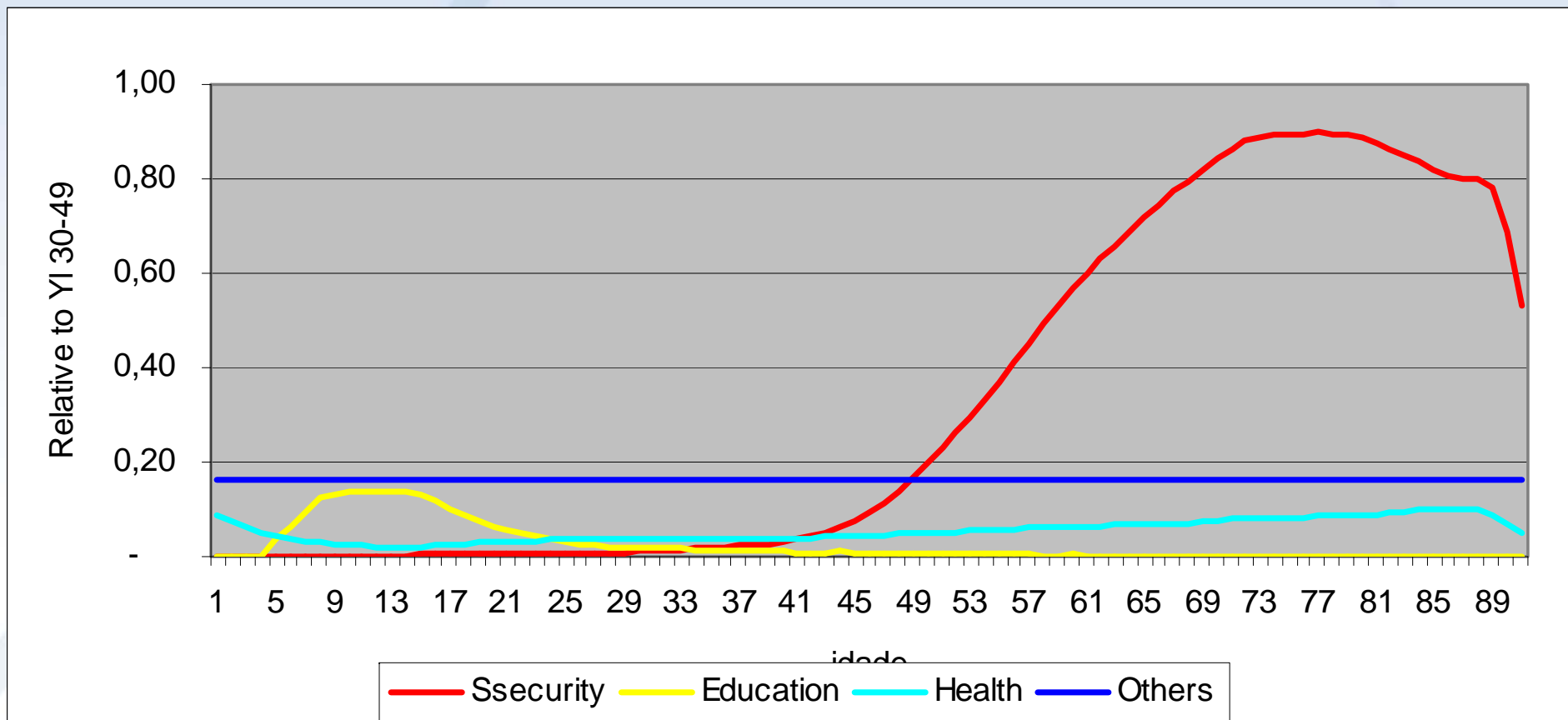


Private transfers from the elderly: who benefits from them?

Izabel Marri, Cassio Turra, Simone Wajnman

Great disparity between elderly and young people in public transfers.

Brazil, 2002



Debate on public transfers to children vs. to the elderly

- Pros:
 - Current large public transfers to the elderly compensate low investments in HK they received in the past
 - Private transfers to their children and grandchildren, mitigating poverty and low public investment in education and child health
- Cons:
 - Public transfers to children through the elderly is less effective than direct transfers to children

Definitions

- Who can fund the consumption of other family members? Individual surplus (X):

$$X = y_l + tgcash - tgtax + tfb - (cce + cch + ccx)$$

- Net donator Elderly = 60+ and surplus

Age groups

Children = 0-19 ; Adults = 20-59; Elders = 60+

Data source: Pesquisa de Orçamento Familiar (POF), IBGE, 2002-2003

Family types by the presence of elderly

Family Type	Freq.	Percent
Lonely elderly	1.994.577	4,11
Elders	1.485.497	3,06
Children and elderly	587.867	1,21
Children, elderly, and adults	3.874.805	7,99
Children + adults (no elderly)	36.763.660	75,79
No children (elder + adults)	3.803.871	7,84
Total	48.510.277	100,00

Families with an elderly donator and verage family size by family type

Family type	Distribution		Donator elder	Non donator elder
Lonely elderly	863.751	43,3%	1,0	1,00
Elders	959.162	64,6%	2,0	2,01
Children and elderly	398.574	67,8%	3,1	2,63
Children, elderly, and adult	2.462.984	63,6%	5,4	4,98
Children + adults (no elder)	-	0,0%	-	3,70
No children (elder + adults)	2.162.642	56,9%	3,0	2,80
total	6.847.113	14,1%		

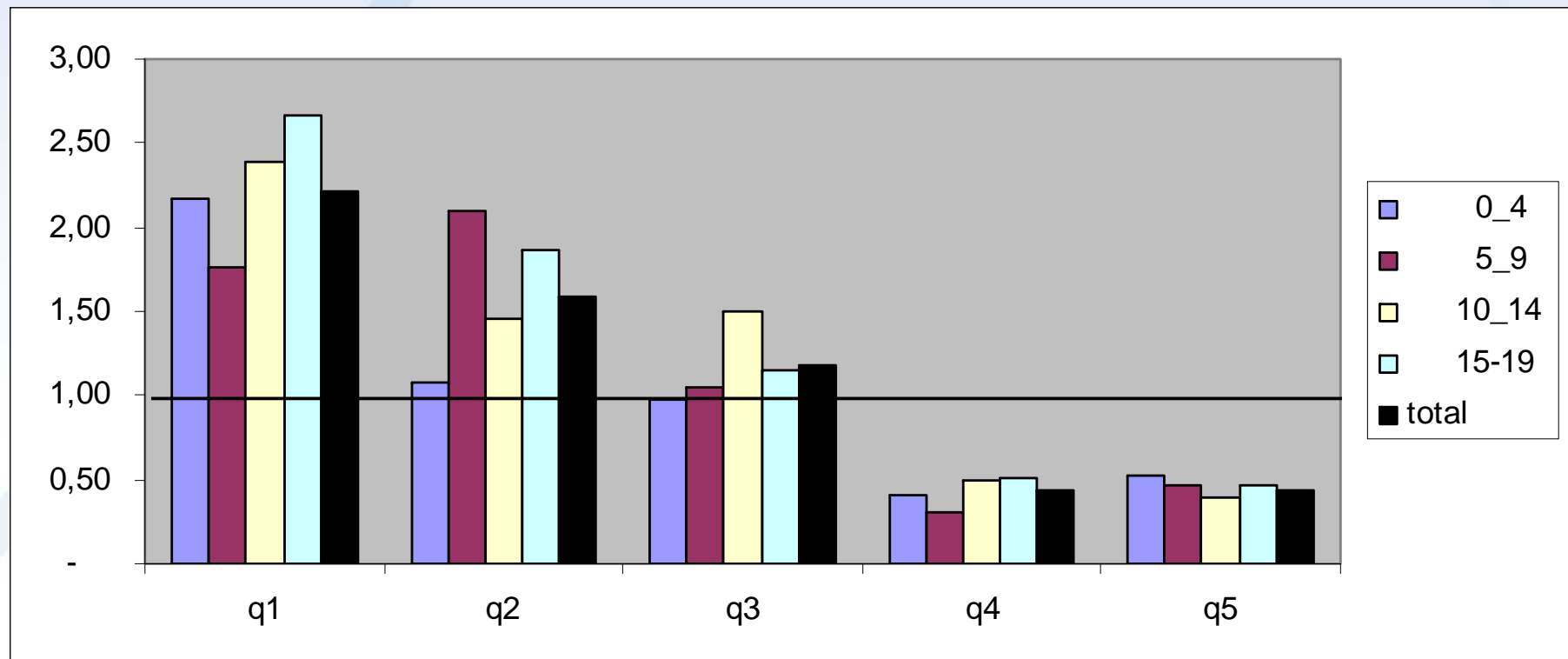
Population by age groups and presence of a donator elderly

	Total	Living w/ elderly	Living w donator elderly	
Children	68.283.358	8.701.062	5.843.007	8,56%
Adults	90.618.718	14.016.648	8.557.022	9,44%
Elderly	15.444.074			
Total	174.346.150			

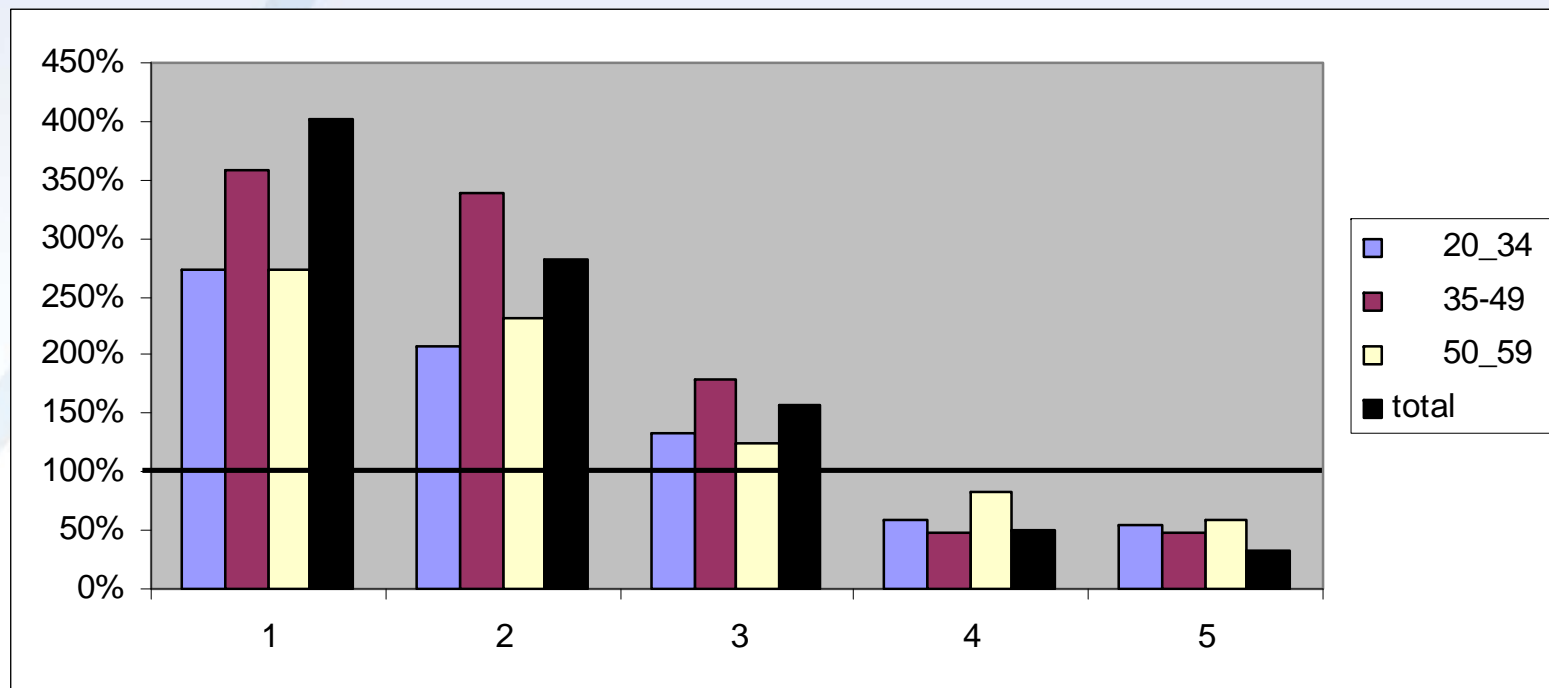
Quintiles of per capita family consumption

Ratio children living with a donator elderly vs. non donator elderly

Ratio Kids living with a net donator elder x kids living without donator elder



Adults living with an elderly donator are also overrepresented on the 1st quintiles of consumption distribution



Families without donator elderly have overall mean per capita deficit

Non Donator Elder	Family type					
	Lonely elder	Elders	Children and Elderly	Children elderly, adult	Children and adults	No children
YI	1.071	963	464	2.568	4.184	3.804
Tgcash	4.004	4.181	1.043	620	353	1.788
Cce+ccd+ccx	6.093	6.721	2.707	2.999	3.238	4.964
Tfbin	276	122	173	101	77	128
Tfbout	107	233	10	25	33	52
Tgtax	3.157	5.347	1.574	2.031	2.272	3.156
X	-4.007	-7.036	-2.612	-1.766	-931	-2.452
Transf. intra in	3	4.442	1.922	2.817	2.895	3.732
Transf. intra out	-102	-4.463	-1.966	-2.857	-2.939	-3.784

Income, consumption, transfers and taxes per capita relative to consumption for non donator elder family types

Non Donator Elder	Family type					
	Lonely elder	Elders	Children and Elderly	Children elderly, adult	Children and adults	No children
YI	18%	14%	17%	86%	129%	77%
Tgcash	66%	62%	39%	21%	11%	36%
Cce+ccd+ccx	100%	100%	100%	100%	100%	100%
Tfwin	5%	2%	6%	3%	2%	3%
Tfwout	2%	3%	0%	1%	1%	1%
Tgtax	52%	80%	58%	68%	70%	64%
X	-66%	-105%	-96%	-59%	-29%	-49%
Transf. intra in	0%	100%	101%	142%		100%
Transf. intra out	-3%	-100%	-103%	-144%		-101%

Families with donator elderly have overall mean surplus (per capita).

With Donator Elder	Family type					
	Lonely elder	Elders	Children and Elderly	Children elderly, adult	Children and adults	No children
YI	3.280	4.300	932	2.077	0	3.809
Tgcash	12.288	5.838	2.090	1.379	0	3.826
Cce+ccd+ccx	3.845	4.446	1.905	1.988	0	3.736
Tfwin	128	58	52	51	0	63
Tfwout	299	130	13	18	0	62
Tgtax	4.117	3.279	1.146	1.252	0	2.711
X	7.436	2.341	11	249	0	1.189
Transf. intra in	30	4.330	1.720	2.151	0	3.546
Transf. intra out	-303	-4.380	-1.794	-2.180	0	-3.631

Accounts relative to consumption highlight the importance of Retirement and Death pensions (tgcash) for the family budget

With Donator Elder	Family type					
	Lonely elder	Elders	Children and Elderly	Children elderly, adult	Children and adults	No children
YI	85%	97%	49%	104%		102%
Tgcash	320%	131%	110%	69%		102%
Cce+ccd+ccx	100%	100%	100%	100%		100%
Tfwin	3%	1%	3%	3%		2%
Tfwout	8%	3%	1%	1%		2%
Tgtax	107%	74%	60%	63%		73%
X	193%	53%	1%	13%		32%
Transf. intra in	1%	97%	90%	108%		95%
Transf. intra out	-8%	-99%	-94%	-110%		-97%

Children and elderly

- 9.2% of families (with ou without the presence of adults)
- 8,7 million young people from 0-19 living with an elderly (12,7% of 0-19)
- 5,8 million young people living with a donator elderly

Adults and elders

- 15,8% of families (with ou without the presence of youth)
- 14,0 million adults 20-59 (15,4% of 20-59)living with an elderly
- 8.5 million adults (9.4% 20-59) living with an donator elderly

- Families with a donator elder are over-represented (relative to non donator elder families) in:

- Lower school attainment families
- Lower consumption quintiles

-Families with a donator elder have greater number of members

-And greater % of non elder members with zero labor income.

Next steps

How to sophisticate the analysis (Nta variables, include assets, models...)