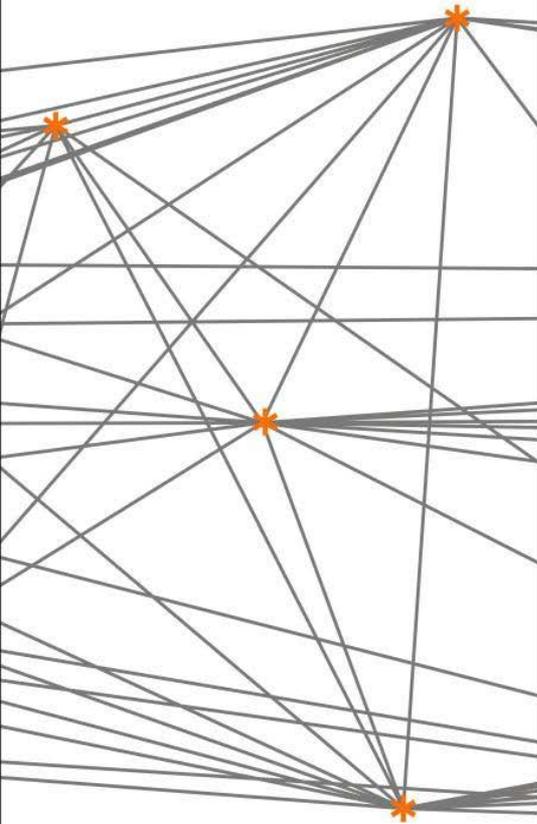


Long-term care and reciprocity

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

Agar Brugiavini, Raluca Elena Buia,
Giacomo Pasini, Francesca Zantomio

Ca' Foscari University of Venice



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

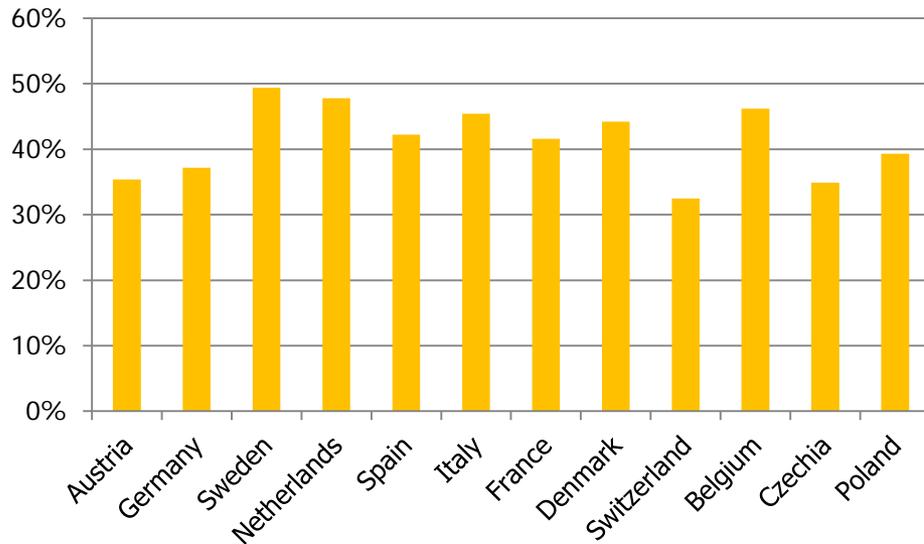
- ▶ Do parents who have provided help with grandchildren receive more informal care from their children when they experience the onset of limitations in performing activities of daily living?
- ▶ Is this association the result of reciprocal altruism/ delayed reciprocity...
- ▶ ..or is informal LTC care 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

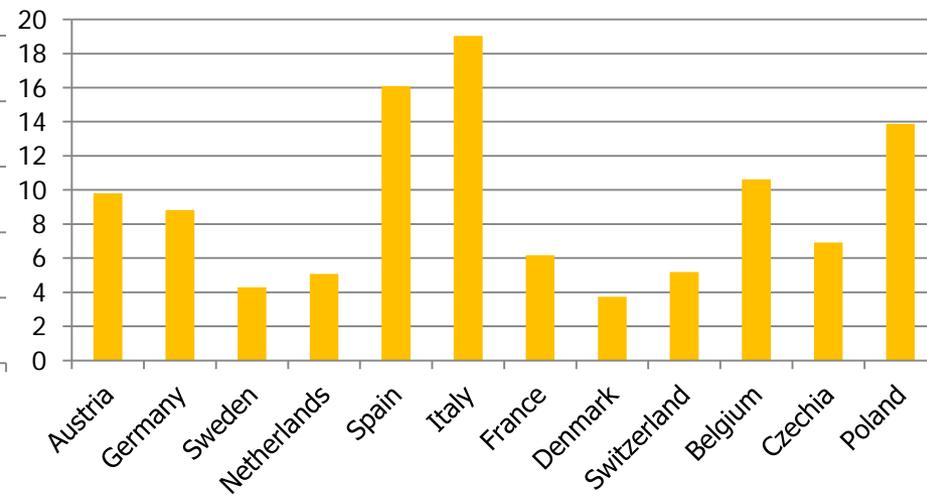
The dataset

- ▶ 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

Probability of providing help



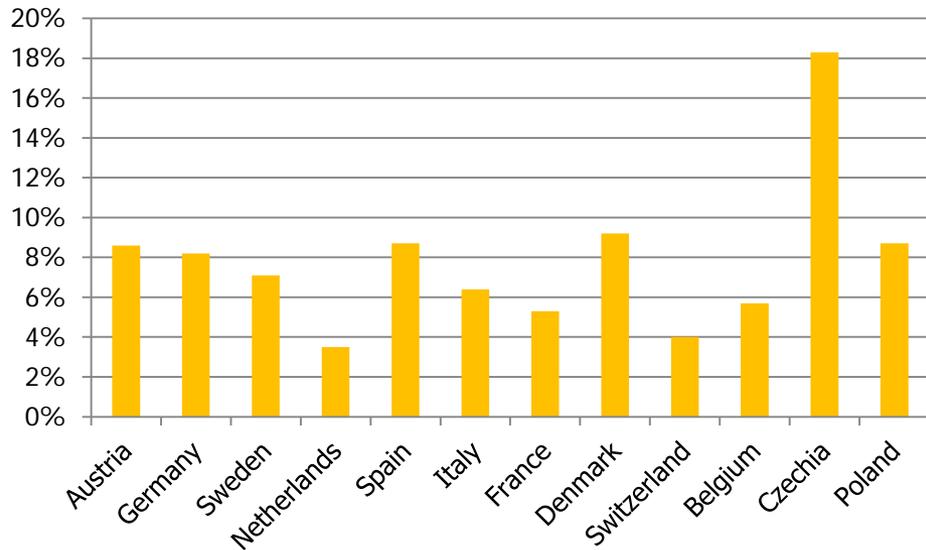
Days of grandchildren care per month



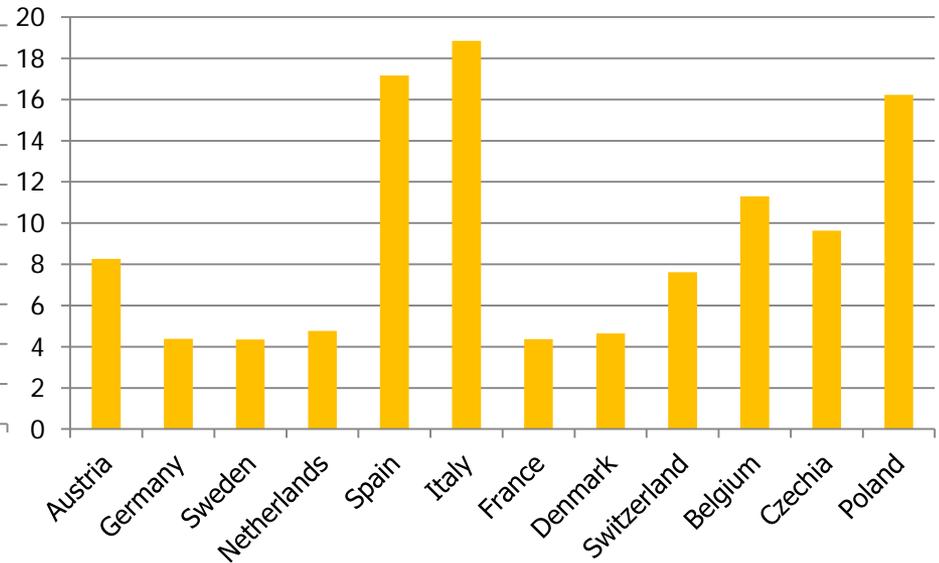
- ▶ Between 30% and 50% of households provided at least one day of grandchildren care in wave 1 or 2
- ▶ Conditional on providing care, stark differences across countries in the amounts

Long term care received in wave 4

Probability of receiving care



Days of care received

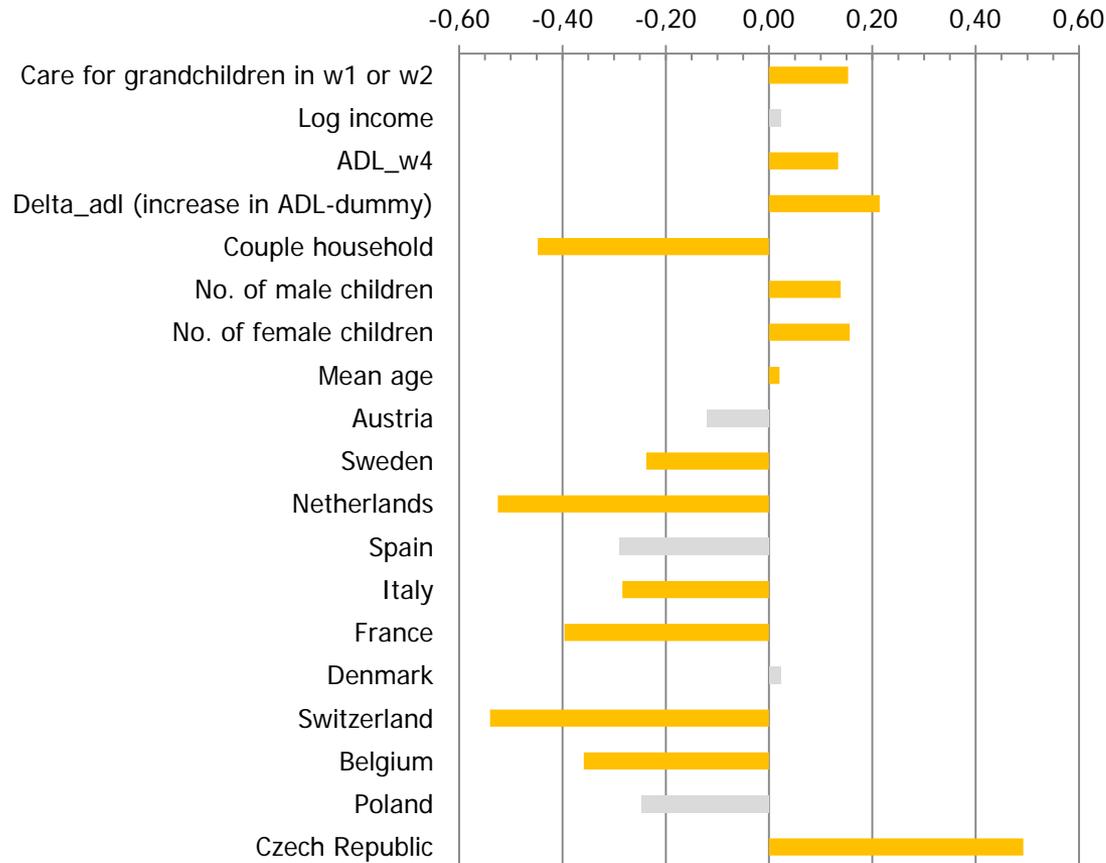


- ▶ Even prevalence of LTC informal care heterogeneous across countries
- ▶ Pattern of amounts similar to grandchildren care

Regression analysis

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

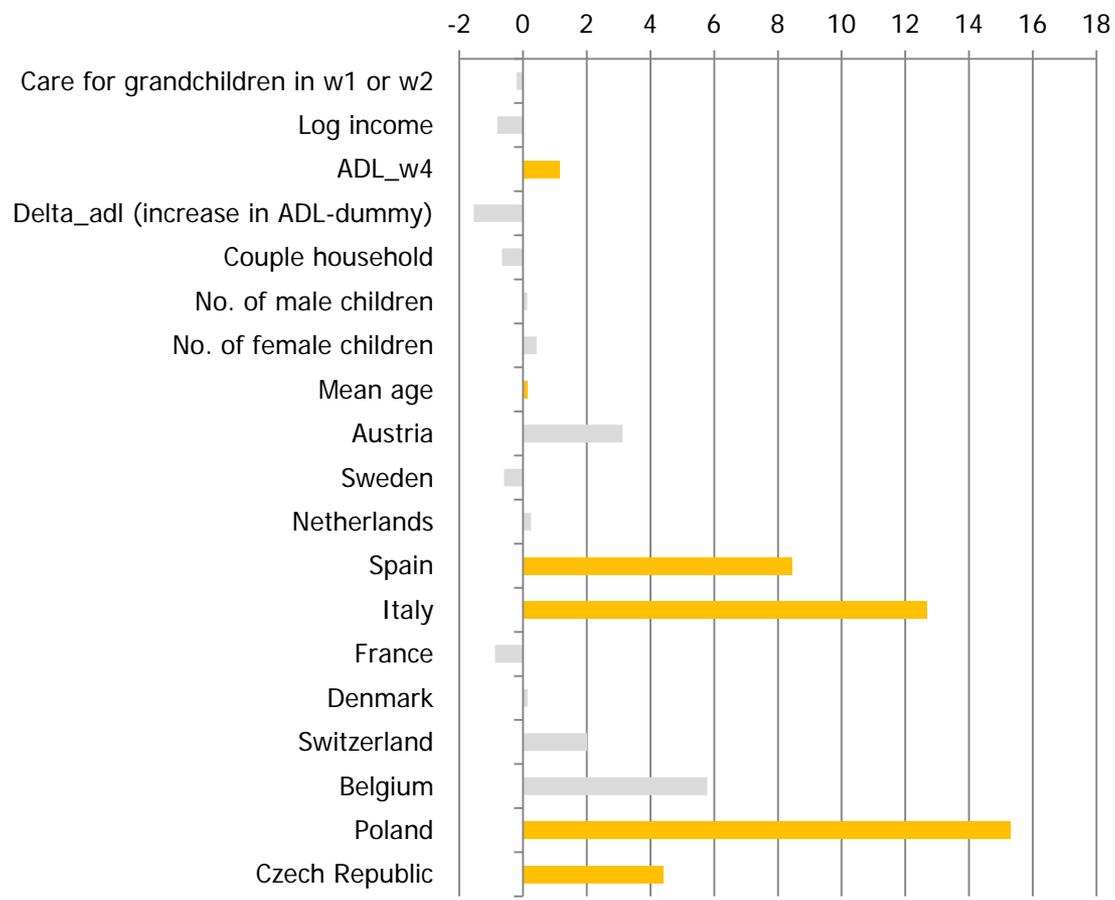
Probability of receiving care from children



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

Orange: coeff is stat significant

Days of care received per month



Orange: coeff is stat significant

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

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

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