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Expectations versus Realizations of Familial Insurance: Evidence from the Great Recession of 2008

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What happens to intergenerational transfers with the onset of a recession? Economists have long recognized transfers might serve to insure against the risk of income shortfalls. Yet there is little evidence about how transfers might vary over the business cycle because few surveys collect the needed information on an ongoing basis. One that has is the Health and Retirement Survey (HRS), which started in 1992 and includes the first year of the Great Recession of 2008, with supplemental data for 2009. Together with the RAND American Life Panel (ALP), which queries respondents about the effects of the recession using monthly panel surveys, we examine familial transfers during the recession from both givers' and recipients' perspectives. A priori, it is not clear whether inter-household transfers should increase during a recession—problems of potential recipients become more severe, but resources of potential donors become less plentiful. The question therefore becomes an empirical one. We find that despite diminished wealth, older parents increased their financial help to adult children as the recession deepened and children suffered from job losses and mortgage problems. Parents who gave tended to harbor expectations of having to provide financial help well before the recession began. Financial help appears to have been targeted to those in economic distress, such as the recently unemployed. Taken as a whole, our estimates indicate an important role for familial insurance—private transfers are responsive to income shortfalls and are comparable in the aggregate to Unemployment Insurance. Still, the family safety net provides only partial coverage, because financial distress is correlated among family members.

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1. Introduction

What happens to intergenerational transfers at the onset of a recession? Both potential recipients (mostly adult children) and givers (older parents) are adversely affected, so it is not clear *a priori* whether more private transfers can be expected. Is there a familial safety net in play, and how resilient is it?

Such questions are central to the economics of intergenerational and inter-household transfers. A primary rationale for their importance stems from concerns about the "crowding out" of private transfers by public ones, first raised by Becker (1974) and Barro (1974). For instance, an increase in Medicaid benefits, targeted to low income elderly, could in principle have little impact on intended beneficiaries if they merely displace the private help that adult children would have otherwise provided. Altruistic private family transfers could function like means-tested social insurance. All else equal, a fall in a child's income would induce a rise in the parent's propensity to initiate support or increase existing support. And if the altruism runs two ways, as many have argued, then the child might likewise have an incentive to provide support should the parent fall on hard times. As the US government runs ever higher deficits and political will veers toward cutting government spending, understanding the willingness and capability of families to make up the shortfall in people's incomes becomes increasingly pressing.

Despite the growing number of empirical studies of private transfers, no study has looked at familial insurance across the business cycle. A recession presents a potential problem for familial safety nets, in that the needs of potential recipients could rise just as resources of potential givers become depleted. Parent-child correlation in shortfalls of

income and wealth can be expected to render the private safety net less effective than it otherwise would be.

Much of the reason for our limited knowledge of intergenerational transfer behavior over the business cycles has to do with data limitations. But pioneering data collection efforts, such as the 2009 Health and Retirement Study Internet survey and the new American Life Panel make it possible to collect and organized household survey information more rapidly and flexibly, which facilitates analyses of household behavior that are both detailed and timely.[1]

In this study, we use these data sets to focus to assess empirical patterns of giving and receiving during the Great Recession: for older Americans, surveyed in the HRS, as well as for a more representative group of Americans sampled in RAND's American Life Panel (ALP). Seeing how the predominant generational direction of private transfers is from older to younger households (e.g., Lee (1994)), the HRS data set gives insight into what happens to the propensity to give when parents experience wealth shortfalls just as their adult children suffer similar shortfalls or become unemployed. The relatively younger cohorts represented by the ALP are more likely to be dependent on employment income, more likely to be liquidity constrained, and more vulnerable during a recession. The panel nature of the ALP data set allows us to examine transfers across spells of unemployment while controlling for unobserved heterogeneity in recipients and their families.

Our findings suggest that families do provide significant safety nets across the generations, despite the correlated shocks that a national recession inflicts. In the HRS

[1] For example, see Hurd and Rohwedder (2010a, 2010b) for household-level-based analyses of the effects of the financial crisis and recession using the ALP and HRS, respectively.

sample, the wealthiest were also the most likely to report being most severely affected by the financial crisis, yet had the highest rate of giving. Having a family member falling behind in house payments was highly predictive of giving by HRS members, as was their pre-recession response regarding the likelihood of giving a financial gift to a family member in the future. The latter finding suggests that, notwithstanding the many surprises of the Great Recession, familial needs are predictable to some extent. In the ALP sample, it was also the wealthier panel members who reported being more affected by the crisis. Spells of unemployment increased the probability of receiving a transfer from a family member by 5 percentage points—nearly 50 percent over the baseline for transfer receipt—despite the high correlation between the recession's impact on respondents and their families. Still, such correlation creates problems for the familial safety net. Having financial difficulties of one's own—carrying a large mortgage debt, for example—reduces the probability of providing help to relatives who are likewise adversely affected by the recession.

Familial Transfers—Conceptual Issues

Among the several possible crosscurrents that could be construed to impinge upon private familial transfers, we contend that two are especially pertinent. The first has to do with alternative mechanisms for consumption smoothing. A household that can rely on ample financial savings or has easy access to capital markets can be expected to be in a better position to give financial help and less likely to have to rely on such help.

Second, covariant risk is likely to matter. To the extent that they contribute to covariant risk, for instance, generational similarities in location, human capital, portfolio composition and the like impede the provision of familial insurance. Likewise, a parent

who suffers catastrophic capital losses right around the time her child loses his job will obviously suffer a diminished capacity to help.[2]

Assessing the patterns of private transfers is of course an empirical issue to which we turn below.

The Data

The Health and Retirement Study

The Health and Retirement Study is a survey of around 7600 households with at least one member between the ages of 51 and 61 at the time of the first wave in 1992. Its biennial survey follows the financial, social, physical and mental health of respondents. For the purposes of this study, we focus on an off-year Internet-based survey, developed by the HRS together with the Survey Research Center (SRC), and the Institute for Social Research (ISR) at the University of Michigan, and the RAND Corporation. A sub-sample (N=4,433) of the Health and Retirement Study (HRS) were part of the 2009 Internet Survey, which focused on the effects of the financial crisis on survey members and their families.

The American Life Panel

The American Life Panel (ALP) is an internet-based survey of about 2500 participants, administered by RAND Labor and Population. The panel started in January of 2006 and has conducted over 160 surveys since then. In 2009 the ALP fielded 5

[2] There are several other factors that can conceivably matter, such as the ability to diversify risk by tapping multiple sources of labor income or forging bonds of sharing with non-relatives. These and other coping strategies (see, e.g., Dercon (2002)) are more appropriate for the developing country context. There is a large development literature that has formulated models of risk sharing and tested them (largely) with panel data. Empirical work with panel data on inter-household transfers is scarcer for the United States and other developed countries, though a small literature has begun to emerge (e.g., Hurd, Smith and Zissimopoulos (2007), Hochguertel and Ohlsson (2009)).

surveys with a special emphasis on the financial crisis. Because of the participation of RAND in both the HRS Internet 2009 survey and the ALP surveys, the questions asked in the HRS survey are very similar to those asked of the ALP participants and thus provide a unique opportunity to examine two disparate samples through a similar lens.

Methodology

The purpose of this paper is to show the empirical patterns of giving during the Great Recession. We start with simple descriptive statistics regarding giving. Then we divide our samples into givers, receivers and others to see how their mean characteristics differ. We also divide the samples based on their response to the question "How affected are you by the financial crisis?"

Next, we use simple non-parametric smoothing functions to assess patterns of giving and receiving based on age, as well as based on prior predictions about giving. Finally, we look at conditional correlations of giving with our covariates of interest. We use probit on a cross-section of the HRS Internet Survey members to find the conditional correlations of giving with prior predictions of giving, and with mortgage payment delinquency of family members. We then use fixed effects in a linear probability model on the ALP panel examine inflows and outflows of transfers during the recession.

Results

Table 1 shows the incidence of private-transfer gifts and receipts by respondents of both the HRS Internet and ALP Surveys. In the HRS, 30.4% gave a transfer of $500 or more in the 12 months prior to the survey, and only 3.4% received a transfer. (The rate of transfer giving in prior waves of the HRS is around 40%, but those questions ask

for transfers since the last wave of the survey, two years earlier, so the time frames are not strictly comparable.) The ALP survey members give and receive at the rates of 23.2% and 10.5% respectively, arguably reflecting the lower average age of their members.

In both samples, transfers flow from parents to children, as illustrated in Figures 1a and 1b, and consistent with well-established patterns for western economies. Indeed, giving and receiving are highly correlated with age, as can be seen in figures 2a and 2b, which show a non-parametric regression of giving and receiving on age. The ALP sample shows clearly a crossover of people in their late 30's moving from being predominantly "receivers" to predominantly "givers". The HRS sample shows a slightly different pattern, with members in their early 40's giving at a higher rate and receiving at a far lower rate. This could be due to the fact that the structure of HRS sampling requires that at least one spouse in a surveyed household be part of the cohort born between 1931 and 1941, so these younger members are spouses of much older HRS sample members, and their giving/receiving patterns will be influenced by their spouses. Indeed, if one looks at the predicted rates of giving and receiving of 60-year olds in both samples, they are remarkably similar, with about 5% receiving and 30% giving.

Besides age, there are other striking differences between givers and receivers. Tables 2a and 2b show the two samples divided by transfer status (i.e., recipients, givers, neither). In both samples, recipients are more likely to be unemployed, less likely to be married and less likely to be white. They have fewer children and slightly less education. The subsamples in the tables exhibit pronounced differences with respect to income and wealth. In the ALP sample givers have about 50% higher income and 250% higher net

worth than receivers. In the HRS sample givers have about 85% higher income and 350% higher net worth than receivers.

But a question of key interest in this study is, how does being affected by the recession – suffering an income or wealth shock – correlate with giving? Both the HRS and the ALP survey query respondents about the recession's impact:

> *Over the past months there have been reports about the nation's financial problems, including large drops in the stock market and in the housing market and increased rates of foreclosures and joblessness. As this financial crisis unfolds, more and more people have been affected in different ways. Have you been affected by these problems?*

The menu of responses are "a lot", "a little" or "no". Tables 3a and 3b show the characteristics of the samples based on their responses to this question. In both samples, those who are affected "a lot" are the wealthiest and have the highest incomes, no doubt reflecting shortfalls to wealth-holders from the stock market crash in September 2008 and the collapse in housing prices. In the HRS, those affected "a lot" also have the highest rates of both giving and receiving. The subjective response is consistent with the idea that the recession affected, on the one hand, high net worth individuals, such as those who saw substantial portfolios drop by large percentages, as well as, on the other hand, older people in more desperate situations, having lost a needed job, perhaps.

Those affected "a lot" by the crisis who continue to give to family members may constitute a safety net for those family members, who have also experienced an income or wealth shock. The expectation of providing assistance or gifts to others is measured in prior waves of the HRS, by the following question:

> *(Using a number from 0-100) What are the chances that you [and your] [you/husband/wife/partner] will give financial help totalling $5,000 or more to*

grown children, relatives or friends over the next ten years? Include college tuition payment but not shared housing or food.

Respondents are also asked about the likelihood of receiving the same amount in the same time frame. The high cutoff points certainly decrease the likelihood a lower income/net worth individual would answer that there was a significant probability of giving or receiving such an amount, but the trends still reveal an intriguing pattern. The correlation of the responses from the Internet 2009 survey members when they were asked in 2006, well before the recession, is reported in table 4. Unconditionally, the correlation of receiving a transfer in 2009 with the earlier subjective probability of receiving a transfer is low (.105), while the correlation of giving in 2009 with the earlier subjective probability of giving a large transfer is somewhat higher (.224). The correlations weaken further when using transfer amount instead of transfer incidence. A non-parametric smoothing function, shown in Figure 3, shows the relationship between prior subjective probabilities and giving/receiving appears close to linear.

The 2006 subjective probability-of-giving measure, however, could simply be correlated with higher net worth or higher income individuals, or could be correlated with having children who will call on a parent to give. Controlling for the covariates that are typically correlated with transfers allows us to see if there is some relationship between the subjective probability of giving ex ante, and giving ex post, independent of these other variables. It also allows us to see if being affected by the financial crisis may negatively impact giving, holding all else equal.

Table 5 reports the conditional correlations of giving and table 6a reports the conditional correlations of receiving. In both cases, the earlier subjective probabilities are highly significant predictors of giving or receiving. For example, a change of 50

points in the subjective probability of giving a large transfer in 2006 would be associated with a 12.5% increase in the probability of a gift having been reported in 2009, all else equal. This is over 40% of the baseline rate of giving of 30%. For receiving a gift, the correlation of expected versus actual receipt is lower. A change of 50 points in the subjective probability of receiving a large transfer in 2006 would be correlated with a 1.5% increase in the probability of a gift having been received. This is about a 75% increase over the observed baseline of 2%.

Having a family member behind on house payments is highly correlated with giving – the probability of a gift having been given goes up by 33.6 percentage points when a family member is two or more months behind in the mortgage (Table 5). This more than doubles the baseline 30% rate of giving. Surprisingly being affected (a little or a lot) by the financial crisis appears uncorrelated with giving private transfers.

Similar calculations for receipts are provided in Table 6a. Being two or more months behind in one's house payment is correlated with a 5.7 percentage point increase in a gift having been received, and being affected by the financial crisis is associated with a 2.6 percentage point increase.

While the HRS looks at the question of a family member being behind in house payments, it does not specifically ask about the family members' employment situation or if that family member has been affected by the crisis. The ALP panel, in contrast, shows us how employment shocks may trigger receipts, and shows clearly the correlated nature of the shock of the financial crisis.

A five-wave panel was constructed from the ALP surveys on the financial crisis during 2009. A dummy for whether or not the respondent had received an *inter-vivos*

transfer was regressed on an indicator for whether the respondent was unemployed, in a fixed-effects linear probability model. The results are presented in Table 6b. The estimates in the first column of the table indicate that becoming unemployed is associated with over a 6-percentage-point increase in the chance of receiving a transfer, which is more than a 50 percent boost from the 11 percent baseline for fraction of respondents receiving transfers.

Further, it appears that unemployment—rather than other recession-related problems connected with housing or the stock market—is what is most strongly associated with transfers. The second column of Table 6b includes in addition to the unemployment variable a dummy for whether the respondent was "affected a lot" by the recession. Controlling for unemployment status, being affected a lot is positively associated with receipt of a private transfer, but the magnitude of the coefficient is less than a quarter than that of unemployment and it is not significant at conventional levels.

In addition, the point estimates in Table 6b indicate that the relationship between unemployment and transfer receipt is stronger the less liquidity the respondent has (Table 6b, column 3 versus column 4); the younger the respondent is (column 5 versus column 6) and if the respondent has relatives who are not affected by the recession (column 7 versus column 8). This last point suggests that the correlation of shocks may in fact weaken the ability of family members to provide help in a crisis.

Further evidence on this point is provided by looking at outflows of transfers. Table 7 contains fixed effects estimates of the occurrence of help given as a function of whether a respondent reported having relatives who were affected "a lot" by the recession. The first column of Table 7 indicates that having such a relative increased the

probability of giving help by 2.8 percentage points, or over a 10 percent increase from the sample baseline of 22 percent. But this relationship is small and statistically insignificant for respondents who carry large amounts of mortgage debt relative to the value of their home (columns 2 versus 3 in Table 7) or who report that they themselves are affected a lot by the recession (columns 6 versus 7 in Table 7).

Conclusion

Evidence from the HRS suggests that in many respects the familial safety net appears relatively robust during the Great Recession: prior expectations of giving and the financial difficulties of family members are fairly predictive of giving, and the propensity to give appears somewhat impervious to whether respondents had themselves been affected by the recession. Covariant risk is not so evident from HRS evidence.

Findings from the ALP, in contrast, do suggest that common shocks can pose problems for the familial safety net. Becoming unemployed is associated with receiving a transfer, but the relationship is weaker when the respondent reports that family members have been affected by the recession. Likewise the propensity to give in response to the recession's impact on family members is lessened for respondents with heavy debt burdens or recession-related problems of their own.

The prevalence of transfers suggests that the familial safety net plays a non-trivial redistributive role in the United States economy. At the same time, however, the evidence for covariant risk suggests that familial transfers are likely beset by pronounced limitations, so that private transfers clearly cannot substitute for publicly provided social insurance.

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Table 1a. Incidence of Private Transfers - HRS 2009

	Number	Percent
Gave a transfer		
Yes	**1328**	**30.4**
No	**3041**	**69.6**
Total responses	**4369**	**100.0**
Received a transfer		
Yes	**148**	**3.4**
No	**4218**	**96.6**
Total responses	**4366**	**100.0**

Source: Authors' calculation from HRS Internet Survey 2009.

Table 1b. Incidence of Private Transfers--ALP Survey

	Number	Percent
Gave a transfer		
Yes	399	23.2
No	1323	76.8
Total responses	1722	100.0
Received a transfer		
Yes	161	10.5
No	1368	89.5
Total responses	1529	100.0

Source: Authors' calculation from RAND American Life Panel (ALP), Feb/Mar, 2009.

Table 2a. Selected Characteristics of Respondent Families
by Private Transfer Status - HRS Internet Survey 2009

	Recipients	Givers	Others	Total
Age	62.5	65.7	65.8	65.7
Male	38.3	42.5	42.4	42.3
Employed (%)	34.1	39.3	36.8	37.4
Unemployed (%)	24	7.5	7.6	8
Retired (%)	34.9	49.3	52.4	51.1
Married/partnered (%)	62.8	78.4	77.6	77.5
Black (%)	7	6.8	6.4	6.6
Number of children	3.1	3.1	2.9	3
Years of education	14.1	14.4	14.1	14.2
Income	59721	108558	89583	94571.2
Net worth	122322	493521	407655	426459.7
Own home	78.3	90.9	89.1	89.3
Value of home	216652	287499	270845	274953.2
Mortgage debt	141729	73815	71233	73648.3
Mortgage>=Home Value	14.9	5.4	5.2	5.5
Financial assets	64953	308171	240551	256675
Amount received	6683	--	--	142
Amount given	--	5097	--	1417.9
Number of observations	129	1315	2933	4353

Source: Authors' calculations from HRS Internet Survey 2009.

Table 2b. Selected Characteristics of Respondent Families
by Private Transfer Status--ALP Survey

	Recipients	Givers	Others	Total
Age	43.2	54.3	48.9	49.5
Employed (%)	59.1	63.6	66.1	65.1
Unemployed (%)	21.4	3.7	5.6	6.5
Retired (%)	3.9	24.6	16.6	17.1
Married/partnered (%)	51.9	67.4	66.7	65.6
White (%)	83.8	85.6	90	88.6
Number of children	1.6	2	1.6	1.7
Single mother	18.2	17.1	10.5	12.4
Years of education	11.5	11.6	11.8	11.7
Income	57112	85543	73026	74232
Unemployment ins.	2600	204	195	395
Wkrs. comp.	108	70	8	28
SSI	76	204	201	191
Food stamps	439	69	72	102
Net worth	100698	445065	325079	330610
Own home	55.2	76.2	73.2	72.3
Value of home	124460	295361	245213	245299
Mortgage debt	64546	111261	128122	119495
Mortgage>=Home Value	7.8	3.7	5	5
Financial assets	34988	186564	139951	140631
Affected by recession	99	79	81	82
Affected a lot by recession	47	31	28	30
Family affected by recession	89	100	91	92
Family affected a lot by recession	31	39	26	29
Amount received	3560	--	--	376
Amount given	--	3826	--	844
Number of observations	154	374	1338	1866

Source: Authors' calculation from RAND American Life Panel (ALP), Feb/Mar, 2009.

Table 3a. Selected Characteristics of Respondent Families
by Whether They Were Affected by the Recession - HRS Internet Survey 2009

	A Little	A Lot	Unaffected	Total
Age	65.4	64.7	67.1	65.7
Male	41.8	43.5	42.1	42.3
Employed (%)	39	39.5	32.5	37.3
Unemployed (%)	6.5	11.3	7.1	8
Retired (%)	51.2	45.1	57	51.2
Married/partnered (%)	78.4	79.1	74.4	77.5
Black (%)	6.7	3.4	9.6	6.6
Number of children	3	2.8	3.3	3
Years of education	14.3	14.6	13.6	14.2
Income	99520	103334	77866	94499.1
Net worth	447979	503637	311447	424736.8
Own home	90.4	92.1	84.4	89.2
Value of home	277201	306462	237025	274682.5
Mortgage debt	70281	98812	52592	73493.5
Mortgage>=Home Value	5.3	7.1	4.3	5.5
Financial assets	272692	321815	163879	255441
% Drop Net Worth	-11.6	-17.8	-5.9	-11.7
% Recieved Fin Help	3.2	6.2	1	3.4
% Gave Fin Help	30.5	31.8	29.2	30.5
Number of observations	1988	1169	1222	4379

Source: Authors' calculations from HRS Internet Survey 2009.

Table 3b. Selected Characteristics of Respondent Families
by Whether They Were Affected by the Recession

	A little	A lot	Unaffected	Total
Employed (%)	68.6	63.1	57.9	64.2
Unemployed (%)	5	11	4.5	6.4
Retired (%)	16.2	17.4	20.3	17.7
Married/partnered (%)	64.7	71.6	59.1	65
White (%)	87.1	91.2	86.1	87.9
Number of children	1.6	1.7	1.7	1.7
Income	75586	83421	56769	72502
Net worth	310820	399409	257972	319804
Own home (%)	73	77.3	64	71.7
Value of home	251030	295854	147225	234475
Mortgage debt	125460	156548	45462	111787
Mortgage>=Home Value	5.3	5	4.2	4.9
Home value fell since '06	36.2	45.9	24.5	35.6
Financial assets	120138	210682	91137	136170
Gave private transfers	22	24	23	23
Received private transfers	9	13	.	10
Number of observations	969	556	575	2100

Source: Authors' calculation from RAND American Life Panel (ALP), Feb/Mar, 2009.

Table 4. Correlations Between 2006 Probability of Giving and Receiving With Actual Giving and Receiving 2008/2009

	Prob. of Recieving	Prob. of Giving	Obs
Received financial help	.105		4098
Amount received	.062		97
Gave financial help		.224	4099
Amount given		.155	1106

Source: Authors' calculations from HRS 2006 and HRS Internet Survey 2009.

Table 5. Conditional Correlations Repspondent Giving and Respondent Characteristics - HRS Internet Survey 2009

Observations:	3570
Chi-squared:	326.22261
Pseudo R2:	.07398012

Log-likelihood:-2041.6878

Gave Help	DF/DX	SE
Probability of Giving 2006***	.0025	.0002
Age*	.0021	.0012
Male	-.0272	.0167
Black*	.0636	.0376
Years of education**	.0095	.0039
Married or partnered	-.0125	.0219
Unemployed	.0006	.034
Retired	-.0186	.0206
Log of total income**	.0234	.0101
Log of total net worth	.0057	.007
Number of children	.0001	.0126
# of children outside household	.0199	.0136
# of children earning >$35K**	-.0199	.0069
Homeowner	-.0204	.0382
Mortgage debt>value home	.0583	.0606
% net worth down since 9/2008	.0003	.0007
Family members behind on mtge***	.336	.037
Family members went through foreclosure	-.0592	.0527
Obs. P	.30812325	
Pred. P	-.53514562	

* significant at 10% level, ** significant at 5% level, *** significant at 1% level

Table 6a. Conditional Correlations Repspondent Receiving and Respondent Characteristics - HRS Internet Survey 2009

Observations: 3377
Chi-squared: 145.45282
Pseudo R2: .17676485

Log-likelihood:-338.70385

Received Help	DF/DX	SE
Probability of Receiving 2006***	.0003	.0001
Age	-.0003	.0003
Male	.0021	.004
Black*	-.0113	.0034
Years of education	.0011	.0009
Married or partnered**	-.0132	.0066
Unemployed**	.0203	.0117
Retired	.0013	.0048
Log of total income*	-.0037	.002
Log of total net worth***	-.0073	.0015
Number of children	.0037	.0023
# of children outside household	-.0025	.0026
# of children earning >$35K**	.0011	.0016
Mortgage debt>value home	-.0012	.0092
% net worth down since 9/2008	.0001	.0002
R behind on mortgage***	.0571	.0345
R very affected by financial crisis***	.0259	.0068
Obs. P	.02635475	
Pred. P	-2.2027525	

* significant at 10% level, ** significant at 5% level, *** significant at 1% level

Table 6b. Intergenerational Transfers During the Great Recession--ALP Survey
Dependent Variable: Received Help (1=Yes, 0=No)
Linear Probability Model with Respondent Fixed Effects
(t-values in parentheses)

	Entire sample (1)	Entire sample (2)	Fin W < $10K (3)	Fin W >= $10K (4)	Age < 30 (5)	Age >= 30 (6)	Fam aff a lot:no (7)	Fam aff a lot:yes (8)
Respondent characteristics								
Unemployed	0.064	0.063	0.078	0.041	0.089	0.061	0.079	0.023
	(2.71)	(2.68)	(2.28)	(1.50)	(0.93)	(2.56)	(2.52)	(0.54)
Affected a lot		0.014						
		(1.52)						
Households	2296	2296	1267	1063	204	2092	2180	953
Observations	7395	7395	3642	3867	543	6852	5705	1690
Received help	779	779	587	201	113	666	559	220
Did not receive	6616	6616	3055	3666	430	6186	5146	1470
Mean received	0.11	0.11	0.16	0.05	0.21	0.10	0.10	0.13
(within) R-squared	0.0026	0.0031	0.0034	0.0012	0.0033	0.0025	0.0039	0.0003

Source: Authors' calculation from RAND American Life Panel (ALP), Feb/Mar, 2009.

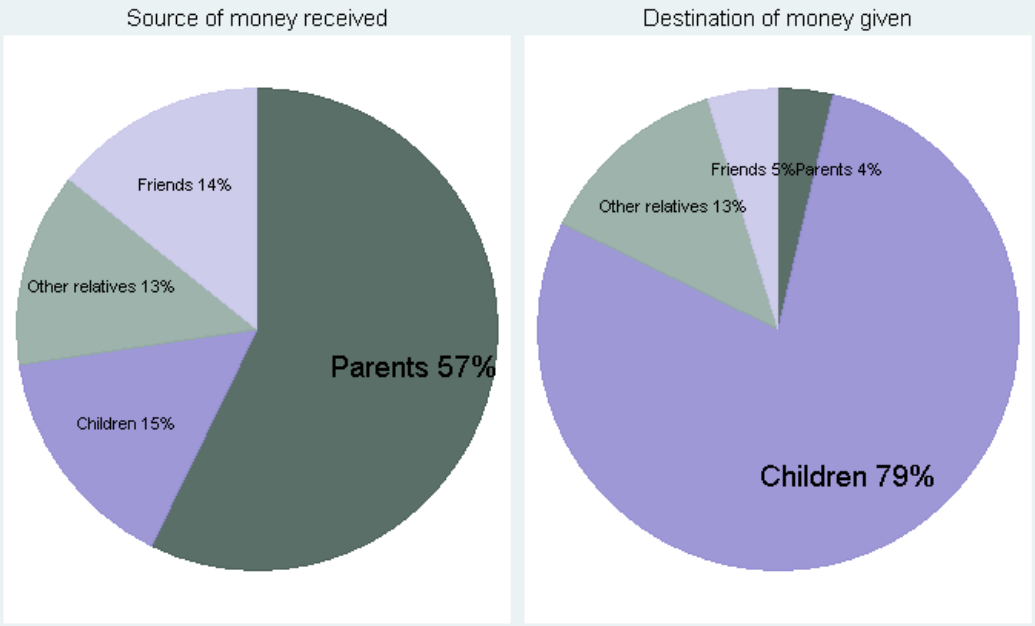
Table 7. Intergenerational Transfers During the Great Recession--ALP Survey
Dependent Variable: Gave Help (1=Yes, 0=No)
Linear Probability Model with Respondent Fixed Effects
(t-values in parentheses)

	Entire sample (1)	Mort <2Xhome (2)	Mort >=2Xhome (3)	Resp. retired (4)	Resp. not ret (5)	Affected a lot:no (6)	Affected a lot:yes (7)
Respondent characteristics							
Family affected a lot	0.028	0.035	0.010	0.081	0.015	0.042	0.017
	(2.16)	(2.32)	(0.38)	(2.01)	(1.03)	(2.25)	(0.63)
Households	2351	1634	717	474	2251	2125	902
Observations	6903	5034	1869	1025	5878	5257	1646
Received help	1489	1162	327	285	1204	1112	377
Did not receive	5414	3872	1542	740	4674	4145	1269
Mean received	0.22	0.23	0.17	0.28	0.20	0.21	0.23
(within) R-squared	0.0011	0.0016	0.0002	0.0070	0.0003	0.0020	0.0005

Source: Authors' calculation from RAND American Life Panel (ALP), Feb/Mar, 2009.

Figure 1a. Generational Flows of Private Transfers

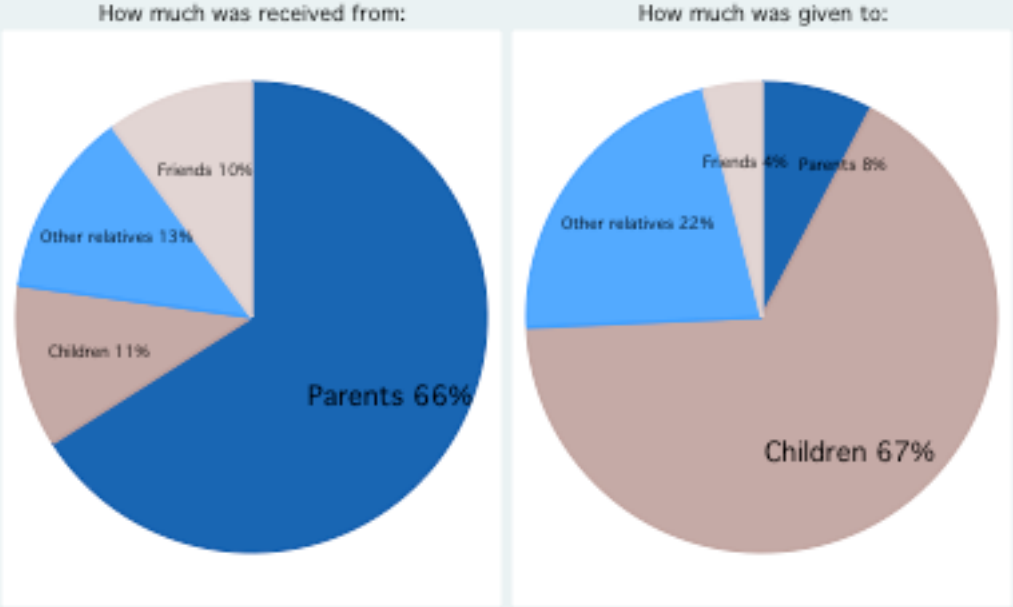
Transfers Given and Received, from HRS 2009



Source: Authors' calculations from HRS Internet Survey 2009.

Figure 1b. Generational Flows of Private Transfers

Transfers Received and Given



Source: Authors' calculations from RAND American Life Panel (ALP), February, 2009.

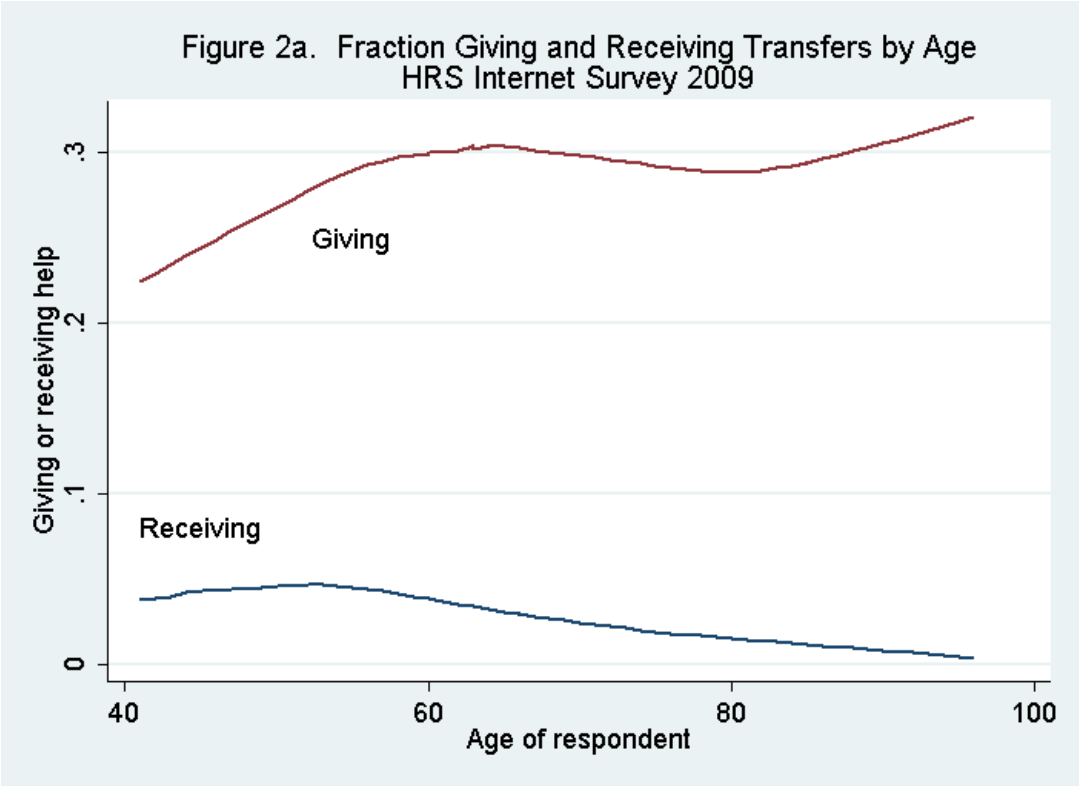


Figure 2a. Fraction Giving and Receiving Transfers by Age
HRS Internet Survey 2009
Giving or receiving help
0
.1
.2
.3
Giving
Receiving
40
60
80
100
Age of respondent

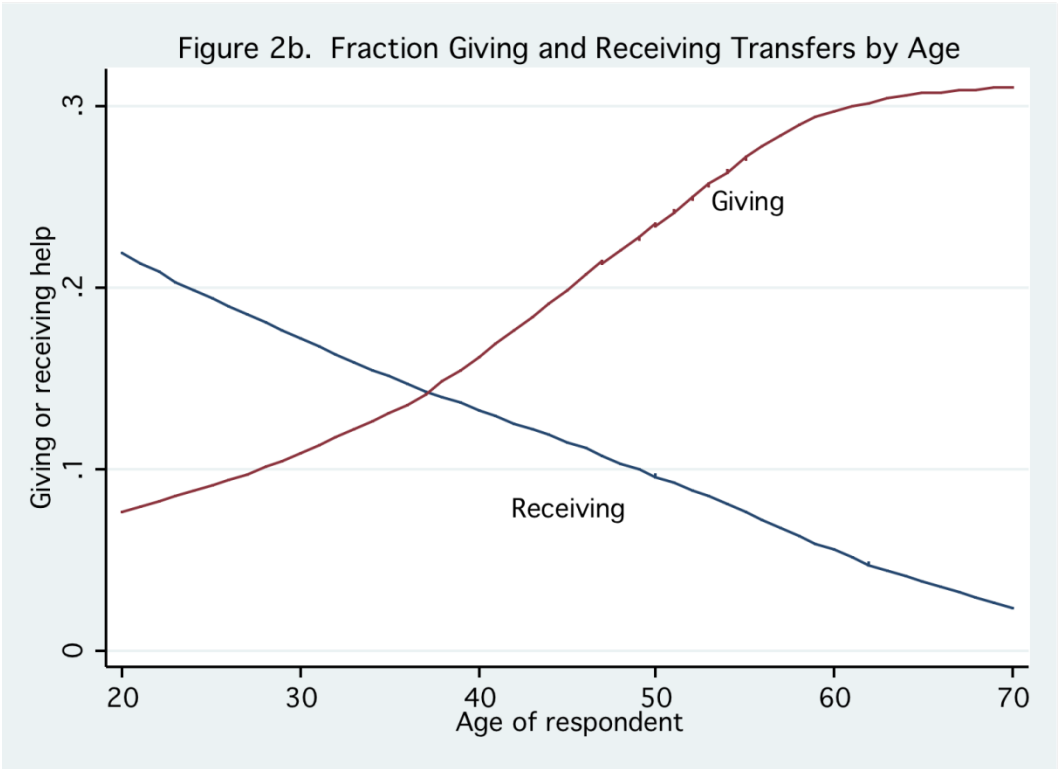


Figure 2b. Fraction Giving and Receiving Transfers by Age
Giving or receiving help
0
.1
.2
.3
Giving
Receiving
20
30
40
50
60
70
Age of respondent

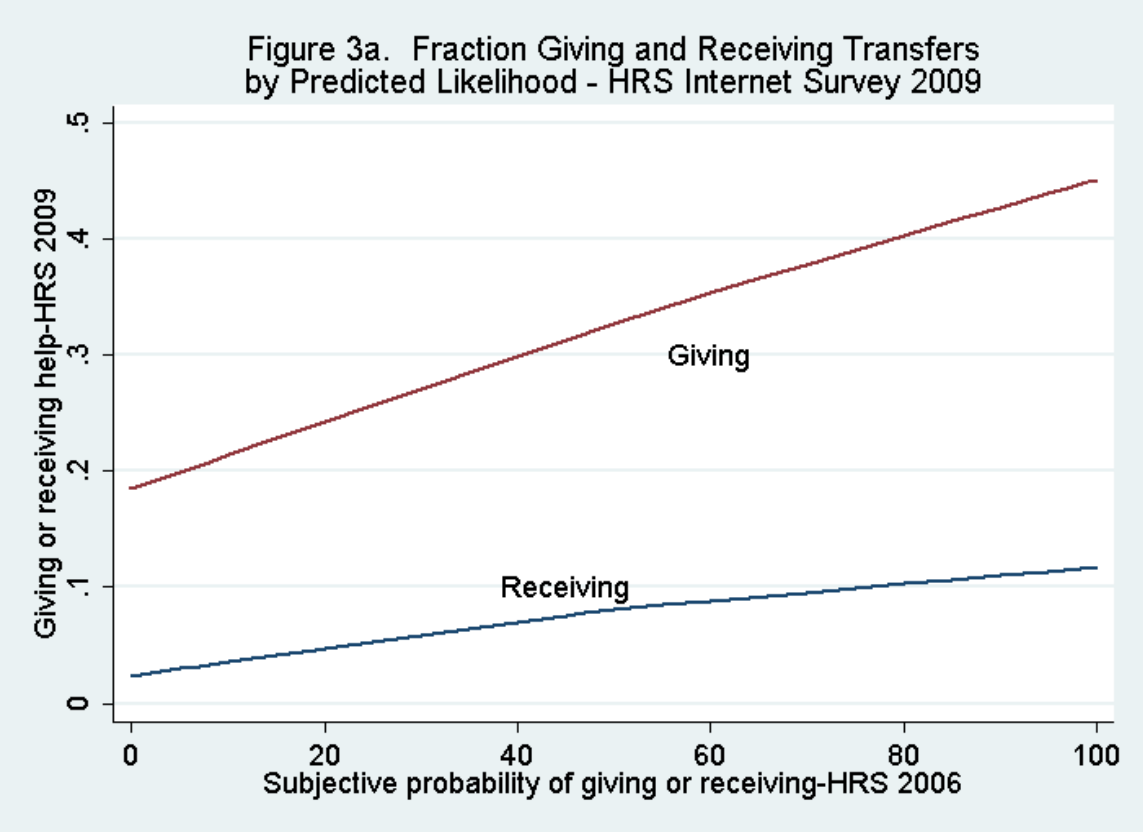


Figure 3a. Fraction Giving and Receiving Transfers
by Predicted Likelihood - HRS Internet Survey 2009
Giving or receiving help-HRS 2009
0
.1
.2
.3
.4
.5
Giving
Receiving
0
20
40
60
80
100
Subjective probability of giving or receiving-HRS 2006