

Introduction

Despite the growing body of research on grandparent households, a representative portrayal of how children fare in multigenerational households is noticeably absent in the literature. The bulk of research on grandparent households examines the wellbeing of parents as the “sandwich generation” caught between the demands of their children and aging parents (e.g., Dressel 1996) or of grandparents as the “guardian of the generations” with declining mental and physical health as a result of greater responsibilities for their grandchildren (Minkler and Roe 1993; Strawbridge et. al 1997; Fuller-Thomson, Minkler and Driver 1997; Roe and Minkler 1998/99; Pruchno 1999; Caputo 2001; Mueller, Wilhelm and Elder 2002). Research on children in multigenerational households is sparse and focuses primarily on the effects of co-residency on grandchildren’s health and developmental outcomes. Grandchildren living in their grandparents’ homes have been found to have notable health (Minkler and Roe 1993; Shor and Hayslip 1994) and behavioral (Pruchno 1999) problems, but better developmental outcomes (Solomon and Marx 1995; Kalil and Deliere 2002).

Additional research on children in multigenerational households is needed to better understand the economic conditions that might be responsible for such outcomes. Studies that consider the economic standing of grandparent-maintained households indicate that they have disproportionately high poverty rates and are much more likely to be receiving public assistance (Bryson and Casper 1998; Casper and Bryson 1999; Chelfie 1994; Fuller-Thomson, Minkler and Driver 1997). These studies, however, contain numerous limitations. Specifically, research on children in multigenerational households omits children who are not grandchildren such as the grandparents’ own children or

foster children. By focusing only on grandparent-headed households, research on children in grandparent also omit significant numbers of grandchildren as well. As a result, approximately 2.2 million children living in multigenerational households have been ignored in previous studies.

The following study expands on previous research on multigenerational households by studying the effects of multi-generational co-residency on the economic wellbeing of children. To accomplish this research goal, I make use of the 2001 March Supplement of the Current Population Survey (CPS), a national level data containing information on household composition and income sources. One of the strengths of this paper is the inclusion of all children in multigenerational households independent of category of child or household headship. In addition, children in multigenerational households are the unit of analysis making it possible to more accurately evaluate resources available to them. In this paper, income is measured at the household level based on the assumption that this unit more adequately captures the level of economic resources available to children in multigenerational households. This measure is compared to a family-level measure of income that has a different varying assumption regarding income pooling..

This paper examines six types of grandparent households that are based on two basic distinctions: the presence or absence of the grandchildren's own parents (three-generation versus skip generation) and the number of parents or grandparents in the household. Taken together, the six categories of grandparent households include:

- 1) skip generation: married grandparents;
- 2) skip generation: single grandparent;
- 3) three-generation: married grandparents, married parents;
- 4) three-generation: married grandparents, single parents;
- 5) three-generation: single grandparents, married parents;
- 6) three-generation: single grandparents, single parents.

This paper also examines the relevance of multigenerational mixing at the child level based on the presence or absence of other children besides the grandchildren. The two categories of grandparent households include:

- 1) Grandchildren only
- 2) Both child and grandchild

In addition, differences in three-generational households based on headship are often considered.

To measure income, I draw on both family and household level income measures and consider two different equivalence scales with differing assumptions regarding pooling and scale economies.

In a first step, I present a typology of grandparent households and describe different types of multigenerational households both demographically and relative to what is known in the literature about grandparent households in general. Second, I discuss resource pooling within multigenerational households, making the case for household over family income for capturing the wellbeing of children in multigenerational households. Third, I engage in multivariate modeling techniques to assess the impact of household composition on household income, as well as to account for the strength of economic contributions of various household members.

This analysis points to the importance of pooling in multigenerational households and of supplemental income sources for grandparent households.