

Two-Sided Transfers from Adult Children of Elderly Persons

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Abstract

Adult children of elderly persons with care needs are the major caregivers. At the same time, they also provide support for their own children. This study examines the extent to which monetary transfers from elderly parents to their adult children induces elder care from the adult children, while considering explicitly the adult children's decisions on providing support for their own children. To this end, we draw a sample from the Health and Retirement Study. Our estimates show that an adult child transfers more to his children when he receives more transfer from his elderly parents. However, we find no association between elder care from the adult child and inter-vivos transfers from his elderly parent. Adult children are found to provide elder care based on care needs of his elderly parent.