

Influence of COVID-19 Epidemic on Family Economic Vulnerability

Difei Lu

*University of International Business and Economics, Beijing, China
Difei.Lu@sas.com*

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Abstract: The COVID-19 epidemic not only limited the consumption space of families, but also indirectly affected their sports consumption mode and motivation through income and other factors. Moreover, this is a complex dynamic process, which needs further analysis from more micro perspectives. In the short term, the COVID-19 has a large short-term impact on China's family economy; In the long run, with the further optimization of China's economic structure, the further strengthening of market regulation capacity, and the rapid introduction of a number of favorable measures by government departments to deal with the epidemic of pneumonia. During the COVID-19 epidemic, a large number of flexible employees were unable to obtain policy support such as free salary payment and layoff protection. They had no security such as vacation salary and health insurance, and received relatively limited social support. During the COVID-19 pandemic, informal workers generally faced health crisis and income reduction, and a large number of informal workers were on the verge of unemployment. The essence of these goals is to gain income and increase family wealth through financial management.

1. Introduction

The sudden COVID-19 at the end of 2019 swept across the world, which had a huge impact on people and social development around the world and completely disrupted people's original pace of life. The COVID-19 epidemic not only limited the consumption space of families, but also indirectly affected their consumption patterns and motivations through income and other factors. Moreover, this is a complex dynamic process, which needs further analysis from more micro perspectives. The COVID-19 not only threatens people's health, but also makes people face financial crisis [1]. The COVID-19 has led to people's "suspension of work and schools", industry's "suspension of business and production", and even millions of people's unemployment. The economic income of some people has been cut off, and the epidemic has brought significant losses to society. Although the impact of the COVID-19 on China's economy is short-term and has not caused long-term impact, the impact on the survival and employment of specific groups cannot be ignored, and the COVID-19 has brought about an impact on the employment of migrant workers that cannot be ignored. In the short term, the COVID-19 has a large short-term impact on China's family economy; In the long run, under the circumstances that China's family economic structure is further optimized, the market adjustment capacity is further strengthened, and the government departments have rapidly issued a number of

favorable measures to deal with the epidemic of pneumonia [2-3].

The changes brought about by the COVID-19 epidemic can be divided into short-term and long-term analysis. In the short term, the amount of household consumption decreased and the choice of consumption type changed. After the impact of the COVID-19, many people began to think about family finance and wealth management, and people began to pay attention to the importance of wealth management in families. In the short term, it has caused a great impact on China's economy and society. Although the COVID-19 has a short-term impact on China's family economy, it will not have a long-term impact, but it has a great impact on the survival and employment of specific groups, among which the employment of migrant workers is more seriously affected by the COVID-19 [4]. In the long run, the COVID-19 has fostered the habit of some families' consumption, changed the residents' family consumption concept, changed the residents' original sports consumption demand, and promoted the reshaping of the family consumption market. The optimal blockade policy needed to be adopted for epidemic prevention was studied. The optimal blockade policy needs to achieve the best balance between the number of deaths caused by the epidemic and the output cost brought by the blockade policy. The strict blockade can reach the best [5-6] after two weeks of family economic vulnerability after the outbreak of the epidemic.

2. Analysis on the current situation of household consumption and financial management under the background of COVID-19 epidemic situation

2.1 Distribution of family payment difficulties during the epidemic period

In a sense, the epidemic situation in COVID-19 is a comprehensive physical examination of family financial security, which has given many families a lesson on family wealth management and made people realize the importance of family wealth management. After the outbreak, 70% of people still choose the way of saving and saving, and their financial management concept is conservative. At the same time, funds, insurance, stocks and bonds are also the financial choices of most people, which shows that people's financial management methods are gradually diversified after the epidemic. It can be seen that the cash stock of many families is not enough, so that they can't bear the negative impact of emergencies. Families neglect long-term planning of wealth and risk prediction management, which is the core point that many families in China tend to ignore, and this is also the important core of wealth management.

Because of the huge difference between private cost and social cost, the social isolation measures implemented by individuals are not optimal. In this case, the best way for society is to focus public policies on the epidemic situation and control it quickly, which will lead to a moderate macroeconomic recession. During the epidemic in COVID-19, a large number of flexible employees were unable to get the policy support such as unpaid wages and redundancy protection, and they did not have the protection such as vacation wages and health insurance, and their social support was relatively limited [7]. Therefore, during the epidemic in COVID-19, informal employees generally faced health crisis and income reduction, and a large number of informal employees were on the verge of unemployment. The essence of these goals is to gain income and increase family wealth through financial management. It should be noted that risk and investment coexist, and we should also pay attention to the risks brought by income while gaining income [8]. The so-called "professional things are left to professional people", professional investment institutions have professional knowledge and skills, and can capture relevant information more quickly, and can effectively formulate a reasonable asset allocation plan to realize the appreciation and preservation of wealth.

2.2 Preference distribution of financial management methods

Asset management is to improve the quality of life of families and the overall income of family assets, but investment management is a double-edged sword. Reasonable geographical accounting increases family income, while blind financial management will increase the economic pressure of families. Countries with a high degree of aging have relatively large fluctuations in their share prices. Taking the cases of each economy as a key variable, we assessed the relationship between the characteristics of specific countries and stock returns, and the sensitivity of specific characteristics of companies to the results of specific national characteristics. We found that there were significant transnational differences in the response of stock prices to the COVID-19, and the stock price fluctuations of companies with the following characteristics were less affected by the COVID-19 [9]. Therefore, people need to establish a correct concept of financial management, correctly understand their own risk tolerance, choose suitable investment methods, and be cautious in investment and financial management.

The reality or expectation of income decline brought about by the COVID-19 epidemic has prompted most residents to readjust their household spending plans and allocate more funds to meet the rigid needs of life; On the other hand, for households with relatively stable income, the outbreak of the COVID-19 epidemic has improved their health care awareness and demand, and increased the amount of funds for sports consumption. From the perspective of the heterogeneity of losses caused by the COVID-19 to different groups, this paper constructs a theoretical model of the joint decision of economic behavior and epidemic expansion to analyze the redistribution effect of epidemic prevention and control, and models the multiple sources of epidemic transmission and how this transmission affects and is affected by economic activity levels. In addition to the support of theoretical knowledge, practice is also very important. Before formal investment, investors can use the investment and financial management software to conduct simulation trading practice, or consult professional investment and financial management planning practitioners for help and guidance. We should be good at summarizing the experience and lessons accumulated in the process of investment as a reference for the next investment behavior.

2.3 Influence of COVID-19 Epidemic on Family Economic Vulnerability

The short-term impact on China's economy can be analyzed from three levels: domestic and international macro-environment, meso-industry and micro-individual. The key to its impact lies in the duration of the epidemic and the countermeasures taken by government departments. Generally speaking, with the continuous expansion of the application field of vulnerability theory, vulnerability research has gradually developed from focusing only on ecological vulnerability or disaster vulnerability to paying more attention to ecological+social+economic vulnerability, and the research scale has gradually deepened from macro to meso and micro, and the research object has also changed from complex human-land system to communities and individuals, especially the research on the living conditions and countermeasures of vulnerable groups has been paid attention to [10]. During the epidemic in COVID-19, although the frequency of family residents' travel decreased, residents were forced to enter the "new life" state of home consumption under the premise that the daily necessities were adequately supplied and the livelihood areas related to water, electricity, oil and gas were well guaranteed, which also fully promoted online consumption. The trend of family online consumption frequency after the epidemic is shown in Figure 1.

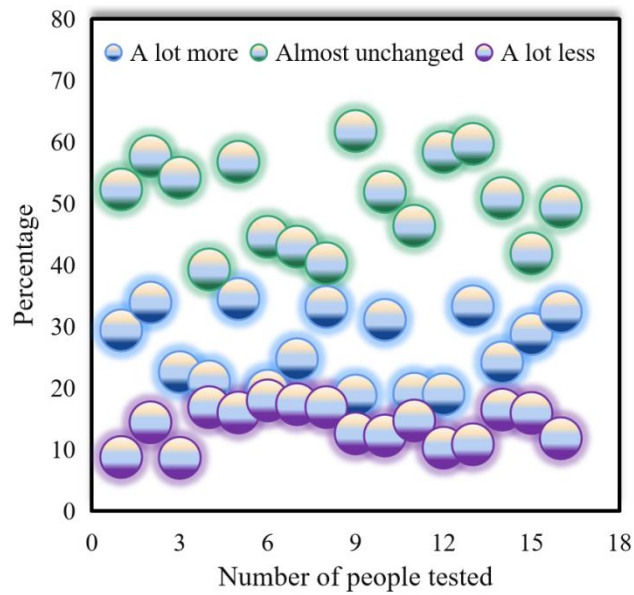


Figure 1 Trend of household online consumption frequency after the epidemic

This change in consumption habits also affects sports consumption. 41.23% of respondents said they would increase the frequency of online consumption, while only 13.45% said they would reduce the frequency of online consumption. The type of risk preference is an important factor that affects a person's investment decision. Secondly, evaluate the self-risk tolerance. After knowing your own risk tolerance, make a decision based on it and refuse to blindly follow the trend of investment to reduce unnecessary economic losses. In order to test the appropriateness between the actual survey data and the theoretical model set, this paper uses confirmatory factor analysis to test the internal convergence validity of each variable, as shown in Table 1. AVE measures the convergence validity of the questionnaire. When the AVE value is greater than 0.5, it indicates that it has good convergence validity.

Table 1 Results of confirmatory factor analysis

Latent variable	Observed variable	Standardized factor load	AVE
Employment willingness	Long-term will	0.613	0.546
Employment environment	More employment opportunities	0.724	0.648
Epidemic factors	It's not safe to go out	0.816	0.623
Family factors	To watch a baby	0.769	0.548

On the demand side, the epidemic has a great impact on consumption. The measures taken to prevent and control the epidemic, such as travel control and closing stores, have changed people's consumption habits of dining, traveling and shopping during the Spring Festival holiday, which has greatly reduced consumption demand; In addition, the epidemic has also brought a great impact on investment, in the case of control upgrading. For different financial management and investment methods, it is also appropriate to use multiple combinations to reduce and disperse risks. Diversified asset allocation is conducive to reducing the uncertainty and negative impact of emergencies, and can effectively manage risks. The concept of consumer vulnerability has two important theoretical sources. One is the concept of vulnerability in disaster science, and the other is the concept of

consumer vulnerability in consumer behavior research. From the perspective of the medium industry, the epidemic has a great impact on catering, tourism, film, transportation and other industries in the tertiary industry. In addition, under the increasingly severe situation of the epidemic, enterprises mainly engaged in import and export trade will also be affected to a greater extent.

3. Countermeasures and suggestions on family financial management

3.1 Establish a correct concept of financial management and invest in financial management carefully

Every family should be aware of the importance of family financial management and have a sense of financial management. Secondly, update financial management behavior, understand and learn diversified financial management methods, and break the traditional financial management concept. At the same time, pay attention to the rational allocation and long-term planning of family assets and raise awareness of risk prevention. The parenting style of the dominant class is often more in line with the standards respected by the dominant public institutions, and their children can easily imitate and master the rules of the game and interactive skills of public institutions in the family field, so as to succeed and realize the transfer of advantages. The impact of the COVID-19 epidemic in the first stage is mainly manifested in the rapid decline and huge fluctuation of the prices of risky assets and commodities caused by uncertainty and market sentiment, the rapid rise of the prices of low-risk assets and the rapid decline of the rate of return, and the rapid emergence of market liquidity shortage. However, there are class differences in the specific categories of prosocial behavior: the dominant class is more inclined to donate a kind of prosocial behavior because of their richer family capital, while the disadvantaged class chooses to help others by volunteering, which shows that students from different classes are contributing in their own ways.

Of course, this mainly considers the overall impact of the COVID-19 epidemic on the operation of family economy. From the micro-economic subject, the impact of the COVID-19 epidemic has great differences for enterprises with different ownership types, different industries, different scales, different export orientation, different labor-intensive degrees, different business models and other heterogeneous characteristics. Not only do you need to learn and understand the meaning, characteristics and usage of different investment and financial management tools, but you also need to know the development trends and information of related industries, and at the same time, you need to have a sense of risk management. Before investing, we should analyze the benefits and risks of different products, choose suitable products or product combinations to invest according to our own risk preference types and risk tolerance, do what we can, manage our finances scientifically and allocate them rationally.

3.2 Improve the regulatory mechanism for third-party financial institutions

The government should strengthen the supervision of the third-party financial institutions, improve the supervision mechanism, severely punish the improper financial institutions, and strictly investigate and crack down on the market chaos to ensure the rights and interests of investors and financial security. The impact of the COVID-19 on China's medium-term macroeconomic operation

3 From the situation of several major outbreaks since the 20th century, the epidemic, as an exogenous shock, generally has relatively little impact on the potential growth rate of the economy. After the epidemic, the economy will show a large recovery growth, but the return on capital of the real economy may be suppressed for a longer period of time. That is to say, the families at the upper level tend to educate their children with warmth, support and encouragement; The lower the bottom of the family, the parents tend to educate their children by criticism, punishment and other negative

behaviors due to the pressure of livelihood and the limitation of personal cultural quality. In general, the potential growth rate and trend of China's economy will not change much, but the further recession of economic globalization and the huge uncertainty of Sino-US relations may have a significant negative impact on the upgrading of industrial structure and the continued improvement of resource allocation efficiency.

With the intensification of social competition and the utilitarian tendency of school education in China, the fear and fear of class decline have forced families, especially middle-class parents, to limit their horizons to the scope of their studies. They try their best to cultivate their next generation with a so-called "meticulous cultivation" model, and try to make their children stand out in the educational arena, to finally realize the consolidation or upward mobility of the stratum. The regulatory authorities should crack down on various violations of laws and regulations, track and maximize the protection of consumers' rights and interests in real time, and promote the healthy development of the industry.

4. Conclusions

Every family should be aware of the importance of family financial management and have a sense of financial management. Secondly, update financial management behavior, understand and learn diversified financial management methods, and break the traditional financial management concept. At the same time, pay attention to the rational allocation and long-term planning of family assets and raise awareness of risk prevention. Many families have only a preliminary understanding of investment and financial management, and have not studied relevant knowledge in depth. They lack relevant financial management experience and cannot understand, collect and master market information. In other words, the more upper-class families are, the more inclined they are to educate their children in a warm, supportive and encouraging way; In the families at the bottom, parents are often forced by the pressure of livelihood and the limitation of personal cultural quality to educate their children by negative behaviors such as criticism and punishment. No matter from superior families or inferior families, "double-first-class" college students participated in the fight against the epidemic in different forms of prosocial behavior, which basically showed the characteristics of "saving money" by the superior class and "practicing" by the inferior class. The lack of financial information will affect the scientific decision-making of family financial management. Investment and financial management should not only have enthusiasm, but also master certain professional financial management knowledge and accumulate investment and financial management experience in order to have corresponding investment and financial management capabilities. At the same time, we actively advocate the warm and encouraging parenting style of parents to their children. Only when individuals have experienced the beauty of being loved can they have the motivation and ability to "love others" continuously and become responsible, responsible and useful people for their families, society and country.

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