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What Explains Race and Ethnic Differences in Family Financial Transfers to Adult Children?

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Abstract

Research has shown that African-American and Latino families give less financial assistance to adult children than white families. So far, a clear explanation for this finding has not emerged. This paper reports new empirical evidence based on a systematic and detailed analysis of data from two waves of the Health and Retirement Study. A clear finding is that the net race and ethnic differences in financial assistance given to adult non-resident children are small or nonexistent once economic resources, education, family structure, and other characteristics are taken into account. For receipt of support, parental financial resources are influential for both groups, but family structure and parental education are also particularly significant for Latinos. For amount of support, parental wealth is the dominant determinant of differences for blacks, followed by parental income and health. To a considerable extent these factors more fully account for the race and ethnic differences in transfers than previous studies, casting doubt on explanations emphasizing differences in culture and behavioral practices. The small residual difference in amount of financial support between blacks and whites should be viewed in the context of the complex bundle of flows that comprise intergenerational support. An examination of support more broadly defined indicates higher levels of coresidence, extended family exchange, and proximity in black and Latino families, reflecting distinctive and successful long-established ways of living as well as responses to resource constraints.

Datasets used:

Health and Retirement Study (HRS): U.S., 1992 (wave-1), 1994 (wave-2)

INTRODUCTION

Financial assistance from parents to their young adult children is the most prevalent of all potential supports across generations, providing a direct means through which parents can transmit their wealth to children (Gale & Scholz 1991; Lillard & Willis 1997). Previous research has made clear that such assistance to children in the U.S. varies significantly along racial and ethnic lines, and that this variation *may* be due to differences in parental resources, needs of children, family structure, and cultural practices (Aytac & Waite 1992; Eggebeen & Hogan 1990; Hoyert 1990). However, few studies have systematically examined potential explanations for racial and ethnic differences in financial assistance to adult children (Jayakody 1998; Lee & Aytac 1998). Scholars have consistently hypothesized, but have not demonstrated, that race and ethnic differences in transfers to adult children result from the omission of some important control variables or from the predominance of other forms of support in Latino and African-American families. A clearer accounting for these persistent differences will help facilitate a better understanding of how disparities in transfers are generated as well as help discern the benefits of differing approaches to intergenerational assistance. Because financial assistance from parents is often crucial in enabling young adult children the opportunity to obtain higher education, purchase a home, and provide for young families of their own, it is important to understand what factors may be important in generating disparities in such opportunities.

In this paper we focus on *inter vivos* financial transfers, which are given while the parent is alive. We seek to reveal and quantify the sources of racial and ethnic differences in financial assistance to young adult children using recent and comprehensive panel data from the Health and Retirement Study. We also seek to evaluate financial assistance in the context of other important non-financial types of support.

Intergenerational assistance is a highly complex bundle of flows that can take many forms that can vary in quality as well as quantity and can involve both kin ties and non-kin ties. Despite the importance of intra-family financial transfers, it is important to keep this context in mind when making race and ethnic comparisons. Some earlier work suggests that African-American children benefit most from family support when it is considered broadly, but studies using more recent and comprehensive national data report that white children may be more likely than African-American children to receive not only economic assistance, but also advice and emotional support, baby-sitting and childcare services, and help around the house (Cooney & Uhlenberg 1992; Eggebeen 1992; Eggebeen & Hogan 1990; Goldscheider & Goldscheider 1991; Hoyert 1990; MacDonald 1990; Schoeni 1993). In terms of giving of financial assistance, research is consistent in finding that white adult children are more likely to receive and receive larger amounts of financial assistance than black or Latino children (Jayakody 1998; Lee & Aytac 1998). Rosenzweig and Wolpin (1993) find that white adult children receive, on average, twice the amount of assistance from parents as black adult children.

Previous research has considered a number of factors as potential confounders of the relationship between race-ethnicity and transfers, but none have been able to fully account for the difference in giving (Lee & Aytac 1998; McGarry & Schoeni 1995; Rosenzweig & Wolpin 1993). Both structural (resource-based) and behavioral (i.e. culture) reasons have been offered as potential explanations for differences in giving. Structural factors include resources like income and wealth of family members, proximity of extended family, family size, number of dependents, and availability of a spouse. Behavioral reasons suggest that culture may operate

differently for each group, observed by finding group differences in which (and how strongly) child and parent characteristics predict giving (Lee & Aytac 1998; Mutran 1985; Stack 1974).

The residual race and ethnic difference in giving net of controls has typically been labeled as reflecting behavioral differences or cultural preferences. Lee and Aytac's (1998) recent effort to assess the potential importance of behavioral versus resources differences suggests that behavioral variation may account for a more substantial proportion of the difference between African Americans and whites than structural factors.

This examination of the race-ethnic difference in giving extends previous research in four main ways. First, the nationally representative oversamples of the black and Latino populations in the Health and Retirement Study are sufficiently large for comparative investigation, a significant improvement given that much of the prior work examining intergenerational assistance in minority populations is based on samples containing only African-Americans or Latinos. Second, panel data help minimize endogeneity bias in multivariate models predicting assistance. Most prior studies that examine transfers are limited by the cross sectional nature of the data (Jayakody 1998; Lee & Aytac 1998). Rather than the predictor variables being measured at the same time period as the transfers, predictor variables in this study are measured prior to transfers, thus more closely reflecting the conditions under which parents made the decision to give support. Third, previous studies adjust for only a few of the potentially important parental and child factors that are correlated with race-ethnic status and predictive of financial transfers. We examine a broad set of potential confounders, including measures of the needs and resources of adult children and their parents, family structure, as well as factors that reflect a child's independence. The Health and Retirement Study (HRS) includes comprehensive information on parental wealth, a measure often omitted in previous investigations of racial and ethnic disparities in transfers. Fourth, empirical findings in earlier investigations are potentially biased by large amounts of missing data in measures of financial transfers (Soldo & Hill 1995). Care was taken both in the collection of the data and by the author in assembling the data to adjust for missing data via imputation procedures.

The analysis that follows is divided into three parts. First we quantify differences in both the receipt of support and amount of support using financial transfer measures from two waves of the Health and Retirement Study (HRS). Second, we apply multivariate models in an attempt to uncover explanations for the observed race and ethnic differences in the likelihood and amount of assistance. Low and high estimates of the explanatory power attributable to individual factors are reported. Third, we examine race and ethnic differences in other forms of support, including time, coresidence, and proximity.

DATA AND MEASURES

The Health and Retirement Study (HRS) is a nationally representative panel study of individuals born between January 1, 1931, and December 31, 1941 and their spouses or partners. The survey respondents are the parents of the child recipients, providing all the information about both the children and assistance provided. Extensive information about various types of transfers between these respondents, their parents, and their children was collected in interviews averaging one hour in length. HRS is an ideal data set for this study because pre-retirement-aged parents represent the most important sources of family support to their young adult children (Hill et al., 1993, Soldo & Hill, 1995).

Wave-1 and wave-2 were fielded in 1992 and 1994, collecting information on first 25,189 and then 22,537 adult children coming from 7,547 and 6,710 respondent households, respectively. In both waves most children live outside the household and are 18 and older, with a mean age of 29 in wave-1. Children are categorized as black or Latino if either parent identified themselves as such. The Latino oversample is primarily Mexican-American. Other racial-ethnic groups could not be examined due to insufficient data. The respective number of white, black, and Latino adult children (18 and over) with complete information for both waves is 13,920, 4,076, and 2,051; of which 11,974 (86.0%), 3,370 (82.7%), and 1,572 (76.6%) are non-resident children in wave-1.

Quantifying Race-Ethnic Differences in Financial Assistance to Adult Children

Conceptually, there are two pertinent aspects of race and ethnic difference in financial transfers to adult children: inequality in the receipt of support and inequality in the amount of support for those who receive.

Families with at least one living child, regardless of age or coresidence, were asked if any child had been given financial assistance totaling 500 dollars or more in the last 12 months. In wave-2 the threshold for this question was lowered to 100 dollars to address concern that the 500-dollar threshold excluded many transfers, particularly in low-income and minority families (Soldo & Hill 1995). Analyses in this paper focus on the wave-2 measure because it is more inclusive and enables estimation of longitudinal models. Financial assistance was defined to include “*support, gifts, or loans for specific expenses such as a down payment on a house or medical care or insurance as well as unrestricted contributions that might be used for any purpose including paying bills or living expenses.*” Costs of shared housing or food were excluded. Respondents who reported giving financial assistance were then routed into a sequence of questions asking which child or children had received assistance and how much was given to each. For married couples, the questions were administered to the female partner, based on the assumption that women are more knowledgeable about the children. Respondents who were unable to recall the amount of transfer were routed to a series of bracketing items. Responses to these bracketing questions were used to impute transfer amounts.¹

Table 1 reports transfers at the level of the individual adult child. It lists, separately for waves 1 and 2 and by the adult child’s coresidence status, the number of adult children, the number receiving, the proportion receiving, the mean amount of assistance and standard deviation for those receiving transfers, and two simple ratios measuring differences in the likelihood and amount of assistance (R_1 is the ratio of the proportion of black or Latino children receiving relative to the proportion of white children receiving; R_2 is the ratio of the mean amount of assistance received by black or Latino children relative to that of white children).

Both coresident and non-resident black and Latino adult children are substantially less likely than their white counterparts to receive a transfer; and among those that do, the amount received is less. The values for R_1 indicate that black and Latino children are about half as likely to receive as white children ($R_1=0.55$ and 0.48 for non-resident and 0.48 and 0.52 for coresident black and Latino children). In wave-2, with the threshold lowered from \$500 to \$100, the R_1 ratio increases slightly for blacks (from 0.55 to 0.71 for non-resident; from 0.48 to 0.69 for coresident) but remains about the same for Latinos (from 0.48 to 0.55 for non-resident; from 0.52 to 0.62 for coresident).

[Table 1 About Here]

Values of the R_2 ratio decrease for both black and Latino children going from wave-1 to wave-2, reflecting the greater predominance of transfers in the \$100-\$499 range among blacks and Latinos relative to whites. With the exception of coresident Latino adult children, the average amount of assistance for those receiving in wave-2 is smaller for all three groups. Table 1 also shows that children living at home are at least two times as likely to receive as children living away from home. Despite the substantial differences across white, black, and Latino families, it should be emphasized, however, that the vast majority of children in all three groups receive no financial assistance.

From this point forward, we limit the analytic focus to transfers to non-resident adult children because of the ambiguity of measuring transfers within a household. Though the HRS question did ask respondents to report assistance “excluding shared housing and food”, in-kind transfers must be given a dollar value in order to compare transfers across coresident and non-resident siblings. A parent may give less in the way of specific dollar transfers to a child living at home than to one living away from home, even if he or she is intending to help the two equally, because the child living at home derives a benefit from the in-kind transfer of food and shelter. The evaluation of such in-kind help is difficult, as is assigning a rental value for children living with their parents without more specific geographical information. Also, as a practical limitation, no income information was collected for adult children living at home.

Modeling Race-Ethnic Differences in Financial Transfers to Non-Resident Adult Children

Race and ethnic differences in the financial transfers that non-resident adult children receive are confounded by race and ethnic differences in other factors that influence a family’s ability and desire to give to adult children. Figure 1 demonstrates in an unrealistically simple way this multivariate relationship with a path diagram. The bivariate effect of race and ethnicity (black and Latino = 1 vs. white=0), shown as A^* in figure 1a, is the total effect. This total effect is decomposed in figure 1b into a direct effect (A) and an indirect effect through covariate Z (paths C and B). Race and ethnic status is causally prior to potential covariates (Z) so that Z represents all possible mediating variables between X and Y. In this simple setup, we are interested in the relative importance of the indirect effect of X on Y through Z. When the indirect effect constitutes a large part of the total effect of X on Y, we attain a good understanding of how the total effect of X on Y operates. In this context, we say that Z “explains” the effect of X. Covariate Z mediates race and ethnic differences in financial transfers only when both of the following conditions are met:

Condition 1: Z affects financial transfers in one direction.

Condition 2: Z is affected by race-ethnicity in the opposite direction (Black and Latino are dichotomous indicator variables coded as 1, whites are the reference group).

In figure 1b, for example, Z has a positive effect on Y and is affected negatively by X. Covariates that have a negative effect on Y but are positively affected by X also would mediate

the negative total effect of X on Y. We do not assume that African American and Latino identification influence all covariates (Z) in the same way.

[Figure 1 About Here]

The Model

Two models are estimated to determine the direct effect of race and ethnicity on transfers, one predicting the receipt of financial assistance and the other predicting the (log) amount of financial assistance using Heckman’s (1979) method of adjusting for sample-selection bias into transfers. The unit of analysis is the child-parent dyad.²

The estimated coefficients for receipt of assistance, α_{black} and α_{Latino} are determined with the following logistic equation,

$$MTC = \begin{cases} 1 & \text{if } \mathbf{a}'_{mtc}\mathbf{x} + v_{mtc} > 0 \\ 0 & \text{otherwise} \end{cases}$$

where MTC (money to child) is a dichotomous indicator for whether the non-resident child received assistance, α'_{mtc} is a vector of estimated coefficients corresponding to a vector \mathbf{x} of child and parent characteristics, and v_{mtc} is a vector of residual errors with a standard normal distribution.³

Conditional on a transfer being made, the (natural log) amount of financial assistance to a child, $\ln A_{mtc}$, is estimated with the following equation,

$$\ln A_{mtc} = \mathbf{b}'_{mtc}\mathbf{x} + m_{mtc}$$

where \mathbf{b}'_{mtc} is a vector of estimated coefficients corresponding to the vector \mathbf{x} of covariates, and m_{mtc} is an error term characterized by an independently and identically distributed random variable with mean zero and variance \mathbf{s}^2_m . Because the residual in the “any transfer” equation may be correlated with the residual in the “amount” equation, ignoring self-selection can lead to biased estimates in the amount equation. To adjust for this potential self-selection into positive transfers, amount models include as a covariate the correlation between the family’s propensity to give and its amount of giving (Heckman 1979). A positive correlation indicates that families who are more likely to give also give larger amounts.

We report estimates from Heckman’s sampling selection model over other alternative model specifications, such as OLS (ordinary least squares) and Tobit for several reasons. OLS estimation, such as those presented by Lawton (1991) and McGarry and Schoeni (1995), introduces a potential bias by excluding non-recipients (those who did not receive from parents). That is, OLS estimates are biased to the extent that the subsample of recipients is not randomly distributed with respect to characteristics influencing the likelihood of receiving assistance. Several previous studies examining transfers have used the tobit model (Altonji, Hayashi, & Kotlikoff 1992; Cox 1987; Cox & Rank 1992; Cox & Raines 1985; Jayakody 1998; Schoeni 1993). However, the tobit model (a one-equation model) presumes that the selection mechanism is the same for both the incidence and amount equations. This may not be true. Given that other non-financial forms of support may be more prevalent competing options in black and Latino families, there may be cultural differences in the factors that generate whether financial support is given. Once support is given, a different set of factors, perhaps

more tied to financial resources, may be more important in determining the amount of financial assistance. For these reasons, we report the estimates using Heckman's specification, though substantive findings from OLS and tobit results are largely similar.

Identifying Explanatory Variables that May Account for the Differences

To account for the race and ethnic difference in giving, we seek to control for covariates that mediate the race and ethnic differences in financial transfers to non-resident adult children. Such variables must satisfy conditions 1 *and* 2 described earlier. Table 2 reports sample means for each group and assists in identifying potential explanatory variables by reporting estimated coefficients from logistic regression models predicting receipt of support, including only race-ethnic status as a control variable. Independent variables in these models represent an array of child and parent characteristics identified as predictive of financial transfers to adult children.

Child characteristics likely to influence whether and how much financial assistance is received include income, age, gender, marital status, parental status, education, work status, current school enrollment, and proximity to parents.⁴ Parental or family level characteristics likely to impact financial assistance given to non-resident children are age, race, education, income, marital status, and health.⁵ Other covariates reflect potential competing interests for financial resources: the number of family members living in the respondent's household, total number of children, and whether parents are still alive or residing near by. The rationale for including these factors is that parents may offer less help to non-resident children if they have living parents or other children to assist, or they may offer less assistance if grandparents are transferring resources to children (Soldo & Hill 1993). Models were also estimated including whether any child in the family receives time or coresident support. Time support refers to whether the respondent helps with any grandchildren while coresident support indicates whether any child lives in the household.

The results reported in Table 2 suggest that only some of the covariates are potential candidates for explaining race and ethnic differences in giving. Of the child characteristics, only education and single parent status satisfy the criteria imposed by condition 1 and 2. The coefficient for education shows that children with higher education are more likely to receive (positive). Single parent children are less likely to receive (negative). The distributions of means indicate that black and Latino adult non-resident children tend to be less educated (negative) and more likely to be single parents (positive) than their white counterparts (difference significant only for blacks). Translating these relationships to the path model suggested by figure 1, we see that both conditions 1 *and* 2 are satisfied because the relationship between race-ethnicity (black and Latino=1 vs. whites=0 reference group) and education and single parent status is in the *opposite* direction to receipt of transfers for these covariates. Hence, child's education and single parent status are good potential candidates for accounting for race and ethnic differences in giving.

The remaining child variables do not satisfy both conditions. Child's income, age, and stepchild status are significant and negatively correlated with the receipt of assistance (negative relationship), but examining the sample means for blacks, Latinos, and whites for these child characteristics shows that the relationship is in the *same*, NOT the *opposite*, direction as condition 2 requires for them to be potentially important in accounting for differences in giving. Being a black or Latino child is also negatively correlated with income and stepchild

status (negative). Furthermore, there is no relationship for age because the age distribution for children in the sample does not vary across the groups.

Several parental characteristics, including income, wealth, education, marital status, number of living parents, health, and number of children, meet both conditions 1 and 2. Condition 1 is satisfied because the estimated coefficients for each of these covariates significantly influence the receipt of assistance. Condition 2 is satisfied for these parental characteristics because each of them is affected by race-ethnicity in the opposite direction as determined from inspection of the distributions of means across each variable's categories. In the language of path analysis suggested by figure 1, being a black or Latino parent is correlated with having less income, wealth, education, poorer health, and a lower likelihood of being married and having living parents (negative relationship). Likewise, being black or Latino increases the average number of children and the likelihood of being widowed (positive relationship).

This informal review of which child and parent characteristics may best account for the differences in giving has resulted in the exclusion of most non-resident child characteristics and inclusion of some parental characteristics as good candidates. Subsequent multivariate models control for the following chosen variables: child's education and single parent status, parent's income, marital status, wealth, education, health, disability status, and the number of children.

FINDINGS

Multivariate Results: Accounting for Race and Ethnic Differences in Giving

The main findings from the multivariate analysis are summarized in Table 3. Six model specifications are presented in hierarchical order for both the "any" and "amount" equations, with a lower-numbered specification nested within a higher-numbered specification. First we interpret the logistic coefficients α_{black} and α_{Latino} (and associated odds) predicting receipt of support in the top portion of Table 3. The simplest specification is Model 1, which includes only the effects for race and ethnicity. Black and Latino non-resident children have 33 and 50 percent lower odds of receiving than white non-resident children, respectively. Model 2 adds controls for parental income and net worth. Addition of these variables eliminates differences in receipt of support for blacks, but Latino children remain less likely to receive (having 22 percent lower odds of receiving than whites). The difference in the model χ^2 between nested models 1 and 2 is distributed as χ^2 with degrees of freedom equal to the number of additional parameters in the less restrictive model.⁶ In this case, the addition of 8 (10-2) covariates significantly improves the explanatory power of the model ($\Delta\chi^2 = 759 - 130 = 633$; p-value < 0.0001). The significant improvement in goodness-of-fit is also indicated by much higher values of pseudo- R^2 in Model 2 than in Model 1, with pseudo- R^2 defined as the absolute value of

$$1 - e^{-\text{model } \chi^2 / N}$$

where N denotes the sample size (Long 1997: 105). Model 3 adds the number of children, parent's marital status, and number of living grandparents. These variables are included as a block because they collectively describe extended family structure as well as the potential

competing interests for financial resources. The addition of these covariates strongly influences financial assistance for Latinos, with a significant improvement in goodness-of-fit over Model 2. The change in χ^2 between Models 3 and 2 is 561 (1,320-759) for 8 degrees of freedom. The addition of these factors reduces α_{Latino} to a non-significant level ($\alpha_{\text{Latino}} = -0.11$). The corresponding increase in pseudo- R^2 from Model 2 to Model 3 is similarly impressive (from 4.3 to 7.6 percent). Model 4 adds parent's education. The χ^2 criterion suggests that parent's education is a significant predictor of the receipt of assistance, though the size of α_{black} and α_{Latino} does not change with its addition to the model. The increase in pseudo- R^2 is small but significant, rising from 7.6 to 8.2 percent. Model 5 adds measures of parental self-rated health and disability status. The addition of these two factors marginally improves the model fit. Finally, Model 6 adds measures of the non-resident child's education and single parents status, increasing pseudo- R^2 from 8.3 to 10.2 percent.

The characteristics that most influence race and ethnic differences in the dollar amount of transfers may vary considerably from those that most influence differences in receipt of support. Once the decision is made of whether to give to a particular child, financial resources may be more influential in determining the dollar value of the assistance. The above results for receipt of support suggest that financial resources, as well as family structure constraints for Latinos, are important determinants of differences in whether to give assistance. The results presented in the bottom portion of Table 3 investigate the determinants of race and ethnic differences in amount of support.

The β_{black} and β_{Latino} coefficient estimates in the amount equation for model 1 suggest that black non-resident children receive 50 percent fewer dollars than their white counterparts while Latino children are not statistically different from whites in the absence of any control variables. Coefficients are interpreted as percent change in the amount of transfers per unit change in the independent variable given that the dependent variable is logged amount of transfers. These percentage differences can be related to dollar values in Table 1, where white, black, and Latino non-resident adult children receive in wave-2 average amounts of \$2,750, \$1,415, and \$1,816, respectively. The finding in Table 3 of parity for Latino children with whites in amount of support is because the log transformation reduces the influence of the disproportionately greater number of very large gifts to white children. The addition of parental income and wealth in model 2 reduces the difference for black children to receiving 32 percent fewer dollars than white children (a 35% reduction). Significant improvement in the goodness-of-fit is indicated by the improvement in χ^2 between Models 1 and 2 ($\Delta\chi^2 = 201-55 = 146$; p-value < 0.0001). The addition of covariates in Models 3, 4, and 5 improves the fit of the model but reduces β_{black} by just 10 percent (β_{black} declines from -0.33 in model 3 to -0.29 in model 5). The addition of child's education and parenthood-marital status in model 6 reduces β_{black} by 30 percent to -0.22 , interpreted as black non-resident children receiving 22 percent fewer dollars, on average, than their white counterparts. This is equivalent to blacks receiving about \$2,150 versus whites receiving \$2,750. As an exercise we found that adding all the remaining control variables listed in Table 2 reduces β_{black} just 10 percent further to -0.20 (not shown). In sum, the variables in models 1 through 6 account for about 60 percent of the difference in amount of support given to black and white non-resident adult children.

[Table 3 About Here]

The introduction of control variables significantly reduces the net race and ethnic differences in financial assistance for both blacks and Latinos. The reduction in the difference is to non-significant levels for receipt of support and also substantial for amount of support. The unequal distribution of these covariates by race and ethnicity helps account for the estimated differences in support, but to a varying extent for blacks and Latinos. For blacks, parent's income and net worth account for the entire difference in receipt (α_{black} changes from -0.40 to 0.02 ; or, from being 33 percent less likely than whites to receive to a non-significant difference) and about 40 percent of the difference in amount of assistance (β_{black} changes from -0.50 to -0.32 ; or from receiving 50 to 32 percent fewer dollars in assistance). Parent's income and net worth accounts for less of the difference for Latinos, but still more than one-half the difference in receipt (α_{Latino} changes from -0.69 to -0.25 ; or from being 50 to 22 percent less likely to receive than white counterparts). The addition of family size and structure (Model 2) reduces β_{Latino} from a significant -0.25 to an insignificant -0.11 in the receipt equation. For blacks, the additional adjustment for family size and structure (Model 3), parent's education (Model 4), and parent's health and disability status (Model 5) combined are just one-third as important as child's education and parent-marital status (Model 6: β_{black} changes from -0.29 to -0.22). The next section more systematically examines the relative explanatory power of these variables.

Collectively, the introduction of these control variables reduces the net race and ethnic differences in financial assistance substantially more than previous studies. Lee and Aytac (1998), using cross sectional data from the National Survey of Families and Households (NSFH), find that family structure, income, and education of both the child recipient and parent donor account for about one-third of the difference in net receipt of support for blacks and one-half for Latinos. Rosenzweig and Wolpin (1993) examine support to young adult men, reporting that African American sons are 60 percent less likely to receive a transfer from parents after adjusting for education, income, marital status, and work status of the parents and the son as well as the child's school enrollment. Jayakody (1998), using cross-sectional data from the 1998 wave of the Panel Study of Income Dynamics (PSID), finds that black children remain significantly less likely than white children to receive (approximately 19 percent) and also receive substantially less (733 dollars on average) in a multivariate model controlling for a variety of demographic characteristics representing the needs of children and resources of parents. McGarry and Schoeni (1995), using wave-1 data from the Health and Retirement Study, report that black children remain 20 percent less likely than white children to receive after controlling for child and parental characteristics. None of these previous studies managed to account fully for the race and ethnic differences in transfers.

Decomposition of Explanatory Power

Observing how much α_{black} , α_{Latino} , β_{black} , and β_{Latino} change when a particular model is compared to the baseline model (Model 1) assesses the extent to which explanatory variables included in a model "explain" raw bivariate race-ethnic differences. While this method gauges the explanatory power of a model, it cannot decompose the explanatory power attributed to individual factors in the model. The reason for this is that the explanatory factors are correlated

with each other. How much the coefficient of race-ethnicity (α or β) is changed by the inclusion of a particular factor depends on what other variables are included in the model.

The six hierarchical models in Table 3 are ordered so that a higher-numbered model necessarily includes the variables present in a lower-numbered model. This is an effective way to determine the *additional* explanatory power of the variables being added in a higher-numbered model and their influence on the race-ethnic coefficient. However, this strategy does not reveal much about the unique explanatory power of individual factors. That is, we know the collective explanatory power of the control variables included in Models 2 through 6 in accounting for race-ethnic differences in financial transfers, but we do not know their relative importance. It is desirable to decompose the total explanatory power into components uniquely due to the different factors.

It is not possible to establish the “pure” explanatory power of the individual factors, but it is illustrative to demonstrate how the inclusion or exclusion of a factor affects the coefficients under certain conditions. We decompose the influence of individual factors using a strategy introduced by Xie and Shauman (1998). Results in Table 4 focus on the changes in α and β under two starkly different situations, inferring information about the explanatory power of each individual factor by observing how sensitive these coefficients are in these two situations. The first measure of explanatory power is based on the *decrease* in coefficients α and β after an explanatory factor is taken out of the full model (Model 6). Define D_1 as (omitting the black or Latino subscript): $D_1 = (\alpha^6 - \alpha^{6-k})$ and $(\beta^6 - \beta^{6-k})$, where α^6 and β^6 denotes the race-ethnicity coefficient for Model 6, and α^{6-k} (and β^{6-k}) denotes the race-ethnicity coefficient for the model in which the k^{th} factor is excluded from Model 6. Results in Table 3 show that the cumulative addition of controls in Model’s 2-6 generally *increases* the coefficients from negative and significant to close to zero and insignificant. If a particular factor contributes additional explanatory power in the presence of all other variables, we expect D_1 to be greater than 0 because the coefficient of β^6 and α^6 are larger (closer to zero) than the coefficient of α^{6-k} and β^{6-k} (more negative). A negative D_1 means that a particular factor does not appear to account for the race and ethnic difference in the presence of other control variables. If the explanatory power of Model 6 were entirely due to this factor, α^{6-k} or β^{6-k} would be the same as α^1 or β^1 , the race-ethnicity coefficient for the bivariate model (Model 1), and D_1 would be $(\alpha^6 - \alpha^{6-k})$ or $(\beta^6 - \beta^{6-k})$.

[Table 4 About Here]

The second measure is based on the *increase* in α and β after an explanatory factor is added to the bivariate baseline model (again omitting the subscript for race-ethnicity): $D_2 = (\alpha^{1+k} - \alpha^1)$ and $(\beta^{1+k} - \beta^1)$. In our data, the α^{1+k} and β^{1+k} coefficient is estimated to be greater than α^1 and β^1 (most negative) but less than α^6 and β^6 (closest to zero). This means that D_2 potentially varies between zero when factor k has no explanatory power and $(\alpha^6 - \alpha^1)$ or $(\beta^6 - \beta^1)$ when factor k has the maximum explanatory power. Hence, for a well-behaved explanatory factor k , both D_1 and D_2 should vary somewhere between 0 and $(\alpha^6 - \alpha^1)$ or $(\beta^6 - \beta^1)$.

β^1). In general, the D_1 measure tends to be conservative whereas the D_2 measure tends to be liberal. For this reason, D_1 is labeled the “low” and D_2 the “high” method.

Several findings emerge from an examination of Table 4. First, most of the factors have wide ranges of explanatory power, usually including zero. The negative estimates reflect the joint explanatory power among different factors. The inclusion of zero in the range between the “low” D_1 and the “high” D_2 makes decomposition of explanatory power more ambiguous.

Focusing first on the “receipt of support” results, the high estimates in order of importance for blacks are parental wealth (0.34/0.42 = 81% of $\alpha^6 - \alpha^1$) and income (0.31, or 74%), followed by education (0.20, or 47%), number of children (0.18, or 43%), and parent’s health (0.13, or 32%). For Latinos, the high estimates in order of importance are parental education (0.38/0.62 = 61% of $\alpha^6 - \alpha^1$) and income (0.37, or 60%), followed by parental wealth (0.27, or 44%), number of children (0.22, or 35%), and health (0.16, or 26%). The high estimates of parental income and wealth for both blacks and Latinos suggests the central role that financial constraints of the donor parent play in producing differences in giving. However, important differences emerge with the impact of parental education, with it being more important than income or wealth for Latinos. This suggests that, despite the availability of financial resources, higher education among Latino parents is more influential in shifting family support preferences from in-kind and coresidence help to financial assistance.

Assessing the relative importance of these factors in accounting for the amount of transfers finds that income and wealth, as well as parental education for Latinos, produces the largest changes in β . The high estimates for blacks in order of importance are wealth (0.16, or 58%), child’s single parent status (0.10, or 34%), and parental income and health (both at 0.06, or 21%). The results for Latinos are largely irrelevant because, as discussed above, there are no statistically significant differences in amount of support between Latinos and whites.

Family Patterns of Coresidence, Time, and Financial Support

A clear finding is that the net race and ethnic differences in financial assistance given to adult non-resident children are small or nonexistent once economic resources, education, family structure, and other characteristics are taken into account. Despite this disappearing difference net of controls, we cannot ignore the large absolute differences in financial assistance given to adult children. Largely accounting for the race and ethnic differences does not address the following question: Are black and Latino children simply less supported or do other forms of support besides financial assistance, such as coresidence, time, and proximity (potential for support), represent compensatory ways that black and Latino families make up for having fewer economic resources and larger families? Financial help may not be the most valuable type of help, and it may be that many wealthy families use financial help to compensate for not providing other forms of support that could be more beneficial for their children.

Prior research gives mixed evidence for race and ethnic differences in these other forms of support. Some evidence suggests that black and Latino families compensate for their lower financial support to adult children through greater in-kind help, coresidence support, and proximity of extended family (Aschenbrenner 1973; Martin & Martin 1978; McAdoo 1993; Stack 1974). Work by Silverstein and Waite (1993) also supports this, finding that African-Americans are more involved in family support networks, exchanging affective, instrumental,

and hands-on care at higher rates than whites. Other more recent work, however, suggests that white families are more involved in offering to children advice and emotional support, baby-sitting and childcare services, and help around the house (Cooney and Uhlenberg 1992; Eggebeen 1992; Eggebeen and Hogan 1990; Goldscheider and Goldscheider 1991; Hoyert 1990; MacDonald 1990; Schoeni 1993).

We use additional information contained in HRS about other types of support in hope of shedding some light on this question. Only coresidence and financial transfer information is available at the child-level in HRS. Proximity measured as living within 10 miles, which can also be thought of as reflecting potential for support, is also available for each child. Table 5a presents child-level configurations of money, coresidence, and proximity. These results show that black and Latino adult children are significantly more likely than white adult children to benefit from proximity and coresidence, but less likely to benefit from money support.

[Table 5a About Here]

Table 5b reports family-level configurations of support, adding an indicator for whether parents reported giving time assistance to help with grandchildren. These family-level results show black and Latino families are more involved with coresidence help and combinations of coresidence and time help, but less involved in the exclusive giving of time help.

[Table 5b About Here]

Overall, Table 5a and 5b suggest that coresidence help and the potential for help measured by proximity may be important means in black and Latino families that works to counteract lower levels of financial assistance. HRS lacks measures of support from other relatives and non-relatives, a type of support believed to be more prominent in African-American and Latino families. However, the greater proximity to parents is suggestive that black and Latino adult children may have more contact with extended family who are more likely to be living in the area.

Though black and Latino families are considerably more likely to share their residence with their adult children, it is unclear whether these non-monetary forms of family and non-family support sufficiently counteract racial-ethnic differences in financial resources. Future work examining how white, black, and Latino families support their children should more completely examine money, time, coresidence, and proximity support at the child-level and over time to better understand family motives and whether some children benefit more or less when all these supports are considered together. Furthermore, future work examining racial and ethnic differences will benefit from considering emotional support and community support as part of a full picture of support.

CONCLUSION

In this study, we reaffirm the importance of structural sources as major factors shaping race and ethnic differences in financial help to adult non-resident children. African American and Latino families have substantially fewer financial resources to distribute and have larger families to distribute them to. Our study confirms what other studies have reported by finding

these factors to be important. However, this study diverges from previous findings in three ways.

First, we have for the first time successfully identified differences between black, Latino, and white families in personal characteristics, family structure, and financial resources that largely account for lower levels of financial transfers to adult children in black and Latino families. The net differences between blacks, Latinos, and whites in the incidence of financial transfers are negligible. The small net differences in amount of support between blacks and whites are considerably smaller than what previous studies have found.

Second, the absence of any significant residual difference suggests that structural resources are substantially more important than behavioral practices, a finding that is contrary to what some others have suggested (Lee and Aytac 1998). Further addressing the small but significant residual differences between whites and blacks, results from a standardization analysis (not shown) reinforce that behavioral practices are not nearly as influential as structural factors--substituting sample means and estimated multivariate coefficients for each group finds that both the likelihood of receiving and amount of financial transfers for African Americans increases substantially more if they had the same sample characteristics (i.e. the same sample means) rather than the same behavioral patterns (i.e., the same coefficients) as whites; The respective increases in probability are 47% (substituting white means) vs. 29% (substituting white coefficients) for receipt of support and the respective increases in the predicted logged transfer amounts are 0.34 (white means) vs. 0.02 (white coefficients) for the amount of support. Using the average wave-2 transfer amount of \$1,415 for non-resident black children, these predicted changes would raise this to \$1,988 (substituting white means) and \$1,443 (substituting white coefficients), respectively.

Third, our examination of race and ethnic differences in time, coresidence, and proximity support suggests that black and Latino families potentially benefit more than whites from sharing residences and proximity. What the entire picture is regarding different forms of assistance and how they translate to benefits for the different race and ethnic groups are topics clearly meriting further research.

While this longitudinal investigation advances the inquiry into race and ethnic differences in financial assistance to adult children, reasons behind structural differences by race and ethnicity loom as important issues still to be addressed. Wide racial disparities in income, and especially wealth, appear to be fundamentally important in shaping and maintaining disparities in the intergenerational transmission of resources. Indeed, these larger questions about the persistence of race and ethnic differences in such basic characteristics will undoubtedly continue to occupy much of the effort of social scientists in the future. In the face of these persistent disparities, policy makers today can do something about compensating for possibilities of unmet needs for blacks and Latinos by supporting public policies that facilitate low-interest loans. We do not necessarily have to encourage identical family obligations by race and ethnicity but there should be some public concern about facilitating equal opportunities when there appear to be disparities in the opportunities.

NOTES

¹ The author used a hot-deck imputation method based on bracketed responses (<500, 500-1000, <5000, >1000, >500 dollars). These imputed data are not yet available in the wave-2 public release of HRS, but the author can provide further details of this data and the imputation procedures upon request. See Freedman and Wolf (1995) for an excellent discussion of imputation methods.

² Robust standard errors were obtained that adjust for clustering at the household level. The Huber(1967)–White(1980) adjusted standard errors specifies that observations be independent across groups but not necessarily independent within groups.

³ Heckman’s sample selection model estimates a probit as a first stage model, but we present the substantively equivalent logistic estimates for receipt of support because of the ease of interpretation.

⁴ Non-response rates were low for all the items describing the respondent’s children except reports of child’s income, for which imputed income brackets were substituted. This item asked respondents to categorize a child’s income into three broad ranges (less than \$10,000, \$10,000-\$25,000, more than \$25,000). About 20 percent of the respondents were unable to give the income range for one or more children (Soldo and Hill 1995). About 8 percent of children used in the analysis sample were younger than 18 in wave-1 but 18 or older in wave-2, so we have no wave-1 income information for them but do have wave-2 transfer information. In order to include the transfers that these children receive in wave-2, their wave-2 income measure was used.

⁵ Age, race, and education are of the male partner in a couple; income and net worth are household level measures; number of living parents is for both respondents in a couple. Self-rated health is represented with two dichotomous indicators--one set equal to one if health of either spouse is reported to be fair or poor; the other set equal to one when both spouses have very good or excellent health.

⁶ The model χ^2 compares the fit of the current model relative to that of the null model: Model $\chi^2 = -2\log L_0 - (-2 \log L_c)$, where $L_0 = -8,597$ for the “receipt” equation and $L_0 = -13,212$ for the “amount” equation.

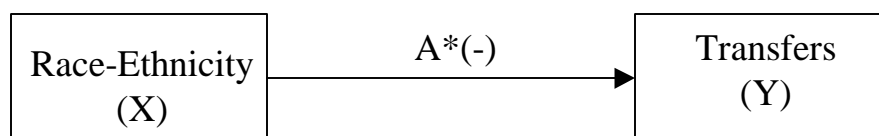
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Figure 1. Illustration of Bivariate and Multivariate Models of the Relationship between Race-Ethnicity and Financial Transfers to Adult Children.

a. Bivariate effect of race-ethnicity on financial transfers



b. Multivariate effect of race-ethnicity on financial transfers

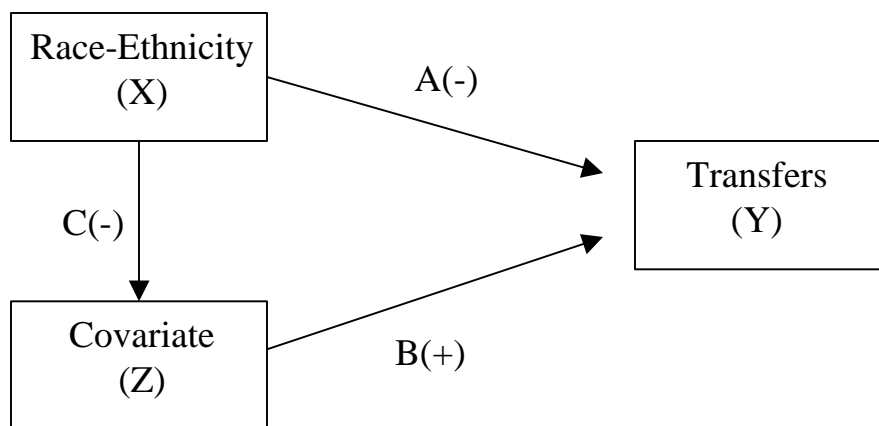


Table 1. Financial Transfers to Adult Children, By Race, Ethnicity, and Residency Status ¹

<i>Wave-1: Threshold of \$500 or more</i>							
	<i>Number of Adult children</i>	<i>Number receiving</i>	<i>Proportion receiving</i>	<i>R₁</i>	<i>Mean Amount ²</i>	<i>Standard Deviation</i>	<i>R₂</i>
<i>Non-resident</i>							
<i>White</i>	11,972	1,905	0.16	1.00	\$ 2,956	\$ 5,299	1.00
<i>Black</i>	3,370	293	0.09	0.55	\$ 1,832	\$ 3,693	0.62
<i>Latino</i>	1,572	121	0.08	0.48	\$ 2,626	\$ 4,663	0.89
<i>Coresident</i>							
<i>White</i>	1,948	725	0.37	1.00	\$ 4,737	\$ 5,766	1.00
<i>Black</i>	706	126	0.18	0.48	\$ 2,673	\$ 4,231	0.56
<i>Latino</i>	479	92	0.19	0.52	\$ 2,634	\$ 4,499	0.56
<i>Wave-2: Threshold of \$100 or more</i>							
	<i>Number of Adult children</i>	<i>Number receiving</i>	<i>Proportion receiving</i>	<i>R₁</i>	<i>Mean Amount ²</i>	<i>Standard Deviation</i>	<i>R₂</i>
<i>Non-resident</i>							
<i>White</i>	12,715	2,543	0.20	1.00	\$ 2,750	\$ 5,345	1.00
<i>Black</i>	3,532	505	0.14	0.71	\$ 1,415	\$ 3,223	0.51
<i>Latino</i>	1,749	192	0.11	0.55	\$ 1,816	\$ 3,596	0.66
<i>Coresident</i>							
<i>White</i>	1,443	522	0.36	1.00	\$ 3,174	\$ 4,951	1.00
<i>Black</i>	610	152	0.25	0.69	\$ 1,631	\$ 2,691	0.51
<i>Latino</i>	416	93	0.22	0.62	\$ 2,840	\$ 4,536	0.89

Notes: ¹ Children are age 18 or older. ² Mean Amount given in the last 12 months; reported mean is conditional on receiving a transfer. R₁ is the ratio of the proportion of black and Latino children receiving relative to the proportion of white children receiving. R₂ is the ratio of the mean amount of assistance given to black and Latino children relative to that of whites.

Table 2. Characteristics of Non-Resident Child-Parent Dyads and Their Estimated Coefficients from Bivariate Logistic Regression Models by Income and Ethnicity.

Variable	Sample Means			Parameter Estimates		Sample Means		
	Whites	Blacks	Latinos	Receipt of Support		Whites	Blacks	
				<i>b</i>	S.E.			
Child Characteristics:								
Income < \$10,000	0.13	0.33	0.29	0.11 *	(0.05)	Income: Lowest 20%	0.15	0.37
Income \$10,000-25000 (omitted)	0.32	0.37	0.37	--	--	2nd 20%	0.20	0.27
Income > \$25,000	0.48	0.22	0.23	-0.34 ***	(0.05)	3rd 20%	0.22	0.18
Income Missing	0.08	0.08	0.11	1.24 ***	(0.06)	4th 20%	0.21	0.11
						Highest 20%	0.22	0.07
Age < 25	0.16	0.14	0.22	0.63 ***	(0.05)	Wealth: Lowest 20%	0.17	0.47
Age 25-30 (omitted)	0.28	0.26	0.28	--	--	2nd 20%	0.18	0.28
Age > 30	0.55	0.59	0.50	-0.49 ***	(0.04)	3rd 20%	0.21	0.15
						4th 20%	0.22	0.07
Male	0.51	0.50	0.49	-0.11 **	(0.04)	Highest 20%	0.22	0.03
Female	0.49	0.50	0.51	--	--			
						Married	0.82	0.56
Married with Children	0.48	0.36	0.54	-0.79 ***	(0.04)	Widowed	0.06	0.14
Not Married, with Children	0.10	0.34	0.13	-0.29 ***	(0.06)	Never Married	0.00	0.04
Married, no Children	0.13	0.05	0.10	-0.63 ***	(0.07)	Divorced or Separated	0.11	0.15
Single, No Children (omitted)	0.29	0.25	0.24	--	--			
						Working	0.61	0.62
Education Less than High School	0.12	0.20	0.32	-0.01	(0.06)	Unemployed	0.39	0.38
High School (omitted)	0.44	0.50	0.45	--	--	Not in labor force since 1979	0.11	0.11
Some College	0.22	0.17	0.13	0.50 ***	(0.05)	Retired	0.07	0.06
College Graduate	0.23	0.13	0.10	0.26 ***	(0.05)			
						Disabled	0.07	0.18
Full Time	0.74	0.67	0.61	--	--	Health Fair/Poor (either spouse)	0.43	0.70
Part Time	0.09	0.07	0.08	0.59 ***	(0.06)	Health Excellent/Very good	0.57	0.30
Not Working	0.16	0.25	0.29	0.37 ***	(0.05)			
In School	0.10	0.07	0.10	1.12 ***	(0.06)	1-2 Family members in Household	0.64	0.50
						3 Family members in Household	0.22	0.22
Does not Own Home	0.53	0.79	0.70	--	--	4+ Family members in Household	0.14	0.29
Own's Home	0.47	0.21	0.30	-0.75 ***	(0.04)			
						1-2 children	0.18	0.12
Lives Further than 10 miles from parents	0.65	0.56	0.61	--	--	3-4 children	0.43	0.27
Lives within 10 miles	0.35	0.44	0.39	-0.07 +	(0.04)	5 or more children	0.39	0.61
						No Living Parents (both spouses)	0.33	0.43
Natural or Adopted Child	0.68	0.72	0.79	--	--	One Living Parent	0.36	0.37
Step Child	0.32	0.28	0.21	-0.45 ***	(0.04)	Two or more Living Parents	0.31	0.21
Parent Characteristics:								
Age < 51	0.21	0.19	0.19	0.32 ***	(0.05)	Lives further than 10 miles from parents	0.38	0.31
Age 51-53	0.21	0.21	0.21	0.11 +	(0.06)	Lives within 10 miles of parents	0.39	0.32
Age 54-56	0.23	0.22	0.25	--	--			
Age 57-59	0.21	0.24	0.21	-0.23 ***	(0.06)	Gives no time support to children	0.64	0.58
Age 60+	0.15	0.14	0.14	-0.37 ***	(0.07)	Gives Time help to Children	0.36	0.42
						Gives no coresident support to Children	0.70	0.57
Education Less than high school	0.24	0.51	0.72	-0.48 ***	(0.05)	Gives Coresident help to Children	0.30	0.43
High School	0.43	0.29	0.18	--	--			
Some College	0.21	0.12	0.07	0.27 ***	(0.05)			
College Graduate	0.13	0.08	0.03	0.84 ***	(0.06)			
						Number of Observations	12644	3517

Source: explanatory variables, 1992 HRS (wave-1); transfer status, 1994 HRS (wave-2). Total percentages are weighted to account for oversampling of Blacks and Latinos in the HRS. Restricted to child (non-coresident and 18 years or older). Race-ethnicity corresponds to that declared by the HRS respondent parents; the question was not asked with respect to the children. +, *, **, and *** denote 0.01, 0.05, 0.01, and 0.001 level, respectively. 1 Adult children are aged 18 or over and not living with parents

Table 3: Estimated Parameters for the Effect of Race-Ethnicity on Financial Assistance to Non-Resident Adult Children, and Fit Statistics for Six Models Predicting Receipt and Log Amount of Support.

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Receipt of Support</i>						
α_{black}	-0.40 *** (0.08)	0.02 (0.08)	0.13 (0.08)	0.13 (0.08)	0.13 (0.08)	0.02 (0.08)
$e^{\alpha_{\text{black}}}$ (odds)	0.67	1.02	1.14	1.14	1.13	1.02
α_{Latino}	-0.69 *** (0.12)	-0.25 * (0.13)	-0.11 (0.13)	-0.05 (0.13)	-0.06 (0.13)	-0.07 (0.13)
$e^{\alpha_{\text{Latino}}}$ (odds)	0.50	0.78	0.89	0.96	0.94	0.93
-2 Log (Likelihood) _{Current}	17063	16435	15873	15771	15761	15430
Degrees of freedom	2	10	18	21	24	30
Model χ^2	130	759	1320	1422	1432	1764
p-value of improvement over previous model		0.000	0.000	0.000	0.019	0.000
Pseudo- R^2 (percent)	0.7%	4.3%	7.6%	8.2%	8.3%	10.2%
<i>Log Amount of Support</i>						
β_{black}	-0.50 *** (0.08)	-0.32 *** (0.08)	-0.33 *** (0.08)	-0.31 *** (0.08)	-0.29 *** (0.08)	-0.22 * (0.10)
β_{Latino}	-0.19 (0.16)	-0.07 (0.15)	-0.06 (0.15)	-0.02 (0.15)	0.02 (0.15)	-0.11 (0.15)
-2 Log (Likelihood) _{Current}	26369	26223	26214	26203	26194	26081
Degrees of freedom	2	10	18	21	24	30
Model χ^2	55	201	211	222	230	344
p-value of improvement over previous model		0.000	0.272	0.013	0.040	0.000

Note. Numbers in parentheses are standard errors. Results are weighted and robust standard errors are reported that adjust for clustering at the household level. Model 1 includes race-ethnicity only. Model 2 includes race-ethnicity, and economic resources variables of parents (income, net worth). Model 3 adds to Model 2 number of children, parents marital status, and number of living grandparents. Model 4 adds to Model 3 parent's education; Model 5 adds parent's self-rated health status and whether they are currently disabled. Model 6 adds child's education and single parent status.

The model χ^2 compares the fit of the current model relative to that of the null model:

Model $\chi^2 = -2 \log L_0 - (-2 \log L_c)$; For the receipt equation, $\log L_0 = -8,597$; For the amount equation, $\log L_0 = -13,212$

+, *, **, and *** denote significance at the 0.10, 0.05, 0.01, and 0.001 level, respectively.

Table 4. Attribution of Explanatory Power to Various "Explanatory" Factors.

<i>Explanatory Factors</i>	<i>Change in the Coefficient of</i>		<i>Change in the Coefficient of</i>	
	$\alpha_{\text{black}} \ \& \ \beta_{\text{black}}$		$\alpha_{\text{Latino}} \ \& \ \beta_{\text{Latino}}$	
	<i>"Low"</i>	<i>"High"</i>	<i>"Low"</i>	<i>"High"</i>
<i>Receipt of Support</i>				
$\alpha^{\text{model 1}}$		-0.40 ***		-0.69 ***
$\alpha^{\text{model 6}}$		0.02		-0.07
Parent's Income	0.00	0.31	-0.05	0.37
Parent's Wealth	0.00	0.34	-0.04	0.27
Number of children	-0.10	0.18	-0.08	0.22
Parent's Marital Status	-0.01	0.10	0.00	0.04
Number of Living Grandparents	0.00	0.04	0.00	0.01
Parent's Education	0.01	0.20	-0.06	0.38
Parent's Health	0.01	0.13	0.01	0.16
Parent's Disability Status	0.00	0.07	0.01	0.02
Child's Education	-0.02	0.05	0.01	0.08
Child's Single Parent Status	0.12	-0.08	0.00	0.02
All factors				
$\alpha^{\text{model 6}} - \alpha^{\text{model 1}}$		0.42		0.62
<i>Log Amount of Support</i>				
$\beta^{\text{model 1}}$		-0.50 ***		-0.19
$\beta^{\text{model 6}}$		-0.22 *		-0.11
Parent's Income	-0.03	0.06	0.10	0.06
Parent's Wealth	-0.11	0.16	0.09	0.09
Number of children	-0.04	0.00	0.11	0.01
Parent's Marital Status	0.00	0.01	0.00	0.01
Number of Living Grandparents	0.00	0.00	0.00	0.00
Parent's Education	-0.03	0.03	0.09	0.07
Parent's Health	-0.01	0.06	-0.01	0.08
Parent's Disability Status	0.00	0.00	0.01	0.00
Child's Education	-0.03	0.02	0.12	0.05
Child's Single Parent Status	-0.07	0.10	0.12	0.01
All factors				
$\beta^{\text{model 6}} - \beta^{\text{model 1}}$		0.28		0.08

Source: Health and Retirement Study, waves 1 and 2; *Notes:* These results are based on the models estimated in Table 3; The "low" or "conservative" estimate is the change (indicated as positive or negative) in the coefficient α_{Latino} , β_{Latino} , α_{black} , and β_{black} after the explanatory factor is taken out of the full model (Model 6). The "high" or "liberal" estimate is based on the change (indicated as positive or negative) in the coefficients after the explanatory factor is added to the baseline model (Model 1).

Table 5a. Child-Level Configurations of Proximity, Coresidence, and Money Support, by Race and Ethnicity, Among All Children 18+

<i>Support Type</i>	<i>Percentages</i>		
	<i>Whites</i>	<i>Blacks</i>	<i>Latinos</i>
<i>None</i>	47	41	45
<i>Proximity</i>	25	32	27
<i>Coresidence</i>	6	11	15
<i>Money</i>	11	6	5
<i>Money and Proximity</i>	7	6	4
<i>Money and Coresidence</i>	4	4	4
<i>Overall Percent</i>	100	100	100

Notes: Proximity, coresidence, and money assistance are all wave-2 measures. The group sample sizes are: 14,074 white children, 4,122 black children, and 2,099 Latino children. Percentages for each group sum to 100 percent.

Table 5b: Family-Level Configurations of Money, Time, and Coresidence Assistance to Children Aged 18+, by Race and Ethnicity

<i>Support Type</i>	<i>Percentages</i>		
	<i>Whites</i>	<i>Blacks</i>	<i>Latinos</i>
<i>No Help Given</i>	31	33	34
<i>Residence only</i>	5	12	14
<i>Time only</i>	14	11	9
<i>Money Only</i>	13	10	7
<i>Time and Residence</i>	5	8	12
<i>Money and Residence</i>	5	4	6
<i>Money and Time</i>	17	11	7
<i>Money, Time, and Residence</i>	10	12	12
<i>Overall Percent</i>	100	100	100

Notes: Money, Time, and coresidence measures are all wave-2; Statistics are family level. The group sample sizes are: 4,820 white families, 1,249 black families, and 629 Latino families. Percentages for each group sum to 100 percent.