

# Vote: by 2020 how many members of middle class in China?

A. 300 million 

B. 400 million 

C. 600 million 

D. 700 million 

# Middle class and “small prosperity”

A. 300 million 

Mirae Asset

<http://investments.miraeasset.us/perspectives/new-china-impact-chinese-consumer/>

B. 400 million 

China Economic Weekly

<https://gbtimes.com/chinas-middle-class-reach-400-million-2020>

C. 600 million 

China Institute for Reform and Development

[http://www.chinadaily.com.cn/china/2012-11/03/content\\_15872230.htm](http://www.chinadaily.com.cn/china/2012-11/03/content_15872230.htm)

D. 700 million 

Euromonitor International

<http://en.people.cn/90001/90778/90862/7072426.html>

# **Unifying prosperity or segregated heterogeneity?**

## **An inquiry into consumption practices of leisure and appearance in China**

Prepared for ICSA 2018 Asia Conference at HKUST

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# Presentation structure

## Introductory Part

CFPS2012, 14, 16:  
Data preparation  
&  
Variable selection

Finding 1: Growing external appearance  
and entertainment spending

Finding 2: Growth not backed by a large  
portion of the whole population

Finding 3: No saturation in leisure and  
physical appearance consumption

Finding 4: Three distinct consumption  
groups

## Conclusion

Is an overall prosperous  
society on its way?

# Data: China Family Panel Studies (CFPS) 2012 + 14 + 16

## About CFPS:

Yu Xie, Jingwei Hu. (2014). An Introduction to the China Family Panel Studies (CFPS). *Chinese Sociological Review* 47(1): 3-29.

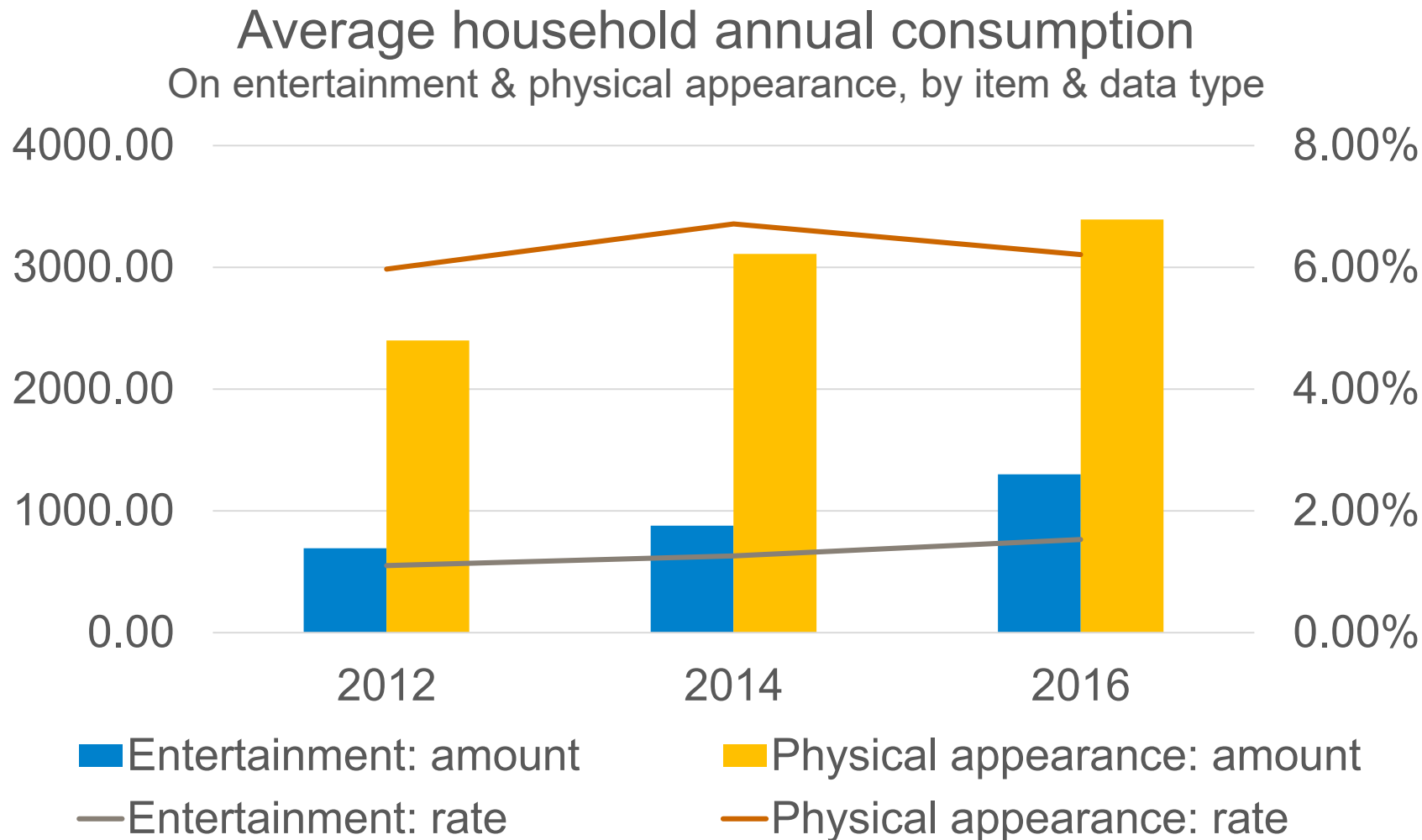


- Longitudinal data from the merging of three data sets
- More accurate and consistent evolution of consumption patterns (compared with NBS data)

## Indicators:

Leisure (文化娱乐) + external appearance (衣着, 美容, etc. )

# Finding 1: Growing external appearance and entertainment spending



## Finding 2: Not that many in population supporting such growth

Guess what's the portion of people answering zero for leisure consumption?

- A. about 20%      B. about 40%      C. about 60%      D. about 80%

## Finding 2: Not that many in population supporting such growth

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**56%** in 2016



Free reading at book store  
蹭书族



Playing phones

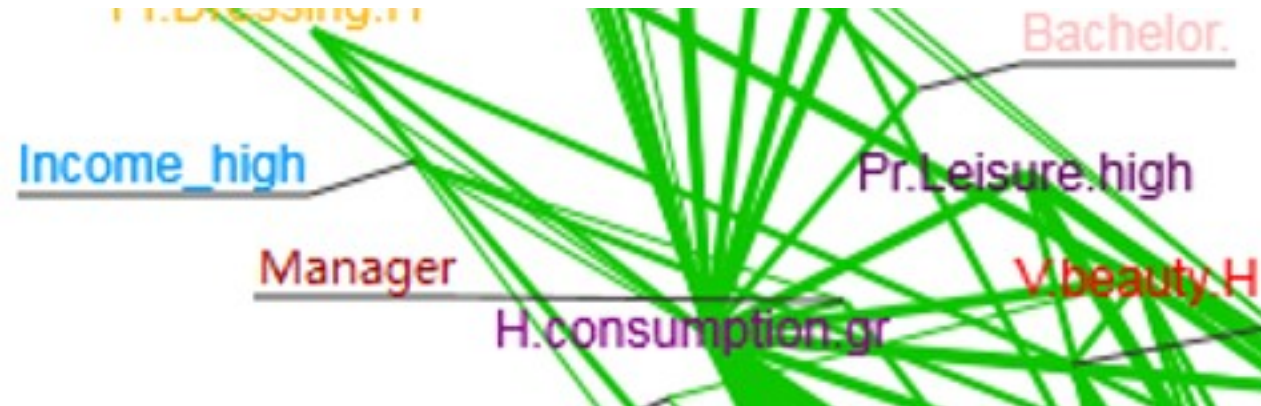


Dancing at squares  
广场舞

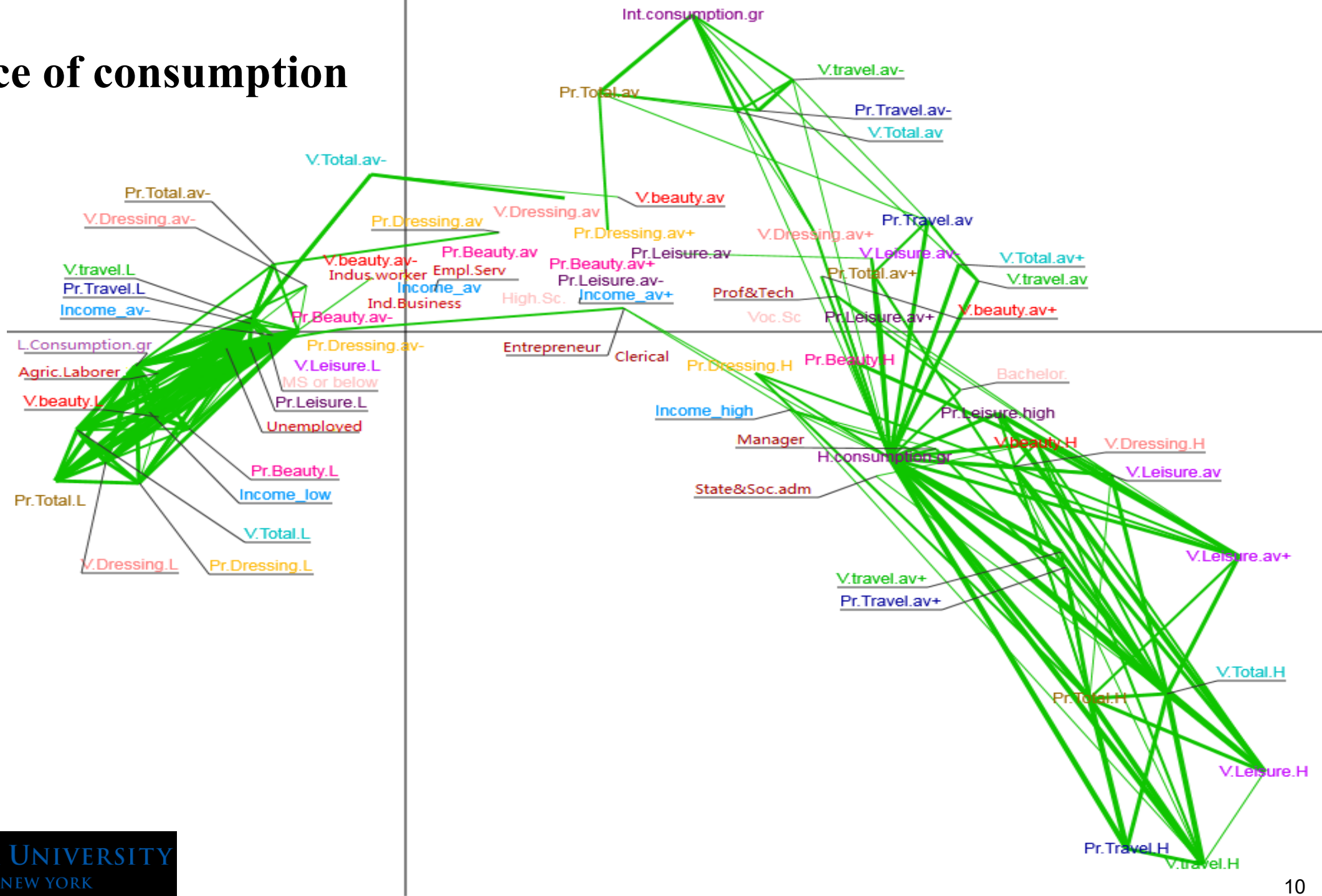


# Digging further in the sphere: multiple correspondence analysis

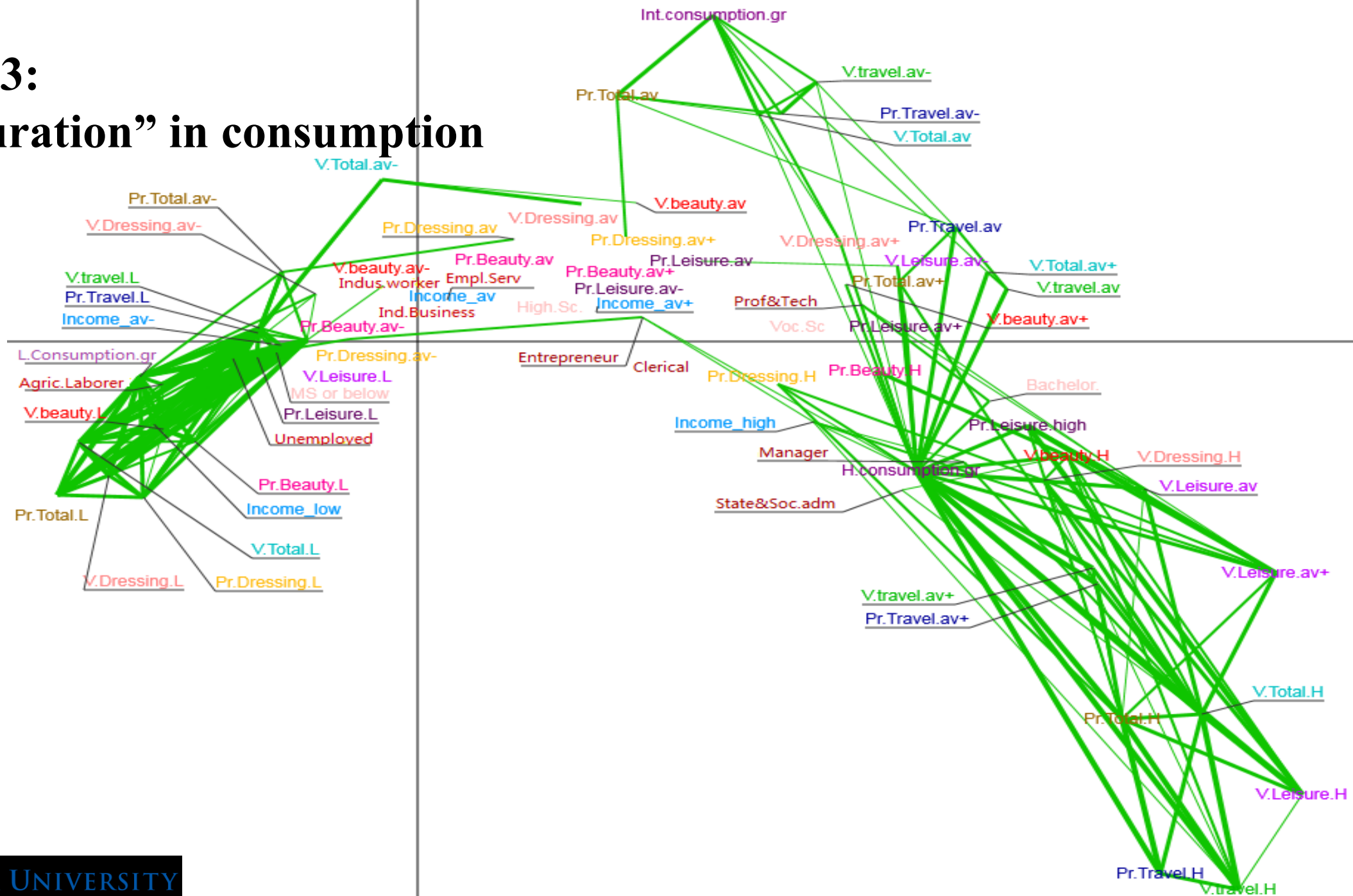
- Visualize preference tendencies of different groups  
The closer the groups, the more common properties they have



# The space of consumption



# Finding 3: No “saturation” in consumption



## Finding 4: Three consumption groups

The lower consumption group  
62%

15%  
The intermediate consumption group

The higher consumption group  
23%

# Finding 4: Three consumption groups

**Descriptive statistics of lower, intermediate and high consumption groups.**

Variables	Lower	Intermediate	Higher
Household income (¥)	50,851	83,647	102,812
Real estate asset (¥)	474,398	775,694	913,857
Mean householder age (yr)	53	45	45
Percentage w/ diploma above high school	6%	21%	27%
Percentage w/ occupation above Ind.business	16%	33%	42%
Percentage w/ urban hukou	50%	61%	61%
Percent w/ family size below 3	40%	19%	26%
Total household consumption (¥)	38,219	67,262	105,604
Food consumption (¥)	16,263	26,396	27,225
Medical consumption (¥)	4,913	4,452	6,926
Dress consumption (¥)	1,054	4,354	6,892
Housing consumption (¥)	6,646	8,665	19,103
Daily goods consumption (¥)	3,485	8,001	22,145
Transport and communication consumption (¥)	2,867	6,919	8,320
Entertainment, education and cultural consumption (¥)	2,565	7,059	12,524
Other consumption (¥)	420	1,330	2,426

*Notes: All consumptions are adjusted according to provincial GDP per capita in 2014.*

*Source: CFPS 2014.*

# Summary and conclusion

Significant growth in recent years  
Still a lot of people embracing a necessity-based lifestyle  
Stratified consumption groups



The overall prosperous society, where people  
are wealthy and confident in their future, and  
are socially inclined to enjoy “high standard of spiritual and material life”  
....

**is possible but not for tomorrow!**

# Thank you!

## Q&A

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# Appendix

**Table 1.**  
Descriptive statistics of dress, leisure, travel and beauty consumption of low, intermediate and high consumption group.

Consumption group	Low		Intermediate		Higher		Total	
	Mean	St.d	Mean	St.d	Mean	St.d	Mean	St.d
Dress consumption								
Absolute amount (¥)	912	733	4,303	2,495	6,557	8,380	2,858	4,524
Percentage of total	3.4%	3.0	7.3%	3.3	9.2%	8.5	5.5%	5.2
Leisure consumption								
Absolute amount (¥)	49	132	347	598	589	1,211	221	634
Percentage of total	0.2%	0.5	0.6%	0.9	0.8%	1.8	0.4%	1.0
Travel consumption								
Absolute amount (¥)	60	233	1,265	2,024	5,000	9,669	1,284	4,698
Percentage of total	0.2%	1.0	1.9%	2.9	6.5%	9.4	1.8%	5.0
Beauty consumption								
Absolute amount (¥)	181	224	831	1,031	1,471	2,782	512	1,327
Percentage of total	0.7%	0.8	1.3%	1.3	1.8%	2.9	0.9%	1.6
Above four as a whole								
Absolute amount (¥)	1,203	855	6,747	3,419	13,617	16,248	2,961	6,392
Percentage of total	4.5%	3.4	11.1%	3.2	18.3%	13.0	5.3%	6.9
Household income								
Absolute amount (¥)	50,851	133,654	83,647	157,474	102,812	153,222	70,485	164,998
N	3,251		1,418		1,076		5,745	

Notes: All consumptions are adjusted according to provincial GDP per capita in 2014.

Source: CFPS2014.