

# S India spends most on higher edu

Study: It's 43% Of Family Income In Villages, 38% In Cities. National Avg Is 15% & 18%

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**Mumbai:** Education may be priceless, but the promise of a degree has seen parents across India foot large bills. Those from the rural and urban pockets of southern states spend the most, largely sign up at a private university and finance their children's dream of a technical education.

On average, higher education accounts for 15.3% of the total household expenditure in rural and 18.4% in urban areas. In the south, the corresponding figures are 43% and 38%.

The data is part of a recent study titled 'Household Expenditure on Higher Education in India: What do we know and what does recent data have to say'. In absolute terms, families from urban parts of south India spend an

## HOW THEY COMPARE

| Region     | URBAN INDIA                                     |                               | RURAL INDIA                                     |                               | All figures in ₹ |     | Share of per capita HE expd in total household expd |  |
|------------|-------------------------------------------------|-------------------------------|-------------------------------------------------|-------------------------------|------------------|-----|-----------------------------------------------------|--|
|            | Per capita annual expd on higher education (HE) | Avg annual expd of households | Per capita annual expd on higher education (HE) | Avg annual expd of households |                  |     |                                                     |  |
| North      | 41,487                                          | 25,143                        | 1,74,709                                        | 1,06,879                      | 24%              | 24% |                                                     |  |
| North-East | 29,249                                          | 17,718                        | 1,28,882                                        | 77,112                        | 23%              | 23% |                                                     |  |
| East       | 34,068                                          | 19,035                        | 1,17,465                                        | 66,244                        | 29%              | 29% |                                                     |  |
| Central    | 35,697                                          | 11,873                        | 1,31,865                                        | 72,149                        | 27%              | 16% |                                                     |  |
| Western    | 45,436                                          | 21,787                        | 1,52,018                                        | 89,961                        | 30%              | 24% |                                                     |  |
| Southern   | 49,690                                          | 36,063                        | 1,29,597                                        | 83,602                        | 38%              | 43% |                                                     |  |

average of Rs 49,690 a year on higher education, closely followed by the western states, where it is Rs 45,436. In rural areas, the southern states have an average per-student expenditure of Rs 36,063, which makes up a whopping 43% of their annual household expenditure. This is followed by the northern states, where

the annual average expenditure is Rs 25,143 (see box).

"For the average citizen, higher education does not come cheap. Most families spend a third of their consumption expenditure, expecting a better return on their investment," said S Chandrasekhar, professor, Indira Gandhi Institute of Develop-

ment Research, Mumbai, and one of the authors of the study. The other co-authors of the study are P Geetha Rani of Central University of Tamil Nadu, Thiruvavur, and Soham Sahoo of University of Goettingen, Germany.

The spend is the lowest — 23% of the household expenditure, or Rs 29,249 — in urban parts of North-east India. Among rural areas, the expenditure is lowest, 16% or Rs 11,873, in central India. "When there is uncertainty in the employment prospect, the opportunity cost of pursuing higher education is larger for poorer households, which potentially explains the disparity in demand for higher education across wealth levels," stated the paper.

The National Sample Survey Organisation (NSSO) survey of consumption expenditure, typically conducted on-

ce in five years, provides estimates of expenditure for the household as a whole and not for each member who is pursuing higher education.

First, the average income in rural India is not sufficient to finance quality higher education, the authors noted. In rural India, as per data from the Socio Economic and Caste Census 2011, in nearly 73% of households, the maximum income earned by any member is less than Rs 5,000 per month. Second, an average rural household spends 27% of its total expenditure if any one wants to pursue higher education. "Since poorer households have lower income, this share is likely to be higher for poorer households. This provides support for the policy stance that financial assistance schemes need to be targeted by income slabs," said the research.