

Informal Care and Reciprocity:

Does helping with grandchildren
result in more help received in later life?

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Informal long term care

- Longer life expectancy increases the chances of spending a long period in disability
- public expenditure for health and long term care (LTC) is expected to increase dramatically over the coming decades
- Informal LTC may
 - act as a substitute of formal care (van Houtven and Norton, 2004, Bonsang, 2008, Bolin, Lindgren and Lundborg, 2008)
 - reduce or postpone the demand for institutional care (Charles and Sevak, 2005)
- A large fraction of LTC services is provided by adult children (Kalwij, Pasini, Wu, 2012)
- informal LTC provision bears undesirable implications on the carers' labour market participation, career prospects and fertility especially for women (Pezzin-Steinber-Shone 1999, Bolin, Lindgren, Lundberg, 2008b; Wolf and Soldo, 1994)
- The negative effects on providers cast doubts on the viability of public healthcare costs reduction via informal care

Grandchildren care

- The compression of morbidity has increased the number of older people in good health conditions, who can provide grandparental childcare
- Informal childcare has positive implications for
 - adult children labour market involvement
 - fertility decisions (Dimova and Wolff, 2008; Arpino, Pronzato and Tavares, 2010; Blau and Currie, 2006, Turke, 1989, Bereczkei, 1998, Coall and Hertwig, 2011, Waynforth, 2012)
 - grandparents' health (Minkler and Fuller-Thomson, 1999, 2001, Hughes et al., 2007)
- Less drawbacks on labour force participation of providers (later in life cycle, maybe retired)

Research question

- Is care for grandchildren later reciprocated with LTC?
 - This would be an intergenerational transfer of in kind services
 - Reduce costs for Welfare State
 - Compensate for adverse labour market effects of LTC
- We investigate empirically whether parents who have provided grandparental childcare while in good health, will later receive more informal care from their adult children, once experiencing the onset of limitations in performing activities of daily living
- In a life cycle perspective, implications for the overall fiscal cost of public care expenditure programs (childcare and long term care)

Theoretical background

- Large theoretical literature on intergenerational monetary transfers, e.g. OLG models
- Pure altruism (e.g. due to blood ties and culture), can motivate transfers (Becker, 1976)
- Exchange motive (Bernheim et al., 1985; Cox, 1987): parents promise a bequest as a “payment” for attention/care received earlier in life
- Alessie et al, 2009: both motives are in place. Altruism is not enough.
- Two ways to model in-kind intergenerational transfers:
 - Parents and children are altruist, both bear costs of caring, they are involved in a sequential game à la Stackelberg (currently working on it!)
 - Only parents are altruist (no altruism at all in the extreme case), grandchildren care is a payment for informal care later in life

Key difference from Exchange

- Financial transfers are typically provided while or after the long term care need has arisen
- Grandparental childcare is instead typically provided before the long-term care need arises



Children won't necessarily 'keep' the promise to help their parents in the future after receiving the in-kind transfer

However to disown a family member might be quite costly in terms of reputation and family relations

The SHARE data

- Survey of Health, Ageing and Retirement in Europe (SHARE)
- multidisciplinary survey of the population aged 50 years and over (and their younger partners)
- collects information on demographic and socioeconomic characteristics, health, long term care needs, social and family networks of the target population
- further information about respondents' children and parents
- wave 1 (2004/05) and wave 2(2006/7)
- 11 European countries took part in both waves (Sweden, Denmark, Austria, Germany, France, Switzerland, Belgium, Netherlands, Spain, Italy and Greece)

The SHARE data

Downward care **from (grand)parents to (grand)children** in wave 1

During the last twelve months, have you regularly or occasionally looked after [your grandchild/ your grandchildren] without the presence of the parents”

Upward care **from adult children towards parents** in wave 2

Since the last interview, has any family member from outside the household, any friend or neighbor given you (or your husband/wife/partner) any kind of help listed on this card?

1. personal care, e.g.
2. practical household help
3. help with paperwork

Sample selection and data structure

- Select individuals:
 - Who participated in both waves 1 and 2
 - Living as a single person household or as couple (no further household members) since w1
 - With children and grandchildren (the youngest of which aged less than 15 in w1)
 - Not yet in receipt of care in wave 1
- Link data on downward care given in wave 1 (individual level) with data on upward care received in wave 2 (hh level)
- Form 'dyads': household of grandparents-each adult child
- Sample size: 6,049 dyads (3,924 grandparents' households)

Methods

- Probit model to estimate the conditional probability of receiving care from adult children (living outside the household)
- **Key covariate:** dummy variable 0/1 of having helped with grandchildren in wave 1
- Controls:
 - characteristics of the potential LTC provider (age, gender, number of children, age of youngest child, partnership, occupational status),
 - characteristics of the care recipient household unit (age, ADL needs, partnership status, number of children)
 - country dummies or LTC expenditure per country
- Robustness check: the “caring family”
- We also run a two-part model to test on intensity of care, but sample size is too small.



	Spec. 1		Spec. 2	
	Mg. Eff.	Pval	Mg. Eff.	Pval
LTC potential recipient				
Provided grandparental care (w1)	0,021 ***	0,000	0,021 ***	0,000
Number of ADLs(max) in w2	0,011 **	0,009	0,011 *	0,017
ADLs increase since w1	0,012	0,381	0,008	0,566
Household income(log)	0,001	0,867	0,009 **	0,006
Household_wealth (log)	-0,002	0,286	-0,001	0,614
Lives with partner/husband/wife	-0,047 ***	0,000	-0,050 ***	0,000
Number of children	-0,001	0,615	-0,002	0,558
Age (average if couple)	0,000	0,419	0,000	0,502
LTC potential provider				
Age (in w2)	-0,001	0,311	-0,001	0,296
Male	-0,003	0,826	-0,004	0,767
Lives with partner/husband/wife	-0,008	0,423	-0,010	0,381
Male in partnership	0,009	0,537	0,018	0,226
Age of youngest child	0,001	0,292	0,001	0,128
Number of children	0,004	0,150	0,003	0,289
Working part time	-0,011	0,069	-0,007	0,285
Ouf of work for illness	0,021	0,546	0,028	0,459
Out of work_other_reason	0,004	0,652	0,016	0,109
Austria	-0,004	0,741	-	-
Sweden	-0,020	0,117	-	-
Netherlands	-0,025 *	0,015	-	-
Spain	-0,010	0,495	-	-
Italy	-0,013	0,269	-	-
France	-0,036 ***	0,000	-	-
Denmark	0,010	0,564	-	-
Greece	-0,006	0,646	-	-
Switzerland	-0,012	0,438	-	-
Belgium	-0,025 *	0,011	-	-
Public LTC exp/GDP (adj.)			-0,215 **	0,007
N	5.557		5.017	
Wald chi2: Prob > chi2	0,000		0,000	

The 'caring' family

2. The following statements are related to the duties people may have in their family. Please tell us how much you agree or disagree with each statement.

(Please tick one box in each row)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	▼	▼	▼	▼	▼
a) Parents' duty is to do their best for their children even at the expense of their own well-being.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
b) Grandparents' duty is to be there for grandchildren in cases of difficulty (such as divorce of parents or illness).	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
c) Grandparents' duty is to contribute towards the economic security of grandchildren and their families.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
d) Grandparents' duty is to help grandchildren's parents in looking after young grandchildren.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

3. In your opinion, who – the family or the State -- should bear the responsibility for each of the following...:

(Please tick one box in each row)

	Totally family	Mainly family	Both equally	Mainly state	Totally state
	▼	▼	▼	▼	▼
a) Financial support for older persons who are in need?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
b) Help with household chores for older persons who are in need such as help with cleaning, washing?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
c) Personal care for older persons who are in need such as nursing or help with bathing or dressing?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅



	Spec. 1		Spec. 2	
	Mg. Eff.	Pval	Mg. Eff.	Pval
Provided grandparental care (w1)	0.020 **	0.002	0.018 *	0.013
Number of ADLs(max) in w2	0.011 *	0.048	0.012	0.056
ALDs increase since w1	0.001	0.967	-0.001	0.954
Household income(log)	0.000	0.916	0.007	0.084
Household_wealth (log)	-0.002	0.226	-0.002	0.324
Lives with partner/husband/wife	-0.042 ***	0.000	-0.040 ***	0.000
Number of children	-0.004	0.219	-0.004	0.233
Age (average if couple)	0.001	0.128	0.001	0.186
Caring family	0.009	0.084	0.009	0.094
Age (in w2)	-0.001	0.165	-0.002	0.114
Male	0.006	0.661	0.009	0.577
Lives with partner/husband/wife	-0.014	0.268	-0.014	0.293
Male in partnership	0.001	0.951	0.009	0.608
Age of youngest child	0.001	0.452	0.001	0.185
Number of children	0.007 *	0.025	0.007	0.068
Working part time	-0.009	0.199	-0.004	0.636
Ouf of work for illness	0.000	0.998	0.003	0.941
Out of work_other_reason	-0.009	0.346	0.000	0.973
Austria	-0.010	0.482	-	-
Sweden	-0.024	0.109	-	-
Netherlands	-0.021	0.071	-	-
Spain	-0.007	0.687	-	-
Italy	-0.011	0.471	-	-
France	-0.040 ***	0.000	-	-
Denmark	-0.001	0.965	-	-
Greece	-0.008	0.590	-	-
Switzerland	-0.012	0.469	-	-
Belgium	-0.029 **	0.007	-	-
Public LTC exp/GDP (adj.)			-0.194 *	0.046
N	3930		3522	
Wald chi2: Prob > chi2	0.000		0.000	

Conclusions

The prevalence of informal care receipt is significantly higher for grandparents who previously provided childcare

Hint at reciprocity playing a role in informal care dynamics within the family

The effect remains significant even after controlling for the “caring” family attitude

Need to account for the institutional country characteristics (e.g. health and social care system, public childcare provision)

Use forthcoming data from wave 4 to allow for longer time elapsed between help provided with grandchildren and the LTC need onset. This will increase the sample size and allow to run two-part model



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