

Parental health and location choices of children

Louis Arnault*, Sandrine Juin⁺, Anne Laferrère*

*PSL, Université Paris-Dauphine, LEDa-LEGOS

⁺ Université Paris-Est Créteil, Erudite

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Abstract. All over Europe, both the financial pressure on health and long-term care public protection systems and the growing number of divorces and break-ups could increase the need for intergenerational in-kind family transfers. Providing services is made easier by the geographical proximity between parents and children. The aim of this article is to study to what extent the location choices of children are associated with family in-kind transfer motives. Specifically, we investigate the relationship between parental health and disability status and the geographical proximity with their children. Using longitudinal data from the Survey of Health, Ageing and Retirement in Europe (SHARE), our empirical analysis indicates that services provided by the parents to the children seem stronger drivers of children's location choices than those in the reverse direction. In particular, parental health and disability shocks have only moderate effects on children's housing transitions. Given the socio-economic changes expected for the next decades, this result might have major impacts on the future supply of family care in Europe and should be accounted for when implementing new public policies towards the disabled elderly.

Keywords: living arrangements; distance; family transfers; disability; informal care.

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Correspondence to: Louis ARNAULT, Université Paris Dauphine, LEDa-LEGOS, Place du Maréchal de Lattre de Tassigny 75775 Paris Cedex 16, France. E-mail: louis.arnault@dauphine.fr. Phone: +33144054322.