Youth Dwellings, Higher Education, and Childbearing

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Abstract: Earlier research has found that housing and childbearing are linked, difficulties accessing housing possibly delaying childbearing and negatively effecting education opportunities. To increase housing accessibility, some municipalities have earmarked apartments for young adults. These “youth dwellings” are criticized for being small and not necessarily facilitating family formation and fertility, better suiting students’ needs. With a unique data we analyze the childbearing and education patterns of young adults entering youth housing in 1996. We follow them for 14 years to examine the effect of youth housing on childbearing and higher education using a propensity score matching technique. Results indicate that gaining access to small, low-rent inner-city rental apartments earmarked for young have no overall effect on higher education and entry into parenthood. However, the results indicate that childbearing is delayed as long as these young people live in youth housing but they compensate by catching up in childbearing when they advance their housing careers. Furthermore, the effect on higher education is positive while in Youth House but decreases when moving to a dwelling in the ordinary housing stock. These results may lead to a deeper understanding of how the housing market may promote childbearing and higher education.

Keywords: Housing market, Youth housing, Childbearing, Higher education, Propensity score matching

JEL Classification codes: I21, J13, R21, R31
1. Introduction

Earlier research has found that housing and childbearing are closely connected, difficulties accessing the housing market possibly leading to delayed childbearing (see, e.g., Mulder 2006, 2013; Pinnelli 1995; Castiglioni and Dalla Zuanna 1994; Krishnan and Krotki 1993; Clark 2012) and negatively affecting education opportunities (see, e.g., Cunningham et al. 2010; Dworsky 2008; Garriss-Hardy and Vrooman 2005; Crowley 2003; Conley 2001; Rosenbaum 1995). Is affordable housing sufficient to promote childbearing and education or, quite aside from the tenure type, is the housing standard also an essential factor? This study contributes to our understanding of these questions.

Leaving the parental home occurs for various reasons, the role of available housing likely differing for each reason. Young adults who want to leave home for education have little latitude for postponement and are likely to move even if they have to accept substandard housing (Mulder 2006, p. 406). Those who want to leave the parental home for household formation have more latitude to wait until they have found suitable or/and affordable housing. For example, it has been demonstrated that higher housing costs are associated with lower probabilities of leaving the parental home to live with a partner, an association not found for those leaving the parental home to live alone (Mulder and Clark 2000).

Family formation has been demonstrated to be connected to homeownership tenure. Studies have also found that the decisions to become a homeowner and have children are made simultaneously (Malmberg 2010; Enström Öst 2012a; Kulu and Steele 2013). Furthermore, it has been demonstrated that the likelihood of having children is greater for homeowners and that the transition to first-time homeownership often occurs in anticipation of parenthood (Mulder and Wagner 2001; Feijten and Mulder 2002; Mulder 2006; Kulu 2008; Holland 2012). However, having small amounts of equity in one’s home reduces the ability to realize a desired move (Ferreira et. al, 2010). An affordable housing market may enable smooth entrance into the housing market, perhaps via a small cheap apartment, enabling later progress in the housing career to higher-quality housing (Mulder 2006, 2013). If young people succeed in leaving the parental home, entering the housing market in a small dwelling, this may positively affect childbearing if subsequent access to high-quality housing is easy. However, if such housing is scarce, prices are high, and/or mortgage providers are strict, young people might postpone childbearing until they find a house suitable for family formation, which may reduce the number of children born (cf. Chiuri and Jappelli 2003). Simon and Tamura (2009)
and Clark (2012) have explicitly investigated the effect of housing costs on childbearing. Both studies showed that first birth is significantly delayed in an expensive housing market.

The housing market in Sweden, especially in the capital Stockholm, is increasingly difficult for young adults to enter (Bokriskommittén 2014). This market is characterized by increasing prices and housing costs and by housing construction that has lagged behind population growth (The Swedish National Board of Housing, Building and Planning 2013). Queues to obtain rental apartments are growing and cooperative apartment prices are high. Studies indicate that a generation of young people may have little or no chance of accessing the housing market unless they are rich, well paid, or/and have generous and wealthy parents (cf. Enström Öst 2012b).

Fertility research commonly relates the relatively high Swedish fertility to the characteristics of the Swedish welfare regime that, for example, may promote female labour-market attachment by making it easier to combine work and family life (see, e.g. Andersson and Scott 2007). However, along with indications of an inaccessible housing market for young people, the average age at which women bear their first child has increased in Sweden by approximately one year over a five-year period (cf. Andersson 1999, 2000; Statistics Sweden 2011). Recent years have also seen reports of students in higher education being forced out of larger cities, such as Stockholm, because of difficulties finding accommodation. To try to increase the accessibility of the housing market, housing projects targeting young adults have been started in Sweden. Several municipalities have earmarked small apartments for young adults to help them compete for access to rental apartments of their own.

By examining a housing project for young adults in Stockholm, initiated as early as 1996, this study advances our understanding of youth dwellings and their causal effects on education and childbearing. To our knowledge, no earlier studies have this particular focus. The research question to be answered is whether such dwellings earmarked for young adults have any effect on young adults’ childbearing and education patterns.

The dataset for this study contains information on young people who gained access to the housing market in 1996 via a particular youth housing project in Stockholm. This study explores the development of the fertility pattern and education level of these subjects and compares them with those of a matched group of young people similar in several respects.
The present results indicate that having access to small youth housing have no overall effect on the entry into parenthood and the probability of completing higher education. However, the results indicate that childbearing is delayed as long as these young people live in youth housing but if the rest of the housing market is mobile, i.e., enables young adults to move on in their housing careers, they compensate by catching up in childbearing when they advance their housing careers. Furthermore, the effect on higher education is positive while in Youth House but decreases when moving to a dwelling in the ordinary housing stock. This result confirms that the housing market has repercussions for both fertility and educational patterns.

The paper is organized as follows: The next section discusses the theory of household formation and the Swedish housing market during the study period and describes the studied youth housing case. Section 3 presents the data and the empirical strategy and section 4 presents the results. The paper ends by presenting the conclusions and discussing the policy implications of the present findings.

2. Background

2.1 Theoretical issues on housing and household formation

A large body of empirical work is emphasizing the role of life course events on mobility, such as leaving the parental home and childbearing (Clark and Dieleman 1996). Transition to life stages involving higher levels of commitment, such as parenthood, lead to requirements for long-stay housing and to changing preferences over dwelling attributes. However, desires for mobility may be prompted by a wide range of life events, but desires cannot always be realized. Income and wealth constraints, transactions costs that vary with tenure, social ties, the supply of dwellings and the functioning of the housing and mortgage markets all affect whether a desired move will in fact be realized (Venti and Wise 1984; Linneman and Wachter 1989; Wheaton 1990; Kiel 1994; Stein 1995; Helderman et al. 2004; Belot and Ermisch 2009; Ermisch and Washbrook 2012).

Mulder (2006) has explored the theoretical relationship between housing and household formation. Obviously, to move from parental homes and form households, young people need somewhere to live. In a well-functioning housing market, housing demand equals housing supply and all households can access housing that meets their needs. In reality, however, housing prices, housing supply, and the ability to obtain housing loans are limiting factors,
especially for young adults who have had limited time to accumulate savings for home down payments. Some young adults may therefore postpone household formation if they cannot find suitable affordable housing. However, the degree to which the availability of housing affects household formation probably depends on the urgency with which people want to form new households. Young adults who need to move, for example, for work or higher education, might have little latitude for postponement and may therefore move even though they must accept substandard housing. However, those moving to cohabit, marry, or have children may have more latitude to wait until they find suitable housing. Furthermore, young people who succeed in leaving parental homes, for example, to live in student housing or smaller apartments, might still postpone childbearing if they think housing of a certain quality is a precondition (see, e.g., Ineichen 1981; Ström 2010).

2.2 The Swedish housing market

The Swedish housing market has three dominant tenure forms: single-family housing, cooperative multi-family housing, and multi-family rental housing. All rental housing units are subject to rent control. In the case of cooperative housing, the property is owned by a cooperative association. Each resident owns a share of the cooperative and occupies an apartment with tenancy rights nearly as strong as those of full ownership. Cooperative housing is traded on an ordinary free housing market and in practice is regarded as a form of owner-occupied housing, although this is not precisely correct from a judicial perspective. The standard of housing is generally high in Sweden, irrespective of tenure type.

The housing market in Sweden has undergone several gradual and substantial changes in recent decades. In particular, the government housing policy of granting substantial subsidies to all new housing construction changed in the early 1990s, and subsidies were gradually phased out over a decade without being replaced with other investment incentives. This has resulted in the very low production of new housing of all types, and housing construction has lagged behind population growth since 1991. This has resulted in very high house prices and housing costs.

Swedish house prices increased by over 200% in the 17 years from 1996 to 2013, a period when general consumer prices increased by only 60%. After the 1991 tax system reform, which led to sharply increased rents (Englund et al. 1995), the vacancy rate in the rental sector
started to climb and was quite high by 1998. Since then, vacancy rates have decreased and today several counties in Sweden report a housing supply shortage (The Swedish National Board of Housing, Building and Planning 2013).

Stockholm is the largest and most dynamic regional housing submarket in Sweden; it is Sweden’s most heterogeneous in terms of tenure forms, price variation, and neighbourhood structure, though, from an international perspective, it is comparatively small, homogenous, and easy for housing consumers to conceive of and analyze. The official recommendation to those who want a rental apartment in inner Stockholm is to register as an applicant and stay on a waiting list. Over the last two decades, in-migration to Stockholm has increased substantially. With population growth substantially exceeding housing supply growth, the Stockholm housing market is now suffering from a pronounced housing shortage (Andersson and Söderberg 2012). Almost 400,000 people were waiting for an apartment in Stockholm County in January 2013 and the average waiting time for a rental apartment in the region exceeds seven years. When it comes to student housing, approximately 80,000 students are waiting for only 12,000 student dwellings.¹

2.3 “Youth House”

In 1995 a housing company in Stockholm decided to earmark an entire 150-apartment property in inner Stockholm for young adults aged 18–25 years. These apartments had formerly been earmarked for nurses working at the nearby hospital. The apartments were all small, i.e., 30 square metres in floor area comprising one room with a kitchenette, and were deemed fit for youth by the housing company. Earmarking these apartments for young adults therefore required no major or costly renovations by the housing company.

The property, located in inner Stockholm and built in the 1950s, has been subject to no default-enhancing renovations since completion. To obtain one of the units, which are all rental apartments, young adults must apply at the housing company or at the housing service that allocates vacant rental apartments in Stockholm. Applicants aged 18–25 years who register interest and wait the longest will receive a vacant apartment.

The rents for these youth apartments could be considered quite low, especially relative to the costs of the housing alternatives available to these young adults. Most rental apartments in the

¹ Source: The Stockholm Housing Service.
area in the ordinary housing stock, i.e., not earmarked apartments, have undergone default-enhancing renovations with the result that their rents have increased significantly. The waiting time for such apartments is over 15 years, indicating that this is an attractive area to which young adults without the possibility of obtaining an earmarked apartment would normally have difficulties gaining access, unless they can buy an apartment, which is very expensive.

3. Data and empirical strategy

3.1 Data and sample

The dataset for this study is extracted from a database provided by Statistics Sweden. This database contains information on all individuals who have resided in Sweden, including their demographic and socioeconomic situation as well as geocoded data with coordinates and neighbourhood area codes for where the individuals live. Using this database, it is possible to link records between individuals and generations, because the data include a household identity code and, for every individual born after 1932, a specific identity code for the individual’s mother and father.

The sample used here consists of young adults aged 18–25 years who moved into the property earmarked for young adults (“Youth House”) in Stockholm in 1996. These individuals were defined by identifying the geographic coordinates of the property, which is located near a large hospital and is surrounded by a green area. No other residential properties are located immediately adjacent to the Youth House. Since we in our data, for year 1996 (as well as for year 1991), also have the geographical coordinates for each individual, we have been able to define the young adults living a maximum of 30 metres from the property geographical coordinates in 1996, i.e., those 112 young adults aged 18–25 years who moved into Youth House in 1996.

This group of young adults will constitute the treatment group of this study. We will follow them in our data until they have a first child, complete their higher education, or fourteen years have elapsed (i.e., until 2010), when they will be censored. Their childbearing and education patterns will then be compared with those of a matched group of young adults, i.e., a control group of young adults similar to members of the treatment group in several respects but who did not live in youth housing.
3.2 Matching procedure

Matching is a popular approach used when estimating causal treatment effects, and empirical examples can be found in very diverse fields of study. To create a balanced (see, e.g., Rosenbaum and Rubin 1984) control group of young adults in this study, we used the following matching strategy.

First, we identified where the individuals who moved into Youth House in 1996 had lived five years earlier (before any plans to create the Youth House in inner Stockholm) by identifying the geographical coordinates of the individuals’ parental homes in 1991. We then performed a 10 nearest-neighbour propensity score matching to identify young adults under 25 years old with no children and no higher education living within 100 metres of each individual in the treatment group in 1991 and having similar propensity scores. Nearest-neighbour matching identifies a control case with a propensity score closest to that of each treatment case (see, e.g., Gu and Rosenbaum 1993). Here, we match with replacement, meaning that after a control case is used as a match it is put back into the sample and can be used again to match other treated units as well.

The propensity score is estimated using a probit model in which the dependent variable is the probability of living in Youth House in 1996.2 The covariates included in the model are sex, age, and final primary school grade as well as family income, parental homeownership status, and whether the parents live in single- or multifamily housing. All covariates refer to the situation in year 1991. Table 1 shows the results of the matching procedure, i.e., the balance.

Table 1 shows the means of the variables for the treatment and matched control groups; the t-values indicate no significant differences between these groups, indicating the presence of assessed balance. With 112 individuals in the treatment group and 985 in the control group, 170 of the controls appear more than once in the matched data. For a sample to be considered sufficiently balanced, Rubin (2001) recommends that Rubin’s B, i.e., the absolute standardized difference of the mean linear index of the propensity score between the treated and (matched) control groups, be less than 25 and that Rubin’s R, i.e., the ratio of the variance of the propensity score index between the treated and (matched) control groups, be 0.5–2.0. Both those recommendations are fulfilled, so the matching procedure is deemed satisfactory.

---

2 We also estimated a logit model to compute the propensity scores; this did not alter the results.
Table 1  
Balance of the variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean, treatment group</th>
<th>Mean, comparison group</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex [female=1 and male=2]</td>
<td>1.56</td>
<td>1.58</td>
<td>-0.19</td>
</tr>
<tr>
<td>Age [year]</td>
<td>20.78</td>
<td>20.82</td>
<td>-0.14</td>
</tr>
<tr>
<td>Final primary school grade [min=1 and max=5]</td>
<td>3.18</td>
<td>3.08</td>
<td>0.14</td>
</tr>
<tr>
<td>Family income [tSEK/year]</td>
<td>711.54</td>
<td>727.49</td>
<td>-0.22</td>
</tr>
<tr>
<td>Parental homeowner status [Owned housing or cooperative=1, rental =0]</td>
<td>0.38</td>
<td>0.37</td>
<td>0.06</td>
</tr>
<tr>
<td>Parents live in single-family house [Single-family house=1, multi-family house=0]</td>
<td>0.30</td>
<td>0.29</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Rubin’s B = 5.7
Rubin’s R = 1.01

3.3 Empirical strategy

A Cox proportional hazard model is used to estimate the transition to parenthood and completion of higher education. A Cox regression model requires no assumption as to functional form and is not biased by right censoring. The dependent variable used in the empirical analysis is the hazard rate:

\[
 h(t|X(t)) = \lim_{\Delta t \to 0} \frac{p(t,t + \Delta t|T \geq t; X(t))}{\Delta t},
\]

(1)

where \( T \) is the time (year) of the birth of a child or of completing higher education, \( t \) is any fixed point of time under risk, and \( p(t, t + \Delta t) \) is the probability of the event occurring in interval \( (t, t + \Delta t) \). \( X(t) \) is the vector of covariates. The variable of main interest is a treatment variable indicating whether the individual moved into Youth House in 1996, i.e., whether the individual belongs to the treatment group. We will also include variables
indicating when an individual moved from Youth House and to which tenure type he or she moved, i.e., other rental apartment, cooperative apartment, or owned housing. 78 percent of the individuals in the treatment group moved from the Youth House during the observation period. About 40 percent of those moved to cooperative or owned housing.

Note that, after matching a sample, one can simply use the difference between the treatment and control groups to estimate the average treatment effect. However, even if we have a matched control group, we still want to check whether other variables not included in the matching procedure may, over time affect the childbearing decision or the decision to become educated, differently between the treated and the control subjects. These variables are welfare benefits, income from work, and income from capital. However, these covariates were significant in only a few cases, indicating that the matching procedure for the controls turned out well and, most importantly, did not alter the result for the treatment variable or the conclusions of this study.

Young adults who remain childless or do not complete higher education are censored at the end of the observation period, i.e., 2010.

When modelling a Cox proportional hazard model, a key assumption is the proportional hazards. Accordingly, we will perform some diagnostic tests for non-proportionality and also estimate parametric models, i.e., the exponential and Weibull models.

4. Analysis

4.1 Becoming parent

Here we report the results of the Cox proportional hazard models. The tables present the hazard rates rather than the coefficients themselves. A hazard rate above 1 indicates increased risk and a hazard rate less than 1 decreased risk. The variable of main interest in all tables is Youth House, a dummy variable indicating whether or not the individual moved into Youth House in 1996, i.e., whether the individual belongs to the treatment group. Other variables of interest are, as earlier mentioned, a dummy variable indicating if and at which time an individual first moved from Youth House (i.e., Youth House_moved) as well as dummy variables indicating the type of tenure to which the individual first moved (i.e., Youth_House_type).
House moved to rental = moved to another rental apartment, Youth House moved to coop = moved to a cooperative, and Youth House moved to own = moved to owned housing).

Table 2 presents the results of the model with becoming parent as the outcome variable. Models 1 and 2 present the model results without controlling for whether and when individuals have moved from the Youth House. The results show no significant overall effect on the entry into parenthood. However, including a variable indicating if and when the individuals move from Youth House (Models 3 and 4), indicates a hazard of having children while in Youth House as low as 0.12. But moving from Youth House greatly increases the hazard of having children, indicating the importance of a mobile housing market. This result remains when controlling for the type of tenure to which subjects move (Models 5 and 6). The results are stable even when including covariates in the models.

### Table 2  Cox proportional hazard model – outcome becoming parent

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Youth House</strong></td>
<td>1.139</td>
<td>1.106</td>
<td>0.125***</td>
<td>0.125***</td>
<td>0.124***</td>
<td>0.124***</td>
</tr>
<tr>
<td></td>
<td>(0.170)</td>
<td>(0.167)</td>
<td>(0.073)</td>
<td>(0.073)</td>
<td>(0.072)</td>
<td>(0.072)</td>
</tr>
<tr>
<td><strong>Youth House moved to rental</strong></td>
<td>-</td>
<td>-</td>
<td>17.455***</td>
<td>17.213***</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(10.408)</td>
<td>(10.259)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Youth House moved to coop</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15.153***</td>
<td>14.984***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(9.170)</td>
<td>(9.060)</td>
</tr>
<tr>
<td><strong>Youth House moved to own</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25.580***</td>
<td>26.385***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(16.847)</td>
<td>(17.388)</td>
</tr>
<tr>
<td><strong>Youth House moved to coop</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29.143***</td>
<td>28.264***</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(21.466)</td>
<td>(20.893)</td>
</tr>
<tr>
<td>Covariates</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No. of spells</td>
<td>6066</td>
<td>6066</td>
<td>6066</td>
<td>6066</td>
<td>6066</td>
<td>6066</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses. **** significant at the 0.01%, *** 1%, ** 5%, and *10% levels.
4.2 Higher education

Table 3 presents the results of the education model, i.e., the outcome of completing higher education. Models 7 and 8 present the model results without controlling for whether and when individuals have moved from the Youth House. The results show no significant overall effect of completing higher education. However, when including the variable indicating if and when the individuals move from Youth House (Models 9 and 10), we observe a significantly increased hazard of completing higher education for the treatment group, i.e., a positive effect of Youth House on higher education, corresponding to a hazard of approximately 2.6. But moving from the Youth House gives a significant (at ten percent level) and low hazard of completing higher education that corresponds to 0.3. However, the variables controlling for the type of tenure to which subjects move were not significant (not presented here).

Table 3 Cox proportional hazard model – outcome higher education

<table>
<thead>
<tr>
<th></th>
<th>Model 7</th>
<th>Model 8</th>
<th>Model 9</th>
<th>Model 10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>with covariates</td>
<td></td>
<td>with covariates</td>
</tr>
<tr>
<td>Youth House</td>
<td>1.322</td>
<td>1.538</td>
<td>2.523**</td>
<td>2.752**</td>
</tr>
<tr>
<td></td>
<td>(0.487)</td>
<td>(0.566)</td>
<td>(1.130)</td>
<td>(1.224)</td>
</tr>
<tr>
<td>Youth House * moved</td>
<td>-</td>
<td>-</td>
<td>0.306*</td>
<td>0.332*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(0.199)</td>
<td>(0.210)</td>
</tr>
<tr>
<td>Covariates</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>No. of spells</td>
<td>7685</td>
<td>7685</td>
<td>7685</td>
<td>7685</td>
</tr>
</tbody>
</table>

Robust standard errors in parentheses. ****significant at the 0.01%, *** 1%, **5%, and * 10% levels.

4.3 Sensitivity tests

All the models were also estimated using the exponential and Weibull models. The Weibull model is more general and flexible than is the exponential model and allows for hazard rates that are non-constant but monotonic. The results of both these models were in line with those of the Cox model presented in sections 4.1 and 4.2.

As already mentioned, a key assumption when testing such models concerns the proportional hazards. We accordingly performed the Schoenfeld residuals test, developed by Therneau and
Grambsch (2000), to test the proportional hazard assumption. We found no evidence that the models with higher education as the outcome violated the proportional hazard assumption, nor that the models with the outcome childbearing that did not include the variable indicating a move from Youth House violated the same assumption. For the other models, the results of the Schoenfeld residual test indicated non-proportional hazards. One solution to this potential problem is to interact the variables displaying signs of non-proportional hazards with the natural log of time (Box-Steppensmeier and Zorn 2001, p. 978) to explicitly allow the effect of the variable to vary across time. We did this for all variables that displayed signs of non-proportional hazards; this, however, did not alter the results. All the variables of interest were still highly significant, with the same estimate size as with the Cox model.

5. Conclusions

The point of departure of this study was to examine the effect of youth dwellings, i.e., apartments earmarked for young adults, on young adults’ childbearing and education patterns. Youth dwellings are often small and lack proper kitchen facilities, and therefore do not necessarily facilitate family formation. If access to higher-quality housing is difficult because of scarcity, high prices, and strict mortgage provision, young people might postpone childbearing if housing of a certain standard is desirable when forming a family. However, young adults who leave the parental home for education may have little latitude for postponement and may therefore obtain an education despite living in substandard housing.

The present results indicate, according to the theory mentioned, that gaining access to a small, low-rent inner-city apartment earmarked for young adults have no overall effect on higher education and childbearing. However, the result also indicates that childbearing is delayed as long as these young people live in youth housing but they compensate by catching up in childbearing when they advance their housing careers. Furthermore, the effect on higher education is positive while in Youth House but decreases when moving to a dwelling in the ordinary housing stock.

The policy implications of these results are that building affordable housing is sufficient if the aim is to promote higher education. For such housing to promote childbearing there must be the possibility of moving on in the housing career, otherwise such housing may have large negative effects on childbearing. However, our results indicate that the next step need not necessarily be homeownership, as earlier research has indicated. Entering the housing market
via youth housing and then being able to move on to rental accommodation in the ordinary housing market also seems to have a positive effect on overall childbearing, although moving to cooperative housing or owned housing has an even larger effect. These results may lead to a deeper understanding how policy makers may promote childbearing and higher education through the housing market.

The present results do not allow us to determine the driving force of the results achieved by youth housing. Is it that young adults do not find the general concept of youth housing compatible with childbearing, or is it that the dwellings are small and lack proper kitchen facilities, i.e., the housing size and standard do not meet the quality norms required for childbearing? Or does the relatively low rent make alternative accommodations seem too expensive, creating a lock-in effect that postpones childbearing? Answering these questions requires more data and further research into youth housing.
Acknowledgements

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