

Long-term care and reciprocity

**does helping with grandchildren result in
the receipt of more help at older ages?**

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Ageing and the need for care

- Due to population ageing expected increase in the demand for long term care services
 - Informal care may decrease the public LTC expenditure by
 - acting as a substitute of formal homecare (van Houtven and Norton, 2004; Bonsang, 2009)
 - reduce or postpone the demand for institutional care (Charles and Sevak, 2005)
- BUT, informal LTC provision is time consuming: reduces labour market participation and career prospects of (female) caregivers (Bolin, Lindgren, Lundberg, 2008)

Informal childcare

- Childcare still leads mothers to experience lower labour market involvement and worse career prospect than desired.
- Public supply of childcare is heterogeneous across and within European countries, and often insufficient.
- Informal grandchildren care alleviates the burden on adult children, especially daughters.
- Such a within-family source of childcare is likely to expand due to the reduction of morbidity (Mackenbach et al. 2008)

Research Question

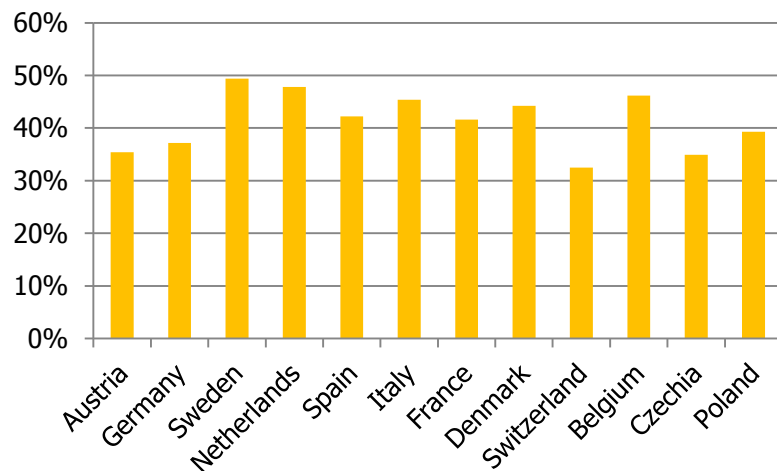
- Do parents who have provided help with grandchildren receive more informal care from their children when they experience the onset of limitations in performing activities of daily living?

Wave 4 – Wave 2 data

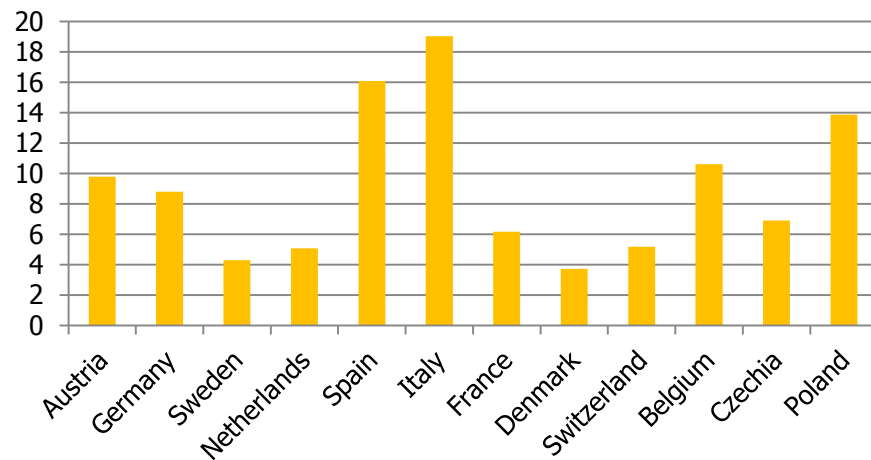
- SHARE respondents who took part in Wave 4 and in at least one earlier wave (Wave 1 and/or Wave 2).
- One record per household:
 - help given with grandchildren to any adult child in wave 1 or 2
 - Help supplied by any children to the respondent or partner
- We look both at the probability of receiving care in wave 4, and to the number of days of care received

Grandchildren care given in waves 1/2

Probability of providing help



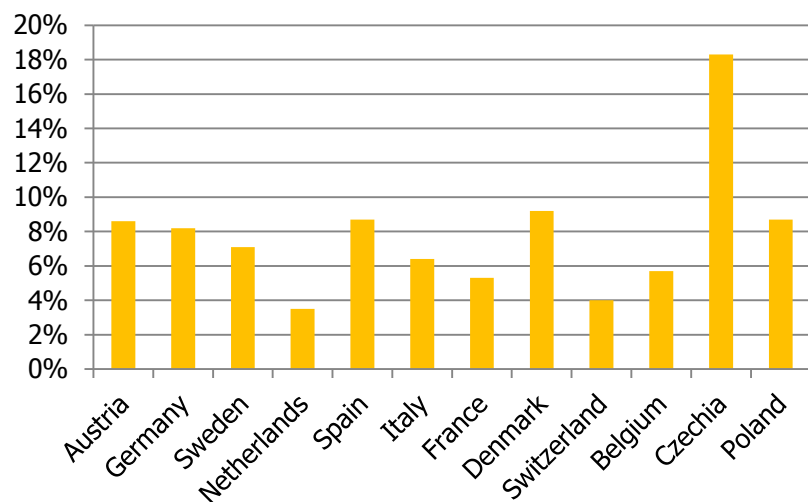
Days of grandchildren care per month



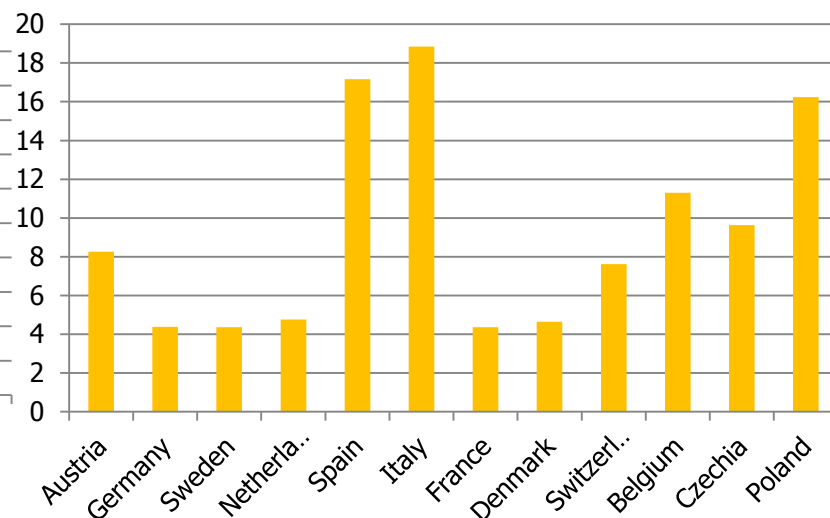
- Between 30% and 50% of households provided at least one day of grandchildren care in wave 1 or 2
- Conditional on providing care, stark differences across countries in the amounts

Long term care received in wave 4

**Probability of receiving
care**

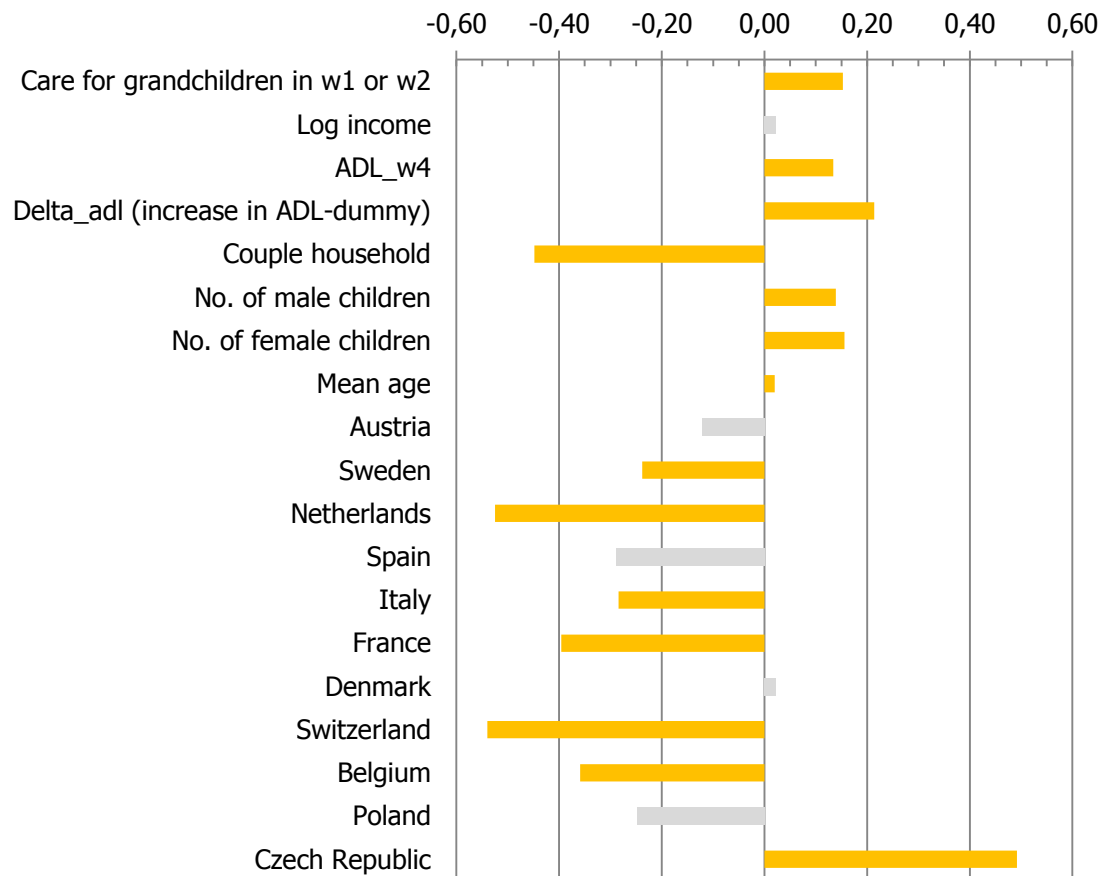


Days of care received



- Even prevalence of LTC informal care heterogeneous across countries
- Pattern of amounts similar to grandchildren care

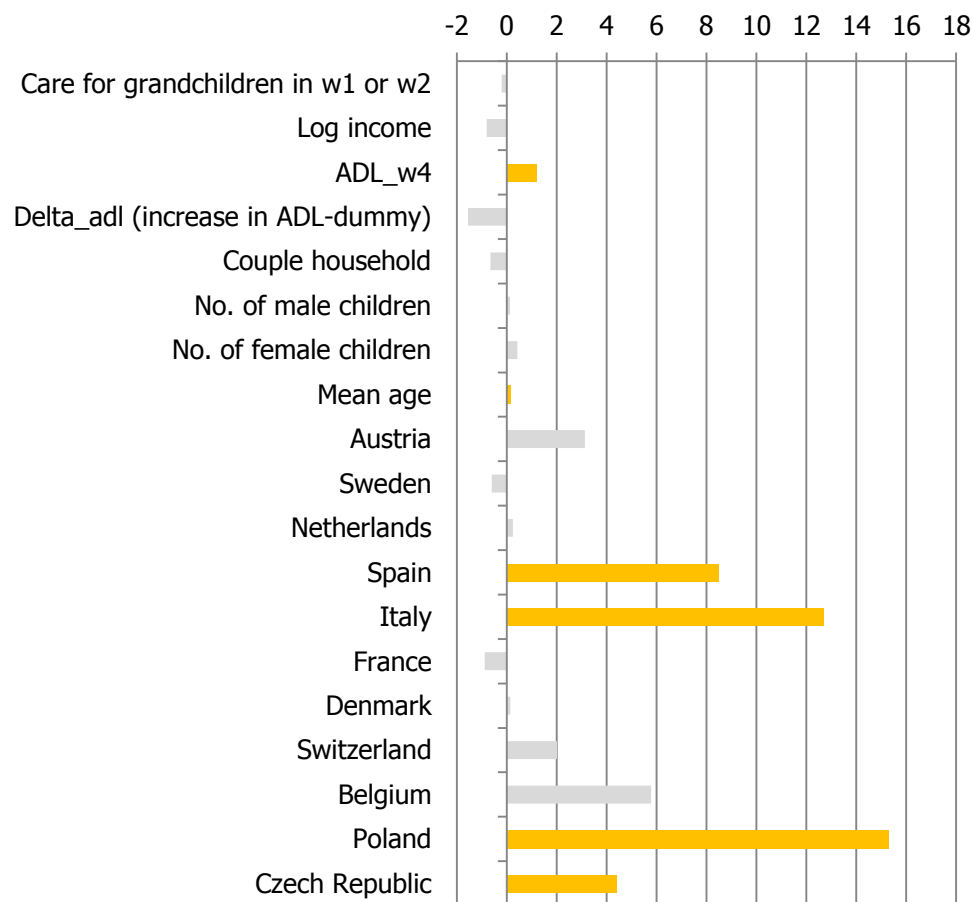
Probability of receiving care from children



- Baseline: German one person household, with no children, mean age income and adl, no worsening in adl
- Caring for grandchildren increases chances of receiving care by 15.3% wrt baseline

Orange: coeff is stat significant

Days of care received per month



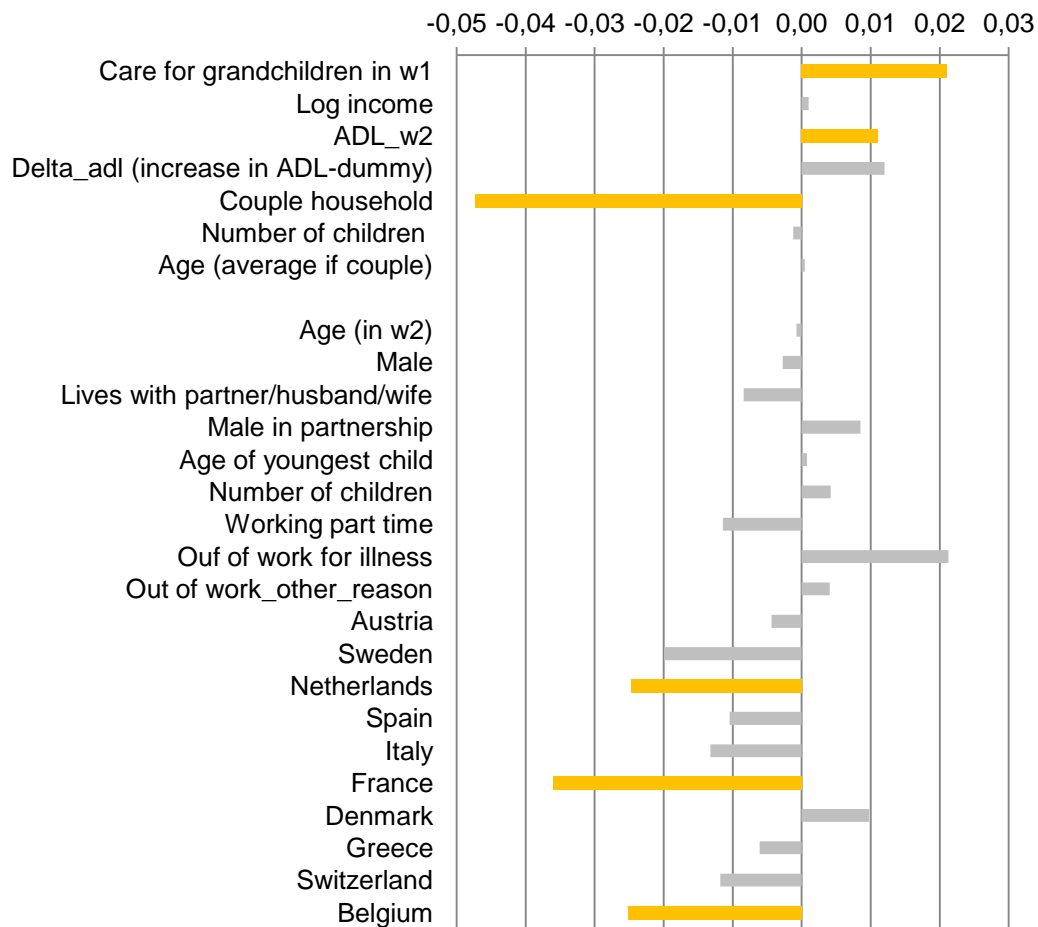
Orange: coeff is stat significant

- Caring for grandchildren does not affect intensity of LTC informal care received
- Being from Eastern and Mediterranean Europe increases dramatically the intensity of informal care

Wave 2 – Wave 1 data

- SHARE respondents who took part in Wave 1 and 2
- Link data on
 - help given with grandchildren in wave 1 to any adult child 1 from each respondent to each child
 - Help supplied by each adult child in wave 2 to the respondent or partner
- Form 'dyads': respondent's households - each adult child
- Sample size: 6,049 dyads (3,924 grandparents' households)
- We look both at the probability of receiving care in wave 2, and to the number of days of care received

Probability of receiving care from children



- Results are confirmed
- Caring for grandchildren increases chances of receiving care by 2.1% wrt baseline

Orange: coeff is stat significant

Conclusion

- Substantial number of households are involved both in downwards and in upwards care
- Great differences across and within countries: both culture (altruism) and institutions (care services) matter
- Intergenerational transmission of informal care cannot be ignored
- Previously provided grandparental childcare results in a higher probability that adult children will later reciprocate providing informal care to their older parents
- It does not affect the extent of informal care provision to the same degree.

Policy relevance

- The combination of informal grandchild care and long-term care provision might decrease the overall fiscal cost of public care expenditure without jeopardising the daughters' labour market prospects.
- ..Why is that is important, from a policy perspective:
 - Delayed reciprocity: children react to an “act of kindness” received from the parent
 - Children are not likely to respond to economic incentives to change their caring and labour market patterns.
 - LTC is a payment: altruism is not needed, different generation agree on an implicit contract
 - In this case economic incentives might be effective