

Pension plan improving mental health in China

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A new social pension program in rural China isn't just providing older adults with more financial security, Yale School of Public Health researchers say, it's also improving their mental health.

It may seem obvious that a post-retirement pension income is going to

make people feel better. But the fact that social pension programs boost both financial and [mental health](#) could be beneficial to countries struggling to meet the needs of a growing global population of [older adults](#), the researchers said.

"More than 100 low- and [middle-income countries](#) have adopted social pension programs to support the needs of the elderly," said Xi Chen, Ph.D., the study's lead author and an assistant professor at the Yale School of Public Health in the Department of Health Policy and Management. "Our findings suggest that even a relatively modest pension improves the mental health of the Chinese population and, quite possibly, it would do the same for elderly populations in other countries as well."

As a policy matter, an investment in social pension programs could help reduce costs for mental health treatment as well as physical health care, as the two are inexorably linked, the researchers said.

"Given that the costs of mental health treatment in many low- to middle-income countries are commensurate with the treatment and prevalence of diseases such as diabetes and HIV/AIDS, policies that offer certain segments of the population more income as a means of improving mental health might prove more cost-effective," the study said.

More than 80 percent of the world's two billion [older individuals](#) will be living in low- and middle-income countries by 2050. Low- and middle-income populations have more than twice the rate of depression, [mood disorders](#) and anxiety disorders compared to their counterparts in the United States, according to the study, which appears in the journal *Social Science & Medicine*.

The study is believed to be the first to find a direct causal relationship between pension provisions and mental health in a developing country.

The research was done in China because of the unique size and scope of the country's New Rural Pension Scheme (NRPS). The program, launched in 2009, has more than 400 million participants (nearly 90 million over 60 years old) and is the largest pension program in the world.

The pension program rolled out in randomly selected provinces over three years, beginning in 2009 until it was nationwide in 2012.

Individuals age 60 and over are eligible for pension payments that come in two forms: a basic modest government subsidy and an individual account combining personal contributions and a government matched subsidy. Pensions range from about 55 Chinese yuan (about \$9) a month in rural areas to around 360 Chinese yuan (about \$60) in wealthier provinces like Beijing. Total pension benefits are approximately 15 percent of China's average earned income, the study said.

The researchers measured the mental health of pension recipients using government data from the China Family Panel Studies, which include a scientifically verified, 20-item self-reported mental health questionnaire.

The researchers found that improved mental health and fewer depressive symptoms was most pronounced in pension recipients who were previously struggling with mental health issues or who were dealing with financial constraints due to limited income or education.

Specifically, the study found that a 100 Chinese yuan (CNY) rise in monthly pension income decreases depressive symptoms by 11.9 percentage points.

"Considering that the lowest pension payment in the NRPS is 55 CNY per month and that pension beneficiaries on average receive 91 CNY, the total effect of monthly pension benefits on depression is sizable," the

authors said. "On average, receiving pension reduces the prevalence of depressive symptoms by 25.4 percent."

The study also tracked the mental health of individuals age 45-59 who were contributing to the [pension](#) program but not yet receiving payments. The researchers found that improvements in mental [health](#) in that population were insignificant.

More information: Xi Chen et al. Does money relieve depression? Evidence from social pension expansions in China, *Social Science & Medicine* (2018). [DOI: 10.1016/j.socscimed.2018.12.004](https://doi.org/10.1016/j.socscimed.2018.12.004)

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