



The Value of Education

Higher and higher

Global Report

HSBC 



Foreword



Key findings

Going the extra mile

International horizons

Digital campus



Practical steps



The research

Foreword



Charlie Nunn
Group Head of Wealth Management,
HSBC



With the rise of the information economy and a challenging job market for young people, education has never been more important than it is today. Parents know this and they are willing to go to great lengths to secure the right educational opportunities for their children.

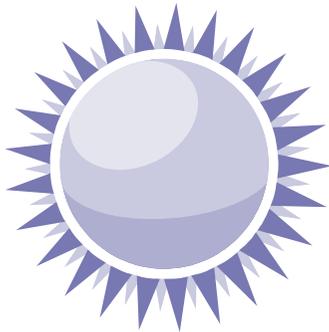
Our latest report in The Value of Education series, *Higher and higher*, looks at parents' ambitions for their children, their views on the costs and benefits of education, and the sacrifices they are prepared to make to ensure their children can fulfil their potential. It also explores parents' perceptions of digital learning and the importance of international studies in our globalised world.

At HSBC, we recognise that education is key to human development and prosperity. Every year, we help parents and students around the world to make their education plans a reality, and we support access to education for disadvantaged young people through the HSBC Education Programme.

I hope the insights in this report will help parents appreciate the long-term costs of education and put practical measures in place to ensure their children have the best start in life.



Key findings



75%

of parents are confident their child will have a bright future



82%

of parents are ready to make personal sacrifices for their child to succeed



USD44,221

is the average amount parents say they spend on their child's primary, secondary and tertiary education



91%

of parents would consider a postgraduate education for their child

[Read more](#)



Key findings



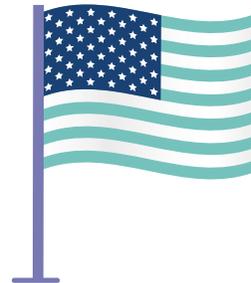
74%

of parents are funding their child's education from day-to-day income



41%

of parents would consider university abroad for their child, yet **34%** of them do not know how much it would cost



USA

is the most likely destination for parents considering university abroad for their child



60%

of parents would consider a university degree that is either completely or partly online





Going the extra mile

The Value of Education *Higher and higher*



Expert view



Parents are aware of the need to enhance their children's life chances through higher education, and the trend towards market-relevant STEM and business / finance subjects across different regions, especially in Asia, is clear."

Professor Colin B. Grant

BA, PhD, FHEA, FRSA

Vice President (International), University of Southampton

Member of Universities UK International Strategic Advisory Board

Member of the British Council Education Advisory Group

Chair, Russell Group International Forum



High aspirations

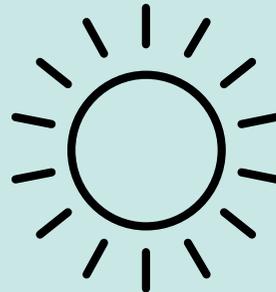
Parents are optimistic their children will reach their full potential and be successful in the future.

Around the world, three-quarters (**75%**) of parents are confident their child will have a bright future, while **68%** are confident their child will get a great job and **62%** are confident they will get top grades in their exams.

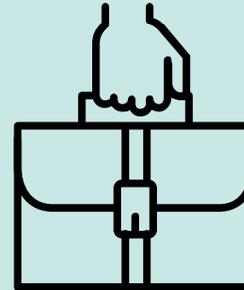
Parents in Asia are among the most optimistic. In India, **87%** of parents are confident that their child will have a bright future, **85%** that they will get a great job, and **82%** that they will get top grades in their exams. Parents in China are nearly as confident (**84%**, **78%** and **80%** respectively).

In contrast, parents in France are the least optimistic (**42%**, **36%** and **44%** respectively).

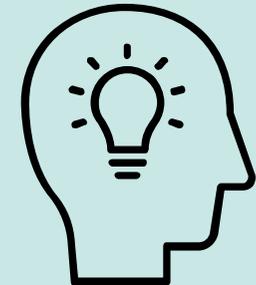
Most parents are optimistic about their child's future



75%
are confident their child will have a bright future



68%
are confident their child will get a great job



62%
are confident their child will get top grades in their exams

Q. To what extent do you agree or disagree with each of the following statements?
A. Agree or strongly agree (Base: All parents)



On the starting blocks

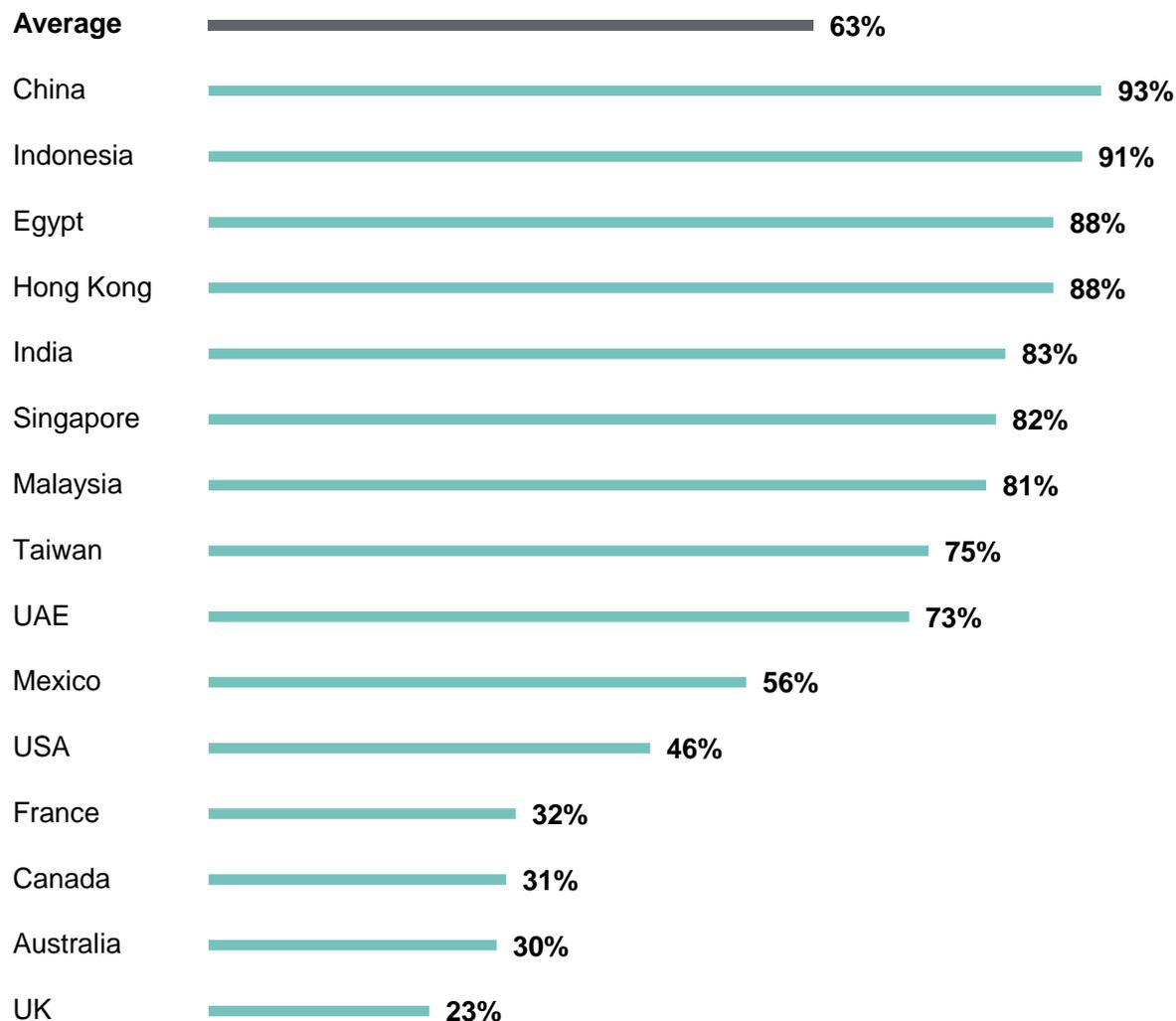
Parents are going the extra mile to ensure their children have a good start in life.

Most parents (**71%**) started making plans for their child's education, and **60%** started making funding decisions, before their child had begun primary education.

Over half (**54%**) are putting a child through paid-for education, and almost two-thirds (**63%**) are paying for private tuition or have done so in the past.

The highest proportions of parents with at least one child in paid-for education are in India (**96%**), the UAE (**93%**) and Indonesia (**87%**), while the highest proportions of parents currently paying for private tuition (or who have done so in the past) are in China (**93%**), Indonesia (**91%**), Hong Kong (**88%**) and Egypt (**88%**).

Many parents are paying for private tuition or have done so in the past



Q. Have you ever paid for private tuition (e.g. tutor in maths, science, etc.) for your child?
 (Base: Parents with a child in primary, secondary or tertiary education)



Making sacrifices

Apart from financial commitments, the majority (**82%**) of parents are ready to make personal sacrifices for their child to succeed. To support their child's education, almost a third (**31%**) of parents have forfeited 'me time' and/or given up hobbies, and **25%** have either drastically reduced or completely stopped leisure activities and holidays.

Parents in Hong Kong (**48%**), Malaysia (**42%**) and Indonesia (**41%**) are the most likely to have forfeited 'me time', while those in Hong Kong (**37%**), Taiwan (**34%**) and China (**33%**) are the most likely to have reduced or completely stopped leisure activities/ holidays.

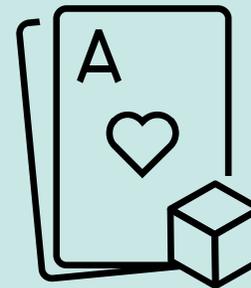
Despite making these sacrifices, parents are still not sure they are doing enough. Almost three in five (**59%**) worry that they are not doing the best for their children, with parents in Mexico (**75%**) and Indonesia (**75%**) the most likely to say so.

Personal sacrifices parents are making to support their child's education



31%

Forfeited 'me-time' and/or given up hobbies



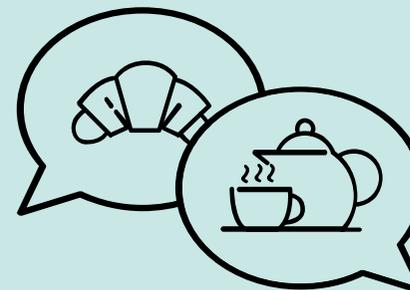
25%

Drastically reduced or completely stopped leisure activities and holidays



23%

Changed working style



20%

Developed different social circles

Q. Which, if any, of the following have you/your partner done or are currently doing to support your child's education? (Base: All parents)



Spending on education

From buying school uniforms to paying university fees, parents fund many expenses for their children's education.

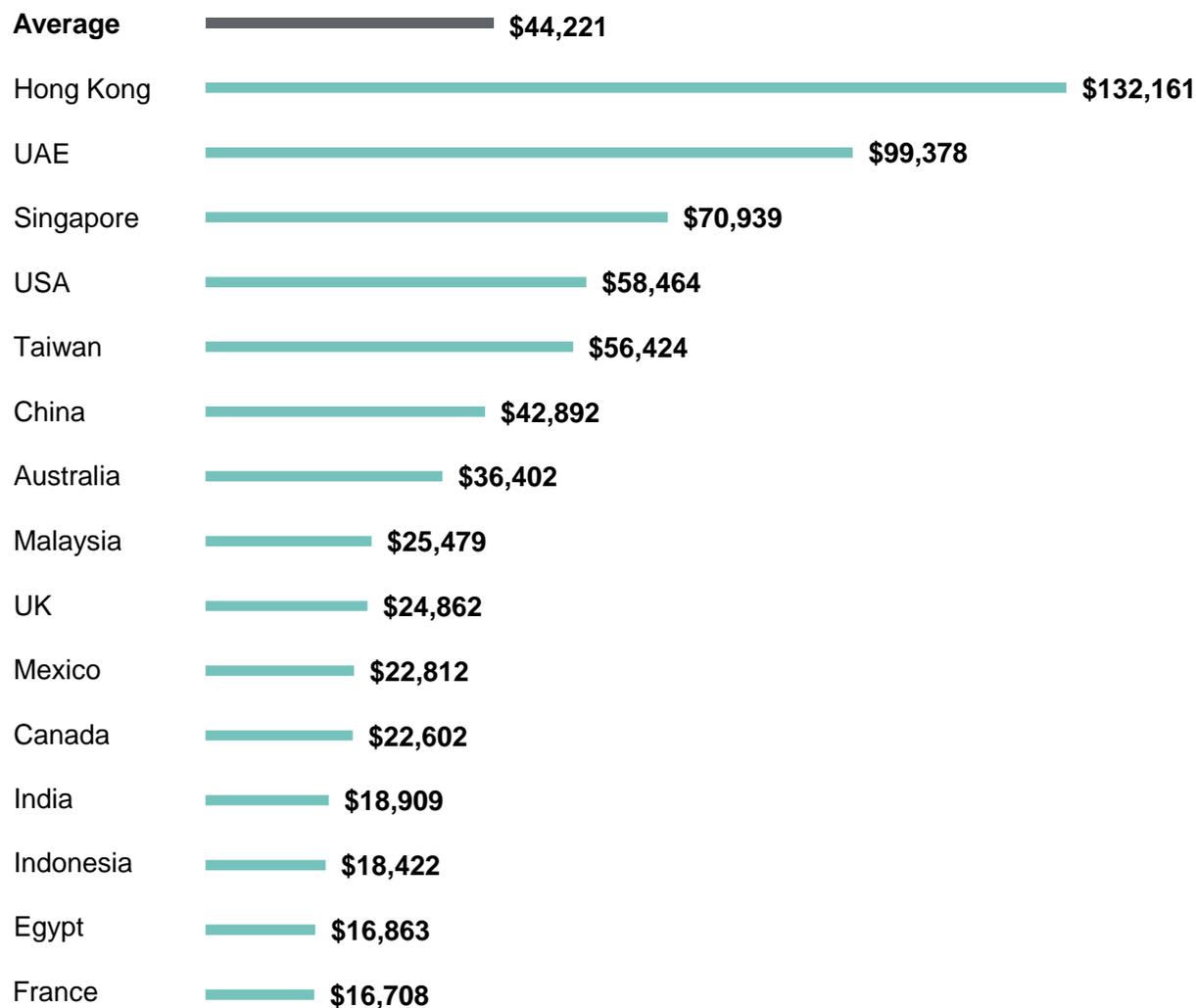
On average, parents say they spend **USD44,221** (USD67,502 if paid-for, USD32,647 if state-funded) on their child's primary, secondary and tertiary education up to undergraduate level*.

Education level	Average spend (USD)*
Primary school	12,820
Secondary school	15,111
University/college (undergraduate)	16,290

*Methodology in The research, Definitions

Parents planning for their child to complete a postgraduate degree or attend university abroad can expect significant additional costs.

Parents' spending on their child's education



Q. Approximately how much do each of them contribute in total each year towards your child's education (including school/ university tuition fees, educational books, transport, accommodation)? (Base: Parents who are currently contributing to funding their child's education)



Gateway to employment

Almost all parents (**95%**) would consider a university education for their child, with **91%** considering postgraduate studies.

More than three-quarters (**78%**) of parents see completing a postgraduate degree as an important gateway for their child to get into full-time employment in their chosen occupation, with the highest proportions in China (**91%**), Indonesia (**91%**) and Mexico (**90%**).

Medicine (**13%**), business, management and finance (**11%**) and engineering (**10%**) are parents' most preferred university courses for their child to study, although the ranking varies around the world - parents in India (**18%**), the UAE (**17%**) and Mexico (**17%**) are the most likely to want their child to study engineering, while parents in China (**20%**) and Singapore (**16%**) are the most likely to put business, management and finance first.

Most parents would consider postgraduate education for their child



Q. Which, if any, of the following types of education would you consider for your child post-secondary education? A. State-funded and/or paid-for university education (Base: Parents with a child not in postgraduate education)



Unwavering support

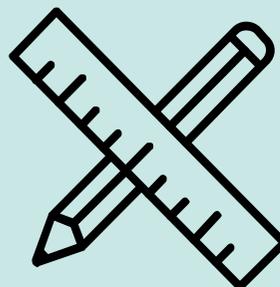
Paying for a child's education is a long-term commitment for parents.

The vast majority (**87%**) of parents are helping to fund their child's current stage of education, with the highest proportions in Indonesia (**98%**), Egypt (**96%**) and Malaysia (**96%**), and the lowest proportions in the UK (**71%**), France (**76%**) and the USA (**77%**).

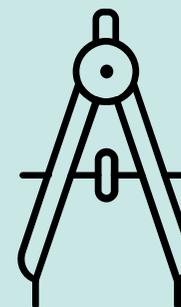
Most parents (**85%**) with a child at university or college are contributing to their funding, and of parents considering postgraduate education for their child, **76%** expect to contribute towards funding that too.

In hindsight, many parents (**39%**) wish they had started saving earlier, and over a third (**34%**) wish they had put more money aside for their child's education.

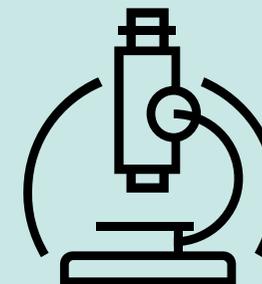
Most parents are helping to fund their child's current stage of education



89%
Primary



88%
Secondary



85%
Tertiary

Q. Who is currently contributing to funding any aspect of your child's education?
(Base: Parents with a child in that stage of education)



Planning ahead

Nearly three-quarters (**74%**) of parents are funding their child's education from day-to-day income, compared with less than a quarter (**21%**) through a specific education savings or investment plan.

Parents in China are the most financially prepared, with over half (**55%**) funding their child's education through general savings, investments or insurance, and over two-fifths (**43%**) through a specific education savings plan. In contrast, less than one in 10 parents in the UK (**5%**), Mexico (**8%**) and Australia (**8%**) are funding their child's education through a specific education plan.

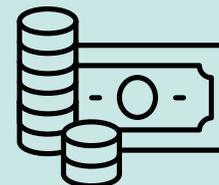
Many parents are making or have made a range of financial sacrifices to help fund their child's education. **Forty percent** have reduced their expenditure on leisure activities, **21%** have worked extra hours in their existing job and **20%** have contributed less towards their own long-term savings or investments.

How parents fund their child's education



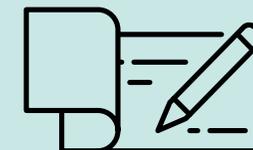
74%

Day-to-day income



36%

General savings/
investments/
insurance



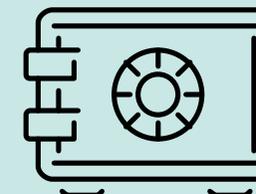
21%

Specific education
savings/
investment plan



6%

General
borrowing



4%

Inheritance/
other lump sum

Q. How are you/ your partner funding your child's education? (Base: Parents currently contributing towards funding their child's education)





International horizons



Expert view



Rajika Bhandari
 Head of Research, Policy and Practice,
 Institute of International Education, Inc.



More than four million students around the world enroll in higher education outside of their home countries, seeking to gain international skills that will prepare them to work in the global economy.

An increasing number of students are choosing education abroad as an investment in their future, as employers are increasingly looking for workers who have international experience, cross-cultural competence and language skills.”



Essential experience

In today's globalised world, a university education in a different country is a real option.

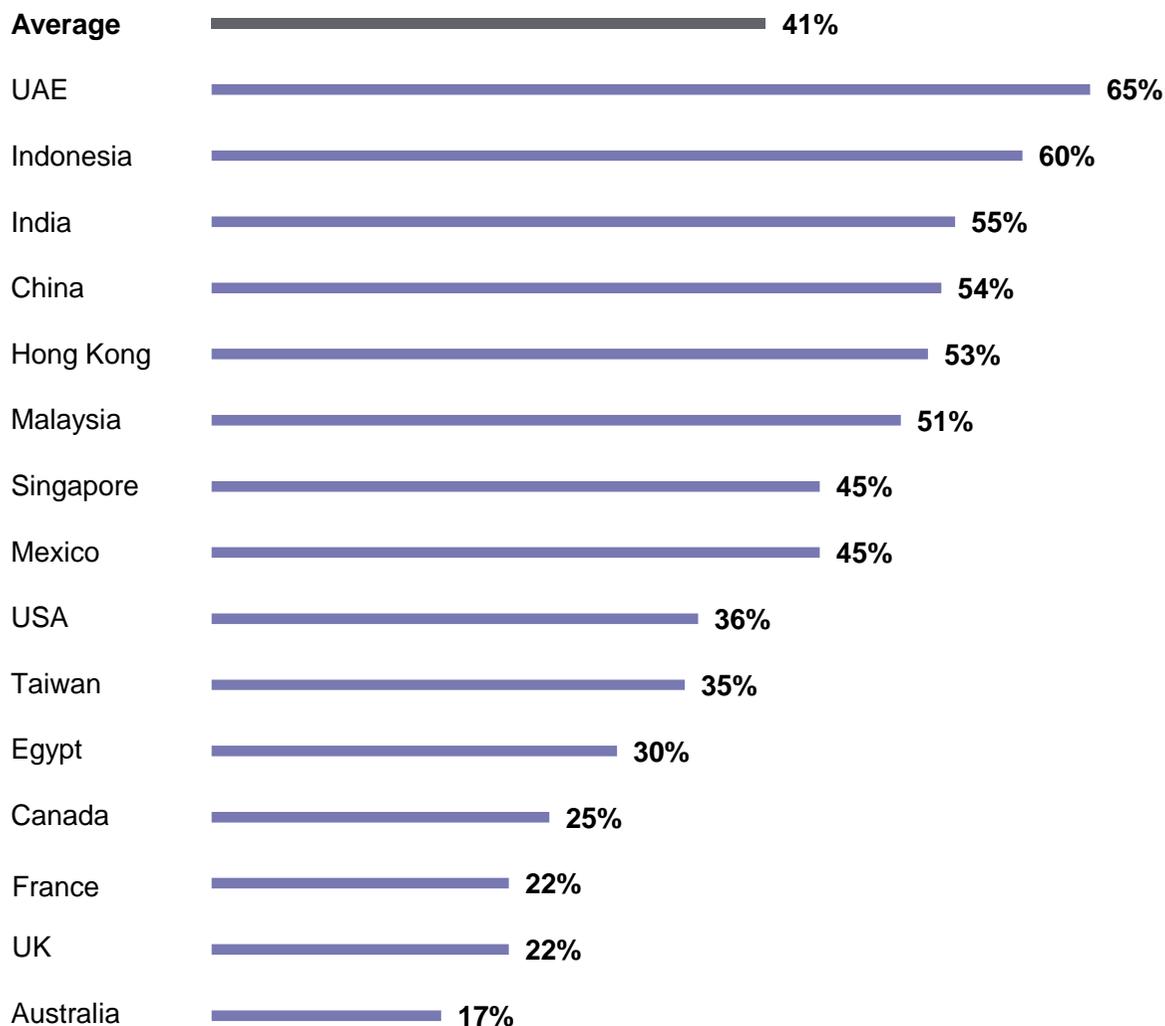
Over two-fifths (**41%**) of parents would consider a university education abroad for their child, and they are more likely to consider a postgraduate education (**36%**) than an undergraduate education abroad (**34%**).

Parents in the Middle East and Asia are the most likely to consider a university education abroad, with over half of parents in the UAE (**65%**), Indonesia (**60%**), India (**55%**), China (**54%**) and Hong Kong (**53%**) considering this for their child.

OECD data supports this, with **53%** of all foreign students enrolled in tertiary education worldwide coming from Asian countries¹.

¹OECD Education Indicators in Focus 14, July 2013

Many parents would consider university abroad for their child



Q. Which, if any, of the following types of education would you consider for your child post-secondary education? A. University undergraduate or postgraduate in a different country to where I reside (Base: Parents with a child not in postgraduate education)

Top destinations

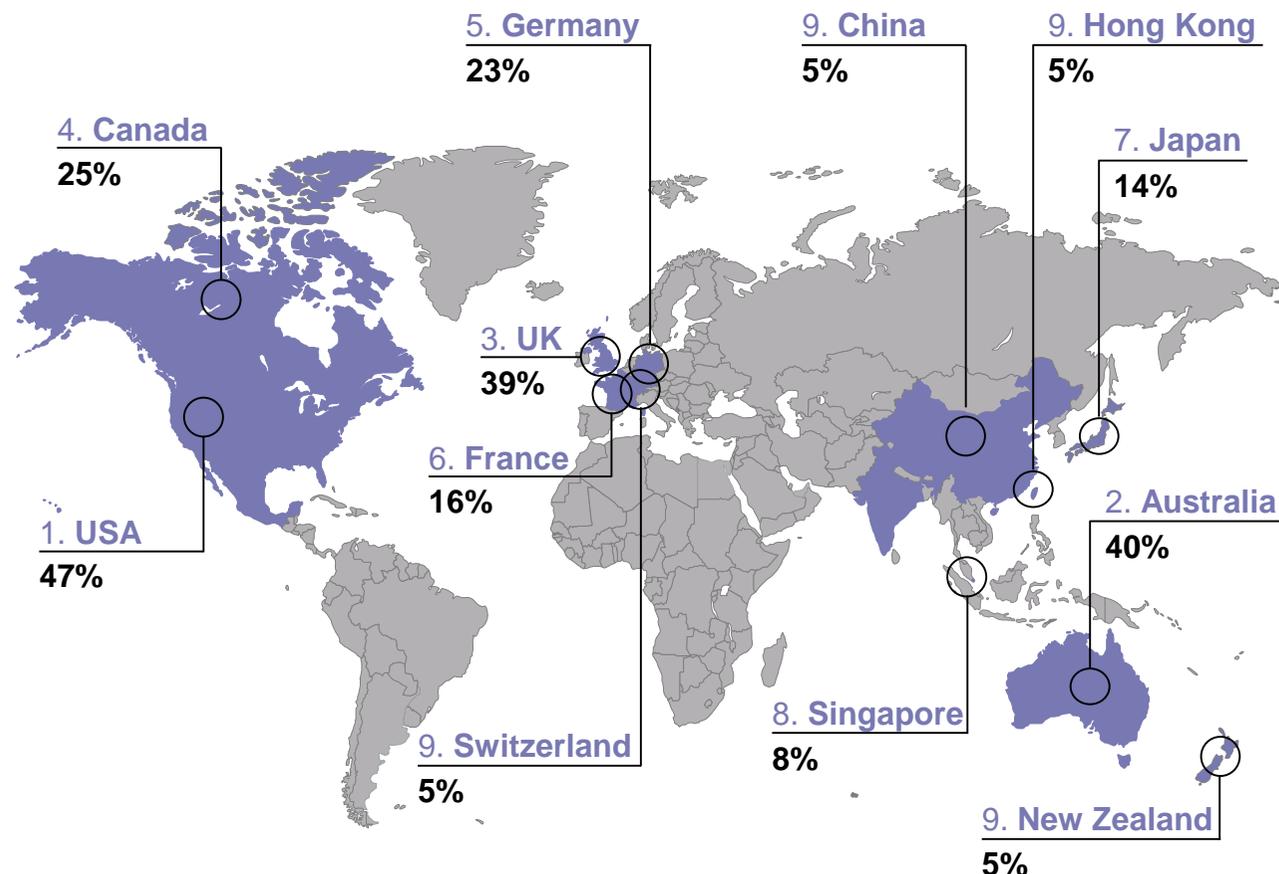
Of parents who would consider university education abroad for their child, many have a preferred country in mind where they would like their child to study.

The USA is the most popular choice overall. Nearly half (**47%**) of these parents would consider sending their child to university in the USA, and it is the most favoured destination for parents in Taiwan (**70%**), China (**61%**) and Canada (**61%**).

Australia (**40%**) is the second most popular choice, and is the most favoured country for parents in Malaysia (**67%**), Indonesia (**65%**) and Singapore (**63%**).

The UK (**39%**) is the third most popular choice, and is the top destination for parents in Hong Kong (**67%**), France (**52%**) and the UAE (**48%**).

Top destinations for university abroad



Q. Which countries or territories, different to the one where you reside, would you be most likely to consider? (Base: Parents who would consider university education abroad for their child)



Selecting a university abroad

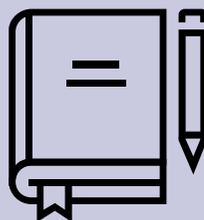
Many parents considering university education abroad for their child have specific universities in mind that they would like their child to attend. Around two-fifths (**39%**) have particular universities in mind, with parents in Indonesia (**55%**), the UAE (**52%**), and Malaysia (**52%**) being the most likely.

The quality of teaching on offer (**45%**), the prestige of the university (**41%**) and increased job prospects for their child (**41%**) are the top three criteria for parents when considering particular universities abroad.

The prestige associated with the university (**57%**) is the main reason why parents in Hong Kong have a specific university in mind. In contrast, opening up more job opportunities (**48%**) is the top reason for parents in Canada.

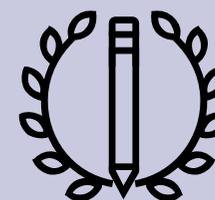
Yet over a third (**34%**) of parents do not know how much it would cost for their child to study at university abroad.

Main reasons why parents have specific universities in mind



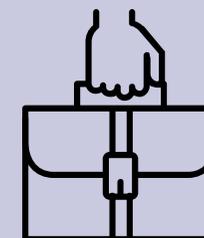
45%

Quality of teaching on offer



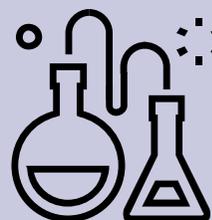
41%

Prestige associated with the university



41%

Will open up more job opportunities for my child



38%

Courses the university offers



37%

Ranked highly overall in university league tables

Q. Which, if any, of the following reasons explain why you are considering a specific university? (Base: Parents who have specific university/universities they would like their child to attend, in a different country to where they reside)

Powerful enabler

From developing soft skills to widening core abilities, parents see a range of benefits to completing a university education in a different country.

According to parents considering university abroad for their child, foreign language skills (49%), gaining international work experience (49%) and exposure to new experiences, ideas and cultures (48%) are the main benefits.

Parents in Indonesia (68%), Mexico (65%) and Taiwan (65%) are the most likely to see developing foreign language skills as the main benefit, while gaining international work experience comes top for parents in Indonesia (71%), the UAE (47%) and Australia (45%). Parents in Malaysia (64%), Singapore (57%) and the UK (55%) are most likely to say exposure to new experiences is the biggest benefit of a university education abroad.

Main benefits of a university education abroad



Q. Which, if any, of the following do you see as the main benefits of completing a university education in a different country to the one where you reside? (Base: Parents who would consider university abroad for their child)



New challenges

While there are many benefits to studying abroad, children being away from home can be a big challenge for all the family.

Of parents considering university abroad for their child, **40%** say the higher cost to them is a potential barrier. Parents also see emotional factors as barriers, with **30%** being concerned that their child will get homesick and **29%** that they will miss their child.

Lack of safety and security in the destination country (**42%**) is the main worry for parents in China, while UK parents say their child getting homesick (**41%**) is the biggest barrier.

Main barriers to a university education abroad

Higher cost to me or my partner **40%**



Higher cost for my child **33%**



Lack of safety and/or security **33%**



Child getting homesick **30%**



Me/my partner missing my child **29%**



Q. Which, if any, of the following do you see as potential barriers to completing a university education in a different country to the one where you reside? (Base: Parents who would consider university abroad for their child)



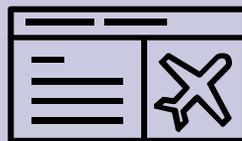
Other international experiences

University education abroad is not the only international experience that parents value for their child: nearly two-fifths (**38%**) would consider a study abroad programme, and a similar proportion (**37%**) would consider a work placement in another country.

Parents in Asia are the most likely to consider a study abroad programme, particularly in Indonesia (**55%**), Malaysia (**52%**) and Taiwan (**47%**), while the highest proportions of parents who would consider a work placement abroad for their child are in Taiwan (**50%**), Hong Kong (**45%**) and Mexico (**45%**).

A gap year abroad is an experience that many parents in the UK (**36%**) and Australia (**25%**) would consider for their child.

Experiences parents would consider for their child abroad



38%

Study abroad programme



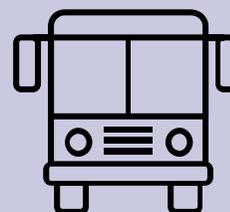
37%

Work placement



25%

Living in another country with a host family



23%

School exchange programme



17%

Gap year abroad

Q. Would you consider any of these experiences for your child in another country or territory?
(Base: All parents)





Digital campus



Expert view



Professor Timothy Quine
Deputy Vice-Chancellor (Education),
University of Exeter



The digital campus offers online education that is flexible and catered to fit around differing work and life demands, enabling students to work, earn and learn in some of the world's best institutions without having to move home, leave their job or sacrifice their career."



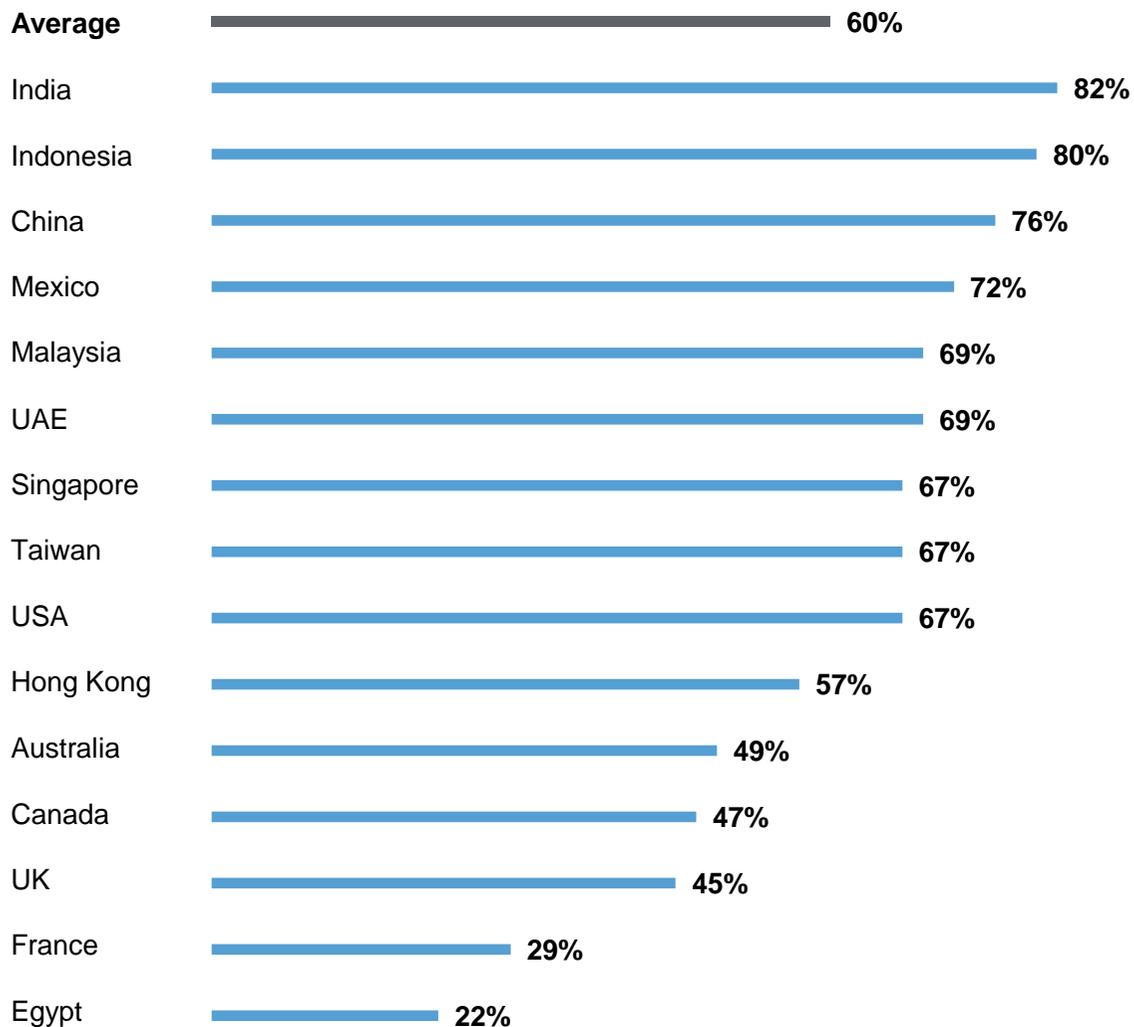
Digital learning

More than two-thirds (**69%**) of parents agree that new technology means everyone has more access to good education, particularly parents in India (**85%**), Indonesia (**83%**) and Malaysia (**82%**).

To be accessible to more students, universities across the world are using new technology and many now offer online learning programmes. Most parents (**73%**) are aware of these online degrees and **60%** would consider a university degree for their child that is either completely online or incorporates some online courses/ modules.

Parents in Asia are the most likely to consider online degrees, especially in India (**82%**), Indonesia (**80%**) and China (**76%**), with parents in China (**50%**) being the most likely to consider a degree that is completely online.

Most parents would consider an online university degree



Q. Thinking about online degrees, which, if any, would you consider for your child? A. A university degree which is completely online or incorporates some online courses/modules (Base: All parents)



Benefits and drawbacks

Many parents see benefits to online degrees compared to traditional campus-based degrees.

Reduced travel and living costs (**52%**) and lower tuition fees (**50%**) are seen as the main benefits.

Parents also recognise the lifestyle advantages, with nearly half (**47%**) citing the more flexible learning environment and almost two-fifths (**38%**) saying it will develop their child's technology skills.

However, parents also see drawbacks with online degrees, such as fewer opportunities to interact with peers (**46%**), a less close relationship with lecturers and tutors (**44%**) and not enough interaction during the course (**40%**).

Benefits of online degrees



52%

Reduces travel/living costs as no need to attend university in person



50%

Reduces university costs as tuition fees are cheaper



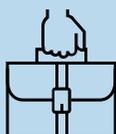
47%

A more comfortable/flexible learning environment



38%

Develops my child's technology skills



34%

Easier to gain work experience whilst studying

Drawbacks of online degrees



46%

Fewer opportunities to interact with peers



44%

Less of a relationship with lecturers and personal tutors



40%

Not enough interaction during the course



35%

Not suitable for all subjects



35%

Fewer opportunities to build a wider network

Q. What do you think are the benefits/drawbacks of completing an online degree, compared to a traditional degree? (Base: Parents who would consider a university degree for their child that is either completely or partly online)



The influence of cost

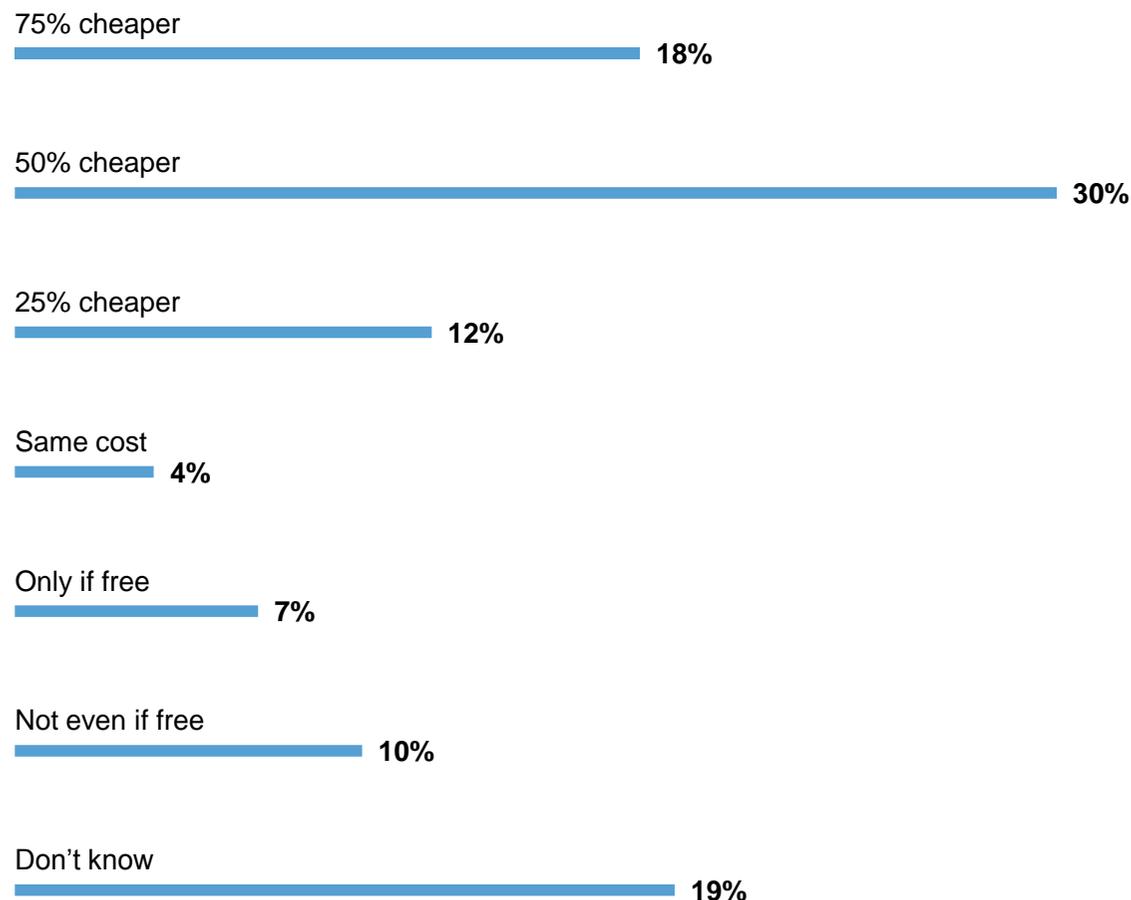
Most parents (**60%**) would consider an online degree for their child if it was cheaper than the cost of a traditional campus-based degree.

Almost a third (**30%**) of parents say an online degree would need to be 50% cheaper for them to consider, while for nearly two-fifths (**18%**) it would need to be 75% cheaper.

However, **10%** of parents would not consider an online degree even if it was free.

The overall cost of an online degree can be 25% to 50% cheaper than a traditional degree, as a result of reduced accommodation expenses, study materials and tuition fees.

Most parents would consider an online degree if cheaper than a traditional degree

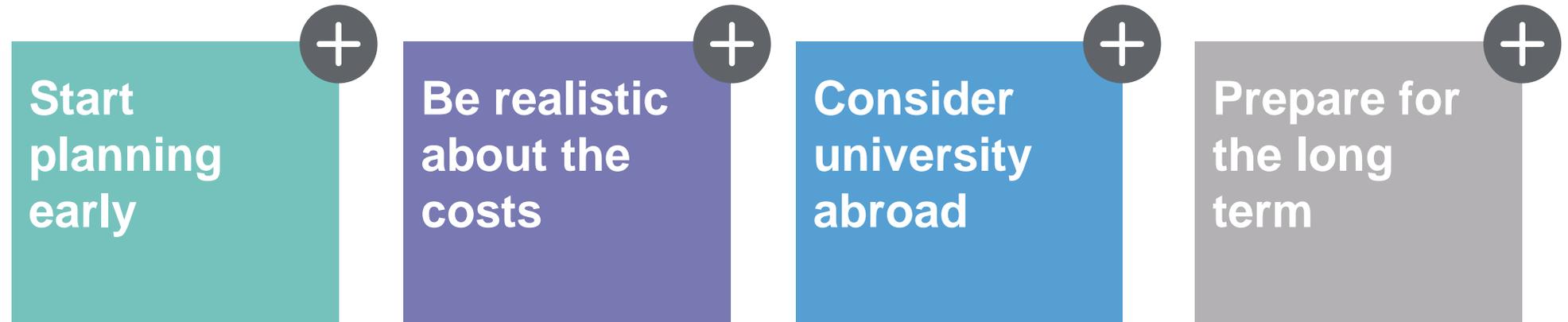


Q. How much cheaper than a traditional degree would an online degree need to be, for you to consider it for your child? (Base: All parents)



Practical steps

Here are some important insights and practical actions drawn from the research findings, for parents to consider when planning for their children's education.



Practical steps

Here are some important insights and practical actions drawn from the research findings, for parents to consider when planning for their children's education.

39%

of parents wish they had started saving earlier, and 34% wish they had put more money aside for their child's education

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



Be realistic about the costs



Consider university abroad

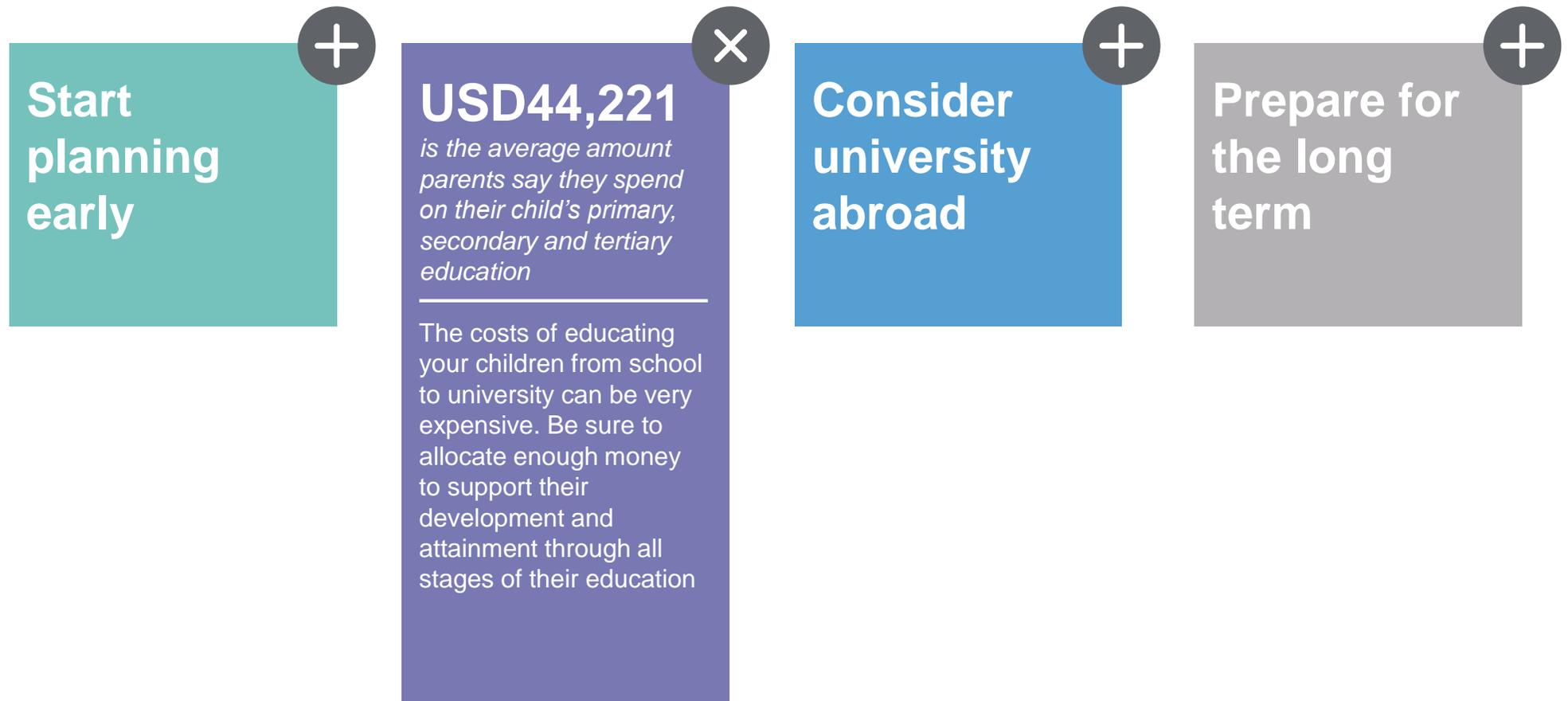


Prepare for the long term



Practical steps

Here are some important insights and practical actions drawn from the research findings, for parents to consider when planning for their children's education.



Start planning early 

USD44,221 
is the average amount parents say they spend on their child's primary, secondary and tertiary education

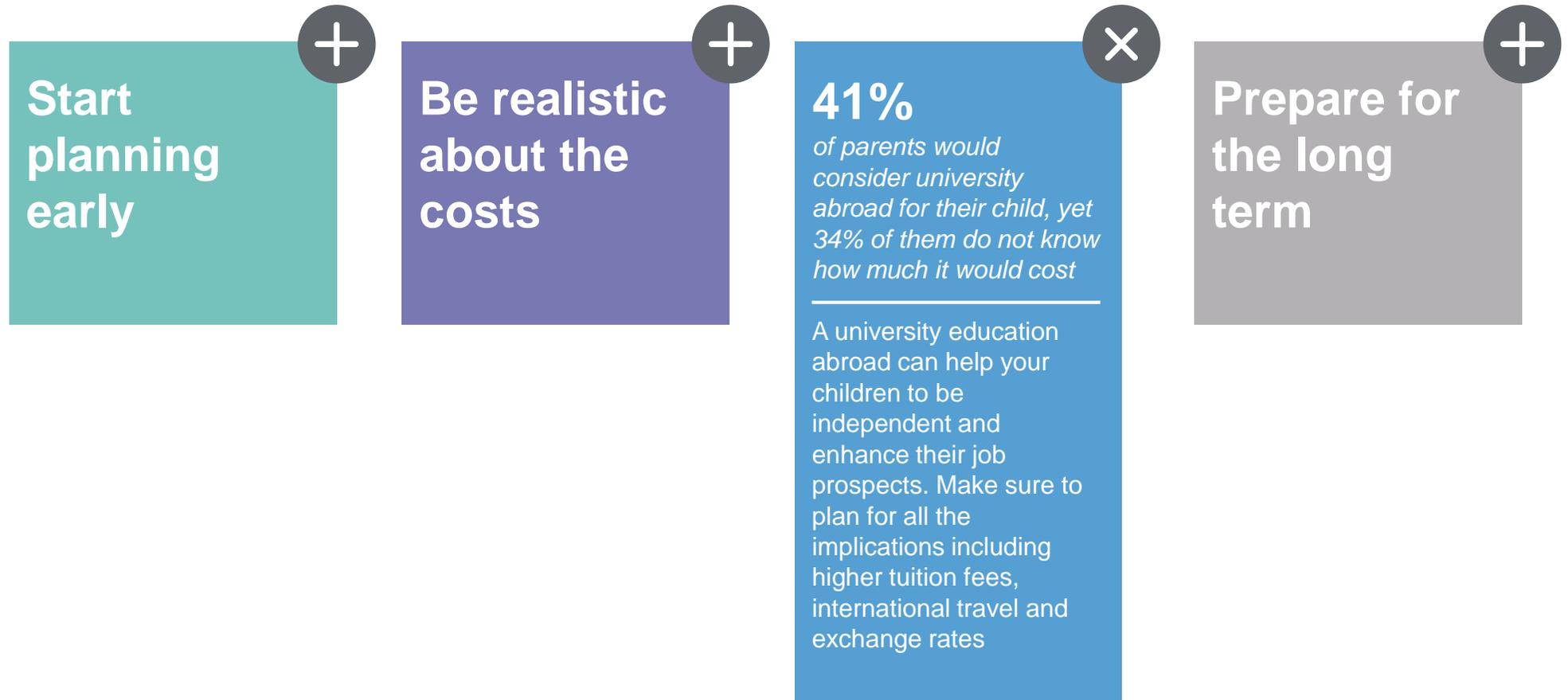
The costs of educating your children from school to university can be very expensive. Be sure to allocate enough money to support their development and attainment through all stages of their education

Consider university abroad 

Prepare for the long term 

Practical steps

Here are some important insights and practical actions drawn from the research findings, for parents to consider when planning for their children's education.



Start planning early (+)

Be realistic about the costs (+)

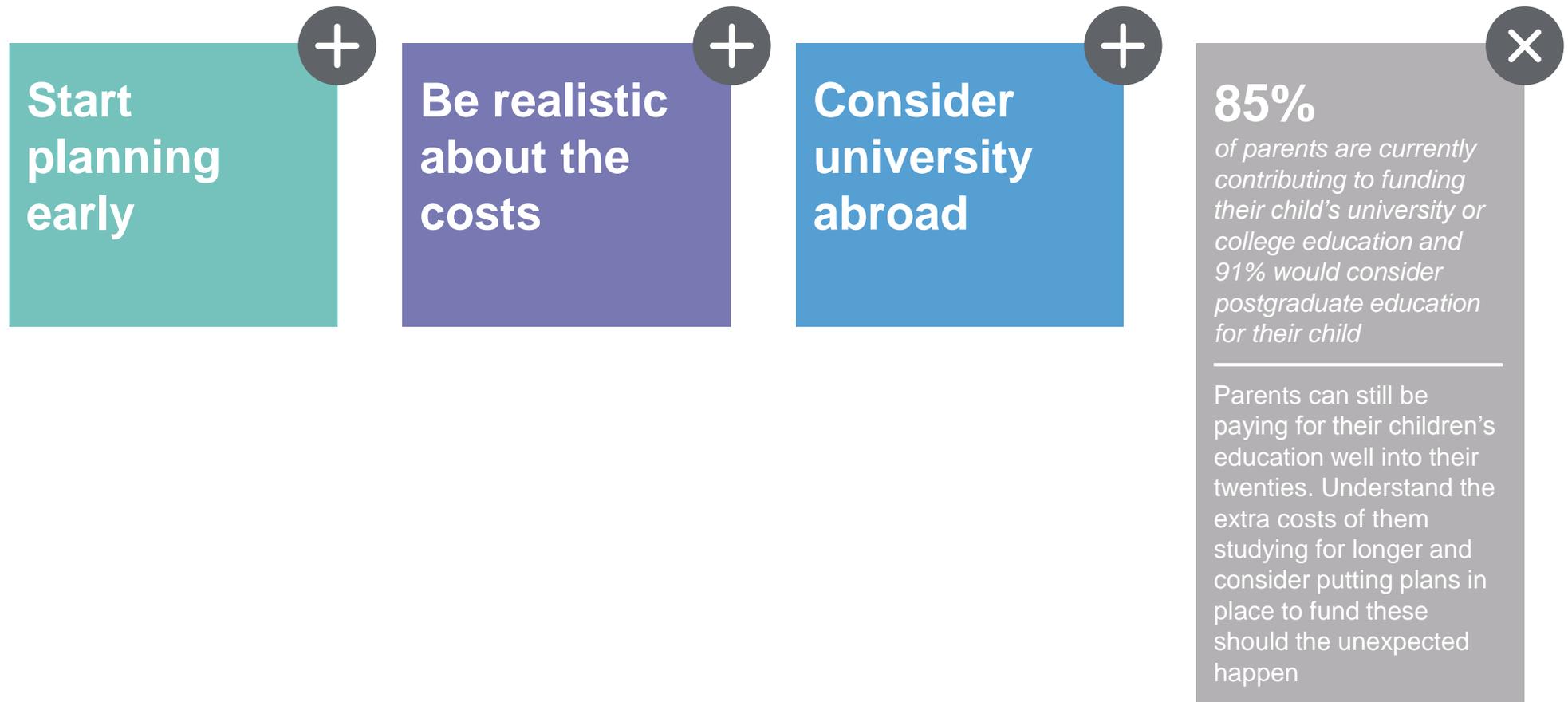
41%
of parents would consider university abroad for their child, yet 34% of them do not know how much it would cost (x)

Prepare for the long term (+)

A university education abroad can help your children to be independent and enhance their job prospects. Make sure to plan for all the implications including higher tuition fees, international travel and exchange rates

Practical steps

Here are some important insights and practical actions drawn from the research findings, for parents to consider when planning for their children's education.



Start planning early

Be realistic about the costs

Consider university abroad

85%
of parents are currently contributing to funding their child's university or college education and 91% would consider postgraduate education for their child

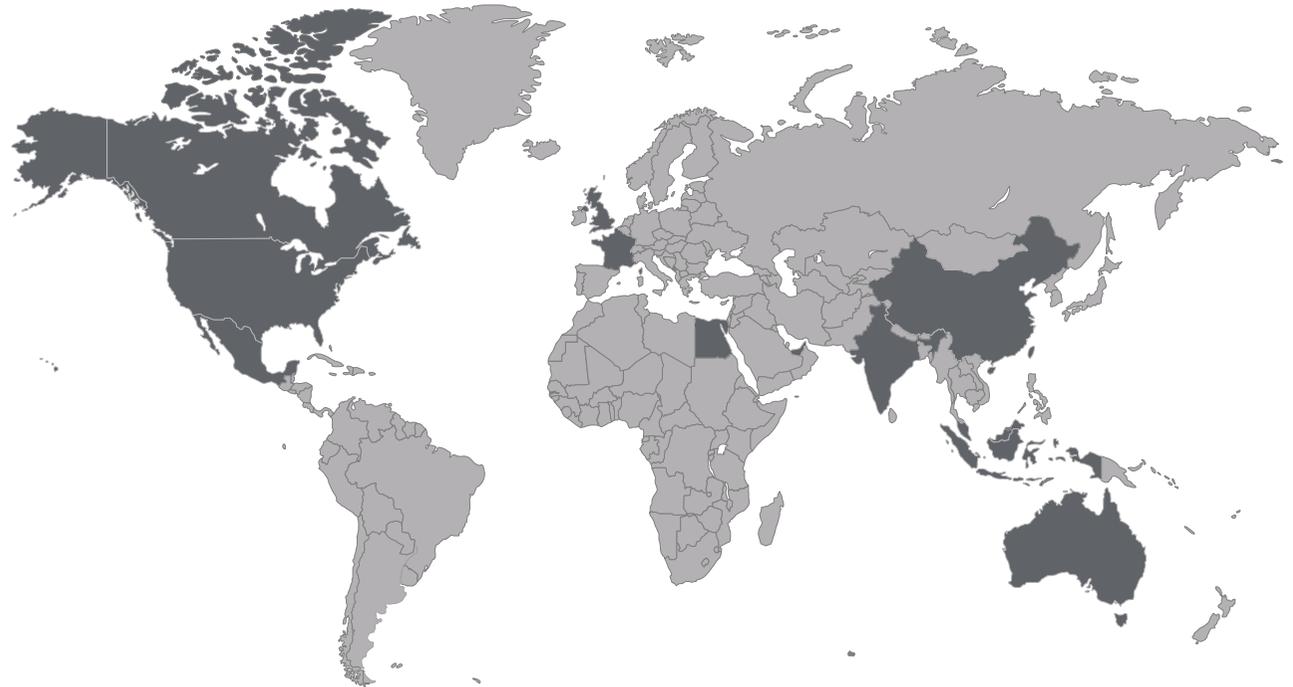
Parents can still be paying for their children's education well into their twenties. Understand the extra costs of them studying for longer and consider putting plans in place to fund these should the unexpected happen

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' attitudes and behaviour towards their children's education around the world.

This report, *Higher and higher*, is the fourth in the series and represents the views of 8,481 parents in 15 countries and territories.

Since The Value of Education programme began in 2014, more than 24,000 parents have been surveyed



[Survey](#)

[Definitions](#)

[About HSBC](#)

[Legal](#)

[Copyright](#)

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' attitudes and behaviour towards their children's education around the world.

This report, *Higher and higher*, is the fourth in the series and represents the views of 8,481 parents in 15 countries and territories.

Since The Value of Education programme began in 2014, more than 24,000 parents have been surveyed

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.

Over 500 parents (including at least 150 with a child at university or college) were surveyed in all countries, apart from the UK where 1001 parents (including 202 with a child at university or college) were surveyed and China where 946 parents (including 504 from the Pearl River Delta region) were surveyed.

Figures have been rounded to the nearest whole number.

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

The 15 countries and territories are:

- Australia
- Canada
- China
- Egypt
- France
- Hong Kong
- India
- Indonesia
- Malaysia
- Mexico
- Singapore
- Taiwan
- United Arab Emirates
- United Kingdom
- United States

Country reports are also available.

Survey

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' attitudes and behaviour towards their children's education around the world.

This report, *Higher and higher*, is the fourth in the series and represents the views of 8,481 parents in 15 countries and territories.

Since The Value of Education programme began in 2014, more than 24,000 parents have been surveyed

Primary education: Also known as primary or elementary school.

Secondary education: Also known as secondary or high school

Tertiary education: Also known as college or university.

College: Also known as trade, technical, career or vocational college.

University: Also known as further education, higher education or college

Millennial parents: Born between 1980 and 1997

Generation X parents: Born between 1966 and 1979.

Baby Boomer parents: Born between 1945 and 1965.

***Spending on education (methodology)**

To calculate spending on education, parents who are currently contributing to funding any aspects (e.g. school/university tuition 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.

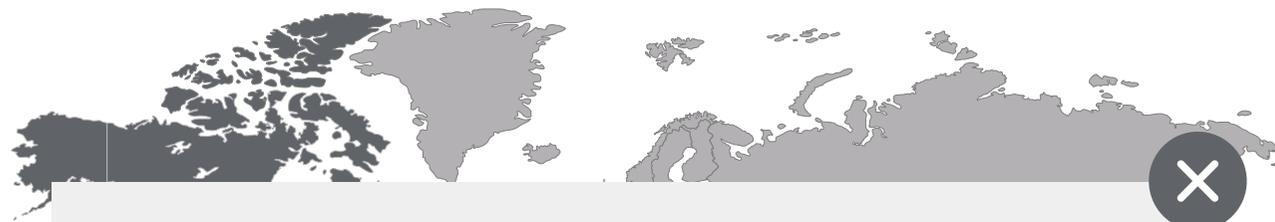
Definitions

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' attitudes and behaviour towards their children's education around the world.

This report, *Higher and higher*, is the fourth in the series and represents the views of 8,481 parents in 15 countries and territories.

Since The Value of Education programme began in 2014, more than 24,000 parents have been surveyed



HSBC Holdings plc

HSBC Holding plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from approximately 4,000 offices in 70 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of \$2,416bn at 31 March 2017, HSBC is one of the world's largest banking and financial services organisations.

HSBC Education Programme

HSBC's Education Programme aims to spark young ambition. Along with a wide range of education projects in regions and countries, HSBC has two global flagship education programmes: the HSBC Youth Opportunities Programme which helps the most at-risk young people access education and skills training, and JA More than Money which helps 7- to 11-year-olds to learn about money management and the skills necessary to succeed in the workplace.

About HSBC

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' attitudes and behaviour towards their children's education around the world.

This report, *Higher and higher*, is the fourth in the series and represents the views of 8,481 parents in 15 countries and territories.

Since The Value of Education programme began in 2014, more than 24,000 parents have been surveyed



Information and/or opinions provided within this report constitute research information only and do not constitute an offer to sell, or solicitation of an offer to buy any financial services and/or products, or any advice or recommendation with respect to such financial services and/or products.

Legal

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' attitudes and behaviour towards their children's education around the world.

This report, *Higher and higher*, is the fourth in the series and represents the views of 8,481 parents in 15 countries and territories.

Since The Value of Education programme began in 2014, more than 24,000 parents have been surveyed

© **HSBC Holdings plc 2017**

All rights reserved.

Excerpts from this report may be used or quoted, provided they are accompanied by the following attribution: 'Reproduced with permission from The Value of Education *Higher and higher*, published in 2017 by HSBC Holdings plc.'

HSBC is a trademark of HSBC Holdings plc and all rights in and to HSBC vest in HSBC Holdings plc. Other than as provided above, you may not use or reproduce the HSBC trademark, logo or brand name.

Published by HSBC Holdings plc, London

www.hsbc.com > Retail Banking and Wealth Management

HSBC Holdings plc
8 Canada Square, London E14 5HQ

Copyright