

Over 40% of College Student Parents Fall into Debt to Fund Children’s Third-Level Education

- Number of parents falling into debt is down on previous year.
- For those living away from home, the highest cost by far is accommodation. Outside of accommodation, college fees are the largest expense for parents supporting third-level education.

AUGUST 2019 - The financial cost of putting a child through college is significant with an average total spend for third-level education per year of €4,611 per student, if the student is living at home. For those not living at home the highest spend item during the college year is accommodation with the average cost ranging from €3,750 to €4,219 per year. This is according to new research entitled *The Cost of Education in Ireland*, published by Zurich.

In the most recent academic year, 51 percent of college students lived at home while 19 percent lived in student accommodation and 28 percent in other rented accommodation.

In 2019, the cost of college student accommodation increased by €777 compared to the previous academic year, now costing parents on average €4,219 per year. In comparison, the average cost for those renting private accommodation is €3,750 per year.

College fees were also among the highest spend items for the most recent academic year, at an average of €2,316 per year.

The average spend on transport to college across all students has increased slightly from €303 per year in 2018 to €315 per year in 2019. That said, there is a significant number of students, 19 percent, who spend upwards of €900 on transport annually.

In terms of getting around, 30 percent of college students use cars as their main mode of transport (up 8 percent on the previous year), while 56 percent use public transport and 13 percent cycle (both up 3 percent on the previous year).

The Zurich study found that 70 percent of parents consider covering the cost of their children’s education to be a financial burden. Three quarters of parents (75 percent) have a savings account and 39 percent of parents believe the best time to start saving for their child’s education is when the child is less than one year old.

When it comes to paying for third-level costs, 48 percent of parents use savings to pay for their children’s college while 56 percent use monthly income. There is also a reduction in the level of parents getting into debt to cover college related expenses. 41 percent of parents say they got into debt to cover college-related expenses in 2019 compared with 52 percent in the previous year. Of those parents who got into debt, the average debt amount reduced to €1,388 from €1,577 with 66 percent in debt of over €1,000 (compared to 79 percent in 2018). The number of those with a debt of €2,000 or more has also gone down from 57 percent to 46 percent.

Commenting on the findings, **Jonathan Daly**, Head of Life Retail Distribution and Propositions at Zurich said: *“The findings of this year’s research show that the cost of third-level education remains a challenge for parents particularly for those who have the added cost of accommodation. While total college costs will differ from student-to-student, the best way to prepare for all eventualities is to start saving early. This year’s research highlights some financial relief among parents of college students possibly the result of parents being gradually better equipped to finance their children’s college costs.”*

Ensuring they can provide for their children’s education, from primary school right through to third level, is a priority for parents. 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.

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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 54,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 210 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 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 23rd to 29th May 2019.

The study also covered **primary and secondary school costs** - for more information, please contact Maura McCarthy, ReputationInc, on +353 (0)1 412 0529 or at mmccarthy@reputation-inc.com.