



The Value of Education

Springboard for success

Canada Report

HSBC 

This report is based on the opinions of 301 Canadian parents who have at least one child under the age of 23 currently in education (or soon to be) and are solely or partially responsible for making decisions about that child's education. The survey was conducted online between December 2013 and January 2014.

Key findings



When presented with different options for supporting their child financially in life, parents would ideally allocate 54% of their funds to education, much more than for anything else. The next most important priorities are long-term investment funds (8%) and a deposit for a house (7%).



Confidence in the Canadian education system is strong. More than three quarters (77%) of parents rate Canada as the same or better on the quality of its education compared to the best education available in other countries.



A quarter (26%) of parents find making decisions about their child's education a daunting prospect. One in three (33%) wish they had started saving earlier for their child's education.



Over half (54%) of parents believe that paying for a child's education is the best investment you can make. However, views about private education are mixed, with only 12% of parents open to paying for elementary schooling, and 26% for high school.



Parents have high education aspirations for their child with 82% expecting them to go to university.



Parents expect a good university education to provide the ability to compete in the workplace (47%) and offer future income earning potential (43%).

Changing expectations

What parents expect from education evolves as their children grow up

At both elementary and high school, parents believe that skills in core subject areas are the most important results of education (59% elementary, 46% high school) followed by problem solving (46% elementary, 39% high school).

Building confidence is also valued in the early years, identified by 45% parents for elementary school, but dropping to 22% by high school.

Parents have clear ideas of what a good university education should provide; skills to help children compete in the workplace (47%), income-earning potential (43%) and the chance to maximise their life opportunities (39%).

Income and expectations

Parents with a household income above 110,000 CAD place greater emphasis on problem

solving skills in both high school (52%) and university (27%) than parents with a household income lower than 65,000 CAD (31% high school, 13% university).

At high school, core subject skills are more important to higher income parents (53%) compared with those with lower incomes (38%). Higher income parents also place greater importance on analytical skills at university (43%) compared with lower income parents (20%).

Mother and fathers

Mothers and fathers have different expectations of what a good education should provide. At elementary school, skills in core subject areas are more important for mothers (65%) than fathers (54%). Mothers also place greater emphasis on income earning potential (50%) from a university education compared with fathers (38%).



47%

of parents believe a good university education should provide children with the ability to compete in the workplace



The top three things a good education needs to provide at each stage



Q: Which of the following do you think a good education needs to deliver at each stage? (Base: All parents)



43%

of parents believe public schools provide children with all the necessary skills, but nearly a quarter (24%) feel that public schools fall short in this respect

Public or private education?

Many parents are positive towards the public education system but some see the value of a private education

Two in five parents (40%) believe that public schools are just as good as private schools, while just over a quarter (26%) believe they are not as good.

Just over half (51%) of higher income parents believe that a public school education is as good as a private one, compared with 32% of lower income parents.

Although 43% of parents believe public schools provide children with all the necessary skills, almost a quarter (24%) feel that public schools fall short in this respect.

One in eight (12%) Canadian parents would consider paying for elementary schooling, rising to just over a quarter (26%) who would consider paying for high school education.

Benefits and drawbacks of going private

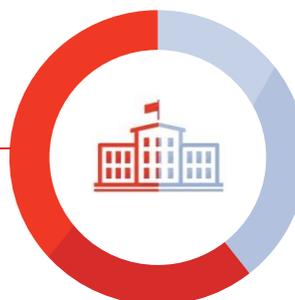
Parents acknowledge some benefits of private schools. More than half (54%) say smaller class sizes are a benefit and 39% highlight better facilities and equipment. A minority of parents (11%) do not see any advantages to a private education.

The main drawbacks to private education highlighted by parents are that schools can be too elitist (40%) and put too much pressure on children to succeed (34%). Almost a third of parents (32%) feel private education is not worth the money.

Public schools provide an education that is as good as a paid-for education

40%

Agree



26%

Disagree

Q: To what extent do you agree or disagree with the following statement (Base: All parents)



51%

of parents would consider sending their child abroad for a better university education

Education here or abroad?

Parents give a vote of confidence for Canada's education system

More than three quarters (77%) of parents rate Canada as the same or better on the quality of its education compared to the best education available in other countries.

The countries most highly regarded by parents for the quality of their education systems are Canada itself (49%), the USA (41%), the UK (32%), Japan (27%) and Sweden (23%).

University abroad

There is little enthusiasm for sending children abroad for a better education at elementary and high school (5% and 11% respectively), however, over half (51%) would consider sending their child to a university abroad.

Fathers are more likely to consider high school abroad than mothers (15% compared with 6%). Parents with a postgraduate education are much more likely to consider sending their child abroad for a better education compared with parents who did

not attend university (57% compared with 40%).

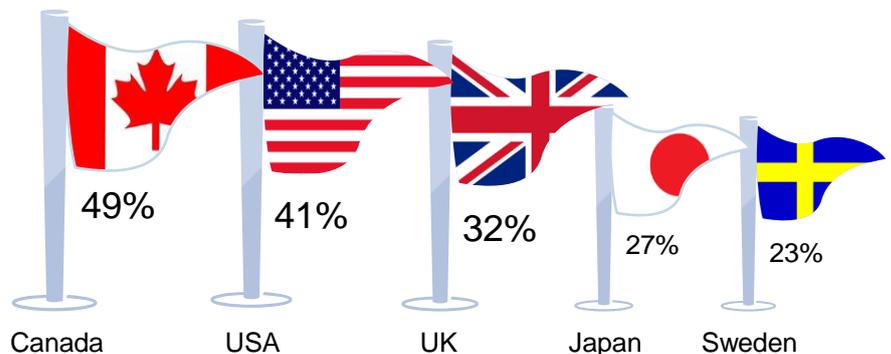
Languages, life and independence

Parents who would consider sending their child abroad to study identify several benefits: foreign language skills (54%), openings to life opportunities (53%), international work experience (52%), greater

independence (49%) and understanding different cultures (46%).

Parents with a postgraduate education are also more likely to perceive status advantages associated with sending their child abroad than those with undergraduate degrees (11% compared with 1%).

Countries perceived to offer the highest quality education



Q: Which countries would you say offer the highest quality of education? A: Rank 1, 2 or 3. (Base: All parents)

High expectations, tough decisions

The majority of parents want a university education for their child. Yet planning for, and funding, a good education is perceived as being tough

More than four in five (82%) parents expect their child to go to university. Nearly half (48%) would like their child to study to postgraduate level.

Parents who studied to a postgraduate level have the highest expectations for their children. Almost two thirds (62%) expect their child to also achieve postgraduate qualifications, compared with 37% of parents with undergraduate degrees.

Three in four parents (75%) who did not themselves go to university want their child to go to university.

While parents have high expectations, more than a quarter (26%) of parents find making decisions about their child's education a daunting prospect. One in three (33%) wish they had started saving earlier for their child's education.

A good investment

Two thirds of parents (66%) understand why someone would want to pay for their child's education. Over half (54%) of parents believe that paying for a child's education is the best investment you can make.

When presented with different options for supporting their child financially in life, parents would ideally allocate 54% of their funds to education, much more than for anything else. The next most important priorities are long-term investment funds (8%) and a deposit for a house (7%).

How to pay?

Four in five (80%) parents who would consider paid-for education for their children plan to cover the cost of fees themselves. This is higher for parents with higher household income (92%) compared with parents with lower household incomes (76%). More than two in five (45%) parents would look to scholarships to fund their child's education and a similar proportion (44%) would have their child help support their own education funding – for example through part-time work. Almost a quarter (22%) would look to grandparents for help with funding.

Savings (55%), specific education plans (53%) and current income (48%) are the most popular funding sources. One in three parents envisage a role for investments (34%) in helping to fund their child's education.

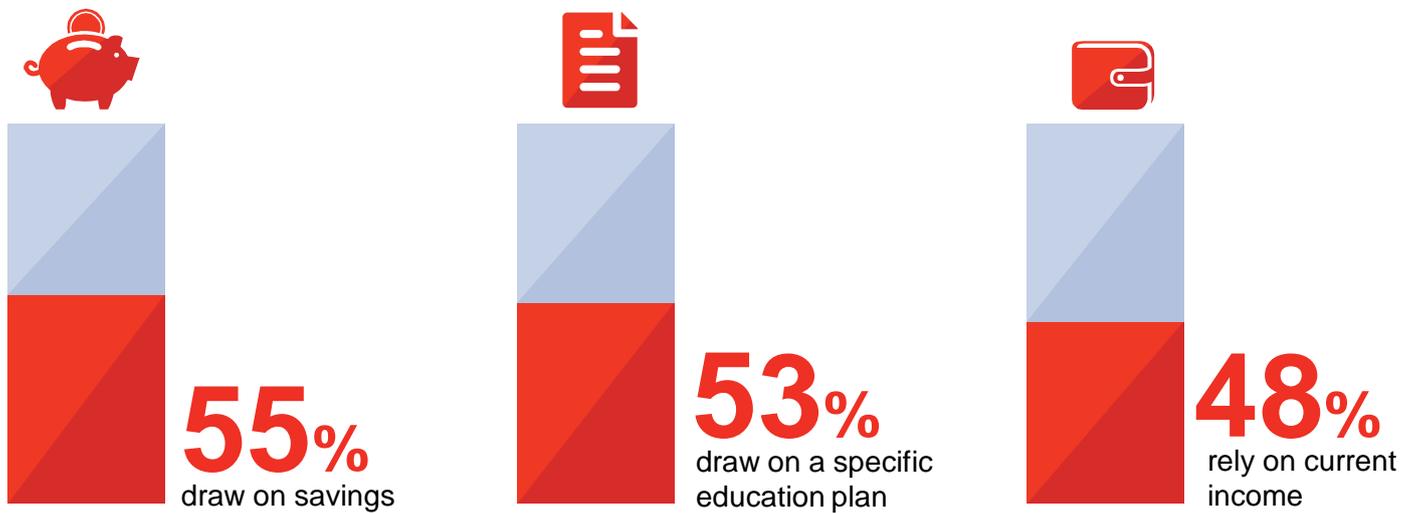


75%

of parents who did not themselves go to university want their child to go to university



Parents are most likely to rely on savings and specific education plans to fund their child's paid-for education



Q: How do you/your partner intend to fund your child's paid-for education?
(Base: Parents who would consider paid-for education at any stage and intend to fund it themselves)



Practical steps for planning your child's education

Based on the research findings, here are some important insights and practical actions for parents to consider when planning for their child's education.

1

Start saving early

33% of parents wish they had started saving for their child's education earlier. It is never too early to start planning for the future.

2

Know what is available

26% of parents find making decisions about their child's education daunting. Parents should ensure that they have enough information to make informed choices, and the funds to support the path they want their children to take.

3

Evaluate the options

29% of parents would consider private elementary or high school for their child, 82% of parents expect their child to go to university. It is a good idea to think ahead and research all of the options for you and your family.



