

Need for long-term care, informal care from children, type of welfare state, past transfers and prospective bequest: is there a link?

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Why look at unmet need for LTC and family transfers?

- Higher longevity and large older cohorts increase the need for LTC
- More than proportionately if gains in longevity are not gains “in good shape”
- LTC provision is costly (low productivity growth in services)
- Health care systems cover health related expenditures in most European countries
- LTC provision systems vary across countries
- Need of LTC affects the person and her family
- Risk of unmet needs: do parents induce their children to help?

Models of need for LTC and family transfers

- Models of family transfers as seen from the parents' point of view: from altruism, to transaction like exchange (immediate, or delayed, or indirect), or family "norms".
 - Less often from the children's
 - Important to separate money transfers from time transfers (with no market substitute)
 - And add LTC provision systems (substitute, complement, at which price?).
 - And take into account the life cycle dimension.
- more or less need for the parents to seek help from the children.

What is needed to test models?

- (Relative) (current and permanent) income of parents and children
- “Altruism” parameter of parents and children
- Past transfers of money and time
 - Between parents and children (if the exchange is direct, or delayed)
 - Between parent and their own parents if family “mutuality model” (norms), or “demonstration”
- Whether time transfer is made out pure leisure time or influences labor income
- Future inheritance (if “repayment” takes place after death)

What do we get in SHARE?

- (Relative) (current & permanent) income of parents **YES** and children (**Education**) + (*some info on grandparents*)
- “Altruism” parameter of parents (**volunteering?**) and children
- Past transfers of money (**YES**) and time (**taking care of grandchildren/grand parents; only if took place within survey period**)
- Whether time transfer is made out pure leisure time or influences labor income (**activity of parents and children**)
- Future inheritance (if “repayment” takes place after death) **proxied by current wealth**

VERY TIME CONSUMING TO BUILD THE DATA!

Former related works

- Brugiavini et al. (FRB 2013) : parents who helped with child care more likely to get care from children.
- Bonsang (2006) : time and money transfers to parents are substitutes, especially if the parent live far away.
- Jiménez-Martín & Vilaplana Prieto (2015) : informal caregivers receive less frequent and less generous transfers than non-caregivers.
- *Norton et al. (2013): a sibling who provides informal care to an elderly mother is 20% pp more likely to receive inter-vivos transfers than a sibling who does not (no diff in amount).*
- Angelini (2007) : positive effect of housing wealth on the number of contacts with a child
- Alessie et al. (2011): children who are worse off provide more service in line with exchange motive.
- ... and much more

Our more narrow question for today

- Do family relationships influence the likelihood to have **unmet needs for long term care**?
1. Define LTC **need**
 2. Define **unmet need** by comparing need level and types and intensity of care received
 3. Relate unmet need to various family covariates, taking into account that needs are themselves a function of situation..

Data and Definition of needs, help and care received, and unmet needs

- Population: 65+, not in nursing homes, surveyed in wave 5 of SHARE
- 17% need some care in ADL or IADL
- ADL: dressing, walking across a room, bathing or showering, eating, and getting in or out of bed
- IADL: preparing a hot meal, shopping for groceries, making telephone calls, taking medications and managing money
- Four levels of need for care:
 - ✓ Level 1 (13%): only one IADL limitation
 - ✓ Level 2 (39%): one ADL or 2-3 IADL limitations
 - ✓ Level 3 (20%): either one ADL and one IADL limitations, or two ADL but no IADL limitations
 - ✓ Level 4 (28%): more limitations.

	IADL			
ADL	0	1	2	≥ 3
0	83,0	2,0	0,4	0,1
1	6,1	1,1	0,4	0,2
2	2,3	1,0	0,6	0,6
≥ 3	0,3	0,3	0,4	1,3
	IADL			
ADL	0	1	2	≥ 3
0	83	2		
1	7			
2	3		5	
≥ 3				

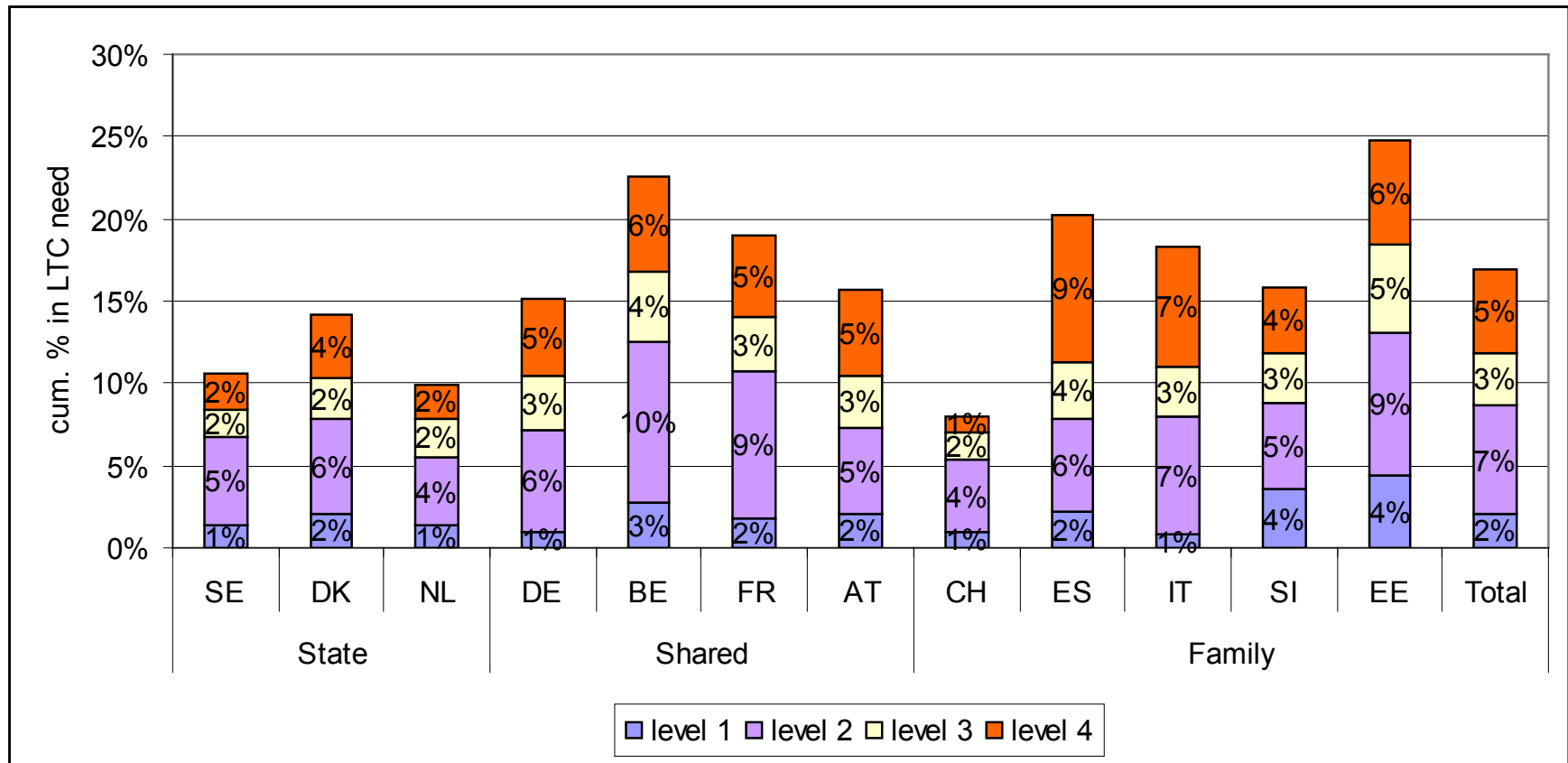
Level 1 (13%)

Level 2 (39%)

Level 3 (20%)

Level 4 (28%)

Proportion of 65+ in need of care, by country and level of need



Data and Definition of needs, help and care received, and unmet needs

- formal *domestic* help (hc127d2)
- formal *personal* care (hc127d1)
- *Informal* help
 - SP002 help from outside (personal or practical)
 - SP003 from whom (spouse, child...)
 - SP005 How often (1.daily, 2. weekly, 3 every month, 4 less).
 - SP020 Receive help personal care in household
 - SP021d1 to d33 from whom receive help inside

Data and Definition of needs, help and care received, and unmet needs

- *Informal* help from outside
 - From frequency (SP005 How often) and the number of hours provided in wave 1, + who gives help, (SP003) imputation of monthly number of hours received from outside.
 - Daily: 72 (144 for spouse); weekly 20 (12); monthly 7; less 1 (5)
- For help received from within household,
 - I assume a child helps daily 1 hour/day (24/month) if other parent helps too, 3 hours/day (72/month) if not. The spouse helps 144h/month. Others help $\frac{1}{2}$ hour/day (12h/month).

Data and Definition of needs, help and care received, and **unmet needs**

- Unmet need for care if:
 - ✓ IADL limitation and neither formal *domestic* help nor informal help,
 - OR
 - ✓ ADL limitation and neither formal *personal* care nor some minimal hours of informal help

1h/week if 1 ADL

16h/week if 2 ADL

56h/week if 3 or more

Covariates (respondents with at least one child)

- Demography: age, gender, couple/non couple, coresidence with a child.
- Affections (ph006)
- Income and wealth (country quartiles), education.
- Country dummies
 - All supposed to influence **LTC need**
(the selection equation need \geq level 2. 15%)

Covariates (respondents with at least one child)

- Demography: age +, gender (- ns), couple -, coresidence with a child +.
- Affections (ph006) + (*except hypertension or cholesterol*)
- Income and wealth (country quartiles), education. *All -, but especially education and wealth (permanent income)*
(In FRB deprivation)
- Country dummies: *less need in CH, NL, SE*

Covariates (**for unmet needs**) 2d step of the Heckman probit

- Demography: age, gender, number of children interacted with couple/non couple, coresidence with a child, nb grand-children.
- Number of ADL IADL
- Income and wealth (country quartiles), education.
- + homeownership, living rentfree interacted with couple/non couple, living in social housing
- Country dummies
 - All supposed to influence **unmet LTC need** (the main, 2d step, equation)

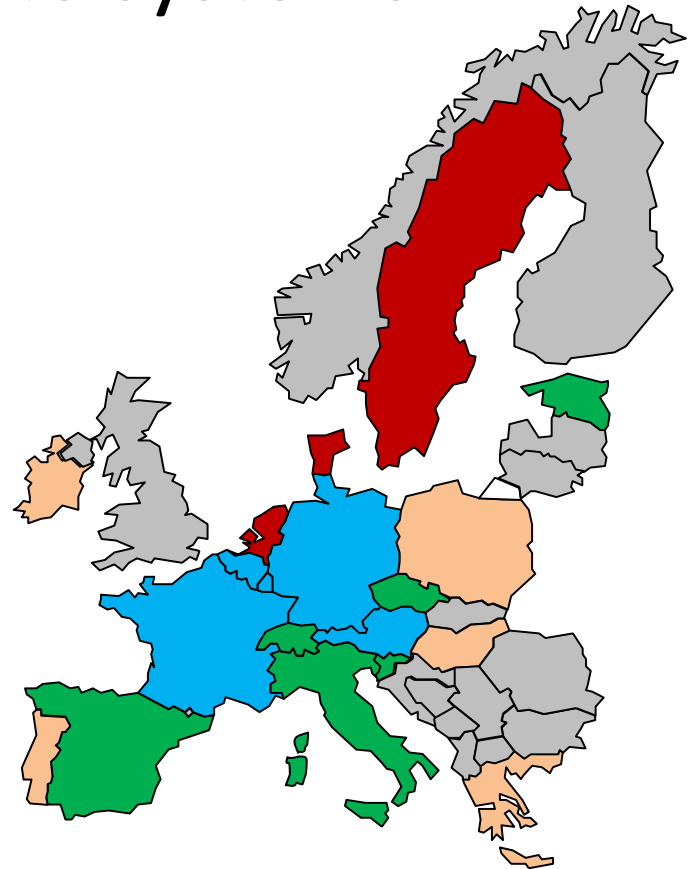
Three LTC welfare state systems

Long-term care welfare state typology:

Northern Europe (SE, DK, NL),
government mainly
responsible

Central Europe (FR, BE, DE, AT),
responsibility shared

Southern and Eastern
Europe (ES, IT, CH, CZ, EE, SI),
family
mainly responsible



In all ctr but SE, DK, NL, children inherit from parent after
1st death or surviving spouse not always have full
homeownership

Table 1. Heckman Probit Nunmet_need_c2

VARIABLES	all ctr		Nordic		non Nordic	
	coeff	se	coeff	se	coeff	Rob.se
couple	-0.246***	(0.09)	-0.558*	(0.29)	-0.200**	(0.10)
Nb child and couple	-0.008	(0.02)	0.08	(0.08)	-0.013	(0.03)
Nb child and non couple	-0.058**	(0.03)	-0.081	(0.10)	-0.051*	(0.03)
female	-0.071	(0.05)	-0.302**	(0.13)	-0.038	(0.05)
age	-0.016***	(0.00)	-0.041***	(0.01)	-0.011***	(0.00)
home owner	-0.019	(0.08)	0.061	(0.20)	-0.038	(0.08)
Rentfree and couple	0.054	(0.12)	-0.186	(0.46)	0.064	(0.12)
Rentfree and non couple	-0.181	(0.12)	0.328	(0.63)	-0.224*	(0.12)
socialhouse	-0.037	(0.10)	0.072	(0.23)	0.001	(0.12)
other tenant	ref		ref		ref	
cores_w5	0.074	(0.06)	0.403	(0.37)	0.072	(0.06)
Constant	1.765***	(0.41)	4.171***	(1.11)	0.956**	(0.44)
Observations	30,035		6,447		23,588	

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 2 Heckman Probit Nunmet_need_c2

	all ctr		Nordic		non Nordic	
VARIABLES	coeff	se	coeff	se	coeff	se
couple	-0.236**	(0.09)	-0.578**	(0.29)	-0.168*	(0.09)
Nb child and couple	-0.008	(0.02)	0.078	(0.08)	-0.018	(0.02)
Nb child and non couple	-0.056**	(0.03)	-0.091	(0.10)	-0.054**	(0.03)
female	-0.073	(0.05)	-0.299**	(0.13)	-0.042	(0.05)
age	-0.016***	(0.00)	-0.040***	(0.01)	-0.014***	(0.00)
home owner	0.03	(0.08)	0.017	(0.22)	0.002	(0.08)
house	-0.121**	(0.05)	0.072	(0.16)	-0.135***	(0.05)
Rentfree and couple	0.12	(0.13)	-0.26	(0.48)	0.13	(0.12)
Rentfree and non couple	-0.11	(0.12)	0.281	(0.63)	-0.151	(0.11)
other tenant	ref		ref		ref	
socialhouse	-0.038	(0.10)	0.065	(0.23)	-0.032	(0.11)
Give child or gc 250	0.007	(0.05)	0.052	(0.15)	0.02	(0.05)
Give child or gc 5000	0.045	(0.07)	-0.018	(0.18)	0.074	(0.07)
intensity help grd child	-0.013	(0.01)	-0.011	(0.02)	-0.017	(0.01)
Constant	1.729***	(0.42)	4.103***	(1.13)	0.271	(0.40)
Observations	30035		6447		23588	

Need for LTC , unmet needs, the family and the welfare State: preliminary conclusion

- **Need for LTC** is linked to lower permanent income. We had found (in FRB) an effect of deprivation, but adequate savings and ability to cope seem important in the very perception of difficulties in daily life.
- **Unmet needs** are not linked to permanent income (they were to severe deprivation).
- **Unmet needs** more likely for **singles whatever the welfare state regime**,
children efficient for a surviving parent : **more children less unmet need** (48% estim. at sample mean if 1 child, 45.7% if 2 children, 43.4% if 3, 41.1% if 4 children) **but not in Northern welfare state regime**.
- **No effect** of downward transfers in money. **Positive** for time spent **caring for grandchildren**.

Housing seems important (house/flat, and shared ownership after the 1st parent's death). Potential pb for tenants?

Welfare State not independent of other legal provisions !

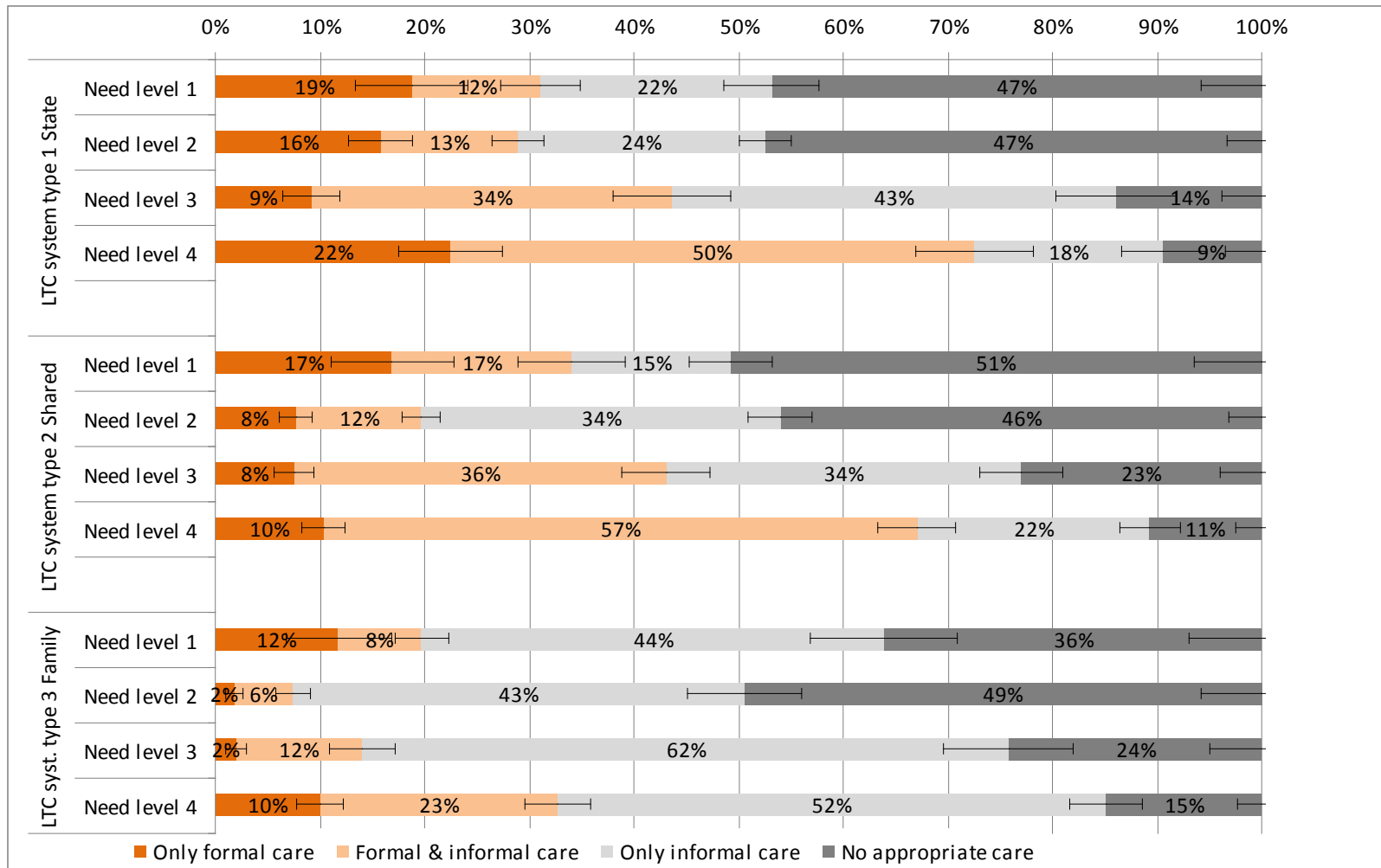
George Elgar Hicks 1824–1914

Woman's Mission: Comfort of Old Age
1862

Oil on canvas



Care received by 65+ in need of care, by welfare system type and level of need



THIRD OF OLDER PERSONS IN NEED DID NOT RECEIVE ADEQUATE CARE

The proportion left with unmet needs is higher in the family-LTC countries (49% at level 2), compared to the shared-LTC (46%) and state-LTC countries (47%).