Intra-household Transfers

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  - T1.1 Lifecycle Deficit
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Table 1.4 Private Transfers

	Total	Domestic by Age			Foreign
		0-4	…	90+	
Inter-vivos Transfers					
Inter-household transfers					
Inflows					
Outflows					
Intra-household Transfers					
Education					
Inflows					
Outflows					
Health					
Inflows					
Outflows					
Other Consumption					
Inflows					
Outflows					

Transfers Outflow

- Assumptions
  - Deficit of household members are financed by taxing members` surplus including the household head
  - Consumption of housing and durable assets are financed by intra-household transfers from head to household members

Definition of Head

- Self-reported
- Principal Earners

Define Disposable Income

Individual *i* disposable income

$$Y_d(i,j) = Y_l(i,j) + \tau^g_{cash}(i,j) + \tau^f_x(i,j) - TAX(i,j)$$

Household *j* disposable income

$$Y_d(j) = \sum_i Y_d(i,j)$$

$Y_l(i,j)$ Labor income

$\tau^g_{cash}(i,j)$ Public cash transfers

$\tau^f_x(i,j)$ Inter-household transfers

Define Surplus

- Surplus if

$$Y_d(i,j) > c^f_{current}(i,j)$$

$$\Delta^+(i,j) = [Y_d(i,j) - c^f_{current}(i,j)]D_{Y_d(i,j)>c^f_{current}(i,j)}$$

$D_{Y_d(i,j)>c^f_{current}(i,j)}$ = 1 if the condition in the subscript is met and zero otherwise

Define Deficit

- Deficit if

$$Y_d(i,j) < c^f_{current}(i,j)$$

Individual *i* deficits

$$\Delta^-(i,j) = [c^f_{current}(i,j) - Y_d(i,j)] D_{Y_d(i,j) < c^f_{current}(i,j)}$$

Household *j* deficits

$$\Delta^-(j) = \sum_i \Delta^-(i,j)$$

Calculate the Tax

Tax rate assessed on each individual`s surplus

$$tax(j) = \min\left(1, \Delta^{-}(j) \Big/ \Delta^{+}(j)\right)$$

Transfers Inflow

Intra-household transfers inflow to individual *i* is to current deficit plus the value of asset consumption for non-heads

$$\tau^{fr+}(i,j) = \Delta^{-}(i,j) + c_{asset}(i,j) D_{i \neq 1}$$

for household *j*

$$\tau^{fr+}(j) = \sum_{i} \tau^{fr+}(i,j)$$

Transfers Outflow

Non-head

$$\tau^{fr-}(i,j) = -tax(j)\Delta^{+}(i,j)D_{i\neq 1}$$

Head

$$\tau^{fr-}(1,j) = -\left[\begin{array}{l} tax(j)\Delta^{+}(i,j) + c_{asset,\sim h}(j) \\ +\left(\Delta^{-}(j) - \Delta^{+}(j)\right)D_{\Delta^{-}(i,j)>\Delta^{+}(i,j)} \end{array}\right] D_{i=1}$$

Intra-household Sector Inflow

Current consumption

$$\tau^{fr+}(i,j,\varkappa) = \frac{c_{current}(i,j,\varkappa)}{c_{current}(i,j)}\Delta^{-}(i,j)$$

Asset consumption

$$\tau^{fr+}(i,j,\varkappa) = c(i,j,\varkappa)D_{i\neq 1}$$

Intra-household Sector Outflow

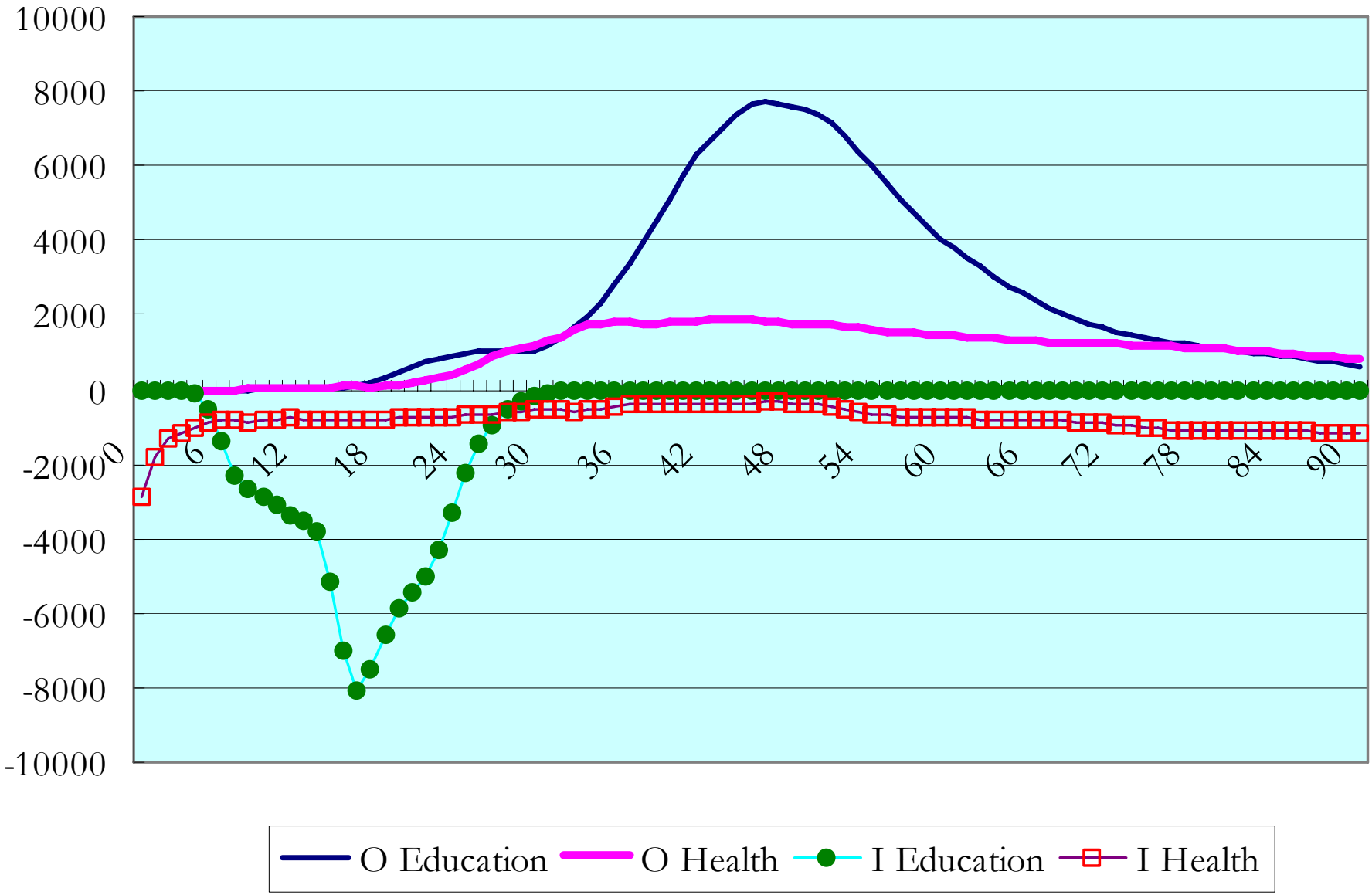
Current consumption

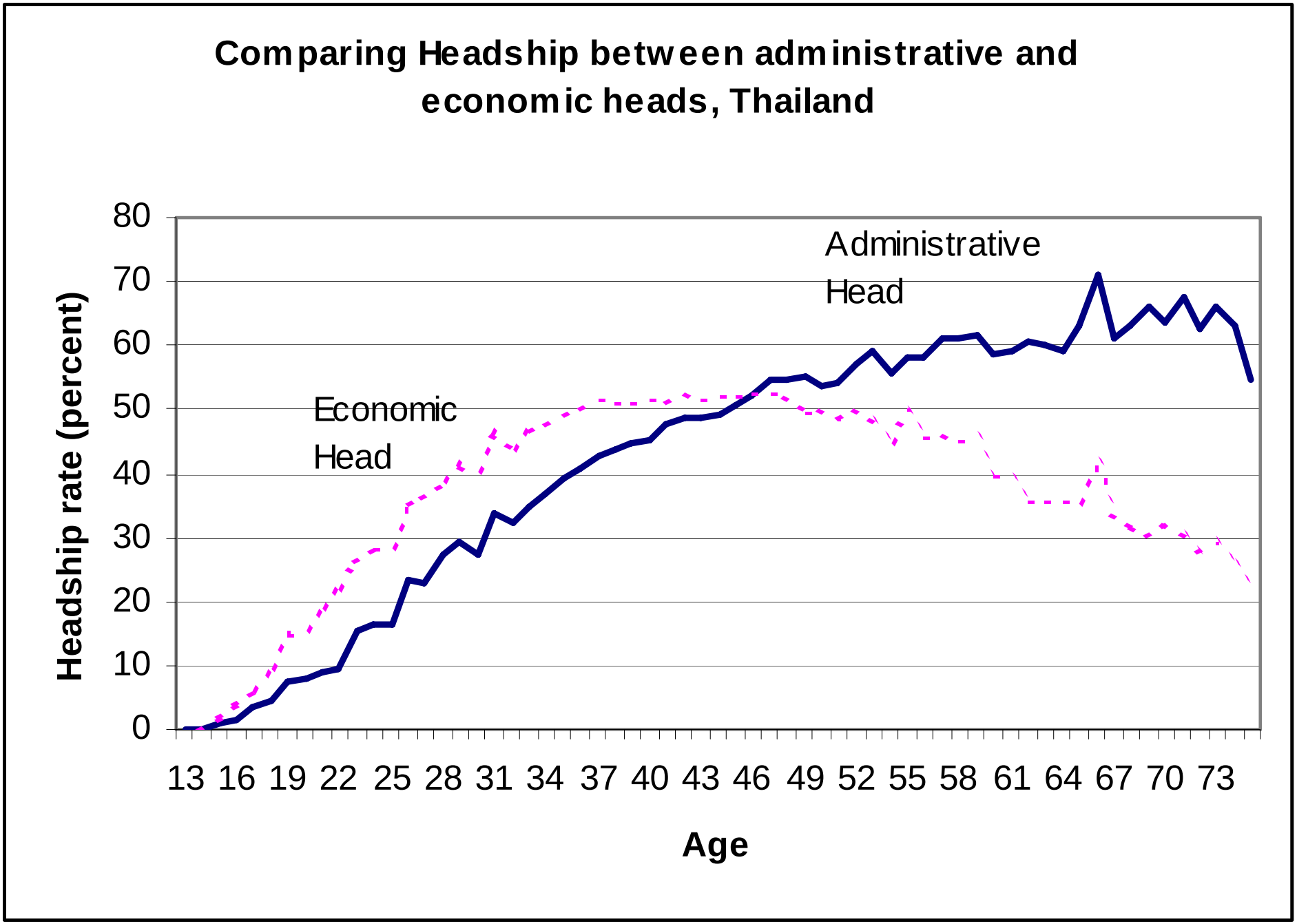
$$\tau^{fr-}\left(i,j,x\right)=\frac{\tau^{fr+}_{current}\left(j,x\right)}{\tau^{fr+}_{current}\left(j\right)}\tau^{fr-}_{current}\left(i,j\right)$$

Asset

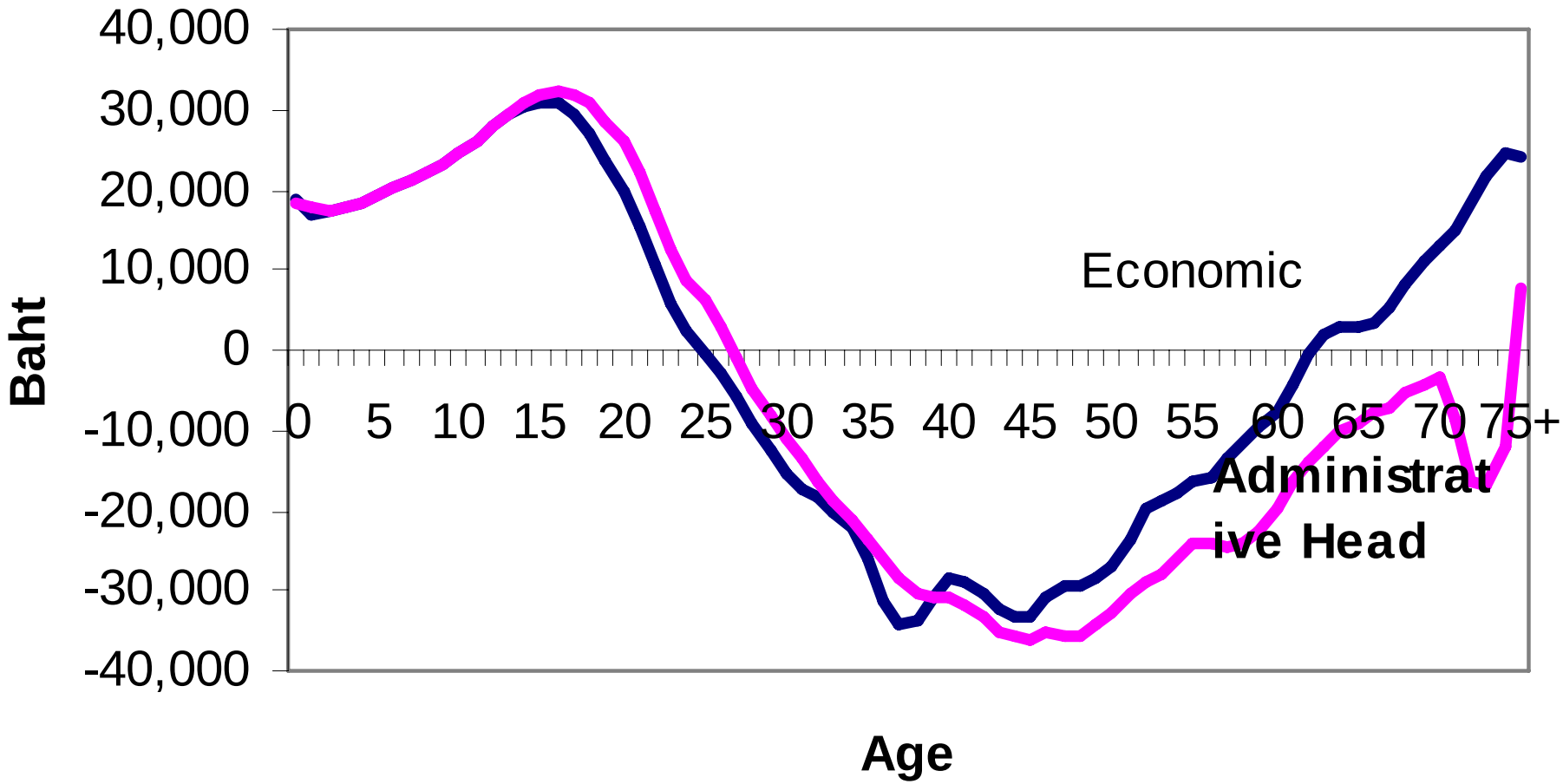
$$\tau^{fr-}\left(i,j,x\right)=\left(c(j,x)-c(1,j,x)\right)D_{i=1}$$

Per-capita Intra-Household Transfers per-sector, Rupiah

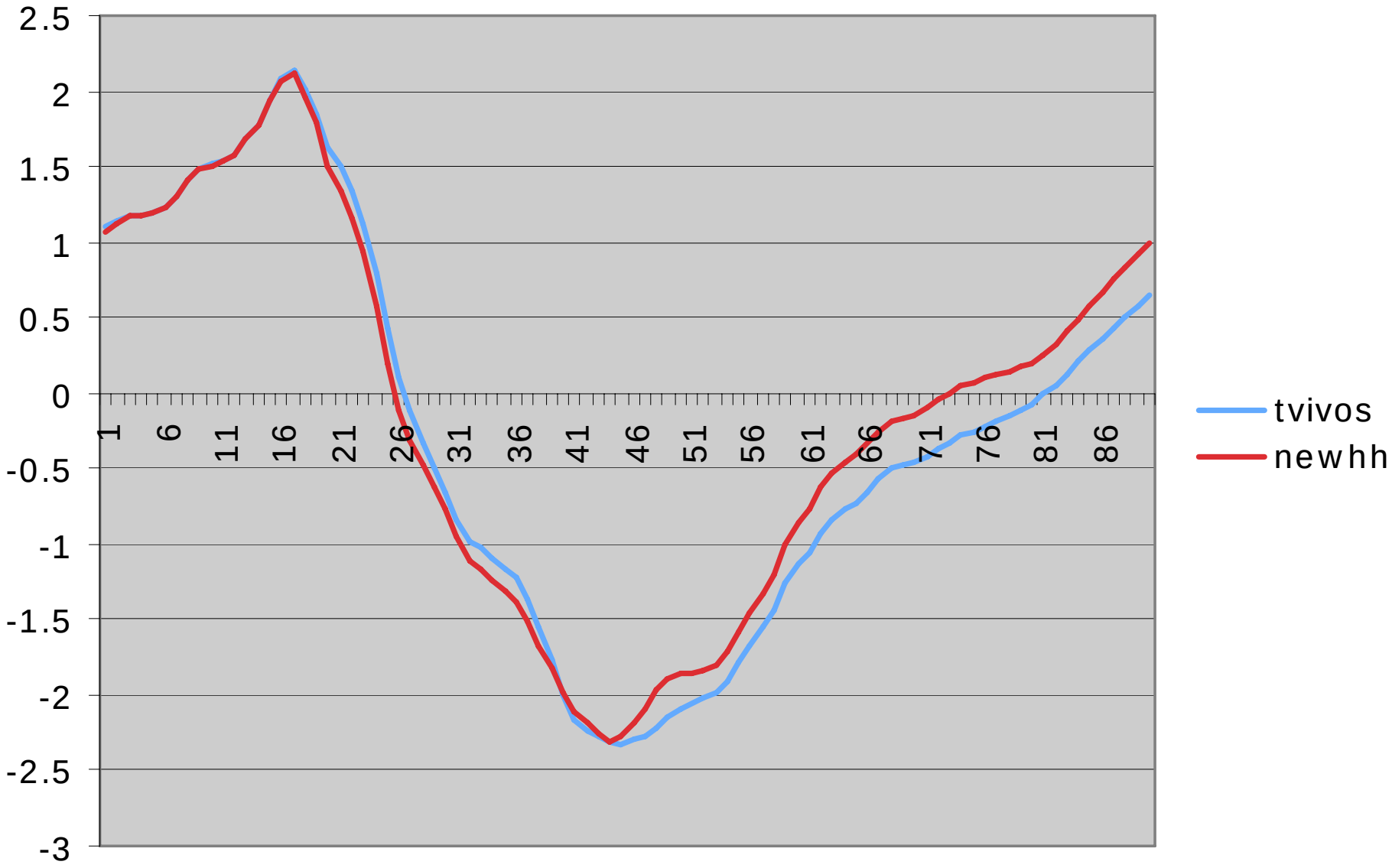



Comparing Headship between administrative and economic heads, Thailand
Headship rate (percent)
80
70
60
50
40
30
20
10
0
Administrative Head
Economic Head
13 16 19 22 25 28 31 34 37 40 43 46 49 52 55 58 61 64 67 70 73
Age

Per Capita Net Intra-household Transfers, Thailand



Inter vivos net transfers, Costa Rica



Per-capita Net Flow Intra Household Transfers, Indonesia, Nominal, Rupiah, 1996