



# Family Ties across Households

Sandra Hofferth, University of Maryland

Counting Couples, Counting Families

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# Importance of Exchange

- One quarter of children were living with their mothers and not their biological fathers
- Child support collections amounted to 25 billion dollars in 2005
- Financial supports are linked to child success
- Except for child support, little is known
- Even within households, allocation of resources is not well understood (see Lundberg et al. 1997 for implications)

# Why do we Care?

## Theory of Intergenerational Exchange

- The potential availability of support from family permits individuals to select options that they otherwise would be unable to afford
- Their total potential income of individuals with support from family members is much greater than their own earned income – social capital
- The option of borrowing from these sources also help individuals manage large shocks (unemployment, new baby) by smoothing income and consumption over a longer period of time

# Focus

- Support by nonresidential parents to minor children
- Support parents provide as children transition out of the home
- Support by children to aging parents

# Nonresidential Parents

- Financial support
  - Increases the resources of the receiving and diminishes the resources of the contributing household
- Contact
  - This is the most tenuous of the three – no consistent relationship to child outcomes
- Involvement
  - Improves children's outcomes. May be compromised by obligations to other households

# Child Support – What is Collected?

- Support agreement or award?
- Whether support received regularly?
- Whether received the full amount?
- Total due/received?
- Whether received noncash support or informal support?
- Modification of support orders?
- Child support to other households?

# Contact

- Frequency of contact over a specified period
- Type of contact
- Usefulness is unclear because contact could be cause or effect, positive or negative.
- Does not get at quality of relationship
- Probably its best use is as a screener for the next concept, Involvement

# Involvement

- If no contact, there would be no involvement
- Otherwise, there is a range of involvement. Some examples of items (from NLSY) get at:
  - Closeness
  - Sharing ideas
  - Did not miss events
  - Knows who child is with
  - Makes decisions
  - Listens
- Need to include warmth, control/monitoring, and autonomy (adolescent) dimensions at the minimum to measure parenting style
- Distance between parents.
  - Not very useful because causality is unclear
  - Today distance is less important because of new ways of communicating



# Parental Assistance in Transition to Adulthood

- This begins in the parental household and ends in the young adult's household
  - Support for school expenses (child care, private schooling, college, living expenses)
  - Financial training (allowance, bank account)
  - Who contributes if parents live in different households
  - From coresidence to launching to buying one's own home with parental help

# Support for Aging Parents

- Important area to continue to explore
- Consideration of the Sandwich generation

# Major Issue: Selection

- Need to know something about *potential* sources of support if needed
- Because not everyone needs support. If we only look at actual contributions and receipt, we have a partial picture.
- One approach – if you had an emergency, do you have a friend or relative you could call on?
  - Ask about money and time
  - Used in the PSID and analyzed by Hofferth et al. 1998
  - Potential support has a more powerful effect on decisions than actual support

# Selection

- A second approach is through survey design
- Collect information directly from members of other households linked to the present household.
- This is done in the PSID – families that split off are followed. There are some limitations to this, but it permits putting families back together across households.
- This design is ideal but not perfect
  - Doesn't get everyone
  - Expensive

# Conclusions

- In this brief presentation I have
  - presented the argument as to why it is important to take family ties across households into account.
  - described 3 research areas in which cross household exchanges are important and described what is currently being done
  - described one of the main challenges in addressing cross-household exchange
  - suggested several potential solutions
- I am looking forward to our discussion