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Executive Summary

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MOTIVATION FOR MONEY AND CARE THAT ADULT CHILDREN PROVIDE

FOR PARENTS: EVIDENCE FROM “POINT-BLANK” SURVEY QUESTIONS

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When adult children provide care for their aging parents, they often do so at great expense to themselves incurring psychic, monetary (e.g. foregone wages or promotions or delayed pension vesting), emotional, and even physical costs, in conjunction with care that is labor intensive and, at the extreme, unrelenting. While the nature of parent care and the profile of care giving children are well described in the literatures of the social sciences, we still lack insight into why adult children undertake parent care without compensation or compulsion. Are children caring for elderly parents motivated by altruism, guilt, obligation, or gratitude? Alternatively, intergenerational transfers from adult child to parent may be strategic (e.g., in anticipation of a larger bequest), dictated by family norms or traditions, or recognized as an opportunity to enhance self-esteem through family recognition, or a non-discernable mix of motives poorly captured by any one theory or discipline. Both economics and sociology acknowledge the importance of closing the gap, but for very different reasons. Economic theory, for example, focuses on a wide range of conceivable interactions between public and private transfers, i.e. public transfers may supplant or stimulate private transfers, depending on the motivation of the private donor. Despite the importance of motivations for private transfers, economic analyses are limited largely because of the dominance of the behavioral approach in which motivation is inferred from direct observation of choices made. In contrast, sociologists focus on intergenerational transfers for the insights they provide into how social bonds and networks are forged and maintained.

In this paper we take a very different approach to those that dominate either mainstream economics or sociology. We adopt a novel, direct question approach using newly available data from a special module fielded in the 2000 Health and Retirement Study that included questions on motivations for, and concerns with, the provision of familial assistance. Our (deliberately) simple description of the data reveals abundant new information about the motivation for private transfers. Transfers are not always provided free of pressure from other family members, for example, and familial norms of obligations and traditions appear to matter for many respondents. These findings suggest that the standard set of economic considerations — utility interdependence, budget constraints, exchange, and the like — are insufficient for a complete understanding of private transfer behavior. These differences are consistent with prior research findings that demonstrate, for example, that women are far more likely to provide care and take seriously family obligations. Past experience in the provision of financial help and care matters as well, sometimes in intriguingly anomalous ways. Though one must always be skeptical about reading too much into what people say about why they do the things they do (or think they will do) we nonetheless conclude that “point-blank” questions offer, at the very least, a worthwhile complement to the more conventional methods for unraveling motivations for private, intergenerational transfers.