- The growing number of families with adult children living at home are neglected by the social security system – 3.6 million young adults (age 20-34) live with their parents.
- Where such families are on low incomes, their income from state benefits falls sharply when their children stop being treated as dependent – with losses of between £300-£680 a month.
- This could be mitigated for working families by prolonging access to the Universal Credit (UC) Work Allowance.
- Families helped to pay their rent by UC or Housing Benefit (HB) have this support reduced if grown-up children live with them, whether or not those young adults can afford to contribute to the rent.
- This could be mitigated by ending this deduction where the young adult is not working.

A growing proportion of young adults now live with their parents – four in ten families with children in their 20s have at least one living with them. However, this is a stage of life that can be overlooked by the social security system, which tends to focus support on families with dependent children or adults living independently.

Parents sometimes support older children living at home or help them to move out, if they can afford to offer this help. But families on low incomes don't have these options and face particular challenges when relying on the social security system.

This briefing draws on research (from the Centre for Research in Social Policy funded by abrdn Financial Fairness Trust) looking at households where young adults are living with parents in low to middle income families. The evidence stems from interviews and focus groups with young adults and parents, and consultations with stakeholder organisations about what would help.

The briefing highlights two particular features of the social security system that present difficulties for this group, and suggests how they could be mitigated:

- The when a child is no longer classed as dependent

More and more young adults continue to live with their parents beyond the age at which they are considered by the social security system to be ‘dependent’ – i.e., after they have left full-time secondary-level education or approved training, usually around the age of 18. At this point parents no longer receive Child Benefit, or the child element of Universal Credit (or Child Tax Credit) for these young adults. Parents who are working may also lose the Universal Credit Work Allowance*. This can cause a sharp drop in income in these families, even though their costs do not change and children may be bringing in less income as adults than their parents have lost. Our r

Parents in this research suggested that some delaying of the ‘cliff edge’ of losing children’s benefits would help. However, there is no obvious rationale for rescheduling the end of state support for children that it regards as dependent. But a step towards preventing the most severe cliff edge would be to postpone the ending of the Work Allowance where a young adult still lives with a parent. This would recognise that low-earning parents need some support through this transition. Specifically, we propose the following:

This would give a period of approximately five years afte eriod Ḗ ƚ df five years Ȟ [2] other household bills), otherwise parents are left with a shortfall in their finances which can cause financial strain and hardship. This can create tensions in families experiencing financial difficulties, and cause parents to feel penalised for providing a home for adult children who are struggling.

A ‘housing costs contribution’ (UC) or ‘non-dependent deduction’ (HB) is taken from a parent’s