

News Release

30 August 2017

Singapore Millennial¹ parents raising the financial bar for their children's education

- 80% of millennial parents have started making plans for their child's education even before they start primary school
- 32% of millennial parents will sacrifice their "me time" to support their child's education
- One in two millennial parents will consider an overseas university education for their child

Singapore parents are almost spending twice the global average for their children's local education and more than their South East Asia peers, according to new research from HSBC. The research also finds millennial Singaporean parents are increasingly moving down the international path for their children's education.

Of the over 8,400 parents in 15 countries and territories surveyed, parents in Singapore ranks third globally in the amount spent on their child's local education costs, including school/university tuition fees, educational books, transport and accommodation.

The HSBC report, *Higher and higher*, represents the views of 500 parents in Singapore and is part of HSBC's Value of Education series.

Country	Average parental spend on their child's education (USD)*
Global	44,221
Hong Kong	132,161
UAE	99,378
Singapore	70,939
USA	58,464
Taiwan	56,424
China	42,892
Australia	36,402
Malaysia	25,479
UK	24,862
Mexico	22,812
Canada	22,602
India	18,909
Indonesia	18,422
Egypt	16,863
France	16,708

¹ Definitions - Millennial parents: Born between 1980 and 1997; Generation X parents: Born between 1966 and 1979; Baby Boomer parents: Born between 1945 and 1965.

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Issued by HSBC Bank (Singapore) Limited

Millennial parents just as ‘family focused’ as previous generations

De-bunking stereotypes of being inwardly focused, the report found that family is central to millennials’ lives – even more so than previous generations in some instances.

HSBC’s research found that 80% of millennial parents in Singapore have started making plans for their child’s education even before they start primary school (82% for generation X parents). Millennial parents are more likely than baby boomer parents (32% vs 19%) to have forfeited their “me time” in order to support their child’s education.

International education on the rise

Possibly linked to millennials’ extra financial and personal investment in their children’s education, is the growing preference for overseas education.

According to the HSBC report, millennial parents (54%) are more likely to consider university abroad than either generation X (43%) or baby boomer (36%) parents.

Anurag Mathur, Head of Retail Banking and Wealth Management, HSBC Bank (Singapore) said: “In today’s highly competitive global job market, education has never been more important. Singaporean millennials parents are investing both their time and money to help their children get the best start in life and for many that means an overseas education.”

An education plan but what about a plan to fund it?

Millennial parents’ forward-looking education plan for their children does not necessarily include a plan to fund it.

Despite starting with financial planning early in the child’s life, half of the surveyed millennials said they wished they had put more money aside for their child’s education, compared to 38% of generation X parents.

Relatedly, 67% of parents across all generations in Singapore are funding their child’s education from day-to-day income, while 49% are using general savings, investments or insurance, and 20% are funding their child’s education using a specific education savings or investment plan.

Mr Mathur commented: “While Singapore parents recognise that educating a child can be expensive, it is easy to under-estimate the full and long-term costs. Although most has started to plan for their child’s education, more needs to be done. A large proportion of parents is neglecting other priorities including retirement planning to help their child reach their full potential.”

“To limit the strain that children’s education can have on family finances, it’s important to plan and save ahead. Seeking professional advice can help parents make more informed choices and develop a longer term financial plan.”

To access the full report, click [here](#).

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Notes to editors:

***Spending on education (methodology)**

To calculate spending on education, parents who are currently contributing to funding any aspects (e.g. school/university fees, educational books, transport, accommodation) of their child's primary, secondary and tertiary education (up to undergraduate level) were asked approximately how much they contribute each year.

The average yearly amount spent by parents on each stage of education in each country was multiplied by the typical length of each educational stage in that country, to derive the total amount spent on a child's education.

The exchange rates used are based on the NZForex 2016 average yearly rate.

The Value of Education

The Value of Education is an independent consumer research study into global education trends, commissioned by HSBC Holdings Plc ("HSBC"). *Higher and higher*, the fourth report in the series, was published in June 2017 and represents the views of 8,481 parents in 15 countries and territories around the world: Australia, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, UAE, UK and USA.

The findings are based on a sample of parents with at least one child aged 23 or younger currently (or soon to be) in education, drawn from nationally representative online panels in each country or territory. At least 500 parents (including 150 with a child at university or college), were surveyed in all countries. In the UK, 1,001 parents (including 202 with a child at university or college) were surveyed. In China, 946 parents (including 504 from the Pearl River Delta region) were surveyed.

The research was conducted online by Ipsos MORI in February 2017, with interviews in Egypt conducted face-to-face.

HSBC Singapore

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The Hongkong and Shanghai Banking Corporation Limited

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