

# New Estimates of the “Sandwich Generation” in the 2013 Panel Study of Income Dynamics

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## **Abstract**

This project uses the new Family Roster and Transfer Module in the 2013 Panel Study of Income Dynamics [PSID] to obtain new estimates of the obligations of the so-called “sandwich generation”. The Family Roster and Transfer Module asks respondents to describe transfers of time and money to parents and children age 18 or over. This poster proposes to describe the obligations of time and money to parents and children of men and women between 35 and 70 years of age. We make three important contributions to the literature on the “sandwich generation”. First, we examine both men and women. Second, we use data on transfers that cover the full spectrum of adult ages. Including younger individuals is crucially important given differences in fertility and life expectancy across race and socio-economic groups. Third, we consider whether members of the “sandwich generation” are also receiving transfers from either parents or children.

## **Extended Abstract**

As the population ages and young adults take longer to transition to adulthood, many individuals in middle age have obligations of support to multiple family members including adult children and grandchildren as well as aging parents and parents-in-law. A recent Pew Center Report estimates that 47 percent of middle age adults face obligations to multiple generations (Pew Research Center 2013). In the aging literature, the majority of research has focused on care for parents (Coward and Dwyer 1990, Dwyer and Coward 1991, Wolf, Freedman, and Soldo 1996, 1997, McGarry 1998, 2006) but care and support for adult children is actually more prevalent in late middle age (Kahn et al. 2011). Demands for care and support are unlikely to come from only one family member and individuals in late middle age may often be sandwiched between the needs of their children and grandchildren and the needs of their parents.

This study will use newly collected data in the Panel Study of Income Dynamics [PSID] to examine the so-called “sandwich generation” and describe the prevalence and extent of

transfers to parents and adults children. Although estimates on the prevalence and extent of transfers to multiple generations are available from the National Longitudinal Study [NLS] for the late 1990s (Pieret 2006), and the Health and Retirement Study [HRS] for older adults (Henretta, Grundy, and Harris 2001), this new data in the PSID allow for us to estimate the current prevalence, extent, and type of transfers to multiple generations across the entire adult age range.

### *Research Plan*

A new Family Roster and Transfer Module is included as part of the 2013 PSID. The module asks respondents and their spouses to name and describe key characteristics of all living parents and children over 18. Respondents are also asked about transfers of time and money with parents and children. Transfers of time includes errands, rides, chores, babysitting, or hands on care given to and received from parents and given to or received from children. Transfers of money includes loans and gifts over \$100 given to and received from parents and given to or received from children. We use these data to provide new estimates of obligations of time and money to parents, parents-in-law, step-parents, children, and step-children of PSID respondents age 35 to 70. Data from the module will be available early in 2014. Though the data is not yet available for analysis, the authors of this poster have extensive knowledge of the PSID and have used it to look at transfers in the past. In addition, one of the coauthors (Wiemers) was involved in writing the questionnaire for the new PSID module.

Using the new data in the 2013 PSID, we propose to describe the prevalence, extent, and type of transfers to multiple generations for men and women between ages 35 and 70. Our work extends and updates Pierret's (2006) analysis of the 1997 and 1999 National Longitudinal Study – Young Women cohort. Pierret defines “sandwich caregivers” as individuals giving financial

and or time transfers to multiple generations at the same time. He varies the intensity of giving and, depending on the definition of support, finds that in 1999 between nine and 33 percent of women 45-56 are “sandwich caregivers.” We use the new data to provide an update of Pierret’s analysis for 2013. We follow Pierret (2006) and begin by defining men and women at risk of becoming “sandwich caregivers”—that is men and women who have children and living parents. We then describe the actual transfers these men and women make to their children and parents. We include transfers of both time and money to parents and children and also provide separate estimates of “sandwich caregiving” for more intensive time and money transfers (500 hours/year or \$1000 /year to either parents or children).<sup>1</sup> We also describe the amount of transfers in terms of hours or dollars and examine differences in the type of transfers that middle age adults provide to parents and children.

We extend Pierret’s (2006) work in three important ways. First we consider both men and women. Although traditionally women have been seen as caregivers, Van Houtven *et al.* (2013) show that time transfers from men to their parents are also common. They show that among men and women age 50-70 with living parents in the Health and Retirement Study, 25 percent of men and 31 percent of women provide time transfers to parents. Men tend to provide more help with chores and women provide more help with personal care. In this project, we conceptualize transfers of money as given from one household to another but we disaggregate time transfers by gender. The data allow us to do so because married respondents are asked whether time transfers were given mostly by the respondent, mostly by the spouse, or about equally.

Second, we consider a broader age range including all individuals 35-70 years of age. A recent Pew Research Center Report on the sandwich generation finds that 71 percent of

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<sup>1</sup> An analysis of coresidence is beyond the scope of the early release file but will be possible once the final data file is released in 2015.

individuals with a parent 65 or older and either a minor child or an adult child to whom they are providing support are between 40 and 59 with a further 19 percent younger than age 40. Only 10 percent of these individuals are 60 and over (Pew Research Center 2013). Since the data in the PSID allows for an analysis across all ages, we explore the differences in transfer behavior across age groups and we explore the sensitivity of our results to a wide set of adult ages.

Finally, while we focus on the transfers of time and money that PSID respondents in middle age give to their children and parents, we also consider the possibility that some of these respondents may also be receiving transfers from either parents or children. While transfers of money to children decline with parental age, transfers are common even when parents are quite old. Hurd, Zissimopoulos and Smith (2011) find that 20 percent of parents age 86 or older make money transfers to children. In our analysis of “sandwich caregivers,” we examine not just what individuals in middle age give to parents and children but also what they receive. We estimate the fraction of individuals who are giving to multiple generations who are also receiving transfers from at least one generation and we examine the types of transfers in both directions. This analysis will give a more complete picture of the situation of “sandwich caregivers.”

The poster proposes to use the early release file of the 2013 PSID Family Roster and Transfer Module to update estimates of “sandwich caregiving.” We will report on the prevalence of transfers to multiple generations across adult ages and explore the sensitivity of our findings to the intensity of the transfers. We examine the types of transfers that “sandwich caregivers” give and also the types of transfers that they receive. We also explore how the extent and type of transfer varies across age groups and by gender. These data allow for important innovations—namely an analysis of both men and women, an exploration of transfers to parents and children

across adult ages, and an exploration of transfers that the “sandwich generation” receives from parents and children.

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