Patterns and determinants of elderly parents and adult children intergenerational transfers in the city of Tehran

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Statement of the Problem: Private transfers between adult generations in the family is an important part of the intergenerational link in modern societies. Intergenerational transfers have established the effect on the wellbeing of generations, supplementing the receiver’s income, are the mechanisms deployed by families to help generations deal with crises, transitions and even long-lasting needs. They thus function as a safety net. Private intergenerational transfers are more important in Iranian society considering restricted pubic transfers, labor market shortages, and inequality in income distribution. Because of inefficiency of Social security system in Iran, high costs of elderly people, limited public transfers for old and young population and high unemployment rate of adult children old and young generations encounter with financial deficit and considerable amount of this shortage compensated by private intergenerational transfers, otherwise they involve poverty and lower consumption which may end in social crises.

Findings: The results of data analysis displays that 91.6 percent of respondents transferred financial resources to their adult children and 58.6 percent of adult children transferred to their elderly parent in past 12 months. The age profile of transfers demonstrates that parents’ transfers to children decreased by their age and received transfers increased by the parents’ age. The most important determinants of transfers are both parties’ income and needs and resources of transfer parties, as well as economic and socio-demographic characteristics, are important determinants of transfers. The results of the investigation also illustrate that transfer motivation is more consistent with the altruistic models.

Conclusion & Significance: It could be induced from the study that old parents and their adult children in the city of Tehran need to private transfers due to inadequate public transfers and private transfers are consistent with need-based explanations. Parents in old ages and adult children in their transitions are dependent on their family.