

GGP RESEARCH NOTE

How do generations support each other in an ageing society?

Tom Emery¹

The Generations and Gender Programme tries to live up to its name. One of the key areas of research in the GGP community is intergenerational relationships. This area of research examines how people from different generations support and rely on each other. This could be a grandparent taking care of a grandchild, a daughter taking care of her elderly mother or parents helping their children pay for university or buy a house of their own. These intergenerational relationships have always been important in society with families pooling resources and sharing responsibilities. However studying these relationships is more important than ever given the changing balance between generations. With people living longer, lower fertility and shifts in the timing of many key life events, it is crucial that social scientists seek to understand the interconnected nature of intergenerational relations. In this Research Note, we examine some of the key dynamics in intergenerational relationships, draw attention to research conducted using GGP data and how this research informs our understanding of the changing relations between generations.

Taking an intergenerational perspective

Before we examine research findings, it is important to pause and think about how generations relate with one another. In social research we often examine the life course and how individuals pass through specific events throughout their lives. In studying intergenerational relationships, this is a little more complex as we have more than one life-course to consider. Figure 1 (page 2) depicts four generations of the same family and how their lives overlap with each other's. Each line shows how old a member of our family was in each year. For example, it is possible to see that at the time that the 4th generation was born in 2010, the oldest generation was 84. This helps us understand the context of four life courses at one point in time. When this child was very small, her mother was in her late twenties and her grandmother was still working, though approaching retirement. The great-grandmother by contrast was approaching a time of life which demographers refer to as the oldest-old. This is very helpful in studying the interdependencies of generations and the ways in which life courses run in parallel. In this Research Note we will use this graphic to examine some of the key social issues that result from this.



photo: flickr\rijptn

1 - Netherlands Interdisciplinary Demographic Institute; emery@nidi.nl

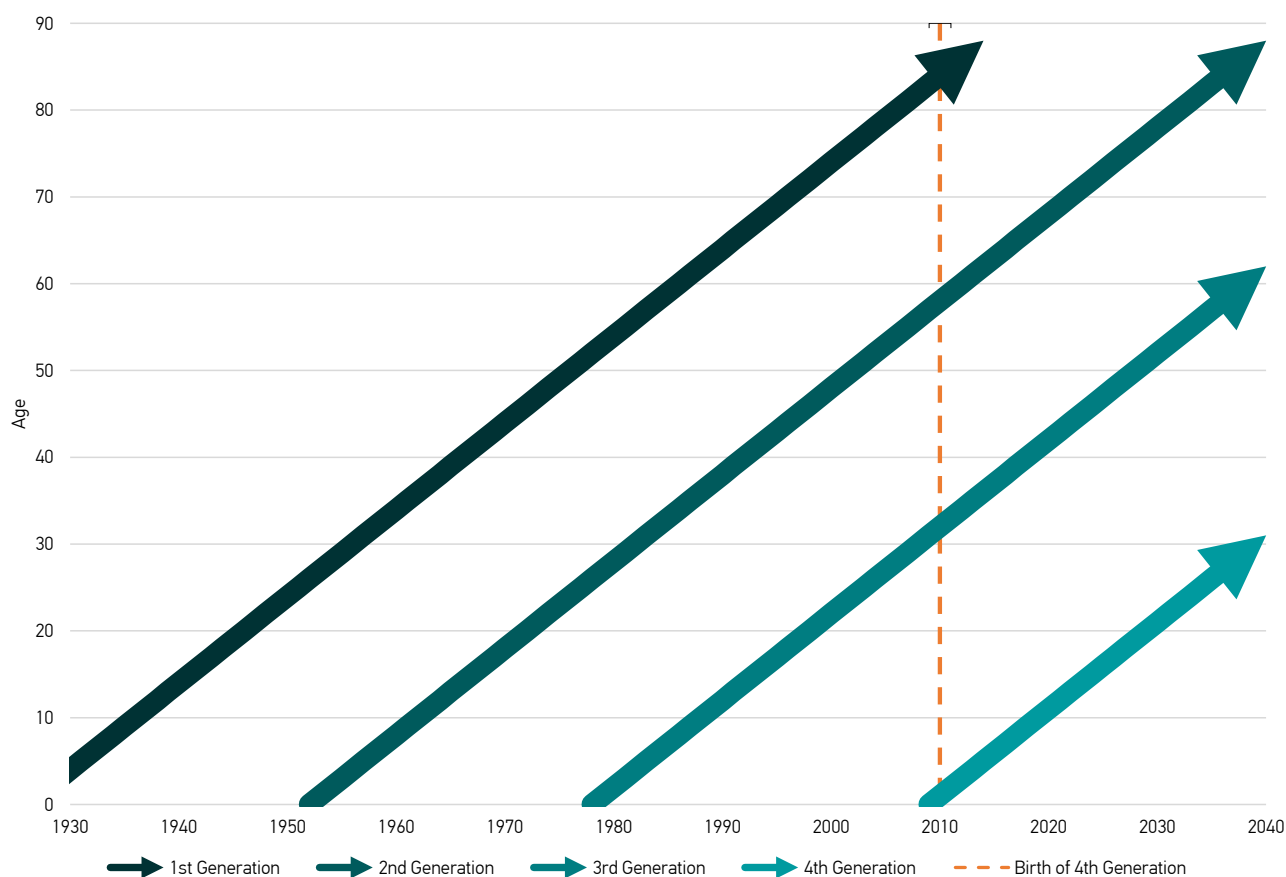


Figure 1 - Four generations in a European Family

The Bank of Mum and Dad

The first area we look at is what are technically referred to as intergenerational financial transfers. These are often colloquially referred to as ‘the Bank of Mum and Dad’ and relate to the financial help that parents provide to their children after they have left home. This help is often in connection with specific events such as buying a house, completing education or starting a family. Research using the GGP has shown that those receiving such help are more likely to achieve these landmarks which suggests that those who have families who help them financially are at an advantage (Emery, 2014). If those from wealthier backgrounds are more likely to succeed, this could have consequences for social mobility and raises policy questions about how we might identify and help those without such family resources to draw from.

However, the graphic above helps us in understanding what the main driver of these transfers is. When individuals reach that crucial time in their life when they are finishing education, buying a house and thinking about starting a family, their parents are still working but might be thinking about retirement. The grandparents on the other hand are towards the end of their lives. Given this, it is unsurprising that a key driver of financial help from parents is the death of a grandparent as parents look pass on some of their inheritance to their own children at a time when it could have a big impact. One crucial question in the coming years will be whether these dynamics have started to change significantly. With grandparents living longer, the windfall of inheritance comes later and later in life. Data from the GGP suggests that the majority of people receiving inheritance are over 45 years old themselves. At this point in time, the parents themselves are in greater need than their children. The transition to retirement can be financially difficult and the provision of inheritance can help. Conversely, the delay of grandchildren means that they are a little older and have passed many of the major milestones and so are no longer in need. Future data collection in the GGP will help researchers explore this and see how the common practice of sharing money across the generations shifts with our changing life courses.

Grandparenting, care giving and retirement

The second issue in intergenerational relations that is exceptionally important for policy makers is grandparental care. Grandparents are used as a source of childcare by over 43% of parents in Europe. They are generally flexible, high quality and exceptionally low cost. The role they play can also be vital for women who want to get back on the labour market after having a child. Research using the GGP has shown that in some countries grandmothers have enabled many women to return to work (Aassve et al, 2012). Given that higher female employment has long been a key target within European Union policy, this should therefore be seen as a key intergenerational contribution to society. The benefits of this childcare can also work the other way. Research has shown that individuals providing grandparental care, remain sharper for longer (Arpino and Bordone, 2014). Grandparental care therefore seems to be a win-win.

The Decision to Retire

Yet these intergenerational exchanges don't only have consequences for individuals within society but also a wider economic and societal impact. For example, research suggests that becoming a grandparent is a key factor in the decision to retire early (Van Bavel and De Winter, 2013). This can have long term consequences for individuals and has a generally negative effect on the overall level of employment. This raises a key challenge for policy makers in an ageing society as the intergenerational nature of life-course events becomes apparent. Future GGP data will examine this issue in greater detail by examining the caring responsibilities of individuals and how they relate to the world of work.

Figure 1 again helps us understand the full extent of the pressure on grandparent and potential reasons for them taking an early retirement. We can see that when the 4th generation in our graphic was born, the 2nd generation (their grandmother) was nearing retirement. She would have therefore be faced with the decision of whether to take early retirement or reduced employment and help look after her grandchild. Simultaneously, her own mother is entering later life and is at a point where she may need care and support. This 2nd generation is therefore what is referred to as the sandwich generation in that they are under pressure to help care for both older and younger generations. This is one key reason why employment rates for women aged 50-65 are far lower than those of men. This early retirement may seem optional but results in lower pension rights than men, higher levels of poverty amongst women at older ages and increased gender inequality in later life. From a policy perspective this raises key questions as to what can be done to help women keep working for longer and balance the caring demands with their own needs. It may be that policies such as paid carers leave are needed that help reconcile work and family in the same way that has been achieved for younger adults. Solving this puzzle could reduce poverty, ease pressure on the benefit system and lead to very large savings for the welfare state.

Summary

Existing research on intergenerational relationships has provided considerable insight into how generations depend on each other. These findings have helped us understand intergenerational relationships within wider society and their broader social and economic role. However more data and research are needed before researchers can truly understand the processes at play as they unfold in our ageing society given that intergenerational relationships are changing rapidly as societies age. If such research is supported, it can better inform policy on these intergenerational issues with a broad range of consequences for key issues such as old age poverty, social mobility, care for the elderly and gender equality. The centrality of intergenerational dynamics within so many areas of society is why intergenerational relations are at the core of the Generations and Gender Programme.

This Research Note is based on the following papers

Aassve, Arnstein, Bruno Arpino, and Alice Goisis. "Grandparenting and mothers' labour force participation: A comparative analysis using the generations and gender survey." *Demographic Research* 27.3 (2012): 53-84.

Arpino, Bruno, and Valeria Bordone. "Does Grandparenting Pay Off? The Effect of Child Care on Grandparents' Cognitive Functioning." *Journal of Marriage and Family* 76.2 (2014): 337-351.

Emery, Tom. "The Bank of Mum and Dad in Europe: Evidence from the Generations and Gender Programme" NIDI Working Paper (2014)

Van Bavel, Jan, and Tom De Winter. "Becoming a grandparent and early retirement in Europe." *European sociological review* 29.6 (2013): 1295-1308.

To subscribe to future Research Notes, email ggp@nidi.nl

What is the Generations and Gender Programme?

Family relationships have changed a lot over the past few decades. Today's families differ considerably from the 1950s where a male breadwinner was supported by his dotting housewife. Families have become less stable, more complex and highly diversified. The rapid ageing of European populations has also contributed to this rapid pace of change and new types of families have emerged alongside new relationships between generations and between genders. Understanding these changes will help us meet many of the challenges that societies face today such as: How do we support and care for older people? How is disadvantage inherited? Why are women having fewer children? Answering such questions is the primary aim of the Generations and Gender Programme (GGP).

The GGP was launched in 2001 and now covers 19 advanced industrialized countries. It improves our understanding of how various factors affect family life by collecting high quality individual-level survey data on topics such as partnership formation & dissolution, fertility and intergenerational solidarity. Respondents are interviewed every 3 years and changes in the family life are recorded. Importantly, the GGP covers the whole adult life-course, between the age of 18 and 79, and is therefore the only dataset dedicated to the longitudinal and cross-national study of family life and generational relationships from early adulthood to older ages. Over time, the GGP follows respondents through relationships, marriages, parenthood, divorces, deaths and many of the trials and tribulations that people meet with, tracking the impact and consequences of these events at an individual and societal level. This survey data are complemented with indicators at the regional and national level through a contextual database and help us understand what part policy and other contextual factors play in family life.



Generations & Gender Programme

For more information, visit our website: <http://www.ggp-i.org>
For contact: email: ggp@nidi.nl

