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LA JOLLA, CA 2023
JUNE 25-28

10 THINGS YOU SHOULD KNOW ABOUT CHINA & WHY THEY MATTER (PART II)

**Thurs Oct 12, 2023
10:00 AM - 11:00 AM ET**

**Nini Suet & Max Zhang
SNF International Education Group**



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Nice to meet you!



Nini Suet

- SNF Managing Partner
- Tabor Academy Board of Trustee, Class of 03
- Blair Academy International Board of Governors
- Former Chair of Princeton University Alumni Students Committee for Northern China
- Schwarzman College graduate student mentor



Max Zhang

- SNF Founding Partner
- The Hill School Board of Trustee, Class of 09
- Chair of the admission and college counseling committee
- Undergraduate studies at Carleton College, receiving Magna Cum Laude.

RAW

!@#%&*~



At A Glance

1. International education landscape in China
2. Double Reduction policy & aftermath
3. “Involution” & Post-pandemic aftermath
4. Different types of Chinese families
5. Most recent mentality changes of Chinese middle- & upper-class families
6. Ranking...
7. Growing concerns among Chinese families about the U.S. today
8. “Law of attraction”: from the known to the unknown
9. Your China strategy



Key Takeaway #4

You gotta know **different types of Chinese families** to understand their mindset & decision-making process

The Evolution of Chinese Applicants



First generation:
immigrants

1990s:

Princelings,
business moguls –
those with
personal access to
Western contacts
and resources to
fill the information
gap/asymmetry

2007-2010:

HNW & Upper Class

2010-2013:

Middle to Upper
Class in first and
second tier cities

NOW:

Middle to Upper
Class in even
more cities

Second
generation: ABCs

HK, Taiwan, Korea,
Japan, etc.



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Diversity
Philanthropy
College results
Brand Ambassador
Academic rigor
Arts
Athletics
Music



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Squash, Leon, Hotchkiss



Ballet, Green, Deerfield



Swimming, Yixing, Peddie



Soccer, Jack, Kent



Ice Hockey, Daniel, Hillside



Tennis, Lara, Santa Catalina



Crew, Mac, Deerfield



Golf, Brian, SGS



Volleyball, Sophy, Webb



Football, Johnny, CMS



Basketball, Haojia, Brewster

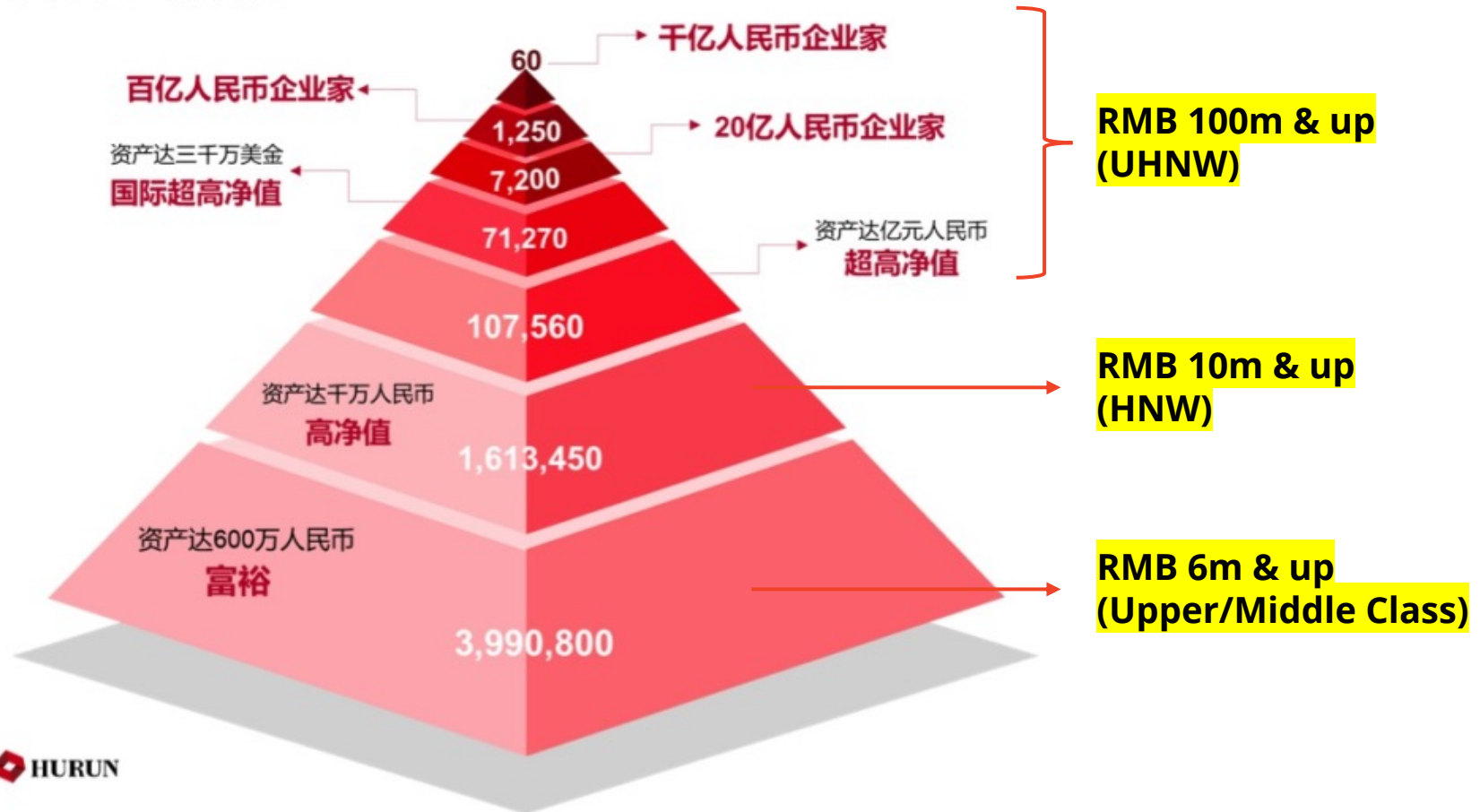


Ballet, Audrey, WAB



Chinese Families

中国内地高净值人群规模





Chinese Families

93% pay for tutoring for their children

82% make personal sacrifices willingly for their children, including:

- **33%** give up leisure activities or holidays
- **31%** give up personal hobbies
- **59%** worry they are not doing enough for their children
- **54%** plan to send their children abroad to study:
 - **30.57%** for high school
 - **23.14%** for undergraduate education



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Let's look at some families!

PS: Persona profiles (lessons learned from Brendan's marketing session :)



Ken & Jenny

- **Ken:** Lawrenceville (Class of 01) & Cornell, second generation Taiwanese American
- **Jenny:** Westtown (Class of 02) & Villanova, born in Beijing, raised in HK, US green-card
- Ken runs his own hedge fund and is active on Cornell's China board
- Jenny sits on a few non-profit boards, runs her family's foundation arm. They live in HK but travel frequently to Beijing to visit Jenny's family.





Ms. Sun Li

- Stay at home mom with two children. Makes all education-related decisions.
- Children attended bilingual kindergarten followed by top public schools and bilingual middle school
- Husband works at a SOE and not too involved in family affairs
- Both graduated from top universities in China. Limited English.
- Very active in all education-related wechat groups





Melissa & David

- **Melissa** is the Managing Partner at a top local law firm, focusing on cross-border deals.
- **David** is working on his second venture after his first company was acquired by a large tech conglomerate. Angel investing on the side.
- Only daughter, international school all the way. Born in the US. Family lives in Shanghai.
- Melissa graduated from Fudan followed by JD at UMich. David attended UToronto followed by Stanford.





Key Takeaway #6

You gotta know **the most recent mentality and lifestyle changes** to the Upper & Middle class Chinese families

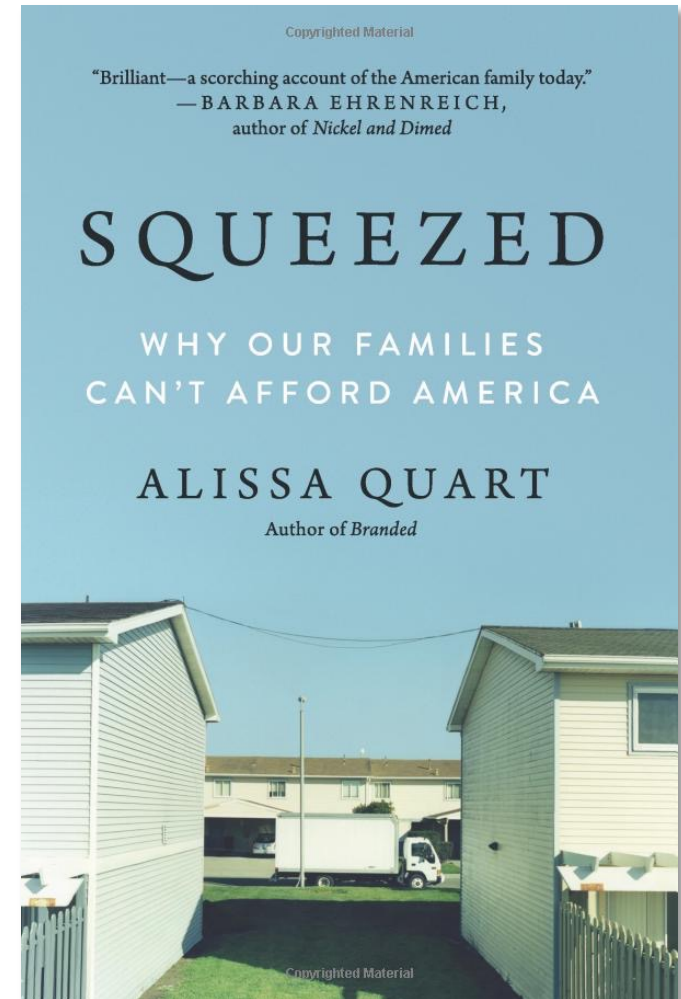


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“The Road to Bankruptcy”

The Road to Bankruptcy Checklist for Chinese Middle Class Families 中产破产三件套:

1. Extreme mortgage on a house
2. Two children both attending international school (or private school)
3. Full-time homemaker spouse





“The Road to Bankruptcy”

- US Secondary School application prep & 4 years of tuition = **US\$330K** (RMB 2m)
- 4 years of University tuition = **US\$240K** (RMB 1.7m)
- Summer programs = **US\$20K** (RMB 140K)
- Travel & logistics = **US\$20K** (RMB 140K)
- If attending a private school from 2 to 13-year-old, average annual tuition is ~US\$14K-20K (RMB 100-150K) per year, 12 years of total tuition is ~**US\$168K-240K** (RMB 1.2m-1.5m)
- **TOTAL COST per child (from 2 to 21-year-old) = US\$ 714K-857K (RMB 5m-6m)**

Int'l Education: The Point of No Return

As a result, many upper & middle class Chinese families have no choice but to forge forward, investing in their children's future, but inevitably, placing **significant expectation and hope for the "return on investment"**...

- No return to public/compulsory education track, hence **more to lose**
- Long for a **"bragging chip" that matches the investment**, hence the fixation on prestige, brand and top schools
- **Alternative options besides the US:** UK, Canada, Singapore, HK, Europe...**multi-country approach** to maximize return: *"as long as the school is considered "top" in the country, then it's worth it."*



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Key Takeaway #7

***You gotta know the
dogged pursuit of ranking
is here to stay...***



The elusive definition of “Top School”

Old money / Princelings:

- Been there, done that. Many are legacies or have close ties with US schools
- Not impacted by economic cycle and resourceful globally
- Rare breed...

New money:

- **Brand and Reputation conscious: it's a FACE thing...**
- Nearly impossible to change how they think. You can try to educate but in the end, it's much easier to speak their language or at least acknowledge their mindset

Middle class:

- Will adjust and sacrifice their lifestyle for the children
- “Return on investment” mindset: extremely high expectations of schools and their children





Key Takeaway #8

***The **law of attraction** applies:
your current Chinese
families set the tone for your
future Chinese families***



Key Takeaway #9

You gotta define a **clear** and goal-oriented China strategy. Educate from the top.

Let's get back to the beginning...

- *Will there be **more or fewer** Chinese applicants?*
- *What are Chinese families **thinking about NOW**?*
- *How are they making decisions about their children's education? What **factors** do they consider?*
- *How may **these decision-making process be different** for different types of Chinese families?*



Key Takeaway #10

***Lastly, you gotta know
that **SNF** is your pocket
China insider 😊***

Cheers! 🍷



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QUESTIONS?

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