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Impact of financial resources on HE selection in India

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Background

Objectives

- Gather quantitative data on current students' household income and socio-economic background.
- Aim to provide a clearer picture of the financial profile of India's domestic students in various types of Indian institutions.
- Important as private provision continues to expand and India opens its doors to foreign universities.



Methodology

- Online survey of 2,700 currently enrolled HE students in India, administered by Kantar during March 2021.
- A minimum target of 450 eligible responses was achieved for each of India's six regions - North, South, East, West, Central and Northeast.
- Survey responses were received from 95 cities across 23 states / union territories.

Limitations

- Some gaps in the Northeast and North regions.
- Research is based primarily on quantitative analysis of survey data, i.e. no interviews.

Profile of survey respondents



- **Gender:** Male 52%, Female 48%.
- **Level of study:** Undergraduate 74%, Postgraduate / Masters 19%, PhD 7%
- **Age:** 18-25 (92%), 26-33 (7%), 34-40 (1%)
- **Institution type:** Public 47%, Private for-profit 31%, Private non-profit 22%
- **Home location classification:** City 89%, Town, 7%, Village 4%
- **Socio-economic class:** SEC A 54%, SEC B 31%, SEC C 15%

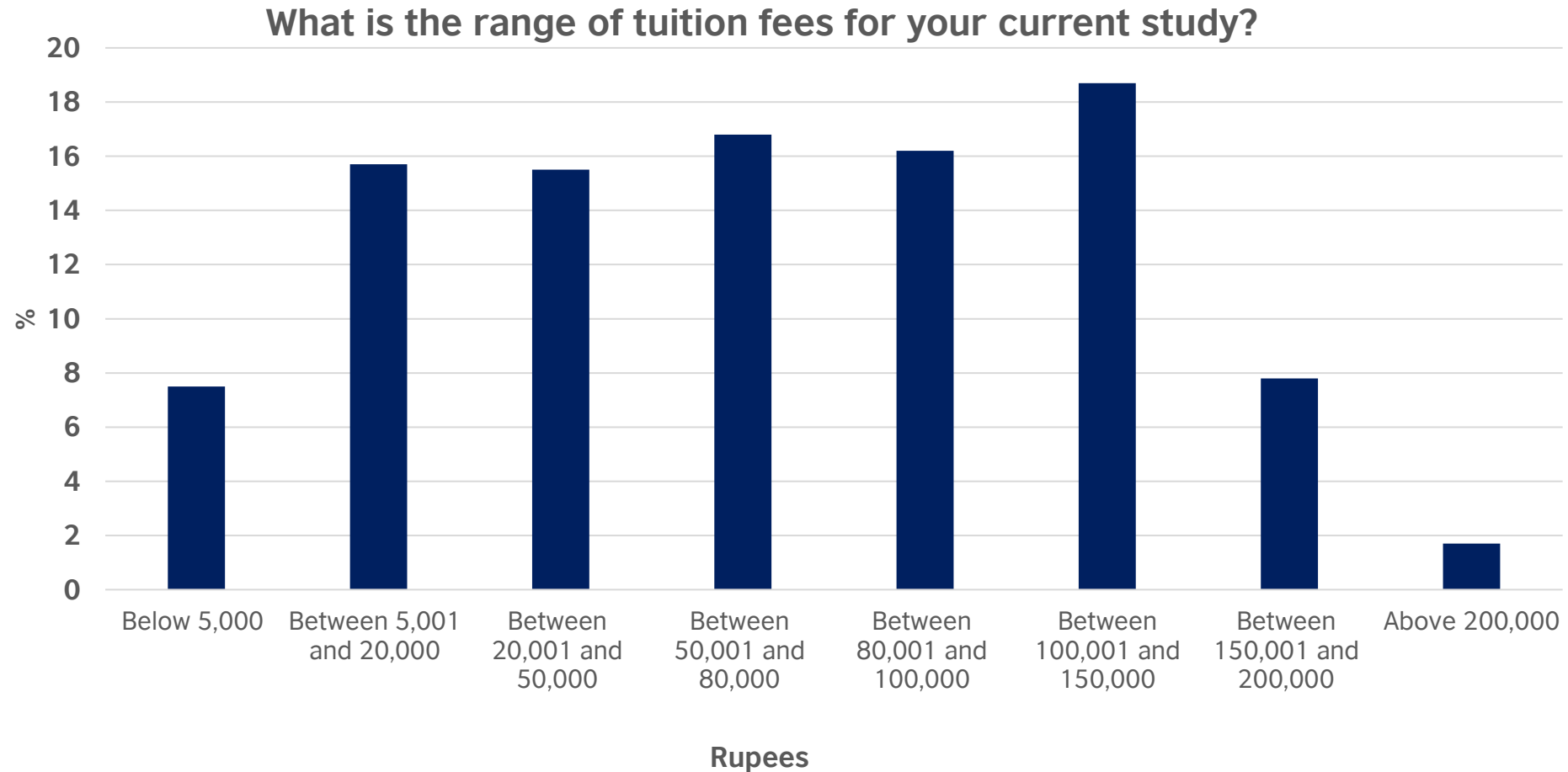
Estimation of socio-economic class

Socio-economic class of survey respondents was calculated based on two criteria:

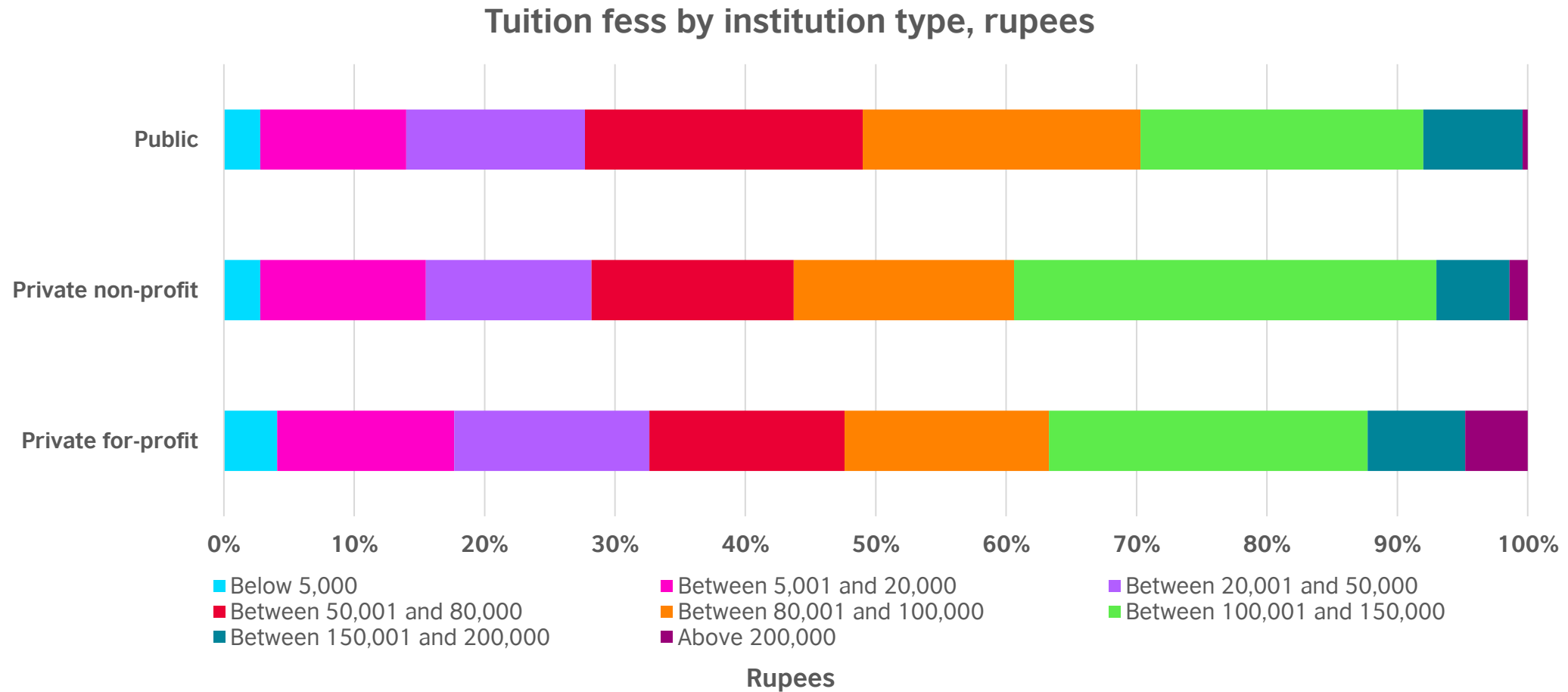
1. Ownership of consumer durables (Electricity connection, ceiling fan, LPG gas / stove, two-wheeler, colour tv, refrigerator, washing machine, personal computer / laptop, car/jeep/van, air conditioner, agricultural land - owned not leased)
2. Education level of head of household

Socio-economic class	Ownership of consumer durables	Education of household chief wage earner
A	8 or more	Degree level qualification
B	6 to 8	College diploma
C	4 to 6	Senior secondary school
D	2 to 4	5 to 9 years
E	0 to 2	No formal schooling

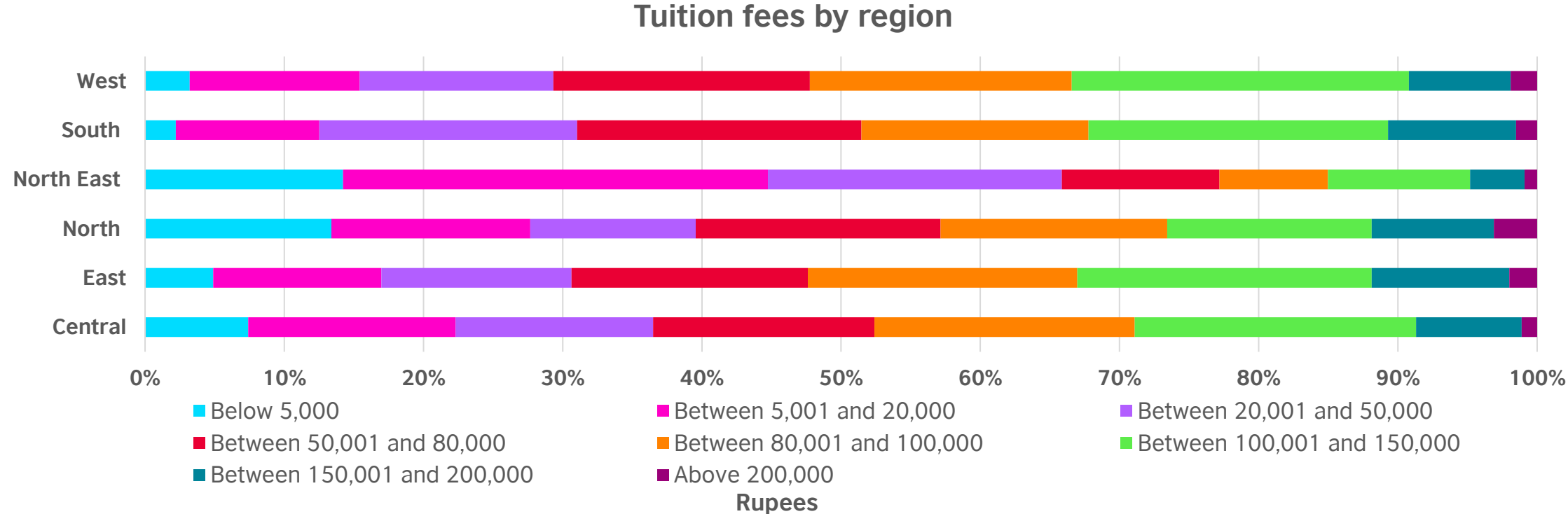
Tuition fees. Less than 2% of students paying annual fees above £2,000.



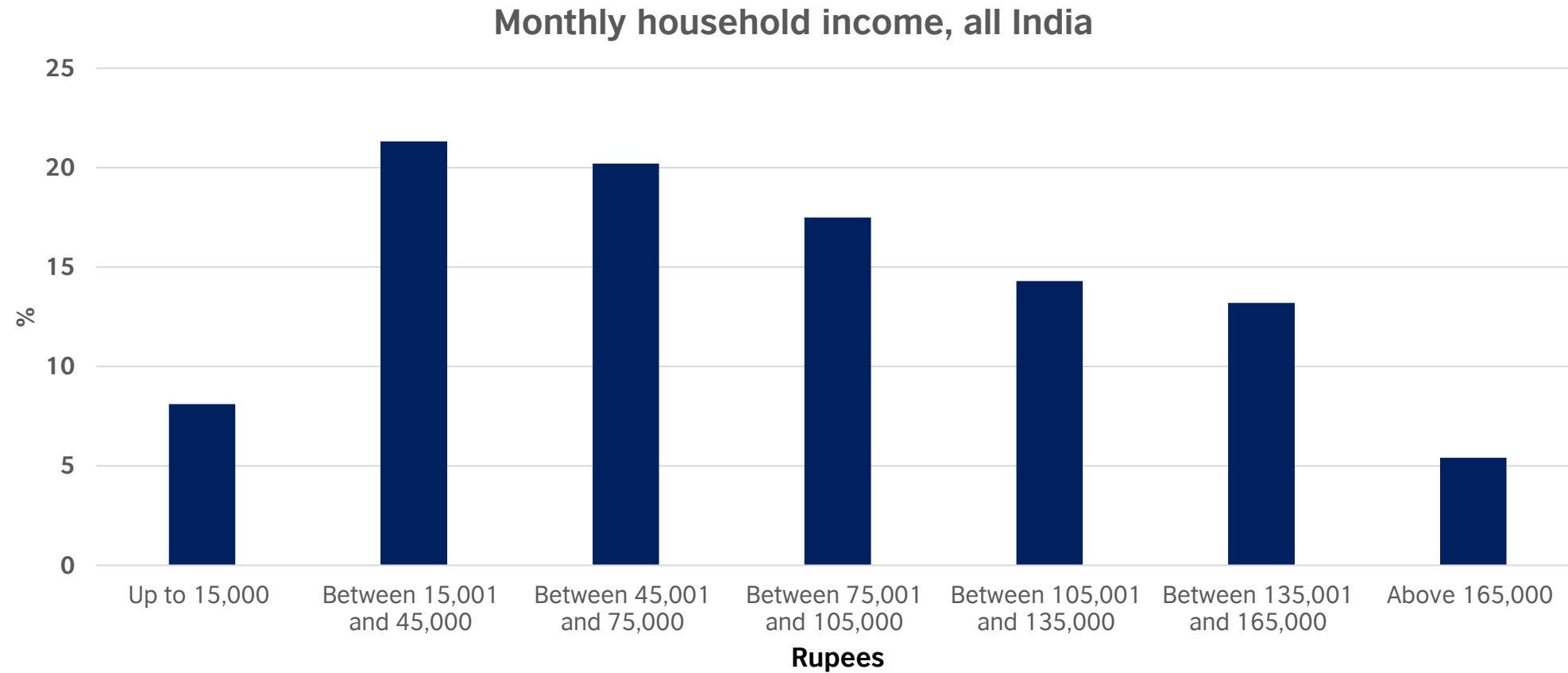
Fees are reasonably consistent across institution types.



Some variation in tuition fees across the regions: lowest in the Northeast and highest in the West and East.

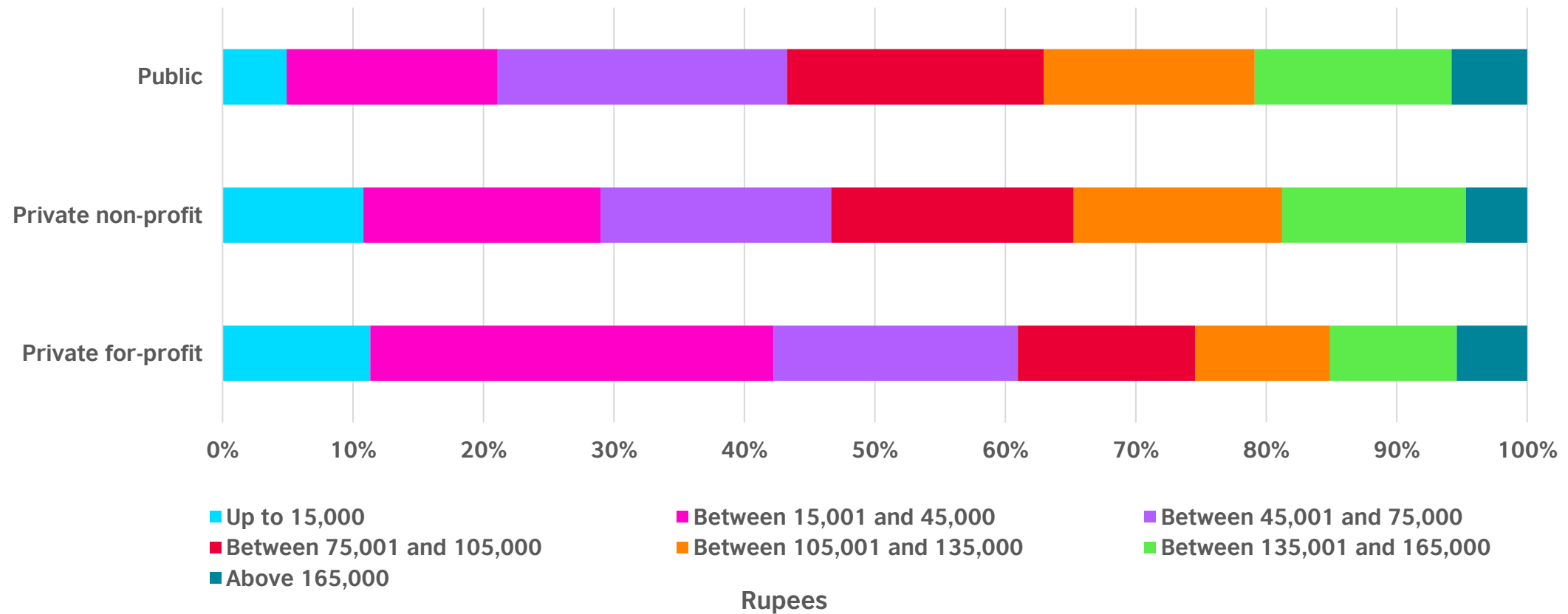


Household income. Access to HE occurring at low level of household income, supported by low tuition fee options.



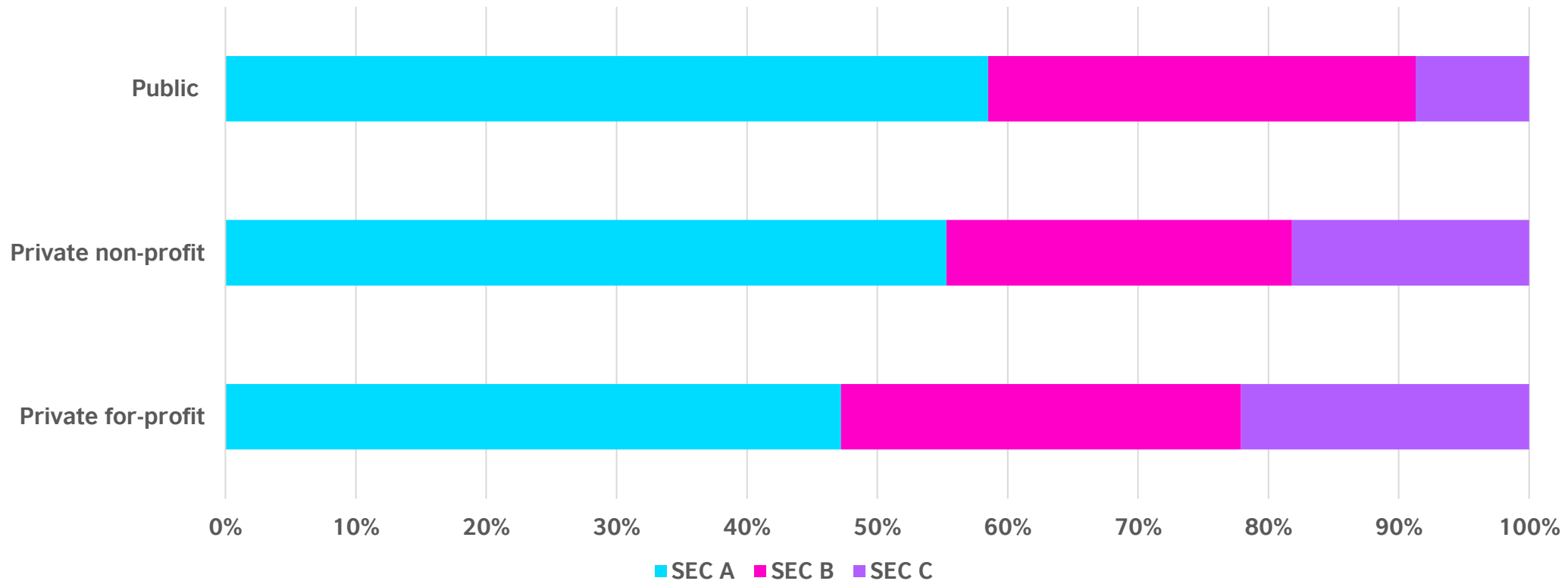
Students at private non-profit HEIs are from relatively low-income households.

Monthly household income by institution type



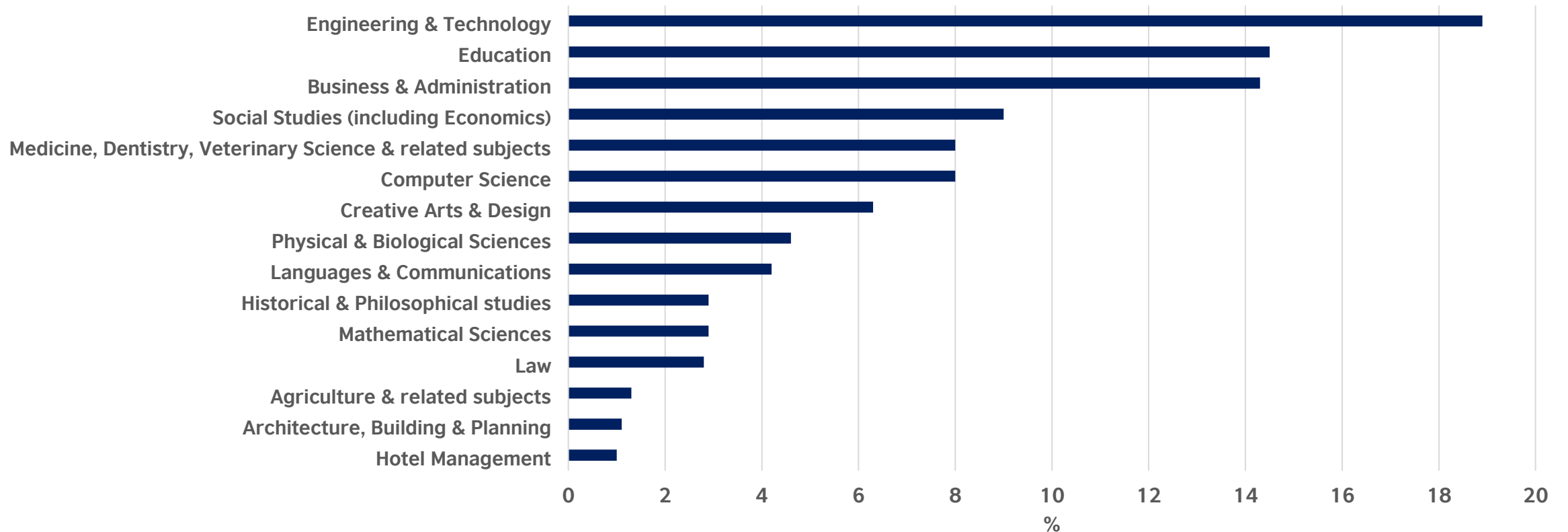
Socio-economic class. Larger proportion of students enrolled at public HEIs are from the higher SEC.

Socio-economic class by institution type



Subjects. Engineering & Technology predominate, but Education popular among mid-tier socioeconomic class.

What is the major subject stream of your current study?

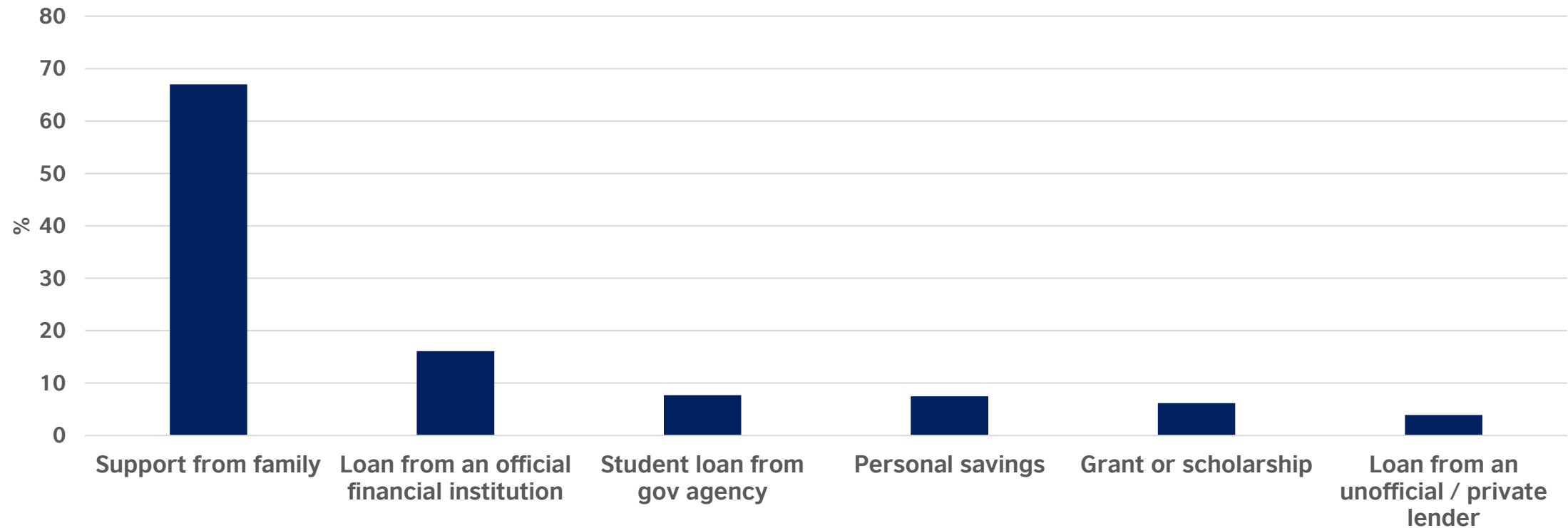


Student mobility. Significant inter-state mobility within India.

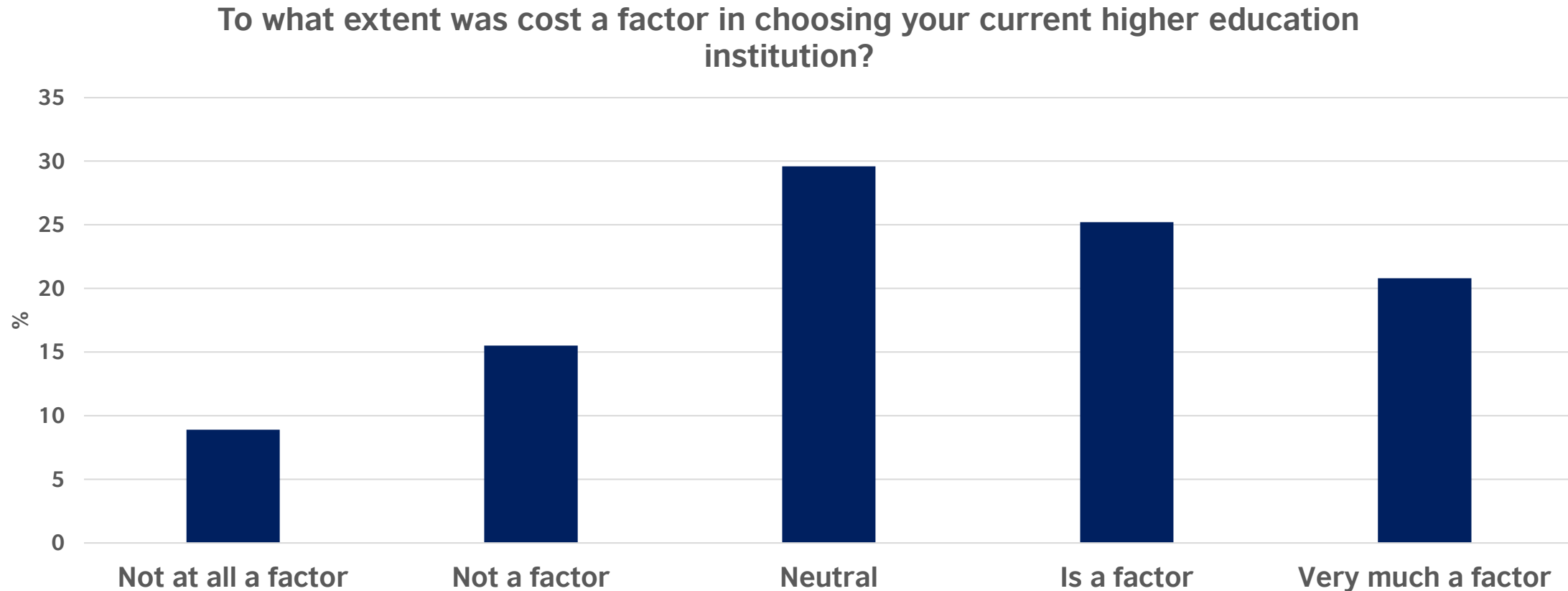
- 21 per cent of students attend HEIs outside their home state.
- In six states, over 50 per cent of students travelled out-of-state for HE study, three of these states being in the North region.
- Conversely, in six other states, less than 10 per cent of students travelled out-of-state, three of these states being in the South region.

HE funding sources. The most important sources of funding are ‘support from family’ and ‘loan from an official financial institution’, but significant regional variation exists.

Main higher education funding sources, all India



Cost as a factor in choosing institution.....more significant for students attending private for-profit HEIs and students in the Northeast.



Note - similar results obtained for 'cost as a factor in choosing HE programme'.

Strong interest in study abroad, could progressively materialise as India's economy continues to develop.

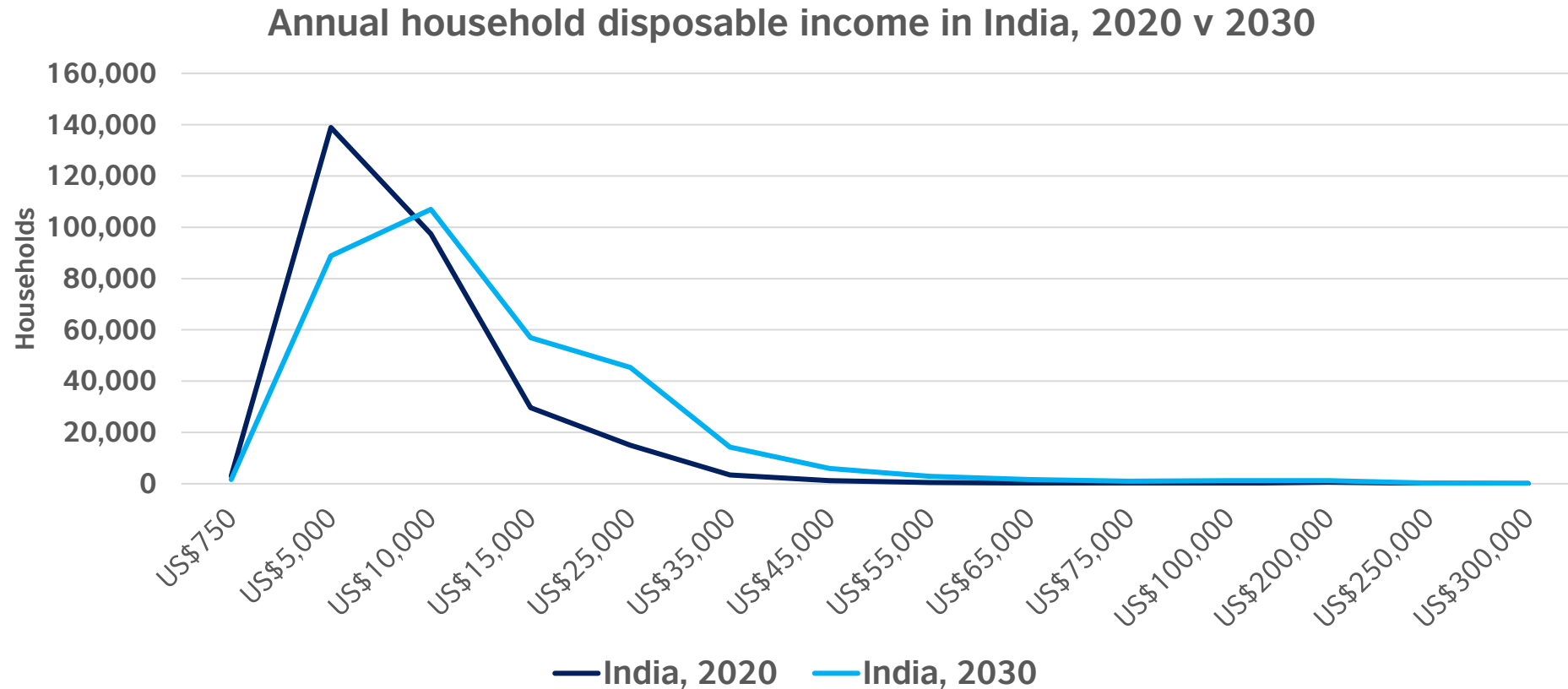
- 55 per cent of students had previously considered studying abroad but decided against it due to cost.
- Looking forward, a similar proportion expressed an interest in studying another course overseas after completing their current course.
- Undergraduate students in the West region and postgraduate students in the North region showed the strongest interest in studying abroad.

Concluding comments

- Lack of regional variability in HH income and tuition fees perhaps surprising.
- Much of the access to poorer and more rural segments of society is provided via the private for-profit sector.
- With demand for HE set to soar as India's economy develops and household incomes rise, private providers - including foreign providers - will play an increasingly important role in addressing demand.
- While India's National Education Policy 2020 has signalled an opening up to foreign universities, the low tuition fee environment raises questions about prospects for foreign providers to operate sustainably in India

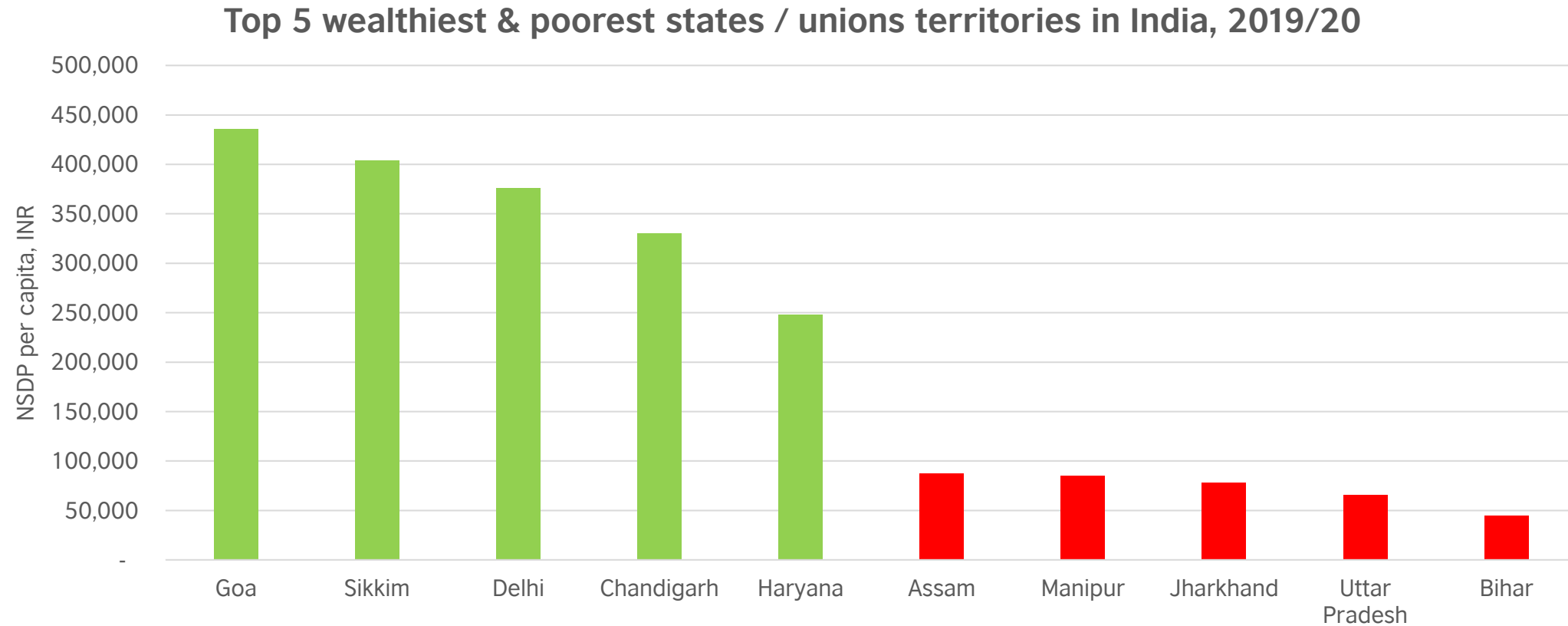


Appendix 1: Household disposable income projections



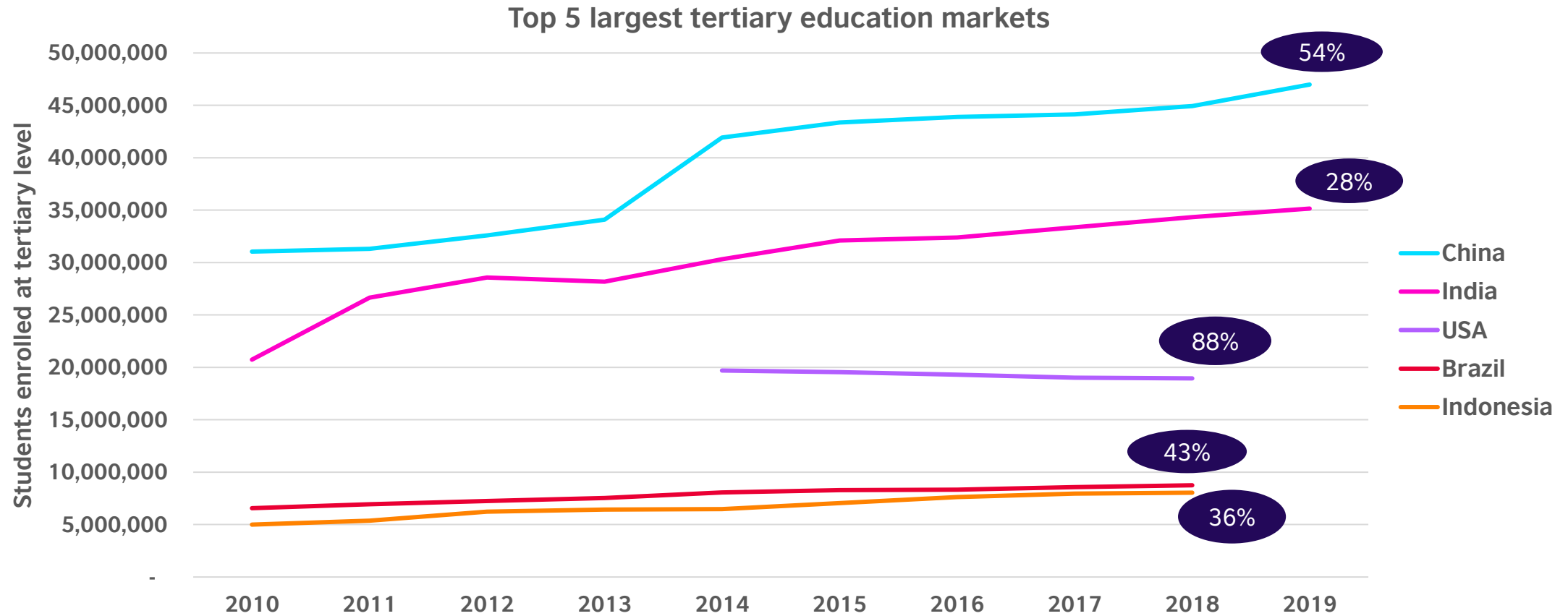
Source: Euromonitor

Appendix 2: India income distribution



Source: Government of India, Ministry of Statistics and Programme Implementation

Appendix 3: World's five largest HE systems



Source: UNESCO