Parents’ and Adult Children’s Reports of Intergenerational Transfers*

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Abstract

Using the Family Roster and Transfer Module of the 2013 PSID, this study evaluates the quality of survey questions that ask parents and adult children about the same transfer. This study has three objectives. First, it documents the discrepancies between parents’ and adult children’s reports of any short-term time and money transfers from parents to adult children as well as from adult children to parents. Second, it examines the reliability of survey questions that ask parents and adult children about the same transfer. Last, it investigates the extent to which parents’ and adult children’s needs and resources are associated with bias embedded in the reports and the actual transfer. A modified multiple-indicators-and-multiple-causes model will be used to analyze 4,060 parent-child dyads. A preliminary analysis suggests substantial discrepancies in parents’ and adult children’s reports. Givers of time and recipients of money appear to provide more reliable reports than their respective counterparts.
Parents’ and Adult Children’s Reports of Intergenerational Transfers

Parents and children share enduring ties. Many parents provide support to children even after children launch into adulthood, and adult children give assistance to aging parents when parents develop difficulties in everyday functioning. Intergenerational exchange is key to maintaining a stable society, and as such, it has stimulated much research interest across disciplines (Booth, Crouter, Bianchi, & Seltzer, 2008). Researchers typically rely on either parents or adult children to obtain information about intergenerational transfers (Bianchi, Evans, Hotz, McGarry, & Seltzer, 2007). Nevertheless, parents’ and adult children’s reports of transfers are likely to be compromised by their subjective bias. For instance, parents who are in a greater need of support may report receiving lower amounts of help from adult children than what adult children report giving, perhaps because parents have unmet needs or want to reduce their feeling of dependency.

A better approach to understand the transfers exchanged within families is to obtain information from both parties involved in exchanges. In a handful of studies that have collected information on intergenerational transfers from both parents and adult children, however, the focus has been on whether parents and adult children provide discrepant reports about the transfers and what covariates are associated with discord in the reports (Kim, Zarit, Eggebeen, Birditt, & Fingerman, 2011; Mandemakers & Dykstra, 2008; Shapiro, 2004). Less is known about to what extent parents’ and adult children’s reports reflect the actual transfers occurring between them. One study (Lin, 2008) attempted to address this limitation and found that mothers’ and daughters’ reports revealed different levels of accuracy. In addition, several covariates were related to intergenerational transfer, because they were associated not with actual transfer but with bias. Although this study provided a better understanding of the quality of survey questions measuring intergenerational transfers, it was limited to upward transfers from daughters to mothers.

This study will extend prior research to evaluate the quality of survey questions asking parents and adult children about transfers, not only from children to parents (upward transfers) but also from parents to children (downward transfers). Focusing on upward transfers, Lin (2008) found that questions about different types of upward transfers contained different degrees of bias, with questions about gifts containing the most bias and the question about household chores containing the least bias. The level of bias also varied depending on who provided the information about the transfers. Daughters tended to provide less reliable reports on transfers given to mothers than mothers’ reports of receiving from daughters. Moreover, reporting bias can distort the associations between covariates and the actual transfer. Lin (2008) found that given the same level of actual transfer, daughters whose mothers had poorer health and daughters who helped parents-in-law were more likely to report providing help to their mothers, suggesting that parents’ needs for help and adult children’s competing commitments contribute to bias in reports. When these covariates’ associations with bias were taken into account, their associations with the actual transfer disappeared.

Lin’s study did not examine downward transfer. Different types of downward transfer, however, are also likely to vary in their degrees of bias, and adult children’s needs and parents’ resources are likely to be correlated with reporting bias. That is, children with a greater need for
support may be reluctant to report receiving transfers from parents because it is indicative of their inability to launch into adulthood successfully. On the other hand, parents with fewer resources may overstate the incidence of downward transfer, because the amount of transfer may seem larger than it actually is when parents’ resources are scarce. Once the associations of these covariates with bias are considered, a different pattern of associations with the actual transfer may emerge.

Research design

Drawing on the 2013 Family Roster and Transfer Module from the Panel Study of Income Dynamic, this study will evaluate parents’ and adult children’s reports about two types of short-term downward and upward transfers (time and money). Because the amount of reported transfers in the past year are very skewed (a majority reported no transfer), the analysis will use dichotomous measures (1 = Yes, gave or received, 0 = No). Approximately 4,060 parent-child dyads can be identified in the early-released data.

A modified multiple-indicators-and-multiple-causes (MIMIC) model will be used to evaluate the quality of survey questions about intergenerational transfers. The MIMIC model consists of two components: a factor analysis and a regression analysis. The formulation of the factor analysis is based on classical test theory in the psychometric literature (McDonald, 1999; Nunnally & Bernstein, 1994). Specifically, classical test theory assumes that the variance of a scale item comes from two sources: (a) the common factor that an item shares with the rest of the other items (i.e., actual transfer) and (b) the factor that is unique to an item that is not shared with any other items (i.e., item bias). Parents’ and adult children’s reports on intergenerational transfers can be viewed as scale items measuring the same underlying construct. The factor analysis is used to distinguish among these two factors underlying the variation in parents’ and adult children’s reports. The regression analysis estimates two sets of regression paths linking covariates to the reported intergenerational transfers. The first set of paths links the covariates to each item, denoting the associations between covariates with variances in the reports that are not explained by the common factor. The second set of paths connects the covariates to the common factor, indicating the associations between covariates and the actual transfer, net of covariates’ association with bias.

The modified MIMIC model allows researchers to conduct the factor analysis and the regression analysis simultaneously. Factor loadings in the factor analysis indicate the reliability of items, because they measure how well observed items are correlated with a latent, theoretical construct of interest (Bohrnstedt, 1983). An item with a higher value in factor loading is considered a more reliable indicator of the common factor than an item with a lower value. Regression coefficients in the regression analysis will be used to identify which covariates are associated with the actual transfer only, bias only, and both the actual transfer and bias. A multiple group analysis will be conducted, one for downward transfer and the other for upward transfer.

Previous studies have shown that parents’ and adult children’s race and ethnicity, age, educational attainment, marital status, number of children, income, employment status, and health are predictive of parents’ and adult children’s discrepant reports of intergenerational transfers (Kim et al., 2011; Shapiro, 2004). This study will examine whether these covariates are
related to the actual transfer, bias, or both.

Preliminary findings

As shown in Table 1, there were substantial discrepancies in parents’ and adult children’s reports, and the discrepancy in reports of any *time* transfer was larger than the discrepancy in reports of any *money* transfer. Specifically, of the 4,060 parent-child dyads identified in the early release, 30% disagreed that they had given/received any *downward* time transfer and 28% disagreed that they had given/received any *downward* money transfer, whereas the numbers for any *upward* time and money transfers were 32% and 18%, respectively.

The preliminary modified MIMIC model results suggest that for *downward* transfer, parents provided more reliable reports of any *time* transfer, whereas adult children provided more reliable reports of any *money* transfer. In contrast, for *upward* transfer, adult children provided more reliable reports of any *time* transfer, whereas parents provided more reliable reports of any *money* transfer. In other words, givers of time and recipients of money appear to provide more reliable reports than their respective counterparts.

Next steps

We are currently refining the analysis by incorporating various covariates in the model. We also are in the process of applying the restricted data about parents’ and adult children’s residences at the county level, hoping to gauge parent-child proximity that is likely related to intergenerational exchanges and bias in report.

Scientific contributions

Social scientists have long been interested in understanding how intergenerational transfers take place within the family and how such transfers influence individuals’ well-being. Yet researchers often find divergent reports about the same transfer between family members (Roan, Hermelin, & Ofstedal, 1996; Rossi & Rossi, 1990), suggesting that some of the reports include not only information about actual transfers but also family members’ subjective bias toward the transfers. When reports on transfers are tainted with subjective bias, researchers cannot ascertain whether the associations found between covariates and transfers represent the true associations or the associations with bias. Using a modified MIMIC model to separate the actual transfer from bias in the reports, this study aims to identify measurement errors in questions asking about intergenerational transfers and examine whether the associations between covariates and transfers reflect the associations with the actual transfer, bias, or both. Findings from the study are expected to improve our understanding of the quality of survey questions about intergenerational transfers.
References


Table 1. Discrepancy in Parents’ and Adult Children’s Reports of Intergenerational Transfers (4,060 Parent-Child Dyads)

<table>
<thead>
<tr>
<th></th>
<th>Downward Transfer</th>
<th></th>
<th>Upward Transfer</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Time</td>
<td>Money</td>
<td>Time</td>
<td>Money</td>
</tr>
<tr>
<td></td>
<td>Parent Gives</td>
<td>Parent Gives</td>
<td>Parent Receives</td>
<td>Parent Receives</td>
</tr>
<tr>
<td>Child Receives</td>
<td>No</td>
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<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
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<td>Kappa</td>
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<td>0.82</td>
<td>Negative agreement</td>
<td>0.78</td>
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<tr>
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<td>0.49</td>
<td>0.44</td>
<td>Positive agreement</td>
<td>0.44</td>
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</tbody>
</table>

Kappa = 0.28
Negative agreement = 0.79
Positive agreement = 0.49

Kappa = 0.26
Negative agreement = 0.82
Positive agreement = 0.44

Kappa = 0.24
Negative agreement = 0.78
Positive agreement = 0.44

Kappa = 0.17
Negative agreement = 0.90
Positive agreement = 0.26