



Lifecycle Sharing: A Timeless Social Contract

Beth Jarosz – MODERATOR

Outgoing Director of U.S. Programs, Population Reference Bureau

Gretchen Donehower, Ph.D.

Research Specialist, Center of the Economics and Demography of Aging, U.C. Berkeley

Mayra Alvarez, President

The Children's Partnership

Ronald Lee, Ph.D.

Distinguished Professor Emeritus of Economics and Demography, Founding Director, Center on the Economics and Demography of Aging, U.C. Berkeley



Viewing the Social Contract and Life Cycle Sharing through the lens of National Transfer Accounts (NTA)

Ronald Lee, UC Berkeley, Demography and Economics (Emeritus)

SOUTHERN CALIFORNIA DEMOGRAPHIC WORKSHOP: REVISITING
THE INTERGENERATIONAL CONTRACT

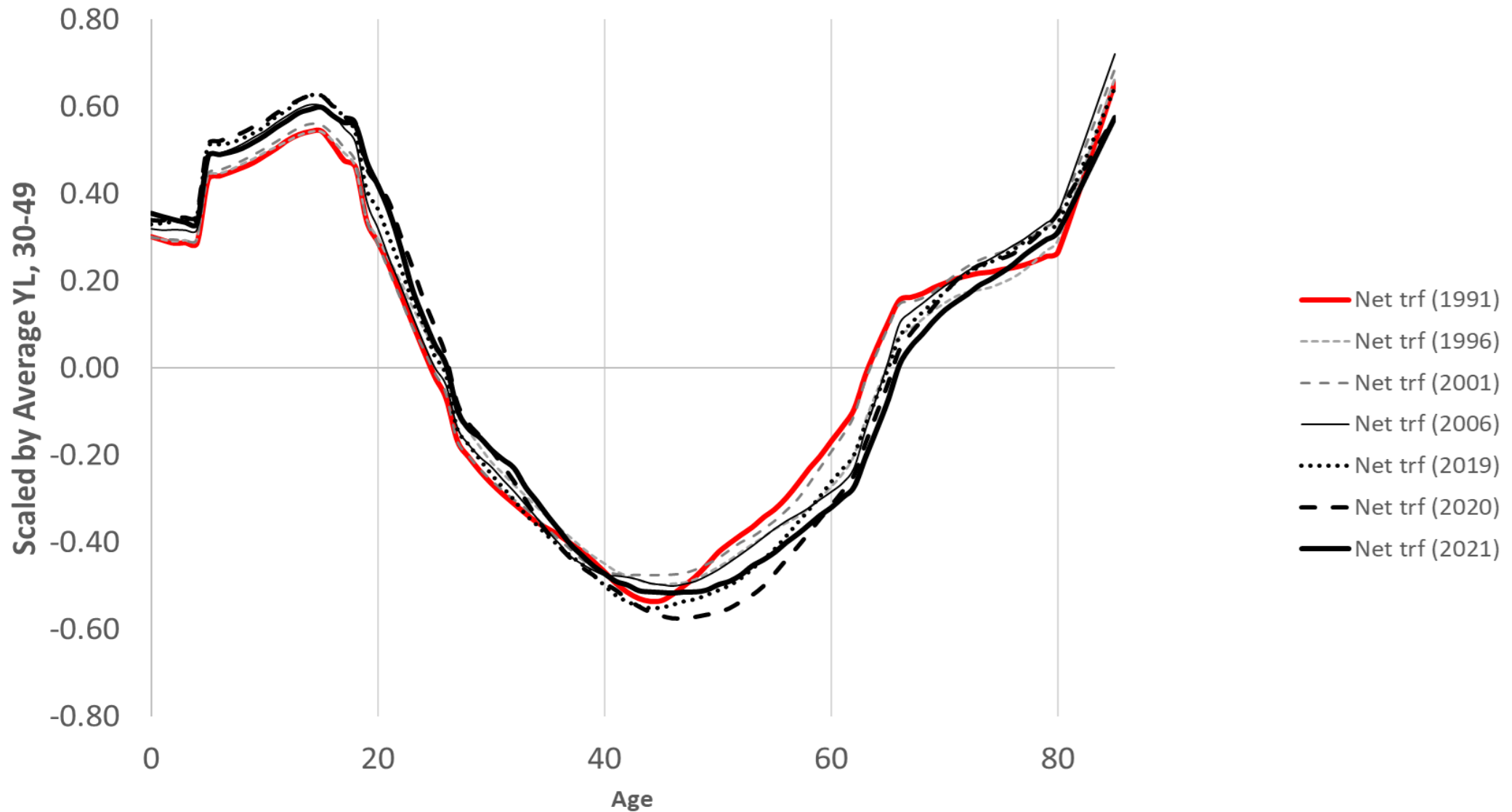
Los Angeles, October 1, 2025

What is the generational contract?

- It is expectations based on repeating patterns of how young, workers, and elderly support one another over the generations.
- About 50% of GDP is transferred to a different age.
- It used to be mostly in the family.
 - Parents supported and educated their children.
 - Grown children jointly helped support elderly parents over short remaining lives, inheriting assets when they died.

The repeating pattern of net public + private transfers, in US, 1991-2021.

Transfers received minus transfers given, by age



This generational contract has changed rapidly over past century for three reasons:

1. **Children and elderly have become more costly.** Children's education is now more important, extensive, and expensive. The elderly now retire ten years younger than a century ago and consume more due to health care.
2. **Population aging.** Lower fertility and longer life means that fewer kids must share the costs for more surviving parents over more years.
3. **Public programs substitute for familial support** of children and the elderly: public education, pensions, health care and long-term care.

Now ---

- Children increasingly must pay for their own higher education by borrowing.
- Population aging undermines fiscal stability of public programs for elderly, so young adults doubt programs will be there for them in old age.
- Working age adults are squeezed by:
 - high costs of kids
 - taxes to support elderly parents (or directly)
 - saving for own retirements.

National Transfer Accounts (NTA) focuses on these issues

visit www.NTAccounts.org

- National Income Accounts by age and generation plus family transfers
- Emphasizes income flows across generations through the
 - **family** (parents raising children and perhaps supporting grandparents)
 - **public sector:** taxes and benefits for public education, pensions, health care, and public goods (roads, research, police, defense, etc.)
 - **market** (saving and investing to build assets for retirement)
- Big differences among countries and big changes over time.
- Complicated methods using existing data sets.
- Research teams in 80 countries, estimates for more than 100.

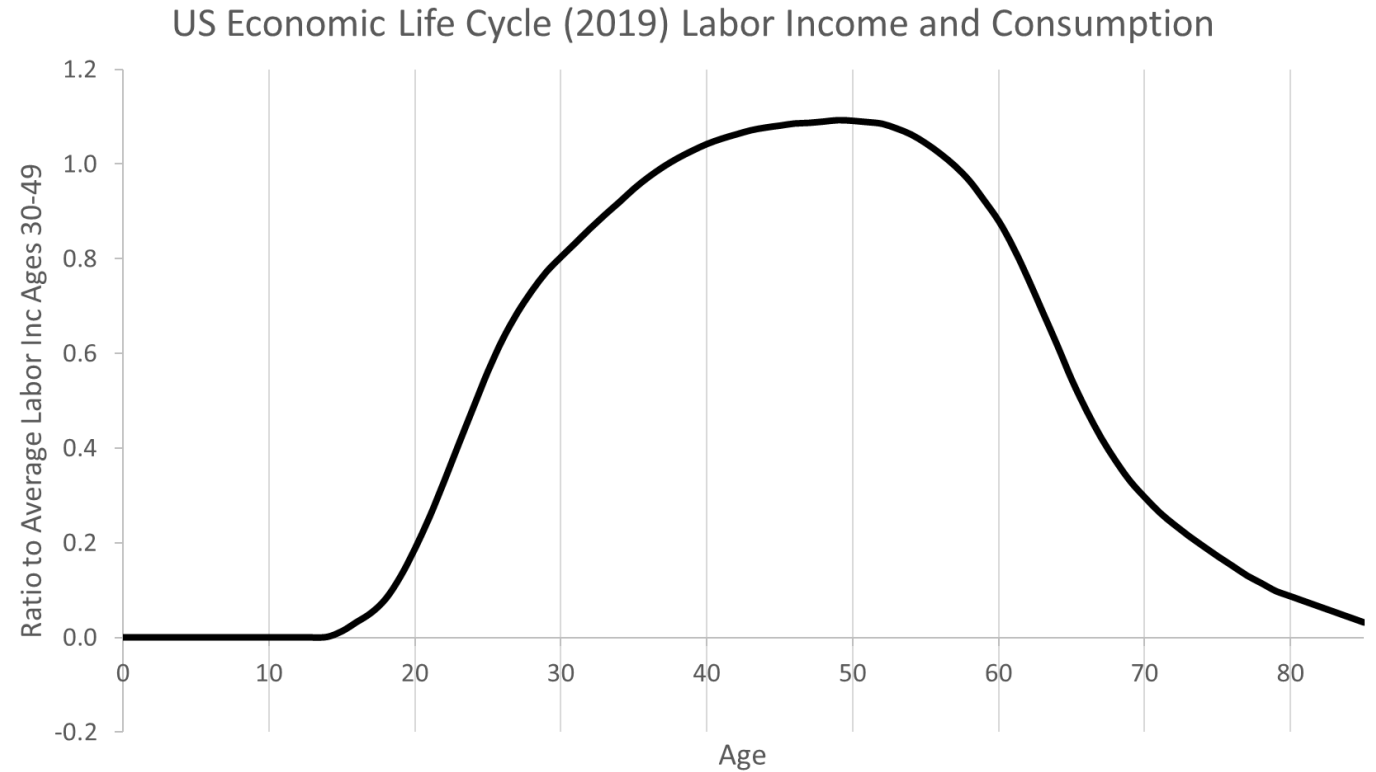
The Economic Life Cycle in the US (2019-Precovid)

Labor income is

Average across all people at each age, including zeros.

Includes:

- Wages & salaries
- Fringe benefits
- 2/3 of self employment income



Consumption is:

Household consumption expenditures
imputed to individuals in hshld by age
(includes education and health)

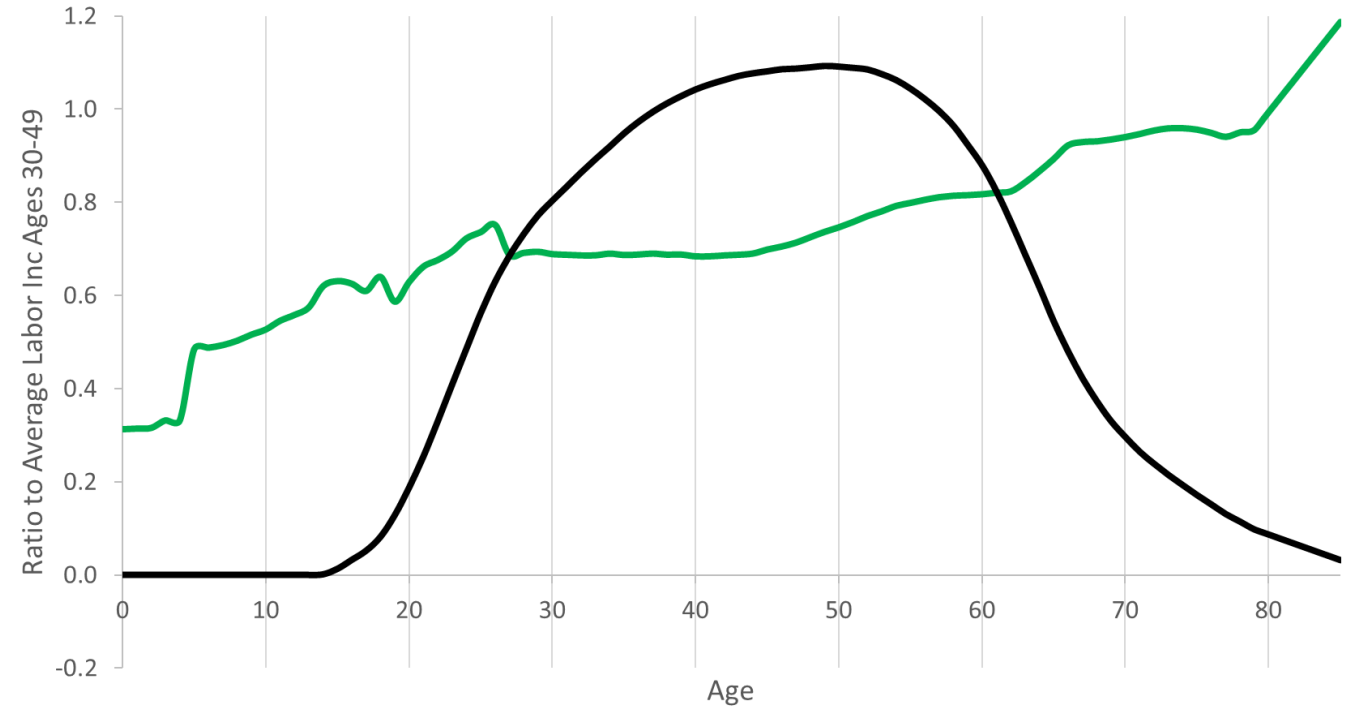
Plus

Public goods and services, all non-cash
benefits, including

- Public education
- Medicare
- Medicaid

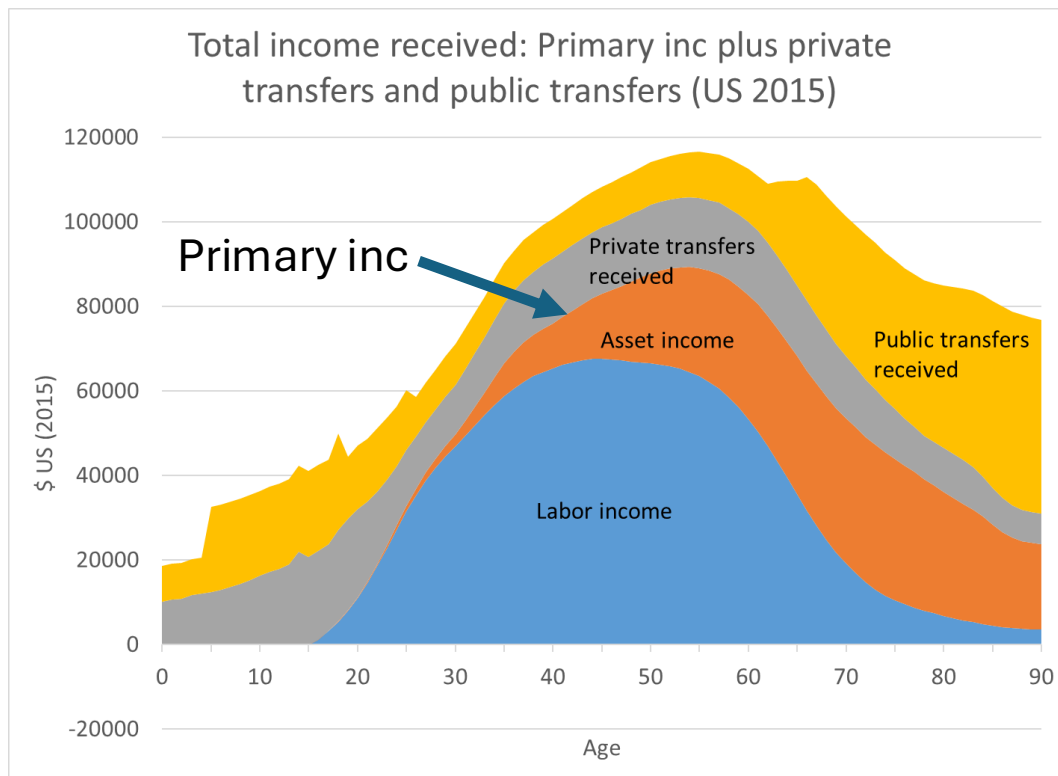
- Roads
- Police
- National Institutes of Health
- Defense

US Economic Life Cycle (2019) Labor Income and Consumption

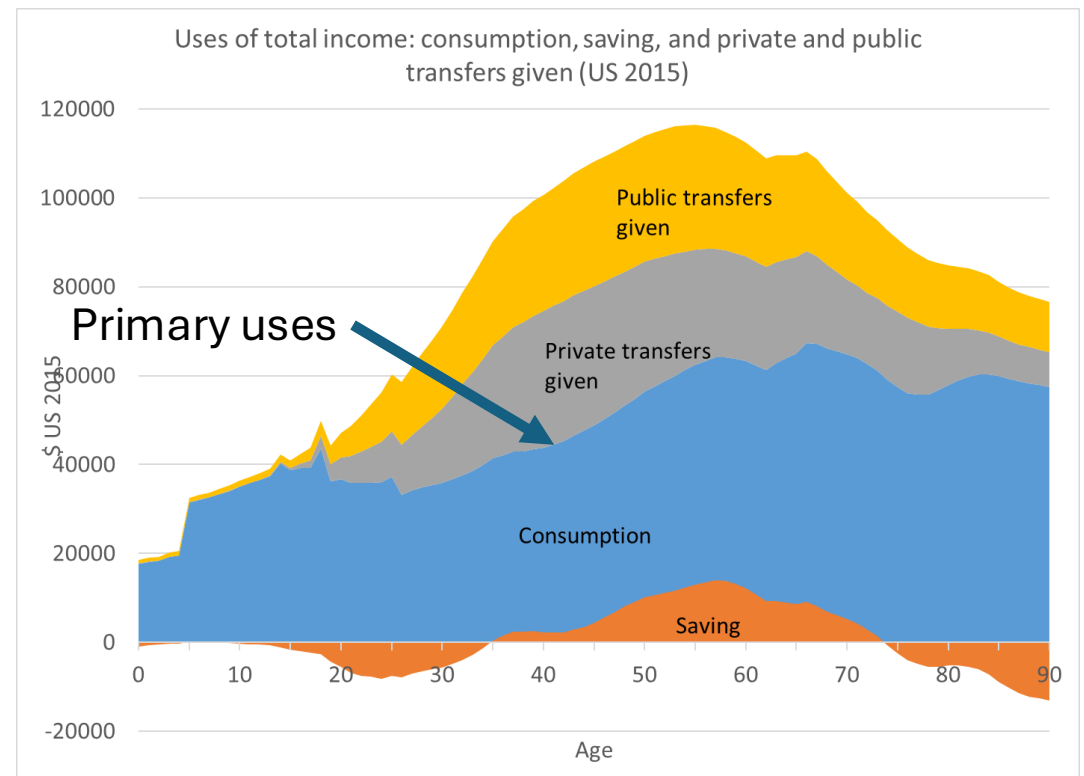


But there are other sources of income than labor income, and other uses besides consumption.

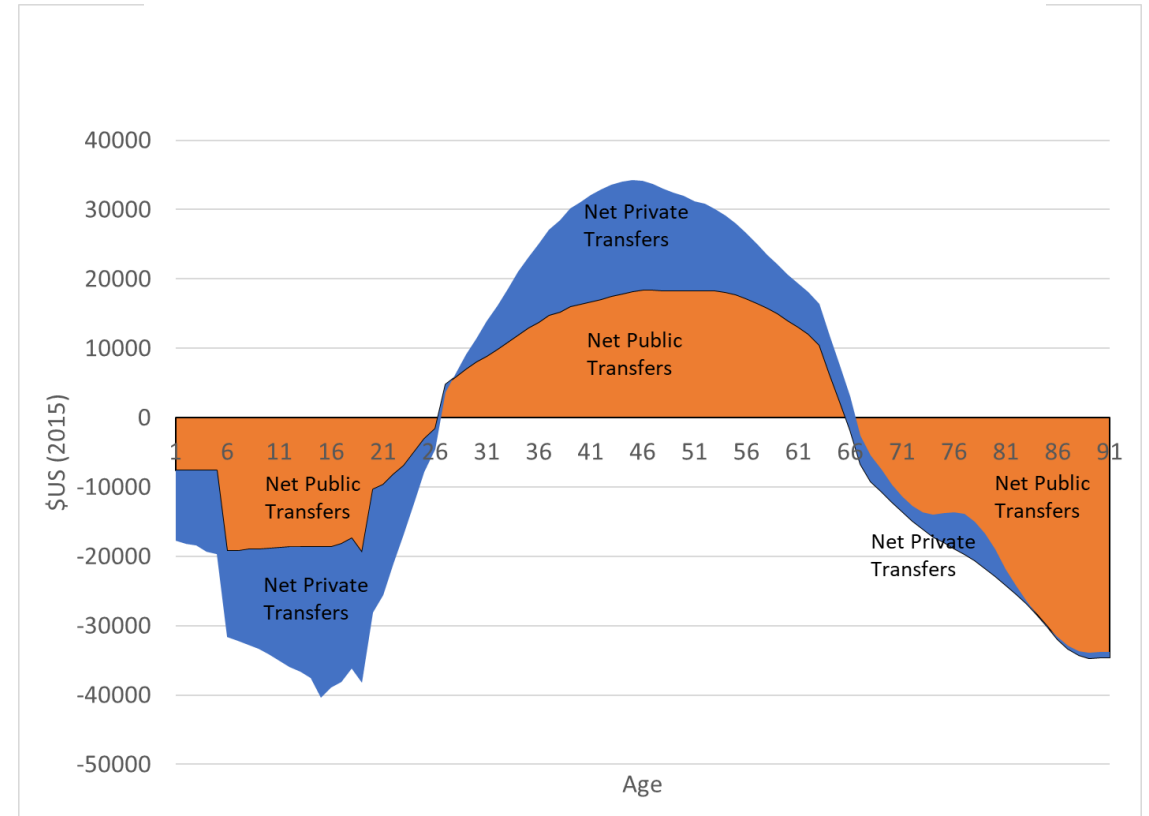
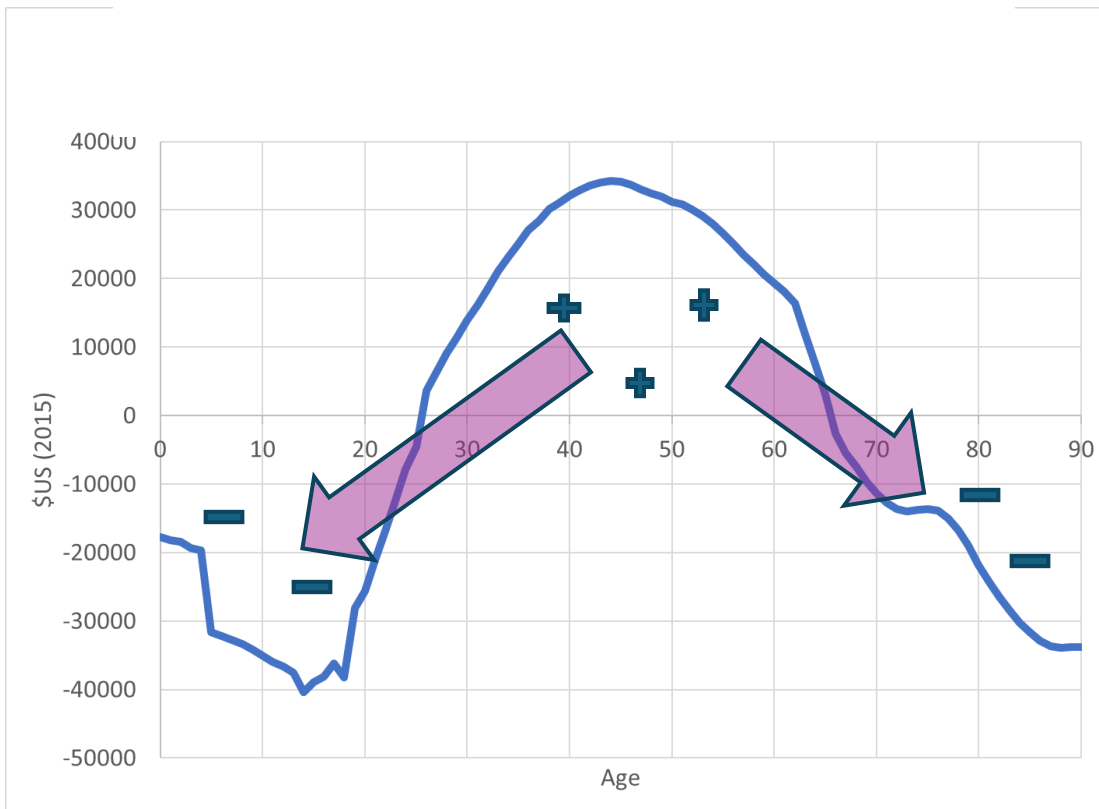
Total income received



Total uses of income



Gap between primary income and primary uses.
This gap is filled entirely by public and private transfers.



US Elderly rely much less on transfers than do other countries

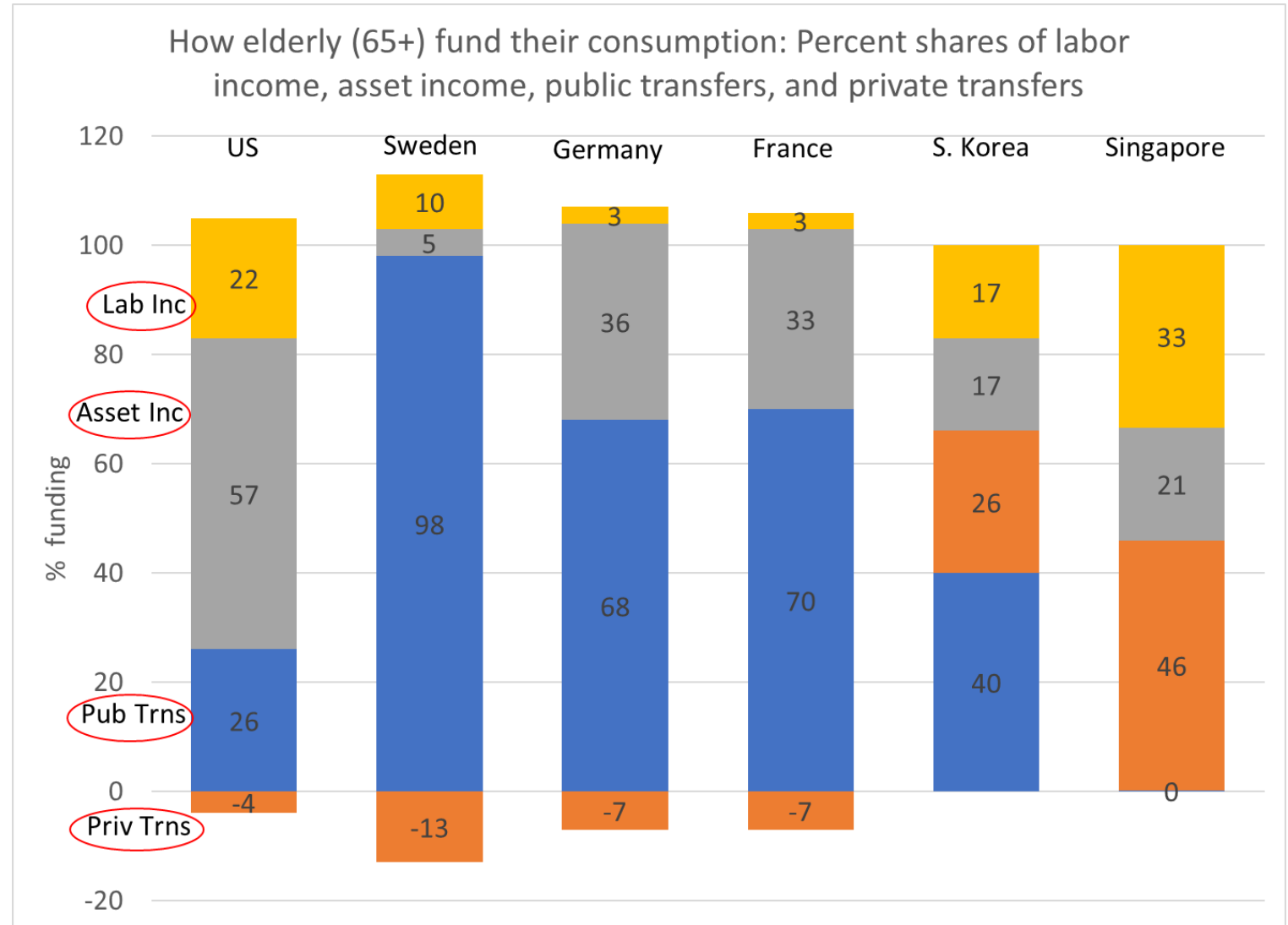
Share of net public transfers in paying for elder consumption

US: 26%

Sweden: 98%

France: 70%

Singapore: 0%



Population aging is smaller problem for US than for most high-income countries

- Elders are more economically self-sufficient in US.
- Social Security is only modestly impacted by population aging due to its progressive structure.
- Higher fertility would raise costs for first 40 or 50 years until larger labor force more than offsets the costs of educating more kids.
- Despite stresses and strains, the generational contract remains fairly healthy although investment in children is a problem.

THANK YOU



Consumption in the Generational Economy

2025 Southern California Demographic Workshop:
Revisiting the Intergenerational Contract
Los Angeles, October 1, 2025

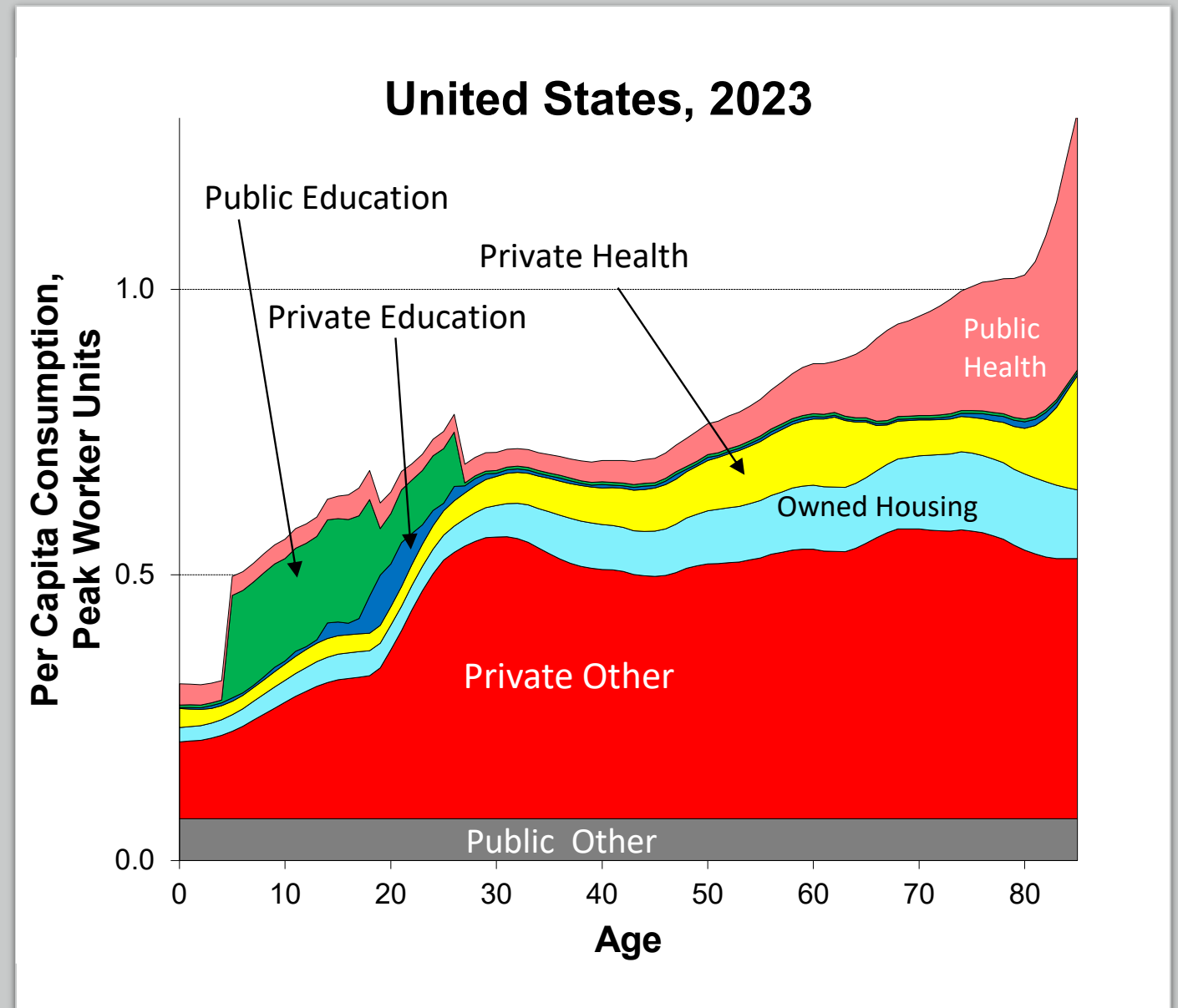
Gretchen Donehower, UC Berkeley

Who gets to consume in the generational economy?

- We just reviewed the basic features of the generational economy through the lens of the National Transfer Accounts (NTA) methodology
- It demonstrated how people produce, share, save, and consume resources by age.
- Individual consumption is the ultimate output of the system, the final measure of wellbeing and sustainability.

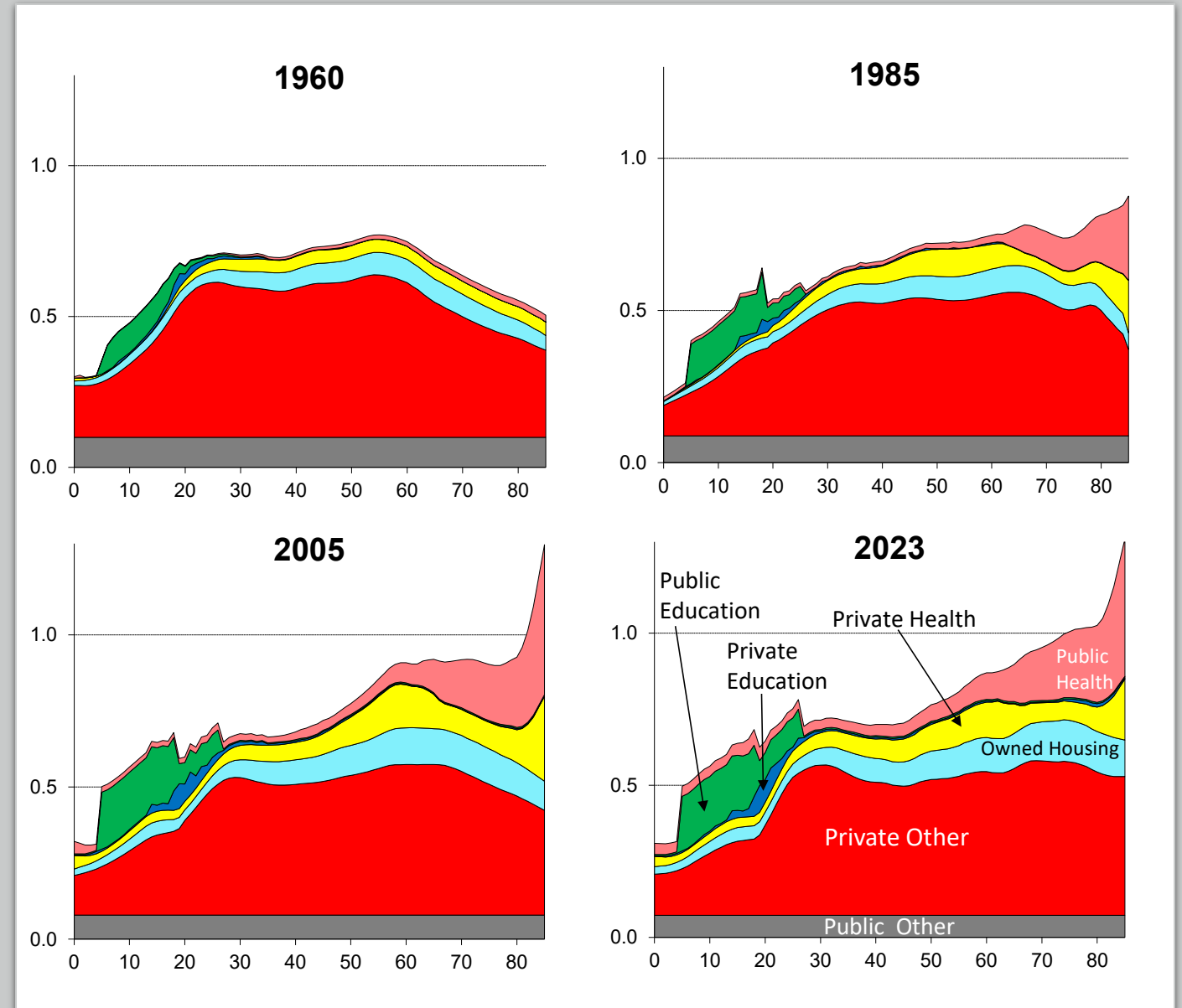
- Older persons consume the most, mostly because of health care, highest at the oldest ages.
- Young people consume substantial amounts of education.

(Units are relative to average labor income for ages 30-49, so a year of peak age worker earnings.)

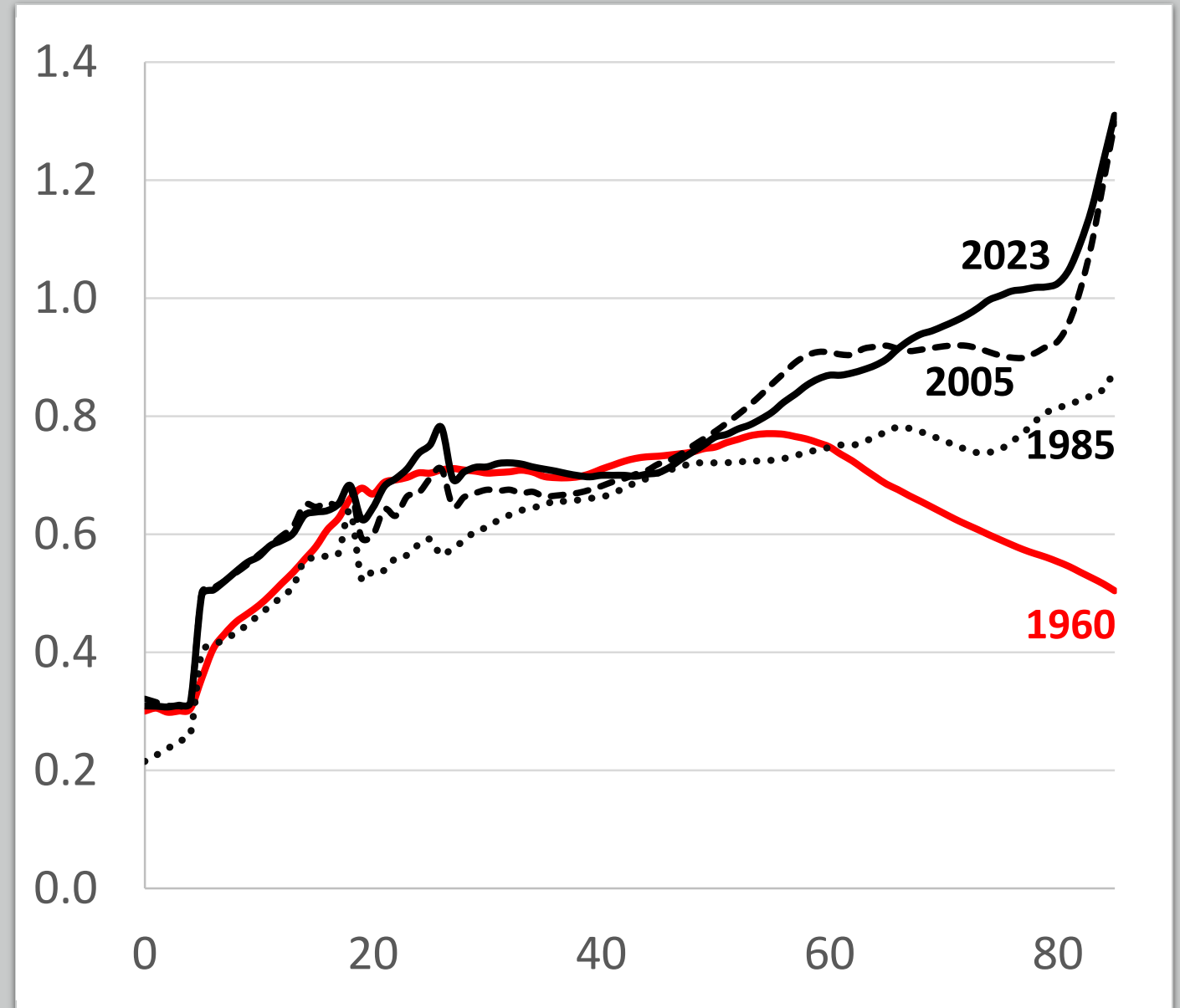


- It has not always looked like this.
- Economic and social change, as well as deliberate policy choices have shaped the age pattern of consumption over time.
 - Growth in private health care as well as spending by Medicare and Medicaid
 - Higher education investments in young people
 - Oldest persons are no longer spending less than working age persons

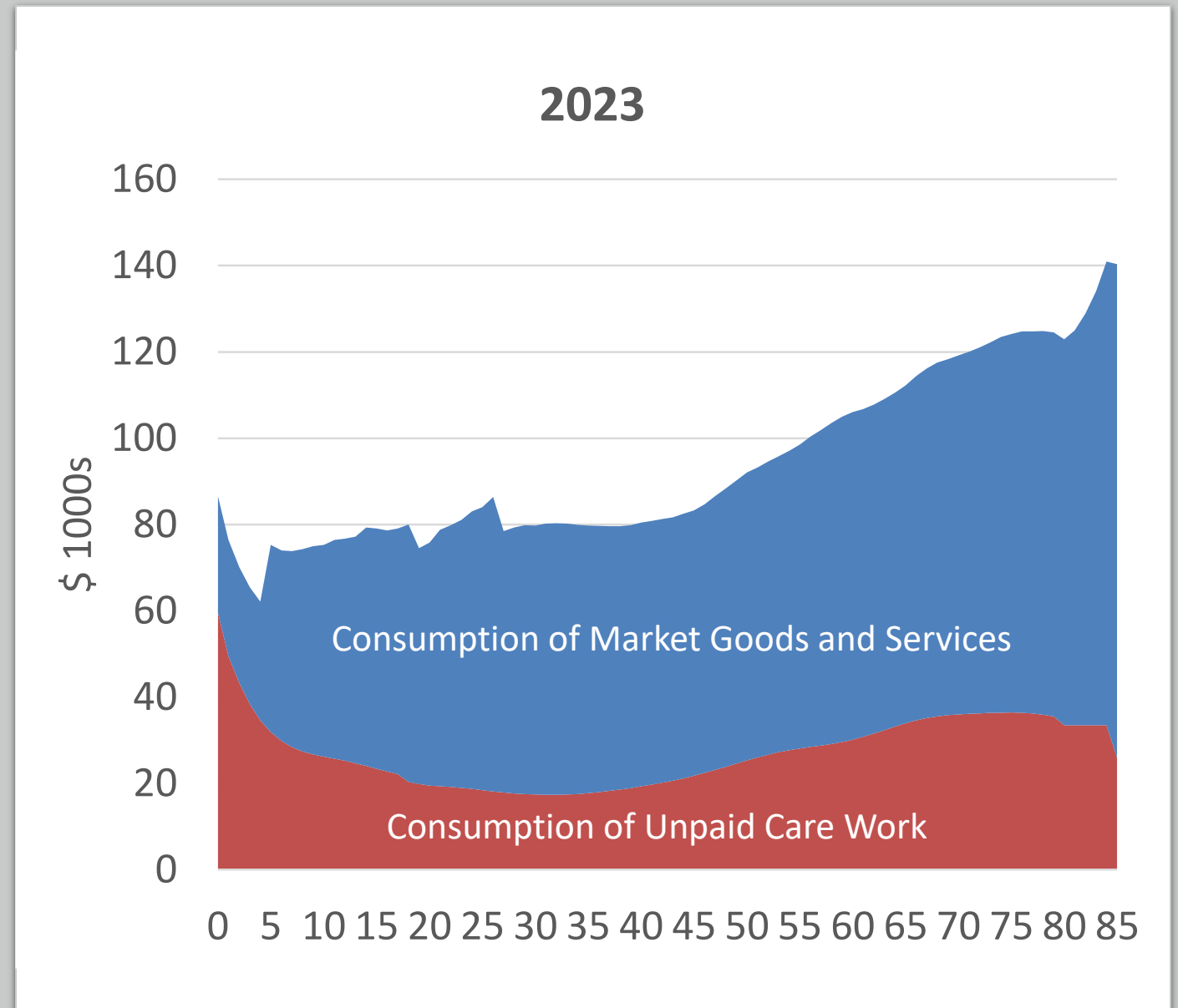
(Units are the same, relative to the average labor income in that year of persons age 30-49.)



- Over time, relatively more consumption for young and a lot more for the old, about the same for middle ages.
- How is this possible?
 - Sharing with fewer children means more for each child
 - Older persons have been better able to accumulate during working years and finance consumption at older ages through assets
 - They also work longer in recent years and benefit from large public transfers for health care



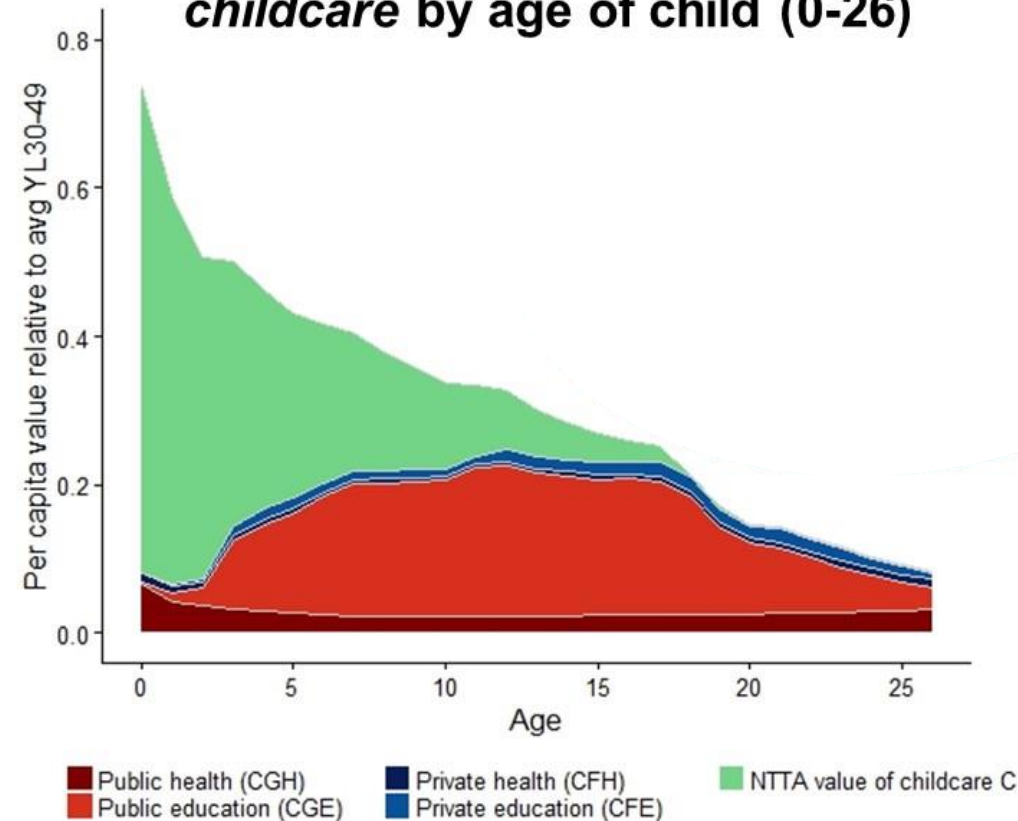
- Market goods and services are not the only thing we consume.
- We also consume unpaid care work (UCW): childcare, eldercare, housework, and household management.
- Estimate uses time use data to measure time spent on UCW, which is valued by a market wage and imputed to household members as consumption.



- We invest in children's human capital by providing them market-based health and education goods and services (government share in red, family share in blue)
- Unpaid childcare (green) is also a large part of investment in future human capital, especially at very young ages.
- For infants, it makes up most of total consumption.

(Data are an average of 22 different countries from around the world. Units are the same, relative to the average labor income in that year of persons age 30-49.)

Market human capital investment + *value of nonmarket childcare* by age of child (0-26)



Note: Average of 22 countries around 2000-2010. Source: Authors' calculations using National Time Transfer Accounts (NTTA) from Counting Women's Work & AGENTA, NTA estimates from ntaccounts.org & AGENTA. Values plotted relative to average labor income in each country for ages 30-49.

Vargha, L., & Donehower, G. (2019). The quantity-quality tradeoff: A cross-country comparison of market and nonmarket investments per child in relation to fertility. *Population and Development Review*, 321-350.

What do we learn from viewing consumption this way?

- Per person health care consumption has risen rapidly even while the demographic that consumes the most health care is increasing. → Addressing how we structure health care markets is one of the keys to a sustainable future.
- Lower fertility gives you the chance to invest more per child without increasing total spending. → Human capital investment is another key to a sustainable future.
- A large part of human capital is created by the invisible economy of unpaid care work. → The role of unpaid care in creating future human capital can benefit from more policy attention.



2025 Southern California Demographic Workshop: Revisiting the Intergenerational Contract

Mayra E Alvarez, President
October 1, 2025



Who We Are

The Children's Partnership is a California advocacy organization advancing child health equity through research, policy and community engagement.



Core Beliefs

1 A child is a child. Regardless of their race, ethnicity or place of birth, all children have equal value and potential. All children require our greatest efforts to expand the resources and opportunities they need to reach their full potential.

2 Dismantling systemic racism is a necessity for children to thrive. Disrupting cultural norms and values rooted in white supremacy will lead to our collective well-being. In taking a targeted universalism approach to our work, we center the needs of the most marginalized children so all children ultimately benefit from the targeted removal of systemic barriers.

3 Community input must guide our work. Communities know best the solutions to the challenges they face. We invite, engage and design solutions and co-produce knowledge in partnership with them, knowing policies will be strongest if solutions come directly from impacted communities themselves.

4 Our work is intersectional. Families do not lead single-issue lives, and therefore, our work must also be intersectional. We take into account the many identities children and families have, understanding the cumulative impacts of marginalization. We recognize that the success of children is dependent on the well-being of their families and communities.

5 Effective partnerships are transformational, not transactional. Partner relationships are most meaningful when they share power, listen and create a space for creativity, belonging and collective action. Through partnerships and coalitions, community power is multiplied. Working in partnership across issue areas is endemic to our work and helps us meet the needs of the whole child and family.

6 A feedback loop allows for continuous improvement. Public investments, evidence-based policy and systems change are essential levers for improving the lives of children, and successful policy implementation is a vital component of systems change. It is essential to ensure that policies are implemented in, by and for communities of color. It is equally essential that the impacts of those policies are measured and that the feedback of the communities impacted by such policies informs their implementation and continuous improvement.

7 Priorities change as social conditions change. The biggest issues impacting children change as social conditions change. Centering child health equity requires us to recognize that systemic barriers impact communities differently based on numerous factors, including race, ethnicity, gender, income, language, immigration status, identity and ability. We must be responsive to social, economic and environmental changes and adjust our priorities as necessary.

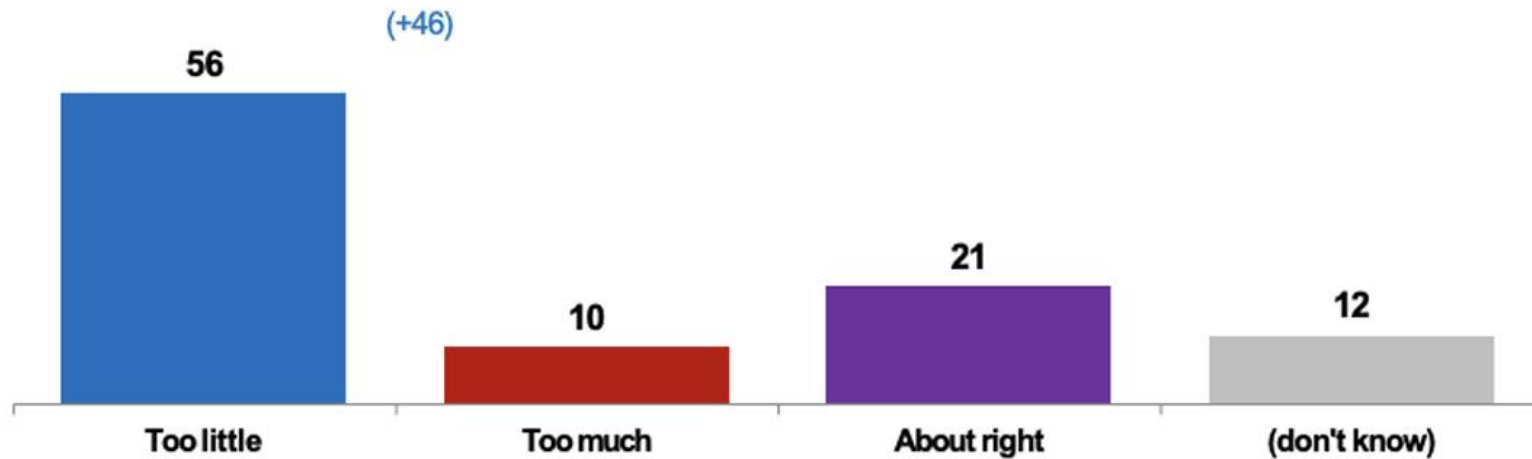
Child Well-Being at Risk



- 📢 Infant mortality is rising
- 📢 Child mortality is rising
- 📢 Child poverty is rising
- 📢 Uninsured rates for children are rising & access to care has declined
- 📢 Resurgence of measles and other preventable diseases
- 📢 Homelessness is increasing
- 📢 Hunger is rising
- 📢 Child care is in crisis

By more than a 5-to-1 margin, voters believe we are spending too little on children.

Do you think the federal government spends too much, too little, or about the right amount on funding that benefits children?*

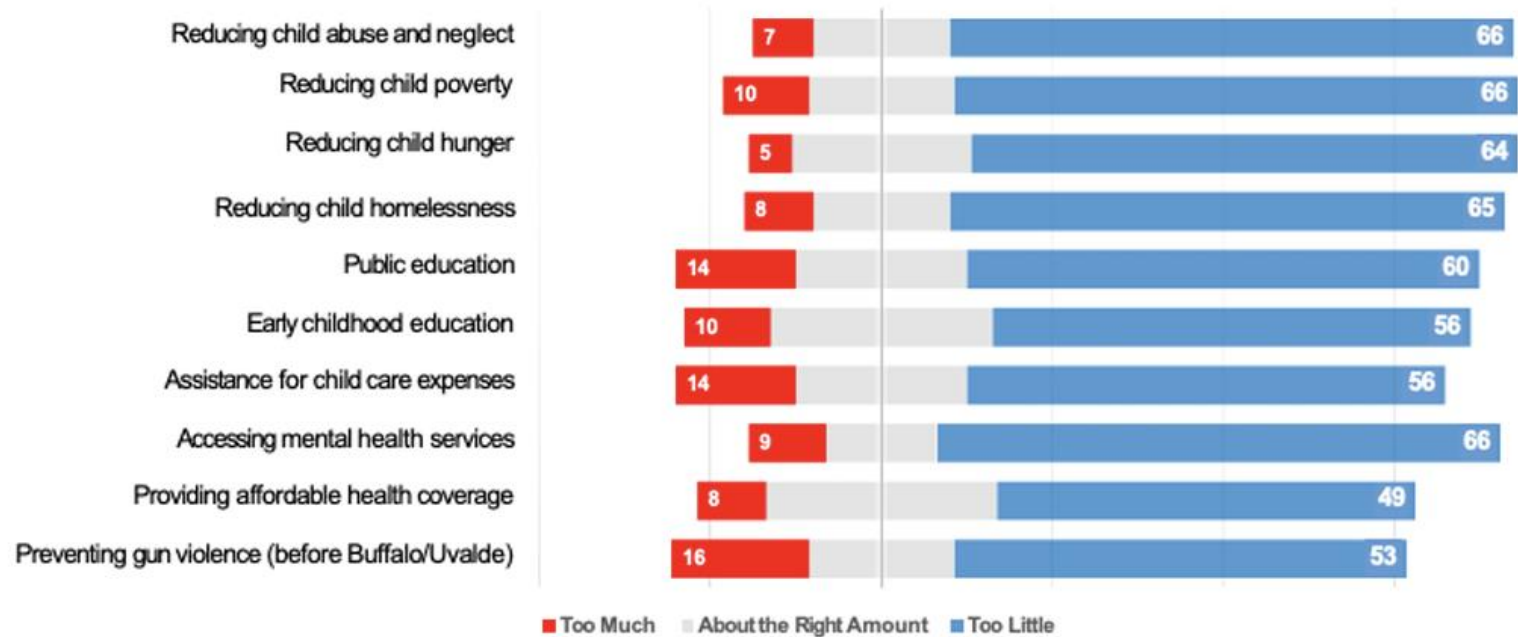


*Split sampled

LRP LAKE
RESEARCH
PARTNERS
Strategy Precision Impact

Even more voters think we are spending too little on children when it comes to specific problems.

Do you think the federal government spends too much, too little, or about the right amount on funding on the following?



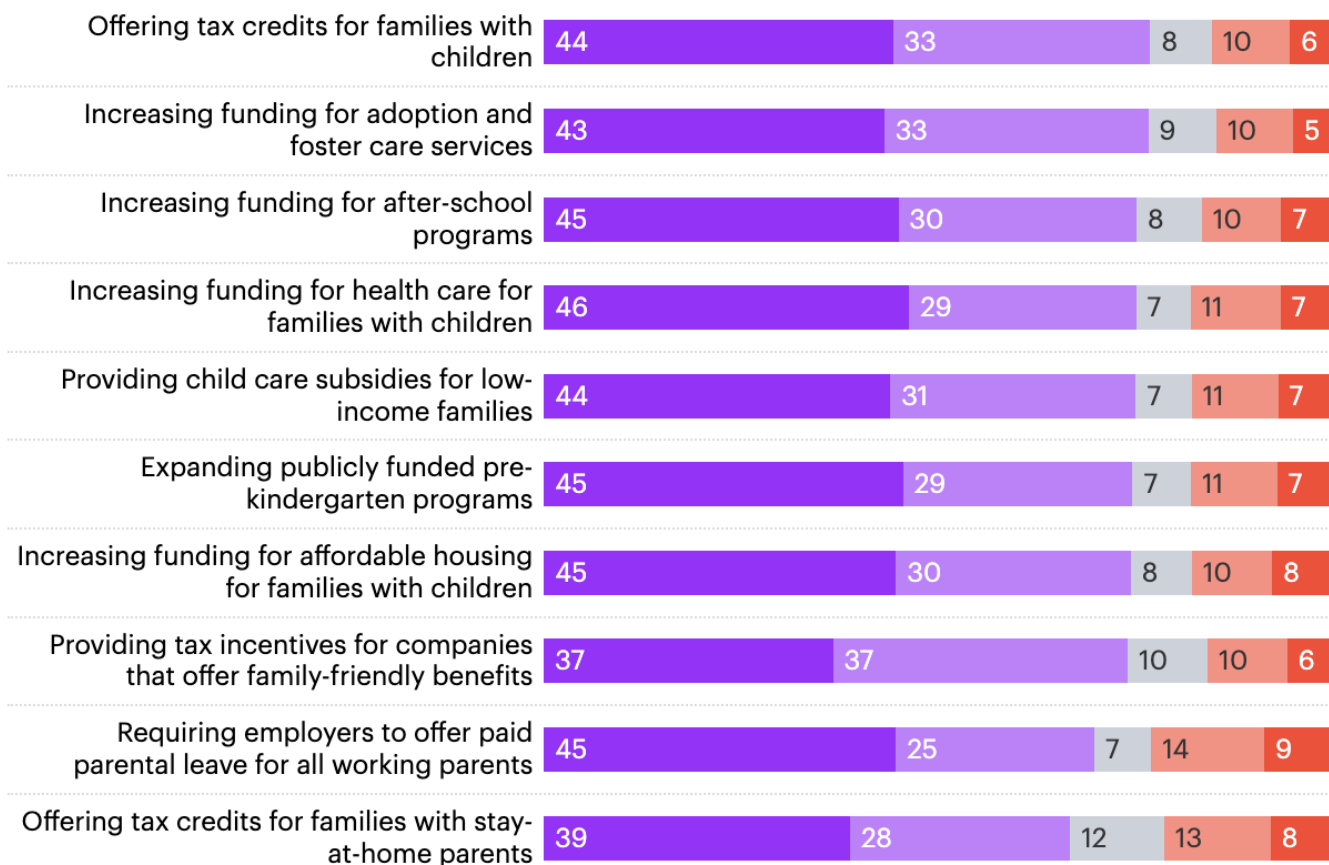
*Split sampled (except preventing gun violence)



Majorities of Americans support Congress passing 10 family-friendly policies

Would you support or oppose Congress doing the following? (% of U.S. adult citizens)

Strongly support Somewhat support Not sure Somewhat oppose Strongly oppose



YouGov

February 6 - 10, 2023



- **We expanded our ALL IN toolkit for educators with fact sheets in 7 languages to help families access important information on immigrant health coverage, public charge, and Medi-Cal enrollment and renewal.**



Children's Health Equity Issue Priorities 2025

Reimagining child well-being through a whole-child approach

POLICY ● RESEARCH ● COMMUNITY ENGAGEMENT

HEALTHY CHILDREN

- **Protect Medi-Cal coverage and ensure reforms work for children**, centering family, youth and community experience in health care systems.
- **Emphasize prenatal care and early childhood development as the foundation of life-long health and well-being**, including healthy pregnancy and birth, and address the health-related social needs of birthing people, families and young children ages 0-3.
- **Improve mental health and social-emotional well-being for children, youth and families through community-defined healing** that is liberating, trauma-informed, culturally responsive and gender-affirming.

OUR VISION

All children, regardless of their race, ethnicity or place of birth, have the resources and opportunities they need to grow up healthy and thrive.

STRONG, ECONOMICALLY STABLE, CONNECTED FAMILIES

- **Improve access to a stable, affordable and safe place to call home**, including stronger protections for tenants, more investments in deeply affordable housing, and increased power of people most impacted by housing insecurity.
- **Ensure access to affordable broadband, devices and digital literacy to open doors for all children and families** to health care, education, employment, housing and public benefits.
- **Provide financial support to children and families experiencing income instability**, including cash aid, tax credits, trust and savings accounts, and other cash supports.
- **Recognize and support reparations as an opportunity for change**, a fundamental component of addressing racism and its systemic effects, and pursuing equity and healing.

SAFE & WELCOMING COMMUNITIES

- **Increase community power by bringing health care into the community and the community into health care through a community-based health workforce** including community health workers, promotores, community representatives, peers, doulas and home visitors.
- **Build strong, well-resourced schools and early learning programs that foster a sense of belonging for all children and families, as well as nurture the whole child** with mental health supports, programs grounded in cultivating cultural identity and youth development, and dual immersion/multilingual programs.
- **Create safe spaces for children in immigrant families and their unique experiences**, fostering environments that strengthen enrollment in health, early learning and social services.
- **Transform public systems to eliminate barriers and improve access** to health, food, housing, mental health, income and social supports.

We can create anti-racist policies that protect and improve the health and well-being of children, and center children and families from Indigenous, Black, Latine, Pacific Islander, Asian American and mixed-race communities.



**ALL IN FOR
SAFE SCHOOLS**
SAFE SPACES,
STRONG FUTURES



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We awarded
\$8 million to 8 CA
high schools
for Peer-to-Peer
Youth Mental Health,
with DHCS

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“And how are the children?”

- A traditional greeting of the Maasai people of Kenya

