

Children and Housing

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The number of babies born in the United States in 1990—more than 4.1 million—was nearly equal to the record 4.3 million births recorded in 1957, at the height of the post-World War II baby boom. The recent upsurge in births is largely attributable to the fact that females born in the baby boom are now having babies of their own, creating an “echo baby boom.”

The number of babies born in 1990 was nearly equal to the peak of the baby boom.

The echo baby boom will fortify housing demand in the second decade of the twenty-first century, as today’s babies begin to form their own households. It is less clear, however, whether recent births will mean increased housing demand in the 1990s.

The presence of children suggests the need for a larger home, but the costs of food, clothing, and other children’s needs represent competing demands on household budgets that could leave less money available to spend on housing. During recent decades, houses got larger at the same time households were getting smaller. Thus, the impact of additional births on housing demand is ambiguous.

An examination of survey data on the relationship between house size and household size shows that households with more children live in homes with somewhat more floor area, although they don’t necessarily spend more of their incomes on housing. Moreover, households with children have different preferences with regard to design and other characteristics of the homes they would like to buy.

Fertility Patterns

Following the 1946-1964 baby boom, the number of U.S. births fell

sharply. By 1973, the number of births was only 3.1 million (27 percent below the 1957 peak). Most of that decline reflected a decline in the number of families with more than two children. The number of first and second children was about the same in the 1970s as in the 1950s.

After 1973, the number of births began to rise again, mainly due to an increase in the number of women in the prime child-bearing age groups. Fertility rates are highest for women between 20 and 30 years old, and the number of women in that age group increased by 33 percent between 1970 and 1980.

By the late 1970s, increases in the fertility rates for women older than 30 began to offset declines in fertility rates among women younger than 30, and the age-adjusted “total” fertility rate began to rise slightly. Although increases in fertility among women older than 30 helped to raise the number of births, most of the increase in the number of births since 1973 has been due to an increase in the number of women of childbearing age. With baby boom women now passing beyond the age of peak fertility, the echo baby boom will fade. The number of

births is likely to begin to decline within the next couple of years.

The echo baby boom will fade.

Childhood Population

Because of the increase in births in the late 1970s and in the 1980s, the number of school-age children will be increasing over the next five years. If the birth rate does not decline too rapidly, the number of preschool children will also increase somewhat. Between 1990 and 1995, we expect the number of children younger than age 5 to increase by about 4 percent, the number of children aged 5 to 9 to increase by 6 percent, and the number of children aged 10 to 14 to increase by 10 percent. The population aged 15 to 19 will only increase by about one percent, although growth in that age bracket will accelerate in the middle 1990s. By contrast, the total U.S. population is expected to increase by about 5 percent.

Table 1 Children and Median Home Characteristics

Number of Children	-----All Homes-----		-Moved in last 3 yrs-	
	Square Feet	Value	Square Feet	Value
0	1,800	\$75,000	1,700	\$85,000
1	1,800	75,000	1,790	80,000
2	1,900	78,000	1,900	88,000
3 or more	2,000	75,000	2,100	80,000

*Source: NAHB tabulations of 1987 American Housing Survey
Includes data for married couples in single family detached homes, no nonrelatives or other relatives, no heads over 65, no incomes or home values under \$5,000.*

The especially rapid increase in the 10- to 14-year old bracket follows a period during which the population in that age bracket was largely stagnant. As the leading edge of the echo baby boom, the youngsters in that age bracket and their baby boom parents will be increasingly visible in the trade-up housing market.

Households and Their Homes

The American Housing Survey, conducted by the U.S. Census Bureau, collects information about the characteristics of homes and of their occupants. These data provide a basis for studying the relationship between the size or value of homes and the number of children in the resident household.

Table 1 shows that median floor area is higher for married couples with children than for those without, but there is no clear relationship between number of children and home value. Data are shown for all households within the specified categories and for those who moved within the preceding three years. The figures for recent movers are probably better measures of the effects of children, since the long-term owners may have chosen their homes when their family circumstances were different. Even though the tabulations are based on a relatively homogenous group, consisting of married-couple households who own single-family detached homes, with very low income and elderly couples excluded, the possibility remains that the apparent influence (or lack of influence) of children on housing demand is simply due to differences in income or other factors.

To avoid biases due to other factors, the effect of children on housing demand was analyzed using multiple regression analysis, a standard statistical technique to estimate the effects of a group of "independent" or "explanatory" variables on one dependent variable. The statistical results confirm that the presence of children results in additional floor area, even after taking into account the effects

of the age of the householder, income, whether the home was in a central city, suburban, or nonmetropolitan area, whether it was a first-time purchase, and whether it was a dual-earner household. The value of the house, however, is not strongly correlated with the presence of children, once the other factors are taken into account.

Floor area is higher for couples with children, but not the home value.

Based on analysis of all households meeting the specified criteria, the statistics indicate that a couple with one child will have about 73 square feet more floor area than a couple with no children, other things being equal. Couples with two children have about 132 square feet more than childless couples, while couples with three or more children have 244 square feet more than couples with no children. When only couples who had bought their homes within the preceding three years were considered, the relationship was even stronger, with a single child adding 82 square feet, two children adding 96 square feet, and three or more children adding 266 square feet.

Families with children seek larger homes, at the expense of features and location.

The results for home size and home value relative to the number of children suggest that families with children will seek larger homes, at the expense of luxury features and location, in order to accommodate their greater space requirements within limited budgets. This result is consistent with logic and intuition.

Effect on Preferences

Other than additional floor area, what does the presence of children bring to housing demand? To assess that, we developed special tabulations of NAHB's 1988 Survey of Consumer Preferences. Only married-couple households were considered, in order to make the sample more uniform, and results were tabulated according to both the number of children and the children's ages. The results for married couples with no children were tabulated separately for those where the husband was younger than 45 and for those where the husband was 45 or older.

The sample for the survey consisted of households who had bought new homes in recent years, and the questions primarily concerned the features they would seek if they were to purchase another home, taking into account the impact those features would have on the price of the home.

In general, the preferences that were expressed appear to reflect differences in the householders' ages and incomes more than differences in the number of children or children's ages. Couples with older children also appear to be planning for a future without children in discussing what they wanted in their next home. There were, however, some differences in expressed preferences that appear to be due to the presence of children.

A majority of younger couples with no children indicated that they would look for a "house with more luxury features," in choosing another home, while couples with children seemed a little less concerned with such features. On the other hand, among older childless couples, only 37 percent said they would look for more luxury features, perhaps because they have enough of these features already.

Thirty-nine percent of households where the youngest child was aged 6 to 11 years old said they would look for recreational facilities in choosing another home. That was higher than for couples with children younger than 6 or older than 11 or no children at all. Among

those groups, the share looking for recreational facilities ranged from 18 to 25 percent.

When asked what they would be willing to sacrifice in order to get a home with the size and features they want, more than 40 percent of young childless couples and couples with young children said they would accept a home that was partly unfinished. Those same groups also expressed a willingness to be further from work and shopping. Older childless couples and couples with older children were less enthusiastic about those ideas. On the other hand, older childless couples and couples with older children were more willing to accept a smaller lot.

Families with older children want privacy.

One of the key differences between couples with older children and couples with young children was in the desire for privacy within the home. Those with older children (as well as those with no children) were more nearly unanimous in preferring the master bedroom to be separate from other bedrooms. A clear majority of couples with young children (or no children) preferred a family room visible from the kitchen while families with older children were about equally divided between preferring that type of design and preferring a family room that was fully separated from the kitchen, with a large share wanting the family room in a different part of the house than the kitchen.

About 80 percent of couples with small children wanted a large back-to-back rear yard. That was also the preference for smaller majorities among other household types, except for older childless couples, who were more willing to choose a small, private yard or a community greenbelt.

More than 40 percent of couples with children 12 years old and older preferred a three-car garage, despite added

cost. The shares were lower (although not by much) for the other household types.

About half of childless couples preferred the washer and dryer in a utility room. That choice was slightly less popular among families with children, many of whom said they preferred a location near the bedrooms or near the kitchen.

Not surprisingly, families with children considered the school district very important in choosing a home. The share calling that feature very important was highest among those with children aged 6 to 11. Childless couples were the group most likely to describe exterior appearance as very important, but the share among families with older children was nearly as high.

Families with older children were more likely than the other household types to indicate a willingness to sacrifice the living room for a larger family room.

Child Care

Besides the demands of children for a place to sleep, eat, and play, they represent a demand for some form of child care. In recent years, that requirement has become increasingly problematic, suggesting that both homes and communities need to be designed with greater consideration for child care needs.

In the past decade, the proportion of children without a parent at home during the day has grown sharply. As of 1987, more than 60 percent of children younger than 15 years old had mothers who were working or going to school.¹

The proportion of women with young children who are in the labor force has risen dramatically, with the share of women with children younger than 6 years old in the labor force rising from 38 percent in 1976 to 54 percent in 1986, and the labor force participation rate of women whose youngest child was 6 to 17 years old rising from 54 percent to 68 percent over the same period.²

Among children younger than 5 years old with working parents, an increased share are supervised in organized child care facilities, although it is most common for them to be cared for in a home, other than their own, usually by a nonrelative.

One-fourth are latch-key children.

Among children 5 to 14 years old in 1987, nearly one-fourth were "latch-key" children who cared for themselves at home when they were not in school. Another 10 percent were cared for in organized child care facilities, up from only 7 percent three years earlier.

Conclusion

An increasing share of home-buying households will include preteenage children. While the presence of children does not appear to contribute much to housing demand in the sense of increasing the ability or willingness of households to spend more on housing, it does alter the character of housing demand. Moreover, older children probably play an important role in household decision making, and they, as well as their parents, must be sold on the house.

Developing housing products that appeal to children and their baby boom parents will be a key to success for many builders. That will involve both changes in the structures and changes in the types of facilities and services provided by communities.

¹U.S. Bureau of the Census, Current Population Reports, Series p-70, No. 20 *Who's Minding the Kids? Child Care Arrangements: 1986-87*. U.S. Government Printing Office 1990.

²Michael Carliner. *Earnings of Wives: A Key to Housing Demand*. *Housing Economics*. December 1988.