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A Study on the Mechanism of Confucian Culture's Influence on Chinese Families' Willingness to Allocate Assets—And the Intermediary Role of Happiness

Yuxiang Sun, Jiaxiao Chao*

Anqing Vocational and Technical College of Anhui Province, Anqing City, Anhui Province, 246000, China
**Corresponding author*

Abstract: *Taking Chinese residents with Confucian cultural concepts as the research object, we construct structural equation models of family hierarchical order, risk preference, marriage intention, fertility intention, happiness, and family asset allocation intention to examine the mechanism of Confucian culture's influence on Chinese residents' family asset allocation intention and explore the mediating role of happiness. The results show that : (1) among the four dimensions of Confucianism, family hierarchical order significantly and negatively affects family asset allocation intention; risk preference, marriage intention, and fertility intention significantly and positively affect family asset allocation intention. (2) Marital intention and fertility intention significantly and positively affect happiness, and family hierarchical order and risk preference significantly and negatively affect happiness. (3) Happiness significantly and positively affects household asset allocation intentions. (4) Happiness is a significant mediating variable of Confucian culture influencing household asset allocation intention. (5) Family hierarchical order significantly and positively affects risk preference; risk preference significantly and positively affects marriage intention; marriage intention significantly and positively affects parenting intention. The study confirms the important role of Confucian culture and clarifies the centrality of happiness in households' willingness to allocate assets, which has implications for enhancing residents' happiness and expanding the market for household asset allocation and improving asset allocation efficiency.*

Keywords: *Confucian culture, family asset allocation willingness, happiness*

1. Introduction

With China's rapid socio-economic development, the average disposable income of each resident continues to grow, and the concept of financial investment is gradually increasing, thus making its demand also increasing. However, the majority of households' financial asset allocation is still dominated by bank savings in low-risk products, and they are unable to diversify their investment portfolio efficiently through the financial markets. Moreover, this phenomenon has not only attracted a large number of scholars to actively explore, but has also become one of the key concerns of the Party and the government in recent years. Therefore, it is necessary to explore the various factors that affect the asset allocation intentions of Chinese households in this paper.

The existing literature focuses on the key influences on household asset allocation from multiple perspectives such as financial literacy, household financial status, household demographics, demographic characteristics, and the size of real estate holdings (Xu & Tan, 2016; Wu, Shen, & Jiang, 2014; Wu & Gao, 2016; Wang & Ai, 2015; Yi, Song, & Wu, 2014). The research shows that these factors have a very important impact on residents' asset investments and can provide important directions for future research and studies. However, there is a paucity of literature that explores it from a cultural perspective. Secondly, there are few studies that examine dual or multiple perspectives. Moreover, happiness, as one of the psychological characteristics of household asset allocation, is bound to have an impact on residents' investment decisions, and not enough research has been conducted to explore it from this perspective.

Based on this, this paper explores the influence of Confucian culture on household asset allocation intentions from a cultural perspective, and selects happiness as a mediating variable. Specifically, the theoretical model of Confucian culture on household asset allocation intentions is constructed using the four dimensions of family hierarchical order, risk preference, willingness to marry and willingness to

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have children as the four dimensions of Confucian culture and one mediating variable. In this way, the theoretical mechanism of Confucian culture's influence on Chinese households' willingness to allocate assets can be analysed, and guidance can be provided to improve the efficiency of asset allocation in practice.

2. Literature Review and Research Hypothesis

2.1 Household asset allocation intentions

With the rising income levels of Chinese residents and the rapid development of capital markets, more and more households are investing in financial assets, and the forms of financial assets are becoming diverse (Zhou, Fan, & Li, 2018). However, as the basic unit of social composition, households not only play an important role in economic activities, but also reflect the current economic situation to a certain extent. Therefore, understanding what factors can influence households' asset allocation intentions is rich in theoretical research and policy practice (Lei & Zhou, 2010). In the case of China, there is a very rich cultural system, with Confucianism being the most representative and influential (Du & Zhan, 2019). At the same time, Confucian culture has shaped the cultural and psychological structure of the Chinese nation and has had a subtle influence on the daily lives of ordinary people (Du & Zhan, 2019; Li, 1992). Therefore, it is particularly important to explore the household asset allocation intentions of residents who have been influenced by Confucian culture. The following section presents a research model of Confucian culture influencing the asset allocation intentions of Chinese households based on a review of the literature.

2.2 Fertility intentions

In recent years, the study of the relationship between family demographics and family asset mix has gradually become a hot issue for scholars (Xiao, 2021). Under the influence of Confucian culture, the fertility views of "bringing up sons to provide for one's old age", "the more children, the more blessing great happiness" and "having children and grandchildren" are deeply rooted in the Chinese mind. On the other hand, the concepts of "Only women and villains are hard to support" and "men are superior to women" " Not only reflect the respect of male status, but also reflect the special significance of male children for the continuation of Chinese families (Pan, Li, & Tang, 2022). Most scholars have discussed the impact of childbearing on family asset allocation in two main aspects. On the one hand, most families in China have the idea of continuing the family genes, and in reality they usually leave more wealth to their children for the purpose of perpetuating family prosperity and improving the quality of life of their children, thus property become the main form of manifestation (Pan, Li, & Tang, 2022; Lan, Du, & Wu, 2018). On the other hand, in order to enhance the future competitiveness of the marriage market faced by families with boys, the purchase of property with a high degree of security has become the main asset allocation behaviour of most households (Feng & Liang, 2015; Xiao & Zhang, 2012). Current studies have confirmed that both the number and gender of children can affect the allocation of household financial assets (Wang, Xu, & Zhang, 2022; Liang & Chen, 2022), and families influenced by Confucian culture have a stronger desire to have children (Chen & Chen, 2019; Xiao, 2022).

Therefore, this paper proposes the hypothesis that:

H1: fertility intentions has a significant positive impact on household asset allocation willingness

2.3 Marital intentions

Marriage is an important part of Confucian social relations, but with economic development and social and cultural progress, the attitudes of contemporary youth towards marriage itself have changed dramatically, with the current phenomenon of a fourth "single aristocracy" emerging in society and a declining trend in the overall willingness of marriageable youth in Chinese society, which will also lead to an inflection point in the way households allocate their assets.

As mentioned above in the concept of fertility, most families choose to allocate property in order to increase their competitiveness in the marriage market. On the other hand, marital capital can indirectly influence the level of competitiveness of individuals in the marriage market, and the concept of "competitive saving" was subsequently introduced, and in the context of the gender imbalance in China, in order to make children more attractive in the marriage market, the "competitive saving" of families has increased significantly (Wei & Zhang, 2021). Existing research has used the natural event of children

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marrying as a treatment variable, and after controlling for individual as well as household characteristics, unmarried households have significantly higher levels of savings relative to married households (Yu & Lian, 2017). However, but its effect on household asset allocation intentions has not been empirically demonstrated. In addition to this, and according to traditional Chinese cultural beliefs, a family must first complete the wedding ceremony and then they can have children, in other words, once a family has been formed, they choose to think about having children.

Therefore, this paper proposes the hypothesis that:

H2: Marital intentions have a significant positive effect on household asset allocation intentions

H3: Marital intention has a significant positive effect on fertility intention

2.4 Risk preference

The Confucian culture of risk avoidance has a profound influence on the people, with “speak and act cautiously”, “the gentleman eats without full, lives without peace, sensitive to things and careful in words” advocates that people should stay away from danger and be cautious in their words and actions. Current empirical research finds that household risk attitudes have a negative impact on both the probability of holding equity assets and the amount of holdings, while they have a significant positive impact on the holdings of commercial insurance assets (Duan & Cui, 2016). On the other hand, households influenced by Confucian culture are stronger awareness of risk avoidance and have a significantly higher ratio of bank savings and property investments (Pan, Li, & Tang, 2022; Du & Zhan, 2019). In addition, marriage creates a range of family risks for women, such as the risk of poverty due to divorce and widowhood and longer life spans that make them more vulnerable to old age risks (Liu & Lu, 2020). At the same time, there is a large number of young people of marriageable age who are afraid of marriage, mainly because of the economic cost of marriage and the uncertainty of future family income and expenditure; the social aspect of family responsibilities, the uncertainty of managing family relationships and marital relationships (Zhu, 2008). In order to avoid such risks, the phenomenon of “late marriage”and “no marriage” is prevalent.

Therefore, this paper proposes the hypothesis that:

H4: risk preference has a significant positive impact on household asset allocation intentions

H5: risk preference has a significant positive impact on **m**arital intentions

2.5 Family hierarchical order

Confucian culture's emphasis on rituals and the strict setting of human relations suited the needs of the ruling class and thus endured, becoming the official ideology of successive dynasties (Du & Zhan, 2019). The Confucian tradition has long regulated the social order with “the three cardinal guides and the five constant virtues” and has shown a strict social hierarchy, “dare not go one step beyond the limit”, requiring everyone to play his or her role well, with absolute obedience to elders and to superiors at home, and with no direct advice or reproach for mistakes made by elders, but only polite advice or patience (Jin, Xu, & Ma, 2017). This system not only profoundly affects the culture and psychological structure of Chinese society, but also increases the general public's pursuit of comfort and complacency, and can significantly block the effective flow of information, thereby reducing the quantity, quality and efficiency of information available to decision-makers and ultimately reducing their level of risk-taking (Jin, Xu, & Ma, 2017; Lu, 2015). For family asset allocation, young people tend to be more easily than their parents to receive and identify effective information, however, this strict hierarchical order severely inhibits the efficient flow of information between generations of the family, and make the family economic decision-making parents cannot timely understand the financial market information, thus acting as a disincentive to invest in risky family financial assets. In addition, Confucian culture has a concept of hierarchical order that can have an impact not only in family ethics, but can also lead to the subtle formation of risk aversion in people's daily lives. In other words, it can to some extent influence people's level of risk aversion, as they perceive the breaking of strict order and status differences as a risk-taking behaviour in itself.

Therefore, this paper proposes the hypothesis that:

H6: family hierarchy order has a significant negative impact on the household asset allocation intentions

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H7: family hierarchy order has a significant positive impact on the risk preference

2.6 Happiness

From the perspective of happiness economics, happiness refers to the subjective feeling that their basic financial needs are met, focusing on a "marginal improvement" of people's life status through comprehensive financial activities (He, 2011). However, happiness satisfaction as a comprehensive perception and attitude towards life is influenced by many factors, and a large number of scholars have explored the mechanism of its role on happiness satisfaction in terms of residents' demographic characteristics, education level, marital status, household demographics, weather conditions, unemployment rate, household debt, cognitive ability, inflation level, and social and political environment (Li, Shi, & Chen, 2011; Zhu & Zhou, 2015; Clark et al.,2005; Mu & Xie, 2014). Studies have found that having children in a Chinese social context increases happiness, and having more children increases their parents' happiness. Using data from the National Longitudinal Survey of Youth in the United States from 1979 to 1992, Mizell and Steelman (2000) found that boys have the strongest positive effect on marital happiness, with no significant effect for girls, and that mothers' happiness is higher when there are more sons (Li, Shi, & Chen, 2011; Zhu & Zhou, 2015; Mizell & Steelman, 2000; Pan & Guo, 2022). On the other hand, this paper argues that risk appetite can hedge against losses arising from risky investments and thus can enhance family happiness. Therefore, this paper believes that the concepts generated by the four Confucian cultures mentioned above can influence happiness, and related empirical studies have found that happiness is an important factor influencing households' investment in risky financial assets (Clark et al., 2005; Chen & Chen, 2019).

Therefore, this paper proposes the hypothesis that:

H8: family hierarchy order significantly and negatively affects happiness

H9: risk preference significantly and negatively affects happiness

H10: marital intentions significantly and positively affects happiness

H11: Fertility intention significantly and positively affects happiness

H12: happiness significantly and positively affects household asset allocation intentions

H13:Happiness plays an intermediary role between the Confucian culture and the household asset allocation intentions

In summary, the theoretical model for the research in this paper is shown in Fig. 1.

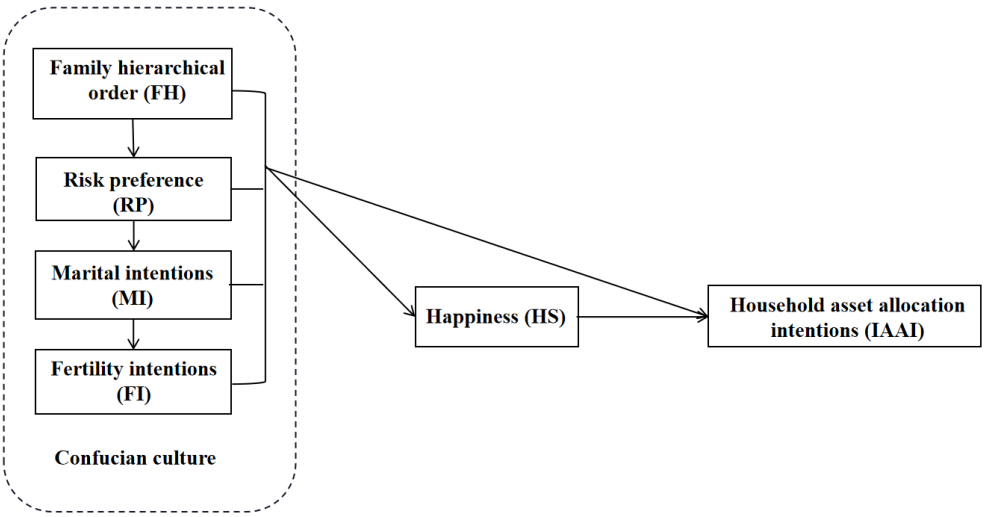

Figure 1: Research theoretical models

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3. Research design

3.1 Questionnaire design

This study divided the questionnaire into two main modules. The first module covers six dimensions: family hierarchical order, risk preference, fertility intention, marriage intention, happiness, and family asset allocation intention, each with three measurement entries, and all the measurement entries of the dimensions (variables) are on a 7-point Likert scale, with the respondents scoring the corresponding numbers from 1-7. During the pre-study period, the applicability of the scale for all six variables has been tested. The second module covers demographic variables, mainly including gender, age and household size, etc.

3.2 Sources of date

Data for this study was obtained by means of a questionnaire and the data collection process was divided into two stages.

The first stage was questionnaire test. 100 questionnaires were randomly distributed through field investigation (Linghu Park, Anqing City, Anhui Province) from February 15 to February 20, 2023. A total of 88 questionnaires were collected, excluding 12 of these invalid samples that did not match the interviewees and had too many missing values. 88 questionnaires were finally collected, with a valid return rate of 88.00%. The scale was then tested for reliability and validity based on the data collected, measurement questions that did not meet the criteria were removed, and the measurement entries were debugged based on questions that arose during the investigation and suggestions provided by respondents. The second stage was the official distribution of the questionnaire. The questionnaire was distributed online through the “Wenjuanxing” platform between 25 February and 16 March 2023. In order to ensure that the respondents had Confucian cultural values and did not have other religious beliefs, questions were set: “What are your reasons for raising children?”, “Are you from a minority ethnic group”, “Do you have other religious beliefs”, and “Do you live in a minority area”. Among them, the question "What are your reasons for raising children?" was based on the 2015 CHFS questionnaire and included the following options: "to maintain marital stability", " raising children for old age", "carry on the family line", "emotional considerations ", " like children" and "and "Other". According to the measurement method of Chen, Chen and He (2019), if the respondents choose any one of “raising children for old age” or “carry on the family line”, they have Confucian cultural concepts, thus performing sample screening. A total of 932 questionnaires were returned, 18 questionnaires with too many missing values and low completion quality were excluded, and 112 questionnaires that did not match the study subjects were excluded, resulting in a valid sample of 802, with a valid return rate of 86.052%.

3.3 Research method

This study was statistically analysed by using SPSS 23.0 and AMOS 22.0 software. Firstly, the reliability and validity of the scales were tested. Secondly, the fit indices of measurement model and path hypothesis were tested. Finally, the Bootstrap method was used to test for mediating effects.

4. Empirical analysis

4.1 Descriptive statistical analysis of the sample

Among the 802 respondents, the proportion of men (49.252%) and women (50.748%) was balanced, 48.504% were aged 18-30, 62.968% were single or had other marital status, and 31.546% had junior college education. Among them, 68.953% of families were in good health, 69.950% were not self-employed in industry or commerce, 60.973% were of registered in rural areas or rural origin and 24.190% had an average annual household income of 50,000 yuan to 70,000 yuan (See table 1).

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Table 1: Descriptive characteristics of the sample

Categories	Options	Frequency	Percentage (%)
Gender	Female	395	49.252%
	Male	407	50.748%
Marriage	Singles and others	505	62.968%
	Married	297	37.032%
Age	18-30 years old	389	48.504%
	31-40 years old	229	28.554%
	41-50 years old	96	11.970%
	51 years and older	88	10.973%
Education level	Junior High School and below	121	15.087%
	Polytechnic school	70	8.728%
	Senior High School	105	13.092%
	Junior college	253	31.546%
	Undergraduate	184	22.943%
	Postgraduate and PHD and above	69	8.603%
Overall family health status	Poor	77	9.601%
	Excellent	249	31.047%
	Good	553	68.953%
Whether the family is self-employed	No	561	69.950%
	Yes	241	30.050%
Type of household registration	Urban residence	313	39.027%
	Rural residence	489	60.973%
Average annual household income	Less than 10,000 yuan	80	9.975%
	10,000 yuan to 30,000 yuan	86	10.723%
	30,000 yuan to 70,000 yuan	185	23.067%
	50,000 yuan to 70,000 yuan	194	24.190%
	70,000 yuan to 100,000 yuan	172	21.446%
	More than 100,000 yuan	85	10.599%

4.2 Scale reliability and validity tests

Table 2: Scale reliability and validity analysis

Latent variables	Measurement index	Unstd	S.E.	Z	P	Std.	Cronbach's α	CR	AVE
Family hierarchical order	FH1	1.000				0.864	0.816	0.828	0.618
	FH2	0.828	0.043	19.226	***	0.674			
	FH3	0.826	0.037	22.567	***	0.808			
Risk preference	RP1	1.000				0.709	0.770	0.773	0.532
	RP2	1.202	0.072	16.715	***	0.722			
	RP3	1.249	0.073	17.137	***	0.757			
Marital intentions	MI1	1.000				0.719	0.787	0.789	0.555
	MI2	0.956	0.053	18.172	***	0.759			
	MI3	1.071	0.059	18.124	***	0.756			
Fertility intentions	FI1	1.000				0.758	0.789	0.789	0.555
	FI2	0.988	0.054	18.268	***	0.732			
	FI3	0.953	0.052	18.489	***	0.745			
Happiness	HS1	1.000				0.806	0.859	0.859	0.670
	HS2	1.038	0.041	25.074	***	0.831			
	HS3	1.072	0.043	24.658	***	0.818			
Household asset allocation intentions	IAAI1	1.000				0.887	0.912	0.912	0.776
	IAAI2	1.003	0.029	34.438	***	0.881			
	IAAI3	1.002	0.030	33.922	***	0.874			

This paper uses confirmatory factor analysis to test the reliability and validity of the scales. The reliability was tested using the Composite Reliability (CR) and Cronbach's coefficient, and the results showed that the Cronbach's coefficient and CR values for each variable were greater than the minimum critical value of 0.7, indicating good reliability of the internal consistency of the scale in this study.

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Secondly, this paper used the Factor Loading and the Average Variance Extracted (AVE) to test for Convergent Validity. The results showed that the standardised loadings coefficients were all greater than 0.7 and the AVEs were all greater than 0.5 and significant at a statistical level, therefore, the scale Convergent Validity was good (see Tab.2).

Discriminant Validity represents the low correlation or significant difference between the latent characteristic represented by the latent variables and the characteristics of other latent variables. The results show that the square root of each variable AVE is greater than the correlation coefficient between the variables, indicating good discriminant validity between the variables (see Tab.3).

Table 3: Discriminant validity test for latent variables

Latent variables	IAAI	HS	FI	MI	RP	FH
IAAI	**0.881**					
HS	0.659	**0.818**				
FI	0.636	0.503	**0.745**			
MI	0.598	0.349	0.478	**0.745**		
RP	0.203	-0.296	0.143	0.407	**0.730**	
FH	-0.204	-0.365	0.043	0.202	0.387	**0.786**

4.3 Research model fit tests

Model fit is the degree of agreement between the theoretical model and the sample data. The results of this study show that CMID/DF = 1.391, which is between 1 and 3; GFI, AGFI, CFI, TLI are all above 0.900; RMSEA, SRMR are all less than 0.800, indicating that the study model has a good fit (see Tab.4) .

Table 4: Fit indices of measurement and structural model

Fit indicators	Model test values	Reference standards	Conclusion	Standard sources
CMID/DF	1.391	<5.000 Acceptable <3.000 Excellent	Excellent	Malhotra, Lopes, & Veiga , 2014
GFI	0.977	>0.800 Acceptable >0.900 Excellent	Excellent	Bagozzi & Yi, 1988
AGFI	0.968	>0.800 Acceptable >0.900 Excellent	Excellent	Malhotra, Lopes, & Veiga, 2014
CFI	0.993	>0.900 Acceptable >0.950 Excellent	Excellent	Bentler & Bonett, 1980 Hu & Bentler, 1999
TLI	0.992	>0.900 Acceptable >0.950 Excellent	Excellent	Bentler & Bonett, 1980 Hu & Bentler, 1999
RMSEA	0.022	<0.080 Acceptable <0.050 Excellent	Excellent	Browne & Cudeck, 1992; Hu & Bentler, 1999
SRMR	0.025	<0.080 Acceptable <0.050 Excellent	Excellent	Browne & Cudeck, 1992; Hu & Bentler, 1999

4.4 Path hypothesis testing

Table 5: Path relationship test

Hypothesis	Path	Unstd.	S.E.	Z	P	Std.	Test results
H1	FI→IAAI	0.346	0.053	6.468	***	0.263	Support
H2	MI→IAAI	0.280	0.051	5.532	***	0.242	Support
H3	MI→FI	0.416	0.041	10.096	***	0.473	Support
H4	RP→IAA1	0.310	0.049	6.327	***	0.278	Support
H5	RP→MI	0.390	0.045	8.718	***	0.405	Support
H6	FH→IAAI	-0.274	0.045	-6.114	***	-0.209	Support
H7	FH→RP	0.460	0.052	8.852	***	0.391	Support
H8	FH→HS	-0.342	0.043	-7.945	***	-0.306	Support
H9	RP→HS	-0.375	0.045	-8.353	***	-0.394	Support
H10	MI→HS	0.376	0.048	7.799	***	0.380	Support
H11	FI→HS	0.450	0.050	9.041	***	0.400	Support
H12	HS→IAAI	0.521	0.059	8.861	***	0.445	Support

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The results of the path analysis (see Tab.5) show that the standardised path coefficients corresponding to hypotheses 1 to 12 are 0.263, 0.242 ,0.473 ,0.278 ,0.405 ,-0.209 ,0.391 ,-0.306 ,-0.394 ,0.380 ,0.400 ,0.445 respectively, with P-values were all less than 0.05, indicating that all paths passed the significance test and the hypotheses were valid.

4.5 Intermediary effect test

This paper uses the Bootstrap method to analyse the mediating role of happiness between Confucian culture and household asset allocation intentions. The confidence interval is set at 95%, as recommended by Hayes (2009).

The results of the analysis of intermediary effect of Happiness between family hierarchical order and household asset allocation intentions (see Tab.6) show that neither the Bias-Corrected method nor the Percentile method have confidence intervals containing 0 at the 95% confidence level, and therefore the indirect effects are significant; The confidence intervals for both the Bias-Corrected 95% and Percentile 95% methods contain 0, and therefore the direct effects are not significant; The confidence intervals for the Bias-Corrected 95% and Percentile 95% methods do not contain 0, and therefore the total effects are significant. So the happiness is completely intermediary between family hierarchical order and household asset allocation intentions.

Table 6: Intermediary effect of happiness between family hierarchical order and household asset allocation intentions

Path relationship test	Point estimate	Product of coefficient		Bootstrapping			
				Bias-Corrected 95%		Percentile 95%	
		SE	Z	Lower	Upper	Lower	Upper
Indirect effects							
FH→HS→IAAI	-0.325	0.044	-7.386	-0.414	-0.246	-0.413	-0.245
Direct effects							
FH→IAAI	0.056	0.048	1.167	-0.032	0.152	-0.037	0.150
Total effects							
FH→IAAI	-0.269	0.055	-4.891	-0.378	-0.164	-0.385	-0.173

Table 7: Intermediary effect of happiness between risk preference and household asset allocation intentions

Path relationship test	Point estimate	Product of coefficient		Bootstrapping			
				Bias-Corrected 95%		Percentile 95%	
		SE	Z	Lower	Upper	Lower	Upper
Indirect effects							
RP→HS→IAAI	-0.256	0.043	-5.953	-0.339	-0.175	-0.348	-0.18
Direct effects							
RP→IAAI	0.48	0.046	10.435	0.400	0.579	0.401	0.579
Total effects							
RP→IAAI	0.224	0.047	4.766	0.126	0.311	0.125	0.311

Table 8: Intermediary effect of happiness between marital intentions and household asset allocation intentions

Path relationship test	Point estimate	Product of coefficient		Bootstrapping			
				Bias-Corrected 95%		Percentile 95%	
		SE	Z	Lower	Upper	Lower	Upper
Indirect effects							
MI→HS→IAAI	0.209	0.028	7.464	0.156	0.266	0.157	0.267
Direct effects							
MI→IAAI	0.484	0.041	11.805	0.398	0.560	0.399	0.560
Total effects							
MI→IAAI	0.693	0.044	15.750	0.606	0.781	0.605	0.779

Similarly, the results of the analysis of the intermediary effect of happiness between risk preference and household asset allocation intentions showed significant indirect, direct and total effects (see Tab.7); The results of the analysis of the intermediary effect of happiness between marital intentions and household asset allocation intentions showed significant indirect, direct and total effects (see Tab.8); The

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results of the analysis of the intermediary effect of happiness between fertility intentions and household asset allocation intentions showed significant indirect, direct and total effects (see Tab.9)

Table 9: Intermediary effect of happiness between fertility intentions and household asset allocation intentions

Path relationship test	Point estimate	Product of coefficient		Bootstrapping			
				Bias-Corrected 95%		Percentile 95%	
		SE	Z	Lower	Upper	Lower	Upper
Indirect effects							
FI→HS→IAAI	0.304	0.035	8.686	0.238	0.376	0.238	0.376
Direct effects							
FI→IAAI	0.54	0.058	9.310	0.43	0.664	0.43	0.662
Total effects							
FI→IAAI	0.844	0.062	13.613	0.725	0.969	0.729	0.971

5. Conclusion and discussion

5.1 Research conclusions

As the arithmetic results above show, all hypotheses have been verified. At an international symposium on the 2,565th anniversary of the birth of Confucius, but is also an important nourishment for the prosperity of the Chinese nation. It has been argued that culture can have a subtle influence on people's thinking and even economic behaviour, however, Confucianism is the underlying cultural gene that profoundly influences the cognitive preferences and thinking patterns of the Chinese population and sustains the social structure and family in China (Pan, Li, & Tang, 2022; Du & Zhan, 2019; Du & Leng, 2017).

Through the analysis, this study has reached the following conclusions:

(1) Confucian culture can significantly influence household asset allocation intentions. Among the 4 dimensions of Confucianism, family hierarchical order significantly and negatively affects household asset allocation intentions; Risk preferences, marital intentions, and fertility intentions can significantly and positively influence household asset allocation intentions. Confucianism has long been a universally revered moral code and code of conduct, not only as the philosophical thinking of Chinese society, but also as the most profound and important force in values (Du & Leng, 2017; Xu, Li, & Chen, 2020). In particular, the Confucian values such as “the three cardinal guides and the five constant virtues”,“speak and act cautiously”,“the more children, the more blessing great happiness”,“bring up sons to provide for one's old age” can influence the asset allocation intentions and behaviors of Chinese households to some extent (Chen, Chen, & He, 2019; Jin, Xu, & Ma, 2017; Pan, Li, & Tang, 2022; Lan, Du, & Wu, 2018). Studies have found that a strict hierarchy can severely block the efficient flow of information, which reduces their level of risk-taking and acts as a disincentive for households to invest in risky financial assets (Jin, Xu, & Ma, 2017; Pan, Li, & Tang, 2022). In addition, Confucian culture can influence the degree of risk preference, which can lead people to adopt "precautionary savings" to reduce losses from future uncertain events (Ye, Lian, Huang, & Li, 2012; Zhu, Lian, & Huang, 2015; Xu , Li, & Chen, 2020); In addition, the current marriage market uses property ownership and its quality as an indicator of competitiveness, this not only makes the purchase of a home for marriage as a major factor in the financial outlay of families raising children, but also increases the incentive for 'competitive saving' (Wang, Xu, & Zhang, 2022; Wei & Zhang, 2011; Fang & Tian, 2016). Moreover, families with more children also tend to need to replace their homes in better locations, larger areas or purchase a greater number of homes, thus increasing their demand for house purchase significantly (Duan & Cui, 2016). Therefore, this study echoes the view of scholars that Confucian culture is closely associated with household asset allocation intentions.

(2) Confucianism can significantly influence happiness. Among the four dimensions of Confucianism, marital intention and fertility intention significantly and positively influence happiness, and family hierarchical order and risk preference significantly and negatively influence happiness. Li and Fan (2016) argue that fertility has a huge impact on parents' subjective well-being under the influence of traditional attitudes and people's economic activities based on smallholder farming. Early economic theories also suggested that having more children would bring positive feelings of economic security, altruistic feelings, etc., to parents and thus increase happiness (Leibenstein, 1958). On the other hand, the important

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social status of Confucian culture makes us must to pay attention to its influence on other aspects such as social, political, and scholars have identified marital status, social and political environment, etc. as the main factors influencing happiness satisfaction (Du & Zhan, 2019; He, 2011; Pan & Guo, 2022). Some scholars have looked at the effect mechanisms of these factors on satisfaction with happiness, but have not confirmed whether there is a positive or negative effect between these. In addition, Pan and Guo (2022) found that happiness satisfaction was significantly and negatively related to risky asset holdings and participation in stock trading. Thus, this study echoes scholars' arguments that fertility intentions are closely linked to happiness and confirms the authors' hypotheses about the effects of risk preferences, marital intentions and family hierarchical order on happiness.

(3) Happiness can significantly and positively influence household asset allocation intentions. Happiness is a combination of people's satisfaction with their lives and their individual emotions, and will have an impact on people's investment decisions. Pan and Guo (2022) argue that there are no consistent findings on the relationship between happiness and household financial asset allocation in China, but some scholars have explored the mechanisms by which happiness affects household asset allocation behaviour. Existing research has found that the marginal utility of happiness on consumption affects residents' saving and investment decisions (Hu, Bentler, 1999). However, there is no research to confirm whether happiness can significantly affect household asset allocation intentions, either positively or negatively.

(4) The intermediary effect of happiness between Confucian culture and the willingness to allocate household assets was verified. Happiness is fully intermediary between the family hierarchical order and the household asset allocation intentions.

(5) Among the four dimensions of Confucianism, family hierarchical order significantly and positively affects risk preference; risk preference significantly and positively affects marital intention; and marital intention significantly and positively affects fertility intention.

5.2 Theoretical contributions and practical insights

This study has a certain theoretical contribution value. Firstly, the study enriches the research on Confucian culture by focusing on the four core dimensions of family hierarchical order, risk preference, marital and fertility intentions and creating a measurement scale, which initially clarifies the conceptual content and measurement items of the four dimensions, then provides preparatory work for their inclusion in this study. Secondly, this study examines the mechanisms of the four different dimensions of Confucian culture on happiness. Then analyses the effects of the four different dimensions on each other. Finally, this study explores the mechanism of the four dimensions of Confucian culture on household asset allocation intentions through theoretical constructs and empirical tests, verifies the important intermediary role of happiness between the four dimensions of Confucian culture and household asset allocation intentions, and establishes its central position in household asset allocation. This provides a reference for future research and studies on the connotation of household asset allocation intentions and has some value at the theoretical level.

The findings of this paper offer references for improving the well-being index of Chinese residents and for expanding the market for household asset allocation and improving the efficiency of asset allocation. Firstly, this study enriches the connotation of Confucian culture, happiness and household asset allocation intentions, and helps to guide Chinese residents to a comprehensive understanding of the mechanisms at action between the three. Secondly, this paper identifies happiness as a factor influencing households' willingness to allocate assets, and proposes new ideas for enhancing residents' willingness to allocate assets and invest in risky assets. From the household perspective, improving the efficiency of asset allocation and financial behavioural biases can contribute more positively to the goal of achieving common wealth and enhancing people's well-being (Pan & Guo, 2022). Currently in China, with the continuing influence of Confucian culture, the proportion of households with risky assets invested is only about 8%, and for household assets to achieve higher returns, financial risky assets play a very important role in asset allocation. As Du and Zhan (2019) said, modernisation is an inevitable trend in China's social development, and the government should strive to promote the spread and prosperity of industrial and commercial culture and encourage the healthy development of financial markets while preserving traditional culture. The impact of Confucian culture on families is a matter of perception, and if residents have a scientific understanding of it, they will manage risks and make use of them in a rational manner. Therefore, this paper makes the following recommendations: (1) promote the establishment of a correct concept of gender and fertility, promote a balanced gender ratio between men and women, build a new culture of marriage and fertility, and correctly guide property prices; (2) improve the financial market

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development, innovate financial products, enrich financial products for different risk levels, and provide personalized financial services for different family situations. (3) Improve the welfare allowance system. To provide assistance to families with a lower economic level and a larger number of children, thus enhancing the happiness of families.

5.3 Research limitations and outlook

This study uses Structural Equation Modelling (SEM) as a research method to reveal the effect mechanism of the Confucian culture on the household asset allocation intentions, and to a certain extent to fill the lack of research in the area of the influence of culture on household asset allocation intentions, but the study still has some limitations. Firstly, the Chinese household investment market is currently in a phase of rapid development and the results of this study can only reflect localised phenomena in the current financial and social environment. Secondly, although the sample for this study excluded information on people with other religious beliefs and live in autonomous minority communities, there is no complete assurance that this sample data is not influenced by other cultures. In addition, this study focuses on four different dimensions of Confucian culture. However, except these important values, Confucian culture also contains other concepts, and the relationship between these important underlying cultural dimensions and household asset allocation intentions needs to be further investigated and explored.

The investigation in this study was conducted within a fixed period of time and the sample was relatively concentrated. Therefore, the span of time and space of the sample should be expanded in future studies in order to improve the broad applicability of the findings. In addition to Confucian culture, there are many other factors that will have different degrees of influence on the willingness of Chinese households to allocate assets. Therefore, the influence mechanism of other factors should be explored more comprehensively in future research.

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Appendices

Questionnaire on Chinese residents' willingness to allocate household assets

Dear residents:

In order to better understand your willingness to allocate your household assets, we have created this questionnaire and welcome your responses. We ask that you cooperate with us as a resident of China influenced by Confucianism and take approximately 5-7 minutes to complete this questionnaire. This questionnaire is for scientific purposes only and is strictly confidential.

Module 1: Information about yourself, which we ensure will be kept strictly confidential. Please tick the appropriate box.

Q1`	Your gender	1.❑ Female	2.❑ Male				
Q2`	Your age	1.❑ 18-30 years old	2.❑ 31-40 years old	3.❑ 41-50 years old	4.❑ 51 years and older		
Q3`	Your Marital Status	1.❑ Singles and others	2.❑ Married				
Q4`	Your level of education	1.❑ Junior High School and below	2.❑ Polytechnic school	3.❑ Senior High School	4.❑ Junior college	5.❑ Undergraduate	6.❑ Postgraduate and PHD and above
Q5`	What do you think are the reasons for having children?	1.❑ to maintain marital stability	2.❑ raising children for old age	3.❑ carry on the family line	4.❑ emotional considerations	5.❑ like children	6.❑ Other
Q6`	Are you from an ethnic minority	1.❑ Yes	2.❑ No				
Q7`	Do you have other religious beliefs	1.❑ Yes	2.❑ No				
Q8`	Do you live in	1.❑ Yes	2.❑ No				

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	a minority autonomous region?						
Q9`	The overall health of your family	1.❑ Poor	2.❑ Good	3.❑ Excellent			
Q10`	Whether your family is self-employed	1.❑ Yes	2.❑ No				
Q11`	Type of your household registration	1.❑ Urban residence	2.❑ Rural residence				
Q12`	Your average annual household income	1.❑ Less than 10,000 yuan	2.❑ 10,000 yuan to 30,000 yuan	3.❑ 30,000 yuan to 70,000 yuan	4.❑ 50,000 yuan to 70,000 yuan	5.❑ 70,000 yuan to 100,000 yuan	6.❑ More than 100,000 yuan

Module 2: Residents' willingness to allocate household assets

The aim of this module is to measure your willingness to allocate assets to your family. Please refer to the following criteria for scoring:

1=strongly disagree / 2=disagree / 3=slightly disagree / 4=no opinion / 5=slightly agree / 6=agree / 7=strongly agree

Q1	You rarely play slapstick with your children or parents	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q2	You follow your parents' suggestions and ideas every time in your daily life	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q3	You may be in conflict with your parents because of their forceful demands	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q4	If you had a sum of money to allocate to your household assets, you would buy relatively conservative investment products	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q5	If you had a sum of money to allocate to your household assets, you would choose bank savings	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q6	You think it is not sensible to invest in risky assets	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q7	You think getting married will reduce the feeling of loneliness in your life	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q8	You think getting married will give you a sense of belonging	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q9	You agree that getting married has some positive effects	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q10	You think having children can bring more joy to the family	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q11	You think the benefits of having children outweigh the costs	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q12	You think having children will not affect your career development	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q13	You enjoy your life status very much at the moment	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q14	You think your life is rich and colorful now	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q15	You think you are very happy at the moment	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q16	You will be allocating your household assets in the future	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q17	You think household asset allocation can increase asset value	1❑	2❑	3❑	4❑	5❑	6❑	7❑
Q18	You think household asset allocation can improve quality of life	1❑	2❑	3❑	4❑	5❑	6❑	7❑