



Mortgage Interruption: Challenges and Responses to the Growth of Preschool Children of New Citizen Families ——Take a Community in Zhucun Street, Zengcheng District, Guangzhou as an Example

Yingfei Wang

School of Education and Science, Jiaying University, Meizhou, Guangdong Province, P. R. China

wyf050305@qq.com

Abstract. Since China's real estate industry entered a stage of deep adjustment in 2021, the real estate market in Guangzhou has shown a continuous downward trend, even under the stimulus of multiple rounds of policies, housing prices in the far suburbs have still depreciated sharply, and the number of foreclosure houses and out-of-supply houses has surged. As the core group of Guangzhou's urban construction, the new citizen group mostly focuses on choosing to buy rigid housing in the far suburbs with convenient transportation, affected by factors such as asset shrinkage and economic pressure caused by the downturn in the housing market, the number of cases of mortgage interruption and dishonesty continues to increase, and their family life is in multiple difficulties. This study takes the preschool children of new citizens who have been dishonest due to mortgage interruption in a community in Zhucun Street, Zengcheng District, Guangzhou as the research object, and analyzes the specific impact of parental mortgage dishonesty on the growth of preschool children in the context of the housing market downturn from the four dimensions of education, psychology, social interaction and life by using literature research method, comparative research method and in-depth interview method. This study enriches the research on the impact of family dishonesty on the growth of children under the fluctuation of the real estate market, fills the research gap on the relationship between dishonesty and the growth of preschool children in the new citizen group, and provides a localized empirical case for the study of children's growth.

Keywords: Mortgage supply interruption; Dishonest person subject to execution; New citizen group; Preschool children; Growth impact; Family financial risk

1 Introduction

1.1 Research Background and Questions

Since the real estate industry entered a stage of deep adjustment in 2021, housing prices in the far suburbs of Guangzhou have continued to fall, and the number of out-of-supply

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T. G. Guan et al. (eds.), *Proceedings of the 2026 4th International Conference on Digital Economy and Management Science (CDEMS 2026)*, Advances in Economics, Business and Management Research 392, https://doi.org/10.2991/978-94-6239-699-9_14

houses and foreclosure houses has risen significantly. Due to the single asset structure and weak ability to resist risks, the new citizen group is particularly severely affected by the fluctuations of the housing market, and the problem of dishonesty caused by the interruption of mortgage supply has extended from the economic level to the social and family level. The preschool stage is a critical period for children's physical and mental development, and family economic pressure and parental dishonesty have potential negative impacts on the growth of preschool children, so relevant in-depth research is urgently needed.

1.2 Significance of the Study

This study enriches the research on the impact of family dishonesty on children's growth under the fluctuation of the real estate market, fills the research gap on the correlation between dishonesty and the growth of preschool children in the new citizen group, provides localized empirical cases for children's growth research, and also provides an empirical basis and decision-making reference for social policy formulation and children's rights protection.

1.3 Research Methods and Analysis Ideas

This study uses the literature research method to sort out the relevant theoretical achievements at home and abroad, combined with the comparative research method and in-depth interview method, and systematically analyzes the specific impact of parents' mortgage interruption on the growth of preschool children in the context of the downturn of the housing market from the four core dimensions of education, psychology, social interaction and life.

2 Literature Review

2.1 Research on the Impact of Mortgage Interruption on Family Happiness

Existing research shows that huge mortgages spawned by high housing prices have become a heavy economic burden on families, and long-term loan repayment pressure and mental anxiety not only offset the improvement of residents' subjective happiness, but also put a large number of families in the dilemma of "house slaves". This pressure not only weakens the family's ability to resist risks, but also poses a potential threat to macroeconomic development and talent training[1]. Housing is the core asset of urban households (accounting for up to 90%), and household liabilities are mainly housing mortgages, so the superposition effect of external shocks such as housing price fluctuations and debt leverage on household economic vulnerability is more significant[5]. The mortgage supply is an extreme manifestation of the collapse of the family's economic and psychological state under this long-term pressure.

2.2 Research on the Impact of Child Structure on Family Real Estate Liabilities

(1) The number of children is a key variable affecting the allocation of family assets

Increased liquidity demand: The greater the number of children, the greater the rigid consumer demand for family daily expenses, education, medical care, etc., and the demand for liquidity and savings increases significantly. To cope with these rigid spending, households will prioritize short-term consumption and reduce the allocation to long-term investments such as financial assets and real estate.

Investment squeeze under budget constraints: In the case of a limited total household budget, child-related expenses (such as education, medical care) are given higher priority, which will directly squeeze the capital space for real estate investment. Although real estate investment has the potential for long-term value preservation and appreciation, it has the characteristics of large initial investment and poor liquidity, so families with many children are more inclined to postpone or reduce real estate purchases to give priority to short-term capital needs.

Rebalancing of risk and return: In response to the economic pressure brought about by the increase in children, families will seek more stable sources of income and tend to allocate low-risk, high-return assets such as productive assets, thereby reducing their dependence on a single property category and leading to a decrease in the proportion of real estate asset allocation[2].

(2) The specific impact of the child structure on the family's real estate liabilities

Families with many children: Higher debt risk and more fragile financial situation. Families with many children face significantly higher living costs and education expenses, keeping household cash flow strained for a long time. In times of downturn or economic fluctuations in the housing market, households' ability to resist risks is further weakened, and once household income fluctuates, it is more likely to fall into debt difficulties due to inability to repay the mortgage, and even the risk of supply interruption.

One-child families: Relatively low financial pressure and greater financial stability. In contrast, one-child households have less pressure on child-related expenses and have relatively higher household disposable income and savings rates. This allows households to have a greater buffer in real estate investment and debt decision-making, and the stability of mortgage repayments is stronger, so the probability of falling into a debt crisis is also lower.

2.3 The Multidimensional Impact of Parental Dishonesty on Children's Growth

Relevant studies at home and abroad have confirmed that parental dishonesty will affect children's educational opportunities[3], psychological state, social communication, daily life and other aspects have negative impacts[4]. In the scenario of mortgage interruption, no matter how much of the borrower's down payment is, or how much loan is left, the bank will sue the court and eventually confiscate the borrower's house, and even if the borrower has moved in, the house will be auctioned by the bank[6]The

family economy and daily life order have fallen into violent turmoil. However, most of the existing theoretical achievements focus on school-age children, and there is a lack of research on preschool children, and there is a lack of localized analysis in combination with the background of real estate market fluctuations.

3 Research Design

3.1 Study Area and Sample Selection

In this study, a community in Zhucun Street, Zengcheng District, Guangzhou was selected as the research sample. The community is located in the far suburbs of Guangzhou, adjacent to the Science and Education City and has convenient transportation, and is a preferred area for many new citizens to purchase housing that they just need. In the past two years, the phenomenon of mortgage supply interruption in this community has gradually emerged, which has typical research value.

3.2 Data Collection and analysis Methods

This study uses comparative research to analyze the specific impact of parental dishonesty on the growth of preschool children from four dimensions: education, psychology, social interaction, and life.

4 The Current Situation of New Citizens' Family Mortgage Cuts in the Context of the Downturn in the housing Market

4.1 Characteristics of New Citizen Groups in a Community in Zhucun Street

According to the interviewees, there are about 3,500 households in the community, of which more than 40 households have been foreclosed by the court due to mortgage cuts, and the proportion of dishonest households is about 1.14%. The new citizens in the community are mainly post-80s and post-90s families with many children, mainly from Hunan, Hubei, Jiangxi, Guizhou and other provinces, and a small number of local residents, whose occupations are mainly working-class. Most of this group bought houses and applied for mortgage loans from banks during the boom in the local real estate industry, and now due to the downturn in the real estate market, the market value of houses has shrunk significantly, and there has been an insolvency situation where the current value of the property is lower than the principal of the remaining loan.

Interview Cases.

(1) A post-90s male, native of Hunan and Hubei, married and with a child (in kindergarten), working in Guangzhou. After the mortgage was cut off, he used his spare time to work part-time as a takeaway delivery worker, and the problem of dishonesty

had a significant impact on the family's economic situation, the quality of children's companionship, and the emotional relationship of the family.

(2) A post-80s male, a native of New Guangzhou, has two children, and both husband and wife are office workers. After dishonesty, the quality of life of families has declined significantly, and the impact on children is particularly prominent: in the past, families would arrange for their children to travel to enrich their knowledge and cognition; After the dishonesty, the scope of children's activities during the winter and summer vacations is basically limited to the community, home and surrounding parks.

4.2 The Evolution Process of Dishonesty Caused by Mortgage Supply Interruption

Families of new migrant citizens: Squeezed by high housing prices in the central urban area of Guangzhou, new working-class citizens have turned their home purchase goals to the far suburbs of Guangzhou. The income level of such groups is limited and the ability to resist risks is weak, coupled with the downturn in the housing market in recent years, which has led to the shrinkage of assets, and the value of real estate is lower than the outstanding loan amount. When encountering unexpected situations such as income fluctuations or unemployment, the family's ability to repay decreases sharply, gradually evolving from overdue mortgage repayment to complete supply cut, and finally being included in the list of dishonest persons subject to enforcement.

Local residents' families: The core reason why some local residents fall into the predicament of dishonesty is mostly bad habits. Although such groups have real estate resources, they lack risk prevention awareness, and gradually exhaust their family savings and even misappropriate mortgage repayment funds due to bad habits such as gambling, resulting in overdue mortgages, gradually evolving into mortgage supply interruptions, and eventually causing the family economy to collapse.

Although there are differences in the paths of dishonesty between the two groups, they both reflect the weak links in the current mortgage risk management work.

4.3 The Economic and Living Difficulties of Families without Supply

Families with mortgages cut off generally face problems such as asset depletion, relatives and friends have no way to borrow, forced to move, and children transfer schools.

5 The Multi-Dimensional Impact of Mortgage Interruption on the Growth of Preschool Children

5.1 Educational Dimension

Working class parents generally have relatively high educational qualifications and have certain requirements for their children's education and training, but after falling into economic difficulties due to family dishonesty, the development of children's education is subject to multiple restrictions:

Limited access to educational resources: Family economic pressure has forced children to withdraw from kindergartens, early education institutions, and interest classes with higher tuition fees, and the starting point of preschool children's education has been seriously weakened.

Insufficient investment in family education: Parents are under great psychological pressure due to debt problems and lack enough time and energy to accompany their children to carry out early education and enlightenment activities.

Reduced educational expectations: Some parents are forced to abandon long-term education plans for their children due to financial difficulties, which inhibits children's developmental potential to a certain extent.

5.2 Psychological Dimension

Lack of security: Frequent family economic disputes, unstable living conditions, and preschool transfers due to debt problems can cause children to feel anxious and fearful, and even gradually form social barriers.

Self-perception bias: The experience of being isolated by peers due to family dishonesty can easily lead to the formation of low self-esteem and sensitive personality traits, which is not conducive to the establishment of healthy self-awareness.

Weak emotional regulation: Negative emotions from parents are directly transmitted to children, making it difficult for children to establish healthy emotional management patterns. Preschool children are in a critical stage of behavior imitation, and a bad family atmosphere can lead to negative emotional catharsis, which in turn leads to bad behavioral habits.

5.3 Social Dimension

Peer relationship breakdown: The impact of changes in the living environment and family economic pressure causes preschool children to lose their original social circle and it is difficult to quickly establish new peer relationships.

Lag behind in the development of social skills: The lack of a stable social environment and effective family guidance significantly restricts the development of children's core social skills such as cooperation and communication skills.

5.4 Life Dimensions

Deterioration of living environment: Most families move from commercial communities to urban villages or shared houses, and the living area and sanitary conditions have decreased significantly.

Inadequate nutrition and health security: Drastically reduced household budgets have led to a decline in children's diets and forced to reduce spending on health care.

The rules of life are broken: Parents need to work multiple jobs to pay off debts, and children lack stable daily care, and the original rules of life are completely broken.

6 Conclusions and Suggestions

6.1 Research Conclusions

This study finds that in the context of the downturn in the housing market, the dishonesty caused by the mortgage supply interruption of the new citizen group has a systemic negative impact on preschool children. This impact is not only reflected in the deprivation of educational resources, but also in many aspects such as children's psychological state, social interactions, and daily life, and may cause long-term hidden harm to their lifelong development.

6.2 Policy Recommendations

Strengthen financial risk literacy education for new citizens: Through community special training and other means, improve new citizens' cognitive ability of the real estate market and debt risk, and enhance their awareness of household debt risk management.

Establish a special assistance system for children from untrustworthy families: Education, women's federations, and other departments work together to provide special services such as professional psychological counseling, education subsidies, and temporary care for children affected by untrustworthiness.

Improve the housing financial risk relief mechanism: For families with many children in the new citizen group, targeted relief policies such as mortgage extension and interest rate reduction have been launched to reduce the occurrence of mortgage supply interruptions from the source.

6.3 Research Limitations and Future Prospects

This study only takes a single cell as the research sample, and the scope of the study is relatively limited, and the generality of the research conclusions needs to be further verified. In the future, the scope of research can be expanded, and comparative analysis of multiple regions and cities can be carried out to further enrich relevant research results. At the same time, quantitative research methods can be combined to enhance the scientific and persuasive power of research conclusions.

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