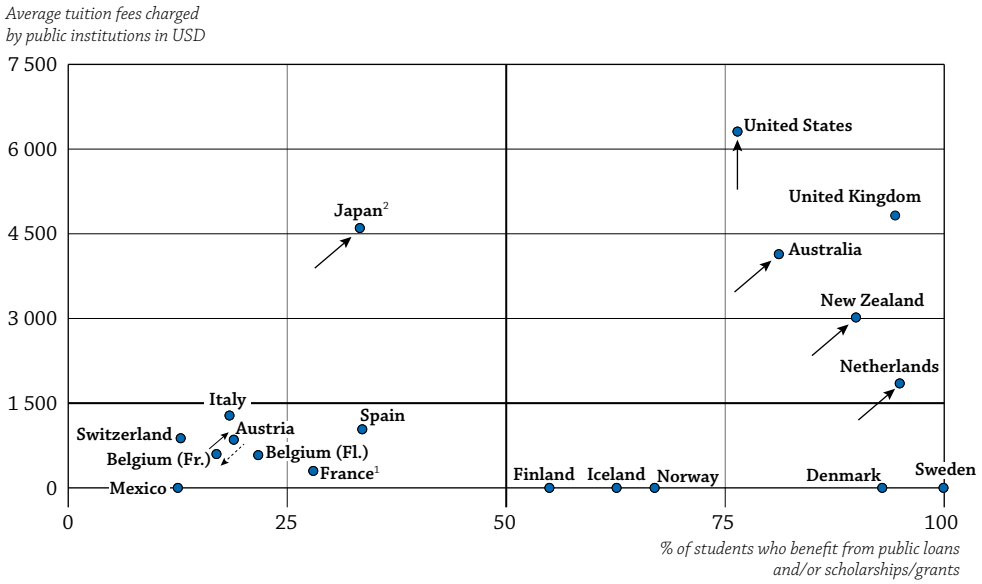
HOW MUCH DO TERTIARY STUDENTS PAY AND WHAT PUBLIC SUPPORT DO THEY RECEIVE?

- OECD and G20 countries differ significantly in the amount of tuition fees charged by their tertiary institutions. In eight OECD countries, public institutions charge no tuition fees, but in one-third of OECD countries with available data, public institutions charge annual tuition fees in excess of USD 1 500 for national students.
- Countries with high levels of tuition fees tend to be those where private entities (e.g. enterprises) also contribute the most to funding tertiary institutions.
- An increasing number of OECD countries are charging higher tuition fees for international students than for national students, and many also differentiate tuition fees by field of education, largely because of the difference in the public cost of studies.
- An average of 21% of public spending on tertiary education is devoted to supporting students, households and other private entities. In Australia, Chile, the Netherlands, New Zealand, Norway and the United Kingdom, grants/scholarships and loans are particularly developed, and public support to households account for at least 27% of public tertiary education budgets.

Chart B5.1. Relationship between average tuition fees charged by public institutions and proportion of students who benefit from public loans and/or scholarships/grants in tertiary-type A education (academic year 2008-09)

For full-time national students, in USD converted using PPPs



1. Average tuition fees from USD 190 to 1 309 for university programmes dependent on the Ministry of Education.
2. Tuition fees refer to public institutions but more than two-thirds of students are enrolled in private institutions.

Source: OECD. Tables B5.1 and B5.2. See Annex 3 for notes (*www.oecd.org/edu/eag2012*).

StatLink http://dx.doi.org/10.1787/888932662770

How to read this chart

This graph shows the relationship, at the tertiary-type A level of education, between annual tuition fees charged by educational institutions and public support to households for students' living costs. Arrows show how the average tuition fees and the proportion of students who benefit from public support have changed since 1995 following reforms (solid arrow) and how they may change due to policy changes that have been planned since 2008-09 (dashed arrow).

Context

Many countries have similar goals for tertiary education, such as strengthening the knowledge economy, increasing access for students, encouraging high completion rates, and ensuring the financial stability of their higher education systems. Yet OECD countries differ dramatically in the way the cost of higher education is shared between governments, students and their families and other private entities – and in the financial support they provide to students.

Policy decisions relating to tuition fees affect both the cost of tertiary education to students and the resources available to tertiary institutions. Public support to students and their families also enables governments to encourage participation in education – particularly among low-income students – by covering part of the cost of education and related expenses. In this way, governments can address issues of access and equality of opportunity. The impact of such support must therefore be judged, at least partly, by examining tertiary education participation, retention and completion.

Public support to students also indirectly funds tertiary institutions. Channelling funding to institutions through students may also help increase competition among institutions. Since aid for students' living costs can serve as a substitute for income from work, public subsidies may enhance educational attainment by enabling students to work less.

Public support for students comes in many forms: as means-based subsidies, family allowances for students, tax allowances for students or their parents, or other household transfers. Based on a given amount of subsidies, public support such as tax reductions or family allowances may provide less support for low-income students than means-tested subsidies, as the former are not targeted specifically to support low-income students. However, they may still help to reduce financial disparities among households with and without children in education.

Other findings

- Among the European countries for which data are available, only **public tertiary institutions in Italy, the Netherlands, Portugal and the United Kingdom (government-dependent private institutions) charge annual tuition fees of more than USD 1 200 per full-time national student.**
- **The high entry rates into tertiary education in some countries that charge no tuition fees likely result in part from their highly-developed student financial support systems** to cover living expenses, not just the absence of tuition fees.
- OECD countries in which **students are required to pay tuition fees but can benefit from sizeable financial support do not have below-average levels of access to tertiary-type A education.**
- **Student financial support systems that offer loans with income-contingent repayment to all students combined with means-tested grants can be an effective way to promote access and equity** while sharing the costs of higher education between the state and students.

Trends

Since 1995, **14 out of the 25 countries with available information implemented reforms to tuition fees.** Most of these reforms led to an increase in the average level of tuition fees charged by tertiary educational institutions. In all of these 14 countries except Iceland and the Slovak Republic, the reforms were combined with a change in the level of public support available to students (Box B5.1 and Chart B5.1).

Since 2009, further changes have been made to tuition fees and public support systems in various countries. For example, in the United Kingdom, tuition fees are scheduled to double or nearly triple in some universities in 2012, as part of a government plan to stabilise university finances. Similarly, 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 tertiary-type A education.

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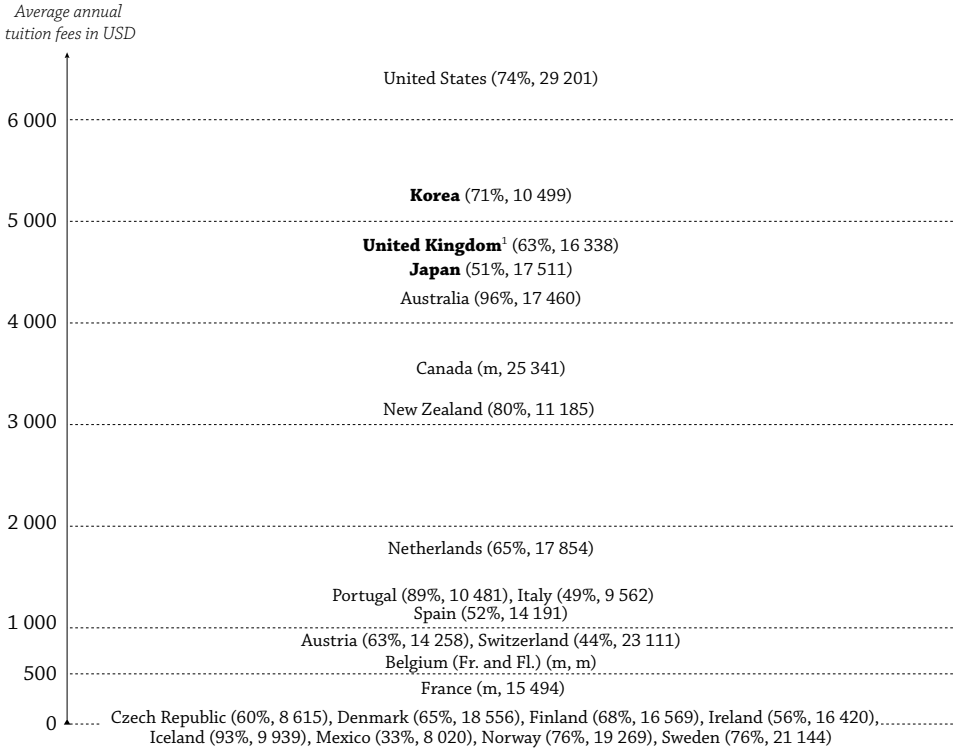
Analysis

Annual tuition fees charged by tertiary-type A institutions for national students

The cost of higher education and the best way to support students in paying for it are among the most hotly debated public policy topics in education today. The level of tuition fees charged by tertiary institutions – as well as the level and type of financial assistance countries provide through their student support systems – can have dramatic repercussions on access and equity in tertiary education.

Striking the right balance between providing sufficient support to institutions through tuition fees and maintaining access and equity is not easy. On the one hand, higher tuition fees increase the resources available to educational institutions, support their efforts to maintain quality academic programmes and develop new ones, and can help institutions accommodate increases in student enrolment. However, they may also restrict access to higher education for students – particularly those from low-income backgrounds – in the absence of a strong system of public support to help them pay or reimburse the cost of their studies. In addition, high tuition fees may prevent some students from pursuing fields that require extended periods of study if labour market opportunities are not sufficient.

Chart B5.2. Average annual tuition fees charged by tertiary-type A public institutions for full-time national students, in USD converted using PPPs (academic year 2008-09)



Note: This chart does not take into account grants, subsidies or loans that partially or fully offset the student's tuition fees.
1. Public institutions do not exist at this level of education and almost all students are enrolled in government-dependent private institutions.
Source: OECD. Tables B1.1a, B5.1 and Indicator C3. See Annex 3 for notes (*www.oecd.org/edu/eag2012*).
Please refer to the Reader's Guide for information concerning the symbols replacing the missing data.
StatLink http://dx.doi.org/10.1787/888932662789

How to read this chart
This chart shows the annual tuition fees charged in equivalent USD, converted using PPPs. Countries in bold denote cases in which more than two-thirds of students are enrolled in private institutions, but where the tuition fee levels still refer to public institutions. The net entry rate (2010) and expenditure per student (in USD, 2009) in tertiary-type A programmes are added next to country names.

On the other hand, lower tuition fees can help promote student access and equity in higher education, particularly among disadvantaged populations. However, they may also constrain the ability of tertiary institutions to maintain an appropriate quality of education, especially in light of the massive expansion of tertiary education in all OECD countries in recent years. Moreover, budgetary pressures stemming from the global economic crisis may make it more difficult for countries that have lower tuition fees to sustain this model in the future.

There are large differences among countries in the average tuition fees charged by tertiary-type A institutions for national students. In the five Nordic countries with more progressive tax structures (Denmark, Finland, Iceland, Norway and Sweden), and in the Czech Republic and Mexico, public institutions do not charge tuition fees. Ireland could also be included in this category, as the tuition fees charged by public institutions (for full-time undergraduate students from the European Union) are paid directly by the government. By contrast, tuition fees are higher than USD 1 500 in one-third of the countries with available data, and they reach more than USD 5 000 in Korea and the United States. Meanwhile, in Austria, Belgium, France, Ireland, Italy, Portugal, Switzerland and Spain, students pay small tuition fees for tertiary-type A education. Among the EU21 countries for which data are available, only the Netherlands and the United Kingdom have annual tuition fees that exceed USD 1 500 per full-time national student (Table B5.1 and Chart B5.2).

Differentiation of tuition fees by citizenship and field of education

National policies regarding tuition fees and financial aid to students generally cover all students studying in the country's educational institutions. Countries' policies also take international students into account. Differences between national and international students in terms of the fees they are charged or the financial help they may receive from the country in which they study, can, along with other factors, have an impact on the flows of international students. These differences can attract students to study in some countries or discourage students from studying in others (see Indicator C4), especially in a context where an increasing number of OECD countries are charging higher tuition fees for international students.

In nearly half of the countries with available data, the tuition fees charged by public educational institutions may differ between national and international students enrolled in the same programme. In Austria, for example, the average tuition fees charged by public institutions for students who are not citizens of EU or European Economic Area (EEA) countries are twice the fees charged for citizens of these countries. Similar policies are found in Canada, Denmark (as of 2006-07), Ireland, the Netherlands, New Zealand (except for foreign doctoral students), Poland, the Slovak Republic, Slovenia, Sweden (as of 2011), Switzerland, the United Kingdom and the United States. In these countries, the level of tuition fees varies based on citizenship or on an individual's residence (see Indicator C4 and Box C4.3). In Australia, international students are not eligible for the same supports available to national students and it is estimated that around 10% of national students at the tertiary level pay full fees.

Tuition fees are also differentiated by field of education in more than half of the countries with available data. The exceptions are Austria, Belgium (Flemish Community and French Community), Japan (in national universities), Mexico, the Netherlands, Slovenia, Sweden and Switzerland. The main rationale for differentiating fees is the public cost of the field of study – for example, Ireland, Italy, New Zealand, Poland and the Slovak Republic use this basis for differentiating tuition fees. In these countries, the higher the cost of the field of study, the higher the level of tuition fees charged by educational institutions.

However, in a few countries, the basis for differentiating tuition fees by field of education is the priority given by the country to specific fields. In Australia for example, tuition fee differentiation is linked to skills shortages in the labour market and the level of salaries that graduates in certain disciplines can expect to receive. In Iceland and the United Kingdom, tuition fees vary by fields of education because of differences in both the cost of studies and in labour-market opportunities (Box B5.1).

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OECD countries use different mixes of grants and loans to subsidise students' education costs

A key question in many OECD countries is whether financial support for households should be provided primarily in the form of grants or loans. Governments subsidise students' living or educational costs through different combinations of these two types of support. Advocates of student loans argue that loans allow available resources to be spread further: if the amount spent on grants were used to guarantee or subsidise loans instead, aid would be available to more students, and overall access to higher education would increase. Loans also shift some of the cost of education to those who benefit most from higher education – namely, the individual students. Opponents of loans argue that student loans are less effective than grants in encouraging low-income students to pursue their education. They also argue that loans may be less efficient than anticipated because of the various types of support provided to borrowers or lenders and the costs of administration and servicing.

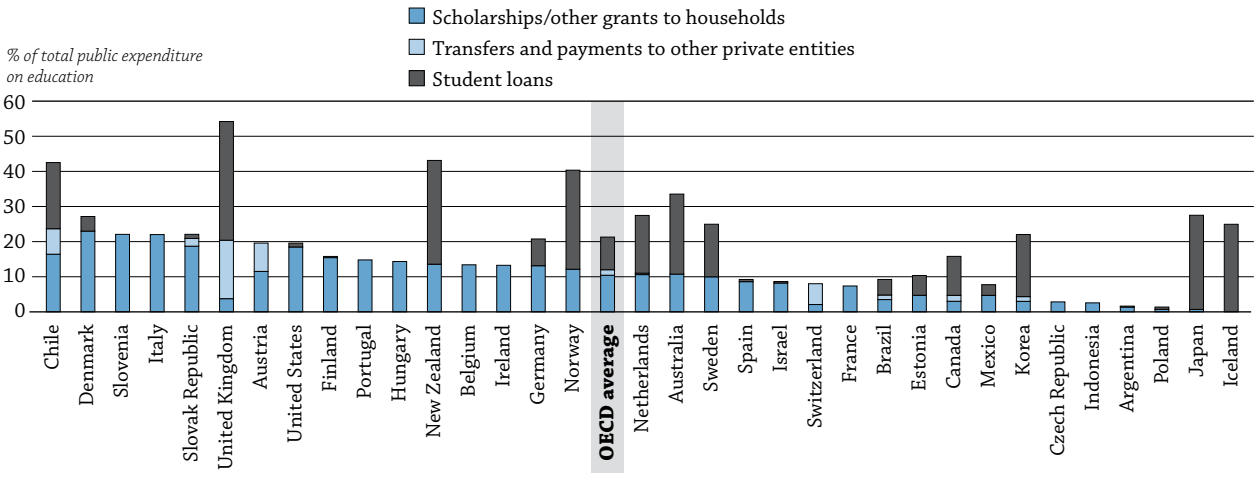
OECD countries spend an average of about 21% of their public budgets for tertiary education on support to households and other private entities (Chart B5.3). In Australia, Chile, Denmark, Japan, the Netherlands, New Zealand, Norway and the United Kingdom, public support accounts for more than 25% of public spending on tertiary education. Only Argentina, the Czech Republic, Indonesia and Poland spend less than 5% of total public spending on tertiary education on support. However, in the two European countries, subsidies for student grants are directly sent to institutions, which are responsible for distributing them among students (Table B5.3).

OECD research suggests that the existence of a robust financial support system is important to assure good outcomes for higher education students, and that the type of aid is also critical. Chart B5.3 presents the proportion of public tertiary education expenditure dedicated to loans, grants and scholarships, and other types of support given to households.

More than one-third of the 32 countries for which data are available rely exclusively on scholarships/grants and transfers/payments to other private entities. Iceland provides only student loans, while other countries make a combination of grants and loans available. Both types of support are used extensively in Australia, Chile, the Netherlands, New Zealand, Norway, Sweden, the United Kingdom and the United States.

Chart B5.3. Public support for education in tertiary education (2009)

Public support for education to households and other private entities as a percentage of total public expenditure on education, by type of subsidy



Countries are ranked in descending order of the share of scholarships/other grants to households and transfers and payments to other private entities in total public expenditure on education.

Source: OECD. Argentina, Indonesia: UNESCO Institute for Statistics (World Education Indicators programme). Table B5.3. See Annex 3 for notes (*www.oecd.org/edu/eag2012*).

StatLink http://dx.doi.org/10.1787/888932662808

In general, the largest support to students is provided by countries that offer student loans; in most cases, these countries also spend an above-average proportion of their tertiary education budgets on grants and scholarships (Chart B5.3 and Table B5.3).

Country approaches to funding tertiary education

As noted above, the cost of higher education, and the level of support available to students, varies markedly across OECD countries. This section provides a taxonomy of approaches to funding tertiary education in countries with available data, and analyses the impact of these models on access to tertiary education. Countries are grouped in four models, according to two factors: the level of tuition fees and the level of financial support available through the country's student financial aid system for tertiary education.

There is no single model for financing tertiary-type A education. Some countries in which tertiary-type A institutions charge similar tuition fees may have differences in the proportion of students benefiting from public support and/or differences in the average amount of these subsidies (Tables B5.1, B5.2 and B5.3, Table B5.4 available on line, and Chart B5.1). Moreover, arrangements regarding the tuition fees charged by tertiary educational institutions have been the subject of reforms in many OECD countries since 1995, and some countries have moved from one model to another over this period (Box B5.1 and Chart B5.1).

Box B5.1. **Changes in tuition-fees policies and public support to students since 1995**

Since 1995, more than half of the 25 countries with available information have undertaken reforms of their tuition fee systems using different approaches. Tuition fees have been introduced in some German federal states or have been increased since 1995 in Australia, Austria, Japan, the Netherlands, New Zealand, Portugal, the United Kingdom and the United States. Similarly, Denmark, Ireland and the Slovak Republic increased tuition fees charged for international students (only international students are charged tuition fees in these countries).

However, some countries simultaneously implemented policies to limit the variation in the level of tuition fees charged in tertiary-type A institutions for each field of education. These approaches were sometimes implemented at the state/regional level, as tuition fee rates can vary within the country (**Canada**). Approaches include linking the level of tuition fees to labour-market opportunities, so that fields with skills shortages have lower tuition fees than others, in order to attract more students (**Australia**); setting an upper limit on tuition fees to ensure that students from socio-economically disadvantaged backgrounds have access to tertiary education (**Italy**); and temporarily freezing the level of fees in return for a higher government subsidy (**New Zealand**).

A few countries even reduced tuition fees: in **Austria**, tuition fees introduced in the 2001-02 academic year were eliminated for the majority of students as of the summer term of 2009; while in **Ireland**, tuition fees for most full-time undergraduate students have been paid by the state since 1995-96 through a transfer to public institutions. In **Hungary** (not included in the table below) a general tuition fee system was introduced in 1996, but this system was abolished in 1998. Since then, there has been a special dual system in operation, in which some tertiary students can study free of charge, while others must pay a fee. The status of students is determined mainly during the application and admission procedure.

Increases in tuition fees are usually combined with increases in student support. Changes in support for students usually aim to give students from disadvantaged backgrounds greater access to tertiary studies or to reduce the liquidity constraints on all students, through grants/scholarships or loans, or by introducing different levels of tuition fees. These kinds of systems have been developed in **Australia**, **Austria** and **Canada**. A specific loan for tuition fees has been introduced in the **Netherlands**. In the **United States**, where tuition fees are among the highest in the world, recent reforms have increased funding for means-tested grants, lowered interest rates on student loans, instituted an income-based repayment system for government loans, and expanded loan forgiveness for students who go on to work in public sector and public service professions.

...

	Reforms have been implemented since 1995	Reforms have been combined with a change in the level of public subsidies available to students	Tertiary educational institutions differentiate tuition fees between national and international students	Tertiary educational institutions differentiate tuition fees by field of education
Australia	Yes	Yes	Yes	Yes
Austria	Yes	Yes	No	No
Belgium (Fl.)	Yes	No	Yes	No
Belgium (Fr.)	Yes	No	Yes	No
Canada	Yes	Yes	Yes	Yes
Denmark	Yes	Yes	Yes	No
Finland	No	No	No	No
France	No	No	No	Yes
Iceland	Yes	No	No	Yes
Ireland	Yes	Yes	Yes	Yes
Italy	Yes	Yes	No	Yes
Japan	Yes	Yes	No	No
Korea	Yes	Yes	No	Yes
Mexico	No	No	No	No
Netherlands	Yes	Yes	Yes	No
New Zealand	Yes	Yes	Yes	Yes
Norway	No	No	No	No
Poland	Yes	Yes	Yes	Yes
Slovak Republic	Yes	No	Yes	Yes
Slovenia	No	No	Yes	No
Spain	No	No	No	Yes
Sweden	No	No	No	No
Switzerland	No	No	Yes	No
United Kingdom	Yes	Yes	Yes	Yes
United States[1]	Yes	Yes	Yes	Yes

1. In the United States, public institutions offer lower fees to in-state students than out-of-state students. International students generally pay the same fees as out-of-state students.

Other countries have devoted more public funds to support tertiary institutions, either directly or indirectly. This is the case in **New Zealand**, where the government required institutions to freeze their fees between 2001 and 2003, in return for proportional increases in subsidies to individuals. This limited the cost of study for students, while offering indirect funding to institutions as a way of meeting the costs of foregoing increases in fees.

Only a few countries (the **Flemish Community of Belgium** and the **Slovak Republic**) did not change student support systems further while also changing their systems of tuition fees. In **Belgium (Flemish Community)**, reforms aimed to make tuition fees more flexible since 2007, based on the number of credits in which students are enrolled in the programme. In the **Slovak Republic**, reforms allowed tertiary institutions to charge tuition fees for part-time students and for students who stay longer in a programme than theoretically expected.

Model 1: Countries with no or low tuition fees but generous student support systems

This group is composed of the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden). These countries have more progressive tax structures, and students pay no tuition fees and benefit from generous public support for higher education. However, individuals face high income tax rates. At 76%, the average entry rate into tertiary-type A education for this group is significantly above the OECD average of 61% (see Indicator C3). These high entry rates may also be due to these countries' highly-developed student financial support systems, not just the absence of tuition fees. For instance, in these countries, more than 55% of students benefit from public grants, public loans, or a combination of both (Tables B5.1, B5.2 and Chart B5.1).

The approach to funding tertiary education in this model reflects these countries' deeply rooted social values, such as equality of opportunity and social equity. The notion that government should provide its citizens with tertiary education at no charge to the individual is a salient feature of the educational culture in these countries: the funding of both institutions and students is based on the principle that access to tertiary education is a right, rather than a privilege. However, during the past decade, Denmark and Sweden (as of 2011) decided to introduce tuition fees for international students to increase the resources available for their tertiary institutions. This approach has also been considered in Iceland (Box B5.1).

Model 2: Countries with high levels of tuition fees and well-developed student-support systems

The second group includes Australia, Canada, the Netherlands, New Zealand, the United Kingdom and the United States. These countries have potentially high financial barriers to entry into tertiary-type A education, but also large public support to students. The average entry rate to tertiary-type A education for this group of countries is, at 76%, significantly above the OECD average and higher than most countries with low tuition fees (except the Nordic countries). The Netherlands and, to a lesser extent, the United Kingdom, have moved from Model 4 (countries with lower tuition fees and less-developed student support systems) to Model 2 since 1995 (Chart B5.1). Countries in Model 2 tend to be those where private entities (e.g. private businesses and non-profit organisations) contribute the most to the financing of tertiary institutions; in other words, in Model 2 countries, the cost of education is shared between government, households and private companies (Chart B3.2 and Table B3.2b).

Tuition fees charged by public tertiary-type A institutions exceed USD 1 500 in all these countries, but more than 75% of tertiary-type A students receive public support (in Australia, the Netherlands, New Zealand, the United Kingdom and the United States, the five countries for which data are available; Tables B5.1 and B5.2). Student support systems are well-developed and mostly accommodate the needs of the entire student population. As a result, the share of public expenditure on tertiary education that is devoted to public support in these countries is higher than the OECD average (21%) in four out of the six countries: Australia (33%), the Netherlands (27%), New Zealand (43%) and the United Kingdom (54%), and nearly at the average for Canada (16%) and the United States (20%) (Table B5.3).

In this group of countries, access to tertiary-type A education is not lower than in other groups. For example, Australia and New Zealand have among the highest entry rates into tertiary-type A education (96% and 80%, respectively), although these rates also reflect the high proportion of international students enrolled in tertiary-type A education. Entry rates into tertiary-type A education were also above the OECD average (61%) in the Netherlands (65%), the United Kingdom (63%) and the United States (74%) in 2010. These countries spend more on core services per tertiary student than the OECD average and have a relatively high level of revenue from income tax as a percentage of GDP, compared to the OECD average. The Netherlands is an outlier, as its level of income taxation is below the OECD average (Table B1.1b and Table C3.1).

OECD research (OECD, 2008) suggests that in general, this model can be an effective way for countries to increase access to higher education. However, during periods of economic crisis, high levels of tuition fees can put a considerable financial burden on students and their families and can discourage some of them to enter tertiary education, even when relatively high levels of student support are available. This topic is highly debated in Canada, the United Kingdom and the United States.

Model 3: Countries with high levels of tuition fees but less-developed student support systems

In Japan and Korea, most students are charged high tuition fees (on average, more than USD 4 500 in tertiary-type A institutions), but student support systems are somewhat less developed than those in Models 1 and 2. This has the potential to place a large financial burden on students and their families. With entry rates into tertiary-type A institutions at 51% and 71%, respectively, Japan is below and Korea is significantly above the OECD average. In Japan and Korea, some students who excel academically but have difficulty financing their studies can benefit from reduced tuition and/or admission fees or receive total exemptions. The below-average access to tertiary-type A education in Japan is counterbalanced by an above-average entry rate into tertiary-type B (shorter and more practically oriented) programmes (see Indicator C3).

Japan and Korea are among the countries with the lowest levels of public expenditure allocated to tertiary education as a percentage of GDP (Table B4.1). This partially explains the small proportion of students who benefit from public loans. It should be noted, however, that both countries have recently implemented reforms to improve their student-support systems. As a result, these countries are moving closer to Model 2.

Model 4: Countries with low levels of tuition fees and less-developed student-support systems

The fourth group includes all other European countries for which data are available (Austria, Belgium, the Czech Republic, France, Ireland, Italy, Poland, Portugal, Switzerland and Spain), as well as Mexico. All of these countries charge moderate tuition fees compared to those in Models 2 and 3, although since 1995, reforms have been implemented in some of these countries – particularly Austria and Italy – to increase tuition fees in public institutions (Chart B5.1 and Box B5.1). Model 4 countries share relatively low financial barriers to entry into tertiary education (or no tuition-fee barriers, as in the Czech Republic, Ireland and Mexico), combined with relatively low support for students, which are mainly targeted to specific groups. Tuition fees charged by public institutions in this group never exceed USD 1 300, and in countries for which data are available, the proportion of students who benefit from public support is below 40% (Tables B5.1 and B5.2).

In Model 4 countries, tertiary institutions usually depend heavily on the state for funding, and participation levels in tertiary education are typically below the OECD average. The average tertiary-type A entry rate in this group of countries is relatively low at 56%; in Belgium, this low rate is counterbalanced by high entry rates into tertiary-type B education. Similarly, expenditure per student for tertiary-type A education is also comparatively low (see Indicator B1 and Chart B5.2). While high tuition fees can raise potential barriers to student participation, Model 4 suggests that lower tuition fees, which are assumed to ease access to education, do not necessarily ensure high levels of access to and the quality of tertiary-type A education.

In these countries, students and their families can benefit from support provided by sources other than the ministry of education (e.g. housing allowances, tax reductions and/or tax credits for education); but these are not covered in this analysis. In France, for example, housing allowances represent about 90% of scholarships/grants, and about one-third of students benefit from them. Poland is notable in that most students enrolled in public institutions have their studies fully subsidised by the state, while students enrolled in part-time studies pay the full costs of tuition.

In Model 4 countries, loan systems, such as public loans or loans guaranteed by the state, are not available or are only available to a small proportion of students in these countries (Table B5.2). At the same time, the level of public spending and the tax revenue from income as a percentage of GDP vary significantly more among this group of countries than in the other groups. Policies on tuition fees and public support are not necessarily the main factors that influence students' decisions to enter tertiary-type A education.

Definitions

Average tuition fees charged in public and private tertiary-type A institutions does not distinguish tuition fees by type of programme. This indicator gives an overview of tuition fees at this level by type of institution and shows the proportions of students who do or do not receive scholarships/grants that fully or partially cover tuition fees. Levels of tuition fees and associated proportions of students should be interpreted with caution as they are derived from the weighted average of the main tertiary-type A programmes and do not cover all educational institutions.

Public spending transferred to students, families and other private entities includes funds that may go indirectly to educational institutions, such as the supports that are used to cover tuition fees, and funds that do not go, even indirectly, to educational institutions, such as subsidies for students' living costs.

Public subsidies to households include: *i)* grants/scholarships (non-repayable subsidies); *ii)* public student loans, which must be repaid; *iii)* family or child allowances contingent on student status; i*v)* public support in cash or in kind, specifically for housing, transport, medical expenses, books and supplies, social, recreational and other purposes; and *v)* interest-related support for private loans.

However, public support does not distinguish among different types of grants or loans, such as scholarships, family allowances and in-kind subsidies. Governments can also support students and their families by providing housing allowances, tax reductions and/or tax credits for education. These subsidies are not covered here. Financial aid to students in some countries may therefore be substantially underestimated.

It is also common for governments to guarantee the repayment of loans to students made by private lenders. In some OECD countries, this indirect form of support is as significant as, or even more significant than, direct financial aid to students. However, for reasons of comparability, the indicator only takes into account the amounts relating to public transfers for private loans that are made to private entities, not the total value of loans generated. Some qualitative information is nevertheless presented in some of the tables to give some insight on this type of support.

Student loans refer to the full volume of student loans in order to provide information on the level of support received by current students. The gross amount of loans provides an appropriate measure of the financial aid to current participants in education. Interest payments and repayments of principal by borrowers should be taken into account in order to assess the net cost of student loans to public and private lenders. However, such payments are usually made by former students rather than by current students and are not covered in this indicator. In most countries, moreover, loan repayments do not flow to the education authorities, and the money is not available to them to cover other educational expenditures. OECD indicators take the full amount of scholarships and loans (gross) into account when discussing financial aid to current students. Some OECD countries also have difficulty quantifying the amount of loans to students. Therefore, data on student loans should be treated with some caution.

Methodology

Data refer to the financial year 2009 and are based on the UOE data collection on education statistics administered by the OECD in 2011 (for details see Annex 3 at *www.oecd.org/edu/eag2012*).

Data on tuition fees charged by educational institutions, financial aid to students and on reforms implemented since 1995 were collected through a special survey undertaken in 2010 and refer to the academic year 2008-09. Amounts of tuition fees and amounts of loans in national currency are converted into equivalent USD by dividing the national currency by the purchasing power parity (PPP) index for GDP. Amounts of tuition fees and associated proportions of students should be interpreted with caution as they represent the weighted average of the main tertiary-type A programmes and do not cover all the educational institutions.

Public costs related to private loans guaranteed by governments are included as subsidies to other private entities. Unlike public loans, only the net cost of these loans is included.

The value of tax reductions or credits to households and students is not included.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

References

OECD (2011), *OECD Tax Statistics: Volume 2011, Issue I: Revenue Statistics,* OECD Publishing.

OECD (2008), *OECD Reviews of Tertiary Education: Tertiary Education for the Knowledge Society,* OECD Publishing.

The following additional material relevant to this indicator is available on line:

- ***Table B5.4. Public subsidies for households and other private entities as a percentage of total public expenditure on education and GDP, for primary, secondary and post-secondary non-tertiary education (2009)***

StatLink http://dx.doi.org/10.1787/888932666475

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Table B5.1. [1/2] Estimated annual average tuition fees charged by tertiary-type A educational institutions[1] for national students (academic year 2008-09)

In equivalent USD converted using PPPs, by type of institutions, based on full-time students

Tuition fees and associated proportions of students should be interpreted with caution as they result from the weighted average of the main tertiary-type A programmes and do not cover all educational institutions. However, the figures reported can be considered as good proxies and show the difference among countries in tuition fees charged by main educational institutions and for the majority of students.

		Percentage of tertiary full-time students enrolled in tertiary-type A programmes	Percentage of tertiary-type A full-time students enrolled in:			Annual average tuition fees in USD charged by institutions (for full-time students)			Comment
			Public institutions	Government-dependent private institutions	Independent private institutions	Public institutions	Government-dependent private institutions	Independent private institutions	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
OECD	**Australia**	84	97	a	3	4 222	a	9 112	93% of national students in public institutions are in subsidised places and pay an average USD 3 817 tuition fee, including HECS/HELP subsidies. There was a significant increase (~50%) in scholarships for domestic students from 2007 to 2009 as a result of government reforms aimed at doubling the number of Commonwealth Scholarships by 2012. The new scholarships were mostly targeted towards students studying national priority subjects, students who needed to relocate to study specialist subjects, and Indigenous students.
	Austria[2]	87	87	13	m	859	859	235 to 11 735	As of summer term 2009, tuition fees have to be paid by national students and students from EU/EEA countries when they exceed the theoretical duration of the study programme by two semesters and by students from non-EU/EEA countries (except students from least-developed countries).
	Belgium (Fl.)	69	51	49	m	x(5)	545 to 618	m	Tuition fees refer to the minimum and maximum amount that institutions may charge according to the decree (indexed figures). They refer to those for students enrolled in first (Bachelor) and second (Master) degree programmes. The information does not refer to further degree programmes (for example Master after Master). This information refers to students without a scholarship (student with a scholarship benefit from lower tuition fees, see more details in Annex 3).
	Belgium (Fr.)	91	33	67	m	608	694	m	Tuition fees charged for programmes are the same in public as in private institutions but the distribution of students differs between public and private institutions, so the weighted average is not the same.
	Canada	66	100	m	m	3 774	x(4)	x(4)	
	Chile	60	m	m	m	m	m	m	
	Czech Republic	86	87	a	13	No tuition fees	a	m	The average fee in public institutions is negligible because fees are paid only by student studying too long (larger than the standard length of the programme plus 1 year): about 4% of students.
	Denmark[3]	88	m	m	m	No tuition fees	m	a	
	Estonia	62	m	m	m	a	m	m	
	Finland	100	82	18	a	No tuition fees	No tuition fees	a	Excluding membership fees to student unions.
	France	72	87	5	8	190 to 1 309	1 127 to 8 339	1 128 to 8 339	Tuition fees in public insitutions refer to University programmes dependent from the Ministry of Education.
	Germany	83	96	4	x(2)	m	m	m	There is no national nor subnational average levels of tuition fees. Since 2005 the 16 German *Länder* have been free to decide on the imposition of tuition fees. A few *Länder* have tuitions fees, but the level of fees differs between *Länder*. In some *Länder*, the higher education institutions themselves are free to decide on the imposition of study fees and the amount thereof. Most of the 16 *Länder* did not impose tuition fees for initial education. Some German *Bundesländer*, which had introduced tuition fees meanwhile, did abolish these fees.
	Greece	60	m	m	m	m	m	m	
	Hungary	90	m	m	m	m	m	m	There is no general tuition fee imposed. However, there is a special dual system in operation, in which one part of tertiary students can study free of charge by state subsidy while the other part of students can study by paying a "training contribution" (the term "tuition fee" is not in use). The status of students is determined mainly during the application and admission procedure (with the principle that the state finances studies for the first degree by levels within a quota determined annually by the government). In 2008-09 the proportion of State-financed full-time students was 75% (19% for part-time students) – while the proportion of contribution-paying full-time student was 25% (81% for part-time students). The amount of training contributions is defined by the higher education institutions but according to the current regulation it should be at least as high as the State-provided subsidy to the HEIs for the training of a student in the particular field of study.

1. Scholarships/grants that the student may receive are not taken into account.
2. Including students in advanced research programmes.
3. Tuition fees in total tertiary education.

Source: OECD. See Annex 3 for notes *(www.oecd.org/edu/eag2012)*.

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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Table B5.1. [2/2] Estimated annual average tuition fees charged by tertiary-type A educational institutions[1] for national students (academic year 2008-09)

In equivalent USD converted using PPPs, by type of institutions, based on full-time students

Tuition fees and associated proportions of students should be interpreted with caution as they result from the weighted average of the main tertiary-type A programmes and do not cover all educational institutions. However, the figures reported can be considered as good proxies and show the difference among countries in tuition fees charged by main educational institutions and for the majority of students.

		Percentage of tertiary full-time students enrolled in tertiary-type A programmes	Percentage of tertiary-type A full-time students enrolled in:			Annual average tuition fees in USD charged by institutions (for full-time students)			Comment
			Public institutions	Government-dependent private institutions	Independent private institutions	Public institutions	Government-dependent private institutions	Independent private institutions	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
OECD	Iceland	97	79	21	n	No tuition fees	2 311 to 6 831	8 433 to 12 650	Subsidised student loans that cover tution fees are available for all students. Almost no scholarships/ grants exist.
	Ireland	74	97	a	3	from 2 800 to 10 000	a	m	The tuition fees charged by public institutions are paid directly by the government in respect of full-time, undergraduate students from the European Union, only. About one half of all tuition fee income is derived from households (mainly for part-time or postgraduate or non-EU students).
	Israel	76	m	m	m	a	m	m	
	Italy	98	92	a	8	1 289	a	4 741	The annual average tuition fees do not take into account the scholarships/grants that fully cover tuition fees but partial reductions of fees cannot be excluded.
	Japan	75	25	a	75	4 602	a	7 247	Excludes admission fee charged by the school for the first year (USD 2 398 on average).
	Korea	74	24	a	76	5 193	a	9 366	Tuition fees in first degree programmes only. Excludes admission fees to university, but includes supporting fees.
	Luxembourg	m	m	m	m	m	m	m	
	Mexico	96	66	a	34	No tuition fees	a	5 218	
	Netherlands	100	m	a	m	1 861	a	m	
	New Zealand	77	97	2	1	3 031	4 177	m	
	Norway	95	86	14	x(2)	No tuition fees	n	5 503	Student fees are representative of the dominant private ISCED 5 institution in Norway.
	Poland	96	87	a	13	n	a	1 889 to 2 537	
	Portugal[3]	96	m	m	m	1 259	5 094	m	
	Slovak Republic	96	96	a	4	Maximum 2 707	a	m	Generally, full-time students do not pay the tuition fees, but students who are simultaneously enrolled in one academic year in two or more study programmes offered by a public university in the same level, are required to pay annual tuition fees for the second and the other study programmes in the academic year. In addition, students studying longer than the standard duration of study are required to pay annual tuition for each additional year of study.
	Slovenia	72	96	4	n	m	m	m	In public and government-dependent private institutions: First and second level full-time students do not pay tuition fees. But second cycle students who already obtained a qualification/degree equivalent to the second cycle pay tuition fees.
	Spain	81	87	a	13	1 052	a	m	
	Sweden	86	92	8	n	No tuition fees	No tuition fees	m	Excluding mandatory membership fees to student unions.
	Switzerland	83	99	m	1	889	m	7 342	
	Turkey	69	m	m	m	m	a	m	
	United Kingdom	87	a	100	n	a	4 731	m	English students from low-income households can access non-repayable grants and bursaries. Loans for tuition fees and living costs are available to all eligible students.
	United States	80	68	a	32	6 312	a	22 852	Including non national students.
Other G20	Brazil	90	m	m	m	m	a	m	
	Russian Federation	75	m	m	m	m	a	m	

1. Scholarships/grants that the student may receive are not taken into account.
2. Including students in advanced research programmes.
3. Tuition fees in total tertiary education.

Source: OECD. See Annex 3 for notes *(www.oecd.org/edu/eag2012)*.

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

StatLink http://dx.doi.org/10.1787/888932666418

B5

Table B5.2. Distribution of financial aid to students compared to amount of tuition fees charged in tertiary-type A education (academic year 2008-09)

Based on full-time students

		Distribution of financial aid to students. Percentage of students who:				Distribution of scholarships/grants in support of tuition fees. Percentage of students who:			
		benefit from public loans only	benefit from scholarships/ grants only	benefit from public loans AND scholarships/ grants	DO NOT benefit from public loans OR scholarships/ grants	receive scholarships/ grants that are higher than the tuition fees	receive scholarships/ grants whose amount is equivalent to the tuition fees	receive scholarships/ grants that partially cover the tuition fees	DO NOT receive scholarships/ grants in support of tuition fees
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
OECD	Australia[1]	74	1	7	19	n	n	7.3	92.7
	Austria	a	19	a	81	16.8	n	1.5	81.7
	Belgium (Fl.)[2]	a	22	a	78	21.7	x(5)	x(5)	78.3
	Belgium (Fr.)	n	17	n	83	16.9	x(5)	x(5)	83.1
	Canada	m	m	m	m	m	m	m	m
	Chile	m	m	m	m	m	m	m	m
	Czech Republic	m	m	a	m	m	m	m	m
	Denmark[2]	m	93	m	m	m	m	m	m
	Estonia	m	m	m	m	m	m	m	m
	Finland	a	55	a	45	a	a	a	a
	France[2]	a	28	a	72	24.0	4.0	a	72.0
	Germany	m	m	m	m	m	m	m	m
	Greece	m	m	m	m	m	m	m	m
	Hungary	21	35	m	m	a	a	a	100.0
	Iceland	63	m	m	37	a	a	a	100.0
	Ireland[3]	a	39	a	m	x(6)	85.5	m	14.5
	Israel	m	m	m	m	m	m	m	m
	Italy	n	18	n	82	8.2	3.1	7.0	81.7
	Japan	33	1	n	67	a	a	a	100.0
	Korea	m	m	m	m	a	1.8	38.8	59.5
	Luxembourg	m	m	m	m	m	m	m	m
	Mexico[2]	1	12	m	87	m	m	m	m
	Netherlands[3]	11	63	21	5	67.8	n	12.2	20.0
	New Zealand	51	4	35	10	m	m	m	m
	Norway[4]	12	4	52	33	m	m	m	m
	Poland	m	m	m	m	m	m	m	m
	Portugal	m	m	m	m	m	m	m	m
	Slovak Republic	m	m	m	m	m	m	m	m
	Slovenia[5]	a	21	n	m	m	m	m	m
	Spain	n	34	n	66	23.5	3.5	10.4	62.6
	Sweden	n	19	50	32	a	a	a	a
	Switzerland	2	11	m	87	m	m	m	m
	Turkey	m	m	m	m	m	m	m	m
	United Kingdom	37	8	50	6	m	m	m	42.7
	United States[2]	12	27	38	24	m	m	m	m
Other G20	Brazil	m	m	m	m	m	m	m	m
	Russian Federation	m	m	m	m	m	m	m	m

1. Excludes foreign students.
2. Distribution of students in total tertiary education (only Public University, including tertiary-type B in France).
3. Public institutions only.
4. Data refer to academic year 2007-08.
5. Column 2 only includes scholarships.

Source: OECD. See Annex 3 for notes *(www.oecd.org/edu/eag2012).*

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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Table B5.3. Public support for households and other private entities as a percentage of total public expenditure on education and GDP, for tertiary education (2009)

Direct public expenditure on educational institutions and subsidies for households and other private entities

		Direct public expenditure for institutions	Public subsidies for education to private entities						Subsidies for education to private entities as a percentage of GDP
			Financial aid to students				Transfers and payments to other private entities	Total	
			Scholarships/ other grants to households	Student loans	Total	Scholarships/ other grants to households attributable for educational institutions			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
OECD	Australia	**66.5**	10.7	22.8	33.5	0.7	n	**33.5**	0.37
	Austria	**80.4**	11.5	a	11.5	m	8.1	**19.6**	0.31
	Belgium	**86.6**	13.4	n	13.4	3.8	n	**13.4**	0.20
	Canada[1]	**84.2**	3.0	11.1	14.1	m	1.7	**15.8**	m
	Chile[2]	**57.5**	16.4	18.8	35.3	15.6	7.3	**42.5**	0.42
	Czech Republic	**97.2**	2.8	a	2.8	m	n	**2.8**	0.03
	Denmark[3]	**72.9**	23.0	4.2	27.1	n	n	**27.1**	0.65
	Estonia	**89.7**	4.7	5.6	10.3	m	n	**10.3**	0.14
	Finland	**84.2**	15.4	n	15.4	n	0.3	**15.8**	0.34
	France	**92.6**	7.4	m	7.4	m	n	**7.4**	0.10
	Germany	**79.3**	13.1	7.6	20.7	m	n	**20.7**	0.28
	Greece	**m**	m	m	m	m	m	**m**	m
	Hungary	**85.7**	14.3	n	14.3	n	n	**14.3**	0.16
	Iceland	**75.1**	a	24.9	24.9	a	n	**24.9**	0.40
	Ireland	**86.8**	13.2	n	13.2	m	n	**13.2**	0.20
	Israel	**91.4**	8.2	0.4	8.6	7.9	n	**8.6**	0.09
	Italy	**78.0**	22.0	n	22.0	9.7	n	**22.0**	0.19
	Japan[3]	**72.5**	0.7	26.8	27.5	m	n	**27.5**	0.21
	Korea	**78.0**	3.0	17.7	20.7	2.9	1.3	**22.0**	0.19
	Luxembourg	**m**	m	m	m	m	m	**m**	m
	Mexico	**92.3**	4.7	3.0	7.7	2.4	a	**7.7**	0.08
	Netherlands	**72.6**	10.6	16.4	27.0	n	0.4	**27.4**	0.45
	New Zealand	**56.9**	13.6	29.6	43.1	m	n	**43.1**	0.84
	Norway	**59.7**	12.1	28.2	40.3	m	n	**40.3**	0.90
	Poland	**98.6**	0.7	0.7	1.4	m	n	**1.4**	0.01
	Portugal	**85.2**	14.8	m	14.8	m	m	**14.8**	0.16
	Slovak Republic[3]	**77.9**	18.7	1	19.9	m	2.2	**22.1**	0.18
	Slovenia	**77.9**	22.1	n	22.1	m	n	**22.1**	0.31
	Spain	**90.8**	8.6	0.6	9.2	2.0	n	**9.2**	0.11
	Sweden	**75.1**	10.0	15.0	24.9	n	m	**24.9**	0.51
	Switzerland	**92.0**	2.1	n	2.1	m	5.9	**8.0**	0.11
	Turkey	**m**	m	m	m	m	m	**m**	m
	United Kingdom	**45.8**	3.7	33.8	37.5	x(4)	16.6	**54.2**	0.44
	United States	**80.4**	18.5	1.1	19.6	m	m	**19.6**	0.24
	OECD average	**79.5**	10.4	9.3	19.1	3.2	1.6	**20.5**	0.29
Other G20	Argentina	**98.4**	1.5	n	1.5	m	0.1	**1.6**	0.02
	Brazil	**90.8**	3.5	4.4	7.9	x(2)	1.3	**9.2**	0.08
	China	**m**	m	m	m	m	m	**m**	m
	India	**m**	m	m	m	m	m	**m**	m
	Indonesia[2]	**97.4**	2.6	m	2.6	m	m	**2.6**	0.01
	Russian Federation	**m**	m	a	m	m	m	**m**	m
	Saudi Arabia	**m**	m	m	m	m	m	**m**	m
	South Africa	**89.1**	x(4)	x(4)	10.9	x(4)	n	**10.9**	0.07
	G20 average	**m**	m	m	m	m	m	**m**	m

1. Year of reference 2008.
2. Year of reference 2010.
3. Some levels of education are included with others. Refer to "x" code in Table B1.1a for details.

Source: OECD. Argentina, Indonesia : UNESCO Institute for Statistics (World Education Indicators programme). South Africa: UNESCO Institute for Statistics. See Annex 3 for notes *(www.oecd.org/edu/eag2012)*.

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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