

**SCIENCES PO PARIS – ECOLE POLYTECHNIQUE - ENSAE**

**Why do Francesca and Mario Live Longer With Their Parents  
than Hilde and Bjørn?**

**An empirical study on the impact of culture on residential emancipation and  
youth poverty**

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**MASTER THESIS**

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**Andreea-Viorica Minea**

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**Supervisor: Pierre Cahuc**

# **Why do Francesca and Mario Live Longer With Their Parents than Hilde and Bjørn?**

**An empirical study on the impact of culture on residential emancipation  
and youth poverty**

Andreea-Viorica Minea<sup>1</sup>

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## **Abstract**

Two thirds of young adult Italians lived with their parents in 2009. This phenomenon of late home-leaving has been explained by the traditional economic literature through income, labor market or housing market conditions. This paper provides a cultural interpretation for the degree of residential autonomy of young people. In cultures where the proximity to family is strong, young people will be more inclined to stay longer with their parents. Using data from the General Social Survey on immigrants to the United States, this paper shows that young people from Southern European countries have a lower likelihood of living alone than their Northern European counterparts. Furthermore, these traits are resilient across four generations of immigrants, which strengthens the case for the cultural interpretation of this phenomenon. These findings allow instrumenting residential autonomy by the cultural origin of the individual, and thus using an instrumental variables approach to assess the impact of living alone on the exposure to poverty of young individuals. Young people who live alone are more susceptible to being poor; this explains the rather puzzling fact of relatively high poverty rates for young Scandinavians. Thus, cultural values inherited from the family are a key determinant for the residential emancipation of young people, which in turn affects the exposure to poverty of the young generation.

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<sup>1</sup> For any query or in order to obtain the codes for the different estimations performed in this paper, please feel free to contact andreea.minea@sciences-po.org.

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## 1 Introduction

The recent economic crisis appears to have hit young Italians differentially: in 2009, compared to previous years, poverty rates have increased for young people living alone whereas they have remained stable for those still living in the parental household<sup>2</sup>. Two thirds of young Italians are not residentially emancipated: for them, parental presence and thus intergenerational transfers represent a significant shield against poverty, especially as, according to the OECD Employment Outlook of 2012, it is the Italian youth who has paid the cost of the crisis in Italy. In terms of policy implications, this situation would call for targeted policies at the group of young people living without parents in order to improve their coverage by social safety-nets. However, in order to make such policy recommendations, it is necessary to have a thorough understanding of the extent to which young people are likely to live by themselves and thus be poor. In other words, what determines young people's residential emancipation and how does this impact on their exposure to poverty?

Young people are said to be more prone to living with their parents in some countries than in others: in 2008, the share of young people living with adults in Southern European countries was three to four times higher than in Northern European ones (Eurostat, 2010). At the same time, young people in Sweden, Norway or Denmark, countries which exhibit higher fractions of young people having left the parental household, were at relatively high risk of youth poverty<sup>3</sup>. This paper aims at providing a cultural interpretation of youth poverty: the relationship between poverty and the autonomy of young people goes through the channel of the cultural values that young people inherit from their family. Southern Europeans are culturally less likely to be autonomous; therefore they will be more inclined to live longer in the parental household, which in turn means that they benefit from the protection of their parents and consequently, have lower poverty rates than Northern Europeans.

In order to study this hypothesis, I make use of the epidemiological approach and look at the behavior of immigrants (including second, third and even fourth generation immigrants) in the United States (US hereafter). Differences in culture are defined here in the line of Fernandez (2010) as related to the differences in the distribution of social preferences and beliefs. As emphasized by the study of Bissin, Verdier (2011), preferences and norms of

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<sup>2</sup> Calculations based on the European Union Statistics on Income and Living Conditions (EU-SILC) database.

<sup>3</sup> The at-risk-poverty-rates for young people were, for instance in Denmark (22%), in Sweden- 18%, or in Norway 23%. The definition used by Eurostat for a young person comprises all young adults aged 18-34. Eurostat calculations are based on the EU-SILC database.

individuals proceed at least partially from social interactions and transmission from a generation to another. In this respect, cultural transmission has a key part in explaining both how certain attitudes and social norms are formed, and the resilience of certain traits across different generations. Given that children inherit cultural beliefs from parents and that these beliefs are different according to the immigrant group to which the individual belongs, it becomes then possible to isolate cultural traits by looking at immigrants who live in the same institutional and economic environment (Fernandez, 2010). With culture thus identified, we can study then the effect of culture on economic outcomes such as the emancipation of a young individual from his family and subsequently, the extent to which he is protected against poverty thanks to the latter. This paper looks at the case of young immigrants from Northern and Southern Europe in the US and the extent of their emancipation, by relying on cross-sectional data from the General Social Survey from 1982 to 2008. It thus complements the work done by Giuliano (2007) which explored living arrangements in Western Europe using the 1970 US Census and pooled 1994-2000 March Current Population Surveys. As proxies for culture, I use dummy variables for the group to which the country of origin of the immigrant belongs: Southern or Northern European. This allows me to estimate the impact of culture on residential emancipation of young people at the micro-level. The Southern and Northern European groups of countries are built following an analysis of the patterns of youth residential emancipation in the countries of origin of the immigrants using European Values Survey data. Furthermore, it appears from principal components analysis that young Southern Europeans exhibit higher degrees of attachment to their families compared to young Northern Europeans which supports the cultural explanation of residential emancipation, as values about youth autonomy and independence are inherited through the family channel.

Furthermore, while Giuliano (2007) had a more restricted time span and looked only at second-generation immigrants, I extend here the analysis by also taking into account the behavior of first, third and even fourth generation immigrants<sup>4</sup>. The structure of the General Social Survey allows studying the resilience of cultural attitudes in terms of residential emancipation across generations by contrasting the behavior of immigrants to that of young Americans, and also by comparing the behavior of individuals from the first, second, third and forth generations of immigrants. Not only does culture matter and Southern European young immigrants exhibit higher likelihoods of living in the parental household compared to

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<sup>4</sup> The fourth generation of immigrants is considered in the analysis only when it comes to study the resilience of cultural traits across generations, given the specific way in which it was constructed (see *Data description and Estimation strategy* in Section 4). Otherwise, immigrants are generally defined in this paper as immigrants of first, second and third generation.

Northern European ones, but this feature persists across generations, even if these immigrants have been immersed for a long time in the American society. This confirms what Glazer and Moynihan already pointed out in their 1963 “Beyond the Melting Pot” study: “The point about the melting pot... is that it did not happen... The American ethos is nowhere better perceived than in the disinclination of the third and fourth generation of newcomers to blend into a standard, uniform national type”. With attitudes towards residential emancipation being inherited through cultural transmission mechanisms, it becomes then possible to explain the impact of individuals’ autonomy from their parents on their exposure to poverty. Thus, I instrument young people’s autonomy with their cultural origins, which enables me to avoid any issues of reverse causality between youth autonomy and poverty. I document this approach by looking at the attitudes of young people towards work and leisure; the analysis shows that Southern and Northern Europeans do not differ as groups in terms of their values about work. Given the strength of the attachment of Southern Europeans to their families and the lack of a clear cultural pattern of attitudes towards labor in Southern vs Northern European countries, it appears that the channel through which culture impacts on poverty is the one of the family and not the one of attitudes about work. Young people living alone tend to be more exposed to poverty, which explains the puzzling Eurostat statistics of relatively high youth poverty in Northern European countries, despite the strong welfare system and efficient labor market that are specific to these countries. Southern European countries are characterized by a culture of late-leaving from the parental household, which is reflected in lower youth poverty rates as these young people are protected by the income and support of their parents.

This paper is organized as follows. Section 2 presents a literature review on the determinants of residential emancipation and poverty exposure of young people, as well as related topics from the cultural economics literature. In section 3, cross-country evidence on the degree of residential autonomy of young people is presented, using data from the European Values Survey. The effect of culture on the decision of young people to live alone is estimated in Section 4, relying on the experiences of young immigrants from Southern and Northern Europe to the US. Section 5 examines the extent to which living alone is associated with an increased risk of poverty for young people. The channel through which culture affects poverty is the one of values inherited from family, given the strong attachment of Southern Europeans to their families, and not the one related to attitudes towards labor. Section 6 concludes.

## **2 Literature review**

This paper brings several contributions to the three strands of literature that it is related to: the research on youth emancipation, the economics of cultural transmission and the research on youth poverty. In comparison to the economic literature that has traditionally looked at income, labor market or housing market conditions as key determinants for youth residential emancipation, this paper adds a new explanation for youth autonomy: culture. It therefore complements the strand of literature on youth emancipation and also the literature on the economics of cultural transmission given that it uses the epidemiological approach to study the behavior of four generations of immigrants while previous studies (Giuliano, 2007) had only looked at one generation. Similarly, the paper provides additional evidence that residential emancipation matters for youth poverty, and thus, culture can eventually be a key determinant in explaining the patterns of youth poverty observed in Western Europe.

### **2.1 Youth residential emancipation**

Residential emancipation or rather the lack of residential emancipation of young people has been subject of a large research. An interpretation of this phenomenon is based on income and job security related arguments. McElroy (1985) builds a Nash bargaining model of family behavior in order to study the joint determination of work, consumption and household membership for men. She points out to the insurance role of families, as they insure their male child a minimal level of utility when he is confronted with precarious labor market opportunities. Similarly, Rosenzweig and Wolping (1993), and Ermisch (1999) show that the income of the child has a positive impact on his likelihood of becoming independent from his parents. All these studies point out to the fact that the probability of co-residence decreases with the income of a child, especially as co-residence implies a privacy cost. Using several datasets (ECHP, BHPS and SOEP) Ghidoni (2002) finds that precarious employment opportunities make young Southern Europeans stay at home longer and that in the decision to leave the parental household, current income and employment status are key determinants. In a more recent study, Becker, Bentolila, Fernandes and Ichino (2010) examine the impact of job insecurity of children and parents on children's decisions to move out of the parental

household. Their study looks initially at macroeconomic data in 13 EU countries for the period 1983-2004 and then focuses on microeconomic evidence for Italy, using the Italian Survey of Household Income and Wealth (panel dataset). They show that co-residence increases with job insecurity of young people whereas it declines with insecurity increases for older workers.

Concerning the difference in living arrangements between Southern and Northern Europeans, Iacovou (2010) points out that a high parental income is associated with a lower probability of leaving home in Southern European countries whereas in Nordic countries, high parental incomes make young people leave home faster. This phenomenon is explained by cross-country differences in terms of family ties and preferences of parents for close families. It is therefore in line with Reher's (1998) study of the strength of family ties in Western Europe, which points out that togetherness is likely to be valued more in Southern Europe than in Northern Europe and will therefore lead to higher co-residence rates. A different explanation is provided by Manacorda and Moretti (2007) who look at the role of preferences and intra-household transfers for co-habitation of young people and parents. If parents consider co-residence as a "good" whereas for children it is a "bad", then parents will "bribe" their children, by offering monetary transfers, in order to make them stay at home. Using data from the Italian Survey of Households' Income and Wealth, they show that a rise in parental income is translated by an increase in the probability of co-residence. Finally, another important determinant of young people living arrangements decisions is related to the housing market. Several studies (Ermisch, 1993, for the UK; Martinez-Granado and Ruiz-Castillo, 2002, for Spain; Giannelli and Monfardini, 2003, for Italy) have shown that higher housing prices deter young people from leaving the parental household and encourage them to return at home if they had already left it.

## **2.2 Youth poverty**

This paper is also related to another strand of literature that looks at the determinants of poverty and more specifically, at the link between youth emancipation and poverty. Although there is a significant amount of studies on household poverty, the research literature on youth poverty is a rather new one. In a research on the pre-enlargement EU, Aassve and Iacovou (2007) use a dataset obtained by pooling the data from all waves of the European

Community Household Panel and find clear evidence that young people in European countries are at-higher-than-average risk of being poor. Their study provides evidence that the structure of the household in which young people live is correlated to their poverty rates: those who live with their parents or with their partner (but with no children) have lower poverty rates; on the contrary, young people who live alone tend to be poorer. Furthermore, they point out that the impact of living alone on youth poverty is more significant in magnitude than the effects of labor market factors like unemployment, and it outweighs the positive impact of living with a spouse. In terms of poverty dynamics (entering or exiting poverty), a series of papers (Aassve et al. 2005, 2007; Parisi, 2008) emphasize that poverty entry is linked to residential emancipation. Leaving home leads to a higher risk of poverty: if one is not poor, it leads to a higher risk of poverty entry; if one is already poor, it leads to a lower probability of poverty exit. Finally, Mendola, Busetta and Aasve (2008) look at the issue of the higher exposure to poverty of young Northern Europeans. Using the European Community Household Panel, they build a measure of social disadvantage among youth based on the number of periods a young person is below the poverty line. Their results point out that higher rates of poverty are not necessarily reflected into stronger permanence of poverty. Although living arrangements matter and so, Northern Europeans face higher poverty rates because they leave earlier their parental household, generous welfare and an efficient labor market manage to prevent that poverty persists for them.

### **2.3 Cultural economics**

Given that this article aims to offer now a cultural interpretation of young people's decision to leave the parental household and of their subsequent likelihood of being poor, it also follows the cultural economics strand of literature. Studies like those of Manacorda and Moretti (2007) and Iacovou (2010) have already provided hints related to cultural differences characterizing the relationships between parents and their children. Not only do societies exhibit different economic outcomes (for instance, in terms of policies for redistribution or political participation), but they also display different social beliefs. Economic outcomes and social attitudes tend to be correlated as pointed out by the economic literature, and it is a natural step to inquire about the potential causal relationship of differences in the distribution of social beliefs on differences in economic outcomes across societies. Evidence in this respect has been provided in recent years thanks to the use of the "epidemiological approach"

which examines the variation in economic outcomes between immigrant groups living in the same country. This approach has been used in a wide variety of studies on economic outcomes such as women's work (Fernandez, 2007) and fertility (Fernandez and Fogli, 2009), labor market institutions (Aghion, Algan and Cahuc, 2008) or even corruption (Fisman and Miguel, 2007). Furthermore, this methodology has also been used to look at the link between family relationships (that may involve a cultural component) and the influence such family ties might have on the economic attitudes or results of individuals. Family ties impact on political participation and interest in politics: Alesina and Giuliano (2009) show that the strength of family ties has an explanatory power for an individual's political participation. Using the epidemiological approach, they point out that second-generation immigrants show less interest in politics if their country of ancestry was characterized by a high average level of family ties. Furthermore, the degree of attachment to one's family can also have a causal effect on labor market outcomes. Alesina, Algan, Cahuc and Giuliano, (2010) find that immigrants coming from countries with strong family ties, have a higher likelihood to be unemployed, to receive lower hourly wages and to exhibit a lower geographic mobility. In a topic more related to the one of the present paper, Giuliano (2007) shows that living arrangements of young second-generation immigrants in the US mimic the situation in their countries of origin, with immigrants from Southern Europe staying longer home than young people from other European countries. Finally, the persistence of cultural traits in second and third generation immigrants has equally been subject of research, either through the literature on ethnic capital and immigration (Borjas, 1992, looks at the extent to which ethnic differences in earnings and skills are transmitted across generations) or through epidemiological studies.

### **3 Youth residential emancipation: cross-country evidence**

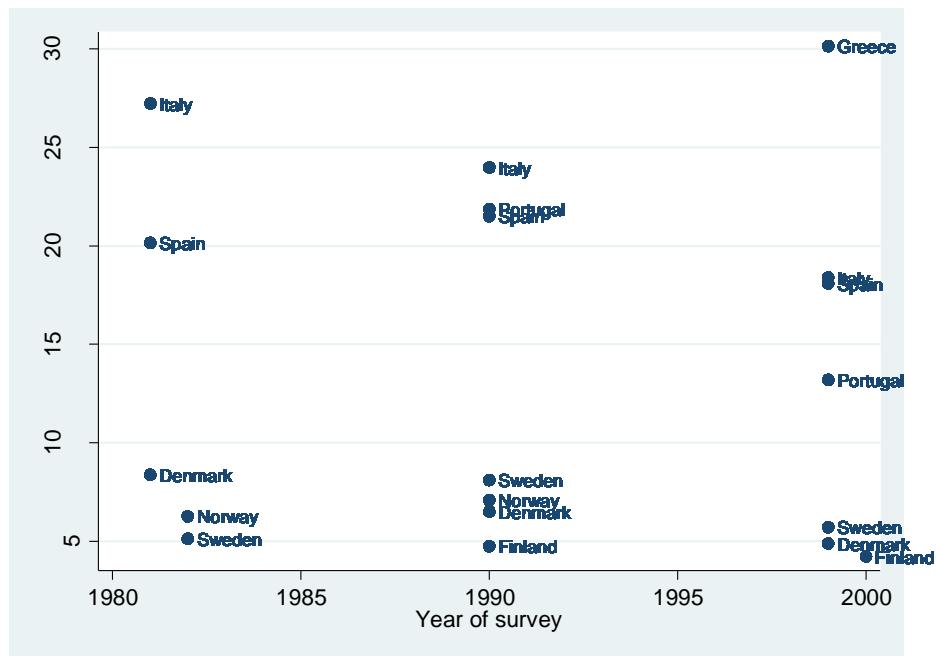
In order to identify the effects of culture on residential emancipation of young people, this paper will contrast young Europeans from different countries, and more precisely it will compare the behavior of young Southern Europeans to that of young Northern Europeans. I motivate this approach using data from the European Values Survey that illustrates clear patterns in terms of living arrangements of young people across countries. Furthermore, given that culture can be interpreted as beliefs or values that are inherited from previous generations, family appears as the main channel through which culture will impact on the

economic outcomes of an individual. I will document therefore the analysis on living arrangements by looking at the degree of attachment of young Europeans to their families. Young Southern Europeans have strong family ties, which imply closer proximity to their parents and therefore, that in the transmission of cultural values family plays a significant role.

Given that the population of interest is the youth, it is first necessary to define what a young person is. A person is considered to be young if aged between 18 and 29 years old. This is a more extensive definition of youth in comparison to the one used by the International Labor Organization (people aged 15 to 24). Looking at people aged 18-29 is more coherent with the “EU Youth Report” of the European Commission in 2009, defining youth as “the passage from a dependant childhood to independent adulthood”. Furthermore, I have equally used the definition of youth from Giuliano (2007) which looks at people aged 18 to 33. The estimated coefficients were similar to the ones presented below, although slightly smaller in magnitude, and therefore I decided not to include them here.

The European Values Survey database includes five waves of surveys, from 1981 to 2008 and provides information about the values, beliefs and motivations of citizens in 49 countries/regions. This survey offers valuable data on family relationships and on the strength of family ties. Thus, the lack of residential emancipation of young people is captured by the following question: “Do you live with your parents?”. I use this question in order to identify and group countries that are characterized by particularly high percentages of young people living in the parental household. Given that the starting point of this paper has been the case of European countries and the descriptive statistics derived from the European Union Statistics on Income and Living Conditions (EU-SILC) on the situation of young Europeans in terms of autonomy and poverty rates, I will restrict my analysis to the European continent, and more specifically to Western Europe. The European Values Survey data puts forward two main groups of countries in Western Europe given the extent of autonomy of young people from their parents: Southern and Northern European countries (Figure I).

Figure I- Young people living with their parents in Southern and Northern European countries



Source: European Values Survey

Southern European countries include Italy, Greece, Spain and Portugal, and are characterized by a high percentage of young people living with their parents, whereas the Northern ones include Denmark, Finland, Norway and Sweden and are characterized by low shares of young people living in the parental household. These descriptive statistics performed on the European Values Survey offer a first hint at the fact that living arrangements of young people are correlated to their culture of origin. It is therefore these two groups of countries, Southern and Northern European, that are going to be contrasted in the remainder of this paper in terms of living arrangements and poverty rates in order to clearly isolate the impact of culture.

Research literature has often indicated family as one of the most important socialization mechanisms for cultural transmission<sup>5</sup>. As Bisin, Verdier (2010) point out, “parental socialization requires the active participation of the children themselves, who ultimately form their identities and preferences in the social environment they interact with”. Given the significant role family plays in the transmission of values, it seems straightforward to examine the proximity of young Europeans to their families. Indeed, family appears as a prime candidate for the channel through which culture affects residential emancipation and

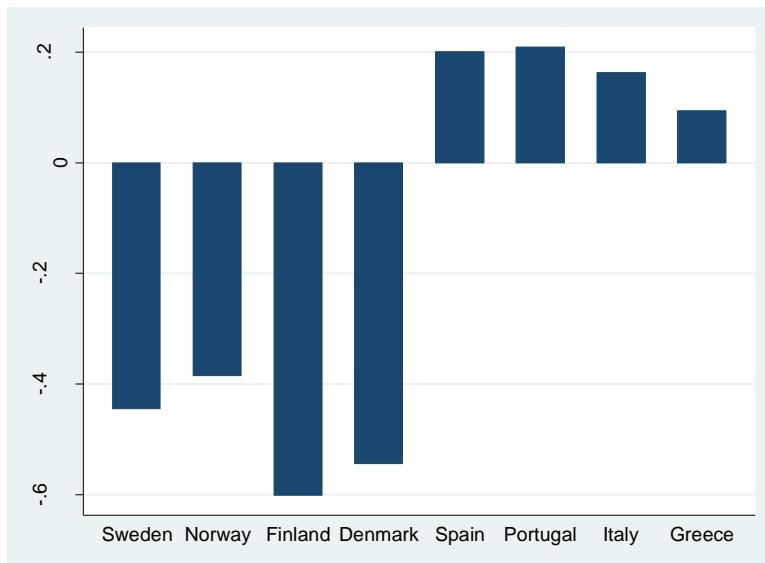
<sup>5</sup> For instance, Fernandez, Fogli and Olivetti (2004) show that sons of working mothers prefer working wives, in comparison to sons of non-working mothers. A different example is the one provided by the study of Collado, Ortúñoz Ortín, & Romeu (2005) who identify a vertical transmission mechanism in consumption choices regarding food between parents and children.

therefore, the exposure to poverty of young people. In order to address this issue I can look first at the degree of attachment of young people to their families. I construct therefore a measure of attachment to family. I use the method developed by Alesina, Giuliano (2010) in order to study the extent to which family ties affect different economic behaviors. Proximity to family will therefore be measured by focusing on three questions from the EVS:

- i) *The first question assesses the importance of family in a person's life.* The respondent is asked to indicate "For each of the following, how important it is in your life: Family".
- ii) *The second question is linked to a person's love and respect for parents.* The respondent is asked whether he agrees with one of the two statements: (A) Regardless of what the qualities and faults of one's parents are, one must always love and respect them; (B) One does not have the duty to respect and love parents who have not earned it by their behavior and attitudes.
- iii) *The third question assesses how an individual sees the duties and responsibilities of parents.* The respondent is asked whether he agrees with one of the two statements: (A) Parents have a life of their own and should not be asked to sacrifice their own well being for the sake of their children. (B) It is the parents' duty to do their best for their children even at the expense of their own wellbeing.

In order to build a family values indicator, I first reorder the values of each question such that a higher value represents stronger family ties, and then I sum the values of the three questions. A second method of building an indicator for the attachment to family is by doing a principal component analysis, which allows extracting a few factors which will describe the co-movement in the variables related to family values. In order to choose between these two methods, I look at the correlation between the initial variables related to family values, the sum indicator, and the first factor derived from the principal component analysis (see Appendix). It appears that the first factor has a strong positive correlation with the sum indicator (0.9892) and therefore we can use it as the indicator for family values.

Figure II- Attachment to family of Southern and Northern Europeans



*Notes:* Family attachment derived from principal component analysis.

*Source:* European Values Survey

With the family values indicator thus constructed, we observe (Figure II) a clear difference between Northern European countries and Southern European ones: Finland, Denmark, Sweden and Norway display a weak degree of attachment to family whereas Greece, Italy, Spain and Portugal are on the other side of the spectrum. The proximity of people to their families appears therefore to be strongly correlated with the country of origin of the individuals when it comes to Northern and Southern Europeans. There is indeed a clear pattern that allows contrasting Southern European countries to Northern European ones in terms of family attachment. The strength of family ties is one reason that can explain why young Southern Europeans live longer with their parents than their Northern European counterparts. Similarly, if the attachment to one's family is so strong for young Southern Europeans, than it is very likely that it is through one's family that cultural values will transit and eventually have an impact on an individual's economic outcomes. These results justify the approach taken in the following section where an analysis is performed on the outcomes in terms of residential emancipation of first, second and third generation immigrants to the US.

## **4 Living arrangements of young immigrants to the US**

This section assesses the impact of the culture of origin on the degree of autonomy of young people from their parents. Given that cross-country approaches are very likely to suffer from omitted variable biases, it is better to look at within country evidence and even better, to look at individuals of different origins but who live in the same institutional and economic setting. This approach allows isolating the cultural characteristics of the country of origin that have an impact on the economic outcomes of the individual.

After describing the data and the estimation method, I first contrast the experience of young Southern-European immigrants to that of Northern-European ones. Results indicate that young immigrants from the South have significantly lower likelihoods of being autonomous from the parental household. Similarly, the outcomes of the immigrants are different than those of the American natives; this cultural heterogeneity is the first sign of the resilience of cultural traits in the population of immigrants. In order to document this further, I then contrast the experiences of four generations of immigrants to the US. The analysis points out to the fact that the pattern of a low degree of residential emancipation of young Southern Europeans is persistent across generations. This resilience documented at the micro-level is a strong point in favor of a cultural interpretation of living arrangements of young Southern and Northern Europeans.

### **4.1 Data description and estimation strategy**

The General Social Survey database provides data for the period of 1972 to 2010. Up to 2004, each survey was an independently drawn sample of English-speaking persons, aged 18 or over, whereas starting in 2006, Spanish-speakers were equally included in the target population. I use the GSS in order to study the behavior of immigrants to the USA and thus to identify the effect of culture on the outcomes of interest in this paper. Unlike previous research on the topic of living arrangements of young people (Giuliano, 2007) that only focused on second-generation immigrants, this paper distinguishes three generations of immigrants in the USA. The GSS provides information on the origin of:

- i) *the respondent*: “Were you born in this country?”;
- ii) *his parents*: “Were both of your parents born in this country?”;

iii) *his grand-parents*: “Were all of your grandparents born in this country? How many were born outside the United States?”.

This allows not only to distinguish between US citizens and immigrants, but also to distinguish between different generations of immigrants. Therefore, I define first generation immigrants as people who have just immigrated to the US. Second generation immigrants are US-born children of at least one parent who was born abroad. Third generation immigrants are US-born children of parents born in the US, but with at least one grand-parent who was born abroad. Furthermore, although the GSS does not ask any question related to the origin of great-grand-parents, we can still build an indicator of what could be a “fourth”<sup>6</sup> generation immigrant by looking at those who are considered US citizens (not belonging to first, second nor third generations of immigrants) but still report a different country (than the US) where their ancestors came from and to which they feel the most attached to. However, given the specific way of building the fourth generation immigrant indicator, it will be used only when it comes to the analysis of the resilience of cultural traits across generations. For the overall analysis in this paper, an immigrant is defined as a person who belongs to either the first, to the second or to the third generation of immigrants to the US.

Indeed, the GSS offers information concerning the country of origin of the respondent’s ancestors through the following question: “From what countries or part of the world did your ancestors come?”. Respondents can indicate up to three countries, by order of preference, to which an individual feels attached. I keep here only the country to which the individual feels the most attached to and build dummies for the group of countries to which an individual belongs, following the groups of countries identified in the EVS: Southern European or Northern European. Also, because the EVS has a narrower time scope than the GSS, I restrict the period I will focus on in the GSS to 1982-2008 in order to ensure that the cultural norm of the country of origin can be checked for any immigrant group that will be dealt with in the analysis of the GSS. Therefore, I will contrast the behavior of immigrants from Southern European countries to that of those from Northern European ones and to the one of US-natives.

As Fernandez (2010) points out, the epidemiological approach may result in an underestimation of the impact of culture on the economic outcome of interest. First of all, the

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<sup>6</sup> The indicator has been called “fourth” for the easiness and coherence of the analysis. It is not possible to know from the data whether an individual is indeed a fourth generation immigrant or a fifth generation one or a sixth generation one, etc. Therefore, a fourth generation immigrant is a generic name for an immigrant whose more remote ancestors came from a different country than the US.

approach relies on looking at individuals whose parents (or grand-parents) were born in a different country. However, parents (or grand-parents) are not the only channel through which culture can be transmitted and there are many other institutions and relations that can play a role in this respect. Furthermore, when one looks at the behavior of second-generation or third-generation immigrants, it is likely that the effect of culture has been diluted progressively as these populations immerge in the culture of their host country. Therefore, it is likely that the effect of culture will actually be downwardly biased when the epidemiological approach is used. As Fernandez (2010) emphasizes, it is more likely in this type of studies that the coefficient on the cultural proxy is actually insignificant. Of course, what this analysis points out is that the statistical insignificance of the coefficient does not necessarily imply that culture does not matter at all. These considerations should be kept in mind when proceeding to the analysis and interpretation of the results in the following subsection.

Thus, what is the impact of culture on the probability that young people live with their parents? To answer this question, the following equation has been estimated:

$$A_i = a_0 + a_1 S_i + a_2 Y_i + a_3 (Y_i * S_i) + a_4 X_i + \varepsilon_i \quad (1)$$

where  $A_i$  is equal to one if the person lives alone and to zero otherwise.  $S_i$  is a dummy that is equal to one if a person is an immigrant coming from a Southern European country.  $Y_i$  is a dummy that is equal to one if a person is young and zero otherwise.  $X_i$  is a set of control variables, which may include the work status of the individual, level of education, income per capita, parents' education, etc.  $Y_i * S_i$  is a dummy for being a young person coming from a Southern European country. It is the variable which allows identifying the effect of the culture of origin on the degree of autonomy of young people.

An alternative to the model presented above would have been to use the percentage of young people living alone in the countries of origin, instead of a dummy for a young immigrant from a Southern European country. In order to do so, I used data from the European Values Survey, where the question “Do you live with your parents?” was asked in five survey years. As the General Social Survey data sample was restricted to 1982-2008 and does not have a round for the year 1990, data on the fraction of young people living in the countries of origin from the European Values Survey could only be used for 1982, 1999 and 2000. Unfortunately, this meant performing the estimation on only 129 observations and on

91 observations when the usual controls are included. Results are reported in the Appendix, and as expected given the very small number of data points, they are unable to provide any relevant evidence whatsoever.

## 4.2 Results

### 4.2.1 The lack of autonomy of young people from Southern Europe

Table I reports evidence obtained with the General Social Survey for the linear probability model presented above and estimated with OLS. I look first only at the population of immigrants to the US from Southern and Northern Europe in order to be able to compare the degree of residential emancipation among young people coming from these two regions. I report the results for three specifications, the first one being the baseline specification without any additional individual controls, whereas specifications two and three include different sets of education, labor-market-status variables and income.

Results in Table I reflect the strong discrepancy between young immigrants from Southern and Northern Europe in terms of living arrangements, as it was also reflected in the European Values Survey when looking at their country of origin. The probability of living alone is significantly lower for a young person coming from a Southern European country. The estimated coefficients for the variable of interest  $Y_i * S_i$  are negative and significant at the 1% level, in all three specifications. Compared to young immigrants from Northern Europe, 13% less immigrants from Southern European countries live alone according to the first specification. The results remain robust to the introduction of controls, and the coefficients are even higher in magnitude in the specifications with controls. Of course, it is very likely that the level of education, the working status of the person, etc. be equally influenced by culture. By controlling for these, I am actually examining the impact of culture on youth residential emancipation beyond the ways it is already affecting education, labor market choices, etc. As expected, the probability of being residentially emancipated increases with per capita income and with the number of college years completed by the individual, whereas it decreases when the individual is still in education. Although Fernandez (2010) pointed out to the risk of ruling out the cultural proxy because of its underestimation by the epidemiological approach, it appears here that culture does matter for residential emancipation of young people. In the specification with all controls, young immigrants

Table I- Residential emancipation of young immigrants from Southern Europe

	Dependent variable: Dummy for living alone (without parents)		
	(1)	(2)	(3)
Young immigrant from Southern Europe	-0.133*** (0.03)	-0.153*** (0.03)	-0.147*** (0.03)
Young	-0.133*** (0.02)	-0.068** (0.03)	-0.056* (0.03)
Immigrant from Southern Europe	-0.009 (0.01)	0.001 (0.01)	0.000 (0.01)
Per capita income		0.011*** (0.00)	0.011*** (0.00)
Father's education		-0.001 (0.00)	-0.001 (0.00)
Mother's education		0.001 (0.00)	0.001 (0.00)
Place living in when 16		-0.001 (0.00)	-0.002 (0.00)
Unemployed			-0.034 (0.03)
In school			-0.145*** (0.04)
Keeping house			0.045** (0.02)
Education level			-0.001 (0.00)
Some college			0.043*** (0.02)
Female			0.003 (0.01)
Constant	0.975*** (0.01)	0.901*** (0.02)	0.903*** (0.04)
R-sqr	0.125	0.124	0.141
Number of observations	2787	1712	1712

*Notes:* OLS regressions. The dependent variable is a dummy for living alone (not in the parental household). The regression is estimated on the population of Northern and Southern European immigrants to the US. The coefficients come from regressions on GSS data. Per capita income is obtained by dividing total family income by the number of persons in household. Father's and mother's education refer to the highest grade obtained or highest year of college completed. Place living in when 16 refers to the type of place (open country, farm, small town, city, etc.) where the respondent lived when he/she was 16 years old (the higher the value, the larger the size of the place). Education level refers to the highest year of school completed. Some college refers to the highest year of college completed. Female is a dummy for gender, taking on the value of 1 if the respondent is a female. Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008

coming from Southern Europe have a 14.7% lower probability of living alone compared to their Northern European counterparts. There is therefore a significant difference between the behavior of Southern and Northern European young immigrants.

In order to disentangle the effect of culture from the potential effect of other factors such as gender or education, I decided to look at different subsamples in the population of immigrants from Northern and Southern Europe. Table II presents the results of these

Table II- Residential emancipation of young immigrants from Southern Europe, different subsamples

	Dependent variable: Dummy for living alone (without parents)					
	(1) Female subsample	(2) Male subsample	(3) Unemployed subsample	(4) Not unemployed subsample	(5) With some college subsample	(6) Without college subsample
Young immigrant from Southern Europe	-0.173*** (0.04)	-0.096** (0.04)	-0.140 (0.17)	-0.132*** (0.03)	-0.133*** (0.03)	-0.135*** (0.05)
Young Immigrant from Southern Europe	-0.115*** (0.03)	-0.146*** (0.04)	-0.400*** (0.15)	-0.121*** (0.02)	-0.084*** (0.03)	-0.203*** (0.04)
Constant	0.981*** (0.01)	0.968*** (0.01)	1.000*** (0.08)	0.975*** (0.01)	0.975*** (0.01)	0.976*** (0.01)
R-sqr	0.145	0.105	0.399	0.114	0.101	0.164
Number of observations	1544	1243	79	2708	1509	1278

*Notes:* OLS regressions. The dependent variable is a dummy for living alone (not in the parental household). The regression is estimated on the population of Northern and Southern European immigrants to the US. The coefficients come from regressions on GSS data. (1) Regression on a subsample made only of females. (2) Regression on a subsample made only of males. (3) Regression on a subsample made of unemployed. (4) Regression on a subsample of people who are not unemployed. (5) Regression on a subsample of people with some college education. (6) Regression on a subsample of people who have not completed any year in college. Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008

specifications on female and male subsamples, unemployed and not unemployed, as well as individuals having completed some college years and those without any college. This design allows comparing the effect of culture on residential emancipation of young people by gender, status in employment and higher education level. Young immigrant women from Southern

Europe have a lower likelihood of being autonomous than their male counterparts. As expected, young unemployed are less likely to live by themselves whereas college education does not appear to make a big difference in terms of residential emancipation. Young immigrants from Southern Europe perform almost similarly in terms of autonomy from their parents whether they have completed some years in higher education or not. In all specifications and subsamples, we obtain the same result as above: young immigrants from Southern Europe are less likely to be independent from the parental household than their Northern European counterparts. The coefficient on the variable of interest (Young immigrant from Southern Europe) is the one that identifies the cultural effect for a young person. Thus, despite leaving in the same environment, as they are all immigrants to the US, individuals from different cultures have different outcomes in terms of residential emancipation and this is attributed to their cultural origin.

#### **4.2.2 The resilience of cultural traits across generations of immigrants**

In order to examine even further the impact of culture on the residential emancipation of young people, it is possible to look at the persistence of cultural traits across generations. To document this, I compare first the behavior of immigrants to that of American natives. Given that Americans and immigrants live in the same institutional and economic environment, it would be natural to expect similar outcomes in terms of residential emancipation if culture didn't play a role. However, if despite sharing the same environment, individuals who belong to different cultures have different behaviors, then this is likely to be due to the cultural effect. Table III reports results from the estimation of the linear probability model exposed above, this time on the entire population of the GSS. The population includes immigrants from Northern and Southern Europe, as well as American natives. A person is considered to be American if he/she is not a first, second or third generation immigrant. I report the results for three main specifications (each one having an additional specification with controls included) in Table III.

Table III: Residential emancipation of young Immigrants vs. young Americans

	Dependent variable: Dummy for living alone (without parents)					
	(1)	(2)	(3)	(4)	(5)	(6)
Young immigrant from Southern Europe	-0.086*** (0.02)	-0.074*** (0.02)	-0.118*** (0.02)	-0.095*** (0.02)		
Young immigrant from Northern Europe	0.047* (0.03)	0.077** (0.03)			0.034 (0.03)	0.073** (0.03)
Young American			-0.035*** (0.01)	-0.022*** (0.01)	-0.023*** (0.01)	-0.010 (0.01)
Young	-0.180*** (0.00)	-0.127*** (0.00)	-0.149*** (0.01)	-0.107*** (0.01)	-0.166*** (0.01)	-0.124*** (0.01)
Immigrant from Southern Europe	-0.003 (0.01)	-0.001 (0.01)	-0.011 (0.01)	-0.005 (0.01)		
Immigrant from Northern Europe	0.006 (0.01)	-0.003 (0.01)			0.027*** (0.01)	0.013 (0.01)
American			-0.004 (0.01)	-0.001 (0.01)	0.025*** (0.01)	0.019** (0.01)
Per capita income	0.011*** (0.00)			0.011*** (0.00)		0.011*** (0.00)
Unemployed	-0.080*** (0.01)			-0.080*** (0.01)		-0.079*** (0.01)
In school	-0.115*** (0.01)			-0.116*** (0.01)		-0.115*** (0.01)
Keeping house	0.035*** (0.01)			0.035*** (0.01)		0.036*** (0.01)
Father's education	-0.001 (0.00)			-0.000 (0.00)		-0.000 (0.00)
Mother's education	-0.001* (0.00)			-0.001 (0.00)		-0.001* (0.00)
Place living in when 16	-0.003*** (0.00)			-0.003** (0.00)		-0.003** (0.00)
Education level	0.002** (0.00)			0.002** (0.00)		0.002** (0.00)
Some college	0.021*** (0.01)			0.022*** (0.01)		0.021*** (0.01)
Female	0.019*** (0.00)			0.019*** (0.00)		0.019*** (0.00)
Constant	0.969*** (0.00)	0.885*** (0.01)	0.977*** (0.01)	0.887*** (0.02)	0.949*** (0.01)	0.868*** (0.01)
R-sqr	0.089	0.109	0.090	0.110	0.089	0.109
Number of observations	27113	16399	27113	16399	27113	16399

Notes: OLS regressions. The dependent variable is a dummy for living alone (not in the parental household). The coefficients come from regressions on GSS data. A person is considered to be American if he/she is not an immigrant (first, second or third generation) to the US. (1) and (2): Regressions for which the reference population are all Americans. (3) and

(4): Regressions for which the reference population are Northern European immigrants. (5) and (6): Regressions for which the reference population Southern European immigrants. Standard errors in parantheses. \* Significant at the 10 percent level.  
\*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008

The first specification allows comparing the outcomes for our two groups of interest with reference to the American population. It appears quite clearly that being a young person from a Southern European country decreases one's likelihood of living by himself, whereas a person from a Northern country will have more chances of being residentially emancipated. The first specification strengthens the results obtained when the estimation was performed only on the population of immigrants from Southern and Northern Europe in the previous section. Moreover, the results remain robust when individual controls for education, income, labor status and gender are added. The following specifications focus especially on the comparison between the behavior of Southern (and Northern) young Europeans and the ones of young Americans. It is easy to observe in both cases a clear difference between living arrangements of the American youth and those of young immigrants, which strengthens the case for a cultural effect on young people's behaviors. Southern Europeans are clearly less likely than young Americans to live by themselves: compared to young Americans, around 7% less young immigrants from Southern Europe live alone. On the contrary, Northern Europeans perform much better in terms of residential emancipation and exhibit a higher probability of being autonomous relative to the American youth: compared to the latter ones, 8% more young immigrants from Northern Europe live outside the parental household. Therefore, not only do foreigners from Southern and Northern Europe differ among themselves in terms of degree of independence from the parental household, but they also differ from the American young people. This heterogeneity strengthens the case for a cultural effect on living arrangements, given that young people living in the same environment but belonging to different cultures of origin exhibit clearly different actions with respect to their choice of household. If cultural assimilation happens fast, we would expect to find similar outcomes for immigrants and Americans. However, if for any reason, assimilation occurs at a slow pace, it is likely that convergence does not occur immediately (or at all) and that we find differences between young people of different countries of origin in terms of residential emancipation.

In order to further examine the issue of the persistence of cultural traits in immigrants, it is possible, thanks to the data from the GSS, to contrast the experiences of first, second and third

generations of immigrants. It has also been possible to build an indicator for what could be called a fourth generation immigrant. Among those who did not belong to first, second or third generations of immigrants<sup>7</sup> and who could have been qualified as American citizens, there were still many declaring a different country than the US as their country of ancestry. Therefore, it was possible to imply that these people could qualify as immigrants from a “fourth” generation: these are people whose ancestors, more remote than parents and grandparents, had come from a different country. With this additional indicator, I could study the resilience of cultural traits across four generations of immigrants in terms of living arrangements of young people. The linear probability model presented at the beginning of this section was estimated with OLS on each generation of immigrants. The estimations are performed only on the population of immigrants from Southern and Northern Europe. The reference population is in each case represented by Northern European immigrants, to whom Southern Europeans are contrasted with respect to emancipation from the parental household.

Results are reported in Table IV and point out to the persistence of cultural traits concerning the lack of residential autonomy for South Europeans. All generations of immigrants display lower proportions of young people living alone for the Southern European immigrant group and the results are overall statistically significant. The peak is reached with the second generation immigrants who are almost 50% less than young Northern Europeans to live by themselves. It should be noted that the literature in this field takes the outcomes of the second generation immigrants as a reference instead of the first generation ones: second generation immigrants suffer less from problems like the difficulty of getting adapted at the beginning, speaking the language of the host country, etc. and they are also less likely to have strong connections with family members who have not immigrated. Second generation immigrants are therefore a good compromise between a certain degree of integration in the host society and the maintenance of cultural traits from their country of origin given that they have not had the time either to get completely assimilated in their new country. This allows

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<sup>7</sup> As a reminder, the definitions of first, second and third generation immigrant indicators were built on the answers related to whether the respondent, his parents, or grand-parents were born in the US or not. It is the question related to the country of ancestry of the individual that allows creating a link to his culture of origin. In this case, this question has provided a hint with respect to whether an individual has cultural origins from different parts of the world and so can be considered as a fourth generation immigrant.

Table IV- Youth residential emancipation across four generations of immigrants

	Dependent variable: Dummy for living alone (without parents)							
	(1) First generation	(2) First generation	(3) Second generation	(4) Second generation	(5) Third generation	(6) Third generation	(7) Fourth generation	(8) Fourth generation
Young immigrant from Southern Europe	-0.299** (0.12)	-0.209 (0.14)	-0.108 (0.09)	-0.459*** (0.12)	-0.157*** (0.03)	-0.168*** (0.04)	-0.083** (0.04)	-0.095** (0.04)
Young Immigrant from Northern Europe	0.029 (0.11)	0.012 (0.13)	-0.157* (0.08)	0.285** (0.12)	-0.108*** (0.03)	-0.033 (0.03)	-0.140*** (0.03)	-0.071** (0.03)
Per capita income		0.008 (0.01)		0.011*** (0.00)		0.011*** (0.00)		0.014*** (0.00)
Unemployed		-0.063 (0.10)		-0.016 (0.06)		-0.042 (0.04)		-0.139*** (0.05)
In school		0.094 (0.10)		-0.670*** (0.09)		-0.098** (0.04)		-0.193*** (0.05)
Keeping house		0.091* (0.05)		0.038 (0.03)		0.037 (0.02)		0.098*** (0.04)
Father's education		-0.004 (0.00)		0.001 (0.00)		-0.001 (0.00)		-0.001 (0.00)
Mother's education		0.005 (0.00)		0.003 (0.00)		-0.003 (0.00)		0.002 (0.00)
Place living in when 16		0.018* (0.01)		-0.008 (0.01)		-0.005 (0.01)		0.003 (0.01)
Education level		-0.007 (0.01)		-0.004 (0.01)		0.000 (0.00)		0.000 (0.01)
Some college		0.122** (0.05)		0.028 (0.03)		0.037* (0.02)		0.087*** (0.03)
Female		-0.025 (0.03)		-0.023 (0.02)		0.016 (0.01)		0.048** (0.02)
Constant	0.971*** (0.04)	0.915*** (0.09)	0.990*** (0.01)	0.952*** (0.07)	0.968*** (0.01)	0.933*** (0.06)	0.964*** (0.01)	0.774*** (0.08)
R-sqr	0.110	0.166	0.118	0.254	0.126	0.140	0.095	0.169
Number of observations	311	192	729	379	1585	1121	1072	733

Notes: OLS regressions. The dependent variable is a dummy for living alone (not in the parental household). The coefficients come from regressions on GSS data. A person is considered to be American if he/she is not an immigrant (first, second or third generation) to the US. (1) and (2): Regressions for which the reference population are first generation immigrants from Northern Europe. (3) and (4): Regressions for which the reference population are second generation immigrants from Northern Europe. (5) and (6): Regressions for which the reference population are third generation immigrants from Northern Europe. (7) and (8): Regressions for which the reference population fourth generation immigrants

from Northern Europe. Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008

therefore getting a rather good and precise picture of the persistence of their cultural traits. It is indeed likely that first generation immigrants be a very specific case and what can explain the fact that the lack of residential emancipation is less strong for them than for second generation immigrants is simply that their parents may actually not have immigrated with them, and thus the likelihood of them living with their parents is naturally lower. Indeed, 30% less first generation immigrants from Southern Europe live alone in comparison to Northern European ones, whereas there are 46% less second generation Southern immigrants to live alone compared to Northern ones.

As immigrants are immersed for a longer time in the American society, the cultural effect on youth residential emancipation loses in magnitude: compared to Northern Europeans, around 30% less first generation young immigrants from Southern Europe live alone whereas they are only 8% less among fourth generation immigrants. Although it is possible to observe that the propensity to live with parents of Southern Europeans gets diluted as they spend more time in the American society, it is still striking that the discrepancy between Southern and Northern Europeans in terms of residential emancipation persists up to the fourth generation of immigrants. Cultural characteristics of the country of origin still affect the behavior of immigrants in their destination country, and this even for generations of immigrants who have lived for a long time already in the American society. Even when controls for education, work status or income are introduced, the results remain (or even become, for the second generation) significant. Income has as expected, a positive impact on the degree of autonomy of a person, in a same way as college education, whereas unemployed or people still in education are less likely to be residentially emancipated from their parents.

Overall, what these results suggest is that convergence with the American natives in terms of residential arrangements for young people does not really occur and that differences between young people of different origins persist across generations. With attitudes towards autonomy derived from one's culture of origin, it is possible to look now at the effect of residential emancipation of young people on their exposure to poverty.

## **5 Poverty exposure of young people living without their parents**

The increased exposure to poverty of young people who live outside the parental household has already been documented by the economic literature<sup>8</sup>. The main identification issue that can arise when studying the impact of residential emancipation on youth poverty is that of endogeneity, for instance due to reverse causality. Building on the findings of the previous sections which put forward a cultural interpretation of the degree of youth residential emancipation, it is possible to use an instrumental variable approach in order to solve for endogeneity problems that usually affect the type of equation I want to estimate.

After providing a description of the data and an explanation of the estimation method, I examine the impact of residential autonomy of young people on their susceptibility to be poor. The instrumental variable approach strengthens the evidence already provided by the literature in this field: young people who live alone are more prone to be poor. Thus, cultural values inherited from the family and resilient across generations, determine living arrangements of young individuals and thus, end up having a role on the exposure to poverty of the young generation. However, family, and more specifically, living arrangements, are not the only channel through which culture can affect poverty. Beliefs and attitudes related to work are another potential dimension through which culture can have an impact on the susceptibility of being poor of young people. I therefore try to rule out this possibility by controlling for the mean attitudes related to work in the country of origin of the individuals. Even when this cultural norm is taken into account, young people who live alone are still more likely to be poor, which illustrates the importance of family as a shield against poverty for the young generation.

### **5.1 Data description and estimation strategy**

In order to study the poverty rates of young immigrants to the US, I use the poverty definition of the US Census Bureau. If the total family income is less than the threshold appropriate for the family, then the family is in poverty and all family members have the same status. The poverty thresholds are taken from the Current Population Survey, Annual Social and Economic Supplements of the US Bureau of the Census. In order to compute the poverty

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<sup>8</sup> Aasve et al. (2005), Aasve and Iacovou (2007), Parisi (2008), etc.

status of each individual, I use the reported family income, from all sources, for the previous year before taxes. Unfortunately the Income variable in the GSS provides only income intervals. It thus has neither an upper limit for the top category nor a bottom limit for the lowest category.

Therefore, I decide to build three different income indicators for each family: one relying on the upper limits of the interval categories, one on the bottom limits and one on the middle income from each income category. These income indicators were then compared with the relevant poverty thresholds for each household size, and three different poverty rates were obtained. With poverty rates thus defined, I can look at the extent to which young people who live alone are more susceptible to be poor. Given the numerous reverse causality issues that may appear, I decide to instrument the residential autonomy of young people by their cultural origin. The population of interest is the population of young immigrants (first, second or third generation) to the US and I compare again the outcomes of the Northern European young immigrants to those from Southern Europe.

In order to study the impact of residential autonomy of young people on their exposure to poverty, the following equation is estimated on the population of young people:

$$P_i = a_0 + a_1 A_i + a_2 X_i + \varepsilon_i \quad (2)$$

where  $P_i$  is a dummy variable equal to one if a person is a poor and zero otherwise.  $X_i$  is a set of control variables, which may include the work status of the individual, his/her level of education, income per capita, parents' education, etc.  $A_i$  is the variable of interest and it allows identifying the effect of living alone on the exposure to poverty of a person.

The problem with equation (2) is that reverse causality may occur: for instance, a young person who is poor will be more likely to return living with his parents and benefit from the support of the latter. Therefore, a simple OLS estimation of equation (2) will most likely lead to biased results. In order to solve for this issue and given the results of section 4 which illustrated the role played by culture for residential emancipation of young people, it is possible to use an instrumental variable approach. A potential instrument for a young person living alone is whether that person is a Southern European or not.

A two-stage least squares estimation is therefore performed on the following model:

$$P_i = a_0 + a_1 A_i + a_2 X_i + \varepsilon_i \quad (3)$$

$$A_i = b_0 + b_1 (Y_i * S_i) + b_2 X_i + \eta_i \quad (4)$$

where  $Y_i * S_i$  is used as an instrument for  $A_i$  in equation (3). This identification strategy is valid as long as  $Y_i * S_i$  is uncorrelated with  $\varepsilon_i$ - that is, if being a young from a Southern European country has no impact on poverty other than through the extent to which a young person depends on his/her parents. This approach is justified by the strong degree of attachment to their families of young Southern Europeans compared to Northern ones that has already been documented in Section 3. Furthermore, regression analysis from Section 4 has already confirmed that the culture (country) of origin of a young person is a main determinant of his/her residential emancipation: young Southern Europeans are more likely to live longer with their parents than Northern ones. Therefore, instrumenting the degree of autonomy of a person by him/her being a young Southern European appears as a natural choice.

## 5.2 Results: The higher risk of poverty for young people living alone

The estimation of the model is performed on the population of young people and the results are displayed in Table V<sup>9</sup>. Panel B shows the strong first-stage negative relationship between residential autonomy and being a young person from a Southern European country, as already illustrated in Section 4. The corresponding 2SLS estimate of the impact of residential emancipation on poverty goes from 0.48 (in the specification with the poverty indicator built on the minimum income) to 0.65 (in the specification with the poverty indicator built on the medium income). Overall, young people who live without their parents tend to be poorer, whatever the poverty indicator used. In all three specifications, the coefficient on the dummy for being residentially emancipated is positive and strongly statistically significant. Living alone increases the probability of being poor by 65% when the poverty indicator is built on the medium income from the income interval. Unemployed and those who are still in education are also more exposed to poverty, whereas, rather unexpectedly, those keeping the house tend to be more shielded against the risk of being poor. As the majority of those keeping the house in the sample are represented by women who live

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<sup>9</sup> OLS estimations were also performed on equation (2). The results are presented in the Appendix.

with their spouse, it is likely that they benefit from transfers from their husband and thus, are more likely to be protected against poverty. However, generally, young females do not appear to have lower nor higher risks of poverty; the coefficient on the female dummy is statistically

Table V: Poverty exposure of young people who live alone

	Dependent variable: Dummy for being poor		
	(1) Poverty indicator built on the maximum income	(2) Poverty indicator built on the minimum income	(3) Poverty indicator built on the medium income
Panel A: Two-Stage Least Squares			
Living alone	0.543*** (0.20)	0.479** (0.23)	0.653*** (0.22)
Per capita income	-0.059*** (0.01)	-0.067*** (0.01)	-0.063*** (0.01)
Unemployed	0.208*** (0.08)	0.210** (0.09)	0.258*** (0.09)
In school	0.308*** (0.07)	0.246*** (0.08)	0.352*** (0.08)
Keeping house	-0.164** (0.07)	-0.042 (0.08)	-0.144* (0.08)
Education level	-0.003 (0.01)	-0.003 (0.01)	-0.005 (0.01)
Some college	0.020 (0.05)	0.005 (0.06)	-0.003 (0.05)
Female	0.038 (0.03)	0.030 (0.04)	0.052 (0.04)
Recession year	-0.005 (0.04)	-0.036 (0.04)	-0.031 (0.04)
Constant	-0.025 (0.14)	0.144 (0.16)	-0.048 (0.16)
R-sqr	0.194	0.255	0.100
Number of observations	400	400	400

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Panel B: First stage for Living alone (without parents)

Young immigrant from Southern Europe	-0.176*** (0.05)
Per capita income	0.037*** (0.01)
Unemployed	-0.130 (0.10)
In school	-0.218*** (0.07)
Keeping house	0.218*** (0.08)
Education level	0.020 (0.01)
Some college	0.033 (0.07)
Female	-0.026 (0.04)
Recession year	0.038 (0.05)
Constant	0.448** (0.18)
R-sqr	0.167
Number of observations	400

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*Notes:* Living alone is instrumented by being a young immigrant from a Southern European country. The estimation is performed on the population of young immigrants from Southern and Northern Europe. (1): Poor is defined using the income indicator built on the upper limits of the income intervals. (2): Poor is defined using the income indicator built on the bottom limits of the income intervals. (3): Poor is defined using the income indicator built on the middle income from each income interval. Panel A reports the two-stage least-squares estimates. Panel B reports the corresponding first-stage. Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008; Recession data is taken from NBER.

insignificant. Finally, being in a recession year does not seem to have any impact on the susceptibility of being poor of young people.

Results show that being autonomous increases the probability of being poor, and as young people from Southern Europe are culturally less inclined to live alone, they will also be less exposed to poverty. On the contrary, young Northern Europeans will face higher poverty rates given that they tend to be more residentially emancipated from their parents. Culture is a key determinant for living arrangements of young people and thus, it ends up playing a role in

the exposure to poverty of the young generation. Cultural values inherited from the family appear therefore to be an important element in understanding the rather puzzling fact that young people in Scandinavian, Social Democratic countries face higher poverty risks than their Southern European counterparts.

### 5.3 Robustness check: attitudes towards labor

One possible issue with the identification strategy above is that family may not be the only channel through which culture impacts on poverty. A main alternative channel through which the culture of origin may affect the exposure to poverty of a person is related to the values a person has about work. If, for instance, Southern Europeans tend to disconsider work whereas Northern Europeans think it is essential in one's lives, then the lax attitude towards labor of Southern Europeans is likely to increase their susceptibility of being poor. Therefore, beliefs related to work, that are cultural-specific, will eventually have an impact on people's poverty rates. If this is the case, then the rank condition does not hold anymore: it is not only through the values inherited from one's family with respect to residential emancipation that culture impacts on poverty, but also through one's personal values about labor.

In order to check for this possibility, we build indicators for personal values about labor. In order to construct a measure for the consideration one has for labor, I focus on the extent to which a person thinks that work is important in life. Unfortunately, such data is scarce in the General Social Survey<sup>10</sup>, and therefore, I decide to use the mean value of attitude towards labor in the country of origin of the individual. I use data from the European Values Survey that provides a more extensive coverage of this topic, and concentrate on two main questions:

- i) *a first question is related to the importance of work in one's life*: "Please say, for each of the following, how important it is in your life: Work";
- ii) *the second question is related to the importance of leisure*: "Please say, for each of the following, how important it is in your life: Leisure time".

I use the answers to these questions in the country of origin as a proxy for the attitudes of an individual towards labor. Whereas a first indicator is simply the answer to the first question

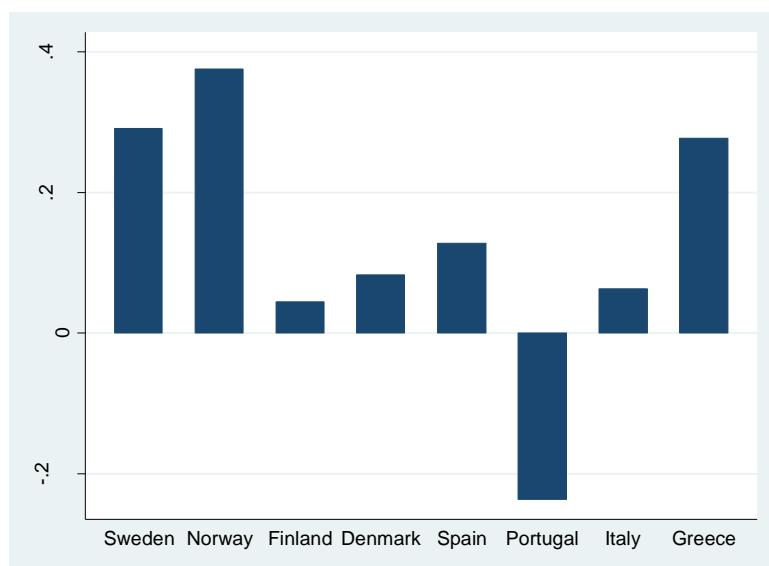
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<sup>10</sup> The question « We would like to know how important each of these aspect of life is for you: Career and Work ? » was only asked in 1982

related to the importance of work in life, a second indicator is built using principal component analysis from the answers to the work and leisure time questions.

Figure III displays the mean values of the measure of attitudes towards labor (expressed using the first principal component) at the country level. There is no clear pattern with respect to values about labor that could allow contrasting clearly the Southern European group of countries from the Northern European one. Unlike the case of values about family

Figure III- Attitudes towards labor of Southern and Northern Europeans



*Note:* Attitudes towards labor here are the ones derived from principal components analysis. The original variables on which the analysis is performed report how important are work and leisure in the respondent's life.

*Source:* European Values Survey waves 1990, 2000 and 2008.

and attachment to family exposed in Section 2, there is no clear ranking of countries in the case of attitudes about labor. Attitudes towards labor do not seem to capture a clear Southern European or Northern European cultural component. It seems therefore that if culture has an impact on poverty, the effect is mainly through its impact on values inherited from one's family and reflected in young people's degree of residential emancipation, rather than through how an individual esteems work.

Table VI- Poverty exposure of young people who live alone, controlling for attitudes towards labor

	Dependent variable: Dummy for being poor					
	(1) Poverty indicator built on the maximum income	(2) Poverty indicator built on the maximum income	(3) Poverty indicator built on the minimum income	(4) Poverty indicator built on the minimum income	(5) Poverty indicator built on the medium income	(6) Poverty indicator built on the medium income
Panel A: Two-Stage Least Squares						
Living alone	0.533*** (0.20)	0.556*** (0.20)	0.480** (0.23)	0.502** (0.23)	0.649*** (0.23)	0.668*** (0.22)
Per capita income	-0.059*** (0.01)	-0.059*** (0.01)	-0.067*** (0.01)	-0.068*** (0.01)	-0.063*** (0.01)	-0.063*** (0.01)
Unemployed	0.207*** (0.08)	0.210*** (0.08)	0.211** (0.09)	0.213** (0.09)	0.258*** (0.09)	0.260*** (0.09)
In school	0.306*** (0.07)	0.314*** (0.07)	0.247*** (0.08)	0.256*** (0.08)	0.351*** (0.08)	0.358*** (0.08)
Keeping house	-0.162** (0.07)	-0.167** (0.07)	-0.042 (0.08)	-0.047 (0.08)	-0.143* (0.08)	-0.147* (0.08)
Education level	-0.003 (0.01)	-0.004 (0.01)	-0.003 (0.01)	-0.004 (0.01)	-0.005 (0.01)	-0.005 (0.01)
Some college	0.020 (0.05)	0.021 (0.05)	0.005 (0.06)	0.007 (0.06)	-0.003 (0.05)	-0.002 (0.06)
Female	0.037 (0.03)	0.040 (0.03)	0.030 (0.04)	0.033 (0.04)	0.052 (0.04)	0.054 (0.04)
Recession year	-0.008 (0.04)	0.007 (0.04)	-0.036 (0.05)	-0.015 (0.05)	-0.033 (0.05)	-0.017 (0.05)
Mean value about work and leisure (PCA)	0.064 (0.29)		-0.010 (0.33)		0.030 (0.32)	
Importance of work in life		-0.015 (0.02)		-0.026 (0.03)		-0.016 (0.03)
Constant	-0.020 (0.14)	-0.031 (0.14)	0.143 (0.16)	0.133 (0.16)	-0.046 (0.16)	-0.055 (0.16)
R-sqr	0.201	0.185	0.255	0.250	0.104	0.086
Number of observations	400	400	400	400	400	400

Panel B: First stage for Living alone (without parents)

	(1)	(2)
Young immigrant from Southern Europe	-0.174*** (0.05)	-0.176*** (0.05)
Per capita income	0.037*** (0.01)	0.037*** (0.01)
Unemployed	-0.130 (0.10)	-0.130 (0.10)
In school	-0.219*** (0.07)	-0.219*** (0.07)
Keeping house	0.218*** (0.08)	0.218*** (0.08)
Education level	0.019 (0.01)	0.020 (0.01)
Some college	0.033 (0.07)	0.033 (0.07)
Female	-0.027 (0.04)	-0.027 (0.04)
Recession year	0.032 (0.05)	0.035 (0.06)
Mean values about labor (PCA)	0.102 (0.38)	
Importance of work in life		0.003 (0.03)
Constant	0.448** (0.18)	0.448** (0.18)
R-sqr	0.167	0.167
Number of observations	400	400

*Notes:* Living alone is instrumented by being a young immigrant from a Southern European country. The estimation is performed on the population of young immigrants from Southern and Northern Europe. (1) and (2): Poor is defined using the income indicator built on the upper limits of the income intervals. (3) and (4): Poor is defined using the income indicator built on the bottom limits of the income intervals. (5) and (6): Poor is defined using the income indicator built on the middle income from each income interval. Models (1), (3) and (5) include as a control for labor attitudes the indicator derived from principal component analysis on European Values Survey data; they have the same specification for the first-stage regression, therefore the first-stage results are reported only once in Panel B for these models, under (1). Models (2), (4) and (6) include as a control for labor attitudes the average importance of work in people's lives in the country of origin (European Values Survey data); they have the same specification for the first-stage regression, therefore the first-stage results are reported only once in Panel B for these models under (2). Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level

*Source:* General Social Survey, 1982-2008; European Values Survey waves 1990, 2000 and 2008; Recession data is taken from NBER.

In order to ensure that culture does not impact on poverty by influencing young people's attitudes towards labor, I re-estimate with the 2SLS method the equation (3), controlling for the mean values about labor in the countries of origin. These average values of attitudes towards labor in the country of origin can be considered as a summary of the potential cultural norm in the country of origin of an individual, if such a cultural norm about labor exists. Results from this estimation are presented in Table VI. Whatever the measure for attitudes about labor and the type of poverty indicator used, all specifications show that young people who live on their own appear to be more exposed to poverty. The probability of being poor increases by 70% when a young person lives alone, when poverty is defined using the medium value of income from each income interval. Results are similar to those in the previous sub-section, although smaller in magnitude, which reinforces choice made in terms of identification strategy. The coefficients on the two indicators for attitudes towards labor (mean values about labor and leisure derived from principal component analysis, and the importance of work in life) are statistically insignificant, both in the first and the second stage of the estimation. As expected, being unemployed or in school increases the susceptibility of being poor of young people.

## 6 Conclusions

This paper has sought to offer a cultural interpretation of youth residential emancipation and eventually, through the latter one, of youth poverty. It has first provided cross-country evidence that young people from some countries, namely Southern European ones, are more prone to living longer with their parents than young people from Northern European countries. Such an approach suffers of course from endogeneity, and especially from omitted variable bias issues. Therefore, providing evidence at the micro-level appeared necessary.

In order to identify the cultural effect and to answer endogeneity issues, the epidemiological approach, frequent in the cultural economics literature, was used: experiences in terms of living arrangements of immigrants from Southern and Northern Europe to the US were contrasted, given that they share the same political and economic environment. Not only do young immigrants from Southern Europe exhibit lower rates of residential autonomy than their Northern European counterparts, but this feature persists across generations. Cultural

heterogeneity with respect to youth emancipation was illustrated first through the comparison with the experiences of young Americans, and then through the study of the resilience of cultural traits across four generations of immigrants. Of course, there are several issues that should be kept in mind before deciding that a significant coefficient on the cultural proxy variable represents evidence that culture has an impact. It is likely that there are many individual characteristics, other than those that could be controlled for in the estimations presented, that could have an impact on the likelihood of leaving alone of a person. For instance, if a person's parents are divorced, then it is less likely that this person will live with his/her parents. Furthermore, even when the data allows controlling for a significant number of individual characteristics in order to limit the omitted variable bias, unobserved individual heterogeneity still remains an important issue. Another important issue may be the use of a dummy variable for the place of origin (Southern or Northern Europe) of the individual as a cultural proxy. A country dummy may encompass many other factors, not related to culture, that are likely to influence the economic outcomes of individuals. However, the use of an alternative proxy for culture has been made difficult in the current study due to data constraints<sup>11</sup>. Finally, it may also be the case that in measuring culture, one is actually also measuring religious characteristics from the country of origin which are also likely to have a strong impact on outcomes such as living arrangements. Unfortunately, this is an issue all epidemiological studies in the cultural economics literature are facing, and that it is difficult to solve with the current design of the method. Further research is desirable with respect to how the epidemiological approach should be constructed in order to avoid measuring ethnic, religious characteristics from the country of origin. Despite these limits, this paper has provided several key contributions to research on youth emancipation, especially by using an approach from the cultural economics literature to provide a novel interpretation of the degree of autonomy of young people.

This paper has also sought to offer additional evidence on the extent to which living without parents affects the exposure to poverty of young people. Starting from the cultural interpretation of youth residential autonomy provided in Section 3, it was possible to use an instrumental variable approach to solve for reverse causality issues that usually arise when measuring the impact of youth autonomy on poverty risk. Young people who live alone are

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<sup>11</sup> As explained in Sub-section 4.1, an alternative would have been to use the percentage of young people living alone in the country of origin, as a cultural proxy. However, data in EVS was only available for five years for the question "Do you live with your parents?", and only three of these years were available in the GSS (the data on which the estimation was eventually performed). Therefore, the number of observations was limited to 129 which is a too small sample to allow drawing any relevant conclusions.

indeed much more likely to be poor and the result was significant even when observable individual characteristics were controlled for. Given that culture is likely to have an impact on poverty through other channels than family and residential arrangements of young people, it was necessary to equally look at attitudes that people have towards work and leisure. This could have been a different channel through which culture may have an effect on poverty and therefore it had to be controlled for. Even when beliefs about labor and leisure are taken into account, residential autonomy still has a strong significant positive impact on youth poverty. Of course, attitudes towards labor are one of the most straightforward channels through which culture can manifest itself with respect to the exposure to poverty of young individuals. It is likely that despite controlling for it, there may be other beliefs or values of an individual through which culture can act and thus affect the susceptibility of being poor of young people. Endogeneity therefore remains an issue in this identification, although taking attitudes related to work into account is already a significant step in reducing the potential bias, given that labor is a key element when it comes to poverty exposure.

Instrumenting the degree of autonomy of young people by their cultural origin in order to assess the impact on poverty is a new approach in the youth poverty literature that could provide a useful starting point for further research. Refining this method, by introducing additional controls about beliefs and values of individuals in order to further isolate the channel through which culture acts, may be a first step forward. In order to better design policies and social protection safety-nets for the young generation, it is indeed a key requirement to be able to understand to what extent young people, from different institutional, economic and cultural backgrounds, are likely to be affected by the risk of poverty.

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## APPENDIX

- **Impact of the percentage of young people living alone in the country of origin on residential emancipation of young immigrants.**

In the benchmark estimation (equation 1), I study the impact of being a young from a Southern European country on the probability of living alone. An alternative to this model would have been to use the percentage of young people living alone in the countries of origin, instead of a dummy for a young immigrant from a Southern European country.

Equation (1) would have therefore been rewritten in the following way:

$$A_i = a_0 + a_1 F_i + a_2 X_i + \varepsilon_i \quad (2)$$

where  $A_i$  is now a dummy for a young person living alone (before it was just a dummy for a person living alone).  $F_i$  is the percentage of young people living alone in the country of origin of the individual; it illustrates the attitude towards living arrangements in the culture of origin.  $X_i$  is a set of control variables, which may include the work status of the individual, level of education, income per capita, parents' education, etc.

Results of this estimation are provided in Table A1. The coefficient on the percentage of young people living alone in the country of origin is weak and not statistically significant. This is most likely due to the very limited number of observations which does not allow identifying a clear impact of the variable on the probability to live alone for a young person.

Table A1: Residential emancipation of young people (cultural proxy: fraction of young people living alone in the country of origin)

	Dependent variable: Young person living alone	
	(1)	(2)
Percentage of young people living alone in the country of origin	0.001 (0.00)	0.000 (0.00)
Per capita income	-0.004 (0.01)	
Unemployed	-0.102 (0.23)	
In school	0.154 (0.19)	
Keeping house	-0.111 (0.13)	
Father's education	0.035** (0.01)	
Mother's education	-0.012 (0.02)	
Place living in when 16	-0.015 (0.03)	
Education level	-0.027 (0.02)	
Some college	-0.091 (0.11)	
Female	0.107 (0.07)	
Constant	0.117** (0.05)	0.342 (0.29)
R-sqr	0.000	0.190
Number of observations	129	91

*Notes:* OLS regressions. The dependent variable is a dummy for a young person living alone (not in the parental household). The coefficients come from regressions on GSS data. The estimation is performed only on the population of immigrants from Southern and Northern European countries to the US. (1): Model specification without controls. (2): Model specification with controls. Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008 ; European Values Survey waves 1982, 1990 and 2000.

- **Ordinary Least Squares estimation of equation (3), for the impact of residential emancipation on youth poverty.**

Table A2- OLS estimation of the impact of residential autonomy on youth poverty

	Dependent variable: Dummy for being poor		
	(1)	(2)	(3)
	Poverty indicator built on the maximum income	Poverty indicator built on the minimum income	Poverty indicator built on the medium income
Living alone	0.291*** (0.04)	0.343*** (0.04)	0.292*** (0.04)
Per capita income	-0.050*** (0.01)	-0.062*** (0.01)	-0.050*** (0.01)
Unemployed	0.175** (0.07)	0.193** (0.08)	0.211*** (0.07)
In school	0.249*** (0.05)	0.215*** (0.06)	0.267*** (0.05)
Keeping house	-0.112* (0.06)	-0.014 (0.07)	-0.069 (0.06)
Education level	0.003 (0.01)	-0.000 (0.01)	0.004 (0.01)
Some college	0.025 (0.05)	0.008 (0.06)	0.004 (0.05)
Female	0.029 (0.03)	0.025 (0.04)	0.040 (0.03)
Recession year	0.006 (0.04)	-0.031 (0.04)	-0.016 (0.04)
Constant	0.046 (0.12)	0.182 (0.15)	0.054 (0.13)
R-sqr	0.287	0.274	0.270
Number of observations	400	400	400

*Notes:* The estimation is performed on the population of young immigrants from Southern and Northern Europe. (1): Poor is defined using the income indicator built on the upper limits of the income intervals. (2): Poor is defined using the income indicator built on the bottom limits of the income intervals. (3): Poor is defined using the income indicator built on the middle income from each income interval. Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008

Table A3- OLS estimation of the impact of residential autonomy on youth poverty, controlling for attitudes towards labor

	Dependent variable: Dummy for being poor					
	(1)	(2)	(3)	(4)	(5)	(6)
	Poverty indicator built on the maximum income	Poverty indicator built on the maximum income	Poverty indicator built on the minimum income	Poverty indicator built on the minimum income	Poverty indicator built on the medium income	Poverty indicator built on the medium income
Living alone	0.290*** (0.04)	0.291*** (0.04)	0.342*** (0.04)	0.344*** (0.04)	0.291*** (0.04)	0.293*** (0.04)
Per capita income	-0.050*** (0.01)	-0.050*** (0.01)	-0.062*** (0.01)	-0.062*** (0.01)	-0.050*** (0.01)	-0.050*** (0.01)
Unemployed	0.175** (0.07)	0.175** (0.07)	0.193** (0.08)	0.192** (0.08)	0.211*** (0.07)	0.211*** (0.07)
In school	0.248*** (0.05)	0.251*** (0.05)	0.214*** (0.06)	0.219*** (0.06)	0.266*** (0.05)	0.269*** (0.05)
Keeping house	-0.111* (0.06)	-0.112* (0.06)	-0.014 (0.07)	-0.014 (0.07)	-0.068 (0.06)	-0.069 (0.06)
Education level	0.002 (0.01)	0.003 (0.01)	-0.000 (0.01)	0.000 (0.01)	0.003 (0.01)	0.004 (0.01)
Some college	0.026 (0.05)	0.026 (0.05)	0.008 (0.06)	0.010 (0.06)	0.004 (0.05)	0.005 (0.05)
Female	0.029 (0.03)	0.030 (0.03)	0.025 (0.04)	0.028 (0.04)	0.039 (0.03)	0.041 (0.03)
Recession year	-0.003 (0.04)	0.015 (0.04)	-0.033 (0.05)	-0.010 (0.05)	-0.025 (0.04)	-0.006 (0.04)
Mean value about work and leisure (PCA)	0.158 (0.26)		0.043 (0.32)		0.167 (0.28)	
Importance of work in life		-0.011 (0.02)		-0.024 (0.03)		-0.011 (0.02)
Constant	0.051 (0.12)	0.044 (0.12)	0.183 (0.15)	0.178 (0.15)	0.058 (0.13)	0.052 (0.13)
R-sqr	0.288	0.288	0.274	0.276	0.271	0.271
Number of observations	400	400	400	400	400	400

*Notes:* Living alone is instrumented by being a young immigrant from a Southern European country. The estimation is performed on the population of young immigrants from Southern and Northern Europe. (1) and (2): Poor is defined using the income indicator built on the upper limits of the income intervals. (3) and (4): Poor is defined using the income indicator built on the bottom limits of the income intervals. (5) and (6): Poor is defined using the income indicator built on the middle income from each income interval. Models (1), (3) and (5) include as a control for labor attitudes the indicator derived from principal component analysis on European Values Survey data. Models (2), (4) and (6) include as a control for labor attitudes the average importance of work in people's lives in the country of origin (European Values Survey data). Standard errors in parentheses. \* Significant at the 10 percent level. \*\* Significant at the 5 percent level. \*\*\* Significant at the 1 percent level.

*Source:* General Social Survey, 1982-2008; European Values Survey waves 1990, 2000 and 2008.

- **Different measures of the degree of attachment to family**

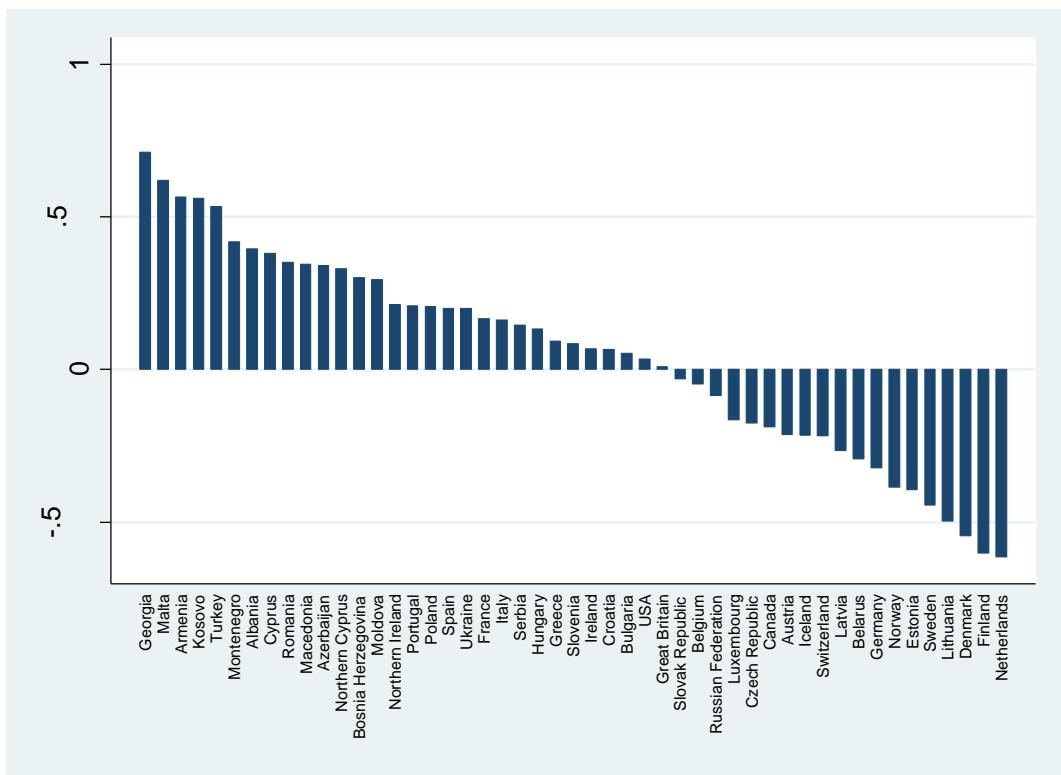
Table A4- Correlation between different measures of the degree of attachment to family

	Importance of family in life	Parents' responsibility to children	Responsibility to parents	Strength of attachment to family (PCA)	Sum of the first three variables
Importance of family in life	1				
Parents' responsibility to children	0.0771	1			
Responsibility to parents	0.0589	0.1694	1		
Strength of attachment to family (PCA)	0.4539	0.7203	0.6986	1	
Sum of first three variables	0.5359	0.7544	0.5915	0.9892	1

*Notes:* The higher the value of the variables above, the stronger the attachment of a person to his/her family. Importance of family life: it evaluates the importance of family in the respondent's life; it takes values from 1(not at all important) to 4 (very important). Parents' responsibility towards children: The respondent is asked which of the two statements best describes his views about parents' responsibility to their children- A. Parents' duty is to do their best for their children even at the expense of their own well-being (takes the value of 2); B. Parents have a life of their own and should not be asked to sacrifice their own well-being for the sake of their children (takes the value of 1). Responsibility to parents: The respondent is asked with which of the following statements he agrees: A: Regardless of what the qualities and faults of one's parents are, one must always love and respect them (takes the value of 2); B: One does not have the duty to respect and love parents who have not earned it by their behavior and attitudes (takes the value of 1). Sum of first three variables: it is a sum indicator for the strength of the attachment to family that sums the values taken by the importance of family in life, parents' responsibility to children and responsibility to parents. Strength of attachment to family (PCA): it is built from the first principal component that results through a principal components analysis on importance of family in life, parents' responsibility to children and responsibility to parents.

*Source:* European Values Survey

Figure A1- Degree of attachment to family across countries



*Note:* Family attachment derived from principal component analysis.

*Source:* European Values Survey

- SUMMARY STATISTICS

Panel A. Country summary statistics, European Values Survey (Young people)

	Obs.	Age	Age	Female	Female	Fraction of young living with parents	Fraction of young living with parents	Tertiary education	Tertiary education	Unemployed	Unemployed
		Mean	Sd	Mean	Sd	Mean	Sd	Mean	Sd	Mean	Sd
Denmark	1113	23.39	3.26	0.47	0.50	5.70	3.00	0.10	0.30	0.10	0.30
Finland	559	23.82	3.51	0.52	0.50	3.06	2.03	0.30	0.46	0.07	0.26
Norway	722	23.67	3.30	0.50	0.50	4.74	3.06	0.11	0.32	0.03	0.18
Sweden	848	23.59	3.52	0.48	0.50	5.19	2.81	0.28	0.45	0.05	0.21
Greece	726	23.50	3.27	0.58	0.49	18.89	13.58	0.46	0.50	0.08	0.26
Italy	1900	23.48	3.32	0.51	0.50	19.26	8.97	0.23	0.42	0.13	0.33
Spain	2158	23.22	3.36	0.49	0.50	17.33	7.08	0.15	0.36	0.11	0.32
Portugal	783	23.04	3.43	0.52	0.50	13.83	8.60	0.27	0.44	0.07	0.26
Total	8809	23.42	3.36	0.50	0.50	12.99	9.73	0.22	0.41	0.09	0.29

Source: European Values Survey.

Panel B. Country summary statistics, General Social Survey (Young immigrants from Northern and Southern Europe)

	Obs.	Age	Age	Female	Female	Fraction of young living with parents	Fraction of young living with parents	Tertiary education	Tertiary education	Unemployed	Unemployed
		Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Denmark	18	26.00	0.61	0.11	0.06	0.11	0.11	13.67	0.61	13.40	12.13
Finland	12	25.33	0.25	0.08	0.00	0.00	0.17	13.67	0.50	12.63	12.55
Greece	26	24.62	0.46	0.35	0.04	0.15	0.08	14.54	0.73	11.89	11.76
Italy	259	24.61	0.53	0.29	0.05	0.11	0.10	13.47	0.56	12.63	12.29
Norway	41	24.76	0.49	0.15	0.07	0.12	0.05	13.90	0.59	13.38	13.37
Spain	36	24.69	0.56	0.33	0.03	0.14	0.03	13.69	0.69	11.70	12.09
Sweden	37	24.65	0.49	0.22	0.03	0.05	0.03	13.73	0.62	13.52	13.69
Portugal	9	24.11	0.22	0.22	0.22	0.00	0.11	12.89	0.44	10.00	11.78
Total	438	24.70	0.51	0.26	0.05	0.11	0.08	13.62	0.59	12.65	12.45

Source: General Social Survey

Panel C. Summary statistics, General Social Survey (Americans and Immigrants from Northern and Southern Europe of different generations)

	Obs.	Age	Female	Fraction of young living with parents	Unemployed	In school	Keeping house	Education	Some college	Father's education	Mother's education
		Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
American	17621	44.75	0.57	0.07	0.03	0.03	0.15	12.78	0.46	10.92	11.23
1st generation	311	50.34	0.51	0.07	0.04	0.02	0.14	11.99	0.47	8.75	7.87
2d generation	729	59.41	0.58	0.05	0.02	0.01	0.18	12.79	0.44	8.42	8.61
3d generation	1585	43.46	0.55	0.08	0.03	0.03	0.11	13.84	0.60	11.52	11.75
4th generation	1585	43.46	0.55	0.08	0.03	0.03	0.11	13.84	0.60	11.52	11.75

Source: General Social Survey

Panel D. Country summary statistics, General Social Survey (Youth poverty rates)

Obs.	Poor (Poverty indicator built on the maximum income)	Poor (Poverty indicator built on the minimum income)	Poor (Poverty indicator built on the medium income)
	Mean	Mean	Mean
Denmark	18	0.11	0.22
Finland	12	0.08	0.08
Greece	26	0.04	0.04
Italy	259	0.08	0.15
Norway	41	0.22	0.27
Spain	36	0.14	0.17
Sweden	37	0.22	0.27
Portugal	9	0.11	0.33
Total	438	0.11	0.17
			0.13

Source: General Social Survey

Panel E. Youth poverty statistics, General Social Survey (Poverty indicator built on the medium income)

	Obs.	Age	Female	Fraction of young living with parents	Unemployed	In school	Keeping house	Education	Some college	Father's education	Mother's education
		Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Not Poor	297	24.66	0.51	0.33	0.04	0.10	0.08	13.55	0.58	12.49	12.24
Poor	33	24.12	0.64	0.03	0.09	0.24	0.12	13.73	0.64	11.80	11.97
Total	330	24.61	0.52	0.30	0.05	0.11	0.09	13.56	0.59	12.42	12.21

Source: General Social Survey