Household Asset Holdings: Results from the China Survey of Consumer Finances

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Economic studies on households’ financial asset ownership and allocation have discussed the relationship between asset holdings and socioeconomic variables. The current research on asset ownership has been conducted with data from the country of China utilizing a random sample of 2080 Chinese households collected in 2009. Greater asset levels increased holding of mutual funds, stocks, bonds, certificates of deposit, gold, life insurance, housing savings, and pensions. Greater levels of debt decreased holdings of gold, certificates of deposit, and cash. Age was negatively related to the holding of cash, and positively correlated with holdings of certificates of deposit, mutual funds, bonds, gold, housing savings, pensions, and other assets; with the effect falling for those over the age of 60. Self employed were less likely to own stocks, bonds, housing savings, and pensions; when compared to salary earners. Those not working were less likely to own life insurance, housing savings, and pensions; the latter two being contingent upon employment. Educational level was positively related to the ownership of mutual funds, government bonds, life insurance, housing savings, and pensions, indicating the presence of human capital to reinforce diversification, as well as understanding risk management. In sum, the results fit most models of asset ownership with income, education, employment status, and financial goals having relatively robust results. The continued introduction of financial markets and financial planning to the Chinese population, as markets mature, future analyses are expected to be asymptotic to those found in mature financial markets.

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