

Extended Abstract

European Population Conference 2012

Title: Marital Separation and House Ownership. A longitudinal analysis of life course dependencies

Authors: Philipp Lersch, Sergi Vidal

Contact: Philipp Lersch

Institution: University of Bremen

Bremen International Graduate School of Social Sciences (BIGSSS)

P.O. Box 330440

28334 Bremen

Germany

Phone: + 49 (0) 421 218 66384

Fax: + 49 (0) 421 218 66353

Email: plersch@bigsss.uni-bremen.de

1. Motivation

A high number of marriages in Europe end in separation. Besides the obvious emotional turmoil and psychological stress that the marital separation produces, these events also shape the residential mobility of both ex-partners. At least one of the ex-partners will have to leave the shared dwelling and the circumstances of this mobility are particular in several ways: The financial resources are reduced for ex-partners and thus the budget for housing is more restricted than before. This reduction is stronger for females than for males on average, but depends on the institutional context. The move is urgent and only limited information about housing alternatives can be considered. In addition, choices are made under stronger uncertainty about the future partnership life than before the separation, and the housing need of the ex-partners is reduced compared to the pre-separation situation. All these factors cause residential mobility after separation to have negative outcomes more often than for non-separated individuals. These disparities in outcomes have been especially observed for house ownership. Ex-partners are likely to move out of their house ownership and ex-partners are found to be less likely to move into ownership later on (e.g. Feijten, van Ham 2007; Feijten, van Ham 2010). The analysis of these negative consequences of separation on house ownership is of high societal interest. Housing is a central aspect of social stratification and house ownership provides a number of benefits that increase the resources and life chances of owners (Kemeny 1995: 174; Kurz, Blossfeld 2004: 1). House ownership is a major form of asset. For many

families, house ownership constitutes the single largest asset and is often perceived as a symbol of stability and as a prerequisite for family building. Many times, house ownership serves as a safety net for later life stages. Moreover, on average dwellings occupied by their owners are in better quality than rented accommodation, located in better neighbourhoods and owners can better adapt their dwellings to their needs. Many house owners also appreciate the feelings of security offered by their own dwelling (Megbolugbe, Linneman 1993; Kurz, Blossfeld 2004: 4; Mulder 2006).

2. Research problem and gaps in literature

The paper tackles the research question of how marital separation affects transitions out of and into house ownership over the life course to examine whether separated individuals are systematically excluded from the just mentioned benefits of house ownership. We define marital separation as the break-up of a married couple accompanied by the end of co-residence, i.e. at least one of the ex-partners leaves the common dwelling. We assume that individuals determine their life courses by making intentional choices about their life with regard to certain goals through evaluation of benefits and costs related to the choice. Choices are conditioned by past choices, intra-individual interdependence of different trajectories and inter-individual relations as well as the institutional context (Mulder, Hooimeijer 1999: 161ff).

Following from our theoretical framework, we identify three major shortcomings in the past literature. First, the endogeneity of marital separation and house ownership choices has not been sufficiently accounted for. Past research does not account for the two-way interdependency between the two trajectories. Second, biographical dependencies are only rarely considered in past research. Feijten/Mulder (2005) is an exception, but otherwise retrospective information on the marital history has not been used in the literature on house ownership outcomes. Third, only Dewilde (2008) considers the effect of the institutional context on post-separation housing situations. However, the paper does not include retrospective marital information. We will address these shortcomings in our empirical analysis by estimating multi-process models allowing for the simultaneity of choices, by considering retrospective marital information covering the whole life course and by comparing the institutional contexts of Britain and Germany.

3. Data and empirical strategy

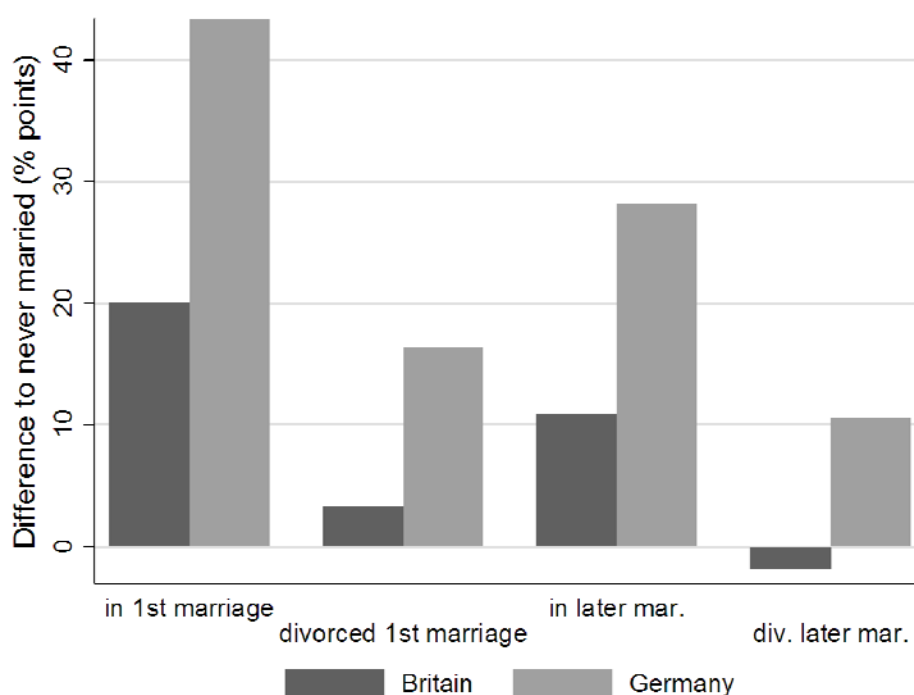
To test our hypotheses, we draw our data for Germany from the Socio-Economic Panel Study (SOEP) and for Britain from the British Household Panel Survey (BHPS). Both are nationally representative panel data sets. Our analytical strategy employs several steps to strengthen our claim for causality in answering our research question. First, we use duration models for longitudinal data based on the analysis of episode duration of each outcome to account for the aforementioned biographical dependence of the choices. Second, we estimate transitions in the partnership trajectory and the housing trajectory simultaneously in order to control for individual unobserved heterogeneity that commonly affect both choices and is fixed over time. Third, to rule out the effects of national institutional settings, we analyse the institutional contexts of Britain and Germany. We will present multivariate results for males and females separately, because prior research shows that housing outcomes after separation are gendered.

4. First descriptive results

Figure 1 shows the differences in the house owner rate for subsequent stages in the partnership trajectory compared to being in a never married partnership separately for Britain and Germany. The subsequent stages in the partnership trajectory are listed on the horizontal axis ranging from left to right. The rate of house ownership for never married couples in Britain is 66 % and for Germany it is 16 %. Thus, the absolute share of house owners in every stage is much higher in Britain than in Germany, Figure 1 clearly indicates that the absolute differences are larger in Germany. Being married for the first time compared to never being married increases the rate of house owners by about 20 % points in Britain and about 44 % points in Germany. Hence, getting married is much more related to the transition into house ownership in Germany than in Britain. The next stage in the partnership trajectory is being divorced after the first marriage. In this stage, the share of house owners is lower but stays above the level of the never married in both countries. Being married for the second or later times increases the share of owners again, but to a lesser degree than the first marriage. Being divorced after a second or later marriage also decreases the share of house owners. While in this group there are still more owners than in the group of never married in Germany, in Britain the share of owners in these two groups is not significantly different. While in Germany

there seems to be a persistent effect of the first marriage on house ownership that lasts across disruptions in the partnership trajectory, the effect of the first union fades away with subsequent partnership stages in Britain. The overall pattern of house ownership across the partnership trajectory that emerges from this is clear: House ownership is more prevalent in marriage, but less so with higher orders of marriage. Non-married are less likely to be in house ownership. The pattern is similar in Britain and Germany, but more pronounced in latter. These findings will be further analysed in the multivariate analysis of the paper.

Figure 1: House ownership rate by partnership trajectory



Data: BHPS and SOEP v26 1991-2008 (cross-sectionally weighted)

Note: The y-axis shows the absolute difference in percentage points.

5. References

- Dewilde, C. 2008. Divorce and the Housing Movements of Owner-Occupiers. A European Comparison. In: *Housing Studies* 23 (6): p. 809–832.
- Feijten, P./Mulder, C. H. 2005. Life-course Experience and Housing Quality. In: *Housing Studies* 20 (4): p. 571–587.

Feijten, P./van Ham, M. 2007. Residential mobility and migration of the separated. In: *Demographic Research* 17 (21): p. 623–654.

Feijten, P./van Ham, M. 2010. The Impact of Splitting Up and Divorce on Housing Careers in the UK. In: *Housing Studies* 25 (4): p. 483–507.

Kemeny, J. 1995. *From Public Housing to the Social Market. Rental Policy Strategies in Comparative Perspective*. Abingdon: Routledge.

Kurz, K./Blossfeld, H.-P. 2004. Introduction. Social stratification, welfare regimes, and access to home ownership. In: Kurz, K./Blossfeld, H.-P. (eds.). *Home ownership and social inequality in comparative perspective*. Stanford: Stanford University Press: p. 1–20.

Megbolugbe, I. F./Linneman, P. D. 1993. Home Ownership. In: *Urban Studies* 30 (4-5): p. 659–682.

Mulder, C. H. 2006. Home-ownership and family formation. In: *Journal of Housing and the Built Environment* 21 (3): p. 281–298.

Mulder, C. H./Hooimeijer, P. 1999. Residential relocations in the life course. In: van Wissen, L. J. G./Dykstra, P. A. (eds.). *Population issues. An interdisciplinary focus*. New York: Kluwer: p. 159–186.