

Intergenerational Assistance in Middle- and Old-age in Mexico: Life Cycle Stages in a Developing Economy

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Objectives

- Examine patterns of *inter-vivos* transfers to- and from-children of the cohorts aged 50 and older in Mexico.
 - Two types of transfers: economic and non-economic
 - Two directions of transfers: give and receive.
 - Emphasis on living arrangements.

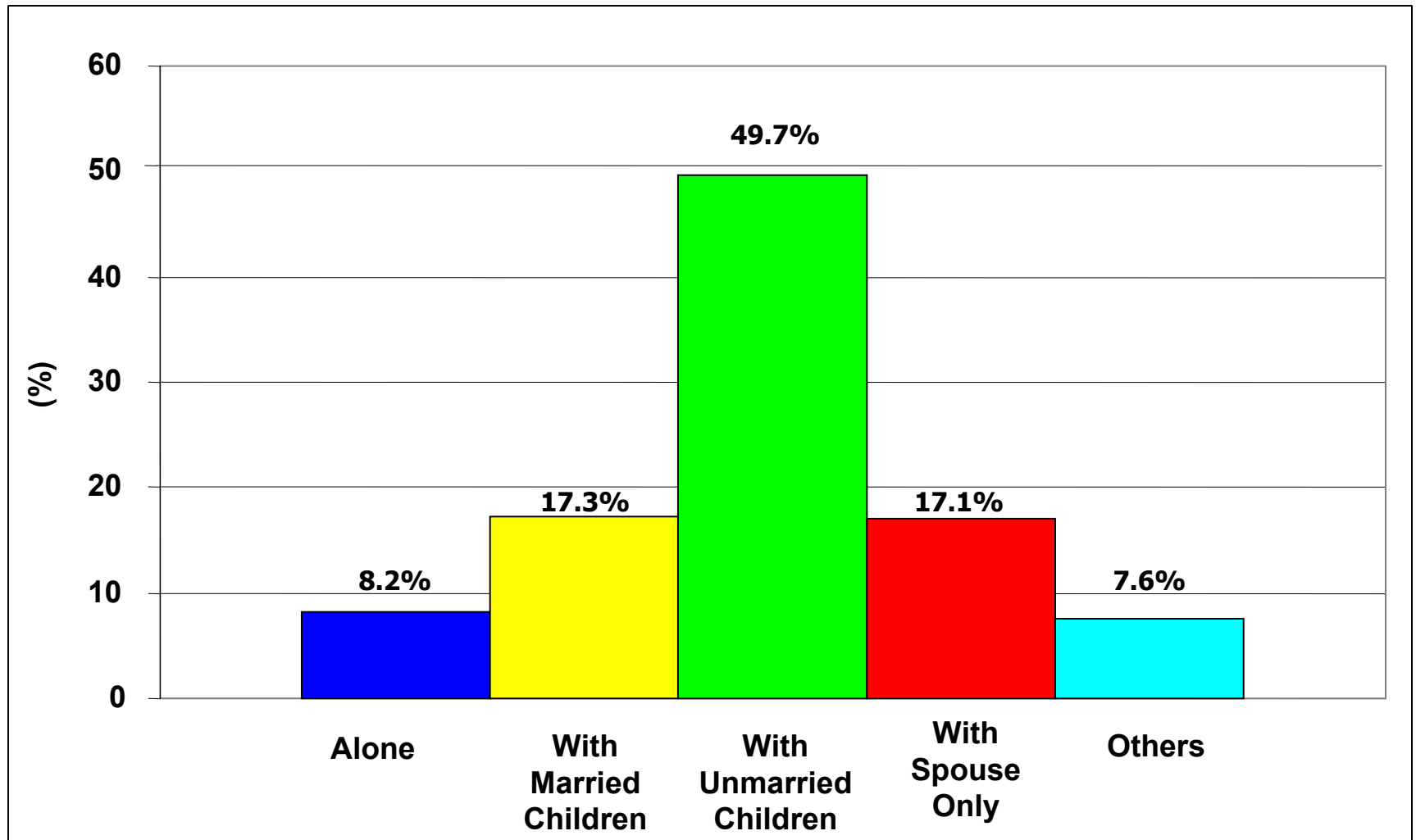
Hypotheses

- Over middle- and old-age, the patterns of *inter-vivos* transfers with children shift gradually:
 - From *donor* to *recipient* of help.
 - From *economic* to *non-economic* assistance.
- Transfers will vary according to living arrangements.
 - In particular, non-economic help will be facilitated by co-residence with children.

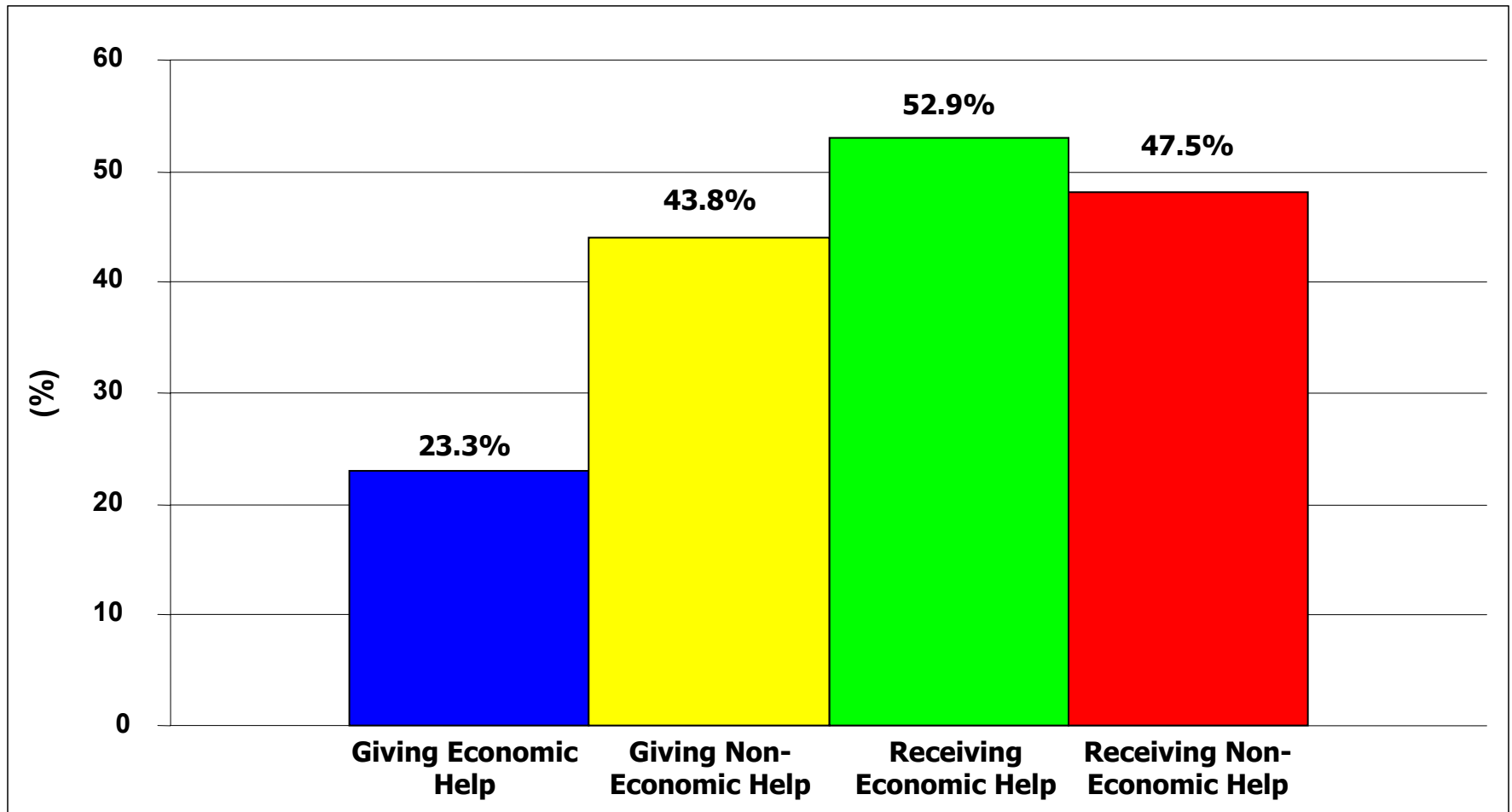
Data

- Mexican Health and Aging Study (MHAS) 2001.
- National and urban/rural representation of population aged 50+ in Mexico.
- n=13,463 respondents.
- MHAS content includes: health, demographic, migration history, family support, work, income, assets, and conditions of the dwelling.

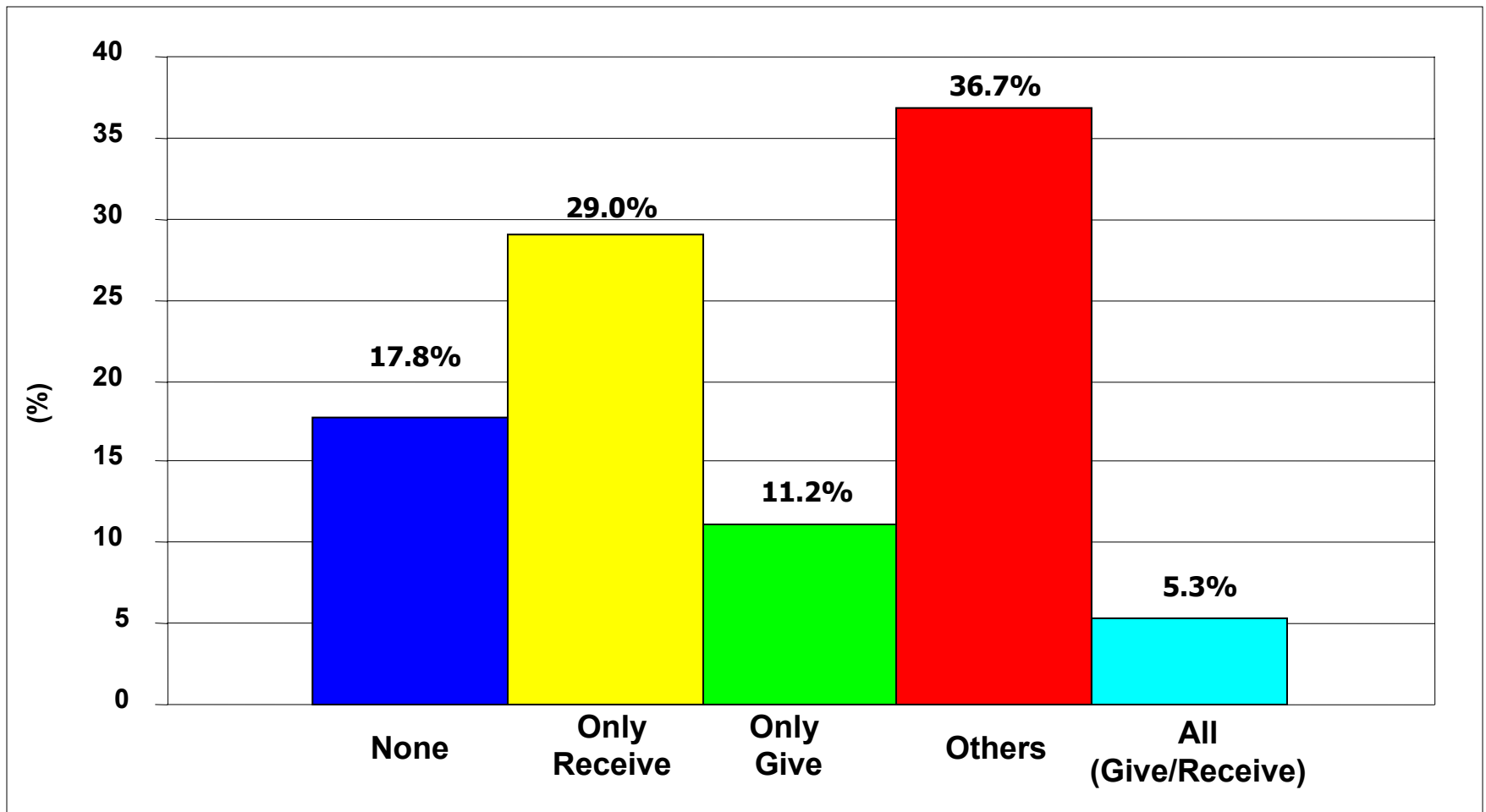
Residential Arrangements



Distribution of Giving and Receiving Economic and Non-Economic Help



Combinations of Giving and Receiving Economic and Non-Economic Help



Multivariate analysis of four transfer outcomes

To children:

- Give economic help.
- Give non-economic help.

From children:

- Receive economic help.
- Receive non-economic help.

Multivariate analysis (continued)

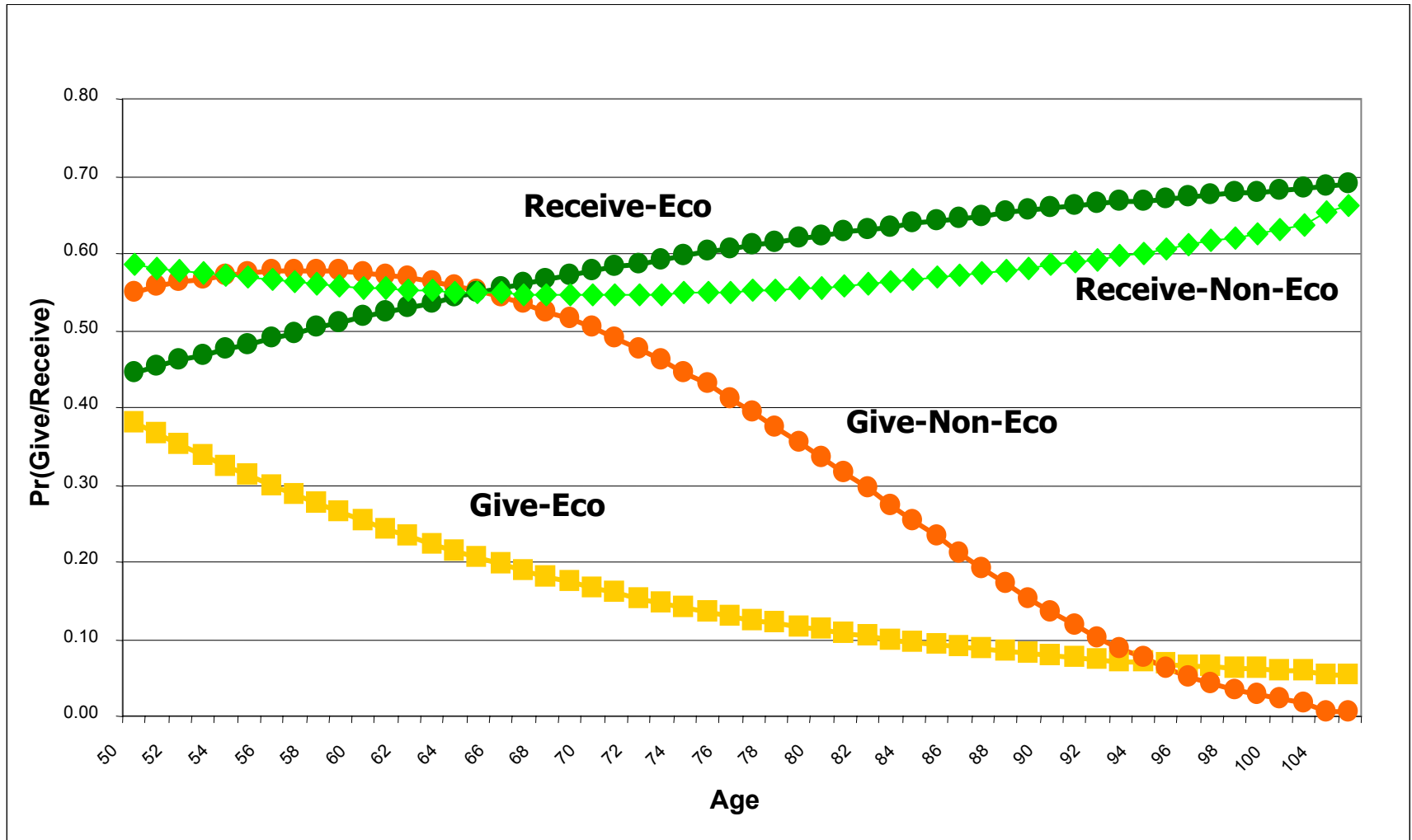
Explanatory variables:

- Demographic (sex, age, education, urban/rural residence, resides in high-migration state, ever-U.S. migrant, no. of children, children's schooling, children currently in the U.S.);
- Economic (individual net worth, current employment, household consumer durables);
- Health and functionality (ADLs, IADLs, self-reported health);
- Living arrangements.

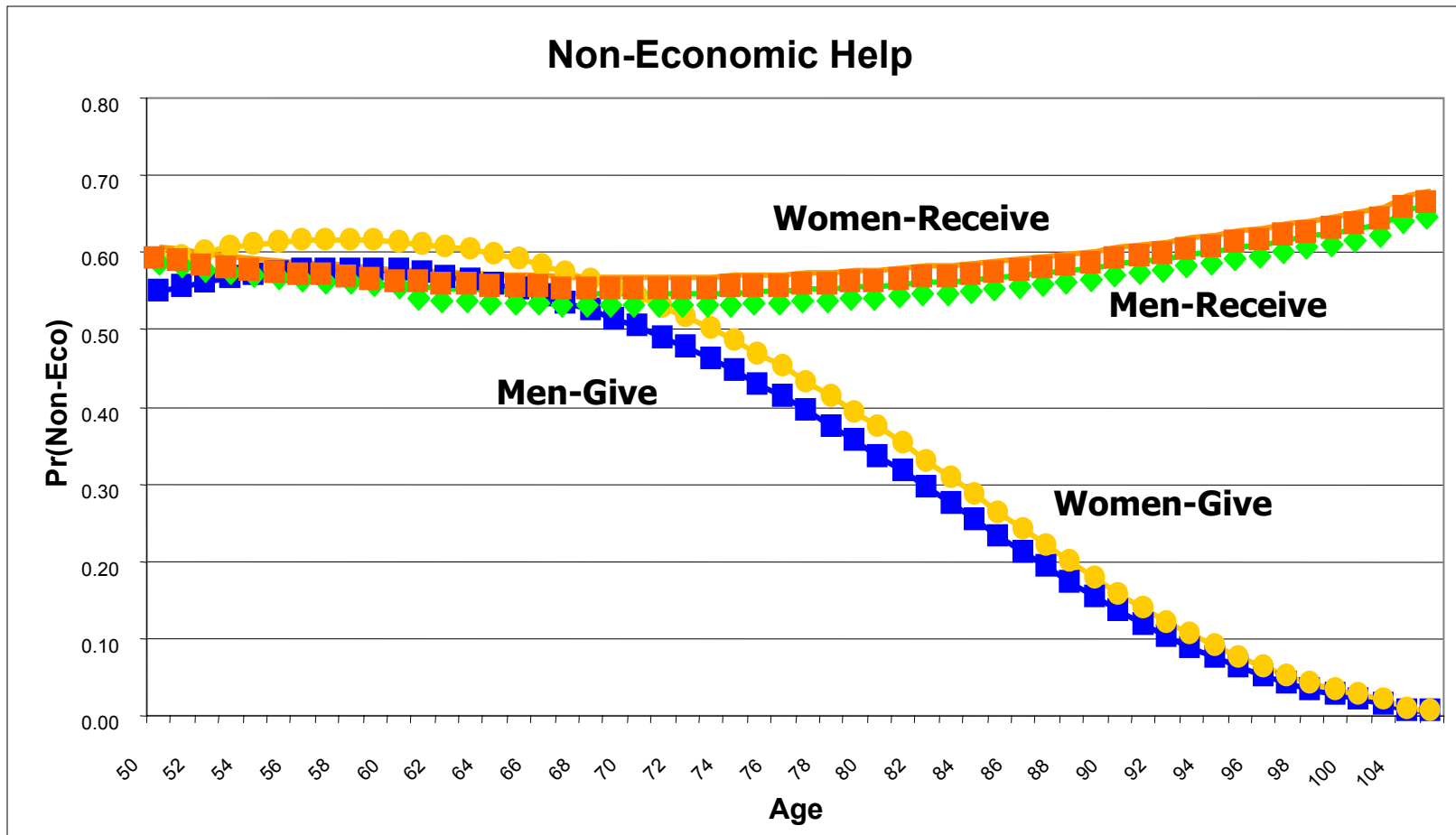
Results presented here

- Use multivariate model to calculate **predicted probabilities** of giving/receiving help.
- **Plot age gradients of predicted probabilities** of transfers to/from children by:
 - economic/non-economic,
 - give/receive,
 - gender, and living arrangements.

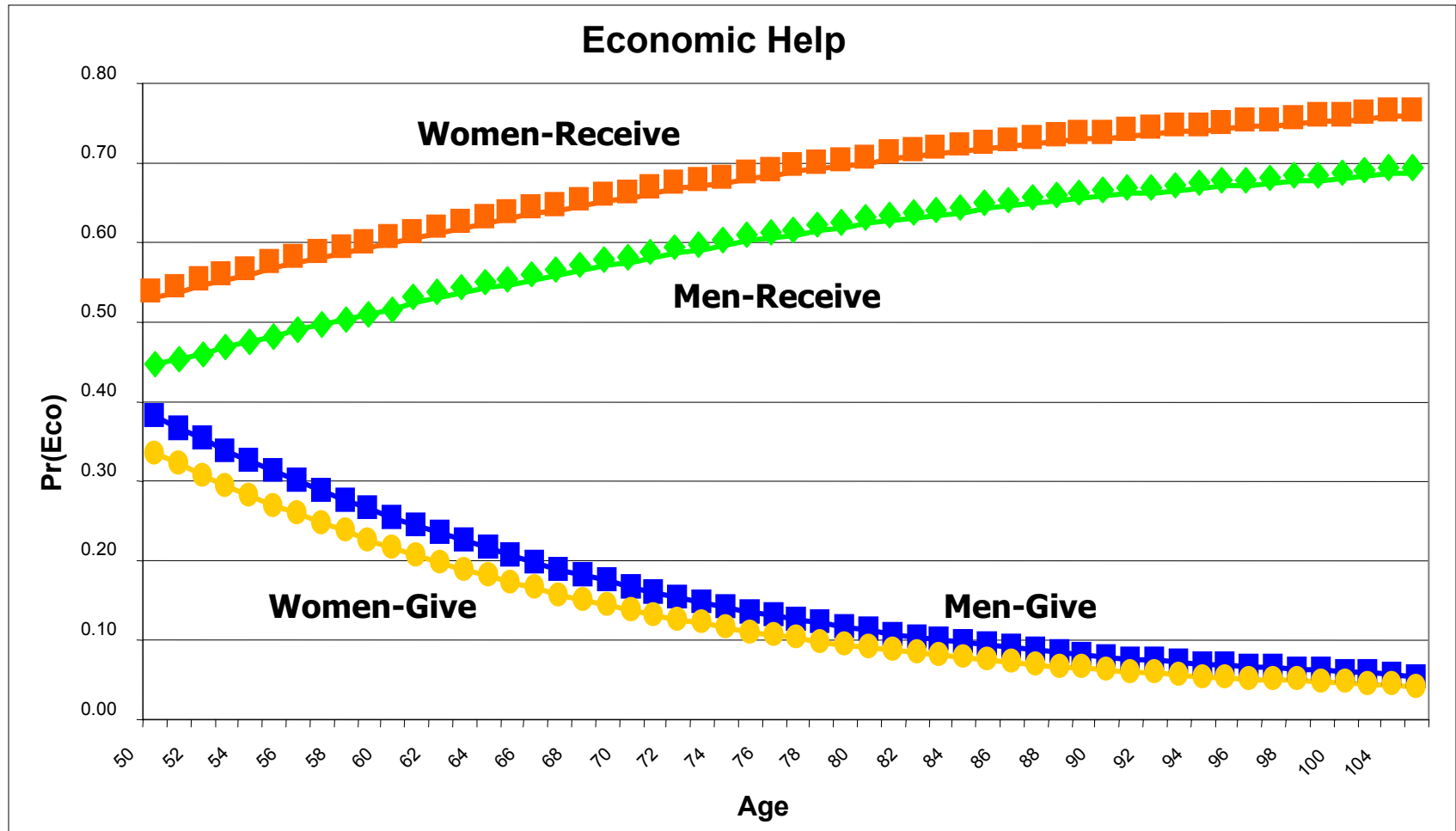
Transfers to/from Children



Women are as likely to receive, and more likely to give non-economic help, compared to men



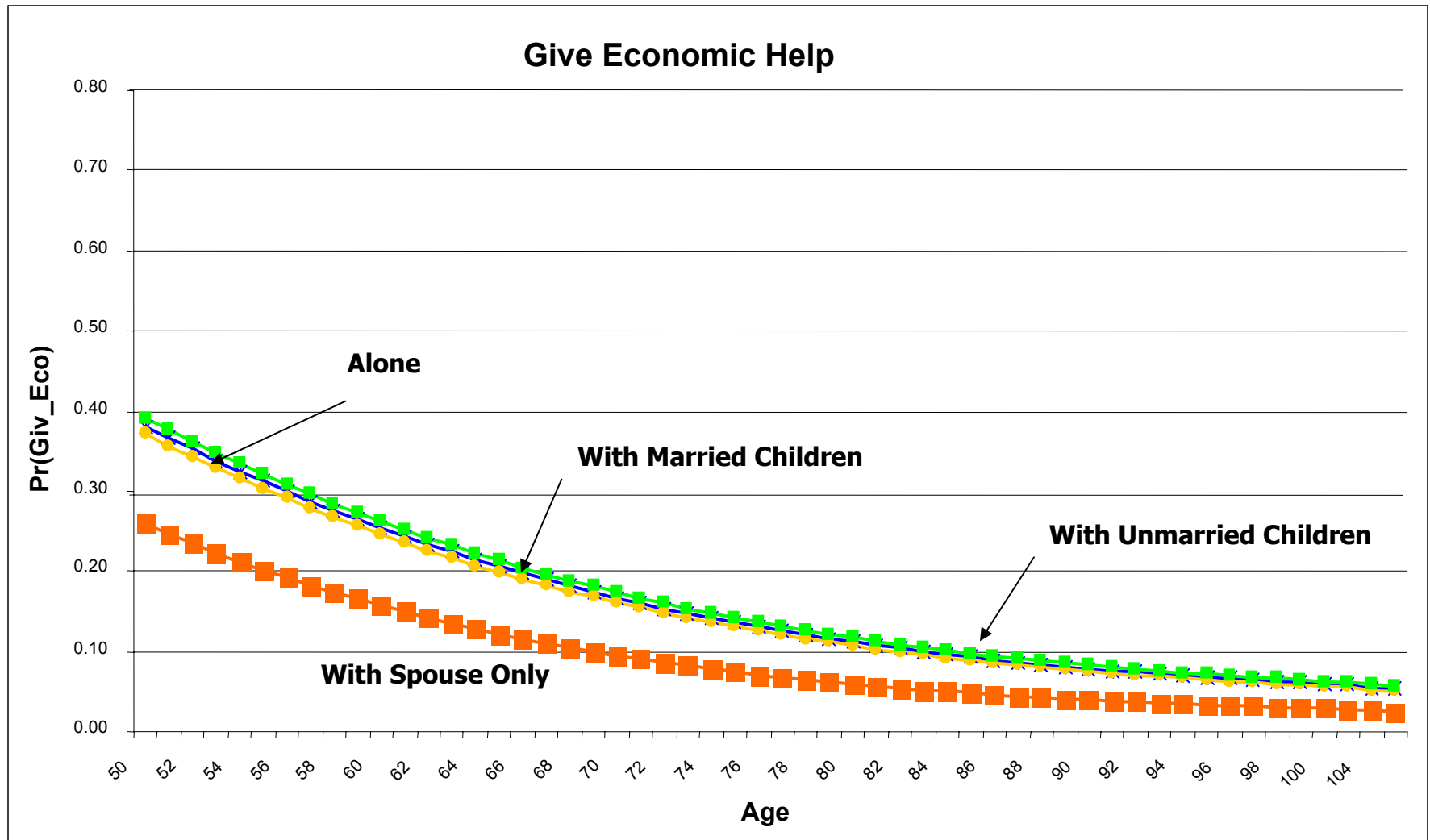
Women are more likely to receive, and less likely to give economic help than men



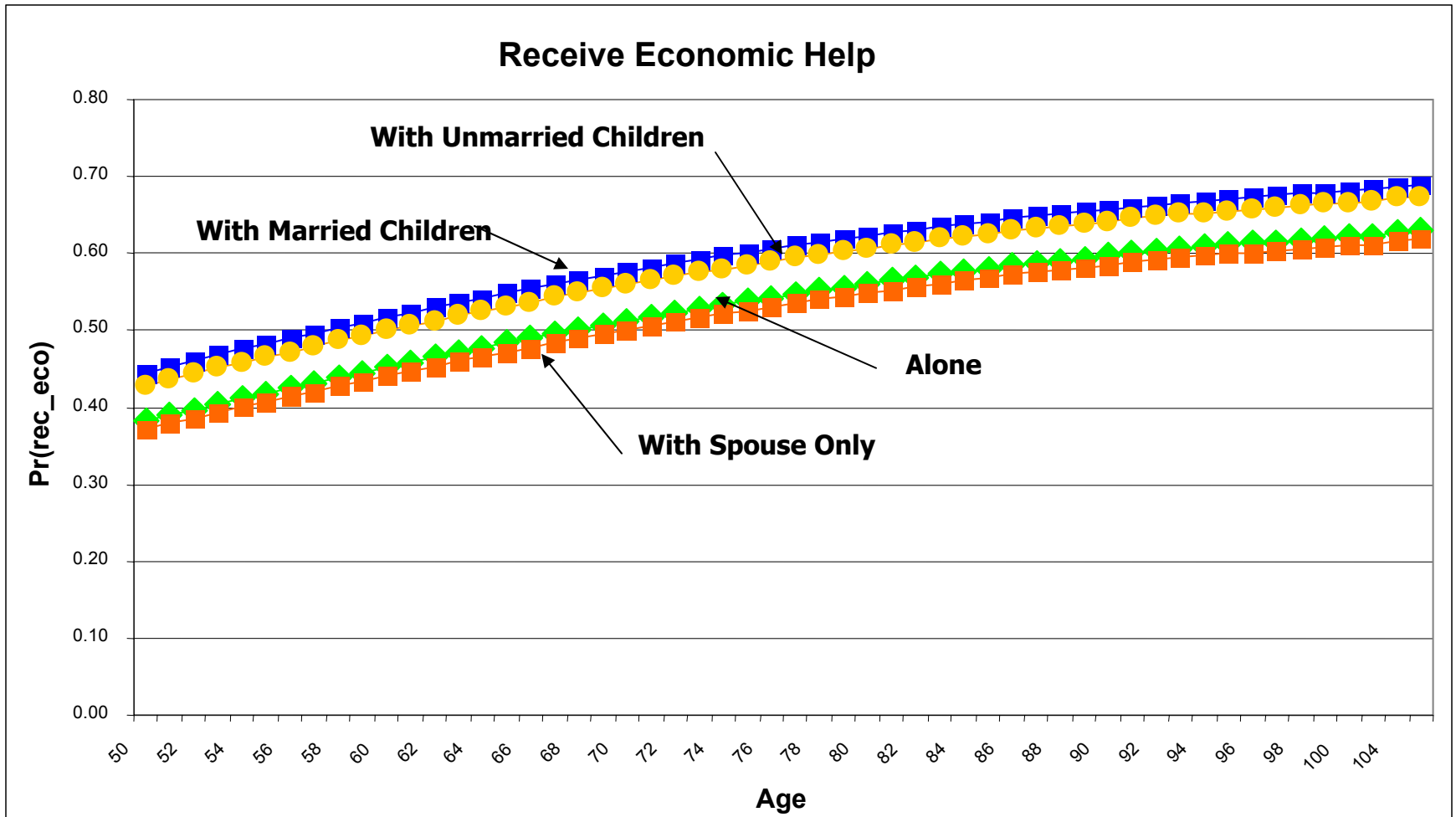
Age Patterns of Transfers to/from Children

- With higher age:
 - the propensity to receive help rises, and to give help drops.
 - the propensity to receive economic help increases the most; and to give economic help drops the most.
- Age gradients are similar:
 - for men and women.
 - across living arrangements.

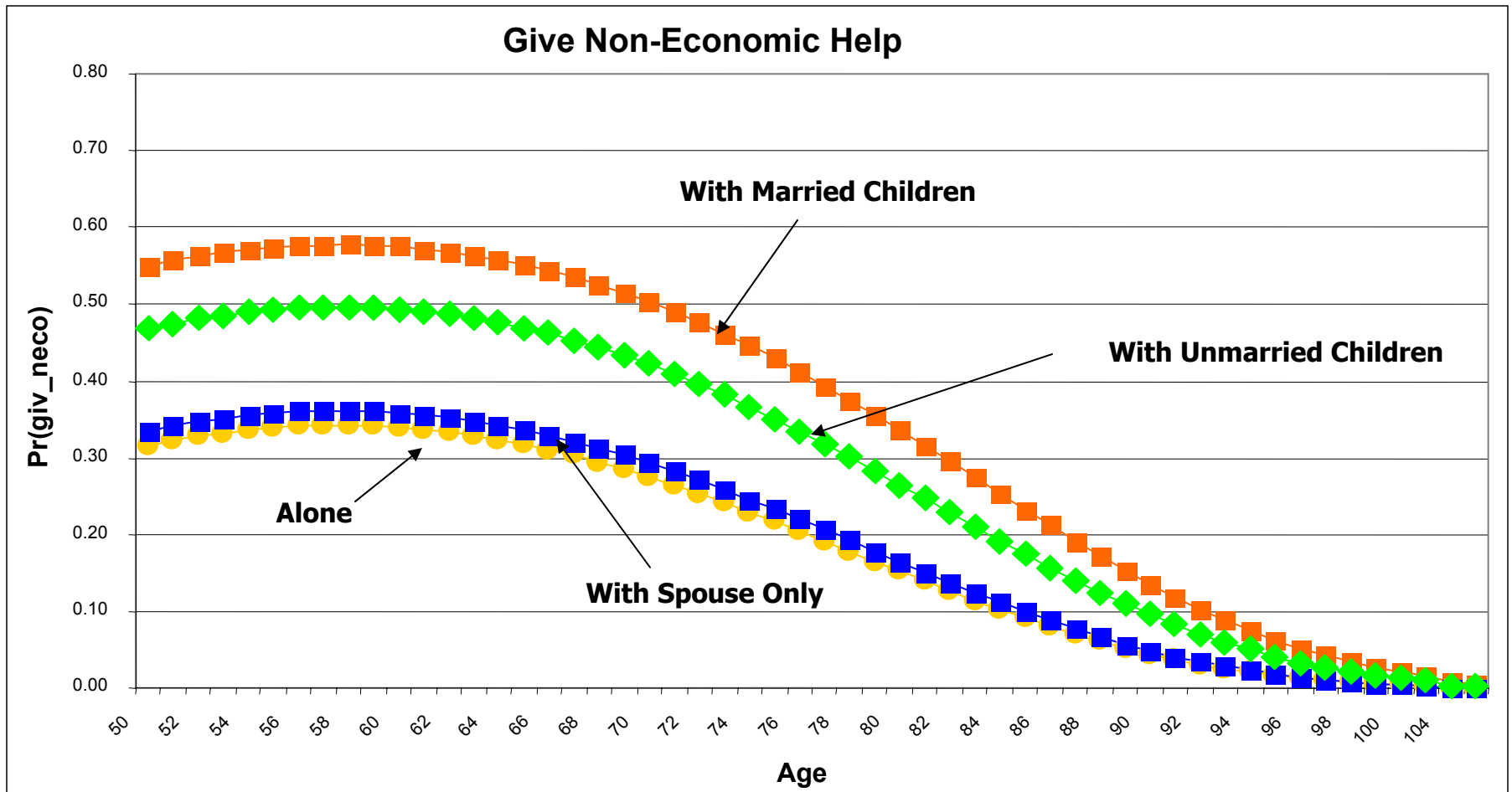
Those living only with spouse are the least likely to give economic help



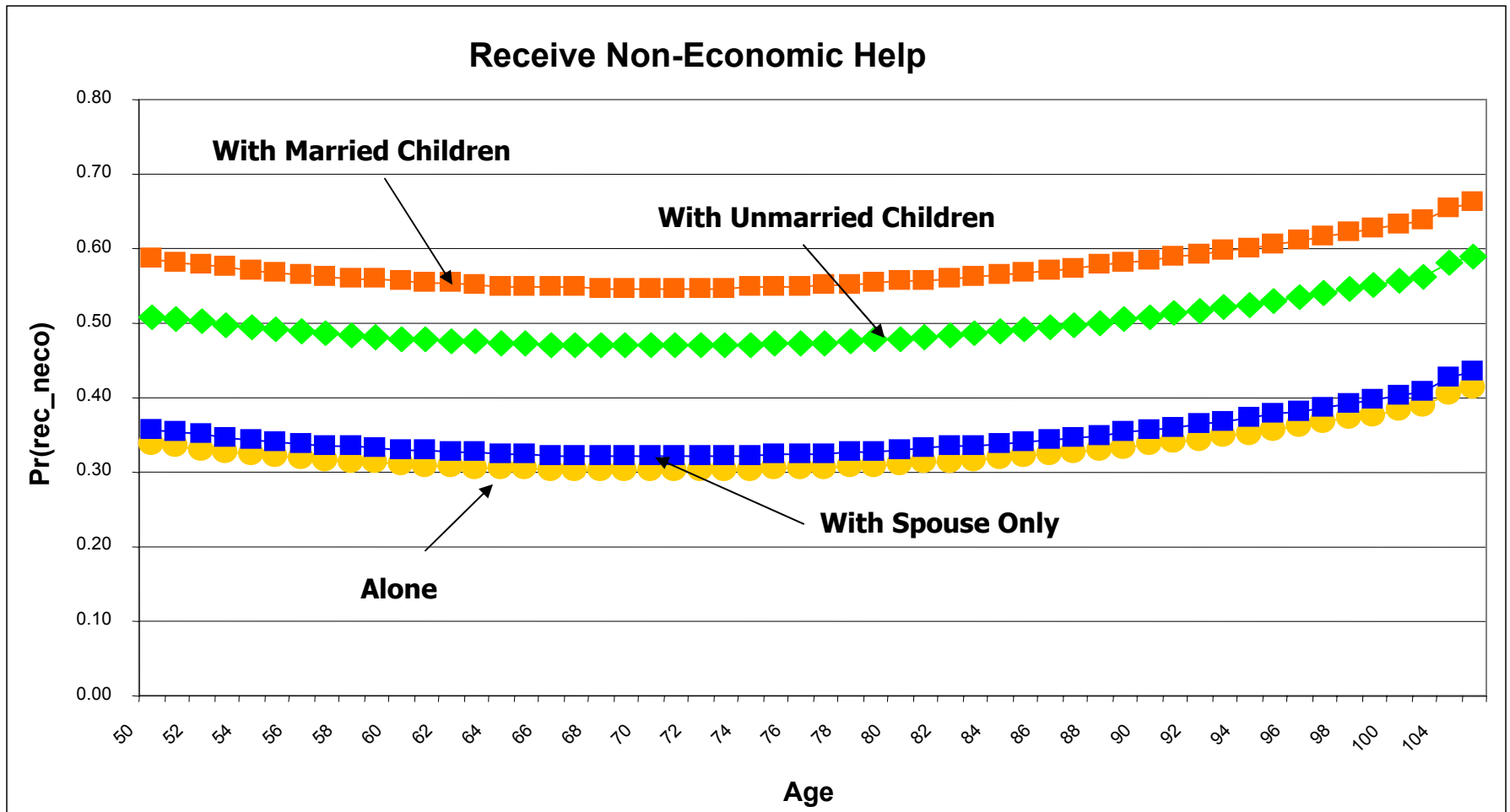
Propensity to receive economic help is higher if living with children



Propensity to give non-economic help is
highest if living w/married children,
lowest if living alone or w/spouse only



Propensity to receive non-economic help is *highest* if living w/married children, *lowest* if living alone or w/spouse only



Conclusions

- **Economic** help: at all ages 50+, the propensity to *receive* is larger than to *give* help.
- **Non-economic** help: the propensity to *give* is only slightly higher than to *receive* up to age ~70. After age 70, the patterns cross-over.
- **Economic and Non-economic** help:
 - gaps between giving and receiving widen with higher age.
 - *receipt* is prevalent at oldest-old ages.

Conclusions (continued)

- All types of transfers are **more active if elderly coreside with children** (married or not); less active if elderly live only with spouse or alone.

For all living arrangements, at all ages 50+,

- Women and men are as likely to **receive non-economic** help. All other transfers exhibit gender differences in the expected direction.

Discussion

- In a developing economy such as Mexico, private *inter-vivos* transfers with children are active in **both economic and non-economic forms**.
- Over the life cycle from middle- to old-age, **receiving** (economic and non-economic) help from children becomes **dominant over giving**.
- Further work: on amounts given and received, as well as analyses with longitudinal data.