

The Influence of Endowment Insurance on Life Satisfaction

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Abstract: Based on the "three pillars" system of endowment insurance, this paper analyzes the impact of endowment insurance on the life satisfaction of urban residents. The study shows that: (1) a significant positive correlation between the participation in basic endowment insurance and urban residents' life satisfaction; (2) supplementary endowment insurance participation type has a significant impact on residents' life satisfaction; (3) a low savings pension insurance participation rate and no significant relationship with life satisfaction.

1. Introduction

Life satisfaction is a measurement index that reflects people's physical and mental health status, social participation, quality of life and subjective well-being. It is a subjective evaluation of an individual's expected living standard set in a specific living environment. ^[1] Social security is an important factor affecting life satisfaction.

With the arrival of the advanced age minority society, the function of the traditional family pension mode is gradually weakened. In this case, endowment insurance has an important impact on the quality of life of residents in their later years. In the current, it is a topic of theoretical significance and practical value to study the impact of pension insurance on life satisfaction of urban residents.

2. Literature review

In order to adapt to the needs of different economic conditions and cope with the challenges of population structure changes, the endowment insurance consists of three levels, namely, basic endowment insurance, supplementary endowment insurance and individual savings endowment insurance. At present, there are sufficient studies on the evaluation of the implementation effect of endowment insurance policies.

There are many foreign researches on the relationship between social security and life satisfaction. Some scholars have concluded that the social security system has a positive promoting effect on the improvement of people's happiness. ^[2] However, at the same time, some scholars have proved that social security and social welfare have no promoting effect on the improvement of people's happiness. ^[3]

Different from foreign research, our research on the relationship between social security and life satisfaction started late. However, similar to foreign research results, the conclusions on the impact of pension insurance parties on residents' subjective satisfaction are not uniform. Some scholars have concluded that endowment insurance can improve residents' happiness. ^[4] But at the same time, some scholars have concluded that the subjective welfare effect of pension insurance is relatively limited. ^[5]

This paper empirically studies the impact of the three levels of endowment insurance on the life satisfaction of urban residents.

3. Research design

3.1. Measurement identification strategy

This paper adopts the OLS model widely recognized by the current academic circle for regression analysis. According to the research content, the model is specified as follows:

$$Self_satisfaction_i = \beta_0 + \beta_1 Insurance_i + \alpha_i X_i + \mu_i$$

3.2. Data sources

The data used in this research comes from the 2018 China Health and Retirement Longitudinal Study (CHARLS), which not only contains the survey data about subjective satisfaction and pension insurance participation status, Therefore, this paper chooses this data for analysis and research. The specific research object of this paper is urban residents. At the same time, in order to meet the conditions of subsequent research, the missing values of variables were respectively endowed with average values and removed, and a total of 3922 research samples were obtained.

3.3. Variable selection

3.3.1. Explained variables

Life satisfaction is the explained variable in this paper. In the questionnaire, the five options were assigned a score of 1-5, that is, the higher the life satisfaction, the lower the score.

3.3.2. Explain variables

First, "participate in the employee endowment insurance", "participate in the resident endowment insurance" and "have the eligibility to participate in the resident endowment insurance" are selected as explanatory variables to represent the basic endowment insurance.

Second, "whether to participate in supplementary endowment insurance" and "types of participation in supplementary endowment insurance" are selected as descriptive variables of participation in supplementary endowment insurance.

Thirdly, we choose "whether to buy life insurance", "whether to buy commercial endowment insurance" and "whether to receive or participate in other endowment insurance" as three variables to measure the participation of individual savings endowment insurance.

3.3.3. Control variables

In this analysis, the author considers the following demographic characteristics as control variables. Table 1 shows variable assignment and descriptive statistics.

3.4. Descriptive statistical results of variables

In terms of the pension coverage, the basic pension coverage was good. However, the coverage rate of supplementary pension is poor, the insurance participation rate is only 2.27%. The participation rate of life insurance and commercial endowment insurance is also not high. From the overall perspective, the current life satisfaction of urban residents is below the medium level.

4. Empirical results and analysis

As shown in Table 2, model (1) is the influence of endowment insurance participation of residents at different levels on life satisfaction of urban residents selected in this paper. On this basis, Model (2) adds individual characteristics that may affect life satisfaction to ensure the robustness of the research results. With the increase of variables, the value of R^2 is gradually improved, and the goodness of fit of the model is gradually improved.

4.1. Basic endowment insurance

Model (1) and Model (2) both show that participation in employee pension insurance significantly improves life satisfaction of urban residents at the level of 1%. Similarly, we can infer

that participation in residents' endowment insurance also shows this effect. In addition, as can be seen from Table 2, models (1) and (2) both show that residents' life satisfaction can be improved to some extent by having residents' endowment insurance qualification, which is significant at the 5% level.

4.2. Supplement the old-age insurance level

First, it can be seen from models (1) and (2) that participation in supplementary endowment insurance does contribute to the improvement of residents' life satisfaction, but the result is not significant. Secondly, the type of supplementary endowment insurance can significantly affect residents' life satisfaction at the level of 1%, which may be related to different types of supplementary endowment insurance participation, payment methods, treatment levels, etc.

4.3. The third level of endowment insurance

According to Model (1), Life insurance has a certain inhibitory effect on the improvement of life satisfaction of residents. However, in model (2), life insurance shows different characteristics, and the result is not significant. The author speculated that the reason for this result may be the low viscosity between the third level endowment insurance and personal life satisfaction.

4.4. Control variables

First, it can be seen from model (2) that the improvement of age has a significant promoting effect on residents' life satisfaction, with a coefficient of 0.085, which is significant at the 1% level. Secondly, for marital status, the integrity of marital status can significantly improve residents' life satisfaction. Finally, there is a significant negative correlation between ethnicity and life satisfaction.

5. Conclusions and policy recommendations

Based on the above research, this paper puts forward policy suggestions for the development direction of endowment insurance: first, promote the coverage progress of basic endowment insurance from multiple angles; Second, to build a perfect operation mechanism of supplementary endowment insurance; Third, strengthen the link between happiness and personal savings insurance.

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Table 1: Case summary

Variable name	Number of cases	Frequency
Receive or participate in the employee endowment insurance (Yes=1)	2763	70.45
Receive or participate in resident endowment insurance (Yes=1)	702	17.90
Whether it is eligible to participate in the residents' endowment insurance		
Yes =1	307	7.83
No =2	2507	63.92
Unknown=3	1108	28.25
Types of workers receiving or participating in the employee endowment insurance		
Government=1	192	4.90
Public institutions=2	467	11.91
Enterprise=2	2053	52.35
Unknown=4	1210	30.85
Receive or participate in supplementary pension insurance (Yes=1)	89	2.27
Types of participation in supplementary pension insurance		
Government=1	12	0.31
Public institutions=2	30	0.76
Enterprise=2	44	1.12
Unknown=4	3833	97.81
Get or sign up for life insurance(Yes=1)	215	5.48
Receive or participate in commercial endowment insurance		
Yes, I'm taking it=1	54	1.38
Yes, I'm getting it=2	12	0.31
No =3	3856	98.32
Receive or participate in other old-age insurance		
Yes, I'm taking it=1	14	0.36
Yes, I'm getting it=2	38	0.97
No =3	3870	98.67
Life satisfaction		
Very satisfied =1	209	5.33%
Satisfied =2	955	24.35%
Fairly satisfied =3	2468	62.93%
Not very satisfied =4	232	5.92%
Not at all satisfied =5	58	1.48%
Gender(Male =1)	2012	51.30%
Type of current residence		
Family house =1other =4	3831	97.68%
Nursing home or other nursing Institution =2	13	0.33%
Hospital =3	3	0.08%
Other =4	75	1.91%
Marital status		
Married, living with spouse =1	3165	80.70%
Married, not living with spouse due to work =2	164	4.18%
Separated =3	15	0.38%
Divorced =4	104	2.65%
Widowed =5	464	11.83%
Unmarried =6	10	0.25%
Ethnic group (Han=1)	3613	92.12%

Table 2: Results of full-sample regression analysis

Variable	Model (1)	Model (2)
Receive or participate in the employee endowment insurance	0.112*** (0.029)	0.101*** (0.030)
Receive or participate in resident endowment insurance	0.094*** (0.034)	0.091*** (0.034)
Whether it is eligible to participate in the residents' endowment insurance	0.031** (0.000)	0.031** (0.000)
Receive or participate in supplementary pension insurance	0.009 (0.061)	0.016 (0.061)
Types of participation in supplementary pension insurance	0.353*** (0.019)	0.356*** (0.019)
Get or sign up for life insurance	-0.029* (0.041)	-0.018 (0.041)
Receive or participate in commercial endowment insurance	-0.004 (0.039)	0.001 (0.039)
Receive or participate in other old-age insurance	0.016 (0.061)	0.015 (0.061)
Gender		-0.022 (0.019)
Birth year		0.085*** (0.001)
Type of current residence		0.027* (0.022)
Marital status		0.066*** (0.007)
Ethnic group		-0.066*** (0.035)
R^2	0.134	0.148

Note: The circular bracket shows the robust standard error, and ***, ** and * respectively indicate the significance level of 1%, 5% and 10%