

DOES ADVERSITY AFFECT LONG-TERM FINANCIAL BEHAVIOUR? EVIDENCE FROM CHINA'S RUSTICATION PROGRAMME

This paper examines the long-term consequences of adversity on financial behaviour. It draws upon the largest forced migration experiment in history, the China's rustication programme. Evidence from Chinese Twins Survey and Chinese Household Income Project shows that rusticated individuals behave financially conservatively over the long term, compared with their age-eligible but non-rusticated peers. They spend less on housing consumption, have a smaller share of housing over assets, accumulate more savings and insurance and invest less in risky assets. Such patterns are consistent with evidence from manually collected county gazetteer data. Possible mechanisms include reduced productivity, habits formation, and psychological changes.



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Chaired by: A/Prof Feng Qiushi, Department of Sociology, NUS

**Date: 31 August 2018
Time: 12.00pm-1.30pm
Venue: Ventus Evans Room**

**Refreshments will be served! Registration is required.
Register at: <https://tinyurl.com/y7ejls6k>**