

# Upward Transfer in Southeast China and Taiwan:

## A Longitudinal Story of Studying a Family Ritual

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Abstract:

**Objective:** This study examines the evolving patterns of intergenerational financial support in China and Taiwan.

**Background:** The paradoxical divergence (PD) perspective suggests that family behaviors in China resemble those of Western countries, while Taiwanese families exhibit more traditional practices despite their higher societal income. Conversely, the developmental idealism (DI) perspective anticipates a convergence over time as modern family beliefs become more widespread. The evolving dynamics of financial support defy both PD and DI expectations, suggesting sustained prevalence of giving to parents as a family ritual.

**Method:** This study employs a hybrid panel model to examine intergenerational financial support using longitudinal data from southeast China and Taiwan.

**Results:** Our analysis reveals a shift towards Taiwanese-like patterns in frequency and amount of financial assistance given to parents in China. Rising personal income, a significant fixed effect, prompts sons and daughters in China to provide more frequent and substantial financial support to their parents. In Taiwan, despite diminishing trends over time, gender disparities in upward transfers persist.

**Conclusion:** The study highlights that the modernization of intergenerational transfers in Chinese families is moderate. The family ritual perspective provides a more nuanced understanding of the trends and patterns of intergenerational transfer in China and Taiwan.

**Keywords:** Family interaction, Family relationship, Filial value, Intergenerational support

**Running head:** Intergenerational financial support