

10 SEPTEMBER 2024

INDIAN PARENTS PRIORITISE THEIR CHILD'S OVERSEAS EDUCATION OVER OWN RETIREMENT, FINDS HSBC REPORT

- **90% say they intend to fund their child's education overseas, despite costs representing up to 64% of required retirement savings for Indian parents**
- **As much as 78% of India respondents either aspire to send their child overseas for study, or already have a child studying internationally**
- **US, UK, Canada, Australia and Singapore are the top 5 study destination for Indian students, driven by the increasing intra-regional mobility**
- **India's affluent prioritise supporting family financially, financial security for self and retirement amid rising cost.**

A growing number of Indian parents are sending their child to study overseas, however, they are potentially compromising their financial futures to fund their children's international education, HSBC's latest Quality of Life Report 2024 reveals.

The *Quality of Life* report of over 11,000 affluent respondents in 11 markets around the world global worry that the increasing cost of living (expressed by 68% of respondents) and the impact of inflation on savings (61%) could impact life plans including the anticipated or actual expenses of an overseas education, and to identify the main challenges encountered in the planning and pre-departure stages.

Child's overseas education

An estimated 2 million+ Indian students are expected to study abroad by 2025.¹ As costs continue to rise, funding is the primary concern for parents – the cost of international schooling for a three or four-year degree program in popular overseas study destinations such as the US, UK can use up to 64% of Indian parents' retirement saving. The survey also shows that only 53% of affluent parents in India have an education saving plan. Forty percent respondents expect their child to take on student loans, 51% are hopeful for scholarships and 27% would even consider selling assets to fund their child's education.

On top of securing the required funding, juggling multiple tasks, such as helping their child select the right course and university and ensuring they meet the admission criteria for the desired university, significantly contribute to the stress levels of Indian parents.

Commenting on the research findings, **Sandeep Batra, Head of Wealth and Personal Banking, India, HSBC**, said: *"Preparing for a child's international education can be daunting for families, involving significant financial investment and decision-making. Support services can help families manage practicalities and ensure a smoother transition. With the right resources, parents can focus on their child's education without compromising their financial stability."*

Asia offers alternative study destinations due to increasing intra-regional mobility

Like many other Asian students, Indian students are increasingly choosing to pursue higher education within the region. Our research indicates that Australia and Singapore rank 4th and 5th, respectively, as preferred study destinations for Indian students. This trend is mirrored in other Asian markets, for example, Singapore is becoming as a favoured choice for younger parents from India, mainland China, Malaysia, Taiwan and Indonesia, while Australia is a top destination for parents from Indonesia, Malaysia, mainland China, Hong Kong and Singapore.

Commenting on the research findings, **Kai Zhang, Head of South and Southeast Asia, Wealth and Personal Banking, HSBC**, said: "As Asian economies continue to thrive, they are fueling rapid growth in the middle class, enabling more families to invest in overseas education for their children. The emergence

¹ Source: [Beyond Beds and Boundaries: Indian Student Mobility Report 2023-24](#)

of multinational corporations, foreign businesses, and innovative start-ups in the region, combined with a lower cost of living in several Southeast Asian countries, is broadening career prospects and providing extensive travel opportunities. These factors make the region highly appealing to both expatriates and students eager to explore new possibilities. With the rise of high-quality international schools and universities, the future appears promising for those looking to expand their horizons without straying far from home.”

Besides child’s overseas education cost, the Quality of Life study also looked at financial goals, health-related risks, including rising healthcare costs and the impact of physical and mental health issues. The top five concerns of the affluent individuals globally are rising cost of living, high inflation, physical health issues, higher healthcare cost and inability to save enough for a comfortable retirement. These concerns are reflected in the financial priorities of India’s affluent. Indian respondents ranked ‘supporting family financially’ (45%), ‘gaining wealth for financial security’ (41%), ‘investing in properties’ (40%), education savings for their children (40%) and ‘planning for retirement’ (38%) as their top financial goals.

The survey also reveals other findings:

Healthcare protection: 46% of Indian respondents rely on private insurance while 39% have private insurance as well as rely on public insurance.

Wealth accumulation: 71% of affluent Indians surveyed believe they are financially very fit. On investment, 62% saw an increase in their total liquid/investable assets while 36% saw not much of a shift.

Retirement: 58% of affluent Indians surveyed plan to work post-retirement.

Legacy: 86% of affluent Indians are interested in starting legacy planning with wealth management advisor. While 42% plan to transfer assets primarily upon death, 37% plan to transfer some of the assets during lifetime and the rest on passing.

Preparing for overseas study?

Create a realistic budget, then plan

Crafting a budget that considers the full set of expenses, such as tuition, accommodation, living costs, and travel is imperative. This provides a more holistic picture of overall costs and payment timings to help plan savings, payments and cash flow before and during overseas study. For families navigating the complexities of funding international education for the first time, it is prudent to consult with financial advisors or educational consultants even as early as ten years before application and enrolment. Their expert advice can provide additional insights and specialist support to help you make informed choices regarding financing an education overseas.

Start children with the financial basics

Instilling financial responsibility early on is essential to prepare children to thrive on their own. Opening a bank account before moving abroad and having a debit and/or credit card on hand will not only provide financial peace of mind but more importantly, can teach personal finance basics such as saving, smart spending and setting financial goals. Parents can also digitally transfer allowances in real time offering convenience and a quick response to emergency situations.

Well-being matters – for your child and you

Moving away from home can be a daunting experience for both you and your child. Make sure to stay connected and communicate openly about any feelings of homesickness or anxiety. Remember to also take care of yourself by staying in touch with friends and family and engaging in self-care activities.

Securing comprehensive insurance before their departure provides parents the security that health needs and other unexpected circumstances will be covered and that children will be able to pursue their academic goals and focus on school activities with the least stress.

Be wary of scams

Enhancing your child's financial literacy is crucial for safeguarding them against scams, including credit card fraud and identity theft. Help them recognise the various red flags such as sharing One-time passwords (OTPs), their bank account pins, passwords, or any confidential information.

Full report: [The HSBC Quality of Life Report 2024 - HSBC International](#)

ends/more

Media enquiries to:

HSBC

Shalaka Kagathra shalaka.kagathra@hsbc.co.in +91 22 22681046

Vivina Vishwanathan vivina.vishwanathan@hsbc.co.in +91 22 40891346

Note to editors

About HSBC Quality of Life Report 2024

HSBC published the first Global Quality of Life Report in 2023. The report explores what a good quality of life means for affluent individuals across different generations and investigates the relationship between physical and mental wellness, and financial fitness. The HSBC Global Quality of Life 2024 builds on these themes, examining changes over the past year and delving deeper into attitudes, priorities, and behaviours specific to retirement, healthcare protection, wealth accumulation, legacy planning, and international education. The research was conducted by Intuit Research (www.intuit-research.com), on behalf of HSBC from the 4th to 20th March 2024. A total of 11,230 affluent individuals with investable assets of USD 100,000 to 2 million were surveyed via online access panels. Respondent criteria: aged 25-69; financial decision makers for themselves; have invested in financial products. Markets Surveyed: mainland China, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom and the United States of America.

HSBC services for international customers

The suite of HSBC International products and services will enable international customers to:

- Open a new account via a digital and frictionless journey before they arrive in their destination
- See all their HSBC accounts in one global view
- Make simple, fast and competitively priced payments via Global Money Transfers
- Use their HSBC credit history from their previous country to apply for a credit card in their new country with HSBC (subject to local regulations, Premier status and applicable channels)
- Manage their banking needs in different time zones across multiple countries with global support
- Access services with global partners beyond banking (tax solutions, relocation support and more)

For more information please visit: <https://internationalservices.hsbc.com/>

HSBC Bank 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 around 42,000 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. The Bank is at the forefront in arranging deals for Indian companies investing overseas and foreign investments into the country.

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$2,975bn at 30 June 2024, HSBC is one of the world's largest banking and financial services organisations.

ends/all