

CHAPTER VII

ECONOMIC DIMENSIONS AND DETERMINANTS OF LIVING ARRANGEMENTS

Introduction

One of the basic issues for further discussion of this study is related to the economic characteristics and conditions of the elderly according to their living arrangements. Living longer is welcomed by everyone and everywhere in the world. However, demographic transition has many implications on the economy of a country in terms of development and welfare. Indian economic development looks at youth and their involvement in the development process. Hence the programmes of support have been directed to the youth and the adult, but not for the aged. As the country is ageing, this will affect the economy, because the economic needs of the society will be different in an ageing society.

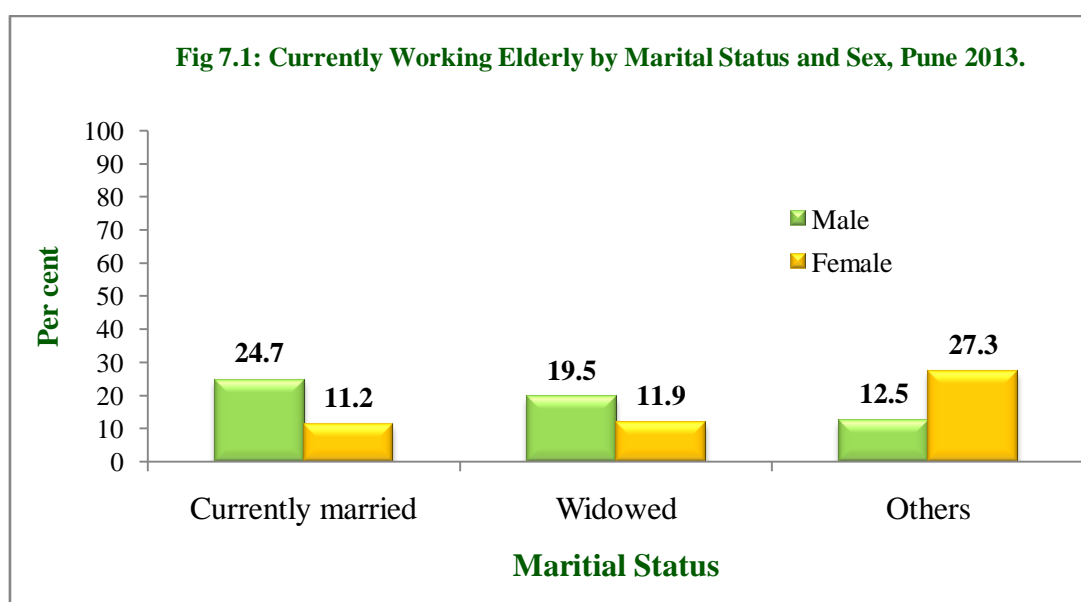
Working status and living arrangements

Children and the elderly are similar from an economic perspective, because both groups have labour income that is small relative to their consumption. They must rely on sources other than their labour to provide for their material needs (Alam, 2006). In Pune with higher educational attainment, the main component of unemployment might be because of '*hidden-unemployment*'. That is it might be because the elderly are forced to retire and work in unorganized sectors. Table 7.1 shows that 6 per cent of the elderly living alone are still currently working, 16 per cent elderly who are living with their spouses are contributing in work participation and almost more than three - fourths of the elderly co-residing is currently working. About 3 per cent elderly males and 12 per cent elderly females living alone are currently working. Besides, more elderly women (22%) than men (7.5%) who are living with children and grandchildren are contributing in work. As expected, about 42 per cent elderly women living with other relatives are currently working.

Table 7.1: Percentage distribution of elderly by type of living arrangements and by gender according to selected economic characteristics, Pune, 2013.														
Background characteristics	Males						Females							
	Alone	Spouse only	Spouse, children and grandchildren	Children and grandchildren	Others	Total	Number of elderly	Alone	Spouse only	Spouse, children and grandchildren	Children and grandchildren	Others	Total	Number of elderly
Working status														
Currently working	2.8	16.0	72.6	7.5	0.9	100.0	106	11.7	15.0	21.7	41.7	10.0	100.0	60
Ever worked	2.1	19.9	64.6	10.1	3.3	100.0	336	7.8	5.6	24.4	47.8	14.4	100.0	90
Never worked	33.3	0	66.7	0	0	100.0	3	5.1	11.3	33.5	46.2	3.9	100.0	355
Motivation for work														
By choice	2.9	11.4	77.1	5.7	2.9	100.0	35	6.2	25.0	25.0	37.5	6.2	100.0	16
Economic/Other compulsion	2.9	18.6	70.0	8.6	0	100.0	71	13.6	11.4	20.5	43.2	11.4	100.0	44
Total	3	17	77	8	1	--	106	7	9	13	25	6	--	60
Account in bank														
Yes	2.6	19.8	67.1	8.4	2.1	100.0	383	7.9	14.0	28.4	44.2	5.5	100.0	292
No	1.6	12.9	62.9	16.1	6.5	100.0	62	4.2	6.1	33.3	48.4	8.0	100.0	213
Employment benefit														
Retirement	2.6	18.4	69.7	5.3	3.9	100.0	76	11.1	0	33.3	55.6	0	100.0	9
Pension	0	4.3	82.6	13.0	0	100.0	23	9.8	1.6	4.9	73.8	9.8	100.0	61
Both retirement and pension	4.3	23.7	58.3	10.8	2.9	100.0	139	8.8	11.8	35.3	32.4	11.8	100.0	34
None	1.0	18.0	66.0	11.0	4.0	100.0	100	4.4	11.7	36.1	42.8	5.0	100.0	341
Still working	1.9	16.8	72.0	8.4	0.9	100.0	107	11.7	15.0	21.7	41.7	10.0	100.0	60
Status of gainful employment														
Active	2.7	18.0	70.0	7.3	2.0	100.0	150	10.2	11.9	32.2	37.3	8.5	100.0	59
Non-active	2.4	19.3	64.7	10.5	3.1	100.0	295	5.8	10.5	30.3	47.1	6.3	100.0	446
Main source of economic support														
Self or No support	2.7	17.3	68.0	9.3	2.7	100.0	75	16.3	9.3	27.9	34.9	11.6	100.0	43
Spouse	0	29.4	58.8	5.9	5.9	100.0	17	1.2	30.1	65.1	1.2	2.4	100.0	83
Help received from children	0.6	8.9	80.0	10.0	0.6	100.0	180	3.1	3.4	27.2	64.8	1.5	100.0	261
Help from relatives	12.5	0	12.5	0	75.0	100.0	8	15.0	0	0	25.0	60.0	100.0	20
Pension (employer or social)	4.8	26.6	54.8	12.1	1.6	100.0	124	12.9	10.0	18.6	48.6	10.0	100.0	71
LIC/Fixed deposit	3.5	48.3	44.7	3.5	0	100.0	29	6.7	46.7	20.0	26.7	0	100.0	15
Others*	0	25.0	75.0	0	0	100.0	12	25.0	16.7	8.3	33.3	16.7	100.0	12
Number of respondents	11	84	296	42	12	--	445	32	54	154	232	33	--	505

Note: -- 'not applicable', * Income included tuitions, priestly work, chess classes.

Figures 7.1 and 7.2 provide data on percentage of the elderly currently working by marital status and type of living arrangements. Marital status makes a difference for men, particularly those currently married and widowed. Elderly men and women in ‘other’ category i.e., never married, divorced or separated have higher work participation (13% men and 27% women). The work participation rate by living arrangements shows that the participation rate of elderly women living without spouses but with children and grandchildren is much higher (42%) than those living with spouse, children and grandchildren (22%) or living in other types of living arrangements (10%).

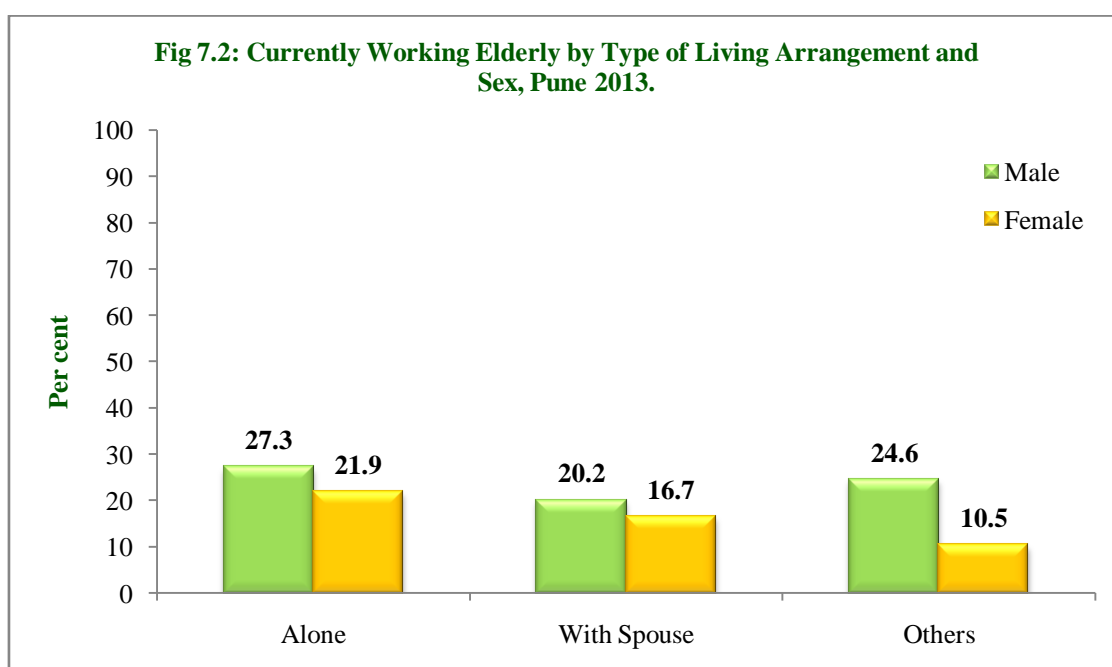


In brief, the study reveals that, a substantial proportion of the elderly is participating in labour market activities than may be expected from them. In addition, significant differences in work participation between men and women by living arrangements and marital status are noticed. Work participation is related to illiteracy and poverty, with elderly women being more vulnerable than elderly men.

Motivation for work and living arrangements

In order to further find out the need and motivation for participating in labour market according to the living arrangements, the study collected information on the motivation behind the current working. The responses to this question clearly show that it is not by choice but rather economic or other compulsions that force the elderly to be currently engaged in working. This is particularly true among the elderly who live alone

or live only with spouses. Table 7.1 shows that the economic need is higher for the elderly living alone or living with spouses or living with others compared to the elderly living with spouses, children and grandchildren (52%). About 3 per cent elderly men and 14 per cent elderly women living alone reported economic reasons behind currently employment. Besides, more elderly women (43%) than elderly men (9%) live with children and grandchildren reported the economic necessity as the reason for their working currently.



Bank accounts and living arrangements

Table 7.1 shows that, 57 per cent elderly men and 43 per cent elderly women have accounts in the banks. However, the distribution by living arrangements shows that, more elderly women (8%) than men (1.6%) who live alone have bank accounts. It is possible that elderly women who are widows get benefit of the social security pension schemes and the money from there is deposited in banks. This also reflected in the case of women living with children and grandchildren without spouses. About 44 per cent elderly women and only 8 per cent elderly living with children and grandchildren without spouses have accounts in the banks. As against these 68 per cent elderly men and 33 per cent elderly women living with spouses, children and grandchildren have bank accounts. Thus, more of widowed women living alone or with their children and grandchildren have bank

accounts compare with elderly men. But more elderly men living with spouse, children and grandchildren have bank accounts compare with elderly women.

Employment benefit and living arrangements

Overall about 9 per cent elderly get retirement benefit (like fund, gratuity, etc.). Of them, 4 per cent live alone and another 17 per cent live only with spouses. This figure is 11 per cent for the elderly living with children and grandchildren. Another 9 per cent elderly get pension benefit, of which 7 per cent live alone, 25 per cent live only with spouses, and 57 per cent live with children and grandchildren. Apart from these benefits, 18 per cent elderly get both the retirement and pension benefits. Of which, 5 per cent live alone, 21 per cent live with spouses only and 54 per cent live with spouses, children and grandchildren. Almost 40 per cent elderly get either benefit live with their spouses compared with the 13 per cent elderly who do not get any employment benefit.

Further, as shown in Table 7.1, the gender-wise distribution gives a different dimension. Of all the elderly getting only retirement benefit, 2.6 per cent elderly males and 11 per cent elderly females live alone while 18 per cent elderly men live with spouses only and 5 per cent elderly males and 56 per cent elderly women live with children and grandchildren. Of the elderly getting only pension benefit, about 10 per cent elderly women live alone and 2 per cent live with spouses, while 74 per cent elderly live with their children and grandchildren without spouses. In the case of male elderly getting only pension benefit, only 13 per cent live with children and grandchildren whereas 83 per cent live with spouses, children and grandchildren. More elderly men than women get benefit from both pension as well as retirement. Of them about 4 per cent elderly men live alone and 24 per cent live only with spouses compared with 9 per cent and 12 per cent elderly women living alone and only with spouse respectively. Among elderly persons who get both pension and retirement benefits, 11 per cent elderly men and 32 per cent elderly women live with children and grandchildren without spouses.

Thus, elderly women getting either retirement or pension benefit either live alone or with children and grandchildren. This might be the case of widows who are beneficiaries of Government social security schemes. Elderly men both getting pension and retirement benefits either live alone or only with spouse.

Status of gainful employment and living arrangements

When enquired whether the elderly think that they are economically active, out of 950 of them, about 22 per cent reported that they are economically active. Around 5 per cent elderly living alone also reported that they are active. As can be seen from Table 7.1, these percentages are higher for the elderly living with spouses (16%) and living with spouse, children and grandchildren (59%), but lower for the elderly staying with children and grandchildren (16%) as well as for those living with others (4%), as in these two types of living arrangements there are more widows.

Further, among elderly who reported that they are economically active, more women (10%) live alone compared with men (3%). Also 18 per cent elderly males and 12 per cent economically active women live with spouses. Only 7 per cent elderly men and 9 per cent elderly women, who are reported as active, live with children and grandchildren without spouses. About 70 per cent elderly males and 37 per cent economically active elderly women live with spouses, children and grandchildren. Thus, economically active elderly men are either living only with spouse or with spouses, children and grandchildren. But economically active elderly women either live alone or with children and grandchildren.

Economic support to the elderly and living arrangements

Table 7.1 summarizes the findings about economic support providers to the elderly. In Pune, over 46 per cent of the economically dependent elderly are supported by their children. This indicates the extent of the reliance on the family on the part of the elderly. While children continue to support the elderly, the extent and adequacy of that support is unknown. Very little is known about the intra-household resource allocation which may not favour the elderly. We have not collected the data about the adequacy or measures of support. As fewer children must support parents for longer periods of time, the per capita cost of 'parent caring' is high. The tremendous jump in health care costs, not accompanied by suitable development of health care schemes, multiplies the burden on children (Chakraborti, 2004).

Table 7.1 shows that nearly 8 per cent each have either no support or the elderly reported pension as the main economic support and stay alone. Around 14 per cent

receive support from relatives and stay alone. Fixed deposits or LIC is the main economic support for elderly staying with spouse (57%). In short, self support or help from relatives is the main economic support for the elderly staying alone. LIC or fixed deposits are the main support for the elderly staying with spouses. A majority of the elderly receive economic support from children stay in the family or with children and grandchildren.

Further, more elderly women (16%) than men (3%) who are not getting any economic support live alone. About 17 per cent elderly men and 9 per cent elderly women not getting any kind of economic support or are self - supported live only with spouses. More women (28%) than men (9%) are not supported or self - supported live with children and grandchildren. About a similar percentage (30%) of male and female elderly live only with spouses reported economic support by spouses. Further, more elderly males (80%) get support from children who live with them compared with female elderly (27%). Little less than half of the elderly males and females reporting LIC or bank fixed deposits (FDs) as the main economic support live with spouses while 27 per cent elderly women with children and grandchildren compared with 4 per cent elderly men, reported FDs as the main economic support.

Elderly income and assets by living arrangements

The human life-cycle has two stages of dependency - childhood and old age - separated by a long stage of surplus production. Dependent age groups are sustained by flows of resources upwards and downwards by age from the more productive stage in the middle. These resource flows occur through three institutional channels: the family, the public sector, and financial markets (Holtz-Eakin and Smeeding, 1994). Thus, if we look at the economic life cycle, the human life-cycle begins and ends with stages of dependency, in the sense that consumption exceeds labour earnings.

Although money income is a useful measure of economic well-being, it serves largely as a proxy because of over or under - reporting. We need to take account of three factors to study the economic and financial wellbeing of the elderly (Holtz-Eakin and Smeeding, 1994). First, economic responsibilities and needs can vary substantially among families, depending on their characteristics, particularly the number and age of family

members. Second, many resources of considerable economic value - for example, house ownership and medical insurance - affect consumption but not money income. Thus, two families with similar money incomes could, in fact, have very different levels of economic well-being, and two families that might generally be judged as having a similar level of economic well-being might have very different levels of money income. Third, current income may rise above or fall below long-run or permanent income (Holtz-Eakin and Smeeding, 1994). Hence, for income and assets, we considered the measures like source of income, number of dependents on the elderly, saving for old age and assets holdings. These factors might be useful to partly understand the effect of economic wellbeing on living arrangements.

There is strong evidence that recent decades have seen a decline in inter - generational co-residence in the LDCs. Although there are differing views on aspects of economic wellbeing, it is generally accepted that the decline in co-residence is a consequence of the social, economic and institutional changes that have taken place in the course of development. Many studies have examined differentials in living arrangements according to income or proxy variables for income or wealth. Some researcher have shown that the predominant preference among older persons and/or their children is for separate residence, and that those with higher incomes, being better able to afford the expense of maintaining a separate household, will be more likely to live apart (Burch and Matthews, 1987; Kobrin, 1976; Michael et al., 1980; Shanas et al., 1968; Soldo and Lauriat, 1976; Wolf, 1984). These studies have mainly focused on the income of the older generation, not that of the younger adults. With respect to trends, in a study of Current Population Survey (CPS) data for the United States from 1965 to 1990, Macunovich and colleagues (1995) found that the effect of retirement income on the probability of living alone among older widows was positive and very strong. McGarry and Schoeni (2000) found that rising income could explain much of the increase in solitary living among older widows with children in the United States since at least 1940.

Studies that have examined income differences in co-residence within societies at a given time have reported varying results (Palloni, 2001). Studies in DCs have tended to find that those with higher incomes are more likely to live apart from children (Pampel, 1992; DaVanzo and Chan, 1994; Ramos, 1994). However, the study in Brazil found (Saad, 1998) opposite effects of the income of older persons on co-residence with

children in different regions of the country - negative in the richest region and positive in the poorest region.

A comparative study in Asia found that in the Philippines older persons with higher incomes or more education were more likely to live with children, while the opposite pattern was seen in Thailand, Singapore and Taiwan (Knodel and Ofstedal, 2002). Thus, there is mixed direction of relationship of income and assets on living arrangements (Martin and Kinsella, 1994; Bongaarts and Zimmer, 2001). The UNFPA study of the seven Indian states has shown a strong wealth gradient to living alone, with those in the lower quintiles less likely to live alone (Jadhav, 2013). In this context, the study of India and states on the relationship between financial wellbeing and living arrangements becomes important to understand the Indian elderly scenario.

Sources of income and living arrangements

Many studies carried out with recent data for the United States (Soldo et al, 1990; Bishop, 1986; Wolf, 1990; Wolf and Soldo, 1988; Kramarow, 1995; Kotlikoff and Morris, 1990; Michael et al, 1980; Ruggles, 1994, 1988) confirm the existence of a positive effect of income on the probability of living alone. Even though qualifications regarding the form of the relation, the appropriate set of control variables and the existence of contingencies are in order, the probability of living alone is higher among those who are better off is fairly generalized. In LDCs most studies are of the cross-sectional variety and have not shed any light whatsoever on the nature of changes. We do know, however, that cross-sectional data are not always consistent with the hypothesis that higher income promotes living alone. The broader social changes have also led to increases in income of children and this may also have an influence on decisions about shared living.

Older people's contribution to the income is mainly from two sources: earnings and pensions. Here an attempt is made to examine the major income sources of the elderly. Those elderly who are economically self-sufficient to meet the day to day expenses were then asked the source of their income. Distribution of elderly by their various income sources according to living arrangements is presented in Table 7.2. Since a person can have more than one source of income, we asked for the main source of

income and hence the total will not exceed 100. Here not much stress has been given on the source of income from agricultural sources as it is a poor indicator of their economic status and also the data are from urban area. Pension from social security schemes considered separately.

The Table shows that more than 7 per cent of the elderly get income from work stay alone and 16 per cent are with spouses. More than half of the elderly who are getting income from work stay in family-with spouse, children and grandchildren, as oppose to only 22 per cent who are staying with children and grandchildren. This might be the case because they do get help from the children as most of them are elderly widows staying with children without spouses. Nearly 5 and 20 per cent elderly who are getting pension stay alone and only with spouses respectively. In all around 25 per cent elderly who are getting pension either stays alone or with spouses. Little more than half of them get pension and stay in the family. Only 17 per cent get employer's pension as oppose to three-fourths of them getting social security pension are staying with children and grandchildren. About one in every five elderly who reported social security pension as the main income source, are staying alone. As expected, most of the elderly getting help from spouses are staying with spouses or in the family with spouses, children and grandchildren. Only 1 to 3 per cent getting help from spouses are staying alone or with children or with others as their spouses live at hometown. Only 3 to 4 per cent elderly get help from children who live alone or with spouses and the remaining almost 90 per cent get help from children either live in the family with spouses, children and grandchildren, or with children and grandchildren. Thus, the elderly getting help from children stay with children. Most of the elderly generating income from business (65%) stays in the family with spouses, children and grandchildren. More than half of the elderly reporting interest earning (mainly fixed deposits) in banks as the main income source stays only with spouses. It might be that those who stay only with spouses have invested for old age and getting benefitted from the bank interest along with the investment in shares or post office MIS schemes. Rental income or agricultural assets resources also contribute marginally contributes to some additional income.

In the case of elderly men and women, the main source of income shows a similar kind of (Macunovich et al, 1995) proportion as mentioned for the main source of economic support. More elderly females reporting social security pension as income

source either live alone or with children and grandchildren. More men getting income from employer's pension live only with spouse or with spouse, children and grandchildren. Interest earning as the main income has been reported by elderly men (50%) and women (62%) who live only with spouse.

In short, most of the elderly either get income from work, pension or interest earning are either staying alone or only with spouse. Our results are consistent with the studies which have shown that there is more chance for high income groups to live alone as they are affordable to enjoy privacy (Kamo and Zhou, 1994; Jadhav, 2013). However, some studies have shown different results. In India, living with children is the most preferred and emotionally satisfying living arrangements than in western countries (CSO, 2006). Similarly, Ruggles (2001) showed that the elderly from higher income groups are likely to reside in multi - generational families. In these studies, the influence of cultural factors in deciding the living arrangements of the elderly can be seen.

Table 7.2: Percentage distribution of elderly by type of living arrangements and by gender according to income support and assets, Pune, 2013.														
Background characteristic	Males						Females							
	Alone	Spouse only	Spouse, children and grandchildren	Children and grandchildren	Others	Total	Alone	Spouse only	Spouse, children and grandchildren	Children and grandchildren	Others	Total		
						Number of elderly						Number of elderly		
Main source of income														
Income from work	2.7	19.2	68.5	9.6	0	100.0	73	14.6	10.4	25.0	39.6	10.4	100.0	48
Employers pension	3.8	21.9	61.2	10.6	2.5	100.0	160	8.0	12.0	34.0	38.0	8.0	100.0	50
Social security pension	--	--	--	--	--	--	--	11.7	1.7	8.3	71.7	6.7	100.0	60
Help from spouse	0	36.4	54.5	9.1	0	100.0	11	1.4	28.4	67.6	1.4	1.4	100.0	74
Help from children	0.9	5.3	82.3	10.6	0.9	100.0	113	3.7	2.8	28.8	62.3	2.3	100.0	215
Shared or own business	0	17.4	73.9	4.3	4.3	100.0	46	11.1	22.2	22.2	33.3	11.1	100.0	9
Interest earning	5.0	50.0	40.0	0	5.0	100.0	20	0	61.5	15.4	23.1	0	100.0	13
Rental income, Agricultural, Mutual fund/MIS/other	4.5	31.8	31.8	13.6	18.2	100.0	22	11.1	13.9	11.1	27.7	36.1	100.0	36
Financial dependency														
Not dependent	4.0	28.4	57.2	8.0	2.5	100.0	201	18.2	13.0	22.1	37.7	9.1	100.0	77
Partially dependent	1.0	11.8	76.5	8.8	2.0	100.0	102	8.0	12.0	34.7	37.3	8.0	100.0	75
Fully dependent	1.4	10.6	72.5	12.0	3.5	100.0	142	3.4	9.9	31.4	49.6	5.7	100.0	353
Total														
Dependents on elderly														
No dependent	4.6	8.1	65.3	18.5	3.5	100.0	173	6.0	10.6	30.7	47.1	5.5	100.0	433
1 dependent	1.0	30.8	62.7	2.5	3.0	100.0	201	15.2	21.2	33.3	24.2	6.1	100.0	33
>1 dependents	1.4	11.3	80.3	7.0	0	100.0	71	2.6	2.6	25.6	51.3	17.9	100.0	39
Can get money as per need														
Yes	2.7	20.0	66.8	7.9	2.5	100.0	365	7.0	12.2	33.0	43.2	4.6	100.0	370
No	1.2	13.8	65.0	16.2	3.8	100.0	80	4.4	6.7	23.7	53.3	11.9	100.0	135
Had saved for old age														
Yes	3.4	21.4	63.7	8.5	3.0	100.0	234	12.3	22.3	30.8	31.5	3.1	100.0	130
No	1.4	16.1	69.7	10.4	2.4	100.0	211	4.3	6.7	30.4	50.9	7.7	100.0	375
Asset ownership														
House	2.5	18.9	67.2	8.7	2.7	100.0	366	13.0	3.6	13.5	60.6	9.3	100.0	193
Land	5.1	16.5	68.4	8.9	1.3	100.0	79	6.5	0	32.3	58.1	3.2	100.0	31
Number of respondents	11	84	296	42	12	--	445	32	54	154	232	33	--	505
Savings, Saving in bank, post office, cash, FD pension plan	4.9	26.0	57.8	9.0	2.3	100.0	223	9.1	29.1	28.2	29.1	3.6	100.0	110
Saving in bonds, shares, MF	8.7	21.7	56.5	4.3	8.7	100.0	23	7.2	21.4	21.4	42.8	7.2	100.0	14
Saving in PPF	2.0	16.3	63.3	14.3	4.1	100.0	49	16.7	8.3	50.0	25.0	0	100.0	12
Life insurance	4.2	15.3	65.3	12.5	2.8	100.0	72	15.4	12.8	38.5	30.8	2.6	100.0	39
Number of respondents	8	50	149	20	7	--	234	16	29	40	41	4	--	130

Financial dependency and living arrangements

Table 7.2 shows that about 70 per cent elderly are either fully or partially dependent for meeting their financial needs. Most of the elderly living alone or with spouse reported financial independence (8 per cent and 24 per cent respectively). Around 59 per cent elderly reported partial dependence live with spouse, children and grandchildren. About 39 per cent, who reported complete dependence, stay with children and grandchildren. In short, most of the elderly living alone or with spouse is not dependent, partial dependence is more among the elderly staying with spouse, children and grandchildren. Complete financial dependence is reported by 39 per cent elderly living with children and grandchildren. About 18 per cent female and 4 per cent male elderly are financially not dependent and live alone, whereas 13 per cent female and about 28 per cent male elderly are financially not dependent and live only with spouse. More fully dependent males (77%) live with spouse, children and grandchildren and more fully dependent female elderly (50%) live with children and grandchildren. This supports the finding that economic or financial independence is associated with the higher likelihood of living alone (Chadhuri and Roy, 2007).

A longer life span of the elderly implies a longer period of dependency on children in the traditional Indian family setting, resulting in higher costs to meet healthcare and other needs. In a move to alleviate the financial cost of co-residence, the Indian Government introduced the National Policy on Older Persons in 1999 (NPOP, 1999). It has provisions for tax relief of children who co-reside with their parents, allowing rebates for medical expenses and giving preference in the allotment of houses (MOSJE, 1999). This policy, however, has yet to be adopted by the Government of India and enforced by a majority of states including Maharashtra.

Number of dependants on elderly and living arrangements

Along with the economic dependence of elderly, information on the number of dependents on the elderly was also collected. The results have been presented in Table 7.2 with their type of living arrangements. Most of the studies concentrated on inter - generational co-residence and support for the elderly. But most of the time internal in and out flow is difficult to assess. Many studies have shown that there is a good deal of 'reciprocity' in exchanges within families (Camarano and El Ghaouri, 1999; Biddlecom

et al, 2002; Saad, 2003), and some exchanges - especially financial ones - frequently involve family members who live elsewhere. In this context, the question may arise who supports whom for financial needs?

It has already been observed that about 30 per cent of the elderly are completely economically independent. However, the pattern of living arrangements and number of dependents seems interesting (see Table 7.2). The elderly living alone also have one or more dependents. This might be the case where children temporarily migrated for some reason. Among the elderly who reported no dependent, 6 per cent live alone, 10 per cent live with spouse and 41 per cent live with spouse, children and grandchildren, 39 per cent living with children and grandchildren and 5 per cent live with others. Thirty per cent elderly have one dependent and live with spouse. In this group there are mostly women dependent on their husbands. Also, among the elderly reporting more than one dependent, 61 per cent live with spouse, children and grandchildren. Either male or female elderly living with spouse children and grandchildren have one or more number of dependents on them. About 24 per cent of female elderly have one dependent compared with 3 per cent of elderly men who live with children and grandchildren. The percentage of more than one dependent is high upto 51 per cent in the case of elderly females living with children and grandchildren compared with male elderly (7%) of same group. Thus, more elderly males who have one or more dependents live with spouse, children and grandchildren, whereas more elderly females who have one or more dependents live with children and grandchildren.

Getting money in need and living arrangements

The financial situation of the elderly is important from two prospective: in old age the money flow will not be the same as in adult working age, and their needs though reduced, may still involve some expenses. This may necessitate the elderly to ask for money. In case they don't have money someone else will have to provide it. Hence, a question was asked as to whether the elderly get money when required. A majority of the elderly (77%) reported that they received money as and when required. Of them 5 per cent reported they can get money as per their need are live alone, 16 per cent live with spouse, 50 per cent live with spouse, children and grandchildren and 4 per cent live with others. Interestingly, only 26 per cent living with children get money as per need. Mostly we have widows in this group. However, we have not collected further details on this

subject as to find out whether the money they get is sufficient for their use. Only 3 per cent elderly men and 7 per cent elderly women get money as per their requirements live alone. More elderly men (67%) than elderly women (33%) get money as per need and they live with spouse, children and grandchildren. However, as compared with elderly males (8%), more elderly females (43%) get money lives with children and grandchildren but without spouse. This is because this group includes widows who get benefit of social security schemes and hence are economically empowered.

Assets ownership and living arrangements

An important indicator of the elderly status is the possessions and control of wealth. Among the elderly, wealth plays more significant role than income in determining economic status. Wealth or assets also have effect on the flow of income or sufficient interest or dividends can make the elderly independent to meet their day-to-day financial needs. Wealth provides ability to the elderly to transfer assets to the next generation. Simultaneously, lack of financial asset also serves as hurdle for obtaining health insurance policy. Economic theory, in the form of the life-cycle hypothesis (LCH) pioneered by Modigliani, suggests that the aged will draw down their assets as they age. Cross-sectional evidence (Wolff, 1990; Hurd, 1990) indicates that assets decline uniformly with age (Holtz-Eakin and Smeeding, 1994).

Pressure of economic burden often affects human behaviour. This appears true also in taking care of the elderly parents. Some studies have shown that the elderly persons from households with larger landholdings tend to live with their children, while those from landless households tend to live separate from their children (Petri, 1982; Raj and Prasad, 1971). This suggests that economic resources and not the fact that the aged persons have sons which is important for the family support in the old age (Vlassoff and Vlassoff, 1980). However, this finding is at variance with the findings of many fertility studies in agrarian societies which indicate that security in old age rather than child labour is the most important motive behind high fertility (Mueller, 1976; Caldwell, 1977; Mandelbaum, 1974; Kanbaragi, 1987).

The present study covers ownership and control of financial assets and property. However details about the transfer of assets from the elderly have not been studied here.

Asset-based flows are defined as asset income less saving. Asset income also includes property income, interest on bank fixed deposits, monthly income schemes dividends, shares, mutual funds and insurance like life insurance, health insurance, etc, and ownership of house and land. In this study the elderly were asked whether they currently have any asset. The answers are tabulated in Table 7.2 according to their living arrangements. Three out of every four males currently have some asset. However, it can be of different types. Elderly who currently own assets were further asked about the type of asset like house, land etc, they possess.

House ownership and living arrangements

Surveys from both developed and developing countries report that levels of household ownership are high for the elderly people (Chayovan and Knodel, 1997; Johnson and Falkingham, 1992). Most studies have not accounted for indirect economic contribution by the elderly to household economics by owning houses. Apart from comprising a potential form of economic contribution, household ownership could serve to reduce the economic vulnerability of elders, and increase their bargaining power vis-a-vis other relations.

In Pune, nearly three out of every five elderly respondents owned houses. Of them, about 49 per cent live with their spouse, children and grandchildren, only 6 per cent live alone, 14 per cent with spouse and 27 per cent with children and grandchildren. About 3% elderly men and 12% elderly women who own a house live alone. Only 9% elderly men and 32% elderly women who have household possessions live with children and grandchildren. Thus, more elderly widows with household ownership live with children and grandchildren and more men with household ownership live with spouse, children and grandchildren. Similar trends can be seen from Table 7.2 for land ownership which supports the findings from other studies (Petri, 1982; Raj and Prasad, 1971). Some of the studies have shown that economic resources or assets have influence on older people co-residing with children (Kimuna, 2005).

Land area owned by the elderly is an indicator of economic status. The studied area being an urban location, nearly 12 per cent of the elderly possess land. The study shows that land ownership increases the proportion of the elderly living with spouse,

children and grandchildren. This might be because low income of children with more responsibility of the elderly forces them to stay with the aged parents. Majority of those elderly who stay with relatives do not own land.

Saving for old age and living arrangements

When further enquired whether they saved money for their old age, only 38 per cent elderly were found to have invested money for it. As expected, the tendency of saving money is more in the elderly who live alone or with spouse. Of the elderly who saved for old age, more than half of them are from the group living alone (56%) or living with spouse (57%). Further, only 42 per cent elderly who live with their spouse, children and grandchildren and 22 per cent of them stay with their children and grandchildren have saved for their old age. Only 24 per cent elderly who saved for old age live with others. More elderly women (12%) who saved for their old age live alone compared with 3 per cent elderly male. About 22 per cent elderly men and women who saved for old age live with spouse only. About 32 per cent elderly women and only 9 per cent elderly men who have saved money for old age live with children and grandchildren.

There are multiple options available for saving in the market. Although independent of living arrangements, bank fix deposits or bonds like *Kisan Vikas Patra* seem to be preferred saving instruments for the elderly. More elderly women save money in bank deposits (43%) as compared with men (9%).

Determinants of living arrangements

The main focus of this chapter is to understand the living arrangements of the elderly across various categories: age, sex, marital status, educational level, standard of living index, residence or location caste and various economic indicators. The first part of the paper is descriptive, analysis in order to assess the situation of the elderly by living arrangements. These demographic and economic characteristics of the elderly are used to determine which of them are more likely to live alone.

Dependent variable: Living arrangements in the descriptive analysis are classified as living alone; with spouse only; with spouse, children, and grandchildren; with children and grandchildren and with others (other relatives). For the purpose of multivariate

analysis, the dependent variable for regression is living arrangements. It is coded as 0 for the elderly in any form of co-residence (i.e., with spouse, children, and grandchildren; with children and grandchildren and with others (other relatives), and 1 if they live alone or only with spouse.

Independent variables: The main predictors are demographic: age (60-70, 70-80 and 80+ years) sex, place of residences (slum and non-slum), marital status (currently married, widowed, others- which includes divorced, separated, never married), education (illiterates, school educated, collage educated), main income source (retirement benefit or pensions, support from children and income from other sources like business, mutual fund, post), religion (Hindu and others), caste (general and others), standard of living index (lower, middle and upper), number of live children (none and one or more children), employment status (not dependent, partially for fully dependent), saving for old age.

Table 7.3 shows that the elderly from age group 70-79 years are more likely to live alone compared with the oldest old elderly (80+ years). There is a strong marital status dimension to ageing which shows that the widowed have high odds of living alone compared with those that are married- which means that the widowed are more vulnerable. But as mentioned earlier, there are more widows than widowers. This implies that more widowed elderly women are vulnerable. Also, the elderly with general caste are almost two times more likely to live alone compare with the elderly of OBCs or other castes elderly. As expected, those with more education like collage and above are more likely to live alone compared with those with less education or illiterate. Those elderly who get pension or retirement benefit are more likely to live alone than those who get financial support from children. This is reflected in economic dependency. Those elderly who are economically not dependent are three times more likely to live alone. Religion, gradient in the standard of living and whether the elderly saved money for their old age are not significant determinants of living arrangements. Surprisingly, gender also does not play a role in living arrangements. Presumably, because there are more widows and the dependent variable included living alone together with living only with spouse.

Table 7.3: Determinants of living arrangements for elderly in Pune, 2013.			
Characteristics	Model 1: Living alone or with spouse		
	OR	95% CI	p-value
Age (years)			
60-69	1.00		
70-79	0.598	(0.385, 0.929)	0.022
80+	0.572	(0.291, 1.124)	0.105
Sex			
Male	1.00		
Female	1.492	(0.920, 2.419)	0.104
Location of residence			
Slum	1.00		
Non-slum	1.278	(0.747, 2.186)	0.371
Marital status			
Currently married	1.00		
Widowed	2.750	(1.560, 4.847)	0.0001
Others	0.539	(0.054, 5.357)	0.598
Education			
Illiterate	1.00		
Upto 10 th Std	1.250	(0.638, 2.448)	0.515
Collage and above	1.581	(0.969, 2.579)	0.057
Religion			
Hindu	1.00		
Others	1.768	(0.887, 3.524)	0.105
Caste			
SCs/STs/OBCs	1.00		
General	1.839	(1.143, 2.959)	0.012
Number of live children			
None	1.00		
One or more	9.080	(2.954, 17.912)	0.0001
Main income source			
Support from children	1.00		
Pension or retirement benefit	1.477	(0.743, 2.934)	0.266
Others	0.413	(0.243, 0.743)	0.001
Economic dependency			
Yes	1.00		
No	2.597	(1.573, 4.290)	0.0001
Saved for old age			
No	1.00		
Yes	1.337	(0.828, 2.157)	0.235
Standard of living index			
Low	1.00		
Medium	0.936	(0.584, 1.500)	0.784
High	1.378	(0.871, 2.180)	0.170

Note: n=950, OR=Odds Ratio, CI=Confidence Interval

Summary

Income and assets ownership shows that economic condition of the elderly reflects economic dependence. This finding shows that the elderly getting income from work or from pension (both employers' and social security) are self-sufficient and financially less dependent with no responsibility to carry and have saved for their old age. They seem to be living alone or living with spouse. However, the relationship between

current work force participation, income, economic support and assets among the elderly with financial well-being and living arrangements is very complex. The above findings vary slightly according to living arrangements but seem significant enough to raise the question: How should the system be modified to ensure adequate income support for the elderly from the low income support and less assets, especially oldest-old single women or living alone elderly who are rapidly increasing in number and have higher risk of poverty? This necessitates an in-depth investigation on the income and expenditure and the detailed data on the needs of the elderly and their comparison with the elderly living alone or living with spouse and living in family. The major transition from work to retirement has long been a major concern of public policy analysts and practitioners. Recently, these policies have begun to change. In 2013, the Chief Minister of Maharashtra has declared the change in the retirement age which is still under discussion. The study collected the data on various economic aspects but their magnitude is not taken here into account. Also the transfer of assets from the elderly to the next generation is not included in the study.

Little is known about housing wealth across the older segment of the life-cycle (i.e., how it changes with health status, age, and the disposition of the net proceeds of the sale). The existing literature (Sheiner and Weil, 1992; Venti and Wise, 1990) provides conflicting guidance on this issue. Data on household wealth and assets should be collected for a clear understanding of the issue. In an urban area with educated and earning (income from pension) elderly around, where property rights are well established and inheritance practices are not fully formalized, they are holding assets. However, it is possible that if property rights were more explicit and formalized with awareness generation, the status of many elderly within their households would improve considerably. Additionally, the Indian Government introduced the National Policy on Older Persons in 1999 which has provisions for tax relief for children who co-reside with their parents, allowing rebates for medical expenses and giving preference in the allotment of houses (MOSJE, 1999). This policy needs to be enforced and awareness about the same needs to be created among the non-elderly or adult children.