

Research on the Asset Allocation Structure of Chinese Residents under the Background of Internet Finance

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Abstract. The rapid development of the Internet has made financial derivatives more abundant, and this will inevitably have an important impact on the structure of residents' wealth. This paper utilizes data science ideas and questionnaire survey methods to study the changes in the structure of Chinese residents' asset allocation in the context of Internet development, and analyzes the changes in the structure of asset allocation of different income groups and the reasons. This paper draws the following conclusions: the changes in the structure of residents' asset allocation are largely caused by the development of the Internet, and the Internet finance born under the development of the Internet provides more convenience for residents' financial management, and the structure of residents' asset allocation will become more diversified with the development of the Internet in the future development. At the same time, the impact of the development of Internet finance on the asset allocation structure of different income and age groups is different.

Keywords: Internet finance; asset allocation structure; diversification; data science.

1. Introduction

With the rapid development of the Internet, people's daily life has been completely inseparable from the Internet and big data, along with the continuous development of economy and the continuous improvement of the living standards of residents, the demand for financial management of residents is increasing, and the structure of the residents' asset allocation is also changing. Nowadays, the financial structure of most residents has changed from the original single savings and cash reserves to the sum of bank savings, financial derivatives investment and cash reserves, in which the amount of investment in financial products has grown in proportion to the development of the Internet. The purpose of studying the change of residents' financial structure under the development of the Internet is to examine whether there is any correlation between the development of the Internet and residents' choice of financial management, and to analyze the influencing factors that lead to the change of residents' asset allocation structure, so as to provide corresponding support for the development of related industries. If we can grasp the intervention and influence of the Internet development on financial management, this new financial model derived from the development of the Internet will not only allow us to obtain a higher rate of return in the future, but also allow us to better avoid the various potential risks due to its incomplete development.

2. Literature Review

There are numerous studies on the investment and financial management of residents. The level of residents' wealth has a significant impact on the structural composition of household financial assets, and the proportion of financial assets grows with the increase of total wealth [1]. Some studies found that there is a strong relationship between household financial investment behavior and risk attitudes [2]. Investors who are confident in the economic situation and have more trust in financial institutions are more willing to make risky investments [3]. Related scholars have analyzed the link between the Internet and residents' financial management to different degrees: investors will be influenced by friends and other groups around them when choosing financial assets, and this phenomenon is especially significant with the flow of information on the Internet [4]. Internet financial products do not need redemption fees, low threshold and more convenient operation, the

return is much higher than the demand savings [5], so more residents choose Internet financial management. Banks have also begun to reduce the threshold of entry to financial management and continue to enrich the financial products because of the strong impact of Internet financial products on the traditional bank's financial management business [6].

It can be said that the issue of investment and financial management under the development of the Internet has become one of the topics with the highest degree of concern at present, and although more related researches have already appeared, the vast majority of them are comparative analyses of the existing and the past status quo to get the problems or defects of the present, while this paper aims to make a macro prediction of the future development of the structure of residents' financial management by comparing the history of changes in the structure of residents' financial management after the development of the Internet, and to improve the control and avoidance of the corresponding risks.

3. Research Methodology

This paper focuses on the use of data science ideas. Data science is an interdisciplinary field that combines statistics, computer science and specialized domain knowledge with the aim of extracting valuable information from data. With the rapid development of big data and artificial intelligence technology, data science has become a key force in promoting enterprise innovation, social progress, and academic research. Data science technology can help us properly process data and assist us in conducting research studies in fields such as biology, social sciences, and anthropology. Similar to the traditional understanding that "knowledge is power", data has become an important power in the era of big data. How to organize, mine and utilize data has become the core competitiveness of modern organizations. The analysis of residents' asset allocation and financial management behaviors needs to be studied precisely through data analysis, as well as the observation of changes and in-depth analysis of the reasons for the changes.

In order to study the changes in the structure of China's residents in the Internet residents' asset allocation at the micro level and to analyze its possible development, this paper uses questionnaire method to obtain related data, and further analyzes and researches the collected sample data. The sample for this questionnaire was 236 in total with complete randomness and distributed in different industries, cities, etc. Through the study of these data, we analyze the changes in the financial structure of residents before and after the development of the Internet, as well as the prediction of future trends.

The questionnaire was placed on QQ, WeChat, Weibo and other platforms through the Internet in March 2021. The data collected through this questionnaire survey is completely random, and it is found that the sample contains most of the occupations in the society and 80% of the income class in the Chinese society, which can to a certain extent respond to the overall situation of the society through the sample. At the same time, for the data collected in this questionnaire survey, this paper guarantees its original authenticity: in the statistics and analysis, all the data are the original data filled in by the respondents, and have not been processed and changed in the later stage, so as to guarantee the authenticity of this questionnaire survey. Finally, after two weeks, a total of 293 questionnaires were returned, of which 236 valid questionnaires were obtained by removing the questionnaires that were not filled out completely and the answers were obviously not true.

4. Results

4.1. High-income groups

According to the questionnaire survey, the sum of bank savings, stocks and funds accounts for about 75% of the total assets of high-income people. The emergence of financial products in the Internet era accounts for a relatively small proportion of the overall assets of the high-income group. The real estate investment of high-income people is mainly property investment. Among the surveyed

people, 18% own 1 set of real estate, 42% own 2 sets of real estate, 24% own 3 sets of real estate, and 16% own more than 4 sets of real estate. Comparing to 10-15 years ago, when the development of Internet was not as popular as today, the main financial structure of the financial assets of high-income people was still composed of savings, stocks and funds, with savings occupying about 50-60%, and stocks and funds adding up to more than 25%, and although there were other investments, the proportion was not large, which shows that the financial structure of high-income people had not been significantly changed before and after the development of Internet.

The convenience of information brought by the development of the Internet, the reduction of transaction costs and the high-yield financial management with high risks will not directly impact on the financial structure of the high-income group. These factors, including information and cost, are not the concerns of this income group in investment and finance, and many financial products formed by Internet finance have high risks along with high returns, so this group of people is not interested in these new financial methods of Internet finance. This also explains why the financial structure of high-income people has not changed much before and after the development of the Internet.

4.2. Middle-income group

Among middle-income earners, bank savings, equities and funds together account for nearly 90% of the total. Compared with the high-income group, the share of bank savings alone is already more than 50%, while the proportion of stocks has declined. Unlike the high-income group where Internet financial products account for less than 1% of the total, for the middle-income group, such products are more like replacing the role of cash as a means of daily monetary circulation because of their own flexibility.

The questionnaire shows that this income group tends to pay more attention to the issue of rate of return when investing money and their investment motives is the expectation of reaping more rewards in this way. In the case of similar rate of return, they are more inclined to high liquidity financial management. Therefore, the development of the Internet has caused the greatest impact on the financial choices of this income group. Whether it is the emergence of various high-yield financial products under Internet finance, the high liquidity brought about by the qualities of the Internet itself and the high-speed flow of information caused by the Internet will have an impact on the investment and financial management of this income group and thus change their choices. Accordingly, the financial structure of this income group will change most obviously.

4.3. Low-income group

For the low-income group, the proportion of funds and stocks has dropped considerably compared with the previous two groups, while the proportion of bank savings has exceeded 60%. Due to the limited income level, low-income people's anti-risk ability is poor, so they will give up those high-risk ways that may bring high returns in the choice of asset allocation and then choose the low-risk financial investment methods, leading to the bank savings have become the choice of most people. With the development of the Internet, Internet financial products have gradually begun to be used by low-income people as a substitute for some of their bank savings and cash by virtue of advantages such as higher-than-bank interest rates after proving their safety.

For this income group, their investment and financial choices are seriously constrained by their own income. Most of these people have greater pressure of life, and their income can only meet the daily living expenses of themselves and their families, and they do not have much money for investment. They also prefer to save money in the bank in order to cope with unexpected situations that may occur in the future. Therefore, this income group is less affected by the development of the Internet. However, the changes in costs and the increase in yields brought about by the development of Internet finance still have an impact on the financial choices of this income group.

5. Summary

Through relevant research and analysis, it is found that with the continuous development of China's Internet industry, the asset allocation structure of China's residents has changed significantly compared with the past: the way of investment and finance management has become more diversified, and the proportion of savings is decreasing. This situation is especially obvious in the youth group which is more deeply influenced by the Internet, when many residents of higher age are still accepting the new opportunities of investment and finance brought by the development of the Internet and trying to change their own investment thinking, the younger generation has already fully adapted to the development of the Internet era to make more "bold" investment decisions, which has led to a more varied financial structure between residents with a greater age difference.

But at the same time, the development of the Internet can not erase the obvious income disparity between residents in China and the different income classes for the various financial investment is obviously different. In the past, low-income people hardly have other financial management methods other than saving, and the financial structure of middle-income people is also relatively single. In the future, as more and more residents have more and more trust in the Internet, the proportion of related investment and financial management will also increase. The choice of financial management often depends on the income situation and the assessment of the risk and return of financial products. In view of the current situation in China, it can be predicted that in the near future, the income of Chinese residents will still be in a rising trend, and the increase in income will directly form the increase in residents' investment in financial management. The continuous development of the Internet in the future will also promote the emergence of different kinds of new financial products, and the yield of these Internet financial products will certainly exceed the traditional bank savings and other ways.

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