

KINSHIP STATUS AND LIFE COURSE TRANSITIONS AS DETERMINANTS OF
FINANCIAL ASSISTANCE TO ADULT CHILDREN

by

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Dissertation submitted in partial fulfillment of
the requirements for the degree of Doctor
of Philosophy in the Department of
Sociology in the Graduate School
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ABSTRACT

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Abstract

This dissertation contributes to the literature on intergenerational transfers by examining the dynamics of financial assistance provided by midlife parents to their adult children across the life course. This dissertation also examines whether the cumulative advantage hypothesis stretches across generational lines during co-occurring life course experiences so that financial transfers convey additional advantages to adult children. I use panel data from four waves of the Health and Retirement Study (1992, 1994, 1996 and 1998) to provide a broad picture of the process of financial assistance to younger adults within extended families. I constructed within-family trajectories of assistance to demonstrate that financial transfers are more common than previously estimated. Over 60% of all midlife-parent households gave \$500 or more at least once and many parents gave multiple transfers and/or gave transfers to several adult children during a seven-year period.

In an examination of kinship structures that differentiates between paternal children and maternal children within blended families, I use nonlinear logistic regression models to show that the decreased likelihood that fathers provided financial assistance to children from a previous marriage accounted solely for the reduction in transfers that all stepchildren received compared to biological children. Multilevel regression models demonstrate that transfer amounts are also influenced by kinship

structures and parental resources. Additional analyses show adult child life course transitions related to schooling and coresidence were influential for parents' transfer behaviors while other life course transitions related to work, marriage, home ownership and the addition of a grandchild to the family were not influential. The number of life course transitions experienced by adult children during later waves significantly increased the likelihood of transfer receipt. However, the diversification of experiences over time made it difficult to pinpoint specific life course transitions relevant to financial assistance from parents. The strong impact of previous transfers upon the likelihood that adult children would receive transfers at later waves shows that patterns of repeated transfers were common for many intergenerational families. I argue that future research should analyze the impact of parental wealth on transfers and should explicitly examine parents' motives for giving money to adult children.

Dedication

I dedicate this dissertation to my wife Katherine Flynn who has provided an immeasurable amount of love and support throughout my graduate career. She has taught me many things through her love, patience, intelligence and generosity. I cannot thank her enough for what she has given me.

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Acknowledgements

First, I would like to thank the professors and teachers who have taught me so many lessons. I thank Angie O’Rand, my dissertation chair, for providing professional opportunities, financial support, time and intellectual stimulation during my graduate career. Her course “Stratification and the Life Course” was a fascinating introduction to aging and life course research. I am grateful to Linda George and Debby Gold for believing in me and encouraging me to enter graduate school and attend Duke University when I was not aware of the possibilities available to me. M.E. Hughes and Don Taylor provided excellent feedback and ideas for my dissertation and my ongoing research agenda.

My family has provided a great deal of social and emotional support. Mom and Dad provided so many educational and enriching activities. They believed I would be a doctor when I very young and now, I have fulfilled their dream thanks to their support. They probably had an M.D. in mind originally, but I was always encouraged to follow my own path and I appreciate that freedom. I am grateful that my sister, stepmother and stepbrothers have shared this journey with me. Over time, all of my parents and siblings have demonstrated the reality of family solidarity as an important part of any family structure far beyond the intellectual exercise I provide here.

My friends have scattered geographically over the years, but I appreciate their support during my school career and throughout this stage of my life. Lance Erickson provided valuable clarifications about statistical methods and SAS programming. Adam Shapiro led my research in the direction of intergenerational transfers originally – encouraging me to face the challenges of using the Health and Retirement Study for my analyses. Miles Taylor, Tracey LaPierre, Allison Wisecup and others offered repeated emotional and intellectual support during my graduate career that I appreciate greatly. Florence Flynn is a great example of how important in-laws can be in one’s family, and I am grateful for her encouragement and support.

Most importantly, I am grateful to my wife Katherine Flynn for keeping me grounded in our wonderful family and for showing her love through caring, but persistent, reminders of the accomplishment this document represents. This project would not be complete without the time she relinquished and the resources she provided so I could pursue this dream of mine to be a professor. For Natalia, thank you for reminding me that life is full of fun and love every day and for making me laugh as I watch you grow.

1. Theoretical Framework and Literature Review

1.1 Introduction

Though sociologists have argued in the past that the extended family would become unimportant, current research does not support this view (Litwak et al. 2003). The theoretical arguments made by functionalists (see Durkheim 1975/1892; Parsons 1944; Parsons and Bales 1955) that the extended family would become unimportant to society are currently being proven wrong by life course researchers examining intergenerational relations (Bengtson, 2001; Bengtson, Biblarz and Roberts 2002; Connidis 2001; Kohli 1999). Instead, we see that individuals tend to provide resources and support to family members across generational lines in a variety of ways over extended periods of time (Wong, Capoferro, and Soldo 1999). Unanticipated demographic changes have altered family structures in the past fifty years such that an aging population, increased longevity, multiple marital transitions and delayed fertility have contributed to the increasing importance of the extended family (Bengtson 2001; Connidis 2001; Rossi and Rossi 1990). These forces have shaped family structures such that it is not uncommon for a family to have three or four generations living simultaneously (Bengtson, Rosenthal, and Burton 1996). Divorce, single parenthood, and the influx of women participating in the labor force have also created greater variance in family structures since the 1950's -- focusing research attention on the roles

that different family members play in socialization and support for other adult generations (Hagestad 2003; Soldo and Hill 1993). Despite the life course principles inherent to this topic such as timing, agency and the interdependence of people in a family or society, little longitudinal research has been completed that examines the intergenerational support that adult children receive from their midlife parents (Giele and Elder 1998). Significant questions remain regarding when, how and under what circumstances support is provided by extended family members via intergenerational transfers.

1.2 The Sociological Significance of Intergenerational Transfers

Despite the obvious importance of financial transfers to economists, such transfers hold sociological significance as well. Reasons for the sociological relevance of financial transfers include: the redistribution of family resources, the assurance of extended family members' economic and overall well being via a private and often latent "safety net" for family members facing immediate financial difficulties, and associated implications for social policy (Kohli and Künnemund 2003; Eggebeen and Hogan 1990; Pezzin and Schoene 1997). The redistribution of family resources across generations may reflect the intensity of intergenerational ties but may also affect how such ties develop over time if financial giving is accompanied by expectations about reciprocity (Kronebusch and Schlesinger 1994; Silverstein et al. 2002). One of the key functions of the family is to maintain stability and order in daily life, which may be

reinforced by the existence of two or more living adult generations in a family that can rely on one another for instrumental support.

Intergenerational transfer is a broad term referring to the sharing of valuable resources across generations within one's extended family. Resources can be re-distributed within an extended family in any of three instrumental currencies – space, time, and money – and can flow in two directions across generations (Soldo and Hill 1993). Space transfers refer to shared housing or the coresidence of multiple adult generations within an extended family. Time transfers typically refer to instrumental assistance between parents and adult children measured in the amount of time members of one generation spend helping family members from another generation with various tasks. Several possibilities include assisting elderly parents with activities of daily living, transportation assistance, the provision of child care or babysitting for young grandchildren, and caring for a family member during a prolonged illness. Money transfers come in two forms – financial transfers and bequests.

1.2.1 Importance of Midlife Parents for Intergenerational Transfers

1.2.1.1 Defining Generation, Age and Cohort

Kertzer (1983) pointed to the conceptual confusion that has often resulted from the crossover of the common term 'generation' from popular to analytical usage.

However, it is also important to note that while it is essential to differentiate between

age and generation as concepts in life course research, it is impossible to eliminate the use of either concept entirely. An examination of families over time demonstrates that generational processes and age relations are unavoidably intertwined. Dynamic intergenerational relationships alter and are altered by the natural aging of all family members involved and by social change (Riley 1987; Kertzer 1983). To provide conceptual clarity and continuity, the use of key concepts here matches the use of each concept as defined in an early and definitive inventory of aging research (Riley et al. 1968).

In this project, the terms “generation” and “intergenerational” will be used to connote family lineage or kinship. “Age” and “age group” will be used when referring to non-family issues in the development of theoretical explanations, particular age groups, or as descriptive terms for the data and empirical results. As an example of a conceptual use of the term “age”, discussions of social structures larger than the family context must consider the role of age in relation to the timing of life transitions. The term “cohort” refers to individuals born in a certain year or range of years that have experienced similar historical events and macrolevel social changes. The term will be used largely in the course of data analysis, referring mainly to HRS cohort members – respondents born between 1931 and 1941 who were first interviewed in 1992.

1.2.1.2 Midlife Parents and Adult Children

In comparing the adult generations within families, the middle generation most often serves as the primary stabilizing force (i.e., midlife parents with adult children and elderly parents). In relation to intersecting life course domains, the middle generation is likely to experience the most consistency and stability – emphasizing timing as a life course principle. The middle generation is the most likely generation to have sufficient resources to meet their own needs and additional financial resources that can be shared with kin in other generations (Conley, 1999). Midlife adults (i.e., between 50 and 65 years old) are the most likely to have been in the labor force for some time and not yet reached retirement – indicating a sustained work history and higher potential for accumulated wealth and stable or growing income. Additionally, compared to other age groups, midlife adults are also most likely to have stable, self-sufficient family trajectories. They have completed the family formation stage and are not likely to have progressed to a point of needing instrumental support from their adult children. At this time, they are also less likely to be dealing with their own parents' care – depending on family structure and elderly parent health status.

Research on transfer behaviors has found that the middle generation gives financial assistance to other generations more than it receives from them (McGarry and Schoeni 1995; Stone, Rosenthal, and Connidis 1998), and the unique character of stability across various life course domains such as work and family is often provided as an

explanation for the higher likelihood of financial transfers by this age group (Killian 2004). Midlife parents who make financial transfers are, in effect, maintaining a relationship with their adult children – either through altruistic motives or with the expectation of a reciprocated exchange in the future (Cox and Rank 1992). In this way, solidarity in an intergenerational relationship reflects a dialectic juxtaposition between dependence and autonomy that can be represented by financial transfers (Bengtson et al. 2002).

Financial assistance from midlife parents to adult children is a dynamic transaction affected by co-biographical trajectories for all involved. The benefits to adult children who receive financial assistance from midlife parents can be profound (Shapiro 2004). The financial assistance that flows downward to adult children may serve as “transformative assets” where the money gained through inheritance or transfers can be converted to payments for educational expenses, an additional boost to make homeownership possible or increased opportunities for social mobility (Shapiro 2004:31). Transformative assets passed from parents to adult children also protect a family’s class status and well-being as well as giving younger members a head start beyond their personal achievements to date such as income or postsecondary education.

Midlife adults who have living parents and progeny may engage in transfers with either generation in either currency, and the transfer may occur in one direction, or in the case of an exchange relationship, in both directions (Soldo and Hill 1993). For life

course researchers, transfer types and the flow of transfers are a valuable research area for understanding the importance of adult family relationships. For example, resource flows between generations tend to follow a life course pattern (Wong et al. 1999; Logan and Spitze 1996, McGarry and Schoeni 1995). Midlife adults – especially those with children – are much more likely to be donors than recipients (Kronebusch and Schlesinger 1994; Soldo and Hill 1993). Parents tend to assist children through young adulthood and often contribute to higher education costs. In fact, financial transfers to adult children – regardless of the child’s social status (e.g., student, worker) – remain more common from midlife parents than transfers in the opposite direction (Berry 2001; Kronebusch and Schelsinger 1994; McGarry and Schoeni 1995). As parents become incapacitated or need assistance in late life, the balance may shift to the adult child providing support of some type to the parent. However, parents of young adults are relatively less likely to need assistance at midlife and the balance shift has yet to occur for them, assuming there will someday be a need for financial assistance from adult children to aging parents within families.

1.2.2 Applying Life Course Principles to Intergenerational Transfers

This demonstrates that the life course principle of timing is important to a sociological understanding of intergenerational transfer flows (Elder 1994). Nearly all previous research supporting a life course pattern of transfer flows is based on cross-sectional data (Eggebeen 1992; Eggebeen and Hogan 1990; Killian 2004; White 1994).

Other than general patterns by age group, researchers have yet to examine transfer patterns as within-family trajectories. Now, repeated measures in a panel study over time can provide valuable information on whether downward transfers are age-structured or whether they correspond with broader family dynamics or the timing of certain life course events. One can also examine the likelihood that midlife parents develop a pattern of giving to adult children and whether certain children are particularly targeted for transfers (particularly financial assistance) in relation to life statuses and life course transitions such as the transition to adulthood. The life course principle of human agency is strongly implied in an examination of transfer behaviors because the underlying assumption is that parents choose to transfer financial resources to adult children and may do so differentially or strategically.

As life course researchers examine the multidimensional dynamics of linked lives, we can understand better how parents continue to play an important role in their adult children's lives. This continuation of intergenerational linkages contrasts profoundly with early sociologists' perceptions of social norms and implicit assumptions about extended families indicating that both parent and adult child households were independent and did not share resources (see Durkheim 1975/1892; Parsons 1944; Parsons and Bales 1955). Actually, the assumptions of household independence remain within much of the intergenerational transfer literature in the sense that transfers during this timeframe of co-occurring adult life courses are assumed

to be unusual compared to phases when one generation is considered dependent on the other in either the child's early life or potentially the parent's later life. Cross-sectional studies indicate transfers to adult children are rare (Berry 2001; Eggebeen 1992; McGarry and Schoeni 1995). However, life course principles suggest that interdependencies between generations tend to be dynamic lifelong connections; these connections may be revealed as more common when examined as patterned behaviors over time in the form of financial transfers.

It may also be difficult to distinguish between public transfers between generations via redistribution of wealth and income resulting from taxation (Wolff 2002). Using data from the German Aging Survey, Kohli (1999) showed that private intergenerational transfers also have a higher likelihood of flowing downward from the older generation to younger generations regardless of socioeconomic status. Older adults redistributed their resources via family channels, but the givers included some who redistributed portions of the public transfers that were their main source of income. Social policy-oriented literature contains arguments that the elderly receive an excessive share of public transfer income compared to other groups (Gokhale and Kotlikoff 2001; Longman 1987; Preston 1984). The evidence presented by Kohli (1999) indicates that, via private transfers, families may be creating a more equitable balance of resources across age groups than analyses focusing solely on public transfer programs would indicate. In effect, private transfers by older adults to their adult children can constitute an exchange

to compensate for increased public transfers to older adults via social security programs. Kronebusch and Schlesinger (1994) demonstrated similar results in the United States although they point out that accounting for private transfers alongside social security programs reduces, but does not eliminate, the needs of the elderly to be supported by other age groups. As people age beyond 65, they are increasingly likely to become net receivers compared to other age groups.

1.2.3 Financial Transfers

It is difficult to determine the scope of financial transfers across the United States. Only a few research studies have attempted to do so, based primarily on cross-sectional data. According to Morgan (1984), 11% of families reported financial transfers to other family members in 1979. Cox and Raines (1985) estimated that 16-20% of families give money to another family member. For these estimates, it is unknown if the transfers were within the same generation (i.e., to siblings) or between generations (i.e., to adult children or to elderly parents). Looking only at financial transfers to adult children, statistics from the 1988 wave of the Panel Study of Income Dynamics demonstrated that approximately 20% of respondents provided financial assistance of greater than \$500 to adult children (McGarry and Schoeni 1995).

It is even more difficult to estimate the overall value of financial transfers across the United States. Kronebusch and Schlesinger (1994) estimated that private transfers between age groups in 1990 equaled \$1.1 trillion – equivalent to \$1.5 trillion in 2005

constant dollars. However, this is an aggregate value that includes time transfers and co-residence that have been assigned monetary values (based on the purchase cost of comparable goods and services) as well as direct monetary transfers. Estimates from their data indicate that approximately 30% of all transfers were in the form of monetary gifts. Thus, \$330 million represents a rough estimate of the total private financial transfers in 1990 (\$493 million in 2005 constant dollars). It may be more appropriate to examine transfer values at the individual or household level. Kronebusch and Schlesinger (1994) found that gifts were much more likely to flow downward and that midlife adults gave an approximate average of \$2,500 to their adult children (\$3,736 in 2005 constant dollars). Cox and Raines (1985) found an average transfer in 1979 to be \$2,100 (equivalent to \$5,650 in 2005 constant dollars).

1.3 First Set of General Hypotheses

1.3.1 A Dynamic Approach to Parents' Provision of Financial Assistance to Adult Children

Intergenerational dynamics and resource-sharing between family members may be more common than previous studies have indicated. Recent panel studies provide a look at transfers from parents to adult children over extended periods of time, we can discover more about how family members are often interdependent and may be frequently linked via intergenerational transfers at any time during co-occurring life courses. First, financial transfers between midlife parents and adult children in

particular may be more common than previous studies have shown. The highest percentage of parents providing transfers to adult children has been estimated at 20% (McGarry and Schoeni 1995). This was estimated using both data from the 1988 PSID and the 1992 wave of HRS. However, the estimates were drawn from cross-sectional data that did not provide evidence of life course patterns or interdependent relations within families across time.

Longitudinal data offer the opportunity to determine whether financial transfers are more common within families than cross-sectional data have illustrated for two reasons. One, an examination of longitudinal data with repeated measures of transfer behavior (i.e., four measures over seven years) can yield more accurate information about when and how often families give financial assistance across the life course. Second, the addition of “space” transfers (i.e., coresidence) to adult children who live with parents can provide a better accounting of all adult children receiving different kinds of transfers—a pattern not studied in previous research. The decisions that parents make regarding transfers to older adult children are likely to be affected by whether younger adult children were living at home, or still in school who may also have been potential recipients of financial assistance.

Researchers have not directed full attention to the synergistic relationship between number of adult children and limitations of parental resources. [Some researchers have examined what’s known as the resource dilution hypothesis and

argued that the number of children in a family affects the access that young children have to valuable educational or monetary resources (Blake 1981; Powell and Steelman 1990; Steelman and Powell 1991). However, none have applied this hypothesis explicitly to adult children.] Some researchers have examined the influence of parental income without structuring data clearly to reflect the non-independence of adult children within the same family (Furstenberg, Hoffman and Shrestha 1995; Killian 2004). Including all adult children in the sample represented recognition that competition likely existed between adult children for parental resources within the timeframe studied, but that the transfers from midlife parents may have been strategically distributed to various children across time.

Also related to the hypothesis that financial transfers were more common than previously demonstrated, I will also examine within-family trajectories of financial assistance to adult children to determine if stable patterns exist. Developing within-family trajectories allows me to examine several areas not previously addressed in the research on intergenerational transfers: the number of transfers that occurred, the total amounts transferred by the parents and whether transfers are one-time events or the possibility that assistance was routine. The existence of transfer patterns would suggest that families remain interdependent over time and that midlife parents may feel obligated to share monetary resources, may share resources in response to perceived

needs for adult children or may have an interest in sharing resources as an exchange for future support needs after parents have aged and need caregiving assistance.

1.3.1.1 Motives for Financial Transfers: Altruism vs. Exchange

Economists researching transfer behaviors have primarily focused on parents' motivations for sharing financial resources with adult children. There has been a debate within the economic literature regarding whether parents who share economic resources with adult children are motivated by altruism or by an expectation of future exchange (MacDonald and Kuo 2003). Researchers supporting the altruism hypothesis suggest that parents provide *inter vivos* transfers (i.e., financial assistance) to adult children without expectation of gain or reimbursement. Supporters of the exchange hypothesis argue that parents provide assistance to bargain for contact, closeness or perhaps reimbursement or assistance when they are older (Cox and Rank 1992). Study results have been mixed and researchers have indirectly surmised parental motives as altruistic or self-interest based on the contexts surrounding transfer behaviors (Altonji, Hayashi and Kotlikoff 1997; MacDonald and Kuo 2003; McGarry and Schoeni 1995).

Many have speculated that transfers are motivated by an adult child's financial need (Eggebeen 1992; Furstenberg et al. 1995; Rossi and Rossi 1990). Studies with samples limited to nonresident adult children have shown that adult children with lower incomes are more likely to receive financial assistance from parents (Berry, 2001; Furstenberg et al. 1995; McGarry and Schoeni 1995). Since parents appeared to favor

children with lower incomes, the results have been interpreted as providing evidence for the altruism hypothesis (MacDonald and Kuo 2003). In other words, parents may be motivated to assist adult children who appear to have greater need than siblings who may be independent economically to restore economic balance between their children. However, the complexity and relativity of defining “need” for each child and the potential for conflicting needs within families severely hamper our ability to determine motives accurately. This requires direct information about parents’ motives for giving (Silverstein 2006) which is not available in the waves of the HRS used for this project. Therefore, though the existence of the debate in the literature between the altruism hypothesis and the exchange hypothesis must be acknowledged, I do not analyze data in relation to the debate in the research presented here.

1.4 Defining Intergenerational Families with Step-Kin: The Latent-Kin Matrix

The ‘linked lives’ principle of the life course perspective acknowledges that the opportunities, challenges, and decisions individuals face and their social roles have an impact on, and are impacted by, the life courses of those who are close to them (Elder 1994). For example, when a man becomes a father, his new role within the family configuration resonates to others such as his parents who become grandparents. Oftentimes, adult children entering college receive financial assistance from midlife parents for school-related expenses (Steelman and Powell 1989, 1991). Also, the

caregiving literature in gerontological research recognizes that care for frail elders often impacts the lives of adult children by requiring that emotional and/or instrumental support be provided by children to their parents. In other words, the experiences of one person affect the lives of other family members, and in turn, the structure of the extended family may shape the individual life course.

However, today's intergenerational linkages are more diverse, complex, and multidimensional than in the past (Connidis 2001; Logan and Spitze 1996; Bengtson and Harootyan 1994; Rossi and Rossi 1990). The growing diversity of family arrangements includes those who are related via marriage, birth or adoption *and* those who join existing families voluntarily through remarriage or as a result of intergenerational linkages (e.g., as children of a remarried partner) (Ahrons 1994; Cherlin and Furstenberg 1994; Marks 1995). Remarriages after divorce in particular add a further layer of complexity for intergenerational relationships and extended families. As parents establish relationships with new spouses, they often must also establish relationships with the spouses' children from previous marriages. As both generations age, major life course transitions experienced by one generation often resonate within the larger network of extended-family connections – affecting the relationships between adult children and their divorced parents as well as relationships with stepparents (Bornat, Dimmock, Jones and Peace 1999; Connidis 2001; Cooney and Uhlenberg 1992).

For the analysis of financial transfers between midlife parents and adult children, it is necessary to move beyond equating the term “family” with biologically-related kin who live, or have lived previously, in the same household. The literature lacks clarity about the norms that determine membership in intergenerational families or the rights and obligations that accompany membership – especially given the higher divorce and remarriage rates of recent generations (Cherlin, 1978; Cherlin and Furstenberg, 1994). Most studies regarding financial transfers assume adult children are no longer coresident with parents. [More commonly, samples of adult children in studies of financial transfers are limited deliberately to nonresident adult children.] Even so, the studies do not clarify that children from divorced families may not have lived with one biological parent for many years prior to reaching adulthood or if they may have lived with a stepparent during their formative years.

To better represent the complexity of intergenerational family structures, Riley (1983) suggested an intriguing recognition of step-kin, in-law, and kin-like connections as part of a latent kin matrix. Generalizing this conception further for this project, “family” is defined as a matrix of kinship relationships that encompasses several generations (Cohler and Altermatt 1995; Riley and Riley 1993). At the center of these matrices are the midlife parents. Their intergenerational connections may extend upward to one or more elderly parents. However, the focus here is on the connections that extend downward to adult children and stepchildren. With the inclusion of

stepparent/ stepchild relationships in this project, the term “blended family” refers to kin networks that include biological kin and step-kin encompassing several generations and households. Using both terms provides a broader view of the intersecting lives of family members that has been disregarded by a more individualistic reductionism adopted in some life course research (Hagestad 2003).

The examination of multigenerational linkages takes life course research beyond the common focus of life course patterns among individuals within an age-defined cohort to an examination of vertical family relations, concurrent development and aging, and social roles regarding generational position (Bengtson and Harootyan 1994). A more detailed exploration of extended-family structures and intergenerational relationships is essential to develop a fuller understanding of the life course, family dynamics, and the influence they have on one another in relation to sharing family resources between generations. As such, a broader definition of family that includes kin and step-kin strengthens, but also complicates, our understanding of resource-sharing across generations (Amato and Booth 1997).

1.4.1 Stepfamilies As Blended Families

Blended families refer to any remarriages that include paternal children/maternal stepchildren (i.e., his biological children from previous relationships) and/or maternal children/paternal stepchildren (i.e., her biological children from previous relationships) as well as remarriages that include children from previous relationships *and* children

born after the remarriage (i.e., half-siblings). Bumpass, Sweet, and Castro-Martin (1990) reported that 42% of divorced parents in 1984 chose to remarry within five years—a decline from the 49% who reported having done so in 1970. They also estimated that over 70% of separated and divorced women would eventually remarry. A large majority of separated and divorced women at that time also had children under age 18. The high remarriage rate caused a sharp increase in the number of stepchildren in the United States (Bumpass, Raley and Sweet 1995). Depending on the timing of the remarriage, the structure of blended families could include children of either the father or the mother, children who were the biological progeny of both parents (i.e., those born after the remarriage), or a combination of both (Connidis 2001; Rossi and Rossi 1990).

Current estimates indicate that 30 – 35% of American children will live with a stepparent before turning 18 years old (Bumpass et al. 1995). At the time of the 1990 Census, more than 11% of all children were living with one biological parent and one stepparent (Cherlin and Furstenberg 1994). While not all adult stepchildren necessarily live with a stepparent in their youth, it is reasonable to assume that many of them do live with stepparents when they are young children and if so, that many live with mothers and stepfathers. Physical custody was most often awarded to the mother after a divorce prior to 1990 (Cherlin 1978; Cherlin and Furstenberg 1994). While joint custody is now more common, the primary households are typically the mothers' rather

than the fathers' households. However, little research has been conducted examining the impact of living with a parent and stepparent on intergenerational solidarity.

1.5 Family Solidarity

Since relationships are dynamic, there are observable fluctuations in the closeness, intensity, or frequency of contact within families over many years (Rossi and Rossi 1990). However, the linkages among family members often remain life-long influences on individual behavior in spite of changes in the nature or quality of the relationship (Bengtson et al. 2002; Lawton, Silverstein and Bengtson 1994). Family solidarity theory acknowledges the complexity of intergenerational relationships as well as their likelihood to endure changes in individuals' lives. The term "solidarity" represents a multidimensional model regarding the interdependencies between family members. As conceptualized, each orthogonal dimension may range from very strong to very weak (or nonexistent) for all parent-child dyads and within all families (Bengtson et al. 2002).

Bengtson and Harootyan (1994) identify six dimensions of family solidarity: affectual, consensual, normative, associational, functional and structural. Affectual solidarity represents emotional closeness while consensual solidarity refers to the level of shared opinions. Normative solidarity represents the dialectic between familistic and individualistic orientations to familial ties (Bengtson et al. 2002). The other dimensions of solidarity represent behavioral processes of family interaction. Associational

solidarity is defined by the level of contact family members have with each other.

Structural solidarity is defined as “living in the same home or in geographic proximity” (Bengtson and Harootyan 1994:20). Finally, functional solidarity broadly represents instrumental assistance between generations within a family.

Riley’s (1983) definition of the kin network also identified the network of biological kin, step-kin and in-laws to be a latent support system for individuals who call upon family members in response to life events. Latency in the network reflects the underlying potential of members to share instrumental, emotional and other resources that is activated primarily when someone within the network is in need. Otherwise family support systems are not always active or manifest. Silverstein, Bengtson and Lawton (1997:431) stressed this aspect of the latent kin matrix: “If family relationships alternately shift between latency and activity, then it is important to consider the latent *potential* of kinship relations—insofar as it triggers or enables manifest functions...” (emphasis in the original). Within an extended family, continuity and intergenerational bonds may be strengthened through the sharing of private economic resources between adult generations. For this project, the provision of monetary gifts is interpreted specifically as a behavioral indicator of functional solidarity (Bengtson and Harootyan 1994).

1.5.1 The Effects of Divorce and Remarriage on Family Solidarity

Previous work has demonstrated that divorce results in significant declines in intergenerational solidarity between parents and children, and especially between non-custodial parents and their children (Lawton et al. 1994; Silverstein et al. 1997; White 1994). This pattern is more common between divorced fathers and adult children and probably reflects custody decisions that weaken ties (Amato and Booth 1997; Aquilino 1994). Other studies that do not employ the solidarity framework specifically have examined similar themes for divorced father-adult child dyads. They have found that parental divorce results in less frequent contact, lower levels of affection and reduced feelings of obligation (Cooney and Uhlenberg 1990; Marks 1995; Rossi and Rossi 1990; Shapiro 2004). Both physical and emotional distance can persist or increase between adult children and their divorced parents over time, particularly fathers. Aquilino (1994) found this to be true for divorced fathers who have the lower likelihood of coresiding with adult children. Also, where children reside after parental divorce moderates the quality of their long-term relationships with their fathers as they age (Cooney and Uhlenberg 1990; Shapiro and Lambert 1999).

Much of the research on family solidarity has defined solidarity as the strength of the ties between mothers and adult children *or* between fathers and adult children. Analyses of affectual solidarity have shown that relations between adult children and parents are weakened by divorce and that this particularly differs in gender-based

dyadic relations in late life (Connidis 2001; Cooney 1994; Cooney and Uhlenberg 1990; Shapiro 2004; Silverstein et al. 1994; White 1994). Such studies make valuable contributions to the literature regarding family solidarity over the life course. However, the conceptual reduction of family solidarity to ties between adult children and each divorced parent disregards the complexity of intersecting adult lives where divorced parents remarry and introduce stepparents into the kin matrix, potentially with their own ties to children from previous marriages. In other words, research on specific parent/child dyads still deflects attention away from the extended family as a unit of analysis (Hagestad 2003).

While the relationship between lower associational solidarity (i.e., reduced contact) and decreased affectual solidarity between divorced parents and adult children is well established, the effects of the construction of intergenerational linkages between step-parents and adult children – and reconstruction of family solidarity – have received limited attention. Only Lynn White (1992, 1994) has directly addressed how remarriages and the addition of step-kin influence several dimensions of family solidarity between parents and adult children. Regarding affectual solidarity, she reports that the quality of the ties between remarried parents and their children was not significantly different from the quality of the ties for parents and children from intact families (White 1992). There were also no significant differences for the quality of ties between adult children

and remarried mothers compared to the ties between adult children and single mothers (White 1994).

Further evidence indicates that custodial arrangements have mixed effects on relationship quality with biological parents who remarry (White 1994). The quality of the father-adult child relationship for children who had lived with a remarried mother was not significantly different from the relationship quality with fathers for those children who lived in single-mother households. Conversely, if children lived with remarried fathers, the mother-adult child relationship quality was significantly lower. A negative correlation was reported between living with a custodial father and the frequency of contact with the mother. Also, significantly more contacts and stronger relationships with stepfathers were identified, indicating that the addition of stepfathers to the kin matrices improved family solidarity overall when stepfathers were accepted as family members (White 1994). By comparison, the addition of a stepmother was not as well received by children who lived with remarried fathers. Along these lines, Aquilino (1991) found that young women, in particular, were more likely to leave parent/step-parent homes to establish separate residences by age 19 than women from the homes of continuously-married parents.

However, in the case of functional solidarity (measured as financial assistance), White (1992) found that remarried parents were more likely to behave like divorced parents than to behave like continuously-married parents, in spite of the typical increase

in income and assets that accompany remarriage. She found no evidence that remarriage increased parents' financial support to children from previous marriages. Instead, she showed that the increase in the number of children of remarried couples was a primary reason for reduced financial assistance of adult children when compared to those with continuously-married parents (White 1992). She speculated that the higher number of children and reductions in potentially-transferable resources (in comparison to intact-marriage households) occurred because either the father was supporting two families – the children from his previous marriage and his stepchildren – or the couple added young children to the family after the remarriage.

In the other study, White (1994) compared single-mother families to remarried families and found that the likelihood of receiving instrumental support was significantly higher for adult children with remarried mothers. No effect was seen for adult children with remarried fathers. However, the summary measure of having received support did not include financial assistance as a component. On the other hand, the summary measure of perceived support included whether they believed they could go to parents for a loan of \$200. For perceived support, there was no significant difference for those who had lived with a remarried mother, but those who had lived with a remarried father were much less likely to consider the father and stepmother as a source of emergency support. Though custodial arrangements are no longer legally binding after age 18, many parent-child ties remain permanently altered by parental

divorce and remarriage long after children have reached adulthood (Booth and Amato 1994).

Several studies have identified differences within families regarding attitudes about obligations to children and stepchildren (Aquilino, 2005; Coleman et al. 2001; Ganong, Coleman and Mistina 1995; Rossi and Rossi 1990; White 1992). Cherlin (1978) characterized stepfamilies as “incomplete institutions” thirty years ago primarily because social norms for these arrangements were not well established. The increase in cohabiting unions among divorced Americans since then has further complicated the development of social norms (Cherlin and Furstenberg 1994). Nevertheless, recent research indicates that family structure mediates the willingness to honor kin obligations (Bengtson 2001; Cherlin and Furstenberg 1994; Killian 2004). Obligations to assist biological children are felt more strongly than those to assist stepchildren—though not to the exclusion of stepchildren (Aquilino 2005; Rossi and Rossi 1990). In the language of the solidarity model, normative solidarity (i.e., feelings of responsibility to other generations) seems to vary dependent upon the marital and biological connections between family members.

Normative beliefs about responsibilities to other generations are weakened by remarriage although a recent review of this literature identifies some shifts in step-parents’ views of responsibility to children (Ganong and Coleman 1999). Studies of biological fathers after divorce and stepfathers and biological fathers after a remarriage

focus primarily on blended families with young children. However, some information drawn from these studies may be extrapolated to the normative financial obligations parents and stepparents have towards adult children. For example, Ganong, Coleman and Mistina (1995) discovered the specific belief that coresident stepfathers should pay for tutoring services for a stepchild. However, remarriage moderated the obligations for biological fathers to pay for these services – either because remarried mothers had increased resources or remarried fathers’ resources would be limited by the higher number of children to be responsible for. In fact, many respondents explicitly stated that men should consider carefully their potential responsibilities in raising stepchildren before choosing to get married (Ganong and Coleman 1999). Some findings indicated that biological fathers’ child support payments could be reduced if either parent remarried but especially if biological fathers remarried and assumed additional responsibilities for coresident stepchildren.

Later research demonstrated that financial matters cause conflict within stepfamilies. For example, some stepparents resent having to pay for stepchildren’s college expenses and some biological parents resent that stepparents do not contribute equally to expenses for young or adult stepchildren (Coleman et al. 2001). Aquilino (2005) found relationship quality to be an important determinant of stepparents’ beliefs about financial obligations to adult stepchildren. Positive beliefs about providing financial support increased as relationship quality increased, but once baseline

perceived obligations were included in the model, relationship quality no longer mediated the change in stepparents' beliefs over a time period, when the child became a nonresident adult. These results are important for understanding normative solidarity or intergenerational obligations within stepfamilies and the latent potential support structure between generations, but closer attention should be paid to the elusive pattern of functional solidarity. This can be examined more thoroughly by researching the downward flow of financial transfers from older parents and stepparents to adult children.

1.6 Second Set of General Hypotheses

1.6.1 Kinship Structure Effects on Adult Child Transfer Receipt

Following the latent kin framework and augmenting it with attention to family solidarity within divorced and remarried HRS households, the incidence and kin-related sources of transfers to adult children are probably associated with complex variations in household arrangements. Kinship structures are hypothesized to affect the likelihood of transfers to adult children. First, remarriages mediate financial transfers to adult children such that all stepchildren are at a disadvantage compared to the biological children within intact-married households. Stepchildren are less likely to receive financial assistance and when they do receive assistance, they are likely to receive smaller amounts of money than biological children of continuously-married parents.

Second, there are reasons to hypothesize that adult children's relations differ by the solidarity they experience with their remarried mothers and stepfathers compared to the solidarity experienced with their remarried fathers and stepmothers. One way to demonstrate that the type of stepfamily kinship structure is an influential factor is to determine if financial transfer behaviors differ based on whether the biological parent is the remarried mother or remarried father for adult children from previous relationships. One can expect that paternal children/maternal stepchildren are treated differently than maternal children/paternal stepchildren regarding financial assistance. If the patterns of reduced solidarity between divorced fathers and adult children are extended to remarried fathers, we can expect that paternal children/maternal children have reduced solidarity with remarried biological fathers – in this case, reduced functional solidarity via financial assistance. In other words, adult children of remarried parent households may be less likely to receive financial assistance if the kinship structure is composed of the biological father and stepmother rather than the biological mother and stepfather.

Coresidence with adult children may also be influenced by maternal household arrangements. Adult children may be less likely to coreside with their biological fathers and stepmothers compared to coresidence with biological mothers and stepfathers. Along similar reasoning, financial assistance from biological fathers during children's adult life courses may be affected negatively by reduced contact, reduced affectual solidarity and reduced normative solidarity. Fathers may provide less financial

assistance to biological children who have been absent from their lives. On the other hand, if children coreside with remarried mothers then analyses of co-occurring adult life courses may reveal that blended families with stepfathers also provide financial assistance differently than households with continuously-married parents in terms of the likelihood of transfers received by adult children, the number of transfers received by adult children over time, and the amounts received when transfers occur.

Considering the previous research about intergenerational solidarity reviewed above, I should find that remarriage affects financial transfer behaviors negatively. As this is the first intergenerational transfer study to identify stepchildren by their relation to either the father or the mother, it is difficult to predict how parent/stepparent family structures differ when parents (and stepparents, by proxy) are no longer obligated to provide financial support to adult children but may choose to do so.

1.7 Adult Child Life Course Transitions

As members of a multigenerational family age together, life course transitions among adult children can occur simultaneously with or close in time to the ongoing life course experiences of their midlife and older parents. Adult children may complete postsecondary schooling, get married, have children, or experience several changes in work status or income level over time. Occasionally, they may continue to coreside with their parents or even return to live in their parents' homes for a short period due to a period of unemployment or marital disruption. In recent years, the transition to

adulthood has become more diversified in timing, order, and relevance of events and turning points that are commonly associated with this transition (Settersten, Furstenberg and Rumbault, 2005). The multiple events associated with this transition also occur over a longer period of time than the transitions experienced by previous generations (Settersten et al. 2005).

The increased heterogeneity within the transition to adulthood in recent decades, in addition to the increase in divorce and remarriage rates among midlife parents, raise questions about intergenerational solidarity and financial assistance from parents to adult children who have passed age 18 (i.e., the normative and legal age of maturity for activities such as completing secondary education, entering the military and registering to vote). Changes in the timing and turning points of the transition to adulthood in recent decades have influenced the character of relationships between parents and adult children. Parents of past generations may have expected to be free of obligations to adult children earlier in the life course – particularly financial obligations. However, college attendance rates have increased greatly in recent years and more young adults delay marriage and childbearing (Settersten et al. 2005). Financial aid formulas for college attendance are based on assumptions that parents will contribute greatly to the cost of their children's postsecondary educations and related expenses such as housing (Conley 1999). Health insurance policies and tax codes allow parents to count adult children who enter college directly after high school as dependents. As a result, many

adult children have maintained prolonged dependence on midlife parents for financial assistance through the college-age years (i.e., 18 – 23). Thus, family solidarity was expressed differently in previous generations than one might expect for recent cohorts (Cooney and Uhlenberg 1992).

Societal expectations about which life course events define adulthood also have changed over time. In the 2002 General Social Survey, 97% of respondents indicated that completing education and establishing financial independence were very or somewhat important to being categorized as an adult (Furstenberg et al., 2004). As a sign of change over time, 82% included leaving the parents' homes and only 55% included getting married as life events that were important to the identification as an adult. The median age at first marriage in the United States has increased nearly four years for both men and women since 1950 (U.S. Census Bureau, 2002). Today, young adults are more likely to experience periods of living as singles or cohabitation than in past generations (Fussell and Furstenberg, 2005). Both living arrangements are strongly correlated with delays in marriage and childbearing.

1.7.1 Patterns of Financial Assistance over Time

That parents with more wealth are more likely to make financial transfers to adult children makes intuitive sense but has a larger meaning for the life course – especially in relation to conferring advantages or social status through transformative assets or financial assistance (Shapiro 2004). Namely, the deliberate transfer of wealth

may represent the transmission of a cumulative advantage *across* generations. The cumulative advantage/disadvantage hypothesis has generated a great deal of interest among gerontologists and sociologists in recent years examining intracohort heterogeneity and inequality of economic outcomes (Crystal and Shea 2002; Dannefer 2003; O’Rand and Henretta 1999). Until now, researchers have not examined *inter vivos* transfers as intergenerational mechanisms that convey advantages *during* the adult life course. In other words, a “private safety net” of transfers from extended family members provides an unacknowledged advantage during adulthood for those who have access to such a latent safety net via their parents. This advantage may be cumulative by two avenues: multiple transfers received over time or financial support that increases an advantage developed within the family before the child became an autonomous adult.

In addition, we must consider the cumulative advantages provided via intergenerational transfers as an ongoing life course process. Spilerman (2000) argues that the transfer of wealth from parents to adult children represents a mechanism for transmitting inequality across generations and perpetuating social stratification. Regardless of the form of financial transfer (i.e., as a financial transfer or as a bequest), evidence indicates that parents who have more wealth will transfer more money to their children (Conley 1999; Oliver and Shapiro 1995; Shapiro 2004). Because of a lack of longitudinal data available until recently, researchers have not yet examined whether financial transfers are a one-time event, or if midlife parents make multiple transfers to

the same children within their families over time (or same children, in the case of parents who give to more than one child in the timeframe being studied). This project seeks to address this shortcoming of past research.

The link between parental socioeconomic resources and a child's life course is well established for multiple outcomes (e.g., educational attainment, occupational status and class membership). While true to an extent, what we know about the correlation between the family of origin's socioeconomic status and the adult child's present-day situation is limited by two important factors – timing and measurement. Most studies examine parental socioeconomic status during the child's developmental stages, and socioeconomic status is often determined by parental income while the child was a minor. Few studies have examined parental economic resources concurrent with the adult child's life course. In other words, sociologists know very little about the importance of parental socioeconomic resources in later life to the adult child. For example, gifts and short-term financial assistance via private transfers allow individuals to provide instrumental support to family members of another generation in a socially acceptable manner. [The main exception would be limited research on bequests from the parent(s).]

Parents are under no legal obligation to provide support to adult children in the United States, but evidence indicates that nearly one in five households of midlife adults (individuals or couples) provide some level of financial assistance to an adult child not

living at home at any given time (McGarry and Schoeni 1995). Research has also demonstrated that financial transfers are not given equally to all children in households with more than one adult child (Berry 2001; McGarry and Schoeni 1995). In other words, families choose whether and to whom such transfers shall be made. [This is more evident when discussing the weakened sense of obligation that parents often feel toward stepchildren (Ganong and Coleman 1999; Rossi and Rossi 1990).] The possibility of strategic distribution over time raises important life course issues in relation to timing and adult children's life course transitions. This project addresses questions about what present-day financial resource characteristics and adult child life course transitions determine the choices of midlife adults' financial transfers to their adult children.

1.8 Third Set of General Hypotheses

1.8.1 Adult Child Life Course Transitions and Parent Characteristics

Expectations about parental support for adult children who experience life course transitions suggest several important hypotheses. First, younger adult children are more likely to receive financial assistance than older adult children. However, it is unclear if this pattern is related to age differences or corresponding adult child life course statuses. Younger adult children are more likely to experience life course events such as postsecondary schooling, labor force fluctuations and coresidence with parents compared to older adult children. The stage of the life course known as the transition to

adulthood is more likely to occur in early adult years (Settersten et al. 2005). The life course transitions associated with that stage are more likely for younger adult children than for relatively stable older adult children who are age 30 or above and may increase the likelihood of receiving financial assistance.

Second, I hypothesize adult child life course statuses and life course transitions such as school attendance that occurred during the study period may be deterministic factors that midlife parents take into account when making financial assistance decisions. I also expect that the timing of transitional events for adult children may be influential for patterns of transfer receipt and amounts received. Third, recognizing that intergenerational transfers are multilevel phenomena, I strongly expect that the incomes of the midlife parents affect the likelihood of giving financial assistance to an adult child. Studies examining this issue have typically used cross-sectional data to demonstrate a link between parental socioeconomic status and the propensity to give money to adult children as well as the amount given (Soldo and Hill 1993). Questions remain though as to how access to resources is reflected in transfer behaviors.

Finally, I hypothesize that parents who make one transfer are at greater risk to make multiple transfers and develop patterns of routine assistance over time. Despite the hypothesized associations between transfers and one-time life course transitions (i.e., midlife parents acting as “a safety net”), it seems more likely that financial gifts or loans provided for one transition or life course change may reflect a selection effect. In other

words, parents who give once to an adult child as a response to the child's life course experiences are more likely to give again than parents who are unable to or decide not to give any financial assistance.

1.9 Summary

The research presented in this project is generated primarily from three theoretical frameworks. The life course perspective provides three key ideas central to the development of this project. First, adult family members of different generations age concurrently – suggesting that both ages and kinship statuses are relevant to developing an understanding of how and when families transfer resources. Second, the principle of linked lives clarifies that biological *and* social families are diverse configurations of interdependent individuals. Third, the timing of transitions – whether the parents' marital transitions earlier in the family life course or the children's young adult life course transitions – has “ripple effects” for others in the extended family.

Another theoretical contribution expands the definition of family to include intergenerational relationships and a “latent kin matrix” (Riley 1983). As remarriages became more common, researchers recognized that step-kin should be included in analyses of family dynamics (Rossi and Rossi 1990). Ganong and Coleman (1999) have led a research agenda since the mid-90's that examines norms of obligation between generations – grandparents, parents and children of all ages. For example, one study in particular by Ganong, Coleman and Mistina (1995) found that many interview

respondents believed stepfathers were obligated to help pay for tutoring for young stepchildren if the mother had physical custody. When pressed further, some respondents reported that men who plan to marry women with children should think very carefully about the financial responsibilities they would be assuming for young stepchildren. Marriages to women with physical custody of children from a previous marriage are a “package deal” that stepfathers enter voluntarily. They should be prepared to accept social responsibilities for stepchildren regardless of the biological fathers’ levels of involvement and financial responsibilities via child support payments. Conversely, expectations of responsibility to stepchildren and careful planning were not as high for women who voluntarily became stepmothers. This tradition also acknowledges the latent potential that exists within family networks to provide assistance to each other, if necessary – indicating that some implicit family bonds only become explicit with careful observation of family interactions and behaviors but maintain an important status within individuals’ social constructions of family membership. However, the normative obligations that midlife parents and adult children share appear to differ based on kinship status (Ganong and Coleman, 2006).

Intergenerational solidarity is the third theoretical framework providing a context for examining parent-adult child relations. Solidarity is represented by multiple dimensions, but the dimension of functional solidarity has been largely ignored in this area of research – at least, in explicit terms. Implicitly, studies of intergenerational

transfers demonstrate behavior that likely reflects either affectual kinship ties or normative obligations within certain family types (Silverstein et al. 1997). As noted, the dialectic between autonomy and dependence represents the existing tension within families in relation to financial transfers (Bengtson et al. 2002). However, the latent potential of receiving family assistance also represents the strength of kinship ties over time.

1.9.1 Description of Remaining Chapters

In Chapter 2, I explain the importance of using panel data over four waves to provide a more complete picture of intergenerational family members and their financial ties to each other during co-biographical trajectories. I also review the creation of the two datasets for this project drawn from the HRS data files and how some variables were constructed. The methods used included descriptive statistics, fixed-effect regression analyses and nonlinear fixed-effect logistic regression analyses.

Chapter 3 provides a description of household-level assistance behaviors over time. The data for individual adult children were collated by family or HRS-household membership. Descriptive analyses demonstrate that parental transfers to adult children are more common than previous studies have indicated. The combination of data for all adult children within a family and repeated measures of financial assistance given over time will show that over 60% of all HRS households with children made at least one transfer at some point between 1991 and 1998. Many households gave more than one

transfer – either to more than one child or more than once to the same adult child. The influence of family financial resources on the likelihood of providing any assistance to adult children will also be addressed.

In Chapter 4, I examine the effects of kinship structure on the likelihood for adult children to receive financial assistance from their parents. Stepfamilies have different dynamics compared to intact-marriage families and it is important to understand how these dynamics might influence transfer behaviors – looking more closely at the assistance adult stepchildren received based on their kinship relation to either mothers or fathers. Previous research has demonstrated that stepchildren are less likely to receive assistance. However, there have never been tests of whether this is equally true for maternal and paternal stepchildren. Analyses are completed to examine this matter regarding both the likelihood of receiving financial assistance and the amount transferred to children and stepchildren who receive intergenerational transfers from their parents and stepparents.

Chapter 5 presents evidence of the influence of adult children’s life course transitions on the likelihood of receiving financial assistance or gifts from parents. Multiple analyses demonstrate that certain life course statuses – and changes from one status to another such as leaving school – had strong effects on the likelihood that parents provided support to adult children. The diversification of the life course and the transition to adulthood that occurs simultaneously with the parents’ own life courses

through the labor force and perhaps retirement demonstrates the importance of understanding factors that bring families together. Chapter 6 summarizes the findings of this project and offers suggestions for future research that should be completed based on the findings reported here.

2. Data and Methods

2.1 Longitudinal Analysis for Financial Transfers

Despite the consistent call for longitudinal data on intergenerational transfers, there have been no sociological studies about intergenerational transfers to date that use more than two waves of a panel study. In fact, most have used cross-sectional data that contain retrospective reports regarding past transfers. In order to better understand the nature of intergenerational transfers during the life course, thorough measurement requires data from multiple time points – allowing for examinations of transfer behaviors as they co-vary with exogenous factors. Such analyses are currently absent from the literature even though they can tell us much about the life course dynamics within extended families and monetary links across generations. In much of the literature about intergenerational solidarity and ambivalence, the unit of analysis is the parent-child dyad which improves somewhat upon the analysis of individual trajectories (Cooney and Uhlenberg 1992; Luescher and Pillemer 1998; Shapiro 2004; White 1994). However, the focus on specific parent/child ties still deflects attention away from the extended family as a unit of analysis (Hagestad 2003). Longitudinal analyses can also contribute to the development of theories about several dimensions of transfer behavior such as the effects of donor characteristics on transfers over time, motives for transfers, the stratification of wealth and inequality, and the interplay of

private and public transfers within communities and nations (Kohli and Kunnemund 2003).

Cross-sectional data limit researchers to analyses of one timeframe. Any conclusions regarding family dynamics or transfer motives must be indirectly inferred. Direct conclusions can only be provided for static findings. For example, economic and sociological analyses of the exchange motive for giving are limited to an examination of exchanges occurring simultaneously (or at least within the timeframe examined). For example, if a respondent reported a financial transfer to an adult child then an exchange would be indicated if the respondent also reported receiving a transfer of other resources during the interview (e.g., time, contact, instrumental assistance). However, theoretical explanations of exchange motives cannot be fully tested because the authors must acknowledge that a transfer given may not be reciprocated during the time period studied (Kohli and Kunnemund 2003). Instead, the transfer made by the receiving party back to the respondent may have occurred before or may occur after the data is collected. If researchers testing the exchange-motive hypothesis believe that a respondent provides financial help to a family member with the expectation of a return transfer in the future (e.g., receiving care or support from the recipient when older), cross-sectional data does not allow researchers to disprove or support the hypothesis with any level of certainty to determine if the expected reciprocation ever occurs.

Researchers using only cross-sectional data are also unable to determine whether the timing of transfers is due to an age effect or to a cohort effect.

Kinship structure may also play a role in transfer patterns not otherwise observable in cross-sectional analyses. Transfers within families with more than one child raise questions about the relations between parents and each child and whether intergenerational transfers reflect favoritism, exchange motives, or equity motives (Dunn and Phillips 1997). Longitudinal data allow us to explore whether multiple transfers are provided to one child over time or spread across children to equalize giving. For example, in a cross-sectional examination using HRS data, Berry (2001) has demonstrated that the likelihood of receiving a transfer decreases as the number of children increases – indicating unequal division of resources – but does such inequality remain over time or do parents transfer resources preferentially to a different child at a later time? Children from larger families may be less likely to receive financial assistance and not likely to receive an equal amount than their siblings at any one time. However, a child's age or life course status may precipitate transfer receipt at another time – knowledge that longitudinal data may reveal to researchers that cross-sectional data cannot.

However, certain limitations of longitudinal data regarding intergenerational transfers must be recognized despite the improvements that longitudinal data represent. In particular, the measurement of transfers in panel studies is incomplete despite being

more expansive and providing more dynamic information than in former cross-sectional research. Even in panel studies unfortunately, data may be missing for a significant amount of time between waves or the exact timing of a transfer may be unknown. Two examples readily present themselves. First, respondents in the second wave of the Survey of Consumer Finances were asked if gifts of greater than \$3,000 had been given in the past three years (i.e., since the first interview). However, the data collection did not include specifications as to when in that 3-year period a single gift had been given or if multiple gifts during that time could be summed to equal a value greater than \$3,000 (Gale and Scholz 1994). Second, in each wave of the National Study of Families and Households (NSFH), the respondent was asked if a gift or loan of \$200 or more had been given to a family member in the past five years (Eggebeen 1992; Hogan, Eggebeen and Clogg 1993). The studies using this data assume the gift or loan was given once, but the data collection did not include specifications as to when in that 5-year period the money had been given.

The biennial panel design of the HRS provides a unique opportunity to examine multiple opportunities for financial assistance and to reduce the loss of information that likely results from cross-sectional or two-wave studies. Previous studies have used cross-sectional or two-wave data to gauge “routine assistance” (Eggebeen 1992; Killian 2004; Pezzin and Schone 1999). However, cross-sectional research cannot provide reliable information about life course routines. Several studies that have included two

waves commonly used the NSFH which is an excellent source of data for this question. However, the first two waves of data collection were six to seven years apart and the third was limited to respondents who were aged 45 and over. In addition, it is doubtful that a gift or loan of \$200 or more to an adult child within the past five years should be considered as evidence of routine assistance; it also misses the possibility of multiple transfers over the life course.

The HRS allows for a better estimation of routine assistance provided over a seven-year period since respondents were asked at four separate times whether a financial transfer of \$500 or more had been given to any adult children and if so, who had received the transfer. In 1992, the question specified “in the past twelve months” but the wording in subsequent interviews specified “since the previous wave” or “in the last two years”. In 1994, the lower threshold for amount transferred was set at \$100 to accommodate HRS households with low incomes or limited assets that gave money to adult children. [The lower threshold in 1994 made little difference regarding the number of households that reported transfers. Thus, to maintain consistency for this research, only intergenerational transfers of \$500 or more were included in the analyses reported here.] This does not provide complete information regarding transfer behavior, but it does allow for closer examination by using repeated measures to demonstrate patterns of transfer behavior – representing an improvement over cross-

sectional data that cannot provide reliable analyses of dynamic patterns of financial support.

2.2 Data

The HRS is a nationally representative survey of the 1931-1941 birth cohorts. Spouses of survey respondents were also interviewed, regardless of their age. The stratified, multi-stage area probability design included over-sampling of African Americans, Hispanics, and Floridians. The first wave, conducted in 1992, included face-to-face interviews with 12,654 individuals, representing 7,608 households (Health and Retirement Study 2007). This project uses four waves of HRS data – 1992, 1994, 1996 and 1998. Some households continued to make financial transfers to adult children after 1998. However, there was a precipitous decline in the number of transfers made after 1998 as the great majority of adult children had completed the transition to adulthood by that time (i.e., less than 6% of all adult children were under age 30 in 1998).

Data on family structure, kinship statuses and intergenerational transfers were collected from one member of each HRS household (the “family respondent”). In single-parent households, the respondent answered all questions about family and financial matters. However, in married households, the wife was much more likely to answer the family structure and transfer questions during the interviews and the husband was more likely to answer the questions about household finances, except for intergenerational transfers. Since information about transfers is child-specific, the family

respondent answered transfer questions while discussing each child with the researcher (Howell 1995). Each child related to the family respondent by birth, adoption or as step-kin was identified by the interviewers and assigned an “Other Person Number” (OPN). The household identification number (HHID) and OPN served as the primary identification variables for dataset creation.

There were two datasets created for this project: a multilevel dataset with individual adult children (level 1) grouped by kinship (level 2) and a household-level dataset. The first dataset was used for the analyses and results reported in Chapters 4 and 5 about the effects of kinship structure and life course transitions experienced by adult children. In both chapters, the foci were the likelihoods that adult children received financial assistance from parents and transfer amounts received. The second dataset involved assigning nonresident and coresident adult children to the appropriate household in order to create variables that summed the number of transfers given and the amounts given by a household to all adult children over multiple waves. I used the household-level dataset for the analyses reported in Chapter 3. The creation of the second dataset was necessary in order to describe and analyze parents transfer behaviors in relation to money that was given over time by the entire household to one or more adult children.

2.2.1 Adult Child Dataset

The creation of the datasets required complex procedural steps. The information about adult children was drawn from wave-specific data records for family respondents available publicly from the Health and Retirement Study website. First, I excluded all childless households in 1992. A separate record was then created for each child identified by family respondents in 1992. Records were initially created for adult children only. The same procedure was completed for the other waves (1994, 1996 and 1998). The files were then merged by the HHID and OPN identifiers to create a longitudinal record for each adult child for whom information had been provided for two or more successive waves. Any children who were under age 18 at the baseline interview were excluded from the initial design but for the household-level analyses reported in Chapter 3, additional steps were taken to include additional adult children identified in 1994 and 1996.

Particularly in the first wave, some midlife parents' households still included teenage children. If children "aged up" to adulthood between waves, then they were added to the sample and their entrance into the dataset in either 1994 or 1996 was noted. I also created records for children who "aged up" into adulthood or entered families by HRS parental remarriages between the 1992 and 1996 waves. If there was information available for two or more successive waves regarding additional adult children entering after 1992, their records were appended to the dataset. A dichotomous variable was

created to identify when an adult child entered the dataset and additional dichotomous variables were created to indicate if the adult child's information was available at each wave.

For each wave, all records included multiple life course status factors for the adult children: current age, sex, race, kinship relation to the HRS family respondent (and spouse, if present), current education level (0-17), current marital status, current residence status (i.e., living in the parents' homes), current work status (measured as full-time, part-time or not working) and current school status. [Unfortunately, school status was excluded from the interview in 1996.] Respondents were asked additional questions about the life course statuses of nonresident adult children regarding income, home ownership, parental status and whether the adult child lived within 10 miles of the parents' households at each interview.

The transition to adulthood (and the life course transitions typically related to it such as schooling, living independently, and getting married) has become more diversified in recent years (Furstenberg et al. 2004). Thus, it seemed relevant to create age categories that represented different periods of the life course when transitions were more likely to occur and adult children were more likely to establish themselves independent of their parents rather than using age as a continuous variable. I created three categories for adult children's ages: "young adult" (18 – 23 years), "under 30" (24 –

29 years) and “30 and older”. For analyses, the ages adult children were when they first entered the dataset were used for the analyses in Chapters 4 and 5.

Parents were also asked at each wave if they had provided financial assistance to any of their adult children. If financial assistance had been given, the respondent was asked about the amount transferred to each child identified. Before the dataset was released to the public, a dichotomous variable was included for each adult child to indicate if he or she had received financial assistance by HRS data management personnel. With this method of tracking transfers, there was direct information in each record regarding whether or not an adult child had received a transfer at each wave. In waves after the baseline interview, if the respondent could not provide an exact amount, a bracket method was used to estimate the amount that had been given to each child identified (Juster and Suzman 1995). In other words, if a respondent could not state the amount given, the interviewer asked a series of questions to determine if the amount was either \$500 - \$1000, \$1000 - \$5000, \$5000 - \$20,000 or greater than \$20,000. Transfer amount imputations were later provided by HRS researchers based on the estimates given which I then included in the dataset for regression analyses (Cao 2002). This provided exact or imputed amounts for nearly all monetary transfers across the four waves used for this sample.

The survey question was generally worded as follows: “Since the previous wave (or “In the last two years...”), did you [or your husband/partner] give financial help

totaling \$500 or more to any of your children?" (Health and Retirement Study 2007). If the respondent asked for a definition of financial assistance, the interviewer stated, "By financial help, we mean giving money, helping pay bills or covering specific types of costs such as those for medical care or insurance, schooling, down payment for a home, rent, etc. The financial assistance can be considered support, a gift or a loan." (Health and Retirement Study 2007). It was also specified that financial assistance did not include shared housing or shared food. If more than one adult child was identified by the respondent as a transfer recipient, the question(s) about amounts transferred were asked for each transfer recipient.

As stated above, I created dichotomous variables for each record to indicate if the adult child's information was available at each wave. I then excluded all adult children from the sample where information was not available for a minimum of two successive waves. With the remaining information, I was able to create variables that represented the adult children's life course transitions that occurred during the intervals between waves. The list of created variables for these transitions is included in Table 1. It should be noted that each of these variables was created for three interval periods: Interval 1 was between 1992 and 1994, Interval 2 was between 1994 and 1996 and Interval 3 was between 1996 and 1998. I also created summed variables representing the number of waves that each adult child was in school, coresided with his/her parents, whether the adult child married between 1992 and 1998, whether the adult child became a parent

between 1992 and 1998, the number of life course transitions experienced at each wave and the number of transitions experienced overall. In order to demonstrate the potential for repeated transfers, I also included measures of the number of transfers received overall, the financial amount received overall and the average financial amount received per wave.

Table 1: Variables Representing Adult Child Life Course Transitions

All Children (Interval 1)

- 1 Adult child remained in school between 1992 and 1994
- 2 Adult child left school between 1992 and 1994
- 3 Adult child began school between 1992 and 1994
- 4 Adult child remained coresident with parents between 1992 and 1994
- 5 Adult child stopped coresiding between 1992 and 1994
- 6 Adult child moved from full-time to part-time work between 1992 and 1994
- 7 Adult child left the labor force between 1992 and 1994
- 8 Adult child got married between 1992 and 1994
- 9 Adult child became widowed or divorced between 1992 and 1994
- 10 Number of life course transitions for adult child between 1992 and 1994

Nonresident Children Only (Interval 1)

- 1 Adult child added grandchild to family between 1992 and 1994
- 2 Adult child returned to coreside with parents between 1992 and 1994
- 3 Adult child experienced a loss in income between 1992 and 1994
- 4 Adult child experienced a gain in income between 1992 and 1994
- 5 Adult child bought a home between 1992 and 1994
- 6 Adult child sold a home between 1992 and 1994
- 7 Adult child moved away from the parents area between 1992 and 1994
- 8 Adult child moved closer to parents' geographic area between 1992 and 1994

All Children (Interval 2)¹

- 1 Adult child remained coresident with parents between 1994 and 1996
- 2 Adult child stopped coresiding between 1994 and 1996
- 3 Adult child moved from full-time to part-time work between 1994 and 1996
- 4 Adult child left the labor force between 1994 and 1996
- 5 Adult child got married between 1994 and 1996
- 6 Adult child became widowed or divorced between 1994 and 1996
- 7 Number of life course transitions for adult child between 1994 and 1996

Table 1 Continued: Variables Representing Adult Child Life Course Transitions

Non-resident children only (Interval 2)

- 1 Adult child added grandchild to the family between 1994 and 1996
- 2 Adult child returned to coreside with parents between 1994 and 1996
- 3 Adult child experienced a loss in income between 1994 and 1996
- 4 Adult child experienced a gain in income between 1994 and 1996
- 5 Adult child bought a home between 1994 and 1996
- 6 Adult child sold a home between 1994 and 1996
- 7 Adult child moved away from the parents area between 1994 and 1996
- 8 Adult child moved closer to the parents' geographic area between 1994 and 1996

All Children (Interval 3)¹

- 1 Adult child remained coresident with parents between 1996 and 1998
- 2 Adult child stopped coresiding between 1996 and 1998
- 3 Adult child moved from full-time to part-time work between 1996 and 1998
- 4 Adult child left the labor force between 1996 and 1998
- 5 Adult child got married between 1996 and 1998
- 6 Adult child became widowed or divorced between 1996 and 1998
- 7 Number of life course transitions for adult child between 1996 and 1998

Non-resident children only (Interval 3)²

- 1 Adult child added grandchild to the family between 1996 and 1998
- 2 Adult child returned to coreside with parents between 1996 and 1998
- 3 Adult child bought a home between 1996 and 1998
- 4 Adult child sold a home between 1996 and 1998
- 5 Adult child moved away from the parents area between 1996 and 1998
- 6 Adult child moved closer to the parents' geographic area between 1996 and 1998

Table 1 Continued: Variables Representing Adult Child Life Course Transitions

All Children (Overall)

- 1 Adult child moved closer to parents between 1992 and 1998
- 2 Adult child got married between 1992 and 1998
- 3 Adult child became parent between 1992 and 1998
- 4 Adult child coresided with parents at some time between 1992 and 1998
- 5 Adult child attended school at some time between 1992 and 1998
- 6 Total number of life course transitions reported between 1992 and 1998

¹School status for an adult child was not recorded in 1996. Thus, no school-related transitions could be included after Interval 1.

²Income information for adult children was not collected in 1998.

Table 2: Descriptive Statistics for Adult Children of HRS Respondents

	All Adult Children	Nonresident Children	Coresident Children	Children of	
				Married Parents	Single Parents
	N = 21599	N = 17835	N = 3764	N = 16106	N = 5493
Male	50.8	50.1	53.8	51.2	52.9
Non-White	24.1	23.4	27.2	18.5	41.2
Hispanic	9.9	8.8	15.1	9.3	12.7
Age at entry:					
Young adult (18 - 23)	18.2	10.0	55.4	19.5	13.8
Under 30 (24 - 29)	30.5	31.7	26.5	31.1	29.4
30 and older	51.3	58.3	17.7	49.4	56.7
Average age at entry (s.e.)	29.8 (0.04)	30.8 (0.04)	21.5 (0.12)	29.6 (0.05)	30.1 (0.08)
Biological children of intact-marriage parents	47.2	34.3	65.4	63.3	---
Biological children of single female respondent	20.3	19.1	22.9	---	79.7
Biological children of single male respondent	5.2	5.4	2.9	---	20.3
Stepchildren of husband	13.4	20.0	7.1	18.0	---
Stepchildren of wife	13.9	21.2	2.2	18.7	---
Average # of siblings	3.6 (0.02)	3.8 (0.02)	3.2 (0.06)	3.7 (0.02)	3.5 (0.03)

Table 2 Continued: Descriptive Statistics for Adult Children of HRS Respondents

	All Adult Children N = 21599	Nonresident Children N = 17835	Coresident Children N = 3764	Children of	
				Married Parents N = 16106	Single Parents N = 5493
Data available:					
All "eligible" waves	85.2	84.8	85.3	86.4	78.1
Four waves	78.8	80.4	70.9	80.3	74.4
Three waves	9.9	6.8	13.6	9.5	13.6
Two waves	11.3	10.5	15.0	10.2	18.6
Percentage lost to follow-up	14.8	15.2	14.7	13.6	21.9
Married at entry into sample	51.3	60.7	7.3	52.7	44.6
Coresident at entry into sample	17.3	---	---	17.5	16.9

Table 2 provides descriptive statistics about all adult children in the sample of 21,599 adult children. Full information was available for 85.2% of the sample— a high retention rate across three follow-up interviews. Not all sample members were eligible as adult children or listed as members of the family at baseline. Some members were added as they became eligible. Nearly 79% of the sample had data available in all four waves. Approximately 3.8% of the sample had data available for three waves (1994, 1996, and 1998) because the adult children entered in 1994 while 2.6% of the entire sample had data available for two waves because they entered the dataset in 1996. The remaining 14.8% of the sample was lost to follow-up either in 1996 or 1998. Many of those lost to follow-up were older and likely to be children of single parents. Though frequencies are not shown for the ages of later entrants into the dataset, it should be noted that of the 832 adult children who entered in 1994, over 58% had “aged up” into the dataset (i.e., were 18 or 19 years of age in 1994). Most of the remaining adult children who entered the dataset in 1994 were “30 and older” and likely related to the respondent as new step-kin through parents’ recent remarriages or cohabitations. A similar pattern was seen for the 567 adult children who entered the dataset in 1996.

The adult children were divided nearly equally by gender and nearly 25% were nonwhite. Approximately 1 in 10 adult children were Hispanic. The average age at entry was 29.8 years and the median was 30 years. Ages for adult children ranged from 18 to 53 years. [Less than one percent of adult children in the sample were over age 45.

Such cases were very highly correlated with the ages of the respondents' spouses (i.e., over age 61 – the upper age limit of the HRS cohort) who likely brought children from a previous marriage into the kinship structure.] Overall, 51.3% of adult children were aged 30 and older. Thirty percent of the sample was between ages 24 and 29 while the remaining 18.2% were young adults (18 – 23) when they entered the dataset.

The statistics regarding kinship structure indicate that 74.5% of the sample were the adult children of married parents or remarried parents. While there were 5493 adult children in the sample with single parents, it should be noted that the great majority of them were identified by single mothers (79.7%). Single fathers participated in the HRS at a much lower rate than single mothers. Also, adult children of single parents were much more likely to be nonwhite and older. The kinship structure of married and remarried HRS parents is explored in greater detail in Chapter 4 which required that adult children of single parents be excluded from that chapter's analyses.

Comparisons of the nonresident adult children sub-sample and the coresident adult children sub-sample demonstrate large differences regarding age and life course statuses at entry into the sample. On average, coresident children were nine years younger than their nonresident counterparts and a significant percentage were also the biological children of intact-married parents. There was little evidence of adult children who were coresident with single male respondents or remarried fathers. Only 5.1% of coresident adult children lived with their biological fathers if their families had been

disrupted by separation, divorce or widowhood previously. By comparison, 30% of the coresident sample lived with either single or remarried mothers – most of who remained coresident with single mothers. This disparity between fathers and mothers was likely the result of an inertial echo of custody arrangements for young children where the mother often had physical custody of the children after a couple divorced.

Coresident adult children were included in the sample because their presence likely affected parental decisions about financial transfers to additional children in the family. Given the ages and percentages of coresident children attending school and/or not working when they entered the sample, parents' financial resources may have been directed toward postsecondary school tuition or expenses associated with school (e.g., books, meal plans, lab supplies). Many parents feel a strong responsibility to support children who are attending school (Steelman and Powell 1991). This may affect the distribution of family resources at a particular time that differs by the ages and experiences of the adult children. For example, older adult children within multi-child families may have received less financial assistance during the study period but more financial assistance when they had been younger and in school – left-censored information that is unavailable prior to baseline. During the study period, parents may have experienced the youngest child's dependence for school-related expenses without acknowledging that similar transfers had been made earlier in the life course for older adult children.

2.2.2 HRS Parents' Household-Level Data

The second dataset provides the information necessary to develop a longitudinal overview of midlife adults' transfer behaviors and analyses regarding households' propensities to give to any adult children. The household-level dataset was used for the analyses and results reported in Chapter 3. In this case, the focus was parents' financial decisions over the whole household/kinship structure regarding sharing resources with adult children. In subsequent chapters that used the first dataset described, the focus turned to individual adult children and their propensity to receive transfers within families.

In order to create the dataset where each record was the HRS parents' households, it was necessary to create forty-one subgroups drawn from the longitudinal adult-child dataset of 21,599 records described above. The subgroups were divided by the Other Person Number (OPN) assigned to each adult child. There were very few households with more than ten children, but the HRS numbering system for OPN established at baseline required all subgroups. For each subgroup, many variables were renamed so that data was not lost when the subgroups were merged by household membership.

A hypothetical scenario of an HRS household with two children may illustrate the challenge involved. For adult children, the most common OPN was 101. A second child often received the OPN of 102. Ages, genders, positions in the kinship structure,

life course statuses, the number of transfers received and when each transfer was received had to remain independently associated with each child to successfully merge subgroups by household membership. Therefore, each of these variables needed to be renamed to maintain data integrity. For example, *ACRTR92*, a dichotomous variable that identified whether or not the adult child had received a transfer in 1992, was renamed **K01RTR92** for the adult child whose OPN was 101. For the adult child with an OPN of 102, the variable was renamed **K02RTR92**. In this scenario, the first adult child was a 31-year old son and did not receive a financial transfer while the second was a 25-year old daughter who did receive a financial transfer. For the record of this hypothetical household, *K01RTR92* equaled "0" while *K02RTR92* equaled "1". Merging the subgroups without renaming variables would have overwritten data to misrepresent parents' overall transfer behaviors in this household. Once the variables were completely renamed for each subgroup, the subgroups were merged by HHID. Multiple frequency tests, cross-tabulations and data checks provided sufficient proof that the data remained properly associated with each child within an HRS household.

The midlife parents' demographic, income and kinship structure information was drawn from a reconstructed user-friendly longitudinal file with data from all four waves developed by the RAND Center for the Study of Aging with variables that are named consistently across waves and cover a broad range of measures (version E; St. Clair et al. 2005). The family-level variables included the following for each wave:

respondents' and spouses' current ages, sexes, races, education levels (0-17), current marital statuses, marital histories, total household incomes and number of children within each family. This dataset was merged with the reconstructed adult children dataset described above by HHID. [This information was also used to provide the second level of data structure in order to test fixed-effect models in Chapters 4 and 5.]

Once all datasets were properly merged and structured, each record contained HRS respondents' demographic data, income data and kinship structure data at each wave (and spouses' information, when appropriate) *plus* each adult child's demographic data, life course statuses and financial assistance variables at each wave and across the whole study period. Subsequently, summed variables were created for each household regarding the number of children in the record at each wave, the number of financial transfers given *by the parents' household* at each wave and overall and the monetary amounts *by the parents' household* transferred at each wave and overall. These variables provided information about parents' transfer behaviors toward all children collectively.

After these final steps, the dataset contained 6,319 households with reliable respondent *and* adult child information over time. Of those, 292 households were then excluded due to missing information – primarily related to income and socioeconomic status. As a result, there were 6,017 households in the final dataset. Nearly three-quarters of households in the sample (74.5%) were households with married or remarried parents (n=4220). The disparity between single-parent households existed

primarily because there were over three times as many single-mother households (n=1372) as single-father households (n=425) at baseline. Further descriptive statistics for this dataset are supplied in the next chapter.

3. Factors Affecting Parental Giving to Adult Children

In this chapter, I analyze patterns of giving from the parents' households to adult children. This examination of the primary transfer activity in families at this life course stage is unique to the literature due to its attention to repeated measures of transfer behavior and the potential for routine assistance from parents to adult children compared to cross-sectional analyses of a singular gift or loan. I examine whether demographic characteristics, financial status, and/or health status impact the likelihood of the transfer and/or its value. Namely, I examine transfer behaviors to determine if there are common or stable patterns. In-depth longitudinal analyses of transfer patterns within families have not been addressed in the literature to date. This project addresses this shortcoming through its examination of financial transfers over time.

3.1 Hypotheses

First, financial transfers between midlife parents and adult children in particular may be more common than previous studies have shown. The highest percentage of parents providing transfers to adult children has been estimated at 20% (McGarry and Schoeni 1995). This was estimated using both data from the 1988 PSID and the 1992 wave of HRS. However, the estimates were drawn from cross-sectional data that did not provide evidence of life course patterns or interdependent relations within families across time. An examination of longitudinal data with repeated measures of transfer

behavior (i.e., four measures over seven years) should yield more accurate information about when and how often families gave financial assistance across the life course.

Second, I developed within-family trajectories of financial assistance to adult children to determine if stable patterns existed during this timeframe. Developing within-family trajectories allowed me to examine several areas not previously addressed in the research on intergenerational transfers: the number of transfers that occurred, the total amounts transferred by the parents and whether transfers are one-time events or repeated events – suggesting the possibility that assistance to adult children was routine. The existence of transfer patterns would suggest that families remain interdependent over time and that midlife parents may feel obligated to give money, share resources in response to perceived needs for adult children or have an interest in sharing resources as an exchange for future support needs after parents have aged and need caregiving assistance themselves.

Table 3 provides an overview of the demographic characteristics of the households included in this chapter by marital status. All 6017 households had at least one adult child in the family. All households had at least one respondent who was between 51 and 61 years of age. To test for possible cohort effects, the sample was divided into three birth cohorts based on the age of the oldest parent. In nearly half (48.3%) of all households, the oldest respondent was 51 to 56 years old. For 35.7%, the oldest respondent was between 56 and 61 years of age. In 16% of all households, the

Table 3: Descriptive Statistics for Households of HRS Respondents With Adult Children

	All Households	Intact Marriages	Remarriages	Single Mothers	Single Fathers
	N = 6017	N = 3073	N = 1147	N = 1372	N = 425
Non-White	21.8	15.6	14.5	39.0	31.5*
Hispanic	8.7	9.0	5.4***	10.5	9.2
Oldest Parent:					
Age 51 - 56	48.3	43.9	46.6*	56.2	59.1
Age 56 - 61	35.7	34.6	29.3*	43.8	40.9
Age 62 and older	16.0	21.5	24.0*		
Average age (s.e.)	57.2 (0.06)	57.7	58.0	55.9	55.1
Mean years of highest education	12.6 (0.04)	13.1 (0.05)	13.1 (0.07)	11.5 (0.09)	11.7 (0.17)
Married in 1992	70.1				
Partnered in 1992	2.4			10.4	0.2***
Separated in 1992	4.0			11.4	19.8***
Divorced in 1992	13.8			41.0	63.3***
Widowed in 1992	8.3			32.3	13.9***
Never married	1.3			4.9	2.8**
Average # of children	3.0 (0.02)	3.3 (0.03)	4.5*** (0.07)	3.6 (0.06)	3.0*** (0.09)
Median total HH income					
in 1992	34,050	44,000	41000†	15,000	22750***
in 1994	33,000	43,000	40,600	14,400	21670***
in 1996	35,000	44,872	42,150	16,200	24000***
in 1998	33,685	42,130	39,555	16,800	24330***

various t-tests for between-group differences were significant, as noted

†p<.05 *p<.01 **p<.001 ***p<.0001

oldest member was 62 or older, implying that the primary respondent fit the parameters of the HRS sample but had an older spouse. This cohort was not represented among single-parent households.

Over 50% of all households involved continuously married parents. Nearly one in five households consisted of remarried midlife respondents. Of the remaining household structures, three-quarters of single respondents in the sample were women. Single father households represented only 7% of the total sample. When comparing single respondents by marital status, single mothers were significantly more likely to be in a partnered relationship (i.e., cohabiting) or widowed whereas the vast majority of single fathers were divorced or separated.

For the full sample, the average number of children was three per household. This included nonresident and coresident adult children. By comparison, households involving remarriages reported an average of 4.5 children. Single mothers reported significantly more children than single fathers (3.6 vs. 3.0). Barring a rare subsequent remarriage to a spouse with children from a previous relationship or status change as an adoptive or foster parent between interviews, the number of children was considered a static characteristic for each household across the time period studied.

Measures of median total household income at each wave demonstrate little change over time. The range for all households was \$2000. Continuously married households reported total incomes in 1992 that were \$3,000 higher than remarried

households ($p < .05$). Otherwise, there were no significant differences for income levels between continuously married and remarried households between 1994 and 1998. As one might expect with the gender gap for income during the 1990's, single fathers' reported incomes were significantly higher than single mothers' incomes by \$7000 to \$8000 at each wave. While single fathers had incomes that were about half of those reported by all married households, single mothers' incomes were 35% the amounts reported by all married households.

3.1 An Examination of Cross-Sectional Data

The information provided by HRS respondents paints a picture of more active financial transfer behavior than previous research indicated. McGarry and Schoeni (1995) expressed reservations about the higher percentage of transfers reported in the 1992 wave of the HRS because a fair percentage of them were for exactly \$500, suggesting that some respondents may have "rounded up" to the threshold to answer the question affirmatively. The HRS statistics were consistently higher than those reported in the 1988 PSID where 20% of households reported gifts of \$500 or more to adult children (McGarry and Schoeni 1995). Their examination was limited to the 1992 wave of the HRS, but the percentage of HRS households that gave financial assistance to adult children was consistently higher than McGarry and Schoeni (1995) had predicted for subsequent waves as well.

Table 4 shows that the percentage of HRS households providing transfers to at least one adult child was 36.1% in 1992, 34.8% in 1994 and 31.5% in 1996. During the last wave, slightly fewer than 25% of households provided financial assistance to adult children. One potential explanation to be considered below was that the sample used here included financial assistance given to nonresident adult children *and* coresident adult children – an option that had not been carefully examined in earlier research.

The median amounts reported at each wave maintained relative consistency as well. Despite the fact that inflation and other economic factors affected the value of such transfers in constant-dollar calculations, the median and mean amounts reported in Table 4 are provided in their original format to demonstrate a consistent pattern. For households that made transfers to at least one child, the median amounts were equivalent in 1992 and 1994 at \$2000. The median amount in 1996 was \$1000 greater while the median amount in 1998 was only \$500 greater than the initial amount. The logged value of the mean amounts given at each wave ranged from 7.74 to 8.01 (equivalent to \$2300 in 1994 and \$3010 in 1996). It should be noted that while fewer transfers were given by households in the 1998 wave, the amounts given were higher than those for the nearly-equivalent 1992 and 1994 waves.

Inflation rates demonstrated greater variance for calculating financial assistance when reset at 2005 constant dollars. The amount in 1992 was equivalent to \$2784 in 2005 constant dollars, but in 1994, there was a slight drop in value as the amount was

Table 4: Descriptive Statistics for Financial Transfers by HRS Households

	Transfers to at least one child		Transfers to two or more children	
	#	%	#	%
Number of households that gave financial assistance				
in 1992	2172	36.1	742	12.3
in 1994	2095	34.8	673	11.2
in 1996	1898	31.5	603	10.0
in 1998	1464	24.3	475	7.9
Overall	3749	62.3	1591	26.4^a

	Transfers to at least one child		Transfers to two or more children	
	#	%	#	%
Median amount given ^b				
in 1992	2,000		4,500	
in 1994	2,000		4,000	
in 1996	3,000		5,500	
in 1998	2,500		5,000	
Overall	5,000		7,500	

	Transfers to at least one child		Transfers to two or more children	
	#	%	#	%
Mean amount given (logged)				
in 1992	7.77 (0.02)		8.42 (0.04)	
in 1994	7.74 (0.02)		8.42 (0.04)	
in 1996	8.01 (0.03)		8.68 (0.04)	
in 1998	7.94 (0.03)		8.55 (0.05)	
Overall	8.48 (0.02)		8.95 (0.02)	

^a 15.9% gave multiple transfers at one wave only; 10.5% of all households gave multiple transfers for two or more waves.

^b all amounts correspond to the year data was collected

equivalent to \$2636 in 2005 constant dollars. Interestingly, the \$1000 increase in 1996 translated to a nearly equivalent increase compared to 1992 as the value was \$3734 in 2005 constant dollars. However, the 1998 median amount (\$2500) was only \$200 to \$300 greater than the amounts in 1992 and 1994. In 2005 constant dollars, the median amount transferred in 1998 was equivalent to \$2995.

Other rather consistent patterns were identified. Of all families that offered financial assistance to children, nearly one-third made transfers to more than one child at each wave. In each the first three waves, greater than 10% of all households made transfers to more than one child. In 1998, 7.9% of all households made transfers to more than one child. The median amounts transferred by each household that made multiple transfers were predictably higher. However, the total median amounts that each household reported were consistently \$2000 to \$2500 greater than the median amounts for all households. The mean amounts given had a similar pattern such that mean amounts given in 1992 and 1994 were nearly equivalent, an increase occurred in 1996 and a decline occurred in 1998. This was similar to the pattern seen above. However, the decline was not as steep such that the mean amount given in 1998 was higher than the mean amounts in 1992 and 1994. In 1992, the mean amount of \$4537 was extremely close to the median for that wave. For 1994, the mean amount was \$500 more than the median amount. In 1996 and 1998, the mean amounts were \$385 and \$166 dollars above their respective medians.

3.2 Analysis with Repeated Measures

Table 4 clarifies that a large majority of HRS households provided at least one transfer over the entire period examined. By including four repeated measures of transfers given over time, it becomes evident that financial assistance to adult children was a generally common family behavior. Over 62% of all midlife parents in the HRS provided at least one transfer of \$500 or more to an adult child between 1991 and 1998. Over 26% of all parents' households gave money to two or more children during one of the four waves. Of those households, two-fifths generously gave to two or more children in two or more waves. These data demonstrate that *patterns of giving* from midlife parents to their adult children are more common than previous research has suggested.

The central tendency measures regarding amounts transferred indicate that households gave more money in total overall than individual cross-sectional analyses showed. For households that gave at least one transfer, while the median amounts given ranged from \$2000 to \$3000 at each wave, the median amount given across all waves was \$5000. [As inflation rates generated variance when comparing each wave's results, converting the longitudinal information to constant dollars would be unreliable. Actual amounts reported at each wave and total amounts across waves were calculated for this section.] The highest mean amount given in cross-sectional analyses (i.e. across a two-year time span) was \$3010 in 1996. However, across a seven-year time span

between 1991 and 1998, HRS households gave an average of \$4817. A longitudinal examination demonstrated that midlife parents gave at least 60% more money to adult children than data collected at a single wave showed.

Similar results can be seen in Table 4 for households that made simultaneous transfers to two or more children. The range for median amount given at each wave was \$4000 to \$5500. However, the median amount given across the full seven-year time span was \$7500 among households that gave money to two or more children simultaneously. The mean amount transferred by these households was \$4536 in 1992 and 1994. In 1996, the average amount transferred from midlife parents to multiple children was \$5,884. Overall, HRS households giving money to two or more children at any wave gave an average of \$7,708. Households that gave financial assistance to two or more children at any one wave gave an average amount 30 – 70% higher over the entire time period examined than at any particular wave of data collection. For any single wave, the results reflected a similar wave-to-wave pattern for all households outlined above. The mean and median values provided were similar to each other in 1992 and 1994, significantly higher in 1996 and then decreased in 1998.

Additional analyses (not shown) were conducted that examined the demographic characteristics for those households that did not make transfers between 1991 and 1998. These preliminary analyses revealed that non-giving households were more likely to be minority or Hispanic households. A much higher percentage of these

households had spouses over age 61 (i.e., the households were more likely to fit the oldest cohort group). The average education level was below a high school degree and the average number of children per household was significantly greater than the average number of children within households where transfers had been given to adult children.

At the household level, it is difficult to determine if these findings result from financial assistance provided to the same children repeatedly or if the money was distributed across a wider pool of adult children from year to year. In 1994 and 1996, some children in the sample “aged up” into adulthood (i.e., passed the threshold of age 18 before data was collected for that particular wave). Thus, the possibility exists that these children may have received financial assistance for the first time while an older sibling had received a transfer at a previous wave and did not receive further financial assistance from the parents. However, evidence is presented in the following chapters that many parents established a pattern of giving monetary assistance to the same child or children at regular intervals (i.e., the distinguishable pattern with the HRS data would be every two years).

3.3 Longitudinal and Cross-Sectional Analyses by Parents’ Marital Status

Table 5 and Figure 1 provide more detailed information about the number of transfers given over the full seven-year period by midlife parents’ marital status in the upper section. In the lower section, central tendency measures regarding amounts given

Table 5: Transfers Made by HRS Households by Marital Status

	All Households	Intact Marriages	Remarriages	Single Mothers	Single Fathers
	N = 6017	N = 3073	N = 1147	N = 1372	N = 425
Gave 1 or more transfers during period^a	62.3	68.5	63.3†	50.3	53.2
1 transfer	18.3	18.8	17.8	17.6	18.1
2 transfers	14.6	16.0	14.8	12.2	12.2
3-4 transfers	17.8	20.1	18.0	13.3	14.6†
5-10 transfers	11.1	13.3	11.8	6.9	8.0
11 or more transfers	0.5	0.5	0.9	0.3	0.2
 Mean amount given (logged)					
Overall	8.48 (0.02)	8.64 (0.03)	8.41*** (0.05)	8.16 (0.05)	8.06 (0.10)
(s.d.)	1.32	1.31	1.25	1.25	1.49
in 1992	7.77 (0.02)	7.94 (0.03)	7.76* (0.05)	7.53 (0.05)	6.77 (0.10)
(s.d.)	1.15	1.17	1.04	0.97	1.14
in 1994	7.74 (0.02)	7.87 (0.03)	7.55*** (0.05)	7.47 (0.06)	7.76 (0.10)
(s.d.)	1.12	1.13	1.08	1.09	1.11
in 1996	8.01 (0.03)	8.11 (0.04)	7.93* (0.05)	7.75 (0.06)	8.11 (0.10)
(s.d.)	1.15	1.19	1.07	1.11	1.07
in 1998	7.94 (0.03)	8.01 (0.04)	7.89 (0.07)	7.77 (0.07)	7.90 (0.13)
(s.d.)	1.12	1.12	1.12	1.10	1.19
 Median amount given to adult children^b					
Overall	5,000	6,000	4,750**	3,500	3,500
in 1992	2,000	2,700	2,000**	2,000	770***
in 1994	2,000	2,400	1,620***	1,500	2,450**
in 1996	3,000	3,000	2,500†	2,000	3,000
in 1998	2,500	3,000	2,200†	2,000	2,150

^aall numbers for this section are percentages

^ball amounts correspond to the year data was collected

various t-tests for between-group differences were significant, as noted

†p<.05 *p<.01 **p<.001 ***p<.0001

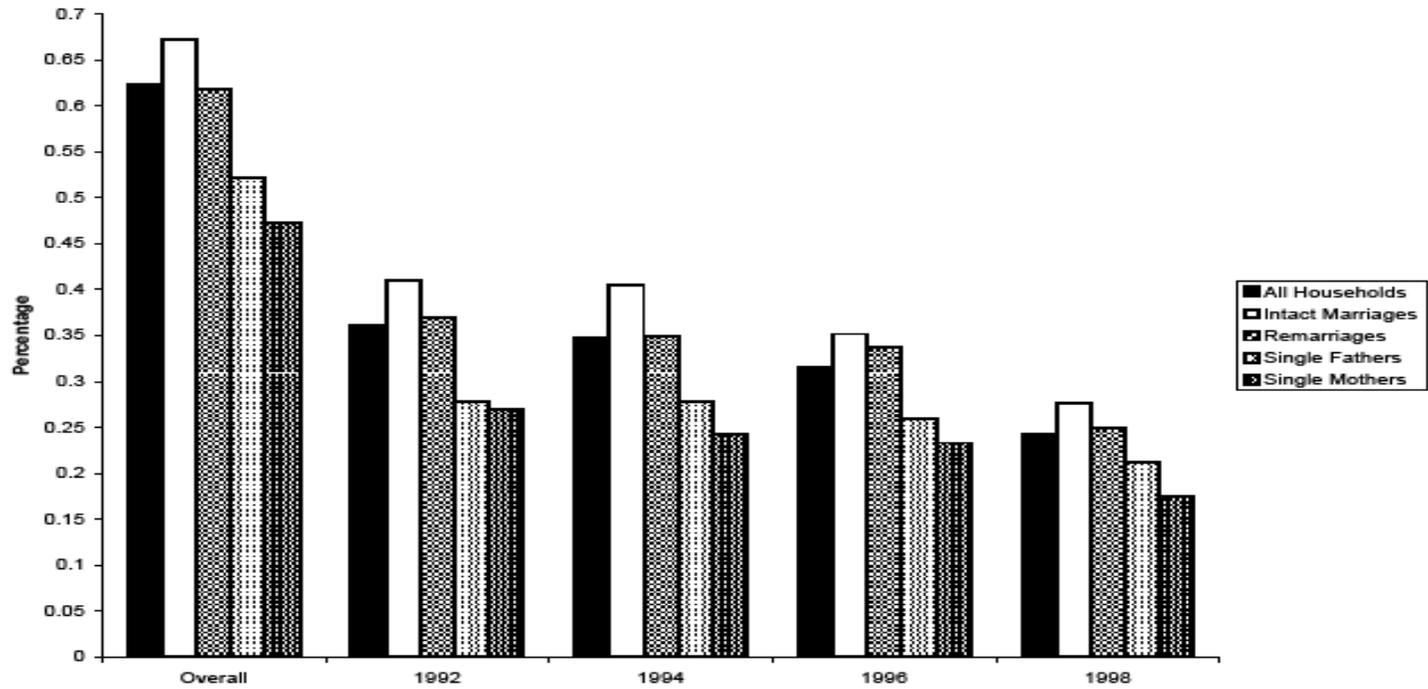


Figure 1: Households Providing Financial Assistance to At Least One Adult Child

by wave and over the whole period are provided. More than half of the HRS households were composed of midlife couples who remained continuously married and had biological children. [The cell for adopted children was very small (n=39). For the analyses, adopted children were treated as biological children.] Over two-thirds of households (68.5%) with intact marriages gave at least one transfer. By comparison, significantly fewer remarried and single households gave at least one transfer longitudinally. A large percentage of remarried households (63.3%) gave at least one transfer yet this was significantly lower than intact marriage households and significantly higher than single-parent households. There was no significant difference between single-parent households. Ultimately, the great majority of households providing financial assistance gave more than one transfer.

Despite these differences by marital status, it should be noted that at least half of all single mothers and 53.2% of single fathers made at least one transfer to adult children. As income was a determinant of the likelihood that households had transferable resources, despite the fact that single-mother households had median incomes that were on average 64% less than the median incomes for intact marriage households, half of these households shared valuable monetary resources with adult children (see Table 3 for income statistics). Given the much lower number of single fathers who participated in the HRS, the available statistics were less reliable. However, the median incomes for single fathers were nearly half of the median incomes for intact

marriage households. Yet more than half of the single-father households made at least one transfer during the study period and many of both types of single-parent households made more than one transfer during that time.

Once a count of the number of transfers per household was established, there were no significant differences between intact marriage and remarried households. One transfer was given in 18.8% of all intact marriage households and 17.8% of all remarried households respectively. A higher percentage of intact marriage households gave two or more transfers overall than remarried households, but categorically there were no significant differences. For single-parent households, single fathers were significantly more likely to have given three or more transfers than single mothers.

Despite the similarities regarding the overall number of transfers given across marital statuses, the amounts given differed significantly. In the first three waves, midlife parents who had been continuously married gave significantly higher amounts to one or more adult children on average than remarried parents and single parents. In 1998, the amounts given were not significantly different by marital status, with the exception of single mothers who gave less collectively to their adult children. For intact marriage households, the median overall amount given was \$6,000 and the average amount given overall was \$5,653. For remarried households, the median overall amount was \$1,250 lower and the average overall amount was comparably \$1,161 lower as well. Single mothers and single fathers gave 42% less overall in median amounts and 62% less

in average amounts overall than intact marriage households. These statistics indicate that two-parent families that remained intact over time (i.e., without divorce) seemed more likely to share more monetary resources more often with the younger generation.

Among households that gave only one transfer over the seven-year period, the average transfer equaled \$1,050. [The median amount given by those who gave one transfer was \$1,000.] For the thirty households that gave eleven or more transfers (i.e., an average of 3.75 or more transfers per wave), the average amount given was \$57,450 and the median amount was \$33,300. The lowest total amount for these households was equivalent to \$1,000 per transfer while the highest total amount given by a household that made 11 or more transfers was \$273,000. Thus, the range of amounts transferred went from the minimum threshold of \$500 given at one time to \$273,000 divided by 18 transfers – three transfers apiece to each of the family’s six children. However, across all households that gave financial assistance to adult children, the average amount given was \$4,817 overall across an average family size of 3.6 children.

3.4 Influence of Household Income on Transfer Behaviors

In the case of parental transfers to adult children, the net worth and/or income of the parent(s) obviously affect the likelihood of giving money to an adult child. Studies examining this issue have typically used cross-sectional data to demonstrate a link between parental socioeconomic status and the propensity to give money to adult children as well as the amount given (Soldo and Hill 1993). Questions remain though as

to how access to resources is reflected in transfer behaviors and how resources are best measured.

Disproportionate access to resources is not the only factor influencing the likelihood of financial transfers. Using data from the German Aging Survey, Kohli (1999) showed that private intergenerational transfers also have a higher likelihood of flowing downward from the older generation to younger generations regardless of socioeconomic status. Older adults redistributed their resources via family channels, but the givers included some who redistributed portions of the public transfers that were their main source of income. The evidence presented by Kohli (1999) indicates that, via private transfers, families may be creating a more equitable balance of resources across age groups than analyses focusing solely on public transfer programs would indicate. In effect, private transfers by older adults to their adult children counteract increased public transfers to older adults via social security programs. Kronebusch and Schlesinger (1994) demonstrated similar results in the United States although they point out that accounting for private transfers alongside social security programs reduces, but does not eliminate, the needs of the elderly to be supported by other age groups. As people age beyond 65, they are increasingly likely to become net receivers compared to other age groups.

Table 6 shows that greater household incomes yielded a higher percentage of households that provided transfers to adult children. This is evident in each wave of

data collection as well as over the full seven-year period examined. Approximately three in ten HRS households had incomes less than \$20,000 per year. However, these households showed a consistent pattern of giving to adult children across waves (range = 16.3% in 1992 to 17.6% in 1994). Overall, 41% of all households in this income category gave to at least one adult child. However, the consistent results by wave indicate that multiple transfers over time were likely for some households in the lowest income category.

Over 60% of households with annual incomes between \$20,000 and \$40,000 provided financial assistance to an adult child between 1991 and 1998 – and commonly to more than one adult child or at more than one time or some combination of the two. As income levels increased, the percentage of households in each income category that made transfers also increased such that over four in five households with incomes above \$80,000 annually made at least one transfer during the study period. With the exception of households with incomes below \$20,000, the percentage of households that provided financial assistance declined with each successive wave. The lowest percentages were recorded in 1998 yet these ranged from one-quarter to two-fifths of all households by income status.

Median amounts given indicate that parents provided financial transfers in amounts that were commensurate with their income status. Across a seven-year span, half of all households with incomes below \$20,000 transferred between \$500 and \$2,500.

Table 6: Percentage of HRS Households that Gave Financial Assistance by Parents' Household Income

Household Income		1992 ^a	1994	1996	1998	Overall ^b	Median amount given
\$0 - \$19,999	<i>n=1754</i>	16.3	17.6	16.9	17.3	41.0	\$2,500
\$20,000 - \$39,999	<i>n=1673</i>	33.9	33.3	31.9	26.1	62.9	\$3,600
\$40,000 - \$59,999	<i>n=1202</i>	44.6	41.8	37.9	31.1	71.1	\$5,292
\$60,000 - \$79,999	<i>n=656</i>	50.1	46.6	42.0	35.4	77.6	\$7,000
\$80,000 - \$99,999	<i>n=317</i>	59.3	54.6	48.6	35.2	83.2	\$9,950
\$100,000 or more	<i>n=415</i>	64.9	59.3	48.4	39.0	84.0	\$13,500

^aall numbers are percentages, unless otherwise noted

^bincome categories for the full study period were based on 1992 data

As income levels rose, the range of amounts provided rose as well such that nearly half of all households with incomes above \$80,000 had given transfers between \$500 and \$10,000. Using income level as the prime indicator may be deceptive however as the two highest amounts given were greater than \$75,000 *for each income category*. Ten households provided financial assistance totaling more than \$120,000. The two highest values overall were over \$270,000.

Further evidence demonstrated that income level played a significant role in the likelihood that midlife parents made transfers to adult children. The results of logistic regression analyses are provided in Table 7. Model 1 examined the ability of race, ethnicity, oldest parent's age, parents' highest education achieved and whether the parents were married to predict the likelihood that HRS households provided any financial assistance to one or more adult children. In this model, minority households were 18% less likely to make transfers than White households and married parents were 55% more likely to make transfers than single parents. These influences remained when the number of adult children was included in Model 2. However, when parents' household income categories were included in Model 3, the effects of race and marital status were no longer significant. Ethnicity was not a significant predictor of transfer behavior in any model.

Table 7: Household Factors that Predicted the Likelihood of Financial Assistance to Adult Children 1991 - 1998

Characteristics of the Parents' Household	Model 1		Model 2		Model 3	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
Race <i>ref=White</i>	-0.100* (0.03)	0.82	-0.088† (0.03)	0.84	-0.051 (0.04)	
Ethnicity <i>ref=non-Hispanic</i>	0.024 (0.05)		0.018 (0.05)		-0.022 (0.05)	
Age of oldest parent	-0.034*** (0.01)	0.97	-0.033*** (0.01)	0.97	-0.021** (0.01)	0.98
Parents' education level	0.198*** (0.01)	1.22	0.193*** (0.01)	1.21	0.140*** (0.01)	1.15
Parents Married <i>ref=single</i>	0.440*** (0.06)	1.55	0.439*** (0.06)	1.55	0.113 (0.07)	
Number of adult children <i>ref= one adult child</i>						
2 - 3 Children			0.124 (0.06)		0.097 (0.06)	
4 - 5 Children			0.144† (0.07)	1.17	0.148† (0.07)	1.18
6 - 9 Children			-0.058 (0.08)		-0.050 (0.08)	
10 or more children			-0.194 (0.19)		-0.177 (0.19)	
Household Income <i>ref = less than \$20,000</i>						
\$20,000 - \$39,999					-0.209** (0.06)	0.81
\$40,000 - \$59,999					-0.014 (0.07)	
\$60,000 - \$79,999					0.188† (0.09)	1.21
\$80,000 - \$99,999					0.444** (0.13)	1.56

**Table 7 Continued: Household Factors that Predicted the Likelihood of
Financial Assistance to Adult Children 1991 – 1998**

Characteristics of the Parents' Household	Model 1		Model 2		Model 3	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
\$100,000 or more					0.440*** (0.12)	1.55
Intercept	-2.133*** (0.14)		-2.172*** (0.14)		-1.010*** (0.17)	
BIC statistic	7387.47		7414.09		7300.64	
Difference from previous model			26.62		-113.45	
Generalized r-squared	0.10		0.10		0.12	
df	5		9		14	
N	6017		6017		6017	

†p<.05 *p<.01 **p<.001 ***p<.0001

Across all models, households with older parents in 1992 were less likely to make transfers from the start. The baseline age was 51 years and the measure used for these models was based on the age of the oldest parent within the household. For each additional year, the odds that the household made a transfer to an adult child declined by 3%. [Logically, the adult children associated with older households were more likely to be older as well and beyond many of the major life transitions associated with young adulthood. The importance of adult children's ages for transfer receipt is tested in Chapters 4 and 5.] The parents' education level remained influential across all models as well such that for each additional year of education, the odds that the household made a financial transfer increased 15% after the number of children and household income levels were added in Models 2 and 3.

As total household income levels increased, the odds increased significantly that households would share financial resources with adult children. Model 3 in Table 7 clarifies that the odds that households with total incomes above \$20,000 were consistently more likely to make transfers compared to households with total annual incomes below \$20,000. The odds increased such that households that earned \$40,000 - \$60,000 were 2.3 times more likely and households that earned \$60,000 - \$80,000 were 2.8 times more likely to provide financial assistance to adult children than households with total incomes below \$20,000. All households that earned \$80,000 or greater were 3.6 times more likely to make financial transfers. The skewed distribution of income across

the sample affected the parameters for these variables such that, despite the increased odds, the parameters are positive only for households with incomes above \$60,000. To clarify, nearly 57% of all households had annual incomes in 1992 below \$40,000 and an additional 20% had incomes between \$40,000 and \$60,000. However, as previous analyses have shown, transfers from these households were still common and odds ratios for these categories offer further support that transfers were common regardless of income status. The significantly higher odds for all households in the top income quartile to provide financial assistance to adult children follow logically from greater access to resources that can be shared across generations.

Model 2 shows that the number of adult children within the family did not influence the likelihood of giving financial assistance. The Bayesian Information Criterion (BIC) test for model fit demonstrates that Model 2 does not improve upon Model 1. However, when comparing Model 3 to the other models, it is clear that parents' household income has a very strong effect on model fit. The BIC statistic has decreased by over 100 points and the generalized R-squared increased 2 percent. The full model explains 12% of the variance in the likelihood of households to give any financial assistance to adult children.

3.5 Summary and Conclusions

Intergenerational transfers from midlife parents to adult children are more common than cross-sectional data have indicated in previous research (Eggebeen 1992;

Gale and Scholz 1994; Kronebusch and Schlesinger 1994; Pezzin and Schone 1997; Soldo and Hill 1993). Earlier estimates suggested that one-fifth or fewer of households made notable financial transfers to adult children (Cox and Raines 1985; McGarry and Schoeni 1995), several findings reported here refute that claim and demonstrate that more families share resources and many families establish patterns of giving to their adult children.

The percentage of HRS households providing transfers to at least one adult child was 36.1% in 1992, 34.8% in 1994 and 31.5% in 1996. During the last wave, slightly fewer than 25% of households provided financial assistance to adult children (see Table 6). When the repeated measures were combined, over 62% of all households provided financial assistance of \$500 or more at least one time between 1991 and 1998. One potential explanation is that the present research includes *all* adult children. Co-resident adult children had not been previously included in research about intergenerational transfers – perhaps due to the potential confusion about the inherent and non-measurable transfer values of housing and food. However, the question in the HRS survey specifies that housing and food should be excluded in determining whether a financial gift or loan of \$500 or more was given in the previous two years (or one year in the 1992 questionnaire).

Of households that gave any financial assistance, the great majority gave \$1,000 or more at each wave. Half of all households gave \$5,000 or more across the seven years

studied – usually in the form of multiple transfers over time. Large one-time gifts were less common than one might expect. In fact, the normative behavior was smaller gifts (i.e., below \$2,000) given multiple times or to multiple children. Table 7 indicates that nearly one-fifth of all households gave only one transfer across a seven-year period. However, many more households gave money to more than one child, gave several times to the same child or did both over that time span.

Parents' marital status had a significant effect on the number of transfers made to adult children. Households with continuously-married parents gave more frequently and were more likely to give multiple times than remarried parents despite the fact that remarried parents had more adult children on average (4.5 for remarried parents compared to 3.3 for continuously-married parents, Table 5). While remarried parents had more potential transfer recipients and were generally supportive of adult children through financial assistance, they were less likely to give money to adult children than continuously-married parents. Kinship status as stepchildren of one parent or the other played a role in how money was transferred to adult children, as shown in the next chapter.

4. The Inequality of Financial Transfers to Adult Children and Stepchildren

Financial assistance from midlife parents to adult children is a dynamic transaction determined by intersecting life course trajectories for all involved. In some cases during the children's formative years, parents may have chosen to remarry after divorce or widowhood. Bumpass and colleagues (1990) reported that 42% of divorced parents in 1984 chose to remarry within five years—a decline from the 49% who reported having done so in 1970. The high remarriage rate during this time period caused a sharp increase in the number of stepchildren in the United States (Bumpass et al. 1995). Depending on timing of the remarriage, the structure of blended families could include children of either the father or the mother, children who are the biological progeny of both parents (i.e., those born after the remarriage), or a combination of both (Connidis 2001; Rossi and Rossi 1990). A large majority of separated and divorced women also had children under age 18 when the data was collected for their research. Current estimates indicate that 30 – 35% of American children will live with a stepparent before turning 18 years old (Bumpass et al. 1995).

The HRS cohort contributed to the significant demographic shifts regarding marriage, divorce and remarriage across the 1970's and 1980's (Hughes and O'Rand 2004). Coinciding with the first wave of HRS interviews in 1992, more than 11% of all children were living with one biological parent and one stepparent according to Cherlin

and Furstenberg (1994). Additionally, the high remarriage rates during these decades would coincide with the ages of HRS cohort members and consequentially, for those who divorced and remarried, their children from previous relationships were likely to have lived with a stepparent. While not all of the adult stepchildren in the HRS sample necessarily lived with a stepparent, it is reasonable to assume that many of them did, and if so, that many lived with their stepfathers as minors based on legal norms regarding mothers being awarded physical custody of children in divorce cases at the time (Hoffman and Duncan 1988).

Previous research has shown that family structure is an influential factor affecting the likelihood of financial transfers to adult children (Berry, 2001; Furstenberg et al. 1995; Killian 2004; Pezzin and Schone 1997). Researchers who have studied intergenerational transfers have theorized that parents may feel less obligated to assist stepchildren but have only generalized this idea to cover *all* stepchildren without considering any differences between being the mothers' children or the fathers' children (for a review, see Ganong and Coleman 1999). Only one study examining financial transfers to adult stepchildren has differentiated between maternal children and paternal children. Killian (2004) used household-level data to characterize HRS households from the 2000 wave as intact married households with biological children, households with maternal children only, households with paternal children only and households with both maternal and paternal children. He found that while 32.5% of

intact first-marriage households had made financial transfers to children, the percentages were lower for households with stepchildren. Nearly 31% of households with maternal children only made transfers while 21.4% of households with paternal children only and 11.7% of households with both maternal and paternal children provided financial assistance to nonresident adult children. In other words, all households with paternal children were much less likely to make intergenerational transfers than intact first marriage households while those with maternal children only made a slightly lower percentage of transfers.

No previous research regarding transfers to stepchildren has examined the differential treatment of stepchildren based on whether their biological parent is the mother or the father at the individual level. This chapter examines cross-sectional and longitudinal data to reveal the effects of family structure on the likelihood of transfer receipt among adult children over time – including their relations to the mother/stepmother family respondent and inherently the father/stepfather head of the household. Previous research on the relations between adult children and their divorced biological fathers suggest that fathers are less likely to make financial transfers to adult children (Aquilino 1994). Research by Ganong, Coleman and Mistina (1995) suggests that stepfathers' monetary obligations to minor children and social expectations regarding stepfathers' responsibilities would continue for adult stepchildren, particularly if stepchildren coreside with the mother and stepfather.

4.1 Data and Descriptive Analyses

From 1992 to 1998, information about 16,263 adult children was provided by married “family respondents” who were mothers/stepmothers (i.e., wives who answered the HRS questions for the parents’ households about extended kin networks and transfers of space, time, and money). [Less than 100 married fathers answered the “family respondent” questions during the first wave of data collection and were instead responsible for answering questions about the household finances.] In order to properly classify adult children of remarried parents as maternal children/paternal stepchildren or paternal children/maternal stepchildren for this research, HRS households where the father was the initial “family respondent” were excluded from the sample.

Table 8 shows the descriptive statistics for the 15,689 adult children from married/remarried HRS households for whom information was available regarding kinship status, demographic characteristics and transfer information in a minimum of two waves of data. Adult children excluded from the dataset had either been included in only one wave of data collection or had missing values, particularly for family structure variables (e.g., number of siblings, number of living grandparents). However, over 80% of the adult children remained in the sample for all four waves. Adult children with data in three waves were either lost to follow-up in 1998 or entered the dataset as new adult children in 1994. Many of the 618 adult children who entered the sample in 1994 “aged up” into the sample by passing their eighteenth birthdays between

Table 8: Descriptive Statistics for Adult Children of Married and Remarried Midlife Parents in the HRS

	All Children N = 15689	Biological Children N = 10225	All Step- children N = 5470	Mothers' Children N = 2718	Fathers' Children N = 2752
Men ^a	51.2	51.5	50.7	49.7	51.7
Non-White	17.8	17.2	18.9	19.1	18.7
Hispanic	9.6	11.1	6.6***	7.1	6.2
30 and older at initial entry	49.4	46.3	55.9***	56.8	54.9
Average age (s.e.)					
in 1992 ^b	29.6 (0.05)	29.1 (0.06)	30.7*** (0.08)	30.8 (0.12)	30.6 (0.13)
in 1994 ^c	31.3 (0.05)	30.7 (0.06)	32.5*** (0.09)	32.5 (0.12)	32.4 (0.13)
in 1996 ^d	33.1 (0.05)	32.4 (0.06)	34.3*** (0.09)	34.3 (0.12)	34.4 (0.12)
in 1998 ^e	35.0 (0.05)	34.4 (0.06)	36.3*** (0.09)	36.2 (0.13)	36.4 (0.13)
Mean years of education	13.3 (0.02)	13.6 (0.02)	12.8*** (0.03)	12.8 (0.04)	12.9† (0.04)
Attended school between 1992 and 1998	18.2	20.9	13.1***	14.0	12.2†
Married before 1998	69.5	69.5	69.3	71.0	67.6†
Ever coresided 1992 -1998	21.2	28.1	8.2***	12.1	4.3***
Returned to parents' home after living independently	7.5	9.1	4.3***	5.7	2.8**
Mean number of siblings	3.7 (0.02)	3.2 (0.02)	4.6*** (0.03)	4.6 (0.05)	4.6 (0.05)
Received 1 or more transfers during period	36.2	41.5	26.2***	30.2	22.3***
1 transfer	18.4	20.5	14.3***	16.2	12.8**
2 transfers	10.4	12.1	7.0***	8.7	5.6***
3 transfers	5.3	6.3	3.1***	4.0	2.7***
4 transfers	2.1	2.6	1.1***	1.2	1.1
Mean amount received overall (logged)	8.00 (0.02)	8.10 (0.02)	7.76*** (0.03)	7.79 (0.04)	7.71 (0.05)
Mean amount received overall (in 2005 \$)	3,572	3,947	2,810***	2,906	2,684

^aall numbers are percentages unless otherwise noted

^bn = 14,688

^cn = 15,306

^dn = 14,793

^en = 13,880

various t-tests for between-group differences were significant, as noted

†p<.05 *p<.01 **p<.001 ***p<.0001

Waves 1 and 2. For 1540 individuals (9.8% of the sample), data are available for only two waves. Primarily, these individuals were lost to follow-up after Wave 2 but a small percentage entered the dataset as adults in Wave 3.

Comparisons of those lost to follow-up to the full sample at later waves indicated that lost adult children were more likely to be older, of minority status, and had received a smaller percentage of financial transfers than those who remained in the sample. However, there were no evident differences by kinship status. It should be noted that some family respondents' marital statuses changed via widowhood or divorce in later waves. When possible, adult children were retained in the sample since their kinship statuses did not change. However, some of these individuals were lost to follow-up because the parents discontinued participation in the HRS.

In 1992, the median length of remarried parents' current marriages was 16.6 years, indicating that family structures were primarily stable once the parent remarried and that many of the adult children became stepchildren as youngsters or adolescents. Also, three-quarters of remarriages occurred after a divorce. Fewer stepfamily structures were the result of widowhood and remarriage. Adult children were assigned kinship statuses as either biological children, maternal children/paternal stepchildren, or paternal children/maternal stepchildren based on the family respondents' first identification of each child's relation to her and to her spouse. Each household also counted the number of living parents (i.e., the eldest kin) at each wave of data collection.

This variable was included in this study to characterize the verticalization of the midlife adults' family structures.

4.1.1 Characteristics of Adult Children and Stepchildren in the HRS

The full sample of adult children ranged from 18 to 53 years in age. The average age for the sample was 29.6 years in 1992. For the analyses conducted in this chapter, all groups were divided into three age categories: college-age (18 – 23), under-30 (24 – 29), and 30 and older. This category structure was assigned based on presumed normative, age-related life course transitions that are likely to occur for younger adult children/stepchildren in particular. On the other hand, those who entered the sample at age 30 or older were more likely to have completed the major milestones associated with the transition-dense period of young adulthood (e.g., post-secondary education, establishing a separate residence, marriage). Education values ranged from 2 to 17 years where 17 represented postgraduate education.

The majority (65.2%) of the sample were the biological children of both parents. The remaining individuals were biologically related to only one of the two parents and were stepchildren to the other parent. A nearly equivalent number were biologically related to only the mother or related to only the father – 2718 were maternal children/paternal stepchildren compared to 2752 who were paternal children/maternal stepchildren. Table 8 identifies key demographic and life course statuses of the adult children by kinship status. T-tests were completed for each characteristic to determine if

there were any significant differences between kinship statuses. Statistically significant results of the t-tests are indicated in Table 8.

A substantial number of adult children in the sample – over 36% – received financial assistance, regardless of family structure. To explore this further, the subsample of all biological children was compared to the subsample of all adult stepchildren (columns 2 and 3). This table provides the first indication that adult stepchildren were treated differently when it came to financial assistance from their parents/stepparents. Receipt of one or more financial transfers from 1992 to 1998 differed significantly between groups such that stepchildren were significantly less likely to receive financial assistance compared to biological children. While 41.5% of biological children received financial gifts of \$500 or more, only 26.2% of stepchildren received similar assistance.

There were no significant differences between groups in relation to gender. Stepchildren were significantly more likely to be non-White but less likely to be Hispanic. This was likely correlated with the fact that Hispanic marriages are significantly less likely to end in divorce and Hispanics are less likely to remarry than non-Hispanics (Bumpass et al. 1990; Sweet and Bumpass 1987). Stepchildren were significantly older than their counterparts as the average age of stepchildren was nearly two years higher than the average age of biological children at each wave. However, as will be shown in the logistic regression analyses reported below, the adult child's

kinship status as a stepchild did not moderate the significant effects of many other characteristics, including age, on the likelihood of receiving a financial transfer from parents. In other words, if remarriages accounted for the age differences between stepchildren and biological children, one would expect the effects of age to become insignificant or to be much less influential in predicting transfer receipt once kinship status is included in the model but this did not occur.

On average, stepchildren had significantly less education than biological children (12.8 vs. 13.6 years). Even though stepchildren would have had more time to acquire more education since a higher percentage of them had passed the normative ages for post-secondary education, their education levels were lower. This was also reflected in the significantly lower percentage of stepchildren who were reported to have attended school during the data collection period covered here. While 20.9% of biological children were still in or returned to school at some point between 1992 and 1998, only 13.1% of stepchildren were in school during that timeframe.

The percentage of biological children who coresided with parents at least once between 1992 and 1998 was nearly 350% greater than that for stepchildren. It is also apparent that stepchildren were more likely to come from larger families as the mean number of siblings for stepchildren was 4.6 compared to 3.2 siblings for biological children. The construction of a second nuclear family typically brought together two parents with children from previous relationships and depending on the life course

timing of the remarriage for the parents, a bi-nuclear family may have also included additional biological children (Ahrons 1994). Marital histories and the growth of stepfamilies in recent decades may help explain some of the significant differences in ages between stepchildren and biological children if some of the younger adult children in the sample were products of second (or later) marriages. [Figures 2 – 5 present four hypothetical scenarios of kinship structures and coresidence.]

As noted above, biological children and stepchildren differed significantly in terms of the percentages of adult children who received any financial assistance from their parents (i.e., one or more transfers of \$500 or more). Figure 6 shows that this was true for the number of each group who received multiple transfers as well. While 326 of all adult children received four reported transfers between 1992 and 1998, only 56 of those recipients were stepchildren. Nearly four times as many biological children received three transfers as stepchildren (644 individuals compared to 170). Of those who received two transfers, only 23.6% of them were stepchildren. In other words, relatively few stepchildren were transfer recipients, but comparatively, even fewer were recipients of multiple financial transfers from their parents over time. Only 23% of all multiple-transfer recipients were stepchildren. Transfer pattern differences between biological children and stepchildren as well as stepchildren by relation to parents are illustrated in Figure 6.

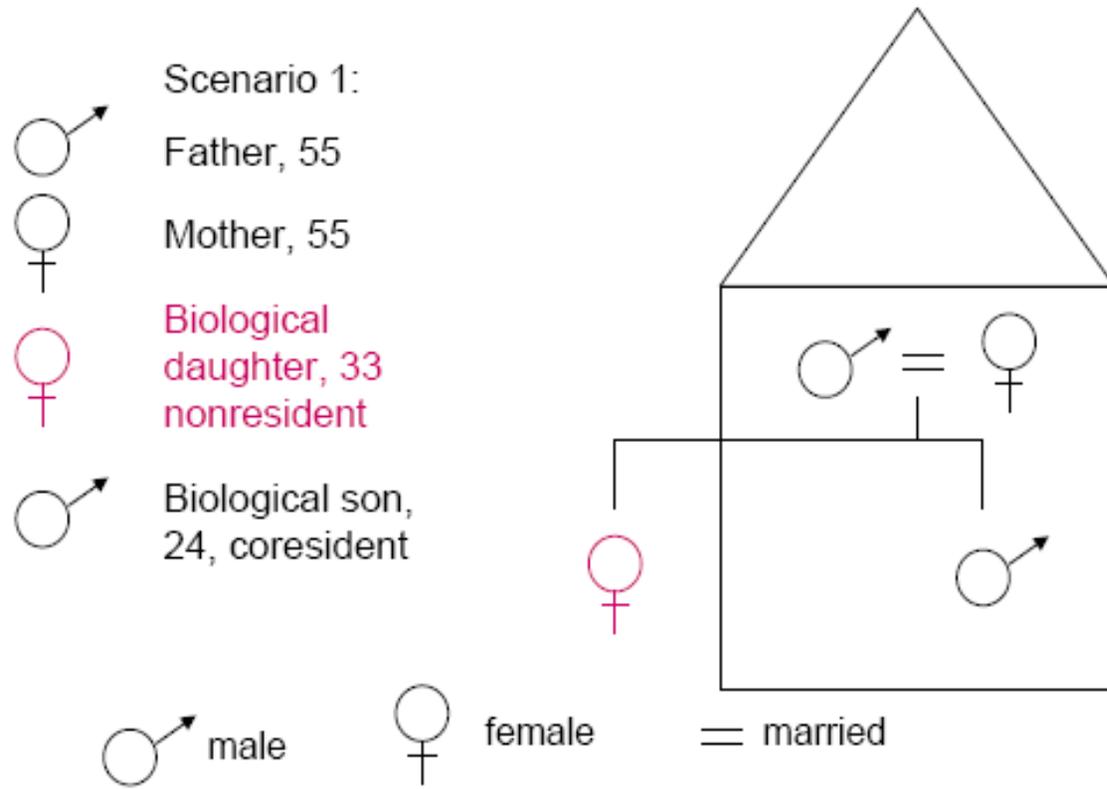


Figure 2: Hypothetical Scenario of Intact-Marriage Household with Biological Children

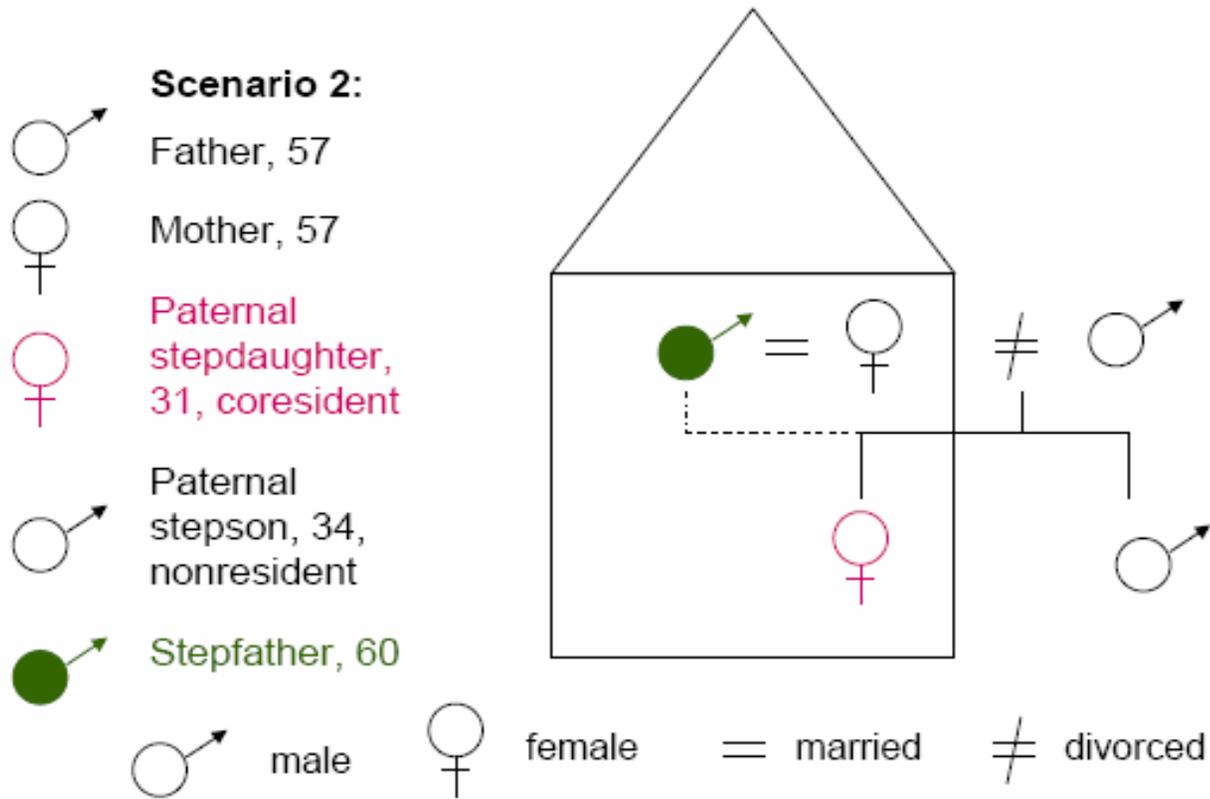


Figure 3: Hypothetical Scenario of Household with Paternal Stepchildren

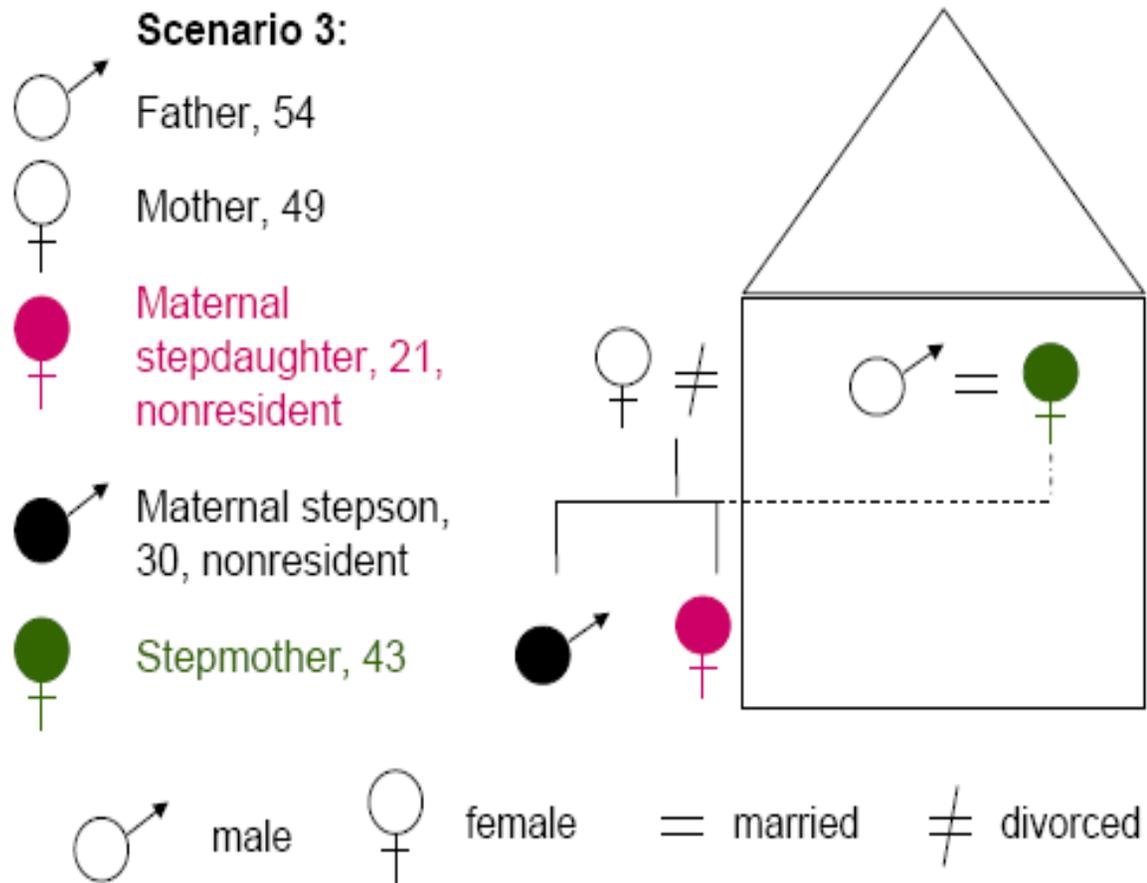


Figure 4: Hypothetical Scenario with Maternal Stepchildren

- Scenario 4:**
-  Father
 -  Mother
 -  Paternal stepdaughter, 31, coresident
 -  Paternal stepson, 34, nonresident
 -  Stepmother, 52
 -  Stepfather, 60
 -  Maternal stepdaughter, 21, nonresident
 -  Maternal stepson, 30, nonresident

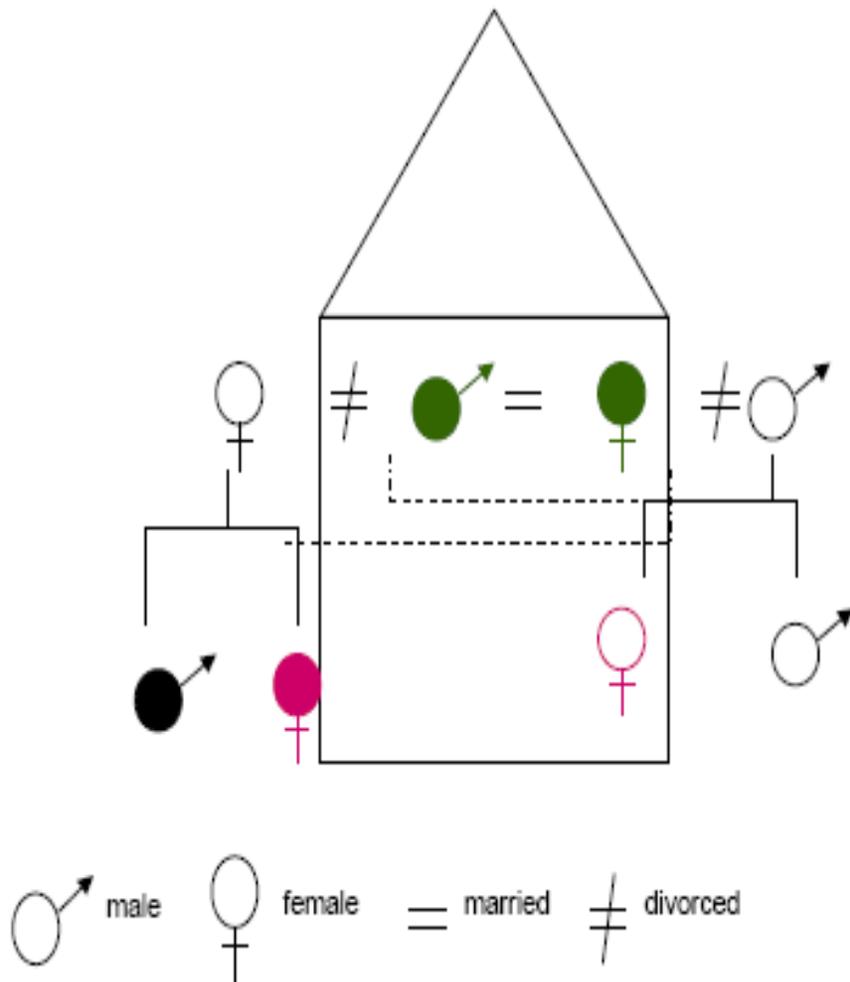


Figure 5: Hypothetical Scenario of a Remarried Household with Paternal and Maternal Stepchildren

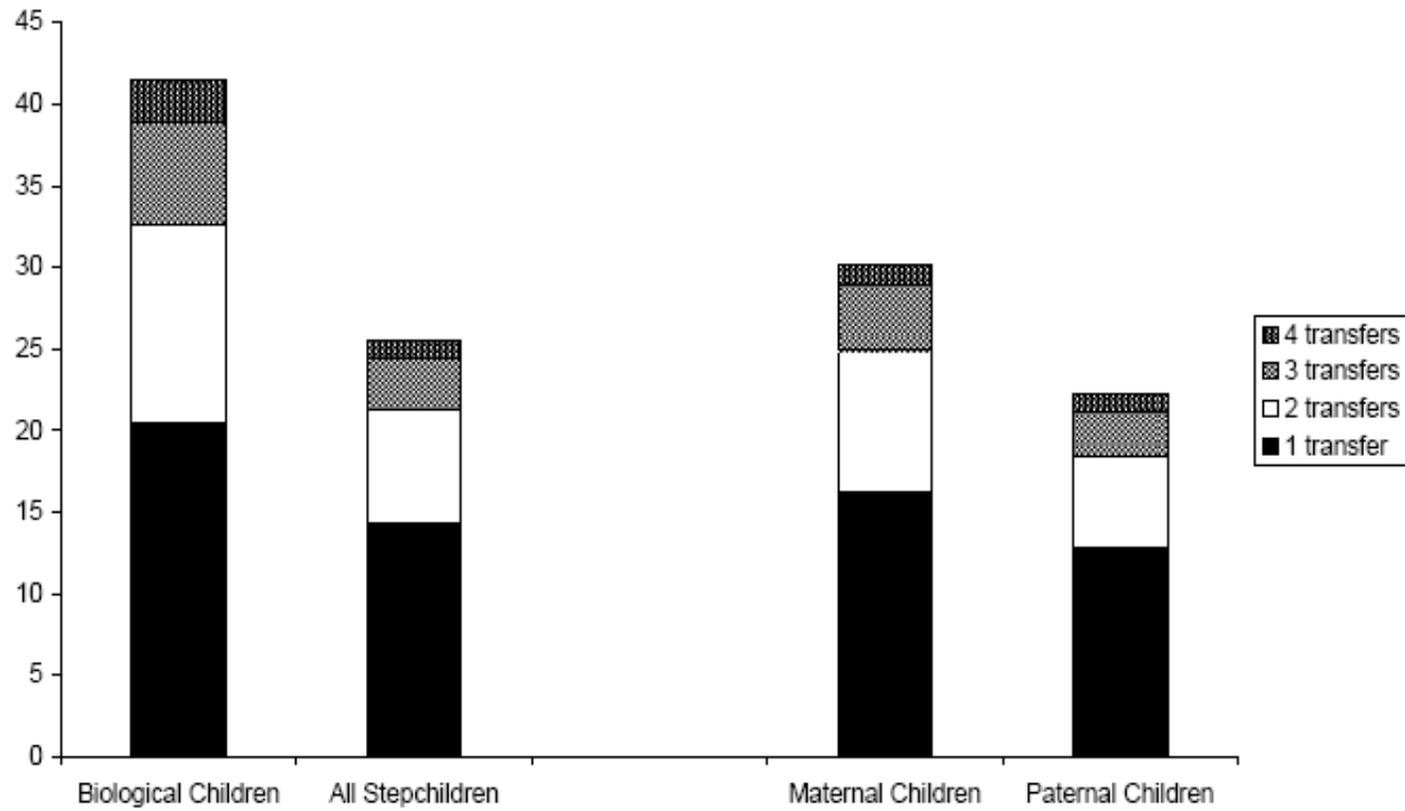


Figure 6: Percentage of Adult Children Who Received Transfers by Kinship Status Between 1992 and 1998

Stepchildren also received less money on average when compared to the financial amounts that biological children received (see Table 8). The average logged amount of transfers received was 7.76 for stepchildren compared to 8.10 for children related to both parents. Over all transfers, stepchildren received over \$1000 less on average than their counterparts. Another factor that illustrates this point is the maximum amount given to certain biological children or stepchildren in the sample. Each of the five highest amounts given to biological children was higher than the most money any stepchild received. The five highest values for children ranged from \$161,750 to \$324,700. On the other hand, the five highest values for stepchildren ranged from \$83,870 to \$138,990.

One interpretation of this pattern is that the number of children in this sample masks the number of children who were born *after* the remarriage. Since the majority of biological children came from intact families, there was no clear evidence that biological children within families with both stepchildren and biological children received comparably more money than their half-brothers or half-sisters. Instead, the extreme values data was more likely to reflect differences between intact families and remarried-parent families generally. To counter this interpretation, t-tests were conducted for the subsample of 823 children born to both parents who had remarried before 1992 (i.e., the parent confirmed that the length of their second marriage exceeded the age of at least one child). While a larger percentage of them received at least one transfer compared to

the full sample of biological children, the average financial amount received remained the same (analyses not shown). Therefore, a preliminary analysis of families with both biological children and stepchildren indicates that the sample described in Table 8 represents well the differences between biological children and stepchildren in relation to family structures and intergenerational transfers. The matter of transfers within families is explored further using multilevel models below.

4.1.2 Maternal Children/Paternal Stepchildren and Paternal Children/Maternal Stepchildren

Comparisons of stepchildren based on their relation to either their respective mothers or fathers revealed interesting differences as well (columns 4 and 5 of Table 8). Paternal children/maternal stepchildren were significantly less likely to receive financial transfers than maternal children/paternal stepchildren. Twenty-one percent of the paternal children/maternal stepchildren received at least one financial transfer over four waves of data collection while nearly 30% of the maternal children/paternal stepchildren received financial transfers from HRS respondents in that same timeframe. This implies that remarried fathers were more likely to provide financial assistance to their stepchildren than to their adult biological children. [Another possible explanation for this finding is was that if fathers provided financial gifts to their own children, they did not inform their wives – the family respondents who reported transfers during data collection; however, this potential explanation could not be explored because married

fathers were not asked separately about financial transfers to children.] The significant differences regarding transfers received by stepchildren remained for multiple transfers over time with the exception of those few stepchildren on either side who received financial transfers consistently over time (i.e., transfers were repeated at each wave for 56 stepchildren in all – 28 for each kinship structure). The disparity for financial transfers existed despite the fact that there were no significant differences between paternal children/maternal stepchildren and maternal children/paternal stepchildren in terms of gender, race, ethnicity or age.

Adult paternal children/maternal stepchildren were three times less likely to have coresided than adult maternal children/paternal stepchildren. This could be an echo of the custody arrangements regarding minors in which physical custody of young children was most often awarded to the mother (Cherlin and Furstenberg 1994; Hoffman and Duncan 1988). Coresiding adult stepchildren were very simply more likely to have stayed with the original custodial parent and family. Subsequently, 12.3% of the maternal children/paternal stepchildren coresided with the mother and stepfather, and 4.1% of the paternal children/maternal stepchildren coresided with the father and stepmother within the four waves examined.

4.2 The Influence of Personal Characteristics and Family Structure on Transfer Receipt

Table 9 identifies factors that predicted the likelihood of the receipt of financial assistance at any time between 1992 and 1998 or influenced the amount of money received during that time at the individual level. Three fixed-effect logistic regression models are presented that test the predictive power of individual characteristics, life course transitions and kinship statuses for 15,689 biological adult children and adult stepchildren from 4,377 intergenerational families on the likelihood of receiving at least one transfer during the four waves of data collection. Pezzin and Schone (1999) refer to these as “probability-of-utilization” models.

In Table 10, three fixed-effect regression models are presented to determine which characteristics, life course transitions and kinship statuses influence the total amount transferred for the subsample of children who received transfers (n=5535). These conditional “level-of-utilization” models measure the effects of the same variables in the logistic models on the logged amounts transferred to the adult children (Pezzin and Schone 1999). At this analytic level, there are no exclusion restrictions that a Heckman model would require to reduce potential bias for the parameter estimates. A one-to-one correspondence of the variables in each of the “probability-of-utilization” models with the “level-of-utilization” models supports the use of this analytic method over the Heckman selection model.

Table 9: Adult Child Characteristics Predicting the Likelihood of Receiving One or More Transfers Between 1992 and 1998

Characteristics of the Adult Child	Model 1		Model 2		Model 3	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
Gender	-0.091†	0.91	-0.093†	0.91	-0.089	
(s.e) <i>ref=female</i>	(0.05)		(0.05)		(0.05)	
Race	-0.294*	0.75	-0.298*	0.74	-0.301*	0.74
<i>ref=White</i>	(0.09)		(0.09)		(0.09)	
Hispanic	-1.060***	0.35	-1.107***	0.33	-1.120***	0.33
	(0.12)		(0.12)		(0.12)	
Age 18-23 at entry	1.035***	2.82	1.020***	2.77	1.048***	2.85
	(0.08)		(0.08)		(0.08)	
Age 24-29 at entry	0.523***	1.69	0.511***	1.67	0.527***	1.69
<i>ref = 30 yrs and older</i>	(0.06)		(0.06)		(0.06)	
Attended school ^a	0.769***	2.16	0.764***	2.15	0.760***	2.14
	(0.07)		(0.07)		(0.07)	
Married ^b	-0.081		-0.099		-0.117†	0.89
	(0.06)		(0.06)		(0.06)	
Coresided with parents ^c	0.899***	2.46	0.832***	2.30	0.788***	2.20
	(0.07)		(0.07)		(0.07)	
Number of siblings	-0.346***	0.71	-0.320***	0.73	-0.324***	0.72
	(0.02)		(0.02)		(0.02)	
Stepchildren (<i>ref=Biological children</i>)			-0.420***	0.66		
			(0.07)			
Maternal children					-0.062	
					(0.08)	
Paternal children (<i>ref=Biological children</i>)					-0.822***	0.44
					(0.09)	
Intercept	-0.076		0.010		0.034	
	(0.08)		(0.08)		(0.09)	
Deviance statistic	1.459***		1.467***		1.499***	
	(0.04)		(0.07)		(0.05)	
BIC statistic		16963.00		16934.00		16866.00
Difference from model 1				-29.00		-97.00
df		4376		4376		4376

N=15689

^a Adult child was in school during at least one wave.

^b Reference group is adult children who were never married during the data collection period.

^c Adult child coresided with parents for at least one wave.

†p<.05 *p<.01 **p<.001 ***p<.0001

As noted above, 36.2% of the entire sample received one or more transfers during this time. Models 1-3 demonstrate consistent results regarding adult children's characteristics and some life course statuses as influential factors in predicting the likelihood of transfer receipt. Race and ethnicity were significant: minorities were 25% less likely to receive transfers compared to Whites and Hispanic children were 65% - 67% less likely to receive transfers than non-Hispanic children. Age was also an influential factor such that "college-age" adult children were nearly three times as likely as adult children over age 30 to receive a financial transfer from their midlife parents. "Under 30" adult children were 1.69 times more likely to receive financial assistance. Gender was marginally significant in Models 1 and 2 and indicated that daughters were more likely to receive financial assistance than sons. Gender was not significant in Model 3 when specific kinship status was added.

The occurrence of several life course statuses were measured across the four waves. If children had attended school at some point during the study period, they were nearly 2.2 times more likely to receive transfers as children who had completed school prior to 1992. Marital status was not significant in Models 1 and 2. However, the estimate gained statistical significance at the $p < .05$ level in the last model such that married adult children were 11% less likely to receive transfers than adult children who were not married when they entered the dataset and did not marry between 1992 and 1998. [Work status varied widely over time without a consistent pattern (e.g., there was

not a clear move from not working to part-time to full-time). Without more detail, work status lacked explanatory power and generated too much missing data across the study period to be reliably measured and was therefore not included in these analyses.]

Those who coresided with their parents (or a parent and stepparent) were nearly 2.5 times more likely to receive financial assistance than nonresident children in Model 1 of Table 9. This included those adult children who coresided with the parents when they entered the dataset and those who returned to their parents' homes after living independently. The effects of coresidence were reduced in magnitude by the addition of kinship status variables for stepchildren in Models 2 and 3 but coresidence remained a highly significant predictor. For these analyses, family size was represented as the number of siblings for each child. As family size increased, the probability that any adult child received a transfer declined by 28%. This finding indicates that parents of larger families either shared fewer intergenerational resources later in life or spread more financial resources to more children in efforts to be equal to all children.

Adult children's kinship statuses as either biological children or stepchildren were entered in Model 2. The effect of kinship status was evident: stepchildren were 34% less likely to receive financial transfers than biological children. With the exception of coresidence which decreased 8% but remained significant, the predictive ability of the independent variables from Model 1 on the likelihood of transfer receipt did not decrease. The inclusion of this variable had a strong effect on model fit (BIC difference =

-29). Together, these findings indicate that the family structure does not serve as a mediator of other variables.

The third model parsed stepchildren into their kinship statuses as maternal children/paternal stepchildren and paternal children/maternal stepchildren. This comparison of kinship statuses shows that the remarried household status of maternal children/paternal stepchildren is not significantly different from biological children. Instead, this model demonstrates that not all stepfamilies are equal in terms of intergenerational transfers between parents and their adult children from previous marriages. Paternal children/maternal stepchildren are at a significant disadvantage in the likelihood to receive financial assistance from their remarried fathers. They are 56% less likely to receive transfers of \$500 or more than biological children. The effects of other independent variables on the likelihood of transfer receipt did not decrease significantly with the inclusion of the kinship status of stepchildren. The exception was coresidence where the effect was reduced 14% with the inclusion of the more specific measure of kinship status in Model 3. Also, the inclusion of kinship status had a very strong effect on model fit suggesting that midlife fathers' remarriages strongly predicted the lower likelihood of intergenerational financial assistance to their children from previous marriages (BIC difference between model 3 and model 1 = -97).

Table 10 shows the results of "level-of-utilization" models regarding the factors that affected the total amount of financial assistance biological children or stepchildren

Table 10: Effects of Adult Child Characteristics on Financial Assistance Amounts between 1992 and 1998

Characteristics of the Adult Child	Conditional Amount ^d			Values of Change for Model 3 ^e
	Model 1	Model 2	Model 3	
Gender	-0.046	-0.047	-0.046	
(s.e)	(0.03)	(0.03)	(0.03)	
nonWhite	-0.323***	-0.326***	-0.328***	-\$1134
ref=White	(0.05)	(0.05)	(0.05)	
Ethnicity	-0.247*	-0.257**	-0.255**	-\$912
ref=Hispanic	(0.08)	(0.08)	(0.08)	
Age 18-23 at entry	0.340***	0.339***	0.342***	+\$1653
(s.e)	(0.05)	(0.05)	(0.05)	
Age 24-29 at entry	0.098*	0.096†	0.099*	+\$422
ref = 30 yrs and older	(0.04)	(0.04)	(0.04)	
Attended school ^a	0.304***	0.304***	0.304***	+\$1441
(s.e)	(0.04)	(0.04)	(0.04)	
Married ^b	-0.071†	-0.076†	-0.077†	-\$300
(s.e)	(0.03)	(0.03)	(0.03)	
Coresided with parents ^c	0.205***	0.182***	0.175***	+\$771
(s.e)	(0.04)	(0.04)	(0.04)	
Number of siblings	-0.111***	-0.100***	-0.102***	-\$393
(s.e)	(0.01)	(0.01)	(0.01)	
Stepchild (ref=Both parents' child)		-0.152**		
(s.e)		(0.04)		
Mother's child			-0.098	
(s.e)			(0.05)	
Father's child (ref=Both parents' child)			-0.225**	-\$820
(s.e)			(0.06)	
Intercept	8.100***	8.123***	8.126***	\$4,053
(s.e)	(0.05)	(0.05)	(0.05)	
BIC statistic	17014.50	17006.8	17006.4	
Difference from model 1		-7.70	-8.10	
N = 5535 df=2576				

^a Adult child was in school during at least one wave.

^b Adult child was married at baseline or married during the period.

^c Adult child coresided with parents for at least one wave.

^d Within-family regression model for logged amount received conditional upon receiving a financial transfer.

^e Value reported in 2005 U.S. dollars.

†p<.05 *p<.01 **p<.001 ***p<.0001

received from their parents – conditional upon receiving at least one financial transfer between 1992 and 1998. To account for potential within-family effects, we used a mixed-model regression analytic technique. The dependent variable was the logged value of the money received. Gender and marital status were not significant predictors. In comparison to the 30-and-over age category, only the college-age group received significantly more financial assistance. The amounts received by the “under-30” age category were not significantly different from the reference category. Whites and non-Hispanic biological children and stepchildren received significantly larger transfers than minorities. Students and coresident adult children and stepchildren were also more likely to receive larger transfers. As the number of siblings increased, children received less money.

The values that correspond to each “probability of utilization” model in the table are shown here to demonstrate that the significant effects of youth, race, ethnicity, and school status did not change as variables representing kinship status are included in Models 2 and 3. Adding status as a stepchild in Model 2 demonstrates that kinship status mediated the influences of the number of siblings and of coresidence for the total amount transferred between 1992 and 1998. The influence of additional siblings declined 9% while the influence of coresidence declined 13%. When kinship status is specified further in Model 3, the evidence demonstrates that it was actually paternal child/maternal stepchild status that reduced these influences. Maternal children/

paternal stepchildren did not receive significantly less total financial assistance than biological children.

The last column converts each significant parameter by undoing the log transformation and then calculating the value of each variable's mean effect in 2005 U.S. dollars. Amounts were calculated by adding the parameter value to the intercept, re-exponentiating the log transformation of that total and then calculating the value of each variable's mean effect in 2005 U.S. dollars. The effect of each variable was calculated by the following steps:

Step 1: Calculate $e^{\beta_0 + \beta_1}$.

Step 2: Subtract e^{β_0}

Step 3: Multiply the answer by the value of inflation between 1992 and 2005 to convert the value to 2005 U.S. dollars

The minimal gift of \$500 in 1992 would be equivalent to \$600 in 2005. Among those who received financial assistance, the average transfer amount was \$4,053 in constant 2005 U.S. dollars. For the effect of race, $e^{\beta_0 + \beta_1(\text{race})}$ equaled \$2,436 in 1992. Subtracting e^{β_0} provided a \$945 difference between minority children and White children. Accounting for inflation yielded a value of \$1134 in 2005 U.S. dollars that represented the mean amount subtracted from the overall mean if the children were of minority status. Hispanics received \$912 less than non-Hispanics. The college-age adult children received \$1,653 more than the "30-and-over" age group and the "under 30" age

group received \$422 more than the “30-and-over” age group. Children who lived with parents/stepparents at some point between 1992 and 1998 received the equivalent of \$722 more than nonresident children. With each additional sibling, transfers declined \$393. Regarding kinship status, paternal children/maternal children received the equivalent of \$820 less than biological children when they received any financial transfers. A comparison of these results to OLS regression models that treated adult children and stepchildren as independent observations (not shown) found that statistical significance remained the same across models but that parameter estimates in Table 10 were higher (and therefore the amount of change varied more widely). However, it should be noted that the addition of kinship status variables did not significantly improve model fit.

4.2.1 Analysis for Each Kinship Status

Table 11 shows the results of fixed-effect logistic regression models testing the adult children’s characteristics for each kinship status separately. In terms of statistical significance, several common themes emerged from comparing biological children, maternal children/paternal stepchildren, and paternal children/maternal stepchildren using “probability-of-utilization” models. Gender and race were not significant. Hispanic ethnicity significantly reduced the likelihood of transfer receipt for each model. Individuals in the “college-age” and “under-30” age categories were more likely to

Table 11: Adult Child Characteristics Predicting the Likelihood of Transfer Receipt Between 1992 and 1998 by Kinship Status

	Biological Children		Maternal Children		Paternal Children	
	N=10225		N=2718		N=2752	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
Gender	-0.066		-0.190		-0.027	
(s.e) <i>ref=female</i>	(0.06)		(0.12)		(0.13)	
non-White	-0.189		-0.361		-0.870**	0.42
	(0.11)		(0.20)		(0.23)	
Hispanic	-1.171***	0.31	-0.832*	0.44	-0.409	
	(0.14)		(0.32)		(0.38)	
Age 18-23 at entry	1.071***	2.92	1.060***	2.89	1.083***	2.95
	(0.10)		(0.20)		(0.21)	
Age 24-29 at entry	0.517***	1.68	0.465**	1.59	0.575***	1.78
<i>ref = 30 yrs and older</i>	(0.07)		(0.14)		(0.15)	
Attended school ^a	0.772***	2.16	0.758***	2.13	0.882***	2.42
	(0.08)		(0.18)		(0.20)	
Married ^b	-0.173†	0.84	-0.167		0.178	
	(0.07)		(0.13)		(0.15)	
Coresided with parents ^c	0.713***	2.04	1.175***	3.24	1.340***	3.82
	(0.08)		(0.20)		(0.30)	
Number of siblings	-0.395***	0.67	0.190***	0.83	0.298***	0.74
	(0.02)		(0.03)		(0.04)	
Intercept	0.236†		-0.551*		1.029***	
	(0.11)		(0.21)		(0.23)	
Deviance statistic	1.581***		1.522***		1.549***	
	(0.06)		(0.12)		(0.13)	
BIC statistic	11445.00		2929.30		2532.30	
df	3389		1014		1019	

^a Adult child was in school during at least one wave.

^b Reference group is adult children who were never married during the data collection period.

^c Adult child coresided with parents for at least one wave.

†p<.05 *p<.01 **p<.001 ***p<.0001

receive transfers, but as the number of siblings increased, the odds of receiving a financial gift or loan decreased. However, this factor was least influential for maternal children/paternal stepchildren.

Similarities were common for life course statuses as well. School enrollment between 1992 and 1998 increased the likelihood of transfer receipt for all adult children and stepchildren. Coresidence with parents and/or stepparents was also influential for all kinship statuses but the magnitude of its impact varied widely on the likelihood of transfer receipt across categories. Biological coresident adult children were twice as likely to receive transfers compared to biological nonresident children. The odds for coresident maternal children/paternal stepchildren were 3.2-to-one – 59% greater than for biological coresident children. Coresident paternal children/maternal stepchildren are nearly four times more likely to receive financial assistance compared to nonresident paternal children/maternal stepchildren. The rarity of adult children living with remarried parents and stepparents is likely to be the primary cause of the much greater odds for coresident stepchildren to receive financial assistance than nonresident stepchildren. This is more evident given the disparate rate of adult children of each kinship status who coresided (see Table 8). As a life course status, marital status was unique as it was a significant predictor for biological children only. Finally, given only minor differences in sample size and degrees of freedom for the stepchildren categories, I compared model fit statistics. The BIC model-fit test is nearly 400 points lower for

paternal children/maternal stepchildren, indicating the model of demographic characteristics and life course statuses fits better for them than for maternal children/paternal stepchildren.

4.2.2 Amount of Financial Transfer by Kinship Status

Table 12 shows the results of “level-of-utilization” models regarding the factors that affected the total amount of financial assistance adult children received from their parents – conditional upon receiving at least one financial transfer between 1992 and 1998. Biological children, maternal children/paternal stepchildren and paternal children/maternal stepchildren were represented by separate models. The dependent variable was the logged value of the money received. Gender and marital status were not significant predictors. Otherwise, kinship status moderated select factors that determined the amount of financial assistance children received during the study. Amounts are reported in 2005 U.S. dollars that were calculated by the log transformation method described earlier in this chapter.

Biological children received a higher average amount than children from remarriages. The overall mean value for maternal children/paternal stepchildren was 18.6% less than the average of \$3572 for biological children, and the overall mean value for paternal children/maternal children was three-quarters of that amount. For each kinship status, minority adult children received significantly less than White adult

Table 12: Adult Child Characteristics Affecting Financial Assistance Received Between 1992 and 1998 by Kinship Status

	Biological Children		Maternal Children/ Paternal Stepchildren		Paternal Children/ Maternal Stepchildren	
	β	Amount ^d	β	Amount ^d	β	Amount ^d
Gender	-0.055		-0.015		-0.081	
(s.e)	(0.03)		(0.07)		(0.09)	
Non-White <i>ref=White</i>	-0.297***	- \$1126	-0.354*	- \$928	-0.416*	- \$1056
(s.e)	(0.06)		(0.12)		(0.16)	
Hispanic	-0.288**	- \$1090	-0.111		-0.074	
(s.e)	(0.09)		(0.23)		(0.24)	
Age 18-23 at entry	0.364***	+ \$1915	0.261†	+ \$928	0.219	
(s.e)	(0.06)		(0.12)		(0.13)	
Age 24-29 at entry <i>ref = 30 yrs and older</i>	0.067		0.230†	+ \$805	0.134	
(s.e)	(0.04)		(0.09)		(0.10)	
Attended school ^a	0.332***	+ \$1717	0.219†	+ \$762	0.213	
(s.e)	(0.05)		(0.10)		(0.11)	
Married ^b	-0.071		-0.134		-0.091	
(s.e)	(0.04)		(0.08)		(0.09)	
Coresided with parents ^c	0.111†	+ \$512	0.438***	+ \$1710	0.408*	+ \$1563
(s.e)	(0.05)		(0.11)		(0.15)	
Number of siblings	-0.125***	- \$512	-0.065*	- \$188	-0.061**	- \$153
(s.e)	(0.01)		(0.02)		(0.02)	
Intercept	8.199***	\$4359	7.862***	\$3113	7.859***	\$3103
(s.e)	(0.06)		(0.13)		(0.14)	
<i>Random effects</i>						
Intercept σ^2	0.452***		0.547***		0.396***	
Residual σ^2	0.931***		0.680***		0.731***	
Mean amount received^d		\$3,572		\$2,906		\$2,684
BIC statistic	12870.4		2347.4		1758.3	
Df	2305		509		385	
N = 5535	n=4142		n=781		n=602	

^a Adult child was in school during at least one wave.

^b Reference group is adult children who were never married.

^c Adult child coresided with parents for at least one wave.

^d Value reported in 2005 U.S. dollars.

†p<.05 *p<.01 **p<.001 ***p<.0001

children. Accounting for inflation yielded a value of \$1126 that represented the mean amount subtracted from the overall mean for minority biological children. The mean amount given to maternal children/paternal stepchildren was reduced \$928 and the mean amount given to paternal children/maternal stepchildren was reduced \$1056. The rate reductions were 18% and 6% smaller, respectively, than the reduction for minority biological children. However, the actual value reduction was larger by comparison because the starting amount (i.e., the intercept) was much lower for each stepchild category than that for biological children. Ethnicity was only significant for biological children such that Hispanic biological children received nearly \$1100 less than non-Hispanic biological children. For all kinship statuses, the transfer amount was reduced significantly for each additional sibling. The reduction effect was stronger for biological children than for either group of stepchildren – possibly due to the larger family sizes common to bi-nuclear families.

Age did not have a systematic effect by kinship status. It was not a significant determinant of transfer amounts for paternal children/maternal stepchildren. The amounts received by the “under-30” age category were not significantly different from the reference category for biological children. However, maternal children/paternal stepchildren between ages 24 and 29 received an average increased amount equivalent to \$805 more than adult children who were 30 and older. College-age maternal children/paternal stepchildren received significantly more financial assistance (\$928,

p<.05). Yet biological adult children between 18 and 23 years old received the equivalent of \$1915 more than the reference category.

Biological children who were students received \$1717 more than kinship counterparts who were not students. The parameter for attending school for maternal children/paternal stepchildren was marginally significant but indicated that they received \$762 more on average than maternal children/paternal stepchildren who were not students. Coresidence was the only factor that significantly increased the amounts received for all three kinship statuses. Coresident biological children received an average \$512 more than non-resident biological children. Coresident maternal children/paternal stepchildren received \$1710 more and paternal children/maternal stepchildren received over \$1500 more than their respective nonresident cohorts. This more profound effect for stepchildren suggests that coresident stepchildren had greater needs for financial assistance than coresident biological children and all nonresident children/stepchildren.

4.3 The Effects of Parental Household Characteristics

Clearly, parents' characteristics also determine their ability and/or willingness to provide financial support to adult children/stepchildren. Table 13 presents three fixed-effects nonlinear multilevel models that test for household-level effects. Three of the individual-level characteristics (level 1) that were presented in previous tables were

Table 13: Multilevel Factors That Predicted the Likelihood that Adult Children Received Financial Assistance Between 1992 and 1998

Characteristics of the Parents' Household	Model 1		Model 2		Model 3	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
Race	-0.188†	0.83	-0.003		-0.174	
<i>ref=White</i>	(0.09)		(0.08)		(0.09)	
Ethnicity	-0.532***	0.59	-0.354*	0.70	-0.817***	0.44
<i>ref=non-Hispanic</i>	(0.12)		(0.11)		(0.12)	
Household Income						
<i>ref = less than \$20,000</i>						
\$20,000 - \$39,999	0.176		0.080		0.141	
	(0.10)		(0.09)		(0.09)	
\$40,000 - \$59,999	0.877***	2.40	0.572***	1.77	0.669***	1.95
	(0.10)		(0.09)		(0.10)	
\$60,000 - \$79,999	1.440***	4.22	1.043***	2.84	1.137***	3.12
	(0.12)		(0.11)		(0.12)	
\$80,000 - \$99,999	1.590***	4.90	1.166***	3.21	1.241***	3.46
	(0.14)		(0.13)		(0.14)	
\$100,000 or more	2.243***	9.42	1.722***	5.60	1.809***	6.10
	(0.16)		(0.15)		(0.16)	
Age of oldest parent			-0.042***	0.96	0.001	
			(0.01)		(0.01)	
Number of children			-0.324***	0.72	-0.283***	0.75
			(0.02)		(0.02)	
Characteristics of Adult Children						
Gender					-0.089	
<i>ref=female</i>					(0.05)	
Age 18-23 at entry					0.968***	2.63
					(0.08)	
Age 24-29 at entry					0.444***	1.56
<i>ref = 30 yrs and older</i>					(0.06)	
Attended school ^a					0.693***	2.00
					(0.07)	
Coresided with parents ^b					0.804***	2.23
					(0.07)	

Table 13 Continued: Multilevel Factors That Predicted Likelihood that Adult Children Received Financial Assistance Between 1992 and 1998

Characteristics of the Parents' Household	Model 1		Model 2		Model 3	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
Mother's children					-0.078 (0.08)	
Father's children (ref=Both parents' child)					-0.902*** (0.09)	0.41
Intercept	-1.215*** (0.08)		0.461*** (0.12)		-0.385* (0.14)	
Deviance statistic	1.557*** (0.04)		1.350*** (0.04)		1.415*** (0.04)	
BIC statistic	18281		17801		16655	
Difference from previous model			-480		-1146	
df	4376		4376		4376	
N = 15689						

^a Adult child was in school during at least one wave.
^b Adult child coresided for at least one wave.
†p<.05 *p<.01 **p<.001
***p<.0001

treated as HRS household-level characteristics for these analyses (level 2); these variables were race, ethnicity, and number of children in the family. Model 1 tests the level 2 effects of race, ethnicity and parents' total household income in 1992. [Models were conducted using average household income between 1992 and 1998 with no appreciably different results or better-fitting models than those presented here.] As one might expect when household income is considered, minority and Hispanic parents were much less likely than whites to provide financial assistance. The results indicate that households with incomes between \$20,000 and \$40,000 were slightly more likely than the reference group to provide financial assistance, but this result was not statistically significant. Household incomes that were higher than the median value (\$40,000) yielded statistically significant results. The odds were 2.4 times higher than the reference category for parents who reported making \$40,000 to \$60,000 per year. The odds increased for every additional \$20,000 in total household income. Parents who made \$100,000 or more were 9.4 times more likely than those with the poorest incomes to make financial transfers between 1992 and 1998.

Model 2 adds several family structure variables to Model 1. The age of the oldest HRS household member was a significant predictor of a 4% lower likelihood to provide a transfer to at least one child. Household with more children were nearly one quarter less likely to provide any financial transfers. The number of eldest kin was included as a measure of the possibility that midlife adults might be less able to provide

assistance to children if elderly parents potentially require support as well. This variable was not significant. The inclusion of number of children in particular mediated the effect of race and reduced the parameter estimates for household income categories.

As a multilevel model where the level 1 characteristics were included with the level 2 characteristics, Model 3 demonstrates that many individual-level variables retain their statistical significance when parents' financial status is considered as a mediator of the likelihood that assistance was provided. Once the ages of the adult children were included, the age of the oldest household member was no longer significant. The high correlation of these two variables is a minor concern since the effect of age was limited in Model 2. School attendance and coresidence remained powerful predictors of the higher likelihood to receive financial transfers. The odds ratios were 2.0 and 2.2, respectively.

Kinship status remained a significant predictor of the much lower likelihood that paternal children/maternal stepchildren received at least one transfer compared to biological children. The children of remarried fathers were 59% less likely to receive financial assistance, regardless of the parents/stepparents' household income level. On the other hand, there was again no significant difference between maternal children/paternal children and biological children in the odds of transfer receipt.

The parameter estimates for household income in Model 3 were lower than those in Model 1, as one might expect with the addition of multiple influential variables to the model. However, the estimates were slightly larger than in Model 2. A comparison of

BIC statistics shows that the model fit improves with the inclusion of family structure variables in Model 2 and improves further with the examination of both household-level and individual-level variables in Model 3.

Figure 7 illustrates the increasing odds that households of higher incomes reported financial assistance to adult children at least once between 1992 and 1998. An examination by kinship status shows that biological children have an increasing advantage in transfer receipt because their parents' incomes are higher. The odds that biological children whose parents make \$60,000 or more were nearly equal to the odds that maternal children/paternal stepchildren whose parents/stepparents make more than \$100,000 would receive a transfer. Biological children whose parents made \$100,000 or more were seven times more likely to receive financial transfers than biological children whose parents made less than \$20,000 per year. For maternal children/paternal stepchildren, these odds were 3.9 times higher than maternal children/paternal stepchildren whose parents made less than \$20,000 per year. The likelihood of transfer receipt increased for biological children at a faster rate than it did for maternal children/paternal stepchildren yet both categories saw a steady climb as HRS household incomes were higher.

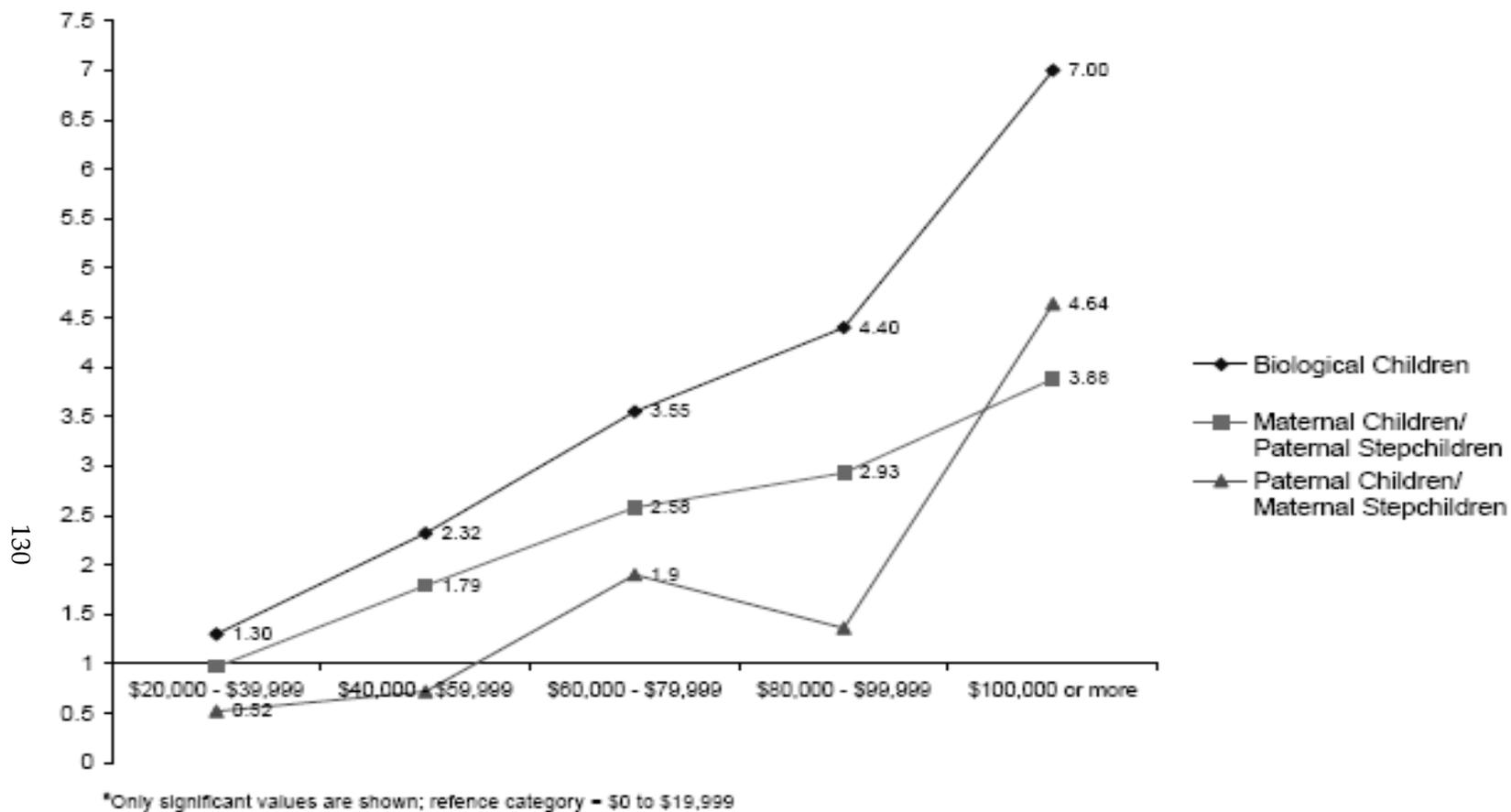


Figure 7: Odds Ratios for Adult Child Transfer Receipt by Kinship Status and Parents' Household Income

The pattern was much more complex for paternal children/maternal stepchildren. Parents/stepparents who made between \$20,000 and \$40,000 were nearly 50% *less* likely to provide financial assistance than parents who reported incomes between \$0 and \$20,000. Paternal children/maternal stepchildren whose parents reported incomes between \$40,000 and \$60,000 were also *less* likely than the reference category to receive transfers, but this result was not statistically significant. At \$60,000 to \$80,000, the odds were 1.9 times greater than for paternal children/maternal stepchildren whose parents reported incomes below \$20,000. The odds for the \$80,000 to \$100,000 category were lower than for the previous category and not statistically significant. When the parents/stepparents' household incomes were \$100,000 or greater, the likelihood of transfer receipt was 4.6 times greater; this was a higher odds ratio than the comparable odds ratio for maternal children/paternal stepchildren.

4.4 Summary and Conclusions

This research demonstrates that kinship status was an important predictor of the likelihood that midlife parents provided financial assistance to their adult children or stepchildren over time. Several aspects of intergenerational solidarity are evident: how family and stepfamily members are linked via intergenerational transfers (i.e., functional solidarity); what latent kinship-matrix characteristics affect the activation of financial assistance; and how parent and adult child characteristics may influence the likelihood of instrumental support for adult children.

This research shows that the likelihood of transfer receipt for adult children varies over time. Repeated measures of transfers over a short period of time (i.e., four measures over seven to eight years) reveal that more adult children receive financial transfers than previous research has indicated (Berry 2001; Eggebeen and Hogan 1990; McGarry and Schoeni 1995). Over 36% of adult children received at least one transfer from parents – a higher percentage than cross-sectional studies have led us to believe. The majority of adult child recipients received only one transfer, which indicates that financial assistance is more likely to be episodic than routine (Eggebeen and Hogan 1990). Yet a small percentage of the sample received multiple transfers over time, suggesting that some families develop a pattern of support over the life course.

This research also shows that the likelihood of transfer receipt by adult children varied greatly based on family structure and kinship status across generations. Stepchildren were consistently less likely to receive transfers and to receive smaller amounts when compared to biological children. However, a closer examination uncovers the fact that this inequality in the likelihood of transfers given to adult children and stepchildren actually reflects the rarity of transfers from remarried fathers to their children from previous marriages. Instead, the likelihood of transfers from remarried mothers and stepfathers to children from mothers' previous marriages is not significantly different from transfers to biological children. Previous speculations suggested that *all* stepchildren would be less likely to receive transfers (Rossi and Rossi

1990; White 1994). Some previous study findings also appeared to support that assertion (Berry 2001; Killian 2004; Pezzin and Schone 1997; Pezzin and Schone, 1999). However, there were no significant differences between biological children and maternal children/paternal stepchildren when kinship status was defined more carefully. Therefore, this study yields new information about the dynamics of intergenerational solidarity after parents' remarriages.

Primarily, the results identify the strong likelihood of weakened functional solidarity between biological fathers and children from previous marriages. This finding was not surprising in light of other research that has shown less frequent contact, less emotional closeness, greater geographic distance and reduced feelings of obligation between divorced fathers and adult children (Cooney and Uhlenberg 1990; Marks 1995; Rossi and Rossi 1990; Shapiro 2004). Lower quality relations between adult children and divorced fathers are clearly reflected in weakened solidarity across multiple dimensions. However, it is not clear if fathers' remarriages instigate further decline in solidarity beyond the effects of the initial parental divorce or if weaker functional solidarity is an aspect of the overall decline in the relationships between divorced fathers and adult children over the life course.

Second, the functional solidarity of relations between adult children, mothers, and stepfathers appears not to be different than the solidarity within intact families. Latent-kin matrices that include stepfathers may be activated for financial assistance on

par with the assistance provided to adult children by continuously-married parents. This study shows that stepfathers' roles must be considered more carefully in future research about intergenerational solidarity. Ganong and colleagues (1995) determined that stepfathers are generally expected to assume at least some of the financial responsibilities for young coresident children. The results of this study indicate that stepfathers may maintain this commitment voluntarily, or from a sense of continued obligation, after the children reach adulthood. It could not be determined if transfer behaviors reflected normative solidarity – attitudes mutually recognized by both generations about family obligations to care for and support each other – but this research points toward new ways of viewing the latent-kin network and its relevance to modern families (Riley 1983; Silverstein et al. 1997).

There is insufficient information available to determine if stepfathers helped stepchildren but not their own children from previous marriages or if they were assisting more family members of the next generation equally regardless of kinship status. However, the results provide clues that family solidarity may be regenerated after parental remarriage and suggest that custody arrangements and coresidence probably play an important role in the linkages between adult children and stepparents later in life. Cherlin and Furstenberg (1994) asserted that given the tendency to award physical custody of young children to the mother after a divorce, it would seem logical that “kinship exchanges over the long-term are strongly tilted toward the (custodial)

mother's side of the family" (p. 369). As the first study to compare the effects of kinship status in remarriages for biological and stepparents, the findings reported here support that argument in the case of financial assistance.

Differences in coresidence patterns (i.e., structural solidarity) are likely related to weakened affectual, associational and consensual solidarity within families of divorce and remarriage (Aquilino 1991; Shapiro and Lambert 1999). The significantly decreased likelihood of intergenerational coresidence with a remarried parent (and stepparent) shown in Table 1 reflects this change in relationship quality and support – both in relation to any coresidence as well as to returning to parents' home to coreside after living independently. Kronebusch and Schelsinger (1994) argue that coresidence is an intergenerational transfer with monetary value (i.e., the savings represented for the adult child by not paying rent). In this respect, the study results show that paternal children/maternal stepchildren were again at a disadvantage compared to maternal children/paternal stepchildren and biological children.

The inclusion of coresident adult children in the sample represented a trade-off. When the data were collected, if an adult child was nonresident, the parent was asked to estimate that child's household income. However, if the adult child coresided, information was not requested about his or her income. Previous studies that have examined financial transfers have limited the sample to nonresident children only (Eggebeen 1992; Eggebeen and Hogan 1990; Killian 2004; Pezzin and Schone 1999).

However, since coresidence has monetary value and may have been substituted for financial assistance, we included coresident children. We found no evidence of a substitution effect. In fact, since coresidence was associated with a higher likelihood for transfer receipt, parents/stepparents apparently provided the assistance in the forms of living space *and* money.

However, including coresident children meant that we were unable to determine if transfers were motivated by financial need. Many have speculated that transfers are motivated by an adult child's financial need (Eggebeen 1992; Furstenberg et al. 1995; Rossi and Rossi 1990). Studies with samples limited to nonresident adult children have shown that adult children with lower incomes are more likely to receive financial assistance from parents (Berry 2001; Furstenberg et al. 1995). Even the results presented in this chapter showing that coresidence increased the likelihood of transfer receipt suggest that adult stepchildren, in particular, who lived with their parents/stepparents may have had greater financial need for intergenerational assistance than their nonresident siblings. However, the complexity and relativity of defining "need" for each child and the potential for conflicting needs within families severely hamper our ability to determine motives accurately. This requires information about parents' motives for giving (Silverstein 2006).

By including coresident children in the sample, we also faced the risk that college students were counted as household members because they had not established a

separate residence but, in actuality, only lived with the parents when school was not in session. An interaction effect was tested for coresidence and school attendance (analyses not shown). The interaction effect was significant but did not improve model fit.

Concerns may be raised that parents may have counted college expenses as financial transfers, but various factors such as the average and median amounts transferred as well as the high percentage of adult children not in school who received financial assistance indicated that most respondents interpreted the survey question to not include college expenses.

The timing of remarriage may have been an important turning point that created greater unobserved heterogeneity within the stepchild categories. The greater variances in demographic characteristics, family structures and life course patterns for blended families compared to intact two-parent families may make it more difficult to explain what factors are more influential for the likelihood of giving financial assistance to stepchildren. These issues should be explored further in future research.

5. The Influence of Adult Child Life Course Transitions on Receipt of Financial Assistance from Midlife Parents

As members of a multigenerational family age together, life course transitions among adult children can occur simultaneously with or close in time to the ongoing life course experiences of their midlife and older parents. Adult children may begin, leave, or complete postsecondary schooling. They may get married, become divorced or widowed, have children, or experience several changes in work status or income level over time. Occasionally, they may continue to coreside with their parents or even return to live in their parents' homes for a short period. These patterns have increased in recent years, making the so-called transition to adulthood more diversified in timing, order, and relevance of events and turning points that are commonly associated with this transition such as completing education, entering the labor market, getting married and establishing one's own household separate from the parents' household (Settersten et al. 2005). The multiple events associated with this transition also occur over a longer period of time than the transitions experienced by previous generations (Settersten et al. 2005).

These changes in the timing and turning points of the transition to adulthood raise questions about solidarity within intergenerational families. Previous research using the solidarity framework has focused primarily on how parental life course experiences such as divorce or remarriage have affected their relationships with adult

children (Amato and Booth 1997; Lawton et al. 1994; White 1994). However, the diversification and expansion of the transition to adulthood in recent decades also influences the character of relationships between parents and adult children. Parents of past generations may have expected to be free of obligations to adult children earlier in the life course – particularly financial obligations. For example, in the 1950's, children (especially daughters) were less likely to attend postsecondary schooling and got married early in life. College attendance rates have soared in recent decades and the median age at first marriage has increased as well. As a result, many adult children have maintained prolonged dependence on midlife parents for financial assistance through the college-age years (i.e., 18 – 23). Thus, family solidarity was expressed differently in previous generations than one might expect for recent cohorts (Cooney and Uhlenberg 1992).

Previous chapters described the influence of midlife parents' ages, marital statuses and kinship structures on family solidarity in the form of financial transfers. Alternatively, the present chapter addresses questions about family solidarity based on the adult children's ages, life course statuses and life course transitions that occurred during the study period. Using fixed-effects nonlinear multilevel models, I examine financial assistance from midlife parents to adult children based on the changes that occurred in adult children's lives. This chapter explores the associations of children's

transitional events with intergenerational financial transfers and how the timing of such transitional events are influential for patterns of transfer receipt.

5.1 Hypotheses

Expectations about parental support for adult children who experience life course transitions suggest several important hypotheses. First, younger adult children are more likely to receive financial assistance than older adult children. However, it is unclear if this pattern is related to age differences or corresponding adult child life course statuses. Younger adult children are more likely to experience life course events such as postsecondary schooling, labor force fluctuations and coresidence with parents compared to older adult children. The stage of the life course known as the transition to adulthood is more likely to occur in early adult years (Settersten et al. 2005). The life course transitions associated with that stage are more likely for younger adult children than for relatively stable older adult children who are age 30 or above.

Second, I hypothesize adult child life course statuses and life course transitions that occurred during the study period may all be deterministic factors that midlife parents take into account when making financial assistance decisions. School attendance is expected to increase the likelihood of transfer receipt significantly. However, Kronebusch and Schlesinger (1994) explained that coresidence can be interpreted as a transfer with monetary value, so I hypothesize that coresident adult children will be less likely to receive financial assistance than nonresident children. I also expect that the

timing of transitional events for adult children such as entering or leaving postsecondary schooling, changes in coresidence and changes in marital status may be influential for patterns of transfer receipt. Among nonresident children, additional events such as buying a home or having a child may also positively impact the receipt of financial assistance from parents. Schooling is particularly expected to affect positively the amount of money received from parents who give assistance while coresidence is expected to affect amount received negatively, if at all. It is difficult to hypothesize how other life course transitions might affect amounts transferred by parents who share financial resources.

Third, recognizing that intergenerational transfers are multilevel phenomena, I strongly expect that the incomes of the midlife parents affect the likelihood of giving financial assistance to an adult child. Studies examining this issue have typically used cross-sectional data to demonstrate a link between parental socioeconomic status and the propensity to give money to adult children as well as the amount given (Soldo and Hill 1993). I found parents' incomes changed very little between 1992 and 1998 such that the measure on income in 1992 was a strong approximation of parents' incomes across the full time period. Connidis (2001) states, "Meeting the substantial challenges that families face in providing support to one another is either impeded or facilitated by access to resources." (p. 203). Questions remain though as to how access to resources is reflected in transfer behaviors.

Finally, I hypothesize that parents who make transfers once are more likely to develop patterns of routine assistance over time. Despite the hypothesized associations between transfers and one-time life course transitions (i.e., midlife parents acting as “a safety net”), it seems more likely that financial gifts or loans provided for one transition or life course change may reflect a selection effect. In other words, parents who give once to an adult child as a response to the child’s life course experiences are more likely to give again than parents who are unable to or decide not to give any financial assistance.

5.2 Influence of 1992 Life Course Statuses on Likelihood of Transfer Receipt in 1994

Multiple fixed-effects models were tested to determine which life course statuses and/or life course transitions of adult children that occurred during the two-year intervals between waves influenced the likelihood of receiving financial assistance from parents. Many factors were significant predictors individually, but a limited number had predictive value that improved model fit over basic demographic models. This was particularly true after receipt of a financial transfer of \$500 or more in the previous wave was included in all models. The most influential life course statuses of children – in school and coresidence – are discussed in more detail below because transitions related to each during Interval 1 also improved model fit.

Table 14: Effects of School Transitions on the Likelihood of Transfer Receipt During the 1992 - 1994 Interval

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Characteristics of the Adult Child	Model 1		Model 2		Model 3		Model 4		Model 5	
	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio	Estimate	Odds Ratio
Gender (s.e) <i>ref=female</i>	-0.140† (0.06)	0.87	-0.154* (0.06)	0.86	-0.156* (0.06)	0.86	-0.138† (0.06)	0.87	-0.139† (0.06)	0.87
Non-White	-0.396*** (0.09)	0.67	-0.392*** (0.09)	0.68	0.409*** (0.09)	0.66	-0.403*** (0.09)	0.67	0.395*** (0.09)	0.67
Hispanic	-0.735*** (0.14)	0.48	-0.768*** (0.14)	0.46	0.795*** (0.14)	0.45	-0.740*** (0.14)	0.48	0.733*** (0.14)	0.48
18-23 years old	0.894*** (0.09)	2.44	0.794*** (0.09)	2.21	0.793*** (0.09)	2.20	0.880*** (0.09)	2.41	0.916*** (0.09)	2.50
24-29 years old <i>ref = 30 yrs and older</i>	0.415*** (0.07)	1.51	0.399*** (0.07)	1.49	0.411*** (0.07)	1.51	0.411*** (0.07)	1.51	0.423*** (0.07)	1.53
Years of education	0.054** (0.02)	1.06	0.029 (0.02)		0.018 (0.02)		0.045* (0.01)	1.05	0.057*** (0.01)	1.06
Number of siblings	-0.274*** (0.02)	0.76	-0.278*** (0.02)	0.76	0.278*** (0.02)	0.76	-0.275*** (0.02)	0.76	0.274*** (0.02)	0.76
Did not work	0.331** (0.07)	1.39	0.263** (0.08)	1.30	0.261** (0.08)	1.30	0.342*** (0.08)	1.40	0.342*** (0.08)	1.40
Worked part-time (<i>ref=Worked full-time</i>)	0.354** (0.09)	1.42	0.245† (0.09)	1.28	0.234† (0.09)	1.26	0.369*** (0.09)	1.45	0.369*** (0.09)	1.45
Coresided with parents	0.652*** (0.09)	1.91	0.471*** (0.09)	1.60	0.471*** (0.09)	1.60	0.659*** (0.09)	1.93	0.667*** (0.08)	1.95
Married	-0.234** (0.07)	0.79	-0.215* (0.07)	0.81	-0.215* (0.06)	0.81	-0.222** (0.07)	0.80	0.234*** (0.07)	0.79

Table 14 Continued: Effects of School Transitions on the Likelihood of Transfer Receipt During the 1992 - 1994 Interval

Characteristics of the Adult Child	Model 1		Model 2		Model 3		Model 4		Model 5	
	Estimate	Odds Ratio								
Received transfer in 1992	2.107*** (0.07)	8.22	2.083*** (0.07)	8.00	2.098*** (0.07)	8.15	2.109*** (0.07)	8.22	2.11*** (0.07)	8.25
In school in 1992			0.591*** (0.09)	1.81						
Remained in school '92-'94					0.891*** (0.09)	2.44				
Began school during '92-'94							0.747*** (0.15)	2.11		
Left school during '92-'94									-0.190 (0.11)	
Intercept	-3.078*** (0.23)		-2.720*** (0.23)		-2.580*** (0.24)		-2.975*** (0.23)		-3.117*** (0.23)	
Deviance statistic	1.693*** (0.05)		1.694*** (0.05)		1.698*** (0.06)		1.695*** (0.05)		1.695*** (0.05)	
BIC statistic		13453		13436		13399		13439		13459
Difference from Model 1				-17		-54		-14		6
df		5862		5862		5862		5862		5862

N=20125

†p<.05 *p<.01 **p<.001 ***p<.0001

Various life course statuses of adult children in 1992 were influential predictors of the likelihood to receive financial assistance in 1994, as seen in Table 14. Work status – either not working or working part-time – was a significant variable in all models when compared to children who were working full time (i.e., 30 or more hours per week). Adult children who were not working or working part-time were approximately 1.4 times more likely to receive financial transfers than children working full-time when school status was not included. However, the effects of work status were moderated by school status in 1992 and during the first interval. The effects of not working on the likelihood for transfer receipt were reduced 9% when past or prolonged school attendance was included. The effects of working part time were reduced 10 -11% when past or prolonged school attendance measures were included, as shown in Models 2 and 3 respectively. Marital status was a significant variable as married children were also nearly 20% less likely to receive a transfer than single children regardless of school status. However, while significant variables individually, work status and marital status did not improve model fit. This suggests that both life course statuses were minimal predictors of the likelihood to receive financial transfers in 1994. [Table 16 provides more details about model-fit and is discussed further below.]

The factor with the most impact on the likelihood of transfer receipt during Interval 1 was whether the child had received a transfer in the year prior to the baseline interview in 1992. Recipients of previous transfers were 8.2 times more likely to receive

a transfer in 1994 than non-recipients before school status variables were included. This effect was even stronger when non-resident children were considered separately (OR = 11.2, $p < .0001$). Apparently, non-resident adult children who tend to be older and more settled in relation to life course transitions are more likely to receive financial gifts if there has been established pattern of receipt at previous times. This effect will be explored in more detail below.

5.2.1 Schooling and Transfers: Findings for Interval 1 (1992 to 1994)

Table 14 provides an example of the school status transitions that were measured for Interval 1 between the 1992 and 1994 waves. The dependent variable was the likelihood of transfer receipt in 1994. Across all five models, it is clear that multiple baseline demographic variables had significant and consistent effects on the likelihood of receiving financial assistance. Each of the models demonstrates that race, ethnicity, age, and family structure had strong effects on the likelihood of transfer receipt. Compared to adult children who were 30 and older, younger adult children were significantly more likely to receive financial assistance. The college-age children (18 – 23 years) were 2.4 times more likely and the “under 30” children (24 – 29 years) were 1.5 times more likely than the reference group to receive financial assistance when school status was not included (i.e., Model 1). The propensity to receive a transfer declined nearly 25% for each additional sibling within families. Gender was a significant

predictor such that female children were 13 - 14% more likely to receive transfers than male children.

Model 2 in Table 14 demonstrates that children who had been in school at baseline were significantly more likely to receive a transfer in 1994. The 12% of the sample that was in school in 1992 were 1.8 times more likely to receive financial assistance from their parents. It should be noted that despite reaching the age of 18 years, some of these students had not yet completed a high school diploma. However, the great majority were pursuing a college degree. The test for model fit indicates that prior school status is somewhat influential for the model (BIC difference = -17).

Model 3 demonstrates that remaining in school throughout the first interval was more significant (OR= 2.4, $p < .0001$) and contributed more effectively to a better-fitting model than the one that included only prior school status (BIC difference = -54). Nearly half of those in school in 1992 were still in school in 1994 – 5.8% of the sample. This shows that a dynamic measure of school status *over time* was more influential for understanding transfer receipt than a cross-sectional measure of school status indicated. The odds of receiving financial assistance were 35% greater for those who remained in school across the 1992/1994 interval when compared to the influence of school status in 1992 alone. Prolonged school attendance was a life course experience, usually in the midst of the transition to adulthood, which strengthened family solidarity via financial assistance. Models 2 and 3 demonstrate that school attendance slightly moderated the

effects of age for the youngest adult children, work status, coresidence, and the effects of receiving financial assistance in 1992.

Beginning school between waves was also an influential factor for the likelihood of receiving a transfer. Model 4 in Table 14 demonstrates that the odds ratio is 2.1 – suggesting that beginning school during Interval 1 is more influential for transfer receipt than being in school in 1992. This may relate to the typical startup costs associated with college entrance. However, Models 2 and 4 only weakly improved model fit. Model 3 showed a strong effect on model fit such that prolonged school attendance through Interval 1 reduced the Bayesian Information criterion by 54 points. More than 50% of individuals who attended school in 1992 left school between waves. Model 5 in Table 3.1 demonstrates that leaving school was not a significant predictor of transfer receipt. Additionally, for models that did not include being in school in 1992 (models 1, 4 and 5), each additional year of education increased the odds of financial assistance by 5 to 6%. When adult children had been in school in 1992, educational achievement did not predict the likelihood of transfer receipt. Finally, in the same models of Table 14 coresident children were 1.9 times more likely to receive transfers as nonresident adult children (i.e., when school status was excluded from the analyses). However, when school status was included in Models 2 and 3, the influence of coresidence on the likelihood of transfer receipt decreased 28%, suggesting a school-by-coresidence

interaction. However, this interaction was not significant when tested in additional models (analyses not shown).

5.2.2 Coresidence and Transfers: Findings for Interval 1 (1992-1994)

Adult children's residential statuses complicated the analyses for two main reasons. First, one-half of adult children who were in school were also identified as coresident with parents. It was impossible to determine if children were actually living in the parents' home at the time of the interview or coresided with parents as dependents (e.g., during school breaks if they were attending a residential college). Second, family respondents (who provided information about all adult children) were asked about the incomes of nonresident adult children only. However, since coresidence has monetary value and may have been substituted for financial assistance, I chose to include coresident children in the sample. It should also be noted that coresidence was most often related to young adult children who had not left their parents' home before 1992. Some returned to the home, but an extremely limited number returned as caregivers for older parents. Primarily, coresidence was an activity meant to benefit adult children before or during their own life course transitions. Seventeen percent of the sample coresided in 1992. Over 60% of 1992 coresidents remained in this status through Interval 1.

Table 15: Adult Child Characteristics and Coresidence Transitions Predicting Transfer Receipt During 1992 - 1994 Interval

	Model 1		Model 2		Model 3		Model 4		Model 5	
	Estimate	Odds Ratio								
Gender	-0.136†	0.87	-0.154*	0.86	-0.150*	0.86	-0.136†	0.87	-0.137†	0.87
(s.e) <i>ref=female</i>	(0.06)		(0.06)		(0.06)		(0.06)		(0.06)	
Non-White	-0.374***	0.69	-0.392***	0.68	-0.401***	0.66	-0.372***	0.69	-0.367***	0.69
	(0.09)		(0.09)		(0.09)		(0.09)		(0.09)	
Hispanic	-0.699***	0.50	-0.768***	0.46	-0.745***	0.45	-0.692***	0.50	-0.696***	0.50
	(0.14)		(0.14)		(0.14)		(0.14)		(0.14)	
18-23 years old	0.950***	2.59	0.794***	2.21	0.866***	2.21	0.939***	2.56	0.917***	2.50
	(0.09)		(0.09)		(0.09)		(0.09)		(0.09)	
24-29 years old	0.473***	1.60	0.399***	1.49	0.418***	1.51	0.422***	1.52	0.417***	1.51
<i>ref = 30 yrs and older</i>	(0.07)		(0.07)		(0.07)		(0.07)		(0.07)	
Years of education	0.027		0.029		0.026		0.027		0.027	
	(0.02)		(0.02)		(0.02)		(0.02)		(0.02)	
Number of siblings	-0.289***	0.75	-0.278***	0.76	-0.282***	0.76	-0.289***	0.75	-0.287***	0.75
	(0.02)		(0.02)		(0.02)		(0.02)		(0.02)	
Did not work	0.313***	1.37	0.263**	1.30	0.278**	1.30	0.307***	1.36	0.307***	1.36
	(0.07)		(0.08)		(0.08)		(0.08)		(0.08)	
Worked part-time	0.297*	1.35	0.245†	1.28	0.258*	1.26	0.293*	1.34	0.293*	1.34
<i>(ref=Worked full-time)</i>	(0.09)		(0.09)		(0.10)		(0.09)		(0.09)	
In school in 1992	0.568***	1.76	0.471***	1.60	0.505***	1.81	0.579***	1.78	0.555***	1.74
	(0.09)		(0.09)		(0.09)		(0.09)		(0.09)	
Married	-0.355***	0.70	-0.215*	0.81	-0.279**	0.81	-0.346***	0.71	-0.330***	0.72
	(0.06)		(0.07)		(0.06)		(0.06)		(0.06)	

Table 15 Continued: Adult Child Characteristics and Coresidence Transitions Predicting Transfer Receipt During 1992 - 1994 Interval

	Model 1		Model 2		Model 3		Model 4		Model 5	
	Estimate	Odds Ratio								
Received transfer in 1992	2.073*** (0.07)	7.95	2.083*** (0.07)	8.00	2.086*** (0.07)	8.01	2.073*** (0.07)	7.95	2.070*** (0.07)	7.92
Coresided with parents			0.591*** (0.08)	1.81						
Remained with parents '92-'94					0.495*** (0.09)	1.52				
Moved into parents' home during '92-'94							0.617** (0.18)	2.00		
Moved out of parents' home during '92-'94									0.328* (0.11)	1.46
Intercept	-2.569*** (0.24)		-2.720*** (0.23)		-2.633*** (0.24)		-2.586*** (0.24)		-2.602*** (0.24)	
Deviance statistic	1.693*** (0.05)		1.694*** (0.05)		1.698*** (0.05)		1.695*** (0.05)		1.691*** (0.05)	
BIC statistic		13510		13436		13489		13508		13509
Difference from Model 1				-74		-21		-2		-1
df		5862		5862		5862		5862		5862

N=20125

†p<.05 *p<.01 **p<.001 ***p<.0001

Table 15 shows the effects of various coresident statuses or transitions. Adult children who (1) were coresident at baseline, or (2) remained coresident during Interval 1 or (3) experienced a change in residential status during Interval 1 were significantly more likely to receive financial assistance once demographic factors and life course statuses (including school status in 1992) were controlled. The effects of demographic characteristics and life course statuses were consistent across all models and very similar in effect sizes to those for the same variables in Table 14. The exception is that the inclusion of school status as a variable in Table 15 moderates the predictive effect of educational achievement.

Coresident adult children in 1992 were 81% more likely to receive transfers in 1994 compared to non-resident children. Model 2 shows that this factor also contributed strongly to a better-fitting model (BIC difference = -74). Model 3 shows that a variable identifying those who remained coresident during Interval 1 had a moderate effect on model fit (BIC difference = -21). The odds ratios for those who remained coresident were 52% higher than for non-resident children. The act of returning to the parents' home increased the odds of receiving financial assistance more than the odds for those who moved out during Interval 1 (2.0 vs. 1.5, $p < .001$). On the other hand, the addition of variables for those children who changed residence during Interval 1 – either moving out of the parents' home or returning to coreside – had negligible effects on model fit (BIC difference < -5). Thus, the evidence indicates that coresident adult children

received transfers more often than non-resident children but this did not offer more complete explanations for which life course transitions might influence parental transfer behaviors. There was no evidence of a substitution effect. In fact, since coresidence was associated with a higher likelihood for transfer receipt, parents apparently provided the assistance in the forms of living space *and* money.

5.2.3 Tests of Other Transitions That Occurred During Interval 1 (1992 and 1994)

Multiple fixed-effects models were tested to determine which life course statuses and/or life course transitions of adult children that occurred during the two-year intervals between waves influenced the likelihood of receiving financial assistance from parents. Many factors were significant predictors individually, but a limited number had predictive value that improved model fit over basic demographic models. This was particularly true after receipt of a financial transfer of \$500 or more in the previous wave was included in all models. Rather than including the results of the fixed-effects models for each of these transitions, Table 16 provides a summary of the individual odds ratios of life course statuses in 1992 and transitions during Interval 1. I also examined model fit using the Bayesian Information Criterion differential test to determine if the effects of individual variables were substantial. The results of the model fit tests are also summarized in Table 16.

Table 16: BIC Model-Fit Test Differentials for Life Course Transitions on the Likelihood of Transfer Receipt During Interval 1 (1992 - 1994)

	% Experiencing Transition	Odds Ratio	d.f.	BIC	BIC difference
ALL ADULT CHILDREN (N=20125)					
Experiencing any transitions					
Demographic model			5862	14639	
+ life course statuses			5862	14408	-231
+ 92 transfer receipt	16.2	8.22***	5862	13453	-955
Experienced one or more transitions during Interval 1	43.4 ^a	1.23***	5862	13483	30
Residence status/transitions					
Demographic model			5862	14639	
+ life course statuses			5862	14286	-353
+ 92 transfer receipt	16.2	8.12***	5862	13510	-776
Coresident in 1992	17.0	1.81***	5862	13436	-74
Remained coresident during Interval 1	10.3	1.52***	5862	13489	-21
Moved out during Interval 1	5.5	n.s.	5862	13509	-1
Moved in during Interval 1	1.8	2.00**	5862	13508	-2
School status/transitions					
Demographic model			5862	14639	
+ life course statuses			5862	14408	-231
+ 92 transfer receipt	16.2	8.22***	5862	13453	-955
In school in 1992	12.0	1.81***	5862	13436	-17
Remained in school during Interval 1	5.8	2.44***	5862	13399	-54
Began school during Interval 1	2.5	2.10***	5862	13439	-14
Left school during Interval 1	6.3	n.s.	5862	13459	6

Table 16 Continued: BIC Model-Fit Test Differentials for Life Course Transitions on the Likelihood of Transfer Receipt During Interval 1 (1992 - 1994)

	% Experiencing Transition	Odds Ratio	d.f.	BIC	BIC difference
Work status/transitions					
Demographic model			5862	14639	
+ life course statuses			5862	14408	-231
+ 92 transfer receipt	16.2	8.12***	5862	13434	-974
Not working in 1992	21.1	1.30**	5862		
Working part-time in 1992	9.6	1.28†	5862	13425	-9
Stop working during Interval 1	5.3	1.74***	5862	13420	-14
Moved from FT to PT work during Interval 1	1.9	2.17***	5862	13425	-9
Gained work during Interval 1	10.0	n.s.	5862	13442	8
Marital status/transitions					
Demographic model			5862	14639	
+ life course statuses			5862	14377	-262
+ 92 transfer receipt	16.2	8.03***	5862	13438	-939
Married in 1992	52.7	0.81*	5862	13436	-2
Got married during Interval 1	6.6	n.s.	5862	13446	8
Became divorced or widowed during Interval 1	4.8	1.91***	5862	13421	-17

Over 40% of the sample experienced at least one life course transition in the areas of schooling, residence, work or marriage during Interval 1. Thus, a general measure of whether any transition had occurred during Interval 1 was also tested. While the odds of transfer receipt were higher for adult children who experienced one or more transfers (OR = 1.23, $p < .0001$), the variable did not improve model fit for the full sample. However, earlier results indicate that specific life course transitions experienced by adult children could increase the likelihood of financial assistance from midlife parents. Namely, coresidence and schooling transitions appear to influence transfer receipt. Thus, the results for coresidence and school transitions are restated in Table 16.

Previous research indicates that parents were motivated to assist children who lost work or had lower income levels than siblings (Berry 2001; Ploeg et al. 2004). Thus, transitions in work status during Interval 1 were tested specifically to determine if they influenced parents' transfer behaviors differently in this sample. Loss of work was measured in two ways: workers who had been working in 1992 (full-time or part-time) but were no longer working in 1994 and workers who had decreased their hours in the workforce from 30 hours or more to less than 30 hours (i.e., full-time to part-time). Adult children who stopped working were significantly more likely to receive financial assistance within families than individuals who maintained the same status across Interval 1 (see Table 16). However, this had only a moderate effect on model fit (BIC difference = -14). A smaller percentage of adult children (1.9%) moved from full-time

work status to part-time work status. This was also a significant predictor of the likelihood of receiving a transfer as those who moved to part-time work were over twice as likely to receive assistance from parents. However, this had a weak effect on model fit overall (BIC difference = -9). Though 10% of the sample gained work during Interval 1, there was no significant effect noted for this positive transition despite a potential for a decreased likelihood of transfer receipt. None of the work status transitions had strong effects according to the BIC model fit tests – suggesting that work status changes are not clear indicators of receiving financial assistance from midlife parents.

Theorists studying intergenerational transfers have also suggested that midlife parents are more likely to provide financial assistance to recently divorced or widowed adult children to help them through a difficult transition period (Connidis 2001; Shapiro 2004). During Interval 1, nearly five percent of the sample experienced divorce or widowhood and the evidence indicates that these individuals were nearly twice as likely to receive transfers compared to individuals who did not experience a marital transition. I found that this transition had a moderate effect on model fit (BIC difference = -17). On the other hand, there was no significant effect identified for adult children who got married between 1992 and 1994. Together, these findings indicate that midlife parents were more likely to provide a safety net of support for adult children who experienced marital dissolution than to assist adult children who got married.

Earlier studies also have indicated that parents choose to assist adult children who are making positive family-oriented transitions in relation to marital status or parenthood (Ploeg et al. 2004). However, analyses using children of the HRS sample do not support this finding. In fact, unmarried adult children in 1992 – nearly half of the sample – were more likely to receive financial assistance in 1994 from parents than married adult children (OR = 1.24, $p < .01$). An interaction term of marital status by age, though not significant itself, reduced the significance of 1992 marital status, suggesting that the effects of marital status on transfer receipt are age-dependent (analyses not shown). As to the introduction or addition of children (i.e., grandchildren for the HRS cohort), the adult child's status as a parent or transition to parenthood was not a significant factor in any model.

5.2.4 Nonresident Adult Children During Interval 1 (1992 – 1994)

If adult children did not coreside with their parents, the family respondent provided additional information about each child regarding income, home ownership, and whether the adult children lived near (i.e., within a 10-mile radius) or farther away. Transition variables were tested for each of these categories for the sample of nonresident children ($n=15696$). For this sample, the most significant factor predicting the likelihood of a transfer in 1994 was the receipt of a transfer of \$500 or more in the previous wave. Nonresident adult children were over twelve times more likely to receive a transfer in 1994 if they had received assistance from their parents in 1992. This

further reinforces findings presented in earlier chapters that intergenerational financial transfers are more commonly a patterned behavior within families than a singular event that can be captured accurately with cross-sectional data.

Nearly 40% of the subsample of nonresident children experienced one or more transitions between 1992 and 1994. A life course transition increased the odds that adult children received financial assistance by 42% and this variable had a strong effect on model fit. It is not clear why the inclusion of this variable for nonresident children improved model fit whereas it had not done so when it was included in the model for the full sample of adult children. Residence status did not vary and school status was not significant for nonresident children which may have contributed to the increased effect of this general measure of change (analyses not shown). This suggests that the experience of one or two transitions by non-resident children was sufficient to affect the likelihood that parents would provide financial assistance, but not for coresident children. Instead, it appears that coresident children were more likely to receive transfers regardless of the stability of their life courses. Parental transfers to children cannot be pinpointed to specific life course transitions once children move beyond early adulthood.

There were several measures of change for nonresident adult children based on the additional information that was provided. First, variables were created signifying either a loss of income or a gain in income between waves. [Adult children's incomes

were estimated by incremental categories in 1992 so a loss or gain of income during Interval 1 was represented as a downward or upward change in category.] The loss of income had a strong effect on model fit (BIC difference = -27) suggesting that some parents may have provided financial assistance to offset income losses for adult children. On the other hand, income gains had a negligible effect on model fit. Each factor was statistically significant and indicated that adult children who experienced substantial declines in income were 90% more likely to receive a transfer (OR = 1.90, $p < .0001$) while those who gained substantial increases in income were 20% less likely to receive a transfer (OR = .80, $p < .01$). While buying a home between waves, regardless of the adult child's income level, was an important factor impacting the likelihood of transfer receipt (OR = 1.40, $p < .01$), this asset-building activity also had a negligible effect on model fit -- suggesting that parents are not likely to assist adult children buying a first home. Adult children who moved closer to their parents during Interval 1 (i.e., moved within a 10-mile radius) were more likely to receive a transfer than those who did not move or moved further away from their parents (OR = 2.28, $p < .0001$). This factor had a moderate effect on model fit (BIC difference = -18.54). Other studies examining proximity to parents have demonstrated a positive effect of living closer on the likelihood of transfer receipt (Shapiro, 2004). Moving away from the parents' home (outside a 10-mile radius) had no significant effect.

5.3 Age as a Moderator of Transfers

Once the sample was divided into three subsamples by age category, the effects of specific life course transitions were found to be strong for model fit only for the youngest category of adult children (see Table 17). Fittingly, the specific life course event of remaining in school between waves maintained significance for the “college years” adults (OR=3.42, $p<.0001$) and the variable strongly improved model fit (BIC difference= -60.8). While this event was also significant for the “under 30” adults (OR=2.48, $p<.0001$), the variable had only a weak effect on improving model fit by comparison (BIC difference = -9.7). For the reference group of adult children 30 and older, the variable was not significant. Beginning school between waves was a significant predictor for all subsamples on the likelihood of transfer receipt. For each sample, the odds ratio was approximately 2 to 1 in favor of those who began school ($p<.001$). However, the addition of the variable to the model had no effect on model fit for any of the age groups.

Remaining coresident during Interval 1 showed similar results in relation to the variable’s effect on model fit. Coresident “college age” adults were 113% more likely to receive a transfer than non-resident adults of the same age group and the variable had a strong effect on model fit for this subsample (BIC difference = -75.0). However, the variable had no discernable effect on model fit for the “under 30” or “30 and older” subsamples. By comparison, the measure of 1992 residence status was significant and

had a strong or moderate effect on model fit for all three subsamples. In other words, coresident adult children were favored over nonresident children, but as coresident children aged, uninterrupted coresidence during Interval 1 did not influence the likelihood of transfer receipt.

Despite the fact that “under 30” adult children were generally more likely to receive transfers than the reference group of those 30 and older, it is only among the youngest “college age” adult children that specific life course statuses were influential for model-fit statistics. This suggests that the temporal extension of the transition to adulthood – particularly as it relates to a growing expectation of receiving a college education – is an important influence on the likelihood of parents to make financial transfers to their adult children.

Interestingly, the opposite effect was seen when a general measure of change was used instead. Experiencing one or more transitions during Interval 1 was not significant for the “college age” adults. However, the variable was significant and had a notable effect on model fit for the other subsamples. For the adult children aged 24 – 29 who experienced life course transitions between waves, the odds ratio was 1.38 and for adult children aged 30 and above, the odds ratio was 1.42. For both groups, this variable had a moderate effect on model fit (BIC differences were -17.3 and -17.9, respectively).

Table 17: Effects of Life Course Transitions on the Likelihood of Receiving Financial Assistance Moderated by Age

	18-23 years		24 - 29 years		above 30 years	
	Odds Ratio	BIC differential	Odds Ratio	BIC differential	Odds Ratio	BIC differential
Demographic model and education level		4391.8		4360.3		6284.8
+ 92 transfer receipt	7.47***	-282.1	7.71***	-309.8	13.68***	-462.6
+coresidence in 1992	2.93***	-110.4	1.89***	-17.1	2.09***	-14.0
+In school in 1992	2.30***	-30.1	1.62*	-1.4	n.s.	6.2
Remained in school during Interval 1	3.42***	-60.8	2.48***	-9.7	n.s.	6.9
Began school during Interval 1	1.77†	2.7	2.39*	2.1	2.33*	0.1
Remained coresident during Interval 1	2.13***	-75.0	1.44†	-3.1	1.92*	2.4
Experienced 1 or more transitions during Interval 1	n.s.	8.0	1.38***	-17.9	1.42***	-17.3
df	2934		3339		4191	

†p<.05 *p<.01 **p<.001 ***p<.0001

5.4 Stable Transfer Patterns over Time but Unstable Effects of Life Course Transitions

5.4.1 Findings for Interval 2 (1994 to 1996)

The sample size was smaller for the second interval period (n=18355). Much of this results from sample attrition. Even so, 91.2% of the individuals in this sample were retained from the Interval 1 sample. For the analyses conducted here, individuals new to the dataset in 1994 were not included. The sample was limited to adult children for whom data had been provided for all waves in order to demonstrate better the strong effects of transfers reported in previous interviews. Coresidence, school status, work status and marital status in 1994 were measured for all adult children. For nonresident adult children, income level, home ownership status, and distance from the parents' household were also measured. [However, in 1996 and later, respondents were not asked about some adult children's life course statuses because of changes in human subjects protocols (Crimmins, personal communication 2007). This led to some incomplete information about life course transitions for some adult children during Interval 2.] Variables that represented life course transitions during Interval 2 were created from the data available.

Despite the reduced sample size, nearly the same percentage of adult children (16%) received financial transfers during Interval 2 as had received transfers during Interval 1. This stability in transfer receipt is particularly interesting when the age

structures of the two samples are considered in light of the age dependent findings reported in the section above. In 1992, 47.5% of all adult children were under age 30. By 1994, the percentage decreased to 36.2% and by 1996, the percentage had decreased again to 26.8%. The importance of age for identifying which transitions influenced the likelihood of financial assistance, as noted in the section above, would predict that a smaller percentage of adult children would receive financial transfers during Interval 2 to correspond with a smaller percentage of the sample likely to experience early adulthood transitions. However, this prediction was incorrect.

Table 18 provides information about odds ratios and BIC model-fit statistics in a fashion similar to Table 16. Race, ethnicity, age (measured in 1994 at the beginning of Interval 2), education level and family size had significant and consistent effects on the likelihood of receiving financial assistance during Interval 2 (analyses not shown). Therefore, the primary demographic model included gender, race, ethnicity, age, education level and number of siblings. Transfer receipt in the previous wave was again the most influential factor predicting the likelihood of transfer receipt by the end of the two-year period between interviews. In fact, receiving a transfer in 1994 is even more influential for receipt of a transfer during Interval 2 than receipt of a previous transfer's comparable influence during Interval 1. The odds of receiving a transfer during Interval

Table 18: BIC Model-Fit Test Differentials for Life Course Transitions on the Likelihood of Transfer Receipt During Interval 2 (1994 - 1996)

	% Experiencing Transition (n=18355)	Odds Ratio	d.f.	BIC	BIC difference
ALL ADULT CHILDREN					
Experiencing any transitions					
Demographic model			5434	13833	
+ life course statuses			5434	13775	-58
+ 94 transfer receipt	16.1	9.58***	5434	12687	-1088
+ 92 transfer receipt	16.4	2.97***	5434	12464	-223
Experienced one or more transitions during Interval 2	36.8 ^d	1.29***	5428	12403	-61
Residence status/transitions					
Demographic model			5434	13833	
+ life course statuses			5434	13741	-92
+ 94 transfer receipt	16.1	9.49***	5434	12675	-1066
+ 92 transfer receipt	16.4	2.97***	5434	12457	-218
Coresident in 1994	12.0	n.s.	5428	12464	7
Remained coresident during Interval 2	7.5	n.s.	5428	12436	-21
Moved out during Interval 2	4.4	1.59**	5428	12426	-31
Moved in during Interval 2	1.7	2.13***	5428	12426	-31
School status in 1994^a					
Demographic model			5434	13833	
+ life course statuses			5434	13775	-58
+ 94 transfer receipt	16.1	9.58***	5434	12687	-1088
+ 92 transfer receipt	16.4	3.00***	5434	12466	-221
+ in school in 1994	8.5	1.42*	5434	12464	-2
Work status in 1994^b					
Demographic model			5434	13833	
+ life course statuses			5434	13748	-85
+ 94 transfer receipt	16.1	9.49***	5434	12670	-1078
+ 92 transfer receipt	16.4	3.00***	5434	12452	-218
Not working in 1994	17.7	1.19†	5434		
Working part-time in 1994	9.1	n.s.	5434	12464	12

Table 18: Continued: BIC Model-Fit Test Differentials for Life Course Transitions on the Likelihood of Transfer Receipt During Interval 2 (1994 - 1996)

	% Experiencing Transition	Odds Ratio	d.f.	BIC	BIC difference
ALL ADULT CHILDREN					
(n=18355)					
Marital status in 1994^c					
Demographic model			5434	13833	
+ life course statuses			5434	13765	-68
+ 94 transfer receipt	16.1	9.58***	5434	12686	-1079
+ 92 transfer receipt	16.4	3.03***	5434	12463	-223
Married in 1994	55.5	0.84*	5434	12464	1
NON-RESIDENT CHILDREN					
(n=15161)					
Demographic model			5019	11041	
+ life course statuses			5019	11013	-28
+ 94 transfer receipt	13.8	10.84***	5019	10099	-914
+ 92 transfer receipt	14.6	3.32***	5019	9904	-195
Experienced one or more transitions during Interval 2	32.8 ^e	1.28***	5019	9888	-16
Lost income during Interval 2		1.28***	5019	9900	-4
Gained income during Interval 2		0.76***	5019	9896	-8
Bought home during Interval 2		n.s.	5019	9911	7
Sold home during Interval 2		n.s.	5019	9908	4
Moved beyond 10 miles		n.s.	5019	9908	4
Moved within 10 miles		1.44*	5019	9905	1

^aSchool status in 1996 was not measured.

^bWork status transitions were not tested. Over 500 cases are missing information about 1996 work status and for transitions that occurred during Interval 2. Tests with remaining cases showed transitions to unemployment, less work and more work were not significant variables.

^cMarital status transitions were not tested. 830 cases were missing information about transitions that occurred during Interval 2. Tests with remaining cases showed marital transitions during Interval 2 were not significant.

^d27.7% experienced 1 transition while 9.1% experienced 2 or more transitions

^e26.1% experienced 1 transition while 6.7% experienced 2 or more transitions

†p<.05 *p<.01 **p<.001 ***p<.0001

2 were 9.6 times higher for those who received financial assistance in 1994 compared to those individuals who did not. This was 18% higher than the effect of a previous transfer on the likelihood of receiving a transfer during Interval 1.

The results also show that individuals who received a transfer in 1992 were three times more likely to receive a financial transfer during Interval 2 than individuals who did not receive financial assistance at baseline. The model-fit tests show that transfer receipt at either of the two prior interviews had a profound effect on the likelihood of receiving financial assistance during the second interval. Over 1400 adult children in this sample received transfers in both prior waves. This represented 7.7% of the sample. Parents' motives for providing financial assistance repeatedly to some adult children could not be ascertained, but the potential effects of life course statuses and transitions during Interval 2 were tested further to determine if specific life course transitions had effects on the likelihood of transfer receipt.

The results presented in Table 16 about transitions during Interval 1 show that, among life course statuses in 1992, only coresidence was both a significant predictor of transfers and had a strong effect on model-fit (i.e., a BIC differential of greater than 25). School attendance in 1992 had a moderate effect on model fit, but work status and marital status in 1992 had no discernable effects on model fit for predicting transfer receipt during Interval 1. Among life course transitions, the following were found to be significant variables and moderately or strongly affective for model fit: remaining

coresident during interval 1, remaining in school during Interval 1, and becoming divorced or widowed during Interval 1. For non-resident children, other life course transitions also met the criteria: experiencing one or more transitions (as a general measure of changes in the adult children's life courses), experiencing a loss in income, and moving near to the parents' household. I hypothesized that these transitions would maintain their significant effects during Interval 2 and that other transitions would maintain their minimal influence when fitting the best models..

More than one-third (36.8%) of the full sample experienced one or more life course transitions between 1994 and 1996. Overall, the number of changes was a significant predictor (OR= 1.29, $p < .0001$) and had a strong effect on model fit (BIC difference = -61). This did not support the hypothesis that a general measure of life course transitions would not affect model fit for the full sample since it had not done so during Interval 1. However, as demonstrated above with the Interval 1 sample, this general change measure was largely dependent on the age of the recipient. When broken down by age category, the number of changes experienced by the adult child was not significant for the youngest age group of "college years" adult children, but it was a significant factor for the other age groups (analyses not shown). As more adult children aged into the older categories during Interval 2, the impact of the general measure of transitions became more evident. Coresidence measured at the previous

wave was also not a significant predictor of financial transfers during Interval 2 as it had been during Interval 1.

However, residence status transitions showed effects for the Interval 2 sample that were not seen in the results for the Interval 1 sample. Namely, those who changed residence (i.e., either moved out or moved into the parents' homes) were more likely to receive financial assistance than those who were either consistently non-resident or remained in coresidence with the parents throughout the interval (see Table 18). The odds of receiving a transfer were greatest for adult children who moved back in with their parents (OR=2.13, $p<.0001$). Re-established coresidence or a change to nonresident status had equally strong effects on model fit. Many of the adult children who returned to their parents' homes likely did so in combination with another life course transition (e.g., a divorce). The percentage that moved back into the parents' home was significantly lower than the percentage that moved out to establish their own residence (1.7 vs. 4.4). This differed from the results found with the Interval 1 sample because moving out was not an influential factor in predicting the likelihood of financial assistance at that time. Some adult children may have received financial assistance so that they could establish their own residence – perhaps reflecting the normative behavior of American adult children to establish households away from the parents' homes.

Other measures of life course transitions were not easily testable for the full Interval 2 sample. However, none had improved model fit well, except for remaining in school during Interval 1. Unfortunately, school transitions could not be measured because family respondents were not asked about the adult child's school status in 1996. Due to missing data regarding adult children's work and marital statuses in 1996, results regarding work or marital transitions are also not included in Table 18. For the remaining cases, work and marital status transitions were tested but found not significant and are not reported in the table.

As mentioned above, reports about non-resident children ($n = 15161$) included information about changes in estimated household income, changes in home ownership and distance from the parents' home (within 10 miles or beyond). The general measure of number of transitions experienced during the interval was significant ($OR=1.28$, $p<.0001$). Its effect on model fit was moderate (BIC difference = -16). While loss of income had a significant positive effect ($OR= 1.28$, $p<.0001$) and income gains had a significant negative effect ($OR=0.76$, $p<.0001$), neither variable had a notable effect on model fit. For this subsample, the effect of previous transfer receipt was 13% stronger than for the full sample ($OR=10.8$ vs. $OR=9.6$, respectively). This suggests a pattern of giving within families that is not related to either specific or general altruistic motives, particularly for adult children who have established themselves outside the parents' home.

5.4.2 Findings for Interval 3 (1996 to 1998)

Table 19 shows the results of tests completed regarding the influence of prior transfer receipt and life course transitions during Interval 3. Again, the goal was to ascertain a pattern of life course transitions that affected the likelihood of transfer receipt between waves. The sample size was smaller for the third interval period (n=16759). Much of the change in sample size results from sample attrition when HRS family respondents left the study (i.e., non-response in 1998) or did not report updates on adult children's lives. Even so, 83.3% of the individuals in this sample were retained from the Interval 1 sample. For the analyses conducted here, individuals new to the dataset in 1996 were not included. The sample was limited to adult children for whom data had been provided for all four waves in order to demonstrate better the strong effects of transfers reported in previous interviews. Despite the reduced sample size, the same percentage of adult children received financial transfers at the beginning of Interval 3 as had received transfers at the beginning of Interval 2 (16%). In 1998, the percentage that received transfers declined to 14.5%.

For Interval 3, transfer receipt in the previous wave was the most influential factor predicting the likelihood of transfer receipt between 1996 and 1998. Adult children who had received a transfer during Interval 2 were nine times more likely to receive transfers during Interval 3. Receipt of financial assistance earlier in the study period was also a significant predictor of receiving a transfer during Interval 3.

Table 19: BIC Model-Fit Test Differentials for Life Course Transitions on the Likelihood of Transfer Receipt During Interval 3 (1996 - 1998)

	% Experiencing Transition (n=16759)	Odds Ratio	d.f.	BIC	BIC difference
ALL ADULT CHILDREN					
Experiencing any transitions					
Demographic model			5063	12111	
+ life course statuses			5063	12065	-46
+ 96 transfer receipt	16.0	9.03***	5063	11089	-976
+ 94 transfer receipt	16.3	3.10***	5063	10881	-208
+ 92 transfer receipt	16.6	1.73***	5063	10842	-39
Experienced one or more transitions during Interval 3	41.4 ^a	1.37***	5063	10798	-44
Residence status/transitions					
Demographic model			5063	12111	
+ life course statuses			5063	12064	-47
+ 96 transfer receipt	16.0	9.03***	5063	11090	-974
+ 94 transfer receipt	16.3	2.72***	5063	10882	-208
+ 92 transfer receipt	16.6	1.73***	5063	10843	-39
Coresident in 1996	9.3	n.s.	5063	10842	-1
Remained coresident during Interval 3	6.0	n.s.	5063	10852	9
Moved out during Interval 3	4.5	n.s.	5063	10851	9
Moved in during Interval 3	1.7	n.s.	5063	10848	6
NON-RESIDENT CHILDREN (n=15201)					
Demographic model			4886	10586	
+ life course statuses			4886	10554	-32
+ 96 transfer receipt	15.2	9.63***	4886	9674	-880
+ 94 transfer receipt	15.2	3.19***	4886	9493	-181
+ 92 transfer receipt	15.7	1.66***	4886	9469	-24
Experienced one or more transitions during Interval 3	39.3 ^b	1.36***	4886	9437	-32

^a31.8% experienced 1 transition while 9.6% experienced 2 or more transitions

^b31.2% experienced 1 transition while 8.2% experienced 2 or more transitions

†p<.05 *p<.01 **p<.001 ***p<.0001

Individuals who received a transfer during interval 1 were 3.1 times more likely to receive financial assistance during Interval 3, and individuals who received transfers before 1992 had a 73% higher likelihood to receive a financial gift of \$500 or more than individuals who had not. It should be noted that 410 individuals (2.5% of the sample for Interval 3) received a transfer in each of the four waves. For all three samples, prior transfer behaviors explained the greatest percentage of the variance for the likelihood of receiving financial assistance during the interval period.

More than 40% of the sample experienced one or more life course transitions between 1996 and 1998. Overall, the number of changes was significant (OR= 1.37, $p < .0001$) and had a strong effect on model fit (BIC difference = -44). This is consistent with the parameter and model fit for this variable with the Interval 2 sample. However, as demonstrated above with previous samples, this particular measure of general change in the adult children's lives was dependent on the age of the recipient. When broken down by age category, analyses found that the number of changes experienced by the adult child was not significant for the youngest age group of "college years" adult children, but it was a significant factor for the other age groups (analyses not shown). As the percentage of adult children in the reference category of 30 and older grew to over 73% by the end of the study period, the logical outcome is that a general measure of life course transitions would be a significant factor affecting the likelihood of transfer receipt.

As coresidence and related transitions had demonstrable effects on the likelihood of transfer receipt and improved model fit in each of the earlier intervals, coresidence in 1996 and residential transitions were tested for Interval 3. For this time period, none of the variables were significant. The percentage moving back into the parents' home was significantly lower than the percentage who moved out to establish their own residence (1.6 vs. 3.9), but the percentages were comparable to those found within the Interval 2 sample. None of the other life course statuses or life course transitions had been consistent predictors of transfer behavior previously so their effects are not reported here.

5.5 The Cumulative Effects of Prior Transfers

The results reported in the sections above show the reliable and significant effects of transfers in previous waves on the likelihood of transfer receipt during each interval. However, the measures of previous transfers are specifically related to the timing of transfers. For example, one can infer that individuals who received transfers in 1992 were more likely to receive multiple transfers. Yet a comparison of the results for the variable across Tables 16, 18 and 19 demonstrates that the positive effect of transfer receipt in 1992 declines in magnitude over time. In other words, as the amount of time between interviews increases, the likelihood that midlife parents will repeat earlier transfer behaviors declines. Thus, the results reported for each interval show only the effects of the timing of transfers by examining when each previous transfer

occurred. They do not offer clear information about the potential cumulative advantage that a pattern of multiple transfers would bestow upon adult children.

Table 20 provides information regarding the effects of prior transfers on the likelihood of transfer receipt during Interval 3. The results of the “probability-of-utilization” model (columns 3 and 4) show that patterns of multiple transfers have strong effects on the likelihood of continued functional support. The results of the “level-of-utilization” model (columns 5 and 6) demonstrate the effects of prior transfers on amounts transferred by midlife parents during Interval 3. Multilevel, fixed-effects analyses were completed for both models to account for the potential influence of parents’ household incomes on transfer behaviors in addition to adult children’s demographic characteristics.

The number of previous transfers has an increasingly strong effect for both the odds of receiving another transfer and the monetary amount received. Parents who give money to adult children at least once are more likely to develop a pattern of giving over time to the same children. Individuals who received one prior transfer were 4.4 times more likely to receive a transfer during Interval 3. This prior transfer may have occurred within a range of two to seven years before the final interview. For individuals who received two prior transfers, the odds became nearly 10-to-1 for a transfer during Interval 3. Finally, individuals who had received three transfers over the previous

Table 20: The Effects of Prior Transfers on the Likelihood of Transfer Receipt and Amount Received in 1998

Parents' Household	Probability of Utilization (n=18342)			Level of Utilization (n=2667)	
	Frequency	β	Odds Ratio	β	Amount ^a
Non-White (s.e)	22.9	0.212† (0.09)	1.23	-0.319*** (0.06)	- \$708
Hispanic	9.4	-0.366* (0.14)	0.69	-0.170 (0.11)	
Household Income					
<i>ref = less than \$20,000</i>					
\$20,000 - \$39,999	29.1	0.092 (0.09)		-0.215* (0.07)	- \$507
\$40,000 - \$59,999	19.3	0.230† (0.10)	1.26	-0.130 (0.07)	
\$60,000 - \$79,999	9.8	0.384* (0.12)	1.47	-0.086 (0.07)	
\$80,000 - \$99,999	5.7	0.469* (0.14)	1.60	0.182† (0.09)	+ \$538
\$100,000 or more	6.4	0.229† (0.13)	1.26	0.199† (0.08)	+ \$569
Adult Children					
Gender <i>ref=female</i>	50.6	-0.109 (0.06)		-0.034 (0.04)	
18-23 years old	3.8	2.025*** (0.13)	7.58	0.732*** (0.07)	+ \$2860
24-29 years old <i>ref = 30 yrs and older</i>	15.1	0.239* (0.08)	1.27	0.116† (0.05)	+ \$324
Number of siblings	3.5 ^b	-0.185*** (0.02)	0.83	-0.051*** (0.01)	- \$138
Received 1 prior transfer	17.8	1.489*** (0.07)	4.43	0.197** (0.05)	+ \$569
Received 2 prior transfers	9.1	2.296*** (0.09)	9.93	0.217** (0.06)	+ \$634
Received 3 prior transfers	4.0	3.240*** (0.13)	25.53	0.468*** (0.07)	+ \$1561
Intercept		-2.960*** (0.11)		7.694*** (0.08)	\$2630
Mean amount received^a					\$2753
df = 5633					

^a Value reported in 2005 U.S. dollars.

^b The mean number of siblings is reported here.

†p<.05 *p<.01 **p<.001 ***p<.0001

seven years were 25.5 times more likely to see that pattern continue uninterrupted than individuals who had not received prior financial assistance from their parents.

Figure 8 provides a graphic demonstration of the influence of prior transfers on the likelihood of transfer receipt during Interval 3. A comparison of odds ratios by kinship status is also included in this figure. As multiple transfers to stepchildren were generally less common than multiple transfers to biological children, the odds were higher for stepchildren in each category that an established pattern of giving would continue than for biological children. As the number of prior transfers increased across the sample, the trends diverged considerably by kinship status. Chapter 3 demonstrated that transfers to paternal children/maternal stepchildren were significantly less common overall. This figure clarifies that multiple transfers were so rare for stepchildren that adult children who received three prior transfers from their divorced fathers were 40 times more likely to receive an additional transfer during Interval 3 – twice the odds for biological children who had received three prior transfers.

The average amount transferred to individuals who received financial assistance during Interval 3 was \$2753 (in 2005 U.S. dollars). Adult children with a history of prior transfers received significantly higher average amounts than individuals without prior transfers. The adult children who had received one or two prior transfers received approximately \$600 more on average. Three prior transfers increased the average amount received by over \$1500. While some individual categories of household income

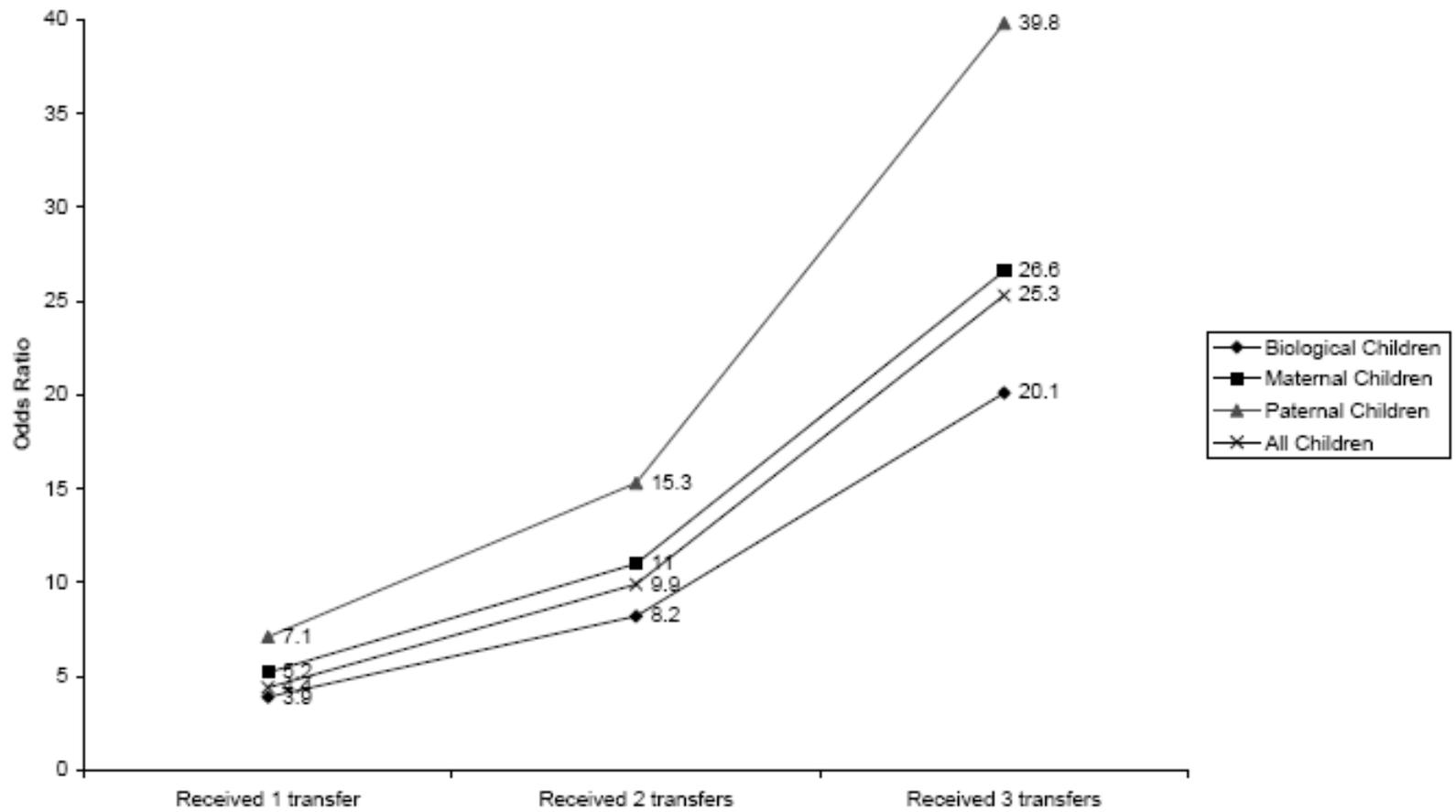


Figure 8: Effects of Previous Transfers on the Likelihood of Transfer Receipt in 1998 By Kinship Status

were significant predictors of the likelihood of transfers and the amounts given, the effects of holding parents' household income constant were minimal for model fit (analyses not shown). The results indicate that families who share financial resources with younger generations are more likely to do so repeatedly over time and more likely to increase the amount given over time as well. It was not possible to determine parents' motives for establishing a pattern of giving to adult children. Therefore, it was not possible to determine if parents were expressing altruistic behaviors, but the results do suggest intergenerational solidarity can be strong among families with generous parents.

5.6 Summary

Overall, there were no similarities in the pattern of influential life course across the three intervals. The hypothesis that financial assistance from parents was motivated as a response to specific adult child life course transitions – particularly those related to early adulthood – was not supported. There is only weak evidence in favor of the hypothesis while the great majority of evidence does not support the concept of transition-specific altruism in parental financial giving.

The shift from specific influential transitions during Interval 1 to the increased significance and improved model fit for a general indicator of experiencing one or more transfers during Intervals 2 and 3 points to an interesting alternative. This shift suggests that the unobserved heterogeneity of life course experiences as adult children age make

it more difficult for researchers to pinpoint specifically why parents provide financial assistance. The dispersion of life course transitions is too broad across adult children to identify particular transitions that are influential. However, the evidence offers support for the primary assumption of intergenerational solidarity that family relationships remain important for children and parents after children become adults.

However, being in school across both waves strongly reinforced the likelihood of financial assistance during Interval 1, showing that parents tended to provide continued support while adult children attended school. While this seems intuitively or anecdotally sensible, these findings provide the first clear evidence that many midlife parents invest heavily in their children's futures well beyond reaching adulthood, particularly in relation to schooling. If information about school status had been collected in 1996, I suspect that the effect of remaining in school would have maintained statistical significance and the strength of its influence on model fit would have remained high.

When viewing these individual-level data, it is apparent that adult children who receive monetary transfers may benefit from a cumulative advantage effect. Individuals who received transfers at the previous wave were 600 – 700% more likely to receive an additional transfer within the following two years. Of those who received any transfer between 1992 and 1998, 48% received 2 or more transfers. This was realistically the only time-dependent variable with any appreciable effect on explaining the variance in the

likelihood of transfer receipt. BIC differentials during Interval 1 after including receipt of a transfer in 1992 represented a 6.3% decline from the basic demographic model (Table 16). BIC differentials during Interval 2 after including receipt of a transfer in 1994 represented a 7.8% decline from the basic demographic model (Table 18). BIC differentials during Interval 3 after including receipt of a transfer in 1996 represented a 8.0% decline from the basic demographic model (Table 19). The results show that transfer receipt in the prior wave consistently explained 6-8% of the variance in the likelihood of an adult child receiving a financial transfer from his middle-aged parents.

While the cumulative advantage of prior transfers was expected for transfer receipt, the increased value of a transfer in 1998 based on prior transfers was not expected. A pattern of transfers was expected to demonstrate no change in amounts received over time for two reasons. First, as adult children aged, they were less likely to coreside, less likely to attend school and more likely to have divergent trajectories away from aging parents and to experience fewer life course transitions that would imply less need for financial assistance from parents. Second, if parents established a pattern of giving, I expected that they would establish a set limit to be given each time (e.g., in compliance with tax laws about financial gifts to family members, or given different levels of discretionary income, etc.). However, each assumption proved to be incorrect. This suggests that parents who are financially stable and have resources to share with family members are more likely to continue doing so and to share resources of

increasing value with adult children once a pattern of giving has been established. The results shown in Tables 19 and 20 provide evidence of cumulative advantage that requires a closer examination of HRS household-level dynamics.

6. Conclusion

In this dissertation, I examined intergenerational financial assistance provided by midlife parents to their adult children. I began by reviewing the importance of the life course perspective for understanding intergenerational transfers. I also developed a rationale for using longitudinal data and within-family trajectories to examine intergenerational transfer patterns over time. Next, I expanded the common definition of intergenerational family to include stepparents as part of a latent-kin matrix for intergenerational relationships. This expansion was necessary to acknowledge the greater complexity of kinship structures in society today. Subsequently, I reviewed the family solidarity literature about relations between divorced and remarried parents and their adult children. I singled out functional solidarity as the one dimension that has been less frequently studied than other dimensions and noted that sharing financial resources across generations can strengthen linkages within families. A synthesis of latent-kinship structures and the multi-dimensional family solidarity theory pointed toward the importance of both for determining the likelihood that adult children received financial transfers from married parents and remarried parents where a stepparent is inherently influential and/or affected by the biological parents' transfer behaviors. Finally, I explained why the life course transitions experienced by adult children – especially as they related to the transition to adulthood – could be other

important determinants of the likelihood of transfer receipt and the amount received by adult children.

Using repeated measures of financial assistance from the HRS dataset, I then created within-household trajectories of financial assistance given to adult children. I drew upon existing cross-sectional and two-wave studies of financial transfers to develop arguments that the co-occurring adult life courses of midlife parents and adult children are more closely intertwined through financial resources than previous studies indicated. I argued that these connections are advantageous to adult children who received parents' financial assistance. An examination of the effects of various family structures followed – particularly to distinguish between married and remarried households but also to determine if the adult child's relation to the stepparent had any predictive effect on the likelihood of transfer receipt. Finally, previous studies have demonstrated that the perceived needs of adult children have influenced the receipt of financial assistance but the measure of need has been primarily limited to the level of income reported for adult children. To expand upon the concept of parents as a safety net, I hypothesized that certain life course transitions experienced by adult children are correlated with the likelihood to receive financial assistance.

6.1 Results from This Study of Intergenerational Transfers

The results presented in the preceding chapters revealed interesting information about the strong intergenerational linkages within families. The linkages were

demonstrated by an analysis of how families shared monetary resources over time. All of the results demonstrate the importance of expanding this area of research to include more complete theories that draw upon the life course paradigm, latent-kin matrices that include step-kin, and the family solidarity model. In this final chapter, I will review the findings of each analytical chapter. In addition, I will discuss the limitations specific to each chapter. Finally, I will conclude with directions for future research regarding intergenerational financial transfers.

6.1.1 Frequency and Patterns of Giving Financial Assistance

The results presented in Chapter 3 showed that over three out of five midlife parents' households gave financial assistance to adult children between 1991 and 1998. A high percentage of the adult children were in the midst of life course experiences commonly associated with the transition to adulthood such as postsecondary education, establishing a separate household and developing independent financial stability (Settersten et al. 2005). Even so, as the parents aged into their retirement or near-retirement years over the seven years studied (and adult children aged into their 30's and beyond), financial assistance to adult children remained more common than previously suggested by other research about intergenerational transfers (e.g., Berry 2001; Eggebeen 1992; Gale and Scholz 1994; Kronebusch and Schlesinger 1994; McGarry and Schoeni 1995; Pezzin and Schone 1997). Several findings reported here refute the claim that less than one-fifth of all midlife parental households transfer financial

resources to adult children and demonstrate that more families share resources (Cox and Rank 1985; McGarry and Schoeni 1995). Over 62% of all households provided financial assistance of \$500 or more at least one time to at least one child between 1991 and 1998.

When all adult children are included, the percentage of those who received financial assistance was higher per cross-sectional wave than previous studies suggested. The percentage of HRS households providing transfers to at least one adult child was 36.1% in 1992, 34.8% in 1994 and 31.5% in 1996. During the last wave, slightly fewer than 25% of households provided financial assistance to adult children, but even this percentage was higher than anticipated for a single wave despite the fact that a much lower percentage of adult children were under 23 years old compared to the percentage of college-age children the beginning of the study. The potential effect of including coresident adult children in the sample is discussed below.

Parents' marital status had a significant effect on the parents' financial assistance. Households with continuously-married parents gave more frequently and were more likely to give multiple times than remarried parents despite the fact that remarried parents had more adult children on average. While remarried parents were generally supportive of adult children through financial assistance, they were less likely to give money to adult children than continuously-married parents. Single parents were least likely to make transfers to adult children compared to married and remarried parents.

This research also showed that many families established patterns of giving to their adult children. The great majority of households that provided any financial assistance gave \$1,000 or more at each wave. Half of all households gave \$5,000 or more across the seven years studied – usually in the form of multiple transfers over time. Large one-time gifts were less common than one might expect. In fact, the normative behavior was smaller gifts (i.e., below \$2,000) given multiple times or to multiple children. More than 35% of all households gave money to more than one child, gave several times to the same child or did both over the seven-year time span.

6.1.2 Limitations of Examination of Parental Assistance

The primary limitation of the only chapter that focused on parental giving was the lack of data that would differentiate better between the number of adult children in the family who received transfers and those who did not. There was also a lack of information about the adult children's characteristics that might have unpacked the unobserved heterogeneity of parental transfer patterns for families with more than one child. A number of such questions were left unanswered. Did each child receive an equal amount over time? Were the numbers of years between children within the same family influential such that a wider age gap affected younger adult children favorably? If the age gap was under four years, was there evidence that supported an assertion that support for the younger child supplanted earlier financial assistance to the older child? In other words, if the age gap between adult children had been small, one could

hypothesize that family resources were shared with each child and comparable amounts were shared but the timing of transfers was dependent on the ages of those in the younger generation and then test this hypothesis.

More information about the characteristics of the parents' household would have been beneficial as well. Beyond household income, questions remain about the influence of other financial assets and overall wealth. Marital histories and marriage lengths were also not tested as influences on the likelihood that parents gave money to their adult children – particularly for remarriages. The age of oldest parent was measured at the first wave which excluded the parents' own life course transitions such as changes in health, labor force participation or entrance into social entitlement programs such as Social Security and Medicare for the oldest members of the parent sample. Hughes and O'Rand (2004) showed that older members of the Baby Boom cohort shared very different experiences than younger members shared. The same principle can be applied to this data. The HRS cohort included individuals born across a ten-year period plus spouses who were born prior to 1931. The experiences related to families and the sharing of financial resources may differ broadly based on cohort effects that were not addressed in the research conducted for Chapter 3.

Other chapters illustrated important details about which adult children were more likely to receive financial assistance and non-independent observations revealed differences between children within families. Yet little could be determined about the

combined characteristics of adult children within households that might have influenced which child received a transfer or the timing of transfers to each child in the family. The orientation of data toward the receipt of transfers could also limit the availability of information needed to better understand parents' strategies for giving financial assistance to certain children, all children or to none of the children.

6.2 The Effects of Kinship Structure

Several aspects of intergenerational solidarity are evident: how family and stepfamily members are linked via intergenerational transfers (i.e., functional solidarity); what latent kinship-matrix characteristics affect the activation of financial assistance; and how parent and adult child characteristics may influence the likelihood of instrumental support for adult children. Parents' status had a significant effect on the number of transfers received by adult children. Those with continuously-married parents received more frequently and were more likely to receive multiple times than those with remarried parents. While remarried parents had more potential transfer recipients and were generally supportive of adult children through financial assistance, their adult children were less likely to receive financial assistance than continuously-married parents.

Stepchildren were consistently less likely to receive transfers and to receive smaller amounts when compared to biological children. However, a closer examination uncovers the fact that this inequality in the likelihood of transfers given to adult children

and stepchildren actually reflects the rarity of transfers from remarried fathers to their children from previous marriages. Instead, the likelihood of transfers from remarried mothers and stepfathers to children from mothers' previous marriages is not significantly different from transfers to biological children. Previous speculations suggested that *all* stepchildren would be less likely to receive transfers (Rossi and Rossi 1990; White 1994). Some previous study findings also appeared to support that assertion (Berry 2001; Killian 2004; Pezzin and Schone 1999). However, there were no significant differences between biological children and maternal children/paternal stepchildren when kinship status was defined more carefully. Therefore, this study yields new information about the dynamics of intergenerational solidarity after parents' remarriages.

Latent-kin matrices that include stepfathers may be activated for financial assistance on par with the assistance provided to adult children by continuously-married parents. This study shows that stepfathers' roles must be considered more carefully in future research about intergenerational solidarity. The study results also show that paternal children/maternal stepchildren were again at a disadvantage compared to maternal children/paternal stepchildren and biological children in terms of coresidence patterns. Coresidence has been described as structural solidarity and as a transfer with inherent economic value. If it had been examined more carefully or in the sense of a transfer with economic value, then there would be an even larger gap between

mother/stepfather households and father/stepmother household regarding the assistance provided to adult children. However, I found no evidence of a substitution effect of coresidence for actual monetary assistance. In fact, since coresidence was associated with a higher likelihood for transfer receipt, parents/stepparents apparently provided the assistance in the forms of living space *and* money.

Ganong and colleagues (1995) determined that stepfathers are generally expected to assume at least some of the financial responsibilities for young coresident children. The results of this study indicate that stepfathers may maintain this commitment voluntarily, or from a sense of continued obligation, after the children reach adulthood. Another possibility is that biological mothers contribute to decision-making about financial assistance to adult children and favor their own children over the husbands' children. Either way, this research points toward new ways of viewing the latent-kin network and its relevance to modern families (Riley 1983; Silverstein et al. 1997).

6.2.1 Limitations of Research on Kinship and Financial Transfers

The inclusion of coresident adult children in the sample represented a trade-off. When the data were collected, if an adult child was nonresident, the parent was asked to estimate that child's household income. However, if the adult child coresided, information was not requested about his or her income. Thus, there was no way to determine if coresident children contributed to household expenses as a boarder might or if they were living with parents due to a lack of income. Even so, this was the first

study in the literature to include coresident adult children in the sample where parents' financial decisions for multiple children may have been influenced by the life course statuses on one coresident child in particular.

There was no information available about whether adult children had lived with remarried parents at any time. The results regarding lower functional solidarity with biological fathers followed logically from the literature about the other dimensions of solidarity (e.g., associational solidarity, affective solidarity). However, I could not determine if the reduced receipt of financial assistance from biological fathers was related to not residing or interacting with them in the years after their parents divorced. On the other side, there was no way to determine if having coresided with the mother and stepfather before adulthood increased the likelihood of receiving material support as adults.

Even more significant was the lack of information for stepfamilies of the potential balance of transfers between biological parents for their children. The HRS data only provided information about adult children and transfer receipt from one biological parent. If the other biological parent was providing financial assistance to an adult child simultaneously or as an alternative, this likely shaped the HRS household's transfer behavior. For example, it may be that father/stepmother households were less likely to provide financial assistance to adult children who received financial assistance from the unmeasured mother/stepfather household instead. For children from

remarried households, only half of the latent-kin matrix was known since adult children were not surveyed about transfers received from the non-HRS parent's household.

6.3 The Influence of Adult Child Life Course Transitions

Overall, there were no similarities in the pattern of influential life course across the three intervals. The hypothesis that financial assistance from parents was motivated as a response to specific adult child life course transitions – particularly those related to early adulthood – was not supported. There is only weak evidence in favor of the hypothesis while the great majority of evidence does not support the concept of transition-specific altruism in parental financial giving.

The shift from specific influential transitions during Interval 1 to the increased significance and improved model fit for a general indicator of experiencing one or more transfers during Intervals 2 and 3 points to an interesting alternative. This shift suggests that the unobserved heterogeneity of life course experiences as adult children age make it more difficult for researchers to pinpoint specifically why parents provide financial assistance. The dispersion of life course transitions is too broad across adult children to identify particular transitions that are influential. However, the evidence offers support for the primary assumption of intergenerational solidarity that family relationships remain important for children and parents after children become adults.

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who received transfers at the previous wave were 600 – 700% more likely to receive an additional transfer within the following two years. Of those who received any transfer between 1992 and 1998, 48% received 2 or more transfers. This was realistically the only time-dependent variable with any appreciable effect on explaining the variance in the likelihood of transfer receipt. The results show that transfer receipt in the prior wave consistently explained 6-8% of the variance in the likelihood of an adult child receiving a financial transfer from his middle-aged parents.

6.4 Directions for Further Research

6.4.1 More Longitudinal Analysis

With longitudinal datasets, there are many possibilities for understanding the intersecting trajectories of parents' and children's co-occurring life courses. More detailed information can be used to examine household-giving patterns to various adult children within the family as parents age and adult children develop more stability in their own lives. Further examination of differences between households of continuously-married and remarried households is necessary to determine family structure more carefully. While Killian (2004) examined household-level data in a similar fashion in the sense of the children's relations to the parents/stepparents, more complex methods are available that might help distinguish how kinship structures affect transfer behaviors. However, using cross-sectional data is the primary weakness of his

work that the longitudinal datasets created for this dissertation project could reveal more fully.

Researchers need to complete more work that examines parental access to financial resources. Income was used as a measure of resources in my dissertation. However, there may have been households that received little or no income but still had access to wealth resources that allowed them to provide assistance to adult children. Several measures of wealth could also be tested to determine if particular asset structures are more accessible for potential transfers. Research measures of socioeconomic status are most often tied specifically to current labor force participation. Rarely have retirement assets, accumulated or anticipated pensions, or other elements such as employee benefits and health insurance coverage been included in calculations of overall wealth (Spilerman 2000).

First, net worth – equal to the total value of assets minus existing debts – focuses more closely on a complete “wealth package” of income, housing equity, vehicular equity, stocks, pensions, and savings. Net worth includes all asset and income categories, but not all wealth may be immediately accessible in the short term to provide financial assistance to a family member (Oliver and Shapiro 1995; Spilerman 2000). In particular, housing wealth, which often accounts for the major portion of the wealth of retired individuals, is not easily convertible into cash even though it has a high monetary value. Instead, liquid wealth that can be easily accessed for multiple purposes

on short notice may be a better determinant of the likelihood to provide financial assistance to a family member with a pressing need. Household income often is the major portion of liquid wealth, but it include savings accounts and short-term investments. A third measure, “net financial assets” represents the non-income part of liquid wealth (Oliver and Shapiro 1995). This may be a valuable measure particularly in cases where the household has no occupational income due to retirement or disability but has access to other resources. In other words, parental access to easily transferable money may increase the likelihood of *financial* transfers when comparing households of equivalent overall wealth levels, but this has not yet been tested by measuring wealth in alternate ways.

One dilemma faced by many married couples approaching the age of eligibility for Medicare is how to maintain coverage for both members if one spouse becomes eligible before the other (IOM 2002a). In other words, how will the younger spouse receive health insurance coverage when the older spouse turns 65 and/or does the potential lack of coverage for the younger spouse impact work and retirement decisions for either or both household members? Johnson and Crystal (1996) found that 20.1% of HRS respondents above age 65 reported buying supplemental insurance in comparison to 7.2% of respondents between ages 60 and 64 and 5.4% of respondents between 50 and 59 years of age. Lee and Kim (2003) reported that Medigap or private health insurance coverage had a significant protective effect on the wealth of AHEAD respondents

diagnosed with new health conditions. Households without sufficient insurance coverage may be more inclined to save money for future expenses as a precaution than to share it with adult children, but this potential determinant of transfer behavior has not been examined in previous research.

6.4.2 More Direct Research about Parents' Motives for Giving

Further research should be conducted that specifically questions parents' about their motives for giving financial assistance. This would help sociologists gain further insight about whether parents engage in transfers as an altruistic action or in exchange for later assistance from children when parents are older and might need care or financial assistance. Expectations of late-life assistance may influence parents' current decisions to assist adult children.

Rather than examining parental intentions or expectations, it might also be possible to examine exchange behaviors. The most glaring weakness of the exchange hypothesis is that parents give financial assistance in exchange for receiving help in the future, if needed (Cox and Rank 1992). However, there has been a lack of longitudinal data that followed parents from midlife to their elderly years to determine if exchanges actually occur over time. With cross-sectional data, it cannot be known reliably if there is a correspondence between parents' earlier gifts and children's behaviors as they reach midlife and are faced with the challenges of aging parents' needs. If later waves of data from the HRS were included with the existing datasets created for this project, it would

be possible to determine if adult children have provided an increasing amount of intergenerational support for their aging parents over time and if the support corresponds with transfers received earlier in the life course.

6.4.3 Analysis of Expectations for the Later Life Course

Life-cycle economic models assume that consumption and saving patterns are affected by the individual's subjective assessment of risks for mortality (Hurd 1989; Hurd and McGarry 1995; Juster 1997). Sociological models would benefit as well from the inclusion of the risk perceptions made by individuals regarding longevity. Individuals and families must often include uncertainty and risk perceptions as important factors when they make judgments and decisions about caregiving, long-term care, financial resources, and living arrangements for older adults in poor health. It is reasonable to consider that models of decision-making for midlife adults should also consider their longevity expectations.

Two studies using HRS data have demonstrated that middle aged adults' expectations for living beyond ages 75 and 85 are fairly accurate. Hurd and McGarry (1995) found the average probabilities of survival projected by HRS respondents in the aggregate to be comparable to life table estimates for both ages. Men's expectations for survival to age 75 were slightly higher than a 1990 life table prediction whereas women's expectations for survival to age 75 were lower. For both genders, the expectation for survival to age 85 was higher than the 1990 life table prediction. Life table estimates

predict the likelihood of living to ages 75 and 85 after age 55 (the median age of HRS respondents in 1992) to be similar to respondents' expectations as well. The authors also provide evidence that the expectations of living to ages 75 and 85 are strongly correlated with health behaviors like smoking and drinking as well as subjective health status.

Smith, Taylor and Sloan (2001) found that longevity expectations are positively correlated with survival through four years to six years, net health shocks, demographic characteristics, smoking status, disability and income measured in four waves of the HRS (1992, 1994, 1996, and 1998). Selection effects were controlled for survival through the third wave by measuring changes in health, disability, smoking status, and longevity expectations over time.

Finally, this project has provided much information for the life course and family solidarity literatures that was not available in previous research. We now have evidence that the family life course reaches across generations more frequently through financial giving than previously estimated. The solidarity model has been expanded to include step-kin and a closer examination of financial transfers over time has provided insights about a neglected dimension of solidarity – the sharing of material resources or functional solidarity. In this project, I have demonstrated that the timing of transfers and adult child life course transitions are inherently linked within families and these findings suggest that parents make strategic transfers to adult children depending on available resources and changes that occur in their children's life courses. I also adopted

a new method for examining financial transfers using within-family trajectories to examine financial transfers using household-level and multi-level modeling. The results have illuminated several areas of sociological research but much work remains to be done.

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Biography

Robert Corey Remle was born in Cleveland, Ohio, U.S.A. on March 15, 1971. Before attending Duke University, he attended New College of Florida where he received a Bachelor of Arts degree in Psychology in May 1992.

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Treffinger, Donald J., John F. Feldhusen, Scott G. Isaksen, James A. Cross Jr., R. Corey Remle and Marion R. Sortore. 1993. *Productive Thinking: Handbook of Programs and Reviews – Volume I*. Sarasota, FL: Center for Creative Learning.

And he has received the following awards and honors:

- 2005 Summer Research Fellowship. Graduate School of Duke University;
- 2002 – 2003 Graduate Student Fellowship. Center for Instructional Technology, Duke University; Program for the Use of Instructional Technology in the Classroom;
- 2002 Graduate Student Internship. Leadership in an Aging Society Program at the Center for Aging and Human Development, Duke University;
- 2000 Graduate Fellowship Award. Department of Sociology, Duke University;
- 1988 – 1992 Full Tuition Scholarship, New College of Florida;
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