

Project name: Social Pension, Inter-generational Ties and Social Networks

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Brief description of the project: This project came in two parts. Both parts used the 2011 – 2012 China's nationally representative dataset called CHARLS. The Chinese government implemented a rural social pension scheme for the elderly rural population of China in 2009. The recent national data and new policy created an opportunity to examine two interesting questions in the developing or emerging economy as China. Namely, the first part of the project examined if a pension income shock for the elderly caused a positive mental health effect on the individual level. The latter part investigated the impact of pension income shock on both recipients' households' money or in-kind transfer behavior as well as their social engagement within their community. We employed the regression discontinuity design to study these two questions. Our findings so far include that pension income shock does not significantly affect the Chinese elderly's mental health, but it does significantly affect their households' social engagement in their communities. Among the social engagement variables that appear significant are assistance to other elderly in the community, attending social clubs, and interacting with friends. Some social engagement variables seem significant on both extensive and intensive margins.

My responsibilities: My responsibilities primarily included in data management, cleaning, and analysis. Specifically, the entire dataset consisted of about twenty data files, of which about six or seven interested us. The data files of interest span over demographics, pension, income, family information, health, and other data. For example, using the Stata program, I combined about fifteen different types of income data that were presented in different timeframes and categories as well as with numerous questionable values. The data analysis chiefly involved the creation of regression discontinuity graphs for baseline variables, summary statistics tables for variables of interest, and regression discontinuity analysis on variables of interest with and without covariates, probability weights, adjustment for non-response, and bandwidth selector. Throughout the summer, I met with Professor Chen and a colleague, Wang TianYu to discuss and plan our research. Professor Chen and TianYu jointly advised and instructed me regularly.

What I learned: There are two very valuable lessons for me. The first lesson is simply the experience of doing actual research, bringing me to work with closely a professor and PhD student as colleague and advisors, look at data as an information tool rather than just numbers, and see for myself the use of statistics and probability that I learn in class. The second lesson is that data often aren't perfect, and the crucial skill to garner is picking out the flaws in data, bypassing the flaws using some technique or understanding, and trying different approaches to look at the data so that analysis of them don't disagree with our intuition too much.

Opinion of SRO: I think what I learned is a testament that SRO is a very valuable research experience especially for first-timers. It's really a milestone because I can feel more confident about taking a second research assistance job now that I know I survived one before.