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# RUHR

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Regina Flake

## Multigenerational Living Arrangements among Migrants



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Regina Flake<sup>1</sup>

## Multigenerational Living Arrangements among Migrants

### Abstract

*There is a significantly higher prevalence of multigenerational living arrangements among migrants than among natives in Germany which may be explained with migrants choosing this household structure in order to compensate for economic disadvantages. This hypothesis is tested by analyzing the economic conditions within multigenerational households. The results show that in multigenerational migrant households, more groups contribute significantly to the household income than in comparable native households – in particular in households below the at-risk-of-poverty line. On the individual level, the results reveal that migrant children in multigenerational households have lower labor force participation rates than native children or migrant children in other household types. Therefore, this study provides evidence for a correlation between multigenerational cohabitation and economic conditions among migrants.*

*JEL Classification: F22, J12, J20, J30*

*Keywords: Migration; household structure; integration*

*September 2012*

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<sup>1</sup> RGS Econ, Ruhr-Universität Bochum, RWI. – Comments and suggestions of Thomas K. Bauer, participants of the RWI Brown Bag Seminar, the 10th SOEP User Conference and the RWI Therapy Hike – in particular of Michael Kvasnicka – are gratefully acknowledged. Furthermore, I thank the Ruhr Graduate School of Economics for financial support. – All correspondence to Regina Flake, RGS Econ, Hohenzollernstr. 1-3, 45128 Essen, Germany, E-Mail: Regina.Flake@rwi-essen.

# 1 Introduction

The analysis of the household structure of migrants constitutes an important aspect of the economic analysis of the integration of migrants as the household structure has a strong impact on the relative economic position of individuals within a society (Peichl et al., 2011) and it is furthermore closely related to the labor market activity of household members (Card and Lemieux, 2000). Nevertheless, it has been mostly neglected in the economic literature on the integration of migrants in Germany which focuses primarily on the assimilation in terms of education, earnings and employment (e.g. Algan et al., 2010).

A high prevalence of multigenerational households is a widespread phenomenon among migrants in many countries (see, for example, Angel and Tienda, 1982; Kamo, 2000; van Hook and Glick, 2002, 2007; Cohen-Goldner, 2010). The question at hand is whether migrants choose multigenerational cohabitation due to (cultural) preferences or whether cohabitation is driven by economic constraints. In the latter case, i.e. if multigenerational cohabitation is a mutual (economic) support strategy and not the preferred living arrangement, the main question would be why native and migrant households differ and what hinders an assimilation of the living arrangements of natives and migrants.<sup>1</sup>

This study adds to the existing literature by testing different hypotheses with respect to the importance of economic factors in the emergence and the organization of multigenerational households. The results reveal that the higher prevalence of multigenerational cohabitation among migrants cannot be explained by differences in observed sociodemographic and socioeconomic characteristics. Within migrant multigenerational households, more household members contribute significantly to the household income than in comparable native households, i.e. the financial burden is shouldered by more household members. On the individual level, the results shows that in migrant multigenerational households, the children of the household head are less likely to participate in the labor force than native children or migrant children in

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<sup>1</sup>The terms “household structure” and “living arrangements” are used interchangeably in the following.

couple households. Thus, there is evidence for at least a positive correlation between multigenerational cohabitation and economic constraints among migrants.

The analysis of multigenerational cohabitation bears policy implications as intra-household support is related to benefits and costs. On the one hand, it may facilitate the economic and social integration of migrants after arrival and substitute for public support. On the other hand, mutual support within the household may reduce migrants' incentives to take measures to improve their economic situation outside the household (e.g. learning the host country language, building networks with natives, etc.). Therefore, it is important to know about potential economic determinants of cohabitation as multigenerational cohabitation may (ineffectively) absorb problems in the integration process of migrants and thereby impede the implementation of an adequate integration policy like e.g. the provision of language courses or job search assistance. Given the large and growing migrant population in Germany which accounts for more than 16 million persons, i.e. almost 20% of the overall population, this would mean a great loss of economic, social and cultural potential for Germany (Statistisches Bundesamt, 2011).

The next section provides a brief literature review and considers multigenerational cohabitation in the context of the German immigration history. Section 3 presents the data and first descriptive evidence on household income components and household members' income contributions within multigenerational households. Section 4 presents results from multivariate regression analyses of the probability of cohabitation, the income contributions of different household groups, and the labor force participation of individual household members. Finally, Section 6 summarizes the main findings and concludes.

## 2 Literature and Background

Knowledge about the household composition is crucial for the analysis of the integration of migrants and, in particular, for native-migrant income comparisons. Many important measures of the income distribution within a country or measures of the



poverty risk are based on the equivalent household income, i.e. the overall household income divided by the weighted number of household members. Therefore, changes in the income distribution may come about also by mere changes in the household composition (Peichl et al., 2011). As a result, the true magnitude of income differences between natives and migrants might be partly concealed by differences in the household structure.

Of course, differences in the living arrangements between natives and migrants can also originate from different (cultural) preferences and reflect living arrangements in the source country. In this case, a convergence of the household structure between natives and migrants is neither necessary nor preferable from an economic perspective. However, van Hook and Glick (2007) find that the household structure of Mexican immigrants in the US does not reflect the household structure of Mexicans in Mexico and, therefore, cohabitation cannot be explained by cultural preferences. Furthermore, the majority of existing studies on living arrangements identifies living independently as a preferred state of living. Even though there are cultural differences in the importance of privacy, at least children have no preference for multigenerational cohabitation (Rosenzweig and Wolpin, 1993; Manacorda and Moretti, 2006; Giuliano, 2007).

An alternative explanation why persons may choose multigenerational cohabitation over living independently is that cohabitation may serve as a safety net for the household members which retains adverse effects of unemployment, single parenthood, widowhood, poverty in old age or the migration experience per se. Card and Lemieux (2000) have shown, for example, that changes in the household structure are a possible channel to adjust to restrictions in the labor market.

If multigenerational cohabitation among migrants is a support strategy to alleviate the social and economic integration in the host country and migrants are simply not able to afford privacy, it is necessary to analyze which factors prevent a full integration of migrants and, thus, lead to differences in the living arrangements between natives and migrants.

With regard to the German migration history, several support patterns within

multigenerational households may be of importance.<sup>2</sup> The so-called guest workers who immigrated to Germany between 1955 and 1973 and their descendants make up a large share of Germany's migrant population. Today, many former guest workers are already in or close to retirement and depend on pension payments. However, due to their overrepresentation in low-paid occupations, their relatively high unemployment probabilities at older ages, and their lower propensity to conclude private pension contracts, migrants have on average lower pension entitlements than natives (Bauer et al., 2004; Özcan and Seifert, 2004; Mika and Tucci, 2006; Frick et al., 2009). This leads to financial restrictions which may increase the reliance of elderly migrants on support of their children (e.g. in the form of cohabitation). On the other hand, the poor labor market integration of second-generation migrants (see, for example, Algan et al., 2010) may make them postpone their decision to leave the parental home or make them even return after having moved out.

Most existing studies on the living arrangements of migrants use US data. Angel and Tienda (1982) analyze determinants of extended household structure and find support for the hypothesis that household extension is related to the desire to alleviate low earnings of minority household heads. Nevertheless, there are unexplained differences in the economic role of additional household members by race, ethnicity and sex of the head. The latter result is confirmed by Kamo (2000) who shows that economic and demographic factors explain the formation of extended households, but cannot explain all differences between population groups. Van Hook and Glick (2002) find that in particular older migrants who arrived recently are likely to coreside with their adult children. However, the authors observe a trend that the younger generation has become more dependent on the older generation over time which might be explained by constraints related to poverty or discrimination experienced by the U.S.-born children of immigrants. Cohen-Goldner (2010) find as well that the share of multigenerational households of migrants from the Former Soviet Union (FSU) in Israel is higher among more recent migrants and that it is decreasing with duration of stay in Israel. Furthermore, this study confirms that the

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<sup>2</sup>See Bauer et al. (2005) for a detailed description of the German migration history.

labor market attachment and the level of schooling of the household head have a significantly negative impact on the rates of cohabitation.

## 3 Data

### 3.1 Summary Statistics

The analysis is based on individual-level data from the German Socio-Economic Panel (SOEP), which is a longitudinal survey of German households.<sup>3</sup> The SOEP started in 1984 and samples more than 20,000 persons each year, including Germans, foreigners and recent immigrants (Wagner et al., 2007).

The sample includes all available waves from 1984 to 2010 and comprises persons in private households in West Germany and Berlin. East Germany is excluded as only few migrants live there. The sample is restricted to persons above age 18. At this age persons can decide by themselves whether or not to coreside with their parents. The households are divided into three types: Single (parent) households, couple households with and without children and multigenerational households. Multigenerational households are defined as households in which at least three generations of one family live together.

Tables 1 and 2 present summary statistics for natives and migrants by household type on individual and on household level. The migrant population comprises first- and second-generation migrants. Second-generation migrants are defined as persons who are born in Germany with a foreign nationality or persons who are born in Germany and have at least one migrant parent.

< Table 1 about here >

In total, the sample comprises 246,823 person-year observations for natives and

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<sup>3</sup>The data used in this paper were extracted using the Add-On package PanelWhiz v3.0 (Nov 2010) for Stata. PanelWhiz was written by Dr. John P. Haisken-DeNew (john@panelwhiz.eu). The PanelWhiz generated DO file to retrieve the SOEP data used here and any Panelwhiz Plugins are available upon request. Any data or computational errors in this paper are my own. Haisken-DeNew and Hahn (2010) describe PanelWhiz in detail.

67,982 person-year observations for migrants.<sup>4</sup> 28.2% of natives live in single households, 70.1% in couple households and 1.7% in multigenerational households. In comparison, fewer migrants live in single households (19.8%), whereas the shares of migrants in couple and multigenerational households are larger (77.3% and 2.8%). Migrants are on average younger, more likely to be married and have more children than natives.

Table 1 further presents the share of migrants who originate from a country with a former guest worker agreement<sup>5</sup> as well as the share of second-generation migrants in the different household types. As indicated in Section 2, these two groups may play a particular role in the formation of multigenerational households. While the share of migrants with a guest worker origin is highest in multigenerational households, the share of second-generation migrants in these households is relatively low. The average years since migration suggest that migrants in multigenerational households are the most recent migrant group.<sup>6</sup>

Considering the schooling, it is striking that the share of persons without any schooling degree, with a secondary degree (*Hauptschulabschluss*) or with any other degree (e.g. a foreign degree) is highest in multigenerational households – among natives as well as among migrants.<sup>7</sup> The reverse holds for the share of persons with an upper secondary degree (*Abitur*). The low educational level of persons in multigenerational households could be to some extent due to the relatively large family size. There is a long discussion in the economic literature about the trade-off between quantity and quality (education) of children (see, for example, Becker, 1960; Hanushek, 1992; Moav, 2005).

Table 1 further shows that the unemployment rates of migrants are more than

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<sup>4</sup>The 4,784 (3,544) person-year observations of natives (migrants) in multigenerational households are based on 1,236 (885) person observations.

<sup>5</sup>These include Turkey, Ex-Yugoslavia and its successor states (Serbia and Montenegro, Slovenia, Croatia, Bosnia and Herzegovina, and Macedonia), Greece, Italy, Spain, Portugal, Morocco, and Tunisia. In the following, migrants from one of these countries are described as persons with a guest worker origin. However, not that this does not necessarily imply that they came in the course of the guest worker recruitment. Unfortunately, the sample size does not allow a more detailed differentiation of the migrant population by country of origin.

<sup>6</sup>The years since migration equal the age for second-generation migrants.

<sup>7</sup>As the share of persons with no or a non-specified other degree is very low, in particular among natives, these persons are pooled with persons with a secondary degree.

twice the unemployment rates of natives in comparable household types, whereas the labor market participation of migrants is on average higher if compared to natives. This could be partly explained the fact that natives are on average older than migrants and, therefore, might have already retired. Of all migrants, migrants in multigenerational households have the lowest employment and the highest non-participation rates.

Persons in couple households have on average the highest individual labor earnings.<sup>8</sup> Consistent with the low employment rates, migrants in multigenerational households have the lowest individual labor earnings.

< Table 2 about here >

Table 2 presents household characteristics. A household is defined as a migrant household if the head of the household is a migrant.<sup>9</sup> Migrant households are on average larger than comparable native households. While natives live in multigenerational households which comprise on average 4.7 persons, the respective size of migrant households is 5.4.

The next variable shows the owner structure of the different household types. The share of migrant households owned by one of its household members is significantly lower than the respective share among native households. This difference is particularly pronounced for persons living in multigenerational households. Here more than 80% of natives are home owners but only less than a quarter of migrants. The high rate of home ownership among natives in multigenerational households could explain one obvious motive of multigenerational cohabitation, namely the availability of living space.

Another striking difference between native and migrant multigenerational households can be found with respect to the average community size in which the household is located. Natives live on average in smaller communities than migrants. In other

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<sup>8</sup>The income is inflation-adjusted by multiplying with the consumer price index by federal state (RWI, 2012).

<sup>9</sup>This implies that migrants might as well live in native household and vice versa. However, these shares lie below 3% in multigenerational households. The 1,410 (894) household-year observations of multigenerational households are based on 347 (205) household observations.

words, multigenerational cohabitation among natives is more common in rural areas, whereas migrant multigenerational households are more often located in urban areas.

Even though the dwellings in which multigenerational households are located are on average larger than the dwellings of single or couple households, the square meters per person, i.e. the size of the dwelling divided by the household size, are lowest in multigenerational households. However, this measure does not take into account the common use of living space (like e.g. kitchen, bathroom or living room). Households are asked about the adequacy of the living space.<sup>10</sup> The share of households considering the living space as too small is higher among migrants than among natives. One of three migrant multigenerational households considers the living space as not adequate, whereas this is only true for 16.8% of native multigenerational households.

Despite the relatively low individual labor earnings, the share of migrants below the at-risk-of-poverty level is lower in multigenerational households than in other household types.<sup>11</sup> In general, persons in single households are most, and persons in multigenerational households are least at risk of living in poverty.<sup>12</sup> Given the low average individual labor earnings, this finding provides evidence in support of the notion that multigenerational living arrangements allow individuals, to pool economic resources which help to attenuate individual economic constraints.

## 3.2 Descriptive Evidence

Figure 1 plots the share of persons in single, couple and multigenerational households between 1984 and 2010.

< Figure 1 about here >

There is a clear upward trend in the share of persons living in single households for both, natives and migrants (see also Statistisches Bundesamt, 2012). However,

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<sup>10</sup>This question is answered representatively for the household by the head of the household.

<sup>11</sup>The at-risk-of-poverty level is defined as 60% of the median equivalent household income in the respective year.

<sup>12</sup>One reason for the high poverty risk of persons in single households is that single households comprise as well single parents who are in comparison to parents in couple households more often part-time employed or unemployed due to missing child care opportunities (Anger et al., 2012).

the share of migrants living in single households is far below the respective share of natives. The share of persons living in couple and multigenerational households has been decreasing since the early 1980s. In both household types, the share of migrants is higher than the share of natives. However, while the gap between the shares of natives and migrants in couple households has widened over time, there is an assimilation in the share of persons in multigenerational households.

< Figure 2 about here >

As hypothesized, multigenerational cohabitation might be a reaction to the migration experience per se in order to alleviate the social and economic integration into the host country. Therefore, there should be a change in the household composition of migrants with duration of stay. This is confirmed by Figure 2 which shows a steep decline in the share of migrants living in multigenerational households within the first 15 years after migration. After remaining relatively constant for approximately another 15 years, the share of migrants in multigenerational households further declines. One potential explanation for the stagnation after 15 years could be that grandchildren extend the household as the children of immigrants might become parents themselves and, thereby, convert couple households with children into multigenerational households.

< Table 3 about here >

Table 3 provides information about natives' and migrants' household income by household type. The first part of the table presents the overall income and the second part the equivalent income, i.e. the household income divided by a household equivalence weight.<sup>13</sup> The weighting makes incomes of households of different size more comparable as it accounts for economies of scale in cohabitation (e.g. due to the common use of living space and household appliances).

The household post-government income is the household income after taxes and government transfers. It includes labor earnings, asset flows, private retirement

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<sup>13</sup>The weight used is the modified OECD equivalence weight which assigns a value of 1 to the household head, a value of 0.5 to each additional adult member and children above age 13, and a value of 0.3 to each child until age 13.(OECD, 2005)

income, private transfers, public transfers, and social security payments minus taxes (Grabka, 2010). Table 3 shows that even though multigenerational households have on average the highest income, the respective equivalent income is relatively low. Thus, even after taking into account economies of scale in cohabitation, migrants in multigenerational households have the lowest equivalent income of all subgroups.

Table 3 further reveals large differences in the household income composition between the different household types. In particular the asset income in native households is more than twice the asset income in comparable migrant households – both, in terms of the overall as well as in terms of the equivalent income. Furthermore, natives receive more pension payments than migrants.<sup>14</sup> In particular migrant pensioners living in multigenerational households receive relatively low pension payments. In contrast, the overall as well as the equivalent public transfers are significantly lower among natives if compared to migrants.

In order to learn more about the emergence of the household income within multigenerational households, Table 4 presents the household position as well as the main source of income of the main earner. The main earner is defined as the person who makes the largest individual income contribution to the overall household income. When comparing the household position in native and migrant households, it has to be taken into account that the households appoint themselves the head of the household.<sup>15</sup> Migrants determine more often a person from the oldest household generation as the household head, whereas natives choose more often a person of whom at least one parent or parent-in-law lives in the same household.

< Table 4 about here >

Table 4 shows that the main earner is significantly younger in migrant households than in native households. Women are the main earner in less than a quarter of both native and migrant households. In 62.6% of native households, the head of

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<sup>14</sup>To make the pension payments more comparable between the different household types, the overall pension payments of the households are not divided by the equivalent weight but by the number of pensioners in the household.

<sup>15</sup>“The head of the household is defined as the person who knows best about the general conditions under which the household acts and is supposed to answer this questionnaire in each given year [...]” (Haisken-DeNew and Frick, 2005, p.21)



the household is at the same time the main earner. This share is significantly lower in migrant households (56.4%). There is hardly any difference between native and migrant households in the share of households in which the partner of the head of the household is the main earner. But while in only 23.4% of native households one child or grandchild is the main earner, this is true for 32.5% of migrant households. Furthermore, in native households parents are more often and other relatives less often, the main earner than in migrants households.

The lower part of Table 4 presents the main source of income of the main earner. In both population groups, labor earnings are by far the most important source of income. The share of households in which public transfers are the main source of income of the main earner is higher in migrant households (3.3%) than in native households (2.6%). With respect to pension incomes, the reverse is true. The share of households in which the pension income is the main income of the main earner is almost half as big among migrant households (5.4%) than among native households (10.1%).

In summary, these results reveal marked differences between native and migrant households not only in the prevalence of different household types but also in the income composition of multigenerational households. These comparisons disregard, however, differences in the sociodemographic and socioeconomic characteristics of the household members as well as differences in the household composition (household size, number of children in the household, etc.). Therefore, multivariate regression analyses shall reveal to what extent differences between natives and migrants persist after controlling for such differences. The next section presents the estimation results of the probability of multigenerational cohabitation, the income contributions of different household groups and the labor market participation of different household members.

## 4 Estimation Results

### 4.1 Probability of Multigenerational Cohabitation

This section presents the estimation results of a linear probability model of the likelihood of multigenerational cohabitation.<sup>16</sup> The dependent variable is a dummy taking the value 1 if a person lives in a multigenerational household. This analysis shall reveal whether differences in the rates of multigenerational cohabitation between natives and migrants remain after controlling for sociodemographic or socioeconomic characteristics.

< Table 5 about here >

Specification I in Table 5 presents the estimation results for the basic specification including only regional characteristics, year dummies as well as a dummy for the migrant status.<sup>17</sup> The coefficient of the migrant dummy is positive and significant and can be interpreted as the average difference in the probability of multigenerational cohabitation between natives and migrants. Thus, migrants' probability to live in a multigenerational household is 1.6 percentage points higher than for natives. Differentiating between migrants from countries with a former guest worker agreement, second-generation migrants and other migrants, the results of specification II show that the difference between natives and migrants is mainly driven by the group of migrants with a guest worker origin.

In specification III, sociodemographic and socioeconomic characteristics are included in the model. These comprise the age, the marital status and the schooling level. Labor force status and income are excluded from this regression as they are highly endogenous. It is likely that the labor supply is determined jointly with the living arrangements (see Section 4.3) and, therefore, the current income may not represent the potential income when living elsewhere (Cobb-Clark, 2008). In the interpretation of the results, it should also be taken into account that marital status and

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<sup>16</sup>Estimating a probit model or a multinomial logit model (single/couple/multigenerational households) does not alter the main results.

<sup>17</sup>Regional characteristics comprise fixed effects on federal level and the community size.

educational level might be endogenous (see Section 3.1). Therefore, the coefficients can only be interpreted as correlations, not as causal impacts on multigenerational cohabitation.

The estimation results show that the gap between natives and migrants even widens after controlling for personal characteristics. Age has a negative impact on the probability of living in a multigenerational household, thus older persons are more likely to live independently. Married and divorced persons are less likely to live in a multigenerational household than singles, whereas being widowed or having more children increases the probability of cohabitation. Multigenerational cohabitation is negatively correlated with the educational level. Finally, migrants' probability of multigenerational cohabitation decreases with years since migration.<sup>18</sup>

< Table 6 about here >

As hypothesized in Section 2, multigenerational cohabitation might be of particular importance for younger migrants due to poor labor market outcomes or for older migrants due to low pension entitlements. To test these hypotheses, specifications II and III are reestimated separately for different age groups (below age 30, age 30 to 44, age 45 to 59, above age 59). The results confirm that differences in multigenerational cohabitation between natives and migrants are most pronounced within the youngest and within the oldest age group (Table 6).

< Table 7 about here >

The model specifications in Table 7 test whether being a pensioner and whether the amount of pension payments (in logarithmic form) influence the probability of living in a multigenerational household for persons aged 60 or older. Again, the decision to retire as well as the amount of pension payments might be endogenous and, therefore, the results represent only correlations. Retired native persons are more likely to live in a multigenerational household than non-retired elderly natives. The probability of cohabitation decreases, however, with the amount of pension

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<sup>18</sup>Estimating a fully interacted model, i.e. allowing the impact of the personal characteristics on the probability of multigenerational cohabitation to differ between natives and migrants, does not change the results.

payments. Among migrants, in contrast, neither pensioner status nor the amount of pension payments has a significant impact on the probability of cohabitation. Furthermore, the interacted model in columns (5) and (6) of Table 7 shows that additional controls do not contribute to the explanation of the average differences between natives and migrants. The coefficients of the migrant dummies have hardly decreased if compared to column 5 in Table 6 and are still significantly different from zero. Therefore, the results provide no evidence for the hypothesis that low pension entitlements of elderly migrants explain the high prevalence of multigenerational cohabitation.

In summary, Tables 5 to 7 show that there are significant differences in natives' and migrants' probability of multigenerational cohabitation – even after controlling for sociodemographic and socioeconomic characteristics. The question is what drives these remaining differences. Different (cultural) preferences could be one explanation. However, lower returns to education and work experience because of migration, lower eligibility for welfare payments and/or discrimination in the labor market are other potential, partly unobservable (economic) factors which might be simultaneously related to the decision of cohabitation and to the migration status per se – independent of the cultural background. To test whether economic considerations play a role in the decision of multigenerational cohabitation, the next section takes a closer look at two important economic aspects of cohabitation, namely the income contributions and the labor market participation of different household members within multigenerational households.

## 4.2 Income Contributions

This section analyzes the household income contribution of different groups within multigenerational households. These groups are the head of the household, the partner, the children, the parents, and other relatives of the head.

The household income is the post-governmental income plus imputed rental value. The imputed rental value is added because of the different home owner structure be-

tween native and migrant households.<sup>19</sup> The group incomes comprise labor earnings, private and public transfers, as well as private and public pensions. Further control variables are the household size, the number of children below age 18, and the household asset income which is not included in the individual incomes. The estimated coefficients of the income variables are presented in the upper panel of Table 8.

< Table 8 about here >

In native households, the income of the household head, the income of the partner and the aggregated income of all (grand-)children above age 18 all have a significant impact on household income. The coefficients of the parents' income as well as of the income of other relatives are negligible in magnitude and insignificant. Due to the log-log-specification of the model, the coefficients represent income elasticities. A 1%-increase in the income of the household head, therefore, leads to a 0.07%-increase of the overall household income.

In migrant multigenerational households, all household groups contribute significantly to the household income. In comparison to native households, the relative impacts of the head's and the partner's income on the household income are smaller, whereas children's, parents' and other relatives' income are relatively more important. The interacted model specification in columns (5) and (6) reveals that the differences are significant for the children's and the parents' income.

The number as well as the average age of the members of the different household groups may differ between native and migrant households. Migrants have on average more children than natives, and, as pointed out in Section 3.2, the household head can be freely appointed which can lead to a shift in the age composition of the household groups between native and migrant households. Therefore, the number of persons as well as the average age of the household groups is included in a separate estimation as a robustness check. This does, however, not affect the results. Furthermore, focusing on labor earnings only, i.e. estimating the influence of the groups' labor earnings on the household earnings, leads to similar results.<sup>20</sup>

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<sup>19</sup>However, the results are not affected by including or excluding the rental value.

<sup>20</sup>Estimation results are available from the author upon request.

The results show that the economic capacity of migrant households is based on more household groups than is the case for native households. One could conjecture that the increased economic activity of relatively more household members is a reaction to economic constraints and a strategy to compensate for low individual incomes. To test this hypothesis, households below the at-risk-of-poverty level are considered separately, as in these households such a strategy should be particularly pronounced. Following the approach of Angel and Tienda (1982), the income contributions of the family members are interacted with a dummy indicating whether the household is below the at-risk-of-poverty level (“poor”). The results are presented in the lower panel of Table 8.<sup>21</sup> Because of potential reverse causality, the estimated coefficients can again only be interpreted as correlations. It is unclear whether households are poor because some household members contribute less to the household income or whether some household members contribute more to the household income because the household is poor.

The coefficients of the interaction between the dummy indicating that the household is below the poverty line and the income contributions of the different household groups are all negative for the native population. The coefficient is significantly different from zero for the household heads. Thus, in households below the at-risk-of-poverty level all household groups contribute less to the household income. This suggests that poverty is due to the missing income of these groups. In contrast, the coefficients of the interaction terms are all positive and – with exception of the interaction for the household head – significantly different from zero for migrants. This difference to natives is particularly pronounced for the partners of the household head for whom the coefficient of the income contributions is not even significant for non-poor households.

These results provide evidence for the hypothesis that more household members might become economically active to mitigate the adverse effects of low incomes in migrant households. The large difference between the coefficients of the partner’s

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<sup>21</sup>In this specification, the income contributions of other relatives of the household head are omitted as there is only one poor household for each population group in which other relatives contribute to the household income.

income in non-poor and poor households could be explained by the fact that the partners of the household head are mostly women. Labor market participation among migrant women is traditionally low (Liebig, 2007). However, in poor households, the partner of the head of the household might try to compensate for the low household income by making own income contributions.

The potentially most important explanation for the increased economic activity of more household members in economically disadvantaged migrant households could be that families move in together with other relatives because of the better child care arrangements that such cohabitation offers. This would lead to an increase in the labor supply of young parents within the household. The final section of this study considers explicitly this aspect of cohabitation, namely the labor force participation of different household members.

### 4.3 Labor Force Participation

Additional household members can influence household income either directly (by making own income contributions) or indirectly by increasing the labor market activity of other household members (Angel and Tienda, 1982). However, the direction of the effect is a priori not clear. On the one hand, labor supply of young parents might be increased by, for example, improved childcare within the household. On the other hand, the additional income of other household members might reduce the incentives of some household members to participate in the labor market. Edmonds et al. (2005), for example, show that increased pension entitlements of elderly in South Africa reduce the labor supply of female prime age household members.

This section analyzes the labor force participation of different household groups. Labor force participation is defined as being full- or part-time employed or unemployed.<sup>22</sup> As the labor force participation is analyzed for different household positions, the analysis is restricted to multigenerational households and couple households with children. These two household types are the most similar and both include

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<sup>22</sup>Using the employment probability as an alternative outcome measure does not change the results.

household heads, partners and children. Parents and other relatives of the household head have to be excluded, as they lack adequate control groups in other household types.

< Table 9 about here >

Table 9 presents separate estimation results of a fully interacted linear probability model of labor force participation for individuals in one of the three household groups. Native household heads in multigenerational households are significantly more likely to participate in the labor force than native household heads in couple households. Labor force participation increases with age and decreases with the number of children. Women participate less than men in the labor force. Also, married individuals are, on average, less often economically active than single, divorced or widowed individuals. Natives who are still enrolled in schooling or natives who have at most a secondary degree are less likely to participate in the labor force if compared to persons with at least an intermediate degree.

Migrant household heads are on average as likely as natives to be in the labor force. The coefficient of the interaction between the migrant dummy and a dummy indicating that the household head lives in a multigenerational household is negative, though not statistically different from zero. Thus, there are no significant differences in the labor force participation of native and migrant household heads in multigenerational households. Furthermore, the negative coefficient of the interaction term which is comparable in magnitude to the baseline coefficient of multigenerational households indicates that there are also no differences in the labor force participation between migrant household heads in couple and migrant household heads in multigenerational households. This result is independent of the duration of stay in Germany, as the coefficients of the years since migration and its square are close to zero in size and statistically insignificant.

The partners of the household heads in multigenerational households are significantly less likely to participate in the labor force than the partners in couple households. Direction, magnitude and significance of the coefficients of the sociodemographic and socioeconomic control variables are comparable to the coefficients for



the household heads.

There are, however, significant differences between the labor force participation of the partners of the household heads in native and in migrant households. Partners of migrant household heads are significantly less likely to be in the labor force than partners of native household heads. This is particularly pronounced for migrants with a guest worker origin. However, labor force participation is increasing significantly with years since migration and, thus, differences between natives and migrants get more and more attenuated.

Finally, columns (5) and (6) of Table 9 presents the probability of labor force participation for the children of the household heads. Native children in multigenerational households are as likely as migrant children in multigenerational households to participate in the labor force. In contrast to the previous specifications, having at most a secondary degree increases, and having an upper secondary degree decreases, the probability of labor force participation of the children of household heads. This is probably due to the fact that children with a secondary degree are more likely to be still enrolled in tertiary education and are, therefore, not available for the labor market.

Migrant children in couple households are on average as likely as native children to participate in the labor force. Migrant children in multigenerational households are, however, significantly less likely to participate in the labor force than migrant children in couple households and native children. As these are only correlations, one can only speculate about the underlying mechanisms. On the one hand, children might continue to live with their parents due to poor labor market perspectives. On the other hand, multigenerational cohabitation and the related financial support of other household members might reduce incentives to become active on the labor market.

This result might seem to contradict the comparatively large importance of the children's income in migrant multigenerational households. However, two aspects have to be taken into account. First, the importance of their income contributions is a relative measure. Thus, even if the absolute income contributions of migrant

children are smaller than the absolute income contributions of native children to the household income, they might still be more important in relative terms. Second, migrants have on average more children which could compensate for lower individual earnings on the aggregate level.

## 5 Conclusion

This study examines the question whether multigenerational cohabitation among migrants in Germany is a coping strategy to deal with economic constraints. To test this hypothesis, the prevalence of native and migrant multigenerational households as well as the economic conditions within these households are analyzed. The latter is done by considering the income contributions as well as the labor force participation of different household members within multigenerational households.

Even after controlling for sociodemographic and socioeconomic differences, migrants are significantly more likely to live in multigenerational households than natives. However, this result does not necessarily imply that differences are the result of different (cultural) preferences as lower returns to education and work experience because of migration, lower eligibility for welfare payments and/or discrimination in the labor market are other potential, partly unobservable (economic) factors which are simultaneously related to the decision of cohabitation and to the migration status per se.

A deeper analysis of the economic conditions within multigenerational households reveals significant differences in the importance of different household groups in the income-generating process between native and migrant households. In migrant households, more household groups contribute significantly to the overall household income than in comparable natives households. This means that in migrant households, the financial burden is shouldered by more household members than in native households. The differences between native and migrant households are even more pronounced when focusing on households below the at-risk-of-poverty level. This result suggests that migrants meet economic constraints by an increased economic

activity of additional household members.

With respect to the individual labor force participation, the analysis shows that migrant children in multigenerational households are significantly less likely to participate in the labor force than migrant children in couple households or native children. Even though the results do not allow causal inference concerning the impact of cohabitation on labor force participation, this result is in line with the hypothesis that a poor labor market integration of young or second-generation immigrants might lead to multigenerational cohabitation. Living in a multigenerational household may serve as a safety net for the household members and compensate for economic disadvantages outside the household.

In sum, the results reveal at least a positive correlation between multigenerational cohabitation and economic constraints among migrants. Therefore, the living arrangements of migrants clearly deserve further examination – as well from an economic perspective. An interesting aspect for future research, is, for example, a more differentiated consideration of migrant groups and the inclusion of information about living arrangements in the countries of origin. This could provide additional insights about the role of culture in the living arrangements. Answering this question requires, however, a larger data basis than is currently available.

In general, all population groups should be free to choose their preferred living arrangements and, moreover, all population groups should be able to afford their preferred living arrangements. If this fails, for example, due to a poor labor market integration of young immigrants, this should be a major concern. Multigenerational cohabitation may facilitate the arrival of migrants in the host country. However, it cannot compensate for an adequate long-term integration policy.

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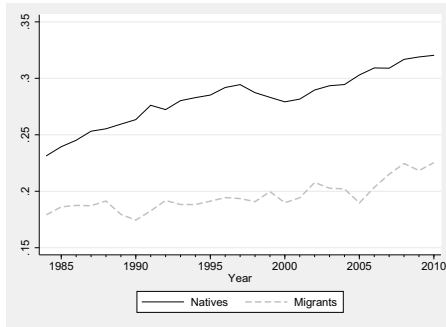
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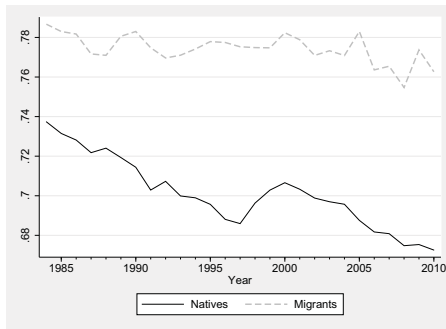
# Figures & Tables

Figure 1: Household Types

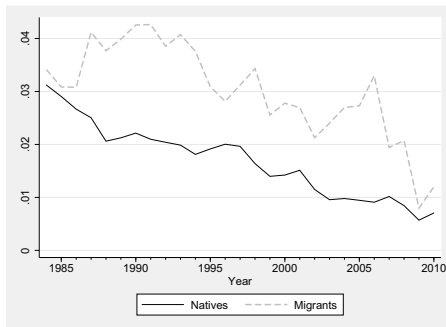
(a) Single Hh



(b) Couple Hh

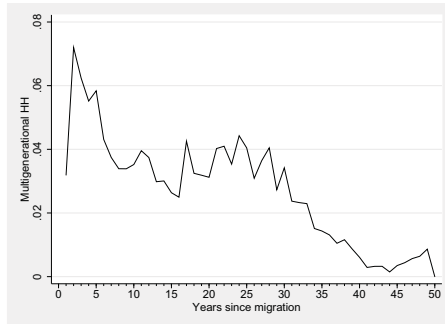


(c) Multigenerational Hh



NOTE.—Weighted numbers based on weights provided by the SOEP.

Figure 2: Migrants in Multigenerational Households



NOTE.—Weighted numbers based on weights provided by the SOEP.



Table 1: Summary Statistics – Persons

	Natives			Migrants		
	Single	Couple	Multigen.	Single	Couple	Multigen.
	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Age	54.6 (20.9)	47.2 (16.6)	47.8 (19.2)	45.2 (18.5)	42.1 (15.4)	40.6 (16.8)
Female(%)	64.0 (48.0)	48.1 (50.0)	58.9 (49.2)	57.6 (49.4)	46.7 (49.9)	53.0 (49.9)
Married(%)	0.2 (4.4)	80.5 (39.6)	52.3 (50.0)	4.4 (20.5)	80.0 (40.0)	66.2 (47.3)
Number of children	1.1 (1.4)	1.3 (1.3)	1.7 (1.5)	1.1 (1.6)	1.6 (1.4)	1.9 (1.7)
Guest worker origin				31.3 (46.4)	42.9 (49.5)	59.6 (49.1)
2nd-gen. migrant				26.8 (44.3)	17.6 (38.1)	13.0 (33.6)
Years since migration				18.2 (15.3)	17.6 (13.1)	15.6 (10.7)
Still in school (%)	0.7 (8.4)	1.1 (10.4)	1.6 (12.4)	1.1 (10.4)	2.1 (14.2)	0.3 (5.8)
Dropout, secondary, other degree(%)	53.0 (49.9)	53.7 (49.9)	66.3 (47.3)	67.0 (47.0)	75.3 (43.2)	88.2 (32.3)
Intermediate(%)	29.3 (45.5)	30.2 (45.9)	23.4 (42.3)	17.1 (37.7)	13.7 (34.4)	9.5 (29.3)
Upper secondary(%)	17.0 (37.5)	14.9 (35.7)	8.8 (28.3)	14.8 (35.5)	9.0 (28.6)	2.0 (14.0)
Full- or part-time employed	41.2 (49.2)	52.5 (49.9)	44.7 (49.7)	49.3 (50.0)	52.1 (50.0)	44.9 (49.7)
Unemployed(%)	4.7 (21.3)	3.3 (17.9)	4.1 (19.7)	10.2 (30.2)	8.2 (27.4)	9.3 (29.0)
Not in the labor force(%)	54.1 (49.8)	44.2 (49.7)	51.2 (50.0)	40.5 (49.1)	39.7 (48.9)	45.9 (49.8)
Labor earnings	13,307 (19,978)	18,380 (25,609)	13,278 (18,168)	14,190 (17,682)	15,102 (18,593)	11,098 (13,765)
Household Types (%)	28.2 ( 45.0)	70.1 ( 45.8)	1.7 ( 12.9)	19.8 ( 39.9)	77.3 ( 41.9)	2.8 ( 16.6)
Number of observations	49,154	192,885	4,784	8,646	55,792	3,544

NOTE.—The sample includes waves 1984 to 2009 of the SOEP. The numbers are weighted based on weights provided by the SOEP. Multigenerational households are defined as households in which at least three generations of one family live together. A secondary degree corresponds to the German *Hauptschulabschluss*, an intermediate degree to the *Realschulabschluss* and an upper secondary degree to the *Abitur*. Migrants with a guest worker origin are migrants who originate from a country with a former guest worker agreement, not necessarily migrants who came in the course of the guest worker recruitment. Second-generation migrants are defined as persons who are born in Germany with a foreign nationality or persons who are born in Germany and have at least one migrant parent.

Table 2: Summary Statistics – Households

	Natives			Migrants		
	Single	Couple	Multigen.	Single	Couple	Multigen.
	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Household size	1.2 ( 0.5)	2.8 ( 1.0)	4.7 ( 1.1)	1.3 ( 0.7)	3.2 ( 1.2)	5.4 ( 1.8)
Owner of dwelling(%)	27.3 (44.6)	56.7 (49.5)	84.2 (36.5)	13.0 (33.6)	26.5 (44.1)	24.4 (43.0)
Community size (in 1,000)	203 ( 203)	143 ( 183)	65 ( 128)	216 ( 198)	181 ( 191)	200 ( 205)
Size of dwelling in m <sup>2</sup>	71.6 (32.5)	105.7 (40.0)	132.9 (47.2)	60.8 (29.7)	86.6 (35.0)	96.4 (35.2)
Size of dwelling in m <sup>2</sup> p.p.	65.0 (30.9)	40.4 (17.9)	29.7 (12.5)	51.7 (28.2)	29.8 (15.1)	19.2 ( 8.4)
Living space too small(%)	13.8 (34.5)	14.0 (34.7)	16.8 (37.4)	23.0 (42.1)	24.6 (43.1)	33.0 (47.0)
Below at-risk-of-poverty level(%)	24.3 (42.9)	9.3 (29.1)	9.8 (29.8)	35.0 (47.7)	20.7 (40.5)	20.3 (40.3)
Household Types (%)	44.7	54.5	0.9	35.0	63.6	1.4
Number of observations	44,906	89,241	1,410	7,305	24,514	894

NOTE.—The sample includes waves 1984 to 2009 of the SOEP. The numbers are weighted based on weights provided by the SOEP. Multigenerational households are defined as households in which at least three generations of one family live together. A household is defined as a migrant household if the head of the household is a migrant. The at-risk-of-poverty level is defined as 60% of the median equivalent household income in the respective year.

Table 3: Household Income

	Natives			Migrants		
	Single	Couple	Multigen.	Single	Couple	Multigen.
	Mean	Mean	Mean	Mean	Mean	Mean
OVERALL HH INCOME						
Post-governm. income	18,008	37,127	45,923	16,000	31,464	38,530
Labor income	14,240	40,430	44,893	15,834	34,980	40,271
Asset income	1,327	2,373	1,919	529	1,169	571
Public transfers	977	1,806	2,974	1,766	3,380	4,912
Pensions	7,136	6,745	10,356	3,418	3,454	4,582
EQUIVALENT HH INCOME						
Post-governm. income	16,938	20,722	17,191	14,415	16,462	13,264
Labor income	13,250	21,940	16,608	14,333	18,095	13,620
Asset income	1,286	1,390	730	512	658	169
Public transfers	822	899	1,123	1,440	1,585	1,715
Pensions <sup>1</sup>	14,141	15,067	10,836	11,305	11,867	8,171
Number of observations	44,906	89,241	1,410	7,305	24,514	894

NOTE.—See notes Table 2.

Table 4: Main Earner

	Natives		Migrants	
	Mean	SD	Mean	SD
Age	46.4	12.9	41.8	13.8
Female(%)	24.3	42.9	22.3	41.7
HOUSEHOLD POSITION				
Head of hh(%)	62.6	48.4	56.4	49.6
Partner of head of hh(%)	9.9	29.9	8.4	27.7
(Grand-)Child of head of hh(%)	23.4	42.3	32.5	46.9
Parent of head of hh(%)	4.2	20.0	1.9	13.8
Other relation to head of hh(%)	0.0	1.8	0.8	8.8
MAIN SOURCE OF INCOME				
Labor earnings(%)	86.9	33.8	91.3	28.2
Public transfers(%)	2.6	15.8	3.3	17.9
Private transfers(%)	0.4	6.4	0.0	0.0
Pensions(%)	10.1	30.2	5.4	22.6
Number of observations	1,429		860	

NOTE.—The sample includes waves 1984 to 2009 of the SOEP. The numbers are weighted based on weights provided by the SOEP. Multigenerational households are defined as households in which at least three generations of one family live together. A household is defined as a migrant household if the head of the household is a migrant.

Table 5: Probability of Multigenerational Cohabitation

	I		II		III	
	Coef. (1)	SE (2)	Coef. (3)	SE (4)	Coef. (5)	SE (6)
Migrant	0.016***	0.003	0.007	0.005	0.026***	0.009
Guest worker origin			0.021***	0.007	0.022***	0.007
2nd-gen. migrant			0.000	0.006	0.006	0.006
Age/100					-0.053**	0.022
(Age/100) <sup>2</sup>					0.032	0.022
Female					0.000	0.001
Single (ref.)						
Married					-0.009***	0.003
Divorced					-0.009***	0.003
Widowed					0.007*	0.004
Number of children					0.005***	0.001
Still in school					-0.001	0.005
Dropout, secondary, other					0.005***	0.002
Intermediate (ref.)						
Upper secondary					-0.002	0.002
Years since migration/100					-0.130***	0.050
(Years since migration/100) <sup>2</sup>					0.101	0.068
Constant	0.012***	0.004	0.012***	0.004	0.026***	0.006
Year and region fixed effects	Yes		Yes		Yes	
R <sup>2</sup>	0.010		0.011		0.015	
F	4.305		4.518		4.145	
N	314,805		314,805		314,805	

NOTE.— Weighted regressions based on weights provided by the SOEP. Standard errors are clustered on household level.

\* p<0.10, \*\* p<0.05, \*\*\* p<0.01

Table 6: Probability of Multigenerational Cohabitation

	BY AGE GROUPS							
	< 30		≥ 30 & < 45		≥ 45 & < 60		≥ 60	
	Coef. (1)	SE (2)	Coef. (3)	SE (4)	Coef. (5)	SE (6)	Coef. (7)	SE (8)
Migrant	0.014	0.013	0.005	0.005	0.006	0.008	0.004	0.006
Guest worker origin	0.043***	0.015	0.010*	0.006	0.016*	0.009	0.029***	0.010
2nd-gen. migrant	-0.004	0.014	-0.005	0.005	-0.015*	0.008	-0.009	0.008
Constant	0.016***	0.006	0.004	0.004	0.019***	0.005	0.013***	0.004
Year and region fixed effects	Yes		Yes		Yes		Yes	
R <sup>2</sup>	0.016		0.009		0.013		0.012	
F	3.623		2.308		3.574		3.273	
N	63,338		94,405		82,393		74,669	
WITH CONTROL VARIABLES								
Migrant	0.028**	0.014	0.001	0.009	0.036	0.024	0.088***	0.030
Guest worker origin	0.040**	0.017	0.008	0.007	0.019**	0.008	0.045***	0.010
2nd-gen. migrant	-0.016	0.025	0.004	0.007	0.013	0.010	-0.029	0.028
Age/100	0.255	0.422	-0.485*	0.273	1.517***	0.508	-0.541**	0.217
(Age/100) <sup>2</sup>	-1.151	0.884	0.694*	0.364	-1.467***	0.489	0.370**	0.151
Female	0.006*	0.003	0.001	0.001	-0.002	0.002	-0.003	0.002
Single (ref.)								
Married	-0.022***	0.005	-0.010***	0.004	-0.001	0.005	-0.002	0.002
Divorced	0.003	0.010	-0.010**	0.004	-0.008	0.005	0.001	0.003
Widowed	0.014	0.037	-0.009	0.010	0.003	0.010	0.020***	0.004
Number of children	0.017***	0.003	0.006***	0.002	0.007***	0.002	0.004***	0.001
Still in school	-0.011*	0.006						
Dropout, secondary, other	0.003	0.005	0.004	0.003	0.008***	0.003	0.006**	0.002
Intermediate (ref.)								
Upper secondary	-0.000	0.004	-0.004	0.003	0.004	0.003	-0.002	0.003
Years since migration/100	-0.320*	0.193	0.043	0.088	-0.188	0.152	-0.482***	0.167
(Years since migration/100) <sup>2</sup>	1.267**	0.633	-0.161	0.170	0.135	0.240	0.532**	0.224
Constant	0.017	0.051	0.086*	0.051	-0.384***	0.133	0.196**	0.077
Year and region fixed effects	Yes		Yes		Yes		Yes	
R <sup>2</sup>	0.023		0.013		0.019		0.024	
F	3.210		2.418		3.290		2.984	
N	63,338		94,405		82,393		74,669	

NOTE.— Weighted regressions based on weights provided by the SOEP. Standard errors are clustered on household level. \* p<0.10, \*\* p<0.05, \*\*\* p<0.01

Table 7: Probability of Multigenerational Cohabitation (Age  $\geq$  60)

	Natives		Migrants		All	
	Coef. (1)	SE (2)	Coef. (3)	SE (4)	Coef. (5)	SE (6)
Migrant					0.088***	0.030
Guest worker origin			0.047***	0.012	0.044***	0.010
2nd-gen. migrant			-0.013	0.032	-0.029	0.028
Age/100	-0.425*	0.234	-1.618	1.161	-0.514**	0.231
(Age/100) <sup>2</sup>	0.297*	0.160	1.095	0.830	0.353**	0.158
Female	-0.004	0.002	-0.007	0.006	-0.004*	0.002
Single (ref.)						
Married	-0.002	0.003	-0.001	0.011	-0.002	0.002
Divorced	-0.000	0.003	0.016	0.015	0.001	0.003
Widowed	0.018***	0.004	0.049***	0.017	0.020***	0.004
Number of children	0.003***	0.001	0.002	0.003	0.003***	0.001
Dropout, secondary, other	0.005**	0.003	0.004	0.008	0.005**	0.002
Intermediate (ref.)						
Upper secondary	-0.002	0.003	-0.005	0.009	-0.002	0.003
Years since migration/100			-0.514***	0.174	-0.482***	0.167
(Years since migration/100) <sup>2</sup>			0.534**	0.230	0.532**	0.225
Pensioner	0.011**	0.005	0.006	0.011	0.011**	0.005
Pension	-0.001**	0.001	0.000	0.001	-0.001**	0.000
Constant	0.154*	0.084	0.675*	0.407	0.186**	0.083
Year and region fixed effects	Yes		Yes		Yes	
R <sup>2</sup>	0.021		0.067		0.024	
F	2.688		0.922		2.982	
N	66,491		8,178		74,669	

NOTE.— Weighted regressions based on weights provided by the SOEP. Standard errors are clustered on household level. \* p<0.10, \*\* p<0.05, \*\*\* p<0.01

Table 8: Income Contributions

	Natives		Migrants		All HH	
	Coef.	SE	Coef.	SE	Coef.	SE
	(1)	(2)	(3)	(4)	(5)	(6)
Income of hh head	0.069***	0.013	0.048***	0.011	0.069***	0.013
Income of partner	0.024***	0.004	0.016***	0.004	0.024***	0.004
Income of children	0.012***	0.003	0.028***	0.005	0.012***	0.003
Income of parents	0.001	0.004	0.021***	0.005	0.001	0.004
Income of other relatives	0.010	0.009	0.022**	0.010	0.010	0.009
Migrant ×						
Income of hh head					-0.021	0.017
Income of partner					-0.008	0.006
Income of children					0.016***	0.006
Income of parents					0.020***	0.006
Income of other relatives					0.011	0.014
Constant	8.714***	0.226	9.101***	0.194	8.714***	0.227
Year and region fixed effects	Yes		Yes		Yes	
R <sup>2</sup>	0.550		0.586		0.566	
F	20.832		15.822		20.494	
N	1,407		893		2,300	
HOUSEHOLDS BELOW THE AT-RISK-OF-POVERTY LEVEL						
	Natives		Migrants		Poor HH	
	Coef.	SE	Coef.	SE	Coef.	SE
	(1)	(2)	(3)	(4)	(5)	(6)
Income of hh head	0.057***	0.015	0.034***	0.008	0.029***	0.008
Income of partner	0.019***	0.003	0.003	0.004	0.004	0.011
Income of children	0.008**	0.003	0.013***	0.004	0.013**	0.006
Income of parents	0.001	0.003	0.011***	0.004	-0.007	0.009
Poor ×						
Income of hh head	-0.032**	0.015	0.012	0.021		
Income of partner	-0.014	0.008	0.026**	0.012		
Income of children	-0.004	0.008	0.013**	0.005		
Income of parents	-0.007	0.008	0.016*	0.009		
Migrant ×						
Income of hh head					0.029	0.024
Income of partner					0.013	0.014
Income of children					0.010	0.010
Income of parents					0.033**	0.014
Constant	8.763***	0.219	9.207***	0.150	8.638***	0.466
Year and region fixed effects	Yes		Yes		Yes	
R <sup>2</sup>	0.644		0.732		0.781	
F	53.782		49.024		41.992	
N	1,407		893		271	

NOTE.— Weighted regressions based on weights provided by the SOEP. Standard errors are clustered on household level. Further control variables are the household size and its square, the number of children below age 18 and the household asset income. \* p<0.10, \*\* p<0.05, \*\*\* p<0.01

Table 9: Labor Force Participation

	Hh head		Partner		Child	
	Coef. (1)	SE (2)	Coef. (3)	SE (4)	Coef. (5)	SE (6)
Multigenerational hh	0.045**	0.022	-0.112**	0.050	0.001	0.027
Age	0.076***	0.003	0.061***	0.004	0.216***	0.009
Age <sup>2</sup>	-0.001***	0.000	-0.001***	0.000	-0.003***	0.000
Female	-0.403***	0.016	-0.409***	0.013	0.043***	0.013
Single (ref.)	0.000	.	0.000	.	0.000	.
Married	-0.079***	0.022	-0.080***	0.019	0.028	0.057
Divorced	0.077***	0.029			0.002	0.065
Widowed	0.076	0.061				
Number of children	-0.016***	0.004	-0.035***	0.007	0.008	0.054
Number of siblings					0.007	0.006
Still in school	-0.439**	0.192	0.033	0.191	-0.161***	0.011
Dropout, secondary, other	-0.026***	0.008	-0.045***	0.016	0.117***	0.016
Intermediate (ref.)	0.000	.	0.000	.	0.000	.
Upper secondary	0.016*	0.010	0.011	0.022	-0.305***	0.016
Migrant	0.053	0.137	-0.331*	0.189	-0.030	0.270
Migrant ×						
Guest worker origin	0.024	0.020	-0.164***	0.030	0.044	0.036
2nd-gen. migrant	-0.003	0.037	-0.254***	0.069	-0.006	0.040
Multigenerational hh	-0.049	0.046	0.019	0.107	-0.229*	0.136
Age	-0.005	0.005	0.019**	0.008	-0.004	0.023
Age <sup>2</sup>	0.000	0.000	-0.000**	0.000	-0.000	0.000
Female	-0.025	0.038	-0.054*	0.028	-0.036	0.023
Married	0.022	0.054	-0.080	0.074	-0.080	0.083
Divorced	0.003	0.067			0.123	0.086
Widowed	0.039	0.118				
Number of children	0.010	0.007	-0.021*	0.011	0.002	0.071
Number of siblings					0.009	0.009
Still in school	0.437**	0.203	-0.083	0.289	0.046*	0.025
Dropout, secondary, other	0.034	0.030	0.053	0.065	0.039	0.030
Upper secondary degree	0.005	0.040	-0.068	0.083	0.026	0.038
Years since migration	0.001	0.003	0.018***	0.004	0.006	0.007
Years since migration <sup>2</sup>	-0.000	0.000	-0.000***	0.000	0.000	0.000
Constant	-0.432***	0.063	-0.231***	0.087	-2.803***	0.122
Year and region fixed effects	Yes		Yes		Yes	
R <sup>2</sup>	0.382		0.191		0.374	
F	36.208		42.796		80.940	
N	65,673		55,785		28,331	

NOTE.— Weighted regressions based on weights provided by the SOEP. Standard errors are clustered on household level. \* p<0.10, \*\* p<0.05, \*\*\* p<0.01