

Intergenerational Family Transfers

Dimensions of Inequality

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The role of the state in supporting the wellbeing of citizens is being redefined throughout the Western world. There is an apparent consensus among governments that the responsibility for the provision of services and support should shift from government to the market, the community and the family. This article considers whether such changes are likely to affect generational, gender, socio-economic and ethnic inequalities.



Throughout the Western world social policy directions and social and demographic trends mean that the study of intergenerational family relationships and intergenerational family supports is becoming an ever more important area to understand (Mancini and Blieszner 1989). Increasingly, the nature of these relationships will have direct implications for the effectiveness of family policy in the 21st Century (de Vaus 1994).

In Australasia, Scandinavia, the United Kingdom, Europe and North America, the role of the state in supporting the wellbeing of citizens is being redefined. There appears to be a consensus, at least among governments, that the role of the welfare state needs to be reduced. The explicit policy assumption is that other sectors – the market, the community and the family –

will take up the slack created by smaller government.

This article focuses on some of the implications of expecting families to make up for what the state will no longer provide.

Policy Directions and Demographic Trends

Increasingly governments are focusing on their responsibility 'to steer, not row'. They are seeing their core responsibilities as setting the framework for service delivery of family support services (and a range of other service delivery functions), monitoring the standards of delivery, and providing some funding support, but not directly delivering those services. Service delivery is being seen as the role of the market, the community and the family.

A second aspect of the direction of social policy is encapsulated in the notion that 'it is better to teach a person how to catch a fish than to feed them a fish' – that is, it is the responsibility of governments to foster self reliance and self provisioning rather than to provide welfare (Sen 1997). Such a policy direction involves providing access to training, child care, work experience and the like to enable people to become less reliant on welfare, and at the same time more tightly targeting and restricting access to welfare services.

Demographic and social trends (de Vaus and Wolcott 1997) are adding to the need for families to look after their own.

Ageing population

In Australia, as in most countries, population ageing means that governments anticipate skyrocketing costs for health care, institutional care of the elderly, and income support. Governments are seeking to contain these costs through greater targeting of welfare services and a policy of deinstitutionalisation and community care – a system that relies heavily on family supports.

Labour market

Labor market changes such as the shrinking of the core labour market (that is, full-time, continuing positions with standard work benefits such as annual leave, sickness benefits and the like) and the expansion of temporary, part-time



casual work has important implications for intergenerational relations.

Increasingly, older people (especially men) are losing their jobs in their fifties and are unable to find work in the core labour market. Early retirement and redundancy mean that older people will either have fewer resources to support the younger generation and, because the last few years of work are critical for the level of superannuation entitlements, may need to draw on the support of the younger generation.

At the same time, because of extended periods of higher education when debts are being accumulated, and the insecurity of work in the marginal labour market, many young people are remaining economically dependent on their parents for longer periods than we would have expected 20 or 30 years ago.

Family formation

Significant changes in patterns of family formation, particularly serial relationships among young people and delays in marriage, can mean that the 'launching phase' may be both unstable and extended, leading to a reliance on family for longer periods than in the past.

High rates of ex nuptial births and increasing levels of lone parenting are likely to increase the need for adults with children to rely more heavily than otherwise on the support of their extended family for both economic support and assistance with child care.

Family breakdown and divorce can also result in adult children requiring income, accommodation and child care support from

their parents well into their adult years. Such disruption can also lead, in the absence of a spouse, to a greater reliance on their children for assistance in later life.

Entry into the housing market

Job insecurity, less predictable family formation patterns and divorce can all make entry into the housing market more difficult, and lead to young people relying increasingly on their parents to help them get started or provide housing assistance. As the state continues to restrict eligibility to public housing, and the supply of affordable private rental housing remains limited, the need to rely on families for housing assistance is likely to increase.

Child and elder care

Women of all ages are increasingly in the labour force. This is true both for mothers of young children and for older women whose own children have left home.

The involvement of young mothers in the labour force increases the need of young families for child care and other forms of assistance with domestic work. At the same time,

the workforce involvement of women in their fifties reduces the pool of women available to care for elderly parents and grandchildren. This is happening during a period of rising costs for formal child care and institutional care for the elderly.

These policy directions and demographic trends have implications for the role of intergenerational transfers and supports in people's lives. If families are expected to respond to the reduction in direct government services we need to examine the impact of this for equality.

Some families are likely to be able and willing to provide further support for family members. Others, however, will already be stretched financially and in terms of time, to the extent that they cannot provide additional effective support. Then there is the fact that not everyone has a family that is available to help out. Those who have migrated from overseas, or who have moved within the country, can be cut off from effective family support. Those who have had family ties disrupted by divorce and other family tensions may not be able to call on family networks for help (Furstenberg et al 1995). Declining fertility and childlessness also mean that many older people will have limited opportunity to draw on family members for help.

Patterns of Transfers

In an environment where there is an increased emphasis and need for families to look after their own it is timely to look at the level and pattern of transfers between adults and their parents and whether this has implications for equality? In particular:

- *Generational equality* – do older people give more than they get, and does the stereotype of older people as burdens and net takers hold up?
- *Gender equality* – will the shrinking of government support mean that the demands on women in families will increase?
- *Socio-economic equality* – does an increased reliance on family support mean that affluent families will cope while poor families will struggle more?
- *Ethnic group equality* – are migrants and those from particular ethnic groups more vulnerable than others if they have to rely on extended family supports?

Data source

Evidence from a large scale survey of Australian families bears directly on these questions. Data from the *Survey of Australian Families* (ABS 1992) have been analysed to examine the level of inter-household transfers between adults and their parents. From this we can get some sense of who will be the winners and losers from a system that relies on intergenerational family transfers.

This survey is a probability sample which provides information on 18,000 adult children aged 20 or over who have left home, and 12,000 parents of adults who have left home. It looks at help parents give to their grown children and help that children give to their older parents.

Table 1. Main age at which parents and children provide and receive support

Type of support	Parents provide support	Children receive support	Children provide support	Parents receive support
	Years	Years	Years	Years
Child care	50-74	20-39	-	-
Accommodation	50-74	20-39	-	-
Income	40-59	20-29	-	-
Employment	40-49	20-29	-	-
Transport	-	-	50-74	na
Personal care/home help	-	-	40+	75+

Source: Survey of Australian Families, ABS 1992.



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The survey provides detailed information about a range of transfers between adults and their parents, including: income support (financial gifts, regular income support, giving of large gifts, payment of bills, loans and the like); accommodation support (assistance with purchasing accommodation or home house improvements); employment support (help looking for work, getting a job or establishing contacts); regular transport provision; personal care/home help (main provider of meals, housework, home maintenance, personal care or general nursing); and child care (main provider of informal child care).

Extent of transfers

Without going into all the detailed findings from analysis of this survey, two aspects can be highlighted.

First, the balance of the flow of transfers favours children rather than older parents: adult children were more likely to receive help from their older parents than to give them help. For example, the parents of about 20 per cent of adult children (with children aged under 12) were the main providers of informal child care; 11 per cent of parents reported providing income support to children; and 9 per cent of adults received accommodation support from their parents. By comparison, parents received relatively low levels of support from their grown children. Only 8.5 per cent of parents received any personal care or home help, and just under 4 per cent received regular transport support.

Second, regardless of whether the person who responded to the survey was an older parent or an adult child, more help was reported as being given than was reported as being received. For example, 9.3 per cent of parents reported giving accommodation support while 6.2 per cent of children reported receiving it; 8.5 per cent of children reported giving personal care/home help while only 1.2 per cent of parents reported receiving it.

Variations across the life course

Table 1 shows the ages at which parents and their children are most likely to give and receive the various forms of help from one another. There are four key points to note about the patterns of transfers at different points across the life course.

First, adult children receive most support from their parents when they are in their twenties and thirties – the ages at which they are getting established.

Second, parental provision of support to their adult children is highest when they (the parents) are in their fifties and sixties, although this can extend into their early seventies.

Third, because they may have several children, parents are providing support to adult children for an extended period. They are supporting one adult child or another for a more extended period than adult children provide support to their parents. Support of parents is concentrated in the time when they are aged over 75 years.

Fourth, there is evidence of a 'sandwich generation' dimension to intergenerational support (Brody 1990). Many people in their fifties to seventies are both a parent of an adult child *and* an adult child of an elderly parent. Between the ages of 50–74 as parents they are most likely to be helping their adult children, and as adult children they are most likely to be helping their elderly parents. This is a longer and perhaps later sandwich period than is generally portrayed but increased longevity and delayed childbearing will increasingly postpone and possibly extend the sandwich period.

When looked at in terms of the age at which adult children receive support, the support is concentrated among those in their twenties and, to a lesser extent, their thirties. Parental support is largely directed at helping their adult children get set up and reflects an extended launching phase that certainly continues well beyond the entry of adolescents into young adulthood.

These findings challenge images that stereotype the elderly as burdens and which focus on the burden of elder care.

While there are undoubtedly cases where elder care is a burden, the flow of support between the generations is clearly in the direction of the older generations supporting the younger generations. Most older people do not constitute a burden on younger generations, and older people are more likely to have provided substantial support to the younger generation. The balance of support is from the older to the younger generations rather than vice versa.

Gender

It has been said before that when policy makers talk about families providing more care for family members in need this really means that women will provide the care. Research consistently shows that women take on far more of the caring roles within wider family networks than do men (Arber and Ginn 1991; Finch and Groves 1983).

Analysis of the survey data shows that women are much more likely than comparable men to be helping either their older parents or their grown children. For example, grandmothers were twice as likely as grandfathers to be giving regular child care to their grandchildren. Daughters were twice as likely as sons to provide regular transport support to their parents, and they were about 50 per cent more likely than sons to provide their parents with personal care or help around the home.

However, older mothers were no more likely than older fathers to receive personal care or home help from their children – so long as fathers were alive they were just as likely as mothers to receive support.

When older people are still married by far the most common carer is the person's partner. Because of the greater longevity of women this means that more older women receive care from their children. However, widowed mothers and widowed fathers are equally likely to be helped out by their children.

As well as giving more help, daughters also receive more help than sons – at least in the area of child care. Daughters are three times more likely than sons to have their parents (especially mothers) providing regular child care for their young children.

Socio-economic differences

People from wealthier and more educated backgrounds do better than others from intergenerational transfers – at least in terms of financial assistance.

Children whose parents are financially well off and children who themselves earn high incomes come out well ahead of those who earn far less. Adults whose parents are rated as high income earners (top third) are twice as likely as others to be receiving income support or financial assistance from their parents. Furthermore, adults who are high income earners are getting more help from their parents for things such as home purchases, home improvements and the like than comparable adults who earn less. However, when it comes to non-money based transfers such as child care, elder care and transport, the income of neither parents nor children affects the extent to which they help one another out.

Similar patterns are evident regarding education levels of adults and their parents. The more educated parents are the more support they provide. The more educated adult children are the better their chances of receiving help from their parents. Having highly educated parents (at least some tertiary education) increases the chance of receiving income support



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and accommodation support by about 50 per cent and help with employment support by one-third.

Highly educated adults are also more likely than less educated adults to receive help from their parents. They are about three times more likely to get parental help in buying a house or improving their housing, and they are twice as likely than their less educated contemporaries to receive income support from their parents.

The greater level of financial support between the more affluent adults and their parents should surprise no-one. The warning it sounds is that, while more affluent families can look after their own financially, those without financial resources will struggle if the state withdraws financial support for families. Poorer families help where they can by providing care, but they appear much less able to provide financial assistance to one another.

Ethnicity

Australia has a sizeable migrant population with over one quarter of all people having at least one parent who was born overseas. Migration can severely disrupt extended family ties

when older generations remain in the home country after their children migrate, and may have considerable implications for the way in which families can support their members.

If the shape of family policy assumes the presence of older parents who can help their grown children with child care or with getting set up financially, or if it relies on children being available to provide elder care, then those sectors of the population without extended family networks available can be severely disadvantaged.

The Australian Family Survey data demonstrates some real differences in the patterns of intergenerational transfers depending on a person's ethnic background. Australians who were born in Southern Europe, the Middle East or Asia differ from other Australians in their pattern of intergenerational transfers. Compared with other Australians, adults from these regions were less likely to provide personal care/home help to their parents and less likely to get child care help from their parents. On the other hand, they were more likely than other Australians to be giving their parents financial support – possibly sending money back home to help their parents in their old age.

These results highlight the potential difficulties that may be confronted by migrant families. Although such families typically hold to values that are highly supportive of family members helping one another, the dislocation to family ties caused by migration means that these families are often without the family supports they need and have been used to.

Discussion

Parenting extends well beyond adolescence with many parents playing a continuing role in helping their grown children get established. They may do this by assisting with child care, which both helps their children to save money and to participate in the workforce, they may provide income support, and they may assist their children to become established in home ownership. Most of this help is provided when their children are in their twenties and thirties, but because they may have several children the period for which they provide this launching support means that for many parents they are helping out through their fifties to their early seventies.

Earlier questions were raised about equality and whether greater reliance on families to provide support to family members will lead to greater inequality. We have seen that there is the real likelihood of increasing *gender inequality*. Women are more likely than men to provide intergenerational care and therefore more reliance on families to provide this form of support will impact disproportionately on women.

There is the likelihood of increasing the level of *generational inequality*. The flow of assistance, at least in the areas examined here, is unbalanced in the direction of parents providing more support for their children than vice versa – more areas of support and for a more extended period. Parents in their fifties and sixties are especially likely to be providing support to their children and also to be providing some support to their elderly parents.

As far as financial exchanges go, there is the likelihood that any policy direction requiring adults and their parents to financially support one another will increase the level of *socio-economic inequality*. Although socio-economic status has no bearing on the exchange of care, it makes a clear difference to income based forms of support. Wealthier and more educated parents provide more income support and financial assistance to their children and thus help them get established and get ahead. The more affluent and highly educated adults are also more likely to be the recipients of income and financial transfers from their parents.

There is the likelihood of increasing *ethnic inequality*. Although notions of family responsibility are high among those born in Asia, Southern Europe and the Middle East, migration means that many of these families have disrupted family ties and thus do not have parents available to provide child care, or older people may not have children available to care for them in old age. Although tight knit communities may substitute for the absence of family members to some extent, there is nevertheless the risk that policies that rely on intergenerational supports may leave some migrant groups at risk of not having the necessary caring supports.

Expecting families to take over where the state has withdrawn may be represented as policy designed to strengthen families by giving them back a function that some say the state has usurped. But it is a policy direction that also has serious implications for inequality within families and across societies.

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