

30 August, 2016

Education not treated as a financial priority by Australians

ASG is calling for both parents and the Australian government to recognise education as a financial priority in the same way that focus is given to other major life events such as saving for retirement.

The *Repositioning Education as a Major Life Event* white paper released by ASG this week, surveyed 1,000 Australian parents to understand their behaviours and attitudes towards education in comparison to other life events such as saving for a holiday, purchasing property, investing in retirement savings, getting married or having children.

"Since ASG was established more than 40 years ago, we've consistently seen the cost of living, property prices and cost of education rise; at the same time, wage and salary growth has struggled to keep pace. This has increased the financial burden on Australians and their financial priorities have shifted as a result," says John Velegrinis, CEO, ASG.

"In addition, as family financial commitments continue to grow, we're seeing little support from government initiatives and policies that will help to ease these pressures; making saving for education more important than ever for Australian parents," adds Mr Velegrinis.

According to the research, 93 per cent of Australian parents believe it is important to save for education. However, other major life events such as buying a house (94 per cent) retirement (93 per cent) and having children (87 per cent) are perceived to be just as, or more, important.

While there is strong intent among parents to save for education, the reality is quite different. ASG's survey of parental attitudes towards saving for education revealed that only 36 per cent save for their children's primary school education, 37 per cent for secondary education and falls to 34 per cent for post-secondary education.

"The results highlight the gap between this perceived importance of saving for education and how families are actually planning, prioritising and saving for future education costs. While an attitude change is required from parents, Australians are also in need of greater financial support and resources from the government to assist them in supporting their child's learning journey," says Mr Velegrinis.

ASG is urging the Australian federal government to recognise education as a major life event in a manner similar to the way retirement is viewed and treated in policies and government outcomes. In this way we believe that there is an opportunity to share the financial burden and responsibility between all stakeholders—parents and government.

"Education policies have been a topic of conversation for many years, however, few have focused on preparing and supporting individuals and families to meet the growing challenges relating to the cost of education. With 85 per cent of parents agreeing that the government should help them pay for their children's education, more can be done to incentivise savings and benefits," adds Mr Velegrinis.

According to Mr Velegrinis, while government spending on education has been increasing, incentives to share the burden of saving for major life events have been geared towards encouraging Australians to invest in their superannuation and retirement savings.

"A co-contribution education savings scheme, similar to long standing programs in Canada and the U.S.A, could see Australian parents reprioritise education as a major life event. With this comes the opportunity to change, enhance and enrich the lives of generations to come.

While some life events are out of our control, managing the cost of education can be planned for. Education is the foundation on which we build the rest of our lives, making it one of the most critical investments that families, communities and governments can make," concludes Mr Velegrinis.

-ENDS-

About ASG:

ASG's mission is to support the education needs of all individuals from children to adults at any of their lives. ASG also believes all individuals deserve equal access to education regardless of wealth, status and capability.

We achieve our mission by providing a range of financial products to help offset the cost of education and learning and providing valuable educational resources. As a member owned organisation we also advocate for members' interests by advocating for the importance of education and learning in nation building.

ASG has supported parents plan for the cost of their children's education for more than 40 years. During this time, more than 530,000 children have been enrolled with ASG and more than \$2.5 billion in education benefits and scholarship payments have been returned to members and their children.

To learn more, visit: www.asg.com.au.

For further information on *The Repositioning Education as a Major Life Event* white paper, or to coordinate an interview with ASG CEO, John Velegrinis please contact:

Candi Hindocha

IMPACT Communications Australia

candi@impactcommunications.com.au

02 9519 5411 | 0459 104 978