Risk and vulnerability in social assistance receipt of young adults in Finland

Ilmakunnas I. Risk and vulnerability in social assistance receipt of young adults in Finland

Social background may affect not only individuals' wellbeing, but also their ability to manage the typical and problematic transitions occurring during young adulthood. Hence, this article has used Finnish population register data to analyse how social background and critical life-course factors predict the number of months of social assistance received annually among young adults aged 19–29. Special interest was given to asking whether those with a disadvantaged social background are more vulnerable to the effects of critical life-course factors. The results showed that social background and critical life-course factors have independent effects on social assistance receipt. Additionally, this study shows that the effects and the incidence of critical life-course factors can be affected by social background.

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Despite extensive research on how different factors predict individuals' social assistance receipt, less is known about the interplay between social background and different life-course factors in this process. For instance, through life-course factors, social background can be seen to have both a direct effect and an indirect effect on social assistance receipt. Young adults are a good target group for analysing the association between social background and different life-course factors, in that the transition into adulthood is characterised by different kinds of life-course events (Buchmann & Kriesi, 2011). Furthermore, due to differences in social background, young adults have different capabilities and resources to navigate their transition into adulthood (Furstenberg, 2008; Settersten, 2007).

Overall, the transition into adulthood has become more protracted and less predictable (Furlong, 2013). Problematic transitions and unpredictability during young adulthood may increase the risks of poverty and social assistance receipt. In fact, social assistance has become a benefit that bridges the period between the economic support of parents and becoming an independent wage earner (Andrén & Gustafsson, 2004). Additionally, the young have replaced the old as the group with the highest poverty rates (Kangas & Palme, 2000).

This study used Finnish register data to analyse how social background and critical life-course factors predict the number of social assistance months received annually among young adults aged 19–29 in Finland. Special interest was devoted to the question of whether young adults with a disadvantaged social background are more vulnerable to the effects of critical life-course factors. In this study, disadvantaged social background referred to low parental education, parental social assistance receipt and parental unemployment. Critical life-course factors were related to the 'big five' transitions in young adulthood (educational attainment, work attainment, transition to independent living, partnership formation and entering parenthood) (Schulenberg & Schoon, 2012; Settersten, 2007). In this study, the critical life-course factors were having one's own children, living in a single-adult household, unemployment and having only a basic education.[1] These factors can be seen as critical since they represent risky social positions in the transition into adulthood. Social assistance receipt means that a household receives means-tested, last-resort financial assistance. In Finland, municipalities pay social assistance when a household's income and resources are not enough to cover daily expenses. Previous research has used social assistance receipt also as a poverty measure (e.g., Bäckman & Nilsson, 2011; Leisering & Leibfried, 1999).

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[1] Leaving the parental home was used in this research only as a control variable, as it is less likely that young people receive social assistance while living with their parents due to the means-testing of social assistance. Additionally, it has been illustrated that moving away from the parental home increases the risk of social assistance receipt (Kauppinen et al., 2014; Lorentzen et al., 2012).

Earlier research has typically analysed social assistance receipt while focusing on entry and exit into social assistance receipt (e.g., Andrén & Gustafsson, 2004; Bäckman & Bergmark, 2011; Lorentzen, Dahl, & Harsløf, 2012) or whether past social assistance receipt makes future receipt more likely (state dependence in social assistance) (e.g., Andrén & Andrén, 2013; Immervoll, Jenkins, & Königs, 2015). However, earlier studies have revealed that most social assistance spells are short and this is particularly true in the Nordic countries (Gustafsson, Müller, Negri, & Voges, 2002; Immervoll et al., 2015). Thus, it might not be enough to focus on first-time recipients or single spells of social assistance. In this study, therefore, social assistance receipt was analysed while taking into account its dynamic character. This was done by analysing individuals' annual number of social assistance months. In contrast to most previous research that has used a dichotomous classification ('received' and 'not received'), analysing the number of months gave an opportunity to study the depth of disadvantage.

In this study, the effects of social background and critical life-course factors were also analysed separately by gender, because life-course events related to household composition have greater effects on income among women than among men (e.g., Callens & Croux, 2009; DiPrete & McManus, 2000). Furthermore, some transition markers (such as leaving the parental home and family formation) occur earlier among women than among men (Buchmann & Kriesi, 2011). In earlier studies, analysing the direct and indirect effects of social background on social assistance receipt, the analyses were not carried out separately by gender.

Social background, life course and social assistance receipt

The previous literature has identified several possible mechanisms for how social background and different life-course factors could be associated with social assistance receipt. Above all, there are good reasons for analysing social background and different life-course factors jointly. First, life-course theory is based on the idea that individuals construct their own life courses through their choices and actions, but that these are done within the constraints of historical and social circumstances (Elder, Johnson, & Crosnoe, 2003). Second, according to earlier research, both social background and different life-course events have independent effects on the risk of social assistance receipt (Kauppinen et al., 2014; Lorentzen et al., 2012). A theoretical model of possible mechanisms is shown in Figure 1. Arrow *A* illustrates the possible direct effect of social background on social
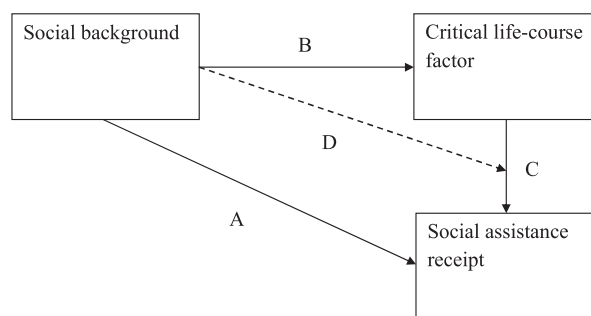

Figure 1. Theoretical model of the effects of social background and a critical life-course factor on social assistance receipt.

assistance receipt. Additionally, the effects of social background can also operate through critical life-course factors. Disadvantaged social background can increase the incidence of critical life-course events (arrow *B*), which increases the probability to receive social assistance (arrow *C*). However, social background can also moderate the effects of life-course events (dashed arrow *D*). The possible mechanisms are discussed in the light of earlier literature.

Since social assistance is a last-resort, means-tested benefit; it is likely that it is preceded by a critical life-course factor. For instance, single-adult households are more likely to receive social assistance than other household types (Bäckman & Bergmark, 2011; Hyggen, 2006). Additionally, divorce and becoming a single parent both increase the risk of social assistance receipt (Lorentzen et al., 2012). Especially among women, partnership dissolution and living in a single-adult household are associated with decreased incomes (e.g., DiPrete & McManus, 2000; Vandecasteele, 2015). In addition, having children at a young age increases the risk of social assistance receipt (Kauppinen et al., 2014; Lorentzen et al., 2012). Labour-market attainment decreases the risk of social assistance receipt (Bäckman & Bergmark, 2011; Hyggen, 2006). Among young adults, low education is one of the most influential predictors of social assistance receipt (Lorentzen et al., 2012; Wiborg & Møberg, 2010).

A wide range of research using Nordic register data has shown that social background has direct effects on young adults' wellbeing. Overall, those with a disadvantaged social background are more likely to receive social assistance (Hyggen, 2006; Kauppinen et al., 2014; Lorentzen et al., 2012; Wiborg & Møberg, 2010). The association between social background and social assistance receipt can also be discussed in the light of cumulative (dis)advantage models. Cumulative advantage is a mechanism by which a favourable relative position becomes a resource that produces new relative gains (DiPrete & Eirich, 2006); thus, different life-course trajectories

can be seen to arise from early inequalities (such as disadvantaged social background). With respect to social assistance receipt, the intergenerational transmission as such can obviously be a possible direct mechanism. In fact, studies have shown that in the Nordic countries there are also signs of an intergenerational transmission of social assistance (Moisio & Kauppinen, 2011; Moisio et al., 2015; Stenberg, 2000). Different explanations for this intergenerational transmission have been proposed (see Jenkins & Siedler, 2007, for a review). Parental receipt may reduce the stigma related to social assistance, or offspring whose parents have received social assistance might know better how the social assistance system works. Moreover, it is possible that these children have poorer chances of finding a job in adulthood. From these scenarios, it has also been argued that social assistance receipt can lead to a 'culture of welfare dependency' (e.g., Murray, 1984). An additional possibility can be that poor parents cannot support their young adult children financially (Moisio & Kauppinen, 2011).

The possible process where social background affects social assistance receipt also through critical life-course factors resembles the status attainment model by Blau and Duncan (1967). They used the model to explain how social origin and personal attributes affect status attainment and social mobility. According to the model, an individual's social position is based on initial conditions (e.g., social background) and achieved characteristics (e.g., education) (DiPrete & Eirich, 2006). This process can be seen as a chain, where one risk factor leads to another (see Kuh, Ben-Shlomo, Lynch, Hallqvist, & Power, 2003). Indeed, it has been illustrated that a disadvantaged social background increases the likelihood of experiencing different kinds of social risks (Bäckman & Nilsson, 2011; Pintelon, Cantillon, Van Den Bosch, & Whelan, 2013). In the current study, this mechanism was depicted as the indirect effect of social background. However, it might be that in addition to indirect effects, disadvantaged social background increases vulnerability to the effects of critical life-course factors. This can be seen as a 'social imprint' of social background (Bäckman & Palme, 1998). This would indicate that persons with a disadvantaged social background would be less prepared – financially or otherwise – to cope with critical life-course factors. For instance, advantaged social background can offer compensation when critical life-course factors are experienced, thereby protecting young adults from weaker outcomes (Bernardi, 2012; Sirniö, Martikainen, & Kauppinen, 2016). However, it is also possible that although interaction effects are found, the estimates indicate that the effects of critical life-course factors can be less detrimental for

persons with a disadvantaged social background. This could be due to their weaker starting point and has been referred to as the disadvantage-saturation thesis (Hannon, 2003).

Only a few earlier studies have analysed whether social background affects vulnerability to the effects of critical life-course factors in terms of social assistance receipt. Using Norwegian data, Lorentzen et al. (2012) found that unemployment and birth of the first child do interact with social background variables. However, according to their results, disadvantaged social background does not increase vulnerability to the effects of these life-course events. Bäckman and Nilsson (2011) analysed the effects of social background on social exclusion, using Swedish data. Their measure of social exclusion included social assistance receipt. They did not find any interaction effects that would suggest that persons with a disadvantaged background would be more vulnerable to the effects of long-term unemployment. The present study analysed similar kinds of interaction effects using, for the first time, Finnish data. Furthermore, the dynamic character of social assistance receipt was taken into account more precisely than before (see e.g., Lorentzen et al., 2012).

Research design and data

The overall aim of this study was to illustrate how social background and critical life-course factors predict the number of months of social assistance received annually among young adults aged 19–29. The analyses were conducted separately by gender. The analyses provided information on the independent effects of social background and critical life-course factors, but also on the interplay of these explanatory factors. Hence, the explanatory power of various mechanisms proposed in the previous section could be evaluated.

In this article, I first describe the share of social assistance recipients in the sample by age and the mean number of social assistance months by age and by subgroups defined by social background and critical life-course factors. In the following section, I describe how, using panel regression models, social background and critical life-course factors predict social assistance receipt. In the same section, I report also on my analysis of whether the effects of critical life-course factors differ by social background. Lastly, I discuss the findings in the light of earlier literature.

The data used in the study were derived from Finnish population registers and contain information on demography, social security benefits, work activity, income and education. Additionally, parental records were linked to the records of the individuals studied.

The register information was combined by Statistics Finland.[2] The young adults used in the analyses were born in the period 1980–1983. A random sample of 25% of young adults between the ages of 19 and 29 years who lived in Finland for at least 2 years during the period 1999–2012 was used (33,174 men and 31,568 women with information on all explanatory variables). Age was defined as the difference between the follow-up year and the year of birth. Information on those living in the same household was from the years that they actually lived in the same household. The data were arranged in a person–year structure.

Social assistance as a dependent variable

Social assistance is a means-tested last-resort for income protection in Finland. It is granted only if the applicant has no other source of income, or the income is inadequate, or the applicant has not yet received the income, or the applicant cannot receive an adequate income from his or her family to enable him or her to move out of the family home (Kuivalainen, 2013). In recent decades, means-tested benefits, such as social assistance, have become the most important form of income protection for young people in the Nordic countries (Lorentzen et al., 2014). At the same time, the relative poverty rate of those receiving means-tested benefits has increased (Kuivalainen & Nelson, 2012).

In this research, the dependent variable was the number of months that the household had received social assistance during a calendar year (0–12 months). Since according to the Finnish social assistance system it is the family that is the unit receiving social assistance, the data do not distinguish whether it is the sample person or his or her spouse who has received social assistance. Hence, information on the family's social assistance receipt was used in the analyses. However, if a person aged 18 or older was living with co-resident parents who were receiving social assistance, this was not calculated as social assistance receipt for that person, in that adult children are considered to form their own family in the Finnish social assistance system. Thus, the lower age limit of 19 was used in the study, since it was not possible to distinguish exactly when a young adult turned 18 and became eligible to receive social assistance.

Explanatory variables

The time-invariant variables referring to social background were parental social assistance receipt, parental unemployment and low parental education. These variables were measured from the year when the sample person was 15 years old. Parental education was measured by using the highest educational attainment of the parents. The dummy variable had the value of 1 if parents in the family had only a compulsory school education. The variable had a value of 0 if at least one parent had a higher level of education. Parental unemployment was measured using information on unemployment months. The dummy variable had a value of 1 if parents had experienced unemployment during a calendar year. The variable had a value of 0 if at least one parent had not experienced unemployment. With respect to parental unemployment and parental low education, 'parents' referred to one or two parents depending on whether the family was a single-parent family or a two-parent family. Parental social assistance receipt was measured using information on the number of months of receiving social assistance. The dummy variable had a value of 1 if the family had received social assistance. Since parental background was measured using information from 1 year only, there was some measurement error (see Moisio & Kauppinen, 2011). For example, parents without unemployment months could have experienced unemployment in some other year. Time-invariant variables indicating the family type of the parental home when the sample person was aged 15 years and the sample person's country of birth were used as control variables.

Unemployment, living in single-adult household, having only a basic education, and having own children were the time-varying measures for critical life-course factors used in the study. These variables were measured from the same year as the dependent variable. Information on having only a basic education (value of 1 if an individual had only compulsory school education, otherwise 0) was based on information on the highest level of educational attainment. Unemployment was measured using the number of unemployment months experienced during a calendar year. Living in a single-adult household was measured as not living with another adult (value of 1, otherwise 0).[3] Having own children was classified into three groups (no children, one child and two or more children), since generally only a small share of young adults have more than two children. Age, year, living in a parental home, living in an urban municipality and enrolment in education were used as time-varying control variables.

Methods

First, the descriptive analyses illustrated the annual means of the number of months of social assistance received by age and by different subgroups. Also the

[3]   According to this categorisation, single parents were calculated as living in a single-adult household.

share of those receiving social assistance was illustrated by age. Second, the panel regressions were conducted using a count model, since the dependent variable had values ranging from 0 to 12. Since most values were zeros, the dependent variable was overdispersed, with the variance being larger than the mean. This was taken into account by using a negative binomial model, which is a generalisation of the Poisson distribution (Allison, 2009).

Time-invariant variables capture between-individual factors. Many things change during one's life course and time-varying variables can evaluate these changes and within-person influences. Fixed-effects, panel regression analyses are often preferable to random-effects models in panel designs, since the fixed-effects models can take into account the effects of omitted variables (Wooldridge, 2002). However, fixed-effects panel regressions do not allow for taking into account time-invariant explanatory variables. Moreover, many of the sample persons had zero social assistance months every year. These cases would have been omitted in the fixed-effects models, since there was no variation in the dependent variable within individuals. As the interest was in analysing both time-varying (life-course factors) and time-invariant (social background) explanatory factors, a so-called hybrid model was estimated with random effects (see Allison, 2009; Schunck, 2013; Wooldridge, 2002). The log of the expected value of the number of social assistance months was modelled as a function of the explanatory variables. In the hybrid model, it is written as:

$$\log \gamma_{it} = \beta_1 (x_{it} - \bar{x}_i) + \beta_2 \bar{x}_i + \beta_3 z_i$$

where i refers to individuals and t refers to years; the term x_{it} represents the time-varying explanatory variables and z_i denotes the time-invariant predictors. In this random-effect model, the time averages of the time-varying explanatory variables ($\bar{x}_i$) were added to the model in order to control for unobserved heterogeneity. These variables produced between-individuals estimates (β_2). In addition, the variables were also added as differences from the time averages ($x_{it} - \bar{x}_i$). These variables produced fixed-effect estimates (β_1).[4] The fixed-effects estimates illustrated what the effect of the time-varying variable on social assistance receipt was within individuals. Only the fixed-effect estimates of the time-varying variables are presented in this article. The model also produced random-effects estimators for the time-invariant variables (β_3). Having estimates for both time-varying and time-invariant variables made it possible to analyse whether these explanatory variables had independent effects and also the interactions between time-variant and time-invariant variables could be estimated.[5]

The regression coefficients showed in the article are incidence rate ratios. The incidence rate ratios illustrate the relative change in the dependent variable when the independent variable increases by one unit. A coefficient that was over one illustrated the relative increase in the number of social assistance months when an independent variable increased by one unit. Coefficients under one illustrated the relative decrease of the number of social assistance months when an independent variable increased by one unit. Interaction coefficients over one indicated that those with a disadvantaged social background were more vulnerable to the effects of critical life-course factors. The analyses were conducted using Stata software and the *xtnbreg*-command.

Results

Descriptive analyses

Figure 2 shows the mean number of social assistance months and the share of young adults receiving social assistance by age and gender. A substantial share of individuals receive social assistance during young adulthood. Of those who had lived every year in Finland between the ages of 19 and 29, some 40% received social assistance for at least 1 month during the whole period (not shown). Annually, nearly 20% of young adults close to the age of 20 received social assistance, while the share was around 8–10% among those in their late 1920s (Figure 2). However, women more often than men received social assistance in early young adulthood. This can be explained by the fact that women move away from the parental home earlier. Among both men and women, the uptake of social assistance increased, especially between the ages of 19 and 20, and decreased, at the latest, from the age of 21. However, among men the decrease stagnated at the age of 26.

The annual means of social assistance months by subgroups in the whole data set are presented in Figures 3 and 4. Figure 3 shows whether there were differences in social assistance receipt between young adults with advantaged and those with disadvantaged social backgrounds. Figure 4 shows whether those who had experienced critical life-course factors differed from those who had not experienced these factors. Due to a lack of space, Figures 3 and 4 are not

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[4]   Information on the year was added to the regression models as dummy variables.

[5]   Two recent articles evaluating random- and fixed-effect models concluded that hybrid models (or within-between models as they referred to them) have been underutilised (Bell & Jones, 2015; Dieleman & Templin, 2014).
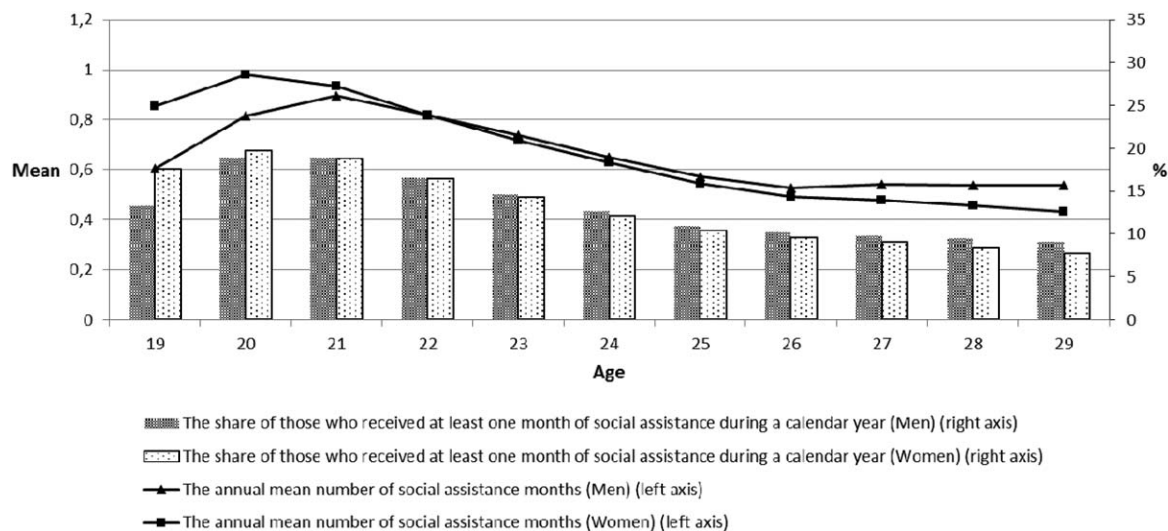
Figure 2. The mean number of social assistance months and the share of those receiving social assistance by age and by gender.

shown separately by gender. However, the overall picture is similar between men and women.

Figure 3 reveals that young adults with a disadvantaged social background received on average, more months of social assistance than did those with an advantaged social background. The groups created by parental social assistance receipt showed larger differences than the groups created by parental unemployment or parental education. The young adults whose parents had received social assistance received on average 1.5 months more of social assistance than did those whose parents had not received social assistance. With respect to parental education, the difference between disadvantaged and advantaged social background was the smallest (in both absolute and relative terms). Those with at least one educationally more advantaged parent received, on average, 0.61 fewer months of social assistance than did those with educationally disadvantaged parents.

Figure 4 shows that critical life-course factors are also associated with higher uptake of social assistance. The young adults in the study who experienced 7–12 months of unemployment within a calendar year received around 3.5 months of social assistance, on average.[6] Conversely, those who did not experience unemployment received fewer than 0.40 social assistance months. Those living in a single-adult household received on average more social assistance months than those living with an additional adult. Young adults with children received more social assistance months than those without children. However, on average, those with two or more children received fewer social assistance months than those

with only one child. It might be that parents decide to have additional children when their financial situation becomes adequate. With respect to own education, clear differences were seen between the subgroups. Those having a higher than basic education received fewer than 0.40 months social assistance, whereas young adults with only basic education received, on average, over 2 months of social assistance.

Multivariate analyses

The results for the multivariate analyses can be seen in Tables 1 (men) and 2 (women). Model 1 consists of the main effects of social background variables and control variables, while Model 2 includes the variables for critical life-course factors and control variables. Model 3 includes the main effects of all the explanatory variables. Model 3 illustrates whether social background and critical life-course factors had independent effects when other variables were held constant. Model 4 includes interactions between parental social assistance receipt and critical life-course factors, Model 5 interactions between parental unemployment and critical life-course factors and Model 6 interactions between low parental education and critical life-course factors. These models show whether the young adults in the study who had a disadvantaged social background were more vulnerable to the effects of critical life-course factors. Coefficients of the time-invariant variables are random-effect (RE) estimates, and coefficients for the time-varying variables are fixed-effects (FE) estimates. Hence, the estimates shown for critical life-course factors were based on deviations from the individual means. The coefficients were incidence rate ratios
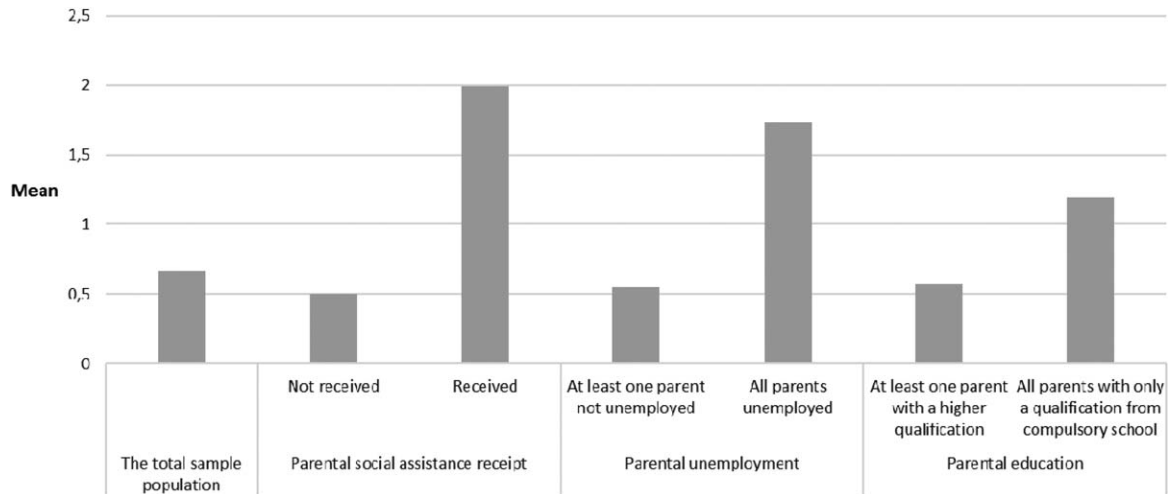
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[6] With respect to number of unemployment months, a variable with three categories was created for the purposes of this descriptive analysis.

Figure 3. The annual mean number of social assistance months among young adults by social background.

where the rate referred to the number of social assistance months.

The regression coefficients show that disadvantaged social background and critical life-course factors were associated with a higher uptake of social assistance, also when other variables were held constant. Hence, both social background and critical life-course factors had statistically significant independent effects on social assistance receipt.[7] However, there were two exceptions. Among men, low parental education was not statistically significantly associated with social assistance receipt after taking into account also critical life-course factors (Model 3). Additionally, two or more children – the FE estimates, in fact, refer to the birth of the second child – did not seem to be associated with higher number of social assistance months among men and among women the coefficient was statistically significant after including the social background variables to the model (Model 3).

Models 1–3 show that there were some additional interesting differences between men and women. In the models, parental social assistance receipt had a stronger effect on young adults' social assistance receipt among men than among women. However, the effects of parental unemployment and low parental education were somewhat stronger among women than among men. Especially among women, living in a single-adult household was associated with a higher uptake of social assistance. This effect was driven by the fact that single parents were included in the category of living in a single-adult household and they are more likely to receive multiple months of social assistance. Also the birth of the first child and having only a basic education had stronger effects among the women.

A comparison of Models 1 and 3 gives information on the association of social background and critical life-course factors. The estimates for the social background variables were lower in Model 3 than in Model 1, which did not include variables for critical life-course factors. This implies that the effects, or incidences, of critical life-course factors were affected by social background. Additional descriptive analyses showed that critical life-course factors were more typical among the young adults in the study who had a disadvantaged social background (these results can be received upon request from the author). Models 4–6 show whether those with a disadvantaged social background were also more vulnerable to the effects of critical life-course factors.

Overall, it can be said that there were interactions between social background and critical life-course factors that were not statistically significant despite the large number of observations (Models 4–6). The finding that life-course factors and social background variables do not necessarily interact is in line with earlier studies. However, there were many signs that the effects of critical life-course factors vary by social background. Some typical patterns could be found. Disadvantaged social background seemed to slightly cushion the effects of unemployment months. Among young adults with a disadvantaged social background, a single unit increase in the unemployment month variable increased the number of social assistance months 1–3% less than among those with an advantaged social background. Social background did not seem to be associated to a great extent with the effects of living in a single-adult household. Additionally, social background

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[7] Also the between estimates, which are based on the comparisons of individuals' average values of each time-varying variable, indicated that those experiencing critical life-course factors receive more social assistance months (not shown).
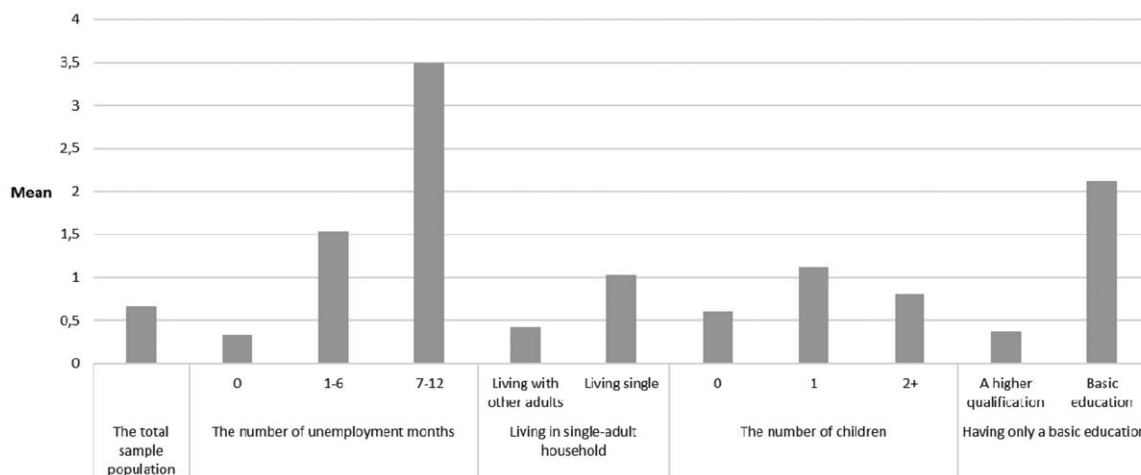
Figure 4. The annual mean number of social assistance months among young adults by critical life-course factors.

did not seem to affect the consequences of the birth of the first child. However, disadvantaged social background was found to have increased vulnerability to the effects of the birth of the second child. For instance, among those with parental social assistance receipt, the effect was 1.22 times higher among men and 1.16 times higher among women.

Since the birth of the second child did not increase the risk of social assistance receipt directly (main effects), the interaction can be interpreted as the birth of the second child had increased the risk among those with a disadvantaged social background, whereas among those with an advantaged social background it did not have an effect. Hence,

Table 1. Hybrid negative binomial models of the number of social assistance months received by young adults (men), incidence rate ratios

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Social background variables (RE estimates)						
Parental social assistance receipt (Ref: no parental social assistance receipt)	1.98***		1.74***	2.97***	1.73***	1.74***
Parental unemployment (Ref: parent without unemployment months)	1.27***		1.14***	1.14***	1.98***	1.14***
Low parental education (Ref: parent with a qualification after basic education)	1.18***		1.03	1.03	1.03	1.36***
Critical life-course factors (FE estimates)						
Number of unemployment months		1.12***	1.11***	1.13***	1.12***	1.12***
Living in single-adult household (Ref: those living with other adults)		1.05***	1.05***	1.04**	1.06***	1.07***
The number of children (Ref: no children)						
One child		1.13***	1.13***	1.16***	1.14***	1.13***
Two or more children		0.98	1.00	0.92*	0.96	0.98
Having only a basic education (Ref: qualification after basic education)		1.34***	1.33***	1.25***	1.26***	1.27***
Interactions						
Parental social assistance receipt * Unemployment months				0.97***		
Parental social assistance receipt * Living in single-adult household				1.04		
Parental social assistance receipt * One child				0.93		
Parental social assistance receipt * Two or more children				1.22***		
Parental social assistance receipt * Basic education				1.21***		
Parental unemployment * Unemployment months					0.98***	
Parental unemployment * Living in single-adult household					0.96	
Parental unemployment * One child					0.95	
Parental unemployment * Two or more children					1.16**	
Parental unemployment * Basic education					1.24***	
Low parental education * Unemployment months						0.99***
Low parental education * Living in single-adult household						0.93**
Low parental education * One child						0.98
Low parental education * Two or more children						1.06
Low parental education * Basic education						1.28***
Wald chi2	17 359***	48 063***	50 759***	52 122***	51 653***	51 129***
Number of observations	360 881	360 881	360 881	360 881	360 881	360 881
Number of individuals	33 174	33 174	33 174	33 174	33 174	33 174

Notes: *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.
Age, year, country of birth, enrolment in education, living in a rural municipality and number of adults in the parental home have been controlled in the models.

Table 2. Hybrid negative binomial models of the number of social assistance months received by young adults (women), incidence rate ratios

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Social background variables (RE estimates)						
Parental social assistance receipt (Ref: no parental social assistance receipt)	1.80***		1.59***	2.88***	1.59***	1.59***
Parental unemployment (Ref: parent without unemployment months)	1.35***		1.25***	1.24***	2.12***	1.25***
Low parental education (Ref: parent with a qualification after basic education)	1.26***		1.07***	1.08***	1.08***	1.38***
Critical life-course factors (FE estimates)						
Number of unemployment months		1.09***	1.09***	1.10***	1.09***	1.09***
Living in single-adult household (Ref: those living with other adults)		1.29***	1.29***	1.26***	1.30***	1.29***
The number of children (Ref: no children)						
One child		1.30***	1.30***	1.31***	1.34***	1.26***
Two or more children		1.04	1.05*	0.99	1.03	0.99
Having only a basic education (Ref: qualification after basic education)		1.47***	1.47***	1.40***	1.43***	1.42***
Interactions						
Parental social assistance receipt * Unemployment months				0.98***		
Parental social assistance receipt * Living in single-adult household				1.09***		
Parental social assistance receipt * One child				0.98		
Parental social assistance receipt * Two or more children				1.16***		
Parental social assistance receipt * Basic education				1.15***		
Parental unemployment * Unemployment months					0.99**	
Parental unemployment * Living in single-adult household					1.04	
Parental unemployment * One child					0.89***	
Parental unemployment * Two or more children					1.06	
Parental unemployment * Basic education					1.11*	
Low parental education * Unemployment months						0.99***
Low parental education * Living in single-adult household						1.01
Low parental education * One child						1.12***
Low parental education * Two or more children						1.25***
Low parental education * Basic education						1.14**
Wald chi2	20 855***	41 472***	43 541***	44 735***	44 235***	43 839***
Number of observations	341 932	341 932	341 932	341 932	341 932	341 932
Number of individuals	31 568	31 568	31 568	31 568	31 568	31 568

Notes: *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$.
Age, year, country of birth, enrolment in education, living in a rural municipality and number of adults in the parental home have been controlled in the models.

it seems that young adults with an advantaged social background can decide to have more children when the economic situation of the family is suitable. In addition, having only a basic education was found to be more harmful for those having a disadvantaged social background. Among those with a disadvantaged social background, the effect of low education was 1.21–1.28 times higher among men and 1.11–1.15 times higher among women than among those with a more advantaged social background.

With respect to the interaction estimates, some differences compared with the general patterns were also found. Among women whose parents had received social assistance, the effect of living without additional adults was 1.09 times higher than among those whose parents did not receive social assistance (Model 4). Among women whose parents experience unemployment, having the first child was less problematic (11%) than among those whose parents did not experience unemployment (Model 5). Among women, the effect of the birth of the second child did not seem to vary statistically significantly by parental unemployment (Model 5) and, among men, it did not seem to

vary statistically significantly by parental education (Model 6).[8]

Discussion and conclusion

The transition into adulthood is characterised by different life-course transitions (especially the so called 'big five' transitions), and social background affects the ability to manage typical as well as problematic transitions. This study has analysed how social background and critical life-course factors predict the annual number of social assistance months received among young adults in Finland. Especially, this study

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[8] When each interaction was included in the models separately, there were some differences with regard to the statistical significance of interaction coefficients. Among men, those with parental social assistance receipt seemed to be less vulnerable to the birth of the first child than those whose parents did not receive social assistance. The interaction between parental unemployment and living in a single-adult household among men indicated that also parental unemployment cushions the effects of living in a single-adult household. Lastly, among women, the birth of the second child appeared to be more problematic for those whose parents experienced unemployment.

was interested in whether young adults with a disadvantaged social background are more vulnerable to the effects of critical life-course factors than are those with an advantaged social background. This study has contributed by showing that although critical life-course factors are associated with social assistance receipt, the effects and the incidence of critical life-course factors can be affected by social background.

This study has shown that both social background and critical life-course factors are important predictors for the annual number of social assistance months. Hence, these factors should be regarded as complementary rather than regarding one of them as being the primary explanatory factor (see also Kauppinen et al., 2014; Lorentzen et al., 2012). Young adults with a disadvantaged background – especially parental social assistance receipt – were shown to have a higher risk of receiving social assistance in later life. In addition, critical life-course factors among young adults increase the risk of social assistance receipt. Although the birth of the second child was not found to be directly associated with a higher number of social assistance months, the effects of this life course event vary by social background. Furthermore, this study has shown that also with regard to social assistance receipt, women are more affected by demographic events than are men (cf. Callens & Croux, 2009; DiPrete & McManus, 2000).

The results also show that the effect of social background is mediated partially through critical life-course factors. Since apart from low education and the birth of the second child, the effects of critical life-course factors were not found to be regularly higher for young adults with disadvantaged social background, it suggests – in addition to the descriptive findings – that those with a disadvantaged background might also have a higher risk of experiencing critical life-course factors (see also Ermisch, Jäntti, & Smeeding, 2012; Pintelon et al., 2013). In other words, there are signs of chains of risk factors (Kuh et al., 2003) that indicate the indirect effect of social background. However, in some cases when young adults experience critical life-course factors, those with a disadvantaged social background are more likely to receive more social assistance months. This should be a great concern since it implies that a disadvantaged background can leave a 'social imprint' (cf. Bäckman & Palme, 1998). Furthermore, since social background has its own independent effects on social assistance receipt, young adults with a disadvantaged social background are at greater risk of social assistance receipt already before experiencing critical life-course factors. A likely explanation for vulnerability to the effects of critical life-course factors is that parents with low incomes are less able to give financial support to their young adult children.

Young adults may need additional financial support during the transition into adulthood, and especially when problematic life course transitions occur, and they turn to social assistance if their parents are not able to help (cf. Moisio & Kauppinen, 2011). This would imply that advantaged social background offers compensation when critical life-course factors are experienced (cf. Bernardi, 2012; Sirniö et al., 2016). All in all, this study has shown that the risk of receiving social assistance is not equally shared among young adults according to social background. This is contrary to the discussion of individualisation of poverty which has emphasised that becoming poor at some point has become typical and that poverty is connected with specific life-course events (Beck & Beck-Gernsheim, 2002; Leisering & Leibfried, 1999).

The fact that a disadvantaged social background was found to have mainly modest effects on vulnerability to critical life-course factors may be connected to the Nordic welfare state model. Although social background is a significant predictor of the number of social assistance months, the safety nets of the welfare state seem to cushion the effects of critical life-course factors, somewhat regardless of social background. This seems to be especially true with respect to unemployment benefits. Additionally, earlier studies conducted in the Nordic countries have not found that persons with a disadvantaged background are more vulnerable to the effects of critical life-course factors (especially unemployment) (Bäckman & Nilsson, 2011; Lorentzen et al., 2012). On the other hand, in some cases, it could be that among those with a disadvantaged social background, critical life-course factors do not necessarily produce an additional vulnerability due to the already disadvantaged social position (cf. Hannon, 2003).

Compared with studies by Lorentzen et al. (2012) and Bäckman and Nilsson (2011), this study found that disadvantaged social background can occasionally increase vulnerability to the effects of critical life-course factors. In addition to a different methodological approach, this study has included a different set of variables for the measurement of social background and critical life-course factors. For instance, Lorentzen et al. (2012) did not analyse parental social assistance receipt and Bäckman and Nilsson (2011) focused only on the effects of the individual's long-term unemployment. Additionally, Bäckman and Nilsson (2011) analysed social exclusion rather than social assistance receipt as such, and they did not focus on young adults. Moreover, with respect to social assistance receipt, it might be that taking into account the number of social assistance months gives more nuanced answers to the questions related to vulnerability to the effects of critical life-course factors. Yet, the differences between the studies might also

be related to differences in institutional settings. In Finland, there is a greater share of social assistance recipients than in Norway and Sweden, and one suggested reason has been that in Finland social assistance is often a top-up for other minimum income benefits (e.g., Kuivalainen & Nelson, 2012). Hence, persons with disadvantaged social background might be more likely to receive social assistance when they experience critical life-course factors due to the level of other minimum income benefits and a lack of compensation provided by parents.

The results of this study highlight that for young adults, education can work as a protective mechanism. Those in the study with only compulsory school education received on average significantly more months of social assistance than those with a higher educational qualification. In addition, low education is, as such, a risk for social assistance receipt, but it is even more for those, especially men, with a disadvantaged social background. Investing in education can have long-term effects, since education is highly correlated between generations (Ermisch et al., 2012). Therefore, education may also prevent social assistance receipt of the next generation.

This study has analysed young adults. In the total population, the effects of different explanatory factors could be expected to be different. In the analysis, the focus has been on the sample persons' register information. However, according to the Finnish social assistance system, the family is the unit that receives the benefit. Hence, the spouse's information also has explanatory power regarding social assistance receipt. Moreover, it should be pointed out that different factors occurring during the individual life course may mediate each other. For instance, own education level is an important predictor for job loss and for childbirth (Vandecasteele, 2015). Additionally, own education level mediates the effects of social background on experiencing different social risks (Pintelon et al., 2013).

The descriptive analyses show that the uptake of social assistance decreased during young adulthood. Hence, the role of social assistance is emphasised during the unstable transition from school to work and from the family home to independent adulthood. Future studies should analyse how the effects of social background change when individuals turn 30 years old and thereafter. Also, more attention should be given to the question of which kinds of processes turn parental social assistance receipt into offspring's own receipt.

Acknowledgements

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