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## Private transfers to young adult households in the United States and France

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# LIS

## Working Paper Series

No. 866

### **Private Transfers to Young Adult Households in the United States and France**

Rachel Karen

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# Private Transfers to Young Adult Households in the United States and France

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## Abstract:

As the transition to adulthood becomes longer and more precarious, there is increasing interest in whether and how families help young adult children navigate various transitions into adult roles. Financial transfers to young adults may be one crucial way for families to support their grown children. Yet such transfers could also reinforce existing inequalities if young adults who have the greatest access to these transfers also occupy privileged positions. This paper analyzes Luxembourg Income Study (LIS) data from 2016-2018 to investigate the distribution of financial transfers among young adult households and the impact of these financial transfers on young adult households' financial well-being in the United States and France. This paper employs a Bourdieusian framework to understand observed differences in the frequency and amount of money transferred to American and French young adult households, as private transfers frequently benefit young adult households with higher levels of social and cultural capital. Findings also suggest that private cash transfers are an important source of financial support for young adults in both countries, particularly for young adults already at lower risks for experiencing poverty. Results from this paper demonstrate one important avenue through which inequality could be reproduced in young adulthood.

## INTRODUCTION

Conceptions about the transition to adulthood can be difficult to reconcile with challenges and opportunities facing youth today. Many young adults first entered the labor market at or around the Great Recession or the coronavirus pandemic. These young adults struggle with trying to complete their education, enter the job market, and establish independent households in the context of student debt, rising housing costs, and stagnating entry-level wages. While many Americans think establishing financial independence is a key marker of adulthood, young adults today may have an especially difficult time achieving that status. Shifts in the economy and the prolonged recession following the 2008 economic crisis raise important questions about whether and how young adults from varying social origins navigate these transitions, especially insofar as they have differential access to intergenerational wealth (Fingerman et al 2015; Manzonni 2016; Swartz et al 2011). Traditional-aged recent college graduates are often saddled with debt, complicating their ability to establish themselves independently from their parents and struggling to enter a workforce where many entry level jobs now require more than a bachelor's degree (Autor et al 2006).

As wages stagnate and the cost of living rises especially in urban areas, home ownership – not only a measure of a separate household but symbolically a piece of the American dream -- has become a distant hope for many Americans. According to the Census Bureau, homeownership rates among young adults aged 35 or younger was 39% in 2022, compared to the overall U.S. average of 65.5% (Census). Continued economic and political shifts, including but certainly not limited to those associated with the COVID19 pandemic, contribute to conditions that make it increasingly difficult for young people to gain economic self-sufficiency and to live independently: half of adults ages 18 to 29 were living with one or both of their parents in July of 2022 (Pew). In

addition to shifts in the economic landscape, demographic shifts and policy changes have led to an increased diversity of family forms (Sweeney and Raley 2014). These changes have led to concerns that young adults are “failing to launch” and delaying adult milestones such as moving out of the parental home, finding steady employment, and starting a family.

As the transition to adulthood has become longer and more precarious, there is renewed interest in how, when, and under what circumstances parents assist their young adult children to make that transition. Such assistance, of course, may have important consequences for young adult outcomes and overall patterns of inequality. While there are many studies that document the nature of parents’ transmission of capital to their children, attention to young adults has been relatively limited (see van Stee, 2022, for a review).

There remains considerable cultural ambivalence about parental support to young adult children. Scholarly and popular accounts of “helicopter parenting” suggest that parental assistance could result in prolonged dependence and psychological challenges, impeding the healthy development of young adults (Cui et al. 2019). At the same time, let us not forget that parents from different parts of the social structure provide different kinds of vital support to their children as they move through school and eventually transition to adulthood, whether in the form of economic, cultural, and/or social capital (Fingerman et al 2015; Waithaka 2014; Lareau and Weininger 2008; Hurd, Smith, and Zissimopoulos 2007; Schoeni and Ross 2005). In *Distinction* (1987) (and many other works), Pierre Bourdieu discusses the many ways that families bequeath advantages and disadvantages to the generations that follow. Though societies’ legitimating ideologies – especially equality of opportunity – encourage individuals to view their society’s class and status mobility patterns as legitimate and as reflecting underlying differences in intelligence, effort, and skills, Bourdieu contends that the often hidden transmission of privilege is key to

understanding social reproduction. Besides direct transfer of economic capital, Bourdieu argues that individuals who occupy privileged positions do so because certain forms of cultural capital are especially valued in dominant institutions. Indeed, institutionalized cultural capital in the form of prized educational credentials (especially from elite institutions, which are dominated by children of the wealthy) provides significant ballast for young adults' mobility projects. A degree from an "Ivy Plus" institution enables its holder as well as employers to focus on the achievement associated with the diploma rather than the hidden family transmission of capital that largely produced it. With the massive increase in inequality since the 1980s (due especially to wage stagnation for the middle and lower classes), the costs of paying for higher education, housing, and childcare have become even more challenging for non-dominant groups (Michel, Gould, and Bivens 2015). As families attempt to provide resources to the next generation to facilitate the transition to adulthood, there is an opportunity to observe whether and how individuals are able to access and activate family capital to maintain or improve their social position.

The type and amount of assistance parents are able and willing to provide to their young adult children can shed light on an important mechanism driving class reproduction and mobility. Yet the need or desire for such assistance during the transition to adulthood also depends on the larger institutional environment in which households exist (Garland 2016; Gottlieb, Pilkauskas, and Garfinkel 2014; Brady et al. 2009). Jackson and Schneider (2022), focusing on households with younger children, deftly demonstrate the ways that different states in the U.S., with different patterns of public spending, are associated with different class gaps in parental investments. I expect that the transition to adulthood could look very different in countries with universal health coverage, subsidized tertiary education, and more generous public benefits; there could also be differences in cultural norms surrounding familial assistance to young adult children. A

comparative study of intergenerational transfers to young adult households can therefore reveal the extent to which public provisions and the broader institutional environment affect private financial transfers to young adults.

In this study I examine financial transfers between young adult households in the United States and in France using harmonized Luxembourg Income Study (LIS) data from 2016-2018. France is a useful comparison to the United States given that France has the largest proportion of social welfare expenditures relative to GDP among all the OECD countries (the U.S. ranks 15<sup>th</sup>) and France ranks among the top five countries in terms of public spending on cash benefits relative to GDP whereas the U.S. is below the OECD average (OECD 2020). In contrast to the U.S.'s sprawling, decentralized, relatively open, but expensive tertiary education sector, the French system of higher education is highly centralized and subsidized but provides fewer paths of accessing it. Further, the U.S. and France have similar levels of overall income and wealth inequality (Garbinti and Goupille-Lebret 2019), thus providing a useful control in examining families' positional competition. Differences in public support between the United States and France suggest that there is more material need for informal financial transfers to assist young adults in the United States, where there are limited public forms of support.

Using LIS data, I examine the size of such transfers and the distribution of such transfers within and across these two countries. I then examine how much of the variation in these financial transfers within the United States and France is due to differences in young adults' socio-demographic characteristics, such as family size, structure, level of education, and income. I also examine the percentage change in relative poverty due to private transfers to explore the extent to which these transfers affect the financial well-being of young adult households. Results reveal that there is an unequal distribution of private financial transfers among young adult households

across the income distribution and by household characteristics in both countries. Results also suggest that private cash transfers are an important source of financial support for young adults in both countries. These findings demonstrate one important avenue through which inequality is reproduced in young adulthood.

## BACKGROUND

Class reproduction and social mobility have historically been a prominent, reoccurring theme of sociological studies of inequality. Even as scholars continue to examine and discover patterns of educational, occupational, and economic mobility and immobility (see Grusky et. al. 2019), we recognize from decades of quantitative research that long-distance social mobility in the United States is relatively rare and that even small moves in the occupational structure across generations is relatively infrequent (Chetty et al. 2017). At the same time, the mechanisms by which such reproduction or mobility occurs is still being explored. There is a sizable body of sociological research that examines the ways in which inequality is maintained at various points over the life course (O’Rand 2002), many of which have centered on different types of parental investments and involvements during childhood. There are many different types of support parents can provide to their children; these can be a combination of economic, social, or cultural capital (Waithaka 2014). Research documents significant class gaps in cognitive development before children enter formal schooling, revealing how social reproduction begins at a young age (Hernandez-Alava and Popli 2017; Duncan and Magnusson 2011; Jonsson 2010). Lareau (1998) has demonstrated the very different child-rearing patterns in working-class families compared to upper-middle class families. The latter use “concerted cultivation” to encourage their children to develop skills and practices that are highly valued by schools and professionals, while working-



class families facilitate their children's accomplishment of natural growth, developing practices that are not particularly valued by dominant institutions. Books, games, toys, and other learning material in the home are related to children's development and educational attainment (Tamis-LeMonda et al. 2019; Evans et al. 2010) and research reveals large differences in spending by social class on these items (Schneider et al. 2018; Hao and Yeung 2015).

Higher-SES parents not only can spend more money on goods and enrichment activities for their children, but they may also spend more money on housing to provide children with access to higher quality public schools (Goldstein and Hastings 2019; Lareau and Goyette 2014) and tutors (Park et. al 2016). Once in school, middle- and upper-class parents are familiar with how key institutions work and can use this knowledge to help their children navigate these institutions (Lareau and Cox 2011). Parental involvement can take many forms, including negotiating disciplinary exceptions or entrance into advanced courses (Calarco 2020). In sum, during childhood well-off parents can use their social class position to secure a host of material and symbolic advantages for their children.

How do parents help their children after they have reached young adulthood? Prior research shows parents provide various forms of assistance as their children make the transition to adulthood (van Stee 2022; Hamilton 2016; Fingerman et al 2015). College-educated parents can assume a more active role assisting their children with the college application process given their specific economic, social, and cultural capital while working-class and poor young adults often navigate this process more independently (Gast 2021; Napolitano, Pacholok, and Furstenberg 2014; Lareau and Weininger 2008). Once in college, higher SES parents might advise college-age children on what courses or majors to pursue, which extracurriculars to do, and how to interact with faculty on campus (van Stee 2022; Jack 2019; Roksa and Silver 2019; Hamilton et al 2018;

Armstrong and Hamilton 2015).

Evidence suggests that parental resources are also employed during the transition from college to the workforce: higher SES young adults can turn to parents for advice (Hardi and Seltzer 2016) and even direct assistance with navigating the application process (Hamilton et al. 2018). Recent work from Armstrong and Hamilton (2021) suggests that women with weaker academic credentials particularly benefit from parental assistance in securing an attractive job. Occupations themselves are one conduit through which parents share social, cultural, and economic resources with their children (Jonsson et al. 2009; Weeden and Grusky 2005). Research shows that individuals are more likely to pursue occupations that are similar to that of their parents (Aldrich and Kim 2015), and that there is a positive relationship between fathers' professions and children's vocational career aspirations (Jodl et al. 2001). Class differences in parental involvement as their young adult children navigate college and the school-to-work transition can therefore powerfully shape young adults' trajectories.

Parental resources might also affect other key transitions to adult roles including residential independence and decisions around family formation. Co-residence with parents is often viewed as a type of material assistance parents provide to young adult children often in times of need (Houle and Warner 2017; Sandberg-Thoma, Snyder, and Jang 2015). Parents might also help young adult children afford a down payment on a house (Guiso and Jappelli 2002). As young adults have children of their own, their parents can provide emotional, practical, and material support as they grapple with the challenges of young children (Cooney 2021; Dunifon, Neaer, and Ziol-Guest 2018; Mazelis and Mykyta 2011). Research suggests grandparents' assistance with childcare can affect young adults' employment trajectories, especially among single, Black, and Latino/a mothers (Compton and Pollak 2014) and among workers with unpredictable and/or

precarious schedules (Carrillo et al. 2017). Given the lack of universal parental leave and access to affordable childcare in the United States, the ability of parents to provide this for their young adult children could help young adults, and especially mothers, maintain employment. Thus, parental resources can shape young adult outcomes in very concrete ways to help their young adult children maintain or advance their social positions. The current study adds to this body of work by focusing on the monetary transfers young adults receive and the impact of those transfers on financial well-being.

### *Financial Transfers to Young Adult Households*

Monetary assistance is one important form of familial support, and such support may be especially important for young adults as they work to establish themselves as adults (Fingerman et al. 2012). Prior research shows that financial assistance is often targeted towards young adults and young families with the greatest need (Cooney 2021). For instance, studies of European and American young adults suggest that financial assistance to young adult children is associated with negative income shocks such as job loss, marital disruption, or the birth of a child which reduce household income or increase household need (McGarry 2016; Albertini and Radl 2012; Fingerman et al 2009). Research also shows a negative correlation between young adults' age and receipt of financial support from parents (Albertini and Radl 2012; Sarkisian and Gerstel 2008), as younger adults are seen to have weaker attachments to the labor market and lower average earnings. Young adults with health problems are also more likely to receive financial assistance from parents (Suitor, Pillemar, and Sechrist 2006). Regarding union status, single parents and cohabitating parents received more financial support than married parents (Cooney 2021).

While higher-earning young adults generally have lower likelihoods of receiving monetary support, several studies reveal how highly *educated* young adults have a *higher* likelihood of

receiving financial help from parents (McGarry 2016; Swartz et al. 2011; Eggebeen 2005). While some transfers could be the result of young adults being enrolled in higher education, these transfers could also represent investments by parents in “successful” children who might be able to reciprocate in the future (Fingerman et al. 2009). Furthermore, prior research shows that young adults of parents in the top income quartile receive six times more financial assistance than young adults with parents in the bottom quartile (Wightman, Schoeni, and Robinson 2012). This suggests one way young adults benefit from their social class position is through access to more financial assistance from kin: while they may be less frequent recipients, when they do receive assistance, it is of significantly larger sums.

These transfers in young adulthood, therefore, could be a mechanism of class and status reproduction. Given a longer and more diversified transition to adulthood, there is reason to think that intergenerational transfers from parents to their young adult children may occur over the early adult life course that secure advantage for some people over others. While the amounts parents transfer to their young adult children might not be large, or in the form of a one-time, lump-sum inheritance, such smaller cash transfers could accumulate over time to make a significant difference. In doing so, these cash transfers over time could be driving class reproduction as well-off parents assist their young adult children, effectively helping them secure advantage. One recent study found that the more monetary transfers youth received during their transition to adulthood, the higher their subsequent occupational status (Manzoni 2018). Support in the form of co-residence, however, was associated with lower subsequent occupational status (Manzoni 2018). Thus the *type* of parental support may perpetrate inequalities between different demographic groups. In sum, research suggests that there are numerous avenues through which parents may continue to help their children after they have reached young adulthood that may profoundly affect

young adults' outcomes. The current study adds to this body of work by focusing on the monetary transfers young adults receive and the impact of those transfers on financial well-being.

### *Institutional Context*

Sociologists studying processes of intergenerational mobility call attention to how macroeconomic and political institutions might shape these processes (Gottlieb, Pilkauskas, and Garfinkel 2014; Brady et al. 2009). For instance, research suggests that parental spending on children is less unequal in Scandinavian welfare states than in the United States (Kornrich, Ruppanner, and Lappegard 2019) and recent evidence documents how, within the United States, increased public spending on children and families significantly reduces class gaps in parental investments (Jackson and Schneider 2022). Prior research also documents monetary support parents provide to adult children in countries with strong welfare states (Zissimopoulos and Smith 2011; Attias-Donfut and Ogg 2005) but these transfers are both larger and more frequent in southern European states and less frequent in Nordic welfare states (Albertini, Kohli, and Vogel 2007). This suggests that families in countries with more comprehensive welfare state provisions than the United States do not perceive the need to devote as many resources towards their young adult children.

In the present study, I ask how family economic transfers to young adults differs between the United States and France. France has a more advanced welfare state and redistributive social and tax policy than the United States, yet this does not prevent certain segments of the French population from experiencing economic precarity. While the pressure for richer French parents to contribute financially to their young adult children may be less than in the U.S., a Bourdieusian framework would still predict that all parents will use their resources to help their young adult

children maintain their social class position. A comparative study of parental transfer behavior to young adult children helps illuminate the extent to which such behavior differs in different institutional contexts. Though a careful examination into the precise role that tertiary education plays in each country is beyond the scope of this paper, it is worth noting that the United States is a much more highly credentialed society than is France. While 40 percent of French 25–64-year-olds had a postsecondary degree in 2020, the figure for the U.S. was 25 percent higher at 50 percent (NCES 2022). At the same time, the cost of attending college in France pales in comparison to the United States. Thus, we would expect that richer parents in the U.S. would be more highly motivated than French parents to help their children use the education transmission belt and provide more education-directed financial support to their young adult children than French parent. It is also possible that because French families do not face such high tuition costs, they have more money to redistribute to their young adult children.

Comparing patterns of parental assistance to young adults in places with different underlying levels of public support can help reveal subtle differences in cross-national patterns of class reproduction. Differences in the design of welfare state policies between the United States and France suggest that there is less material need for informal financial transfers to young adults in France. I hypothesize that American families give more frequently and larger amounts to their young adult children because, in the absence of state support, they are, by default, the option for helping young adults. In France, with greater public provision, I hypothesize that French families will give less frequently. In other words, social welfare policy in France could reduce French young adults' dependence upon their family. My third hypothesis is that private transfers will be a more crucial source of income for American young adults than French young adults. To test these hypotheses, this study will provide an overview of the distribution of financial transfers

among young adult households in the United States and France and explore how such transfers affect the financial well-being of young adult households.

#### DATA, MEASURES, & METHODS:

##### Data:

Data for this study comes from Waves X and XI of the Luxembourg Income Study (LIS). The LIS is comprised of harmonized household and individual income microdata for fifty countries, including the United States and France. The U.S. data comes from the 2016-2018 Current Population Surveys conducted by the U.S. Census Bureau. The French data comes from the 2016-2018 Tax and Social Incomes Survey conducted by the National Institute of Statistics and Economic Studies and is the most recent harmonized data available for France. For this study, the sample is restricted to households where the household head is 18 – 30 years old, hereafter referred to as "young adult households." Data was pooled for analyses.

The LIS database includes a detailed disaggregation of household income and social program provisions in each country. This includes information about different income streams including wage income, self-employment income, capital income, income from pensions, and income from public social benefits such as unemployment, sickness, disability, or maternity, and income from other households. For this reason, LIS data is particularly well-suited to investigate the distribution and redistributive effects of public transfers, social benefits, tax systems, and private transfers within and across countries. Comparative studies of transfer behavior in European countries frequently use the Survey of Health and Retirement in Europe (SHARE) data (Zissimopoulos and Smith 2011; Albertini, Kohli, and Vogel 2007) however the range of countries

in SHARE does not allow for a full test of welfare regimes as it lacks countries categorized by liberal welfare regimes such as the United States.

The LIS data also includes both household and individual level information. This includes demographic information about the composition of the household, socio-demographic characteristics of the household head including age, education, marital status, and information about the household head's labor market status and occupation. The household and individual files were merged to obtain socio-demographic characteristics of the household head. However, all analyses were conducted at the household level because the key independent variable of interest, inter-household transfers, is only measured at the household level. Descriptive statistics of the 2016-2018 LIS data for the United States and France are presented below in Table 1. The pooled sample for the United States contains 26,196 young adult households and the French sample contains 12,365 young adult households. Individual-level statistics are provided for the household head.

[Table 1 here]

Measures:

The aim of this study is to explore the presence (or absence) of private financial transfers among young adult households in the United States and France, whether and how these financial transfers are correlated with adult status markers, and how such transfers affect the financial well-being of young adults. The three key outcomes of interest in this study are the frequency of private cash transfers, the amount of private cash transfers, and the percent change in poverty rates before and after private cash transfers. *Private cash transfers* represent the amount of money the household reports receiving from another private household. For the U.S. data, this private cash transfer variable specifically excludes amounts of child support, alimony, and remittances. For



the French data, this distinction is not possible. All amounts were converted to 2018 USD or 2018 EUR. A dummy indicator was also created to indicate receipt of a transfer (1=received transfer). Table 1 shows that across 2016-2018, 5.7% of American young adult households and 6.2% of French young adult households report receiving a private cash transfer. In the United States, the mean transfer is \$12,362 and the median amount is \$4,917. In France, the average transfer is € 3,979 and the median is € 3,508.

[Figure 1 here]

The first part of this study examines how the frequency and amount of interhousehold transfers differ across the income distribution of young adult households in the United States and France. *Disposable household income* represents the total amount of household income after income taxes and social security contributions (disposable household income = total household income – taxes and social security). The LIS calculates total household income as a summation of labor income, capital income, pensions, public social benefits, and private transfers. All amounts were converted to 2018 USD and 2018 EUR. In the first part of this study, private cash transfers were deducted from this measure of disposable household income to avoid endogeneity in the analyses. This variable of disposable household income was then used to create quintiles to understand the distribution of private transfers across the income distribution in each country.

The second part of this study examines how private cash transfers affect the financial well-being of young adult households in the United States and France by looking at the percent change in poverty rates before and after private cash transfers. To calculate the relative poverty line, *disposable household income* is equivalized to account for differences in family size by dividing household income by the square root of number of members in the household. Zero, negative, or missing values of income were excluded from the sample. The relative poverty line is half of the

median equivalized income. In 2018, the relative poverty line in the United States was \$18,893.50. In France, the relative poverty line in 2018 was €11,470.

*Household composition* reflects four distinct living arrangements in households headed by a young adult. Young adults either live unpartnered and without children, with a partner but without children, as a single parent (ie without a partner but with children), or partnered with children. While co-residence with parents is a common living arrangement for many French and American young adults, such individuals are not defined as the household head and therefore are not part of the analytic sample for this study.

Additional socio-demographic characteristics of the household head were obtained by merging the household and individual files. These characteristics include the gender, immigrant status (1=immigrant), labor force status, level of education, and race/ethnicity of the household head. The labor force status of the household head was recoded to the categories of full-time worker, part-time worker, unemployed, and not in the labor force. In the French data, the distinction between full-time and part-time workers is not possible; the labor force status for French young adult household heads is either employed, unemployed, or not in the labor force. The level of education is coded by LIS into three categories consistent with UNESCO's International Standard Classification of Education (ISCED) corresponding to less than secondary education, completion of secondary education, and completion of tertiary education. Racial identification is only available for the United States data<sup>1</sup> and was recoded to the categories of White, Black, Asian, and Other. A dummy variable was also created to indicate Hispanic ethnicity for the U.S. sample (1=Hispanic).

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<sup>1</sup> Racial identification is not collected in official French surveys because The French Constitution declares that the French Republic recognizes equal citizens "without distinction of origin, race or religion." It is therefore illegal for both private and public institutions in France to request information on racial and ethnic categories (Leonard 2014).

### Analytic Plan:

There are three primary analytic aims of this study. The first is to establish the distribution of private cash transfers among young adult households in the United States and France. Difference of proportions and Chi-square tests suggest that there are significant differences in the proportion of young adults who receive a transfer across each categorical predictor. I use fixed effects logistic regression models to predict the likelihood of receiving a transfer (1= received transfer) across the income distribution by household and household head socio-demographic characteristics.

The second aim is to determine how much of the variation in the size of private cash transfers is due to differences in household income, family structure, and socio-demographic statuses of the household head. Difference in means tests as well as analyses of variance with Bonferroni post-hoc tests of means suggest significant differences in the average amount of such transfer across all key predictors. I use OLS regression models to predict the average amount of private cash transfers among the sub-sample of respondents who receive a transfer across all key predictors. Due to the positively skewed distribution of private cash transfers, values are logged. Together, the first two sets of analyses reveal whether and how receiving a private cash transfer and the size of that transfer is unequally distributed among young adult households in both countries.

The third aim is to investigate whether and how private cash transfers affect the financial well-being on young adults by looking at the effects of earnings, public forms of assistance, and private cash transfers on poverty rates. The relative poverty line is used as a measure of meeting basic needs and necessities (though this study recognizes that economic hardship is still

experienced above the poverty line) to determine the extent to which financial transfers decrease the prevalence of poverty among young adult households. The distribution of equivalized disposable household income is used to determine the relative poverty line in each country, defined as half of the median equivalized income. Next, households' disposable income is decomposed into market income, public transfer income, and private transfer income. The proportion of young adult households below the relative poverty line in each country is calculated if households only had access to market income (earnings), then if households have access to market and public transfer income, and finally for if households have access to market, public, and private transfer income. Given that different households face different risks of experiencing poverty, I reran the decomposition analyses to compare young adult households with different socio-demographic characteristics including the number of earners present in the household, the household composition, and the sex, education level, and race/ethnicity or immigrant status of the household head. This decomposition reveals the percent change in the proportion of American and French households below the poverty line before and after private transfers and highlights how such transfers are a crucial component of the financial well-being of many young adult households.

## RESULTS:

Private cash transfers are unequally distributed in both France and the United States among young adult households. Tables 2 and 3 present results from the fixed-effect logistic regression models and indicate that the likelihood of receiving a private inter-household cash transfer differs significantly across the income distributions in the United States and France and it is correlated with the composition of the household and socio-demographic markers of the household head in both countries. The unstandardized logistic coefficients for each model are presented along with

the odds ratios. A significant odds ratio with a value above 1 indicates that the independent variable increases the odds of receiving an inter-household cash transfer, and an odds ratio less than 1 indicates a decrease in these odds. Subtracting 1 from the ratio and multiplying by 100 gives the percent change in the odds of receiving a private cash transfer.

In the United States, young adult households with incomes in the bottom 40<sup>th</sup> percentiles are significantly more likely to report receiving a private transfer than young adult households at the middle and top of the income distribution. Results displayed in Table 2 reveal that the odds ratio for the 2<sup>nd</sup> quintile, 1.56, indicates that having income in this quintile is associated with a  $(1.56-1=.56)$  56% increase in the odds of receiving a financial transfer compared to those with income in the 3<sup>rd</sup> quintile. The odds ratio for the 1<sup>st</sup> quintile, 4.62, indicates that having income in this quintile is associated with a 362% increase in the odds of receiving a financial transfer compared to those with income in the 3<sup>rd</sup> quintile. Lower-income households in the United States are therefore significantly more likely to report receiving a cash transfer from another household than middle-income households. Results from Model 1 also show that there are no significant differences in the likelihoods of receiving a private transfer among households with incomes in the top 60<sup>th</sup> percentiles. In this bivariate model, private transfers are significantly more common among low-income young adult households in the United States, suggesting that such transfers are going to young adults in need and providing additional financial assistance given low earnings.

[Table 2 here]

Not only are private transfers inequitably distributed across the income distribution in the United States, but such transfers are also inequitably distributed across socio-demographic groups when controlling for income. In terms of household composition, young adults living with a partner, single parents, and partnered parents are significantly less likely to report receiving a

private transfer than young adults who live unpartnered and without children. Young adults living with a partner are, in theory, able to pool resources and so financial transfers are not as common among partnered young adults irrespective of actual household income. It is also possible that partnered young adults they are seen by kin as more “established” adults given that they live with a partner or a partner and kids, so informal financial assistance is less forthcoming. Single parents are significantly less likely to receive a private transfer than young adults without children. Young adults who are employed part-time, who are unemployed, or who are not in the labor force are significantly more likely to report receiving a transfer than young adults who work full-time. These patterns suggest that monetary assistance is more forthcoming to young adults with weaker (or no) attachments to the labor force.

Results also indicate that some markers of higher status are correlated with significantly higher likelihood of receiving a private transfer even when controlling for income. White respondents are significantly more likely to report receiving a transfer than Black or Hispanic respondents, controlling for household income. Respondents who completed tertiary education are also significantly more likely to report receiving a private transfer compared to those who completed a secondary education and those who did not complete secondary education. This is consistent with the idea that families with higher status are deeply involved in social and cultural reproduction. Those with the greatest institutionalized cultural capital (tertiary education credentials) disproportionately receive monetary transfers, thus augmenting their social status and underlying the multiple means by which social reproduction is accomplished.

In sum, there is an unequal distribution of private transfers across the household income distribution among young adult households the United States. Such transfers are more common among households at the bottom of the income distribution relative to the middle and the top.

Furthermore, the likelihood of receiving a private transfer is also correlated with various socio-demographic markers of status when controlling for income, providing a more nuanced understanding of the degree to which these transfers are mitigating or exacerbating inequality in the United States. Indeed, despite the straightforward interpretation that families recognize that young adult households with low earnings and/or weak attachments to the labor market are financially needier and therefore transfer monies to them, the multivariate analyses are suggestive of more complicated patterns as they relate to class structure as various high-status groups (highly educated, White) are more likely to receive monetary transfers irrespective of income.

Private transfers are also unequally distributed across the income distribution in France. Results presented in Table 3 reveal young adult French households with incomes in the bottom 20<sup>th</sup> percentiles are significantly more likely to report receiving a private transfer than households at the middle of the income distribution, similar to their American counterparts. Despite having a more robust welfare state than the United States, private transfers are still concentrated among the lowest income earners in France. Furthermore, French households with incomes in the top 20<sup>th</sup> percentiles are significantly *less* likely to report receiving a private transfer than households at the middle of the income distribution. As household income increases and households move up in the income distribution, they are increasingly less likely to report receiving a private transfer. This pattern holds when controlling for household and household head sociodemographic characteristics.

[Table 3 here]

Not only are private transfers inequitably distributed across the French income distribution, but these transfers are also inequitably distributed across socio-demographic statuses. In terms of household composition, young adults living with a partner, single parents, and partnered parents

are all significantly more likely to report receiving a private transfer than young adults who live unpartnered and without children. This suggests that larger household sizes elicit more frequent transfer behavior among French young adult households.

Results also indicate that some markers of higher status are correlated with significantly higher likelihoods of receiving a private transfer in France. Immigrants are significantly less likely to report receiving a transfer than native French citizens. Similar to the United States, French household heads with higher levels of education (secondary and tertiary degrees) are also significantly more likely to report receiving a private transfer than household heads without a secondary degree, controlling for household income and other sociodemographic characteristics.

In sum, results indicate that there is an unequal distribution of private transfers across the household income distribution in France. Despite a more robust welfare state aimed at assisting the lowest income earners, private transfers between households are more common among households at the bottom of the French income distribution relative to the middle and to the top. Furthermore, the likelihood of receiving a private transfer is also correlated with various socio-demographic markers of status when controlling for income. In both the United States and France, results from logistic regression models provide a more nuanced understanding of the degree to which private transfers between households are mitigating or exacerbating inequality. They suggest that groups with lower overall wealth such as Blacks in the U.S. and immigrants in France are significantly less likely to receive private transfers, even at the same income levels. The highly educated in both countries are also significantly more likely to receive private transfers, suggesting that these households are receiving resources – specifically economic capital – over and above the capital they inherited that aided their high educational achievement.



### *Differences in the Amount of Financial Assistance Provided*

Thus far, results indicate that households in the bottom of the income distributions in the United States and France are significantly more likely to report receiving a private transfer compared to households across the rest of the income distribution. Yet there are significant differences in the average *amount* of private transfers received by households in the United States and France, and such differences often favor already advantaged groups. This has implications for whether and to what extent these private transfers are mitigating or exacerbating inequality. Models presented in Table 4 show coefficients for OLS regressions that estimate the amount, in logged dollars or euros, of financial support for young adult recipients. The equation  $[ = (e^b - 1) * 100 ]$  represents the percent change in the size of cash transfer in dollars or euros associated with a one-unit increase in the predictor variable.

[Table 4 here]

The bivariate model presented in the first column shows that among transfer recipients in the United States, young adult households in the top 20% of income distribution receive significantly more money than young adult households in the rest of the income distribution. The multivariate model presented in the second column shows that this bivariate association between income and transfer size is no longer significant once household and household head socio-demographics are included in the model. Irrespective of “need” defined by income, the amount of private cash transfers seems to be instead determined by the socio-demographic statuses of American young adult households. American young adults who are not in the labor force receive 61.6 percent larger amounts of financial support. In terms of household composition, single parent status is associated with a 36.9 percent reduction in financial support. Young adult households with both a partner and children are associated with a 43.4 percent reduction in financial support.

In certain instances, larger private cash transfers are going to young adult households associated with higher status. For instance, compared to households where the head holds a secondary degree, the status of a tertiary degree is associated with a 19.7 percent increase in financial support while young adults with less than a secondary degree receive 33 percent less support. Young adult males receive significantly larger transfers than young adult females. White and Asian young adults receive significantly larger transfers, on average, than Blacks and Hispanics.

Similar dynamics are observed in France between the average amount of private cash transfers received by young adults and household socio-demographic characteristics. The bivariate model presented in the third column shows that among transfer recipients in the France, young adult households in the bottom 20% of income distribution receive significantly more money than young adult households in the rest of the income distribution. As was the case in the United States, the multivariate model presented in the fourth column shows that this bivariate association between income and transfer size is no longer significant once household and household head socio-demographics are included in the model. Irrespective of “need” defined by income, the amount of private cash transfers seems to be instead determined by two key socio-demographic statuses of the young adult household: household composition and educational attainment. In terms of household composition, single parent status is associated with a 66.4 percent reduction in the amount of financial support. Young adult households with both a partner and children are associated with a 57.3 percent reduction in financial support. Young adults living with a partner also receive significantly smaller amounts than unpartnered and childless young French adults.

Similar to the United States, the average transfer amount also gets significantly larger with increases in educational attainment. The status of a tertiary degree is associated with a 25.9 percent

increase in the amount of financial support provided to young French adults compared to young adults with a secondary degree. Young French adults with less than a secondary degree receive 31 percent less support than young adults with a secondary degree. In sum, the amount of financial assistance provided to young adult households in both countries does not seem to be primarily dependent upon earnings, but rather the socio-demographic statuses of the receiving household.

### *Financial Well-being of Young Adults in France and the United States*

The third aim of this study is to examine how private cash transfers affect the financial well-being of young adult households in the United States and France by looking at the percent change in poverty rates before and after private cash transfers. Using the relative poverty line as a measure of meeting basic needs and necessities (while recognizing that economic hardship is still experienced above the poverty line), the third part of this study reveals the extent to which financial transfers decrease the prevalence of poverty among young adult households. Results from the income decompositions presented in Table 5 report changes in the proportion of young adult households defined as poor to understand the effects of private transfers on poverty reduction in the United States and France. Poverty rates are based on market income (column A), market income plus public transfers (column B), and then market income plus public *and* private transfers (column C). The percentage point changes in poverty rates are reported in column D. The percent change in poverty due to private transfers is reported in column E; the share of private transfers in overall poverty reduction from all transfers is reported in column F.

[Table 5 here]

Results indicate that public transfers and private transfers lift a nontrivial proportion of young adult households out of relative poverty in both countries. In 2018, the relative poverty line,

or half of the median equivalized income, in the United States was \$18,893.50. Looking at only market income, 32.8% of young adult American households would be considered poor. After public transfers, the proportion of young adult American households below the relative poverty line drops to 25.5%. After private transfers, 22.4% of young adult American households were in poverty. The inclusion of private transfers results in a 3.1 percentage point difference in the proportion of young adult American households below the poverty line; this difference represents a 12.2 percent *reduction* in poverty due to private transfers.

In France, the relative poverty line in 2018 was 11,470 €. Looking at only market income, 42.3% of young adult French households are below the relative poverty line. Based on earnings alone, more French young adult than American young adult households would be in poverty. After public transfers, the proportion of young adult French households below the relative poverty line drops to 27.2%. While this is still a higher percentage than in the United States, public transfers are more effective in reducing the proportion of young adult households in poverty in France than in the United States. After private transfers, 25.8% of young adult French households were in poverty. This 1.4 percentage point change represents a 5.1% reduction in poverty due to private transfers. Interestingly, even after accounting for public and private transfers, there is still a higher proportion of French young adult households below the poverty line than American young adult households.

In addition, the portion of total poverty reduction from transfers due to *private* transfers is much larger in the United States than in France. Referring to column F in Table 5, private transfers represent 8.5% of overall poverty reduction from transfers among young adult households in France and almost 30% of overall poverty reduction from transfers among young adult households in the United States. This suggests that given the less generous American welfare state, private

transfers are relatively more important source of transfer income for the young adults who receive it in the United States than in France. For many American young adult families, financial assistance from other households helps cover gaps in the American safety net.

I next investigate whether and to what extent private transfers specifically lift different young adult households above the poverty line across socio-demographic groups. Results are reported for the United States in Table 6 and for France in Table 7. Poverty rates are based on income before private transfers (column A) and then after private transfers (column B)<sup>2</sup>. The difference in poverty rates is reported in column C; the percent change in poverty rates due to private transfers is reported in column D.

[Tables 6 and 7 here]

Results reveal two interesting trends. The first is that overall, the magnitude of poverty reduction due to private transfers across socio-demographic groups is larger in the United States than in France. This supports the idea that private transfers are a relatively more important source of transfer income for American young adults than for French young adults. This is particularly true for young adult households that do not have any member formally employed in the labor market. In the United States, private transfers result in a 13% reduction in poverty among these young adult households whereas in France, private transfers reduce the poverty rate of young adult households with no earners by only 2.3%.

Second, results also reveal instances where private transfers are relatively more effective in reducing the percentage of young adult households in poverty among households that are already less likely to be poor in the first place. The starkest example of this for both countries is how private transfers lead to much larger reductions in poverty among highly educated households

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<sup>2</sup> Note that these two columns correspond with columns B and C in Table 5.

than among households with low levels of education. In the United States, 49.1% of young adult households with less than a secondary degree fall below the poverty line. Private transfers reduce the percentage of American young adult households with less than a secondary degree that are below the poverty line by 1.8%. For American young adult households with a secondary degree, private transfers lead to a 10.9% reduction in the number of households below the poverty line. For households with a tertiary degree, private transfers lead to a 23.2% reduction in poverty. In France, private transfers lead to a 1.5% reduction in the poverty rate for young adult households with less than a secondary degree, 3.9% reduction in the poverty rate for young adult households with a secondary degree, and 9.5% reduction in the poverty rate for young adult households with a tertiary degree.

Similar patterns are observed when looking at the racial/ethnic (for the United States) and immigrant status (for France) of the household head. In the United States, private transfers lead to larger reductions in poverty among white and Asian young adult households than among Black and Hispanic young adult households. As shown in Table 7, the inclusion of private transfers results in a 11.8% reduction in poverty among White young adult households and a 28.3% reduction among Asian young adult households. For Black young adult households, the addition of private transfers leads to only a 7.2% reduction in the percentage of households below the poverty line. Private transfers lead to a 7.7% reduction in the percentage of Hispanic young adult households below the poverty line. White and Asian young adult households face lower risks of poverty and disproportionately benefit from private transfers.

In France, private transfers lead to larger reductions in poverty among native-born young adult households than among immigrant young adult households. Immigration status is used as a proxy for race/ethnicity in the French sample as collection of race/ethnic identification is not

allowed under French law. As shown in Table 8, 25.7% of non-immigrant young adult households in France are below the poverty line compared to 40.5% of immigrant young adult households. After private transfers, 24.2% of non-immigrant and 39.7% of immigrant households are below the poverty line. This represents an 5.8% reduction in poverty for non-immigrant young adult households compared to a 2% reduction for immigrant young adult households. Native French households face lower risks of poverty and disproportionately benefit from private transfers. In sum, private cash transfers lead to reductions in poverty among young adult households in both countries, yet who benefits the most from such transfers is inequitably distributed across socio-demographic lines.

## DISCUSSION

Intergenerational transfers, or money that is transferred between households, occur in both the United States and France. Results from this study reveal that money is frequently transferred to young adult families, however, the likelihood of receiving such assistance and the amount of money received varies significantly across groups. In France, private financial transfers are more common at the lower end of the income distribution and significantly less likely to occur as young adult households move up in the income distribution. In the United States, private financial transfers between households are more common at the lower end of the income distribution than the middle. Furthermore, such transfers are unequally distributed in both countries after controlling for income, revealing instances where young adult households occupying privileged positions benefit from access to additional economic resources. These private cash transfers profoundly affect the economic resources of the recipient; for many young adult American and French families, such assistance raises household income above the relative poverty line.

These empirical observations have important theoretical implications. Results indicate that private transfers are just as common among young adult households in France as in the United States. This challenges the theory that welfare state expenditures will “crowd out” private investments between households (Reil-Held 2005; Schoeni 2002; Cox and Jakubson 1995; Lampman and Smeeding 1983). Despite the relative generosity of the French welfare state vis-à-vis the United States, French young adult households at the lower end of the income distribution are still common recipients of private financial transfers. This is consistent with the idea that such transfers are part of the income “package” (Rainwater and Smeeding 2003) helping households make ends meet irrespective of public levels of support. In both countries, it seems that families step in to assist young adults. However, the larger difference in mean vs median contribution in the United States (\$12,362 vs \$4,917) compared to France (3,979€ vs 3,508€) seems to reflect the larger class gaps in parental expenditures expected when public spending is less generous (Jackson and Schneider 2022).

Findings from this study also document how financial transfers to young adult households are less effective overall at reducing economic hardship among young adults in France compared to the United States. Where private cash transfers are most effective in France is among young adult families already at lower likelihoods of being poor. This suggests that perhaps French parents are overall more apt to let the French welfare state assist young adults, stepping in primarily in instances to assist in class reproduction. In other words, French families transfer significant economic resources to young adults who otherwise occupy high-status positions.

What we see in these results raises a variety of interesting questions. First, why in the US do the top three income quintiles receive similar transfers whereas the bottom two receive more? What are the commonalities among the top 60 percent in the U.S. that is not shared among the top



60 percent in France? More fine-grained data might reveal that resource transfers among the top 60 percent take very different forms, with cash transfers, perhaps, being the only kind that is similar among families in these positions.

Second, we see a remarkable divergence with respect to private cash transfers between one's place in the income distribution and one's place in the educational distribution. Intergenerational educational inheritance among young adults is likely to be much higher than income stability across generations so the finding of high cash transfers to the most highly educated in both societies seems to reinforce arguments about dominant groups' capacities for reproduction.

### *Limitations*

It is important to note limitations of this study. The first is that these results are from cross-sectional data. While the data can be used to descriptively report the frequency and amount of such transfers in each country, the data cannot tell how long young adults receive such assistance, nor the reasons why young adults are receiving these transfers or what these young adults use the transfers for. Second, private transfers are typically poorly captured by household surveys unless such transfers are made on a regular basis and/or if they are legally required (for instance, in the case of child support payments). This study should therefore not be considered a full accounting of the distribution of such transfers among young adult households in either country.

An additional limitation of the LIS data is the lack of information about parental income, occupation, or education to construct a measure of social class. The LIS data therefore does not allow for a direct test of differences in the frequency or magnitude of monetary transfers across social class origins. Harmonized data from the United States in the Luxembourg Wealth Study

(LWS) *does* include measures of parental education, however, there is not yet harmonized data for France in the LWS.

Another limitation of this study is that the data cannot establish the distribution of financial transfers to young adults who co-reside with their parents. The key variable of interest in this study, inter-household transfers, is only measured at the household level. While co-residence with parents is a common living arrangement for many French and American young adults, such individuals are not defined as the household head and therefore are not part of the analytic sample for this study. For these young adults who co-reside with parents, it would be impossible to determine if money received by these households was given because of the young adult presence or even if the money was then used toward supporting the young adult child. Of course, co-residence can be seen as a form of financial assistance itself if young adult children do not contribute to the rent or mortgage payments for the dwelling, or if the amount young adult children contribute to these payments is below market rate. Were we able to take into account patterns of co-residence, it might reveal that our findings seriously underestimate the degree of intergenerational transmission of capital. Such investigations are, unfortunately, outside the scope of this paper. It could be the case, however, that recent experiences with COVID19 and a tightening housing market in the United States might even increase pressures toward co-residence for young adults.

## CONCLUSION

In conclusion, there is significant variability in the frequency and amount of private cash transfers among young adult households in the United States and France. By comparing the distributions of private cash transfers between households within each country and between, this

study provides evidence that financial transfers to young adults do not simply “disappear” with a more established welfare state aimed at supporting low wage earners. Instead, low-income young adult households in both countries are significantly more likely than their middle-income counterparts to receive financial transfers. At the same time, private transfers to young adult households are more effective at reducing economic hardship among households already at lower risks for poverty.

These findings also motivate further inquiry into other forms of assistance provided to young adult children. Middle and upper-class parents have a knowledge of how key institutions such as higher education work and use this knowledge to help their children successfully navigate these institutions (Lareau 2015). Families might also transfer “time” to young adult children, often to assist with childcare/childrearing (Cooney and Dykstra 2011; Attias-Donfut and Ogg 2005). By focusing on private cash transfers, this study has maximized the likelihood of capturing resource transfers among the poorest segments and perhaps minimized the likelihood of capturing resource transfers among the richest. To the extent that the lowest income quintile can transfer economic, social, and/or cultural capital, a great percentage might be economic transfers. In the top income quintile, the likelihood is that cash transfers are the least important part of overall capital transfers from parents to children. This study provides only a hint about such underlying processes. Recognizing the various ways families assist their young adult children, and the impact of such assistance on young adult trajectories, locates the transition to adulthood as a key feature in the reproduction of inequality.

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## TABLES & FIGURES

Table 1. Descriptive Statistics of the Analytic Sample: Young Adults ages 18-30 in the United States and France, 2016-2018

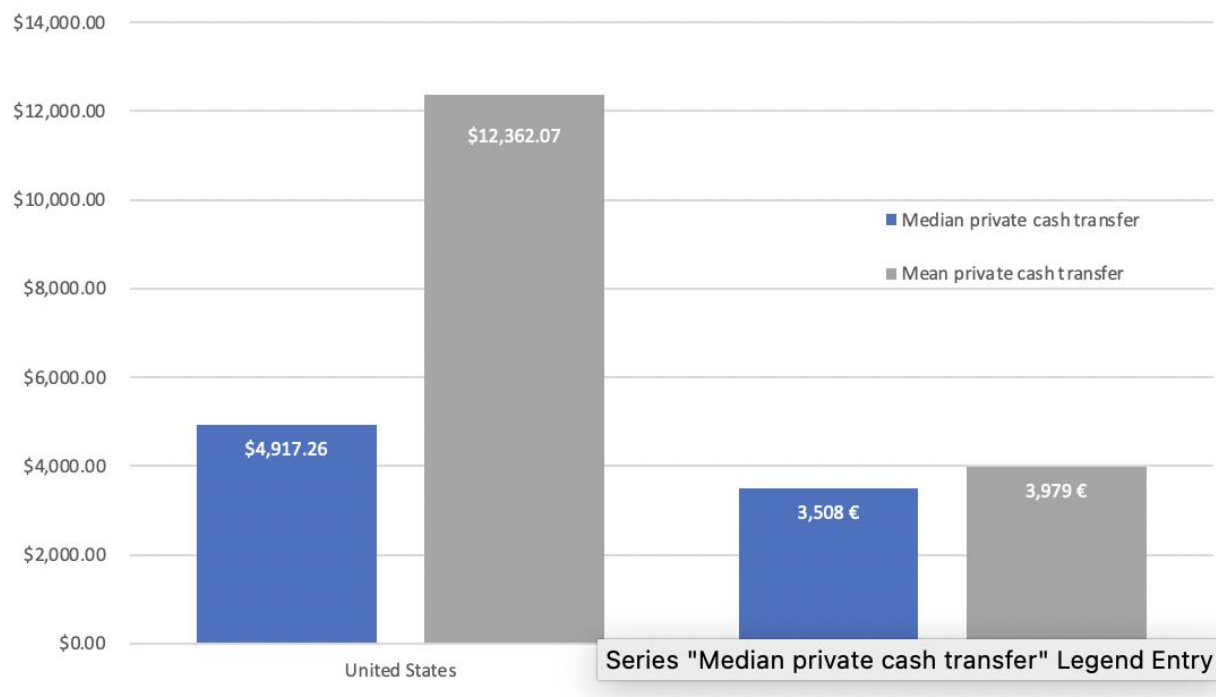
Variable	United States	France
Median household income	\$47,606.93	22,875.19 €
Mean household income	\$58,374.50	25,569 €
Received a private cash transfer	5.69	6.19
Median private cash transfer	\$4,917.26	3,508 €
Mean private cash transfer	\$12,362.07	3,979 €
<i>Household Composition</i>		
No partner nor kids	41.92	47.21
Partner, no kids	19.82	25.42
Single parent household	10.85	7.75
Partner and kids	27.41	19.63
<i>Socio-Demographics of Household Head</i>		
Female	51.02	29.87
Immigrant	15.74	10.16
Race/ethnicity <sup>†</sup>		
White	74.16	---
Black	14.13	
Asian	6.55	
Other	5.15	
Hispanic ethnicity	22.82	
<i>Education of Household Head</i>		
Less than secondary	7.63	11.81
Secondary	51.96	49.38
Tertiary	40.41	38.81
Currently enrolled in education	20.45	18.08
<i>Labor Force Status of Household Head</i>		
Full time worker <sup>§</sup>	55.76	73.35
Part time worker	22.80	---
Unemployed	2.02	9.08
Not in labor force	19.42	17.57
Total number of households	26,196	12,365

<sup>†</sup> France does not collect official statistics on race or ethnicity.

<sup>§</sup> Unable to distinguish between full-time and part-time workers in the French sample.

Source: Luxembourg Income Study Database

Figure 1. Average and median private cash transfer amounts for young adult households in the United States and France, 2016-2018



Source: Luxembourg Income Study Database

Table 2. Results of logistic regression model predicting receipt of transfer, United States 2016-2018

Variables	<u>Model 1</u>			<u>Model 2</u>		
	<u>B</u>	<u>SE</u>	<u>OR</u>	<u>B</u>	<u>SE</u>	<u>OR</u>
<i>Income quintiles</i> <sup>a</sup>						
1 <sup>st</sup> quintile (bottom 20%)	1.53***	0.08	4.62	0.81***	0.09	2.24
2 <sup>nd</sup> quintile	0.44***	0.09	1.56	0.33***	0.09	1.40
4 <sup>th</sup> quintile	-0.22	0.16	0.80	-0.15	0.12	0.86
5 <sup>th</sup> quintile (top 20%)	0.04	0.13	0.13	-0.08	0.13	0.92
<i>Household Composition</i> <sup>b</sup>						
Partner, no children				-0.49***	0.08	0.62
Single parent				-0.64***	0.10	0.53
Partner and children				-1.68***	0.11	0.19
<i>Employment Status</i> <sup>c</sup>						
Part-time				1.28***	0.08	3.60
Unemployed				1.38***	0.17	3.99
Not in labor force				1.80***	0.08	6.06
<i>Education</i> <sup>d</sup>						
Less than secondary education				-0.75***	0.13	0.47
Tertiary education				0.12*	0.06	1.13
<i>Race/ethnicity</i> <sup>e</sup>						
Black				-0.65***	0.09	0.52
Asian				0.33***	0.10	1.39
Other				-0.07	0.12	0.94
Hispanic				-0.48***	0.08	0.62
Female				0.05	0.06	1.05
Immigrant				-0.03	0.09	0.97
Constant	0.03***	0.00	0.00	-3.52***	0.10	0.30
Observations	26,196			26,196		
Pseudo R-squared	0.059			0.155		

\*p&lt;0.05, \*\*p&lt;0.01, \*\*\*p&lt;0.001

<sup>a</sup> Reference group is households with income in the 40<sup>th</sup>-60<sup>th</sup> percentiles.<sup>b</sup> Reference group is a young adult household without a partner nor children.<sup>c</sup> Reference group is a full-time worker.<sup>d</sup> Reference group is those with a secondary degree.<sup>e</sup> Reference group is non-Hispanic white.

Table 3. Results of logistic regression model predicting receipt of transfer, France 2016-2018

Variables	<u>Model 1</u>			<u>Model 2</u>		
	<u>B</u>	<u>SE</u>	<u>OR</u>	<u>B</u>	<u>SE</u>	<u>OR</u>
<i>Income quintiles</i> <sup>a</sup>						
1 <sup>st</sup> quintile (bottom 20%)	0.94***	0.11	2.56	1.27***	0.14	3.56
2 <sup>nd</sup> quintile	0.07	0.14	1.07	0.18	0.15	1.19
4 <sup>th</sup> quintile	-0.45**	0.17	0.63	-0.64***	0.18	0.53
5 <sup>th</sup> quintile (top 20%)	-0.51*	0.25	0.60	-0.90***	0.26	0.41
<i>Household Composition</i> <sup>b</sup>						
Partner, no children				0.83***	0.13	2.30
Single parent				1.36***	0.13	3.89
Partner and children				0.88***	0.16	2.41
<i>Employment Status</i> <sup>c</sup>						
Unemployed				-0.02	0.13	0.98
Not in labor force				0.17	0.10	1.18
<i>Education</i> <sup>d</sup>						
Less than secondary education				-0.60***	0.15	0.55
Tertiary education				0.64***	0.09	1.90
Female				0.26*	0.10	1.30
Immigrant				-0.71***	0.15	0.49
Constant	-3.12***	0.10	0.04	-4.05***	0.16	0.02
Observations	12,365			12,290		
Pseudo R-squared	0.037			0.076		

\*p&lt;0.05, \*\*p&lt;0.01, \*\*\*p&lt;0.001

<sup>a</sup> Reference group is households with income in the 40<sup>th</sup>-60<sup>th</sup> percentiles.<sup>b</sup> Reference group is a young adult household without a partner nor children.<sup>c</sup> Reference group is an employed worker.<sup>d</sup> Reference group is those with a secondary degree.

Table 4. Results of OLS regressions predicting dollars or euros (logged) of support received in the United States and France, 2016-2018.

Variables	<u>United States</u>		<u>France</u>	
	(1)	(2)	(1)	(2)
<i>Income quintiles</i> <sup>a</sup>				
1 <sup>st</sup> quintile (bottom 20%)	0.11 (0.12)	-0.10 (0.16)	0.23* (0.11)	-0.08 (0.16)
2 <sup>nd</sup> quintile	-0.17 (0.14)	-0.20 (0.13)	-0.33* (0.14)	-0.14 (0.12)
4 <sup>th</sup> quintile	0.28 (0.17)	0.17 (0.17)	-0.38* (0.17)	-0.18 (0.15)
5 <sup>th</sup> quintile (top 20%)	0.43* (0.20)	0.26 (0.18)	0.33 (0.25)	0.27 (0.22)
<i>Household Composition</i> <sup>b</sup>				
Partner, no children		-0.22 (0.11)		-0.25* (0.10)
Single parent		-0.46** (0.14)		-1.09*** (0.11)
Partner and children		-0.57*** (0.15)		-0.85*** (0.15)
<i>Employment Status</i> <sup>c</sup>				
Part-time worker <sup>§</sup>		0.10 (0.11)		---
Unemployed		0.03 (0.23)		-0.16 (0.11)
Not in labor force		0.48*** (0.11)		0.02 (0.08)
Female		-0.16* (0.08)		0.03 (0.09)
Immigrant		0.25* (0.12)		-0.19 (0.13)
<i>Education</i> <sup>d</sup>				
Less than secondary education		-0.40* (0.19)		-0.37** (0.12)
Tertiary education		0.18* (0.08)		0.23*** (0.07)
<i>Race</i> <sup>e†</sup>				
Black		-0.67*** (0.08)		---
Asian		0.44*** (0.14)		

Other		-0.23		
		(0.17)		
Hispanic <sup>†</sup>		-0.35***		---
		(0.11)		
Constant	8.32***	8.40***	7.85***	8.29***
	(0.11)	(0.14)	(0.10)	(0.13)
Observations	1,491	1,491	766	762
R-squared	0.011	0.139	0.055	0.300

---

Standard errors in parentheses

\*p<0.05, \*\*p<0.01, \*\*\*p<0.001

<sup>a</sup> Reference group is households with income in the 40<sup>th</sup>-60<sup>th</sup> percentiles.

<sup>b</sup> Reference group is a young adult household without a partner nor children.

<sup>c</sup> Reference group is a full-time worker.

<sup>d</sup> Reference group is those with a secondary degree.

<sup>e</sup> Reference group is non-Hispanic white.

<sup>†</sup> France does not collect official statistics on race or ethnicity.

<sup>§</sup> Unable to distinguish between full-time and part-time workers in the French sample.



Table 5. Reductions in poverty among young adult households in the United States and France, 2016-2018

	A	B	C	D	E	F
	Poverty Rate: Market Income	Poverty Rate: Market Income + Public Transfers	Poverty Rate: Market Income + Public Transfers + Private Transfers	Percentage point change in poverty due to private transfers (C-B)	Percent change in poverty due to private transfers (D/B)	Share of total poverty reduction due to private transfers (C-B/C-A)
<i>Conservative</i>						
France	42.3	27.2	25.8	-1.4	-5.1	8.5
<i>Liberal</i>						
United States	32.8	25.5	22.4	-3.1	-12.2	29.8

Source: Luxembourg Income Study Database and author's calculations

Table 6. Reductions in poverty among young adult households in the United States due to private transfers, 2016-2018

	A	B	C	D
	Percentage of HH below the poverty line	Percentage of HH below the poverty line after private transfers	Percentage Point Change (A-B)	Percent Reduction in Poverty (C/A)
All young adult households	25.5	22.4	3.1	12.2
<i>Household Composition</i>				
No partner nor kids	28.1	23.2	4.9	17.4
Partner, no children	11.4	9.3	2.1	18.4
Single parent	53.2	49.8	3.4	6.4
Partner and children	20.8	19.8	1.0	4.8
<i>N. of Earners</i>				
No earner	91.2	79.3	11.9	13.0
Single earner	36.3	32.9	3.4	9.4
Multiple earner	9.3	7.4	1.9	20.4
<i>Gender</i>				
Male	20.6	17.7	2.9	14.1
Female	30.2	27.0	3.2	10.6
<i>Race/Ethnicity</i>				
White	22.8	20.1	2.7	11.8
Black	36.2	33.6	2.6	7.2
Asian	27.2	19.5	7.7	28.3
Other	32.8	29.1	3.7	11.3
Hispanic	28.7	26.5	2.2	7.7
<i>Education</i>				
Less than secondary	49.1	48.2	0.9	1.8
Secondary	31.2	27.8	3.4	10.9
Tertiary	13.8	10.6	3.2	23.2

Source: Luxembourg Income Study Database and author's calculations

Table 7. Reductions in poverty among young adult households in France due to private transfers, 2016-2018

	A	B	C	D
	Percentage of HH below the poverty line	Percentage of HH below the poverty line after private transfers	Percentage Point Change (A-B)	Percent Reduction in Poverty (C/A)
All non-elderly households	27.2	25.8	1.4	5.1
<i>Household Composition</i>				
No partner nor kids	39.3	37.2	2.1	5.3
Partner, no children	10.4	9.5	0.9	8.7
Single parent	49.3	48.3	1.0	2.0
Partner and children	10.4	10.0	0.4	3.8
<i>N. of Earners</i>				
No earner	92.2	90.1	2.1	2.3
Single earner	23.1	21.1	2.0	8.7
Multiple earner	3.2	2.9	0.3	9.4
<i>Gender</i>				
Male	19.6	18.7	0.9	5.0
Female	44.4	42.2	2.2	5.0
<i>Immigrant Status</i>				
Non-immigrant	25.7	24.2	1.5	5.8
Immigrant	40.5	39.7	0.8	2.0
<i>Education</i>				
Less than secondary	33.4	32.9	0.5	1.5
Secondary	29.6	28.6	1.0	3.4
Tertiary	22.1	20.0	2.1	9.5

Source: Luxembourg Income Study Database and author's calculations