

# Familial Transfers and Generational Equity: An Introduction to National Transfer Accounts

Andrew Mason  
East-West Center

March 2005

Andrew Mason, East-West Center

## Project Overview

- Develop and apply a system of national accounts that
  - Incorporate age into National Income and Product Accounts
  - Estimates of consumption and production
  - Estimates of intergenerational reallocations
    - Saving and the accumulation of other assets
    - Public programs, e.g., education, health, pensions
    - Family support systems for children and elderly

March 2005

Andrew Mason, East-West Center

# Organization

Coordination and US	EWC and CEDA
Japan	NUPRI and Statistics Bureau
Indonesia	LD, University of Indonesia
Taiwan	Academia Sinica
France	ENSANS
Chile	ECLAC
Brazil	Princeton
Funding	National Institute on Aging

March 2005

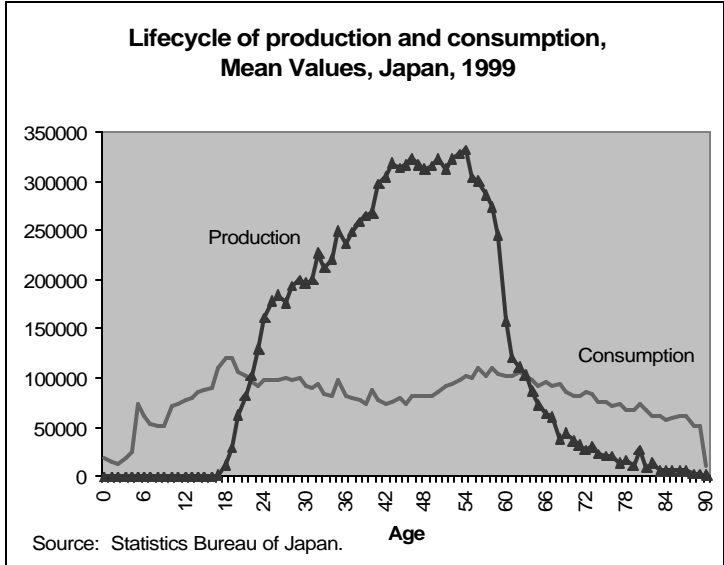
Andrew Mason, East-West Center

## New Initiative

- NUPRI in collaboration with EWC and CEDA
- Extend project to include China, India, the Philippines, and Thailand
- International Conference in 2007
- Funding request to UNFPA

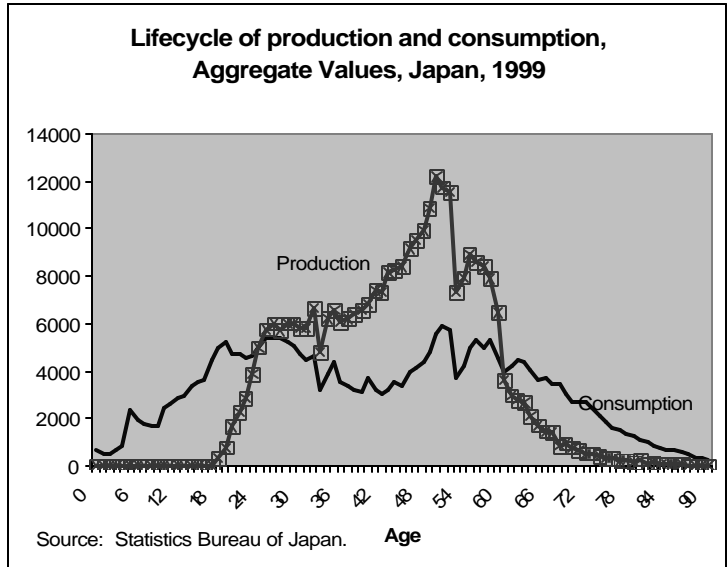
March 2005

Andrew Mason, East-West Center



March 2005

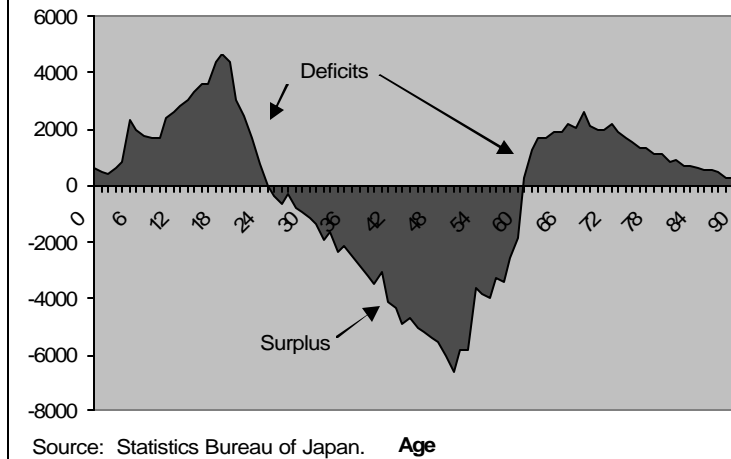
Andrew Mason, East-West Center



March 2005

Andrew Mason, East-West Center

### Lifecycle Deficit, Aggregate Values, Japan, 1999



March 2005

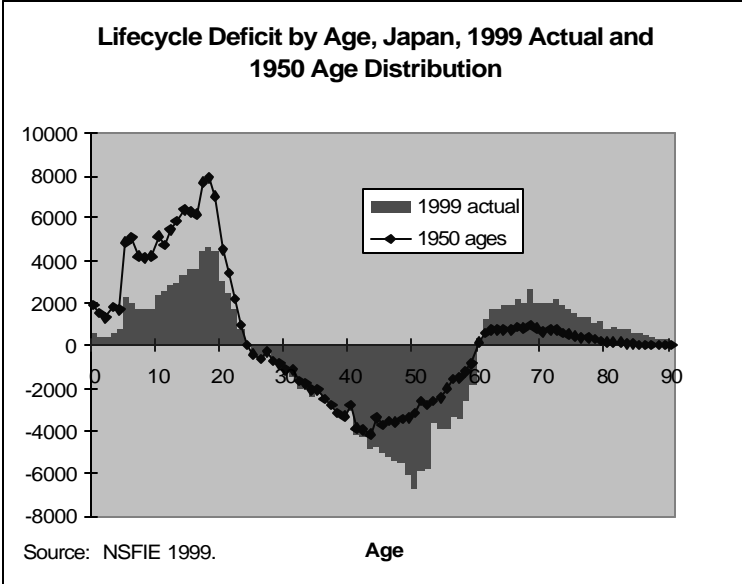
Andrew Mason, East-West Center

## Objectives

- Construct historical estimates and projections of the age profiles of production, consumption, and the lifecycle deficit.
- Explain how they are influenced by
  - social
  - economic, and
  - demographic factors.

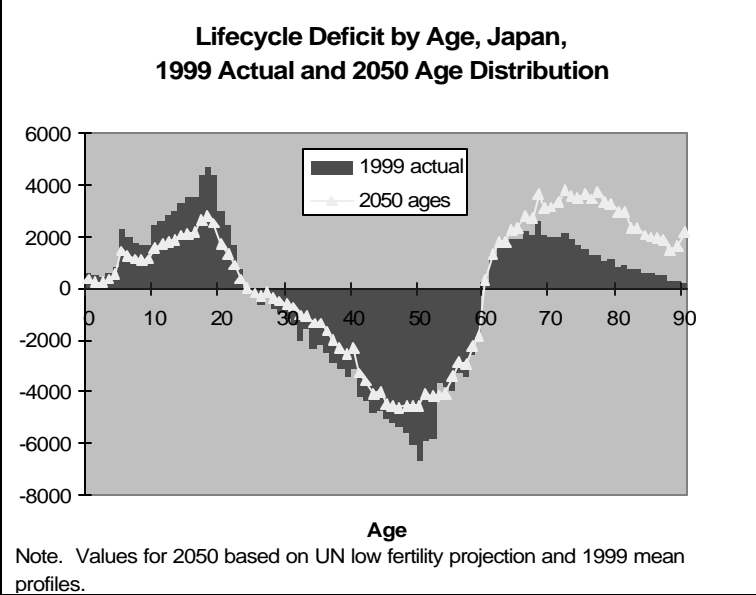
March 2005

Andrew Mason, East-West Center



March 2005

Andrew Mason, East-West Center



March 2005

Andrew Mason, East-West Center

# Reallocation Systems

- Systems that shift resources across age groups
  - from workers to dependent children and elderly
- Features of reallocation systems
  - Market and non-market
  - Public and Private
  - Economic form
    - Saving and investment
    - Consumer credit
    - Transfers

March 2005

Andrew Mason, East-West Center

**Table 1. A Classification of NTA Reallocations.**

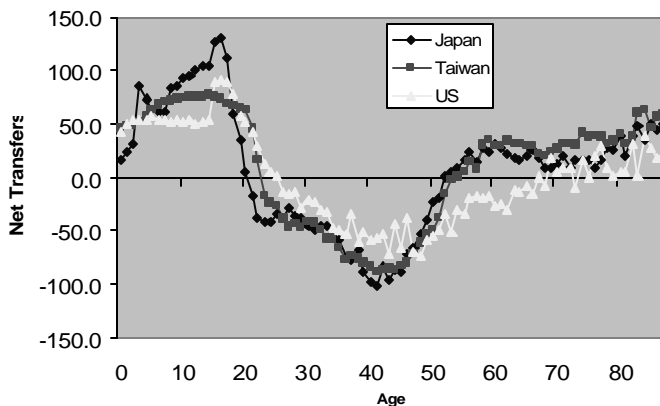
	Asset Reallocations		Transfers
	Capital Reallocations	Property and Credit Reallocations	
<b>Public</b>	Public infrastructure	Public debt Student loan programs Money	Public education Public health care Unfunded pension plans
<b>Private</b>	Housing Consumer durables Factories Farms Inventories	Consumer credit Insurance Rental of land	Familial support of children and parents Bequests Charitable contributions

Source: Adapted from Lee 1994.

March 2005

Andrew Mason, East-West Center

### Intra-household Net Transfers, Japan 1999, Taiwan 1998, and US

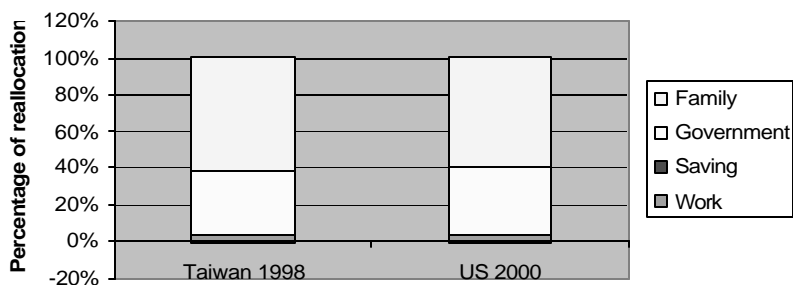


Note: Net Transfers are expressed as a percent of per capita private consumption. US values include inter-household private transfers. Age groups with positive values are net recipients. Sources: Japan Statistics Bureau and Mason, Lee, Tung, and Lai 2005.

March 2005

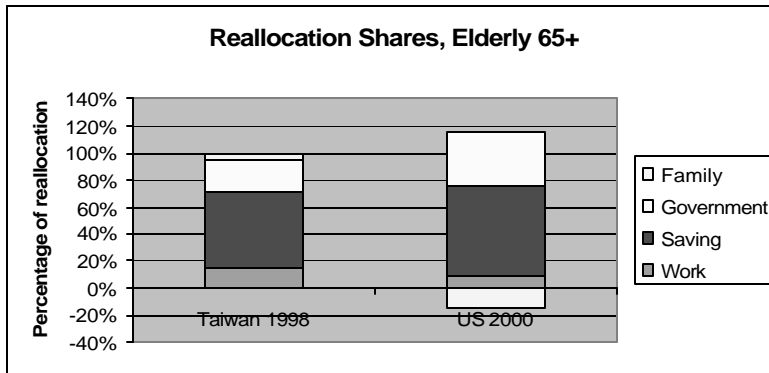
Andrew Mason, East-West Center

### Reallocation Shares, Children 0-19



March 2005

Andrew Mason, East-West Center



Family reallocations include bequests. Bequests were approximately 74% of non-bequest family transfers in Taiwan and approximately 340% in the US.

March 2005

Andrew Mason, East-West Center

## Concluding Comments

- Estimates presented here are preliminary and subject to change.
- Differences between countries are consistent with our expectations.
- Systematic quantification will facilitate important research on alternative support systems and public policy.

March 2005

Andrew Mason, East-West Center