Inclusion in Asset Building: Research and Policy Symposium

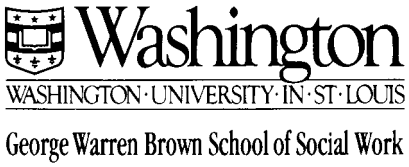
Family Matters: Kin Networks And Asset Accumulation

Ngina Chiteji
Darrick Hamilton

2000

Working Paper 00-6

Center for Social Development



George Warren Brown School of Social Work

Family Matters: Kin Networks And Asset Accumulation

Ngina Chiteji
Department of Economics, Skidmore College
Saratoga Springs, NY 12866
nchiteji@skidmore.edu

Darrick Hamilton
Postdoctoral Research Fellow
Poverty Research and Training Program
& Program for Research on Black Americans
University of Michigan
Ann Arbor, MI 48106

September 2000

Working Paper 00-6

Center for Social Development
Washington University
George Warren Brown School of Social Work
Campus Box 1196
One Brookings Drive
St. Louis, Missouri 63130
Telephone: (314) 935-7433
Fax: (314) 935-8661
http://gwbweb.wustl.edu/csd
E-mail: csd@gwbmail.wustl.edu

This paper was commissioned for the *Inclusion in Asset Building: Research and Policy Symposium*, Center for Social Development, Washington University in St. Louis, September 21-23, 2000.

The symposium was sponsored by the Ford Foundation and the George Warren Brown School of Social Work at Washington University. The organizers and editors were Michael Sherraden and Lisa Morris.

We wish to thank Sheldon Danziger, Colleen Heflin, Joseph Lupton, and Mary Pattillo-McCoy, and participants at the Washington University Center for Social Development Symposium on Inclusion in Asset Building. This research also has been presented at the Research Seminar of the Program for Research on Black Americans Research Seminar, and at the Wealth Inequality—Global Impacts and Local Prospects Conference at the University of Maryland. Participants at these institutions also are owed thanks for providing constructive commentary on our work. We also thank Rucker Johnson for his research assistance. This research was supported by a grant from the Ford Foundation, and both authors express much gratitude for the Ford Foundation's financial assistance. Any mistakes are the sole responsibility of the authors..

The family—that dear octopus from whose tentacles we never quite escape
-Dodie Smith , Dear Octopus, 1932

Social sciences research has long recognized that the characteristics of an individual's family and the relationships among family members can have important implications for the individual's economic outcomes. Among the interesting findings emerging from this literature are insights regarding (1) the effect of having numerous siblings, (2) involvement in kin networks, (3) the volume of inter-family transfers in the United States, (4) the motives for and consequences of such transfers, and (5) the economic circumstances experienced by different branches of a family tree. This paper explores the connection between these family matters and saving behavior.

Previous research has noted that the number of siblings that a child has can influence that child's life chances by affecting the amount of resources that parents have to spend on or invest in a given child during critical phases of childhood. More siblings can mean poorer outcomes during adulthood due to resource dilution. Previous research also has investigated the relationship between parents and their adult children, revealing both that the desire and ability to control children can affect bequests, and that individuals' labor market prospects and wealth outcomes are influenced by parental bequests and intervivos transfers. The research in this area offers ample evidence to suggest that significant transfers are made from parent to child during children's adulthood among well-to-do families--be it in the form of "gifts" of tuition assistance (Becker and Tomes, 1979; Drazen, 1978; and Laitner and Juster, 1996), downpayment assistance for home purchases (Oliver and Shapiro, 1995; and Charles and Hurst, 2000), or sheer transfers of wealth at death (Kotlikoff and Summers, 1981; and Menchik and Jianakoplos, 1997).[1]

Other research has examined a broader range of family relationships, taking a particular interest in economic and non-economic transfers and exchange among all types of kin (Stack, 1974; Schoeni, 1992; Hofferth and Iceland, 1998; and Roschelle, 1997; for example). This literature suggests that family resources are not necessarily expended solely on behalf of the nuclear family. Additional recent research on the economic characteristics of extended families suggests that while it is standard to find a high degree of similarity in siblings' positions and fathers' and sons' social and economic positions when one examines national data, not all families display this similarity between sibling-sibling and parent-child outcomes. Instead, poverty among relatives appears to be an issue for some non-poor families in the U.S. population (Pattillo-McCoy, 1999; and Pattillo-McCoy and Heflin, 1999).

This vast, provocative literature on connections between different family members and on the bearing that the family situation can have on an individual's life serves as the inspiration for our research. We ask whether ties between adult relatives affect the ability to accumulate wealth. More specifically, we seek to determine whether having poor relatives has any effect on asset accumulation for non-poor families. We arrive at this research question because the aforementioned literature provides ample evidence that many economic outcomes are affected by the family situation—hence it seems critical to ask whether the family-based forces that shape individuals' labor market outcomes and educational levels also affect saving. Additionally, we pose the question because research on kin networks suggests that the concept of the individual or nuclear family may be too narrow to characterize decisionmaking in practice. Finally, we

[1] By "significant" we mean those that are either large in magnitude or transformative for the recipient.

suspect that there are important connections to be made between the findings that many black families experience poverty in their extended families, and the findings of race differences in asset ownership that permeate the literature on wealth inequality (Blau and Graham, 1991; Oliver and Shapiro, 1995; Wolff, 1998; Hurst, Luoh and Stafford, 1998; for example).

The paper is organized as follows. Section II briefly reviews the separate literatures on the family and wealth inequality. Section III examines economic theories of saving to determine how the predictions about saving that emerge from these models are affected by modifying the standard representation of utility to incorporate concern for poor relatives in individual decisionmaking. Section IV presents our empirical work, including the descriptive statistics covering asset accumulation among U.S. families and data on the extent of poverty within the family (among siblings and parents). It also presents the results of regression analysis that examines the effects that poverty among siblings and parents have on a number of dimensions of asset accumulation. Section V discusses the policy implications of the research and the relevance of our work for public debates about social justice. Section VI concludes.

II. The literature on family relationships and the literature on wealth inequality

Thinking about family relationships

Ours is not the first paper to demonstrate an interest in the existence of connections between different family members, although the way that we think about family relationships ultimately will differ somewhat from the existing economics literature. Economics typically explores and models family relationships in the context of altruism, or the interdependence of utility among different agents. The research of Becker (1991), which specifies utility as being a weighted combination of an individual's own felicity function and a family member's utility function, is representative of the framework used in economics to introduce concern about other family members into economic analysis. Much of the research in economics has focused either on two-sided altruism, where both agents whose utility functions are represented exhibit some concern for one another (Stark, 1995 for example), or on one-sided altruism on the part of parents concerned about their children's outcomes in life (Laitner and Juster, 1996; and Masson, 1997; for example). Our research marks an effort to examine altruism on the part of adult children. It therefore necessitates a shift toward thinking about adults who exhibit concern for the plight of their parents, and their siblings, in addition to their own individual condition.

Outside of economics, the concern that individuals exhibit for other family members has led researchers to challenge the notion that the concept of a "selfish" or self-contained individual agent represents the appropriate unit of analysis for studies of actual behavior. This may be particularly true for minorities, as research suggests that non-white families frequently are embedded in networks that tie them financially, socially, and emotionally to others (Stack, 1974; Taylor and Chatters, 1988). Such research provides an additional impetus for modifying the standard economic representation of "individual" choice. Evidence that individual resources may be spent on a variety of family members (be they individuals inside the nuclear family or "outside" family members) not only suggests that the circumstances of different family members influences individual decisions; it also introduces the possibility that some relatives' needs may serve as a constraint on others' behavior and purchases. Accordingly, this suggests that the social ties to the less fortunate that have been uncovered for some middle class families in the

U.S. population (Pattillo-McCoy, 1999 and Pattillo-McCoy and Heflin, 1999, for example) may create a basis for economic ties within families that inhibit the non-poor family members' ability to engage in "traditional" or "expected" middle class activities such as wealth accumulation.

Thinking about wealth inequality

We will not attempt to provide any detailed evidence to prove that wealth is unevenly distributed in the United States because this point has been demonstrated conclusively elsewhere.[2] Instead, we note that regardless of the measure of wealth chosen (be it net worth, financial wealth, dollars held in individual assets, or asset ownership rates), one finds substantial differences by class and by race. For example, Oliver and Shapiro report that black families hold about 25 cents for every dollar of wealth held by white families on average; and, only about 11 cents if one restricts the analysis to financial assets (Oliver and Shapiro, 1995). Additionally, Haveman and Wolff (2000) reveals that minorities have higher rates of "asset poverty" than white families do.[3] There are similar race differences in ownership rates for individual assets such as stocks and bank accounts, and these differences remain even when the demographic and economic variables believed to determine wealth accumulation are taken into consideration (Hurst, Luoh and Stafford, 1998; Chiteji and Stafford, 1999).

Why is this important? An individual's (or family's) wealth level can affect that individual's quality of life (Sherraden, 1991; Page-Adams and Sherraden, 1996, for example). Wealth is a stock of savings that can be used to guard against shocks to income, allowing the individual to continue to consume in instances in which the normal flow of income is disrupted (due to job loss or retirement, for example). Savings also can be instrumental in ensuring that one has access to credit (because many loans require collateral). Additionally, saved funds can be used to surmount indivisibilities associated with expensive purchases that exceed one's current income flow in instances in which outside financing is unavailable or insufficient (educational investments for example). Wealth also can have important implications for child outcomes (Conley, 1999; and Shapiro and Johnson, 2000). For example, an individual's parents' wealth holdings can influence that individual's life prospects if parental savings are used to ensure that a child has access to post-secondary schooling, or to prestigious private schooling at the elementary and secondary levels (Shapiro and Johnson, 2000). This discussion highlights an important connection between living standards and asset accumulation. For those with assets (or those whose parents have assets), asset-ownership can improve the asset-owner's standard of living. For this reason, research that focuses on the role of family variables such as family size, marital status, or "having a rich uncle" in shaping wealth accumulation is enlightening (Blau and Graham, 1990; Menchik and Jianakoplos, 1997; and Keister, 2000, for example). Yet, there is another dimension to the connection between living standards and asset accumulation. A second, less recognized connection, is that the living standards of others may affect one's ability to accumulate assets.

[2] Blau and Graham (1991), Oliver and Shapiro (1995), Wolff (1995, 1998), and Hurst, Luoh and Stafford (1999) each provide a discussion of the wealth gap. For a comparison of the findings from these papers, see Chiteji and Stafford (1999).

[3] Haveman and Wolff (2000) defines "asset poverty" as a situation in which an individual or family has insufficient wealth to meet their basic needs for some limited period of time when there are no other resources available. The poverty threshold and an absolute standard of $5,000 in wealth are both employed to define the level of consumption that corresponds a household's basic needs, and different time frames are considered.

III. Economic theories of saving

The central hypothesis to be examined in this paper is whether the economic circumstances of poor relatives affect a non-poor individual's saving behavior. We know from the research of others that being poor has significant implications for a poor individual's ability to accumulate assets—because of what it means for that individual's personal resources (Wolff, 1995, for example) and for the individual's access to savings-building institutional devices (Sherraden, 1991, for example). We now seek to determine whether it also has implications for a non-poor relative's ability to accumulate wealth. To assess these implications from the standpoint of economic theory, we turn to three simple but standard "models" of saving (each depicting a separate economic motive for saving), and we ask how the incorporation of altruism affects each model's predictions regarding saving.

Consideration of this issue requires us to first specify a model of altruism, so that it can be applied to the different theories of saving. The static utility function that forms the basis for our analysis is,

(1)

$$V_S = U_S(C_S) + B_S(\bar{C} - C_{RE})V_R(C_{RF})$$

where U_s represents a standard felicity function for the non-poor individual and $V_R(C_R)$ is the utility function of his poor relative.

C_s represents the consumption level of agent s, whose utility is the focus of the optimization problem. This agent is presumed to not be poor. C_{RE} represents the consumption endowment of this person's relative. A relative is considered poor if his endowment is low. B_s is a function such that for $C_{RE} < \bar{C}$, B_s is positive; and the interpretation given to its arguments is that $\bar{C}$ represents some minimal standard of consumption that the non-poor agent *s* views as acceptable for his less fortunate relative. (A natural interpretation might be the official poverty line.) The variable C_{RF} represents the relative's final consumption level.

A few words about this specification are warranted. First, as is standard in economic models of altruism, we assume that the relative's utility function enters into the primary agent's utility function with a weight, represented by the B_s term. This allows the possibility that the non-poor agent does not view his own well-being and that of his relative as completely interchangeable. Second, in the above framework the utility of the poor relative is not dependent on the utility of the non-poor agent. This reflects the assumption that the nature of altruism is such that non-poor individuals are concerned about members of their family who have low consumption endowments (which can be interpreted as living in poverty), while a poor person is presumed to have no reason to worry about the welfare of well-to-do relatives. Intuitively, it is possible to view this as one person having an interest in the other party, and in whether this relative will starve to death (in an extreme case), rather than an interest in completely sharing resources. Third, this model of altruism allows for the weight attached to the relative's utility to vary. In fact, we hypothesize that it will vary such that if one's relative's consumption endowment does not fall below some minimum standard, a non-poor individual will not worry about the welfare of his relative. Hence B_s is an increasing function of the gap between $\bar{C}$ and C_{RE} (which can be thought of as a gap between the poverty line and the poor relative's personal resources).

Additionally, $B_s = 0$ if $C_{RE} \geq \bar{C}$. This implies that it is only if the poor relative falls below the poverty line, that his well-being will affect the utility of his non-poor relative (and, more specifically, the non-poor relative receives satisfaction from raising his poor relative's standard of living). To the contrary, if the relative's consumption level exceeds the poverty line, the non-poor individual no longer receives satisfaction from helping the relative. Finally, for simplicity it is assumed that when $C_{RE} < \bar{C}$, the non-poor relative will make a fixed transfer—"t"—to his poor relative in order to make up for the shortfall. This implies that $t = \bar{C} - C_{RE}$.[4] Figure 1. compares our representation of altruism to other, standard representations in the literature. We next examine the implications of an individual's having the utility function specified in (1) for the individual's saving behavior.

Figure 1. Different Representations of Altruistic Utility

The Becker (1961) and Stark (1995) frameworks	Our framework
$V_s = U_s(C_s) + \psi V_R(C_{RF})$ Where V_R may be a function of $U_s(C_s)$ [Stark, 1995] and ψ, the weight attached to one's relatives utility, is constant [Becker, 1961; Stark, 1995]	$V_s = U_s(C_s) + B_s(\bar{C} - C_{RE})V_R(C_{RF})$ Where $B_s(\cdot)$ is dependent upon C_{RE} and V_R is not a function of Us

The effects of concern about poor relatives on saving for retirement

Incorporating (1) in a simple two period model of saving in which the motive for saving is to secure funds for retirement and solving for the optimal levels of consumption and saving yields a mixed prediction as to how saving will be affected.[5] Because $\bar{C}$ and C_{RE} are constants, concern about poor relatives ultimately affects the saving decision by entering the constraint on individual s' optimization exercise. An individual desiring to assist a poor relative experiences a reduction in the amount of resources that are available for his own use. This puts downward pressure on own consumption in both periods (C_s), and the reduction in second period consumption necessarily leads to a reduction in the amount the non-poor individual desires to save. However, in a situation in which the non-poor individual anticipates making a transfer to his poor relative in the second period, there also will be upward pressure on current saving. It will have to rise (relative to the case in which there is no altruism) in order to provide for the second period consumption of the poor relative. One can think of such a case as one in which the non-poor individual now has two people to support during the retirement years. How savings is affected by the presence of altruism therefore depends upon which effect is stronger. The conclusions emerging from the model are somewhat sensitive to the assumptions one makes

[4] The reader probably will note that a rational agent will only make a transfer if the reduction in utility due to a decrease in his own consumption is offset by the boost to utility that emerges from helping a poor relative. We do not derive such a result as a condition of the maximization exercise. Instead we note that our analysis applies only to the group of individuals for whom this condition holds. They are the only agents whom economists would expect to observe making transfers in practice. If there is sufficient heterogeneity in the population, particularly in terms of the consumption levels of the type s agents and the C_{RE} endowments, it is reasonable to argue that there will be some agents who satisfy this criterion.

[5] Formal mathematical representations of the three saving models discussed in this section are provided in a mathematical appendix (available from the authors upon request).

regarding the discount rate, the interest rate, and the number of periods in which the non-poor individual will make transfers to his poor relative.[6] The ambiguity is interesting. Intuition might suggest that transfers to poor relatives would always displace, or "crowd out," saving. However, analysis of economic theory indicates that this is not always the case.

In the simplest case in which there is no discounting, a zero interest rate, and a relative who is poor in both periods, concern about the poor relative does not affect the level of savings. In the absence of discounting and no ability to earn interest on savings, the non-poor individual will want his consumption levels to be equal across time. The "reduction" to income represented by the desire to make transfers therefore is spread evenly between his first period consumption and his second period consumption. If the rate of transfers is constant, period two consumption falls and depresses the non-poor individual's need to save for his own retirement by the exact amount that savings is raised to help finance the second period consumption of the poor relative.

With a positive discount rate but no ability to earn interest, the effect of introducing concern about a poor relative is ambiguous. It is not possible to tell how much second period consumption falls unless one has precise information about the individual's preferences.[7]

In a world in which the interest rate is positive and agents discount future utility (and one in which the subjective rate of time preference is equivalent to the interest rate), concern about poor relatives has no net effect on overall savings if that concern extends for both periods, but leads to a decrease in savings if the non-poor agent only has to assist his relative during the first period. Under this scenario, the non-poor individual will prefer that his consumption levels be equal across the two time periods. However**,** the ability to earn interest on savings implies that he will reduce first period consumption by more than he reduces saving for his own retirement. If the non-poor individual also has an obligation to save to make a transfer to his relative in the second period (which can be thought of as saving for his relative's second period consumption), first period consumption and saving for own retirement must fall enough to allow for a current transfer and a future one. However, the fall in saving for own retirement ends up being exactly offset by the amount that saving must rise to permit a transfer in the amount of t during the second period. Hence the net effect on saving is zero. If, to the contrary, the non-poor individual only needs to assist his relative during the first period, the non-poor individual simply reduces saving to account for the smaller consumption level that is desired for period two**,** and there is no countervailing upward pressure on saving. Concern for poor relatives creates a situation in which the need to make transfers crowds out saving.

[6] Economics allows for the possibility that individuals do not view the present and the future as completely interchangeable. It often is assumed that individuals care more about the present than the future to some degree, and this is reflected in the existence of a "discount rate." It denotes the rate at which the future is discounted, representing the fact that less weight is attached to future events (consumption in this instance), than present events.

[7] If, for example, preferences are homothetic, one can use the resulting knowledge that first and second period consumption are proportional to draw inferences about the magnitude of the reduction in second period consumption that occurs when income "falls" due to the need to make transfers. If the ratio of second and first period consumption is a fixed proportion, it can be shown that the change in second period consumption (brought about by the reduction in income) is proportional to the change in first period consumption, and the value of the proportionality constant can be used to determine whether the change in second period consumption is less than or greater than *t* (the amount that needs to be transferred to the poor relative in the second period). It then is possible to determine whether the upward pressure on saving resulting from the need to make a transfer during the second period exceeds the downward push attributable to the decrease in desired second period consumption.

It is interesting that such simple models can yield such variety in results. The appeal to theory does not allow us to determine the exact nature of the effect to be expected. How saving is affected appears to be more of an empirical question than a theoretical one, depending upon what the relative strengths of the two different sources of pressure on saving are in practice.

The effect of concern about a poor relative on saving to acquire an indivisible good

We use a two-period version of the Besley, Coate and Loury (1993) model of saving to acquire an indivisible good to investigate the effect that concern about poor relatives has when saving is motivated by this consideration.[8] The finding is that savings will fall. Relative to the no transfer case, the individual who is concerned about a poor relative will reduce the amount that he saves in any given period and instead increase the amount of time (or number of periods) that he spends saving to acquire the indivisible good.

The effect of concern about a poor relative in a model of precautionary saving

As was the case for retirement saving, it is difficult to determine how introducing concern about a poor relative into a model of precautionary saving will affect saving. Precautionary saving refers to saving motivated by uncertainty about future income, i.e., the fact that many individuals do not know what their future earnings will be. Even when there is no uncertainty surrounding the need to make transfers, concern for poor relatives mimics the effect of a reduction in expected future income, which puts upward pressure on savings. The desire to make transfers also "reduces" current income however, which puts downward pressure on savings. The net effect associated with the introduction about concern for poor relatives is therefore ambiguous. If, instead**,** the concern for poor relatives is manifested as uncertainty about future outlays to a poor relative (only), this will create uncertainty surrounding the magnitude of resources that will be available to meet the personal consumption needs of the non-poor individual, and an individual whose utility depends upon his own well-being and a relative's will be expected to save more than he would were he not altruistic.

Summarizing the lessons from economic theory

Taken in its entirety, economic theory yields mixed predictions as to how concern about poor relatives will affect an individual's savings. Despite this ambiguity, the models are interesting because they suggests that there is no theoretical reason to expect the need to make transfers will necessarily "crowd out" saving. The models do suggest, however, that one may find some effect when one conducts empirical work. The precise direction that the effect will take turns out to be an empirical question because it is only through observation that one can tell which motive for saving applies (or dominates) in practice and what borrowing and saving conditions different individuals face. Having examined the theoretical elements of the argument that concern about poor relatives will affect saving, we now turn to an empirical investigation of the research question.

[8] Economics defines an indivisible good as an item that cannot be acquired on a piecemeal basis. If the cost of this good exceeds an individual's resources in a given period, the individual will have to borrow or save in order to acquire the good. For individuals who face borrowing constraints, this therefore will provide a motive for saving.

IV. Empirical research: data, methodology, descriptive statistics and regression results

We use data from the Panel Study of Income Dynamics (PSID) to explore the relationship between poverty in the family and asset accumulation empirically. The PSID is a nationally representative, longitudinal survey of U.S. households that began in 1968. It has followed its original families and the newly formed families that have emerged as children from the original families reached adulthood, since that date.[9] Because of the way that the survey is constructed, the PSID offers the ability to examine a set of families, and the families of their adult siblings and parents concurrently. Data from the core survey and from the special 1984, 1989, and 1999 Wealth Supplements are used in this analysis.

It is important to note that our paper is not the first paper to present data covering poverty in the family, nor is it the only paper that empirically investigates the relationship between such poverty and wealth. Pattillo-McCoy and Heflin (1999) and Heflin and Pattillo-McCoy (2000) examine data on middle class families from the National Longitudinal Survey of Youth, and they find (1) that the black middle class is more likely than the white middle class to experience sibling poverty, (2) that having a poor sibling affects home ownership and bank account ownership, and (3) that having come from a family that was poor is negatively associated with home ownership and bank account ownership. Because the NLSY only contains data on siblings and presents less data on wealth-holding than the PSID however, our empirical research provides a unique opportunity to add to the understanding of family circumstances and their effect on a variety of measures of asset accumulation.[10]

Our analysis focuses on middle class families and, as is standard in the social sciences literature, it invokes three different measures of class—income, education, and occupation. Economists regularly use income to group and categorize households, because income represents the primary type of resource that most families have to meet their needs. Elsewhere in the social sciences, it is also common to use occupation and education to define class status. For occupation, this tradition dates back to Weber, who argued that Marx's emphasis on ownership of the means of production as a way of classifying societal members was insufficient because it failed to recognize the unique position of laborers who did not own any capital, but who nonetheless possessed some degree of power, control, or choice over their working conditions, and a greater amount of prestige or status than other workers (Landry, 1987). Using occupational status as an alternative way to conceptualize class recognizes such heterogeneity among workers. The social sciences' status attainment literature also identifies education as a measure of class, arguing that education serves as a mechanism for positioning one's self in the productive sphere of the marketplace. Our analysis therefore also incorporates an education-based measure of class.

Our sample of middle class families is obtained from the 1994 PSID, and it includes about 1,700 to 3,000 middle class families (depending upon the definition of middle class that is employed).[11]

[9] Annually through 1997 and bi-annually beginning in 1997.

[10] This is particularly true given that the "having come from a poor family" measure used in Heflin and Pattillo-McCoy would not capture the present circumstances faced by parents. It is a measure of whether or not the child lived in a family that was poor in 1978. Using the PSID allows us to obtain the current measures of the parents' economic circumstances that our analysis requires.

[11] More details about the construction of the different measures used in the analysis are available in an appendix available from the authors upon request. One important point to note, however, is that the PSID allows us to follow

The middle class income sample includes families whose incomes fall within the middle 60 percent of the income distribution. The middle class education sample is constructed by selecting families in which the head or the "wife" possesses a college degree (at least).[12] Our middle class occupation category is constructed by selecting families in which the head or the wife possesses a job that is classified as managerial or professional, according to Census categorizations.

Patterns of financial asset ownership across middle class family groupings

Examination of data on the proportion of middle class families holding individual financial assets reveals that middle class black families differ from middle class whites in terms of their "success" in accumulating assets. As shown in Table 1, middle class black families exhibit lower rates of asset ownership than white families when one examines specific individual financial assets, and they posses lower wealth than their white counterparts. For example, when one examines middle income families one finds that, on average, white families have anywhere from three-and-a-half to five times as much net worth as black families.

In the case of bank accounts, about 87 percent of middle income white families own a bank account, while only about 54 percent of middle income black families hold this type of financial asset. Among white collar and college educated white families, account ownership rates are much higher—in the realm of 90 percent—while black families in these middle class categories continue to lag behind their white counterparts.

The asset ownership rate differences are even more striking for stocks. Among middle income whites, about 35 percent of families hold stock. This is more than twice the number of similarly situated black families that own stock. In the middle class occupation and middle class education categories, the differences are also great. Over one-half of white collar white families own stock, and about three-fifths of college educated white families own stock, while less than one-third of black families in white collar occupations hold stock and only one-fifth of college educated black families hold this particular financial asset.

Patterns of poverty in the family

Our data also allow us to comment on the extent to which there is poverty among kin within black and white middle class families. As shown in Table 2, an examination of the economic status of the parents of the middle class, as defined by the middle income category, reveals that the average income of a parents among middle class black families is about $22,000, and that the average income of parents among middle class white families is about $49,000 (both expressed in constant, 1996 dollars). Additionally, among parents, poverty rates are higher for blacks than they are for whites. For example, about one-third of the parents of middle income blacks are poor, when poverty is defined as falling below the poverty threshold that is specified by the

---

one side of the family tree only. This means that we have a rich array of information about parents and adult siblings of the sample member, but not his or her spouse. This suggests an errors-in-variable problem, which would make our empirical results subject to attenuation bias (so that our coefficient estimates may only provide a lower bound on the true size of the effects that we estimate).

[12] The PSID includes cohabitating households with households in which two partners are married legally.

United States Census Bureau, while fewer than one-tenth of the parents of middle income white families are in this position. Additionally, about one-fifth of the parents of middle income black families receive aid to families with dependent children (AFDC) or food stamps, while only about four percent of the parents of middle income whites are poor according to this indicator. When receipt of public housing is used as an indication of low economic status, about one-quarter of the parents of middle income black families are found to be poor, while just under 5 percent of the parents of middle income white families are in a similar position. Lastly, the rate of unemployment for black parents is about four times as large as the white parental unemployment rate. The race differences are similar in the other middle class categories. As Pattillo-McCoy and Heflin (1999) found in their analysis of siblings, our data on the economic status of parents indicates that middle class blacks experience a greater degree of poverty in the family than middle class whites do. Similar racial differences exist among parents when occupation and educational levels are used to define middle class status.

The data on the economic status of siblings also show differences by race in the extent of poverty in the family. As shown in Table 3, among siblings, mean family income is higher for whites than it is for blacks—about $50,600 compared to $24,337 when the siblings of middle income families are examined. The average income to needs ratios also is greater—4.4 compared to 2.3. Furthermore, the proportion of siblings who fall below the poverty line, the rate of AFDC or foodstamp program participation, reliance on public housing, and the rate of unemployment are all greater for blacks than they are for whites. These differences exist whether income, occupation, or education is used to denote middle class status.

Regression results

To determine whether there is an empirical connection between a family's asset accumulation and the economic circumstances of its kin, we estimate probit regressions for bank account ownership and for stock ownership, and an ordinary least squares regression using overall wealth (net worth) as the dependent variable. Account and stock ownership represent important dimensions of asset accumulation. Actual ownership, or entry into a given asset market, is a prerequisite to accumulating wealth, and bank accounts and stock regularly receive special attention in the wealth literature because accounts are considered to be a 'basic" asset that all families can use, while stock ownership has been key to rapidly growing portfolios throughout the 1990s. We include overall wealth levels in our analysis because net worth describes a key component of economic well-being: A family's total wealth holdings reflect the total amount of resources that are available to it. Virtually all assets can be liquidated in times of emergency, or to meet whatever needs to which a family wishes to put its savings to use.[13]

While it was an awareness of the literature on black families' participation in kin networks that motivated our research question, there seems no reason to expect that the white families that do have poor relatives will be immune from pressure to assist these relatives. We therefore report the results from regressions using data for all families.[14]

[13] Even the more illiquid assets, such as housing, can be used as a source of funds in times of emergency, as families can borrow against the equity in their homes, for example.

[14] This paper discusses the full sample results only. Regressions for split samples were run and the results are available from the authors upon request. In the separate regressions for blacks, poverty in the family is not found to

Tables 4, 5 and 6 list the regression results for bank account ownership, stock ownership, and wealth, respectively.[15] Each of the tables provides a series of results that include baseline controls for the economic and demographic variables that are standard in the literature – along with additional regressions that also include indicators of parental and sibling poverty status. Respondent's AGE and age-squared (AGESQ) are used to capture life-cycle effects. Additional economic controls are the respondent's years of schooling (EDUCATION), a five year average income measure (AVG. LIFETIME INCOME), and an indicator of managerial or professional occupational membership (MGR AND PROF OCCUPATION).[16] The demographic controls are the respondent's number of children (CHILDREN), and indicators of whether the household head is FEMALE, MARRIED, and/or self-identifies as racially black (BLACK).

In each of the tables there are six specifications that include a parental or sibling poverty indicator. PNEED represents a composite measure of the pressure that a middle class family faces to assist its parents. This measure indicates whether the respondent had a parent who satisfied at least one of the following in 1994: (1) lives in a household classified in poverty according to their family's income-to-needs, (2) lives in public housing or received a public housing or heating subsidy, and (3) is enrolled in an Aid for Dependent Children (AFDC) or the food stamp program. SNEED is a similar measure that gauges pressure to assist siblings. It includes all 3 criteria of PNEED for the respondent's sibling(s) – plus an additional indicator of whether the sibling was looking for employment.[17] In each of the Tables, 4-6, there are four specifications that include PNEED and/or SNEED. Two of these include each of the two measures entered without the other. The remaining two include both measures entered as either two separate dummies or as a string of dummies measuring the combinations of both a parent and a sibling that experience economic hardship (BPSNEED), and need experienced either by parents or siblings (but not both)—ORPSNEED—with neither parents nor siblings in need as the omitted, reference category. The tables also include separate specifications that contain both a PAFDC and SAFDC parameter to measure the isolated effects of a parent or sibling receiving AFDC or food stamps. These two indicators are important to isolate because they offer information concerning how one of the largest publicly supported poverty programs can indirectly impact the wealth accumulation of the middle class.[18]

The estimates listed in Tables 4 and 5 describe the marginal effects of each regressor on the respective probabilities of ACCOUNT and STOCK OWNERSHIP evaluated at the mean value of the other regressors. Table 6 lists the coefficients for the household WEALTH regressions.

---

be statistically significant. However, sample size limitations prevent us from placing too much confidence in these results.

[15] All regressions were estimated using the Stata cluster procedure to account for the fact that there will be some correlation across observations for any middle class families who have more than one sibling in the sample. All regressions are unweighted regressions that include a constant term.

[16] The income measure is a five year average of labor income over the period 1987-1991. It is averaged to provide a long-term measure of income. The use of pre-1994 years avoids contemporaneous simultaneity bias with the outcome variables.

[17] An employment indicator for parents was not included in order to avoid confounding in the indicator that could result from the presence of retired and semi-retired workers in the parent population.

[18] In our analysis AFDC is employed as an indicator of poverty status and financial burden for middle class kin, but it also may serve to relieve some of the financial burden by substituting public support for some potential burdens on middle class kin. To the extent that it also has this latter effect, the real effect of having kin with low endowments may be stronger than our analysis will suggest.

The first column of each table lists the baseline parameter estimates without any measures of parental or sibling poverty. Subsequent columns report the results of other models that each incorporate various measures of poverty in the family.

The effect of the baseline control variables

Most of the demographic and economic variables that typically are entered into regressions for asset accumulation have the standard effects found throughout the literature. In the case of stock ownership for example, the life-cycle parameters, AGE and AGESQ, appear statistically significant with the expected signs – positive for AGE and negative for AGESQ. For account ownership, both signs are in the expected direction; however neither variable attains statistical significance. Neither variable is statistically significant in the wealth regressions either. As expected, the remaining economic parameters, EDUCATION, MGR AND PROF. OCCUPATION, and AVG. LIFETIME INCOME, have positive coefficients for all three outcomes. However, the effect of EDUCATION on WEALTH was surprisingly not statistically significant, and the effect of occupation on ACCOUNT OWNERSHIP appears marginally significant at best (p-values in the range of 0.12 to 0.15 in the different models). In terms of the demographic controls, being MARRIED yields a positive effect on asset accumulation, although the effect for STOCK OWNERSHIP ranges from being statistically significant to marginal significance (p-values in the range of .090 to 0.104 for the different models). Having a household head that is FEMALE and having CHILDREN yields mixed effects in Tables 4-6. For ACCOUNT OWNERSHIP, the variable FEMALE household head has a positive effect, while having CHILDREN has the expected negative effect. For STOCK OWNERSHIP, neither variable is statistically significant, though both signs are negative as would be expected. For WEALTH both parameters have the expected negative sign, although the gender variable is the only one that attains statistical significance.

The effect of race and poverty in the family

As shown in Tables 4-5, race affects the probability of both ACCOUNT and STOCK OWNERSHIP. In the first instance, being black reduces the probability of ownership by about 26 percent in the baseline model. In the second instance, being black reduces the probability of asset ownership by about 14 percent in the baseline model. As shown in Table 6, race has a similar negative and statistically significant effect on wealth accumulation. All else being equal, black families are estimated to have accumulated close to $15,000 less than their white counterparts.

Columns 2-7 of Tables 4, 5 and 6 report the results of six additional models that include measures of kin poverty status in addition to the baseline controls. As shown in Columns 3 and 5, both the composite measure of parental poverty and the composite measure of sibling poverty (PNEED and SNEED respectively) are found to reduce the likelihood of ACCOUNT OWNERSHIP. PNEED is estimated to reduce the likelihood of ACCOUNT OWNERSHIP by five percent, while the SNEED parameter indicates a six percent reduction. When the kin poverty measures are entered in the same model (Column 6), both continue to lead to a reduction in ACCOUNT OWNERSHIP, showing about a four percent reduction in the probability of owning an account for parental need and about a six percent reduction for need among siblings. In the last model of Table 4 (Column 7), having both parents and siblings who are poor

(BPSNEED), relative to having neither, leads to greater than ten percent reduction in the probability of possessing a bank account.

In Table 5, the case of STOCK OWNERSHIP, parental need (PNEED) again yields about a five percent reduction in the probability of asset ownership; however, in this case the parameter measuring need among siblings (SNEED) is not statistically significant. In the model that includes both kin poverty status measures simultaneously (Model six shown in Column 6), poverty among parents (PNEED) is found to have the expected negative sign and to be statistically significant, while the effect of poverty among siblings (SNEED) is, again, not statistically significant. In Model 7 (shown in Column 7), having both parents and siblings who are poor, relative to neither, reduces the probability of stock ownership by about 6 percent.

In the wealth regressions, shown in Table 7, the composite parental need measure, PNEED, has a negative coefficient but it is not statistically significant in any of the models in which it is entered separately. However, the composite measure of sibling need, SNEED, is found to be statistically significant. Having siblings who are poor by this measure reduces wealth accumulation by about $7,600 to $7,400 (Models 5 and 6). Additionally, as shown in Model 7 (Column 7), having both a sibling and a parent who are poor appears to reduce the amount of wealth that is accumulated by about $9,700.

When considering AFDC receipt as the measure of poverty status rather than the composite measures of need, the isolated effects of parental AFDC/foodstamp receipt (PAFDC) and AFDC/foodstamp receipt by siblings (SAFDC) are similar to the more broadly defined parental and sibling poverty status measures discussed above for all three outcomes. As was the case for the broad, composite measure of poverty among siblings, in the case of ACCOUNT OWNERSHIP, SAFDC reduces the likelihood of ACCOUNT OWNERSHIP. It falls by about eight percent. Parental AFDC/foodstamp receipt does not have a statistically significant effect on account ownership however. In the STOCK OWNERSHIP regressions, parental AFDC/foodstamp receipt has a negative and statistically significant effect, reducing the probability of asset ownership by about six percent; however sibling AFDC/foodstamp receipt is not statistically significant. These results are comparable to the effects found for the broad, composite measures, PNEED and SNEED, on stock ownership.

Finally, in the case of WEALTH, the isolated effects of <u>both</u> parental and sibling AFDC/foodstamp receipt (PAFDC and SAFDC) indicate a significant reduction in household WEALTH—over $5,000 for PAFDC and over $8,000 for SAFDC. Parents' AFDC/foodstamp receipt leads to a reduction in the amount of wealth accumulated by their middle income children, despite the fact that when it was combined with other measure of parental poverty the effect becomes non-detectable.

In summary, we find evidence that both parental and sibling poverty pressures adversely affect asset accumulation among middle class individuals. Parental and sibling poverty reduce the probability of owning a bank account; while for stock ownership, effects are found only for parental poverty. For wealth, we find that both sibling poverty and parental receipt of AFDC/foodstamps have adverse effects on the amount of wealth that is accumulated by middle

income individuals. Furthermore, we find that the addition of the various controls for poverty in the family consistently reduces the size of the race coefficient in all three sets of regressions.

Additional controls and the interpretation of the results

To check the robustness of the results and the appropriateness of the interpretation attached to them, additional controls for parental ownership of each individual asset under consideration and for the receipt of a bequest are added in Tables 4', 5', and 6'. The argument for including the indicators of parental asset-ownership is that existing research indicates that parents may "teach" their children valuable information about individual assets and the mechanics of ownership, making those whose parents do not expose them to certain assets less likely to acquire them. (Chiteji and Stafford, 1999; and Chiteji and Stafford, 2000). It therefore is important to attempt to distinguish the effect of parental poverty from the possibility that the poverty measures actually reflect the absence of this type of intergenerational transmission of knowledge. Accordingly, Table 4' reports the results of regressions that incorporate a dummy variable for parental account ownership (PPBANK) when estimating the account ownership models; and Table 5' adds a dummy variable for parental stock ownership (PPSTOCK) in the regressions for stock ownership. Table 6' presents the results from regressions for wealth that include a control for parental wealth.[19] Each of these regressions also include a dummy variable indicating whether the middle class family has received an inheritance. This modification is done to eliminate the possibility that the parental poverty measures would reflect poor parents' lesser tendency to leave bequests than rich parents'.

As shown in Table 4', poverty among siblings (as measured by the composite measure SNEED) continues to have a negative and statistically significant effect even after the inclusion of the additional controls for parental account ownership and bequests. Additionally, this poverty in the family measure continues to reduce the size of the race effect (relative to the baseline regression).[20] Having a poor parent and a poor sibling, relative to no family member in need, also continues to have a negative and statistically significant effect. Similarly sibling AFDC/foodstamp receipt continues to have a negative and statistically significant effect on account ownership. However, the effects of parental poverty on bank account ownership are not robust to the inclusion of these additional controls.[21] The effect remains negative, but it is no longer statistically significant.

For stock ownership, the inclusion of the additional controls alters our results more dramatically. While effects previously were found for both the broad, composite measure of parental poverty

[19] These variables are taken from the 1984 wealth supplement so that the time of the observation is closer to the time that now middle class adults of interest would have been children in their parents' homes. Additionally, making them contemporaneous with the parental poverty measures creates the danger of introducing collinearity.

[20] This suggests that part of the race effect that is routinely found in the literature may be attributable to a greater incidence of poverty in the family among black families. To explore this issue in more detail, we attempted regressions that interact race with the poverty in the family variables, and we ran separate models by race. These regressions did not yield statistically significant results for the race interaction terms or for the poverty in the family variables in the black-only regressions. However, it is unclear whether this indicates that there are no differential effects of poverty in the family for black families. The result also may be due to sample size limitations.

[21] Although whether this is due to the absence of an effect or to the presence of multicollinearity remains an open question.

and for parental AFDC/foodstamp receipt, the effects of these two variables are reduced to marginal statistical significance once the additional controls are added (p-values of 0.13 and 0.106 respectively). Similarly, the effect of having both a poor parent and a poor sibling, relative to having neither, now becomes only marginally significant (p-value of 0.11). However, in each case, the inclusion of the poverty in the family measures still reduces the size of the effect found for race.

How do the additional controls affect the wealth regressions? Parental AFDC/foodstamp receipt and sibling AFDC/foodstamp receipt both continue to have negative and statistically significant effects, though, curiously, BPSNEED no longer has a statistically significant effect on wealth levels. Additionally, the inclusion of these poverty in the family measures continues to reduce the size of the coefficient that is found for race.

V. A perspective on these results

Midgley (2000) notes that it is possible to view assets and asset-oriented policy in both a positivist and a normative light. Furthermore, he argues that it is important to avoid shying away from contextual considerations, such as the way that a focus on assets fits into society's values and beliefs. The results of our analysis submit themselves to both positive and normative interpretation, as they have implications for debates about the appropriate structure of welfare policy and social justice.

The regression analysis offers evidence to support the hypothesis that poverty in the extended family serves as a constraint on asset accumulation. How does one discern the importance, or economic and socio-political significance of this result? From the standpoint of social welfare policy, the results suggest that policy makers and social commentators must remember that policies for the poor can have implications for the non-poor. Hence it is not clear that welfare policy should be evaluated solely from the perspective of its effect on the poor.

Considering the recent changes to the structure of welfare programs for example, to the extent that the reforms that were instituted upon the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 reduce the amount of publicly provided support that is available to poor families, they may increase the strain on the non-poor relatives of former welfare recipients. As Caskey (2000) notes, the lives of the poor are filled with vulnerability, financial uncertainty, and worry. The limited resources of the poor put them in situations in which they often need some type of outside support. This may cause little concern for those who believe that family-based assistance and other sources of private charity are preferable to public assistance. In fact, they may add that this is how the world should be—that family members, not the government, should bear responsibility for the poor. However, it is important to note that such a view implicitly accepts the proposition that it is appropriate for some citizens who "play by the rules" to be rendered less able to accumulate wealth than other citizens.

Our results suggest that the non-poor who ascribe to the same values of thriftiness, future orientation, and willingness to delay gratification that those on the right argue should be rewarded (as evidenced by these middle class families' having endured the sacrifices required to obtain middle class educations and by their having worked diligently enough to obtain middle

class incomes and middle class occupations) will nevertheless be disadvantaged relative to their counterparts who do not have poor relatives. Whether one views this outcome as acceptable depends on one's stance on the issue of fairness. Less troublesome for policymakers, our results suggest that changes in policy that promote saving and asset accumulation among the poor may enable the poor to build up sufficient reserves to allow them to avoid having to turn to their non-poor relatives in times of trouble.

Our results also have implications for the public discussion of social justice. The finding that poverty in the family constrains asset accumulation potentially explains why black families have less wealth than white families do, on average. The greater likelihood of asset poverty among minorities that is found by Haveman and Wolff (2000) may be tied to differences in the poverty rates within the extended family, as our research reveals that even the non-poor may struggle to accumulate assets if they have poor relatives who rely on them for support. This certainly has negative consequences for the ability of middle class black families to engage in the kind of leveraging and use of assets to ensure better educational opportunities and success for their offspring that Shapiro and Johnson (2000) describe as being important for many middle class white Americans. It also provides further suggestion that not all families who "play by the rules" will necessarily attain the outcomes that many expect the hardworking and the thrifty to attain automatically. Our research suggests that those who are--by chance and certainly through no action of their own--born into families with poor relatives will not reap the same rewards from their diligent behavior that those who are blessed with rich relatives will reap.

VI. Concluding remarks

The mechanisms by which the structure and characteristics of the nuclear family influence household behavior and individual outcomes have received a substantial amount of attention within the social sciences literature. This paper finds evidence that, when attempting to understand saving behavior, the structure and characteristics of the extended family also have important implications for the decisions and choices that families make. We find that poverty among relatives can serve as a constraint on asset accumulation. The exploration of different economic theories of saving reveals that if an individual is altruistic, concern about a poor relative can affect the amount that is saved adversely. Low levels of consumption among relatives and uncertainty surrounding relatives' future position both influence saving behavior. This theoretical analysis leads to mixed predictions about the direction of the effect that is to be expected from the concern about poor relatives, however. This is somewhat surprising because intuition might suggest that having a poor relative would always depress savings and lessen wealth accumulation. Such a suspicion proves to be inaccurate because of the variety of motives for which people save and the variety of circumstances in which their saving occurs. Empirical research therefore appears better situated to sort out the actual effect that concern for poor relatives will have in practice. Our empirical tests of the hypothesis that having poor relatives affects asset accumulation offers support for the hypothesis that asset accumulation is affected adversely by the presence of poor relatives in the family tree. Regression analysis indicates that poverty among siblings and parents has a detrimental effect on levels of wealth, and on the probability of owning both bank accounts and stock.

These findings may help explain some of the wealth gaps that presently are observed in the United States. They suggest that some low-wealth families may have a hard time accumulating

assets because of the precarious position of their extended family members (rather than due to some "behavioral" deficiency such as lack of thrift, or short-sightedness). Therefore it is unclear that low-wealth status can reasonably be interpreted as evidence of profligate spending or failure to take an interest in the future, positions that are sometimes tempting to take in public discussions about minorities and the poor.

As for the policy implications that emerge, our research suggests that policies that reduce public support for poor people may have unintended consequences for the non-poor, and that these consequences need not be evenly distributed throughout the U.S. population. Families with many poor kin, such as newly minted middle class families who emerge from humble circumstances, stand to bear a greater portion of the cost of caring for the poor in cases in which the responsibility of providing for the poor shifts from the public sector to private individuals. Therefore it is not only important to ask what has happened to the families that have vanished from the welfare rolls since the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and how they are faring. It is equally important to ask how their relatives are faring, to determine whether non-poor relatives are becoming low-wealth relatives due to a need to provide assistance to poor family members.

The primary theme emerging from this research is that there are important connections among family members—particularly poor and non-poor kin—that need to be recognized by social science researchers and policy makers. Poverty appears to not be entirely isolated in its effects. The fates of ascriptively different family members appear to be somewhat intertwined.

References

Arrondel, Luc, Andre Masson and Pierre Pesticeu (1997). "Bequests and Inheritance: Empirical Issues and France-U.S. Comparisons," in Erreygers, Guido and Toon Vandevelde, eds., Is Inheritance Legitimate: Ethical and Economic Aspects of Wealth Transfers (New York: Springer Verlag).

Becker, Gary (1993). A Treatise on the Family. (Cambridge, MA: Harvard University Press)

Becker, Gary and N. Tomes (1979). "An Equilibrium Theory of the Distribution of Income and Intergenerational Mobility," Journal of Political Economy, 87:1153-89.

Besley, Timothy, Stephen Coate and Glenn Loury (1993). "The Economics of Rotating Saving and Credit Associations," American Economic Review, 83(4): 792-810.

Bisin and Verdier (1998). "On the Cultural Transmission of Preferences for Social Status," Journal of Public Economics, 70:75-97.

Blau and Graham (1990). "Black White Differences in Wealth and Asset Composition," Quarterly Journal of Economics, 105(2): 321-339.

Caskey, John (2000). "Reaching Out to the Unbanked," Paper Presented at the Washington University Center for Social Development Conference on Inclusion in Asset Building, September 21-23, 2000, St. Louis, MO.

Charles, Kerwin and Erik Hurst (2000). "The Transition to Home Ownership and the Black-White Wealth Gap," Paper Presented at the Jerome Levy Institute Conference on Saving, Intergenerational Transfers, and the Distribution of Wealth, June 7-9, 2000.

Chatters, Linda and Rukmalie Jayakody (1995). "Commentary: Intergenerational Support within African-American Families: Concepts and Methods" in V.L. Bengston, K.W. Schai, and L.M. Burton (eds) Intergenerational Issues in Aging (New York: Springer).

Chiteji, Ngina and Frank Stafford (1999) "Portfolio Choices of Parents and Their Children as Young Adults: Asset Accumulation by African-American Families," AEA Papers and Proceedings, May 1999.

Chiteji, Ngina and Frank Stafford (2000) ""Asset Ownership Across Generations," Jerome Levy Institute Working Paper Series, No. 314, September 2000.

Conley, Dalton (1999). Being Black, Living in the Red: Race Wealth and Social Policy in America. (Berkeley: University of California Press).

Drazen, Allen (1978). "Government Debt, Human Capital, and Bequests in a Life-Cycle Model," Journal of Political Economy, 86(3): 505-516.

Haveman, Robert and Edward Wolff (2000). "Who are the Asset Poor? Levels, Trends, and Composition," Paper Presented at the Washington University Center for Social Development Conference on Inclusion in Asset Building, September 21-23, 2000, St. Louis, MO.

Heflin, Colleen and Mary Pattillo-McCoy (2000). "Kin Effects on Black-White Account and Home Ownership," Forthcoming in Sociological Inquiry.

Hofferth, Sandra L., and John Iceland. 1998. Social Capital in Rural and Urban Communities. PSC Working Paper. University of Michigan.

Hurst, Erik, Ming Ching Luoh, and Frank Stafford (1998). "Wealth Dynamics of American Families, 1984-1994," Brookings Papers on Economic Activity, Spring, 1998.

Keister, Lisa (2000). "Family Structure, Race and Wealth Ownership: A Longitudinal Exploration of the Wealth Accumulation Process," Jerome Levy Institute Working Paper Series, WP #304.

Kotlikoff, Laurence and Lawrence Summers (1981). "The Role of Intergenerational Transfers in Aggregate Capital Accumulation," Journal of Political Economy, 89(4): 706-732.

Laitner, John and Thomas Juster (1996). "New Evidence on Altruism: A Study of TIAA-CREF Retirees," American Economic Review, 86(4):893-908.

Landry, Bart (1987). The New Black Middle Class. (Berkeley: University of California Press).

Loury, Glenn (1981). "Intergenerational Transfers and the Distribution of Earnings," Econometrica, 49(4): 843-867.

Lupton, Joseph and Frank Stafford (2000). Five Years Older: Much Richer or Deeper in Debt? Paper Presented at the Allied Social Sciences Meetings, Boston, MA, January 7-9, 2000.

Masson, Andre (1997). "Bequest Motives and Models of Inheritance: A Survey of the Literature," in Erreygers, Guido and Toon Vandevelde, eds., Is Inheritance Legitimate: Ethical Aspects of Wealth Transfers (New York: Springer Verlag).

Menchik, Paul and Nancy Ammon Jianakoplos (1997). "Black-White Wealth Inequality: Is Inheritance the Reason?" Economic Inquiry, 35(2): 428-442.

Midgley, James (2000). "Assets in Theoretical Context: A Developmentalist Interpretation," Paper Presented at the Washington University Center for Social Development Conference on Inclusion in Asset Building, September 21-23, 2000, St. Louis, MO.

Oliver and Shapiro (1995). Black Wealth/White Wealth: A New Perspective on Racial Inequality. (New York: Routledge).

Page-Adams, Deborah and Michael Sherraden (1996). "What We Know About the Effects of Asset Holding: Implications for Research on Asset-Based Anti-Poverty Initiatives," Working Paper #96-1, St. Louis, Center for Social Development, Washington University.

Pattillo-McCoy, Mary (1999). Black Picket Fences: Privilege and Peril among the Black Middle Class (Chicago: University of Chicago Press).

Pattillo-McCoy, Mary and Colleen Heflin (1999). Poverty in the Family: Exploring the Kin Networks of the Black and White Middle Class. Paper Presented at the American Sociological Meetings.

Roschelle, Anne (1997). No More Kin (New York: Sage Publications).

Schoeni, Robert (1992). "Essays on Interhousehold Transfers and the Family." University of Michigan. Manuscript (doctoral dissertation).

Shapiro, Thomas and Heather Johnson (2000). "Assets, Race, and Educational Choices," Paper Presented at the Washington University Center for Social Development Conference on Inclusion in Asset Building, September 21-23, 2000, St. Louis, MO.

Sherraden, Michael (1991). Assets and the Poor: A New American Welfare Policy. (Armonk, NY: M.E. Sharpe).

Sherraden, Michael (2000). "Asset Building Policy and Programs for the Poor," Policy Report, St. Louis, Center for Social Development, Washington University.

Smith, Dodie (1939). Dear Octopus: A Comedy in Three Acts (New York, Los Angeles: Samuel French).

Stack, Carol (1974). All Our Kin. (New York: Harper & Row).

Stark, Oded (1995). Altruism and Beyond: An Economic Analysis of Transfers and Exchange within Families and Groups (New York: Cambridge University Press.)

Taylor, Robert; Linda Chatters, and Vickie Mays (1988). "Parents, Children, Siblings, In-laws, and Non-kin as Sources of Emergency Assistance to Black Americans," Family Relations, 37: 298-304.

Terrell, Henry (1971). "Wealth Accumulation of Black and White Families: The Empirical Evidence," Journal of Finance, pp. 363-377.
Wolff, Edward (1998). "Recent Trends in the Size Distribution of Household Wealth," Journal of Economic Perspectives, Summer, 12(3): 131-150.
Wolff, Edward (1995). Top Heavy. (New York: The New Press)

Tables 1

Variables	PSID		Middle Decile		White Collar		College Educated	
	Black	White	Black	White	Black	White	Black	White
Sample Statistics								
Sample N	3113	6483	1434	2737	252	1499	264	1432
Race Composition	14.0	84.1	13.1	86.9	6.1	92.0	5.8	92.3
Mean Age	43.8	48.2 *	42.2	46.8 *	41.5	43.5	42.8	45.2
Family								
Married	25.3	55.5 *	31.0	53.4 *	32.7	67.2 *	29.5	63.0 *
Sep/Div/Wid	39.1	28.0 *	35.2	27.4 *	36.2	15.1 *	37.0	15.4 *
Never Married	35.7	16.4 *	33.8	19.2 *	31.1	17.7 *	33.4	21.6 *
Single Mothers	29.4	7.1 *	24.9	7.3 *	21.4	4.9 *	16.4	3.7 *
Mean Family Size	2.4	2.4	2.4	2.3	2.3	2.7 *	2.1	2.5 *
Measures of Middle Class Status								
Mean Family Income	$24,066	$49,359 *	$30,640	$35,040 *	$44,511	$81,748 *	$39,461	$79,352 *
% College Graduate	10.7	27.5 *	15.3	22.4 *	38.3	58.3 *	-	-
% White Collar	12.5	30.4 *	17.0	24.2 *	-	-	53.3	67.3 *
Measures of Wealth								
Business ($)	$1,077	$25,275 *	$1,348	$12,148 *	$3,486	$53,600 *	$734	$43,281 *
% Transaction Accounts	41.3	83.1 *	54.7	85.7 *	78.7	92.1 *	78.7	94.4 *
Transaction Accounts ($)	$4,548	$22,164 *	$6,258	$18,934 *	$8,598	$29,006 *	$16,356	$31,336
% Stock	10.7	37.8 *	13.1	34.6 *	27.5	57.3 *	20.6	59.8 *
Stock ($)	$2,867	$34,341 *	$2,221	$18,473 *	$5,293	$69,930 *	$12,039	$81,545 *
Wheels ($)	$5,090	$11,082 *	$6,212	$10,178 *	$7,400	$13,824 *	$8,354	$13,149 *
Other Sav/Assets ($)	$4,742	$9,341 *	$6,348	$6,662	$12,244	$16,244	$5,373	$16,783 *
Portfolio Composition:								
Financial Wealth Share	24.8	32.2 *	25.9	31.0 *	38.1	38.1	30.4	41.9 *
Consumable Wealth Share	74.7	63.0 *	73.8	65.0 *	59.5	55.5	69.1	53.3 *
Net Worth	$34,540	$173,892 *	$36,000	$124,514 *	$55,354	$292,782 *	$75,685	$305,766 *

* p<.10

Variables	Middle Decile		White Collar		College Educated	
	Black	White	Black	White	Black	White
Sample Statistics						
Sample N	472	984	131	597	136	546
Race Composition	10.4	88.4	4.8	94.6	6.6	92.4
Mean Age	60.2	60.9	63.8	64.1	63.2	63.8
Measures of Economic Well-Being						
Mean Family Income	$22,267	$48,663 *	$23,717	$56,472 *	$22,307	$60,890 *
Income to Needs Ratio	2.3	5.1 *	2.5	6.0 *	2.4	6.5 *
Poverty Status	35.7	8.3 *	31.5	8.9 *	35.3	6.0 *
AFDC/Food Stamps	18.6	3.7 *	20.7	2.4 *	15.9	1.6 *
Public Housing	25.2	4.2 *	24.2	3.2 *	19.3	2.1 *
Unemployed	6.9	1.7 *	2.2	1.0	5.0	0.9
Net Worth	$47,385	$266,397 *	$55,907	$387,442 *	$96,317	$420,987 *

* p<.10

Variables	Middle Decile		White Collar		College Educated	
	Black	White	Black	White	Black	White
Sample Statistics						
Sample N	1671	2159	528	1412	530	1194
Race Composition	17.9	80.7	9.2	88.6	11.4	86.9
Mean Age	34.8	35.3	35.9	36.6	35.6	36.6
Measures of Economic Well-Being						
Mean Family Income	$24,337	$50,599 *	$33,264	$63,493 *	$26,261	$67,300 *
Income to Needs Ratio	2.3	4.4 *	3.2	5.5 *	2.4	5.8 *
Poverty Status	33.6	8.0 *	21.4	5.8 *	30.6	4.7 *
AFDC/Food Stamps	27.0	6.1 *	16.6	3.8 *	21.3	3.5 *
Public Housing	23.1	4.7 *	19.9	2.2 *	19.3	2.2 *
Unemployed	13.3	5.3 *	10.1	5.0 *	12.2	5.0 *
Net Worth	$22,099	$98,324 *	$34,970	$142,516 *	$27,737	$157,587 *

* p<.10

Variables	PSID		Middle Decile		White Collar		College Educated	
	Black	White	Black	White	Black	White	Black	White
Sample Statistics								
Sample N	3113	6483	1434	2737	252	1499	264	1432
Race Composition	14.0	84.1	13.1	86.9	6.1	92.0	5.8	92.3
Mean Age	43.8	48.2 *	42.2	46.8 *	41.5	43.5	42.8	45.2
Race Composition of Asset Holders:								
Bank Account	7.5	90.9	8.8	91.2	5.3	93.0	4.9	93.5
Stock	4.4	94.0	5.4	94.6	3.0	94.8	2.1	95.7
Other Savings/Bonds	7.8	91.0	9.1	90.9	4.7	93.8	4.0	95.1
Middle Class Share (Decile Defn) among Asset Holders of each type:								
Bank Account	5.6	58.0	-	-	-	-	-	-
Stock	3.1	53.3	-	-	-	-	-	-
Other Savings/Bonds	5.4	53.6	-	-	-	-	-	-
% of Blacks (Whites) in different asset markets:								
Bank Account	41.3	83.1 *	54.7	85.7 *	78.7	92.1 *	78.7	94.4 *
Stock	10.7	37.8 *	13.1	34.6 *	27.5	57.3 *	20.6	59.8 *
Other Savings/Bonds	13.3	25.9 *	16.3	24.7 *	27.5	36.3	23.1	34.6 *

* p<.10

Variables	PSID		Middle Decile		White Collar		College Educated	
	Black	White	Black	White	Black	White	Black	White
Sample Statistics								
Sample N	1680	2846	892	1706	176	854	108	690
Active Saving, 1989-94								
Total	$9,563	$21,684	$12,992	$13,882	$19,460	$41,792	$17,828	$43,978
(a) Transaction Accts	810	4,886	2,288	3,300	-651	7,058	346	9,120
(b) Vehicle Equity (wheels)	885	1,199	1,117	988	654	1,832	897	1,662
(c) Stock	518	4,229	862	2,753	912	7,861	324	9,289
(d) Bonds/Other Assets	3,558	2,984	4,621	1,237	11,729	7,573	5,205	6,470
(e) Business	294	1,051	473	735	1,766	1,684	299	1,200
(f) Non-home Real Estate	113	1,175	187	517	298	2,193	292	3,368
(g) Home Equity	3,621	6,936	3,945	5,486	6,552	14,830	12,052	13,260
(h) Decreases in noncollateralized debt	-236	-776	-502	-1,135	-1,801	-1,239	-1,587	-392
Passive Saving (capital gains), 1989-94	3,203	14,027	3,355	11,510	6,165	20,761	9,807	22,661
Total Wealth Accumulation, 1989-94	12,766	35,711	16,347	25,392	25,624	62,553	27,634	66,639
Proportion of Savings that is active (evaluated @ mean)	0.749	0.607	0.795	0.547	0.759	0.668	0.645	0.660
Net Inflow of Assets (net transfers)	104	4,065	-161	3,966	433	4,298	-748	7,235
Adjusted Active Savings	9,766	21,095	13,375	13,790	19,902	40,830	19,614	42,224

Note: Includes only households w/same head b/w 1989-94

To exclude outliers, includes only households w/active saving & passive saving b/w -$100K and $500K

All means are weighted using PSID weights

Tables 2

Based on a sample of PSID observations restricted to the middle 60 percent of the income distribution					
			WEALTH		
VARIABLES		COEF.	COEF.	COEF.	COEF.
CONSTANT		-43164.81*	-33148.74	-32673.53	-34076.76
AGE		1340.783	1094.761	1100.692	1133.873
AGESQ		6.541344	9.602425	9.673518	9.454036
FEMALE		-8847.85***	-9491.74***	-9335.03***	-9029.41***
MARRIED		11567.77****	10908.08****	11045.23****	11377.69****
BLACK		-13855.50****	-12713.64****	-11953.26****	-11595.93****
CHILDREN		-792.0596	-555.3012	-559.9041	-613.6052
EDUCATION		1166.9720	1001.8630	959.8898	971.9233
AVG. LIFETIME INCOME		360.82****	352.51****	349.62****	350.03****
MGR AND PROF OCCUPATION		14200.75****	14080.65****	14086.73****	14097.44****
PARENTAL PRES[1]		-2948.9360		-2007.3140	
SIBLING PRES[2]			-7623.82***	-7423.90***	
BOTH PARENT & SIBLING PRES					-9732.76***
EITHER PARENT/SIBLING PRES[3]					-5930.84*
NUMBER OF OBS.		2036.0000	2025.0000	2025.0000	2025.0000
F-STATISTIC		23.4600	23.8400	21.9500	22.0300
R-SQUARED		0.1302	0.132	0.1322	0.1317

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01

[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, or (c) lived in public housing/received housing or heating subsidy.

[2] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy, or (d) was looking for employment.

[3] The ommitted category are those observations who were coded as not having parental or sibling pressures.

Based on a sample of PSID observations restricted to the middle 60 percent of the income distribution					
				WEALTH	
VARIABLES		COEF.		COEF.	COEF.
CONSTANT		-44203.79**		-42669.71*	-36801.7
AGE		1337.142		1310.466	1188.135
AGESQ		6.364582		6.87424	8.297132
FEMALE		-9058.43***		-8965.75***	-8667.89***
MARRIED		11390.96****		11598.54****	11187.35****
BLACK		-15066.86****		-13997.89****	-13021.11****
CHILDREN		-794.6882		-788.9776	-484.2209
EDUCATION		1236.8100		1173.8750	1001.686
AVG. LIFETIME INCOME		365.78****		356.05****	353.3743****
MGR AND PROF OCCUPATION		14198.74****		14298.79****	14123.15****
PAFDC[1]				-5411.99**	
SAFDC[2]					-8296.06****
NUMBER OF OBS.		2036.0000		2036.0000	2025.0000
F-STATISTIC		25.6400		23.1600	23.9700
R-SQUARED		0.1248		0.1305	0.1319
* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01					
[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC or Food Satmps					
[2] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who received AFDC or Food Satmps					

	WEALTH						
VARIABLES	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT
CONSTANT	-44203.79**	-42669.71*	-43164.81*	-36801.70	-33148.74	-32673.53	-34076.76
	(26533.160)	(26533.030)	(26690.940)	(27144.060)	(27132.580)	(27233.730)	(27335.010)
AGE	1337.14	1310.47	1340.78	1188.14	1094.76	1100.69	1133.87
	(1451.384)	(1446.942)	(1450.469)	(1480.368)	(1481.992)	(1480.455)	(1481.029)
AGESQ	6.36	6.87	6.54	8.30	9.60	9.67	9.45
	(20.834)	(20.787)	(20.843)	(21.178)	(21.215)	(21.216)	(21.193)
FEMALE	-9058.43***	-8965.75***	-8847.85***	-8667.89***	-9491.74***	-9335.03***	-9029.41***
	(3722.749)	(3727.605)	(3731.470)	(3716.984)	(3732.496)	(3743.884)	(3727.006)
MARRIED	11390.96****	11598.54****	11567.77****	11187.35****	10908.08****	11045.23****	11377.69****
	(4076.758)	(4092.810)	(4070.583)	(4085.185)	(4065.029)	(4058.910)	(4084.418)
BLACK	-15066.86****	-13997.89****	-13855.50****	-13021.11****	-12713.64****	-11953.26****	-11595.93****
	(2889.361)	(2933.509)	(3144.674)	(2940.169)	(3024.479)	(3210.122)	(3184.040)
CHILDREN	-794.69	-788.98	-792.06	-484.22	-555.30	-559.90	-613.61
	(1335.972)	(1333.277)	(1337.033)	(1340.371)	(1345.806)	(1345.697)	(1359.357)
EDUCATION	1236.81	1173.88	1166.97	1001.69	1001.86	959.89	971.92
	(896.013)	(896.342)	(901.706)	(908.691)	(902.873)	(908.256)	(909.272)
AVG. LIFETIME INCOME	365.78****	356.05****	360.82****	353.3743****	352.51****	349.62****	350.03****
	(115.584)	(115.471)	(115.275)	(115.581)	(116.233)	(115.997)	(116.048)
MGR AND PROF OCCUPATION	14198.74****	14298.79****	14200.75****	14123.15****	14080.65****	14086.73****	14097.44****
	(4538.377)	(4545.635)	(4537.675)	(4581.317)	(4576.777)	(4576.692)	(4581.250)
PAFDC[1]		-5411.99**					
		(3010.094)					
PARENTAL PRES[2]			-2948.94			-2007.31	
			(3264.223)			(3318.703)	
SAFDC[3]				-8296.06****			
				(2883.360)			
SIBLING PRES[4]					-7623.82***	-7423.90***	
					(3172.336)	(3216.743)	
BOTH PARENT & SIBLING PRES							-9732.76***
							(4026.458)
EITHER PARENT/SIBLING PRES[5]							-5930.84*
							(3644.070)
NUMBER OF OBS.	2036	2036	2036	2025	2025	2025	2025
F-STATISTIC	25.64	23.16	23.46	23.97	23.84	21.95	22.03
R-SQUARED	0.1248	0.1305	0.1302	0.1319	0.132	0.1322	0.1317

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01. [1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC/Food Stamps. [2] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy. [3] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who received AFDC/Food Stamps. [4] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy, (d) was looking for employment. [5] The ommitted category are those observations who were coded as not having parental or sibling pressure.

Based on a sample of PSID observations restricted to the middle 60 percent of the income distribution

	STOCK OWNERSHIP			
VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0212***	0.0210***	0.0209***	0.0208***
AGESQ	-0.0002**	-0.0002**	-0.0002*	-0.0002**
FEMALE	-0.0272	-0.0292	-0.0271	-0.0281
MARRIED	0.0471**	0.0445*	0.0477**	0.0459**
BLACK	-0.1244****	-0.1392****	-0.1227****	-0.1220****
CHILDREN	-0.0119	-0.0119	-0.0123*	-0.0123*
EDUCATION	0.0302****	0.0313****	0.0306****	0.0305****
AVG. LIFETIME INCOME	0.0026****	0.0026****	0.0025****	0.0025****
MGR AND PROF OCCUPATION	0.0393**	0.0369*	0.0367*	0.0366*
PARENTAL PRES[1]	-0.0483***		-0.0470***	
SIBLING PRES[2]		-0.0140	-0.0104	
BOTH PARENT & SIBLING PRES				-0.06467***
EITHER PARENT/SIBLING PRES[3]				-0.0035
NUMBER OF OBS.	2070	2059	2059	2059
WALD STATISTIC	228.27	224.78	227.4	226

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01

[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria:
(a) lived in a household below the poverty line, (b) received AFDC/Food stamps,
or (c) lived in public housing/received housing or heating subsidy.

[2] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfied at least one of the following criteria:
(a) lived in a household below the poverty line, (b) received AFDC/Food stamps,
(c) lived in public housing/received housing or heating subsidy, or
(d) was looking for employment.

[3] The ommitted category are those observations who were coded as not having parental or sibling pressures.

Based on a sample of PSID observations restricted to the middle 60 percent of the income distribution

		STOCK OWNERSHIP	
VARIABLES	dF/dx	dF/dx	dF/dx
AGE	0.0214***	0.0212***	0.0212***
AGESQ	-0.0002**	-0.0002**	-0.0002**
FEMALE	-0.0291	-0.0276	-0.0278
MARRIED	0.0441*	0.0462**	0.0451**
BLACK	-0.1423****	-0.1318****	-0.1395****
CHILDREN	-0.0116	-0.0114	-0.0119
EDUCATION	0.0311****	0.0306****	0.0314****
AVG. LIFETIME INCOME	0.00261****	0.0025****	0.0026****
MGR AND PROF OCCUPATION	0.0396**	0.0408**	0.0367*
PAFDC[1]		-0.0616***	
SAFDC[2]			-0.0162
NUMBER OF OBS.	2070	2070	2059
WALD STATISTIC	225.39	239.02	224.65

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01

[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC or Food Stamps

[2] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who received AFDC or Food Stamps

	STOCK OWNERSHIP						
VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0214***	0.0212***	0.0212***	0.0212***	0.0210***	0.0209***	0.0208***
	(0.00903)	(0.00901)	(0.00910)	(0.00912)	(0.00911)	(0.00920)	(0.00915)
AGESQ	-0.0002**	-0.0002**	-0.0002**	-0.0002**	-0.0002**	-0.0002*	-0.0002**
	(0.00012)	(0.00012)	(0.00012)	(0.00012)	(0.00012)	(0.00012)	(0.00012)
FEMALE	-0.0291	-0.0276	-0.0272	-0.0278	-0.0292	-0.0271	-0.0281
	(0.03031)	(0.03030)	(0.03060)	(0.03061)	(0.03037)	(0.03068)	(0.03053)
MARRIED	0.0441*	0.0462**	0.0471**	0.0451**	0.0445*	0.0477**	0.0459**
	(0.02663)	(0.02653)	(0.02676)	(0.02668)	(0.02671)	(0.02685)	(0.02674)
BLACK	-0.1423****	-0.1318****	-0.1244****	-0.1395****	-0.1392****	-0.1227****	-0.1220****
	(0.01863)	(0.01952)	(0.01989)	(0.01902)	(0.01912)	(0.02028)	(0.02000)
CHILDREN	-0.0116	-0.0114	-0.0119	-0.0119	-0.0119	-0.0123*	-0.0123*
	(0.00837)	(0.00835)	(0.00833)	(0.00841)	(0.00843)	(0.00839)	(0.00838)
EDUCATION	0.0311****	0.0306****	0.0302****	0.0314****	0.0313****	0.0306****	0.0305****
	(0.00525)	(0.00525)	(0.00527)	(0.00534)	(0.00532)	(0.00534)	(0.00534)
AVG. LIFETIME INCOME	0.00261****	0.0025****	0.0026****	0.0026****	0.0026****	0.0025****	0.0025****
	(0.00088)	(0.00086)	(0.00086)	(0.00087)	(0.00087)	(0.00086)	(0.00085)
MGR AND PROF OCCUPATION	0.0396**	0.0408**	0.0393**	0.0367*	0.0369*	0.0367*	0.0366*
	(0.02360)	(0.02360)	(0.02350)	(0.02358)	(0.02363)	(0.02355)	(0.02348)
PAFDC[1]		-0.0616***					
		(0.02799)					
PARENTAL PRES[2]			-0.0483***			-0.0470***	
			(0.02180)			(0.02196)	
SAFDC[3]				-0.0162			
				(0.02231)			
SIBLING PRES[4]					-0.0140	-0.0104	
					(0.01922)	(0.01907)	
BOTH PARENT & SIBLING PRES							-0.06467***
							(0.02734)
EITHER PARENT/SIBLING PRES[5]							-0.0035
							(0.02009)
NUMBER OF OBS.	2070	2070	2070	2059	2059	2059	2059
WALD STATISTIC	225.39	239.02	228.27	224.65	224.78	227.4	226

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01. [1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC/Food Stamps. [2] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy. [3] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who received AFDC/Food Stamps. [4] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy, (d) was looking for employment. [5] The ommitted category are those observations who were coded as not having parental or sibling pressure.

Based on a sample of PSID observations restricted to the middle 60 percent of the income distribution

	CHECKING/SAVINGS ACCOUNT			
VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0033	0.0014	0.0016	0.0018
AGESQ	-0.0001	0.0000	0.0000	0.0000
FEMALE	0.0711***	0.0673***	0.0705***	0.0719***
MARRIED	0.0745***	0.0695***	0.0728***	0.0745***
BLACK	-0.2405****	-0.2455****	-0.2286****	-0.2269****
CHILDREN	-0.0275****	-0.0247***	-0.0249***	-0.0253***
EDUCATION	0.0318****	0.0311****	0.0301****	0.0301****
AVG. LIFETIME INCOME	0.0062****	0.0061****	0.0060****	0.0059****
MGR AND PROF OCCUPATION	0.0419*	0.0442*	0.0441*	0.0446*
PARENTAL PRES[1]	-0.0523***		-0.0435**	
SIBLING PRES[2]		-0.0612****	-0.0565***	
BOTH PARENT & SIBLING PRES				-0.1071****
EITHER PARENT/SIBLING PRES[3]				-0.0424*
NUMBER OF OBS.	2070	2059	2059	2059
WALD STATISTIC	320.78	334.32	338.65	338.1

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01

[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria:
(a) lived in a household below the poverty line, (b) received AFDC/Food stamps, or (c) lived in public housing/received housing or heating subsidy.

[2] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfied at least one of the following criteria:
(a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy, or (d) was looking for employment.

[3] The ommitted category are those observations who were coded as not having parental or sibling pressures.

Based on a sample of PSID observations restricted to the middle 60 percent of the income distribution

		CHECKING/SAVINGS ACCOUNT	
VARIABLES	dF/dx	dF/dx	dF/dx
AGE	0.0033	0.0033	0.0024
AGESQ	-0.0001	-0.0001	-0.0001
FEMALE	0.0675***	0.0677***	0.0742***
MARRIED	0.0709***	0.0730***	0.0728***
BLACK	-0.2625****	-0.2544****	-0.2462****
CHILDREN	-0.0275****	-0.0275****	-0.0242***
EDUCATION	0.0331****	0.0327****	0.0307****
AVG. LIFETIME INCOME	0.0063****	0.0062****	0.0060****
MGR AND PROF OCCUPATION	0.0422*	0.0428*	0.0435*
PAFDC[1]		-0.0415	
SAFDC[2]			-0.0792****
NUMBER OF OBS.	2070	2070	2059
WALD STATISTIC	312.99	316.71	333.56

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01

[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC or Food Satmps

[2] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who received AFDC or Food Satmps

	CHECKING/SAVINGS ACCOUNTS						
VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0033	0.0033	0.0033	0.0024	0.0014	0.0016	0.0018
	(0.00996)	(0.00995)	(0.00999)	(0.00996)	(0.00988)	(0.00991)	(0.00995)
AGESQ	-0.0001	-0.0001	-0.0001	-0.0001	0.0000	0.0000	0.0000
	(0.00013)	(0.00013)	(0.00013)	(0.00013)	(0.00013)	(0.00013)	(0.00013)
FEMALE	0.0675***	0.0677***	0.0711***	0.0742***	0.0673***	0.0705***	0.0719***
	(0.02946)	(0.02944)	(0.02919)	(0.02930)	(0.02946)	(0.02919)	(0.02919)
MARRIED	0.0709***	0.0730***	0.0745***	0.0728***	0.0695***	0.0728***	0.0745***
	(0.03046)	(0.03044)	(0.03035)	(0.03047)	(0.03032)	(0.03020)	(0.03028)
BLACK	-0.2625****	-0.2544****	-0.2405****	-0.2462****	-0.2455****	-0.2286****	-0.2269****
	(0.02326)	(0.02428)	(0.02619)	(0.02427)	(0.02464)	(0.02717)	(0.02699)
CHILDREN	-0.0275****	-0.0275****	;-0.0275****	-0.0242***	-0.0247***	-0.0249***	-0.0253***
	(0.00974)	(0.00977)	(0.00978)	(0.00989)	(0.00983)	(0.00986)	(0.00988)
EDUCATION	0.0331****	0.0327****	0.0318****	0.0307****	0.0311****	0.0301****	0.0301****
	(0.00637)	(0.00638)	(0.00639)	(0.00644)	(0.00647)	(0.00649)	(0.00649)
AVG. LIFETIME INCOME	0.0063****	0.0062****	0.0062****	0.0060****	0.0061****	0.0060****	0.0059****
	(0.00078)	(0.00078)	(0.00078)	(0.00079)	(0.00078)	(0.00078)	(0.00078)
MGR AND PROF OCCUPATION	0.0422*	0.0428*	0.0419*	0.0435*	0.0442*	0.0441*	0.0446*
	(0.02779)	(0.02779)	(0.02774)	(0.02779)	(0.02781)	(0.02777)	(0.02776)
PAFDC[1]		-0.0415					
		(0.03499)					
PARENTAL PRES[2]			-0.0523***			-0.0435**	
			(0.02541)			(0.02527)	
SAFDC[3]				-0.0792****			
				(0.02535)			
SIBLING PRES[4]					-0.0612****	-0.0565***	
					(0.02311)	(0.02309)	
BOTH PARENT & SIBLING PRES							-0.1071****
							(0.03636)
EITHER PARENT/SIBLING PRES[5]							-0.0424*
							(0.02654)
NUMBER OF OBS.	2070	2070	2070	2059	2059	2059	2059
WALD STATISTIC	312.99	316.71	320.78	333.56	334.32	338.65	338.1

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01. [1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC/Food Stamps. [2] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy. [3] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who received AFDC/Food Stamps. [4] A dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) received AFDC/Food stamps, (c) lived in public housing/received housing or heating subsidy, (d) was looking for employment. [5] The ommitted category are those observations who were coded as not having parental or sibling pressure.

Table 4. Probit Regressions for Bank Account Ownership

VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0033	0.0033	0.0033	0.0024	0.0014	0.0016	0.0018
	(0.00996)	(0.00995)	(0.00999)	(0.00996)	(0.00988)	(0.00991)	(0.00995)
AGESQ	-0.0001	-0.0001	-0.0001	-0.0001	0.0000	0.0000	0.0000
	(0.00013)	(0.00013)	(0.00013)	(0.00013)	(0.00013)	(0.00013)	(0.00013)
FEMALE	0.0675***	0.0677***	0.0711***	0.0742***	0.0673***	0.0705***	0.0719***
	(0.02946)	(0.02944)	(0.02919)	(0.02930)	(0.02946)	(0.02919)	(0.02919)
MARRIED	0.0709***	0.0730***	0.0745***	0.0728***	0.0695***	0.0728***	0.0745***
	(0.03046)	(0.03044)	(0.03035)	(0.03047)	(0.03032)	(0.03020)	(0.03028)
BLACK	-0.2625****	-0.2544****	-0.2405****	-0.2462****	-0.2455****	-0.2286****	-0.2269****
	(0.02326)	(0.02428)	(0.02619)	(0.02427)	(0.02464)	(0.02717)	(0.02699)
CHILDREN	-0.0275****	-0.0275****	;-0.0275****	-0.0242***	-0.0247***	-0.0249***	-0.0253***
	(0.00974)	(0.00977)	(0.00978)	(0.00989)	(0.00983)	(0.00986)	(0.00988)
EDUCATION	0.0331****	0.0327****	0.0318****	0.0307****	0.0311****	0.0301****	0.0301****
	(0.00637)	(0.00638)	(0.00639)	(0.00644)	(0.00647)	(0.00649)	(0.00649)
AVG. LIFETIME INCOME	0.0063****	0.0062****	0.0062****	0.0060****	0.0061****	0.0060****	0.0059****
	(0.00078)	(0.00078)	(0.00078)	(0.00079)	(0.00078)	(0.00078)	(0.00078)
MGR AND PROF OCCUPATION	0.0422*	0.0428*	0.0419*	0.0435*	0.0442*	0.0441*	0.0446*
	(0.02779)	(0.02779)	(0.02774)	(0.02779)	(0.02781)	(0.02777)	(0.02776)
PAFDC[1]		-0.0415					
		(0.03499)					
PNEED[2]			-0.0523***			-0.0435**	
			(0.02541)			(0.02527)	
SAFDC[3]				-0.0792****			
				(0.02535)			
SNEED[4]					-0.0612****	-0.0565***	
					(0.02311)	(0.02309)	
BOTH PARENT & SIBLING NEED (BPSNEED)							-0.1071****
							(0.03636)
EITHER PARENT/SIBLING NEED (ORPSNEED)[5]							-0.0424*
							(0.02654)
NUMBER OF OBS.	2070	2070	2070	2059	2059	2059	2059
WALD STATISTIC	312.99	316.71	320.78	333.56	334.32	338.65	338.1

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01.

1 Dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC/Food Stamps.

2 Dummy indicator that takes on value of 1 if the observation has a parent or parents who satisfies at least one of the following criteria: (a) lives in a household below the poverty line, (b) receives AFDC/Food stamps, (c) lives in public housing/received housing or heating subsidy.

3 A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who receives AFDC/Food Stamps.

4 Dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfy at least one of the following criteria:
(a) live in a household below the poverty line, (b) receive AFDC/Food stamps, (c) live in public housing/received housing or heating subsidy, (d) is looking for employment.

5 The ommitted category are those observations who were coded as not having parental or sibling pressure.

Table 4'. Probit Regressions for Bank Account Ownership with Parental Controls

VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0027	0.0036	0.0029	0.0021	0.0022	0.0024
	(0.00997)	(0.01000)	(0.00998)	(0.00991)	(0.00994)	(0.01000)
AGESQ	-0.0005	-0.0001	-0.0001	0.0000	0.0000	0.0000
	0.00013***	(0.00010)	(0.00013)	(0.00013)	(0.00013)	(0.00013)
FEMALE	0.0660	0.0701***	0.075859***	0.06997***	0.0716***	0.07345***
	(0.02970)	(0.02955)	(0.02941)	(0.02954)	(0.02936)	(0.02935)
MARRIED	0.0698***	0.0765***	0.07654***	0.07436***	0.0759***	0.0779***
	(0.03073)	(0.03100)	(0.03098)	(0.03082)	(0.03074)	(0.03082)
BLACK	-0.2607****	-0.2189****	-0.2099****	-0.2078****	-0.1996****	-0.1979****
	(0.02343)	(0.02666)	(0.02658)	(0.02726)	(0.02864)	(0.02857)
CHILDREN	-0.0269****	-0.0263****	-0.02364****	-0.02415***	-0.02428***	-0.0247***
	(0.00980)	(0.00988)	(0.01002)	(0.00995)	(0.00997)	(0.01000)
EDUCATION	0.0339****	0.0321****	0.03032****	0.03058****	0.03010****	0.0302****
	(0.00641)	(0.00645)	(0.00651)	(0.00653)	(0.00654)	(0.00654)
AVG. LIFETIME INCOME	0.0062****	0.0585****	0.00564****	0.0057****	0.0056****	0.0056****
	(0.00078)	(0.00080)	(0.00781)	(0.00078)	(0.00078)	(0.00078)
MGR AND PROF OCCUPATION	0.0445*	0.0414*	0.04367*	0.04407*	0.04431*	0.0448*
	(0.02787)	(0.02814)	(0.28111)	(0.02812)	(0.02809)	(0.02808)
PPBANK		0.0919****	0.08219****	0.0865****	0.0797****	0.07627***
		(0.02826)	(0.02832)	(0.02757)	(0.02860)	(0.02831)
BEQUEST		0.03445	0.0285081	0.0297514	0.0279909	0.0275396
		(0.06461)	(0.06561)	(0.06569)	(0.06602)	(0.06595)
PAFDC[1]		-0.0129				
		(0.03481)				
PNEED[2]					-0.0268	
					(0.02642)	
SAFDC[3]			-0.0728			
			(0.02585)			
SNEED[4]				-0.05615**	-0.05397***	
				(0.02300)	(0.02292)	
BOTH PARENT & SIBLING NEED (BPSNEED)						-0.0883***
						(0.03732)
EITHER PARENT/SIBLING NEED (ORPSNEED)[5]						-0.03795*
						(0.02629)
NUMBER OF OBS.	2042	2042	2032	2032	2032	2032
WALD STATISTIC	308.75	334.78	350.06	347.27	348.54	347.25

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01.

[1] Dummy indicator that takes on value of 1 if the observation had a parent or parents who received AFDC/Food Stamps.

2 Dummy indicator that takes on value of 1 if the observation has a parent or parents who satisfies at least one of the following criteria: (a) lives in a household below the poverty line, (b) receives AFDC/Food stamps, (c) lives in public housing/received housing or heating subsidy.

[3] A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who receives AFDC/Food Stamps.

4 Dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfy at least one of the following criteria: (a) live in a household below the poverty line, (b) receive AFDC/Food stamps, (c) live in public housing/received housing or heating subsidy, (d) is looking for employment.

5 The ommitted category are those observations who were coded as not having parental or sibling pressure.

Table. 5 Probit Regression for Stock Ownership

VARIABLES	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx	dF/dx
AGE	0.0214***	0.0212***	0.0212***	0.0212***	0.0210***	0.0209***	0.0208***
	(0.00903)	(0.00901)	(0.00910)	(0.00912)	(0.00911)	(0.00920)	(0.00915)
AGESQ	-0.0002**	-0.0002**	-0.0002**	-0.0002**	-0.0002**	-0.0002*	-0.0002**
	(0.00012)	(0.00012)	(0.00012)	(0.00012)	(0.00012)	(0.00012)	(0.00012)
FEMALE	-0.0291	-0.0276	-0.0272	-0.0278	-0.0292	-0.0271	-0.0281
	(0.03031)	(0.03030)	(0.03060)	(0.03061)	(0.03037)	(0.03068)	(0.03053)
MARRIED	0.0441*	0.0462**	0.0471**	0.0451**	0.0445*	0.0477**	0.0459**
	(0.02663)	(0.02653)	(0.02676)	(0.02668)	(0.02671)	(0.02685)	(0.02674)
BLACK	-0.1423****	-0.1318****	-0.1244****	-0.1395****	-0.1392****	-0.1227****	-0.1220****
	(0.01863)	(0.01952)	(0.01989)	(0.01902)	(0.01912)	(0.02028)	(0.02000)
CHILDREN	-0.0116	-0.0114	-0.0119	-0.0119	-0.0119	-0.0123*	-0.0123*
	(0.00837)	(0.00835)	(0.00833)	(0.00841)	(0.00843)	(0.00839)	(0.00838)
EDUCATION	0.0311****	0.0306****	0.0302****	0.0314****	0.0313****	0.0306****	0.0305****
	(0.00525)	(0.00525)	(0.00527)	(0.00534)	(0.00532)	(0.00534)	(0.00534)
AVG. LIFETIME INCOME	0.00261****	0.0025****	0.0026****	0.0026****	0.0026****	0.0025****	0.0025****
	(0.00088)	(0.00086)	(0.00086)	(0.00087)	(0.00087)	(0.00086)	(0.00085)
MGR AND PROF OCCUPATION	0.0396**	0.0408**	0.0393**	0.0367*	0.0369*	0.0367*	0.0366*
	(0.02360)	(0.02360)	(0.02350)	(0.02358)	(0.02363)	(0.02355)	(0.02348)
PAFDC[1]		-0.0616***					
		(0.02799)					
PNEED[2]			-0.0483***			-0.0470***	
			(0.02180)			(0.02196)	
SAFDC[3]				-0.0162			
				(0.02231)			
SNEED[4]					-0.0140	-0.0104	
					(0.01922)	(0.01907)	
BOTH PARENT & SIBLING NEED (BPSNEED)							-0.06467***
							(0.02734)
EITHER PARENT/SIBLING NEED (ORPSNEED)[5]							-0.0035
							(0.02009)
NUMBER OF OBS.	2070	2070	2070	2059	2059	2059	2059
WALD STATISTIC	225.39	239.02	228.27	224.65	224.78	227.4	226

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01.

[1] A dummy indicator that takes on value of 1 if the observation had a parent or parents who receive AFDC/Food Stamps.

2 A dummy indicator that takes on the value of 1 if the observation had a parent or parents who satisfies at least one of the following criteria: (a) lives in a household below the poverty line, (b) receives AFDC/Food stamps, c) lives in public housing/received housing or heating subsidy. in public housing/received housing or heating subsidy.

3. A dummy indicator that takes on value of 1 if the observation had a sibling or siblings who receive AFDC/food stamps.

4. A dummy indicator that takes on a value of 1 if the observation had a sibling or siblings who satisfy at least one of the following criteria: (a) live in a household below the poverty line, (b) receive AFDC/Food stamps, (c) live in public housing/received housing or heating subsidy, (d) Is looking for employment.

5. Ommitted category is those observations not having parent or sibling pressure.

Table. 6 OLS Regressions for Wealth Holdings

VARIABLES	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT	COEFFICIENT
CONSTANT	-44203.79**	-42669.71*	-43164.81*	-36801.70	-33148.74	-32673.53	-34076.76
	(26533.160)	(26533.030)	(26690.940)	(27144.060)	(27132.580)	(27233.730)	(27335.010)
AGE	1337.14	1310.47	1340.78	1188.14	1094.76	1100.69	1133.87
	(1451.384)	(1446.942)	(1450.469)	(1480.368)	(1481.992)	(1480.455)	(1481.029)
AGESQ	6.36	6.87	6.54	8.30	9.60	9.67	9.45
	(20.834)	(20.787)	(20.843)	(21.178)	(21.215)	(21.216)	(21.193)
FEMALE	-9058.43***	-8965.75***	-8847.85***	-8667.89***	-9491.74***	-9335.03***	-9029.41***
	(3722.749)	(3727.605)	(3731.470)	(3716.984)	(3732.496)	(3743.884)	(3727.006)
MARRIED	11390.96****	11598.54****	11567.77****	11187.35****	10908.08****	11045.23****	11377.69****
	(4076.758)	(4092.810)	(4070.583)	(4085.185)	(4065.029)	(4058.910)	(4084.418)
BLACK	-15066.86****	-13997.89****	-13855.50****	-13021.11****	-12713.64****	-11953.26****	-11595.93****
	(2889.361)	(2933.509)	(3144.674)	(2940.169)	(3024.479)	(3210.122)	(3184.040)
CHILDREN	-794.69	-788.98	-792.06	-484.22	-555.30	-559.90	-613.61
	(1335.972)	(1333.277)	(1337.033)	(1340.371)	(1345.806)	(1345.697)	(1359.357)
EDUCATION	1236.81	1173.88	1166.97	1001.69	1001.86	959.89	971.92
	(896.013)	(896.342)	(901.706)	(908.691)	(902.873)	(908.256)	(909.272)
AVG. LIFETIME INCOME	365.78****	356.05****	360.82****	353.3743****	352.51****	349.62****	350.03****
	(115.584)	(115.471)	(115.275)	(115.581)	(116.233)	(115.997)	(116.048)
MGR AND PROF OCCUPATION	14198.74****	14298.79****	14200.75****	14123.15****	14080.65****	14086.73****	14097.44****
	(4538.377)	(4545.635)	(4537.675)	(4581.317)	(4576.777)	(4576.692)	(4581.250)
PAFDC[1]		-5411.99**					
		(3010.094)					
PNEED[2]			-2948.94			-2007.31	
			(3264.223)			(3318.703)	
SAFDC[3]				-8296.06****			
				(2883.360)			
SNEED[4]					-7623.82***	-7423.90***	
					(3172.336)	(3216.743)	
BOTH PARENT & SIBLING NEED (BPSNEED)							-9732.76***
							(4026.458)
EITHER PARENT/SIBLING NEED (ORPSNEED)[5]							-5930.84*
							(3644.070)
NUMBER OF OBS.	2036	2036	2036	2025	2025	2025	2025
F-STATISTIC	25.64	23.16	23.46	23.97	23.84	21.95	22.03
R-SQUARED	0.1248	0.1305	0.1302	0.1319	0.132	0.1322	0.1317

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01.

[1] Dummy indicator that takes on a value of 1 if the observation had a parent or parents who received AFDC/Food Stamps.

[2] Dummy indicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) receives AFDC/Food stamps, c)lives in public housing/received housing or heating subsidy.

[3] Dummy indicator that takes on value of 1 if the observation has a sibling or siblings who receive AFDC/Food Stamps.

4 Dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfy at least one of the following criteria:
(a) live in a household below the poverty line, (b) receive AFDC/Food stamps, (c) live in public housing/received housing or heating subsidy, (d) is looking for employment.

5 Ommitted category: those observations not having parental or sibling pressure.

Table 6'. OLS Regressions for Wealth Holdings with Parental Controls

VARIABLES	COEFFICIENT	COEFFICIENT	COEFFICIENT
CONSTANT	-58591.10	-57930.85	-51215.59
	(46652.640)	(46059.900)	(47336.950)
AGE	1666.31	1996.26	1866.08
	(2409.639)	(2397.257)	(2445.979)
AGESQ	8.27	3.18	4.57
	(33.802)	(33.605)	(34.188)
FEMALE	-16374.03****	-17264.87****	-16887.51****
	(5139.527)	(5133.771)	(5074.457)
MARRIED	5348.08	4833.27	4221.02
	(6858.392)	(6796.747)	(6870.556)
BLACK	-24357.15****	-18674.51****	-17883.73****
	(5699.390)	(5231.629)	(5011.496)
CHILDREN	5346.57	5346.62	5725.51
	(4603.728)	(4573.107)	(4692.744)
EDUCATION	1389.49	710.31	507.40
	(1831.880)	(1823.718)	(1874.495)
AVG. LIFETIME INCOME	531.2305**	493.0418**	494.7423**
	(276.925)	(278.150)	(278.509)
MGR AND PROF OCCUPATION	18588.38**	17955.71**	17749.87**
	(9297.820)	(9303.958)	(9403.628)
PPWEALTH		19.50211**	19.35156**
		(10.048)	(10.014)
BEQUEST		25482.59**	24885**
		(14647.650)	(14699.260)
PAFDC[1]		-8921.122***	
		(4181.931)	
SAFDC[3]			-10563.66***
			(4884.945)
NUMBER OF OBS.	2042	2042	2032
F-STATISTIC	13.19	11.11	11.3
R-SQUARED	0.0674	0.0796	0.08

* p < 0.15, ** p < 0.10, *** p < 0.05, **** p < 0.01.

1 Dummy indicator that takes on a value of 1 if the observation had a parent or parents who received AFDC/Food Stamps.

2 Dummyindicator that takes on value of 1 if the observation had a parent or parents who satisfied at least one of the following criteria: (a) lived in a household below the poverty line, (b) receives AFDC/Food stamps, c)lives in public housing/received housing or heating subsidy.

3 Dummy indicator that takes on value of 1 if the observation has a sibling or siblings who receive AFDC/Food Stamps.

4 Dummy indicator that takes on value of 1 if the observation had a sibling or siblings who satisfy at least one of the following criteria: (a) live in a household below the poverty line, (b) receive AFDC/Food stamps, (c) live in public housing/received housing or heating subsidy, (d) is looking for employment.

5 Ommitted category: those observations not having parental or sibling pressure.