

Basic Endowment Insurance Benefits, Family Intergenerational Transfer and Retirees' Re-employment: Theoretical Mechanism and Microscopic Evidence

Xiaoyu Dong*

School of Finance and Taxation, Capital University of Economics and Business, Beijing 100070, China

*Corresponding author

ABSTRACT

As the main source of income for retirees, basic endowment insurance has an important impact on the decision-making process of whether to re-enter the workforce. Based on the data of the China Health and Retirement Longitudinal Study from 2013 to 2018, this study explores the consequences of basic endowment insurance benefits on retirees' re-employment and its influencing mechanisms. This paper robustly finds that the increase in basic endowment insurance benefits will reduce the probability of retirees' re-employment. Mechanism tests show that the net transfer of family intergenerational economy and intergenerational care play an important role in the impact of basic endowment insurance benefits on retirees' re-employment. Furthermore, under the influence of loss aversion, the inhibition effect of endowment insurance benefits of government agencies and institutions on retirees' re-employment is smaller, and in addition, there is an intergenerational spillover effect of basic endowment insurance benefits, which can significantly promote the labor supply of offspring. This conclusion has policy implications for improving the endowment insurance system, promoting the complementarity of social pension and family pension, strengthening pension security, and promoting the compatibility of employment incentives.

Keywords: Re-Employment; Intergenerational Transfer; Spillover Effects

How to Cite

Xiaoyu Dong; "Basic Endowment Insurance Benefits, Family Intergenerational Transfer and Retirees' Re-employment: Theoretical Mechanism and Microscopic Evidence", *AJIR Abstracts*, p. 10, 2024.

