Analysis of social needs of youth
Report 6 on social needs by population group focuses on five different social segments: children, young adults, senior citizens, women and immigrants. The bibliography that appears in each of the reports is the bibliography for all the groups.
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Executive summary

Young adults

• Young adults face serious problems related to employment. The high rate of youth unemployment, insecure jobs and low pay have a detrimental impact on the financial and material wellbeing of this age group, placing them in a poor position relative to the general population.

• The increase in the cost of purchasing or renting a home, combined with young people’s low income levels, means that they are unable to leave the parental home till a later age. The economic crisis exacerbated these difficulties, raising the percentage of young adults living with their parents.
The financial and social difficulties that young adults aged 18 to 29 face affect their financial, social and even their political decisions and have a knock-on effect on social development. The extent to which young adults’ needs are met is thus extremely important to the shape of society of the future. The lack of professional opportunities, the worsening of employment conditions and the problems of finding a home can lead these younger generations to feel excluded from a society that they regard as more and more unfair, which could contribute to a weakening of social cohesion. It should not be forgotten that difficulties in getting a job and the rise in insecure employment reduce the likelihood that they will be able to leave the family home and will lead to a fall in the birth rate against the backdrop of significant population ageing.

Ten indicators have been selected to measure the various social needs that affect young people’s financial and material wellbeing, their situation in the employment market, the difficulties they face in finding a home and their state of health. The results show that young adults in Spain are in a clearly worse position than the population as a whole in every area of social needs, apart from in some of the health indicators. As is natural, young adults enjoy a better state of health, though there are signs that many of them have unhealthy lifestyle habits. Their situation in the labour market is worse than that of the general population (Villar, 2014), implying, given the limited importance of financial benefits in their family income, that their level of financial and material wellbeing is also low. The economic crisis triggered a significant rise in the social needs of this group, for whom the recovery has been slow and inadequate in most of the selected indicators.
Indicators that measure young adults’ social needs by welfare aspect

Difficulty getting by till the end of the month:
Percentage of young adults (aged 18-29) that live in households that state they find it difficult or extremely difficult to get by till the end of the month.

Consistent poverty:
Percentage of young adults (aged 18-29) whose households suffer simultaneously from a risk of financial poverty and material deprivation.

Insecure employment:
Percentage of young adults (aged 20-29) who live in households where everyone in work is on a temporary contract.

Employees on an hourly rate of pay that is less than 2/3 of the average pay:
Percentage of young adults (aged 20-29) in work whose gross hourly pay rate is less than 2/3 of the average pay.

In-work poverty:
Percentage of young adults (aged 18-29) in work who live in households whose income as a family is below the poverty threshold.

Excessive housing costs:
Percentage of young adults (aged 18-29) who head households whose housing costs exceed 30% of the household’s disposable income.
Late rent or mortgage payment:
Percentage of young adults (aged 18-29) who head households that have paid their rent or mortgage late in the previous year.

Obesity:
Percentage of young adults (aged 18-29) with a BMI above 30 kg/m².

Insufficient consumption of fruit and vegetables:
Percentage of young adults (aged 18-29) who do not eat fruit and vegetables on a daily basis.

Heavy smoking:
Percentage of young adults (aged 18-29) who smoke more than 20 cigarettes a day, age-adjusted.

Notes:
The education-related indicators for young adults can be consulted in Report 5 of this collection.

Source:
Financial and material wellbeing and the labour market

Young adults’ financial capacity is closely connected with their position in the labour market, their main source of income. Almost one in every four adults aged between 18 and 29 live in households that find it difficult to get by to the end of the month. This indicator is higher than that of the general population, demonstrating that there is a higher concentration of young adults in households suffering from financial pressure. The percentage of young adults who find it difficult to make it to the next payday began to rise at the start of the economic crisis, rising to 42.2% in 2014. In recent years, there has been a downward trend in this, with an improvement of ten percentage points in 2017 over the previous year. Young adults’ low pay and the rate of youth unemployment in part explain their inability to meet their basic needs, though the problem is attenuated by other household members in a better situation.

The rate of consistent poverty among young adults was lower than that recorded for the whole of the population in 2009. The economic crisis reversed this pattern, however: in 2014, 13.7% of young people were living in households at risk of financial poverty and material deprivation, whereas consistent poverty affected 11.6% of the total population. In part, this result is the outcome of young adults leaving the parental home at a later date, as well as the rise in the size of poorer households by accepting other members in financial difficulties (Herrero, Soler and Villar, 2013). In more recent times, consistent poverty has fallen slightly, affecting more than one in ten young adults in 2018.

Employment is, unquestionably, the aspect that presents most challenges in terms of young adults’ welfare. The lack of professional opportunities at the start of their working life may hold back the economic and social progress of this age group. In Spain, the high youth unemployment rate is very worrying: even though it was already at high levels prior to the recession (14.3% in 2008), it rose to as much as 41% in 2013. The economic recovery has reversed this trend, although in 2018 almost one in four young adults aged between 20 and 29 who could potentially be in work was unemployed. The Spanish labour market is noted for its structural segmentation between workers aged over 30, who are on permanent contracts, and young adults, among whom there is a high rate of temporary contracts (García-Pérez and Muñoz-Bullón, 2011). The crisis not only raised the youth unemployment rate but also increased the instability of their jobs. The percentage of young adults living in households where all the workers were on temporary contracts fell during the recession, but this was because people on this type of contract were driven into unemployment. However, even though the recovery has brought about an improvement in unemployment, the incorporation of young adults into the labour market has come about fundamentally through temporary employment. In 2018, 54.8% of employees aged between 20 and 29 were on temporary contracts, a percentage that drops to 26.8% for the total population. However, the fact that other members of the household are in a better employment position attenuates the differences within the family as regards temporary jobs.

Another indication of the job insecurity faced by Spanish youth is the low pay they receive. The percentage of young adults paid less than 2/3 of the average pay rose from 17.6% in 2006 to 22.4% in 2014, reflecting the fact that the labour market for individuals aged between 20 and 29 offers poor quality jobs and a larger proportion thereof than found among the total population. The incidence of low pay for the total population does not depend on the phase of the economic cycle, but for young adults the economic cycle is key. It is for this reason that the attention is drawn to the sustained rise over the last ten years in the number of low-paid workers among those aged 20 to 29. In-work poverty among this age group was lower than that among the general population prior to 2012, but between then and now, the percentage of young adults in work living in households below the poverty threshold has continued to rise, reaching 22.2%. This result demonstrates how young adults are concentrated in households with few working hours and in poor quality jobs that make it impossible for them to escape poverty.
Housing

Another of the most worry obstacles for young adults is the difficulties they face in finding a home. The increase in home purchase prices and rental costs is one of the greatest barriers for many young adults considering leaving the parental home. Around half of the people aged between 18 and 29 bearing the financial costs of a home spend more than 30% of their disposable income on it, be it as rent or as mortgage interest and capital payments, bills, etc. This is twice the amount of the indicator for the population as a whole. Moreover, the recession brought with it an increase in late rent or mortgage payments. In 2017, 6.8% of individuals aged between 18 and 29 who were heads of their household stated that they had made late rent or mortgage payments, as opposed to 3.8% of the total population.

Education

Mention must also be made of the importance of education to young adults’ professional and social development (for more information, see Report 5 on education). The school dropout rate in Spain is very high: one in five people aged between 18 and 24 who have not completed further secondary schooling do not continue their studies. Even though the economic crisis led to a reduction in this dropout rate due to the lack of employment opportunities for people with a low educational level, our country has one of the highest levels in Europe.

Health and lifestyle habits

It is also important to study the results and evolution of health indicators in young adults in order to be able to identify possible factors that represent a risk to their future health. The percentage of people aged between 18 and 29 who suffer from obesity is much lower than the proportion in the total population, as young people do more physical activity and hence a smaller percentage of them have adopted a sedentary lifestyle. However, the obesity indicator shows a worrying upward trend: whereas 5.6% of young people had a BMI of over 30 kg/m2 in 2006, this percentage rose to 8.9% in 2017. This may be due to a failing in healthy lifestyles among this group: around 43% of young adults do not consume any fruit or vegetables on a daily basis. On the other hand, there is a noticeable reduction in tobacco consumption, with an incidence among young adults that is quite a bit lower than among the general population. The percentage of individuals aged between 18 and 29 who smoke more than 20 cigarettes a day fell by a third between 2006 and 2017, which seems to indicate that young adults are increasingly aware of the damaging effects of smoking on their health.
Spain has traditionally been one of the European countries with the highest percentage of young adults living with their parents. The opportunities for them to move into homes of their own have fallen since 2008, in particular as a consequence of the economic crisis, due to the youth unemployment rate, insecure employment and the difficulties they face in finding a home. As can be seen in Figure 2, young adults’ independence rose during the financial boom. However, the percentage of young adults living with their parents has surged upwards since 2010. At the present time, 76% of young adults aged under 30 have still not been able to establish an independent life.

**Figure 2. Percentage of young adults aged between 20 and 29 living with their parents in Spain, 2005-2017.**

*Source: Eurostat Database.*
Virtually every country in the EU experienced this fall in the number of adults leaving the parental home, with the percentage of adults aged between 20 and 29 still living with their parents increasing between 2008 and 2017. Spain is one of the countries where this percentage is highest, far exceeding the European average: in 2017, 76.2% of young Spanish adults were still living in their parents’ home, compared to 53.1% across the EU. In this aspect, Spain ranks alongside other Mediterranean countries such Portugal, Greece and Italy. This seems to indicate that in addition to the employment and housing needs of this age group, the lack of public aid that will help them to establish themselves independently has meant that young Spanish adults turn to their families for financial protection, delaying their departure from the parental home (Ayllón, 2009).

Figure 3. Percentage of young adults aged between 20 and 29 living with their parents in the European Union.

Note: The 2008 figure for Croatia comes from 2010.

Source: Eurostat Database.
Even though young people are in a worse position than the rest of the population in every country in the EU, this differential is particularly apparent in Spain.

In comparative terms, the social needs aspects with the widest gaps between young people and the total population are access to housing and financial and material wellbeing. In Spain, the percentage of individuals aged between 18 and 29 who find it difficult to meet their basic needs at the end of the month is higher than the average across Europe: almost a third of Spanish young adults suffer this type of financial pressure, whereas this percentage drops to almost 23.3% in the case of European young adults. In 2017, Spain was at the tail end of the ranking for this indicator, along with countries such as Italy and Portugal. Despite having much higher levels of youth unemployment and temporary contracts than in other member states in the EU (Villar, 2014), Spain occupies an intermediate position in relation to the percentage of people in work whose hourly pay is less than 2/3 the average pay. This difference is repeated when we compare the European average: young adults are in a worse position relative to the entire European context (in 2014, 24.3% of people in work aged between 20 and 29 were not earning an adequate rate of pay, as compared with 16.6% of the total population). Sweden and Belgium are the countries with the lowest incidence of the problem of poor pay rates, whereas Germany is at the bottom of the table. Young Spaniards are positioned at levels similar to those of Slovakia, Luxembourg and the Czech Republic.

More worrying is the indicator on late housing-related payments: in Spain, 6.8% of young adults not living with their parents were late in paying in their mortgage, rent or other costs associated with housing, whereas the European average percentage is lower, standing at 5.5%. Our country is just below mid-table in the ranking, alongside Bulgaria, Belgium and Portugal.

In addition, the percentage of Spaniards aged 18 to 29 who are obese is higher than the European average, ranking just below mid-table alongside countries like Austria and France. This result is in contrast with the result for the total population, which, though it is almost a percentage point higher than the average level of the European population, ranks four places above the young adults’ classification.
## Figure 4. Young adults: Spain’s position in the ranking of social needs in the EU-28.

<table>
<thead>
<tr>
<th>Difficulty getting by till the end of the month: Percentage of people that live in households that state they find it difficult or extremely difficult to get by till the end of the month.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Young adults</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees on an hourly rate of pay that is less than 2/3 of the average pay: Percentage of people in work whose gross hourly pay rate is less than 2/3 of the average pay.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Young adults</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Late rent or mortgage payment: Percentage of people living in households that have paid their rent or mortgage late in the last year.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Young adults</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Obesity: Percentage of people with a BMI over the obesity limit.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Young adults</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

**Source:**
Compiled in-house using data from the EU-SILC, Structure of Earnings Survey and European Health Interview Survey.
In Spain, public policies of a monetary nature aimed at young adults are insignificant as a proportion of total public spending (Villar, 2014) and there are few benefits intended to improve the conditions of life of this age group. Most youth-related programmes are run by autonomous community and local authorities, though there are some bodies at a national level involved in decision-making in relation to this collective, such as INJUVE (the Spanish Youth Institute) and the Youth Council. In addition, the government has drawn up the 2020 Youth Strategy, its goal being to establish a frame of reference for youth policies in Spain, to encourage co-ordination between public bodies in this field and to implement initiatives and programmes for teenagers and young adults aged between 16 and 29 in various areas, among them education, employment, housing, health, participation in society and international co-operation. It should be noted that around 90% of the budget allocated to the 2020 Youth Strategy goes to employment and entrepreneurship policies, while other areas in which young adults have sizeable social needs, such as access to housing and leaving the parental home, are largely ignored (European Commission, 2018a).

Even though youth employment policies in general receive more financing than other policies, they are not sufficient to mitigate young adults’ poor situation in the job market. Specifically, there are a number of programmes aimed at combatting youth unemployment, temporary contracts and dropping out of training. Thus, the training and apprenticeship contract is intended to help youngsters aged 16 to 25 with no work experience to gain employment and professional skills. This contract includes a programme of training for the worker as well as a range of tax credits for companies. Similarly, every member state of the EU has implemented the Youth Guarantee contracts, aimed at young adults aged under 25 who have been unemployed or dropped out of formal education for at least four months. It is framed as a programme to enable young adults to access quality jobs with continuing education and training, the main goal being to reduce the number of people aged between 15 and 24 who are not in employment, education or training (known as NEETs). As can be seen in figure 5, the percentage of NEETs in Spain is above the European average: in 2018, 12.4% of young adults were not working or receiving any form of education, as opposed to 10.5% of the European young adult population, though this figure had fallen by two percentage points since 2008.
The Youth Guarantee has been implemented in the various EU countries in a number of ways, with different outcomes in terms of the incorporation of young adults into the labour market. Figure 6 shows the percentage of young adults who were neither working nor studying covered by the Youth Guarantee in 2016. This percentage is 34% in Spain, below the European average and close to countries such as Estonia and Lithuania. In the upper part of the ranking are countries like Austria, Finland and Belgium, with coverage rates of over 70%. Even though our country has seen improvements in youth employment in recent years, these results demonstrate that there is a need to improve the quality of the jobs offered through this programme and to increase the coverage rate, as well as to support job placements for the beneficiaries of this initiative when this Youth Guarantee comes to an end (European Commission, 2018b).

Source: Eurostat Database.
Furthermore, there is currently no general plan to improve young adults’ access to housing. The lack of access to accommodation makes it impossible for young adults to move out of the parental home and increases the age at which this group can do so. There is a general programme of housing rental benefits for citizens with limited financial resources: the beneficiary’s income may not be higher than three times the IPREM (an income indicator used for means-testing purposes), and the amount of rent paid must not be greater than 600 euros a month. The substantial increase in rental prices in our country means that only a very small number of young adults are able to apply for this benefit, which is virtually non-applicable in major cities.

At autonomous community level, there are also tax credits for housing rental by young adults (figure 7) and deductions for main home purchases, as well as certain municipal aids, though the sums allocated to these policies are extremely low and the requirements are such that a large part of the young adult population is excluded from them.
### Figure 7. Personal tax deductions for main home rental aimed at young adults, 2018.

<table>
<thead>
<tr>
<th>Autonomous community</th>
<th>Age</th>
<th>Reduction on the annual amount of rent</th>
<th>Maximum amount annual reduction</th>
<th>Maximum taxable income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andalusia</td>
<td>&lt;= 35</td>
<td>15%</td>
<td>€ 500</td>
<td>€ 19.000</td>
</tr>
<tr>
<td>Asturias</td>
<td>General</td>
<td>10%</td>
<td>€ 455</td>
<td>€ 25.009</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>General</td>
<td>20%</td>
<td>€ 600</td>
<td>€ 20.000</td>
</tr>
<tr>
<td>Cantabria</td>
<td>&lt;= 35</td>
<td>10%</td>
<td>€ 300</td>
<td>€ 22.000</td>
</tr>
<tr>
<td>Castile and León</td>
<td>&lt;= 35</td>
<td>20%</td>
<td>€ 459</td>
<td>€ 18.900</td>
</tr>
<tr>
<td>Castile-La Mancha</td>
<td>&lt;= 35</td>
<td>15%</td>
<td>€ 450</td>
<td>€ 12.500</td>
</tr>
<tr>
<td>Catalonia</td>
<td>&lt; 32</td>
<td>10%</td>
<td>€ 300</td>
<td>€ 20.000</td>
</tr>
<tr>
<td>Valencian Community</td>
<td>&lt;= 35</td>
<td>20%</td>
<td>€ 700</td>
<td>€ 30.000</td>
</tr>
<tr>
<td>Extremadura</td>
<td>&lt;= 35</td>
<td>5%</td>
<td>€ 300</td>
<td>€ 19.000</td>
</tr>
<tr>
<td>Galicia</td>
<td>&lt;= 35</td>
<td>10%</td>
<td>€ 300</td>
<td>€ 22.000</td>
</tr>
<tr>
<td>Balearic Islands</td>
<td>&lt;= 35</td>
<td>15%</td>
<td>€ 400</td>
<td>€ 20.000</td>
</tr>
<tr>
<td>Madrid</td>
<td>&lt;= 35</td>
<td>30%</td>
<td>€ 1.000</td>
<td>€ 25.620</td>
</tr>
<tr>
<td>Navarra</td>
<td>&lt; 30</td>
<td>20%</td>
<td>€ 1.500</td>
<td>€ 30.000</td>
</tr>
<tr>
<td>Basque Country</td>
<td>&lt; 30</td>
<td>25% - 30%</td>
<td>€ 2,000 - € 2,400</td>
<td>-</td>
</tr>
</tbody>
</table>

**Note:**
This includes the reductions, maximum reduction amounts and taxable income limits for individual tax declarations. Notwithstanding this, some autonomous communities set higher amounts for joint declarations, as well as for particular cases.

**Source:**
Lastly, the Spanish system of taxes and benefits redistributes the incomes of the youngest generations less than in the case of other demographic groups, which, combined with their low pay, lack of steady jobs and the instability of the labour market, places this population group in a worse relative position. As Cantó (2019) points out, while the system reduces by almost 60% the inequality among individuals living in households where all the members are over 40, it does so by only 15% among households of young adults. This is due mainly to the importance of contributory pensions and benefits in our country.

**Figura 8. Percentage of the reduction in inequality due to the tax and transfer system, 2018.**

<table>
<thead>
<tr>
<th>Country</th>
<th>All household &lt; 40</th>
<th>All household &gt; 40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>-16%</td>
<td>-55%</td>
</tr>
<tr>
<td>Germany</td>
<td>-31%</td>
<td>-58%</td>
</tr>
<tr>
<td>France</td>
<td>-33%</td>
<td>-57%</td>
</tr>
<tr>
<td>Italy</td>
<td>-21%</td>
<td>-58%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>-37%</td>
<td>-43%</td>
</tr>
</tbody>
</table>

**Source:**


CANTÓ, O. and AYALA, L. (2014), Políticas públicas para reducir la pobreza infantil en España: Análisis de impacto, Madrid, UNICEF.


