

# WHO'S HELPING OUT?

## Financial Support Networks Among American Households: 1997

Issued May 2002

### Household Economic Studies

P70-84

What financial aid do households directly provide to other households within the United States? This report covers monetary assistance regularly furnished by households to specific individuals in separate households, especially child support resulting from divorce or separation. The report does not cover sporadic financial aid or nonmonetary support, such as services or tangible gifts.

This report uses data collected during the months of August through November 1997 for the 1996 panel of the Survey of Income and Program Participation (SIPP), a national longitudinal survey conducted by the Census Bureau.<sup>1</sup> Some comparisons are made with the 1988 data appearing in the previous report of this series on "helping out."<sup>2</sup>

#### HIGHLIGHTS

Substantial differences were evident in the

regular financial support provided to designated individuals residing in different households. Several notable differences among providers are the following.

- Financial aid and household income were correlated. Higher-income providers supplied more outside monetary assistance in absolute dollars, yet such aid was a lower percentage of their household income (Figures 1a, 1b).

Figure 1a.  
**Median Support Provided by Household Income Quartile: 1997**

(Thousands of dollars)

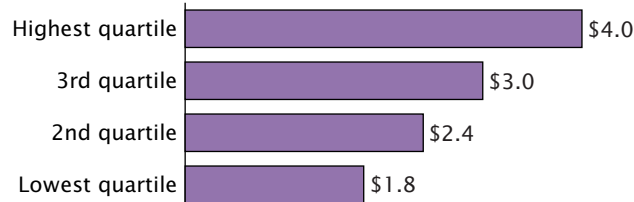
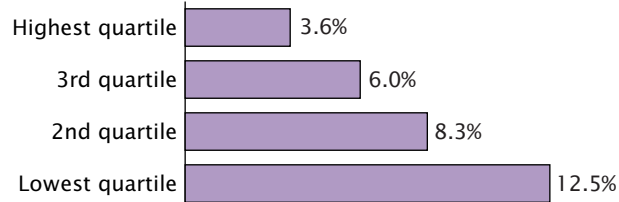


Figure 1b.  
**Amount of Support Provided as a Percentage of Household Income by Household Income Quartile: 1997**



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 panel, Wave 5 topical module.

### Current Population Reports

By Wilfred T. Masumura

Demographic Programs

<sup>1</sup> The estimates of this report are based on responses from a sample of the population. As with all surveys, estimates may vary from the actual values because of sampling variation or other factors. All statements in this report have undergone statistical testing and passed the Census Bureau's standards for statistical accuracy.

<sup>2</sup> Jennings, Jerry and Robert Bennefield, *Who's Helping Out? Support Networks Among American Families: 1988*, Current Population Reports, P-70, No. 28, 1993.

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- On average, Hispanics supported more recipients than did Blacks, who, in turn, supported more people outside their households than did non-Hispanic Whites<sup>3</sup> (Figure 1c).
- On average, recipients of male providers received larger monetary aid than did those financially assisted by women (Figure 1d).

## RECIPIENTS

As shown in Figure 2, at least 90 percent of individuals obtaining regular financial support from outside their households (and reporting a relationship) may have previously been members of the providers' household. These recipients included children, parents, spouses, ex-spouses, and "other relatives," such as siblings.

More than three-quarters (78 percent) of all recipients of regular financial support were the children of the support providers, compared with nearly two-thirds (66 percent) supported in 1988. Readers should keep this in mind when interpreting the information on the financial providers, since their characteristics were related to the recipients they supported.

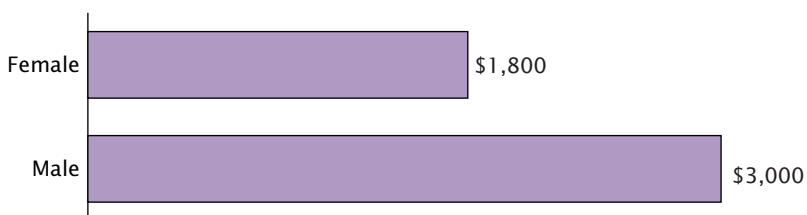
Of the remaining recipients, the largest group was parents, with 9 percent in 1997 and 13 percent in 1988 receiving support.

<sup>3</sup> Because Hispanics may be of any race, data in this report for Hispanics overlap slightly with data for the Black population and for the Asian and Pacific Islander population. Based on Wave 5 of the 1996 Survey of Income and Program Participation (SIPP), 1.5 percent of the Black population 18 years and over and 0.4 percent of the Asian and Pacific Islander population 18 years and over were of Hispanic origin. Data for the American Indian and Alaska Native population are not shown in this report because of their small sample size in the SIPP.

Figure 1c.  
**Average Number of People Supported by Race and Ethnicity of Provider: 1997**



Figure 1d.  
**Amount of Support Provided by Gender of Provider: 1997**



Source: U.S. Census Bureau, Survey of Income and Program Participation, 1996 panel, Wave 5 topical module.

## NUMBER OF PEOPLE SUPPORTED BY THE PROVIDERS

In 1997, 7.2 million people, or 3.7 percent of the U.S. population 18 years of age and over, provided regular financial support to others outside their immediate household. As Table A shows, on average, 1.5 recipients were assisted by a single financial provider, suggesting that one or two individuals were the most frequent number of recipients.

**Household Income.** As shown in Table A, the numbers of recipients per provider were similar across income categories.

**Race and Ethnicity.** Table A also shows that, among financial

providers, non-Hispanic Whites, on average, supported fewer recipients than did Blacks, but Blacks supported slightly fewer recipients than Hispanics.

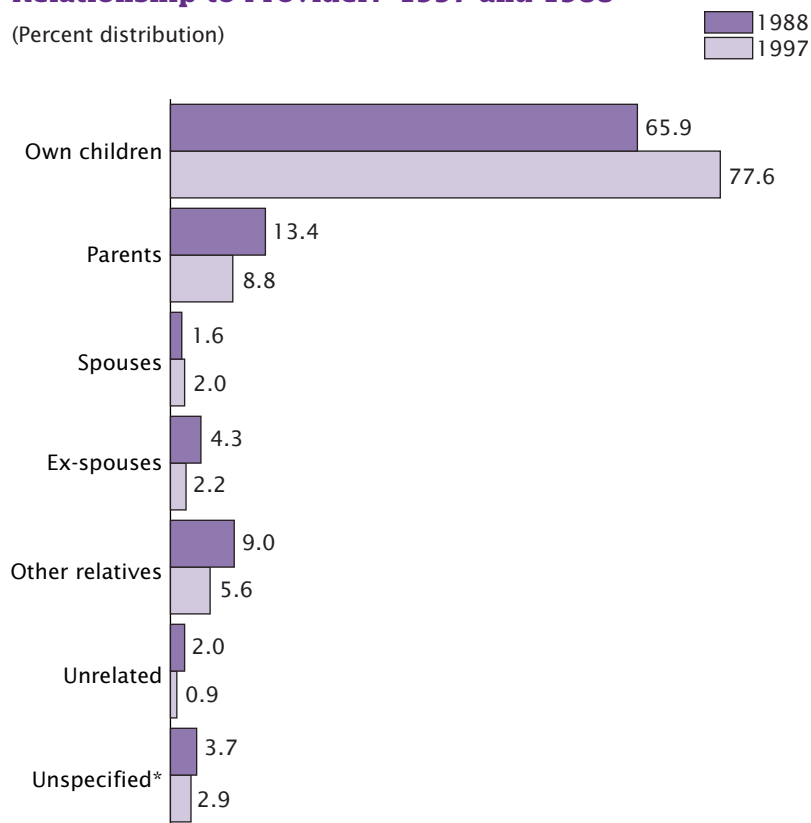
**Sex.** Among providers of regular financial aid, men supported somewhat more people than did women.

**Age.** Not unexpectedly, among the four age categories of monetary providers, those in the oldest age bracket, 65 years of age and over, supported, on average, the least number of recipients.

**Marital Status.** Complementing the above finding with regard to age, providers who were widowed typically supported the fewest number of recipients.

Figure 2.  
**Nonhousehold Financial Support Recipients by Relationship to Provider: 1997 and 1988**

(Percent distribution)



\*People for whom no relationship data were obtained. Information was collected only for first two mentioned people other than own children.  
 Source: U.S. Census Bureau, Survey of Income and Program Participation, 1987 panel, Wave 3 topical module and 1996 panel, Wave 5 topical module.

### AMOUNT OF REGULAR ANNUAL FINANCIAL SUPPORT

Table A also reports the median annual amount of support provided (\$2,940), as well as the median percentage of support provided relative to the provider's annual household income (6 percent). Because many providers assisted more than one recipient, the average amount provided to a single recipient was considerably less than \$2,900. The amounts and percentages varied, however, by the characteristics of both providers and recipients.

*Household Income.* There are two contrasting findings here. The higher the income bracket, or quartile, the greater the absolute amounts given by the provider. However, the higher the income bracket, the lower the financial support given as a proportion of household income. That is, those with the lowest income paid out proportionally more. As noted earlier, the number of people financially assisted does not vary significantly by household income of the provider.

*Race and Ethnicity.* In absolute amounts, non-Hispanic Whites

provided more financial support than either Hispanics or Blacks. However, comparing the proportions of median annual financial support relative to the median annual household income of providers shows no statistically significant differences between any of the groups with regard to proportional financial support. That is, among providers, each of the three racial and ethnic groups furnished financial aid proportional to their household incomes. Thus, on average, non-Hispanic Whites provided the most monetary support because they had considerably higher household incomes.

*Sex.* Both the absolute amounts and the percentages tell the same story with regard to gender differences. Among financial providers, women furnished less assistance overall. Despite being in households with comparable median annual household income, women provided substantially less than men did. Among financial providers, women proportionally supported only 13 percent fewer people (1.3 vs. 1.5), but their ratio of annual financial support to annual household income was 41 percent less (4.2 percent vs. 7.1 percent). In cases of divorce and separation, however, women may more often have custody of their own children in their own households.

*Age.* Financial providers in their prime working years (aged 25 to 64) supplied more outside support to nonhousehold members in absolute dollars. Despite the apparent variations in the percentages of household income used for outside financial support; there are no statistically significant differences in providing financial aid among the four age categories. This is partly

Table A.

**Financial Support and the Number of People Supported by Nonhousehold Members: 1997**

Characteristic	Median household income of providers (dollars)	Median financial support given by providers			Mean number of people supported
		Amount (dollars)	Percentage of household income	Standard error	
<b>All providers</b> .....	<b>43,488</b>	<b>2,940</b>	<b>6.4</b>	<b>.66</b>	<b>1.5</b>
<b>Race/ethnicity:</b>					
Non-Hispanic White.....	46,656	3,000	6.6	.79	1.4
Black.....	36,384	2,400	6.7	2.02	1.5
Hispanic, all races.....	35,400	2,335	5.9	1.77	1.6
<b>Sex:</b>					
Male.....	43,416	3,000	7.1	.78	1.5
Female.....	44,184	1,800	4.2	1.15	1.3
<b>Age:</b>					
18-24 years.....	47,640	1,800	4.0	2.59	1.4
25-44 years.....	41,064	3,000	6.8	.86	1.5
45-64 years.....	53,244	3,024	6.0	1.20	1.4
65 years and over.....	32,844	1,800	5.6	2.67	1.2
<b>Marital status:</b>					
Married, spouse present.....	51,912	2,756	5.0	.90	1.4
Separated* .....	32,640	3,000	7.7	2.25	1.8
Divorced.....	40,512	3,600	8.5	1.33	1.5
Widowed.....	29,844	1,200	5.1	3.90	1.1
Never married.....	36,480	2,000	5.7	1.81	1.3
<b>Household income:</b>					
Lowest quartile.....	15,840	1,800	12.5	2.15	1.5
Second quartile.....	31,128	2,400	8.3	1.44	1.5
Third quartile.....	50,628	3,000	6.0	1.21	1.5
Highest quartile.....	91,464	4,000	3.6	.97	1.4

\*Includes married, spouse absent.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation.

due to the small numbers of providers in the youngest and the oldest age brackets and thus the lower statistical reliability of the derived percentages (see Table B).

*Marital Status.* Since approximately three-fourths of the recipients were own children, it is to be expected that providers giving the most monetary support would be married, divorced, or separated, as appears in Table A. Among the differences in proportions of household income given, the only one that is statistically significant is that between the divorced and the married, with divorced people providing more monetary assistance, presumably for alimony and child support. Proportionally, married people

furnished no more financial assistance than did the widowed or never married.

### **DISTRIBUTION OF SUPPORT PROVIDERS**

As shown in Table B, in 1988 and 1997, approximately 4 percent of the adult population provided regular financial support to designated individuals outside their household. Though the difference could be considered small, a larger number and proportion of the adult population were support providers in 1988, as compared to 1997. Moreover, these providers were *not* evenly distributed throughout the adult population. On the other hand, one can also see from Table B that by

provider attributes such as race and ethnicity, sex, age, marital status and household income, the distribution of support between 1988 and 1997 has remained the same.

*Race and Ethnicity.* Both in 1988 and 1997, regular financial assistance providers were found proportionally more often among Hispanics than non-Hispanic Whites. (The difference between Hispanics and Blacks in 1988 was not statistically significant.)

*Sex.* There was a gender gap among providers in 1988 and 1997. Just as women provided substantially less support than men did, considerably fewer women provided any regular financial assistance.

Table B.  
**Selected Characteristics of Providers of Financial Support for Nonhousehold Members: 1997 and 1988**

Characteristic	Total population 18 years and over (1,000)		Support providers					
			Number (1,000)		Percent	Standard error	Percent	Standard error
	1988	1997	1988	1997	1988	1988	1997	1997
<b>Total</b> .....	<b>179,324</b>	<b>196,145</b>	<b>8,008</b>	<b>7,210</b>	<b>4.5</b>	<b>.29</b>	<b>3.7</b>	<b>.10</b>
<b>Race/ethnicity:</b>								
Non-Hispanic White .....	141,335	146,853	5,923	5,190	4.2	.31	3.5	.11
Black .....	19,794	22,831	909	838	4.6	.53	3.7	.29
Hispanic, all races .....	12,840	19,392	889	971	7.0	.80	5.0	.37
<b>Sex:</b>								
Male .....	85,620	94,343	6,082	5,618	7.1	.51	6.0	.18
Female .....	93,704	101,802	1,925	1,592	2.1	.27	1.6	.09
<b>Age:</b>								
18-24 years .....	25,688	24,893	292	301	1.2	.40	1.2	.16
25-44 years .....	79,062	83,887	4,660	4,430	5.9	.49	5.3	.18
45-64 years .....	45,819	55,211	2,327	2,080	5.1	.60	3.8	.19
65 years and over .....	28,756	32,064	730	391	2.3	.52	1.2	.14
<b>Marital status:</b>								
Married, spouse present .....	105,274	110,447	3,859	3,111	3.7	.34	2.8	.11
Separated* .....	6,090	6,874	785	743	12.9	2.51	10.8	.86
Divorced .....	15,138	19,236	2,144	2,235	14.2	1.66	12.1	.54
Widowed .....	13,124	13,933	421	168	3.2	.90	1.2	.21
Never married .....	39,698	45,655	798	864	2.1	.42	1.9	.15
<b>Household income:<sup>1</sup></b>								
Lowest quartile .....	(NA)	49,516	(NA)	1,251	(NA)	(NA)	2.5	(NA)
Second quartile .....	(NA)	49,142	(NA)	1,946	(NA)	(NA)	4.0	(NA)
Third quartile .....	(NA)	49,057	(NA)	2,022	(NA)	(NA)	4.1	(NA)
Highest quartile .....	(NA)	48,430	(NA)	1,949	(NA)	(NA)	4.0	(NA)

NA Not available for 1988.

\* Includes married, spouse absent.

<sup>1</sup>Income quartiles were not used in the earlier 1993 cited report that used 1988 data and therefore comparisons between the two years is not possible.

Source: U.S. Census Bureau, Survey of Income and Program Participation, 1988 and 1996.

*Age.* In 1988 and 1997, compared with other age groups, those in a prime working age bracket, aged 25-44, had the highest percentage of providers. People in the other principal working age bracket, aged 45-64, had the next highest proportion of providers.

*Marital Status.* As expected, in 1988 and 1997, the divorced and separated were represented among providers proportionally much more often than people of other marital statuses.

*Household Income.* As mentioned before, among providers, those in the lowest household income bracket, or quartile, bore the greatest burden. However, proportionally fewer people in that income bracket were found among regular financial providers.

### ACCURACY OF THE ESTIMATES

Statistics from surveys are subject to sampling and nonsampling error. All comparisons presented in this report have taken sampling error

into account and meet the U.S. Census Bureau's standards for statistical significance. Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey was designed, how much nonresponse occurs, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately the answers are coded and classified. The Census Bureau employs quality control procedures throughout the production process including the overall design

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of surveys, the wording of questions, review of the work of interviewers and coders, and statistical review of reports.

The Survey of Income and Program Participation (SIPP) employs ratio estimation, whereby estimates are adjusted to independent measures of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias

due to undercoverage, but how it affects different variables in the survey is not precisely known. Moreover, biases may also be present when people who are missed in the survey differ from those interviewed in ways other than the categories used in weighting (age, race, sex, and Hispanic origin). All of these considerations affect comparisons across different surveys or data sources.

For further information on statistical standards and the computation and use of standard errors, contact Mahdi Sundukchi at 301-457-4192.

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