

## 14 Social exclusion and support between generations

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- ▶ Socially excluded parents aged 50+ give less money to their adult children than the socially included give
  - ▶ Socially excluded parents aged 50+ receive more support from their adult children than the socially included receive
  - ▶ There is less exchange of supports in countries having greater social exclusion
  - ▶ Social exclusion changes functional solidarity patterns between generations
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### 14.1 Does social exclusion matter for inter-generational support?

Intergenerational assistance, that is, the informal exchange of money and practical aid is a key function in modern society. Family members help each other for several reasons and most intergenerational exchange takes place between parents and their children. We know, for example, that the family often fulfills an insurance function and that family members care for each other in times of need (e.g. Finch & Mason 1990). This functional solidarity is a crucial dimension of intergenerational relations (Bengtson & Roberts 1991).

Until now, however, little attention has been given to exchange patterns that take place among families who are excluded from the fabric of social life. Are the transfers between older parents and their adult children linked to the extent of social exclusion in different welfare states across Europe; i.e. do socially excluded persons give and receive less assistance from their children, or do they give and receive more such assistance? Moreover, do different policy regimes play a role in the level of intergenerational exchange?

### 14.2 Background: linking social exclusion and intergenerational support

Altruistic as well as reciprocal motives are important drivers for intergenerational support (Altonji et al. 1997; Silverstein et al. 2002). Some people simply like to give (Lüth 2001), while for others, love and concern matter greatly, especially within

the family (Björnberg & Latta 2007). But even if “there is more to receiving than needing” (Künemund & Rein 1999), need and opportunity both play important roles in the exchange of assistance between (older) parents and their (adult) children (Brandt & Deindl 2013). Based upon typical need structures that exist along the life course, we learn that financial transfers flow mostly downwards from parents to children, while practical help tends to flow upwards from children to parents, at least in older age (Attias-Donfut 1995). Financial assistance occurs most often when the children are still in education or are just starting their own, independent lives, periods in which the parents frequently still have the financial means to support their offspring (Brandt & Deindl 2013). When parents get older, however, they are more likely to need assistance themselves. In most such cases, support is provided by the members of the family, first by the spouses and then by the children, mostly the daughters (Brandt 2013).

There are two possible influences of social exclusion on the exchange of intergenerational support within a family. First, social exclusion due to material deprivation might lead to more transfers since more support is needed. On the other hand, social exclusion due to material deprivation might restrain support because potential givers have less to give. Consequently, transfer flows between parents and children might differ considerably when one or more of the parties involved in the exchange are socially excluded.

In addition, the availability of resources is important not only on the micro-level, but on the macro-level as well. That is, intergenerational exchange may be shaped by the larger social context. Past research has shown, for example, that the welfare state and societal conditions like social inequality play important roles for intergenerational transfers and have to be taken into account when analysing the role of exclusion for intergenerational transfers in a comparative setting. Public assistance and private support work together complementarily, with different intergenerational transfers in developed welfare regimes (Brandt & Deindl 2013), and higher social inequality shifts intergenerational support from financial to non-monetary assistance (such as, e.g., co-residence; Deindl & Isengard 2011).

## 14.3 Data and methods

The analyses in this chapter are based on release 0 of the data from the fifth wave of the *Survey of Health, Ageing and Retirement in Europe* (see Malter & Börsch-Supan 2015 for more details). Intergenerational exchange is defined in terms of two kinds of transfers: financial transfers and practical support with personal care and household tasks. The question for financial transfers given or received was:

Now please think of the last twelve months. Not counting any shared housing or shared food, have you or your partner given / received any financial or material gift or support to/ from any person inside or outside this household amounting to 250 € or more?

Practical support received and given was measured by means of two questions:

Thinking about the last twelve months, has any family member from outside the household, any friend or neighbour given you or your partner personal care or practical household help?

and

Now I would like to ask you about the help you have given to others. In the last twelve months, have you personally given personal care or practical household help to a family member living outside your household, a friend or neighbour?

These questions for financial transfers and practical support measure intergenerational transfers by different respondents and on different levels. The question about financial transfers relates to the couple level and was answered by the financial respondent in a household (who feels responsible for all financial matters within the household). The second question (receiving of practical support) was answered by the family respondent (who answered all questions on family matters). The third question (giving of practical support) was asked of each individual. For each of the questions, respondents could name up to three different people to whom they gave help or from whom they received it. In the following analyses, we consider only transfers to and from adult children aged 18 and over, representing the main domain of exchange for these kinds of intergenerational assistance in older age (see Brandt 2009, Deindl 2011 for details).

In the analyses that are presented in this chapter, we considered only the financial respondents and transferred missing information from the family respondent if the latter differed. For the analyses we used a binary indicator of exclusion as prepared by the SHARE team and explained elsewhere (see chapter 5 for a detailed description). Social exclusion at the country level was measured by the Gini-coefficient, as provided by Eurostat for the year 2012. The countries in our sample are Sweden, Denmark, the Netherlands, Belgium, France, Luxembourg, Germany, Austria, Switzerland, Italy, Spain, the Czech Republic, Slovenia, and Estonia.

In order to take advantage of the wealth of information available for analysing transfers between respondents 50+ and their adult children, we built a dyadic dataset, so that each respondent-child-relation constituted one observation. The analyses include co-resident adult children although support was only asked for people outside the household. The former could not be identified properly due to

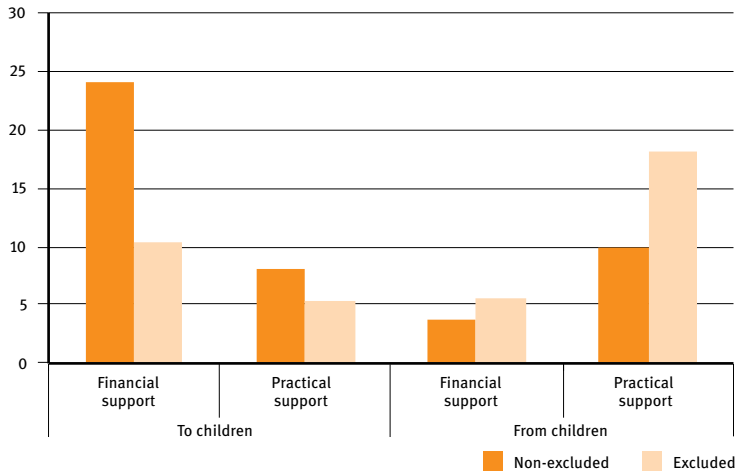
the preliminary nature of the data. Transfer rates are thus still conservative estimates. Children in our dataset are nested within respondents, and respondents are nested within countries. We use multilevel modelling to overcome problems that may be associated with such non-independence between observations (e.g. Snijders & Bosker 1999).

## 14.4 Results: intergenerational support and social exclusion in Europe

As can be seen from Figure 14.1, financial transfers flow mostly from parents to children and practical support is given mostly to the older generation. This is true for both those who are socially excluded and those who are not. This finding is consistent with previous research and can be explained by the dominance of different needs and resources along the life course. The highest need for financial support from parents exists in younger years when one's children are still in education, or are in the early years of their careers and/or nest-building. In turn, practical support for the parents becomes more important in later years, especially when the parents become frail and may need care and assistance.

Apart from these well-known associations, the current analysis shows, that social exclusion as measured is uniquely related to intergenerational transfers. When comparing the socially excluded respondents' support relations with children to those of the non-excluded, we see that, first, excluded respondents give less transfers, not only in terms of money but also in terms of practical support – although the drop in financial transfers to children is much higher than the drop in help and care. Second, the data show that socially excluded respondents receive more transfers, both for practical support and for financial support. Thus, the greater neediness and receipt of assistance among the socially excluded parent generation may be associated with becoming a burden for their offspring.

In the next stage of the analysis we examined multivariate multilevel models (Table 14.1) based on dyadic parent-child-relations. Transfer patterns were examined controlling for a broad range of important potentially influencing factors that are known from previous research (see e.g. Brandt 2013; Brandt & Deindl 2013). Apart from the social exclusion of the parents, several variables matter for the giving and receiving of support between the 50+ and their adult offspring (not displayed in Table 14.1). These include their education and family structures (partnership, number of children), gender, age and the employment situation of the children themselves as well as relationship features (contact, transfer exchange).



**Figure 14.1:** Intergenerational transfers and social exclusion

Notes: n = 38,472

Source: SHARE Wave 5 release 0

The main result of the current analysis is that social exclusion correlates negatively with financial transfers to children but is neutral with regard to practical support when the other variables are taken into account. Parents with greater difficulty affording everyday life items are less likely to give financial transfers to their adult children. In addition, as already seen in Figure 14.1, socially excluded parents are more likely to receive money and help from their offspring, all else considered.

In addition to the strong links between social exclusion and intergenerational exchange on the dyadic level, significant associations between social exclusion at the country level and intergenerational transfers on the individual level emerged in this analysis (with the exception of financial transfers to parents). Financial transfers to children and practical support both given and received by parents were significantly less likely to occur in countries characterised by higher social inequality, and thus more social exclusion, as measured by the Gini-coefficient.

**Table 14.1:** Support between responding parents 50+ and children 18+ and social exclusion (Coefficients of logistic multilevel-models)

	From respondents to children		From children to respondents	
	Financial	Practical	Financial	Practical
<b>Respondent level</b>				
Social exclusion (Severe deprivation)	-1.61** (0.116)	-0.19 (0.130)	0.47** (0.179)	0.88** (0.096)
<b>Country level</b>				
Social exclusion (Gini)	-0.11** (0.011)	-0.09** (0.014)	0.01 (0.019)	-0.11** (0.011)

Significance: \*\*  $p < 0.01$ , \*  $p < 0.05$

Notes: Observations: dyads=72,096; households=31,160; countries=14. Coefficients (standard errors) displayed. Controlled for characteristics of respondents (education, partnership, # children), characteristics of children (gender, age, employment) and relationship characteristics (frequency of contact, help given/received, money given/received).

Source: SHARE Wave 5 release 0

## 14.5 Discussion

Using the new social inclusion items from SHARE Wave 5 we examined the effects of social exclusion on exchange patterns between older parents and their adult children. We must condition our results with the comment that the findings were derived in a cross-sectional analysis. As such, we cannot confirm causality, and can speak mainly about association. In spite of this limitation, however, the findings show that social exclusion is significantly related to the extent and the nature of informal intergeneration assistance within the family.

Results indicate that socially excluded respondents indeed give less and get more money and help from their adult children all over Europe. Thus, need seems to indeed play an important role. Socially excluded parents not only lose their support function, but potentially become a burden for their offspring (or the state). Moreover, different contexts matter: in countries with more exclusion not only fewer transfers of time and money are given but also less support is received from adult children. Thus, once more, we find links between the context and intergenerational transfers, with indications that more developed welfare systems with lower social inequality are linked to higher levels of (at least sporadic) intergenerational transfers.

In sum, families fulfil an insurance function. Family members support each other if needed and when they can. Typically, older parents support their off-

spring with money whereas adult children support the parents with practical hands-on help and care later on. These patterns are considerably altered when the parents aged 50 and over are socially excluded, and also when the overall level of social exclusion in a country is higher. Older parents then become dependent on receipt of support from their offspring and turn from being mainly givers to mainly receivers. A state of social exclusion might thus be problematic for families not only because parents lose their supporting role in the family but because they might become a burden for their offspring as well.

Thus, it seems that families and intergenerational relations are both more vulnerable in countries that have more social exclusion. In such settings, individuals suffer not only from a higher likelihood of being socially excluded, but also from the fact that they are less able to rely on intergenerational support. Consequently, solidarity between older parents and older children might be at risk in countries with more exclusion on the micro- and on the macro-level. Policies aiming at reducing poverty and social inequality might thus be beneficial not only for the individual, but also for the family. Such policies would seem to promote intergenerational solidarity as well.

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