

# News Release

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## **PARENTS IN INDIA SPEND OVER USD 18,900 ON THEIR CHILD'S EDUCATION, FROM PRIMARY TO UNDERGRAD**

- *89% of parents in India are helping to fund their child's education*
- *79% of parents in India considering postgraduate education for their child, expect to contribute towards funding it*
- *89% of parents in India are ready to make personal sacrifices for their child to succeed*

Parents in India are spending an average of USD18,909\* (compared with USD44,221\* worldwide) towards all aspects of their child's education costs (including school/university tuition fees, educational books, transport and accommodation) from primary school up to university undergraduate level, accordingly to *Higher and higher*, HSBC's new report in The Value of Education series.

Of the over 8,400 parents in 15 countries and territories surveyed, parents in Hong Kong (USD132,161), followed by the UAE (USD99,378) and Singapore (USD70,939), contribute the most towards all aspects of their child's education costs.

<b>Country</b>	<b>Average parental spend on their child's education (USD)*</b>
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
<b>India</b>	<b>18,909</b>
Indonesia	18,422
Egypt	16,863
France	16,708

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Most parents in India (89%) are helping to fund their child's current stage of education. Over nine in ten (94%) parents in India are considering postgraduate education for their child, and of these parents, 79% expect to contribute towards funding that too. The majority of parents in India (87%) think completing a postgraduate degree is important for their child to get into full-time employment in their chosen occupation, fourth highest amongst all surveyed markets.

**S. Ramakrishnan, Head – Retail Banking & Wealth Management, HSBC India, said:**

“In today's highly competitive global job market, education for young people has never been more important. Parents across the world appreciate this and are willing to invest time and money to help their children get the best start in life. Their unwavering support shows in the personal, lifestyle and financial sacrifices they are making. From forfeiting ‘me time’ to giving up hobbies or reducing leisure activities, parents are going the extra mile to help their child succeed.”

### **PATH TO SUCCESS**

When thinking about the courses they would like their child to study at university, parents in India show their ambition. Engineering (18%), computer and information sciences (15%) and Business, management and finance (13%) are the most preferred.

Parents in Asia are the most likely to be optimistic about their children fulfilling their potential. The vast majority (87%) of parents in India are confident that their child will have a bright future, while 85% are confident their child will get a great job and 82% are confident that their child will get top grades in their exams.

**Commenting on the findings, Professor Colin B. Grant, Vice President (International), University of Southampton, said:**

“The drive to achieve success also shines through in the clear preference towards STEM (science, technology, engineering and mathematics) and business/finance university courses – subjects where demand for highly skilled experts, and their value in the employment market, is set to continue to rise in the coming years.”

### **PLANNING AHEAD**

More than half (59%) of parents in India are funding their child's education from day-to-day income, while 48% are funding through general savings, investments or insurance (third most likely in all surveyed markets) and almost a third (30%) are funding through a specific education savings or investment plan (ranked fourth in all surveyed markets) yet nearly a quarter (22%) do not know how much is contributed each year towards their child's education.

To help fund their child's education, many parents in India are making or have made a range financial sacrifices, including reducing spend on leisure activities (44%). Almost a third (32%) have worked extra hours in their existing job, 2<sup>nd</sup> highest amongst all surveyed markets, and over a quarter (27%) have contributed less to their own long-term savings or investments or have done so in the past (joint third highest in all markets surveyed). Additionally, 89% of parents in India are ready to make personal sacrifices for their child to succeed, joint fourth highest in all surveyed markets.

**S. Ramakrishnan, Head – Retail Banking & Wealth Management, HSBC India, added:**

“While parents recognise that educating a child can be expensive, it is easy to underestimate the full and long-term costs. According to the survey, 89% of Indian parents are ready to make personal sacrifices for their child to succeed.

In nine of the 15 countries surveyed, paying for their child’s education is most likely to be parents’ biggest financial commitment, above others such as mortgage/rent payments and household bills.

“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.”

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**About HSBC India**

The Hongkong and Shanghai Banking Corporation Limited in India offers a full range of banking and financial services through 26 branches across 14 cities.

HSBC is one of India's leading financial services groups, with over 37,000 employees in its banking, investment banking and capital markets, asset management, insurance, software development and global resourcing operations in the country. It is a leading custodian in India. Nearly 6% of India's trade passes through HSBC. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

**The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves more than 37 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from around 4,000 offices in 70 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,416bn at 31 March 2017, HSBC is one of the world’s largest banking and financial services organisations.

## **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. *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 Holdings plc**

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