"Doubling Up and Moving Down: Residential Change and the Great Recession"

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Long Abstract:

The Great Recession was a combination of three different recessions: a financial recession, a housing recession, and an employment recession. These three forces interacted in crucial ways to have large impacts on individual and household mobility from 2008 to 2011, with those impacts continuing to the present. In this paper we look at two well-discussed but not well-understood types of household changes: the process of "doubling up," wherein an individual or family moves in with another unit forming a multi-adult unit (see Mykyta and McCartney, 2012; Seltzer, Lau, and Bianchi, 2012); and the process of "moving down," whereby the loss of a job or other factors precipitate a housing crisis (foreclosure, eviction) that leads an individual and family to move from ownership to renting, to a rent-free situation, or to a more crowded owned or rented unit as a response to the housing and employment crisis (Berger, Collins, and Smeeding, 2012). While these changes make a difference both socially and economically to all parties affected, they are not always synonymous and are sometimes quite dissimilar. For instance, doubling up may not be associated with housing issues or even income issues, but rather may be in response to caregiving or asset-accumulation issues. Moving down may not require that an affected family double up, as they may maintain their independence and move to a less costly housing situation where the original household composition remains intact.

We use the 2008 Survey of Income and Program Participation (SIPP) panels for the first ten waves (fall of 2008 through the end of 2011) to assess both types of residential changes, their intersection, and the differences between each type of move. Recession impacts will be assessed by comparing these moves to the ones that took place in the first ten waves of the 2004 SIPP panel (winter of 2004 through the end of 2007). The involuntary nature of moving down and doubling up will be assessed according to the characteristics and nature of families and the housing situation they are moving from and moving into.

The following issues are addressed in this paper:

1. Panel data allow us to observe both families and individuals that move (following the movers into new recipient units) and families and individuals where someone from outside the sample moves in with a sample family during the first ten-wave panel period. While the number of people that move is the same within the sample, the number of households affected by doubling up is twice as large as the number of individuals. The 2010 SIPP suggests that 8.3 percent of households with a head aged 18 to 59 experienced

doubling up as mover or as recipient units (while another 1.5 percent became cohabiters). Expanding the age range to 18 or older—including units with a head aged 60 or above—expands the number of doubling-up moves from 8.3 percent to 11.4 percent of all units, and the number of affected households (both mover and recipient) to twice that amount. Hence, doubling up is not a minor phenomenon as 17 to 23 percent of the sample number of households experienced a move in or move out that resulted in the addition or loss of at least three adults in the unit over the 30 month period from wave 1 to wave 10. In addition, 5.8 percent of SIPP units experienced another adult who moved in with sample members.

2. Moving down may or may not be associated with doubling up, as mentioned above. If moving down is measured by moves from owning or renting to rent-free status, plus moves from owner to renter, about 18.5 percent of all units who doubled up moved down as well, and more if moving from rent to rent involves greater crowding in the new unit.

3. Not all doubling up reflects moving down and there is a difference between a family (with children) forced to move in with a relative or sibling, and a college graduate who cannot find a job, or even with a job, moves back into his or her old bedroom in the family home (Fingerman and Furstenberg, 2012). Our preliminary figures suggest that almost 60 percent of doubling up for the age 18 to 59 group is represented by a single person moving in with other adults.

4. Both types of moves help reduce housing outlays and, in the case of doubling up, economies of scale, which affect poverty and income distribution estimates. Magnuson and Smeeding (2011), using a small interview sample from two large cities drawn from the Fragile Families cohort, found that no unmarried single mothers of young children were able to live alone in the first year of the child's birth; that 75 percent of these lived in a situation other than with a cohabiter; and that none of these mother and child pairs, in either cohabiting or extended family situations paid any rent during the first year. If we valued the implicit rent transfer at $600 per month (the lowest quartile rental cost of a one bedroom unit in these cities), living rent free was the largest transfer they received.

5. The stereotypical picture of a family with children losing their home to foreclosure and moving in with relatives—doubling up—is a fairly small part of doubling up. Less than 20 percent of units who double up are families with children but a larger segment of those who are moving down from owning to renting or to free housing are families with children (Berger, Collins, and Smeeding, 2012).

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