

Precautionary Savings and Expectations for Marriage^{*}

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Abstract

Using Japanese panel data, we analyze the precautionary savings due to the uncertainty of not being able to get married in the future. Our cross-sectional analysis finds that young women who have higher risk of being unmarried after three years have more target savings, especially for precautionary purpose. Furthermore, from our panel data analysis, we find that if unmarried women have higher probability of unmarried over time, they are increasing their target savings for precautionary purpose.

These results suggest that facing higher risk of income fluctuation owing to the choice of late marriage or being unmarried, young women add more savings against the income risk of single life.

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