

3. PAYING FOR EDUCATION

How much do tertiary students pay?

- Public institutions charge no tuition fees in eight OECD countries; but in a third of countries with available data, they charge annual fees for national students of over USD 1 500.
- Reforms over the last decade have seen tuition fees introduced in Luxembourg and parts of Germany, and significant fee increases in Austria, Italy, Portugal and the United Kingdom.
- An average of 21% of public spending on tertiary education is devoted to supporting students, households and other private entities.

Significance

This spread 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 for debate in many countries.

Findings

Tuition fees are a subject of lively debate, and over the past decade there have substantial reforms in OECD countries. Some, such as Luxembourg and some German federal states, have introduced fees while others, including Austria, Italy, Portugal and the United Kingdom, significantly raised them. Another group of countries – Denmark, Ireland and the Slovak Republic – increased tuition fees charged for foreign students. Finally, Ireland abolished tuition fees for national students. The question of loans *versus* grants in supporting tertiary students is also under debate in a number of countries. Student support systems have developed particularly extensively in Australia, Chile, Denmark, the Netherlands, New Zealand, Norway, and the United Kingdom, where public subsidies account for more than 25% of public spending on tertiary education.

Overall, there are large differences among OECD countries in the average tuition fees charged in tertiary education. They are negligible or low in the Nordic countries, the Czech Republic, Ireland and Mexico; by contrast, they reach more than USD 5 000 in the United States. However, tuition fees are only one part of the picture. It is important also to look at broader support that may be available to students. In this context, countries can be placed into four main groups:

1. No or low tuition fees, and generous student support systems; these include the Nordics.
2. High tuition fees and well-developed student support systems; these include Australia, Canada, the

Netherlands, New Zealand, the United Kingdom, and the United States.

3. High tuition fees but less developed student support systems; Japan and Korea.
4. Low tuition fees and less developed student support systems; these include Austria, Belgium, the Czech Republic, France, Ireland, Italy, Poland and Spain.

Although tuition fees for tertiary education are generally high (more than USD 1 500) in group 2, large public subsidies are available to students. At 69%, the average entry rate into universities among these countries is slightly above the OECD average, and higher than most countries with low tuition fees, except the Nordics. In countries with low tuition fees and relatively low subsidies for students, such as those in group 4, the average entry rate into tertiary education is a relatively low 48%.

Definitions

Data refer to the financial year 2006 and are based on the UOE data collection on education statistics administered by the OECD in 2008. Data on tuition fees charged by educational institutions and financial aid to students were collected through a special survey undertaken in 2007 and updated in 2008 and 2009 and refer to the academic year 2006-07. 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 2010* (Indicator B5).

Areas covered include:

- Average tuition fees charged by tertiary-type A 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).

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Figure 3.10. **Tuition fees in tertiary education, 2006-07**

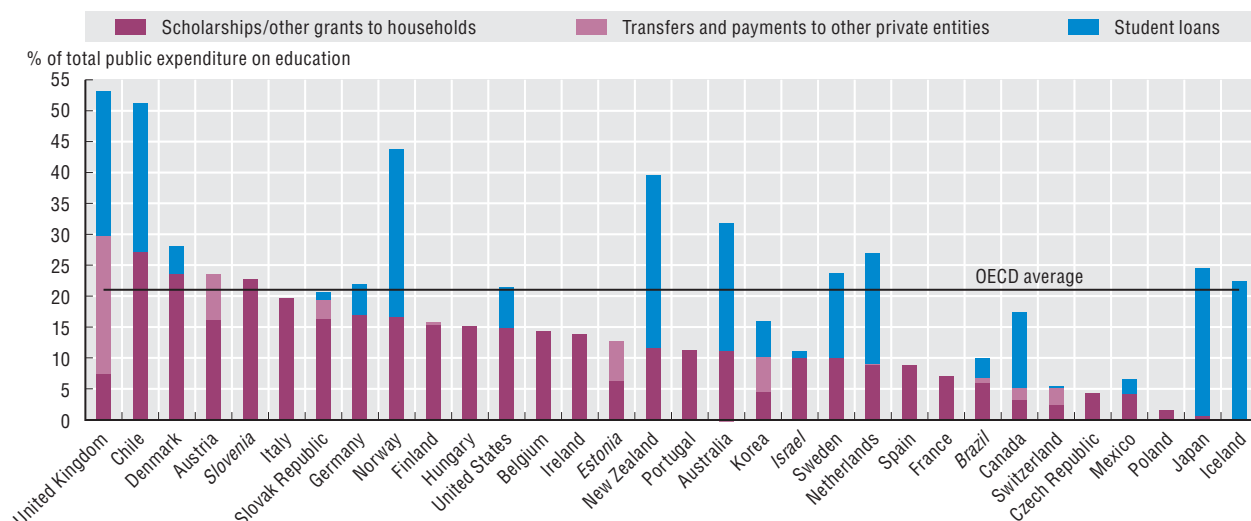
This figure shows the average annual tuition fees charged to full-time national students in public institutions for university-level education.



Source: OECD (2010), *Education at a Glance 2010*, Table B5.1, available at <http://dx.doi.org/10.1787/888932310358>.

Figure 3.11. **Public subsidies for tertiary education, 2007**

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 (2010), *Education at a Glance 2010*, Table B5.3, available at <http://dx.doi.org/10.1787/888932310358>.



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