

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)

Transfers and
SES

Turra & Queiroz (2006)

Demographic
Dividends

Turra & Queiroz (2005)
Queiroz, Turra & Perez (2006)

Transfers and
Well-Being

Perez, Turra & Queiroz (2007)

Work in Progress

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graph TD; A[Work in Progress] --> B[Revising earlier estimates, and measuring new accounts using the methodology developed by the NTA group]; A --> C[Estimating elderly wealth before retirement]; A --> D[Estimating historical and forecasting National Transfer Accounts];
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Revising earlier estimates, and measuring new accounts using the methodology developed by the NTA group

Estimating elderly wealth before retirement

Estimating historical and forecasting National Transfer Accounts

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;