Intergenerational coresidence and life satisfaction in old age: The moderating role of homeownership

Abstract

Household structure for older people's subjective well-being is important to promote healthy ageing in the context of the rapid increase of the older population. Living with adult children is known to promote older people's life satisfaction, a key indicator of subjective well-being, whereas others claim a negative impact of such intergenerational coresidence. This study aims to empirically test these theories (family support vs. family conflict), by examining the role of homeownership–another important factor contributing to subjective well-being–in this association between intergenerational coresidence and life satisfaction. Analysing the nationally representative data on the elderly population in South Korea, the findings showed that intergenerational coresidence decreases life satisfaction when the elderly achieve a certain level of housing security by living in owner-occupied housing. Living with adult children is negatively associated with life satisfaction particularly for older old homeowners compared to younger old owners. Our findings provide implications for public policies promoting intergenerational coresidence and asset-based welfare to enhance older people's well-being in Korea and more broadly in East Asia.

Keywords: Intergenerational coresidence; life satisfaction; homeownership; ageing in place; asset-based welfare; East Asia

Introduction

Rapid population ageing has drawn policy attention to older persons' subjective well-being, as it affects older people's physical and mental health (An *et al.*, 2008), suicidal behaviours (Won *et al.*, 2021), and even mortality (St John *et al.*, 2015). While older people's life satisfaction, the key indicator of subjective well-being (Cheung & Chou, 2019; Lee, 2009), is influenced by demographic characteristics (Khodabakhsh, 2021; Kwon & Cho, 2000), financial conditions (Han & Hong, 2011; Li *et al.,* 2007), family relationships (Almira *et al.*, 2019; Yunong, 2012), social support (Won *et al.*, 2021), and health-related conditions (von Humboldt *et al*., 2014; St John & Montgomery, 2010), it has been noted that living arrangement is an important factor of life satisfaction in old age (Banjare *et al.*, 2015; Kooshiar *et al.*, 2012; Lee *et al*., 2011). Given that low fertility, delayed marriage, and increased geographical mobility have markedly changed the traditional forms of family living (United Nations, 2020), understanding the impact of living arrangements on older persons' life satisfaction has now become an important issue under the current 'ageing-in-place' policy agenda in many countries (Pani-Harreman *et al.*, 2021).

While living alone has been found to have negative impact on the elderly's life satisfaction (Banjare *et al.*, 2015; Ng *et al.*, 2017), the effect of living with adult children is not conclusive. Some researchers argue that family support in a multigenerational household improves older people's subjective well-being (An *et al.*, 2008; Do & Malhotra, 2012; Kooshiar *et al.*, 2012; Lee *et al.*, 2011; Silverstein *et al.*, 2006; Teerawichitchainan *et al.*, 2015; Yuan *et al.*, 2021). However, others suggest that relationship problems arising from coresidence with adult children is detrimental to older adults' psychological well-being (Hill, 2006; Lin *et al.*, 2011; Rook, 1984; Xu *et al.*, 2019). Such inconsistent findings indicate that further research is

needed to fully grasp the relation between intergenerational coresidence and older parents' life satisfaction.

In this study, we examine the role of older persons' *assets* in the form of *homeownership* in South Korea (hereafter Korea). Assets are significant financial resources for older people whose income drops after retirement (Sullivan *et al.*, 2008). Homeownership accounts for the largest proportion of the elderly's household assets and is regarded as fundamental welfare resource for the elderly population in Korea (Nam, 2011). Therefore, we aim to provide empirical evidence on the effect of older adults' homeownership that moderates the association between intergenerational coresidence and life satisfaction, using the nationally representative data on the elderly population in Korea.

Intergenerational coresidence, homeownership, and older people's subjective well-being in the Korean context

Korea provides an interesting context to understand the relationship among intergenerational coresidence, homeownership, and older adults' life satisfaction. While coresidence with adult children has been a prevalent form of living arrangement among older people in Korea, this tradition has been markedly changing in recent decades. As in other East Asian countries, intergenerational coresidence has been valued based on filial piety and patriarchal norms in the Confucian culture in Korea (Chen *et al.*, 2021; Yasuda *et al.*, 2011). Also, informal care within multigenerational households has played a crucial role in welfare provision in Korea in light of the immature state welfare system for the elderly population (Yasuda *et al.*, 2011). The support from adult children living under one roof has been considered to enhance older persons' material and psychological well-being and reduce the burdens of the government in caring for the elderly population (Kye & Choi, 2021; Yuan *et al.*, 2021). Consequently, older parents have relied

heavily on their adult children's care and financial support as they grew older, often living together with them (Gibler & Lee, 2005).

However, the rate of older Koreans living with adult children in 1998 (49.2%) nearly halved to 23.7% in 2017 (Kye & Choi, 2021). This trend is attributable largely to the rapid growth of the older population[1] and increased geographical mobility during the economic development and urbanisation for the past few decades (Kye & Choi, 2021). Interestingly, however, there are fewer older parents who desire to live with their children, compared to the past. The surveys conducted by the Seoul Metropolitan Government show that the proportion of the elderly who preferred to live with their adult children dropped from 53.6% in 2005 to 29.5% in 2015 (The Seoul Institute, 2017). It seems manifest that intergenerational coresidence is no longer a prevalent, or the most preferred, living arrangement among older Koreans.

Meanwhile, homeownership is the fundamental resource of welfare for older Koreans. Korea's baby boomer generation, who are now in their late 60s or early 70s, has relatively lower post-retirement income, compared to citizens in some of the developed European countries, due to the short history of the public pension system and the limited opportunities in job markets (Nam, 2011). Although the government's spending on social services has been constantly rising, public social spending-to-GDP (12.2% in 2019) is still far less than the OECD average (20%) (OECD, 2020). As a result, Korea ranked the highest proportion of older people living below the poverty line (45.7%) among the OECD countries (OECD, 2019). Yet more than 76% of the households headed by people aged 60 or above are homeowners (MoLIT, 2020), and residential property accounts for more than 70% of older persons' total household assets (Nam, 2011). In

[1] According to the latest Population Census in 2020, people aged 65 or above accounted for 16.4% of the total population in Korea.

East Asia, homeownership has been promoted by the governments to help families accumulate wealth along with house price inflation and use housing asset to meet welfare needs under the 'asset-based welfare system' (Doling & Ronald, 2012; Izuhara, 2016). With limited income in a later stage of life, homeownership is the major source for securing economic status among Koreans aged 60 or above.

In this context, assets–mostly based on homeownership in Korea– play a crucial role in shaping subjective well-being in old age, as they contribute to housing security at large. Indeed, Cheung and Chou (2019) found that older adults' asset poverty was found to be associated with lower life satisfaction in China, while their income poverty was not. Han and Hong (2011) also found that assets and debts contribute to older people's life satisfaction more significantly than income does in Korea. In contrast, in Northern Europe characterised as having substantially equitable welfare systems, income and wealth are not found to affect older persons' psychological well-being (Kourouklis *et al.*, 2020). In Korea, given the insufficient supply of senior housing and negative perception of living in a nursing home (Gibler & Lee, 2005), homeownership as a welfare tool seems to play an important role in shaping not only older persons' well-being but also their living arrangements.

Both living with adult children and homeownership have long been encouraged by the Korean government to enhance older persons' well-being (Doling & Ronald, 2012; Park, 2006). However, although Roh and Weon (2020) found that life satisfaction of older Koreans living with family or owning a home is higher than that of older people living alone or not owning a home respectively, it is unclear how intergenerational coresidence and homeownership concurrently influence the elderly's subjective well-being. Older Koreans have shown a relatively lower level of subjective well-being (Ichimura *et al.*, 2017; Jung & Kim, 2017) and a

114 higher rate of suicide and suicide ideation, compared to the elderly in other countries (Kim &
115 Kihl, 2021). Therefore, if homeownership moderates the association between intergenerational
116 coresidence and life satisfaction (or not), such finding will help inform the ageing policy to
117 improve older persons' subjective well-being in Korea, and broadly in East Asia.

118

119 **Theoretical framework**

120 *Living with adult children: Always good or bad for subjective well-being?*

121 Two contrasting views have been established on the effect of intergenerational coresidence on
122 older persons' subjective well-being. *Family support theory* posits that social support through
123 coresidence facilitates instrumental and emotional exchange and, accordingly, enhances older
124 people's psychological well-being (An *et al.*, 2008; Do & Malhotra, 2012; Kooshiar *et al.*, 2012;
125 Lee *et al.*, 2011; Silverstein *et al.*, 2006; Teerawichitchainan *et al.*, 2015; Yuan *et al.*, 2021). In
126 contrast, *family conflict theory* suggests that intergenerational coresidence is likely to cause
127 emotional stress and relationship problems and hence does not necessarily improve, or even is
128 detrimental to, older adults' subjective well-being (Hill, 2006; Lin *et al.*, 2011; Rook, 1984; Xu
129 *et al.*, 2019). Such inconsistent findings appear partly attributable to cultural norms of young
130 people's independence from parents' home and filial piety in different countries (Hank, 2007;
131 Yasuda *et al.*, 2011). Put differently, the literature suggests that the relations between
132 intergenerational coresidence and life satisfaction are significantly different between the younger
133 old parents and older old parents since social ties and support in family become more important
134 to the older old group (Carstensen, 1992; Chai & Jun, 2017; Wang *et al.*, 2014).

135 *The role of homeownership as an important asset for welfare*

While sufficient financial resources have significant implications for both older people's living arrangements and life satisfaction (Han & Hong, 2011; Roh & Weon, 2020), there has been a lack of empirical evidence in the literature on how older parents' socioeconomic status shapes the relation between living with adult children and life satisfaction (see Silverstein *et al.,* 2006 for an exception). The limited number of studies on this topic is rather surprising given that, as *social causation hypothesis* has long argued, older adults' socioeconomic status is an important factor contributing to their mental health outcomes (Choi & McDougall, 2009; Costello *et al.*, 2003). Therefore, we hypothesise that older adults' perception and experience of intergenerational coresidence possibly hinges on their socioeconomic status that can support meeting their own needs.

To examine this hypothesis, we focus particularly on the role of older persons' assets. *Asset effect theory* suggests that individuals with more assets tend to demonstrate better subjective well-being (Han & Hong, 2011; Sherraden, 2015). Although income is another key indicator of household wealth, scholars note that income, different from assets, does not capture older persons' financial resources accurately, because it only shows a snapshot of the flow of money at one point in time (Cheung & Chou, 2019; Sherraden, 2015). It is thus difficult to reflect older persons' irregular, informal income or assets that they have accumulated throughout life (Moser & Felton, 2007; OECD, 2019). Moreover, many older people tend to become 'asset-rich, cash-poor' due to decreased regular income after retirement (Sullivan *et al.*, 2008). Therefore, the social-psychological impact of assets–not income–may differ greatly among older people (Connolly, 2012; Sherraden, 2015). Indeed, previous research has shown that household income appears to be less influential among older adults when assets are controlled for (Barger *et al.*, 2008; Cheung & Chou, 2019; Cramm *et al.*, 2013; Mentzakis & Moro, 2008). Yet, little is

159 known about how older persons' assets are interrelated with, or moderate, the effect of living
160 with adult children on life satisfaction.

161 Among older people's assets, we examine the effect of *homeownership*. Housing is
162 usually the largest household asset (Smith *et al.*, 2009), and homeownership rates are higher
163 among older cohorts than younger cohorts at large (OECD, 2017). The literature has consistently
164 shown that homeownership has positive effects on older people's psychological well-being (Park
165 *et al.*, 2021; Park, 2019; Rohe & Stegman, 1994; Zumbro, 2014). When it comes to its effects on
166 intergenerational coresidence, a higher price of parents' own house is found to be more likely
167 associated with coresidence with children who have relatively less income (Rosenzweig &
168 Zhang, 2019). Yet, homeownership is also known to be an enabling factor for elderly parents to
169 live independently, rather than living with adult children or moving into senior housing (Gibler
170 & Lee, 2005), as it is expected to substitute for insufficient post-retirement income (Watson,
171 2009).

172 *Hypotheses*

173 Drawing on these theoretical discussions, this study will test whether and how intergenerational
174 coresidence is associated with older persons' life satisfaction: *family support theory vs. family*
175 *conflict theory*. By integrating *asset effect theory*, we hypothesise that such association would
176 depend on assets in the form of older parents' homeownership. Put differently, homeownership
177 is expected to moderate the effect of intergenerational coresidence on older people's life
178 satisfaction. Our analytic model is presented in Figure 1.

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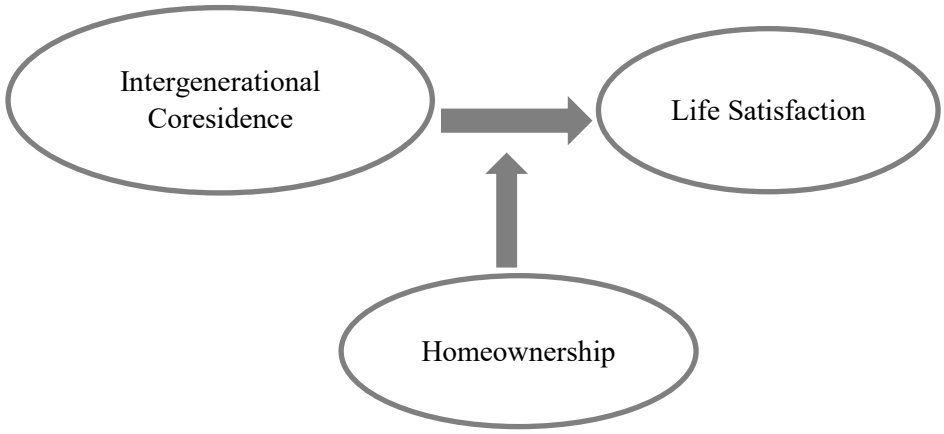
181 **Figure 1. Analytic model**



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185 **Data and Methods**

186 ***Data and Samples***

187 We used a nationally representative sample of the elderly drawn from the Korean Longitudinal
188 Study of Aging (KLoSA). Funded by the Ministry of Labour, the KLoSA surveyed Koreans aged
189 45 years or older – *annually* from 2006 and 2008, and then *bi-annually* since 2008 – to better
190 understand economic, social, physical, and psychological aspects of ageing in Korea. We have
191 analysed a sample from Wave 7 of the KLoSA, which was most recently collected in 2018. As
192 shown in Table 1, our samples include adults aged 65 or up; since our focus is on
193 intergenerational coresidence, we excluded those who did not have any alive child or did not
194 specify the information on child(ren). After list-wise deletion, we got Sample 1 consisting of
195 3,549 individuals, and then Sample 2 (n = 3,074), which excludes those who do not own a house
196 (e.g., living in *Chonsei*[2] or monthly rental housing) from Sample 1. The process of sample
197 restriction is presented in Table 1.

[2] *Chonsei* is a unique rental system in Korea under which a tenant pays a lump sum deposit equivalent to 40 to 60% of the house price to landlord in lieu of monthly rent and fully gets it back when the contract is terminated.

Table 1. Sample restriction

Sample (KLoSA wave 7, 2018)	Sample 1	Sample 2
Original sample	6136	6136
Aged 65 or up	4127	4127
Excluding respondents with no alive child (n=66) or respondents with no child information (n=216)	3845	3845
Including cases of owning a house only		3310
Listwise deletion (individual income, household income, household net asset, whether respondents have taken care of grandchild aged 10 or below, child employment)	3549	3074

Measures

Our dependent variable is *life satisfaction*, indicating the degree to which a respondent agrees with the following statement on an eleven-point scale (ten-point interval from 0 = the lowest to 100 = the highest): "compared with people of the same age, how much are you satisfied with your life?"

Predictor variables are intergenerational coresidence and homeownership. *Intergenerational coresidence* measures whether a respondent is currently living with her adult child(ren). To distinguish the effect of owning the home they live in from that of living in an owner-occupied home—no matter who the owner is— we create two variables for homeownership. *Living in an owner-occupied home* is a dichotomous variable measuring whether a respondent lives in a house owned by herself, her spouse, or other family members. Put differently, if a respondent says "No" (= 0), she lives in a place with either monthly rent or *Chonsei* (see the note [ii]). Among those who say "Yes" (= 1) or *living in an owner-occupied home*, *owning a home* measures whether a respondent lives in a self-owned or spouse-owned

home (1 = living in a home owned by the respondent or her/his spouse; 0 = living in a home owned by other family members).

We control for other sociodemographic and family characteristics. *Gender* is coded as 1 for females and 0 for males. *Education* is measured on a four-point scale: elementary school or below (= 1), middle school (= 2), high school (= 3), and college or up (= 4). *Age* is a dichotomous variable, indicating whether a respondent is aged 75 or up (= 1 for the older old group) vs. aged 74 or below (= 0 for the younger old group). *Income* is measured in a natural logarithm of total income that a respondent has earned the previous year. Regarding family characteristics, the *number of children* ranges from 1 to 6, with the highest value (= 6) including 6 children or more. As discussed, we excluded respondents who do not specify any child-relevant information or do not have any children. We also control for whether any of a respondent's children owns a home (*child-owned house*), and whether a respondent currently takes care of her or his grandchild(ren) aged 10 or below (*Caring Grandchild Aged 10 or below*). *Region* indicates whether a respondent lives in a big city, i.e., a metropolitan city or above. Finally, *health* with a higher score indicating better self-reported health is controlled for as another important factor contributing to subjective well-being (Khodabakhsh, 2021). For Sample 2 consisting of people who live in a place owned by themselves, their spouse, or other family members, we conduct additional analysis that controls for *housing price* and *loan* in the form of a natural logarithm. Descriptive statistics for Sample 1 and Sample 2 are presented in Table 2a and Table 2b, respectively.

236 **Table 2a. Descriptive Statistics (Sample 1)**

Continuous Variables		**Mean**	**S.D.**	**Min**	**Max**
Number of child(ren)		3.34	1.3	1	6
Education		1.74	0.99	1	4
Log - individual income		2.82	0.43	1.04	4.85
Self-reported health		2.53	0.65	1	3
Life satisfaction		59.93	17.14	0	100
Categorical Variables		**n**	**%**		
Intergenerational Coresidence	No	2680	75.5		
	Yes	869	24.5		
Living in an owner-occupied home	No	475	13.4		
	Yes	3074	86.6		
Female	No	1445	40.7		
	Yes	2104	59.3		
Region	No	2119	59.7		
	Yes	1430	40.3		
Child-owned house	No	952	27.7		
	Yes	2597	75.6		
Caring grandchild aged 10 or below	No	3410	96.1		
	Yes	139	3.9		
Age	74 below	1642	46.3		
	75 up	1907	53.7		

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238 **Table 2b. Descriptive Statistics (Sample 2)**

Continuous Variables		**Mean**	**S.D.**	**Min**	**Max**
Number of child(ren)		3.37	1.28	1	6
Education		1.75	0.99	1	4
Log - individual income		2.82	0.44	1.04	4.85
Log - housing price (A)		2.24	2.08	0	5.6
Log - housing loan (B)		0.45	1.22	0	4.95
Self-reported health		2.57	0.63	1	3
Life satisfaction		61.39	16.27	0	100
Categorical Variables		**n**	**%**		
Intergenerational Coresidence	No	2311	75.2		
	Yes	763	24.8		
Living in an owner-occupied home	No	0	0		
	Yes	3074	100.0		
Owning a home	No	594	19.3		
	Yes	2480	80.7		
Female	No	1283	41.7		
	Yes	1791	58.3		
Region	No	1918	62.4		
	Yes	1156	37.6		
Child-owned house	No	2754	89.6		
	Yes	320	10.4		
Caring grandchild aged 10 or below	No	2958	96.2		
	Yes	116	3.8		
Age	74 below	1465	47.7		
	75 up	1609	52.3		

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Analytic Strategies

We conducted a series of multivariate, linear regression models to examine how intergenerational coresidence and homeownership are associated with life satisfaction. Before we get into our main models, we first explore whether and how residing in an owner-occupied home –different from having homeownership– is related to life satisfaction, by analysing Sample 1 (n = 3,549). For our main analysis, using Sample 2 (n = 3,074), we test the independent association of intergenerational coresidence with the outcome in Model 1, and then, examine whether homeownership moderates the relationship between intergenerational coresidence and life satisfaction in Model 2. Finally, we conducted subgroup analyses based on age (aged 74 or below vs. aged 75 or up).

Results

Our first set of regression results is presented in Table 3, which investigates the relationship between intergenerational coresidence and life satisfaction and the role of living in an owner-occupied home moderating such relationship (Sample 1, n = 3,549).

Table 3. Regression on Life Satisfaction (Sample 1)

Covariates	M0 b (SE)	M1 b (SE)	M2 b (SE)
Intergenerational Coresidence (Intergen Cor)	-1.124	**-1.377***	1.989
	(0.610)	**(0.602)**	(1.684)
Living in an owner-occupied home		**7.738*****	**8.600*****
		(0.780)	**(0.878)**
Intergen Cor X Living in an owner-occupied home			**-3.846***
			(1.798)
Child-owned house	3.606***	2.708***	2.764***
	(0.610)	(0.608)	(0.609)
Caring grandchild	-2.454	-2.255	-2.169
	(1.349)	(1.331)	(1.331)
Region (metropolitan)	-0.975	-0.304	-0.274
	(0.539)	(0.536)	(0.536)
Number of child(ren)	0.441	0.317	0.312
	(0.227)	(0.224)	(0.224)
Age	-3.744***	-3.158***	-3.139***
	(0.588)	(0.583)	(0.583)
Female	-0.351	0.071	0.05
	(0.606)	(0.599)	(0.599)
Education	2.168***	2.184***	2.197***
	(0.304)	(0.300)	(0.300)
Log income	2.019**	2.332***	2.310***
	(0.659)	(0.651)	(0.651)
Self-reported health	8.808***	8.320***	8.337***
	(0.415)	(0.412)	(0.412)
Constant	27.017***	20.926***	20.142***
	(2.441)	(2.485)	(2.510)
n	3,549	3,549	3,549
R^2	0.192	0.214	0.215

Note. *p<0.05 **p<0.01 ***p<0.001

In the baseline model (M0), we first test the independent impact of intergenerational coresidence on life satisfaction after controlling for other sociodemographic and family characteristics. In this model, intergenerational coresidence appears to have no statistically significant association with life satisfaction (b = -1.124, p = NS). In another model, M1, drawing on the baseline model, we investigate the relationship between intergenerational coresidence and life satisfaction after additionally controlling for 'living in an owner-occupied home'. Both intergenerational coresidence and living in an owner-occupied home are found to be statistically significant. When a respondent lives with her child(ren), she is less likely to be satisfied with her life (b = -1.377, p = 0.05). Meanwhile, when she is living in any family-owned or self-owned house, she tends to show a higher level of life satisfaction (b = 7.738, p = 0.001).

The final model (M2) is designed to test the effect of living in an owner-occupied home that moderates the relationship between intergenerational coresidence and life satisfaction. This final model explains 21.5% of the variance in the outcome (R^2 = 0.215) and we find a statistically significant moderating effect of living in an owner-occupied home. That means, among those who live in any family-owned or self-owned houses, living with child(ren) is relevant to a lower level of life satisfaction (b = 1.989 – 3.846 + 8.600 = 6.643) than not living with their children (b = 8.600, p = 0.001). Interestingly, when people do *not* live in their family-owned or self-owned houses, intergenerational coresidence does not make any statistically significant impact on life satisfaction (b = 1.989, p = NS). In this respect, our next logical step is to further investigate *which subgroups* among people who live in an owner-occupied home (Sample 2) are likely to demonstrate higher subjective well-being.

Table 4 presents the main results analysing our Sample 2 (n = 3,074), including respondents who live in family-owned or self-owned homes only. With this sample, we

hypothesise that the negative association between intergenerational coresidence and life satisfaction would depend on whether they live in self-owned (or spouse-owned) houses.

In M1, we examine the relationship between intergenerational coresidence and life satisfaction after controlling for 'owning a home'. Both intergenerational coresidence and homeownership are found to be statistically significant. When a respondent is living with her child(ren), she is less likely to be satisfied with her life (b = -1.429, p = 0.05), which replicates the M2 results of Table 3. Meanwhile, when she lives in a *self-owned or spouse-owned home* (homeownership is coded as 1), she tends to show a higher level of life satisfaction (b = 1.515, p = 0.05). This finding also elaborates on the results in M2 of Table 3, by showing that not just living in any family-owned house but, more specifically speaking, living in a self- or spouse-owned house is important for life satisfaction among the elderly.

In the following model (M2), we find that homeownership moderates the relationship between intergenerational coresidence and life satisfaction. In other words, among those who live in any self- or spouse-owned homes, living with their children is relevant to a lower level of life satisfaction (b = 2.300 – 5.274 + 3.768 = 0.794) than not living with their children (b = 3.768, p = 0.001). For people living in any other-owned houses, intergenerational coresidence has nothing to do with life satisfaction (b = 2.300, p = NS). This final model explains 18.6% of the variance in the outcome (R^2 = 0.186). We find the same result even after controlling for log housing price and log housing debt (not shown).

Table 4. Regression on Life Satisfaction (Sample 2)

Covariates	M1 b (SE)	M2 b (SE)
Intergenerational Coresidence (Intergen Cor)	**-1.429***	2.300
	(0.660)	(1.216)
Homeownership	**1.515***	**3.768*****
	(0.756)	**(0.975)**
Intergen Cor X Homeownership		**-5.274*****
		(1.446)
Child-owned house	1.993**	1.795**
	(0.653)	(0.654)
Caring grandchild	-3.255*	-3.221*
	(1.410)	(1.407)
Region (metropolitan)	0.017	0.011
	(0.562)	(0.561)
Number of child(ren)	0.202	0.229
	(0.236)	(0.236)
Age	-2.747***	-2.788***
	(0.613)	(0.611)
Female	0.034	0.055
	(0.626)	(0.624)
Education	2.157***	2.196***
	(0.312)	(0.311)
Log income	2.095**	2.178***
	(0.662)	(0.661)
Self-reported health	8.317***	8.255***
	(0.438)	(0.437)
Constant	28.828***	26.774***
	(2.571)	(2.627)
n	3,074	3,074
R^2	0.183	0.186

Note. *p<0.05 **p<0.01 ***p<0.001

306 In sum, intergenerational coresidence plays a role in shaping life satisfaction only after
307 the elderly achieve a certain level of housing security; living with adult children is negatively
308 associated with life satisfaction for those who achieved housing security through
309 homeownership.

310 Since the elderly are broadly defined in our samples (aged 65 or up), it is somewhat
311 unclear whether our definition matches well with our findings, meaning that intergenerational
312 coresidence and homeownership shape life satisfaction homogeneously in this broadly defined
313 age group. Therefore, in Table 5, we conduct a subgroup analysis drawing on Table 4, which
314 compares those aged 75 or up (older old group) with those aged 74 or below (younger old
315 group). We hypothesise that homeownership and intergenerational coresidence are more
316 important for the subjective well-being of the older old group. We find that the moderating role
317 of homeownership (living in self-owned or spouse-owned houses) is statistically significant only
318 among those aged 75 or up. While current policies are designed to support the elderly population
319 that is broadly defined as aged 65 or up, our results highlight that intergenerational coresidence
320 and homeownership shape life satisfaction differently between relatively younger and older
321 groups of Korean elderly.

322 **Table 5. Regression on Life Satisfaction (Subgroup Analysis based on Age, with Sample 2)**

Covariates	Aged 75 or up		Aged 74 or below	
	M1	M2	M1	M2
	b (SE)	b (SE)	b (SE)	b (SE)
Intergenerational Coresidence (Intergen Cor)	-1.655	2.159	-1.343	2.174
	(0.974)	(1.510)	(0.884)	(2.241)
Homeownership	0.589	**3.107***	**3.578****	**5.443*****
	(1.000)	**(1.256)**	**(1.236)**	**(1.649)**
Intergen Cor X Homeownership		**-6.483*****		-4.165
		(1.965)		(2.438)
Child-owned house	1.933	1.48	2.089**	2.021**
	(1.130)	(1.135)	(0.761)	(0.761)
Caring grandchild	-0.702	-0.825	-4.335**	-4.298**
	(2.692)	(2.684)	(1.560)	(1.559)
Region (metropolitan)	-0.126	-0.113	0.163	0.149
	(0.851)	(0.848)	(0.731)	(0.730)
Number of child(ren)	0.125	0.164	0.336	0.365
	(0.309)	(0.308)	(0.383)	(0.384)
Female	0.002	0.038	-0.054	-0.062
	(0.921)	(0.918)	(0.851)	(0.851)
Education	1.920***	1.938***	2.439***	2.466***
	(0.490)	(0.489)	(0.394)	(0.394)
Log income	2.039	2.209*	2.013*	2.031*
	(1.073)	(1.071)	(0.832)	(0.831)
Self-reported health	8.775***	8.717***	7.493***	7.441***
	(0.588)	(0.587)	(0.669)	(0.670)
Constant	26.580***	24.346***	28.469***	26.731***
	(3.770)	(3.819)	(3.476)	(3.620)
n	1,609	1,609	1,465	1,465
R^2	0.156	0.162	0.16	0.162

323 Note. *p<0.05 **p<0.01 ***p<0.001

Discussion

The present study examined how the relation between intergenerational coresidence and older persons' life satisfaction is shaped by homeownership in Korea, one of the East Asian countries that have a typical asset-based welfare system. Our findings have several points worth further discussion.

First, we draw attention to the consistently negative or insignificant associations between intergenerational coresidence and older people's life satisfaction. In light of the prevalent norm of filial piety and relatively weaker social protection system for the elderly population in Korea, intergenerational coresidence has been regarded as a desirable living arrangement beneficial to older people's well-being. However, our empirical finding suggests that living with adult children does not necessarily increase older parents' subjective well-being. When housing tenure, i.e., living in an owner-occupied home, is controlled for, intergenerational coresidence even decreases older parents' life satisfaction. This finding may be explained by *family conflict theory* that intergenerational coresidence causes emotional conflict or relationship problems, which further has a negative impact on elderly persons' psychological well-being (Hill, 2006; Lin *et al.*, 2011; Rook, 1984; Xu *et al.*, 2019). Given that accordance between actual and preferred living arrangements is conducive to older people's subjective well-being (Xu *et al.*, 2019), this finding also highlights older Koreans' dominant preference to live separately from adult children.

Second, our findings reaffirmed the current scholarship claiming that homeownership has a positive effect on psychological well-being (Rohe & Stegman, 1994; Szabo *et al.*, 2018; Zheng *et al.*, 2020; Zumbro, 2014), even when income, another important source of socioeconomic status, is controlled for. As hypothesised, this result supports the *social causation hypothesis*

(Choi & McDougall, 2009; Costello *et al.*, 2003), and more specifically the *asset effect theory* emphasising the role of assets on life satisfaction (Han & Hong, 2011; Sherraden, 2015). Although some literature suggests that mortgage loans countervail the psychological benefits of homeownership (Cairney & Boyle, 2004; Park *et al.*, 2021), our study demonstrated that holding homeownership is significant for life satisfaction in old age, regardless of housing price or housing debt. This result might be partly because older homeowners tend to be less subject to housing price appreciation because of their tendency to continuously stay in the same house (Kwak, 2011).

In addition to the importance of being a homeowner in old age, our study highlights the significant meaning of living in owner-occupied housing to older people, i.e., not living in rental housing. In Korea, living in rental housing implies a high degree of housing insecurity since the law that can secure a certain period of residential stability was enacted only recently[3]. Moreover, public rental housing that ensures a high degree of tenancy security accounts only for less than 10% of the total housing stock in Korea, and the elderly are not usually given priority in the allocation of public rental housing (Seo & Joo, 2018). Therefore, even if older people are not the owner of the house they live in, housing security that (someone's) owner-occupied housing provides seems to enhance the elderly's life satisfaction. It implies that the social benefits and opportunities from living in owner-occupied housing, such as neighbourhood stability, increased social interaction, and civic engagement, enhance older adults' life satisfaction (Rohe *et al.*, 2002). In this regard, we argue that Korea's homeownership-based welfare has contributed to some extent to older persons' psychological well-being.

[3] The Housing Lease Protection Act came into effect in mid-2020.

Finally, and most importantly, our study proved that the relation between intergenerational coresidence and older parents' life satisfaction depends on their homeownership status. We find it interesting that while intergenerational coresidence does not have a significant influence on life satisfaction when older parents live in rental housing or in a home owned by others, it has a negative effect when older people live in their own housing. From *social causation theorists*' perspective (Choi & McDougall, 2009; Costello *et al.*, 2003), this result might be because the negative effect of intergenerational coresidence on life satisfaction is offset by the psychological merits of reduced living cost of old persons with asset poverty when living with adult children. From *asset effect theorists*' perspective (Han & Hong, 2011; Sherraden, 2015), this result may be because asset as a form of homeownership gives older parents sufficient financial capability to live without much support from their offspring, but an unwilling choice to live with adult children, possibly due to children's needs, may affect older persons' subjective well-being negatively.

One unanticipated finding was that this moderation effect of homeownership is significant only among the older old group, aged 75 or up. This result is contrary to the theory that older old people need more care and support from family and thus show higher life satisfaction when coresiding with their children (Carstensen, 1992; Chai & Jun, 2017). Drawing on our findings, however, we argue that housing stability and financial security obtained from homeownership can help older Koreans to fulfil their desire to live independently from adult children when they reach the age with relatively less need from their children for coresidence (e.g., caring for young children, longer education, delayed marriage). Social ties and interaction with children are still important for older persons' subjective well-being; yet, in the context of population ageing, such family supports are not necessarily fulfilled by living together. When

391 they have sufficient assets, i.e., homeownership, to support themselves financially, living with
392 adult children may cause psychological stresses and tensions.

393

394 **Conclusion**

395 Understanding the implications of household structure and financial resources for older people's
396 subjective well-being is important to promote healthy ageing in the context of rapid population
397 ageing. In East Asia, intergenerational coresidence has been considered to provide informal care
398 and social support that can maintain older persons' well-being and reduce the state welfare
399 provision. However, given the negative association between intergenerational coresidence and
400 older homeowners' life satisfaction demonstrated in our study, the declining rate of
401 intergenerational coresidence in recent decades and decreased preference of older Koreans for
402 living with adult children may not be so lamentable trends. To enhance older people's subjective
403 well-being, Korea's asset-based welfare system seems effective as it enables older people to
404 achieve independent living as they desire. In contrast, promoting intergenerational coresidence
405 through various incentives in East Asia (e.g., tax deduction on inheritance tax in Korea; faster
406 allocation of public rental housing in Hong Kong) may not be an effective policy tool when it
407 comes to older people's life satisfaction. We then argue that a relevant policy focus should be
408 redirected to the issue of how to help older people to choose their preferred living arrangement;
409 how to improve older people's, particularly non-homeowners', housing security; and how to help
410 the elderly to capitalise housing asset to support independent living in later life.

411 Nevertheless, our study has some limitations. We assumed that older homeowners have
412 full ownership of their house. However, deteriorating housing affordability amidst the
413 increasingly financialised housing markets in some developed East Asian countries, including

Korea, children's joint ownership of parents' house or inheritance of parents' home could be conditions of intergenerational coresidence and generational reciprocity, which might draw different implications for older parents' perception of intergenerational coresidence and life satisfaction. Moreover, we only assessed life satisfaction as an indicator of older people's subjective well-being. Exploring more diverse aspects of subjective well-being could strengthen the validity of our findings. Further research considering complex homeownership status within family and a wider range of psychological well-being is therefore suggested.

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