

# News Release

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## **PARENTS PRIORITISE CHILDREN'S EDUCATION OVER OWN FINANCIAL WELLBEING**

- *Parents in Singapore spend an annual average of USD15,623 on their child's education, more than twice the global average*
- *52% of parents in Singapore willing to go into debt to fund children's university education*
- *55% say funding their children's education is more important than paying bills and saving for retirement*

Singaporeans are placing their children's education at the top of their financial pyramid, often at the expense of other financial commitments and ambitions, a HSBC report has found.

HSBC's latest *Value of Education: Foundations for the future* survey asked more than 6,200 parents across 15 countries about their ambitions and concerns regarding their children's education. 395 parents were surveyed in Singapore.

According to the report, more than half (52%) of the surveyed parents in Singapore are willing to go into debt to fund their child's university or college education.

Moreover, 55% (compared to global average of 49%) say that funding their children's education is more important than saving for their own retirement and 38% prioritise it over paying their mortgage or rent (compared to global average of 30%).

Parents' ambitions for their children go beyond higher education. Over three-quarters of parents surveyed in Singapore (77%) have a particular career path in mind for their child, with medicine (14%), finance (10%) and engineering (8%) being the preferred vocations.

Matthew Colebrook, Head of Retail Banking and Wealth Management, HSBC Bank (Singapore) Limited said: "What is striking from our report is how much Singaporeans see education as an enabler for their children's future professional success, and that they will prioritise it above all other family expenses and also their own retirement savings."

"However, all the eggs do not have to be in the same basket. By developing a proper financial plan early on can create a 'best of both worlds' scenario."

### **Having an overseas education is highly regarded among the parents surveyed**

The report shows that 43% of parents in Singapore are considering sending their children to a university abroad (higher than the global average of 35%).

Singaporean parents' desire for an international education – and the living away from home expenses that come with it - could also be an indicator to the higher aggregate financial outlay that they incur.

Parents surveyed in Singapore spend an average USD15,623 per year towards their child's university education - more than twice the global average of USD7,631 - according to the HSBC report.

### **Majority of Singaporeans rely on their income primarily to fund children's education**

While majority of Singaporean parents surveyed depend on their income to fund their children's university fees, they are more likely to have supplement funds than their global counterparts.

According to the report, 71% of parents in Singapore are funding their child's education using their day-to-day income (less compared to the global average of 78%) and 49% have additional funds to supplement their income, either from savings, investments or insurance (more compared to the global average of 34%).

## **Issued by HSBC Bank (Singapore) Limited**

The main responsibility of funding for children's university education lies with their parents: 95% of those surveyed in Singapore say they contribute towards the cost.

While 27% of parents surveyed in Singapore expect that their child will shoulder some of the cost of their own university education, only 5% of university students actually contribute towards the funding of their own education now.

Mr Colebrook concluded: "Singaporean parents are pre-dominantly the financial providers for their children's education and while many have expected this eventuality by putting away some savings ahead of time, most still rely on their current income to meet the costs. However, having a proper financial plan in advance means that 'all boats can float' when it comes to managing household finances."

Country	Average amount parents say they are spending towards their child's university education (USD per year)
<b>Average</b>	<b>7,631</b>
Australia	5,146
Canada	5,990
China	5,718
Egypt	1,210
France	5,465
Hong Kong	16,182
India	3,211
Indonesia	2,655
Malaysia	8,720
Mexico	3,807
<b>Singapore</b>	<b>15,623</b>
Taiwan	8,188
UAE	18,360
UK	6,566
USA	14,678

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**Notes to editors**

The Value of Education *Foundations for the future* report was published in June 2016 and represents the views of 6,241 parents in 15 countries and territories around the world: Australia, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom and United States. The findings are based on a survey of parents from a nationally representative sample in each country who have at least one child aged 23 or younger currently (or soon to be) in education. Over 350 parents (including 150 with a child at university or college) were surveyed in all countries. The research was conducted online by Ipsos MORI in February and March 2016, with interviews in Egypt conducted face-to-face.

**HSBC Holdings plc**

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