

## **Parent-Child Co-residence and Bequest Motives in China**

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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 (about 60 percent). Turning to the determinants of parent-child co-residence, children of urban parents are more likely to live with their older parents if their parents have a bequest motive, own their own homes, and live in an area where housing prices are high. Similarly, children of rural parents are more likely to live with their older parents if their parents have a bequest motive or if their income is high. All of these results suggest that, in both urban and rural areas of China, children are selfishly motivated and the life-cycle model applies.

**Keywords:** Bequest motives, parent-child co-residence, parental income, housing prices, elderly, households, China, life-cycle model, life-cycle hypothesis, altruism model, strategic bequest motive.

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