

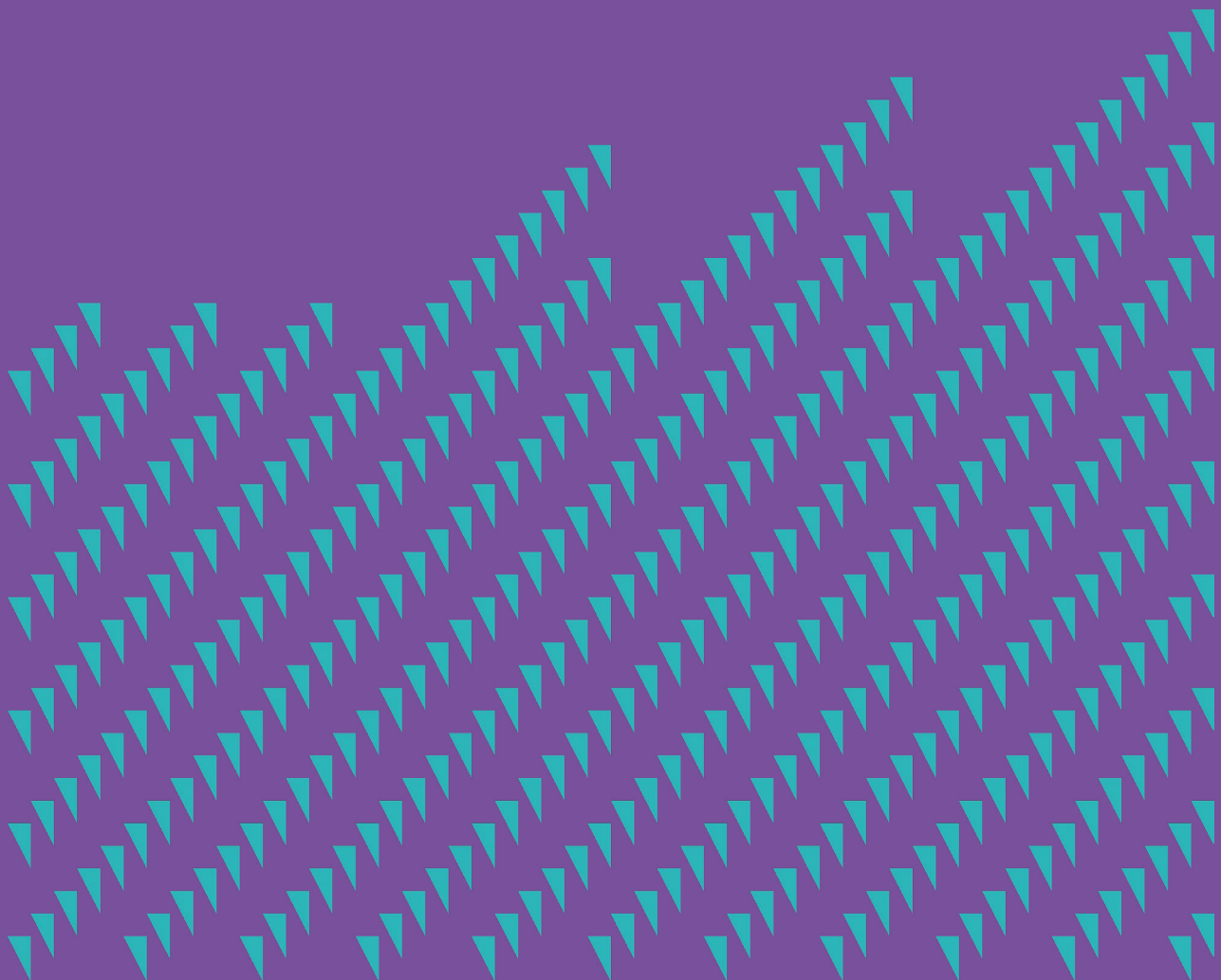


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BRIEFING

# Boom(erang) Time?

An analysis of younger adults living with their parents

Maja Gustafsson  
June 2021



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## Summary

For some, the prospect of living with your parents as a younger adult seems like a luxury; for others, something of a grim necessity. In the wake of the financial crisis, a large proportion of economically-disadvantaged younger people rode out the ensuing turmoil by living at their parents' home. Since the onset of Covid-19, the issue of adults moving in with their parents has once again come to the fore. This time, a number of news outlets have published stories about 'boomerangers' – young, remotely-working professionals who left their city flats to enjoy the comparable space and comfort of their parents' homes. But, despite the anecdotes, there is little evidence of an increase in the share of younger adults living with mums and dads since the start of the pandemic.

In a newly-commissioned representative survey of UK adults that was in the field from 3-8 June, we find that 23 per cent of 18-34-year-old (non-student) respondents were living with their parents in June, if anything slightly lower than the 25 per cent who said they were doing so before the start of the pandemic (in February 2020). This is broadly consistent with other data sources that show little change during the pandemic.

Although there is no clear association between a respondent's labour market situation and whether they moved out from under their parents' roof since the onset of Covid-19, it is the case that those young people who did move back in with their parents – about 4 per cent of young adults overall - were far more likely to have entered the crisis on lower-levels of pay, and to have experienced a negative labour market shock once the crisis hit. For example, younger adults who were employed before the pandemic broke out and have since had a period of worklessness (including furlough) were more likely to have moved back in with their parents (8 per cent) than those who were in work before and during the crisis (only 3 per cent).

One reason why we don't find an even larger share of younger respondents moving back to the parental home is that the types of young respondents whose employment was most affected by the pandemic were already living with their parents before it hit. Our survey finds that younger adults who lived with their parents both before and during the Covid-19 crisis were more likely to be non-graduates: 25 per cent of non-graduate respondents did so, compared to only 12 per cent of their graduate counterparts. They were also more likely to work in sectors that would be directly affected by social distancing measures. 25 per cent of respondents who worked in sectors that would become hard-hit, like hospitality, lived with their parents throughout the crisis, compared with the 15 per cent of those who worked in industries less affected by the pandemic. And they were far more likely to be on lower levels of pay going into the crisis: 23 per cent of younger adult respondents in the lowest weekly pre-pandemic younger person's pay

quintile remained with their parents throughout the crisis, compared to just 3 per cent of those in the top.

Although there has been very little increase in the share of younger adults that live with their parents over the past 15 months, there has been an increase over recent decades. Figures from the ONS Labour Force Survey show that between 1996-1997 and 2018-2019, the proportion of 19-29-year-olds living in their parents' home rose from 34 to 43 per cent – equivalent to an additional 1.6 million (including students and non-students). The rise was greater for women, with an 11 percentage point rise from 26 per cent in 1996-1997 to 36 per cent in 2018-2019, than the 7 point increase for men, from 42 per cent to 49 per cent over the same period. Increases have been particularly large among some ethnic groups: the share of young people with Pakistani, Bangladeshi and Black African or Caribbean backgrounds living at their parents' homes has roughly doubled since the 1990s, with 64 per cent of 19-29-year-olds from Bangladeshi background living at their parents' homes in 2018-2019.

Our analysis of pre-Covid-19 patterns shows that younger people in weaker employment positions are more likely to remain in the parental home than their better-off counterparts. In 2018-2019, 49 per cent of 19-29-year-olds in the second lowest pay quintile (of the young person's weekly pay distribution) lived with their parents, compared with the much lower 11 per cent of their counterparts in the highest pay quintile. Similarly, the share of younger workers on atypical contracts that lived with their parents was higher than their counterparts on more stable employment contracts: in 2018-2019, half (54 per cent) of zero-hours contract workers were living with parents, compared to 38 per cent of full-time workers on non-atypical contracts.

Moreover, younger people in these weaker employment positions (excluding students) have become increasingly likely to live with their parents over time. Between 1996 and 2019, there was a near doubling in the share of workless 19-29-year-olds that lived with their parents (from 25 to 47 per cent). The share of part-time workers that lived with their parents also nearly doubled, from 25 to 45 per cent over the same time period. And although we only have detailed data on atypical working going back to 2011, here too, we find a rise in the share of atypical workers living with their parents. For example, the proportion of 19-29-year-old agency workers that lived with their parents rose from 38 per cent in 2010-2011 to 46 per cent in 2018-2019 (compared with a rise from 35 to 38 per cent among full-time workers who weren't on an atypical contract). Moreover, these changes in the proportion of part-time and atypical younger workers living at their parents will have been compounded by an increase in the overall share of young people in part-time and atypical work.

Of course, younger peoples' ability to live independently depends not just on their employment circumstances but also on the cost of housing. And over recent years, changes to tax and benefit policies, coupled with fast rises in house prices, will have made moving out of the parental home increasingly challenging. For example, the proportion of 19-29-year-old headed households in the private rented sector that received Housing Benefit more than halved over recent decades: from 30 per cent in 1994-95, to 11 per cent in 2018-19. The much-discussed rise in house prices, which occurred over a similar timeline, has made moving out a more financially challenging act than it was in the past. Between 1994 and 2019, nominal house prices rose by close to 400 per cent, compared to a roughly 180 per cent increase in nominal weekly earnings over the same time period. Since the financial crisis, 18-29-year-olds experienced the biggest immediate pay squeeze: between 2009 and 2014, real pay declined by 9.2 per cent (peak to trough) for the 18-29 age group, compared to 7.3 per cent overall.

Living with your parents as a younger adult life is not inherently good or bad: as in much of life, the consequences will depend on personal circumstances. Since 1997, for example, alongside the rise in living with parents has come a delay in the typical age at which younger adults had their first child (by 2 years), and in the typical age at which adults buy their own home (by 8 years). But it is too simplistic to assume that there is a clear causal connection between these and living with parents, but they are undoubtedly interlinked in complex ways, and it is beyond the scope of this note to examine fully the economic, social and health consequences of living with parents. But we would highlight three other points. First, when financial constraints drive young people to live with their parents, a young person's current and future labour market prospects will depend in part on where the parental home is located, introducing a form of postcode lottery, albeit one closely related to parental wealth. At the same time, younger adults living with their parents can provide some families with a form a kind of intergenerational gift: in many cases, allowing young people to save up for a deposit, and in some other cases, allowing young people to support their own parents, be it via financial contributions, company or care. Indeed, living with parents can be a source of emotional support, especially for some young people with mental health problems. For others, living with their parents can add stress and anxiety – sometimes for both parties. Whether a younger adult living with their parents is a positive or negative experience depends on their individual situation, but where deteriorating economic conditions leave increasing cohorts of young people with few options but to do so, policy makers should begin to pay attention.

## Survey evidence suggests that the Covid-19 crisis has not led to an increase in the proportion of younger people that live with their parents

Since the onset of the Covid-19 pandemic, there have been a number of news stories featuring younger adults, most of whom were professionals newly-able to work remotely, that opted to ride out the pandemic from the relative comfort of their parents' more spacious homes.<sup>1</sup> These stories hark back to the experience after financial crisis, when a number of young people, albeit those facing financial difficulties, also moved back in with their parents.<sup>2</sup> However, popular though the Covid-era narrative is, several data sources agree that there has not been a marked change in the share of younger adults living with their parents over the past 15 months.

For example, new evidence from a survey commissioned by the Resolution Foundation and conducted by YouGov in the first week of June 2021<sup>3</sup> found that 27 per cent of 18-34-year-old<sup>4</sup> respondents reported that they had lived with their parents in the first week of June 2021, slightly lower than the 29 per cent who reported doing so in February 2020, just before the onset of the pandemic (see Figure 1).<sup>5</sup> Moreover, previous Resolution Foundation-commissioned surveys find little evidence to suggest that the share of younger people that lived with their parents changed very much over the course of the Covid-19 crisis: the proportion of 18-34-year-olds that reported living with their parents in May 2020 was 27 per cent, in September 2020 it was 26 per cent and in January 2021 it was 25 per cent, small variations that probably reflect sampling error.<sup>6</sup>

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1 See, for example: M Darbyshire, [Why it is cool to move back home with your parents](#), Financial Times, August 2020; R Pohle, [Wine rations and board games: meet the adult kids back home for lockdown](#), The Times, April 2020; H Howard, [Rising trend of 'boomerang' young adults returning to live with their parents is here to stay says study](#), Mail Online, October 2020; H Graham, [Meet the young people living with parents for lockdown](#), The Times, February 2021; J PINSKER, [The New Boomerang Kids Could Change American Views of Living at Home](#), The Atlantic, July 2020; Sky News, [Coronavirus: Lockdown 'boomerang kids' add £2,700 to parents' bills, survey finds](#), August 2020.

2 For instance, see: R Fry, [Living With Parents Since the Recession](#), Pew Research Centre, August 2013; E Courtin & M Avendano, [Under one roof: the effect of co-residing with adult children on depression in later life](#), September 2016, Social Science & Medicine, pp. 140-149.

3 The survey undertaken by YouGov from the 3rd – 8th June 2021, has a sample size of 8,030 adults aged 18+. Results are weighted so as to be representative of the population of that age group.

4 This briefing note will at different points use different age bands. When we discuss surveys conducted during the pandemic we will focus on 18-34-year-olds as we are relying on broader age bands a part of the survey. Moreover, we would have needed to increase the age spans to make sure we have sufficient sample sizes for the analysis. When possible, we break this down into the smaller agebands 18-24 and 25-34 which allows us to understand nuances. In our pre-crisis analysis using the Labour Force Survey however, we focus on 19-29-year-olds. We have chosen 19-year-olds rather than 18-year-olds and above so as to not count people who are living with their parents because they are still at school or college. The upper age limit of 29 is because for 30-year-olds and above, the proportions living with parents are low, and have changed little since the 1990s.

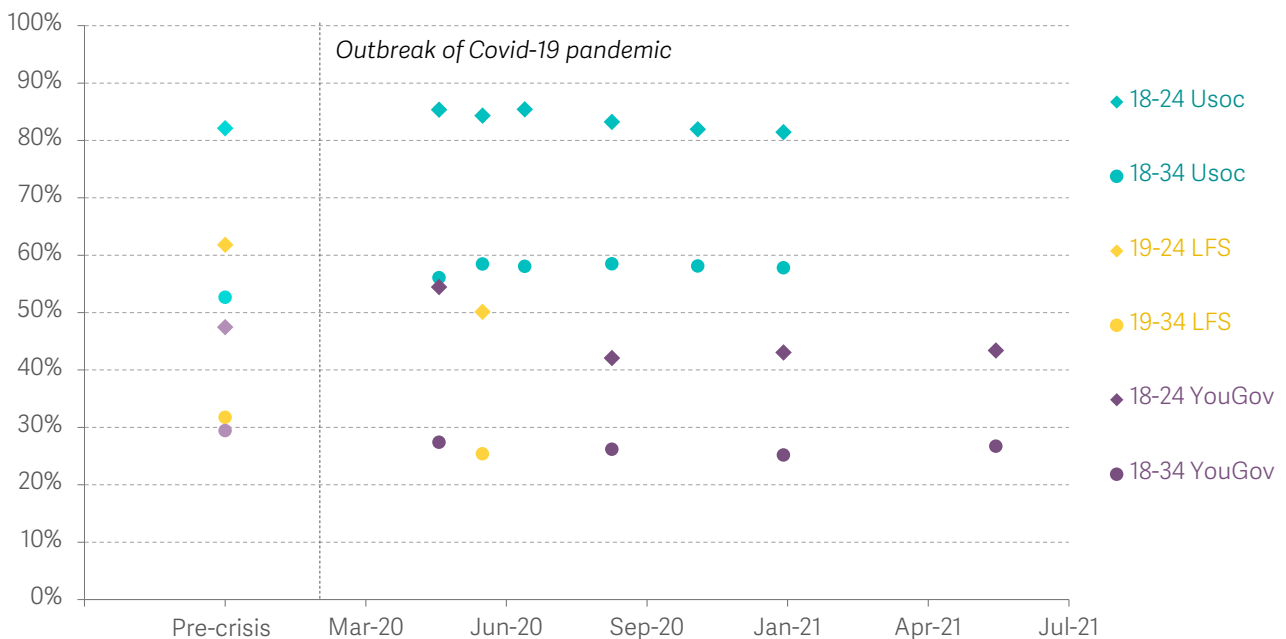
5 This is based on the questions: "Which ONE of the following best describes your current housing situation?... Live in home owned or rented by parent(s)" and "And thinking back to before the Coronavirus (COVID-19) outbreak (i.e. the end of February 2020)... Which ONE, if any, of the following best described your housing situation at this time?... Living in home owned or rented by parent(s)".

6 These figures are from four waves of surveys commissioned by Resolution Foundation and conducted by YouGov. The May 2021 survey wave had a total sample size of 8,030 adults aged 18+. Fieldwork was undertaken by YouGov from the 3 – 8 June 2021. Results are weighted so as to be representative of the population of that age group. The January 2021 survey had a total sample size of 6,389 18 to 65-year-olds. Fieldwork was undertaken online during 22 – 26 January 2021. The figures have been weighted and are representative of all UK adults (age 18-65) according to age, gender, and region. The September 2020 survey wave had a total sample size of 6,061 18-65-year-olds. Fieldwork was undertaken during 17 – 22 September 2020. The survey was carried out online. The figures have been weighted and are representative of all UK adults (age 18-65) according to age, gender, and region. The May 2020 survey wave had a total sample size of 6,005 adults. Fieldwork was undertaken during 6 – 11 May 2020. The survey was carried out online. The figures have been weighted and are representative of all GB adults (age 18+ according to age, gender, and region).

Data from Understanding Society (USoc) suggests that there was a small increase in the proportion of the younger adults that lived with their parents at the outset of the pandemic: 53 per cent of 18-34-year-olds in the survey’s 2019 wave lived with their parents, whereas 56 per cent of 18-34-year-olds in their May 2020 Covid-19 wave did. However, there has been little variation in the share of 18-34-year-olds that lived with their parents throughout the course of the pandemic: according to the USoc September Covid-19 wave, 58 per cent lived with their parents and this figure (58 per cent) had remained unchanged by the January 2021 wave. (See Box 1 for a discussion of why Understanding Society suggests a much higher share of young people are living with their parents than other data sources).

**FIGURE 1: Data collected during Covid-19 do not show a substantial increase in the share of younger people living with their parents**

Proportion of young adults living with parents in 2019 and during the Covid-19 pandemic, by age bands and surveys: UK, 2019 - June 2021



NOTES: ‘Pre-crisis’ refers to February 2020 for the YouGov/Resolution Foundation survey and year-averages for 2019 in LFS and USoc. All LFS data points refer to whole-year averages. The pre-crisis data points from YouGov surveys are derived from the May 2021 wave. Bases for YouGov survey: All 18-24s in each wave: May 2020 wave: n=636; September 2020 wave: n=750; January 2021 wave: n=873; May 2021 wave: n=732; and all 18-34s in each wave: May 2020 wave: n=1979; September 2020 wave: n=2101; January 2021 wave: n=2250; May 2021 wave: n=2079.  
 SOURCE: RF analysis of YouGov, Adults Age 18+ (June 2021 wave) and age 18-65 (May 2020, September 2020 and January 2021 waves), and the Coronavirus (COVID-19); Understanding Society, Covid waves; ONS Labour Force Survey.

Figures from the ONS Labour Force Survey (LFS) show that the proportion of 18-24-year-olds living with their parents had in fact declined between 2019 and the start of the pandemic, from 32 per cent in 2019 to 25 across the whole year of 2020. (See Box 1 for a

discussion of changes to LFS data collection methods and weights since the onset of the pandemic, and the implications of these changes for capturing factors like housing tenure.)

### BOX 1: Getting good data on housing tenure in the Covid-19 crisis

For this report we have used the LFS in the years leading up to Covid-19 and surveys that the Resolution Foundation has commissioned from YouGov to look at changes that have occurred during the pandemic. We also draw on data from Understanding Society, a longitudinal household panel survey. Although all sources agree that there has been relatively little change over the course of the pandemic, the estimated share of young people living with parents is very different across different surveys, as seen in Figure 1. For example, LFS data suggests that 32 per cent of younger adults lived with their parents in 2019, figures derived from the Resolution Foundation-commissioned survey estimate that in February 2020, 29 per cent of 18-34-year-olds were living with their parents, and Understanding Society data indicates that 53 per cent were doing so in 2019.

There are some reasons that could explain these different estimates.

Understanding Society is a longitudinal household survey: this means that, after generating an original sample based on a random sample of households,

subsequent waves of the survey try to interview all adult members of these original households even if they have moved out (this is how it attempts to remain representative of the UK population). In practice, young people who do move out of their parent's house are more likely to be lost due to survey attrition than are young people who stay with their parents. It is possible that this is leading to an upward bias in the estimated fraction that live with their parents.

During the pandemic, LFS data collection methods moved from face-to-face interviewing to telephone-based interviews. The changes necessitated by restrictions on social contact meant that there was an initial drop in the sample sizes achieved, as well as imbalanced distributions among respondents with certain personal characteristics. Crucially for this note, the imbalance was particularly notable across adults of different ages and types of housing.<sup>7</sup> As a response to this, the ONS introduced new weights from 2020. However, because the ONS assumed that housing tenure splits remained unchanged during the

<sup>7</sup> ONS, *Coronavirus and its impact on the Labour Force Survey*, October 2020.



pandemic, there is a concern that the LFS would underestimate the extent to which younger adults did in fact move back to their parents. This means that it is hard to use the LFS as a firm guide to changes in the likelihood that young

people lived with their parents between 2019 and 2020. As it is, estimates from the LFS are that fewer young people lived with their parents during the pandemic than in 2019.

## But those younger people who did move back in with their parents over the course of the crisis were likely to be in a weak employment position

Focusing just on those younger people who are outside of full-time education,<sup>8</sup> our latest survey finds that the proportion of 18-34-year-olds who report having moved out of their parents' home since the start of the crisis was in fact slightly higher than the proportion that reported having moved back into it: 7 and 4 per cent, respectively – meaning that the overall proportion of non-students reporting that they lived with their parents reduced slightly, from 25 per cent before the crisis to 23 per cent in June (Figure 2).

Some of this movement is to be expected, especially among the groups that typically experience fluctuating living situations, such as the youngest of younger adults (18-24-year-olds), a large share of whom will be finding their feet after recently completing education.<sup>9</sup> And for many, the decision to move out will be based on a variety of factors, including the pay and employment status of their partners, future employment plans and the relationship they have with their parents. Figure 2, however, shows little association between moving out of the parental home and a respondents' labour market status, such as their pre-crisis pay or the types of employment changes they might have experienced over the course of the pandemic.

But when we turn to the 4 per cent of 18-34-year-old respondents who reported having moved back to their parents' home since the onset of the crisis, we find a link both to negative labour market changes since the onset of Covid-19 and to pre-pandemic levels of pay. In particular, those who were in work during February 2020 but have since experienced a period of worklessness (including furlough), are more than 2.5 times as likely to report having moved back to their parents' homes than those who have been

<sup>8</sup> In this section of the briefing note, which focuses on 18-34-year-olds, we exclude full-time students in order to draw a clearer link between Covid-19-related impacts on the labour market and young peoples' housing tenure. Many students' tenure changes will have instead been driven by decisions around halls of residence remaining open and universities moving to online-only teaching.

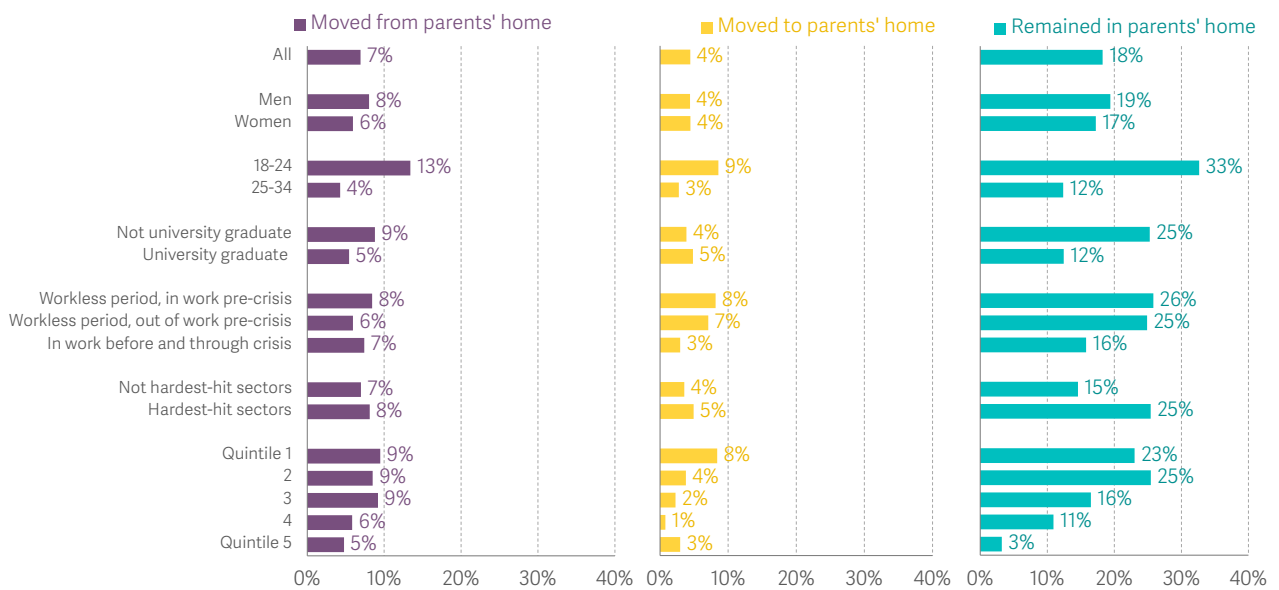
<sup>9</sup> There is evidence that young adults today have a more fluid relationship to the parental home than young adults did in the past, and that fluctuating between living with parents and living independently is becoming more common. For further discussion on this see: K Hill et al, *Home Truths: Young adults living with their parents in low to middle income families*, Standard Life Foundation, September 2020; S Heath & E Calvert, *Gifts, Loans and Intergenerational Support for Young Adults*, *Sociology*, 47(6), February 2013.

working throughout: 8 per cent of the former reported having moved back to their parents’ home by June of this year, compared with only 3 per cent of the latter group.

Similarly, a larger proportion of respondents in the lowest pre-pandemic weekly pay quintile report having moved back to their parents’ home: 8 per cent of those at the bottom of the 19-29-year-old pay distribution did, compared with just 3 per cent of those at the top. In other words, our survey suggests that the narrative around comfortable young professionals moving to their parents’ comfortable homes is not quite the norm: as in the financial crisis, those who have moved in with their parents since the start of the pandemic were more likely to be in a somewhat precarious financial position.

**FIGURE 2: Younger people who experienced a workless spell during the crisis are more than twice as likely to have moved in with their parents than those who stayed in work**

Proportion of 18-34-year-olds (excluding full-time students) who have moved from, moved to, or remained in their parents’ homes between February 2020 and June 2021, by personal and work-related characteristics: UK, 3 – 8 June 2021



NOTES: ‘Workless period, in-work pre-crisis’ include those who were in work pre-crisis and then furloughed out unemployed at some point during the it. The ‘hardest-hit sectors’ refers to non-food retail, hospitality and arts, entertainment and leisure. Base, by categories: All 18-34-year-olds excluding full-time students: n=1727; Men: n=735; Women: n=992; 18-24: n=427; 25-34: n=1300; Not university graduate: n=696; University graduate: n=937; Workless period, in work pre-crisis: n=114; Workless period, out of work pre-crisis: n=326; In work before and through crisis: n=1120; Not hardest-hit sectors pre-pandemic: n=1172; Hardest-hit sectors pre-pandemic: n=228; Weekly pre-pandemic pay among all 19-29-year-olds: Quintile 1: n=167; Quintile 2: n=199; Quintile 3: n=214; Quintile 4: n=240; Quintile 5: n=229.

SOURCE: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), May 2021 wave.

Indeed, going into the crisis, there was already a clear skew in the types of younger people most likely to live with their parents, with the youngest, non-graduates and those at the lower end of the 19-29-year-old pay distribution being substantially more likely to

do so than their older, higher-qualified and better-paid counterparts. The left-hand panel of Figure 2 shows the proportion of younger people who lived with their parents both during February 2020 and in June of this year, illustrating non-graduate respondents were more than twice as likely as graduates to have done so, and those in the lowest pay quintile were more than 7 times as likely to have than their counterparts at the top of the pay distribution to have done so. Similarly, a larger proportion of younger people who worked before the crisis but experienced a period of worklessness during it (26 per cent) were living in their parents' home before and during the crisis, compared to 16 per cent who worked throughout. Relatedly, those who before the crisis were working in the sectors hardest hit by social distancing measures reported living and staying with parents at a higher rate than those who worked in other sectors: 25 and 15 per cent, respectively.

Of course, this type of cross-sectional data does not allow us to disentangle the circularity of a young person living with parents and their being in a somewhat weak labour market position. For example, a young person might move to their parents' home because they are in a precarious financial circumstance, or it could be that a young person living in their parents' home struggles to find well-paid work within commuting distance (and we return to this in the concluding section of this briefing note). But the patterns set out in Figure 2 suggest that one reason why fairly few younger adults moved back home during the crisis is that a large share of the type of younger adults whose employment was most affected by the crisis were already living at home before it hit.

Given that our results indicate that younger people who moved back in with their parents over the course of the crisis might have done so in response to a deteriorating personal financial position, we also examine the types of housing that they moved from. We find that 8 per cent of 18-34-year-olds who were private renters before the crisis had moved home during it, compared to only 2 per cent of the relatively lower-cost housing tenures of social rent and owner-occupiers.<sup>10</sup>

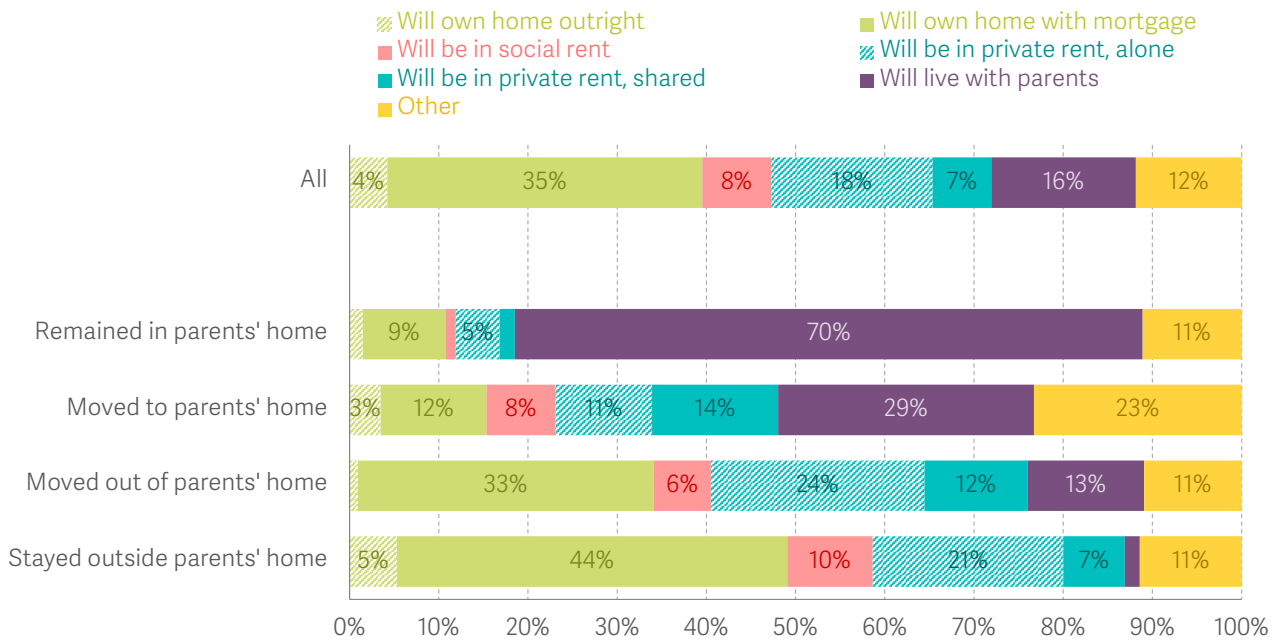
Our survey also asked young people about their expectations over the rest of 2021 (Figure 3). Unsurprisingly, those who were in their parents' homes before and during the crisis are most likely to expect to stay there: 70 per cent of those who have remained with their parents over the course of the pandemic expect to stay there for another half a year, but less than one-third (29 per cent) of those who had moved back to their parents during the crisis expect to be there by the end of 2021.

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<sup>10</sup> L Judge & C Pacitti, [Coping with housing costs, six months on... New findings from the Resolution Foundation's Covid-19 study - wave two](#), Resolution Foundation, October 2020.

**FIGURE 3: A large majority of those who moved to their parents’ homes between February 2020 and June 2021 expect to leave again within six months**

Expected tenure in six months’ time, by past tenure change, 18-34-year-olds (excluding full-time students): UK, 3 - 8 June 2021



NOTES: Bases, by category: All 18-34-year-olds excluding students: n=1727; Stayed outside parents’ home: n=1250; Remained in parents’ home: n=296; Moved to parents’ home: n=75; Moved out of parents’ home: n=106. The category ‘other’ includes living with other family members, living in someone else’s home and having other living arrangements.

SOURCE: RF analysis of YouGov, Adults Age 18+ and the Coronavirus (COVID-19), May 2021 wave.

The suggestion that many of those who moved to their parents’ homes during the crisis see this as a temporary situation highlights a longer-term trend in which increasing proportions of younger people rely on their parents’ homes as a form of safe harbour, and do so for longer into their working lives. We turn to these longer-term trends next.

### Leading up to the pandemic, young people were living with their parents for longer into their twenties than past cohorts

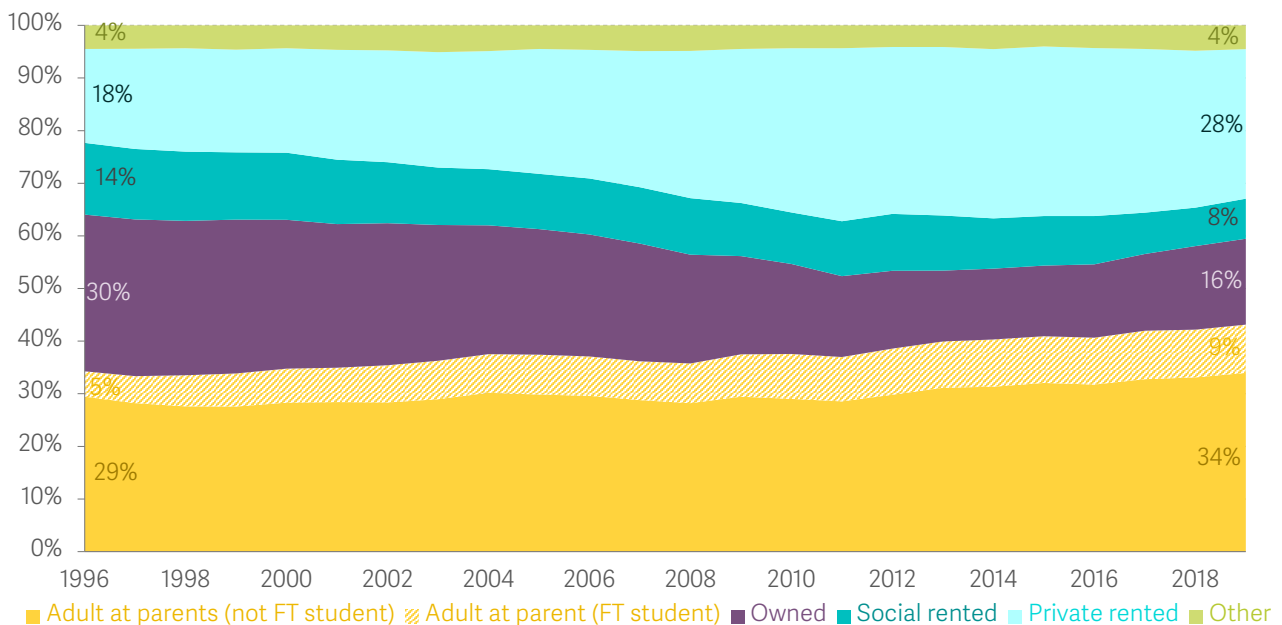
So far we have shown that, over the course of the pandemic, it has been the youngest, the lowest paid and those working in the hardest-hit sectors that have been most likely to live with their parents over the past year. In this section, we take a longer-term view: we find that the overall proportion of younger people who live with their parents had been on a steady increase over the two decades running up to the pandemic. We also find that those younger people who were either out of work or in lower-paid and less secure work were more likely to live with their parents than those in better paid, more secure employment. In discussing these longer-term trends, we consider broader societal changes, demographic shifts, employment and economic change, and policy

decisions that have played into the rising incidence of younger people living at home over recent decades.

Figure 4 shows housing tenure among all 19-29-year-olds between 1996 and 2019. It's well established that the share of younger people owning their own home has declined over recent decades (from 30 per cent in 1996 to 16 per cent in 2019), while the share living in private-rented accommodation rose (from 18 to 28 per cent).<sup>11</sup> Alongside this has been a substantial increase in the proportion of 19-29-year-olds living in their parents' homes: from 34 per cent in 1996 to 43 per cent in 2019. Some of this of this increase is accounted for by students: in 1996, 5 per cent of 18-29-year-olds were full-time students living with their parents; in 2019, 9 per cent were students living with their parents - equivalent to 510,000 extra students living with mum and dad.<sup>12</sup> But there has also been a 5 percentage point increase in the share of 19-29-year-olds who are non-full-time students that live with their parents, from 29 to 34 per cent over the same timeframe, equivalent to just over one million people. In Box 2, we compare the pre-crisis position in the UK with other European countries.

**FIGURE 4: The proportion of younger people that live with their parents has risen steadily over recent decades**

Proportion of 19-29-year-olds in each housing tenure: UK, 1996-2019



NOTES: Full-time students who are not living with their parents are captured in the overall proportions of people across other tenures in this chart.

SOURCE: RF analysis of ONS, Labour Force Survey.

<sup>11</sup> See: L Gardiner, et al, *An Intergenerational Audit for the UK 2020*, Resolution Foundation, October 2020.

<sup>12</sup> It is unclear whether students report living with parents or living in university housing, so a portion of 19-29-year-olds who report living with parents might actually live away from the parental home during term-time.

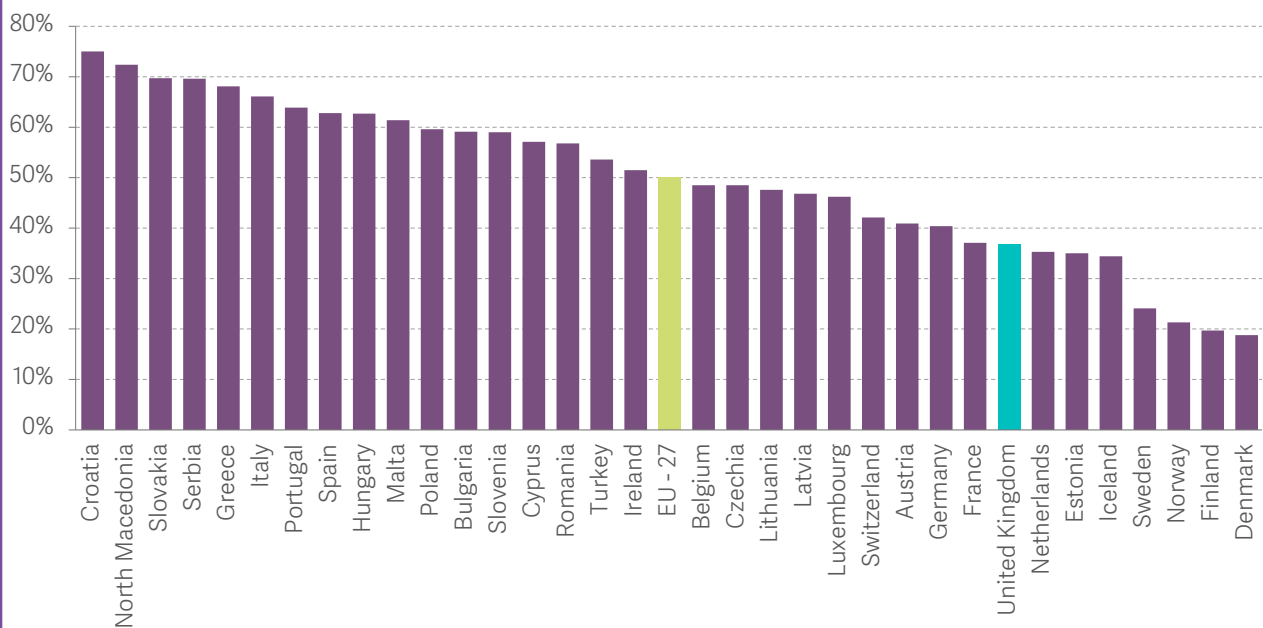
## BOX 2: Living with parents across Europe

Figure 5 shows the share of young people living with their parents across European countries. It shows that the pre-crisis situation in the UK was similar to other European countries such as Germany, France and the Netherlands.

However, it was lower than the EU-27 average, and significantly lower than some southern European countries, like Greece, Italy and Spain, and central and eastern European countries, including Poland, Hungary and Croatia.

**FIGURE 5: A similar share of younger people live with their parents in the UK as in the Netherlands and France, and this is smaller than the EU-27 average**

Proportion of adults age 18-34 living with their parents: various European countries, 2018



SOURCE: RF analysis of EU SILC, Eurostat.

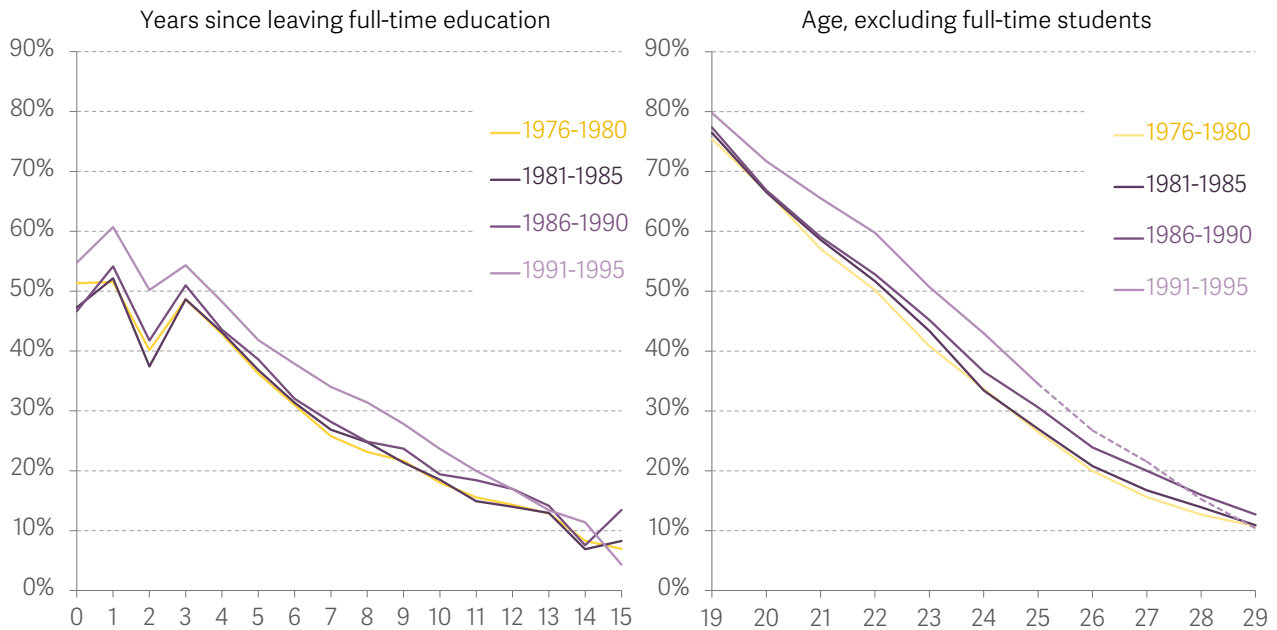
A recent body of academic literature has argued that because the labour market has become increasingly bumpy for people in their twenties, staying in, or returning to, their parents' homes' after finishing education is becoming 'the new normal.'<sup>13</sup> We see some evidence of this in Figure 6. The left-hand panel shows that, compared to those born in the 1970s and 1980s, the move from full-time education to leaving the parental home was less of a swift or steady process for those born in the 1990s. For example, five years after

<sup>13</sup> See: M Evandrou, et al. *Changing Living Arrangements, Family Dynamics and Stress During Lockdown: Evidence from Four Birth Cohorts in the UK*, SocArXiv, September 2020; J Stone et al, *Gender, turning points and boomerangs: Returning home in young adulthood in Great Britain*, 51(1), February 2014.

having left full-time education, 37 per cent of the 1981-1985 birth cohort lived at their parents' home, compared with 42 per cent of the 1991-1995 cohort.

**FIGURE 6: Those born in the 1990s took longer than earlier cohorts to leave their parents' homes after completing full-time education**

Proportion of adults living with their parents, by birth cohort and years since leaving full-time education (left-hand panel) and by age (right-hand panel): UK, 1996-2019



NOTES: We have used dashed lines for data where not the entire cohort has reached that age, so the line may move as new data come out.  
 SOURCE: RF analysis of ONS, Labour Force Survey.

The right-hand panel in Figure 6 similarly shows later 'moving out' rates among those born in the 1990s relative to the 1970s and 1980s birth cohorts.<sup>14</sup> For example, by the age of 24, 33 per cent of people born during 1981-1985 lived with their parents, compared with 43 per cent of the 1991-1995 cohort. But so far, this trend of spending longer with parents represents only a delay rather than a lifetime shift: across all cohorts, the proportion living with their parents reaches around 10 per cent by the time adults turn 30, although this figure may change as younger members of the 1991-1995 cohort approach 30 over the next four years. Box 3 shows that delays in leaving the parental home have coincided with a delay in other life changes affecting younger people, including having children and buying a home.

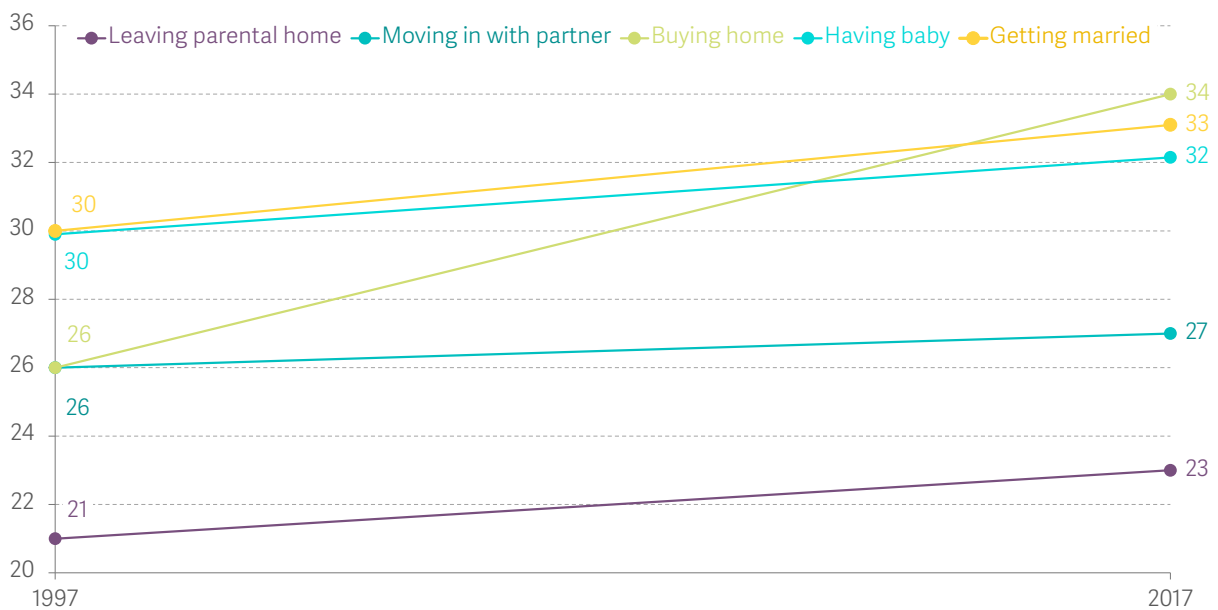
<sup>14</sup> We have excluded students here to make the two charts more comparable by only those who have finished full-time education.

### BOX 3: Moving out of the parental home and achieving other life goals: in which direction does causality lie?

Moving out of the parental home is just one of a number of milestones that younger people reach on their way to financial and familial independence, including moving in with a partner, having children and buying a home. Figure 7 shows that today’s younger people reach these typical milestones later in life than younger people did 20 years ago.<sup>15</sup> For example, between

1997 and 2017, the typical age at which younger adults had their first child rose by 2 years; the age at which they married rose by 3 years; and the age they bought their first home rose by 8 years. Similarly, the age at which most people leave the parental home has increased by 2 years over the same timeframe, from 21 to 23.

**FIGURE 7: Typical life milestones take longer to achieve today than 20 years ago**  
 Typical age of reaching key life stages: UK, 1997-2017



NOTES: The age of ‘leaving parental home’, ‘moving in with partner’ and ‘buying home’ refers to the age when half of young people have completed the life stage, ‘getting married’ refers to median age of marriage; ‘having baby’ refers to the average age (among both men and women) of becoming a parent for the first time.  
 SOURCE: ONS, Marriages in England and Wales; ONS, Milestones: journeying into adulthood; ONS, Birth characteristics in England and Wales.

<sup>15</sup> A McDonnell & C Ibbetson, Britons put emphasis on fiscal responsibilities as a sign of growing up, and most began to feel that way by their early-twenties, YouGov, March 2021.



These trends are obviously interlinked in a complex and multi-directional way. It is too simple to conclude that if young people are less likely to marry and have children than they were in the past, the consequences are that they will end up living with their parents. One could easily manage the causality running the other way: that a need to live with parents for financial reasons then makes it less likely that young people meet a partner and start a family. To give another example, we show later that, in 1996, more than a third of 19-29-year-old part-time workers (36 per cent) were living with a partner and therefore able to rely on a second income, but by 2019, only 12 per cent were partnered. At the same time, the

proportion of young part-time workers that live with their parents rose from 25 to 45 per cent. Again, this probably reflects causation running in both directions. In particular, it is easy to imagine that young adults working part-time who do not want to, or are not able, to find a partner with whom they could cohabit then find it harder to afford to live independently than in 1996, helping to explain the rise in living with parents. On the other hand, those younger adults working part-time who do live with their parents probably find it harder to then live in the same house as their partner (i.e. to live with their parents and their partner together) than would a young adult living alone.

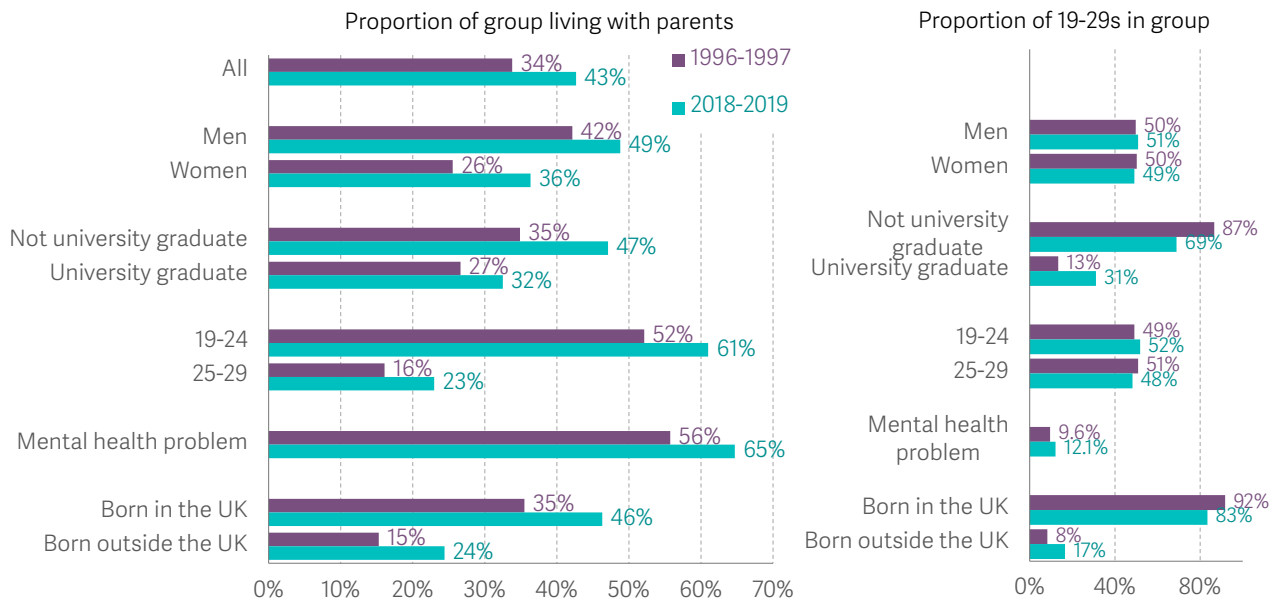
## On the eve of the pandemic, young men were almost a third more likely than young women to live with their parents

There are substantial differences between the proportion of younger men and women that live with parents: Figure 8 shows that one-third more men than women lived with their parents in 2018-2019 (49 and 36 per cent, respectively). Interestingly, though, this actually represents a narrowing of the gender gap since 1996. There are a number of explanations for these differences: for example, women are more likely than men to form relationships with older adults, meaning that they are likely to fly the nest at earlier ages, and some of the relationship between gender and living with parents has been shown to be channelled through the incidence of having children.<sup>16</sup> Having children can mean both a stronger desire to live independently, and being a parent of young children can make it more likely that a young person is offered social housing.

<sup>16</sup> See: ONS, [Why are more young people living with their parents?](#) Office for National Statistics, February 2016; J Stone et al, [Gender, turning points and boomerangs: Returning home in young adulthood in Great Britain](#), *Demography* 51(1), February 2014.

**FIGURE 8: Men, the youngest, and those with mental health problems are among those more likely to live with their parents**

Proportion of 19-29-year-olds who live with their parents by personal characteristics (left-hand panel) and proportion in each group (right-hand panel): UK, 1996-1997 and 2018-2019



NOTES: Mental health figures refer to 1997-1998 rather than 1996-1997.

SOURCE: RF analysis of ONS, Labour Force Survey.

Another group with high (and increasing) rates of living with their parents are those who report mental health problems.<sup>17</sup> Almost two-in-three 19-29-year-olds with mental health problems were living with parents on average in 2018-2019, considerably higher than the two-in-five that lived with their parents overall. It is not possible from this data to work the direction of causality: it could be that young people living with their parents have worse mental health because of their current living situation, but it could also reflect that living with their parents can be a way for those who need it to receive support.<sup>18</sup>

Turning to ethnicity, we find that the proportion of 19-29-year-olds with Pakistani, Bangladeshi, and Black African or Caribbean backgrounds that live with their parents was substantially larger than the share of those with White and Indian backgrounds that did. For example, 41 per cent of 19-29-year-olds with a White background lived with their parents during 2018-2019, as compared with 64 per cent of their counterparts with a Bangladeshi background.

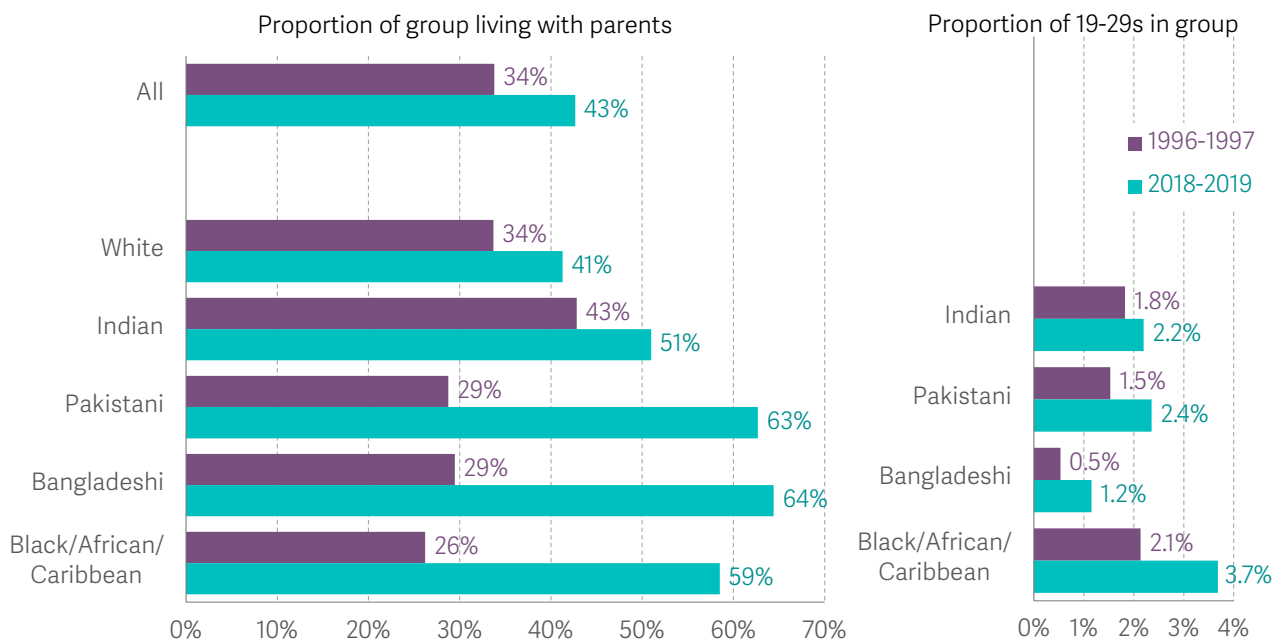
<sup>17</sup> The proportion of people with mental health problems has risen over recent years, although it is unclear whether the increase in the share of young people with mental health problems has any bearing on the proportion of those with mental health problems who live with their parents. For more work on young people, mental health and jobs. See: R Sehmi & H Slaughter, [Double trouble: Exploring the labour market and mental health impact of Covid-19 on young people](#), Resolution Foundation, May 2021.

<sup>18</sup> See: G Aeby & S Heath, [Post break-up housing pathways of young adults in England in light of family and friendship-based support](#), Journal of Youth Studies 23(1), October 2019.

Moreover, the share of young people from Pakistani, Bangladeshi and Black African or Caribbean backgrounds that lived with their parents has roughly doubled between 1996-1997 and 2018-2019 (see Figure 9). For example, the rate of living with parents has increased from 29 per cent to 63 per cent among 19-29-year-olds with Pakistani backgrounds; from 29 per cent to 64 per cent for adults with Bangladeshi backgrounds; and from 26 per cent to 59 per cent among those with Black African or Caribbean backgrounds. These are much greater increases than seen among 19-29-year-olds with White and Indian backgrounds (where the share rose by eight percentage points in both cases). Increases in the proportion of younger people with different ethnic backgrounds that live with their parents will have combined with increasing shares of 19-29-year-olds with Pakistani, Bangladeshi and Black African or Black Caribbean backgrounds (see the right-hand panel of Figure 9) to have a larger effect on the overall share of younger people living with their parents. These results broadly hold when we include only people born in the UK (to test the hypothesis that recent migrants will be less likely to live with their parents than those who have parents in the UK).<sup>19</sup>

**FIGURE 9: The number of adults with Pakistani, Bangladeshi and Black African or Caribbean backgrounds living at their parents’ homes has roughly doubled since the 1990s**

Proportion of 19-29-year-olds that live with their parents by selected ethnic groups (left-hand panel) and proportion in group (right-hand panel): UK, 1996-1997 and 2018-2019



NOTES: The data does not allow us to split up 'Black African and Black Caribbean'.  
SOURCE: RF analysis of ONS, Labour Force Survey.

<sup>19</sup> There was only a small change in the proportion of 19-29-year-olds with an Indian or Bangladeshi background that lived with their parents between 1996-2019.

Explaining the differences in the overall proportion of younger people with different ethnic backgrounds living with their parents is beyond the scope of this briefing note. However, some of this will be influenced by differentials in income and wealth gaps that exist in relation to ethnic background.<sup>20</sup> Academic literature also points to a range of explanations. In the UK, it has been shown that young adults from some ethnic minority groups expect to enter partnership and form a family later in life than was previously the case, which could be related to living with their parents for longer.<sup>21</sup> Research from the US shows that differences between young adults from White and Black backgrounds in leaving and returning to the parental home are explained by differences in transitions from education into work, parental incomes and wealth, the ability to afford independent living, and connections to the parental family, as well as differences in the level of stigma attached to living with parents later into adulthood and underlying differences in social and economic circumstance.<sup>22</sup> Explaining the differential increases in the share of young people from different ethnic backgrounds that live with their parents is also beyond the scope of this briefing note – but a cause for further investigation.

## Younger people in part-time, insecure and lower-paid work are increasingly likely to live with their parents

Economic circumstances play a significant role in determining the odds of a young person living with their parents, so an increasingly-unpredictable labour market for younger people will be one of the longer-term drivers of change in the likelihood of living with parents. We start by discussing changes that have happened for young adults in work or in full-time education.

The left-hand panel of Figure 10 shows the proportion of 19-29-year-olds who were either working or in full-time study that lived with their parents, from 1996 to 2019. It shows small rises in the incidence of living with parents among those in full-time work or who were full-time students. But there was a 20 point increase – close to a doubling – in the share of part-time workers that live with parents (and see Box 3 for a discussion of why this might have occurred).

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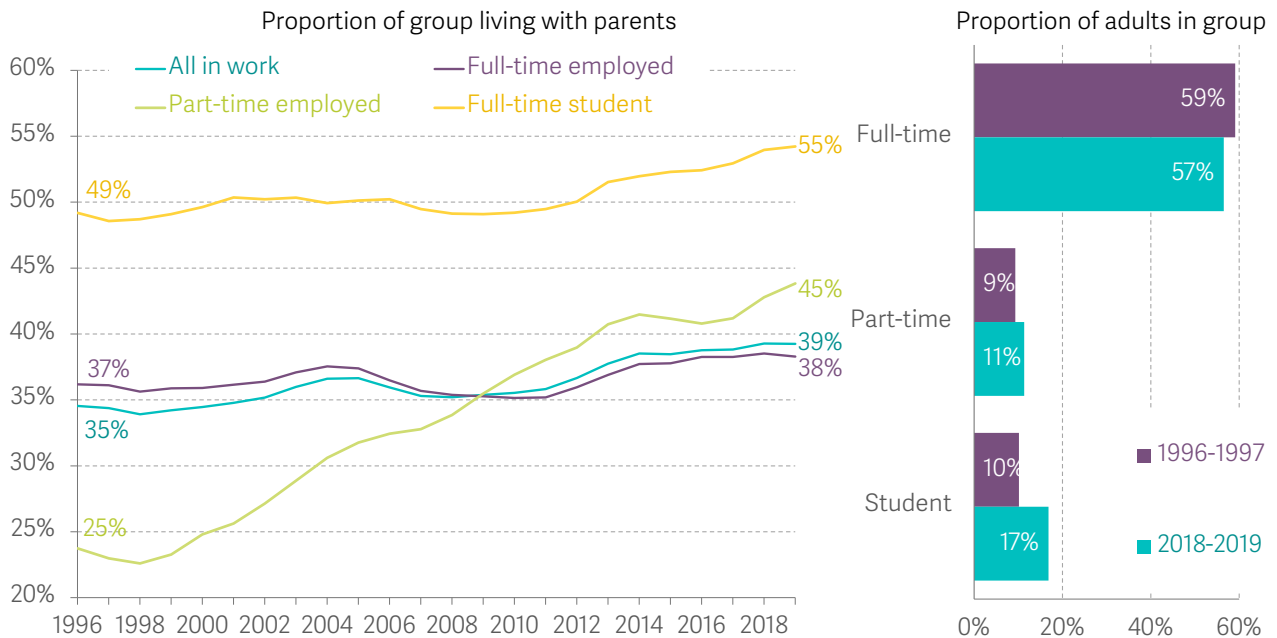
<sup>20</sup> G Bangham, *A gap that won't close: The distribution of wealth between ethnic groups in Great Britain*, Resolution Foundation, December 2020.

<sup>21</sup> A Berrington, *Expectations for family transitions in young adulthood among the UK second generation*, *Journal of ethnic and migration studies* 46(5), 2020.

<sup>22</sup> L Lei & S South, *Racial and ethnic differences in leaving and returning to the parental home: The role of life course transitions, socioeconomic resources, and family connectivity* *Demographic Research*, 34(4), January 2016.

**FIGURE 10: The proportion of part-time workers living with parents had nearly doubled by the eve of the pandemic**

Proportion of 19-29-year-olds that live with their parents by employment status (left-hand panel) and proportion in each group (right-hand panel): UK, 1996-2019



NOTES: Categories shown are mutually exclusive. 'All in work' category excludes full-time students. The panel on the left-hand side shows labels for single-year values and a 3-year rolling average. SOURCE: RF analysis of ONS, Labour Force Survey.

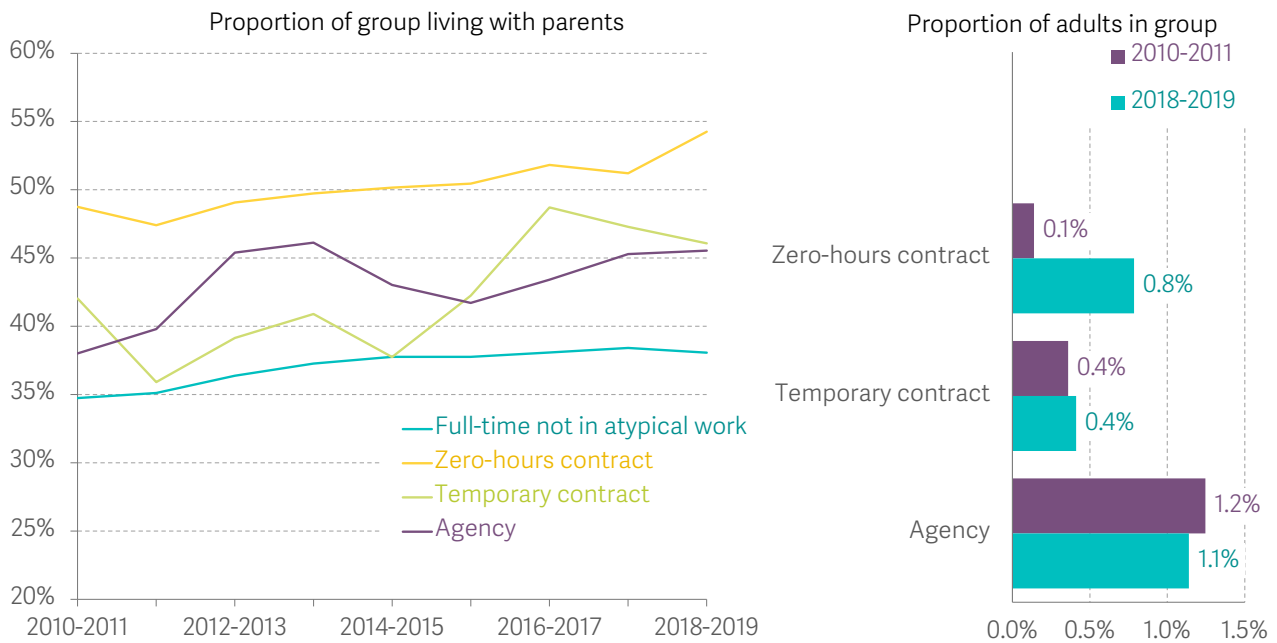
The changes among both students and part-time workers were compounded by the fact that the share of young people who are in full-time work (who were most likely to live independently) fell over recent decades, at the expense of a growth in the fraction of students and part-time workers. As shown in the right-hand panel of Figure 10 the proportion of younger people who worked part-time (excluding full-time students) grew 2 points from 9 to 11 per cent; the proportion who were full-time students grew 7 points, from 10 to 17 per cent.

Figure 12 looks more closely at the proportion of 19-29-year-olds that live with their parents, according to the type of contract that they work on (data on atypical employment contracts like zero-hours contracts are available only from 2010). Two things are clear: first, that younger people in atypical forms of employment – such as zero hours contracts (ZHCs) or agency working – are much more likely than those on full-time contracts to live with their parents. For example, during 2018-2019, more than half of all 19-29-year-olds on ZHCs lived with their parents (54 per cent), compared with the 38 per cent of full-time workers on standard, full-time contracts who did the same. The rise in the overall proportion of younger people on atypical contracts (see the right-hand panel of Figure 12) means that increasing rates of living with parents among atypical workers

will also have played a role in driving up the total share of young people living with mum and dad over recent years.<sup>23</sup>

**FIGURE 11: Workers on zero-hours contracts were a third more likely to live with their parents in 2018-2019 than workers in full-time, typical work**

Proportion of 19-29-year-olds who live with their parents by contract type (left-hand panel) and proportion in each group (right-hand panel): UK, 1996-2019



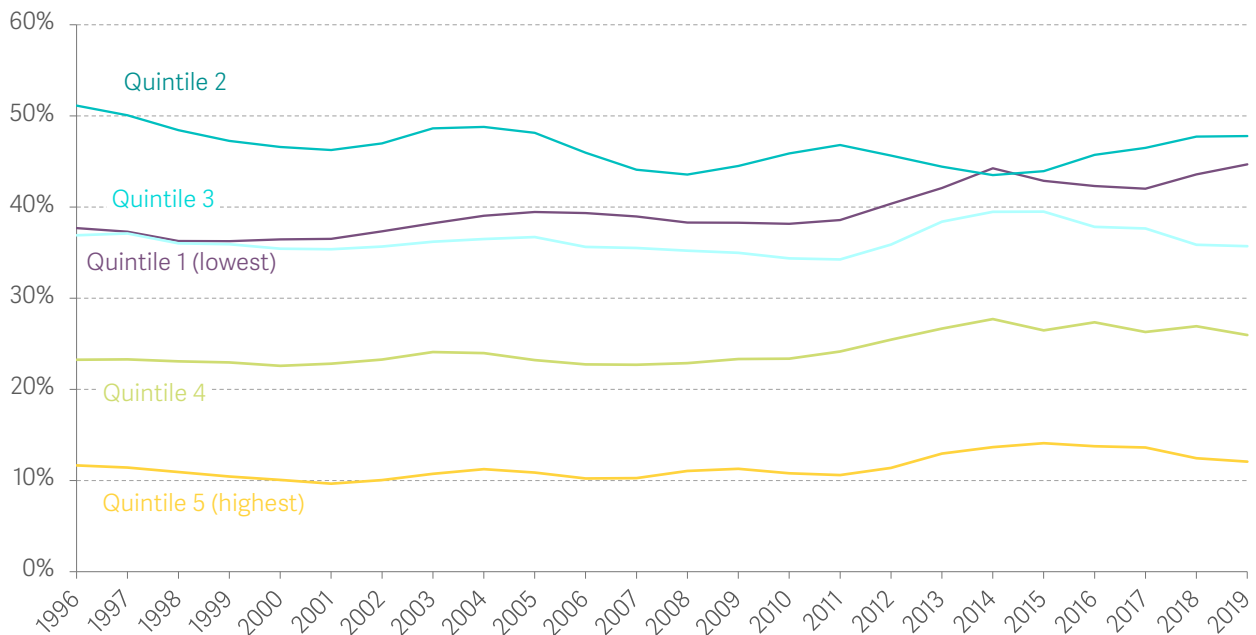
NOTES: Left-hand panel shows a 2-year rolling average because of the short timelines in this chart.  
SOURCE: RF analysis of ONS, Labour Force Survey.

Figure 12 shows trends in the proportion of 19-29-year-olds that lived with their parents, according to their position in the younger persons’ gross weekly pay quintile (we exclude students from this analysis). Overall, more young adults in lower pay quintiles tended to live with parents. In 2019, 49 per cent of workers in the second pay quintile lived with their parents, compared to 45 per cent in the lowest pay quintile, and 11 per cent in the highest quintile. These differences had narrowed by 2019 but only very slightly: the gap between the second pay quintile and the highest pay quintile had shrunk to 38 percentage points (from 41 points). There was also a significant increase in living with parents among those in the bottom pay quintile, from 40 to 45 per cent, between 1996 and 2019.

<sup>23</sup> For more discussion of recent increases of young people in atypical work see: R Sehmi & H Slaughter, *Double trouble: Exploring the labour market and mental health impact of Covid-19 on young people*, Resolution Foundation, May 2021; L Gardiner et al, *An intergenerational Audit for the UK 2019*, Resolution Foundation, June 2019.

**FIGURE 12: It is workers with lower pay that are most likely to live with their parents**

Proportion of 19-29-year-olds (excluding students) that live with their parents, by 19-29-year-old weekly pay quintile: UK, 1996-2019



NOTES: The chart shows a 3-year rolling average.  
SOURCE: RF analysis of ONS, Labour Force Survey.

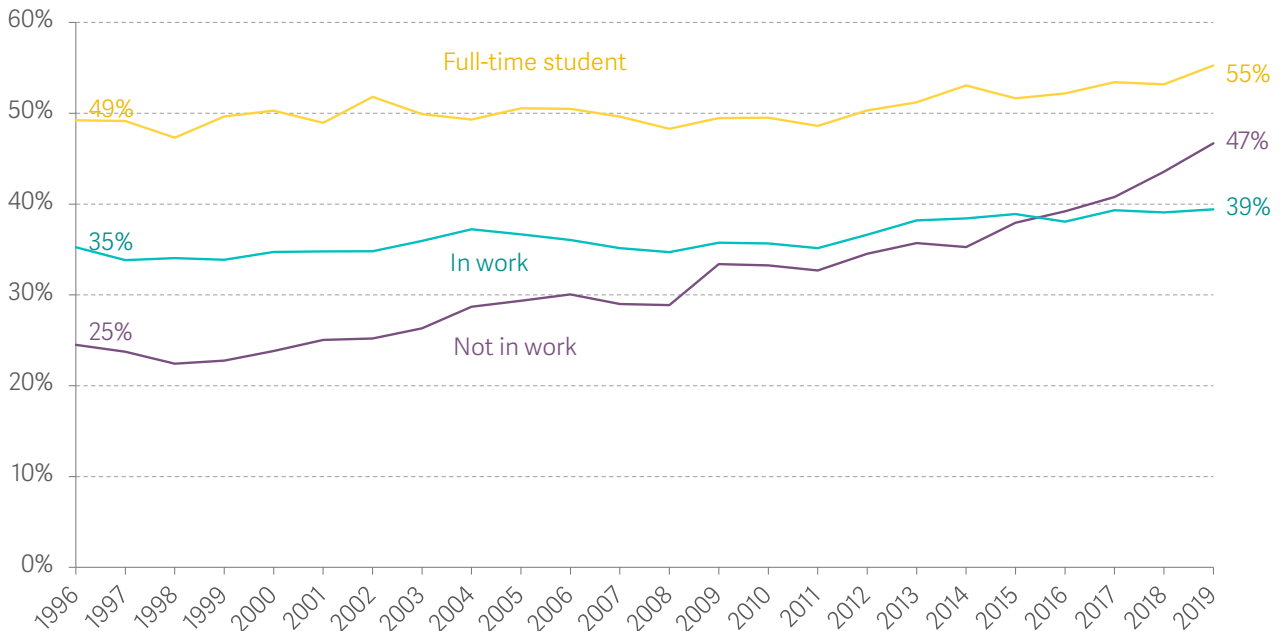
Although there were fewer younger people not in work at all, the likelihood that they lived with their parents nearly doubled over the two decades before the pandemic

The previous section discussed the 4 percentage point increase (which reached 39 per cent in 2019) in the share of younger workers that lived with their parents, and a similar increase of 6 points (reaching 55 per cent) among full-time students. Although this explains a large portion of the overall increase in the incidence of younger people living with a parent (which rose from 34 per cent in 1996-1997 to 43 per cent in 2018-2019), the final group of younger adults to explain the remaining change is those not in work.<sup>24</sup> As Figure 13 shows, the changes among workless younger adults here have been more dramatic than for students and those in work, rising from 25 per cent in 1996 to 47 per cent in 2019.

<sup>24</sup> "Not in work" here refers to those who are unemployed, inactive and have never had a paid job.

**FIGURE 13: Workless young people have become more likely to live with their parents than their counterparts in work and study**

Proportion of 19-29-year-olds who live with their parents, by employment status: UK, 1996-2019



SOURCE: RF analysis of ONS, Labour Force Survey.

In 1996, slightly more than a third (35 per cent) of 19-29-year-olds who were in work lived with their parents – substantially higher than the quarter (25) per cent of young adults who were either unemployed or inactive (but not in full-time study). Over the 2000’s, this gap narrowed, such that by 2018 the share of workless younger people who lived with their parents eclipsed their counterparts in work and study. On the eve of the pandemic, 47 per cent of the former group lived at their parents’ home, as compared to 39 per cent of the latter. However, there were fewer workless younger people (outside of education) in 2019 than in the 1990s: the share of 19-29-year-olds who were not in work or education has shrunk from 22 per cent in 1996 to 15 per cent in 2019.

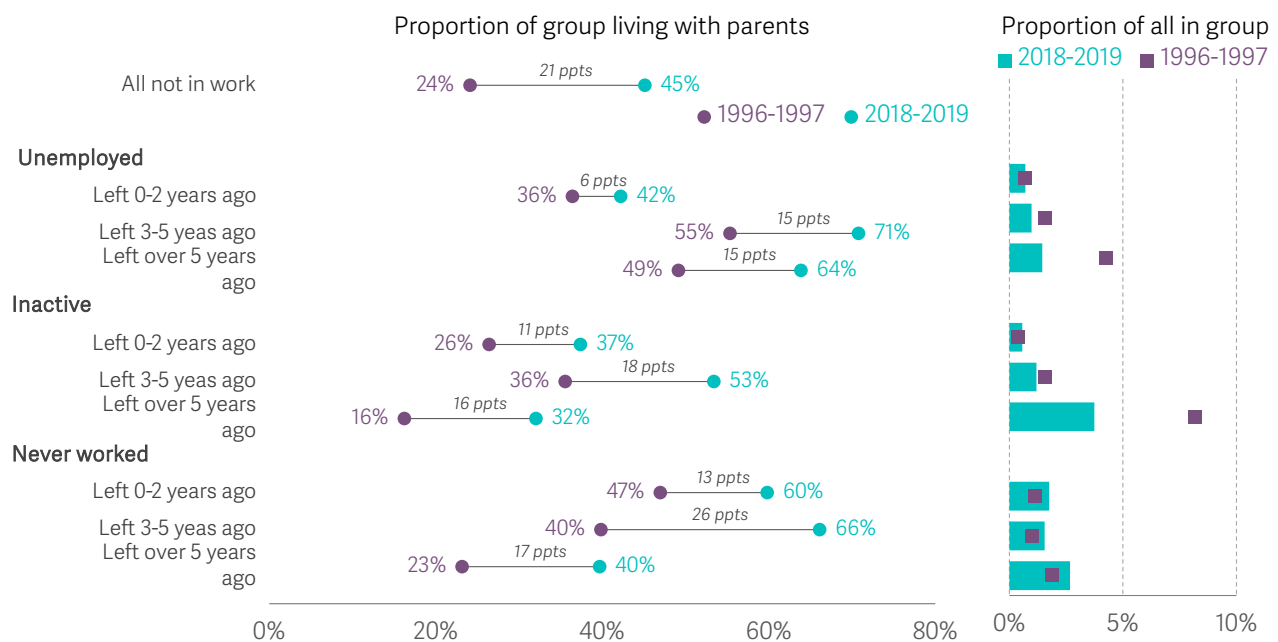
Of course, young people out of work are a diverse group: some may be only temporarily out of work, and others may have never worked at all. Figure 14 focuses on the share of adults that are not in work who live with their parents, according to their employment status and the number of years since they left full-time education. It shows that, across most groups, those who left education three to five years ago have seen the largest increases in living with their parents. In particular, those who have never had a job experienced a steep rise in living with parents, with an increase among those who left education three to five years ago (and had never worked) of 26 percentage points, from 40 per cent to two-thirds (66) per cent between 1996-1997 and 2018-2019. At the same time, the overall proportion of 19-29-year-olds who have never had a job has increased,



as shown in the right-hand panel of Figure 14.<sup>25</sup> This suggests that the increasing share of those not in work who live with parents has been boosted by those who left education some time ago and have never had a paid job.

**FIGURE 14: The largest rise in the share of non-working adults living with their parents has occurred for those who left education three to five years ago**

Proportion of 19-29-year-olds not in work who live with their parents, by employment status and how many years since left education (left-hand panel) and proportion in each group (right-hand panel): UK, 1996-1997 and 2018-2019



SOURCE: RF analysis of ONS, Labour Force Survey.

### High housing costs and a reduction in Housing Benefit availability may have encouraged more younger people to stay in their parents' homes

There are many reasons why young people might want to live with parents, but financial constraints will certainly be one of these motivations. Managing high housing costs is particularly important for those who want to move out from their parents' homes without a partner to share the costs with – as being (or becoming) single can make any labour market volatility, such as sudden unemployment, more keenly felt, particularly for those who do not still live in the parental home.<sup>26</sup>

<sup>25</sup> For an extensive discussion around the reasons for this, see: L Gardiner, *Never Ever: Exploring the increase in people who've never had a paid job*, Resolution Foundation, January 2020.

<sup>26</sup> See: S Bayrakdar & R Coulter, *Parents, local house prices, and leaving home in Britain*, *Population, Space and Place* 24(2), May 2017; G Aeby & S Heath, *Post break-up housing pathways of young adults in England in light of family and friendship-based support*, *Journal of Youth Studies* 23(10), October 2019.

Receiving benefits can help people to live independently, in part by subsidising housing costs. Indeed, Figure 15 shows that there has been no rise in the incidence of living with parents among those who receive benefits over time: in 1998, benefit recipients were one-third less likely than non-recipients to live with parents, whereas by 2019 only half as many recipients as non-recipients lived with parents. There could be some circularity to this pattern: some benefits are only available to those who live outside of the parental home, and it may well be that some of those living with parents would have been eligible for benefits if they moved out. But the data suggests that parents are today playing a greater role as the safety net for young adults.

**FIGURE 15: Young benefit recipients were half as likely to live with their parents as non-recipients on the eve of the Covid-19 crisis**

Proportion of 19-29-year-olds who live with their parents, by whether they claim benefits: UK, 1998 and 2019



SOURCE: RF analysis of ONS, Labour Force Survey.

However, leading up to the Covid-19 pandemic, there had been a long-term trend of successive governments deprioritising welfare support for young people, relative to older working-age adults and pensioners. Under-25s have received lower levels of out-of-work benefits since Jobseeker’s Allowance was brought in in 1996, and there is also a lower rate of Housing Benefit (HB), originally for those under 25 years old and then extended to the under-35s in 2012.<sup>27</sup> These changes to the benefits system add up to a much less generous offer for young adults today than for young adults of previous generations.

<sup>27</sup> See: W Wilson, *Housing Benefit: Shared Accommodation Rate*, Research Briefing, House of Commons Library, November 2014; L Gardiner & F Rahman, *A fraying net: The role of a state safety net in supporting young people develop and transition to an independent, healthy future*, Resolution Foundation, October 2019.

Although the introduction of Universal Credit (UC) will have boosted income among some younger people in work, 16-24-year-olds overall were still set to lose out when moving over to UC from the legacy benefits system.<sup>28</sup> Beyond this, cuts to the value of working-age benefits across the age range (including the benefits freeze, the two-child limit and reduced UC work allowances) have borne down hard on young adults.<sup>29</sup>

Focusing on Housing Benefit can give us an idea about the benefit changes younger people have faced since the 1990s.<sup>30</sup> HB still offers good cost coverage for both private and social rent: on average in 2018, HB covered 87 per cent of housing costs for 28-year-olds that were out of work, which is a similar level to 88 per cent coverage received by those who were 28 years old two decades prior.<sup>31</sup> However, the proportion of younger people that are able to claim Housing Benefit has fallen, particularly among those who are not in work: Figure 16 shows that the proportion of younger, out of work, social renters claiming HB fell from 95 per cent to 85 per cent between 1994-96 and 2017-19. Even though private renters were historically less likely to claim HB, the proportion doing so has more than halved: from 32 per cent in 1994-96 to just 12 per cent in 2017-19.

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<sup>28</sup> Ibid. On the central take-up assumption, this was set to amount to an average of £100 per year across all 16-24-year-old families (including those not engaging with the benefits system). But this overall number hides deeper reductions among single-parents: 67 per cent of 16-24-year-old single-parent benefit recipients faced income reductions as a result of the switch to UC, compared to 56 per cent of older single-parent recipients.

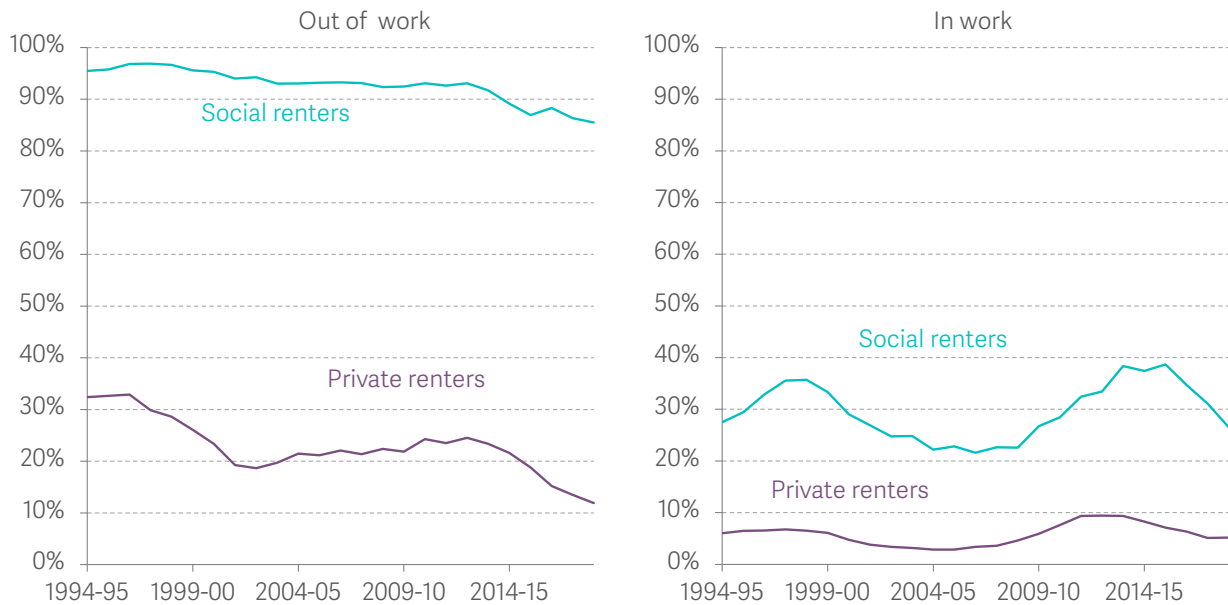
<sup>29</sup> These changes to the benefit system have meant real reductions in incomes across the working-age population, and this will include some of the parental households that young people will be living with. See: L Gardiner & F Rahman, [A fraying net: The role of a state safety net in supporting young people develop and transition to an independent, healthy future](#), Resolution Foundation, October 2019; L Gardiner, et al, [An Intergenerational Audit for the UK 2020](#), Resolution Foundation, October 2020.

<sup>30</sup> We refer to HB in this paragraph even though the support previously provided through HB is now provided through UC for working-age adults.

<sup>31</sup> L Gardiner, et al, [An Intergenerational Audit for the UK 2020](#), Resolution Foundation, October 2020.

**FIGURE 16: Access to Housing Benefit is down across the board but particularly for private renters who are out of work**

Proportion of families headed by a 19-29-year-old in receipt of Housing Benefit, by work status and tenure: GB/UK, 1994-95 - 2018-19



NOTES: 'Out of work' refers to family units where no adult is in work, whereas 'in work' refers to family units where at least one adult is in work. Up until 2002, FRS covered GB, after which coverage was extended to Northern Ireland. The chart shows a 3-year rolling average.  
SOURCE: RF analysis of Family Resources Survey.

There has been less of a change in access to HB among those who are in work, although very few families benefit from this contribution, especially those living in the Private Rented Sector (PRS): 5 per cent of young private renting families were receiving HB in 2017-19 compared to 6 per cent in 1994-96. For social renters, coverage was higher, at 27 per cent at both times. Although the share of working households covered by HB had not shifted very much between 1994 and 2018, the proportion of housing costs covered by HB for those who are in work has decreased: 70 per cent of costs were covered when those born 1961-1970 were 28 years old, but it was only 59 per cent for 28-year-olds born 1981-1990.<sup>32</sup>

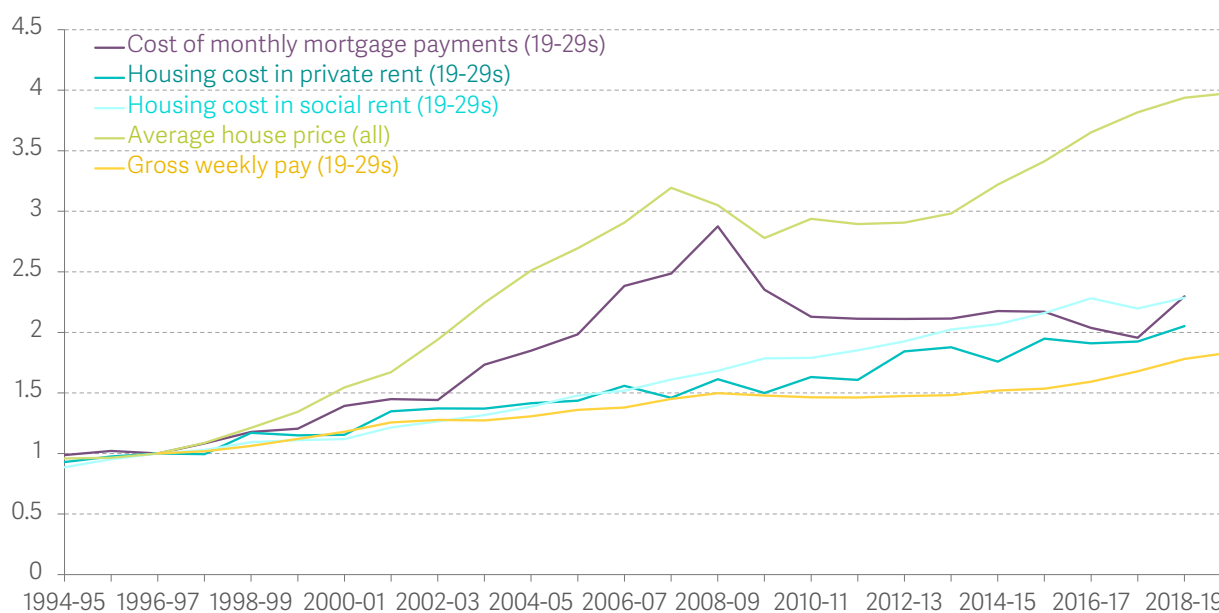
These restrictions on access to HB and reductions in HB cost coverage have come at a time when affordable housing has become increasingly hard to come by: the proportion of 19-29-year-olds in social rented accommodation has fallen from 14 per cent in 1996 to 8 per cent in 2019. Moreover, Figure 17 shows that over the last few decades house prices and housing costs have risen relative to average earnings: this is the context in which younger people have to decide whether to live with parents. Nominal housing costs in the PRS more than doubled between 1996-97 and 2018-19 (they grew by 205 per cent),

<sup>32</sup> For more on HB coverage by age, see: L Gardiner, et al, *An Intergenerational Audit for the UK 2020*, Resolution Foundation, October 2020.

while nominal weekly earnings rose by 178 per cent between 1996 and 2019. Average nominal house prices have also increased significantly faster than earnings, rising by nearly 4 times between 1996 and 2019 across the country. In this context, it is becoming increasingly hard to come up with the down payment for a first home.

### FIGURE 17: Housing costs, and especially house prices, have been increasing faster than pay since the 1990s

Average weekly pay and housing costs for adults ages 19-29, and average house prices (indexed 1996=1): GB/UK, 1994-95 - 2019-20



NOTES: Housing costs exclude Housing Benefit for all and include principal for home owners. Up until 2002, FRS covered GB, after which coverage was extended to Northern Ireland.

SOURCE: RF analysis of Family Resources Survey; ONS, Labour Force Survey; HM Land Registry Data, UK House Price Index.

The slow pay growth that has been a defining feature of the labour market over the past decade will have contributed to more young adults living with their parents. Since the financial crisis, 18-29-year-olds have experienced the biggest immediate pay squeeze: between 2009 and 2014, real pay declined by 9.2 per cent (peak to trough) for the 18-29 age group, compared to 7.3 per cent overall.<sup>33</sup> Although increases in pay have been more robust since then, those aged 22-29 last year still earned less per week in real terms than 22-29-year-olds did at the peak in 2009.<sup>34</sup> This is one reason why we might expect those who are saving for a deposit to live at home longer into adulthood than they may have needed to in years past.<sup>35</sup>

<sup>33</sup> See: L Gardiner et al, *An intergenerational Audit for the UK 2019*, Resolution Foundation, June 2019.

<sup>34</sup> L Gardiner, et al, *An Intergenerational Audit for the UK 2020*, October 2020, Resolution Foundation.

<sup>35</sup> See: L Judge & J Leslie, *Stakes and ladders: The costs and benefits of buying a first home over the generations*, forthcoming, Resolution Foundation, forthcoming; L Judge & C Pacitti, *Housing Outlook Q1 2021: The Impact of Covid-19 on Housing Supply*, Resolution Foundation, February 2021.

## This postcode lottery is a problem for younger people who have to live with or move back to their parents' homes

The economic, social and health-related consequences of younger people living with their parents later into adulthood are many, complex and large and this note touches on important areas for future research, including why we have seen larger increases among different groups, for example, people from different ethnic background, part-time workers and workless young, and what the consequences will be in terms of their labour market outcomes, future movements and wealth generation.

What we know for now is that both young adults and parents speak of cohabitation as a new normal, noting that it has, or is at least on its way to, become a socially-accepted phase of life.<sup>36</sup> Whether the effects are positive or negative will depend on individual circumstances, and we discuss some of these in what follows.

### Limiting expenses to save money

Living with parents can be for the purpose of saving money, since, on average, parents tend to pay for the majority of rent and household bills.<sup>37</sup> We have previously shown that financial gifts or loans from parents are increasingly important for young people to be able to buy a home,<sup>38</sup> but so far there has been less discussion around parents facilitating savings by letting young adults remain in the home. Slightly less grand, but no less important, is the necessity of having some savings in order to be able to live independently outside of home ownership. For example, many private rented accommodations require a deposit of several weeks before moving in. And as discussed earlier, benefits such as Housing Benefit or Universal Credit can help toward costs, but will only be awarded after a young person has signed a rental contract, which will often require a deposit and payment in advance. Living with parents can help young people save toward these costs.

### Personal circumstance, relationships and mental health

Depending on individual circumstances such as the relationship to the household members, the number of siblings and the size of a person's parents' home (relative to the number of people in it), living with parents can be very different experiences for different people.<sup>39</sup> For example, family members and parents have been found to provide

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<sup>36</sup> See: K Hill & D Hirsch, [Family Sharing – A minimum income standard for people in their 20s living with parents](#), Loughborough: Centre for Research in Social Policy, January 2019.

<sup>37</sup> Ibid.

<sup>38</sup> See: S Clarke and J Wood, [House of the rising son \(or daughter\): the impact of parental wealth on their children's homeownership](#), Resolution Foundation, December 2018.

<sup>39</sup> For a discussion on the impacts of hosting adult children on parental well-being, see: M Tosi & E Grundy, [Returns home by children and changes in parents' well-being in Europe](#), *Social Science & Medicine*, Volume 200, March 2018.

emotional support after big life course changes, such as the break-up of a partnership.<sup>40</sup> Experiencing sustained or deteriorated mental health problems can also be a reason to stay supported for longer in the parental home, and we showed earlier that the proportion of young adults living with parents is higher for those who report experiencing mental health problems.<sup>41</sup> The chance to live in a larger, nicer home may also be a factor: on average, 40-60-year-olds are less likely to live in an overcrowded household compared to young adults, and the quality of housing tends to be better.<sup>42</sup>

However, for some, living with or moving back in with parents during their younger adult years can also be associated with additional stress and poor mental health. Researchers found that those respondents who had experienced a change in living arrangement change during the first three months of the pandemic (between March and May 2020) experienced a higher likelihood of increased stress and family conflict than those whose living arrangements remained unchanged.<sup>43</sup>

### An intergenerational transfer

Regardless of the existence of impacts on the finances, well-being or mental health of either the child or the parents, many families see the decision to live with parents as an intergenerational gift in emotional and financial support.<sup>44</sup> In qualitative studies, parents who are hosting their adult children express that they liked being able to help their children even in adulthood, especially so that their children could save money.<sup>45</sup> And it has been shown that living with parents remained an option for younger people after they left home for the first time – so moving back remains for many a possible – yet less desirable – fall-back option.<sup>46</sup>

Often, a decision to live with parents involves an implicit transfer of resources from the parent to the child, but research has shown that co-residence between adult children and parents is sensitive to either party's support needs.<sup>47</sup>

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<sup>40</sup> See: G Aeby & S Heath, [Post break-up housing pathways of young adults in England in light of family and friendship-based support](#), *Journal of Youth Studies* 23(10), October 2019.

<sup>41</sup> See: L Lei & S South, *Demographic Research* 34(4), [Racial and ethnic differences in leaving and returning to the parental home: The role of life course transitions, socioeconomic resources, and family connectivity](#), January 2016.

<sup>42</sup> L Judge & J Leslie, [Stakes and ladders: The costs and benefits of buying a first home over the generations](#), Resolution Foundation, forthcoming; L Judge & F Rahman, [Lockdown living: Housing quality across the generations](#), Resolution Foundation, July 2020.

<sup>43</sup> See: M Evandrou et al. [Changing Living Arrangements, Family Dynamics and Stress During Lockdown: Evidence from Four Birth Cohorts in the UK](#), SocArXiv, September 2020.

<sup>44</sup> This note focuses on the consequences of adult children, however, there are large and important consequences for hosting parents' financial resources and wellbeing. For in-depth discussions on this, see: S Clarke and J Wood, [House of the rising son \(or daughter\): the impact of parental wealth on their children's homeownership](#), Resolution Foundation, December 2018; M Maroto, [When the Kids Live at Home: Coresidence, Parental Assets, and Economic Insecurity](#), *Journal of Marriage and Family* 79(4), May 2017; K Hill et al, [Home Truths: Young adults living with their parents in low to middle income families](#), Standard Life Foundation, September 2020; M Tosi & E Grundy, [Returns home by children and changes in parents' well-being in Europe](#), *Social Science & Medicine*, Volume 200, March 2018.

<sup>45</sup> Ibid.

<sup>46</sup> S Heath S & E Calvert, [Gifts, Loans and Intergenerational Support for Young Adults](#), *Sociology* 47(6), February 2013.

<sup>47</sup> A Smits et al, [Parent-Child Coresidence: Who Moves in With Whom and for Whose Needs?](#) *Journal of Marriage and Family* 72(4), August 2010.

## A postcode lottery, depending on where parents live

As we have discussed in this note, for many, living at their parents' home can offer a sense of safe harbour in the event that they lose work or pay. It can also offer a savings boost: for large portions of those who are in work and who live with their parents, paying low – or no – rent will allow them to put money away. But the ability for them to find a good job, and one that pays enough to allow them to save, will vary by the labour market surrounding their parents' home. For younger people whose parents live in a weak labour market, good jobs will be harder to come by.<sup>48</sup> This introduces a form of postcode lottery, particularly for those who feel like they have no choice but to live with their parents, albeit one that is also closely related to parental wealth, with implications for intergenerational mobility.

## Policy makers should be worried when economic conditions force younger adults to stay with their parents

This briefing note has considered prevailing narratives around adult children living with parents. In the crisis, we have not seen a rise in the incidence of young adults living with parents, but what is clear is that those who have moved back to their parents or stayed with parents during the pandemic have been more likely to have been those without jobs, the lowest paid and those working in the hardest-hit sectors. And these patterns reflect longer-term trends in who is likely to live with their parents. Since the 1990s, out-of-work adults, those in atypical jobs and those on lower pay have experienced the largest increases in the proportions living with parents. Beyond labour market drivers, reductions in benefit generosity, particularly in Housing Benefit, have coincided with steep increases to housing costs and house prices, and particularly low levels of earnings for today's younger adults. Living with parents in adult life is not in and of itself good or bad, but will depend on a range of individual circumstances. However, where worsening economic conditions leave increasing cohorts of young people with few options but to do so, policy makers should begin to pay attention – particularly where it limits economic opportunities and depresses overall wellbeing.

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<sup>48</sup> Centre for Cities have conducted research on the differences in employment opportunities that exist across different parts of the country, and found that cities with stronger economies not only provide higher-qualified jobs to but are also more likely to provide employment for lower-skilled people: in Hull and Liverpool around one-in-five individuals with few or no qualifications is unemployed, while fewer than one-in-ten in the stronger economies of Aldershot and Bournemouth are unemployed. See: E Magrini, *Opportunity knocks? Economic outcomes for low-skilled people in cities*, Centre for Cities, March 2019.



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