

Media Release

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Families Prepared To Go Without To Educate

The global financial downturn is affecting Australians' feelings of preparedness to cope with the costs of their children's education according to a survey commissioned by the Australian Scholarships Group (ASG). The survey reveals that parents still consider education a top priority for their children, however they are bracing to endure the short-term pain of lifestyle changes rather than opting for the longer-term strategy of saving for education. More parents are willing to go without luxuries, cut back on everyday expenses and go without a holiday to afford their children's education.

Ms Michelle Hunder, ASG's General Manager – Development, said the survey indicates that although Australians continue to rank education as important, nearly half the respondents with a child or grandchild under 10 years do not feel prepared to meet the costs of educating their children (significantly more than previously reported), and only 35 per cent have a financial arrangement in place to save for education.

"Education continues to rank as one of life's major priorities, but we still haven't got the message through to parents and grandparents that it requires planning to meet the costs irrespective of whether people choose government or independent schooling options," Michelle concluded.

Over the past 15 years education costs have risen substantially. Information from the Australian Bureau of Statistics shows that the education fees component of the Consumer Price Index has been rising at almost double the rate of inflation.

"Particularly in tougher times, people realise the importance of education. Parents will try to ensure education doesn't suffer. Families are telling us they will make cuts elsewhere in order to continue meeting education costs for their children," Michelle said.

ASG's survey (conducted through Nexus Research and allowing participants to select multiple responses – see the survey report for full details) has shown more Australians are willing to suffer the pain of lifestyle changes than was reported in the previous survey:

- Going without luxuries – 49 per cent – up five per cent
- Cutting back on everyday expenses – 45 per cent – up 10 per cent
- A weekly savings plan – 42 per cent – up three per cent
- Going without a holiday – 41 per cent – up seven per cent
- Take on extra work – 33 per cent – up seven per cent
- Return to the workforce – 31 per cent – up five per cent
- Take out a loan – 16 per cent – up five per cent
- Move house – 15 per cent – up three per cent

"ASG is receiving more enquiries from Australians wanting to turn to a disciplined education planning solution like ASG's Education Program because increasingly people recognise they have more of a spending disposition than a saving disposition," Michelle said. "Of course this is not a new trend. Nationally personal debt continues to spiral, but one reason ASG's members value its Education Program is because it provides them with a discipline they might not otherwise have without a framework."

The survey results come in the midst of forecasts that education costs for 2009 continue to rise. ASG estimates that parents will pay the following amounts this year:

- **Preschool:** Government - \$2,779; Systemic (Catholic) - \$4,520; Private - \$7,195 per annum.
- **Primary:** Government - \$5,536; Systemic (Catholic) - \$7,442; Private - \$13,130 per annum.
- **Secondary:** Government - \$5,938; Systemic (Catholic) - \$12,144; Private - \$22,436 per annum.

(Further details can be found at ASG's website: www.asg.com.au - look in the Resources section in Education Costs.)

Michelle Hunder says ASG has two important messages for parents from the survey: first, begin saving for education as early as possible and second, when choosing schooling options look for schooling choices that offer value and ensure that the school meets their child's needs and their own education preferences.

For those parents struggling with the payments of independent school fees, ASG offers a payment plan solution through its School Plan program. Further information can be found at: www.schoolplan.com.au or by calling 1800 337 419.

Above all, ASG recommends that parents and grandparents plan for the future costs of their children's and grandchildren's education. A number of planning tools and tips can be found at ASG's website – www.asg.com.au or by calling 1800 648 945.

Further details about the research can be found in the survey report on ASG's website: www.asg.com.au in the Resources section – Research and Publications – *Survey Report: Families Prepared To Go Without To Educate*.

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