



Frameworks for Restarting and Reinvigorating US-China Education Exchanges

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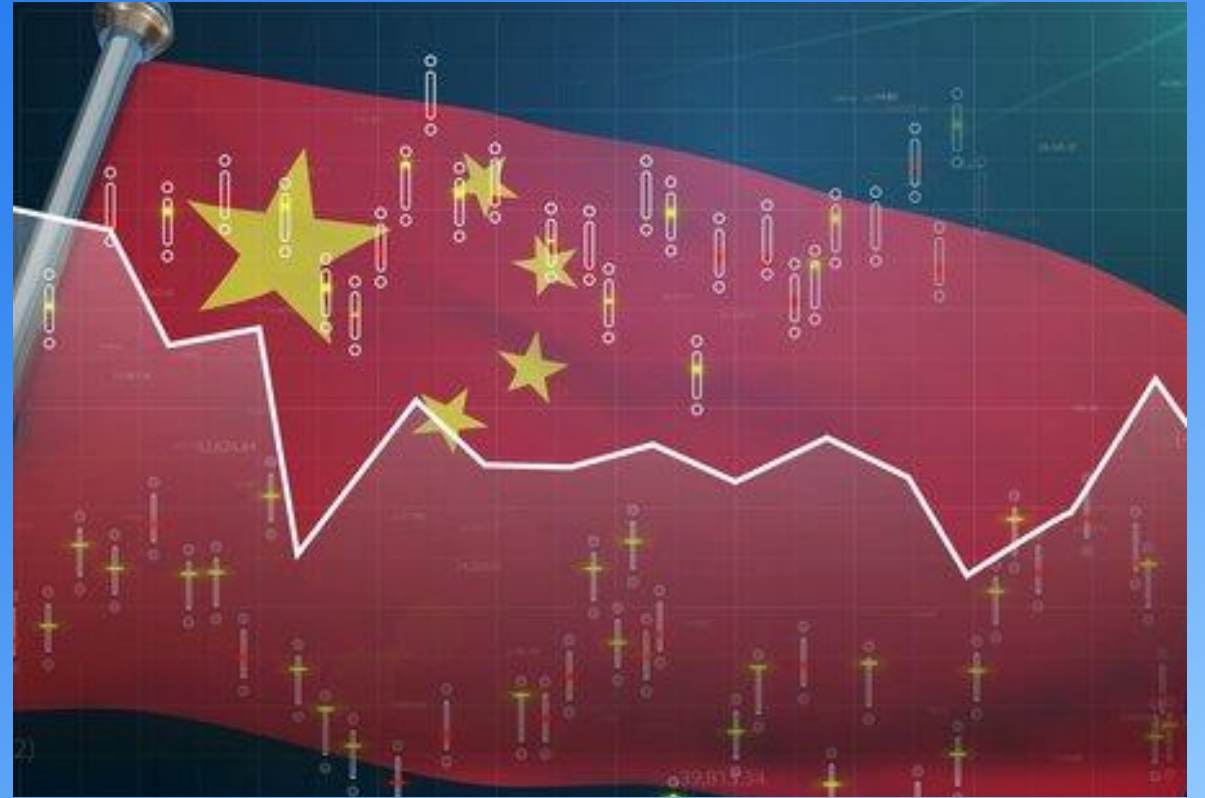
February 2024

Agenda

1. China's Economy
2. Study Destinations and Outbound Student Volumes
3. Student & Parent Perceptions
4. Agency Landscape Updates
5. International Schools in China
6. HEI Recruitment Toolkits

Trend #1: China's Economy

GDP Growth, Property Markets, and Youth Employment



#1 The Economy: Growth, Property, & Employment

January 8, 2023:
End of COVID restrictions on
international travel

Flights have rebounded, now up
to 70 direct flights between US
and China, several hundred
overseas

Immigration authorities resume
normal visas and passport
processing



#1 The Economy: Growth, Property, & Employment

TIME
WORLD • CHINA

China Faces a Familiar Economic Downturn. But Its Crisis Is Worsened by the War in Ukraine

CNN

China's economy is in trouble. Here's what's gone wrong

China has long been the engine of global growth. But in recent weeks, its economic slowdown has alarmed international leaders and investors...

Aug 23, 2023



Reuters

Why is China's economy slowing down and could it get worse?

HONG KONG, Sept 1 (Reuters) - China's economic growth is slowing down as policymakers try to fix a property market downturn, with troubles...

Aug 31, 2023



THE NEW YORKER

A REPORTER AT LARGE

CHINA'S AGE OF MALAISE

Party officials are vanishing, young workers are "lying flat," and entrepreneurs are fleeing the country. What does China's inner turmoil mean for the world?

By **Evan Osnos**

October 23, 2023

#1 The Economy: Growth, Property, & Employment

- The economy is recovering from the 2022 lockdown shocks and threats to property and export markets.
- Targets are 5.4% GDP growth for and 2023 4.6% for 2024.
- Slow growth would influence study overseas choices:
 - Accelerates study overseas among the wealthy.
 - Drives a greater focus on value and ROI for middle class. Greater impacts in Tier 3+ cities and for undergraduate.

China economy shows stabilising signs

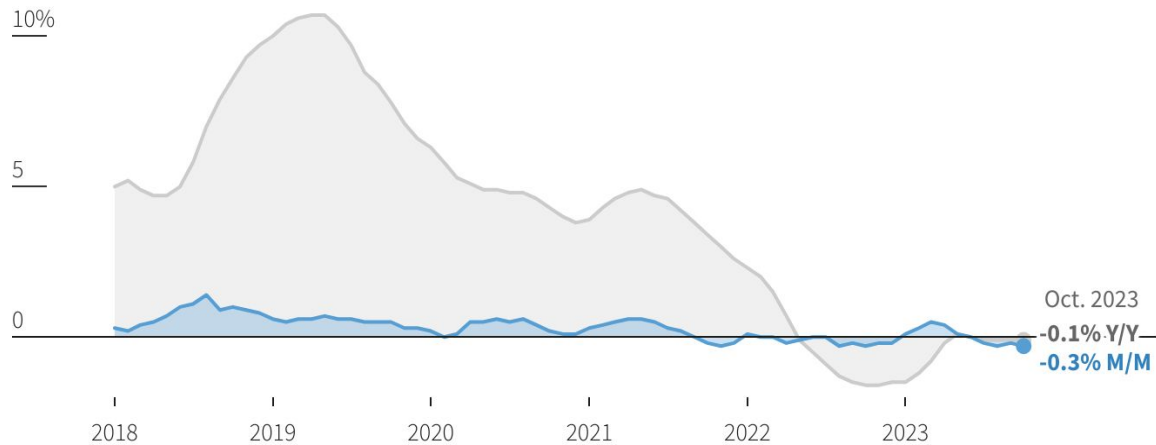
China's economy grew faster-than-expected at 4.9% in the third quarter from a year earlier suggesting that the recent recovery may carry enough steam to reach Beijing's full-year growth target of around 5%.



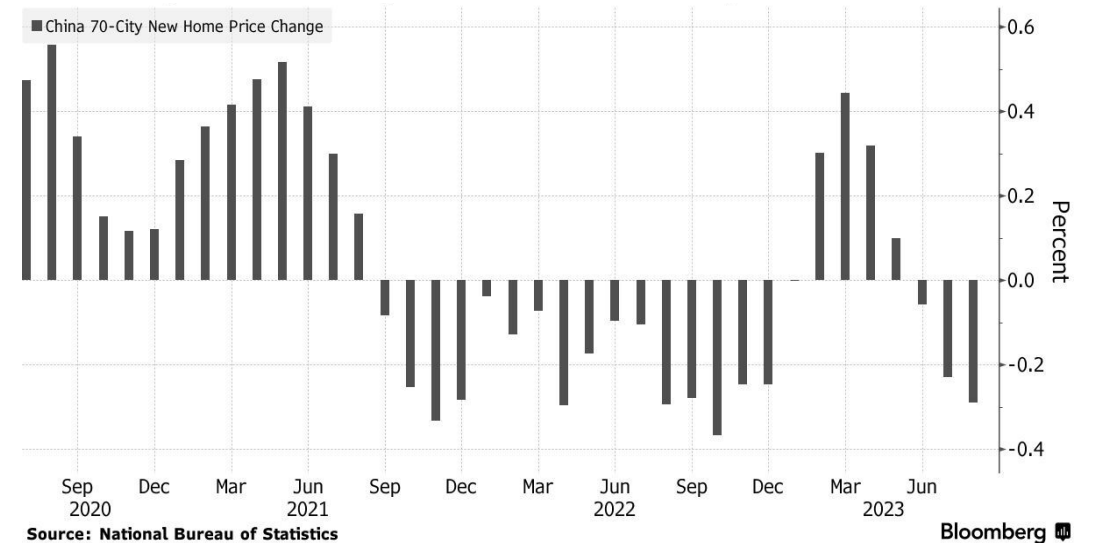
Source: LSEG Datastream | Reuters, Oct. 18, 2023 | By Kripa Jayaram

#1 The Economy: Growth, Property, & Employment

- Property makes up about 30% of GDP
- Property sales often used to fund study overseas



Source: LSEG Datastream | Reuters, Nov. 16, 2023 | By Pasit Kongkunakornkul

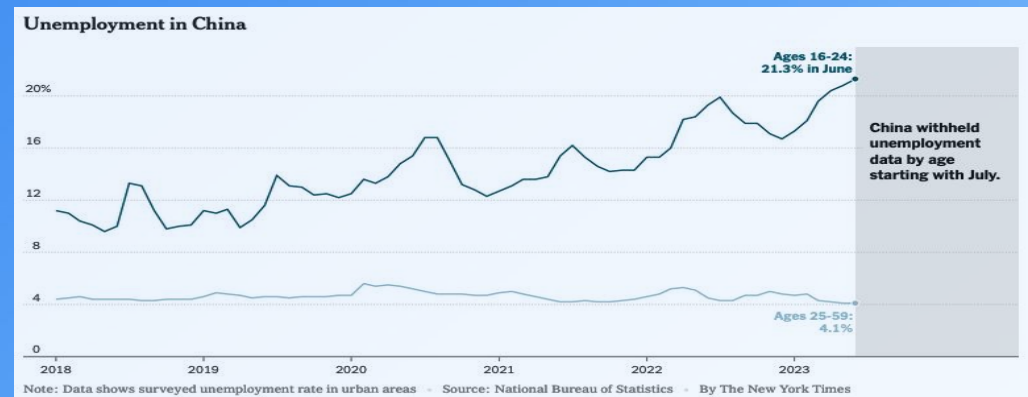


Source: National Bureau of Statistics

Bloomberg

#1 The Economy: Growth, Property, & Employment

- Youth unemployment makes overseas graduate study attractive for some
- Overseas study as a differentiator: 12.37% increase in jobs favoring foreign degrees
- Increased attention to post-graduate work opportunities both domestically and overseas



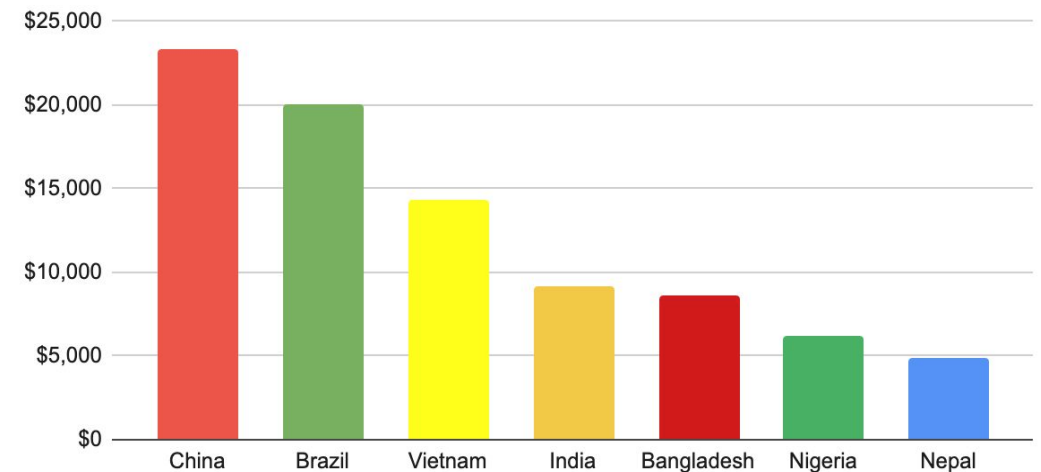
#1 The Economy: China Remains Irreplaceable

“Most students coming from India are at the graduate level. This has always been the case and likely will be for the foreseeable future,” she said. “Therefore, just from a recruitment and revenue perspective, they are never going to have the same impact on an institution’s bottom line as the Chinese undergraduate students.”

Rajika Bhandari, South Asia International Education Network

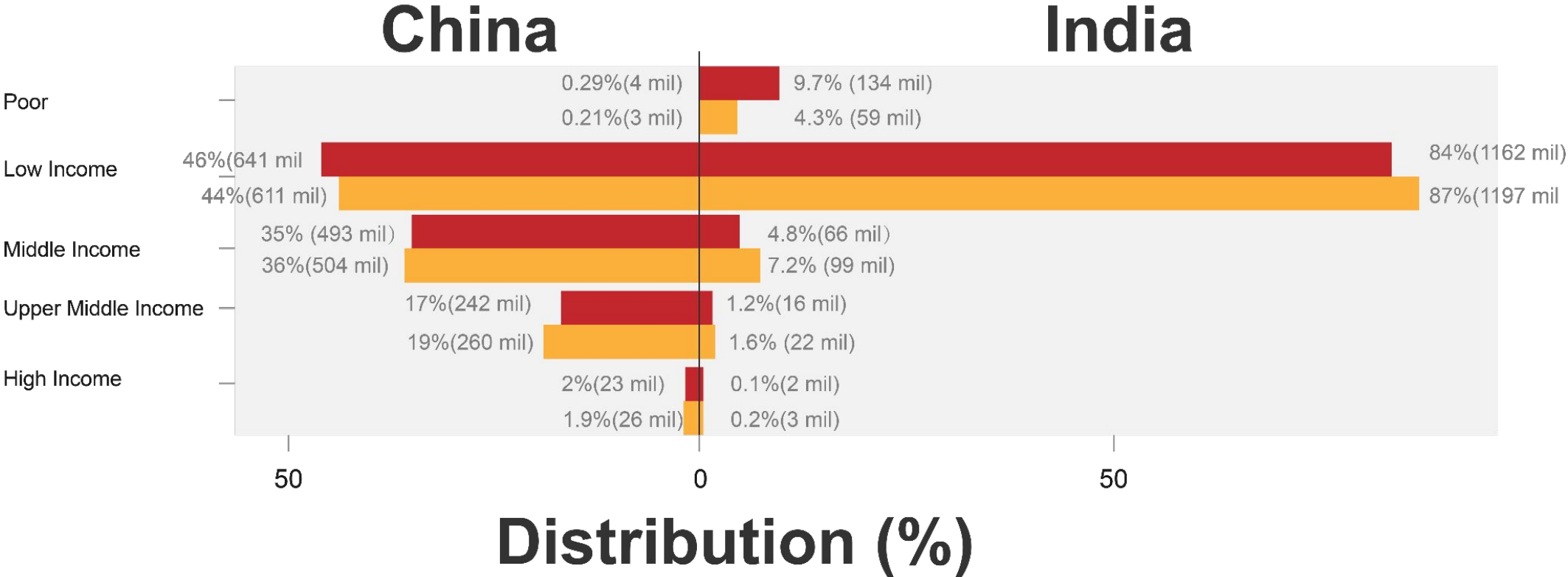
Source: IMF 2023

GDP Per Capita of Top Countries with Intl Student Growth (Developing Economies)



GDP PPP per Capita. Source: IMF 2023

#1 The Economy: China Remains Irreplaceable



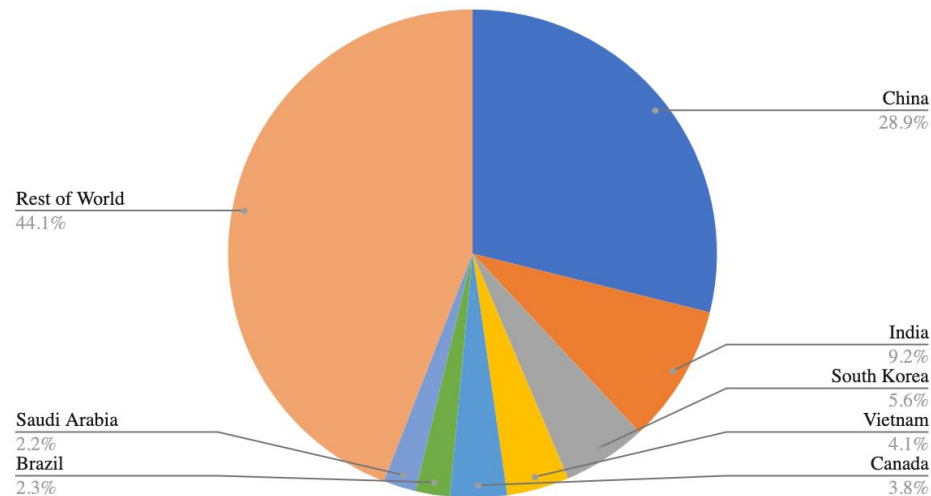
■ Pre Pandemic Forecast
■ Post Pandemic Estimate

Poor : <=52 daily
 Low Income : \$2.01 - \$10 daily
 Middle Income : \$10.01 - \$20 daily
 Upper Middle Income : \$20.01 - \$50 daily
 High Income : > \$50 daily

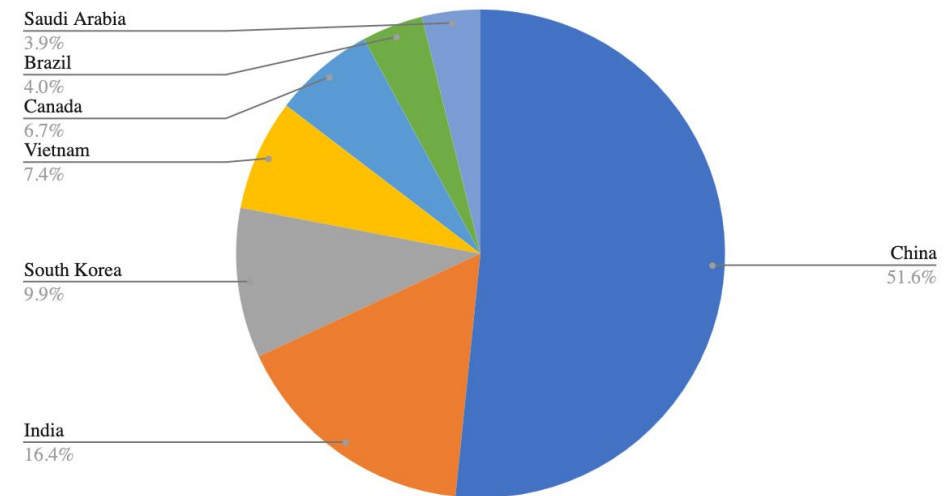
#1 The Economy: China Remains Irreplaceable

“Most students coming from India are at the graduate level. This has always been the case and likely will be for the foreseeable future,” she said. “Therefore, just from a recruitment and revenue perspective, they are never going to have the same impact on an institution’s bottom line as the Chinese undergraduate students.” -Rajika Bhandari, South Asia International Education Network

International Undergraduate Students



Top 7 Sending Countries: Undergraduate



Source: IIE Operational n Doors Report, 2023 (Intl. Students in the US)

#1 The Economy: What to Look For

- Economic growth increases the size of the study overseas market.
 - >4.6% GDP growth
- Property market recovery boosts the economy and increases market size.
 - Increase in property values
 - Bailouts for big developers like Evergrand and Country Garden
- Youth unemployment increases short-term prospects for grad recruitment, but general unemployment limits study overseas market size.
 - Total unemployment rate decreases
 - Unemployment rate for overseas returnees remains below the general average

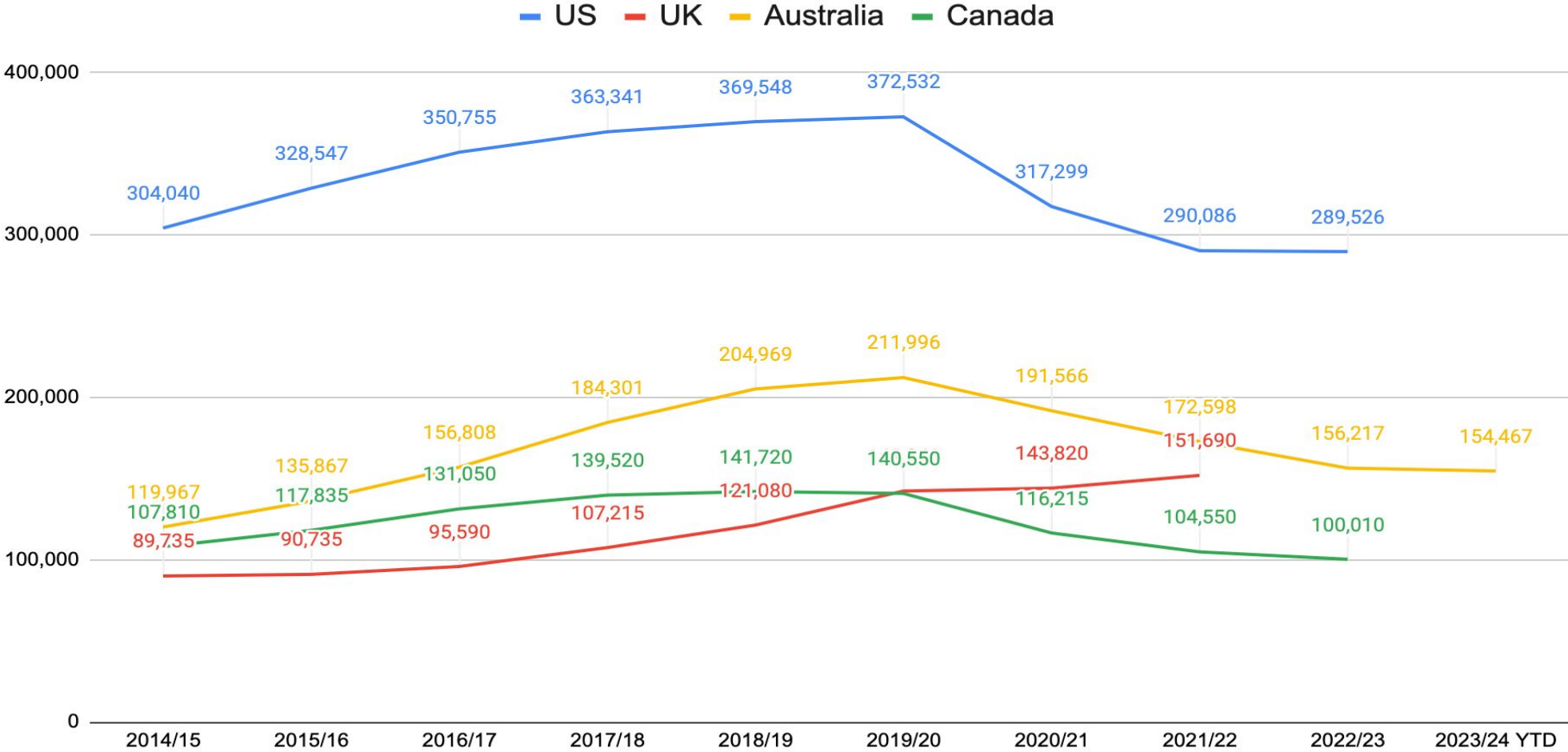
Trend #2: Study Destinations

How Many Students China is Sending, and Where They're Choosing to Go



#2 Destinations for Overseas Study

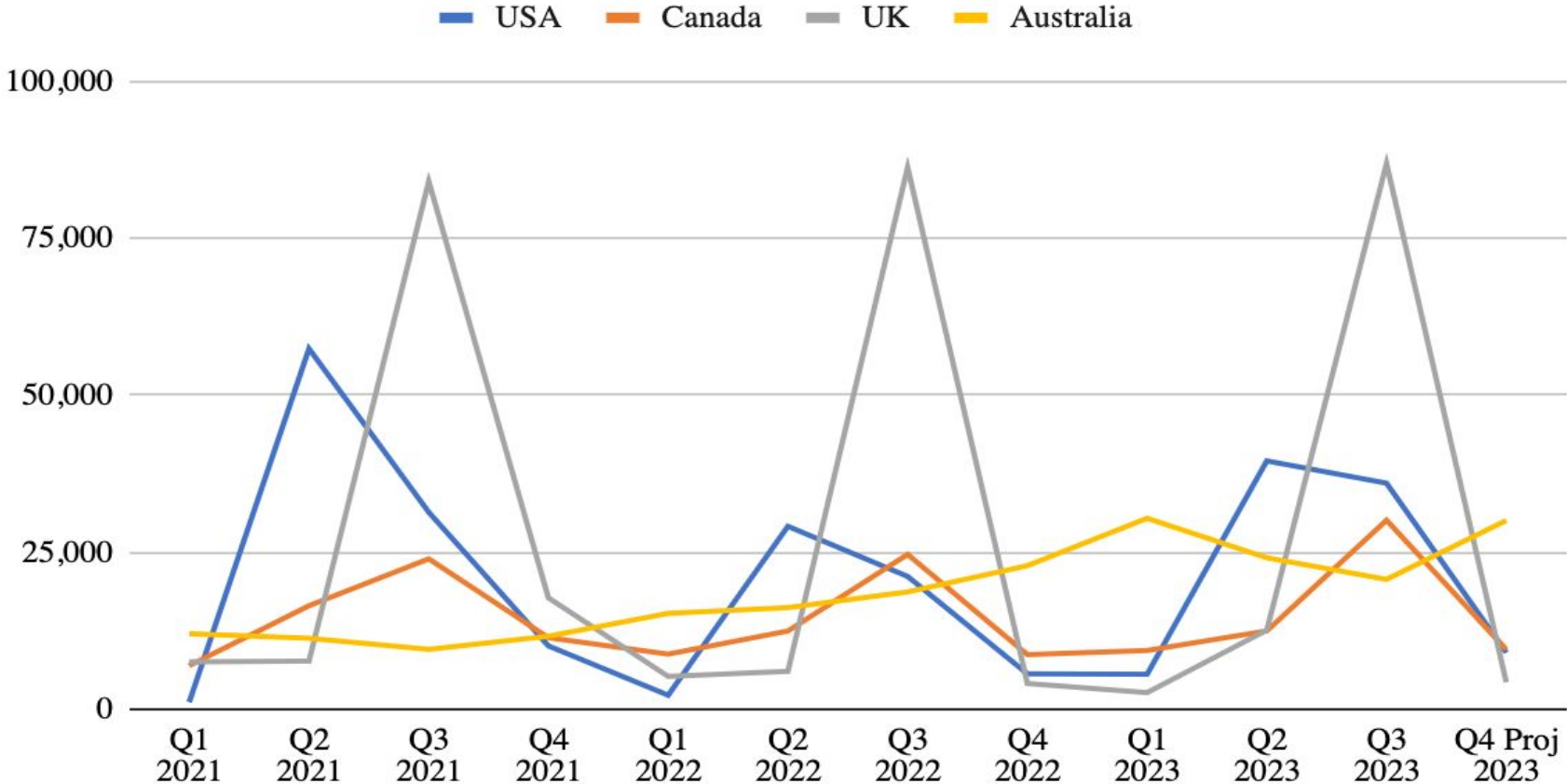
Total Chinese Enrollment



Source: IIE (US), HESA (UK), IRCC (Canada), Department of Education (Australia). Canada and Australia figures are for calendar years, such that 2014/15 = calendar year 2014.

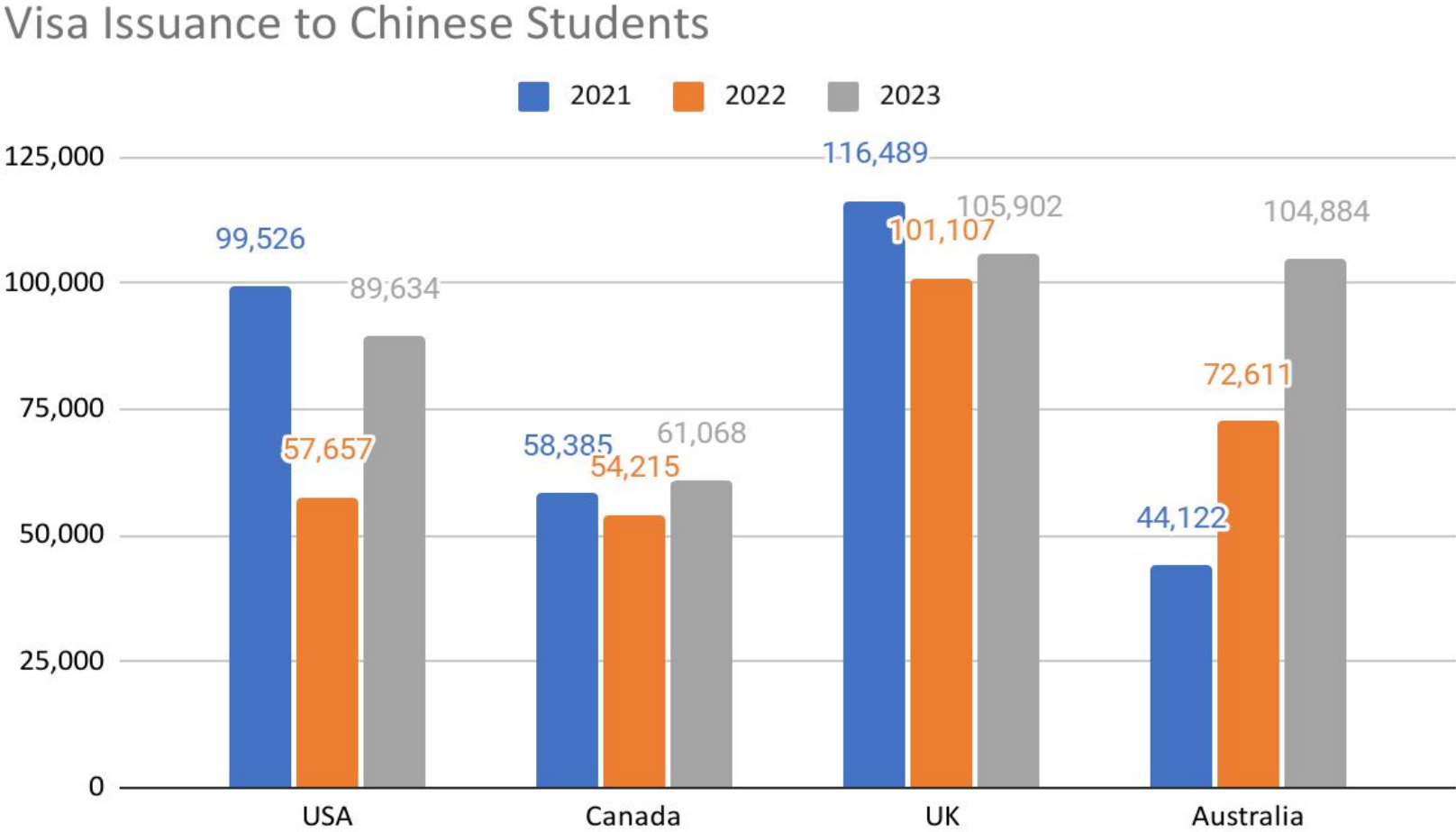
#2 Destinations for Overseas Study

Chinese Student Visa Issuance



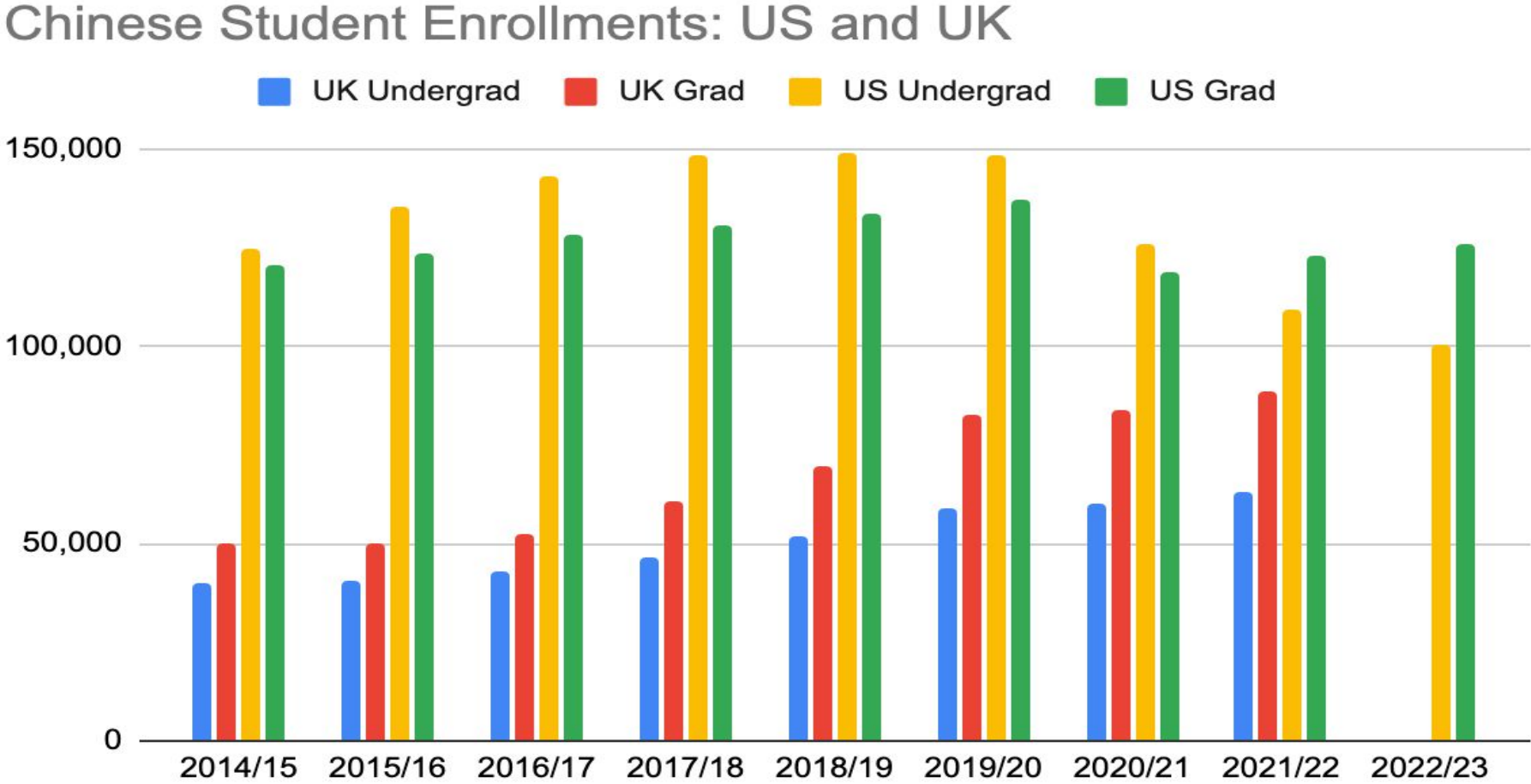
Source: US State Dept, IRCC, Dept of Home Affairs, UK Home Office. Note: Canada visas are logged at the time of validity, rather than date of issuance.

#2 Destinations for Overseas Study



Source: US State Dept, IRCC, Dept of Home Affairs, UK Home Office. Note: Canada visas are logged at the time of validity, rather than date of issuance.

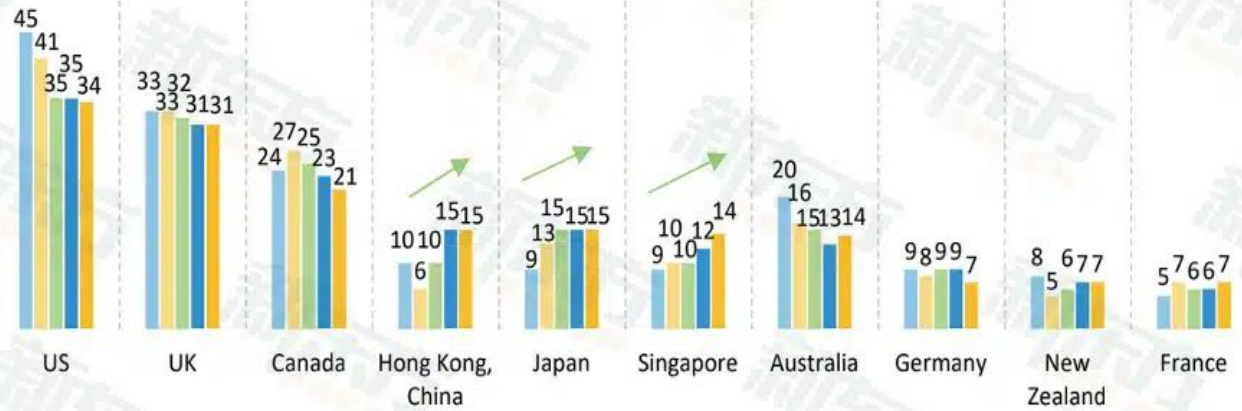
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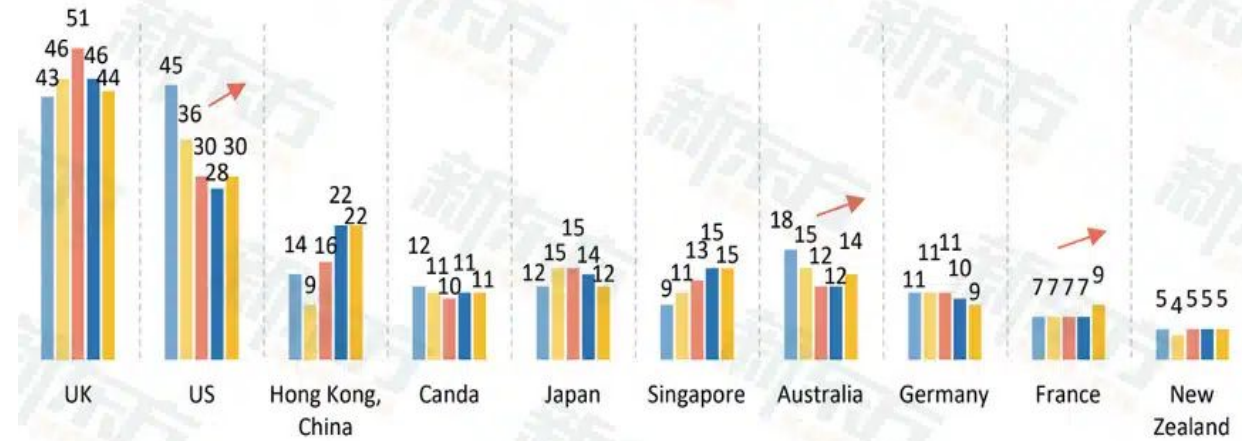
Top 10 Destination Countries/Regions Considered by Prospective Students of Undergraduate Programs and below(%)

2019 2020 2021 2022 2023



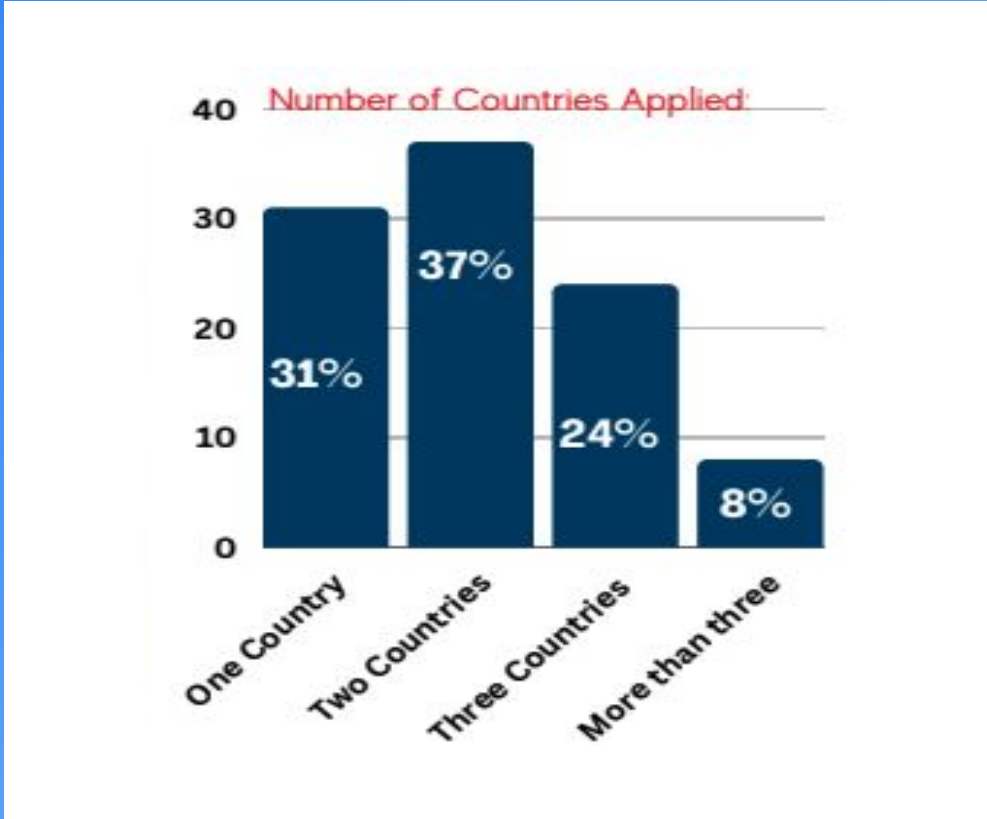
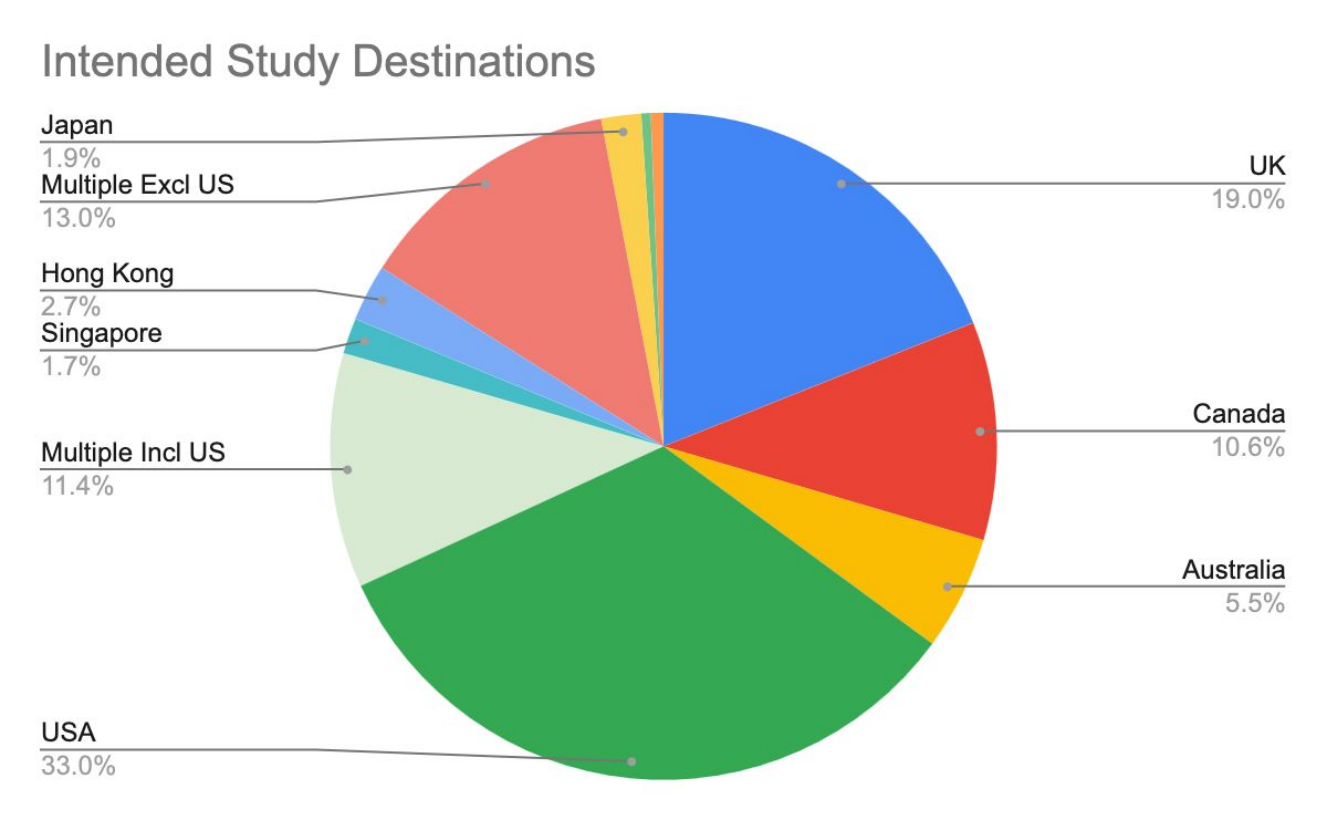
Top 10 Destination Countries/Regions Considered by Prospective Graduate and Doctoral Students (%)

2019 2020 2021 2022 2023



Source: New Oriental White Paper, 2023, N=approx. 8,000

#2 Destinations for Overseas Study

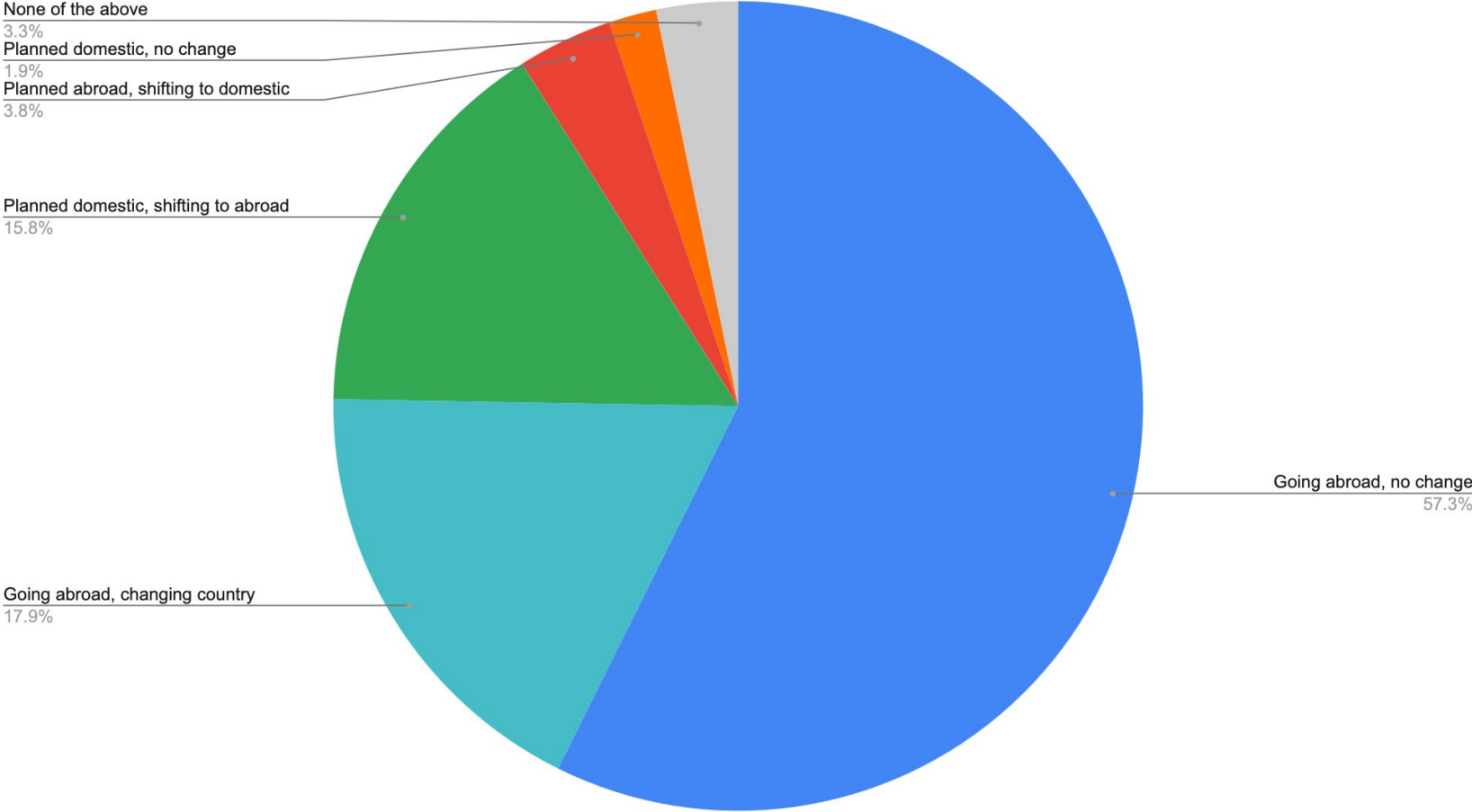


Source: Sunrise Recruitment Tours, 2023, N=approx. 2,011 High School Students

Source: China ICAC 2023, Survey of 144 HS counselors

#2 Destinations for Overseas Study

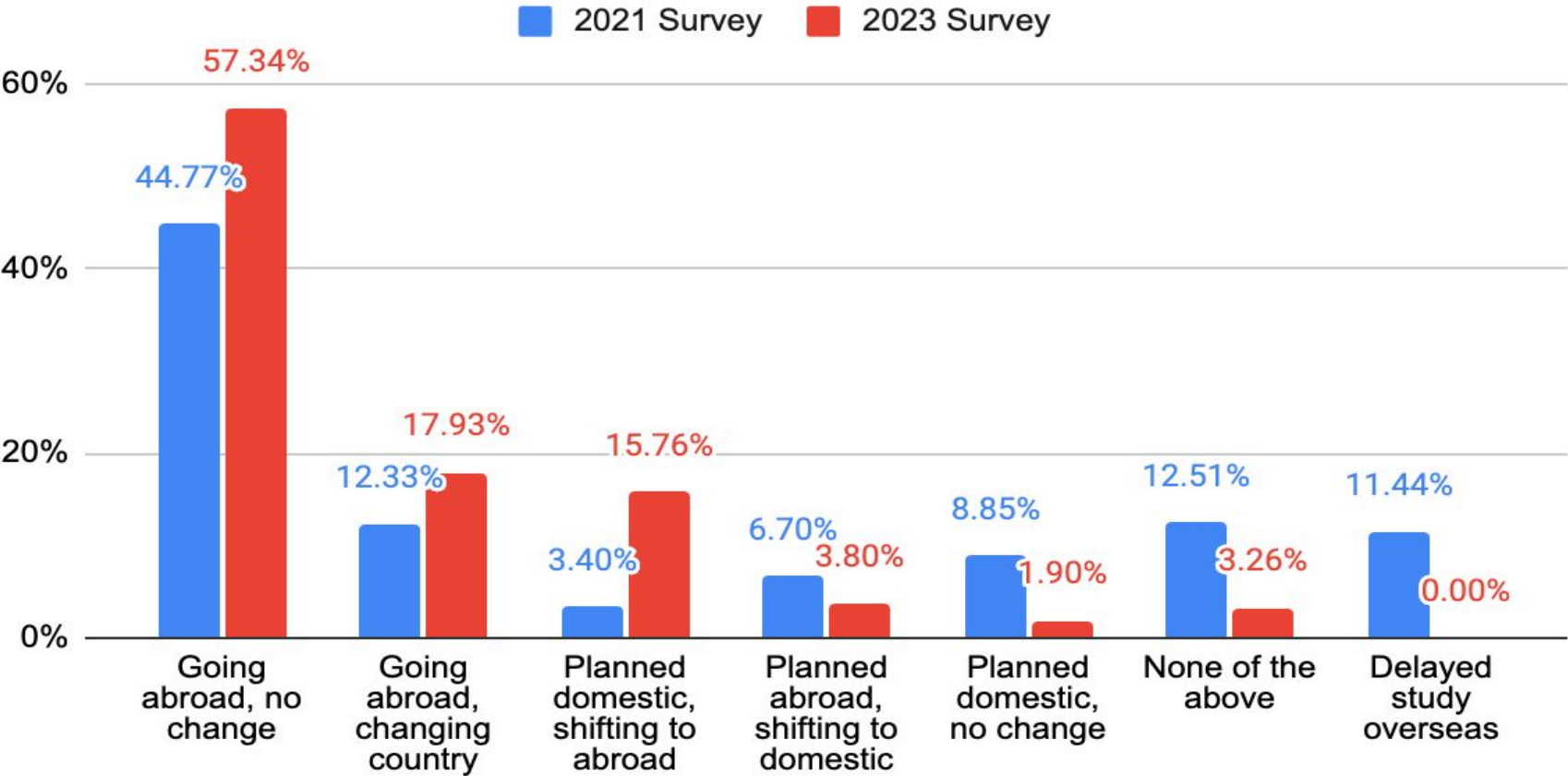
The Impact of the Pandemic on Study Overseas Plans



Source: Sunrise Recruitment Tours 2021-2023. N= 1,855

#2 Destinations for Overseas Study

The Impact of the Pandemic on Study Overseas Plans



Source: Sunrise Recruitment Tours 2021-2023. N= 1,855

#2 Destinations: What to Look For



- Shifts in visa issuance during peak months (Q2+Q3 for US, CAN, UK)
- National-level shifts in new student enrollment
- Share of undergrad vs. grad enrollment in each country
- Proportions of students applying to multiple country destinations

Trend #3: Family Perceptions

Views on Study Overseas and the Information Sources that Shape Them



#3 Perceptions Among Students & Parents

- Diplomatic tensions over many vectors like security and trade. Electoral politics in the US. China as a “duct tape” for domestic investments.
- Lack of business travel, study abroad into China, and people-to-people exchange.
- Inflammatory rhetoric on both sides in mainstream media.
- Concerns about safety and discrimination as diplomatic tensions rise.

Unscrupulous attacks on China make US nastier and nastier: Global Times editorial

By Global Times

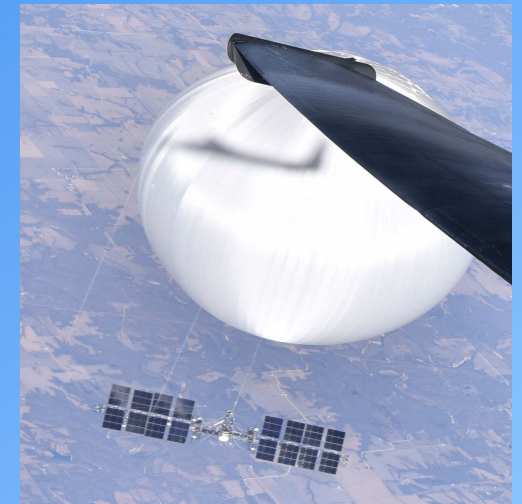
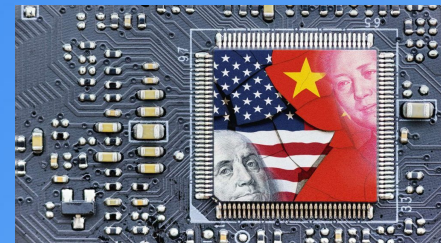
Published: Aug 12, 2023 12:01 AM



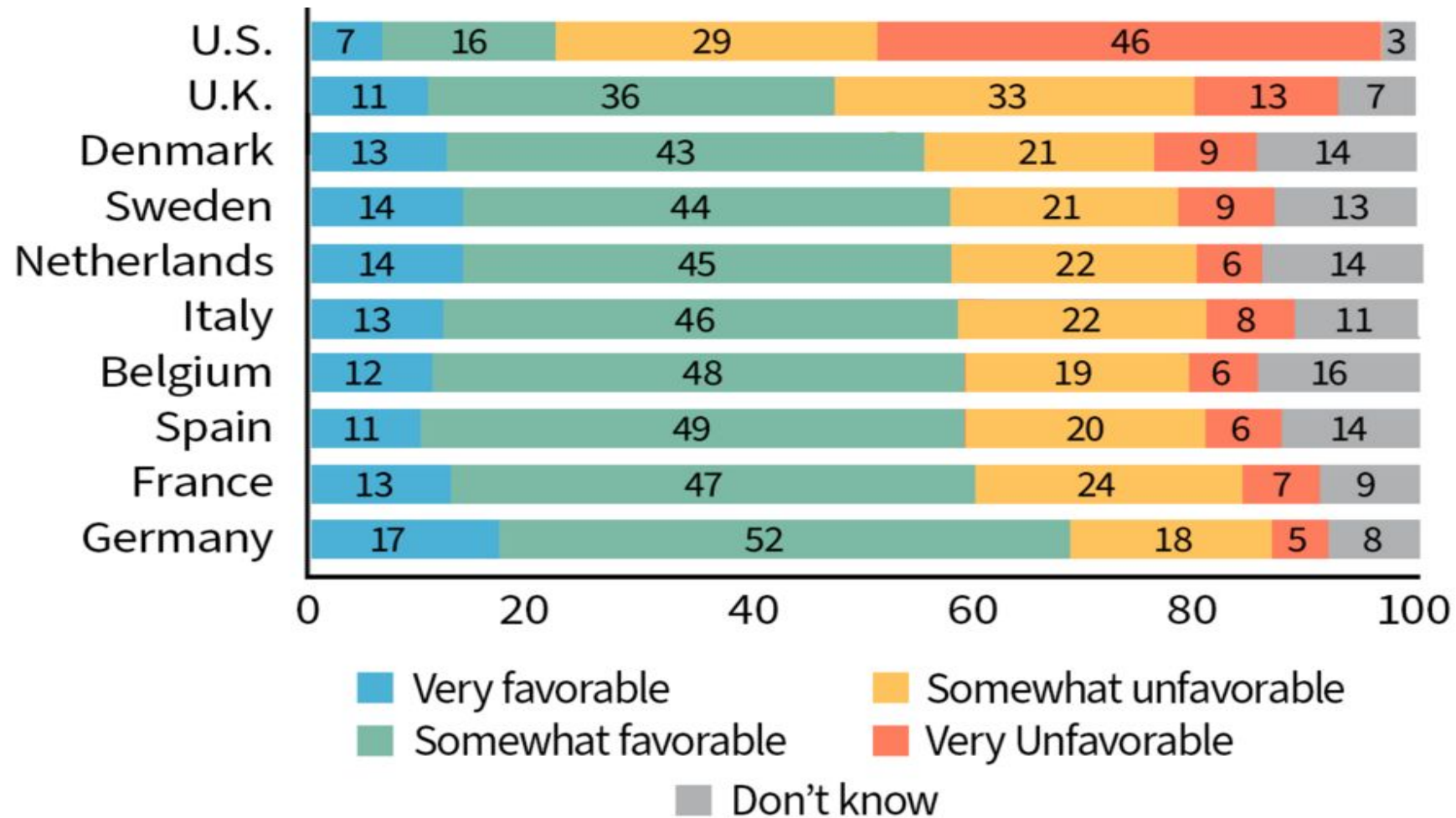
Gun violence sees ‘no solution in polarized US’ amid more mass shootings

By GT staff reporters

Published: Apr 17, 2023 08:56 PM



#3 Perceptions Among Students & Parents



Source: Liu, Li, Fang (2021). Unpacking “the West”: Divergence and Asymmetry in Chinese Public Attitudes Towards Europe and the United States. Journal of Current Chinese Affairs.

#3 Perceptions Among Students & Parents

新华每日电讯
XINHUA DAILY TELEGRAPH

首页 > 正文

新华网 原创稿 关于我们 广告刊例 欢迎订阅 投稿邮箱

新华每日电讯

习近平同美国总统拜登举行中美元首会晤

习近平指出，当今世界正经历百年未有之大变局，中美有两种选择：一种是加强团结合作，携手应对全球性挑战，促进世界安全和繁荣。另一种是抱持零和思维，挑动阵营对立，让世界走向动荡和分裂。两种选择代表着两个方向，将决定人类前途和地球未来。作为世界上最重要的双边关系，中美关系要放在这个大背景下思考和谋划。中美不打交道是不行的，想改变对方是不切实际的，冲突对抗的后果是谁都不能承受的。大国竞争解决不了中美两国和世界面临的问题。这个地球容得下中美两国。中美各自的成功是彼此的机遇。

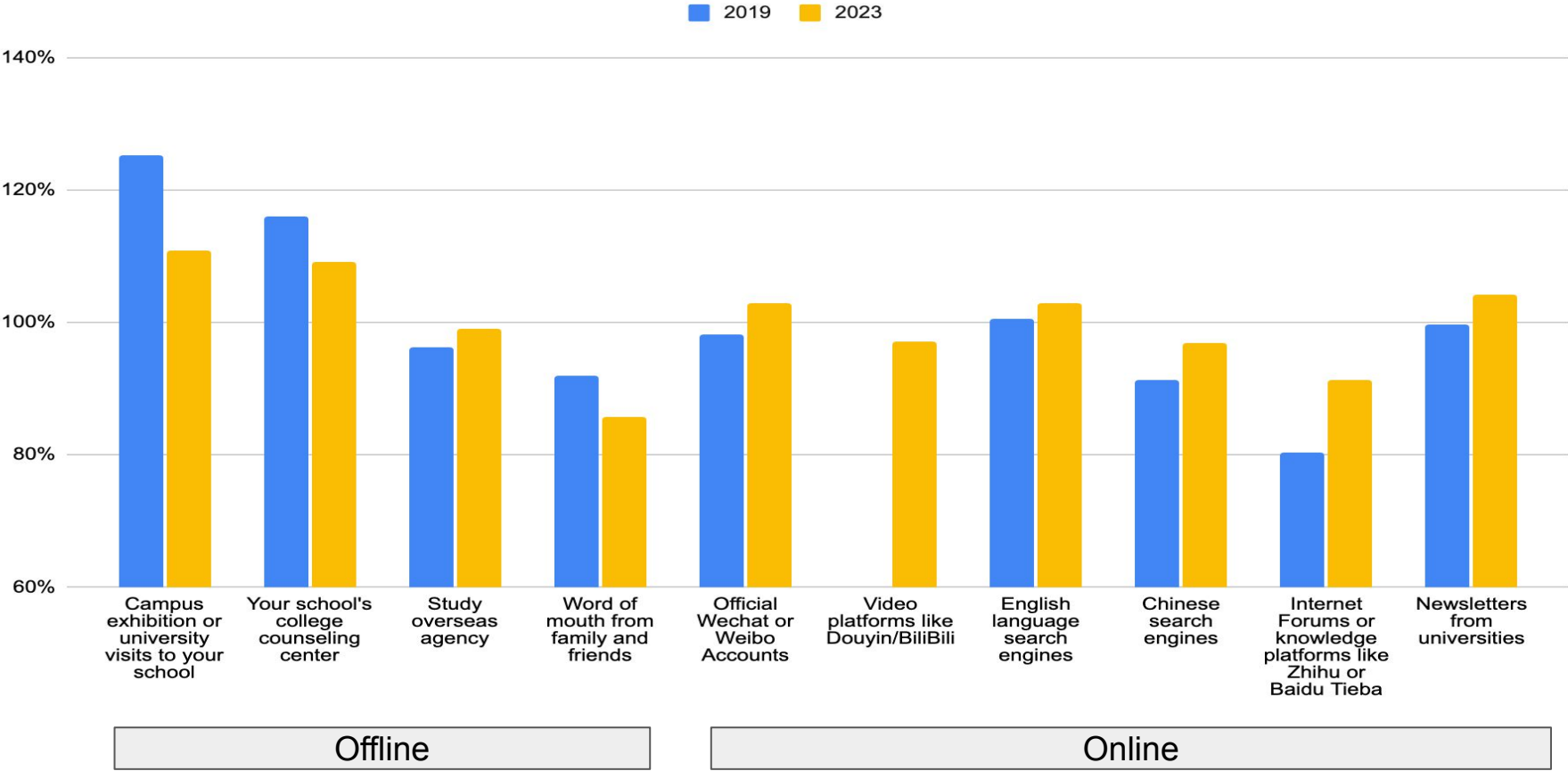
Xi says China ready to invite 50,000 young Americans in 5 yrs to boost exchanges

Xinhua | Updated: 2023-11-16 13:26



#3 Perceptions Among Students & Parents

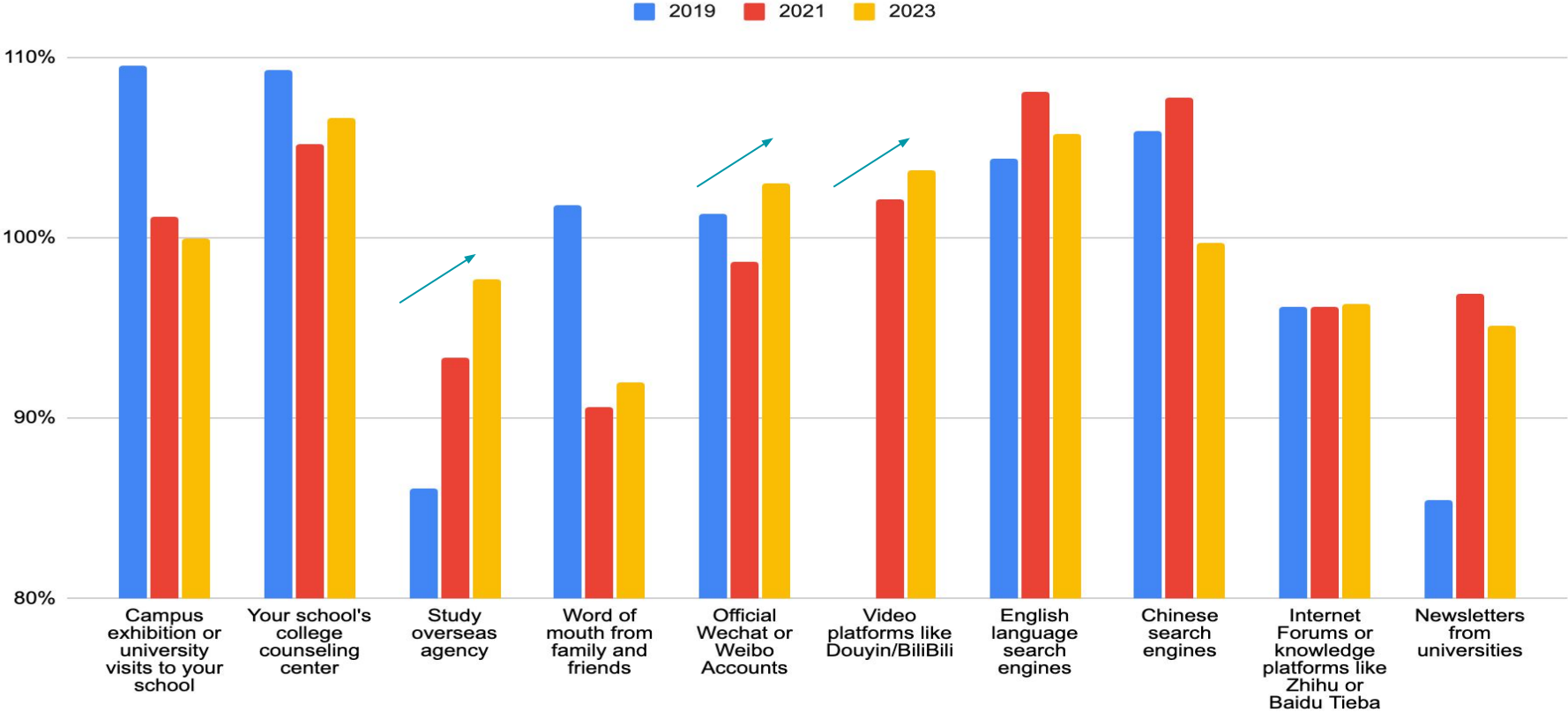
Reliability of Info Sources on Study Overseas



Source: Sunrise recruitment tour survey data, as measured from the deviation from the average ranking of information source. >100% represents how much higher ranked than the average selection a given information source was. N= 1,093 (2023), 1,673 (2019).

#3 Perceptions Among Students & Parents

Frequency of Use of Info Sources on Study Overseas



Source: Sunrise recruitment tour survey data, as measured from the deviation from the average ranking of information source. >100% represents how much higher ranked than the average selection a given information source was. N= 802 (2023), 2,903 (2021), 1,673 (2019).

#3 Perceptions: What to Look For

- Continued moderation of rhetoric from Chinese party media
- Brand monitoring on Chinese social media
- Official social media presence in China
- Rising growth of video platforms in China as a way of gathering information on study overseas
- Renewed importance of engaging HS counselors and students directly at college fairs, especially in tier 2+ cities



Trend #4: International Schools

The Barometer of Interest in Undergraduate Study Overseas

#4 International Schools in China

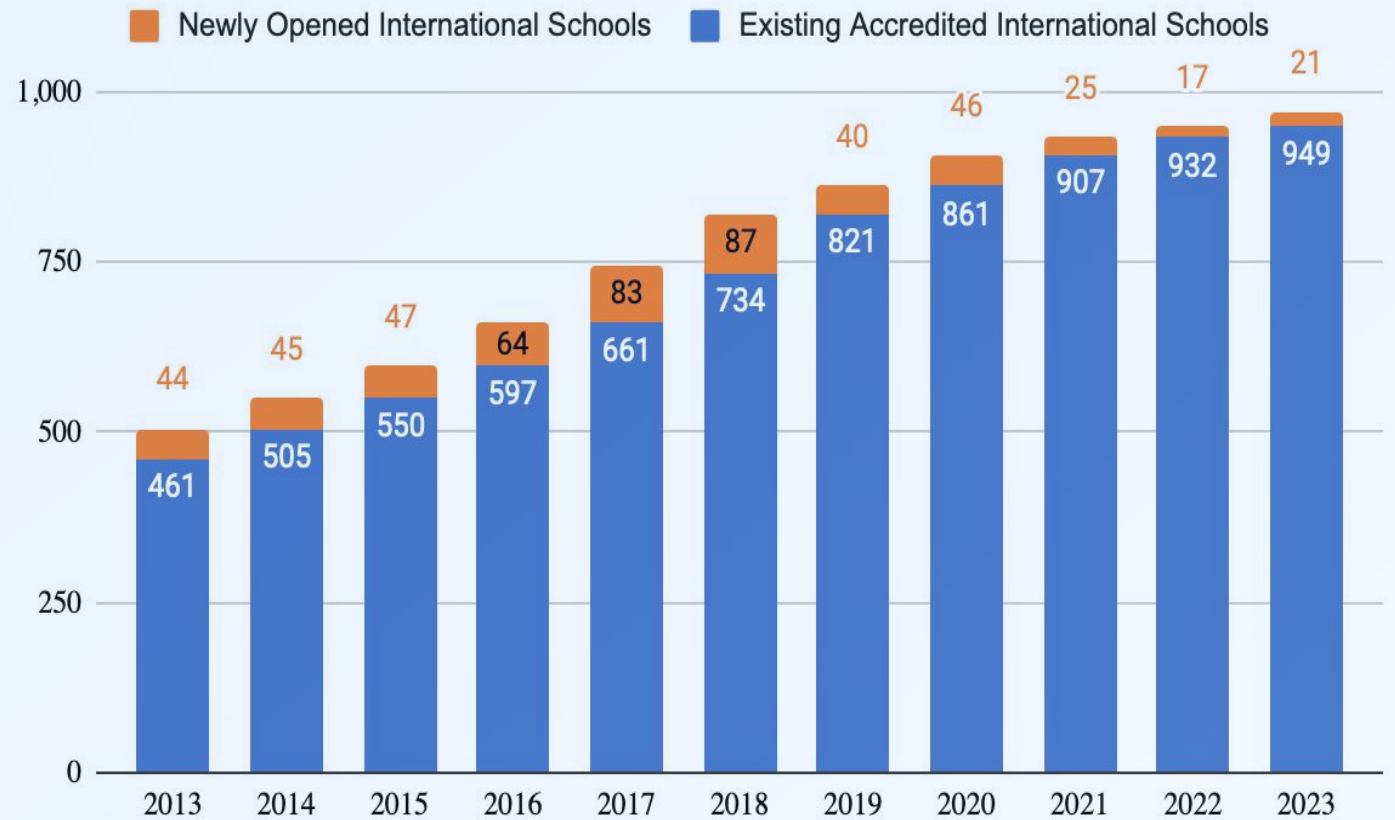
- International schools predict growth of study overseas.

- Gaokao test takers in 2023 are up to 12.91M, up about 8%.

- 21 new schools opened in 2023, bringing the total to 970.

- Tide is turning. Study from Boston College: enrollments of G10 students is 50% more than current G12 students (double the growth rate from 2022).

International Schools in China



#4 International School Enrollments

520,000

Students Enrolled (K-12)

75%

Private International Schools

16%

Expat Schools

9%

Public International
Departments

16%

@ Schools of 1,000+ Students

14%

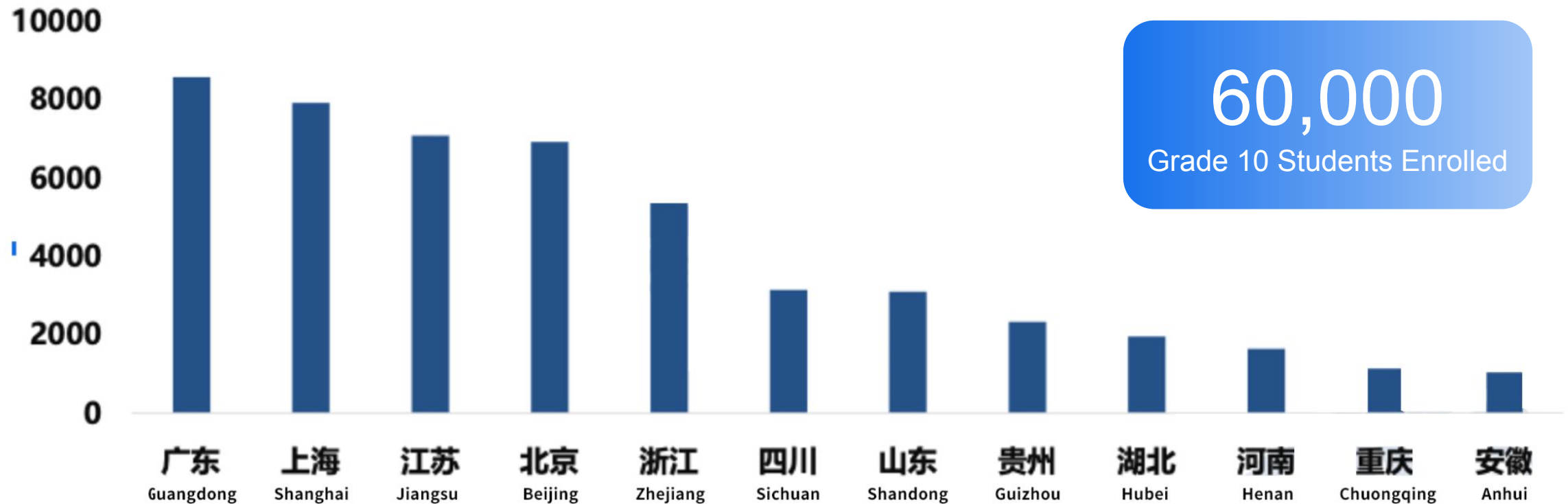
@ Schools of 500-1,000
Students

70%

@ Schools of <500 Students

#4 International School Enrollments

Locations of Grade 10 Aged Students



#4 International School Tuition

¥120,000
National Average

¥122,800

Private International Schools

¥192,300

Expat Schools

¥81,000

Public International
Departments

#4 International Schools: What to Look For

- Growth of international schools in China: above 21 new schools for 2024
- Increase in G10 enrollments in Chinese international schools
- Continued growth in Tier 2-3 cities
- High schools offering country-focused curricula
- In-country visits to China to visit newly opened schools and counselors who are new in their roles

Trend #5: Chinese Agents

A Key Predictor of the Resilience of Study Overseas

环球
教育 GEDU
教育.org

环球雅思 托福 留学 外教口语



#5 Agencies: Growth and Challenges

- The agency sector is still recovering from demand shocks of COVID, liquidity, and the Double Reduction policy that affected tutoring business units
- Shifting business models amid regulation and technological shifts like AI, direct enrollment, and the blurred line between agents and application platforms
- New agency establishment is up, partially because of a demand rebound and partially because of fragmentation.
- The diverging fortunes of large agencies

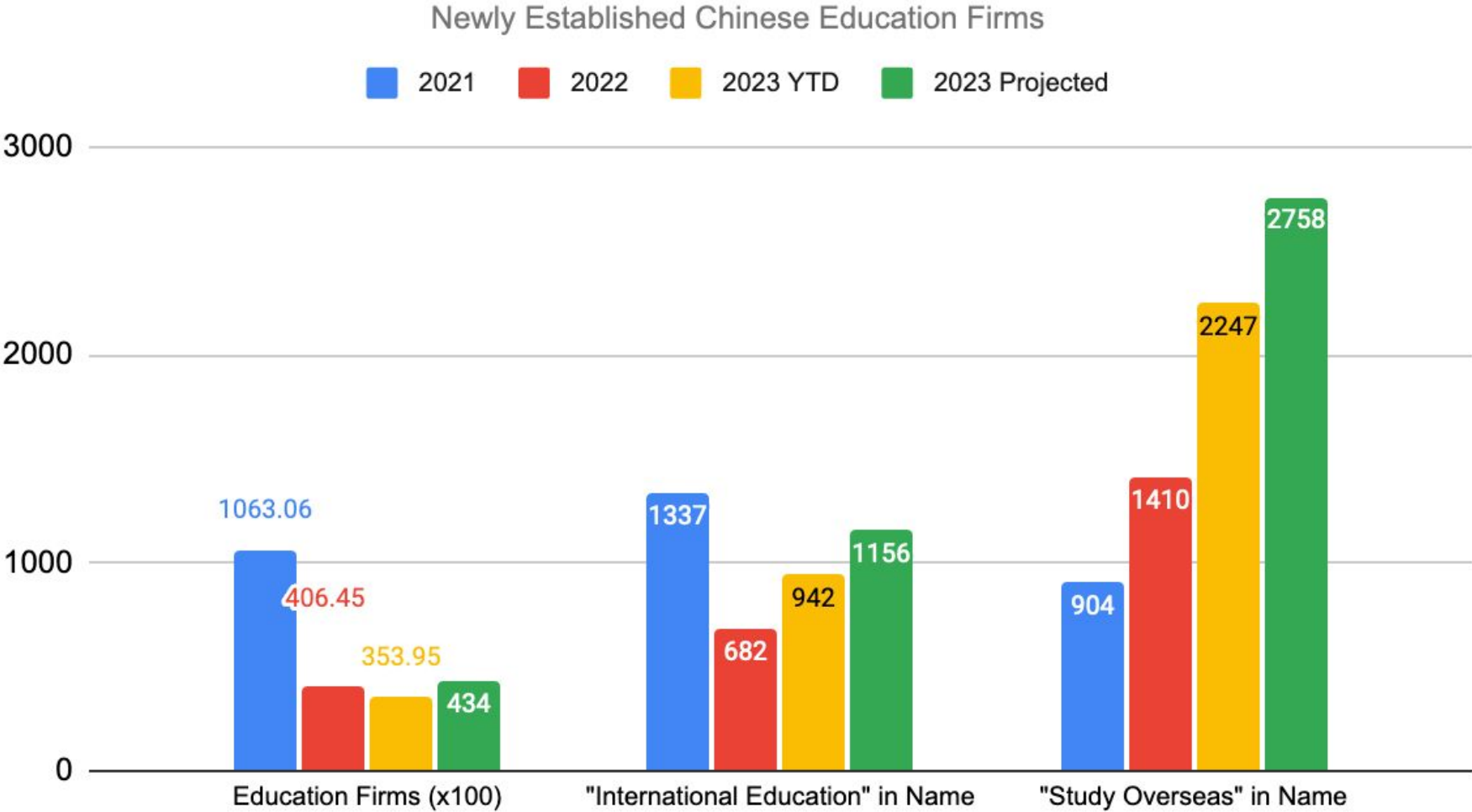


新东方
XDF.CN

前途出国
VISION OVERSEAS

天道教育
TIANDAO EDU
国际教育一站式服务

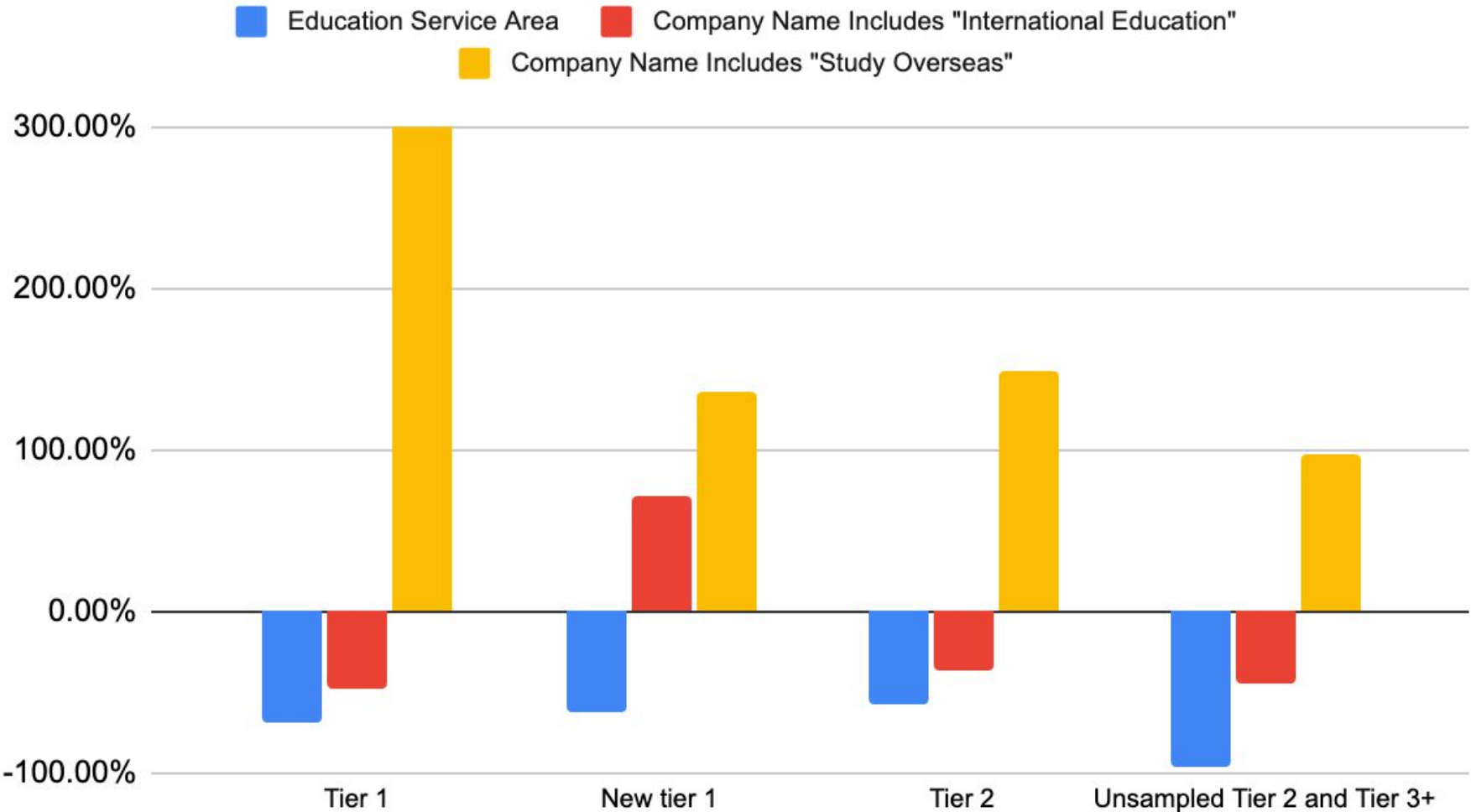
#5 Agencies: Growth and Challenges



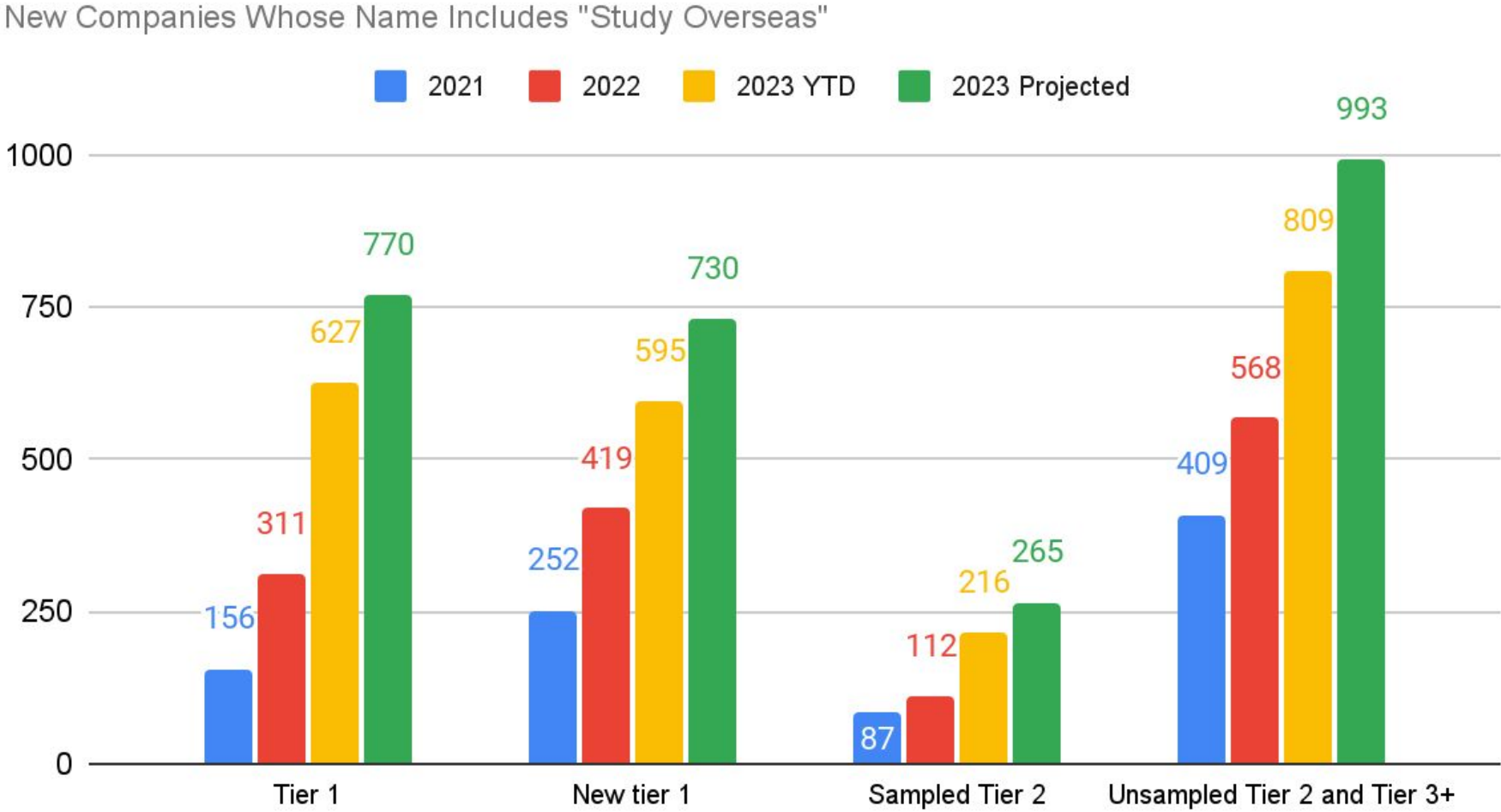
*2023 YTD Figures are as of Oct. 9, 2023

#5 Agencies: Growth and Challenges

Jan. 2021- Oct. 2023 % Changes in New Company Establishment



#5 Agencies: Growth and Challenges



*2023 YTD Figures are as of Oct. 9, 2023

#5 Agencies: What to Look For

- Growth rates of newly established agencies and their locations in China.
- Fortunes of the larger agents that attend NAFSA. New Oriental is publicly listed, so profit and revenue figures are publicly available.
- Necessity of engaging newly established agencies
- Engaging the full spectrum: IECs and solo practitioners, not just commission-based agencies. Toolkits for IECs and new college counselors
- Innovative and integrative approach to agency identification and vetting

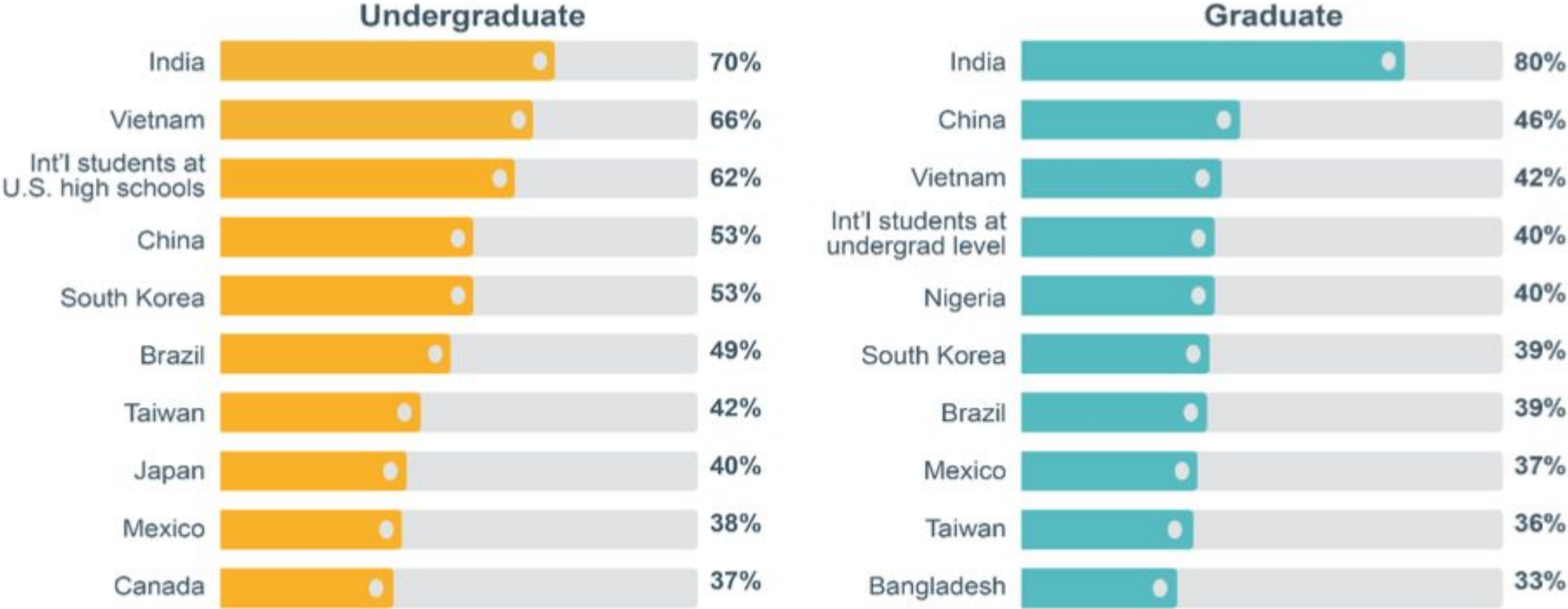


Trend #6: University Toolkits

How Universities Engage Evolving
Recruitment Opportunities in China

#6 Toolkits Used by Overseas Universities

The mismatch between US university focuses and where fees-paying students are coming from



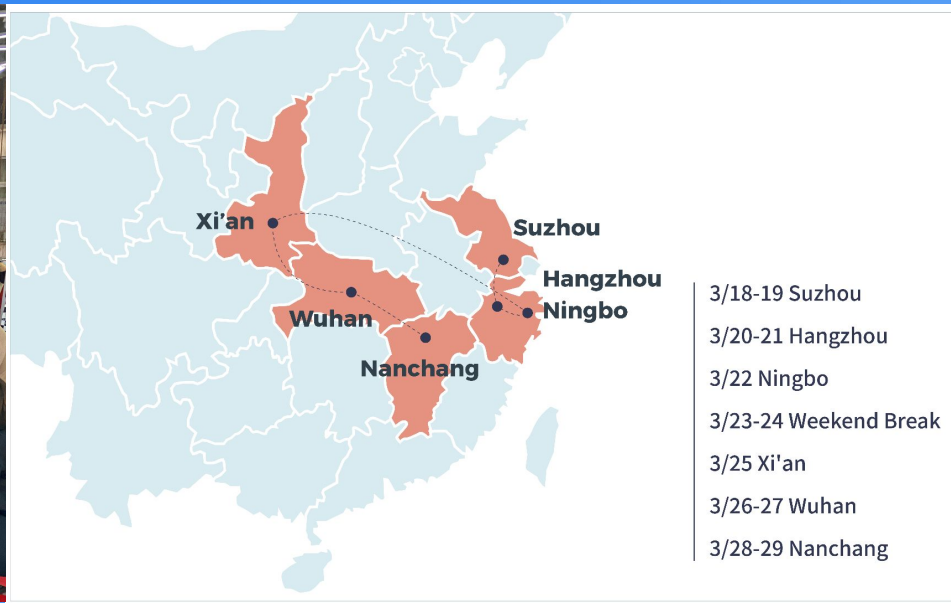
Source: IIE 2023 Fall Snapshot

#6 Toolkits Used by Overseas Universities

- There have been a general shift toward other markets, which ignores the economic fundamentals of China and other sending countries.
- Schools have been slow to return to in-person recruitment events in China.
- The first returns to college fairs in China have focused on tier 1 cities and the rim around Shanghai.
- Universities in the UK and Australia had advantage during the pandemic with more use of in-country representatives in tandem with central admissions teams. This advantage should decrease as travel returns to pre-pandemic levels.
- Digital marketing investments in Wechat, Weibo, and video platforms has generally been flat or declined, even as new advertising opportunities have emerged on video and streaming platforms.

#6 Toolkits Used by Overseas Universities

- The need to balance priorities to give China the necessary resources. China has seen few university-based rep visits in the past 3 years, especially in tier 2+ cities.
- The need to balance recruitment travel geographically: A more balanced approach that includes fairs in Tier 2+ cities throughout China is essential.
- Those without in-country representation need to invest more resources to visit in person and engage from afar to succeed.



#6 Toolkits Used by Overseas Universities

- Digital marketing through legacy platforms like Wechat and Weibo, as well as newer platforms like Douyin, Bilibili, and Xiaohongshu.
- The need for localized mobile-friendly video content rather than text + photo.

Essential Digital Platforms

The Indicators for Recruitment in 2024

Trends	Influence	Indicators
Economic Growth Rates, Employment, Property	Indicates Population with Ability to Study Overseas	<ul style="list-style-type: none"> -GDP growth of >4.6% -Rising employment and property values
Destinations Students Choose	Nature of Market	<ul style="list-style-type: none"> -Stability or marginal growth in enrollments -Growth in Q2/Q3 visa issuance (or Q4/Q1 for Australia)
Perceptions Among Families	Shapes Destination Preferences and Inclination to Study Overseas	<ul style="list-style-type: none"> -Continued diplomatic engagement -Moderation of rhetoric from official media -Greater levels of trust in online info sources
Growth in New International Schools	Indicates Population with Inclination to Study Overseas	<ul style="list-style-type: none"> -New schools >21 in 2024 -Expansion of Tier 2+ markets
Size of Agency Market	Indicates Population with Inclination to Study Overseas	<ul style="list-style-type: none"> -Growth >38% in newly established agencies -Expansion of Tier 2+ markets -Technological innovations and responses to external shifts
University Toolkits	Indicates the Likelihood for Universities to Recruit	<ul style="list-style-type: none"> -Recruitment travel in Tier 2+ cities -Engagement on Chinese social media -Investment levels that consider the presence or absence of in-country representatives

Thanks

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