

## Zurich research highlights sustained financial impact of Covid-19 on parents

- Almost 40% of parents are now more likely to create a family savings fund to protect their family against the impact of potential future crises such as Covid-19. One third of parents surveyed believe their financial situation has been negatively affected by Covid-19.
- Zurich offers parents a Cost of Education Benchmarking Tool to help manage third level costs.

**DUBLIN, 7 September 2021:** One third of parents surveyed (33%) believe their financial situation has been negatively affected by Covid-19 through reduced income and/or increased costs. In turn, almost one in five (19%) parents say they are suffering from an increased amount of financial strain in sending their children to school or college due to the economic impact of the pandemic. However, 59% of parents had some form of family savings in place and have been able to reduce the financial strain of the pandemic. Almost 40% of parents 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. This is according to new findings in Zurich's annual The Cost of Education in Ireland research which highlights the costs of sending children to educational institutions in Ireland.

The report finds that the average additional spend (e.g. on items like tablets/devices, stationery and art supplies) associated with school and college shutdowns during the Covid-19 pandemic is €706. Parents of third level students estimated that it costs them €7,704 (+€1,531 vs 2020) to send their child/children to college. For parents planning for the significant costs associated with third level education, they can use Zurich's Cost of College Education Calculator to work out the estimated costs and to see how much they might need to save each month to meet these costs. Parents can also use Zurich's Cost of Education Benchmarking Tool to see how their college costs compare to the average and pinpoint the expenses where they could be making greater savings.

The Zurich research was carried out to ascertain the current cost of educating young people in Ireland and found that, for third level education:

- The majority (64%) of students studying at third level education, currently live at home (+4% vs 2020).
- Rented accommodation for students in third level had an average annual cost of €5,931 (+€2,233 vs 2020).
- 48% of students attending third level education take public transport when travelling to and/or from college. The average spend on transport costs for those who travelled to college throughout the academic year was €344 (-€14 vs 2020).

- 51% of parents state that their child/children have a job as well as attending college (-12% vs 2020).
- 73% of parents provide financial support, outside of rent, transport, and college fees. The average monthly spend provided is €201, which is approximately €1,809 for the duration of the academic year (9 months).

Commenting on the findings, Jonathan Daly, Head of Life Retail Distribution and Propositions at Zurich said: “The findings of this year’s research highlight the sustained financial strain that many families have had to endure since the outbreak of Covid-19 last year. In third level education, for example, increases in the cost of accommodation continue to be a significant expense”.

“However, the pandemic has highlighted the importance of saving money and early financial planning, with many families having had some form of savings in place to help reduce the strain. 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 €100 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.

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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 552 respondents, is nationally representative and was undertaken from 3rd June to 10th June 2021. The annual Cost of Education in Ireland study has been carried out each year since 2017.