

News Release

9 September 2015

PARENTS IN SINGAPORE UNDERESTIMATE COST OF OVERSEAS EDUCATION

- *Cost of overseas education 83% higher than local degree but Singaporean parents are only budgeting for 48% more on average*
 - *Employability of Singapore university graduates ranks third globally*
 - *Singapore is a viable option for tertiary education for regional students*

Parents in Singapore value the quality and benefits of overseas education; however, are underestimating its cost, according to HSBC's latest *Learning for life* report. The report also finds that Singapore universities provide the highest employment prospects for its alumni compared to other Asian countries – a feature that is appealing for internationally-oriented students in its neighbouring ASEAN countries.

HSBC's *Learning for life* report, the second in The Value of Education series, surveyed more than 5,550 parents across 16 countries. The Singapore findings are based on a survey of 336 parents in Singapore who have at least one child aged 23 or younger currently (or soon to be) in education.

Singapore parents underestimate cost of overseas education

According to the HSBC report, 81% (higher than the global average of 77%) of Singaporean parents are considering sending their child abroad to university. Moreover, Singaporean parents expect to pay on average 48% more for an international education than a domestic one – however, in reality the cost to send their child abroad is 83% higher than attending a local university.

Despite the mismatch in cost expectations, Singaporean parents are planning early for their children's university education. Only 9% of Singaporean parents (compared to the global average of 22%) have not started saving towards their children's tertiary education.

Matthew Colebrook, Head of Retail Banking and Wealth Management, HSBC Singapore, commented, "There is a major gap between parents' funding expectations and reality when it comes to overseas education and many parents in Singapore might not have considered the additional living expenses and air fare for their children. Parents are planning but it is clear that they have underplayed the goal and risk falling short."

"Parents looking to send their children overseas must consider the additional cost compared to a local degree, save early and take into account the number of years that the child may need to be living and studying overseas. Encouraging independence will also help manage costs given the length of their stay abroad may extend beyond undergraduate studies to postgraduate."

Indonesian and Malaysian students seeking quality education abroad

The total number of globally mobile students worldwide is 4.5 million¹, attributed to the growing financial means of the middle class and the demand for higher education overseas. In ASEAN alone, there are currently 12 million post-secondary students.²

¹ Institute of International Education's Atlas of Student Mobility

PUBLIC - Issued by The Hongkong and Shanghai Banking Corporation Limited

HSBC's Value of Education report finds that in ASEAN, Malaysia and Indonesia have a high proportion of parents who are prioritising an international education, as well as view graduate employment rate as a key criterion when selecting a university for their children.

According to the report, 87% of survey respondents from Indonesia and 88% in Malaysia are considering sending their children overseas for undergraduate studies (compared to the global average of 77%).

Similarly, employability also ranks highly among these parents where 83% of Malaysian parents and 80% of Indonesian parents think graduate employment rate is a key factor when deciding which university to send their children (compared to a global average of 73%).

Singapore universities – a viable option for ASEAN students

The demand for quality international education with promising post-graduate employment prospects amongst ASEAN parents bodes well for Singapore universities.

HSBC's Value of Education report shows that Singapore has the third highest employability rate globally - behind only Canada and the United States (US) - and the best in Asia.

Adding to the appeal of Singapore as an education destination is that its costs are lower than traditional education powerhouses like US and Australia.

Country	Alumni employment rate ranking ³	Undergraduate total cost - tuition fee (<i>international students</i>) & cost of living – (US\$)	Undergraduate total cost ranking	Percentage of parents who would consider sending their child to university abroad (%)
Canada	1	109,314	7	60
USA	2	165,231	1	65
Singapore	3	120,950	5	81
UK	4	119,513	6	67
India	5	20,011	16	92
Australia	6	133,272	4	59
China	7	52,366	9	88
Malaysia	=8	31,832	15	88
Hong Kong	=8	139,756	3	78
Taiwan	10	53,429	8	75
Brazil	11	37,456	13	76
France	12	48,451	11	65
Turkey	13	34,431	14	87
Mexico	=14	44,898	12	81
Indonesia	=14	52,265	10	87
UAE	=14	148,788	2	81

Mr Colebrook continued, "Clearly, the growing middle class within several ASEAN countries like Malaysia and Indonesia means that parents increasingly have not only the financial means to ensure their children have tertiary education but also to choose a university that will provide their children

² ICEF Monitor

³ Center for World University Rankings (CWUR) 2015

with the greatest chance of leading to successful careers. Given the quality of its education system and its regional proximity, Singapore is a viable option for students looking for an overseas education in the region.”

For more details, please visit <http://www.hsbc.com.sg/1/2/personal/wealth/education>

ends/more

Media enquiries:

Joanne Goh
Tel: +65 6658 6432
Email: joanne.s.s.goh@hsbc.com.sg

Notes to editors:

The Value of Education

The Value of Education *Learning for life*, was published in July 2015 and represents the views of 5,550 parents in 16 countries and territories around the world: Australia, Brazil, Canada, China, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, Turkey, United Kingdom, United Arab Emirates and United States.

The survey was conducted online in by Ipsos MORI in March and April 2015, with additional face-to-face interviews in the UAE. The findings are based on a nationally representative survey of parents in each country who have at least one child aged 23 or younger currently (or soon to be) in education, and who are solely or partially responsible for making decisions about their child’s education. There was a minimum sample of 300 parents in each country.

HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from over 6,100 offices in 73 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,670bn at 31 March 2015, HSBC is one of the world’s largest banking and financial services organisations.

- *Ends/All* -