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COST OF INTERNATIONAL UNIVERSITY EDUCATION FAR GREATER THAN PARENTS EXPECT

Over three-quarters (77%) of parents surveyed in the latest HSBC Value of Education report would consider sending their child abroad to university, but many underestimate the extra cost. New research from HSBC across 16 countries reveals that on average the extra cost¹ of an international undergraduate education is 6.3 times more than parents would consider paying.

This year's Value of Education report *Learning for life* shows how much extra parents would consider paying to send their child to university abroad. By comparing this expectation with the actual cost of completing an undergraduate degree as an international student², it is clear that many parents have unrealistic expectations.

The US is regarded as offering the best quality of education worldwide, but the total cost of attaining an undergraduate degree there as an international student can exceed USD165, 000³, making it the most expensive destination globally.

The additional funding required by parents to send their child to university abroad can vary significantly between countries. Revealing a major gap between parents' funding expectations and reality, the study also shows that many families are underprepared to face this important investment: over a fifth (22%) of parents have not started saving towards children's university education.

An international university education, especially in English-speaking countries, is a significant financial investment but one that pays off. Canada offers the best career prospects, ranking first of 16 countries for alumni employment⁴. The US, Singapore, the UK and Australia respectively rank second, third, fourth and sixth.

Charlie Nunn, Group Head of Wealth Management, HSBC, commented:

¹ Compared to the cost of domestic university education

² Comparisons are based on the country parents regard as offering the highest quality education, HSBC's The Value of Education Springboard for success, 2014

³ Total cost (USD) for typical undergraduate degree tuition fees (international student) + living cost

⁴ [Center for World University Rankings](#) - Top 1000 Universities, 2015

“Parents recognise the value of an international university education for their children, but often underestimate the costs associated with such an opportunity. Tuition fees are not the only costs to consider: living expenses in the country and air fare home are additional charges families will need to cover. Starting to save early, and seeking professional advice, can help parents unlock the opportunity of university education abroad for their child.”

Mariam Adamyan, Manager Communications, HSBC Bank Armenia, commented: “The number of Armenian students pursuing higher education abroad grows year on year. Apart from relying on their parents’ savings, many of them seek alternative ways of obtaining funding for their international education from educational programs stipulated by intergovernmental agreements, scholarships and exchange programs offered by different international organisations and funds. These are the educational and cultural bridges which help Armenian students gain both academic and social competences that will serve to the benefit and development of Armenia in the future.”

RA Ministry of Education and Science currently cooperates with around 30 countries. Within that scope full or partial scholarship programs are implemented, providing Armenian students access to higher education at international universities, regardless of their family savings. Among institutions and programs enabling Armenian students pursue degrees internationally are Luys Foundation, the EU-supported Erasmus Mundus+ programme, the US-funded scholarship programmes, as well as Chevening and DAAD programmes offering scholarships in the UK and Germany respectively.

On top of the European countries, intergovernmental partnership programmes for education are underway between China, Jordan, Turkmenistan, Israel, Kazakhstan⁵ and a number of other countries and Armenia. For example, universities in China⁶ allocate 15 places for students from Armenia to pursue graduate and postgraduate degrees every year.

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⁵ <http://www.parliament.am/library.php?page=document&DocID=740&lang=arm>

⁶ <http://www.edu.am/index.php?topMenu=8&menu1=-1>, <http://www.edu.am/DownloadFile/450arm-China.PDF>

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Note to editors:

The research

The Value of Education is a global consumer research study which explores parents' attitudes and behaviours towards children's education.

The Value of Education *Learning for life* report, published in July 2015, is available on www.hsbc.com > Retail Banking and Wealth Management.

The 16 countries in the league table are those surveyed in The Value of Education Learning for life report - Australia, Brazil, Canada, China, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, Turkey, United Kingdom, United States, United Arab Emirates. The survey was conducted online in by Ipsos MORI in March and April 2015, with additional face-to-face interviews in the UAE. The findings are based on a nationally representative survey of parents in each country who have at least one child aged 23 or younger currently (or soon to be) in education, and who are solely or partially responsible for making decisions about their child's education. There was a minimum sample of 300 parents in each country.

League table calculations

1.Tuition fees/living cost. The total cost for students in each country is the sum of the average university tuition fees and the average cost of living, divided by the average number of years required to complete an undergraduate degree.

Annual tuition fees data for each university are either sourced from the university website, by phone via their Admissions Departments or from other credible websites. The average cost has been calculated separately for both domestic and international students.

The annual cost of living for students in each country is sourced from: www.expatisan.com (assumed to be the same for domestic and international students).

2.Quality of education. The country regarded as offering the highest quality of education is that most frequently ranked in parents' top three in The Value of Education Springboard for success report, published in April 2014.

3.Cost gap. The extra percentage that parents would consider paying to send their child to university abroad, compared to the cost of a domestic education, is an average calculated from responses to The Value of Education Learning for life report, published in July 2015.

The extra percentage it would cost to send a child to university in the country regarded as offering the highest quality education is the difference between the undergraduate cost for domestic students in the home country and the undergraduate cost for international students in the destination country, expressed as a percentage of the cost for domestic students in the home country.

4.Alumni employment ranking is calculated from the Center for World University Rankings (CWUR) 2015 list of the world's top 1,000 universities: www.cwur.org/methodology/

A more detailed methodology is available on request.

The HSBC Group

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HSBC in Armenia

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