

**The Neighbourhood Can Have Strong Effects on
Social Assistance Receipt – The case of young adults
in metropolitan Sweden**

Björn Gustafsson

Katarina Katz

Torun Österberg

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Research questions:

- Is there a relation between the neighbourhood where a teen-ager grows up and the probability that he or she will receive social assistance as a young adult?
- Is this relation maintained when individual and parental characteristics are controlled for?
- Are the relations between neighbourhood and parental characteristics, on the one hand, and social assistance receipt, on the other, the same for visible minorities and the majority population?

Cautionary remark:

- A correlation between neighbourhood characteristics is not necessarily causal.
- Compare the large literature on intergenerational correlations in receipt.
- But finding the characteristics **associated with** an elevated risk of needing social assistance has worthwhile policy implications.

Background: Poverty in Sweden

- Increased income and earnings dispersion since the 1980s.

Poverty very much linked to entry into the labour market:

- Young adults.

This poverty is often transitory (as is SA receipt).

- Recent immigrants, many with a non European origin.

Background:

The more difficult transition from youth to adulthood

- Youth unemployment has become a major problem.
- Most young adults are not eligible for UI.
- In Sweden many young adults have left the parental home, parents are not legally responsible for their maintenance.
- Johansson and Palmer (2010) show that while equivalent disposable income increased substantially for most in Sweden between 1991 and 2007, this was not the case for those 20 to 25.

Many young adults receive social assistance at some point.

	Non visible minority	Visible minority
SA 19, 20 and 21 years old	3%	17%
SA 19 or 20 or 21 years old	14%	47%

- The proportion declines with age but those who received social assistance at age 19-21 are more likely to do so later:

		Did not receive SA at age 19, 20 and 21.	Received SA at age 19, 20 <u>and</u> 21
Social assistance at age 28			
Men	Not visible minorities	3	27
	Visible minorities	7	22
Women	Not visible minorities	2	23
	Visible minorities	7	19
Main income from work or parental leave at age 28.			
Men	Not visible minorities	78	49
	Visible minorities	59	49
Women	Not visible minorities	71	50
	Visible minorities	60	52

Visible minorities

Term used for lack of a better.

- "Visible minorities": includes persons with both parents born in
 - Asia
 - Africa
 - Latin America
 - South-East Europe
- "Not visible minorities" (aka "majority population", "others"):
includes persons with at least one parent born in
 - Sweden
 - other European countries except South-East Europe
 - Anglo-America
 - Oceania

Previous Swedish studies

- Brännström (2004) studying persons born 1953 and living in Stockholm find no effect of disadvantaged neighbourhood on SA receipt when aged 16 to 19. In contrast Mood (2004) and Brännström (2011) using other data find positive relations.
- We use the same database as Brännström (2011), but differ in a number of respects.
- Stenberg (2000) and Ringbäck Weitoft et al. (2008) have found intergenerational links in SA receipt. According to Edmark and Hanspers (2011) using siblings approach is the link not causal.

Research areas and populations studied

Of Sweden's nine million inhabitants 39 per cent live in the three metropolitan regions of:

- **Stockholm:** 24 municipalities.
- **Göteborg:** 8 municipalities.
- **Malmö:** 9 municipalities.

Samples

All persons born 1985 living in one of the three metropolitan regions in 2001.

Parental information relates to 2001.

Majority sample: 24 582 persons

Minority sample: 5 930 persons.

We follow individuals also after they have moved out of Metropolitan Sweden.

Very little attrition (emigrated and deceased persons).

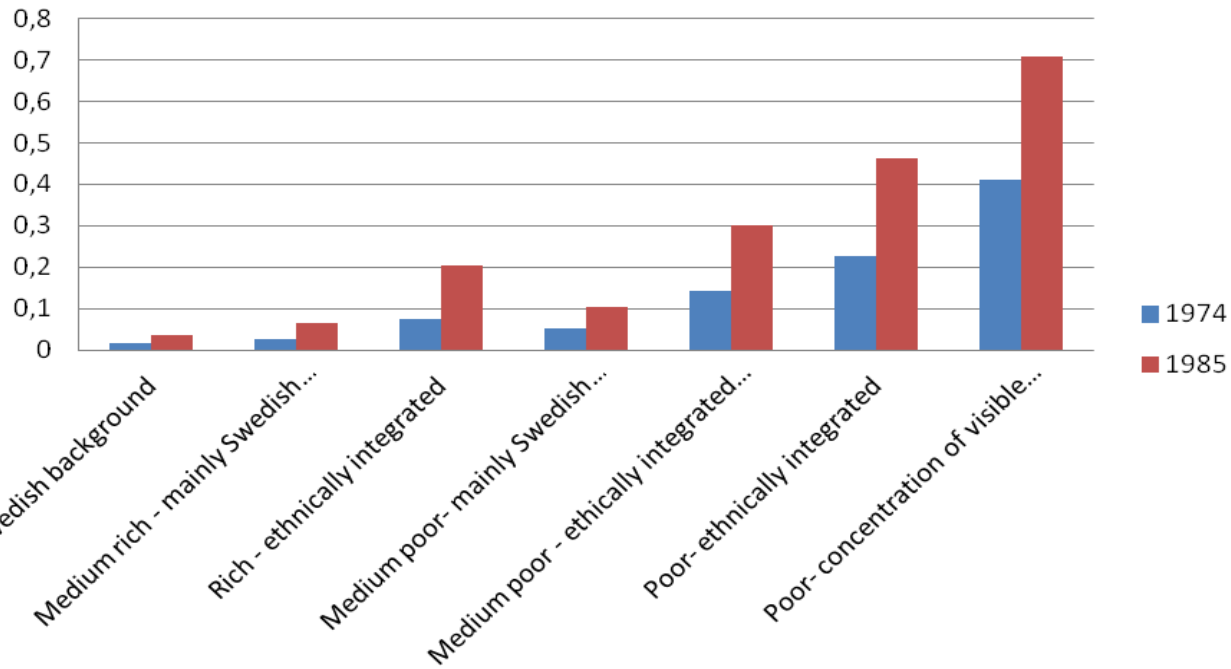
Neighbourhoods

- A classification created for research. Population size of typically 4 000 to 10 000 inhabitants.
- In some analyses we classify neighbourhoods according to **economic type** and **ethnic type** into seven categories.
- From our data we derive a number of social indicators of the neighbourhood. Of particular interest is the rate of SA receipt in the neighbourhood. It varies between 1 and 60 per cent.

Three example of neighbourhoods and their characteristics

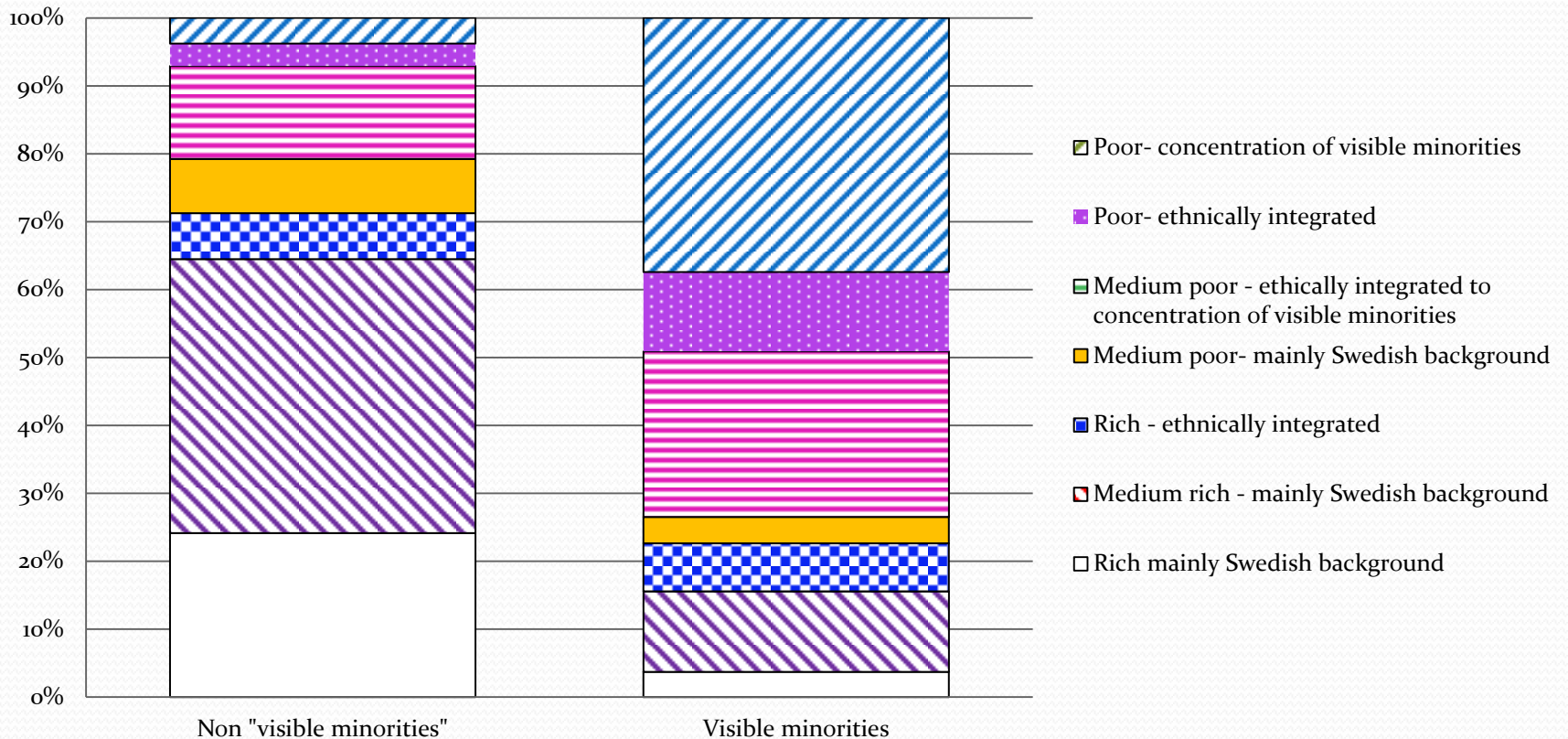
	Per cent SA receivers	Per cent immigrated since 1980	Swedish background	Per cent visible minorities	Per cent with at most basic education
Djupadal	0.3	0.6	94	1.2	12
Jungfru-platsen	3	7	87	6	23
Hammar-kullen	41	55	31	60	31
S. Rosengård	59	77	12	81	32

Percentage visible minorities in different types of neighbourhoods for cohort 1974 and 1985



Neighbourhood type 2001 for birth-cohort 1985

Neighbourhood type for cohort 1985



	Not visible minority	Visible minority
Quartile 1	15%	61%
Quartile 2	19%	21%
Quartile 3	26%	12%
Quartile 4	41%	7%
Social assistance	4%	35%
<u>Educational level in the HH</u>		
Lt than 9 years of elementary schooling	1%	13%
Elementary schooling 9 years	7%	15%
Upper secondary 2 years	26%	23%
Upper secondary 3 years	13%	16%
Post-secondary lt 3 years	18%	11%
Post-secondary 3 years or more	30%	15%
Post graduate studies	3%	2%
Education info missing	0%	5%
Individual completed upper secondary when 19 years old	75%	61%
Individual completed upper secondary when 21 years old	86%	76%
Individual woman child 0-3 years	2%	4%
Individual man child 0-3 years	1%	2%
Two adult person HH	68%	66%
No adult woman in the HH	6%	5%
No adult man in the HH	26%	29%

	Majority	Visible minorities
<u>Background country for HH</u>		
Sweden	92%	
Other Nordic countries	4%	
Other western Europe	1%	
Other north eastern Europe	3%	
Southern Europe		20%
Middle East and North Africa		49%
South America		9%
Other Africa		10%
Other Asia		10%
<u>Immigration year of the family</u>		
Before 1980		18%
1980-1986		26%
1987-1990		18%
1991-1994		25%
1995-1998		11%
1999-2001		3%

The Structure of the estimated Logistic models

	Specification I	Specification II	Specification III	Specification IV
Parental and own characteristics	X	X	X	X
Categories of Neighbourhood		X	X	
Neighbourhood characteristics			X	X

Variables in models

- Model 1: Parents' region of birth, highest educational level in BHH, quartile for BHH disposable income, BHH receives social assistance, two adults in BHH, gender, resp. has completed upper-secondary school at age 19, having a child*gender
- Model 2 adds (dummies for) neighbourhood type
- Model 3 adds neighbourhood characteristics: share children, share with at least upper-secondary school, share without known level of education, share receiving social assistance (splined), share HHs with two adults.
- Model 4: Parental and neighbourhood characteristics

Results from model estimates I

- Type of neighbourhood matters, but hardly at all when characteristics of neighbourhood are included. In this case the rate of SA receipt in the neighbourhood matters.
- Own secondary education has a negative effect on SA receipt and having become a young parent has a positive effect.

Results from model estimates II

Parental characteristics that matter for majority as well as visible minorities:

- Parental receipt of SA +
- Parental income measured over a three year period –
- Two adults in the parental home –

Among the majority:

- Parental education –

Among visible minorities:

- Years since immigration -

Results from model estimates II

Parental Characteristics that matter for majority as well as visible minorities:

- Parental receipt of SA +
- Parental income measured over a three year period –
- Two adults in the parental home –

Among the majority:

- Parental education –

Among visible minorities:

- Years since immigration -

Two cases

Individual A

Parents have at least three years of post-secondary education, belongs to top income quartile, does not receive SA, two adults in HH.

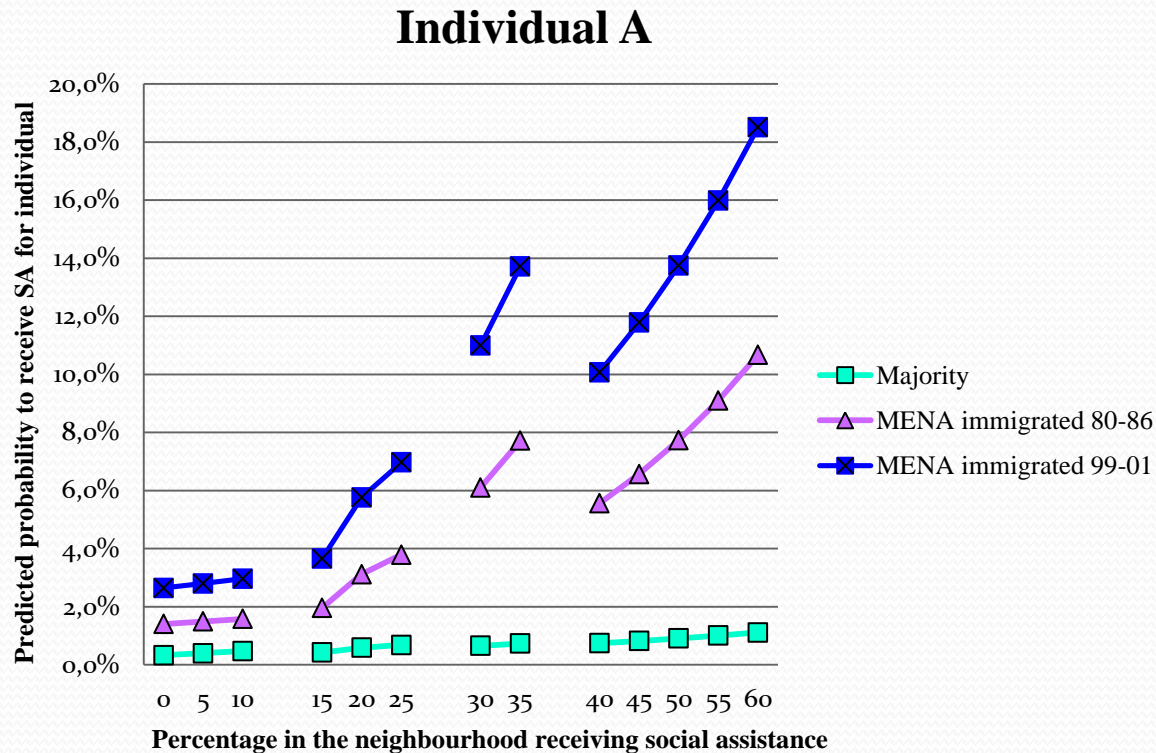
Individual has secondary education at age 19 and no child.

Individual B

Parent has primary education, belongs to bottom income quartile, receives SA, one adult in HH.

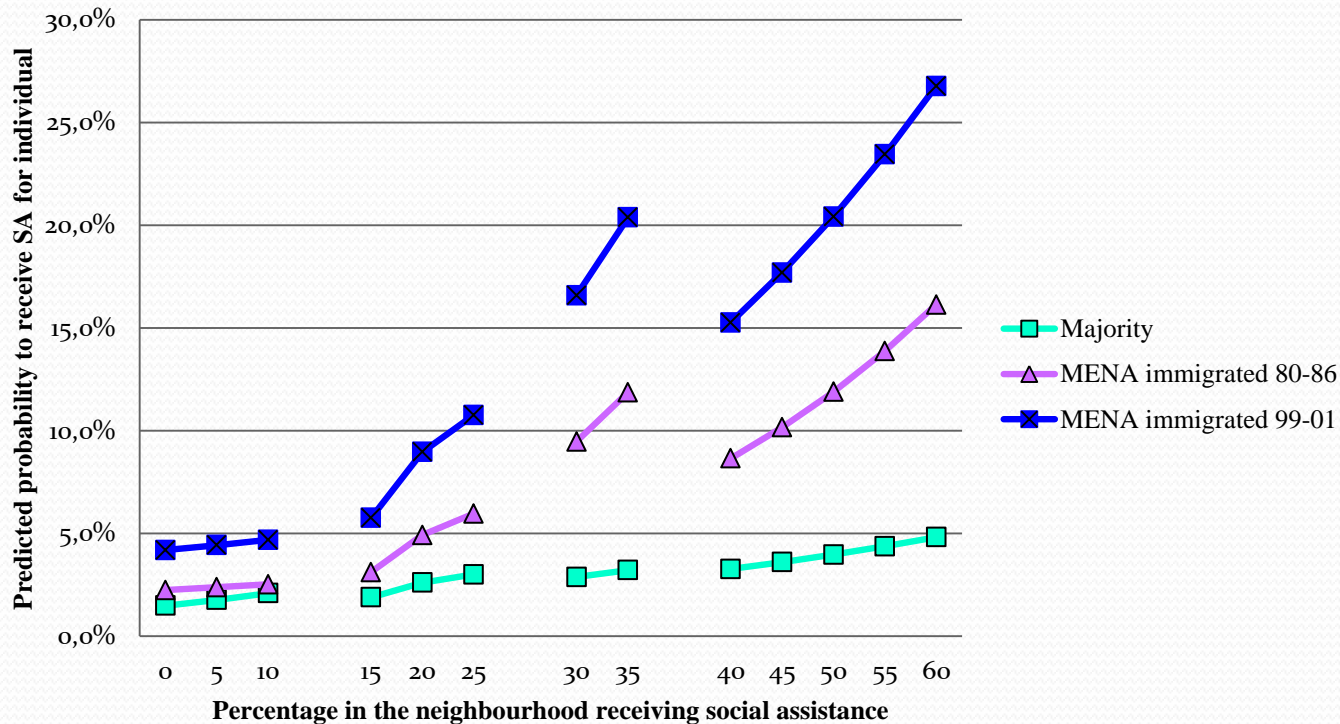
Individual has no secondary education at age 19 but a child.

Predicted probability of receiving SA at ages 19, 20 & 21 for low-risk individual



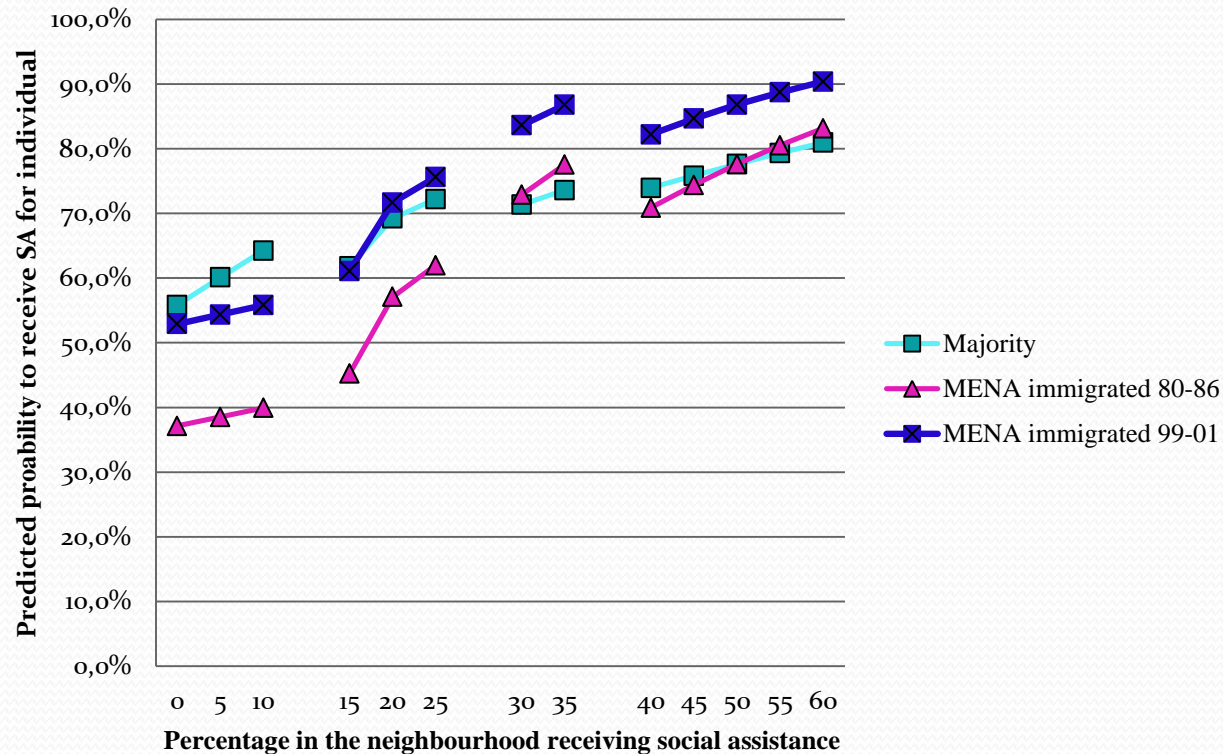
Predicted probability of receiving SA at ages 19, 20 & 21 for "average" individual

Individual B



Predicted probability of receiving SA at ages 19, 20 & 21 for low-risk individual

Individual C

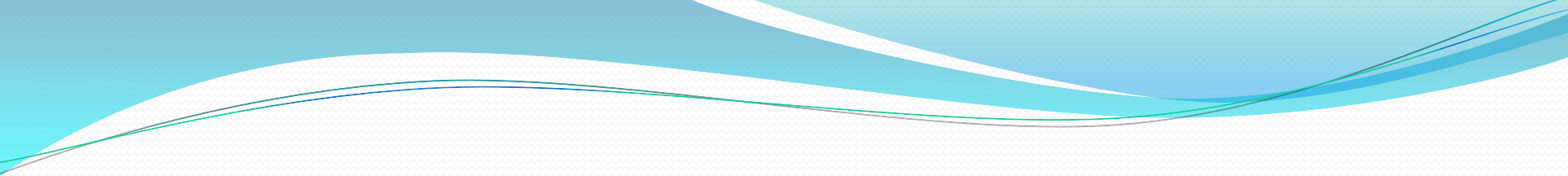


Summary:

- A higher rate of social assistance receipt in the neighbourhood is associated with a substantially higher probability of receiving social assistance as a young adult, for both visible minority youths and others.
- The probability is also higher if the parental household received social assistance
- The probability is higher if the parental household included only one adult and if it had low income.
- The education of parents matter within the majority population but much less so among visible minorities.
- Being a young mother increases the risk but being a young father only within visible minorities.

Why could there be a correlation with s. a. receipt in the neighbourhood?

- Different social welfare offices/officers may interpret rules differently.
- In neighbourhoods where few people receive social assistance, those eligible may not know how to apply. If many do this knowledge is better disseminated.
- There may be less of a stigma or embarrassment if many in the neighbourhood receive it.
- There may be selection effects in who comes to live in neighbourhoods with high receipt of social assistance.
- Where many people are in need of social assistance, it may be harder to help friends, relations and neighbours in a crisis. (Analogously if parents receive social assistance).
- High rate of s. a. receipt is correlated with low employment rate – hence fewer useful contacts to facilitate labour market entry.



Thank you for your attention!

Estimates Majority sample 1

	Model 1				Model 2				Model 3			Model 4		
	OR	(95% Wald conf limits)		OR	(95% Wald conf limits)		OR	(95% Wald conf limits)		OR	(95% Wald conf limits)			
Man	0,83	0,71	0,98	0,83	0,7	0,97	0,82	0,70	0,96	0,82	0,70	0,96		
<u>Background country for HH Ref: Sweden</u>														
Other Nordic countries	1,05	0,78	1,43	0,93	0,68	1,26	0,93	0,69	1,27	0,92	0,68	1,26		
Other western Europe	1,23	0,75	2,02	1,11	0,67	1,83	1,10	0,66	1,82	1,09	0,65	1,80		
Other northeast Europe	1,55	1,12	2,15	1,32	0,95	1,84	1,28	0,92	1,79	1,29	0,92	1,80		
<u>Highest educational level in HH, Ref: Gymnasium 2 years</u>														
Graduate program	0,36	0,13	0,98	0,43	0,16	1,17	0,37	0,13	1,01	0,37	0,13	1,02		
Post-secondary ≥ 3 yrs	0,52	0,39	0,67	0,59	0,45	0,77	0,55	0,42	0,73	0,55	0,42	0,73		
Post-secondary < 3 years	0,53	0,4	0,7	0,57	0,43	0,76	0,56	0,42	0,75	0,56	0,42	0,74		
Upper-secondary 3 years	0,85	0,67	1,08	0,87	0,68	1,11	0,87	0,68	1,11	0,87	0,68	1,11		
Elementary schooling	1,15	0,93	1,43	1,09	0,88	1,35	1,07	0,87	1,33	1,08	0,87	1,34		
Lt elementary schooling	1,69	1,12	2,55	1,53	1,01	2,31	1,55	1,02	2,36	1,52	1,00	2,31		
No information	1,83	1,07	3,15	1,8	1,04	3,13	1,69	0,97	2,95	1,69	0,97	2,95		
<u>Income quartile of HH. Ref. Q1</u>														
Quartile 2	0,76	0,63	0,93	0,77	0,64	0,94	0,78	0,64	0,95	0,78	0,65	0,95		
Quartile 3	0,55	0,45	0,68	0,58	0,47	0,72	0,58	0,47	0,72	0,59	0,47	0,73		
Quartile 4	0,28	0,21	0,36	0,31	0,24	0,41	0,31	0,24	0,41	0,32	0,24	0,41		

	Model 1			OR	Model 2			OR	Model 3			Model 4		
	OR	(95% Wald conf limits)			(95% Wald conf limits)	conf			(95% Wald conf limits)	OR	(95% Wald conf limits)			
BHH receives SA	6,79	5,67	8,13	6,31	5,26	7,57	6,07	5,06	7,29	6,07	5,06	7,28		
BHH adults	0,52	0,44	0,62	0,54	0,46	0,64	0,58	0,49	0,69	0,58	0,49	0,69		
At least upper-secondary school age 19	0,23	0,20	0,27	0,24	0,21	0,28	0,24	0,21	0,28	0,24	0,21	0,28		
Man and child 0-3 years	1,7	0,91	3,19	1,65	0,88	3,06	1,62	0,87	3,03	1,59	0,85	2,96		
Women have child 0-3 years	3,39	2,55	4,5	3,12	2,34	4,15	3,14	2,35	4,19	3,10	2,32	4,13		
<u>Neighbourhood type Ref: ekoetngr7</u>														
EKOETNGR1				0,31	0,22	0,44	1,23	0,62	2,43					
EKOETNGR2				0,42	0,32	0,55	1,32	0,77	2,28					
EKOETNGR3				0,51	0,35	0,74	1,30	0,74	2,29					
EKOETNGR4				0,54	0,39	0,74	1,22	0,73	2,04					
EKOETNGR5				0,73	0,56	0,95	1,46	0,95	2,25					
EKOETNGR6				0,73	0,52	1,03	1,06	0,70	1,60					
<u>Percentages in the neighbourhood</u>														
Children							1,22	0,42	3,61	1,31	0,47	3,64		
Post-secondary education							0,98	0,95	1,00	0,98	0,96	1,00		
Upper-secondary education							0,96	0,92	1,00	0,97	0,93	1,01		
No educational information							0,96	0,92	1,00	0,96	0,93	1,00		
Less than 10 percent recives SA							1,03	0,98	1,08	1,04	0,99	1,08		
10-15 percent receives SA							1,02	0,98	1,06	1,02	0,98	1,05		
15-25 percent receives SA							1,04	1,01	1,07	1,03	1,01	1,05		
25-35 percent recevies SA							1,03	1,00	1,06	1,02	1,00	1,05		
More than 35 percent receives SA							1,03	1,01	1,05	1,02	1,00	1,04		

Estimates: Visible minority sample

	Model 1				Model 2				Model 3			Model 4		
	OR	(95% conf limits)	Wald limits)	OR	(95% conf limits)	Wald limits)	OR	(95% conf limits)	Wald limits)	OR	(95% conf limits)	Wald limits)		
Man	1,2	1,02	1,41	1,19	1,01	1,4	1,19	1,01	1,40	1,19	1,00	1,40		
<u>Background country for HH Ref: Southern Europé</u>														
MENA	1,23	0,98	1,55	1,26	1,00	1,59	1,43	1,13	1,82	1,43	1,13	1,81		
South America	1,21	0,86	1,7	1,24	0,88	1,74	1,46	1,03	2,07	1,44	1,02	2,05		
Other Africa	1,37	1,03	1,82	1,39	1,04	1,84	1,53	1,14	2,06	1,52	1,13	2,04		
Other Asia	0,76	0,55	1,06	0,78	0,56	1,09	0,82	0,58	1,15	0,82	0,58	1,15		
<u>Year of immigration for BHH Ref: 4 years or less in the country</u>														
Before 1980	0,34	0,23	0,49	0,34	0,23	0,49	0,36	0,25	0,53	0,36	0,25	0,53		
1980-1986	0,5	0,37	0,67	0,5	0,37	0,67	0,53	0,39	0,71	0,53	0,39	0,71		
1987-1990	0,68	0,52	0,9	0,68	0,51	0,89	0,67	0,51	0,89	0,68	0,51	0,90		
1991-1994	0,81	0,64	1,04	0,81	0,63	1,03	0,81	0,63	1,04	0,81	0,64	1,04		
199-1998	0,73	0,56	0,96	0,73	0,56	0,96	0,77	0,59	1,01	0,77	0,59	1,01		
<u>Highest educational level in HH, Ref: Gymnasium 2 years</u>														
Graduate program	0,75	0,32	1,74	0,76	0,33	1,78	0,79	0,33	1,86	0,78	0,33	1,85		
Post-secondary ≥ 3 yrs	0,85	0,63	1,13	0,86	0,64	1,15	0,87	0,65	1,17	0,87	0,65	1,17		
Post-secondary < 3 years	0,85	0,62	1,17	0,86	0,63	1,19	0,85	0,62	1,17	0,85	0,62	1,17		
Upper-secondary 3 years	1,02	0,78	1,34	1,02	0,78	1,34	1,04	0,79	1,36	1,04	0,79	1,36		
Lt elementary schooling	1,18	0,91	1,54	1,17	0,9	1,52	1,21	0,92	1,57	1,20	0,92	1,57		
No information	1,55	1,12	2,15	1,55	1,12	2,15	1,63	1,17	2,28	1,63	1,17	2,27		

	Model 1			OR	Model 2			OR	Model 3			Model 4		
	OR	(95% Wald conf limits)	Wald		(95% Wald conf limits)	Wald	(95% Wald conf limits)		OR	(95% Wald conf limits)	Wald	(95% Wald conf limits)	OR	(95% Wald conf limits)
<u>Quartile for disposable income Ref: Quartile 1</u>														
Quartile 2	0,72	0,58	0,91	0,73	0,58	0,92	0,73	0,58	0,92	0,73	0,58	0,92		
Quartile 3	0,47	0,33	0,67	0,49	0,34	0,70	0,51	0,35	0,73	0,51	0,36	0,73		
Quartile 4	0,49	0,29	0,83	0,51	0,30	0,87	0,52	0,31	0,88	0,52	0,31	0,88		
BHH receives SA	5,69	4,75	6,81	5,59	4,67	6,70	5,35	4,46	6,43	5,36	4,47	6,44		
BHH adults	0,61	0,51	0,73	0,61	0,51	0,73	0,63	0,53	0,75	0,63	0,53	0,75		
At least upper-secondary school age 19	0,56	0,48	0,65	0,56	0,48	0,65	0,55	0,47	0,64	0,55	0,47	0,65		
Man and child 0-3 years	2,74	1,69	4,46	2,71	1,66	4,4	2,76	1,69	4,51	2,72	1,67	4,44		
Women have child 0-3 years	2,72	1,99	3,72	2,67	1,95	3,65	2,71	1,98	3,73	2,72	1,98	3,73		
<u>Neighbourhood type Ref: ekoetngr7</u>														
EKOETNGR1				0,68	0,37	1,26	1,25	0,51	3,05					
EKOETNGR2				0,86	0,64	1,15	1,22	0,71	2,10					
EKOETNGR3				0,78	0,55	1,12	1,27	0,73	2,20					
EKOETNGR4				1	0,65	1,53	1,30	0,75	2,23					
EKOETNGR5				0,92	0,76	1,12	1,28	0,91	1,79					
EKOETNGR6				1,18	0,92	1,5	1,11	0,81	1,51					

	Model 1			OR	Model 2			OR	Model 3			Model 4			
	OR	(95% Wald conf limits)	OR		(95% Wald conf limits)	OR	(95% Wald conf limits)		OR	(95% Wald conf limits)	OR	(95% Wald conf limits)			
<u>Percentages in the neighbourhood</u>															
Children							0,15	0,06	0,42	0,15	0,06	0,39			
Post-secondary education							1,01	0,99	1,04	1,02	1,00	1,04			
Upper-secondary education							1,04	1,00	1,08	1,05	1,01	1,09			
No educational information							1,01	0,98	1,05	1,02	0,99	1,06			
Less than 10 percent receives SA							1,01	0,96	1,06	1,01	0,96	1,06			
10-15 percent receives SA							1,03	0,99	1,07	1,02	0,99	1,06			
15-25 percent receives SA							1,05	1,02	1,07	1,04	1,02	1,07			
25-35 percent receives SA							1,06	1,03	1,08	1,05	1,03	1,08			
More than 35 percent receives SA							1,04	1,02	1,06	1,04	1,02	1,05			
Two person households							1,02	0,99	1,04	1,02	1,00	1,04			