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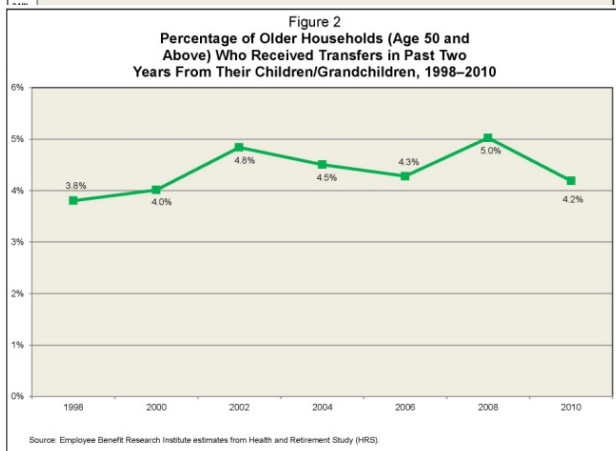
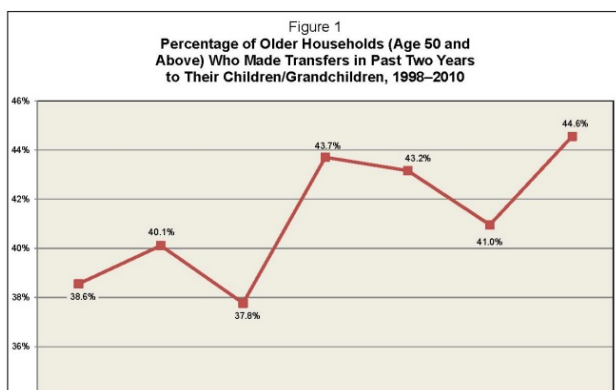
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New Research from EBRI:

Despite an Aging Population, Most Family Money Transfers Flow to the Young

WASHINGTON—When family members help each other out—especially with the Baby Boom generation rapidly entering retirement—which way does the money flow: From old to young, or the other way around?

New research by the nonpartisan Employee Benefit Research Institute (EBRI) finds that, overwhelmingly, the generational transfer of money flows downhill: Mostly it's older family members helping out their younger adult relatives than the other way around.



“For the older households, cash transfers can reduce their retirement assets, raising concerns about retirement security particularly for low-income groups,” said Sudipto Banerjee, EBRI research associate and author of the report. “Although cash transfers are more prevalent in high-income households, a significant percentage of low- and middle- income households transfer cash as well.”

According to the new EBRI research, from 1998 through 2010, there has been an increasing trend of transfers going from older (50 and above) households to their younger family members. Very few older households (4 percent to 5 percent) receive cash transfers *from* their families, compared with those who transfer money (38 percent to 45 percent) *to* their younger family members.

Data show that the amount transferred from older Americans to their children and grandchildren generally goes down with age. During a two-year period between 2008 and 2010, the average amounts transferred by households between 50–64 and households ages 85 or above were \$8,350 and \$4,787 respectively.

((more))

By contrast, the average transfer amounts from younger family members to older households are much smaller. During the same two-year period, households ages 85 or above received the highest average transfers among all age groups and the average amount was \$359.

Data also show that higher-income households are much more likely to transfer money to their family members. Also, older households that transfer cash to their family members have much higher income and assets than those that don't make such transfers.

The data for EBRI's analysis come from the Health and Retirement Study (HRS), a study of a nationally representative sample of U.S. households with individuals over age 50. It is the most comprehensive survey of older Americans in the nation and covers topics such as health, assets, income, and labor-force status in detail.

The full report, "Intra-Family Cash Transfers in Older American Households," is published in the June 2015 *EBRI Issue Brief*, online at www.ebri.org

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