



## Media Release

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### **THE VALUE OF EDUCATION: FAMILIES FEELING THE PINCH AS SCHOOL FEES TAKE 20 PERCENT OF VIC HOUSEHOLD INCOME**

A new study released today by Real Insurance shows the true price of sending children to private schools, with four in five parents in Victoria admitting to making significant financial sacrifices in order to meet rising fee demands.

The *Real Insurance Australian Education Survey* is the third instalment in a series of national studies to investigate the shifting values and concerns affecting Australian families.

For many Australian parents, the real or perceived value of a child's private education has led to a very tangible impact on family finances, which are being juggled around to ensure private schooling is a goal within reach.

Head of Corporate Affairs and Real Insurance spokesperson Tatiana Day said, "The results shed light on a battle that a large number of parents in the state face every day, with one in three estimating that at least 20 percent of their household income is going towards their children's private school fees."

The main spending areas for parents in Victoria included cutting back on holidays (46 percent) and cutting back on entertainment and dining out (43 percent).

"In addition to these common money-savers, a considerable number of Victorian parents must take a more drastic approach. Almost 20% downscale their necessary home renovations or repairs and almost one in seven work multiple jobs in order to finance their children's private education," said Mrs Day.

Another one in three parents in the state have received financial assistance from family members to pay private school fees.

"Probing further into these findings, we wanted to examine the perceived value for parents in sending children to private schools, particularly in light of the financial and other sacrifices that affect the family unit," said Mrs Day.

In terms of Victorian parents' major drivers for sending a child to a private school, personal development rated highest (70 percent), followed closely by level of discipline (69 percent), outstripping scholastic aspirations such as standard of education (64 percent) and academic results (59 percent).

"In a low-wage growth economy, the enduring emphasis placed on private education is such that one in three parents in Victoria have needed to anticipate or make a decision about which child would be sent to a private school," continued Mrs Day.

“While private education costs continue to rise, it is interesting to note that much of parents’ value assessment of the private school sector lies outside the realm of academic achievement,” said Mrs Day.

The research also challenged perceived notions of elitism in terms of private schools giving students a financial ‘leg up’ later in life. In fact, parents across the state who attended a private school themselves said it had helped them with their financial position and social network the least (with 19 percent and 17 percent respectively), sitting behind general life preparedness (23 percent).

Comparatively, Victorian respondents who attended a public school themselves rated their financial position the lowest (17 percent), suggesting that an individual’s financial position later in life is not correlated with the type of school they attended – at least in terms of perception.

In addition, almost all Victorian parents who attended public schools said their school helped them better prepare for life after year 12 (88 percent).

Dr Karen Phillip, one of Australia’s leading family and parenting experts said, “The research findings add weight to a noticeable trend away from the traditional stereotypes of independent and government schools. We’ve seen a steady shift towards independent schools as more parents feel they are able to make a choice about where their children attend school, albeit not without sacrifice.”

“This shift has also seen both sectors enrolling students from diverse social, economic and cultural backgrounds. There are also selective public schools with rich and varied curricular and co-curricular activities and advanced facilities,” said Dr Phillip.

Ultimately, the findings indicate that more than half of parents of both public and private school children across the state agree that education as a whole has improved over the past 30 years.

“A key takeout from the research is that traditional stereotypes of both systems are not necessarily an accurate representation of the values Australian parents place on their children’s schooling,” concluded Mrs Day.

Supporting data is available on the Real Insurance website,

<https://www.realinsurance.com.au/news-views/australian-education-survey-private-vs-public>

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## **About Real Insurance**

Real Insurance is an award-winning Australian insurer, with a goal to protect the quality of people's lives. Real Insurance has been named as the top Risk and Life Insurer in Roy Morgan's 2015 annual Customer Satisfaction Awards and was also awarded the 2014 Highly Commended Trusted Brand Award in the Life and Funeral Insurance categories, as voted for by Australian consumers. The company has been in the Australian market since 2005 with product offerings in car, home, life, income, pet, funeral, travel and bike insurance. Real Insurance is a trading name of Greenstone Financial Services Pty Ltd and The Hollard Insurance Company Pty Ltd.

## **About the 'Real Insurance Education Survey'**

In order to explore the role schooling plays in modern Australian society, CoreData surveyed 1000 typical Australian parents across the nation in mid-April 2016.

The sample collection employed soft quotas to monitor representativeness of the Australian adult population and to ensure there were sufficient numbers of parents who have children in public or private schools. Hard quotas by state were also engaged to ensure all the main states were represented with sufficiently robust samples (NSW = 221, VIC = 200, QLD = 200, WA = 179, Remaining states/territories = 200)