



# The Value of Education

## The price of success

Singapore factsheet

Parents are taking on extra work, sacrificing holidays and turning to borrowing to help pay for the full cost of their children's university education. Students meanwhile are spending several hours a day in paid employment to help keep up with costs and improve their job prospects.

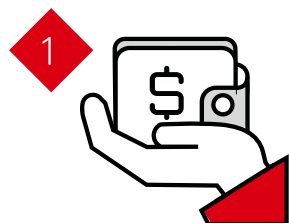
The Value of Education is HSBC's global study into education trends, examining parents' hopes and fears for their children's education, and their attitudes and behaviours towards funding. This year's survey also explores students' own experiences while studying.

These findings are from the fifth survey in the series and represent the views of 10,478 parents and 1,507 university students in 15 countries and territories.

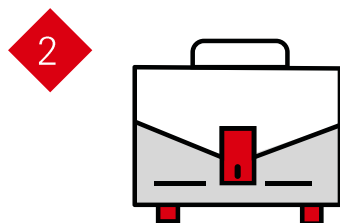
This factsheet represents the views of 501 parents and 100 students in Singapore.

There are also some practical tips to help parents better prepare for their children's education.

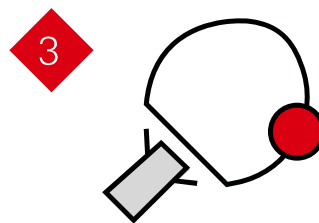
### Singapore key findings



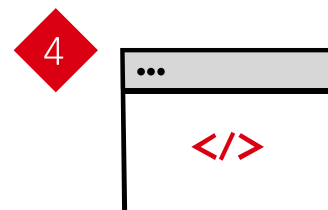
**SGD46,425**  
the average amount students say they spend over the course of a degree



**74%**  
of students are working in paid employment while studying



**51%**  
of parents stopped or reduced their leisure activities to support their child's university education



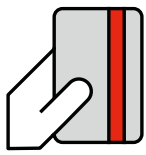
**71%**  
of parents believe computer programming is a necessary skill in today's world

# The cost of education

## The bank of mum and dad

From tuition fees and day-to-day living expenses to laptops and textbooks, parents' spending on their children's university education covers a wide variety of costs. In Singapore, parents say they contribute on average SGD36,417 towards their child's undergraduate or postgraduate university education.

## Spending money and fees are top of the parental funding list in Singapore



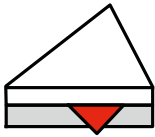
78%

Spending money  
(e.g. allowance, credit card)



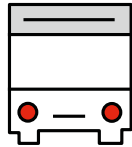
69%

Fees



66%

Food



64%

Transport



60%

Technology specifically  
for child's education  
(e.g. laptops)

Q. Which of these expenses relating to your child/children's education are you currently contributing towards? (Base: Parents funding child's university education)

Parental contributions also include 'care packages' sent during term time. Fifty-three per cent of students in Singapore receive packages from their parents. Parcels such as these are most likely to include money (53 per cent), household and hygiene items (e.g. bleach, cleaning materials, toilet rolls) (34 per cent), groceries (32 per cent) or food/delicatessen items such as chocolate, biscuits or home country specialities (32 per cent).

## Funding gap

The cost of university life can add up. On average, students say they spend SGD46,425 over the course of their degree, covering a range of expenses including tuition fees, accommodation, bills and lifestyle costs. Taking into account the amount parents say they contribute, this leaves students in Singapore with an average funding gap of SGD10,008. This must be filled by bursaries, loans, other family members and students' own income or savings.

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In Singapore there is a shortfall of SGD10,008 between what parents say they contribute and what students say they spend.

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**Students face a significant funding gap through their university education**

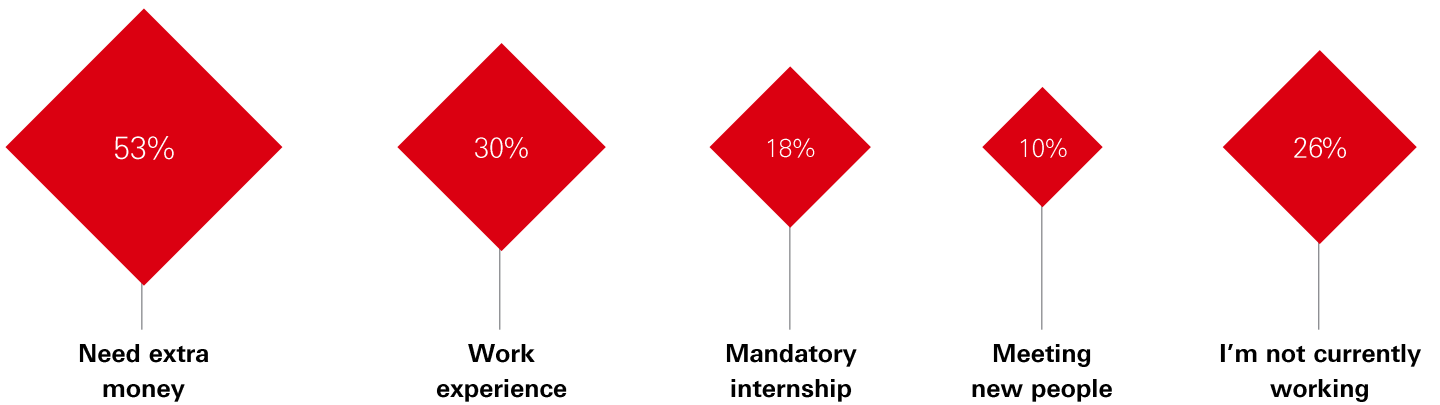


Q. Earlier you said the following were contributing to your child's education, approximately how much do each of them contribute in total each year towards your children's education? A. Me and/or my partner, my ex-partner/my child's other parent (Base: Parents with allocated child in university education)  
 Q. How much do you spend in a typical month on each of the following? (Base: All students)

**Working advantage**

Many university students rely on extra-curricular jobs to cover their costs. Just under three-quarters (74 per cent) of students are working in paid employment while studying, and for the majority (53 per cent) this is out of financial necessity.

**Students in Singapore are primarily working for extra income:**



Q. If you are working whilst studying, why?  
 (Base: All students)

Not all students work for extra cash. Many dip into the world of work to enhance their employability. In Singapore, 30 per cent of students work to gain experience that will help them get a job after university.

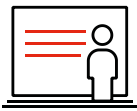
Volunteering is also popular among the current generation of students, with over two-fifths (43 per cent) undertaking some kind of unpaid voluntary work at the same time as studying.

**The right balance?**

Today's students face a big challenge balancing work and study. On an average day, students in Singapore spend 2.8 hours in paid employment. That's more than they spend in the library or studying at home.

**How students in Singapore spend their days**

On an average day students spend...



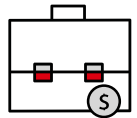
3.4h Going to lectures/  
tutorials/seminars



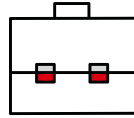
2.6h Studying at home



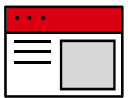
1.2h Visiting  
the library



2.8h Working  
(paid employment)



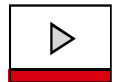
0.7h Volunteering  
(unpaid)



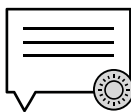
2.3h On social media



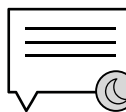
2.2h Texting/messaging  
/emailing



1.4h Watching  
streaming services



2.0h Socialising during  
the day



1.3h Socialising during  
the evening/night-time

Q. On average, how long do you spend doing the following each day? (Base: All students)

However, most parents with a child at university would prefer them to concentrate on their education, with 77 per cent saying they plan to take care of their child's basic living costs so they can focus on their university studies.

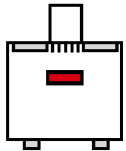
# Sacrifices and spending

## Tightening the belt

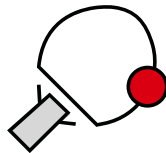
Parents are going the extra mile to support their child at university. The vast majority (81 per cent) of parents are contributing towards their child's university education from day-to-day income, as opposed to savings or borrowing. Only 13 per cent are funding from a specific education savings or investment account.

Personal sacrifices are common among parents who are funding their child's university education. Fifty-four per cent have taken fewer holidays and a further 51 per cent have stopped or reduced their leisure activities to support their child's education, while 31 per cent have taken on extra hours at work and/or a second job.

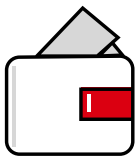
## Parents are sacrificing personal time to support their child's university education



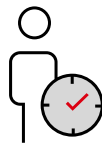
**54%**  
Took fewer holidays



**51%**  
Reduced or stopped leisure activities



**47%**  
Took less expensive holidays



**31%**  
Forfeited me-time and/or gave up hobbies



**31%**  
Worked extra hours and/or took a second job

Q. Which, if any, of the following have you/your partner ever done to support your child's education? (Base: Parents funding child's university education)

In addition, more than a quarter (29 per cent) have taken on some kind of debt to help fund their child's university education.

## Dining out

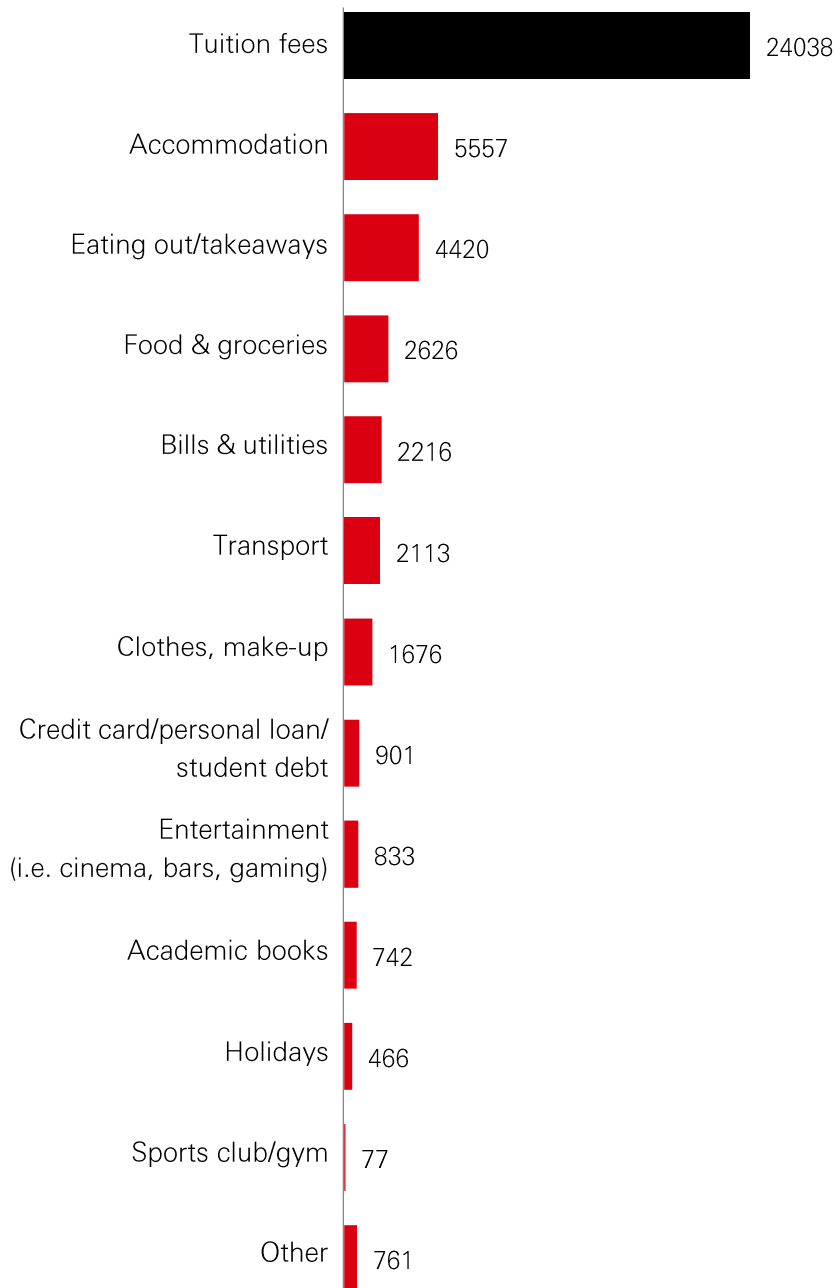
It's not all work and no play for students. Over the course of a degree, students say they splash out SGD4,420 on going to restaurants or on takeaways, SGD833 on entertainment such as going out to bars, nightclubs or the cinema, and SGD1,676 on clothes and make-up.

Budgeting for the full range of lifestyle and education costs can be an expensive learning curve for students. On average, students spend more on paying back credit cards, personal loans and student debt (SGD901 over a full degree) than they do on academic books (SGD742).

**Students in Singapore spend most on tuition fees**

Whole course spend

SGD46,425



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Across a whole degree, students in Singapore spend more on paying back credit cards, personal loans and student debt than they do on academic books.

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Q. How much do you spend in a typical month on each of the following? (Base: All students)

**Honest conversations**

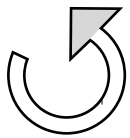
Proactive planning and upfront conversations could ensure better financial outcomes for parents and students alike.

Almost half (47 per cent) of parents funding a child at university wish they had started saving earlier for their education, while 42 per cent wish they had saved money more regularly.

Almost half (46 per cent) of parents with a child at university worry that they don't have the financial resources to support them and more than a quarter (27 per cent) of parents who are contributing do not know how much they or others are spending.

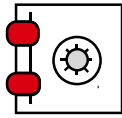
46% of parents with a child at university worry that they don't have the financial resources to support them.

**Many parents in Singapore wish they had been more financially prepared for their child's university education**



47%

Wish they had started saving for their child's education earlier



46%

Worry they don't have the financial resources to support their child's education



42%

Wish they had saved more regularly



27%

Don't know how much their child's education is costing

Q. Thinking about funding your child's education, what if anything would you have done differently? (Base: Parents funding child's university education)

Q. Here are some statements parents have made about their children's education. To what extent do you agree or disagree with each of them? (Base: Parents with allocated child in university education)

Q. Earlier you said the following were contributing to your child's education, approximately how much do each of them contribute in total each year towards your children's education? (Base: Parents with allocated child in university education)

**Value for money**

Despite the significant cost and sacrifices involved in studying at university, both parents and students agree it's a worthwhile investment.

Sixty-nine per cent of parents with a child at university and 65 per cent of students agree that a university education is worth the money. These students believe that university leads to better job prospects throughout their career (63 per cent), better opportunities to secure a first job (63 per cent) and valuable life experiences (48 per cent).

65% of students agree that a university education is worth the money.

# The future of skills

## The road ahead

Parents are divided when it comes to thinking about the future impact of artificial intelligence and robots on their children's lives. Almost half of parents (49 per cent) remain sceptical and are worried about the impact it will have on their child's future career. However, 42 per cent believe that AI and robots will make their child's life better.

When it comes to the importance of computer skills, 71 per cent of parents believe that computer programming is a necessary skill in today's world.

## Parents in Singapore are divided on the benefits of AI and robots, but value computer programming



71%

of parents agree that computer programming is an important skill in today's world



49%

of parents worry about the impact of artificial intelligence and robots on their child's future career



42%

of parents believe artificial intelligence and robots will make their child's life better

Q. Below is a list of statements some parents have made. To what extent do you agree or disagree with each of the following statements? A. Agree or strongly agree (Base: All parents)

Q. Here are some statements parents have made about their children's education. To what extent do you agree or disagree with each of them? A. Tend to agree or strongly agree (Base: All parents)

## People skills

Thinking ahead to 2030, parents are less optimistic than students about the role of education in preparing their children for the future world of work.

Fifty-three per cent of university students agree that their education to date has prepared them for the world of 2030 and beyond, compared to 43 per cent of parents who believe that their education so far has prepared their child for the future. In addition, just under half (45 per cent) of parents worry that universities are not preparing students for the jobs that they will be doing in years to come.

For parents and students who agree that education so far has prepared their child/themselves for the future, both believe it is the softer skills required to solve problems and think critically that education should focus on for 2030 and beyond.

## Future education should focus more on softer skills

Parents: top 3 skills education should focus on for 2030



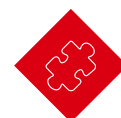
65%

Critical thinking



62%

Social skills



58%

Problem solving

Students: top 3 skills education should focus on for 2030



58%

Critical thinking



55%

Social skills



51%

Problem solving

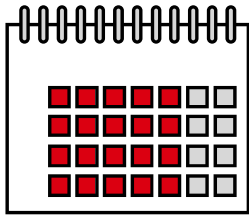
Q. Which of the following skills do you think your child's/ your education should focus on to better prepare them/ you for the world of 2030 and beyond? (Base: All parents/ students who agree education has prepared their child/ them for 2030)



# Practical steps

Here are some practical steps drawn from the research findings, for parents to consider when planning for their children's education:

1



## Start planning early

Early planning and saving for education can help your children fulfil their potential and limit the strain on family finances. Seeking professional advice can help you plan and make better informed choices.

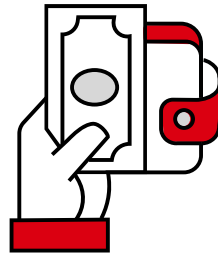
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## Be realistic about the costs

The cost of university education for your children can be expensive. Take into account all the costs when planning how to financially support them through higher education.

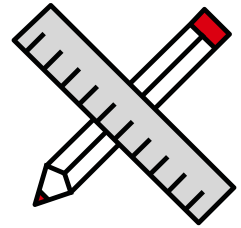
3



## Instil good financial habits

Help your children to plan and manage the costs of student life by taking advantage of the budgeting tools and calculators available online.

4



## Invest in a range of skills

Help your children choose an educational route that will equip them with the softer skills needed for the workplace of the future as well as the specific skills for their chosen career.

### The research

The Value of Education is an independent consumer research study into global education trends, commissioned by HSBC. It provides authoritative insights into parents' and students' attitudes and behaviour towards education around the world.

These findings are from the fifth survey in the series and represent the views of 10,478 parents and 1,507 students in 15 countries and territories: Australia, Canada, Mainland China, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, Turkey, United Arab Emirates, United Kingdom, United States.

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, and on a sample of students aged 18 to 34 in university undergraduate and postgraduate education, drawn from nationally representative online panels in each country and territory. The research was conducted online by Ipsos MORI in March and April 2018.

This factsheet represents the views of 501 parents and 100 students in Singapore.

### Definitions

University education: Covers university undergraduate, university postgraduate, business/engineering school and technical/vocational college.

Figures have been rounded to the nearest whole number.

To calculate parents' spend, parents currently contributing to funding any aspect of their child's university education were asked approximately how much they contribute each year. This annual figure was multiplied by the typical course length in that country to derive the total amount spent over their child's university education.

To calculate students' spend, students were asked how much they spend on a list of different items in a typical month, which was multiplied by 12. This annual figure was multiplied by the typical course length in that country to derive the total amount spent over their university education.

**The exchange rates used are based on the OFX2017 average yearly rate.**

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