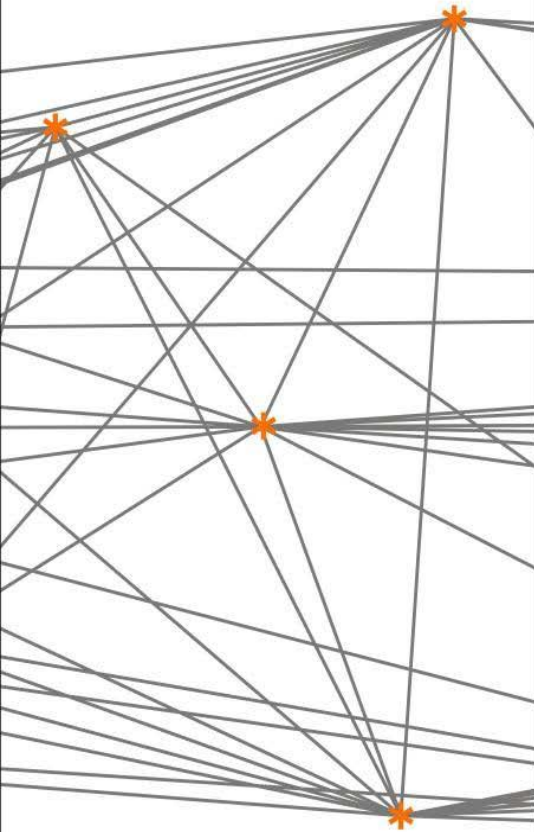


# Long-term care and reciprocity

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

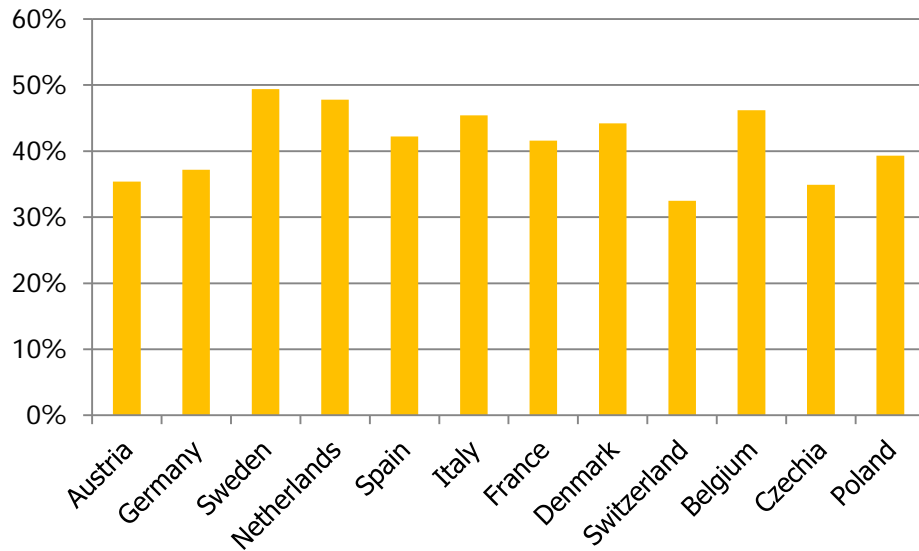
- ▶ Do parents who have provided help with grandchildren receive more informal care from their children when they experience the onset of limitations in performing activities of daily living?
- ▶ Is this association the result of reciprocal altruism/ delayed reciprocity...
- ▶ ..or is informal LTC care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

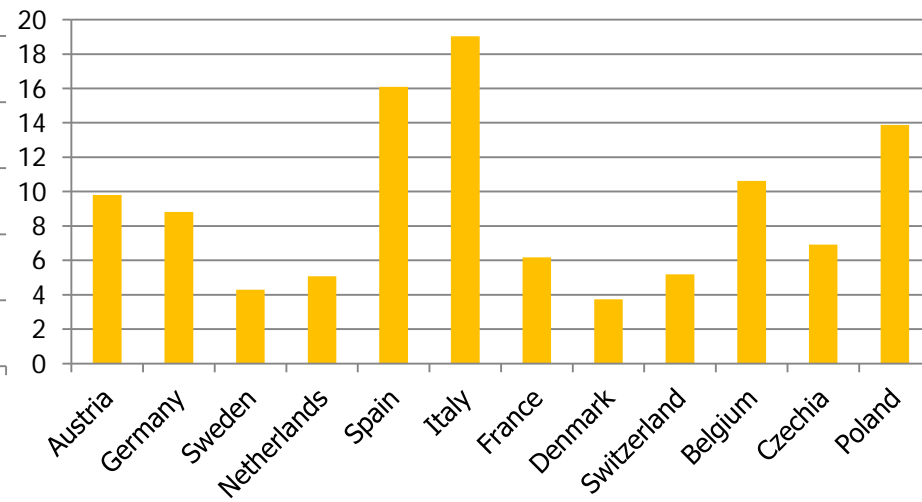
# The dataset

- ▶ 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

## Probability of providing help



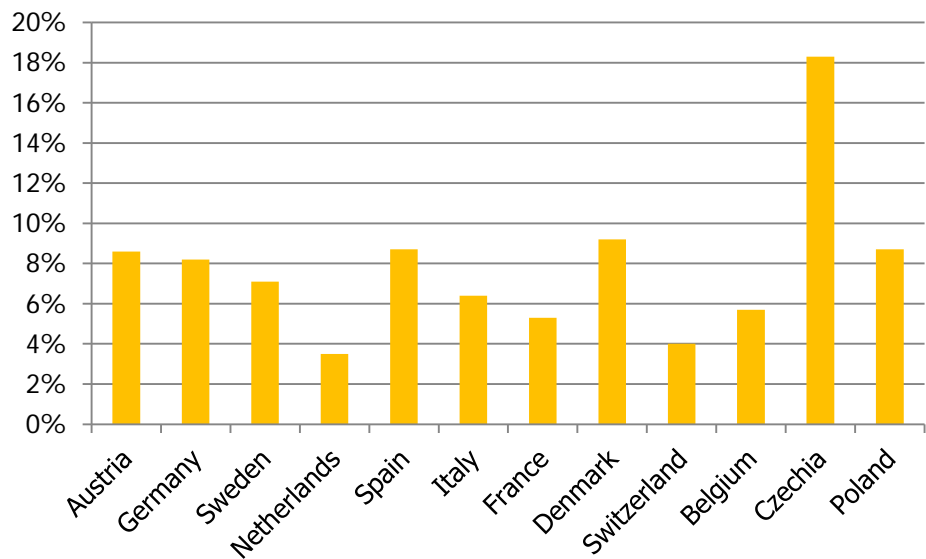
## Days of grandchildren care per month



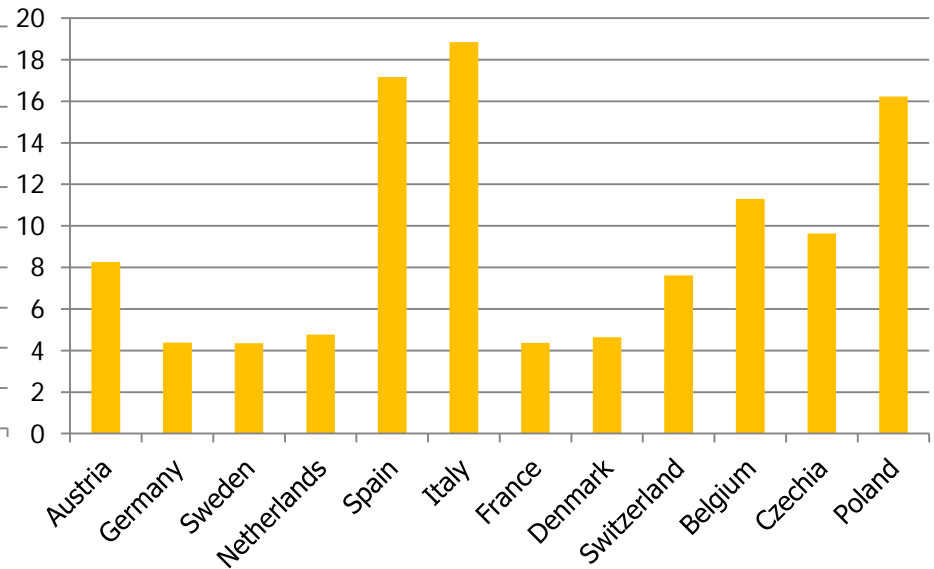
- ▶ Between 30% and 50% of households provided at least one day of grandchildren care in wave 1 or 2
- ▶ Conditional on providing care, stark differences across countries in the amounts

# Long term care received in wave 4

**Probability of receiving care**



**Days of care received**



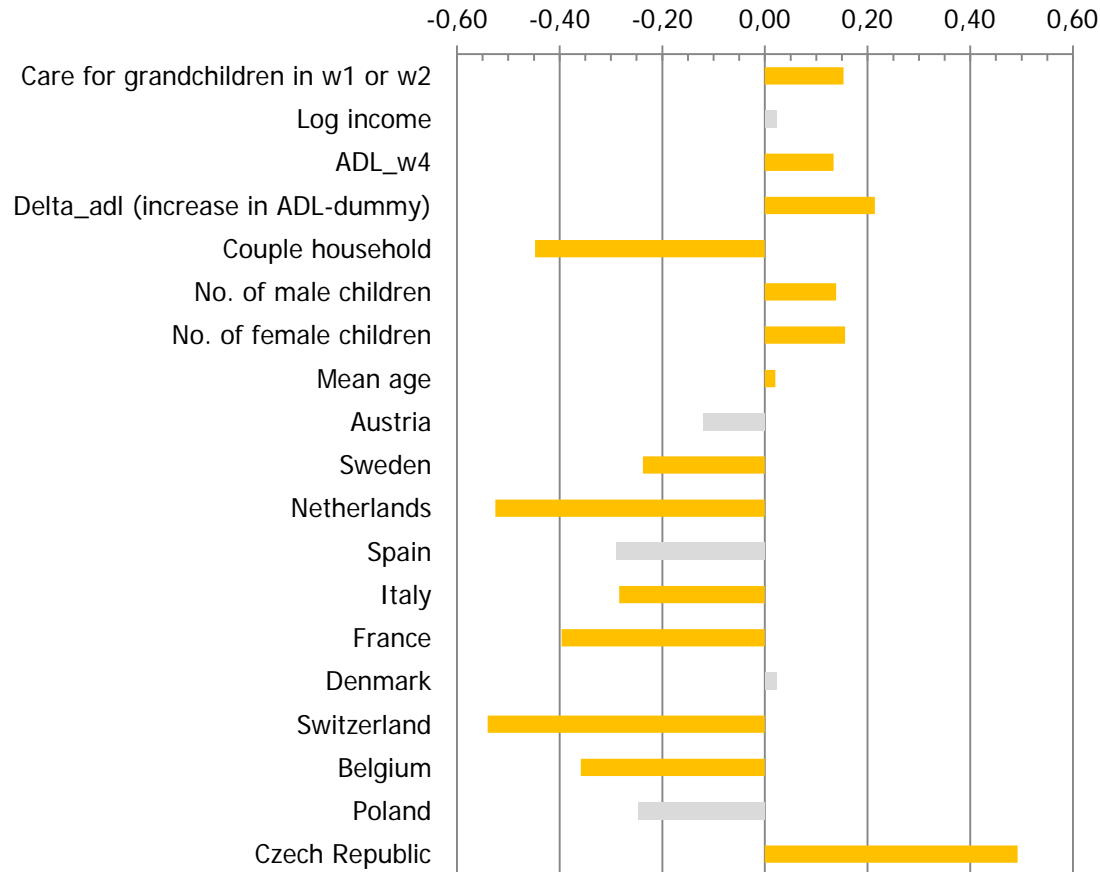
- ▶ Even prevalence of LTC informal care heterogeneous across countries
- ▶ Pattern of amounts similar to grandchildren care



# 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

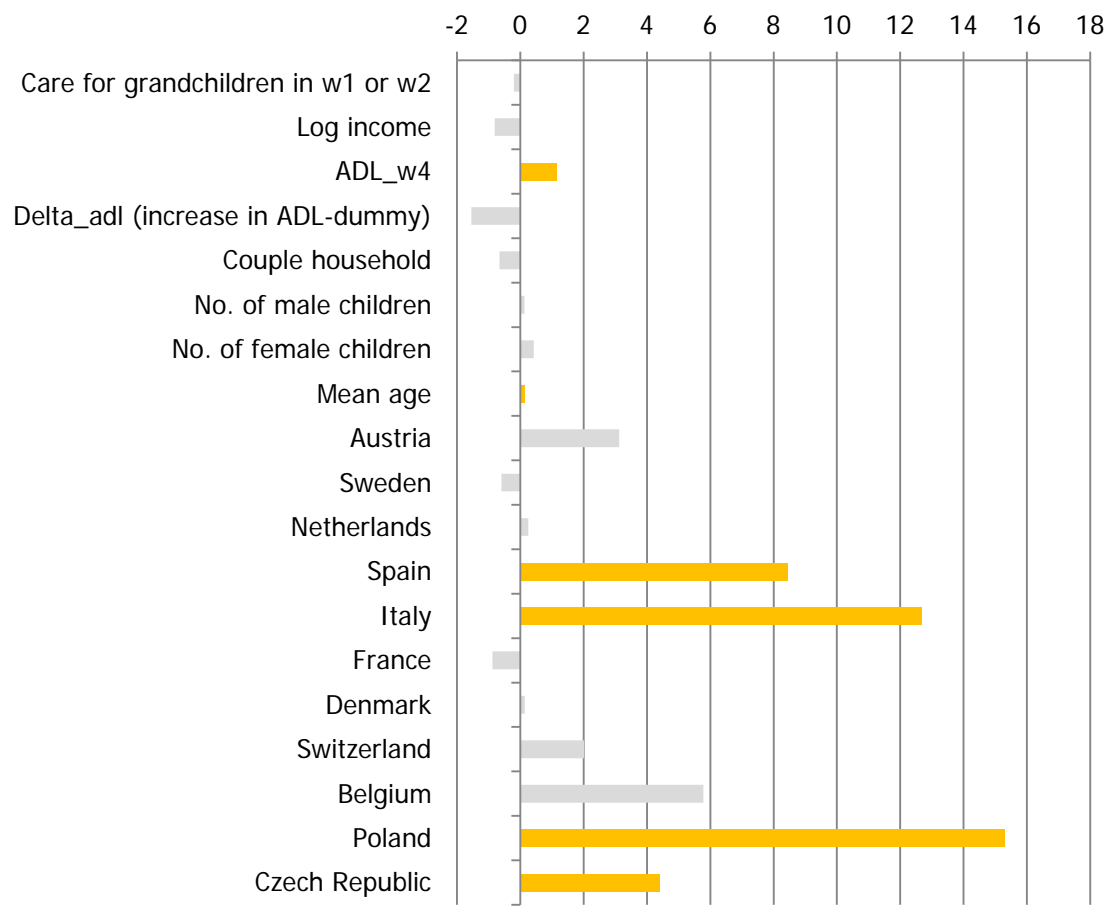
# Probability of receiving care from children



- ▶ 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

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# Results from regression

Variable	Probability (Probit)	Extent (OLS)
Care for grandchildren in w1 or w2	<b>0,153**</b>	-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	<b>8,463**</b>
Italy	-0,284*	<b>12,669***</b>
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	<b>0,492***</b>	<b>4,398*</b>
N	6.521	490