



5 Social and Family Context

Editor: Johannes Siegrist

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5.1 Shrinking Families? Marital Status, Childlessness, and Intergenerational Relationships

Martin Kohli, Harald Künemund, Claudia Vogel

Common Themes and National Differences

Research on the family is sometimes like fighting against windmills: raising empirical arguments against myths that seem to remain untouched by them. It is, for example, widely assumed that the modern welfare state has undermined family solidarity and the family itself. Increasing childlessness and fewer births, decreasing marriage and increasing divorce rates, increasing numbers of singles and the decrease of multigenerational co-residence – to name just a few widely known facts – may indeed indicate a weakening of the family and its functions. But despite the high intuitive plausibility of such interpretations in which large parts of the social sciences meet with common sense, it turns out that the family has in fact changed but not diminished its role, and that the purported causal link from welfare state expansion to family contraction is a modern myth (cf. Kohli, 1999; Künemund and Rein, 1999).

Speculation about the future of the family has been a regular feature of modernization, mostly with the assumption of a general decline of family bonds. This restrictive view was first transcended by research on the emotional and support relations between adult family generations. But it is only during the last decade that we have discovered again the full extent of the family as a kinship and especially a generational system beyond the nuclear household (Bengtson, 2001) which ranges across several different types of “solidarity”: spatial and emotional closeness, frequent contact, personal and instrumental support as well as massive flows of money and goods.

Families in Europe today present many features common to all countries as well as massive differences among them. As to commonalities, we expect to find a weakening of marriage with increasing age but stability of intergenerational bonds. As to differences, we expect to find patterns of “weak” and “strong” family regimes.

SHARE provides the first possibility to chart commonalities and differences in a strictly comparative frame across Europe, and to muster the evidence for the assumptions regarding the decline of the family. The task of this chapter is to present some basic descriptive information on family structure and relationships of the elderly European population covered by SHARE (also see Kohli et al., 2005): on marital status, generational structure, residential proximity to other generations and frequency of contact with them. Most of the presentation is cross-Sectional for Wave 2. This includes the three new countries (the Czech Republic, Poland and Israel) that can now be compared to the eleven included in Wave 1. For the latter, we expect most values to have remained fairly stable across the two waves, and point out cross-Sectional differences where appropriate. But the panel data now also allow for some longitudinal information about individual change from Wave 1 to Wave 2 and its correlates.

The Ambivalence of Marriage

We first examine to what extent elderly Europeans are living together in bonds of marriage. In recent decades, the institution of marriage has been weakened by diminishing rates of ever getting married and increasing rates of divorce. Our findings show that the current elderly have not yet been strongly touched by this evolution, see Figure 1. Among the 50-59 year olds in 2006, 76 percent of the men and 70 percent of the women live in a

married couple – proportions that are almost identical to those of 2004. Of the three new countries now included, the Czech Republic and Poland have marriage shares below this average, while Israel is substantially higher – it has the highest proportion of married people in this age group (83 percent) as well as in the total elderly population (74 percent).

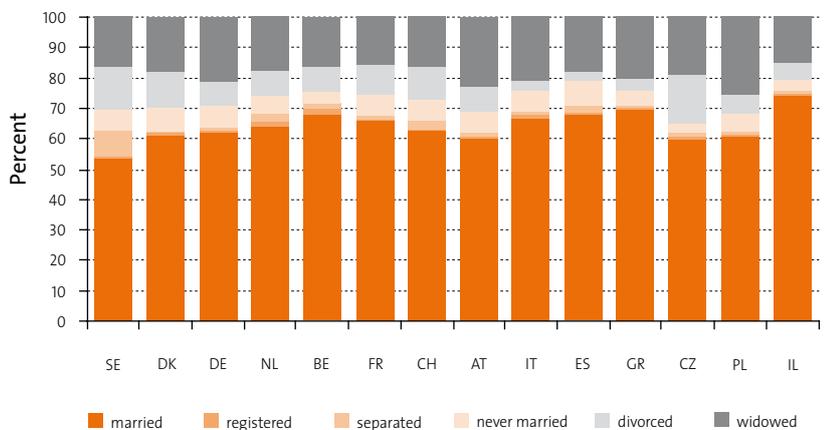


Figure 1 Marital status (percentages by country)

There is a rise of divorce in the younger cohorts, see Figure 2, but with ten percent of the 50-59 year olds currently divorced it is still far below the levels of those now in their 30’s or 40’s, and has not increased since 2004. There is also a rising proportion of never-married men, while for women this is not the case. But the most drastic pattern is that associated with the death of the marriage partner. The higher longevity of women – for life expectancy at birth it is currently about 7 years – and the fact that men in couples are on average about 3-4 years older than their wives translate into highly divergent trajectories for the two sexes as they grow older. The proportion of widowed men increases from 2 percent (50-59) to 30 percent (80 and older), that of widowed women from 9 to 73 percent. As a result, 63 percent of men but only 17 percent of women of age 80 or older still live with a (married or registered) spouse.

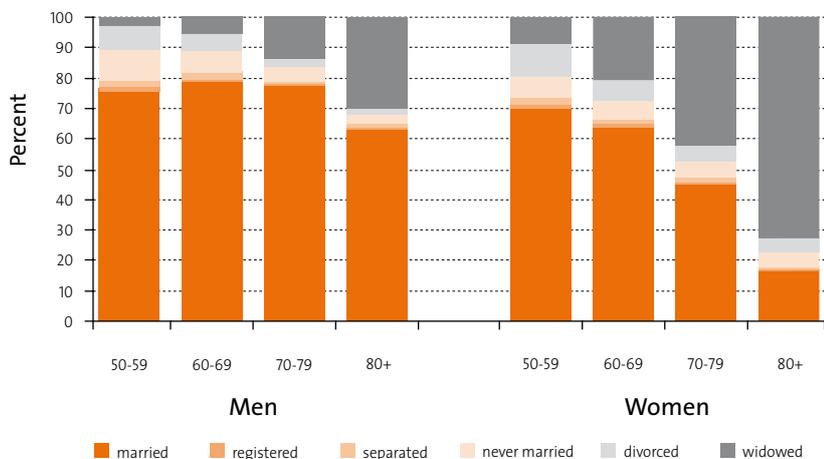


Figure 2 Marital status (percentages by age and gender)

Of those who were married in 2004, less than three percent experienced a change in marital status until 2004. Divorce accounts for 15 percent of these changes, widowhood for 85 percent. Widowhood is thus the predominant reason for such changes, and even more so with advancing age. Among those aged 80 and above in 2004 and still married, 11 percent (8 percent of the men, 19 percent of the women) suffered a change in marital status, all of them into widowhood.

The Power of Generations

The family nucleus thus loses its impact with increasing age, especially among women. This is not the case, however, for the generational structure. Even after several decades of low fertility most European elderly still have a family that extends to the next generation. The proportion of those without living children varies between 15 percent in Switzerland and 6 percent in the Czech Republic, with Israel, Poland, Sweden and Denmark also below 10 percent, see Figure 3. Having no living children stems in part from children's mortality; we would thus expect it to increase with advancing age. The fact that some countries (Italy, Spain, Israel, Germany and Switzerland) show the opposite age pattern indicates that childlessness is on the rise here; but the proportion of the childless among those aged 50-59 nowhere reaches twenty percent.

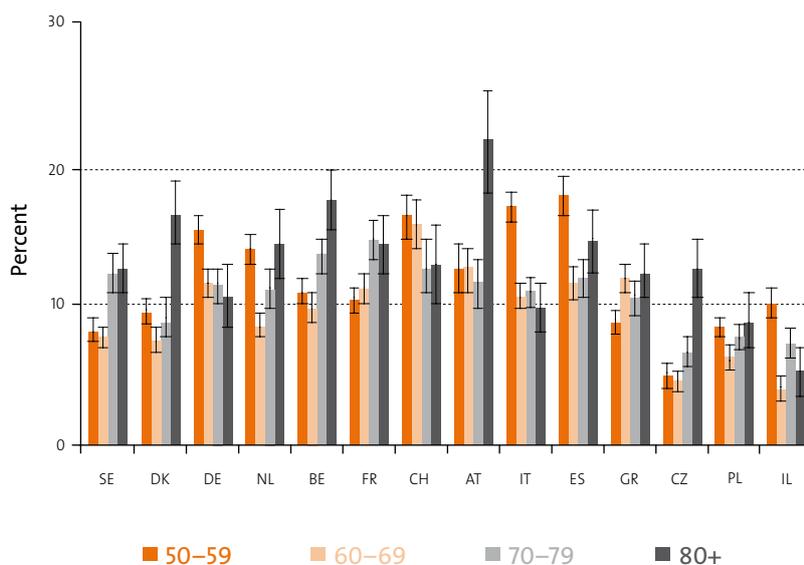


Figure 3 Childlessness (percentages by country)

The 'second demographic transition' to low fertility has thus not yet left a strong mark on parenthood among our cohorts in most European countries and will not be relevant for old age in the near future. However, it does show in grandparenthood to some degree, see Figure 4. The largest shares without living grandchildren obviously occur among the youngest age group, especially in the Southern European countries and in Switzerland; it is unclear how many of the 'missing' grandchildren will still be born. The longitudinal perspective takes this potential into account: Among the 50 to 59 year olds without grandchildren in 2004, 12 percent report at least one grandchild in 2006; among those aged 80 and over it is 9 percent.

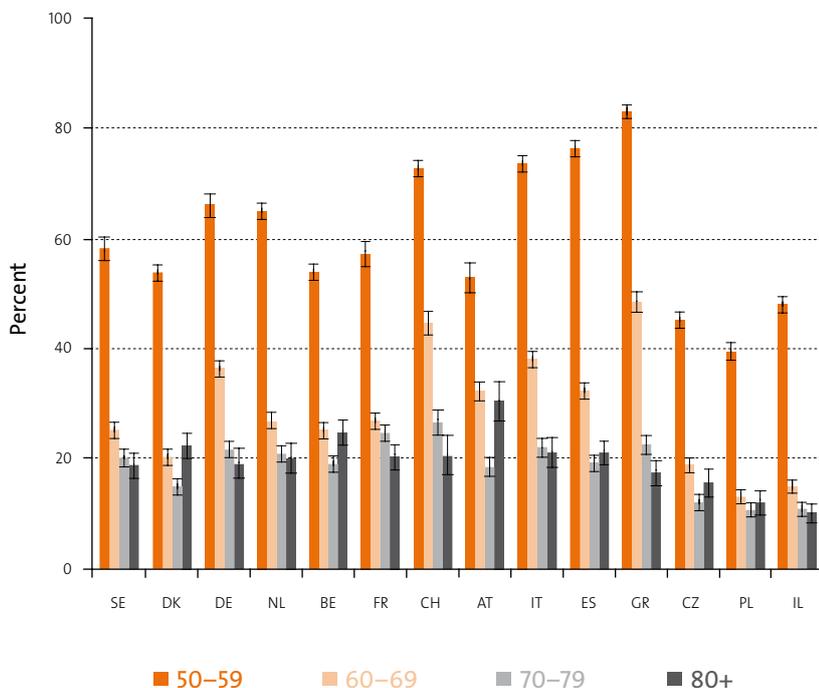


Figure 4 Without Grandchildren (percentages by country)

How does this translate into actual exchange and support? The first question here is about co-residence with and geographical proximity to these other generations. This is the one piece of evidence that seems to support the ‘modernization’ claim: In all Western societies, co-residence among adult family generations has decreased massively. Today, among the Europeans aged 80 or more who have at least one living child, only 17 percent live together with a child in the same household. But by extending the boundaries of „togetherness“ the situation turns out to be very different. If one includes parents and children living not only in the same household but also in the same house, the proportion rises from 17 to 32 percent, and by including the neighborhood less than 1 km away, to 53 percent. 84 percent have a child living no farther away than 25 km. The preference now seems to be for ‘intimacy at a (small) distance’ – small enough so that relations of exchange and support may function easily across the boundaries of the separate households (cf. Hank, 2007; Kohli et al., 2005). Thus, even the living arrangements are not very good evidence for the claim of a dissociation between parents and adult children.

Weak and Strong Family Countries

In these dimensions, however, it is the variation among countries that comes into focus. At the European level, there are considerable differences between Scandinavia, Central and Western Continental countries, and those of the Mediterranean. The latter are often grouped together as ‘strong family countries’, and contrasted with the ‘weak family countries’ of Western and Northern Europe and North America (Reher, 1998). The strength or weakness refers to cultural patterns of family loyalties, allegiances, and authority but also to demographic patterns of co-residence with adult children and older family members and to support for the latter (Albertini et al., 2007). The ‘strong family countries’ have had high fertility in the past but today, paradoxically, are those with the lowest fertility – a state of affairs that is directly linked to the strength of their family tradition. While they have

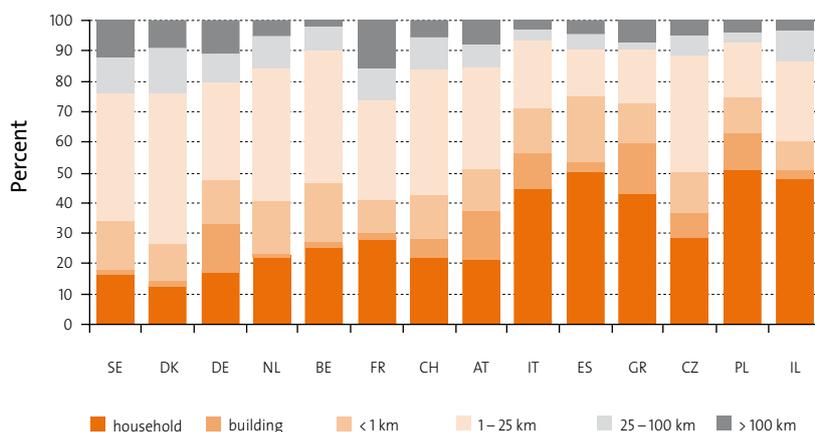


Figure 5 Proximity to nearest living child (percentages by country)

evolved, in conjunction with the other advanced countries, towards higher gender equity in education and the labor market, gender equity in the family and in public provisions for the family remains low. The dominant model, both culturally and in terms of welfare state incentives, is still that of the male breadwinner. The ensuing cultural lag in gender equity between the ‘individual-centered’ and the ‘family-centered’ worlds increasingly turns women away from motherhood.

As mentioned above, these trends have mostly not yet directly affected the SHARE cohorts. For them – and therefore also for the elderly in the near future – the pattern remains one of comparatively high marriage rates and low rates of childlessness. But they are affected in an indirect way, through the decreasing prevalence of marriage and childbearing among their children.

Our data demonstrate that there is not only a ‘weak’-‘strong’ dichotomy but a North-South gradient, with the Scandinavian countries generally having the least traditional family structure, the Mediterranean countries (Spain and Italy more so than Greece) the most traditional one, and the other continental countries lying somewhere in-between. Of the two transition countries of Eastern Europe, the Czech Republic tends towards the non-traditional side, Poland towards the traditional one. Israel also approaches the “Mediterranean” pattern in many respects. This already shows for the variation in marital status, e.g., divorce. The Czech Republic, Sweden and Denmark are at the top with 16, 14 and 13 percent currently divorced, followed by Switzerland, Germany, Austria, France, the Netherlands and Belgium with 11 to 8 percent, and Israel, Poland, Greece Italy and Spain with 6 to 3 percent.

Massive differences occur with respect to co-residence, see Figure 5. The Mediterranean countries are characterized by very late (and increasing) ages of leaving the parental home among adult children. This is often interpreted solely as an effect of opportunity structures (employment and housing markets), but the variation among countries may also be explained by a cultural tendency towards closer intergenerational ties. The overall proportions are striking. In Denmark 13 percent of our respondents who have at least one living child live with a child in the same household, in the ‘center’ countries this amounts to between 17 and 28 percent, but in Greece, Italy, Israel and Spain to 43, 44, 48 and 50 percent. Poland has the highest rate of co-residence (51 percent), whereas the Czech pattern (28 percent) is close to the Western Continental countries.

In the longitudinal perspective we are able to show that proximity between parents and children changes as a function of critical life events. For those who have become widowed or disabled between 2004 and 2006, proximity to children increases. It may be either the child or the parent that moves closer (cf. Attias-Donfut and Renaut, 1994). The same applies for respondents who have become grandparents, indicating that the proximity between parents and children also reacts to critical events in the life of the child (such as giving birth).

Similar results as for proximity obtain for frequency of contact between children and parents (also see Hank, 2007). As a whole, results show that the adult generations in the family, even in countries with comparatively weaker family traditions and larger geographical distance, remain closely linked. Contact with the most contacted child, see Figure 6 is daily for 28 and 31 percent in Denmark and Sweden, respectively, and for between 33 and 46 percent in the Continental countries; Italy, Greece and Israel stand out with 73, 71 and 69 percent. In all countries two thirds or more have contact at least several times a week; in the Mediterranean countries (including Israel), the proportion is 90 percent or more. There are those who have no contact at all to their living child or children but in no country do they make up more than two percent.

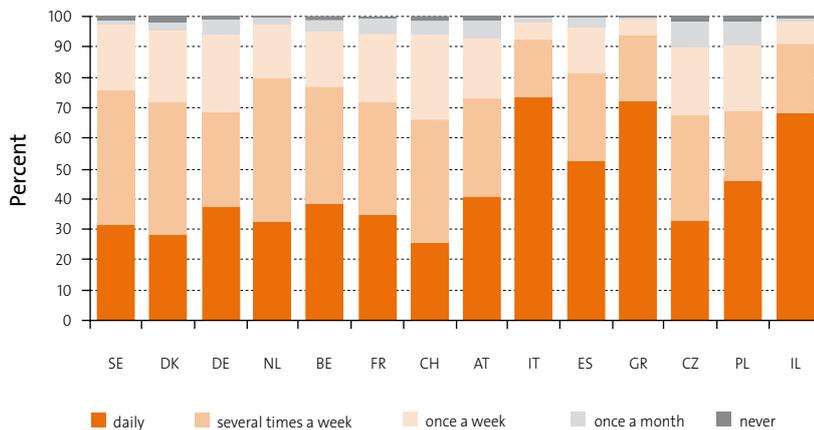


Figure 6 Frequency of contact to most contacted child (percentages by country)

Contact with parents, see Figure 7, is somewhat less frequent, partly because there are often several children of which only one lives close to their parents (cf. Konrad et al., 2002) and remains in close contact. There may also be some tendency to overreport contact with children and/or underreport contact with parents – a response pattern associated with the often-observed difference in the ‘developmental stake’ of parents and children (Giarrusso et al., 1995). As to differences between countries, the Mediterranean countries (including Israel) again stand out, while there is no noticeable gap between Scandinavia and the Continent. Switzerland has the lowest proportion of contact with parents at least several times a week – corresponding to the fact that parents here most often live farther away as a result of international migration.

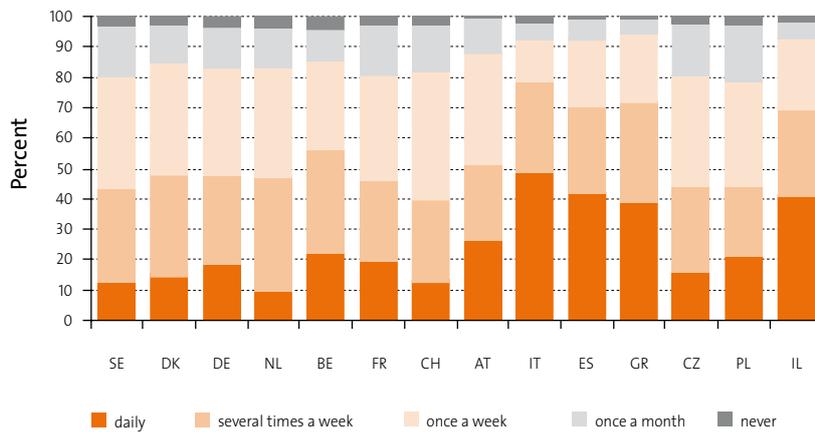


Figure 7 Frequency of contact to most contacted parent (percentages by country)

Conclusion

We emphasize four points:

- For present elderly Europeans the family has remained a strong provider of institutional and everyday integration. The historical decline of marriage has not yet reached them directly.
- The marriage bond weakens however with increasing age, and dramatically so for women.
- On the other hand, the multi-generational structure of the family remains strong. Even though co-residence of the elderly with their adult children has decreased, geographical proximity – and thus the potential for everyday support – is high, and increases in the wake of critical life events. There are moreover high rates of frequent contact between parents and children.
- While this is true for Western Europe as a whole, there are important differences among the ‘strong family countries’ in the South and the ‘weak family countries’ in the North. Of the two Eastern European countries, Poland belongs to the ‘strong family’ regime, while the Czech Republic tends towards the ‘weak family’ regime. The North-South gradient is especially noticeable with respect to rates of co-residence and frequency of contact among adult family generations.

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5.2 Evolution of Social Support

Claudine Attias-Donfut, Jim Ogg, Francois-Charles Wolff

Findings from the first wave of SHARE showed how older people are at the centre of a complex exchange network within the family, giving and receiving many types of practical help and support (for overviews see Albertini et al., 2007; Attias-Donfut et al., 2005). European grandmothers for example, from the north to the south, are largely involved in looking after grandchildren (cf. Hank and Buber, 2008). As they move through retirement, the help they give decreases (with the exception of care-giving) and older Europeans become recipients of family transfers. Country differences in the regularity of transfers and the intensity of support networks exist, a finding that is strongly linked to patterns of intergenerational cohabitation and residential proximity between family groups. These results provide a snap-shot of the social support networks of older Europeans at the time of the first wave around 2004.

With the addition of a second wave of data, we are able to test a number of hypotheses concerning social support networks. Does the ‘snap-shot’ of Wave 2 social transfers follow the same trends as in Wave 1, thereby confirming the robustness of the data? Do patterns of country variation remain the same in Wave 2 as in Wave 1? How do major life events, such as the transition to retirement, the onset of an illness, or the loss of a spouse, alter the type and direction of social support exchanges between family members? And what happens to the balance of family and professional support over time – if one source increases, does this have an impact on the other?

Globally, and although not reported in detail, the patterns of social support that were found in Wave 1 are repeated in Wave 2 – about one quarter of older Europeans gave help to a family member or other social network person in the past 12 months (or time since the last interview) and just under one third received help. Since the majority of respondents are two years older at Wave 2, the effects of ageing on transfers are observable, with rates of support given tending to be slightly lower than at Wave 1 (especially for care given to someone within the household) and rates of support received tending to be slightly higher at Wave 2 than at Wave 1. As far as the two new entrant countries are concerned, older people in the Czech Republic had higher rates of giving help, whereas Poland had slightly lower rates of both giving and receiving help than the average.

In this chapter, we focus on the longitudinal aspect of the SHARE data, i.e. selecting only respondents who took part in both waves. To illustrate how important changes in one sphere of the respondents’ lives impact on other domains, we choose not only events that have occurred to respondents themselves between the two waves, but also to members of their social network. We begin the chapter with an important component of intergenerational transfers that can affect decision making around the time of retirement – responding to the needs of an elderly mother in failing health.

The Impact of Retirement on Help Given to an Elderly Mother

With increased life expectancy, many Europeans who are in or approaching retirement, have an older parent who is in need of help and support. How do these adult children respond to the needs of ageing parents? In our previous work on the direction of family transfers in Wave 1 of SHARE, we showed that “family help in the form of time transfers is directed to older parents in ill health, or to the care of grandchildren by grandparents, and that these transfers also have important consequences on the labour supply as well as

capital accumulation of the helpers.” (Attias-Donfut et al., 2005) At the same time, rates for helping other people outside the household were lower than average in the southern European countries, and in particular Spain. However, although overall Spanish respondents had low rates of giving social support, they invested significantly more time than any other country – including Italy and Greece – with a mean of 26 hours of time transfers given on monthly basis.

Although these results clearly showed inter-country variation, their interpretation is not straightforward. The SHARE questions on time transfers given are only recorded for recipients outside the household (with the exception of personal care). If intergenerational cohabitation or close proximity between family members is considered to be a *de facto* form of support, the inter-country pattern changes and the southern European countries have substantially higher rates. We have also suggested that country differences in rates of help given may in part be due to interpretation differences. This is especially the case where cohabitation exists. Another explanation may relate to the need for a certain social distance between donors and recipients before help and social support can be identified (Ogg and Renaut, 2006). This is especially the case for helping parents. It should also be noted that the SHARE survey does not contain a direct question on help given to parents (e.g; do you or have you helped your parent). Help given to a parent can only be flagged if this parent appears in the social network of helped persons given by the respondent. It may be the case that because the social distance between children and parents is very close, ‘true’ rates of support given to parents are underestimated in the SHARE survey.

These first results from Wave 1 lead us to suppose that indicators of help given to a parent exist at three levels. First, at the level of the social network there is the general question, “In the last twelve months, have you personally given any kind of help listed on card 28 to a family member from outside the household, a friend or neighbour?”. This is the key question in SHARE’s ‘social support’ (SP) module designed to open the way for measurement of the social network of recipients. If, and only if, the respondent answers “yes”, does the questionnaire continue to ask who this person is, the type of help and the regularity. Parents living outside the household can be located on this routing, but as noted above, some caution must be applied in the interpretation of the answers of these questions by respondents as far as help given to parents is concerned. Second, there is the question on personal care given inside the household: “is there someone living in this household whom you have helped regularly during the last twelve months with personal care, such as washing, getting out of bed, or dressing?” Parents living in the household receiving personal care can be identified on this routing. Third, less direct measures of helping can be considered. In the ‘demographics & networks’ (DN) module, a series of questions are posed for each parent – including whether they live in the household of the respondent and the regularity of contact.

Rates of help given to a mother at both Wave 1 and Wave 2, using the questions in the SP module (points one and two above) are shown in Figure 1. Our first observation is that generally, countries have more or less the same rates at each wave, and that for seven out of the eleven countries, rates increase between waves. As mentioned above, our previous work has shown that when indicators of help given are measured only at levels one and two (SP module), rates are lower in the southern European countries than in the northern European countries. This finding is confirmed, as is also shown in Figure 1. Clearly, one important question that arises is why rates of helping a mother are low at both waves in

Spain and Greece (less than 20 per cent) and double (at around 40 per cent) in Sweden and Denmark?

To answer this, we need to incorporate rates of cohabitation and rates of contact with a mother into an overall indicator of ‘support’. Rates of intergenerational cohabitation (respondent and mother living either in the same house or same building) are high in Spain, Italy and Greece – at around 15 per cent, and very low in all other countries (mostly less than 5 per cent and in some countries non-existent, such as the Netherlands and Sweden). However, Austria and Germany have relatively high rates of cohabitation between a respondent and her/his mother – at around 10 per cent. But it is the regularity of contact between the respondent and her/his mother which changes the inter-country pattern completely. The regularity of contact is significantly higher in Spain, Italy and Greece than other countries – for example, in Wave 2 the range of daily contact with a mother is from 53 per cent in Italy compared to 12 per cent in Switzerland. Spain and Italy also have high rates of daily contact with a mother – above 40 per cent.

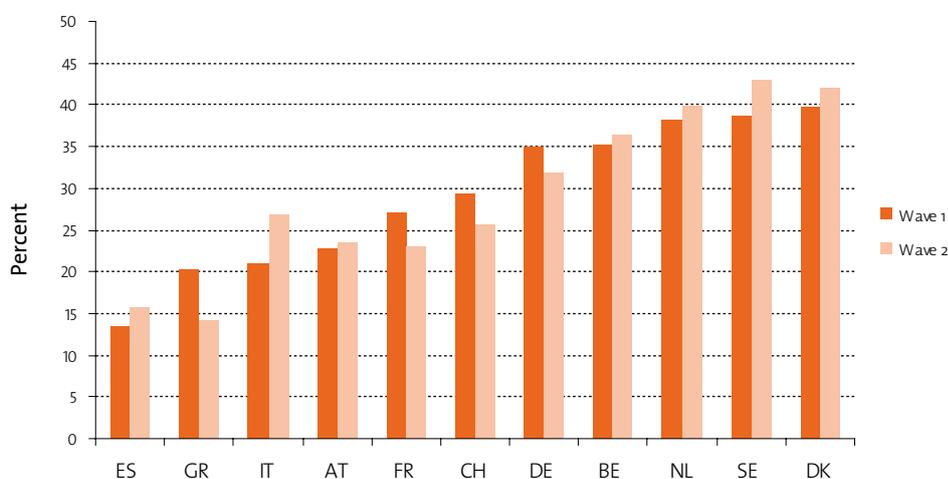


Figure 1 Percentage of respondents who gave practical help or care to their mother in the past 12 months or since the last interview (base=respondents with a mother alive)

Building on the findings from Wave 1, and in order to examine the possible determinants of giving regular help to a parent, we therefore combine the four indicators of help – practical help given to a mother who lives outside the household, personal care to a mother living inside the household, cohabitation and daily contact – into a single indicator which identifies ‘practical support given to a mother’. From the SHARE data, we estimate that 27 per cent (base=3,442) of respondents with a mother alive at Wave 2 were engaged in this type of practical support at both waves. In other words, these are respondents who over time consistently provide practical help and support.

What are the characteristics of respondents who are engaged in this regularity of support to their mothers? First, and not unsurprisingly, women are more engaged than men (32 per cent compared to 19 per cent). Second, the country divide is clearly discernible as is shown Figure 2. The southern European countries have higher rates of consistent care given to a mother across both waves.

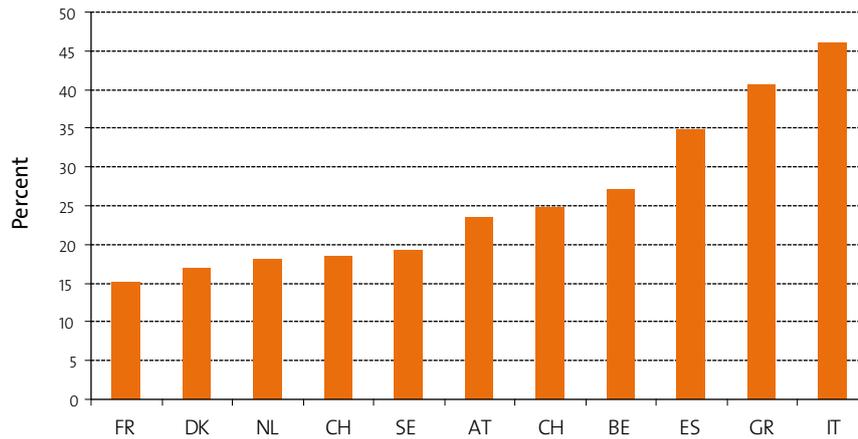


Figure 2 Percentage of respondents who are engaged in supporting their mother at both waves (base=mother alive)

Gender and country are variables that, of course remain constant between waves. The challenge of the longitudinal data is to explain the factors behind this consistency, or those that lead to changes in the level of practical support given to a mother between waves. These factors relate both to the changes in the situation of the respondent and those of the mother. In SHARE there is of course a lot of information on changes in the circumstances of the respondent between waves, much less for those of the mother. In fact, for the mother we know only if she died between waves (information not treated here, as our base is respondents with a mother alive at both waves), changes in the health status of the mother as perceived by the respondent, changes in the distance the mother lives from the respondent and changes in the regularity of contact that the respondent has with her/his mother (this latter variable being incorporated in the response (dependent) variable).

We turn now to examine some of the associations of these longitudinal changes on the likelihood of giving support to a mother. Using the above indicator of ‘regular support given to a mother’ we create a variable that indicates whether respondents give this amount of practical help at both waves, whether they increase the help given to a mother, whether they decrease the help given to a mother, or whether rates are below regular at either wave. We then examine changes in the rates of practical help given to a mother in relation to changes in the mother’s health, and changes in the occupational, marital and health status of the respondent. We find that:

- There is no association between a mother’s deterioration in health (as perceived by the respondent) and fluctuations in the existence of practical help given (as measured by help given to a mother outside the household, cohabitation and daily frequency of contact); this trend applies equally to men and women.
- There is however, some evidence that moving into retirement (from active to inactive between waves) has an effect on the intensity of help given to a mother – for some respondents the passage to retirement increases the intensity, but for others it decreases.

These preliminary findings suggest that it is above all the characteristics of the respondent (supply) that influence patterns of caring for a parent. For some respondents the passage to retirement seems to make them more available to support their elderly mother. Their labour is thus transferred from the wider economy to the domestic economy. For others, the decrease in the intensity of support may be due to factors relating to their mother, such as a move to a residential home – information that is not included in the SHARE data.

Family Support in Response to Increasing Needs

As the SHARE respondents age, they will be facing increasing needs due to the onset of disability and ill health. Family sources of help will be important elements in maintaining the autonomy of older people during the final years of their life. Here, we examine whether changes in the self-reported health status of the respondents changes the likelihood of receiving family support.

Practical support received from outside the household is measured in the SP module at the household level. Only a minority of respondents consistently received practical help from outside the household at both waves – ranging from 18 per cent in Greece to 3 per cent in Spain. Given that at each separate wave, rates of practical support from outside the household were generally at around 20 per cent, we need to explore further the reasons why the informal help network diminishes over time – is this due to changes in the characteristics of the respondent and his or her household, or changes in the informal network, such as the loss of siblings and friends?

Here we examine what is likely to be one of the most important factors linked to receiving help and support – a deterioration in health. We have taken a subjective health indicator (For the past six months at least, to what extent have you been limited because of a health problem in activities people usually do?). Responses are coded as ‘severely limited’ ‘limited but not severely’ and ‘not limited’. If we examine rates of respondents who receive practical help from outside the household (or not) at both waves, there are some interesting findings.

Among respondents who rate their health as ‘severely limited’ at both waves, about one-third received practical help from outside the household, and more than two-thirds have been helped by members of their social network since the SHARE survey began. At the same time, about one-third also received no practical from outside the household at both waves. At the other end of the scale, among respondents who had no disabilities at both waves, about two thirds received no practical help – rates of practical help received at both waves were very low (7 per cent) among non-disabled respondents. In between these two extremes, trends are difficult to discern, but it is interesting to note that rates of practical help received at both waves among respondents who showed an improvement in their self-rated disability status were slightly higher than among those who became more disabled. This may indicate that the informal help network needs some time to activate and also that it continues to be in place during a convalescence period. The improvement of their health condition may also be the consequence of help received.

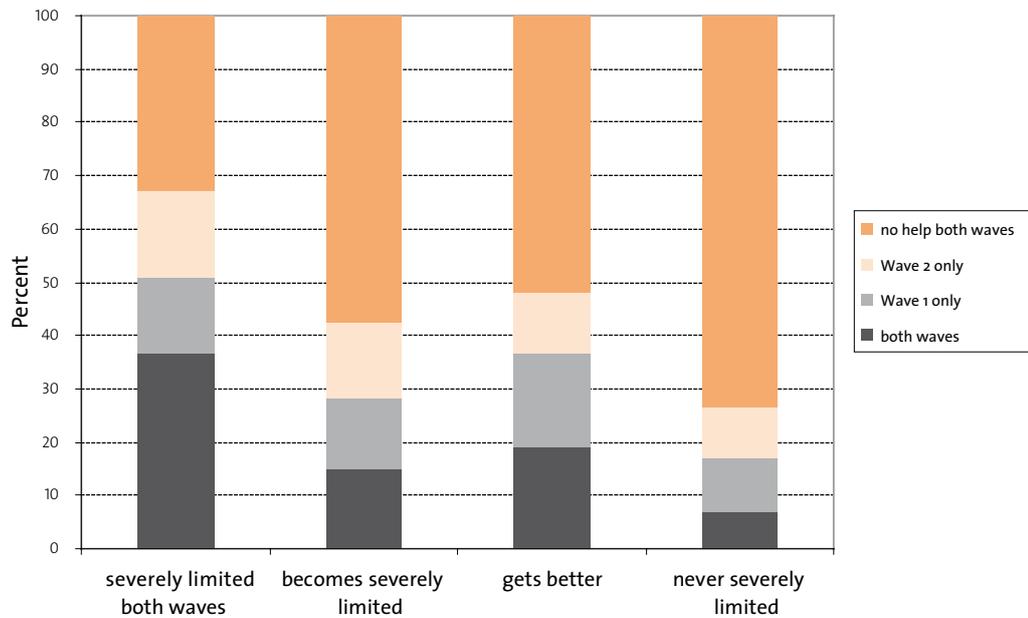


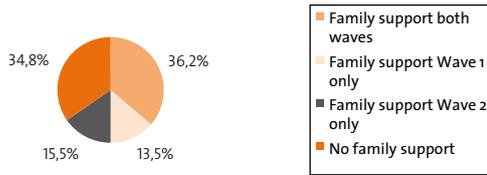
Figure 3 Changes in practical support received from outside the household by disability status

Working Together – Family and Professional Sources of Help

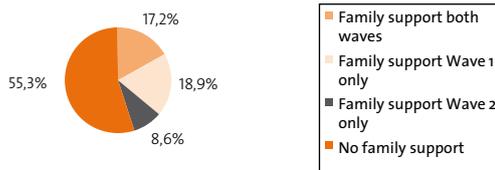
When the needs of older Europeans change over time, they are in part met by increased support from within the family. But how does this effect the provision of formal support services? This is a large question and one for which there has been conflicting evidence between different countries and researchers. With longitudinal data it is possible to take a tentative look at this important social policy issue. We have taken three measures of professional help – nursing care, home help and meals on wheels – and examined whether respondents received one or more of these forms of help over the two waves.

The results show that when professional help is received consistently, one third of respondents also received family help consistently and about two-thirds of respondents received family help at some point since the beginning of the SHARE survey. Conversely, among respondents who never received professional support, rates of family support were very low, again suggesting that where there are needs these tend to be met by a combination of family and professional support.

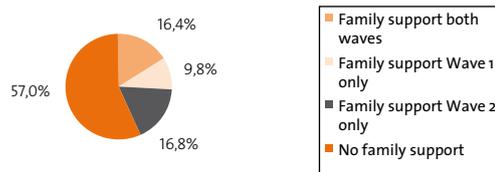
Receives professional support at both waves



Receives professional support at Wave 1 only



Receives professional support at Wave 2 only



Never receives professional support

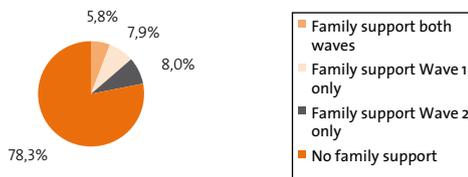


Figure 4 The combination of professional and family support over time

Conclusion

This brief excursion into some of the longitudinal aspects of social support in the SHARE survey has explored how different domains in the lives of older Europeans affect their capacity to give or receive social support. The findings confirm the general trends that intergenerational family transfers and support depend on resources of the givers, needs of the receivers and closeness of the relationship (e.g., Albertini et al., 2007). The transition to retirement appears to have an impact on the amount of social support that is given to other family members, such as elderly parents or young grandchildren.

This concentration of time and energy poses some interesting questions that warrant further research. Does active ageing in the domain of family support enhance a healthy lifestyle and possibly act as a buffer against premature ageing? With future waves of SHARE

data, this question can be fully addressed. For more older retired Europeans, the onset of illness for many older Europeans is accompanied by an increase in support from their family members, in conjunction with professional services. In countries where rates of intergenerational cohabitation and proximity are high, the support given to less independent older parents is high.

With population ageing at the forefront of many policy European policy initiatives, these results provide a clear message.

- Older Europeans who are currently entering retirement play a crucial role in the domestic economy of caring and support, not only for their own family members but also for other members of their social network and indeed even in a voluntary or semi-professional capacity.
- The increased demand for carers can in part be met by recently retired persons who for the most part remain active and in good health.
- At more advanced ages however, the heavy tasks of caring that are undertaken by spouses will require a complement of more flexible quality professional services. If these services are not developed in line with increasing demand, older carers themselves risk health problems that could lead to the loss of their autonomy, thereby adding to the already increasing demand for care services.

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5.3 Changes in Financial Transfers: Do Family Events Matter?

Claudine Attias-Donfut, Jim Ogg, François-Charles Wolff

Over the last twenty years, both sociologists and economists have stressed the importance of financial transfers that flow between generations and within families. It has even been suggested that total inter vivos transfers (including material gifts) have become quantitatively more important than bequests. Empirical results from Wave 1 of SHARE have shown that financial transfers are indeed important. Among the selected countries, more than one quarter of the respondents reported making at least one gift of 250 euros or above to their family members or other members of their social networks within the last 12 months, while the rate of financial transfers received was much lower, about 4 per cent (Attias-Donfut et al., 2005; also see Albertini et al., 2007).

A challenging issue is to understand the motives for such transfers. In the economic literature, two main motives have been suggested (see Laferrère and Wolff, 2006). On the one hand, people may be altruistic and account for the well-being of the recipient. They will then give money when they have resources and when recipients are in a needy situation. On the other hand, transfers may be related to an exchange between generations. This will occur for instance if parents decide to give money to their children only when the latter provide them with services and other time transfers. Another situation is where parents make a loan to their children, for example to finance educational expenditures, and receive a repayment with additional interest once the children have grown up.

Interestingly, transfers are expected to strongly depend on the demographic and economic situation of both the recipient and the donor under altruism. Conversely, when transfers are explained by an exchange within the family, then transfers may be given independently of individual situations. Children who have benefitted from parental loans will have to honour their debt whatever their situation. The second wave of the SHARE data provides thus the unique opportunity to study how financial transfers depend on changes in the individual situation of respondents in different European countries.

A Stable Pattern of Financial Transfers

When using a panel of respondents who took part in both waves 1 and 2, we find very similar rates of transfers given over the period. The proportion of respondents having made a gift of at least 250 euros was 29.2 per cent in Wave 1, while it amounts to 30 per cent in Wave 2. Nevertheless, we also note that the range between the lowest and highest rates increased during the period, from 25.9 per cent in 2003 to 40.9 per cent in 2007.

The relative ranking of the European countries in terms of prevalence of transfers has not really changed between the two waves. On the lower part of the distribution, Spain is characterized by the lowest proportions of donors, about 12 per cent, which is 17 points of percentage less than the average rates. In a similar way, Netherlands, France and Belgium are countries with a lower than the average proportion of gifts made to others. At the top, Germany and Sweden have among the highest rankings at both waves (respectively 1st and 3rd for Germany, 2nd and 1st for Sweden). We observe more significant changes in the proportion of gifts made to others in two countries – Greece where the rate of transfer is much lower in 2007 than in 2003 (from 3rd to 7th) and Italy with an opposite pattern (from 6th to 2nd).

The situation is rather similar when turning to transfers received, although the proportion of respondents claiming the benefit of a gift from others is much lower. First, the rate of

transfers received is remarkably stable over the period, 6.1 per cent in 2003 and 6.4 per cent in 2007. Second, the relative ranking in Europe of countries has not changed for almost all countries. For instance, the probability for a respondent to receive money is the highest for Greece (1st rank in both years), and Austria is in the second position in 2003 and third in 2007. In contrast, Spain, the Netherlands, France and Belgium have the fourth worst ranks over the period. Third, albeit the discrepancy remains of small magnitude, it is of interest to note that the countries with the most significant variations are Italy and Greece and that these changes – which need to be examined further in future research – go exactly in the same way as those observed with transfers given.

In the SHARE survey, respondents are asked about the main motives of the transfers. As shown in Figure 1, we note differences in the self-reported motives depending on whether transfers are received or given. When transfers are given and thus essentially benefit younger generations, respondents most often claim that their gifts are related to basic needs (between 20 and 25 per cent) or large expenditures (about 20 per cent), and to a lesser extent to family events (less than 15 per cent) and education (around 8 per cent). In about one-fourth of cases, respondents who receive money from other people quote basic needs, while the proportion of transfers related to large expenditures is much lower for those who are receiving than giving. In one-third of the cases, there is no specific reason provided by the respondent.

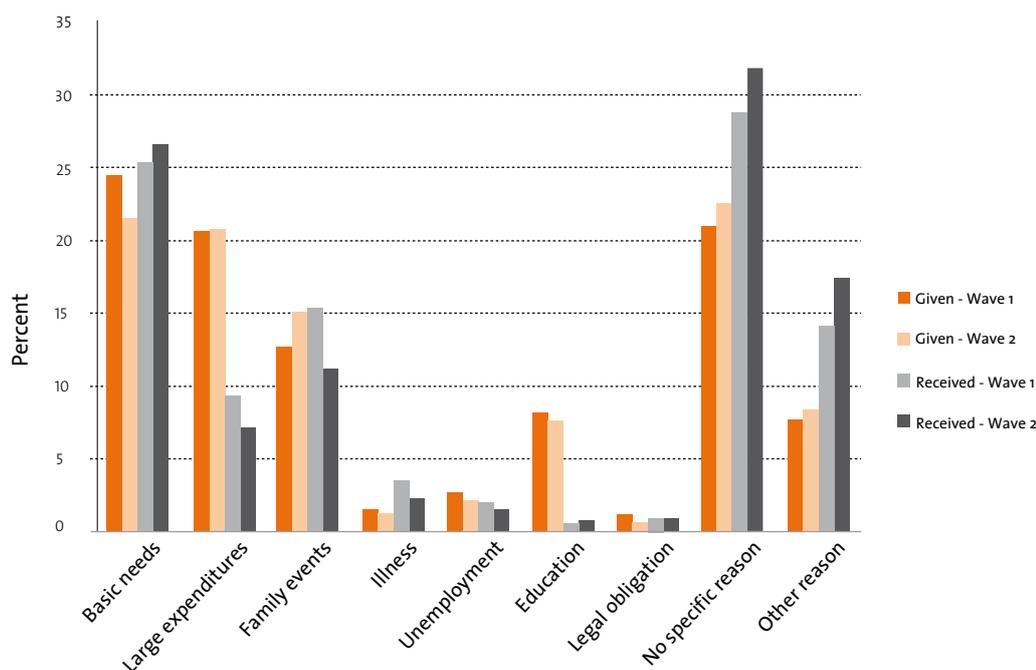


Figure 1 Self-reported motives for transfers given and received

Interestingly, as for the rates of transfers, we observe little change over the period in the pattern of self-reported motivations. Differences are not really significant for transfers received, as the proportion of recipients remains limited. Concerning transfers given, we only observe a decrease of about 3 point of percentage in the ‘basic needs’ explanation, while the frequency related to ‘family events’ is slightly higher. Events that occur later in the life cycle like marriage of children or birth of grandchildren could explain the increasing weight of the ‘family’ events motive.

According to the SHARE data, the bulk of transfers made to others is received by younger generations since about 7 transfers in 10 are made to children and 1 in 10 to grandchildren. Transfers made to children amount to 70.2 per cent in Wave 1 and 69.9 per cent in Wave 2, the same figures being respectively 10 per cent and 9.9 per cent for transfers to grandchildren. Data also exhibit a few differences by country. Transfers are made more often to children in Northern European countries like Sweden, Netherlands and Denmark, where more than 80 per cent of the transfers flow to children. On the opposite, in Southern European countries (Italy, Spain and Greece), the average rate of transfer to children is much lower than the average rate, but there are more gifts made to more distant family members (other than parents, siblings or children).

While the pattern of recipients is remarkably stable for almost all countries and all types of recipients, two exceptions are noteworthy. Both in France and in Switzerland, we observe a shift from transfers to children to transfers to grandchildren. In these two countries, the proportion of gifts to grandchildren increases by about 4 points of percentage from Wave 1 to Wave 2, while the proportion of transfers to children reduces by 9 points in France and 3 points in Switzerland. However, these changes remain somewhat limited. So, a first finding from the SHARE longitudinal data is that on average, there has been little change in the pattern (rates of transfers, self-reported motives, types of recipients) of private inter vivos transfers in the form of money.

Changes in Private Transfers and Family Events

Two explanations are consistent with these constant rates of transfers observed over the period with the SHARE data. While transfers may always concern the same households, it may also be that some respondents who were giving in Wave 1 are no longer giving money in Wave 2. The use of longitudinal data allows us to investigate further whether these are the same households (or not) who are involved in private transfers at both waves. Using the matched sample of respondents who took part in both waves, we construct transition matrices both for transfers given and transfers received. The results for each country are shown in Figures 2 and 3.

When taking all European countries into account, we find that 57.3 per cent of the respondents have never made any gifts to other persons. Among the 43.6 per cent who have at least given once, 38.9 per cent of them have given money both in Wave 1 and Wave 2. The proportions of respondents who have made only one transfer, either in Wave 1 or in Wave 2, is almost equally distributed between the two years (12.7 per cent in Wave 1, 13.4 per cent in Wave 2). Clearly, these are not always the same households who take part in private transfers, and it is therefore of interest to know how changes in individual characteristics may influence the decision to help others.

Nevertheless, there are large differences among the selected countries, see Figure 2. By definition, when the rate of transfers given is low, the probability not to observe any transfers over the period is much higher. It amounts for instance to nearly 80 per cent in Spain. In contrast, in countries like Germany, Sweden or Switzerland, more than half of the respondents participate at least once in such financial transfers. Another difference lies in the persistence of the transfer decision. Among those who have given money, the proportion of respondents having given money at both years is much higher in Greece (52.7 per cent) and to a lesser extent in Sweden in Germany, Sweden and Denmark. In Belgium and in the Netherlands, this proportion is lower than the average proportion (around 33 per cent instead of 39 per cent), but it is in Spain that the financial support is the more versatile.

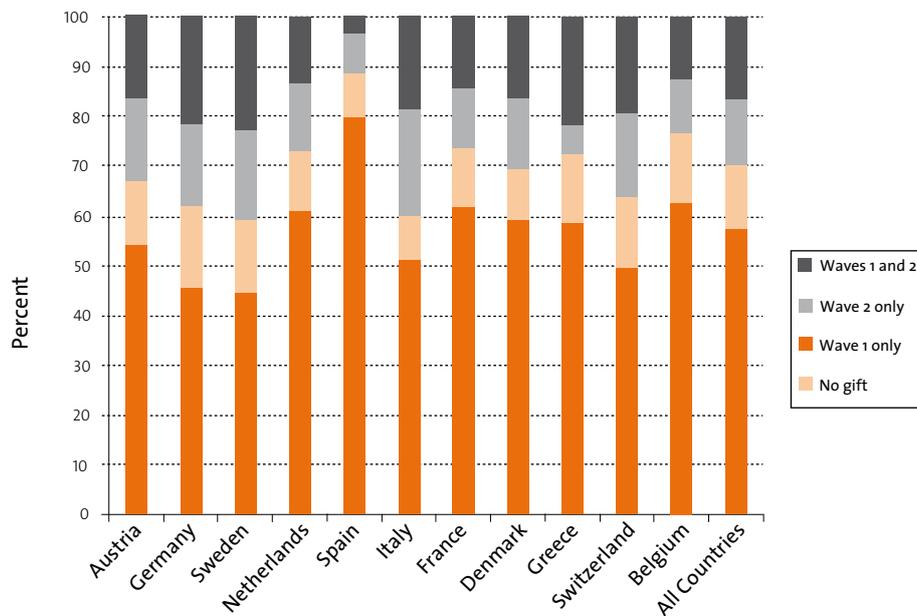


Figure 2 State dependence in transfers given, by country

We obtain very different results when turning to transfers received, see Figure 3. As we have shown that the receipt of transfer was much less frequent than the gift decision, it follows that about 9 households over 10 never benefit from a financial support (89.6 per cent). Among those who are recipients at least once, only 20 per cent of these respondents have received money both in Wave 1 and Wave 2. Again, there are large differences among the selected countries. In the Netherlands, Germany, Spain and Italy, less than 10 per cent of the recipients have been helped at both waves. Conversely, in Greece, the same proportion amounts to 46 per cent.

It is clear from our results that different factors influence the pattern of financial transfers given and received. While decisions to give money are more permanent, the benefit of transfers is certainly more related to negative shocks (like widowhood or health problems) or poor economic circumstances experienced by the households. At the same time, Greece is really an exception in this European comparison, as state dependence is much stronger in this country. An explanation could be the role of family norms of intergenerational support in Greece, so that Greek households have to care both for the younger and older family members by providing them with some money.

We finally attempt to link the changes in the provision of financial support evidenced over the period and changes in the situation of the respondent. We choose to focus on a few events that are related to various aspects of the life-cycle of the respondents, i.e. family situation, grandparenthood, health, job status, and financial situation. Before turning to the role of these events on the transfer pattern, it should be noted that some of them remain scarce. To quote a few figures, 96.3 per cent of the respondents did not change of family situations, while 0.6 per cent has been faced with a separation and 2 per cent with widowhood. In the sample, 70 per cent of the individuals have grandchildren both in Wave 1 and Wave 2, and only 4.7 per cent of them become grandparents during the period. Changes in illness concerned more than 10 per cent of the respondents, and 8.5 per cent of them become inactive. So, as transfers are themselves not so frequent (especially

gifts received), then our results have to be interpreted with caution. Our different results, both for transfers given and received, are reported in Table 1.

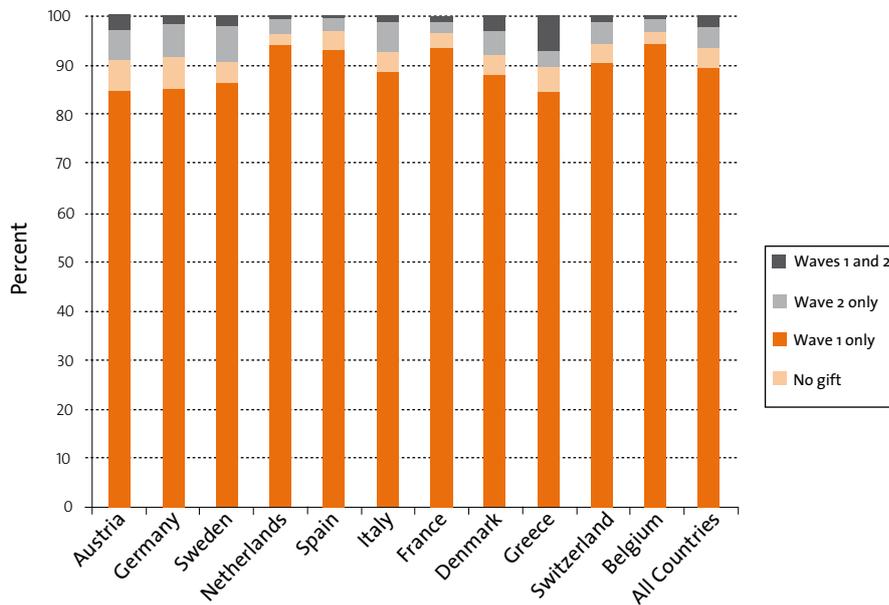


Figure 3 State dependence in transfers received, by country

Happy family events are expected to enhance the propensity to help others. The SHARE data suggest that when the respondent becomes a grandparent, she or he is more likely to make a gift to their children or the grandchildren. In this case, the proportion of those who have made a gift only in Wave 2 is 16.7 per cent, 4 points higher than when respondents have grandchildren over all the period. Negative family events should reduce the capacity of the respondent to give money. Results are not so clear here. On the one hand, those who have experienced a separation or a widowhood between the two waves have a higher propensity to receive money from others. At the same time, we also note that in such situations, the respondent is also more likely to give money. An explanation could be the duty to care for children through alimony in the case of a divorce. Concerning widowhood, the surviving spouse will certainly inherit part of the spousal wealth.

Curiously, we observe little effect of transfers received on changes in health, although those who become disabled or in poor health should a priori be in a more needy position. This finding stems in fact from the trade-off between financial and time transfers. As shown in Attias-Donfut et al., (2005), upstream transfers related to old-age care mainly occur through the provision of time-related services. Our results thus do not indicate that there will be no family support to disabled older persons, but instead that this support will not take a financial form. At the same time, it is important to note that at this stage in the analysis we have not examined respondents who entered into residential or other care homes between waves 1 and 2. Older people who receive formal care are much more likely to receive financial transfers to pay for this care.

Concerning transfers given, Table 1 shows that respondents who become disabled or report a long term illness during the period are more likely to give money in Wave 2 only,

although the differences remain limited. As illness is strongly related to the receipt of informal support (in particular from children), it is plausible to explain these transfers as exchange-motivated, where respondents pay for the services provided by their children.

Variables	Transfers given				Transfers received				in %
	Never	in W1 only	in W2 only	in W1 and W2	Never	in W1 only	in W2 only	in W1 and W2	
Family situation									
New Couple	51.9	17.6	13.0	17.6	91.6	0.8	6.1	1.5	1.2
Separated	61.5	12.3	15.4	10.8	81.5	7.7	9.2	1.5	0.6
Widowed	61.3	11.7	14.4	12.6	90.2	3.1	5.8	0.9	2.0
No change	57.4	12.6	13.3	16.7	89.6	4.1	4.2	2.1	96.3
Grandparent									
Never	48.5	14.5	14.7	22.3	86.8	5.6	4.8	2.7	24.7
In Wave 2 only	47.6	12.6	16.7	23.2	89.6	3.4	4.7	2.4	4.7
In both waves	61.2	12.0	12.7	14.2	90.6	3.5	4.1	1.8	70.6
Become long term ill									
No	57.2	12.8	13.0	17.0	89.5	4.1	4.3	2.2	88.2
Yes	58.9	11.8	15.8	13.5	90.7	3.9	4.3	1.2	11.8
Become disabled									
No	57.4	12.7	13.1	16.9	89.4	4.1	4.3	2.2	86.5
Yes	57.3	12.7	15.2	14.8	90.8	3.8	4.0	1.4	13.5
Job change									
Had a change	65.2	12.6	11.0	11.2	86.4	5.7	6.0	2.0	9.8
No change	56.6	12.7	13.5	17.2	90.0	3.7	4.1	2.2	81.7
Active to inactive	55.7	12.8	15.0	16.5	89.2	5.3	4.5	1.0	8.5
Deterioration in financial situation									
No	57.1	12.2	13.5	17.2	89.5	4.2	4.2	2.2	80.3
Yes	58.6	14.4	12.7	14.3	90.1	3.3	4.9	1.7	19.7
All	57.4	12.7	13.4	16.6	89.6	4.0	4.3	2.1	-

Table 1 Changes in individual situation and financial transfer given

It is difficult a priori to know how the transition from activity to retirement will influence the pattern of private transfers. Since the amount of pension is lower than the earnings under activity, this could negatively influence the decision to help others. On the other hand, people sometimes receive lump sums when retiring. They also have more leisure time to devote to their family, which could increase the opportunity to give money. According to the data, the transition from activity to inactivity is more often accompanied by an increase in the provision of financial support to others. Nonetheless, as for other life events, changes in the private support remains of low magnitude.

Finally, the situation is more clear when taking economic considerations into account, measured here through a self-reported question on financial situation. When respondents benefit from additional resources, they should be able to give more money to others. We find that households whose situation has deteriorated over the period are significantly less

likely to make a transfer in Wave 2. The proportion of those having given money in Wave 2 only or both in Wave 1 and Wave 2 amounts to 30.7 per cent when the respondent reports no deterioration in their financial situation, while the same figure is only 27 per cent otherwise. Additional results show a slight increase in the financial support received when the respondent reports having fallen into poverty over the period.

As they stand, our results show some influence of the changes in the respondent's individual situation on the pattern of financial transfers in Europe. The family situation, demographic events, health as well as economic resources affect the propensity both to give and receive money, although the SHARE data evidence a limited role for all these factors. Several concerns have to be kept in mind when interpreting these results.

First, we have examined changes in transfers during a short period of time. Decisions to give money remain rather infrequent, and the transfers that are recorded in the survey are only recorded in the time period between the two waves. Second, we only focus on the propensity to give or to receive money and not on the amounts transferred. We chose to do that as amounts are much more subject to measurement errors and transitions are much more difficult to study. Of course, it is very likely that family events will also influence the amount of transfers given (or received). Nevertheless, such changes in family support remain difficult to observe in such a short space of time. For instance, a respondent could decide to help each year a child with a limited amount of money, or to postpone her transfer decision during a few years and then make only once a large gift. Clearly, depending on how transfers are measured in the survey, this could have an impact on our interpretation of the results.

Finally, we have only taken into account here the situation of the respondent. The theoretical models of private transfers have shown that transfers were expected to depend not only on the characteristics of the donor, but also on the characteristics of the receiver. While our results suggest that the situation of the recipient is not so important when explaining financial transfers received by older respondents, other studies have reached different conclusions when considering transfers from older adults to younger generations. Financial gifts made to young adults, for example, are most often devoted to those with low incomes, unemployed, or still in education.

Conclusion

These first results from the SHARE longitudinal data on financial transfers point to a number of preliminary findings as well as areas for future research. First, the robustness of the data is confirmed, since overall rates of financial transfers given and received do not vary much between the two waves.

- Older Europeans continue to make gifts of money to their social network as they are ageing. This suggests the high degree of stability in the frequency of transfers.
- Only among very old Europeans is the likelihood of making a financial transfer decreasing.
- Important events in family life do matter, as can be seen not only from the explicit motives for making a financial transfer, but also by the events that occur over time to both older Europeans and their family.
- Older Europeans respond both to crises within the family as well as to 'happy' events, such as the arrival of a grandchild.

In this volume's Chapter 5.2 on social support, it was found that the passage to retirement appears to have a positive impact on the amount of time transfers given to other family members. The importance of retirement is also made evident in transfers of money.

- The move into retirement does not diminish the likelihood of making a gift of money, but on the contrary, the overall trend is rather an increase. Altruistic motives may be at work, especially if retirement is accompanied by one-off lump sum payments from previous employers or insurance policies.
- Many older Europeans contribute in important ways to domestic economics. These first results suggest that their withdrawal from the labour force does not imply a withdrawal from economic processes. Further research needs to be undertaken on the impact of retirement for social and financial support within the family.

These findings have consequences for social policies, in so far as the flow of financial transfers to younger family members depends upon retirees having an adequate income. Pensions of course have a clear role in this domain, and it may be that a significant part of downward financial transfers can be explained by relatively high levels of retirement income. But leaving aside this complex process and the social policy implications of pensions being used to help younger as well as older family members, the SHARE data provide evidence of how families continue to respond to different life events, both 'happy' events and crises. These transfers represent an important financial sum and should not be ignored in the development of policy measures concerning the income and resources of older Europeans.

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5.4 Social Productivity and Quality of Life – First Prospective Findings

Morten Wahrendorf, Olaf von dem Knesebeck, Johannes Siegrist

An important facet of the demographic changes in Europe is the rapid increase of life expectancy in the older age groups during the last century. In 2002, according to Eurostat a 60 year old man in the EU-25 can expect to live for another 20 years, a woman for 24 years (Commission of the European Communities 2005). In consequence, a new stage of the life course has emerged during the last decades, situated between labour market exit at one end and the onset of physical dependency at the other end: the third age (Laslett, 1996). Compared to former generations this stage of life is characterized by reasonable health status and by increased personal freedom. This has led to wide interest in studying this stage of life and to understand which aspects are important to guarantee well-being and quality of life of older people. From a sociological perspective, beside demographic and socioeconomic conditions, one aspect is of particular interest: productive activities, defined as activities that produce goods or services. A large number of studies could demonstrate that participation in such activities promotes health and well-being in older age (Bath and Deeg, 2005; Mendes de Leon, 2005). Yet, the complex association between productive activities and well-being is still relatively unexplored. In particular, results from former studies are difficult to compare, as a homogenous definition and measure of productive activities is missing that allows disentangling different forms of productive activities together with specific characteristics.

Against this background, using data of the SHARE study, conditions of quality of life in older age are studied across 14 European countries. In particular, in addition to demographic and socioeconomic conditions, we explore how three types of socially productive activities (productive activities performed in a social context) are related to quality of life in older age. As for most countries (11 countries) data from two waves are now available, we study effects of productive activities on prospective quality of life. Moreover, effects of changes in social productivity on quality of life are analyzed. Three questions are addressed:

- How is quality of life in early old age distributed in the countries under study?
- How are demographic and socioeconomic conditions associated to quality of life in older age?
- How is social productivity associated to quality of life in older age?

Measuring Quality of Life in Older Age and its Determinants

One of the innovations of SHARE is the inclusion of a newly developed measure of quality of life in early old age, the CASP-12 questionnaire. The CASP-12 questionnaire represents a psychometrically validated short version of the original 19 item version (CASP-19) (Hyde et al., 2003). It identifies those aspects of quality of life that are thought to be specific to early old age. In this perspective, quality of life refers to four conceptual domains of individual needs that are particularly relevant in early old age: control (C), autonomy (A), self-realization (S), and pleasure (P). Items measuring the four respective scales assess the degree to which these aspects are perceived as being satisfied on a four-point Likert scale. The first letter of each domain and its 12 items create the acronym CASP-12 that names the measure. Psychometric properties of CASP-19 are fully described elsewhere

(Hyde et al., 2003). A summary measure of the 12 items is used to assess quality of life in this study where the total sum score ranges from 12 to 48, with higher scores indicating better well being.

As demographic and socioeconomic measures, we include age and gender, as well as income and education in the analyses. Income information is based on the total annual household income composed of the sum of different income components assessed in the questionnaire, which we adjusted for household size and categorised into country specific tertiles. Education is measured according to the International Standard Classification of Educational Degrees (ISCED-97) that we categorised into ‘low education’ (pre-primary, primary or lower secondary education), ‘medium education’ (secondary or post-secondary education), and ‘high education’ (first and second stage of tertiary education). Three different types of social productivity are included: 1. doing voluntary or charity work (voluntary work), 2. caring for a sick or disabled adult (care for a person) and 3. providing help to family, friends or neighbors (informal help). Respondents were asked for each activity whether or not they were involved during the last month.

The analyses are based on release 2.0.1 data of Wave 1 and preliminary data of the second wave (release 0) of the SHARE study. To explore effects on prospective quality of life the analyses are limited to the longitudinal data. In the results, we present findings from bivariate analyses and also discuss additional results derived from multivariate analyses.

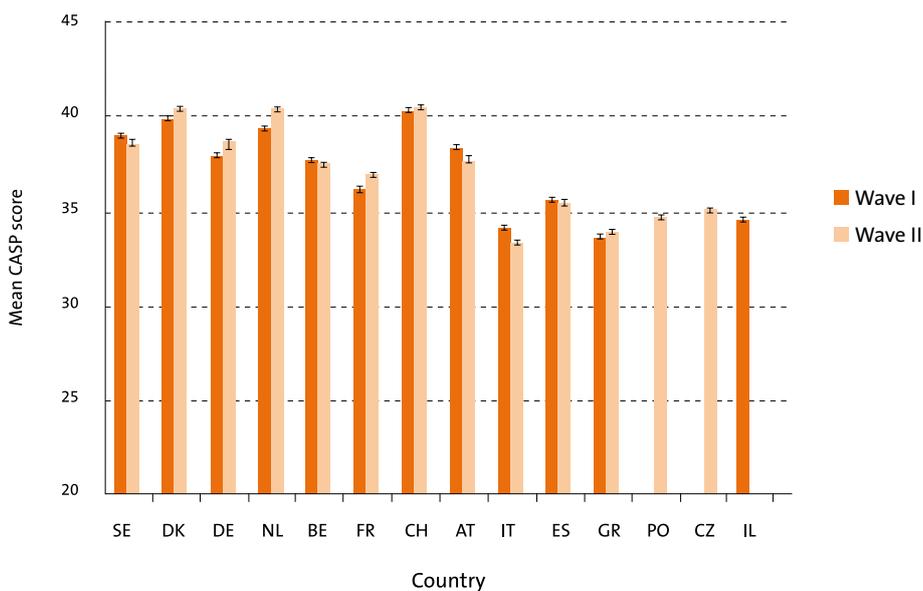


Figure 1 Quality of life across SHARE countries (mean scores of CASP-12 (range 12-48) and standard errors) in Wave 1 and Wave 2

Quality of Life within the SHARE Sample

An answer to the first question of whether quality of life varies between the different countries within SHARE is given in Figure 1. It presents mean CASP scores for both waves across the countries under study. As can be seen, in both waves quality of life scores are comparatively low in Greece, Italy, and Spain and comparatively high in Switzerland, the Netherlands and Denmark. Moreover, there are no substantial changes in quality of life from Wave 1 to Wave 2. These results confirm former results showing a north-south gradient (Knesbeck et al., 2007). However, together with the findings from the two Eastern countries of Wave 2, the North-South distribution must be supplemented by a West-East gradient, with lower levels in the Eastern countries. In the following analyses, we categorize the countries into four European regions, the Northern countries (Sweden, Denmark, the Netherlands), the Western countries (Belgium, France, Germany, Austria, Switzerland), the Southern countries (Spain, Greece, Italy) and Eastern countries (Poland, Czech Republic).

Quality of Life According to Demographic and Socioeconomic Conditions

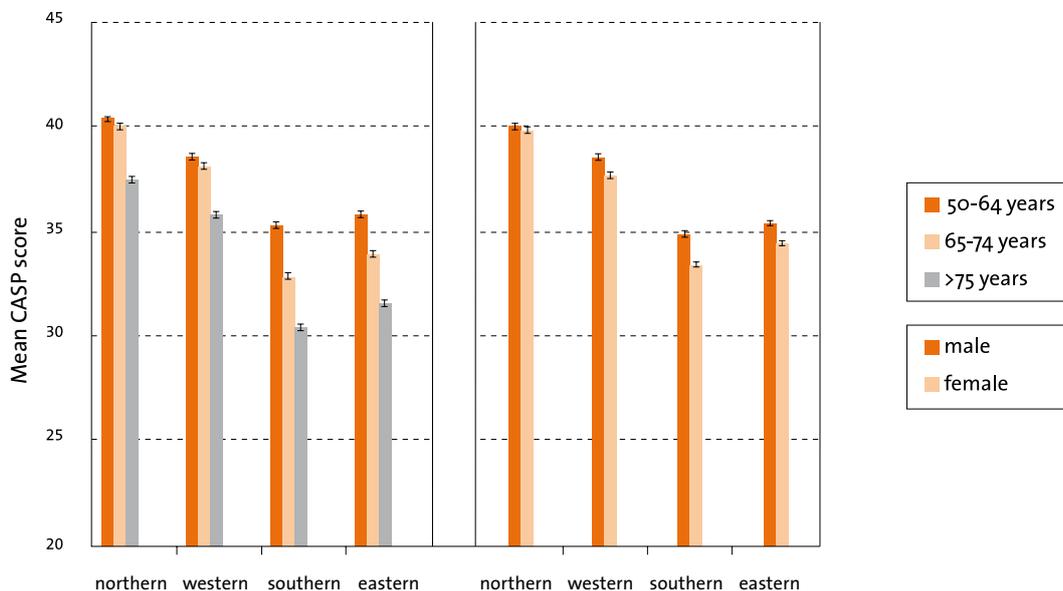


Figure 2 Quality of life (mean scores of CASP-12 (range 12-48) and standard errors) according to age and gender

The second question of interest is whether quality of life varies within the countries under study according to demographic and socio-economic factors. To answer this question we compared mean scores of quality of life in Wave 2 according to demographic, see Figure 2, and socioeconomic, see Figure 3, characteristics. With regard to gender, we find that differences in quality of life are small in most, with largest differences in the Southern countries. With respect to age, we observe lower mean scores, the older the respondents are. However, for the Northern and Western countries differences between the two youngest age-groups are relatively small. Moreover, we explored socio-economic differences in quality of life. Note that socio-economic predictors were taken from Wave 1, whereas for the Eastern countries information on education and income were based on second wave data. For both socio-economic indicators we observe a clear social gradient. People with higher education and higher income report a better quality of life. These findings hold true for all countries under study.

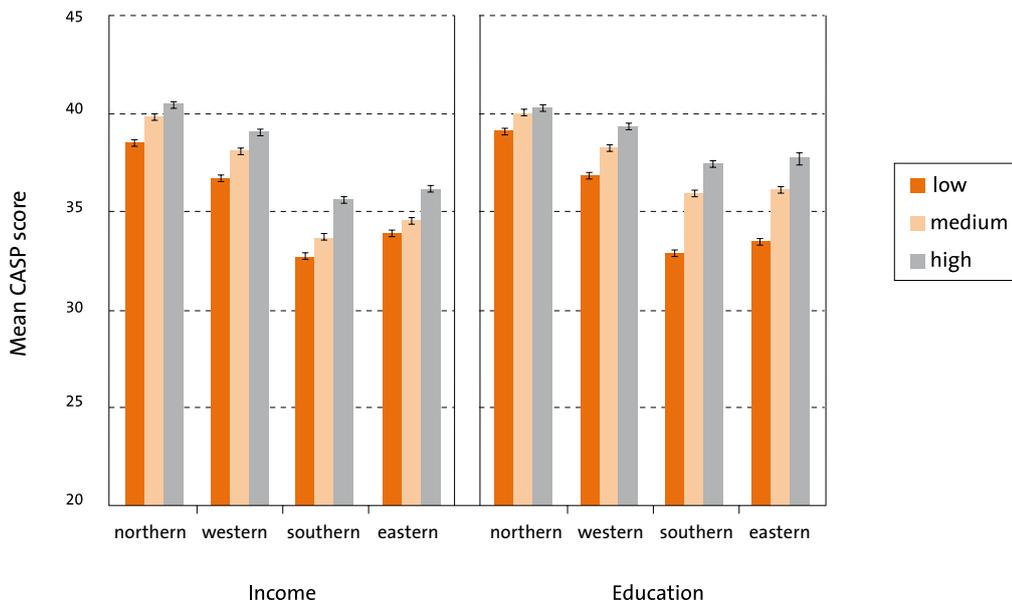


Figure 3 Quality of life (mean scores of CASP-12 (range 12-48) and standard errors) according income and education in Wave 1 (for Eastern countries taken from Wave 2)

Quality of Life According to Social Productivity

To explore the third question, that is the relationship between social productivity and quality of life, we present the CASP mean scores in Wave 2 according to activity status in Wave 1, see Figure 4.

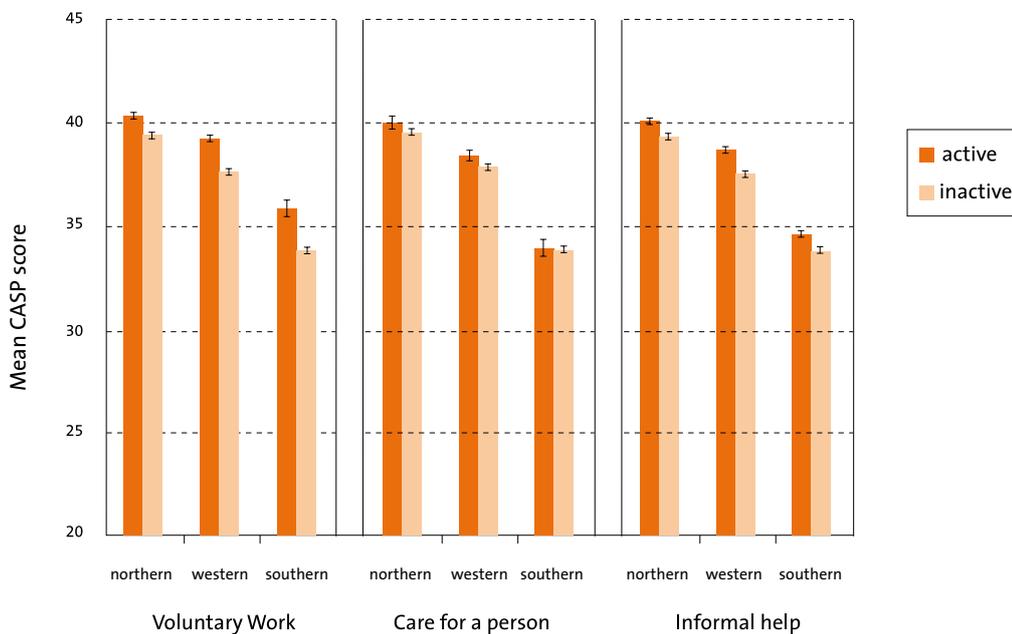


Figure 4 Quality of life (mean scores of CASP-12 (range 12-48) and standard errors) according to social productivity in Wave 1

Social productivity is apparently associated with higher quality of life in Wave 2 across the countries under study. Differences between active and inactive people appear largest for voluntary work, followed by informal help. With respect to caring for a person, no marked differences are found.

Further multivariate analyses were conducted to test whether quality of life varies according to socio-economic conditions, as well as activity status in Wave 1 (results not shown). In these models all explanatory variables were taken from Wave 1 as well as prior level of quality of life to predict quality of life in Wave 2. Again, both indicators of socio-economic position were significantly related with quality of life in Wave 2. Additionally, results for social productivity remain stable: People volunteering in Wave 1 report better quality of life in Wave 2. Results were less consistent in case of informal help (significant on a 10 per cent level) and absent for the care for a person.

Does quitting or taking up an activity affect changes in quality of life? A first answer to this question is given in Figure 5 reporting mean differences of CASP scores between Wave 1 and Wave 2.

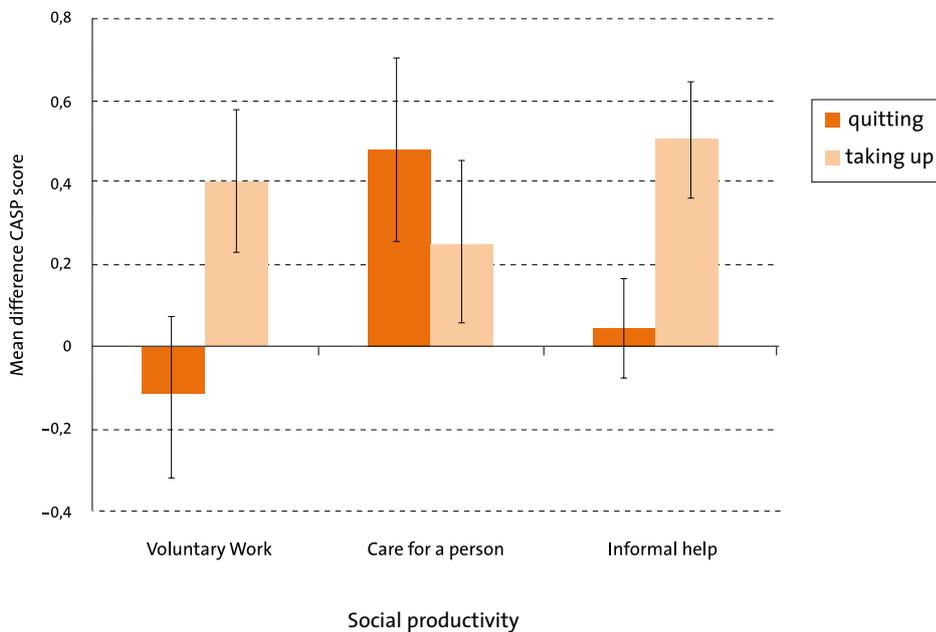


Figure 5 Changes in quality of life (mean differences CASP score and standard errors) according to dynamics of social productivity between Wave 1 and Wave 2 (all countries)

As can be seen, people who stopped volunteering between the two waves show a slight decrease of quality of life, whereas those who start volunteering exhibit an increase in quality of life. Interestingly, quitting care giving is associated with an increase. With respect to informal help, those who start with an activity exhibit an increase in quality of life. Additional support for these findings was again found in multivariate analyses (results not shown).

Conclusion

This chapter uses available data from 14 European countries of the first two waves from the SHARE study to explore conditions of quality of life in older age. Beside demographic and socioeconomic variations, we were particularly interested, how investments in three types of socially productive activities were associated with prospective quality of life. Moreover, changes of quality of life are analyzed according to dynamics in social productivity. As an indicator of quality of life, we used the CASP-12 questionnaire.

While no substantial variations between the waves were found, we observe clear variations of quality of life across the countries under study. At first, a clear North-South gradient was found where quality of life was higher in Northern countries and lower in Southern countries. Moreover, we found an indication of an East-West gradient, with lower quality of life in the Eastern countries (Czech Republic and Poland). With respect to age, in countries with relative high quality of life differences are relatively small up to the age of 75 years, whereas a constant decline goes along with age in Southern and Eastern countries. In all countries under study a low level of education and a low level of income were found to be related to lower prospective quality of life. Results concerning the three types of socially productive activities confirm findings of former analyses (Wahrendorf et al., 2006). As previously documented associations were strongest in case of volunteering, less consistent in case of informal help and absent for the care for a person. In addition with respect to dynamics of social productivity the present findings indicate that taking up voluntary work or informal help between the two waves leads to an increase of quality of life. Moreover, withdrawing from voluntary work was related to lower quality of life. Interestingly, people who gave up caregiving between the two waves showed increased quality of life in Wave 2. All results could be confirmed using regression analyses which controlled for important confounders including prior level of quality of life.

Key Findings

- Quality of life varies considerably across European countries: We found relatively high levels in the Northern and Western European countries and relatively low levels in Southern and Eastern European countries.
- Quality of life is strongly associated with education and income: Low income and low level of education are related to lower prospective quality of life.
- Associations between social productivity and quality of life vary according to type of the activity: Associations were strongest in case of volunteering, less consistent in case of informal help and absent for the care for a person.

Our results support the notion that engaging in socially productive activities is beneficial for well-being in older age, in particular if voluntary investments are provided. Moreover, our results highlight the importance of analyzing changes in activity over time as these were shown to have direct effects on well-being.

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5.5 Informal Care and Labour Force Participation: The Economics of Family Networks

Lisa Callegaro, Giacomo Pasini

An aging society raises the problem of long term care for older individuals. In many European countries such a burden lies on family members, in particular on adult female children: informal care is widely spread and formal state-provided care is not a perfect substitute for it. Bonsang (2008), using data from the first wave of SHARE found that the receipt of paid help and informal care are interrelated, but that this relation holds only for certain types of formal care and changes along a North-South gradient. Such a result underlines that while individual choice to provide informal care and household spending on formal care are correlated, it is not clear whether they are complements or substitutes. This might be due to the institutional setup – i.e. on the health care system and on the incentives to provide informal care – but also to cultural differences. Reher (1998) underlines that what drives differences in time spent caring between Continental and Mediterranean Europe are cultural attitudes towards family ties. Informal care choices have an impact on parents' well-being, but also on labour force decisions of individuals: based on SHARE, Crespo (2006) finds that labour force participation is significantly reduced if individuals have to care for their parents. Thus, cost and effectiveness of formal care as well as labour force participation policies depend crucially on the decision mechanism behind informal care provision. Pezzin and Steinberg Schone (1999) as well as Callegaro and Pasini (2007) found that adult children behave strategically when facing a caring decision: each child chooses how much to care, taking into account its siblings' choices.

The next Section outlines the main implications of a game theoretical approach to informal care provision. Section 2 provides an overview on institutional differences across Europe with regard to long term care. Section 3 describes the children dataset obtained from the second wave of SHARE; Section 4 is devoted to the analysis of cross-Sectional evidence and cross-country comparison of informal care, while Section 5 exploits the longitudinal dimension of the survey. Conclusions are made in the last Section.

A Game Theoretic Framework

Informal care involves a decision on how to allocate time, which is a scarce resource. Callegaro and Pasini (2007) develop a game theoretic framework in which adult children allocate their time to work and care simultaneously, taking into account siblings' choices. Total care provided to parents is a public good within the family; it is made up of formal care bought by parents and care provided by each child. Children's satisfaction depends on their consumption and on parents' well-being: since the available time for caring or working is finite, they face a trade-off between going to work and thus increasing disposable income, and helping their parents. Such a choice depends on the wage each individual can obtain on the labour market, on material costs of caring (e.g. transportation costs), on price and availability of formal care, but also on brothers' and sisters' choices. If individuals are purely altruistic, help provided by siblings is a potential substitute for individual help: *ceteris paribus*, given the total amount of care the more other siblings help, the lower will be individual help provision. In other words children behave strategically: they coordinate and those for whom care provision is cheaper reduce time spent working in favour of time spent caring. Children may behave differently if they compete for a reward. Suppose a parent commits himself to split the future bequest among his siblings proportionally to

the relative amount of care provided by each child. In this case in order not to reduce the future transfer, the more other siblings help, the higher is individual provision. This is the strategic bequest described by Bernheim et al. (1985), which has been directly tested by Angelini (2007) on SHARE data. The author finds that the number of contacts between parents and children increases if there is a bequest to compete for. Such a result does not hold for care provision: the altruistic motive dominates the strategic bequest one.

Long Term Care Across Europe

As we already stated in the introduction, there is a great heterogeneity among European countries as regards long term care. Institutions can directly provide services and benefits to the elderly or sick individuals, but they can also induce informal care provision by means of incentives to family members. Long-term care is provided by different institutions: national government, local administrations, regional health care offices or health insurers. Services and benefits vary as well: Table 1 summarizes them.

Countries	Benefit for sick and/or elderly			Benefit for family carers		
	monetary transfer	domestic care	nursing homes	leave of absence	monetary transfer	tax allowance
Sweden	yes	yes	yes		yes	
Denmark		yes	yes		wage compensation	
Germany	yes	yes	yes			
Netherlands	means tested	yes	yes			
Belgium	means tested	yes				
France	yes		yes			
Switzerland	means tested	yes	yes		wage compensation	
Austria	yes	yes	yes			
Italy		partial	yes	yes		
Spain	yes	yes		yes		
Greece	yes	yes	yes			yes
Poland	yes	yes	yes		yes	
Czech Republic	yes	yes	yes		means tested	
Israel	yes	yes	yes	yes	indirect support	yes

Table 1 Long-term care across SHARE countries

Source: MISSOC tables for EU countries, national SHARE team for Israel

Benefits towards the elderly are quite widespread. Monetary transfers, either means-tested or not are present in 12 countries out of 14. We divide services in two broad categories: nursing homes and formal care. The latter accounts for any kind of service the elder receives at home: nursing, personal care, housekeeping, meals on wheels and so on.

Some European institutions recognize the role of adult children or other family members in the provision of care. Incentives to provide informal care tackle the trade off between time spent caring and time spent working with wage compensations, monetary transfers or allowing (non-paid) leaves of absence.

Sample

Two main implications result from the theory outlined in Section 1. First, labour force participation and informal care decisions are simultaneous and should be studied jointly. Second, children behave strategically: other siblings' choices matter on individual decisions. In order to verify them we extract a children file from SHARE 2006 data. The survey has information on three generations: the respondents, their parents and their children. Health status is available only for the respondents, thus selecting only their children dataset allows us to control for parents' health measures. This choice could lead to a distortion: the sampling is based on the respondents and it is not given that our dataset is representative of their siblings' population. In particular, treating respondents only as parents returns us a sample on average younger than the population we want to do inference on. In a similar setting Crespo (2006) shows this is not a problem. Moreover, we want to put ourselves in a "worst case scenario": care needs from parents are likely to be increasing with age, thus finding evidence on younger children, suggests that we can safely expect to obtain the same or even stronger evidence on an older children sample.

Observations came from families with at least two siblings. We include at most the older four children of each family since we do not have information on labour force participation of younger siblings. We exclude as well households with co-residing children: we consider living arrangement decisions as predetermined: this is equivalent to assume that the game described in Section 1 takes place only among non co-residing children. The motivation for such a choice is that adult children living with their parents are likely to share their labour income and living costs, thus some determinants of their caring choices are not directly comparable with siblings living outside their parents' house. Living arrangement decisions have been studied among others by Alessie et al. (2006) and are beyond the scope of the present paper.

We end up with a sample of 25,319 adult children, with a country size ranging between 927 of Spain and 2746 of Sweden. Mean age is around 40 throughout Europe, and the sample is almost equally split between men and women. Labour force participation rate is well above 70 per cent, but the percentage of people working part time and full time varies across countries: part time workers in the Netherlands are 20.4 per cent of the whole sample, while they are less than 3 per cent in Spain, but the overall labour force participation rate is similar in those countries.

The 'social support' module of SHARE asks about three types of help received from each child since the previous interview: personal care, help in housekeeping and paperwork. We rescale each type of help in order to be measured in hours per week and then aggregate them in a unique "hours of informal care" measure.

Probability of Helping and Hours of Help: Differences Among Countries

Figure 1 reports the proportion of children providing help and the average number of hours per week provided by each child. Germany, Greece and Czech Republic are the countries with the highest proportion of children helping (left panel). Czech Republic fraction in particular is remarkably higher than the rest of SHARE countries. This rate is in line with other surveys run in the same country: a substantial amount of care within the family is traditionally expected and delivered in this country. Moreover, institutional changes occurring in a country that undergoes transition are demanding in terms of cognitive ability and paperwork, therefore parents might ask their children for extra help in this respect. Turning to the intensive margin of help, i.e. to the number of hours spent providing infor-

mal care, a clear North-South gradient arises: this is consistent with the sociological literature (see as an example Reher, 1998): family ties are stronger in Mediterranean countries, and they induce adult children to think to formal care as something to avoid as long as family members are able to help for their elderly relatives.

Both panels of Figure 1 reflect substantial cross-country heterogeneity. Cultural differences explain part of it, but individual choices are likely to depend on differences in institutional long term care systems as well. The two effects are difficult to disentangle: costs for nursing homes and professional in-house services, but also the strength of family ties, increase along a North South gradient.

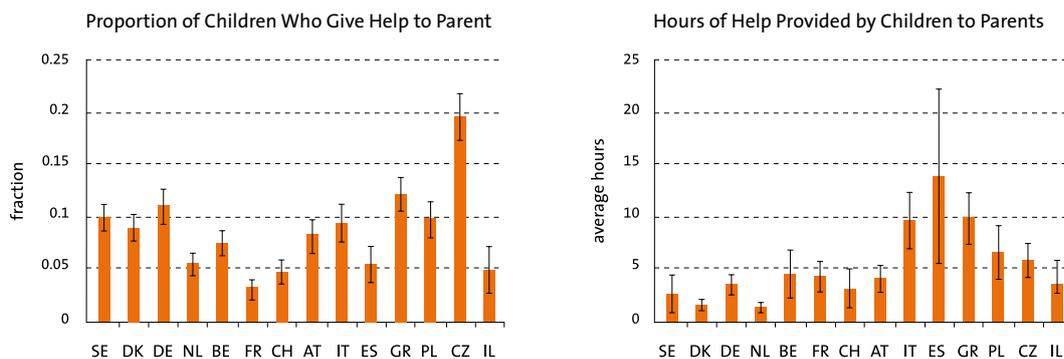


Figure 1 Informal care provision: the choice of help. Weighted observations

Labour Force Participation and Caring Choices Are Simultaneous

Informal care provision and labour force participation are simultaneous choices: Figure 2 reports the fraction of people helping conditional on labour force participation. Again, there is stark cross-country heterogeneity: Greece, Sweden and Denmark exhibit a weak dependence, while in many other countries workers provide significantly less care. Comparing Sweden and Denmark on one side with Spain and Italy on the other, this is consistent with evidence in Figure 1: in Mediterranean countries those who decide to help spend a large fraction of their time on this activity, while in Northern Europe children are able to work full time and provide 3-4 hours of care per week. Nevertheless, results are affected by poor significance due to the small sample size. We do not investigate further the simultaneous choices of hours of work and informal care provision based on a multivariate analysis since the focus here is on the strategic behaviour of siblings.

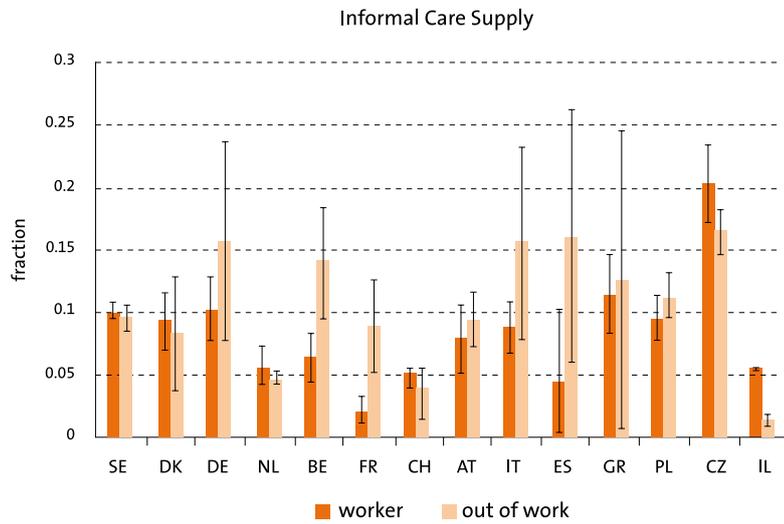


Figure 2 The choice of help conditional on labour force participation decision. Weighted observations

The More Other Siblings Help, the Lower Is Individual Help Provision

The second testable implication from the theory is that children choose strategically: the probability of helping depends on the number of siblings providing care. In Figure 3 we restrict to households where at least one child helps: the dark bar is the unconditional probability of helping. The lighter bar is the same probability given that at least two siblings in the family provide help. The presence of other children providing care reduces the probability of helping. While consistent with the altruistic motive of caring outlined in Section 1, this results do not rule out strategic bequest á la Bernheim et al., Nevertheless, it tells us that if there is competition for a bequest, it's effect on individual choices is dominated by altruism.

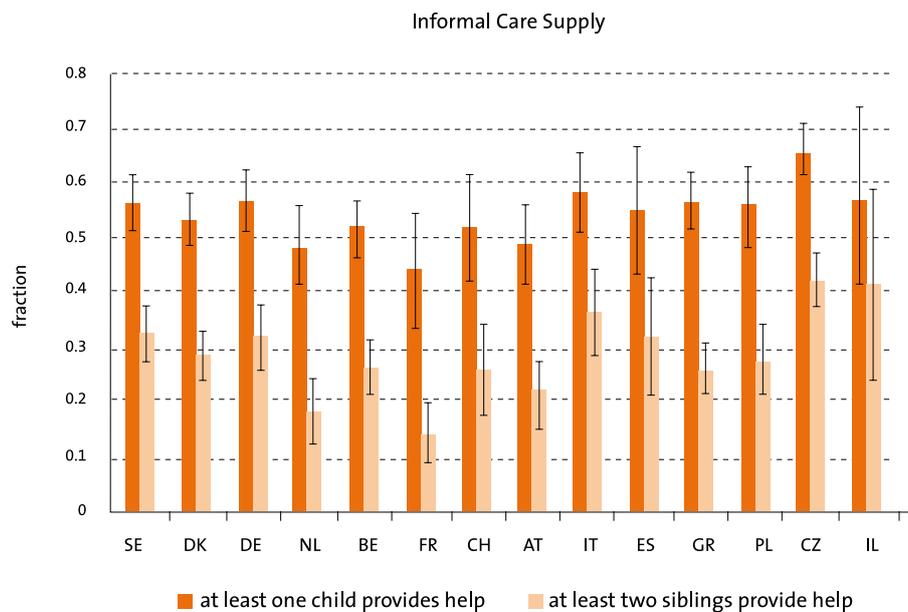


Figure 3 Interactions among siblings: probability of caring. Weighted observations

Figure 4 reports the total (left panel) and per capita (right panel) hours of help provided by children conditional on the number of brother and sisters helping. As in Figure 3, the dark bar refers to households where just one child helps, the lighter one to households where at least two children provide care. Results are in line with the implications of the game theoretic model of Section one: total amount of care do not change or increases if there is more than one child providing help, and the burden of each carer is reduced. Again, this is consistent with the altruistic motive: hours of care provided by each child are substitute.

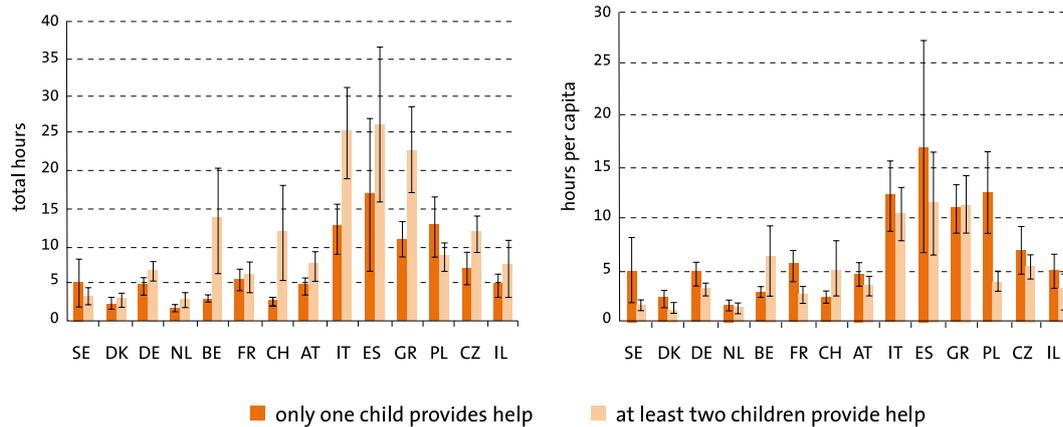


Figure 4 Interactions among siblings: hours of care provision

Parents’ Health Worsening and Informal Care Supply in a Longitudinal Analysis

By now we focused on the second wave of SHARE. In order to exploit the effect of parents’ health on informal care provision decisions, we exploit the panel structure of the survey. The probability that at least one child in the family provides help (phelp) depends on the health status of the parents, but also on how their conditions evolve along time. Therefore, we restrict to the panel sample and we run a probit regression of phelp in 2006 on the health status in 2004, measured as the number of limitations in ADL (activities of daily living), on health worsening, i.e. on the difference between ADL limitations in 2006 and 2004, and on a number of controls. Marginal effects are reported in Figure 5: every limitation in ADL in 2004 augment the probability of helping by 4.7 per cent, while every additional limitation appearing between waves raises phelp by 3.4 per cent. The interaction between the two is negative, though not statistically significant: thus as we expected the worse the starting health conditions of the parents, the less relevant is the dynamic term.

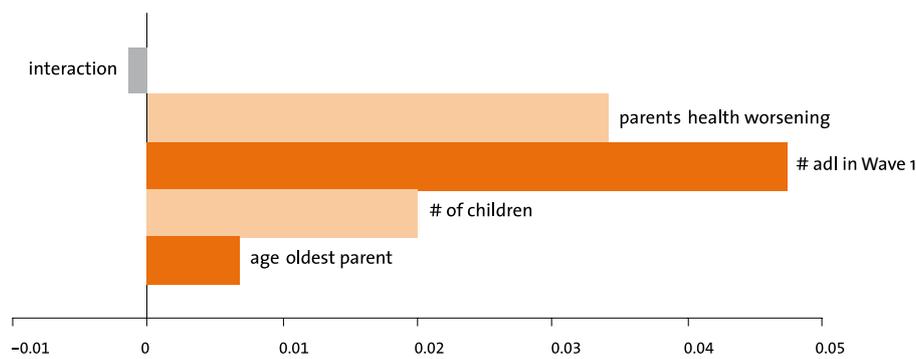


Figure 5 The choice of help in a multivariate analysis

Conclusion

We analysed the determinants of adult children choice to provide care to their parents.

- First, we found that children choose simultaneously how much time to spend working and caring. Such a result has important policy implications: as an example, a public intervention in favour of female labour market participation is likely to reduce the amount of care provided to elderly people, thus from a global perspective it may not be welfare enhancing.
- Other siblings' help reduce each child propensity to provide care. With respect to care provision the altruistic motive dominates the strategic bequest one. From a policy point of view, such a result has two implications. First, any targeted intervention on wages or informal care provision of a particular group of citizens is likely to have an impact on the whole population via this substitution effect. Second, changing the laws ruling bequests – in particular sharing of it among direct inheritors – has little effect on care provision.

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