

in brief...

Mamma's boys? Why most young Italian men live with their parents

It is a cliché that Italian children are particularly attached to their mothers, even when they're grown up. New research by **Marco Manacorda** and **Enrico Moretti** investigates why so many of them are still living with their parents.

Italian men – and Italian women too – tend to live much longer with their parents than adult children anywhere else in the West. In Britain, roughly five out of every ten men aged between 18 and 30 live with their parents. In the United States, the proportion is four out of ten. But in Italy, it is eight out of ten.

This high – and apparently increasing – propensity of young Italians to live with their parents is associated with at least three other striking facts that have characterised the Italian economy over the past two decades: extremely high youth unemployment; low and declining fertility; and low and declining migration rates. These facts are unlikely to be uncorrelated.

The prevailing rhetoric is that Italian parents are altruistic. Many of their children are unemployed and with no entitlement to unemployment benefits, or they find themselves jumping from one badly paid precarious job to another. So they are allowed to live at home until they become independent and get some stability in their lives. Indeed, children have no choice but to live with their altruistic parents: the family provides the support and insurance that the welfare state does not. In the absence of this support, young Italians would be unequivocally worse off.

Our research challenges this view. We argue that one important and neglected factor explaining these remarkably high rates of co-residence is that Italian parents like having their children around and are willing to 'bribe' them into cohabitation in exchange for some monetary transfers. Italian parents benefit from the companionship and other services their children provide, and most importantly, from the opportunity they have to get their children to 'conform' to their precepts when they live together.

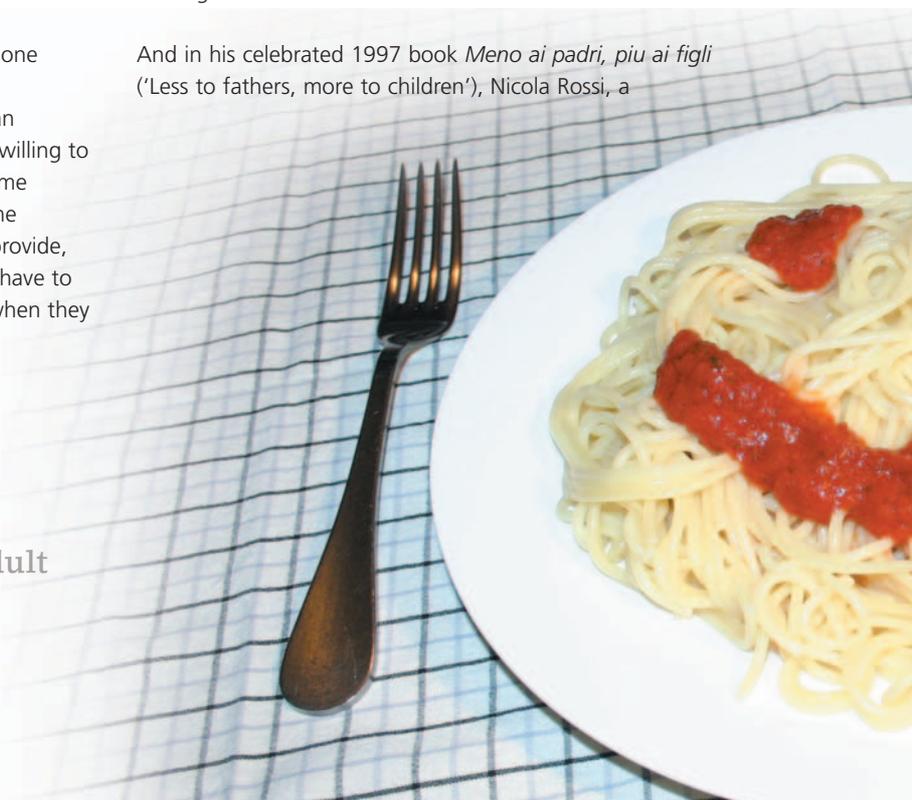
To corroborate our claim, we present evidence that, everything else equal, Italian parents report that they are happier when living with their adult children. This is the opposite of what happens in Britain and the United States.

The outcome of this process, we argue, is that children – who would rather live on their own – accept cohabitation in exchange for the bribe. Paradoxically, it is cohabitation that produces higher youth unemployment rather than the other way round: children tend to have lower incentives to find their own way in the labour market. The price young Italians pay in exchange for higher consumption today is lower independence and possibly lower lifetime satisfaction.

Our idea is related to a wider debate among social scientists studying Italy. For example, Harvard anthropologist Edward Banfield coined the term 'amoral familism' in his book *The Moral Basis of a Backward Society*, first published in the 1950s. This described (southern) Italians' restricted pursuit of family interests and their ensuing lack of civic engagement. One possibly unwanted consequence of this emphasis on family relationship is to curb children's independence, possibly making them worse off.

And in his celebrated 1997 book *Meno ai padri, piu ai figli* ('Less to fathers, more to children'), Nicola Rossi, a

Italian parents like having their adult children around and are willing to 'bribe' them to stay at home



A 10% rise in Italian parents' income leads to a 10% rise in the proportion of children living at home

professor at the University of Rome and an MP from the Democratic Party of the Left, showed how Italian public welfare is remarkably skewed towards the older generations: too much spent on pensions, he argues, and too little welfare for young people. It follows that entitlement to welfare (and jobs) endows parents with remarkable bargaining power towards their children.

The empirical strategy we use to test our hypothesis is straightforward. We argue that cultural preferences are an important determinant of the high rates of co-residence between parents and adult children. But these preferences would not translate into reality if parents were unable to get their children to behave according to their tastes. So if parents do indeed like to live with their children, we should observe that as their income increases (and keeping everything else equal), rates of co-residence should increase.

This is precisely what we find in our study. We use the fact that owing to major social security reforms in Italy during the 1990s, a certain generation of parents was forced to postpone their retirement. Had they been able to retire, most of these parents would have probably chosen to do so. But in exchange for some of their free time, these parents saw a temporary increase in their income.

We compare the children of these parents with otherwise observationally identical children, that is, children of

parents who were not affected by the reforms. The advantage of this empirical strategy is that it makes it possible to identify changes in parents' income that happened to affect only one cohort of parents and that are unlikely to be correlated with other determinants of parents' and children's decision on co-residence, such as local housing prices and the state of local labour demand.

We find that this temporary increase in parental income was associated with a rise in co-residence rates. A 10% increase in parents' income resulted in an increase of approximately 10% in the proportion of adult children living at home. Interestingly, US-based economists Mark Rosenzweig and Kenneth Wolpin find in contrast that in the United States, cohabitation rates tend to fall as parental income rises.

Although this result does not necessarily rule out alternative explanations, it is consistent with our 'bribery' story. When parents have more money, they buy more of their children's co-residence. If parents would rather live on their own, they would probably help their children to gain their independence as they become better off.

In sum, we think that Italian parents put quite a lot of effort into being loved by their children. And to some extent, they buy this love in exchange for their children's giving away some of their independence. Although this might at first sight appear like a mere curiosity, we argue that it has profound economic and social implications.

This article summarises 'Intergenerational Transfers and Household Structure: Why do Most Italian Young Men Live with their Parents?' by Marco Manacorda and Enrico Moretti, CEP Discussion Paper No. 536 (<http://cep.lse.ac.uk/pubs/download/DP0536.pdf>) and forthcoming in the *Journal of the European Economic Association*.

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