

News Release

27 June 2016

Australian parents sacrifice retirement to afford their children's ambitions

*****54% of Australian parents think that paying for their child's education is more important that contributing to their own retirement savings*****

*****44% of Australian parents are willing to go into debt to fund their children's education*****

*****27% of parents rely on a savings plan to pay for their child's education*****

More than half of Australian parents are willing to sacrifice their financial security in retirement to pay for their children's education, and almost half of all parents are willing to potentially go into debt to fund their children's education, according to HSBC's latest Value of Education report, *Foundations for the future*.

The research from over 6,000 parents from 15 countries around the world, including Australia, China, UK, USA and Canada, shows that parents around the world are prioritising their children's education costs over their own financial wellbeing.

Despite Australia having the fourth lowest cost of education in the survey (spending an average of \$AU6,842 a year), over half of Australian parents (53%) have savings or investments specifically to pay for their children's education. And nearly half (49%) of all Australian parents start planning on how they will fund their children's education before they even start school.

The costs of education doesn't end for Australian parents when their children enter tertiary education, with 94% of parents still expecting to fund the majority of their adult students' costs.

"What this research really shows is that Australian parents are still having to prepare years in advance to help their children achieve their ambitions, despite the availability of state funding for education," says Scott Ellis, Head of Wealth, HSBC Australia.

Alarmingly, Australian parents are willing to sacrifice contributions to their retirement savings (54%) and making credit card repayments (36%) over the costs of their children's education. Australian parents are least likely to reduce the costs of their child's education (only 23%) if they had to cut back on their financial outgoings. Almost half of all parents (44%) are willing to go into debt to fund their child's education.

"It's understandable that parents are prioritising their children's education, however it is important that Australian parents are also committing to an overall plan for their own future security as well as their children's," adds Ellis.

"When starting a plan for their children's education, parents should consider a holistic view of their future financial needs, so that the sacrifices they may make don't affect their overall financial wellbeing."

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This news release is issued by

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Notes to editors**About the Value of Education**

This year's report, Foundations for the future, contains findings from 6,241 parents from 15 countries around the world. The findings are based on a survey of parents from a nationally representative sample in each country who have at least one child aged 23 or younger currently (or soon to be) in education. Over 350 parents (including 150 with a child at university or college) were surveyed in all countries. The research was conducted online by Ipsos MORI in February and March 2016, with interviews in Egypt conducted face-to-face.

HSBC Bank Australia

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