

# **How are UK Millennials' co-residence status associated with their emotional and financial wellbeing?**

## **Short abstract**

Millennials are the generation which have entered adulthood during the first decade of the Millennium, having experienced the 2008 financial crisis during young adulthood, the Brexit referendum, and the pandemic. While studies have shown that co-residence with family and others can curb loneliness, such studies typically focus on older adults (i.e., in retirement) or the outcomes of parents caring for their adult children, overlooking the young adult's wellbeing which is becoming especially important given that Millennials are more likely to co-reside with others or their parents compared to older generations. Using the UK Generations and Gender Survey which was conducted in 2022/23, I employ binary logistic regressions to examine the associations between co-residence status and emotional and financial wellbeing, including statuses of being alone and living with non-relatives. Early findings show that compared to respondents who only live with their partner, the odds for being lonely and having difficulty making ends meet is higher for those who live alone, as well as those who live with at least one non-relative, and those who live with family members. This finding suggests that being lonely may not only be associated with physical loneliness, but also emotional loneliness despite proximity. Future work will unpack the co-residence status to include parents and siblings only, and consider controlling for whether there are dependents in the household, and working household members, as well as interactions between remote working, co-residence status, and wellbeing.

## **Introduction and background**

Studies have shown how Millennials in the United Kingdom (UK), defined by the Pew Research Centre as cohorts born between the 1980s and mid-1990s, face a de-standardised transition into adulthood compared to older generations. Millennials are the generation which have entered adulthood during the first decade of the Millennium, having experienced the 2008 financial crisis during young adulthood, the Brexit referendum, and the pandemic. Compared to older generations, they are more likely to rent, or stay with their parents (Berrington, et al., 2010; Lyons-Amos & Schoon, 2017), as well as less likely to stay with their first partner, and marry (Pelikh et al., 2022). Given these socio-demographic trends and the Covid-19 disruption, studies have also found that co-(kin)residence plays an important role in curbing loneliness (Li & Wang, 2020) and reduce distress (Waddell & Harkness, 2022), during Covid-19.

Co-residence status of young adults and their financial and mental wellbeing however, has largely been overlooked until highlighted through lockdowns during the pandemic. Extant research about co-residence and wellbeing focuses on older populations, often neglecting

young adults who have less economic autonomy over their living arrangements. Co-residence is usually analysed through intergenerational or parent-child relationships, without considering the individual's partnership and fertility history. Diverse structures of modern families, such as the rise in 'living apart together' and single parents, which make up more than 12% of all UK households in 2021 (ONS, 2023), are understudied, further emphasising the need to study young adults' co-residence, along with their partnership history. Coupled by the fact that Millennials will be the demographic group that will dominate most of the workforce as Baby Boomers transition to retirement, this social phenomenon for this generation of adults is significant in understanding housing, family, and work policies.

Living co-resident with others may be economically advantageous to reduce the burdens from costs of living, and provide support such as decreased domestic workload, and kinship. Malik (2023, Sep 25) reports on how those who live alone in the UK spend almost 10% more of their disposable income than in two-person households. On the other hand, co-residence could put pressure upon individuals to meet expectations within the household, increase domestic work burden, and increase conflict. These mechanisms may also function differently based on whether the co-resident is family or not. For example, Park et al. (2019) have shown that families provide important instrumental and emotional support to young adults, especially in time of need but Evandrou et al. (2021) showed that adult children who returned to the family home during Covid-19 were associated with increased stress. Research on co-residence with non-relatives however, are still understudied.

This paper examines how Millennial's co-residence status (living with family, living with non-relatives, and being alone) are associated with their emotional and financial wellbeing *after* the lockdowns since the Covid-19 pandemic started. This research makes three contributions. First, it examines the relationship between young adults' co-residence status and their wellbeing which is largely understudied. Second, it examines these relationships in a potentially "new normal" setting, i.e., no restrictions on movement, and there is a new shift to home-working which may implicate time spent within the household and with household members. Third, it examines both emotional and financial wellbeing, adding evidence to popular UK discourse surrounding cost of living and mental health issues, where individuals living alone or in shared accommodation are largely ignored in UK policy, with greater focus on families (Malik 2023, Sep 25).

## Data, variables of interest, and method

I will use the first ever launched UK Generations and Gender Survey (GGS), a cross-sectional online only demographic study of 7,000 people aged 18 – 59 years old living in the UK. The survey sampled individuals aged between 18 and 59 to collect information about early adulthood and mid-life experiences capturing in particular, the complexity of family formations and to understand how relationships and fertility have been changing through major events such as the COVID-19 pandemic and Brexit. The GGS is advantageous in examining Millennial's co-residence and wellbeing because it contains in-depth family centric information not often reflected in other UK datasets, such as couples living apart, and intergenerational households, which allows me to examine diverse family arrangements. It also contains recent information about young adults in the UK after the pandemic, when lockdown measures were completely over. The study achieved a total sample of 7,203 fully productive cases, of which 42% of the sample were Millennials (n=3,060) aged between 25 and 42.

My main variable of interest is co-residence status, which is derived from whether or not the respondent has a partner, household size, and their relationships to their household members. I find that 16% live alone, 24% only live with their partner, 4% live with at least one non-relative, and 55% live with relatives (including partners). For my outcome variables, emotional wellbeing is measured using two measures: First is loneliness, measured from a sum score of six questions, each have a response of “Yes”, “More or less” and “No”: have people to lean on, people I can trust, enough people I feel close to, general sense of emptiness\*, miss having people around\*, and feeling rejected\*<sup>1</sup>. Summing across all items produces a raw score between 0 and 18, and I derive a binary score where those who are above 10 are lonely. Second is life satisfaction, phrased as “All things considered, how satisfied are you with your life as a whole nowadays?” The score is between 0 'extremely dissatisfied' and 10 'extremely satisfied'. I derive a binary variable for life satisfaction, where those who score above 5 are satisfied with their lives. Financial wellbeing is measured by whether they can make ends meet, with scores 1 to 3 indicating some level of difficulty, and 4 to 6 indicating it is at least fairly easy. I derive a binary score where those who indicate some level of difficulty are facing financial difficulty. I control for characteristics such as sex, age, household size, household rank of Index of Multiple Deprivation, ethnicity, whether or not the respondent has a child (regardless if in household or not), and country of birth.

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<sup>1</sup> \*Indicate these scores have been reversed

Weighted average sample characteristics show that half the sample are women, with an average age of 33.5, are mostly white (82%), and born in the UK (80%), The average household size is 2.7, with an average of 4 bedrooms, and 1-2 living/dining rooms. To answer my research question, I use binary logistic regressions to examine how co-residence status (living with family, living with non-relatives, being alone) is associated with emotional and financial wellbeing.

### **Early findings and future work**

Table 1 below shows the odds ratios for co-residence status and loneliness, life satisfaction, and difficulty in making ends meet. Using those who live with their partners only as the base category, I find that those who live alone, those who live with at least one non-relative, and those who live with family all have higher odds of feeling lonely, and finding it difficult to make ends meet, and have lower odds of being satisfied with their life. The odds are highest for those who live with at least one non-relative, compared to the other co-residence status, suggesting that those who live with others may be the worst off emotionally and financially. Notably, the odds ratios for those who live with others (2.2 – 3.2) are higher than for those who live alone (1.6) when examining loneliness. It may be that while living alone is associated with being lonely because of physical loneliness (no proximity with others), living with others may also be associated with loneliness in a different way (e.g., emotional misunderstanding).

In future work, I would like to examine using step-wise regressions whether characteristics of household members may vary the associations i.e., number of dependents within the household, number of household members in paid work. The GGS is also unique in that it allows me to examine whether the respondent has a child outside the household. Given that working from home is also a new social phenomenon for most Millennials, I will interact the co-residence status with activity status i.e., whether they are in paid work remotely, non-remote paid work, and not working. Those who are working may feel less lonely if they are interacting with work colleagues while those who are doing remote work or not working may feel more lonely. To robustly check the dependent and explanatory variables, I will first parse the co-residence status to have another category i.e., whether living with family includes living with parents (and/or siblings) as relationships with direct family members may be different to others (e.g., uncles or aunts). I will also conduct factor analysis to examine the validity of the loneliness construct, as it is made up of six items, and test whether this construct changes the estimates in Table 1.

Table 1 – Odds ratios of the association between co-residence status and emotional and financial wellbeing

	Lonely	Satisfied with life	Difficult to make ends meet
Alone	1.602*** (0.259)	0.429*** (0.115)	1.889*** (0.319)
At least one non-relative in HH	3.166*** (0.805)	0.237*** (0.0877)	2.736*** (0.714)
With family	2.237*** (0.433)	0.331*** (0.112)	2.435*** (0.497)
Female	0.996 (0.0888)	0.968 (0.141)	1.189* (0.111)
Age	1.014 (0.0106)	0.980 (0.0153)	0.991 (0.0106)
Household size	0.731*** (0.0605)	1.330** (0.188)	0.804** (0.0681)
Ethnicity: White	0.692*** (0.0945)	0.789 (0.184)	0.630*** (0.0899)
Born in the UK	0.716*** (0.0875)	0.588** (0.127)	0.976 (0.124)
IMD 10% most deprived	1.470** (0.220)	0.734 (0.147)	1.840*** (0.287)
Has children	1.055 (0.174)	1.571* (0.425)	1.542** (0.268)
Constant	1.111 (0.435)	33.10*** (20.74)	0.971 (0.400)
Observations	2,897	2,897	2,776

Note: \*\*\*p<0.01, \*\*p<0.05, \*p<0.1

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