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## The luck is in the family: Continued financial support after leaving the nest

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# The luck is in the family: Continued financial support after leaving the nest

Marianna Filandri and Tiziana Nazio

## Family support beyond co-residence

Parental support, or the lack of it, is pivotal in providing young people with skills, values, orientation and support during their transition to adulthood. And parental support continues even after young people have left home. This life stage is becoming increasingly uncertain as the duration of the transition period to economic adulthood lengthens and because of the retrenchment of welfare states and the increasing liberalisation of labour markets across Europe.

Some see these recent trends as a sign of convergence in European countries: increasingly, families are meant to step in, as they have done in the Southern and Eastern models of welfare provision (Viazzo 2010). But because not all families have the same resources to support these transitions, some young people are more exposed to the risk of poverty.

## Regular monetary support

Parents can provide ‘occasional’ and ‘exceptional’ gifts in the form of economic support for education, home purchases (Druta and Ronald 2016) or weddings, as well as significant transfers of property and wealth during their life time and after their death. However, smaller amounts of regular monetary support have received much less academic attention. We were interested in finding out:

- How do familial resources help young people? And is this only relevant for wealthier families?
- Do young people’s employment circumstances make a difference? Do those in need receive more?

Using data from the EU-SILC for 2011, we took into consideration all young adults (aged 25-34 years) in and out of work, excluding students. We selected 25 European countries with valid information on the receipt of regular cash transfers on a monthly, quarterly or annual basis (if they were received over several consecutive years). We also included information on social class measured in terms of the highest education level of either parent.

Regular inter-household cash transfers are regular payments received during the previous year by young adults from other non-co-resident household members (usually their parents). We excluded compulsory and voluntary alimony received on a regular basis. We used probit regression models to predict how the probability of receiving regular economic support varied according to socio-economic characteristics of recipients and donors.

### **Parental generosity: Same principle (need), different affordability (resources)**

Across Europe, in all 25 European countries analysed, families supported their children in economic need – albeit to varying extents depending on their own economic circumstances. This included both regular forms of financial support as well as support in exceptional circumstances. Parents were equivalently generous in countries where welfare provisions were both more extensive and where they were more meagre. Nevertheless, there were also some interesting differences between countries, with no transfers being reported in Spain and Portugal, whereas in Cyprus and Bulgaria approximately 13% of young adults reported receiving regular payments.

We examined if differences were accounted for by the economic status of the parents or by the extent of the young person's need. Young people from more advantaged backgrounds, as well as those not employed, were the most likely to benefit from these transfers. Non-employed young people from a lower social class were more likely to receive help compared to their peers with jobs. Employed young people from a higher social class received similar or more transfers than non-employed young people from lower classes.

### **Polarising opportunities**

It is worth drawing attention to the fact that young people from a higher social class had a noticeable advantage in how their parents helped them through both difficult and more stable periods. This financial buffer affects their ability to take up unpaid work experiences and internships, and to take lower paying job opportunities that may result in better career trajectories in the long run. It also reinforces the fact that non-employed young people from lower socio-economic classes are less well protected. Within this framework of cumulative disadvantage for the weakest, income support measures in the form of housing allowances or unemployment benefits would greatly help those struggling the most and those who are more exposed to the risk of a sudden income loss when not employed.

### **References**

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