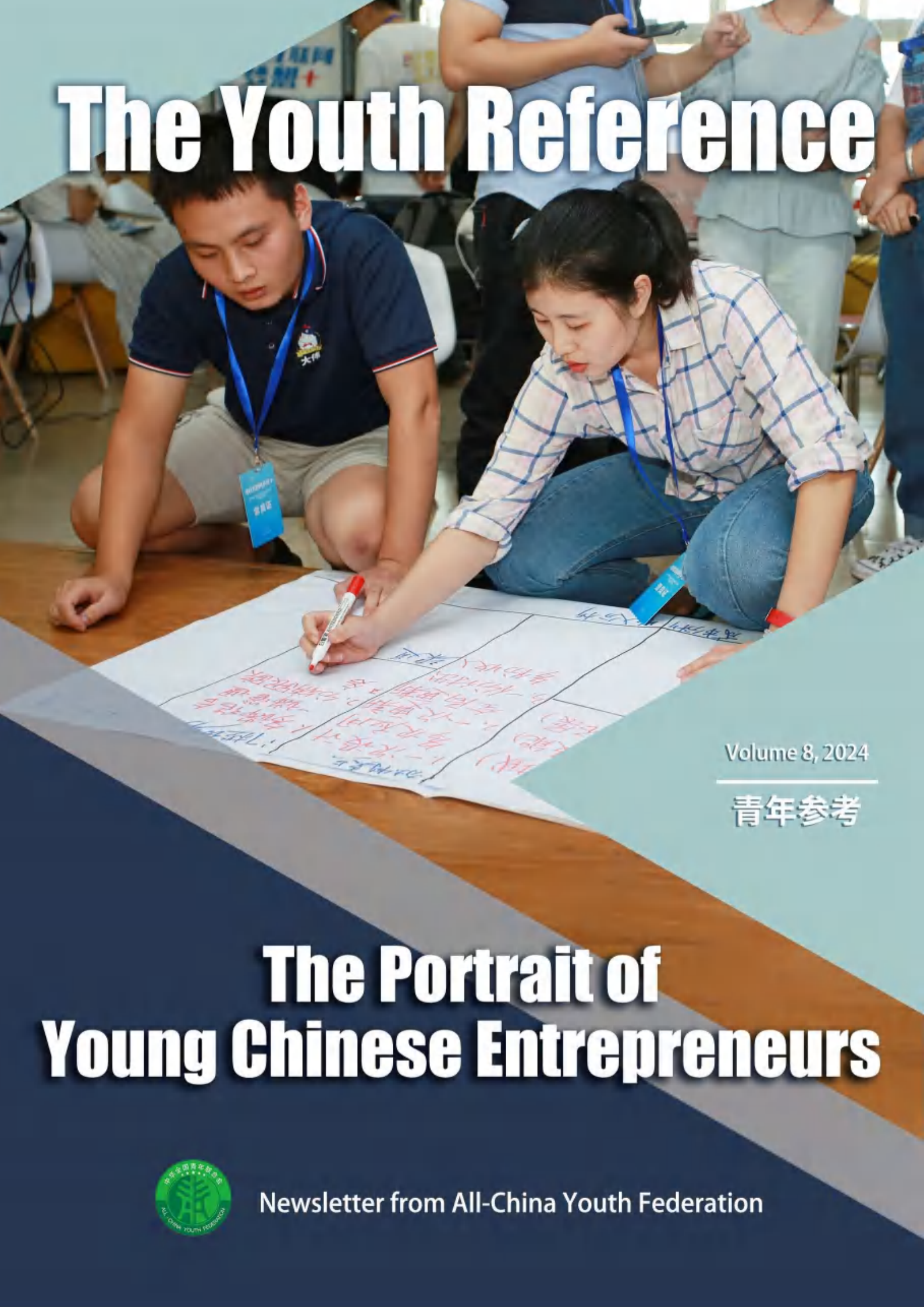


The Youth Reference



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青年参考

The Portrait of Young Chinese Entrepreneurs



Newsletter from All-China Youth Federation

NOTE

This e-magazine is a product of All-China Youth Federation, China Youth Daily and China International Youth Exchange Center to introduce the youth work and youth development in China on a regular basis. We hope that it can provide you with updated information about Chinese youth, youth policy and youth programs, and we sincerely look forward to feedbacks and suggestions from friends all over the world.

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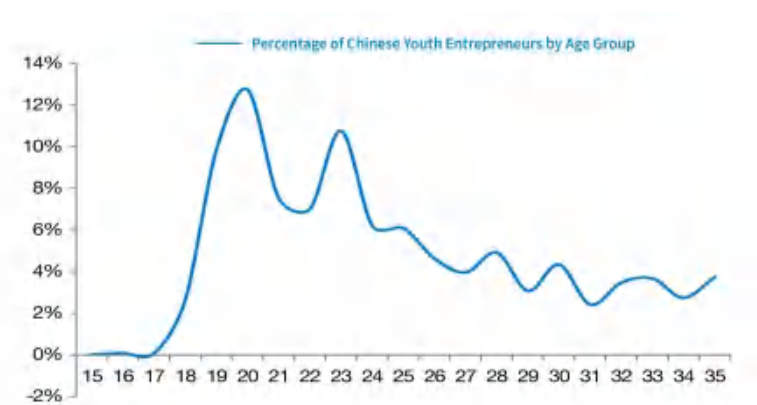
Website: <https://www.wymf.org.cn/en/mobile/>

The Portrait of Young Chinese Entrepreneurs

The white paper titled Youth of China in the New Era, highlights that “In the new era, China’s youth have shown rich imagination and creativity, open-mindedness, and a pioneering spirit. They have the spirit to participate in global competition, and have become a strong driving force of innovation and entrepreneurship.”

This article analyzes the characteristics, funding, motivations, current status, and typical groups of young entrepreneurs in China, based on the China Youth Entrepreneurship Development Report (2023) by China Foundation for Youth Entrepreneurship and Employment and the Analysis Report on the 2023 College Student Micro-Entrepreneurship Action Project by KAB China National Office. It highlights key issues and development trends of youth entrepreneurship in China.

Basic Characteristics: College Students and Recent Graduates Aged 19–23 are the Main Force in Entrepreneurship



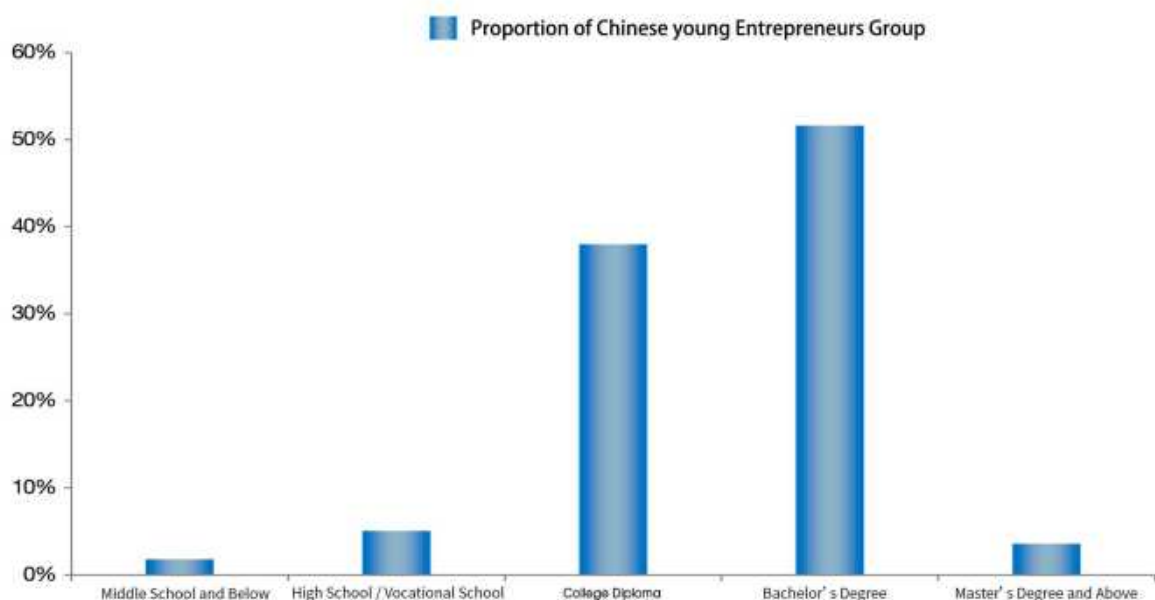
Age Distribution of Young Chinese Entrepreneurs

Young Chinese entrepreneurs are primarily aged 14 to 35, with college students and recent graduates (aged 19 to 23) leading the way. Over 40% of youth-led enterprises focus on wholesale and retail, agriculture, accommodation, and catering.

Education levels of young Chinese entrepreneurs show an inverted U-shaped distribution:

- 3.6% hold master's degrees or above
- 51.6% hold bachelor's degrees
- 38% hold college diploma
- 5.1% are high school/vocational high school graduates
- 1.8% have junior high school education or below

93.2% have college diploma or higher (up 2.9% compared with the previous year).



The proportion of Chinese youth entrepreneurs with a college diploma or higher is 93.2%.

In 2023, China's College Student Micro-Entrepreneurship Initiative selected 1,017 projects from 253 universities and Colleges. Participants included undergraduates, master's, and doctoral students with diverse backgrounds.

These projects focused on technological innovation, rural revitalization, and green development, with technology innovation being the most prominent. Participants are mainly students majored in engineering, basic sciences, and management, reflecting a strong emphasis on technology and innovation.

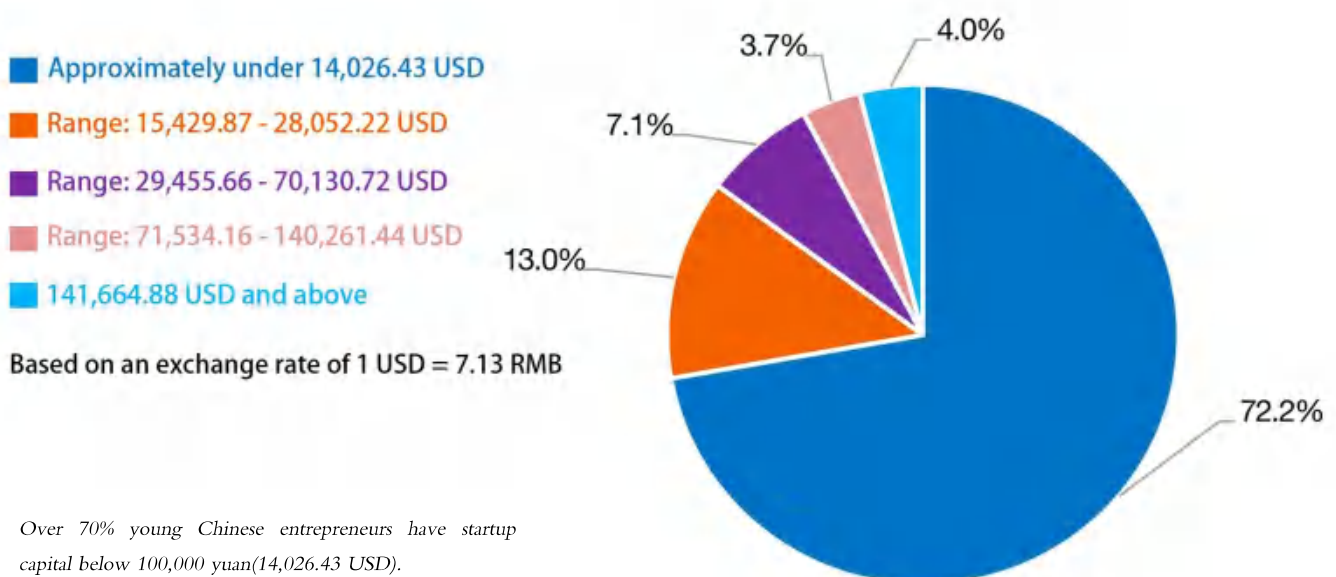
Financial Overview:

Over 70% of Young Entrepreneurs Start with Less than 100,000 RMB(14,026.43 USD)

Funding is critical for any entrepreneur to initiate and expand the business. According to data from the China Youth Entrepreneurship and Employment Foundation, over 70% of entrepreneurs have initial funding of less than 100,000 yuan (14,026.43 USD).

Although with limited initial funding, many young entrepreneurs creatively expand funding sources to overcome financial challenges afterwards.

Chart of the Proportion of Startup Capital Amounts Among Young Chinese Entrepreneurs

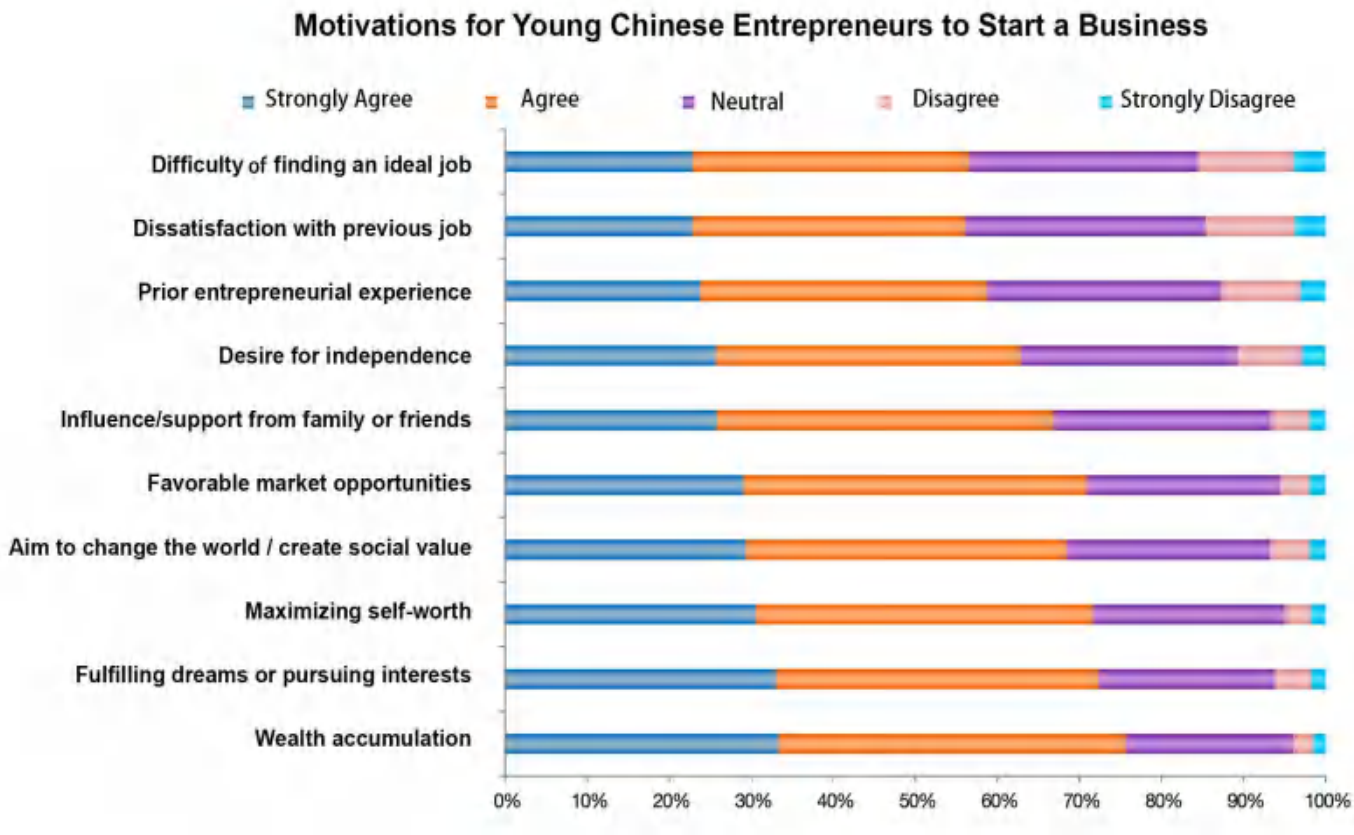


Regarding funding sources, over 90% of young entrepreneurs primarily rely on personal or family savings and loans from friends and relatives. This phenomenon highlights the critical supporting role that families and communities play in the entrepreneurial process.

Young entrepreneurs tend to avoid financing methods like mortgage loans due to a lack of collateral. However, simplified bank loan procedures and flexible lending policies have created a more favorable funding environment for young people. Financial institutions now offer targeted financial products for young entrepreneurs, helping them to realize entrepreneurial dreams and promote youth entrepreneurship.

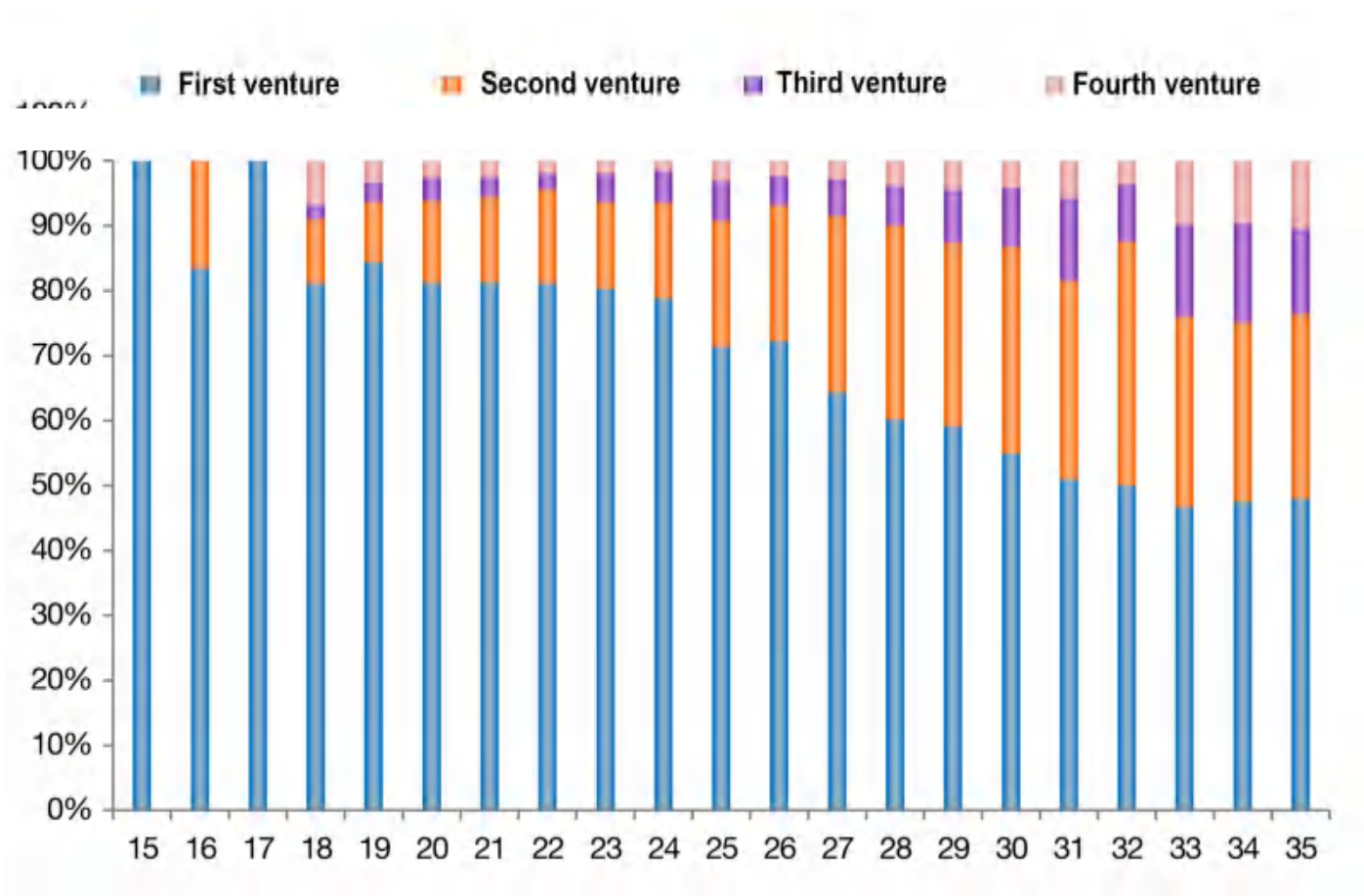
Motivations: Wealth and Passion are Key Drivers

The motivations of young Chinese entrepreneurs can be summarized as a multi-layered pursuit of economic security, self-value, and social value.



Entrepreneurship for wealth accumulation and to fulfill personal dreams/pursue interests are the two main motivations for entrepreneurs.

For 33.3% of youth, "wealth accumulation" is a strong motivation, while 33.0% cite "fulfilling dreams or pursuing personal interests." Entrepreneurship provides personalized career development paths and social recognition. Additionally, about 30% seek to create social value, viewing entrepreneurship as a means to address social issues alongside financial gains. The Analysis Report on the 2023 College Student Micro – Entrepreneurship Action Project shows that College Students prioritize social recognition, responsibility, contribution, especially win–win cooperation with partners in their business models.

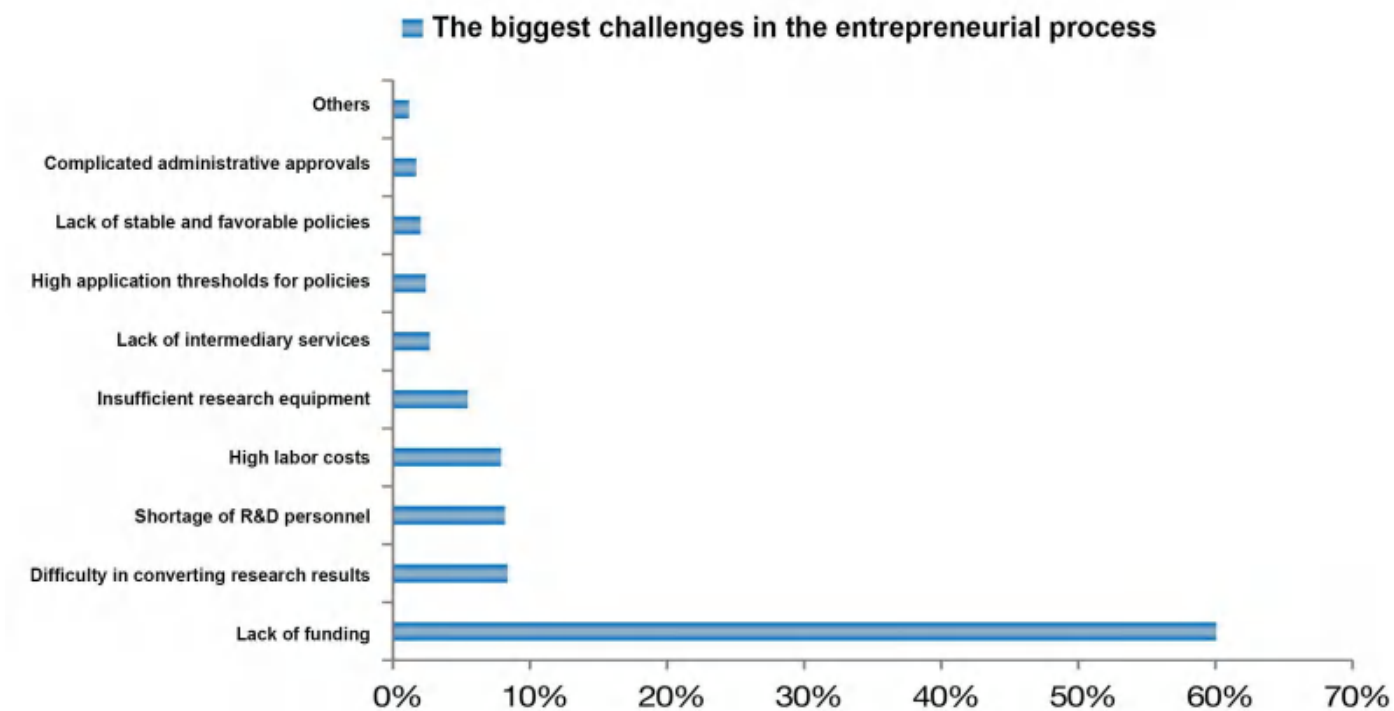


The number of entrepreneurial ventures among young Chinese entrepreneurs grows with age.

Overall, Chinese young entrepreneurs are combining the society needs with their own dreams, and pursuing wealth and fulfilling self –values in a competitive market, which has gradually form a youth group of entrepreneurs characterized by innovation spirit and social responsibility.

Challenges: Financing and Product-to-Market Gaps

Data shows that 60.1% of entrepreneurs consider lacking of funds to be the greatest obstacle. Many are turning to innovative methods, such as crowdfunding and angel investments, to close the funding gap. Regarding outcome conversion, 8.4% of entrepreneurs encounter difficulties to match the market demand, and hope to optimize their projects through market research and feedback from users.

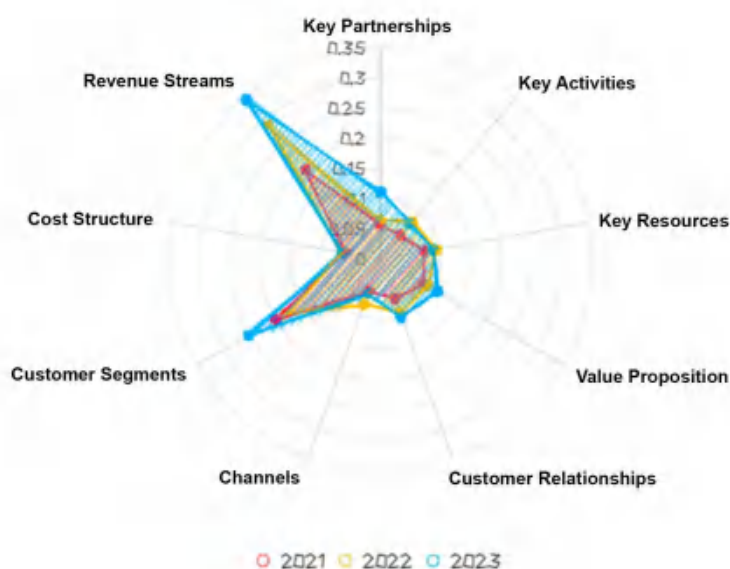


Lack of startup funding and difficulty in converting research into applications are the two main challenges faced by young Chinese entrepreneurs.

Entrepreneurship competitions and incubators provide young people with opportunities to showcase their innovative projects and expand their partnership networks. About 30% of entrepreneurs hope to have more supporting policies, such as tax reductions and simplified approval procedures.

Business Models: Focus on Target Customers

Osterwalder's Nine Building Blocks model is a popular analysis tool demonstrating how businesses create value, build networks, generate profits, and sustain cash flow. It covers 9 building blocks for a business model, including key partners, key activities, key resources, value proposition, customer relationships, channels, customer segments, cost structure, and revenue streams.



Word frequencies of micro-entrepreneurship projects business plans in 3 years.

The 2023 Analysis Report on the College Student Micro-Entrepreneurship Action Project reveals that micro-entrepreneurship projects focus on identifying target customer segments and generating revenue from sales.

Chinese young entrepreneurs, including university students and tech innovators, face funding shortages and experience gaps but are improving their skills through training and seeking policy supports. Their focus on technological innovation aligns with national strategies, enhancing industrial structure and promoting economic growth. As a bridge between personal dreams and national goals, they contribute to long-term development of the nation. With ongoing policy optimization and resource sharing, youth entrepreneurship in China is set for a promising future.