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## Family Support during the Transition to Adulthood

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As youth extend the transition to adulthood by delaying marriage and childbearing and expanding education, parents also extend their role in the lives of their children. As youth move into adulthood, families continue to greatly influence their children's life chances and outcomes by, for example, providing social and employment connections, paying for college, and providing direct material support in the form of time and money.

Robert Schoeni and Karen Ross, in their chapter in *On the Frontier of Adulthood*, examine this material support—how much time and money youth receive from their parents between the ages of 18 and 34, the difference in support between high- and low-income families, and the changing patterns of support over the last 30 years. In one of the first empirical attempts to estimate the amount of assistance that children receive during young adulthood, the authors find that parents contribute, on average, \$2,200 annually over the 17-year period, and this support has increased substantially in the last decades.

### Study Design

Using data from the 1988 Panel Study of Income Dynamics (PSID) and the decennial censuses of 1970, 1980, and 1990, the authors calculate the average amount of assistance (both time and money) received by youth at various ages, both living at home and living independently. They sum the age-specific averages to obtain the total amount that is expected to be received over the entire 17-year period. The census data also allow the authors to examine changes in assistance over the past 30 years.

The PSID includes information on 15,513 youth, ages 18–34. To compare spending patterns for high- and low-income families, the authors divide the families into quartiles by the income the family was earning when the child was aged 10–15.

One important limitation of the data is that transfers of time or money are only reported if they take place between people living in different households. At ages 18–20, only 25% of the youth in the PSID sample were not considered part of their parents' household. By ages 25–26, this rises to 80%, and almost all youth in their mid-30s were living independently. The authors, therefore, calculate the savings youth accumulate in rent and food, based on the Bureau of Labor Statistics and Consumer Expenditure Survey data for housing expenditures. They also calculate college expenses that parents cover while the youth are living at home, using the National Postsecondary Student Aid Study for the price of tuition, fees, room and board, and other miscellaneous expenses for full-time, four-year college students. It has been estimated that 61% of students receive some financial support from parents for college.

### Parental Support is Significant and Rising

Youth receive substantial help from their parents. On average, for youth both living at home and living independently, parents provide roughly \$38,000 in material assistance for food, housing, education, or direct cash assistance throughout the transition to adulthood (ages 18–34). This averages to approximately \$2,200 annually.

This outlay is about one-third that expended by parents during the youth's childhood (under age 18). Middle-income parents (earning \$39,000–\$66,000) spent roughly \$170,460 over the course of their child's first 18 years. Although such life events as getting married, having a child, and buying affect spending, they simply do not account for the strong age gradient in parental spending. It appears that age itself is the biggest predictor of parental outlays.

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# Network on Transitions to Adulthood

Time expenditures are equally significant. For youth aged 18–34 living away from home, nearly half receive parental time assistance in a given year, averaging 367 hours, or nine weeks of full-time, 40-hour-per-week help.

Assistance, as expected, declines as the youth age. For all youth (those who do and do not live at home), the average amount of assistance peaks at \$3,499 during ages 18–20, declining to \$2,323 by ages 25–26, and falling further to \$1,556 by ages 33–34.

Spending differs greatly depending on parental income. Children in the top one-fourth of income categories receive at least 70% more in material assistance than do children in the bottom one-fourth. This occurs even though higher-income youth are only 10–15% more likely to attend college than low-income youth. Both low- and high-income youth receive almost identical amounts of time help from their parents, at 3,864 and 3,869 hours, respectively.

Finally, family outlays have risen over the past 30 years, mainly because of the number of youth living at home and the rising costs of college. Since the 1970s, there has been a 50% increase in the number of youth living at home, which alone has led to a 19% increase in parental contributions.

## Policy Implications

The implicit assumption of this study is that familial assistance is key to a successful transition to adulthood. Without a doubt, children from more advantaged families have more successful transitions. However, family background might encompass other aspects beyond money and time. Government intervention may be able to help level material assistance across youth, but this may do little to reduce disparities if material assistance per se is not what leads to a successful transition. It may be, for example, that other factors, such as early childhood experiences, lead to smoother transitions. Further, if government were to expand assistance to needy youth, it might displace assistance that some families are already providing. Policy should carefully identify programs that complement, or at least do not displace, the strong network that is already in place for some families. Clearly, a richer understanding of how families affect the move into adulthood is needed.

*Based on Robert Schoeni and Karen Ross, "Material Assistance Received from Families during the Transition to Adulthood," in On the Frontier of Adulthood: Theory, Research, and Public Policy, edited by Richard A. Settersten, Jr., Frank F. Furstenberg, Jr., and Rubén G. Rumbaut. Chicago: University of Chicago Press, forthcoming, 2004.*

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The Research Network on Transitions to Adulthood and Public Policy examines the changing nature of early adulthood, and the policies, programs, and institutions that support young people as they move into adulthood. Significant cultural, economic, and demographic changes have occurred in the span of a few generations, and these changes are challenging youth's psychological and social development. Some are adapting well, but many others are floundering as they prepare to leave home, finish school, find jobs, and start families. The network is both documenting these cultural and social shifts, and exploring how families, government, and social institutions are shaping the course of young adults' development. The Network is funded by the MacArthur Foundation and chaired by University of Pennsylvania sociologist Frank Furstenberg.