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Abstract: In this paper, I discuss the actual conditions and the determinants of co-residence between older parents and their children in China, especially the impact of bequest motives on parent-child co-residence, using micro data from the "Survey of Living Preferences and Satisfaction," conducted at Osaka University. More specifically, I use three subsamples of older respondents (those who live in urban areas, those who live in rural areas, and the pooled sample of both) to analyze the impact of bequest motives and other factors on the probability of parent-child co-residence. The results are as follows: Bequest motives are strong in China, with more than 60 percent of respondents having a bequest motive, and the parent-child co-residence rate is also high (just under 60 percent). Bequest motives do not have a significant impact on the probability of parent-child co-residence in any of the three samples. However, in urban areas of China, if older parents own their own homes, the probability that they co-reside with their children increases as the value of their home increases. In rural areas of China and in the country as a whole, the coefficient of parental income is positive and significant in some cases, meaning that children are more likely to live with their parents if parental income is higher. All of these results suggest that, in both urban and rural areas of China, the Chinese are selfishly motivated and the life-cycle model applies.

Keywords: Bequest motives; parent-child co-residence; life-cycle hypothesis; altruism model; strategic bequest motive.
Journal of Economic Literature classification numbers: D91, E21
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1. Introduction

Are the Chinese selfish or altruistic? In this paper, I discuss the actual conditions and the determinants of co-residence between older parents and their children in China, especially the impact of bequest motives on the probability of parent-child co-residence, using micro data from the 2006 “Survey of Living Preferences and Satisfaction” (urban households) and the 2007 “Survey of Living Preferences and Satisfaction” (rural households), which were conducted in Feb. 2006 and Mar. 2007, respectively, as part of the 21st Century Center of Excellence (COE) Program of the Graduate School of Economics and the Institute of Social and Economic Research of Osaka University. In so doing, I try to shed light on which theoretical model (the selfish life-cycle model or the altruism model) applies in China.

The issue of which model of household behavior applies in the real world is an important one, and it also has important policy implications. For example, the altruism model implies that if parents leave a bequest to their children regardless of whether their children provide anything in return, there is a danger that wealth inequalities will be passed on, and increase, from generation to generation. By contrast, if the selfish life-cycle model is valid, there is a danger that parents who do not have any bequeathable wealth or who have bequeathable wealth but do not want to leave it to their children will not be able to live with their children and receive care from them.

As far as I know, there have not been any previous studies of parent-child co-residence in China, but there have been a number of such studies in Japan and the United States. For example, Ohtake and Horioka (1994) analyze the determinants of the probability of

parent-child co-residence of older parents and find that the probability that they co-reside with their children increases as the value of their home increases, which implies that the Japanese are selfishly motivated. By contrast, Iwamoto and Fukui (2001) find that older parents are less likely to live with their children if parental income is higher. At first sight, this finding appears to be contrary to the selfish life-cycle model, but if living separately (privacy) is a normal good, parents would presumably want to live separately from their children as long as they can afford to do so. Yamada (2006) conducts a careful analysis of the determinants of intergenerational co-residence, distance between residences, and frequency of contact between children and parents and finds strong support for the selfish exchange motive but none for the demonstration effect or mutual altruism. Wakabayashi and Horioka (2008) analyze the determinants of the co-residence behavior of elderly parents and their children and find that the life-cycle model, the dynasty model, social norms and traditions and the altruism model, especially the first three, are all applicable to some extent in Japan. Kureishi and Wakabayashi (2009) are the first to conduct a simultaneous analysis of co-residence with one's own parents and with one's parents-in-law and find that the two decisions are interrelated and that the Japanese are selfishly motivated. Thus, virtually all of the studies for Japan find that parent-child co-residence is selfishly motivated and consistent with the life-cycle model. Finally, Dekle (1990) does not look at parent-child co-residence explicitly but finds that the wealth holdings of the elderly do not depend on the number of children, which suggests the absence of an altruistic bequest motive and is consistent with the findings of the other studies.

Horioka, et al. (1998), Horioka, et al. (2000) and Horioka (2008) present data on the

impact of bequest motives on the probability of parent-child co-residence and find that parents who have a bequest motive have a much higher probability of co-residing with their children in Japan but that there is no clear relationship between the two in the U.S. These results suggest that the life-cycle model is applicable in Japan and that the Japanese are selfish but that the altruism model is applicable in the U.S and that Americans are altruistic.

Thus, there have been a number of studies of parent-child co-residence behavior in Japan and the U.S., but as far as I know, this paper is the first one to analyze the determinants of the probability of parent-child co-residence in China, and in this sense, this paper makes an original and important contribution.

To summarize my findings, I use three subsamples of older respondents (defined as those who are aged 50 or old)--those who live in urban areas, those who live in rural areas and the pooled sample of both--to analyze the impact of bequest motives and other factors on the probability of parent-child co-residence. The results are as follows: Bequest motives are strong in China, with more than 60 percent of respondents having a bequest motive, and the parent-child co-residence rate is also high (just under 60 percent). Bequest motives do not have a significant impact on the probability of parent-child co-residence in any of the three samples. However, in urban areas of China, if older parents own their own homes, the probability that they co-reside with their children increases as the value of their home increases. In rural areas of China and in the country as a whole, the coefficient of parental income is positive and significant in some cases, meaning that children are more likely to live with their

parents if parental income is higher. All of these results suggest that in both urban and rural areas of China, the Chinese are selfishly motivated and the life-cycle model applies.

This paper is organized as follows: in Section 2, I discuss two theoretical models of household behavior with emphasis on their implications for parent-child co-residence and bequest motives; in Section 3, I describe the data sources used in my analysis; in Section 4, I explain the variable definitions: in Section 5, I describe the estimation model; in Section 6, I present descriptive statistics on the variables used in the analysis with emphasis on parent-child co-residence and bequest motives; in Section 7, I present my estimation results; and in Section 8, I summarize my findings and discuss the policy implications of my findings.

2. Theoretical Models of Household Behavior and Their Implications for Parent-Child Co-residence and Bequest Motives

In this section, I briefly describe two theoretical models of household behavior and the implications of these models for parent-child co-residence and bequest motives.

(1) The life-cycle model: This model assumes that parents are selfish and do not care about their children. Thus, if this model is valid, parents will not leave any bequests at all to their children or will leave bequests only when their children provide something in return such as co-residence, care, and/or financial support during old age. Children are also selfish and do not care about their parents in this

model. Thus, if this model is valid, children will live with their parents or care for them only if their parents provide something in return such as bequests. Thus, parents-child co-residence can be explained by this model, and it predicts a positive relationship between parent-child co-residence and bequest motives.

(2) The altruism model: This model assumes that parents harbor intergenerational altruism toward their children. Thus, if this model is valid, parents will leave a bequest to their children regardless of whether or not their children provide something in return. If children also harbor intergenerational altruism toward their parents, they will live with their parents and/or care for them even if they do not receive anything in return from their parents. Therefore, this model can explain parent-child co-residence and predicts that there will not necessarily be any relationship between parent-child co-residence and bequest motives.

3. Data Sources

In this section, I describe the three data sources used in this analysis.

(1) “Survey of Living Preferences and Satisfaction” (urban households)

The “Survey of Living Preferences and Satisfaction” (urban households) (hereafter referred to as the ”Urban Survey”) was conducted in February 2006 as part of the 21st Century Center of Excellence (COE) Program of the Graduate School of Economics and the Institute of Social and Economic Research of Osaka University. 1500 respondents aged 20 to 69 living in six major cities (Shanghai, Beijing,

Chengdu, Guangzhou, Shenyang, and Wuhan) of China were selected at random and interviewed face-to-face.

(2) “Survey of Living Preferences and Satisfaction” (rural households)

The “Survey of Living Preferences and Satisfaction” (rural areas) (hereafter referred to as the “Rural Survey”) was conducted in March 2007 and used a questionnaire similar to the “Urban Survey.” 500 respondents aged 20 to 69 living in six rural areas (Ezhou, Shiyan and Suizhou of Hubei province and Hurudao, Panjin and Yinkou of Liaoning province) of China were selected at random and interviewed face-to-face.

Both of these two surveys collect a variety of detailed information on respondents and their family members--for example, on their age, sex, marital status, occupation, educational attainment, number of children, living arrangements, income, and bequest motives. Thus, they are well-suited for conducting the analysis in this paper.

I used the sample of widowed males and married couples with children for which the male household head is 50 years old or older and for whom all of the necessary information is available.

(3) “Main Indicators of Real Estate in 35 Large and Medium-sized Cities” (2005)

Data on the sales price of condominiums per square meter by city in China were taken from this data source. These data are included in Chapter 6 of the 2006 edition of the *Statistics Yearbook of China* (National Bureau of Statistics of China

(2006)).

4. Variable Definitions

In this section, I define the dependent and explanatory variables used in my analysis.

The dependent variable I use is as follows:

CORES (a dummy variable for parent-child co-residence)

The Urban Survey collects detailed information on the composition of respondents' families. Respondents were asked which of the following choices corresponds to their own family composition:

1. Live alone
2. Couple only
3. Couple and children
4. Parents and couple
5. Couple, children, and parents
6. Couple, children, parents, and siblings of the couple
7. Other
8. Male and female friends

In the Rural Survey, the same question was asked and the choices were the same except that choice 8 was not included.

CORES is a dummy variable that equals one if respondents live with adult children and zero otherwise. More specifically, if respondents chose options 3, 4, 5 or 6 and their children are aged 18 or older, CORES was given a value of one, but if respondents chose options 3, 4, 5 or 6 and their children are aged 17 or younger, or if they chose options 1 or 2, CORES was given a value of zero. Respondents who chose options 7 or 8 were dropped from the sample. In the Rural Survey, there is an additional option ("parents only"), which is presumably a subset of option 7, and respondents who chose this option were given a value of zero.

The explanatory variables I used are as follows:

BEQUEST (bequest motive dummy)

In both the Urban and Rural Surveys, respondents were asked whether or not they want to leave as large a bequest as possible to their children, etc. The options given were as follows:

1. I think so
2. I tend to think so

3. I cannot say one way or the other

4. I tend not to think so

5. I do not think so

BEQUEST is a dummy variable that equals one if parents think (or tend to think) that parents should leave as large a bequest as possible to their children, etc. and zero otherwise.

INCOME (parental income)

INCOME is the monthly income of the respondent and his or her spouse. INCOME is in units of 10,000 yuan.

WORK (a dummy variable for the employment status of the male household head)

In both the Urban and Rural surveys, respondents were asked which of the following choices corresponds to their occupation and their spouse's occupation:

1. Clerical worker (general, business-related, etc.)

2. Sales worker (retail shop owner, sales clerk, sales representative, etc.)

3. Managerial worker (government or company worker with the rank of section chief or higher, member of the board of directors, etc.)

4. Professional or technical worker (teacher, doctor, engineer, writer, etc.)

5. Service worker (hairdresser, waiter, waitress, taxi driver, security guard, etc.)

6. Blue-collar worker (carpenter, repairperson, factory worker, etc.)

7. Agriculture, forestry, and fisheries

8. Housewife or househusband (part-time worker)

9. Housewife or househusband (unemployed)

10. Student

11. Retired (excluding housewife and househusband)

12. Unemployed (excluding for housewife and househusband)

13. Other

WORK is a dummy variable that equals one if the respondent chose options 1 to 7 and zero if the respondent chose options 8 to 12. Respondents who chose options 13 were dropped from the sample.

W (cross-product of INCOME and WORK)

W was calculated as INCOME * WORK.

HOME (homeownership dummy)

In both the Urban and Rural Surveys, respondents were asked if they own their own homes. HOME is a dummy variable that equals one if respondents own their own homes and zero otherwise. However, this variable was not included when the rural

sample was used because almost all respondents living in rural areas own their own homes.

RR (housing price index)

RR is a housing price index calculated as the sales price of condominiums per square meter in each city divided by the average income of households with a male household head aged 50 years old or older in that city. However, this variable was not included when the rural sample or the full sample were used because data on the sale price of condominiums per square meter are not available in the case of rural areas.

H (cross-product of RR and HOME)

H was calculated as RR * HOME.

HAGE (the age of the male household head)

HAGE is the age of the male household head.

HEDU (dummy for the male household head's educational attainment)

HEDU is a dummy variable that equals one if the final educational attainment of the male household head is graduation from junior college or higher (options 5 to 11) and zero otherwise.

MARRY (dummy for the male household head's marital status)

MARRY is a dummy variable that equals one if respondents chose option 2 (married and living with spouse) and zero otherwise.

RURAL (rural dummy)

RURAL is a dummy variable that equals one if the respondent is a rural household and zero otherwise (if the respondent is an urban household). This variable was included only when the full sample was used.

5. Estimation Model

In this section, I describe the estimation model used in my analysis. I use the following probit model:

$$\text{Prob (CORES=1)} = a + b(\text{BEQUEST}) + c(\text{INCOME}) + dH + eX$$

(X: other explanatory variables)

Regarding BEQUEST, if children are selfish, they would be expected to live with their older parents only if their parents provide something in return such as bequests. Thus, the coefficient of BEQUEST should be positive. By contrast, if children are altruistic, parent-child co-residence should not depend on the bequest motives of parents and thus the coefficient of BEQUEST should be zero.

Regarding parental income (INCOME), if children are selfish, parental income should have a positive effect on parent-child co-residence and the coefficient of INCOME should be positive. By contrast, if children are altruistic, parental income should have no effect on parent-child co-residence and thus the coefficient of INCOME should be zero. I also tried introducing the cross-product of INCOME (parental income) and WORK (a dummy for the employment status of the male household head), because I wanted to control for the fact that parental income will be a smaller fraction of lifetime income in the case of retired heads than in the case of working heads.

Regarding the parents' home, if children are selfish and older parents own their own homes, the probability that older parents co-reside with their children should increase as the value of their home increases. Thus, the coefficient of the cross-product of HOME and RR should be positive. By contrast, if children are altruistic, the coefficient of the cross-product of HOME and RR should have no effect on the probability that they co-reside with their children and thus the coefficient of the cross-product of HOME and RR should be zero. I used the cross-product of HOME and RR because housing prices should affect the probability of parent-child co-residence only in the case of homeowners, but I also included HOME by itself as an additional explanatory variable because it might have an effect independent of housing prices. .

Because the probability that older parents co-reside with their children should increase with parental income primarily if they have a bequest motive, I tried including the cross-product of BEQUEST and INCOME as an additional explanatory variable, but because the coefficient of this cross-product term was not at all significant, I dropped it

from the final specification.

Besides the probit model I just described, I also estimated a bivariate probit model to test whether the co-residence behavior of older parents and their children and bequest motives of older parents are determined simultaneously. I found that I could not reject the null hypothesis that the correlation between the error terms of the two equations is zero, and moreover, the coefficients of the explanatory variables in the bequest motive equation were not significant and the coefficient of the explanatory variables in the co-residence equation were almost the same as before. Thus, I present only the estimation results of the probit model .

6. Descriptive Statistics

In this section, I present descriptive statistics on the variables used in the analysis with emphasis on parent-child co-residence and bequest motives.

Table 1 shows descriptive statistics for all variables used in the analysis, and as can be seen from this table, the average co-residence rate is about 59 percent in urban areas, rural areas, and the country as a whole. Thus, there is a strong tendency of older parents to live with their children in China, and this tendency is equally strong in urban and rural areas.

Table 2 presents data on bequest motives, and if those who think (or tend to think) that parents should leave as large a bequest as possible to their children, etc., are regarded as

having a bequest motive, the proportion of the older with a bequest motive is 62.4 percent in urban areas, 69.7 percent in rural areas, and 64.1 percent in the country as a whole. Thus, it seems that the Chinese have a strong bequest motive and that bequest motives are somewhat stronger in rural areas than in urban areas.

Table 3 shows parent-child co-residence rates by bequest motive, and as can be seen from this table, there is some evidence of a positive correlation between the two. In all three subsamples (urban households, rural households, and all households), the parent-child co-residence rate of respondents who have the second strongest bequest motive (option 2) is second highest and that of respondents who have the weakest bequest motive (option 1) is by far the lowest, but there is no clear pattern in the case of the other options.. Thus, this table provides weak evidence in favor of the life-cycle model, but a definitive verdict must await the results of the more formal test presented in the next section.

Lastly, I present data on parent-child co-residence and bequest motives from an international comparative perspective (see Table 4). As can be seen from Table 4, the proportion of older respondents who have a strong bequest motive is lowest (only about 18 percent) in Japan, intermediate (about 44 percent) in the U.S. and highest (about 66 percent) in China. By contrast, the parent-child co-residence rate of older respondents is extremely low in the U.S. (only about 10 percent), intermediate (about 50 percent) in Japan, and highest (about 59 percent) in China. In other words, in Japan, bequest motives are relatively weak and the parent-child co-residence rate of older individuals is

relatively high, in the U.S., bequest motives are relatively strong and the parent-child co-residence rate of older individuals is extremely low, while in China, both bequest motives and the parent-child co-residence rate of older individuals are high.

7. Estimation Results concerning the Determinants of Parent-Child Co-residence

In this section, I present the estimation results of my probit analysis of the determinants of parent-child co-residence. Tables 5-7 show the estimation results for urban households, rural households and all households, respectively.

As can be seen from Table 5, in the case of urban households, the coefficient of the bequest motive dummy is insignificant in all cases but the coefficient of the cross-product of the housing price index and the homeownership dummy is positive and significant. Thus, if older parents own their own homes, the probability that they co-reside with their children increases as the value of their home increases, implying that their children are selfishly motivated and that the life-cycle model applies. The coefficient of the homeownership dummy entered in isolation is negative and significant, which means that the co-residence rate of renter households is higher than that of homeowner households whose homes have no value, which is not surprising. I also tried including the housing price index alone as an additional explanatory variable. When I did so, its coefficient was positive and significant, but the results are not presented in the table because the theoretical justification for doing so is weak.

As can be seen from Table 6, in the case of rural households, the coefficient of the bequest motive dummy is insignificant, as in the case of urban households. However, the coefficient of parental income is positive and significant in one of the four cases, meaning that children are more likely to live with their parents if parental income is higher. This result suggests that children are selfishly motivated and that the life-cycle model applies. The coefficient of the dummy variable for the employment status of the male household head is positive and significant, which implies that children are more likely to live with their parents if the head is working.

As can be seen from Table 7, in the case of all households, the coefficient of the bequest motive dummy is again insignificant, as in the case of urban and rural households. The coefficient of parental income and the dummy variable for the employment status of the male household head are positive and significant in two out of four cases. These results are consistent with the results for rural households, and the former result implies that children are selfishly motivated and that the life-cycle model applies.

Moreover, the coefficient of the male household head's age is negative and significant in all three subsamples. This result suggests that children become less likely to live with their parents as their parents age. The reason for this is a topic for further research.

Thus, I found evidence of selfish behavior in all three subsamples, which suggests that the life-cycle model applies in urban as well as rural areas of China.

8. Conclusions and Policy Implications

In this paper, I discuss the actual conditions and the determinants of co-residence between older parents and their children in China, especially the impact of bequest motives on the probability of parent-child co-residence, using micro data from the "Survey of Living Preferences and Satisfaction," which was conducted as part of the 21st Century Center of Excellence (COE) Program of the Graduate School of Economics and the Institute of Social and Economic Research of Osaka University. More specifically, I use three subsamples of older respondents (defined as those who are aged 50 or old)--those who live in urban areas, those who live in rural areas, and the pooled sample of both--to analyze the impact of bequest motives and other factors on the probability of parent-child co-residence. The results are as follows: Bequest motives are strong in China, with more than 60 percent of respondents having a bequest motive, and the parent-child co-residence rate is also high (just under 60 percent). Bequest motives do not have a significant impact on the probability of parent-child co-residence in any of the three samples. However, in urban areas of China, if older parents own their own homes, the probability that they co-reside with their children increases as the value of their home increases. In rural areas of China and in the country as a whole, the coefficient of parental income is positive and significant in some cases, meaning that children are more likely to live with their parents if parental income is higher. All of these results suggest that, in both urban and rural areas of China, the Chinese are selfishly motivated and the life-cycle model applies, as in Japan and unlike in the U.S.

Turning finally to the policy implications of my findings, my finding that the value of

parents' homes has a positive impact on the parent-child coresidence rate of homeowner households in urban areas and my finding that parental income has a positive impact on the parent-child co-residence rate of rural households and of all households implies that children are not likely to co-reside with, or care for, their older parents if their parents have little or no housing assets and little or no income. Thus, in turn, implies that it is desirable to introduce a public long-term care insurance program and/or to expand the public pension system so that elderly individuals with little or no assets and income can receive adequate care and financial support.

One other policy implication of my findings is that since parent-child co-residence is selfishly motivated and a *quid pro quo* for bequests from parents to children, net intergenerational transfers from parents to children (net of the market value of care and co-residence provided by children to their parents) are not necessarily large or even positive, meaning that there is little need to worry about wealth inequities being passed on from generation to generation.

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Table 1: Descriptive Statistics for Dependent Variable and Explanatory Variables

Sample	Variable	Mean	Standard deviation	Minimum	Maximum
Urban households					
	CORES	0.591	0.492	0	1
	BEQUEST	0.624	0.485	0	1
	INCOME	0.213	0.125	0	0.7
	MARRY	0.957	0.202	0	1
	HOME	0.669	0.471	0	1
	DEDU	0.087	0.287	0	1
	AGEH	58.028	6.229	50	82
	RR	2.201	0.271	1.75	2.593
	HOME*RR	1.454	1.046	0	2.593
	WORK	0.341	0.475	0	1
	WORK*INCOME	0.089	0.149	0	0.7
Rural households					
	CORES	0.587	0.494	0	1
	BEQUEST	0.697	0.461	0	1
	INCOME	0.071	0.043	0.013	0.208
	MARRY	0.974	0.159	0	1
	AGEH	57.303	5.573	50	75
	WORK	0.942	0.235	0	1
	WORK*INCOME	0.066	0.045	0	0.208
All households					
	CORES	0.590	0.492	0	1
	BEQUEST	0.641	0.480	0	1
	INCOME	0.179	0.127	0	0.7
	MARRY	0.961	0.193	0	1
	HOME	0.743	0.437	0	1
	DEDU	0.070	0.255	0	1
	AGEH	57.855	6.082	50	82
	RURAL	0.240	0.427	0	1
	WORK	0.485	0.500	0	1
	WORK*INCOME	0.083	0.132	0	0.7

Note: INCOME is in units of 10,000 yuan.

Data Source: The data were taken from the China surveys of the "Survey of Living Preferences and Satisfaction," which was conducted as part of the 21st Century Center of Excellence (COE) Program of Osaka University. http://www2.econ.osaka-u.ac.jp/coe/.

Table 2: Descriptive Statistics for Bequest Motives

	Urban households		Rural households		All households	
I want to leave as large a bequest as possible to my children,etc.						
I think so	17.48	(86)	18.71	(29)	17.77	(115)
I tend to think so	44.92	(221)	50.97	(79)	46.37	(300)
I can't say one way or the other	27.03	(133)	20.00	(31)	25.35	(164)
I tend not to think so	9.15	(45)	8.39	(13)	8.96	(58)
I do not think so	1.42	(7)	1.94	(3)	1.55	(10)
Total	100.00	(492)	100.00	(155)	100.00	(647)

Note: The left-hand figures indicate the proportion of respondents, and the right-hand figures in parentheses indicate the number of observations.

Data Source: The data were taken from the China surveys of the "Survey of Living Preferences and Satisfaction," which was conducted as part of the 21st Century Center of Excellence (COE) Program of Osaka University. http://www2.econ.osaka-u.ac.jp/coe/.

Table 3: The Parent-Child Co-residence Rate by Bequest Motive

	The parent-child co-residence rate (percent)	The number of observations
I want to leave as large a bequest as possible to my children, etc		
Urban households		
① I think so	56.98	86
② I tend to think so	60.18	221
③ I can't say one way or the other	60.90	133
④ I tend not to think so	57.78	45
⑤ I do not think so	28.57	7
Total	59.10	492
Rural households		
① I think so	44.83	29
② I tend to think so	60.76	79
③ I can't say one way or the other	61.29	31
④ I tend not to think so	53.85	13
⑤ I do not think so	33.33	3
Total	58.70	155
All households		
① I think so	56.52	115
② I tend to think so	60.33	300
③ I can't say one way or the other	60.96	164
④ I tend not to think so	56.90	58
⑤ I do not think so	30.00	10
Total	59.00	647

Data Source: The data were taken from the China surveys of the "Survey of Living Preferences and Satisfaction," which was conducted as part of the 21st Century Center of Excellence (COE) Program of Osaka University http://www2.econ.osaka-u.ac.jp/coe/.

Table 4: International Comparison of Bequest Motives and Parent-Child Co-residence

	Japan	U.S.	China
The proportion of respondents with a bequest motive (all ages)	18.09	44.71	65.96
The parent-child co-residence rate of older parents	49.70	10.05	59.00

Note: The parent-child co-residence rate for Japan and the U.S. pertain to respondents who are aged 60 or older, while that for China pertain to respondents who are aged 50 or older.

Data Source: The data for China were taken from the China surveys of the "Survey of Living Preferences and Satisfaction," which was conducted as part of the 21st Century Center of Excellence (COE) Program of Osaka University. http://www2.econ.osaka-u.ac.jp/coe/.

The data for Japan and the U.S. were taken from Horioka, et al. (2000).

Table 5: Determinants of Parent-Child Co-Residence of Urban Households				
Explanatory variable	Model 1	Model 2	Model 3	Model 4
BEQUEST	0.006	-0.001	0.004	-0.003
	(0.14)	(0.01)	(0.10)	(0.07)
INCOME	0.295	0.305	0.113	0.093
	(1.52)	(1.52)	(0.44)	(0.35)
WORK	0.124	0.066	0.036	-0.040
	(2.53)**	(1.17)	(0.36)	(0.38)
W			0.404	0.476
			(1.04)	(1.21)
HOME	-0.484	-0.480	-0.493	-0.492
	(2.40)**	(2.37)**	(2.46)**	(2.44)**
H	0.246	0.243	0.252	0.250
	(2.31)**	(2.27)**	(2.36)**	(2.34)**
HAGE		-0.009		-0.010
		(2.25)**		(2.29)**
HEDU		-0.045		-0.055
		(0.53)		(0.65)
MARRY	0.161	0.159	0.170	0.169
	(1.42)	(1.41)	(1.49)	(1.49)
Number of observations	492	492	492	492
Note: The figures in the first row show marginal effects, and the figures in parentheses in the second row show the absolute values of the z statistics.				
* significant at the 10 percent level; ** significant at the 5 percent level; *** significant at the 1 percent level.				

Table 6: Determinants of Parent-Child Co-Residence of Rural Households				
Explanatory variable	Model 1	Model 2	Model 3	Model 4
BEQUEST	-0.060	-0.047	-0.003	-0.044
	(0.07)	(0.51)	(0.03)	(0.48)
INCOME	1.766	1.093	-3.379	-1.819
	(1.82)*	(1.08)	(0.44)	(0.24)
WORK	0.525	0.501	0.193	0.330
	(2.83)***	(2.62)***	(0.29)	(0.53)
W			5.238	2.979
			(0.68)	(0.39)
HAGE		-0.021		-0.020
		(2.64)***		(2.58)**
MARRY	0.082	0.096	0.081	0.094
	(0.33)	(0.38)	(0.32)	(0.37)
Number of observations	155	155	155	155
Note: The figures in the first row show marginal effects, and the figures in parentheses in the second row show the absolute values of the z statistics.				
* significant at the 10 percent level; ** significant at the 5 percent level; *** significant at the 1 percent level.				

Table 7: Determinants of Parent-Child Co-Residence of All Households				
Explanatory variable	Model 1	Model 2	Model 3	Model 4
BEQUEST	0.006	-0.004	0.005	-0.004
	(0.14)	(0.10)	(0.13)	(0.10)
INCOME	0.325	0.333	0.231	0.231
	(1.71)*	(1.68)*	(0.89)	(0.88)
WORK	0.158	0.092	0.118	0.048
	(3.33)***	(1.75)*	(1.32)	(0.53)
W			0.194	0.213
			(0.54)	(0.58)
HOME	-0.034	-0.035	-0.035	-0.037
	(0.72)	(0.75)	(0.75)	(0.79)
HAGE		-0.012		-0.012
		(3.19)***		(3.18)***
HEDU		-0.077		-0.082
		(0.92)		(0.98)
MARRY	0.153	0.15	0.156	0.153
	(1.48)	(1.47)	(1.51)	(1.50)
RURAL	-0.049	-0.020	-0.033	-0.003
	(0.76)	(0.30)	(0.47)	(0.05)
Number of observations	647	647	647	647
Note: The figures in the first row show marginal effects, and the figures in parentheses in the second row show the absolute values of the z statistics.				
* significant at the 10 percent level; ** significant at the 5 percent level; *** significant at the 1 percent level.				