

Research on the Family Income Gap in China

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Abstract: This paper will start with an investigation of the current consumption situation (consumption structure) and the consumption concept of college students at Chongqing University, and investigate the family income, the monthly living expenses of students (whether there is a work study program) and the current loan situation of college students. Based on this problem, this study plans to use the questionnaire and literature survey methods to investigate the income gap of the families behind the college students through the consumption survey. Through the investigation and sorting of consumption, we can see the family income reflected thereby, and compare the gap between the rich and the poor reflected from different angles. This paper further considers the current consumption situation of college students and what consequences the income gap has brought or will bring, as well as the reasons affecting the income gap. At this stage, particular attention should be paid to the issue of urban-rural income disparity and inequality. In the context of China's dual economy, household income inequality mainly comes from inequality between urban and rural areas. Effectively improving the income level of rural residents and narrowing the urban-rural gap are the main targets for achieving common prosperity. To achieve common prosperity, first, improve the income distribution system and the macro income distribution structure. Second, increase the income of low-income groups and accelerate the formation of an olive-shaped structure. Third, improve the social security system to alleviate the challenge of excessive income disparities among groups. Fourth, promote the equalization of basic public services in urban and rural areas, and address income inequality. Fifth, increase public investment in human capital and enhance social mobility.

Keywords: college students' consumption income disparity, common prosperity, urban-rural gap

1. Introduction

Since the reform and opening up, China's economy has developed rapidly and become the second-largest economy in the world. In recent years, China's economy has continued to maintain medium to high speed growth, and the average income level of residents has significantly increased. However, at the same time, the issue of income disparity or inequality is becoming increasingly serious. From the Gini coefficient, China has been among countries with high income inequality for many years. It is internationally recognized that the Gini coefficient 0.4 is the warning line of income gap. Since 2000, China's Gini coefficient has always remained above 0.4, and slightly declined after it increased to 0.491 in 2008, but it has increased year by year in recent years. Since 2020, affected by the COVID-

19, China's labor market liquidity has declined, frictional unemployment has increased, and the business risk of small and medium-sized enterprises has increased. The anti risk ability of low-income groups is lower than that of high-income groups, It is expected that the income gap among Chinese residents will further widen[1]. This paper will study the income gap of Chinese families through the consumption of college students.As for consumption, this paper will prepare to investigate it from three aspects: consumption level, consumption structure and consumption concept. As for the income gap, we intend to analyze and summarize it from three aspects: urban and rural areas, regions and industries. The main significance of the study is to have a clear understanding of the income gap in China, realize what the main factors affecting income are, and lay a theoretical foundation for common prosperity.

2. Methodology

Table 1: Research hypothesis.

	Consumption level	consumption structure	consumption concept
Urban and rural areas	Urban area is larger than rural area	Engel's coefficient	Cities pay more attention to brands, experiences, etc
regions	The east is larger than the middle and west	Consumption for entertainment	Eastern regions pay more attention to consumer experience
industries	High income is greater than low income	Consumption for education	High income industries pay more attention

As is shown in Table 1, the consumption level in rural areas is lower than that in urban areas, and the income of rural households is lower than that in urban areas. Eastern regions often have higher levels of consumption than central and western regions. The large income gap between different industries can lead to different consumption levels. Students from urban families pay more attention to consumption,which can improve the quality.

3. Results and Analysis

3.1. Analysis of the Influence of Urban and Rural Differences on Consumption Level

Table 2: Monthly food and beverage expenses.

	A.300 and below	B.301-600	C.600-1000	D.Over 1000	Subtotal
A.city	10(8.85%)	18(15.93%)	41(36.28%)	44(38.94%)	113
B.countryside	7(13.46%)	9(17.31%)	19(36.54%)	17(32.69%)	52

Table 2 shows that the number of people from rural areas with less than 300 yuan during the period of 301-600 yuan is relatively large compared with that in urban areas. The consumption of food above 1000 yuan is 32.69% in rural areas and 38.94% in urban areas. Therefore, it can be analyzed that rural food expenditure is less thanthat of urban areas, the income distribution between urban and rural areas is uneven, and the rural income is lower than the urban income, which is the important reason for the

difference in food expenditure. As mentioned above, since the reform and opening up, on the one hand, economic growth has led to the vibrant and rapid development of Chinese cities, and the scale and richness of employment in cities have continuously increased; On the other hand, the loosening of the registered residence system has prompted a large number of rural laborers to work in cities, which has rapidly formed a tide of migrant workers [2]. The long-term trend of excessive urban-rural income disparity will not only cause income distribution imbalances and social welfare losses, but also affect overall economic efficiency and social stability, which are not conducive to the realization of the goal of common prosperity [3].

3.2. The Influence of Income Difference between Urban and Rural Areas on Students' Monthly Living Expenses

Table 3: Living expenses for different students.

	A.1000 and below	B.1001-1500	C.1501-2000	D.2001-3000	E.over 3000	Subtotal
A.city	16(14.16%)	34(30.09%)	29(25.66%)	28(24.78%)	6(5.31%)	113
B.countryside	7(13.46%)	26(50%)	11(21.15%)	4(7.69%)	4 (7.69%)	52

Table 3 shows that rural living expenses account for about 50% of the range of 1001-1500, and 7.69% of the range of 2001-3000. The proportion of students from cities in the 2001-3000 range was 24.78%. It can be seen that the income difference between urban and rural areas has an impact on the monthly living expenses of students, and the income in rural areas is less than that in urban areas. According to the survey results, 88.4% of students receive living expenses from their parents, 6.7% earn their own living expenses through work-study programs, and 2.2% of students receive scholarships through their own efforts [4].

3.3. The Influence of Income Difference between Urban and Rural Areas on Students' Monthly Living Expenses

In North China (Beijing), living expenses accounted for 43.75% in 1501–2000 and 31.25% in 2001–2003, according to statistics. 34.38% were born between 1501 and 2000, and 28.13% were born after 2000 in East China (Shanghai); The eastern region has a higher percentage than the northwest and southwest combined (more than 1500). Students from cities or regions with higher economic levels have greater monthly living expenses due to the income disparity between urban and rural places and regions; It is, in fact, smaller. The main obstacles to China's economy's coordinated development are insufficient rural development and uneven urban and rural development. These issues are also among the most important ones that need to be resolved in order to realize China's route to modernization and create a socialist modern power [5].

3.4. Influence of Industry on Consumption Level

The consumption level of agriculture, forestry and animal husbandry is lower than that of mining, oil, energy, information technology, finance and commerce. It can be seen that the large income gap between different industries can lead to different consumption levels. It can be seen that there is a significant income gap between different industries, which can lead to different levels of consumption. From the data, it can be seen that 48% of the monthly online shopping expenses of students in industry A are below 200, while 44% are between 201-500, 501-1000, accounting for only 8%. In industries B, C, D, I, l, N, and u, students with online shopping expenses of over 1000 yuan

account for 33.33%, 20%, 40%, 38.33%, etc. And the income gap between urban and rural residents has turned into aregional or industrial income gap. Currently, China's industry receives.

In China, there is a sizable "Matthew effect," and the imbalance in the structure of human capital makes it difficult to modernize the industrial structure. The uneven development of rural financial agglomeration also needs to be addressed, which affects the high-quality development of the economy [6].

3.5. Analysis on Consumption Concept

Table 4: The consumption concepts of people in different regions.

	A.Consumption according to their own economic conditions	B.Focus on enjoyment and quality of life	C.Payattention to economic benefits	D.Subtotal
A.city	55(48.67%)	40(35.40%)	18(15.93%)	113
B.countryside	35(67.31%)	11(21.15%)	6(11.54%)	52

Table 4 shows that 67.31% of rural students typically make purchases based on their personal financial circumstances, whereas just 21.15% are concerned with and enjoy life's little pleasures. Urban students prioritize enjoyment and quality of life more than other factors, accounting for 48.67% of their attention and making up 35.40% of their economic priorities. Due to the fact that urban residents, especially those in large and mega cities, are in a rapidly developing environment, they are exposed to and accept more and faster new things and ideas. As a result, the updating speed of rural residents' consumption concepts often lags behind the updating speed of urban residents' consumption concepts [7].

4. Discussion

In addition to the social level,the parents' industry, parents' education level, family consumption concept, consumption level and consumption structure all have an impact on the children's family income. The income gap between industries is reflected in the excessive income of employees in some monopoly industries and high-tech industries. The specific characteristics are high access thresholds, strong professionalism, and high profit. These industries mainly include the production and supply of electricity, gas and water, finance and insurance, information transmission, computer services and software, scientific research, technical services and geological survey. However, industries with low income are often characterized by intense competition, low added value of products, the low access thresholds and labor-intensive industries. These industries mainly include agriculture, forestry, animal husbandry and fishery, manufacturing, accommodation and catering, and resident services. Among them, the financial insurance industry has the highest average wage, while the agriculture, forestry, animal husbandry and fishery industries have the lowest average wage.

5. Analysis of Countermeasures

Measures to solve the excessive income gap include: speeding up the pace of urbanization and adhering to the basic economic system. At the same time, the government should focus on economic construction, adhere to the basic distribution system, and expand the middle-income group. Only by narrowing the income gap can families increase their spending on student education. At the same time, college students can only meet their basic living needs when they have enough money for living

expenses. It can be seen that in the modern market economy, income and property distribution can be adjusted primarily by the market as long as they change at the minimum or incremental level, without the need for artificial capping. "Because allocating resources (especially human resources or capital) to maximize efficiency is conducive to accelerating development, there is no need to force.

Being limited. However, at the same time, the government should focus on playing a leading role in the consumption and distribution of basic living and necessities, such as accelerating the promotion of the equalization of basic public services to ensure a fair starting point, standardizing market-oriented primary distribution to reflect fair opportunities, and expanding redistribution regulation to promote fair outcomes, so as to narrow the gap between rich and poor in consumption and living standards on the basis of ensuring the common improvement of the living standards of all people [8].

6. Conclusion

The research topic of this article is to look at China's household income gap based on college students' consumption. The data obtained through interviews and surveys are then collated to conclude that urban-rural differences are the most critical factor affecting household income. The disadvantage of this article is that due to time constraints, it is not possible to conduct a large-scale investigation. Of course, promoting the reform of the income distribution system also requires supporting institutional innovation. To sum up, there are mainly four aspects: first, reforming the rural land system to promote the common prosperity of rural farmers. Second, reforming the registered residence system to promote the citizenization of the urban non-registered residence population, and let them enjoy the same rights and treatment as urban residents. Third, reforming the financial system and promoting the equalization of basic public services. Fourth, building a compatible model of "development sharing", realize sharing through development, and promote development through sharing. Up to now, only China has truly implemented the goal of comprehensively eliminating poverty. Therefore, taking the path of targeted poverty alleviation and poverty alleviation is a valuable experience in China's economic and social construction, and it also provides other countries with "Chinese wisdom" and "China solutions." After winning the battle against poverty, there is still a long way to go. We must continue to fight poverty reduction and address social issues such as relative poverty. There is a long way to go, and there is a long way to go. The issue of income disparity remains a problem that must be addressed in the future.

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