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Does Social Security Policies Perception Influence Consumer Confidence of Floating Population? Evidence from Anhui Province, China

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Abstract

Consumer confidence is a hot topic in the field of consumer economics. In light of the impact of the pandemic and economic crises, Chinese consumer confidence experienced a sharp decline in 2022, hitting its lowest point in November. However, it is noteworthy that the disposable incomes of Chinese residents did not decrease during the same period. Hence, it becomes imperative to delve into the factors influencing consumer confidence among Chinese residents. Numerous scholars have investigated the relationship between social security and consumption expenditure, and their findings indicate that floating populations who receive social security tend to exhibit higher levels of consumption. China boasts a massive population of 376 million floating individuals, representing significant consumption potential. This study focuses on the floating population in Anhui Province and explores how their cognition of three widely covered social security programs on their consumer confidence. The research adopts a typical empirical approach, utilizing online surveys to collect 426 valid responses. Descriptive statistics were conducted using SPSS 20.0, while SMART PLS 4.0 was employed for the structural equation model. The results reveal that the cognition of endowment insurance among the floating population in Anhui Province does not significantly influence their consumer confidence. Conversely, the cognition of health insurance and the minimum living security system exerts a significant positive impact on the floating population's consumer confidence.

Keywords: Consumer confidence, Social security, Floating population, Smart-PLS

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Introduction

Due to the three-year impact of the COVID-19 pandemic and the sluggish economic development, consumer confidence in China has been rapidly declining (*Qi et al., 2023*). According to data released by the National Bureau of Statistics of China (compiled by Trading Economics.com), the Chinese Consumer Confidence Index experienced a sharp decline in 2022, plummeting to 85.5 in November 2022, reaching its lowest point in the past decade. Although there has been some recovery in consumer confidence in 2023, it still falls far short of the levels seen before 2022 (please refer to Figure 1).

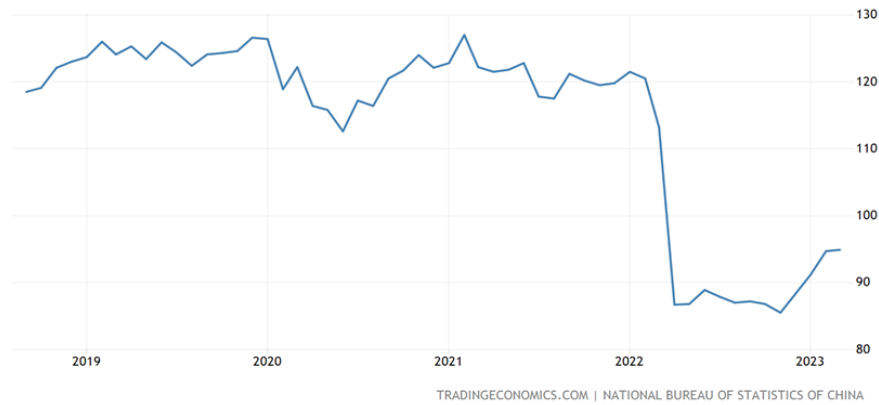


Figure 1. Changes in China's consumer confidence index over the past five years

Chinese residents have historically exhibited a proclivity for high savings (*Yansu et al., 2022*). Although the pandemic has largely subsided, the increase in unemployment rates and pessimism about economic prospects have further inclined the populace toward saving money. A survey conducted by McKinsey & Company on Chinese consumers in 2022 (*Zipser & Hui, 2023*) revealed that 58% of respondents from urban households expressed a desire to "save money for unexpected needs," marking the highest level since 2014 and representing a 9-percentage point increase compared to the 2019 survey findings. In the first nine months of 2022, Chinese residents' savings deposits grew by CNY 14 trillion.

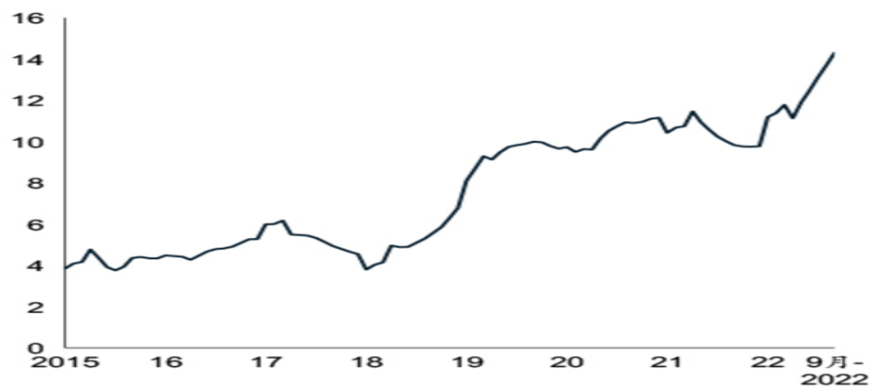


Figure 2. Net Increase in Chinese Household Savings Since 2015

(Unit: Trillions of Chinese Yuan; Calculation Method: Monthly savings total minus the savings total for the same month of the previous year)

On the other hand, the performance of China's total retail sales of consumer goods since 2022 (refer to Figure 3) is less than optimistic, with nearly half of the months showing a month-on-month decrease in total sales. Moreover, in months where the growth rate is positive, the magnitude of growth is generally low, with eighty percent of the month-on-month growth rates being less than 0.5%.

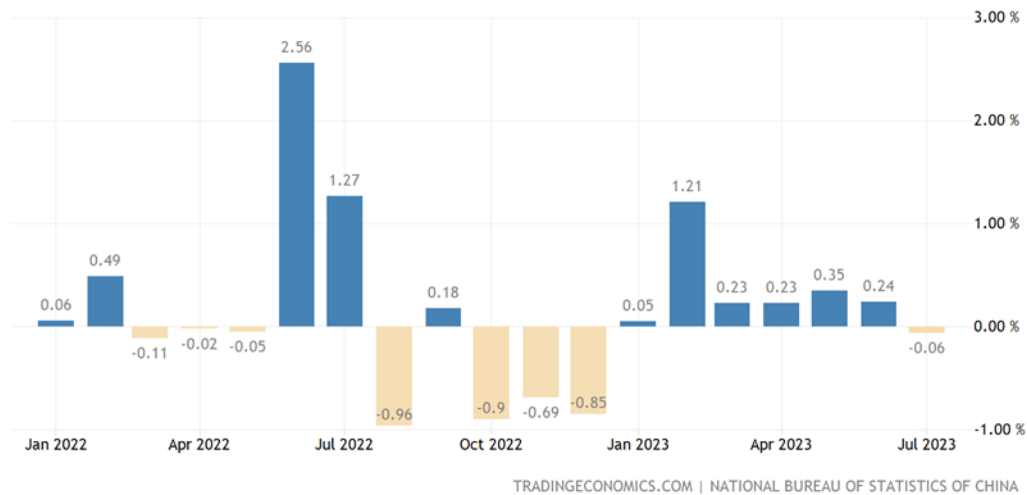


Figure 3. Month-on-Month Growth in China's Retail Sales Since 2022

(Figure Source: Trading Economics.com;

Data Sources: National Bureau of Statistics of China)

However, when examining disposable personal income (see Figure 4), it becomes evident that the income of Chinese residents has been consistently increasing. This suggests that it is not income that is impacting the quantity of consumption and savings among Chinese residents. Willem Vanlaer et al. found that consumer confidence has a greater influence on household savings post-crisis (*Vanlaer et al., 2020*).



Figure 4. Disposable Personal Income of Chinese Residents

(Figure Source: Trading Economics.com;

Data Sources: National Bureau of Statistics of China)

Since China's economic reforms began in the 1980s, there has been a significant increase in population floating (*Yang et al., 2023*). According to the data from the seventh national population census in 2020, the total floating population in China reached 376 million, representing a 69.7% increase from 2010, accounting for 26.6% of the national population, which means that more than one-fourth of the population in China is floating, migrating to and clustering in urban areas. Wang Yufei etc. utilized data from the seventh national population census, micro-surveys, and China's provincial-level multi-regional input-output tables to construct an extended Leontief demand-driven model. Their estimates indicate that in 2020, the value added to the economy attributed to the consumption of the floating population amounted to 8.3 trillion yuan (accounting for 8.2% of the total GDP). Accelerating the urbanization of the floating population during the "14th Five-Year Plan" period is an effective means to expand their consumption and boost economic growth (*Yafei et al.,*

2022). Furthermore, scholars estimate that the consumption demand potential scale of the floating population is 631.9 billion yuan. Unlocking the consumption demand potential of the floating population can increase the national consumption rate by 0.71 percentage points. Key strategies to unlock this potential include enhancing the income elasticity of the floating population, boosting consumer confidence, and reducing precautionary savings motives (*Hao et al., 2022*).

Anhui Province is located in the central-eastern part of China, with the Huai River running through it as one of the demarcation lines between northern and southern China. Its geographic location is fairly average. Based on Anhui Province 2022 National Economic and Social Development Statistics Bulletin, Anhui Province ranked tenth in terms of economic development among the 31 provinces in China, with a GDP of 4.46 trillion yuan and per capita GDP ranking low at the 13th position nationwide (*Team, n.d.*). Overall, Anhui Province holds a moderately upper-middle position in terms of both its geographic location and economic development within the country. According to data from the Anhui Statistical Yearbook of 2022, the number of urban floating populations in Anhui Province has been increasing in recent years. In 2020, the floating population reached 13.87 million, an increase of 8.2 million people compared to 2010, representing a growth of 144.6%. In 2022, Anhui saw a net inflow of 240,000 college graduates and a return of 1.2 million migrant workers. This study selects the consumer confidence of the floating population in Anhui Province as its research subject, which is representative of the broader trend. The main objective of this study is to measure factors influencing consumer confidence among the floating population in Anhui Province. In addition, there are three specific research objectives:

RO1. To examine the relationship between the endowment insurance perception of the floating population in Anhui province and their consumer confidence.

RO2. To examine the relationship between the health insurance perception of the floating population in Anhui province and their consumer confidence.

RO3. To examine the relationship between the minimum living security perception of the floating population in Anhui province and their consumer confidence.

Literature Review

This research relates to at least three aspects of literature. Consumer confidence refers to citizens' assessments of their personal economic circumstances and the national economy (*Elmassah et al., 2023*); it serves as a prerequisite for economic behaviour (*Vanlaer et al., 2020*). Studies on consumer confidence have long been a focal point in the field of consumer economics. Back in 1966, Eva Mueller, who was the project director at the University of Michigan Survey Research Center, was one of the pioneers in conducting research on consumer confidence surveys. She found that consumer confidence was a significant explanatory variable for consumer spending (*Mueller, 1966*). In 2002, The New York Times reviewed research conducted at Princeton University, highlighting that nearly all researchers concurred that the Consumer Confidence Index provided valuable insights for predicting consumer behavior (*Uchitelle, 2002*). Aneta Maria Kłopocka argued that consumer confidence plays a pivotal role in household savings and borrowing decisions. Her research employed multiple linear regression analysis and concluded that the Consumer Confidence Index had predictive power for future household savings and borrowing rates (*Kłopocka, 2017*).

However, there is a relative paucity of research concerning policy factors that can influence and enhance consumer confidence. In classical earlier studies, it was acknowledged that the awareness of unemployment could have a significant impact on consumer confidence (*Mueller, 1966*). Through their panel surveys and media content analysis, Svensson et al. demonstrated a link between ambiguous news exposure and changes in individual-level consumer confidence (*Svensson et al., 2017*). Benny Tjandrasa et al. explored a broader range of factors influencing consumer confidence. Their study utilized secondary data from telephone surveys and employed a multivariate

regression model and t-test equations. They found that the consumer confidence index in Indonesia is influenced by controlled conditions such as inflation rate, unemployment rate, exchange rate, and corruption (Tjandrasa & Dewi, 2022).

The third relevant branch of literature revolves around the relationship between social security and consumption. In a classic study from the last century, Robert J. Barro pointed out that the impact of social security on consumption expenditure is characterized by uncertainty. His research findings indicated that, in a time-series context, social security has a positive influence on consumer spending. However, in cross-sectional variations, it revealed a negative impact (J.Barro & M.Macdonald, 1979). Based on the behavioral analysis of residents' access to social security and health insurance, Hsu states that the social security system reduces residents' expectations of uncertainty, which in turn reduces their households' precautionary savings (Hsu, 2013). Li Wei's research found that mobile labor obtaining local public services can promote household expenditures beyond housing. Obtaining local public services strengthens the consumption peer effect brought by mobile labor, enhancing their enthusiasm to align their consumption levels with local registered residents (WEI, 2022). More studies by Chinese scholars have suggested that income levels are a key factor influencing consumption among the floating population, and improving their accessibility to public services such as medical insurance (Yansu et al., 2022) and social security can help unleash their consumption potential (Hua-chu& Sheng-lan, 2015; WANG & Jianxin, 2015). Thus, numerous scholars believe that social security can exert a significant influence on the consumption behavior of the public.

From the literature review and synthesis, it is evident that consumer confidence is a focal point in the study of consumer behavior, and previous scholars have analyzed factors influencing consumer confidence from various perspectives. Some scholars have explored the relationship between social security and consumer behavior. Given the substantial population of floating migrants in China, more Chinese scholars have focused their research on the consumption behavior and potential of this group. Building upon the findings of the aforementioned literature, this study aims to investigate the relationship between the cognition of social security among floating migrants in Anhui, China, and their consumer confidence.

To examine the relationship between the cognition of social security among the floating population in Anhui province and their consumer confidence, this study selected the social assistance systems and social insurance systems with the highest number of beneficiaries, including health insurance, endowment insurance, and the minimum living security, as representatives of the social security system. Three research hypotheses were proposed:

H1: There is a significant relationship between the endowment insurance perception of the floating population in Anhui province and their consume confidence.

H2: There is a significant relationship between the health insurance perception of the floating population in Anhui province and their consume confidence.

H3: There is a significant relationship between the minimum living security perception of the floating population in Anhui province and their consume confidence.

Methods

Sampling and Methodology

Floating populations, which can also be referred to as temporary migrants, have become the main form of migration in China(Chai & Chai, 1997). According to the perspective put forth by scholar Zhou Hao, due to China's unique household registration system, there exist two distinct concepts: "migrant population" and "floating population." The term "migrant population" primarily refers to individuals whose household registration, or "hukou," has undergone changes, indicating a change in their registered place of residence(Z. Hao, 2022). On the other hand, the definition of the "floating population" is more inclusive. Building upon Zhou Hao's viewpoint and utilizing the criteria established by the China Labor Force Dynamic Survey, this research defines the "floating population" as individuals who have lived, studied or worked outside their registered place of residence for a period exceeding six months. This definition is adopted as the scope of the study.

According to the 7th census data, the population of Anhui Province is about 61 million, and the floating population reached 13.87 million. Based on Krejcie & Morgan's table for determining sample size for a finite population (1970), when the research population is above one million, to achieve a 95% confidence interval, the sample size required 384 respondents (Qi et al., 2023).

In Hair and Hult's (2017) co-authored book "A Primer on Partial Least Squares Structural Equation Modeling (abbreviated as PLS-SEM)", it is pointed out that the proportion of survey data collected using online data collection methods now exceeds 60%, surpassing 50% in many developed countries (Hair et al., 2017). Online survey questionnaires have been widely adopted in recent years due to their convenience and advantages such as reducing missing data by setting mandatory fields. This study focuses on the floating population in Anhui Province, using random sampling and an online survey method to collect primary data. A total of 466 respondents completed the questionnaires.

Furthermore, this study falls within the empirical research paradigm and is a typical quantitative study. It first utilizes SPSS 20.0 for data cleaning and descriptive statistical analysis and then employs the latest SMAR-PLS fourth edition analysis software developed by Hair and his team to construct a structural equation model. PLS-SEM originated in the 1960s, was introduced by econometrician Herman Wold (1966), and has since evolved into an increasingly visible method in the social sciences. Compared to traditional SEM, PLS-SEM is more flexible and better suited for small sample sizes and non-normally distributed data. PLS-SEM has found extensive applications in various fields, including social sciences, management, marketing, and information systems research. Due to its flexibility and adaptability to small sample data, PLS-SEM has become a powerful tool for studying complex relationships and building practical models.

Measurement Scale

The variables selected for this study are abstract psychological concepts that cannot be directly observed, primarily related to policy cognition and consumer confidence. To operationalize these concepts, more measurable indicators need to be established. Generally, there are two different methods for measuring unobservable variables: reflective measurement and formative measurement. Reflective indicators have arrows pointing from the construct to the indicators, indicating that the construct causes the phenomenon described by the indicators (Hair et al., 2022). In this study, the variables are latent variables measured using reflective indicators, mainly focusing on exploring and analyzing people's cognitions of social security policies and factors influencing consumer confidence. Among them, the explanatory variables include cognition of endowment insurance, medical insurance, and the minimum living security system. In China, these three policies fall under the umbrella of social security. Therefore, these three variables can be summarized into an integrated concept, namely, cognition of social security policies.

To ensure the accuracy and reliability of the measurement, this study mainly used mature questionnaires that have been previously used. Relevant questions were selected, adapted, and designed using a 5-point Likert scale. Questions related to the cognition of endowment insurance(abbreviated as EI) and health insurance(abbreviated as HI) were taken from a recent publicly available thesis (Yuqian,2022), while questions related to the cognition of the minimum living security (abbreviated as MLS) were drawn from the summaries of studies by scholars (Hui, 2014; Jing & Yuchao, 2014).

Regarding consumer confidence (the dependent variable), surveys have already been well-established. It originated from the Consumer Sentiment Index survey conducted by the University of Michigan Research Center in the 1960s. Researchers used original survey data from 500 to 600 adults to calculate seasonally adjusted consumer confidence, current

conditions index (including financial condition and buying condition), and expectations index (including expected financial condition and economic conditions for the next one year and five years). The results were set at 100 for the first quarter of 1966. Chinese scholar Guo Hongwei compared the methods of compiling consumer confidence indices in the United States, mainland China, and Taiwan area of China. He used ten years of monthly consumer confidence index data from Taiwan and provided recommendations for the use of the Taiwan consumer confidence index. He pointed out that due to the completely different pattern of change in the investment sub-index compared to other series, it is advisable to separate this series, and including the investment sub-index in the published overall index would exacerbate its volatility (*Hongwei, 2012*). Therefore, this study uses the consumer confidence survey questionnaire from Taiwan, which are expectations index, excluding the investment question and retaining the other five questions.

In the end, this study developed a survey questionnaire consisting of 6 demographic questions and 24 scale questions. After conducting a pilot study on 62 questionnaires, it was found that there was low external loading for one question in the cognition of endowment insurance and one question in the cognition of medical insurance. Additionally, the discriminant validity (Heterotrait-Monotrait Ratio, abbreviation as HTMT) between these two variables did not pass the test. Upon further examination, it was discovered that these two questions did not load onto the same dimension as the other items. Therefore, these two questions were removed from the questionnaire. After this adjustment, the reliability of all three variables exceeded 0.9, and the Average Variance Extracted for each variable exceeded 0.7. Furthermore, discriminant validity (HTMT and Fornell-Larcker criterion) also passed the tests.

Empirical Results

Demographics

As mentioned above, a total of 466 respondents completed the questionnaires. After data cleaning, we deleted 24 duplicates and 16 outliers, and then 426 questionnaires were retained.

In this study, demographic characteristics include registration type, gender, age, education level, employment status, and monthly income. The results of descriptive statistics of specific demographic characteristics are shown in the table below. Among the respondents, the rural household population is slightly more, accounting for 53.7%, and the urban household respondents have 193, accounting for 43.5%. In terms of gender, the proportion of females is 9 percentage points lower than that of males, and there are 194 respondents, accounting for 45.5%. As for the age distribution of the respondents, the respondents of the age group of 26-35 years old account for the largest share of 30%, followed by 99 respondents aged 36-45 years old, accounting for 23.2%, compared with a smaller share of older respondents, with those aged 56 years old or above accounting for only 4.5%. In the distribution of education level of the subjects, a bachelor's degree accounts for the highest proportion of 37.3%, followed by a master's degree and above, accounting for 19.2%, which shows that there is a higher proportion of highly educated people. Employment status affects the type of social insurance the subjects participate in. In this survey, 43% of the subjects belonged to the category of workers with formal employers, but there were also 37.8% of other non-employment statuses, such as students, housewives, farmers, etc., whose insurance contributions were overwhelmingly borne by individuals. Finally, regarding the level of monthly income (including bonuses), we can see that low-income earners account for a relatively high percentage, with 30.3% earning less than RMB 3,000 per month, and about 20% of the subjects earning between RMB 3,001-5,000 per month and between RMB 5,001-7,000 per month, while high-income subjects also account for a certain percentage, at 12.4%.

Descriptive analysis

Descriptive statistics are the foundation of exploratory data analysis, helping you to identify patterns and trends in your data and providing direction for subsequent, more in-depth analyses. This section presents the descriptive statistical results of four constructs, which all use a 5-point Likert scale. The descriptive statistical results of the constructs are presented using the mean, median, minimum, maximum, and standard deviation, which are the most commonly used and essential indicators for discrete trend statistics (Grant et al., 2016). From the table below, it can be observed that the average and median values for each variable are around 3. Among them, the cognition of endowment insurance has the highest mean and median values, which are 3.36 and 3.38, respectively. Consumer confidence has the lowest mean and median values, which are 2.9 and 3. The standard deviations are all around 1, indicating that the data distribution is centered around the mean. Additionally, the variables have minimum and maximum values of 1 and 5.

Table 1. Descriptive analysis of construct

	EI	HI	MLS	CC
Mean	3.36	3.20	3.02	2.90
Median	3.38	3.14	3.00	3.00
Std. Deviation	1.10	1.13	1.10	1.02
Minimum	1.00	1.00	1.00	1.00
Maximum	5.00	5.00	5.00	5.0

Assessment of measurement model

The table 2 shows the value of Cronbach's alpha and composite reliability above 0.85. The AVE values for the three independent variables are all above 0.7, and for the dependent variable, it's above 0.6, which indicates that the internal consistency reliability of the cleaned data is acceptable and good.

Table 2. The Reliability and Validity of Measurement Scale

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
CC	0.857	0.867	0.899	0.641
EI	0.937	0.947	0.948	0.723
HI	0.949	0.959	0.959	0.797
MLS	0.925	0.927	0.942	0.73

Table 3 presents an overview of the HTMT ratio of the four variables. When the concepts of the constructs are similar (e.g., cognitions of endowment insurance and health insurance in this study), the HTMT threshold can be relaxed to 0.90 (Henseler et al., 2015). As can be seen in Table 3, all HTMT values are less than 0.9. The Fornell-Larcker criterion is the second method for assessing discriminant validity, we can see from Table 4 that the square root of all construct's AVE is greater than the correlation coefficient of this construct with the other constructs. These two results suggest that the discriminant validity is high and that the constructs have a unique explanatory power in the model.

Table 3. HTMT Matrix

	CC	EI	HI	MLS
CC				
EI	0.447			
HI	0.541	0.895		
MLS	0.694	0.562	0.632	

Table 4. The Fornell-Larcker Criterion Matrix

of endowment insurance and consumer confidence is not significant (p value = 0.325, t value < 1.96), indicating that hypothesis 1 is not supported.

Table 6. Size and Significance of the path coefficients

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	P values
EI -> CC	-0.068	-0.063	0.069	0.984	0.325
HI -> CC	0.247	0.244	0.076	3.242	0.001
MLS -> CC	0.51	0.512	0.047	10.755	0.000

Structural Model' s Explanatory Power

Ravand & Baghaei suggest that R^2 values can be used to assess the goodness of fit of a model and the amount of variance explained by the model (Ravand & Baghaei, 2016). The latest study suggests that at least 0.1 (or 10%) of low R-squared variance is acceptable, provided that a significant portion or a majority of the predictor variables or explanatory variables have statistical significance (Ozili, 2022). Even though Hair proposed a stricter criterion of R^2 assessment for predictive accuracy, the fact is that he also acknowledges that an R^2 value of 0.20 is regarded as high in fields like consumer behavior studies and its success drivers (Hair et al., 2017). From the data in Table 7, we can see the value of R square in this research is above 0.4, which is high in the consumer economy fields according to Hair and Ozili.

Table 7. The coefficient of determination (R^2)

	R-square	R-square adjusted
CC	0.41	0.406

A value of f-squared between 0 and 1 indicates the degree to which the exogenous variable explains the endogenous variable, that is the effect size. According to Cohen, values of 0.02, 0.15, and 0.35, respectively, correspond to modest, medium, and large impacts of exogenous latent variables when determining the value of f^2 (Cohen, 1992). As can be seen from Table 8, one relationship had f^2 effect values less than 0.02, indicating that there was no effect and the model had poor explanatory power, while the other two relationships had f^2 effect values greater than 0.02 and 0.15, indicating that the model had modest and medium explanatory power.

Table 8. The effect size(f^2)

	CC	EI	HI	MLS
CC				
EI	0.002			
HI	0.027			
MLS	0.284			

Structural Model' s Predictive Power

In structural models, a Q^2 value greater than zero for a specific reflective endogenous latent variable indicates that the model is predictively relevant for a particular endogenous construct. From the interpreted result below, we can see the distribution of prediction errors is highly symmetric, so we choose to compare the RMAE metric (Hair et al., 2022). Only one of five indicator's PLS-SEM_RMSE is higher than LM_RMSE, indicating the model has medium predictive power.

Table 9. PLS predict summary

	Q ² predict	PLS- SEM RMSE	PLS- SEM MAE	LM RMSE	LM MAE
CC1	0.185	1.214	0.986	1.198	0.943
CC2	0.22	1.102	0.864	1.15	0.892
CC3	0.303	1.036	0.794	1.073	0.811
CC4	0.315	1.061	0.835	1.094	0.843
CC5	0.246	1.118	0.886	1.176	0.916

Discussion of findings

This study focuses on exploring the effect of three social security sub-programs cognition on the floating populations consume confidence in Anhui province, China. The survey respondents are distributed across 17 cities in Anhui Province, and the gender and urban-rural distribution is relatively even. In the data analysis procedure, the first step involves constructing latent variable models, which are measured through multiple observed variables (measurement indicators). Then, using the partial least squares algorithm, the latent variable model is fitted to the observed data to estimate path coefficients and latent variable scores. Finally, the model's fit and parameter estimates are statistically tested to evaluate model fit and the support for hypotheses.

The finding of this research is that the cognition of endowment insurance does not have a significant impact on the consumer confidence of the floating population. However, the cognition of health insurance and the cognition of the minimum living security have a positive and significant influence on the consumer confidence of the floating population.

The impact of endowment insurance on consumption is a topic that many scholars have explored (*Devolder et al., 2021; Yuqian, 2022*). However, there is a lack of research that specifically delves into the cognition of endowment insurance and its influence on the consumer confidence of the floating population. Therefore, this study can also be regarded as an exploratory research effort. The lack of a significant correlation between them may be attributed to various factors, including ongoing reforms in the pension system and continuous economic challenges. It's possible that people have become more pessimistic about their pension expectations in the future (*Bissonnette & Van Soest, 2015*). For example, the transformation of the pension security system from one that guarantees specific benefits to one that includes defined contributions is seen as increasing the dispersion of welfare expectations, particularly when considering private pension plans (*Zhao, 2020*). In 1997, China underwent a reform in its pension insurance system, transitioning from a Defined Benefit (DB) to a Defined Contribution (DC) financial model. With the intensification of population aging and income declines resulting from a three-year pandemic, the solvency of pension insurance funds is likely to be affected, which undoubtedly impacts the public's expectations regarding pension benefits. As obtaining social welfare benefits through formal financial channels may reduce the portability limitations of these rights (*Pillai & Dam, 2020*). However, the transient nature of the floating population, characterized by the mobility of their work and living locations, makes the payment methods for pension insurance less stable. This instability also affects the amount of pension they can expect to receive and the cognition of endowment insurance. So, the relationship between the cognition of pension insurance and the floating population's consumer confidence remains a question that requires further exploration.

The conclusion that the cognition of health insurance has a positive and significant impact on the consumer confidence of the floating population is consistent with previous research findings. Health costs can affect consumer confidence (Raaij, 2012). Health insurance coverage is a key factor in improving the consumption level of the floating population (Yansu et al., 2022), and integrated medical insurance for both urban and rural residents significantly boosts short-term household consumption (ZHANG Kai-ran & Xin-yi, 2022). China's social health insurance program can reimburse over half of the general inpatient expenses, and the reimbursement of outpatient expenses has also been piloted and expanded. The research results indicate that increasing awareness of health insurance, such as improving understanding of reimbursement procedures, reimbursement rates, and cross-regional reimbursement processes, can significantly enhance the consumer confidence of the floating population. This has policy implications for the Chinese government, which is currently advocating for stimulating consumption and promoting domestic economic circulation. The Chinese government can achieve this by extensively promoting the specific details of health insurance policies through community outreach and government agencies like the Medical Security Bureau, thereby raising public awareness of health insurance. Especially concerning the floating population, there can be a focus on disseminating information about the transfer and continuity procedures of medical insurance, expanding the scope of direct settlement for medical treatment in different locations, optimizing the process of cross-regional medical treatment settlement, and enhancing the awareness of medical insurance among the floating population. This, in turn, can boost their consumer confidence and unleash their consumption potential.

Similarly, the conclusion that the cognition of minimum living security has a positive and significant impact on the consumer confidence of the floating population is also consistent with previous research findings. Moreover, the value of the path coefficient ($\beta=0.51$) indicates that the influence of the cognition of minimum living security on the consumer confidence of the floating population is the strongest among these three hypotheses. The minimum living security system, as a subsidy for low-income groups, naturally serves as an income redistribution mechanism (Xiao-hong & Mi, 2021) and provides income compensation for eligible low-income floating population. And income has been confirmed as a key factor influencing consumer confidence (Stuart et al., 2004). Increasing the familiarity of the floating population, especially low-income individuals, with the application and review processes of the minimum living security system, emphasizing the fairness of the review process, and simplifying the subsidy distribution methods can enhance the satisfaction of the floating population with the minimum living security system. Consequently, it may boost their consumer confidence.

Limitations and Future Research Directions

Although numerous studies have demonstrated that consumer confidence exerts a significant impact on consumer spending and decisions. Its efficacy in predicting overall consumption is occasionally doubted in empirical investigations (Bruno, 2012). Consumer confidence is more likely to be primarily affected by fleeting emotions since it is not directly linked to an actual purchase decision (Daas & Puts, 2014). Additionally, confidence levels do not serve as an indicator of the future growth of service consumption (Delorme et al., 2001). Furthermore, this study has specifically chosen to focus on three representative social security programs in China. It is essential to note that China's social security system comprises a combination of over a dozen sub-programs. The potential impact of other

programs such as unemployment insurance, work-related injury insurance, and housing assistance on consumer confidence is equally deserving of investigation.

These two aspects represent the limitations of this study, and serve as a direction for future research endeavors. Researchers can explore influence of consumer confidence on spending and consider other external variables that may affect consumer confidence, such as other social security programs, the macroeconomic environment, etc.

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