

Households:

What is the difference between population and household growth?

Population growth results from births, deaths and migration. From 2001 to 2031 Victoria's population is projected to increase by 1.421 million people, with 586,000 of these people resulting from natural increase (births less deaths) and the other 835,000 from net migration from overseas and the rest of Australia.

The majority of Victorians live in private households, although some people live in institutional accommodation, or non-private dwellings, such as nursing homes, university halls of residence, military barracks and prisons. In Australia, a household is defined as either a person living alone or a group of people who live together and share resources such as food. Households are classified into 'family' and 'non-family' with family household members related either through a couple, parent and child or other blood relationship. A couple can either be legally married or living in a de-facto heterosexual or same-sex relationship.

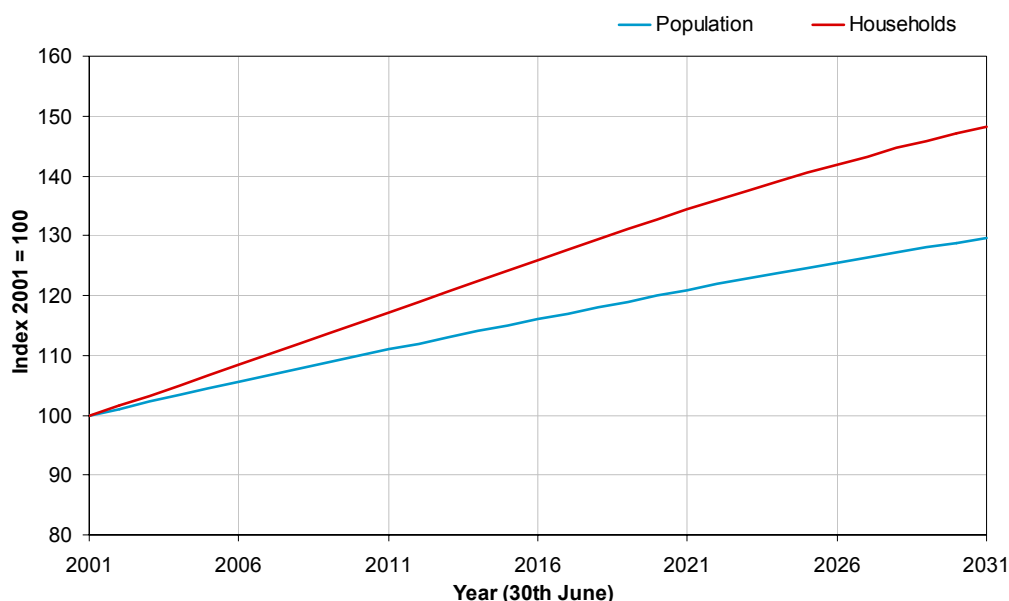
Household growth results from formation of new households. New households can be created through migration or come from within the existing population such as when an adult child leaves the parental home to partner or live alone or when a couple separates or divorces.

Existing household dissolution occurs when all members leave the household such as when the occupant of a lone person household has died, joined an existing household (re-partnering) or moved into a non-private dwelling (an elderly person moving into aged care accommodation). If the household consists of two or more people, the household may be dissolved if all members join another existing household as in the case of a parent with children partnering.

While population growth is the result of births, deaths and migration, household growth reflects the age structure of the population, partnering and de-partnering trends and the age at which children leave the parental home.

Between 2001 and 2031 it is projected that the number of households in Victoria will increase by 886,000, an increase of 48% or an average annual increase of 1.3%. Over the same period the population of Victoria is projected to increase by 30% or 0.9% on an average annual basis. The faster growth of households compared with population will be associated with a decline in the average household size.

Index of growth for population and households, Victoria, 2001 to 2031



Source: DSE

From 2001 to 2031, Victoria's population will grow from 4.8 million to 6.2 million at an average annual rate of 0.9% while the number of households will grow from 1.8 million to 2.7 million at an average of 1.3% per annum. Over this period average household size will fall from 2.58 to 2.25 persons per household.

Why will household size change in Victoria?

Average household size is defined as the number of people living in private dwellings divided by the number of households. In 2001 the average household size in Victoria was 2.580 persons. It is projected that by 2031 the average number of people in a Victorian household will be 2.253.

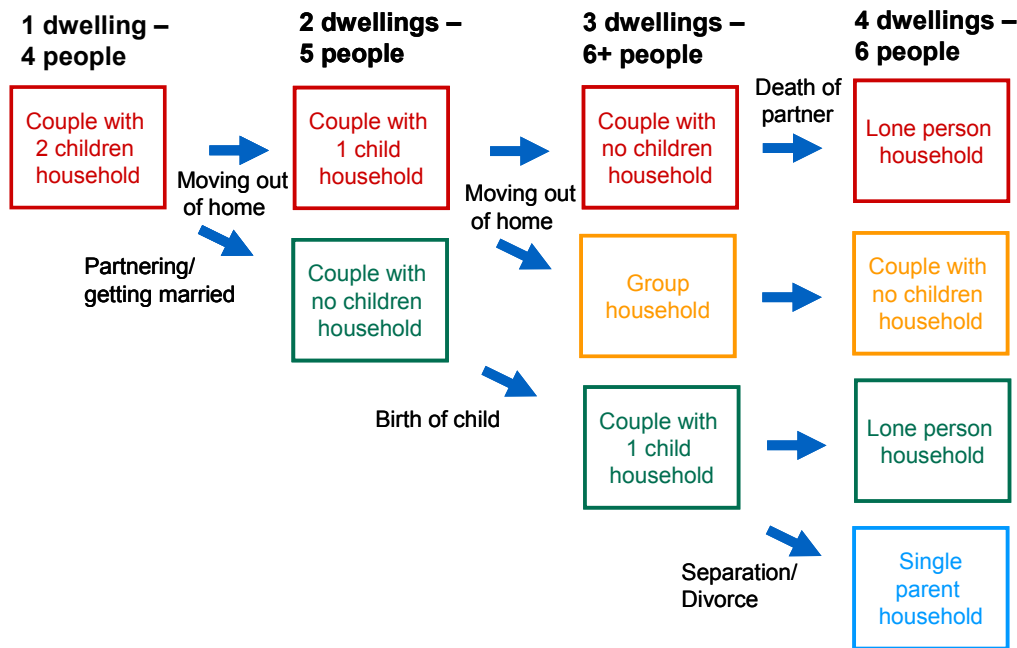
The projected decline in average household size is related to a number of factors including: ageing of the population; declining fertility rates; deferment of major life events such as leaving the parental home and partnering; the increasing divorce rate and increased diversity of social desirable and acceptable lifestyle choices that were far less common in the past.

Australia's birth rate increased after World War II. People born after World War II are referred to as the 'Baby Boom' generation. The first wave of Baby Boomers is now aged in the 50s. Women in this group generally had children during their 20s and those children have left or are about to leave the parental home. These households are becoming what are known as 'empty nester' households when all the children have left home or 'flown the nest'. As the empty nesters age, one of the partners will die, probably the male first since females have longer life expectancies, further reducing the size of the household to a lone person household.

Younger women on average are having fewer children than their mother's generation and having them later in life. Therefore, the average number of children in couple with children households is projected to decline. Other major life events such as leaving the parental home and partnering are also being deferred. There is a high incidence of leaving the parental home for young adults living in regional and rural areas, especially at the end of their secondary education, as they move to Melbourne or other major regional centres either to undertake further education or seek employment. However, due to financial considerations, young adults residing in Melbourne are more likely to live with their parents longer. Because people are partnering later, the number of lone person households where the person living alone is young and presumably never married, is also projected to increase.

Divorce and marital separation usually splits an existing couple (with or without children) household into two households, leading to a decline in average household size. The number of lone parent and lone person households is rising and same-sex couples generally have a lower household size. All of these factors are contributing to the declining average household size in Victoria that is projected to occur between 2001 and 2031.

Households forming, breaking up and reforming as average household size declines



Source: DSE

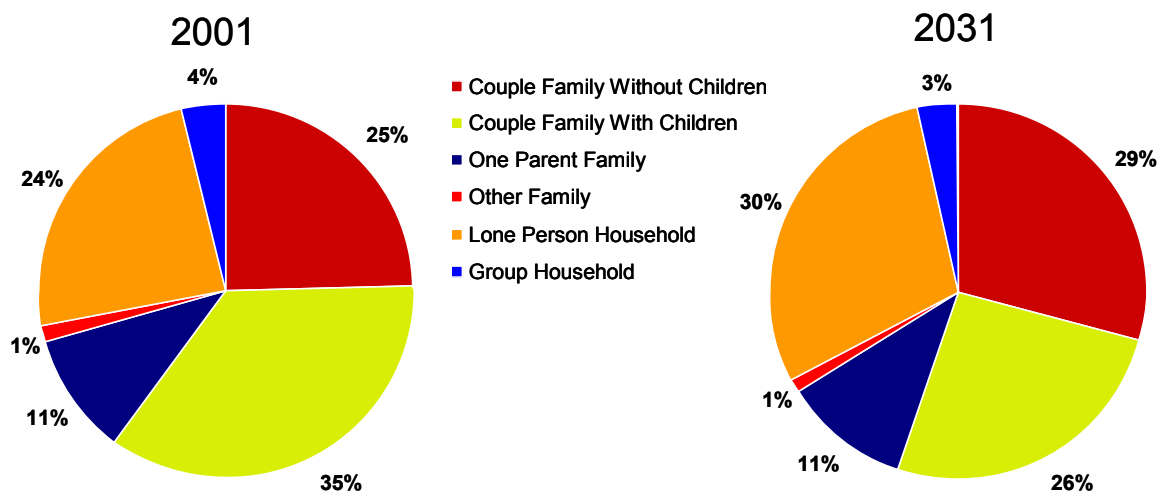
Is household size declining because couples are no longer having children?

Women, on average, are having fewer children than their mother’s generation and having them later in life. There is also greater incidence of women remaining childless. Although the incidence of childbirth by mother’s marital status indicates an increasing proportion of births occurring to women outside legalised marriage, the fathers are usually acknowledged. The majority of these non-marital births are occurring to women in de-facto marriages, so couples are still having children but they are, on average, having fewer and later in life. This reduction in the average number of children per woman, is one contributor to declining household size.

It is said that families are becoming an endangered species. Does this mean there will be no more young families?

The number of couple with children family households is projected to increase slightly over the projection period. However, it is expected that the number of lone person households, couple without children households and lone parent family households will all increase and by larger amounts than couple with children family households. As a share of all households, the number of couple with children family households is projected to fall from 35% in 2001 to 26% in 2031. So, although there will be a slight increase in the number of couple with children households, their proportion of overall households is projected to decline giving the impression that families are becoming an endangered species. In 2031, there will still be over 700,000 couple with children households in Victoria - around 26% of all households in Victoria.

Change in households by household type, Victoria, 2001-2031

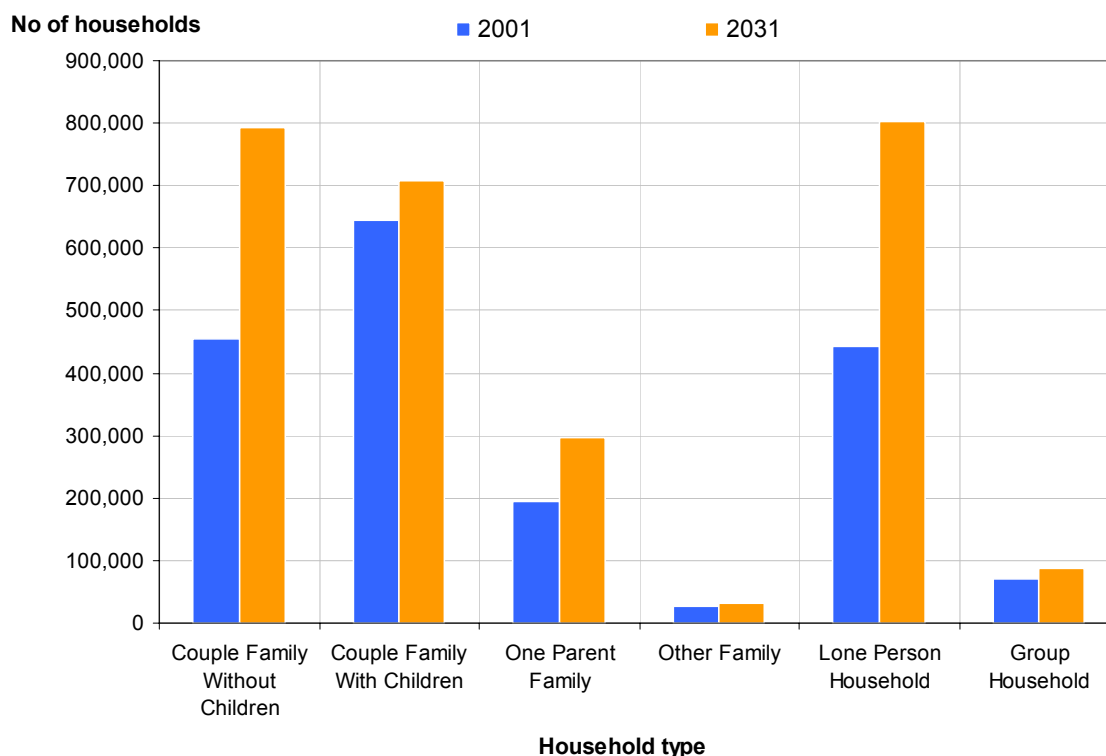


Source: DSE

Which types of households are growing?

The following chart illustrates the projected number of households by type in Victoria as at 30 June 2001 and 30 June 2031.

Change in households by household type, Victoria, 2001-2031



Source: DSE unpublished data

The largest increase in households between 2001 and 2031 is projected for lone person households, followed by couple without children households. Numbers of couple with children, lone parent, other family and group households are also projected to increase over this period.

Will all the extra one and two person households be young singles and couples without children?

While there will be increasing numbers of younger one and two person households, the majority of the change in numbers over the next 30 years will in fact be in older single and couple without children households. Ageing of the population will result in the transformation over time of existing couple with children households into empty nester households as the children leave the parental home and eventually lone person households as one of the partners in the couple dies.

However, the deferring of life events such as partnering and having children and an assumed increase in the number of females who will remain childless throughout their lives are other factors in the projected increase in the number of couple without children and lone person households. Divorce is also a factor in the projected increase in the number of one-person households as well as the projected increase in the number of lone parent households.