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Cost of education up by 48 per cent over decade

The cost of a private education in New Zealand has risen by 48 per cent in the past decade according to exclusive research released today.

The ASG Planning for Education Index discovered that for a child born in 2017 the estimated cost of a 13 year private education across New Zealand is \$345,996¹, a jump of \$112,318 compared to a child born in 2007 (\$233,678). The estimated cost of a state integrated education has risen by 34 per cent over the same period to \$109,354, and the cost of a state education has climbed 15 per cent in the past 10 years to \$38,362.

The ASG Planning for Education Index, which is independently verified and based on almost 2000 responses, measures a range of variables including school fees, transport, uniforms, computers, school excursions and sporting trips to determine the costs of education.

ASG CEO John Velegrinis says New Zealanders are fortunate to have excellent state, state-integrated and private schools to choose from, but costs can spiral out of control.

"If you have three children, the cost of educating them in New Zealand's private education system could top more than \$1 million. That's significantly more than the purchase price of the average family home.

We advocate parents use a disciplined approach by putting a little bit away each week so they can financially afford to meet their children's educational goals and aspirations."

New Zealand parents fare better than Australian parents, who can expect to pay significantly more for their children's education across state and private schools over 13 years.

The ASG Planning for Education Index reveals for a child born in 2017, Australian parents could pay up to 88 per cent more, or an extra \$33,558², to send their child to a state school in metropolitan Australia. The difference in the forecast cost of a private education between the two countries is 48 per cent with Australian parents expecting to pay \$164,575 more than New Zealand parents.

Mr Velegrinis says the cost of education in New Zealand has risen by double the rate of inflation over the past decade.

"This is quite significant because the underlying trend is that this gap between the costs of education and the CPI is continuing to expand over time. Independent research predicts the cost of education will increase, irrespective of whether you send your child to a state, state integrated or private school.

¹ These figures are the average estimated costs and represent the highest amount parents and families could expect to pay.

² Australian figures are shown in NZD

Estimated costs for a state education in New Zealand have risen by 15 per cent over the last decade, and costs for a state integrated and private school education have gone up by more than \$27,000 and \$112,000 respectively."

Auckland mother of two Edwina Mandisodza enrolled her son Tanaka (year 8) into ASG when he was only six weeks old and says she made a deliberate decision to start saving and planning ahead for her sons' education. Edwina's eldest son, Arthur starts university this year.

"Giving our sons a good quality education is really important to us but it hasn't been cheap. We've had to pay around \$480 in schools fees per child on top of uniforms, stationary and activities such as the school trip to Fiji.

I know that university is a lot more expensive and you have to budget for it. I've done a couple of post graduate degrees myself so I'm quite aware of how much it costs and I didn't want them to have a large debt. Arthur is hoping to get accepted into engineering this year at Auckland University of Technology so the ASG funds will go towards supporting his education."

Independent statistician and Managing Director of foreseechange Charlie Nelson says a range of economic factors influence the cost of education.

"Employment growth, hourly wages and inflation all impact the cost of living, which puts extra strain on the family budget.

With school fees likely to rise further, it has never been more important for parents to financially plan for their child's future."

For more information about ASG call 09 366 7670 or visit www.asg.co.nz

Summary of total education costs for a child born in 2017

	State	State Integrated	Private
National	\$38,362	\$109,354	\$345,996

These figures are the average estimated costs and represent the highest amount parents and families could expect to pay. ASG cannot guarantee that they will represent the actual costs of education for a particular child.

Estimated average costs to educate a child born in 2007 and 2017 across New Zealand

	2007	2017	%
State	\$33,274	\$38,362	15
State Integrated	\$81,765	\$109,354	34
Private	\$233,678	\$345,996	48

For comprehensive summary sheets detailing the cost of education in New Zealand visit:
www.asg.co.nz/edcosts

ASG's online Education Costs Calculators available at www.asg.co.nz/calculator enables families to estimate the cost of their child's education

Editor's notes

ASG conducts the ASG Planning for Education Index annually, asking parents to estimate education costs, which cover primary and secondary schools in New Zealand. Cost estimates are based on almost 2000 responses collected by ASG.

A researcher and independent statistician reviewed the data and calculated the future cost of education using the New Zealand Department of Statistics approved CPI indexes.

ASG Education Programs New Zealand is a member owned organisation, helping to create educational opportunities for children. ASG Education Programs New Zealand has been helping families and their children for 25 years. ASG was established in Australia more than 40 years ago. During this time, more than 530,000 children in both countries have enrolled and more than \$2.6 billion in education benefits and scholarship payments returned to members. For more information visit: www.asg.co.nz

Media contact

For further information or to arrange an interview with ASG CEO John Velegrinis or an ASG member please contact:

Penny Hartill

hPR

Mobile: 021 721 424

Email: penny@hartillpr.co.nz

Nicole Gundi

ASG

Mobile: +61 404 028 794

Email: ngundi@asg.com.au