

CFPR Lunchtime Seminar Series 2017

Who Has Bequest Motives?

While bequest plays an important role in wealth accumulation, the existing literature still failed to conclude whether people leave bequest intentionally or accidentally. This is largely because it is very difficult to distinguish bequest motives from precautionary saving. Because of the longevity risk and the high loading costs of annuity, people need to save more than they consume so they will not overlive their wealth. The 2013 introduction of the Central Provident Fund Lifelong Income for the Elderly (CPF LIFE) plan by the Singapore government provides us with a unique setting for studying the different aspects of household saving decisions. The CPF LIFE consists of two plans, the Standard Plan (SP) and the Basic Plan (BP). The SP offers a higher monthly payout but a lower bequest than the BP. To understand people's bequest motives, we construct a structural model and estimate key parameters from our household survey data. Our preliminary analysis suggests that people indeed leave bequest intentionally and people with children are more likely to leave bequests than others. Our preliminary analysis suggests that about one-third of people choose the BP, which suggests people do have bequest motives. We also find people with children are much more likely to choose the BP.



by **A/P Liu Haoming**,
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Dr. Haoming Liu is an Associate Professor in the Economics Department at the National University of Singapore. Prior to joining the National University of Singapore, he has worked in the School of Economics, the University of New South Wales, Sydney, for one year. He holds a PhD in Economics from the University of Western Ontario, and a BA in Mechanical Engineering from Northern Jiaotong University, Beijing, China.

His research focuses on topics in income inequality and mobility, demography, and Chinese labour market. His recent paper on quality-quantity trade-off won the 2015 Kuznets Prize of the *Journal of Population Economics*. He is currently working on intergenerational mobility in China and Indonesia, and the impact of air pollution on labour productivity, health and school performance.

Chaired by: Dr Feng Qiushi, Assistant Professor, Dept of Sociology, NUS

All are Welcome! Refreshments will be served. Registration is required.

Date: 15 September 2017, Friday | **Time:** 12.00nn - 1.30pm

Register at <https://tinyurl.com/y92venuz> by 14 September 2017