

## The Global outlook for international Higher Education strengthens

### *Thirst for cross-cultural experience drives increased interest in attending university abroad*

- 42% of parents around the world would consider a university education abroad for their child – compared to 35% in 2016 – with parents in Asia the most likely to consider this
- The USA, Australia and the UK are the top destinations for going to university abroad with the USA welcoming over one million international students
  - Globally, parents estimate a full higher education abroad would cost USD157,782

According to new figures released from *Higher and higher*, HSBC's latest report in The Value of Education series, globalisation of higher education shows no sign of stalling. The study of over 8,000 parents across 15 countries and territories found that more than two-fifths (42%) would consider sending their child to university abroad, compared to 35% in 2016 – a seven percentage point (pp) increase.

Asian countries are among the most outward looking with four of the top five countries where parents are considering a university education abroad for their child being India (62%, +15pp), Indonesia (61%, +1pp), China (59%, +15pp), and Hong Kong (52%, -2pp). Even countries among the least likely such as Egypt (+26pp), USA (+14pp), France (+9pp), Canada (+6pp) and Australia (+1pp), see an uplift in the number of parents considering higher education abroad.

Country	% of parents from this country who would consider university education abroad for their child	
	2017	2016
Average	42%	35%
UAE	64%	58%
India	62%	47%
Indonesia	61%	60%
China	59%	44%
Hong Kong	52%	54%
Malaysia	51%	43%
Singapore	47%	43%
USA	43%	29%
Mexico	43%	31%
Taiwan	37%	38%
Egypt	36%	10%
Canada	27%	21%
France	25%	16%
UK	22%	22%
Australia	17%	16%

This echoes data from the OECD that highlights that Asian students account for 53% of all students studying abroad worldwide<sup>1</sup>. According to HSBC's partner estimate, the Institute of International Education (IIE), China is the leading country of origin for international higher education students, sending 801,000 abroad in 2016, with India (182,000 in 2015) and Malaysia (64,000) also exporting significant numbers.



<sup>1</sup> OECD Education Indicators in Focus 14, July 2013

More generally, student mobility continues to climb with over 4.6 million higher education students studying abroad in 2017 compared with 2.1 million in 2001.

### Top destinations for university abroad

Parents see the main benefits of a university education abroad as being to help their child gain international work experience (49%), develop foreign language skills (49%) and to be exposed to new experiences, ideas and cultures (48%).

Overall, the USA (47%) is the most favoured destination by parents, ahead of Australia (40%), the UK (39%), Canada (25%) and Germany (23%). While parents who preferred the USA believe it is a good destination for job prospects for graduates (86%), those choosing the UK perceive it as offering high quality universities and colleges (94%) and parents picking Canada think it offers a high quality of life for students (83%).

Countries parents are most likely to consider for their child's university education abroad in 2017	Frequency of mentions	Rank 2017 vs 2016
1. USA	47%	=
2. Australia	40%	+1
3. UK	39%	-1
4. Canada	25%	=
5. Germany	23%	=
6. France	16%	+1
7. Japan	14%	-1
8. Singapore	8%	=
9. China	5%	=
9. Hong Kong	5%	+3
9. New Zealand	5%	=

The IIE estimates that in 2016/2017, the USA attracted 1,078,820 international higher education students, the UK almost 497,000, China 397,000, France 310,000 and Australia 292,000.

In addition, around two-fifths of parents (39%) have specific universities abroad in mind [Q17], drawn to these for the quality of teaching on offer, their prestige and their ability to open up new job opportunities for their child.

### Cost and value of international education

The majority of parents (73%) considering university abroad for their child expect to make a significant financial contribution, and estimate the overall average cost of an undergraduate and postgraduate degree abroad to be USD157,782 (USD71,580 for undergraduate and USD86,202 for postgraduate)\*. Many parents (45%) would go further and would consider buying a property in the country where their child is studying.

Parents' willingness to spend on international education brings huge potential benefits to the host economies. Research from the IIE shows that international higher education students contributed USD39.4 billion to the economy in the USA in 2016, making it the fifth largest service sector export.

**Stelios Pirpinias**, Head of Retail Banking & Wealth Management and Marketing HSBC Greece, said: *"The survey findings reveal that in today's globalized economy parents are interested in sending their children for studies abroad not only to improve their career prospects but also to gain experience. The survey shows that studying abroad is very costly especially for Greek parents due to the prolonged financial crisis. To be able to meet the increased costs parents need to prepare a realistic funding plan to finance their children's studies. At HSBC, we have the tools and the necessary experience to support parents in the demanding planning process"*.



### **Practical steps for parents**

- Consider the benefits of university education abroad: It can help your children to be independent and enhance their job prospects.
- Be realistic about the costs: Make sure to plan for all the implications including higher tuition fees, international travel, accommodation, day-to-day expenditure and exchange rate fluctuations.
- Start planning early: 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.
- If buying property abroad: Choose a mortgage plan that is most suitable for your needs. Consider the interest rate, repayment period, setting-up fees, early repayment flexibility and cancellation fees. Be aware of the tax and foreign exchange implications.

### **Practical steps for students**

- Learn about your new country, its culture and customs before you go.
- Sign up to classes or training your university may offer to help you navigate your new surroundings.
- Speak to recent graduates who studied abroad, their first-hand experience can help you adapt quicker.
- Explore your new country and be open to making new friends.
- Get involved in campus activities beyond academics, taking advantage of the many clubs, sports, interest groups and social events to mix with the diverse student population.

*ends/more*

## Notes to editors:

### Estimated cost of university education abroad (methodology)

Parents who would consider university education for their child in a different country to where they reside were asked to estimate how much they think it would cost in total each year to fund an undergraduate and postgraduate degree abroad. They were asked to consider all expenses associated with their child studying at university abroad including tuition fees, accommodation, education books/equipment and food. These average yearly costs were multiplied by three years for an undergraduate degree and two years for a postgraduate degree, to derive the estimated overall cost per country of studying at university abroad. The global average cost was calculated by averaging the cost estimated by each respondent, excluding those from countries where the sample size was too low. 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.

Unless otherwise stated, the figures cited in this press release are based on those parents surveyed who have a child in either pre-primary, primary or secondary education and would consider sending them to university abroad. In some instances, variances between 2016 vs 2017 data have been shown for information purposes only and may not represent statistically significant increases / decreases.

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

### Institute of International Education (IIE)

HSBC has partnered with the Institute of International Education (IIE), one of the world's largest and most experienced international exchange organisations, which aims to advance international education and access to education. The IIE has contributed additional data and insights from multiple sources, including its annual Open Doors report on international higher education students coming to the US and Project Atlas – a collaboration with agencies in other markets to collect equivalent data. The IIE has also provided researched data from additional third party sources such as UNESCO and the OECD. For further information on the IIE and its research, visit: <https://www.iie.org/>

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