Long-term care and reciprocity

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

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Ageing and the need for care

- Due to population ageing expected increase in the demand for long term care services

- Informal care may decrease the public LTC expenditure by
  - acting as a substitute of formal homecare (van Houtven and Norton, 2004; Bonsang, 2009)
  - reduce or postpone the demand for institutional care (Charles and Sevak, 2005)

- BUT, informal LTC provision is time consuming: reduces labour market participation and career prospects of (female) caregivers (Bolin, Lindgren, Lundberg, 2008)
Informal childcare

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

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

- Is this association the result of reciprocal altruism/delayed reciprocity…

- …or is informal LTC care the “payment” for help received with childcare?
The combination of informal grandchild care and long-term care provision might decrease the overall fiscal cost of public care expenditure without jeopardising the daughters’ labour market prospects.

Delayed reciprocity: children react to an “act of kindness” received from the parent
  - Children are not likely to respond to economic incentives to change their caring and labour market patterns.

LTC is a payment: altruism is not needed, different generation agree on an implicit contract
  - In this case economic incentives might be effective
The dataset

- SHARE respondents who took part in Wave 4 and in at least one earlier wave (Wave 1 and/or Wave 2).

- One record per household:
  - help given with grandchildren to any adult child in wave 1 or 2
  - Help supplied by children to the respondent or partner

- We look both at the probability of receiving care in wave 4, and to the number of days of care received
Between 30% and 50% of households provided at least one day of grandchildren care in wave 1 or 2.

Conditional on providing care, stark differences across countries in the amounts.
Long term care received in wave 4

- Even prevalence of LTC informal care heterogeneous across countries
- Pattern of amounts similar to grandchildren care
There seems to be a correlation based on cross-country differences

Is there within-country variation as well? Yes!

Regression analysis to exploit it and control for other determinants of informal LTC provision
Probability of receiving care from children

- Baseline: German one person household, with no children, mean age income and adl, no worsening in adl

- Caring for grandchildren increases chances of receiving care by 15.3% wrt baseline

Orange: coeff is stat significant
Caring for grandchildren does not affect intensity of LTC informal care received.

Being from Eastern and Mediterranean Europe increases dramatically the intensity of informal care.

Orange: coeff is stat significant.
Conclusion

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

<table>
<thead>
<tr>
<th>Variable</th>
<th>Probability (Probit)</th>
<th>Extent (OLS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Care for grandchildren in w1 or w2</td>
<td>0.153**</td>
<td>-0.203</td>
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<tr>
<td>Log income</td>
<td>0.022</td>
<td>-0.81</td>
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<tr>
<td>ADL_w4</td>
<td>0.134***</td>
<td>1.164*</td>
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<tr>
<td>Delta_adl (increase in ADL-dummy)</td>
<td>0.214*</td>
<td>-1.542</td>
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<tr>
<td>Couple household</td>
<td>-0.448***</td>
<td>-0.656</td>
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<tr>
<td>No. of male children</td>
<td>0.139***</td>
<td>0.129</td>
</tr>
<tr>
<td>No. of female children</td>
<td>0.156***</td>
<td>0.43</td>
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<tr>
<td>Mean age</td>
<td>0.020***</td>
<td>0.136**</td>
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<tr>
<td>Mean age squared</td>
<td>0.000***</td>
<td>0.000**</td>
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<tr>
<td>Austria</td>
<td>-0.12</td>
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<td>Sweden</td>
<td>-0.238*</td>
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<td>0.252</td>
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<td>Spain</td>
<td>-0.289</td>
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<td>Italy</td>
<td>-0.284*</td>
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<td>-0.877</td>
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<td>Poland</td>
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<td>Czech Republic</td>
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<tr>
<td>N</td>
<td>6.521</td>
<td>490</td>
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