

Housing Wealth, Fertility and Children's Health in China: A Regression Discontinuity Design

ABSTRACT

In this paper we examine the effects of housing wealth on fertility outcomes using a regression discontinuity design based on a 2006 Chinese housing policy. We show that the positive shock to housing wealth generated by this policy increased the likelihood of fertility by a significant margin of 3.6%. Our result implies that a 1% increase in housing wealth can raise the fertility rate by 0.34%. We also find that children born after the positive housing wealth shock exhibit better health and cognitive performances not only at birth but also in the long run. Finally, we present suggestive evidences showing that both labor-market participation and parental health could explain the documented positive effects of housing wealth on fertility rates and children's performance.