



## **HSBC Study Reveals that US Parents are Willing to Go to Great Lengths to Secure Children's Education**

*HSBC's Global Value of Education Report found that US Parents Spend on average more than \$58,000 on their Children's Education from Primary School through College*

**New York, NY -- (September 12, 2017)** – US parents have high aspirations for their children, with more than 84% parents expressing confidence that their child will have a bright future. In fact, HSBC's global [Value of Education report](#) found 87% of parents confirmed that they are ready to make personal sacrifices so that their children can succeed. To support their child's education, nearly a quarter of parents (24%) have forfeited 'me time' and 17% have either drastically reduced or completely stopped leisure activities or holidays.

It's clear that parents see their children's education as an essential investment in their future, but it can be costly. US parents are spending an average of \$58,464 on their child's education from primary school through undergraduate university level. This is much steeper than the overall global average of \$44,221, based on the fifteen countries surveyed as part of this research. Even with these steep costs American parents do not top the list. For example, in Hong Kong, parents are spending an average of \$132,161 for their child's education, roughly 126% more than US parents are spending.

"Parents are willing to go to great lengths to help their children get the best possible start in life," said Pablo Sanchez, HSBC's Head of Retail Banking and Wealth Management for the US and Canada. "They understand that education is paramount in today's highly competitive job market, and are willing to make personal, lifestyle and financial sacrifices to ensure their child receives the education necessary that will set them up for success in the future."

In order to pay for education, many US parents are making or have made financial sacrifices including reducing their spend on leisure activities (30%), working longer hours in their existing job (20%), contributing less to their own long-term savings or investments (18%) and taking on a job/second job (14%) to help fund their child's education.

In the US, most parents are helping to fund their child's current stage of education, with 84% contributing towards their child's elementary school education, 76% towards high school and 73% towards college or university education.

While parents are willing to support their children many are not planning ahead for the significant education costs. Three-fifths of US parents (60%) are using their day-to-day income, while 34% are using general savings, investments or insurance and even fewer parents (24%) are funding their child's education through a specific education savings or investment plan.

Additionally, in the US two in five parents wish they had started saving earlier, while 35% wish they had put more money aside for their child's education, and 15% wish they had taken professional financial advice.

"It's easy to underestimate the full and long-term costs of educating a child, so it's important for parents to start planning early, to be realistic about costs and to prepare for the long term," added Michael Boardman, HSBC's US Head of Wealth Management. "Doing so will help to reduce the strain that education can have on family finances. Seeking professional advice can help parents make more informed choices and develop a longer term financial plan."

### **Additional Findings**

**Digital Learning:** The majority (87%) of US parents are aware of online degree programs and 67% say they would consider a university degree for their child that is either completely online or incorporates some online courses/modules, with a third (33%) saying they would consider a degree that is completely online. In contrast, 73% of parents surveyed worldwide are aware of online degrees, and 60% would consider a degree that is completely or partly online.

**Studying Abroad an Essential Experience:** In today's globalized world, a university education in a different country is a real option, with 36% of US parents saying they would consider a university education abroad for their child. And, of parents who would consider university education abroad for their child, the UK is their most popular choice: 37% would consider sending their child to a UK university, with France and Canada tied as the second most popular choices at 36%.

**The US is a Top Destination:** Of parents who would consider sending their children abroad for a university education, many have a preferred country in mind where they would like their child to study. The US is the most popular choice overall for parents outside of the US. Nearly half (47%) of these parents would consider sending their child to university in the USA, and it is the most favored destination for parents in

Taiwan (70%), China (61%) and Canada (61%). Australia (40%) is the second most popular choice and the UK (39%) is the third most popular choice.

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**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.

**About This Report**

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.

To view the full report, [go here](#).

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