Extended Family Support and Household Balance Sheets

Getting by with a little help from friends and relatives

Overview

Over the course of a lifetime, the family provides a foundation for financial security. Children's economic well-being is closely tied to their immediate families' financial success, and as kids grow up and begin forming their own households, extended family—parents, grandparents, siblings, and others—and friends continue to play an important role in their financial lives. Family and friends can offer critical support in times of difficulty, provide money to those with the greatest needs,[1] and act as investors, improving the next generation's long-term economic mobility,[2] but this element of household balance sheets and of the financial system broadly is largely hidden from public view and poorly understood.

This brief uses data from The Pew Charitable Trusts' Survey of American Family Finances and the Panel Study of Income Dynamics to explore how family and friends—an extended network outside the immediate household—provide short-term financial support and long-term advantages for wealth building and economic mobility. The analysis reveals a duality of support. On the one hand, friends and relatives serve as a financial safety net for many households, pitching in during rough patches and filling in the gaps when households have budget shortfalls, but the financial needs of extended social networks can place burdens on some households, especially those in tenuous situations themselves. On the other hand, mobility-enhancing investments, such as assistance with tuition and down payments on homes, are more often available to and benefit those who already have existing financial advantages.[3] Key findings include:

- **Households across all income levels give and receive transfers, but the type of transfer, amount, and the burden it places on the giver vary substantially.** Lower-income households are more likely to receive assistance from family and friends, while middle- and upper-income households are more likely to provide help. But low-income households typically received half the amount of money that upper-income households received.
- **Households that are the most financially precarious are the most likely to receive transfers to help make ends meet.** Households that in the past year experienced material hardship—missing a mortgage or rent payment, skipping or delaying paying a bill, not going to the doctor or filling a prescription when needed, overdrawing a bank account, having a credit card declined, or withdrawing money prematurely from retirement accounts—were notably five times more likely than those that did not to have received money from friends or family.
- **Single mothers stand out for giving and receiving support within their social networks, but this may be a challenge for them.** Half of single mothers gave to or received money from those outside their households in the past year. Three-quarters of those who gave or lent reported that doing so was burdensome.
- **Conversely, wealthy households are the most likely to receive transfers that boost their mobility or encourage even more wealth building.** Among adults who received help for higher education or a home purchase, most were raised in the wealthiest households (52 percent and 61 percent of recipients, respectively) and had much healthier balance sheets. This suggests that family wealth advantages often convey to the next generation through mobility-enhancing transfers.

Households across all income levels give and receive transfers, but the type of transfer, amount, and the burden it places on the giver vary substantially

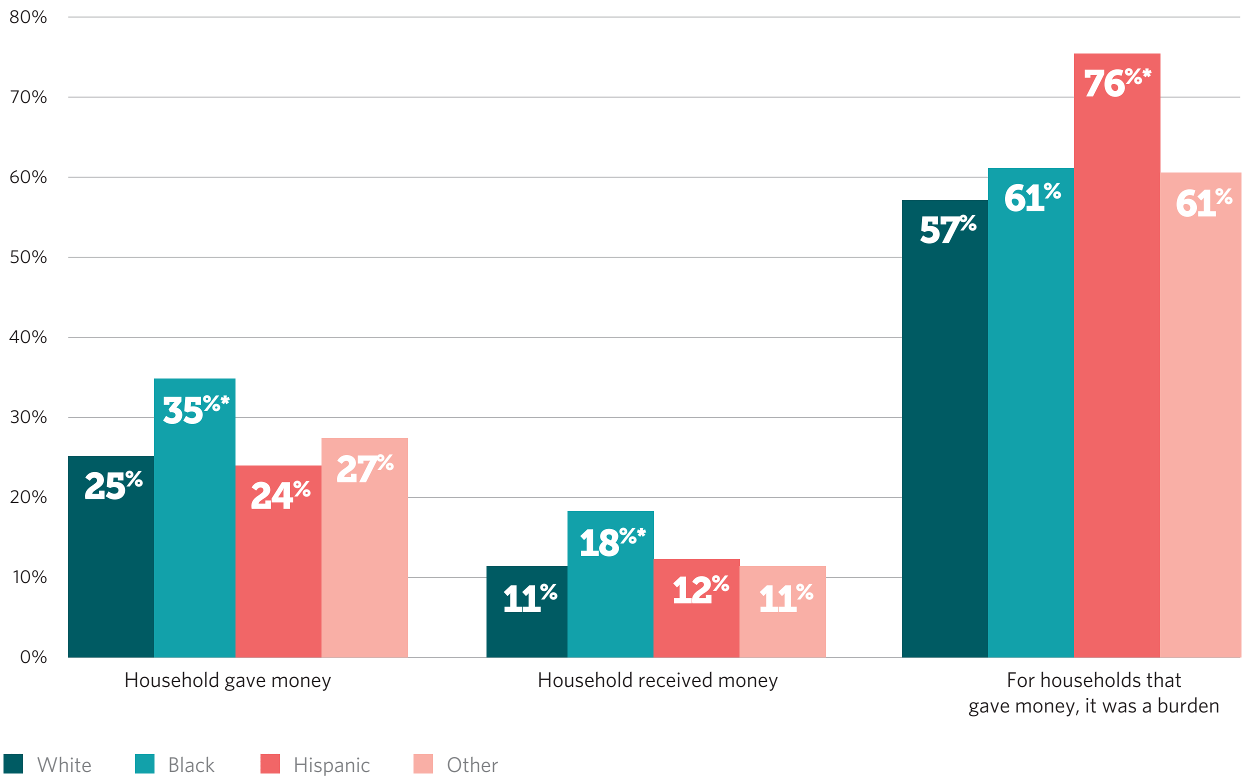
One-quarter (26 percent) of Americans reported providing financial assistance for day-to-day expenses to someone outside their immediate households in the previous year. In contrast, fewer (12 percent) reported receiving such help, likely due to the underreporting of transfers or some families receiving multiple transfers.[4] The size of these gifts and loans was not trivial; the median dollar amount of assistance provided was $1,000 and that received was $560. Just 4 percent reported having both given and received money across household lines in the past year.[5]

Black households were significantly more likely to provide assistance to those outside their immediate family (35 percent) than were white (25 percent), Hispanic (24 percent), or other households (27 percent).[6] The frequency of transfers across black households is quite high: One-quarter reported giving money to a friend or relative more than once in the past year. Black households also report receiving help (18 percent) more than other households (11 percent).[7] However, black households did not report the greatest burden with respect to giving or lending money. Rather, it was Hispanic households, among whom three-quarters of those who gave help felt burdened by doing so.[8]

Figure 1

Black Households Are Most Likely to Give Money to and Receive It From Family and Friends

Percentage of households reporting transfers and burden among those who gave, by race



Note: Respondents to the Survey of American Family Finances were asked: "In the past 12 months, did your household give or lend any money to friends, relatives, or children who live outside of your home to help them make ends meet, such as by paying bills or covering necessary day-to-day expenses (yes/no)?" "In the past 12 months, how much of a financial burden has giving or lending this money been for your household (not a burden at all/a minor burden/a major burden)?" "In the past 12 months, did friends, relatives, or children who live outside of your home give or lend your household any money to help you make ends meet, such as by paying bills or covering necessary day-to-day expenses (yes/no)?"

* Indicates statistical significance at the $p < 0.05$ level.

Source: Pew Survey of American Family Finances

Not surprisingly, low-income households are more likely to receive and less likely to provide such support. One in 5 households making less than $40,000 annually received money from friends and family in the past year, and of those, two-thirds got help on multiple occasions. But the amount that low-income households typically received ($500) was half that given to households making $85,000 a year or more ($1,000).

Households making over $40,000 a year were more likely than those making less than that annually to have given money to family or friends (28 percent versus 23 percent). Seven in 10 making less than $40,000 a year said giving money was a burden, while less than half making $85,000 a year or more said the same. (See Table A.1 on Page 12.)

Households that are the most financially precarious are the most likely to receive transfers to help make ends meet

The households that were most likely to have received money in the past year were also among the most financially fragile in other ways. While 12 percent of all households received money last year, this was reported more often by those with nonhousing net worth of less than $10,000 (23 percent), those headed by a single mother (28 percent), and those that experienced material hardship in the past 12 months (27 percent). (See Table A.1.) Four in 10 Americans who were unable to make their full rent payments or had credit cards declined also received money from friends or relatives in the past year.[9] Transfers of money across household lines are an important and immediate form of help when families encounter difficult financial times.

In fact, having experienced a material hardship in the past year—for example, missing a mortgage or rent payment, skipping paying a bill or paying one late, not going to the doctor or filling a prescription when needed, overdrawing a bank account, having a credit card declined, or withdrawing money prematurely from retirement accounts—was the most important factor associated with households receiving money, more so than race, age, employment status, education, presence of kids, homeownership, being a single mother, income, or having less than $1,000 in liquid savings.[10] Such households were five times more likely to have received money from friends or family. Considering that financially precarious households are often embedded together within the same networks, they likely received money from others who were also struggling to make ends meet.[11]

> "In fact, having experienced a material hardship in the past year—for example, missing a mortgage or rent payment, skipping paying a bill or paying one late, not going to the doctor or filling a prescription when needed, overdrawing a bank account, having a credit card declined, or withdrawing money prematurely from retirement accounts—was the most important factor associated with households receiving money. ..."

Single mothers stand out for giving and receiving support within their social networks, but this may be a challenge for them

Households headed by single mothers appear to be more firmly rooted in their networks than those headed by two parents, if being both a giver and receiver of financial help is any indication.[12] They are more likely than two-parent families to give or lend money to friends and family, despite having less wealth. This may be because they are more often linked with others who also have considerable financial need. In order to receive help in the future—financially, emotionally, or with in-kind help such as child care—single mothers may feel obligated to assist those in their networks as needed, in part because of norms of reciprocity.[13]

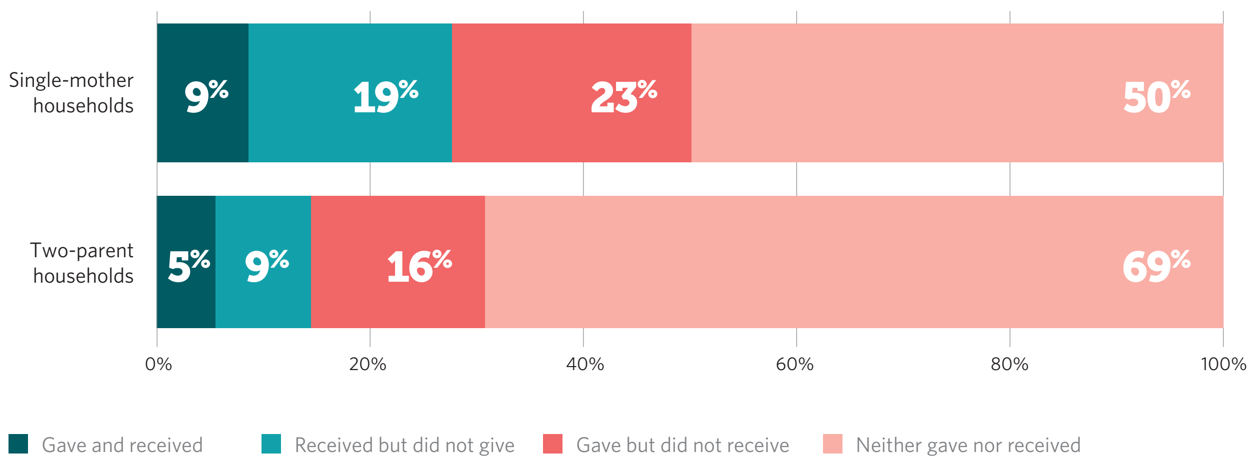
Half of all single-mother households reported having given financial help to or received it from friends or family in the past year, compared with just 3 in 10 two-parent households. Nearly one-quarter of single mothers reported giving financial support to those outside their household in the past year without receiving anything in return. (See Figure 2.) Even after accounting for other factors such as race, age, labor force participation, education, material hardship, homeownership, income, and low savings, being a single mother was still significantly associated with a higher likelihood of giving money to family and friends in the past year.[14] Single mothers are also twice as likely as two-parent households to say they received help more than once in the past 12 months (19 percent and 8 percent, respectively). (See Table A.1 on Page 12.)

Despite their generosity, three-quarters of single mothers who gave or lent money considered the practice to be a burden, compared with two-thirds of respondents from two-parent households. That single mothers gave anyway may indicate what some scholars call "negative social capital," in other words that the network of family and friends that single mothers depend upon for assistance may also ask so much of them in return that they bear emotional and financial costs.[15]

Figure 2

Half of Single-Mother Households Gave Financial Support to or Received It From Family and Friends

Percentage of support, by transfer and household types



Note: Respondents to the Survey of American Family Finances were asked: "In the past 12 months, did your household give or lend any money to friends, relatives, or children who live outside of your home to help them make ends meet, such as by paying bills or covering necessary day-to-day expenses (yes/no)?" "In the past 12 months, did friends, relatives, or children who live outside of your home give or lend your household any money to help you make ends meet, such as by paying bills or covering necessary day-to-day expenses (yes/no)?" Because of rounding, totals may not add to 100 percent.

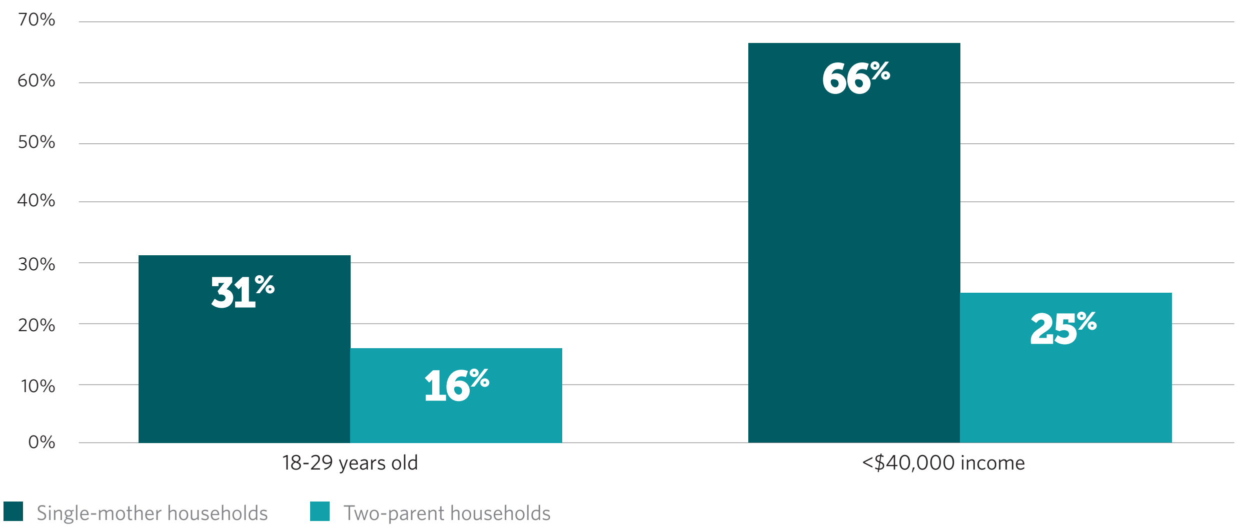
Source: Pew Survey of American Family Finances

The demographic characteristics of single-mother families may suggest why they give and receive financial support outside their households so frequently. (See Figure 3.) Single mothers tend to be younger than two-parent households raising children, and nearly half have never been married. And they are in a more fragile financial state than households with two parents. Two-thirds of single-mother families had income under $40,000 in the previous year, and most have very little money in reserves: About half have virtually no net worth, while three-quarters of two-parent families have positive net worth. Single mothers report owing personal loans to friends and family at a higher rate than two-parent households (19 percent versus 11 percent) and are twice as likely to have past-due bills (26 percent versus 13 percent).

Figure 3

Two-Thirds of Single-Mother Families Had Less Than $40,000 in Income

Select demographic characteristics, by household type



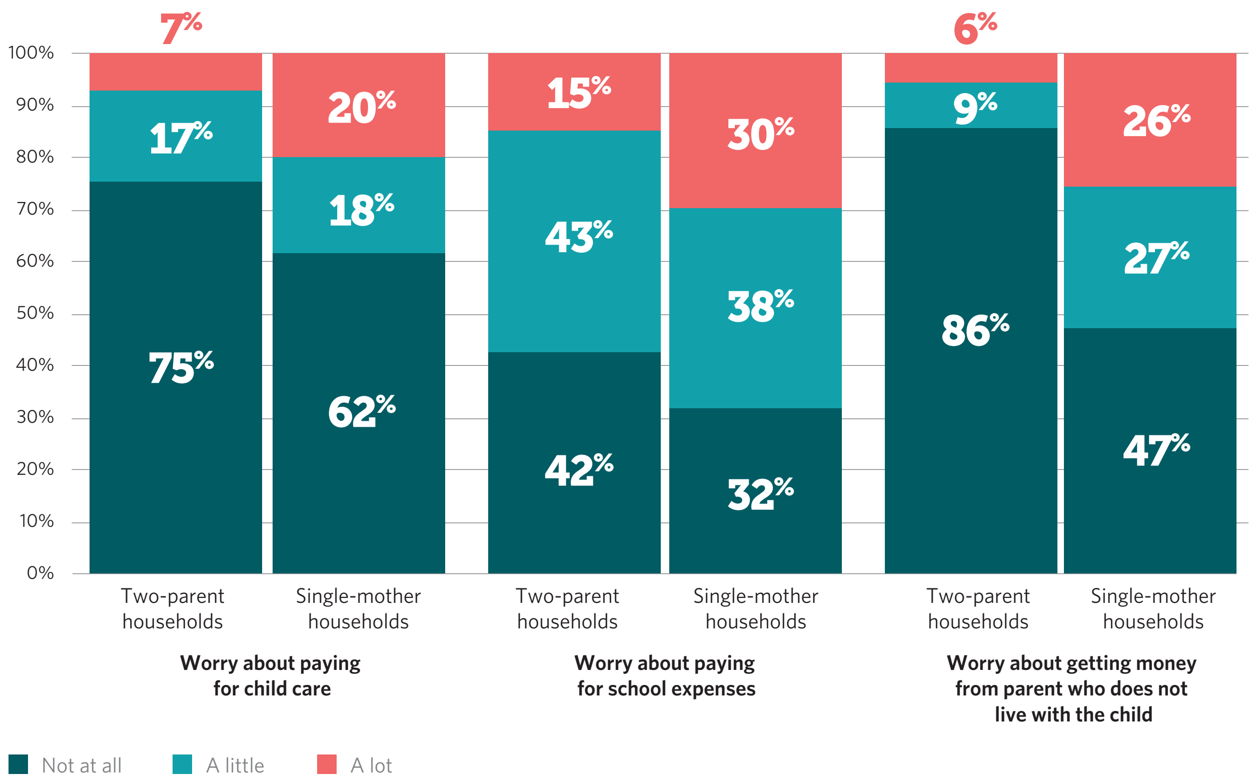
Source: Pew Survey of American Family Finances

Single mothers also rely heavily on relatives for child care and report anxiety about the costs of raising children. Although single mothers receive regular no-cost child care at similar rates as two-parent households (9 percent), three times more single mothers have moved closer to relatives to access that child care help, compared with two-parent families (21 percent versus 7 percent, respectively). Single mothers are also more likely to say they worry "a lot" about paying for child care (20 percent) and school expenses (30 percent). (See Figure 4.) One-third reported that the cost of raising children is a major source of stress.

Figure 4

Single Mothers Are More Worried Than Two-Parent Families About the Cost of Raising Children

Financial concerns about child rearing, by household type



Source: Pew Survey of American Family Finances

Single mothers are more likely than two-parent households to receive money from and owe loans to friends and family. Single mothers are often in a more precarious financial state, and accordingly have more social and financial pressures because of their reliance on social networks and having few alternatives for monetary or other support.[16]

Conversely, wealthy households are the most likely to receive transfers that boost their mobility or encourage even more wealth building

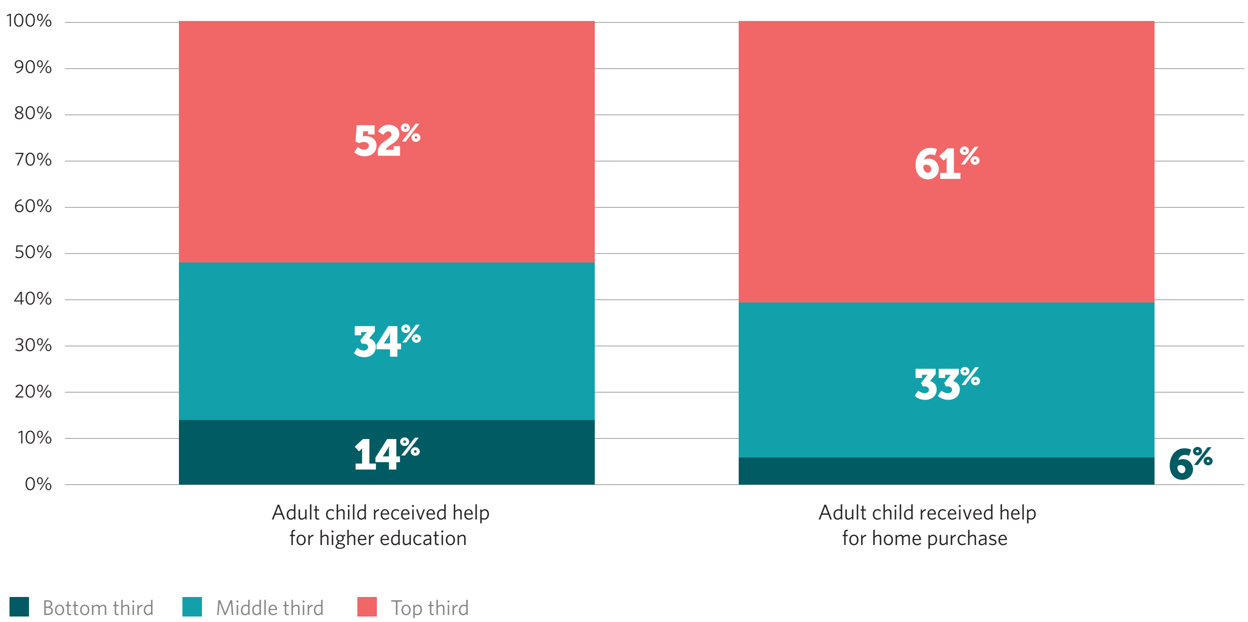
As discussed in the previous sections, extended family and friends often help households navigate financial hardships, but these social networks can also be instrumental for fostering economic mobility. One way in which this occurs is through intergenerational wealth transfers, such as inheritances and gifts of money to support education and home purchases. As of 2013, 10 percent of adults in the Panel Study of Income Dynamics received help buying a home, and another 31 percent got funds for education from their parents.[17] (See Table 1; see Appendix: Data and Methods for information about the Panel Study of Income Dynamics.)

Not surprisingly, adults raised in wealthy families were more likely to receive such transfers. Among those who reported receiving money for higher education or home purchases, 52 percent and 61 percent, respectively, came from the wealthiest families, or those among the top third of wealth holders. In contrast, just 14 percent who received help for higher education and 6 percent who received help for home purchases were raised in the least wealthy families. (See Figure 5.)

Figure 5

Adults Raised in Wealthier Households Were More Likely to Get Money for Mobility-Enhancing Purposes

Percentage of those who received money for education or home purchases, by parental wealth



Note: Data about parents' wealth are from the 1984 and 1989 Panel Study of Income Dynamics. Data about whether help was received for higher education and home purchases are from the 2013 Panel Study of Income Dynamics.

Source: Panel Study of Income Dynamics

Adult children who received transfers of money from their parents also have healthier balance sheets on the whole than those who did not. Specifically, those who got help with education had 2.4 times higher total net worth, and those who received money to buy a home had 3.7 times higher total net worth than those who did not receive help. Their parents also had healthier balance sheets. Parents who provided money for education or homeownership in the 1980s had about three times the total net worth of their peers who did not give such transfers and were more likely to be homeowners, to be college-educated, and to have higher incomes. (See Table 1.)

It is important to note that transfers alone do not account for healthier balance sheets among adults today. Those who received transfers of money were raised in more economically advantaged households, and these advantages convey in other ways, in addition to receiving money. The transfers, however, do reinforce existing gaps in wealth, income, and other socioeconomic markers such as homeownership and educational attainment.

Table 1

Families With Intergenerational Money Transfers Have More Wealth Advantages

Parents' and children's balance sheets, by transfer type

		Education		Home purchase	
		Adult children			
	Total	Got help	Did not get help	Got help	Did not get help
Total		31%	69%	10%	90%
Parents, 1984-89					
Wealth, with home equity (median)	$85,668	$172,311	$60,381	$239,143	$76,815
Wealth, no equity (median)	$27,749	$69,634	$18,134	$103,124	$24,066
Income, family size-adjusted (median)	$37,320	$51,036	$31,838	$54,767	$35,932
Home equity (median)	$44,984	$86,841	$31,036	$116,217	$41,436
Is homeowner	73%	88%	67%	92%	72%
Has a bachelor's degree	29%	52%	19%	54%	27%
Adult children, 2005-13					
Wealth, with equity (median)	$37,115	$66,846	$28,049	$126,385	$33,974
Wealth, no equity (median)	$15,495	$30,182	$12,104	$50,538	$14,432
Income, family size-adjusted (median)	$44,840	$57,155	$39,402	$54,003	$44,093
Home equity (median)	$15,119	$24,166	$11,432	$49,634	$13,000
Is homeowner	58%	66%	54%	77%	56%
Has a bachelor's degree	41%	76%	26%	61%	39%

Source: Panel Study of Income Dynamics, 1984 and 1989 (parents' balance sheets) and 2005-13 (adult children's balance sheets)

Inheritance is relatively rare in the overall population: 15 percent in the Survey of American Family Finances. (See Table A.1.) However, one-quarter (26 percent) of respondents from white, high-income households reported receiving an inheritance, as did one-fifth (20 percent) of those from white, middle-income households.[18] This suggests that inheritance is another way in which extended family transfers can reinforce advantages and influence the wealth and economic mobility of the next generation.[19]

> "Although inheritance is relatively rare in the overall population (15 percent in the Survey of American Family Finances), one-quarter (26 percent) of respondents from white, high-income households reported receiving an inheritance. ..."

Conclusion

The safety net provided to households by friends and relatives is a hidden dimension of the financial system and one that may reinforce existing advantages and disadvantages in family finances. Those who face the most financial difficulties, such as single mothers, often give money to family and friends at higher rates than others, such that three-quarters of households headed by single mothers who provided such help in the past year said doing so was a burden. In contrast, those with the most financial advantages, such as those raised by the wealthiest families, overwhelmingly receive the most mobility-enhancing transfers of money, including help with higher education and home purchases. In this way, households' social networks may serve to reinforce existing wealth differences.

Despite these concerns, for those in the most difficult financial states—especially significant material hardship—having friends and family available to help may prevent financial ruin. For that reason, this support may be essential to the financial survival of the most vulnerable households, even if it means that they will be called upon at some future date to return the favor.

Appendix: Data and methods

The data analyzed in this report came from two sources: the Survey of American Family Finances (SAFF), commissioned by Pew, and the Panel Study of Income Dynamics (PSID), collected by the University of Michigan.

The SAFF was administered to a nationally representative panel between Nov. 6 and Dec. 3, 2014. Including oversamples of black and Hispanic respondents, the total sample size was 7,845. Survey firm GfK collected the data on behalf of Pew and administered the computer-based questionnaire in English and Spanish. All reported data were weighted. For clarity of analysis, respondents who chose not to answer a question were excluded from the statistics generated for that item. As is frequently the case for computer-based surveys, missing data were most common when respondents failed to answer something they felt did not apply to them, such as "other" in a list of questions. Overall, item nonresponse for the survey was 2.2 percent. Additional details about the survey and its methodology are available at http://www.pewtrusts.org/~/media/Assets/2015/03/FSM-Poll-Results-Methodology_ARTFINAL_v2.pdf.

The PSID has been collected continuously from the same families since 1968, and the study switched from annual to biennial data collection in 1997. The data from this study come from families that had wealth data available in 1984 and also had children age 18 or under living in the household. The family data from 1984 and 1989 were linked with the adult children's own data from 2005 through 2013. Of special note, this study also uses data from the "2013 Rosters and Transfers Family Level File—Early Release" to better understand past transfers received by adult children for higher education and home purchases.[20] All PSID data used in this report were inflation-adjusted to 2014 dollars to be comparable with the SAFF data and were weighted with the adult children's last available longitudinal weight. Only those adult children who had at least two years of income or wealth data were included in the final analysis.

Most of the statistics reported include frequencies, cross-tabulations, medians, and logistic regressions. The question wording and order, frequencies, and standard errors for the SAFF can be found in the overall survey top-lines document available online.

Table A.1

Incidence of Giving and Receiving Financial Help by Select Demographics

	Household gave or lent money in the past 12 months	Did not give or lend money in the past 12 months	Gave or lent money once in the past 12 months	Gave or lent money more than once in the past 12 months	Median amount of money given or lent in the past 12 months	Giving or lending money over the past 12 months was a burden
Total	**26%**	**74%**	**8%**	**18%**	**$1,000**	**60%**
Race						
White	25%	75%	7%	17%	$1,000	57%
Black	35%	65%	9%	25%	$500	61%
Hispanic	24%	76%	8%	16%	$751	76%
Other	27%	73%	10%	18%	$800	61%
Annual household income						
Less than $40,000	23%	77%	8%	15%	$500	70%
$40,000 to $84,999	28%	72%	8%	20%	$1,000	63%
$85,000 or more	28%	72%	8%	20%	$2,000	47%
Cohort						
Silent Generation	31%	69%	9%	22%	$2,000	50%
Baby Boomers	30%	71%	8%	21%	$1,000	59%
Gen X	22%	78%	7%	15%	$539	66%
Millennials	22%	78%	8%	14%	$600	62%

Continued on next page

Table A.1 (continued)

Incidence of Giving and Receiving Financial Help by Select Demographics

	Household received money in the past 12 months	Never received money in the past 12 months	Received money once in the past 12 months	Received money more than once in the past 12 months	Median amount of money received in the past 12 months	Ever received money as inheritance
Total	**12%**	**88%**	**5%**	**7%**	**$560**	**15%**
Race						
White	11%	89%	5%	7%	$800	20%
Black	18%	82%	5%	13%	$400	5%
Hispanic	12%	89%	5%	6%	$400	4%
Other	11%	89%	5%	6%	$500	7%
Annual household income						
Less than $40,000	20%	80%	6%	13%	$500	8%
$40,000 to $84,999	11%	89%	5%	6%	$800	16%
$85,000 or more	5%	95%	3%	2%	$1,000	22%
Cohort						
Silent Generation	4%	96%	2%	2%	$500	25%
Baby Boomers	10%	90%	4%	5%	$500	21%
Gen X	13%	87%	5%	9%	$700	10%
Millennials	19%	81%	8%	12%	$600	6%

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Table A.1 (continued)

Incidence of Giving and Receiving Financial Help by Select Demographics

	Household gave or lent money in the past 12 months	Did not give or lend money in the past 12 months	Gave or lent money once in the past 12 months	Gave or lent money more than once in the past 12 months	Median amount of money given or lent in the past 12 months	Giving or lending money over the past 12 months was a burden
Total	**26%**	**74%**	**8%**	**18%**	**$1,000**	**60%**
Net worth (nonhousing wealth)						
Less than $10,000	23%	77%	7%	16%	$500	77%
$10,000 to $49,999	27%	73%	8%	18%	$600	67%
$50,000 or more	29%	71%	9%	20%	$2,000	47%
Other						
Presence of children	23%	77%	7%	16%	$600	66%
Experienced financial shock	31%	70%	10%	21%	$1,000	67%
Experienced material hardships	31%	69%	8%	23%	$600	80%
Married or partnered	26%	74%	8%	18%	$1,000	58%
Single mother	31%	69%	8%	23%	$500	76%
Two-parent household	22%	78%	7%	15%	$600	65%
Foreign-born	23%	77%	8%	15%	$1,000	68%

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Table A.1 (continued)

Incidence of Giving and Receiving Financial Help by Select Demographics

	Household received money in the past 12 months	Never received money in the past 12 months	Received money once in the past 12 months	Received money more than once in the past 12 months	Median amount of money received in the past 12 months	Ever received money as inheritance
Total	**12%**	**88%**	**5%**	**7%**	**$560**	**15%**
Net worth (nonhousing wealth)						
Less than $10,000	23%	77%	8%	16%	$500	5%
$10,000 to $49,999	11%	89%	5%	6%	$1,000	10%
$50,000 or more	5%	95%	3%	2%	$1,000	26%
Other						
Presence of children	16%	84%	6%	10%	$700	11%
Experienced financial shock	19%	81%	7%	12%	$700	16%
Experienced material hardships	27%	73%	10%	16%	$500	10%
Married or partnered	11%	89%	5%	6%	$500	17%
Single mother	28%	72%	9%	19%	$500	9%
Two-parent household	15%	85%	6%	8%	$700	11%
Foreign-born	9%	91%	5%	4%	$375	6%

External reviewers

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Endnotes

1 One study found that families that had lower income and were unmarried, disabled, younger, or in school were more likely than others to receive financial support. See Signe-Mary McKernan et al., "Do Racial Disparities in Private Transfers Help Explain the Racial Wealth Gap? New Evidence From Longitudinal Data," *Demography* 51, no. 3 (2014): 949–974, doi:10.1007/s13524-014-0296-7.

2 One of the key factors related to upward wealth mobility for families with children is extended family wealth transfers. See Tatjana Meschede et al., "Wealth Mobility of Families Raising Children in the 21st Century" (paper presented at the Federal Reserve System Community Development Research Conference on Economic Mobility, Washington, DC, 2015), https://www.stlouisfed.org/~/media/Files/PDFs/Community%20Development/Econ%20Mobility/Sessions/MeschedePaper508.pdf.

3 Of note, this issue brief only analyzes financial assistance across households. There are certainly other transfers that happen that are also of critical importance for households' economic well-being, such as in-kind assistance. In-kind assistance can include residential support, as well as various types of instrumental support, such as child care, transportation help, meals, and car or home repair. In-kind assistance was not measured in the Survey of American Family Finances, and as such cannot be described in this issue brief. For a discussion of other important forms of assistance, see Natasha V. Pilkauskas and Andrea Alvarado Urbina, "The Value of Support: Private Safety Nets Among Families With Young Children" (paper presented at the Population Association of America Annual Meeting, Boston, May 1–3, 2014), http://paa2014.princeton.edu/papers/142063.

4 A higher incidence of providing assistance (26 percent) rather than receiving assistance (12 percent) may reflect two phenomena: First, some families are receiving help from multiple family members or friends. For example, single mothers are highly reliant on their networks and try not to overburden any one relative or friend repeatedly. See Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work* (New York: Russell Sage Foundation, 1997). Second, transfers received tend to be underreported, which has been documented in numerous surveys. See this described in William G. Gale and John Karl Scholz, "Intergenerational Transfers and the Accumulation of Wealth," *Journal of Economic Perspectives* 8, no. 4 (1994): 145–160, http://www.jstor.org/stable/2138343.

5 Having given or lent money in the past 12 months was cross-tabulated with having received money in the past 12 months; 4 percent reported having done both; 66 percent reported having done neither; 8 percent reported having received help but not given it; and 22 percent reported having given help but not received it.

6 Differences between black households and all other households were significant at the $p < 0.05$ level. For additional findings about black households being more likely than white households to provide financial support to family and friends, see also Rourke O'Brien, "Depleting Capital? Race, Wealth and Informal Financial Assistance," *Social Forces* 91, no. 2 (2012): 375–396, doi:10.1093/sf/sos132; and McKernan et al., "Do Racial Disparities in Private Transfers Help Explain the Racial Wealth Gap?"

7 Differences between black households and all other households were significant at the $p < 0.05$ level. Of note, black households, even those among the middle class, are more likely to be embedded in networks with friends and family in poverty or experiencing financial difficulties. Thus, they may be called upon to give money to those in their networks more frequently than is the case for white families. For example, see O'Brien, "Depleting Capital?"; and Thomas. M. Shapiro, *The Hidden Cost of Being African American: How Wealth Perpetuates Inequality* (New York: Oxford University Press, 2004).

8 Differences between Hispanic households and all other households were significant at the $p < 0.05$ level.

9 Respondents were asked a series of questions about whether they faced hardships in the past year because they did not have enough money. Such hardships were associated with a higher incidence of receiving help from friends and family and include missing a full mortgage payment (34 percent), not paying full rent on time (40 percent), skipping a bill payment (35 percent), skipping a doctor or hospital visit (31 percent), not filling or postponing a prescription (35 percent), overdrawing a checking account or writing a bad check (33 percent), having a credit card declined (42 percent), or withdrawing money prematurely from a retirement account (34 percent).

10 A logistic regression was modeled to identify the factors most associated with receiving money from friends or family in the past year. Based on the size of the coefficients, having experienced material hardship in the past year was most associated with receiving money from friends and family relative to other factors in the model.

11 For more information about the social networks of those residing in high-poverty neighborhoods, see Bruce H. Rankin and James M. Quane, "Neighborhood Poverty and the Social Isolation of Inner-City African American Families," *Social Forces* 79, no. 1 (2000): 139–164, doi:10.2307/2675567.

12 This analysis focuses on single mothers and not also single fathers because households headed by single fathers are less common. While 12 percent of all households with children under the age of 18 were headed by single mothers in the Survey of American Family Finances (SAFF), just 6 percent of similar households were headed by single fathers. Of note, there is a lower incidence of households with children headed by single mothers in the weighted SAFF sample than in the Current Population Survey (CPS) (20 percent). The SAFF weights align the sample's age, sex, race/ethnicity, region, metropolitan, education, and income distributions with the national population in the CPS but do not adjust the sample for family structure.

13 See Edin and Lein, *Making Ends Meet*.

14 A logistic regression was performed to determine whether being a household headed by a single mother was significantly linked to giving financial support to friends and family outside the household. After controlling for age, age-squared, labor force participation, having some college education, material hardships, owning a home, income, and having low liquid savings, the analysis found that it was.

15 For a discussion of negative social capital and how kin networks might cause financial hardships, see O'Brien, "Depleting Capital?"

16 Norms of reciprocity, or the idea that one is expected to give back to a social network if one accepts help from it, may explain why single-mother and low-income households more frequently give or receive financial assistance in the data. For examples of this, see Edin and Lein, *Making Ends Meet*.

17 Data reported here are from the Panel Study of Income Dynamics (PSID) "2013 Rosters and Transfers Family Level File—Early Release." The question wording is, "Since turning 18, [have you/HEAD/WIFE] received any of the following from [your/HEAD's/WIFE's] parents: [Help paying for school, including tuition, room and board, or books?] [Help buying a home, including a down payment?]" The analyses reported here are restricted to transfers from the PSID family of origin to the PSID adult child's household in order to understand the relationship between historical family wealth and transfers.

18 The question wording was, "Has anyone in your household ever received money as gifts or loans from someone for any of the following: Inheritance? [yes/no]." The difference between high- and middle-income white households receiving inheritances is significant at the $p < 0.05$ level. High-income households are defined as those making $85,000 or more a year in income, while middle-income households make between $40,000 and $84,999 a year.

19 Such findings are consistent with other work showing that advantaged households are more likely to receive inheritances. See Edward N. Wolff, *Inheriting Wealth in America: Future Boom or Bust?* (New York: Oxford University Press, 2015). Others found that white families were five times more likely to receive inheritances than black and Hispanic families and this accounted for 12 percent of the white-black racial wealth gap. See McKernan et al., "Do Racial Disparities in Private Transfers Help Explain the Racial Wealth Gap?"

20 See Robert Schoeni et al., "Intergenerational Transfers and Extended Family Roster: A New Substudy of the Panel Study of Income Dynamics," *Longitudinal and Life Course Studies* 6, no. 3 (2015): 319–330, doi:10.14301/llcs.v6i3.332.

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