

HSBC Bank International Expat Explorer Survey 08

Report Two: Offshore Offspring

The Expat Explorer survey

The HSBC Bank International Expat Explorer survey is the largest ever independent survey of expats, questioning 2,155 expatriates across four continents. The results of the survey, which have been divided into three parts (Expat Experience; Offshore Offspring and Integration), reveal a fascinating insight into how expat life differs across the globe.

Offshore Offspring

The Offshore Offspring report focuses on the challenges experienced by families raising children while living and working abroad. Expat parents were asked to rate their host country in five areas:

- ▶ Time their children spent outdoors
- ▶ Time their children spent studying
- ▶ Cost of raising children
- ▶ Number of languages spoken by their children
- ▶ Whether their children would remain in the country

Key Findings

The cost of raising children abroad

Expats revealed that Spain, India and China are the cheapest countries in which to raise children, with finance capitals the most expensive – the UK was the most expensive country, followed by the UAE and Hong Kong.

“The UK again scored poorly and is the most expensive location to raise children”

Travel abroad for more active children

Generally, expats experience a more active lifestyle away from home and this is reflected in the experiences of their children. Almost half of expats reported that their children spent more time outdoors in their adopted countries. Australia leads the table, where over three-quarters (80%) of parents reported that their children spent more time outdoors, followed by Spain (59%) and France (57%).

“Expat children in India spend less time outdoors, however are the healthiest overall”

The cultural advantage

A third of parents overall said that their children studied more since relocating and over half (56%) revealed that it remained about the same. Only 10% of expats overall reported a decrease in study time. Expat children also speak more languages – those living in European countries learn the greatest number of languages, with almost all (94%) of those in Spain speaking two or more languages.

“Expat children in Europe learn more languages, however those in Asia stick with their native tongue”

Offshore Offspring methodology

- ▶ The Expat Explorer survey was conducted by independent research companies – data capturing was undertaken by Virtual Surveys between the months of February – April 2008, with data analysis conducted by Freshminds. The whole survey looked at a wide range of topics relevant to expats' lives including lifestyle elements such as living standards and an expat's ability to earn and save; to issues affecting expat offspring such as cost to raise and study time; to integration.
- ▶ For Offshore Offspring, each country was measured on the cost of raising a family, how much time they spent outdoors, children's study time, additional languages learnt and how long parents believe their children will stay in the country after they have grown up. The final ranking in the data table is based on the average score generated using the criteria below:

Best Country	Ranking Criteria	What determines a good score for a country?
Offshore Offspring	1. Outdoor time	An increase in time spent outdoors – ranked on percentage that answered "spend more time"
	2. Study time	An increase in time spent studying – ranked on percentage that answered "spend more time"
	3. Cost to raise	A lower cost (includes education and other costs) – ranked on the net difference between those who responded "increase" and those who responded "decrease"
	4. Languages	Where children speak more than two languages – ranked on total percentage that answered "2/3" or "4/5" or "6+ languages"
	5. Remain in country	Parents' belief that their children will stay after they have grown up – ranked on percentage who responded positively to children remaining in resident country

- ▶ Each of the criteria is weighted evenly
- ▶ Sample size of 2,155 living in over 48 countries
- ▶ Only countries with more than 30 responses were included in overall table (14 in total) to be statistically significant.
- ▶ Individual country data has also been used to indicate interesting trends.
- ▶ From the 2,155 expatriates surveyed, 870 had children.
- ▶ The league table summarises a series of questions and as a result, in some countries the number of respondents with children falls under 30 when answering specific questions. However, the number of overall responses from each country in the league table remains statistically significant.

Overall results for Offshore Offspring

Country (base)	Outdoor time	Study time	Cost to raise	Languages spoken	Remain in country	Overall
Spain	2	4	1	1	5	1
France	3	2	5	3	4	2
Germany	6	6	1	3	3	3
Canada	4	7	7	14	1	4
Singapore	5	3	4	7	14	5
US	8	9	5	10	2	6
Australia	1	7	9	13	5	7
India	14	1	2	12	8	8
China	11	10	3	6	8	9
Belgium	13	12	8	2	11	10
Hong Kong	11	5	12	8	12	11
Netherlands	9	13	10	5	10	12
UK	9	11	14	10	7	13
UAE	7	14	13	9	12	14

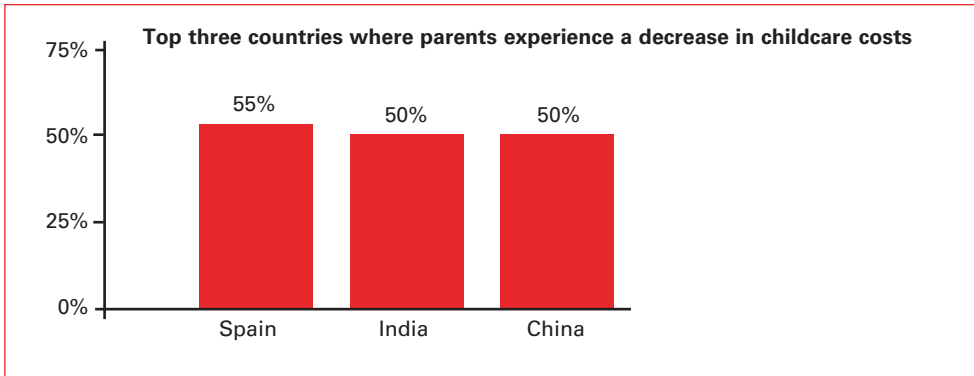
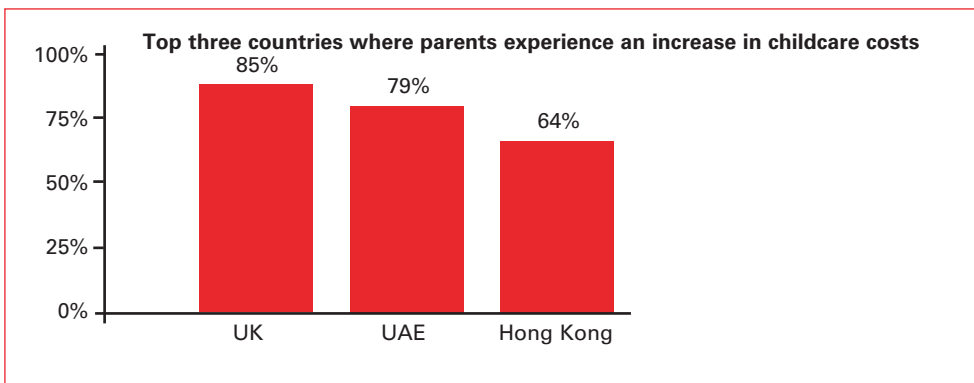
NB: Each country received a score out of 14 for each section. The country with the lowest score is deemed the best for each criterion. These scores are then translated into a ranking, with 1 being the best and 14 the lowest.

The cost of raising children abroad

Spain, India and China are the cheapest countries in which to raise children, with more than half of expats living in these countries reporting they experienced a reduction in costs compared with their country of origin.

Finance capitals are the most expensive countries in which to raise children – over four fifths (85%) of expats living in the UK said that it was more expensive followed by more than three quarters (79%) of people in the UAE and two-thirds (64%) of parents living in Hong Kong.

The UK's poor score continues on from the first Expat Existence report, where it was revealed to be one of the worst locations for expat lifestyle. Interestingly, the UAE, which was revealed as one of the top three expat locations for lifestyle, scored last overall for children, demonstrating that although it may be a good option for expats generally, it is perhaps not preferred as a location in which to raise children. The US, which ranked equal third in the first report, also appeared much further down the table, coming sixth.

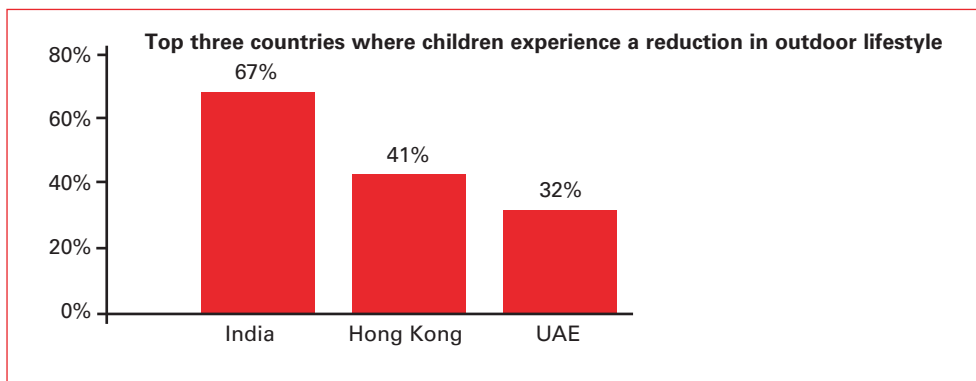
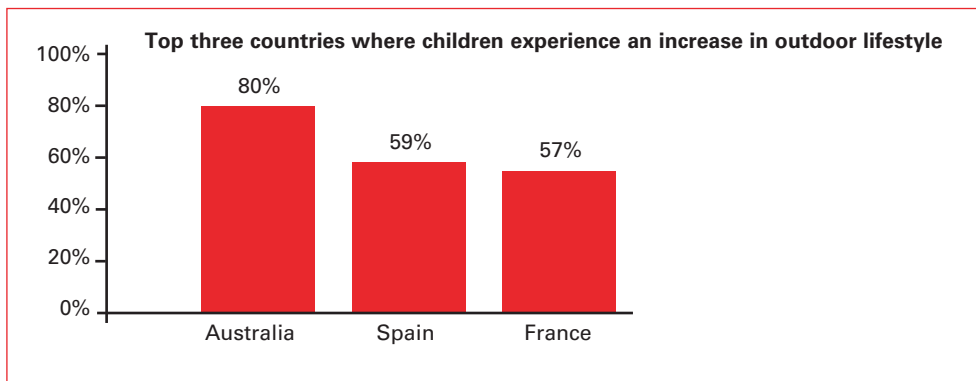


Travel abroad for more active children

Generally expats experienced an increased outdoor lifestyle in the Mediterranean and countries with wide open spaces

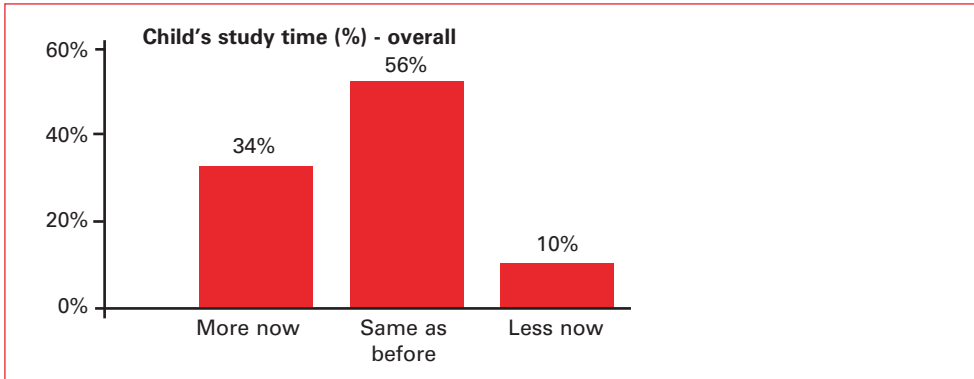
Almost half (44%) of expats reported that their children spent more time outdoors in their adopted countries. Australia came top of the table, where over three-quarters (80%) of parents reported that their children spent more time outdoors, followed by Spain (59%) and France (57%).

Countries with more extreme weather generally limit outdoor lifestyle for expat children. The lowest scoring countries included India, Hong Kong and UAE.

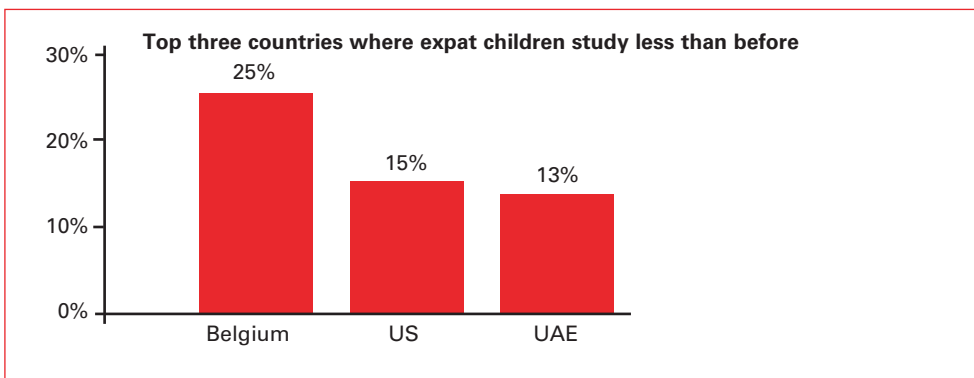
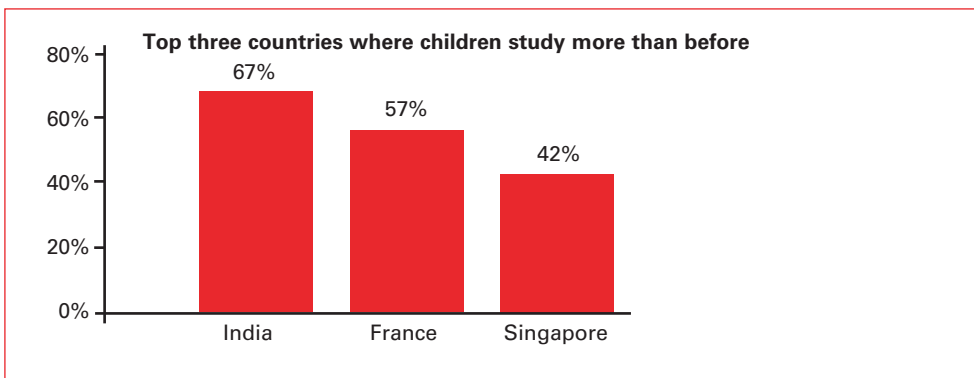


The cultural advantage

From the data, it seems very few expats move to countries where their children put in less study time. A third of parents overall (34%) said that their children studied more in their new country, with over half (56%) revealing that it remained about the same.



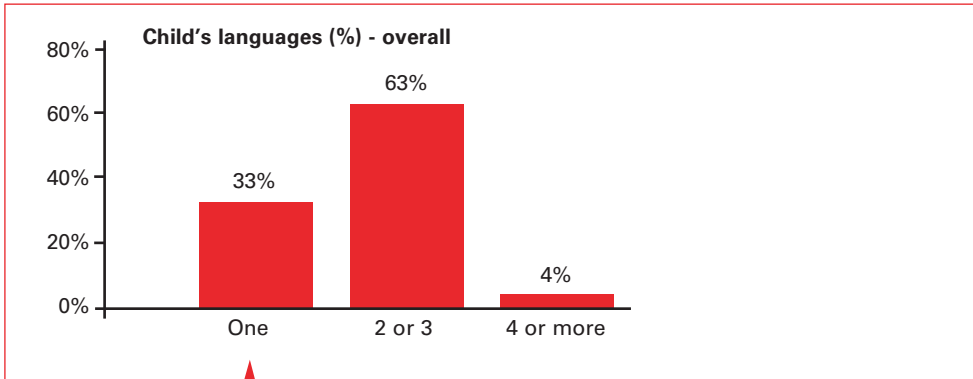
India, France and Singapore are home to the children who study more than when they lived in their country of origin, with over 67%, 57% and 42% from each country respectively reporting an overall increase in study time. In contrast, expat children in Belgium spend the least time studying compared with their country of origin. A quarter (25%) of expat children from Belgium study less (the highest recorded in the survey), with the US (15%) and the UAE (13%) also registering drops in the amount of study time.



Another point of interest is that older children are more likely to increase their study time once they have relocated. Almost half (41%) of children 10 years and older study for longer now that they are living in their new home, compared with just 32% of under 10s.

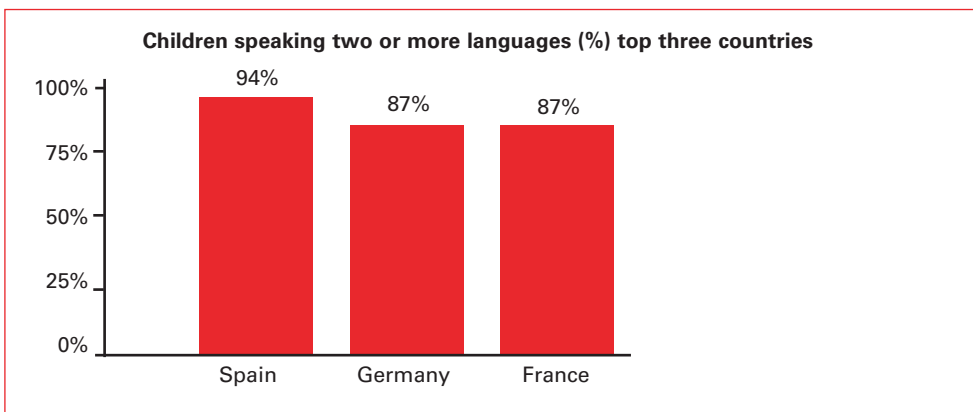
Languages

Overall, almost two-thirds (63%) of expat children speak two or more languages. Children living in European countries learn the greatest number of languages, with almost all expat children living in Spain (94%) speaking two or more languages. Germany and France also ranked highly, with almost nine-tenths (87%) of expat children speaking two or more languages. A third (33%) of children overall speak just one language, with this number largely being made up of predominantly English-speaking countries.



Consists of predominantly English speaking countries (Australia, Canada), countries not surrounded by countries speaking other languages and Asian countries that do a lot of business in English (India & Hong Kong)

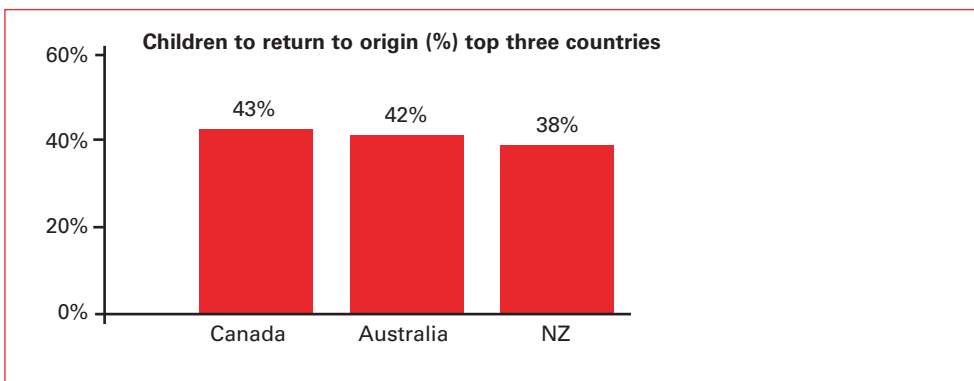
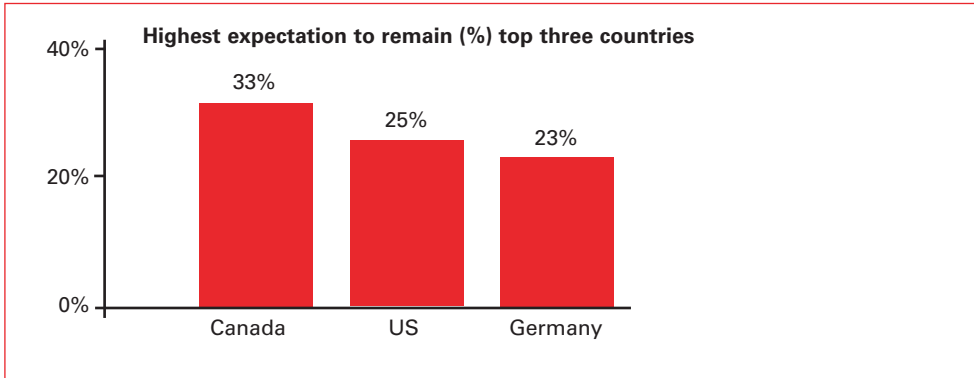
In contrast, expat children in Asia do not learn new languages. Just over one-fifth (21%) of expat children in Singapore and Hong Kong (22%) picked up a new language. This compares with the sample average of 40%.



Expectation to remain

The survey found that Canada is one of the most popular places to live. One-third of expats living in Canada believe their children will remain there in adulthood and Canadian expats themselves also have the highest percentage (43%) who expect their children to return to their country of origin.

Australian and New Zealand expats are also closely tied to their homeland, with almost half (42%) and over a third (38%) of expats respectively believing their children are likely to return home.



Almost half (42%) of expats living in China think their children will return to their country of origin. Parents in the UK also shared this mentality, with only one in ten parents believing that their children will remain in the country. A fifth (21%) believed that their children will return to their country of origin, whilst 20% believed that they will move to a new country altogether.

Expats in Singapore are the least certain about where their children will choose to live, with over four-fifths (81%) claiming they have no idea what their children will choose.

Healthy children

The Offshore Offspring report also looked separately at where the healthiest expat children resided (this did not contribute to the league table). India and Australia had the healthiest expat children, based on how much sport they play, how much junk food they eat, the amount of time spent playing computer games and watching television.

Almost two-thirds (64%) of expat parents in Australia said that their children played more sports and four-fifths (80%) of parents in same country also claimed that their children spent more time outdoors. Four out of ten said that they spend less time watching television.

The UK ranked worst overall for all categories, with over four-fifths (86%) of children who have made their home in the UK spending either the same or more time watching television than in their country of origin. Nine-tenths (90%) of children in the UK also spend either the same amount or more time playing computer games.

Children in Spain, France, India and Germany scored the best in the category of junk food eaten, with 80%, 68%, 67% and 54% from each respective country saying that their children ate less than in their country of origin. In contrast, over half (51%) of children living in the USA consume more junk food since they relocated, with only one-tenth (7%) of children eating less.

Best Country	Ranking Criteria	What determines a good score for a country?
Offshore	1. Playing Sports	An increase in time spent playing sports – ranked on percentage that answered “spend more time”
	2. Junk food eaten	A decrease in the amount of junk food eaten – ranked on percentage that answered “eat less junk food”
	3. Computer games	An decrease in time spent playing computer games – ranked on percentage that answered “spend less time”
	4. Watching TV	A decrease in time spent watching television – ranked on percentage that answered “spend less time”

Country (base)	Playing sports	Junk food eaten	Computer games	Watching TV	Overall ranking
India	11	12	11	12	1
Australia	14	6	12	12	2
France	8	13	8	12	3
Spain	2	14	14	8	4
Germany	8	11	4	13	5
Belgium	9	10	13	3	6
China	5	5	13	12	7
Singapore	12	8	9	4	8
Canada	13	2	1	14	9
UAE	8	8	7	5	10
Netherlands	1	9	7	7	11
US	10	1	7	2	12
Hong Kong	5	4	4	6	13
UK	3	3	4	1	14

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Further information

Please visit www.offshore.hsbc.com/expatsurvey for further information.

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