

EMBARGOED UNTIL 00:01 BST WEDNESDAY 15th JULY 2015

UK parents believe university is now unaffordable for most

With school leavers currently confirming their university places, many UK parents are now reviewing how they will help their children pay for a university degree. With tuition fees alone costing an average £9,000 a year, university is a significant investment for both parents and students.

An annual HSBC report, the 'Value of Education *Learning for life*', released today, shows that although 71 per cent of surveyed parents think university is unaffordable for most people in the UK, nearly half (48%) believe an undergraduate degree or higher is necessary for their children to achieve their life goals.

More than two thirds of surveyed parents (72%) have a specific occupation in mind for their child and the lengthier, and often more costly, degrees of engineering (11%) and medicine (10%) top the list of parents' preferred courses.

Parents expect to repay university debt for eight years

The survey found that although parents see independence (86%) and learning to be financially responsible (82%) among the most important skills university offers, they still expect to support their children financially throughout university.

More than nine in 10 (90%) parents said they will contribute to their child's tuition fees and/or living costs.

After a mortgage, a university degree can be the most significant debt families have to repay. UK parents who currently borrow, or plan to borrow, to fund their children's university costs expect to repay the debt for eight years and for their children to be paying off their share for 12 years.

Parents willing to pay more for overseas education

Despite the cost, nearly two thirds of UK parents (67%) would consider sending their child abroad to university. Of those parents, 59 per cent would be prepared to pay more for the experience compared to what they would pay to educate their child in the UK.

The main reason parents would not consider sending their child to study at university abroad is that they do not want their child to be that far away from home (25%) or they cannot afford it (24%).

Caroline Connellan, Head of UK Wealth, HSBC said:

"Many UK parents consider taking on debt to send their children to university to help them make their life goals a reality.

"With the average cost of tuition alone around £9,000, it can be the biggest financial commitment families make aside from a mortgage.

“Many UK parents feel a responsibility to help pay for their children’s education but despite best laid plans, by the time their children reach university age, parents haven’t saved as much as they had intended.

“With the cost of university continuing to rise, planning ahead can help ease financial pressure. Being prepared by understanding options available and taking action early can give parents the confidence that they can support their children through university in years to come.”

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Media enquiries

For enquiries or to request a full copy of the report, please contact:

Adele Baker – 0207 992 0381 / 0746 834 0153 adele.a.baker@hsbc.com

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Notes to editors

The Value of Education Learning for life UK Report was published in July and represents the view of 5,500 parents in 16 countries, including 352 UK parents.

The findings in this report are based on a nationally representative survey of 352 parents in the UK, 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. The research was conducted online by Ipsos MORI in March and April 2015.

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