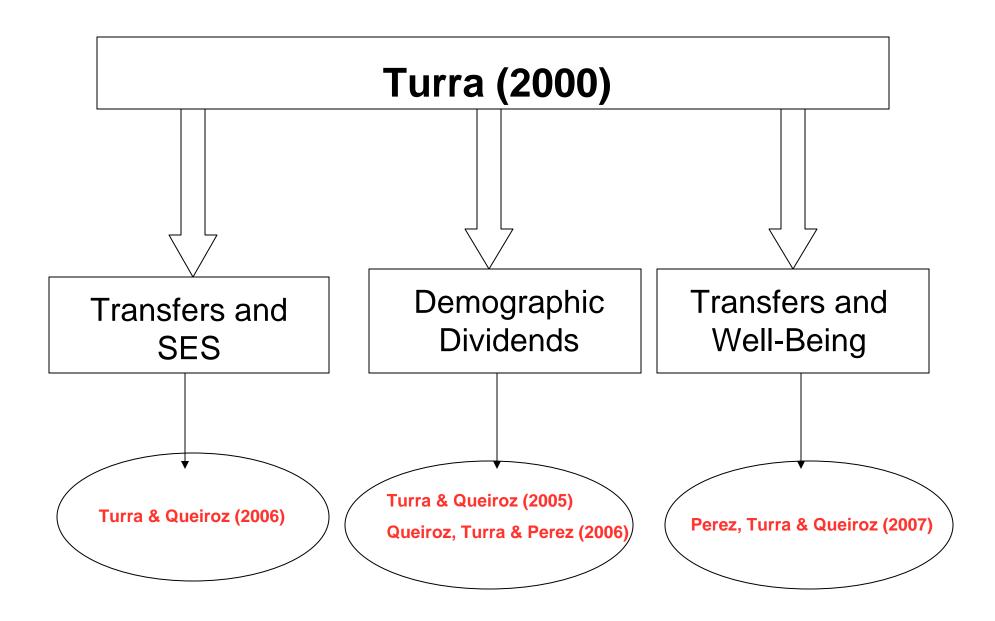
The Evolution of the National Transfer Accounts in Brazil

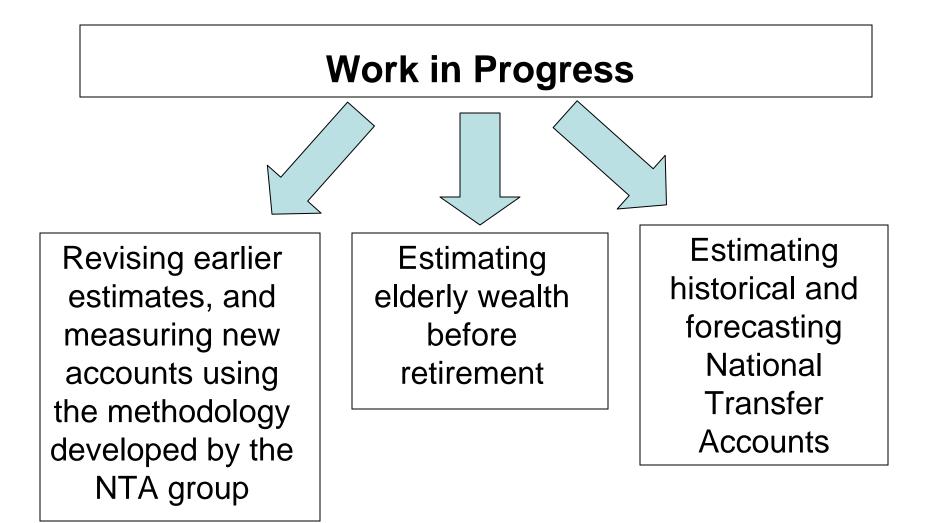
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Objectives

- Present the evolution of the study of intergenerational transfers (NTA Accounts) in Brazil;
- Discuss the main findings of our research and show where we are going;
- Point out some issues we are facing in the Brazilian case





Turra (2000)

Master Thesis (under supervision of Rios-Neto)

- First study of intergenerational transfers in Brazil considering public and private sectors;
- Main findings: transfer flow in Brazil is upward, opposite to what is expected in a developing country;
 - Private Transfers are downwards. Families are important to finance consumption up to age 20;
 - Public Transfers: heavily towards the elderly.
 Social Security funds most of the elderly consumption.

Turra & Queiroz (2006)

Notas de Poblacion

- Provided a first look at socioeconomic differences in intergenerational transfers
- Main findings:
 - Private inter vivos transfers have greater importance for children, especially those of wealthier families
 - Children of poorer families rely more heavily on public transfers.
 - Elderly consumption, for all educational groups, depends largely on public transfers

Queiroz, Turra & Perez (2006) submitted

- Examined how age structure interacts with economic life cycle to generate economic growth
- Estimations of the first and second demographic dividends in Brazil;
- Main findings:
 - First dividend is almost gone
 - Brazil is not using potential of economic growth created by the first dividend, and it is not creating conditions to generate the second dividend;

Turra & Queiroz (2005) UN Expert Meeting

- Looked at the effects of changes in population age structure, labor market situation and retirement legislation on social security support ratio;
- Elderly support might be a critical area = compete with programs to children & substitute for savings
- Main findings:
 - Myopic View: policymakers have made decisions poorly grounded on a technical basis and overlooked the temporary nature of demographic transition
 - Changes in age structure provide extra time until consequences of population aging are critical
 - Changing minimum age at retirement and combating tax evasion can help preserve social security

Perez, Turra & Queiroz (2007) Papeles de Poblacion

- Examined how living with an elderly grandparent) can affect children's socioeconomic conditions (education and health status);
- Compared the situation in Brazil and Peru (because of big differences in public transfers);
- Main findings:
 - Results indicate that kids who share a house with grand-parent are better-off than those who do not (controlling for a set of demographic and economic variables);
 - Situation is even better if grand-parent receives social security benefits or any other sort of public transfer

Work in Progress

- What is the level and composition of wealth (private and public) an individual holds just before retirement in Brazil?
- How has been the evolution of the public transfer system in Brazil? Does it explain the patterns observed today?
- Revising the accounts previously estimated for 1996. Any changes in the estimates from adding new cash transfer programs?

Some Issues

- National Accounts (NIPA): some items are too aggregated in comparison to US and Taiwan;
- Still having some "strange" results when transforming five-year age groups in single age for some economic profiles;