

Intergenerational Transfer in the Immigrant Family: Evidence from the New Immigrant Survey

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This study focuses on the allocation of resources within families, specifically examining monetary transfers among the U.S. immigrant families. Immigrants account for one in eight U.S. residents and they send billions of dollars to their families and relatives in their home countries. In view of proposed reduction in public assistance programs and limited resources of immigrant families, it is important to understand the mechanism through which families provide support for their members. However, transfer behavior among immigrant families and their financial well-being are rarely examined in depth. Thus, this study investigates factors of intergenerational financial transfer among U.S. immigrants and tries to identify the role of intergenerational transfers in affecting the welfare of the immigrants.

For this study, data are drawn from the New Immigrant Survey (NIS) which is a multi-cohort prospective-retrospective panel study of new legal immigrants to the United States. The baseline survey was conducted from June 2003 to June 2004. NIS is supported by the National Institutes of Health (NIH), National Institute of Child Health and Human Development (NICHD), National Institute on Aging (NIA), Office of Behavioral and Social Science Research (OBSSR), the National Science Foundation (NSF), and the U.S. Citizenship and Immigration Services. Binary logit analyses were used to test intergenerational financial transfer models. After deleting missing and unusable responses, 2197 were selected.

Immigrants aged 25-34 and 35-44 were more likely to give financial help to their parents than those aged 24 or younger. Educated immigrants were more likely to give financial help to their parents. Immigrants with financial assets were more likely to give financial help to their parents. Income was positively related to the likelihood of the financial help to parents. Asians and Blacks were more likely to give financial assistance to their parents. Age was negatively related to the likelihood of the financial help from parents.

Immigrants with more education were more likely to receive financial help from their parents. Employed immigrants were less likely to receive financial help from their parents. Income was negatively related to the financial help from parents. Immigrants with chronic health problems were more likely to receive financial help from their parents.

Immigrants aged 35-44, 44-55, and 55-64 were more likely to give financial help to their children. Hispanic immigrants were more likely to give financial help to their children. Children's income was negatively related to the likelihood of financial help to children. Immigrants who studied in USA were less likely to give financial help to children. Immigrants aged 35-44 were less likely to receive financial help from their children than those aged 24 and younger. Married immigrants were less likely to receive financial help from children.

In general findings support altruistic theory. The effect of education on intergenerational transfer partially supports exchange theory. The effect of age, health, income and financial assets on the intergenerational transfer support altruistic theory. For immigrants, intergenerational transfer provides financial support for family members and economic sustainability.

Endnotes

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