**June 2021: Parental Wealth Holdings and Household Living Standards in Shanghai and Urban China.**

**Summary**

This writing provides more details on the impact of parental financial resources. Comparing samples from Shanghai and urban countrywide China, consistent overall findings on the education and wealth outcomes of children were reported in both data, after which further investigations contextual to each sample were further conducted. The findings are summarized below.

For both Shanghai and urban countrywide families, parental wealth level has a significant impact on children’s years of schooling and entry into tertiary education. A further check with Shanghai data shows that financial resources primarily contribute to children’s education opportunities by increasing the likelihood of transition from senior high school to tertiary education and of entry into key-point primary schools. Meanwhile, in the urban countrywide sample, parental wealth is a determinant of school continuation for all phases of schooling from primary to tertiary. The difference in findings between the two samples may be attributed to the practical process of academic competition and education continuation, which will be elaborated in the main text.

In both populations, higher parental wealth does not contribute to a higher likelihood of homeownership but is associated with a higher volume of home wealth. In Shanghai, parental wealth primarily channels through the acquisition of a second home, which contributes to home wealth accumulation. For the nationwide sample, husbands reported receiving gifted home at marriage from parents which adds significantly to housing wealth, but a remaining effect from the parental wealth still calls for further investigation.

The rest of the sections in this writing detail the findings and discuss the next steps in the end.

**Data Update**

After evaluating the four datasets identified in the last round, CHFS and CFPS (both are national samples) were not adopted because they don’t include any measure of parental wealth[[1]](#footnote-1)or any direct measure of financial transfer from parents[[2]](#footnote-2).

Therefore, this round of investigation still focuses on Shanghai (FYRST) and urban countrywide China (CHARLS), which were able to provide a similar set of control variables and some unique outcomes and predictors. Summary statistics from the two datasets are attached in Appendix. As a key measure of parental wealth level, father’s homeownership status from the Shanghai data and logged net worth of parental household from urban countrywide data were adopted.

**Education Attainment**

**Years of Schooling and Tertiary Education Attendance**

The overall impact of parental resources on education is quite evident in both samples. A visualization in Figure 1 reveals that children with fathers at higher wealth levels have more years of schooling on average, controlling for fathers’ education level. The difference between the top 25% and bottom 25% can be as large as roughly 2 years, as is the case in the countrywide data.

*Figure 1. Parental Wealth and Offspring Education in Shanghai (left) and Urban Nationwide (right).*

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Validating this pattern in a multivariate framework, Model 1 and 2 from Table 1 demonstrates that the effect from parental wealth remains significant after controlling for various factors such as hukou, party membership, and public sector employment at the father’s level. The effect size is comparable between the two models as well.

Besides years of schooling, an alternative that can measure the impact from parental resources is the child’s chance to pursue tertiary education, which is crucial to better employment opportunities in the labor market. In Model 3 and 4, the impact from the parental wealth on such is evident as well, controlling for the same set of parental characteristics. Given the highly consistent findings between the two samples, the sections below dive into unique measurements of each data to explore through what channel and at what stage do parental resources facilitate education outcome.

*(Table 1 attached at the end)*

**The role of Key-Point Schools in Shanghai**

Among the many channels where parental resources would mediate education outcome, key-point school[[3]](#footnote-3) attendance is a good proxy for educational resources and academic performance at a given schooling phase. Attendance to these elite institutions that operate from primary school to college level would not only boost academic competence but also would receive more rewards from the labor market. Better employment opportunities are more accessible to those with a “key point” college degree, which is evident in Figure 2. It reveals that at the tertiary and more advanced level, those who have a key-point institution credential on average earn a higher household income than those who do not.

From the modeling perspective, attendance to key-point institutions would control for academic performance (students need high standardized test scores to be selected into key schools) and learning resources available to them at school (key schools are allocated with better teachers and facilities).

*Figure 2. Labor Market Reward to Key-Point Institution Attendance. Shanghai.*

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Following this line of thinking, controlling for key school attendance may be helpful to isolate the more direct effects of parental resources. Model 5 from Table 2 takes the former formulation in Model 3 that predicts tertiary education attendance and added further an indicator of whether the respondent went to a key-point senior high school.

*(Table 2 attached at the end)*

Parental wealth and parental education remain significant, suggesting that these resources may operate independently of school quality and student performance, e.g., during the college admission process (through special admission policy that benefits those coming from advantaged family backgrounds), or outside school (building cultural capital and extracurricular classes).

Key school attendance, however, turns out to be the strongest predictor for continuation into tertiary education, revealing the strong role of school institutions in determining educational opportunities. Compared with Model 3, the impact from parental wealth and parental education is reduced almost by half, which suggests they assist attainment significantly through helping children get into a key senior high school. But the entry into key high school is not a pure function of wealth either--as key-point schools exist in all phases of education, an intuitive logic could be: students in a key institution (e.g. college) usually come from another key one in the prior education phase (senior high), which is shown in Table 3.

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| Table 3. School Continuation in Key and Non-key School Institutions. Shanghai. | | | | |
| *Senior High to Tertiary* |  |  |  |  |
|  | Dropout | Non-key Tertiary | Key Tertiary | Total |
| Non-key Senior High | 607 (38%) | 581 (36%) | 421 (26%) | 1,609 (100%) |
| Key Senior High | 72 (10%) | 207 (30%) | 419 (60%) | 698 (100%) |
| Total | 679 (29%) | 788 (34%) | 840 (36%) | 2,307 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | | |
| *Junior High to Senior High* |  |  |  |  |
|  | Dropout | Non-key Senior High | Key Senior High | Total |
| Non-key Junior High | 41 (2.3%) | 1,366 (78%) | 339 (19%) | 1,746 (100%) |
| Key Junior High | 2 (0.3%) | 243 (40%) | 359 (59%) | 604 (100%) |
| Total | 43 (1.8%) | 1,609 (68%) | 698 (30%) | 2,350 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | | |
| *Primary to Junior High* |  |  |  |  |
|  | Dropout | Non-key Junior High | Key Junior High | Total |
| Non-key Primary | 3 (0.2%) | 1,667 (89%) | 196 (11%) | 1,866 (100%) |
| Key Primary | 0 (0%) | 78 (16%) | 408 (84%) | 486 (100%) |
| Total | 3 (0.1%) | 1,745 (74%) | 604 (26%) | 2,352 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | | |

Table 3 reveals that 38% of non-key-point students drop out after senior high school, while 90 % of students in key high schools were able to continue pursuing a tertiary degree. Besides, 60% of students attending a key-point senior high school went to a key tertiary school, more than doubling the likelihood of 26% for students from non-key high schools.

For continuation from junior high school and primary school where dropouts mere exists in the Shanghai sample, a clear path can still be seen leading from key primary school students to key junior middle school students (84%), and from key middle school to key high school (59%). On the contrary, the odds for students in non-key institutions to get into a key one in the following phase is comparably low (11% from primary to junior high, and 19% from junior to senior high). In the Shanghai data where barely anybody drops out after primary and junior high school, the distinction between attending a key point and non-key-point primary/junior middle school could mean a lot to the access to good tertiary education in the end.

Putting the findings from Table 3 into multivariate context, Model 6, 7, 8, and 9 from Table 2 targets entry into key institutions at each education phase with logistic regression. Attendance of key institutions at the prior phase turns out to be always the strongest, if not the only significant predictor of entry into key institutions at the following phase.

Within the chain of key institutions during the schooling course (Model 6 through 8), parental resources don’t seem to be very pronounced. The competition can be highly academic since standardized tests are usually the threshold there and school quality highly controls for academic performance. Nevertheless, at the beginning of the chain at Model 9, key institution attendance at the primary education level seems to heavily favor parents with a higher level of wealth, holding an urban hukou (likely local residents), and are party members (with more institution resources). With test scores playing less of a role in primary school enrollment, admission of good primary schools may lean towards those from a more advantaged background in various ways such as school district housing, admission policies, and even tuition fees.

Putting together the findings, the impact of parental financial resources seems to favor children the most in the beginning (entry into primary education) and the ending (entry into tertiary) phase during the course of schooling, while the process in the middle is characterized by academic competition. Academic competency largely relies on the given educational resources provided by schools, with little role played by parental resources. Nevertheless, the insignificance of parental wealth in the mid-course cannot be separated from the fact that families in the Shanghai metropolitan area generally have higher incomes, can access more schools, and dropouts barely exist before tertiary education.

**School Continuation in Urban China**

The Shanghai population is well-educated with about 80% of respondents holding a degree from tertiary education, whereas many from the urban nationwide sample barely struggled through senior middle school. Therefore, measuring school continuation here makes more sense to understand the influence of parental resources.

Using the same set of predictors in Model 4 from Table 1 that targets tertiary education attendance, Model 10 and 11 from Table 2 further models attendance at senior high and junior high education with logistic regressions. Parental wealth turns out to be influential in both cases. Compared with most families in the Shanghai area where secondary education is more affordable also necessary for kids’ social success, children from disadvantaged families in the broader urban span may choose to drop out of school and start to work considering the scarcity of schooling resources, the opportunity cost of tuition fees and working to provide financial support to the family. Therefore, the process of school continuation here is not purely an academic one but involves practical consideration of available financial resources, which may justify the significance of parental wealth.

**Wealth Holdings**

**Marriage Homogamy in China**

Different from the educational attainments of an individual, household wealth is usually a product of collective familial effort, which requires measurements from both husband and wife, and their respective parents. However, in a society with a high level of marriage homogamy such as China, measures on SES between the husband wide and wife side can be highly correlated, as is the case in the data. The high extent of marriage homogamy in the data can be seen in Table 4.

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| Table 4. Marriage Homogamy. Shanghai and Urban Countrywide. | | |  |
| *Husband (Row) and Wife (Column) Education, Shanghai* | |  |  |
|  | Up to Senior High School | Tertiary & Above | Total |
| Up to Senior High School | 445 (35%) | 110 (8.7%) | 555 (44%) |
| Tertiary & Above | 109 (8.6%) | 601 (48%) | 710 (56%) |
| Total | 554 (44%) | 711 (56%) | 1,265 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | |
| *Husband (Row) and Wife (Column) Education, Urban Countrywide* | | |  |
|  | Up to Senior High School | Tertiary & Above | Total |
| Up to Senior High School | 1,680 (64%) | 148 (5.7%) | 1,828 (70%) |
| Tertiary & Above | 188 (7.2%) | 602 (23%) | 790 (30%) |
| Total | 1,868 (71%) | 750 (29%) | 2,618 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | |
| *Husband's Father (Row) and Wife's Father (column), Shanghai* | | |  |
|  | Not Homeowner | Homeowner | Total |
| Not Homeowner | 658 (52%) | 41 (3.2%) | 699 (55%) |
| Homeowner | 35 (2.8%) | 531 (42%) | 566 (45%) |
| Total | 693 (55%) | 572 (45%) | 1,265 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | |

In both Shanghai and Urban Nationwide, the odds of a husband marrying a wife with a considerably different level of education (i.e. one holding a tertiary education degree and the other does not) is as low as 15%. In Shanghai, the homogamy extends to the parental level where quite surprisingly, there are only 3% cases of a husband with a homeowner father marrying a wife with a non-homeowner father (a similar number for vice versa). Given the high correlation in the human capital and parental wealth of husband/wife, the subsequent analysis uses only variables on the husband side (including parental measures) for simplicity and to avoid highly correlated predictors. In addition, because parental transfer patterns may interact with gender, the analysis filters out wives and only use husbands among married couples in both the Shanghai and urban countrywide sample.

**Home Ownership and Wealth**

At a glance, parental wealth doesn’t seem to have any impact on homeownership, as Table 5 shows a similar percentage of homeowners for various levels of parental wealth, in both the Shanghai and urban countrywide population.

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| Table 5. Parental Wealth and Home Ownership. Shanghai and Urban Countrywide. | | |  |
| *Shanghai* |  |  |  |
|  | Not Homeowner | Homeowner | Total |
| Father Not Homeowner | 192 (27%) | 507 (73%) | 699 (100%) |
| Homeowner Father | 123 (22%) | 443 (78%) | 566 (100%) |
| Total | 315 (25%) | 950 (75%) | 1,265 (100%) |
| P-value = 0.019 (Pearson's Chi-squared test) | |  |  |
| *Countrywide* |  |  |  |
|  | Not Homeowner | Homeowner | Total |
| Parental Net Worth 0-25% | 215 (31%) | 478 (69%) | 693 (100%) |
| Parental Net Worth 25-50% | 249 (37%) | 419 (63%) | 668 (100%) |
| Parental Net Worth 50-75% | 200 (33%) | 414 (67%) | 614 (100%) |
| Parental Net Worth 75-99% | 224 (35%) | 419 (65%) | 643 (100%) |
| Total | 888 (34%) | 1,730 (66%) | 2,618 (100%) |
| P-value = 0.083 (Pearson's Chi-squared test) | |  |  |

Model 12 and Model 13 from Table 6 take a closer look at this by modeling ownership with logistic regressions, which suggests the same thing. In Shanghai, the opportunity to become a homeowner primarily favors those with institutional advantages such as urban hukou holders and public sector workers, while even household income plays little role. Meanwhile, in the urban countrywide sample, income and years of schooling remain determinants of homeownership, indicating that labor market outcomes remain crucial for home asset building.

However, when it comes to total home wealth among homeowners, parental wealth shows a clear impact in both samples, as Figure 3 reveals that a higher median home wealth for those with higher parental wealth measures, controlling for household income.

*Figure 3. Parental Wealth and Offspring Home Wealth in Shanghai (Left) and Urban Countrywide (Right).*

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The multivariate analysis in Model 14 and Model 15 provides the same results where parental wealth seems to significantly lift total home wealth. Besides, the significance of factors related to the labor market such as years of schooling and household income are consistent across the samples.

*(Table 6 attached at the end)*

**Second Home Ownership in Shanghai**

As many as 54% of homeowners in Shanghai reported having a second home. Although parental wealth does not have an impact on homeownership (as shown previously), a simple bivariate analysis shows that it nevertheless has an association with second home ownership for Shanghai residents, which is confirmed by the multivariate analysis in Model 16 from Table 8. Parental wealth even plays a larger role than household income in determining the chance for second home ownership, suggesting that the acquisition of it can largely rely on the assistance of parents.

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| Table 7. Parental Wealth and Second Home Ownership Among Homeowners. Shanghai. | | | |
|  | Not Owning Second Home | Owning Second Home | Total |
| Husband's Father Not a Homeowner | 283 (56%) | 224 (44%) | 507 (100%) |
| Homeowner | 151 (34%) | 292 (66%) | 443 (100%) |
| Total | 434 (46%) | 516 (54%) | 950 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | |

Although Model 14 previously suggests that parental wealth affects the total home wealth in Shanghai, Model 17 that targets the value of the primary residence of the respondent shows that there isn’t such an effect, whereas years of schooling, hukou status, and income plays a major role showing that the family mostly rely on themselves to build up the value of their first home. Besides, once one adds second home ownership to model the total home asset again, as in Model 18, it turns out to carry significance, and the effect from parental wealth diminishes. This suggests that parental facilitate the asset accumulation primarily through help children acquire a second home, which would be a stock of monetary values as well as a source for property income.

In addition to the discussion of home assets, parental resources don’t seem to have any impact on vehicle ownership, as shown in Model 19. Shanghai married couples largely depend on their own economic means for cars.

**Gifted Home Upon marriage**

The urban nationwide data approaches the question of how parents assist home asset building from another point of view—direct transfer from parents upon marriage. Some parents in the nationwide sample reported gifting a home to the child when they got married. Such transfer would guarantee homeownership for the children, and could potentially contribute to second home ownership in cases where the couple would afford a home themselves, similar to the case in Shanghai.

In the data, such kind of transfer goes almost exclusively to male children, as shown in Table 9. About 19% of husbands received such transfers, while only 2% of wives did. Apart from gender being the primary factor, Model 20 from Table 8 shows that children with a higher level of education themselves and their parents tend to receive such gift transfers. The likelihood of receiving a gifted marriage home isn’t associated with the wealth level of parents too much.

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| Table 9. Gender and Gifted Home Upon Marriage. Urban Countrywide. | | |  |
|  | No Gift Home | Gift Home Upon Marriage | Total |
| Married Female | 2,449 (98%) | 50 (2.0%) | 2,499 (100%) |
| Married Male | 2,124 (81%) | 494 (19%) | 2,618 (100%) |
| Total | 4,573 (89%) | 544 (11%) | 5,117 (100%) |
| P-value < 0.001 (Pearson's Chi-squared test) | | | |

Adding this indicator of whether the husband received a gifted home upon marriage to the formulation in Model 15 that predicts total home wealth, Model 21 seems to hold some more explanatory power. However, the coefficient for parental wealth barely changed, suggesting that they influence the asset outcome through channels other than the gifted marriage home.

**Thoughts on Next Steps**

*Evaluating the analytical framework*

The above sections hopefully illustrated a more rich body of findings with detailed elaborations. I have tested that the findings are robust to data filters (e.g. different age groups, male vs. females) and modeling method (e.g. OLS vs. Tobit). If they would seem interesting to a reader as well, I’d like to think that some of them can appear in a paper in some form.

By now, the models are carefully tuned but are mostly built around exploratory purposes, which involves mostly primitive ways of statistical reasoning that add predictors to models and observes the change to significance. Although a few interesting conclusions come out of the exploration, they may be verified with a better design of modeling method (say, path analysis) that I haven’t been thinking a lot about.

*Keep, drop or organize better some findings*

Given all the interesting consistencies and contrasts between the two datasets, organizing the findings has been a challenge for me while putting up this writing. The Shanghai/urban nationwide sample share a consistency of overall findings and a similar set of control variables, which is one reason I’m leaning towards comparing them in the results. However, with the current writing, the reader has to jump back and forth between models, so some results may be dropped or organized better. For example, one section may be dedicated to Shanghai data (for both education and wealth outcomes) and the other to the urban countrywide data.

*Explore additional predictors of interest*

To this point, I have explored most predictors present in the two datasets. But CHARLS still has questions dedicated to measuring regular financial support between children and parents (in both directions), as well as other gifts that children received at marriage from parents. During the initial investigation a few months ago, those variables were found to carry too little financial value to matter for a home purchase. Despite not putting too much hope on them, it may worth looking at those again to further investigate through what channel parental resources play the game in the span of urban countrywide. I nevertheless see this as a minor priority compared with the previous two.

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| Table 1. Parental Resources' Impact on Overall Education Outcomes. Male and Female. Shanghai and Urban Countrywide. | | | | |
|  | Years of Schooling | | Tertiary Education Attendance | |
|  | Shanghai | Countrywide | Shanghai | Countrywide |
|  | Model 1 | Model 2 | Model 3 | Model 4 |
| *Parental Wealth Indicator* |  |  |  |  |
| Homeowner Father | 0.78 \*\*\* (0.11) |  | 0.53 \*\*\* (0.10) |  |
| Parental Household Net Worth (logged) |  | 0.26 \*\*\* (0.03) |  | 0.09 \*\*\* (0.02) |
| *Controls (Respondent)* |  |  |  |  |
| Male | -0.04 (0.11) | -0.13 \*\*\* (0.01) | -0.03 (0.10) | -0.05 \*\*\* (0.01) |
| Age | -0.03 (0.02) | 0.11 (0.09) | -0.01 (0.01) | 0.07 (0.07) |
| *Controls (Father)* |  |  |  |  |
| Years of Schooling | 0.25 \*\*\* (0.02) | 0.24 \*\*\* (0.01) | 0.18 \*\*\* (0.02) | 0.06 \*\*\* (0.01) |
| Urban hukou (ref: Rural Hukou) | 1.15 \*\*\* (0.14) | 1.46 \*\*\* (0.12) | 0.90 \*\*\* (0.12) | 0.23 \* (0.10) |
| Party Member | 0.71 \*\*\* (0.17) | 0.73 \*\*\* (0.13) | 0.63 \*\*\* (0.18) | 0.23 \* (0.10) |
| Public Sector Occupation (ref: private sector) | 0.55 \*\*\* (0.14) | 0.49 \*\*\* (0.13) | 0.66 \*\*\* (0.13) | -0.18 (0.10) |
| (Intercept) | 12.24 \*\*\* (0.52) | 10.11 \*\*\* (0.44) | -1.46 \*\* (0.48) | 0.71 (0.36) |
| N | 2305 | 6511 | 2305 | 3388 |
| R2 | 0.24 | 0.27 |  |  |
| Pseudo R2 |  |  | 0.29 | 0.09 |
| AIC | 11115.06 | 35068.59 | 2349.23 | 4219.80 |
| BIC | 11166.74 | 35129.63 | 2395.17 | 4268.83 |
| \*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05. |  |  |  |  |

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| Table 2. Parental Resources' Impact on Key School Entry (Shanghai) and Education Continuation (Urban Countrywide). Male and Female. | | | | | | | |
|  | Tertiary Entry | Key School Tertiary | Key School Senior High | Key School Junior High | Key School Primary | Senior High Entry | Junior High Entry |
|  | Shanghai | Shanghai | Shanghai | Shanghai | Shanghai | Countrywide | Countrywide |
|  | Model 5 | Model 6 | Model 7 | Model 8 | Model 9 | Model 10 | Model 11 |
| *Parental Wealth Indicator* |  |  |  |  |  |  |  |
| Homeowner Father | 0.44 \*\*\* (0.11) | 0.17 (0.11) | 0.27 \*\* (0.10) | 0.23 (0.13) | 0.43 \*\*\* (0.11) |  |  |
| Parental Household Net Worth (logged) |  |  |  |  |  | 0.10 \*\*\* (0.02) | 0.12 \*\*\* (0.02) |
| *Additional Variables of Interest* |  |  |  |  |  |  |  |
| Key Senior High School | 1.25 \*\*\* (0.14) | 0.96 \*\*\* (0.11) |  |  |  |  |  |
| Key Junior High School |  |  | 1.61 \*\*\* (0.11) |  |  |  |  |
| Key Primary School |  |  |  | 3.61 \*\*\* (0.15) |  |  |  |
| *Controls (Respondent)* |  |  |  |  |  |  |  |
| Male | -0.06 (0.11) | 0.00 (0.10) | -0.13 (0.10) | -0.08 (0.13) | -0.06 (0.11) | -0.05 \*\*\* (0.00) | -0.05 \*\*\* (0.01) |
| Age | -0.01 (0.02) | -0.01 (0.02) | -0.02 (0.01) | -0.03 (0.02) | -0.02 (0.01) | -0.11 (0.06) | 0.04 (0.08) |
| *Controls (Father)* |  |  |  |  |  |  |  |
| Years of Schooling | 0.15 \*\*\* (0.02) | 0.05 \* (0.02) | 0.10 \*\*\* (0.02) | 0.05 (0.03) | 0.04 (0.02) | 0.07 \*\*\* (0.01) | 0.12 \*\*\* (0.01) |
| Urban hukou (ref: Rural Hukou) | 0.88 \*\*\* (0.13) | 0.09 (0.13) | -0.02 (0.13) | 0.46 \*\* (0.17) | 1.20 \*\*\* (0.15) | 0.72 \*\*\* (0.08) | 1.05 \*\*\* (0.13) |
| Party Member | 0.64 \*\*\* (0.19) | 0.18 (0.14) | 0.21 (0.14) | 0.40 \* (0.18) | 0.44 \*\* (0.14) | 0.34 \*\*\* (0.09) | 0.42 \*\* (0.14) |
| Public Sector Occupation (ref: Private) | 0.62 \*\*\* (0.14) | -0.10 (0.12) | 0.11 (0.12) | 0.36 \* (0.16) | 0.21 (0.12) | 0.46 \*\*\* (0.09) | 0.29 \* (0.15) |
| (Intercept) | -1.35 \*\* (0.51) | -0.67 (0.51) | -1.78 \*\*\* (0.46) | -2.46 \*\*\* (0.60) | -2.42 \*\*\* (0.49) | 0.34 (0.30) | 1.08 \*\* (0.38) |
| N | 2258 | 1597 | 2258 | 2297 | 2300 | 5247 | 6116 |
| R2 |  |  |  |  |  |  |  |
| Pseudo R2 | 0.31 | 0.09 | 0.21 | 0.54 | 0.14 | 0.17 | 0.19 |
| AIC | 2199.78 | 2121.82 | 2420.06 | 1590.90 | 2144.99 | 6139.09 | 4348.09 |
| BIC | 2251.28 | 2170.20 | 2471.56 | 1642.55 | 2190.91 | 6191.61 | 4401.84 |
| \*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05. |  |  |  |  |  |  |  |

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| Table 6. Parental Resources Impact on Offspring Wealth. Husbands only. Shanghai and Urban Countrywide. | | | |  |
|  | Home Ownership | | Total Home Asset (Logged) | |
|  | Shanghai | Countrywide | Shanghai | Countrywide |
|  | Model 12 | Model 13 | Model 14 | Model 15 |
| *Parental Wealth Indicator* |  |  |  |  |
| Homeowner Father | 0.09 (0.14) |  | 0.30 \*\*\* (0.08) |  |
| Parental Household Net Worth (logged) |  | -0.01 (0.03) |  | 0.15 \*\*\* (0.02) |
| *Controls (Husband)* |  |  |  |  |
| Age | 0.02 (0.01) | 0.10 \*\*\* (0.01) | 0.02 \* (0.01) | -0.02 \*\*\* (0.00) |
| Years of Schooling | 0.10 \*\*\* (0.03) | 0.07 \*\*\* (0.01) | 0.09 \*\*\* (0.02) | 0.07 \*\*\* (0.01) |
| Urban hukou (ref: Rural Hukou) | 0.61 \*\*\* (0.16) | 0.03 (0.11) | 0.27 \*\* (0.09) | 0.12 \* (0.06) |
| Public Sector Occupation (ref: private sector) | 0.67 \*\*\* (0.18) | 0.33 (0.20) | 0.15 (0.09) | 0.02 (0.09) |
| Party Member | -0.04 (0.25) | 0.18 (0.14) | -0.07 (0.13) | 0.02 (0.07) |
| Household Income (logged) | 0.04 (0.04) | 0.23 \*\*\* (0.04) | 0.13 \*\*\* (0.02) | 0.14 \*\*\* (0.02) |
| *Controls (Father)* |  |  |  |  |
| Years of Schooling | -0.02 (0.02) | -0.01 (0.01) | 0.02 (0.01) | 0.00 (0.01) |
| *(Intercept)* | -1.47 \* (0.68) | -6.04 \*\*\* (0.60) | 0.90 \* (0.41) | 0.06 (0.35) |
| N | 1255 | 2618 | 942 | 1730 |
| R2 |  |  | 0.17 | 0.26 |
| Pseudo R2 | 0.10 | 0.16 |  |  |
| AIC | 1340.73 | 3049.44 | 2994.70 | 5050.62 |
| BIC | 1386.94 | 3102.27 | 3043.18 | 5105.18 |
| \*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05.  Note: Total home asset was also modeled with tobit models, which reported similar results. |  |  |  |  |
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| Table 8. Parental Resources Impact on Offspring Wealth. Husbands only. | | | | | | |
|  | Own Second Home | Current Home value (Logged) | Total Home Asset (Logged) | Vehicle Ownership | Marriage Home | Total Home Value (Logged) |
|  | Shanghai | | | | Countrywide | |
|  | Model 16 | Model 17 | Model 18 | Model 19 | Model 20 | Model 21 |
| *Parental Wealth Indicator* |  |  |  |  |  |  |
| Homeowner Father | 0.91 \*\*\* (0.14) | 0.07 (0.08) | 0.11 (0.08) | 0.24 \* (0.12) |  |  |
| Parental Household Net Worth (logged) |  |  |  |  | 0.06 (0.03) | 0.15 \*\*\* (0.02) |
| *Additional Variables of Interest* |  |  |  |  |  |  |
| Second home ownership |  |  | 0.87 \*\*\* (0.07) |  |  |  |
| Gifted home upon marriage |  |  |  |  |  | 0.36 \*\*\* (0.06) |
| *Controls (Husband)* |  |  |  |  |  |  |
| Age | -0.02 (0.02) | 0.02 \*\* (0.01) | 0.02 \*\* (0.01) | 0.02 (0.01) | -0.04 \*\*\* (0.01) | -0.01 \*\* (0.00) |
| Years of Schooling | -0.05 (0.03) | 0.09 \*\*\* (0.01) | 0.10 \*\*\* (0.01) | 0.11 \*\*\* (0.02) | 0.06 \*\*\* (0.02) | 0.07 \*\*\* (0.01) |
| Urban hukou (ref: Rural Hukou) | -0.25 (0.15) | 0.34 \*\*\* (0.09) | 0.32 \*\*\* (0.08) | -0.36 \*\* (0.14) | 0.31 \* (0.12) | 0.10 (0.06) |
| Public Sector Occupation (ref: private sector) | 0.03 (0.15) | 0.13 (0.09) | 0.15 (0.08) | 0.21 (0.14) | 0.17 (0.19) | 0.02 (0.09) |
| Party Member | 0.21 (0.22) | -0.08 (0.12) | -0.11 (0.12) | 0.13 (0.20) | -0.28 (0.15) | 0.03 (0.07) |
| Household Income (logged) | 0.13 \*\* (0.05) | 0.10 \*\*\* (0.02) | 0.11 \*\*\* (0.02) | 0.23 \*\*\* (0.05) | 0.05 (0.05) | 0.14 \*\*\* (0.02) |
| *Controls (Father)* |  |  |  |  |  |  |
| Years of Schooling | 0.03 (0.02) | 0.02 (0.01) | 0.01 (0.01) | 0.01 (0.02) | 0.06 \*\*\* (0.01) | 0.00 (0.01) |
| *(Intercept)* | -0.64 (0.78) | 0.71 (0.40) | 0.59 (0.39) | -5.27 \*\*\* (0.76) | -2.31 \*\*\* (0.69) | -0.14 (0.35) |
| N | 942 | 942 | 942 | 1255 | 2618 | 1730 |
| R2 |  | 0.16 | 0.28 |  |  | 0.28 |
| Pseudo R2 | 0.09 |  |  | 0.10 | 0.09 |  |
| AIC | 1253.34 | 2945.58 | 2869.39 | 1642.12 | 2403.55 | 5018.21 |
| BIC | 1296.97 | 2994.06 | 2922.72 | 1688.33 | 2456.38 | 5078.22 |
| \*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05. |  |  |  |  |  |  |

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| --- | --- | --- | --- | --- |
| Appendix 1. Summary Statistics. All Respondents and Married Husbands. Shanghai and Urban Countrywide. | | | | |
|  | All Respondents | All Respondents | Married Husbands | Married Husbands |
|  | Shanghai | Urban Countrywide | Shanghai | Urban Countrywide |
| N | 2,357 | 6,511 | 1,265 | 2,618 |
| ***Individual Level*** |  |  |  |  |
| Male | 1,113 (47%) | 3,413 (52%) |  |  |
| Married | 1,265 (54%) | 5,117 (79%) |  |  |
| Age |  |  |  |  |
| Mean (SD) | 28.31 (3.68) | 36 (8) | 31.1 (4.6) | 38 (7) |
| Minimum,Median,Maximum | 23,28.00,38 | 23,35,50 | 18,31.0,50.0 | 23,38,50 |
| Years of Schooling |  |  |  |  |
| Mean (SD) | 15.13 (3.09) | 11.0 (4.2) | 13.8 (3.2) | 10.9 (4.0) |
| Minimum,Median,Maximum | 0.00,16.00,22.00 | 0.0,12.0,22.0 | 0.0,15.0,22.0 | 0.0,9.0,22.0 |
| Urban Hukou Holder | 1,689 (72%) | 2,513 (39%) | 643 (51%) | 1,012 (39%) |
| Party Membership | 257 (11%) | 801 (12%) | 140 (11%) | 449 (17%) |
| Public Sector Occupation | 618 (27%) | 391 (6.0%) | 328 (26%) | 209 (8.0%) |
| Household Income (￥) |  |  |  |  |
| Mean (SD) | 115,244 (137,241) | 65,983 (71,596) | 124,363 (150,772) | 71,375 (75,021) |
| Minimum,Median,Maximum | 0,100,000,3,000,000 | 0,40,000,500,000 | 0,100,000,3,000,000 | 0,75,000,500,000 |
| Household Income (Logged) |  |  |  |  |
| Mean (SD) | 11.08 (1.75) | 10.50 (1.60) | 11.18 (1.70) | 10.71 (1.27) |
| Minimum,Median,Maximum | 0.00,11.51,14.91 | 3.91,10.60,13.12 | 0.00,11.51,14.91 | 3.91,11.23,13.12 |
| Home Ownership | 1,762 (75%) | 3,693 (57%) | 950 (75%) | 1,730 (66%) |
| Total Home Wealth (10k ￥) |  |  |  |  |
| Mean (SD) | 173 (503) | 36 (68) | 177 (647) | 44 (77) |
| Minimum,Median,Maximum | 0,100,22,070 | 0,10,1,300 | 0,100,22,070 | 0,20,980 |
| Total Home Wealth (Logged) |  |  |  |  |
| Mean (SD) | 3.95 (2.09) | 2.10 (1.97) | 3.97 (2.05) | 2.47 (1.93) |
| Minimum,Median,Maximum | 0.00,4.62,10.00 | 0.00,2.40,7.17 | 0.00,4.62,10.00 | 0.00,3.04,6.89 |
| Primary Residence Value (10k ￥) |  |  |  |  |
| Mean (SD) | 94 (110) |  | 91 (106) |  |
| Minimum,Median,Maximum | 0,80,1,000 |  | 0,80,1,000 |  |
| Primary Residence Value (Logged) |  |  |  |  |
| Mean (SD) | 3.27 (2.19) |  | 3.25 (2.16) |  |
| Minimum,Median,Maximum | 0.00,4.39,6.91 |  | 0.00,4.39,6.91 |  |
| Own Second Home | 935 (40%) |  | 536 (42%) |  |
| ***Father Level*** |  |  |  |  |
| Urban Hukou Holder | 1,318 (56%) | 2,072 (32%) | 617 (49%) | 816 (31%) |
| Party Membership | 359 (15%) | 1,140 (18%) | 192 (15%) | 524 (20%) |
| Years of Schooling |  |  |  |  |
| Mean (SD) | 9.90 (3.04) | 6.9 (4.1) | 8.8 (3.4) | 6.7 (4.1) |
| Minimum,Median,Maximum | 0.00,9.00,22.00 | 0.0,6.0,22.0 | 0.0,9.0,19.0 | 0.0,6.0,19.0 |
| Public Sector Occupation |  |  |  |  |
| 1 Private | 1,409 / 2,305 (61%) | 4,976 / 6,511 (76%) | 939 / 1,258 (75%) | 1,985 / 2,618 (76%) |
| 2 Public | 896 / 2,305 (39%) | 1,535 / 6,511 (24%) | 319 / 1,258 (25%) | 633 / 2,618 (24%) |
| Home Owner | 1,061 (45%) |  | 566 (45%) |  |
| Parental Household Net Worth (￥) |  |  |  |  |
| Mean (SD) |  | 637,122 (1,897,247) |  | 595,534 (1,219,138) |
| Minimum,Median,Maximum |  | 0;261,630;115,849,500 | | 60;238,850;25,231,500 |
| Parental Household Net Worth |  |  |  |  |
| Mean (SD) |  | 12.25 (1.73) |  | 12.18 (1.74) |
| Minimum,Median,Maximum |  | 0.00,12.47,18.57 |  | 4.11,12.38,17.04 |
| Gifted Home Upon Marriage |  | 663 (10%) |  | 494 (19%) |

1. Both data included only common SES variables such as education, hukou and party membership for parents. [↑](#footnote-ref-1)
2. A paper constructed variables measuring whether parents cover down payment or transfer home ownership to the child, but after asking the author for the data process codes, I’m highly skeptical about the legitimacy of variable construction process, although I haven’t spent serious time reproducing the results yet. [↑](#footnote-ref-2)
3. “Key-point” school are designated with better teachers and facilities (usually those overseen by national or provincial ministry of education, as opposed to municipal or local schools). [↑](#footnote-ref-3)