

British Academy & British Society for Population Studies

Policy Forum: Changing Families & Households

14th July 2015

This is a summary of a discussion on Changing Families and Households held at the British Academy under the Chatham House Rule. Presentations were given by Professor Sylvie Dubuc on ethnic minority fertility convergence in the UK and by Professor Ann Berrington on household composition and housing need in the UK.

Ethnic Minority Fertility Convergence in the UK

Fertility amongst ethnic minorities in the UK

Child-bearing is important for understanding family and household dynamics. Understanding family dynamics is also important in order to inform policy, notably welfare and family policies, but also planning. Immigration is also playing an increasingly important role in shaping the UK population in terms of composition, diversification and for population growth, directly through net migration and indirectly through fertility.

Immigration is largely contributing to an increase in births, much less of an increase in total fertility. Since 2001 there has been an increase in the estimated number of children that women are expected to have over their life is an effect of recuperation from delayed child-bearing in previous decades. This recuperation might explain an increase in fertility and in the number of births, but immigration has played a further role.

Post-WWII immigration was largely from the Caribbean and Indian Sub-Continent in the 1950s and 1960s, with South Asian family reunion slightly later. In the last two decades, there has been an increasing diversification of the origin of migrants, with new flows from Europe, students from China, and increasingly from Africa. As a result, between the 2001 and 2011 Census takings, some of the ethnic categories have grown, largely through net migration. For more established ethnic groups, the increase has been mostly, if not completely, through natural change – fertility.

Inter-ethnic fertility convergence

There are some differences in fertility across ethnic groups, but also some convergence over time. It is particularly striking in the three main groups from South Asia – Bangladeshi, Pakistani and Indian – which start with rather diverse levels of fertility on arrival in the UK, but converge to the UK average over time. One explanation for this is ‘global fertility transition’. The immigrant sending countries are advancing towards lower mortality and fertility levels, similar to that of the UK. In addition, immigrants tend to have fertility that is closer to the receiving country due to a selectivity effect. Relatively educated, they do not reflect the average socio-economic profile of the country of origin.

However, there is a risk of over-estimating immigrant fertility when measuring ‘period total fertility’, which is based on birth registration in the receiving country. This is because migrants have especially low fertility prior to immigration, experiencing a boost post-migration. This needs to be taken into account when trying to estimate the family size of immigrants, and subsequent policy responses.

Moreover, UK-born have lower total fertility overall in comparison to their immigrant counterparts. Often, the UK-born, especially from high fertility countries, have lower fertility and, overall, the variability between ethnic groups is reduced for the UK-born compared to the immigrant group. The UK-born generation is leading the inter-ethnic fertility convergence and is increasing for nearly all ethnic groups.

Education

Education is an important factor in explaining this phenomenon in the UK-born generation. Looking at age-specific fertility rates by different levels of education for all UK women, compared to the average child-bearing for all women in the UK, higher education and attainment entails lower and delayed fertility. Whilst higher education means lower and delayed fertility consistently across all ethnic groups, comparing an ethnic group overall to the UK-born - for both those that have higher and lower education - the second generation still tends to have depressed fertility. Independently of education, some other factors may be at play to explain this.

Household Composition and Housing Need in the UK

The housing crisis

Many of the roots of the present housing need can be explained by looking back at the housing crisis. There are multiple factors in the housing crisis, the first of which is a housing shortage due to a lack of new build. Since about 1980, the total annual new build has been dominated by the private sector. New build declined dramatically during the Second World War, followed by a house-building program and slum-clearing. In the 1950s and 1960s, about 220 000 households were added annually to the UK population, but there was a surplus in the number of houses being built. During the following decades, house-building and household formation were roughly equal, but there has been a rapid decline in new build, particularly since 2008.

Secondly, housing has become less affordable due to faster increases in house prices compared to earnings, particularly for first time buyers, but also because lenders are less willing to provide mortgages with a high loan-to-value ratio, and demand large deposits, which are generally unaffordable to young adults without assistance. In addition, cuts to welfare benefits mean that lower income households are increasingly less able to meet their housing costs.

Finally, the residualisation of the social rental sector means many more people, and many more low income families, are reliant on the private rental sector. Comparing the proportion of the population by age who are in privately rented accommodation in 2001 and in 2014, there is increased reliance on the private rental sector through the late 20s and early 30s, when family formation would traditionally be taking place.

The role of demography

The rate of annual population growth is going up, particularly since the mid-2000s. A lot of the increase is due to greater international migration, compared to natural population increase. In 2005, approximately two-thirds of the overall population increase is associated with net international migration. An increase in the rate of annual population growth from

150 000 persons to 450 000 persons is clearly significant for housing demand. Also, this demand is not equal across all localities in the UK due where people migrate to.

Population ageing also has an impact. Older people tend to live in smaller households, and many live alone so more housing units are required as the population ages and longevity increases.

Household composition is also changing. The smaller the average household size, the more homes that will be required. There was a dramatic decline in the overall average household size in England, Wales and Scotland at the end of the Nineteenth Century and the beginning of the Twentieth Century. The majority of that steep decline was due to a decline in the number of children, and to a lesser extent, a decline in the number of adults in each household. The overall decline has stabilised in the last decade, but it will be important to consider whether this is a reflection of true underlying long-term trends in household formation, or whether it is associated with the economic downturn and the rates of household formation that were seen at the time of the 2011 Census.

Quantifying the drivers of housing demand

When trying to project housing demand, household representative rates are used to show the likelihood of an individual heading up a household. From 1991 to 2001, 136 000 households were added to the English population annually, 62 000 of which was due to the increase in the population, and 158 000 households between 2001 and 2011, of which 152 000 was due to the increase in the population. In addition, due to population ageing, and the fact that older persons tend to live in smaller housing units, there is an additional positive impact on overall number of households, accounting for 59 000 and 37 000 households for each decadal period respectively. Overall, it is clear that the population impact dominates the total housing demand.

Generally, men in couples are given the title of household representative, which is why we have relatively high rates of this for males as compared with females. Census data from 1991, 2001 and 2011 shows a decline in the likelihood of being a household head for men over this period. There has been a significant move away from forming households amongst young men, with a reduction in couple formation and an increase in living with parents.

Conversely, there has been an increase in headship rates for women through to midlife. More women are now leaving the home for reasons other than forming a partnership, such as university or work, so are more likely to live independently. In midlife, because of increased partnership dissolution, there are higher headship rates for women.

Hidden housing need

Projecting forward from a period of recent lower headship rates gives the impression that young people will be forming households at a lower rate, but this could be due to suppressed demand.

Policy is mostly focused on changed behaviour – such as household representative rates and relationship status - but the main drivers of housing demand are population increase and ageing. The projections tend to indicate effective demand, but there is also suppressed demand, concealed families and perhaps also delayed partnerships, which are not currently taken into account.

In the 90s, co-residence with parents became an apparent trend, which accelerated in the 2000s and has deepened since 2010. Under what contextual and socio-economic conditions household representative rates for young adults might recover, is still a matter for debate. It is unclear whether the current cohort of young people, which has found it very difficult to form households, will continue to struggle in later life and thus cause a cohort effect, or whether this is a temporary effect of the recession. There are also significant issues of inter-generational inequality in relation to housing, which are taking further prominence in political discourse.

Welfare Policy and Social Housing

It is difficult to evidence what the impacts of individual policies are on birth rate and family size. Using a large UK panel survey to see whether young people who are employed insecurely or unemployed, or who are subjectively feeling financially restrained, shows that young people (under 25), are more likely to have children a year later. This is different to continental Europe, where there is a positive relationship between economic insecurity and a decline in fertility. Some have argued that this is due to the generosity of the welfare state, but that may not be true. In slightly older groups (late 20s and 30s), with higher education, we find that economic uncertainty is associated with a decrease in fertility.

Localism - Devolved Decision-Making and Data

County Councils are understanding the impact of migration on current and future housing need, and trying to work out the impact of recent migration, such as Polish and EU migrants. This is an aggregate level, but is too low a geographic level to get detailed data on migration and fertility by ethnic group lower than a Local Authority level. This makes it difficult to accurately forecast the population, particularly as it's always changing, with more complicated relationships and household structures. There are increasingly more restrictions to accessing usable data.

Hospital records, the Child Health Survey and other administrative data such as school admission records and GP registration, can be helpful in filling some of these gaps but many of these resources are not yet effectively linked in, and some are facing increasing restrictions in access, as well as confidentiality considerations. Data continues to grow, but mechanisms to parse this have not yet caught up.

Finally, there is a tension between local planning authorities and the vision of central government. This is particularly apparent if you consider the responsibility for brown field planning re-assigned to central government, which is less able to say whether a particular site construction will be good for those neighbourhoods.

With the localism agenda, there is a big emphasis on Local Authorities understanding their places and communities better than Whitehall, for example, labour market, health of residents, and housing. However, there is a difference between that more qualitative understanding and the kind of skills that Local Authorities will need in-house in terms of research, demography and statistics going forward.