

# Investigation on Residents' Financial Literacy in Hei Long Jiang Province under the Background of Rural Revitalization

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## Abstract

The level of residents' financial literacy directly affects their ability to participate in economic activities, make effective financial decisions and prevent and resolve financial risks. Improving the level of residents' financial literacy plays a certain role in promoting economic development. Focusing on the requirements of the 14th five year plan and in combination with the situation of Heilongjiang Province, the questionnaire of financial literacy is designed to meet the actual situation of Heilongjiang residents from the aspects of financial consciousness, financial skills, financial behavior, financial knowledge, financial education and financial attitude. Through the evaluation of residents' financial literacy level, combined with the actual situation of the region, this paper puts forward countermeasures and suggestions to improve residents' financial literacy, so as to comprehensively help deepen the implementation of the Rural Revitalization Strategy.

## Keywords

Rural Vitalization; Heilongjiang Province; Financial Literacy.

## 1. Introduction

In 2019, in <the opinions on priority to the development of agriculture and rural areas and doing a good job in the work of "agriculture, rural areas and farmers">, it was proposed to promote the priority development of rural economy, maintain the harmony and stability of rural society, pay close attention to the main body of new agricultural management, and put increasing the production efficiency and agricultural income of rural residents in a prominent position. In 2020, Government once again emphasize to solving the "three rural" issues as an important work, firmly hold the bottom line of not returning to poverty on a large scale, and deepen the strategy of Rural Revitalization, during the decisive period of the 13th five year plan to comprehensively eradicate poverty. Improving residents' financial literacy can not only effectively improve residents' financial knowledge, financial skills and financial risk awareness, but also have positive significance for the smooth operation of inclusive financial market and even the overall economy. In the past few decades, with financial institutions increasingly competing for market share, most financial markets around the world began to relax the restrictions on financial products, and all kinds of financial products emerged, showing a trend of complexity.

## 2. Research Scheme Design

### 2.1. Survey Object

The respondents of this survey are mainly residents of Heilongjiang Province. In order to meet the representative and random of the sample data, this survey adopts the combination of online and offline research. The combination of quota sampling and convenience sampling is selected

for offline research. Divide areas for investigation and refine the investigation areas according to the administrative counties and districts of Heilongjiang Province. Online survey adopts the way of issuing questionnaires online to collect questionnaires.

## 2.2. Questionnaire Design

Based on the research on the relevant theories of financial literacy at home and abroad, this survey designs a financial literacy questionnaire in line with the actual situation of Heilongjiang residents on the basis of referring to similar questionnaires and literature analysis, combined with the current situation of financial development in Heilongjiang Province. Taking financial awareness, financial skills, financial behavior, financial knowledge, financial education and financial attitude as the primary indicators and the secondary indicators in the fields of financial planning, insurance, savings, cognition and use of financial products, loan common sense, credit management and risk, the evaluation index system of residents' financial literacy in Heilongjiang Province is established.

## 2.3. Index Test

Before the statistical analysis of the questionnaire research, the reliability and validity of the questionnaire are evaluated through pre-survey to determine the reliability and accuracy of the questionnaire results. Cronbac's alpha coefficient was used. The reliability analysis of the pre survey data with SPSS shows  $\alpha = 0.816$ . Relevant studies show that the reliability is high when  $\alpha > 0.6$ . Therefore, the internal stability of the questions in the scale is acceptable and indicating that the internal consistency of the questionnaire is good.

## 3. Construction of Financial Literacy Evaluation System

This paper taking the micro survey data of Heilongjiang residents as the sample selects six dimensions of financial knowledge, financial skills, financial awareness, financial attitude, financial education and financial behavior, a total of 20 variable indicators to build a financial literacy evaluation system.

**Table 1.** Financial literacy evaluation system table

Primary index	Secondary index	Evaluation topic
Financial consciousness	Credit consciousness	Have you seriously considered your solvency before applying for a loan?
	Awareness of prevention	When you withdraw money from the bank or use the bank self-service ATM to enter your password, will you pay attention to blocking your password?
	Insurance consciousness	Do you have insurance for yourself or your family?
	Sense of responsibility	What will you do when you receive counterfeit money?
Financial skills	Legal judgment	When you see the marketing advertisement of financial products or services on your mobile phone or computer, how do you distinguish whether it is legal?
	Self service operation	What would you do if your bank card was swallowed by an automatic teller machine (ATM)?
	Prevent fraud	Can you clearly identify and timely prevent credit fraud?
	risk aversion	Can you avoid the risks in the financial management process?
Financial behavior	Reading clause	When you purchase a financial product or service, do you carefully read the terms of the contract?

	tool using	Do you often use financial instruments such as ant flower, yu'e Bao and Jingdong Baitiao?
	Dispute handling	How would you handle disputes over buying financial products?
	Participation activities	What financial activities have you or your family participated in at present?
Financial knowledge	Interest rate knowledge	Suppose you have 100 yuan now, and the annual interest rate of the bank is 4%. If you deposit this 100 yuan for 5 years, what will you get after 5 years?
	Inflation knowledge	Suppose you have 100 yuan now, the annual interest rate of the bank is 5%, and the inflation rate is 3% every year. What will you buy after you deposit 100 yuan in the bank for one year?
	Insurance knowledge	Buying insurance can reduce risks, so the higher the purchase amount, the better. Do you agree?
	Loan knowledge	If bank a has a serious bad credit record, will it affect the loan processing in bank B?
Financial education	Importance of Education	Do you think education about finance is important?
	knowledge acquisition	If you have the opportunity to learn more about finance, what are you most interested in?
Financial attitude	personal credit	What is your attitude towards "personal credit should be carefully maintained"?
	Consumption cognition	What's your attitude towards "if you have money today, spend it today and talk about things tomorrow"?

#### 4. Research Conclusion

The financial literacy gap is obvious between urban and rural residents in Heilongjiang Province, which is related to the mismatch of regional economic development. The area of Heilongjiang is in the growth period of revitalizing the northeast and has great economic development potential. However, from the general situation of rural residents, the level of education is generally low and there is a lack of highly educated talents. Therefore, the financial literacy of rural residents is low. The per disposable personal income gap is obvious between urban and rural areas, and the lower disposable income of residents will limit the demand for financial management. At present, the lack of financial knowledge and the weak ability to resist financial risks still exist, which has a certain impact on the development of rural economy.

The overall financial literacy level of residents in Heilongjiang Province is relatively low, and there are great differences among dimensions. The overall level of financial literacy is low in rural residents of Heilongjiang Province, which is mainly reflected in the relative lack of financial knowledge of rural residents, especially the high error rate in interest rate calculation and inflation knowledge, and the poor understanding of investment, loan, insurance and risk knowledge. The application ability of financial skills in the actual financial market is not strong, and the investment and financial management cannot be planned reasonably. In terms of financial consciousness, some rural residents can't think rationally about financial decision-making, and some residents have vague financial consciousness. In aspect of financial attitude, the vast majority of residents pay more attention to credit maintenance, but a few people still have a shallow understanding of it. In side of financial education, the level of financial education is generally low in rural residents, which is mainly reflected in the narrow range of financial knowledge and the single way to obtain financial knowledge.

## 5. Research Suggestions

### 5.1. Improve the Financial Literacy Survey Mechanism and Standardize the Content of Financial Literacy Survey

In order to master the level of residents' financial literacy, understand the change of residents' financial literacy, find out residents' financial demand and evaluate the effect of financial education popularization, government departments shall, in combination with the local reality, carry out the investigation of residents' financial literacy level regularly and establish a perfect financial literacy evaluation mechanism. On the one hand, we can timely understand the current situation of residents' financial literacy level in this area, on the other hand, we can find the weak links and exist misunderstandings and blind spots of residents in financial knowledge in time. Through the results of investigation and research, the government's financial education management department can timely adjust the implementation of policies and the category and direction of popularizing financial knowledge, so as to ensure the effectiveness of financial education.

### 5.2. Promote the Construction of Digital Inclusive Financial Service System in Rural Areas

Local government should strengthen cooperation with financial institutions, promote the construction of a diversified and Sustainable Digital inclusive financial service system, and actively guide the establishment of innovative rural small and medium-sized financial institutions to improve rural financial coverage. On the one hand, these measures are conducive to improving rural economic development, on the other hand, they also create a good environment for the improvement of villagers' financial literacy.

### 5.3. Use Various Media for Financial Publicity

The professional financial channels in general television and Internet are difficult for rural residents to understand, so a rural financial column has been specially opened in the financial channel, it is compiled into a popular language play combined with various financial practices that rural residents may encounter in their lives. It is conducive to the improvement of villagers' financial literacy.

### 5.4. Strengthen the Supervision and Standardized Operation of the Internet Financial Market

It is a necessary condition to improve consumers' financial literacy on accelerating the healthy development of financial markets, transparent supervision of financial institutions and reasonable operation. Only a healthy financial market can bring consumers a good financial consumption experience. In this process, information and related knowledge of financial product can be correctly disseminated to consumers, and provide financial consumption skills to high consumer. Nowadays, with the rapid development of internet, a large number of financial information and bank transactions are mostly completed in the form of Internet finance.

Focus on the financial knowledge needs for special groups, then the government provides a certain range of free financial advisory services, which is a supplementary measure to improve the financial literacy of the whole people. Some elderly people and low-income people with low education level that may be due to factors such as relatively poor cognitive ability cannot fully accept or absorb the popularization of financial education in the short term. Therefore, the government should give special help and care to those people who have difficulties in improving their financial literacy and have obstacles in the implementation of self-protection of financial rights and interests.

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