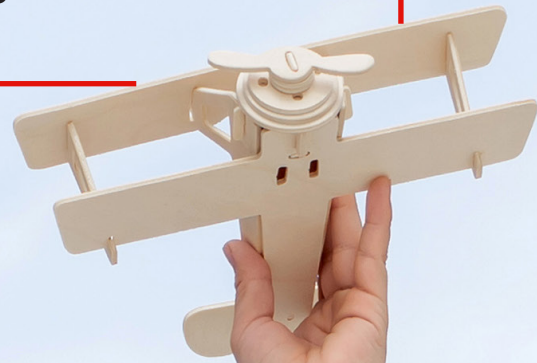


**ECONOMIST
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Ready for anything:

**Preparing for overseas child
education among mainland China
and Hong Kong parents**



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About this report

Ready for anything: Preparing for overseas child education among mainland China and Hong Kong parents is a report from Economist Impact, supported by HSBC Life. It explores the expectations and realities of parents approaching overseas education for their children, and the challenges and opportunities this represents.

Between October and November 2023 Economist Impact surveyed 1,000 parents from high income households—500 each from mainland China and Hong Kong—to explore their perceptions and experiences of sending their children for education overseas. Half of the sample in each location (ie, 250 respondents) have children currently studying abroad, while the remaining half are planning on doing so. Nearly half of the parents in our survey have teenage children (45%), while 39% have children aged more than 20 years.

This report draws on findings from the survey and further insights from interviews with experts. We thank the following for their time and insight (in alphabetical order by surname):

- **James Brown**, head of international recruitment, undergraduate admissions and outreach, University of Oxford, UK
- **Sam Lucy**, admissions tutor, Newnham College, University of Cambridge, UK
- **Gerard Postiglione**, emeritus and honorary professor, The University of Hong Kong, Hong Kong
- **John Zhang**, co-founder and director, Connexcel, UK

This report was written by Jesse Quigley Jones, and edited by Satvinderjit Kaur and Gillian Parker.

Foreword



Over the years, we have noticed significant and increasing customer demand for help with planning overseas education for children. In light of this, we have partnered with Economist Impact to conduct an in-depth analysis of the evolving preference of parents in Hong Kong and mainland China. Our research shows that parents are increasingly planning for their children's overseas study earlier, for longer, and across a wider range of potential destinations.

Inflation in the education sector and rising costs of living are impacting the cost of educating children overseas. Earlier and more comprehensive preparation for overseas education can help mitigate some of the economic, social and emotional challenges identified in the research.

At HSBC Life, we strive to open up a world of opportunity to our customers and their loved ones. I hope the insights in this report will help parents better plan for the longer-term costs of international education and put in place proper financial plans to ensure their children can benefit from the global opportunities that await them.

Edward Moncreiffe
Hong Kong chief executive officer
HSBC Life (International) Limited

Executive summary



Students from mainland China and Hong Kong have a long history of studying overseas. The largest numbers study in English-speaking Western countries in North America, Europe or Australasia.

Our survey of 1,000 high-income households in mainland China and Hong Kong explores parental perceptions, planning and experiences in sending children for education overseas. Nearly half of our survey respondents (45%) are parents to teenage children.

The survey reveals several challenges and realities for parents pursuing overseas education for their children.

Key research takeaways:

- Most parents in our sample (67%) plan to or have sent their children for tertiary education overseas, while a smaller proportion (28%) select secondary education. Parents from mainland China show a greater preference for pursuing primary (5% vs 4%) and secondary (32% vs 24%) education overseas than their Hong Kong counterparts. Those planning overseas study veer towards sending their children at younger ages compared with the group whose children are currently overseas. Similarly, those planning for overseas study were looking into a longer duration of study compared with those whose children are currently overseas.
- Four English-speaking countries—the US, the UK, Canada and Australia—are the most popular destinations among our survey population. When considering the top three choices, the US is most popular with mainland China, while the UK is favoured by Hong Kong parents. The UK is the most frequently attended location, representing a quarter of students who are currently abroad in our sample.
- Parents are increasingly considering regional locations for overseas education. Among those currently studying abroad, only 3% were placed in East or South-East Asian locations. Meanwhile, over 16% of parents

planning to send their children overseas are selecting East or South-East Asian economies as their first choice. Japan and Singapore are by far the most popular Asian locations. Cross-border education between Hong Kong and the mainland is also increasingly popular.

- Subtle differences in motivations are also seen. Those from the mainland more often rank *improved employment opportunities abroad* as their top reason for considering overseas education compared with Hong Kong parents (22% vs 10%). Hong Kong parents are more likely to rate *institutional prestige* (19% vs 14%) and *academic performance* (18% vs 13%) as their primary reason for pursuing overseas education when compared with their mainland China counterparts.
- Among non-academic skills that parents hope their child will gain from overseas education, *independence/self-management* and *personal development/adaptability/flexibility* are the most frequently selected (by over 60% of respondents). This is followed by critical thinking (47%) and creativity (43%). Overall, 78% of parents in our survey with children currently studying overseas reported that their child had acquired more additional skills than they had expected.
- More than 88% of parents in our survey report being *informed* or *very well informed* about the costs associated with overseas education. However, the continued impacts of inflation and rising cost of living are affecting the cost of overseas education. More than 58% of parents with children currently overseas report that the costs are higher than anticipated. As such, *rising costs and inflation* is the most frequently reported challenge faced, cited by 41%. When asked to rank the reasons for the gaps between the expected and actual costs of overseas education, *changes to the cost of accommodation and living expenses* are most frequently cited.
- Beyond the economic challenges of overseas education, the most frequently cited challenges focus on the social and emotional impacts of pursuing education overseas. *Homesickness* and *difficulty fitting in or culture shock* are both reported by about 40% of survey respondents. *Language barrier* was the next most frequently reported challenge (37%).
- Most survey respondents (60%) report planning for overseas education when their child was in secondary school. Many report late planning: 39% pursuing overseas primary education only started planning when their child was already in primary school. Similarly 52% pursuing secondary education began planning while their child was in secondary education.
- Earlier and more comprehensive preparation for overseas education can help mitigate some of the challenges identified in our survey. While parents should consider how they will financially support their child's education, they should also place importance on the non-academic soft skills necessary for children to get the most out of their overseas study experience.

Introduction: Overseas education for mainland China and Hong Kong children

Parents from both mainland China and Hong Kong have a long heritage in opting to send their children for education overseas, mainly to English-speaking Western countries (see Figure 1). Mainland China's recent decades of educational reform and internationalisation have resulted in the globe's biggest source of international students, including making up the most

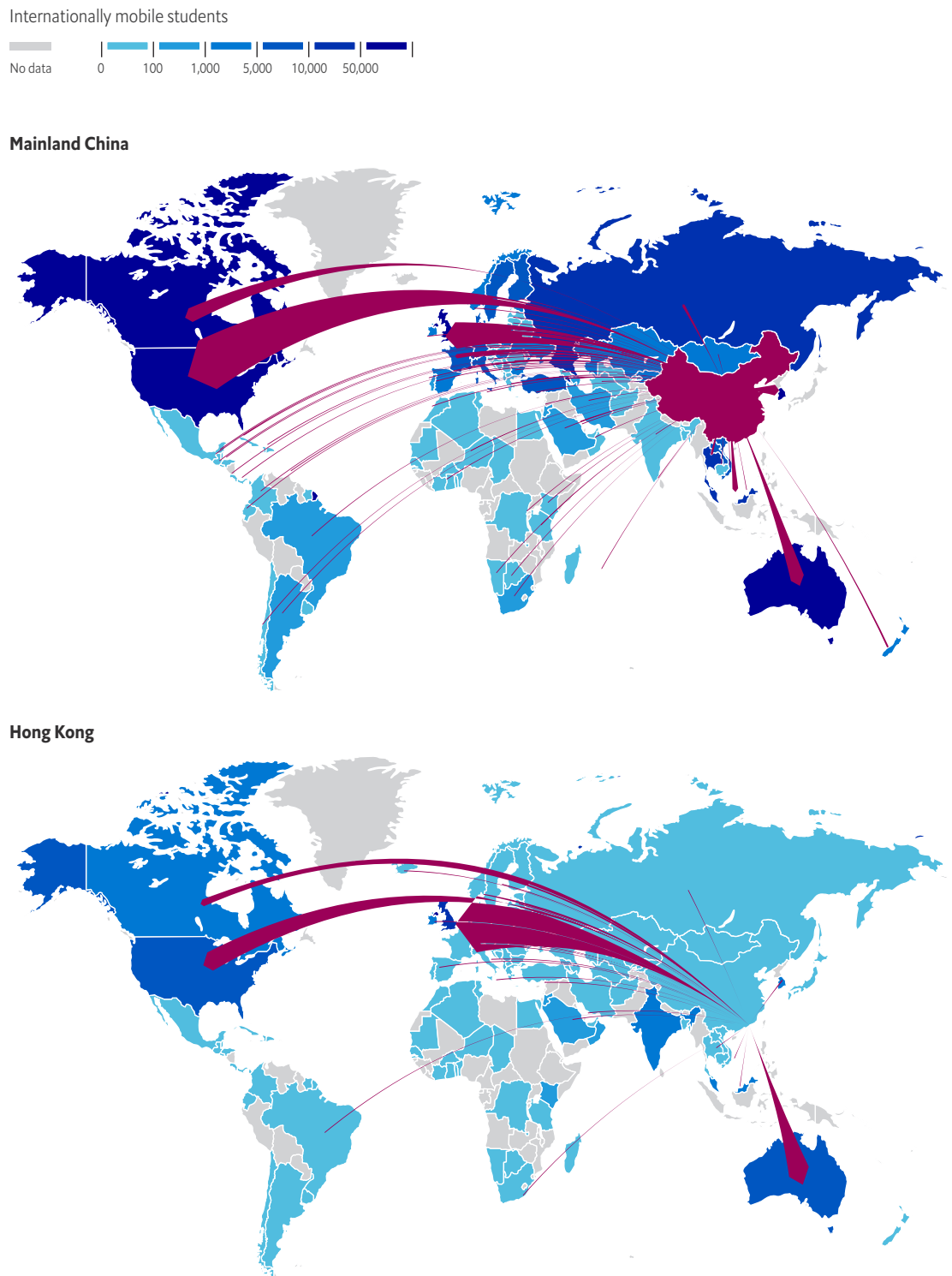
teenagers sent abroad for secondary school.¹ Meanwhile, Hong Kong's historical alignment with the British education system has facilitated successive generations of students to study in English-speaking countries. In 2021-22 there were almost 170,000 students from mainland China or Hong Kong studying in the UK alone, accounting for 25% of its total international student body.²



¹ Zhou X, Li J, Jordan LP. Parental intent for children to study abroad: the role of educational aspiration and children's characteristics. *Cambridge J Education* 2019;doi:10.1080/0305764X.2019.1618244

² HESA. Where do HE students come from? Available from: <https://www.hesa.ac.uk/data-and-analysis/students/where-from#tne> (Accessed Oct 2023)

Figure 1: Majority of students opt to study in English-speaking Western countries
 Global mobility of tertiary students from mainland China (top panel) and Hong Kong (bottom panel)



Source: UNESCO, 2021³ and Economist Impact

³ UNESCO. Global flow of tertiary students. Available from: <https://uis.unesco.org/en/uis-student-flow> (Accessed Nov 2023).

Exploring intentions among parents

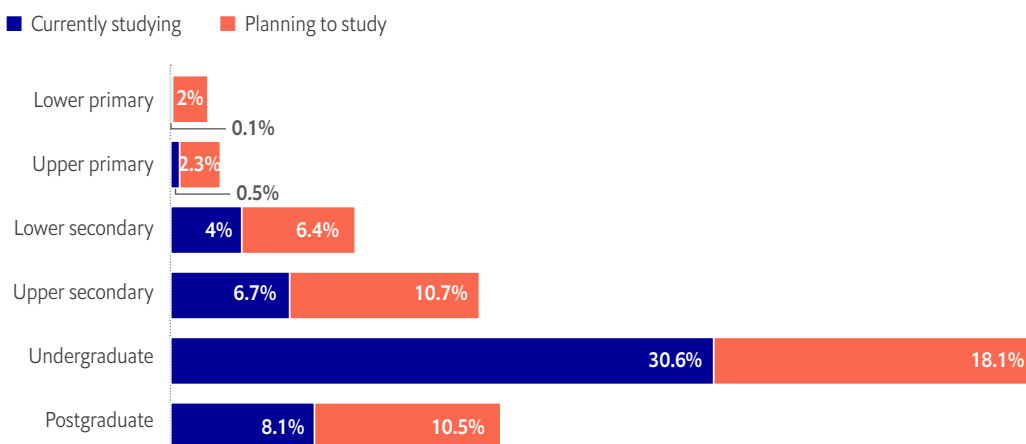
To explore this topic, we surveyed 1,000 parents from mainland China and Hong Kong, half of whom have children currently studying overseas and half of whom are planning to do so in the future.

Our survey results show that most parents consider overseas education for tertiary study, with 49% opting for undergraduate study alone (Figure 2). Around 28% of respondents consider secondary education overseas and 5% elect to send their children for overseas primary education. Parents from mainland China show a greater preference for educating their children overseas at a younger age. In our survey, the share considering secondary or primary education overseas is higher among mainland China parents compared with Hong Kong parents (32% vs 24% and 5% vs 4%, respectively).

More of those planning to send children overseas are considering primary and secondary education (21%) than those with children currently studying overseas (11%) (see Figure 2). Only 29% are planning to pursue tertiary education as compared with the 40% that are currently enrolled overseas. “The trend of sending younger children for education overseas has been there for many years,” says John Zhang, co-founder and director of school admissions consultancy Connexcel. “While it slowed down during the covid-19 period, over the past 18 months since the reopening of China, we can see it’s picking up again. The explosion of applications is due to the post-pandemic demand.” Child student visas issued by the UK have increased by 18% since 2016, totalling 4,351 in 2019. This fell by 60% during the pandemic, with just 1,779 issued in 2022. A sharp uptake has been seen so far in 2023, with 3,111 issued through Q3—although this represents a 90% year-on-year increase, this figure is still not back to pre-pandemic levels.⁴

Figure 2: Parents are looking to send their children overseas earlier

Reported education level for sending children overseas among those parents with children currently studying overseas and those planning for overseas study



Source: Economist Impact survey 2023

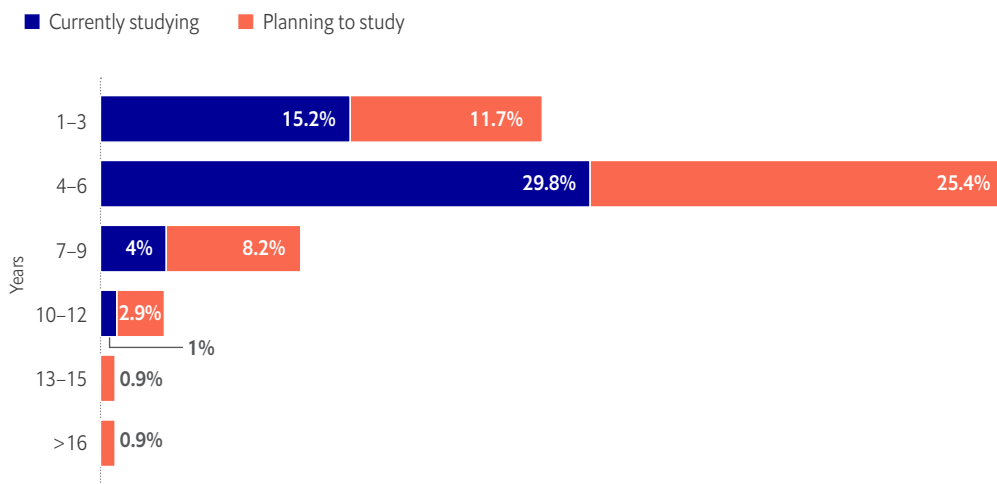
⁴ Economist Impact calculations using data from <https://www.gov.uk/government/statistical-data-sets/immigration-system-statistics-data-tables#entry-clearance-visas-granted-outside-the-uk>

Most respondents plan on their children studying overseas for between one and six years (Figure 3), in part reflecting the typical duration of undergraduate study that makes up the largest proportion of planned study among our survey respondents. Indeed, the most commonly expected duration is 4-6 years, as reported by 55% of survey respondents. Very few parents in our survey plan to send their children overseas for their entire education. Parents opting for primary education overseas have a greater intention of pursuing longer durations of overseas study: 80% of whom plan for >6 years. Similarly, 42% of those pursuing secondary education overseas report the intention to study

>6 years. This suggests that parents opting for overseas education at an earlier age, plan for their children to progress within those systems. In addition, those parents currently planning for overseas education report greater intention for a longer period of study compared with those with children currently overseas (13% vs 5% intending >6 years, respectively). In general, parents from mainland China show a greater intention for longer overseas study periods compared with Hong Kong parents (21% vs 15% reporting >6 years, respectively). Parents who are currently planning are looking to send their children at a younger age and for longer durations than those who have already sent overseas.

Figure 3: Parents are looking to send their children overseas for longer

Intended duration of overseas education among parents with children currently studying overseas and those planning to send their children to study overseas.



Source: Economist Impact survey 2023

Aspirations versus reality: Does overseas education meet parents' expectations?

Our survey reveals several motivators for pursuing overseas education among parents from mainland China and Hong Kong. The biggest pull factors include *improved employment opportunities abroad* (46%) and the *prestige of host institutions* (42%). *Providing better opportunities for their academically performing child and to encourage independence* were the next most prioritised drivers, with 38% of respondents citing each.

These findings are consistent with existing literature on overseas education among students from mainland China and Hong Kong.^{5,6} Previously identified pull factors include the higher quality of education overseas, immigration possibilities, safety, access to natural environment, language

The biggest pull factors include improved employment opportunities abroad (46%) and the prestige of host institutions (42%).

skill improvement and family/friend recommendations. Our findings from the survey reflect the continued appeal of the potential for high academic performance and *improved overseas employment opportunities*. Push factors include local learning pressure, a competitive academic environment and a desire to explore different cultures. Here our survey findings support the desire to *develop cultural awareness* (23%) and *build an international network* (23%).

Key differences are seen between respondents from mainland China and Hong Kong (Figure 4). Hong Kong parents are more likely to rate institutional prestige (46% vs 38%) and academic performance (43% vs 34%) among their top three reasons for pursuing overseas education. Conversely, more parents from mainland China rank *improved employment opportunities abroad* among the top three reasons (57% vs 35%). Overall fewer parents consider *improved employment opportunities in the home market* as the primary driver. However, this is again more commonly cited by mainland China parents compared with Hong Kong parents (25% vs 15%).

⁵ Jing X, Peng L, Dai K. Why Chinese students choose to pursue secondary education in Canada: an empirical investigation based on push-pull model. *Asia Pacific Education Review*. 2021;doi 10.1007/s12564-021-09693-x.

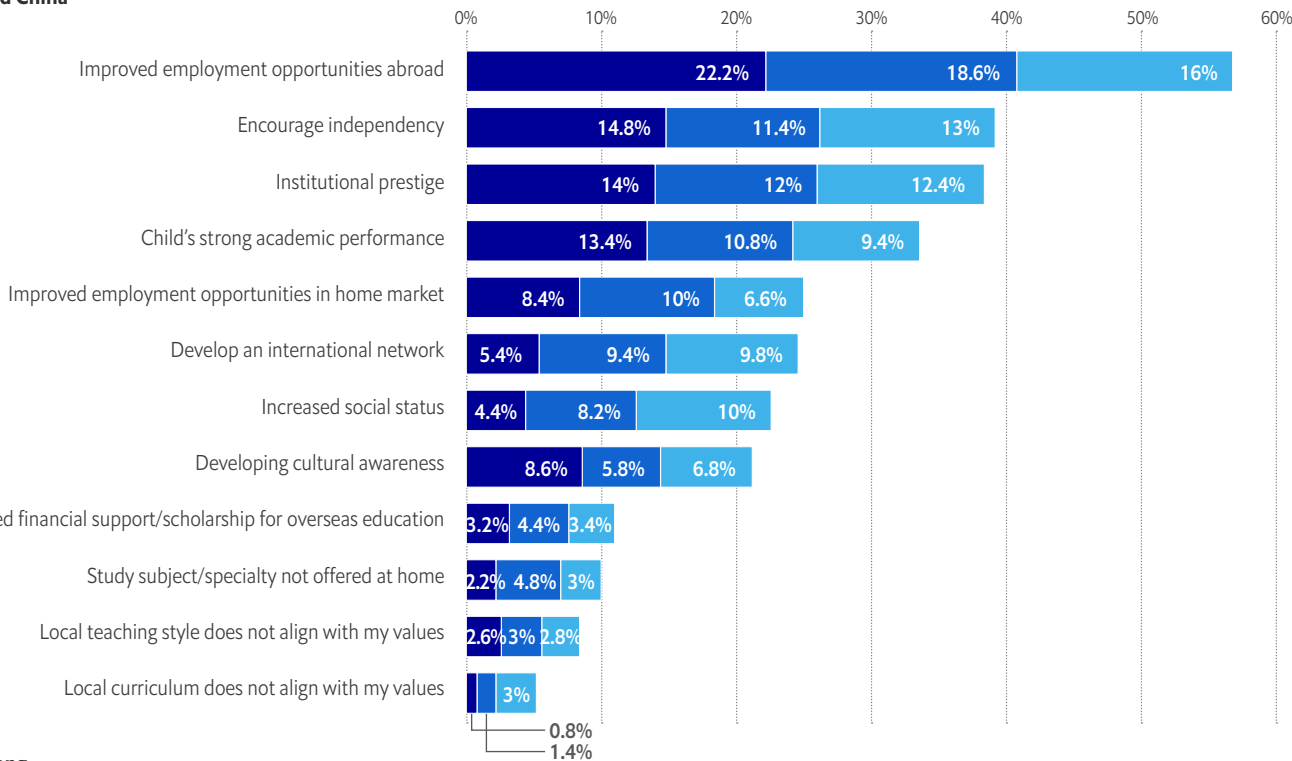
⁶ Cao C, Zhu C, Meng Q. A Survey of the Influencing Factors for International Academic Mobility of Chinese University Students. *Higher Education Quarterly* 2016;70:200-220.

Figure 4. Mainland Chinese parents prioritise employability abroad while Hong Kong parents prioritise institutional prestige and academic performance

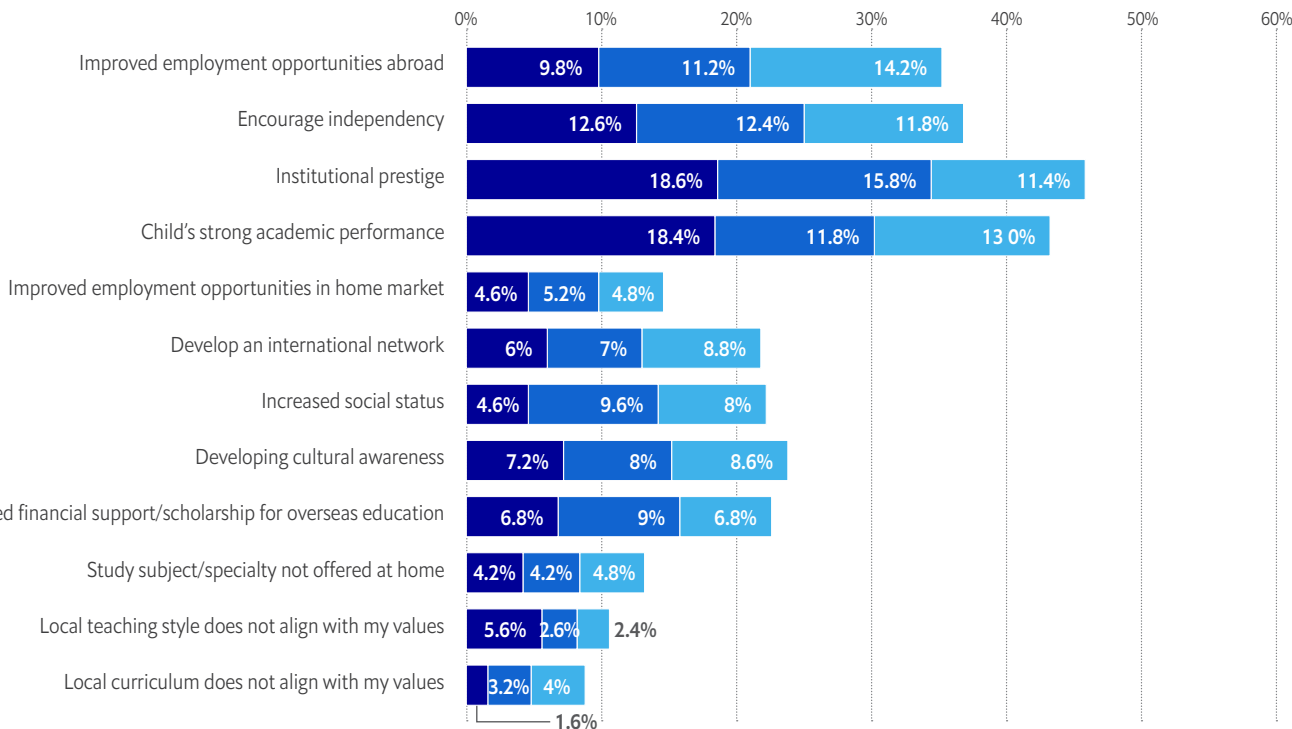
Primary reasons for considering overseas education for children among mainland China (top panel) and Hong Kong parents (bottom panel)

Rank 1 Rank 2 Rank 3

Mainland China



Hong Kong



Source: Economist Impact survey 2023

“One disadvantage for returning students from mainland China and Hong Kong is being cut off from social networks in their home country that could be helpful in securing future employment.”

Gerard Postiglione, emeritus and honorary professor,
The University of Hong Kong, Hong Kong

Chinese parents frequently consider future overseas employment opportunities in their decision-making process. Greater employability, less competition for jobs and increased income potential in the host country are frequently reported pull factors for overseas education among Chinese students.⁷ Against a backdrop of wage deflation and high youth unemployment in mainland China,^{8,9} employment factors remain prescient. A 2022 survey conducted on behalf of the UK Boarding School Association (BSA) found that changes to post-study work visas would impact decisions to select the UK as a destination for overseas study among 20% of mainland Chinese parents.¹⁰ Limiting graduate work opportunities for international students is increasingly discussed in immigration policy debates across Western nations. The extent to which this will influence the choices of students and parents from China remains to be seen.

The direct link between overseas study and subsequent employability at home is not well established among students from mainland China and Hong Kong. Academic research suggests that students with international exposure are more attractive to employers,

particularly among multinational companies. There may be a short-term employment advantage for returnees entering the labour market in their home country.¹¹ Gerard Postiglione, emeritus and honorary professor in the Academic Unit of Social Contexts and Policies of Education at The University of Hong Kong, highlights one disadvantage for returning students from mainland China and Hong Kong: being cut off from social networks in their home country that could be helpful in securing future employment. The emergence of alumni networks for returning graduates within the mainland and Hong Kong attempts to overcome some of this downside.¹²

Despite this emphasis on employment, academic research suggests that purely labour-market returns do not fully explain choices to study overseas in higher education. The appeal of a lived cultural experience and social opportunities are important factors that should not be underestimated.¹³ This is reflected in our survey, where almost a quarter of respondents report *developing an international network* and *cultural awareness* as primary reasons for pursuing overseas education.

⁷ Cao C, Zhu C, Meng Q. A survey of the influencing factors for international academic mobility of Chinese university students. *Higher Ed Quarterly* 2016;70:200–220.

⁸ The Economist Intelligence Unit. China country fact sheet. Available from: <https://country.eiu.com/china> (Accessed Nov 2023).

⁹ Zhang E, Zaharia M. White-collar wage cuts in China fuel deflation risks, hurt consumers. Reuters, 2023. Available from: <https://www.reuters.com/markets/asia/white-collar-wage-cuts-china-fuel-deflation-risks-hurt-consumption-2023-07-27/> (Accessed Nov 2023)

¹⁰ Boarding School Association and Connexcel. The 2023 Boarding Schools' Association / Connexcel Survey of Chinese Parents. 2023.

¹¹ Waters J. 'Roundabout routes and sanctuary schools': the role of situated educational practices and habits in the creation of transnational professionals. *Global Networks* 2007;7:477–497.

¹² Cebolla-Boado H, Hu Y, Nuhoglyu Soysal Y. Why study abroad? Sorting of Chinese students across British universities. *Br J Social Education*. 2018;39(3):365–380.

¹³ Ibid

Access to world-class education with a globalised perspective

Opportunities to study a broader curriculum and more specialised subjects are greater in overseas tertiary education. Sam Lucy, admissions tutor at Newnham College, University of Cambridge, who is also the institution's former director of admissions, notes that applicants are applying for a broader range of subjects. "Five or six years ago, applications would almost all be in the sciences or maths. Now it's not unusual to see applicants [from mainland China] for history of art, or other arts and humanities courses." James Brown, the head of international recruitment, undergraduate admissions and outreach at the University of Oxford, has seen a similar diversification of applications into the social sciences and humanities.

Both Dr Lucy and Mr Brown see the key motivator as an interest in the chosen subject

rather than a direct link to any subsequent employment opportunity back home.

"Institutional prestige plays an important role, particularly among students coming from leading secondary schools in their home country with some expectation that they'd go on to attend a prestigious university," says Mr Brown. "Conversely, there are numerous students who are deeply passionate about a subject which is offered at Oxford and may not be widely available elsewhere."

While not directly observed in our survey, the widespread dissatisfaction with the local curricula and teaching styles are frequently reported as a motivating factor for parents from mainland China.¹⁴ The BSA's 2022 survey of Chinese parents revealed that competitive pressure in the current education system was the most common reason for studying abroad, followed by the more well-rounded education offered by overseas institutions.

Personal development and exposure to new perspectives

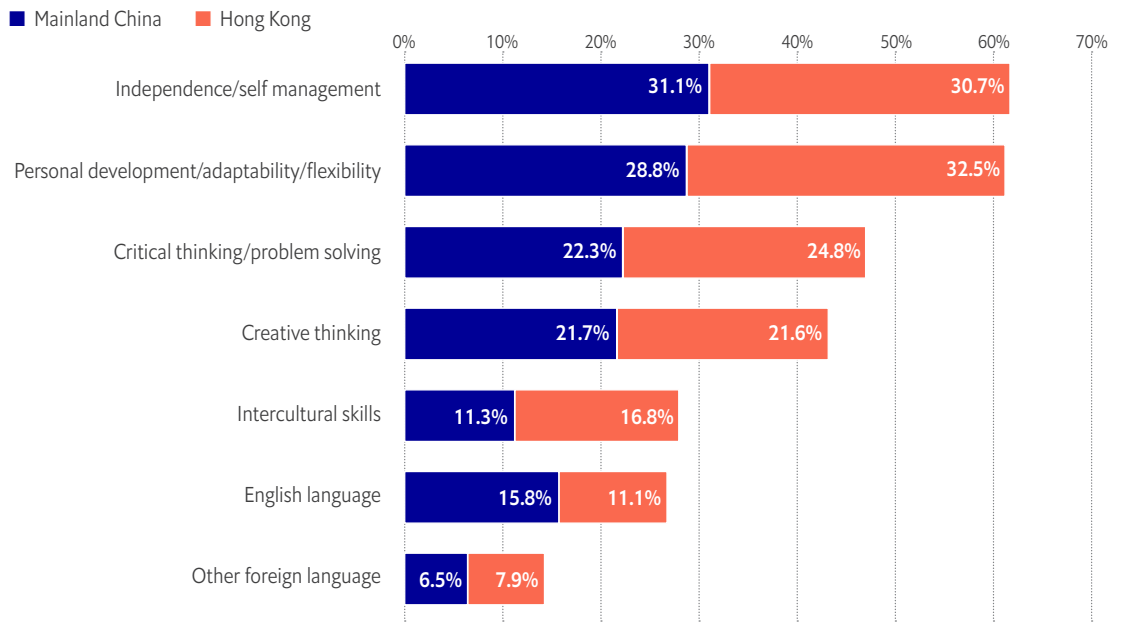
Among non-academic benefits and softer skills, the opportunity for overseas students to grow as individuals and become more independent are often cited as important. An analysis of short-term study abroad programmes among Hong Kong university students identified 'broadening horizons' and 'assisting personal growth' among the top perceived benefits.¹⁵ Our survey results reflect this hope among parents. When asked which additional non-academic skills parents hope their child will gain, *independence/self-management* and *personal development/adaptability/flexibility* are the most frequently selected (over 60% of respondents, Figure 5). This is followed by *critical thinking* (47%) and *creativity* (43%).



¹⁴ Jing X, Peng L, Dai K. Why Chinese students choose to pursue secondary education in Canada: an empirical investigation based on push-pull model. *Asia Pacific Education Review*. 2021;doi 10.1007/s12564-021-09693-x.

¹⁵ Cheng AYN. Perceived value and preferences of short-term study abroad programmes: A Hong Kong study. *Procedia Social and Behavioural Sci* 2014;116:4277-4282.

Figure 5. Parents value growth in independence and personal development highly
 Additional skills attained through overseas education anticipated by parents from mainland China and Hong Kong



Source: Economist Impact survey 2023

Notably, language acquisition skills are the least selected. This suggests that language requirements are overlooked by parents or may reflect a predominance of children currently enrolled in international schools or in English language medium education programmes within their home country. Language and communication skills are cited

as potential barriers to future employment among international students, highlighting the importance of focusing on language capabilities.¹⁶

Overall, 78% of parents in our survey with children currently studying overseas reported that their child’s acquisition of additional skills was higher than they had expected.

¹⁶ Berquist B, et al. Global perspectives on international student employability, 2019. International Education Association of Australia (IEAA). Available from: <https://www.ieaa.org.au/research/global-perspectives-on-international-student-employability> (Accessed Nov 2023).

Preparing for success: Considerations for overseas education

Choosing the location and institution

English-speaking countries are the largest hosts of international students, globally.¹⁷ Among parents whose children are currently studying overseas, the UK is the most popular location, representing over a quarter of current overseas

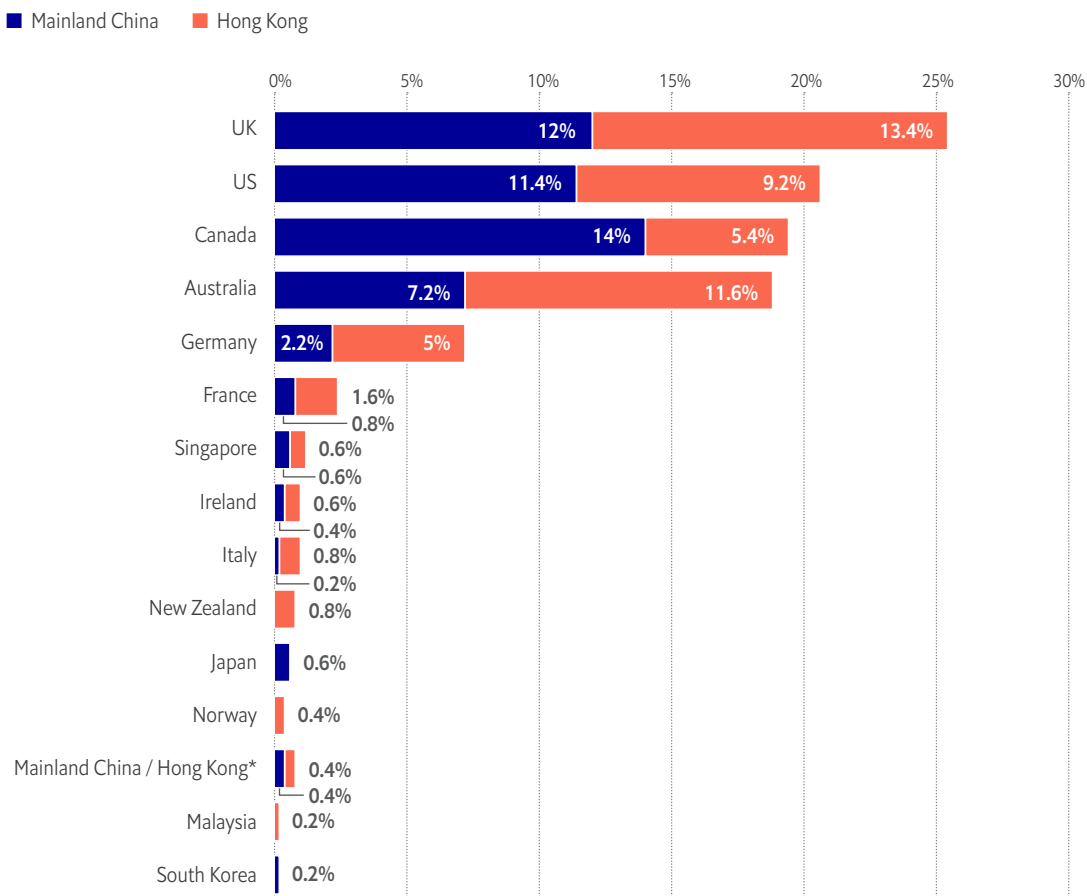
students in our survey (see Figure 6). Our survey also reveals that Canada is a more popular destination for current students from mainland China compared with those from Hong Kong. However, Australia is more popular among Hong Kong students compared with those from mainland China.



¹⁷ Bhandari R, Robles C, Farrugia C. UNESCO Global Education Monitoring Report Background Paper: International Higher Education: Shifting Mobilities, Policy Challenges, and New Initiatives. 2018.

Figure 6. The UK is the most popular destination among current students

Destinations for children of mainland China and Hong Kong parents who are currently studying overseas



Source: Economist Impact survey 2023
 *includes only those reporting cross-border education from mainland China to Hong Kong and vice versa

Four English-speaking countries—the US, the UK, Canada and Australia—remain the most popular destinations for prospective students among our survey population. The US is the first-choice destination for prospective students among parents from both mainland China and Hong Kong (see Figure 7). When asked to

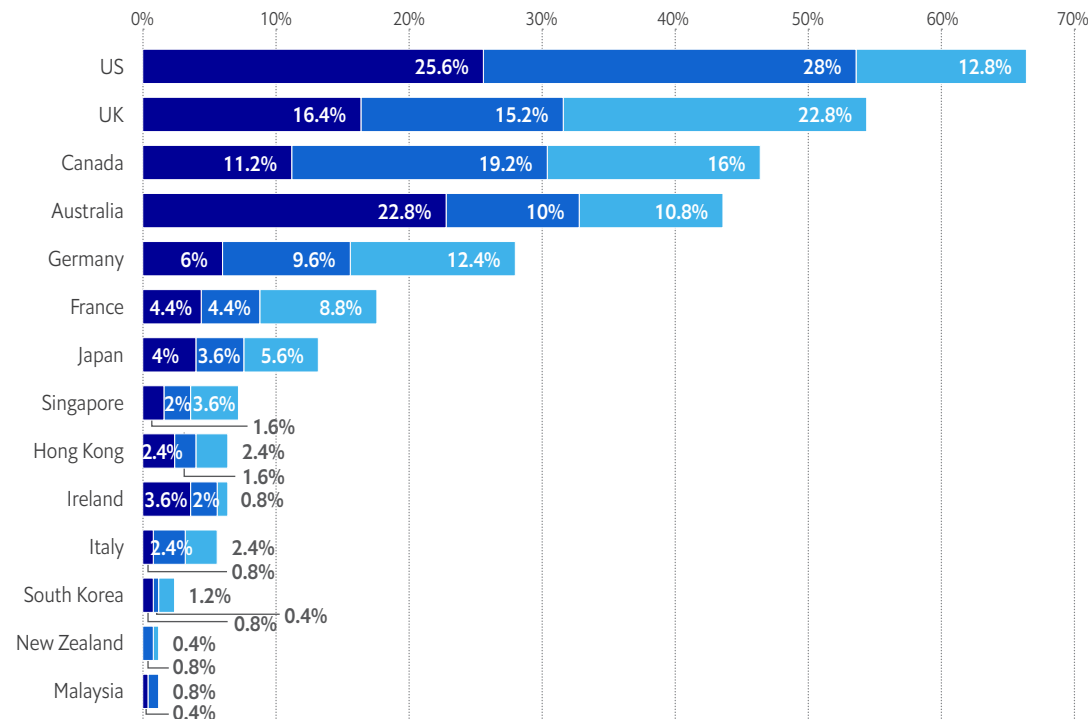
rank the top three destination choices, the US remains the most popular among parents in mainland China, while the UK leads for parents from Hong Kong. The preference for the US over the UK among Chinese respondents is particularly pronounced, at 26% versus 16% respectively.

Figure 7. The US standouts among prospective mainland Chinese students and the UK among Hong Kong parents

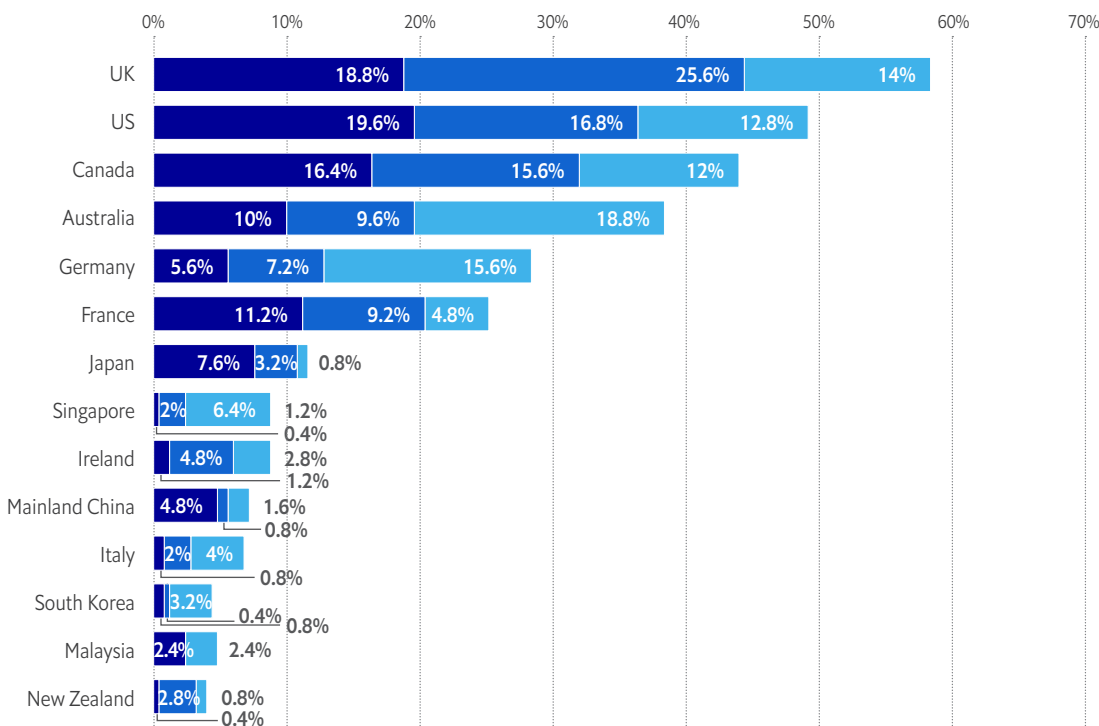
Preferred destinations among mainland China (top panel) and Hong Kong (bottom panel) parents planning to send their children for education overseas

■ Rank 1 ■ Rank 2 ■ Rank 3

Mainland China



Hong Kong



Source: Economist Impact survey 2023

While less significant, a growing number of prospective students are considering non-English speaking European countries such as Germany and France. Less than 10% of current students are enrolled in educational institutions in these countries, with 7% studying in Germany and 2% in France. Meanwhile, a significantly larger proportion of prospective students selected Germany (28%) and France (21%) among their top three destinations. Several factors may be at play here, but previous analyses identified the growing cultural appeal of European destinations and cheaper tuition fees compared with other overseas destinations as important contributors.^{18,19}

Deglobalisation and regionalisation of international education

Our survey results suggest that parents are increasingly considering regional destinations to educate their children. Among those currently studying abroad, only 3% were placed in East or South-East Asian locations. However, 16% of parents who are in the planning stages selected these economies as their first choice.

Experts suggest this may stem from the covid-19 pandemic, as an uptick in regional education was recorded during 2020-21. Globally, higher education applications from international students decreased during and immediately after the covid-19 pandemic. This was in part due to people postponing applications amid uncertainty and international travel restrictions.²⁰ Regionally, the pandemic revealed countries in East and South-East Asia as more attractive alternative destinations

for international learning.^{21,22} This reflects not only a preference for proximity to the home country and lower costs, but also a perception of safety and acceptance compared with Western counterparts.

Post-pandemic, this trend of regionalisation in education looks set to remain. “Due to cost, finance and safety reasons, more students are looking within the region for higher education,” says Professor Postiglione. “The regional winners are Japan, South Korea, Singapore and increasingly Malaysia and Thailand.” Over 60 parents are considering Japan among their top three destinations, a significant increase from the three students currently studying there among our survey respondents.

Another notable difference is the increased intention for cross-border education between mainland China and Hong Kong. About 7% of respondents from Hong Kong are considering mainland China and, in the other direction, this figure stands at 6%, which is notably higher than the <0.5% of respondents currently doing this. This may be another artefact of the covid-19 pandemic and a desire to be closer to family. Professor Postiglione sees additional factors at play, such as recent proposals to increase the quota of non-local student places in Hong Kong universities. This will create additional opportunities for mainland students to study there and contribute to the Hong Kong government’s goal of developing a regional education hub.²³ It is also hoped that this shift will help with overcoming Hong Kong’s demographic challenges, owing to a low birth rate and recent waves of emigration, including

¹⁸ British Council. Measuring the cultural dividend How does interest in UK culture affect Chinese study decisions? 2021. Available from: https://opportunities-insight.britishcouncil.org/sites/siem/files/field/file/news/Measuring%20the%20cultural%20dividend_China%20%282021%29.pdf (Accessed Dec 2023).

¹⁹ James Watkins. The best-value countries to study abroad. Times Higher Education. Available from: <https://www.timeshighereducation.com/student/news/best-value-countries-study-abroad> (Accessed Dec 2023).

²⁰ Di Pietro G. Covid-19 and intentions to study abroad: evidence from overseas university applications to the UK. Higher Education Eval and Development 2023;17:23–37.

²¹ Mok KH, Xiong W, Ke G. Reimagining Higher Education in the Post-COVID-19 Era: Chinese Students’ Desires for Overseas Learning and Implications for University Governance. Higher Education Policy 2022;35:591–609.

²² Mok HK, Xiong W, Ke G, Cheung JOW. Impact of COVID-19 pandemic on international higher education and student mobility: Student perspectives from mainland China and Hong Kong. Int J Education Research 2021;105:101718.

²³ Education Bureau, the Government of the Hong Kong Special Administrative Region. Hong Kong as a Regional Education Hub, 2020. Available from: https://www.studyinhongkong.edu.hk/en/images/StudyinHK_EdHub_Factsheet_Eng.pdf (Accessed Dec 2023).

secondary school students.²⁴ This change may unintentionally encourage cross-border education in the opposite direction. “Hong Kong households had an easier opportunity to get their children admitted to [local] universities in the past,” says Professor Postiglione, “but they may now be looking more broadly at opportunities overseas, including in mainland China where there is some preferential admission to top universities [for Hong Kong students].”

There is also growing interest in Singapore. While only six surveyed parents have children currently studying there, 40 parents are considering this as a future study destination. Notably, some parents

from mainland China who opted to educate their children in countries such as Singapore during the covid-19 pandemic, are now considering moving their children to Western countries. “Singapore was seen as a hot destination for high-net-worth individuals from China during covid, especially as the education system is more international and the culture and time zone are closer to China,” says Mr Zhang. “Now some parents who have been in Singapore for a while are considering sending their children to the UK for boarding school.”

Top destinations have largely remained the same when comparing current and prospective students, despite growing interest in Asian and non-English speaking countries. While uncommon, destinations may change during the planning and application process. In our survey, 10% of students currently overseas did not end up studying in the destination initially planned. This number was higher among students coming from Hong Kong (12%) compared with mainland China (9%). Our experts suggest several contributing factors for this. In tertiary education, Mr Brown suspects that the vast majority of application withdrawals are related to financing. Often, students will apply to multiple programmes across different countries, and some—for example, the US—are more generous with scholarships despite having much higher fees. Timing may play a further role. Students who applied to multiple programmes may accept the first offer for a placement. Due to the application deadlines and processes, this may well come from a North American institution, leading to them to drop out from applications for the UK or elsewhere in Europe. For younger students in secondary or primary education, Mr Zhang sees changing destinations relatively rarely. Here it is most often linked with other immigration opportunities or parents’ career changes.



“Parents need to make sure children are independent, mentally and socially mature and able to fit into the [overseas] environment.”

John Zhang, co-founder and director, Connexcel, UK

²⁴ Chan I. Over 27,000 Hong Kong students left city’s schools last year amid emigration wave. Hong Kong Free Press, July 2023. Available from: <https://hongkongfp.com/2023/07/12/over-27000-hong-kong-students-left-citys-schools-last-year-amid-emigration-wave/> (Accessed Dec 2023).

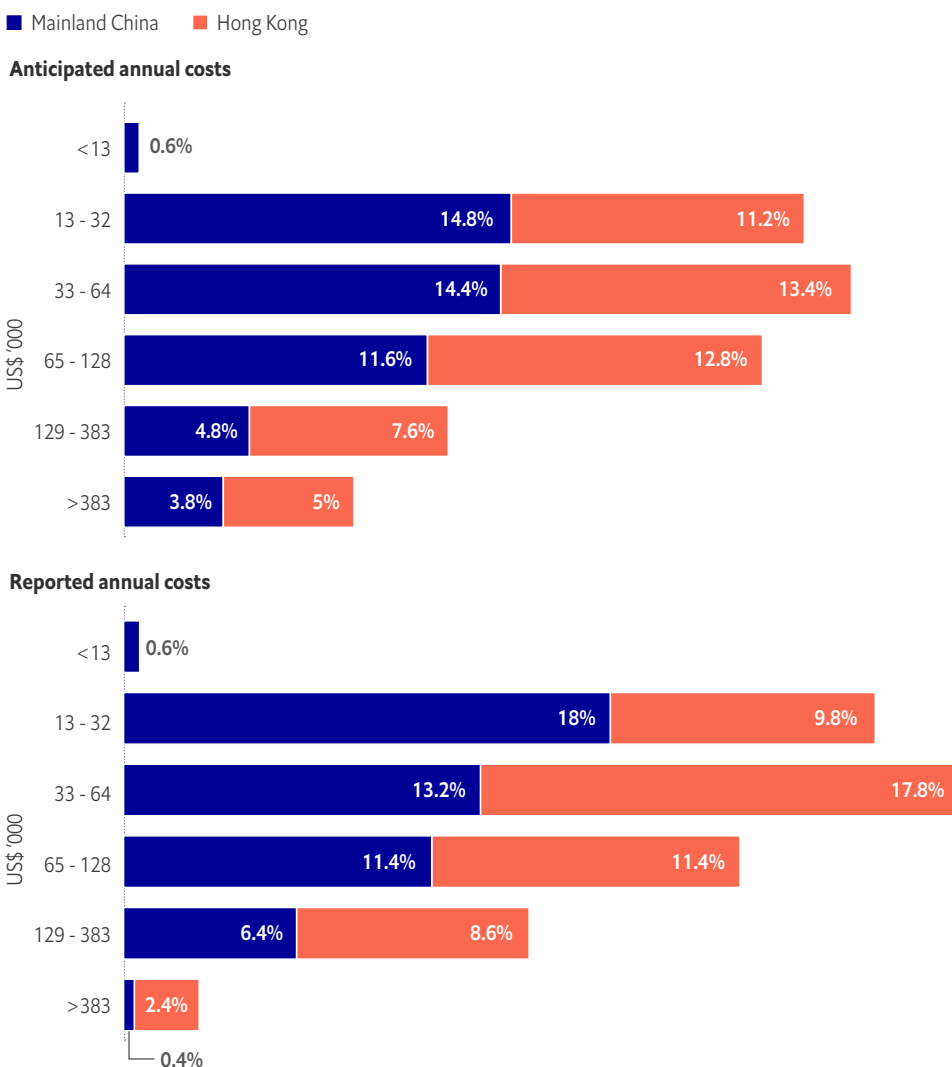
Financing overseas education

More than 88% of parents in our survey report being *informed* or *very well-informed* about the costs associated with overseas education. Indeed, the anticipated cost of education among those planning to send their children overseas is broadly consistent with the reported cost of those with children currently overseas in our survey (Figure 8). This also lines up

with Mr Zhang’s experience. For those who already enrol their children in international or privately funded schools in mainland China, tuition fees—along with the costs of extra-curricular activities and tuition—may already be comparable to those of, for example, a UK boarding school. However, the rising cost of living is continuing to impact the cost of educating children overseas (explored further in Chapter 3).

Figure 8. Anticipated costs are broadly consistent with reported costs of overseas education

Anticipated (top panel) and reported annual costs (bottom panel) for overseas education among parents planning to send their children overseas and those who have already sent respectively



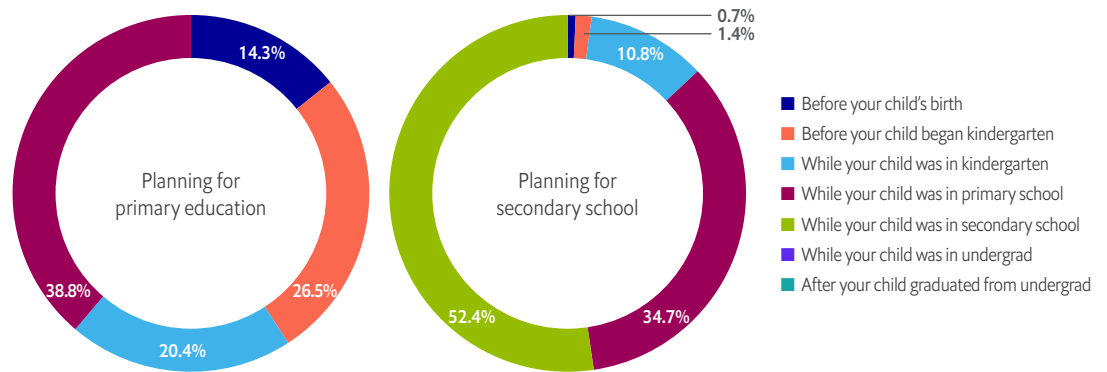
Source: Economist Impact survey 2023

“Financing the cost of education is probably the biggest reason why someone wouldn’t take up a place.”

Sam Lucy, admissions tutor, Newnham College, University of Cambridge, UK

Figure 9. Parents tend to plan late

Children’s reported age when parents started planning for primary and secondary education



Source: Economist Impact survey 2023

Note: This chart is based on 49 parents who reported planning for primary education and 277 parents who reported planning for secondary education.

The majority (83%) of parents in our survey report using savings to fund some or all of the costs associated with educating their children overseas, while 44% say they borrowed money. Smaller proportions report using other wealth or assets, and less than a third rely on scholarships. A level of liquidity is needed to support the application process for overseas education, as demonstrating the ability to fund can be a requirement for some application and visa processes. Dr Lucy has seen instances where applicants to the University of Cambridge are unable to provide adequate proof of funds, resulting in them needing to withdraw from the process. “Financing the cost of education is probably the biggest reason why someone wouldn’t take up a place,” she says. “This is something that people are increasingly thinking about from an early age, and we’re seeing [applications from] middle-class Chinese families who have been building long-term savings to fund their child’s education.”

Long-term planning and preparing children for the move

Overall, 60% of our survey respondents report planning for overseas education when their child was in secondary school, with nearly three-quarters of these parents planning for tertiary schooling. This reflects the popularity of overseas tertiary education in our survey. Some 21% of respondents report starting to plan when their child was in primary school, while 9% did so prior to primary school or even before birth. Among those who begin planning before their child enters kindergarten, most (53%) intend their children to study primary

education overseas, while a large proportion (32%) are planning for the very long term and intend to send their child for undergraduate study overseas. Parents from Hong Kong tend to prepare earlier, with 35% beginning before their child is in secondary school, compared with 25% of their mainland Chinese counterparts.

A large proportion of parents in our survey report planning late. Among parents sending their children for primary education overseas, 39% only started to plan while their child was already in primary school. Similarly, 52% pursuing secondary education began planning while their child was in secondary education (Figure 9).

Our experts highlight the benefits in planning early—and considering aspects beyond financing—particularly for students who plan to go abroad for primary or secondary education. The succession of assessments to enter secondary schools can begin several years prior to entry and can involve enrolling students in specific international curricula. In addition, differences in education style, priorities and student engagement between the home country and popular overseas destinations may need to be addressed early to give students the best chance of success. This may involve additional language education, increasing cultural awareness and fostering independence and resilience. “There’s a lot of things to prepare beyond academically,” says Mr Zhang. “Parents need to make sure children are independent, mentally and socially mature and able to fit into the [overseas] environment. Parents don’t realise how early they need to prepare.”

Forewarned is forearmed: Anticipating challenges in pursuing overseas education

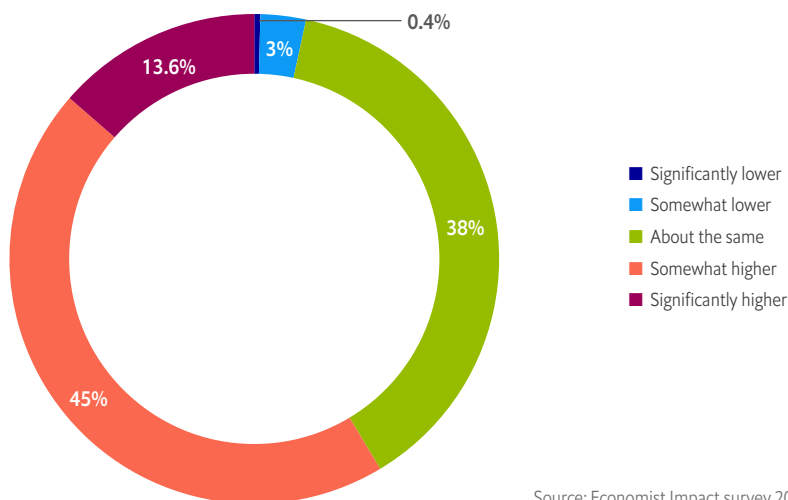
Dealing with uncertainty in a changing world

In the near term, the global economy is expected to experience ongoing inflation, driven by geopolitical tensions, deglobalisation, climate change, wage-price spiral and highly liquid global markets. These evolving circumstances may impact the price of

overseas education further. Indeed, parents of children currently studying overseas are already feeling the effects of climbing costs. More than half (58%) of our survey respondents report higher than anticipated costs, with 45% saying it is somewhat higher and 14% saying it is significantly higher (Figure 10).

Rising costs and inflation is the most frequently reported challenge faced during overseas education, cited by 41% of survey respondents (Figure 12). When asked to rank the reasons for the gaps between the expected and actual costs of overseas education, changes to the cost of accommodation and living expenses are most frequently cited in our survey (Figure 11). Rising energy and food prices throughout 2022 have resulted in accelerated inflation and a higher cost of living, globally. Meanwhile, the demand for student accommodation in the most popular locations in the UK, Australia and Canada outstrips supply. Rental prices for purpose-built student accommodation have increased by up to 9% year on year in the UK,²⁵ 8% in Canada²⁶ and 27% in Australia compared with pre-pandemic prices.²⁷

Figure 10. Overseas education costs are higher than parents anticipate
The extent to which the actual cost of overseas education meets expectations among parents from mainland China and Hong Kong with children currently studying overseas



Source: Economist Impact survey 2023

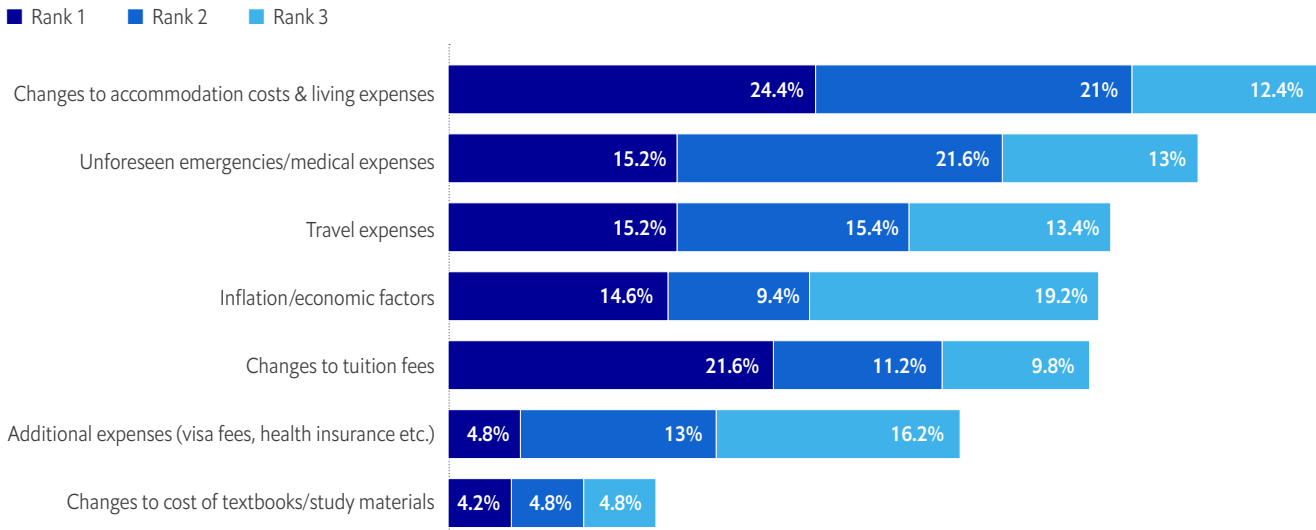
²⁵ Cushman & Wakefield. UK Student Accommodation Report, 2023. Available from: <https://www.cushmanwakefield.com/en/united-kingdom/insights/uk-student-accommodation-report> (Accessed Nov 2023).

²⁶ Bonard. Student Housing Annual Report 2022, 2023. Available from: <https://www.bonard.com/insights/student-housing-annual-report-2022> (Accessed Nov 2023).

²⁷ Australian Financial Review. Student housing rents to keep rising as demand outstrips supply. Available from: <https://www.afr.com/property/commercial/student-housing-rents-to-keep-rising-as-demand-outstrips-supply-20231101-p5egoa> (Accessed Nov 2023).

Figure 11. Accommodation and living expenses drive discrepancies between anticipated and actual costs

Perceived reasons for the gap between expected and actual costs of overseas education



Source: Economist Impact survey 2023

Changes in tuition fees are the second most top ranked reason for cost increases, reported by 22% of survey respondents. Here the figures vary widely across the globe, but a trend for above-inflation level increases in tuition fees is seen across prestigious institutions. Undergraduate international tuition fees at the University of Cambridge and the University Oxford increase by 5-6% per year on average. More recently, they have increased between 28% and 76% across different subjects since the 2019-20 academic year.²⁸ On average, US Ivy League undergraduate tuition fees have risen by almost 10% over the same period.²⁹ This could eventually impact the socioeconomic profile of the children being sent abroad. “For the more wealthy families, [the increase in tuition fees] really does not have an impact on them,” says Mr Zhang. “But for middle-class parents, increasing tuition fees might represent a good chunk of their disposable income.”

Social impacts on students

Beyond the economic issues, the most frequently cited challenges among our survey respondents focus on the social and emotional impacts of pursuing education overseas. Overseas study is associated with additional stress and loneliness due to a lack of social support.³⁰ *Homesickness* and *difficulty fitting in or culture shock* are both reported by 40% of our survey respondents (Figure 12). Our experts suggest that, at the tertiary level, attendance at institutions that use the collegiate system may better support students in overcoming these specific challenges.

Students can be better prepared for the challenges of overseas study and make themselves aware of the support and health services available to them.³¹ For tertiary education, Mr Brown encourages prospective students to do their research into what the

²⁸ Economist Impact calculation using data from <https://www.undergraduate.study.cam.ac.uk/international-students/international-fees-and-costs> and <https://www.ox.ac.uk/students/fees-funding/fees/rates> (Accessed Nov 2023).

²⁹ Talbot D. Ivy League vs Non-Ivy League Tuition Fees, 2023. Available from: <https://wordrated.com/ivy-league-vs-non-ivy-league-tuition-fees/> (Accessed Nov 2023).

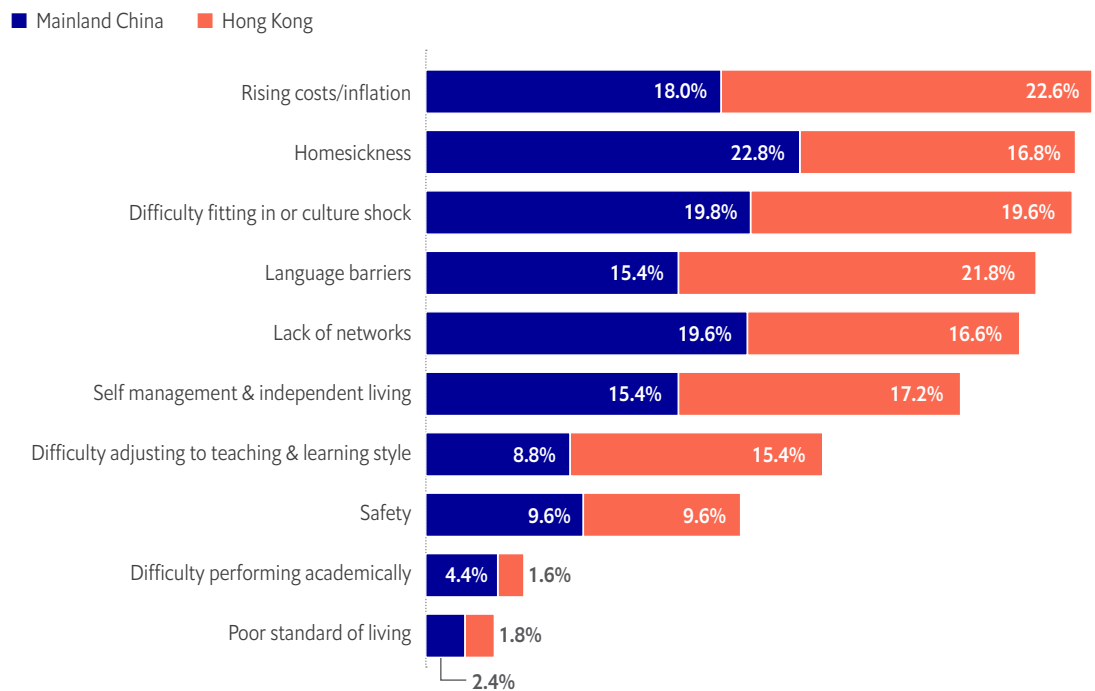
³⁰ Hunley HA. Students’ functioning while studying abroad: The impact of psychological distress and loneliness. *Int J Intercultural Relations* 2010;386-392.

³¹ Magnusdottir E. Thornicroft G. Mental health of Chinese international students: narrative review of experiences in the UK. *NIHR Open Research* 2022;2:52.

institution and location is like to give themselves the best chance to succeed on arrival. There is often a big gap between students’ expectations and the realities of attending an overseas institution. Paradoxically, students from Hong Kong and Singapore—coming from education systems that are ostensibly influenced by the UK’s—can be shocked by how different attending a university in the UK can be. “There are so many great resources online,” says Mr Brown. “Most universities provide opportunities to chat with current international students for example. Learning from the experiences and insights of current students is an effective way to reduce these gaps in understanding, so we always recommend prospective students do this as part of their research.”

The language barrier is another key challenge, which is reported by 37% of survey respondents. Our experts caution against underestimating language difficulties, particularly when it comes to tertiary education. Prestigious universities often have high language requirements—typically IELTS scores >7.0 among English medium institutions—and students from the region may struggle, particularly with spoken English. This not only impacts academic attainment, but also poses a barrier to fitting in and building relationships with other students. “Those with stronger English are able to thrive better during overseas education,” says Dr Lucy.

Figure 12. Homesickness and difficulty fitting in are the leading non-economic challenges faced
Reported challenges faced by children during overseas education



Source: Economist Impact survey 2023

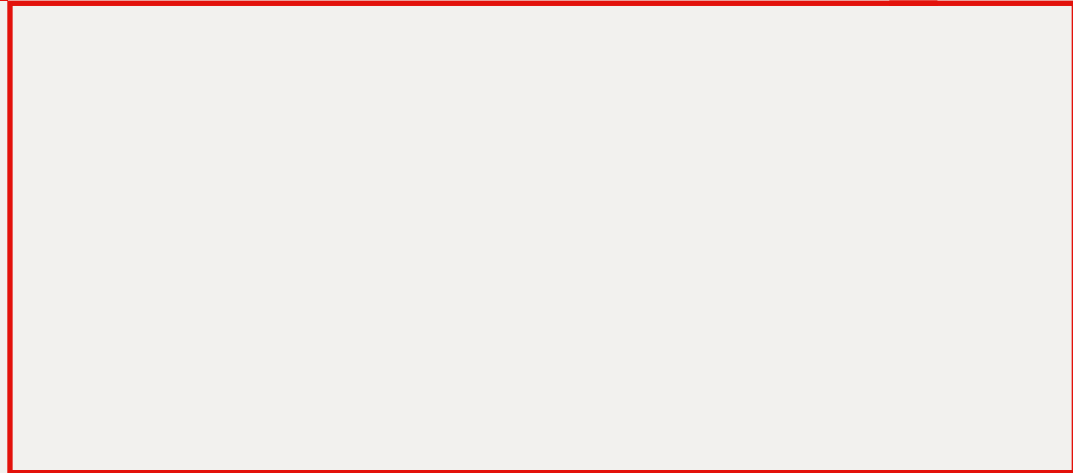
Recommendations for parents considering overseas education



The appetite for overseas education among mainland China and Hong Kong parents has quickly recovered from the short downturn during the covid-19 pandemic, and increasing numbers of students from the region are internationally mobile. Our research identifies several recommendations for parents as they resume planning for their child's overseas education.

1. **Do the research and utilise the available resources to understand the target destination.** Students and parents should be actively engaged in researching and managing their expectations. They should be encouraged to seek the resources offered by educational institutions both before and after reaching their new destination.
2. **Build financial resilience.** Ongoing inflation will continue to impact the costs of overseas study in the near term. Along with the need to demonstrate liquidity for securing overseas student places and visas, parents must become financially resilient to be able to react to unexpected cost increases..
3. **Prepare early and focus on non-academic aspects.** Differences in education style, priorities and student engagement between the home country and popular overseas destinations must be addressed early to give students the best chance of success. This may involve additional language education, increasing cultural awareness and fostering independence.
4. **Do not overlook language skills.** Prestigious education institutions have high English-language requirements for study, but there is an additional benefit for overcoming barriers to fitting in as well as building relationships and networks to thrive in social settings.

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LONDON

The Adelphi
1-11 John Adam Street
London WC2N 6HT
United Kingdom
Tel: (44) 20 7830 7000
Email: london@economist.com

GENEVA

Rue de la Rôtisserie 11
1204 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@economist.com

SYDNEY

Level 14, Unit #138,
5 Martin Place, Sydney
Australia.
Tel: (61) 2 8551 0023
Email: asia@economist.com

NEW YORK

The 900 Third Avenue
16th Floor
New York, NY 10022
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@economist.com

DUBAI

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@economist.com

GURUGRAM

Skootr Spaces, Unit No. 1
12th Floor, Tower B
Building No. 9
Gurugram – 122002
India
Tel: (91) 124 6409 300
Email: asia@economist.com

HONG KONG

1301
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@economist.com

SINGAPORE

8 Cross Street
#23-01 Manulife Tower
Singapore
048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@economist.com