

News Release

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88% Malaysian parents would consider international experiences for their child

In an increasingly globalised world, the vast majority of Malaysian parents would consider experiences abroad for their child, including work placements and study abroad programmes, according to “*Foundations for the Future*”, the latest report in the Value of Education series from HSBC.

HSBC’s value of Education survey covers more than 6,200 parents in 15 countries including Malaysia.

The survey reveals that over two in five (43%) parents would consider a university education abroad for their child. The majority (98%) of parents see benefits in completing a university education abroad, with the main ones being: exposure to new experiences, ideas and cultures (71%), increasing confidence (68%), breadth of experience (65%) and International work experience (62%).

In 2013, over 4.1 million students went abroad to study, up from 2 million in 2000, representing 1.8% of all tertiary enrolments or 2 in 100 students globally. Malaysia is also one of the top ten countries in the world in terms of countries of origin of mobile students¹.

Other than considering sending their child for a university education abroad, over half (56%) of parents would consider a study abroad programme (spending a term or a year at a university in another country), whilst over two in five (42%) parents would consider a work placement in another country for their child.

Considering the high expense associated with studying abroad, parents with a monthly household income of MYR5,000 or above (51%) are most likely to consider sending their child aboard to university, than are parents with a monthly income of less than MYR5000 (22%).

However, the higher cost associated with an international university education is seen by parents as a barrier to their child studying at university abroad. Parents in Malaysia (64%) and Singapore (63%) are the most likely to say that higher cost is a potential barrier to them.

Parents who have saved towards their child’s education are more likely (45%) to consider a university education abroad for their child, than are those who have never saved (30%).

The survey also shows that, 96% parents in Malaysia are most likely to consider a postgraduate degree for their child – the highest among the countries surveyed for the report.

¹ UNESCO

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Naturally, vast majority of parents' ambitions go beyond higher education, with having a particular career path in mind for their child. Their preferences are mostly driven by the income-earning potential and job security and occupation can offer, as well as the perceived benefits to the society. According to the survey, the most preferred occupation for their child are Medicine (22%), Engineering (16%), Government (10%), Education (9%) and Finance (9%).

The report also reveals that income-earning potential (45%), job security (43%) and an occupation's perceived benefits to society (43%) are the main reasons why parents would favour a specific occupation for their child.

The vast majority (95%) of parents think that getting a full or part-time job is an important step in their child becoming financially independent.

Parents also see the value of training to improve their child's carer potential. If they had not found employment in their chosen occupation within a year of completing university, nearly half (47%) of parents would advise their child to take an accredited training course to increase their workplace skills.

Lim Eng Seong, Country Head, Retail Banking and Wealth Management, HSBC Malaysia, said, "parents have high ambitions for their children and to support their ambitions, parents should have a realistic plan in place for funding their child's higher education. By saving early and by seeking professional advice when necessary, parents will be better placed to support their high ambitions and support all career opportunities for their children."

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About HSBC in Malaysia

HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited (a company under the HSBC Group). In 2007, HSBC Bank Malaysia was the first locally incorporated foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, and HSBC Amanah Malaysia Berhad, a full-fledged Islamic bank wholly owned by HSBC Bank Malaysia, commenced operations in August 2008. HSBC in Malaysia has a network of 68 branches nationwide, of which 26 are HSBC Amanah Malaysia Berhad branches. HSBC Amanah Malaysia Berhad also has offsite ATMs established in 25 locations nationwide. In 2006, HSBC was the first foreign bank to be awarded a Takaful (Islamic insurance) license in Malaysia. HSBC Amanah Takaful (Malaysia) Sdn Bhd, a joint venture between HSBC Insurance (Asia Pacific) Holdings Limited (49% shareholding), Jerneh Asia Berhad (31% shareholding) and Employees Provident Fund Board of Malaysia (20% shareholding) commenced operations in August 2006.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves over 47 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,000 offices in 71 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,410bn at 31 December 2015, HSBC is one of the world's largest banking and financial services organisations.

The Value of Education Foundations for the future

The Value of Education Foundations for the future report 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.