

# A Profile of Individual Investors in an Emerging Stock Market

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## Abstract

This paper is intended as a resource and reference - nothing more, nothing less. It is written for those interested in: i) individual investors; ii) emerging markets; or iii) stock markets in the PRC. Readers can learn about individual investor attributes (demographics) such as intra-country location, gender, and age. We detail stock trading behavior that includes: method of placing trades, frequency of trading, and value of trades. This paper contains information about stock portfolio holdings such as number of positions and turnover. Finally, we provide comparisons with existing studies from the United States and Israel.

We are fortunate to have access to a new and exciting dataset from the People's Republic of China (PRC). The data are comprised of 90,478 actively investing individuals with demographic information. These people make 4,996,306 stock trades from 1999 to 2000. Our goals in writing this paper are two fold: i) we want to know along which dimensions investors in an emerging market (the PRC) are similar to, or different from, investors in the United States; and ii) we use this paper to test the integrity of our data before initiating future research.

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# 1 Introduction

Over the past four years, work by Odean (1998 and 1999) and Barber and Odean (1999, 2000, 2001) has taught financial economists much about individual investors. In fact, most of the stylized facts we know about investors stem from these papers. For example, investors tend to trade too much, trading greatly decreases an investor's net profit, and investors are reluctant to realize their losses.

After reviewing results from the United States, one can't help but ask: "do these same characteristics apply to investors in other countries?" In particular: "do these characteristics apply to investors in an emerging stock market?" Answering the second question can help us understand how, if at all, emerging markets are different from markets in developed countries such as the United States.

This paper is meant as a reference for academics. It is not an academic study *per se*. We hope others will find the data compiled here both accessible and useful. Section 2 of this paper briefly reviews some existing literature in the field of investor behavior. Section 3 discusses the structure of brokerage accounts in the PRC. Section 4 outlines the structure of our actual data. Sections 5, 6, and 7 discuss individual demographics, trading behavior, and portfolio holdings. Section 8 concludes briefly.

## 2 Existing studies of individual behavior

High-quality, account-level data is rare. Therefore, we divide the existing literature by dataset. The goal of this section is simply to reference existing and comparable work. We focus on the data employed rather, than results obtained, in the papers mentioned.

### 2.1 Accounts from a large retail brokerage house

Before the late 1990s, studies that use account-level data are rare. Notable exceptions include a series of articles by Lease, Lewellen, and Schlarbaum (1974), Cohn, Lewellen, Lease, and Schlarbaum (1975), and Schlarbaum, Lewellen, and Lease (1978a,b). Data for these papers consist are a sample of approximately 3,000 accounts from 1964 to 1970. The authors focus on characteristics of investors including: age, wealth, and risk aversion. The authors also

consider common stock investments and portfolio performance for individuals in their sample.

Badrinath and Lewellen (1991) study 80,000 “round-trip” investments by approximately 3,000 individuals between 1971 and 1979. The accounts are from the same large, retail brokerage house used in the papers mentioned above. The authors concentrate their investigation on tax-loss selling at the end of the year. They find there is “strong evidence of a concentration of loss-taking trades late in the year.”

## **2.2 Accounts from a nationwide discount brokerage house (small sample)**

More recently, Odean (1998 and 1999) and Barber and Odean (1999, 2000, 2001) have greatly expanded our understanding of the individual investors. Odean (1998) studies the disposition effect with 10,000 customer accounts. The customer trade data consists of 162,948 records from January 1987 to December 1993. Odean (1999) uses the same data to test whether investors trade too much. Barber and Odean (1999) present the disposition effect results in a practitioner journal.

## **2.3 Households from a nationwide discount brokerage house (large sample)**

Barber and Odean (2000) increase the size of their original sample seven-fold. They study 78,000 households and show that increased trading reduces net return. The data consist of 1,969,701 purchases and sales. Barber and Odean (2001) use a subset of the total dataset (37,664 households) to study gender differences.

Rangueleva (2001) uses the same data to explore the disposition effect. The author finds that investors are less likely to realize losses in large stocks.

A series of papers from Yale also use the same data. Dhar and Kumar (2001) study momentum buyers/sellers and contrarian buyers/sellers. Goetzmann and Kumar (2002) show that the majority of investors are under diversified in their holdings. Dhar and Zhu (2002) show that individual traits such as wealth and experience tend to mitigate the disposition effect. Finally Zhu (2002) shows that investors tend to hold stocks of nearby companies.

## 2.4 Israeli accounts

Sharpari and Venezia (2000) study the disposition effect, trading frequency, volume, and profitability. Their sample of 4,330 accounts are randomly drawn from an Israeli bank that also has a brokerage arm. They document a disposition effect in Israel. Also, professionally managed accounts are more diversified than independent accounts.

## 2.5 Finnish accounts

Grinblatt and Keloharju (2000a, 2000b) study the shareholdings and trades of essentially all Finnish investors. The data include individuals and institutions. Given the enormous size of the dataset, the authors don't focus on statistics such as number of accounts. Instead, the authors concentrate on trading in the largest stocks. They find Finnish households are contrarian investors while foreigners tend to be momentum investors.

# 3 Brokerage accounts and individuals in the PRC

We are fortunate to have access to account-level data from the PRC. Our data is provided by a national brokerage firm and includes information about the individual account-holders and their trades from January 1999 to December 2000.

Brokerage accounts in the PRC are both similar to, and different from, what we are used to in the U.S. A brokerage firm (the firm) may have branch offices (branches) throughout the country. However, many brokerage firms are regionally focused and have branches in only one province.

Individuals may only open one stock account in the PRC. What's more, after choosing a firm and branch office, they conduct all their transactions through *one* branch. They place all of their trades through this one branch, they receive their statements from the branch, etc.

There is a critical difference in this paper and work to follow, between brokerage firms (our data are from one firm) and branch offices (our data come from fifteen different branches.) Table 1 shows where the fifteen branch offices used in this study are located. Nine of the fifteen are located in Guangdong Province or the Shanghai municipality. This is not too

surprising since the two stock exchanges in the PRC are located in these two provinces. The table shows the province population in Column 3. Column 4 has the size ( in  $km^2$  ) of the province or municipality as provided by central government of the PRC. The GDP per capita in Column 5 is also from the central government. Column 6 shows the results of a private survey. The survey is provided by the brokerage office and gives a measure of wealth distribution in the country. Table 1 shows the wide dispersion of wealth in China. According to the survey, residents in Shanghai make about three times those in Heilongjiang.

A branch office may have a number of ways for investors to place trades: computer terminals in the branch; cashier windows; telephone services; and computer links. Computer links from private computers are uncommon at this time, effectively leaving three channels with which to place a trade. Consider a brokerage firm with five regional branches in the country's largest cities. An individual who opens an account at the Beijing branch must place all his or her trades with the Beijing branch. Even if the individual is visiting Shanghai, he or she may not place trades at the local Shanghai branch of the same firm. Instead, he or she must call Beijing to place a trade (and may only do so if the account has previously been set up to allow phone trades.)

## 4 Database structure

Our account-level data is in three main databases. The first database has information about each individual (account). For each individual, we know the gender and birth date. We also have information on where the investor is registered to live.

The second database has transaction information. Each record is dated, has the associated account number, stock code (when relevant), shares (when relevant), purchase or sale price, taxes, etc. The brokerage firm who has provided this data switched to a new storage system in late 1998, early 1999. Our data come exclusively from this new system.<sup>1</sup>

The third database is a monthly position (holdings) file for investors. Stock positions are derived from the transaction database and initial positions provided by the brokerage firm. We use the monthly positions to calculate returns on investors' portfolios.

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<sup>1</sup>The date which a branch adopts the new systems determines the length of data we have. Branch 2 performed a testing role for the system starting in 1998. Other branches adopted in 1999. Thus, data from branch 2 are the only information we have before 1-Jan-1999. At this point we do not filter our data. In future studies we can look at trading behavior over a common time interval.

We also have daily price, volume, and return information for the aggregate stock market. The price files allow us to value an investor’s portfolio at the end of any day.

We now provide an in-depth description of each of the three main databases.

## 5 Overview of individuals (demographics)

We begin by looking at individuals (accounts.) Since each individual is limited to only opening one account, we can use the words “accounts” and “individuals” interchangeably.<sup>2</sup> Table 2 provides an overview of the number of individuals (unique accounts) in our dataset. Overall, there are 195,164 individuals in our sample. Of those, our data contain the corresponding National Identity Card (NIC) number for 146,369 individuals (Column 3). The NIC number is very important for our study since it contains information about the individual. The place an individual is currently registered to live (region, county, city) is contained in the NIC number. An individual’s birthday and gender is also part of the NIC.

When an individual is born in the PRC, their NIC number is coded to reflect where their parents are currently registered. If the individual moves during his lifetime, one of two things can happen. If the individual registers at his new residence, he will be given a new NIC number that reflects the new location. If the individual does not register, the NIC number will show the last place the individual was registered (i.e., his birthplace.)

The reason the NIC number is critical for our study becomes very clear. If we see an individual who has opened an account in the Beijing branch, we can assume the individual lives near by (because trades have to be placed at this branch). If the individual’s NIC number is coded with a different province, we can assume this person has moved to Beijing and not changed her registration. The NIC number, is thus, assumed to represent the individual’s birthplace. If the NIC number is coded for Beijing, it is not possible to know if the individual was actually born in Beijing or not. We only know either: she was born in Beijing or she was born elsewhere and has officially changed her residence to Beijing.

Table 2 Column 4 shows the number of active individuals. We define an active individual as one that buys or sells a PRC-listed stock, denominated in RMB, with a price and number

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<sup>2</sup>Individuals must show a National Identity Card (internal passport) when opening an account. These can be checked by the central government to insure an individual is not opening multiple accounts at various branches or firms.

of shares greater than zero during our sample period (1999 to 2000.) Our definition of active individuals excludes trading in bonds or warrants. It also, excludes unsuccessful bids for public offerings. As we can see, only about half of the individuals are active. In an emerging market, this is not too surprising since many brokerage accounts are opened for the express purpose of receiving privatization shares. For example, an employee of a state owned enterprise (SOE) is sometimes given shares of the company as part of the privatization process. The employee may then need a brokerage account to hold shares of her company.

Table 2, Column 5 (in boldface) is the most important column in the table. The intersection of active individuals and valid NIC numbers form the basis for most of our studies. As we can see, most active individuals have a valid NIC number so we are assured (a little) that we are not systematically excluding one type of investor or another.

Appendix 1 compares our sample with existing studies. Our finding that approximately 50% of individuals are active, appears in-line with studies in the United States.

### **5.1 NIC number, location of registration, and active investors**

Table 3 shows that most people open accounts in the same province where they are registered (boldface numbers.) Branches in Guangdong province show the largest influx of investors from other provinces - which is probably interesting to people studying intra-national migration in the PRC. This finding is not too surprising since Guangdong province contains cities like Shenzhen. Shenzhen has grown rapidly over the past decade and is known as a Mecca of sort for new businesses, nouveau riche, and young professionals. On the other hand, provinces such as Heilongjiang and Hubei have the lowest number of investors from other provinces. Most migration in the PRC is towards the big cities of Beijing, Shanghai, and Guangzhou (Canton).

While our data contain accounts from around the PRC, any single branch office has little diversity. Thus, for some of our future studies, the branch office will become the unit of analysis. We might consider the average holdings of investors from branch X and compare this number to the average holdings of investors from branch Y.

## 5.2 Gender of investors

The number of male investors is remarkably similar to the number of female investors in the PRC. Table 4 shows that accounts with a valid NIC number only (the NIC number is needed to discern the gender of an investor) are 53.3% male and 46.5% female. When we look at active individuals with valid NIC numbers the percentages are much closer to 50.0% - there are 51.2% males and 48.8% females. We can conclude that males are slightly more likely than females to open an account and not trade. This result may simply result from males being offered, or bidding for, more privatization shares than females (and thus having to open accounts).

The gender equality found in the PRC is not found elsewhere in the world. Lease, Lewellen, and Schlarbaum (1974) find that 80% of U.S. investors are males in the 1960s. Barber and Odean (2001) show that not much has changed in the U.S. over the past thirty years. A full 78.7% of their sample is male. These comparisons can be seen in tabular form in Appendix 2.

## 5.3 Age of investors

We can extract an investor's birthday from a valid NIC number. Table 5 shows that less than 3.0% of investors are under 25 years old. This is a little surprising since one might expect that young professionals in an emerging market to be some of the first people to invest in stocks. On the other hand, it is possible that young adults stay in school until their mid-twenties thus delaying their entrance into the job force. A delayed start of one's working life may be desirable in countries that aim to have 100% employment. A slight majority of our sample is in the 35 to 45 year old age range.

Not surprisingly, investors in the PRC are younger than those in the U.S. This result is most likely driven by three factors: i) longer life expectancy in the U.S.; ii) younger people are usually considered "early adopters" and stock markets were recently opened in the PRC; and iii) stock is not traditionally used in retirement planning in the PRC so there is no reason to expect older people to own stock. Again, we present comparisons in Appendix 2.

We graph the distribution of birth years for two reasons. The first is to expand the information given in Table 5. Figure 1 shows a remarkably smooth distribution of birth years. Currently, we have no explanation for the slight dips around 1960 and 1967. The second



reason for making a graph of birth years is to check the integrity of our data. Without knowing much about the distribution of age in the PRC, our data certainly look like they are free from biases. For example, our sample contains investors ranging in age from those in their late teens to the those in their nineties.

Figures 2 and 3 graph the birth month and day of birth for investors in our sample. Birth months show some seasonality with more people being born between October and January than in any other four-month period. Day of birth also shows a smooth distribution. About half as many people are born on the thirty-first of the month than on the thirtieth - a fact that is reassuring.

#### **5.4 Investor trading rights**

When individuals sign up for an account, they are given certain trading rights. This is not unlike U.S. investors who must apply to trade options. Table 6 shows that the vast majority of investors have the right to place trades by terminal, telephone, and at a cashier's window. Very few have the right to trade with a web-based system over the internet and 0.0% of the investors may place trades at non-home branches. This is reassuring for future studies since we want to associate each investor with a particular branch.

## **6 Overview of transactions**

Our data also contain detailed information about trades investors make during the period 1999 to 2000 (with the exception of Branch B which has transaction data from mid-1998.) In Table 7 we see there are over 10 million (mm) transactions in total. In Column 3, we see that 5.7mm transactions concern PRC-listed stocks. The other 4.4mm transactions cover trading in warrants, transactions regarding dividends, and bidding for secondary offerings.

In order to study the trading behavior of individuals, we concentrate on transactions by active investors with valid NIC numbers. Column 5 is the most important column in Table 7 as it is the basis of many future inquiries. Here we see about five million stock transactions. By limiting ourselves to individuals with valid NIC numbers we end up using over 86% of the available stock data.

## 6.1 Method of placing transactions

Of the five million transactions that we concentrate on, Table 8 shows that 61.8% are placed via a terminal. This means that investors are physically standing in the branch office at the time they place these trades. It also means that they enter the stock code, number of shares, etc. themselves.

Table 8, Column 4 shows that 24.5% of the trades are placed over the phone. When placing a telephone trade, investors may be anywhere. They call to the branch office (the one where they originally opened the account) and speak with a order-processor who then submits the trade for the investor.

Table 8, Column 5 shows that 12.1% of the trades are placed at a cashier window. Investors fill out a form (much like U.S. citizens fill out a withdrawal slip at a bank) in order to place an order. If we add Column 3 and Column 5, we see that 73.9% of all trades (or over 3.6mm trades) are physically placed in a brokerage branch office. We use this fact in future research. Since we know which trades are physically placed in a branch office, we can identify which investors are in the same room (branch office room) at the time trades are placed. We can also isolate disparate groups of investors who are physically in different branch offices.

Table 9 looks at individuals who regularly use one method or another to place stock trades. Here, we define “regularly” as 90% of the time. For example, suppose investor X in our sample places 50 trades over the 1999 to 2000 time period. If 45 or more of those trades are placed by telephone, we say investor X regularly uses the telephone.

In Table 9, we see that 63.4% of the investors regularly use only one method to place trades ( $63.4\% = 34.6\% + 21.1\% + 7.7\%$ ). Therefore, if we would like to group investors by method of placing a trade, we know that over half of individuals are not hopping from one group to another group.

## 6.2 Size and value of stock transactions

We now cut our data along a number of dimensions to test for inconsistencies. Table 10A and 10B look at the percentage of buy and sell transactions. The tables also look at the average value and median value of both buys and sells. Overall, our sample contains 53.1% buys and 46.9% sells. Barber and Odean (2000) report 54.9% of their sample is buys. The similarity of these numbers is worth mentioning.

Table 10A shows the average value of a buy is RMB 27,604 which works out to approximately USD 3,450 when using a rough exchange rate of 8 RMB to 1 USD. The average sell is bigger at RMB 31,125 or approximates USD 3,890. Barber and Odean (2000) also find sells are bigger than buys (USD 13,707 vs. USD 11,205). The average trade (buy) in the U.S. appears to be about 3.97x larger than in the PRC. The difference in trade sizes is a little surprising since GDP per capita and average income are about 10x larger in the U.S. than the PRC. We can conclude that stock investing is limited to a smaller and wealthier fraction of the population in the PRC than in the United States.

Table 10B shows the median trade value is smaller than the average trade value in both the PRC (this is also true in the United States.) In the PRC the average trade value is three to four times larger than the median. In the U.S., the average trade value is two to three times as large as the median. Again, this is evidence that stock market investing in the PRC is skewed towards wealthy individuals.

Table 11A and 11B look at the value of a transaction conditional on whether the trade is placed by terminal, over the telephone, or at a cashier counter. It is startling to note that transactions placed at the cashier counter are 3x to 5x larger than those placed by another method. We do not know the reason for this finding and suggest two possibilities: i) investors who use terminals “break-up” their trades while investors who use a cashier do not; and ii) investors who want to trade in sizable quantities find security in placing large trades with a cashier. The first explanation probably makes more sense.

## **7 Overview of individual portfolios (holdings or positions)**

We now turn to our portfolio data. These data record the monthly holdings (positions) of the investors in our dataset. Providing summary statistics is a little tricky when dealing with investor holdings since the number of investors, composition of investors, and value of holdings can change over time. For example, Schlarbaum, Lewellen, and Lease (1978) show that the aggregate value of holdings in their sample almost doubles from 1963 to 1968 before falling back near original level in 1970.

There is another factor that makes interpreting panel-summary statistics difficult. In an emerging stock market like the PRC, investors may be building their portfolios over time. We have not yet studied how investors build their portfolios, but can imagine a time-varying component or trend in our data and the market as a whole. For these reasons, we focus on

holding only on 1-Jun-2000 for the purpose of presenting summary statistics. Of course, we later plan to study holdings over time and can easily provide similar statistics at the start of any month.

Table 12 Column 3 shows that number of active investors with a positive portfolio balance as of 1-Jun-2000. Since some investors might be passively holding the same portfolio throughout our sample period, we choose to focus only on active investors (those who make at least one trade during 1999 or 2000.) Of those investors with a positive balance, 60,260 or 96.1% have a valid NIC number. Again, we do not have to worry much about selection biases in future studies. Column 4 is the most important column in the Table 12 and is the basis of the next two tables.

Table 13A looks at individual portfolios in terms of number of stocks held (positions). The average number of positions is 3.2 and the median number of positions is 2. The investors in our data are active and trade quite frequently. During the month of June 2000, the average investor has 2.9 buy trades and 3.2 sell trades. We have not aggregated trades in any way so it is possible that these high numbers are the result of investors “breaking-up” their own trades.

Table 13B looks at the portfolios in terms of value (in RMB). The average balance on 1-Jun-2000 was RMB 135,127 which works out to roughly USD 16,891 when using an approximate exchange rate of 8 RMB to 1 USD. We can see that the median portfolio value is not nearly as high as the average. In fact, the median value across all branches is RMB 30,960 (not reported) or USD 3,870. When we measure turnover measured in terms of value, our investors still appear very active. The average value bought over the month of June 2000 was RMB 64,413 or USD 8,052 and the average value sold was RMB 77,351 or USD 9,669.

There is a very important and interesting comparison to be made here. The correlation of the average balance of each branch (from Table 13B) with the average monthly household income (from Table 1) is 0.60! Therefore, differences we see at the branch level mirror differences within the PRC. We can compare the investing behavior of a relatively *{wealthy, poor}* person from a relatively *{wealthy, poor}* province with the investing behavior of other groups.

Not surprisingly, there is a long right-hand side tail to the distribution of portfolio holdings. Figure 4 graphs the distribution of individual portfolio values. Even after graphing the natural log of value we still see (right) skewed distribution. In fact, there are 94 portfolios with a value over RMB 8,886,111 or USD 1,110,764 as of 1-Jun-2000.

## 8 Conclusion

This paper is meant as a reference and we hope it serves as exactly that. We have provided a very detailed description of stock market investors in an emerging market (the PRC.) We have detailed demographic information, trading behavior, and portfolio holdings.

The appendices compare our data to the data used in comparable papers. In the broadest terms, we are surprised how similar PRC investors seem to those in developed countries like the United States. The number of positions held and portfolio values are comparable (Appendix 3). The percentage of buys and sells is also very similar (Appendix 4).

Of course there are differences. PRC investors are younger (Appendix 2). They also trade a lot more (Appendix 4). The high volume is a fact we already know by looking at aggregate market volume and turnover.

Finally, and most importantly, there seems to be nothing obviously odd about the data. We are thus confident in proceeding with future, academic studies.

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**Table 1. Branch Location and Regional Statistics**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). We have data from fifteen branch offices located throughout the country. The majority of the offices are located near one of the two stock exchanges in the PRC (Guangdong Province and the Shanghai Municipality.) Province population in Column 3 is from the brokerage firm. Column 4 has the size ( in km<sup>2</sup> ) of the province or municipality as provided by central government of the PRC. The GDP per capita in Column 5 is also from the central government. Column 6 shows the results of a private survey. The survey is provided by the brokerage firm and gives a measure of wealth distribution in the country.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )
Branch	Province	Province Population ( #mm )	Area ( km <sup>2</sup> )	GDP per Capita ( RMB )	Average Monthly Household Income ( RMB )
A, B, C, D	Guangdong	73.0	170,000	11,728	1,337
E, F, G, J, K	Shanghai	13.1	6,340	30,805	1,422
H	Heilongjiang	36.6	453,900	7,660	490
I, L	Sichuan	83.6	570,000	4,452	722
M	Hubei	59.4	187,000	6,514	754
N	Beijing	11.1	16,800	19,846	1,184
0	Shandong	89.2	153,800	8,673	794



**Table 2. Overview of Individual Investors (Accounts)**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Data are recorded and kept by one of fifteen branch offices that are located throughout the country. Individuals sign-up and then complete all transactions with one branch office. One individual may only open one account in the PRC and, thus, is only registered at one branch office. Each branch office is responsible for maintaining all records of the individuals who are registered with that branch. The total number of individuals (accounts) is shown in Column 2. In Column 3, we can see that approximate 75% of all individuals have a valid national identification number (NIC) associated with them. A valid NIC allows us to know an investors age, birthplace, and gender. In column 4, we define an active account as one who that buys or sells a PRC-listed common stock, denominated in RMB, with a price and number of shares greater than zero (this excludes bonds, warrants, and unsuccessful bids for public offerings of common stock). Column 5, in boldface, shows the number of individuals that we consider for the rest of this paper.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )
Branch	Total Number of Individual Investors (Accounts) ( # )	Number of Individuals with a Valid NIC ( # )	Number of Active Stock Investors ( # )	<b>Number of Active Stock Investors with a Valid NIC ( # )</b>	Percentage of Active Stock Investors with a Valid NIC ( % )
A	4,402	3,452	2,374	<b>2,296</b>	96.7
B	30,148	5,327	3,929	<b>3,342</b>	85.1
C	16,922	5,963	3,511	<b>2,778</b>	79.1
D	7,856	7,365	3,740	<b>3,701</b>	99.0
E	12,812	12,174	4,274	<b>4,169</b>	97.5
F	15,285	14,322	7,801	<b>7,650</b>	98.1
G	6,107	3,619	4,030	<b>2,808</b>	69.7
H	15,313	15,151	12,100	<b>12,071</b>	99.8
I	8,541	7,108	5,217	<b>4,832</b>	92.6
J	9,120	7,553	4,758	<b>4,504</b>	94.7
K	19,024	18,670	10,301	<b>10,164</b>	98.7
L	4,588	4,465	3,817	<b>3,761</b>	98.5
M	10,645	10,391	7,437	<b>7,346</b>	98.8
N	16,451	15,968	11,855	<b>11,726</b>	98.9
O	17,950	14,841	9,397	<b>9,330</b>	99.3
Total	195,164	146,369	94,541	<b>90,478</b>	-
Average	-	-	-	-	95.7

**Table 3. National Identification Card (NIC) Location of Registration and Active Stock Investors**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Data are recorded and kept by one of fifteen branch offices that are located throughout the country. Individuals sign-up and then complete all transactions with one branch office. NIC cards or internal passports originally show where an individual's family lived at the time of his or her birth. If the investors moves and registers in a new province, the NIC number changes. If the investor moves and does not register, the NIC Column 3 shows that 85% of individuals have accounts at a branch office that is in the same province as their NIC indicates. Note that branches A, B, C, D are from Guangdong Province and many investors are from the city of Shenzhen. This city has experience rapid grown over the past decade. Many investors have moved from other provinces for job-related reasons.

(1) Branch	(2) Number of Active Stock Investors with a Valid NIC (%)	(3) Percent of Active and Valid Investors From Same Province as Branch (%)	North		East		South		Central	
			(4) Heilong- jiang (%)	(5) Beijing (%)	(6) Shan-dong (%)	(7) Shanghai (%)	(8) Guang- dong (%)	(9) Sichuan (%)	(10) Hubei (%)	(11) Other (%)
A	2,296	49.9	2.0	2.2	1.6	0.9	<b>49.9</b>	4.3	9.1	30.0
B	3,342	54.1	1.2	1.3	1.4	0.4	<b>54.1</b>	6.2	6.9	28.4
C	2,778	41.0	2.3	2.6	0.9	0.9	<b>41.0</b>	6.8	7.2	38.3
D	3,701	52.2	1.4	0.6	0.6	0.8	<b>52.2</b>	5.9	4.6	33.9
E	4,169	88.8	0.4	0.4	0.4	<b>88.8</b>	0.4	0.6	0.7	8.3
F	7,650	91.4	0.3	0.1	0.2	<b>91.4</b>	0.2	0.3	0.4	7.1
G	2,808	87.6	0.4	0.2	0.3	<b>87.6</b>	0.1	0.6	0.5	10.2
H	12,071	98.8	<b>98.8</b>	0.0	0.0	0.0	0.0	0.0	0.0	1.0
I	4,832	96.2	0.0	0.1	0.1	0.2	0.2	<b>96.2</b>	0.8	2.4
J	4,504	87.1	0.4	0.3	0.2	<b>87.1</b>	0.3	1.7	0.8	9.2
K	10,164	88.0	0.4	0.1	0.3	<b>88.0</b>	0.1	0.7	0.5	9.8
L	3,761	91.6	0.3	0.5	0.1	0.1	0.3	<b>91.6</b>	0.5	6.6
M	7,346	92.9	0.2	0.4	0.1	0.3	0.5	0.7	<b>92.9</b>	4.9
N	11,726	83.8	1.3	<b>83.8</b>	1.1	0.3	0.3	1.1	0.8	11.2
O	9,330	95.0	0.7	0.1	<b>95.0</b>	0.2	0.0	0.4	0.2	3.4
Total	90,478	-								
Average	-	85.8	13.8	11.2	10.2	29.0	6.8	10.2	8.8	10.0

**Table 4. Gender of Active Stock Investors**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Our sample contains nearly equal percentages of men and women. Columns 4 and 5 show that men are slightly more apt to open an account. However, Columns 8 and 9 show that active accounts are much more evenly divided.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Branch	Total Number of Individual Investors (Accounts) (#)	Number of Individuals with a Valid NIC (#)	Percent Male (%)	Percent Female (%)	Total Number of Active Stock Investors (#)	Total Number of Active Stock Investors with Valid NIC (#)	Percent of Active Stock Investors Male (%)	Percent of Active Stock Investors Female (%)
A	4,402	3,452	51.5	48.5	2,374	2,296	50.2	49.8
B	30,148	5,327	49.4	50.6	3,929	3,342	48.6	51.4
C	16,922	5,963	53.7	46.3	3,511	2,778	51.1	48.9
D	7,856	7,365	57.1	42.9	3,740	3,701	57.4	42.6
E	12,812	12,174	59.4	40.6	4,274	4,169	55.0	45.0
F	15,285	14,322	57.7	42.3	7,801	7,650	54.7	45.3
G	6,107	3,619	48.6	51.4	4,030	2,808	47.6	52.4
H	15,313	15,151	48.7	51.3	12,100	12,071	47.6	52.4
I	8,541	7,108	49.5	50.5	5,217	4,832	48.6	51.4
J	9,120	7,553	51.2	48.8	4,758	4,504	49.8	50.2
K	19,024	18,670	53.1	46.9	10,301	10,164	49.6	50.4
L	4,588	4,465	47.8	52.2	3,817	3,761	48.4	51.6
M	10,645	10,391	53.9	46.1	7,437	7,346	52.7	47.3
N	16,451	15,968	54.8	45.2	11,855	11,726	53.9	46.1
O	17,950	14,841	54.5	45.5	9,397	9,330	50.9	49.1
Total	195,164	146,369	-	-	94,541	90,478	-	-
Average	-	-	53.5	46.5	-	-	51.2	48.8

**Table 5. Age of Active Stock Investors**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Our sample contains a rather smooth distribution of investors based on age. The table below show that the majority of investors are middle-aged (please see Figure 1 also). Notice that the breakdown is not even across branches. Branches A, B, C, D are from Guangdong Province and many investors are from the city of Shenzhen. This city has experience rapid grown over the past decade. Many investors have moved from other provinces for job-related reasons. Shenzhen is known for it's high proportion of young-professionals. Figure 1 graphs investors birth year for readers who want more detail.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )	( 8 )
Branch	Number of Active Stock Investors with a Valid NIC (Accounts) ( # )	Age Less Than 25 years ( % )	Age Between 25 and 35 ( % )	Age Between 35 and 45 ( % )	Age Between 45 and 55 ( % )	Age Between 55 and 65 ( % )	Age Above 65 ( % )
A	2,296	4.4	41.5	28.4	13.6	7.0	5.1
B	3,342	3.7	41.0	30.3	12.7	6.4	5.8
C	2,778	2.1	40.1	32.3	13.3	6.7	5.4
D	3,701	1.9	48.2	30.9	11.5	4.1	3.3
E	4,169	1.6	15.6	24.5	36.8	14.0	7.6
F	7,650	1.5	16.5	26.1	31.4	15.3	9.2
G	2,808	2.8	16.2	23.0	36.4	12.6	9.0
H	12,071	3.2	25.6	36.6	24.7	6.8	3.0
I	4,832	1.6	21.3	26.8	33.7	11.8	4.8
J	4,504	2.5	15.5	22.6	33.1	14.2	12.1
K	10,164	2.3	17.4	26.7	32.8	13.3	7.6
L	3,761	6.0	34.8	25.3	18.9	10.0	5.1
M	7,346	3.3	25.8	31.1	24.0	10.1	5.7
N	11,726	4.5	29.4	33.5	19.7	7.9	5.1
O	9,330	2.3	22.9	31.9	30.2	8.7	4.1
Total	90,478	-	-	-	-	-	-
Average	-	2.9	25.4	29.8	26.0	10.0	5.9

**Table 6. Individual Trading Rights**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Investors can place trades in one of five methods: a) through computer terminals that are located in the branch offices. The national brokerage office updated its terminals at some point; b) through the telephone; c) from home, over the computer with a modem; d) at a cashier's window that is located in the brokerage office; and e) with a computer, via an internet website. Column 9 shows that investors in our sample may not use other branches. Column 10 shows that most investors have the right (approval) to use one of four methods to place trades.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )	( 8 )	( 9 )	( 10 )
Branch	Number of Active Stock Investors with a Valid NIC (Accounts) ( # )	May Use Old-Style Terminal ( % )	May Use New-Style Terminal ( % )	May Use Tele-phone ( % )	May Use Modem ( % )	May Trade at the Cashier Window ( % )	May Use Internet ( % )	May Use Non-Home Branch ( % )	Median Number of Rights per Investor ( # )
A	2,296	100.0	100.0	100.0	9.3	100.0	0.0	0.0	4.0
B	3,342	100.0	100.0	99.9	79.3	100.0	0.3	0.0	4.0
C	2,778	100.0	100.0	100.0	40.7	100.0	0.0	0.0	4.0
D	3,701	100.0	100.0	100.0	41.9	100.0	0.0	0.0	4.0
E	4,169	100.0	100.0	100.0	100.0	100.0	0.0	0.0	4.0
F	7,650	100.0	81.1	100.0	67.8	100.0	0.1	0.0	4.0
G	2,808	100.0	100.0	100.0	100.0	100.0	0.0	0.0	4.0
H	12,071	100.0	62.9	66.1	51.4	100.0	0.0	0.0	4.0
I	4,832	99.9	100.0	100.0	99.9	100.0	0.0	0.0	4.0
J	4,504	99.9	99.9	45.0	66.4	99.9	0.0	0.0	4.0
K	10,164	100.0	100.0	100.0	99.9	100.0	0.0	0.0	4.0
L	3,761	100.0	44.0	100.0	29.3	100.0	0.3	0.0	4.0
M	7,346	100.0	100.0	99.7	56.6	100.0	4.4	0.0	4.0
N	11,726	97.1	35.0	99.9	26.2	100.0	0.0	0.0	4.0
O	9,330	100.0	56.9	99.1	46.8	100.0	0.0	0.0	4.0
Total	90,478	-	-	-	-	-	-	-	-
Average	-	99.6	78.2	92.6	60.3	100.0	0.4	0.0	4.0

**Table 7. Overview of Transactions**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Transactions encompass any entry regarding an investor's account and can include: trading in stock, trading in warrants, trading in bonds, receiving dividends, etc. We see that 56.7% of the entries relate to purchases or sales of common stocks. Of these, 86.9% are made by investors with a valid NIC number. The total value of all stock trades made by active investors with a valid NIC is over RMB 146 bn.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Branch	Total Number of Entries in Transaction Database (#)	Number of Stock Transactions (#)	Number of Stock Transactions as a Percentage of Database Entries (%)	<b>Number of Stock Transactions by Active Investors with Valid NIC (#)</b>	Percentage of Stock Transaction Made by Active Investors with Valid NIC (%)	Value of all Stock Transactions by Active Investors with Valid NIC (RMB mm)
A	273,964	190,917	69.7	<b>173,112</b>	90.7	8,140.0
B	352,204	249,960	71.0	<b>197,352</b>	79.0	9,142.0
C	479,173	279,911	58.4	<b>196,696</b>	70.3	12,260.0
D	228,647	151,271	66.2	<b>148,918</b>	98.4	3,770.7
E	666,482	345,068	51.8	<b>297,928</b>	86.3	8,404.2
F	681,095	329,798	48.4	<b>293,390</b>	89.0	7,101.2
G	861,250	517,478	60.1	<b>284,414</b>	55.0	7,688.1
H	824,752	489,413	59.3	<b>488,270</b>	99.8	5,667.7
I	482,502	306,598	63.5	<b>239,660</b>	78.2	5,502.7
J	939,795	551,014	58.6	<b>518,572</b>	94.1	16,911.9
K	1,181,980	595,871	50.4	<b>515,290</b>	86.5	9,519.7
L	327,915	207,001	63.1	<b>201,218</b>	97.2	7,241.3
M	726,462	413,254	56.9	<b>405,857</b>	98.2	9,765.6
N	1,183,829	680,432	57.5	<b>603,612</b>	88.7	22,097.5
O	936,192	444,339	47.5	<b>432,017</b>	97.2	12,812.5
Total	10,146,242	5,752,325	-	<b>4,996,306</b>	-	146,025.2
Average	-	-	56.7	-	86.9	-

**Table 8. Method of Placing Stock Transactions - By Transaction**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Investors can place trades in one of five methods: a) through computer terminals that are located in the branch offices. The national brokerage office updated its terminals at some point; b) through the telephone; c) from home, over the computer with a modem; d) at a cashier's window that is located in the brokerage office; and e) with a computer, via an internet website. Column 3 shows approximately two thirds of all trades are placed at a computer terminal which is located at the branch office.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )
Branch	Number of Stock Transactions by Active Investors with Valid NIC ( # )	Percentage Placed by Terminal (Either Type) ( % )	Percentage Placed by Telephone ( % )	Percentage Placed at the Cashier Window ( % )	Percentage Placed with Another Method ( % )
A	173,112	65.6	22.9	8.8	2.7
B	197,352	65.9	21.5	11.3	1.2
C	196,696	67.7	22.5	6.9	2.9
D	148,918	53.2	27.6	18.1	1.1
E	297,928	55.2	26.6	18.0	0.1
F	293,390	74.1	15.2	10.6	0.1
G	284,414	58.1	16.9	25.0	0.0
H	488,270	74.3	14.2	10.6	0.9
I	239,660	51.1	37.7	6.4	4.8
J	518,572	66.0	15.4	18.6	0.0
K	515,290	54.7	29.2	16.0	0.0
L	201,218	62.2	29.5	2.8	5.5
M	405,857	63.4	23.8	9.7	3.0
N	603,612	49.4	44.1	4.5	2.0
O	432,017	67.8	16.7	12.3	3.2
Total	4,996,306	-	-	-	-
Average	-	61.8	24.5	12.1	1.6

**Table 9. Method of Placing Stock Transactions - By Investor**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Investors can place trades in one of five methods though here we concentrate on the three most popular methods. We show the fraction of investors who regularly use one of these methods. We define regularly as using one method at least 90% of the time.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )
Branch	Number of Active Stock Investors with a Valid NIC ( # )	Percentage of Investors Who Regularly Use Either Style of Terminal ( % )	Percentage of Investors Who Regularly Use Telephone ( % )	Percentage of Investors Who Regularly Use the Cashier Window ( % )
A	2,296	37.1	21.6	2.0
B	3,342	27.9	20.8	12.8
C	2,778	36.2	23.7	1.4
D	3,701	22.8	17.3	16.6
E	4,169	25.4	24.1	13.7
F	7,650	39.0	15.4	11.2
G	2,808	29.8	19.5	13.8
H	12,071	51.4	8.2	8.8
I	4,832	26.1	35.2	2.9
J	4,504	30.9	16.0	20.8
K	10,164	25.3	27.4	13.0
L	3,761	33.5	28.2	0.2
M	7,346	36.2	14.4	3.7
N	11,726	26.0	39.7	0.2
O	9,330	47.1	9.7	2.9
Total	90,478	-	-	-
Average	-	34.6	21.1	7.7



**Table 10A. Average Size and Value of Stock Transactions - By Transaction**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). A slight majority of trades are buys. The number of shares sold and the value of shares sold is larger than the corresponding amount for purchases.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )	( 8 )
Branch	Number of Stock Transactions by Active Investors with Valid NIC (#)	Percentage of Buy Transactions (%)	Average Number of Shares of a Buy ( shares )	Average Value of a Buy ( RMB )	Percentage of Sell Transactions (%)	Average Number of Shares of a Sell ( shares )	Average Value of a Sell ( RMB )
A	173,112	53.0	4,163	44,731	47.0	4,630	49,604
B	197,352	53.1	4,032	43,611	46.9	4,548	49,397
C	196,696	54.0	5,016	57,098	46.0	5,939	68,462
D	148,918	53.0	2,250	23,728	47.0	2,568	27,120
E	297,928	52.7	2,698	27,179	47.3	2,928	29,354
F	293,390	52.8	2,521	22,911	47.2	2,815	25,652
G	284,414	52.5	2,619	25,966	47.5	2,854	28,211
H	488,270	53.9	1,054	10,970	46.1	1,197	12,352
I	239,660	51.8	1,865	22,128	48.2	1,992	23,854
J	518,572	50.6	3,188	32,172	49.4	3,261	33,064
K	515,290	53.0	1,846	17,408	47.0	2,069	19,679
L	201,218	56.8	2,749	32,661	43.2	3,424	40,353
M	405,857	52.2	2,530	22,883	47.8	2,788	25,348
N	603,612	55.6	3,454	33,369	44.4	4,230	40,672
O	432,017	52.0	3,383	28,432	48.0	3,671	30,983
Total	4,996,306	-	-	-	-	-	-
Average	-	53.1	2,766	27,604	46.9	3,110	31,125

**Table 10B. Median Size and Value of Stock Transactions - By Transaction**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). A slight majority of trades are buys. The median value of shares sold is slightly larger than the corresponding amount for purchases.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )	( 8 )
Branch	Number of Stock Transactions by Active Investors with Valid NIC (#)	Percentage of Buy Transactions (%)	Median Number of Shares of a Buy ( shares )	Median Value of a Buy ( RMB )	Percentage of Sell Transactions (%)	Median Number of Shares of a Sell ( shares )	Median Value of a Sell ( RMB )
A	173,112	53.0	1,000	12,690	47.0	1,000	14,350
B	197,352	53.1	1,000	13,650	46.9	1,200	15,849
C	196,696	54.0	1,100	17,010	46.0	1,500	20,470
D	148,918	53.0	900	8,309	47.0	1,000	8,808
E	297,928	52.7	1,000	8,811	47.3	1,000	9,414
F	293,390	52.8	700	7,710	47.2	900	8,500
G	284,414	52.5	600	7,112	47.5	500	6,800
H	488,270	53.9	500	5,550	46.1	500	6,005
I	239,660	51.8	600	6,965	48.2	700	7,350
J	518,572	50.6	500	6,792	49.4	500	7,230
K	515,290	53.0	500	5,536	47.0	500	5,980
L	201,218	56.8	900	9,180	43.2	1,000	10,224
M	405,857	52.2	800	8,100	47.8	1,000	9,000
N	603,612	55.6	700	8,390	44.4	1,000	10,020
O	432,017	52.0	700	7,560	48.0	900	8,450
Total	4,996,306	-	-	-	-	-	-
Average	-	53.1	-	-	46.9	-	-

**Table 11A. Average Size and Value of Transactions - By Method of Placing Transaction**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Investors can place trades in one of five methods: a) through computer terminals that are located in the branch offices. The national brokerage office updated its terminals at some point; b) through the telephone; c) from home, over the computer with a modem; d) at a cashier's window that is located in the brokerage office; and e) with a computer, via an internet website. We report the average value of a transaction conditional on method of placing the transaction.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )
Branch	Number of Stock Transactions by Active Investors with Valid NIC (#)	Average Value of a Transaction Using a Terminal (Either Syle) ( RMB )	Average Value of a Transaction Using a Telephone ( RMB )	Average Value of a Transaction Using the Cashier Window ( RMB )	Average Value of a Transaction Using Other Methods ( RMB )
A	173,112	36,992	29,045	170,034	42,850
B	197,352	43,435	29,114	91,871	82,864
C	196,696	56,832	40,775	198,838	33,032
D	148,918	27,915	15,706	31,665	36,957
E	297,928	21,337	16,547	66,445	33,334
F	293,390	19,073	14,667	73,840	24,129
G	284,414	14,248	14,579	65,236	20,202
H	488,270	11,072	9,981	17,461	13,016
I	239,660	22,935	10,530	97,956	20,385
J	518,572	21,900	14,794	85,263	16,832
K	515,290	14,895	12,157	42,253	24,272
L	201,218	41,902	15,726	123,860	33,761
M	405,857	20,490	15,601	68,011	24,818
N	603,612	40,038	17,692	170,581	65,765
O	432,017	21,441	16,353	95,164	20,650
Total	4,996,306	-	-	-	-
Average	-	9,604	6,132	30,870	8,320

**Table 11B. Median Size and Value of Transactions - By Method of Placing Transaction**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Investors can place trades in one of five methods: a) through computer terminals that are located in the branch offices. The national brokerage office updated its terminals at some point; b) through the telephone; c) from home, over the computer with a modem; d) at a cashier's window that is located in the brokerage office; and e) with a computer, via an internet website. We report the median value of a transaction conditional on method of placing the transaction.

( 1 )	( 2 )	( 4 )	( 5 )	( 6 )	( 7 )
Branch	Number of Stock Transactions by Active Investors with Valid NIC (#)	Median Value of a Transaction Using a Terminal (Either Style) ( RMB )	Median Value of a Transaction Using a Telephone ( RMB )	Median Value of a Transaction Using the Cashier Window ( RMB )	Median Value of a Transaction Using Other Methods ( RMB )
A	173,112	12,200	11,820	69,300	10,506
B	197,352	14,295	10,725	36,335	24,270
C	196,696	17,820	15,510	140,140	13,281
D	148,918	8,750	7,352	9,575	21,600
E	297,928	8,808	7,370	18,160	12,846
F	293,390	7,616	7,500	21,720	8,920
G	284,414	4,794	6,490	22,470	9,926
H	488,270	5,821	5,340	5,841	6,790
I	239,660	7,790	5,580	26,300	8,450
J	518,572	5,640	6,608	20,750	11,685
K	515,290	4,724	6,270	9,400	6,990
L	201,218	10,670	7,345	34,560	12,600
M	405,857	7,920	7,530	23,200	10,880
N	603,612	10,280	7,128	106,080	26,075
O	432,017	7,146	7,080	26,040	9,935
Total	4,996,306	-	-	-	-
Average	-	-	-	-	-

**Table 12. Overview of Portfolios**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Portfolio holdings in stock are recorded at the beginning of every month. Here we concentrate on the cross-sections of holdings at the beginning of one month: June 2000. For reference, there are 90,478 active and valid accounts in our data set. On 1-Jun-2000, there are 62,687 active investors with a non-zero stock holding. Of these individuals, 96.1% had a valid NIC.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )
Branch	Number of Active Stock Investors with a Valid NIC ( # )	Number of Active Investors with Portfolio Balance > 0 on 1-Jun-2000 ( # )	Number of Active Stock Investors with a Valid NIC and Portfolio Balance > 0 on 1-Jun- 2000 ( # )	Percent of Active Investors with Valid NIC on 1-Jun-2000 (col 4 / col 3) ( % )
A	2,296	1,605	<b>1,561</b>	97.3
B	3,342	1,990	<b>1,765</b>	88.7
C	2,778	2,480	<b>2,012</b>	81.1
D	3,701	2,199	<b>2,188</b>	99.5
E	4,169	3,043	<b>2,987</b>	98.2
F	7,650	2,071	<b>2,022</b>	97.6
G	2,808	2,846	<b>2,041</b>	71.7
H	12,071	8,842	<b>8,817</b>	99.7
I	4,832	3,748	<b>3,411</b>	91.0
J	4,504	3,235	<b>3,106</b>	96.0
K	10,164	7,974	<b>7,911</b>	99.2
L	3,761	2,840	<b>2,806</b>	98.8
M	7,346	4,987	<b>4,922</b>	98.7
N	11,726	8,671	<b>8,593</b>	99.1
O	9,330	6,156	<b>6,118</b>	99.4
Total	90,478	62,687	<b>60,260</b>	-
Average	-	-	-	96.1

**Table 13A. Portfolio Turnover (Positions)**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Portfolio holdings in stock are recorded at the beginning of every month. Here we concentrate on the cross-sections of holdings at the beginning of one month: June 2000. The average individual holds 3.2 different stocks (or positions) on 1-Jun-2000. Over the next month (June 2000) the average individual makes 2.9 purchases and 3.2 sells.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )	( 8 )
Branch	Number of Active Stock Investors with a Valid NIC and Portfolio Balance > 0 on 1-Jun- 2000 ( # )	Average Number of Positions (Stocks) for Active Investors with Valid NIC on 1-Jun-2000 ( # )	Median Number of Positions (Stocks) for Active Investors with Valid NIC on 1-Jun-2000 ( # )	Average Number of Buys per Investor in Jun-2000 ( # )	Median Number of Buys per Investor in Jun-2000 ( # )	Average Number of Sells per Investor in Jun-2000 ( # )	Median Number of Sells per Investor in Jun-2000 ( # )
A	1,561	3.2	2.0	3.5	2.0	4.4	2.0
B	1,765	2.8	2.0	2.9	2.0	3.2	2.0
C	2,012	3.3	2.0	3.6	2.0	4.6	2.0
D	2,188	2.8	2.0	2.3	1.0	2.4	2.0
E	2,987	3.6	3.0	3.7	2.0	3.8	2.0
F	2,022	4.5	3.0	3.5	2.0	4.3	2.0
G	2,041	3.9	3.0	5.0	2.0	4.6	2.0
H	8,817	2.8	2.0	2.0	1.0	2.4	2.0
I	3,411	2.8	2.0	2.8	1.0	2.8	2.0
J	3,106	4.3	3.0	4.9	2.0	5.4	2.0
K	7,911	3.4	2.0	2.6	1.0	3.3	2.0
L	2,806	2.9	2.0	2.7	1.0	3.1	2.0
M	4,922	3.0	2.0	2.5	1.0	2.9	2.0
N	8,593	3.1	2.0	3.2	1.0	3.0	2.0
O	6,118	2.9	2.0	2.2	1.0	2.5	2.0
Total	60,260	-	-	-	-	-	-
Average	-	3.2	-	2.9	-	3.2	-

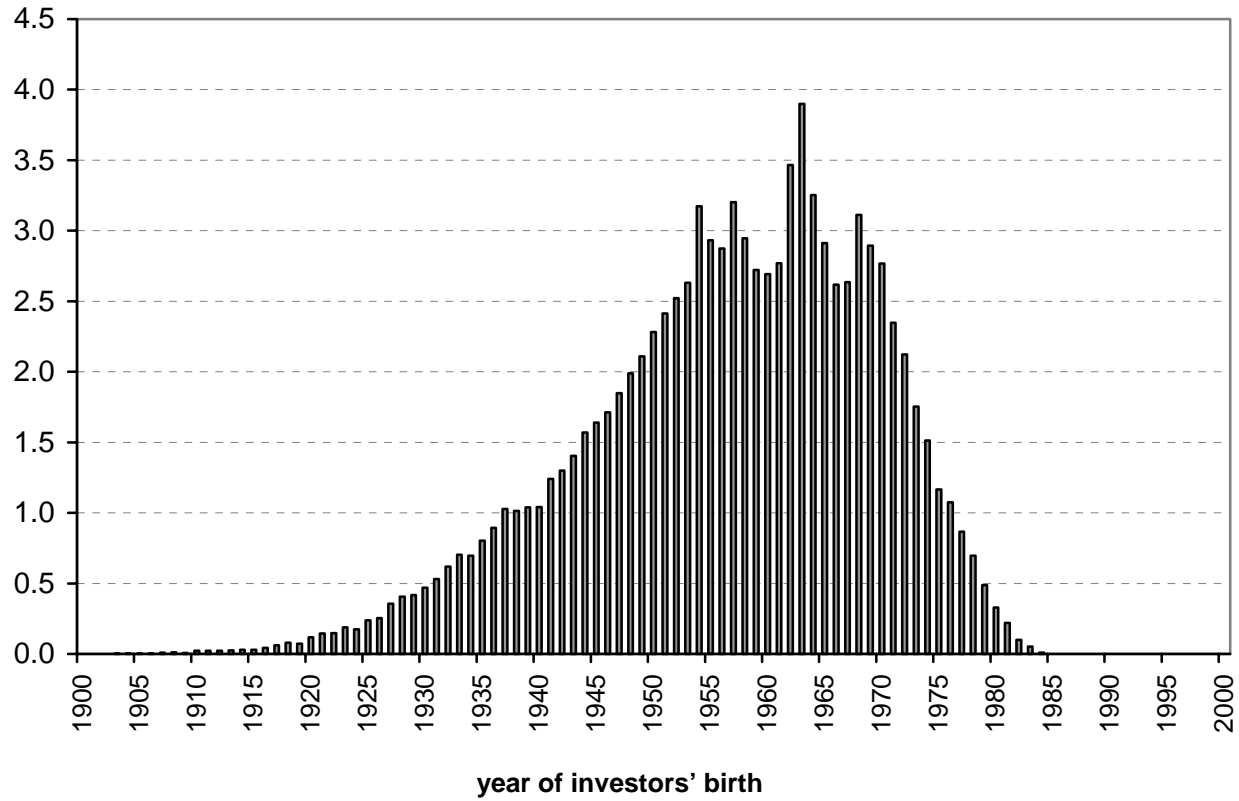
**Table 13B. Portfolio Turnover (RMB)**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). Portfolio holdings in stock are recorded at the beginning of every month. Here we concentrate on the cross-sections of holdings at the beginning of one month: June 2000. The average individual holds RMB 135,127 on 1-Jun-2000. Over the next month (June 2000) the average individual purchases RMB 64,413 of stock and sells RMB 77,351.

( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )	( 8 )
Branch	Number of Active Stock Investors with a Valid NIC and Portfolio Balance > 0 on 1-Jun- 2000 ( # )	Average Portfolio Value for Active Investors with Valid NIC on 1-Jun-2000 ( RMB )	Median Portfolio Value for Active Investors with Valid NIC on 1-Jun-2000 ( RMB )	Average Value of Buys per Investor in Jun-2000 ( RMB )	Median Value of Buys per Investor in Jun-2000 ( RMB )	Average Value of Sells per Investor in Jun-2000 ( RMB )	Median Value of Sells per Investor in Jun-2000 ( RMB )
A	1,561	346,898	56,883	89,400	19,794	166,016	34,075
B	1,765	255,483	37,964	78,997	17,525	117,667	20,723
C	2,012	351,529	96,600	124,006	34,110	200,826	51,090
D	2,188	153,736	29,855	31,870	10,209	42,066	14,120
E	2,987	174,483	42,784	159,054	14,160	117,420	19,530
F	2,022	190,755	57,640	56,495	14,768	74,813	23,060
G	2,041	186,641	37,512	130,366	10,338	125,430	15,634
H	8,817	43,992	20,104	17,472	7,530	24,678	10,059
I	3,411	106,886	22,980	72,484	9,600	62,400	12,024
J	3,106	331,072	45,810	163,302	13,492	160,546	18,507
K	7,911	72,165	31,912	32,447	8,750	50,550	12,950
L	2,806	157,373	32,760	74,017	12,280	88,648	16,411
M	4,922	85,578	29,196	36,048	12,180	46,771	15,467
N	8,593	135,893	32,013	77,566	10,325	98,847	13,271
O	6,118	71,368	23,821	34,504	8,865	46,238	12,000
P							
Total	60,260	-	-	-	-	-	-
Average	-	135,127	-	64,413	-	77,351	-

**Figure 1. Birth Year of Active Stock Investors**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). The distribution of birth years is not too surprising. The peaks and dips from 1955 to 1970 have yet to be explained.





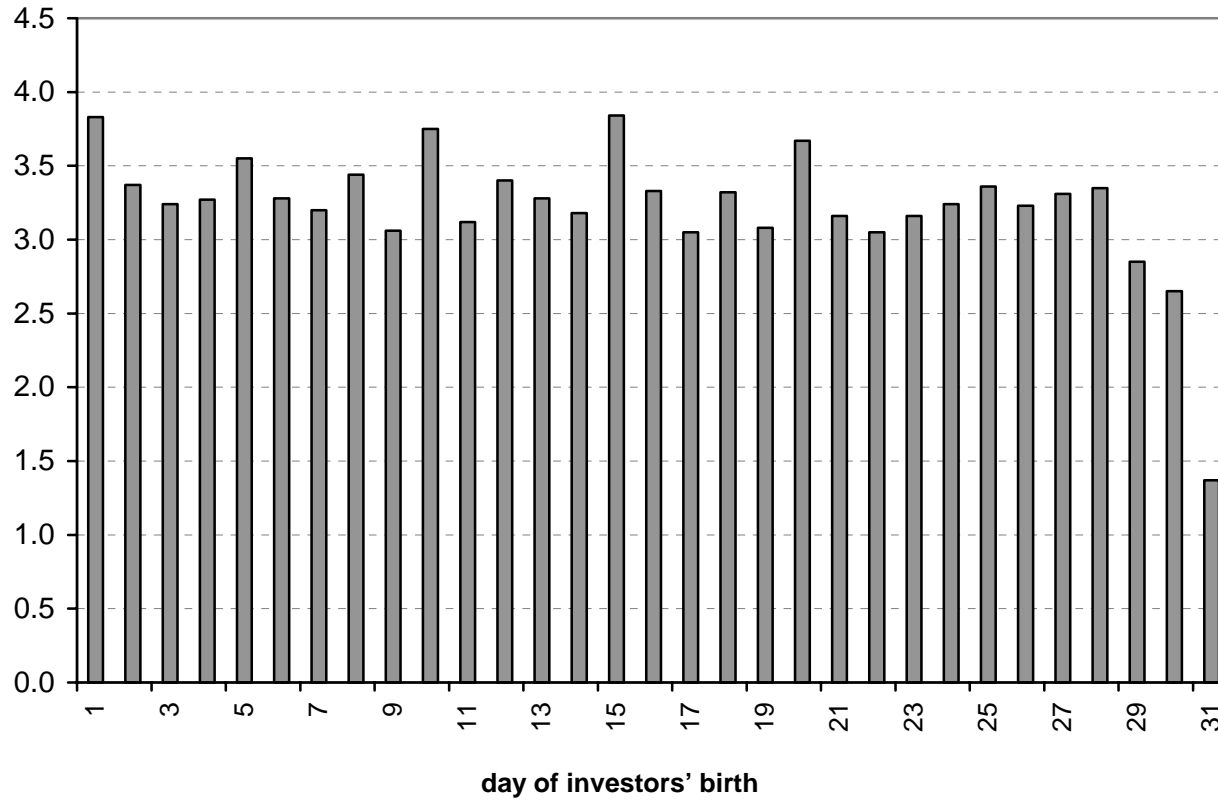
**Figure 2. Birth Month of Active Stock Investors**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). The distribution of birth months serves as a data-verification check. There appears to be some seasonality. There are no large or obvious outliers.



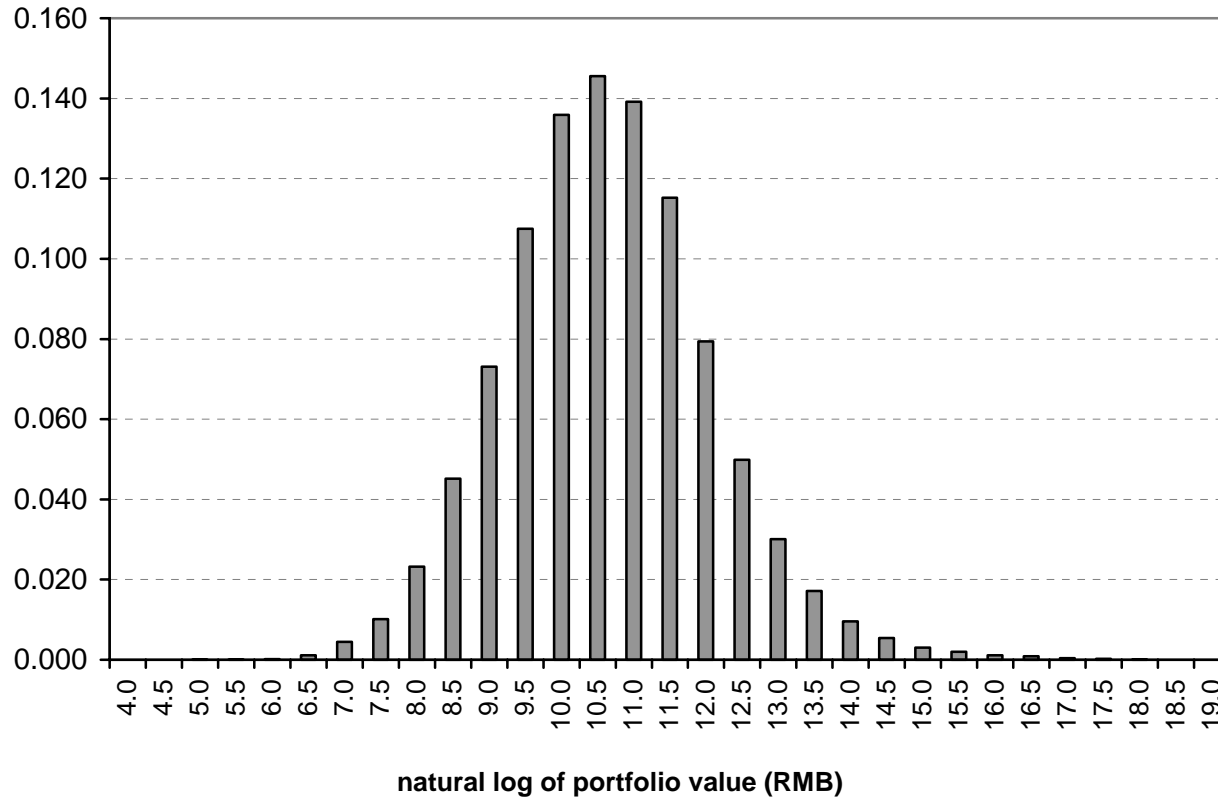
**Figure 3. Day of Birth for Active Stock Investors**

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). The distribution of birth days serves as a data-verification check. There appears to be some variation. There are no large or obvious outliers.



**Figure 4. Portfolio Balances of Active Stock Investors**

We graph the distribution of log portfolio value (in RMB) for all investors as of 1-Jun-2000. A log value of 11.0 corresponds to RMB 59,874. If we use a rough exchange rate of 8 RMB to 1 USD, this works out to USD 7,484. On the upper tail of the distribution, 94 portfolios are worth at least RMB 8,886,111 (log value of 16.0) or USD 1,110,764.



### Appendix 1. Comparison of PRC Data with Other Studies

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). We have data from fifteen branch offices located throughout the country. Below we compare different datasets in the literature. Column headings use the following convention: initials of the authors last names, initial of journal, -YY for year of publication. "WP" indicates a working paper. For example, LLS JF-74 refers to Lease, Lewellen, and Schlarbaum (1974) and published in the *Journal of Finance*.

	( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )
		This Paper	LLS JF-74 CLLS JF-75 SLL JB-78 SLL JF-78	BL JF-91	O JF-98; O AER-99; BO FAJ-99	BO JF-00; BO QJE-01; R WP-01 DK WP-01 GK WP-02 DZ WP-02 Z WP-02	ZV JB&F-00
Country		PRC	USA	USA	USA	USA	Israel
Time Period		Jan 1999 to Dec 2000	Jan 1964 to Dec 1970	Jan 1971 to Sep 1979	Jan 1987 to Dec 1993	Jan 1991 to Dec 1996	Jan 1994 to Dec 1994
<b>Accounts</b>							
Individuals (I)		(I,T) 195,164	(I) 2,506	(I) 3,002	(H,T) 10,000	(H,T) 77,995	4,330
Households (H)		(I,A) 90,478			(H,A) 6,380	(H,A) 66,465	
Total (T)							
Active (A)							
<b>Transactions</b>							
Total (T)		(T) 10,146,242	179,820	217,776	162,948	1,969,701	61,856
Com. Stock (S)		(S) 4,996,306			97,483		

## Appendix 2. Comparison of PRC Investor Attributes with Other Studies

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). We have data from fifteen branch offices located throughout the country. Below we compare different datasets in the literature. Column headings use the following convention: initials of the authors last names, initial of journal, -YY for year of publication. "WP" indicates a working paper. For example, LLS JF-74 refers to Lease, Lewellen, and Schlarbaum (1974) and published in the *Journal of Finance*.

	( 1 )	( 2 )	( 3 )	( 4 )	( 5 )	( 6 )	( 7 )
	This Paper		LLS JF-74 CLLS JF-75 SLL JB-78 SLL JF-78	BL JF-91	O JF-98; O AER-99; BO FAJ-99	BO JF-00; BO QJE-01; R WP-01 DK WP-01 GK WP-02 DZ WP-02 Z WP-02	ZV JB&F-00
<b>Gender</b>							
male (m)	(m) 51.2%	(m) 80.0%		N.R.	N.R.	(m) 78.7%	N.R.
female (f)	(f) 48.8%	(f) 20.0%				(f) 21.3%	
<b>Age</b>							
under 34	28.3%	4%					
35-44	29.8%	12%					
45-54	26.0%	29%		N.R.	N.R.	N.R.	N.R.
55-64	10.0%	26%					
over 65	5.9%	30%					

### Appendix 3. Comparison of PRC Stock Holdings with Other Studies

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). We have data from fifteen branch offices located throughout the country. Below we compare different datasets in the literature. Column headings use the following convention: initials of the authors last names, initial of journal, -YY for year of publication. "WP" indicates a working paper. For example, LLS JF-74 refers to Lease, Lewellen, and Schlarbaum (1974) and published in the *Journal of Finance*.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		This Paper	LLS JF-74 CLLS JF-75 SLL JB-78 SLL JF-78	BL JF-91	O JF-98; O AER-99; BO FAJ-99	BO JF-00; BO QJE-01; R WP-01 DK WP-01 GK WP-02 DZ WP-02 Z WP-02	ZV JB&F-00
Average number of positions (stocks)		3.2	N.R.	N.R.	N.R.	4.0	N.R.
Median number of positions (stocks)		2.0	N.R.	N.R.	N.R.	2.6	N.R.
Average Value of positions (USD)		~USD 16,891	N.R.	N.R.	N.R.	USD 47,000	N.R.
Median value of positions (USD)		~USD 3,870	N.R.	N.R.	N.R.	USD 16,000	N.R.

#### Appendix 4. Comparison of PRC Trading Behavior with Other Studies

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). We have data from fifteen branch offices located throughout the country. Below we compare different datasets in the literature. Column headings use the following convention: initials of the authors last names, initial of journal, -YY for year of publication. "WP" indicates a working paper. For example, LLS JF-74 refers to Lease, Lewellen, and Schlarbaum (1974) and published in the *Journal of Finance*.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	This Paper	LLS JF-74 CLLS JF-75 SLL JB-78 SLL JF-78	BL JF-91	O JF-98; O AER-99; BO FAJ-99	BO JF-00; BO QJE-01; R WP-01 DK WP-01 GK WP-02 DZ WP-02 Z WP-02	ZV JB&F-00	
Buys %	53.1%					54.9%	
Sells %	46.9%	N.R.	N.R.	N.R.	45.1%	N.R.	
Value of Buy							
Average	~USD 3,451	N.R.	N.R.	USD 10,625	USD 11,205	N.R.	
Median	N.R.			N.R.	USD 4,988		
Value of Sell							
Average	~USD 3,891	N.R.	N.R.	USD 12,198	USD 13,707	N.R.	
Median	N.R.			N.R.	USD 5,738		
Value of Trade							
Average	N.R.	N.R.	N.R.	N.R.	N.R.	USD 7,323	
Median							
Trades per month	6.10	0.85	N.R.	N.R.	N.R.	N.R.	N.R.

## Appendix 5. Comparison Notes

Account-level data are from a national brokerage firm in the People's Republic of China (PRC) over the time period Jan-1999 to Dec-2000 (with the exception of Branch B). We have data from fifteen branch offices located throughout the country. Below we compare different datasets in the literature. Column headings use the following convention: initials of the authors last names, initial of journal, -YY for year of publication. "WP" indicates a working paper. For example, "LLS JF-74" refers to Lease, Lewellen, and Schlarbaum (1974) and published in the *Journal of Finance*.

num accts: SLL JB-78 p. 301-302; BL JF-91 p. 373; O JF-98 p 1780; BO FAJ-99 p. 42; BO JF-00 p. 778; ZV JB&F-00 p. 4.

transactions: SLL JB-78 p. 301-302; BL JF-91 p. 373; O JF-98 p 1780; BO FAJ-99 p. 42; BO JF-00 p. 779; ZV JB&F-00 p. 6.

Gender: LLS JF-74 p. 417; BO QJE-01 p. 268

Age: LLS JF-74 p. 417

Position: BO, QJE-01 p. 267

Port. Value: BO QJE-01

Buys / Sells:

Trade Value: BO FAJ-99; BO JF-00; ZV JB&F-00

Trade Freq.: SLL JB-78 p 301-303