

Enriching Seniors' "Wallets" to Consolidate the Foundation of the Silver Economy: Micro-Empirical Evidence From the China Household Finance Survey (CHFS) and Thoughts on Senior-Friendly Finance

Qiang Gao

Central University of Finance and Economics (CUFE), Beijing 100045, China

Copyright: © 2026 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0), permitting distribution and reproduction in any medium, provided the original work is cited.

Abstract: Driven by both policy and market forces, China's silver economy has experienced rapid growth; however, the limited purchasing power of the elderly population poses challenges to the effective implementation of related industries. Empirical analysis based on CHFS microdata reveals that some elderly households lack reliable sources of pension income, and there are significant disparities in pension benefits across different demographic groups; these households typically possess limited financial assets, adopt conservative asset allocation strategies, and exhibit a low participation rate in risk assets. Pension levels directly determine the financial participation capacity of elderly households; insufficient income often leads to a high number of individual pension accounts with low contribution amounts. Strengthening the foundation of the silver economy requires increasing the wealth of older adults, leveraging the window of opportunity presented by the retirement wave, improving the elderly care security system, diversifying financial products tailored for older adults, and ensuring that financial development and technological progress benefit the elderly population.

Keywords: Silver economy; Population aging; Elderly care security; Financial services for elderly households

Online publication: September 30, 2026

1. Favorable policies and market boom: The silver economy enters the fast lane

By the end of 2024, China's population aged 60 and above reached 310.31 million, accounting for 22.0 % of the total population ^[1]. The General Secretary emphasized that "effectively responding to China's population aging concerns the overall national development and the well-being of hundreds of millions of people," and explicitly proposed that "we must vigorously develop the silver economy" ^[2]. In January 2024, the General Office of the State Council issued the first policy document named after the "silver economy"; at the end of the same year, the Central Committee of the Communist Party of China and the State Council issued the *Opinions*

on *Deepening the Reform and Development of Elderly-care Services* ^[3].

Boosted by favorable policies, the supply side has expanded rapidly. According to the *2024 National Bulletin on the Development of Undertakings for the Aged*, by the end of 2024, there were 406,000 various elderly-care institutions and facilities nationwide with 7.993 million elderly-care beds; 77,600 new enterprises engaged in elderly-oriented products and services were registered in 2024 ^[4]. As estimated by the *Blue Book of the Silver Economy (2024)*, China's silver-economy scale stands at about CNY 7 trillion, accounting for roughly 6% of GDP, and is expected to hit CNY 30 trillion, making up 10 % of GDP by 2035 ^[5].

Various market players have entered this sector one after another. Among financial institutions, Taikang Insurance has built 48 senior-community projects named "Taikang Community" across 37 cities. China Pacific Insurance's "Pacific Care Home" has planned more than 16 500 beds, and many insurance companies have successively launched their own senior-community brands. Large financial holding enterprises have also taken substantial actions: CITIC Group's "CITIC Elderly-care" has an investment volume exceeding CNY 3 billion with over 6 500 planned beds; Everbright Group's Everbright Elderly-care has expanded to 41 cities in 19 provinces, operating more than 260 elderly-care institutions and community sites with over 32 000 beds. Central SOEs and local SOEs, including Sinopharm, SDIC, Chengtong, and Beijing Elderly-care Group; real-estate enterprises such as Vanke, Sino-Ocean, Poly, and Greentown; as well as various enterprises including Jiurucheng and Alibaba, have all stepped into this field. Notably, financial institutions enjoy unique advantages in engaging in the elderly-care industry: they can connect future elderly-care services with today's wealth management through product design ^[6].

2. Calm reflection amid the boom: Affordability constraints on the demand side

Nevertheless, prosperity on the supply side cannot automatically translate into market vitality. At the end of 2024, 2.307 million seniors lived in registered elderly-care institutions nationwide, with an overall occupancy rate of merely 45.4%, while the industry generally holds that an occupancy rate above 60% is required to reach break-even. On the one hand, affordable public elderly-care homes face "long waiting lists for scarce beds"; on the other hand, numerous beds in newly-built mid-to-high-end senior communities remain vacant. Even top-tier urban-core projects run by insurance companies, with an average occupancy rate of around 80%, have mostly hit the break-even point only in recent years, with payback periods generally longer than a decade ^[7].

Behind low occupancy rates and profitability difficulties lies the gap between seniors' payment capacity and institutional charging standards. In 2021, the annual per-capita income of Chinese seniors stood at approximately CNY 32 000: around CNY 47 000 for urban seniors and merely CNY 14 000 for rural seniors. By contrast, private elderly-care institutions generally charge CNY 4 000-8 000 per month. Although bed supply has increased, the number of seniors who "can afford to stay" has not grown correspondingly, and this constitutes the core problem ^[8].

The same applies to the elderly-supplies sector. China's elderly-products-market size has expanded from CNY 2.6 trillion in 2014 to CNY 5.4 trillion in 2024, and the rehabilitation-assistive-device-industry scale has exceeded CNY 730 billion. Yet the actual penetration rate remains very low. Studies indicate that the service rate of rehabilitation assistive devices in China is only 7.3%, far below that of developed economies. Prosperity on the supply side hinges on one prerequisite: seniors must have money, and enough money, and feel confident about spending it ^[9].

What is the real financial situation of senior households? We need to look closely into senior families' "wallets." Drawing on 2019 data from the China Household Finance Survey (CHFS) conducted by Southwestern University of Finance and Economics, which covers more than 34,000 households, this paper observes 14,277 senior-headed households where the household head is aged 60 or above.

3. Evidence I: Incomplete elderly-security coverage and wide benefit disparities

First, let us examine coverage. Among surveyed senior-headed households, 13.8% of household heads are not covered by any social endowment insurance. Combining those uninsured and those insured but receiving no benefits, roughly 21.0% of senior-household heads have no pension income at all—nearly one out of every five senior households lacks institutional pension-income sources.

Next, let us look at benefit levels. About 53.5% of senior-household heads receive monthly pensions below CNY 300 or no pension whatsoever; the bracket of "CNY 100–150" alone accounts for 16.0%. Only 6.1% of households enjoy monthly pensions above CNY 5,000. By category, retirees from government agencies and public institutions receive an average monthly pension of CNY 3,824; recipients under the Urban Employees' Endowment Insurance get CNY 3,005; while recipients of the New Rural Social Endowment Insurance, the largest-enrolment program, receive merely CNY 242 per month.

Micro-survey findings align with official statistics: in 2022, the average monthly benefit for recipients under the Urban-Rural Residents' Basic Endowment Insurance was only around CNY 205, whereas the average monthly basic pension for enterprise retirees reached CNY 3,162 ^[10]. For groups with low security benefits, monthly pensions of CNY 100 to 200 barely cover basic subsistence.

4. Evidence II: Senior-household assets—"Cash Is King"

The median value of financial assets held by senior households stands at only CNY 4,000—half of all senior households hold total financial assets of less than CNY 4,000. Though the mean reaches CNY 68,500, this figure is pulled upward by a small number of high-asset households; 90% of senior households hold financial assets below CNY 153,000.

In terms of asset structure, senior-household asset allocation is extremely conservative: cash and deposits together make up 90.4% of total financial assets, while the participation rate in risky assets is only 15.4%, including stock-holding rate at 2.8%, funds at 1.1%, and bank & internet wealth-management products at 7.1%. For the overwhelming majority of senior households, their assets can neither beat inflation nor allow them to share gains from capital-market and wealth-management development.

"Cash-is-king" is not outdated thinking, but a rational self-protection strategy: 25.1% of senior household heads were hospitalized in the year prior to the survey, and the uncertainty of medical expenditure hangs over every household. Constrained both by low security benefits and high expenditure risks, holding readily accessible, loss-free cash and deposits represents a defensive choice for senior households.

5. Evidence III: Security benefits determine financial-participation capacity

Cross-tabulating pension levels against household-asset conditions (**Table 1**) reveals a clear gradient: from no-pension recipients to households with monthly pensions of CNY 5,000–10,000, average household financial

assets rise from CNY 39,000 to CNY 321,000; the risky-asset participation rate climbs from 10.6% to 45.7%; and the cash-and-deposit share drops from 93.4% to 71.5% ^[11]. Hospitalization rates across groups remain broadly comparable, meaning medical-expenditure risks do not vary significantly by wealth level.

Table 1. Assets and risk profiles of senior-headed households by monthly-pension level (CHFS 2019, household heads aged 60 and above)

Monthly-pension group	Number of households	Share (%)	Average household financial assets (CNY)	Risky-asset participation rate (%)	Cash-and-deposit share (%)	Hospitalization rate in the previous year (%)
No pension received	2,956	20.7	38,597	10.6	93.4	24.5
Below CNY 300	4,565	32.0	16,321	6.9	96.2	25.7
CNY 300-500	200	1.4	43,345	14.0	91.7	20.6
CNY 500-800	244	1.7	52,814	11.9	93.0	20.9
CNY 800-1 500	735	5.1	51,423	14.3	92.3	23.0
CNY 1 500-3 000	2,183	15.3	63,578	17.9	89.3	27.5
CNY 3 000-5 000	2,336	16.4	133,032	26.6	83.6	24.7
CNY 5 000-10 000	820	5.7	321,285	45.7	71.5	23.4
Above CNY 10 000	33	0.2	364,880	24.2	82.7	24.2
Pension amount unknown	205	1.4	22,731	10.2	91.0	25.2
Total	14,277	100.0	68,478	15.4	90.4	25.1

Note: Each indicator represents the group-level mean. All figures are calculated by the author based on CHFS 2019 data.

This gradient indicates that seniors with sound economic foundations not only have surplus money for investment, but also possess greater willingness and capacity to preserve and increase wealth through diversified allocation. By contrast, groups with inadequate security benefits are effectively excluded from modern financial markets—not out of lack of desire, but lack of capacity. Since the launch of the personal-pension-system pilot in 2022, we have witnessed “high account-opening rates yet low contribution rates.” By the end of November 2024, 72.79 million accounts had been opened, yet actual contributors accounted for only about 22%, with per-capita contributions of roughly CNY 2,000, far below the annual contribution cap of CNY 12,000. The primary constraint behind households’ “inability or reluctance to contribute” remains insufficient disposable income ^[12].

6. Solutions: Enabling senior groups to benefit from financial development and technological progress

All above-mentioned evidence points to one conclusion: the edifice of the silver economy must be built upon the foundation of seniors’ “wallets.” Supply determines availability, while income and assets determine affordability. To develop the silver economy with high quality, we must fundamentally raise senior households’ property-income levels and asset-appreciation capacity, with coordinated efforts from both policy and market sides.

During the 14th Five-Year-Plan period, industries including artificial intelligence, robotics, and biomedicine in China experienced accelerated growth. Proposals for the 15th Five-Year Plan further elevate self-reliance and self-improvement in science and technology to a strategic height ^[13]. How can value created

by technological industries benefit senior citizens? Financial markets constitute the primary transmission channel: dividends from technological-industrial growth need to be converted into household property income via instruments such as stocks, funds, wealth-management products and pension investments. The risky-asset participation rate of merely 15.4% shows that this channel is far from functioning for senior groups. While the economy undergoes transformation and upgrading, senior households remain isolated from the benefits brought by such transformation.

An important window of opportunity lies ahead over the next five-to-ten years. The second “baby-boom” generation born between 1962 and 1975 saw roughly 26 million births per annum. Members of this generation—the “post-60s” and “post-70s”—are reaching retirement age one after another, forming “the largest-ever retirement wave”^[14]. These “new seniors” grew up amid the Reform and Opening-up era. They enjoy higher educational attainment, better health conditions, and stronger financial literacy, representing the group holding the largest-volume assets and possessing the greatest consumption potential; most of them are still “active seniors”^[15]. Proactively building institutional mechanisms serving this cohort and helping them formulate scientific elderly-care plans and asset allocations at an early stage is critical for the long-term sustainable development of the silver economy.

Three focal points exist for building a senior-friendly financial environment. First, enrich the supply of robust, senior-adapted financial products: lower access thresholds and simplify contractual terms for conservative elderly-care-oriented financial products, and expand their reach to county-level and rural areas. Financial institutions operating multiple-business-line platforms covering banking, insurance, and elderly-care services can leverage synergy advantages to deliver all-in-one solution packages. Second, fully implement senior-adapted services and financial education: strengthen product suitability management and channel age-friendly renovation, and conduct pre-emptive elderly-care-wealth-planning education targeting “new seniors,” helping seniors “understand products, make appropriate purchases, and hold assets securely.” Third, keep improving the multi-tiered elderly-care security system: steadily raise basic-pension benefits for urban-rural residents and narrow benefit gaps across different systems; promote the personal-pension system to shift from “high account-opening rates” toward “high contribution rates,” and integrate its development into the practical implementation of the “five key areas of finance.”

Every family has elderly members, and everyone will grow old. Making seniors’ wallets fuller and more stable will benefit individual seniors and every household, boost the sound development of the elderly-care industry, and bring benefits to the whole economy and society.

Disclosure statement

The author declares no conflict of interest.

References

- [1] National Bureau of Statistics, 2025, Statistical Communiqué of the People’s Republic of China on National Economic and Social Development for 2024.
- [2] Xi J, 2024, Supporting Chinese-path Modernization Through High-quality Population Development. *Qiushi Journal*, (22).
- [3] General Office of the State Council, 2024, Opinions on Developing the Silver Economy to Improve Seniors’

Well-being (Guo Ban Fa [2024] No. 1), Jan 2024; Central Committee of CPC & State Council. Opinions on Deepening the Reform and Development of Elderly-care Services.

- [4] Ministry of Civil Affairs, 2025, National Working Commission on Aging. 2024 National Bulletin on the Development of Undertakings for the Aged.
- [5] Blue Book of the Silver Economy: Report on China's Silver-economy Development (2024), China Association of Social Welfare and Elderly-care Services, et al., Dec 2024.
- [6] Dong K, Sun B, Zhang D, 2021, From Pensions to Elderly-care Finance: Conceptual System and Logical Framework With Chinese Characteristics. *Public Administration and Policy Review*, (6).
- [7] Yicai Media Reports, Oct 10, 2025.
- [8] Bulletin of Basic Data From the Fifth National Sampling Survey on the Living Conditions of China's Urban and Rural Elderly, 2021; China City News Reports, Oct 2025.
- [9] Report on the Development of China's Elderly-products Industry, cited in The Beijing News, May 29, 2025, viewed May 18, 2026.
- [10] Caixin Weekly. How to Plan for Old-age Life, May 24, 2024.
- [11] Zong Q, Liu C, Zhou Y, 2015, Social Endowment Insurance and Risky-financial-asset Investment of Chinese Households: Evidence From China Household Finance Survey (CHFS). *Journal of Financial Research*, (10).
- [12] Data Disclosed by Ministry of Human Resources and Social Security, cited in Caixin Weekly, Dec 21, 2024.
- [13] Suggestions of the Central Committee of CPC on Formulating the 15th Five-Year Plan for National Economic and Social Development, Oct 2025.
- [14] Reports on "The Largest-ever Retirement Wave" in Half-month Talks; China Economic Weekly. Chinese-style Retirement, Sep 30, 2022.
- [15] China CITIC Bank, 2022, Report on Chinese Household Elderly-care Wealth-management Development (2022).

Publisher's note

Bio-Byword Scientific Publishing remains neutral with regard to jurisdictional claims in published maps and institutional