

Difficult Home Ownership and First-Child Birth: Evidence from Spain

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Introduction

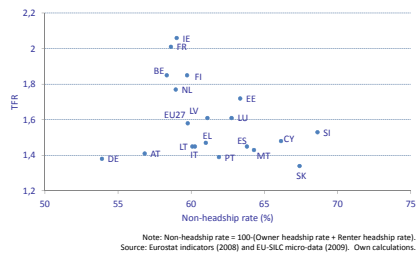
In the relationship between housing tenure status and fertility at the micro level, multiple evidences in the literature point in two directions. On the one hand access to housing, especially through home ownership, encourages parenthood. On the other hand first-child birth may encourage home ownership (Mulder & Wagner 2001; Kulu & Steele 2013). Consequently, the coexistence of high home ownership rates and low fertility rates, at the macro level, such as in the case of the southern European countries, it is to a certain degree puzzling. Our paper explores this apparent paradox in the southern European countries at the macro level. Then we investigate, via the Spanish case, if the access to housing through home ownership increases the likelihood of first-child birth in the southern European residential system.

Data and methods

In order to explore the macro level paradox between high home ownership and low fertility, this paper takes the fertility and housing tenure indicators from Eurostat and the European Union Statistics on Income and Living Conditions (EU-SILC) to provide a renovated perception of home ownership and household formation as suggested by Yu & Myers (2010). Furthermore, using the household heads information from the Spanish Survey of Household Finances (EFF), round 2008, we gather evidence in a two-step approach, investigating whether the access to housing through home ownership increases the likelihood of first-child birth in Spain. Initially, we analyse the correlation between the year of acquisition of the house (or the year of the lease) and the year of birth of the eldest child that was still economically dependent of the household in 2008. As the next step, our hypothesis is tested using the sub-sample of 18-49-year-old females living in a couple and were childless or who have had their first-child birth in three timeframes: in 1978-2009; 2000-2009 or 2005-2009. The analytical model assumes that the first-child birth can be explained by seven factors covering three dimensions: sociodemographic, economic and residential. Since we have interest in a binomial response, namely having the first child birth, logistic regression was estimated.

Results

Fig. 1 Non-headship rates and total fertility rates, selected European countries



References
 Kulu, H., & Steele, F. (2013) Interrelationships between childbearing and housing transitions in the family life course. *Demography*, 50(5), 1687-714.
 Mulder, C. H. & Wagner, M. (2001) The Connections between Family Formation and First-time Home Ownership in the Context of West Germany and the Netherlands. *European Journal of Population*, 17, 137-164.
 Yu, Z. & Myers, D. (2010) Misleading Comparisons of Homeownership Rates when the Variable Effect of Household Formation is Ignored: Explaining Rising Homeownership and the Homeownership Gap between Blacks and Asians in the US. *Urban Studies*, 47(12), 2615-2640.

Fig. 2 The apparent paradox: home ownership and low fertility rates, selected European countries

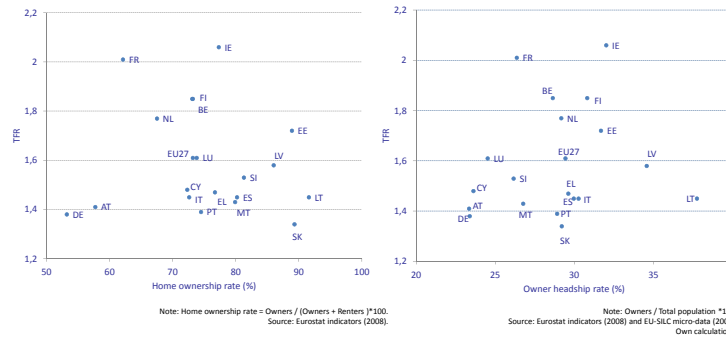
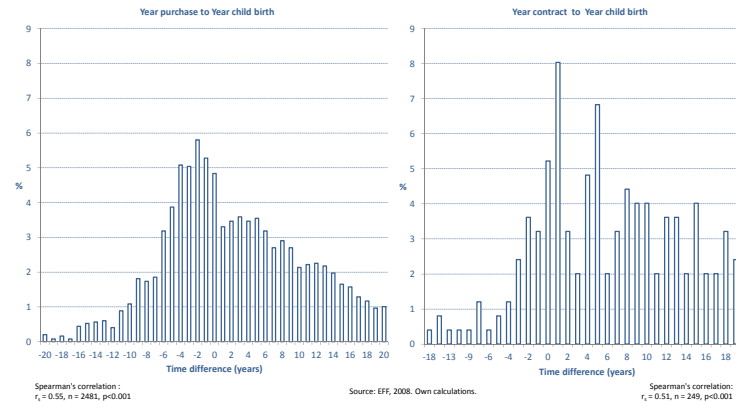


Fig. 3 Time difference between the year of purchase / last rental and the birth of the eldest child that was still economically dependent on the household in 2008, Spain



Tab. 1 Odds ratios of having the first-child birth by sociodemographic, economic and residential predictors, logistic regression models, Spain

Predictor	1978 - 2009	2000 - 2009	2005 - 2009
Age ²	1,0008***	0,9992**	0,9986***
Cohabiting (ref. married)	0,3692***	0,4301**	0,5026
Educational attainment female	0,9645	1,0385	1,0316
Educational attainment male	0,9719	0,9771	0,9963
Monthly mortgage/rent in relation to monthly household income >=40% (ref. <40%)	1,1238	1,1899	1,1189
Build area in the dwelling per person (in square meters)	0,9679***	0,9668***	0,9324***
Owner (ref. tenant)	1,9879**	2,0109*	3,4734**
Constant	8,2843*	13,7315**	11,6165
Log likelihood	-344,7	-235,0	-123,1
AIC	0,7	1,1	1,1
BIC	-6710,6	-2173,6	-1038,3
N	1069	442	242

Significance level: * < 0.10; ** < 0.05; *** < 0.01.
 Source: EFF, 2008. Own calculations.

Conclusions

This paper focuses on the Spanish residential system to understand whether being a household head of an owner-occupied house increases the likelihood of first-child birth. The results highlight that home ownership may have been overvalued in European countries, since the traditional measures of housing tenure do not take into account the non-headship rates. It is not so much that southern European countries have high home ownership levels, but rather that they have low household formation levels.

The results also show a moderate positive correlation between the year of acquisition of the house / year of rental and the birth of the eldest child that was still economically dependent of the household in 2008. Nevertheless, this relationship within the owners is stronger than among tenants and there are important dissimilarities in the distribution of the time difference between the events. The results suggest that since the purchase of a house is a more permanent decision, households are more likely to take that step prior to the birth of the eldest child as preparation for the household enlargement. When it comes to renting, arguably a more easily alterable housing tenure status, the connection with first-child birth is diluted among other birth orders.

Finally, the regression results confirm that being a homeowner increases the likelihood of having the first child. This relationship is particularly strong in the timeframes 2000-2009 and 2005-2009 since the period effects and also, to some extent, cohort effects are lessened.

To promote a change in the southern European residential system per se will not suffice to encourage family formation and fertility. However, fertility-oriented policies need also to take into account housing policies in the traditional sphere that usually gathers financial support, parental-leave rights, child-care services, and work-family articulation.

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