

# Staying home and getting on:

Tackling the challenges facing low to middle income families where young adults live with their parents

**Katherine Hill, Ruth Webber and Donald Hirsch**

Centre for Research in Social Policy, Loughborough University



# Contents

---

<b>Acknowledgements</b> .....	3
<b>Executive summary</b> .....	4

## 01

---

<b>Introduction</b> .....	8
Background.....	8
The research.....	9
Qualitative method and sample composition.....	9
Report structure.....	11

## 02

---

<b>The context of young adults living with parents: household composition, housing, employment and financial situations</b> .....	12
Household composition and housing situation.....	12
Work and earnings.....	14
Social security benefits.....	15
The impact of debts and ability to save.....	16
Work and income in the context of parents living with young adults.....	17

## 03

---

<b>Why young adults and parents live together, and how they see the future</b> .....	21
Never left/Left and returned.....	21
Barriers and bridges to moving out.....	22
Influences on the ‘choice’ to live at home amid uncertainty and constraints.....	28
Living with parents – views about current situations.....	31
Looking ahead – thoughts, plans and considerations for the future.....	33

## 04

---

<b>Living together: relationships, financial arrangements and living standards</b> .....	40
Relationships and responsibilities.....	40
Financial arrangements.....	46
Implications for living standards.....	53

## 05

---

<b>Responding to challenges in policy and practice</b> .....	61
The loss of family entitlements as ‘dependency’ ends.....	62
How the social security system regards young adults living with parents.....	65
Engagement of families with state entitlements.....	66
Advice and guidance at points of transition.....	67
Financial education and conversations about money within families.....	69
Measures to support saving and moves towards independence.....	70

## 06

---

<b>Conclusion</b> .....	73
The context of the pandemic.....	74
Recommendations for policy and practice.....	75
Further research.....	76

<b>References</b> .....	77
-------------------------	----

<b>Appendix 1. Key findings from the report on phase 1 of the project</b> .....	78
---	----

# Acknowledgements

---

We would like to extend our thanks to Mubin Haq at abrdn Financial Fairness Trust for supporting this research, and at CRSP to Lisa Jones and Juliet Stone for their contributions.

We are most grateful to those who took part in our Advisory group and consultation meetings who kindly gave their time and valuable comments. This includes: Ashley Austin, Rhian Beynon, Mark Bogard, Mark Brereton, Catherine Fitzgerald, Zoe Garrett, Russell Gunson, Maja Gustafsson, Anna Jones, Sarah Luheshi, Jane Millar, Michael Royce, Kath Scanlon, Winona Shaw, Nick Watkins, Sally West, Kevin Williamson and Dan Wilson Craw.

Most importantly we would like to thank all of the young adults and parents who took part in the interviews and focus groups, who so generously gave their time and shared their experiences with us.

# Executive summary

---

This is the final report from a project which aims to investigate the economic and financial challenges facing low to middle income families where young adults live with their parents. It is set in the context of the growing proportion of young people in the UK living with their parents – two in three single people aged 20-34 (without children), which is over 3.5 million young people – making it more of a life stage than stop gap. The research focusses on the experiences of low to middle income families in this situation who have received less attention amid the stereotypical view of young adults being helped by the ‘bank of mum and dad’.

Living with parents is a source of support in the context of instability, insecurity and housing constraint for young adults. Over the long term, there is a need to improve housing and employment opportunities for this group. But this report looks at how households are responding to current structures, and at how they can be best supported in doing so.

The research covered in this report involved two phases. The first comprised 36 interviews in late 2020/early 2021 with young adults (age 20-34) and parents in low to middle income households to explore their experiences and needs. This included influences behind their living arrangements, the financial, practical and social implications of living together, in current circumstances and for the future. This was followed by consultation with stakeholder organisations and focus groups with young adults and parents to explore policy and practice responses that could help to address the needs of families and potentially better support young adults and parents.

## Key Findings

**Current and longer-term disadvantages impact on the situation of low to middle income households as their children move into adulthood. Unlike the image of ‘bank of mum and dad’ these parents do not necessarily have the means to financially support their children when living at home or assist them moving out.**

- While Covid was an ever-present feature, with implications for families’ current circumstances, many issues preceded the pandemic.
- Affordability was an overriding factor influencing the degree of choice and constraints in young adults and parents’ living arrangements with key issues being the cost of alternative housing to rent or buy and lack of affordable social housing; and employment and income (in)security. Other key factors included: the housing situation of parents (in particular space); and personal factors such as the relationship within families, health, and cultural attitudes.
- Key ingredients needed to move out are stable work and earnings, savings, a partner or someone to share the cost with. Young adults found these difficult enough to achieve even before the pandemic, but barriers to moving out were exacerbated by Covid. For some young adults the prospect of living independently seemed even more distant.
- Young adults’ and parents’ views about living arrangements varied from being content with the situation, seeing it as serving a purpose in a longer-term plan to save to move out, to feeling stuck in a less than ideal situation due to lack of other options.
- For most young adults the aim was to live independently, but looking ahead tended to focus more around hopes of securing a steady job and decent income as a precursor to moving out. For parents, the financial implication of their son or daughter moving out varied depending on the extent of their contribution to the household, whether it would leave a gap in their finances or enable saving, and interaction with the benefit system (if no longer liable for non-dependent

deduction or becoming subject to ‘bedroom tax’). Ideally parents wanted to keep a spare room in case a young adult needed to return, but the possibility depended on space and finances.

**This study also helped us understand how this family arrangement works, what makes it work better or worse and what could help.**

- Living with parents could bring mutual benefits: to build savings, contributions can help parents who are struggling, and provide company and emotional support. However, challenges around finances, space, and relationships could bring tension.
- In the context of low to middle income, it can be two-way support, not just parents providing for young adult, with examples in the study of young adults providing vital financial support to parents.
- Relationships between parents and young adults, the responsibilities that each took on, and the financial arrangements within families were often related and linked to families’ feelings about their living situation, and the ability of everyone to meet their needs.
- Communication is a key starting point to help families develop mutual understandings about what works best for all concerned, both financially and relationally. However, conversations about money were not always easy to have.

**Young adults are viewed by the state as independent financial units, but there are implications of living together on household finances, including through social security.**

- Parents who receive benefits can experience a substantial drop in entitlements when their child leaves education or training and becomes ‘non-dependent’, resulting in an income shock that is hard to manage. This can vary between £298 and £680 a month depending on parents’ work situation, housing tenure and whether there are younger siblings in the household.
- Those who are renting are also subject to a non-dependent deduction from their housing related benefits for an adult child living at home. For Universal Credit the reduction is £75 a month for someone aged 21 or over, and for Housing Benefit the amount varies depending on a young adult’s earnings (there are some exemptions). Parents either have to pass this onto their son or daughter or face potential hardship if they don’t. However, young adults’ benefits do not cover housing costs.
- There was sometimes hesitancy among young adults living with parents to claim benefits (straight way) if they lost work. This related to concerns about eligibility, the process, the impact of claiming on parents’ benefits, pride, and hoping that they would quickly get a job, only claiming when they became ‘desperate’. This could mean that young adults were unable to contribute to the household finances and/or were using precious savings.

**Public policies could help to recognise the issues facing these families, while still continuing to regard young adults as non-dependant and not requiring the support they did as children.**

- One response would be to offer some support for families such as a higher Work Allowance for a transitional period to produce less of a cliff-edge after children stop being dependant. Better forewarning of parents that their benefits will be changing would also be helpful.
- In addition, the expectations of young adults to contribute to family finances, especially rent, must be aligned with the support that they receive to help them do so.
- With effective communications there’s scope for helping young adults to build towards the skills they need when living independently.
- Advice services should do more to recognise this life phase and help prepare people for it, including for example as young adults near the end of full time education.

## Conclusions

The report highlights some common themes but also heterogeneity among low to middle income households, the factors involved in their reasons and feelings about co-residing, and how they manage their living and financial arrangements. An overriding issue was the high cost of alternative housing which interconnected with unstable employment and insecure income to create significant barriers to young adults living independently. The research shows how structural factors, in particular aspects of the social security system, can add to constraints and disadvantage faced by both young adults and parents in this situation who do not have the financial resources to help their children. It highlights how, while ‘non-dependent’ young adults and parents are viewed as independent in the eyes of policy, they are profoundly interdependent given the extent to which their individual financial lives are intertwined which has consequences for household living standards. While living with parents can be seen as a vital safety net for young adults facing insecurity, it is not just one-way, and young adults’ contributions to the household can be vital to parents who are struggling.

The research took place during the Covid pandemic which had direct implications for some families where young adults and parents lost work and some young adults returned home. But this should not override the fact that low to middle income families could already be in precarious circumstances, with the pandemic adding another layer of insecurity. The longer-term impact and subsequent changes may also have potential implications for families in this situation. This includes: the nature of the labour market and whether it provides more secure work opportunities for young people; the impact of the removal of the £20 a week uplift to Universal Credit for low income families; and significant increases in house prices potentially making it even harder to get on the housing ladder.

The needs of the families considered by this research can often be overlooked, and policy makers and practitioners need to engage more with both young adults and parents in this situation. We propose the following recommendations.

## Recommendations for policy and practice

1. Extend entitlement to the Universal Credit Work Allowance to any family with at least one child under the age of 23 living in their home.
2. Parents receiving Universal Credit automatically receive a notification at least six months before a child included in the claim is likely to become a non-dependent, alerting them to the estimated reduction in Universal Credit that will occur and that the ‘child’ will be able to make a claim in their own right.
3. Reduce to zero the non-dependent deduction applicable to Housing Benefit or Universal Credit in cases where the non-dependent has no earned income.
4. The Department for Work and Pensions and Jobcentre Plus should consider means of encouraging claims by young adults living with parents, through a range of mediums including innovative and targeted campaigns, web materials and social media initiatives making clear their entitlements.
5. A dedicated support/advice service to provide a website and/or other resources bringing together information and advice for both young adults and their parents who live together. This could be provided by an existing advice agency such as the Money and Pensions Service, and should include input from young adults and parents, and the opportunity for people to share information.

6. Organisations dealing with families and with young people, and those offering money advice, should consider prominent signposting to this support/advice service focused on the needs of young adults living with their parents. In particular, this applies to charities, educational organisations and financial service providers.
7. Using this or other resources, educational careers and guidance services should consider giving life-management advice that covers the situation of living with parents.
8. Advice for co-resident young adults and their parents should include tips on money conversations within families, directed both at the parents and at the young adults, in the latter case using educational institutions and other appropriate fora to reach this audience.
9. Extend eligibility for the Help to Save Scheme to people under 35 earning up to £17,000 a year (equivalent to working full time on the National Living Wage), regardless of eligibility for Universal Credit.

**This is the final report from a project which aims to investigate the economic and financial challenges facing low to middle income families where young adults live with their parents. The research is funded by abrdn Financial Fairness Trust and carried out by the Centre for Research in Social Policy, an independent research centre.**

## Background

---

A growing proportion of young people in the UK are living with their parents well into early adulthood, whether they have not left or returned to the family home. Influenced by high housing costs, precarious work opportunities and changing social norms, two in three single people aged 20-34 (without children) now live with their parents – over 3.5 million young adults – and four families in ten with children in their 20s have at least one of them living at home (Hill et al., 2020a; ONS, 2021).

This project's interim report set out these trends, and reviewed previous evidence on what influences them, the issues that they raise and challenges for public policy (Hill et al., 2020a). This final report presents the results of our new research examining the experiences of families in this situation on low to middle incomes, based on in-depth interviews with both the young adults and the parents involved. It also presents the outcome of a final stage of this project in which we consulted interested organisations and young adults and parents in this situation about what measures might help this group.

This research aims to fill a gap in understanding about the situations and challenges faced by low to middle income households, where living together as a family stretches well beyond the context of childhood. While there has been much comment on the difficulties that young adults are encountering in reaching full independence, there is little prior evidence of the experiences and determinants of living standards of families in this situation, which can last for a number of years. Our study does not start with an assumption that living with your parents in your 20s is either a good or a bad thing, but rather looks at the actual experiences of people in this phase of life and considers how they could be improved. This includes consideration of factors that influence young adults to live with their parents, the opportunity to move towards independence, the ways in which family costs are shared, how parents and young adults in these families relate to each other and the extent to which they can afford to meet their material and social needs.

This research has taken place during the pandemic, which inevitably has influenced the context of young adults living with their parents. Evidence on the pandemic as a driving force increasing the numbers in this group is mixed, with one study finding that typically people in the insecure employment sectors who were most affected were also most likely to live with their parents anyway (Gustafsson, 2021). However, the risk of such insecurity has increased much more extensively for

18-34 year olds than any other group, with an estimated 40% increase in the number in this group being classified as 'insecure' (Financial Conduct Authority, 2021). Overall, it is clear that there are ways in which the pandemic has accentuated an existing trend, by increasing the uncertainties that cause young adults to rely on parents for accommodation for longer than in previous years. In this context, our research considers people's experiences beyond the context of coronavirus, while also reporting on how the pandemic has affected these experiences. For many of those we interviewed, the story of young adults living with their parents had begun well before the start of the pandemic.

## The research

---

The research looks at implications of co-residing with adult children from the perspectives of both young adults and parents. The project set out to examine how being in a combined household interacts with income, living standards and opportunities, and how this situation affects long-term financial and housing prospects and aspirations for young adults and parents. The overall project comprised three linked phases. An initial report (Hill et al., 2020a) drew on analysis of survey data, a literature review and policy mapping to provide an overview of households where young adults live with parents, existing research and an outline of the policy landscape they face, in particular the interaction of living arrangements, household income and social security. The focus of this report is a qualitative in-depth study comprising interviews with young adults (age 20-34) and with parents in low to middle income households to explore families' experiences and needs including influences behind their living arrangements, the financial, practical and social implications of living together, in current circumstances and for the future (see methodology below). This has been followed by liaison with a range of stakeholder organisations and focus groups with young adults and parents in which the findings were drawn on to explore policy and practice responses that could help to address the needs of families and potentially better support young adults and parents.

The statistical context discussed in an earlier report (Hill et al., 2020a) highlighted that young adults are living in the parental home for longer periods of time and provides useful background about how this varies across households (Key findings from that report are summarised in Appendix 1). Following on from this, the use of qualitative methods allows us to gain further insight into the experiences of this housing set up, from the perspectives of both parents and young adults themselves. Semi-structured interviews enable exploration of various components of co-residence, including relationships, navigating financial arrangements, and maintaining independence, and crucially the interaction between different elements of life at home.

## Qualitative method and sample composition

---

The aims of the qualitative research and the focus of the topic guides for the interviews were to explore the consequences, benefits, and challenges of living with parents for both parents and young adults. We aimed to understand the impact on the current living standards of households living together, as well as the implications for future financial and housing plans, such as saving for a deposit, or parents looking to downsize.

The qualitative study consisted of 36 in-depth interviews with parents and young adults in low to middle income households with an adult child at home. This included households across the UK, in urban and rural settings. We used a recruitment agency to recruit 10 paired households (those where both a young adult and parent were interviewed), as well as a further 8 young adults and 8 parents in separate co-residing households. The mixture of paired and independent interviews allowed an insight from both perspectives in some households, and also allowed individuals to participate who may have been reluctant or unable to recruit their parent or young adult for a range of reasons.

Interviews were conducted individually with young adults and parents, for both paired and independent households, between November 2020 and February 2021. Given the restrictions due to the COVID-19 pandemic, interviews were conducted over the telephone or using Zoom. Interviews were transcribed and analysed using NVivo, using a coding frame that drew on the content of the topic guide, as well as themes emerging from the data itself.

Our household samples comprised of a broad mix of various categories. The 18 young adults interviewed ranged from 20 – 34 years of age, 10 female 8 male, and of the 18 parents interviewed, 14 were mothers and 4 were fathers. We included a mixture of households where young adults had left and returned and those who had never left, employment status of both parents and young adults, and single and couple parent households. Housing tenure was varied, and while many were in social housing, several were in private rental, with a smaller number in owned homes. To cover the focus on low to middle income households we included households with members earning below £30,000 a year, with the majority of households containing someone receiving means tested benefits. Table 1 provides an overview of the 26 households in the study<sup>1</sup>.

**Table 1: Overview of the 26 households in the study**

Young adult	Number	In receipt of means tested benefits	Number
Never left	16	Young Adults	11
Left and returned	10	Parents	13
		Both	7
		None	6
Young adults age		Tenure	
20 - 24	10	Social rented	14
25 - 29	13	Private rented	5
30 - 34	3	Housing provided with job	1
		Owner occupier	6
Household type		Area	
Couple parents	11	England (across North West, North East, Midlands, South West, South East and London)	23
Single parent	15	Scotland	2
		Wales	1
Employment		Ethnicity	
Young Adults: Working	14	White	13
Young Adults: Not working	12	Asian	4
Parent(s): one or more working	19	Black	6
No parent working	7	Mix/other ethnicity	3
Both Young Adults/Parent(s) not working at time of interview	5		

1. The information on young adults relates to those who were interviewed, and in the parent interviews, their son or daughter who was the focus of that interview. Several households contained other young adults whose details are not included in these figures.

## Report structure

---

The findings from the qualitative research are presented in the three following chapters. Chapter 2 provides a background of the household, housing and work situations and ways in which young adults living with parents interact with work, the social security system and the consequences for financial well-being. Chapter 3 looks at factors influencing young adults living with parents – the choices and constraints on decisions around living together and moving out, and thoughts about the future. Chapter 4 focusses on the living arrangements within the household, how relationships and finances are managed and implications for living standards. In Chapter 5 we present themes and discussions from the consultation phase of the study looking at policy and practice implications of the research and some proposed recommendations. Key points are pulled together in a concluding chapter.

## The context of young adults living with parents: household composition, housing, employment and financial situations

To provide context to the influences and implications of living with parents it is useful to look at the financial, work and housing situations of families who took part in the study, as well as the composition of the households they lived in. This chapter starts by looking at the background of the household, housing and work situations of those involved, and then goes on to look at ways in which the fact of having parents living with their grown-up children interact with work, the social security system and the consequences for financial well-being.

The study focused on low to middle incomes households, whose members often face challenges related to their limited finances or unstable work patterns. Given the timing of the interviews (Nov 2020-Feb 2021), Covid was an ever-present feature, with implications for families' current circumstances, although many issues described here preceded the pandemic.

Families who took part in the study ranged across different types of household arrangement, employment status, income, and outgoings, and this influenced how parents and young adults were managing financially. Households varied greatly in terms of the degree of stability or insecurity in their lives, how difficult they found it to meet day to day costs and whether they felt able to save. Some were getting by with a degree of leeway in their budgets; others were finding it hard to make ends meet; and some were in a more difficult or precarious situation – for example where outgoings exceeded income, and where they struggled with debts or were drawing heavily on dwindling savings.

### Household composition and housing situation

---

Over half the households in the study were headed by single parents. Often these were mothers (mostly separated) who had been a single parent for some years including when bringing up their now adult child, as well as a few fathers who had more recently become a single parent. Several also had younger dependent age children at home too. Single parents are often financially disadvantaged and at greater risk of financial hardship, linked to having only one income and the challenges of balancing childcare, often in part-time, low paid work (Clery, Dewar and Bivand, 2020; JRF, 2021). This was reflected in the experiences of many of the single parents in the study who had previously received or were currently receiving social security benefits to supplement or provide all of their income – some had struggled financially in the past, with a few finding themselves in difficulty more recently, for example after a job loss. Relying on just one income (often part-time) meant that not only were finances stretched, but they were in a more vulnerable situation if their work was affected during the pandemic. Being a single parent with a young adult at home had specific implications for household finances, especially where this interacted with the social security system (as discussed below) and the need or impact of a financial contribution from their adult child(ren) (Chapter 4).

Household size varied, from families where just one young adult was living with their parent or parents, to those with (up to five) other children in the home. These were mostly other young adults and secondary school / college age children, but the youngest was aged 2. This diversity highlights the variation in set ups and differing needs of family members within households. On the whole parents whose young adult was an only child reported less strain on their finances. Conversely those who had brought up larger families of four to six children tended to have experienced difficult times in the past which could continue, given that they could be responsible for younger children while adult children remained at home, reflecting the lasting impacts of both higher household needs and constraints on incomes larger families face (Stewart et al., 2021).

Family background and housing situations also had implications for occupancy levels. Families in the study had often lived in their homes for some time – for many of the young adults it had been their childhood home. There was a wide variation in occupancy, from a young adult living with their parent(s) in a large family home where other siblings had moved out, to families with up to five children in a three-bedroom property. This over-occupancy particularly related to families living in social rented housing and entailed young adults and other children sharing rooms with siblings or a parent, and/or a parent sleeping in the lounge. In one case a young adult and their mother were living in one bedroom in shared private rented sector accommodation as the young adult had had to move in with her longer term when Covid restricted travel. Both parents and young adults felt that over-occupancy can be a greater challenge when children become older (see Chapter 4), whether a large family growing up or a young adult had moved back in – in a few cases lack of space had contributed to siblings moving out. However, as discussed in Chapter 3, parents in such situations often felt they had limited options to find more appropriate accommodation.

The level of housing costs also impacted on parents' financial situation, linked to tenure as well as location, with highest rents in London, in the private rented sector, and most of all where these combined. Social rents were less than private rents across areas, but still higher in London than elsewhere. Housing costs had less of an impact for some family situations, in particular: out of work parents living in social housing where housing benefit or Universal Credit covered the rent; for one household where accommodation was included with a job; and for some homeowners with no or fairly low mortgages where earnings were sufficient to manage the payments. In other cases, mortgage payments could take a sizeable chunk of income, putting pressure on finances. Some parents received no social security support for housing – either where they were renting but earnings were over the threshold to qualify for benefits, or where homeowners who had lost their jobs, and received no state support to help pay a mortgage. In other cases, renters receiving housing benefit or Universal Credit had to fund a shortfall in rent where they were only eligible for part housing payments, for example if claiming benefits while working or where private sector rents were above the Local Housing Allowance.

While parents did not generally feel that their young adult living with them made a difference to their basic rent or mortgage charges, having higher or lower housing costs could affect parents' need for a contribution towards these costs (see Chapter 4), and in turn parents' ability to balance their budgets. In some cases, a young adult living in the home could also reduce their entitlement to social security support with housing costs (see below). Keeping up with housing costs was seen as a priority, and while rent arrears were seldom mentioned, it could involve struggling, being behind with other bills or debts. The impact of housing related costs on young adults' finances depended on the nature and extent of any contribution they made to their parents, as discussed in Chapter 4.

## Work and earnings

---

A key factor determining the finances of both young adults and parents in the study was the level and stability of earnings from work. For some, health, and for young adults in particular mental health, inhibited work, and a few parents were caring for a younger child or a parent, or one of a couple was a homemaker not active in the labour market. Several parents who were unemployed had experienced job loss during the pandemic where they had been made redundant, a contract ended or they had left a job through fears about Covid. This could result in significant income shocks – of over a thousand pounds a month – most keenly felt by single parents where this was their sole income, and social security support was *‘not even near scratching what I used to earn’*. Others had seen their earnings drop, for example due to reduced factory working hours, loss of overtime, taking part-time lower paid work when full-time chauffeuring dried up, or part-time retail work was curtailed. A couple of parents were still receiving support at the time of the research through furlough or Self Employment Income Support Scheme from work in hospitality or hairdressing. Those whose jobs and incomes were less affected either continued working in the same way such as a caretaker or in the NHS, or in roles that enabled them to work from home.

Most households in the study had at least one parent in work; however, low wages, part-time hours, and having only one earner made it harder to make ends meet, with parents’ (joint) earnings often well under £2000 a month. Some parents with younger children were receiving Universal Credit or Tax credits to supplement earnings. Parents in more stable financial situations tended to be those who were in steady work, whose incomes were boosted by being paid significantly above the National Living Wage, by having two incomes including at least one parent working full time, or by receiving a state pension alongside earnings.

Those in already unstable work were more vulnerable to the impact of Covid on jobs and income (Wenham and Sandor, 2021). This was particularly felt by young adults in the study who had often been working in insecure, temporary, zero hours contracts<sup>2</sup> or casual employment and in sectors hardest hit such as hospitality, entertainment, sport and leisure, where working from home was not possible. Indeed, many of the young adults who were not working at the time of the research had lost their jobs during the pandemic. Others had experienced reduced earnings when hours had been cut or work dried up, for example, teaching English to foreign students or self-employed photography, though a few were still receiving some income through furlough from work in a leisure centre, pub or music venue. These young adults faced income drops from a few hundred to over a thousand pounds a month where they had lost all or the bulk of their work (even with receipt of Universal Credit) which hit their finances hard. Several had used savings to get by, including those which they had been hoping to use to move out, and as discussed in Chapter 4, reduced earnings could also affect the amount they were able to contribute to the household. Some of those not ‘in work’ were trying to raise some extra funds, for example through online exchange trading or internet platforms as a ‘side hustle’ or trying to build up a business.

Of the young adults working at the time of interview, a minority were in full-time or permanent roles – and sometimes reasonable wages, for example working as a scientist, in administration or construction meant they could be earning more than a parent. Others were in a more insecure situation, on minimum wage level earnings, and most were working part-time including on casual, zero hours basis with fluctuating hours and income. For some families a young adult and their parent(s) were both out of work before or as a result of the pandemic and/or their incomes had reduced putting both under pressure. Work insecurity was felt sometimes even where their jobs

2. One in ten 16 – 24 year olds in the UK were in zero hour contracts before covid (Office for National Statistics, 2021).

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

had not been directly affected by the pandemic so far, for example in one household a parent's workplace was going through a reorganisation whilst her daughter was nearing the end of an apprenticeship, highlighting the ever-present sense of uncertainty across generations. While the pandemic had had a financial impact on many of the households in the study, it is of note that some parents as well as young adults had experienced periods of income instability in the past, through redundancy, poor health, caring responsibilities, losing a business, and for some the impact of becoming a single parent.

A few young adults had recently managed to find a new job after a period without work, and a couple had longer term plans such as joining the police force or army, or setting up their own business. However, there was a feeling that opportunities were limited, involved low pay and job insecurity, and were particularly bleak for those who were trying to find work using their degrees or hoping to get a 'better' job and increase pay. *'I apply for at least 30 jobs a day. I don't even hear back from them. It's really hard'* (Young adult). Several felt that while finding work had been challenging enough before the pandemic it had become even more difficult since, with fewer jobs available and greater competition (this was late 2020/early 2020).



*Even like if the corona calms down, job wise would there still be the same amount of companies recruiting for jobs...how many people are going to apply for the jobs now, I am worried about that, because look at everyone unemployed right now...You know like one job, it could be something like two hundred applicants... If you're a graduate right now, it is very hard for you to even get a job, like the competition has got way bigger than before.*

(Young adult)

A few young adults mentioned the Jobcentre in relation to looking for work. This was mostly remote contact – using their Twitter for vacancies, support with a CV or doing on-line courses, with differing accounts of understanding or pressure from Work Coaches regarding job-searching. A couple of young adults had received support referred from the Jobcentre where they had longer term mental health needs for building confidence and preparing for work. There was no mention of government work schemes (interviews took place before Kickstart opened) but several expressed interest in further training, for example in IT or forklift driving, and a need for help to give them ideas about potential avenues of work.

## Social security benefits

---

Social security benefits including Universal Credit, legacy benefits and Tax Credits provided important support for many of the families in the study, with either parents, young adults, and in some households both, receiving means-tested state support. For some who were not working this was their main source of income, and for others it supplemented low and fluctuating earnings. Benefits are assessed separately for parents and for non-dependent young adults – although as explained further below, they interact with respect to rent provision. For both parents and young adults living on benefits only income was tough. Several parents noted how the amount they received was not enough to meet their outgoings where they were depleting their savings to manage. Some young adults also struggled especially if their benefit was already reduced, for example deductions for an advance, they were paying off debts or had the expense of running a car (which could help broaden job opportunities).



***My bank balance is just going down and down. There's more going out than what's coming in at the minute. I don't think it's going to last much longer so I really need to get some work.'***

(Parent)

## The impact of debts and ability to save

---

Some parents' past financial difficulties had longer term implications for their current situation. This included losing a property after being unable to keep up with mortgage payments, losing money through 'bad financial decisions', and accruing credit card balances and loans which were still being paid off, with repayments (sometimes hundreds of pounds a month) eating into their income and affecting their credit rating.



***If I didn't have the debts we have we would probably be able to scrape through fine. If I did get a loan to pay everything off, we would be fine, we would manage. But unfortunately, because we have such a rubbish credit rating because of the financial problems we have had, nobody is offering a loan apart from these seriously high interest loans.***

(Parent)

A couple of parents in their forties reported that they had just reached the earnings threshold to trigger repayments on a student loan which took £50 a month from their income. While some young adults had student loans, they were generally not an immediate financial concern given their earnings were not enough to require repayment. However, it could be 'a worry' knowing a sizeable loan (tens of thousands) was sitting there and accumulating interest, and a couple with smaller loans had prioritised paying them off when they had been working full time. Several young adults had credit card debts which they were trying to chip away at, in one case a debt relief order had helped, and another was aiming to consolidate her debts to make it more manageable. Others expressed strong aversion to borrowing and debt, with some stressing how 'careful' they were with money – this could be influenced on the one hand where parents had passed on their attitudes and practice of avoiding debt, and on the other from witnessing the impact of parents and others in financial difficulty and a determination not to get into such a situation.



***If I want something I'll just save up for it... There's always been stuff in there for a rainy day. [Daughter] is not working now so I taught her when she was working to put money away which she did.***

(Parent)



***I haven't got any debts no, no, no... That is good, that is a positive because I have seen people around me in big debt, with people, not even companies... Other people around me with different attitude to money it made me make a wise decision.'***

(Young adult)

Some parents had or were able to save – in particular where they were in work, had a reasonable income, and two earners. Some young adults too were actively saving and living with parents was seen as way of facilitating this (see Chapter 3). However, where they had lost work, both before but especially since Covid, this had been curtailed and the savings of some young adults and parents had depleted by thousands in cases. This was a concern for parents where outgoings were more than income and dwindling savings risked being unable to cover household costs, and also for young adults where they had been saving to eventually move out, for example towards a deposit for a mortgage.

## Work and income in the context of parents living with young adults

---

While both earning from work and the receipt of benefits are largely subject to individual influences, there are also a number of significant ways in which the household situation has an effect.

### Work and living with parents

On the one hand living with parents took pressure off young adults in insecure jobs or struggling to find work, given they had a ‘roof over their heads’, and even when they were contributing to the household they had less financial responsibility than if they were living independently (as discussed in Chapter 4). On the other hand, there were some implications of living together for work considerations. First, in a few cases where a young adult or parent had a health condition which put them more at risk during the pandemic – this was pre-vaccine – it had to be taken into consideration by both parties when looking for work. One parent whose daughter’s health would have been severely jeopardised if she caught Coronavirus, felt limited to only apply for jobs that could be done from home, and another whose health restricted their own job search to avoid close contact with others, noted the difficulty their son faced when taking on work where there was limited social distancing.



***He knows my situation but he was just desperate for some work I think. He just wanted to get out and do something, so I told him to be careful but he said there wasn't much chance of that.***

(Parent)

Another concern raised was that parents receiving out of work benefits could worry that if their son or daughter moved into work or increased their hours, the parent’s housing related benefits would fall:



***Whatever extra he earns, if it goes over that amount, then I get penalised, not him, me....It is stopping him looking for a better job because if he gets a better job I lose my house because I will have to pay the rent in full. They tell me “If your son is working full-time, he should pay the rent”. But it is not his house, just because he is living here doesn't mean he is liable for the bills. But as far as they are concerned you are.***

(Parent)

One young adult felt the prospect of being liable for her parent’s rent was ‘off-putting’, and something she had to factor into thoughts about increasing her working hours. The implications of co-residing on social security benefits are discussed further below.

## Family benefits when living with non-dependents

There were several linked aspects of the social security system which affected parents' entitlements, and relates to how the state views young adults who are living with parents. While claims were made independently by parents or young adults, the fact that they were living together had implications in several ways – affecting the amounts received – which could put even more pressure on already tight finances.

The most significant in many families is the fact that when a child leaves secondary / further education or training, the family stops receiving benefits for them as they are deemed a 'non-dependent' rather than a dependent child even though their living situation may not change<sup>3</sup>. Several parents reported experiencing a substantial drop to their incomes when their child left education. Some single parents who had been on Tax Credits (which are being replaced by Universal Credit) noted the 'huge shock' to their finances when these had suddenly reduced. This coincided both with the withdrawal of Child Benefit and, for some parents, a reduction in Housing Benefit, for which child allowances increase the amount of earnings families can retain before they are reduced. For some single parents, where this was their first or only non-dependent child, they were also no longer eligible for the single person reduction in Council Tax. Several parents spoke of losing hundreds of pounds a month, an amount that left a huge hole in their finances and was difficult to absorb. Of course, in principle when a young adult leaves education they have the potential to join the labour market and earn and/or to claim benefits themselves, which could offset or ease the income drop at a household level. However, the financial impact for parents will depend, not only on the amount of income their son or daughter may receive, but the extent to which they contribute to household costs (see Chapter 4). For parents the salient issue was having to adjust to this change in their own income and a key factor raised by participants was the sudden 'cliff edge' withdrawal of income 'it is snatched away from you, there is no phasing into it' which made it hard to deal with. Some parents had taken on extra work, overtime or had changed jobs which increased earnings but still emphasised the dramatic impact this had had on their income, even though for most in this situation the loss had occurred some years ago. One parent who had in the past received Tax Credits for two children noted the difference it made:



*The girls were younger and when you've got children under 19 you get help with Child Tax Credit and Working Tax Credit and it does make a big difference. I was actually quite comfortable. It was a difference of about £400 or £500 a month .... I had to try and change my shopping habits and think about the bills in a different way. it's been a big shock and it's a lot of money to suddenly lose. Although you know it's coming you're not always able to prepare for it. You can't always plug that gap.*

(Parent)

Furthermore, several parents who were currently receiving Tax Credits and Child Benefit for other children who were coming up to 18 were concerned about the future impact this would have on their incomes. This included one mother who was in a precarious situation having lost her job during the pandemic, was using savings to pay a mortgage and depended on her tax credits to supplement her JSA and pay bills.

3. The cut off age varies between the 31st August after turning 19, and age 20, depending if a parent receives Universal Credit or Child Tax Credit and relates to children in full-time non-advanced education or approved training.

A further blow to parents' finances associated with a young adult living at home related to parents who lived in rented housing and received Housing Benefit or Universal Credit, where the amount they received was reduced through a 'non-dependent' deduction. For Universal Credit this accounts for a reduction of £75 a month, and for Housing Benefit the amount varies depending on a young adult's earnings (with some exemptions<sup>4</sup>). Although there was some confusion around this deduction, with several parents having to query it when they realised it was being taken, the amount was more obvious for parents who were not working and had full Universal Credit or Housing Benefit claims. This again impacted on already stretched incomes.



*When I first got Universal Credit they were deducting an element for an adult ... When I queried this I said "What is this?" and they said "You have an adult in the house now" and I said "I have always had an adult since she was 18" and they said "No, it is when she turns 21". "Why didn't you tell me that?" And the fact she was claiming Universal Credit made absolutely no difference... They deducted £75 a month because I had an adult living here, but then she can't claim for Housing Benefit because she lives with a parent which was difficult, it did make a difference. So I had to let her off the housekeeping because she wasn't earning anything, she wasn't getting anything. She was really worried about her debts as well.*

(Parent)

Several parents felt that this deduction was unfair. One noted that if a parent's benefits were reduced for having a young adult living there it hardly promoted supporting the family unit 'If I kick them out then I get the £78 back onto my Universal Credit. So I am short because I have got all the kids living at home' (Parent). Parents also felt that it was hard on families where the young adults were not working themselves and depending on benefits. This reduction is made on the basis that an adult child is classed as an independent and therefore either has earned income or is claiming social security in their own right, and an expectation that they will make up the difference in their parent's rent shortfall. However, a further linked point is that young adults living with parents do not receive housing element. Therefore, any contribution has to come from their basic benefit entitlement. This put families where both parents and young adults were claiming benefits in a difficult situation – with parents caught between having to pass on the deduction to the young adult, or potential hardship if they didn't. Chapter 4 explores how these deductions were managed between young adults and their parents.

### Hesitancy in making a claim

At the time of the research one young adult in the study was not claiming means tested benefits despite not being in work, and others spoke of how they had delayed submitting a claim when they had lost work. Reasons varied among these participants and included: concern that claiming would affect their parents' Universal Credit; not considering that they would be eligible where they had savings (though under the Universal Credit limit), or were still 'on the books' of an employer though not getting paid; and feeling that the process was too daunting to deal with due to their mental health. Some of these young adults were familiar with the social security system where they had claimed before or their parents were receiving benefits. However, it seemed to be viewed as a last

4. Exemptions relate to certain health related benefits, and vary by age and work status depending if the deduction relates to Universal Credit or legacy benefits

resort where young adults had been holding out in the hope that they would find a job, with hesitancy also related to a previous ‘bad experience’ of claiming, fear that they would be ‘harassed’ by the Job Centre, and ‘pride’ making it ‘hard to ask for help’. They had often finally claimed when they realised that it might be some time before they found work, when pushed by a friend or parent and when savings depleted and they became ‘desperate’.



*I was trying to get straight into another job. So trying to apply for stuff and get straight into another job but then as the weeks went on where no one was getting in touch with me I was like oh I may as well just claim until I find another job.*

(Young adult)

For some this delay in claiming meant having no income for months. While living with parents provided a safety net in that they had roof over head, several were using savings or the last month’s wages to live on and being without income could affect their input into the household finances (see Chapter 4). Hence not only does any reluctance to claim benefits put young adult’s own finances in peril, but when living at home it can have implications for their parents.

From these insights we can see that current and longer-term barriers and disadvantages could have an impact on the situation of households with more constrained finances as their children move into adulthood. They do not necessarily fit the stereotype vision of the ‘bank of mum and dad’ who have the means to financially support their children when living at home or assist them moving out. Furthermore, it is important to be aware that although young adults are viewed by the state as independent financial units, there are implications of living together on household finances where their situations intertwine. Further influences on the options, choices and constraints around staying with parents or moving out are discussed in the next chapter.

## Why young adults and parents live together, and how they see the future

There were a range of multiple and intersecting factors that influenced why young adults were living with their parents. These impacted on the degree of choice in decisions about living at home as well as constraints on the ability to move out to live independently. Given the focus on low to middle income households, young adults and parents economic situation also shaped future hopes and plans for living arrangements. Affordability was an overriding factor with key issues being the cost of alternative housing to rent or buy and employment and income (in)security. The housing situation of parents (in particular space), and personal factors such as the relationship within families, health, and cultural attitudes also played a role. This chapter looks more closely at how these factors interacted and influenced families' current living arrangements and the implications for young adults and parents future expectations and plans.

### Never left/Left and returned

---

Young adults who had returned home after living independently for a while (ten young people) had moved back for a range of reasons. Often this related to being away at university, and they had come back when their studies ended, as one young adult noted it felt 'inevitable' to return home as she preferred being in her home area and got on well with her mother. Others had stayed on for a period of further study, returning due to ill health, or after a set period of work. A couple of young adults who had moved into house shares had returned home when these had not worked out due to strain with flat mates or financial pressure. More recently during the pandemic several young adults had returned home after working away when a job had been affected by Covid, this included where accommodation had come with a job, and a couple who had been living and working abroad, becoming 'stuck' living with a parent as they were unable to leave the UK.



*I thought I will come back and visit my mum and just ended up staying here...  
It just lasted longer and longer and no one expected that, I certainly didn't.  
I thought at most I would be here a month and I have been here a year.*

(Young adult)

Feelings about returning after living independently depended on the degree of choice young adults felt they had in the decision, the relationship with the parent and the space they were moving back to. In one case the parents had had another child since they had been away meaning less space, whereas in another older siblings had moved out enabling a young adult to have their own room for the first time, putting a positive shine on the transition back home.

Those who had never left (16 young people) ranged in age. For some, especially younger aged participants in the study the opportunities hadn't necessarily arisen, and those who had not gone to university had not faced the prospect of moving out to study. However, an issue linked to household finances and potential costs was the decision to study at a nearby University enabling young adults to continue living at home. While this could limit the course options available in a more remote area, those who lived in London had multiple universities within reach, and one did their degree using distance learning. A key reason was to save on the costs of accommodation by living at home.



*One of the reasons I chose [University name] as well, was I wanted to stay at home. Instead of spending, I think one of my friends said it was £9,000 to £11,000 if you wanted to go in accommodation, I would rather save that money and have that in my bank account.*

(Young adult)

In the background of these decisions was the knowledge that their parents were unable to directly contribute financially while they were at university, so they had to rely on loans to cover fees, living expenses, any accommodation and also sometimes work to bolster their finances. In this sense being able to study and live with parents helped financially to reduce potential outlays and future debts. The thought of moving away to university, taking on debt and having to work to help keep afloat could be daunting. One young adult explained their decision to abort plans to go to university in favour of staying at home and taking an apprenticeship.



*I kind of had an idea that I wasn't ready to be in a place where I have to work almost constantly while providing for myself, also having to pay rent. I wasn't really prepared for that, just the idea of uni being fun.... I had no clue about the area, what the people are like, I didn't know what anything is like there. So, I just took the decision to not go.*

(Young adult)

## Barriers and bridges to moving out

---

Looking at their current circumstances, the overriding factor influencing most young adults' living situation was 'affordability'. This was multi-faceted with barriers to the costs of moving out and living independently related to the high cost of alternative housing, insecure work and unstable or low income, which for many in the study combined to seem insurmountable, at least at the present time.

### The need for stable work and income

Young adults often talked of the need to be in stable work as a precursor to moving out, and its importance, not just to being able to save towards a deposit or initial rent, but also to sustain living independently.



*That is the problem more casual work because the companies don't want to recruit on full time contracts no more, even after this corona situation settles down ...It is not basically going to get a mortgage on a house, that zero-hour contract, I can't really rely on that. It is good, in terms of flexibility but sometimes for earnings it can be not good, call you when we need you, call you when you have got work.... I'd have to have a permanent job I think before I'd ever consider moving.*

(Young adult)

But as discussed in Chapter 2, the difficulty for many was that secure, reasonably paid work was elusive. While jobs had been affected during the pandemic, the issue of insecure, temporary and zero hours contracts preceded the current context, and inhibited not only earnings and the ability to save but being accepted for a mortgage or affordability checks for renting. As several participants noted, even if someone was working the equivalent of full-time, they faced barriers if this is from casual or zero hours work.



*So many people I know have zero hours contracts and it doesn't mean that you don't work. You could be working more than full-time and those people should have the same opportunity as someone who has a full-time contract.*

(Young adult)



*He has been doing about five jobs before the first original lockdown.... but none of that really set him up to be your classic home owner, it is very difficult if you haven't got a full time, salary paid job because you won't get a mortgage.*

(Parent)

For those without work or low earnings, saving for a deposit to buy or even to rent was seen as a barrier to moving out. As noted in Chapter 2, just getting by day to day was tricky enough, let alone saving. Several had stopped or were running down savings since losing work, which in some cases they had been hoping would help them move into their own property making the prospect seem even more distant. Income insecurity was a real concern, and given experiences over the last year, young adults were very mindful of the risks of living independently if they suddenly lost work or earnings. Hence concerns related not just to getting a foot on the ladder but staying there, as noted by a young adult whose self-employed income had substantially dropped during the last year.



*The lack of security does in a way scare me because I am like if I don't have the security of a full-time job, how am I then going to be able to keep up with mortgage payments and how am I going to put together £25,000 for a deposit?*

(Young adult)

Several young adults referred to friends who had moved out and subsequently returned home when things went wrong, some had experienced this themselves or felt that if they had managed to move out before the pandemic they might well have ended up back home over the last year anyway when they lost work.

### Having no 'step up' to get on the ladder

Given the study's focus on low to middle income households, a key issue was that parents were often not in a position to financially help their children to move out, for example through giving them money for a deposit to 'get them on the ladder'. In a couple of households where parents were working and in a relatively secure situation but not a homeowner, there was potential for combining savings with an adult child to jointly buy together in the future (see below), and in single parent families there was occasionally a possibility of help from a father who lived elsewhere, but on the whole the onus was on the young adult to finance a move themselves. This was something that young adults were aware of, for example in comparison to others they knew, and accepted given their understanding of parents' financial circumstances.



*One of my best friends has just bought a place ... She is coming at it from a different perspective, her nan died and then her mum gave her the inheritance, her parents have come from money so she's got that safety net and the security of getting an inheritance where she could put down a £90K deposit. That is something that I don't have. In a way that pushes me, it makes me want to be able to do that.*

(Young adult)

Parents sometimes discussed how it was hard for them to provide this type of direct financial support. Several wished that they were able to save their child's contribution and give it to them towards a deposit when they wanted to move out, but they always ended up having to use it to cover bills, and another had managed to save over the years for her son but it all went towards him buying a car. One mother expressed her frustration at being unable to help her children get on the housing ladder amid concern that it was hard for them to do so:



*If I had a bit of money that I could just start them off with and help them with a mortgage or whatever I would love to be able to be in that position. I want them to be able to live independently, but it is a worry as to when that might be.*

(Parent)

Not having a parent in a position to be a guarantor could also be difficult for example if one was required when moving into rented property.

## The (un)affordability of alternative housing

Buying a property was often young adults' ultimate goal – the main reason being that paying rent, especially high private sector rents (given little prospect of getting into social renting – see below), was viewed as 'wasted' money that would be better off being put towards a mortgage. In this context living with parents while saving for a deposit was seen as a sensible option, rather than moving into rented property which would likely take a huge chunk of earnings and jeopardise the ability to save. Those for whom buying was not a consideration, renting was the next option. Both scenarios had affordability issues with high costs, especially in London, making it seem increasingly harder for young adults to move out to live independently. This reflects our previously reported analysis of regional data showing that young adults in London families are more likely than average to live with parents (Hill et al., 2020a). One young adult in his mid-twenties who was living in London and saving what towards his ambition to buy explained:



*Normal houses are getting more and more expensive, when I was younger you could get a nice house for maybe £100,000 but now it is like £200,000, £300,000 or £400,000, it is just getting more expensive. So, what is happening is if you can't afford a house, then the next thing to do is do renting but then renting is increasing as well, that is like £800 [a month].*

(Young adult)

Those who lived in London were sometimes considering moving further out of the city or even to a different part of the country where housing would be cheaper to rent or buy, but had to balance this with extra commuting costs or whether there would be jobs available in other areas.

## Constraints around buying

While buying a property was often a long-term aim, the main issue repeatedly mentioned was rocketing house prices, which was seen as putting the possibility of buying further out of reach as time went on. Saving for a deposit was a key barrier, as noted above this was something young adults seldom had help with. A few with steady or long periods of work had managed to build savings towards a future deposit, but low and unstable earnings made saving more difficult. Indeed, even where young adults had been making progress, it had sometimes stalled if they had lost earnings during the pandemic, or worse still savings had had to be used to live on.



*The money I get from my job has just gone out before I have even got it. So, I am living on savings.... But with my living costs, travel costs, helping my mum they have been depleted ... it is depressing. Obviously I want a house, that is my big goal here, is to get a house. So, it is annoying to spend that money and I am trying to be careful.*

(Young adult)

A further issue at the time of the interviews was that many mortgage lenders had shifted from a 10 to 15 per cent deposit requirement<sup>5</sup>. This could feel like the goal posts were changing and was demoralising for those already struggling to reach it.

5. Since this time there has been a shift back with more 90% mortgages becoming available again.



*It seems like she gets a certain distance and then something happens you know like the deposit; it is no longer 10% it is 15%, it just seems further away to get to... she is feeling defeated.'*

(Parent)

In terms of government support with buying, there was limited awareness and some uncertainty around 'help to buy' schemes. Three young adults who were saving had a 'help to buy' ISA. Although they felt that they would have saved anyway, they saw it as potentially helpful if savings earned interest or the government put in a 'bonus', however, there was some uncertainty whether they would benefit if they didn't expect to buy a new build. There was hesitancy too, with dubiousness around restrictions and being able to have control over their money and a comment that 'it's not really advertised'. There was only occasional mention of shared ownership schemes with uncertainty relating to being tied into a property, the ability to sell it on, and that it would still involve paying rent as well as a mortgage.

### Private renting – 'paying someone else's mortgage'

Renting was a more likely potential route to moving out where buying was not seen as a possibility, at least initially. Participants' reasons for being hesitant related to renting within the private rented sector and included lack of affordable accommodation with high rent costs particularly salient in London, resentment that their rent would be 'filling someone else's pockets', and that paying a substantial part of earnings on rent would impede their ability to save to eventually buy, but also to live.



*I wouldn't have seen renting as being ideal because I am just putting money into somewhere that is not mine every month, you know, with nothing to show at the end of it and I would have to be very careful of where I would be living because of where I could afford. It sounds really terrible but I am not going to go and live by myself in a box room and pay £700 a month just for that.*

(Young adult)



*I think once you start renting it's hard to actually get your own place, you're paying someone else's mortgage and you're trapped in that cycle.*

(Young adult)

Those who were considering or planning to rent discussed further practical and financial barriers. The amount needed for a deposit plus advance rent running into thousands of pounds was a 'massive thing' – as one young adult who had paid £3,000 in deposit and advance rent when she moved out in the past noted 'it's not a light bit of change' – and as with buying, young adults couldn't necessarily turn to their parents for help with this. Other difficulties included worries that a deposit would not be returned, needing to pass credit checks which was tricky for those who for example had worked abroad or experienced debts, and (despite it being discriminatory) difficulty being accepted when claiming benefits. One young adult who wanted to move out and was unable to consider buying explained her predicament.



*I wouldn't be accepted for private renting because my credit score is bad and I haven't got the funds for it. I looked into it but I wouldn't be able to afford the deposit ... They want £2,000 deposit plus the first six months of rent and a viable guarantor. Now I can't have my dad as a guarantor because he doesn't work ... I don't know anyone and I wouldn't ask anyone else ... Most private places now don't want tenants that are on benefits. I can understand that some people make it difficult for them but it's not fair.*

(Young adult)

### Little hope of social rent

For most young adults in the study, the thought of moving out and into social housing was not even a consideration. This was not through lack of knowledge or aversion to social housing as many were living in households in social housing and valued the security and lower rents compared to the private rented sector. Indeed, social housing, (in particular council housing which was felt to have less stringent affordability checks and bureaucracy than housing association) was seen as their only hope of an affordable option compared to renting privately. However, the lack of availability of social housing and the perception was that there was very little chance of securing one meant that it was seldom pursued as an option. A couple of young adults (from families living in long term social housing) had applied and were currently on the waiting list. However, they explained that chances of getting a property were slim as there was so much demand, and living with parents gave them a 'roof over their heads', even if it was over-crowded, so they weren't 'homeless' or a priority compared to others in greater need: 'I'm not a priority ... I bid on places every cycle that comes round but I get nothing and it's been like that for three years'.

### The possibility of sharing

Renting with friends or moving into shared rented accommodation was another possibility and potentially more manageable way of living independently from parents. On the plus side young adults acknowledged that it would be cheaper than living alone, and also provide company. On the other hand, given high private rents it could still involve considerable expense, depending on the area and how many people were sharing, with some young adults (who had their own room and got on well with their parents) expressing the view that they might as well stay at home and save the money. Indeed, one had moved back home after sharing when it had become unaffordable. Further obstacles included finding friends to share with, who were in a position to move, were in secure work, were reliable and not already living with a partner. One mother was concerned that her son's friends 'go in and out of jobs' and may not be able to keep up with rent. Hence, while the cost is potentially reduced by sharing, there was a sense that it could involve more risk – if others in the household were to lose their jobs, default on rent, or up and leave it could leave a young adult in the lurch, and affect their credit rating. One young adult living in a low wage/ high rent area of the South West noted that the pool of friends she could potentially share with was diminishing as they had either moved away to work, or were settling down with partners. While a few young adults were just not keen on the idea of sharing with 'strangers', aside from issues around Covid, the health of some made sharing difficult, for example with anxiety, needing sterile space for an autoimmune condition, or a quiet environment if confined to bed.

## Moving in with a partner?

Having or finding a partner was another potential route to moving out. For young adults who had partners moving out tended to be seen as a joint endeavour, and as such the cost would be split – but with less obvious risks than living with friends or strangers. Several young adults were jointly saving and hoped to move in together in the future, but a few had been hit by setbacks when one or both had lost work. One young adult expressed that although she was happy being single, finding a partner would be useful financially to help with her long-term goal of buying a property. In some cases, cultural influences meant that moving out was associated with marriage. For young men this could also involve responsibility for providing for a wife – with one participant who wanted to ‘settle down’ feeling greater pressure to save to move out and get his own property, given there was not enough space in his parents’ home for a wife to move in as well. On the other hand, a young woman felt obliged to stay at home until she married although was reluctant to do so. An issue raised by young adults (across cultural backgrounds) was that restrictions on socialising and travel during the pandemic had hindered opportunities to start relationships and meet a potential partner. The implications are wider than just a curtailed social life where a partner is an integral component to moving out, as it could potentially delay this route to independent living.



*It is definitely more feasible to buy with two people, unfortunately I don't have anyone. That is not exactly helped by COVID either.... Socialising is just off the cards these days... I don't really feel the need to have someone but financially I need someone. I am not in a rush. But if it came along that would be great because it would help me out a little bit.'*

(Young adult)

## Influences on the 'choice' to live at home amid uncertainty and constraints

Alongside the barriers which impeded opportunities to move out and live independently other factors were significant in young adults' decisions about staying in the family home. These included aspects of living with parents that could act as incentives to stay, at least for the time being, or influences that meant young adults felt more or less need to move out. However, while these could influence preferences and feelings about living with parents, choices were inevitably made within the constraints of the wider economic and structural context.

### Stability in an uncertain environment

For many young adults there were a lot of uncertainties around insecure employment, earnings and the ability to save, the cost of housing, as well as relationships – all of which were seen to be important ingredients that influenced their ability to move out. Furthermore, these were often exacerbated by Covid. While some in the study had been unaffected, for many an already insecure situation became more uncertain, making it harder to plan. At the time of the research, for some the prospect of moving out and living independently seemed to be more distant.

In this context living with parents could provide security and a 'safety net', compared to the potential risks associated with moving out, perhaps even more so during the precarity seen during the pandemic. Indeed, several young adults had returned to live with parents and one noted that if he had moved out he would probably have ended up back home after losing his work and income.

Hence living with parents could be seen as safe way of living, at least for the moment. Several young adults noted the importance of this stability, for example after moving back home *'I know my mum will look out for me, she will stand by my choices and all of this kind of thing. I like the stability'*, and others who were dealing with losing income expressed how living at home meant *'not having to worry about other things'*, as one noted the value of having their mum as a *'support system who loves you wholeheartedly and unconditionally'*. However, it is important to note that some young adults may not have a secure or supportive family home environment to fall back on, and participants in this study referred to people they knew who were unable to return home. Also living at home can be detrimental to finances or wellbeing. As noted in Chapter 4, living with a parent could be financially draining for a young adult in certain situations, and difficult where lack of space or relationships were strained.

### Other factors – health, space and relationships

A young adult's physical and mental health could impact on their ability to work and earn, influencing their financial situation and in turn how affordable it was to live independently. But health also affected their feelings about moving out, for example, potentially feeling 'uncomfortable' about living on their own with anxiety. A young adult's health could also colour their parent's views about them living at home, feeling relieved and making it easier to manage having them close by if they needed support.

The level of occupancy and extent of space in a home could act as a push or pull factor in decisions about staying or moving out. Where plenty of room and privacy, young adults could feel better off where they are, rather than moving into potentially smaller space. However, lack of space, particularly when sharing a bedroom, was a motivation to want to leave especially where overcrowding could fuel tensions in the household. Relationships between parents and young adults are discussed in Chapter 4, but played an important role in participants' views – where very good it enhanced the experience of living together with both parties happy with the situation and less incentive to move out, but where strained could reinforce a desire to leave.

### It's normal – but should it be a given?

Living with parents was generally seen as usual. Nearly all young adults and parents in the study talked about others they knew who were in similar living situations, often citing the difficulties that young people face in setting out on their own.



*A lot of the people I went to school with and friends of friends, most people live with their parents. It is just affordability, that is definitely a key thing. Getting a job in the first place is more difficult these days, and then saving is difficult.*

(Young adult)



*I don't think it is expected for them to be anywhere else. So, I don't feel out of place, or abnormal, there is no pressure or anything like that. I am trying to think if I know anybody whose children have moved out? No, it is normal I think.*

(Parent)

While there was little sense of stigma associated with living with parents among their peers, some noted that it could feel a bit ‘weird’ when mentioning it to others, for example with older work colleagues who may have settled down. Young adults’ own feelings about independence could influence how they felt about it themselves (see Chapter 4), with some frustration where they felt ready to move out and stand on their own feet. Occasionally, a young adult mentioned wanting to leave by a certain age, 25 or 30 but this seemed more of a personal timeline than social pressure to move out. One young adult felt living at home was more unusual among his friends but it was seen as associated with the local area and peer group rather than generally – he had a good relationship with his parent and didn’t feel under pressure to leave. Cultural influence and expectations were mentioned by some participants where it was the norm to live with parents as adults, or they wouldn’t expect to move out until marriage, and sometimes stay after that.



*In the Asian community it is very common. It happens in most households that I know of anyway. Some people even buy properties and still live with their parents, it is just one of the things that they do... I think it would feel more weird if they were to move out at a young age... I never questioned it, I never thought “OK you are 18 it is time to move on” because it doesn’t happen in our culture.*

(Parent)

Parents were generally empathetic, towards their child continuing to live with them. They recognised how hard it is for them to move out, in particular the financial challenges they face, sometimes observing how different it is now from when they were young and left home, often at a younger age.



*They are trapped, unless they have parents who are absolutely loaded which most haven’t, so you are literally stuck at home.*

(Parent)



*When I was young, I left home at 18 because we could, it was affordable and things like that. Now I think everyone accepts how expensive it is, so it is just like the new normal, isn’t it?*

(Parent)

Nonetheless, parents also talked about how it was important for their child to have the opportunity to move out and become independent, so they could ‘spread their wings’, and feel more like an adult, and that living with parents indefinitely wasn’t necessarily the best thing for them.

Furthermore, being sympathetic to the reasons behind an adult child living with them, doesn’t necessarily make it a straightforward experience for parents, whether practically, relationally or financially. As discussed in Chapter 4 living together could bring tensions, as well as financial strain, especially if parents were struggling themselves. Families in this situation recognised it was becoming more common over the generations, and felt there were less societal assumptions that young adults would be living independently. However, several parents raised the point that the state’s expectations around how this might be managed, for instance in the form of non-dependent deductions, could overlook parents own constraints and limitations in terms of the support they can provide to deal with this gradual shift in prolonged co-residence.



*They assume that the parent can keep the young adult a lot of the time and it's just not always possible...they're saying 'get a job' well they're trying, but it's not easy.*

(Parent)

## Living with parents – views about current situations

---

A key issue running across various aspects of life and factors influencing families' co-residence is the extent of choice that young adults and parents have about their living situation. We have seen that often 'choices' were constrained as families on low to middle incomes can have restricted other options. Yet both young adults and parents emphasised many positives even within this constrained 'choice' to live with parents.

### Young adults' views about current situation

Reflecting the considerable variation in the circumstances of young adults in the study, their feelings about living with parents covered a wide spectrum of views which were influenced by personal attitudes, the home environment as well the extent of choice about their current situation.

At the one end were those who felt happy living with their parents, had no desire to leave and were not considering moving out, at least for some time. This included young adults who: were younger (early 20s) and hadn't really thought about it or didn't feel 'ready'; those who valued the stability of being at home after returning; or while pursuing a career with sporadic income and living away for periods at a time which would have been unsustainable otherwise; or were in a stable situation but chose to stay at home and didn't see themselves moving out until they married which was not imminent; and some who just felt comfortable living at home and didn't see the need to leave: '*there is not really any point*'. Sufficient space in the home and a good relationship with parents also contributed to their satisfaction with their current situation.



*It's easier and cheaper and more convenient than paying full rent for somewhere. And having company is better than being by myself all the time.... I need to grow up a bit more, do all the bills and learn how it is to live on your own.*

(Young adult)

For some living with parents was seen as part of a longer-term plan, serving a purpose, in particular to save for a deposit to buy. Here young adults were expecting to move out in the future but rather than do so now and pay rent, reasoned that living at home was cheaper and allowed them to save towards their ultimate goal of buying, in this sense making a strategic decision to stay until such time.



*I couldn't imagine living anywhere else and also forking out all of that money when I could just stay here and put it towards a property. I don't really want to rent for the rest of my life, I would like to have my own place, so that is what I am working towards.*

(Young adult)

Others would rather have been living independently but were confounded in doing so by constraints on their current ability to move out. However, despite this not being their ideal scenario, they also recognised some advantages of living with parents: such as saving: *‘I would love to leave my house, but the longer I stay here, basically, the longer I can save more money to buy a house’*; and preparing themselves for independent living through getting involved in household budgeting. Another aspect was being able to get by when incomes had dropped or reduced which would be hard to survive on if living independently – *‘being able to save as opposed to being broke’*, or to *‘live life a bit more, in terms of going out and stuff like that, have things I potentially couldn’t afford if I wasn’t living at home’*. Having comfort and support from parents during ill health, which also could affect work, and the value of company during lockdown and good relationships with parents were also mentioned. In this context, while their options were constrained, young adults were making the best of the situation they found themselves in, while biding time until their circumstances improved enough to be able to move out.

Those with a more negative view of co-residence felt ‘stuck’, or even ‘trapped’ and did not want to be in their current situation – for some living at home could be ‘stressful’ or ‘depressing’. Here, living with parents was ultimately framed by constraint as they didn’t have alternative options, for example, where they had lost work or were in poor health and unable to work so financially very restricted. These young adults really wanted to move out but they felt their incomes were too low to consider private rented, they were waiting for social housing, or were restricted by parents expectations, which reduced the possibility of leaving. Additional factors such as overcrowding, sharing a bedroom, and tensions with parents could compound their feelings about their situation.



*It makes me feel bad and awful for being at home but it’s not my choice, I have no choice because there’s nowhere I can go.*

(Young adult)

## Parents perspective on current situation

Parents also expressed a mixture of views about their adult son or daughter living with them.

Some emphasised how happy they were to have their children living at home, they valued and enjoyed their presence and company. This was reinforced during the pandemic for parents who would otherwise be alone: I am grateful, *‘I am lucky to have them at home, I have got them to talk to, I have got them to fuss over.... And if I feel down they can support me’*. A few wondered whether they ‘spoil’ their children, shielding them from the realities of living independently – financially or practically – giving them less incentive to leave, occasionally reflecting that this wasn’t necessarily preparing them for moving out.

Some parents talked about it just feeling ‘natural’ that their children would continue living with them, it was seen as part of parenthood with an assumption that young adults would stay until they could afford to move out or get a job away, and come back home if they needed to. Several (with young adults in their early 20s) hadn’t really considered their child moving out, or had discussions about it.



*I don’t feel like there is as particular point or age where they should have moved out by. Everyone is different. For me it is just normal. It is not something I have really thought about.*

(Parent)

Another aspect was that parents wanted to support their child to save towards buying a property. In this sense providing a child with accommodation and less financial demands than they would otherwise face contributed to this goal, and as noted above, parents were generally not in a position to help with lump sums. *'It just doesn't make any sense if in the long run he is going to [buy a property], he doesn't need to move out, so he will be able to save more money and make it happen and get on the ladder'*. It was important though that their child did not 'take liberties', and parents felt more satisfied with the situation when they could see that their child was doing their best to save.



***'If I feel that all of the money is you know being saved and put towards something that they want to do, like a house then fine. I mean don't get me wrong, if they were living a life of riley and splurging it up the wall then I would be furious ... if they are making the effort then we're happy to help contribute to them to do that.'***

(Parent)

Nonetheless there was often understanding but resignation that because of the barriers young adults faced and prerequisites of needing a steady income to move out, parents had little choice but to house them: *'he is not going to be here forever and nor does he want to be, and nor do I want him here forever, but in terms of income and possibilities and options there aren't any'*. Alongside responding to their child's need for housing, some also highlighted the sense of parental obligation: *'I can't as a father, kick them out on the street, I know some would but they are not real parents'*. In this context, choices for parents are also constrained. For some households, in particular where space was an issue or there were tensions in a relationship, parents could feel that, not only was the young adult 'stuck' living in a less than ideal situation, but they were too.

## Looking ahead – thoughts, plans and considerations for the future

---

Looking further ahead, participants discussed their thoughts about the future in the context of ongoing constraints, the implications of their current living situation and intertwined lives. This included the extent to which young adults were able to make plans to move out; the potential impact for parents (and siblings) of their son or daughter leaving the household; and considerations for parents' future housing situation and later life. Where we interviewed young adults and parents in the same household, they generally discussed future thoughts and aims in similar terms, with only occasional difference, for example where a young adult was thinking about moving out perhaps before their parent would have expected or wanted.

### Plans and paths to young adults moving out

Young adults in the study were on various stages of the trajectory towards moving out with plans shaped by the extent of desire and need to move but also the ability to do so. The pandemic had directly scuppered some plans, including for those who had been living away but had returned to live with parents when work was disrupted (see above), and for someone all set to move into a rented flat with a friend which fell through when they both lost jobs.

In terms of immediate plans, at the time of the research one young adult and their parent were about to move into new private rented shared accommodation with a bedroom each, rather than their current shared room to provide more space. For others, any changes in living arrangements were

expected to be some time away, either as they were happy where they were for the moment, or they were unable to move out for the time being. There was a greater sense of urgency where space was an issue – for young adults’ own privacy where they were sharing rooms and to free up space for siblings. Parents also expressed the need for their adult children to move out sooner rather than later where younger children needed their own room. Young adults in these situations were often being as proactive as they could including getting on the waiting list for social housing, and saving hard towards a deposit to buy. However, there was a limit to what they could do where long waiting lists and knocks to savings from losing work during the pandemic, impeded this becoming a reality for the foreseeable future.

For many young adults it was hard to ‘plan’, and several in their late 20s/early 30s noted that they hadn’t expected to still be living with their parents at their age. The prospect of moving out was discussed more in terms of aims and hopes due to uncertainty around the aforementioned precursors to independent living – stable employment and earnings, savings, sometimes a partner and managing ill health.



*Hopefully in the next few years I'll have a stable job and stable income and I'll be looking for my own place to live. I can't plan something because I don't know if that's going to go well or not. It's only short term goals, I can't say "Oh yes in five years I'll have my own place" because I really don't know what's going to happen with working arrangements and stuff like that.... because I've got no control over my working situation.*

(Young adult)

In this context the immediate focus for many young adults was being in steady reasonably paid work and discussions around the future often revolved around this goal before they could consider moving out. For some the need to be earning more than they currently were was a catalyst to being able to rent or buy.



*I'm hoping that I get a job that pays better. If I do I'm thinking I might stay at home for another year and then after that I'd be looking at moving out. ... That's my kind of plan.... The ones I'm applying for right now would be between £20,000 and £25,000 and I think if I was on £24,000 I'd be able to at least rent somewhere so that's my aim.*

(Young adult)

For a couple of young adults, future career ambitions, for example to join the army or police, were seen as triggers to moving out where they expected to relocate for training or accommodation went with the job. There were also situations in which a young adult discussed the possibility of having little option but to move out in the future. For example, where parents were planning to move abroad in the next year or so one young adult anticipated moving in with friends as she was unlikely to be able to afford to live on her own. Another scenario related to the potential financial impact on a parent’s Housing Benefit if a young adult was to move into full-time work, and the prospect of being liable for paying the household’s rent, which (without being eligible for housing costs themselves – see Chapter 2) would effectively push them into moving out.



*When I get a job I have to have a plan so it is about timing, I have to try and not stay at home for as long as possible, so maybe give it two months, pay the rent and get out as soon as I can because it is just wasted money.*

(Young adult)

## Joint plans and support

For most families, looking ahead involved young adults moving to live independently, but future plans could also be intertwined. Most directly this included continuing to live together. One scenario was the potential for a young adult and parents to jointly buy a property which could be seen to benefit both parties. Here both young adult and parents were in a financially stronger position than others having accrued savings over time through work, but parents did not have their own property. The hope was that this could bring more security for parents who would be nearing or upon retirement, and to help the young adult with a purchase that it would be harder to make alone. In other circumstances, cultural background influenced the expectation that, rather than move out upon marriage, a young adult would remain living in the family home with their parents to provide support in later life (see below).

Looking ahead, a couple of single parents who weren't able to help their children financially at the moment were hoping that they might be able to in the future. This was either from increasing their work earnings and being able to save some of their child's contribution to give back to them when they moved out, or in the longer term being able to release some money from a mortgage if they were able to pay more of it off, which could help towards their children buying themselves in the future.

On the other hand, the potential of providing future support for their parents was mentioned by several young adults with single parents who were either in less stable situations or who had struggled in the past. This ranged from wanting to earn enough to be able to continue to contribute to a parent's finances after they moved out, to wanting to buy in the future, with a view that their parent could move in too if they needed 'I want her to be okay'. Several young adults saw this as an extension of their strong and mutually supportive relationship which would carry on after they left home.



*It is just good to know we have each other's backs like that and I help them out financially sometimes and they help me out whenever I need help.*

(Young adult)

Parents in the study with adult children who had already left home sometimes spoke about helping them out practically and financially, as well as borrowing money from them or their own parents, highlighting a 'circularity of exchange' (Daly and Kelly, 2015) and the importance of family social networks as an ongoing support system (Hill et al., 2020b).

## Moving out – implications for parents

Looking ahead also involved thinking about what it would mean for parents if their son or daughter was to move out with varying implications depending on parents' financial and housing situation and the extent to which a young adult was contributing to household costs. Financially, on the one hand, where a minimal contribution was being made, or a parent was affected by non-dependent deductions, there could potentially be savings. However, where a young adult was making a regular or sizeable contribution there was some concern about how a parent would manage if they left home. Young adults were aware of the 'financial burden' this may place, especially on a single parent, and parents too recognised the hole it could leave in their budgets:



*I do imagine having to cut down, being a bit more sensible with light bills, electric bills, gas bills, petrol, things like that, just to be able to shave off a few more pounds. I know it is £300 that she contributes but it is £300 I am going to have to find from somewhere else.*

(Parent)

A further financial impact is where a young adult moving out leaves a spare bedroom, not only meaning a parent is paying rent on a larger property than required, but for parents in social housing who are receiving benefits towards housing costs, would potentially leave them subject to the 'bedroom tax'. For a few parents this could require downsizing to try to save money, however, that is dependent on another suitable property being available through social housing (with private sector renting seen as more expensive and insecure). One young adult was concerned about the consequences of her mother being placed in an uncertain and unaffordable housing situation should she move out.

The emotional aspect of moving out was also raised, particularly where this would involve a parent being left alone. This was on the minds of some young adults:



*It is a hard one for me, because at some point I am obviously going to move out, but I don't want her to be by herself ...That is something I have to consider.*

(Young adult)

One young adult hadn't felt able to talk to her mother about the prospect of moving out as she was worried she didn't want her to leave 'I need to move on and be independent. But it's just something I've never told her.' Several single parents felt that it would be 'daunting' when their adult child left, particularly where they were an only child:



*It's always been just me and him, you know, there's been nobody else just the two of us, it would be weird if he's not here.*

(Parent)

Other parents though felt ready for their son or daughter to leave. A few young adults with close relationships to parents, felt that if they moved out they would want to remain living nearby, including where they were conscious that a parent was getting older.

## Keeping a room just in case – the ability to return

Knowing that they could return home if they moved out, was reassuring for young adults, indeed several in the study, had come back after living away and/or had siblings that had come and gone. Both young adults and parents were mindful that this could be necessary given insecure work and the pandemic bringing uncertainty to many lives. Parents often stressed that they would have them back if they needed to return home, and wanted to be able to keep a room for them, to provide a ‘safety net’. Where parents had space in the house they didn’t see any implications if they were not intending to move themselves, and could cover their housing costs. However, this was not so straightforward where parents finances were already strained, as noted above, a spare room would incur cost if affected by bedroom tax, and could mean paying higher rent than necessary for renters. It could also generate much needed income if rented out rather than kept free, as one mortgage holder who was struggling to cover her mortgage explained:



*I wouldn't want to make her feel that she is not welcome here but I could rent that room for say £600 a month, that would help a whole lot .... Because I know each month she is here, I am unable to sort of reduce my mortgage.*

Furthermore, where space was an issue a room could be taken by a sibling and would not necessarily be waiting for them. Young adults who were aware that they may not have a room to come back to felt it important for a move to be as permanent as possible, with pressure to be in a secure situation when they leave, build up savings and have a stable income to minimise the risk of having to return.



*Once I am gone I want to be gone, as opposed to go and then come back six months later. I know that would be stressful for not only me but my family as well.*

(Young adult)

## Parents' housing plans

While the focus has been on young adults housing plans, parents own needs and plans also had implications for their adult children. In the main parents did not expect to move in the near future while their young adult was still living at home. Where there were plans or thoughts about moving, the implications depended on if this involved the family as a whole or just the parents.

In terms of housing needs, a couple of parents had been on the social housing list hoping for bigger properties to accommodate their current living situation including young adults at home who were sharing rooms with siblings. They felt they had no option but to wait as did not feel they could afford private rented. A few long term social renters were hoping that, with a discount for long tenancy, they could eventually purchase their property under the Right to Buy scheme which would enable them to pass something onto their children in the future. One was saving to do so, and another anticipated involving other adult children if it was possible. Another issue raised by social renters was wanting to pass their tenancy onto their adult children to provide some security if something was to happen to them but there was uncertainty around the feasibility of this. Homeowners could potentially downsize in the future, one parent felt it reassuring that they could release money this way should they need it.

Single parents in the study sometimes mentioned the potential implications of their own relationships on future living arrangements. Several with partners who didn't live with them, or who were wanting to form a relationship discussed how this could evolve in the future, and that either the parent moving out, or a partner moving in could coincide with their son or daughter leaving home as they both move on with their lives.



*I would never throw him out ...he has to live under this roof but if something changed for me and I had a good opportunity to enrich my life more and start a new chapter of my life with somebody worthwhile and decent, yes, I don't want to be on my own forever and he would have to swallow that pill.*

(Parent)

## Later life and retirement

Given the age range of parents in the study, forties to sixties, some were looking ahead to retirement with others not thinking about it. Occasionally they were in a good situation, for example where a couple had built up work pensions over years or a parent was already drawing a pension alongside working part-time providing a reasonable income. Others were more uncertain about their retirement, had been unable to plan, focussing on getting by rather than thinking ahead, they had not been in jobs that had a work pension scheme, and felt they would be relying on the state pension and working as long as they could.



*'All I know is I am going to be absolutely skint when I retire because I haven't got anything. But I am one of those people, I am not a planner in terms of things like retirement, and I know I should be, but just circumstances, divorce and things like that, they have never left me with the option to plan for my retirement really.'*

(Parent)

Furthermore, the financial pressures of supporting children long term could have implications: in one case a single parent had taken out part of her work pension to fund a child's further studies as they couldn't get a loan.

Several parents mentioned moving abroad in the future – where they had come to the UK from another country it involved returning to support a parent, or to live with family. Where the young adult living with them was the youngest child it could be imminent with the expectation that they would find somewhere else to live. In families with younger siblings, it was perceived to be some time away when the children were older, though one young adult anticipated taking responsibility for his siblings if his parent moved away. A few parents with some savings or a mortgage talked about the possibility of spending time between the UK and abroad when they retired.

In some families, there was a cultural expectation that a young adult would support parents in older age – both in term of being there and financially. This could be about a sense of obligation to help each other out when anyone was in need. It also linked to attitudes towards financial contributions from young adults living there and saving when they are younger (see Chapter 4) being reciprocated in the longer run when parents need support in later life.



*It is just using the money then when it is needed. When my husband and me stop working, we are not going to get much of a pension, so it is for that time... He [son] says 'we can't throw you out, we can't let you go to a care home, we will look after you, I am going to stay with you and look after you'. I never taught them that but that is how they feel about it. And they know that is how it is. It is just the culture.*

(Parent)

This chapter has highlighted the multitude of choices and constraints that families navigate when young adults live with parents, as well as their feelings about the situation. The difficulty arises where thoughts and desires about young adults moving out don't match their financial situation or ability to make plans. The prospect could seem very distant including for those who really wanted to leave. Those who had good experiences and relationships in the family reflected on feeling 'lucky' that it worked for them, but noted their situation would be very different if this was not the case. For those with more fraught family relations or pressure on space or finances, the lack of choice about living at home was more pronounced. The issue is not that living together is a problem, indeed for both young adults and parents it could be a positive and fulfilling situation, however, having limited options about living arrangements where either young adults or parents feel stuck in a situation that is not satisfactory or with little hope of being able to move on changes the dynamic.

## 04 Living together: relationships, financial arrangements and living standards

This chapter considers what life is like for households in which young adults live with their parents. Given that this is a phase of life that can last several years, we think it is important not just to consider routes into and out of these arrangements, but the quality of people's lives while living in this way. This is influenced by both social and economic factors. Here we look in turn at the relationships between the parents and young adults alongside the responsibilities that each took on, at the financial arrangements that they use to pay for household goods and services, and at their economic well-being. These factors are closely related, with families who enjoy good relationships being better positioned to set up money arrangements that make the most of family resources, which in turn influences the ability of everyone involved to meet their needs.

### Relationships and responsibilities

---

#### Factors that helped and hindered family relationships

A good relationship was integral for participants feeling that they were managing co-residing more easily. Several participants stressed that they would not be living together if their relationship were poor. One young adult explained: *'I wouldn't be here just because I needed to be here. I enjoy living with her'* (Young adult). In households where relationships were more fractious, however, living together was not necessarily a 'choice', and related to lack of viable alternative housing options (as discussed in Chapter 3). While some aspects of relationships appeared to be relevant to gender or household background, sample size and inconsistency does not allow us to draw conclusions. For example, in several families, mothers and daughters were particularly close with a couple describing themselves as 'like sisters', a few mothers and sons also had very good relationships with one son talking about his mother as a 'friend' and 'mentor'. Similarly, in several single parent households, young adults valued the relationship with their mothers and appreciated the difficulties and efforts they had gone through bringing them up, however, there were also examples of tensions within single parent households.

#### Communication and openness

Communication and openness between members of the household could underpin their experience of co-residing. Most participants stated that communication about things like plans outside the home and work circumstances, though importantly not at the expense of privacy, was a vital component in managing living together. Effective communication enabled greater transparency between parents and their adult children, allowing for a discussion about and understanding of what was needed in order to manage living together, both relationally and financially, and how they could

best help one another out. Participants stated that it often led to better relationships overall or was a direct result of already strong relationships. Several participants referred to communication as ‘key’:



***I've always said it, communication is the key to everything. Without communication we would be lost.***

(Parent)



***We're quite transparent in our household about finances, we tell each other everything.***

(Young adult)

Households where participants reported more challenging relationships often explained that the lack of openness led to one or both parties feeling they were being left in the dark about issues they felt it was important to know about. This was exacerbated for parents where contributions were not forthcoming, and guardedness around finances could lead to difficulties in relationships. On the other hand, some young adults felt parents were not open enough and wanted more inclusive discussion about household finances, especially if they were contributing, discussed in more detail further below.

Several participants emphasised the importance of two-way communication, as opposed to either party being expected to be more open than the other. One mother advised: *'communicate with them all the time listen to them. There's a lot of people communicate, but they don't listen'*. Changes that were felt could improve relationships entailed developing more open communication about issues concerning the household, enabling young adults to feel more involved as an equal:



***We have had a conversation where I've agreed that I'm going to start talking about decisions around the house, whether it be changing the energy supplier or getting the gas boiler checked. She said "I need to know these things" which she does obviously. She said "If you just talk about them it will make me feel more involved and more grown up".***

(Parent)

## **Navigating independence and transitions into adulthood**



***You've got to try and treat them like adults and it's not easy if you've been used to doing it the other way. You've got to just try and treat them like equals.***

(Parent)



***Both sides, young and old, be open and don't just say "It's this way" be open to discussion and talking about it so that everyone benefits and not just one person. If you can't be open with your parents then who can you be open with and vice versa. I know parents don't want to tell their children what's going on in their head and what they're worrying about, but you have to remember yes you're their child but you're also an adult now.***

(Young adult)

Importantly, even in households where relationships were positive overall, both young adults and parents highlighted the challenges they faced negotiating living together. Some young adults described a strong bond, but also pointed to the ways they felt they did not have much 'control', or were not always respected as equals as they transitioned into adulthood, which could cause clashes. These included feeling they were being 'checked in on' when they left the house and being reminded of things they must do, such as chores. One mother talked of the importance of 'establishing boundaries', which could help them to recognise one another's needs for control within the home. To some degree, this experience was more prominent for young adults who had never left home, given that their parents had not seen them showing that they were able to live independently. However, it was noted that returners and their parents could quickly slip back into the routines they had been in before they left. One young adult stressed that while she and her mother were and always had been very close:



***Because I've stayed at home I think I haven't become an independent person in her eyes... so that can be a bit suffocating sometimes... I do think staying at home has meant that she doesn't kind of respect me that much as an individual.***

(Young adult)

Another young adult who had returned home after a period living away described having more freedom within the home. Although he recognised that living in his parents' home meant there was another adult who had a say in how things should be done, as an adult himself, he felt he had his own independence:



***I think I'm still able to be independent even when I'm at home... I think the independence part comes from actually being able to do what you want which I still can do so I'm not being controlled in that sense. I'm not told I have to do this or I have to do that. Obviously there's a bit of that but it's not in the sense of being under someone's rule of thumb in a way which is really where it interfaces between independence and not independence.***

(Young adult)

A further aspect of living together that was sometimes raised as limiting independence was being able to have people back to the house. For some families, this wasn't an issue, but even where families had very good relationships there was awareness that there was potentially less freedom and the needs of others to take into consideration.



*That is another annoying part about not having your own place, hosting your own little get togethers and things like that would have been lovely. But no, I always went out to my friends places. On the odd occasion, I'll bring people back, but it just always feels like imposing on them... And they don't say it, but if I was them, I wouldn't want that. I wouldn't want a bunch of random people, or even people they know just always coming in and out.*

(Young adult)

This could be exacerbated where families lacked space:



*Me and my sister don't really have people round, to be honest. There is not the space, I haven't got a room where they can be, the kitchen is very small and always has people in it. And taking them into my bedroom it just feels like when I was kid, like you had your friends over, you had a sleep over, I am an adult now, I want people to come round and have dinner or something, but it is too difficult.*

(Young adult)

Where parents and young adults reported more difficult relationships, there was often less equality within the household. Parents commented about messiness, while several young adults described feeling treated like a child. A small number of young adults who felt their parents gave them more limited freedom described feeling unable to have much autonomy in the house. For some young adults, this experience stood in stark contrast to the kinds of life decisions they felt they were beginning to have to make, such as planning their careers and housing trajectories.

### Living together during Covid

During Covid, families had spent increased time together at home because of the pandemic, whether through changed work circumstances or limited social activities with mixed experiences of the impact on their experiences of co-residence. Some felt this time had brought them closer together. Several young adults explained that they would have found the experience of the lockdown much more challenging if they had not been living at home, with several stressing that although they did not necessarily feel they had much choice about living with their parents, they would have been 'lonely' otherwise. A number highlighted that their mental health would have suffered significantly without the regular social interaction they got from living at home. Being in a household with sufficient space or where families already had a generally good relationship helped during this time.



*I think in terms of support she's been really important and I can't imagine what it would have been like if I had already moved out because I would have been on the phone to her every day anyway, so I am really glad that I was living at home when this happened.*

(Young adult)



*I think it is the quality of the relationship I have got with my mum...  
I think and that definitely made it easier.*

(Young adult)

Some participants described young adults contributing more around the house as they had more time, which was helpful for parents in managing the household more equally. Others felt that Covid had increased tensions, for example feeling ‘trapped’ or ‘stuck’ at home. These feelings could be exacerbated by overcrowded housing, for instance where siblings were having to share rooms, or being unable to maintain independence beyond the home as restrictions meant young adults could not spend time with friends, take part in face to face activities or attend support networks as most venues were closed.



*It is not great and especially with the virus and everything, I mean I am stuck at home, and with the job centre still closed I can't like say oh they have put me on a course, or I have to go somewhere just to get away from them or you know get just a bit of freedom.*

(Young adult)

In addition, households whose incomes had dropped due to Covid were often more financially stretched, which could increase any existing tensions. For example, one single parent felt her son was not putting in enough effort to look for work, leaving her to manage costs on her own.

## Responsibilities

Responsibilities existed in different forms. At a general level, parents explained the responsibility they felt as a parent to support their children and ‘make sure they are ok’, as long as they were living at home. In some cases, for parents who were disappointed not to be able to help their children financially to become independent, providing the security of a home was important.

An important aspect of responsibility related to young adults’ contributions in the household. The degree of responsibility young adults both took on and were granted by their parents was closely linked to the extent to which young adults felt included in the household as an adult. Contributing to the household finances, taking on specific household bills, food shops, or chores around the house, could play an important role in perceptions of responsibility. Participants explained that where young adults took on more responsibility, while being partially a product of good relationships, could also maintain these positive relationships.

While some participants explained that young adults who had left and returned demonstrated more independence and responsibility particularly initially upon moving back home, others explained that they became: ‘comfortable and glad that somebody else could do all that again’. The extent to which young adults had seen their parents struggle in the past, whether there were other siblings in the house, whether they were working or not and the overall quality of their relationships seemed more significant factors.

Young adults taking on more responsibility in the household also had implications for the future. One young adult explained that knowing he could take care of household tasks provided ‘reassurance’ that he and his brother would be able to look after his parents when they were no longer able to carry out these tasks.

A few young adults who noted how they were good with money or could deal with paperwork, had taken on greater responsibility for their parents, particularly where their parents had or were experiencing financial difficulties or debts. This included helping with benefit applications, ensuring that bills were being paid, buying things for the house when needed and lending them money.



*We actually got an enormous electricity bill because they decided to make it six monthly instead of quarterly. [Daughter] actually gave up six weeks' worth of wages just so we could pay that electricity bill, she didn't take a penny of it, she actually put it all into the pot.*

(Parent)



*The way I saw it is like I either lend them the money or they will have to be more in debt which would create a longer period of them having to pay it off. For me being in debt is the worst thing you can have, so I am trying to actively help them to get out of it.*

(Young adult)

One young adult explained that the roles had switched between herself and her mother, and another felt that he was 'mostly in charge' of dealing with household finances.

Similarly, some young adults spoke of their expectations for ensuring their parents managed financially when they retired or upon moving out. Several who had seen their parents struggle financially in the past expressed this responsibility they felt for reciprocating their parents' support of them while living at home:



*I don't know how much is in her bank account but if she says she doesn't have money I know that I have got more money than her, so I would do anything to help out, just so she doesn't stress about it too much.*

(Young adult)

## Practical contributions

While some young adults explained that practical contributions were another way to take pressure off their parents, arrangements varied across households. Having to work around multiple adults' own routines and expectations of practical tasks was not always a straightforward endeavour. Cooking, cleaning, childcare, and food shops formed the core practical contributions young adults made to the household. While some participants had an ad hoc approach to chores, several explained that it felt more 'shared', with a few families explaining that they had a more organised approach. One common strand was that young adults' rooms were seen as 'their domain', which they were responsible for cleaning.

Different factors influenced both arrangements and feelings about arrangements. In several instances, young adults and parents who were unemployed were more active around the house. Changes in work circumstances could lead to an increased role. One young adult explained: *'being unemployed I've been able to help more and contribute more when it comes to cooking and stuff, I'm able to do lunch and dinner. Able to do a lot more in the house than when I was working'*. In some accounts gender influenced the allocation of certain jobs, with mothers and daughters being more likely to do cooking and cleaning in these households. Cultural norms also had a role to play in some of these families, with parents and young adults explaining the expectations around divisions of labour within the household. Where we interviewed parents and young adults from the same household, accounts of levels of practical contributions were broadly similar. Distribution of labour within the household was an important component of feelings about living together and could make the experience more or less challenging to manage. As such, several participants who found co-residing more difficult would cite unequal distribution of household chores, or a lack of recognition of how much they were doing, as a point of difficulty.

Even those who managed living together with greater ease explained that household chores could cause issues. Some parents explained that although children would help, it was not always at the time of being asked, rather at a time that suited them with a few parents finding the messiness, particularly of some sons, a 'bugbear'. Conversely one parent noted that she struggled to meet her daughter's high standards of tidiness. For one young adult, her mental health meant she was not always able to help out as much as she wanted to, which made her feel 'guilty'. Some young adults pointed out that if they lived independently, whether they did certain jobs around the house would only affect them, where living at home, it also had implications for their parents.

Families' relationships had an important bearing on how they managed living together, as well as having implications for the financial arrangements they came up with. The following section looks at factors that influenced the financial arrangements, highlighting the interconnectedness of parents' and young adults' financial and personal circumstances when living together.

## Financial arrangements

---

The distribution of financial responsibility for covering household costs varied significantly across participants in this research, but there were also common patterns. It is worth noting that where we interviewed young adults and parents in the same families, their accounts of their financial arrangements generally chimed. Young adults generally covered their own expenses, such as phone bills, transport, clothing, and in a few cases, costs associated with redecorating their rooms such as furniture. Taking on such costs represented a change from when they were living in the household as younger children where a parent was likely to pay for these items. Young adults also helped with costs that were higher than they would otherwise be as a result of them living at home, including food and household bills. Sometimes young adults helped more broadly, such as with clothing and treats for a younger sibling, paying for new flooring or household items if needed, and in one case covering a parent's car running costs to take some financial pressure off a parent.

Variations in financial resources of different families influenced decisions around financial arrangements. As has already been stressed, most of the parents in the study wished to aid their adult children in their journey towards independence. However, financial constraints meant that enabling adult children to live at home without contributing in some way was often not an option.

## Regularity and nature of financial contribution

The nature of financial arrangements varied widely in the level, regularity and type of contributions. Young adults in the study who were making regular contributions ranging from £140 – £500 a month were typically in stable employment with regular incomes. While housing costs were sometimes considered when deciding on the amount, several parents stated that housing costs was one of the few things that was unaffected by their adult child living at home, apart from where single parents would otherwise be eligible for the single person rate of council tax. These contributions were therefore more commonly centred around costs that were higher due to young adults living there, including food and bills. Contributions were not necessarily a set amount, but could involve a young adult taking responsibility for a household bill and/or regular food shop which could be sizeable if this was for a large household.

Some young adults, more likely to be in part-time, precarious work, or unemployed and on benefits, were contributing smaller amounts and tended to make contributions to specific bills such as water, non-dependent deductions, or council tax. Other young adults would channel this money towards occasional food shops, ‘top-up’ items such as milk and bread or takeaways, and often on a more ad hoc basis. However, as discussed below the extent and significance of a financial contribution was relative to a young adult’s financial situation – what might be seen as a ‘minimal’ contribution could take a considerable chunk of a benefits only income.

## Family circumstances influencing financial contributions

Given the deep ties between young adults’ and parents’ financial circumstances whilst they were living together, the distribution of financial responsibilities was influenced not just by each party’s financial situation, but also by different ways that they interacted. Both parties considered it important to develop a budget that helped parents manage to make ends meet, whilst also feeling affordable for young adults, leaving them with enough to manage their own costs, and in several cases even save. While sometimes greater contributions were driven by the ability and willingness of young adults to pay more than was being asked, parents’ financial circumstances in particular had a crucial bearing on the type of financial arrangements households came to; in a few cases, this was in the context of parents having lower incomes than their children. For parents managing household costs on low incomes, it was often not possible to do so without some financial help. In some cases, parents’ financial needs were more pressing than their desire for their children to save what income they had. One single parent explained:



*I feel like that money that I’m having off her should really be going into a savings for her future, but because of my financial situation in order to get from month to month it’s necessary at the moment.*

(Parent)

Young adults also acknowledged the importance of parents’ precarious financial situations:



*She has always had to support us, she wanted to support us and now she can’t and now she is relying on us to help her.*

(Young adult)

Parents whose children were contributing less included a range of circumstances and financial stability. Some parents were on reduced income due to Covid, on a single income, or unemployed and on benefits. In several of these households, young adults' financial circumstance meant that either they or their parents felt they were unable to contribute more, even where their parent's financial circumstances meant they were struggling without the additional income. For some of these households, other siblings were also living at home and contributing, meaning that smaller contributions from young adults who were on little to no income could be balanced out by additional financial help from other adult children. Several of these young adults expressed a desire to be able to support more than they were able to do currently, particularly where they were in single parent households, or their parents were struggling to make ends meet. One young adult who had lost their job during the pandemic explained:



***I just feel like I'm not able to help my mum anymore and it sucks really because it's a big chunk she's not receiving from me each month. I wish I could do more to provide and help out.***

(Young adult)

Some parents explained that they also felt unable to ask for a contribution when young adults were claiming benefits or using savings. Some of these families had financial buffers against drops in income, whether that was dual income, savings, or other avenues including inheritance, a monthly pension, or informal support from their own parents. One mother explained her desire to ensure her son did not run out of money during a period of job loss:



***When he was made redundant, he had no money, he only had a couple of thousand in the bank so I said, "forget it, you will soon get through that."***

(Parent)

Although this young adult had savings, his mum felt it was more important for her son to keep some savings in the bank than it was to use these to contribute towards the household. Affordability was an important factor when deciding on an amount of contribution, and households tried to come up with amounts that meant young adults were also able to save for the future, which several participants stressed was of great importance:



***There's that underlying for them, they know that I want to move out. They're trying to help me save.***

(Young adult)



***We've had the conversation and she's just said to me and my brother "I want both of you to focus on saving and looking towards the future."***

(Young adult)

A small number of parents were in a position where they were able to afford for their adult children to make minimal contributions. A few households where young adults were giving more limited contributions had parents who were financially much more secure than other parents in the study. While one was a single parent, all three were in work that had for the most part been stable and

secure both preceding and during Covid, with only one parent's work drying up for a time because of the lockdown.

The common experience of insecurity among both young adults and parents in this study, discussed in Chapter 2, meant that financial arrangements were not fixed but had to adapt as things changed for one or other of the parties involved – particularly changes in income from work. The effect of job loss or earnings reduction was starkest in single parent or single income couple households, and in households with only one young adult contributing, where there were fewer buffers against income loss.

In two households, it was the young adult's continued income and regular contribution that kept household finances in balance when one parent's hours reduced, and another lost her job. One young adult explained the balancing act families had to carry out:



***There's been times where my mum has struggled with her work it's been role reversed where I've been in a stable job... And I had to sort of take that responsibility where I had to step up more. And now that I've been unemployed, I've realised that it is a lot when it's not balanced.***

(Young Adult)

These periods of parents' reduced income were sometimes described as 'eye opening' times for young adults, particularly where they were working and able to cover more of the cost. Several spoke of such times being a lesson in the cost of running a household, which some young adults who had never lived independently and were contributing less felt they had not really understood previously.

Contributions were often adjusted in line with changes in young adults' employment and income; increasing where they entered employment and were able to contribute more and decreasing in the face of job and income loss. Although some parents described telling their children 'not to worry' about continuing to contribute if their incomes dropped, several young adults continued to contribute, albeit much smaller amounts.

These amounts were often attached to concrete figures that were impacting on parent's incomes. Two young adults continued to cover non-dependent deductions while on a benefits-only income, and another was giving her mum the £80 uplift from her Universal Credit. Parents' affordability and young adults' need to feel they were supporting their parents were two key motivational factors behind continued contribution. One mother explained: *'whatever she earns she will contribute as much as she can, because she has seen me struggle.'*

For families who needed it, the potential for young adults to lose work and income in the future was a cause for concern, highlighting the extent to which young adults' and parents' employment and financial circumstances were entwined. This concern was compounded for some parents as siblings who had previously been contributing had moved out, with the responsibility of contributing falling on the remaining young adult. One mother explained the impact of potential future changes regarding her daughter's work:



***It's a very anxious time... she's on a good salary on her apprenticeship... from the point of view that she does pay board because it helps with the bills and if she's out of work then that is obviously going to be a bigger strain financially, but it's something I'm just going to have to deal with in some way...***

(Parent)

A final influence on financial contributions relates to where the living situation could be linked directly with a drop in parents' benefit income, which the young adult then sought to replace. As referred to above this was most relevant where housing-related benefits were reduced because the expectation that a non-dependent contributes rent – although for young adults themselves on benefits, the lack of any housing-related income could make it impossible to cover this in practice. Another tangible loss occurred when the young adult stopped being dependent, and in single parent families in particular, this could make them want to help offset the loss by making a contribution.



***As soon as I left education, she had to pay a bit more so that's why I said  
"OK I get paid a bit more, I'll give you a bit more."***

(Young Adult)

Lastly, the fact that a single parent loses the single person's reduction in council tax if they have another adult living with them was taken account of when considering contributions, as referred to above. Thus, all of these specific losses can help families consider the appropriate level of contributions, but this does not mean that young adults are always able to cover them. The implications of changes in benefits in living standards, and the ways these changes are managed among families is discussed later in the chapter.

## Views and attitudes towards financial arrangements

### Sharing the load

Participants discussed a range of views towards their financial arrangements. Several young adults spoke about it being 'fair' and the 'right' thing to do while they were living under their parents' roof. During periods of being unable to contribute, some young adults in the study described feeling 'bad' or 'guilty'. One young woman explained: *'I just want to work and be able to share those responsibilities again.'* For one young adult whose parents were reluctant to ask for a contribution, partially due to his precarious income, given the importance he placed on being able to help out when he could, he explained: *'sometimes I literally have to like put the money somewhere, and just say "just take it", especially when I'm earning a lot. I just have to put it in their pockets.'* Even when young adults' parents could afford for more minimal contributions, young adults wanted to feel as though they were not 'sponging' off their parents, highlighting a sense among participants that they were all adults living together, and they wanted to reflect this by helping where they could.

### Reluctance and Responsibility

Several parents described of feeling uncomfortable and resentful of having to ask their children for help, and a couple explained that it was only due to a prompt from a friend or relative that they asked for a contribution. One component of this discomfort was that parents wished they had the financial resources to enable their adult children to save instead. One single mother reflected: *'I really wish I didn't need to depend on my children like that, if I am honest, it is not meant to be that way. No one really wants to depend on their children, I suppose.'* Another explained that she had found the discussion about contributions 'awful'. Although her daughter was happy to contribute, she explained: *'it was me as a mum, it goes against everything as a parent to ask your children for money.'*

However, some of the same parents expressed their views that contributions could act as a tool to teach their children responsibility. Several participants felt contributions could help to prepare

young adults for 'life afterwards when they move out', and some parents said they thought it was right to ask for a contribution even where parents could afford it. For some it wasn't necessarily about the amount 'more principle'. One mother said:



*You need to learn to pay your way, you can't just sit in your bedroom using electricity and eating for free, it is just not what I want to teach him. He is never going to get that anywhere else again in his life, so why would I let him think that that is OK? And he knows it is not OK.*

(Parent)

Some parents explained that even higher contributions were not as much as young adults would be having to pay eventually. One single parent explained: 'we should have more discussions about costs because I am almost creating a dreamland for her I think.' One young adult noted:



*It's a very big step, especially from, you know, being 19 years old, paying your phone bill to then going out into the big bad world, and then you're paying your rent, your phone bill, your council tax, all of this means like, massive thing.*

(Young Adult)

### Financial support through flexibility

A couple of parents explained that they knew other parents who saved contributions from young adults to give to them upon moving out, which they had not felt financially able to do. Some parents explained that asking for less was a way to provide financial support less directly, allowing young adults to save or live on what money they had. In some cases, a contribution would have made a difference financially to parents who were finding it hard to manage themselves, where others were somewhat more financially equipped to allow for more leeway. One mother said that the flexibility in her son's contribution allowed him to cover other costs when it was needed, such as his car, saying: 'the bank of mum then comes out and helps him out.'



*My friend's son is at uni and she is always pinging money over to him and things... rather than me pinging money over, I'm letting him off a little bit of money so it is kind of the same but different.*

(Parent)

While this worked for this household, other parents stressed that this flexibility was not something their children would have access to when they moved out. Car costs sometimes felt justifiable to both parties as it gave young adults some independence. However, some parents and young adults explained that if young adults were spending money less 'sensibly' – arguably a challenge during the pandemic with heightened restrictions and closed venues – missed or smaller contributions would feel less reasonable. One young adult whose parents were secure enough to afford for her to contribute very little, explained why the situation worked so well:



*I am grateful for the support they give me, day in day out. But that is also seen by my parents and I guess that is why this arrangement still occurs.*

(Young Adult)

## Cultural expectations

Several participants from a BAME background in our study explicitly stressed the role of culture in their views of the financial arrangements they had. Both parents and young adults emphasised cultural expectations to support adult children whilst they were living at home:



*I think that is to do with the Asian culture, that's the thinking behind it as well. Whatever I have is theirs.*

(Parent)



*It is the culture, you support your child, come what may...*

(Parent)



*My mum is an African parent so she would never make me pay rent or anything like that.*

(Young Adult)

For some, it was understood that living at home with minimal financial contribution came with expectations of young adults supporting parents in later life. For one young adult, expectations of supporting her parents were much more prevalent than any support she felt she received in return.

## Discussing financial arrangements

The extent of openness around financial circumstances was also a crucial factor in deciding financial arrangements. Several participants extolled the virtues of parents being clear with their adult children about household costs, and one young adult said: *'it is good to know, it is being able to see what it is like looking after a house and looking after us, where the money goes, just seeing everything happening.'* Another described her family's collective approach to finances, saying: *'the relationship we have surrounding money, they were always quite honest with me, we need this much for this, they were never secretive about what they need the money for or anything like that.'*

By contrast, some young adults explained that they requested their parents be more open with them about household costs so they could figure out what was needed and what they could afford to pay. Where requests were rebuffed, this could cause difficulty: *'If he was a bit more open with things then we would be a bit more receptive to helping him more.'* One young adult explained that her mum having been a single parent for several years meant she was less likely to discuss household things with her: *'She internalises a lot instead of talking things through with people. Again that's habit. That's not having someone there and having to do it herself and just doing it.'* Households that sat down and discussed exactly how much things cost, often found it easier to come up with an amount that both young adults and parents felt happy with.

A couple of parents mentioned that they had been urged by a friend or family member to discuss it with their children. This 'good advice' had helped where they had been struggling to manage before, and hesitant to ask for help:



*I am very soft and I knew I wouldn't ask them, I would struggle rather than ask, kind of thing. A friend said "You need to write down everything that you pay out, the bills, and show it to them so they know how much stuff costs". I had to really dig deep to ask my own child to give me money, as daft as that sounds because she is an adult, I still found it difficult... It goes against everything as a parent to ask your children for money.*

(Parent)

Where families were in the practice of speaking more openly about their financial circumstances and changes in work or income, it was easier for them to navigate any changes in their situations. These families were more likely to describe having a collective approach to finances, adopting the view that they were a household of adults, highlighting the way that responsibility, affordability, and respecting independence were closely linked in discussing financial arrangements. One young adult explained the difference communication could make to managing co-residing with parents:



*A major change or a drop in income or something had happened with work then yes I think we would sit down and speak about it...what do we do to resolve it to make it easier for everyone else.*

(Young Adult)

Some families had a more ad hoc approach to contributions, with young adults helping 'here and there'. Where parents could afford irregular contributions, participants felt this system worked fine, however where finances were more constrained, this could cause some financial issues. A couple of parents explained that they wished they had done things differently, or that they had 'learned' from their adult child and were doing things differently with their younger children. However, it was not always easy to have discussions around contributions, whether this was parents feeling uncomfortable about discussing finances or occasionally reluctance from adult children to contribute to household costs. A key issue that families faced was balancing the need to have conversations about money, whilst also acknowledging the delicate interaction between both parents' and young adults' work and income situations.

## Implications for living standards

---

Living at home had varied consequences for young adults and parents' living standards depending on the extent of young adults' contributions, and both parents' and young adults' financial situations. For some families, the contribution could be the difference between struggling and managing more easily.

### Financial circumstances: two-way financial support

#### Managing more easily

We have discussed the role of parents' financial need in shaping the level of contribution, and in some households, parents were only able to manage because of the contribution young adults were making. Single parent households struggled noticeably more than couple households, although families with more adult children at home, parents who were struggling with debts, households where parents' work and income was more precarious or had been affected by Covid also found managing to make ends meet challenging, even with contributions. One mother explained the difference her daughter's contribution made to her ability to manage:



*Her help is a big help to me but obviously I don't want to rely on it to that extent where if I was on my own I would not be able to manage. I've got to be able to manage and I shouldn't rely on her help... I wish I didn't need to have [daughter's] help in the way that I do.*

(Parent)

As had been the case for this parent, contributions made the biggest difference for parents who were currently facing or had in the past faced tough times. As discussed earlier, where young adults' income was higher than their own, contributions had helped keep parents from falling into further financial hardship during difficult times. Some single parents felt concerned about the implications of no longer having a contribution when their adult child moved out, with some reflecting that they may have to take on more hours at work, or simply work for longer before retiring. The profound impact on some parents' living standards is made stark in this quote from a single earner couple household: 'If we didn't have the children's money, we wouldn't be able to eat.'

Where young adults were making limited contributions, they were often able to manage living on very low incomes during periods of unemployment, times where they were utilising only savings or when they were on a benefits-only income.

One reason given for this was that living with parents meant they did not face the costs that come with living independently. Although they would be eligible for other benefits that could alleviate any potential financial difficulty if they lived away from home, the low cost of living with parents meant they did not have to struggle during these periods.



*I would say it's a blessing living at home with my mum. I have... no bills to pay, I've got a roof over my head... I am grateful that I still live with my mum I don't need to depend on extra benefits to cover my housing situation and stuff like that and my bills and stuff.*

(Young Adult)

Contributing lower amounts meant some young adults were able to afford additional costs, such as cars or personal costs like phone bills and going out with friends. Although it could be a significant cost, a car was seen by young adults as a form of independence they could have while still living at home, granting them freedom to get about more easily, as well as looking for jobs further afield. Some young adults were prioritising channelling or putting aside what income they had towards the car, even where parents needed a contribution towards rent. In two households, young adults with cars either asked if they could contribute less to the household, or prioritised car costs over contributions. One mother described the impact she felt this approach would have upon her son moving out:



*This time round it has been "But I need my money to put towards my car, don't I?" and I said "It doesn't work like that. If you were in a rented room your landlord would not be interested that you are about to buy a car he wants his money. And your £150 just about covers the Council Tax, nothing else."*

(Parent)

Young adults who were able to contribute and have money left over experienced the mutual benefit of being able to support their parents with additional costs, without having to sacrifice putting money aside for their future.

### “A team effort”

Both young adults and parents in several households described an attitude of helping one another out, to alleviate the stress financial strain could cause. One young adult even explained that finances were a ‘team effort’, where another explained that she wanted her parent to see them as more of a team ‘when it comes to house things’. Paying for one off costs for one another where they could afford to do so, including clothing, bills, takeaways and car or house repairs, meant that participants did not have to borrow money from elsewhere. One young adult had used her student loan to support her parents in the past, which made a huge difference to her parents’ financial situation, meaning they did not have to get into debt. She explained *‘it is funny how a lot of people talk about the bank of mum and dad, right. But in a way I was a bank for my mum and dad.’*

An additional effect of being able to help was that it could improve relationships between parents and young adults, enhancing equitable feelings within the household and reducing financial strain, as financial pressure was taken off parents. One young adult said:



*Would feel like I am not really doing much and if I wasn't in a position where I wasn't able to help I would feel much more downbeat, probably it would add a bit more stress.*

(Young Adult)

Young adults covering their own costs, such as phone bills and clothing, had a big impact on parents’ finances. Distributing these kinds of costs more evenly took some pressure off parents’ budgets, even where young adults were making minimal contributions more broadly: *‘Each person has their own individual thing to worry about as opposed to one person having everything just piled on top of each other.’* One mother explained that before her son had been able to cover his own costs, they had an arrangement where she would pay him to clean the car, as this was also more affordable for her than covering her son’s costs as well as her own: *‘Before he got his own job that wasn't something I could cover all of the time.’*

### Savings

A couple of single parents, who were already getting by, explained that contributions allowed them to save small amounts of money that they would not be able to otherwise. One mother’s income was due to increase, along with her daughter’s income and therefore contribution increasing, which would have a positive impact on her financial circumstances: *‘I have never been able to save, I have never had the money and I will be able to save some money now.’* Another parent explained: *‘I wouldn't have been able if [son] hadn't given me £100 a week. There's no way I'd be able to save.’* Conversely, a couple of parents managed minimal contributions only because they had savings to fall back on themselves. This had consequences for their financial situation, and could limit the choices they felt they would have if their child was not living at home:



*It is depleting my savings and also I am unable to progress myself in like for instance if she was giving me money each month maybe I would fix the bathroom... So, I am not increasing my savings, I am decreasing my savings so that is the impact really.*

(Parent)

We have demonstrated elsewhere (Hill and Webber, 2021a; b) that savings provide families with the increased security of a financial buffer that can make a huge difference when faced with sudden costs, such as an MOT or unexpected bill, as two families in this study faced and were only able to pay with financial help from adult children.

Several young adults who were contributing were also able to save. Some cited being able to save as a key motivating factor for staying at home, until they felt they had built up enough savings to move out, as discussed in chapter 3. A number were able to save a regular amount each month, given the regularity of their income, as well as the agreed amount of contribution which allowed them to also be able to save.

Young adults also emphasised that saving was easier under current circumstances of the Covid-19 pandemic given that many of the activities that would normally absorb some of their income, such as going to the cinema, eating food out with friends, and going shopping had been largely unavailable over the last year due to Covid restrictions.

In instances where a parent's financial circumstances necessitated a contribution from young adults, this could have significant implications for young adult's own financial situations, eating into savings and pushing plans to move out further into the future. While some young adults were able to contribute higher amounts and continue to save, others found this harder to manage. One young adult who was covering most household bills and car costs was finding it hard to keep afloat and was in fact facing depleting savings. She explained the impact on her living standards, both while living at home and regarding her plans for the future:



*I have lost thousands of pounds living here because I have given it to my mum as she needs it and I can't do anything about that... It is just pressure... My sisters aren't in a position to help her, so it falls on me.*

(Young Adult)

This young adult had experienced a drastic cut in income during Covid and was depending on Universal Credit which meant having to draw heavily on her savings.

Where young adults were contributing significantly less, they were able to save more money more quickly than young adults in the study who were contributing.



*It has a massive impact and obviously positive impact because there are a lot of things that I don't currently pay for from living at home.*

(Young Adult)

Other parents, however, felt that the contributions made little difference, particularly where they covered the costs that were higher due to them living there. One mother said: *‘they cost as much as they pay’*. Some young adults were buying their own food, alleviating this cost from parents. Hence while some parents were only getting by due to the contribution they were receiving, others were finding it hard to make ends meet despite contributions from children.

## Financial pressures

When contributions dropped, for instance due to a young adult losing work, this could negatively affect parent’s capacity to manage, particularly where parents’ finances were already finely balanced. Extra financial pressure resulted in some parents struggling or finding it hard to keep afloat. Five of the seven parents of young adults who were unemployed and claiming benefits at the time of the study were in a financially precarious place themselves, and three parents were also on benefits. For these families, while contributions were reduced in line with young adults’ affordability, it would be immensely challenging for contributions to stop altogether. These young adults were contributing towards household bills and non-dependent deductions, so having to make budgets stretch over these costs could pull these parents into further financial difficulty.

Not all parents felt able to ask for even a small amount, given that their children were already on so little. One single parent explained the impact this had on their household finances:



*There were no jobs. I had to let her off the housekeeping which inevitably she couldn’t pay. Annoyingly enough as well because I hadn’t started working yet I was getting Housing Benefit, Council Tax Benefit and University Credit but... they deducted £75 a month because I had an adult living here, but then she can’t claim for Housing Benefit because she lives with a parent which was difficult, it did make a difference. So there was no top-up, there was nothing really.*

(Parent)

For several parents in the study, more limited contributions did not mean they were not struggling financially, rather they were struggling less than some other households. Most parents whose young adults were not contributing found managing more difficult, however their desire to support their children in managing their own finances was greater than their own needs, and they were willing to make their budgets stretch further or reach into their savings over and above asking for money from young adults who were on very low incomes. The following quote encapsulates the tension between parent’s desire to support their young adults on their journey to independence, and their need for greater financial support:



*I do feel if she was in a position, I could seriously do with some help in that way, I just think we are both stuck in there. She hasn’t got the income either.*

(Parent)

## Negotiating implications for benefits

Having a non-dependent young adult living at home could have significant consequences for both parents and young adults. Several parents in the study cited the long-lasting impact of a sudden drop in Child Tax Credits and Child Benefit (see Chapter 2). While some young adults were working and able to help their parents cover the gap in their incomes, as noted above, the extent of contribution could be more limited where young adults were not in work. Parents discussed having to work overtime, draw on savings or financial support from elsewhere to manage the drop in their incomes of sometimes hundreds of pounds a month.

Several young adults continued to contribute towards non-dependent deductions even where they were on a benefits-only income. However, the fact that young adults do not receive any additional supplement towards contributions to household costs, means this £75 a month must come out of their monthly income from already subsistence level benefits, which are less for under 25s<sup>6</sup>. The Universal Credit payment of one young adult in this situation was already reduced through a deduction for an advance payment to cover the five-week delay for first payment. Hence covering a deduction of £75 a month does not leave adults with much left to put aside for themselves.

Even where young adults were only able to cover the cost of council tax, this could take some of the financial pressure off parents, as they were not having to cover this increased cost. One mother explained that given her financial need, her daughter had no choice but to claim:



*Even if she wasn't working it affects my benefits, it affects how much I am getting. So she really didn't have a choice and had to claim for it then.*

(Parent)

It was felt that such costs were the responsibility of young adults, and one parent explained that her daughter's contribution to a monthly Council Tax arrears payment would continue upon her moving out, given that the cost had been attached to her living at home:

**Q: *'And just thinking about your daughter, do you think she would continue to contribute in any way on moving out?'***

**W: *'I wouldn't expect her to, if I am honest, no. I have told her that the outstanding Council Tax bill is hers, so she still has to pay for that, but not anything else.'***

Reluctance to claim benefits as soon as they were eligible (for reasons discussed in Chapter 2) could impact on both parents' ability to manage as they were not getting any additional financial help, and on young adults' financial circumstances as they were depleting savings they had built up during employment. In the few cases where young adults weren't claiming, or hadn't in the past, they were either using savings, or parents were having to go without a contribution.

6. At the time of interviews the Universal Credit rate for those aged 25 and over was £411 a month and for under 25s £344 month. This included the £20 a week Covid uplift which was removed in October 2021 reducing the monthly rate for those aged 25 and above to £325, and under 25s to £257.

## Occupancy and space



*The fact that we are short on space and it's only two bedrooms is not ideal for them to be sharing a bedroom, but they had no choice unfortunately. And I think lack of privacy and independence hasn't been good for them.*

(Parent)

Levels of occupancy had a tangible impact of the living standards of participants in the study. Privacy not only enabled independence, but also improved relationships as families have more choice over how and when to spend time together. Several participants explicitly stated that having their own space made living at home easier. Young adults expressed a sense of control within the home, as their room became their 'sanctuary' or 'hub', one young adult explained: *'I literally live in my bedroom I think I spend more time in my bedroom than anywhere else in the house really.'* A few young adults had spent money on redecorating their rooms, which for a couple served as an alternative for moving out: *'She said it was like moving house but in fact she has got her own space and she is happy, she just comes home and closes the door.'*

Conversely, both parents and young adults highlighted the tensions that could be caused by having little to no space, with participants describing feeling 'on top' of each other, having more arguments than those with more opportunities for privacy, and things growing 'intense' under Covid with more people in the house more of the time. Issues of occupancy and space had also evolved as children grew older. Two participants (in different households) explained how things had changed over time coming to a head now they were adults:



*When we first moved in the girls were only toddlers really and they were able to share a bedroom.*

(Parent)



*It can be a bit overcrowded my house, because there is a lot of people in my house, so all basically grownups now. When we were younger it was like fine.*

(Young Adult)

Although several families with less space in the home had good relationships with one another, it was a lot harder to have any privacy, particularly where siblings were sharing a room.



*I share with my sister and we're on top of each other because there's not enough room for two beds really but we've just managed to squeeze them in... It is difficult because we both want our own space. She wants space so she can play and do her own things and I want space because I want to be by myself sometimes, and because of the age difference.*

(Young Adult)



*When you are in a bad mood and you just want to shut yourself in a room, I can't do that because my sister is there, so then we end up in an argument, that is just how it works.*

(Young Adult)

Young adults and their parents reported finding it a lot easier to get on with one another if homes were not overcrowded, as they had more choice over when and how to spend time together. A number of participants explained that the lack of privacy had made having relationships particularly difficult:



*I feel like if I didn't have my own room I probably wouldn't be able to have a girlfriend. If I shared a room with my sisters I wouldn't be able to do anything like an adult would do.*

(Young Adult)

As discussed in an earlier Chapter 3, several parents felt they had limited choice over house size, particularly those in social housing. Planning future housing around the 'uncertainty' of young adults' housing trajectories was difficult, however, given concerns around the insecurity of work and the impact this could have on adult children's ability to continue to pay to live independently.

We have written elsewhere about the fluctuating financial circumstances of families with dependent children managing on a low income (Hill and Webber, 2021a, b). In this study, we have highlighted that the presence of a non-dependent young adult adds another complicated dimension, given increased costs associated with more adults living in the home, and the interaction between different, sometimes unpredictable, incomes. This chapter has shown that good relationships (made easier with more space in the home), with open communication and young adults' taking responsibility could make living together more manageable with positive benefits for both parties. Mutual support between parents and young adults could help in potentially challenging times including in cases where a young adult's continued financial contribution played an important part in keeping the family afloat. While several parents expressed a desire to aid their children in becoming independent, they recognised that this was not possible, instead finding other ways to offer support. However, financial precarity, difficult relationships and communication, or lack of space could be a source of tension. This chapter has highlighted some of the financial and relational challenges that can occur when young adults and their parents co-reside, and some of the ways families seek to overcome or mitigate against these challenges.

## Responding to challenges in policy and practice

**As a follow up to the research reported above, the research team spoke to a range of stakeholders about what initiatives could be taken to improve the lives and prospects of families where young adults live with their parents. This produced a series of ideas which were then discussed with focus groups with young adults and parents. This chapter reports on the outcomes of this follow-up work.**

As a follow up to the research reported above, the research team spoke to a range of stakeholders about what initiatives could be taken to improve the lives and prospects of families where young adults live with their parents. This produced a series of ideas which were then discussed with focus groups with young adults and parents. This chapter reports on the outcomes of this follow-up work.

The discussions took place between April and July 2021. They comprised a series of meetings with experts in organisations working in the areas of young people, families, housing, money advice, finance and policy, and two focus groups – one with young adults, one with parents who were co-residing (not in the same household). Findings from the research were drawn on to generate feedback and discussion focussing on areas that could potentially better support families who are living together (such as interaction with the social security system and financial arrangements) as well as young adults who may want to move out (looking at issues around renting or buying).

The result of this follow-up of the research was to identify a set of ideas for policy and practice. Some of these concerned potential ways of helping families on a low to middle income financially, whether by withdrawing support for children less abruptly when they stopped being dependents, by improving some entitlements for young adults or by giving support to help them move towards living independently. Alongside discussions about entitlements, distinct ideas emerged about *communication*. In particular, it was felt that greater effort needs to be put into ensuring that families are prepared for reductions in support from the state when children reached adulthood, and that better communication is needed about benefits and other entitlements. Both parents and their adult children need to know what they are entitled to and encouraged to take it up. Good information could also better equip families to facilitate discussions and effectively communicate about household finances, expectations and responsibilities when living together.

The following analysis considers these ideas of entitlements and communication in parallel, first in relation to the initial transition to a situation of non-dependents living with their parents, next in terms of the ongoing experience of this life stage and finally in relation to measures that allow young adults to move towards living independently.

An important aspect of our recommendations for policy and practice in this chapter is that they will not in themselves solve some of the underlying structural issues that create difficulties for young adults seeking to establish themselves in work and in housing. It is beyond the scope of this study to show how work and income insecurity and a lack of affordable housing can be addressed for this

generation, or to assess what would be a fair rate of benefits for people of different ages. Rather, we make recommendations that we hope will help families cope with the consequences of an unstable world, making the most of the support that parents are able to give when offering young adults accommodation. Alongside our specific recommendations about entitlements for these families, our recommendations around communication are designed to create greater clarity about the terms in which these arrangements can work. This can potentially make a contribution to reducing uncertainties in what is otherwise an uncertain world.

While we present recommendations at a UK level, with those directly related to policy, in particular the social security system, discussed in terms of measures for the Department for Work and Pensions to consider (recommendation 1-3), we recognise that devolved governments have some ability (and desire) to make their own changes to Westminster policies. For example, the Scottish government is committed to providing tenants affected by the 'bedroom tax' with Discretionary Housing Payments to mitigate the impact of that policy. There is potential therefore for our recommendations to be taken up to different degrees in devolved regions.

## The loss of family entitlements as 'dependency' ends

---

Both in the main research and in their focus group, parents who had received family benefits when their children were dependent referred to the abrupt 'cliff edge' loss of benefits when they became classed as 'non-dependent' adults, even though family costs and other sources of income could be largely unchanged. The shock they experienced to their budgeting was linked to the very substantial amounts that could be lost at this stage. This was noted by one stakeholder as a common cause of concern among clients seeking advice, and could be compounded if it coincided with any loss of child maintenance.

One potential way to tackle this, raised by certain stakeholders and focus group participants and by parents in the research, could be to reduce benefits gradually, rather than all at once, or to give some sort of 'bridging grant' at the time the change occurs. However, on top of potentially adding complexity to the system, a counter-argument is that the state cannot go on supporting children as dependents forever. Young people no longer in education have the potential to earn income from work, which can in some cases lead to a net increase in family income (various scenarios are set out in Hill et al., 2020a, pages 31-33). Even those without earnings should be entitled to out of work benefits from age 18, which partly compensates for loss of child benefit and Child Tax Credit (CTC) and the child element of Universal Credit (UC).

However, it is important to note that an out-of-work 18 year old has lower entitlements than the family loses when they stop being treated as a dependent. The UC rate for an unemployed 18 year old is £257 a month. The amount that the family loses in benefits as a result of a child becoming a non-dependent can be much higher: the following table shows that it can vary between £298 and £680 a month depending on parents' work situation and housing tenure. This takes account not only of the loss of UC child allowances and child benefits, but for parents who are in paid employment also the loss of the Work Allowance (which allows families with dependent children to earn a certain amount of income before it affects their UC). Losing the Work Allowance means that UC will be reduced by 55% of all earnings, rather than the first few thousand pounds a year being exempt. The greatest loss comes from the approximately one-quarter of families on UC who are owner-occupiers, who have a higher Work Allowance than renters to allow for the fact that UC does not include support towards housing costs for home owners. More commonly, these families will be tenants, which means that the effect on total family income of the last child becoming a non-dependent and being unemployed will be £558 a month minus the 18-year-old's entitlement of £257 (if they claim it), or £301 a month net. This is a substantial reduction in family income, and it is not surprising that families find this shock to their finances so hard to manage.

**Table 2: Monthly loss of benefits associated with non-dependent children for families on University Credit**

<b>1. When a child with younger siblings becomes a non-dependent</b>	
a) Child benefit	£60.83
b) Universal Credit child element	£237.08
<b>Total loss</b>	<b>£297.91</b>
<b>2. When the only or last child becomes non-dependent</b>	
a) Child Benefit	£91.90
b) Universal Credit child element	£282.50
c) If working, value of Work Allowance*, tenant	£184.07
d) If working, value of Work Allowance*, owner occupier	£305.62
<b>Total loss, parent not working (a+b)</b>	<b>£374.40</b>
<b>Total loss, parent not working (a+b+c)</b>	<b>£558.47</b>
<b>Total loss, parent working, owner occupier (a+b+d)</b>	<b>£680.02</b>
*For a parent earning above the Work Allowance, who loses this allowance when they no longer have dependent children, an additional amount is then tapered from their UC equal to 55% times the value of the allowance	
The Work Allowance from December 2021 is £335 for a tenant, who receives the housing element of UC, and £556 for an owner occupier, who does not. The figures shown are 55% of these amounts.	

One option to ease this sudden drop in income could be to provide some kind of transitional support to families at the point where still-resident children become non-dependents, for example limiting total UC reductions to 25% of the total award in any one year where other circumstances have not changed. This however could create complicated situations for families where there are other changes, including those where earnings are fluctuating from year to year. Another, more straightforward measure would be to prolong the entitlement to the Work Allowance, acknowledging that financial responsibility for families does not end instantaneously, so the right to keep more of your Universal Credit when you are earning if you have family responsibilities should apply during a transitional period. This measure would have the advantage that it would be targeted at helping families at the time when their last child stops being a dependent, which is also the time when both Universal Credit and Child Benefit are reduced by the greatest amount (because entitlements are higher for the first child in a claim than for additional children<sup>7</sup>.) Under this policy proposal, the loss shown in (c) and (d) would be postponed until after the youngest child turns 23. This would give a period of about five years, including any higher education, for a young adult to get established in the labour market before all benefits associated with having responsibility for a child are removed from low income families. This would benefit up to 22,000 families who face particularly high reductions in income with an estimated cost to the Exchequer of not more than around £50 million a year.

7. Child Benefit is 50% higher for the first child in a claim, and for children born before 2017 (i.e., all of those becoming adults up until the early 2030s), the first child gets a supplement of £45 a month in UC. These figures are reflected in Table 2 above.

## Recommendation 1

### Extend entitlement to the Universal Credit Work Allowance to any family with at least one child under the age of 23 living in their home

---

A further consideration arising from our research is that if public policy views a non-dependent young adult's individual benefits as part of their family's overall income, it is important that if their son or daughter do not find work they should make their own claim as soon as their parents benefit entitlement for them as a dependent stops. In practice, this is not typically a smooth transition, because many young adults living their parents do not claim benefits, or delay doing so, with a number of participants in our research saying that claiming when unemployed tended only to be a 'last resort'. As well as strengthening parent entitlements, attention needs to be paid to take-up, ensuring that families understand that the way that the state supports them changes at this stage. This issue of take-up is discussed further below (under engagement of families with state entitlements).

Furthermore, there was strong agreement among those we consulted that more clear-cut information should be given in advance of a claimant's child reaching the age at which children's benefits stop. Parents in the focus group did not feel they had been given enough information, and had not had a specific warning. Parents in the focus group suggested that a six-month alert could be given, making families aware not just that their entitlements would be changing, but also that this could make a large difference to their incomes. They emphasised that even though parents were obviously aware that children's benefits would not carry on indefinitely, their attention had not been sufficiently drawn to the timing and magnitude of the reduction:



*... because you have other things going on in life you're not sitting there thinking "oh then things are going to change."*

(Parent, focus group)

There are several advantages in parents being aware of the timing and potential implications of this change. In some cases, it could allow them to adapt family finances (while acknowledging that many families will not be able to find ways to reduce costs). It could also concentrate the minds of both parents and children in thinking of ways in which the reduction can be wholly or partially replaced – whether through the young adult earning or starting to claim out of work benefits, or in some cases for parents to change their working patterns.

We therefore make the following further recommendation to the Department of Work and Pensions:

## Recommendation 2

**Parents receiving Universal Credit automatically receive a notification at least six months before a child included in the claim is likely to become a non-dependent, alerting them to the estimated reduction in UC that will occur and that the 'child' will be able to make a claim in their own right.**

---

Supplementing this specific recommendation, we recommend the DWP works with users to consider how frequent a reminder during the following months would be useful, whether it would be helpful to produce a booklet on ‘what happens when your children reach 18?’ and how the children themselves can be brought into the conversation, making them aware of the fact that they are being reclassified as not dependent on their parents.

It should also be noted that the Government in Scotland currently provides a Scottish Child Payment for low income families of £10 a week per child under 6, but this is due to be extended to the age of 16 in 2022. Reflecting our recommendations, at this point consideration will need to be given to communication and supporting families when they are no longer eligible, in this case when a child reaches 16.

## How the social security system regards young adults living with parents

The social security system is highly ambiguous about how it regards young adults living with their parents. A key issue identified in the research related to families living in rented accommodation who received benefits towards their housing costs. By not giving parents any support related to their grown-up children, and by reducing householders’ rent support as if a co-resident adult is paying them rent (through a ‘non-dependent’ deduction), the system appears to regard them as fully functioning adults. For Universal Credit the reduction is £75 a month, and for Housing Benefit the amount varies depending on a young adult’s earnings (with some exemptions<sup>8</sup>). Yet by denying claimants living with parents any rent-support entitlement of their own, and by paying under-25s a lower general rate of benefit, the system seems to assume a level of continued dependency.

Focus group participants agreed this situation felt unjust, and (reflecting our research) highlighted that implications will vary depending on relationships within families. For example, the current system assumes that young adults pay a contribution towards rent but this may not be the reality. Parents noted that if a young adult is struggling themselves or refuses to cover the deduction it can leave a parent out of pocket and also potentially cause tension as the onus is on the parent to recoup the money from their child.



*If I have bad communication with my child, my rent is just deducted, I have to pay that, it comes out of my account and luckily [my daughter] is very good and every month she will pass that on to me, but when you have a child that doesn't... because I have had that issue with my son, and I am saying you're going to mess up my benefits or my bank or you know whatever because you have got an attitude problem.*

(Parent, focus group)

It was suggested that it might help parents if DWP could also communicate with the young adult to advise them about the deduction to parent’s benefits and the expectation that the difference should come from them.

8. Exemptions relate to certain health related benefits, and vary by age and work status depending if the deduction relates to Universal Credit or legacy benefits.

On the other hand, our main research suggested that in some cases, the existence of a non-dependent deduction can contribute to a young adult's sense of obligation to pay rent to cover this, and this was confirmed by our focus groups. While this helps balance the reduction in the parent's benefits, the perceived injustice here is that, as reflected in our research, it is extremely hard for an out of work young adult to contribute to rent because they have no entitlement to Housing Benefit or the housing component of Universal Credit. Removing this anomaly could be addressed very simply, by not applying the deduction for a non-dependent who is not working.

## Recommendation 3

### Reduce to zero the non-dependent deduction applicable to Housing Benefit or Universal Credit in cases where the non-dependent has no earned income.

---

One further issue around housing-related benefit entitlements raised by research participants is the ability of parents to help their adult children by maintaining the offer of accommodation, even after they have initially left home. This amenity is valued by both parents and young adults as a 'bolt hole' for those with insecure lives, knowing that if things go wrong the option of living with parents remains open. To a middle class owner occupier, keeping the family home can be a relatively easy option. To modest to low income families, it can be more costly, including for someone living in social housing, for whom the 'bedroom tax' reduces benefits if there is a 'spare room' that nobody is occupying. This posed difficult choices for some of our interviewees, and in our parents' focus group it was suggested that the bedroom tax should not be imposed immediately after someone left home. However, given that families often contemplated keeping a room available for several years, a short run-on may not solve the problem. Waiving the bedroom tax for people with grown-up children living elsewhere could be seen as inconsistent with many other circumstances where it is applied, including for example a family with opposite-sex children under 11, who must share a room but will need separate ones when older – who also face the issue of accessing accommodation suitable for the future and not just the present. We therefore do not propose an exemption for the case of families with grown-up children who live away, but note that this situation strengthens the widely put case for abolishing the bedroom tax and instead using public housing allocations to provide more sensitively for families' long-term housing needs.

## Engagement of families with state entitlements

---

A recurrent theme among our stakeholder and focus group conversations was that young adults did not always claim Universal Credit in their own right if they were living with their parents and not working. This could take the form of delaying claiming when they first found themselves in this situation, or not claiming at all, despite being out of work for substantial periods. As outlined in Chapter 2, concerns related to eligibility, the impact of claiming, and some sense of stigma could deter young adults from making a claim until they were really 'desperate'. Clearly the implications of not claiming are different for a young adult whose parents are providing them at least with a roof over their heads and subsistence, than one who lives on their own without any means of support, and this might help explain a degree of hesitancy in terms of making a claim. Yet our research shows that this can put considerable financial strain on the finances of parents on modest means. Even where families were aware of this, parents and young adults in our focus groups emphasised that they perceived the benefits system as being unclear, complex and unwelcoming.



*Maybe like a rebrand you know just to make it so it has less of a stigma... at the moment like I think of it as like a last resort for help - but I am not sure how you would change that.*

(Young adult, focus group)

As suggested below, it would be helpful if families had access to clearly presented information about a range of entitlements and how to claim them, including not just what to do if you are unemployed, but also information about the basis of support covering individuals and families' living cost and rent, as well as other schemes such as savings vehicles discussed below. In addition, young adults living with their parents would welcome clearer signalling that the benefit system is there to help support them, presenting a positive, approachable first port of call when needed. Our consultation meeting noted a need to change the narrative around benefits, to dispel the stigma and 'normalise' and encourage claiming with more emphasis on awareness raising, eligibility and entitlement. Young adults and parents had lots of suggestions about different ways to engage people. This suggests the following recommendation.

## Recommendation 4

**The Department for Work and Pensions and Jobcentre Plus should consider means of encouraging claims by young adults living with parents, through a range of mediums including innovative and targeted campaigns, web materials and social media initiatives making clear their entitlements. Consultation with young people in the design of campaigns would be essential.**

## Advice and guidance at points of transition

When non-dependents start living with their parents – whether this follows directly from childhood, or occurs after a period in which the young adult has lived away – families need to understand a range of aspects of this new living situation. These include the issues discussed above of the ending of family benefits and new entitlements to unemployment benefit for the young adult. Beyond these issues of social security are considerations of how best to organise family finances; how young adults can learn more about handling household finances when living with their parents; and what measures are available to support saving and preparing to move out. A recurring theme in our consultations was that these multiple issues facing families where young adults live with their parents are not the subject of any overall guidance, with information being inaccessible and dispersed.

Participants in the young adults' focus group in particular said that they had felt ignorant about these aspects of adult life when leaving school or college, and there was wide-ranging support for the existence of one place, preferably online, where this information could be accessed and was presented in a 'clear and simple' way. Parents too felt ill informed about the impact on their finances, for example of non-dependent deductions, and in the focus group discussed a need for information and support more generally for people in their situation dealing with issues raised when living with adult children. They didn't currently feel this was easily accessible given experiences of

difficulties communicating with DWP, the perception that other organisations were more focussed for example on debt problems or for families with younger children, and there was no obvious forum for information about this stage of life. Parents participating in the focus group said they valued the opportunity to share experiences on that occasion, and would value wider opportunities to do so:



*Like even this group I thought oh this is a great like... this is actually something that I am dealing with, a lot of the stuff you've said... it is interesting to hear other people's opinions.*

*With mums in the playground, you will speak to another mum and they will say "oh my kids doing this" and it is just that like... I am not the only one dealing with this and there is just like a little support network...*

(Parent, focus group)

This gap in support for families with older children was recognised by some of the organisations we spoke to – with a sense that systems weren't in place and that (unless very vulnerable) young adults can be 'left on the margins'. There was a perceived need for more advice/information tailored to issues faced by parents and young people living in this situation. One stakeholder noted while that young people might be aware that there is help out there they could find it difficult to know who to reach out to, who to trust for support, and where to contact them, hence good signposting is vital.

The people we consulted tried to think constructively about how information could most effectively be disseminated, and concluded that it was best directed at people at points of transition, notably educational institutions. One focus group participant pointed out that while at the end of university lots of information was given about how to access good careers, there was no guidance about what happens if things do not go to plan.

This suggests the possibility that 'careers education' could be widened to include more information about operating financially after completing one's education, including not just how to live independently but also how to engage in financial and other issues when living with parents. This requires an important paradigm shift in the way advice services regard this living arrangement – not only as a very temporary stepping stone to independent living, but a life stage that can last several years or even a decade or more, and could be used constructively to learn about operating financially in the adult world.

Overall, then, this points to the need for advice and guidance services to serve this group more systematically, and wider recognition that this is a stage of life for a growing proportion of families. Focus group participants welcomed the idea of an independent, but public body providing a specific service tailored to the broad range of needs of families in this situation – issues raised included support with benefits, general financial advice, saving, housing options, mental health, family relationships. One stakeholder working with young people emphasised in relation to engagement with support, the importance of getting the right tone, so that advice is not seen as patronising or risk making people feel at fault if they are finding it hard to manage. The heterogeneity of families in this situation is also important to acknowledge so recognising different circumstances and needs, including cultural differences and expectations, will also be a crucial part of service design and delivery. A suggestion in the consultation meetings that services aimed at this group should be developed in collaboration with those it is aimed at was welcomed by focus group participants. Stakeholder organisations also saw potential for their existing services to better cater for this group, and address broader needs this may entail. However, it is important to note that where this involves actional information and guidance it will require commitment, resource and time to ensure that they are designed and implemented in a way that maximises engagement with both young adults and parents.

## Recommendation 5

**A dedicated support / advice service to provide a website and/or other resources bringing together information and advice for both young adults and their parents who live together. This could be provided by an existing advice agency such as the Money and Pensions Service<sup>9</sup>, and should include input from young adults and parents, and the opportunity for people to share information.**

---

## Recommendation 6

**Organisations dealing with families and with young people, and those offering money advice, should consider prominently signposting this support/advice service focused on the needs of young adults living with their parents. In particular, this applies to charities, educational organisations and financial service providers.**

---

## Recommendation 7

**Using this or other resources, educational careers and guidance services should consider giving life-management advice that covers the situation of living with parents.**

---

## Financial education and conversations about money within families

---

A recurring theme in our research has been the highly variable degree to which families communicate about money. People we spoke to widely agreed that ideally, young adults living with their parents should understand the household financial situation, and it can be particularly helpful where budgets are tight. Participants in our focus groups and the main research reported a very wide range of experiences, influenced by both parents' and their sons' and daughters' different attitudes. This varied from children taking a role in the family finances and making a contribution, others where children 'didn't want to know', or where parents kept finances to themselves. However, parents generally referred to the need to have 'the talk' about money with their adult children, but often found it hard to do so.

There was agreement that financial education and open communication go hand in hand. Participants in our young adults focus group said that they wished they had learned more about money when at school, and had often only gradually come to an understanding of financial issues

---

9. The Money and Pensions Service is an arms-length body funded by the Department for Work and Pensions to provide free, independent guidance and advice.

as adults. Reflecting experiences reported by several families in the research, one father in a focus group described sitting down with a pen and paper with each of his adult children and going through the household finances. This was seen as valuable not just in terms of being involved at the present, but also in learning about household financial management for a future time when the young adult formed their own household. Where parents in the research had been reluctant to involve their adult children in household finances, they sometimes contemplated whether this was creating a ‘bubble’ and not helping their child towards independence in the longer term. Young adults also expressed the desire to be treated more as adults in this regard.

The Money and Pensions Service recognises the importance of good communications within families about money. It produces online guidance about money conversations, both at a general level and with specific tips for talking to young children, teenagers and adult children. A similar set of tips is published by the Family Lives charity. Developing and disseminating these guides, as part of the service suggested in Recommendation 5, could help tackle many of the communication-based issues raised by the people we consulted; parents in our focus groups were not aware of them. One way that such initiatives could be developed is not just suggesting to parents how they might raise money issues with their adult children, but also direct such guidance at the young adults themselves, so that conversations are not only started as an issue raised by parents. Young adults in our focus group and interviews expressed the desire to be better informed in a way that enables them to have more balanced discussions with parents to facilitate clear financial arrangements and effective communication to come equally from both sides. There is thus scope for guidance to be directed jointly at these two parties, engaging them in how to talk about money together.

## Recommendation 8

**Advice for co-resident young adults and their parents should include tips on money conversations within families, directed both at the parents and at the young adults, in the latter case using educational institutions and other appropriate fora to reach this audience.**

---

### Measures to support saving and moves towards independence

---

An important part of any conversation about young adults living with their parents is how they can take steps towards living independently. There have been various initiatives to help young adults to buy their first homes, but these have often been inaccessible to families on low to middle incomes, especially in more expensive parts of the country (Hill et al., 2020a). The creation of housing and employment conditions that might improve the ability of young adults to live independently is a vast subject, beyond the scope of this report. However, those that we consulted raised a number of issues specifically relevant to the situation of young adults living with their parents, where some helpful actions could be taken. As set out below, these concerned in particular how to encourage saving to allow people to move, how to reduce risk that deters moves towards independence and how to achieve clarity in any joint family arrangements to support a young adult to move to their own home.

**Encouraging saving:** Enabling a young adult to save up in order to be able to live independently has been a big theme for families throughout this project. For some, the focus is on saving for a deposit to buy a property, potentially with help from government schemes such as Help to Buy and

First Homes. However, particularly in more expensive parts of the country, for anyone who does not expect a large gift from parents, home ownership can seem out of reach, and the focus is more on paying the initial cost of renting, for which significant deposits and advance rent payments being a potential barrier.

The 'Help to Save' scheme currently assists working people on Universal Credit to save up to £3,600 over four years, with a third of this being provided in matching funds by the Government. This kind of scheme is of potential interest to young adults wishing to save a one-off sum that can help them take a first step to living independently in a rented property, by having enough for a deposit, some advance rent and a small reserve. However, parents and young adults in our focus groups had a limited awareness of the scheme or understanding of how it worked (not realising, for example, that it can continue even if they come off UC), and while the scheme in some cases enables parents to save, its design effectively excludes young adults living with parents. This is because to be eligible, someone needs to be on UC and earning at least £617 a month, a level of earnings that would reduce the young adult's UC entitlement to zero. (The single person's UC entitlement, for over 25s, is £325 from October 2021. This is reduced by 63% of all earnings, meaning the entitlement reaches zero on earnings of £525 or more.)

An extension of the Help to Save scheme to include young adults living with their parents, who have modest earnings but whose relatively low living expenses allows them to put some money aside, could encourage them to do so systematically, and enable savings to build up faster because of the public subsidy. Parents often say they wish to keep their adult children's expenses down so that they can save to the future; such an initiative would help them to do so.

## Recommendation 9

### Extend eligibility for the Help to Save Scheme to people under 35 earning up to £17,000 a year (equivalent to working full time on the National Living Wage), regardless of eligibility for Universal Credit.

---

**Reducing risk:** A common theme in our research on motivations for young adults to live with their parents is that this is a safe haven in an uncertain world. Moving out requires people to take on financial commitments such as rent or mortgage that can be hard to meet if things go wrong, such as through job loss or reduced working hours, or through changes in personal relationships, which for example can cause a shared living arrangement to break down. While there are no easy fixes to remove this uncertainty, some mitigation can modify its consequences. A particular issue mentioned by stakeholders and focus group participants is that moving out to shared accommodation can be highly risky because of rental contracts (often guaranteed by parents) for which all parties are 'jointly and severally' liable. This means that each tenant can be liable for the bills of their sharers if they leave without paying their rent. A less risky arrangement is for each tenant to have a separate agreement with the landlord, although this can also have drawbacks by preventing people from choosing who they live with. A different approach that appealed to young adults in our focus group was improved arrangements for affordable ways of living independently. This included the suggestion of self-contained student-type accommodation as a stepping stone, or accommodation that does not involve sharing, but at affordable rents – such as in low-cost flats that are starting to be converted from shops in city centres. Such arrangements have particular appeal to people in their late 20s and early 30s who are ten years older than typical students, and less likely to find house sharing as attractive, because they value privacy and independence.

**Clarity in joint arrangements.** In some cases, parents help their children directly, for example by guaranteeing rent or mortgage, or by helping them to buy a property. While some parents are keen to help their children in this way, it is important that there is clarity about where responsibilities and obligations lie. The Family Building Society, which helps arrange collaborative purchase of homes of this type, emphasises that written-down arrangements are crucial. This is a further aspect of family arrangements on which good advice is needed, in the context of the advice resources referred to earlier.

This report draws both on the direct experiences of young adults and parents, and consultations with key stakeholders, to provide insight into the issues facing low to middle income families where adult children live at home, as well as potential ways in which policy and practice can respond to better meet the needs of families living in this situation.

Reflecting the growing proportion of households where young adults live with parents (whether they have never left or returned home) the research highlights that for many families this is not just a stop gap and should be seen as an important stage of life – one that brings benefits and challenges for families as they negotiate the path from a child becoming an independent adult whilst living at home and generally looking towards eventually moving out.

Our focus on low to middle income families shines an important light on the issues faced by families in constrained financial circumstances, who do not fit the common ‘bank of mum and dad’ stereotype, where parents have plenty of resources to help their children. It shows how structural factors, in particular aspects of the social security system can add to constraints and disadvantage faced by both young adults and parents in this situation. It highlights how, while ‘non-dependent’ young adults and parents are viewed as independent in the eyes of policy, they are profoundly interdependent given the extent to which their individual financial lives are intertwined. This has important consequences for household living standards.

The report highlights some common themes but also heterogeneity even among low to middle income households and the factors involved in their reasons and feelings about co-residing, and how they manage their living and financial arrangements.

The overriding issue influencing young adults living with parents was housing affordability. Most obviously this relates to the high cost of alternative housing – whether buying a property or private renting - but closely interconnects with the instability of employment, and insecure income. As outlined in Chapters 2 and 3 the prospect of moving out was often discussed in terms of aims and hopes with immediate plans more focussed on working towards the precursors to living independently – stable employment and earnings, savings, sometimes a partner and managing ill health. These conduits however are elusive for many young people, and (at the time the interviews took place) the impact of the Covid pandemic exacerbated insecurity for many. Moreover, those in low to middle income families cannot rely on parents to directly financially support them in moving out. Yet parents with modest means can help their sons and daughters at this stage of life in other ways. Most obviously, sharing their home can be seen as a vital safety net, offering stability for young adults who often experience insecurity. In addition, saving on the cost of living independently enabled some of them to save towards eventually moving out.

Importantly our findings highlight that for families in this situation the safety net is not just one-way, and contributions from young adults can be helpful to parents who are struggling: one young adult in our study was at times ‘the bank for mum and dad’. What is tougher is where both parties are finding it hard to manage, particularly where they rely on benefits which do not consider the

needs of the household as a whole. This is reflected in our recommendations (1-4) to help families deal with the potential financial loss when their child becomes a non-dependent, remove the 'non-dependent' deduction where a young adult is not earning, and ensuring that both young adults and parents are claiming the benefits they are entitled to.

While living together was often a constrained 'choice', it is important to note positive aspects of co-residence for both parents and young adults, for example the benefit of each other's company, and saving money compared to living independently. However, much depends on the relationships between a parent and their son or daughter, and also space in the home, with overcrowding, in particular sharing bedrooms making the experience more difficult. Here, feelings of being 'stuck' with limited options about living arrangements were more pronounced. Communication about household finances and a young adult's contribution as well as other responsibilities was integral to managing relationships, and something that both parents and young adults recognised as being helpful where positive and an issue where relationships were more strained. Conversations about money were sometimes difficult even for families with good relationships. Our recommendations (5-9) suggest the provision of specific advice and support tailored to the needs of both young adults and parents who live together. It must be well signposted, and include advice about money conversations and issues within families.

## The context of the pandemic

---

Given that the interviews with young adults and parents took place late 2020 to early 2021, the Covid pandemic had significant implications for many families. This related to both young adults and parents losing work and income with employment opportunities limited at that time. Most directly related to this research is where this resulted in young adults moving back to live with parents. As such the study provides a valuable insight into the implications of the pandemic for families in this situation. However, families could already be in precarious circumstances, with insecure employment, health inhibiting work, low income, debt or being unable to save being an ongoing feature of life among low to middle income families. For some the Covid pandemic exacerbated an already insecure situation, with young people in particular being hard hit with job losses related to their likelihood of being in insecure, lower paid work and in sectors most impacted at that time (Henehan et al., 2021). However, it is important to place the research in the current context and note some key subsequent changes and their potential implications for families like those in our study:

- In relation to the labour market, most sectors have re-opened and there has been less unemployment resulting from the Covid pandemic than feared, which is good news for those families where a young adult or parent was on furlough or looking for work. However, in terms of finding stable work with decent income, which was a need for young adults wanting to save to move out, it will depend on the type of work, hours, contract and pay on offer (Costa Dias et al., 2021) as to whether this provides a short-term boost or longer-term security and movement towards their goal.
- Families dependent on Universal Credit at the time of the study were receiving the £20 a week uplift in their payments; however, this was withdrawn in October 2021. Like many, some people in our study had made claims during Covid, hence while the withdrawal has been labelled as a removal of a temporary increase, they would not have experienced life on the lower amount, making the reduction particularly challenging. Among those hardest hit are young adults under 25 where the £20 reduction represents a 25% drop in the basic entitlement, and any families where a young adult and parent are both on Universal Credit whose household would lose £40 a week in total

- House prices have risen significantly during the pandemic and this is likely to push the prospect of buying a property further out of reach for more young adults living with parents, with prices likely to be rising faster than their ability to save and the need to find ever greater deposits.
- More generally, recent rises in basic living costs such as food and domestic energy have a relatively greater impact on low income households.

## Recommendations for policy and practice

---

The needs of the families considered by this research can often be overlooked in policy and practice, which tend to focus on families with dependent children, or young adults who are fending for themselves and risk homelessness. Yet the research has highlighted a range of needs of households where young adults continue to live with parents, guardians or other family members, on modest means. Policy makers and practitioners need to engage more with both young adults and parents in this situation, and as a start, we have proposed the following recommendations:

- Extend entitlement to the Universal Credit Work Allowance to any family with at least one child under the age of 23 living in their home.
- Parents receiving Universal Credit automatically receive a notification at least six months before a child included in the claim is likely to become a non-dependent, alerting them to the estimated reduction in Universal Credit that will occur and that the ‘child’ will be able to make a claim in their own right.
- Reduce to zero the non-dependent deduction applicable to Housing Benefit or Universal Credit in cases where the non-dependent has no earned income.
- The Department for Work and Pensions and Jobcentre Plus should consider means of encouraging claims by young adults living with parents, through a range of mediums including innovative and targeted campaigns, web materials and social media initiatives making clear their entitlements.
- A dedicated support/advice service to provide a website and/or other resources bringing together information and advice for both young adults and their parents who live together. This could be provided by an existing advice agency such as the Money and Pensions Service, and should include input from young adults and parents, and the opportunity for people to share information.
- Organisations dealing with families and with young people, and those offering money advice, should consider prominent signposting to this support/advice service focused on the needs of young adults living with their parents. In particular, this applies to charities, educational organisations and financial service providers.
- Using this or other resources, educational careers and guidance services should consider giving life-management advice that covers the situation of living with parents.
- Advice for co-resident young adults and their parents should include tips on money conversations within families, directed both at the parents and at the young adults, in the latter case using educational institutions and other appropriate fora to reach this audience.
- Extend eligibility for the Help to Save Scheme to people under 35 earning up to £17,000 a year (equivalent to working full time on the National Living Wage), regardless of eligibility for Universal Credit.

## Further research

---

While this research has made a contribution to the evidence around families where young adults live with their parents, and particularly illuminated some of the issue for those on low to middle incomes, this is an under-researched area with scope for further investigation. This could include: longitudinal research to follow how family members fare over time; in depth work with families from different cultural backgrounds which requires specific attention, and the situation of mid-to-late life family sharing where people move in with older relatives as home ownership starts to decline.

# References

---

1. Clery, E., Dewar, L. and Bivand, P. (2020) [Untapped talent: Single parents and in-work progression – the national picture](#). London: Gingerbread
2. Costa Dias, M. (2021) [No jobseeker's paradise: vacancies above pre-pandemic levels, but only in low-paid occupations, and competition for jobs is still higher than pre-pandemic for most](#). Institute For Fiscal Studies – IFS
3. Daly, M. and Kelly, G. (2015) *Families and Poverty: Everyday Life on a Low Income*. Bristol, Policy Press.
4. Financial Conduct Authority (2021) [Financial Lives 2020 survey: the impact of coronavirus](#).
5. Gustafsson, M. (2021) Boom(erang) Time? [An analysis of younger adults living with their parents](#). London: Resolution Foundation
6. Henehan, K., Gustafsson, M., Cominetti, N., Handscomb, K., Judge, L., Leslie, J. and Try, L.(2021) *An intergenerational audit for the UK: 2021*, London, Resolution Foundation.
7. Hill, K., and Webber, R. (2021a) [Seeking an anchor in an unstable world: experiences of low-income families over time](#). Joseph Rowntree Foundation: York.
8. Hill, K. and Webber, R. (2021b) [Staying afloat in a crisis: families on low incomes in the pandemic](#). Joseph Rowntree Foundation: York.
9. Hill, K., Hirsch, D., Stone, J. and Webber, R. (2020a) [Home truths – Young adults living with their parents in low to middle income families](#). Edinburgh, Standard Life Foundation.
10. Hill, K., Hirsch, D., and Davis, A. (2020b) [The Role of Social Support Networks in Helping Low Income Families through Uncertain Times](#). Social Policy and Society, 1-16.
11. JRF (2021) UK Poverty 2020/21 [The leading independent report](#).
12. Office for National Statistics (2021) *Young adults living with their parents*, <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/datasets/youngadultslivingwiththeirparents>
13. Stewart, K., Reeves, A. and Patrick, P. (2021) [A time of need: Exploring the changing poverty risk facing larger families in the UK](#). London: Centre for Analysis of Social Exclusion, London School of Economics
14. Wenham, and Sandor (2021) [People in low-paid, insecure work faced a rising tide of employment uncertainty in 2020](#). York: Joseph Rowntree Foundation

# Appendix 1. Key findings from the report on phase 1 of the project:

---

Hill, K., Hirsch, D., Stone, J. and Webber, R. (2020a) [Home truths – Young adults living with their parents in low to middle income families.](#)

Figures / Tables referred to can be found in the above document.

- Among all 20-34 year olds, across household types, the proportion who are single, childless and live in the parental home began to increase rapidly after 2008, growing from 22% in 2008 to 28%\* in 2020, having been more stable in the previous five years (Figure 2.1). A total of 3.6\* million single young adults now live in this situation. They represent nearly two thirds of those 20-34 year olds who are single without children, and that between 2008/09 and 2017/18 this proportion grew from 55% to 63%.
- The regional picture depends heavily on whether young adults are being analysed by their region of origin (Figs 2.1, 2.2) or by where they are presently living (Fig 2.4). London has a greater proportion of young adults living independently, especially in their late 20s, than other regions, because people move to London from other regions for work purposes. Yet for London families with sons or daughters aged 20-34, the situation is reversed: these London originating young adults are more likely than average to live at home, because of the relatively high cost of moving out to independent accommodation in London.
- There is no single pattern of whether more or less advantaged young adults are more likely to live in their parental homes. In their early 20s, those with full time jobs are slightly more likely to live at home than if they work part time or unemployed, but in their late 20s, full-timers are much more likely to have left, as are those who have better qualifications (Table 2.1). This suggests that for 20-24-year-olds, who are 'finding their feet', there is heavy dependence on parents across the board: in no group other than students does a majority in this age range live outside their parents' home. It is in their late 20s that group differences become greater, widening more in the 30-34 age group, with an overall tendency for those with greater resources to be able to move out.
- When looking at the profile of parents (Table 2.2), it appears that there are some ways in which families with more limited resources are less likely to have their sons and daughters living with them beyond their mid 20s. Specifically, this applies to people renting privately (who may have less space) and those who are not working (who may have fewer resources to support their grown-up children). It appears therefore that to some extent young adults economic advantages encourage them to leave, while their parents' advantages may encourage them to stay, but the latter relationship is not straightforward. For example, a parent living in social housing is equally likely to have their 25-29 year old son or daughter living with them as one who is buying their home with a mortgage. Both can offer more housing stability than a private tenant, showing that there is no simple relationship with socio-economic status here.
- In their early 20s, around 60- 70% live with parents across all ethnicities. In their late 20s this declines to around half or less for most but remains at close to three quarters for Asian young adults, and even in their early 30s a majority of Asian singles are living with parents, compared to one in three overall (Table 2.1).

- In rural areas, parents with children in their late 20s and early 30s are less likely to have at least one of them living at home than in urban areas (Table 2.2 and 2.3)
- Analysis of income scenarios that take account of the impact of a child becoming 'non-dependent' on overall household income from social security benefits and potential earnings at the National Minimum Wage level shows that (based on 2020 calculations):
  - Families with working parents are likely to be better off with a working young adult at home than supporting a teenager, even with the help of tax credits; however, they are likely to be worse off with a non-working young adult, especially for a single parent.
  - The same pattern applies to non-working parents, except that in this case if the young adult does not work, both the couple and single parents experience a big drop in living standards, from an already low level. This is the effect of losing the tax credit support that prevents non-working families from sinking into deep poverty once the child grows up

\*These figures have been updated as new data became available since the phase 1 report was published (ONS, 2021).

### **Centre for Research in Social Policy, Loughborough University**

The Centre for Research in Social Policy (CRSP) is an independent research centre based in the School of Social Sciences at Loughborough University. Over the past 30 years, it has built a national and international reputation for high quality applied policy research.

<https://www.lboro.ac.uk/research/crsp/>

### **The full report is available at:**

[www.financialfairness.org.uk/ourwork/publications](http://www.financialfairness.org.uk/ourwork/publications)

### **abrdn Financial Fairness Trust**

The Trust works to tackle financial problems and improve living standards for people on low-to-middle incomes in the UK. It is an independent charitable foundation registered in Scotland which funds research, policy work and campaigning activities.

[www.financialfairness.org.uk](http://www.financialfairness.org.uk)