

# Dragon babies, muted achievements

**Sumit Agarwal and  
Qian Wenlan**

For The Straits Times

The upcoming Chinese New Year is a time for people to read up on what the Chinese zodiac sign can bring to them in terms of fortune, love and health for the year.

One well-known belief is that the zodiac sign at year of birth plays a role in determining a person's personality, health and prosperity.

For instance, people born in the Year of the Rat are said to be quick-witted, while those born in the Year of the Rabbit are considered sociable. Those born in the Year of the Rooster, this year's sign, are said to be trustworthy with a strong sense of responsibility.

Among the 12 zodiac animals, those born in the Year of the Dragon are believed to be noble, fearless and ambitious, and bound for success. Thus it comes as no surprise that there is usually a baby boom during this auspicious year among the Chinese.

But with so many babies born in the Year of the Dragon, do the astrological endowments on Dragon babies, as they are called, translate to success in life?

Studies in the United States have demonstrated negative effects of cohort size on wages and employment. Large baby boom cohorts who enter the market have lower lifetime earnings than smaller cohorts. Beyond economic consequences, individuals from larger cohorts tend to have higher material aspirations but because of increased competition and reduced opportunities, these aspirations are, more often than not, unattainable, resulting in feelings of personal

failure and even higher suicide rates.

To see whether such cohort-size effects are relevant to Singapore, a study at the National University of Singapore was conducted using data from different sources, including Singstat, to capture various life outcomes – university applications, savings and credit card usage, property ownership, as well as bankruptcy status. Apart from the two of us, the research was also conducted with Associate Professor Sing Tien Foo, Dean's Chair Associate Professor of Real Estate at the National University of Singapore, and Assistant Professor Tan Poh Lin at the Lee Kuan Yew School of Public Policy.

## EDUCATION AND EMPLOYMENT

As male Singaporeans enter university and work life two years later than females from their same birth year because of national service, we are mindful of the different year of entry. After controlling for gender, ethnicity, year and month of birth, we found that those born in the Year of the Dragon have lower admission scores, especially the men.

This is likely to reflect a true decline in academic ability since the A-level examinations are administered externally and unlikely to be affected by cohort-size changes in Singapore. Likewise, Dragons' monthly incomes are also lower, especially for the more recent cohorts.

The differences in academic results and incomes between Dragon and non-Dragon children are more marked for Chinese than other ethnic groups. Although the Government opened new primary schools to accommodate the larger Dragon Year cohort, the opportunities of marginal Dragon students are still reduced, which takes an economic toll when they

enter the labour market.

## SAVINGS, CONSUMPTION, BANKRUPTCIES AND LAWSUITS

We did not find differences in savings balances between Dragon and non-Dragon individuals. Neither are Dragons bigger risk-takers nor more likely to become embroiled in bankruptcies or lawsuits.

But what is disconcerting is that despite their lower incomes, both Dragon men and women are more materialistic – they spend more on “visible” items such as apparel, watches, jewellery, home furnishings and appliances. They are also more likely to buy a private condominium, a status symbol. These effects are even more pronounced for Dragons born after 1972 when Singapore began to make economic progress with its industrial development.

Several likely explanations account for their conspicuous consumption. First, Dragons may have bought into the cultural perceptions and beliefs about their celestial endowments. Therefore, they become overly optimistic about their financial circumstances. However, that they are not high bankruptcy risk suggests that their consumption is quite under control.

Alternatively, Dragons may understand that these perceptions of nobility and success are unfounded but they still value the boost these give to their self-image. Hence, they enjoy high self-esteem and feel good through conspicuous consumption.

It is also possible that the likely preferential treatment given to Dragon babies by their parents and grandparents may have extended to financial safety nets. Despite their lower income, they are willing to spend because they know they have the financial backing of the

family for their lifestyle expenses.

## TIGER WOMEN

We also studied babies born in the Year of the Tiger, in particular Tiger women as they are the least desired among Singaporean Chinese who consider them to be fierce and unsuitable for marriage. Hence, there is a smaller cohort of Tiger babies than Dragon babies, and we wondered whether a smaller cohort size would confer benefits.

We did not find a cohort effect – Tiger babies do not have higher admission scores nor are they more likely to be admitted to a local university. Apparently, the advantages of being born in a small cohort are not as evident as the disadvantages of being born in a large cohort. But interestingly, Tiger women have higher monthly wages.

For many, the lure of taking advantage of the zodiac sign in family planning is too tempting. However, there are practical implications to consider.

Our findings suggest that taking advantage of the allure of Dragon years for childbearing reduces the economic well-being of cohorts in these years.

While Singapore's education system actively attempts to reduce the effects of zodiac birth timing to ensure that all children have a chance at education, it is possible that classroom-size effects – which include dispersed attention and high student-teacher ratio – come into play that result in lower academic excellence and its consequence in employment.

stopinion@sph.com.sg

• Sumit Agarwal is Visiting Professor and Qian Wenlan is Associate Professor of Finance at the National University of Singapore Business School.