

THE INTERLOCKING CAREERS OF OLDER WORKERS AND THEIR ADULT CHILDREN

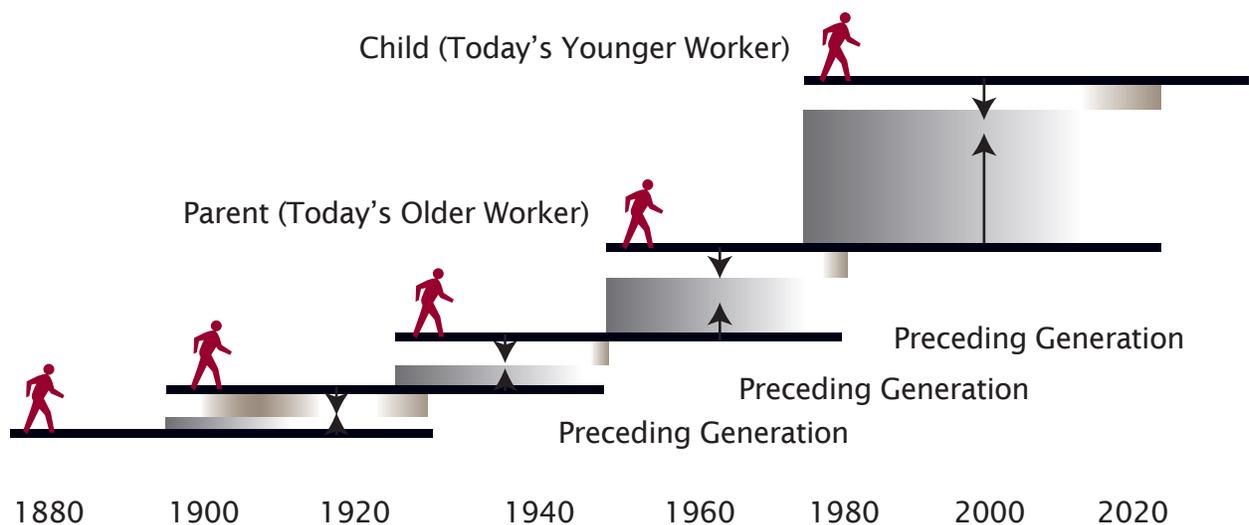
by Stephen Sweet, Ph.D. and Mary Jaggerst

Introduction

An aging workforce presents challenges to workers, their employers, and the wider social systems in which they live and operate.¹⁻⁴ This issue brief focuses a life course perspective on the intergenerational supports that exist when older workers (commonly in their 50s and 60s) and their adult children (commonly in their 20s

and 30s) are in the labor force. How may adult childrens' career needs influence older workers' attachments to jobs? We suggest that the ability to secure incomes in later life is not only important to the careers of older workers, but also to the career needs of their adult children, and the economy itself.

Figure 1: A Theoretical Model of Intergenerational Resource Transfers (excluding inheritance)



Note: In the figure graphics indicate the following ways resources are allocated: duration and volume (size), intensity (shading), directionality (arrows), and timing (position).

Many findings discussed in this Issue Brief are the result of analysis of data from the Statistical Abstracts of the United States, the Cornell Couples and Careers Study (interviews with middle class dual earner couples in 1998-2001), and other sources relevant to family expenses. We explore the following questions:

- How has the intergenerational transfer of resources, from older workers to their adult children, changed?
- What cultural and structural factors have influenced these changes?
- What are some of the implications for workers, their children, employers, the economy, and social policy?

Intergenerational Ties: A Life Course Reframing

A life course perspective examines biographies as they progress in relation to social ties with others, historical contexts, cultural expectations, and opportunity structures.⁵⁻⁷ The focus on context highlights how changing opportunity structures impose new challenges for older workers and shape their abilities (and strategies) to reproduce the next generation of workers (their children). As we discuss below, many of the needs of older workers, such as the need to remain attached to their jobs, can be explained by the escalating demands they face in providing for their children, who confront their own challenges in becoming integrated in the new economy. To understand these concerns requires considering how resources are channeled between generations, changing opportunity structures, career pathways, and the ways the culture has redefined what is expected of children and their parents.

Figure 1, summarizes much of our argument. Today's older workers are expected to provide more resources to their children far later in their lives than was the case for any previous generation. These changes have resulted from shifts in the timing of work and family careers, a sustained redefinition of parent-child and child-parent responsibilities, and new opportunity structures that block the younger generation from entering into independently sustainable careers as they enter adulthood.*

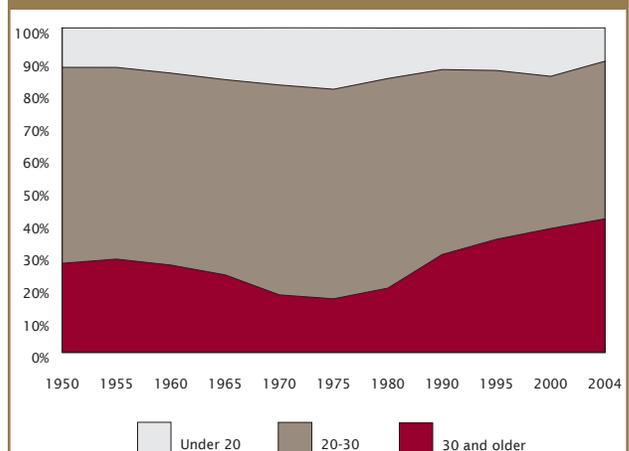
*Intergenerational transfer of resources can vary in the following ways:

- Type of resource—Direct transfer of finances or provision of care work
- Directionality—Parent to child or child to parent
- Volume—How many resources are being channeled
- Intensity—The amount of effort involved
- Duration—How long the provision of resources occur
- Timing—Age and life course station

Timing and Historical Context

One of the key insights of life course research is the observation that workers' lives are inextricably linked with those of others. Spouses, for instance, have considerable influence on workers' employment options, how they respond to job loss, and their retirement timing.^{5, 8, 9} The linkages to dependent children are equally important. For example, responsibility for a dependent child is one of the most salient factors in predicting older workers' expectations of retiring later in life.¹⁰ With these facts in mind, consider the impact of the demographic shift revealed in Figure 2. Sizable (and growing) proportions of the population are having children after they reach age 30 and fewer are having children in their late teens and early 20s (which for previous generations was considered "on time").**

Figure 2: Proportions of Births by Specified Parental Age Ranges (1950-2004)



Source: Statistical Abstracts of the United States.

**The slight dip in the proportions of births that were to women at later ages in the mid 1970s reflects the period in which women workers (who would be approaching retirement in 2007) would have been between the ages of 20-30). As these women (and those who proceed them) matured beyond their 20s, there occurs a subsequent and sustained trend toward later births. Note also that birth rate figures do not reflect the other ways in which older workers may find themselves responsible for children. Some workers (especially those in demanding careers) are adopting children into their 40s. Others, especially those in low income groups, assume custody of grandchildren later in life.

Why are workers delaying children until later in their careers? In part the increased availability of family planning resources and changing gender roles have contributed to later childbirth patterns.¹¹ But beyond this, many workers delay having children because of job and career demands.^{12, 13} Irrespective of why this occurred, the consequences are the same - *the timing of children's births until later in life extends dependencies into ages beyond those that were normative for previous generations.*

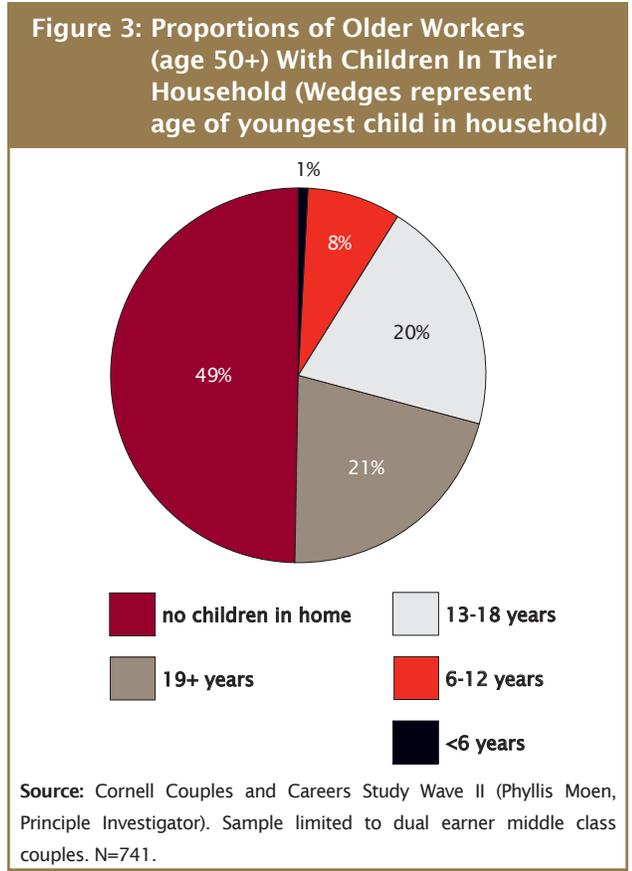
Figure 3 reveals that one in two older workers (those aged 50 and above) have a dependent child in the household and one in five of these workers have an adult child in the household. Although one in two older workers reported "no children in the home," it is wrong to conclude that these families have necessarily successfully "launched" their children. One in ten older workers never had children in the first place, a family path that (in some cases) reflects incompatibilities of parenting and keeping careers on track. Others in this group no longer have their children in the household, but may be providing financial support (such as tuition or rent assistance). If we were to follow these families over time, we would likely observe some of these adult children returning at later dates.

Intensity, Duration, and Directionality

Historians inform us that, up until the early 20th century in America (and even today in developing countries), children's roles were defined largely in terms of what they could contribute to the family economy. At very young ages children worked side by side with their parents and commonly provided a greater share to the household income than did wives.¹⁴ Children also provided old age insurance, as the incomes they provided allowed some parents to exit the labor force. But over the course of the 20th century, children's roles were gradually redefined as dependents. Today, this dependency status is rigorously embraced by the culture, as Americans do not expect children to channel support up to their parents (who wish not to be a "burden"), but rather for parents to funnel resources down to their children (who now have come to expect this as an entitlement).

As children's roles shifted to dependency, so did the cultural expectations of what types of resources parents should provide. Prior to the 19th century, the boundary between childhood and adulthood was largely non-existent, as children were considered adults in miniature form.¹⁵ But today childhood is viewed as a distinct life stage that should be free from of the grind of life. In this context, a parent's obligation is not only to provide care, but also to give substantial supports that enable growth and exploration. While these expectations began to be established over a century ago, they have continued to escalate in terms of the quantity and quality of resources that are expected to be provided, as well as the duration of provision.

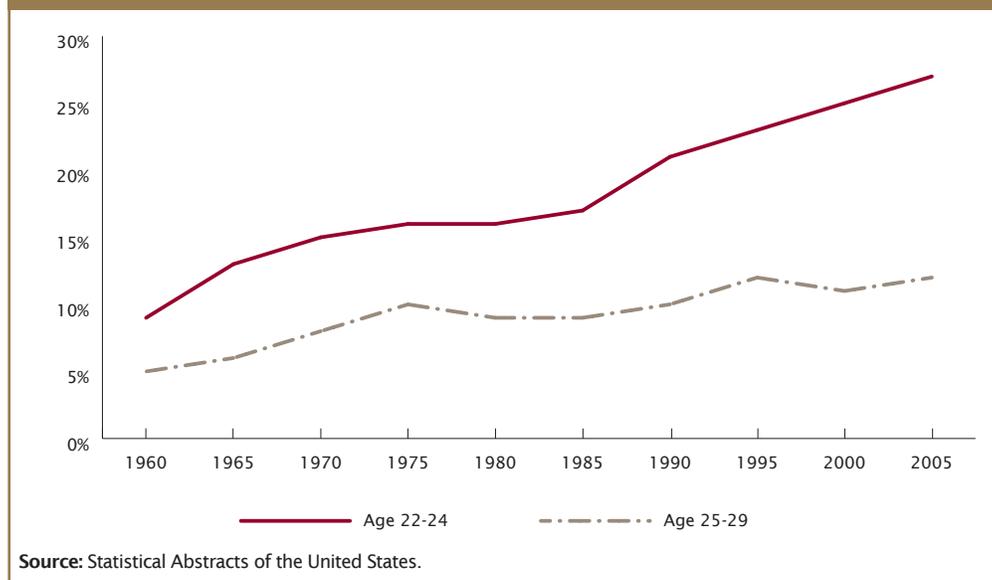
Adolescence has extended itself well into what was previously defined as adulthood, and now the culture is embracing the perspective that there is an in-between stage of "emerging adulthood," that extends from ages eighteen to the early thirties. These emerging adults expect freedom from parental authority, but do not maintain the expectation of self-sufficiency. They commonly rely on support from parents and take advantage of options to return home if need be. The lives of these "emergent adults" are characterized by instability in financial circumstances and interpersonal ties.¹⁶ It is not unusual for parents to provide support for "boomerang children" who leave home, but then come back. Studies vary in the amount of resources adult children require, but all conclude



that substantial proportions of children in their 20s remain reliant on parents for housing and financial support.¹⁷⁻¹⁹ The new pathways into adulthood, such as prolonged education and delayed marriage, have contributed to the propensity of young adults to return home in their twenties.²⁰ American culture is

still coming to terms with the new intergenerational relations, and their numerous sources of conflict, including the challenge of fashioning agreements on rent, groceries, heating bills, household chores, privacy, visitors, rights to sexual encounters, and so forth.²¹

Figure 4: School Enrollment Trends 1960-2005



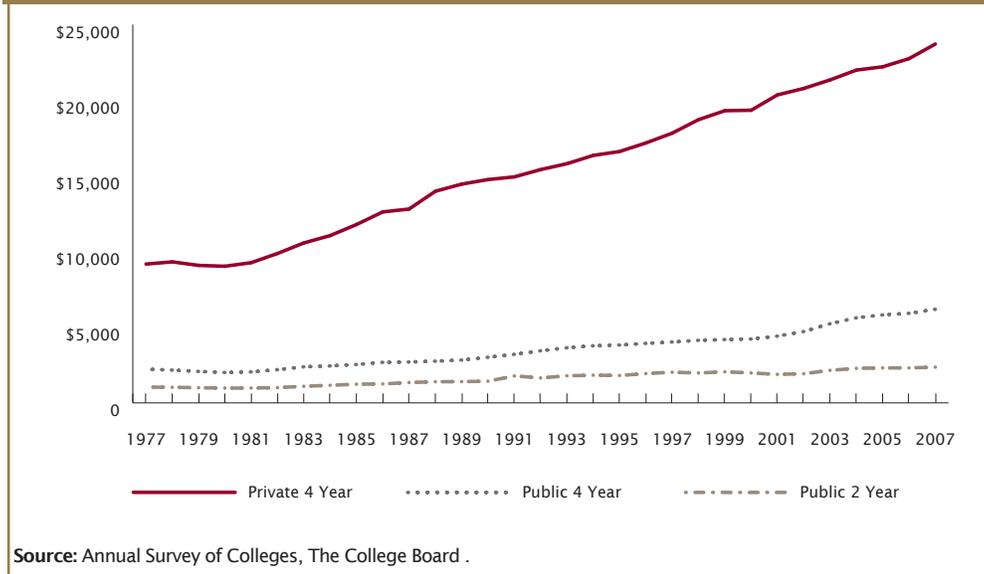
Changing Opportunity Structures

Today, workers labor in “the new economy” with fewer jobs in the manufacturing sector and increasing employment in the service sector. New organizational and technological contexts make jobs less secure, and most families require two earners to afford a modicum of the American dream.²²⁻²⁵ As economic needs, skill sets, and opportunity structures have changed, so have younger and older workers’ expectations - of what they should receive and what they should provide. Some of these expectations reflect a redefined social contract between employers and employees, in which job securities have been dismantled along with industries, unions, and paternalistic managerial philosophies. Younger workers appear to be more attuned to the normality of risk, and may be structuring their loyalties to employers in a different manner than their parents’ generation.^{26, 27} Conversely, older workers appear less prepared for job loss, and when these losses occur, they experience considerable difficulty in finding comparable replacement work.²⁸

Older workers, currently in their 50s and early 60s, likely entered the labor force a time when the American economy was expanding. Their early career experiences have been likened to walking up an upwardly moving escalator.²⁹ Owing to changing opportunity structures, the escalator has essentially stalled and today’s younger workers are stepping onto an escalator that is moving downward, a structural condition that makes it hard to move beyond low wage employment unless one possesses an advanced degree.²² And even then, the jobs that they do find are often unstable, especially at the early career stages.

One response among the younger workforce has been to invest in college. As Figure 4 shows, in 1960, fewer than one in ten young adults were enrolled in college. By 2005, one in four adults age 22-24 was enrolled in school, and substantial portions of those in their late 20s remained in school. More young adults are pursuing college degrees -some in a linear, continuous path and some taking breaks along the way to return to school as “non-traditional” students.

**Figure 5: Trends in College Tuition and Fees 1977-2007
(Adjusted to 2007 Dollars)**



The capacity of the younger generation to pursue a higher education, however, is largely contingent on the supports that they receive from their parents (the older workers). Parental aid is the largest source of support for children’s education.³⁰ Schoeni and Ross³¹ in their analysis of the Panel Study of Income Dynamics found that during the transitional years (age 18-34), parents contribute (on average) about \$38,000 in material assistance to each child. But this support varies considerably by socioeconomic class. Children from families in the top income quartile received \$70,965 during this transition period. Much of these funds are funneled into paying for college education, and to do this, parents commonly borrow money, often times using home equity loans or forgoing investing in their personal retirement accounts.³⁰ While access to parental resources helps young adults prepare for work in the new economy, deprivation from these supports significantly limits opportunities and life choices.³²

Ironically, as the need for a college education (and an educated workforce) has escalated, so have costs. As Figure 5 shows, college expenses at a 4 year private institutions rose from \$9,178 in 1977-78 to \$23,712 in 2007-2008 (the prices have been adjusted for inflation). Tuition at public 4 year institutions has also tripled from \$2,225 in 1977-1978 to \$6,185 in the 2007-2008. Compounding the problem further is the reality that students can expect less financial assistance

from public sources, as financial aid packages have shrunk over the past thirty years.³³ One conclusion is clear, *as younger workers’ need to obtain a college education has risen, along with its costs, so have the pressures placed on older workers to provide the needed resources to their adult children.* ***

***The burden of educational costs worldwide is shifting from public to private sources. According to the Project on Student Debt, “there was an 8 percent increase in average student loan debt of graduating seniors between 2005 and 2006”. For example, the average debt in 2005 at New York University was \$29,480, in 2006 this increased to \$43,417 (Project on Student Debt: <http://projectonstudentdebt.org/>).

It is important to emphasize that these effects intersect strongly with class and racial divides. For the middle class, the intergenerational transfer of resources is critical to securing the younger generation’s transition into stable careers. In contrast young African American and Hispanic adults are more likely to be put in a position to transfer resources up to their parents, who are less likely to own homes, bank accounts, stock, and retirement accounts.²² The inability of disadvantaged families (disproportionately racial/ethnic minorities) to transfer resources to the next generation remains a major career stumbling block.³⁴

Conclusion

In this issue brief we applied a life course perspective to consider how the entrance of the current generation of younger workers into the labor force often depends on the supports provided by their

parents – the aging workforce. Our conclusions suggest that responding to the needs of older workers is essential to the reproduction of the workforce.

Implications for Employers

Employers want to understand the factors tying workers to their jobs and to predict which employees are likely to seek exits.

Our analysis of intergenerational resource transfers suggests that delayed parenting and the escalating financial demands of raising children may influence many workers' decisions to remain in their jobs longer than they might otherwise wish. However, these employees' capacities and desired types of work may not fit the templates designed for workers in the middle of their careers.

The current privatized approach of preparing workers for the new economy rests primarily on

the shoulders of families, who transfer resources and accumulate debt.

Employers and employees need to consider the long term impacts of the lifecourse pattern of private intergenerational support.

Apart from the strain placed on middle income older workers, self-sufficiency limits the capacities of low income workers to provide for their children's entry into the "good jobs."

Addressing these concerns will require attention to establishing a broader set of social investments that fit the demands of the new economy and the needs of the new workforce.^{22, 25, 35}

The Center on Aging & Work at Boston College, funded by the Alfred P. Sloan Foundation, is a unique research center established in 2005. The Center works in partnership with decision-makers at the workplace to design and implement rigorous investigations that will help the American business community prepare for the opportunities and challenges associated with the aging workforce. The Center focuses on flexible work options because these are a particularly important element of innovative employer responses to the aging workforce. The studies conducted by the Center are examining employers' adoption of a range of flexible work options, the implementation of them at the workplace, their use by older workers, and their impact on business and older workers.

The Center's multi-disciplinary core research team is comprised of more than 20 social scientists from disciplines including economics, social work, psychology, and sociology. The investigators have strong expertise

in the field of aging research. In addition, the Center has a workplace advisory group (SENIOR Advisors) to ensure that the priorities and perspectives of business leaders frame the Center's activities and a Research Advisory Committee that provides advice and consultation on the Center's individual research projects and strategic direction. The Center is directed by Marcie Pitt-Catsouphes, Ph.D., and Michael A. Smyer, Ph.D.

Stephen Sweet, PhD, is an assistant professor of sociology and a research adviser for the Center for Aging & Work. His most recent book *Changing Contours of Work: Jobs and Opportunities in the New Economy* (with co-author Peter Meiksins) is published by Pine Forge Press.

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