

The Impact of China's New Personal Pension Policy on the Aged Care Industry Stock Performance

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Abstract

Against the background of China's aging population, how to solve the emerging pension deficit problem through macro pension policies is very important. This study focuses on 102 Chinese Ashare stocks in China's pension industry through the market model in the event study and the regression analysis of difference-in-difference to test the impact of China's new personal pension policy on stock performance in the short term. We found that during the event window period, the CAAR of these pension industry stocks was continuously decreasing and negative, which shows that China's new personal pension policy has a significant negative correlation with the performance of stocks in the pension market. We also find that China's new policy on personal pensions has a more significant impact on financial pension stocks due to their higher leverage. Finally, we also address issues of endogeneity and robustness of the results by using the Difference-in-Differences method. The results of this study provide effective guidance for investors to make correct investment decisions when macroeconomic policies change and evaluate the effectiveness of China's new pension policy. The final results support the hypothesis that China's new personal pension policy has a negative impact on the aged care industry.

Keywords: pension policy, stock performance, China