

# Ethnic differences in leaving home: The neighbourhood context in Finland

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## Background

Leaving the parental home is a key marker in the transition to adulthood, signalling autonomy from the family of origin, a degree of financial and residential independence, as well as a step towards one's own family formation. Prior research has shown racial/ethnic background to be an important determinant of both the timing and destinations of leaving home in many countries (e.g., for the US: Lei and South 2016; for the Netherlands: Kleinepier, de Valk, and van Gaalen 2015; Zorlu and Mulder 2011; for France: Ferrari and Pailhé 2017; McAvay 2018; McAvay and Pailhé 2021; for Denmark: Skovgaard Nielsen 2015; 2016). The observed ethnic differences in leaving home are theoretically often linked to diverging cultural norms or socio-economic circumstances that shape decisions about home-leaving (e.g., Aassve et al. 2002; De Valk and Billari 2007; Treas and Batalova 2011; Lalander and Herz, 2021). A smaller literature has more recently also highlighted the role of the neighbourhood context for ethnic differences in the timing and destinations of leaving home (Zorlu and Mulder 2011; Zorlu and Van Gaalen 2016; McAvay and Pailhé 2021). It is within neighbourhoods where socialisation occurs, where cultural norms are transmitted, where structural opportunities or constraints for skills acquisition and socio-economic mobility are present.

Research on leaving home in Finland often centres on the material consequences of home leaving (Oksanen, Aaltonen, and Rantala 2016; Ilmakunnas 2018; Remes, Sirniö, and Martikainen 2022), and does not, to the best of our knowledge, address either ethnic differences in the timing and destinations of leaving home or its link with the neighbourhood environment. This is perhaps owing to the fact that Finland has a relatively short immigration history. Statistics Finland (2023) reports that as of 2021, however, immigrants and their descendants make up about 470,000 of the resident population in Finland. Within the last 30 years the migrant population in Finland has thus increased more than tenfold. An empirical assessment of the timing and patterns of leaving home that includes young people of migratory background therefore is warranted.

In this article we address the timing and destinations of leaving the parental home as a function of both individuals' ethnicity and the contextual characteristics of the neighbourhood. We use unique individual administrative panel data for 2011–2020 from Statistics Finland on young adults born between 1990 and 1995, who were therefore aged 21 and 16 in 2011. The analyses are performed using discrete-time hazard models with competing risks, corresponding with three types of transitions out of the parental home: leaving home for independence; leaving home for cohabitation; leaving home for marriage. Our analysis was inspired by the recent study of McAvay and Pailhé's (2021), who took both individual ethnicity and ethnic composition of the neighbourhood into account in their analysis of leaving the parental home in French neighbourhoods. In our contribution, however, we

more broadly assess the neighbourhood environment's structural characteristics (e.g., affordable housing; unemployment rate) and their link with leaving the parental home – over and above individual characteristics. In our Finland-focused contribution, we address the following questions: What is the relationship between immigrant origin, neighbourhood environment, and the timing and pathways of leaving the parental home? Moreover: do young adults with an immigrant origin living in more majority-dense neighbourhoods resemble the majority more in terms of their leaving home behaviour than their peers living in more minority-dense neighbourhoods?

## Data and method

We use register-based longitudinal data formed at Statistics Finland that combine yearly information for residential events with variables measuring individual socio-demographic characteristics and with variables measuring the neighbourhood environment. The data have been derived from the population register and thus cover all persons registered in Finland between 1987 and 2020. Our analytical sample ( $N=358,734$ ) selects young adults of the birth cohorts 1990 to 1995, who lived with at least one of their parents when they were 16 years old. We followed the respondents in the sample until 2020, or until they left the parental home (if that happened before 2020). This way we capture the most dynamic period of leaving home, from age 16 to 30.

The dependent variable measures three different destinations of leaving the parental home. Living with one or both parents is the reference category (coded 0) and determined through the record linkage of parents and children. The other three categories refer to respondents who have left the parental home:

- (1) If a respondent lived in the parental home in year  $t$  and left home to live alone in an independent residence in year  $t + I$ ;
- (2) If a respondent lived in the parental home in year  $t$  and left home to live with a cohabiting partner at  $t + I$ ;
- (3) If a respondent lived in the parental home in year  $t$  and lived together with a married partner in year  $t + I$ .

It is possible to identify these different destinations by checking which individuals are registered at the same address: Those who were registered with at least one parent at the same address are considered as not having left the parental home; those who were registered as the only person at a particular address are considered to live alone in an independent residence; those who were registered at the same address with a partner and classified as 'unmarried cohabiting' according to the standard decision rules used by Statistics Finland are considered to cohabit with an unmarried partner; and, finally, those who were registered as married and living at the same address as their spouse are considered to be living together with a married partner.

We model the different destinations of leaving the parental home using a discrete-time duration model with competing risks. For each discrete time interval  $t$  there is a multinomial response, indicating occurrence and destination of leaving home. By modelling the pathways of leaving home as competing risks, we allow variations in the baseline hazard and in the coefficients for the covariates for all destination states. The process time for living with the parents is assumed to start at the age of 16 and to end when a respondent leaves the parental home for the first time. It is censored for a respondent still living with the parent(s) in the last observation year or at the last observation age, for

a respondent who emigrates from Finland or dies during the observation period. Repeated spells are not considered.

We consider the following key independent variables: First, we include the immigrant origin. We consider any individual as having an immigrant origin if they have two foreign-born parents and then prioritise the mother's country of birth to construct eight categories by broad world regions: Russia and Soviet Union, Balkans and Yugoslavia, Europe, North Africa, Sub-Saharan Africa, Middle East, Asia, Americas and Oceania. If mother's country of birth is not reported, the father's country of birth is used. This way, immigrant origin respondents could be either descendants of immigrants (2G) or immigrants born abroad who arrived during childhood in Finland (1.5G). Second, we include the share of native Finns in the neighbourhood (i.e., as defined by the postal code) to capture ethnic composition in the neighbourhood environment.

At the individual level we control for age, age logged, gender, employment status (student, unemployed, employed, inactive *-ref-*), having been born abroad, parents' age when R was born, parents' highest achieved level of education (low *-ref-*, medium, high), parents' number of children, and occupation, number of rooms in the parental household (2 or less *-ref-*, 3, 4, 5 or more), parents' family type (couple *-ref-*, female single parent, male single parent), and tenure type of the parental home (owner-occupied *-ref-*, rented, other). At the neighbourhood level we further control for the neighbourhood share of married persons, the neighbourhood share of families, the neighbourhood unemployment rate, the neighbourhood share of renters, and whether or not the neighbourhood of residence is in the Greater Helsinki area. All time-varying independent and control variables are lagged (i.e., measured in  $t-1$ ) to prevent endogeneity issues.

### **Preliminary results**

Our baseline model examines the main effects of immigrant origin and the share of native Finns in the neighbourhood. As seen in Table 2, Model 1, we found that both immigrant origin and the majority share in the neighbourhood are associated with the different pathways from the parental home – independent of each other and adjusted for further controls. Next, we examine the interactive effect of immigrant origin and the share of native Finns in the neighbourhood on the different pathways out of the parental home. As seen in Table 1, Model 2, there is evidence of an interaction between immigrant origin and the share of majority Finns in the neighbourhood (if not statistically significant across all groups). For ease of interpretation the predicted margins are graphically depicted in Figure 1. The probability of not having left home is higher, the more diverse the neighbourhood is. This is especially notable for the Sub-Saharan origin group. Also, the probability of having left for independence is higher the less diverse the neighbourhood is. Again, this is especially notable for the Sub-Saharan origin group. For some groups, such as the Middle Eastern origin one, the neighbourhood composition has less of an influence.

### **Next steps**

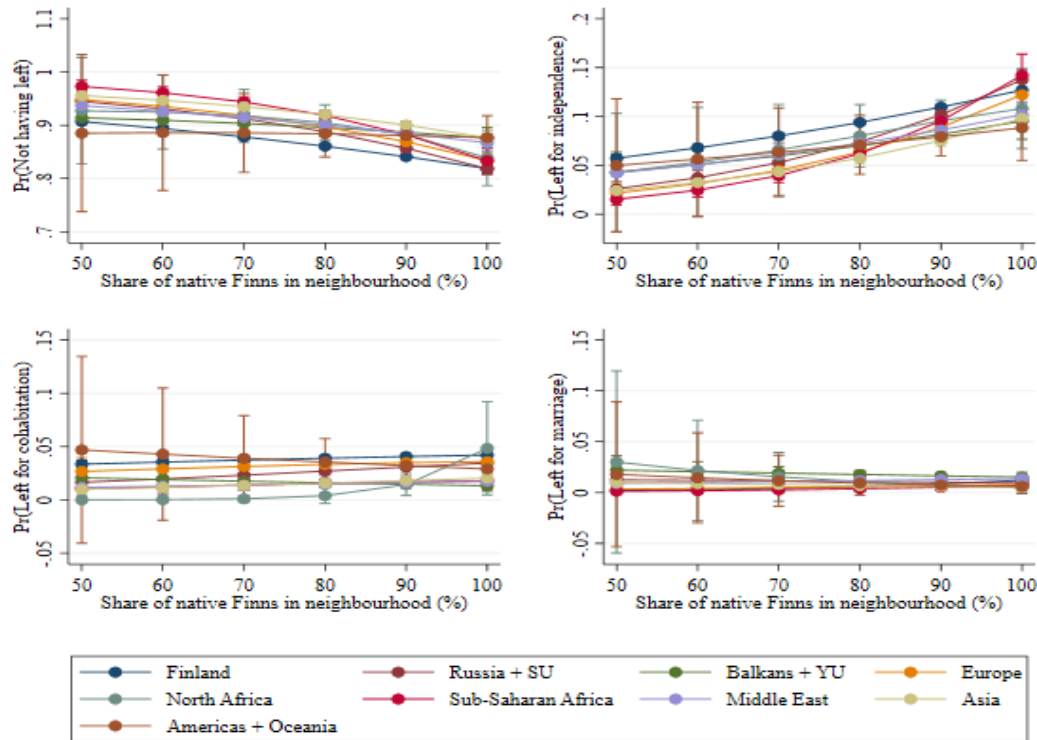
We will conduct further sensitivity checks addressing the following issues: alternative duration specifications (e.g., piecewise-constant); alternative measurement of event indicator (registered address and status as 'child'); alternative/ additional controls (e.g., income); re-categorisation of ethnic groups (i.e., pooling 'North African' and 'Middle East' as MENA); benchmarking the competing risk models of leaving home against competing risk models of residential moves (i.e., no move; move within neighbourhood; move outside of neighbourhood).

Table 1 Model Predicting Pathways Out of the Parental Home (Three Destinations)

	Model 1									Model 2								
	Base outcome: Has not left parental home									Base outcome: Has not left parental home								
	Independence			Cohabitation			Marriage			Independence			Cohabitation			Marriage		
	b	SE	sig.	b	SE	sig.	b	SE	sig.	b	SE	sig.	b	SE	sig.	b	SE	sig.
Immigrant origin (ref. Finland)																		
Russia + Soviet Union	-0.100	0.035	**	-0.322	0.055	***	0.102	0.087		-1.821	0.319	***	-1.394	0.506	**	3.740	0.778	***
Balkans + Yugoslavia	-0.381	0.062	***	-1.067	0.107	***	0.644	0.097	***	-0.181	0.634		0.318	0.991		4.705	0.840	***
Europe	-0.274	0.044	***	-0.226	0.063	***	-0.315	0.113	**	-2.052	0.430	***	-0.444	0.578		1.311	1.156	
North Africa	-0.232	0.137		-1.001	0.304	**	-0.288	0.337		-0.473	1.728		-12.432	6.162	*	6.314	3.809	
Sub-Saharan Africa	-0.398	0.051	***	-1.042	0.100	***	-0.677	0.136	***	-3.016	0.505	***	-1.739	1.066		-0.501	1.450	
Middle East	-0.340	0.050	***	-1.043	0.098	***	0.308	0.102	**	-0.407	0.471		-1.235	0.887		2.857	0.840	**
Asia	-0.526	0.044	***	-0.990	0.074	***	-0.459	0.105	***	-1.548	0.403	***	-1.780	0.686	*	4.011	0.957	***
Americas + Oceania	-0.434	0.154	**	-0.362	0.195		-0.374	0.355		0.324	1.780		1.323	2.443		5.381	4.733	
Share of native Finns in neighbourhood	0.022	0.001	***	0.010	0.001	***	0.033	0.003	***	0.020			0.009	0.001	***	0.040	0.003	***
<i>Interactions</i>																		
Russia + Soviet Union * Share of native Finns in neighbourhood										0.019	0.004	***	0.012	0.006	*	-0.040	0.009	***
Balkans + Yugoslavia * Share of native Finns in neighbourhood										-0.002	0.007		-0.016	0.012		-0.046	0.010	***
Europe * Share of native Finns in neighbourhood										0.020	0.005	***	0.002	0.006		-0.018	0.013	
North Africa * Share of native Finns in neighbourhood										0.003	0.019		0.125	0.066		-0.073	0.043	
Sub-Saharan Africa * Share of native Finns in neighbourhood										0.031	0.006	***	0.008	0.013		-0.001	0.017	
Middle East * Share of native Finns in neighbourhood										0.001	0.005		0.002	0.010		-0.029	0.010	**
Asia * Share of native Finns in neighbourhood										0.012	0.005	*	0.009	0.008		-0.050	0.011	***
Americas + Oceania * Share of native Finns in neighbourhood										-0.008	0.020		-0.018	0.027		-0.062	0.052	
Time	-0.432	0.004	***	-0.984	0.008	***	-0.900	0.015	***	-0.432	0.004	***	-0.984	0.008	***	-0.900	0.015	***
Time (ln)	3.144	0.019	***	6.548	0.040	***	6.298	0.075	***	3.144	0.019	***	6.548	0.040	***	6.307	0.075	***
Constant	-5.227	0.118	***	-7.195	0.177	***	-11.955	0.353	***	-5.069	0.119	***	-7.145	0.178	***	-12.709	0.372	***
Log Pseudolikelihood																		
Pseudo R2																		
Person-years																		

Note: Finnish register data. Birth cohorts 1990-1995 (n=358,734). Own calculations. Models include controls as indicated in the main text. \*\*\* p-value <.001; \*\* p-values <.01; \* p-value <.05

Figure 1 Destinations of leaving home (predicted margins)



Note: Finnish register data. Birth cohorts 1990-1995 (n=358,734). Own calculations. Predicted margins are based on Model 2 and shown with 95% confidence intervals.

## Literature

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