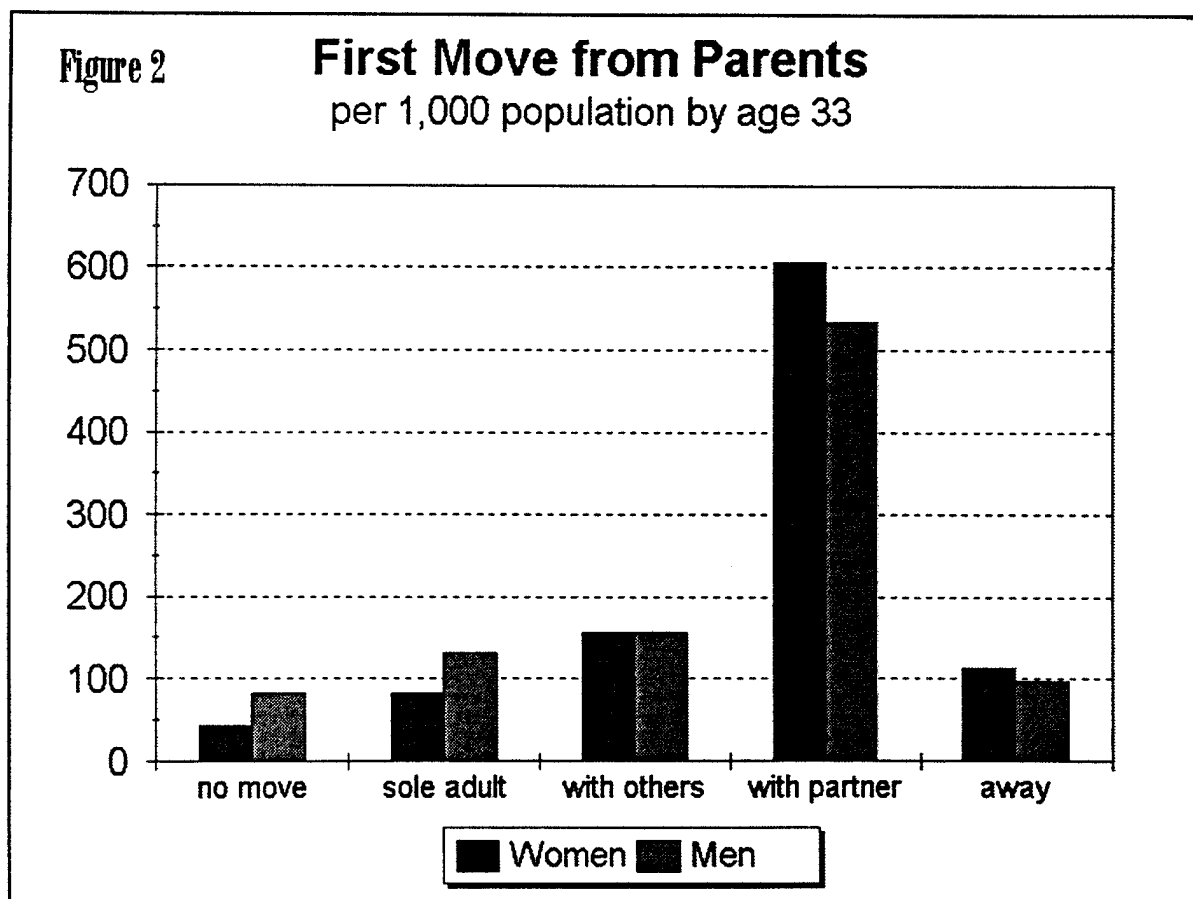


Figure 1(b) Risk of Leaving Home by Destination
Women's Hazard Rates - Moving Average



age 23, this peak being much higher than any for men. The hazard rate for first moves into partnerships declines steadily from then on. For both men and women in this generation, the vast majority of these partnerships are marriages, only 26% of cohort members were cohabiting in their first partnership⁶.

Using the destination-specific hazards, we can simulate the dynamics of leaving home by first destination. For example, Figure 2 shows the expected destinations of first moves from parents for 1000 cohort members by the age of 33. It confirms what the hazard rates have already suggested about first destinations when leaving the parental home. More women than men leave to live in a partnership, although for more than 55% of all cohort members this is still the route out of the parental home. Men are more likely than women to leave to live alone and are also more likely to remain in the parental home at age 33. Equal proportions of men and women leave home for the first time to live with friends or others, approximately 15%. The difference



⁶ Eleven of these cohort members reported that their first partner was of the same sex.

in the proportions of men and women leaving to live away as students is negligible, with around 10% of all cohort members leaving while still in full-time continuous education. On average, women leave the parental home sooner than men. This is clear from the generally higher hazard rates for women. Indeed, the median age (age at which 50% of cohort members have left the parental home) is nearly 26 months later for men than women: 20 years, 9 months for women and 22 years, 11 months for men. Moves to live away as a student occur primarily before the age of 20, while moves to enter into partnerships tend to occur later on average than moves into other destinations.

Table 3 shows the tenure of the accommodation entered at the time of the first move from the parental home. As would perhaps be expected, those who went to live in partnerships are most likely to have moved into the "stable" major tenures of owner occupation or local authority tenancies. As forming a household with a partner is the most common route out of the parental home, movement into owner occupation is clearly a very important tenure option. Private rented accommodation also plays a large role in moving away from home both as a student and to live with friends or others. Given the low proportion of houses which are available for private rental, it is interesting to note the important transitional role played by the private rental sector for young people in Great Britain.

Table 3
Tenure of Accommodation at First Move from Home

tenure type	Destination of First Move			
	<u>no other adults</u>	<u>friends or others</u>	<u>partner</u>	<u>away as a student</u>
owned/buying	38.5%	4.0%	58.4%	2.5%
council/housing association	14.9%	4.2%	19.6%	4.5%
renting privately	29.6%	40.7%	16.6%	40.7%
other ^a	17.0%	51.1%	5.4%	52.3%
TOTAL	N= 918	N = 1,434	N = 4,986	N = 998

^a includes living rent free and other arrangements such as accommodation tied to a job etc.

There was also some variation in the type of accommodation chosen according to the household composition of the destination, as shown in Table 4. Those who left the parental home to live with a partner went to live in self-contained accommodation (houses or flats) in almost 95% of cases. At the other extreme, those who went to live away as students lived most frequently in rooms (39.4%) or what was described as "other" accommodation (26.9%). Notably, those who went to live with friends or others did not occupy any one type of accommodation more than another. Finally, living in self-contained flats was the most common option for those who went to live with no other adults.

As is explored further in Ermisch and Di Salvo (1995), some cohort members were more likely to leave home earlier than average and to go to particular destinations. Cohort members whose fathers were in non-manual occupations (measured when the cohort was age 16) were more likely to have left home by age 20. 43% had left as compared with 33% of those whose fathers were in manual occupations. Differences in the destination of the first move by father's social class were even more striking. 47% of those whose fathers were in non-manual occupations had left to live in a partnership as compared with 68% of those whose fathers were

Table 4
Type of Accommodation at First Move from Home

type of accommodation	Destination of First Move			
	no other adults	friends or others	partner	away as a student
detached or semi-detached	17.3%	21.2%	34.8%	12.1%
terraced house	16.6%	13.3%	32.9%	7.3%
self-contained flat	39.3%	21.7%	27.6%	14.3%
rooms - not self-contained	17.7%	23.0%	2.0%	39.4%
other ^a	9.1%	20.8%	2.7%	26.9%
TOTAL	N = 914	N = 1,426	N = 4,975	N = 1,002

^a a description could be written in here and included accommodation such as: barracks, halls of residence, boats and tents.

in manual occupations. Only 7% of those with fathers in manual occupation went to live away as students, while 20% of those with fathers in non-manual occupations did so. The numbers going to live alone and with friends were not remarkably different.

Those who were young parents, particularly women who had early first births, were more likely to leave the parental home. 80% of mothers under 20 had left by age 20, while only 40% of those who had not had a first birth in their teens left before they were 20 years old. Young mothers were also more likely to move into partnerships than young women who remained childless, (79%) of all of their first moves from home were to form partnerships.

Returning Home

While a minority activity, returning to live with parents again is not uncommon among the 1958 cohort. On the basis of the vast majority of cohort members who were observed living outside the parental home, we can calculate the rate of return to the parental home according to the time since the first move away. A return is deemed to have occurred when we find a subsequent address at which the cohort member is living with their parent(s), but without a partner. This is not conditional on the length of time they remain with their parents. Only 22% of cohort members had ever definitively returned to the parental home by age 33 (for 212 of the 8,390 who had left the parental home, or 2.5%, whether or not they returned could not be determined). The vast majority of those who had returned did so only once by the time of the interview at the age of 33 (73%).

As would be expected, the propensity to return varies greatly by the first destination of the cohort members. Table 5 highlights these differences. It should be noted, however, that other moves among these non-parental household compositions may have occurred before returning home; that is, the household in which the cohort member was residing immediately before returning to the parental home may not have had the same composition as the household of the first destination.

Table 5
Returning to the Parental Home by First Destination

number of returns	Destination of First Move			
	no other adults	friends or others	partner	away as a student
never returned	77.4%	57.5%	89.1%	47.3%
once	17.1%	29.0%	9.5%	33.4%
more than once	5.5%	13.4%	1.4%	19.3%
TOTAL	N = 900	N = 1,395	N = 4,910	N = 973

Young people who originally left the parental home to live away as students have a greater tendency to return and return more frequently than those leaving to other destinations. This is rivalled only by the propensity of those who went to live with friends or others to return to the parental home. On the other hand, those who went to live with partners are less likely to have ever returned to the parental home by age 33 and if they have, they are more likely than the others to have only done so once.

As with leaving the parental home, we can examine the household composition specific hazard rates in order to examine the timing of returns to the parental home. As suggested by Figures 3(a) and 3(b), the majority of returns occur within two years of the leaving date. After the fifth year of living outside the parental home, the risk of returning is minimal. In the first year, men have a higher risk of returning to the parental home after living away as students than do women and women have a higher risk of returning if their original destination was with friends. For both men and women the risk of returning after living away as students shows two peaks, one at one year after leaving and another at about three and a half years after leaving their

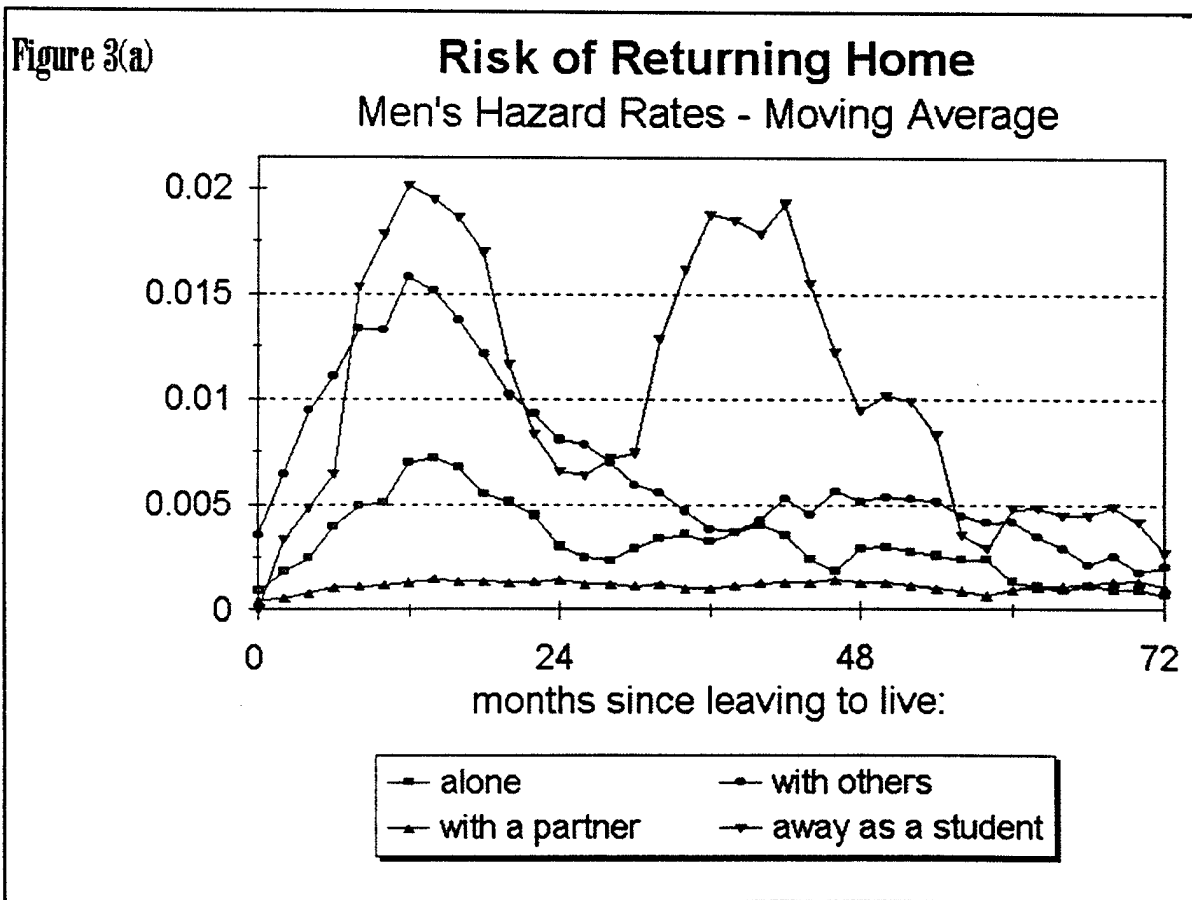
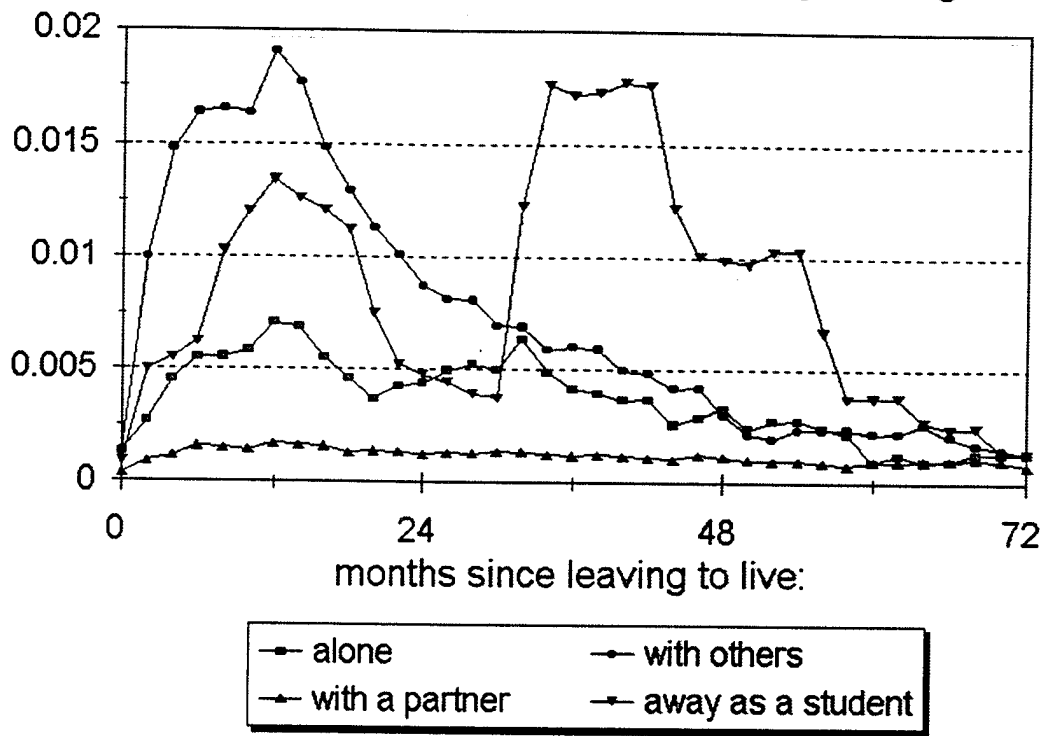


Figure 3(b)

Risk of Returning Home Women's Hazard Rates - Moving Average

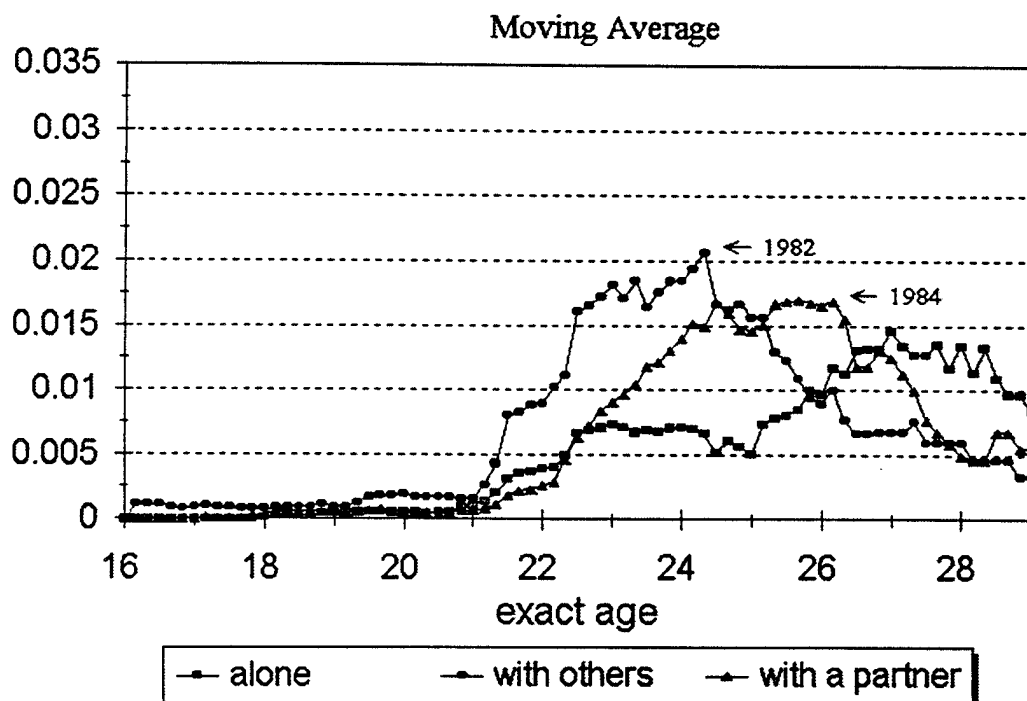


parents. The risk of leaving after living with friends or others also has a similar pattern for both men and women. After peaking at one year after the first move, the rate steadily declines over the next seven years. Those who went to live in partnerships as their first destination have an almost constant rate of return at extremely low levels. Although relatively high compared to the return rate for those who went to live in partnerships, the risk of returning for those who went to live alone is also fairly flat for the first five years, after which it levels out to be almost non-existent.

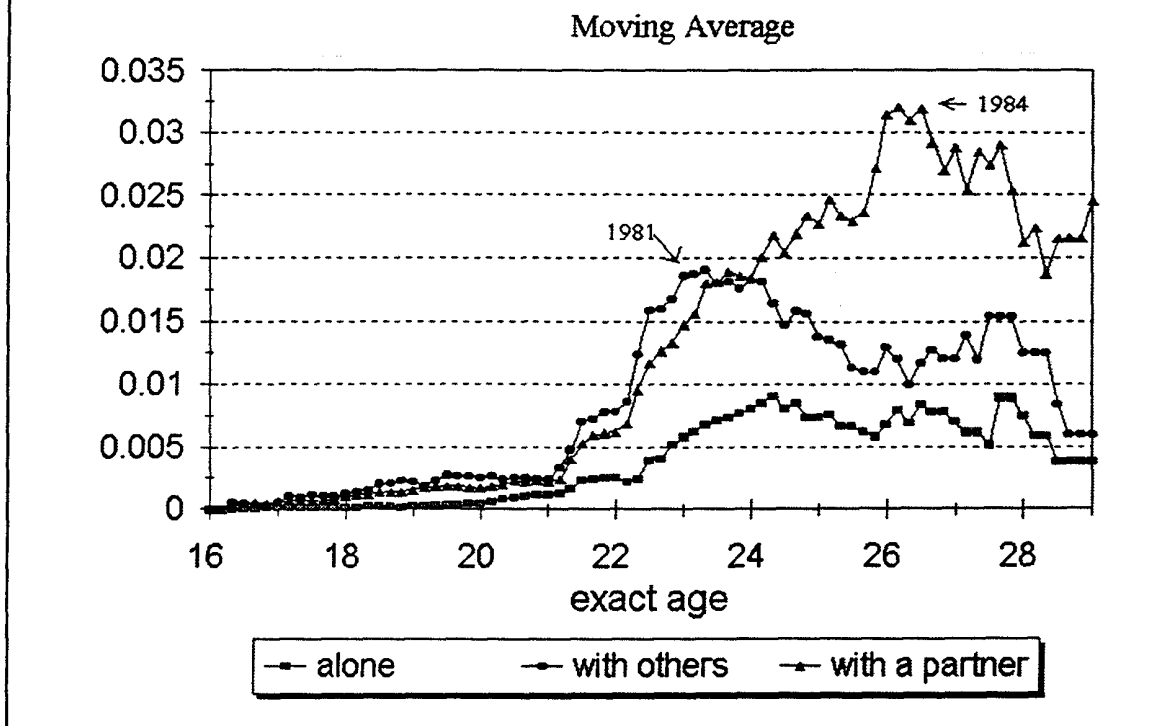
After Living Away as a Student - The Next Move

As mentioned previously, examining the household formation patterns of those who have experienced semi-autonomous living is of interest particularly because their patterns of household formation are likely to differ from those of other individuals. In order to examine this possibility for this cohort, the next move *after completing full-time continuous education* was analysed for those cohort members who had gone to live away (1,011 had moved while still in continuous education). This would allow a comparison of the rates of departure to live alone, with friends or others and with partners for those who had experienced semi-autonomous living and those who had not.

**Figure 4(a) Risk of Leaving Home after Living Away
Male Students' Hazard Rates**



**Figure 4(b) Risk of Leaving Home after Living Away
Female Students' Hazard Rates**



Figures 4(a) and 4(b) show plots of these hazard curves for the men and women who had gone to live away as students. For the first five years these curves are constrained to be low by nature of the definition of leaving home. As long as those who went to live away as students are still in full-time continuous education any move is considered 'temporary', their hazard rate is zero, and we do not consider them to have left the parental home. As is apparent from Figures 4(a) and 4(b), most of those who went to live away as students had not finished their education before the age of 21. Some cohort members, however, completed their *full-time continuous education* earlier (finishing with 'A'-levels, 'dropping-out' are two reasons), which is why the hazard rates for the first five years is small but not strictly zero. Originating these plots at age 16, the patterns of leaving home for those who went to live away as students can be compared with the patterns of those who had not. After their 21st birthday, the hazard rates are generally higher for those who went to live away as students, particularly for women, for all destinations¹.

¹ Because almost all cohort members have left the parental home by age 33 the hazard rates over the years after full-time education would be higher; a "catching-up" effect.

For women, there are two interesting differences in the pattern of moves by destination. During the first two to three years after their 21st birthdays, women who went to live away have a higher risk of leaving to live with friends than any other destination. At no point in their history are women who did not live away as students ever more likely to live with friends than with partners. Secondly, women who went to live away as students are never more likely to move away from their parents to live without other adults than to live with friends or others. When embarking on their early housing careers, women who did not experience semi-autonomous living sometimes display higher risks of leaving to live on their own than to live with friend or others.

Men who had gone to live away as students exhibit dramatically different patterns of first move from the parental home when compared with men who had not. For the first five or so years after their 21st birthday they are always more likely to move to live with friends or others. The only time that moves into partnerships as a first destination from the parental home dominates is the year before their 26th birthday. If they still have not left the parental home by this time, they are most likely to move away from their parents to live alone.

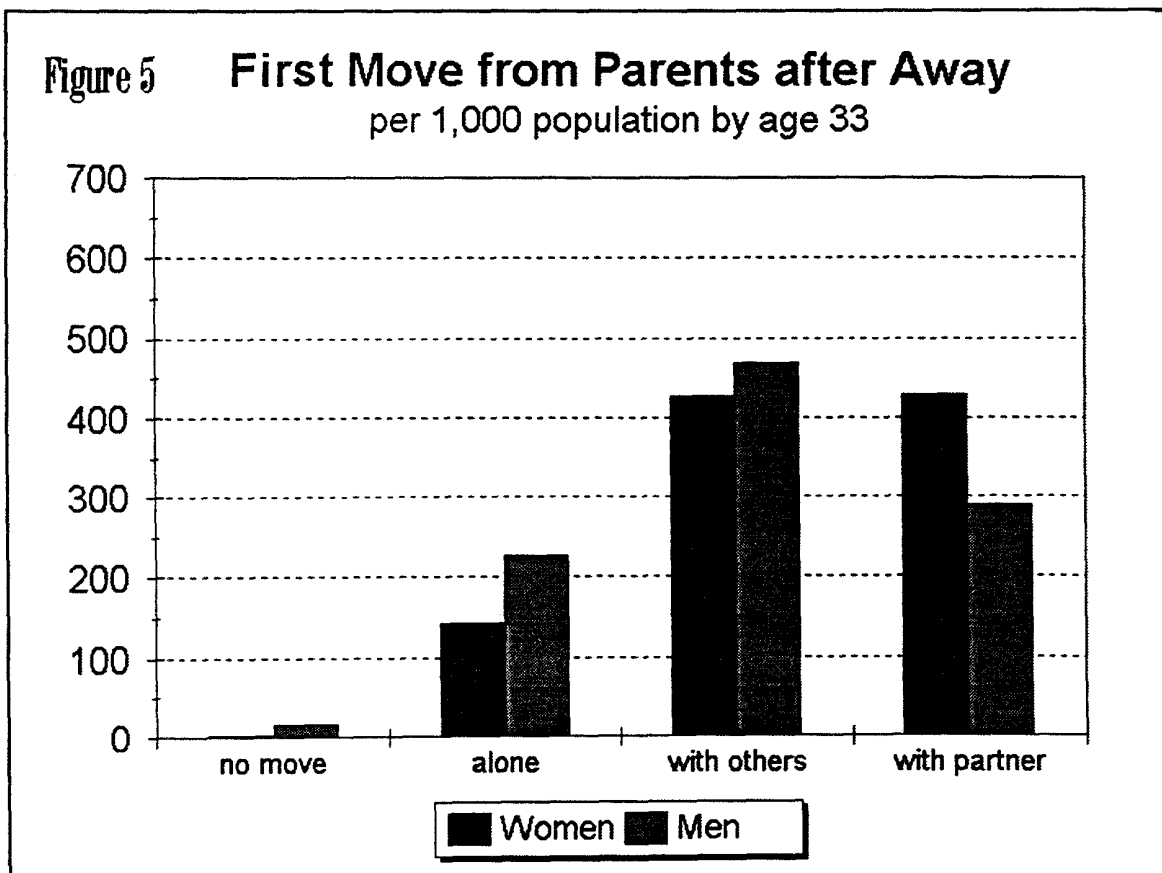


Figure 5, which shows a simulation of these dynamics, confirms the difference in the patterns of the first move from the parental home after full-time continuous education. Per 1,000 population of women, approximately equal proportions (42%) will have moved to live with friends or others as will have moved into partnerships by age 33. This compares with the 60% of women who did not experience semi-autonomous living who moved into partnerships and only 15% who went to live with friends or others. More men move out of the parental home to live with friends or others (46%) if they have experienced semi-autonomous living than to live in any other destination. Only 29% leave the parental home after living away as students to live with a partner, as compared with the 53% of men who do so in the rest of the population. Unlike those who move into partnerships directly from the parental home, cohort members who lived away as students are more likely to cohabit in their first partnership, 60% cohabit as compared with only 26% of those who did not live away as a student.

To explore further whether it is semi-autonomous living or further education which generates these contrasts, we can look at the timing of leaving home by age at finishing education as well as by whether the cohort member lived away as a student. For this group of young people, the median age at first leaving the parental home after semi-autonomous student living is estimated to be 22 years, five months for women and 22 years, six months for men. If we calculate a median age of leaving home for those who did not live away, according to their length of time spent in full-time continuous education, we find that for those who left education before age 18, 50% of women leave the parental home by age of 20 years, 10 months and 50% of men leave by the age of 23 years. However, for those who remain in education without living away, 50% of women do not leave the parental home until age 22 years, 6 months while 50% of men do not leave the until age 23 years, 9 months. This would suggest that women who stay longer in education, whether or not they go away to study, stay with their parents for longer than those who finish their education by age 18.

Among men, the relationship between prolonged education and leaving home is different. If the education involves moving away, the eventual departure from the parental home comes sooner than for the less educated men, but for those men who live with their parents while

studying the eventual departure date is later². The contrast between men and women is easier to appreciate if we remember that men are otherwise more likely to be with their parents at ages 16-21 because they tend to be older when they form partnerships. Further education, regardless of the living circumstances, delays women's departures from the parental home while for men further education speeds the eventual setting up of one's own home if the education involves living away but delays it if it involves the student staying in the parental home.

² The reasons why some students stay with their parents rather than living away have not been investigated. 65% of women and 58% of men who spend time in full-time continuous education beyond age 18 reported addresses away from their parents.

Transition to a Major Tenure

Given the complications of measuring when a young person has left the parental home "for good", perhaps a more useful measure of a young person's independence in terms of household formation would be entering their first major tenure. Owner occupation and tenancy with local authorities or housing associations ("social housing" for short) are generally considered to be the most "stable" forms of tenure. Here we will conduct an analysis similar to those in previous sections except the event of interest is now entry into one of the major tenures (without parents). The duration to this event is again measured from the cohort member's 16th birthday. For 55.2% of cohort members who had both a leaving date and first major tenure date assigned (9,348 cases in all), the first move into a major tenure was the same as the first move from the parental home. However, not all cohort members will have moved directly into a major tenure when they first move out of the parental home. Many will have experienced a transitional tenure before a major tenure is "achieved", this is explored further in the discussion on private rental. Among people with complete histories (no gaps or missing information), 65.2% became owner occupiers, 25.9% went into social housing and 8.9% had not entered one of the two major tenures by age 33. Of those in social housing, the vast majority (84.6%) entered council housing.

The hazards of moving into each of the two major tenures is estimated by the same method as that used for different destinations in the analysis of leaving home. These hazards are shown in Figures 6 (a) and 6 (b), smoothed by a twelve month moving average. Up to age 19 for women and 20 for men, entry into social housing is more likely than owner occupation, after which the entry rate into owner occupation rises steeply to plateau when cohort members are aged between 24 and 28. Beyond their 28th year, cohort members' rate of entry into owner occupation declines rapidly, but remains higher than the rate of entry into social housing. The extent to which this decline reflects the house price boom after 1986 is explored in Di Salvo and Ermisch (1995) and Ermisch and Di Salvo (1995). The entry rate to social housing is higher for women than for men. It also reaches a plateau much earlier than the owner occupation entry rate, spanning the ages 20-24 for women and for men it levels off after the age of 22.

Figure 6(a)

First Major Tenure Men's Hazard Rates - Moving Average

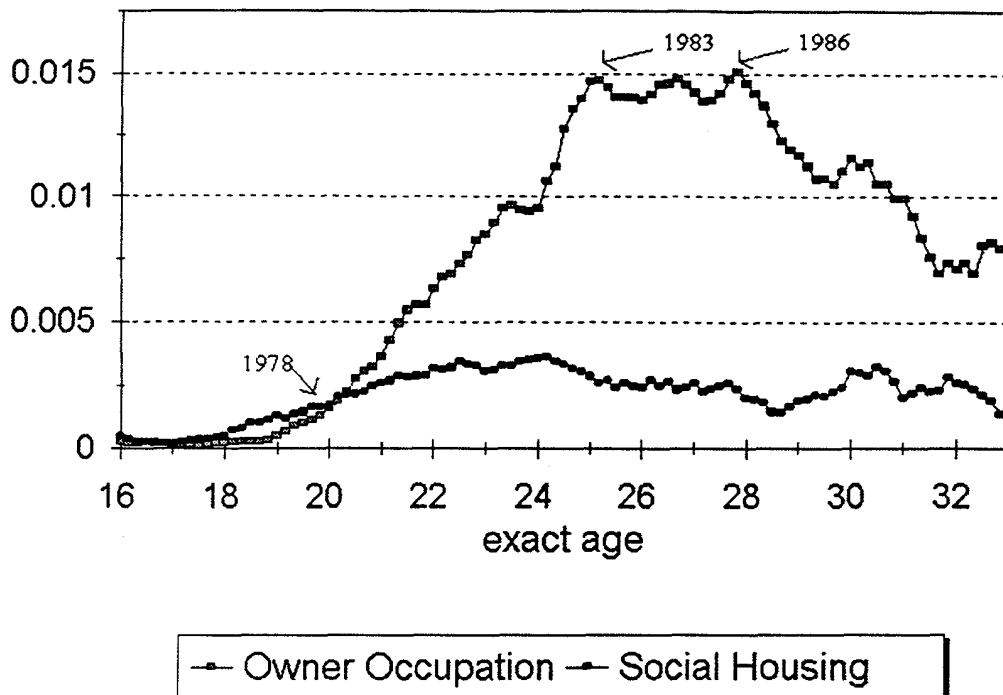
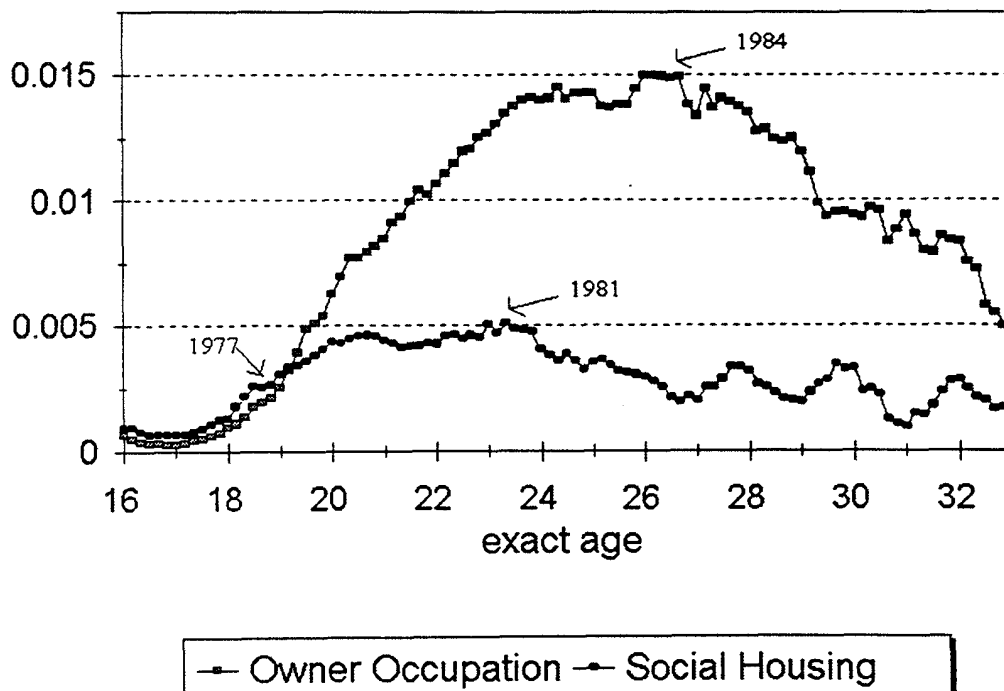
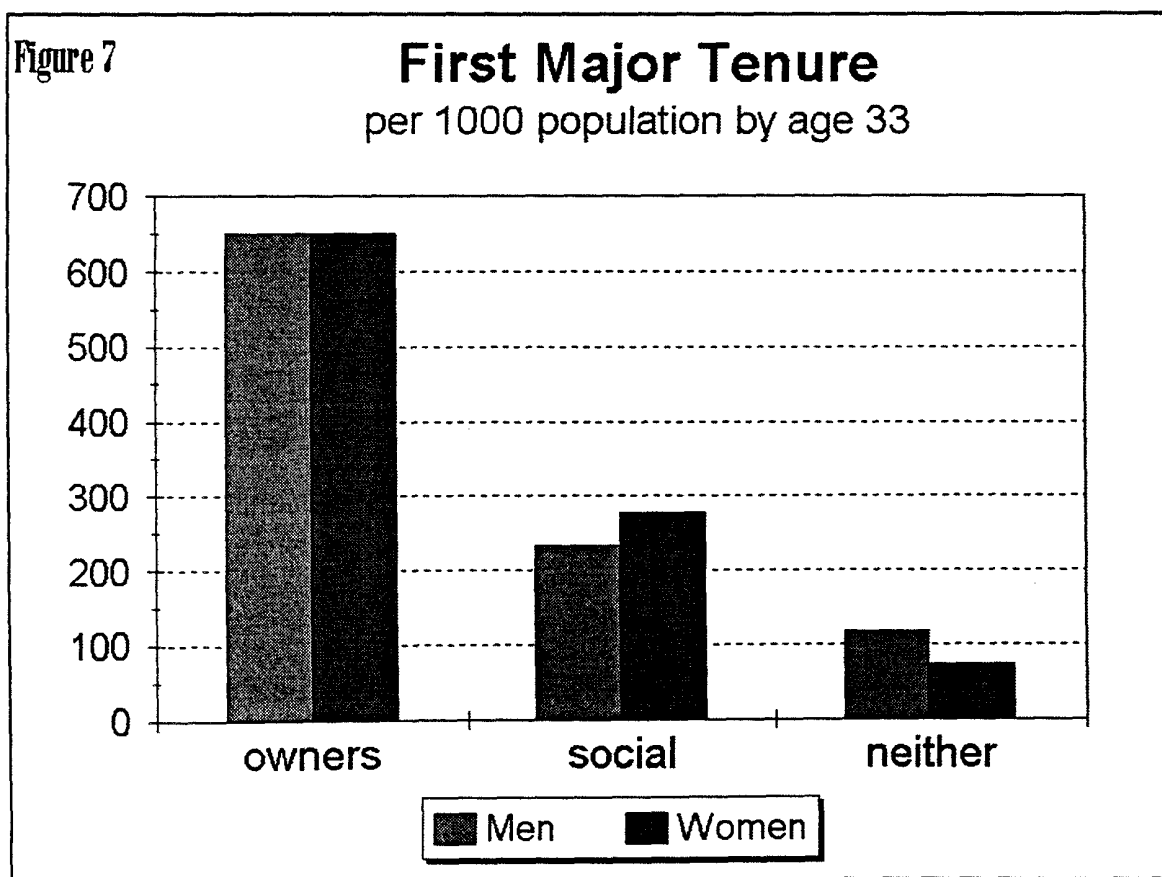


Figure 6(b)

First Major Tenure Women's Hazard Rates - Moving Average



Using the competing risk framework, we can simulate the dynamics of entry into first major tenures. Figure 7 shows that, by age 33, 88% of men and 93% of women have entered one of the two major tenures. 65% of the cohort enter owner occupation, while just 23% of men and 28% of women move into social housing. Among women, a quarter become owner occupiers by the age of 21 years, 11 months, while it is not until their 26th birthday that a quarter of female cohort members have become social housing tenants. A quarter of men become owner occupiers by the age of 23 years 7 months, or 20 months later than women. The median age for entering owner occupation in this cohort (i.e. age at which half have become owner occupiers) is 27 years, 1 month for men, and 25 years, 7 months for women. This 18 month lead on becoming an owner occupier reflects women's earlier departure from the parental home and their greater chance of moving directly into a partnership, rather than with friends or on their own. Thus, it at least partly reflects the age difference at partnership between the sexes (at 33, female survey members' partners were on average two years older, while male survey members' partners were more than two years younger).



The type of accommodation occupied at their first major tenure and who the cohort member was living with are shown in Tables 7 and 8. Table 7 confirms that by the time the cohort has reached their first major tenure, the vast majority are in self-contained, less temporary types of accommodation. Also apparent from Table 7, the majority of social housing tenants live in self-contained flats (52.5%) while owner occupiers are most likely to live in terraced or other houses (80.9%). The living arrangements of cohort members at their first major tenure can be seen to vary slightly by sex, as shown in Table 8. The vast majority of owner occupiers are living with a partner at the time of entering their first major tenure, 88.8% of women and 78.8% of men. This 10% difference between the sexes is made up for by the greater propensity for men to enter owner occupation on their own. On the other hand, in social housing women are slightly more likely than men to be either living with no other adults or with friends or others. Female social housing tenants are less likely to be living with partners than women in owner occupation, but men in social housing are just as likely as those in owner occupation to be living with a partner.

Table 7
Type of Accommodation at First Major Tenure

<u>owner occupiers</u>	N = 6393
detached or semi-detached	39.4%
terraced house	41.5%
self-contained flat	17.1%
rooms - not self-contained	0.0 %
other	2.0 %
<u>social housing</u>	N = 2536
detached or semi-detached	20.4 %
terraced house	23.3 %
self-contained flat	52.5 %
rooms - not self-contained	2.1 %
other	1.7 %

Table 8
Living Arrangements at First Major Tenure

FIRST MAJOR TENURE	WOMEN			MEN		
	no other adults	friends or others	with a partner	no other adults	friends or others	with a partner
owner occupation	8.4 %	2.8 %	88.8%	18.0 %	3.2 %	78.8 %
social housing	13.9 %	10.3 %	75.8 %	12.4 %	8.2 %	79.4 %

Changes in Major Tenure

It is usually assumed that once an individual enters owner occupation or social housing, it is only under extreme circumstances that they leave that tenure. However, of the 6,361 cohort members with complete housing histories who were observed moving into owner occupation before the age of 33, 24.9% had moved out of owner occupation at least once by the time of the interview. Just under 57% of the cohort members observed entering social housing for their first major tenure (2,504 with complete histories) had changed tenure by the age of 33. These figures indicate that although moves out of social housing are more common than moves out of owner occupation, at least a quarter of both tenure groups had changed tenures and had done so by the age of 33. This would suggest that there is in fact considerable movement out of and between these two major tenures.

Figures 8(a) and 8(b) confirm that those in social housing have a higher risk of changing tenure throughout the six or more years following entry into that tenure than do those in owner occupation. Rates of leaving social housing tenancies are highest in the first five years, reaching an early peak after the first year. They are relatively invariable over the next four year period and then stabilise during the remainder of the period of observation, particularly for women. Men are more likely than women to change tenures, especially during the first few years as social housing tenants. This is reflected in the median length of social housing tenancy as a first major tenure for this population. 50% of men are no longer social housing tenants after 82 months in that tenure, while 50% of women do not change tenure until 90 months after first becoming social housing tenants. After exhibiting a fairly small peak around the second year, rates of leaving owner occupation are practically constant. Additionally, the rates of leaving owner occupation are almost identical for men and women.

Figure 8 (a)

Risk of Leaving First Major Tenure Men's Hazard Rates - Moving Average

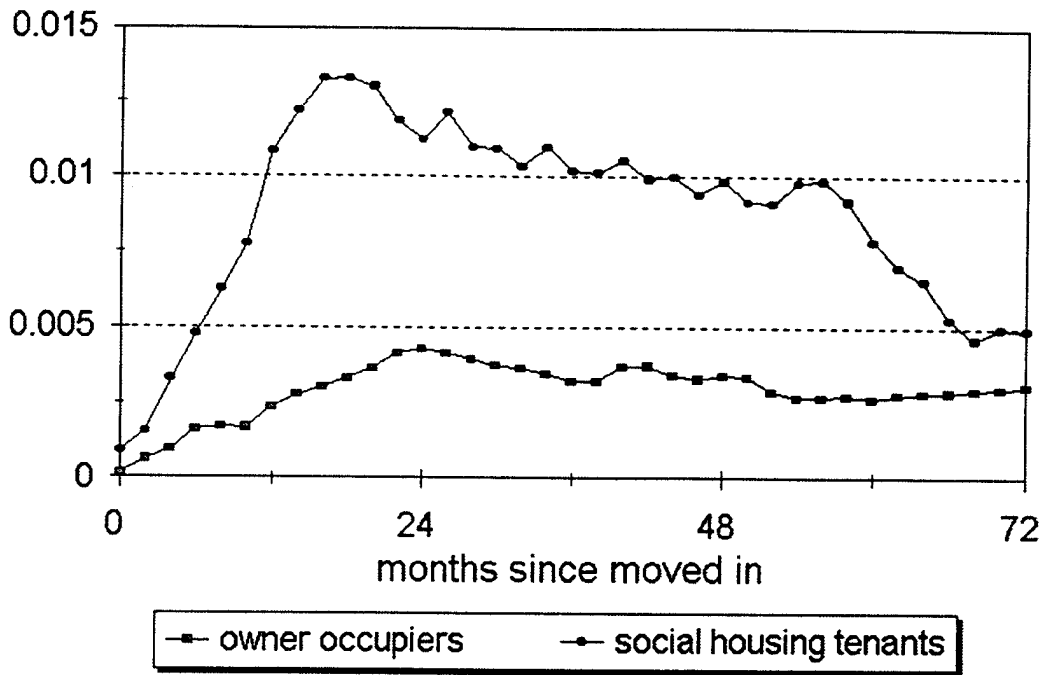
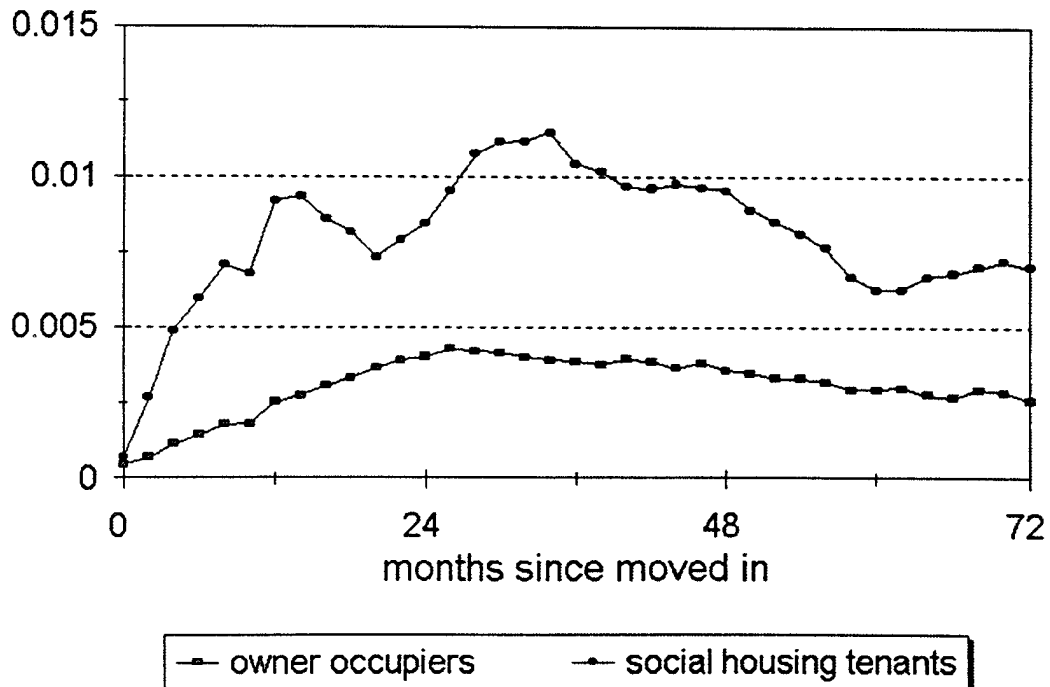
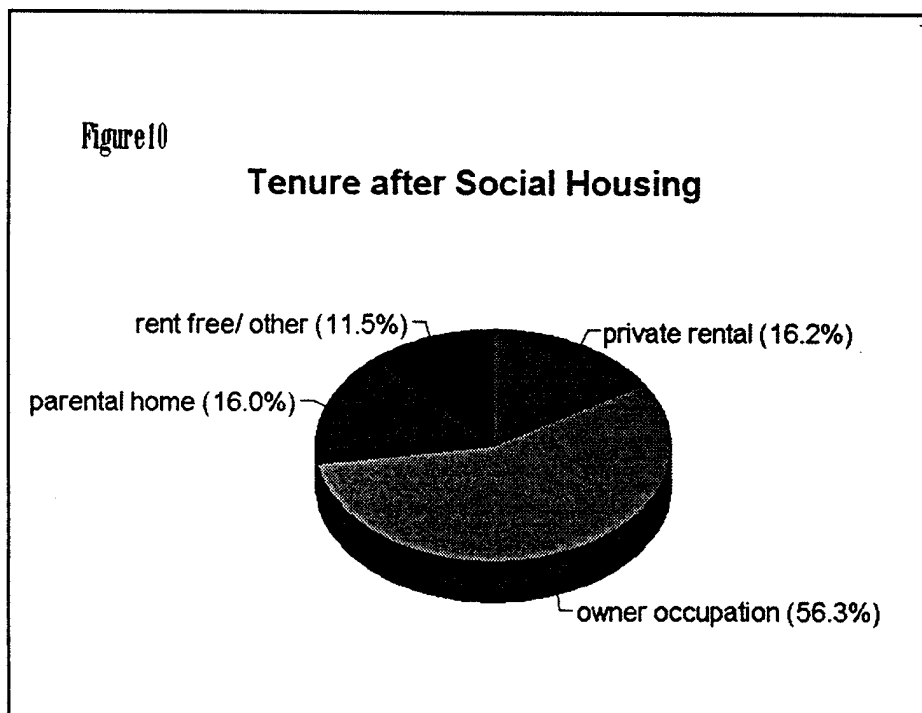
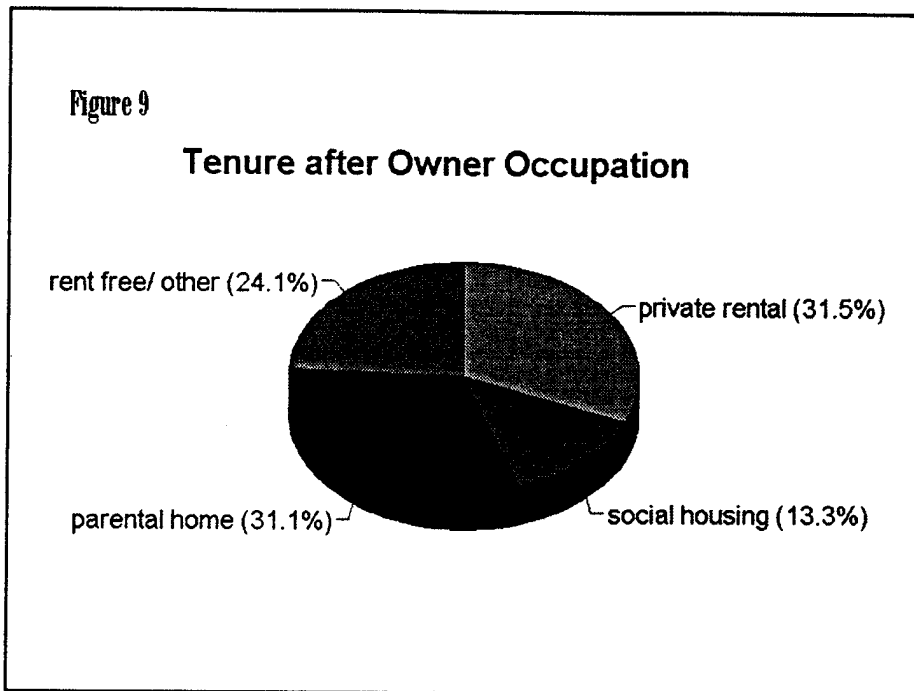


Figure 8 (b)

Risk of Leaving First Major Tenure Women's Hazard Rates - Moving Average



As the British housing market is so polarised between these two tenure options, it would interesting to look at departures from first major tenure according to the tenure into which people move. Figures 9 and 10 show the distribution of destination tenures for the first change.



It is perhaps encouraging that these figures indicate a greater tendency towards "upward mobility" than towards financially less desirable circumstances. Again, we see here an important transitional role for the private rented sector, with as many owner occupiers and social housing tenants renting accommodation when they move as returning to the parental home.

61% of moves out of owner occupation were accompanied by a major change in household composition, eg. partner to no partner, alone to with parents etc. Only 39% of moves out of social housing occurred where there was also a significant change in household composition. Perhaps this confirms the notion that leaving owner occupation generally occurs only under dramatic changes of circumstances. To explore further this relationship between tenure change and household composition, we focus on the effects of forming new partnerships and partnership breakdown, shown in Tables 9 and 10.

Table 9
Partnership breakdown and changes of first major tenure

Experienced a partnership breakup in the first 6 years after entering first major tenure ?	Percent who experience a change in tenure	
	Owner Occupiers	Social Housing Tenants
Yes	52.2	47.1
No	13.4	41.0
Number of Cohort Members	6428	2548

Table 10
Partnership formation and changes of first major tenure

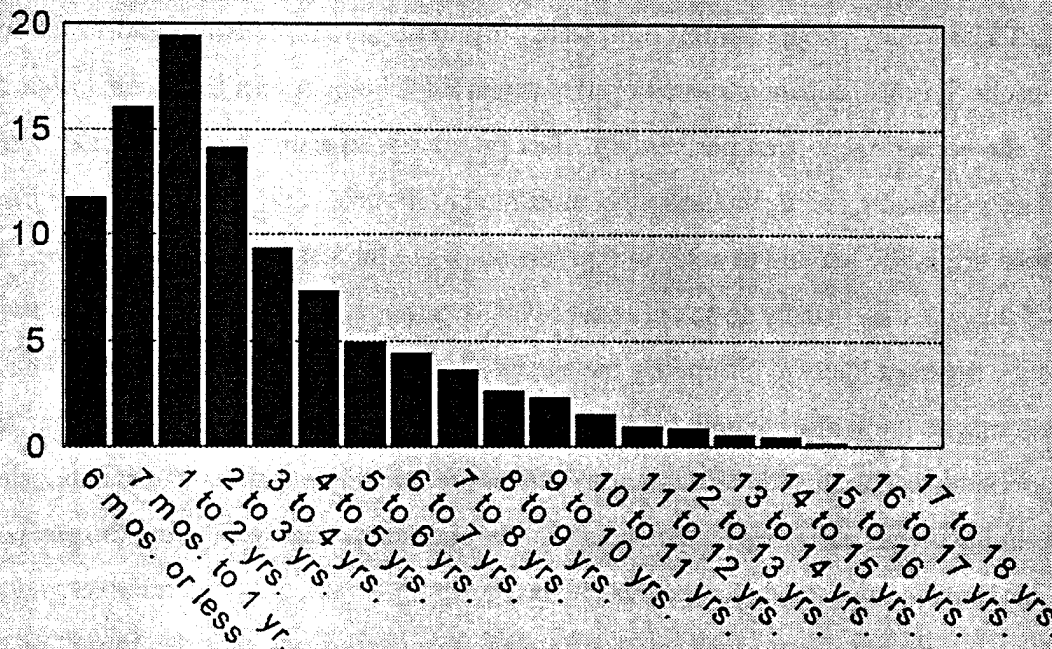
Formed a partnership in the first 6 years after entering first major tenure ?	Percent who experience a change in tenure	
	Owner Occupiers	Social Housing Tenants
Yes	22.5	39.6
No	15.4	38.8
Number of Cohort Members	6428	2548

Owner occupiers who had experienced a partnership change within the first six years of entering their first major tenure are much more likely to leave owner occupation than those who did not experience such a change. This effect is much more dramatic for those who had a partnership breakdown than those who formed a new partnership. Over half of those who suffered a partnership breakdown in their first six years in owner occupation changed tenure (52.2%) while not even a quarter of those who formed a new partnership (22.5%) left owner occupation. These proportions are far greater than for those who did not experience a partnership change (13.4% and 15.4% respectively). In contrast, among those who entered social housing as their first major tenure, approximately 40% of all social housing tenants leave regardless of their partnership history.

Private Rental

Figure 11

Length of first stay in private rental



* cohort members ever renting privately (N) = 4135

As private rented accommodation plays such a significant role for young people leaving the parental home and those who are changing tenure, even though it is such a small fraction of the housing market, we decided to calculate what proportion of the cohort had ever experienced private rented accommodation. Overall, 41.7% of cohort members had lived in private rented accommodation at least once by the age of 33. The length of stay in private rental was relatively short, nearly 50% of cohort members stayed for two years or less in rented accommodation, as shown in Figure 11. This suggests that although private rental makes up only about 10% of the housing stock in Great Britain, a large section of the population rents for short periods as a temporary stop-gap between other forms of housing tenure.

Main Findings

Evidence from the housing histories collected at NCDS5 show that, for the 1958 birth cohort, it is indeed the case that significant numbers of young people are leaving the parental home to destinations other than partnerships, although for nearly 50% of the cohort setting up home with a partner was still the route out of the parental home. Approximately 10% of the cohort experienced semi-autonomous living, leaving the parental home for purposes of full-time education. These young people exhibit remarkably different patterns of household formation from their peers. It is also apparent that, as a rule, women leave home sooner than men, primarily because of the earlier age at first partnership. The propensity to return to the parental home varies markedly depending on the household composition of the cohort members first move from home. Those originally leaving to enter into partnerships are far less likely than their peers to return and if they do, they usually do so only once. Not surprisingly, those who went to live away as students are the most likely to return. By the age of 33, a large proportion of the cohort have entered into one of the major tenures (91%). Changes from one major tenure to another are perhaps more common than generally thought, with approximately a quarter of social housing tenants becoming owner occupiers by the age of 33. In both the process of leaving the parental home and moving amongst the major tenures, the private rental sector, although relatively small in Great Britain, plays an important role. It is clear from this study that the formation of independent households among young people usually involved at least two adults. There is not much of a sign, at least in this cohort, of one-person households being formed in numbers

sufficient to counter the downward trend anticipated in the number of British households in the 1990s. Full response to this issue requires evidence from more than one cohort. What this cohort revealed is the complexity of a process where household composition, household tenure, and type of accommodation are all interlinked.

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Appendix I

Comparison of Household Formation Inferences in NCDS4 and NCDS5

In NCDS4, cohort members were asked whether they had ever left the home of people with whom they were living with at age 16 (i.e., by the age of 23), and whether they had ever returned to living with these same people, who were usually their parents (for 98 per cent of the respondents). We compare these responses with the dating of leaving home implied by the housing histories in NCDS5, which we have used in our analysis of household formation. In aggregate, 23.5 per cent had not left home by age 23 in NCDS4, while 24.4 per cent had not left by 23 in NCDS5. It is, however, possible to make more detailed comparisons for the 8801 cohort members who responded to both NCDS waves and who answered the relevant questions.

Table 1

Consistency of "Leaving Home by 23" in NCDS4 and NCDS5

<u>NCDS4</u>	<u>NCDS5</u>		
	Not left home by age 23	Left home by age 23	Total
Has not left home by age 23	1770	337	2107
Left home by age 23	445	6244	6689
Total	2215	6581	8796

As Table 1 illustrates, in 91 per cent of the cases, the inference about leaving home or not by age 23 is the same from both waves of the NCDS. The consistency is somewhat better for those who left (according to either wave) than for those who were not supposed to have left according to one wave or the other. For instance, 95 per cent of cohort members who we deemed to have left home by age 23 according to the housing histories of NCDS5 had also said that they had left home (i.e., the people with whom they lived at 16) in NCDS4, but only 80 per cent who were deemed to have not left by age 23 from NCDS5 said they had not left in NCDS4.

Some of these differences may be due to recall problems in the NCDS5 housing history.

For instance, of the 445 who had left according to NCDS4, but not according to NCDS5, 365 (82 per cent) said they had left home, but after age 23.

Comparisons of returning home responses are confined to cohort members whose responses about the timing of leaving home are consistent in NCDS4 and NCDS5. "Return" in NCDS4 is defined to be for 6 months or more, and so we use the same definition for NCDS5 (which, of course, differs from the definition used in our analysis of return).

Table 2
Consistency of "Returning Home by 23" in NCDS4 and NCDS5*

<u>NCDS4</u>	<u>NCDS5</u>		
	Not returned home by age 23	Returned home by age 23	Total
Not returned home by age 23	4022	311	4333
Returned home by age 23	742	708	1450
Total	1019	4764	5783

* Return for 6 months or more.

As we see from Table 2, in about 82 per cent of cases, we make the same inference about returns home (of 6 months or more) by the age of 23 in the two waves of the data. This is rather disappointing, but this could reflect problems of the definition of "return" in the 311 cases in which a return is inferred in NCDS5, but is not indicated in NCDS4. While the cases in the lower left hand corner of the table suggest recall problems in NCDS5, at least 86 of these, in which a return was indicated in NCDS4, but it was for five months or less according to NCDS5, are relatively minor. Our confidence in the "return" responses in NCDS4 is reduced by the fact that the question concerning the date of return is somewhat out of context in the questionnaire.