

Public Transfers and the Living Arrangements of the Elderly

Misuzu Azuma
Chiba Keizai University, Japan

April 2008

Abstract

This paper examines whether the public transfer program for low-income elderly individuals, the Supplemental Security Income (SSI), displaces in-kind private support from their adult children in the form of shared living. My finding shows that a small trade-off exists between the public transfer, SSI, and the private support from the adult children among elderly individuals extracted from the Assets and Health Dynamics Among the Oldest Old Study. Specifically, my estimates indicate that a \$1,000 increase in SSI annual benefits reduces the probability of shared living by 0.41 percent.