

Research on the Relationship between Family Population and Asset Portfolio: Evidence from China

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Abstract. This paper uses the data of China Family Financial Survey (CHFS) to analyze the impact of the number of children in urban and rural families on the family portfolio selection behavior during the full nesting period. And using the instrumental variable method to overcome the endogenous problem of the number of children, and accurately identifies the causal effect of the number of children in urban and rural families on the family portfolio selection behavior during the full nesting period. Altruistic motivation and inheritance motivation, urban and rural households in the period of full nesting will adjust the household portfolio selection strategy by increasing the number of women, increasing the ownership of the real estate, and reducing the holding of financial assets. This phenomenon is particularly evident in rural areas. The empirical results of this paper show that in the period of full nesting, households will adjust the portfolio of assets they hold in order to regulate the reasons. Economical pressure on parents to raise their children brought about by changes in the number of children.

Keywords: Number of Children; Portfolio Selection; Instrumental Variables; Poisson Regression Model; Full-Nest Families.

1. Introduction

The accumulation of household wealth and the development of the financial market have an important influence on the choice of household portfolio. A large number of studies have found that household portfolio in China is facing such problems as limited market participation, the polarization of portfolio, mismatch of investment risk, local deviation of investment and "asset shortage" (Wang Zhengzheng, 2015). In order to better explain these problems, a large number of scholars have begun to explore. The influence of wealth, income, investor's risk preference and other factors on Family Portfolio Selection Behavior (Xu Jia and Tanya, 2016); at the same time, some scholars study portfolio selection behavior based on family life cycle theory. In fact, family life cycle includes single period, newlywed period, full nest period, empty nest period and widowed period. Choosing an investor's age as the proxy variable of the family life cycle can only reflect the life cycle characteristics of the investor, not the characteristics of the family life cycle.

Relevant studies on family life cycle show that, compared with other family life cycle stages, during the period from the birth of children to the period of independence of children, the family's economic behavioral factors are greatly impacted by the birth of girls. With the birth of family children or the increase of the number of children, due to the existence of altruistic motives among family members, mothers may reduce the labor supply in order to take care of their children. Give (Zhang Chuanchuan, 2011), resulting in a decline in household income (Duan Zhimin, 2016). At the same time, household consumption will increase, and consumption structure will change. Families will pay more attention to the quality of life for the health of their children. They will prefer to choose high-quality and high-priced commodities. They will also reduce leisure and recreational activities such as tourism in order to take care of their children. Therefore, families will actively adjust their portfolio selection strategies. In addition, due to the existence of inheritance motivation among family members, older generations will leave part of their income and wealth to the next generation, which will enhance the motivation of families to accumulate wealth, thus affecting family portfolio selection behavior. Development is the main basis, so the altruistic motivation and inheritance motivation among family members are particularly obvious in China. Therefore, this paper chooses the full nest stage of the family life cycle as the research object and studies the impact of the number of children on Family Portfolio Selection Behavior in urban and rural families during the full nest stage.

Most of the existing literature on the impact of the number of children on Family Portfolio Selection neglect the endogenous problem of the number of children (Zhang Zhiying, 2016). However, in fact, there are often some unobservable factors affecting the number of children and family portfolio selection behavior. For example, family genes can affect family reproductive decision-making and asset selection decision-making at the same time. Families with excellent genes have more. At the same time, the number of children and the behavior of family portfolio selection may be cause and effect each other. For example, because the family allocates high-income assets and achieves high-income, the family may have the economic ability to have another child. The perturbation term is related to the endogenous explanatory variables, and the use of ordinary OLS regression cannot overcome the endogenous problem of the model. Because the specific implementation methods of family planning policy are quite different in different regions and groups in China: Compared with urban areas, the fertility policy in rural areas is relatively loose; minority families are generally allowed to have two children, while Han families are only allowed to have two children. This paper uses the exogenous variables such as fertility policy, and draws lessons from previous studies (Li Yang, 2014; Duan Zhimin, 2016; Liu Yafei and Hu Jing, 2016) to overcome the endogenous problem of the model by using ethnic groups and urban and rural areas as instrumental variables of the number of children.

This paper studies the impact of the number of children on the family portfolio selection behavior in urban and rural households at the full nesting stage, which can provide some theoretical and empirical support for the follow-up scholars to study the optimization model of family asset allocation with "children" factors. At the same time, studying the changes of financial behavior brought about by the changes of family population structure can provide policy suggestions on how to better coordinate the development of family planning policy and economy.

2. Literature Review

At present, economists have established many theoretical models of family finance to describe the financial behavior of family investors. Domestic and foreign scholars have gradually excavated such as family wealth (Xu Jia and Tanya, 2016), family income (Zhang Bing and Wu Pengfei, 2016), investor risk attitude (Wu Qingyue and Zhou Qin, 2015), investor life cycle (Wang Xiangnan, etc., 2013), investor education level (Yang Jing, 2015) and so on. Marriage status and other factors affect family investment behavior or portfolio selection behavior, but the conclusions are different due to the different samples and methods used. In the relevant literature on the impact of the number of children on Family Portfolio in full-nest period, a large number of literature believe that as families enter the full-nest period, families will have the motivation to accumulate assets, and family income and consumption will change. Families are more cautious about portfolio selection (Ferrara, 2003), more inclined to invest in low-risk and diversified assets to ensure asset safety, and these characteristics will become more prominent as the number of family children increases (Grinstein-Weiss et al., 2008; Fan Gangzhi and Wang Hongyang, 2015).

When identifying the relationship between the number of children and family portfolio selection behavior, most of the existing literature only construct simple models for comparative analysis, without considering the endogenous problem of the number of children (Zhang Zhiying, 2016). Therefore, it is impossible to accurately identify the causal relationship between the number of children and family portfolio selection behavior. There are several representative literature which use instrumental variable method to solve endogenous problems in existing related research. Duan Zhimin (2016) studied the influence of the number of children on family income. The interaction between the sex of first-born children and the type of household registration and the sex of first-born children was taken as the tool variable of the number of family children. Li Yang (2014) studied the causal relationship between the number of children and their financial support to their parents, using the gender composition of the sample and siblings as a tool variable to solve the endogenous problem. When Zhang Chuanchuan (2011) studied the influence of the number of children on the labor supply of married women, the gender of the first child was chosen as the tool variable of the number of

children. Liu Yafei and Hu Jing (2016) studied the impact of the number of children on the health of mothers and solved the endogenous problem by constructing instrumental variables through the ethnic and urban-rural differences in family planning policies.

Looking at the existing literature, although scholars at home and abroad have studied the relationship between children's characteristics and family asset portfolio, they focus more on the gender differences of family children. Domestic scholars usually take children's gender as the starting point to study their family's income and consumption. There are few studies combined with family asset portfolio. Moreover, due to the different research methods, the conclusions are also different. In addition, the existing literature prefers investor age as the proxy variable of the family life cycle, ignoring the specific characteristics of the family life cycle. Pressure produces different economic behavior and portfolio selection behavior, so we choose the full nest stage of the family life cycle as the research object. In research methods, this paper builds effective instrumental variables to overcome the endogenous problem of the model, in order to get the net effect of the number of children on Family Portfolio Selection behavior.

3. Model, Data and Variables

3.1 Model Design

Due to the implementation of family planning policy, the number of children of urban and rural families, ethnic minorities and Han families in China will be different. Drawing on existing research (Li Yang, 2014; Duan Zhimin, 2016; Liu Yafei and Hu Jing, 2016), this paper takes the interaction between ethnic minorities, urban and rural areas, ethnic minorities and urban and rural areas as a tool variable to overcome the endogenous problem due to asset investment. The return rate is one of the important factors affecting family portfolio selection behavior, but this index is difficult to obtain at the individual level, so this paper classifies family assets into two categories: family physical assets and family financial assets, referring to Wang Guangqian's classification of family assets (2014). The former mainly refers to real estate, and the latter is divided into money according to income and risk level. Among them, monetary financial assets mainly refer to bank deposits, bank financial products, bonds, etc. Securities financial assets mainly include stocks and funds, and security financial assets mainly refer to commercial insurance.

3.1.1 Poisson Regression Model with Tool Variables

Since the explanatory variable is the number of household physical assets, i.e. the housing set, which belongs to the counting variable, this paper chooses the Poisson regression model as the model to study the participation of household physical assets and adds the instrumental variable to overcome the endogenous problem. The model is set as follows:

$$HP_{ij} = \alpha + \beta_1 \text{children_number}_{ij} + \gamma Z_{ij} + v_j + \varepsilon_{ij} \quad (i=1, \dots, n; j=1, 2, \dots, J) \quad (1)$$

$$\text{children_number}_{ij} = \alpha_0 + \alpha_1 \text{ethnicity}_{ij} + \alpha_2 \text{rural}_{ij} + \alpha_3 \text{ethnicity}_{ij} \times \text{rural}_{ij} + \delta Z_{ij} + v_j + \mu_{ij} \quad (i=1, \dots, n; j=1, 2, \dots, J) \quad (2)$$

Equation (2) is the first stage regression equation. Exogenous instrumental variables identify the estimates of endogenous explanatory variables. Among them, $\text{children_number}_{ij}$ is the "number of children" of family i in area j . ethnicity_{ij} is the tool variable "nationality", the Han nationality is 0, the minority nationality is 1; The rural_{ij} is the instrumental variable of "urban and rural areas". The city is 0 and the countryside is 1. The $\text{ethnicity}_{ij} \times \text{rural}_{ij}$ is the tool variable "the interaction term between ethnic groups and urban and rural areas". The equation (1) is the second stage regression equation. The explanatory variable HP_{ij} is the real assets, i.e. the number of housing units. The $\text{children_number}_{ij}$ is the explanatory variable which has identified the endogenous variation. The control variable Z_{ij} in this paper includes the age of the respondent, the square of the age of the respondent, the sex of the respondent, and the respondent's gender. The educational level, marital

status, risk attitudes of the respondents, reproductive age of the mother, sex of the first child and family income of the respondents were analyzed. In addition, the regional fixed effect is controlled by adding the provincial dummy variable (represented by v_j); ε_{ij} is the perturbation term of the model.

3.1.2. Probit Model

Because the explained variable family financial asset participation is a $[0,1]$ variable, this paper chooses Probit model as the model to study family financial asset participation and adds instrumental variables to overcome the endogenous problem. The model is set as follows:

$$FP_{t_{ij}} = \alpha + \beta_1 \text{children_number}_{ij} + \gamma Z_{ij} + v_j + \varepsilon_{ij} \quad (3)$$

$(i=1,2,\dots,n; j=1,2,\dots,J; t=1,2,3)$

$$\text{children_number}_{ij} = \alpha_0 + \alpha_1 \text{ethnicity}_{ij} + \alpha_2 \text{rural}_{ij} + \alpha_3 \text{ethnicity}_{ij} \times \text{rural}_{ij} + \delta Z_{ij} + v_j + \mu_{ij} \quad (4)$$

$(i=1,2,\dots,n; j=1,2,\dots,J)$

Equation (4) is the first stage regression equation, and variable set is the same as equation (2). Equation (3) is the second stage regression equation. The explanatory variable $FP_{t_{ij}}$ is expressed as: FP_{1ij} is whether the family i in region j participates in monetary financial assets or not. FP_{2ij} is whether the family i in region j participates in financial securities assets, and FP_{3ij} is whether the family i in region j participates in securities financial assets. The key explanatory variables and control variables are the same as equation (1). ε_{ij} is the perturbation term of the model.

3.1.3 Tobit Model

Because the explained variable is the proportion of household assets, the data form obeys the continuous distribution of $[0,1]$, which belongs to the restricted dependent variable. So this study uses the Tobit model to study the allocation degree of family physical assets and financial assets by the number of children, and adds instrumental variables to overcome the endogenous problem. The model is set as follows:

$$A^*_{t_{ij}} = \alpha + \beta_1 \text{children_number}_{ij} + \gamma Z_{ij} + v_j + \varepsilon_{ij} \quad (5)$$

$(i=1,2,\dots,n; j=1,2,\dots,J; t=1,2,3,4)$

$$A_{t_{ij}} = \begin{cases} 1, & A^*_{t_{ij}} = 1 \\ A^*_{t_{ij}}, & A^*_{t_{ij}} > 0 \\ 0, & A^*_{t_{ij}} = 0 \end{cases}$$

$$\text{children_number}_{ij} = \alpha_0 + \alpha_1 \text{ethnicity}_{ij} + \alpha_2 \text{rural}_{ij} + \alpha_3 \text{ethnicity}_{ij} \times \text{rural}_{ij} + \delta Z_{ij} + v_j + \mu_{ij} \quad (6)$$

$(i=1,2,\dots,n; j=1,2,\dots,J)$

Equation (6) is the first stage regression equation. Variables are set as the same as equation (2). Equation (5) is the second stage regression equation. There are four explanatory variables $A_{t_{ij}}$, which are the proportion of real assets, the proportion of monetary financial assets, the proportion of securities financial assets, the proportion of security financial assets, the key explanatory variables and control variables are the same as equation (1). ε_{ij} is the perturbation term of the model.

In all the above models, this paper tests the endogenous problem of the model and the validity of instrumental variables. If the model does have endogenous problems, the empirical results report the regression results after adding instrumental variables and test the validity of instrumental variables. If the model does not have endogenous problems, the regression results without adding instrumental variables will be reported.

3.2 Data Sources

The data used in this study are from the "China Family Finance Survey" (CHFS) project organized and managed by the China Family Finance Survey and Research Center of Southwest University of Finance and Economics in 2013. The sample is 28143 families and 97916 individuals. This study sets

the subjects as urban and rural families with children aged 0-18 and their children are in full nest period and eliminates the missing and abnormal values of key variables. A total of 7467 valid samples were obtained.

3.3 Variable Definition and Descriptive Statistics

Table 1 reports the definition and descriptive statistical results of relevant variables. From the perspective of family children composition, the average number of family children in the whole sample family is 1.354, of which 1.241 are in urban families and 1.557 in rural families. From the perspective of family assets participation, the average family owns 0.904 apartments, and 67.7% of families choose to participate in monetary funds. Financing assets, 10.7% of households choose to participate in securities financial assets, 14.7% of households choose to participate in security financial assets, urban households have significant differences in asset participation compared with rural households. From the perspective of household asset allocation, the proportion of households allocating physical assets is 69.8%, the proportion of monetary financial assets is 26.1%, and the ratio of allocating financial securities assets is 26.1%. For example, 2.2% of the households allocated financial assets, and 1.9% of the households allocated security financial assets. The proportion of urban households allocated monetary and securities financial assets was significantly higher than that of rural households.

Table 1. Variable selection and definition

Variable name	Variable definition	All samples		City samples		Rural samples	
		Mean value	Standard deviation	Mean value	Standard deviation	Mean value	Standard deviation
Number of children	Unit: person	1.354	0.617	1.241***	0.496	1.557***	0.748
Family asset participation							
Family physical assets	Family physical assets	0.904	0.650	0.901***	0.697	0.91***	0.556
Whether to participate in household monetary financial assets	Participation in bank deposits or bank financial products or bonds = 1, Not involved in = 0	0.677	0.468	0.753***	0.431	0.540***	0.499
Participation in Family Securities Financial Assets	Participation in Stocks or Funds = 1, Not Participation = 0	0.107	0.310	0.162***	0.369	0.008***	0.090
Whether to Participate in Family Security Financial Assets	Participation in commercial insurance = 1, non-participation = 0	0.147	0.354	0.177***	0.381	0.094***	0.293
Family asset allocation							
The proportion of household physical assets	Ratio of market value of real estate to total assets	0.698	0.416	0.676***	0.424	0.737***	0.397
The proportion of household monetary financial assets	Bank Deposit Account Balance, Market Value of Bank Financial Products The ratio of the sum of the face value of bonds to the total assets	0.261	0.389	0.271***	0.392	0.241***	0.382
The proportion of family securities financial assets	The ratio of the sum of stock market value and fund market value to total assets	0.022	0.114	0.032***	0.134	0.004***	0.058

4. Model Estimation Results and Analysis

4.1 Effects of the Number of Children in Urban and Rural Families on the Choice of Family Physical Assets

As shown in Table 2, the number of children in urban and rural households has a significant positive impact on the participation and allocation of household physical assets, i.e. real estate. This shows that, with the increase of the number of children in other variables, households prefer to hold physical assets and are willing to allocate a larger proportion of household economic resources in real assets. This result shows a consistent trend in urban and rural samples. In our country, the house price has been high for a long time. In the view of the residents, investing in real estate is a steady and indemnifiable investment, and our country has a long-standing cultural background of holding real estate to ensure the stability of our life. Therefore, owning real estate, pursuing multiple real estate often becomes the goal of family struggle. With the increase of the number of family children, the economic and spiritual pressure of raising children also rises. There are altruistic motives among family members. Mothers usually reduce the labor supply in order to raise children. Family income may decline, but family consumption expenditure is increasing. In this case, in order to ensure the safety of family assets and the future economic security of children, families often choose assets with low income and low risk to hold, such as real estate. In addition, due to the existence of inheritance motivation among family members, the increase in the number of family children will enhance the motivation of families to accumulate wealth, and families will also prefer. Relative to urban families, the number of children in rural families has a greater impact on the participation and allocation of family physical assets. This is because compared with urban families, the cost of self-built houses in rural areas is lower, and the concept of marriage in rural families is more realistic. Rural parents will hold more real estate in order to make their children more competitive in the marriage market. From Table 2, we can see that the model (1) and (2) take the interaction items of ethnic groups, urban and rural areas, ethnic groups and urban and rural areas as the tool variables of the number of children, and pass the weak tool variable test and over-recognition test. Model (3) and (4) endogenous tests showed no significant endogenous problems, so the regression results without tool variables were reported. The models (5) and (6) used ethnic groups as tool variables for the number of children and passed the test of weak tool variables.

Table 2. The impact of the number of children in urban and rural families on the participation and allocation of family physical assets

	All samples		City samples		Rural samples	
	Participation	To configure	Participation	To configure	Participation	To configure
	(1) IV-Poisson	(2) IV-Tobit	(3) Poisson	(4) Tobit	(5) IV-Poisson	(6) IV-Tobit
Number of children	0.176*** (0.07)	0.731*** (0.12)	0.047* (0.02)	0.061** (0.03)	0.320** (0.15)	1.430** (0.18)
Control variable	Yes	Yes	Yes	Yes	Yes	Yes
Sample size	7467	7467	5306	5306	2161	2161
Wald Statistics/F Statistics	-	719.13 (p=0.000)	330.60 (p=0.000)	8.92 (p=0.000)	-	180.25 (p=0.000)

Note: The coefficients listed in the table are all marginal effects; the data in brackets are all robust standard errors except those specifically pointed out; the control variables include the age of the respondent, the square of the age of the respondent, the gender of the respondent, the education level of the respondent, the marital status of the respondent, the risk attitude of the respondent, the family income, the birth age of the mother and the sex of the first child, but due to the limited space, the control variable results are obtained.

4.2 The Impact of the Number of Children in Urban and Rural Families on the Choice Behavior of Family Financial Portfolio

As shown in Table 3, the number of children in urban and rural households has a significant negative impact on the participation and allocation of family monetary financial assets, securities financial assets and security financial assets. This result also shows a consistent trend in urban and rural samples. This shows that, with the increase of the number of children in other variables, families participate in monetary financial assets and certificates. The probability of securities financial assets and security financial assets will decrease, and the proportion of allocating monetary financial assets, securities financial assets and security financial assets will decrease. This is because, first of all, with the increase of the number of neutron girls in the family, the economic pressure of raising children in the family also rises. Due to the existence of altruistic motives among family members, mothers will reduce the labor supply, decrease family income and increase family consumption expenditure in order to raise children. At this time, household budget constraints are tightened, and household decision makers tend to reduce the holding of low-income assets such as monetary financial assets. With the increase of household consumption, households prefer to hold cash for basic consumption. This will inevitably reduce the holdings of monetary financial assets such as bank deposits and bank financial products. Secondly, due to the tightening of family budget constraints, families will be more cautious in choosing assets and reducing the holding of high-risk assets such as securities financial assets. Thirdly, for the commercial insurance security financial assets referred to in this paper, because the urban and rural medical insurance and old-age insurance coverage in China has played a "basic" role in protecting the main risks faced by urban and rural households. Therefore, in the case of tight household budget constraints, the probability of household participation and allocation of financial assets such as commercial insurance will decrease. Combining with the regression results of Table 2, due to the existence of inheritance motivation among family members, the motivation of households to accumulate wealth will be enhanced, and households will prefer to hold property with higher appreciation space, which will lead to the reduction of financial assets for money. The holding of securities financial assets and security financial assets Compared with urban households, the number of children of rural households has a greater impact on the choice of household monetary financial assets and securities financial assets. This is because compared with urban households, rural households prefer to hold real estate, which will reduce the holding of more monetary financial assets and securities financial assets. Moreover, compared with urban households, rural households prefer to hold real estate. The court is not familiar with securities financial assets, so when there are budget constraints, it will reduce more securities financial assets.

From Table 3, we can see that when we study the participation and allocation of monetary financial assets, the model (1) takes the interaction items of ethnic groups, urban and rural areas, ethnic groups and urban and rural areas as the tool variables of the number of children, and passes the test of weak instrumental variables and the test of over-recognition; the model (2) takes ethnic groups, urban and rural areas as the tool variables of the number of children, and passes the test of weak instrumental variables and the test of weak instrumental variables. Over-recognition test (3) and (4) endogenous test showed no significant endogenous problems, so report the regression results without instrumental variables (5) and (6) Take nationality as the instrumental variable of the number of children, and pass the weak instrumental variable test (7)(12) endogenous test showed no significant endogenous problems when studying the participation and allocation of securities financial assets. The regression results without tool variables were reported. When studying the participation and allocation of financial assets, the models (13) and (14) take the interaction items of ethnic groups, urban and rural areas, ethnic groups and urban and rural areas as the tool variables of the number of children, and pass the weak tool variable test and over-identification test. The endogenous tests of model (15), (16), (18) showed no significant endogenous problems, so the regression results without tool variables were reported. The model (17) takes nationality as the tool variable of the number of children and passes the test of weak tool variable.

Table 3. Effects of the Number of Children in Urban and Rural Families on Family Financial Assets Participation and Allocation

	All samples		City samples		Rural samples	
	Participation	Configuration	Participation	Configuration	Participation	Configuration
Monetary financial assets						
Model	(1)IV-Probit	(2)IV-Tobit	(3)Probit	(4)Tobit	(5)IV-Probit	(6)IV-Tobit
Number of children	-1.323*** (0.220)	-0.543*** (0.110)	-0.047*** (0.020)	-0.044 (0.030)	-1.796* (1.040)	-1.426** (0.720)
Control variable	Yes	Yes	Yes	Yes	Yes	Yes
Sample size	7467	7467	5306	5306	2161	2161
Wald Statistical/F System metering	929.91 (p=0.000)	629.79 (p=0.000)	478.31 (p=0.000)	7.11 (p=0.000)	227.97 (p=0.000)	169.84 (p=0.000)
Securities financial assets						
Model	(7)Probit	(8)Tobit	(9)Probit	(10)Tobit	(11)Probit	(12)Tobit
Number of children	-0.048*** (0.010)	-0.138*** (0.040)	-0.061*** (0.020)	-0.111*** (0.040)	-0.022** (0.010)	-0.577*** (0.090)
Control variable	Yes	Yes	Yes	Yes	Yes	Yes
Sample size	7467	7467	5306	5306	779	2161
Wald Statistics/F Statistics	782.23 (p=0.000)	8.52 (p=0.000)	504.84 (p=0.000)	38 (p=0.000)	59.26 (p=0.000)	-
Guarantee Financial Assets						
Model	(13)IV-Probit	(14)IV-Tobit	(15)Probit	(16)Tobit	(17)IV-Probit	(18)Tobit
Number of children	-0.875*** (0.290)	-0.325*** (0.110)	-0.014 (0.020)	-0.013 (0.020)	-2.544 (1.760)	0.022 (0.040)
Control variable	Yes	Yes	Yes	Yes	Yes	Yes
Sample size	7467	7467	5306	5306	2161	2161
Wald statistics	343.21 (p=0.000)	216.02 (p=0.000)	193.82 (p=0.000)	2.58 (p=0.000)	71.35 (p=0.002)	1.40 (p=0.049)

5. Conclusion and Enlightenment

Based on the data of CHFS survey in 2013, this paper uses Poisson regression, Probit model and Tobit model with instrumental variables to empirically analyze the impact of the number of children in urban and rural households on household portfolio selection behavior. The results show that in full-nest families, due to altruistic motives and inheritance motives among family members, families adjust their portfolio of assets to adjust the economic pressure of parental rearing caused by changes in the number of daughters. Specifically, due to altruistic motives among family members, after the family enters its nest-filling stage, the mother reduces the labor supply in order to raise children, and the family income decreases, but the family consumption is increasing. In this case, in order to ensure the safety of family assets, but also for the future economic security of children, families will choose to hold real estate assets with high appreciation space. At the same time, the existence of inheritance motivation among family members makes the family more motivated to accumulate wealth, which leads to the increase of the household's possession of real assets and the decrease of financial assets, which is more obvious in rural areas.

To study the impact of the number of children in urban and rural households on family portfolio selection behavior at the end of nesting period. This will help to better understand and understand the family's asset investment decision-making behavior in an all-round way, and also provide some

theoretical and empirical support for how to better coordinate the development of family planning policy with the economy in the current period of adjustment. At present, it is a period of full liberalization of second births. With the change of national population policy, at the micro level of the family, the increase of the number of children will promote the family's demand for real estate. On the one hand, the government should pay more attention to the supply and demand of the real estate market during the period of second child liberalization. On the other hand, how to improve the financial knowledge level of family members and make diversified investments to reduce the economic risks brought by the changes in the composition of family population is an important issue that should be paid attention to at present. At the national macro level, due to the increase of population and the change of population structure caused by the change of population policy, the demand of population for housing, education, medical and other supporting facilities and public services has changed. How to adapt economic development to the change of population quantity and structure is also an important issue that the government should pay attention to.

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