



From Generation to Generation: Grandparents Imparting Lessons, Legacy, and Love

A MetLife Survey of African-American, Asian Indian,
and Chinese Grandparents

June 2010

The MetLife Mature Market Institute®

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57 Greens Farms Road
Westport, CT 06880
(203) 221-6580
MatureMarketInstitute@MetLife.com
www.MatureMarketInstitute.com

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Overview

Whether they are called “Grandma” and “Granddad,” “Grandma” and “Dada,” or “Pau Pau” and “Yeh Yeh,” grandparents embody a critical cultural and financial link uniting their heritages, their families, and the future. In *From Generation to Generation: Grandparents Imparting Lessons, Legacy, and Love*, a nationwide survey of African-American, Asian Indian, and Chinese grandparents, the MetLife Mature Market Institute (MMI) uncovered both distinctive cultural hallmarks as well as underlying universal values that grandparents share with both their adult children as well as their grandchildren. They also share generously of their time, caring, wisdom, and often their financial resources. Generally, however, in comparison to cultural and family issues, they feel more comfortable in an indirect role in advising their adult children and grandchildren on financial matters.



Many of the results of this survey parallel findings from the 2009 MMI survey *Grandparents — Generous with Money, Not with Advice*. Grandparents are active and generous with both their grandchildren and their own adult children. This survey also discovered that grandparents serve as a rich trove of resources and guidance in reinforcing basic cultural, religious, and personal/family values such as honesty, good behavior, and education, which are the foundation of both personal development within their family, as well as within their broader cultural community.

Key Findings

Wide Agreement About Passing Down Important Values

Cultural

- There is consistency among the grandparents on what cultural values they seek to pass down to their children and grandchildren. The most frequently cited were heritage/ancestry (80%), cultural beliefs (79%), holiday traditions (78%), and customs (77%).

Personal/Family

- Grandparents in all three groups identified similar personal and family values that were highly important, with honesty (97%), education (96%), and good behavior (96%) leading the way.

Popular Names for Grandparents

- “Grandma” (28%) and “Granddad” (17%) are the most popular names among African-American grandparents, while “Grandma” (13%) and “Dada” (18%) top the list for Asian Indian families, and “Pau Pau” (16%) and “Yeh Yeh” (18%) for grandparents among Chinese households.

Time and Caregiving Define the Generations

- About one-third (32%) are providing direct caregiving for their grandchildren, typically to one or two grandchildren. Primarily, care is given daily (54%) or several times per week (30%).
- More than half (53%) spend 10 hours or more a week with their grandchildren, with many (11%) who are living in the same household with grandchildren.
- The median number of hours spent with adult children each week is 10 hours for all three groups.

Financial Concerns for Grandchildren

Education Costs Are a Leading Concern

- Across all three groups, education costs (49%) and health costs (21%) are the two main financial concerns for the future of their grandchildren.

Support Now Trumps Legacy Later

- Grandparents among the three groups studied exhibited a preference for distributing smaller gifts throughout their lifetimes (46%) in comparison to leaving a larger sum as a legacy at death (28%). However just over one-quarter (26%) indicated that they were unsure about their choice in this matter.
- Of those who responded, 62% prefer to provide smaller financial gifts as needed compared to 38% who prefer to leave a larger sum as a legacy. This is somewhat lower than the results from the 2009 poll of all grandparents where 78% prefer to gift as needed and 22% would rather leave a lump sum.

Some Grandparents Push for Basic Economic Protection for Grandchildren

- Overall, more than a third (37%) have encouraged or spoken to their adult children about how life insurance can protect the future of their grandchildren.
- Significantly more African-Americans have spoken about the benefits of life insurance (69%). Fewer Chinese (18%) and Asian Indians (23%) have had these conversations.
- Few Chinese and Asian Indians would consider buying life insurance for their adult children to protect their grandchildren's financial security (7%–8%). Over a third (39%) of the African-Americans would consider it.

Providing Financial Assistance

“Cash Is King” As Financial Support and Gifts

- Just over a third (36%) have provided financial assistance to their grandchildren in the past five years.
- There are cultural differences related to providing this financial support — the majority (65%) of African-Americans have provided assistance, compared to 12% of Chinese, and 31% of Asian Indians.

- Of those who have provided assistance, almost half (49%) have given less than \$5,000.
- The primary form of assistance has been cash or in-kind gifts, results which are similar to what was found in the 2009 survey.

Reasons for Assistance

- Education (36%) and general support (43%) are the main reasons for the support from grandparents, which is similar to the 2009 survey. Other top reasons include car purchase/lease (12%) and life event (10%).

Many Grandparents Sacrifice

- About three in 10 (29%) of those providing assistance have increased the amount as a result of the current economic conditions, consistent with 2009 survey results (26%).
- A similar percentage (28%) report the assistance is having a negative impact on their own finances.
- Twenty-seven percent report they used to provide support, but can't anymore due to tight finances.

Grandparents Promote Sound Basic Financial Advice for Both Adult Children and Grandkids

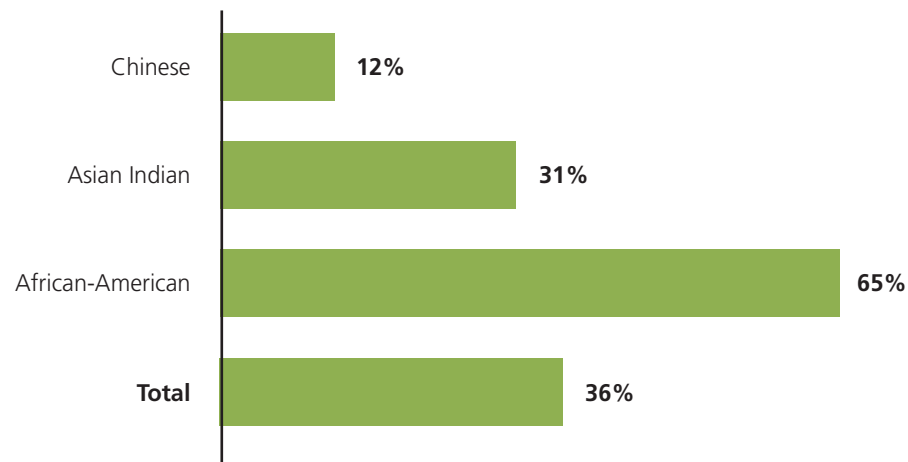
- About one-third are providing financial advice to their grandchildren, very similar to the 2009 survey where 32% were providing advice.
- Seventy percent of African-American grandparents are offering advice or guidance to their grandchildren, compared to 25% of Asian Indians, and very few Chinese grandparents (7%).
- Slightly more of the grandparents surveyed are providing financial advice to their adult children (45%). African-Americans (72%), especially, are more likely to give advice to their children, compared to Chinese (28%) and Asian Indians (34%).
- Saving for the future is a key message to grandchildren: the main reasons for the advice that grandparents are giving to their grandchildren across all three groups is to make sure they save and have guarantees against uncertainties. Saving is also a key message to the adult children across all groups; most advise about saving and investing early and not getting into too much debt.

Major Findings

Financial Assistance Sometimes Involves Real Sacrifice

Grandparents in the three groups surveyed are all providing their adult children and grandchildren ample amounts of their time, financial resources, and a living legacy of cultural and family values, albeit with some distinctive differences between the groups in terms of relative importance among these issues. For example, while overall 36% of grandparents provided financial assistance or monetary gifts to grandchildren directly or through their parents in the past five years, there was considerable difference between the groups. Almost two-thirds of African-American grandparents (65%) contributed in this way, while 31% of the Asian Indian grandparents did, and 12% of Chinese grandparents.

Figure 1: Provided Financial Assistance in the Past Five Years



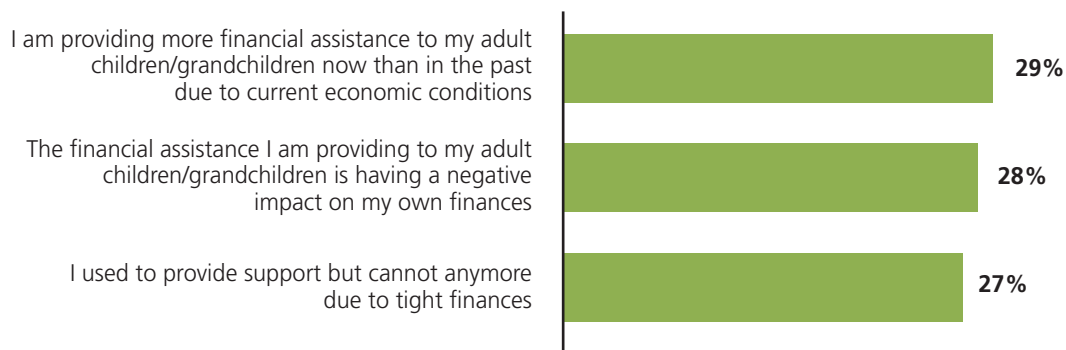
Among those who are providing assistance, almost half (49%) have given less than \$5,000 in the last five years, about one-quarter gave between \$5,000 to \$25,000, while 10% have contributed over \$25,000. Fourteen percent were unsure or declined to answer. In the 2009 survey of grandparents in the general population, 70% had given \$5,000 or less to their grandchildren, and only 4% had given \$25,000 or more. Although a much smaller percentage of Chinese grandparents have provided assistance, those who do tend to provide larger amounts of support, with 22% providing \$25,000 or more in the past five years.

Cash gifts are the primary type of support grandparents in all three groups provide, especially among Chinese (71%), and African-American (65%) grandparents. More African-American grandparents also make use of other means of support in comparison to Chinese and Asian Indians — 44% provide in-kind gifts (i.e., a car, furniture, computer), 20% use U.S. Savings Bonds, and 15% use life insurance proceeds. In-kind gifting is also frequently used by Asian Indian (24%) and Chinese (17%) grandparents as a form of support.

Overall, for those providing financial assistance, general financial support is the most frequent reason (43%), followed by support for education costs (36%). Other top reasons include a car purchase or lease (12%) and life events (10%). African-American grandparents (59%) are more likely to identify general support as the purpose for their assistance, in comparison to Asian Indian (21%) and Chinese (14%) grandparents. Education is a very consistent focus for Chinese (36%), Asian Indian (35%), and African-American (36%) grandparents.

Sometimes financial assistance goes beyond generosity to the point of a large proportion of grandparents making sacrifices on behalf of the financial needs and well-being of adult children and grandchildren. The economic turmoil of the past few years has certainly had such an impact on grandparents in these three groups who are assisting their own children and grandchildren. About three in 10 (29%) stated that they are providing more financial assistance now than in the past due to these economic conditions, consistent with what was found in the 2009 survey where 26% of grandparents agreed that this was the case.

A similar result is evident, primarily among Asian Indian and African-American grandparents, regarding those who are experiencing a negative impact on their own finances, with 28% identifying this as a consequence of their support for their family. More than one-fifth (22%) of all grandparents had identified this result in the 2009 survey. Similar evidence of financial duress for some is that in general 27% stated that they used to provide financial assistance, but can no longer do so due to restrictions on their own finances, especially among African-American grandparents.

Figure 2: Personal Impact of Financial Assistance

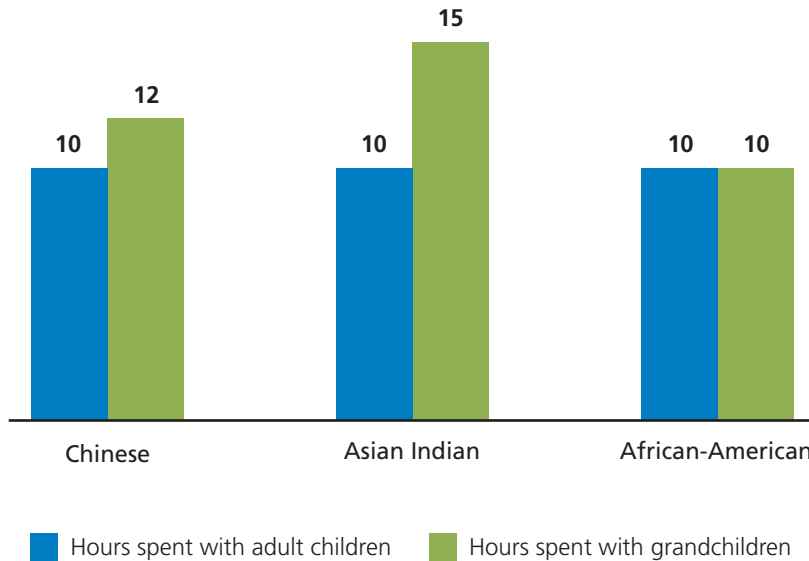
Building a Relationship — Money Isn't Everything

Caregiving goes along with caring, and grandparents extend themselves to their families with their time and caregiving as well as their money. Almost one-third (32%) provide direct caregiving, typically to one or two grandchildren, with 15% of grandparents providing care for four or more grandchildren. Over half who provide direct caregiving (54%) do so on a daily basis, while another 30% are caregiving several times a week. Asian Indian (64%) and African-American (62%) grandparents are especially likely to be providing care on a daily basis. Nationwide, 2.5 million grandparents are responsible for their grandchildren's most basic needs (food, shelter, and clothing).¹ This number represents about 40% of all grandparents who live with their grandchildren.

The grandparents surveyed are spending a median (i.e., 50% spend more time, 50% spend less time) of 12 hours per week with their grandchildren, with over half (53%) who are spending 10 hours or more per week with their grandchildren. A sizable minority (11%) spend 60 hours or more a week with their grandchildren, indicating that they may in fact be living in the same household as their adult children and grandchildren. The monetary value of this level of caregiving assistance is significant in addition to their direct financial contributions.

¹ Facts for Features: "Grandparents Day 2008," U.S. Census Bureau, July 7, 2008.

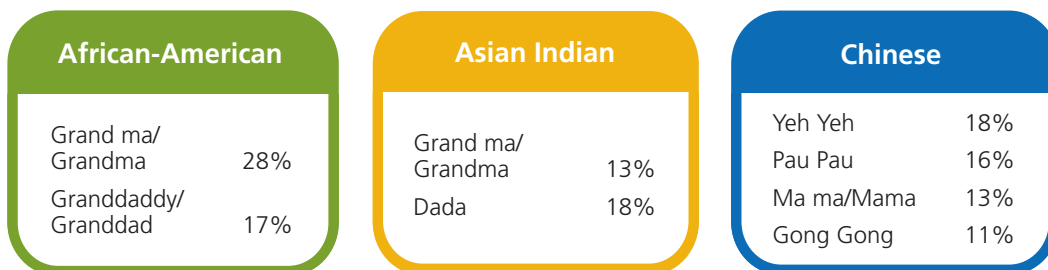
Figure 3: Median Hours Spent with Adult Children and Grandchildren Per Week



Similar patterns emerge in time spent with adult children, with 38% of grandparents overall spending less than 10 hours, and another 21% spending between 10–20 hours. The median number of hours spent with adult children is 10 hours per week.

Another family relationship builder within a multicultural perspective is that each culture has its favorite endearing name for grandparents. While there were myriad alternatives in this survey, a few front-runners emerged with the three groups. The main names for African-Americans were “Grandma” and “Granddad,” while Asian Indians were most likely to use “Grandma” and “Dada,” and Chinese grandparents use “Pau Pau” and “Mama” for grandmothers and “Yeh Yeh” and “Gong Gong” for grandfathers.

Figure 4: Popular Names for Grandparents



Grandparents Agree About the Importance of Cultural and Family Values

Whatever their distinctive cultural perspective, there are some things grandparents seem to be on the same page about — the importance of cultural values and expression, and personal/family values. The most frequently identified personal and family values grandparents seek to instill in their children and grandchildren are honesty (97%), good behavior (96%), appreciation for education (96%), good health (95%), and self-sufficiency (94%). These are followed very closely by preserving family relationships (92%), diligence (91%), and creating financial security (89%). The relative importance of these core personal and family values are commonly and dramatically shared among grandparents in all three groups surveyed, with a difference in only the area of financial security, which was endorsed very highly by all three groups, but more so among Asian Indian (92%) and African-American (91%) than Chinese (84%) grandparents.

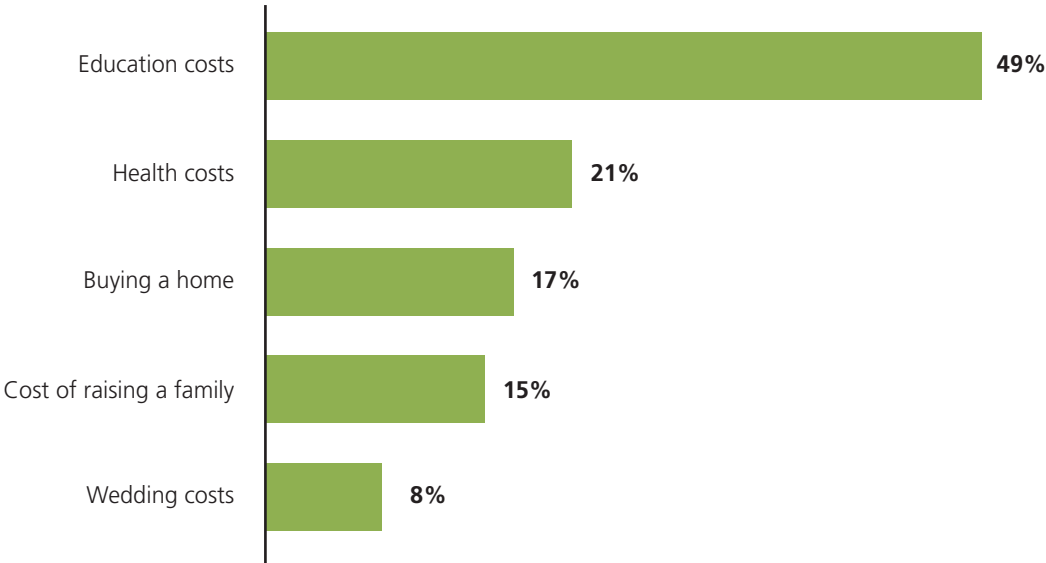
Similar patterns emerged among the cultural values grandparents strive to instill in their children and grandchildren. Overall, cultural values about heritage and ancestry (80%), cultural beliefs (79%), holiday traditions/observances (78%), and customs (77%) were the most frequently cited. Somewhat fewer put emphasis on religion (70%), generally as a result of many fewer Chinese (38%) grandparents emphasizing this cultural value. In fact, Asian Indians and African-Americans generally placed more emphasis on these cultural issues than their Chinese counterparts although again all were overwhelmingly supported by all the grandparents.

Smaller but Steady Financial Support Is Preferred, Perhaps in Response to Their Concerns for Their Grandchildren

Grandparents among the three groups studied exhibited a preference for distributing smaller gifts throughout their lifetimes (46%) in comparison to leaving a larger sum as a legacy at death (28%). However more than one-quarter (26%) indicated that they were unsure about their choice in this matter, possibly indicating that they are taking a wait-and-see attitude about distributing their support. Of the grandparents who responded, 62% prefer to provide smaller financial gifts as needed compared to 38% who prefer to leave a larger sum as a legacy. These results are somewhat lower than the results from grandparents in the general population in 2009, where 22% preferred a lump sum, while a much larger majority (78%) intended to provide smaller gifts over their lifetimes.

There may be some explanation for these consistent results in grandparent financial concerns for their grandchildren's future. Education costs were cited by almost half of all the grandparents (49%) as their major concern, followed by health costs for their grandchildren (21%), buying a home (17%), and the cost of raising a family (15%). Many more African-American grandparents (82%) placed a particular emphasis on education in comparison to the other groups. Since educational costs may take place at different times for their grandchildren while the grandparents are still living, along with the fact that the grandparents are relatively young (the average age is 62.3), smaller, more targeted support strategies may allow grandparents to exert more selective control over their own resources and financial assistance provided.

Figure 5: Top Five Financial Concerns for Grandchildren

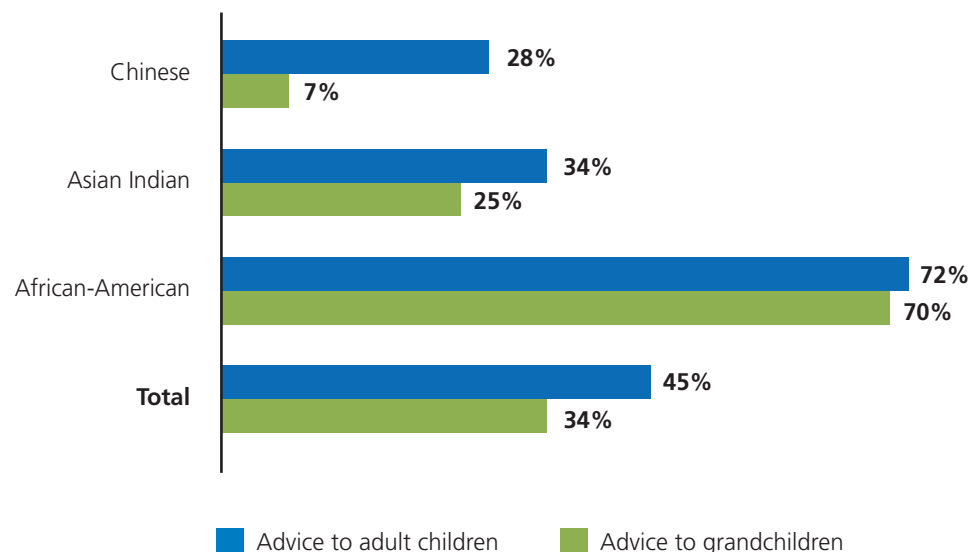


Grandma and Grandpa: Still a Great Source of Financial Wisdom (and Very Often the Kids Actually Listen!)

Overall, about one-third (34%) of the grandparents surveyed are providing financial advice to their grandchildren. African-American grandparents take the lead in comparison to the other groups surveyed when it comes to dispensing financial advice to grandchildren, with 70% doing so, making them more than twice as likely as either Asian Indian (25%) or Chinese (7%) grandparents to do so. Chinese grandparents were also much more likely to be providing advice directly to their adult children rather than to grandchildren, while Asian Indians were somewhat more likely to include grandchildren. The results for these two groups are closer to the findings from the 2009 study, where approximately 68% of grandparents did not share advice on financial matters. African-American grandparents typically feel that their entire immediate family can benefit from their advice, and so a large majority of them spread it generously.

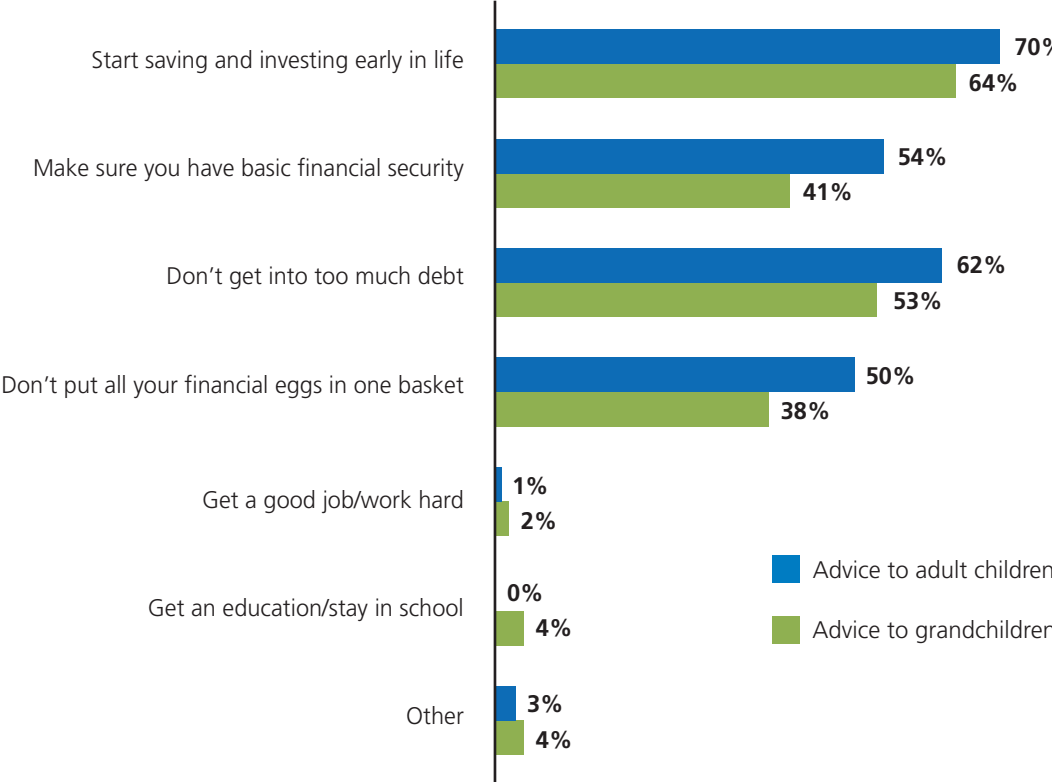
The major reason among the three groups for not providing advice is concern that their grandchildren may be too young to understand the advice they might provide. In the case of not talking with their adult children, a significant percentage (38%) of them are concerned that they don't know enough about financial issues while over one-quarter (28%) feel that their children are not interested.

Figure 6: Provide Financial Advice to Adult Children and Grandchildren



When they do provide advice, their emphasis on basic and sound financial principles emerges very prominently, as it did in the 2009 study. Starting early in the practice of saving and investing is their key message, with almost as many recommending maintaining control over the amount of debt incurred. Having basic financial security through essential financial products such as savings accounts, life insurance, employer pensions, and IRAs is another, followed closely by spreading out risk through a diverse financial product mix.

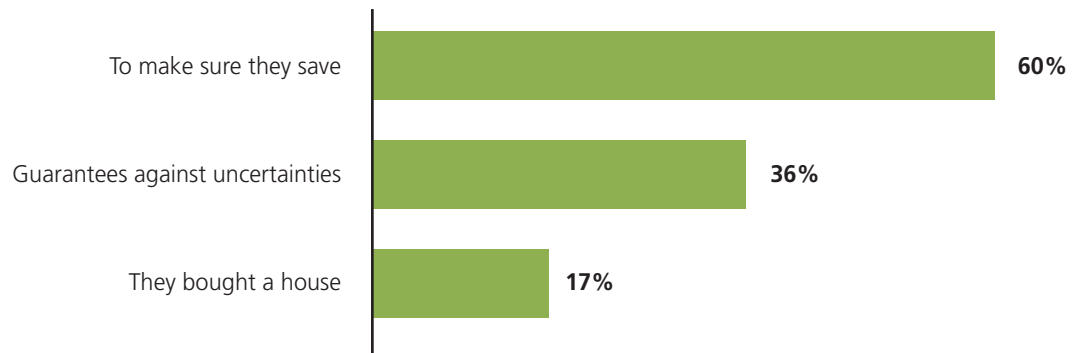
Figure 7: Types of Financial Advice to Adult Children and Grandchildren



The reasons for grandparents delivering this message are also instructive in helping prepare their families for a sound financial future. The top reasons cited by grandparents in all three groups were to ensure that their grandchildren begin saving (60%), and to help them establish guarantees against future uncertainties (36%). A smaller percentage (17%) identified more immediate decisions such as a home purchase.

Grandparents seem to be helping their children and grandchildren think long-term with sound fundamental financial principles, perhaps grounded in dealing with the financial uncertainties of the past few years still fresh in their minds.

Figure 8: Top Three Reasons for Financial Advice to Grandchildren



These basic tenets of sound financial planning, and essential financial literacy issues delivered by a respected and beloved family member, and the reasons for grandparents delivering it, combine to have a real potential impact — a large majority of these grandparents actually find that their children and grandchildren follow their advice. Over half find that their adult children (52%) and grandchildren (54%) follow their advice frequently or most of the time. An additional 32% report that their grandchildren follow their advice at least sometimes, and 40% report the same for their adult children.

Experience Allows Grandparents to Speak with Confidence About Basic Financial Protection

Despite the self-perceived lack of knowledge about finances, the survey results also demonstrate that when grandparents have direct experience with financial products and strategies, they are potentially more willing to be direct and vocal with their advice. For example, 69% of African-American grandparents have spoken to their adult children about protecting the future needs and opportunities for their grandchildren through basic financial protection products such as life insurance. In contrast, 23% of Asian Indian and 18% of Chinese grandparents have done the same. Overall, 37% of the grandparents have had this discussion. Of those who have not spoken to their adult children about this issue, 33% of African-American grandparents would do so, while 13% of Asian Indian and 4% of Chinese grandparents would.

A possible explanation for some of this disparity may be in the higher rates of African-American grandparent life insurance ownership (61%), and potential ownership (11%) when compared to Asian Indian (35% and 3% respectively), and Chinese grandparents (44% and <1% respectively). Few Chinese and Asian Indians would consider buying life insurance for their adult children to protect their grandchildren's financial security (7%–8%), while over a third (39%) of the African-Americans would consider it.

In this case, familiarity may instill confidence, and the ability to open up direct conversation about the basic foundations of financial security for every generation.

Conclusion and Implications

The multicultural perspectives from three distinctive groups in this survey help reinforce fundamental realities of grandparenthood—they are willing contributors to the financial well-being, cultural foundation, and deep interpersonal relationships that define intergenerational family connections. As was discovered in 2009 in *Grandparents — Generous with Money, Not with Advice* for the general U.S. grandparent population, African-American, Asian Indian, and Chinese grandparents share many basic values about their legacy for their adult children and grandchildren, the major one being the transfer of important cultural roots and family/personal values which will ensure the future of many generations.

But the values go beyond simply ideas and traditions. It is also apparent in the practices of many of them such as providing financial support directly to their immediate family, even to the point of sacrificing their own financial security. It is there as well in the amount of time and direct caregiving they provide. The contributions of time, attention, and caring form the real basis of the bond and relationship within the family.

THE ESSENCE OF GRANDPARENT SUPPORT: CASH, CONTACT, AND CULTURE

It became evident through both of these surveys that generally grandparents clearly understand the importance of basic financial security. They demonstrate it through their reliance on fundamental financial protection through life insurance, savings, and pension/IRA products for themselves, and in their motivation for passing along advice about these products to their own children and grandchildren. The soundness of the financial advice they give, and their recognition of the importance of core socioeconomic realities such as education, savings, financial diversification, control of debt, etc.,

demonstrate that they can be a significant positive resource and influence on their families and broader communities.

Despite the wisdom of their advice, there is a very observable reluctance on the part of most grandparents to insert themselves directly between adult child and grandchild. However, family members and others who share a common cultural tradition may all benefit even more through expanded ways of handing down their knowledge and wise counsel to other generations. This may partly come in the form of increased financial literacy for grandparents, and better strategies for opening this conversation directly with their children and grandchildren.

Cultural distinctions do exist among the grandparent groups surveyed. Some of these may be from deeply ingrained traditions about the place of grandparents within the larger family context. There are some cultural differences in how directly grandparents demonstrate their influence and direct involvement with their adult children and grandchildren. Nevertheless, they are almost universally consistent in the basic values of respect and appreciation of traditions, customs, and beliefs they pass along to succeeding generations, and the important aspects of personal character such as honesty, good behavior, education, health, and self-sufficiency which they seek to instill in them as well. Since many grandparents feel that they are not well-informed about financial issues, better financial information and literacy could make them ambassadors of important financial information. The entire community could benefit from enhancing and expanding the opportunities for grandparents to extend their caring and generosity to their own families and beyond.

Methodology

The survey was conducted via telephone between February and March 2010, by Frank N. Magid Associates, Inc. The survey included grandparents age 45+ with grandchildren age 25 or younger. The sample was comprised of 200 African-American grandparents, 200 Asian Indian grandparents, and 201 Chinese grandparents. Interviews were conducted in English, as well as Mandarin and Cantonese for the Chinese respondents. Data were weighted to be representative of African-American, Asian Indian, and Chinese adults age 45+ within the U.S. population.

Demographics

	Total	Chinese	Asian Indians	African-Americans
Gender				
Male	49%	48%	53%	47%
Female	51%	52%	47%	53%
Age				
45–54	7%	4%	3%	14%
55–64	34%	32%	34%	37%
65+	59%	64%	63%	49%
Average Age	62.3	63.1	63.0	60.9
Marital Status				
Married	71%	81%	81%	50%
Widowed	14%	13%	7%	20%
Divorced	5%	<1%	0%	14%
Single	4%	1%	0%	11%
Separated	1%	<1%	0%	2%
Household Income*				
Under \$35K	45%	65%	25%	37%
\$35K to less than \$50K	18%	11%	22%	21%
\$50K to less than \$75K	16%	9%	23%	19%
\$75K or more	22%	15%	30%	23%
Education				
Some high school or less	21%	41%	10%	13%
Completed high school	21%	22%	12%	28%
Some college	12%	6%	7%	24%
College graduate	20%	21%	22%	16%
Some graduate work	2%	<1%	2%	2%
Graduate degree	17%	6%	31%	13%
Employment Status				
Employed	26%	24%	22%	32%
Unemployed	3%	1%	3%	7%
Retired	56%	63%	53%	53%
Homemaker	7%	11%	7%	3%

*of those who responded

Percentages may not total 100% due to rounding or non-response.

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200 Park Avenue, New York, NY