Generational Jeopardy? Parents’ Marital Transitions and the Provision of Financial Transfers to Adult Children

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Objectives. Transitions into and out of marriage are becoming more commonplace among persons in middle and later life. We assess the extent to which parental marital transitions influence inter vivos financial transfers to adult children at the family level.


Results. Net of familial characteristics, those families experiencing a parental marriage were less likely than stably married households to make a financial transfer to an adult child. The effects of divorce or widowhood were modest. Divorce was associated with a slight increase in the probability of providing a transfer. Widowhood was associated with a slight increase in the total amount transferred to children.

Discussion. The study adds weight to the growing argument that marital transitions may alter intergenerational exchanges. The results prompt us to further question how broader demographic and marriage patterns will influence relationships between parents and children in aging societies.

Key Words: Divorce—Family structure—Intergenerational exchange—Marriage—Widowhood.

It is without a doubt that transitions into and out of marriage are becoming more commonplace across the life course. Currently, more than 7% of persons aged 65 years and older and 14.5% of those aged 55–64 years are divorced (Gist & Hetzel, 2004; Kreider & Simmons, 2003). Estimates suggest that the proportion of everdivorced persons past retirement age now exceeds 50% (Goldscheider, 1990). Additionally, almost 30% of men and slightly more than 25% of women aged 50–59 years have been remarried (Kreider & Fields, 2002). Thus, there is a growing likelihood that adults in middle to later life will have experienced at least one marital status transition other than widowhood.

Researchers and policymakers are concerned about the potential of these marital transitions and greater diversity in family structures to influence the content and quality of intergenerational exchanges. Any marital transitions that occur for midlife and later life parents reverberate through multigenerational family structures and possibly affect inter vivos transfers from one generation to the next (Bengtson, 2001). Indeed, there is a small body of social scientific evidence which finds that parental marital transitions, particularly divorce and remarriage, can have consequences for relationships between adult children and their parents, both in terms of intergenerational transfers (Furstenberg, Hoffman & Shrestha, 1995; Pezzin & Schone, 1999) and the probability of coresidence and frequency of contact (Shapiro, 2003).

Despite these findings, there remain several key gaps in the research in this area. First, we still know relatively little about the effects of marital transitions in the context of aging societies. By far, the bulk of research on marital and family transitions is concentrated in the child development literature. It is important, however, to focus analyses on life transitions of middle-aged and older parents because young adult children are often reliant on their parents in a variety of ways during the transition to adulthood, even well into adulthood. Additionally, life course theorists have increasingly argued about the importance of “linked lives.” Given that life transitions are common as individuals approach retirement age, it is important to examine how these transitions impinge upon the lives of other family members.

Second, the sociology of intergenerational relations has given little attention to inter vivos material transfers (Kohli, 2003). There has certainly been a much more explicit focus on forms of intergenerational solidarity that emphasize affective and associational forms of intergenerational relations (e.g., Bengtson & Roberts, 1991; Cooney & Uhlenberg, 1990; Shapiro, 2003). Inter vivos material transfers are particularly important because “they are part of an ongoing relation that includes other dimensions of solidarity and exchange” (Kohli, 2003). They are also a direct indication of what Rossi and Rossi (1990) refer to as kinship rules. Inter vivos transfers are also an effective means for gauging the differential investment of parents in their children. Whereas bequests are most likely to be divided equally among all children, inter vivos transfers are often divided unequally. Therefore, inter vivos transfers are more likely to be “intentional” and are a reasonably good estimator of intergenerational exchange (Cox & Rank, 1992).
Third, the bulk of the work on midlife to later life families has focused on widowhood. Although widowhood holds significant meaning, other transitions may have an influence on intergenerational bonds. Fourth, most studies of marital disruption and remarriage are based on cross-sectional analyses (e.g., Killian, 2004). The chief problem that arises from the use of cross-sectional data is the inability to determine whether a particular outcome is the result of social selection or social causation. Cross-sectional studies are highly susceptible to social selection effects and results may consequently be misinterpreted.

To address these gaps in the research, the present study utilizes panel data from a preretirement cohort in the Health and Retirement Study (HRS) to address the degree to which transitions into and out of marriage influence the provision of financial transfers to adult children.

### Marital Transitions and Parental Financial Transfers

The theoretical literature on inter vivos financial transfers has largely focused on economic motivation as the primary determinant of financial transfers from parents to children (Cox & Rank, 1992; McGarry, 1999). To date, this work has emphasized the debate between parents’ altruistic and contingent motives to provide transfers. The altruism model posits that parents’ financial transfers are determined by their altruistic feelings toward their children (Becker, 1991). Given that marital transitions typically involve a restructuring of parents’ psychosocial and economic resources and needs, parents’ altruistic motivations would take priority over any of their own problems that may be triggered by a change in marital status. In other words, parents should provide financial and other resources to children regardless of the quality and content of their affective relations with their children or their own needs, problems, or resources. The altruism hypotheses would also suggest that children’s dependency upon parents would decline when parents experience life transitions. However, even if children are less likely to ask for assistance, they still may have needs (e.g., college expenses and establishing independent households) that parents may act upon as a result of their altruistic motives. Indeed, evidence suggests that being in college increases the likelihood and amount of financial transfers to adult children (Berry, 2008). Thus, the altruism hypothesis would predict that, net of parents’ resources and needs, parental marital transitions have no negative effect on the provision of inter vivos financial transfers. Several studies provide some support for this hypothesis. Using HRS panel data, Lin (2008) finds no differences in intergenerational transfers among families who experienced parental divorce and widowhood compared with those who did not experience a marital transition. Similarly, Pezzin and Schone (1999) found no differences between divorced and widowed parents’ receipt of instrumental assistance from their adult children.

On the other hand, it can be argued that inter vivos transfers are contingent on both the parents’ circumstances and the needs, demands, and constraints of the family. This perspective is best illustrated by the notion of structural solidarity (Bengtson & Roberts, 1991). According to this perspective, intergenerational transfers are dependent upon, in part, opportunity structures that facilitate these transfers. As such, it focuses less on parental motivations and more on features of structured social arrangements, such as race and ethnicity, parental resources, and family structure. Indeed, a number of studies provide support for the notion that variation in structural factors, such as race and ethnicity (Berry, 2006), parental needs and resources (Cox & Rank, 1992; Kohli & Kunemund, 2003), and family structure (Pezzin & Schone, 1999; Soldo & Hill, 1995), influence differential levels of inter vivos financial transfers. There is good reason to believe that parental opportunity structures, particularly parents’ resources and needs, are heavily influenced by changes in marital status. Viewed from a life course perspective, transitions into or out of marriage may be viewed as “turning points” in one’s trajectory of life (Lachman, 2004), which likely involve the restructuring of parents’ psychosocial and economic resources, needs, and motivations that may affect intergenerational exchanges. A number of studies support this idea. Research on the economic consequences of marital disruption suggests that divorce significantly increases the risk of poverty, particularly for women (Holden & Kuo, 1996). Thus, the resulting economic status declines associated with these transitions may alter the ability of parents to provide financial transfers to adult children. Studies also suggest that divorce is likely to elevate parents’ psychological distress, which may increase their level of need, particularly for women (Shapiro, 1996).

Parental widowhood might have different effects on the propensity for parents to give financial transfers to their adult children. Widowed parents are less likely to (or less able to) provide assistance to their children than the non-widowed, particularly among widowed women (Eggebeen, 1992). To this end, a recent study by Ha, Carr, Utz, and Nesse (2006) found that parental widowhood significantly increases parents’ dependence on their children, rather than vice versa. Thus, we would expect that widowhood would decrease the likelihood of providing assistance to adult children.

On the other hand, (re)marriage has been shown to improve economic status (Shapiro, 1996), potentially enabling the provision of financial resources to adult children. Although there is reason to suspect that additional resources provided by (re)marriage would increase the likelihood of intergenerational financial transfers, remarriage is likely to add to the complexity of interhousehold transfers (e.g., giving to stepchildren and/or biological children) and may involve shifts in relative investments in new household and
kin arrangements (Manning & Smock, 2000). Indeed, prior studies have found that remarriage has deleterious consequences for intergenerational transfers (Cooney & Uhlenberg, 1990; Pezzin & Schone, 1999).

The contingency perspective would expect that divorce and widowhood would decrease the likelihood of providing financial transfers to adult children, and (re)marriage would increase the likelihood of providing transfers to adult children. Moreover, the contingency perspective suggests that these relationships are expected to be mediated by familial resources.

The present study utilizes panel data from four waves of the HRS to determine how transitions into and out of marriage among parents in midlife to later life influence the frequency, distribution, and degree of inter vivos financial transfers from parents to their adult children. Although intergenerational transfers can be from parents to children (downward) or from children to parents (upward), we focus our analysis on downward financial transfers for a number of reasons. First, downward financial transfers are more normative forms of exchange. Adult children are more than twice as likely to receive financial transfers from parents than vice versa, and downward transfer amounts are nearly twice as large (McGarry & Schoeni, 1995). Second, given that HRS respondents are between the 41 and 51 years of age at baseline, it is likely that their young adult children will have greater need for financial assistance given their stage of the life course.

This study has two particular aims. First, we examine the differential effects of transition type (i.e., married to divorced, divorced/widowed to (re)married, and married to widowed) and transition frequency (multiple vs single transitions) on inter vivos financial transfers. Second, because kinship obligations and exchanges have been shown to vary within families (Rossi & Rossi, 1990; Suitor, Pillemer, & Sechrest, 2006), particularly when examining inter vivos transfers, we will examine household-level transfers between parents and each of their adult children. Several prior studies operationalized transfers as simply an “either/or” scenario. Because parents often do not transfer resources to their children equivalently across the life course, we take into account the broader range of transfers within each family during a 7-year period.

METHODS

Data

This study is based on panel data from the HRS, a nationally representative survey of the 1931–1941 birth cohorts (Juster & Suzman, 1995). Spouses of survey respondents were also interviewed, regardless of their age. The stratified multistage area probability design included oversampling of African Americans, Hispanics, and Floridians. The first wave, conducted in 1992, included face-to-face interviews with 12,652 individuals, representing 7,607 households (Heeringa & Connor, 1995). This project uses four waves of HRS data—1992, 1994, 1996, and 1998. Some households continued to make financial transfers to adult children after 1998. However, there was a precipitous decline in the number of transfers made after 1998 as the great majority of adult children had completed the transition to adulthood by that time (i.e., <6% of all adult children were younger than age 30 in 1998).

The biennial panel design of the HRS provides a unique opportunity to examine multiple opportunities for financial assistance and to reduce the loss of information that likely results from cross-sectional or two-wave studies. Previous studies have used cross-sectional or two-wave data to gauge “routine assistance” (Eggebeen, 1992; Killian, 2004; Pezzin & Schone, 1999). However, cross-sectional research cannot provide reliable information about life course routines. The HRS allows for a better estimation of routine assistance provided for more than a 7-year period because respondents were asked at four separate times whether a financial transfer of $500 or more had been given to an adult child since the previous wave (i.e., in the previous 2 years).

Data on family structure, kinship statuses, and intergenerational transfers were collected from one member of each HRS household. The midlife parents’ demographic, income, and kinship structure information were drawn from a reconstructed user-friendly longitudinal file with data from all four waves developed by the RAND Center for the Study of Aging with variables that were named consistently across waves and covered a broad range of measures (version E; St Clair et al. 2005). The creation of this data set for time series analyses required multiple steps. First, we excluded all childless households in 1992. Then, we excluded all households that completed only one interview or did not provide data in concurrent waves to address more efficiently the main questions about the effects of marital transitions.

The parent to child inter vivos transfer data were not available in the RAND data set. Because information provided about transfers was child specific, one parent answered transfer questions while discussing each child with the researcher (Howell, 1995). By study design, the person who answered these questions was the mother in both married and single-parent households. The father was questioned about inter vivos transfers to each child only if he was the sole respondent in the household (i.e., never married, divorced, or widowed in 1992 or lost a spouse by divorce or widowhood after 1992). The data regarding transfers from parents’ households to adult children were collated for each child across time, and this information was then merged with the RAND longitudinal file by a parental household identification variable.

Next, all marital transitions were identified. If married households were divided by separation or divorce after 1992, the original household was divided into two separate sub-households for data collection, and all family and financial
information was collected separately for each household that agreed to continue participation (Howell, 1998). Because of this methodological approach, identification of additional households was particularly important to understand the relationships between marital transitions and transfer patterns occurring simultaneously across time when HRS couples divorced. For accurate representation of which parent’s household made a transfer to an adult child after a divorce, the mothers’ and fathers’ households were each treated as individual units of analysis across all waves.

Once this information was clarified, the data set contained 6,319 households with reliable marital status information over time. Of those, 292 households were then excluded due to missing information—primarily related to income, wealth, and socioeconomic status. As a result, there were 6,017 intact households and households that experienced a marital transition in the analytic subsample.

Addressing Potential Gender Bias Among Household Respondents

In all, mothers were significantly more likely than men to be represented as household respondents, representing 93% of all householders. The degree of potential bias that may result from the overrepresentation of mothers among household respondents is unknown given that most studies of inter vivos transfers do not account for gender differences among transferors. If singles are any indication, single men are more likely to report giving a financial transfer than single women (Soldo & Hill, 1995). The only way to equivalently test the influence of the gender of household respondent is by examining stably single mother and father households. In ancillary analyses (not shown), we find that stably single mother and father households are equally likely to provide a transfer to an adult child. Moreover, because the unit of analysis in the present study is the household and not the respondent, the characteristics of the household are of less significance than if the individual were the unit of analysis. In the HRS sample, male household respondents were nearly twice as likely to exit the study than female household respondents. However, in ancillary analyses, we found that there was no statistically significant effect of dropping out of the study on the likelihood of making a transfer at baseline, and this effect did not differ between men and women. Thus, although men are underrepresented as HRS household respondents, we can find no evidence that this underrepresentation significantly affects the substantive conclusions of this study.

Independent Variables

The primary independent variable of interest is whether an age-eligible HRS respondent experienced a marital transition between 1992 and 1998. We consider a marital transition to be any reported change in marital status between 1992 and 1998. For our analysis, we examined the following transitions: transitions into marriage, transitions out of marriage (transitions to divorce, transitions to widowhood), and two or more transitions. In the multivariate models, stably married persons are used as the reference marital status category in order to reduce heterogeneity in the reference category and because married households are typically utilized as the comparison group in studies of marital transitions.

We also include control variables in the multivariate models that tap the key family-level determinants of intergenerational transfers, namely resources and needs (Kohli, 2003). Parental- and family-level resource measures include family respondent minority status, gender, and education in years and are measured at baseline given their stability over time. Self-rated health (Likert-type scale), total household income, and wealth (total of all assets) are measured at each wave. Continuous family structure variables at each wave included number of respondents’ living parents, total number of adult children, and presence of coresident child(ren). In addition, because stage in the family life cycle may influence the propensity to exhibit transfer behavior (cf. Hagestad, 2003; Rossi & Rossi, 1990), we included a dummy variable to indicate if the respondent is retired.

Dependent Variables

In total, 21,599 adult children were identified in the sample of 6,017 subhouseholds. Children who received one or more financial transfers were identified and transfer amounts received over time were calculated for each child. Once individual-level transfer variables were created, the information for all adult children was merged and collated by subhousehold. We also created family-level variables that represented the number (both total and average) of transfers reported by each subhousehold and amounts transferred— for all children at each wave. All told, we utilize five dependent variables in our analysis: (a) Whether or not a household made any financial transfer (1 = yes), (b) total dollar value of all financial transfers made, (c) the average value of all financial transfers, (d) the total number of transfers made, and (e) the total number of children given money.

Analytic Plan

Two-wave panel studies often utilize a lagged dependent variable or a change score approach. When more than two waves of data are available, such approaches are insufficient to capture the interwave variability in the dependent variables. In order to better utilize the four waves of data in this study, we utilized a pooled time series analysis in multivariate models. This required that the data be transformed into “long form,” whereby each wave of observation for each subhousehold is represented as a separate record (Johnston, 1995). Thus, each subhousehold has up to four observations (one for each wave of data) or a maximum of 24,068 observations. Such repeated observations per subhousehold create...
both a problem and an advantage. Problematically, repeated observations are not independent and, as a result, ordinary least squares (OLS) regression cannot be used because this data structure violates a key assumption and will likely produce biased estimates. However, despite this disadvantage, repeated observations allow for better parameter estimates, and statistical models have been developed to account for nonindependence. For this analysis, we utilize random effects regression models, which offer several distinct advantages over OLS models. First, random effects models account for nonindependence of observations. Second, random effects models control for unobserved random differences between and within families, such as the closeness of parents and children and emphasis on earning money. The linear random effects model can be represented as,

\[ y_{ij} = x_{ij}b + \mu_i + \varepsilon_{ij} \]

where \( y_{ij} \) represents the dependent variable; \( x_{ij} \), the vector of regressors; \( b \), the vector of coefficients; \( \mu_i \), the random effects; and \( \varepsilon_{ij} \), the error term.

**RESULTS**

Table 1 presents descriptive statistics for the analytical subsample of households at baseline. Of the 6,017 household respondents, more than 90% (93%) were women, nearly 22% were racial or ethnic minorities, they averaged nearly 12 years of completed education, and were relatively healthy. The household respondent averaged 54 years of age (range 23–72) in 1992. The average family contained 3.6 adult children ranging in age from 18 to 50, had an annual household income of $44,329 and whose wealth averaged $192,195, and slightly more than half (53%) of households had at least one coresident child. Roughly 5% of household respondents experienced a marital transition between each wave of data collection.

As a first step in understanding how marital transitions influence intergenerational transfers, we performed one-way analyses of variance and analyzed how mean levels of transfers differ by marital transition category (presented in Table 2). Several key findings emerge. First, there appears to be a fairly high overall level of transfers between parents and adult children. More than half of all households reported a financial transfer between 1992 and 1998, averaging nearly $4,000. Although this may appear high, at any one time, an estimate of 17%–20% is appropriate for each cross-section of the HRS data. This compares favorably with National Survey of Families and Households data in which 16% of adult children reported receiving a financial transfer from a parent (Hogan, Eggebeen, & Clogg, 1993).

Second, there are no significant effects of transitions out of marriage (both pooled and disaggregated). Although divorced and widowed households have lower total and average transfer amounts and divorced households have fewer number of transfers than those not experiencing a marital transition, these are not statistically significant differences. However, those households experiencing a transition into marriage are less likely to provide a transfer (54% vs 63%), transfer smaller sums of money ($8,672 vs $11,137), and provide fewer total transfers (1.5 vs 1.86). Finally, those who experienced multiple transitions provide significantly fewer transfers across waves than those households not experiencing a marital transition (1.29 vs 1.86).

In order to control for factors that may influence these above-noted bivariate relationships, we estimated a series of multivariate models, which are presented in Tables 3 and 4. As discussed earlier, for the multivariate models, we employed a pooled time series approach using random effects models. Because we estimated models for five dependent variables with distinct distributional attributes, we utilize different modeling approaches for each. For the dependent

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<tbody>
<tr>
<td>No transition</td>
<td>5,119</td>
<td>63</td>
<td>$11,137</td>
<td>1.86</td>
<td>$4,317</td>
</tr>
<tr>
<td>Any transition out of marriage</td>
<td>646</td>
<td>60</td>
<td>$10,115</td>
<td>1.72</td>
<td>$4,268</td>
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<tr>
<td>Marital transitions</td>
<td></td>
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<tr>
<td>Divorced</td>
<td>168</td>
<td>62</td>
<td>$9,144</td>
<td>1.61</td>
<td>$4,188</td>
</tr>
<tr>
<td>Widowed</td>
<td>382</td>
<td>61</td>
<td>$10,785</td>
<td>1.86</td>
<td>$4,202</td>
</tr>
<tr>
<td>Marriage</td>
<td>252</td>
<td>54*</td>
<td>$8,672*</td>
<td>1.50*</td>
<td>$3,437</td>
</tr>
<tr>
<td>2+ Transitions</td>
<td>92</td>
<td>53</td>
<td>$8,000</td>
<td>1.29*</td>
<td>$3,545</td>
</tr>
</tbody>
</table>

*Statistically different from “no transition” at \( p < .05 \).

<table>
<thead>
<tr>
<th>Event</th>
<th>Any transfera</th>
<th>Total amount transferred (log)</th>
<th>Average transfer amount (log)</th>
<th>Total number of transfersbc</th>
<th>Number of children given moneyb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Became married</td>
<td>0.48 (0.13)**</td>
<td>−0.03 (0.09)</td>
<td>−0.13 (0.09)</td>
<td>−0.09 (0.11)</td>
<td>−0.11 (0.09)</td>
</tr>
<tr>
<td>Became single</td>
<td>0.98 (0.16)</td>
<td>−0.01 (0.05)</td>
<td>0.01 (0.05)</td>
<td>−0.05 (0.06)</td>
<td>−0.05 (0.05)</td>
</tr>
<tr>
<td>Continuously divorced</td>
<td>0.53 (0.09)***</td>
<td>−0.23 (0.06)***</td>
<td>−0.22 (0.06)***</td>
<td>−0.31 (0.07)***</td>
<td>−0.23 (0.06)***</td>
</tr>
<tr>
<td>Continuously widowed</td>
<td>0.38 (0.07)***</td>
<td>−0.06 (0.07)</td>
<td>−0.06 (0.07)</td>
<td>−0.27 (0.08)***</td>
<td>−0.26 (0.07)***</td>
</tr>
<tr>
<td>Multiple transitions</td>
<td>0.81 (0.36)</td>
<td>0.05 (0.16)</td>
<td>0.09 (0.17)</td>
<td>−0.30 (0.19)</td>
<td>−0.27 (0.16)***</td>
</tr>
<tr>
<td>Stably married (reference)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>R has living parent</td>
<td>0.96 (0.06)</td>
<td>−0.03 (0.02)</td>
<td>−0.03 (0.02)</td>
<td>−0.20 (0.02)***</td>
<td>0.03 (0.02)</td>
</tr>
<tr>
<td>Female</td>
<td>1.70 (0.32)***</td>
<td>0.24 (0.06)***</td>
<td>0.25 (0.06)***</td>
<td>0.18 (0.08)*</td>
<td>0.09 (0.06)</td>
</tr>
<tr>
<td>Education</td>
<td>1.48 (0.03)***</td>
<td>0.06 (0.01)***</td>
<td>0.06 (0.01)***</td>
<td>0.13 (0.01)***</td>
<td>0.11 (0.01)***</td>
</tr>
<tr>
<td>Age</td>
<td>0.98 (0.01)</td>
<td>−0.00 (0.00)</td>
<td>−0.00 (0.00)</td>
<td>−0.03 (0.01)***</td>
<td>−0.01 (0.00)***</td>
</tr>
<tr>
<td>Number of children</td>
<td>0.94 (0.02)*</td>
<td>−0.02 (0.01)*</td>
<td>−0.28 (0.01)***</td>
<td>0.04 (0.01)***</td>
<td>0.03 (0.01)***</td>
</tr>
<tr>
<td>Coreresident child(ren)</td>
<td>1.84 (0.11)***</td>
<td>0.13 (0.01)***</td>
<td>0.11 (0.02)***</td>
<td>−0.05 (0.01)***</td>
<td>0.20 (0.02)***</td>
</tr>
<tr>
<td>Poor health</td>
<td>0.83 (0.03)***</td>
<td>0.00 (0.01)</td>
<td>0.00 (0.01)</td>
<td>−0.02 (0.01)</td>
<td>−0.08 (0.01)***</td>
</tr>
<tr>
<td>Minority</td>
<td>0.53 (0.06)***</td>
<td>−0.21 (0.04)***</td>
<td>−0.18 (0.04)***</td>
<td>−0.18 (0.05)***</td>
<td>−0.15 (0.04)***</td>
</tr>
<tr>
<td>Household income</td>
<td>1.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
</tr>
<tr>
<td>Household wealth</td>
<td>1.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)</td>
<td>0.00 (0.00)</td>
</tr>
<tr>
<td>Number of marriages</td>
<td>0.82 (0.06)***</td>
<td>−0.09 (0.02)***</td>
<td>−0.09 (0.02)***</td>
<td>−0.09 (0.03)**</td>
<td>−0.03 (0.02)</td>
</tr>
<tr>
<td>Retired</td>
<td>1.17 (0.13)</td>
<td>0.04 (0.03)</td>
<td>0.03 (0.03)</td>
<td>−0.02 (0.04)</td>
<td>−0.01 (0.04)</td>
</tr>
<tr>
<td>N</td>
<td>24,068</td>
<td>7,629</td>
<td>7,579</td>
<td>18,051</td>
<td>24,068</td>
</tr>
<tr>
<td>Chi-square</td>
<td>1200.25***</td>
<td>685.60***</td>
<td>2047.37***</td>
<td>870.24***</td>
<td>870.24***</td>
</tr>
</tbody>
</table>

R²: 0.11

Notes: Parameter estimates derived from random effects models. Standard errors are in parentheses.

*p < .05; **p < .01; ***p < .001; †p < .10.

variable with binary attributes, we employed a random effects logistic regression model. For continuous dependent variables, we estimated linear random effects models with the dependent variable (dollars) logged. For count variables, we estimated random effects Poisson models. In the Poisson model, coefficients are interpreted such that the effect of the independent and control variables can be computed as: 100 × (exp [coefficient] − 1). This demonstrates the effect of a one-unit change in an independent variable on the conditional mean of the number of transfers.


<table>
<thead>
<tr>
<th>Event</th>
<th>Any transfera</th>
<th>Total amount transferred (log)</th>
<th>Average transfer amount (log)</th>
<th>Total number of transfersbc</th>
<th>Number of children given moneyb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Became divorced</td>
<td>2.75 (1.46)†</td>
<td>−0.17 (0.12)</td>
<td>−0.13 (0.14)</td>
<td>−0.08 (0.18)</td>
<td>−0.12 (0.15)</td>
</tr>
<tr>
<td>Became widowed</td>
<td>1.12 (0.25)</td>
<td>0.11 (0.06)†</td>
<td>0.10 (0.07)</td>
<td>0.01 (0.08)</td>
<td>0.03 (0.07)</td>
</tr>
<tr>
<td>Stably married (reference)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>R has living parent</td>
<td>0.92 (0.07)</td>
<td>−0.02 (0.02)</td>
<td>−0.01 (0.03)</td>
<td>−0.19 (0.03)***</td>
<td>0.04 (0.02)</td>
</tr>
<tr>
<td>Female</td>
<td>1.48 (0.31)**</td>
<td>3.59 (0.11)***</td>
<td>3.44 (0.11)***</td>
<td>0.14 (0.08)</td>
<td>0.11 (0.06)</td>
</tr>
<tr>
<td>Education</td>
<td>1.44 (0.03)***</td>
<td>0.06 (0.01)***</td>
<td>0.06 (0.01)***</td>
<td>0.12 (0.01)***</td>
<td>0.10 (0.01)***</td>
</tr>
<tr>
<td>Age</td>
<td>0.97 (0.01)*</td>
<td>−0.00 (0.00)</td>
<td>0.00 (0.00)</td>
<td>−0.02 (0.00)***</td>
<td>−0.01 (0.00)</td>
</tr>
<tr>
<td>Number of children</td>
<td>0.95 (0.03)†</td>
<td>−0.02 (0.01)*</td>
<td>−0.28 (0.02)***</td>
<td>0.04 (0.01)***</td>
<td>0.03 (0.01)***</td>
</tr>
<tr>
<td>Coreresident child(ren)</td>
<td>1.99 (0.15)***</td>
<td>0.15 (0.02)***</td>
<td>0.14 (0.02)***</td>
<td>−0.05 (0.02)***</td>
<td>0.20 (0.02)***</td>
</tr>
<tr>
<td>Poor health</td>
<td>0.88 (0.04)**</td>
<td>0.01 (0.02)</td>
<td>0.02 (0.02)</td>
<td>0.04 (0.01)***</td>
<td>−0.05 (0.01)***</td>
</tr>
<tr>
<td>Minority</td>
<td>0.70 (0.10)***</td>
<td>−0.20 (0.05)***</td>
<td>−0.18 (0.05)***</td>
<td>−0.06 (0.06)</td>
<td>−0.07 (0.05)</td>
</tr>
<tr>
<td>Household income</td>
<td>1.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
</tr>
<tr>
<td>Household wealth</td>
<td>1.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)***</td>
<td>0.00 (0.00)</td>
<td>0.00 (0.00)</td>
</tr>
<tr>
<td>Number of marriages</td>
<td>0.82 (0.06)†</td>
<td>−0.10 (0.03)***</td>
<td>−0.10 (0.03)***</td>
<td>−0.11 (0.03)**</td>
<td>−0.02 (0.03)</td>
</tr>
<tr>
<td>Retired</td>
<td>1.04 (0.13)</td>
<td>0.05 (0.04)</td>
<td>0.02 (0.04)</td>
<td>−0.06 (0.04)</td>
<td>−0.05 (0.04)</td>
</tr>
<tr>
<td>N</td>
<td>15,678</td>
<td>5,766</td>
<td>5,761</td>
<td>11,528</td>
<td>15,678</td>
</tr>
<tr>
<td>Chi-square</td>
<td>566.30***</td>
<td>236474.11***</td>
<td>166285.00*</td>
<td>342.67***</td>
<td>464.02***</td>
</tr>
</tbody>
</table>

R²: — 0.10 0.26 —

Notes: Parameter estimates derived from random effects models. Standard errors are in parentheses.

*p < .05; **p < .01; ***p < .001; †p < .10.
to adult children across four waves of data. Included in these models are controls for all other marital statuses, with the reference group being stably married households. Overall, the results suggest that, net of household-level factors, transitions into marriage significantly reduce the likelihood of providing a transfer to an adult child compared with stably married households, confirming the bivariate findings in Table 2. Households in which parents were (re)married between 1992 and 1998 were 52% less likely than stably married parent households to provide a transfer over time compared with those who did not experience a marital transition. Transitions into marriage did not influence the amount transferred or the distributions of transfers within households. There were no significant effects of transitions out of marriage in any of the models estimated. In other analyses (not shown), we estimated the direct effect of marital transitions without the controls for household resources and find that the effects of transitions are not significantly different than the models in which household resources are controlled.

In ancillary analyses, we estimated models with varying comparison groups for marital transitions. Regardless of comparison group, there were no significant effects of aggregate transitions out of marriage. Where multiple transitions were compared against all other marital statuses, those households whose parents experienced multiple transitions were significantly less likely to provide transfers and to provide to fewer children. Thus, the restriction to stably married as the comparison group substantially reduced the effect of multiple transitions on financial transfers.

In Table 4, we specifically focus on two types of transitions out of marriage, divorce, and widowhood, in order to determine if effects of divorce and widowhood can be differentiated. Like Table 3, we include stably married as the comparison group but do not include other marital status groups due to the explicit focus on divorce and widowhood. Controlling for parent and household characteristics, households whose parents experienced a transition to divorce were nearly three times as likely as stably married households to provide a transfer. Also, households experiencing parental widowhood transferred slightly more than those stably married households. These two effects were marginally significant, however. We also ran the models without controls for household resources (results not shown) and found no significant differences between the models, except that the effect of divorce on the total number of children transferred to was significant prior to adding household resources.

In both tables, similar effect of covariates were found. Parental resources (education, income, wealth, and health) were positively related to the amount of money given to their adult children. However, household wealth was not significantly associated with the distribution of transfers within households. Female household respondents were more likely to give, gave more money, and provided more transfers than male family respondents. Racial and ethnic minorities were less likely to give, gave less money on average, and gave to fewer children than nonminorities. Household respondents’ availability of a living parent (G1) was associated with fewer total transfers. Poor health of household respondents was associated with a lower probability of providing a transfer and the provision of transfers to fewer children. Having coresident children increased the probability, amount, and distribution of transfers within households but was associated with fewer total transfers. The number of householders’ marriages was associated with a lower probability of providing transfers, lower transfer amounts, and fewer total transfers. Parental retirement was not significantly associated with financial transfers.

In ancillary analyses (not shown), we tested interactions between significant covariates (wealth, income, and minority status) and marital transitions. Less wealthy households who experienced a transition to marriage had a significantly lower probability of a financial transfer and lower transfer amounts compared with wealthier households. However, wealth and income operated differently among those households experiencing widowhood. Those with lower incomes were less likely to make a financial transfer, but when they did, it was a larger sum than among those with higher incomes. On the other hand, those households with greater net worth were less likely to make a transfer, but when they did make a transfer it was a larger amount than among less wealthy households. Finally, we also estimated equations with interactions between marital transitions and minority status, and no interactive effect of minority status was found. Ancillary analyses also included separate analyses of the models by sex. Overall, we found the results to be similar between male and female householders. However, we did find that divorced households with male household respondents were significantly more likely to make a transfer and to more children than those with female respondents. We must be careful in interpreting these findings as sex differences in prior research can be interpreted at the individual level. Given that our analysis is conducted at the household level, the sex of the family respondent may have little to do with whether a transfer is made.

**Discussion**

The present study was designed to address a critical link in the family gerontology literature: How do parental marital transitions in midlife to later life influence the likelihood and extent of inter vivos financial transfers to adult children? By employing the rich panel data provided by the HRS, we were able to tap into a large sample of retirement age persons and their families to examine the dynamics of these marital transitions.

The findings of this study clearly suggest that parents’ recent marital transitions have a modest influence on inter vivos financial transfers to adult children after accounting for a range of household-level characteristics. However,
much of this influence is dependent upon the type of transition and the type of financial transfer measure. Simply experiencing a marital transition does not translate to more or fewer transfers to adult children.

We find that one of the more disruptive events, at least in the short term, is parental marriage. Those households whose parent (re)married between 1992 and 1998 were 52% less likely to report a financial transfer to an adult child than stably married households. This decline was particularly amplified among those families with low household wealth. These findings support the intergenerational solidarity perspective and compliment some research among parents of young children that find a lessened financial commitment to children once parents, particularly fathers, enter into new marriages and familial arrangements—known as “family swapping” (Manning & Smock, 2000). Whether or not the same is true in the case of older parents is unknown, but we suspect that it is likely that parents who enter new relationships may, at least temporarily, reorient their obligations and preferences as these relationships are just beginning. Future studies should consider a longer time frame with which to view the effects of these transitions in order to gauge how transfer behaviors fluctuate with life transitions.

We also find that transitions out of marriage have relatively modest effects on financial transfers to adult children. When estimated in a full model, households whose parents experienced a transition to singlehood were not significantly different in their transfer behavior than households with stably married parents. When we disaggregated types of transitions out of marriage, we found that divorce slightly increased the probability of a financial transfer. This finding runs counter to the expectations raised by other studies, given that they have found primarily negative effects of divorce on intergenerational transfers and relationships (Cooney & Uhlenberg, 1990; Furstenberg et al., 1995; Pezzin & Schone, 1999; Shapiro, 2003).

Although our findings suggest that transitions to divorce may slightly increase the probability of a transfer, the transfer behavior of those households with a stably divorced parent reveals a pattern more akin to that found in the larger body of research. Households with a continuously divorced parent gave fewer transfers, gave to fewer children, and had a lower average transfer amount than stably married households. Taken together, the findings on divorce suggest that recent divorce might increase the probability of a downward transfer, but over time the likelihood and the amount of those transfers decline.

We were also somewhat surprised that transitions to widowhood appeared to have little appreciable effect on financial transfers to adult children. Recently widowed households had slightly higher transfer amounts than stably married households. This may act as a pseudobequest in the sense that the bereaved parent may use a financial transfer in lieu of a bequest. Similar to what we found with respect to divorce, although the transition to widowhood does not appear to have a profound influence on financial transfers to adult children, stably widowed households are significantly less likely to make a transfer and make fewer transfers on average compared with stably married households. Given that several prior studies have documented that the death of a spouse often is associated with sharp increases in supportive kinship activity (Ha et al., 2006; Utz, Carr, Nesse, & Wortman, 2002), it may be that this activity is more likely to come from adult children rather than from the parents. These findings also support Ha and colleagues (2006) who suggest that parents become more dependent on children following widowhood.

Finally, although households who experienced multiple marital transitions were the smallest segment of our study population (1.5% of all households), we found that when compared with stably married households, those with multiple transitions were not much different. When compared against all others, however, those with multiple transitions were significantly lower levels of financial transfers. So, although not statistically different than the stably married, these findings indicate the potential negative consequences of repeated entries into and exits out of marriage as disruptive processes to family exchanges. As Shapiro and Cooney (2007) note, although complex marital histories may result in greater sources of support, the downside is that these contexts also provide greater relational demands. The implication here is that future studies should pay attention to marital histories rather than a single transition into or out of marriage as the combination of transitions and their timing may have unique implications for intergenerational relationships.

Overall, our findings lend support to both the altruism and the contingency perspectives. Although we find little evidence that household resource mediate the relationship between marital transitions and transfers, our findings on the disruptive effects of (re)marriage support, in part, the solidarity perspective in that it is likely that the reorganization of familial arrangements influences the probability of providing financial assistance to adult children, despite the potential benefits that resource pooling may offer to newly (re)married households. However, our findings for transitions to singlehood provide some support for the altruism hypothesis. Our findings suggest that, despite the likelihood of greater parental need following divorce or widowhood, these families still provide routine assistance to adult children. Although we are not able to discern the internal motives for these transfers given our data, this finding is significant and points to the resilience and strength and intergenerational bonds.

Several limitations of the current study should be noted. First, our HRS sample primarily consisted of households with female household respondents. Although our analysis of singles suggested that there were no differences in the propensity to provide a transfer, it is plausible that men and women may report transfers differently. Second, the current study is based on a short time lapse between waves of data collection. Although a 6-year time lapse represents a significant
improvement over many studies, it still only provides a small portrait of the larger context of intergenerational exchange. Moreover, it is difficult to determine whether the effects of marital transitions reflect temporary readjustments to life events or a permanent alteration of kinship organization. Third, with our household-level analysis, we were not able to fully account for the role of each individual child’s unique needs and resources in the context of downward financial transfers. Indeed, children play an important role in familial exchanges and children’s characteristics should be incorporated in analyses where data availability permits.

In sum, this article adds to the small but growing literature on family transitions and intergenerational bonds in several key ways. First, although most studies of intergenerational exchange model marital status retrospectively, we were able to synchronously model marital transitions and provision of financial transfers among the HRS cohort. Doing so acknowledges the increasing likelihood of marital transitions other than widowhood in midlife. Second, although entering into marriage is purported to enhance the support networks of parents and their adult children (Waite & Gallagher, 2001), our findings suggest that marriage does not necessarily lead to greater provision of financial support. Third, when considered with Lin’s (2008) recent findings that adult children are generally willing to help recently divorced and widowed parents, our results challenge the notion that divorce and widowhood are highly problematic transitions for parents and their adult children. It is quite possible that although other dimensions of intergenerational relationships are negatively affected by these transitions, the provision of inter vivos financial transfers does not appear to suffer as a result.

At the same time, however, the present study adds weight to the growing argument that entries into and multiple exits out of marriage in midlife to later life may alter intergenerational bonds. It is unclear that at this point, what fully accounts for these findings; whether these transitions challenge the resources available to provide to adult children or whether transitions alter the motivations for providing transfers. Finally, although our results cannot conclusively claim that marital transitions fundamentally alter parent–child relationships, it does prompt us to further question how broader demographic and marriage patterns will influence relationships between parents and children in aging societies.

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