Parental health & location choices of children

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Introduction
Context

- Population ageing
- Unstable career paths
- Increasing rates of break-ups...

→ Increasing need for **intergenerational solidarity** within families in the next decades
   - Family as an **insurance** against **risks** associated with **life events**

- Two types of transfers within families:
  - Financial transfers
  - **In-kind** transfers ← made easier by **geographical proximity**
Aims of this study

• Empirical study: exploring children’s location choices and their relationship with family in-kind transfer motives

• Focus on the effect of parental health & disability

**Question:** To what extent do shocks affecting parental health and disability status drive children to reconsider their location choices?
Contribution to the literature

• Few studies on the determinants of the distance between parents and children

  • Strong effect of children characteristics on geographical distance
    • Birth order (Konrad et al., 2002), SES, family situation, # of siblings

  • Parental characteristics seem to have only moderate effects
    • Only widowhood reduces the distance

• 3 main contributions
  1. European perspective: 17 different countries
  2. Information on parents (health), children and siblings
Methodology
What is SHARE?

- Survey launched in 2004, in response to the European Commission’s ask for “a European Longitudinal Ageing Survey”
  - **Sampling unit**: 50+ individuals (~120 000 individuals concerned)
  - **International**: “similar ” questions in 27 European countries
  - **Longitudinal**: to grasp the dynamic character of the ageing process
    - Every two years, 6 waves from 2004 to 2015
    - Wave 3: people’s life histories (SHARELIFE)
    - Wave 7 available soon (2019)

- **Sister surveys**:
A multi-disciplinary approach

20 different modules in the questionnaire to deliver the full picture of the ageing process
Data & sample

• Survey of Health, Ageing and Retirement in Europe
  
  • 5 of the first 6 waves used (1, 2, 4, 5, 6) between 2004 and 2015

• Parents are interviewed → construction of a database at the children level

• Sample
  
  • 18+ children, having 0 to 3 siblings, whose parents are 50+ and live in the community in 17 European countries
  
  • 290,594 pooled observations corresponding to 148,285 parent/child couples and to **102,967 distinct children**
Variables

- **Geographical distance** grouped in 3 categories:
  Coresidence, < 25 km, > 25 km (would require some sensitivity tests)

- **Parental health and disability:**
  # of chronic diseases, hierarchic scale of disability, cognitive functioning (score at the 10-words recall test)

- **Other characteristics of the parent:**
  Gender, age, being a biological parent, marital status, education level, current job situation, hh income, hh assets, living area (urban / rural)

- **Characteristics of the child:**
  Gender, age, marital status, having a child, education level, current job situation, # of siblings and birth rank
Two specifications

1. Pooled multinomial Probit model (non-ordered)
   • Main determinants of the geographical distance $\rightarrow$ correlations

2. Transition models between two waves
   • Impact of parental health and disability shocks on a child's transition, i.e. on a child's probability of either staying at the same distance, moving further away or coming closer to the parent
   • Six subsamples according to gender and distance in $t - 1$
     $\rightarrow$ To better account for the dynamics of location choices
     $\rightarrow$ To limit endogeneity biases
Results
Descriptive statistics
Location of children by country group

• North / south differences in coresidence (after 30 y.o)
• North / south differences in distance (excluding cores.)
## Housing transitions of children

<table>
<thead>
<tr>
<th>Distance (wave $t - 1$)</th>
<th>Distance (wave $t$)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coresidence</td>
<td>&lt;25 km</td>
<td>&gt;25 km</td>
</tr>
<tr>
<td>Coresidence</td>
<td>22,693</td>
<td>4,063</td>
<td>2,088</td>
</tr>
<tr>
<td></td>
<td>78.7%</td>
<td>14.1%</td>
<td>7.2%</td>
</tr>
<tr>
<td>&lt;25 km</td>
<td>1,025</td>
<td>63,233</td>
<td>2,605</td>
</tr>
<tr>
<td></td>
<td>1.5%</td>
<td>94.6%</td>
<td>3.9%</td>
</tr>
<tr>
<td>&gt;25 km</td>
<td>529</td>
<td>2,146</td>
<td>42,225</td>
</tr>
<tr>
<td></td>
<td>1.2%</td>
<td>4.8%</td>
<td>94.0%</td>
</tr>
<tr>
<td>Total</td>
<td>24,247</td>
<td>69,442</td>
<td>46,918</td>
</tr>
<tr>
<td></td>
<td>17.2%</td>
<td>49.4%</td>
<td>33.4%</td>
</tr>
</tbody>
</table>

- Few transitions: a lot of “stayers”
- Only few children who “re-co-reside”
Results – Pooled model
General results

- Children's location choices tend to be mainly associated with **downward in-kind transfer motives** (from parents to children)

<table>
<thead>
<tr>
<th>Child: Low educated (ref. high educ.)</th>
<th>+11.4 pp on Pr(&lt;25 km) +4.9 pp on Pr(cores.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child: Unemployed / permanently sick</td>
<td>+10.7 / +13 pp on Pr(cores.)</td>
</tr>
<tr>
<td>Child: Divorced (ref. married)</td>
<td>+8.1 pp on Pr(cores.)</td>
</tr>
<tr>
<td>Child: Has children</td>
<td>+8.7 pp on Pr(&lt;25 km)</td>
</tr>
</tbody>
</table>

- Parental health has only a **moderate** effect (less than 2 pp.) on children’s location choices
Results – Transition models
Parental health - main results

1. Children living initially at > 25 km are not impacted by the deterioration of parental health & disability

2. The effect of health shocks seems stronger on children who initially coreside with their parents → once children have left home, they rarely move closer

3. Differential effects according to the type of troubles affecting the parent (chronic diseases, disability or cognitive impairments)
<table>
<thead>
<tr>
<th></th>
<th>Pr(cores.) at $t$</th>
<th>Pr(&lt;25 km) at $t$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Boy coresiding at $t - 1$</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CD deterioration btw $t$ and $t - 1$</td>
<td><strong>-0.012</strong> (0.007)</td>
<td><strong>+0.012</strong> (0.006)</td>
</tr>
<tr>
<td>Disability deterioration btw $t$ and $t - 1$</td>
<td><strong>+0.021</strong> (0.009)</td>
<td><strong>-0.015</strong> (0.008)</td>
</tr>
<tr>
<td>Cognition deterioration btw $t$ and $t - 1$</td>
<td><strong>+0.020</strong> (0.008)</td>
<td><strong>-0.018</strong> (0.007)</td>
</tr>
<tr>
<td><strong>Boy living close (&lt;25 km) at $t - 1$</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CD deterioration btw $t$ and $t - 1$</td>
<td>-0.003* (0.003)</td>
<td>ns</td>
</tr>
<tr>
<td>Disability deterioration btw $t$ and $t - 1$</td>
<td><strong>+0.006</strong> (0.002)</td>
<td><strong>-0.010</strong> (0.004)</td>
</tr>
<tr>
<td>Cognition deterioration btw $t$ and $t - 1$</td>
<td>ns</td>
<td>ns</td>
</tr>
</tbody>
</table>
Conclusion and public policies
Conclusions

1. Children’s location choices tend to be clearly associated with in-kind transfer motives from parents to children.

2. In contrast, parental characteristics are not significant drivers and parental health shocks have only (very) moderate effects on location choices of children.
Public policies

• Important implications of these results on future public policies to support the disabled elderly

• Efficiency of policies encouraging children to involve more in caregiving towards their parents?
  • Only the children already living close likely to be involved…
  → Put more constraints on these children, whose risk of precarity is already high

• Relying more on formal home care?
  • Gains for family members (well-being, labour market participation)
  • Gains in quality of care (skilled professionals rather than family)
  • Postpone (expensive) nursing home admission
Discussion
Possible improvements

• For parents in couple: taking into account the health characteristics of both parents and their interactions

• Does the effect of parental health vary across countries and health / LTC systems?

• Does the effect of parental health vary depending on children characteristics?
Sample selection / issues

- No information on the distance when the parent moves due to data limitations

- Age of children and parents
  - Currently: all 18+ children of all 50+ parents → Temporary moves of children (decoresidence)? Healthy parents (not disabled)?
  - Alternative option: 25+ children / 65+ parents… BUT few moves

- How to deal with non-responding partners?
Methodological issues

• **Endogeneity biases**
  • Unobserved health characteristics of both parents and children
  • State dependence of geographical distance

→ Should we rather focus on a more general question (few moves + small effect of parental health + hard to think causal)?

  • Is family proximity (geographical distance, contacts, …) driven by ascending or descending transfer motives?
Thank you for your attention!