



# A Survey of Urban Residents' Participation in Family Assets Allocation on the Stocks or Funds A Case Study of Wuhan

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**Abstract.** With the dramatic increase in social and individual wealth in China, Residents' family assets allocation comes into our focus gradually. This research is intended for family assets allocation, represented by stocks or funds from residents in Wuhan, the concerned factors, regional features, gaining and the individualized difference based on online questionnaire and interview. The findings reveals that family assets allocation through stocks or funds held by residents in Wuhan is influenced by their earnings, careers, age and educational level, characterized by the regional feature with Wuhan as a representative city in the Central China. Meanwhile the investors' educational degree affects their gaining considerably on the investments on stocks or funds.

**Keywords:** Family assets allocation · Stocks or funds · Residents in Wuhan · Investigation

## 1 Introduction

The development of the financial market and digital social network, increase in income of urban residents, enhancement of personal financial quality and diverse accessibility to information make it greatly different in the views of average citizens on family fortunes, choices of household assets, consumption and its corresponding consumptive behaviors. From the years during 2000–2019, Total volume of Chinese family fortunes was from \$0.37 billion up to \$7.8 billion with increase by 21times, ranked as the second in the world. Thereon, only the bank savings can not enough meet the needs of people's expectation in appreciation of their fortunes increasingly and the structure of family assets allocation is shifted from the sole way of bank savings or real estate to diverse financial assets characterized by stocks or funds. On the current financial market, the investments from the residents predominate the structure of investors and the trend for numbers of the investors rises dramatically. Under the political background "Two Circulations" does financial consumption evolve into an effective measure to facilitate economic growth. So, family finance focusing on the life of the average people comes into our horizon and then into practice.

Papers are retrieved accurately with the subject “family financial investigation of in China” in China National Knowledge Infrastructure, through which 182 core and high-qualified ones can be acquired. They studies mainly the effect of financial knowledge, cognitive ability, financial quality and education on family consumption and asset allocation, but Fewer of those papers touch family asset allocation in one city, particularly concerned factors, regional features and the individualized difference and the involved reasons for the those differences in the same region as to family financial asset allocation characterized by stock of funds. As a result, the current research aim is to probe into the condition and causes, features and individualized difference and the involved factors of family financial assets represented by stock of funds in the average citizens and their family in Wuhan, a representative city in the Central China.

## **2 Research Methods and Design**

### **2.1 Subject**

The subject is the citizens in Wuhan about their allocation of the family assets represented by stocks or funds. The investigated citizens in Wuhan include not only the citizens who live and work in Wuhan permanently but also involve the ones whose household registration is in Wuhan but work outside Wuhan temporarily.

### **2.2 Research Methods**

#### **2.2.1 Investigation Based on Questionnaire**

Design of the questionnaire: To explore the truth of family asset allocation on stocks or funds from the citizens in Wuhan, a questionnaire with open-ended structure and close-ended structure is designed by [www.wjx.cn](http://www.wjx.cn). The questionnaire covers three parts: Part I is the background of the investors (Items 1–6); Part II involves investors and their investment behaviors (Items 7–20) and Part III (Item 21) the investors’ investment length and expectation from stocks or funds. Part I and Part II are close-ended questions but Part III is open-ended ones for respondents to show their time length and true intentions about their investments on stock or funds in the family assets with the key words.

Distribution of the questionnaire: The researcher, the investigated groups, and the reliable friends of the researcher in Wuhan, who have invested on stocks and funds helped to distribute the questionnaire in their investment QQ or WeChat groups (stock client groups or fund groups) built by the securities for their clients to open the accounts or the lovers to be hooked by investments through QQ or WeChat groups of the Securities of Changjiang, Guotaijunan and Fangzheng as well as the other QQ or WeChat groups set up for family stocks and funds investment such as QQ groups for the parents of college students in Wuhan who are the parents, meanwhile favor investment on stocks and funds. Besides, the researcher and their investigation group members handed out the questionnaire to the friends in their social circles if they knew their friends were investing or have invested on the stocks or funds. The researcher’s friends, group members or the researcher himself handed out the questionnaire will first in those groups explained the instruction, intention to conduct the research and informed them of the notes of filling in the questionnaire before their starting the questionnaire so that the true information or data could be collected.

### **2.2.2 Investigation Based on Online Interview**

30 respondents who are actively responded to the questionnaire are chosen randomly for the interview on the platform where the questionnaire is distributed. To be detailed, 10 persons are interviewed from the client groups of the 3 securities, 10 persons from the group of the investment on stocks and funds and another 10 people from the social circles who have accepted the distributed privately questionnaire. The forms of online interview can be performed by texts, audios, phones, screen shots or even audios. All the interview materials gathered are transcribed into text and be categorized for the qualitative analysis with the joint efforts of the research groups.

## **3 Research Result and Discussion**

### **3.1 Research Result**

#### **3.1.1 Research Result from the Background of Investors**

For 110 samples collected, the descriptive analysis of the allocation of stocks and funds for investors in Wuhan is conducted based on distribution of frequency in terms of the respondents in the effective questionnaire on the Table 1.

#### **3.1.2 Research Result from the Investors and Their Invested Operating Behaviors**

From the investors to invest on stocks or funds in terms of their family income and loan, the family invested total amount, proportion of the stocks or funds among the total family investment amount and specific decision making in operation on stocks or funds, the investors from the enterprises, public institutions as well as other trades occupy respectively 31.82%, 22.73% and 25.45%, who have the comparatively stable earnings, no matter what they gain are from their salary or assets. These investors have no loan or light loan and a light allocation of stocks or funds among their total assets allocation. A larger proportion of investigated investors (33.33%) on stocks or funds can gain a positive 1–10% investment reward whereas the negative gaining 1–10%, 10–20% respectively goes to the 12.96% and 11.11% of the invested groups in the sample.

#### **3.1.3 Interview**

30 online interviewees, chosen based on the research method 2.2 are accepted online interview by the involved researchers, researcher groups and their friends who are familiar with investments on stocks and funds. Contents of interview involve open-mined views on investments on stocks or funds, family gaining from stocks or funds, investment channels and Chinese financial investment market. All the involved interviewers conducted the interviews under the guidance of the researcher and research groups. The collected texts, audios etc. are transcribed and categorized as follows.

### **3.2 Discussion**

Data collected from the background of investors reveals that: First, There is a great difference and change for the citizens in Wuhan in family financial asset allocation represented

**Table 1.** Frequency distribution based on age, career and educational background of the investors

| Name                            | Choices                              | Frequency | Percentage (%) | Cumulative percentage (%) |
|---------------------------------|--------------------------------------|-----------|----------------|---------------------------|
| Age of investors                | 18–30 years old                      | 17        | 15.45          | 15.45                     |
|                                 | 30–40 years old                      | 20        | 18.18          | 33.64                     |
|                                 | 40–50 years old                      | 47        | 42.73          | 76.36                     |
|                                 | 50–60 years old                      | 24        | 21.82          | 98.18                     |
|                                 | 60 years old                         | 2         | 1.82           | 100.00                    |
| Career of investors             | Employee in enterprises or companies | 35        | 31.82          | 31.82                     |
|                                 | Employee in public institutions      | 25        | 22.73          | 54.55                     |
|                                 | Civil servant                        | 8         | 7.27           | 61.82                     |
|                                 | Employee in private enterprises      | 14        | 12.73          | 74.55                     |
|                                 | Other trades                         | 28        | 25.45          | 100.00                    |
| Educational degree of investors | High school                          | 9         | 8.18           | 8.18                      |
|                                 | College degree                       | 29        | 26.36          | 34.55                     |
|                                 | Bachelor's degree                    | 52        | 47.27          | 81.82                     |
|                                 | Master's degree and above            | 20        | 18.18          | 100.00                    |
| Total                           |                                      | 110       | 100.0          | 100.0                     |

by stocks or funds resulting from their distinct difference in income, educational level and family location (Tables 1, 2 and 3). The higher income, education level and the better urban location that the citizens acquire, work and live in, the larger proportion of stock of funds that they hold. It lies in that the distinct geographical location of Wuhan, a city in Central China and people there desire for working in the comparatively developed cities or regions to be educated and work for richer educational resources and higher economic reward. Second, The investors are employees working in the enterprises, public institutions, other trades as well, who mostly are aged in the combination of age groups 30–60 (occupying 82.73%), 77.27% of the family income of the investors is below ¥300 thousand in Wuhan. The investors and the investment amount is below ¥100 thousand occupies 40% (Tables 1, 2 and 3 and Fig. 1). The significant factor to that attributes to one fact the housing policy advocated by Chinese government that houses in China now is mainly oriented for people's accommodation instead of meeting their economic property as the invested goods and the other is they have the desire to earn the money

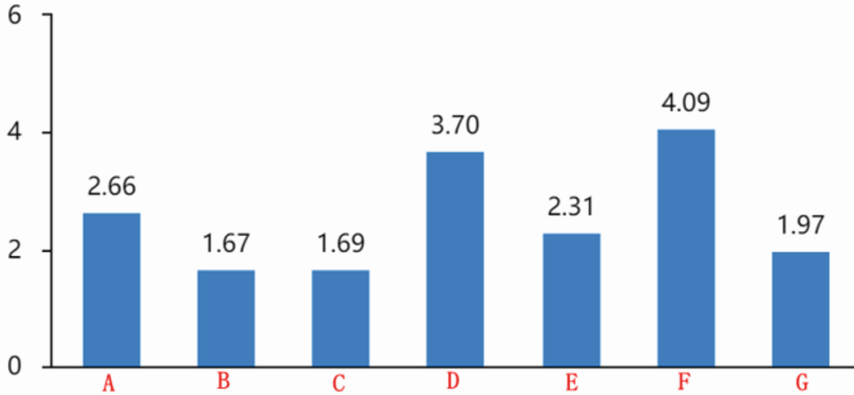


Figure 1 Comparison of means

A:Your Family income

B:Main source of your family income

C:Whether you have family debt and its nature, if you have

D:Total amount of investment planned on stocks or funds occupying the family assets ( housing for living and cars excluded)

E:Total amount of investment on stocks or funds

F:Earnings from investment on stocks or funds in the current five yeas

G:Your liable decision making in the investment on stocks or funds

Fig. 1. Comparison of means.

because of lower earnings. Therefore, the family financial asset allocation is growing increasingly due to that fact the expectant housing price is decreasing and the dream to seek fortunes. Among those financial assets allocated, stocks or funds, as the potentials are released gradually. To a family, stock or funds are risky invested financial goods and can allocated as family asset only after meeting the citizens' basic daily necessities.

Data (Table 1) shows that citizens aged 18–60 who work in the enterprises, public institutions and other trades except for the trades for civil servants favor investment on stocks or funds compared with the other aged groups. The reasons are distinctly different, namely, for people aged 18–30, they are young and ambitious, most of them have just worked with comparative low income and established their family without kids and had so much burden to raise the kids and their parents, spare money, but not enough for house-purchasing, is willing to be invested on stocks or funds more or less because of their weak risk sense and overoptimistic about the bright future. For the people aged 40–50, they are with family size of 3 persons, family income in the same job position, trade, region are comparatively higher in contrast with the people from the lower age groups. They have their housing without loan or less loan and have spare money but not enough to change other houses in expectation for their money in hand appreciated, at least not

**Table 2.** Descriptive statistics of core factors from investors and their invested behaviors

| Name  | Sample | Minimized value | Maximized value | Mean  | SD    | Media |
|---|--------|-----------------|-----------------|-------|-------|-------|
| Family income   | 110    | 1.000           | 5.000           | 2.664 | 1.258 | 3.000 |
| Main source of family income  | 110    | 1.000           | 5.000           | 1.673 | 0.940 | 1.000 |
| Whether you have family debt and its nature, if you have              | 110    | 1.000           | 5.000           | 1.691 | 0.916 | 1.500 |
| Proportion of stocks or funds to the total family investment          | 110    | 1.000           | 5.000           | 3.700 | 1.231 | 4.000 |
| Total amount of investment on stocks or funds                         | 110    | 1.000           | 5.000           | 2.309 | 1.373 | 2.000 |
| Earnings from investment on stocks or funds in the current five years | 110    | 1.000           | 10.000          | 4.091 | 3.079 | 3.000 |
| Your liable decision making in the investment on stocks or funds      | 110    | 1.000           | 5.000           | 1.973 | 0.990 | 2.000 |

devalued on the investment on stocks or funds due to the global inflation. For people aged 60 above, holding their houses to live in, have comparatively low income after they are retired and physically weak, compared to people from the lower age groups. So They are conservative in risk financial investment on stocks or funds. Third, a large proportion of investors on stock or funds have stable jobs or earnings from their work or family assets; 33.64% of the investigated people can acquire the positive gaining between one percent to 10 percent from stock and funds, but 55.45% of ones gain the negative earnings 1%-30%. It suffices to show citizens to accept college education can gain a higher gaining or lower loss compared to the less-educated ones do. The underlying reason for that above is what college education they acquire helps to improve their financial knowledge and quality, ability to screen the high-qualified stock or funds and facilitate their decision-making based on the concerned financial policy. Fourth, From the word frequency of key words from the open-ended questionnaire and interview (Table 4) disclose that the respondents are so concerned about the earnings they invest on stocks or funds, stability and supervision of the current financial market so that they can have the risk of their investment decreased to gain a certain reward (Fig. 2).

**Table 3.** Frequency distribution of core factors from investors and their invested behaviors

| Name  | Choices   | Frequency | Percentage (%) | Cumulative percentage (%) |
|---|---|-----------|----------------|---------------------------|
| Family income   | 10–100 thousand                                   | 23        | 20.91          | 20.91                     |
|   | 100–200 thousand                                  | 30        | 27.27          | 48.18                     |
|   | 200–300 thousand                                  | 30        | 27.27          | 75.45                     |
|   | 300–400 thousand                                  | 15        | 13.64          | 89.09                     |
|   | 400 thousand and above                            | 12        | 10.91          | 100.00                    |
| Whether you have family debt and its nature, if you have              | No  | 55        | 50.00          | 50.00                     |
|   | yes, mortgaged loan for housing etc.              | 43        | 39.09          | 89.09                     |
|   | yes, credit debt, short-term loan for consumption | 7         | 6.36           | 95.45                     |
|   | yes, money borrowed from relatives or friends     | 1         | 0.91           | 96.36                     |
|   | other loans                                       | 4         | 3.64           | 100.00                    |
| Proportion of stocks or funds to your total family investment         | 70% above   | 7         | 6.36           | 6.36                      |
|   | 50%–70%   | 14        | 12.73          | 19.09                     |
|   | 30%–50%   | 20        | 18.18          | 37.27                     |
|   | 10%–30%   | 33        | 30.00          | 67.27                     |
|   | 10% below   | 36        | 32.73          | 100.00                    |
| Earnings from investment on stocks or funds in the current five years | positive gaining 1%–10%                           | 37        | 33.64          | 33.64                     |
|   | positive gaining 10%–20%                          | 14        | 12.73          | 46.36                     |
|   | positive gaining 20%–30%                          | 10        | 9.09           | 55.45                     |

*(continued)*

**Table 3.** (continued)

| Name  | Choices  | Frequency | Percentage (%) | Cumulative percentage (%) |
|---|--|-----------|----------------|---------------------------|
|   | positive gaining<br>30%–40%  | 2         | 1.82           | 57.27                     |
|   | positive gaining<br>40% above  | 2         | 1.82           | 59.09                     |
|   | negative gaining<br>1%–10%   | 14        | 12.73          | 71.82                     |
|   | negative gaining<br>10%–20%  | 13        | 11.82          | 83.64                     |
|   | negative gaining<br>20%–30%  | 5         | 4.55           | 88.18                     |
|   | negative gaining<br>30%–40%  | 8         | 7.27           | 95.45                     |
|   | negative gaining<br>40% above  | 5         | 4.55           | 100.00                    |
| Total amount of<br>investment on stocks<br>or funds                       | 10–100 thousand  | 44        | 40.00          | 40.00                     |
|   | 100–200 thousand   | 24        | 21.82          | 61.82                     |
|   | 200–300 thousand   | 17        | 15.45          | 77.27                     |
|   | 300–400 thousand   | 14        | 12.73          | 90.00                     |
|   | 400 thousand<br>above  | 11        | 10.00          | 100.00                    |
| Your liable decision<br>making in the<br>investment on stocks<br>or funds | Retain the principal<br>safe to its utmost<br>without concern of<br>the proportion of<br>gaining | 35        | 31.82          | 31.82                     |
|   | gaining achieved<br>based on a certain<br>risk   | 57        | 51.82          | 83.64                     |
|   | Quite a large<br>amount of gaining<br>achieved based on<br>a considerable risk                   | 10        | 9.09           | 92.73                     |

(continued)



**Table 3.** (continued)

| Name  | Choices   | Frequency | Percentage (%) | Cumulative percentage (%) |
|-------|---|-----------|----------------|---------------------------|
|       | Maximized added value to the invested together with maximized risk                          | 2         | 1.82           | 94.55                     |
|       | No concern of the principal and gaining with the investment on stocks or funds as amusement | 6         | 5.45           | 100.00                    |
| Total |   | 110       | 100.0          | 100.0                     |



**Fig. 2.** Word frequency from open-ended structure of the questionnaire

## 4 Conclusion

First of all, The distinctive regional characteristics are presented in the family financial asset allocation of stocks or funds that the citizens in Wuhan hold. The allocated proportion and total amount is not large (Fig. 1), which is confined by multiple factors among which age, income and work places are predominated ones. People aged 18–30 and 60 above is allocated with stocks or funds to the minimal (Tables 1, 2 and 3), The reason for the former is their weak economic strength—people aged 18–30 have just establish their home and have to pay most of what they gain for buying houses and child-rearing, whereas the latter reason is people’s stronger sense of savings and higher risk of investment with a conservative attitude towards highly-risky financial investment when

**Table 4.** Qualitative statistics of interview based on the content of interview

|                                | Number of Participants | Form of response | Response to contents of interview (high-frequent and core words on stocks or funds)                       |
|--------------------------------|------------------------|------------------|---|
| Interviewees (total number 30) | 20                     | text             | controllable/risky/reward/gaining/financial sense of investment/importance of decision in stock operation |
|                                | 2                      | phones           | loss  |
|                                | 3                      | audios           | loss/gambling   |
|                                | 1                      | videos           | interested/play   |
|                                | 2                      | screenshot       | profit based on principal safety  |
|                                | 1                      | refusal          | /   |

they are growing more elderly. The individualized differences exist among the financial asset investors represented by stocks of funds. The educational and cognitive difference affect people's investment on stocks of funds. The investment body of the citizens in Wuhan are the good educated people with a higher degree and cognitive level (Tables 2, 3 and 4). The educated people have a strong financial quality and can bear some risk to obtain gaining from investments for enhancement of their living standard. However, the younger investors aged 18–30 are with much courage in investment but little risky sense, so their decision-making is sometimes improper when the loss occurs but they let go of the chance to stop the loss and let it naturally be. To be concluded, The regional and personalized difference exist in the stocks or funds invested by the residents in Wuhan and the decision-making need to be improved as to the two types of investment in order to achieve their desirable gaining in the stable and supervised financial market (Fig. 2). Owing to comparatively narrower social circles, the limitation of the research is that respondents to the questionnaire and interviewees are not so diverse so that it can affect the findings and conclusion to some degree through the sample analyses. As a result of those above, the future study can be conducted with more samples from a larger social class and deepened the research quantitatively.

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