

Singles are spending, but are they good for the economy?

The single adults in China with disposable income and willingness to spend is huge, but instead of helping the economy they could be hurting growth, according to a South China Morning Post report on Aug 15.

The number of China's single adults has reached to the entire populations of Russia and the UK combined.

The report said that by the end of 2015, China had 200 million single people, including those who would have got married by now in the previous generation and unmarried couples.

It is said the new generation was richer and was spending more money compared to the older generations. World Economic Forum data shows upper-middle-class consumers who are 35 or younger on average spend 40 percent more than last generation of their age.

Most retailers and service providers in fashion, entertainment, food and travel fields target single people as they tend to focus on themselves and are willing to improve their living quality. The luxury brands are especially quite popular among urban single people since they can afford them and like the idea of "giving themselves a treat".

However, Zhang Ning, a research fellow with the China National Academy of Economic Strategy, said the increase in the number of single people has a more negative influence on economy although many industries do benefit from their spending.

He takes Japan as an example, saying Japanese young people want to avoid familial responsibility by not getting married. The high unmarried rate in Japan has had a negative influence on the economy.

Single people feel less responsibilities than married ones that could lead to a lack of motivation to work and create more fortune.

The report also said that although singles now feel more confident and secure, but they are more insecure about family responsibility, economic burden and emotional stress than married ones.

Single people often face the pressure to plan for their own future which leads them to prefer investing in insurance and finance product rather than purchasing high-value items.

As for young married couples, they usually spend considerable amount of money on baby products and things they want to buy for the partners, which drives domestic consumption.