

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?
- ▶ Is this association the result of reciprocal altruism/ delayed reciprocity...
- ▶ ..or is informal LTC care the “payment” for help received with childcare?

Policy relevance

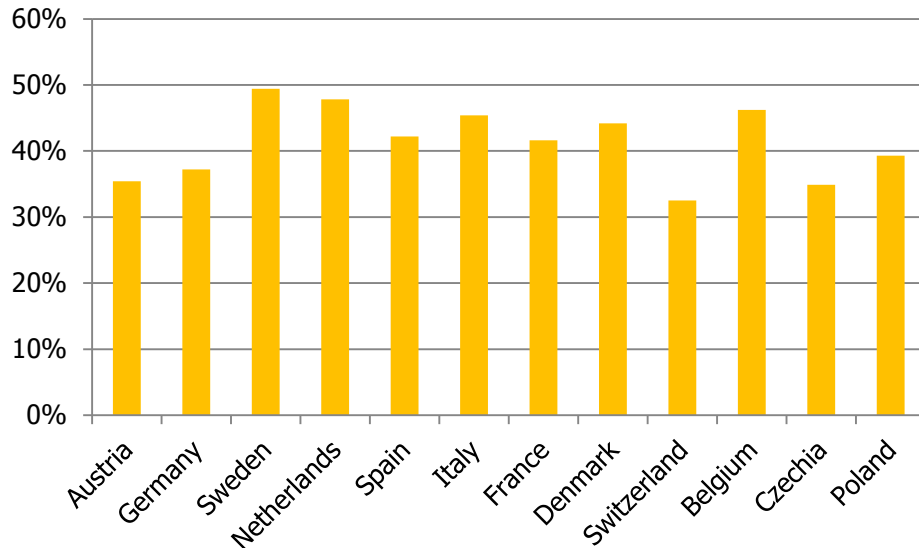
- ▶ The combination of informal grandchild care and long-term care provision might decrease the overall fiscal cost of public care expenditure without jeopardising the daughters' labour market prospects.
- ▶ Delayed reciprocity: children react to an “act of kindness” received from the parent
 - ▶ Children 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

The dataset

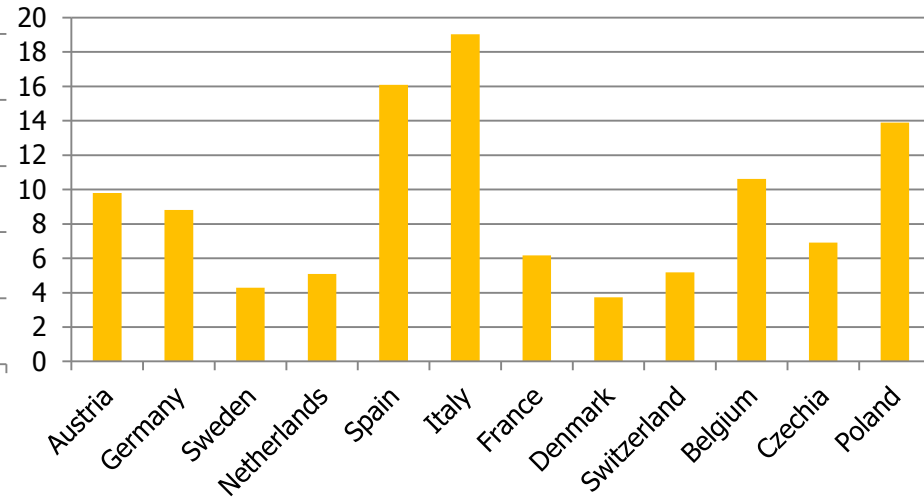
- ▶ SHARE respondents who took part in Wave 4 and in at least one earlier wave (Wave 1 and/or Wave 2).
- ▶ One record per household:
 - ▶ help given with grandchildren to any adult child in wave 1 or 2
 - ▶ Help supplied by children to the respondent or partner
- ▶ We look both at the probability of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



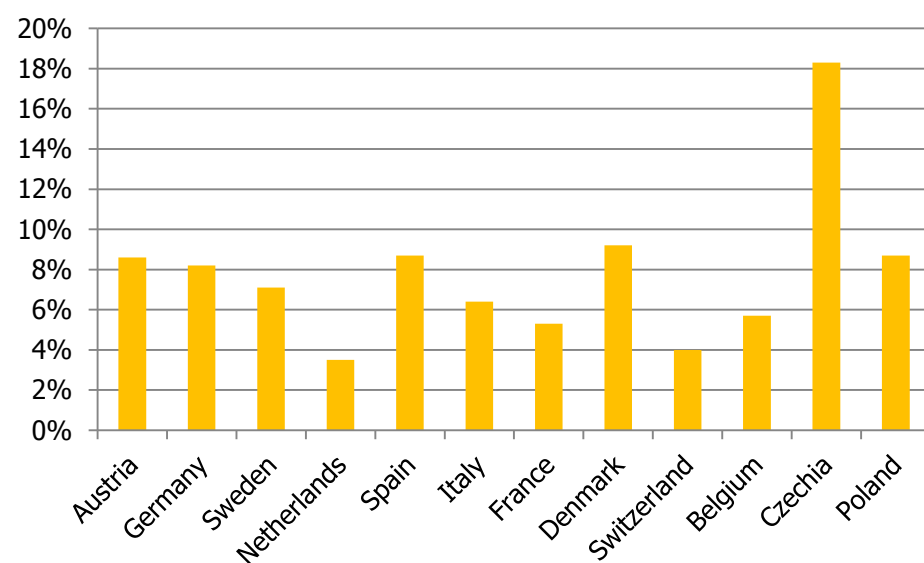
Days of grandchildren care per month



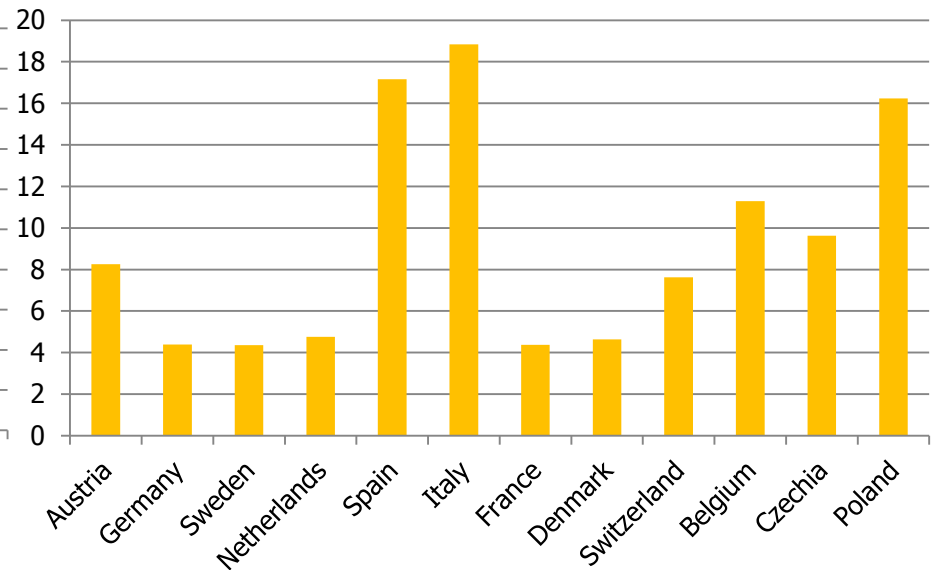
- ▶ Between 30% and 50% of households provided at least one day of grandchildren care in wave 1 or 2
- ▶ Conditional on providing care, stark differences across countries in the amounts

Long term care received in wave 4

Probability of receiving care



Days of care received

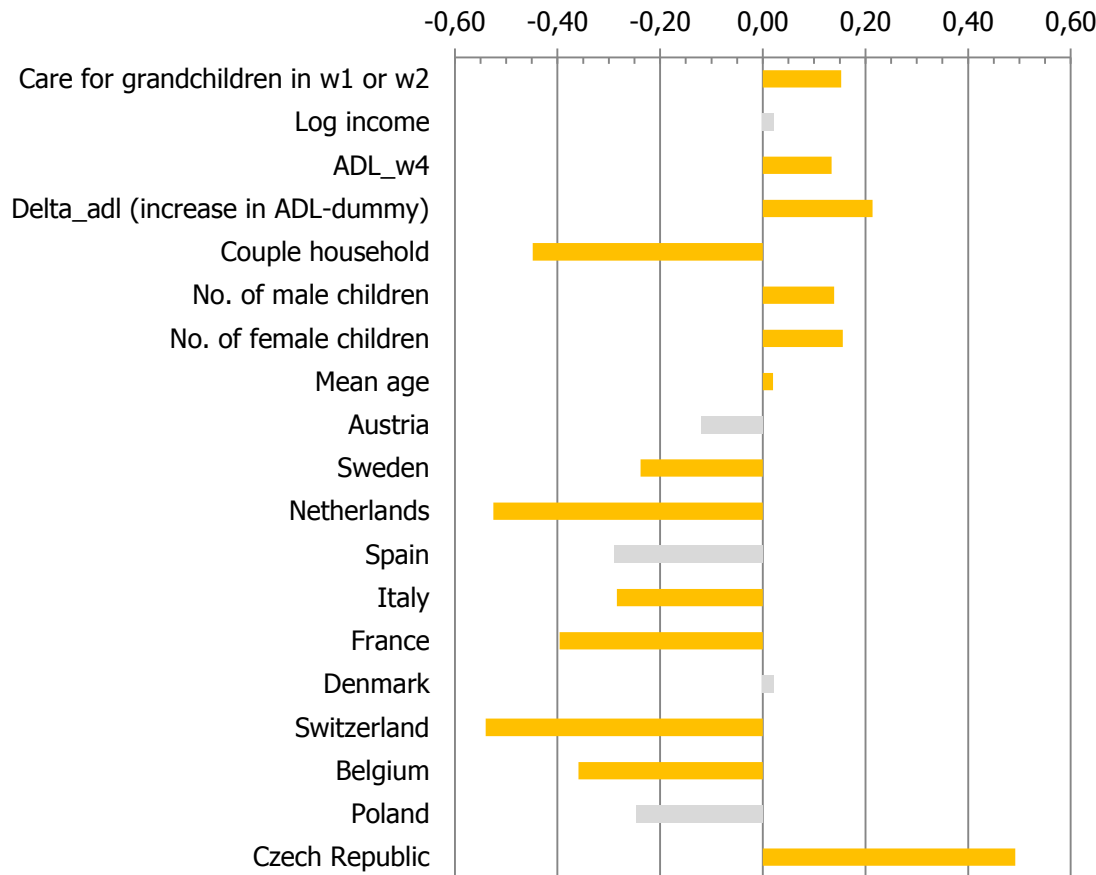


- ▶ Even prevalence of LTC informal care heterogeneous across countries
- ▶ Pattern of amounts similar to grandchildren care

Regression analysis

- ▶ There seems to be a correlation based on cross-country differences
- ▶ Is there within-country variation as well? Yes!
- ▶ Regression analysis to exploit it and control for other determinants of informal LTC provision

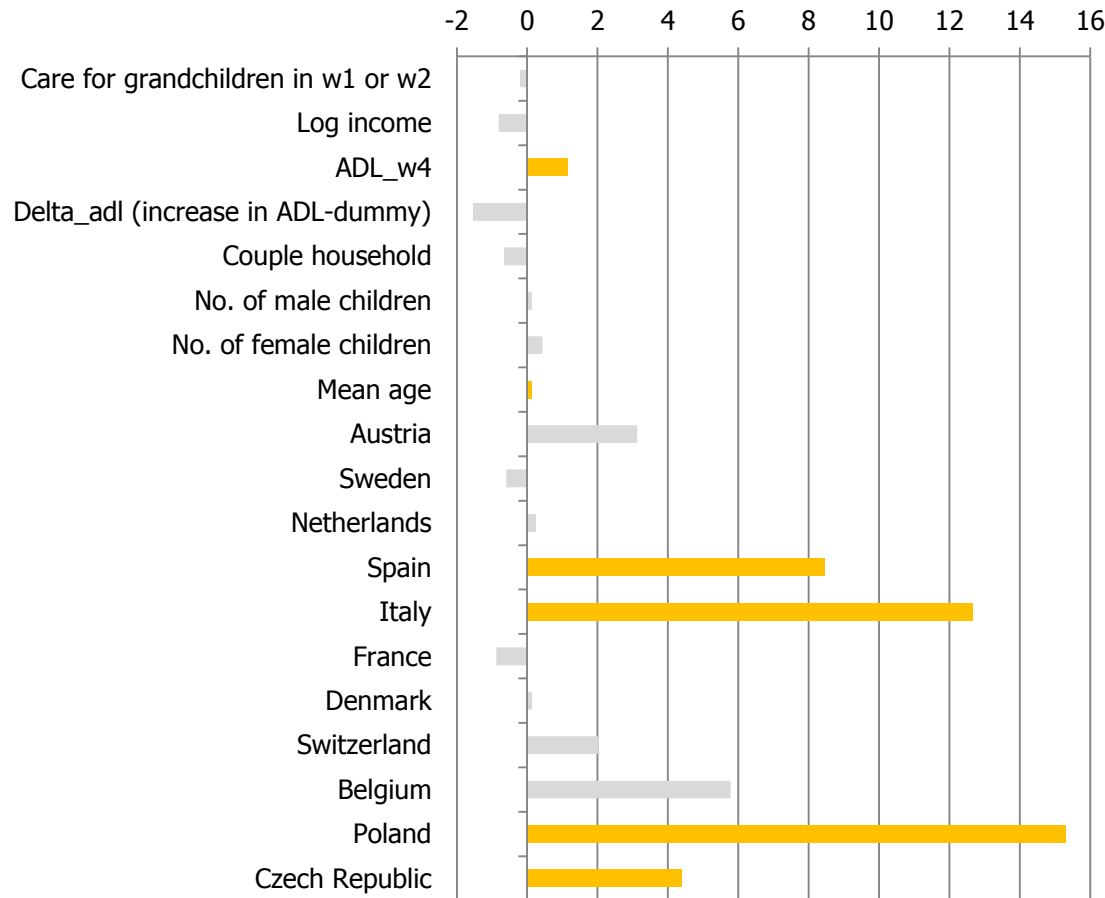
Probability of receiving care from children



- ▶ **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

The «caring» family

2. The following statements are related to the duties people may have in their family. Please tell us how much you agree or disagree with each statement.

(Please tick one box in each row)

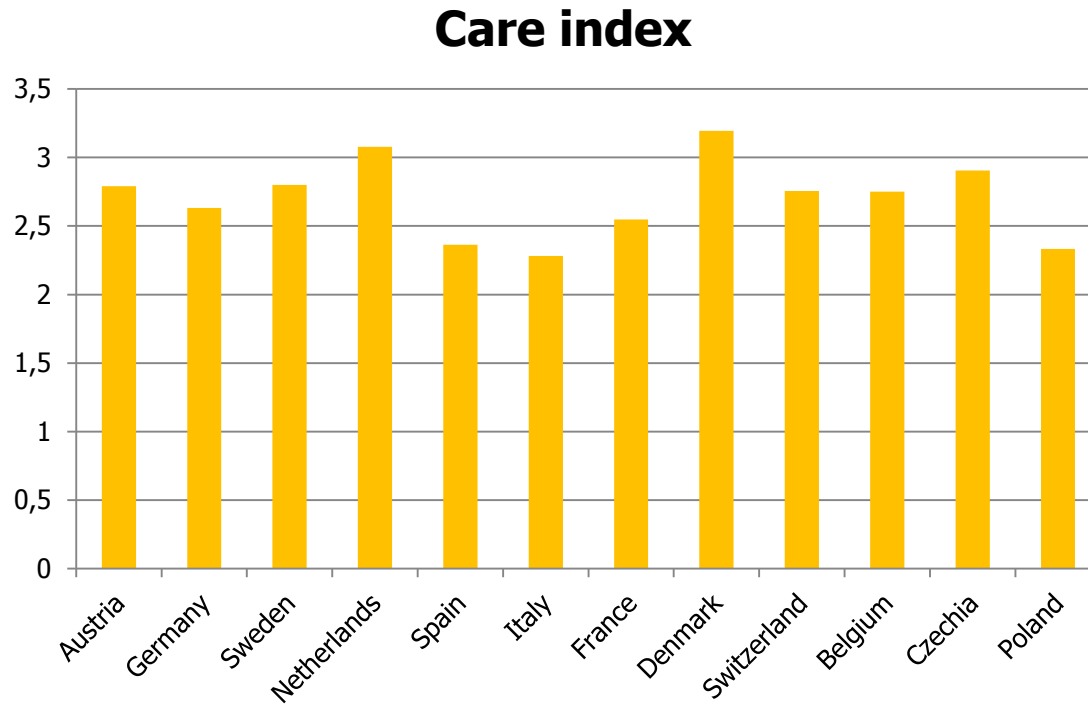
	Strongly agree ▼	Agree ▼	Neither agree nor disagree ▼	Disagree ▼	Strongly disagree ▼
a) Parents' duty is to do their best for their children even at the expense of their own well-being.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
b) Grandparents' duty is to be there for grandchildren in cases of difficulty (such as divorce of parents or illness).	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
c) Grandparents' duty is to contribute towards the economic security of grandchildren and their families.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
d) Grandparents' duty is to help grandchildren's parents in looking after young grandchildren.	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

3. In your opinion, who – the family or the State -- should bear the responsibility for each of the following...:

(Please tick one box in each row)

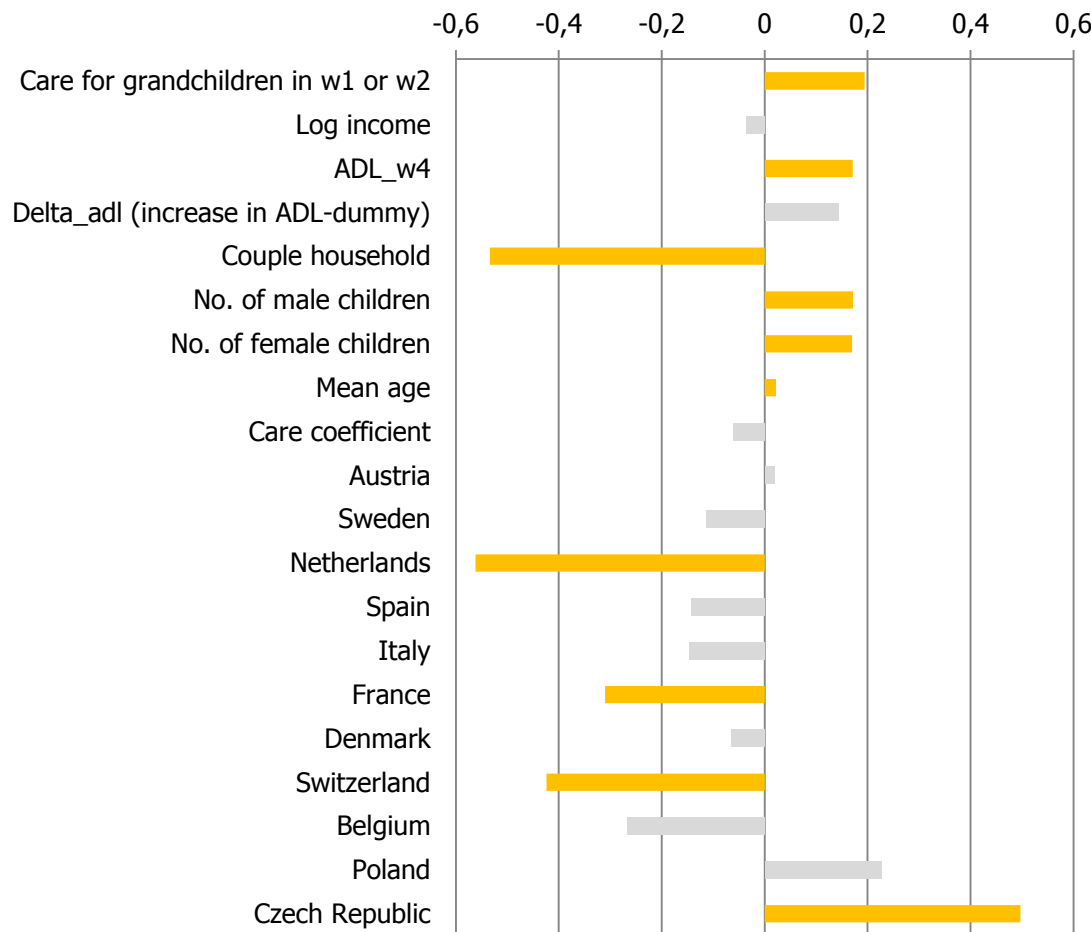
	Totally family ▼	Mainly family ▼	Both equally ▼	Mainly state ▼	Totally state ▼
a) Financial support for older persons who are in need?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
b) Help with household chores for older persons who are in need such as help with cleaning, washing?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅
c) Personal care for older persons who are in need such as nursing or help with bathing or dressing?	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₅

Care index across countries



- ▶ The lower the index, the stronger family solidarity (reciprocal altruism/ delayed reciprocity)

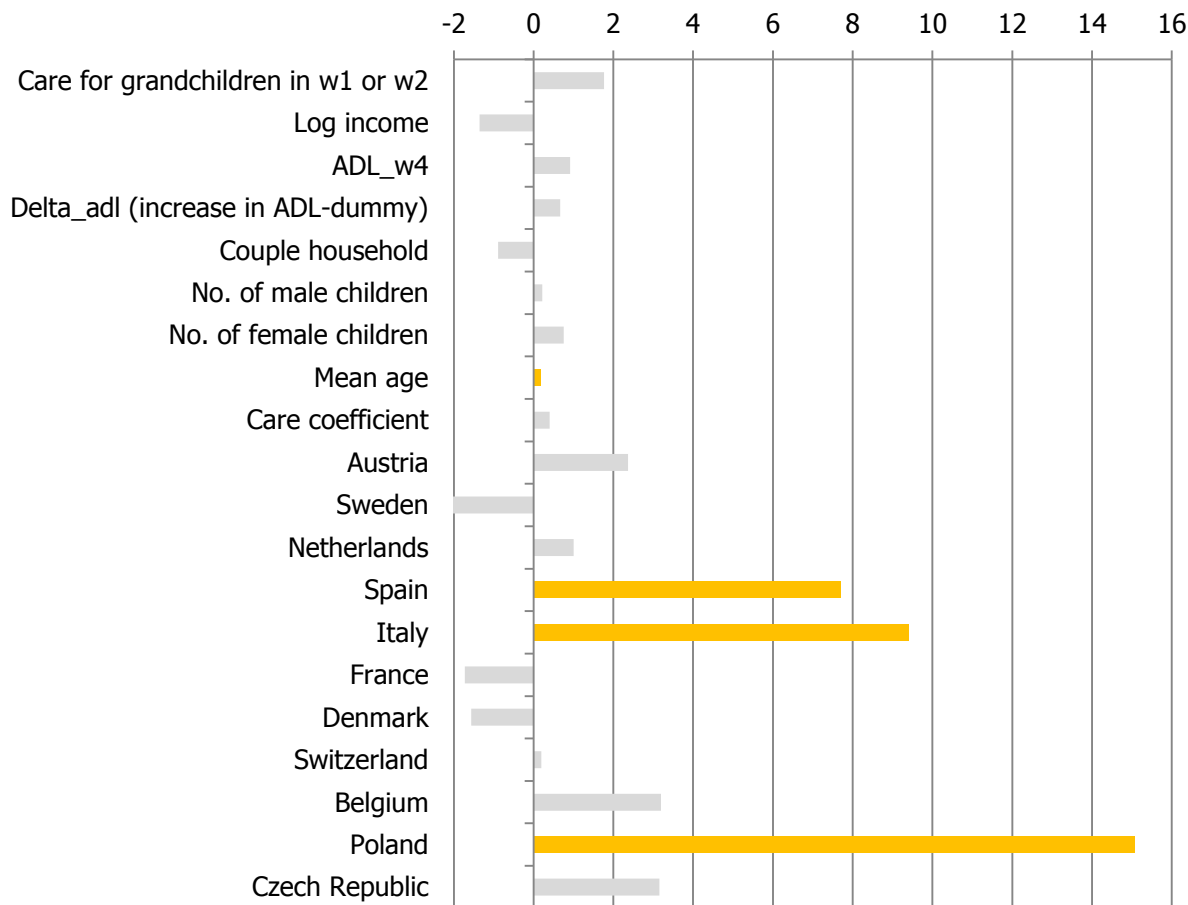
Probability of receiving care from children (controlling for caring family)



Orange: coeff is stat significant

- ▶ Caring for grandchildren increases chances of receiving care by 19.4% wrt baseline (statistically, not different from baseline)
- ▶ Coefficient of care index not significant

Days of care received per month (controlling for caring family)



- ▶ Again, no effect of caring index
- ▶ Evidence delayed altruism is not the only driver of the effect we study

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
- ▶ 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 implications

- ▶ Intergenerational transmission of care within the family cannot be ignored
- ▶ Good news: such a mechanism is likely to reduce the burden on welfare state budgets
- ▶ Pure altruism within the family is not the (only) driver: individuals respond to economic incentives
- ▶ Warning: a policy change in publicly provided child care is likely to affect informal long term care provision, and vice versa

Extra material

Results from regression

Variable	Probability (Probit)	Extent (OLS)
Care for grandchildren in w1 or w2	0,153**	-0,203
Log income	0,022	-0,81
ADL_w4	0,134***	1,164*
Delta_adl (increase in ADL-dummy)	0,214*	-1,542
Couple household	-0,448***	-0,656
No. of male children	0,139***	0,129
No. of female children	0,156***	0,43
Mean age	0,020***	0,136**
Mean age squared	0,000***	0,000**
Austria	-0,12	3,126
Sweden	-0,238*	-0,594
Netherlands	-0,525***	0,252
Spain	-0,289	8,463**
Italy	-0,284*	12,669***
France	-0,396***	-0,877
Denmark	0,022	0,146
Switzerland	-0,540***	2,013
Belgium	-0,359**	5,781**
Poland	-0,247	15,309***
Czech Republic	0,492***	4,398*
N	6.521	490

Results from regression

Variable	Probability (Probit)	Extent (OLS)
Care for grandchildren in w1 or w2	0,194**	1,767
Log income	-0,035	-1,351
ADL_w4	0,171***	0,92
Delta_adl (increase in ADL-dummy)	0,144	0,666
Couple household	-0,534***	-0,891
No. of male children	0,172***	0,215
No. of female children	0,170***	0,755
Mean age	0,022***	0,169*
Mean age squared	0,000***	0,000*
Care coefficient	-0,062	0,405
Austria	0,019	2,372
Sweden	-0,113	-2,312
Netherlands	-0,562**	1,006
Spain	-0,143	7,703*
Italy	-0,146	9,415**
France	-0,310*	-1,72
Denmark	-0,065	-1,559
Switzerland	-0,424**	0,193
Belgium	-0,267	3,194
Poland	0,227	15,082**
Czech Republic	0,497***	3,156
Intercept	-2,064*	-3,207
N	4.254	311