

# A Study on the Influence Mechanism of Chinese Residents' Willingness to Allocate Assets in the Context of Confucian Culture—An Empirical Analysis Based on Structural Equation Modeling

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**How to cite this paper:** Tao, Z. B., & Chao, J. X. (2023). A Study on the Influence Mechanism of Chinese Residents' Willingness to Allocate Assets in the Context of Confucian Culture—An Empirical Analysis Based on Structural Equation Modeling. *Open Journal of Business and Management*, 11, 2365-2388.

<https://doi.org/10.4236/ojbm.2023.115131>

**Received:** July 24, 2023

**Accepted:** September 18, 2023

**Published:** September 21, 2023

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## Abstract

Exploring the factors that influence the asset allocation of households can not only optimize the structure of household financial assets, but also unleash the consumption potential of financial products for residents and increase the participation rate of households in the financial market. From the perspective of culture, this paper introduces four variables: family hierarchy order, marriage intention, fertility intention and house purchase intention, and constructs a structural equation model to explore the mechanism of Confucian culture's influence on Chinese residents' willingness to allocate household assets. The study finds that these factors have a significant impact on the asset allocation preferences of Chinese households, with the presence of mediating effects. In addition, based on the research findings, we proposed some policy recommendations to help scholars, policymakers and financial institutions actively optimize the structure of household financial asset allocation in China.

## Keywords

Confucian Culture, Household Asset Allocation Intention, Family Hierarchy Order, Marriage Intention, Fertility Intention, House Purchase Intention

## 1. Introduction

With the rapid development of China's economy, the reform of the financial

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market and the flourishing of internet finance, the structure of social wealth has undergone significant changes and residents' awareness of investment concepts has gradually increased, as well as the increasing demand for household financial asset allocation. Currently, investment instruments and products in the Chinese financial market are diversified, but currently 67.7% of Chinese households own only one investment product, while only 10.6% own three or more investment products (Zhou & Deng, 2021). In addition, the proportion of households with investments in risky assets is only about 8% (Du & Zhan, 2019). Therefore, in this context, exploring the factors that influence the allocation of financial assets to Chinese households can improve Chinese financial market, optimize the structure of family financial asset allocation, release the consumption potential of residents' financial products and increase the participation rate of household financial market.

The asset allocation problem of households is currently receiving a great deal of scholarly attention. Relevant studies have found that factors such as financial literacy, household financial status, family population structure, and demographic characteristics have a significant impact on household asset allocation (Xu & Tan, 2016; Wu & Gao, 2016; Wang & Ai, 2015; Wu, Shen, & Jiang, 2014). However, there is a lack of research from a cultural perspective. Secondly, most of the research has been conducted on single influencing factors, and the studies from double or multiple perspectives are not rich enough.

Confucian culture reflects the spiritual quest of the Chinese nation and has been subtly influencing the psychological characteristics and economic activities of the Chinese residents (Jin, 2021; Du & Zhan, 2019). Therefore, this paper adopts a structural equation modelling method from a cultural perspective to conduct an empirical analysis. By constructing six factors, Confucian culture, family hierarchical order, marriage intention, fertility intention, house purchase intention and household asset allocation intention, as variables of the research theoretical model, and selecting Chinese residents who are influenced by Confucian culture as research subjects, the sample data is obtained by means of a questionnaire. Therefore, analyzing the mechanism of Confucian culture's influence on Chinese residents' willingness to allocate assets can provide practical guidance for improving the efficiency of residents' participation in financial asset allocation.

## **2. Literature Review and Research Hypothesis**

### **2.1. A Review of Studies on Household Asset Allocation**

With the rapid development of China's economy, the per capita disposable income of residents has continued to grow, from 12,500 yuan in 2010 to 36,900 yuan in 2022. The increasing income of residents makes their awareness of investment and financial management gradually enhanced, and it has a very significant impact on the consumption and investment behavior of families. In fact, a large number of scholars have completed the research related to household as-

set allocation behavior, with the aim of exploring the specific factors affecting the willingness of family asset allocation. These studies have resulted in 2 main branches.

The first explored from the perspective of financial literacy and financial knowledge. Research shows that one of the decisive factors of affecting household investment decisions, diversification and rationality of asset allocation is financial literacy (Bernheim & Garrett, 2003; Abreu & Mendes, 2010; Zeng, He, Wu, & Yi, 2015). More specifically, families with more financial knowledge will be more aggressive in rebalancing their portfolios to achieve higher returns (Bianchi, 2018). On the other hand, people with more financial knowledge have more possibilities to complete a variety of financial practices and usually plan better for their future retirement (Abreu & Mendes, 2010; Hilgert, Hogarth, & Beverly, 2003). As Lu, Xiao and Wu (2021) said, more financially literate households are more attention to economic and financial news and more likely to seek advice from investment advisers, a characteristic that can help them with their household asset allocation.

There also exists a large literature focusing on examining the impact of household economic level and the degree of household wealth on household asset investment behaviour. Related studies have found that rising household income has a somewhat positive effect on household asset allocation and that households with higher incomes are more likely to participate in risky asset markets (Yi, Wu, & Gan, 2015; Park & Suh, 2019; Zhou & Deng, 2021). Xu and Yuan (2017); Santos and Barrett (2011) argue that households with higher levels of wealth have more social resources and large social networks that enhance their efficiency and ability to access information, and that wealthier individuals are more likely to be supported by financial markets. Therefore, as Gao and Liu (2013) argue, when people's income is low, they are less likely to have access to financial products, which has a negative impact. On the other hand, it has been suggested that when household income is at risk, there is a stronger incentive to save preventively and a lower allocation to risky assets (Badarinza, Campbell, & Ramadorai, 2016).

From the results obtained from the two research directions mentioned above, most of the existing studies have ignored the fact that household asset allocation behaviour is generated in the context of the unique Chinese society and culture. In China, there is a rich cultural system, of which Confucianism is regarded as an important foundation of Chinese culture and the most important element of Chinese social philosophy and values (Li, 1992). This study argues that Chinese households' asset allocation behaviour is not only influenced by the level of household income and financial literacy, but also by Confucian culture. This is because Confucian culture has shaped the psychological characteristics of the Chinese people and has long been used by Chinese residents as a generally respected moral code and guide to action (Li, 1992; Xu, Li, & Chen, 2020). Therefore, it is particularly important to explore the mechanism of the role of Confu-

Confucian culture in influencing households' willingness to allocate their assets. We will propose the research hypothesis and research theoretical model of this paper based on the literature review.

## 2.2. The Direct Influence of Confucianism

Confucian culture, as a representative of excellent Chinese traditional culture, is an important force for the endless growth of the Chinese nation. In 2019, General Secretary Xi Jinping states that China needs both economic and technological power, as well as the power of culture and civilisation, to meet common challenges and move towards a better future. As China has entered the 21<sup>st</sup> century, the link between culture and economic and social development has become stronger, as Confucian culture has guided people that they should be honest in their economic development, promoting an inclusive development of culture and the harmonious development of society and nature (Jin, 2021).

As mentioned above, Confucianism has shaped the psychological structure of the Chinese nation, thus exerting a subtle influence on the daily life and economic behaviour of the common people (Du & Zhan, 2019; Li, 1992). This is because, as Alesina and Giuliano (2015) argue, social culture is embedded in people's thinking activities and decision-making processes, and it contains enduring beliefs and values that influence residents. Meanwhile, Bhamra and Upal (2019); Grinblatt and Keloharju (2001) suggest that when people allocate their assets they tend to buy stocks with the same or similar cultural backgrounds as themselves, which leads to a unified risk asset allocation structure and insufficient diversification of investment risk. Therefore, Confucian culture can have an impact on household asset allocation to some extent. Related studies have found that in areas with stronger Confucian culture, the less likely families are to allocate risky assets and the more risk averse (Du & Zhan, 2019). However, Pan, Li, and Tang (2022) found that the ratio of bank savings and property investment was significantly higher among households influenced by Confucianism. This paper only explores whether Confucian culture has an impact on households' willingness to allocate assets, but not the extent to which households are influenced by Confucian culture.

Therefore, this paper proposes the hypothesis that:

H1: Confucianism has a significant positive effect on household asset allocation intentions

## 2.3. Mediating Effects of Family Hierarchical Order, Marital Intention, and Fertility Intention

"The three cardinal guides and the five constant virtues", "there is government, when the prince is prince, and the minister is minister, when the father is father, and the son is son" embodies the strict social hierarchy and family order developed by Confucianism, which requires the Chinese people to play their roles well and be absolutely subservient to their superiors and elders. "If you don't marry

and have no children, you'll never sacrifice to your ancestors", "bring up sons to provide for one's old age", "the more children, the more blessing great happiness", "have a son to carry on his family name" demonstrate the concept of marriage and fertility promoted by Confucianism, which motivates families to have more children, thus continuing the family genes and providing security in old age. The above analysis shows that the main characteristic of Confucian culture is its focus on human ethics and order, which, as Fam, Yang, & Hyman (2009) suggest, it sustains the Chinese family structure. Related studies have found that fertility intentions are stronger in families influenced by Confucian culture (Chen, Chen, & He, 2019; Jin, Cao, & Zhu, 2005). Considering that these concepts have been prevalent from ancient China to the present day, they have had a very lasting and far-reaching impact on family order, marriage and fertility.

Therefore, this paper proposes the hypothesis that:

H2: Confucianism has a significant positive impact on the family hierarchical order

H3: Confucianism has a significant positive effect on marriage intention

H4: Confucian culture has a significant positive effect on fertility intention

In addition, Jin, Xu, and Ma (2017) argue that the strict ritual system of Confucianism can severely block the effective flow of information, significantly reducing the quality and efficiency of financial information in the decision-making process, and it will weaken their risk-taking level to some extent. On the other hand, Du and Zhan (2019) proposed that such thoughts and perceptions will affect the values of residents, causing them to develop more conservative and cautious characteristics and thus become more averse to risk-averse investments. Therefore, it plays a restraining role in the investment of household risk financial assets. With regard to marriage intentions, one of the key indicators of the level of competitiveness in the marriage market in China is home ownership and the quality of home. This phenomenon has led to the purchase of a house for marriage becoming a major source of pressure on household financial expenditure and the significant enhancement of "competitive savings" motivation (Fang & Tian, 2016; Wang, Xu, & Zhang, 2022; Wei & Zhang, 2011). With regard to fertility intentions, the concept of "raising children for old age" has led Chinese parents to place great emphasis on investing in their children's human capital and providing better support in food, clothing, education and healthcare (Wang, Xu, & Zhang, 2022). On the other hand, parents tend to replace their homes with better quality and larger homes for their families, which is more obvious in families with more children. Usually, Chinese parents buy more property and save heavily for their children's future marriage, as mentioned above, in order to increase their future competitiveness in the marriage market and the discourse power of the family. These phenomena, as found by Liang & Chen (2022); Wang, Xu, & Zhang (2022), show that the birth of children in a family has a significant impact on household asset allocation.

Therefore, this paper proposes the hypothesis that:

H5: Family hierarchical order has a significant negative effect on household asset allocation intention;

H6: Marital intention has a significant positive effect on household asset allocation intention;

H7: Fertility intention has a significant positive effect on household asset allocation intention.

In summary, Confucian culture has a significant effect on family hierarchical order, marriage and fertility intention, and they have a significant effect on household asset allocation intentions, therefore, this paper proposes the hypothesis that:

H8: Family hierarchy order, marital intention, fertility intention will have an intermediary role between Confucian culture and household asset allocation intention.

#### **2.4. The Mediating Role of House Purchase Intention**

As discussed in section 2.3, marriage intentions and fertility intentions can significantly increase housing demand of families. In addition, [Payne, Laughhunn, and Crum \(1980\)](#); [Shum and Faig \(2006\)](#); and [Bogan \(2015\)](#) argue that household investors' risk preferences are influenced by income needs, predictable spending pressures, and savings motivation. When households are faced with high purchase prices or home loans, they deplete much of their existing wealth and thus aspire to higher levels of income, thus forcing household investors to save for home ownership. Using micro-cross-sectional data from the 2017 China Household Finance Survey, [Li and Xu \(2022\)](#) find empirically that home purchase intentions have a significant positive impact on household participation in financial markets.

Therefore, this paper proposes the hypothesis that:

H9: Marital intention has a significant positive effect on house purchase intention;

H10: Fertility intention has a significant positive effect on house purchase intention;

H11: House purchase intention has a significant positive impact on household asset allocation intention;

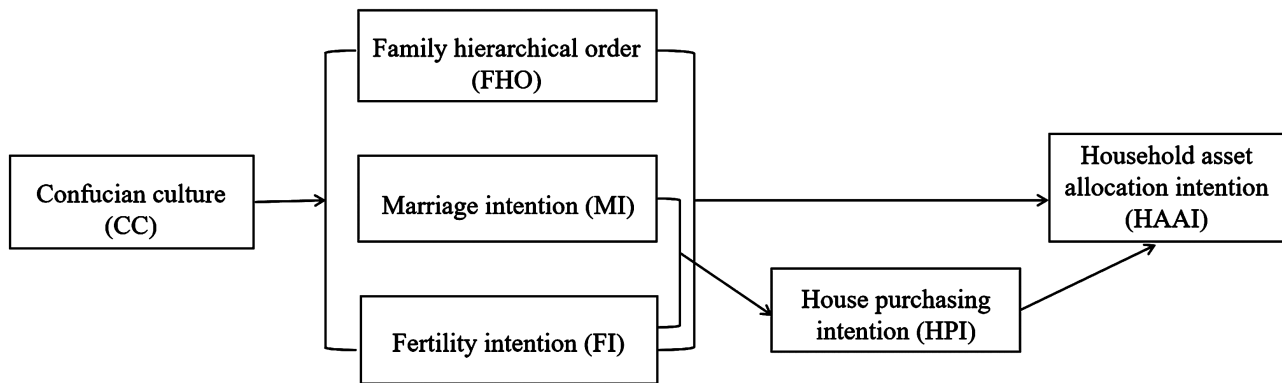
H12: Home purchase intention will have an intermediary role between marriage intention, fertility intention and household asset allocation intention.

In summary, the theoretical model for the research in this paper is shown in [Figure 1](#).

### **3. Research Design**

#### **3.1. Scale Design**

The questionnaire for this study was designed by ourselves, and the test of the scale development will be reported below. The questionnaire consists of seven



**Figure 1.** Research theoretical model.

sections: Confucian culture scale, family hierarchical order scale, marital intention scale, fertility intention scale, home purchase intention scale, household asset allocation intentions scale and demographic characteristics scale. Each scale has 3 measurement items and all measures are on a 7-point Likert scale, with 1 to 7 indicating strongly disagree, disagree, slightly disagree, no opinion, slightly agree, agree and strongly agree, respectively, with respondents choosing and scoring according to their actual situation. In addition, the applicability of each scale has been validated in the pre-study.

The specific measurement items of the Confucian Culture scale include: you tolerate the flaws of others in your daily life and respect their differences, you pay attention to manners in your daily life, you will be obedient to your elders and love the young in your family. The specific questions measured on the Family Hierarchical Order Scale include: you rarely play with your parents, you basically follow the advice given by your parents, you rarely argue with your parents when they make unreasonable demands. The specific measurement items of the marital intention scale include: you think you will get more companionship by getting married, you think getting married will get more attention, you think you will have more joy and happiness by getting married. The specific measurement items of the fertility intention scale include: you think having children enhances the happiness of families, you think having a child will create a sense of fulfilment, you think children are very cute. The specific measurement items of the house purchasing intention scale include: you think buying a house will motivate you to earn more income, you think buying a home can increase your asset value, you think buying a home can improve your sense of security. The specific questions measured on the household asset allocation intentions scale include: you will allocate your household assets in the future, you think that making a household asset allocation will protect against future risks, you think the household asset allocation can improve the quality of pension in the future. The main contents of the demographic characteristics scale include gender, age, marital status, educational attainment, overall health status of the family and average annual income level.

### 3.2. Data Collection

This study used a questionnaire to collect data. In order to ensure the reliability and objectivity of the data collected, a commitment was made to the respondents to guarantee the anonymity of the questionnaire and they were told that there was no standard of right or wrong answers to be filled in, only that they should be filled in according to their true situation and thoughts.

In order to ensure that the data collected from the sample was filled in by the respondents of the research subjects, we referred to the measurement questions in the 2015 CHFS questionnaire to ensure that the respondents of the study had Confucian cultural concept. The measurement question was: “What are your reasons for raising children?” The modified multiple-choice items are: “to maintain stability in marriage”, “have a son to carry on his family name”, “for emotional reasons”, “like children”, “bring up sons to provide for one’s old age” and “other”. If respondents chose either of the options “have a son to carry on his family name” or “bring up sons to provide for one’s old age”, we assumed the existence of Confucian cultural beliefs and used this to screen the sample (Chen, Chen, & He, 2019). In addition, to ensure that the respondents did not have other religious beliefs, the questions “Are you a minority”, “Do you have other religious beliefs” and “Whether you live in an ethnic minority autonomous region” were used to screen the sample data.

In order to ensure the reliability and validity of the measurement scale and the reliability of the sample data, we divided the data collection process into two stages. We first conducted a pre-survey, the data of which was collected from 1 February to 8 February 2023, using field paper filling. 200 questionnaires were distributed in the pre-survey and 199 were returned, of which 2 invalid samples that did not match the target respondents and had too many missing values were excluded, resulting in 197 questionnaires being returned, a valid return rate of 98.500%.

Next, the reliability and validity level of the initial questionnaire scale was further tested to delete the measurement questions that did not meet the standard. The semantic expression and measurement items of the questionnaire were revised through communication with the respondent, and the final questionnaire was obtained after completing this series of steps. The official survey data collection period was from February 10 to March 15, 2023, through the “Wen Juan Xing” platform for online questionnaire distribution. A total of 1619 questionnaires were distributed and 1614 questionnaires were collected. After screening and analysis, 8 questionnaires with too many missing values, low quality of completion and those matching the target population were excluded, resulting in a valid sample of 1606 with a valid return rate of 99.504%.

### 3.3. Statistical Analysis

The study was statistically analyzed using SPSS 23.0 and AMOS 22.0 software. Firstly, exploratory factor analysis and confirmatory factor analysis were conducted. Secondly, the reliability, validity and discriminant validity of the re-



search scale were tested. Next, model fit tests and common method biases tests were conducted. And the study model fit and path hypotheses were then tested. Finally, we used the Bootstrap method to test for intermediary effects.

## 4. Empirical Analysis

### 4.1. Descriptive Statistical Analysis of the Sample

The results of the descriptive statistical analysis of the research samples (see **Table 1**)

**Table 1.** Results of descriptive statistical analysis of the samples (N = 1606).

Categories	Options	Frequency	Percentage (%)
Gender	Female	821	51.121%
	Male	785	48.879%
Marriage	Singles and others	784	48.817%
	Married	822	51.183%
Age	18 - 30 years old	624	38.854%
	31 - 40 years old	441	27.460%
	41 - 50 years old	296	18.431%
	51 years and older	245	15.255%
Education level	Junior High School and below	212	13.200%
	Polytechnic school	180	11.208%
	Senior High School	305	18.991%
	Junior college	465	28.954%
	Undergraduate	274	17.061%
	Postgraduate and PHD and above	170	10.585%
Overall family health status	Poor	258	16.065%
	Good	962	59.900%
	Excellent	386	24.035%
Whether the family is self-employed	No	1119	69.676%
	Yes	487	30.324%
Type of household registration	Urban residence	899	55.978%
	Rural residence	707	44.022%
Average annual household income	Less than 10,000 yuan	186	11.582%
	10,000 yuan to 50,000 yuan	252	15.691%
	50,000 yuan to 70,000 yuan	341	21.233%
	70,000 yuan to 100,000 yuan	317	19.738%
	100,000 yuan to 150,000 yuan	304	18.929%
	More than 150,000 yuan	206	12.827%

show that the proportion of the female group (51.121%) is higher than that of the male group (48.879%), with the highest proportions in the 18 to 30 and 31 to 40 age groups (38.854% and 27.460% respectively). With regard to the marital status of the residents, the highest percentage of the group was married, at 51.183%. In terms of educational level, the Junior college group had the highest number at 28.954%. Regarding the overall health status of the household of the respondents, only 16.065% of the residents had an overall household health status of poor. At the same time, the majority of households are not self-employed (69.676%) and the proportion of households with an urban household registration (55.978%) is greater than that of rural households (44.022%). In terms of average annual household income, the largest number of households (21.233%) had an average annual income of 50,000 yuan to 70,000 yuan.

## 4.2. Exploratory Factor Analysis

This paper first uses SPSS 22.0 software and the principal component analysis method to conduct an exploratory factor analysis on the Chinese household asset allocation intention scale. The KMO (Kaiser-Meyer-Olkin) value for the factor analysis was 0.889 and the Bartlett Test of Sphericity result was 14,140.126, with a df value of 153 and a significance level of 0.000, indicating that the data were suitable for exploratory factor analysis. According to the determined number of factors in the gravel diagram, a maximum variance rotation method was used to set the eigenvalues of the factors to be greater than 1. Four factors were extracted, and after excluding the measurement items with cross-loading on multiple factors, different measurement indicators were grouped under different factors. The results of the exploratory factor analysis are shown in **Table 2**. The factor loadings of all the measured items were greater than 0.600 and all Cronbach's  $\alpha$  were greater than 0.700. The results indicate that the exploratory factor analysis in this study achieved good analytical results.

## 4.3. Confirmatory Factor Analysis

To examine the constructive distinctiveness between each factor, a confirmatory factor analysis was conducted on the collected sample data (see **Table 3**). The results showed that the six-factor model data fit was optimal compared to the other five models ( $\chi^2/df = 1.152$ , RMSEA = 0.010, CFI = 0.999, IFI = 0.999, TLI = 0.999, SRMR = 0.015). Comparative analysis of the multi-factor models showed that the six first-order factors included in this study had good discriminant validity and indeed represented six different constructs, and also verified that there was no problem in using the six-factor model for this study.

## 4.4. Reliability, Validity Analysis and Discriminant Validity Test

This paper uses the confirmatory factor analysis method and SPSS 22.0 and Amos 23.0 statistical software to test the reliability and validity of the research scale. The reliability of the scale was tested using CR and Cronbach's  $\alpha$  coefficient, and

**Table 2.** Result of exploratory factor analysis.

Factors	Measurement items	loading	Eigenvalue	Explained variance/%	Explain cumulative variation/%	Cronbach's $\alpha$
House purchasing intention	EE1	0.807	2.343	13.015	13.015	0.858
	EE2	0.811				
	EE3	0.803				
Household asset allocation intention	F1	0.804	2.264	12.580	25.595	0.899
	F2	0.787				
	F3	0.779				
Marriage intention	B1	0.807	2.223	12.348	37.943	0.809
	B2	0.825				
	B3	0.814				
Fertility intention	D1	0.817	2.200	12.221	50.164	0.788
	D2	0.775				
	D3	0.742				
Family hierarchical order	A1	0.858	2.199	12.218	62.383	0.803
	A2	0.738				
	A3	0.865				
Confucian culture	C1	0.786	2.180	12.113	74.495	0.790
	C2	0.767				
	C3	0.783				

**Table 3.** Result of confirmatory factor analysis.

Fit indicators	$\chi^2$	df	$\chi^2/df$	RMSEA	CFI	IFI	TLI	SRMR
Six-factor model	138.287	120.000	1.152	0.010	0.999	0.999	0.999	0.015
Five-factor model	2113.438	125.000	16.908	0.010	0.858	0.858	0.827	0.107
Four-factor model	3549.797	129.000	27.518	0.129	0.756	0.757	0.711	0.161
Three-factor model	4573.301	132.000	34.646	0.145	0.684	0.684	0.634	0.157
Two-factor model	6540.243	134.000	48.808	0.173	0.544	0.545	0.480	0.169
One-factor model	6952.395	135.000	51.499	0.177	0.515	0.515	0.450	0.171

Note: Six-factor model: Confucian culture, family hierarchical order, marriage intention, fertility intention, house purchasing intention, household asset allocation intention; Five-factor model: Confucian culture, family hierarchical order, marriage intention + fertility intention, house purchasing intention, household asset allocation intention; Four-factor model: Confucian culture, family hierarchical order + marriage intention + fertility intention, house purchasing intention, household asset allocation intention; Three-factor model: Confucian culture + family hierarchical order + marriage intention + fertility intention, house purchasing intention, household asset allocation intention; Two-factor model: Confucian culture + family hierarchical order + marriage intention + fertility intention + house purchasing intention, household asset allocation intention; One-factor model: Confucian culture + family hierarchical order + marriage intention + fertility intention + house purchasing intention + household asset allocation intention.

the results showed that the Cronbach's  $\alpha$  coefficient for the six variables ranged between 0.789 and 0.899, which was greater than the minimum threshold value of 0.7. The CR values for the six variables were also greater than the minimum threshold value of 0.7, indicating that the internal consistency of the scale in this study was of good reliability. Next, the paper uses factor loadings and AVE to test for convergence validity. If the standardised loadings are greater than 0.7 and AVE is greater than 0.5, then the variables have good convergence validity with each other. The results showed that the AVE for the six variables was greater than 0.5 and the standardised loading coefficient was 0.643 for one measure of one variable, while the remaining items were all greater than 0.7 and all were statistically significant. Therefore, the convergent validity of this research scale is good (see **Table 4**).

**Table 5** shows the characteristic difference level between each latent variable and the results indicate that the square root of each variable AVE is greater than the correlation coefficient between the variables; therefore, there is good discriminant validity between each latent variable.

#### 4.5. Model Fit Test

The study used the maximum likelihood estimation method in Amos 23.0 software

**Table 4.** Scale reliability and validity test results.

Dimensions	Items	Unstd.	S.E.	Z	P	Std.	Cronbach's $\alpha$	CR	AVE
CC	Q1	1.000				0.773			
	Q2	0.922	0.035	26.694	***	0.731	0.790	0.791	0.557
	Q3	0.884	0.033	26.811	***	0.735			
FHO	Q4	1.000				0.859			
	Q5	0.734	0.029	25.113	***	0.643	0.803	0.811	0.591
	Q6	0.891	0.030	29.849	***	0.789			
MI	Q7	1.000				0.770			
	Q8	0.866	0.031	27.548	***	0.750	0.809	0.811	0.588
	Q9	0.932	0.033	28.306	***	0.780			
FI	Q10	1.000				0.745			
	Q11	0.959	0.036	26.434	***	0.750	0.788	0.789	0.555
	Q12	0.935	0.036	26.162	***	0.739			
HPI	Q13	1.000				0.838			
	Q14	0.912	0.026	35.511	***	0.804	0.858	0.859	0.670
	Q15	0.994	0.028	35.995	***	0.814			
HAAI	Q16	1.000				0.864			
	Q17	1.024	0.023	44.688	***	0.871	0.899	0.899	0.748
	Q18	0.965	0.022	43.837	***	0.860			

for parameter estimation and assessed model fitness by comparing the each indicators (see **Table 6**). The various fitted indicators are as follows:  $\chi^2/df$  (CMID/DF) = 4.234, SRMR = 0.072, RMSEA = 0.045, SRMR = 0.078, GFI = 0.965, AGFI = 0.952, CFI = 0.971, TLI = 0.965. Each of the fitted indicator is greater than the minimum critical value, therefore the overall fit of the study model is good and the fit between the model and the data is good.

#### 4.6. Common Method Biases Test

If there is a common method bias among the data in a study, it will lead to spurious relationships between the latent variables. In terms of statistical tests, we first used Harman's one-factor test method and SPSS 22.0 software to conduct an exploratory factor analysis of the main questions involved in the study, and

**Table 5.** Discriminant validity test result.

Dimensions	HAAI	HPI	FI	MI	FHO	CC
HAAI	0.865					
HPI	0.622	0.819				
FI	0.658	0.485	0.745			
MI	0.242	-0.285	0.245	0.767		
FHO	-0.143	-0.32	0.186	0.397	0.769	
CC	0.64	0.357	0.542	0.429	0.212	0.747

**Table 6.** Result of the model fit test.

Fit indicators	Model test values	Reference standards	Conclusion	Standard sources
CMID/DF	4.234	<5.000 Acceptable <3.000 Excellent	Acceptable	Malhotra, Lopes, & Veiga, 2014
GFI	0.965	>0.800 Acceptable >0.900 Excellent	Excellent	Bagozzi & Yi, 1988
AGFI	0.952	>0.800 Acceptable >0.900 Excellent	Excellent	Malhotra, Lopes, & Veiga, 2014
CFI	0.971	>0.900 Acceptable >0.950 Excellent	Excellent	Bentler & Bonett, 1980 Hu & Bentler, 1999
TLI	0.965	>0.900 Acceptable >0.950 Excellent	Excellent	Bentler & Bonett, 1980 Hu & Bentler, 1999
RMSEA	0.045	<0.080 Acceptable <0.050 Excellent	Excellent	Browne & Cudeck, 1992; Hu & Bentler, 1999
SRMR	0.078	<0.080 Acceptable <0.050 Excellent	Acceptable	Browne & Cudeck, 1992; Hu & Bentler, 1999

the results of the dimensionality reduction showed that the variance explained by the first unrotated factor was 30.924%, which was lower than the threshold value of 40.700% for attitude measurement (Cote & Buckley, 1987), indicating that there was no significant common method bias in the data of this study.

Further, we conducted a more in-depth test for common method bias using the CFA comparison method based on Mossholder et al. (1988) (see Table 7). All question items were first constructed as a single-factor model, then the theoretical CFA fully correlated structure was used as a multi-factor model, which was then tested by comparing the CMID and DF values of the two models. By comparing the models,  $\Delta\chi^2 = 6814.109$  and  $\Delta Df = 15.000$  for the one-factor and multi-factor model, the corresponding  $p = 0.000$ ,  $<0.005$ , indicating that the common method bias is not significant in this paper.

#### 4.7. Hypothesis and Path Test

The results of the path analysis (see Table 8) show that hypotheses H1-H11 are all valid and all paths pass the significance test. The p-values corresponding to H1, H2, H3, H4, H5, H6, H7, H9, H10 and H11 are all less than 0.05. Among, family hierarchical order has a significant negative effect on household asset allocation intention, marital intention have a significant negative effect on house purchasing intention, with the remaining paths all having a significant positive effect.

**Table 7.** The CFA compares the changes in the single-factor and multi-factor models.

Models	$\chi^2$	Df	$\Delta\chi^2$	$\Delta Df$	$p$
Single-factor	6952.395	135	6814.109	15	0.000
Multi-factor	138.286	120			

**Table 8.** Path test results.

Hypothesis	Path	Unstd.	S.E.	Z	$p$	Std.	Test results
H1	CC $\rightarrow$ HAAI	0.315	0.033	9.703	***	0.314	Support
H2	CC $\rightarrow$ FH0	0.269	0.033	8.078	***	0.245	Support
H3	CC $\rightarrow$ MI	0.453	0.034	13.402	***	0.425	Support
H4	CC $\rightarrow$ FI	0.566	0.032	17.505	***	0.588	Support
H5	FHO $\rightarrow$ HAAI	-0.218	0.02	-11.147	***	-0.238	Support
H6	MI $\rightarrow$ HAAI	0.219	0.027	8.26	***	0.232	Support
H7	FI $\rightarrow$ HAAI	0.303	0.039	7.792	***	0.29	Support
H9	MI $\rightarrow$ HPI	-0.417	0.029	-14.613	***	-0.426	Support
H10	FI $\rightarrow$ HPI	0.671	0.035	19.04	***	0.621	Support
H11	HPI $\rightarrow$ HAAI	0.386	0.03	12.808	***	0.399	Support

#### 4.8. Intermediary Effect Test

Based on the findings of Hayes (2009), this paper uses the Bootstrap confidence interval method to test for intermediary effect, setting the confidence level at 95%. Analysis by Amos 23.0 software indicates that a mediating effect exists if the Bias-Corrected and Percentile confidence intervals do not contain 0 at the 95% confidence level, and if they do, the mediating effect does not exist. Bootstrap was set to sample 1000 times and the results of the analysis of mediating effects are shown in Tab.

The results of the analysis of the mediating effects of family hierarchical order, marriage intention and fertility intention between Confucianism and family asset allocation intention (see Table 9(a)) show that the indirect effect interval of

**Table 9.** (a) Results of the analysis of the mediating effects of family hierarchical order, marital intention, fertility intention between Confucianism and household asset allocation intention; (b) Result of the analysis of the mediating effect of house purchasing intention between marriage intention and household asset allocation intention; (c) Result of the analysis of the mediating effect of house purchasing intention between fertility intention and household asset allocation intention.

(a)

Effect Types	Point Estimate	Product of Coefficients		Bootstrapping			
				Bias-Corrected 95% CI		Percentile 95% CI	
		SE	Z	Lower	Upper	Lower	Upper
<b>Indirect Effects</b>							
FHO	-0.092	0.014	-6.571	-0.120	-0.064	-0.120	-0.064
MI	0.024	0.012	2.000	0.000	0.047	0.000	0.047
FI	0.263	0.021	12.524	0.223	0.306	0.223	0.306
<b>Direct Effects</b>							
CC → HAAI	0.457	0.033	13.848	0.394	0.524	0.394	0.524
<b>Total Indirect Effects</b>							
Total (TIE)	0.195	0.026	7.500	0.149	0.248	0.148	0.247
<b>Total Effects</b>							
Total (TE)	0.652	0.030	21.733	0.599	0.718	0.595	0.713
<b>Percentage</b>							
FHO/TE	-0.141	0.023	-6.130	-0.186	-0.095	-0.186	-0.096
MI/TE	0.037	0.018	2.056	0.000	0.073	0.000	0.073
FI/TE	0.403	0.032	12.594	0.343	0.471	0.342	0.470
TIE/TE	0.299	0.038	7.868	0.227	0.369	0.229	0.372
<b>Contrasts</b>							
FHO VS MI	-0.116	0.019	-6.105	-0.156	-0.078	-0.157	-0.078
FHO VS FI	-0.354	0.027	-13.111	-0.408	-0.304	-0.408	-0.303
MI VS FI	-0.239	0.024	-9.958	-0.289	-0.192	-0.285	-0.192

(b)

Path Relationship	Point Estimate	Product of Coefficients		Bootstrapping			
				Bias-Corrected 95% CI		Percentile 95% CI	
		SE	Z	Lower	Upper	Lower	Upper
<b>Indirect Effects</b>							
MI → HPI → HAAI	-0.208	0.024	-8.667	-0.257	-0.162	-0.257	-0.161
<b>Direct Effects</b>							
MI → HAAI	0.442	0.027	16.370	0.393	0.498	0.393	0.498
<b>Total Effects</b>							
MI → HAAI	0.234	0.031	7.548	0.170	0.293	0.174	0.297

(c)

Path Relationship	Point Estimate	Product of Coefficients		Bootstrapping			
				Bias-Corrected 95% CI		Percentile 95% CI	
		SE	Z	Lower	Upper	Lower	Upper
<b>Indirect Effects</b>							
FI → HPI → HAAI	0.201	0.017	11.824	0.169	0.237	0.168	0.235
<b>Direct Effects</b>							
FI → HAAI	0.486	0.031	15.677	0.424	0.543	0.425	0.546
<b>Total Effects</b>							
FI → HAAI	0.687	0.033	20.818	0.617	0.752	0.625	0.753

family hierarchical order does not contain 0 at both the Bias-Corrected 95% CI and the Percentile 95% CI, and therefore the indirect effect is significant; The indirect effect interval for marriage intention does not contain 0 at both the Bias-Corrected 95% CI and the Percentile 95% CI, and therefore the indirect effect is significant; The indirect effect interval for fertility intention does not contain 0 at both the Bias-Corrected 95% CI and the Percentile 95% CI, and therefore the indirect effect is significant. In addition, the direct effect of Confucian culture on household asset allocation intention is significant; The total indirect effect of family hierarchical order, marriage intentions and fertility intention is significant; And the total effect is also significant. Through comparative analysis, the mediation effect of fertility intention is the largest. There are differences between these three mediating variables, with the most significant difference in the mediating effect between family hierarchical order and fertility intention.

The results of the analysis of the mediating effect of house purchase intention between marriage intention and household asset allocation intention (see **Table 9(b)**) show that the indirect effect interval, direct effect interval and total effect interval of Bias-Corrected 95% CI and Percentile 95% CI do not contain 0, therefore, the mediating effect is significant. Similarly, the mediating effect of house



purchasing intention between fertility intention and household asset allocation intention is significant (see **Table 9(c)**).

## 5. Conclusion and Discussion

### 5.1. Research Findings

In this paper, we explore the mechanism of Confucian culture on Chinese households' willingness to allocate assets from a cultural perspective by constructing a structural equation model, using Confucian culture as the independent variable and family hierarchical order, marriage intention, fertility intention and house purchasing intention as mediating variables. Through empirical analysis, the following conclusions are drawn:

1) Confucian culture has a significant positive influence on family hierarchical order, Confucian culture has a significant positive influence on marriage intention and Confucian culture has a significant positive influence on fertility intention. This indicates that families influenced by Confucian culture are more willing to get married and have children, and have a stronger sense of family hierarchy.

2) The family hierarchy order has a significant negative impact on the household asset allocation intention, indicating that the more stringent the family order is, the less the willingness to participate in the financial market and conduct investment activities, thus playing a restraining role in the family financial asset investment; There is a significant positive effect of marriage intention on household asset allocation intention, suggesting that marriage can, to some extent, facilitate household asset allocation and keep residents informed of relevant information and activities in financial markets; The fertility intention has a significant positive impact on the household asset allocation intention, indicating that the more willing a household is to have children, the more likely it is to have the intention to allocate household assets. And the reasons for this intention are, as mentioned above, for the sake of their children's education, their livelihood, and the competitive pressure of the future marriage market.

3) Marriage intention has a significant negative impact on the house purchasing intention, contrary to the hypothesis we proposed, probably due to the current decline willingness of Chinese young people to get married and the widespread prevalence of "single aristocracy" phenomenon. [Liu and Lu \(2020\)](#) suggest that part of the reason for this phenomenon is that marriage creates a series of marital and family risks for women, and when they choose to avoid such risks, their need and willingness to purchase house naturally decreases; fertility intention has a significant positive effect on house purchasing intention which is consistent with our hypothesis.

4) The intention to purchase house has a significant positive impact on household asset allocation intention.

5) Household hierarchical order, marriage intention and fertility intention all have mediating effects between Confucian culture and household asset alloca-

tion intentions, suggesting that household asset allocation intentions can be achieved by strengthening residents' willingness to marry and have children, and also by reducing the hierarchical order within the household. Among them, the mediating effect of fertility intention was the most significant, and the mediating effect difference between family hierarchical order and fertility intention was the most significant.

6) The mediating effect of house purchasing intention between marriage intention and household asset allocation intention is significant, as well as between fertility intention and household asset allocation intention.

## 5.2. Research Value and Insights

Using a structural equation modelling approach, we create a questionnaire to explore the influence mechanism of Confucian culture on Chinese residents' household asset allocation intentions and explore the transmission effect and intermediary effect between them through multiple mediating variables. This paper is a study from the cultural perspective, which to some extent to remedy the paucity of research in the area of cultural influences on household financial behaviour and provides a reference and guide for future research. We believe that in the future, research on the influence of culture on economic and financial behaviour will gain more attention, and we are just a small practice in looking at this prospect. On the other hand, we have carried out the development and design of the scale, which to a certain extent enriches the connotation of Confucianism and clarifies its six conceptual connotations and measurement entries, and has some theoretical value.

Jin (2021) proposes that China must pay more attention to the power of Chinese culture in the new era, and that the vitality of Confucianism must be revitalised, thus promoting a realistic path to forging a sense of community among the Chinese people. On the other hand, China's rapid economic and social development has significantly contributed to the growth of financial markets. Residents' awareness of investment and financial management has increased compared to the past, and financial investment instruments have become more diversified. However, the breadth and depth of participation in China's household financial markets is still low, and there is a polarisation of risk in household financial asset portfolios (Zhou, Shen, & Gong, 2020). Based on the findings of the study, this paper makes the following recommendations: 1) Stabilise housing prices and protect residents' housing needs, and accelerate the reform of marriage customs and build a new culture of marriage and childbirth, so as to reduce the housing and marriage costs of the young population and encourage families to have more money to invest in financial investments. 2) Accelerate the pace of dissemination of knowledge related to household asset allocation and financial investment, and make it fully accessible in rural areas and towns. When residents have a scientific understanding of investment and risk, they will not reject financial investment and will be able to make good investment and financial

planning, learn about investment and financial management, not invest blindly and make an appropriate investment portfolio to reduce investment risks. 3) Promote reform and innovation in financial institutions to facilitate the diversification of financial products. Provide differentiated and personalised financial services for different family backgrounds and circumstances, thereby enhancing the efficiency of financial asset allocation.

### 5.3. Research Shortcomings and Outlook

This study has some limitations and needs to be refined in future studies. Firstly, this article uses Chinese culture as the background and foundation of the study, and uses the variables of family hierarchical order, marriage intention, fertility intention, and house purchasing intention to explore the mechanism of Confucian culture's influence on the household asset allocation intention. Except for these factors, Chinese residents' household asset allocation intention may be influenced by other factors such as geographical location, educational attainment and financial policies, and this study did not investigate the moderating effects of these constraint factor, which should be introduced into the model in the future for a more comprehensive analysis. Secondly, this study adopted a questionnaire approach to data collection, which may deviate from the reality of household asset allocation intention in its true sense. In order to improve the universality of the findings, future studies should adopt a more integrated research approach, such as a combination of interview and experimental methods. Finally, although the sample data in this study excluded information on people with other religious beliefs and those living in ethnic minority autonomous regions, with economic and social development, people have become more tolerant and have access to cultures and religious beliefs from different countries and regions, so we cannot be sure that this sample data is not influenced by other cultures. In future studies, more detailed scales should be designed to screen the sample data, or to take other cultural factors into account.

### Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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## Appendices

### Questionnaire on Chinese residents' willingness to allocate household assets

Dear residents:

In order to better understand your willingness to allocate your household assets, we have created this questionnaire and welcome your responses. We ask that you cooperate with us as a resident of China influenced by Confucianism and take approximately 5 - 7 minutes to complete this questionnaire. This questionnaire is for scientific purposes only and is strictly confidential.

#### Module 1: Information about yourself, which we ensure will be kept strictly confidential. Please tick the appropriate box.

Q1	Your gender	1. <input type="checkbox"/> Female	2. <input type="checkbox"/> Male				
Q2	Your Marital Status	1. <input type="checkbox"/> Singles and others	2. <input type="checkbox"/> Married				
Q3	Your age	1. <input type="checkbox"/> 18 - 30 years old	2. <input type="checkbox"/> 31 - 40 years old	3. <input type="checkbox"/> 41 - 50 years old	4. <input type="checkbox"/> 51 years and older		
Q4	Your level of education	1. <input type="checkbox"/> Junior High School and below	2. <input type="checkbox"/> Polytechnic school	3. <input type="checkbox"/> Senior High School	4. <input type="checkbox"/> Junior college	5. <input type="checkbox"/> Undergraduate	6. <input type="checkbox"/> Postgraduate and PHD and above
Q5	What do you think are the reasons for having children?	1. <input type="checkbox"/> to maintain marital stability	2. <input type="checkbox"/> raising children for old age	3. <input type="checkbox"/> carry on the family line	4. <input type="checkbox"/> emotional considerations	5. <input type="checkbox"/> like children	6. <input type="checkbox"/> Other
Q6	Are you from an ethnic minority	1. <input type="checkbox"/> Yes	2. <input type="checkbox"/> No				
Q7	Do you have other religious beliefs	1. <input type="checkbox"/> Yes	2. <input type="checkbox"/> No				
Q8	Do you live in a minority autonomous region?	1. <input type="checkbox"/> Yes	2. <input type="checkbox"/> No				
Q9	The overall health of your family	1. <input type="checkbox"/> Poor	2. <input type="checkbox"/> Good	3. <input type="checkbox"/> Excellent			
Q10	Whether your family is self-employed	1. <input type="checkbox"/> Yes	2. <input type="checkbox"/> No				
Q11	Type of your household registration	1. <input type="checkbox"/> Urban residence	2. <input type="checkbox"/> Rural residence				
Q12	Your average annual household income	1. <input type="checkbox"/> Less than 10,000 yuan	2. <input type="checkbox"/> 10,000 yuan to 50,000 yuan	3. <input type="checkbox"/> 50,000 yuan to 70,000 yuan	4. <input type="checkbox"/> 70,000 yuan to 100,000 yuan	5. <input type="checkbox"/> 100,000 yuan to 150,000 yuan	6. <input type="checkbox"/> More than 150,000 yuan

## Module 2: Residents' willingness to allocate household assets

The aim of this module is to measure your willingness to allocate assets to your family. Please refer to the following criteria for scoring:

1 = strongly disagree 2 = disagree 3 = slightly disagree 4 = no opinion 5 = slightly agree 6 = agree 7 = strongly agree

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Q1	You tolerate the flaws of others in your daily life and respect their differences.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q2	You pay attention to manners in your daily life.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q3	You will be obedient to your elders and love the young in your family.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q4	You rarely play with your parents.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q5	You basically follow the advice given by your parents.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q6	You rarely argue with your parents when they make unreasonable demands.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q7	You think you will get more companionship by getting married.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q8	You think getting married will get more attention.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q9	You think you will have more joy and happiness by getting married.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q10	You think having children enhances the happiness of families.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q11	You think having a child will create a sense of fulfilment.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q12	You think children are very cute.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q13	You think buying a house will motivate you to earn more income.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q14	You think buying a home can increase your asset value.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q15	You think buying a home can improve your sense of security.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q16	You will allocate your household assets in the future.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q17	You think that making a household asset allocation will protect against future risks.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>
Q18	You think the household asset allocation can improve the quality of pension in the future.	1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>	4 <input type="checkbox"/>	5 <input type="checkbox"/>	6 <input type="checkbox"/>	7 <input type="checkbox"/>

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