

Factors Influencing Household Formation

Dr. Byron J.E.Morgan

The forecasting of the number of households in a country is of considerable interest, both for planning the provision of housing and because the market for many items, for example private cars and consumer durables, is more closely related to households than to individuals. The Statistics Department of the University of Kent at Canterbury, England, under a contract from the British Department of the Environment, is at present investigating factors which influence household formation.

The normal method for projecting households is by means of a "Headship Rate", which is the proportion of a given population category which head households. Parallel projections are made of the Headship Rate and the size of the corresponding population category, these being multiplied together to obtain the forecast number of households. The population projection can be made with reasonable accuracy for some time ahead, since one is only considering individuals already born, but the Headship Rates have shown increasing variability over the past two decades. The present investigation is thought to be the most detailed study yet carried out into the causes of this variation.

Many developed countries use Headship Rates which are Age, Sex and Marital status specific. The British method further subdivides according to the type of household - married couples, lone parents, one-person households, other households. For each of 168 Local Authorities in England and Wales, the project team has compiled from the 1971 Census a database containing 104 Headship Rates and 30 Demographic and Socio-Economic Variables. Comparable databases are also being compiled from the 1961 and 1966 censuses. The primary aim of the project is to do cross-sectional analyses using regression techniques to identify the extent of the dependence of different Headship Rates on the demographic and socio-economic variables. In addition, it is hoped to use the three temporal points in order to study the variation over the time periods covered.

Although both regression and cross-sectional approaches have previously been used in this field (e.g. in Sweden and Japan), it is thought that no study has yet used as large a sample of Headship Rates, Local Authority Areas, or independent variables.