

Chapter 6

Analysis of Internet Financial Planning Based on the Development in China and America

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ABSTRACT

Based on an analysis of China residents' financial needs and the main risks of internet financial planning, taking internet financial planning as a breakthrough point, the chapter compares the current situation and development experience of internet finance between developed countries and China from Chinese investors' perspective to analyze the tendency of internet finance development in China. This chapter finds the scale of China residents' financial planning remains to be enlarged. It finds that the gradual improvement of the supervision, the survival of the fittest of financial platform, the development of robot-adviser, and other financial innovations show the optimistic outlook of internet financial planning in China. This study shows theoretical value and practical significance to analyze the future of internet financial planning model and financial product selection in China.

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INTRODUCTION

Financial product has a pivotal role on the entire financial market. With the continuous improvement of the income level of China residents, the accumulation of funds lying idle in society and the booming of internet finance, the financial planning model based on intelligent terminals has become a new trend. Nowadays, more and more people tend to pay attention to improving the quality of financial planning. Chinese investors do not solely focus on the bank savings as before; instead, they pay more attention to financial freedom, and thus they pursue a personalized financial planning. However, the investment results are rather unsatisfactory in the concrete actual operation due to the limitations of financial knowledge, information asymmetry, etc. Based on the main development tendency of Chinese financial planning, diversified asset allocation is favored by investors, and internet financial planning is their first choice. Compared with the bank, the internet financial planning can seize the long tail market and meet the desire of financial planning of low-income residents. Moreover, the higher rate of return, decreasing risk, not requiring very professional financial knowledge, excellent liquidity, save of time and easier operation make internet financial planning easier to be accepted by Chinese investors. In the past two years, internet finance in China has undergone many changes; moreover, the network loan has gone through the situation from industry booming to industry reshuffle because of more and more strict policy, so the innovative development and transformation and upgrading become the tackling direction of most of the internet financial platform. At present, internet financial industry in China has come into a period of adjustment. Furthermore, the coming of artificial intelligence technology and the big data era also give imagining space and development opportunities to intelligence financial planning model. Therefore, Chinese investors have expectations for the future development of internet financial planning in China.

Therefore, the internet financial planning has its further influence and larger scale as a new way of financial planning, but it is undoubtedly confronted with differences and lag in terms of nature, classification, regulation and risk definition. Moreover, research related to current internet financial planning in China is relatively rare, so it is necessary to conduct the comprehensive study of the internet financial planning issues. This paper attempts to draw lessons from literatures of China and other developed countries involved in researching internet finance. This paper combs the internet financial risks, does a research on trend of Chinese internet financial development and provides reasonable suggestions to investors. Under the great environment of financial inclusion and green finance in China, this paper has certain theoretical guidance value and practical significance for investors' financial planning and investment.

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