THE DEMOGRAPHIC FACTOR
IN HOUSEHOLD GROWTH

George Masnick

Working Paper No. W83-3

Introduction

The decade of the 1970s witnessed an unusually rapid growth in the number of households and a marked shift in household composition. Between 1970 and 1980, 16.8 million households were added to the stock, compared with net additions of about 10.6 million in each of the previous two decades. With the "arrival" of the baby-boom generation into the prime household formation age groups, the strong growth in the number of households was entirely expected; the large swing in growth rates and in the distribution of household types, however, were not. This paper thus analyzes the causes of the instability in household growth over the past decade, examines regional variations in these trends, and provides alternative projections of the number of households that will likely form in the 1980s.

National Trends: 1950-1980

It was clear in the late 1960s that the aging of the baby-boom generation (cohorts born between 1945 and 1962) would mean significant growth in the number of households. In the early 1970s, the U.S. Bureau of the Census estimated that between 1.3 and 1.4 million new households would form over the decade, an increase of 30 to 40 percent over growth in the previous 10 years.[1] What forecasters failed to anticipate, however, was that the fraction of unmarried adults who head their own households would also rise dramatically. When the trend toward rising headship rates had become obvious in 1975, the Census Bureau issued a new set of projections, with the "medium" assumptions implying a growth of about 1.5 million new households per

year for the remainder of the 1970s.[2] In 1979, the Bureau again
revised its medium forecast of household growth for the 1980s to
1.6-1.7 million annually.[3]

As Figure 1 illustrates, if the trend toward rising headship were
to persist, household growth in the 1980s would thus surpass even that
in the 1970s. Indeed, some forecasters have predicted an increase of
2.0 million or more new households annually over the current decade.
But how justified are these projections of household formation rates?

A good place to begin answering this question is to identify the
growth in four specific household types: those headed by married
couples, by individuals who live alone, by unmarried women that con-
tain two or more people, and by unmarried men that contain at least
one other member. The statistics in Table 1 show that married couples
headed almost 80 percent of all households in 1950 and almost 65
percent of new households added over the decade. Since 1960, however,
the share of household growth that married-couple heads account for
has fallen precipitously: by the 1970s, the decade of largest total
household growth in history, married couples headed only 28 percent of
new households while single persons headed 42 percent. Husband-wife
households thus increased only 10.5 percent over the 1970s, while
single-person households grew at 63.5 percent.

The distributions of household types shown in Figure 2 reaffirm
these trends. By 1980, married couples accounted for only 60 percent
of all households, and their share has continued to fall rapidly. The
Census Bureau nonetheless projects a resurgence in married couple
households during the 1980s, a clear break from the trends of the late
1960s and 1970s.

FIGURE 1

Annual Increase in Number of Households by Type:
1950-1980 Observed and 1980-1990 Projected
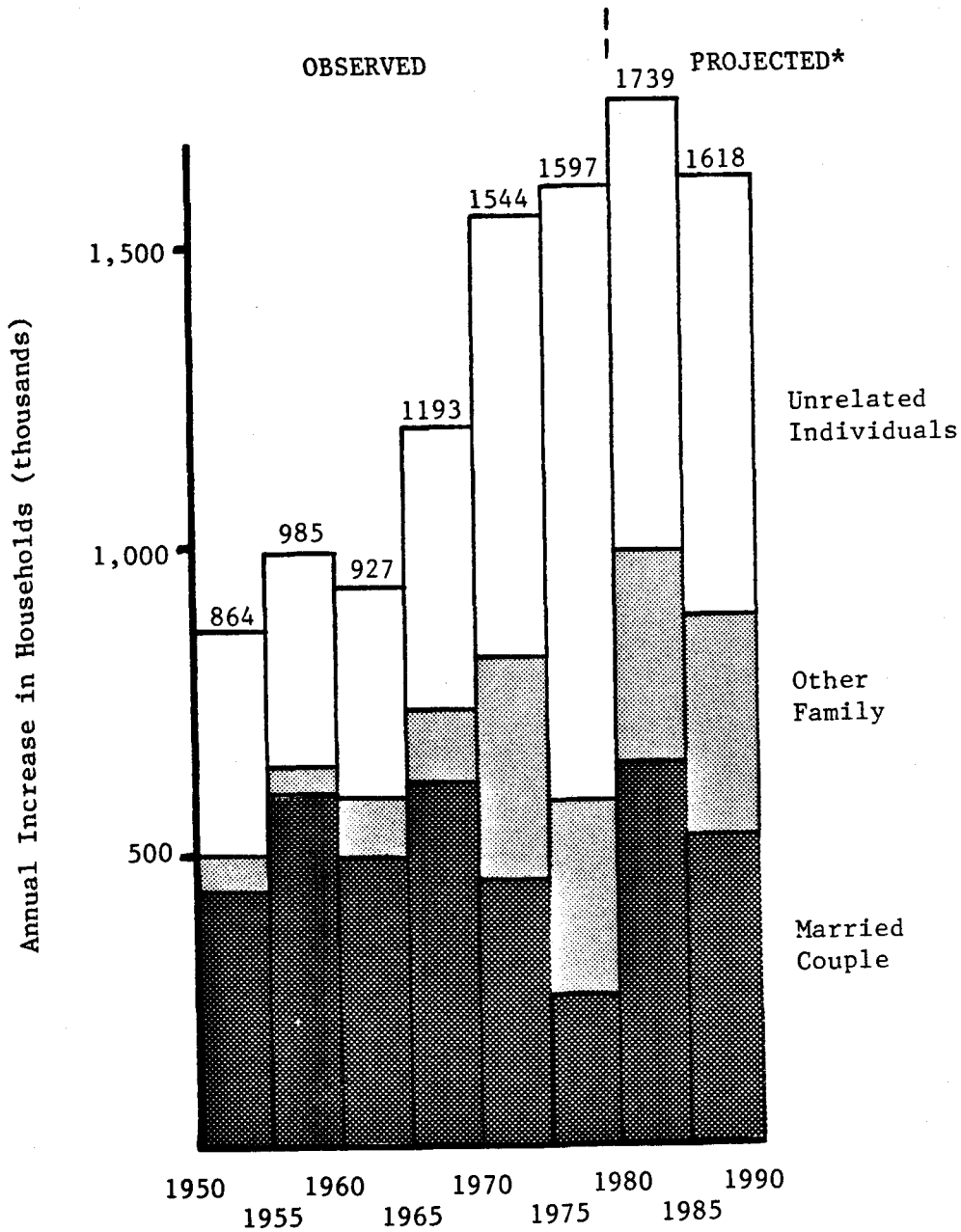
*Census Bureau Series B.

Sources: Current Population Reports, Series P-20,
Nos. 345 and 366; Series P-25, No. 805.

TABLE 1

Households by Type, 1950 to 1980

	Number of Households				Change Over Decade		
	1950	1960	1970	1980	1950-60	1960-70	1970-80
TOTAL HOUSEHOLDS	42,394	53,024	63,638	80,434	10,630	10,614	16,796
Percent of Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
MARRIED COUPLE							
HOUSEHOLDS	32,805	39,602	44,003	48,642	6,797	4,401	4,639
Percent of Total	77.4	74.7	69.1	60.5	63.8	41.5	27.6
SINGLE PERSON							
HOUSEHOLDS	3,971	7.065	11,146	18,222	3,094	4,081	7,076
Percent of Total	9.4	13.3	17.5	22.7	29.0	38.4	42.1
OTHER FEMALE							
HOUSEHOLD HEADS	3,428	4,219	5,469	8,322	791	1,250	2,853
Percent of Total	8.1	8.0	8.6	10.3	7.4	11.8	17.0
OTHER MALE HOUSE-							
HOLD HEADS	2,191	2,137	3,019	5,248	-54	882	2,229
Percent of Total	5.2	4.0	4.7	6.5	-0.1	8.3	13.3

Source: Census of Population and Households, 1950-1980, various tables. Because this particular breakdown of households relies on sample census data, total household counts are therefore slightly different from the 100 percent count totals.

FIGURE 2

Percentage Distribution of Households by Type, 1950-1980
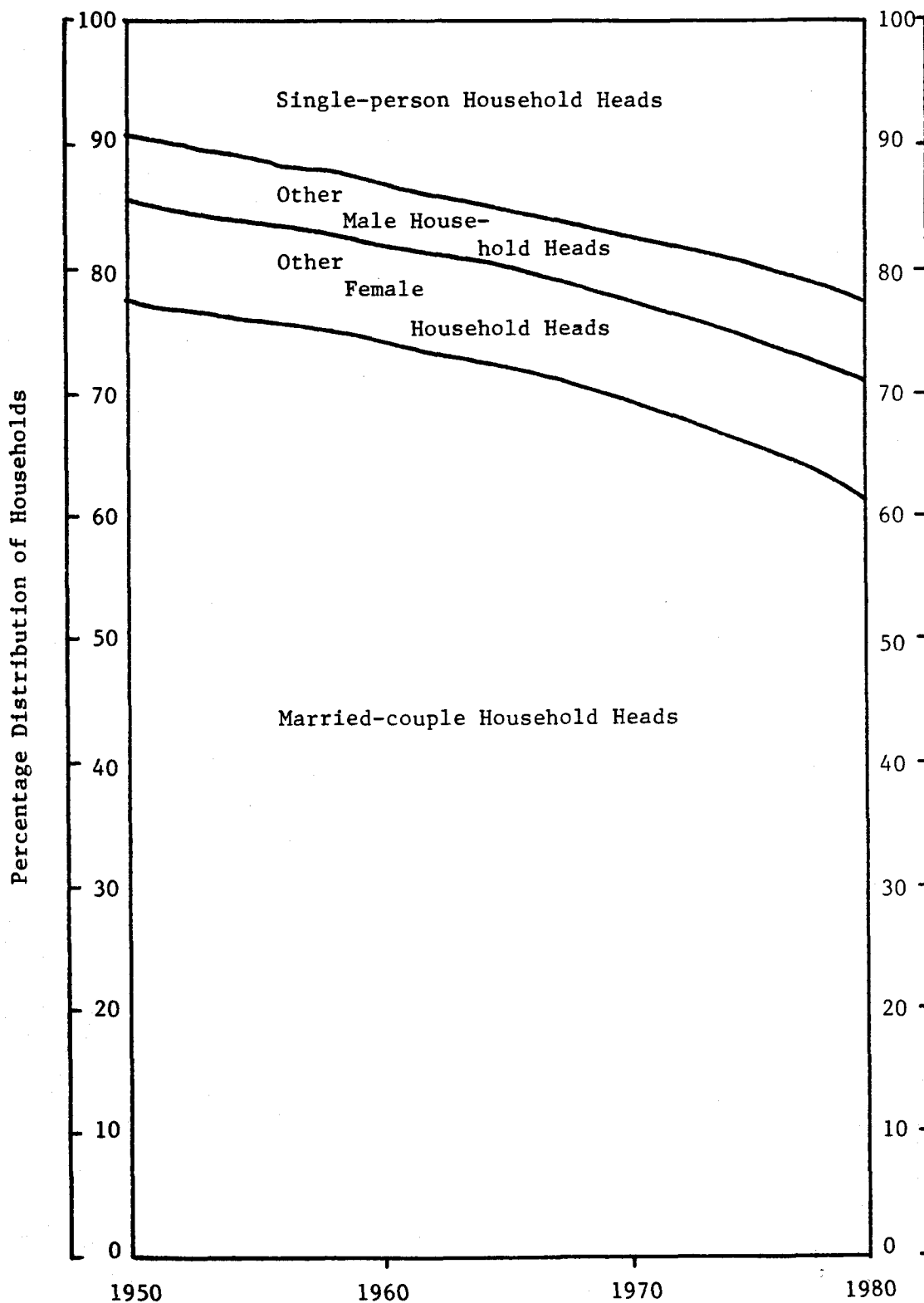
Source: <u>Census of Population and Households</u>, 1950 to 1980, various tables.

Not only have married couple households decreased in number but they have also diminished in size. In 1980, only 50 percent of all married couples had children under the age of 18 living with them (down from 56 percent in 1970), and these families were only 30 percent of all households (compared with almost 39 percent in 1970). There are several reasons why children are disappearing from married-couple households. First, young couples are waiting longer to have children. Second, today's generation of young parents are having fewer children: families with one child are becoming ever more common while those with more than three children are increasingly rare. The freedom of choice offered by modern birth control methods, together with a general shift toward less child-oriented lifestyles, means that women born during the mid-1950s will bear a record-low number of children. It is likely that 20 to 25 percent of these cohorts will remain childless and that another 25 to 30 percent will have only one child by the time their childbearing years have ended in the 1990s.[4]

The third factor contributing to the shrinkage of average household size is that the parents of the baby-boom generation are increasingly in the "empty nest" stage of the life cycle. Since most empty nest households contain no more than two adults, the longer such households survive, the more they reduce the average size of all married-couple households. It is noteworthy that children are present for less and less of the life course of married-couple households, with both the pre-parent and empty nest periods representing more and more of the total years a couple lives together.

Finally, household size in general has shrunk as more adults choose to live alone. Of the 30 million net growth in total population over the age of 15 this past decade, more than 60 percent were unattached individuals; never-married adults accounted for 40 percent, divorced/separated/spouse absent for 15 percent, and widows for 5 percent. In 1970, a total of 19.8 percent of unmarried persons over the age of 15 lived alone; by 1980, the fraction of unattached adults who head single-person households rose to 24.4 percent.

The rise in the number of unmarried adults living alone is clear in both Figure 3, which shows the trend in the percent living alone by sex and marital status between 1970 and 1980, and Figure 4, which compares the numbers of single-person households in 1980 with those in all other household types by age group. More unmarried women overall live alone than do unmarried men simply because a higher fraction of women fall into the category with the highest rate of solo living, i.e., widows. In all other marital categories, a higher fraction of men live alone primarily because women are more likely to have children in their households. Since they are younger and tend either to live with parents or roommates, never-married individuals are the least likely of the unattached group to live alone.

The longer term trend in headship rates among unmarried men and women is documented in Table 2. Before 1950, headship rates grew only among the young; after 1950, however, rates for both young and old individuals rose. Although a break appears in the growth of headship rates among older unmarried men between 1970 and 1980, it should be noted that this group represents a very small fraction of the total unmarried population.

FIGURE 3

Proportion of Men and Women Who Live Alone by Marital Status
1970, 1975, 1980
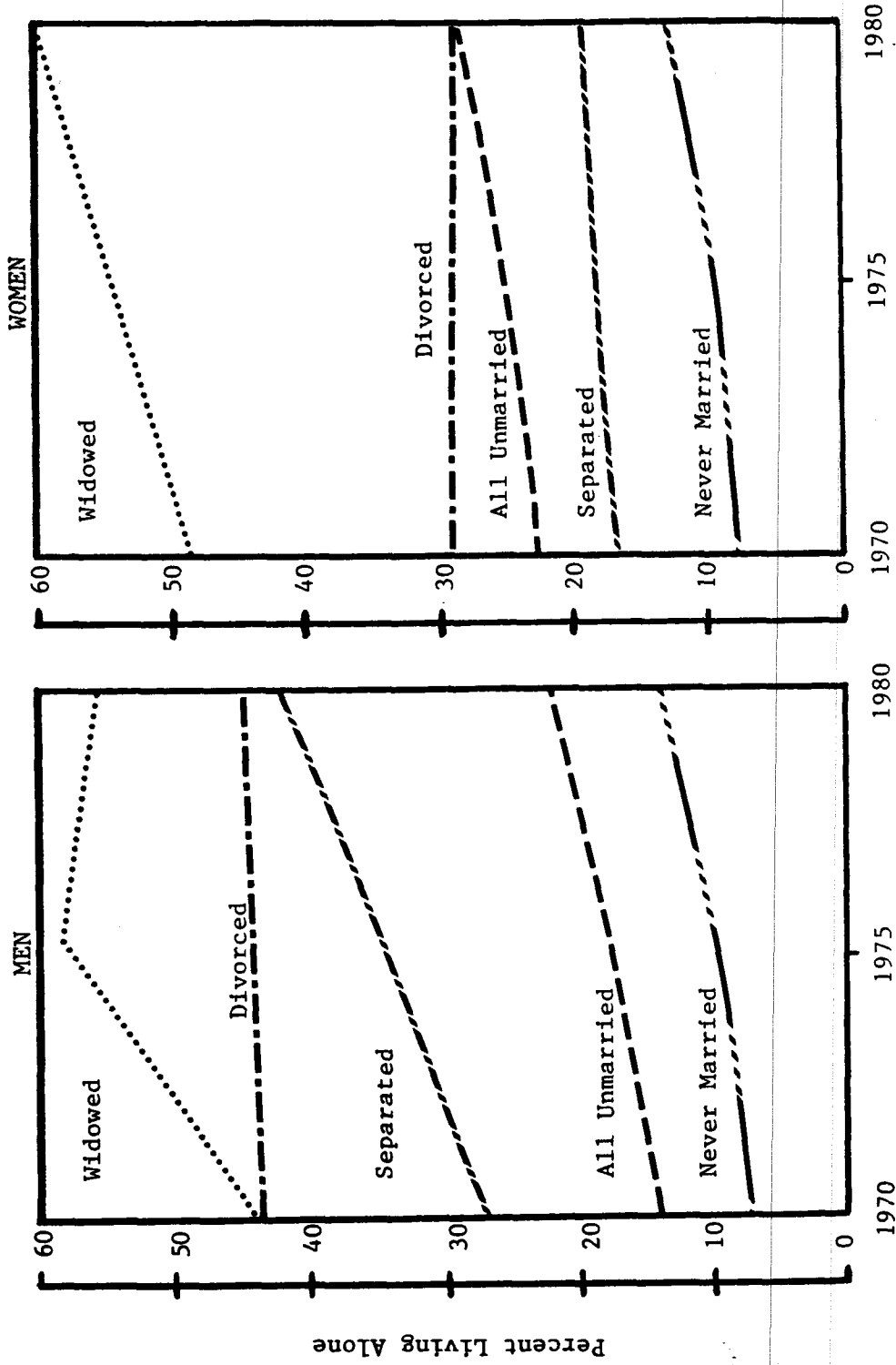
Sources: Current Population Reports, Series P-20, Nos. 212, 287, and 365.

FIGURE 4

Unmarried Individuals by Age, Sex,
and Household Status, 1980
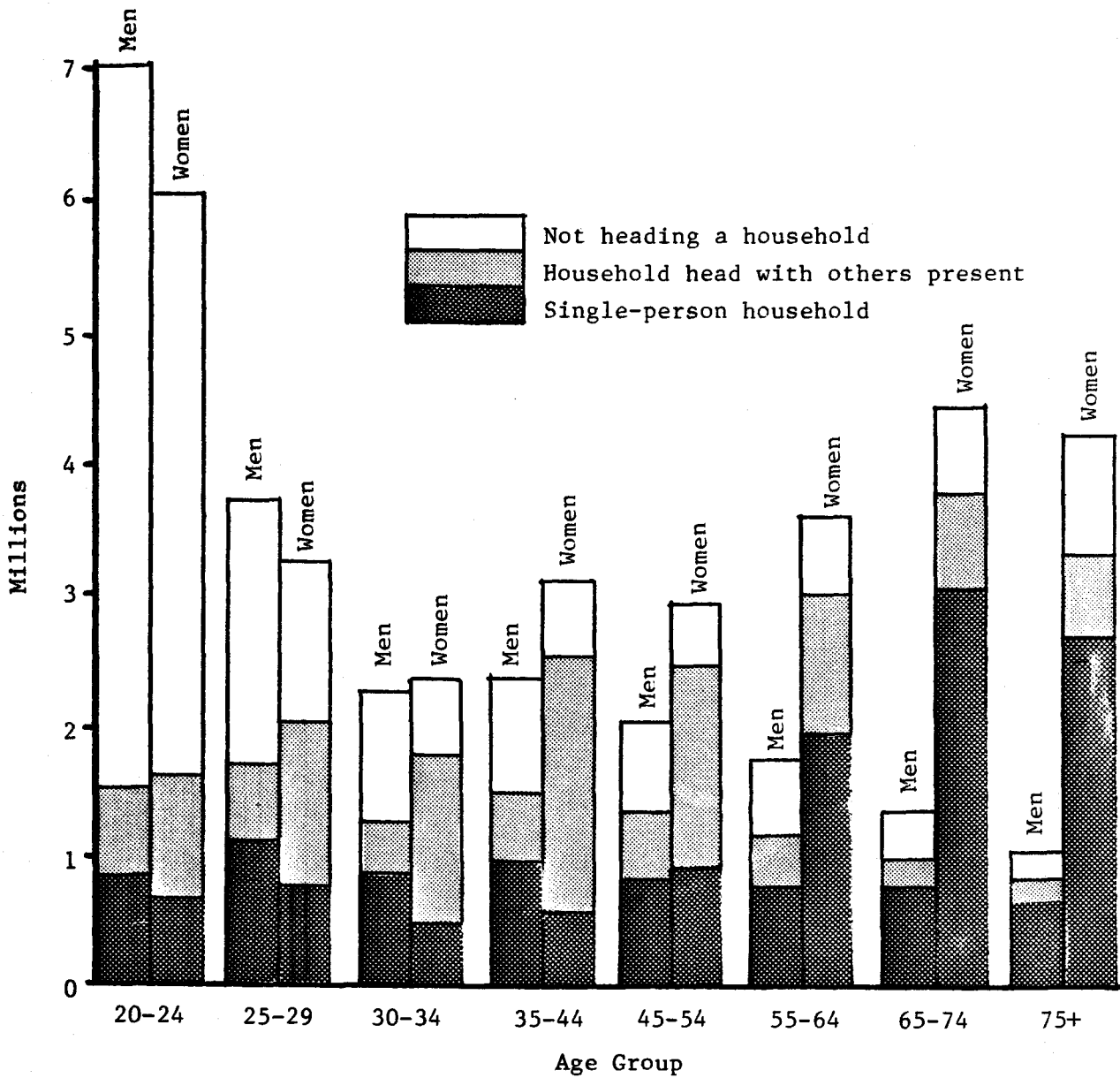
Source: <u>Current Population Reports</u>, Series P-20, No. 365, March 1980.

TABLE 2

Proportion of Unmarried Adults

Heading Their Own Households, 1940-1980

Age and Sex	1940	1950	1960	1970	1980**
Males					
20-24	.0325*	.0417*	.0598	.1221	.1968
25-29	.0774	.0961	.1631	.3262	.4325
30-34	.1438	.1576	.2459	.4078	.5148
35-44	.2495	.2564	.3354	.4928	.6057
45-54	.3804	.3740	.4452	.5921	.5897
55-64	.4750	.4492	.5137	.6503	.6108
65-74	.5050	.4834	.5477	.6669	.6863
75+	.4249	.4136	.4581	.5550	.6324
Females					
20-24	.0427*	.0727*	.1237	.2017	.2654
25-29	.1192	.1772	.3011	.4933	.5986
30-34	.2418	.2936	.4283	.6001	.7381
35-44	.4307	.4355	.5461	.6712	.8041
45-54	.5546	.5493	.6150	.7158	.8125
55-64	.5593	.5542	.6262	.7361	.8075
65-74	.5202	.5242	.6083	.7233	.8423
75+	.4085	.4056	.4668	.5530	.6540

* Includes heads under age of 20.

** Based on estimates of resident unmarried population from adjusted Current Population Survey data on household population.

Source: Calculated from data contained in Census of Population, various tables, 1940 to 1970; and 1980 Current Population Survey, "Marital Status and Living Arrangements," P-20, No. 365, and "Household and Family Characteristics," P-20, No. 366.

It is clear from the Census Bureau projections referred to earlier that forecasting trends in the number of households involves predicting the total number of people in each age group eligible to form households; how these individuals sort themselves into broad categories by marital status and children ever born (which are known to correlate highly with propensities to form independent households); and the probabilities of forming independent households, i.e., headship rates. Inaccurate projections thus imply mistakes in calculating total population, population composition, and/or headship rates.

Most household projections made during the 1970s erred in all three areas. Total projected population levels were generally too low because of higher than expected foreign immigration (both documented and undocumented), lower than expected rates of mortality among the elderly, and higher than expected headship rates among unmarried individuals. Predictions of population composition were also incorrect because of lower marriage rates and below-replacement levels of childbearing.

It is a mistake to assume that the pattern of change during the 1970s will automatically continue into the 1980s and beyond. There is good reason to expect, for example, that headship rates among unmarried adults of all ages will stop increasing and may even decline in the future. During the 1980s, adults in their mid- to late-20s represent the tail end of the baby-boom generation. Since their older siblings have already moved out, those who delay marriage will likely find it easier to remain in their parents' homes because of the availability of surplus space. For those in the leading edge of the baby boom in the late 1970s and early 1980s, the opposite was true: the

presence of many younger brothers and sisters created pressure to leave the parental home as soon as possible. Throughout the remainder of this century, the relative absence of young children and the larger housing units occupied by empty nest households may encourage an increase in two-generational households made up of both young adults and their parents, and the middle-aged and the elderly.

The latest Census Bureau projections of between 1.6 and 1.7 million new households per year for the decade of the 1980s assume that headship levels will increase at the same rates as in the 1970s. If the scenario of two-generational households actually occurs, however, the census projections of new households will be too high. Before making final judgment on these predictions, though, it is useful to examine differences in recent trends in household growth across regions of the country.

Regional Components of Household Growth: 1970-1980

When focusing on regional rather than national trends, it is important to recognize that two major factors influence adult population growth and therefore the total number of potential household heads in a particular age group. The first is the simple aging of the population already living in the region, i.e., the age structure factor, and the second is the change in the size of different cohorts because of net migration, i.e., the migration factor.[5] The age structure factor captures the impacts of the baby-boom and baby-bust generations moving into the household formation stage, as well as of greater longevity among the elderly. The migration factor is particu-

larly important in regional analysis because much of the variability in growth is due to population shifts.

Having determined changes in a region's population base, how the population arranges itself by marital status and presence of children strongly influences household formation, as do the levels and trends in the household headship rates of different family nuclei. Unfortunately, the Census Bureau has not yet published the data that would allow an estimate of how family composition and headship factors contributed to household trends in the 1970s. Making use of data that are available, this analysis therefore combines the effects of family composition and headship changes into one broad category called the household formation factor, which is the change in number of households not accounted for by the age structure and migration factors.

For the U.S. as a whole in the 1970s, the age structure factor accounted for almost 63 percent of the total increase in households, with migration accounting for 17 percent and higher rates of household formation 20 percent. The age structure factor is so important both because of the increase in the young adult population in the household formation ages and because of the delayed "departure" of the elderly.[6] The migration factor is significant because of a sizable increase over the decade in the number of migrants from abroad as well as the redistribution of unmarried adults from regions of relatively low levels of independent household formation (the North and East) to regions of relatively high levels of household formation (the West).

The overall contribution of the household formation factor masks the opposite but nearly equal effects of changes in marital status and in headship rates. The 1980 census reported an increase of 12.2

million single adults over the age of 15 above 1970 levels, but only 4.6 million more adults in the divorced/separated/spouse absent category. Because the baby-boom generation contributed more to the never-married group (the unmarrieds with the lowest headship rates) than to the divorced group, the net effect on the total number of households was therefore negative. The declining proportions of individuals ever married helped reduce the total number of households because never-married men and women in their early 20s more often live in households with three or more adults, including parents or roommates. Young married-couple households, in contrast, usually contain only two adults. By staying single, then, adults formed fewer new households than if they had married. Exercising an opposite influence, rising divorce rates over the decade tended to increase headship rates because many persons live alone immediately after separating. Higher divorce rates, however, only partially offset the impact of more people staying single.

Rising headship rates among almost all age and marital status groups nonetheless served to increase the total number of U.S. households over the 1970s. Since these two opposing changes in marital status and headship rates are combined in the household formation factor, it is important to underscore that the gross changes are considerably stronger than the net changes we are able to compute.

The Age Structure Factor

As Figure 5 illustrates, there is little regional variation from the national average in number of new households attributable to the simple aging of the population between 1970 and 1980. The change in age structure had the least impact in the Middle Atlantic states and

FIGURE 5

PERCENT CHANGE IN TOTAL HOUSEHOLDS 1970-1980
THAT CAN BE ATTRIBUTED TO AGE STRUCTURE, MIGRATION,
AND HOUSEHOLD FORMATION FACTORS -- BY CENSUS DIVISIONS
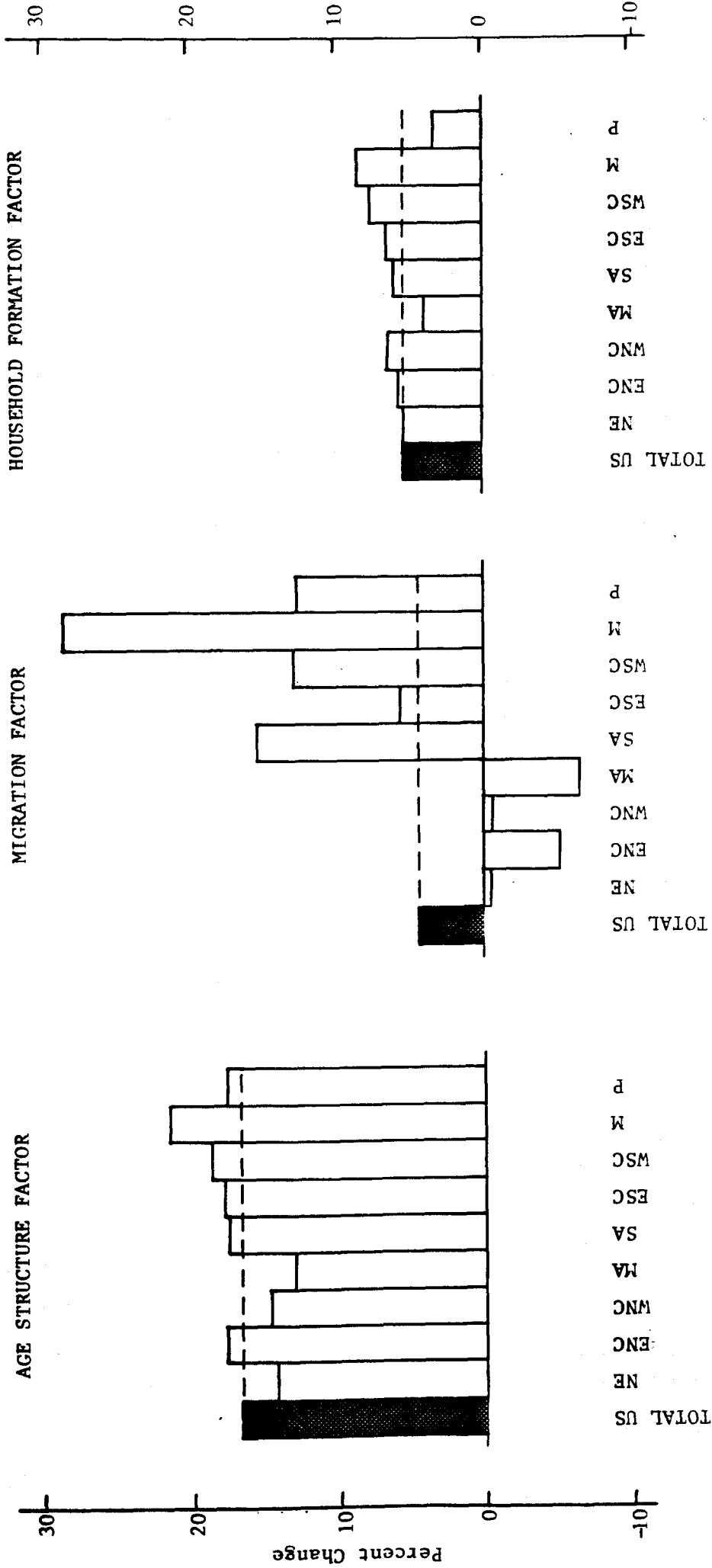
Note: NE = New England, ENC = East North Central, WNC = West North Central, MA = Middle Atlantic, SA = South Atlantic, ESC = East South Central, WSC = West South Central, M = Mountain, P = Pacific.

Source: See Appendix A.

the most in the Mountain states. The majority of those born between 1940 and 1960 (cohorts who were in the prime household formation ages in the 1970s) thus remained distributed across regions in fairly close proportions to the share each region contributed to the original birth cohort.[7] The contribution of the age structure factor to the variation in total population is due to differences in the relative size of the baby boom in each region and to the migration of children (with their parents) and of those in the pre-household formation stage (mostly students and those in their early 20s) that occurred before 1970.

As measured by children ever born per woman aged 15-44 in 1960, Table 3 shows that the baby boom was smallest in the Middle Atlantic region (1.54 children per woman) and largest in the Mountain states (1.99 children per woman). Such historical differentials in fertility have an impact on household growth rates because they affect the age structure of the population. Those regions with higher fertility levels will eventually have more young adults. Since there is a lag of about 20 years before fertility shifts have their greatest impact on household formation, the 24.1 percent increase in the number of children ever born per woman during the 1950s did not have a significant impact until the 1970s.

During the decade 1960-1970, the number of children ever born declined by 8.3 percent, a decrease that will reduce household growth in the 1980s. The major impact of the baby bust on net new household formation will not come until the 1990s, however, when the effects of the 20.8 percent overall decline in children ever born during the 1970s will appear in the size of the young adult population.

Table 3

Children Ever Born Per 1000 Women Age 15-44

1950, 1960, 1970 and 1980

Census Divisions	Children Ever Born				Rate of Change		
	1950	1960	1970	1980	1950-60	1960-70	1970-80
New England	1,332	1,688	1,610	1,210	26.7	-4.6	-24.8
East North Central	1,380	1,790	1,678	1,336	29.7	-6.3	-20.3
West North Central	1,448	1,897	1,757	1,341	31.1	-7.4	-23.7
Mid Atlantic	1,181	1,542	1,510	1,212	30.6	-2.1	-19.7
South Atlantic	1,445	1,731	1,597	1,275	19.8	-7.7	-20.2
East South Central	1,675	1,919	1,716	1,422	14.6	-10.6	-17.1
West South Central	1,619	1,932	1,733	1,448	19.3	-10.3	-16.4
Mountain	1,622	1,987	1,769	1,420	22.5	-11.0	-19.7
Pacific	1,403	1,860	1,648	1,271	28.2	-11.4	-22.9
TOTAL U.S.	1,468	1,827	1,675	1,326	24.1	-8.3	-20.8

Source: Census of Population and Households, 1950 to 1980, various tables.

Somewhat paradoxically, the states that will experience the least effects of the baby bust during the 1980s are in regions with traditionally low fertility, namely the Middle Atlantic and New England states. Because the average childbearing age of women in these states is older, the baby boom ended later (and therefore the baby bust began later) in these regions than in other parts of the country. In the 1990s, however, the age structure in these regions will shift just as it has throughout the rest of the nation.

The lesson that is clear from the data in Table 3 is that trends in fertility predate trends in the size of the population in the household formation age groups by about 20 years. This fact allows us to look 20 years into the future to judge the direction and approximate strength of trends in the age structure factor on projected household growth.

The Migration Factor

For the country as a whole, the migration factor, i.e., foreign immigration and the net redistribution of population from lower to higher headship regions, contributed only 4.4 percent to net household growth over the decade. Between 1970 and 1980, the proportion of the population over the age of 15 living in the four frostbelt divisions (New England, East North Central, West North Central, and Middle Atlantic) fell from 52.1 percent of the total to 47.9 percent. Because the sunbelt regions, particularly the Pacific, had higher headship rates for unattached individuals, this shift contributed to a net increase in households for the nation.

For individual regions, however, population redistribution had a much stronger impact on the total number of households. As Figure 5

illustrated, migration accounted for a substantial gain in new households in the sunbelt and a loss in the frostbelt. For the Mountain states, the migration factor induced almost as much of the increase in household growth as the age structure and household formation factors combined. The East North Central and Middle Atlantic divisions suffered losses of households totaling over 1.4 million, or as much as the gain in new households experienced in the South Atlantic region.

Not only does the migration factor vary across regions, but it also varies over time. During the 1950s, for example, the East North Central and Middle Atlantic divisions gained new households through migration; by the 1970s, though, this trend had reversed itself. These changes suggest that the main source of errors in forecasting the number of households for subnational areas over one or two decades is in assumptions about migration.

When analyzing changing numbers of households at the state level, the degree of variability in the migration factor increases still further. Even within regions, some states gain while others lose households. The migration factor during the 1970s for New England as a whole, for example, induced a modest decline of 13,000 in the total number of households. Within the region, however, New Hampshire gained 47,000 households from the migration factor while Massachusetts lost 65,000. In the South Atlantic region, the District of Columbia lost 61,000 households due to migration (23 percent of its 1970 total), while Florida gained 1.1 million (almost 50 percent of its 1970 total). Although migration effects have generally been secondary to age structure effects in accounting for change in the total number

of households, notable exceptions exist in almost every region (see Appendix A).

The Household Formation Factor

Like the age structure factor, the household formation factor did not exhibit nearly as much regional variation as the migration factor during the 1970s. Since similar trends in family formation and headship over the decade apply to all regions, the household formation factor produced a fairly uniform pattern of household growth across the country. The region that experienced the smallest average growth in households due to the household formation factor (the Pacific) was also the region that experienced the largest increase in the fraction of each age group that was never married because of falling marriage rates. Because the marital status and headship components of the household formation factor are both large and of opposite sign, however, they deserve separate discussion.

Trends in marital status. Between 1970 and 1980, the total population over the age of 15 increased by 20 percent. If marriage rates remained at 1970 levels, both the never married and the currently married populations would have grown by approximately this same amount because of the changing population base. As Table 4 indicates, however, the number of never married individuals increased by 36 percent over the decade while the number of those currently married increased by only 13 percent. This shift occurred because fewer people chose to marry and those that did, married at older ages. Those regions of the country that lost some of their baby-boom cohort through migration had the lowest growth in both never and currently married individuals due to a shift in the population base. Those areas that gained migrants--

TABLE 4

Population Growth by Marital Status, 1970-1980, Population Aged 15+

Census Division	Size of Population			Percent Change 1970-1980 by Components of Change		
	1970	1980	Δ1970-80	Due to Change in Population Base	Due to Change in Marital Status	Total Change
NEVER MARRIED POPULATION (BOTH SEXES)						
TOTAL U.S.	33,919,684	46,115,248	12,195,564	18.5	17.5	36.0
NE	2,222,265	2,899,532	677,267	14.5	16.0	30.5
ENC	6,615,145	8,418,434	1,803,289	11.9	15.4	27.3
WNC	2,696,064	3,341,294	645,230	13.2	10.7	23.9
MA	6,735,519	8,447,223	1,711,704	8.4	17.0	25.4
SA	4,979,843	7,243,881	2,264,038	24.9	20.6	45.5
ESC	1,982,007	2,641,165	659,158	19.7	13.6	33.3
WSC	2,938,581	4,205,280	1,266,699	29.3	13.8	43.1
M	1,309,074	2,144,947	835,873	42.2	21.7	63.9
P	4,441,186	6,773,492	2,332,306	26.7	25.8	52.5
CURRENTLY MARRIED POPULATION (BOTH SEXES)						
TOTAL U.S.	89,050,950	100,657,161	11,606,211	20.9	-7.9	13.0
NE	5,074,387	5,351,008	276,621	13.9	-8.4	5.5
ENC	17,774,842	18,511,867	767,025	12.3	-8.0	4.3
WNC	7,335,134	7,996,714	661,580	14.3	-5.3	9.0
MA	16,186,880	15,781,687	-405,193	5.5	-8.0	-2.5
SA	13,390,585	16,616,290	3,225,705	32.3	-8.2	24.1
ESC	5,608,533	6,648,578	1,040,045	23.6	-5.1	18.5
WSC	8,495,191	10,828,704	2,333,513	32.5	-5.0	27.5
M	3,635,972	5,139,719	1,503,747	50.7	-9.3	41.4
P	11,579,426	13,782,594	2,203,168	30.4	-11.4	19.0

TABLE 4 (Cont'd)

Census Division	Size of Population			Percent Change 1970-1980 by Components of Change		
	1970	1980	Δ1970-80	Due to Change in Population Base	Due to Change in Marital Status	Total Change
DIVORCED, SEPARATED, SPOUSE ABSENT POPULATION (BOTH SEXES)						
TOTAL U.S.	10,501,211	15,116,584	4,615,373	22.3	21.7	44.0
NE	508,865	733,659	224,794	14.7	29.5	44.2
ENC	1,826,703	2,630,863	804,160	12.5	31.5	44.0
WNC	637,596	895,998	258,402	14.6	25.9	40.5
MA	1,786,681	2,301,376	514,695	6.3	22.5	28.8
SA	1,798,419	2,657,898	859,479	31.4	16.4	47.8
ESC	668,069	906,555	238,482	23.6	12.1	35.7
WSC	1,068,808	1,562,530	493,722	32.7	13.5	46.2
M	419,221	765,194	345,973	52.3	30.2	82.5
P	1,786,849	2,662,511	875,662	30.3	18.7	49.0
WIDOWED POPULATION (BOTH SEXES)						
TOTAL U.S.	11,738,340	13,386,171	1,647,831	23.2	-9.6	13.6
NE	722,969	770,562	47,593	16.3	-9.7	6.6
ENC	2,219,525	2,410,705	191,180	15.7	-7.1	8.6
WNC	977,385	1,048,970	71,585	14.5	-7.7	7.3
MA	2,414,820	2,495,385	80,565	12.5	-9.2	3.3
SA	1,813,474	2,338,837	525,363	40.5	-11.5	29.0
ESC	799,038	940,925	141,887	26.5	-8.7	17.8
WSC	1,096,580	1,314,835	218,255	30.9	-11.0	19.9
M	371,265	488,180	116,915	48.8	-17.3	31.5
P	1,323,284	1,577,772	254,488	31.3	-12.1	19.2

especially the South Atlantic, Mountain, and Pacific regions—not only experienced a greater than average increase in the absolute number of never marrieds but also a higher than average increase in the _fraction_ of the population remaining single.

In combination, then, the shifting population base and changing marriage rates in regions receiving migrants meant a growth in the never married population at rates far above the national average. Whereas the number of never married adults rose 36 percent over the decade in the nation as a whole, this population group grew by 45 percent in the South Atlantic region, 64 percent in the Mountain region, and 52 percent in the Pacific region. Even the three regions with the least change in the fraction single (the more rural and more traditional West North Central, East South Central, and West South Central states) still experienced significant overall growth in the size of the never married population because of the shift in the population base.

The largest increase in a particular marital category was among the formerly married, i.e., those who are divorced, legally separated, or have an absent spouse. For the U.S. as a whole, a 44 percent increase occurred in the number of the formerly married, with changes in the population base and in marriage distribution rates each accounting for about half of the total growth. While the frostbelt regions displayed the greatest increase in the share formerly married, the sunbelt regions (with the exception of the Mountain states) experienced the least increase. Although it is not immediately apparent why rates of marital dissolution should split along this geographic line, it is likely that marital dissolution is just another indicator of the