



Debt problems, home-leaving, and boomeranging: A register-based perspective on economic consequences of moving away from parental home

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Abstract

This article analyses the development of financial problems after leaving one's parental home, and considers how financial problems are associated with likelihood of boomeranging (i.e., adult children returning to parental home). The 9-year follow-up study focused on a nationally representative sample of Finnish young people between the ages of 15 and 25 who moved out from their parental home between 2006 and 2009 ($n = 9,196$). The measure of debt problems was based on monthly data on debt enforcement, a legal matter which may bring serious consequences for the debtors. The primary within-individual, longitudinal analyses showed that debt problems increased directly after leaving parental home. Education and family background were significant predictors of debt problems in the four years after leaving parental home. Early leavers had significantly more debt problems than later leavers. Debt problems were associated with a higher likelihood of moving back to parental home. The results imply that it is important to support economic decision-making during early adulthood.

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