

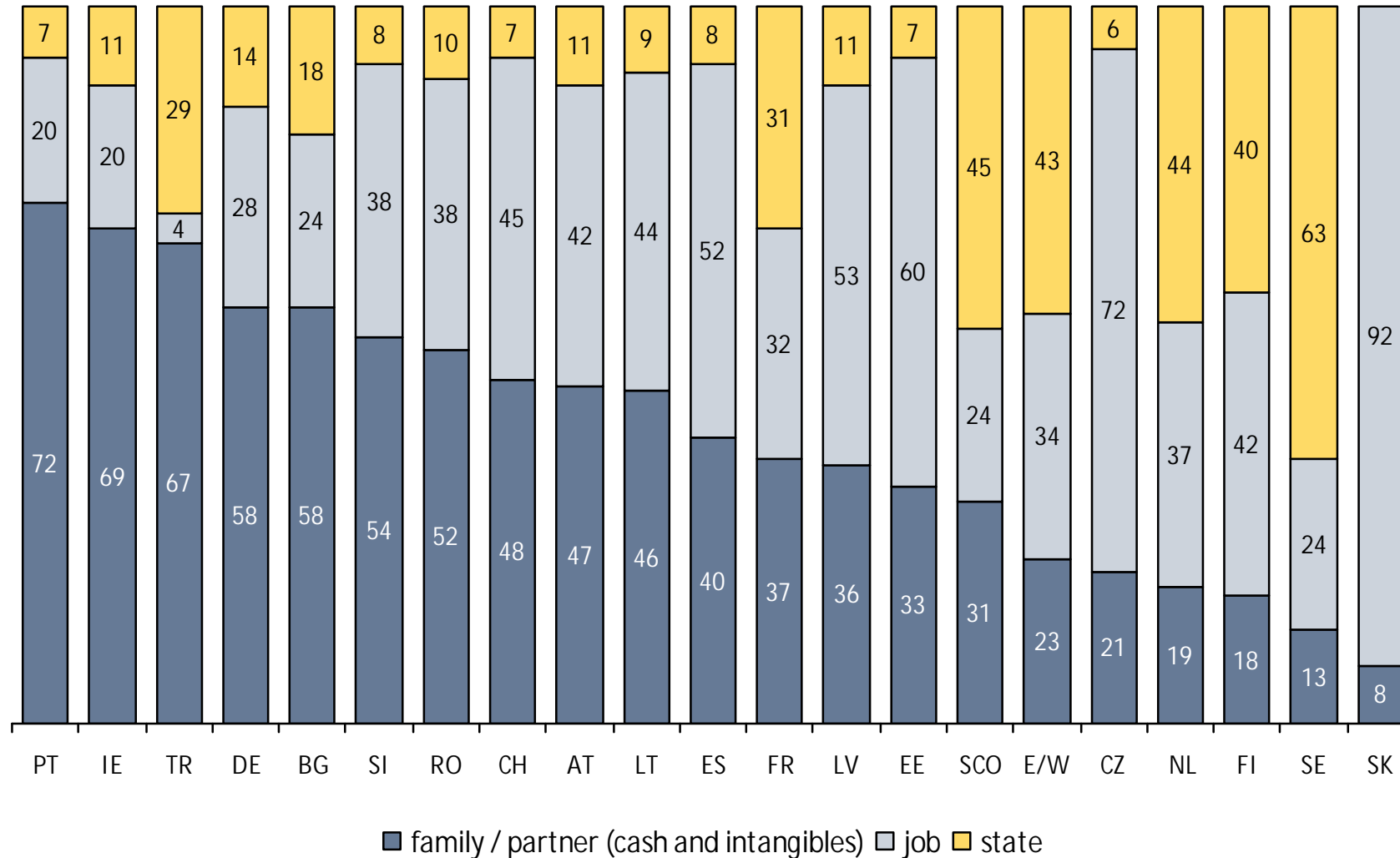
How social is your system? Exploring social aspects of public funding systems for higher education

18th EAN Annual Conference “Changing the Culture of the Campus Towards an Inclusive Higher Education – Ten Years on”

York, St John University, 23 June 2009

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Composition of total income by source – all students (students maintaining own households)



Source: HIS, EUROSTUDENT III, Social and Economic Conditions of Student Life in Europe, Final report, 2008.

Agenda

1. Research approach
2. Macro level
3. Micro level

Source: Schwarzenberger, A., Public/private funding of higher education: a social balance, 2008.

Research approach

1. Comparison of cost-sharing approaches between countries: Macro level
2. Comparison of different socio-economic groups of students: Micro level

Support to households: basic definitions

- direct / indirect
 - direct: geared at students
 - indirect: geared at students' parents
- cash / non-cash
 - cash: increasing disposable income (e.g. grants, tax exemptions)
 - non-cash: decreasing expenditure (e.g. free public transport)

Specifications

- reference year for international comparison: 2004 (adjustment for inflation)
- purchasing power standards used for international comparison
- average values: arithmetic mean

- ISCED classification: ISCED 5A and 6 only; 5B excluded
- private institutions included if they get any public funding
- foreign students included
- adjustment for full-time students

Specifications (2)

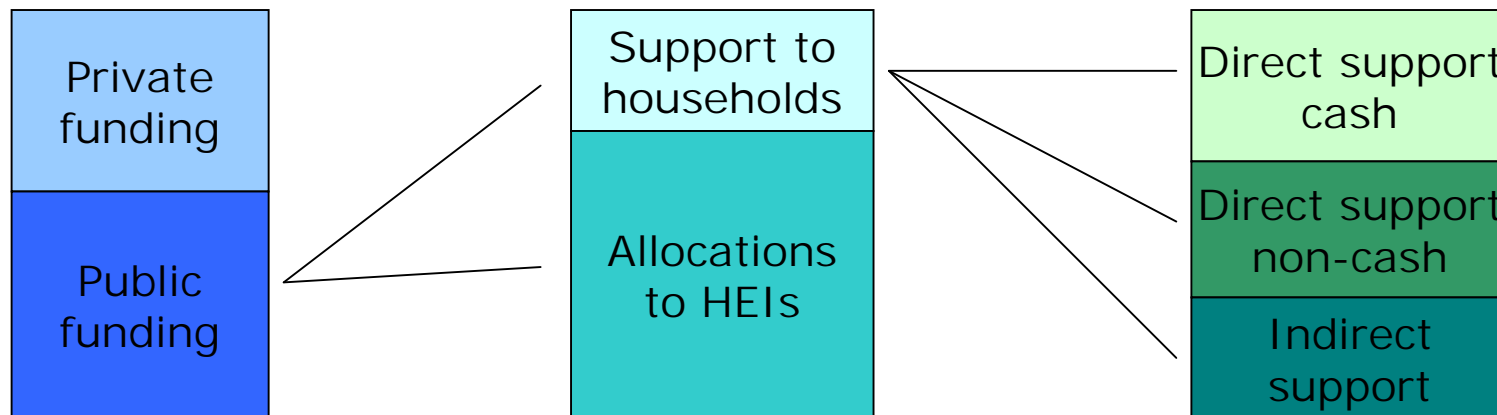
- all support items for which child's student status plays a role
- no pension scheme payments / exemptions
- no administration costs
- no consideration of opportunity costs
- loan subsidy includes interest (also in grace and repayment period) and any default

Macro level

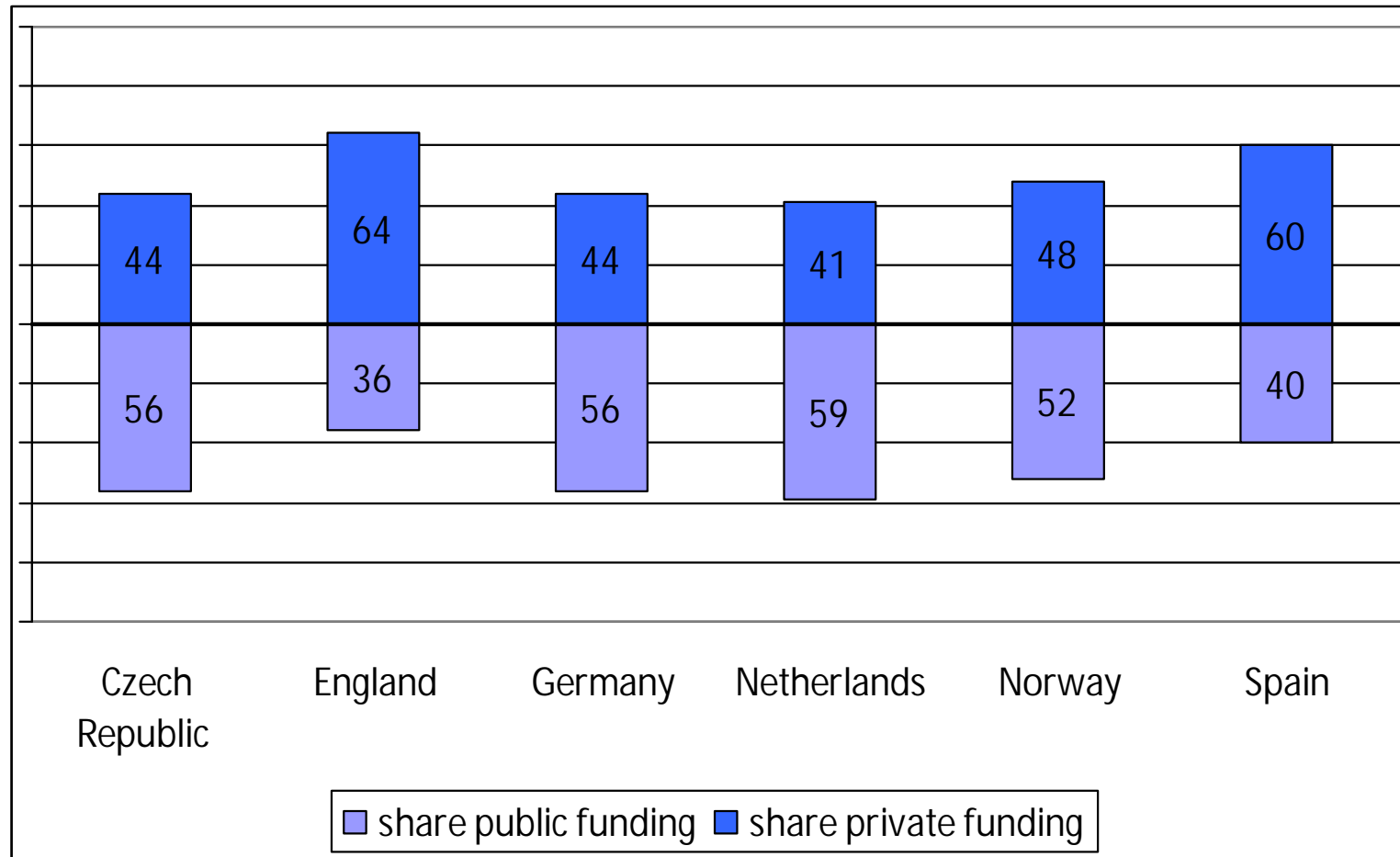
Public funding	Private funding
<p>Teaching allocations to HEIs (including teaching-related research)</p> <p>Support to households:</p> <p>Direct support (cash)</p> <ul style="list-style-type: none"> • Grants • Student-specific tax exemptions • Subsidies on loans <p>Direct support (non-cash)</p> <ul style="list-style-type: none"> • Subsidies for health insurance • Subsidies for facilities • Subsidies for transportation <p>Indirect support (cash)</p> <ul style="list-style-type: none"> • Child-related payments (child allowances and other benefits) • Tax exemptions 	<p>Student income*</p> <p>(= grants, loans, parents' contributions in cash and in kind, paid work, any other income)</p> <p>minus direct support (cash)</p> <p>minus indirect support (cash)</p> <p>* Income used as proxy for expenditure</p>

To be compared

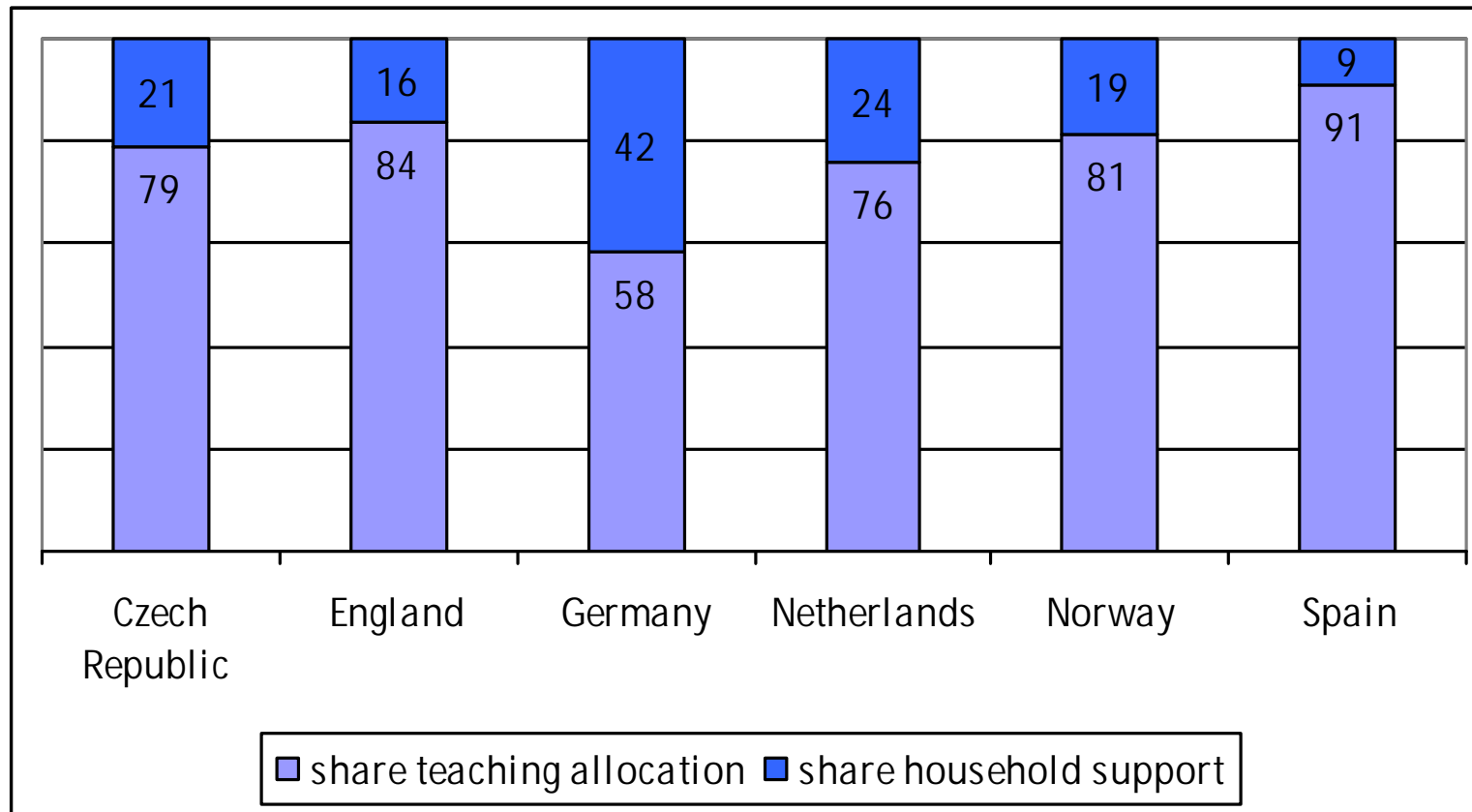
- overall shares of public and private funding (of total)
- proportions of allocations to institutions and to households as part of the public funding
- respective shares of different types of support to households



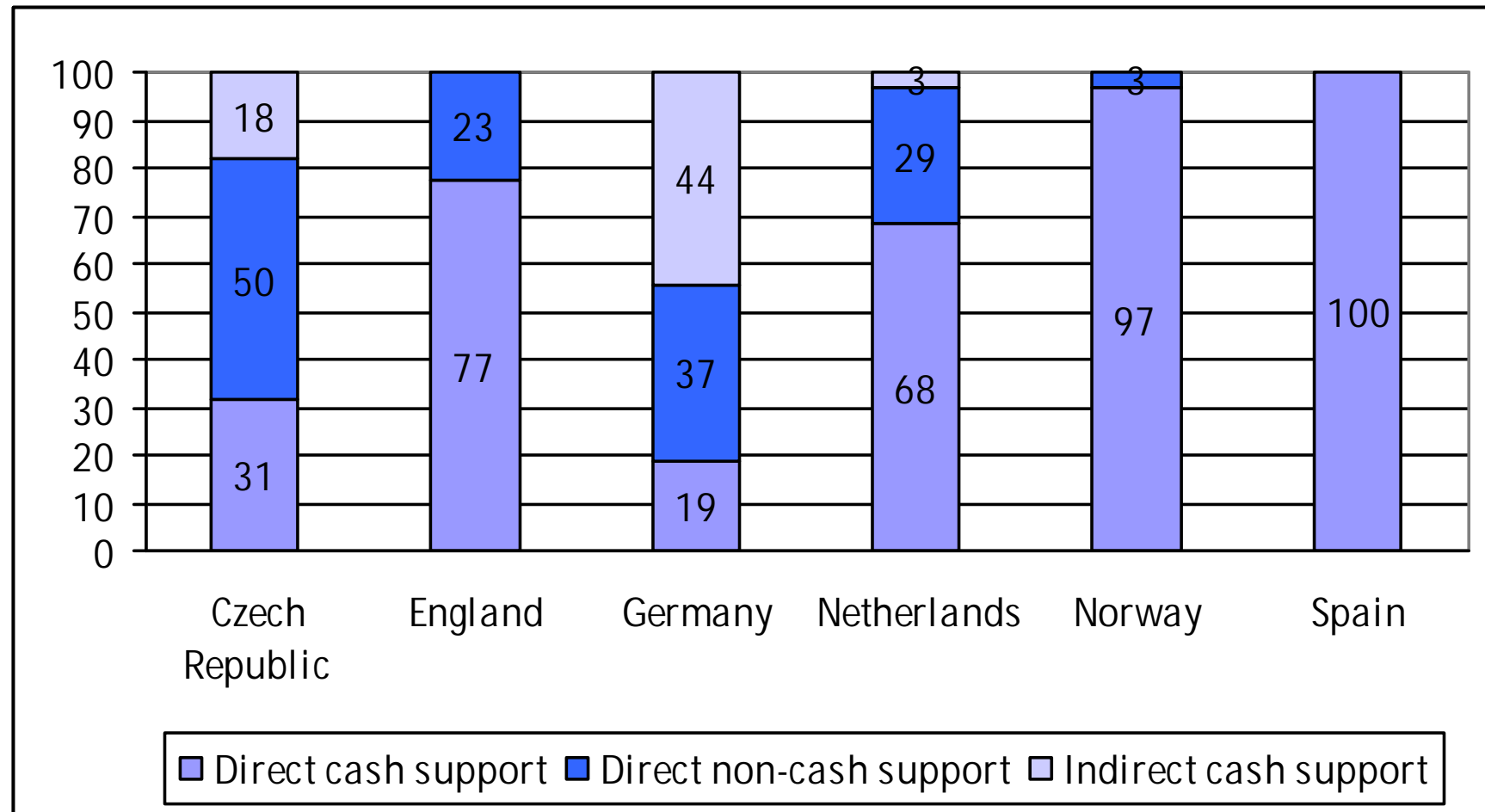
Overall shares of public and private funding



Public funding: Proportions of allocations to institutions and households (in %)



Shares of different types of support to households



Summary

- share of public funding lower in England and Spain than in other four countries
- within public funding, proportions for support to households very high in Germany, very low in Spain
- composition of household support: great differences by country
- funding per capita:
highest in Norway for both funding types
greatest difference between public and private funding in England, smallest in Norway

Specifications

- reference year for international comparison: 2004 (adjustment for inflation)
- refer to one year (not month)
- “a student is a student for 12 months”
- purchasing power standards used for international comparison
- average values: arithmetic mean

- Filter for Eurostudent data (à “typical student”):
 - student of typical freshman age (OECD) +/- 3 years
 - students from public HEIs only
 - ISCED 5A students only
 - national students only
 - no severe disabilities

Specifications (2)

- calculation of public support: income distribution: EU-SILC (Statistics on Income and Living Conditions)
 - four “income cases”: use EU-SILC data (quartiles) to establish four income groups
 - only households with children
 - entire household income
 - negative income cases excluded, no cutting off at extremes
- “bridge” between EU-SILC income distribution and Eurostudent data:
 - either via parents’ income included in Eurostudent
 - or via reasonable proxy (e.g. parents’ occupational and educational background, using SILC median income for each of these groups)

Specifications (3)

- in essence: consider all support items for which the child's student status plays a role
- indirect support calculated for prototype family: two parents, married, both alive and living together, both working, only one child (i.e. the student)
- further assumptions where necessary (German case): rented accommodation, statutory health insurance, church taxes paid, one parent earns 50% of other's income, all income from employment

Comparison of cost-sharing scenarios according to a student's socio-economic status (SES)

Comparison of student prototypes within each country:

4 different socio-economic status scenarios;

two sub-cases each: student living at home or not

à For each of these 8 prototype sub-cases:
establish students' income and expenditure
and the share of public support in this

Here: only students living away from home (normal case)

Full matrix for micro level

Income	Expenditure
<ul style="list-style-type: none"> • Grants • Public loans • Earnings • Family contribution • Other • Public subsidy: direct non-cash support (health care subsidies, subsidies for facilities and transportation) <p style="color: blue; font-size: small;">Source: Eurostudent; public subsidy calculations based on national data</p>	<ul style="list-style-type: none"> • Cost of study: Tuition fees, Social/administrational fees, Instruction material (no PC) • Maintenance: Accommodation, Nutrition, Clothing, Personal care, Communication, Leisure, Travel / transport, Other) • Public subsidy: direct non-cash support <p style="color: blue; font-size: small;">Source: Eurostudent; public subsidy calculations based on national data</p>
<p>Public subsidies (of the above):</p> <ul style="list-style-type: none"> • Direct cash support • Direct non-cash support • Indirect cash support <p style="color: blue; font-size: small; text-align: right;">Source: Eurostudent, national data, calculations based on EU-SILC / national data</p>	

To be compared (differentiating between housing situation and SES)

- Level of income and public support
- Composition of income and public support
- Support models: flat-rate or targeted by SES
- Public support as a percentage of student income

Here: only students living away from home (normal case)

Students living away from home have higher overall income and expenditure than their peers who live at home (all SES), and profit from higher sums of public support

Micro level

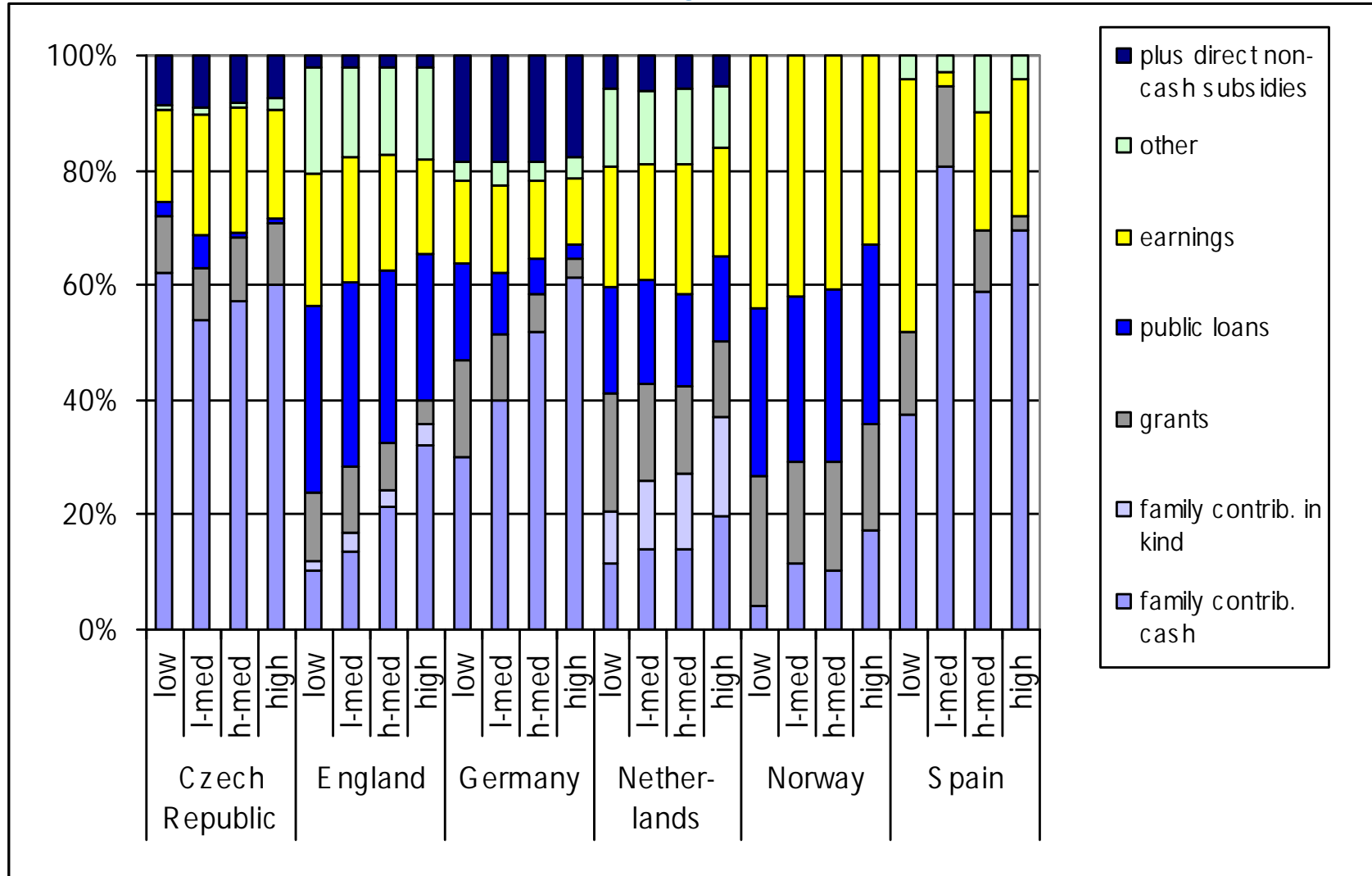
Total income of students living away from home

Income of students from low SES set at 100

	low	lower medium	higher medium	high
Czech Republic	100	97	105	115
England	100	104	101	104
Germany	100	100	101	105
Netherlands	100	98	105	107
Norway	100	115	113	116
Spain	100	72	94	101

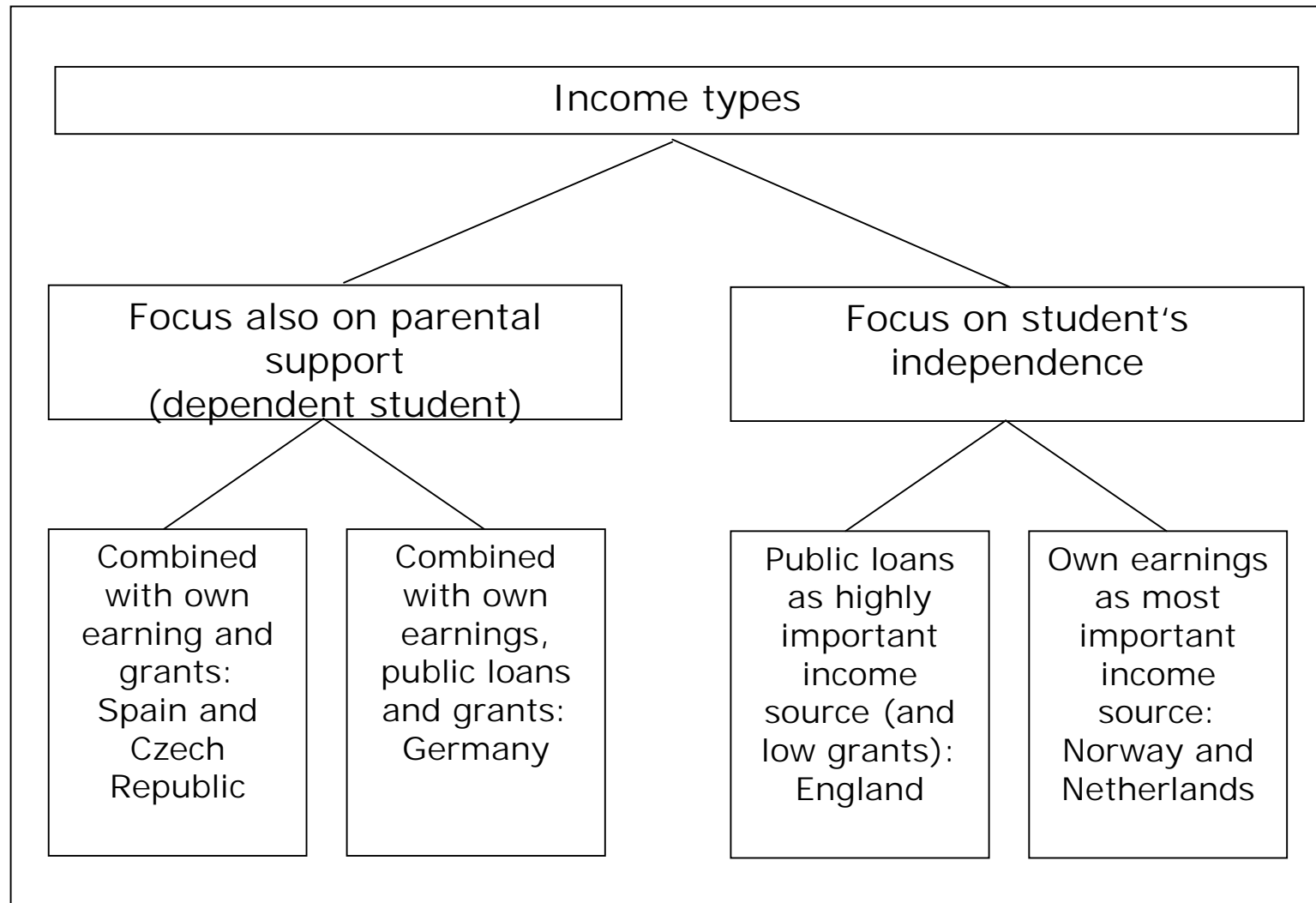
Income composition (away students)

Micro level



Income composition

Micro level

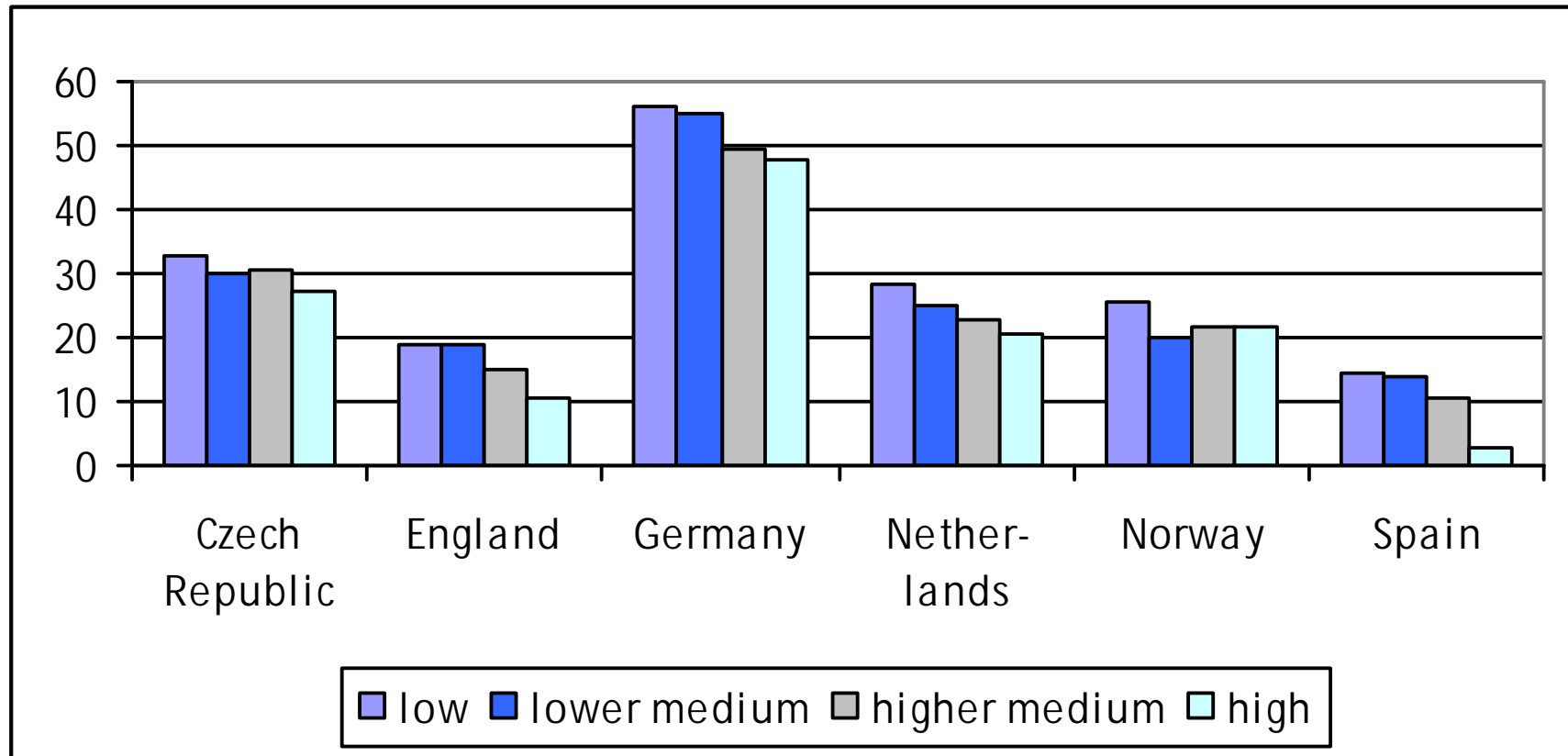


Public support to students living away from home

Support to students from low SES set at 100

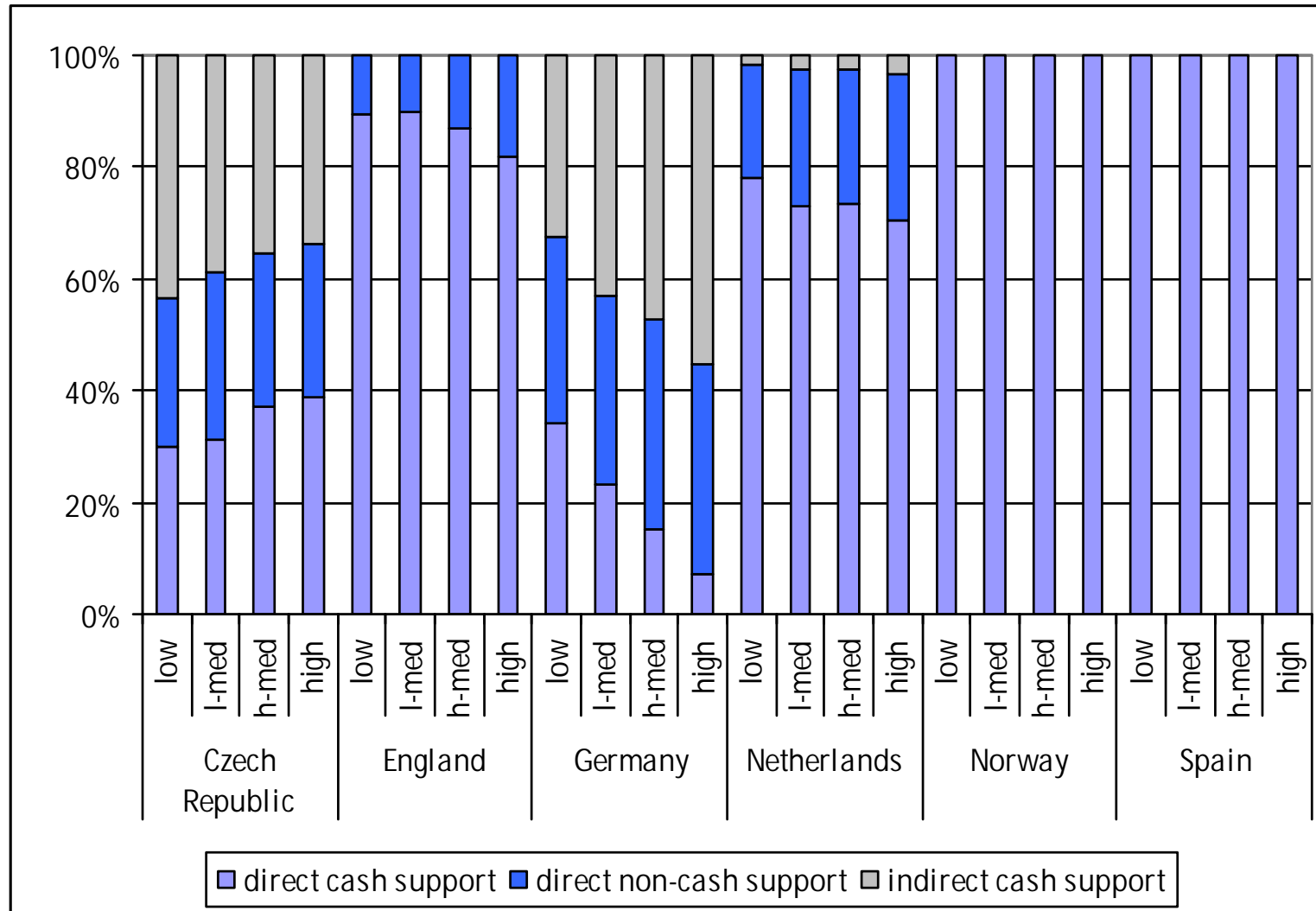
	low	lower medium	higher medium	high
Czech Republic	100	89	98	96
England	100	102	79	57
Germany	100	99	90	90
Netherlands	100	88	85	78
Norway	100	91	96	97
Spain	100	69	70	18

Public support as a percentage of student income by SES for students living away from home



Composition of public support

Micro level



Composition of public support (away students)

Support to students from low SES set at 100

Country	Support type	Low	Lower med.	Higher med.	High
Czech Republic	Direct cash	100	92	122	123
	Direct non-cash	100	100	101	100
	Indirect cash	100	79	81	74
	Total public support	100	89	98	96
England <i>No indirect support</i>	Direct cash	100	102	77	52
	Direct non-cash	100	100	100	100
	Total public support	100	102	79	57
Germany	Direct cash	100	67	40	19
	Direct non-cash	100	100	100	100
	Indirect cash	100	130	130	152
	Total public support	100	99	90	90
Nether-lands	Direct cash	100	82	80	70
	Direct non-cash	100	105	101	101
	Indirect cash	100	131	131	163
	Total public support	100	88	85	78

Steering effect

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Summary

- Income, expenditure and public support higher for students living away from home
- Income level of students living away from home quite similar for all SES in one country
- Composition of income: great differences by SES
- Overall public support to students: differences by SES
- Sometimes contradictory tendencies by type of support owing to different support modes: flat-rate support and targeted support (decreasing/increasing differences by SES)
- Share of public support in the overall income: some differences by SES; great differences by country

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