

Intergenerational wealth transfers: Understanding the changing pattern of the relationship between elderly parents and their adult offspring

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Among other issues related to ageing, wealth transfers between elderly parents and their adult offspring have become an important concern in developing countries including Sri Lanka. Sri Lankan elderly have traditionally been almost totally dependent on family support. A key policy question is whether the transition from traditional to modern family has changed the direction of the intergenerational wealth transfers. The conceptual framework of this study is based largely on the work of Caldwell (1982) and Hugo (1997) as they focus upon the changes in the intergenerational transfers of wealth and its implications for ageing. The main objective of the study is to examine the changing pattern of wealth transfers between parents and their offspring in Sri Lankan society. It further examines different dimensions of these wealth transfers. The study used a mixed methodology based on surveys of 300 elderly households and 150 control households in the Galle district and a wide range of quantitative and qualitative information from both primary and secondary sources. This study found a transition in the wealth transfers over the years from its traditional standing to the present modern status in Sri Lanka, because of the changing mode of production, education and influence of the western life style. It is apparent from this analysis that parents in the modern family setting provide more wealth towards their offspring until they become economically independent. Hence, the wealth transfers from parents to offspring during their life course are more than what was observed during the traditional family setting where wealth transfers were upward towards parents from offspring. However, admiration for aged people has not changed over the years. A large proportion of parents still expect support from their offspring in their old age but the majority have not received the support expected and the wellbeing of those elderly will probably deteriorate.

Keywords: Ageing, elderly parents, adult offspring, intergenerational transfers, relationship