# Grandparents' to Grandchildren transfers:

# The potential importance to younger families' economic stability

**Angela Fontes**

**Department of Consumer Science**

**and**

**Karen Holden**

**La Follette School of Public Affairs and**

**Department of Consumer Science**

**University of Wisconsin-Madison**

**DRAFT, September 21, 2007**

**A paper prepared for the Annie E. Casey Foundation**

**at the request of Generations United**

**July 2006**

## I. Introduction

The time and money constraints faced by young families with children may mean that contributions from extended family members, including grandparents, are for many of these families a major factor in their financial security and an important contributor to grandchildren's financial and psychological well-being. Grandparents' contributions to the well-being of grandchildren can take many forms. Co-resident grandparents are assumed, at least when physically and cognitively able, to equally share resources and home tasks, enhancing the total person-time and resources available to co-resident grandchildren. Nonresident grandparents may share time with grandchildren, for example by providing child-care or transportation or by sharing in grandchildren's social and educational activities. They may contribute time to home chores, thus releasing time that their adult children have to spend with grandchildren or at work.

Financial contributions may also take many forms. They may be made directly to the grandchild's family or grandparents may enhance the family's resources indirectly through payments made for children's school tuition or other bills paid directly to agents other than the family itself. These financial contributions may also allow parents more time for child-rearing activities or to work hours or at jobs that are less remunerative.

There is a body of research that has examined direct and inter-family transfers, which we review in this paper. Less is known about indirect forms of assistance from grandparents, the time-path of contributions, the behavioral determinants of contribution size and timing, or the effects of those contributions on the well-being and time allocation of the younger family members. In addition, how co-residing grandparents share their time and money is also not as well known since most studies assume complete sharing by all co-resident family members.

The prevalence and importance to younger families of grandparents' contributions may be growing because of underlying changes in family structure, economic conditions, and family policy. First, the growing percentage of children raised by single parents and in two-earner

families implies that parents (i.e., of the grandchildren) are increasingly resource and time constrained. Grandparents' transfers of time and money may counter the otherwise potential detrimental effects of single-parenthood on grandchildren (McLanahan & Sandefur, 1994). Second, long-run declines in family size result in grandparents having fewer children and grandchildren among whom they may be called on to share time and financial resources, increasing their ability to share resources with any single grandchild and its family. Third, changes in the ethnic composition of the U.S. population may be accompanied by changes in the composition of households and intra-family sharing of resources. Blacks, Asian and Latino families are more likely to live in extended family or multi-generational households (Taylor, 2002), with Blacks more likely than other racial groups to be living with only one grandparent, the grandmother (Fields, 2003). This difference can be almost entirely explained by income, education, and the marital status of parents and children (Aquilino, 1990; Speare and Avery, 1993), consistent with the higher prevalence of multi-generational households in areas with high percentages of immigrants, housing shortages, and out-of –marriage births (Simeon and Tavia, 2003). Finally, increasing life expectancy and advances in health care extend the healthy years of grandparenting, resulting in more grandparents available and for more years to participate in their grandchildren's' lives. Grandparents' concerns about their retirement savings adequacy and long-term care may motivate grandparents to become more active in the lives of their children and grandchildren in order to assure family care when that is needed (Cox & Rank, 1992).

Extended lifetimes of grandparents, however may have counteracting effects on their ability and willingness to assist grandchildren. Longer lifetimes increase the probability of grandparents being also responsible for older parents at the same time their adult children are establishing their own families. These "sandwich generation" grandparents will have less time and fewer resources time available to share with their own children and grandchildren. The Grandparents' own expectations of survival require their own retirement savings be sufficient to

extend over lengthening years of retirement, perhaps causing grandparents to weigh more heavily in their financial decisions concerns about their own retirement security, sharing fewer resources with younger generations.

The rise in cohabitating single parents (of the grandchildren) with an unmarried partner who may not be the child's parent (Dupree and Primus, 2001), may alter grandparents' willingness to share resources directly with the family unit. Transfers may be reduced or grandparents may prefer more indirect forms of transfers to the related parent or child in the form, for example, of payments directly to educational institutions to cover tuition costs of adult children or grandchildren.[1]

Longer potential work lives may alter the division of transfers between time and resources. We hypothesize that grandparents who wish to assist their adult children and young grandchildren may consider optimal ways of doing so when making their own work and retirement decisions. Studies of retirement have typically focused on financial incentives and labor market constraints facing individuals, with some but limited attention to the joint retirement decisions of spouses (Gustman, and Steinmeier, 2001). Given the fixed costs of working (e.g., minimum work hours) grandparents with strong labor market attachment and preferences for grandchildren being cared for by parents may choose to delay retirement, having more financial resources to share while assuring parental time with grandchildren. If their grandchildren's psychological and economic well being matter to grandparents, they may consider the relative advantages to their grandchildren of their sharing financial resources and time compared with the value of parents' resources and time. Preferences that grandchildren be parented at home may cause grandparents to postpone retirement, increasing the financial resources rather than time they have to share with grandchildren. Grandparents with relatively

[1] Cohabitation has become more acceptable as a social norm. (Thornton and Young-DeMarco, 2001). Transfers across generation, however, may depend on the pace at which it becomes acceptable to individuals of different ages.

high wages (i.e., higher than their parenting children) would increase total resources and time adult family members have to share with grandchildren by working longer, transferring resources, even at the cost of less time, without jeopardizing their own retirement security.

Public policy changes may also have led to changes in family structure and resources sharing. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) which mandates that certain TANF-eligible teenage parents live with their parents, intends to increase grandparent responsibility for grandchildren through multi-generational household sharing.[2] Changes in Social Security financing and employer-pension shifts may increase grandparents' concerns about the sufficiency of private retirement resources. The impact of tax law on intergenerational transfers of wealth may influence the timing of transfers. The virtual elimination of inheritance taxes for all but the richest families may have eliminated one motivation for intra-vivo transfers in favor of bequests. Finally, if an important motivation for intra-household transfers and shared housing is to increase to probability of younger family members caring for grandparents, the availability of private long-term care insurance and favorable tax treatment of premiums and benefits would reduce the probability of both behaviors.[3]

This paper first reviews the literature on grandparent to grandchild transfers of time and money and then presents an analysis of the predictors of time and money transfers grandparents are now making to children and their families. It concludes with some statements about what is known about transfers, the gaps in knowledge, and some discussion of potential policy effects on transfer probabilities.

[2] This is accomplished by not allowing expenditure of federal TANF payments to minor, unmarried, custodial parents who do not live with their parents or in an adult-supervised setting approved by the State. States may extend this requirement to 19 and 20 year olds (O'Dell, 2003).

[3] Long-term care is purchased by a small but growing percentage of the elderly. In 1996, the IRS code was amended such that benefits received from a tax-qualified long term care policy would not be treated as taxable income. In addition, policy premiums could be treated as a medical expense when itemizing medical expense deductions.

Of necessity the reviewed research and our own analysis depends on survey data that ask individuals about inter-family transfers over some specified accounting period. The way in which questions phrased determines whether transfers that do occur and changes in transfer patterns are reported.. Some changes described above will affect not only the size of transfers but their timing as well. Timing changes may appear as increases or decreases in transfers, even if the total amount of transfers made to grandchildren over the life-time of grandparents has not changed. For example, if time sharing is postponed due to delayed retirement by grandparents, data for a single period of time would show diminished sharing even though grandparents are only shifting the timing of the transfers. If a grandparent chooses to fund a grandchild's educational expenses either by establishing an educational IRA or through direct payments to the school, they may not consider this a transfer to the child unless specifically asked about such a transfer.

Some grandparents may choose to provide more generously for their own children when young adults, such as by funding their education or subsidizing home purchases, so that as parents they accumulate more resources to share with their own children (the grandchildren). These early-life transfers would not register as grandparent to grandchild transfers even if undertaken for the purpose of grandchildren's well being. The younger families are better off, but that explicit though indirect transfer would not be recorded. In the analysis we present we attempt to test whether transfers at different life-cycle stages may affect current intra-family transfers.

## II. Literature Review

Grandparents contribute directly to the financial well-being of grandchildren in two ways; through time and money transfers. These may be provided both internally in shared households and through inter-household transfers, with the former probably more difficult to fully capture in

surveys that do not ask explicitly about intra-household sharing of income and expenditures.[4] These may also be determined by the relative needs and resources of grandparents and grandchildren's families and take place over the life-cycle of children as they move from their parents households to parenting. Survey data enable one to identify current shared living arrangements and inter-household financial transfers over a specific period of time. How complete those data are in identifying all current time and money transfers and in capturing life-cycle patterns of giving is difficult to assess.

*Contributions of time*

One way in which grandparents contribute to grandchildren and their families is through providing time, primarily through childcare or shared activities, a contribution that may enable the adult children to engage in labor force activities. Presser (1989) estimated that almost 24 percent of formal arranged care for pre-schoolers was provided by grandmothers, with caregivers providing on average 27.1 hours per week. The percentage of childcare provided by grandparents has remained fairly stable over time (Cox and Ng, 2003) even as parental care has fallen.[5] Using data from the Survey of Income and Program Participation, Johnson (2005) estimates that of the 62.5 percent of children under 5 in regular child care in 2002, 22.7 percent were cared for by a grandparent. Most likely capturing both formal and informal child care of any duration, a nationally representative sample survey of grandparents found that about 78 percent of grandparents with a grandchild under 13 years of age had provided some "baby-sitting services during the past year" (Silverstein and Marenco, 2001).

[4] The traditional assumption in the economics literature is of complete household sharing of income—who controls the income has no effect on the outcomes for the beneficiaries of that income since the household is a single decision making unit. This assumption is increasingly questioned with studies examining intra-household bargaining among family members with different preferences (Lundberg, Pollak, and Wales, 1997; McElroy, 1990). We know of no studies that examine inter-generation household bargaining although it seems reasonable to expect grandparents to have different preferences about expenditures and savings from other adults in the household.

[5] The shift has been towards non-family care.

An early module of the Health and Retirement Survey (HRS) asked respondents if over the past 12 months they had provided 100 hours or more of child-care to grandchildren and if so, how many hours. Cox (2003) found that grandmothers, among those providing at least 100 hours of childcare to grandchildren of their *married* children, on average provided 374 hours per year (about 7 hours per week over the entire year); grandfathers who provided at least this level of care did so for an average of 290 hours per year (or 5.5 hours per week). Using these same data, but investigating expenditure of time on caring for any grandchild, Cardia and Ng (1993) report that 42.9 percent of respondents provided at least 100 hours of child-care, for an average among those providing care of 1,177 hours per year. These time contributions may add up to the equivalent of a considerable amount of money considering that childcare workers earn a median wage in excess of $7.00 an hour (Folbre, 2000). Besides the implicit value to families' of grandparents contributions, Cardia and Ng (1993) find that childcare provided by grandparents increases family income by enabling parents to increase labor force participation and earnings.[6] To the extent grandparents' child-care enables work by the parent, they lessen the likelihood and duration of labor market interruptions that have been shown to substantially impact the lifetime earnings trajectory of parents (Joshi, 1991; Waldfogel, 1997).

The time contributions of grandparents can be considered an investment available to individuals regardless of monetary resources. Cardia and Ng (1993) find that the percentage of grandparents contributing time is roughly constant across income and wealth categories although more hours of care are provided by lower income/wealth households. They also find that grandmothers, college educated grandparents, and, not surprisingly, grandparents who lived either with the grandchildren or less than one hour away are more likely to provide some level of childcare. Folbre (1999) argues that the care of children can also be seen as an investment in the

[6] This is in contrast to money transfers which they find reduce labor market work by parents, a finding that would be consistent with the hypothesis of grandparents delaying retirement explicitly to allow for more hours of child care by their adult children.

future income stream of the family; if grandparents care of grandchildren increases their child's earnings and wealth, this investment may be undertaken either altruistically or as a strategic exchange of services (Cox and Jappell, 1990; Cox and Rank, 1992; Lillard and Willis, 1996; Raut and Tran, 2004).

*Contributions of money*

Cardia and Ng (2003) report that more grandparents give time than money. Between 25 and 40 percent of grandparents report giving monetary gifts to their grandchildren (Silverstein & Marenco, 2001, McGarry &Schoeni, 1995; Soldo & Hill, 1995), the variation due to differences in surveys, questions, and reference period. Cardia & Ng (2003) find that on average HRS grandparents (those with at least one child and one grandchild) who made monetary transfers to a child provided somewhat over $4400 annually.[7] While time transfers are not correlated with the income or net worth of the grandparents, monetary transfers are. About 60 percent of households in the top two deciles of the income distribution contribute in contrast to fewer than 25 percent of those in the bottom two deciles.. While the effect of adult children's income is small in determining grandparents' contributions (Cox & Rank, 1992), grandparents who contribute are likely to make financial contributions more frequently to their less well-off adult children (McGarry & Schoeni, 1997).

There are differences in the demographic characteristics of grandparents who do and do not provide financial contributions to grandchildren. Older grandparents, grandparents with higher incomes and those who live more than an hour away from the grandchildren are more likely to give financial gifts (Silverstein & Marenco, 2001). Hispanic households are less likely to provide financial contributions (Pezzin & Schone, 1999), and Silverstsin & Marenco (2001) find that Black households are more likely to give financial gifts than are White households,

[7] Respondents were asked if they had contributed $500 or more over the past 12 months, and then how much that was.

although other studies refute this finding (Cox & Rank, 1992; McGarry & Schoeni, 1997). While there do not appear to be gender effects in the receipt of inter-vivos transfers by married couples, female-headed households appear to be more likely to receive financial assistance (Cox, 1987; Cox & Jappelli, 1990).

While most research has focused on either time or monetary contributions, Cardia & Ng (2003) consider the trade-off between the two and estimate that 18 percent of grandparents in their HRS sample (described above) provided both time and money transfers while 41 percent provide neither. Averaging time and money transfers over the full sample, they estimate that the monetary value of time contributions (using a $6.00 wage) by grandparents is equal to the monetary value of direct financial transfers (approximately $2,000 per year for each).

Despite the potential importance of inter-vivo time and financial transfers to recipient families, few studies have explicitly examined the effect of public policy changes transfer behavior, in contrast to studies of bequest behavior (see McClelland, 2004). Some studies have examined the effect of tax law on the relative advantage of inter-vivo transfers versus bequests. Allowing for a certain level of tax-exempt inter-vivo gifts may positively influence grandparents to give contributions of money during their lifetime to avoid the after-death estate tax (Joulfain & McGarry, 2004). Conversely, decreases in the estimated benefit of inter-vivo transfers may result in decreases in these types of contributions (Bernheim, Lemke, & Schloz, 2001). Although research indicates that there is considerable response to changes in estate tax law (Bernheim, Lemke, & Schloz, 2001), other research suggests that inter-vivo transfers of wealth do not appear to be used to their full effect in the contribution of money to younger generations (Joulfaian & McGarry, 2004).

*Cohabitation*

In 2002, 8 percent of (or 5.6 million) children lived with a grandparent; 65 percent had at least one parent also in the household. Coresidence is more prevalent among Hispanic

households (Pezzin & Schone, 1999), Black households and those with younger grandchildren (Silverstein & Marenco, 2001; Deleire & Kalil, 2002). Coresidence is consistently found to be a strategy adopted by lower-income families for sharing resources; low income adult children are more likely to live with parents and among siblings, lower income siblings are more likely to co-reside (Dunn and Phillips, 1998). The consequence of this household formation process is that multi-generational households tend to have lower incomes than do nuclear two-parent families (Deleire & Kalil, 2002). On the other hand, multi-generational households appear to have positive outcomes for grandchildren; using data from the 1988 National Education Longitudinal Study, Deleire and Kalil (2002) found that children in multigenerational households do at least as well as those in similar two-parent households in terms of educational attainment and risk-taking behavior. These findings suggest that co-residence is an important contribution to the success of grandchildren in otherwise more time and financially constrained households.

Although some grandparents reside with grandchildren in three-generation homes, some grandparents are the sole source of support for their cohabiting grandchildren. As a substitute for foster care, placement of children with relatives has been shown to have more stability and better outcomes than those placed with non-relative foster parents (Trupin & Turetsky, 2005). Although adoption by relatives is the fastest growing method for permanent placement of foster children (23% of foster children are placed with relatives), the Deficit Reduction Act of 2005, S. 1932 may have discouraged states from placing children with relatives (Trupin & Turetsky, 2005). The Deficit Reduction Act reversed a 2003 9th Circuit Court of Appeals ruling (in *Rosales v. Thompson)* that had allowed foster children placed with a relative to qualify for federal and state support based on the income of the relative at the time of the legal removal, even if the child was not eligible when living with the parent. The Act also prohibits federal reimbursement of administrative costs for relative placement in homes that do not meet state foster care licensing requirements; by disallowing prior flexibility in licensing relative

placements if administrative costs are to be reimbursed, the Act reduces the support and services of caseworkers to grandparents caring for grandchildren. Because relatives frequently require more support and are more likely to be poor, foster placement with relatives can be more costly than nonrelative foster care placement, discouraging placements with relatives (Trupin, Turetsky, & Hutson, 2006)

There is no firm evidence whether the PRWORA has increased the chances of poor children living in multigenerational households. Between 1989 and 2000, even as the percentage of children living in married-parent households increased, the percentage of children living with non-parental relatives increased as well, by 13% among Black households and 7% among White households (Bitler, Gelbach, & Hoynes, 2006). The timing indicates this increase may have been a consequence in part of requirements that young teen parents reside with a parent and the lifetime caps on assistance eligibility. However, analysis suggests that Black children did not move into higher-income nonrelative households and that for neither Hispanics nor Whites, did TANF change have a statistically significant effect on living arrangements (Bitler, Gelbach, & Hoynes, 2006).

*Delaying retirement*

In determining support for children, and weighing financial transfers, time transfers, or cohabitation, grandparents may choose a fourth strategy. They may weigh the value of their labor market earnings and child-care relative to that of the grandchild's parents, deciding to continue to work and thereby increasing their ability to transfer financial resources to a child whose parent may be now better able to afford parenting of the grandchild. It is not inconceivable that one factor in the recently observed reversal of long-term declines in average retirement age (Brothers, 2003; Gendell, 2001) may be due to delayed retirement by relatively high wage earning grandparents (relative to their children).

Grandparents may rationally delay retirement if they are more productive in the labor force either because of their greater human capital or longer job tenure than of their children, thus increasing total family wealth by their continued work. If the grandparent increase grand-children's economic well being more effectively through their own higher earnings than through their adult child's earnings, then inter-family tradeoffs between time and financial contributions may be rational behavior. The elimination of mandatory retirement age requirements and shifts from defined-benefit to defined contribution employer-provided retirement plans have provided greater flexibility in work and retirement timing to retirement-age individuals (Wiatrowski, 2001). This joint-family work choice may also maximize the value of time total family time spent on grandchildren's care. That money transfers do not increase adult children's labor force engagement while time transfers do lead to labor force increases is consistent with this hypothesized tradeoff in work and child-care between the generations.

**III. Predictors of grandparents' contributions over the life-course**

Examining the roles of grandparents over the life-course, Silverstein & Marenco (2001) find that contributions of elder family members to younger family members change with the aging of the family unit. At different stages of development there are different needs in the level of both time and money required to support children through adolescence. Transfers may be the result of specific life events that occur sporadically, such as the purchase of a home or graduation (MacDonald, 1990) and differ with varying stages of the life-course. Longer lifetimes of grandparents increases the chances of their participating in grandchildren's lives well into adulthood.

In addition, contributions made earlier in life for their own children, such as paying for higher education, may be related to a grandparents' willingness and ability to provide contributions to grandchildren. That transfers are more likely to be made to adult children who

are younger, single, non-parent, and high school graduates, implies more likely transfers to children during the early years of adulthood (McGarry & Schoeni, 1997). In part because they find no significant effects of recipient income on the frequency and amount of financial transfers from parents, Cox & Rank (1992) conclude that a social exchange model—i.e., that inter-vivos transfers are made in exchange for later services provided by the adult child to the parent—better explains patterns of financial contributions to adult children than does a model of grandparent's pure altruism. This exchange motivation has ambiguous implications for the effect of earlier financial support of children on later transfers. Grandparents who provide more financial support to their children in earlier adulthood may undertake these as well as subsequent contributions in order to assure later child-to-parent transfers and care. On the other hand, support provided to young adult children may imply more independent parents wishing to assure equally independent and financially successful children.

In contrast, McGarry & Schoeni (1995, 1997) indicate that there does seem to be evidence of an altruistic motivation for inter-vivos financial transfers. Although the relationship between the child's income in general and financial transfers is weak, when siblings are compared, the siblings with relatively low incomes are more likely to receive financial contributions than their better-off siblings. However, it is possible that this relationship merely reflects differences across siblings in life-cycle events. Children with lower incomes may not have had the same level of early parental support (unobserved in a later survey), either in the form of schooling or some other human capital investments or because of lower parental income (or per-capita family income), greater family size at critical life stages, or their own choice. Greater transfers to these lower income children is a difference in the timing of transfers, rather than in overall level of support given by parent to adult children.

**IV. Current Transfers: descriptive data**

To provide an overview of the extent and relationships surrounding grandparents' current contributions to grandchildren we examined information available in the 2004 early release of the Health and Retirement Survey (HRS). The HRS is a nationally representative, longitudinal study of individuals age 50 and older conducted by the University of Michigan and supported by the National Institute on Aging (Health and Retirement Survey. The first HRS cohort (born between 1931 and 1941) was interviewed in 1992 and every two years after. Additional cohorts have been added such that with the original AHEAD cohort (born in 1923 or earlier) the 2004 merged samples includes all persons born in 1953 or earlier. It gathers data on a variety of demographic, financial, family, and health topics. The sample analyzed here is of households with any living grandchildren, regardless of where those grandchildren are.

The 2004 HRS asks whether individuals provided care for a grandchild over the two years prior to the survey. The HRS also asks whether the grandparent provided monetary contributions to the grandchild's family, including for the deed of a home or , money transfers during the past ten years. We define dichotomous variables that indicate contributions of time, money or both. We examine the relationship of these variables to various demographic and socio-economic characteristics.

- Demographic variables: age (in quartiles), education (coded as <high school, high school, 4 yr. college degree, and beyond college), race (coded as White, Black, Hispanic, and other), marital status/gender.
- Work variables: working (measured as working, or not), retirement status (measured as retired, or not), a retirement delay variable (an interaction between age and work status—if 62 or older and still working).
- Living arrangement variables: Distance to grandchildren (measured as living within ten miles of a grandchild), whether cohabiting with a grandchild (measured dichotomously).

- Life pattern variables: if grandparent provided money to pay for their own child's education (all, some, or none) lived with their own grandparents when young, (dichotomous variable), or received financial help from their own grandparents when young (measured dichotomously).

*Time Transfers*

Over 30 percent of grandparents in the expanded HRS have provided some sort of time contribution to their grandchildren (Table 1). Younger grandparents are more likely to provide time, with time contributions diminishing with age (Table 2). The relationship between time contributions and education are less pronounced although the more highly educated category is more likely to contribute both time and money. Similarly, contributions of time by race are not markedly different although Blacks and Hispanics report providing time slightly more frequently than do Whites. Not surprisingly, female respondents provide more care.

**[Table 1 about here]**

We identify four mutually exclusive work categories: persons who are working and are under 62 years of age, persons working and who are age 62 and older (labeled: delayed retirees), persons who declare they are retired, and persons who are neither working nor self-identified as retired. Consistent with the effect of age is that younger workers are more likely to provide time transfers than are delayed retirees. Living close by a grandchild increases time spent with the grandchild. Cohabitation leads to the greatest likelihood of time transfers.

**[Table 2 about here]**

What we call background variables appear to be related to provisions of time. While grandparents who paid for at least part of their own children's education provide slightly more time that those who did not contribute to educational expenses at all, there is no significant difference in the time allocation between grandparents who lived with their own grandparents

when young and those that did not. Although many grandparents did not know if their family received monetary support from other family members when young, those who reported that they did receive some sort of financial help were more frequently providing time than those who did not receive help when young.

*Financial transfers*

A slightly higher percentage of grandparents in the sample provided some financial contributions; 32.6 percent of the sample report providing some sort of financial transfer to their children. As with contributions of time, younger grandparents are more likely to have provided some financial contributions to their children's families. There is a strong educational effect, with more than half of grandparents who had an education beyond college giving making financial transfers compared to only one-quarter of those with less than a high school degree. Hispanic households give financial contributions least frequently and grandfathers are more likely to provide monetary than time contributions; grandmothers are equally likely to provide time or money. Consistent with our hypothesis about the relationship between grandparents' work and transfers, working parents provide more financial assistance than do retired parents, but the explicit "delayed retirement" category shows very low rates of both money and time transfers. While grandparents who cohabitate or who live closer to a grandchild are more likely to provide time, this is not the case for financial transfers.

Grandparent contributions to their children's families appears shaped by their own early experiences and correlated with whether they had earlier provided for their childres' education. Grandparents who paid for at least some of their children's education continue to provide more financial help to their children and grandchildren. Receipt of financial assistance from or cohabitation with their own grandparents is positively correlated with their won financial contributions to children..

*Both time and financial transfers*

Almost 14 (13.7) percent of the sample provided both time and money transfers to at least one of their grandchildren. Of those grandparents who provide time contributions, 45 percent also provide financial contributions. For the grandparents who provide money to the financial well-being of grandchildren, 42 percent also provide time.

The relationship between characteristics of grandparents and transfers of both money and time pattern that of time and money. Younger and more educated grandparents are more likely to make contributions of both time and money. There were no significant differences between grandparents of different ethnic backgrounds or genders. Working grandparents are more likely to provide both time and money as do those who live close to or cohabitate with grandchildren. Grandparents with a previous history of helping their children with educational expenses as well as those who had received financial help from their own grandparents were more frequent contributors of both time and money.

*Multinomial regression analysis*

While the descriptive data presented in Tables 1 and 2 are informative, the separate effects of variables on time and money transfers cannot be identified. We conduct a multivariate analysis that controls for the separate effects of these variables in order to ascertain who among the grandparents contribute time only, money only, both time and money, or neither. We do this with a *multinomial regression* that simultaneously shows the significance and signs of predictors of the first three transfer states (of time only, money only, both time and money) relative to the probability of making no transfers to grandchildren. The multivariate results are presented in Appendix Table 1; for easier viewing they are graphically presented in Charts 1A and 1B. Variables are defined in Appendix Table 2. The Charts show the relative size of statistically significant logit coefficients.

**[Charts 1A and 1B about here]**

The effects implied by the multinomial coefficients (the sign and length of the bars) are relative to the "no transfers" group and measures the effect of the independent variable on the probability of the outcome relative to the "excluded" dependent group. For example, being a single male reduces the chances of time transfers (relative to being in a married couple unit) versus not contributing at all to grandchildren, but it increases the chances of some money transfers (either alone or in combination with time).

The youngest grandparents were more likely than older grandparents to provide any type of contributions; age has an inverse relationship with contributions in all categories. This may indicate that grandparents prefer to make transfers to relatively young adult children forming households and when grandchildren are young. This age effect is consistent with parents providing time and funds to their children in the early years, in exchange for later care provided by children to them. However, it is also consistent with parents becoming more concerned about the adequacy of their own retirement resources as they grow older. The first two would suggest that lengthening parental lives will, if anything, increase transfers to children as young families face increasing resource and time constraints and long-term care becomes more of a concern. The last suggests diminishing grandparent transfers over time as parental lives lengthen.

Grandparents' resources increase both time and money transfers; higher levels of education increase provision of money or of both money and time, but not time alone and, higher income significantly increases the likelihood of all types of contributions.

Interestingly Blacks relative to Whites are more likely to provide either money or time only; all groups are equally likely to provide both forms of transfers with Hispanics less likely to provide either time or money alone.

Working, as expected, decreases the likelihood of providing time contributions, but extending work past age 62 actually increases all forms of transfers. Note that age is already

controlled as is income. That delayed retirees are far more likely than even nonworking grandparents to provide financial, time, and both time and money assistance, may reflect the hypothesized inter-family bargaining and the consequent greater needs for assistance of the families that have traded off labor market earnings for child care by parents.

Somewhat surprising is that single grandmothers, compared to married couples, are less likely to provide any form of assistance while single grandfathers are more likely to provide money transfers only or in combination with some time assistance, all else held constant. This may not bode well for young families in the future as grandparents themselves have experienced divorce and raised children on their own.

What we term "Background characteristics" appear to be important predictors of time and money contributions. Grandparents who paid for their own children's educations continue to assist their families and children. Parents who received help from their own extended family or cohabitated with their grandparents may appreciate the importance of those contributions to their own well-being and share their time, but especially their resources with their grandchildren's family.

Finally, we included the variable that indicates the relative size of the children's income; when adult children's income is lower than that of the parents (the grandparents in this study), the parent is more likely to transfer resources than time. To the extent income differences reflect differences in market earnings, grandparents' contributions may either compensate children for lower earning opportunities or it may be an explicit strategy adopted to support younger families as they reduce hours of work for child-care. Although co-habiting with grandchildren increases the likelihood of time and both time and money contributions, co-habitation marginally decreases the likelihood of providing only monetary contributions.[8]

[8] This may be because multi-generational households think of all income as being shared, rather than gifted to a particular family or family member.

## V. Conclusions

This paper reviews the literature on contributions by grandparents to their children's households and the implications of those contributions for economic well-being of grandchildren. Our analysis of HRS data explored whether there are differences in predictors of time and financial assistance by grandparents.

The literature and our analysis do show differences in the characteristics of grandparents who provide contributions of time and/or money. Younger grandparents, as well as those who are more educated are more likely to transfer time and money, alone or together, than do older and less educated grandparents. Working grandparents are no less likely to contribute in some way to the well-being of their grandchildren when other factors are accounted for, although those who continue working late in life are more likely to contribute time and money to their children's households. These results may indicate that a key factor in contributing to the well-being of children is the relative ability of the grandparents to do so financially. While a grandparent is young and earning income in the labor force they may be better able to share resources with their grandchildren. Our analysis results is consistent with the hypothesis that grandparents' retirement decisions may be determined in part by their grandchildren's need for care and money and some delay retirement in order to have more financial resources to share and allow their adult children more time to parent. The role of adult children's families in the retirement decisions of grandparents is an area in which we find no literature.

Descriptive statistics show differences among grandparents who share resources and those who don't that are not well understood. Race seems to be a factor, with Black grandparents more likely to provide time and money individually than White grandparents, This difference may reflect the greater wealth of White grandparents, which we do not include in this regression.

Grandparents living with a grandchild were more likely to provide either time, or both types of support, and closeness in separate housing units had positive results on all types of contributions. It should be noted that survey data that specifies a reference period are more likely to pick up the frequent time sharing of grandparents who live close by even if over a longer period of time parents who must travel far spend longer periods of time with their grandchildren but do so less frequently. For example, grandparents who have children visit for one full month in the summer are less likely to be identified than the grandparent who cares for a grandchild one weekend each month. We urge consideration of the questions that must be asked to ascertain the full range of time and resource help provided by grandparents.

This same recommendation is made for resource sharing. Periodic transfers are less likely to be picked up than regular transfers, even if the total amount over time is equal. Certain types of financial transfers, encouraged by tax codes, are less likely to be recorded than others. By some estimates, over half of grandparents contribute financially to their grandchildren's education (Zogby International, 2006); transfers directly to educational institutions for tuition may not be identified as transfers to grandchildren. Direct payments by grandparents of children's insurance or mortgage may be less accurately recorded than direct monetary gifts. In kind gifts may be less often remembered than are money gifts to pay for those same items.

The effect of grandparent's own receipt of assistance is intriguing and potentially of policy importance. Inter-vivos inter-generational sharing increases the chances of sharing with a next generation. The picture of grandparents who cohabit with their grandchildren is quite different from those who provide other types of contributions. In contrast to noncohabiting grandparents who provide time /or financial contributions, cohabiting grandparents tend to be less educated and not have paid for their own children's education. They do tend to be younger and still working. Receiving financial assistance from family when young was not correlated with cohabitation. Both Black and Hispanic grandparents, as well as grandparents who

cohabited with their own grandparents, were more frequently cohabitating with their own grandchildren. This may indicate a cultural component to reasons for cohabitation, but because income is related to ethnic identity it is difficult to identify the separate role of economic resources and "culture" in predicting cohabitation.

**VI. Discussion and Implications**

The literature on intra-family transfers focuses largely on time and money transfers from children to parents (Giervald and Dykstra, 2006; Couch, Daly, & Wolf, 1999) or asks about the trade-off between intra-vivo transfers and inheritances at older parents' death (Joulfaian, 2005) A far smaller literature focuses on transfer of time and money from older parents to young families and typically not in the context of asking how important are those transfers to the well-being of younger families with children. These transfers have not been analyzed to the degree that government and other private transfers have. Absent is any multivariate analysis of the determinants of parental transfers and how work and resident decisions of older parents are affected by the relative economic status of and economic "shocks" experienced by children and grandchildren. The literature cited above is largely descriptive but suggestive of the importance of grandparent transfers to economic well being and to both younger and older adult work decisions.

Cardia & Ng (2003) indicate that intergenerational transfers of time and money have a greater and more positive impact on the labor force participation of adult children than do tax credits, suggesting that policy can have a considerable impact on how grandparents contribute to the economic well-being of grandchildren. This paper has attempted to describe what is known about the impact of grandparents' transfers on the economic well-being of grandchildren. Are there demographic and financial differences between grandparents who provide time contributions, monetary contributions, or none at all to their grandchildren? What factors predict

whether grandparents will contribute and when they do so? Finally, are their complex interactions between grandparents' transfers and the work behavior of donors and recipients?

This study provides only a general assessment of the type and factors involved in the contributions of grandparents. The literature is disturbingly sparse on the economic effects of grandparents' contributions given the large percentage who make some contributions and the potential value of them. The studies that have valued contributions estimate an average time and financial contribution by those who make them of about $2-4,000 per year for each. How this raises the recipient families' income is not estimated. While there has been some research on outcomes for young children of shared households, no similar research has been done on inter-household contributions.

Additional research is necessary to fully understand the predictors of grandparents' participation in the economic success of grandchildren. Further research on the causal effects of income and characteristics of grandparents, adult children, and grandchildren is required to provide a more complete picture of the nature, causes and consequences of inter-family time and financial contributions. We attempted to estimate the role of what we labeled "background variables," that indicate the prior experience of grandparents, in being assisted by or assisting other generations, in predicting grandparents' transfers to grandchildren's families. We hypothesized a life-long trade-off between contributions to children while young and contributions to children as parents it appears grandparents who do the first are more likely to do the second. However, while we control for current income and education of grandparents (i.e., the ability to make transfers), it appears that individuals who experienced the advantages that come from other family members transfers, continue that tradition for subsequent generations.

Data sets are available that could be used to gain evidence on the importance of transfers from grandparents to grandchildren. The Decennial Census provides data on changes overtime in cohabitation with grandchildren and in potential grandchild recipients. The longitudinal Panel

Study of Income Dynamics (PSID) has followed several generations since the mid 1960s. The Health and Retirement Survey (HRS) was used here and will continue to provide valuable data on transfers over time by grandparents. HRS asks respondents detailed information on financial and health matters and is ideal for examining grandparent characteristics that predict size and timing of transfers as grandparents approach retirement. The PSID continues to interview children in the original sample as they form new households, thus enabling an examination of the interaction between grandparent and grandchildren (families') characteristics.

Nevertheless, the research that exists provides some valuable insights into probable predictors of transfer behavior and their policy implications. It appears that both time and financial transfers are more often made when grandparents are young, married and financially secure. We caution that our analysis (and most literature) is about the probability of transfers, not about the amount transferred. Thus grandparents could be providing absolutely more time and money as they age, even if less often. Nevertheless, we conclude that transfers are more likely to occur when grandparents are young and able—or when recipient families are young and intact. The decline in transfers with age of grandparents and the smaller probability of transfers among unmarried grandparents raises concern about the impact of later child-bearing and divorce and of increased longevity (and associated concerns about savings sufficiency) in future grandparents' generations.

Transfers may also perpetuate inequality among families. Clearly one way family success is transferred across generations is by parents assisting children. Our analysis raises the possibility that when one generation assists another, the second generation is more likely to assist the next even among well-off families. Lessons are learned about the importance of family assistance, even when financial ability to assist is taken into account.

We suggest several avenues of investigation, both empirical and policy-related. Grandparents provide child-care which is certainly enormously important to some parents who

work. It may be that grandparents who do so require social support or educational assistance, though none of the literature we reviewed would allow us to conclude on deficits grandparents versus other child-care providers face in planning for appropriate care and activities. It appears that for some grandparents, their continued work and *financial* assistance allows parents to either remain at home or pay for formal care. These grandparents do continue to provide time transfers. Employment policy may need to consider the importance of working grandparents as it is now more likely to do for working parents.

To the degree that family assistance is a shared value that enhances the well-being of successive generations in a family and because assistance appears to be most likely early in the grandparenting years, it would be good public policy to encourage these transfers (relative to bequests). Elimination of the estate tax, ironically, reduces the tax advantage of inter-vivo transfers. Educational IRAs encourage such transfers. These could be expanded to other uses by grandchildren (e.g., for buying a first home), for use during a broader age range, or allow for a higher level of contributions.

Economic resources of grandparents enable increased transfers of both time and money to younger families. More challenging is encouraging such transfers among families with fewer resources and greater time constraints. Encouraging (not just mandating) shared living arrangements may be possible for some. The high percentage of grandparents who contribute time and money indicates that policy should focus as well on encouraging inter-household sharing. Studies consistently suggest the importance of transfers to recipient parents and their children. But much is unknown about the consequences of variation in type, size, and timing of contributions for families who both contribute and receive. Much is unknown about the consequences of changing family patterns (delayed child-bearing, marriage and divorce) on probabilities of transfers. Evidence that grandparents are increasingly time and resource constrained because of their own changing work and marital patterns does not bode well for next

generations of grandchildren. Public policy must take account of the potential importance of grandparents' inter-vivos contributions to younger families' well-being and employment policy of the importance of their time contributions.

**Chart 1A: Determinants of Transfers: socio-demographic characteristics**

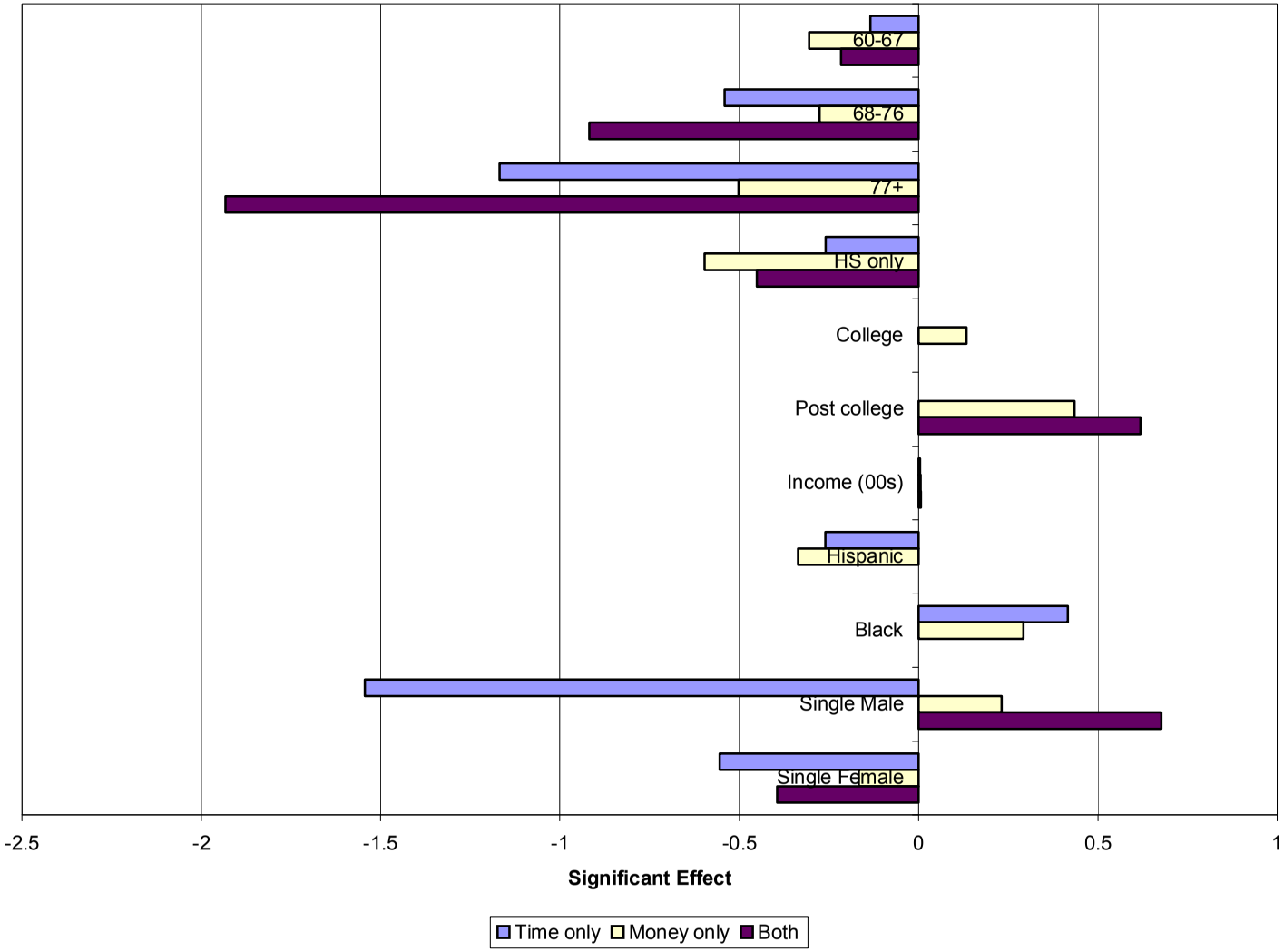

**Chart 1B: Predictors of Transfers: Background Variables**

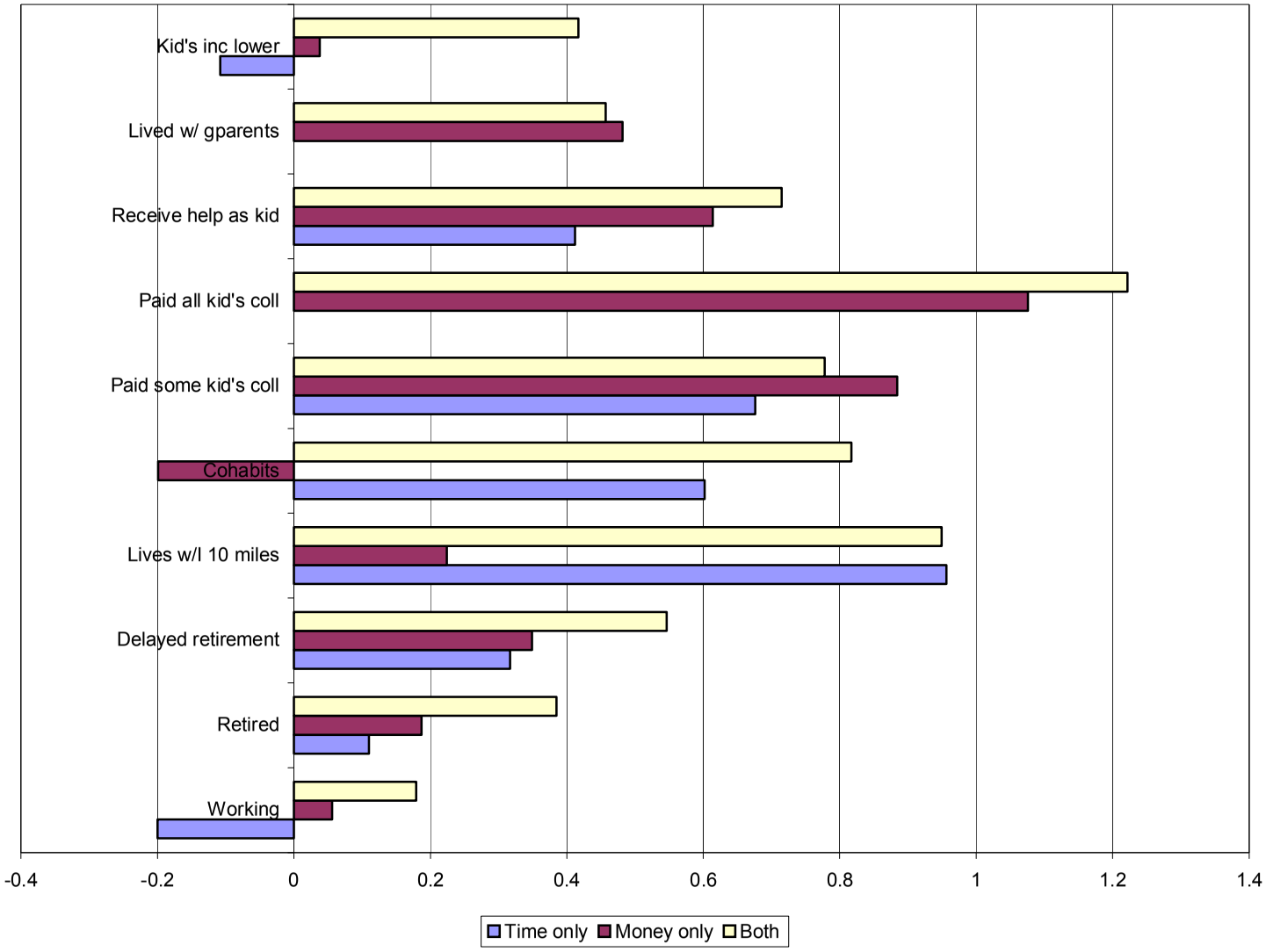

Table 1

**Characteristics of Grandparents (2004 HRS)**

| | |
|---|---|
| Age (SD) | 68.4 (11.14) |
| **Proportion Making** | |
| Time Contributions | 0.304 |
| Financial Contributions | 0.326 |
| **Characteristics** | |
| Education | |
| Less than HIS | 0.435 |
| HS graduate | 0.328 |
| College graduate | 0.173 |
| Post graduate | 0.064 |
| Race | |
| White | 0.547 |
| Hispanic | 0.224 |
| Black | 0.193 |
| Other | 0.036 |
| Work Status | |
| Working | 0.289 |
| Retired | 0.445 |
| Delaying retirement | 0.100 |
| Residence Status | |
| Live within 10 miles of child | 0.659 |
| Cohabitates with grandchild | 0.057 |
| Background characteristics | |
| Paid for child's college | 0.594 |
| Family help when young | 0.202 |
| Lived with own grandparents | 0.295 |

Source: Authors' calculations from 2004 HRS

Table 2

**Proportion of Grandparents Contributing by Type of Contribution**

| | Time | Money | Both |
|---|---|---|---|
| Grandparent characteristic | | | |
| Age | | | |
| <60 | 0.427 | 0.426 | 0.225 |
| 60-67 | 0.406 | 0.347 | 0.175 |
| 68-76 | 0.263 | 0.285 | 0.100 |
| >77 | 0.112 | 0.250 | 0.046 |
| Education | | | |
| Less than HIS | 0.298 | 0.246 | 0.110 |
| HS graduate | 0.309 | 0.331 | 0.139 |
| College graduate | 0.298 | 0.393 | 0.161 |
| Post graduate | 0.313 | 0.525 | 0.206 |
| Race | | | |
| White | 0.365 | 0.463 | 0.218 |
| Hispanic | 0.391 | 0.302 | 0.160 |
| Black | 0.409 | 0.444 | 0.224 |
| Other | 0.346 | 0.453 | 0.210 |
| Gender (female) | | | |
| Male | 0.284 | 0.355 | 0.136 |
| Female | 0.314 | 0.312 | 0.137 |
| Work Status | | | |
| Working | 0.387 | 0.427 | 0.204 |
| Not working 62+ | 0.270 | 0.285 | 0.109 |
| Retired | 0.350 | 0.302 | 0.106 |
| Delaying retirement | 0.111 | 0.122 | 0.117 |
| Residence Status | | | |
| Live within 10 miles of child | 0.349 | 0.332 | 0.154 |
| Live more than 10 miles away | 0.244 | 0.348 | 0.117 |
| Cohabitates with grandchild | 0.803 | 0.382 | 0.347 |
| Does not cohabitate | 0.274 | 0.322 | 0.124 |
| Background characteristics | | | |
| Paid for child's college | | | |
| All | 0.468 | 0.719 | 0.375 |
| Some | 0.440 | 0.587 | 0.281 |
| None | 0.414 | 0.384 | 0.186 |
| Family help when young | 0.411 | 0.513 | 0.248 |
| No family help when young | 0.376 | 0.399 | 0.194 |
| Lived with own grandparents | 0.404 | 0.468 | 0.240 |
| Did not live with grandparents | 0.376 | 0.403 | 0.195 |

Source: Authors' calculations from 2004 HRS

Appendix Table 1

# Likelihood Estimates of Providing Time, Money or Both

(referent category is neither time nor money provided)

| | Time | Money | Both |
|---|---|---|---|
| Intercept | -1.727*** | -1.362*** | -2.395*** |
| Grandparent characteristic | | | |
| **Age (<60)** | | | |
| 60-67 | -0.134* | -0.305*** | -0.216*** |
| 68-76 | -0.541*** | -0.276*** | -0.918*** |
| >77 | -1.168*** | -0.502*** | -1.933*** |
| **Education (less than HS)** | | | |
| HS graduate | -0.259*** | -0.597*** | -0.451*** |
| College graduate | -0.068 | 0.134*** | 0.044 |
| Post graduate | 0.065 | 0.435*** | 0.618*** |
| **Income ($000s)** | 0.004*** | 0.006*** | 0.007*** |
| **Race (White)** | | | |
| Hispanic | -0.26* | -0.336*** | -0.104 |
| Black | 0.417*** | 0.293*** | 0.194 |
| Other | 0.273 | 0.219 | -0.075 |
| **Household type (Married)** | | | |
| Single male | -1.544*** | 0.232*** | 0.677*** |
| Single female | -0.555*** | -0.167*** | -0.394*** |
| **Employment Status (not working)** | | | |
| Working | -0.2** | 0.056 | 0.179** |
| Retired | 0.11* | 0.187*** | 0.385*** |
| Delayed retirement | 0.317*** | 0.349*** | 0.546*** |
| **Residence Status** | | | |
| Live within 10 miles of child | 0.956*** | 0.224*** | 0.949*** |
| Cohabitates with grandchild | 0.602*** | -0.199* | 0.817*** |
| **Background characteristics** | | | |
| Paid for child's college (none) | | | |
| Some | 0.676*** | 0.884*** | 0.778*** |
| All | 0.349 | 1.076*** | 1.222*** |
| Received family help when young | 0.412*** | 0.614*** | 0.715*** |
| Lived with own grandparents | -0.072 | 0.482*** | 0.457*** |
| Relative income of child | | | |
| Lower (than G'parent) | -0.108** | 0.038*** | 0.417*** |

*** p<.001 **p<.01 *p,.05

Note: referent category of independent variables are in parentheses

Appendix Table 2

Variable definition and explanations of multinomial comparison

Data are for the HRS respondent who is asked about their own transfer of time and money to children.

TIME: The 2004 HRS asks whether individuals provided care for a grandchild over the two years prior to the survey.
MONEY: The HRS asks whether the grandparent provided monetary contributions to the grandchild's family, including for the deed of a home or money transfers during the past ten years.

- AGE of HRS respondent in categories: effects are compared with persons less than 60 years of age.
- EDUCATION of HRS respondent in categories of highest degree: effects are compared with persons with less than High School education
- INCOME of household in $1,000s.
- RACE of respondent: effects are compared with persons who declare they are white/Caucasian
- MARITAL STATUS: married, single female, single male. Effects are compared with married couples.
- EMPLOYMENT STATUS of respondent: categories of working and < 62, retired, neither retired nor working. Comparison is with persons who are not working (and not declared themselves as retired).
- DELAYED RETIREMENT: persons who are working and 62+
- LIVE WITHIN 10 MILES OF CHILD:
- COHABITATES WITH GRANDCHILD
- PAID FOR CHILD'S COLLEGE: A variable that indicates whether the HRS respondents paid for their own child(ren)'s college. Categories are NONE, SOME, ALL with effects compared to NONE.
- RECEIVED FAMILY HELP WHEN YOUNG: Indicates whether the HRS respondent received help from their family when they were young.
- LIVED WITH OWN GRANDPARENTS: Indicates whether HRS Respondent lived with their own grandparents when they were children.
- RELATIVE INCOME OF CHILD: Indicates whether the HRS respondents' child's household that received help had lower income than the HRS respondent.

References

Aquilino, William. 1990. "The Likelihood of Parent-Adult Child Coresidence: Effects of Family Structure and Parental Characteristics." *Journal of Marriage and the Family* 52: 405-419.

Brothers, L.S. 2003. An individual's chosen retirement age: When is the economically feasible retirement age chosen over the anchor provided by known others? *North American Actuarial Journal*, 7(3), 85-110.

Cardia, E., & Ng, S. 2003. Intergenerational time transfers and child care. *Review of Economic Dynamics*, 6, 431-454.

Couch, K.A., Daly, M.C., & Wolf, D.A. 1999. Time? Money? Both? The allocation of resources to parents. *Demography*, 36(2), 219-232.

Cox, D. (2003). Private transfers within the family: Mothers, fathers, sons and daughters. In A.H. Munnell & A. Sunden (Ed.), *Death and dollars: The role of gifts and bequests in America* (168- 218). Washington D.C.: Brookings Institute Press.

Cox, D., & Rank, M.R. (1992). Inter-vivos transfers and intergenerational exchange. *The Review of Economics and Statistics*, 74(2), 305-314.

Cox, D., & Jappelli, T. (1990). Credit rationing and private transfers: Evidence from survey data. *The Review of Economics and Statistics,* 72.

Deleire, T., & Kalil, A. (2002). Good things come in threes: Single-parent multigenerational family structure and adolescent adjustment. *Demography*, 39(2), 393-413.

Dupree, Allen and Wendell Primus. 2001. "Declining Share of Children Lived With Single Mothers in the Late 1990s: Substantial Differences by Race and Income." Washington: Center on Budget and Policy Priorities.

Dunn, T., and J. W. Phillips. 1998. "Intergenerational Co-Residence and Children's Incomes," *Aging Studies Publications*, Syracuse University.

Gendell, M. 2001. Retirement age declines again in 1990's. *Monthly Labor Review*, 12-21.

Giervald, J.D., & Dykstra, P. A. (2006). Impact of longer life on care giving from children. In Zeng Yi et al. (eds.) *Longer Life and Health Aging*, 239-259. Springer.

England, P., & Folbre, N. (1999). Who should pay for the kids? *Annals of the American Academy of Political and Social Science*, 563, 194-207.

Fields, Jason . 2003. *Children's Living Arrangements and Characteristics: March 2002.* Current Population Reports P20-547. Washington D.C. Census.

Folbre, N. (2000). Universal childcare: It's time. *The Nation*, 271(1), 21-23.

Gustman, Alan L. and Thomas L. Steinmeier, 2002. "Social Security, Pensions and Retirement Behavior within the Family." NBER working Paper No. 8772.

Health and Retirement Survey homepage, http://hrsonline.isr.umich.edu/.

Johnson, Julia Overturf. 2005. Who's Minding the Kids? Child Care Arrangements: Winter 2002 Current Population Reports P70-101

Joshi, H. (1991). Sex and motherhood as sources of women's economic disadvantage. In D. Groves & . McClean (Ed.), *Women's issues in social policy*. New York: Routledge.

Joulfaian, D. (2005). Choosing between gifts and bequests: How taxes affect the timing of wealth transfers. *Journal of Public Economics*, 89(11-12), 2069-91.

London , Rebecca A. and Robert W. Fairlie. 2005. "Economic Conditions and Children's Living Arrangements." *National Poverty Center working Paper* 05-27. Accessed at http://www.npc.umich.edu/publications/workingpaper05/paper27/

Lundberg, S. J., R. A. Pollak, and T. J. Wales (1997). Do husbands and wives pool their resources? evidence from the United Kingdom child benefit. *Journal of Human Resources 32* (3), 463-480.

MacDonald, M. (1989). Family background, the life cycle, and inter-household transfers. *NSFH Working Paper* No. 13. University of Wisconsin: Center for Demography and Ecology.

McClelland, Robert. 2004. *Charitable Bequests and the Repeal of the Estate Tax.* Technical Paper Series 2004-8. Washington, D.C.: Congressional Budget Office Tax Analysis Division

McElroy, M. B. (1990). The empirical content of Nash-bargained household behavior. *Journal of Human Resources 25* (4), 559-583.

McLanahan, Sara and Gary Sandefur. 1994. *Growing Up with a Single Parent: What Hurts, What Helps*. Cambridge, MA: Harvard University Press.

McGarry, K., & Schoeni, R.F. (1997). Transfer behavior within the family: Results from the asset and health dynamics study. *The Journal of Gerontology*, 52B, 82-92.

O'Dell, Kelley (2003). "Teen Parents and the Reauthorization of Welfare Reform." TANF Reauthorization Notes 3 (1). Washington D.C.: The Welfare Information Network. Available at http://www.financeproject.org/Publications/teenparents_trn03.htm.

Pezzin, L.E., & Schone, B.S. (1999). Parental marital disruption and intergenerational transfers: An analysis of lone elderly parents and their children. *Demography*, 36(3), 287-297.

Presser, H.B. (1989). Some economic complexities of child care provided by grandmothers. *Journal of Marriage and the Family*, 51, 581-591.

Rauta, L. K. & L. H. Tran. 2004. "Parental human capital investment and old-age transfers from children: Is it a loan contract or reciprocity for Indonesian families?" Journal of Development Economics 77 (2005) 389– 414

Saluter, Arlene F. and Terry A. Lugaila (1998) Marital Status and Living Arrangements: March 1996. Current Population Reports P20-496. Census Bureau

Silverstein, M., & Marenco, A. (2001). How Americans enact the grandparent role across the family life course. *Journal of Family Issues*, 22(4), 493-522.

Soldo, J.B., & Hill, M.S. (1995). Family structure and transfer measure in the health and retirement study. *Journal of Human Resources*, 30, S109-S137.

Speare, Alden, and Roger Avery. 1993. "Who Helps Whom in Older Parent-Child Families." Journal of Gerontology 48: S64-S73.

Simmons, Tavia and Grace O'Neill. 2001. Households and Families: 2000. Census Brief C2KBR/01-8. Washington, D.C.: Census.

Taylor, R. L. (2002). *Minority families in the United States*. New Jersey: Prentice Hall.

Thornton, Arland and Young-DeMarco, Linda. 2001. "Four Decades of Trends in Attitudes Toward Family Issues in the United States: The 1960s Through the 1990s." *Journal of Marriage and the Family* 63(4): 1009-1037.

Trupin, C. & Turetsky V., (2005). House cuts to foster care funding would jepordize children living with grandparents and other relatives. *Center for Law and Social Policy*, www.clasp.org.

Waldfogel, J. (1997). The effects of children on women's wages. *Americal Sociological Review*, 62, 209-217.

Wiatrowski, W.J. (2001). Changing retirement age: Ups and downs. *Monthly Labor Review*, 3-12.

Zogby International, (2006). MetLife grandparents poll. *www.zogby.com/news/ReadNews.dbm?ID=1126*.