

Spillover Effects of New Rural Pension Scheme on Marriage Decision of Younger Generation in China

Chen Yuxuan

Abstract

In the last 10 years, China witnessed a rapid decrease in the number of marriages, which became one of the major public policy issues. Meanwhile, New Rural Pension Scheme (NRPS) was brought by pension scheme reform, which increased the well-being of informal sector workers after their retirement. This study examines the spillover effect of parental participation of the NRPS on the marriage of their children. Using 2011, 2013, and 2015 waves of China Health and Retirement Longitudinal Study, it is found that parents' continuous enrolment in the NRPS significantly increases the likelihood of children's marriage. If both parents continue to enroll in the NRPS, the probability of getting married of children increases by 6-8 percentage points. The results are robust under several specifications. The findings of this study imply that providing pension to informal sector workers not only increase the well-being of enrollees themselves, but also increases their child marriage probability.

Key words: New Rural Pension Scheme (NRPS); Marriage; Spillover Effect; China.