

3. PAYING FOR EDUCATION

How much do tertiary students pay?

- University students pay more than USD 1 500 in tuition fees for public institutions in their own country in a third of OECD countries; they pay nothing in eight countries.
- Countries with high levels of tuition fees tend to be those where private sources such as companies contribute the most to funding tertiary institutions.
- Countries where students pay tuition fees but can benefit from sizeable financial support do not have below-average levels of access to university education.

Significance

This section examines the relationships between annual tuition fees, direct and indirect public spending on education and public subsidies for student living costs. Governments can address issues of access to and equality of education opportunities by subsidising tuition fees and financially aiding students and their families, particularly students from low-income families. But how this aid is given – whether through grants, scholarships or loans – is a subject of debate in many countries.

Findings

Overall, there are significant differences among OECD countries in the average tuition fees charged for university-level public education. Fees are negligible or low in the Nordic countries, the Czech Republic, Ireland and Mexico, but exceed USD 5 000 in the United States and Korea. However, tuition fees are only part of the picture. It is also important to look at broader support that may be available to students. Student support systems have developed extensively in Australia, Chile, Denmark, Japan, the Netherlands, New Zealand, Norway and the United Kingdom. On average, OECD countries spend 21% of their public budgets for tertiary education on subsidies to households and other private entities.

In this context, countries can be grouped into four main categories:

- No or low tuition fees, and generous student support systems; this includes the Nordics.
- High tuition fees and well-developed student support systems; this includes Australia, Canada, the Netherlands, New Zealand, the United Kingdom and the United States.
- High tuition fees but less developed student support systems; Japan and Korea.
- Low tuition fees and less developed student support systems; this includes Austria, Belgium, the Czech Republic, France, Ireland, Italy, Poland, Portugal, Switzerland, Spain and Mexico.

Trends

Tuition fees continue to spark lively debate, and over the past decades there have been substantial reforms in OECD countries. Since 1995, some German federal states have

introduced fees, while other countries such as Australia, Austria, Japan, the Netherlands, New Zealand, Portugal, the United Kingdom and the United States have increased fees. Similarly, Denmark, Ireland and the Slovak Republic increased tuition fees charged for international students (only international students are charged tuition fees in these countries). A few countries, however, have reduced tuition fees. In 2009, Austria for example, eliminated the tuition fees it introduced in 2001/02, for a majority of students.

Since 2009, further changes have been made to tuition fees and public support systems in various countries. For example in 2011 Korea implemented reforms to increase the level of public support available to students for higher education, with the goal of strengthening access and equity in university-level education. In the United Kingdom, tuition fees are scheduled to triple in some universities in 2012, as part of a government plan to stabilise university finances.

Definitions

Data refer to the financial year 2009 and are based on the UOE data collection on education statistics administered by the OECD in 2011. Data on tuition fees charged by educational institutions and financial aid to students were collected through a special survey undertaken in 2010 and refer to the academic year 2008-09. Public subsidies to households include grants/scholarships, public student loans, family or child allowances contingent on student status, public subsidies in cash or in kind for housing, transport, medical expenses, books and supplies, social, recreational and other purposes, and interest-related subsidies for private loans.

Information on data for Israel:

<http://dx.doi.org/10.1787/888932315602>.

Going further

For additional material, notes and a full explanation of sourcing and methodologies, see *Education at a Glance 2012* (Indicator B5).

Areas covered include:

- Average tuition fees charged by university-level educational institutions.
- Distribution of financial aid to students.
- Governance of tertiary institutions.

Further reading from OECD

OECD Reviews of Tertiary Education (ongoing).

Higher Education Management and Policy (journal).

Figure 3.11. **Tuition fees in tertiary education, 2008-09**

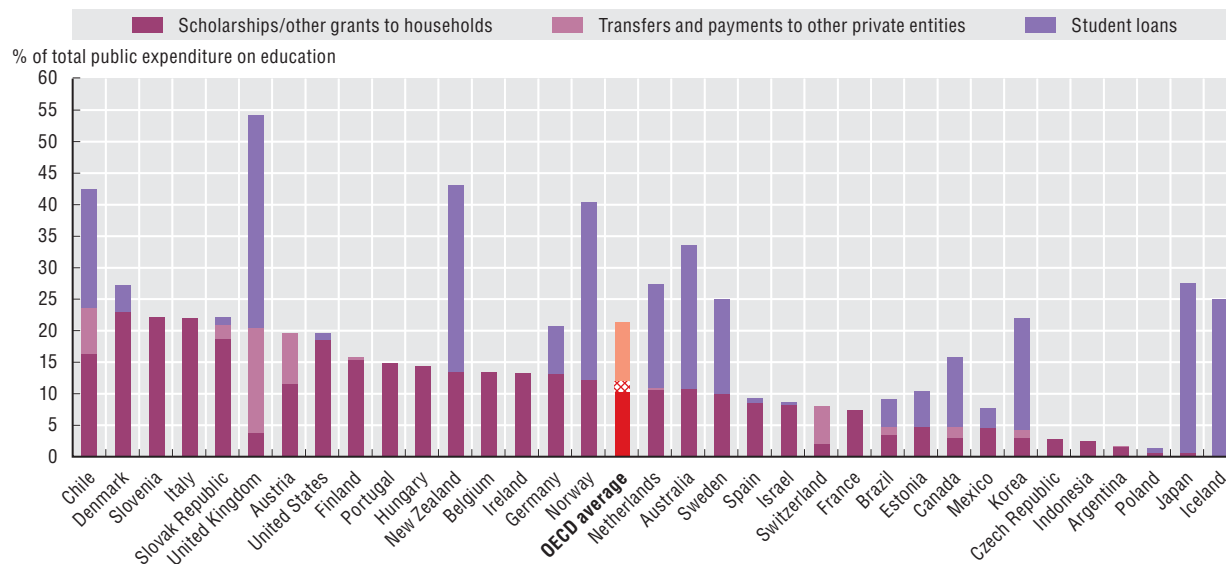
This figure shows the average annual tuition fees charged to full-time national students in public institutions for university level education.



Source: OECD (2012), *Education at a Glance 2012*, Table B5.1, available at: <http://dx.doi.org/10.1787/888932666418>.

Figure 3.12. **Public subsidies for tertiary education, 2009**

This figure shows the public subsidies for education given to households and other private entities as a percentage of total public expenditure on education, broken down by the type of subsidy.



Source: OECD (2012), *Education at a Glance 2012*, Table B5.3, available at: <http://dx.doi.org/10.1787/888932666456>.



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