Beyond socialist legacies: the impact of parental wealth on housing asset accumulation in urban China

**Abstract**

The origin of wealth inequality, the institutional setting of the housing market, and the presence of a huge migrate population in the urban area shaped the channels and the magnitude of parental financial support in building home assets in China. Findings show direct help from parental net worth is prevalent. The path to wealth accumulation for rural migrants is highly selective; parental investments favor male offspring, and females gain relative advantage seeking mobility through marriage. Urban parents, especially those within resourceful working units, hold more wealth and transmit them more easily, providing more certainty for the child’s asset holdings. Such a process facilitate life chances intergenerationally partly manifesting the previous inequalities but in a new form through potential financial operations under China’s post-socialist era.

**Background**

In the last two decades, researchers’ attention was shifted to wealth as another distinctive resource for parents to enhance children’s life chances. International researchers have linked parental wealth with dimensions of offspring’s wellbeings such as educational attainment, transitions to homeownership, family structure, and retirement choice.

In studying the intergenerational transmission of advantage, the fact that Chinese society is a post-socialist regime does not disqualify wealth from the discussion but rather makes the intellectual gap more interesting. Different from many post-socialist regimes such as Russia and East European countries who are still suffering from economic downturns, China’s post-socialist trajectory was coupled with a double-digit boom making the world’s leading emerging economy, with simultaneously skyrocketing wealth inequality and absence of gift or inheritance taxation. China has its private wealth rose from around 100% of national income in 1978 to over 450% of national income in 2014, reaching a level close to that in France, the United States, and the UK.

Among the fields where wealth plays a role, the housing market is the most relevant in the Chinese context. Despite more than thirty years of reform, the degree of marketization in fields such as healthcare and education is not as big as the housing market. Housing resources in urban China is an emerging component of private wealth that used to be allocated socialist redistribution as welfare but was almost completely marketized in several years. Now, housing asset takes up 80% of household wealth in China. Also, the accumulation of housing assets is usually a familial task where parental help has been evident (Niu and Zhao n.d.; Zhu 2018).

Nevertheless, in a post-socialist regime, the interaction between socialistic institutions and general capital and market mechanisms still makes things complex, which is also very evident in the housing market. With fast urbanization and multiple generations of migration from rural to urban society, a huge body of research on the housing inequalities in China focuses on the gap between urban locals and rural migrants. For the two groups, the origin of housing wealth in the 1990s created the enlarging gap between them, where the key difference is an institutional status namely the (*hukou*) household registration status. Public rental housing were sold to sitting tenants, who are urban residents and among whom those in more resourceful working units and have more administrative power receive better housing with heavier discounts. In today’s housing market, rural migrants are still ineligible for housing subsidies, therefore *hukou* functions actively still as a “categorical inequality” to differentiate housing opportunities.

If to say the *hukou* status and working unit resourcefulness defined the housing wealth accumulation of the older generation, the dynamics in the housing market today in China only became more complicated than it used to be. Studies show that both market factors and institutional factors play a role in the current “neo-liberal” market. Moreover, because China had departed from the redistributive economy where the wellbeing resources are allocated as welfare and entered a market economy where individuals and families find themselves responsible again for their well-being, intergenerational help from parents became an issue. When looking at the younger generations (people born around and after the 1980s), a significant channel for them to obtain housing could be from the assistance of parents. The support can take various forms, but as housing properties are now no longer a welfare attached to certain status (*hukou*, working unit) and became a transactional commodity and transferrable property (at least in the urban area), it would be reasonable to assume direct financial assistance and transfer of housing assets can be a possible way to help children build up housing asset.

Since original urban residents already benefited relatively widely from wealth accumulation, will such transfer process build up a cumulative advantage for them and a cumulative disadvantage for rural migrants? If to understand wealth as an indicator of accumulated economic resources during the marketization, such inquiry is partly a bigger question about intergenerational mobility of how the post-socialist reform have changed the channels that resources and status are passed on to the next generation, and whether such process will alter the opportunity structure to create new opportunity or disadvantage for certain social groups.

Given that the mechanisms in the Chinese housing sector are complicated where market and political factors are both in play, only a comprehensive set of measures for parental resources would enable to investigate into the function and interaction of different types of resources and status in the family background that conditions the housing opportunity for children. Focusing on the housing opportunity for urban residents, and using a unique design of data from a social survey, this paper aims to provide evidence about the role of parental wealth holdings, as well as its interaction with other types of parental resources.

**Data**

The data is collected primarily from the parental generation. We utilize the China Health and Retirement Longitudinal Study (CHARLS) (Zhao et al. 2014), a household survey targeting elders above 50 years old, who provide detailed information about their children in multiple waves. This allowed us to construct parent-child pairs from the data as individual records, where the father is matched to the child by default except decease or family separation. We select children aged between 25 and 45, who reside in the urban area, married and live in an independent household, and financially independent.

The variables are merged from multiple waves of CHARLS. After merging, there are two major sources of missingness in the data. Information about the institutional status of parents (*hukou*, working unit type, and party membership) are merged from the 2014 life history survey. About 11% respondents in 2015 do not possess such information due to survey drop out. As these indicators of parental status are crucial, and it’s hard to impute the missing values due to systematic missingness, these records were dropped before further analysis.

In the 2015 survey, 21.3% and 12.2% of children’s income and 9.6% of parental net worth are missing. After comparison, no correlation of such missing patterns can be found with the missingness of other variables. Therefore, we assume these variables are missing by random and impute them with Multiple Imputation by Chain Equations (MICE) technique, which guarantees no biased inference in imputed data given that the missingness is at random. Other variables with a smaller portion of missing values (<3%) are also imputed with MICE. To make sure the randomity in MICE does not introduce biased inference, the significance of all subsequent analysis had been proven valid run multiple times with different random seeds.

**The Chinese context**

Unlike most capitalist societies that assume the market principle of resource allocation, China used to adopt a central-planned redistribution economy. Serving the purpose, the *hukou* system was established in 1958 to control geographic mobility from rural to urban areas, and over time it has become an integral part of China’s social stratification system (Liang 2014). Since the market economic reform in the 1980s, the *hukou* institution had been relaxed to allow the flow of rural labor into urban areas in order to fuel the development of the manufacturing and service sectors. This brought the largest migration in human history (Liang, Li, and Ma 2014). In the urban area, although the migrants are not constrained geographically by their *hukou* status, the dual society consists of urban-rural residents more or less still exists. The migrants mostly still carry a rural *hukou*, which disqualifies them for receiving the privileges of employment, food coupons, health insurance, housing, and schooling (Liang 2014, Solinger 1999, Wang 2005) as the urban local residents. In other words, a major source of disadvantage for migrants is the lack of local *hukou* at the destination.

Following such a notion, a “categorical inequality” can be seen in the respondents in the sample with three groups: urban local families, children from rural families without an urban *hukou*, and rural children having obtained an urban status. In our data (see Table 1 for summary statistics), out of children whose parents are from a rural family, 72% are young migrants who do not have an urban *hukou* as their rural parents. On average with middle school level education and 79% taking agricultural, industrial workers and employees of service occupation, they compose the new urban migrant working class. 77% of their parents live in rural villages. With a limited labor market income of ¥49,000, their homeownership rate is low as 62%, home value ¥276,000, ranking lowest among all the three groups.

Turning to the 22% urban residents, the vast majority of them (86%) hold an urban *hukou* as their parents do. Parents of urban incumbents are much more advantaged than rural families. On average they spent 9 years in school compared with the rural average of 6 years. 76% of rural migrants’ parents are farmers, while 70% of urban parents are working in resourceful working units such as government, state-controlled firms, and public institutions. Enjoying an average net worth of ¥373,000, they own twice wealth holdings as the rural parents do. Coming from the privileged family under the socialist regime, the children enjoyed urban schooling guaranteed by their *hukou* status, which later translates to their labor market rewards of on average ¥64,000 household income. 74% of children own a home, whose value averages at ¥472,000.

A smaller 28% group of migrants from a rural background but have earned urban *hukou*. Noted as “elites” or permanent migrants in other studies, they usually have received decent education with average above high school through the highly selective meritocracy education system. Indeed, their background is slightly better than their majority of rural fellows in terms of parental education and family net worth. However, what made they stand out is their superior labor market rewards brought by the education, represented by enrollment in more prestigious occupations (50% of them work as clerical personnel, professionals, technicians or managerial elites) and an on average ¥69,000 income, 40% more than their majority counterparts without an urban *hukou*. As a result, 76% of them own a home, whose value on average equals ¥444,000. Such volume of wealth tripled the average home value of their parents and is 60% more than their working-class peers. Indeed, they are from a rural background but their extremely high level of self-achievement made their socio-economic profile close to urban residents.

In the next section, taking factors unique to the stratification and mobility regime of Chinese society into consideration, we provide a conceptualized framework to study the impact of various parental resources and status, including wealth, on the housing wealth accumulation of the children.

**Analytical framework**

Since this paper looks to investigate the role of parental status and background, it makes sense to formulate the analytical framework based on a portfolio of parental and child resources with Chinese characteristics. In capitalist societies where labor and capital market is prominent in allocating resources, the measurement for parental resources usually takes the form of education, occupation, and wealth holdings. In the post-socialist Chinese society, the persistence of redistribution system and the introduction of market mechanisms led to a constantly evolving opportunity structure that weakened labor power as maintained through the *hukou* system and undermined the role of organizational assets tied to the working unit. The roles of authority, skills, and economic capital in generating inequalities, however, have been enhanced.

Following such a stratification framework, Figure 1 visualizes the theoretical formulation that guides the modeling process of the paper. The framework distinguishes between the resources that the child is holding. Studies show that personal savings remain the most primary source of finance for home buyers, for which we measure the child’s achievement in the labor market by years of schooling, occupation and household income was measured. Indicating the status of a child under redistributive institutions, the party membership which is associated with rent-seeking capacity in the market and *hukou* status of the child which comes with housing subsidies were measured as well. Besides, demographic characteristics of the child (age, gender, siblings and number of children), characteristics of the spouse (years of schooling and *hukou* status), and heterogeneity in the local housing market (residential area of child and average housing price) are controlled.

Apart from children’s self-achievement, resources and status of parents are distinguished by three formulations. We assume the primary differentiating factor for the impact of the parental resources to be whether the father was a legitimate urban resident with urban *hukou* status in their most recent employment. This is not because the *hukou* status of the father itself would play any role in helping the child in gaining home wealth. Rather, we use the *hukou* status as an indicator to differentiate between parental households coming from a rural or migrant background and parental household who are urban locals because we believe such difference would have important implications as to how the economic resources of parents are transmitted. First, the component of wealth holdings in rural area functions differently between rural and urban areas, especially for housing asset: while urban area mostly has a housing market where properties can be liquidated, such thing rarely exist in rural area where most houses are self-built. Plus, the portfolio holdings of rural parents sometimes include land assets, which is guaranteed by a rural *hukou* but not for urban residents. Second, in our sample, 57% of rural originating parents don’t reside in the same county with their migrant children, while 66% of parents live within the same city as their children. The distance might bring differences for parents in strategy to support the home wealth accumulation of children. For example, the organizational resources and social network of migrant parents might not be helpful in a new city, which might introduce a local advantage for local city parents. Considering the prominent differentiating function that the family origin/migration status which the parental *hukou* status indicates, the strategy of this paper is to model children from a rural background (parents hold rural *hukou*) and an urban background (parents hold urban *hukou*) separately with the same formula, then compare the results. If such operation wouldn’t lose comparative information on the socio-economic attainment of the two groups of children who compete in the same labor market in urban space, it would be very helpful to observe the several distinctions elaborated just now in terms of the impact from parental resources.

Central to the focus of the paper, two different formulations measure the direct transfer or support from the economic resources of parents. Some qualitative studies (Or 2018) in major cities had shown young adults from middle-class families receive substantial financial assistance from parents. Several quantitative studies had pointed out a significant impact from the property ownerships of parents on ownership attainment of child generation (Cui, Huang, and Wang 2019; Niu and Zhao n.d.). Some studies went further to discuss potential familial patterns of intergenerational financial and ownership transfer, such as favoring for downward mobile children (Zhang and Bian 2019; Zhu 2018). Therefore, a link between parental wealth and children’s welfare has been established. In our data, the simple measure for parental economic resources calculates the total net worth of parental household, whereas a more detailed formulation decomposes the net worth into four different components: housing asset, financial asset, fixed asset and durables, and land asset. Assuming that the portfolio of the parental asset wouldn’t change much over time, such formulation would enable to speculate about the concrete channels that economic resources are being transmitted.

In a good position in the former redistributive economy, parents in resourceful working units (working organization conferring redistributive hierarchy) and having urban *hukou* would be able to leverage their organizational resources to assist children with home asset accumulation. Social network and organizational resources of parents can bring better investment opportunities and other rent-seeking capacities (Or 2018), first-hand knowledge in asset acquisition, etc. To measure such capacity of parents, we extract the type of working unit of the employer that the parents had been with for the longest time in their past ten years of job history, as well as the party membership information of the parent.

**Parental resources’ role in children’s homeownership**

Compare with many societies, benefiting from the rapid development in the housing sector in the past two decades, the homeownership rate in China is overall high. In our sample, 84% of parents and 67% of children own a home. As the previous section indicates, the modeling formula would be applied to children whose parents don’t have an urban *hukou* and those parents who do. Targeting at the child’s homeownership status (owns a home or not), two logistic models reveal the determinants of ownership status.

For both types of families, the likelihood of entry into homeownership increases with increasing age as a life-cycle indicator and number of children as a need to accommodate the household members. If any socio-economic advantage would add to the chance, the household income seems to be the prominent factor which prepares the necessary economic resources in the market. The spouse’s education was also significant, probably serving as a proxy for the corresponding human capital. Not surprisingly, among migrants, those holding an urban *hukou* have significantly more likely to be homeowners, confirming the contribution of various benefits and housing subsidies of an urban status in facilitating homeownership.

Notably, for children from migrant families, female children rather than male children have more likelihood to become a homeowner. This is relevant to the selective marriage in China. Given China’s strong tradition of the patri-family and marriage roles, husbands usually have a higher socioeconomic position than their wives. While 16% of female migrants got married to an urban husband whose average years of education is 1 year more than their wives, only 9% of migrant male married to urban wives, whose educational attainment is not as good as them.

Another part of the gender story is a small exception of 13% of homeowners, who were lucky to be given a home directly from parents upon their marriage as a substantial gift (median gift value is ¥200,000). Different from other channels of assistance such as ownership transfer of self-built homes (Zhu 2018), the gift recorded in CHARLS takes the explicit form of market purchase. A logistic model (Table 3) assesses whether particular factors would increase the likelihood of children to receive the gift, where due to the small portion of gift transfer, the urban and rural samples are combined. The result tells little about any economic story but shows a very strong preference towards males and the only child. Indeed, the recipients are almost exclusively male (94%), 22% of whom are only children. This reflects the intention of continuing family lineage in the transfer, which had also been elaborated in several studies (Or 2018; Zhang and Bian 2019).

Looking at the role of parental resources, no economic or other resources from the parents seem to directly add to the chance of homeownership in both types of families. However, it might be too early to conclude that the housing opportunity in China is such an optimistic one if one considers the limitation in using homeownership as a binary indicator to measure the housing or socio-economic wellbeing of the child. For urban locals, homeownership usually means a house in urban areas that one can live in or can be liquidated in the urban housing market. For rural migrants, although the data does not collect information on whether their property is located in their area of residence, it would be reasonable to assume a considerable part of migrant-owned housing can be located in their original town, which they can neither live or sell for significant market value. Besides, studies have demonstrated that the diverging housing quality between urban locals and rural migrants, which cannot be reflected only in homeownership. Lots of owned properties in China are either self-built or are old working unit housing which does not provide a decent standard of living. On the other hand, commodity housing build after the marketization of the housing sector in the late 1990s are newer and provide better conditions. An important way to make a distinction between the two is through looking at the market value of the property. Therefore, it becomes more necessary to understand not only who would own a home but also to investigate who would win a better home, which provides better living conditions and which can demonstrate more value in the housing market.

**Parental resources’ role in children’s home value**

Even though parental background does not pronounce much in determining children’s entry into homeownership, the result shows that the magnitude and channel through which parents facilitate the housing asset building of children can be quite different for the rural and urban families. This section would elaborate on them separately.

*Children from rural families*

For children from rural origin families (Table 4), the socio-economic story is more straightforward. The labor market performance would be crucial: For a doubled household annual income, about 20% premium is likely to be added to the home value. 4 additional years in school bring a 20% increase in home wealth, which equals the impact of a doubled income, holding other factors equal. A similar but smaller influence from the spouse exists, where three additional years of spousal education would bring about a 10% rise in home value. Compared with their peers doing agricultural labor, migrants working in industrial and service jobs enjoy better-off housing opportunities. On the institutional side, permanent urban residents remain privileged compared with their rural counterparts with a 16% premium in-home wealth controlling their human capital. This indeed is consistent with other studies’ results that both market and institutional factors are still active in play in the housing market.

The parental side is now a completely different story, with the simple formulation measuring the total net worth of parents comes first. Net of all those self-achieved resources and status of the child, parental net worth would still add significantly to the value of assets. More precisely, for one standard deviation increase of 3.09 in parental net worth, the home value of children’s home would increase by about 13%. After controlling for various properties on the child generation, it’s safer to suggest that such an impact from parents can be attributed to a direct transfer of financial assets or home properties.

Using an alternative formulation of parental resources, we decompose it into four parts to understand more concrete transmission channels. There are four major components of parental wealth: housing asset, financial asset, fixed asset and durables, and land asset. We have included the logged value of each individual item and specify a dummy variable indicating the status of no ownership of such asset (e.g. 1 indicates no homeownership) so that we can compare between the group of people holding such an asset and the group that does not. From the result, it seems that the major vehicle for rural parents to directly help their children is through home assets. Moreover, after controlling more coefficients, such impact is much more prevalent than the previous specification of pure net worth. If logged parental housing asset increase by a standard deviation of 4.03, the child’s home value would increase by 64%. The magnitude of such impact is very much considerable, considering that one standard deviation of income only increases child home value by 28%. On the other hand, the impact of financial assets, durables and land assets seems not significant. Intuitively, a possible explanation for the home value to play a role would be that ownership transfer or financial assistance is the main channel of transmission. Although homes are of little market values in rural villages, wealthy rural parents might invest in housings in bigger towns, which can be transferred as ownerships or sold on market for liquidity for downpayment or repayments.

An additional finding considers the gendered support from parents. Two interaction terms of child gender with housing and financial wealth of parents are included in the model, which reveals that parental housing wealth has more impact on the home value of male children. Moreover, parental financial wealth also becomes relevant. Such difference provides another evidence that the support from parents is gendered for those growing up in a rural environment, where traditional family lineage is considered to be transmitted through male household members. On the other hand, after accounting for the parental assistance, the coefficient of child gender indicates a larger and more significant gap between male and female children from 12% with 0.05 p-value to 53% with <0.001 p-value, indicating that parental financial assistance which favors the male children partly facilitate more chance for them.

*Children from urban families*

For urban locals growing up in the city, the labor market story is not so different: similar impacts from education, occupation, and family income are observed, with the magnitude of coefficients similar to rural children. The differentiation between rural and urban *hukou* holders does not exist because most urban children hold an urban *hukou*. The attainment process for the urban residents seems not very much gendered, as the gender coefficient is now insignificant.

The main difference between the model results lies in the part indicating the impact of parental resources. First, the impact of parental net worth is significantly larger than the case for rural parents. With a one-standard-deviation increase of 2.7 in parental net worth, the increase in child home value would be 17%. When the second model decomposes the parental wealth components, the result shows that given an increase of 4.5 in logged parental housing wealth, there will be a 127% increase in the home value of the child, going even beyond doubling it. If to assume one of the main channels of wealth transmission is the conversion of housing assets through transfer or assistance from resales, such a larger impact than rural parents becomes more reasonable. 66% of urban parents live in the same city with their children; while only 17% of rural parents do (referred to as second-generation migrant workers). With the locality advantage, it’s easier for urban local parents to transfer their house to the child, which as an urban local property, will also be convenient as a residential place or rental property. In other cases, an urban property would be easier to be converted to financial resources to offer help in purchasing or loan repayment, while such means for rural parents will be rather constrained.

Aside from the larger impact from urban parents with housing assets, some in urban parents seem to be able to offer additional advantages associated with their working unit. More precisely, children whose parents worked in the private sector, public institution or government will likely have their home value 30% more than others, even net of the impact from parental wealth. Such an impact would be a piece of evidence that politically privileged parents can offer non-material help to their children. Huang and Yi (Huang and Yi 2011) found that children of high-ranking cadres were more likely to own second homes. Their parents could access highly subsidized housing by their top positions in work-units and thus help their children in their home purchases. Parents also sent requests to their work-units for an additional flat on the grounds of crowded living conditions (Wang and Davis 2010). Since the majority of parents (51%) are working in these public occupations, the advantage gives them extraordinary capacity compared with rural parents on top of their more superior asset holdings.

*Evaluating the mobility*

After the initial accumulation of wealth through housing and capital privatization, given the status and resources of parents, how much mobility is offered the wealth-building process? Among migrant children originating from rural areas, the mobility they have gained is considerable: a formula that only includes demographics and parental resources that is “ascribed” to the children yields an R2 of 0.13 (tables of this section is not included for now). After introducing the socio-economic attainment of the children, the R2 almost doubled to 0.24. However, if to bear in mind that these migrant children who at least managed to settle down in urban areas through education only make up 36% of the rural-originated population, the large role that the human capital factors such as their income, occupation, marriage is more reasonable. The skilled labors are those who made through the attainment of education through highly selective college entrance exams given the poor education resources in rural areas, and the migrant workers often endure lack of welfare provision and other resources.

On the other hand, parental resources alone already explain 27% of the variations in the urban children’s housing asset. After including the socio-economic attainment of the child, the R2 increased moderately to 0.4 (0.43 with a detailed formulation of parental assets). Considering the fact that urban children already enjoy much better parental resources and institutional status, such explanation power can be understood as a safety net for the urban locals. Indeed, as the previous parts illustrate, with more prevalent impact from parental wealth, combining their advantage in schooling and the labor market, the accumulation of wealth would be easier with such a two-generation locality.

**Summary and discussion**

In post-socialist Chinese society, the state, the market and the family interplay in the opportunity structure. For the current generation of young adults in China, the housing market is where the parental economic resources are more pronouncing. Although parental background does not play an important role in determining a child's homeownership, for a child's home value as a better measure, the contribution from parental resources is significant.

For children from migrant families, the process of accumulating housing assets is gendered in the sense that the contribution and attainment process vary between male and female children. The parental investment focuses more on males with the support from home and financial assets, and direct transfer of purchased home for a few. However, females may enjoy a mobility elevation in the asset through marriage with resourceful husbands in the urban area. Urban parents' wealth has a larger impact on the housing wealth of their children, probably because of the locality advantage of living close to the children and holding more valuable and liquid-able housing assets. Net of wealth, urban parents working in firms, public institutions and governments are also able to leverage their organizational resources to help children. Overall, with the heavy selection process, the asset-building process for migrant children often undergoes much higher mobility, while the stronger impact from parental resources and status in the urban area provided a safety net for the offspring, prolonging their locality advantage.

The implications of such findings can be better understood through observing the role of housing assets, or wealth overall in the social change of urban China. If to say that the higher wealth holders in the parents are those who have benefited from their superior positions in the redistributive economy in the socialist era, the evidence provided by this study shows that asset-building plays a significant role in transmitting such advantages through multiple channels. Compared with rural parents, urban parents not only have more wealth to transmit as an input but also have higher efficiency in the process of transmitting it due to the setting of the market economy. Within urban parents, those used to be in resourceful working units can pass on richer wealth and additionally leverage organizational resources to support their children. Here, wealth as a capitalist economic resource not only has its origin partly from the socialist inequalities but also has its functioning conditioned by active institutional mechanisms such as *hukou* and working units. In other words, the opportunity patterns have not only manifested the previous inequality patterns but also go beyond the original institutional mechanisms as socialist legacies, to include the inequality of wealth holding, the family settings under huge rural-urban migration and other post-reform emerging inequalities through the operation of the marketized housing sector.

With the absence of property and inheritance tax as well as the lack of alternative investment tools, housing asset is likely to continue to play an important role. Considering post-socialist China is still undergoing rapid change, more future evidence and prospects will unveil more insights into how the transformation has altered the life chance of individuals.

*\*Notes on modeling for myself:*

*- When comparing R square, use partial F test instead of directly comparing the R square.*

*- Consider use Tobit model for the housing wealth part.*

Figure 1. Theoretical framework on the impact of parental resources on child’s housing wealth.

Source: author’s synthesis.

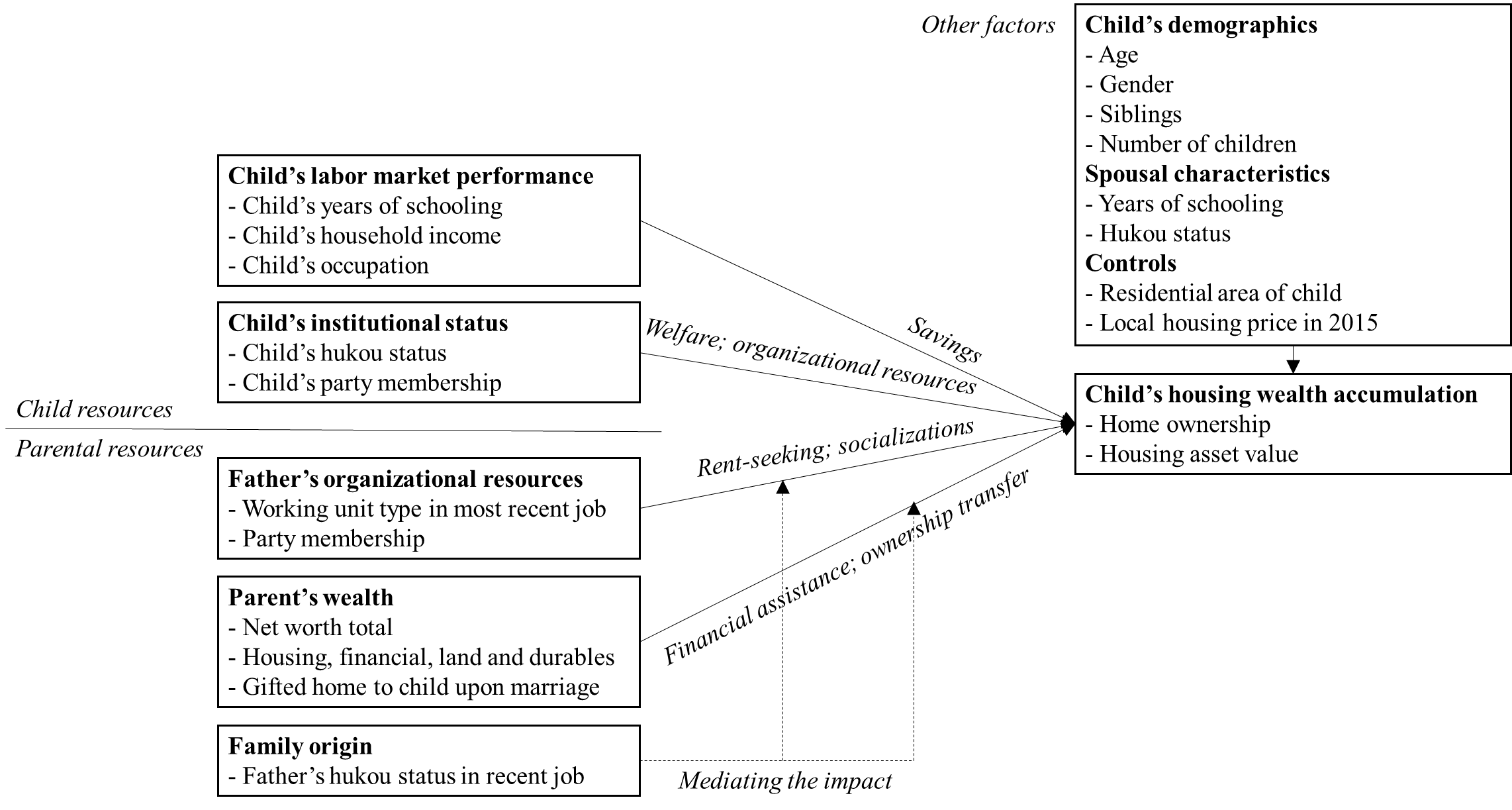


Table 1. Summary statistics by the full sample, children with parents of rural and urban origin. Source: CHARLS 2013-2015.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Full sample** | **Rural *hukou* parents** | **Urban *hukou* parents** |
| N | 5,241 | 4,001 | 1,240 |
| *Child characteristics* |  |  |  |
| **Age** |  |  |  |
| minimum | 26 | 26 | 26 |
| median (IQR) | 36 (31.00, 40.00) | 35 (31.00, 40.00) | 37.50 (33.00, 41.00) |
| mean (sd) | 35.56 ± 5.33 | 35.24 ± 5.34 | 36.62 ± 5.14 |
| maximum | 44 | 44 | 44 |
| **Gender** |  |  |  |
| Female (%) | 2,828 (54) | 2,158 (54) | 670 (54) |
| Male (%) | 2,413 (46) | 1,843 (46) | 570 (46) |
| **Siblings** |  |  |  |
| Have siblings | 4,916 (94) | 3,841 (96) | 1,075 (87) |
| The only child | 325 (6) | 160 (4) | 165 (13) |
| **Number of children** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 1 (1.00, 2.00) | 1 (1.00, 2.00) | 1.00 (1.00, 1.00) |
| mean (sd) | 1.32 ± 0.69 | 1.38 ± 0.70 | 1.12 ± 0.60 |
| maximum | 6 | 6 | 4 |
| **Years of schooling** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 9.00 (9.00, 14.00) | 9.00 (6.00, 12.00) | 12.00 (9.00, 14.00) |
| mean (sd) | 10.14 ± 3.93 | 9.57 ± 3.91 | 11.98 ± 3.37 |
| maximum | 22 | 22 | 22 |
| **Spouse years of schooling** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 9.00 (9.00, 12.00) | 9.00 (9.00, 12.00) | 12.00 (9.00, 14.00) |
| mean (sd) | 10.38 ± 3.84 | 9.91 ± 3.82 | 11.88 ± 3.49 |
| maximum | 22 | 22 | 22 |
| **Current *hukou* status** |  |  |  |
| Agricultural *hukou* | 3,048 (58) | 2,875 (72) | 173 (14) |
| Urban *hukou* | 2,193 (42) | 1,126 (28) | 1,067 (86) |
| **Spouse *hukou* status at marriage** |  |  |  |
| 1 Agricultural *Hukou* | 3,403 (65) | 3,031 (76) | 372 (30) |
| 2 Non-agricultural *Hukou* | 1,838 (35) | 970 (24) | 868 (70) |
| **CCP Membership** |  |  |  |
| Not Party member | 4,545 (87) | 3,540 (88) | 1,005 (81) |
| Party member | 696 (13) | 461 (12) | 235 (19) |
| **Occupation** |  |  |  |
| 1 Peasants | 522 (10) | 482 (12) | 40 (3) |
| 2 Industrial workers | 1,188 (23) | 1,005 (25) | 183 (15) |
| 3 Employees of services | 1,734 (33) | 1,320 (33) | 414 (33) |
| 4 Clerical personnel | 417 (8) | 277 (7) | 140 (11) |
| 5 Professionals and Technicians | 896 (17) | 629 (16) | 267 (22) |
| 6 State, social and enterprise managers | 484 (9) | 288 (7) | 196 (16) |
| **Household income (logged)** |  |  |  |
| minimum | 3.91 | 3.91 | 3.91 |
| median (IQR) | 10.60 (10.13, 11.23) | 10.60 (10.13, 11.23) | 10.60 (10.13, 11.23) |
| mean (sd) | 10.43 ± 1.30 | 10.38 ± 1.33 | 10.61 ± 1.18 |
| maximum | 13.12 | 13.12 | 13.12 |
| **Homeownership** |  |  |  |
| No | 1,710 (33) | 1,371 (34) | 339 (27) |
| Yes | 3,531 (67) | 2,630 (66) | 901 (73) |
| **Receive gifted home at marriage** |  |  |  |
| No | 4,803 (92) | 3,718 (93) | 1,085 (88) |
| Yes | 438 (8) | 283 (7) | 155 (12) |
| **Market value of housing** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 11.92 (0.00, 12.90) | 11.78 (0.00, 12.79) | 12.43 (0.00, 13.12) |
| mean (sd) | 8.39 ± 5.94 | 8.12 ± 5.97 | 9.26 ± 5.76 |
| maximum | 16.12 | 16.12 | 16.12 |
| **City tier** |  |  |  |
| tier1 | 391 (7) | 301 (8) | 90 (7) |
| tier2 | 471 (9) | 321 (8) | 150 (12) |
| tier3 | 1,195 (23) | 904 (23) | 291 (23) |
| tier4 | 3,184 (61) | 2,475 (62) | 709 (57) |
| **Residential area** |  |  |  |
| 1 Main City Zone | 3,325 (63) | 2,404 (60) | 921 (74) |
| 2 Urban rural fringe | 781 (15) | 653 (16) | 128 (10) |
| 3 The Town Center | 797 (15) | 645 (16) | 152 (12) |
| 4 ZhenXiang Area | 338 (6) | 299 (7) | 39 (3) |
| **Average housing price of city** |  |  |  |
| minimum | 2,674.96 | 2,674.96 | 2,674.96 |
| median (IQR) | 3,987.14 (3,279.65, 4,875.12) | 3,980.74 (3,187.48, 4,875.12) | 4,032.63 (3,279.65, 4,643.57) |
| mean (sd) | 4,649.15 ± 2,521.97 | 4,581.54 ± 2,265.75 | 4,867.28 ± 3,203.66 |
| maximum | 33,661.39 | 33,661.39 | 33,661.39 |
| *Parental characteristics* |  |  |  |
| **Age** |  |  |  |
| minimum | 36 | 36 | 44 |
| median (IQR) | 63.00 (58.00, 68.00) | 63.00 (58.00, 68.00) | 65.00 (60.00, 70.00) |
| mean (sd) | 63.56 ± 7.71 | 63.04 ± 7.74 | 65.21 ± 7.39 |
| maximum | 93 | 93 | 88 |
| **Gender** |  |  |  |
| 1 male | 4,556 (87) | 3,453 (86) | 1,103 (89) |
| 2 female | 685 (13) | 548 (14) | 137 (11) |
| **Years of schooling** |  |  |  |
| minimum | 1 | 1 | 1 |
| median (IQR) | 9.00 (6.00, 9.00) | 6.00 (6.00, 9.00) | 9.00 (6.00, 12.00) |
| mean (sd) | 7.40 ± 3.69 | 6.77 ± 3.50 | 9.42 ± 3.55 |
| maximum | 22 | 16 | 22 |
| ***Hukou* status** |  |  |  |
| Rural *hukou* | 4,001 (76) | 4,001 (100) | 0 (0) |
| Urban *hukou* | 1,240 (24) | 0 (0) | 1,240 (100) |
| **CCP Membership** |  |  |  |
| Not party member | 4,918 (94) | 3,827 (96) | 1,091 (88) |
| Party member | 323 (6) | 174 (4) | 149 (12) |
| **Working unit type** |  |  |  |
| 1 Agricultural | 3,136 (60) | 3,023 (76) | 113 (9) |
| 2 Private | 803 (15) | 557 (14) | 246 (20) |
| 3 State Controlled Firm | 492 (9) | 94 (2) | 398 (32) |
| 4 Public institution | 342 (7) | 102 (3) | 240 (19) |
| 5 Government | 275 (5) | 123 (3) | 152 (12) |
| 6 Collective Controlled Firm | 193 (4) | 102 (3) | 91 (7) |
| **Homeownership** |  |  |  |
| Yes | 834 (16) | 637 (16) | 197 (16) |
| No | 4,407 (84) | 3,364 (84) | 1,043 (84) |
| **Housing asset (logged)** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 11.16 (9.21, 12.21) | 10.82 (9.21, 12.04) | 12.15 (10.60, 12.77) |
| mean (sd) | 9.48 ± 4.38 | 9.26 ± 4.29 | 10.18 ± 4.57 |
| maximum | 15.42 | 15.42 | 15.25 |
| **Whether holding financial asset** |  |  |  |
| Yes | 4,303 (82) | 3,209 (80) | 1,094 (88) |
| No | 938 (18) | 792 (20) | 146 (12) |
| **Financial asset (logged)** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 8.01 (5.67, 10.13) | 7.60 (5.40, 9.70) | 9.68 (6.91, 11.07) |
| mean (sd) | 7.16 ± 3.90 | 6.74 ± 3.85 | 8.51 ± 3.75 |
| maximum | 15.9 | 14.12 | 15.9 |
| **Total net worth (logged)** |  |  |  |
| minimum | 0 | 0 | 0 |
| median (IQR) | 11.54 (10.17, 12.50) | 11.28 (9.99, 12.24) | 12.34 (11.29, 13.04) |
| mean (sd) | 10.76 ± 3.04 | 10.50 ± 3.09 | 11.62 ± 2.70 |
| maximum | 15.93 | 15.45 | 15.93 |

Table 2. Determinants of homeownership for children with rural and urban parents in China. Source: CHARLS 2013-2015.

|  |  |  |
| --- | --- | --- |
|  | Rural *hukou*  Parents | Urban *hukou*  Parents |
| (Intercept) | -5.76 \*\*\* (0.44) | -8.20 \*\*\* (1.04) |
| *Child’s characteristics* |  |  |
| Age | 0.10 \*\*\* (0.01) | 0.10 \*\*\* (0.02) |
| Male vs. female | -0.38 \*\*\* (0.08) | -0.24 (0.15) |
| Only child vs. have siblings | -0.24 (0.19) | -0.14 (0.22) |
| Number of children in child’s family | 0.15 \*\* (0.06) | 0.36 \*\* (0.13) |
| Years of schooling | -0.01 (0.01) | 0.05 (0.03) |
| CCP Member vs. non-party member | 0.34 \* (0.13) | 0.39 (0.22) |
| Occupation (base: peasants) |  |  |
| - Industrial workers | -0.17 (0.13) | 0.12 (0.40) |
| - Employees of services | -0.14 (0.12) | 0.16 (0.38) |
| - Clerical personnel | -0.14 (0.18) | -0.01 (0.42) |
| - Professionals and Technicians | -0.15 (0.15) | -0.04 (0.40) |
| - State, social and enterprise managers | 0.13 (0.20) | 0.37 (0.43) |
| Household income (logged) | 0.25 \*\*\* (0.03) | 0.33 \*\*\* (0.07) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.30 \*\* (0.10) | 0.10 (0.21) |
| *Spouse’s characteristics* |  |  |
| Years of schooling | 0.05 \*\*\* (0.01) | 0.06 \* (0.03) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.08 (0.10) | 0.07 (0.17) |
| *Parental characteristics* |  |  |
| Years of schooling | -0.00 (0.01) | 0.04 (0.02) |
| Working unit type (base: agricultural) |  |  |
| - Private sector | 0.01 (0.11) | -0.14 (0.28) |
| - State Controlled Firm | -0.10 (0.24) | -0.20 (0.27) |
| - Public institution | 0.16 (0.25) | -0.14 (0.29) |
| - Government | 0.17 (0.22) | -0.57 (0.31) |
| - Collective Controlled Firm | -0.18 (0.24) | -0.16 (0.34) |
| CCP Member vs. non-party member | -0.09 (0.18) | 0.04 (0.23) |
| Parental net worth (logged) | -0.00 (0.01) | 0.02 (0.03) |
| Gifted home upon marriage vs. no gifted home | 1.59 \*\*\* (0.19) | 0.90 \*\*\* (0.26) |
| *Controls* |  |  |
| Housing price in child’s city of residence | -0.00 \*\*\* (0.00) | -0.00 (0.00) |
| Child’s residential area (base: main city zone) |  |  |
| Urban-rural fringe | -0.03 (0.10) | -0.16 (0.22) |
| Town centers | 0.31 \*\* (0.10) | 0.27 (0.22) |
| Zhen Xiang area (rural township) | 0.05 (0.14) | 0.24 (0.39) |
| N | 4001 | 1240 |
| AIC | 4679.45 | 1355.12 |
| BIC | 4861.98 | 1503.68 |
| Pseudo R2 | 0.17 | 0.17 |
| \*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05. | | |

Table 3. Determinants of gifted home for children upon marriage via market purchase from parents in China. Source: CHARLS 2013-2015.

|  |  |
| --- | --- |
|  | Full sample |
| (Intercept) | -5.48 \*\*\* (0.81) |
| *Child’s characteristics* |  |
| Age | -0.03 \*\* (0.01) |
| Male vs. female | 3.70 \*\*\* (0.39) |
| Only child vs. have siblings | 1.25 \*\*\* (0.17) |
| Number of children in child’s family | -0.20 \* (0.09) |
| Years of schooling | -0.01 (0.02) |
| CCP Member vs. non-party member | 0.12 (0.15) |
| Occupation (base: peasants) |  |
| - Industrial workers | -0.36 (0.24) |
| - Employees of services | -0.53 \* (0.24) |
| - Clerical personnel | -0.78 \* (0.31) |
| - Professionals and Technicians | -0.20 (0.25) |
| - State, social and enterprise managers | -0.36 (0.28) |
| Household income (logged) | 0.12 \* (0.06) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.21 (0.15) |
| *Spouse’s characteristics* |  |
| Years of schooling | 0.02 (0.02) |
| Urban *hukou* holder vs. rural *hukou* holder | 1.11 \* (0.45) |
| *Parental characteristics* |  |
| Years of schooling | 0.06 \*\*\* (0.02) |
| Working unit type (base: agricultural) |  |
| - Private sector | 0.22 (0.17) |
| - State Controlled Firm | 0.04 (0.24) |
| - Public institution | 0.07 (0.24) |
| - Government | 0.33 (0.24) |
| - Collective Controlled Firm | 0.21 (0.28) |
| CCP Member vs. non-party member | 0.34 (0.20) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.10 (0.17) |
| Parental net worth (logged) | -0.02 (0.02) |
| *Controls* |  |
| Housing price in child’s city of residence | -0.00 (0.00) |
| Child’s residential area (base: main city zone) |  |
| Urban-rural fringe | 0.15 (0.16) |
| Town centers | 0.14 (0.16) |
| Zhen Xiang area (rural township) | 0.50 (0.26) |
| N | 4001 |
| AIC | 4679.45 |
| BIC | 4861.98 |
| Pseudo R2 | 0.17 |

\*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05.

Table 4. Determinants of home asset value for children with rural parents in China. Source: CHARLS 2013-2015.

|  |  |  |
| --- | --- | --- |
|  | Rural *hukou* parents | |
|  | Parental wealth  As net worth | Parental wealth  With details |
| (Intercept) | 8.29 \*\*\* (0.28) | 6.89 \*\*\* (0.92) |
| *Child’s characteristics* |  |  |
| Age | 0.00 (0.00) | 0.00 (0.00) |
| Male vs. female | -0.12 \* (0.05) | -0.53 \*\*\* (0.13) |
| Only child vs. have siblings | 0.05 (0.12) | 0.02 (0.12) |
| Number of children in child’s family | 0.10 \*\* (0.04) | 0.09 \*\* (0.03) |
| Years of schooling | 0.05 \*\*\* (0.01) | 0.04 \*\*\* (0.01) |
| CCP Member vs. non-party member | -0.06 (0.07) | -0.05 (0.07) |
| Occupation (base: peasants) |  |  |
| - Industrial workers | 0.22 \*\* (0.08) | 0.21 \*\* (0.08) |
| - Employees of services | 0.30 \*\*\* (0.08) | 0.30 \*\*\* (0.08) |
| - Clerical personnel | 0.20 (0.11) | 0.19 (0.11) |
| - Professionals and Technicians | 0.28 \*\* (0.09) | 0.28 \*\* (0.09) |
| - State, social and enterprise managers | 0.21 (0.11) | 0.18 (0.11) |
| Household income (logged) | 0.21 \*\*\* (0.02) | 0.19 \*\*\* (0.02) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.16 \*\* (0.06) | 0.18 \*\* (0.06) |
| *Spouse’s characteristics* |  |  |
| Years of schooling | 0.03 \*\*\* (0.01) | 0.03 \*\*\* (0.01) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.05 (0.06) | 0.02 (0.06) |
| *Parental characteristics* |  |  |
| Years of schooling | 0.00 (0.01) | -0.00 (0.01) |
| Working unit type (base: agricultural) |  |  |
| - Private sector | 0.10 (0.07) | -0.00 (0.07) |
| - State Controlled Firm | 0.16 (0.14) | 0.05 (0.14) |
| - Public institution | 0.01 (0.13) | -0.06 (0.13) |
| - Government | 0.20 (0.12) | 0.10 (0.12) |
| - Collective Controlled Firm | 0.14 (0.14) | 0.05 (0.14) |
| CCP Member vs. non-party member | 0.09 (0.10) | 0.09 (0.10) |
| Gifted home upon marriage vs. no gifted home | 0.04 (0.08) | -0.01 (0.08) |
| *Parental wealth formulations* |  |  |
| Parental net worth (logged) | 0.04 \*\*\* (0.01) |  |
| Does not own housing asset vs. owns housing asset |  | 1.57 \*\*\* (0.18) |
| Housing asset (logged) |  | 0.14 \*\*\* (0.02) |
| Does not own financial asset vs. owns financial asset |  | 0.57 (0.81) |
| Housing asset (logged) |  | -0.01 (0.07) |
| Fixed assets and durables (logged) |  | 0.30 (0.63) |
| Does not own land asset vs. owns land asset |  | -0.05 (0.29) |
| Land asset (logged) |  | 0.00 (0.03) |
| Interaction: male \* housing asset (logged) |  | 0.02 \* (0.01) |
| Interaction: male \* financial asset (logged) |  | 0.03 \*\* (0.01) |
| *Controls* |  |  |
| Housing price in child’s city of residence | 0.00 \*\*\* (0.00) | 0.00 \*\*\* (0.00) |
| Child’s residential area (base: main city zone) |  |  |
| - Urban-rural fringe | -0.20 \*\* (0.06) | -0.22 \*\*\* (0.06) |
| - Town centers | -0.15 \* (0.06) | -0.16 \*\* (0.06) |
| - Zhen Xiang area (rural township) | -0.39 \*\*\* (0.09) | -0.38 \*\*\* (0.09) |
| N | 2625 | 2625 |
| R2 | 0.24 | 0.27 |

\*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05.

Table 5. Determinants of home asset value for children with urban parents in China. Source: CHARLS 2013-2015.

|  |  |  |
| --- | --- | --- |
|  | Urban *hukou* parents | |
|  | Parental wealth  As net worth | Parental wealth  With details |
| (Intercept) | 8.10 \*\*\* (0.44) | 6.35 \*\*\* (1.44) |
| *Child’s characteristics* |  |  |
| Age | -0.01 (0.01) | -0.01 (0.01) |
| Male vs. female | 0.01 (0.06) | -0.07 (0.18) |
| Only child vs. have siblings | 0.14 (0.09) | 0.14 (0.09) |
| Number of children in child’s family | 0.09 (0.05) | 0.11 \* (0.05) |
| Years of schooling | 0.05 \*\*\* (0.01) | 0.05 \*\*\* (0.01) |
| CCP Member vs. non-party member | -0.05 (0.08) | -0.05 (0.07) |
| Occupation (base: peasants) |  |  |
| - Industrial workers | 0.32 (0.18) | 0.33 (0.18) |
| - Employees of services | 0.67 \*\*\* (0.17) | 0.68 \*\*\* (0.17) |
| - Clerical personnel | 0.62 \*\* (0.19) | 0.60 \*\* (0.19) |
| - Professionals and Technicians | 0.58 \*\* (0.18) | 0.57 \*\* (0.18) |
| - State, social and enterprise managers | 0.60 \*\* (0.19) | 0.58 \*\* (0.19) |
| Household income (logged) | 0.20 \*\*\* (0.03) | 0.20 \*\*\* (0.03) |
| Urban *hukou* holder vs. rural *hukou* holder | -0.12 (0.09) | -0.11 (0.09) |
| *Spouse’s characteristics* |  |  |
| Years of schooling | 0.04 \*\* (0.01) | 0.03 \*\* (0.01) |
| Urban *hukou* holder vs. rural *hukou* holder | 0.09 (0.07) | 0.06 (0.07) |
| *Parental characteristics* |  |  |
| Years of schooling | -0.01 (0.01) | -0.01 (0.01) |
| Working unit type (base: agricultural) |  |  |
| - Private sector | 0.50 \*\*\* (0.11) | 0.39 \*\*\* (0.12) |
| - State Controlled Firm | 0.27 \* (0.11) | 0.18 (0.11) |
| - Public institution | 0.42 \*\*\* (0.11) | 0.32 \*\* (0.11) |
| - Government | 0.39 \*\* (0.12) | 0.32 \*\* (0.12) |
| - Collective Controlled Firm | 0.31 \* (0.14) | 0.20 (0.14) |
| CCP Member vs. non-party member | -0.03 (0.08) | -0.03 (0.08) |
| Gifted home upon marriage vs. no gifted home | -0.10 (0.09) | -0.09 (0.09) |
| *Parental wealth formulations* |  |  |
| Parental net worth (logged) | 0.06 \*\*\* (0.01) |  |
| Does not own housing asset vs. owns housing asset |  | 2.17 \*\*\* (0.32) |
| Housing asset (logged) |  | 0.18 \*\*\* (0.03) |
| Does not own financial asset vs. owns financial asset |  | -0.38 (1.19) |
| Housing asset (logged) |  | 0.07 (0.09) |
| Fixed assets and durables (logged) |  | -0.37 (0.88) |
| Does not own land asset vs. owns land asset |  | 0.65 (0.62) |
| Land asset (logged) |  | 0.07 (0.07) |
| Interaction: male \* housing asset (logged) |  | 0.01 (0.01) |
| Interaction: male \* financial asset (logged) |  | -0.00 (0.02) |
| *Controls* |  |  |
| Housing price in child’s city of residence | 0.00 \*\*\* (0.00) | 0.00 \*\*\* (0.00) |
| Child’s residential area (base: main city zone) |  |  |
| - Urban-rural fringe | -0.20 \*\* (0.06) | -0.22 \*\*\* (0.06) |
| - Town centers | -0.15 \* (0.06) | -0.16 \*\* (0.06) |
| - Zhen Xiang area (rural township) | -0.39 \*\*\* (0.09) | -0.38 \*\*\* (0.09) |
| N | 900 | 900 |
| R2 | 0.40 | 0.43 |

\*\*\* p < 0.001; \*\* p < 0.01; \* p < 0.05.