

# Multigenerational living: A strategy to cope with unaffordable housing?

August 16 2022, by Kate Choi and Sagi Ramaj

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Children living with grandmothers benefited more than children living solely with their grandfathers. Credit: Ekaterina Shakharova/Unsplash

Over the past 20 years, [housing prices in Canada have increased at double the rate of income growth](#). As a result, a growing number of

Canadian households are grappling with housing affordability.

Today, [10% of Canadian households are spending at least 30% of their pretax income on housing.](#)

At the same time, [the share of multigenerational households has also increased by 45%—more than any other family living arrangement.](#) Most of these [multigenerational households include grandparents and young children.](#)

The simultaneous rise in [housing](#) prices and share of multigenerational households raises the following questions: First, is moving in with aging parents a strategy adopted by young families to reduce their housing vulnerability? Second, who benefits the most by moving in with grandparents?

Our [study addressed these questions](#) and examined whether moving in with grandparents may be a solution to unaffordable housing.

Living with grandparents may offer young families a way to reduce their housing costs, decrease their housing vulnerability, and free up resources for food, medical care and education.

By moving in with grandparents, young families can avoid a host of negative outcomes associated with housing vulnerability, including children's [poorer academic outcomes](#), [behavioral problems](#) and [poorer health](#).

## **Unequal distribution of benefits**

The benefits of living in multigenerational households are unevenly distributed. We found that children whose mothers had lower income benefited more from living with their grandparents than those whose

mothers had higher income. Similarly, children growing up in single-mother households benefited more from living with their grandparents than those growing up in two-parent households.

Conversely, children with grandparents who had higher income benefited more from living with their grandparents. And those living with grandmothers benefited more than children living solely with their grandfathers. Prior research shows [grandmothers usually provide more financial and emotional support to their adult children and grandchildren than grandfathers.](#)

Our findings suggest that multigenerational living is usually a way for grandparents to offer housing assistance and [transfer material resources to their adult children.](#) The implication is that young families generally benefit more financially from this living situation than aging parents.

Low-income grandparents are an exception. By moving in with their [adult children](#), they can receive [financial help](#), [emotional support](#) and care, and may benefit more from multigenerational living than young families.

## **Adverse effects of multigenerational living**

The benefits of multigenerational living, however, may come at the expense of sufficient space and privacy. These living arrangements were more likely than two-generation households to be overcrowded.

[Living in overcrowded housing is associated with poorer health outcomes, poorer relationship quality and more stress](#) for all household members. It can also have a [negative impact on academic outcomes and increase behavioral problems for children.](#)

Multigenerational living may also negatively impact the financial well-

being of [grandparents](#). Some [older adults](#) may be [paying for their adult children's expenses as well as their own](#). This may place a strain on their finances or generate a need for them to delay retirement.

## Policy implications

Some families and older adults may *prefer* to live in multigenerational households. However, for others, a shortage of affordable housing may be creating conditions that *force* them to move in with their aging parents.

So what can the government do to eliminate the conditions that force some families into multigenerational households?

The Canadian government must increase housing supply. Increasing interest rates can temporarily decrease pressures in the housing market by reducing demand. However, [it can also exacerbate the housing shortage and affordability crisis over the long run through cancelations in housing construction projects](#).

According to the Canadian Mortgage and Housing Corporation, [Canada needs 3.5 million new homes to reach affordability](#).

The government must also produce estimates of unmet housing demands that go beyond projecting the quantity of the housing shortage. It must forecast the *quantity* and *types* of housing for which there is unmet demand and meet it. For example, the shortage of large housing units may be part of the reason why multigenerational households have a higher risk of living in overcrowded housing.

Overall, our study reveals that the [housing affordability](#) crisis is having a pervasive impact on Canadian society. It is imposing constraints that alter the structure and composition of Canadian families. It is also

forcing many families to absorb some of the effects of a social problem: the shortage of affordable housing.

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Provided by The Conversation

Citation: Multigenerational living: A strategy to cope with unaffordable housing? (2022, August 16) retrieved 27 April 2024 from <https://phys.org/news/2022-08-multigenerational-strategy-cope-unaffordable-housing.html>

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