

USA THE TOP CHOICE FOR UNIVERSITY ABROAD

- *The USA is the top choice for parents who would consider university abroad for their child*
- *However the USA is also the most expensive destination: USD33,215 is the average annual tuition fee for international students*
- *The number of international university students could be as high as 8 million by 2025*
- *For many in the Philippines, it is an aspiration to send their children to universities overseas*

Newly released data from HSBC's *The Value of Education Foundations for the future* report reveals the USA is the destination parents are the most likely to consider for their child's international university education, with nearly one in two (48%) rating the country as one of their top three destinations from a list of 50 countries. (Q28) However, the USA is also the most expensive destination, with the average annual tuition fees for international university students there being as high as USD33,215 per year.

International university education league table			
Countries parents are most likely to consider for their child's university education abroad	Country popularity as a destination (frequency of mentions)	Parents' rating of country as a destination (quality of education, quality of life and job prospects) (maximum 15)	Average annual undergraduate tuition fee for international students (USD)
<i>The Value of Education</i>	<i>The Value of Education</i>	<i>The Value of Education</i>	<i>Desk research</i>
1. USA	48%	12.77	33,215
2. UK	44%	12.71	29,656
3. Australia	38%	12.57	26,136
4. Canada	23%	12.9	30,518
5. Germany	20%	13.3	0
6. Japan	14%	12.9	10,978
7. France	12%	12.52	361
8. Singapore	9%	12.95	21,674
9. China	5%	11.43	4,186
10. New Zealand	5%	12.62	24,640

Findings from the survey of 6,241 parents in 15 countries show that of parents who chose the USA as one of their top three preferred destinations for their child's international university education, those in China (12%), the UAE (12%) and India (10%) made up the largest proportion. (Q28) The majority (59%) of parents, when asked to select the one reason to best explain why they chose the USA as one of their preferred destinations, say it is because of the better quality of education it offers, while 29% say it is for the job prospects there. Globally, the top reasons why parents would consider a specific

destination country are because it offers a better quality of education (54%) or better job prospects for their child in that country (26%). (Q30)

Commenting on these findings, Allan Goodman, President and CEO of the Institute of International Education said:

“Students and parents consider a university education in the USA as a good investment because they have access to the largest choice of excellent colleges and universities and to the English-language skills that are so critical in today’s job market. The USA is home to the largest group of higher education students from around the world– about 1 million in academic year 2014/2015 – who have contributed about USD30.8 billion to the USA economy over the same period from tuition and living expenses.”

“Today, there are 4.5 million students enrolled in universities outside of their home countries, and it is estimated that the global population of international students could double in the near future, achieving approximately 8 million by 2025. Better job prospects, exposure to new cultures, international experience and language skills are some of the most important benefits of study abroad. Ultimately, international students can get the assurances that attending a higher education institution abroad is an investment in the future.”

Parents’ ambitions for university abroad

Over a third (35%) of parents around the world would consider an international university education for their child. Ambitions for an international education are the highest among parents in Indonesia (60%), the UAE (58%), Hong Kong (54%), India (47%) and China (44%). Countries where parents are the least likely to consider sending their child to university abroad are Egypt (10%), Australia and France (both 16%). (Q22)

Commenting on these findings, Charlie Nunn, Global Head of Wealth Management at HSBC said:

“An international university education for their child is a highly desirable ambition for many parents. However, it comes at higher costs, with living expenses and air fares on top of tuition fees. Early planning and regular saving can help parents overcome these financial barriers and unlock the extra opportunities they wish for their child.”

Commenting on the need to save or invest to afford an international education, Wick Veloso, HSBC President and CEO for Philippines said:

“Parents are preparing their children for the future by giving them the best education that they can afford. For a number of Filipinos, this means saving and working hard to send their children to universities abroad. However, studying overseas comes at a much higher price – particularly for the top courses that are believed to have high income-earning potential. Most parents try their best and hope to be able to save enough in advance to afford their child’s university education. But this is not always easy. Early planning and the discipline of setting aside regular amounts can help parents avoid a situation where they have to rely on their day to day income to fund such a significant dream. By saving

or investing early over a longer period of time, parents can achieve yield and return with a more diversified choice of solutions. The longer the investment horizon, the less monthly contribution is required to achieve your goal.”

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Notes to editors:

About The Value of Education research

The Value of Education is an independent consumer research study into global education trends, commissioned by HSBC. *Foundations for the future*, the third report in the series, was published in June 2016 and represents the views of 6,241 parents in 15 countries and territories around the world: Australia, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom and United States. 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.

Country league table research methodology

Source: The Value of Education *Foundations for the future* survey

The country ranking is based on the popularity (frequency of mentions) of countries that parents would be most likely to consider as a destination for their child’s international university education. Parents selected their first, second or third choice destinations from a list of 50 countries and territories, including the 15 countries in the survey.

Parents’ rating (out of 15) for each country is the sum of their individual ratings for its quality of education, quality of life and job prospects (each out of 5).

The average annual undergraduate tuition fee for international students is based on the four most popular subject areas that parents would most like their child to study at university (Medicine, Engineering, Business, management and finance, and Computer and information sciences).

Source: Desk research

The average annual tuition fee across these four subjects is derived from the 10 largest universities by enrolment (number of students enrolled) in each country. Both public and private universities are included.

Tuition fees are for international undergraduate students studying at these universities and exclude any additional fees/costs such as administration, examination, books, accommodation, travel.

Tuition fee data is sourced either from the university website, by phone from their Admissions Departments or from other credible websites. Where course fees were provided in a local currency, it was converted in to USD.

The Value of Education *Foundations for the future* report was published in June 2016 and is available on www.hsbc.com

More detailed methodology is available on request.

About the Institute of International Education

The Institute of International Education (IIE) is the world leader in designing strategies and implementing programs that advance scholarship, promote access and build economies. An independent, not-for-profit organization founded in 1919, IIE has a network of 19 offices worldwide and over 1,200 member institutions. IIE manages programs of study and training for students, educators, young professionals and trainees from all sectors with funding from government agencies, foundations, and corporations around the world. These programs include the flagship Fulbright Program and Gilman Scholarships administered for the U.S. Department of State. IIE also conducts policy research, provides resources on international exchange opportunities and offers support to scholars in danger.

Allan Goodman is President and CEO of the IIE and a well-known expert into international education trends and students mobility.

HSBC is partnering with the IIE to provide expert insights to support the data from the Value of Education *Foundations for the future* research, and help understand how parents' views and attitudes reported by the research translate into student mobility trends around the world.

About HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 4,400 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,608bn at 30 June 2016, HSBC is one of the world's largest banking and financial services organisations.

The Hongkong and Shanghai Banking Corporation Limited

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HSBC in the Philippines

With over 140 years of doing business in the Philippines, HSBC is one of the world's largest banking and financial services organisations. The Bank currently has a 10-strong total branch network (including 3 branches of the locally incorporated HSBC Savings Bank) located in Metro Manila, Cebu and Davao.

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