How Do Living Arrangements Affect the Prevalence of Jobless Households Across European Regions?

Abstract

Jobless households are defined as households with all members out of employment. They are without access to earned income and at a higher risk of poverty and social exclusion. Although young people have the highest rates of unemployment of all age groups in Europe, they are the least likely to live in jobless households. Moreover, countries with the highest rates of youth unemployment are not the ones with the highest percentages of young people in jobless households. Diverging living arrangements can explain most of the variation in the prevalence of jobless households across Europe. We use the European Union Labour Force Survey (EU-LFS) data for 24 countries and 184 regions for 2012 and run various multilevel logistic regression models to predict the probability of European youth to be in jobless households. We also look at the compensating contributions of parents and spouses to keep them from being in jobless households.

Keywords

Youth Unemployment, Living Arrangements, Jobless Households, Europe

1. Introduction

Jobless households are the households with all members out of work. All the members of jobless households are either unemployed or inactive[1] and thus without access to any earned income. We choose to use the term *jobless* households although in the literature *workless* household is also commonly used to refer to the same type of households (Gregg *et al*., 2010; Harkonen, 2011). We choose jobless to avoid any confusion that may arise from 'Persons living in households with low work intensity' which is one of the three components of Europe 2020 poverty and social exclusion target. People living in households with low work intensity are defined to be in households where the members of the household worked less than 20 per cent of their potential during the previous 12 months (European Commission, 2010). In this paper, instead of hours worked and work intensity, joblessness depends on the labor market status during the reference week.

The growth of jobless households over the last years has become one of the major concerns in Europe because of its adverse consequences on poverty and social exclusion. It has been commonly argued that individuals in jobless households are more likely to be at a higher risk of poverty and social exclusion, with considerable attention devoted to vulnerable groups like children or young people (Ermisch, *et.al*, 2004; Harkonen, 2011). At least, young people having the highest rates of unemployment of all age groups in Europe are the least likely to live in jobless households (Esteve, *et. al*., 2015).

Moreover, countries with very high levels of unemployment rates do not necessarily have the highest percentages of jobless households (OECD, 1998). High prevalence of jobless households is not a direct consequence of high aggregate unemployment rates. Household level joblessness measures provide further information about the distribution of employment and earned income across households.

Living arrangements are crucial to better understand the prevalence of jobless households. This is particularly the case for young people who experience their transitions to adulthood very differently across Europe. While in some countries completing high school means leaving

[1] Inactive family members can be students, retired individuals, sick, disabled or could have other responsibilities or commitments that keep them out of work. Inactive would be mostly students in this paper focusing on young people.

parental home to live alone, in others even after entering into labor market or forming the first union and having children, young people continue living with their parents. We believe that this variation in living arrangements of young people serves to explain a big part of the discrepancy in the prevalence of jobless households across Europe.

Therefore, the first goal of this paper is to present a detailed description of the diverse living arrangements of the European youth. We also differentiate between different labor market statuses with the intention to shed light on how living arrangements of unemployed young diverge from that of employed and inactive young individuals. We run various multilevel logistic regressions to predict the probability of young unemployed individuals across European regions to be in jobless households. We then look at the contribution of parental and spousal co-residence to keep the unemployed young from being in jobless households. Our main contribution to the literature on jobless households is the emphasis we put on the importance of diverging living arrangements to present a comparative description of 24 countries in Europe with a regional dimension.

The paper is organized as follows: In section 2 we describe the data. We present the diverging living arrangements of the young across European regions taking into account their labor market statuses in Section 3. Then we move to the focus of the paper in section 4, unemployed youth in jobless households. We present the importance of co-residence patterns to diminish the likelihood of being in a jobless household for the unemployed young populations across Europe, focusing on the contributions of parents and spouses. In section 5, we end the paper with some concluding remarks.

2. Data

We exploit the EU-LFS micro data for 2012 which is the main data source for the employment/unemployment database of the Eurostat. In addition to the labor market statuses of individuals 15 and over, it provides detailed demographic information for all the household members. EU-LFS data allow all individuals co-residing in the same household to be linked via family interrelationship variables. Based on these family interrelationship variables, we know for every person whether he or she is co-residing with a parent, a spouse, children, or other

individuals as well as employment statuses of each co-residing household member (Eurostat, 2008).

Our dataset is reorganized to bring together the basic demographic and social (e.g. age, sex education and immigration) information with the co-residence characteristics of each unemployed individual together with employment status of all co-residing household members. Our dataset includes 679901 individual records from 24 countries (Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Germany, Estonia, France, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, the Slovak Republic, Spain, and the United Kingdom) and 184 regions across Europe providing household-level information.

International Labor Organization (ILO) defines those above the minimum school-leaving age and less than 25 as young people or 'youth' and those between the ages 25 and 30 as 'young adults' (ILO, 2014). In this paper, we focus on unemployed individuals who are between 15 and 30 years old, incorporating young adults, since major life decisions in transition to adulthood are taken at these ages.

3. Living Arrangements of the European Youth

Living arrangements of young individuals and their transitions to adulthood are closely intertwined. Young individuals complete their transitions to adulthood through various critical events like completing school, leaving parental home, entering into labor market, forming the first union or having children. The timing and the sequencing of these events diverge widely in Europe (Billari, et.al., 2001) and today patterns of transition to adulthood remain to be highly heterogeneous across Europe (Buchmann and Kriesi, 2011; Sobotka and Toulemon, 2008).

A big body of literature can be found on diverse living arrangements of young adults across Europe. Diverse family systems prevailing in Europe have attracted considerable attention in this respect. In his famous North-South typology, Reher (1998) identifies North Europe with "weak" family ties and early home leaving and South Europe with "strong" family ties and late home leaving in the form of co-residence of adult children in order to provide support for the parents when they are older. Parental home leaving in Southern Europe is mostly identified with direct transitions to marriage and parenthood and it is not a common practice to leave parental home to

gain independence (Avery *et. al*., 1992). Nuclear family is the major provider of financial assistance, housing, emotional support as well as being a major channel of the socialization process for the young people in Southern Europe (Chtouris, *et. al*., 2006). Transmission of this strong familistic way of living generations to generations in Southern Europe is argued to be an important factor to explain the divergence between the North and the South of Europe (Dalla Zuanna, 2004). On the other hand, Western and Northern Europe are characterized with early home leaving in order to live alone or to cohabit with a partner. Scandinavian countries exhibit the extreme case of high non-marital cohabitation and very early parental home leaving (Iacovou, 2002), which is a consequence of the individualization process and the Second Demographic Transition (Van de Kaa, 1987).

Eastern Europe has been characterized by near universal and early marriage and low proportions of individuals remaining single by Hajnal (1965). However, following the collapse of communist regimes, main indicators of the Second Demographic Transition were quick to emerge such as the rise in premarital cohabitation rates and extramarital births together with increased ages at first marriage and postponement of fertility (Lesthaeghe, 2010). In addition to these, major changes occurred in the household structures of Eastern European countries. With a sharp decline in support provided by the state, family gained more importance as a support mechanism for young individuals during their transitions to adulthood (Haragus, et. al., 2008). Although, prolonged co-residence with parents and extended households are still among the main characteristics of Eastern European living arrangements (Kuhar and Reiter, 2012; Ahmed and Jean Emigh, 2005), Eastern Europe is very heterogeneous in itself, some countries having commonalities with Southern Europe, others with Northern and Western Europe (Iacovou and Skew, 2010; Puur et. al., 2012).

Generosity of different welfare systems is an important factor used to explain the divergent home living decisions of young individuals. While, youth in Scandinavian countries enjoy very generous welfare systems and high levels of state support, Southern European countries lack this support. Actually, family tries to compensate the lack of state support in Southern Europe. In Scandinavian welfare systems dependence on the family and the market is avoided by high state support and with emphasis on individual independence (Esping-Andersen, 1999). Limited development of youth emancipation support policies in Southern Europe also helps to explain the

dependence on intergenerational solidarity as a protective mechanism (Moreno, 2012). Aassve *et.al*. (2002) show that employment and household income may have very different effects on parental home leaving decisions of the young under these different welfare regimes of Europe. They show that while both income and employment are very influential on home leaving decisions of young people in weak Southern Europe welfare regime, they do not find a significant effect of neither income nor employment in generous Social Democratic welfare regimes. Díaz and Guilló (2000) also show that young people leave parental home only if they have sufficiently high wages in Spain. On the other hand, Giuliano (2007) puts more emphasis on culture showing that second generation European immigrants in the US duplicate the European pattern of living arrangements in this neutral environment in terms of welfare system and economic conditions.

Additionally, tight housing markets and high housing prices are found to be influential on home leaving and household formation decisions of the young individuals (Borsch-Supan, 1986; Ermisch, 1999). Together with the dynamics of the housing market, cultural aspects of property ownership in the form of strong preferences towards owned property are found to add to the delayed periods spent in the parental home in Southern Europe (Moreno, 2012).

Economic hardship and spells of unemployment may also have an impact on transition processes of young individuals to adulthood, particularly through delays in parental home leaving (Aassve *et. al*., 2013). After leaving the parental home, young people may have to "double up", move in with other people in order to endure spells of unemployment (Wiemers, 2014; Mykyta and Macartney, 2011). Kaplan (2009) showed the increased likelihood of moving back to the parental home after a job loss. During periods of low earnings, parents provide support to their children either in the form of financial transfers or shared co-residence (Rosenzweig and Wolpin, 1993).

In this section we focus on the divergent living arrangements of the age group 25-29 as the majority of the young live with their parents at younger ages. In Figure 1, percentages living with a parent, living with a spouse, living alone and living with another household member are displayed in four sections. The category *parent* (*spouse*) represents those who are living with a parent (spouse) but not with a spouse (parent). *Alone* category comprises young individuals who do not co-reside with any other household member, having household size of one. The *other*

category represents the rest of the individuals with living arrangements different than the aforementioned three categories. We present our results comparatively for the total and three sub-populations detail (employed, unemployed and inactive). The figure depicts the median and interquartile range (IQR) based on EU-LFS data for 24 countries for 2012. Rectangular bars indicate the variation across countries, and the whiskers denote the lowest and highest values within 1.5 IQR of the lower and upper quartiles.

FIGURE 1 ABOUT HERE

The biggest variation is observed in co-residence with parents. While there are countries with almost 80 per cent of the unemployed young men living with a parent, this percentage is as low as 25 per cent in others. Parental co-residence is lower for women. Percentages of young women living with a parent vary between 15 and 60 per cent. For men, countries with the highest levels of parental co-residence are Eastern and Southern European countries: Malta, Slovenia (with almost 80 per cent for men and over 60 per cent for women) followed by Portugal, Greece, Slovakia, Spain and Italy (over 70 per cent for men and over 50 for women). Percentages of women living with a parent are lower compared to those of men as women leave parental home earlier than men (Billari, *et. al.*, 2001; Goldscheider and Da Vanzo, 1989; Mitchell, *et. al*., 1989). The lowest levels of parental co-residence are observed in the UK, Germany, Netherlands and France with less than 30 per cent for men and less than 15 per cent for women.

Levels of co-residence with a spouse are relatively lower for men. On the other hand, young women have high levels of co-residence with a spouse. Indeed, percentage of women co-residing with a spouse is even a little bit higher than the percentage co-residing with a parent. This is first because men are more likely to stay longer in the parental home compared to women and second because men tend to marry younger women and women enter into first union at younger ages compared to men. Therefore, a higher proportion of women have already left the parental home to live with a spouse in this age group. For men, co-residence with a spouse varies between 15 per cent and 50 per cent while for women between 30 per cent and 60 per cent. The UK and Netherlands with very low levels of parental co-residence both for men and women have the highest levels of spousal co-residence, around 50 per cent for men and over 60 per cent for women. Countries like Slovenia, Spain, Malta, Portugal, Greece, Italy and Slovakia have the lowest levels of co-residence with a spouse around 30-35 per cent for women. Less than 15 per

cent of the young men are co-residing with a spouse in Bulgaria, Greece, Slovenia, Italia, Romania and Malta.

Living arrangements of young men and women vary further when we take into account their labor market statuses. One of the first elements that catch our attention in the figure is that while inactive men have very high levels of parental co-residence, inactive women have very low levels of parental co-residence. As expected, inactive women have very high levels of spousal co-residence while inactive men have very low levels. This can be first due to the fact that women at this age group are more likely to fall inactive after giving birth to a child. According to our data, around 55 per cent of the inactive women in this age group are already with a child (while it is only 8 per cent for inactive men). More than 80 per cent of the inactive women in this age group have a child in Czech Republic and Estonia. Percentages of both unemployed men and women living in the parental home are higher compared to employed men and women. And percentages of employed men and women living with a spouse are high compared to unemployed men and women which reflects the fact that home leaving decisions of both men and women are affected by their employment statuses.

Similarly, prevalence of living alone varies across Europe. Overall, a slightly greater percentage of young men live alone compared to young women. In Germany more than 30 per cent of the young men (25 per cent of the young women) in this age group are living alone. In Austria, France, Netherlands more than 15 per cent of the young men and women are living alone. On the other hand, living alone does not appear to be a common experience in Southern and Eastern Europe. Less than 5 per cent of the young men live alone in Spain, Portugal, Slovenia, Slovakia, Poland, Malta and young women in Spain, Portugal, Slovenia, Slovakia, Poland, Malta, Bulgaria and Hungary. Ireland also has one of the lowest percentages of young men and women living alone.

In most of the countries percentage of the employed men living alone is higher than the percentage of unemployed or inactive men living alone. However, in some countries, like Bulgaria, Cyprus, Greece and the UK percentage of the inactive young men living alone is the highest and in some countries like Germany, Belgium and the Netherlands percentage of the unemployed men living alone is the highest. The high percentages of unemployed men living alone in these countries can be a consequence of earlier parental home leave in these countries

and a job loss experienced after moving out of the parental home. On the other hand, in the case of women, it is always the employed women with the highest percentages of living alone (only with the exception of Belgium where the percentage of unemployed young women living alone is the highest).

Young people with *other* living arrangements can be living with friends or with other relatives. Young people co-residing with a parent and a spouse at the same time are under this category as well, as it is not a common practice in contemporary Europe. Indeed, it is only the Eastern Europe where this type of living arrangement is observed. In Eastern Europe, young people may enter into first union when they are in the parental home and continue living there with their partners (Billari *et al*, 2001). According to our data, Bulgaria and Romania are the two countries with the highest percentages of men co-residing both with a parent and a spouse in the same household (around 10 per cent). Eastern European countries (Estonia, Latvia, Poland, and Slovakia around 5 per cent) are followed by Southern European countries around 1.5-3 per cent. On the other extreme, countries like Belgium, Germany, France or Ireland have less than 1 per cent of young men in this living arrangement. Therefore, in most Eastern European countries, most of the young people categorized under *other* are the ones co-residing with a parent and a spouse at the same time (more than 50 per cent). As expected in countries like Germany or Ireland only 5 per cent of the young individuals under the "other" category are living both with a parent and spouse. In Western Europe, we expect this category to be mostly made up of young individuals living with their friends as co-residence with an extended family member as kinship networks do not extend beyond the nuclear family (Arundel and Ronald, 2015).

4. Unemployed Youth in Jobless Households

Jobless households are the households in which none of the household members are employed; in which all the household members are either unemployed or inactive. High prevalence of jobless households in a country means an uneven distribution of work. Residing in a jobless household is shown to substantially increase the likelihood of living in relative income poverty and deprivation (Dickens and Ellwood, 2001; Graaf-Zijl and Nolan, 2011; Nickell, 2004; OECD 1998, 2004 and 2008) and to have detrimental outcomes for young adults (Ermisch et. al., 2004) and severe implications for child poverty (Harkonen, 2011;). This is why household level

joblessness is included among the core social inclusion indicators of Europe 2020 Strategy together with relative income poverty and material deprivation (European Commission, 2010).

Although being in jobless households seems to increase the likelihood of being in relative income poverty, Graaf-Zijl and Nolan (2011) show that the association between these two is not as straightforward as it may seem. Investigating the association between being in a jobless household and the two other components of EU's poverty reduction target (income poverty and material deprivation) they underline the big variance across Europe and show that while in some countries people in jobless households are neither income poor or deprived, in some they are both income poor and deprived, in others they are income poor but not deprived or the other way around. Their findings emphasize the crucial importance of better understanding the cross country variation across Europe to better frame the EU's poverty target.

Aggregate and household level employment measures can provide very different signals about the performance of the labor markets as past experience show that number of households without any work has increased even in the periods of stable or growing aggregate employment (Gregg and Wadsworth, 1996). With Figure 2, we aim to present the two very distinct pictures of Europe in terms of youth unemployment rates and percentages of the young living in jobless households.

Recent research focused on this increasing gap between individual and household level joblessness measures and the uneven distribution of the (un)employment across households (Gregg and Wadsworth, 1996, 1998; Gregg *et al.*, 2010; Dawkins *et al.*, 2002). Comparing the actual and the counterfactual workless household rates (which would occur if work were randomly distributed), Gregg *et. al.* (2010) show that although its incidence and magnitude varies across countries, an increase in polarization (discrepancy between individual and household level jobless measures) was observed in every country in their analysis[2]. They attribute this increasing discrepancy to within-household factors and basically to labor market shifts in the concentration of employment across age, region, gender and education. Changing household composition, mainly the increasing number of single-adult households or a move towards lone-parent households usually headed by a female are argued to have contributed to widen the discrepancy (Dawkins *et. al.*, 2002; OECD, 1998). Marriage market inequalities,

[2] United States, Britain, Germany, Spain and Australia

educational homogamy and assortative mating (Dawkins *et. al.*, 2002; Ultee,1988; Verbakel, 2008) are other factors increasing the concentration of joblessness in particular households.

FIGURE 2 ABOUT HERE

Countries with very high unemployment rates like Spain, Portugal, Italy and Greece have relatively low percentages of young men and women living in jobless households compared to Germany and Belgium with very low levels of youth unemployment. In Germany, with the lowest youth unemployment rates, half of the young population lives in jobless households. Belgium, France, Ireland and Greece also have very high percentages (over 40 per cent) of unemployed young men in jobless households following Germany. For women Belgium, Ireland and the United Kingdom are the countries with the highest percentages. Netherlands has the lowest percentages of the both young men and women in jobless households (around 20 per cent). Cyprus, Estonia and Slovenia also have low percentages of young men and women in jobless households. Although percentages of young population in jobless households vary between 20 per cent to 50 per cent across Europe both for men and women, in majority of the countries percentages of women living in jobless households are lower than those of men (with the exceptions Latvia, Ireland and the United Kingdom).

4.1.Probability of Being in a Jobless Household

We ran five multilevel logistic regression models to predict the probability of young unemployed individuals to be in jobless households. We fitted a three-level random intercept model, which allows the overall probability of co-residence in a jobless household for unemployed individuals to vary across countries and regions. Larger variance among the region (country) specific effects indicates greater region (country) specific departure from the region (country) mean. The intercept consists of three terms: a fixed component, a country specific and a region specific component. The country specific and region specific effects are assumed to follow a normal distribution with a mean of zero. We ran separate models for men and women. Our population of interest is the unemployed men and women who are below the age of 30.

Our analysis in this section includes individuals with these characteristics exclusively. For the sake of simplicity, we will refer to them simply as men and women. The results from these five models are presented in Table 1 below.

TABLE 1 ABOUT HERE

Model 1 is the empty showing the varying probabilities of being in a jobless household. We can see that probability of being in a jobless household varies significantly across countries both for men and women while the regional variance is significant only for men.

In model 2, we only control for age. We have three age groups: 15-19 (age 17), 20-24 (age 22) and 25-29 (age 27) which is the reference category. Both men and women are more likely to live in jobless households at older ages. A 17 year old is less likely to live in a jobless household compared to a 22 year old and a 22 year old is less likely to be in a jobless household compared to a 27 year old.

We control also for educational attainment and immigration in Model 3. Higher educational attainment decreases the probability of being in a jobless household both for men and women. Higher educated men and women are less likely to be in jobless households compared to middle educated while middle educated are less likely to live in jobless households compared to lower educated ones. This can be explained by the intergenerational transmission of education, the fact that educational attainment of children is affected by the education levels of their parents (Black et al., 2003). Higher educated children are more likely to have higher educated parents who are also less likely to be unemployed as higher levels of education lead to lower risks of unemployment. In the case of co-residence with a partner the situation is similar; employment statuses of spouses are closely associated which we can attribute to educational homogamy and assortative mating[3]. A highly educated individual is more likely to form a partnership with an individual with a similar level of educational attainment, which as mentioned in the previous section is one of the main causes of concentration of employment in some households.

We introduced the variable regarding immigration in order to see if the risk of being in a jobless household is affected first by being a migrant and second by the age of arrival to the country. Thus, we created a variable with three levels: Being a native (born in the country), immigrant who came to the country after the age of 15 and immigrant who came to the country before the age of 15. We chose the age 15 as a threshold with the idea that 15 is officially the earliest age to

[3] For a detailed discussion of the association between labor market positions of husbands and wives see: Verbakel et. al. (2008) and Miller (1997).

enter into the labor markets. Immigrant men who came to the country after the age of 15 are more likely to be in jobless households compared to the natives, while we do not see any significant difference between immigrant men who came to the country before the age of 15 and the natives. Individuals who immigrated to a country before the age of 15 are likely to be dragged along by their parents who were in search for a job or who already had a job opportunity in this country. Age at arrival makes a big difference since social integration or assimilation is realized softer at younger ages. Additionally, immigrants who arrive to the country at very young ages attend to school here and enter into the labor markets of this country. We are aware of the fact that with this variable it is not possible to distinguish the years spent in this country after arrival. For instance a 27 year old could be living in the country for more than 10 years or less than a year. The main purpose of having this variable is to highlight the importance of immigrant status. Analysis of immigrant's age at arrival, time spent in the country and the household characteristics could be interesting for future research.

When we controlled for the regional unemployment in model 4, region level variance lost its significance for men as well while country level variance kept its significance both for men and women. As expected both men and women in regions with higher unemployment rates are more likely to live in jobless households.

In model 5 we introduced three dummy variables regarding living arrangements: Co-residence with a parent or not (could be with both parents or with only one parent), co-residence with a spouse or not and co-residence with a child or not. These three variables could be mutually exclusive. Living with a parent or not is regardless of living with a spouse or child at the same time. For instance a large proportion of individuals living with a child would be living with a parent or spouse or although it is not very common there are young people living both with their parents and partners, especially in the Eastern European countries as mentioned before. Our findings show that both men and women living together with a parent are less likely to be in jobless households compared to those who are not living with a parent. The same can be said for co-residence with spouses. Both men and women co-residing with a spouse are less likely to be in jobless households. On the other hand, while men living with a child are more likely to be in jobless households, in the case of women we do not see any significant difference. Women tend to drop out of the labor force to take care of their children while the employment statuses of men

do not seem to be affected by having children. After controlling for co-residence, we see that country level variance also lost its significance since living arrangements serve to explain most of the divergence across Europe.

4.2. Who contributes more: Parents or Spouses?

As we have shown in the previous section, parents and spouses play an essential role in keeping unemployed individuals from being in jobless households. In this section, we look at the diverging contributions of parental and spousal co-residence across Europe. Figure 3 demonstrates the contributions of parents and spouses to reduce the number of unemployed in jobless households. Contribution of parents (spouses) is simply the proportion of unemployed individuals living with an employed parent (spouse) to the total number of unemployed individuals living with an employed household member. These two categories are not mutually exclusive, unemployed individuals may be co-residing with employed parents and an employed spouse at the same time.

FIGURE 3 ABOUT HERE

Parental contribution is higher for the unemployed young men compared to young unemployed women in all the 24 countries we have in our sample. For men, parental contribution ranges from 75 per cent to 96 per cent while it is between 50 to 89 per cent for women. In contrast, the spousal contribution is greater for women. While spousal contribution is between 3 to 12 per cent for unemployed men, it is between 7 and 40 per cent for women. In all countries, women refrain from co-residing in jobless households mostly by co-residing with employed spouses and less by co-residing with employed parents.

Importance of parental and spousal contribution varies across European countries. Countries with a high parental (spousal) contribution have low spousal (parental) contribution. At the bottom right side of the scatterplot for men, we see Bulgaria and Malta with the highest parental contributions (around 95 per cent) and the lowest spousal contributions (almost 0). Malta is at the most right bottom also for women with the highest parental contribution and the lowest spousal contribution. However, it is different for young unemployed women in Bulgaria with relatively lower parental contribution levels as unemployed young women seem to live more with an employed spouse compared to Bulgarian unemployed young men. Countries like Slovakia,

Slovenia, Italy, Greece, Romania and Netherlands have very high levels of parental contributions and very low levels of spousal contributions. Among the Southern European countries, Italy has the highest levels of parental contribution and the lowest levels spousal contribution both for men and women. However, all Southern European countries (Greece, Portugal and Spain) have high levels of parental contribution and low levels of spousal contribution which is more apparent in the case of women.

On the other extreme, Belgium appears with the lowest levels of parental contribution both for men (74 per cent) and women (52 per cent). Cyprus is another country in the very extreme, with very low parental contribution accompanied with very high spousal contribution. France, Ireland, Luxembourg, Austria and Germany are among the European countries with high levels of spousal contribution and low levels of parental contribution.

5. Concluding Remarks

A big bulk of literature can be found on the measures of household joblessness and the increasing discrepancy between individual and household level measures of joblessness (Gregg and Wadsworth, 1996, 1998; Gregg *et al.*, 2010; Dawkins *et al.*, 2002). In this paper, we focused on the unemployed young individuals and their varying probabilities of being in jobless households across Europe. Our main objective was to investigate the divergent living arrangements of unemployed young individuals in order to explain their varying probabilities of being in jobless households across Europe.

We found that larger percentages of unemployed young men and women are in the parental home compared to employed young men and women. Conversely, larger percentages of employed men and women are living with a spouse. Home leaving decisions of both men and women seem to be affected by their employment statuses. Although wide cross-country differences are observed, we find that parental co-residence is more common among young men and spousal co-residence among young women. Living alone is the most common among employed men. Living both with a parent and a spouse is not a common practice in Europe; it is only the Eastern European countries where this type of living arrangement can be observed.

Countries with very high unemployment rates like Spain, Portugal, Italy and Greece have relatively low percentages of young men and women in jobless households compared to

Germany and Belgium with very low levels of youth unemployment. Although there is a big variation, in majority of the countries percentages of young women in jobless households are lower compared to men.

We also showed that both men and women are more likely to live in jobless households at older ages. Higher educational attainment appeared to decrease the probability of being in a jobless household both for men and women. We found that immigrant men who came to the country after the age of 15 are more likely to be in jobless households compared to the natives, while we do not see any significant difference between immigrant men who came to the country before the age of 15 and the natives. On the other hand, we did not find any significant importance of being an immigrant for women. We found that both men and women in regions with higher unemployment rates are more likely to live in jobless households.

Our results reveal that living arrangements play a major role to explain the cross-country and regional diversity in the prevalence of jobless households in Europe. We find that although their importance varies extensively across Europe parents and spouses play an essential role to take the young people out of jobless households. Both men and women living together with a parent are less likely to be in jobless households compared to those who are not living with their parents. Similarly, both men and women co-residing with a spouse are less likely to be in a jobless household. On the other hand, while men living with a child are more likely to be in jobless households, in the case of women we do not see any significant difference. We also showed that parental and spousal contributions are rather compensating each other: Countries with high levels of parental contribution have low spousal contributions and countries with high levels of spousal contribution have low parental contributions.

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Figure 1. Living Arrangements (Living with a parent, partner, alone and with other household member) of the Youth (25-29) by Labour Market Status: Total population (Total), Employed (Emp), Unemployed (Unemp) and Inactive (Inactive), by Sex, 2012

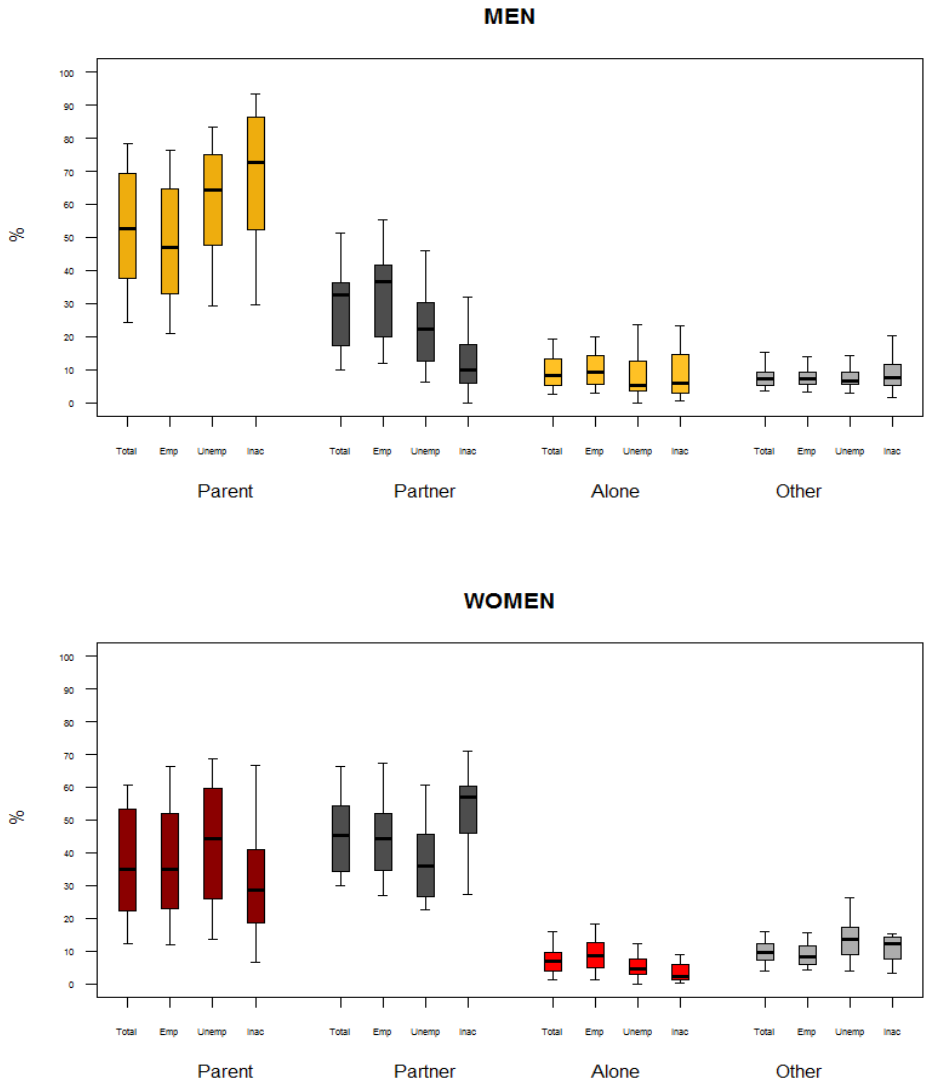

Figure 2. Unemployment Rate and Percentage of the the Unemployed in Jobless Households by Sex, in 2012 (<30)

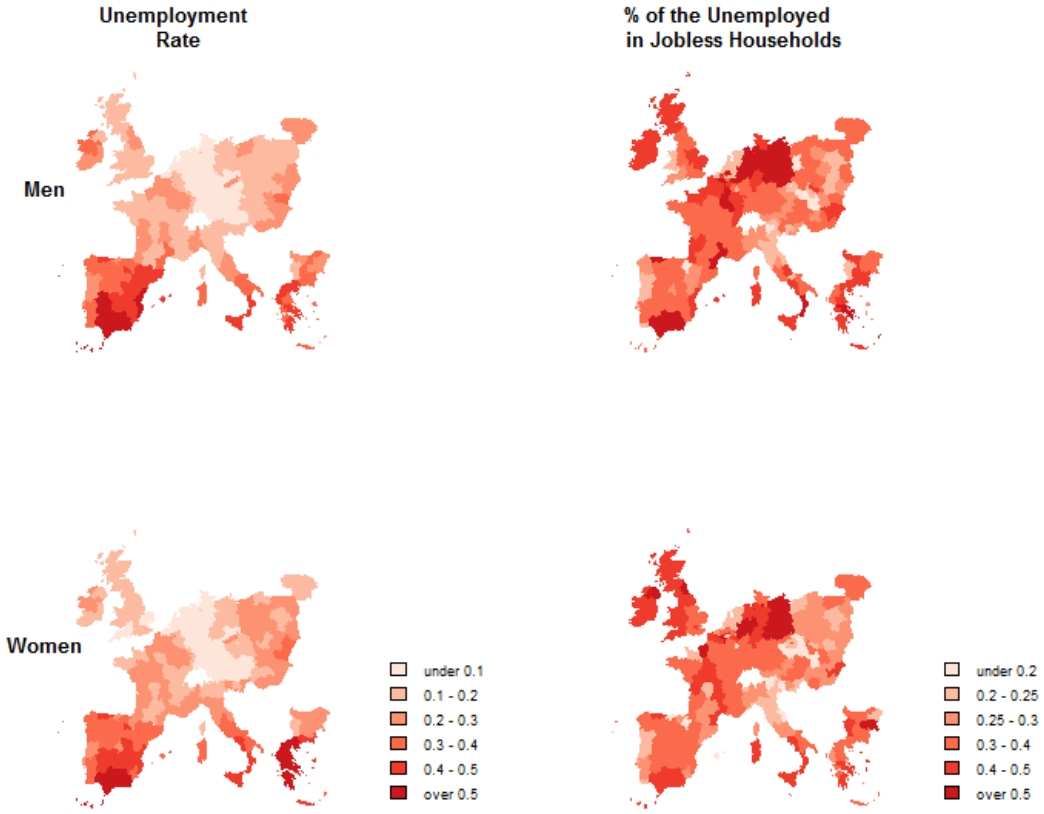

Figure 3. Percentages of Parental and Spousal Contributions Across Europe, by Sex, in 2012 (<30)

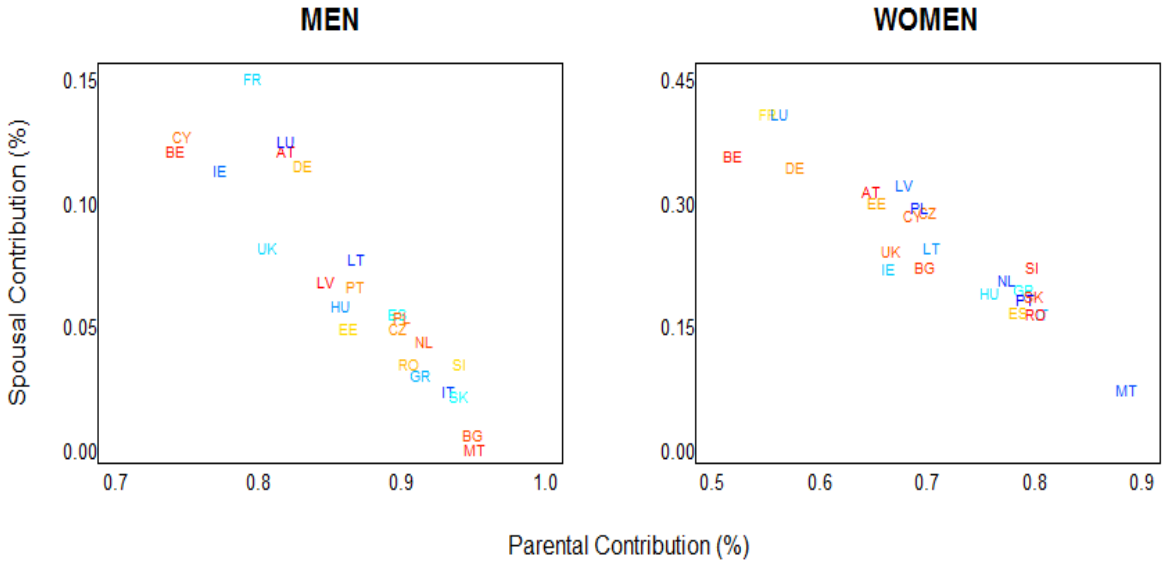

Table 1. Multi-level Model Results for the Probability of Living in a Jobless Household of the Young (<30) Unemployed Across European Regions in 2012 by Sex

		MEN										WOMEN									
		m1		m2		m3		m4		m5		m1		m2		m3		m4		m5	
Age																					
	age 17			-0,97	***	-1,13	***	-1,11	***	-0,73	***			-0,78	***	-1,06	***	-1,03	***	-0,73	***
	age 22			-0,59	***	-0,65	***	-0,65	***	-0,44	***			-0,29	***	-0,37	***	-0,36	***	-0,36	***
	age 27 (ref.)			0,00		0,00		0,00		0,00				0,00		0,00		0,00		0,00	
Education																					
	Lower (ref.)					0,00		0,00		0,00						0,00		0,00		0,00	
	Middle					-0,54	***	-0,53	***	-0,57	***					-0,54	***	-0,54	***	-0,61	***
	Higher					-0,83	***	-0,82	***	-0,80	***					-0,86	***	-0,85	***	-0,89	***
Immigration																					
	Came after 15					0,34	*	0,37	*	-0,29						-0,14		-0,09		-0,07	
	Came before 15					0,00		0,04		-0,09						0,15		0,21		0,18	
	Born in the country					0,00		0,00		0,00						0,00		0,00		0,00	
Regional Unemployment								0,07	***	0,07	***							0,07	***	0,07	***
Coresidence with																					
	Parents									-2,21	***									-2,50	***
	Spouses									-1,59	***									-2,83	***
	Children									0,77	***									0,32	
	Intercept	-0,53	***	-0,14		0,27	*	-0,37		1,37	***	-0,65	***	-0,42	**	0,12		-0,53	*	1,60	**
	Region level variance	0,02	*	0,03	*	0,02	*	0,00		0,00		0,01		0,01		0,01		0,00		0,00	
	Country level variance	0,07	**	0,07	*	0,07	*	0,10	*	0,04		0,08	*	0,09	*	0,08	*	0,11	*	0,02	

*** p<0,0001, ** p<0,001,* p<0,05