

# The effect of local labour market, housing context and social services on financial situation among youth in European cities

Ábel Csathó, TÁRKI Social Research Institute

---

22 November 2022

# Introduction

---

## D2.4 Synthesis Report: socioeconomic inequalities in different urban contexts

- Regional economic and welfare structures play an important role in the reproduction of inequalities.
- How financial situation of the young is affected by characteristics of the urban environment?
- Economic competitiveness of cities: expected positive effects through labor market BUT potential negative effects through housing!
- Effective local policies and high quality local social services (eg. education, health, public transportation) is also expected to lead to higher well-being.

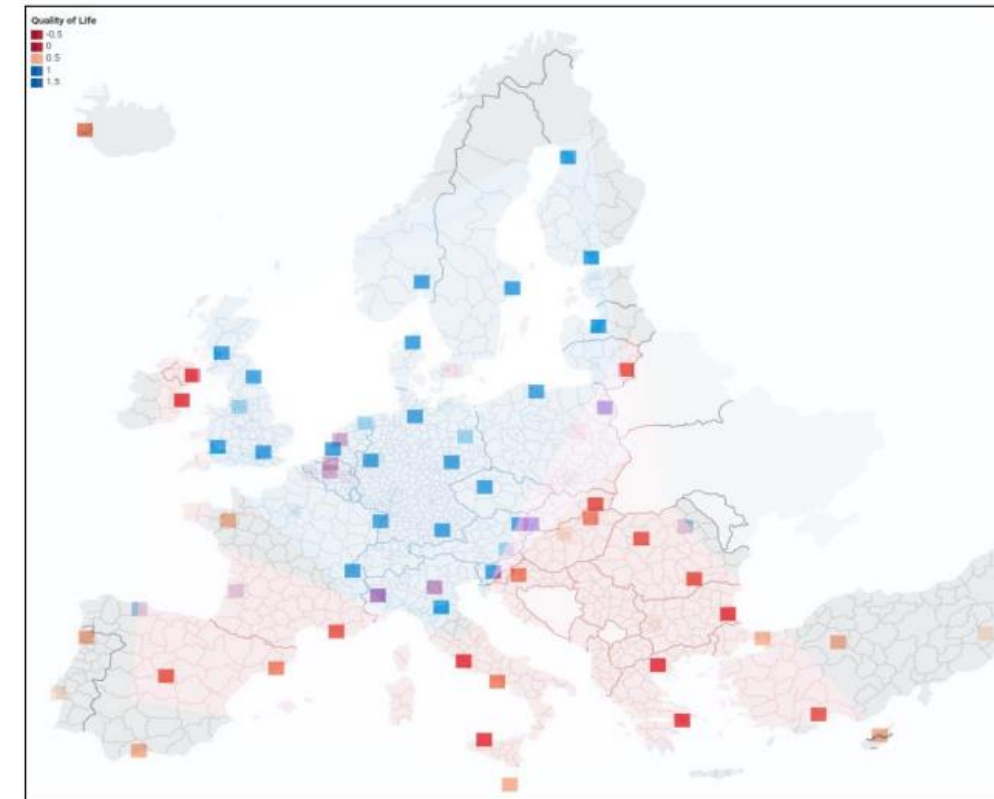
# Data used

EC/DG REGIO, Perception Survey on the Quality of Life (QoL) in European Cities:

- waves used 2006, 2009, 2012, 2015, 2019
- representative sample of 700 (formerly 500) people each from 63-67 cities,
- all EU (except HR) but including CH, NO, UK and TR.
- age group 16-35 years

Contextual indicators:

- economic performance indicators from OECD FUA level database: GDP per capita, unemployment rate
- Indicators for housing: aggregated from database
- Indicators of local services: aggregated from database



Gajdos and Hudec 2020:11

# Dependent variable

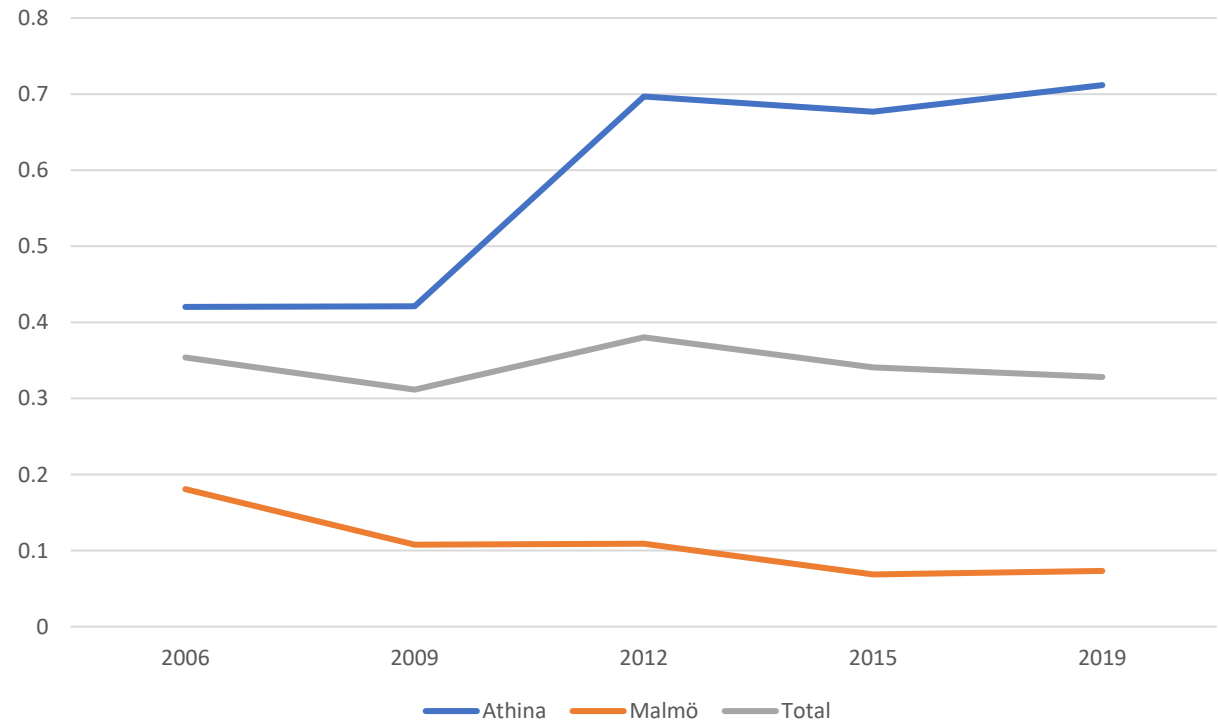
Survey question:

„having difficulties with paying bills in the last 12 months“

1-time to time or most of the times

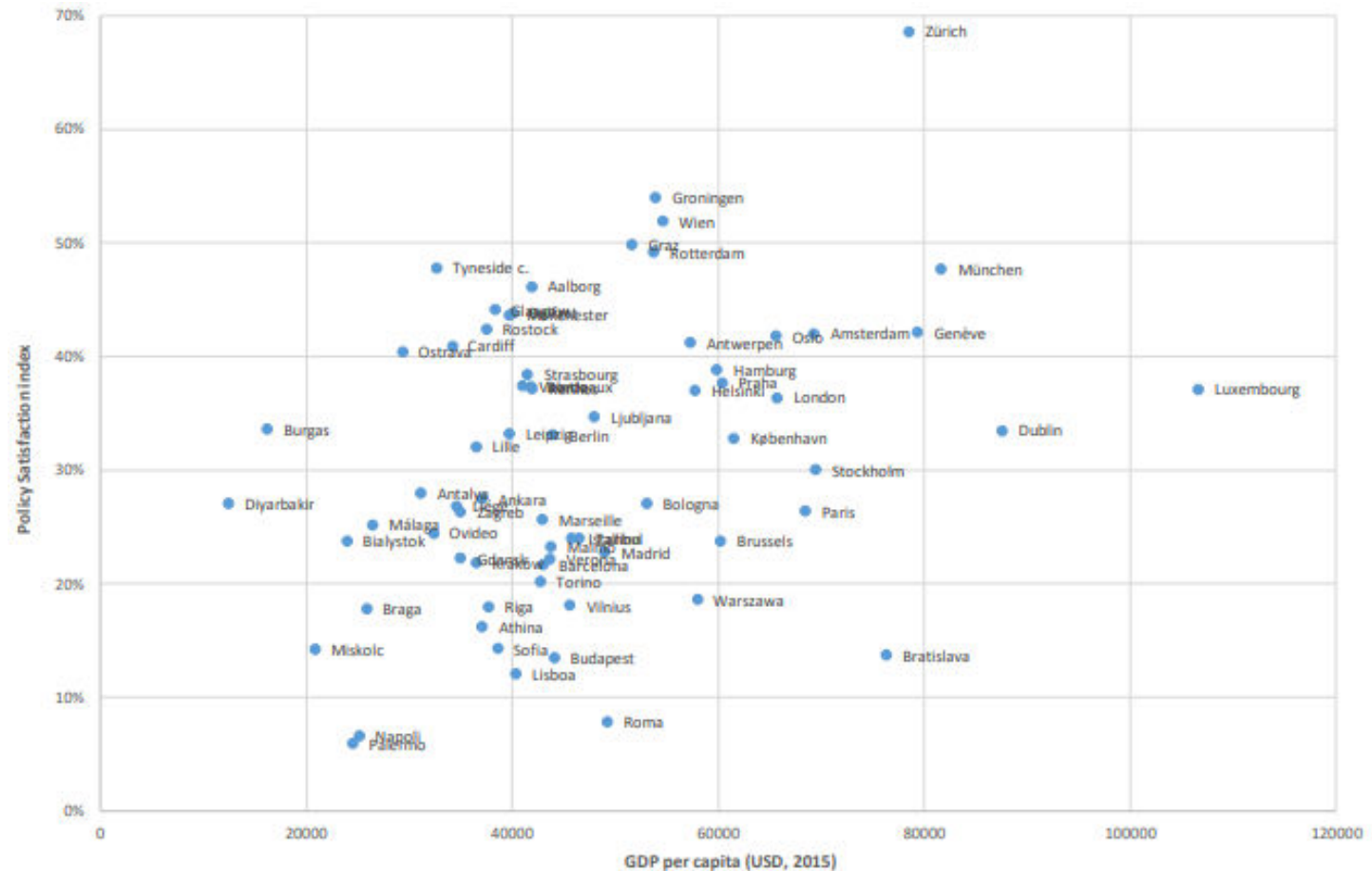
0-never or almost never

Percentage of the young having difficulties in paying bills



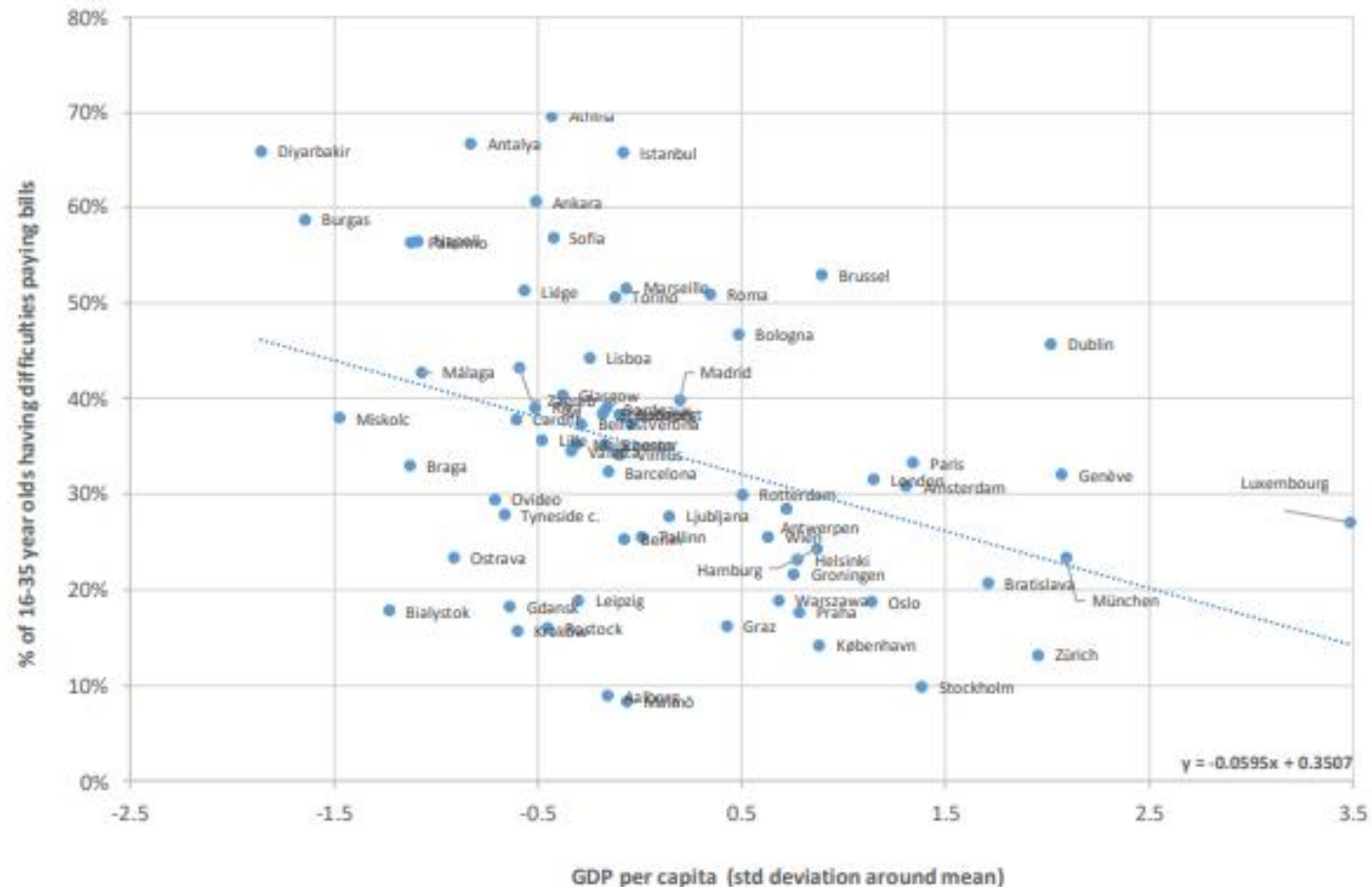
# Independent variables

Policy Satisfaction Index:  
Average of % very satisfied with local education, health and public transport services in each city and year among all respondents in the city



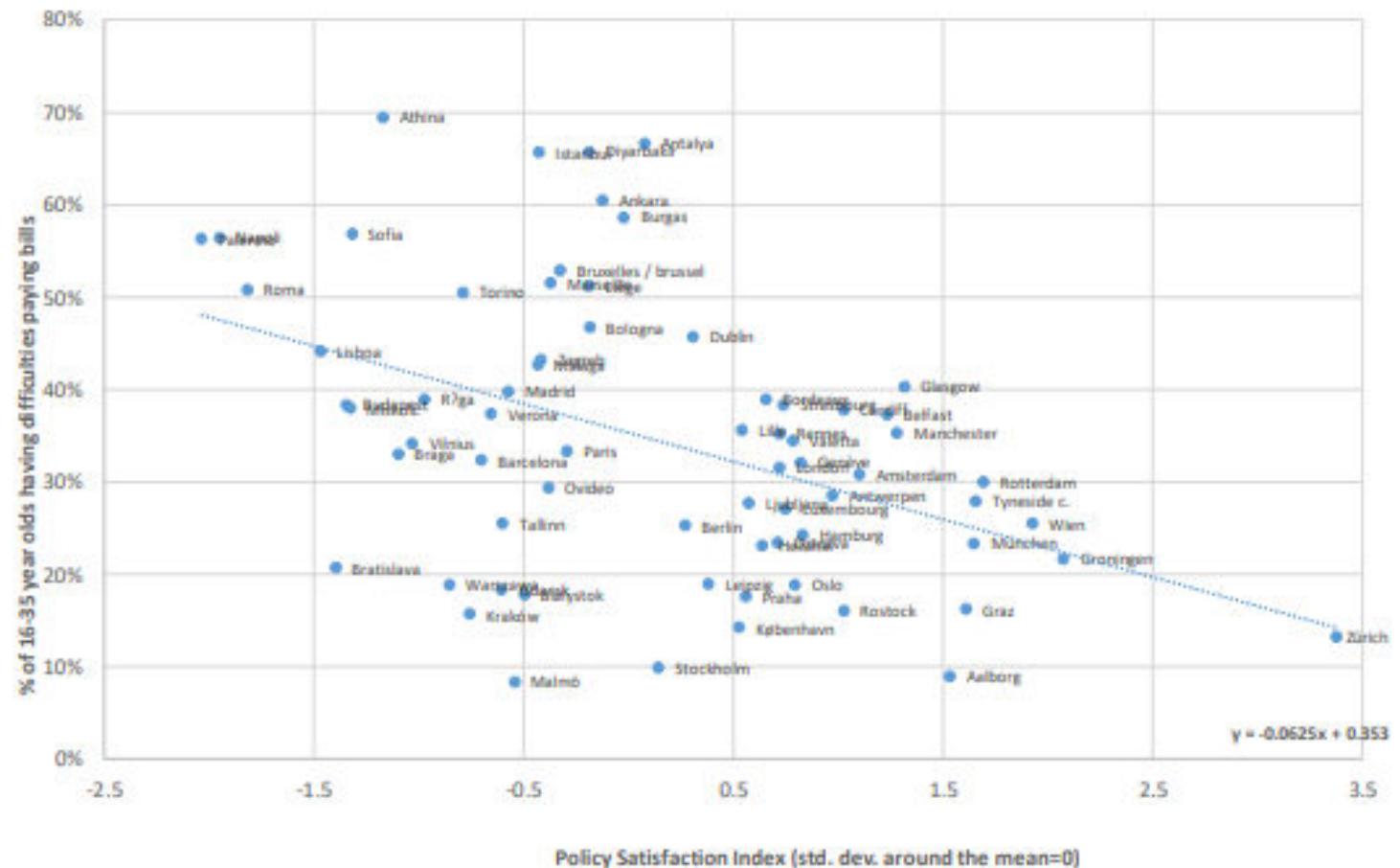
# Descriptive results (1)

GDP per capita is standardised (divided by the standard deviation) in order to eliminate differences in units of measurement and to make the effect of the variables comparable



# Descriptive results (2)

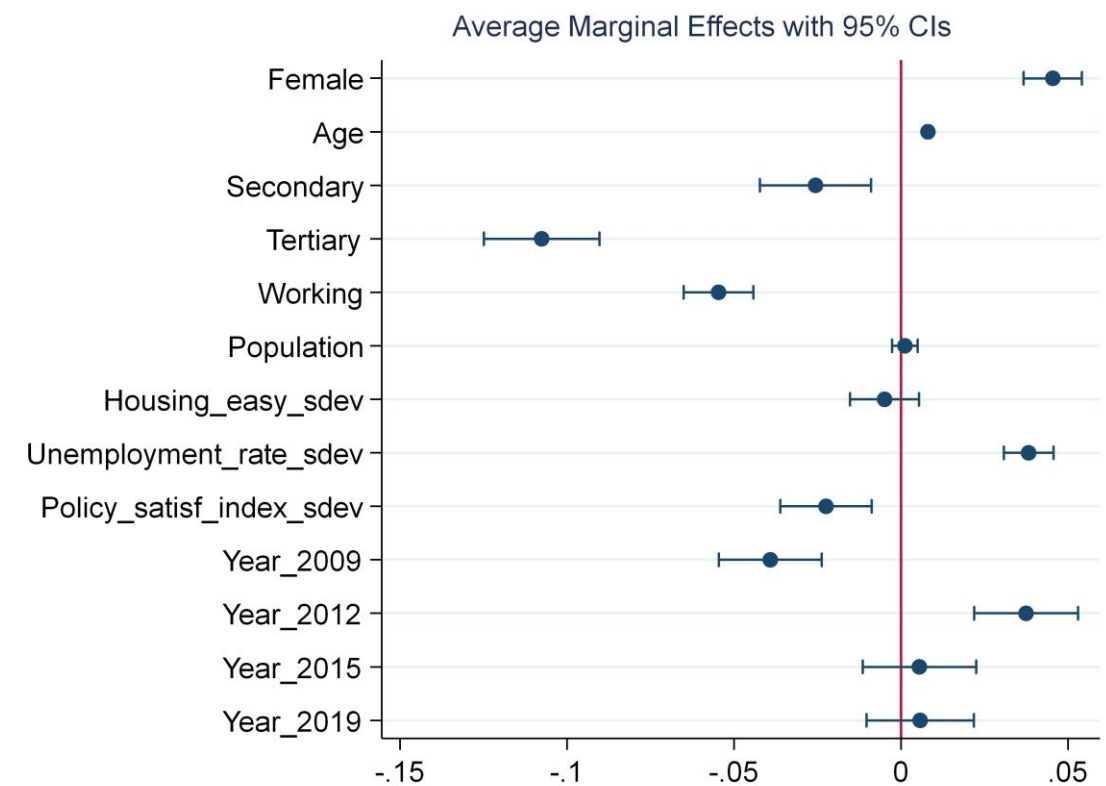
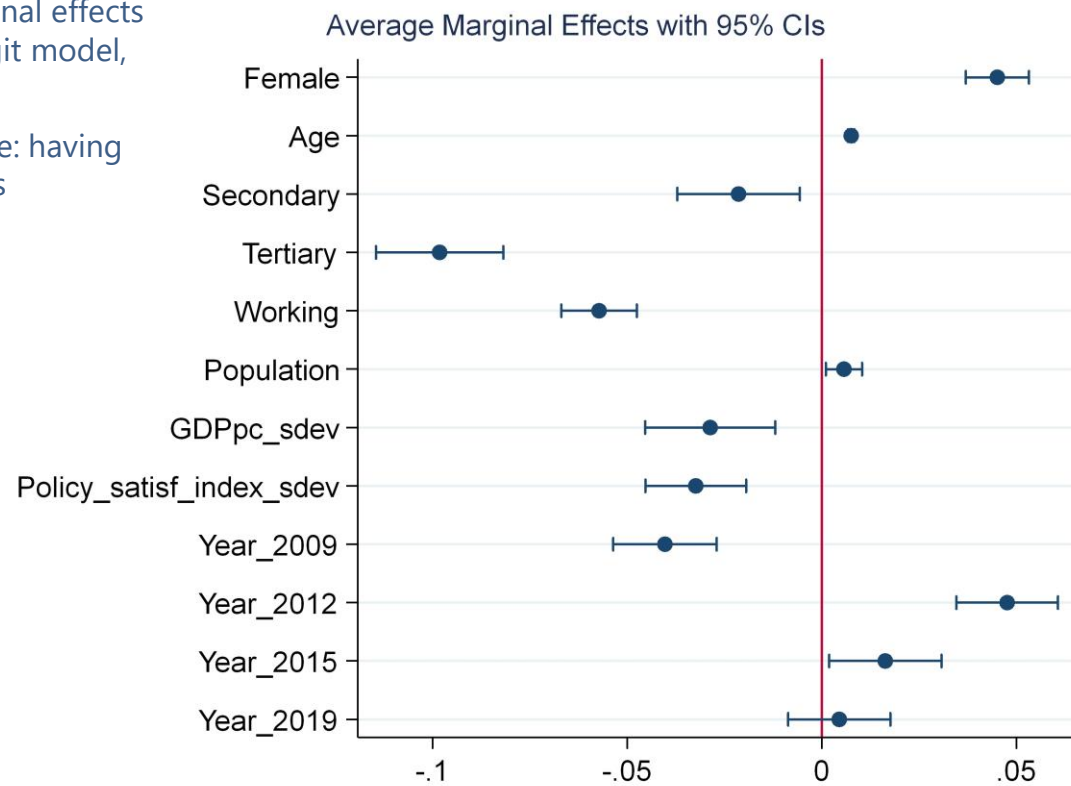
Policy Satisfaction Index:  
Average of % very satisfied with local education, health and public transport services in each city and year among all respondents in the city. The index is standardized.



# Multivariate analysis (1)

Fig. Average marginal effects from multilevel logit model,

Dependent variable: having financial difficulties



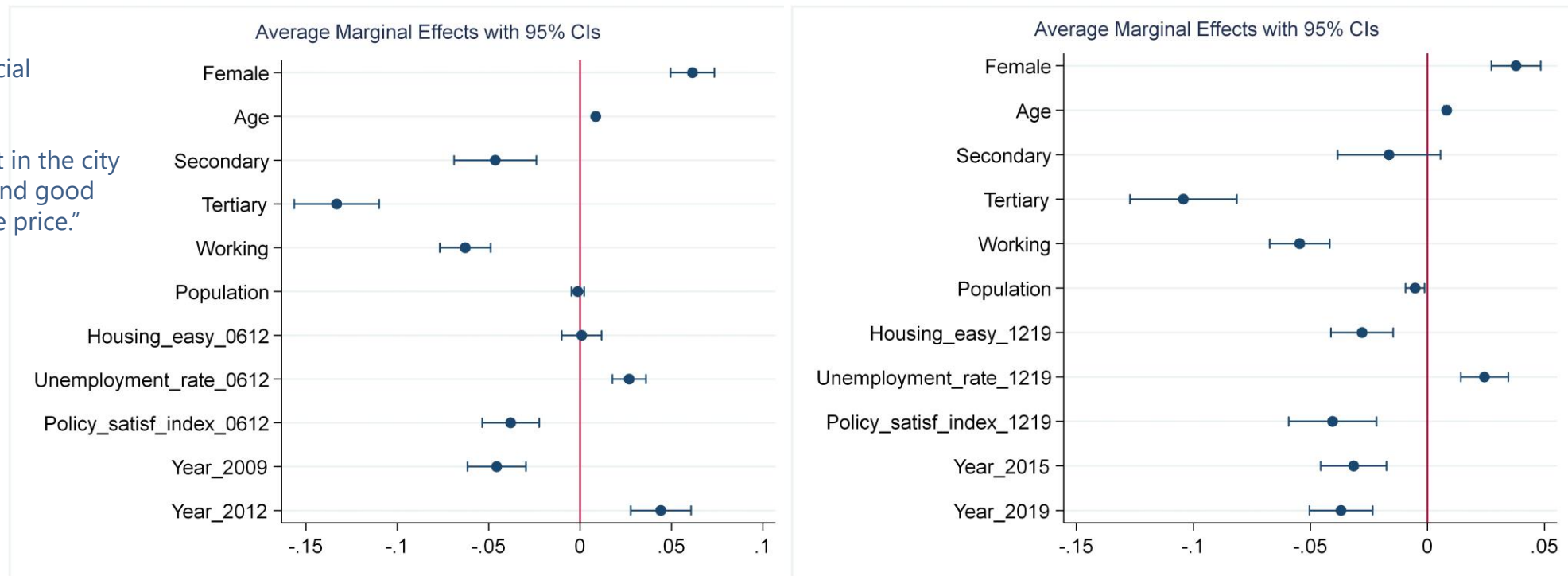


# Multivariate analysis (2)

Fig. Average marginal effects from multilevel logit model,

Dependent variable: having financial difficulties

Housing easy: average agreement in the city with the statement „It is easy to find good housing in my city at a reasonable price.“



# Conclusion

---

- To analyse deprivation among the young we also need to understand the local context in which youth live.
- Both economic competitiveness and local policies matter!
- Economic competitiveness can also have negative effect on youth well-being in cities through rising housing prices.

# Ábel Csathó

csatho@tarki.hu

---



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 870898.

The sole responsibility for the content of this publication lies with the authors. It does not necessarily represent the opinion of the European Union. Neither the EASME nor the European Commission is responsible for any use that may be made of the information contained therein.

# Illustrative analysis

Dependent variable: difficulties in paying bills in the last 12 months

(„On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your personal job situation“.)

First-stage (within city) regression models:

$$Y_{ic} = \alpha_c + \beta_{1c} \text{YEAR} + \beta_{2c} \text{GENDER}_{ic} + \beta_{3c} \text{AGE}_{ic} + \beta_{4c} \text{EDUC}_{ic} + \varepsilon \quad (\text{for } i \text{ individual in } c \text{ city})$$

Second-stage: we explain **the disadvantage of the low educated** with city-level variables

-economic situation: GDP per capita (PPP) or GDP growth

-policy: quality of the education system: average satisfaction with educational services

(„Please tell me if you are very satisfied, rather satisfied, rather unsatisfied or not at all satisfied with schools and other educational facilities in your city or area.“)