

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

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# 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

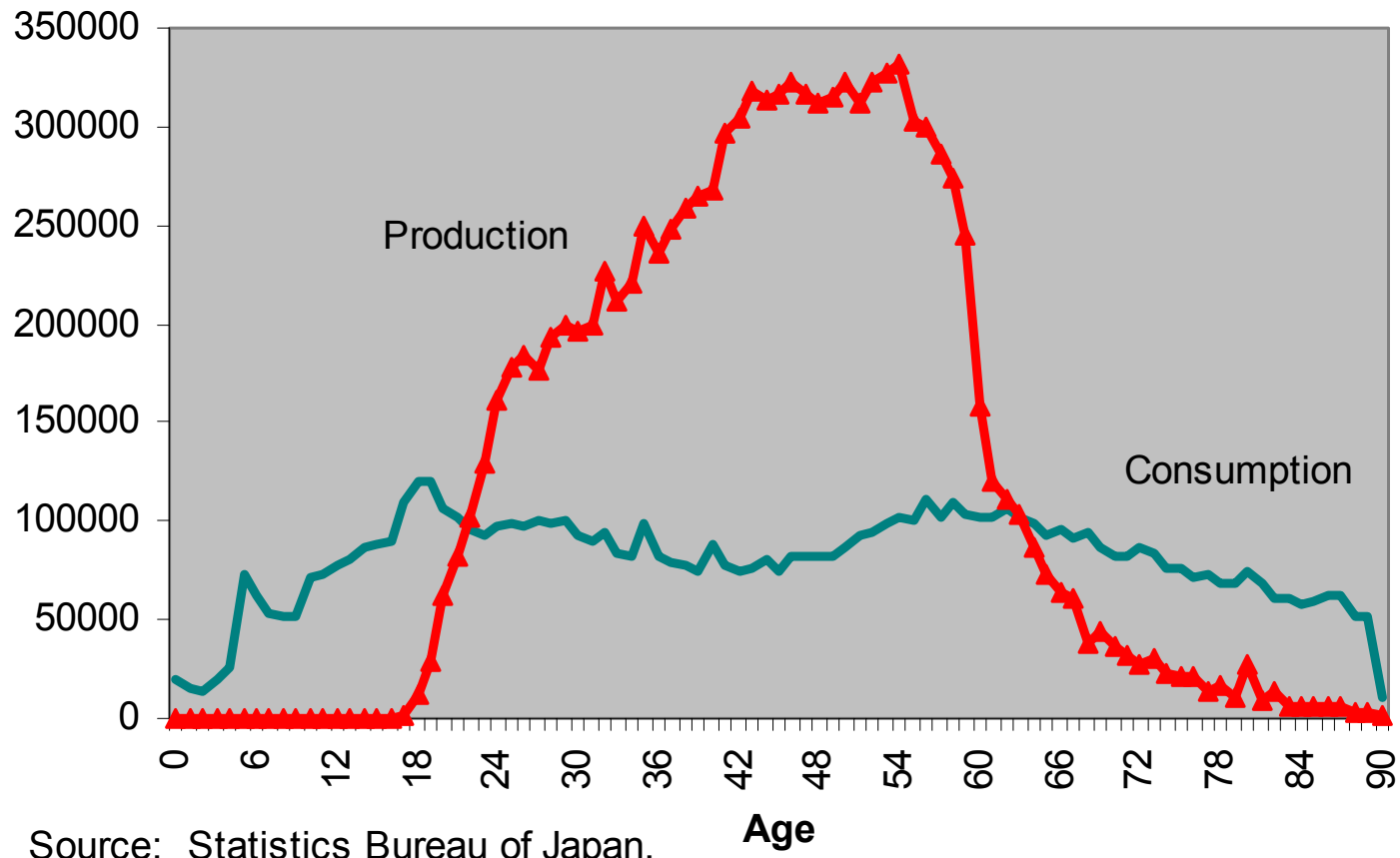
# Organization

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

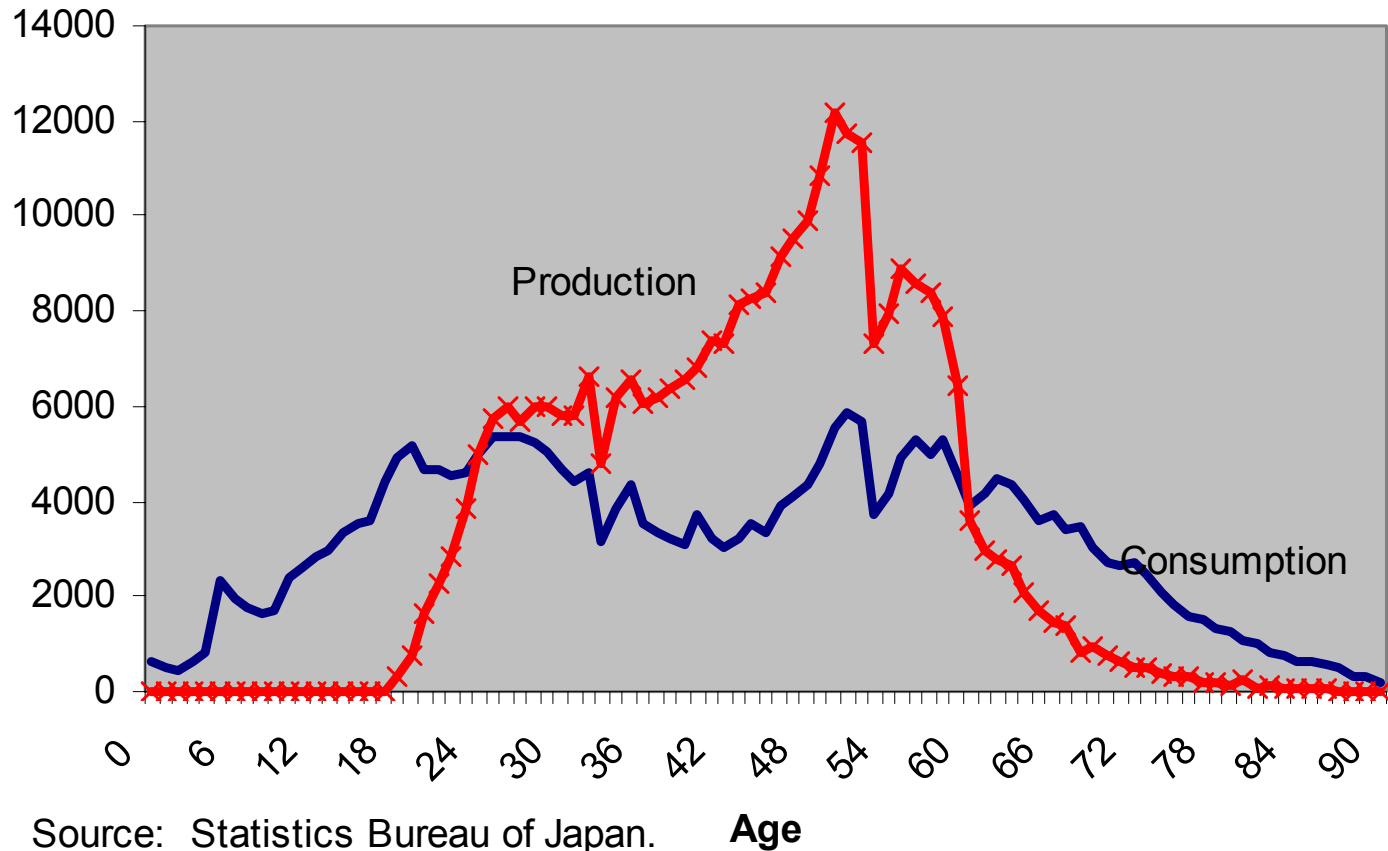
# New Initiative

- 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

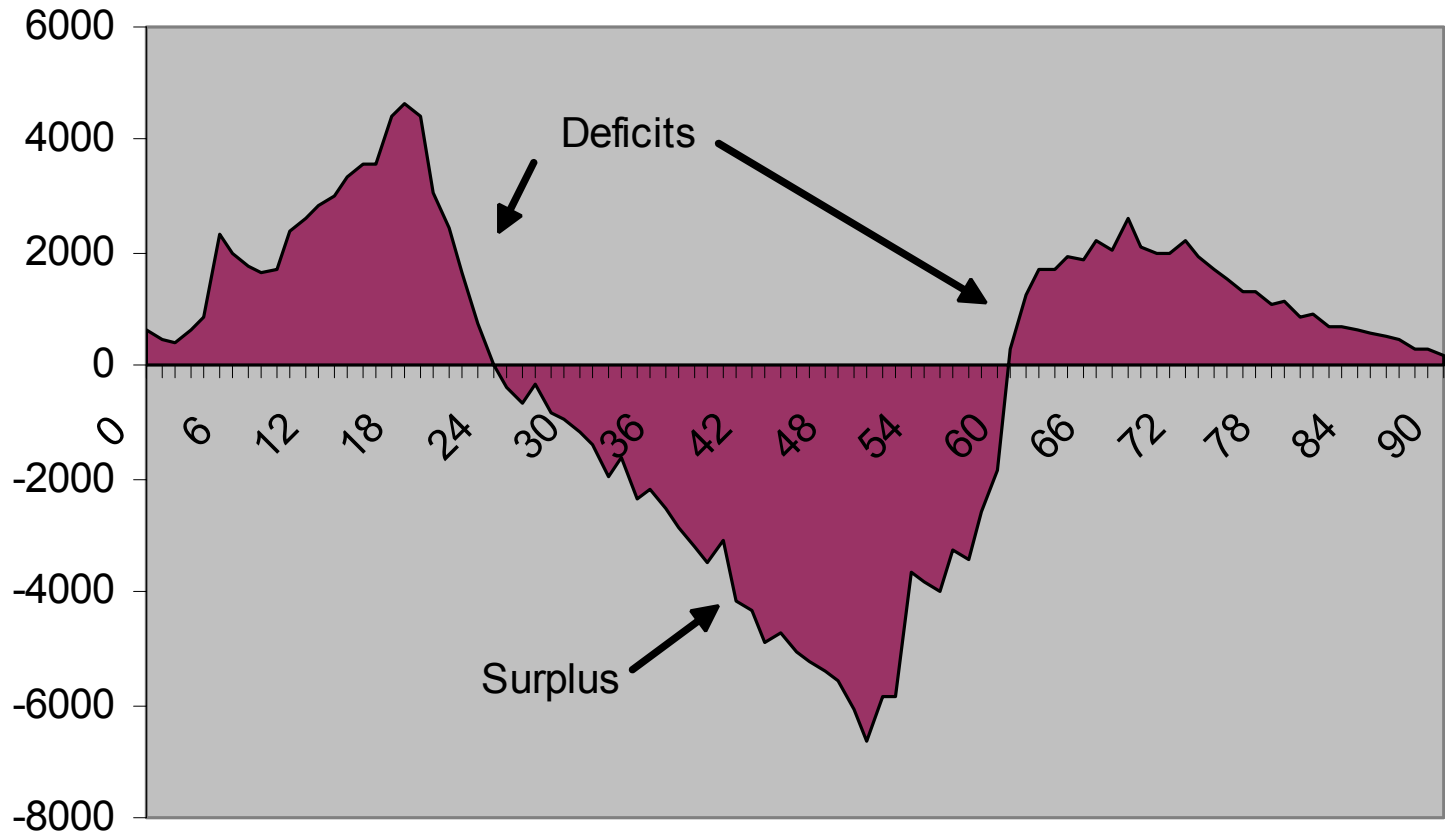
## Lifecycle of production and consumption, Mean Values, Japan, 1999



## Lifecycle of production and consumption, Aggregate Values, Japan, 1999



# Lifecycle Deficit, Aggregate Values, Japan, 1999

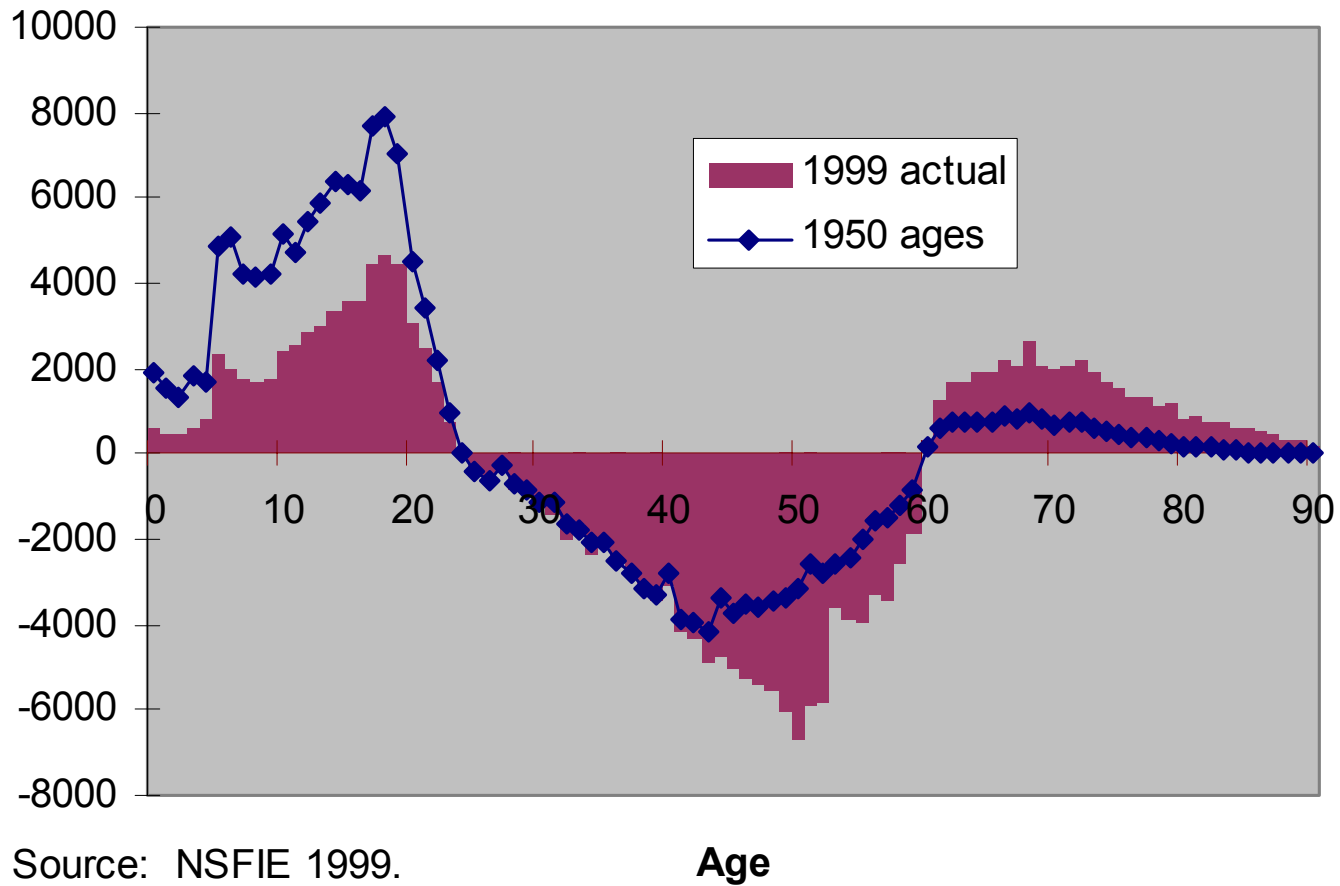


Source: Statistics Bureau of Japan. **Age**

# 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.

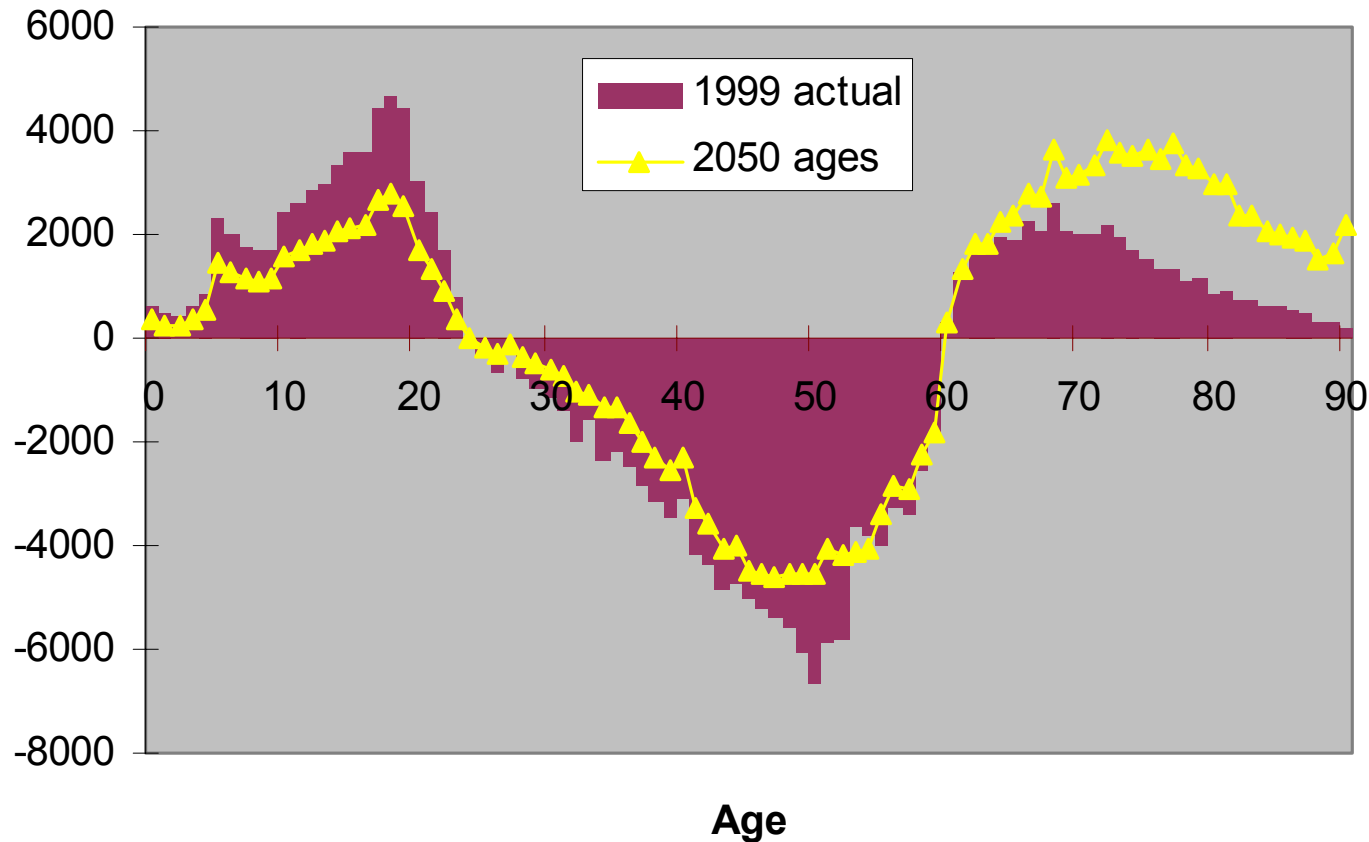
## Lifecycle Deficit by Age, Japan, 1999 Actual and 1950 Age Distribution



Source: NSFIE 1999.

Age

## Lifecycle Deficit by Age, Japan, 1999 Actual and 2050 Age Distribution



Note. Values for 2050 based on UN low fertility projection and 1999 mean profiles.

# Reallocation Systems

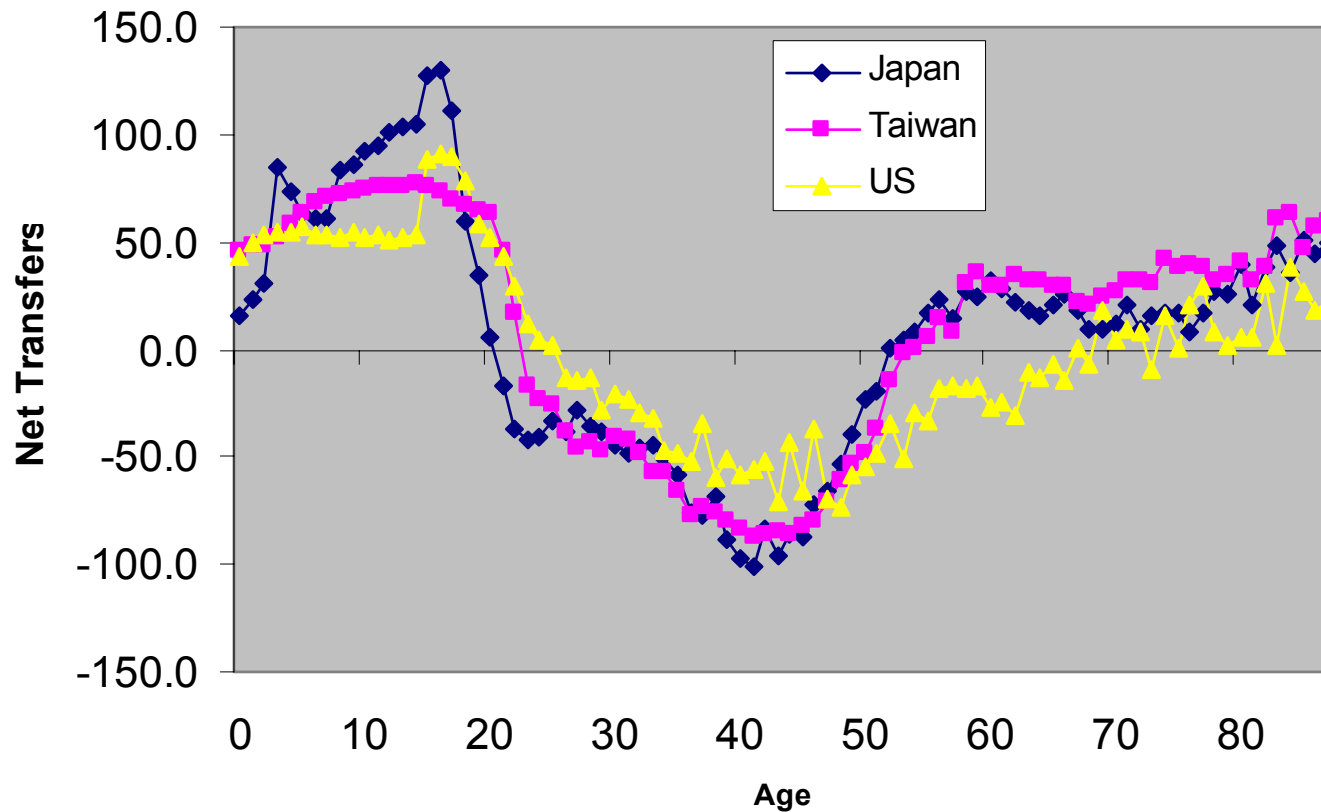
- Systems that shift resources across age groups
  - from workers to dependent children and elderly
- Features of reallocation systems
  - Market and non-market
  - Public and Private
  - Economic form
    - Saving and investment
    - Consumer credit
    - Transfers

**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

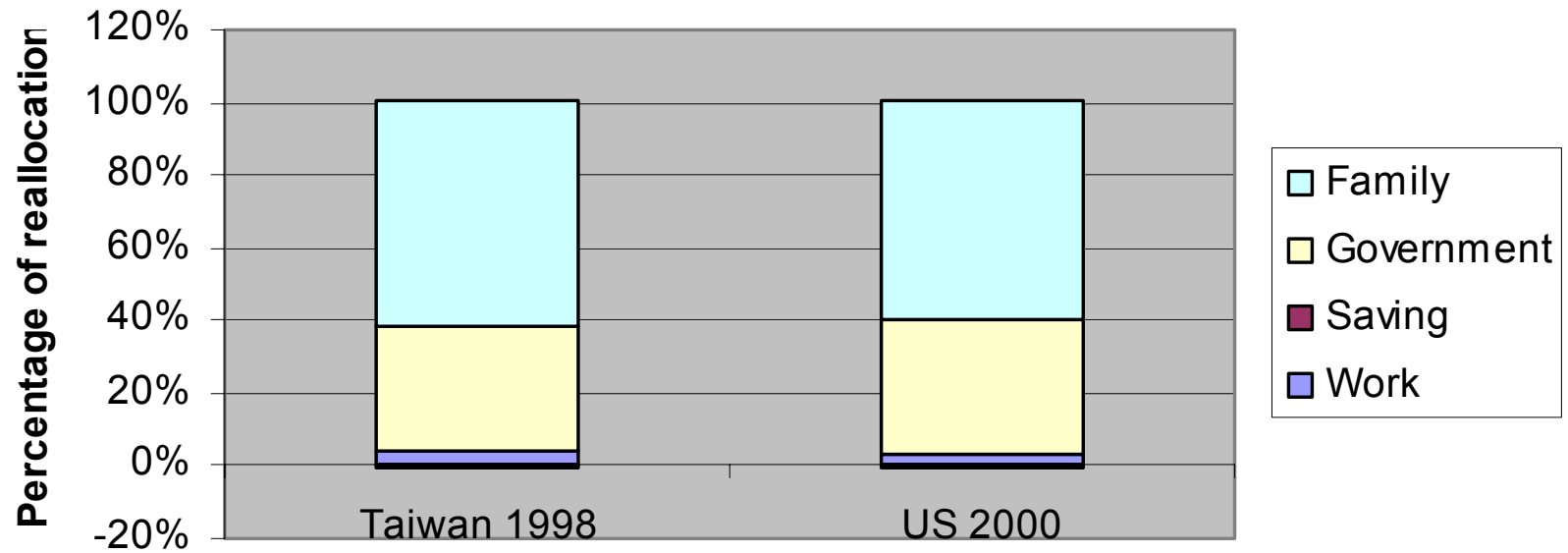
Source: Adapted from Lee 1994.

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

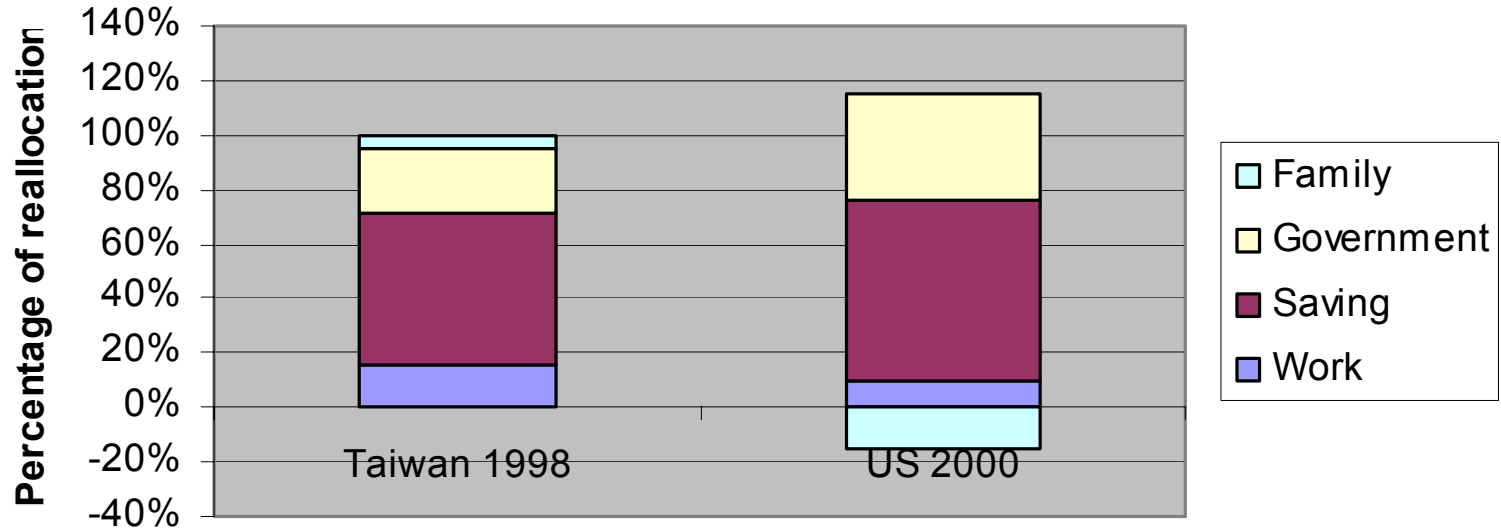


Note: Net Transfers are expressed as a percent of per capita private consumption. US values include inter-household private transfers. Age groups with positive values are net recipients. Sources: Japan Statistics Bureau and Mason, Lee, Tung, and Lai 2005.

## Reallocation Shares, Children 0-19



## Reallocation Shares, Elderly 65+



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

# 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.