

Digital Finance and Household Financial Asset Allocation: An Empirical Study Based on CHFS Data

Zixu Qiao

*School of Economics, Beijing Technology and Business University, Beijing, China
2558958479@qq.com*

Abstract: In the current developmental context, the world is entering an era of digitization and informatization, and digital finance is rapidly developing in China. This paper uses data from the 2019 China Household Finance Survey (CHFS) to empirically examine the impact of digital finance on household financial asset allocation. The findings reveal that the development of digital finance significantly increases the likelihood of household participation in financial markets. Further analysis of the mechanisms indicates that digital finance enhances household financial literacy, thereby raising the probability of their engagement in financial markets. This effect is particularly pronounced among rural households and low-income families.

Keywords: Digital finance, household financial asset allocation, financial market participation, financial literacy

1. Introduction

In November 2024, the People’s Bank of China and six other major departments jointly issued the Action Plan for Promoting High-Quality Development of Digital Finance. The Action Plan outlines a series of initiatives for digital finance, aiming to enhance the quality and effectiveness of financial services across five key dimensions by leveraging digital technology, thereby advancing the high-quality development of the digital economy and accelerating the construction of a financially strong nation. Within the context of China’s new “dual circulation” development strategy, the advancement of digital finance can optimize the structure and efficiency of household financial asset allocation, making it a vital tool for promoting dual circulation [1]. Existing literature identifies digital finance as a new form of inclusive finance that supplements traditional financial systems and offers new possibilities for household activities [2]. Yin Zhichao and others argue that Chinese households maintain a relatively high savings rate compared to their international counterparts [3]. Against the backdrop of “Digital China,” numerous scholars have actively studied digital finance and household financial asset allocation, making these topics increasingly prominent in academic research.

This study focuses on the impact of digital finance development on household financial asset allocation. It further explores how the development of digital finance, by enhancing household financial literacy—namely improving residents’ financial knowledge, investment capabilities, and confidence—affects their participation in financial asset allocation. The empirical results show that digital finance development significantly increases both the probability of household participation in risk-free financial markets and in risky financial markets. Moreover, this effect is more substantial for rural and low-income households compared to their urban and high-income counterparts.

This paper contributes to the existing literature in the following ways: First, most existing studies measure digital finance using the Peking University Digital Inclusive Finance Index to reflect the level of digital finance development across prefecture-level cities in China. However, few studies examine digital finance from a micro-level perspective using CHFS data. This paper expands the scope of digital finance research by incorporating a micro-level analysis. Second, while current literature mainly investigates digital finance or household financial assets separately, few studies integrate the two. This research bridges that gap, offering new insights into household finance and providing practical implications for China. Studying digital finance helps policymakers more comprehensively understand the importance of promoting financial literacy and improving household financial decision-making, offering a fresh perspective for optimizing the allocation of household financial resources. Third, the findings help to deepen our understanding of the relationship between digital finance and household financial asset allocation, thereby enriching the existing body of research in this field.

2. Literature review

A large body of existing literature has examined either digital finance or the determinants of household financial asset allocation separately. For instance, the development of digital finance has been shown to improve relative household income levels, thereby reducing vulnerability [2]. It also promotes the effectiveness of household financial portfolios by narrowing the digital divide [4].

Scholars have primarily investigated household financial asset allocation from various perspectives. At the macro level, studies focus on factors such as economic development, urbanization, and social progress. At the individual level, research often considers characteristics such as gender, age, educational background, marital status, and health. From the household perspective, factors include household size, structure, decision-making processes, income, debt, and assets. Others examine the influence of digitalization, digital literacy, and financial knowledge on household financial asset allocation.

For example, studies have found that households with more assets are more inclined to participate in financial markets, and their financial asset structures tend to be more optimized [5]. Empirical evidence in related literature suggests that income is a key determinant of household financial asset allocation: as income increases, the amount of financial assets grows, and the composition of financial assets becomes more diversified. An Qiangsheng and Bai Lu found that digital inclusive finance encourages households to participate more actively in financial markets and helps optimize the structure of their financial asset allocation [1]. Li Rui et al. showed that higher levels of digital literacy are associated with a greater proportion and variety of risky financial assets in household portfolios [6]. Jiang Tao and others theoretically derived the types of household asset allocation portfolios and their corresponding consumption behaviors [7]. Households with higher financial literacy tend to participate more actively in financial markets in pursuit of greater economic returns. High financial literacy implies a stronger ability to identify and assess risk, enabling more appropriate household financial asset allocation [8].

However, relatively few studies have approached this issue from the perspective of household finance to explore the impact of digital finance on household asset allocation. This paper addresses that gap by using CHFS data to define the level of digital finance development and further investigates its impact on household financial asset allocation. Specifically, it examines the role of digital finance in influencing household participation in both risk-free and risky financial markets, and conducts heterogeneity analysis based on urban-rural status and household income levels.

3. Data, variables, and model

3.1. Data

The micro-level data used in this study come from the China Household Finance Survey (CHFS), a biennial nationwide survey that collects comprehensive information on household demographics and characteristics, including income, assets, liabilities, and entrepreneurial activities. The CHFS sample aligns well with national census data from the National Bureau of Statistics in terms of age structure, gender distribution, and other demographic variables, making it highly representative of the Chinese population. This paper uses data from the 2019 CHFS to empirically examine the impact of digital finance on household financial asset allocation. In 2019, a total of 34,643 households participated in the survey. Following data processing procedures referenced in related literature, this study excludes households where the head is under 16 years old to eliminate those lacking independent decision-making or employment capability. Additionally, observations with missing values for key control variables are removed. After data cleaning, a final sample of 22,288 households is obtained for analysis.

3.2. Variable definitions

3.2.1. Digital finance

In this paper, mobile payment is used as a proxy for digital finance. Following the 2019 CHFS questionnaire design, households that have opened a third-party payment account (such as Alipay or WeChat Pay) are assigned a value of 1; otherwise, the value is 0 [3].

3.2.2. Household financial asset allocation

Household financial asset allocation is defined based on whether the household participates in financial markets [6]. This study primarily examines household participation in financial markets, including both risky and risk-free asset categories.

Households that hold any of the following are classified as participants in risky financial markets: stocks, mutual funds, wealth management products, bonds, derivatives, non-RMB assets, precious metals, other financial assets, or outstanding personal loans. Participation is coded as 1; otherwise, 0 [9]. Households that hold current or fixed-term deposits are classified as participants in risk-free financial markets. Again, participation is coded as 1; otherwise, 0. If a household holds either risky or risk-free assets, it is deemed to be participating in financial markets and is assigned a value of 1; otherwise, 0.

3.2.3. Other variables

Based on previous literature, this study includes control variables at both the individual and household levels. At the individual level, the following characteristics of the household head are controlled for: gender, age, marital status, years of education, household registration type (hukou), and health status. At the household level, control variables include: household size, proportion of elderly members, risk attitude, total household assets, annual household income, and household debt.

3.3. Empirical model

To further examine the relationship between digital finance and household financial asset allocation, this study constructs a regression model while controlling for other variables. The empirical model is specified as follows:

$$fin_par_{it} = \alpha + \beta dfin_{it} + X_{it}\gamma + C_i + \mu_{it} \tag{1}$$

Where: fin_par_{it} denotes whether household i in period t participates in financial markets. $dfin_{it}$ indicates whether household i uses digital finance in period t . X_{it} represents a vector of control variables. C_i refers to time-invariant unobserved household-specific effects. μ_{it} is the error term. If β is significantly positive, it suggests that digital finance significantly increases the likelihood of household participation in financial markets.

To further explore the effect of digital finance on household participation in risk-free and risky financial markets, the following models are specified:

$$nonrisk_asset_{it} = \alpha + \beta dfin_{it} + X_{it}\gamma + C_i + \mu_{it} \tag{2}$$

$$risk_asset_{it} = \alpha + \beta dfin_{it} + X_{it}\gamma + C_i + \mu_{it} \tag{3}$$

Where: $nonrisk_asset_{it}$ indicates whether household i in period t participates in risk-free financial markets. $risk_asset_{it}$ indicates whether household i in period t participates in risky financial markets.

Table 1 presents descriptive statistics of the main variables. Among all sampled households, 53.9% engage in digital finance, and 85.8% hold financial assets. Specifically, 82.2% of households participate in risk-free financial markets, while 58.6% participate in risky financial markets. The average age of household heads is approximately 55 years old, and 85.9% are married. Most have completed the nine-year compulsory education program. Additionally, 63.3% of households have a rural household registration (*hukou*), and 40.8% of household heads report being in good health. Most households display risk-averse behavior. The average household size is about 3.14 members. Most families carry some form of debt, indicating that the sample is broadly representative of the national population.

Table 1: Descriptive statistics of key variables

Variable	Obs	Mean	Std. Dev.	Min	Max
Digital Finance	22,288	0.539	0.498	0	1
Participation in Financial Market	22,288	0.858	0.349	0	1
Participation in Risk-Free Market	22,288	0.822	0.383	0	1
Participation in Risky Market	22,288	0.586	0.493	0	1
Household Head: Male	22,288	0.773	0.419	0	1
Household Head Age	22,288	55.040	13.411	18	96
Household Head Married	22,288	0.859	0.348	0	1
Education (Years)	22,288	9.338	4.039	0	22
Head of Household Rural	22,288	0.633	0.482	0	1
Health Status	22,288	0.408	0.492	0	1
Risk Aversion	22,288	0.786	0.410	0	1
Household Size	22,288	3.140	1.527	1	15
Elderly Ratio	22,288	0.324	0.405	0	1
Household Debt	22,288	0.818	0.386	0	1
ln(Total Household Assets)	22,288	12.737	1.650	0	20.414
ln(Annual Household Income)	22,288	10.582	1.520	-1.894	16.311

4. Empirical results

4.1. Baseline regression analysis

Table 2 empirically tests the impact of household use of digital finance on participation in financial markets using Models (1), (2), and (3). Columns (1), (2), and (3) respectively employ OLS estimation methods to examine the effects on household participation in the overall financial market, the risk-free financial market, and the risky financial market. In each regression, households that do not use digital finance serve as the reference group, and both household head and family characteristics are controlled for.

The regression results indicate that digital finance has a significant positive effect on household participation in financial markets. Further analysis reveals that it positively influences both participation in risk-free and risky financial markets. In Column (1), the estimated coefficient of digital finance is 0.227 and is statistically significant at the 1% level, indicating that households using digital finance are 22.7% more likely to participate in financial markets compared to those that do not. Similarly, the probabilities of participating in risk-free and risky financial markets increase by 16.0% and 87.1%, respectively. These findings are consistent with the research of Yin Zhichao et al., which suggest that an increase in digital finance usage reduces the household savings rate and encourages greater participation in financial markets. Since returns from financial markets are a key determinant of household wealth, increased use of digital finance enables households to access more financial income, thereby offering more opportunities to enhance and diversify total household income.

4.2. Robustness analysis

To verify the robustness of the empirical results, the explained variable "household financial asset allocation" was redefined as the number of types of financial assets held by the household.

As shown in Column (4) of Table 2, after redefining the dependent variable, digital finance still exhibits a significantly positive relationship with household financial asset allocation, indicating that digital finance significantly enhances asset diversification. The estimated coefficient of digital finance in Column (4) is 1.103, which is significant at the 1% level. These findings confirm the robustness of the baseline regression results.

Table 2: Baseline regression and robustness test

	(1) OLS	(2) OLS	(3) OLS	(4) OLS
	Participation in Financial Market	Participation in Risk-Free Market	Participation in Risky Market	Types of Financial Assets Held
Digital Finance	0.227*** (0.005)	0.160*** (0.006)	0.871*** (0.004)	1.103*** (0.007)
Household Head: Male	0.017*** (0.005)	0.017*** (0.006)	0.000 (0.004)	-0.007 (0.009)
Household Head Age	-0.001*** (0.000)	-0.002*** (0.000)	-0.000 (0.000)	-0.002*** (0.000)
Household Head Married	0.011 (0.007)	0.012 (0.008)	0.007 (0.004)	-0.007 (0.010)
	0.004***	0.005***	0.002***	0.009***

Table 2: (continued)

Education (Years)	(0.001)	(0.001)	(0.000)	(0.001)
Head of Household	-0.030***	-0.036***	-0.009***	-0.036***
Rural	(0.005)	(0.005)	(0.003)	(0.008)
Health Status	0.003 (0.004)	0.007 (0.005)	0.005* (0.003)	0.012* (0.007)
Household Size	0.001 (0.002)	-0.000 (0.002)	-0.004*** (0.001)	-0.027*** (0.002)
Elderly Ratio	-0.020** (0.009)	-0.003 (0.009)	0.006 (0.006)	0.045*** (0.011)
Risk Aversion	-0.005 (0.004)	-0.021*** (0.005)	-0.008** (0.003)	-0.142*** (0.010)
ln(Household Assets)	0.032*** (0.002)	0.038*** (0.002)	0.017*** (0.001)	0.062*** (0.002)
ln(Household Income)	0.017*** (0.002)	0.022*** (0.002)	0.007*** (0.001)	0.032*** (0.002)
Household Debt	-0.024*** (0.006)	-0.032*** (0.006)	-0.009** (0.004)	0.015 (0.010)
Constant	0.541*** (0.044)	0.528*** (0.083)	0.054** (0.023)	-1.838*** (0.293)
Year Fixed Effects	Controlled	Controlled	Controlled	Controlled
Observations	22,288	22,288	22,288	22,288
R-squared	0.236	0.174	0.831	0.643

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Note: *, **, and *** denote significance at the 10%, 5%, and 1% levels, respectively. Robust standard errors are reported in parentheses. The same applies hereinafter.

4.3. Heterogeneity analysis

This study constructs interaction terms between digital finance and rural households, as well as between digital finance and low-income households, to examine the heterogeneous effects of digital finance on household participation in financial markets across urban-rural and income-level groups. The estimation results are presented in Tables 3 and 4.

Due to the imbalance in urban and rural economic development and the significant disparities in financial development, household investment decisions and behavior are also affected accordingly [1]. The empirical results in columns (1)– (3) of Table 3 show that the interaction terms between digital finance and rural households are all positively significant at the 1% level for household participation in financial markets, risk-free financial markets, and risky financial markets. This indicates that, compared to urban households, the positive effect of digital finance on financial market participation is more pronounced for rural households—enhancing their likelihood to participate in both risk-free and risky financial markets.

Table 3: Interaction between digital finance and urban-rural residency

	(1)	(2)	(3)
	OLS	OLS	OLS
	Participation in Financial Market	Participation in Risk-Free Market	Participation in Risky Market
Digital Finance × Rural	0.155*** (0.009)	0.128*** (0.010)	0.080*** (0.007)
Digital Finance	0.124*** (0.008)	0.075*** (0.009)	0.818*** (0.007)
Household Head: Male	0.016*** (0.005)	0.017*** (0.006)	-0.000 (0.004)
Household Head Age	-0.001*** (0.000)	-0.002*** (0.000)	-0.000 (0.000)
Household Head Married	0.015** (0.007)	0.016* (0.008)	0.009** (0.004)
Education (Years)	0.004*** (0.001)	0.005*** (0.001)	0.002*** (0.000)
Head of Household Rural	-0.124*** (0.010)	-0.114*** (0.010)	-0.058*** (0.007)
Health Status	0.004 (0.004)	0.008* (0.005)	0.006** (0.003)
Household Size	-0.001 (0.002)	-0.002 (0.002)	-0.005*** (0.001)
Elderly Ratio	-0.027*** (0.009)	-0.009 (0.010)	0.002 (0.006)
Risk Aversion	-0.009** (0.004)	-0.024*** (0.005)	-0.010*** (0.003)
ln(Household Assets)	0.031*** (0.002)	0.038*** (0.002)	0.017*** (0.001)
ln(Household Income)	0.015*** (0.002)	0.021*** (0.002)	0.006*** (0.001)
Household Debt	-0.014** (0.006)	-0.024*** (0.006)	-0.004 (0.004)
Constant	0.529*** (0.041)	0.518*** (0.083)	0.048** (0.024)
Year Fixed Effects	Controlled	Controlled	Controlled
Observations	22,288	22,288	22,288
R-squared	0.246	0.180	0.833

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

High-income households typically possess more resources and enjoy easier access to financial services, thereby enabling more effective support for the real economy. As a result, the impact of digital finance is more pronounced for this segment of the population [2]. The development of digital finance is thus expected to exert differentiated effects on the allocation of financial assets between high- and low-income households.

Table 4 reports the empirical results. The interaction terms between digital finance and low-income households are all positive and statistically significant at the 1% level across the three dimensions: overall financial market participation, participation in risk-free financial markets, and participation in risky financial markets. These findings suggest that, compared to high-income households, digital finance exerts a stronger positive effect on low-income households—enhancing their engagement in financial markets, risk-free financial markets, and risky financial markets.

Table 4: Interaction between digital finance and household income levels

	(1) OLS Participation in Financial Market	(2) OLS Participation in Risk- Free Market	(3) OLS Participation in Risky Market
Digital Finance × Rural	0.094*** (0.004)	0.063*** (0.005)	0.044*** (0.002)
Digital Finance	0.158*** (0.006)	0.114*** (0.007)	0.839*** (0.005)
Household Head: Male	0.017*** (0.005)	0.018*** (0.006)	0.000 (0.004)
Household Head Age	-0.001*** (0.000)	-0.002*** (0.000)	-0.000 (0.000)
Household Head Married	0.012* (0.007)	0.013 (0.008)	0.008* (0.004)
Education (Years)	0.005*** (0.001)	0.006*** (0.001)	0.002*** (0.000)
Head of Household Rural	-0.032*** (0.005)	-0.037*** (0.005)	-0.010*** (0.003)
Health Status	0.005 (0.004)	0.008* (0.005)	0.006** (0.003)
Household Size	0.002 (0.002)	0.000 (0.002)	-0.004*** (0.001)
Elderly Ratio	-0.015* (0.009)	0.001 (0.009)	0.008 (0.006)
Risk Aversion	-0.011*** (0.004)	-0.025*** (0.005)	-0.010*** (0.003)
ln(Household Assets)	0.035*** (0.002)	0.040*** (0.002)	0.018*** (0.001)
ln(Household Income)	0.025*** (0.002)	0.028*** (0.002)	0.011*** (0.001)
Household Debt	-0.024*** (0.006)	-0.032*** (0.006)	-0.009** (0.004)
Constant	0.322*** (0.045)	0.382*** (0.084)	-0.048* (0.025)
Year Fixed Effects	Controlled	Controlled	Controlled
Observations	22,288	22,288	22,288
R-squared	0.243	0.177	0.832

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

5. Mechanism analysis

Financial literacy plays a crucial role in the allocation of household financial assets. With sufficient financial knowledge, households are more likely to weigh risks and returns effectively and make optimal investment decisions. The higher the level of financial literacy, the more efficiently households can allocate their financial assets [10]. This paper argues that digital finance can influence household financial asset allocation by enhancing residents' financial literacy.

There are diverse interpretations of the concept of financial literacy. A widely adopted definition is provided by the U.S. President's Advisory Council on Financial Literacy (PACFL) in 2008, which defines financial literacy as the knowledge and skills necessary to manage financial resources effectively for a lifetime of financial well-being.

Currently, two primary approaches are used to measure financial literacy: the objective approach and the subjective approach. The objective approach typically evaluates respondents' performance on specific financial questions or tests, while the subjective approach relies on self-assessments of financial knowledge or perceived understanding of fundamental financial concepts. To ensure the reliability and robustness of the results, this study adopts the objective measurement approach. Following the methodology of Yin Zhichao and Song Quanyun, this paper uses data from the 2019 China Household Finance Survey (CHFS) to assess respondents' financial literacy based on the number of correct answers to financial knowledge questions. A higher number of correct answers indicates a higher level of financial literacy. Objective financial literacy typically reflects a household's financial capability, which includes the ability to calculate interest, understand inflation, and comprehend investment diversification. Based on the CHFS questionnaire, we construct a measure of financial literacy using responses to three key questions on interest calculation, understanding of inflation, and awareness of investment risk. An empirical analysis is then conducted to verify the proposed mechanism.

This paper empirically tests the impact of digital finance on financial literacy. Table 5 presents the regression results for the effect of digital finance on financial literacy. The estimated coefficient of household engagement with digital finance on financial literacy is 0.018 and statistically significant at the 1% level, indicating that the development of digital finance significantly improves household financial literacy.

Table 5: The impact of digital finance on financial literacy

	(1) OLS Financial Literacy
Digital Finance	0.018*** (0.004)
Household Head: Male	0.004 (0.004)
Household Head Age	-0.000 (0.000)
Household Head Married	-0.012** (0.005)
Education (Years)	0.004*** (0.001)
Head of Household Rural	-0.017*** (0.004)
Health Status	-0.005

Table 5: (continued)

	(0.003)
Household Size	-0.004***
	(0.001)
Elderly Ratio	0.006
	(0.006)
Risk Aversion	-0.054***
	(0.004)
ln(Household Assets)	0.010***
	(0.001)
ln(Household Income)	0.004***
	(0.001)
Household Debt	-0.008*
	(0.004)
Constant	-0.414***
	(0.071)
Year Fixed Effects	Controlled
Observations	5,505
R-squared	0.130

Note: Robust standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1.

The empirical results in Table 6 further validate the mechanism. While the coefficient of financial literacy on general household participation in financial markets is statistically insignificant, its coefficient on household participation in risk-free financial markets is 0.035 and significant at the 10% level. Moreover, the coefficient on household participation in risky financial markets is 0.138, significant at the 1% level. These findings indicate that financial literacy significantly enhances household participation in both risk-free and risky financial markets. This aligns with the findings in existing literature, which suggest that digital finance improves household financial literacy, thereby facilitating greater participation in financial markets [1].

Thus, digital finance enhances financial literacy, which in turn improves household financial asset allocation.

Table 6. The impact of financial literacy on household financial asset allocation

	(1) OLS Participation in Financial Market	(2) OLS Participation in Risk- Free Market	(3) OLS Participation in Risky Market
Financial Literacy	0.007 (0.016)	0.035* (0.021)	0.138*** (0.030)
Household Head:			
Male	-0.004 (0.007)	-0.005 (0.008)	-0.035*** (0.010)
Household Head	-0.003*** (0.000)	-0.003*** (0.000)	-0.007*** (0.000)
Age			
Household Head	-0.010 (0.012)	-0.009 (0.013)	0.001 (0.015)
Married			

Table 6: (continued)

Education (Years)	-0.024*** (0.003)	-0.031*** (0.006)	-0.036*** (0.006)
Head of Household	-0.126*** (0.008)	-0.112*** (0.009)	-0.155*** (0.011)
Rural	0.017** (0.007)	0.019** (0.008)	0.035*** (0.009)
Health Status	0.007** (0.003)	0.006 (0.004)	0.004 (0.004)
Household Size	-0.100*** (0.015)	-0.096*** (0.017)	-0.156*** (0.019)
Elderly Ratio	-0.037*** (0.006)	-0.042*** (0.007)	-0.080*** (0.009)
Risk Aversion	0.036*** (0.003)	0.039*** (0.004)	0.061*** (0.004)
ln(Household Assets)	0.030*** (0.004)	0.033*** (0.004)	0.039*** (0.005)
ln(Household Income)	-0.049*** (0.007)	-0.049*** (0.009)	-0.045*** (0.011)
Household Debt	0.738*** (0.059)	0.775*** (0.113)	0.615*** (0.107)
Constant	Controlled	Controlled	Controlled
Year Fixed Effects	5,505	5,505	5,505
Observations	0.307	0.267	0.425
R-squared			

Note: Robust standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1.

6. Conclusion and policy recommendations

With the continuous development of society, the level of digital finance has steadily improved and undergone rapid expansion. Based on data from the 2019 China Household Finance Survey (CHFS), this paper empirically investigates the impact of digital finance on household financial asset allocation and examines its underlying mechanism. The findings contribute to a deeper understanding of how household financial assets are allocated in the context of digital finance development.

This study finds that digital finance significantly promotes the allocation of financial assets, especially by increasing household participation in both risky and risk-free financial markets and by enhancing the diversity of financial assets held. Mechanism analysis reveals that digital finance improves financial literacy, which in turn increases the likelihood of households participating in financial markets. Furthermore, heterogeneity analysis shows that rural and low-income households are more strongly affected by digital finance in terms of financial asset allocation.

Based on the research findings, this paper proposes the following policy recommendations: In the context of vigorously developing the digital economy, when formulating and promoting policies to encourage household use of digital finance, the government should consider the impact of digital finance on financial literacy. Specific attention should be paid to rural and low-income households, guiding them toward rational asset allocation and providing more options for financial market participation. At the institutional level, it is also necessary to improve the diversity of investment channels. Beyond traditional industrial investments, households should be given more opportunities to invest in financial products, thereby enhancing their property income and overall well-being.

References

- [1] An, Q., & Bai, L. (2022). Digital financial development and household financial asset allocation: An empirical study based on CHFS (2019) survey data. *Economic Issues*, (10), 51–60. <https://doi.org/10.16011/j.cnki.jjw.2022.10.015>
- [2] Zhao, Y., & Wang, X. (2022). Digital finance, household relative income, and vulnerability: A discussion on the impact of the multidimensional "gap." *Financial Research*, (10), 77–97.
- [3] Yin, Z., Wu, Z., & Jiang, J. (2022). The impact of mobile payment on household savings rates in China. *Financial Research*, (09), 57–74.
- [4] Wang, X., Li, X., Song, M., & Ma, X. (2024). Digital finance, the digital divide, and the effectiveness of household financial asset portfolios: An analysis from the perspective of urban-rural differences. *Contemporary Economic Science*, 46(02), 45–58. <https://doi.org/10.20069/j.cnki.DJKX.202402004>
- [5] Wu, W., Zhang, X., & Wu, K. (2019). The impact of financial literacy on household debt behavior: An analysis based on household loan heterogeneity. *Research on Financial Issues*, (05), 57–65. <https://doi.org/10.19654/j.cnki.cjwtyj.2019.05.008>
- [6] Li, R., Chen, P., & Yin, Y. (2024). Digital literacy and household financial asset allocation. *Systems Engineering Theory and Practice*, 1–22. <http://kns.cnki.net/kcms/detail/11.2267.N.20240131.1827.002.html>
- [7] Jiang, T., Dong, B., & Zhang, Y. (2019). Asset allocation and consumption behavior of urban household in China: Theory and evidence. *Financial Research*, (11), 133–152.
- [8] Wu, W., Wu, K., & Zhang, X. (2018). Financial literacy and the effectiveness of household asset portfolios. *International Financial Research*, (05), 66–75. <https://doi.org/10.16475/j.cnki.1006-1029.2018.05.008>
- [9] Yin, Z., Song, Q., & Wu, Y. (2014). Financial knowledge, investment experience, and household asset choices. *Economic Research*, 49(04), 62–75.
- [10] Gao, Z., & Zhang, X. (2023). Digital finance and rural household vulnerability to poverty: A study based on CHFS data. *Journal of Xinjiang University (Philosophy and Social Science Edition)*, 51(01), 1–10. <https://doi.org/10.13568/j.cnki.issn1000-2820.2023.01.001>