

## 4. PAYING FOR EDUCATION

### How much do tertiary students pay?

- Tuition fees vary widely in OECD countries. University students pay more than USD 1 500 in tuition fees for public institutions in their own country in a third of OECD countries, while in eight countries they pay nothing.
- Countries with high levels of tuition fees tend to be those where private sources such as companies also contribute the most to funding tertiary institutions.
- An increasing number of OECD countries charge higher tuition fees for international students than for national students.
- An average of 22% of public spending on tertiary education is devoted to supporting students, households and other private entities.

#### 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 covering part of the cost of education and related expenses, particularly for low-income students. But how this aid is given – whether through grants, scholarships or loans – is a subject of debate in many countries.

#### Findings

Tuition fees for first-degree programmes vary by field of education in around half of the 26 OECD countries with available data. There is no common pattern across these countries between the level of tuition fees charged and the field of education students pursue. The main criteria for differentiating fees are the public cost of the field of study and labour-market opportunities.

Tuition fees for second and further degree programmes are generally not much higher than those for first-degree programmes for public institutions and government-dependant private institutions, across OECD countries. Exceptions to this pattern are found in Australia, Chile and the United Kingdom.

Countries where students pay tuition fees but can benefit from sizeable financial support do not have below-average levels of access to university education. Highly developed financial support systems can also help explain the high entry rates into tertiary education of some countries that charge no tuition fees.

Loans with income-contingent repayment combined with means-tested grants can help to promote access to higher education and equity while sharing the costs between the state and students.

#### Trends

Tuition fees continue to spark lively debate, and over the past decades there have been substantial reforms in OECD

countries. Since 1995, 14 of the 25 countries with available information implemented reforms to tuition fees. These reforms were combined with a change in the level of public support available to students in all 14 countries except Iceland and the Slovak Republic.

Since 2009, further changes have been made to tuition fees and public support systems in various countries. In the United Kingdom, tuition fees doubled 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 expanding access to and improving equity in university-level education.

#### Definitions

Data refer to the financial year 2010 and are based on the UOE data collection on education statistics administered by the OECD in 2012. 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 2012 and refer to the academic year 2010-11. Public subsidies to households include grants/scholarships, public student loans, family or child allowances contingent on student status, public support 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 2013* (Indicator B5).

Areas covered include:

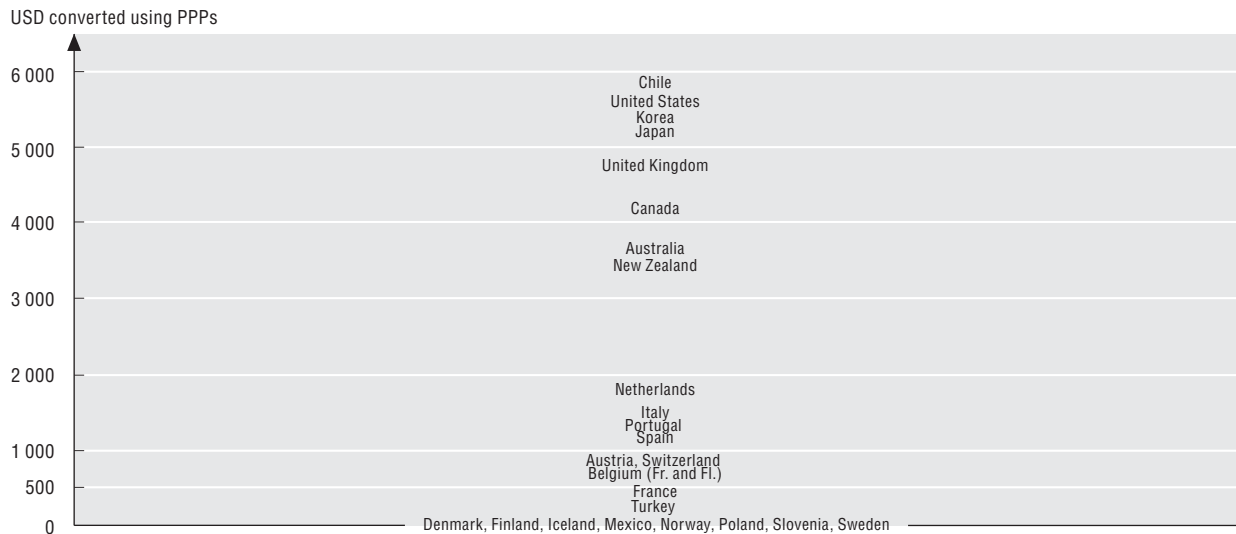
- Average tuition fees charged by university-level educational institutions.
- Distribution of financial aid to students.
- Governance of tertiary institutions.

#### Further reading from OECD

*OECD Reviews of Tertiary Education* (ongoing).  
*Higher Education Management and Policy* (journal).

Figure 4.9. Tuition fees for university, 2010-11

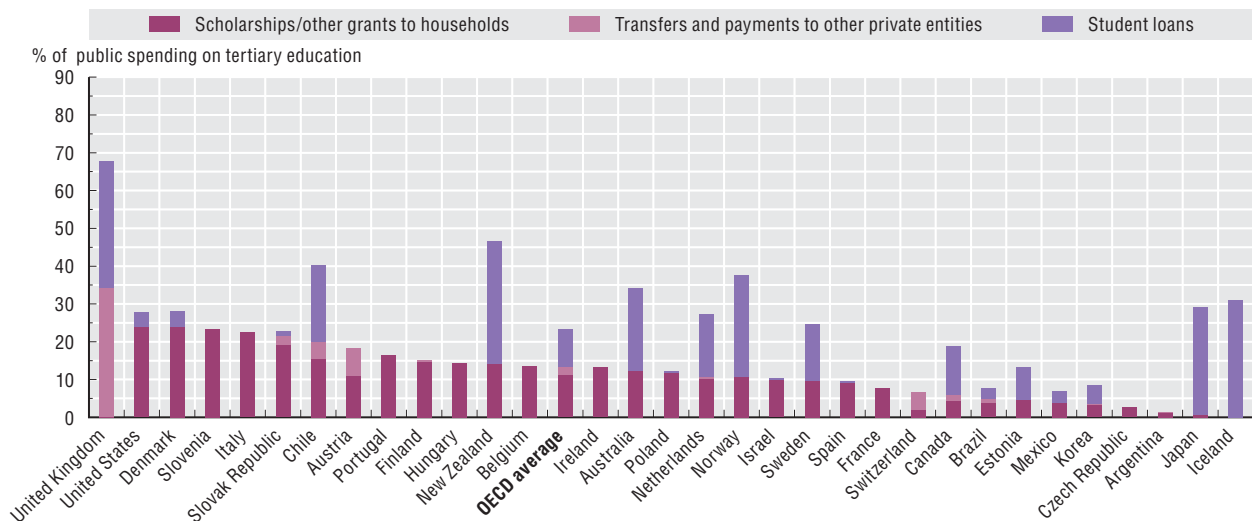
This figure shows the average annual tuition fees charged to full-time national students in public institutions for university-level education.



Source: OECD (2013), Education at a Glance 2013, Chart B5.2, available at <http://dx.doi.org/10.1787/888932847127>.

Figure 4.10. Public subsidies for tertiary education, 2010

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



Source: OECD (2013), Education at a Glance 2013, Chart B5.4, available at <http://dx.doi.org/10.1787/888932847165>.



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