

Financial Transfers from Adult Children to Elderly Parents in China: Comparing Altruism with Exchange Models of Intergenerational Relations

Melanie Sereny Brasher
Department of Sociology, Dickinson College

Policy makers in China often express concern over a decline in filial piety and a consequent decline in support for elderly parents. While this claim is frequently voiced, few studies are able to directly test the association between attitudes towards filial piety and expression of filial piety in the form of support to aging parents. This paper is interested in testing whether adult children who agree more strongly with traditional family values are more likely to support elderly parents with financial transfers, or whether other factors play a more important role. In addition, this paper will compare altruism (which includes filial piety) models and exchange models (corporate group and mutual aid) to assess their relative strengths in predicting presence of and amount of financial transfers from adult children to parents in China.

Background

Many studies provide evidence that intergenerational exchange in China is most motivated by altruism (Chen, Liu and Mair 2011; Cong and Silverstein 2011; Song, Li and Feldman 2012; Zimmer and Kwong 2003). Altruism is defined as selfless concern for the well-being of others. Family members care about each other and therefore have special motivations to provide support. In altruistic support, help is given to those family members in greatest need, but not necessarily able to return the favor. Filial piety can also be conceived as a form of altruism — selfless respect and care given to older family members.

However, intergenerational transfers have also been characterized as being exchange-motivated and also governed by a norm of reciprocity. The exchange model views interactions among family members as a balance between each actor's objectives and resources. The corporate group and mutual aid model are two related and more specific models of exchange theory. A "time-for-money" exchange is common in Asian families where grandparents provide help with housework and childcare in exchange for food or money from their adult children (Frankenberg, Lillard and Willis 2002). In the corporate group model, a household head strategically allocates resources where they will do the most good. For example, the family may choose to invest in developing human capital in younger generations.

While the corporate group model considers more long-term arrangements between generations, aimed at maximizing family well-being, as those summarized above (Lee and Xiao 1998), the mutual-aid model looks at a shorter time horizon. For example, in the mutual aid model, older parents can provide childcare to enable mothers to enter the labor force. Mutual aid is similar to the corporate group model in that the overall aim is still to enhance the entire family's well-being.

Chinese Context

The Confucian norm of filial piety has served as a central pillar of cultural and moral ideals for Chinese and other Asian societies for thousands of years. Filial piety in its strictest sense means that parents command absolute subordination from adult children and children

should prioritize parents above all other responsibilities. However, filial piety may no longer be an explicit mandate, but rather an implicit part of the norm of reciprocity.

Filial piety has remained important, despite Chinese Communism’s attempt to eliminate “feudal” practices. While the Chinese Communist Party (CCP) introduced a great deal of social change in China, the traditional practice of filial piety was encoded in law from the beginning of the republic. Filial piety is regulated by the government because the CCP does not provide other forms of old-age welfare. Even with extensive support from children, many low-income rural elderly continue working into old age.

Data and Methods

The data for this project come from the Social Dynamics Survey of the Adult-Child Family in China (“SDSCF”), 2002 wave. The SCSDF is a sub-sample survey of the adult children of respondents from another survey – the Chinese Longitudinal Healthy Longevity Survey (CLHLS). The SDSCF is a two-wave 9-province survey of adult children in China who are the children of a subset of respondents from the 2002 wave of the Chinese Longitudinal Healthy Longevity Survey (CLHLS). The 2002 wave consists of 4,364 interviews with adults ages 35-65 who reside in the same county/city as the parent that is interviewed in the CLHLS. The provinces and municipalities where the respondents reside are Beijing, Liaoning, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Guangxi, all of which are located in eastern China.

Measures

The dependent variables are measures of financial transfers from adult children to elderly parents. Adult child respondents were asked “What kind of help did you provide to the elderly in the last year?” including “give money – amount of Yuan”. Financial transfers to each parent is looked at as a continuous variable of money (herein referred to as “money”) given. Additionally, since more than twenty percent of respondents reported providing no financial transfers to parents in the past year, I also examined the dependent variable as a binary variable – with a one being “gives any amount of money” and zero being “no financial transfers”. In order to account for the positive skew of money given to parents, I have taken the log value.

Key altruism measures in this study are adult children’s attitudes towards filial piety and family values. The SCSDF asked respondents the extent to which they agree with a series of statements pertaining to filial piety and family values. Interviewees responded on a 5-point likert scale with 5 being “very important” and 1 being “not very important”. There are 24 items in total, 13 relating to filial piety and 11 relating to family values. Exploratory factor analysis was carried out on all 24 factors. Only the first 3 factors had Chronbach’s alpha values greater than .70 and were retained for analysis (Santos 1999).

Table 1: Mean scores for filial piety factors and percentage agreement with individual items

Factor	Items	% Important
Factor 1: Family Values (alpha=0.7693)	F2-1. An adult should marry	4.165 (mean) 81.74

	F2-2. Avoid marriage dissolution as far as possible	80.41
	F2-3. Bringing up offspring in order to make them useful for the society	91.96
	F2-4. Keep the good relationship within family	93.02
	F2-6. Family is good for individual's development	79.25
Factor 2: Respect		4.107 (mean)
(alpha=0.7679)	F1-1 Gratitude for parents' fosterage	90.38
	F1-2. Respect to parents, no matter how parents did with you	77.84
	F1-5. Support parents for their better life	83.52
Factor 3: Coresidence		3.07(mean)
(alpha=0.7185)	F1-4. Son should live with parents after he married	32.17
	F2-10. Three-generations in a family is better	38.51
	F2-11. Married adult should live with older members in family	26.11

Important/very important equals a score of 4 or 5 on item.

Additional measures of altruism are measures of parental need. These include health, marital status, age, and socioeconomic status (SES) of elderly parents. In order to assess the importance of the corporate group model, I include covariates that measure exchanges between generations at earlier stages of the life course. Did the elderly parent(s) invest in the adult child respondent's education and marriage? This is measured by whether the older parents paid for education (senior high school or college) or provided a wedding gift to a son or daughter. Another test of the corporate group model is whether adult children (G2) choose to invest in their own children (G3) over their parents (G1). This is tested by variables that measure the number of G3 children and whether at least one child is an adult (over 18).

In order to test the mutual aid model, I have covariates that measure whether G1 provides help to G2 in the present day. These are measures of whether the older parent(s) provided any childcare or housework to the focal child within the past year. This is a categorical variable with codes for neither, housework only, childcare only, or both. In the case of both parents being alive, this is a measure of support from either one or both parents.

Control variables include variables pertaining to G2 characteristics and also the relationship between G1 and G2. G2 controls include age, sex, marital status, SES, and family composition. Residential distance and relationship quality between the G2 focal respondent child and the G1 elderly parent(s) is also controlled for.

Statistical Analyses

The first analysis is a binary logistic regression to analyze the relationship between any amount of financial transfers (equaling 1) and the different models of intergenerational relations using a series of nested models. Model 1 includes controls only; Model 2 adds covariates measuring altruism – both filial piety attitudes and parental need; Model 3 tests the corporate group model by adding measures of G1 investment in G2 children to model 1 (baseline), Model 4 further examines the corporate group model by adding covariates for G3 characteristics

(number and age); Model 5 tests the mutual aid model by adding measures of whether G1 provides housework or childcare to G2; Model 6 includes all covariates from models 3-5 to assess all economic exchange models simultaneously; and the full model (7) includes all covariates and controls – both altruism and economic exchange models. The second analysis has log amount of financial transfer as the dependent variable and runs analyses for these same seven nested models.

Table 2: Descriptive statistics (weighted data)

Variable		Mean/%	S	Min	Max
Characteristics of Adult Child - G2					
Demographics					
	Female	46.76%			
	Married	94.19%			
	Age	48.55	8.	35	65
SES					
	Years of education	7.16	3.	0	21
	Family Income	1735.39	2	0	50000
	works in agriculture	36.34%			
	Agricultural <i>Hukou</i>	61.07%			
Filial Piety Factors					
	Family Values Factor	4.19	0.	1	5
	Respect factor	4.10	0.	1	5
	Coresidence Factor	2.98	0.	1	5
Family of G2					
	Number of siblings	2.33	1.	0	8
	Has it least one sister	78.81%			
	Has at least one brother	81.98%			
	Coresident with parent	12.74%			
	Sibling coresides with parent	30.46%			
Characteristics of Children of Respondent - G3					
	1 or more G3 children under 18	71.50%			
	# of children	0.56	0.	0	5
Characteristics of Elderly Parent(s) - G1					
Parent Needs					
	Age	80.13	1	59.5	114
	ADL disabled	18.98%			
	Both Parents	48.68%			
	Father Only	17.59%			
	Mother Only	33.73%			
G1 Education					
	No Education	49.02%			
	Elementary School	32.21%			
	Junior High +	18.77%			
Relationship between G1 and G2					
	Parents paid for education	21.04%			
	Paid for wedding gift	82.60%			
	Gift amount	581.22	1	0	30000
	Parents do not provide	79.87%			
	Gives money to parents	78.69%			
	Amount of financial transfer (Yuan)	495.90	7	0	12000