

Elderly care and strategic transfer in an intergenerational model with Backward Altruism

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Abstract

This study constructs an infinite-time horizon intergenerational model in which altruism is at work only from a generation to its parental one (backward altruism) and investigates a relationship between an inter-vivos transfer from a parent to a child and a private elderly care that the parent receives from the child. The study demonstrates that the elderly care may be a motive for the inter-vivos transfer; that is, the inter-vivos transfer may occur in a model with backward altruism. Furthermore, it is obtained that the inter-vivos transfer may continue to be made in a sense that it keeps a positive level over generations.

KEYWORDS: altruism; intergenerational transfers

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