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Working Paper Child Gender and Subjective Well-being of Older Parents in China

GLO Discussion Paper, No. 1229

Provided in Cooperation with: Global Labor Organization (GLO)

Suggested Citation: Lei, Lei; Wu, Fengyu; Xia, Yiming (2023) : Child Gender and Subjective Well-being of Older Parents in China, GLO Discussion Paper, No. 1229, Global Labor Organization (GLO), Essen

This Version is available at: https://hdl.handle.net/10419/268350

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Child Gender and Subjective Well-being of Older Parents in China

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Abstract

In many societies, parents prefer sons over daughters, but the well-being effects of child gender, especially in later life, are less studied. Using the latest two waves of the China Health and Retirement Longitudinal Study (CHARLS), this paper evaluates the impacts of having daughters on older parents' subjective well-being (SWB) in China, which has a rapidly aging population and the traditional preference for sons. Studying the cohort of parents whose child gender is as good as random, we find that having more daughters promotes older parents' SWB, especially overall life satisfaction, satisfaction with health, and satisfaction with children. Our results suggest that the increase in SWB is achieved through better health, more financial support from daughters, more spending on leisure and a lower probability of working. The positive SWB effects of daughters are found to be more salient among more vulnerable groups, including those who are older, less educated, and with fewer children.

Keywords: Subjective Well-being; Child Gender; Older Parents; China; Life Satisfaction;Domain SatisfactionJEL code: I31; J14; J16

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1 Introduction

There has been a growing number of studies examining the relationship between parenthood or the number of children and subjective well-being (SWB). Some have found that parenthood has negative effects on SWB (Alesina, Di Tella, & MacCulloch, 2004; Clark, Diener, Georgellis, & Lucas, 2008; Di Tella, MacCulloch, & Oswald, 2001, 2003; Stanca, 2012), while others have found the effects to be positive (Aassve, Goisis, & Sironi, 2012; Balbo & Arpino, 2016; Radó, 2020; Stutzer & Frey, 2006). This makes it important to investigate the role of the gender composition of children. Previous research focused primarily on its effects on conditions such as intergenerational support (Dykstra & Fokkema, 2011; Horowitz, 1985) and health (Li, Zhou, & Shi, 2021; Zeng, Brasher, Gu, & Vaupel, 2016) and mostly in the context of western countries. A few western studies find that younger parents derive greater benefits from the birth of sons than daughters because of greater paternal involvement in childbearing and more stable marriage (Cox, Owen, Lewis, & Henderson, 1989; Lundberg, 2005; Kabátek & Ribar, 2020). Other western studies of younger parents find no significant effects of child gender on outcomes including SWB (Aassve et al., 2012; Kohler, Behrman, & Skytthe, 2005; Kurdek, 1993). In western societies, however, it seems to be reasonable to observe that the sex of very young children is not that important to parents' behaviors, attitudes, or conditions since male and female infants are similar in their time-consuming requirements for physical care and nurturing. However, as parents become older and less functionally independent, the differential importance of sons and daughters becomes more profound: daughters are likely to be more communally oriented (Hall, 2010), have closer contact and emotional bonds with parents (Dykstra & Fokkema, 2011; Gans & Silverstein, 2006), and provide more caregiving (Stone, Cafferata, & Sangl, 1987).

In China, the study of child gender is of particular importance and interest due to its rapidly aging population and the traditional preference for sons. This preference is not only because of the Confucian culture but also because of the essential role of sons in traditional agricultural societies. In a society where there has been a long tradition of agricultural lifestyle and patriarchal culture, males are considered more capable of conducting production activities, providing financial support for their families, as well as taking care of their parents (Alesina, Giuliano, & Nunn, 2013; Ebenstein & Leung, 2010; Qian, 2008). However, as the market-oriented reforms started in the 1980s, the traditional importance of sons has been challenged. On the one hand, production

activities have become more based on markets and enterprises, which emphasize individual rights and contracts, and less based on families or other community networks (Munshi, 2014). On the other hand, economic activities have become less dependent on physical strength, and, therefore, the relative value of sons has decreased (Xie & Zhu, 2009). There are a few other reasons why sons do not necessarily improve older parents' well-being, even in a society with traditional son preference. For instance, co-residing with sons might make parents worse off if it causes tension within a big family though it can bring financial and instrumental support to parents (Xu, 2019). To exchange for old-age support, older parents might need to take care of their sons' young children at the cost of enjoying leisure time (Cox & Rank, 1992; Wu & Li, 2014). Besides, parents might receive more and better care from daughters because women — due to the traditional gender norms — are often trained as caregivers within a family.

Recent studies on the impacts of child gender in China have found having daughters can significantly improve health (Li, 2021; Zeng et al., 2016) and increase the receipt of financial, emotional, and instrumental support (Lei, 2013; Xie & Zhu, 2009). Others have investigated the issue of the rising sex ratio imbalance in China, which has increased the pressure in the marriage markets for men. Wei and Zhang (2011) find that a higher local sex ratio increases the savings of households with a son while the savings of households with a daughter is not significantly influenced. Li et al. (2022) show that a higher sex ratio raises stock market participation for families with a son relative to those with a daughter. Tan et al. (2021) find that parents with sons in regions with a higher sex ratio spend more time working outside their hometowns and take more dangerous jobs but families with only daughters do not have the same tendency. So far, relevant Chinese studies have primarily focused on the effects of child gender on parents' objective living conditions, but few have studied their subjective feelings. Li (2021) investigates the impacts of sex ratio imbalance on the SWB of parents and shows that, facing a high sex ratio, parents with a son report lower SWB compared with those with a daughter.

SWB is used to cover a variety of individual self-reported quality of life (Helliwell, Layard, & Sachs, 2012). In general, there are three types of measures of SWB: cognitive life evaluations, emotional reports, and eudaimonia. The focus of this study is on cognitive life evaluations, represented by questions asking how happy or satisfied people are with their lives as a whole or

with various domains of life. In this paper, SWB is measured as overall life satisfaction and three types of domain satisfaction – satisfaction with health, satisfaction with relationships with children, and satisfaction with marriage. Such measures are considered plausible measures of well-being since they are closely related to life circumstances, consistent over a short period of time, and strongly correlated with both objective and subjective measures of well-being. The important determinants of life satisfaction include, but are not limited to, age, gender, employment, marriage, health, income, and expenditures (e.g. Blanchflower and Oswald, 2004; Clark and Oswald, 1996; Easterlin, 2001, 1995; Frey and Stutzer, 2010; Wu, 2022). For older adults, intergenerational support has been found to be particularly important (Chang, 2013; Wu, 2022). Several studies have also shown that various types of domain satisfaction are important determinants of overall individual well-being (Easterlin, 2006; van Praag and Ferrer-i-Carbonell, 2007).

It is challenging to estimate the causal effects of child gender on parents' SWB because parents can often manipulate the gender of their children. In Chinese culture, which has traditional son preference, this issue can be particularly important. In this paper, we adopt an empirical strategy that conditional on the total number of children, the child gender can be regarded as good as random. Using data from the last two waves of the China Health and Retirement Longitudinal Study (CHARLS), we find that having daughters significantly improves urban older parents' SWB, a finding that contradicts the traditional belief of raising boys for old-age support. Our results are robust to a series of robustness checks, including using alternative measures of gender composition of children, an alternative sample, and a different inference method. We also find the SWB effects of child gender vary across different groups of older people: the effects are more obvious for those who are older, less educated, with only one child, and in the regions with stronger son preference.

To shed light on how child gender affects older parents' SWB, we investigate three dimensions of mechanisms. We find that having daughters improves parents' mental health, increases their financial transfer from children, raises their spending on leisure, and reduces their probability of working. Using child-parent pairs data, we find that older parents are less likely to live with daughters or take care of their daughters' young children. The results also provide suggestive evidence that older parents report better health in general, have fewer chronic conditions and better cognitive function, and spend more on food and less on healthcare if they have more daughters.

At a general level, this study contributes to the scarce literature on the effects of child gender on SWB among older parents. An investigation into this relationship is more important but far less studied in developing countries with strong son preference. One contribution is to investigate the causal impacts of having daughters on SWB by focusing on the cohort of urban parents who can hardly manipulate the gender of children. Another contribution is to study not only overall life satisfaction but also domain satisfactions in order to provide a more comprehensive picture of older parents' SWB. Besides, we explore potential underlying reasons, first, by examining three dimensions of mechanisms, including health, intergenerational support, and employment and living conditions, and, second, by heterogeneous analysis investigating subsamples by gender, age, education, the number of children enjoy a balanced sex ratio, the gender difference in children's marriage market perspectives is ruled out as a potential mechanism.

The remainder of the paper is organized as follows. Section 2 and 3 introduce the conceptual framework and the empirical strategy adopted for this research, respectively. Section 4 describes the data and variables. Section 5 presents the results, including main results, robustness checks, mechanisms, and heterogeneity analysis, followed by conclusions and discussions in Section 6.

2 Conceptual Framework

Child gender may affect later-life SWB through multiple pathways as shown in Figure 1. First, health is considered one of the most important determinants of SWB, and having more daughters may make parents healthier, by reducing parents' burden on housework and childcare. It is common that in many developing countries parents ask girls to do more household chores and take care of young siblings starting from a young age (Edmonds, 2006; Hannum, Kong, & Zhang, 2009; Levison & Moe, 1998). As a result, parents may enjoy more leisure time and have less pressure, which help them maintain better mental and physical health in later life. Daughters may also benefit older parents' health by providing more and better care (Li et al., 2021; Zeng et al., 2016).

[Insert Figure 1 here]

Second, daughters and sons may exchange different types of intergenerational support with their older parents, which can be another key determinant of older people's SWB (Chang, 2013; Wu, 2022). Daughters tend to provide more emotional support and better care, but sons are more likely to provide support by co-residing with their older parents (Lei, 2013; Lei, Strauss, Tian, & Zhao, 2015). However, co-residence might make it difficult to protect privacy and, therefore, could cause family conflicts (Hill, 2006; Rook, 1984). Besides, sons and daughters may also differ in the exchanges of financial support with their parents. Sons earn more in general, but daughters will give more if they are altruistic or obligated to filial norms (Brasher, 2022; Xie & Zhu, 2009). Except for the above-mentioned types of intergenerational support, older parents usually provide childcare to their grandchildren. Interactions with young kids affects SWB (Choi & Zhang, 2021; Dunifon, Musick, & Near, 2020; Shen & Yang, 2022), and the decision on grandchild-care provision may depend on the gender of adult children (Chu, Xie, & Yu, 2011).

Third, older parents' employment and living conditions are also important contributors to their SWB, and these might depend on the gender composition of children. It may cost more to raise sons compared to daughters, either due to the existing son preference or the higher expected return for males in the labor market (Hannum & Xie, 1994; Lei, Shen, Smith, & Zhou, 2017; Lu & Treiman, 2008). If so, compared with having more sons, parents with more daughters may have higher savings in their old age. Consequently, they would consume more. On the other hand, if parents expect to receive constant and sufficient old-age support from sons as opposed to daughters, their consumption may increase with the number of sons. Studies have found that even though total consumption expenditures generally have a positive effect on SWB, the impacts of various types of expenditures may differ (Headey, Muffels, & Wooden, 2008; Perez-Truglia, 2013; Wu, 2020). An increase in certain types of expenditures, such as those on food, clothing, and leisure can significantly increase individuals' SWB while an increase in other types of expenditures, such as those on healthcare and housing, can significantly decrease it (DeLeire & Kalil, 2010; Noll & Weick, 2015). Besides, if parents have more savings in later life, they are more likely to work less. Studies have also shown that working in later life could significantly decrease older adults' health and SWB (Carrino, Glaser, & Avendano, 2020; Giusta & Longhi, 2021).

In summary, child gender may influence older parents' SWB through its impacts on parents' health status, intergenerational support, as well as employment and living conditions. These impacts might be either positive or negative, and it is not clear a priori which mechanisms dominate.

3 Empirical Strategy

3.1 Identification Assumption

Without interventions, nature determines the gender of each birth while people determine the number of children. Our empirical strategy is based on this randomness assumption – conditional on the number of births, the gender of each birth within a family is random. This strategy has been adopted in a number of studies on child gender in both developed countries (Oswald & Powdthavee, 2010; Washington, 2008) and developing countries (Heath & Tan, 2018; Zhou, 2014). We decided to focus on urban parents for two main reasons. First, urban mothers usually gave birth in hospitals, where infanticide is too risky to commit (Zhou, 2014). Second, stronger preference for sons in rural China would encourage more selective abortions and infanticides.

We further restrict the sample to the cohort born between 1930 and 1960, who hardly had access to ultrasound technology. We check the balance in sex ratio by plotting the shares of male children for rural and urban parents born between 1930 and 1970 in Figure 2 based on population census data in 1990 and 2000. As expected, the children's sex ratios of urban parents born between 1930 and 1960 are close to the natural ratio, 51.7 percent, while younger urban parents who were born after started to have male-biased sex ratios. This is probably because of the implementation of the strict one-child policy and the introduction of ultrasound technology. For rural parents, the balanced cohorts appear to be those born between 1940 and 1950. Not surprisingly, the issue of sex ratio imbalance appeared earlier and was more serious in rural areas probably due to rural parents' stronger preference for sons, which encouraged more selective abortion and infanticides especially in the 1980s when family planning policies became more intense. Consequently, based on our expectation and the empirical test, we choose the urban parents born between 1930 and 1960 as our main study sample since this is a cohort that can hardly manipulate the gender of their children and their children's sex ratios are proven to be relatively balanced.

[Insert Figure 2 here]

3.2 Regression Equation

The general specification of the regression analysis is as follows:

 $Satisfaction_{ipt} = \beta_0 + \beta_1 Daughters_{ip} + \beta_2 X_{ipt} + \tau_t + \pi_p + \epsilon_{ipt}$ (1) where $Satisfaction_{ipt}$ represents a satisfaction measure of individual *i*, in province *p* and in survey year t. We use both overall life satisfaction and three domain satisfactions – satisfaction with health, marriage, and relationships with children. $Daughters_{ip}$, in our main analysis, represents the number of daughters. Our main parameter of interest is β_1 , which captures the effect of having an additional daughter on parents' SWB. We also use the gender of the first child (firstborn daughter) and gender composition of all children as robustness checks. X_{ipt} represents a vector of individual demographic characteristics. The most important control variable in X_{ipt} is the number of children since it is the key variable making the conditional independence assumption hold. Please note that we use the total number of ever-born children (and daughters) instead of living children (and daughters) to avoid any survival bias. Other control variables in X_{ipt} include respondents' gender, education level, widowhood status, birth year dummies, and dummies for the year of having the first child. τ_t and π_p denote survey year fixed effects and province fixed effects, respectively. ϵ_{ipt} is an error term. The standard errors are clustered at the community level to allow the correlation of error terms for individuals who live in the same community.¹

4 Data and Measures

4.1 Data and Sample

This study uses data from the China Health and Retirement Longitudinal Study (CHARLS), a nationally representative survey of mid-aged and older adults of ages 45 or over and their spouse of any age in China. It covers 28 provinces and 150 counties/districts in China. The study has been conducted for four waves in 2011, 2013, 2015, and 2018, respectively. Each wave contains about 10,000 households and 17,500 individuals. The CHARLS contains rich information on older people's demographics, physical and mental health, living arrangement, and household expenditures. Besides, it also collects detailed information about each child of the interviewed

¹ Clustering the standard errors at the community level also allows any possible correlations for individuals across time.

older parents, including his or her demographic characteristics, and the exchanges of emotional and financial support with older parents.

Our outcome variables of interest, including life satisfaction and three domain satisfactions, were collected in the last two waves of the CHARLS in 2015 and 2018. These two waves include 37,337 individual-level observations, of which 21% are urban residents (i.e., those holding a non-agricultural household registration status). We select the sample of analysis in the following steps: first, we select urban residents as our primary sample, which excluded 30,408 rural residents²; second, we restrict our urban sample to those born between 1930 and 1960 since the gender of their children is arguably random, conditional on the number of children. The final sample consists of 4,822 observations and sample sizes for estimation are no greater than 4,822, due to the missing values in the control variables.

4.2 Main Variables

The main variables in the empirical analysis include SWB measures as the outcome variables, variables on child gender as the regressors of interest, and a set of mechanism variables on health conditions, child-parent intergenerational support, and older parents' employment and living conditions. The rest of the section illustrates them accordingly.

Subjective Well-being

We study four measures of SWB, an overall life satisfaction and three types of domain satisfaction. The measure of overall life satisfaction relies on the question "*Please think about your life-as-a-whole. How satisfied are you with it? Are you completely satisfied, very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?*". This measure takes value 5 if an individual chooses "completely satisfied" and takes value 1 if an individual chooses "not at all satisfied". The three domains of satisfaction include satisfaction with health, satisfaction with marriage and satisfaction with relationships with children, all of which are measured on the same scale.³

 $^{^{2}}$ The ideal sample consist of individuals who gave all births in urban areas, but it is not possible to identify the birth place of each child in the data. Our sample of analysis should be as good as the ideal sample as the older adults born between 1930 and 1960 are very unlikely to change their Hukou statuses: Hukou policies only started to be gradually relaxed at the end of 1990s (Chan & Zhang, 1999).

³ People did not need to answer the marriage (children) question if they did not have any spouse (children) at the time of the interview.

Child Gender

Using the information on family structure, we construct three explanatory variables of interest: the number of born daughters (i.e., a variable of primary interest); an indicator variable on whether the firstborn is a daughter; and dummies on gender composition of children (having daughters and sons, having daughters only, and having sons only (the reference group)).

Mechanism Variables

Based on the existing literature, we consider three dimensions of mechanisms: health, intergenerational support, and employment and living conditions. Our health-related variables include self-assessed health, the number of chronic diseases, the Center for Epidemiological Studies Depression 10-item scale (CESD-10), and cognition. Self-assessed health is a 5-point Likert scale such that a higher value implies better health. *Number of chronic diseases* counts the number of chronic diseases an older adult has in the following 14 items: hypertension, dyslipidemia, diabetes, cancer, chronic lung diseases, liver disease, heart-related disease, stroke, kidney disease, digestive disease, mental problems, memory-related disease, arthritis, and asthma. $CESD-10^4$ is constructed from 10 standard questions on mental health and depressive symptoms, ranging from 0-30, and a higher value indicates worse mental health. Cognition is the sum of two measures: episodic memory and mental intactness (Lei, Hu, McArdle, Smith, & Zhao, 2012; Lei, Smith, Sun, & Zhao, 2014). Episodic memory is constructed as the average of the scores of immediate recall and delayed recall of ten Chinese nouns read to the respondents. The intactness of mental status is created based on tasks of serial 7 subtraction from 100 (up to five times), naming today's date (month, day, year, and season) and the day of the week, and the ability to redraw a picture. Correct responses in these tasks are aggregated into a single mental intactness score that ranges from 0 to 11. We standardize the scores of cognition in the empirical analysis.

⁴ There are two positive questions and eight negative questions. For each question, there are four possible choices: 0 means "rarely or none of the time", 1 means "some or a little of the time", 2 means "occasionally or a moderate amount of the time", and 3 means "most or all of the time". The response scale was reversed for the two positive questions.

The intergenerational support variables include the types of support not only from but also to children. *Co-residing with children* is an indicator variable taking value 1 if parents currently live with any adult children. To construct the variable *Days visiting per month*, we first collect days per month each child visiting the parents⁵ and then aggregate them at the household level.⁶ *Care for any children* is an indicator variable taking value 1 if older parents report they spent time taking care of their grandchildren last year. *Annual transfer to children* is the amount of transfer from parents to children, measured in RMB. *Annual transfer from children* is the amount of transfer from children to parents. It is worth noting that the CHARLS collects each child's information — even a child does not live in the same household as his or her parents — on whether older parents provide grandchild-care and the exchanges of emotional and financial support between an adult child and his or her older parents. This allows us to perform sibling fixed-effects regressions when we examine the effects of child gender on intergenerational supports.

Variables on employment and living conditions include one's work status, household expenditures, and household wealth. *Work currently* is an indicator variable taking value 1 if older parents reported they engaged in any agricultural work for at least 10 days in the past year or in off-farm paid work for at least 1-hour last week, or are on leave but can get back to the job in the future. We measure a household's material living conditions using *total household expenditures*⁷, four specific expenditure categories, and total wealth. The four expenditure categories, including *food expenditures*, *leisure expenditures* (on entertainment and vacations), *living expenditures* (on, for instance, utilities, fuels, transportation, and daily necessities), and *medical expenditures*, account for 90 percent of the urban older households' total consumption. *Total wealth* represents parents' lifetime wealth accumulation. Both the expenditure variables and total wealth are measured in RMB (1 USD \approx 7 RMB).

⁵ We assign a value of 30 for an adult child living together with parents.

⁶ The frequency of visits by children can be considered a measure of emotional support between parents and children.

⁷ Consumption expenditures provide a better measure of long-term resources and can be measured with less noise than income (Smith, Shen, Strauss, Yang, & Zhao, 2012).

4.3 Summary Statistics

In this section, we briefly describe our final sample by showing the mean and standard deviation of the variables used in Equation (1). Table 1 shows that our study sample were, on average, born in 1949, 55 percent are male, and 13 percent are widowed. Their median education level is middle school. On average, the birth year of the first child is 1974.

[Insert Table 1 here]

The overall life satisfaction has a mean of 3.37 out of a 5-point Likert scale, slightly above somewhat satisfied. Regarding the three domains of satisfaction, our sample of older parents are relatively less satisfied with their health (scored at 2.94) than with children (scored at 3.58) or with marriage (scored at 3.49). On average, they have more than two children (2.54) and the average number of daughters is 1.21. The proportion of having a firstborn daughter is 0.5, which suggests birth gender is as good as random in our study sample. In addition, we conduct a balance test⁸ to verify the conditional exogeneity assumption of child gender: after controlling for the total number of children, the number of daughters should have no prediction power on parental characteristics. To this end, we regress a sequence of parental characteristics, including, for example, birth year, year of firstborn child and education, on the number of daughters and the number of children. If the conditional independence (randomness) of child gender holds, we expect that coefficients on the number of daughters to be statistically insignificant, after controlling for the number of children. Table 2 reports all the 14 coefficients on the correlates of the number of daughters and parental characteristics. Each coefficient is estimated from a separate regression. Only one of the 14 estimates is statistically significant at the 10 percent level, and this is in line with what one would expect under no gender selection.

[Insert Table 2 here]

Older parents' average self-assessed health is at the upper-middle position of the 5-point Likert scale. Their average number of chronic diseases is 1.27. In terms of mental health, the average

⁸ Balance tests on pre-determined individual characteristics are often reported in the randomized controlled trail (RCT) papers, such as (Chetty, Hendren, & Katz, 2016).

CESD-10 score is 7.08. 23 percent of our sample scored above 10, a commonly used cutoff threshold of being depressed. As expected, the exchanges of intergenerational support are common among our sample of older parents. 36 percent of them are co-residing with their children, and 64 percent are taking care of their grandchildren. In general, the average frequency of visits from all children per month is about 27 days. The average annual transfer from children to older parents is 4,100 RMB, and older parents, on average, transfer 700 RMB less to their children. Regarding employment and living conditions, about one-third of our sample of parents are still working. On average, they spend around 24,000 RMB per year on food, 2,000 RMB on leisure, 12,000 RMB on living, and 8,000 RMB on healthcare. Their average total wealth is around 455,000 RMB.

5 Results

5.1 Main Results

Table 3 shows the SWB effects of having daughters by estimating Equation (1) using the 1930-1960 urban cohort. Panel A reports the main findings which use the number of daughters as the main regressor. Column (1) suggests that having an additional daughter (relative to a son) leads to a 0.04 increase in older parents' life satisfaction, which is around 5.5 percent of the standard deviation (0.73). Columns (2) to (4) suggest that having an additional daughter also leads to increases in older parents' satisfaction with two domains of life. Specifically, the effects of number of daughters on the older parents' health satisfaction and their satisfaction with children⁹ are statistically significant with the effect sizes equal to 0.03 and 0.05 respectively. The effect on older parents' satisfaction with marriage is positive but statistically insignificant.

[Insert Table 3 here]

To complement the main results, we repeat the estimation using a dummy indicating whether the firstborn is a daughter in Panel B. The results are consistent with the main findings. The estimated coefficients on having a daughter as the first child are larger than the coefficients on the number of daughters. One possible explanation is that firstborn daughters, compared to later-born

⁹ The marriage satisfaction question in CHARLS data excluded those who are widowed or divorced. This leads to a drop of about 600 observations.

daughters, play a more important role in parents' life in old age. In other words, the effects of having firstborn daughters may contain not only the effects of having daughters but also the birth order effects.

Panel C further examines the effects of child gender composition. Taking those who only have sons as the reference group, we test whether having both sons and daughters or daughters only make parents better off in their old age. Similar to the results in Panels A and B, compared to having sons only, parents with daughters only are significantly more satisfied both with life as a whole and with health and children. However, compared to having all sons, having both daughters and sons only has a marginally positive effect on older parents' satisfaction with children.

We also perform the same analysis for rural older parents following the same identification strategy. Since the estimates from the rural sample may be biased due to the higher possibility of infanticides in rural areas, making the estimation not plausible, we do not discuss the results here and they will be available on request.

5.2 Robustness Checks

We conduct two robustness checks. First, we further restrict the sample to those whose children's sex ratios are closer to the natural ratio 0.517. As shown in Figure 2, the share of male children among some urban cohorts (i.e., those born in the early 1930s and late 1950s) is slightly above 0.517. Table 4 replicates the regression analysis in Table 3 but restricts the sample to the cohorts born between 1935 and 1955. Column (1) shows that the estimates for overall life satisfaction are quite similar to those in column (1) of Table 3. Except for the statistically insignificant coefficient on the number of daughters for health satisfaction, the estimates for health satisfaction and children satisfaction are consistent with the baseline results and are slightly greater in magnitude. The effect of having daughters only on marriage satisfaction becomes marginally significant at the 10 percent level. Overall, our analysis using the more restricted and convincing cohorts reach similar conclusions.

[Insert Table 4 here]

Second, we use an alternative inference method—the randomization inference (Rosenbaum, 2007). We randomly assign the child gender within a group of respondents who have the same birth year and fertility size. Then, we estimate the simulated coefficients of daughter numbers by using the same specification in Equation (1). In Appendix Figure 1, we show the distribution of simulated coefficients of 1,000 replications. The p-values based on the randomization inference are calculated as the proportion of simulated coefficients that are larger than the true coefficients, in absolute values. The p-values are all less than 5% except in the case of marriage satisfaction, a finding that again confirms our main results.

5.3 Mechanisms

Child gender could affect older parents' life satisfaction through three dimensions of mechanisms as suggested in Figure 1. In this section, we empirically test these by estimating Equation (1) for various intermediate outcomes. In Table 5, we explore health status in Panel A, intergenerational support in Panel B, and employment and living conditions in Panel C. We report the results using the number of daughters as the regressor in column (1), followed by the parallel results using firstborn daughters as the regressor in column (2), and the mean of the outcome variables in column (3).

[Insert Table 5 here]

Panel A reports the effects of having daughters on parents' physical health, mental health, and cognitive function. Having an additional daughter leads to better physical health as shown by a 0.03 increase in 5-item Likert self-assessed health and a 0.021 decrease in the number of chronic diseases though they are not statistically significant. It also leads to better mental health as shown by a statistically significant decrease in the CES-D score by around 0.37 unit. Its effect on cognition is also positive but statistically insignificant. All health mechanisms become statistically significant when we use the dummy for a firstborn daughter as our main regressor.

Panel B reports the results on intergenerational support. Having more daughters does not affect parents' co-residence status with children and childcare provision to their grandchildren as well as children's frequency of visits. On the other hand, parents do receive more transfer from children

and transfer less to them if they have more daughters. The results are consistent when we use the dummy indicating the firstborn is a daughter as an alternative measure. Since our regression analysis from parents' perspective may not provide comprehensive information on the exchanges of support between parents and each child, we conduct a complementary exercise from children's perspective. We leverage the survey design that the CHARLS contains information on how parents exchange family support with each child. Each observation represents a child-parent pair in one survey year. We use a dummy for being a female child as the main regressor and estimate the effect of child gender on a series of intergenerational support measures. The control variables are the same as in our baseline specification with one exception: we control for family fixed effects instead of regional dummies.¹⁰ Table 6 suggests that a daughter is less likely to live with her parents though the results in Table 5 indicate that having daughters do not change parents' likelihood of co-residing with children. In other words, although parents are less likely to live with a child if this child is a daughter, they can still find another child to co-reside with. The results also show that older parents receive fewer visits from daughters and are less likely to take care of grandchildren for daughters. They receive more financial transfers from a daughter and provide less to her. The results persist even if we control for the child's household income and education level. Therefore, the gender difference in intergenerational support is not caused by the differences in the levels of education or household income between genders.

[Insert Table 6 here]

Finally, Panel C reports the effects on employment and living conditions. The effect of daughters on total household expenditures is positive but insignificant, either using the number of daughters or a dummy indicating if the firstborn is a daughter as the main regressor. Despite no effect on total expenditures, child gender may have various effects on different expenditure categories. Interestingly, we find the effects of having daughters to be positive on expenditures on leisure and food and negative on medical spending¹¹ though the coefficients on the latter two are statistically

¹⁰ We can utilize the family fixed effects model because there are variations in child gender within a household if we use all pairs of child-parent observations.

¹¹ The drop in medical spending resonates with our finding that parents with more daughters enjoy better health conditions.

insignificant when the number of daughters is used as the main regressor. We also find that older parents are less likely to work if they have more daughters.

Overall, we find the three dimensions of mechanisms discussed in Figure 1 are all at work empirically. Older parents have better health conditions if they have more daughters. Although they are less likely to live together with their daughters, they receive more financial support from daughters. Besides, they are less likely to take care of their daughter's young children, which may allow them to enjoy more leisure time. Regarding employment and living conditions, older parents with more daughters are less likely to work, and they spend more on leisure.

5.4 Heterogeneity

We explore the relationship heterogeneity across a variety of dimensions and present the coefficients (with 95-percent confidence interval) on the number of daughters from subgroup regressions in Figure 3. Panel (a) reports the heterogeneous effects for overall life satisfaction, panel (b) for satisfaction with health, panel (c) for satisfaction with marriage, and panel (d) for satisfaction with children.

First, we investigate effect heterogeneity with respect to gender. As shown in the top two lines in each panel, the effects of the number of daughters on each of the four measures of SWB between genders are similar. Next, we turn to the age dimension by splitting the sample into two groups: those aged above the sample median of 63 and those aged below it. We find that the daughter effects are mainly concentrated among the older sample. Compared with those who are older, having more daughters does not affect satisfaction with marriage or children of parents aged 63 or below.

Regarding education levels, we compare people with lower education levels and those with higher education levels, using middle school education as a cutoff. Both groups benefit from having more daughters in terms of overall life satisfaction. However, for the three satisfaction domains, those who are less educated are more significantly influenced by the number of daughters. We then examine whether the effects differ by the number of children. The effect of the number of daughters on overall life satisfaction and satisfaction with children is much larger for the older parents who have only one child.

Finally, we try to investigate whether the effects differ by attitudes toward child gender. In regions with stronger son preference, it is possible that the positive effect of daughters on SWB would be attenuated by the disappointment of not having sons. From the mid-1980s, because of the stringent birth control policies and the prevalence of ultrasound technology, parents who prefer boys usually abort a female fetus (Ebenstein, 2011). This has led to imbalanced sex ratios at birth since then. Therefore, we use county-level sex ratio at birth in 2000 as a proxy for the local culture of son preference and assume that counties with higher sex ratios (i.e., higher male-biased sex ratios) at birth tend to have culture of stronger son preference. We split the sample into those living in regions above and below the national median sex ratio at birth. According to the results at the bottom of each panel in Figure 3, the effects of the number of daughters are quite similar in these two types of regions except that the daughter effect on overall life satisfaction tends to be a little more salient in regions with higher male-biased sex ratios at birth. Surprisingly, the results suggest that the SWB effects of having daughters for older parents can be even stronger in regions with stronger son preference. One possible explanation is that sons are so spoiled in the regions with stronger son preference that the incentive for them to provide care to their older parents in exchange of transfer and inheritance is much lower, compared to sons in regions with weaker son preference.

In sum, the heterogeneity analysis suggests that the positive effects of having daughters on older parents' SWB are more salient in more vulnerable groups, including those who are older, less educated, with fewer children. The effects are also more obvious in the regions with stronger son preference.

6 Conclusion

The relationship between child gender and the well-being of parents has been widely studied in the literature, but most of the studies have focused on younger parents, their objective living conditions and in the context of developed countries. Recent studies have begun to investigate the impacts of child gender on SWB in developing countries mainly because of rising efforts in data collection.

Using a national representative sample of Chinese older parents, this paper studies the effects of child gender on parents' SWB in China, where there are rapid population aging and a traditional preference for sons. Exploiting the randomness of child gender among urban older parents born between 1930 and 1960, we find that having daughters significantly improves their SWB, especially overall life satisfaction, satisfaction with health, and satisfaction with children. The increase in SWB is achieved through better health, more financial support from daughters, more spending on leisure, and a lower probability of working.

Our findings suggest that, despite traditional son preference, having more daughters can lead to better well-being of parents in their old age. Although it is widely stated that one of the reasons for son preference is the possible old-age support provided by sons (Alesina, Giuliano, & Nunn, 2013; Ebenstein & Leung, 2010; Qian, 2008), our results suggest that, at least in urban China, daughters play a more important role in older parents' SWB. It seems that daughters should be valued more because of their potential benefits for parents in later life. Cultural norms which exacerbate favoritism towards sons are common in developing countries, leading to higher degrees of gender inequality in several dimensions, such as education, employment, and personal autonomy (Jayachandran, 2015). Our findings kind of support that parents should invest more equally in sons and daughters even in societies with cultural norms of strong son preference.

The analysis presented here is subject to certain limitations. For instance, the present study only investigates the SWB effects of having daughters in old age. However, there might be life-cycle heterogeneity on the relationship. As family structures and financial burdens change over the life course, the benefits of daughters can also change. Therefore, it should be not surprising to find the relationship heterogeneity over the life cycle. Future research can conduct life-cycle analysis if data permit. Another interesting finding that needs further investigations is the reasons underlying the stronger positive SWB effects of daughters in regions with stronger son preference. This result is kind of counterintuitive but interesting. Sons (and their wives) are expected to provide old-age support to their parents in a society with the tradition of patriarchal culture. However, our result

suggests that the well-being effects of daughters may be stronger for older parents in a family with stronger son preference. Future research could look further into this issue using well-designed methodology, such as quasi-natural or lab experiments.

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Figures and Tables

Figure 1. Conceptual Framework of Child Gender and Subjective Well-being



Figure 2. Children's sex ratio by parents' cohort



Note: This figure shows the sex ratio of children for parents born between 1930 and 1970, in urban (left panel) and rural (right panel) China. The dashed lines represent the 95 percent confidence intervals. The data come from China population census of 1990 and 2000, which contains information on the total number of sons and daughters a couple ever gives birth to.



Figure 3. Heterogeneity Analysis

Notes: This figure shows the heterogeneous effects of the total number of daughters on older parents' SWB across different groups.

The y-axis lists the corresponding groups. In particular, we divide parents based on gender (father *versus* mother), age (those below the sample median age 63 *versus* those above 63), education level (those obtained a middle school degree or below *versus* those whose education degree is above middle school), number of children (those with only one child *versus* those with multiple children), and son preference (those who live in regions with stronger son preference *versus* those living in regions with weaker son preference¹²). The x-axis shows the value of the estimated coefficients on the total number of daughters.

The dashed lines surrounding the point estimates represent the 95% confidence intervals.

¹² Regions with stronger son preference are defined as those with sex ratios at birth above the national median in 2000. The other regions are defined as those with weaker son preference.

The outcome variable in panel (a) is life satisfaction, panel (b) is health satisfaction, panel (c) is marriage satisfaction, and panel (d) is satisfaction with children.

	(1)	(2)	(3)		
	Mean	Std dev	N		
Subjective Well-being					
Life satisfaction	3.37	0.73	4822		
Health satisfaction	2.94	0.82	4813		
Marriage satisfaction	3.49	0.79	4183		
Children satisfaction	3.58	0.75	4790		
Children Gender					
N of children	2.54	1.46	4822		
N of daughters	1.21	1.08	4822		
N of sons	1.33	1.06	4822		
Firstborn daughter	0.5	0.5	4822		
Health					
Self-assessed health	3.09	0.93	4815		
N of chronic diseases	1.27	1.43	4630		
CESD-10 score	7.08	6.99	4680		
Standardized cognition	-0.00	1.00	4084		
Intergenerational Support					
Co-residing with children	0.36	0.48	4813		
Days visiting per month	27.47	24.8	4813		
Care for grandchildren	0.64	0.72	4229		
Log annual transfer to	3 05	1 22	4813		
children	5.95	4.22	4015		
Log annual transfer from	5 85	3 77	4813		
children	5.05	5.11	4015		
Employment and Living Conditi	ons				
Work currently	0.29	0.45	4819		
Total household expenditures	46557.36	58512.29	4657		
Food expenditures	24143.55	35480.26	4427		
Leisure expenditures	2061.94	9772.19	4765		
Living expenditures	12485.55	15884.93	4682		
Medical expenditures	7658.11	19340.95	4616		
Total wealth	455345.52	2404393.87	4807		
Demographic Characteristics					
Year of birth	1949.25	7.26	4822		
Gender	0.55	0.5	4821		
No education	0.22	0.41	4817		
Primary school	0.22	0.41	4817		
Middle school	0.27	0.44	4817		
High school	0.23	0.42	4817		
Widowed	0.13	0.34	4821		
Birth year of the first child	1974.13	10	4822		

Table 1. Descriptive Statistics

Notes: the sample contains urban cohorts born in 1930-1960 from CHARLS 2015 and 2018

	(1)	(2)	(3)
	Correlates	Std error	Ν
Father birth year	0.156	(0.211)	1715
Mother birth year	0.194	(0.217)	1666
Birth year of the first child	0.493	(0.310)	1810
Widowed	0.002	(0.009)	1810
Father no education	-0.012	(0.012)	1810
Father primary school	-0.003	(0.013)	1810
Father middle school	0.009	(0.014)	1810
Father high school	-0.000	(0.013)	1810
Father college	0.007	(0.009)	1810
Mother no education	-0.001	(0.013)	1937
Mother primary school	-0.018	(0.012)	1937
Mother middle school	-0.001	(0.011)	1937
Mother high school	0.019*	(0.011)	1937
Mother college	0.001	(0.004)	1937

Table 2. Balance Test

Notes: This table tests whether the individual characteristics are orthogonal to our main regressor of interest - the number of daughters. Each row is from a separate regression, the regressors of which are the number of daughters and the number of children, and the dependent variable is the parental characteristic listed. The coefficient reported in each row is the one on the number of daughters from each regression. Because the parental characteristics and number of daughters are both time-invariant, we keep one observation for each household in this test.

Clustered standard errors at the community level are reported in parentheses.

	Overall Subdomains			
	(1)	(2)	(3)	(4)
	Life entisfaction	Health	Marriage	Children
	Life satisfaction	satisfaction	satisfaction	satisfaction
	Panel A	A: Number of daught	ters	
N of daughters	0.040**	0.030*	0.018	0.054***
	(0.016)	(0.018)	(0.019)	(0.015)
Adjusted R-squared	0.036	0.024	0.054	0.051
	Panel	B: Firstborn daught	ter	
Firstborn daughter	0.062**	0.093***	0.041	0.073***
	(0.025)	(0.027)	(0.031)	(0.027)
Adjusted R-squared	0.036	0.026	0.054	0.050
	Panel C:	Child gender compo	sition	
Daughters and sons	0.023	0.053	0.037	0.061*
	(0.039)	(0.040)	(0.045)	(0.036)
All daughters	0.103***	0.086**	0.044	0.140***
	(0.039)	(0.041)	(0.048)	(0.038)
Adjusted R-squared	0.036	0.024	0.053	0.051
Mean	3.369	2.941	3.488	3.575
Ν	4815	4806	4176	4783

Table 3. The Effects of Having Daughters on Old-Age SWB in Urban China

Note: This table shows the OLS results of SWB effect in the old age of having daughters, using urban cohorts born in 1930-1960 from CHARLS 2015 and 2018. Control variables in each regression cover individual characteristics including the number of children dummies, gender, respondent's birth year dummies, education level dummies, year dummies for having the first child and widowhood status. We also control for survey year and province fixed effects.

Clustered standard errors at the community level are reported in parentheses.

	Overall	Subdomains		
	(1)	(2)	(3)	(4)
	Life satisfaction	Health	Marriage	Children
		satisfaction	satisfaction	satisfaction
	Panel A	A: Number of daugh	ters	
N of daughters	0.032*	0.025	0.034	0.064***
	(0.019)	(0.021)	(0.021)	(0.018)
	Panel	B: Firstborn daught	ter	
Firstborn	0.062**	0 097***	0.049	0.087***
daughter	0.002	0.097	0.017	0.007
	(0.030)	(0.032)	(0.037)	(0.031)
	Panel C:	Child gender compo	osition	
Daughters and sons	0.004	0.040	0.060	0.081**
	(0.042)	(0.041)	(0.051)	(0.039)
All daughters	0.107**	0.114**	0.103*	0.194***
	(0.052)	(0.052)	(0.061)	(0.049)
Mean	3.371	2.924	3.476	3.555
Ν	3566	3559	3053	3543

Table 4. The Effects of Having Daughters on Old-Age SWB in Urban China (more restricted sample)

Note: This table shows the OLS results of SWB effect in the old age of having daughters, using urban cohorts born in 1935-1955 from CHARLS 2015 and 2018. Control variables in each regression cover individual characteristics including the number of children dummies, gender, respondent's birth year dummies, education level dummies, year dummies for having the first child and widowhood status. We also control for survey year and province fixed effects.

Clustered standard errors at the community level are reported in parentheses.

	(1)	(2)	(3)	(4)
	N of daughters	Firstborn daughter	Mean	N
	Panel A: Health			
Self-assessed health	0.029	0.096***	3.094	4808
	(0.021)	(0.031)		
N of chronic diseases	-0.021	-0.146***	1.271	4627
	(0.028)	(0.042)		
CESD-10 score	-0.366**	-0.853***	7.073	4672
	(0.161)	-0.234		
Standardized cognition	0.024	0.059*	0.002	4075
	(0.023)	(0.035)		
	Panel B: Int	tergenerational support		
Co-residing with children	-0.015	0.000	0.359	4806
	(0.013)	(0.019)		
Days visiting per month	0.276	-0.052	27.494	4806
	(0.726)	(1.015)		
Care for grandchildren	-0.02	0.014	0.637	4218
	(0.014)	(0.026)		
Log annual transfer to children	-0.153	-0.424***	3.953	4806
	(0.095)	(0.153)		
Log annual transfer from children	0.261***	0.404***	5.850	4806
	(0.087)	(0.145)		
	Panel C: Employ	yment and living conditions	5	
Log total HH expenditures	0.048	0.044	10.168	4649
	(0.036)	(0.050)		
Log food expenditures	0.044	0.112*	9.521	4418
	(0.041)	(0.057)		
Log leisure expenditures	0.203**	0.534***	2.491	4758
	(0.082)	(0.143)		
Log living expenditures	0.009	0.031	8.944	4674
	(0.026)	(0.041)		
Log medical expenditures	-0.004	-0.272**	6.761	4609
	(0.074)	(0.122)		
Log total wealth	-0.153	-0.131	8.161	4800
	(0.122)	(0.211)		
Work currently	-0.017*	-0.048***	0.286	4812
	(0.009)	(0.015)		

Table 5. Mechanisms: The Effects of Having Daughters on Intermediate Outcomes in Urban China

Note: This table explores the mechanisms of the SWB effects of having daughters by estimating the effects on three sets of intermediate outcomes, using urban cohorts born in 1930-1960 from CHARLS 2015 and 2018. Each estimate in columns (2) and (3) is drawn from a separate regression. All the regressions contain the same set of regressors as mentioned in Table 3.

Clustered standard errors at the community level are reported in parentheses.

	(1)	(2)	(3)
	Standard model	Add child controls	
	Daughter	Daughter	Mean
Co-residing with the child	-0.188***	-0.193***	0.176
	(0.014)	(0.016)	
Days visiting per month	-4.818***	-5.093***	11.472
	(0.476)	(0.529)	
Care for grandchildren	-0.166***	-0.199***	0.188
	(0.012)	(0.015)	
Annual transfer to the child	-540.879***	-833.120***	1284.839
	(106.743)	(133.947)	
Annual transfer from the child	237.670***	341.713***	1566.578
	(77.284)	(89.951)	
Net transfer from the child	781.180***	1156.067***	323.957
	(121.707)	(145.677)	

Table 6. The Effects of Having Daughters on Intergenerational support: Child Perspective Analysis

Note: This table explores the intergenerational support mechanism of the SWB effects of having daughters, using urban cohorts born in 1930-1960 from CHARLS 2015 and 2018. Each estimate in columns (2) and (3) is drawn from a separate regression. Each observation in these regressions is a child-parent pair. The main regressor is a dummy for being a daughter. We control for household fixed effects in all the regressions. We further control adult children's education and household income for regressions in column (3). The number of observations is 8,344 in column (2) and 5,463 in column (3). The decrease in the number of observations is caused by missing values in children's income, which is reported by parents. Clustered standard errors at the community level are reported in parentheses.

Appendices



Appendix Figure 1. Distribution of estimated coefficients from 1000 random permutations of child gender

Note: The histogram plots the empirical distribution of the estimated effects of the simulated number of daughters on elder parents' life satisfaction (panel (a)), health satisfaction (panel (b)), marriage satisfaction (panel (c)), and satisfaction with children (panel (d)). All regressions include controls in Table 3. The permutation p-value is calculated as the share of simulated estimated coefficients greater than or equal to the baseline estimates (in absolute values), indicated by the vertical dashed line.