

One in three families now relying on loans to help finance their children's education due to rising school costs, research reveals

9th July 2018

- Number of parents taking out a loan to cover primary school costs has doubled
- Parents feel schools not doing enough to minimise back-to-school costs

July 2018 – The cost of primary school education is **42 percent higher than parents expect, while the cost of secondary school education comes in 21 percent above parents’** expectations, according to new research entitled [The Cost of Education in Ireland](#), published by Zurich Life Assurance plc (Zurich Life).

In 2018, the cost per child of nearly all primary school expense categories increased with parents now paying €88 for books, €71 for uniforms, €64 for footwear and €52 for supplies annually. The highest spend during the primary school year was extra-curricular activities which cost on average €191 per child per year. Meanwhile the highest spend items during the secondary school year were grinds (€279) and lunch (€177). In total, parents estimate that it costs €584 per year to send a child to primary school, and €1,236 per year for secondary school.

In relation to the Back to School allowance, both primary school (89 percent) and secondary school (82 percent) parents deem the Back to School allowance insufficient in covering their children’s basic school costs.

The financial pressure to cover the costs of their children’s education has resulted in 19 percent of primary school parents and 34 percent of secondary school parents falling into debt. For those parents who got into debt to cover secondary school costs, the average debt amount stands at €794. The average primary school debt figure stands at €385.

The number of parents who have taken out loans to cover the cost of primary school education has doubled (now 17 percent compared to 9 percent last year). The number of parents taking out loans to cover the cost of secondary school has also gone up with almost one in three families now relying on loans to help finance their children’s education.

The best way to manage and minimise the potential financial burden of paying for a child’s education is to create a plan and start saving early. Nearly half of parents (49 percent) define their top saving priority as covering their children’s education costs and 42 percent agree that the best time to set up a savings account is when their child is less than one year old.

Currently two thirds (67 percent) of parents have or plan to set up a savings account for their children. There was a decrease in the number of parents who have a savings account, from 77 percent of parents last year to 72 percent today with the average savings amount slightly falling from €5,299 to €5,273.

Commenting on the findings, **Jonathan Daly**, Head of Retail Distribution and Propositions at Zurich Life said: “The findings of this year’s research show that the cost of primary and secondary education is significantly higher than parents expect and more than ever families are taking on debt to finance their children’s schooling. It is unsustainable for families to rely on borrowing to fund their children’s future and the most effective solution against this is rigorous early financial planning.”

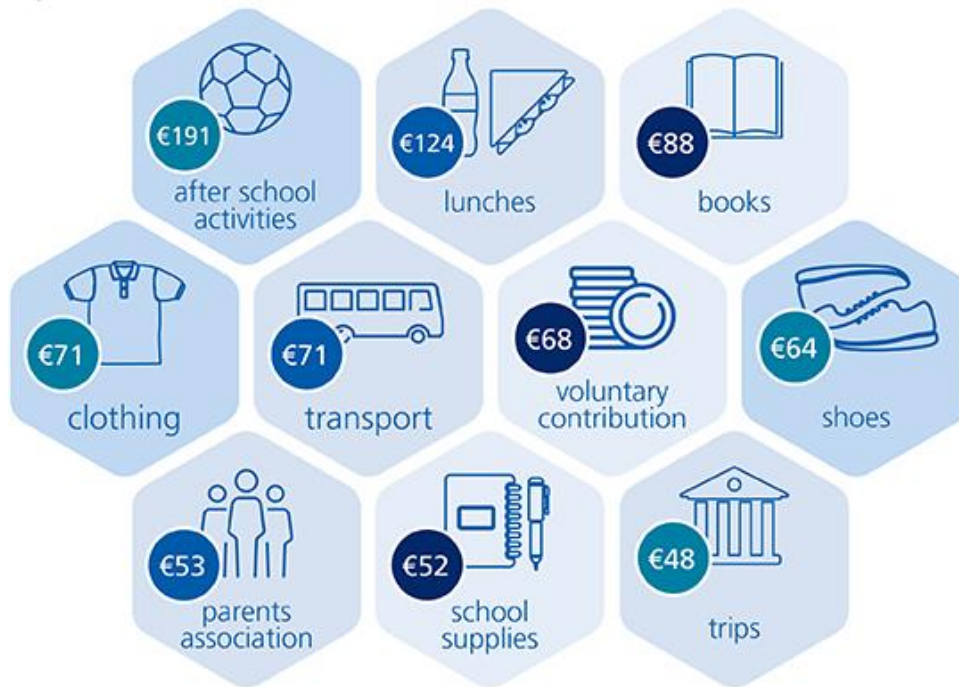
“Early and consistent saving is the best way to prepare for covering your child’s education costs. Opening a savings account when children are under a year old will allow you to prioritise education costs before they become a significant financial burden.”

A great education is the best possible start in life and for most parents ensuring they can provide for their children’s education, from primary school right through to third level, is crucial. Zurich Life understands that while education in Ireland is said to be free, this is never the reality and costs are rising per child. With a tailor made plan from Zurich Life from as little as €75 per month, you can gradually build up the funds necessary to support your children’s education. Talk to Zurich Life for help with setting your savings goals, planning your budget and choosing the right plan for you.

Use our [Cost of College Education Calculator](#) to work out the estimated costs of sending your children to college and to see how much you might need to save each month to meet these college costs.

The Cost of Primary School Education

Primary School



Annual Cost €830 | Lifetime Cost €6,640

The Cost of Secondary School Education

Secondary School



Annual Cost €1,495 | Lifetime Cost €7,218

The Cost of Third Level Education



Annual Cost

With rented accommodation | €9,011
With student accommodation | €8,336
Living at home | €4,894

Lifetime Cost

With rented accommodation | €36,044
With student accommodation | €33,344
Living at home | €19,576

Source: Zurich Cost of Education Survey 2018

For further information, please contact:

Neal
Senior

Communications

Heavey,
Specialist.

Email: neal.heavey@zurich.com

About Zurich in Ireland

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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 24th to 31st May 2018.