

THE ELDERLY AND THE EXTENDED HOUSEHOLD IN PORTUGAL: AN AGE-PERIOD-COHORT ANALYSIS

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OVERVIEW

- **Stresses the consequences of an aging population, coupled with changing in household composition caused by various factors such as urbanization, the changing role of women in the workplace, and more work and less leisure time.**
- **The living arrangements of the elderly in particular are an important determinant of their overall well-being; however, arguments can be made both for and against coresidence for the elderly, including increasing returns to sharing a house and assistance with living on the positive side, as well as loss of independence and authority on the negative side.**

METHODS

- **Utilizes the European Community Household Panel (ECHP) data from 1994 to 2001 for Portugal, focusing on individuals 65 and older, with the oldest cohort born in 1909 and the youngest in 1936.**
- **Calculates the separate Age, Period, and Cohort effects on household composition in Portugal; this APC methodology attempts to identify each of the three effects separately by substituting in for one (Period effects) and solving for the other two; details of the methodology are available in the paper.**
- **Using these effects, household composition trends are then forecasted into the future.**

AGING TRENDS

- **The percentage of the population in Portugal aged 65 or greater has more than doubled over the span from 1960 to 2001, making up 8 percent of the population in 1960 to 16.5 percent of the population in 2001.**
- **Furthermore, the ratio of those aged under 15 over those aged 65 or greater was as high as 3.70 in 1960, which is now as low as 0.96 in 2001.**

HOUSEHOLD TRENDS

- **During this time, household composition also changes.**
- **Nuclear HHs experience an overall 13% drop from 1994 to 2001, while Single HHs experience a 20% drop overall and the proportion of Extended HHs (not shown in figures) increased.**
- **Nuclear Household: a single person, a couple with no children, or parent/couple with all children 26 or less; Single Household: a single person, subset of Nuclear.**
- **Extended Household: households with siblings/children older than 25, with grandparents, grandchildren, and no parents, or with nephews or other relatives.**

Chart 1
Proportion of nuclear households

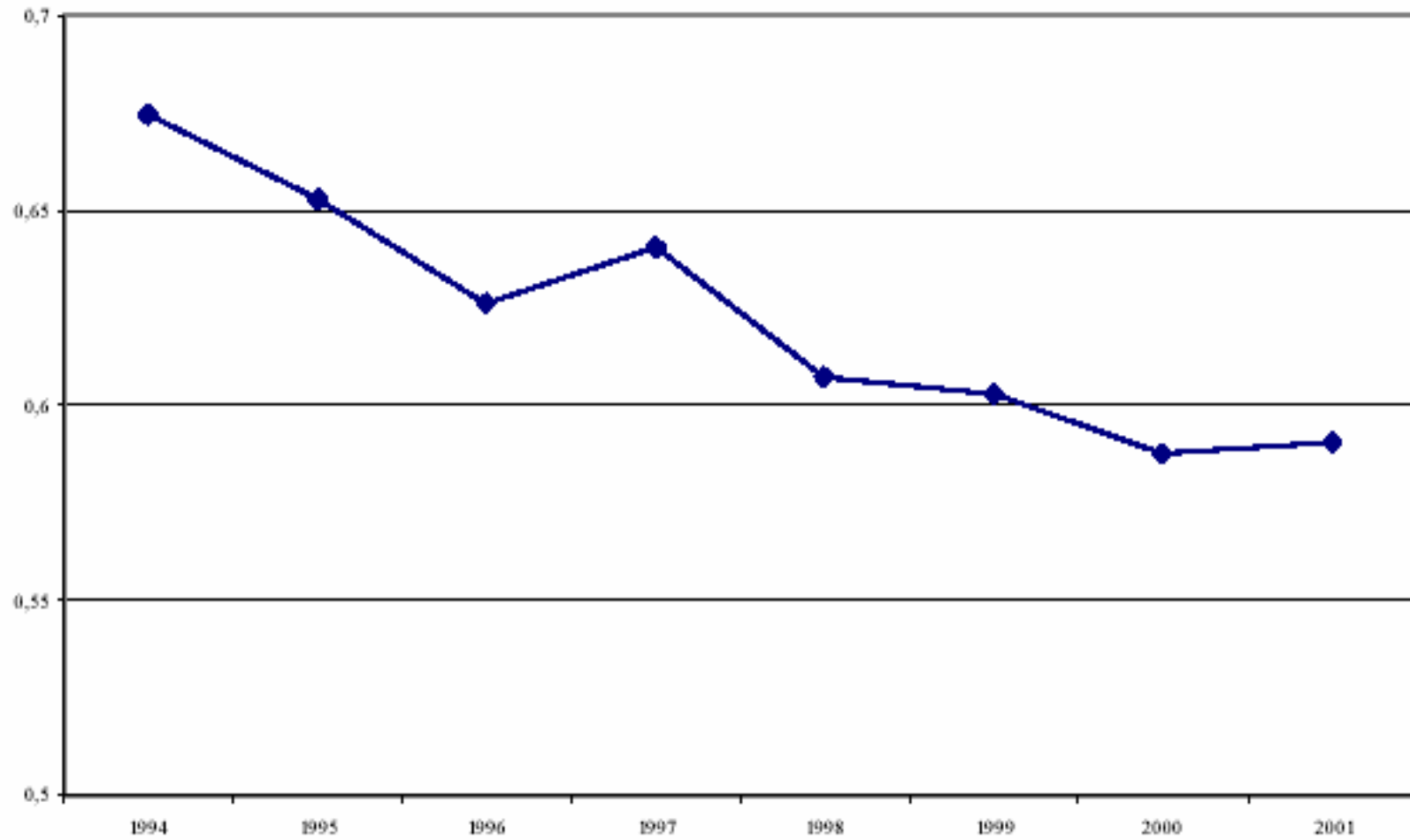
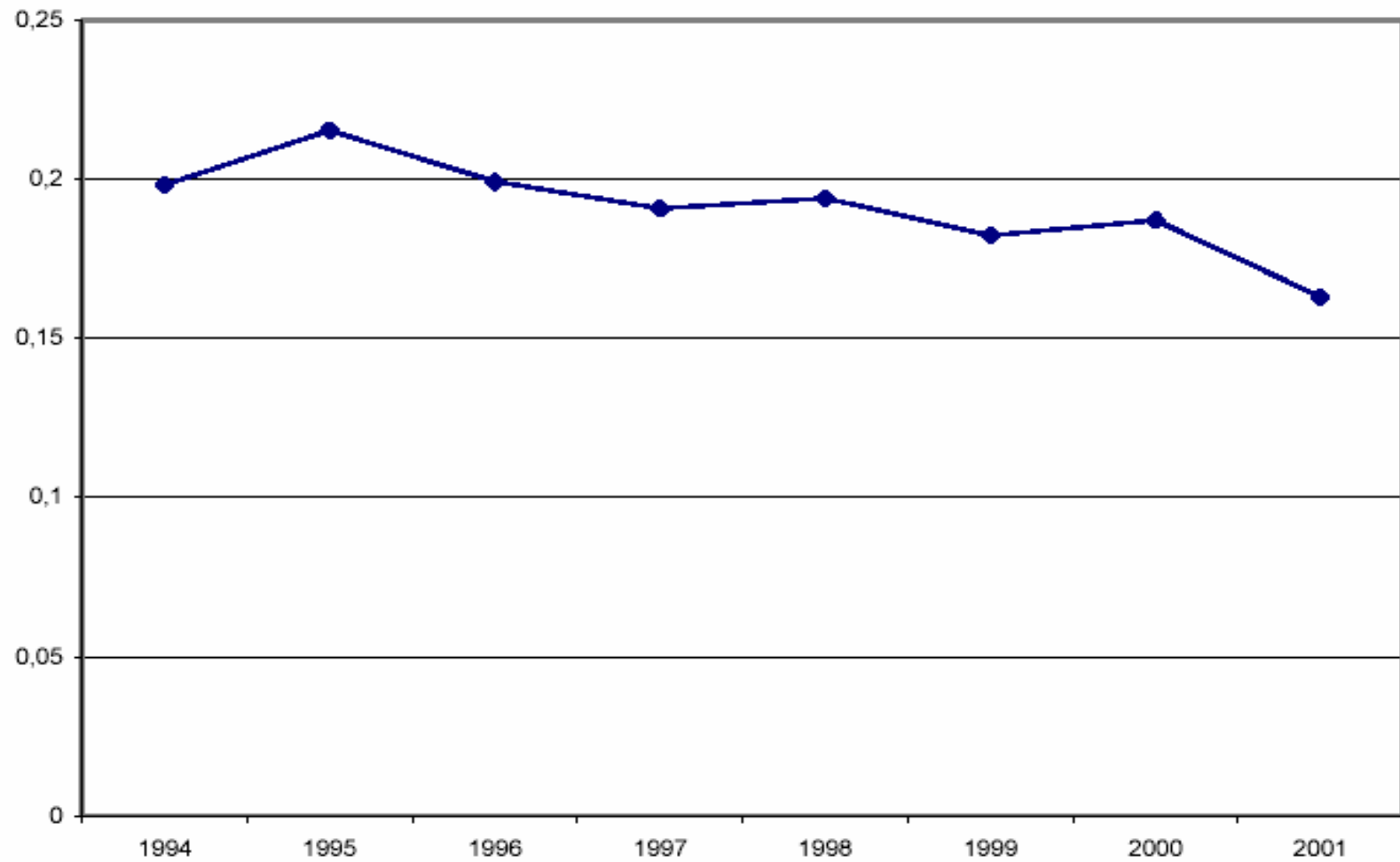


Chart 2
Proportion of single households



AGE, PERIOD, AND COHORT EFFECTS

- **Age and Cohort effects are shown in the following figures for both Nuclear and Single HHs.**
- **The Cohort effects are negative for both Nuclear and Single HHs, though the trend for Nuclear HHs is much more pronounced.**
- **The Age effects differ for Nuclear and Single HHs; the effect is negative for Nuclear HHs and is positive for single HHs (at least until age 80).**

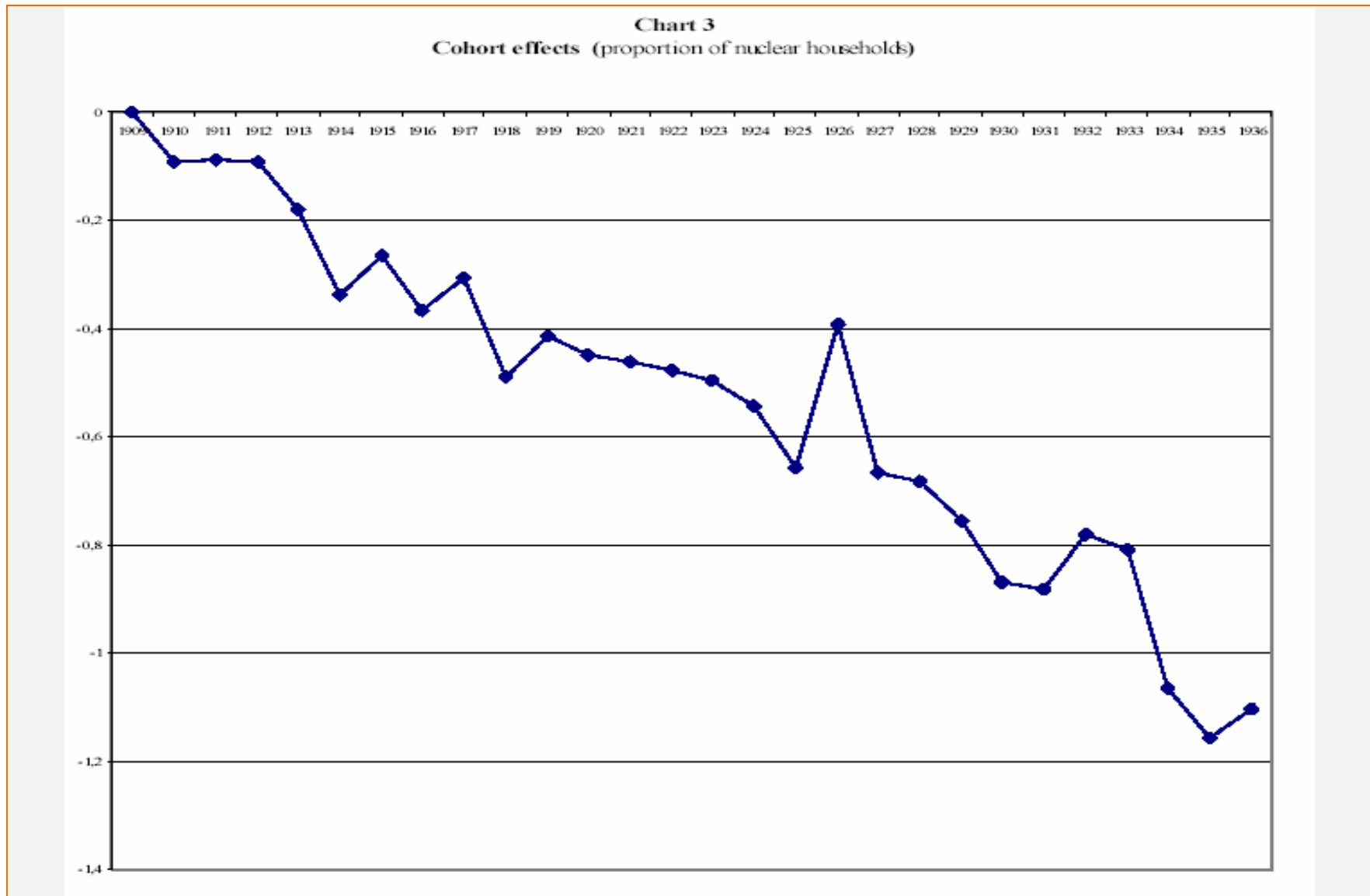


Chart 5
Cohort effects (proportion of single households)

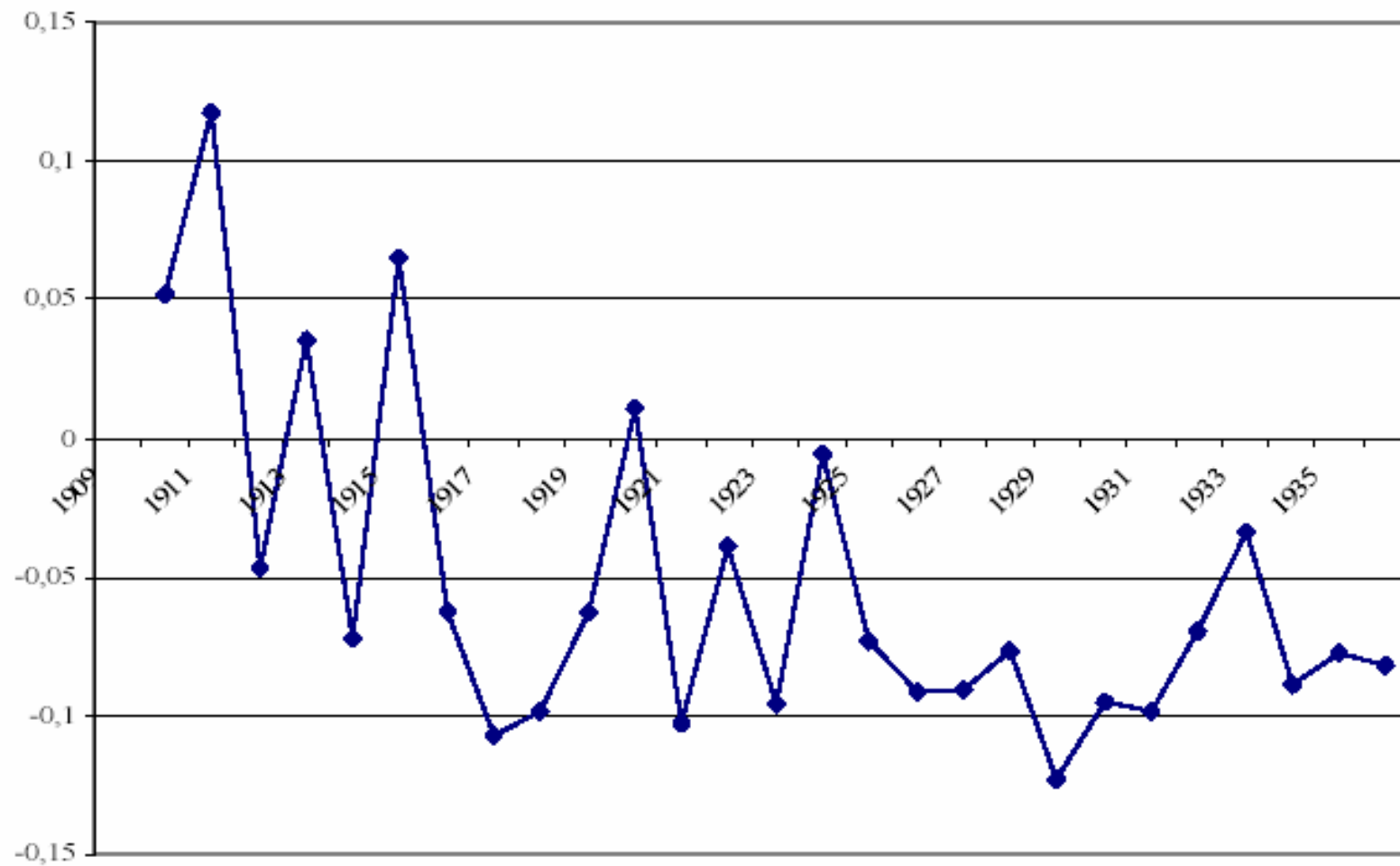


Chart 4
Age effects (proportion of nuclear households)

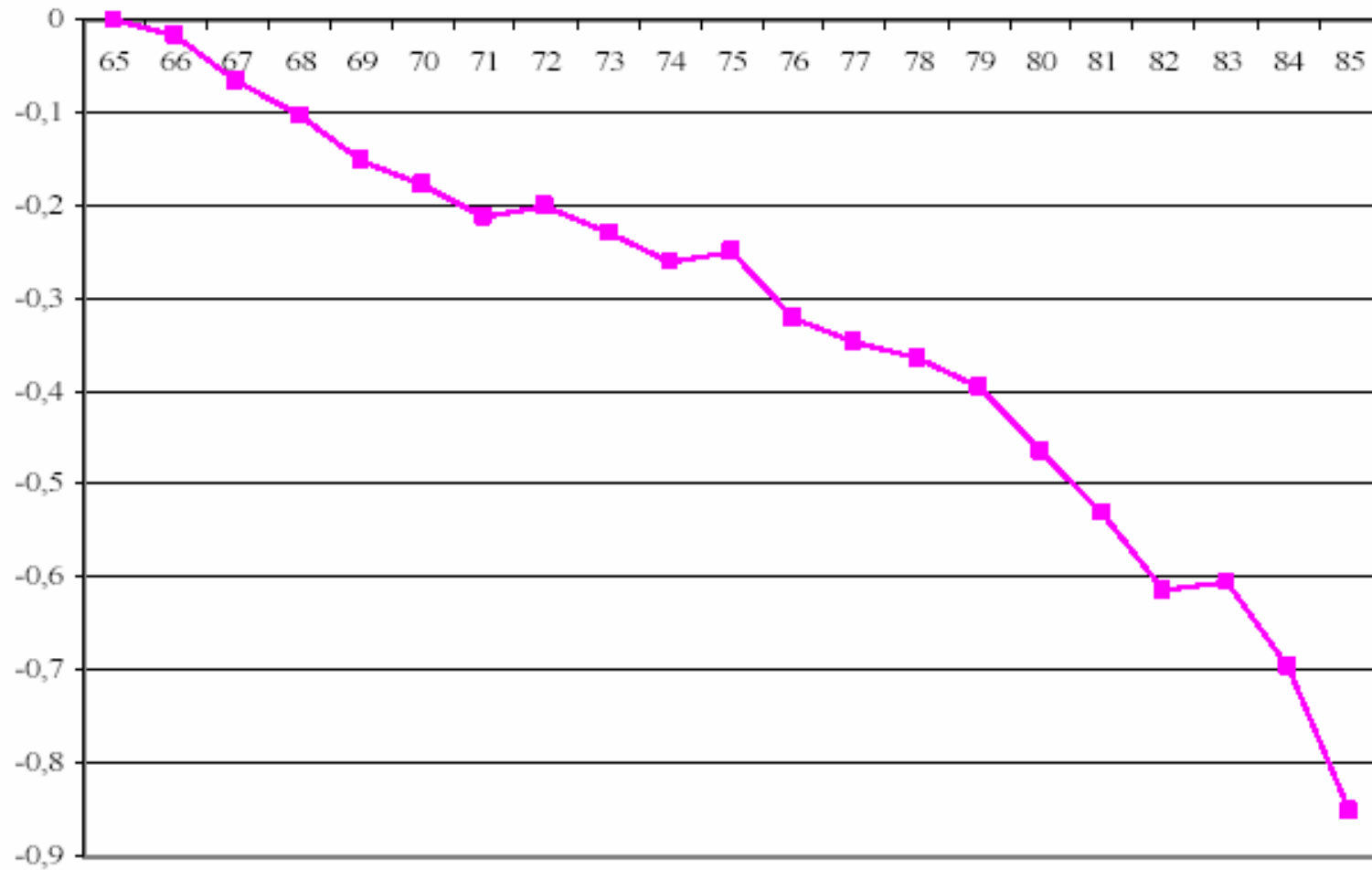
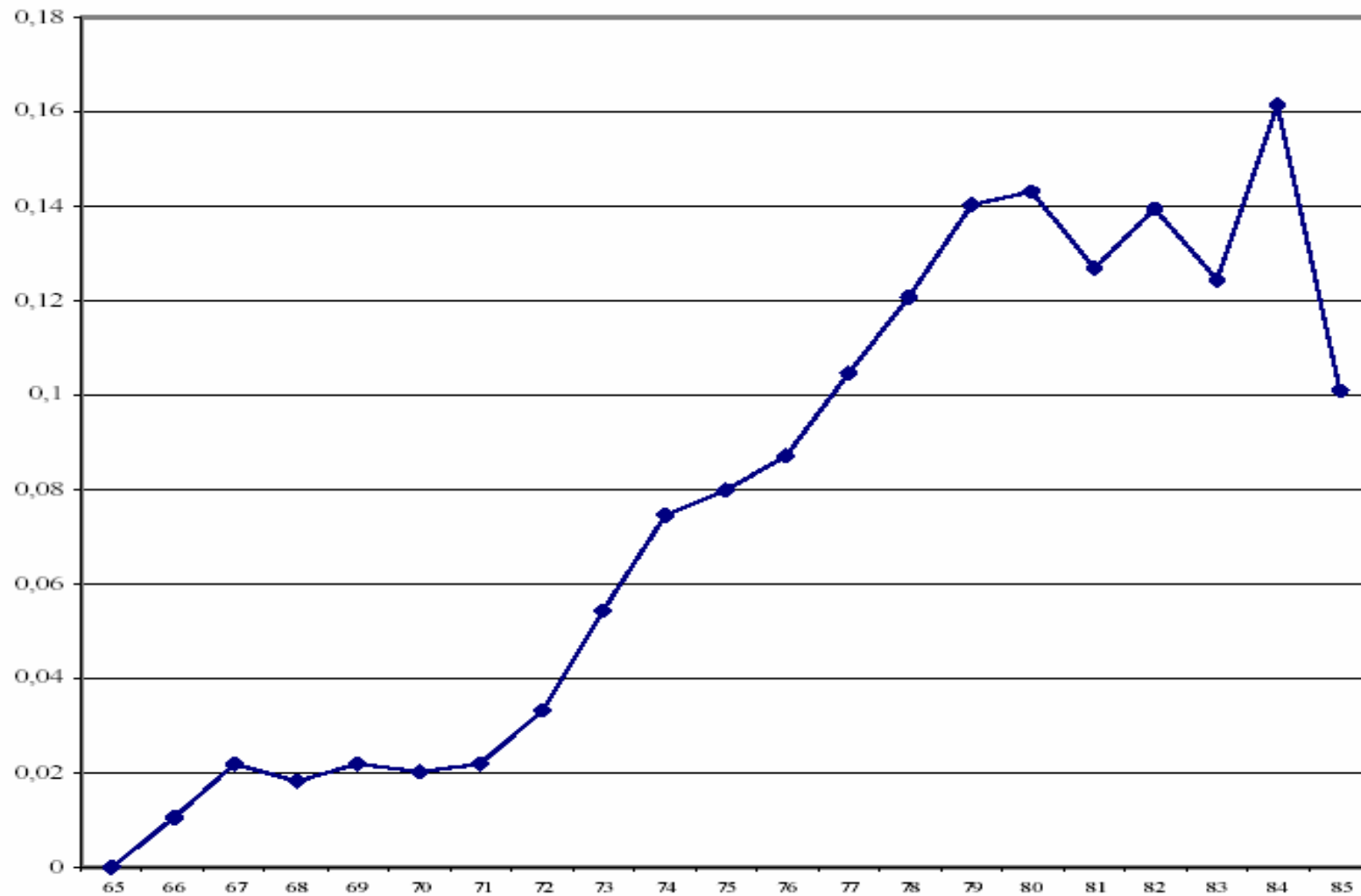
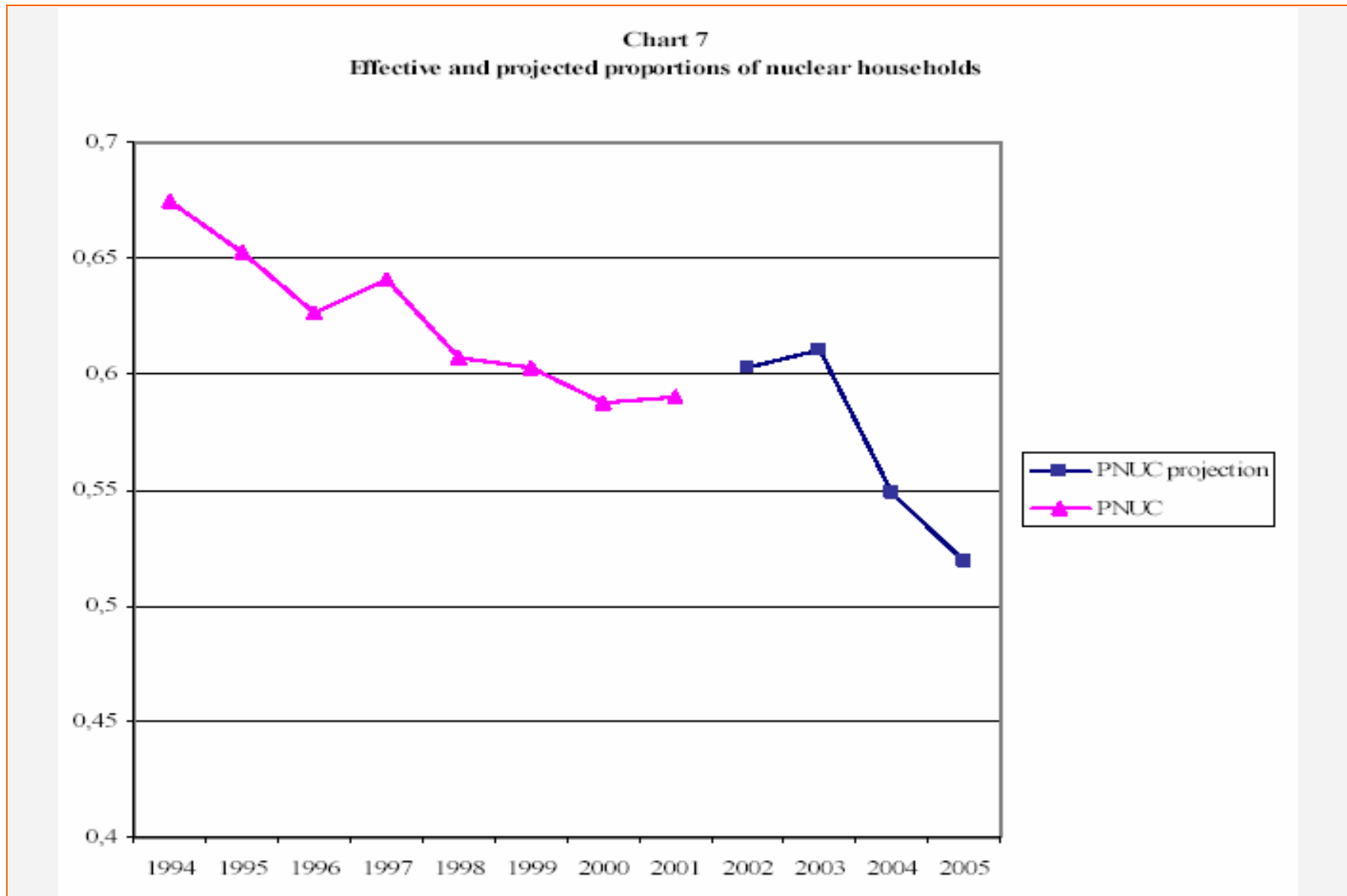


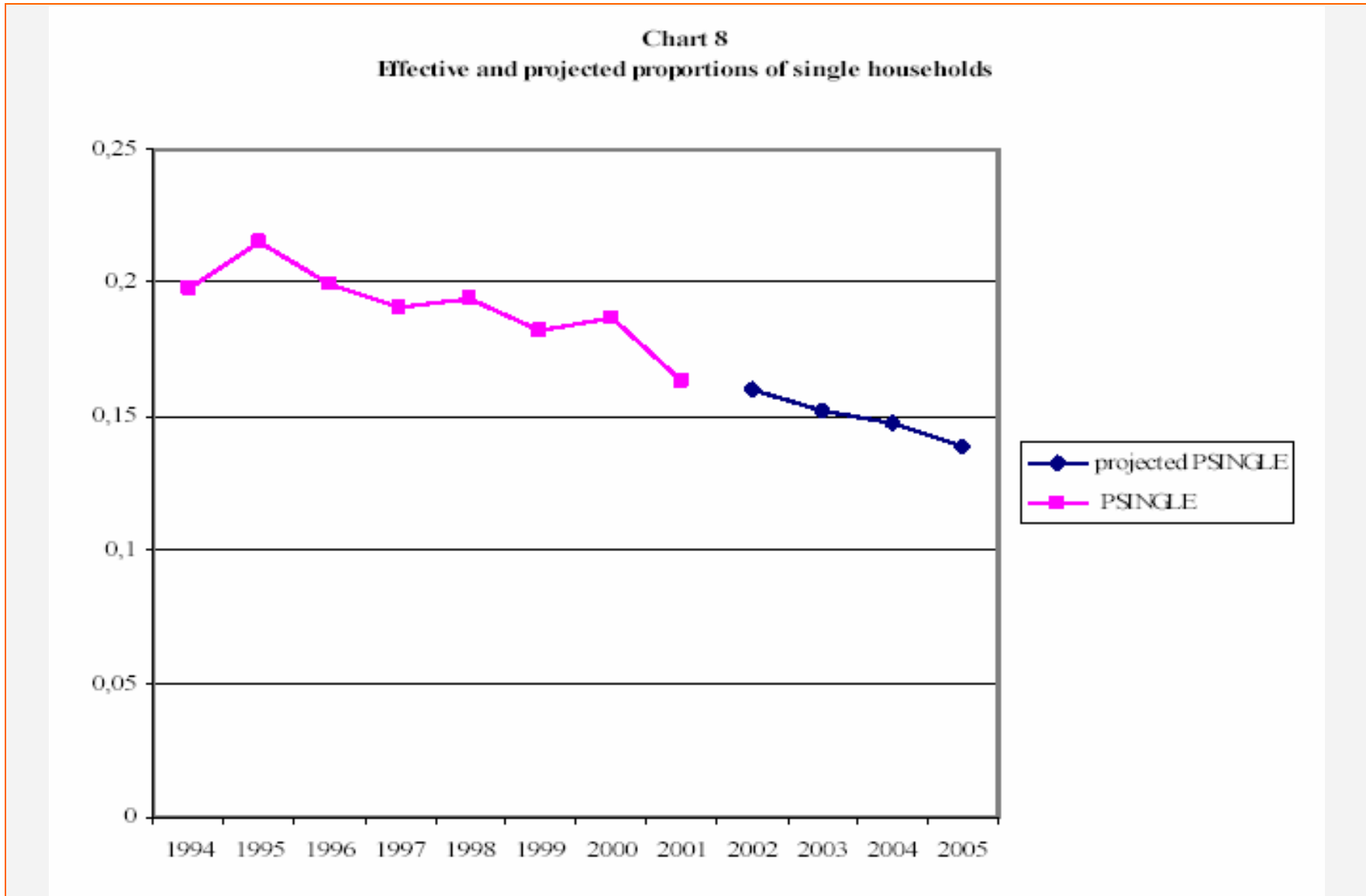
Chart 6
Age effects (proportion of single households)



PROJECTIONS

- **The previously calculated Age, Period, and Cohort effects are used to make future projections of the proportion of Nuclear and of Single HHs.**
- **Given the data on years 1994 to 2001, projections for household composition are created for the years 2002, 2003, 2004, and 2005.**
- **The declines in the proportions of both Nuclear and Single HHs among the elderly are found to continue into the near future.**





CONCLUSIONS

- **Declining trends are shown for the proportion of Nuclear and Single HHs, while more recent cohorts exhibit larger proportions of Extended HHs than previous cohorts.**
- **As individuals age, they tend to live more in Extended HHs, despite the fact that they increase their chances of living alone (at least until age 80) as shown through the Age effect.**
- **The trends in household composition are predicted to continue into the near future for Portugal.**

DISCUSSION

- **The largest unanswered question is: which factors are causing these changes to take place? And to what extent is each factor significant?**
- **Also, are these changes in household composition and the sizes of their various measured effects a Portugal-specific phenomenon?**
- **What does this all mean in terms of policy responses for Portugal? What would this phenomenon mean for other countries in similar situations? How do we weigh arguments both for and against coresidence for the elderly?**