

Investigating the Patterns of Parental (Intervivos) Transfers in the NLSY97

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Chapter 1

NLSY 97 - Measuring Transfer Data

1.1 Description of NLSY-97

The NLSY-97 consists of a nationally representative sample of approximately 9,000 youths who were 12 to 16 years old as of December 31, 1996. Round 1 of the survey took place in 1997. The NLSY 97 is designed to document the transition from school to work and into adulthood. It collects extensive information about youths' labor market behavior and educational experiences over time. In 1997 and early 1998, the NLSY-97 respondents were given the computer-adaptive version of the Armed Services Vocational Aptitude Battery (CAT-ASVAB). The CAT-ASVAB comprises 10 tests that measure knowledge and skill in a number of areas including mathematics and language.

1.2 The NLSY 97 Sample

The NLSY-97 sample cohort consists of respondents born between 1980 and 1984. At the first round of interview in 1997, respondents' ages ranged between 12 and 18. In round 10, the respondents were between the ages of 21 and 27. 8984 individuals were initially interviewed in the first round of the NLSY survey in 1997. 84% (7559) of the round one sample were interviewed in round 19.

Two subsamples comprise the NLSY97 cohort:

- A cross-sectional sample of 6,748 respondents designed to be representative of people living in the United States during the initial survey round and born between January 1, 1980, and December 31, 1984.
- A supplemental sample of 2,236 respondents designed to oversample Hispanic or Latino and black people living in the United States during the initial survey round and born during the same period as the cross-sectional sample.

Between 1997 and 2006, there have been 10 rounds of interview. Information regarding the following areas was collected in the NLSY survey: Labor market behavior, educational experiences, family background, Armed Services Vocational Aptitude Battery (ASVAB), high school information collected from the schools and the school transcripts, government program participation, family life, health issues, assets and income.

1.3 Variables in the NLSY-97 Surveys: Basic Organization

There are five types of variables present in the NLSY-97 data. The type of variable affects the title or variable description of each variable and the physical placement of the variable within the codebook. Types of variables include:

- Direct (or raw) responses from a questionnaire or other survey instrument.
- Symbols and roster items, which are used to guide the interview.

- Created variables based on responses to more than one data item. These items are edited for consistency.
- Created variables from data provided on a non-NLS data set.
- Variables provided by NORC or an outside organization.

Each variable within NLSY97 main file data sets has been assigned a 80-character summary title that serves as the descriptive representation of that variable throughout the hard copy and the electronic documentation system. Variable titles are assigned by CHRR archivists who endeavor to capture the core content of the variable and to incorporate universe identifiers that specify the subset of respondents for which each variable is relevant. Some titles indicate the reference periods (e.g., survey year or calendar year) of the variables as well. For the above information as well as further details regarding the data sets, one can visit the NLS website at <http://www.nlsinfo.org/nlsy97/nlsdocs/nlsy97/use97data/variables.html>

1.4 Sampling Weights

The sampling weights, which are constructed in each survey year, provide the researcher with an estimate of how many individuals in the United States are represented by each respondent. Round 1 individual case weights were assigned to produce group population estimates when used in tabulations. The assignment of individual respondent weights involved at least three types of adjustment. The NLSY 97 Technical Sampling Report provides step-by-step description of the adjustment process, described below, at

<http://www.nlsinfo.org/preview.php?filename=nlsy97techsamprpt.pdf>

Adjustment One: The first weighting adjustment involves the reciprocal of the probability of selection. Specifically, this probability of selection is a function of the probability of selection associated with the housing unit in which the respondent was located as well as the subsampling (if any) applied to individuals identified in screening.

Adjustment Two: This process adjusts for differential response (cooperation) rates in the screening phase. Differential cooperation rates are computed (and adjusted) based on geographic location, group membership, and within-group subclassification.

Adjustment Three: This weighting adjustment attempts to correct for certain types of random variation associated with sampling as well as sample undercoverage. These ratio estimations are used to conform the sample to Census Bureau estimates of population totals.

Practical Implications

Observations should be weighted when tabulating sample characteristics in order to describe the represented population. The use of weights without other adjustments may not be appropriate for the following uses:

- Samples generated after dropping observations reporting item non-responses.
- Data from multiple waves. However, longitudinal weights for multiple survey years can be generated on the Bureau of Labor Statistics web page.¹

¹See <http://www.bls.gov/nls> for more details.

- Regression Analysis. The preferred method of analysis would be to estimate a separate regression for each group or to use indicator variables to specify group membership; regressions on a random sample of the population would be misspecified.

1.5 Areas of Interest

For the purpose of our analysis, there are two areas of interest: Income and, possibly, College Experience. In a later section, we will be discussing how to use these areas of interest for data extraction.

Income

Created Variables

- `CV_INCOME_GROSS_YR`. Calculates total household income in the previous calendar year. Several questions are combined to create this income variable: non-farm and farm wages, the wages of the respondent's spouse/partner, child support, interest and dividends from stocks or mutual funds, rental income, retirement pension / alimony / Social Security Payments, Parents' income if the respondent resides with them, monetary gifts (other than allowance) from parents, public support sources, and other income. Available for rounds 1-7. This variable is no longer created due to a change in the wording of questions asked during the survey.
- `CV_INCOME_FAMILY`. Calculates respondent's total family income in the previous year. Available for rounds 8 and up.
- `CV_HH_POV_RATIO`. Creates a poverty status ratio comparing total household income (From the youth `CV_INCOME_GROSS_YR` variable) to the federal poverty level for the previous year.
- `CV_HH_INCOME_SOURCE`. Indicates whether these variables are based on youth or parent data in round 1.

Income: Description of the Survey

The NLSY97 collects gross wage and salary data for the past calendar year from all respondents. In addition to income from a regular job, the surveys instruct the respondent to include income from odd jobs, temporary or seasonal work, and military positions. Once youth respondents are considered independent, they answer more extensive questions about income in the past calendar year in addition to wages and salary. First, they report any income received from self-employment, including a farm, business, or professional practice. Respondents who are married or living with a partner report the amount of wage and salary income the spouse/partner received, as well as the amount earned from any self-employment. A series of questions then records income received by the respondent and spouse or partner together from the following sources:

- child support
- interest payments

- dividend payments
- rental properties
- inheritance, trust or annuity income
- other income received

during the last calendar year. Some sources considered ‘other’ income include Social Security, alimony or survivor’s benefits. If respondents or their spouses/partners have any source of income, they state whether they claimed an Earned Income Tax Credit (EITC) on their federal income tax return for the past calendar year.

Independent youths also report **parental transfers in the past year**. Aside from allowances and parental loans, respondents state the amount of money they received from each parent or guardian. Additionally, round 1 respondents were asked if they made regular payments to their parents during the previous year. For respondents living at home, this survey collected information on money paid for room and board.

All older youths answer questions about the income of their parents or guardians. In round 1, this group was composed of respondents age 14 and older as of 12/31/96; round 2 collected this data from youths who were age 14 or older as of 12/31/97. In rounds 3-6, all respondents were age-eligible for these questions. For each parent or guardian listed, the respondent is asked if that person received any earnings or income during the previous calendar year.

Follow-up questions gather information on the amount the parent or guardian earned. Once respondents became independent, they were asked about the income of all other individuals age 14 or above who resided in the household at the time of the interview. Information is also gathered on allowances during the past calendar year, including the amount received and periodicity of the allowance.

Parent Questionnaire (Round 1). Data on the earnings and income of the youth in 1996 were collected from the responding parent. The survey also established the amount of financial support given to an independent youth by the parent.

The responding parent provided information about his or her own income, the income of his or her spouse, and the income of each household occupant age 14 or older. These data are described in Household Composition and Parent Characteristics.

Household Income Update. In rounds 2-5, a parent of the respondent answered this short paper instrument concerning his or her income and that of his or her spouse/partner. The q-names for these variables are HIU-1 through HIU-6. See Parent Characteristics for more information.

College Experience

Description of the Survey

The NLSY97 contains a number of questions that gather information about the college experiences of respondents, including characteristics of enrollment, such as the degree sought, credits required, and financial aid, and characteristics of the respondent’s attendance during each term,

including tuition, major, and remedial classes taken. In what follows we present an overview of some information available from this section of the NLSY. Some of it is not directly relevant for transfers' measurement.

Youth Questionnaire

Questions about each college

1. For each college attended, the respondent reports the total number of credits he or she earned at that college, as well as the number he or she earned from sources outside that college (e.g., another college, placement test, or college courses during high school).
2. The respondent states the type of diploma or degree sought (e.g., associate, vocational, bachelor's) and the total number of credits the college requires to graduate with that degree.
3. The surveys also ask about characteristics of each school: whether each school was public or private; the term system of the school (i.e., semester, quarter, trimester, or other); and the grading scale used to figure the students' grade point average (GPA).

Questions about each term at a college

For each college, after establishing the dates of each term attended, the surveys enter a loop that asks a set of questions about each term. Respondents state the following:

1. the number of course credits taken,
2. the number of credits earned,
3. whether they attended full or part-time,
4. their GPA,
5. their primary and secondary majors,
6. whether any remedial English, writing, or math classes were taken during that term
7. the total number of hours per week that these classes met.

College Costs (also asked term by term)

The survey records information about college costs, although the exact questions have varied. In round 1, respondents first stated the annual tuition and fees for a full-time student. Both in-state and out-of-state rates were reported for publicly supported institutions.

Within the term-specific loop, respondents who were attending part-time stated the amount of tuition and fees for that number of credits in that term, and all respondents were asked about the cost of room and board in each term.

The annual tuition and fees question was dropped after round 1. Questions in the term-specific loops asked respondents to report the amount of tuition and fees for the number of credits taken by the youth. Round 2 also asked about the cost of room and board for each term.

Financial Aid (also asked term by term) Finally, the respondent is questioned about sources of financial aid received during his or her tenure at each college. Non-institutional sources include loans from relatives or friends. Follow-up questions on these sources ask the youth to state the amount he or she was not expected to repay and the amount owed as of the interview date.

After one term has been reported, the respondent is asked if the information for the next term has changed from the previous term, and if it has not, the information is not recollected. The youth is also questioned on the amount of financial assistance received from institutional sources such as grants or scholarships, loans, work-study, or employer assistance.

Respondents state the amount received from these sources as well as the amount owed to the government from subsidized or other types of loans. They are also asked about other types of loans. Finally, each youth is asked to state the amount that he or she paid toward college expenses using earnings or savings.

Other topics

In addition, the round 1 survey asked each respondent who reported college enrollment to state the total number of years he or she attended any 2-year colleges and any 4-year colleges and the total number of different colleges attended by the round 1 interview date.

In rounds 2 and up, respondents who had earned a degree by the survey date reported the type of degree (e.g., associate, bachelor's, master's) and the month and year it was received. Currently enrolled college students also answered the question series on school-to-work programs; see "School-Based learning Programs" for more information.

College Choice

A college choice series was administered in rounds 7-10 to respondents from the two youngest birth cohorts (1983 and 1984) who had completed either the 12th grade or a GED at the time of interview. Respondents provided information about each college or technical school they applied to, including name and location. Information was asked about each application cycle (those applications submitted for the same start date, such as fall session 2004).

Respondents were also queried about any transferable financial aid they may have received. Other questions recorded whether each college to which the respondents applied had accepted them for admission, along with the type of financial aid offered. The actual IPEDS codes of the colleges are available only on the geocode release.

Parent Questionnaire (round 1)

If any home-schooled youth was age 16 or older at the time the parent was interviewed, the round 1 survey gathered data from the parent on whether the youth had ever enrolled in and received credit for college courses and, if so, the specific years that this occurred. The remainder of this section provides a detailed example of following college details across multiple rounds:

- Users may find it challenging to match up information for a specific college reported across multiple rounds or to make sense of semesters or terms within that college reported both within the same round as well as across rounds.

The following example illustrates how to link information both within and across rounds for terms reported within the same school:

- In round 5 (2001), respondent 2905 reported attending a four-year college. We know this because this college is identified on the round 5 NEWSCHOOL roster for this respondent.

NEWSCHOOL_SCHCODE.02 =5, which is the value that indicates a four year college or university, and the public id for this school for this particular respondent can be found in variable NEWSCHOOL_PUBID.02, which =501. In the round 5 data, we can find a detailed set of information about the respondent's activities at this college by searching for questions inside loop #2 of the schooling section, which corresponds to line #2 of the NEWSCHOOL roster.

A search of the round 5 schooling data for this respondent (R) turns up the following information:

- YSCH-20400.02.01 shows that R was enrolled in a term at this college in August 2001. The ".02" in the Question Name identifies the school number which corresponds to the NEWSCHOOL roster, and the ".01" refers to the nested loop of terms which is collected for each college reported on the NEWSCHOOL roster.
- In YSCH-20500.02.01, R reports taking 17 credits in this first term.
- In YSCH-20900.02.01, R reports a GPA of 3.90 for this term.
- In YSCH-25400.02.01, R reports total financial aid of 7500 for this term.
- In YSCH-21300.02.01, R reports majoring in English.

As of the end of the round 5 interview, this particular respondent had only reported completing one term at this particular college. However, in round 6 (2002), it can be determined that the respondent continued her enrollment at this same college because the value of NEWSCHOOL_PUBID.01 in round 6 =501 is the same value as appears on line 2 of the NEWSCHOOL roster in round 5. In round 6, however, information concerning this college will now be found in loop 1 of the schooling section, as the college is now located on line 1 of the NEWSCHOOL roster.

In examining the respondent's round 6 information for college 501, the following information can be found:

- R reports two terms of enrollment this round, one starting in 1/2002 (see YSCH-20400.01.01) and the other starting in 9/2002 (see YSCH-20400.01.02)
- R reports taking 17 credits during the first term reported in round 6 (YSCH-20500.01.01) and 17 credits during the second term reported in round 6 (YSCH-20500.01.02).
- R reports a GPA of 4.0 for the first term (YSCH-20900.01.01).
- The GPA for the second term is not yet available (see YSCH-20750.01.02).
- R reports total financial aid of 7500 for the first term (YSCH-25400.01.01) and indicates no changes for financial aid for the second term (YSCH-22005.01.02).
- R continues to report majoring in English in both the first term and the second term (YSCH-21300.01.01 and YSCH-21300.01.02).

Respondents are encouraged not to report on terms that are still in progress. Thus, most interviews that are conducted in November and early December will not include reports on fall college terms for the current calendar year. This information would be collected in the next interview.

1.6 Collecting and organizing information on inter-vivos transfers: some practical steps

The initial sample contained the key question YINC-5800, which records data on the exact monetary value of intervivos transfers for youth living with both parents. The lead-in question, YINC-5700 asked²: *“Other than allowance, did your parents give you any money in [insert year]? Please include any gifts in the form of cash or a check but do not include any loans from your parents”*.

Thus YINC-5800 should contain only strictly positive values.³ To supplement this variable with data for those who reported receiving no transfers (i.e. they answered NO to question YINC-5700) the sample variable in which we store intervivos transfers, called `real_intervivos`,⁴ is set equal to 0 (these values were originally assigned as -4, NLSY non-response code for “valid skip”).

Individuals who did not live with both parents are asked the same questions in the survey:

- YINC-6500/6600 if the respondent lives only with her mother/mother figure or her biological mother is living.
- YINC-7100/7200 if the respondent lives only with her father/father figure or her biological father is living.

These variables correspond respectively to YINC-5700/5800. Those individuals who do not live with a mother/mother figure or a father/father figure, and whose biological mother and father are not living are not asked questions on intervivos transfers. As we did for YINC-5700/5800, those who responded that they did not receive any transfers are coded a transfer value of 0.

1.7 How the intervivos questions are asked

In what follows we provide a way to construct a measure of intervivos transfer. In the next chapter of these notes we report some basic stats about this measure.

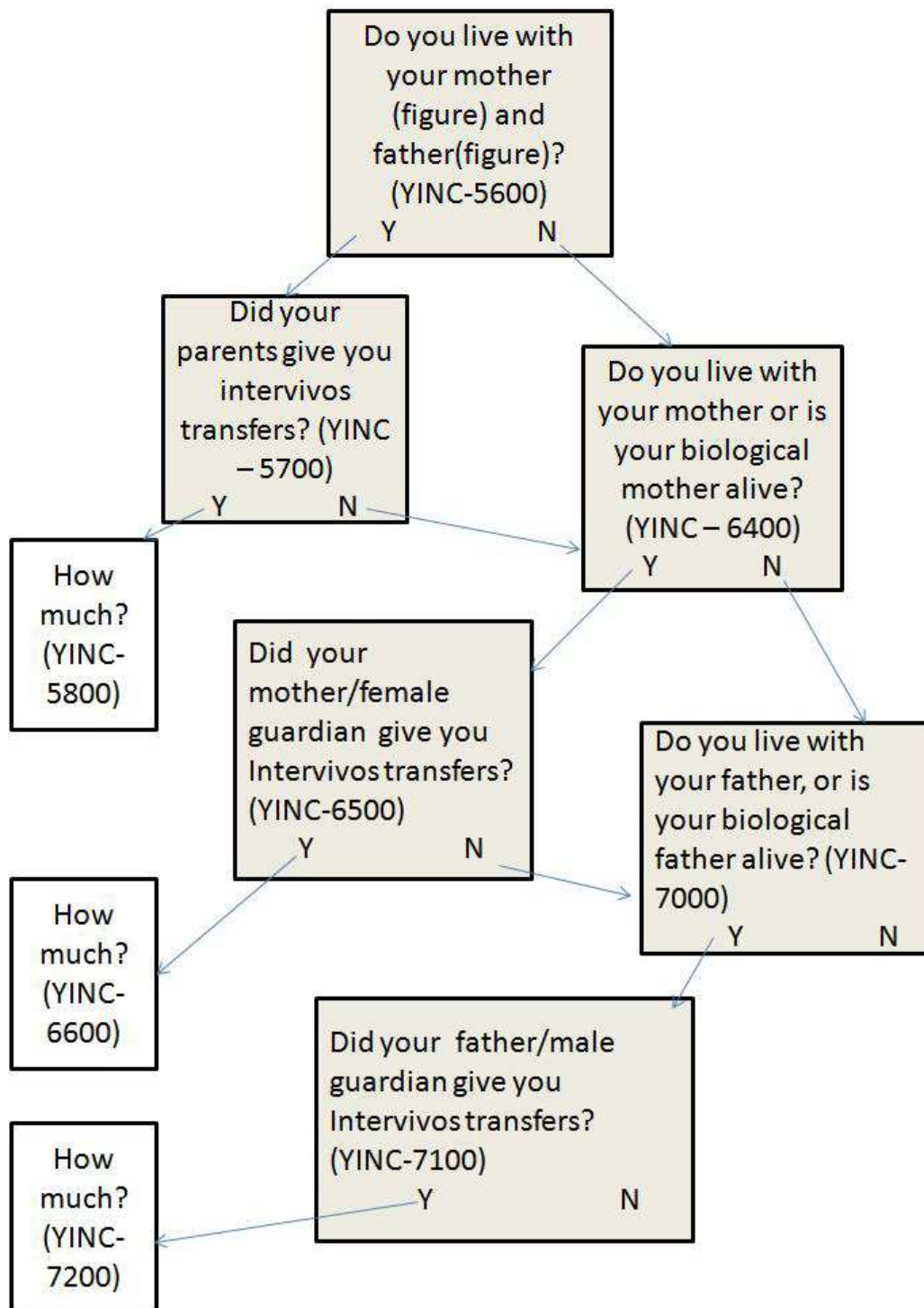
Figure 1 provides a basic flow chart which demonstrates the order in which questions regarding intervivos transfers are asked in the Income section of the NLSY97. We call our final variable of interest “`real_intervivos`”.

This is created from the variable YINC-5800, where the missing values have been discarded.

²Only those who answered YES to this question were asked to specify the exact amount in question YINC-5800.

³There are, however, a few (less than 20) instances where respondents said they received intervivos transfers, but then reported receiving a value of zero.

⁴This variable corresponds to a modification of question YINC-5800 (`amount_inter_vivos‘YEAR’` in the data) - Negative values are removed (NLSY non-response codes), and the variable is deflated using the 2000 US CPI.



To utilize the additional information provided by respondents, the variables “real_intervivosmum” and “real_intervivosdad” were created. Both are coded 0 if (in YINC-6500 and YINC-7100, respectively) individuals report receiving no transfers from their mother/female guardian or father/male guardian respectively. If they received a positive transfer this is taken from YINC-6600 and YINC-7200 respectively, while NLSY Non-responses are considered as missing. As the name suggests both variables are expressed in real terms (2000 USD).

To create one single measure of intervivos transfers that can be used for data and regression analysis the following method was employed: Use the intervivos transfers variable from youth who live with both parents, when it is available. (YINC-5700/5800). When the youth did not report living with both parents, use the sum of the intervivos transfers from both mother/mother figure and father/father figure. If one of these values is missing (e.g. mothers transfer) then report the non-missing value only (in this example, father’s transfer). Observations which have missing values for all three possibilities to report intervivos transfers are dropped from the sample. The final variable is named “real_totalintervivos”. This method gives a sample containing just over 20,000 observations.

Chapter 2

How to Access and Download the Data

2.1 Working Environment: Accessing the NLSY data

NLS Web Investigator

The Bureau of Labor Statistics has developed a NLS Web Investigator, which has advanced features and is a significant development over the previous versions of it. This can be accessed at:

<https://www.nlsinfo.org/investigator/pages/login.jsp>

This investigator has updated data sets and offers features that enable the user to download the files into any specific formats he/she wants - Stata Dictionary files, SPSS or SAS control files and Comma Separated Variables (to be read into Excel), amongst others. The investigator also provides the user with documentation relating to the variables and the survey questions as well as custom weighting texts for analysis purposes. This version overcomes the previous handicaps of not being able to download the data sets comfortably and facilitates easy storage of the tagged variables.

The process is very simple using the web investigator. One needs to create an account to access the data sets through this system. Then, one needs to select the cohort - NLSY 97, from where he/she can choose from the indexes:

- Any word in context
- Area of Interest
- Survey Year
- Refnum
- Qname

Finally, one can search for the relevant variables using the variable search tab. The tag sets can be saved and accessed through the tab named “Manage Tagsets”. Using the “Save/Download” tab, one can then download them in a relevant format - Stata Dictionary Files or Excel sheets. The process is self-explanatory and is simple to use.

CHRR DB Investigator

The NLSY 1997 data is also accessible through the “CHRR DB Investigator” software, although it is no longer available for download from the NLSY website. In the CHRR DB Investigator, to find variables of interest, the software provides a list of 5 “indexes” through which one can search:

- Any Word in Context
- Area of Interest
- Survey Year
- Refnum
- Qname

The most economical method to extract specific variables is to group the variables of interest, and save what is referred to as a tagset, which records all the variables that have been tagged. The tagset can then be opened at any time using the CHRR software to modify or view the chosen variables. To make use of the actual data, one must extract the tagged variables, into their desired format.

2.2 Current Working Environment

Here we provide some details of the steps followed to generate a workable dataset with measures of transfers from parental figures to youth. More details and the codes mentioned in this section may be made available upon request.

In a working folder we have created a number of sub-folders:

- Tag Sets - Contains all the files which contain the tagged variables, extracted into the .NLSY97 format.
- DCT Files - Contains all the tagsets, extracted into the .dct format. These are the files that are initially read into Stata in a dictionary format for the purpose of analysis.
- Do-Files - Contains all the do-files that run the needed commands to complete the analysis.
 - *Sub-folder on Income and College*: Divides the do-files relating to inter vivos transfers recorded in the income section (Income) and in the college experience section (College).
 - *Sub folder on New Weights*: Contains the do-files relating to performing the analysis using weights, obtained from the NLS web investigator.
- DTA Files - Contains all the data files that are generated in the process of analysis.
- Weights - Contains all the notepad files (.txt format) that contain the custom weights needed in the “merge.do” file.
- Log Files - Contains all the .log and .smcl files generated in the process of analysis.

- Others - Contains all the other files. These mainly are notes and files that relate to the process of documentation.

Tag Sets and DCT files

The file “NLSY97-IncomeData29-March-07.NLSY97” contains all the data relating to the analysis on intervivos transfers. It tags the variables marked under the areas of interest corresponding to “Income” and “College Experience”. Since this dataset proved to be huge, another method was also adopted.

In the second method, we broke the analysis into two separate components and integrated them at a later stage, using the do-file “college_analysis.do”. The first tagset contained all the variables that related to the area of interest corresponding to Income and the second tagset to College Experience.

One can locate two files in the working folder, under Tagsets, Income.NLSY97 and College Experience.NLSY97. The two word documents located in the same sub-folder, contain the extracting information correspond to these tag sets.

DCT Files

The tag sets, “Income.NLSY97” and “College Experience.NLSY97” are then extracted into the Stata Dictionary format (.dct). These extracted files are located in the folder “DCT Files”. They are named correspondingly as “College Experience.DCT” and “Income.DCT”.

These dictionary files are read into Stata at the beginning to initiate the data sets for running the first do-file(s) - “College-infile.do” and “infileraw.do”.

Do-Files

The Do-files contain the necessary commands for running the analysis on the intervivos transfers and the college-related data.

Infileraw.do

This file infiles the NLSY97 dictionary file into STATA. The .do file renames all the variables that are to be kept in the output STATA .dta file (i.e. from survey reference number into variable name), and drops all the remaining variables found in the original tagset. The output data file includes variables from the years 1997 to 2005 and it is saved as Intervivos_data.dta.

Note: When asking question about income, some people do not recollect amounts. In that case they are given a card with money-brackets and the answer is called estimated income (“est”-prefixed variables in this dataset). The est-variables also have a category for “don’t know”, which takes a negative number.

Organize_Data.do

This .do file reorganizes the output STATA .dta file (generated by infileraw.do) into a functional working sample data file, with the variables being reshaped into long format. The NLSY data is also merged with a data set of Consumer Price Indices, in which yearly arithmetic averages

are computed from quarterly data. The reorganized dataset is then saved as the working sample under the filename `intervivos_sample1.dta`.

Note: In `CPI.dta` each year x is associated to the CPI index of the previous year, so 1979 is associated to 1978-CPI and 2001 is reported as 2002 CPI. In the NLSY interviews are based on previous years variables and therefore we need previous years CPI to rescale earnings. The right year-CPI association can be found in the file called `CPI-U-NSA-yearly68-07_updated.xls` in the same folder.

Merge.do

This file merges the output custom weight file (in text format) with the working sample dataset `intervivos_sample1.dta`. The merged file is renamed `intervivos_sample(with_weight)(new).dta`.

Note. Only respondents that are members of the cross-sectional sample are kept in the dataset.

That is, all respondents for which the variable `CV_Sample_Type` (reference number: R12358:00) is equal to 1 are kept. All other respondents who are members of the oversample are dropped from the sub-sample. Correspondingly, when using data from only a single round of the survey, the data for each respondent should be weighted by the appropriate CS weight. This should in principle correct the raw data for survey-specific design in the particular survey year from which the data has been extracted.

However, as far as the `intervivos` analysis is concerned, respondent data for seven of the nine rounds in the NLSY97 are used (data from 2004 and 2005 are dropped because no information is available concerning `intervivos` amounts for those particular years). Because the CS weights are constructed for a specific wave of the study, and because respondents sometimes miss an interview but are contacted again in a subsequent wave of the survey, a problem similar to item non-response arises when the data is used longitudinally. Hence, when using data from multiple waves of the survey, it is necessary to use the BLS custom weighting engine to construct a specific weight. However, panel weights only refer to respondents that have been interviewed in every round of the survey. Hence, these weights will also be unable to correct for the “item non-response” problem that arises when data is used from multiple waves of the survey.

Creating Custom Weighting File

The following notes summarizes the method that was used to construct the custom weight file from the BLS custom weighting engine.

- Use the "OR" function so that weights are created for respondents who are in at least one or more of the selected years.
- Select survey rounds 1 through 7 in order to match the weights to the data working sample.
- Note that the custom weights reported in the output file have 2 implied decimal places (so that 130792 means that respondent i represents 1307.93 people).
- The output custom weighting file is output in text format.

Intervivos_analysis.do

This file defines the working sample for the summary statistics analysis. An additional round was available at the time of creating this sample (2005) however, it appears that the survey has moved to a new format that does not involve the previous questions on intervivos transfers. Therefore, for lack of comparability, all data from 2004 and 2005 is dropped.

Only respondents that are part of the cross-sectional sample are kept. Information on intervivos transfers was collected for all youth classified by the NLSY survey as “independent”. Non-independent youths do not answer questions on intervivos transfers, so these youth are not included in the sample. To be independent, respondents must have at least one of these characteristics:

- are age 18 or older
- have had a child
- are enrolled in a 4-year college
- have ever been married or are in a marriage-like relationship at the time of the survey
- are no longer enrolled in school
- are not living with any parents or parent-figures

All observations for youths younger than 16 are dropped from the working sample.¹ This do file also prepares variables for final sample analysis. Relevant variables are made in year 2000 USD, and variables with NLSY Non-Response codes [-1, -2, -3, -4, -5] are replaced with Stata missing values.

Rent Variable Individuals living at home should be allotted some remuneration in the form of rent subsidy from their parents. The intuition behind this intervivos transfer is that youth living at home are saving on rent that they would otherwise be forced to pay if not living at home. It is assumed that the parents are the primary maintainers of the family household and therefore subsidise the youth’s rent. This is accommodated for in `intervivos_analysis.do` by estimating a rent variable set equal to the annualised value of rent paid by youth not living at home. This is done by converting “`real_rent_payment`” to annual terms on the basis of information contained in the variable “`howoften_payrent`”, conditional on the individual not living at home.

Example (based on the code values explained in the variables’ description):

```
replace real_rent_payment1=(real_rent_payment)*12
```

```
if howoften_payrent==3 & lives_at_home==0;
```

To control for outliers, an upper and lower bound was placed at \$15,000 and \$600, respectively. Next, the rental variable is disaggregated by age cohort. Example:

¹There is a line which could drop people who have parents/guardians with net worth less than \$5000 (`HH_NETWORTH_P`): these people are outliers when it comes to transfers over net worth. In principle one can drop these observations later while doing robustness analysis. It is currently commented out in Stata.

```
gen sixteenrent=real_rent_payment1 if youth_age==16;
```

The mean rent estimate is then added to the *intervivos* transfers reported by those individuals living at home, for each year in the variable *real_totalintervivos*. Moreover, the yearly transfers not including the mean rent estimate are included in the variable named *real_intervivosminusrent*. When rent is included, the maximum level of yearly *intervivos* transfers does not change. Transfers are summed by individuals to determine the maximum amount over the individual's youth with and without rent in variables named *real_totalgrossintervivos* and *real_totalnetintervivos*.

```
egen meansixteenrent=mean(sixteenrent);
replace real_totalintervivos = real_totalintervivos
+ meansixteenrent if youth_age==16 & lives_at_home==1;
```

To examine the impact of this adjustment, 3 versions of *intervivos_analysis.do* were constructed, each corresponding to a unique set of results. The first version (*intervivos_analysis.do* and *Replicate Appendix D Results.do*) contain the entire sample. The second version (*intervivos_analysis_nohome.do* and *Replicate Appendix D Results No Home.do*) only contain individuals not living at home while the third (*intervivos_analysis_home.do* and *Replicate Appendix D Results Home.do*) reports only those living at home.

2.3 “College Experience” section

One can also experiment with using different data to study transfers specifically targeted to finance College. Some records of these transfers are in the College Section of the NLSY97. However a word of warning is necessary: after some discussion with individuals at the BLS (the people who prepare and distribute the NLS data files) it has become apparent that: (1) the questions from the INCOME SECTION are general enough to be considered as the 'total' of *intervivos* transfers received in a given year, including transfers specifically earmarked for college (and possibly reported in the College Section); (2) It is better to use the information from the Income section as a measure of parental transfers, as the College experience section was lacking (at the time of writing) some internal checks which try to limit and verify the responses

Moreover, some of the results from the College Experience section appear (to us) implausible and therefore we choose not to use that information. Nonetheless, in what follows, we report how we have analyzed data from that section.

College_infile.do

This file infiles the NLSY97 dictionary file into STATA. This dictionary file is itself extracted from a NLYS97 tagset. The .do file renames all the variables that are to be kept in the outputted STATA .dta file (i.e. from survey reference number into variable name). Saves as *NLSY97_College.dta*.

College_organize.do

This file defines the working sample for the summary statistics analysis. Contrary to the *intervivos* analysis, data from 2004 is not dropped as it is available for the financial aid variable. Only respondents that are part of the cross-sectional sample are kept. Non-independent youths are again dropped from the working sample. Saved as *intervivos_sample(with_weight)3*.

College_analysis.do

Financial aid variables are categorized by year for each respondent, and then summed up to generate an aggregate financial aid variable for each year between 1997 and 2004. All other variables are then dropped. The remaining variables are then reshaped long. This file is saved as `college_sample.dta` and the financial aid variable vector is then merged with the pre-existing dataset `intervivos_analysis1.do`. This merged dataset is then saved as `college_sample2.dta`. Aggregate descriptive statistics, similar to those calculated using the `intervivos` variable, are then calculated.

2.4 Note on Income and Assets of Families

In round 1, information was gathered on the “responding parents” earnings from a job including military service and from a farm, business, or professional practice during the 1996 calendar year. Similar data was collected for his or her current spouse or partner. Additional questions gathered information about the combined income received from other sources by the responding parent and the spouse or partner during 1996. Sources listed were interest or dividend income, including any amount that has been reinvested or credited; child support payments; and other income. Finally, data was collected on amounts received from various government programs in 1996.

For a more comprehensive picture of the family’s financial situation, the responding parent was also asked about assets and debts. The parent first stated whether the family owned or rented their dwelling (e.g., ranch or farm, mobile home, house or apartment). After determining the percentage of the dwelling and the land owned by the family, a follow-up question asked about the present value of these holdings. The survey then established whether there was a mortgage, land contract, or any other type of loan that used the property as collateral, such as a second mortgage or a home equity loan, and the amount still owed.

If the family neither rented nor owned the dwelling, the living situation was determined (e.g., housing part of job compensation, temporary living arrangements while house is under repair).

Additional asset information included the amount that would be received (less any outstanding debts) if any business partnership/professional practice or any real estate, such as a second home or land, was sold. The responding parent also stated whether he or she owned each of the assets listed; a follow-up question ascertained the total dollar value of each asset reported. Finally, to balance information on assets, the responding parent reported the amount still owed on any vehicles, any educational loans for a child, and other debt including credit cards or bank loans.

Created variables. Several created variables summarize the households financial situation. First, the net worth of the household is calculated by subtracting total debts from total assets. If the youth was independent, this calculation is based on information provided by the youth and is reported in the variable `CV_HH_NET_WORTH_Y`; if the youth was not independent and a parent was interviewed in round 1, the calculation is based on parent data and the results reported in `CV_HH_NET_WORTH_P`.

The second variable, `CV_INCOME_GROSS_YR`, provides gross household income in the previous year. Although only one variable is created, the data for the variable, like net worth, could be taken from the youth questionnaire if the respondent was independent or from the

parent questionnaire if the youth was not independent. Users should note that starting in round 8, the total household income variable was no longer created; instead, a variable was created that calculated income solely from family members (CV_INCOME_FAMILY). This reflects a change in the wording of the questions asked in the survey. The variable CV_HH_INCOME_SOURCE identifies whether the income variable was created from youth or parent information.

Finally, a poverty status variable (CV_HH_POV_RATIO) creates a ratio comparing the gross household income variable to the federal poverty level for the previous year, taking household size into account. After round 1, all household income and net worth information are based on data provided by the youth respondent (if he or she is independent).

Household Income Update. The surveys following round 1 include this form, administered to one of the respondents parents, which is designed to gather basic income information concerning the respondents parent and his or her spouse/partner in the absence of a detailed parent questionnaire. All respondents who live with a parent at the interview date are eligible to have this questionnaire administered. It collects the parents' total pre-tax income from wages, salaries, commissions, and tips during the past calendar year; the same data for the parents spouse or partner; and the total pre-tax amount of any other income received (i.e., farm or business income, inheritances, child support, government programs).

In round 2, parents of 7,601 respondents answered at least one question from the Household Income Update; parents of 5,488 respondents answered at least one question in round 3; and 5,225 parents of respondents answered at least one question in round 4. In round 5, parents of 4,090 respondents answered at least one question. The Household Income Update was not used after round 5.

Parent Questionnaire. In round 1, the youth's responding parent (or guardian) stated his or her present employment status, marital status, highest grade completed, and participation in government programs. We generate quartiles of the sample with respect to:

- Income of the household of origin
- wages of the respondent parents
- maximum education of the residential mother and father (including biological parents in most cases)

The file `intervivos_analysis3.do` calculates the aggregate descriptive statistics conditional on youth age, parental age, and unconditional on age. See the output `.log` file for full results:

- Transfer totals and number of transfers
- Share of people giving to kids
- Share of intervivos to parental wage
- Share of intervivos to assets

2.5 Performing Analysis with the Dependent Variable (intervivos transfers)

One can run regressions (or compute summary statistics) on the variable “real_intervivos”, while restricting attention to only strictly positive values. One may also include values of zero (“real_intervivos” unrestricted). When running a regression or computing statistics using “real_totalintervivos” it may be useful to have indicator variables to indicate which source is used to report data on intervivos transfers. These indicator variables are as follows:

- “rec_bothparents_simult” - Equal to 1 if “real_intervivos” is non-missing.²
- “rec_mum” - Equal to 1 if “real_intervivos” is missing, and “real_intervivosmum” is non-missing.
- “rec_dad” - Equal to 1 if “real_intervivos” is missing, and “real_intervivosdad” is non-missing.

²“real_intervivos” takes precedence in the formation of “real_totalintervivos” - whenever it is non-missing it is utilized.

Chapter 3

Summary of Results

3.1 Description of Sample

To summarize the description from the previous chapter, we use waves from 1997 to 2003. Data for 2004 are dropped as there are no inter-vivos amounts available after that year. This gives us an initial sample of 12,686 youths who were between age 12 and 16 in 1997. Only respondents that are part of the cross-sectional (representative) sample are kept, which leaves 6,748 individuals. Furthermore, we drop observations for youths below age 16, which gives us a sample with 6,346 youths and a total number of observations equal to 21,149. We drop 13 cases reporting positive inter-vivos transfers which are more than twice the size of their households' negative net worth: these observations are very likely to be misreported. This creates a final sample of 6,346 youths and 21,136 observations. In the total sample, 35% of youths report living in households with both biological parents as guardians, 7% live in two-parents households with the biological mother, 2% live in two-parents households with the biological father and 0.5% live in adoptive parents households. 18% of youths live in single parent households, 16% single mothers and 2% single fathers. 0.1% constitute children living with foster parents, 1.2% no parents but living with another relative and 35% report living in a household where the relationship to the guardian cannot be described by any of the above. The age distribution in our final youth's sample including the proportions of those enrolled in college for each age is reported in table (3.1). Overall, 37% of the sample are enrolled in college, and from this group of college enrollees, 77% live at home. College enrollment in the population begins at age 17 and begins to drop after 18 which may as well be a function of survey attrition. Those who live at home form the majority among college attendees for all ages only reaching a minimum of 50% at 22 years old. In principle, observations should be weighted when tabulating sample characteristics in order to describe the represented population. However the use of weights without other adjustments is inappropriate when using samples generated after dropping observations reporting item non-responses. We do use the BLS custom weighting engine to construct panel weights for our sample but even these present some problems (as discussed above). Moreover, our results change only marginally when we use weights. Therefore we present only results from the unweighted sample.

In the final sample, 32.4% of observations report positive inter-vivos transfers elicited from the relevant survey questions, meaning 67.6% did not receive any direct monetary transfers. However, 75.1% of observations reported positive inter-vivos transfers when imputed rent is included with the amount. The value of imputed rent varies from age to age with a minimum of \$4,733 for 16

Table 3.1: Proportion of sample currently attending college by youth age

youth age	mean
16	.026
17	.371
18	.429
19	.409
20	.395
21	.301
22	.219
Average	.368

Table 3.2: Proportion of sample living at home by youth age

youth age	mean
16	.729
17	.761
18	.819
19	.767
20	.763
21	.625
22	.395
Average	.746

Table 3.4: Percentage of sample with positive inter-vivos transfers not including rent imputation by youth age

youth age	mean
16	.370
17	.350
18	.352
19	.319
20	.303
21	.266
22	.235
Average	.324

3.2 Income section

Rent Imputation

Table 3.5: Amount of rent imputation by youth age

youth_age	mean	p50	sd	N
16	3,620	4,966	2,208	1,004
17	3,630	4,765	2,030	3,381
18	3,733	5,014	2,187	5,743
19	3,495	5,368	2,558	4,538
20	3,149	5,484	2,712	3,328
21	2,567	0	2,658	2,150
22	2,614	0	3,235	992
Average	3,397	5,014	2,473	21,136

Table 3.6: Amount of rent imputation by youth age, positive only

youth_age	mean	p50	sd	N
16	4,966	4,966	0	732
17	4,765	4,765	0	2,576
18	5,014	5,014	0	4,276
19	5,368	5,368	0	2,955
20	5,484	5,484	0	1,911
21	5,318	5,318	0	1,038
22	6,615	6,615	0	392
Total	5,173	5,014	350	13,880

Distribution of inter vivos transfers

In order to have an idea of the relative magnitude of the transfers we use information regarding parental wages, household income and net worth, and education of the most educated residential parent/guardian. In these tables, transfers are measured on a yearly basis.

We report the mean, median, standard deviation and number of observations of the transfers' sample: (1) by quartiles of parent/guardian wage; (2) by quartiles of household income; (3) by quartiles of (youth reported) household net worth; and (4) by education group. Across the results, the general trend is that inter vivos transfers increase as income, parental wages, household net worth and maximum parental education increase regardless of sample restrictions. When the analysis is modified so that only people who are currently enrolled in college are examined, the broad patterns across all these variables and the various sample restrictions are replicated. Inter vivos transfers within each category naturally increase by anywhere from \$500 to well over \$1,000 since college enrolled youths are more likely to receive inter vivos transfers. The main difference is with respect to parental wage quartiles where mean transfers in the 2nd quartile are larger than those from the lowest quartile. Further experimentation is pursued where the rent imputation is removed from youths aged 16 or 17 years old based on the wisdom that high school aged youths remain at home as a matter of course. Whether the sample is restricted to college attendees only or not, the effect on inter vivos transfers is marginal since these youth make up a minority of the total sample.

Each table contains summary statistics with and without rent, and with and without zero transfers. The wage information is available for 3,978 observations as it is only asked every year up to 2001 and refers to the responding parent/guardian. Household income and net worth data are available for all years up to 2003 from the youth survey. Household income and net worth are reported for 17,243 observations. Top coding for parental wages, household income and net worth are conducted at the top 2% for each year, which leads to inconsistent truncation levels and skewing of the sample distribution. Therefore to reduce this effect, 555 observations where household income is above \$240,000 are excluded. Additionally, 43 observations where net worth exceeds \$700,000 and 101 cases where parental wage exceeds \$150,000 are excluded from summary statistic analysis to avoid similar distributional skewing. Exclusion in this context refers to changing their responses to missing rather than dropping them entirely. Education of residential parents is available for all sample observations.

It is evident there is a large divide in mean and median values with and without rent. There are 13,880 cases that report living at home and as such a majority of cases integrate imputed rent with the amount of inter vivos transfers, even if they received no monetary inter vivos. The median value for inter vivos transfers including rent is higher because youth living at or away from home are integrated in the final sample, and the amounts transferred to each independent youth pulls down the mean by being less than the value of imputed rent. This phenomenon is observed throughout the summary statistics. For the sample of positive transfers only where rent is included, the average transfer is \$5,054 per year, and over the period from age 16 to age 22 this sums up to an average total transfer of \$35,378 per youth. The median transfer is higher and equal to \$5,282 over all age groups: this corresponds to a median total transfer between age 16 and 22 of \$36,974.

When looking at the whole sample, inter-vivos transfers increase monotonically until they peak at 20 years old. When the imputed form of rent is included for youths living at home, transfers peak at 18 and decline from there. At 21 years old, transfers are smaller than those

Table 3.7: Distribution of inter-vivos transfers by age of youth.

Positive Transfers only								
Rent					No Rent			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
16	4,801	4,966	1,601	812	706	310	1,302	372
17	4,707	4,765	1,565	2,824	860	423	1,543	1,184
18	5,013	5,014	1,863	4,711	1,073	479	2,068	2,027
19	5,209	5,368	2,258	3,408	1,305	500	2,386	1,450
20	5,261	5,484	2,626	2,299	1,601	500	2,783	1,009
21	5,053	5,318	2,833	1,288	1,725	486	3,199	573
22	5,773	6,615	3,262	527	1,921	670	3,489	234
Average	5,054	5,282	2,179	15,869	1,227	486	2,342	6,849
Whole sample								
Rent					No Rent			
16	3,883	4,966	2,375	1,004	263	0	863	1,004
17	3,931	4,765	2,257	3,381	301	0	1,001	3,381
18	4,112	5,014	2,559	5,743	379	0	1,331	5,743
19	3,912	5,368	2,984	4,538	417	0	1,479	4,538
20	3,634	5,484	3,268	3,328	485	0	1,700	3,328
21	3,027	1,945	3,308	2,150	460	0	1,818	2,150
22	3,067	287	3,736	992	453	0	1,878	992
Average	3,795	5,014	2,889	21,136	398	0	1,452	21,136

received by 16 year olds, due to the declining number of youths living at home. Median values of transfers are higher than the mean due to the large number of youths whom did not receive monetary inter-vivos transfers but live at home.

When looking at positive values only, transfers monotonically increase with or without rent imputation included, with the exception of 21 year olds when rent is included. Mean values are higher due to the exclusion of people who received no transfers, but median values when examining transfers including rent imputation remain the same as youths who live at home but receive no monetary transfers continue to dominate the sample.

Across all sample restrictions and measures of intervivos transfers, transfers monotonically increase as reported parental wage increases. The increases though are more muted from the third to fourth quartile when only positive transfers are measured. The median when rent imputation is included remains relatively stable at \$5,014 across all quartiles.

When looking at the whole sample, intervivos transfers including rent increase by a large amount across quartiles of household income. The median values for quartiles 1 and 4 seem to suggest a large proportion of youths who do not live at home are in the lowest income bracket while some parents in the highest income bracket tend to be the most extravagant about providing transfers. When rent imputation is removed, transfers for the highest income bracket are distinctly higher.

When we restrict the distributions to positive values only, the same patterns emerge when transfers include imputed rent. Without rent, inter-vivos transfers start high and decline through the next two brackets to again spike in the highest income bracket.

Table 3.8: Descriptive statistics: inter-vivos transfers by parental wage quartile.

Positive Transfers only								
Rent					No Rent			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	5,113	5,014	1,473	923	949	317	1,812	382
q2	5,263	5,014	1,578	913	1,085	500	1,984	375
q3	5,341	5,027	1,629	896	1,070	500	1,978	373
q4	5,405	5,100	1,815	908	1,170	500	2,233	375
Overall	5,279	5,014	1,631	3,640	1,068	475	2,006	1,505
Whole sample								
Rent					No Rent			
q1	4,578	5,014	2,103	974	316	0	1,108	974
q2	4,928	5,014	1,999	975	388	0	1,319	975
q3	5,093	5,014	1,938	959	454	0	1,384	959
q4	5,232	5,065	1,995	969	502	0	1,561	969
Overall	4,957	5,014	2,024	3,877	415	0	1,354	3,877

Table 3.9: Descriptive statistics: inter-vivos transfers by household income quartile.

Positive Transfers only								
Rent					No Rent			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	4,091	5,014	2,688	3,116	1,186	479	2,333	1,408
q2	4,967	5,214	1,980	3,117	1,131	479	2,191	1,407
q3	5,473	5,368	1,613	3,105	1,119	486	1,982	1,416
q4	5,699	5,368	1,928	3,112	1,414	517	2,584	1,396
Average	5,057	5,306	2,179	12,450	1,212	486	2,284	5,627
Whole sample								
Rent					No Rent			
q1	2,072	146	2,785	4,205	372	0	1,403	4,205
q2	3,060	4,765	2,877	4,144	343	0	1,334	4,144
q3	4,531	5,114	2,514	4,167	397	0	1,334	4,167
q4	5,438	5,368	2,106	4,172	522	0	1,675	4,172
Average	3,773	5,014	2,896	16,688	409	0	1,445	16,688

Table 3.10: Descriptive statistics: inter-vivos transfers by household net worth.

Positive Transfers only								
Rent					No Rent			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	4,875	5,017	1,701	2,290	838	400	1,512	930
q2	4,893	5,014	2,000	1,977	974	414	2,029	930
q3	4,990	5,018	1,982	2,134	1,116	486	2,049	925
q4	5,175	5,086	2,083	2,133	1,300	500	2,437	928
Average	4,983	5,014	1,945	8,534	1,057	479	2,039	3,713
Whole sample								
Rent					No Rent			
q1	3,785	5,014	2,524	2,949	264	0	934	2,949
q2	3,913	4,976	2,619	2,357	318	0	1,230	2,357
q3	4,057	5,014	2,665	2,650	398	0	1,338	2,650
q4	4,295	5,014	2,716	2,651	505	0	1,645	2,651
Average	4,009	5,014	2,636	10,607	370	0	1,308	10,607

When looking at the whole sample, with and without rent inter-vivos transfers increase as household net worth increases. When we restrict the distributions to positive values only, inter-vivos transfers generally increase with net worth, although rent included transfers are essentially the same for the first two quartiles. When rent imputation is excluded, increases are monotonic.

Table 3.11: Descriptive statistics: inter-vivos transfers by maximum residential parent education.

Positive Transfers only								
Rent					No Rent			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
LHS	5,050	5,115	1,721	1,055	944	383	1,887	349
HSG	4,978	5,293	1,978	6,070	1,032	479	1,913	2,611
CG	5,108	5,293	2,353	8,744	1,383	500	2,613	3,889
Average	5,054	5,282	2,179	15,869	1,227	486	2,342	6,849
Whole sample								
Rent					No Rent			
LHS	3,675	5,014	2,686	1,450	227	0	1,009	1,450
HSG	3,761	5,014	2,745	8,035	335	0	1,193	8,035
CG	3,833	5,014	3,007	11,651	462	0	1,645	11,651
Average	3,795	5,014	2,889	21,136	398	0	1,452	21,136

When looking at the whole sample, there appears to be a positive correlation between maximum education attainment and inter-vivos transfers whether rent imputation is included or not. The consistent median through these three categories when rent is included indicates a similar youth distribution among them.

3.3 “College Experience” section

In what follows we replicate the above descriptive analysis of the transfers’ distribution using information from the College Experience section of the NLSY. Based on our correspondence with the BLS, as well as our judgement, we believe these results might not provide an accurate description of transfers targeted to financing college.

Table 3.12: Descriptive statistics: distribution of college financial aid and inter-vivos transfers by age of youth.

Positive Transfers only								
financial aid					inter-vivos			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
16	3,435	310	6,671	13	692	300	1,234	279
17	4,099	2,113	4,920	538	877	423	1,624	952
18	4,042	1,915	12,945	1,266	1,068	479	2,064	1,680
19	3,651	1,945	4,886	1,068	1,337	500	2,488	1,188
20	3,466	1,723	5,290	710	1,550	500	2,580	848
21	4,305	1,945	7,222	378	1,489	486	2,705	475
22	2,611	1,340	3,528	113	1,898	670	3,396	205
All	3,830	1,943	8,460	4,086	1,212	486	2,284	5,627
Whole sample								
financial aid					inter-vivos			
age	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
16	2,977	300	6,293	15	274	0	847	704
17	3,816	1,945	4,859	578	323	0	1,073	2,581
18	3,312	1,167	11,820	1,545	397	0	1,360	4,516
19	2,612	957	4,449	1,493	443	0	1,564	3,583
20	2,079	479	4,434	1,184	489	0	1,618	2,687
21	2,022	0	5,392	805	398	0	1,545	1,778
22	787	0	2,273	375	464	0	1,864	839
All	2,611	729	7,209	5,995	409	0	1,445	16,688

When looking at the entire sample, two distinct features of inter-vivos and college aid appear: inter-vivos means are monotonically increasing with youth age from \$274 at age 16 to \$464 at age 22, whereas college aid means start at \$2,977 at age 16, have their peak at age 17 (\$3,816) and decrease to \$787 for age 22. It is worth noticing that college transfers are much higher than inter-vivos transfers, likely due to a different sampling set and to a lack of consistency checks between the two sections. As discussed before, results from the College experience section appear to be less reliable than those from the Income section.

When we look at positive values only, similar properties of the distributions are observed again: inter-vivos means increase monotonically from \$692 at age 16 to \$1,898 at age 22, whereas college aid starts at \$3,435 at age 16, peaks \$4,305 at age 21 and decreases to \$2,611 at age 22. As expected, standard deviations for both distributions increase when we look at positive values only, because of the large number of zeros in the unrestricted samples.

Table 3.13: Descriptive statistics: College financial aid and inter-vivos transfers by parental wage quartile.

Positive Transfers only								
financial aid					inter-vivos			
Quartile	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	3,807	1,930	5,172	156	873	317	1,527	288
q2	3,058	1,000	6,592	169	1,051	500	1,999	305
q3	3,179	1,970	4,534	242	1,106	500	2,031	349
q4	4,540	3,000	5,086	369	1,195	500	2,272	356
All	3,798	2,000	5,304	936	1,066	500	1,996	1,298
Whole sample								
financial aid					inter-vivos			
Quartile	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	3,142	1,300	4,914	189	315	0	1,007	799
q2	2,449	600	6,021	211	409	0	1,347	784
q3	2,643	1,034	4,301	291	473	0	1,435	817
q4	3,970	2,068	4,988	422	532	0	1,627	800
All	3,194	1,268	5,058	1,113	432	0	1,375	3,200

When looking at the whole sample, distributions by quartiles differ substantially for inter-vivos and college aid. Inter-vivos transfers means increase monotonically, starting at \$315 for quartile 1 and reaching \$532 at quartile 4. College aid has higher mean value of Quartile 1 compared to Quartiles 2 and 3 (q1:\$3,142, q2:\$2,449, q3:\$2,643) and has its highest value in Quartile 4 (\$3,970). When looking at positive values only, both distributions have somewhat similar properties. Inter-vivos transfers increase monotonically from \$873 at Quartile 1 to \$1,195 at Quartile 4. For college aid, Quartile 1 mean is \$3,807, and it is higher than Quartile 2 and Quartile 3 (\$3,058 and \$3,179 respectively), and Quartile 4 is the highest with \$4,540. Standard deviations for both distributions increase when we restrict to positive values only, because of the large number of zeros in the unrestricted samples.

When looking at the whole sample, distributions by quartiles for college aid and inter-vivos are somewhat similar. The mean values for the first quartile of both distributions are higher than the second quartile. When looking at positive values only, values for both variables become substantially higher. Inter-vivos quartiles have a somewhat leveled distribution, with its highest value for Quartile 1(\$1,189) and lowest for Quartile 3(\$1,133). The median values are positive, as expected, since only positive observations are used in the restricted sample. Standard deviations for positive-only distributions increase because of the large number of zeros in the unrestricted sample.

When looking at the whole sample, distributions for both college aid and inter-vivos are monotonically increasing, with inter-vivos starting from \$216 for LHS and reaching \$474 for CG and college aid starting from \$1,105 for LHS and reaching \$3,074 for CG. When we restrict the distributions to positive values only, both variables continue to have mean values for each group that are monotonically increasing. The lowest value for inter-vivos mean is \$887 (LHS) and highest is \$1,360 (CG). The lowest value for college aid mean is \$1,701 (LHS) and the highest is \$3,074 (CG). Standard deviations for both variables increase when we look at positive values

Table 3.14: Descriptive statistics: College financial aid and inter-vivos transfers by household income quartile.

Positive Transfers only								
financial aid					inter-vivos			
Quartile	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	4,045	1,915	6,782	670	1,189	479	2,289	1,305
q2	2,566	1,241	3,715	637	1,138	479	2,256	1,259
q3	2,853	1,479	3,985	1,033	1,133	486	2,059	1,463
q4	4,788	2,629	11,551	1,746	1,362	500	2,485	1,599
All	3,830	1,943	8,460	4,086	1,212	486	2,284	5,626
Whole sample								
financial aid					inter-vivos			
Quartile	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
q1	2,581	517	5,755	1,050	375	0	1,400	4,133
q2	1,454	211	3,071	1,124	340	0	1,339	4,208
q3	1,899	574	3,518	1,552	397	0	1,333	4,175
q4	3,686	1,459	10,332	2,268	522	0	1,675	4,171
All	2,611	729	7,209	5,994	409	0	1,445	16,687

Table 3.15: Descriptive statistics: College financial aid and inter-vivos transfers by maximum residential parent education.

Positive Transfers only								
financial aid					inter-vivos			
edu	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
LHS	1,701	1,216	1,858	76	887	383	1,692	286
HSG	3,160	1,436	12,053	1,442	1,048	479	1,946	2,230
CG	4,270	2,113	5,628	2,568	1,360	500	2,532	3,111
All	3,830	1,943	8,460	4,086	1,212	486	2,284	5,627
Whole sample								
financial aid					inter-vivos			
edu	mean	median	stand.dev.	obs	mean	median	stand.dev.	obs
LHS	1,105	383	1,702	117	216	0	916	1,177
HSG	1,972	486	9,642	2,311	355	0	1,236	6,588
CG	3,074	1,000	5,146	3,567	474	0	1,629	8,923
All	2,611	729	7,209	5,995	409	0	1,445	16,688

only because of the large numbers of zeros in the unrestricted sample.