Housing project writing July 2020

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**Research question**

This analysis investigates to what extent the opportunity towards home wealth accumulation are conditioned by parental support, as well as how the pattern of such support reflects the transmission of resources between generations.

**Summary of findings**

Multivariate models with different subsamples show that parental support plays a significant role in home wealth accumulation before, upon and potentially after marriage. For those who are not married or just got married where there’s a larger reliance for parental support, there’s a strong preference given to male children, especially the older ones and those who have fewer siblings.

Households consisting of married couples that accumulates more asset usually have husbands in favorable sibship situation. Parents of those husbands usually have higher financial net worth, too. Wives in those households do not show significance in such pattern, but wives who have more children in the household can potentially benefit more out of support from their parents.

Altogether, the findings might suggest a transmission process of familial financial resources between generations, in the form of parental support, and with a preference of gender and sibship.

**Analytical framework**

The analysis studies both unmarried (17%) and married (83%) portion of the urban area[[1]](#footnote-1) sample from a nationally representative survey.

For a given family, multiple channels contribute to accumulation of home wealth. Therefore, the analysis adopts a multivariate framework, where I include in regressions a set of variables that are assumed to represent underlying channels of accumulation, thus should have association with home wealth of a given household. More precisely, I assume below factors can be associated with larger value of accumulated home asset (see summary statistics in appendix 1):

Better socio-economic status of the household

* Larger family income
* Larger age of the husband/wife
* Larger number of children in the family

More contribution from husband or wife

* More years of schooling
* Higher occupation
* Urban hukou status

More contribution from the spouse

* More spousal years of schooling
* Urban hukou status of the spouse

More contribution from parents

* Fewer siblings and rank older (preference from parents because of family lineage)
* Larger number of children in the family (extra impact due to favor of parents because of a continued family lineage)
* father’s years of schooling (a better capacity from parents to support their children)
* net worth of parental household (have higher financial capacity of parents to support the child)

Depending on the relevancy of these factors to specific analysis, some or all of them will be used as input into regressions models.

**Findings**

**Transfer before marriage: strong gender and sibship pattern**

5314 people (17% of the sample) with an average age of 25 years old were never married. Among these people, men have a deterministic advantage in home wealth ownings over their female counterparts. The home ownership rate among men is 12.2%, but for women it’s 4.3%.

To understand what factors make certain people more likely to already own a home before marriage, and how those characteristics differ among men and women, two separate logistic regression analysis are performed. The model shows that unmarried men with less siblings and are older among their siblings tend to have higher likelihood to become homeowner (see Table 1). At a young age, it would be hard to imagine home purchase of these men without at least partial help from parents, and the pattern of sibship might be understood as a signal of parental preference in offering support.

Meanwhile, no significant impact of sibship can be observed on unmarried women, partly because the home ownership rate is already very low (4.3%) among them.

**Married couples**

Among married couples, housing wealth seems to be distributed quite evenly between genders. The home ownership rate is 71% and 72% among male and female, with no statistical difference[[2]](#footnote-2). As to the dollar amount of the home value, the difference between the gender is statistically negligible, too[[3]](#footnote-3). This is not surprising considering the home property after marriage can be usually shared between the couple. However, the contribution to the wealth is usually not equal, as many husbands and his family contribute to more of the wealth. Therefore, by modeling husbands and wives separately in two models, we can compare how the two gender roles contribute to wealth accumulation with different patterns.

**Direct gift upon marriage: male lineage**

9% among the homeowners have received a gift from their parents when they get married. Within them, 93% are men. While there’s a 15% chance for men to be gifted a home from their parents upon their marriage, the chance for women is little to none (0.9%).

A more detailed analysis on men observes what factors will lead to a higher likelihood of getting such a gift with a logistic regression (see Table 2). The model does not yield too much insights apart from that men of younger age are more likely to have received a gift, suggesting either parents are more eager to help their younger kids, or the gift is making it easier for them to get married in turn. Going back to the huge gender gap in receiving such gift, being a male seems to be the most important prerequisite to receive such transfer from parents, and this probably is linked with the culture that values male offspring in terms of family lineage.

**Indirect effect: roles**

We next observe what factors about men and women are contributing to a different opportunity accumulation of home wealth. We use the home ownership and logged home asset value to represent home wealth, and fit logistic regressions and Tobit regressions respectively for husbands and wives subsample.

An interesting comparison yields from the result. On the husband’s side, factors such as sibship in the original family and parental wealth play a larger magnitude, as if they are competing with their siblings for the financial support from their parents. The size of the coefficients also implies a considerable magnitude of parental support here.

However, for wives, number of children seem to be a larger factor that matters. If we assume the parent support for daughters is conditional to this factor, then the fact that women with more children in their family are preferred by their parents to offer support almost implies a preference to those who will carry on the family lineage considering the cultural context. However, the impact is indeed limited in size and the home accumulation depends more on her spousal situation.

Besides, we see the education and occupation of the husbands matter, while those for the wives do not. Considering these factors measure the competence or return of an individual in the labor market, the difference might suggest that husbands take on more responsibility in financing the home purchase through labor market performance.

1. Residence in one of main city zone, sub urban area, or town centers [↑](#footnote-ref-1)
2. p-value = 0.3078 for Pearson’s correlation test [↑](#footnote-ref-2)
3. p-value = 0.5073 for two sample t-test [↑](#footnote-ref-3)