Study on the North-South Difference of Chinese Residents

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Abstract

This paper takes the north and south difference of savings behavior as the research object and starting point, using family micro survey data, follow the idea of data balance, the probit model to study the north and the savings behavior, expanding consumption savings and realize economic growth, explore the savings behavior of China and the mechanism of economic growth.In terms of theoretical analysis, this project discusses the causes of residents' savings behavior based on the geographical difference between north and south, as well as the objective existence, concrete performance and action mechanism, which enriches the theoretical results of family finance research.In terms of empirical analysis, micro measurement analysis method is used to group test families. In the sampling survey, families of each region are selected to ensure the balance of family level. After the empirical analysis according to the data of CHFS, the results were sorted out and screened, and then the conclusions were drawn. Theoretically, this project studies the savings behavior of Chinese residents from the perspective of natural north-south difference, and makes a beneficial attempt to the research method to enrich family finance.In practice, it provides argument support to stimulate consumption and reduce savings in China.

Keywords

Residents; Savings Behavior; North-South Difference; Family Finance.

1. Foreword

In today's society, along with the rapid development of science and technology, China's economic situation is thriving, but in recent years, the economic growth rate has gradually slowed down.China's economic growth rate has dropped from 10.64 percent in 2010 to 6.11 percent in 2019. China's economic development mainly depends on investment, export and consumption, but it is difficult to maintain China's economic growth rate only based on the current investment demand and import-driven model.Therefore, we can drive the development of the domestic economy by changing consumption and stimulating consumption.At the annual financial conference held on November 12,2019, Zhou Xiaochuan, president of China Finance and former governor of the People's Bank of China, said that China's savings rate was 50 percent a decade ago and now 45 percent, still the highest in the world.Why is China's savings rate so high?Can we increase consumption by reducing the national savings rate to boost the domestic economy? How should the government guide household consumption, expand domestic demand to promote economic development? This is the current situation at home and abroad facing the high savings rate. China is a vast territory, embracing all rivers, and having 56 ethnic groups. Different regions have different customs, and the differences in geographical environment will also affect the economy of a region.We cannot generalize the practice of savings in each regions; we also need to give specific opinions according to their characteristics.This paper will discuss the factors affecting the resident savings behavior based on the geographical differences between the north and the south, so that the specific performance and action mechanism are used to enrich and improve the theoretical results of family finance research, and the application prospect is very wide.

2. Literature Review

Foreign scholars first studied savings behavior in Adam Smith's The Wealth of Nations. He pointed out in this book that the source of national wealth accumulation comes from the division of labor and capital accumulation, while capital accumulation mainly comes from savings. Subsequently, In his book, Principles of Political Economy, Malthus put forward the theory of excessive saving, which believed that excessive saving was the root cause of insufficient effective demand, and thus induced the economic crisis, and advocated the freedom of saving.Marshall believes that capital comes from savings and savings, which are the expense of the present pleasure for the future. During the Great Depression from 1929 to 1933, Keynes put forward the famous theory of savings and investment, which is divided into two systems: (1) the masterpiece The Monetary Theory, the price-centered savings and investment theory, that savings and investment are different, the difference is profit. (2) His representative work, The General Theory of Employment, Interest and Money, is the income-centered savings and investment theory, believing that savings and investment are constant, and not savings determines investment, but investment determines savings.

At present, there are many studies on residents 'savings in China. Xu Ao (2020), Chen Shiyu (2019), Zhao Liujie, Ma Zhong (2016), Li Quan and Zhang Xinyu (2015) have all studied how residents' disposable income affects residents 'savings behavior, and it can be found that the positive relationship between residents' disposable income and their savings behavior.Xu Ao (2020) also discussed the level of interest rate and inflation, which provided a decision basis for reducing China's savings level, improving financial channels and improving residents' personal income consumption model on the basis of empirical analysis. Chen Shiyu (2019) mainly use measurement analysis method, found residents savings deposit balance and consumer price index, suggested that the government should constantly improve the income distribution mechanism and social security system, promote the reasonable growth of wages, to ensure the residents' living standards, release consumer demand, reduce savings.Song Liangxiang (2014) mainly studies underdeveloped areas. Taking Qianxinan Prefecture as an example, he made some suggestions on improving the savings level in this region. However, the conclusion drawn by this study is too one-sided to study the savings behavior of Chinese residents, and cannot be generalized based on regional differences.Qin Xueyang (2020) and Li Linyan (2014) are both studied based on the perspective of the life cycle.Based on Li's conclusion, we can judge that the high savings rate in China's household sector will not last.With the rise of the total population dependency ratio, the decline of potential economic growth and the further improvement of marketization, the decline in the marginal savings rate of China's household sector is almost inevitable.Among many studies on the savings behavior of Chinese residents, Li Encheng, CAI Qipeng and Zhou Kaeling (2014) proposed a new perspective- -based on the sex ratio of the Chinese population.In recent years, the imbalance of male and female ratio in China has become more and more serious. The research from this perspective is of great significance to the high savings rate in China. They established a time fixed effect and provincial fixed effect model, considered the gender imbalance and savings behavior among provinces, municipalities and autonomous regions (23 provinces, 4 municipalities, autonomous regions and 5 autonomous regions), and put forward a series of countermeasures and suggestions to alleviate the phenomenon of sex ratio imbalance and high savings.

3. Definition of the North and South Regions

Since ancient times, the division of the north is bounded by qinling-huaihe river, south of Qinhuai region we often say the southern region, latitude about 22 degrees north latitude to north latitude 34 degrees, is the south of the monsoon region in eastern China, north of Qinhuai region we often say north region, latitude about 33 degrees in north latitude 3 to north latitude

53 degrees, south to the huaihe river, north to mohe county. Although the north-south boundary is the Qinhuai line, the climate between the north and south is completely different, which also creates different humanistic customs and behavior preferences. The climate zone of the north and south is different, the southern subtropical tropical monsoon climate, generally high temperature and rainy in summer, mild and dry in winter, and the north is mostly temperate monsoon, hot and rainy in summer, mild and less rain in winter, which also makes the agricultural production and living customs of the two sides different. The cultivated land in the north is dry land, the main crops are wheat and grains, while the south is mainly paddy fields, crops are mainly rice and sugarcane, tea and other subtropical cash crops, the north and south crops are different, leaving a true portrayal of this difference, that is, people often say: "north wheat rice, north horse".

The definition of the north and the south is based on latitude, and another criterion is used to judge: the average annual rainfall of about 800 mm.

First we based on the Chinese family financial research center found the following 29 provinces and cities: Beijing, Tianjin, Hebei, Shanxi, Liaoning, Jilin, Heilongjiang, Ningxia, Shanghai, Jiangsu, Zhejiang, Fujian, Anhui, Jiangxi, Shandong, Henan, Hubei, Hunan, Guangdong, Guangxi, Chongqing, Sichuan, Hainan, Inner Mongolia, Guizhou, Yunnan, shaanxi, Gansu, Qinghai.Among them, five provinces and cities belong to the central region, which are: Jiangsu, Anhui, Henan, Gansu, Shaanxi and Qinghai.Therefore, the results of the north-south division are as follows:

Table 1. Provinces and cities dividing the north and south boundary

south	Shanghai, Fujian, Zhejiang, Guangdong, Guangxi, Chongqing, Jiangxi, Hunan, Hubei, Hainan, Sichuan, Guizhou, Yunnan
north	Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia, Liaoning, Jilin, Heilongjiang, Shandong, Ningxia

Then, we divide it into the precipitation criteria and get the following results:

Table 2. Average annual precipitation of all provinces and cities in the north and south

	province and city	Average annual precipitation / mm
south	Shanghai	1166
	Jiangsu	910
	Zhejiang	1639
	Fujian	1705
	Jiangxi	1778
	Anhui	1487
	Hunan	1335
	Hubei	1137
	Guangdong	1720
	Guangxi	1388
	Hainan	1800
	Chongqing	1361
	Sichuan	952
	Guizhou	1369
	Yunnan	1105
north	Beijing	542
	Tianjin	620

	Hebei	485
	Shanxi	512
	Inner Mongolia	252
	Ningxia	250
	Liaoning	628
	Jilin	700
	the Heilongjiang River	560
	Shandong	667
	Henan	734
	Shaanxi Province	579
	Gansu	300
	Qinghai	415

According to the table above, the average annual precipitation in southern China is more than 800 mm, and the average annual precipitation in northern China is less than 800 mm, which meets the judgment conditions. The following north-south division results are obtained:

Table 3. By north and south of average annual precipitation

south	Shanghai, Zhejiang, Jiangsu, Fujian, Jiangxi, Anhui, Hunan, Hubei, Guangdong, Guangxi, Chongqing, Sichuan, Hainan, Guizhou, Yunnan
north	Shanxi, Inner Mongolia, Ningxia, Beijing, Tianjin, Hebei, Liaoning, Jilin, Heilongjiang, Shandong, Henan, Shaanxi, Gansu and Qinghai

4. Research Design

4.1. Data Source

The data used in this paper are from the Data Collection and Data Research Center, the China Family Finance Survey and Research Center, established in 2010 by Southwestern University of Finance and Economics in 2010.The surveyed sites included 29 provinces (cities), with a total of 363 cities / districts / counties, excluding Xinjiang, Tibet, Hong Kong, Macao and Taiwan.The valid number of copies of the questionnaire survey in this paper was 38,944. After excluding some outliers and missing or abnormal data values, 37,610 observed values were retained.Based on the previous division of the north and south regions, the nine cities in the south are collectively referred to as the south, and the eleven regions in the north are collectively referred to as the north.Based on the knowledge of economic geography, this paper studies the behavior of people from the north and south geographical differences, takes the family as the unit, and divides the north and south regions according to two judgment criteria:

(1) According to the dividing line of Qinling-Huaihe River, that is, according to the latitude;

(2) Divby equal precipitation line of annual rainfall of about 800 mm.

4.2. Variable Description

The variables in this paper are all from the questions options in the questionnaire survey of China Family Finance Survey and Research Center in June 2017. After data deletion and screening, the following questions are selected to ensure sufficient sample size on the premise of the selected variables:

(1) How much was your family's total income last year?

(2) At present, does your family have an outstanding RMB time deposit?Includes a CD.

(3) Father / mother's education level?

(4) What is the political landscape of the father / mother?

(5) Overall, do you feel happy now?

(6) What was your family's total consumption last year?

The main variables of this paper are described below:

1. Time deposit and savings

The main explanatory variable in this paper is whether there are undue time deposit savings to explain whether households in different regions prefer savings.First, select the number of undue time deposits held by households, expressed in s aving.If the number of outstanding CDs held by the household is greater than zero, the s aving is marked as 1, otherwise 0.

2. Latitude

As for latitude, it is the index to depict the division of different regions of natural geography. China's geography distinguishes the northern region from the southern region of the Qinling-Huaihe River line.At present, the earliest known description of this line in China is the New Land Literature published by Zhang Xianwen in 1908, which shows that the Qinling-Huaihe River line has a long history and feasibility to define the north and south.Since the latitude of a province and a city is divided into north and south, to unify the data, we select the southernmost latitude description of the provinces and cities, expressed by l atitude.

3. Precipitation

The precipitation in this paper is the average annual precipitation of a certain region over the years, and divides the north and south by the average annual precipitation line of about 800 mm. It is a natural index and expressed in p recipitation.

4. Control variable

The control variables in this paper are all the questions in the questionnaire survey of 2017, With reference to previous studies, Select the following control variables: Gross family income (R evenue); Total household consumption (C onsumption); Educational level of the parents (Education, No demerit record is 1; Primary school is recorded as 2; Junior high school record as 3; High school record as 4; Technical secondary school / vocational high school for 5; College / higher vocational record is 6; University undergraduate record as 7; Master students are recorded as 8; Doctoral students are recorded as 9); The political landscape of the parents (Politic, The Communist Youth League members are recorded as 1; The CPC members are recorded as 2; The Democratic parties or other parties are recorded as 3; The masses are recorded as 4); Happiness level (Happiness, Very happiness is recorded as 1; Happiness is recorded as 2; Generally unhappy is recorded as 3; Very unhappy as 4)

4.3. Statistical Description of the Main Explained Variables

As can be seen from the above table, after excluding the negative total household income, the average total income of north and south families divided by the two methods, the total income of north and south families by latitude is 100001,83203 and 84555, and that by precipitation is 100138 and 80766. It can be seen that the total income of families in southern south is greater than that of northern families. As for whether there are time deposits in families, the proportion of north and south families by latitude is 16.59%, 20.82% and 17.92%, and 17.56% and 17.17% by precipitation. In both methods, the proportion of households with time savings deposits in the north is greater than that in the south. Therefore, we can conclude that the southern household's total income is higher, but the households have time deposits is lower; the northern household total income is lower, but the households have time savings account is higher, that is, the northerners prefer savings than the southerners.

Table 4. Results of household time deposits

area	Total sample	Mean total household income	There are regular families	A proportion of time deposits
south1	18361	100001	3046	16.59%
north1	12923	83023	2691	20.82%
central section1	6323	84555	1133	17.92%
south2	20974	100138	3682	17.56%
north2	16634	80766	3188	19.17%
Shanghai	1849	145029	576	31.15%
Zhejiang	2209	127905	468	21.19%
Fujian	1660	105876	174	10.48%
Jiangxi	755	73636	115	15.23%
Hubei	1490	87592	238	15.97%
Hunan	1493	75332	239	16.01%
Guangdong	2759	138379	450	16.31%
Guangxi	783	60076	100	12.77%
Hainan	786	84788	68	8.65%
Chongqing	1315	71045	252	19.16%
Sichuan	1629	75174	248	15.22%
Guizhou	672	72178	40	5.95%
Yunnan	949	52862	78	8.22%
Beijing	1311	177954	465	35.47%
Tianjin	1008	107146	353	35.02%
Hebei	1494	68061	343	22.96%
Shanxi	1369	58400	231	16.87%
Nei Monggol	457	65803	30	6.56%
Liaoning	2145	74951	500	23.31%
Jilin	1360	61538	137	10.07%
the Heilongjiang River	1255	66658	137	10.92%
Shandong	2020	78493	419	20.74%
Ningxia	1495	65620	76	5.08%
Jiangsu	1671	119546	477	28.55%
Anhui	940	68327	159	16.91%
Henan	1071	63221	127	11.86%
Gansu	785	71681	97	12.36%
Shaanxi Province	1165	78074	207	17.77%
Qinghai	686	80646	66	9.62%

south*, north*It means dividing the north-south boundary by the first * method.

4.4. Model Construction

Since the main variable of this paper is binary discrete variable, according to the characteristics of discrete variable, Probit model is selected to investigate the relationship between savings preference and latitude and annual precipitation of north and south families. There are two specific expressions:

(1) The explanatory variable is whether the family has undue regular savings, which is divided into north and south by latitude. The main explanatory variable is the average annual

precipitation of each region, and the control variable is the parents' educational level, parental political status, total household income and total household consumption. The specific expressions are as follows:

$$Probit(Y)=\alpha pr+\beta X+\varepsilon \quad (1)$$

Among them, Y represents the explained variable, that is, the existence of undue time savings deposits in the north and south households, pr indicates the main explanatory variable, namely the average annual precipitation in each region, and X is the other control variable that may affect whether the north and south households deposit.If the mean is 0, and the variance is ^{2}Random error term of the normal distribution.

(2) The explained variable is whether the family has undue periodic savings, which is divided into north and south according to the average annual precipitation. The main explanatory variable is the southernmost latitude corresponding to each region. The control variable is just like the model (1)The specific expressions are as follows:

$$Probit(Y)=\alpha la+\beta X+\varepsilon(2)$$

Among them, Y represents the explained variable, that is, the existence of undue time savings deposit in the north and south families, la indicates the main explanatory variable, that is, the southernmost latitude of each region, and X is the other control variable that may affect whether the north and south families have deposits.If the mean is 0, and the variance is ^{2}Random error term of the normal distribution.

5. Empirical Analysis

Care should be taken in explaining the difference in household savings behavior between the north and the South, which is rarely studied by domestic scholars.

Moreover, the model cannot cover all the factors affecting the difference of household savings behavior between north and South families, and it may produce endogenous problems when there are unobservable variables. Therefore, it is necessary to find instrumental variables to solve the problem of model endogeneity.The study found that some personal characteristics of household holders, such as their education level, marital status and gender, will affect a family's savings behavior, resulting in the difference of saving behavior between the north and south.Therefore, the personal characteristics of the household head are considered when choosing the P robit model to address the endogenous problem of household savings behavior variables.Due to the relative lack of question information about some of the individual characteristics of household heads in the 2017 questionnaire, this limited our means to address endogenous issues.At the same time, theoretically speaking, the personal characteristics of the head of the household have little impact on the household savings behavior, and the degree of education of the parents and the happiness of the head are added as the control variables, so this paper assumes that there is no endogenous problem.

(1) Empirical results

Firstly, the effect of average annual precipitation on household savings is obtained according to model (1). The results are shown in the following figure:

Table 5. Return results of the impact of the average annual precipitation on household savings in South and North China

variable	Probit (1) South	marginal utility	Probit (1) North	marginal utility
pr	-0.000202***	-0.0000493	.00037379-0***	-0.0001052
	(0).000		(0).000	
education(mom)	-0.0064755	-0.0015794	0.00122494	0.0003448
	(0).778		(0).962	
education(dad)	-0.06564262***	0.0160101	.063166280***	0.017782
	(0.000)		(0).003	
politic(mom)	-0.0254451	-0.006206	-0.04872559***	-0.0137168
	(0).169		(0).032	
politic(dad)	-0.05931988***	-0.014468	-0.02448916	-0.006894
	(0).001		(0).280	
happiness	-0.12291029***	-0.0299776	-0.08228051***	-0.0231629
	(0).000		(0).000	
revenue	.00000025640***	0.000000625	.00000052520***	0.000000148
	(0).000		(0).000	
consumption	.0000011250***	0.00000299	.0000012410***	0.000000349
	(0).000		(0).000	

Note: *, * * and * * * are significant at 10%, 5% and 1% respectively; the corresponding p-value is brackets.

(2) Regression result analysis

Table 5 reports the regression results of the relationship between north and south household savings and average annual precipitation in the model (1)..0001052As can be seen from the model (1), when dividing the north and south regions by latitude, the coefficient of the average annual precipitation of the main explanatory variables in the regression results is significant, and the coefficient is negative, indicating that the more precipitation, the smaller the savings preference.Combined with the study in this paper, the area with more precipitation is the southern region, that is, compared with the northern region, the southern region prefers to save less than the north.Combined with marginal utility, the marginal utility in the south was 0.0000493, that in the northern region was 0 and all significant at 1%, and the savings preference in the north was greater than that in the south.Looking at the other control variables in this paper, they were all significant at the 1% level, except for the maternal educational level and political status.Among them, the father's education and political outlook are positively correlated with savings preference, indicating that the higher the education of wealth

management, the higher the happiness, consumption can bring pleasure and increase happiness, the higher income and total consumption and savings preference.

Table 6 report the regression results of the relationship between household savings and latitude in the model (2).As can be seen from the regression results of model (2), the coefficient between latitude and household savings is significant at the 1% level, and shows a positive correlation, indicating that the higher the latitude, the greater the savings preference in the region. Combined with this paper, the latitude in the north is higher than that in the south, that is, the savings preference in the north is greater than that in the south.The marginal utility in the south is 0, and in the north is 0.0059172, both significant at 1%, which also indicates that the north loves savings more than in the south.The case of the remaining control variables is consistent with the model (1)..0007507

Table 6. Regression results of the impact of latitude on household savings in NW

variable	Probit (2) South	marginal utility	Probit (2) North	marginal utility
la	.039982450***	0.0007507	0.0222153***	0.0059172
	(0).000		(0).000	
education(mom)	-0.00936605	0.0055362	0.01520854	0.0040509
	(0).671		(0).503	
education(dad)	.067073230***	0.0042883	.072280190***	0.0192524
	(0).000		(0).000	
politic(mom)	-0.0213464	0.004462	-0.06646779***	-0.0177042
	(0).230		(0).001	
politic(dad)	-0.05952841***	0.0044558	-0.0195766	-0.0052144
	(0).001		(0).315	
happiness	-0.11633933***	0.0031412	-0.08240883***	-0.0219502
	(0).000		(0).000	
revenue	-0.0000002198***	0.0000000134	.00000059760***	0.000000159
	(0).000		(0).000	
consumption	.00000012770***	0.0000000388	.0000011190***	0.000000298
	(0).000		(0).000	

Note: *, * * and * * * are significant at 10%, 5% and 1% respectively; the corresponding p-value is brackets.

(3) Summary of the model regression results

As can be seen from the above two model results of probit, model (1) shows that the average annual precipitation in each region has a significant impact on household savings behavior, and the larger the annual precipitation, the smaller the household savings preference, that is, the northern region is more savings than the southern region.Model (2) shows that the latitude of each region also has a significant impact on household savings behavior, and the higher the latitude, the more the family prefers saving, that is, the northern region prefers saving more than the southern region.Model (1) and model (2) reached the same conclusion, which is also consistent with the conclusions drawn in the statistical analysis in the previous section.Only two control variables are non-significant, the remaining control variables are significant, and the model as a whole is also significant, so the endogeneity problem of the model can be ignored, and the results of this model are significantly effective.

6. Influence Mechanism

The P robit model shows that regional differences between north and south have a significant effect on household savings behavior, and northern residents prefer savings more than southern residents, but how does this effect occur?Why do residents in the north love to save money more than those in the south?

According to the research results of the past, the direct factors affecting the difference between the north and the south in the savings behavior of Chinese residents should be the different economic level. So what are the indirect influence mechanisms?The paper will analyze the possible indirect influence mechanisms from the following aspects:

(1) Differences in the natural and geographical environment;

(2) Different national policy bias;

(3) Influence of the concept of historical inheritance.

Next, we will analyze these three mechanisms of indirect effects:

1. Differences in the natural and geographical environment

Due to the different climate zone between the north and the south, the south is a subtropical monsoon climate, and the north is a warm monsoon climate, which causes high temperature and rain in summer, cold and dry in winter, hot and rainy in summer and mild and less rain in winter.China has been a big agricultural country since ancient times. Different weather and climate are closely related to the agricultural production mode.On the north and south sides of the Qinling and Huaihe River, natural conditions, agricultural production methods, geographical features and people's living habits are different.The northern region is rainy and humid, and due to the geographical environment and natural conditions, the dry land north of the Qinling-Huaihe River mainly grows dry land crops such as millet and wheat, and the wet area south of the Qinling-Huaihe River mainly grows rice and other paddy field crops.Due to the excellent geographical environment and natural resources in the south, the development degree is gradually better than that in the north, so the northerners have formed the habit of saving money. The lack of natural resources in the northern region and the uncertainty of the future make them develop the habit of saving money. So the argument of differences in natural geographical conditions supports the conclusion that northerners love to save more money than southerners.

2. Differences in national policy bias

14In 2019, the G DP of southern China accounted for 64.5% of the whole country, and the north accounted for 35.44%. In 1980, the per capita G DP of the north was indeed twice that of the south, which shows that the economic gap between the north and the South has changed greatly in the past 40 years.This imbalance in development can be explained by the geographical hypothesis, and the difference in climate, resources and ecology ultimately determine the

difference in economic prosperity in different regions.China's famous strategic project "South-to-North Water Diversion Project" is a basic project to optimize the allocation of water resources and promote the coordinated development of regional economy, and plays a key role in the development of the Chinese nation.Since the reform and opening up, China has set up five special economic zones, namely, Shenzhen, Zhuhai, Shantou, Xiamen and Hainan Island.These cities belong to Guangdong, Fujian and Hainan provinces respectively, and they all belong to the south according to any standard.The establishment of special economic zones has accelerated the economic development, and the rapid economic development of the south. Coupled with the emergence of the Yangtze River Delta and the Pearl River Delta, the economic development of the south is more "out of control".Thus, the development of the national policy of the southern region makes the southern economy more prosperous, and the consumption level of the south is also getting higher and higher, so the future is foreseeable.Compared with the geographical location of the north, the development is relatively slow, so the argument of the north also supports the national policy bias.

3. The Influence of the concept of historical inheritance

For thousands of years, people on both sides of the Qinling and Huaihe River have created different human geography and formed different cultural customs and living habits due to the differences in geographical environment.northerners are forthright and forthright; southerners are delicate and tactful.southerners know how to enjoy, make their life is very moist, very full, entertainment activities are rich and colorful, the quality of life level is relatively high.And the northerners, generally used to saving money, always keep a part of the money must need, low-key act.As the saying goes, one soil and water support other people, and the harsh geographical environment in the north requires them to leave a part of the money to survive.Since ancient times, the north is mostly plain plateau areas, while the south is mostly hilly areas. In the farming era, the plain areas in the north had frequent wars and more dynasties than in the south, so that the life of the people in the north could not be stable for a long time, and the frequent migration forced them to reserve more money and grain.Over time, the northerners have formed the habit of saving money.In contrast, the southern region has fewer wars, so the people live and work in peace and contentment, and do not have to suffer from the war or reserve a large amount of money and food.Therefore, under the influence of the concept of historical inheritance, northerners love to save money more than southerners.

7. Conclusion and Suggestions

This paper is based on the perspective of North-South differences, This paper analyzes the saving behavior of Chinese residents, Based on the data of the China Family Finance Survey and Research Center in 2017, The following conclusions are drawn: divide north and south by latitude and average annual precipitation, It can be concluded that residents in northern China prefer savings more than those in southern China; In the decision-making process of household savings, Well ated fathers are better at family property allocation, To maximize the utility of the property allocation, Preference saving; Under the empirical evidence of the probit model, Both total household income and total household consumption had significant positive effects, An increase in total household income will significantly increase the probability of household savings.

In terms of the influence mechanism, the difference between the saving behavior between the north and the south can be explained from three ways. First, due to the difference in natural geographical environment, the different climate between the north and the south, which leads to the development degree of the south is better than that of the north, and affects the savings behavior of the residents of the north and south sides.Second, due to the different national policy bias, the excellent natural resources in the south are the focus of national economic

development, which further increases the economic gap between the north and the south, and confirms the preference of savings.Third, under the influence of the concept of historical inheritance, because the natural environment in the north is prone to wars and dynasties, and the unstable life makes people in the north develop the habit of storing money and food, so the northern residents prefer savings more than those in the south.The indicators selected in this paper are all the questionnaire questions of China Family Finance Survey and Research Center in 2017. Due to the limited questionnaire questions, the indicators we selected can not comprehensively explain the difference between the savings behavior of the north and the south, which is what needs to be improved in this paper.

China is facing the problem of high savings, which will limit a country's consumption power, and then affect a country's economic development.China's high savings problem has led to problems such as blocked investment scale, huge trade surplus and lagging public services. Reducing the domestic savings level has become one of the urgent problems to be solved for economic development.Based on the research of this paper, we can promote consumption and reduce the savings rate from a new perspective.From the results of this paper, the north residents prefer savings than southern residents, it can use the difference of natural geographical environment, national policy bias and the influence of the natural environment change, we can change the national policy and the influence of historical concept, national policy should be more to the north, boost the economic growth to stimulate consumption, shorten the economic differences between the north and south, make our economic level on a step!

Acknowledgments

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