

“No monetary help! We need emotional and physical support in old age.” Expectations of sandwiched generation from their children in urban settings

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Abstract: Though intergenerational transfers are an integral part of any conventional society like India, the support giving practice is likely to reduce with further industrial development, rural to urban migration, and strong influence of western culture. Under such circumstances, do the current generation middle aged parents depend upon the old age support from their children or do they prefer to be economically independent? Do they invest in education of their children with an intention of getting old age support in future? This paper is an attempt to understand the perception of current generation sandwiched couples about expectation from children and its linkages with their old age security and saving behaviour based on primary household data of three generations in urban Pune, Maharashtra. Findings clearly reveal that lower socio economic status coupled with less education leads to higher expectation of financial old age support from children. However, there is an increasing trend of sandwiched generation parents to lead a financially and physically independent life in their post retirement period rather than co-residing with their children particularly son(s). Thus, today’s middle aged parents expect old age support from their children more in the form of physical and emotional help rather than financial assistance.

Keywords: Old age support, Son preference, Monetary transfers, Sandwiched couple.

Introduction

India is a large country known for its huge diversity held together by common socio-cultural values and practices. The traditional and cultural set up in India places the responsibility of elderly on children (Bhat and Dhruvarajan, 2001; Croll 2006). Parents in majority of the traditional societies still expect their sons (not daughters!) to provide financial and emotional care, especially in their old age. In India, as many as 74% expect sons to support them financially during old age. In Maharashtra, 85% parents reported that they expected support from their sons (IHDS, 2011-12). Sons add to family wealth and property while daughters tend to drain it through dowries; sons continue the family lineage while daughters are married away to another household; sons perform important religious roles; sons defend or exercise the family’s power while daughters have to be defended and protected, creating a perceived burden on the household. Elderly parents prefer to reside with their sons since as per the traditional marriage system, the daughters are lost to natal family after marriage with sons bearing the responsibility of the house (Medora, 2007). Co-residence with daughters is also not socially very desirable in India except in very extreme circumstances of the daughter becoming widow or the elderly person not having any son (Vlassoff, 1990). To add to these beliefs, poor social security measures in the country leave the parents with no choice than to depend on their sons for financial support and old-age care.

Though overtime, the value system and social orientation are undergoing a rapid change, when it comes to support system of elderly it is the familial bonding which primarily provides the

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extended care. Findings from BKPAI, 2011, a survey of elderly in seven states across India reported that majority of elderly living with their children expressed satisfaction with their current living arrangements. The visible change is that the family which traditionally used to be headed by the elderly is now progressively led by relatively younger generation particularly the working son. Middle aged parents of today encourage higher education for their children as human resource capacity building has become crucial for better future prospects. Present day parents are also well aware of the changing role and responsibility of the family members including their own children and growing nuclearization of the family. Such circumstances coupled with limited public sponsored social security provisions are compelling these parents to think about their own post-retirement means of livelihood. With this background, the paper makes an attempt to probe the following concerns:

1. Do the middle aged parents count on their sons as their old age support or do they prefer to be physically and in particular economically independent?
2. Is the investment in education by parents today altruistically driven or do they expect old age support in return?

The next section presents the review of the literature while Section III describes the data and the methods adopted for the study. Section IV discusses the findings in detail and the complete exploration has been summarized in the last section.

Previous studies

Children have been universally looked upon as an old age security. A few studies in the past showed that parents in developing countries expected to rely on children for financial support and that old-age security is an important reason to have children (Nag, 1975, Bulatao, 1979, Kagitcibasi, 1972). In Bangladesh, Cain (1978) found that it was considered necessary to have an average of five children to insure that there will be at least one son to care for his parents when they are old. Son preference in India is also a well-documented phenomenon (Arnold, Choe, and Roy, 1998; IIPS, 1995). Traditionally sons are expected to provide financial assistance to elderly parents in India. Thus, they remain the main source of old age security, which it is argued, provides a rationale for greater investment in sons' schooling (relative to girls) when children are young. Cain (1977) and Caldwell (1965) have highlighted that preference of sons was mainly linked with security motives and economic utility. However, unlike the more strictly economic models (Becker 1981), value systems regarding support in old age and the relationship between the individual and the larger family are the primary determinants of intra-familial wealth flows in Caldwell's (1965) view. Lillard and Willis (1997) assess the motives for intergenerational transfer for elderly parents in Malaysia and find evidence in favour of old age security and that old age security is, in part, children's repayments to parental investment in their education. Old age security hypothesis centres on the argument that children provide some form of insurance against risks when parents are old, which in turn, justifies parental investment in young children. Also parents take into account the extent to which these investments will make both, their children and themselves better off in the future while choosing to invest in them. In other words, couples as parents aim to provide a sufficient amount of educational investments that maximize their children's lifetime utility subject to the constraint that their own lifetime utility is not jeopardized. Such an arrangement is termed as "weak altruism" (Brown and Poirine, 2005; Cox et al,1998) to contrast it from Becker's

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(1981) “strong altruism” in which the well-being of a given family member is intertwined with the well-being of other family members.

According to wealth flows theory, a second period in the life course for parents to receive economic benefit from their offspring is during old age. Those benefits motivate high fertility in traditional societies where adult children are expected to support their aging parents. In modern society, the ethics of individualism and strong public support for the aged remove this motivation. Vlassoff (1982) using micro-level data, did not find evidence of upward intergenerational wealth transfers in high fertility contexts in India. Willis (1982) has criticized Caldwell's hypothesis strongly on theoretical grounds, arguing that members of an altruistic older generation will see offspring's success as a substitute for their own, and will therefore be willing to invest in their human capital at a higher rate than would be predicted if parents were acting solely in their own self-interests. Thus, gradually with economic development and declining fertility leading to fewer children, parents' economic dependence on children, especially sons, is expected to phase out over time. A nationwide survey carried out in Japan in 2004 showed that only 11 percent women in reproductive age group with at least one child expressed an expectation to depend on their own children for old age security compared to 60 percent in 1950(cited in Ogawa, 2008). Raut (1996) revealed that the probability that respondents will rely on their children when they are old is lower for couples with high income, with better access to private pensions and other financial assets. Vlassoff and Vlassoff (1980) challenged the validity of the fertility motive for old age security and suggested that economic resources and not the number of sons are relevant factors determining old age security in rural Maharashtra. Vlassoff (1990) further argued that sons are valuable in rural Maharashtra (western India) more for the cultural reasons than for economic support and care. His study also highlighted that modernity was inversely connected to help from offspring – many ‘modern’ old men stressed their intention to remain self-reliant throughout life. In nutshell, with increasing individualistic attributes, smaller family norms, and improved public support, it would be less likely that middle aged parents depend on their children particularly sons as a source of old age security.

Data and methods

These findings are based on the micro-level data collected from 673 households (excluding non-response) comprising of 479 households from 20 CEB's of Pune city and 194 households from 8 CEB's of Pimpri – Chinchwad. The selection was done in such a way that households from all socio-economic background get duly represented in the study sample. This was facilitated by using a three staged sampling procedure – selection of ten wards out of 162 wards in Pune Municipal Corporation (PMC) and four out of 96 wards from Pimpri-Chinchwad Municipal Corporation (PCMC) using systematic probability proportional to size sampling (PPS). So a total of 14 wards were selected for the study in such a way that the entire Pune and Pimpri-Chinchwad area gets represented. At the second stage, two census enumerated blocks (CEBs) were selected from each of the 14 wards using the PPS method again. To ensure that households from all the socio-economic strata are equally represented in the sample, a house-listing operation was carried out in each selected CEB, which provided the necessary frame for selecting households in the third stage of sample selection. The third and the final stage comprised of selecting 25 households from each block using systematic sampling. Thus, a representative sample of 500 households from PMC and 200 households from PCMC were finally included in the sample.

In order to understand the behaviour of younger respondents towards their aged parents, as well as the formers expectations regarding future support from their own children and their saving intentions, married males in the age-group 24-59 years who have at least one dependent child (3 years and above) and one surviving elderly parent (age 60 or above) to look after, were selected as the respondents. In case of households where such male members were not alive, their widows were interviewed assuming that in the absence of her husband, she looks after the welfare of her parent-in-laws as well as her children.

Data was collected using a semi-structured interview schedule. A separate section based on the respondents’ perception of old age security was included in the individual schedule. The main rationale was to understand the perception of old age security of the present generation couples as parents themselves and their expectations from their own children, particularly the sons. It is an attempt to investigate whether as per the traditional norms, do middle aged couples as parents themselves, expect their sons to take care of them in their old age or have they made arrangements for their post retirement life and prefer to remain economically independent? Percentage distributions and bi-variate tabulations have been used to describe the present situation of the respondent and expectation from his children in the future in addition to his own monetary arrangements (if any) for the post retirement period.

Most of the variables in the section of ‘Perception of old age security’ were categorical and it was difficult to draw a line between the response variable and the set of predictors. To deal with this situation, Log linear regression approach was found to be more appropriate than the logistic regression analysis (Hagenaars, 1990). It is an extension of the two-way contingency table or the χ^2 test where the conditional relationship between two or more discrete, categorical variables is analysed by taking the natural logarithm of the cell frequencies within a contingency table. Although log linear models can be used to analyse the relationship between two categorical variables (two-way contingency tables), they are more commonly used to evaluate multi-way contingency tables that involve three or more variables. The variables investigated by log linear models are all treated as “response variables”. In other words, no distinction is made between independent and dependent variables. Therefore, log linear models only demonstrate association between the variables.

Let us consider the three categorical variables A, B and C each with two categories each. Then a log-linear model for cell frequencies under the null hypothesis of no association between them will be of the form

$$H_0: F_{ijk} = \eta \phi_i^A \phi_j^B \phi_k^C \phi_{ij}^{AB} \phi_{ik}^{AC} \phi_{jk}^{BC} \phi_{ijk}^{ABC} \dots\dots\dots 1.1$$

Which (after taking natural logarithms on both sides) can be rewritten as

$$H_0: \ln (F_{ijk}) = \mu + \lambda_i^A + \lambda_j^B + \lambda_k^C + \lambda_{ij}^{AB} + \lambda_{ik}^{AC} + \lambda_{jk}^{BC} + \lambda_{ijk}^{ABC} \dots\dots\dots 1.2$$

where,

$\ln (F_{ijk})$ = Logarithm of the frequency of cell ijk

$\mu = \ln (\eta)$ a constant term: the mean logarithm across all cells (2.808)

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λ_i^A , λ_j^B & $\lambda_k^C = \text{Ln}(\emptyset_i^A)$, $\text{Ln}(\emptyset_j^B)$ and $\text{Ln}(\emptyset_k^C)$ respectively indicating the increase or decrease from μ due to effect A, effect B and effect C respectively.

λ_{ij}^{AB} , λ_{ik}^{AC} & $\lambda_{jk}^{BC} = \text{Ln}(\emptyset_{ij}^{AB})$, $\text{Ln}(\emptyset_{ik}^{AC})$ and $\text{Ln}(\emptyset_{jk}^{BC})$; the first order or two way interaction terms indicating the increase or decrease from μ due to a particular combination of A x B, A x C & B x C respectively

$\lambda_{ijk}^{ABC} = \text{Ln}(\emptyset_{ijk}^{ABC})$; The (highest) second order or three way interaction term indicating the increase or decrease from μ due to the combination of A x B x C.

The above equation (1.2) represents a 2 x 2 x 2 hierarchical saturated log-linear model for testing the aforesaid null hypothesis. For the present paper, we try to examine the association between expecting old age support from children and other categorical variables like rendered past financial help to the family, current financial situation (wealth index has been used as a proxy indicator) and education of the respondent. The dichotomous variables listed below were used for the log linear analysis - do you expect old age support from your children? (Yes/No), have you shouldered any major financial responsibilities for your family in the past? (Yes/No), Wealth Index (Poorest, Poor, Middle, Rich, Richest) and Education of the respondent (Below secondary level/Above secondary level). We initially fit the saturated model and by stepwise backward elimination procedure, the main effects and interactions contributing significantly in explaining the partial associations between the categorical variables have been identified. Table 1 gives details about the variables used in the analysis along with their summary statistics.

Table 1: Variable categories used in contingency analysis and their summary statistics

Variables (N=673)	Categories	Mean	S.D
Expect old age support from children?	0 if No 1 if Yes	0.72	0.45
Shouldered any major financial responsibility of your family in the past?	0 if No 1 if Yes	0.51	0.50
Wealth Index	1 if Poorest 2 if Poor 3 if Middle 4 if Rich 5 if Richest	2.98	1.44
Education of the respondent*	0 if Below secondary 1 if Above secondary	0.44	0.50

*Variables with multiple categories have been converted into dichotomous form to facilitate inference.

Empirical findings and discussion

The perception of the respondents about their old age security and whether they count on their sons as their old age support was explored through a series of related questions. Table 2 depicts the summarized results. At the outset, the respondents were asked the age at which they would like to get retired. Almost 43 percent of them replied that they would work until it’s physically possible and not like to get retired. Slightly more than one-third felt, 60 years would be

the ideal age to get retired while only 11 percent asserted it to be 65 years. Twenty-three respondents were not working at the time of survey. When asked about how they perceive their post retirement period, 54 percent respondents felt that it would be less stressful than the present period while 14 percent felt it would be more stressful. About one-fourth respondents were not sure whether their post retirement period would be better or worse than the present.

Table 2: Percent distribution of some selected characteristics related to perception of old age security

Characteristics	Percent	Number	Characteristics	Percent	Number
<i>Age of retirement</i>	Min 40	Max 70	<i>Whose moral duty to look after parents?</i>		
	55	3.2	Son/s	29.4	198
	60	31.4	Daughter/s	1	7
	65	11.1	Both	65.9	444
Until physically possible	42.9	279	Neither of them	3.6	24
Currently not working	3.4	23	<i>Atleast one son must for old age?</i>		
<i>Post retirement period</i>			No	62.8	423
Less stressful	54.4	366	Yes	37.2	250
As stressful as present	6.4	43	<i>More Imp among two options</i>		
More stressful	13.8	93	Financially secure old age life	13.5	91
Can't say	25.4	171	Better future for children	84.4	568
<i>Most Imp at Old age</i>			Both 50:50	2.1	14
Good health	6.9	47	<i>Expect old age support?</i>		
Economic support	1.3	9	No	27.9	188
Well-being of family	49.9	336	Yes	72.1	485
Obedient sons	29.7	200	<i>Form of old age support expected</i>		
Secure life	11.6	78	Physical and Emotional	44.9	218
<i>Stay with whom at old age?</i>			Financial	0.2	1

When the respondents were asked about the most important aspect of their old age life, half of them replied that well-being of the family was the most important while 30 percent felt having obedient sons was of utmost importance. Almost 12 percent felt having a secure life with sufficient wealth and assets was of prime importance to them. When asked about with whom they would like to stay in their old age, 38 percent wanted to stay with their son(s) while around one-fourth showed interest in occasionally staying with both son and daughter. Interestingly about one third of the respondents expressed their interest of staying independently. This may indicate the changing trend of the current generation parents to lead an independent life in their post retirement period rather than staying with the children particularly son(s). However, when they were asked to choose the most important among the two options-financially secure old age life vis-à-vis a better future for

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children by investing in their quality education, as high as 84 percent opted for the latter over their own secure old age life. Thus, adult couples as parents themselves are more concerned about their children’s future life rather than their own secure and comfortable old age life.

The main objective of this paper was to find out whether couples as parents today perceive spending substantial amount of money on the education of children as an investment for their secure old age. Interestingly 62 percent respondents denied the fact that they treat spending on the education of their wards as an investment for their own old age. This may be suggestive of the trend that today’s parents wish to provide quality education to their children to enable them to lead a better life in future rather than looking at this as an investment for making their own post retirement period financially secure. This finding corroborates with around 68% of parents with children reported of giving priority to their children’s higher education than to their own retirement fund during HSBC’s Power of Protection study (Economic times, 2017)

When asked about whom they feel should bear the moral duty of looking after the elderly parents, around 66 percent felt it’s the duty of both son(s) as well as daughter(s). However, 29 percent still feel it to be solely the son’s responsibility. Around 4 percent said neither the son nor the daughter should be burdened with the responsibility of taking care of their old parents.

A few decades back, having at least one son for old age support was the traditional outlook of many parents. In an attempt to explore whether the same picture still persists in the society, the respondents were asked whether they feel having at least one son was important for old age support, almost 59 percent respondents responded negative. This suggests that middle aged couples today do not feel the need of having at least one son so as to secure their old age life. The respondents were also asked whether as parents, they expect old age support from their children. Seventy-two percent of them replied that they do expect old age support from their children. However, almost 45 percent of them expected merely physical and emotional support. Of the 28 percent who did not expect any kind of support from their children, slightly more than three-fourth preferred not to rely on anyone but self while 21 percent thought they can depend on their spouse for old age support. When asked whether any monetary provision has been made for post-retirement period, 60 percent respondents gave a positive reply. This may be indicative of the fact that couples as parents expect more of physical and emotional support from their children and they do not wish to be a financial burden on them as far as possible.

a. What shapes the expectation of old age-support? A Bi-variate Analysis

Bi-variate analysis led to a better understanding of the perception of old age security of the middle aged couples. It may be argued that better education enhances the overall outlook of a person thereby making him broad-minded and open to new ideas over the traditional ones. Also advancement in educational achievements may lead to financial stability which may reduce the financial dependency on others. If we see the bi-variate association between education of the respondent and his expectation about old age security from his children which has been depicted in Figure 1, this fact gets emphasized.

Fewer respondents with higher educational level (degree or post graduate degree) had expectation of support from their children as compared to those with less education. Out of those

respondents who had no formal education or were educated for less than one year, almost 94 percent expected old age support from their children. 86 percent who were literate but without any formal education expected old age support from their children. 86 percent who were literate but without any formal education expected old age support from their children.

Figure 1: Educational level of respondent and expectation of old age support from children

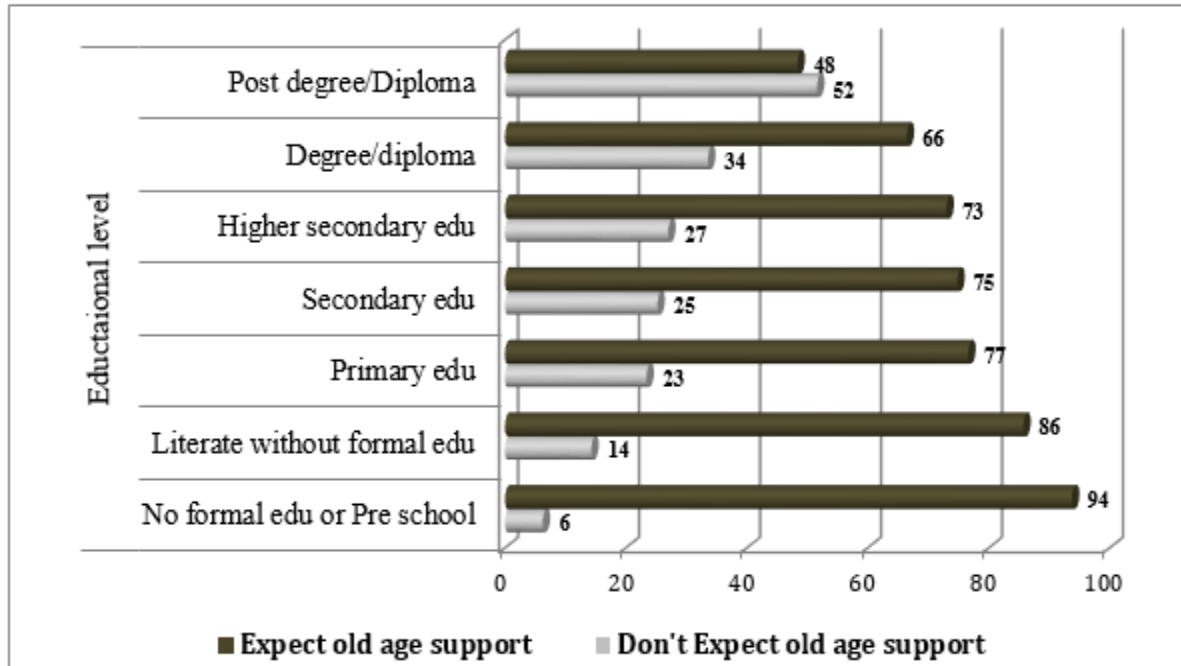
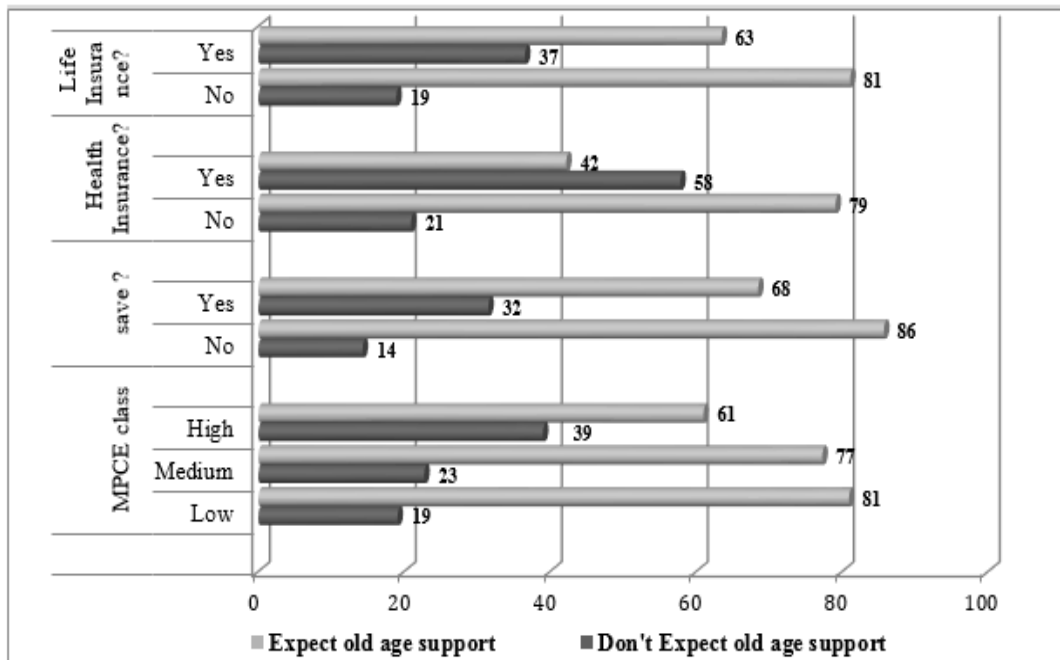


Figure 2: Expectation of old age support and MPCE class, saving and health and life insurance holders



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As we move from primary and secondary education to degree and post degree, the percentage of respondents expecting old age support falls down considerably from 77 percent to 48 percent. The reason behind this may be the financial stability which comes with higher education levels. Respondents with poor or low education may not have sufficient earnings so as to save for their old age thereby compelling them to depend on their children for the same. Those who are well educated usually end up with better earnings prospects which provides them with ample opportunities to save for their future and so may not look at their children as a financial support for old age.

Figure 2 depicts the results of bi-variate analysis between the expectation of old age support and MPCE class, saving and health and life insurance holders. The purpose of this analysis was to find out whether the current financial condition, saving and holding either life or health insurances has any bearing on the perception of old age support from children. The analysis clearly revealed that more respondents from the lower MPCE class (81 percent) expected old age support from their children as compared to those in higher MPCE class (61 percent). Similarly when, an attempt was made to relate the saving behavior of the respondent and his expectation of old age support from his children, it was found that, of those who were unable to save in the present scenario, almost 86 percent expected that their children should take care of them in their old age as compared to only 68 percent who were presently saving in some form or the other. This may be indicative of the actuality that those couples who are able to secure their old age with some saving do not expect financial support from their children when they are old. Similarly, out of those who do not have any kind of health insurance, as high as 79 percent of the respondents expect old age support as compared to only 42 percent who have their health insured.

A similar pattern was observed in case of Life insurance. Out of those who did not hold any Life insurance policies, about 81 percent replied that they expect old age support from their children as compared to 63 percent who had some Life insurance benefits. Thus, middle aged parents of this generation do not wish to be a burden on their children if they are able to make some future financial arrangement for themselves but for those who are unable to do that, children particularly son(s) seems to be the only viable source of support.

b. Interplay between Education, financial status and expectation of old age security - A Multi way Contingency Analysis

The key purpose of this analysis was to understand the interplay between the four variables - education level, current financial condition (MPCE quintiles used a proxy indicator), shouldered any major financial responsibility in the past and expecting old age support from children. The objective was to explore whether educational level interacts with the current financial condition of the couple to make any impact on the expectation of old age security. In other words, do less educated couples from low socio-economic status expect more old age support than their respective counterparts? Also whether expecting support from children in the old age depends on the responsibilities one bears for the family in his/her own youth? In other words, do parents expect old age support from their children only because they had shouldered major financial responsibilities of their family members in the past? As an attempt to answer these questions, a multi-way contingency analysis followed by log-linear analysis was carried out. Table 3 shows the frequency table for the four categorical variables of interest. If the table is collapsed for the past

financial help variable, it can be seen that education does not play any role in the lowest quintile as far as expectation of old age support from children is concerned. However, interestingly the role of education was opposite in the middle and high MPCE quintiles. In middle quintile, more educated expected more old age support but as we move towards highest quintile, more the education less was the expectation of old age support from children. Parents belonging to the middle income quintile may put in all the income and savings into the education of their wards leaving them with no option than to depend on their children for old age support due to lack of savings. The global report by HSBC under the Value of Education series, Higher and higher, looks at parents' ambitions for their children, their views on the costs and benefits of education, and the sacrifices they are prepared to make to ensure their children can fulfil their potential. According to this report, nearly 89% parents in India are ready to make personal sacrifices for their child to succeed while 59% parents are funding their child's education from their day-to-day income with 48% getting the money from general savings, investments or insurance. Thus, parents tend to focus more on their child's bright future than their own safe and secure retirement period.

Table 3: Multi-way Contingency table showing the relationship between categorical variables

(A) MPCE	(B) Education of respondent	(C) Past financial responsibility	(D) EOAS [†] (% Yes)
1.Low	1.Upto Secondary	1.No	83
		2.Yes	78
		Total	81
	2.Above secondary	1.No	85
		2.Yes	73
		Total	80
2.Medium	1.Upto Secondary	1.No	78
		2.Yes	69
		Total	74
	2.Above secondary	1.No	85
		2.Yes	78
		Total	82
3.High	1.Upto Secondary	1.No	78
		2.Yes	73
		Total	75
	2.Above secondary	1.No	69
		2.Yes	46
		Total	54

[†] Expectation of old age security

c. Empirical support to the inter-linkage - A Log Linear Regression Analysis

Log-linear regression analysis is used to actually extract the pattern of inter-linkage in a multidimensional contingency table. When there are more than two sets of unordered categorical response variables and there is no distinction between the response and explanatory variable, the log linear model provides a good statistical analysis for testing associations and interactions among them. This method has been used in this paper to examine the extent of interaction between the respondents' expectation of old age support from his children and other categorical variables like his education, wealth and financial responsibility shouldered (if any) in the past.

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In order to test the hypothesis that there is no association between expectation of old age support, past financial responsibility, education and wealth index, the proposed log-linear model in equation 6.1 in the methodology section has been adopted. The value of likelihood ratio testing the mutual independence of the above categorical variables was found to be significant ($\chi^2 = 32.6346$) at $p=0.05$ thereby leading to the rejection of the null hypothesis of no association between these categorical variables. Therefore, a log-linear model testing the partial association between expectation of old age support, past financial responsibility, education and wealth index has been fitted. Since the highest order interaction between the four categorical variables was not found significant, it has been ignored. Using the backward elimination procedure, the best log-linear model has been fitted to the remaining terms in the equation. The results have been tabulated in Table 4. Results clearly showed the existence of significant partial association between expectation of old age support and wealth index.

Table 4: Results of partial association obtained from Log-linear analysis

Effects	d. f	Partial association (χ^2)	Sig.	Parameter estimates
Expectation of old age support	1	135.69 [†]	0.000	-0.60409* -0.22273 0.15469
Wealth Index	4	2.393	0.664	0.09668 0.07553
Education of respondent	1	9.295 [†]	0.002	0.14075
Past financial support to family	1	0.179	0.671	-0.06929 -0.14037
Expectation of old age support *wealth index	4	21.547 [†]	0.000	0.13539 -0.02165 -0.12370
Expectation of old age support *education	1	1.775	0.183	-0.04663
Expectation of old age support *past financial responsibility	1	8.449 [†]	0.004	-0.18528

[†] Significance at 5 % level

The partial estimates obtained from the log-linear analysis showed a negative association between the two categorical variables indicating that as we move from lowest wealth quintile to the highest, expectation of old age support declines. Similarly, there exists a significant partial association between expectation of old age support and past financial help to family. This relationship was also negative. Interestingly those respondents who have shouldered some major financial responsibility for their families in their past do not expect their sons to behave in the same manner. Though they have taken care of their families in their youth, they do not wish to burden their children with similar responsibilities. However, though negative there was no significant partial association between expectation of old age support and education of the respondent. This may indicate that education per se’ does not play any role as far as expecting old age support from the children is concerned. Thus, the perception of old age security in the minds of middle aged parents today are primarily shaped based on their current financial condition and that education does not play any role in it.

Summary and conclusions

Children are said to be ‘poor man’s capital’ more so in the developing countries like India. Rapid urbanization, industrialization and speedy technological advances are altering the family structures, values, and lifestyles with serious implications for old age support. Migration of the young to urban centers leaving behind their old parents in the rural areas is causing alarming difficulties to the elderly with otherwise no social support to fall back upon. They are left with no choice than to depend on their families for financial support and old-age care. Not to doubt, the issue of old-age security is gaining importance, and is now high on the public policy agenda in India. Under such circumstances, do the middle aged parents invest in the education of their children with an intention of getting future old age support or do they prefer to be economically independent? This paper is an attempt to understand the perception of middle aged couples (aged 25-59 years) about their old age security and its linkage with their investment in the education of their children based on a cross sectional micro level primary data of 673 individuals in urban Pune. Results show an increasing trend of present generation parents to lead a financially and physically independent life in their post retirement period. However, they do expect emotional and financial care and support from their children. Also, adults from middle and low income families who have no opportunities to save for their old age and end up spending most of their income to meet the rising educational expenses of their children show a tendency to depend on their sons for support. However, in broader terms, son is no more viewed to be an old age security and that investment in the education of children is made not with an intention of getting old age support but of giving them a better future. This indicates conscious efforts of the parents to provide quality education to their children without expecting support in return at the dusk of their lives. Moreover, these parents also don’t wish to burden their children with the responsibility of looking after the family which they themselves had shouldered in their youth. Thus, the data strongly supports the altruism behavior of the current generation parents ruling out the exchange motive.

In the face of rapid population ageing and prevailing individualism, the social norm of having at least one son and depending on him for old age support is changing from transfers to self-responsibilities and self-reliance. In the near absence of strong public social security options, individuals therefore need prudent planning for retirement and longevity risk. In particular, they should try and keep a balance between savings for their old age and spending on their children.

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“No monetary help! We need emotional and physical support in old age.” Expectations of sandwiched generation from their children in urban settings

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