

INTERGENERATIONAL PRIVATE TRANSFERS IN EUROPE (INCLUDING PORTUGAL)

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INTRODUCTION

Intergenerational Private Transfers:

- Money
- Time
- Space

Relevance

- Economic importance: benefits and costs. Redistribution of wealth.
- Social importance: family relations and bonds, social inclusion and cohesion.

RESEARCH QUESTIONS

- What influences private transfers?
- Are the determinants of transfers different when considering CTP and when considering PTC?
- Are individuals who transfer one type more prone to also transfer the other type?
- How do the Portuguese behave in terms of private transfers, in comparison with the rest of Europe, particularly in comparison with the other Southern European countries?

DATA

Wave 4 of the SURVEY OF HEALTH, AGEING AND RETIREMENT IN EUROPE (**SHARE**), 2011.

- Denmark
- Sweden
- Estonia
- Slovenia
- Hungary
- Czechia
- Poland
- Germany
- Austria
- Netherlands
- Belgium
- Switzerland
- France
- Italy
- Spain
- Portugal

Respondents: individuals aged 50+

We aggregate data per household and exclude those with no children.

MEASURES

Financial Transfers: Monetary gifts - at least 250 Eur – last 12 months

Time Transfers: Practical help or personal care – last 12 months

(*excl.* Contact; *incl.* Childcare by grandparents)

PROCEDURE

Multivariate Probit

- CTP Time Transfers
- CTP Financial Transfers
- PTC Time Transfers
- PTC Financial Transfers

Allows correlation between each pair –
interaction between the types of transfers.

RESULTS

Table 3

Determinants:

CTP

- Need
 - Physical limitations
 - Living arrangement (*single*)
 - ...But Not evident Income (*Equivalized Income Adjusted by PPP*)
- Education (*less Time received*)

Determinants:

PTC - Money

- Living arrangement (*couple*)
- Education (*higher*)
- More children and less grandchildren.

PTC – Time

- Living arrangement (*couple*)
- Better health
- More grandchildren

COUNTRIES and the relative position of Portugal

- **PTC Time Transfers**

Most different: **Denmark** – higher probability of transferring Time to children; the rest, not significantly different.

- **CTP Time Transfers**

Significantly higher

- at less than 1% significance level: **Czechia, Estonia, Denmark, Germany, Sweden, Slovenia.**
- at between 1 and 10% significance level: **Netherlands, Poland, France, Italy.**

None significantly lower.

COUNTRIES and the relative position of Portugal

- **PTC Financial Transfers**

Most countries have a significantly higher probability at less than 1% significance level and only **Spain** is not significantly different from Portugal.

- **CTP Financial Transfers**

Significantly higher

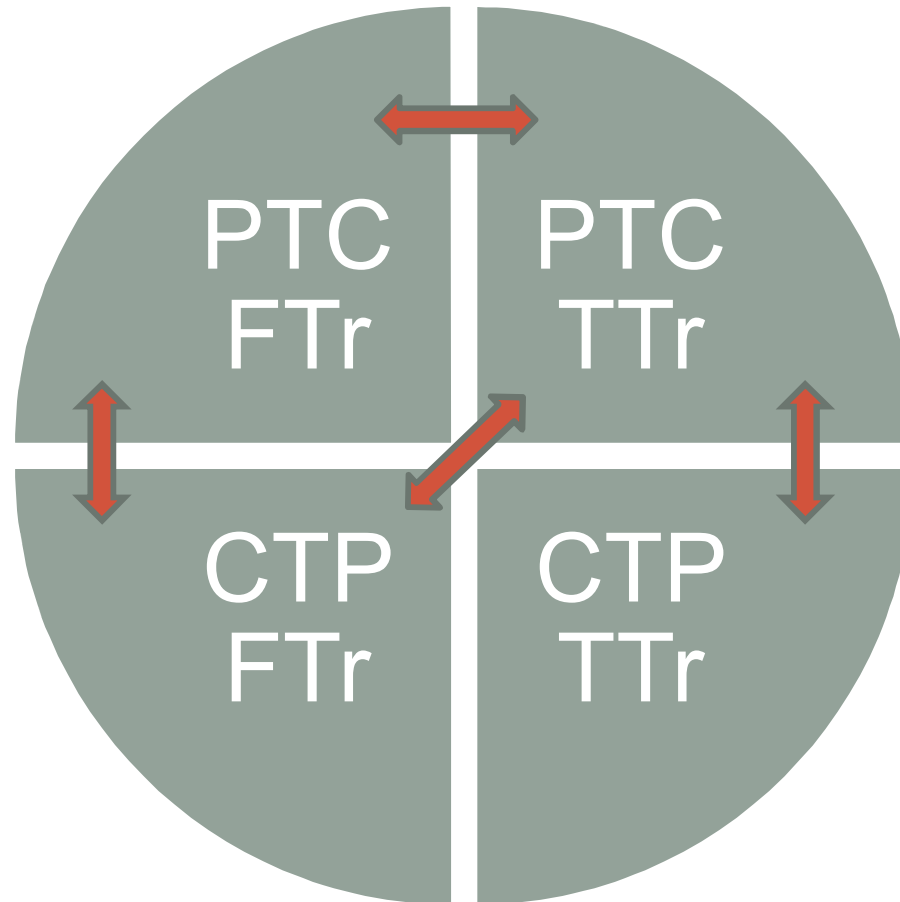
- at less than 1% significance level: **Czechia, Poland, Austria, Italy, Estonia.**
- at between 1 and 10% significance level: **Spain, Hungary, Germany, Switzerland.**

None significantly lower.

Interactions between different types of transfers:

- The probabilities of receiving and of giving transfers of the same form are positively correlated.
- The probability of receiving Financial Transfers from children is positively correlated with Time Transfers given to children.
- Parents who are more likely to transfer one form are more likely to transfer the other form.

Interactions between different types of transfers



DISCUSSION/ CONCLUSIONS

- Need of the parent (health limitations and living alone) is determinant in the decision to transfer to parent.
→ Living alone not equivalent to absence of support.
- Parents who live as a couple have a higher probability to transfer. Parents who tend to give one type of transfer are also more likely to give the other.
- Portugal: particularly low probability of existence of transfers!

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