

Change in the transition to adulthood in the Netherlands before and during the Great Recession

Abstract

The Great Recession (2008-2014) had an important impact on European labor markets, affecting disproportionately younger people. This group may respond to higher unemployment by adjusting their housing and professional careers, for example by prolonging parental co-residence or postponing schooling completion. However, these early life-course decisions can have a significant impact on subsequent events, and people with different backgrounds or at different life-course stages may react differently, potentially leading to greater inter-individual and inter-cohort variability in the timing and sequencing of these events. This paper sheds light on these issues by describing the transition to adulthood among cohorts that entered their adult years before or during the Great Recession in the Netherlands. Using timely and highly detailed Dutch register data, change concerning both the family formation (household arrangement, union formation, childbearing) and school-training-work (schooling, employment, home ownership) nexuses is documented. First, we describe trends in the age-patterns over time and across cohorts using Lexis surfaces and the ternary balance scheme technique. Then, event-history models are used to estimate the median age at which transitions are made and measure variability across cohorts and among individuals of a same cohort. Though we expect a delay in markers of the transition to adulthood among the cohorts that entered their adult years during the recession, it remains unclear whether this will translate into permanent differences in later outcomes from a cohort perspective.

Extended Abstract

Background

The Great Recession (2008-2014) had an important impact on European labor markets, causing unemployment rates to raise above 10% during three consecutive years between 2012 and 2014. People ages 15 to 24 were affected more strongly and for longer with levels reaching up to 25% and having returned only recently to their pre-recession values (OECD 2019). Besides being more at risk, younger people typically suffer more from unemployment. They are more at risk of material deprivation and engage more often in risky or criminal behavior following spells of unemployment (Aassve, Cottini, & Vitali, 2013; Farrington, Gallagher, Morley, St. Ledger, & West, 1986). Unemployment among younger people also influences life course decisions. Students facing high unemployment rates tend to delay schooling completion (Reiling & Strøm, 2015). People who experience unemployment at the beginning of their professional career tend to postpone transitions into independent living and to delay union formation and childbearing decisions (Brandt & Hank, 2014; Egan, Daly, & Delaney, 2016). They also often reverse previous transitions and go back to studying and living at the parental home (Mazzotta & Parisi, s. d.; Sandberg-Thoma, Snyder, & Jang, 2015). The way that young people adjust to unemployment depends on where in their life course they find themselves. Position in the life course depends in turn on age, though people of same age might find themselves in different stages depending on previous experiences and background. Parental socio-economic background and childhood environment may further limit or extend the resources available to unemployed young adults and further influence how they react to economic hardship (Billari, Hiekel, & Liefbroer, 2019; De Marco & Berzin, 2008).

The decision to delay or forego early life course transitions may have repercussions on subsequent life course events (Elder, Johnson, & Crosnoe, 2003). Studies that adopted a life course perspective showed how people who move later out of the parental home tend to subsequently delay cohabitation with a partner and childbearing (Hagestad & Call, 2007; Keizer, Dykstra, & Jansen, 2008). Meanwhile the decision to delay schooling completion may increase job prospects but also delay financial autonomy. Understanding how the Great Recession affected the transition to adulthood is thus of utmost importance for understanding how future societies may look like. So far few studies that have documented the impact of the Great Recession on the transition to adulthood either did so from a cross-sectional perspective or by concentrating on one or a limited number aspects of the transition (Aassve et al., 2013; Arundel & Lennartz, 2017; Lennartz, Arundel, & Ronald, 2016; Schneider, 2015; Sironi & Rosina, 2016).

The goal of this study is to provide a comprehensive picture of the effect of the Great Recession on the transition to adulthood. It does so by concentrating on the case of the Netherlands. Longitudinal register-based data are used which allows to study the transition to adulthood from a life course perspective. We consider the transition to adulthood from both the perspective of the family formation as well as the school-training-work nexuses. We consider as part of the family formation nexus the transition to independent living, cohabiting with a partner and having a first child, while we consider as part of the school-training-work nexus completing schooling, obtaining a stable employment and owning a first home. Data from the Dutch System of social statistical datasets (SSD) are used, which include highly detailed information on the whole Dutch population at closely located points in time (Bakker, Van Rooijen, & Van Toor, 2014). The availability of these data goes back to 1995 and up until the year 2018, which makes it possible to document not only changes in the transition to adulthood during the recession but to also capture some of the recuperation effect that might have occurred afterwards. We compare the experience of cohorts that were different ages when the recession hit the country and identify how the effect unemployment differs according to different stages of the transition to adulthood. In the first part of the article we describe the transition to adulthood on the Lexis surface by using the ternary color scheme, which provides a powerful instrument to identify age-patterns over time and across cohorts. In the second part of the study, we rely on survival analysis to describe change across birth cohorts in the timing to completion of different life events and attention is also paid to variation inside of each cohort (Billari & Liefbroer, 2010).

Data and Methods

Data come from the Dutch System of social statistical datasets (SSD) (Bakker et al., 2014). The SSD contains information from Dutch administrative registers and national surveys and covers all Dutch citizens during the period 1995-2018. We use time-invariant information such as gender, date of birth, place of birth and parents' socio-economic background (as measured by highest level of education attained). Time-variant information includes the respondent's household (at parental home, living alone, cohabiting with partner, living in another type of household) and parental statuses (ever gave birth to a child), as well as on whether the respondent is enrolled in schooling, their highest educational level attained, whether they are employed and whether they own a house. Information is available for every quarter of each year. Family formation and school-work histories are constructed by assigning for each period one of three statuses in each domain to each individual. Family formation is defined in terms of whether the respondent lives at the parental home, alone or cohabits. School-work histories are defined in terms of whether the respondent studies full-time, works part or full-time or is unemployed. Lexis surfaces with ternary color schemes are used to illustrate change over age,

time and period simultaneously in the two domains (Schöley & Willekens, 2017). This visualization technique consists in representing a phenomenon in terms of three modalities of a single variable and has proven particularly powerful to identify mortality patterns according to age, time and cohort, but has not been used yet to study other social phenomena. Attention is paid to the population ages 15 to 45, which covers the entire reproductive lifespan and thus most transitions to adulthood.

Event-history models are then used to estimate the timing to completion of different life phases (Blossfeld, Hamerle, & Mayer, 2014). Median ages at leaving the parental home, cohabiting and having a first child are estimated alongside their standard deviations, and the same exercise is repeated for completing schooling, obtaining a fixed job (defined as occupying the same job for at least one year) and first time home ownership. We also supply measures of the proportion returning to the parental home after having lived independently and returning to school. Measures are compared between four cohort groups that were differently affected by the Great Recession. The first group includes birth cohorts 1978-1982, who were ages 26 to 30 in 2008 when the recession started to affect the Dutch labor market and who were thus at an advanced stage in their transition to adulthood. The second group includes the cohorts born between 1983 and 1987, which were between 21 and 25 years old in 2008. The third group includes cohorts 1988-1992 and were just entering adulthood when the recession started. Finally, a fourth group born between 1993 and 1997 will be followed while entering adulthood during the final years of the recession or just after it.

Litterature

- Aassve, A., Cottini, E., & Vitali, A. (2013). Youth prospects in a time of economic recession. *Demographic Research*, 29, 949-962. <https://doi.org/10.4054/DemRes.2013.29.36>
- Arundel, R., & Lennartz, C. (2017). Returning to the parental home : Boomerang moves of younger adults and the welfare regime context. *Journal of European Social Policy*, 27(3), 276–294.
- Bakker, B. F., Van Rooijen, J., & Van Toor, L. (2014). The system of social statistical datasets of Statistics Netherlands : An integral approach to the production of register-based social statistics. *Statistical Journal of the IAOS*, 30(4), 411–424.
- Billari, F. C., Hiekel, N., & Liefbroer, A. C. (2019). The Social Stratification of Choice in the Transition to Adulthood. *European Sociological Review*, 35(5), 599–615.
- Billari, F. C., & Liefbroer, A. C. (2010). Towards a new pattern of transition to adulthood? *Advances in Life Course Research*, 15(2-3), 59-75. <https://doi.org/10.1016/j.alcr.2010.10.003>
- Blossfeld, H.-P., Hamerle, A., & Mayer, K. U. (2014). *Event history analysis : Statistical theory and application in the social sciences*. Psychology Press.
- De Marco, A. C., & Berzin, S. C. (2008). The influence of family economic status on home-leaving patterns during emerging adulthood. *Families in Society*, 89(2), 208–218.
- Elder, G. H., Johnson, M. K., & Crosnoe, R. (2003). The emergence and development of life course theory. In *Handbook of the life course* (p. 3–19). Springer.

- Farrington, D. P., Gallagher, B., Morley, L., St. Ledger, R. J., & West, D. J. (1986). Unemployment, school leaving, and crime. *The British Journal of Criminology*, 26(4), 335–356.
- Hagestad, G. O., & Call, V. R. A. (2007). Pathways to Childlessness : A Life Course Perspective. *Journal of Family Issues*, 28(10), 1338-1361.
<https://doi.org/10.1177/0192513X07303836>
- Keizer, R., Dykstra, P. A., & Jansen, M. D. (2008). PATHWAYS INTO CHILDLINESS : EVIDENCE OF GENDERED LIFE COURSE DYNAMICS. *Journal of Biosocial Science*, 40(6), 863-878. <https://doi.org/10.1017/S0021932007002660>
- Lennartz, C., Arundel, R., & Ronald, R. (2016). Younger adults and homeownership in Europe through the global financial crisis. *Population, Space and Place*, 22(8), 823–835.
- Mazzotta, F., & Parisi, L. (s. d.). *Boomerang generation in Europe : The effect of the Great Recession*.
- Reiling, R. B., & Strøm, B. (2015). Upper secondary school completion and the business cycle. *The Scandinavian Journal of Economics*, 117(1), 195–219.
- Sandberg-Thoma, S. E., Snyder, A. R., & Jang, B. J. (2015). Exiting and returning to the parental home for boomerang kids. *Journal of Marriage and Family*, 77(3), 806–818.
- Schneider, D. (2015). The great recession, fertility, and uncertainty : Evidence from the United States. *Journal of Marriage and Family*, 77(5), 1144–1156.
- Schöley, J., & Willekens, F. (2017). Visualizing compositional data on the Lexis surface. *Demographic research*, 36, 627–658.
- Sironi, E., & Rosina, A. (2016). Leaving the parental home in Italy during the economic crisis. *Genus*, 71(2-3).