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Independence for young millennials: moving out and boomeranging back

Using data from the National Longitudinal Survey of Youth 1997, this article examines the process of household formation for young adults born between 1980 and 1984. The analysis finds that, by age 27, about 90 percent of these individuals had left their parental households at least once and more than 50 percent of them had moved back at some point after moving out. The article also reveals that the likelihood of moving out and boomeranging back is correlated with certain individual and family characteristics, including gender, race, educational attainment, and household income.

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Establishing an independent household has long been considered an important milestone in the transition to adulthood. During the 2007–2009 recession, fewer young adults were establishing their own households and more of them were moving back with parents after initially moving out. The share of men and women ages 18 to 34 living in their parents' homes was larger in 2012 than in the early 2000s.[1]

The decision to move out of the parental household may be affected not only by macroeconomic conditions but also by social factors and individual economic variables. For example, wealthier parents may transfer money to their children in forms that encourage either staying at home or moving out, depending on prevailing social norms and personal preferences. Living in the parental home may mean that parents subsidize housing costs; however, as children age, they may be less willing to accept this arrangement.[2] Likewise, a higher earnings potential may encourage a young adult to leave home.[3] Conversely, poor employment conditions may create incentives for moving back as a way to hedge against labor market risk.[4]

Whether individuals leave or return home may affect aggregate housing demand, fertility patterns, labor force mobility, and demand for public services.[5] Using the National Longitudinal Survey of Youth 1997 (NLSY97), this article explores the household formation experiences of young millennials (i.e., people born from 1980 to 1984)

before age 27. It finds that while 90 percent of these individuals left their parental homes, more than half of them returned at some point after moving out. By age 27, close to 80 percent of millennials in this cohort were not in their parents' homes. Leaving and returning home were related to labor market attachment and wages, as well as other individual and family characteristics. Young adults with relatively higher wages and better employment opportunities established and maintained household independence at higher rates.

Data and methods

The NLSY97 consists of a nationally representative sample of approximately 9,000 youths who were 12 to 16 years old on December 31, 1996. Between 1997 and 2012, these individuals were interviewed on an annual basis. The longitudinal nature of the survey allows us to determine the percentage of millennials who established household independence (i.e., moved out) or returned home. It also allows us to identify other characteristics of the individuals who made these transitions.

The NLSY97 documents the transition from school to work and into adulthood. It collects extensive information on youths' labor market behavior and educational experiences over time. Employment data include job start and stop dates, occupation, industry, hours worked, earnings, job search activities, and benefits. Education data include schooling history, performance on standardized tests, course of study, timing and types of degrees, and detailed accounts of progression through postsecondary schooling.

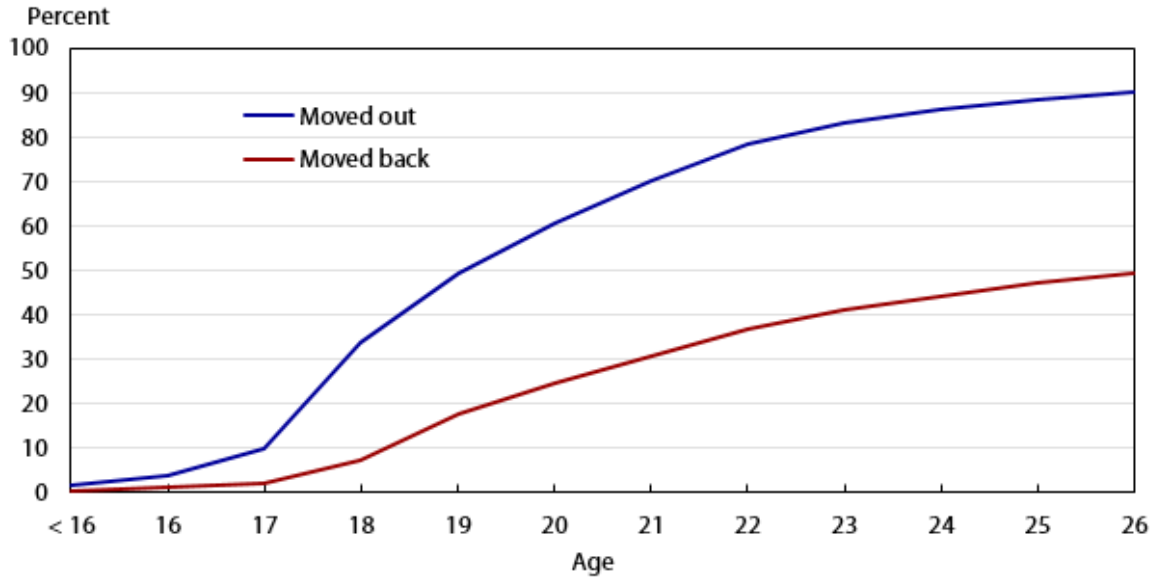
The NLSY97 also collects detailed information on the household in which the individual resided at the time of interview, including information about income, dwelling type, and relationships among household members.[6] Since 2003, the NLSY97 has asked respondents to identify the date on which they first started living independently.[7] With this information, we can ascertain whether an individual moved out of his or her parental household, even if we do not see the move in the annual snapshot for that household. In addition, the survey has asked respondents to indicate whether they have ever moved back home for a period of 3 months or longer.[8] Moves back of shorter durations are not reflected in the data.

The analysis captures a respondent's age on the date of the first move out and, if applicable, the first move back home. In addition, the analysis examines the household composition of all 27-year-olds to determine whether these individuals were still living with their parents. We weight all responses with the weights for the year in which a respondent turned age 27.[9]

Moving out

By age 27, 90 percent of young adults in the NLSY97 had moved out of their parents' homes at least once for a period of 3 months or longer. The median age at the time of moving out was about 19 years. (See figure 1.)

Figure 1. Percentage of young adults having first moved out and first moved back, by age



Source: National Longitudinal Survey of Youth 1997.

Table 1 shows that the likelihood of moving out before age 27 was correlated with several individual characteristics. Women were more likely to move out than men were, and Whites were more likely to move out than Blacks or Latinos. Generally, young adults with higher educational attainment tended to leave their parental homes at higher rates. Those with a General Educational Development (GED) credentials are an exception, as they were more likely to move out than were those with some college. Among individuals who took the Armed Services Vocational Aptitude Battery (ASVAB) examination,[10] those with higher scores were more likely to move out.

Table 1. Percentage of young adults who left their parental home before age 27, by selected individual characteristics

Characteristic	Moved out at least once
Total	90.2
Gender	
Men	88.0
Women	92.4
Race or ethnic group	
White	93.3
Black	85.7
Hispanic or Latino	81.6
Educational attainment at age 27	
Less than high school diploma	85.5
GED	91.3
High school diploma	86.8
Some college	89.7
Bachelor's degree or higher	94.1
ASVAB score	

See footnotes at end of table.

Table 1. Percentage of young adults who left their parental home before age 27, by selected individual characteristics

Characteristic	Moved out at least once
Lowest quartile	84.9
Second quartile	86.0
Third quartile	92.2
Highest quartile	94.6

Source: National Longitudinal Survey of Youth 1997.

The likelihood that a young adult will move out of the parental household before age 27 is also correlated with the characteristics of the household. Individuals in households that, at the first interview in 1997, had income in the bottom half of the income distribution (we adjust income for household size) were less likely to move out than were those in households in the top half of the income distribution. (See table 2.) In addition, those who lived in housing owned by their family in 1997 were more likely to move out than were those in families that did not own their dwelling. Individuals living in two-parent households with only one biological parent also moved out at higher rates than did those living with two biological parents, a single biological parent, or other household parent figures. This result supports research that shows that teenagers in stepfamilies move out of their homes faster than do teenagers in biological families.[11]

Table 2. Percentage of young adults who left their parental home before age 27, by selected household characteristics in 1997

Characteristic	Moved out at least once
Total	90.2
Household adjusted income	
Lowest quartile	87.1
Second quartile	86.9
Third quartile	90.5
Highest quartile	94.2
Housing owned	
No	87.3
Yes	92.1
Parent figures in household	
Both biological parents	89.3
Two parents, one biological	94.9
Single biological mother or father	89.5
Other (adoptive or foster parents, grandparents, other relatives)	89.6

Source: National Longitudinal Survey of Youth 1997.

Moving back home

For many young adults, moving out was not permanent. Among those who moved out, 54.6 percent moved back at some point before reaching age 27. (See table 3.) The median age at which these individuals returned home was 21. (See figure 1.) While individual differences in moving back were not significant by gender, they were significant

by educational attainment. People with only a high school diploma were the least likely to move back, followed by those with some college.[12] In addition, Whites were more likely to return home than were Blacks or those of Hispanic or Latino ethnicity.

Table 3. Percentage of independently living young adults who returned to their parental home before age 27, by selected individual characteristics

Characteristic	Moved back
Total	54.6
Gender	
Men	54.2
Women	55.1
Race or ethnic group	
White	54.7
Black	53.9
Hispanic or Latino	50.3
Educational attainment at age 27	
Less than high school diploma	58.3
GED	58.2
High school diploma	48.5
Some college	52.6
Bachelor's degree or higher	59.0
ASVAB score	
Lowest quartile	55.7
Second quartile	50.8
Third quartile	54.9
Highest quartile	56.0

Source: National Longitudinal Survey of Youth 1997.

Young adults coming from families with higher household income in 1997 were more likely to return home. Among those in households with income in the top quartile, 57.7 percent returned home; of those in families with incomes in the lowest quartile, 52.8 percent did. Individuals who were living with two parents (with at least one biological parent) in 1997 were more likely to move back home. In addition, those who, before moving out, lived in a dwelling owned by their family were more likely to move back before age 27. (See table 4.)

Table 4. Percentage of independently living young adults who returned to their parental home before age 27, by selected household characteristics in 1997

Characteristic	Moved back
Total	54.6
Household adjusted income	
Lowest quartile	52.8
Second quartile	51.6
Third quartile	54.7
Highest quartile	57.7
Housing owned	

See footnotes at end of table.

Table 4. Percentage of independently living young adults who returned to their parental home before age 27, by selected household characteristics in 1997

Characteristic	Moved back
No	52.9
Yes	55.7
Parent figures in household	
Both biological parents	56.3
Two parents, one biological	56.4
Single biological mother or father	52.0
Other (adoptive or foster parents, grandparents, other relatives)	46.5

Source: National Longitudinal Survey of Youth 1997.

Moving back home and out again

The majority of young adults who established independence and then moved back home were no longer living in their parents' households at the time of the interview in the year they turned age 27. Still, 21 percent of 27-year-olds were living with their parents. Women were more likely to have reestablished independence than men were, and Whites were more likely to have done so than were Blacks or Hispanics. (See table 5.) Almost one-fourth of men were living in their parental home at age 27, compared with less than one-fifth of women. In addition, 27-year-olds with higher ASVAB scores or with a bachelor's degree (or higher) were less likely to be living in their parents' homes.

Table 5. Percentage of young adults with or without established independence at age 27, by selected individual characteristics

Characteristic	Never left parental home	Left parental home, returned	Total at parental home at age 27	Left parental home, returned, left again	Left parental home, never returned	Total not at parental home at age 27
Total	9.8	11.6	21.4	37.7	40.9	78.6
Gender						
Men	12.0	12.8	24.7	34.9	40.3	75.3
Women	7.6	10.3	17.9	40.6	41.5	82.1
Race or ethnic group						
White	6.7	10.6	17.3	40.4	42.2	82.7
Black	14.3	13.5	27.8	32.7	39.5	72.2
Hispanic or Latino	18.4	12.4	30.8	28.6	40.6	69.2
Educational attainment at age 27						
Less than high school diploma	14.5	12.2	26.7	37.6	35.7	73.3
GED	8.7	15.0	23.7	38.2	38.2	76.3

See footnotes at end of table.

Table 5. Percentage of young adults with or without established independence at age 27, by selected individual characteristics

Characteristic	Never left parental home	Left parental home, returned	Total at parental home at age 27	Left parental home, returned, left again	Left parental home, never returned	Total not at parental home at age 27
High school diploma	13.2	12.4	25.6	29.7	44.7	74.4
Some college	10.3	11.7	22.0	35.5	42.5	78.0
Bachelor's degree or higher	5.9	9.8	15.7	45.7	38.6	84.3
ASVAB score						
Lowest quartile	15.1	12.8	27.8	34.5	37.6	72.2
Second quartile	14.0	11.2	25.2	32.5	42.3	74.8
Third quartile	7.8	12.8	20.7	37.8	41.6	79.3
Highest quartile	5.4	9.9	15.3	43.0	41.6	84.7

Source: National Longitudinal Survey of Youth 1997.

Individuals who, in 1997, lived in households with higher incomes or households that owned their dwellings were less likely to live in their parents' homes at age 27. (See table 6.) In addition, those who lived with both biological parents or with a single biological parent were more likely to be in their parents' homes at age 27 than were individuals in two-parent households with one biological parent or in households with other living arrangements (i.e., with adoptive or foster parents, grandparents, or other relatives).

Table 6. Percentage of young adults with or without established independence at age 27, by selected household characteristics in 1997

Characteristic	Never left parental home	Left parental home, returned	Total at parental home at age 27	Left parental home, returned, left again	Left parental home, never returned	Total not at parental home at age 27
Total	9.8	11.6	21.4	37.7	40.9	78.6
Household adjusted income						
Lowest quartile	13.0	12.1	25.0	33.9	41.0	75.0
Second quartile	13.1	10.3	23.4	34.4	42.2	76.6
Third quartile	9.6	12.0	21.6	37.4	41.0	78.4
Highest quartile	5.8	11.5	17.2	42.9	39.9	82.8
Housing owned						
No	12.7	12.0	24.8	34.2	41.1	75.2
Yes	7.9	11.2	19.1	40.1	40.8	80.9
Parent figures in household						
Both biological parents	10.7	11.9	22.6	38.4	39.0	77.4

See footnotes at end of table.

Table 6. Percentage of young adults with or without established independence at age 27, by selected household characteristics in 1997

Characteristic	Never left parental home	Left parental home, returned	Total at parental home at age 27	Left parental home, returned, left again	Left parental home, never returned	Total not at parental home at age 27
Two parents, one biological	5.1	10.9	16.0	42.6	41.3	84.0
Single biological mother or father	10.5	12.0	22.5	34.6	42.9	77.5
Other (adoptive or foster parents, grandparents, other relatives)	10.4	7.8	18.3	33.9	47.9	81.7

Source: National Longitudinal Survey of Youth 1997.

Employment

Establishing and maintaining household independence were associated with higher wages at ages 23 and 27, as well as with a greater wage growth from age 23 to age 27. (See table 7.)[13] By age 27, independent youths were earning 15 percent more than were their counterparts living with parents.

In addition, those who were not living at home by age 27 were more likely to have worked more weeks than were those without independence. While individuals with established independence worked 74.0 percent of the weeks during the period from age 18 to age 27, those living with their parents worked 66.8 percent of the weeks. (See table 8.)

Table 7. Mean hourly wages of young adults at ages 23 and 27, with wage growth, by move-out status and location at age 27

Status	Wage at age 23	Wage at age 27	Percent change from age 23 to age 27
Never left parental home	$11.05	$14.59	32.0
Left parental home, returned	10.71	13.67	27.6
Total at parental home at age 27	10.87	14.09	29.6
Left parental home, returned, left again	11.21	16.15	44.1
Left parental home, never returned	11.75	16.18	37.7
Total not at parental home at age 27	11.48	16.16	40.8

Source: National Longitudinal Survey of Youth 1997.

Table 8. Percentage of weeks worked from age 18 to age 27, by employment status, move-out status, and location at age 27

Status	Employed	Unemployed	Not in labor force

See footnotes at end of table.

Table 8. Percentage of weeks worked from age 18 to age 27, by employment status, move-out status, and location at age 27

Status	Employed	Unemployed	Not in labor force
Never left parental home	66.4	8.9	24.7
Left parental home, returned	67.2	7.9	24.9
Total at parental home at age 27	66.8	8.4	24.8
Left parental home, returned, left again	71.7	6.2	22.1
Left parental home, never returned	76.1	5.1	18.9
Total not at parental home at age 27	74.0	5.6	20.4

Source: National Longitudinal Survey of Youth 1997.

Conclusions

By age 27, a majority of millennials born between 1980 and 1984 had moved out of their parental homes. However, more than half of them had returned home after initially leaving, and over 20 percent were still living with their parents at age 27. Establishing independence seems to be associated with higher math and verbal aptitudes, higher levels of educational attainment, and greater income of the parental household. Some of these characteristics are also associated with returning home after moving out. For example, individuals with a bachelor's degree were more likely to return home than were high school dropouts. Likewise, young adults coming from families with greater incomes tended to move back at higher rates.

In addition, establishing independence and maintaining it were associated with having higher wages and working more weeks over the period from age 18 to age 27. Most individuals who established independence and then moved back home were no longer in their parental households at age 27. Further, those who were white, had more education, or came from families with greater income in 1997 were more likely to reestablish independence by age 27.

SUGGESTED CITATION

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NOTES

1 Jonathan Vespa, Jamie M. Lewis, and Rose M. Kreider, "America's families and living arrangements: 2012," report P20-570 (U.S. Census Bureau, August 2013), https://www.census.gov/prod/2013pubs/p20-570.pdf.

2 John Ermisch and Pamela Di Salvo, "The economic determinants of young people's household formation," *Economica* 64, no. 256, November 1997, pp. 627–644.

3 Steven Garasky, R. Jean Haurin, and Donald R. Haurin, "Group living decisions as youths transition to adulthood," *Journal of Population Economics* 14, 2001, pp. 329–349.

4 Greg Kaplan, "Moving back home: insurance against labor market risk," *Journal of Political Economy* 120, no. 3, 2012, pp. 446–512.

5 Garasky et al., "Group living decisions."

6 The survey asks respondents to disregard temporary living quarters, such as dorms: “Sometimes people live in places temporarily while attending school or working a job or for some other reason, but they consider their permanent residence to be elsewhere. Do you consider the place you are currently living to be your permanent residence?” Independence was determined on the basis of whether the individual was living with parents or guardians in the residence he or she considered permanent.

7 The survey question is framed as follows: “The next questions are about living on your own—that is, being the head of your household or sharing that role equally with others. If you do not live on your own, you live in a household that is headed by someone else. What month and year did you first move out on your own for at least three months, even if you moved back in to someone else's household after that?”

8 The survey asks respondents with established independence to answer the following question: “Did you ever move back in with your parents or into someone else's household for at least three months after that?”

9 Although the survey does track individuals who lived with their parents under joint custody agreements, this analysis does not follow these individuals’ more complex transitions. This methodological choice resulted in the loss of 137 respondents. The analysis includes only individuals who turned age 27 before the last round of interviews.

10 Men and women in the NLSY97 were given the computer-adaptive form of the ASVAB, which measures a respondent's knowledge and skills in several areas. This analysis uses a summary percentile score, which was created by National Longitudinal Surveys program staff and combines subtest measures for arithmetic reasoning, mathematics knowledge, word knowledge, and paragraph comprehension. The score is similar to the Armed Forces Qualifying Test score used by the Department of Defense as a measure of skill among military recruits.

11 Lynn K. White and Alan Booth, “The quality and stability of remarriages: the role of stepchildren,” *American Sociological Review* 50, no. 5, October 1985, pp. 689–698.

12 Researchers studying an earlier generation have found that those attending college were more likely to transition back home; see Frances Goldscheider, Arland Thornton, and Linda Young, “A portrait of the nest-leaving process in early adulthood,” *Demography* 30, no. 4, November 1993, pp. 683–699.

13 Wages with extreme or implausible values—namely, wages in the 1st and 99th percentiles—were not included in the averages.

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