

## **PRESS RELEASE -**

### **New Research Highlights Financial Impact of COVID-19 on Parents**

- Nearly half of parents surveyed believe their financial situation has been negatively affected by COVID-19
- Over a third of parents surveyed believe that COVID-19 pandemic disruption will negatively affect their child's learning

**27 August 2020** - Nearly half of parents surveyed (42 percent) believe their financial situation has been negatively affected by COVID-19 through reduced income and/or increased costs. As a result, almost one-in-four (23 percent) parents believe they will suffer from increased financial strain in sending their children to school due to the economic impact of COVID-19. This is according to new research entitled *The Cost of Education in Ireland*, commissioned by Zurich.

60 percent of parents had some form of family savings in place and were able to reduce the financial strain of COVID-19. However, over a third (39%) of parents said they are now more likely to create a family savings fund to protect their family against the impact of potential future crises, similar to COVID-19.

Almost one in four (23%) parents say the cost of rearing their children has increased as a result of the COVID-19 pandemic, while 17% say their costs have decreased. Sixty percent believe their costs have remained the same. The research was carried out to ascertain the current cost of schooling children in Ireland and found that:

- The average annual calculated spend to send a child to secondary school in Ireland is now €1,891 (+€156 vs 2019).
- While most secondary school expense categories remain relatively steady compared to last year, the Zurich research shows the highest spend during the secondary school year was Grinds (€368) +€8 vs. 2019 and lunch (€224) +€24 vs. 2019 closely followed by school trips (€220) +€22 vs. 2019.
- While activities fall into one of the lower cost categories for children at secondary school, it remains the highest spend for parents of primary school children (€202).
- Parents of primary school children now estimate it costs €668 per annum (+€180 vs 2019) to keep their child in primary education; whereas the average calculated cost is actually €1,010 for one year of primary school;
- 61 percent of parents say that primary schools are not doing enough to keep back-to-school costs down.
- Parents of primary school students are spending an average of €123 (+€34 vs 2019) on schoolbooks and €97 (+€22 vs 2019) on school uniforms. This compares to an average spend of €213 (+ €35 vs 2019) on schoolbooks and €159 (+€30 vs 2019) by parents of secondary school children.
- Almost 3 in 4 parents (74%) feel Irish secondary schools could do more to help parents keep the costs of going back to school down.
- To ease the financial burden of education costs, over one in ten (13 percent) primary school parents have taken out a loan to cover the cost of education while almost a sixth (16 percent) of all secondary school parents have sought financial assistance to cover the financing of their child's education.

Commenting on the findings, **Jonathan Daly**, Head of Life Retail Distribution and Propositions at Zurich said:

*“The findings from this year’s research highlight the increased financial strain many families are under since the outbreak of the COVID-19 crisis. However, the pandemic has also highlighted the importance of saving money and early financial planning. There is an opportunity now for families to make some of the money-saving habits sparked by the pandemic stick long-term. Opening a savings account when children are under a year old will allow you to prioritise education costs before they become a significant financial burden.”*

Ensuring they can provide for their children’s education, from primary school right through to third level, is a priority for all parents. While education in Ireland is free in principle, the reality is that the costs of education are substantial and continue to rise. With a tailor-made savings plan from Zurich from as little as €75 per month, parents can gradually build up the funds necessary to support their children’s education. Zurich encourages people to talk to an independent financial advisor to help set their savings goals, plan their budget, and choose the right plan for their family.

Parents can use [Zurich’s Cost of Secondary School Calculator](#) to work out the estimated costs of sending their children to secondary school and to see how much they might need to save each month to meet secondary school costs. The calculator is also accessible via Digital Voice Assistants - see here for more: <https://www.zurich.ie/blog/zurich-ireland-voice-services/>

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#### **About Zurich in Ireland**

Zurich is one of Ireland’s leading insurance providers, offering a wide range of general insurance and life insurance products and services. Zurich Ireland entities employ over 1,000 people across locations in Dublin and Wexford. Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

#### **About Zurich Insurance Group**

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 215 countries and territories. Zurich’s customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872.

#### **About the research**

The annual Cost of Education in Ireland study was conducted by iReach Market Research on behalf of Zurich Life Assurance plc. The survey, which included a sample of 600 respondents, is nationally representative and was undertaken from 25<sup>th</sup> June to 2<sup>nd</sup> July 2020. The annual Cost of Education in Ireland study has been carried out each year since 2017.