

News Release

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PARENTS IN HONG KONG UNDER PRESSURE TO SECURE CHILDREN'S SUCCESS

****Spend over HKD1 million on their child's education, from primary to undergraduate****

**** Parents make personal and financial sacrifices for child to succeed****

**** Five in 10 have reduced spend on leisure activities and have forfeited 'me time'****

Parents in Hong Kong contribute the most (USD132,161 or more than HKD1 million) 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, according to *Higher and higher*, HSBC's new report in The Value of Education series.

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

Of the over 8,400 parents in 15 countries and territories surveyed, parents in Hong Kong are also more likely to go the extra mile to ensure their child has a good start in life. Eighty-eight per cent of parents in Hong Kong are currently paying for private tuition or have done so in the past, ranked joint third amongst all 15 surveyed markets.

To help fund their child's education, parents in Hong Kong are making or have made a range of financial sacrifices including reducing their spend on leisure activities (50%). Over a

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quarter of parents in Hong Kong (27%) are contributing less to their own long-term savings or investments or have done so in the past, ranked joint third in all surveyed markets.

Three-quarters of parents in Hong Kong (75%) are using their day-to-day income to help fund their child's education. Fewer parents in Hong Kong (19%) are funding their child's education using a specific education savings or investment plan, compared with 21% worldwide and 43% in China which is the highest among all surveyed markets

Greg Hingston, Head of Retail Banking and Wealth Management, Hong Kong, HSBC, commented, "It is important to plan properly to make sure your finances can meet your child's education needs in the long term in the face of rising school fees and other related expenses. Parents should also maintain a balance so as not to overlook other financial needs such as their own retirement and family protection."

Apart from financial commitments, parents are also making personal sacrifices for their child to succeed. Among all surveyed markets, parents in Hong Kong are the most likely to have forfeited 'me time' (48%) (followed by 42% in Malaysia and 41% in Indonesia) and to have reduced or completely stopped leisure activities and holidays (37%) (followed by 34% in Taiwan and 33% in China).

Despite making these sacrifices, parents are still not sure they are doing enough. Almost two thirds of parents in Hong Kong (64%) worry that they are not doing the best for their children, higher than 59% worldwide, and comparable to the average in Asia-Pacific (63%).

Greg added, "It is clear that Hong Kong parents are going to great lengths to prepare a secure future for their children but this is causing both financial pressure and emotional stress. Advice from a trusted advisor and a mix of financial tools should help parents have a realistic understanding of education costs, plan ahead to build an investment and protection portfolio that reflects their savings goals and risk appetite and then review these holdings regularly to gain more confidence about their financial preparations."

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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.

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.

The Hongkong and Shanghai Banking Corporation Limited

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