A

PROJECT ON
" EDUCATION EXPENDITURE AND AVERAGE INCOME CORRELATION IN INDIA"

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UNDER THE GUIDANCE OF

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(LECTURER IN COMMERCE)

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OMEGA DEGREE COLLEGE FOR WOMEN

(AFFILIATED TO OSMANIA UNIVERSITY)

MAHESH NAGAR,

NEAR RADHIKA

THEATER,ECIL

(2023-2024)

DECLARATION

We, the undersigned, hereby declare that the project report entitled "**EDUCATION EXPENDITURE AND AVERAGE INCOME CORRELATION"** is our original work written and submitted by me in partial fulfillment of Bachelor Of Commerce of OMEGA DEGREE COLLEGE FOR WOMEN, MAHESH NAGAR, NEAR RADHIKA THEATRE, ECIL. HYDERABAD, TELANGANA We also declare that this project has not been submitted earlier in any other university or institution

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ABSTRACT

This study investigates the correlation between education expenditure and average income, aiming to provide empirical insights into the relationship's dynamics and implications for socio-economic development. Using a combination of statistical analysis and empirical data drawn from national and international sources, the study explores the extent to which investments in education influence income levels across different populations, regions, and time frames. The analysis employs various statistical techniques, including correlation coefficient calculation, regression analysis, and econometric modeling, to quantify the strength and direction of the correlation between education expenditure and average income. By controlling for relevant covariates and confounding factors, the study examines the direct and indirect pathways through which education investments impact income levels, including human capital formation, labor market outcomes, and socio-economic disparities.

Key findings of the study shed light on the nuanced nature of the correlation between education expenditure and average income, revealing variations across demographic groups, geographic regions, and levels of educational attainment. The study highlights the importance of considering factors such as education quality, access to educational opportunities, and employment dynamics in understanding the relationship between education spending and income levels.

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CHAPTER 1

INTRODUCTION

1. INTRODUCTION

In today's world, education is essential to both communal progress and personal prosperity. When countries strive to become more economically competitive and promote inclusive growth, the relationship between average income and education spending becomes an important field of research. This connection captures the complex relationship that exists between the resources and infrastructure invested in education and the effect that this has on people's ability to earn a living in a community.

Policymakers, economists, and educators all need to understand the connection between average income and education spending. It provides information on how well public and private education investment influences the growth of human capital and economic results. Through the analysis of this correlation, interested parties can see trends, pinpoint inequalities, and create well-informed plans to maximize resource distribution and improve results in education.

The goal of this research is to examine the complex link that exists between average income and education spending, providing insight into its dynamics, underlying causes, and socioeconomic development implications. By means of empirical investigation and theoretical models, we strive to ascertain the degree to which educational expenditures augment an individual's earning potential and wider economic well-being.

This study aims to further the conversation on education policy, economic development, and social equality by clarifying the relationship between education spending and average income. In the end, developing a thorough grasp of this relationship is essential to promoting equitable development, sustainable growth, and a better future for future generations.

1.1 Scope of the study

The research will recognize its limits, which include the intricacy of socio-economic dynamics, methodological difficulties, and data constraints. There will be recommendations made for future research avenues to investigate the relationship between average income and educational spending..The study is conducted among students of **OMEGA DEGREE COLLEGE FOR WOMEN.**

1.2 Significance of the study

Comprehending the relationship between the cost of education and the mean income is critical for influencing policy, propelling economic development, and promoting social justice. By examining this relationship, decision-makers may allocate resources more wisely, putting money into education where it will have the most effects. This information facilitates social mobility and helps to boost human capital development by giving people opportunities to move up the socioeconomic ladder. Insights from researching this correlation also promote inclusive growth by pointing forth methods for lowering income disparity and guaranteeing fair access to economic opportunities. Academic research on the relationship between average income and education spending not only enhances scholarly debate but also gives politicians the tools they need to create actions that promote shared.

1.3 Objective of the study

- Calculate the relationship between average income and the amount spent on education for a variety of demographics and historical periods.
- Determine the factors that affect the relationship, such as socioeconomic inequality, access to education, and the quality of education.
- Examine differences in relationships between geographies, demographics, and educational attainment.
- Evaluate the effects of policy on socioeconomic development, education policy, and resource allocation.
- Inform stakeholders and policymakers on how to make evidence-based decisions.
- Contribute to the body of knowledge in academia by developing research techniques and producing new insights.
- Reduce income inequality and increase social mobility to promote inclusive growth.

1.4 Hypothesis

Ho: - There is no significant difference among Age Groups with respect to the satisfaction level.

1.5 Research Design

The study is designed as a descriptive case study to make the research useful. It is a framework that has been created to find answers to research questions.

1.6 Nature of study

This empirical, multidisciplinary examination of the relationship between average income and education spending is marked by thorough quantitative analysis, comparative analysis, and policy evaluation. In order to comprehend the complex relationship between income levels and education spending across a range of populations, geographies, and time periods, this study explores the data and literature already in existence.

Researchers seek to measure the degree and direction of the association between average income and education spending by using statistical techniques like regression analysis, correlation coefficients, and econometric modeling. While accounting for pertinent variables and confounding factors, they investigate differences in this association across various demographic groups, geographic locations, income levels, and educational attainment levels.

Additionally, the study uses a comparative methodology to examine how education interventions and policies affect income levels across nations, areas, and socioeconomic circumstances. Researchers seek to support stakeholders' and policymakers' evidence-based decision-making by assessing the effects of policies and providing practical tactics to encourage inclusive growth and lessen income disparity.

This multidisciplinary study combines knowledge from public health, sociology, economics, and education policy to offer a thorough grasp of the socio-economic processes underlying the relationship between average income and educational spending. Through the synthesis of empirical data, resolution of methodological issues, and participation in scholarly discourse, researchers endeavor to propel knowledge forward and provide guidance for policy initiatives that promote social fairness and sustainable socio-economic development.

1.7 Sources of data

In this study both primary and secondary data is used. Primary data is collected through questionnaires and secondary data is collected from the internet and other sources.

1.8 Sample design

1. Population:
The study will focus on residents of RTC Colony, located in Moulali, Medchal District, Malkajgiri, Hyderabad, Telangana, India.

2. Sampling Method:
Within the RTC Colony, homes will be chosen via a methodical random sampling procedure.

3. Sample Size:
To obtain a suitable representation, a sample size of 50 families will be selected, taking into account practical limits as well as the expected population size of RTC Colony.

4.Sampling Frame:
The most recent census data will be used to build the sampling frame, which will also be augmented with information from community organizations or local government documents. The RTC Colony household list will be included in the frame.

5. Sampling Procedure:
The sampling frame will be regularly sampled, with houses chosen by a systematic sampling approach. Random selection will be used to establish the starting point, and further household selection will be based on this interval.

6. Data Collection:
Trained enumerators will perform door-to-door surveys to gather data on income levels, expenses associated with education, and other pertinent topics. Data on household composition, job status, and demographic traits will also be gathered through the survey.

7. Changing factors:
The following are important factors of interest: - Education expenditure (the amount households spend on education-related costs)
- Household income on average
- Demographic details (age, gender, degree of education)
- Work status - Makeup and size of the household

8. Data Analysis:
To investigate the relationship between education spending and average income in RTC Colony, quantitative analysis will use descriptive statistics, correlation analysis, and potentially regression modeling. Data analysis will be done using statistical tools.

1.9 Tools for analysis

The tools for analysis used in this study are a bar diagram, a pie chart, and an Anova table.

Chapterization

Chapter 1:

Chapter 1 deals with an introduction to study. It includes Statement of the problem, scope of the study, significance, objectives, and hypothesis. research design, nature of study, method of sampling, sources of data, sample design, nature of population, size of sample and tools for analysis.

Chapter 2:

It deals with review of literature. It contains conceptual and empirical literature.

Chapter 3:

case study in india

Chapter 4:

It deals with data analysis and interpretation. It includes tables and graphs.

Chapter 5:

It focuses on major findings of the study, suggestions and conclusion

CHAPTER 2

REVIEW OF LITERATURE

2.1 Empirical Literature

E. A. Hanushek and D. D. Kimko (2000). Education, the caliber of the workforce, and national development. This study looks into the connection between economic growth and the caliber of a country's labor force, as determined by cognitive abilities and educational attainment. The authors discover compelling evidence linking higher investment in education to gains in human capital quality and a positive correlation with economic growth.

Card, D., and A. B. Krueger (1992). Does the caliber of a school matter? Education returns and US public school characteristics. Using data from the US, Card and Krueger investigate the relationship between incomes and school quality. They discover a favorable correlation between attending schools with more resources and highly qualified teachers and later-life incomes, pointing to a relationship between income levels and the cost of schooling.

D. Acemoglu and J. Angrist (2000). What is the magnitude of the social returns on education? proof from laws requiring attendance in school. This study estimates the causal relationship between education and wages using changes in laws requiring compulsory education as instrumental factors. The authors' substantial findings about the benefits of education suggest that spending more on education can raise average wages and enhance economic results.

Bishop (1997, J.). The impact of national expenditure on accomplishment in the US, Taiwan, and Japan. Bishop examines the connections between student achievement and educational spending in Taiwan, Japan, and the US. In comparison to the United States, he discovers that Japan and Taiwan have better student performance levels while spending less on education.

Woessmann, L., and E. A. Hanushek (2008). Cognitive abilities and economic progress. This study investigates the connections between cognitive abilities, educational achievement, and national economic growth. Hanushek and Woessmann discover that long-term economic development and income levels are significantly positively impacted by expenditures in cognitive skills, which are driven by education spending.

Together, these studies deepen our knowledge of the relationship between average income and education spending while emphasizing the value of education investments for the

advancement of human capital, economic expansion, and individual wages. They emphasize how important it is for legislators to give funding for education top priority because it is a major factor in socioeconomic growth and success.

2.2 Conceptual framework

A theoretical framework that directs research and analysis is provided by a conceptual framework for examining the relationship between average income and education spending. Here is a conceptual framework overview related to this topic:

1. Sources of information

Public and private spending on education is included in this category. It covers costs for infrastructure, teacher pay, instructional materials, and other resources.

Development of Human Capital: Educational investments help people acquire the cognitive skills, knowledge, and abilities that make up their human capital and are crucial for economic growth and productivity.

2. Procedures:

Educational Quality: The efficiency of education spending in boosting human capital development is influenced by the quality of education, which includes elements like teacher credentials, curriculum relevance, classroom resources, and instructional methodologies.

Access to Education: The degree to which education spending reaches the target population and promotes the development of human capital depends on the accessibility of educational options, including enrollment rates, school attendance rates, and educational achievement levels.

3. Results:

Employment Market Results: Spending on education is anticipated to have an effect on labor market outcomes through improving people's productivity, employability, and skills. These outcomes include employment rates, wages, and income levels.

Unequal Income Distribution By lowering gaps in educational achievement and enhancing economic possibilities for underprivileged groups, education spending can affect income distribution and promote greater income equality.

4. Mediating Elements: Institutions and Policies in Education Educational policies, institutional configurations, governance frameworks, and accountability systems all have an impact on how well education investments shape labor market outcomes and income levels.
Macroeconomic Context: By influencing labor market dynamics and the demand for skills, economic factors including economic growth rates, inflation, unemployment rates, and technological advancements may attenuate the relationship between average income and education spending.

5. Systems of Feedback:
Economic and Social Development: Broader socio-economic development results, such poverty reduction, improved health, and social cohesion, are influenced by advances in human capital development and income levels brought about by education spending.
Policy Implications: Policy decisions about education financing, educational reforms, social welfare programs, and economic development strategies aiming at fostering inclusive growth and lowering income inequality are influenced by the observed relationship between education expenditure and average income.

This conceptual framework offers a methodical way to examine the relationship between average income and education spending while taking into account socioeconomic context-specific inputs, processes, results, mediating factors, and feedback mechanisms. This framework can be used by researchers to direct empirical analysis, pinpoint pertinent factors, and provide a thorough interpretation of results.

2.3 Several factors contribute to the phenomenon where expenditure on education exceeds income in India:

1. Government Priorities: Given that education is essential for developing human capital, driving economic growth, and promoting social development, the Indian government has made it a top priority to invest in. Because of this, the government

devotes a large amount of money to education, frequently more than it receives in tax and other revenue.

2. Investment in Infrastructure: India has problems with its poor educational infrastructure, which includes a lack of classrooms, schools, and basic utilities like electricity and sanitary facilities. Large investments are needed to solve these shortcomings and increase access to high-quality education, which will raise spending levels.

3. Expansion of Educational Opportunities:

There is a continuing need to increase educational possibilities due to a big and expanding population. This applies to students at all educational levels, from primary to higher education. More funding is required as a result of this expansion in order to construct new educational facilities, hire instructors, and supply instructional supplies and services.

4. Subsidies and Welfare Programs: The Indian government supports education by offering a range of subsidies and welfare programs, especially to underprivileged and marginalized areas. Scholarships, midday meal programs, free textbooks, and financial aid for students from economically disadvantaged sectors are some of these initiatives. These initiatives support equity and access to education, but they also increase costs associated with higher education.

5.Quality Improvement Initiatives: Substantial investments are needed in order to improve education through curricular reforms, teacher training programs, technology integration, and infrastructural enhancements. The government spends more money because it wants to raise educational quality and results even with its limited resources.

6. Private Expenditure: Apart from government spending, private expenditure on education in India is also significant, particularly in the form of tuition fees, coaching classes, and private school fees. Families often prioritize education and are willing to invest a significant portion of their income to ensure quality education for their children, further contributing to higher overall education expenditure.

7.Population Growth and Demographic Trends: India's large and growing population, coupled with demographic trends such as a youthful population and increasing urbanization, places pressure on the education system to meet the rising demand for educational services. Meeting these demands requires increased expenditure on infrastructure, faculty, and educational resources.

In summary, the combination of government priorities, infrastructure needs, expansion of educational opportunities, welfare programs, quality improvement initiatives, private expenditure, and demographic trends contribute to the phenomenon where expenditure on education exceeds income in India. Despite financial constraints, investing in education is seen as crucial for India's socio-economic development and future prosperity.

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2.4 How education expenditure impacts income in India:

1. Individual Earnings: In India, there is a substantial correlation between education and better individual wages. A workforce that is more skilled and productive is the outcome of greater human capital development brought about by increased education investment. People with more education are better able to find higher-paying employment, pursue possibilities for professional progression, and adjust to the demands of a changing labor market. Because of this, those who have completed more education typically make more money than people who have not completed as much school.

2. Employment Opportunities:Investing in education promotes economic growth and diversification, which in turn creates employment prospects in India. Education expenditures increase worker productivity, encourage entrepreneurship, and draw capital to knowledge-intensive sectors like services, healthcare, and information technology. Education is essential for training people for new job sectors as the economy grows and changes since it boosts their employability and potential for earning cash.

3. Reduction of Income Disparities: Education expenditure plays a crucial role in reducing income inequalities in India by promoting social mobility and equalizing opportunities. Access to quality education enables individuals from disadvantaged backgrounds to acquire the skills and qualifications necessary to compete in the labor market and improve their socio-economic status. By investing in education, the government can bridge the income gap between different segments of society and promote inclusive growth.

4. Economic Growth and Development: Education expenditure is essential for sustainable economic growth and development in India. Investments in education contribute to higher labor productivity, technological advancement, and innovation, which are critical drivers of long-term economic growth. A well-educated workforce attracts investment, fosters entrepreneurship, and drives productivity gains, leading to higher incomes, increased tax revenues, and overall prosperity.

5. Social and Human Development: Education expenditure is closely linked to broader indicators of social and human development in India, such as health outcomes, literacy rates, and gender equality. Educated individuals tend to have better health, lower mortality rates, and improved access to basic services, all of which contribute to higher well-being and quality of life. By investing in education, India can enhance human development outcomes and lay the foundation for sustainable

income growth and prosperity.

In summary, education expenditure has a profound impact on income levels in India by enhancing individual earnings, creating employment opportunities, reducing income disparities, fostering economic growth, and promoting social and human development. By prioritizing investment in education, India can unlock its full potential, empower its citizens, and achieve inclusive and sustainable income growth for all segments of society.

2.5 Investing more in high-standard schools and colleges in India offers several advantages

1. Quality Education: High-standard schools and colleges provide access to quality education, characterized by experienced faculty, advanced teaching methods, modern infrastructure, and state-of-the-art facilities. Investing in such institutions ensures that students receive a robust education that prepares them for academic excellence, critical thinking, and lifelong learning.

2. Human Capital Development: High-standard schools and colleges play a crucial role in nurturing human capital by equipping students with the knowledge, skills, and competencies necessary for personal and professional success. By investing in these institutions, individuals are better prepared to meet the demands of the modern workforce, driving economic growth and innovation.

3. Enhanced Employability: Graduates from high-standard schools and colleges are highly sought after by employers due to their strong academic foundation, practical skills, and ability to adapt to dynamic work environments. Investing in these institutions increases students' employability, job prospects, and earning potential, thereby contributing to reduced unemployment and poverty.

4. Research and Innovation: High-standard colleges and universities serve as hubs for research, innovation, and intellectual discourse. By investing in research infrastructure, laboratories, and faculty development, these institutions foster a culture of inquiry, discovery, and innovation, leading to advancements in science, technology, and knowledge creation.

5. Global Competitiveness: High-standard schools and colleges enhance India's global

competitiveness by producing graduates who are globally competitive and culturally competent. These institutions attract international students, faculty, and research collaborations, fostering cross-cultural exchange, international partnerships, and global recognition.

6. Social Mobility: Investing in high-standard schools and colleges promotes social mobility by providing equal opportunities for students from diverse backgrounds to access quality education. These institutions offer scholarships, financial aid, and merit-based admissions, enabling talented individuals to overcome socio-economic barriers and achieve their full potential, regardless of their background.

7. Leadership Development: High-standard schools and colleges cultivate future leaders, entrepreneurs, and changemakers who drive positive societal change and contribute to nation-building. Investing in leadership development programs, extracurricular activities, and student organizations empowers students to develop leadership skills, critical thinking, and civic engagement, preparing them to address complex challenges facing society.

8. Economic Growth and Development: High-standard schools and colleges are key drivers of economic growth and development, as they produce skilled graduates who contribute to various sectors of the economy. By investing in these institutions, governments stimulate economic activity, attract investment, and promote innovation, leading to higher living standards and improved quality of life for citizens.

In summary, investing more in high-standard schools and colleges in India offers numerous advantages, including quality education, human capital development, enhanced employability, research and innovation, global competitiveness, social mobility, leadership development, and economic growth. By prioritizing investment in these institutions, India can unlock the full potential of its youth, drive inclusive development, and build a prosperous future for generations to come.
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2.6 Investing in high-standard schools and colleges in India offers numerous advantages, there are also some potential disadvantages and challenges associated with this approach. These include:

1. Exacerbating Educational Inequality: Investing in high-standard schools and colleges may exacerbate educational inequality by widening the gap between elite

institutions and those serving marginalized or underprivileged communities. This can perpetuate socio-economic disparities and hinder efforts to promote inclusive and equitable education access.

2. Financial Burden: Establishing and maintaining high-standard schools and colleges requires substantial financial resources, which may strain government budgets or lead to increased tuition fees for students. This can exacerbate financial barriers to education and limit access for students from low-income backgrounds.

3. Elitism and Exclusivity: High-standard schools and colleges may foster a culture of elitism and exclusivity, where admission is based on academic merit, socio-economic status, or other selective criteria. This can create a stratified education system that privileges certain groups while marginalizing others, perpetuating social inequalities and limiting social mobility.

4. Pressure to Perform: Students attending high-standard schools and colleges may face increased academic pressure and competition to excel, leading to stress, anxiety, and mental health issues. The emphasis on academic achievement may detract from holistic development and well-being, fostering a culture of unhealthy competition and performance-driven education.

5. Brain Drain: Investing in high-standard schools and colleges may exacerbate brain drain, where talented individuals migrate abroad in search of better educational or career opportunities. This can result in a loss of human capital, skills, and expertise, hindering India's development prospects and contributing to a "brain drain" phenomenon.

6. Neglect of Public Education: Focusing on high-standard private institutions may divert attention and resources away from public education systems, where the majority of students are enrolled. This can perpetuate disparities between public and private schools, exacerbating resource gaps and undermining efforts to improve the quality and accessibility of public education.

7. Inequitable Resource Allocation: Investment in high-standard schools and colleges may lead to inequitable resource allocation, with a disproportionate share of funding going to elite institutions at the expense of underserved communities. This can deepen disparities in educational quality and outcomes, perpetuating social injustices and hindering efforts to achieve educational equity.

8. Limited Reach and Impact: High-standard schools and colleges serve a relatively small proportion of the population, limiting their overall reach and impact on broader educational outcomes. This can raise questions about the efficiency and effectiveness of investing in elite institutions compared to strategies that prioritize universal access and quality in education.

In summary, while investing in high-standard schools and colleges in India offers certain advantages, it is essential to consider potential disadvantages and address them through comprehensive education policies that prioritize equity, inclusivity, and quality for all students, regardless of their background or circumstances. Balancing investments in elite institutions with efforts to strengthen public education systems and address systemic inequalities is crucial for achieving sustainable and equitable educational development in India.

CHAPTER 3

CASE STUDY IN INDIA

3.1.Case Study:

Title: Mismanagement of Funds in the Sarva Shiksha Abhiyan (SSA) Scheme

Background:
The Sarva Shiksha Abhiyan (SSA) is a flagship program of the Government of India aimed at providing universal elementary education to all children in the age group of 6 to 14 years. It seeks to bridge gaps in access, retention, and quality of education by supporting infrastructure development, teacher recruitment, and training, and other initiatives.

Case Overview:
In recent years, several cases of mismanagement and corruption have been reported in the implementation of the SSA scheme across various states in India. These cases involve embezzlement of funds, irregularities in procurement processes, and diversion of resources meant for education infrastructure and programs.

Key Issues and Findings:

1. Embezzlement of Funds: Reports have emerged of officials misappropriating funds allocated for SSA projects by siphoning money into personal accounts or through fraudulent means. This has led to delays in project execution and compromised the quality of education infrastructure.

2. Irregularities in Procurement: Cases of irregularities and malpractices in procurement processes, such as inflated pricing, substandard materials, and kickbacks to officials, have been documented. These practices have undermined the effectiveness of infrastructure development projects under the SSA scheme.

3.Diversion of Resources: Instances of diversion of SSA funds for purposes other than education have been reported, including political campaigns, personal enrichment, and non-educational activities. Such diversions deprive children of essential educational resources and opportunities.

Impact:
1. Quality of Education:
The mismanagement of SSA funds has adversely affected the quality of education infrastructure, teaching-learning processes, and student outcomes. Poorly constructed school buildings, inadequate facilities, and lack of resources hinder students' access to quality education.

2.Public Trust:
Incidents of corruption and mismanagement erode public trust in government initiatives aimed at improving education access and quality. It undermines confidence in the effectiveness and integrity of education expenditure management systems.

3.Wastage of Resources: The diversion and misappropriation of SSA funds represent a significant waste of public resources that could otherwise have been utilized to enhance education access and outcomes for marginalized and disadvantaged communities.

Response and Recommendations:

1.Enhanced Oversight and Accountability: Strengthening oversight mechanisms and instituting transparent processes for fund allocation, utilization, and monitoring are crucial to preventing mismanagement and corruption in the SSA scheme.

2.Capacity Building: Providing training and capacity-building programs for education officials, administrators, and implementing agencies can improve their understanding of financial management principles and ethical conduct.

3.Community Participation: Promoting community participation and engagement in education governance can enhance transparency, accountability, and local ownership of SSA projects, reducing the likelihood of corruption and mismanagement.

4. Legal Action: Taking strict legal action against individuals involved in corruption and malpractices under the SSA scheme sends a strong message of deterrence and reinforces the government's commitment to combating corruption in education expenditure.

This case underscores the importance of effective governance, transparency, and accountability in managing education expenditure to ensure that funds are utilized efficiently and effectively to achieve desired education outcomes. Addressing issues of corruption and mismanagement is critical to realizing the goals of universal education access and quality in India.

INDIA

3.2 CASE - 2

The cost of raising a child in India: School costs ₹30 lakh, college a crore

No matter the rising expenses, the desire to raise a child is priceless. As prices keep on rising year after year, parents are often anxious if they are well prepared to support their children's growth, be it their education or health. We take a look at how much it costs to educate your child in a metro city. ET Online crunched numbers with financial experts to tell you how much money you need to educate a child in India, and how to plan for it.

By Anand JC,

Parents always knew raising a child in India – with its broken model of education – is expensive, and turning more so. Actual numbers support this belief. As per ET Online research, the overall expenditure of schooling a child in India in a private school from age 3 to age 17 is a whopping Rs 30 lakh.

Expenses are not only high, but they are also unpredictable, says **Mayuri Dhope**, when asked how she plans for her daughter's school fees. While Pune-based Mayuri and Vinay have planned for their 8-year-old daughter's education till she turns 25, their plans are fluid and can deal with upticks.

"The school and tuition expenditure keeps changing every 2-5 years. Therefore, we have kept an additional chunk of money for entire education expenses, in case of fee hikes," Mayuri says. The Dhopes, employed in the IT industry, have invested in various instruments, including a PPF, with a 20-year horizon.

It is prudent to not be too rigid when it comes to planning for your child's education. Inflation has climbed too high for anybody's comfort, but economists say that the decadal-high numbers do not capture the pain in the education expenses.

3.3 THE EXPENSES ON A CHILD FOR A EDUCATION FROM THE SCHOOLING:

As per economists, the cost of rising private education has not been fully captured in inflation data as it is weighted at just 4.5% in the consumer prices index based on a decade-old model.

EduFund says education costs have climbed by around 10-12% in India between 2012-20. Not only the tuition fee but transportation fees and examination fees are also hiked periodically which affects parents' overall budget.

The growing years may note that the following calculations have been made assuming that students are enrolled in a private school.

With enrolling a child into a school comes the expense of admission fees, which is a one-time hit. Most schools across tier-I cities charge an admission fee, anything between Rs 25,000 and Rs 75,000. Some schools offer discounts to parents if a sibling is simultaneously enrolled.

These discounts range from Rs 10,000-20,000. Preschooling includes nursery and kindergarten. The average tuition fee here in the majority of schools across tier-I and II cities can range between Rs 60,000-Rs 1.5 lakh per year, depending on the brand of the school.

Where both the parents are employed, children are enrolled in daycare centers. As per

an ET Online analysis, certain professional daycare centers in metro cities charge up to Rs 5,000-8,500 per day. Assuming that parents drop off kids at daycare centers for 5 hours per day, this expense can go up to Rs 2 lakh per year.

Tuition fee for primary school per year ranges between Rs 1.25 lakh-1.75 lakh. For primary education, parents can expect to shell out Rs 5.50 lakh. The average yearly fee for middle school is around Rs 1.6 lakh – 1.8 lakh and the overall expenditure here is around Rs 9.5 lakh.

Grade XI onwards, many schools expect parents to pay separately for books, at around Rs 4,000-7,000 per year. The four years of high school can cost Rs 1.8 lakh to Rs 2.2 lakh. It is advisable to factor in around Rs 9 lakh as a whole for high school education.

Most schools charge extra for transport at around Rs 1,500-2,500 per month depending on the city. Parents tend to pay Rs 25,000 per year on transport alone and this may change in the future as fuel prices inflate.

Should parents opt to enroll their child in a government school, the price of schooling will be much lesser, at around Rs 15,000-20,000 per annum.

3.4 THE EDUCATION EXPENSES IN COLLEGE

Most middle-class parents now budget for college education, even more expensive than school, from an early age. Some pin their hopes on scholarships in colleges abroad, some on loans.

Pune-based management consultant Poonam Sanghi is banking on a scholarship for her daughter's college education. Poonam and her husband Rakesh started planning early, with a horizon of 15-18 years. They have invested in fixed deposits, mutual funds and more recently, in equity.

"The asset allocation is a fairly mixed bucket. For her schooling, from preschool till college, we expect an overall expenditure of around Rs 20 lakh," says Poonam.

graph-1
The cost of college education in India is forecast to grow at 10%

Mumbai-based Bindesh Saha and wife Arpita's 17-year-old son Aarav is set to leave for New York University for an undergraduate course in Economics and Politics.

Aarav's education has been funded using personal savings and bank loans.

“Aarav was enrolled in one of the best schools in Mumbai and is now going to NYU, we estimate that we have spent over a crore on his education so far,” says Bindesh.

The Sahas are both employed in the entertainment industry. When it comes to their investments, Bindesh says they have taken an HDFC Student Life Policy, apart from loans from the bank for their expenses.

3.5 THE EXPENSES IN HIGHER STANDARD COLLEGES:

Elite higher education within India is steep as well. Enrolling in a top-rated engineering college, like one of the twenty-three IITs or any other private institution, for a 4-year BTech or a 3-year BSc, costs around Rs 4-20 lakh. Expenses for coaching for entrance exams like JEE, JEE (Main) and other exams range from Rs 30,000 to Rs 5 lakh.

A top-rated management institution like one of the twenty IIMs, or any other private university in the country, costs Rs 8 lakh-Rs 23 lakh. Coaching for qualifying tests like CAT or GMAT has extra cost.

In a field such as finance, a CPA costs Rs 3,60,000; CMA would cost Rs 80,000-1,20,000 inclusive of training, examination, and IMA membership fees.

“Training fees may vary from institution to institution. Students pay the exam fee and the association membership fee in dollars & any change in the exchange rate may have a marginal change on the overall fee structure,” says Varun Jain of Miles Education.

To complete a Chartered Accountancy course, the overall expenditure is Rs 86,000, excluding the tutoring fee.

The need to plan
It is difficult to anticipate a pandemic or a recession. Experts say that parents should start planning as early as possible for a child’s education.

“The best approach to plan for a child’s future is to consider vital phases of child’s life like education, higher education and even marriage and start investing as early as possible. We need to consider short-term and long-term goals and invest in the right vehicles considering the goals,” says Tarun Birani, founder & CEO of TBNG Capital Advisors.

Birani says having a baby in the family increases monthly expenses by 2 times more than adding an adult to the family. Parents need to consider expenses like food, medicine, diapers, clothes, baby care products, and regular visits to pediatricians during the first 4-5 years of a child’s growth.

1200x900
Here is a look at expenses that parents can expect to incur at various stages of their

children's lives

As a standard, parents can expect to incur 50% of the total expenditure on healthcare in the first three years of the child's life. Parents can expect child care expenses to rise by a minimum of 10% every year.

Parents can break down goals to better allocate their savings. Goals can be split into short-term and long-term. Short-term goals include expenses within the next 1-3 years of education of a child, like school fees or any extra-curricular activities fees. For short-term goals, it is better to have debt-heavy asset allocation, which is relatively less risky, says Birani.

3.6 Build an emergency corpus:

"Before kids, an emergency fund of 3-6 months expenses is sufficient. But after kids, it is better to park 6 months to one-year expenses in cash or near-cash equivalent investments like FDs, Liquid Funds and Ultra-short term funds," Birani advises.

Parents can also consider adding the child into family floater health insurance and increase health insurance coverage to a minimum of Rs 10 lakh and above.

Long-term goals would consist of graduation costs, higher education, and marriage. "Parents can look for investing towards long-term goals (more than 10 years) in a portfolio of 85% equity and 15% debt, " says Birani.

When the goals are three to four years away, it is advisable to reduce equity allocation and switch funds to less risky debt funds to ensure capital is protected when the requirement arises. Birani suggests an equity-heavy portfolio. But parents needn't opt for a portfolio that is too aggressive as some amount of capital protection is advised. T1

3.7 Controlling education expenditure in India requires a multi-faceted approach involving government policies, reforms, and societal efforts :

1. Increase Public Funding:

The government can allocate a higher percentage of the national budget to education, ensuring adequate resources for infrastructure development, teacher salaries, and educational programs. This can help reduce the financial burden on individuals and families.

2. Targeted Subsidies and Scholarships:

Implement targeted subsidies and scholarships to support students from low-income families, enabling them to access quality education without facing financial constraints. This can include tuition waivers, grants, and financial aid programs.

3. Enhance Efficiency and Accountability:

Improve the efficiency and accountability of education spending by implementing transparent budgeting processes, monitoring mechanisms, and evaluation systems. This can help ensure that funds are utilized effectively and reach intended beneficiaries.

4. **Promote Public-Private Partnerships (PPPs):** Encourage partnerships between the government, private sector, and non-profit organizations to invest in education infrastructure and programs. PPPs can leverage resources and expertise from various stakeholders to expand access to quality education.

5. Address Corruption and Leakages:

Combat corruption and leakages in education expenditure by strengthening anti-corruption measures, enforcing accountability mechanisms, and promoting transparency in financial transactions.

6. Invest in Teacher Training and Development:

Enhance the quality of education by investing in teacher training, professional development programs, and curriculum reforms. Well-trained and motivated teachers are essential for delivering quality education outcomes.

7. Promote Digital Learning and Technology Integration:

Embrace digital learning technologies and integrate technology into the education system to make learning more accessible, interactive, and cost-effective. This includes providing digital resources, online courses, and e-learning platforms.

8. Encourage Community Participation:

Foster community involvement in education by engaging parents, local communities, and civil society organizations in school governance, decision-making processes, and resource mobilization efforts.

9. Focus on Inclusive Education:

Prioritize inclusive education policies that address the needs of marginalized and vulnerable groups, including children with disabilities, girls, and rural populations. Ensuring equitable access to education for all is essential for reducing disparities and promoting social cohesion.

10. Monitor and Evaluate Impact:

Establish robust monitoring and evaluation frameworks to assess the impact of education expenditure policies and interventions. Regular assessments and data-driven decision-making can help identify areas for improvement and guide future investments.By implementing these strategies and fostering collaboration between government, civil society, and other stakeholders, India can work towards controlling education expenditure while ensuring equitable access to quality education for all its citizens.

CHAPTER 4

DATA ANALYSIS
AND
INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

Data analysis is the process of collecting and organizing data in order to get helpful conclusions from it. Data analysis is important to understand problems facing an organization, and to explore data in meaningful ways. Data analysis organizes, interprets, structures and presents the data into useful information.

Advantages of Data Analysis

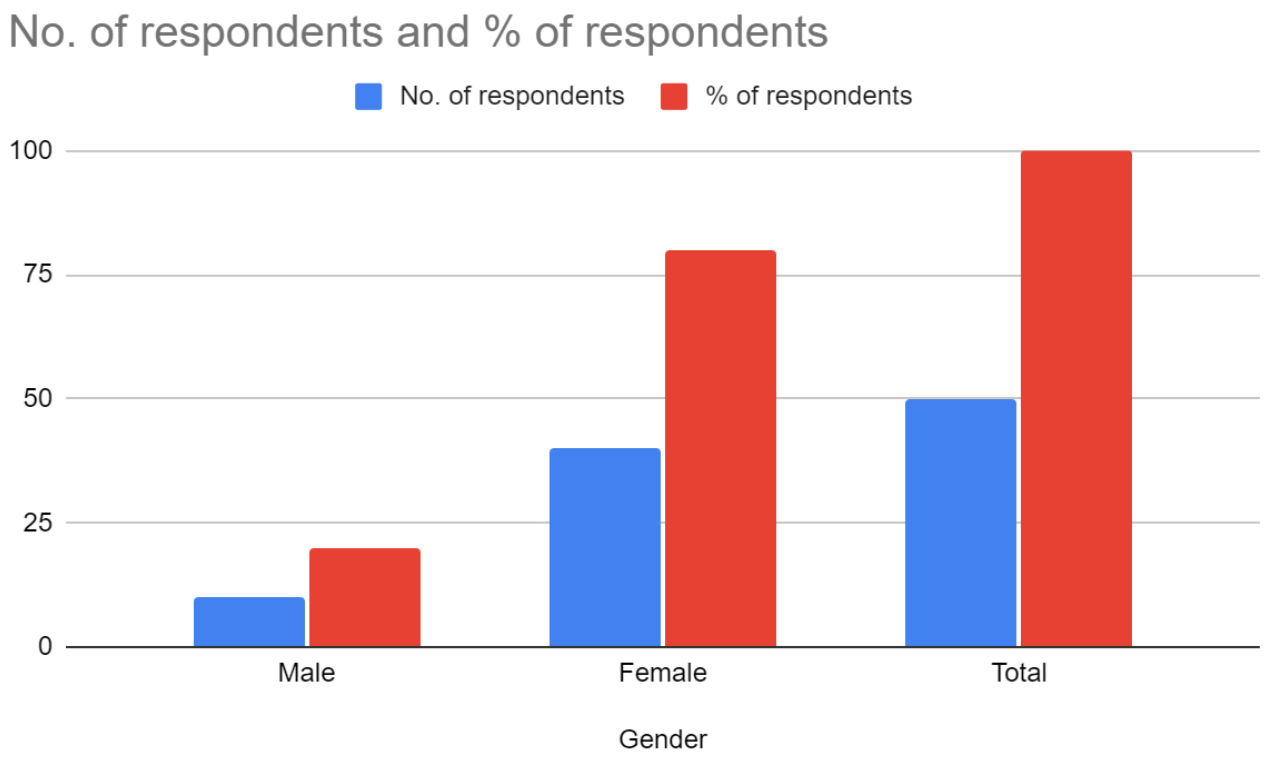
Data Analysis helps an organization to make better decisions. It can help with transforming the data that is available into valuable information for executives so that better decisions can be made. Data Analysis can increase the efficiency of the work. It keeps updated about the customer behavioral changes. It improves the quality of products and services. Data Analysis helps for the personalization of products and services. It can help companies keep track of what kind of service or product is preferred by the customer and then show the recommendations based on their preferences.

Table 4.1 shows the gender-wise classification

Gender	**No. of respondents**	**% of respondents**
Male	10	20
Female	40	80
Total	50	100

Source: Primary Data

Figure 4.1 shows the gender-wise classification



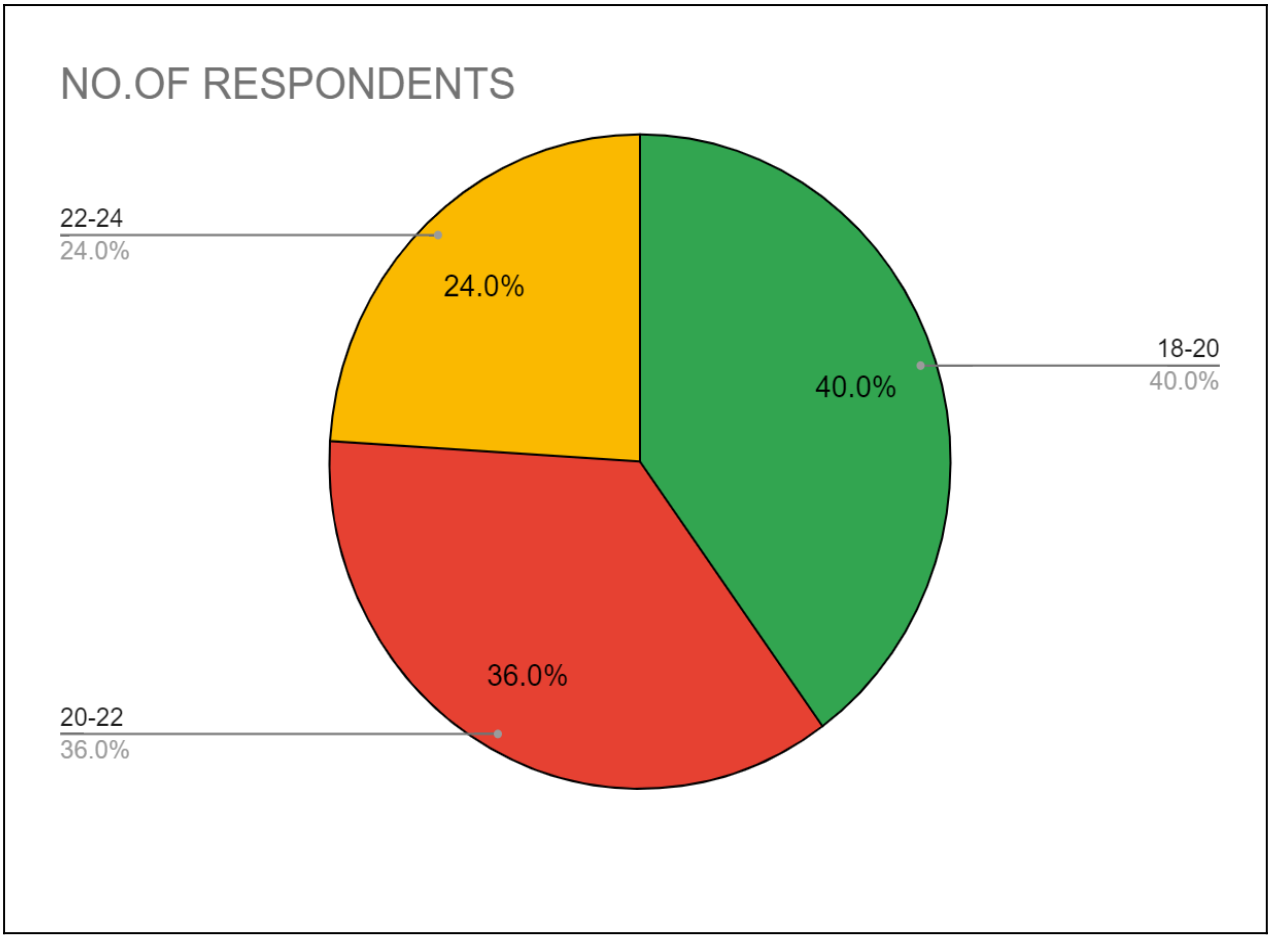
80% of respondents are female, and 20% of respondents are male.

Table 4.2 Shows the age-wise classification

Age group	No.of respondents	%of respondents
18-20	20	40
20–22	18	36
22–24	12	24
TOTAL	50	100

Source: Primary Data

Figure 4.2 shows age-wise classification

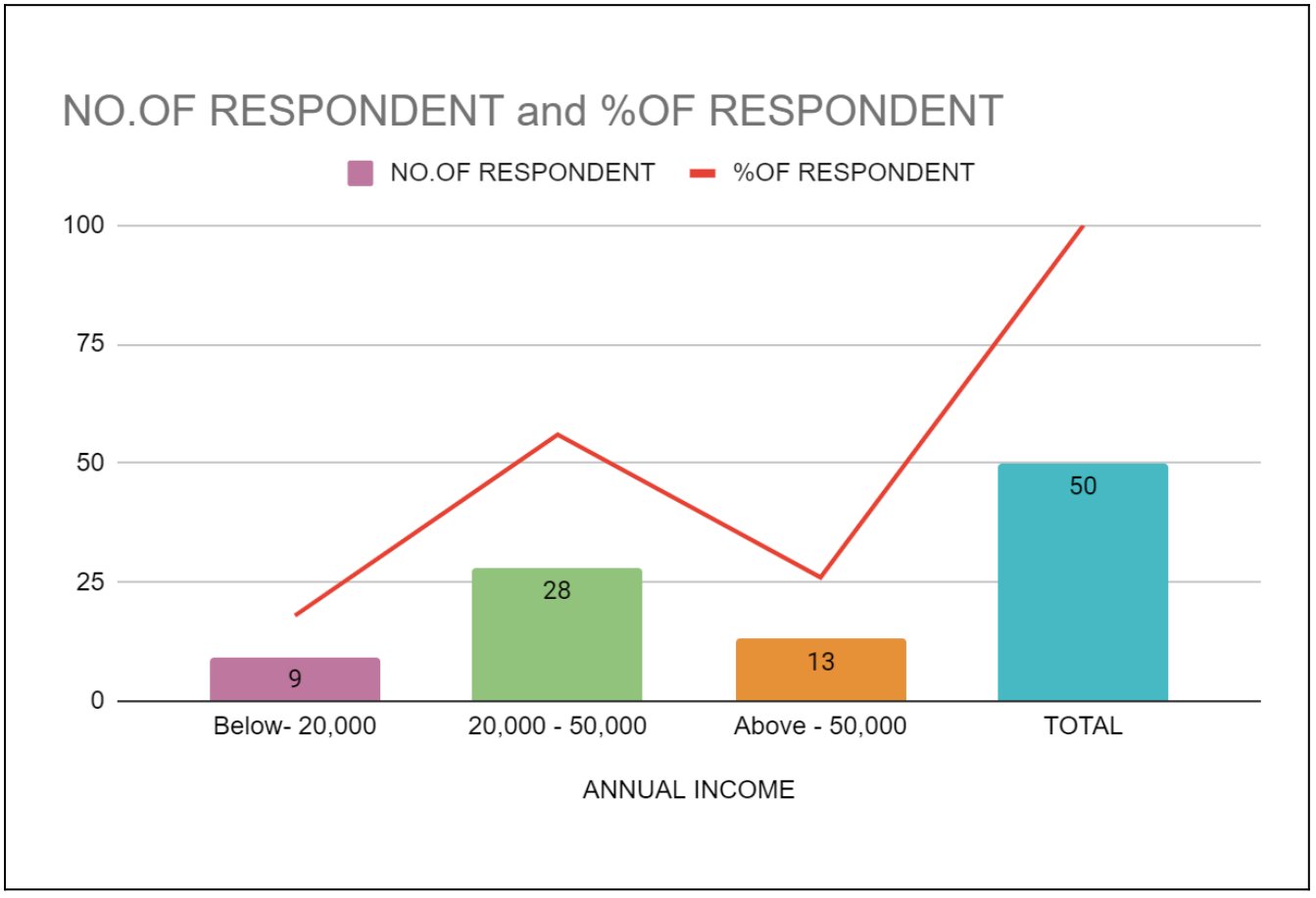


The pie chart illustrates the age distribution among 50 respondents, with the majority falling in the 18–20 age group (40%) followed by the 20–22 (36%) and 22–24 (24%) age groups. It highlights a significant presence of younger individuals in the surveyed population, suggesting a skew towards younger demographics.

Table 4.3 shows the annual income

ANNUAL INCOME	NO.OF RESPONDENT	%OF RESPONDENT
Below- 20,000	9	18
20,000 - 50,000	28	56
Above - 50,000	13	26
TOTAL	**50**	**100**

Figure 4.3 shows the annual income

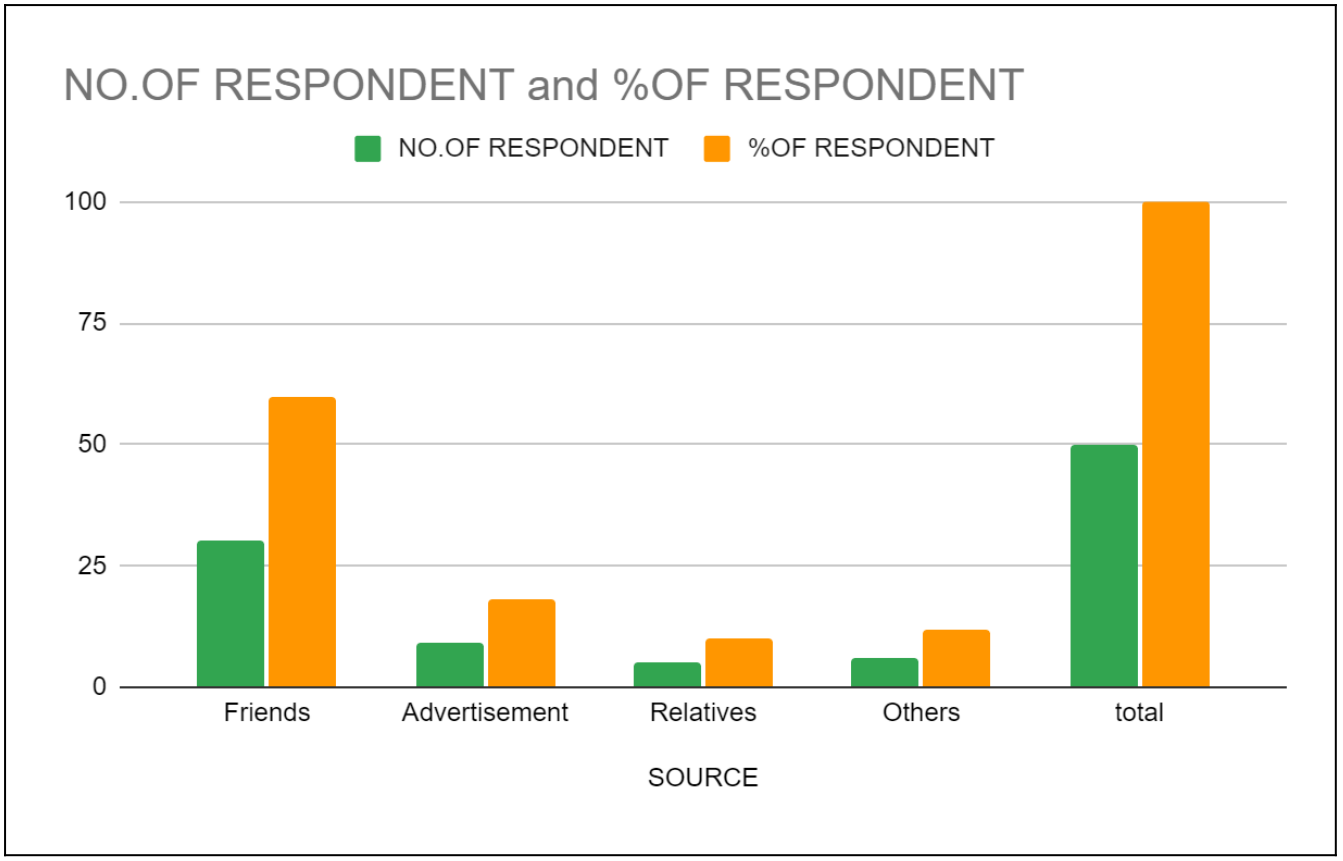


18% of the respondents have an annual income below 20,000. 56% of the respondents haveannual income between Rs. 20,000 and Rs. 50,000, and 26% of the respondents have annual income above 50,000

4.4 The table shows the source from which they came to know the best institute.

SOURCE	**NO.OF RESPONDENT**	**%OF RESPONDENT**
Friends	30	60
Advertisement	9	18
Relatives	5	10
Others	6	12
total	**50**	**100**

4.4 figure shows the source from which they came to know the best institute.

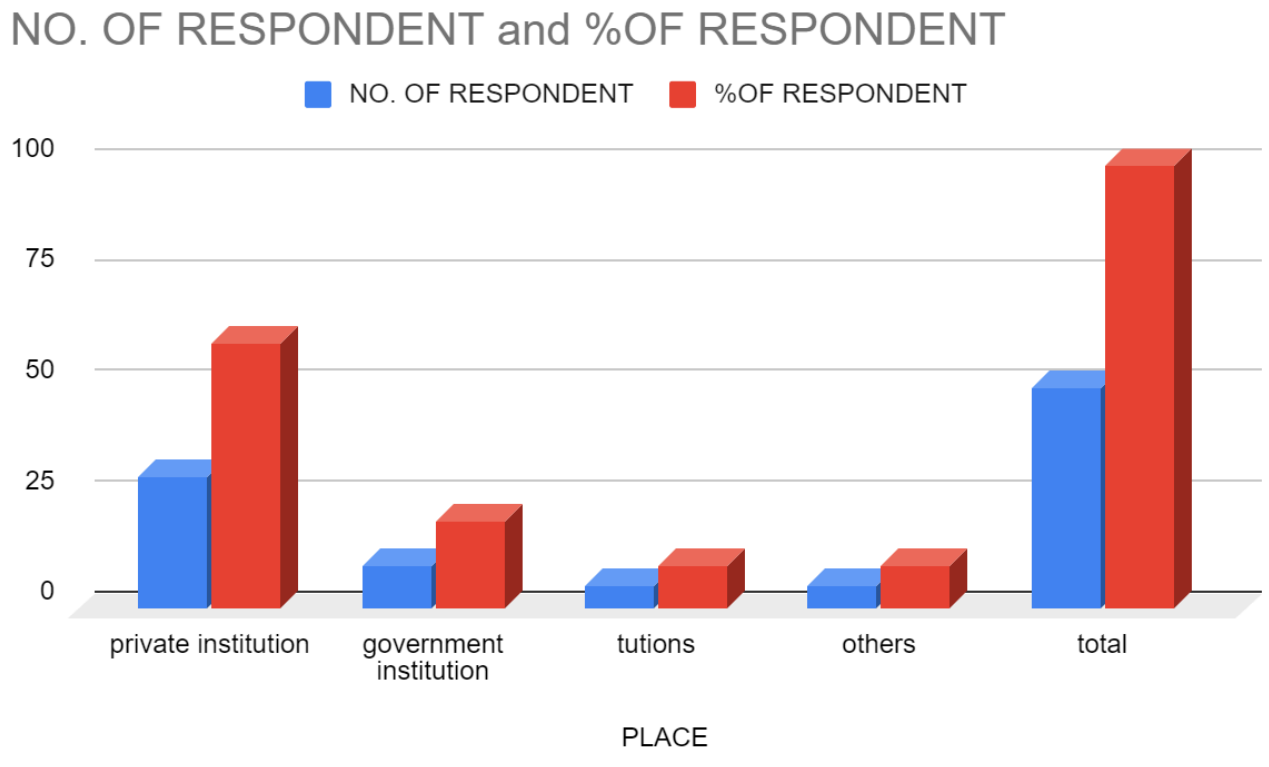


60% of the respondents know about best institution from friends, and 18% of the respondents know about the best institution through advertising, 10% of the respondents know about the best institute through relatives, and 12% of the respondents know about the best institute through other means.

4.5 The below table shows in which place students are getting quality education.

PLACE	NO. OF RESPONDENT	%OF RESPONDENT
private institution	30	60
government institution	10	20
tutions	5	10
others	5	10
total	**50**	**100**

4.5 The below figure shows in which place students are getting quality education.

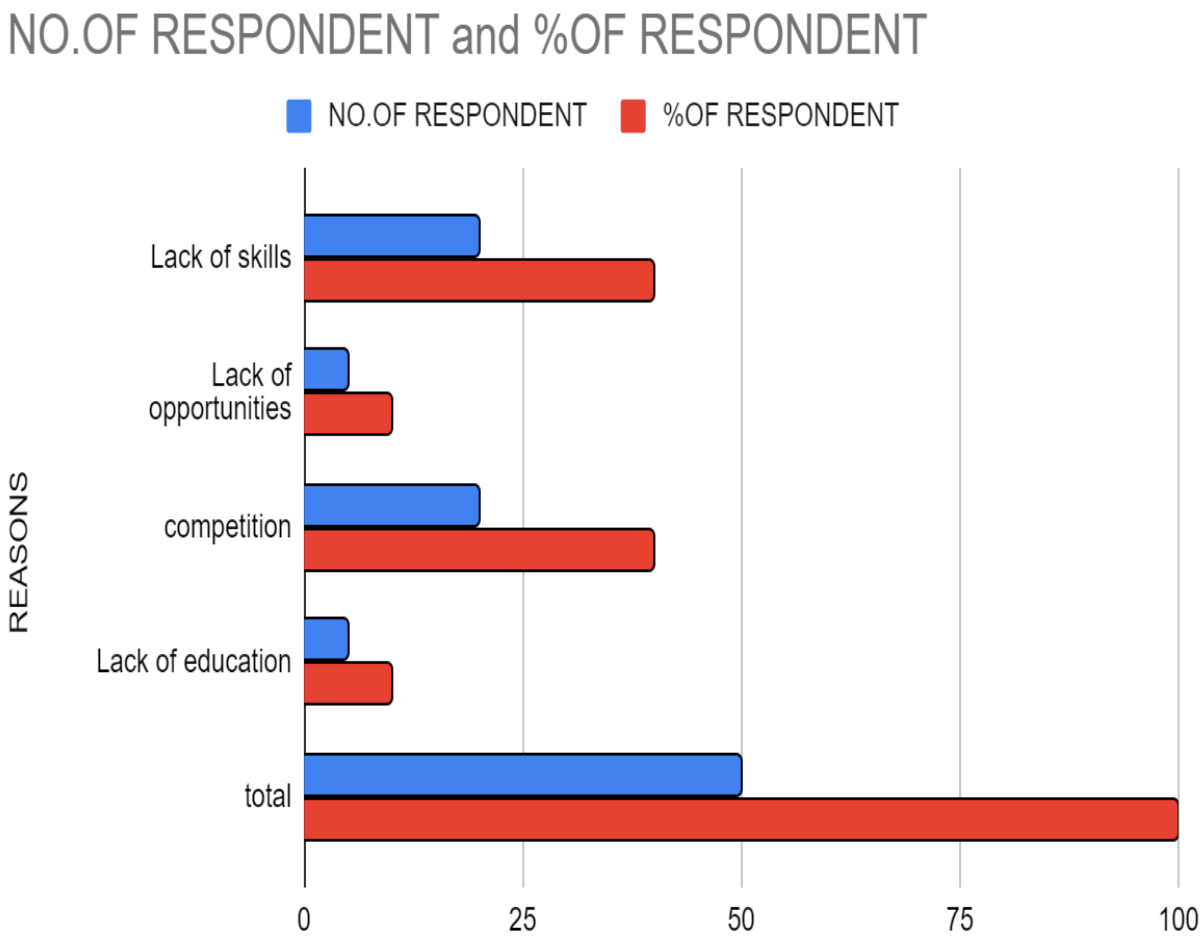


60% of respondents are getting quality education from private institutions, 20% are getting quality education from government institutions, 10% are getting quality education from government institutions, 1010% of respondents are getting quality education from tuition, and the remaining 10% are getting quality education from others.

4.6 The table below shows the reasons for unemployment.

REASONS	**NO.OF RESPONDENT**	**%OF RESPONDENT**
Lack of skills	20	40
Lack of opportunities	5	10
competition	20	40
Lack of education	5	10
total	**50**	**100**

4.6 The figure shows the reasons for unemployment.

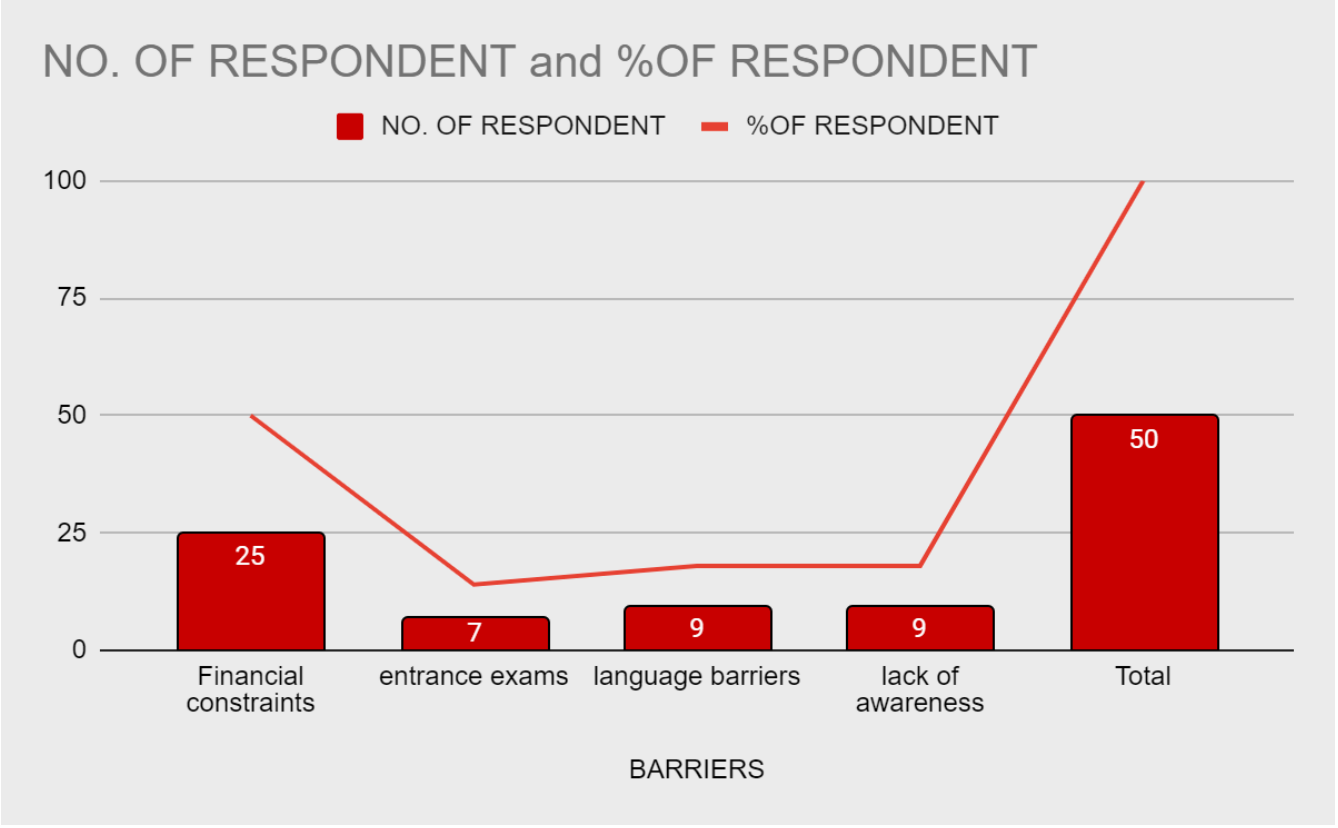


The above figure shows the reasons for unemployment. 40% of respondents are not getting employment for lack of skills; 10% of respondents are not getting employment for lack of opportunities; 40% of respondents are not getting employment for competitors; and the remaining 10% of respondents are not getting employment for lack of education.

4.7 The table shows the barriers to higher education

BARRIERS	NO. OF RESPONDENT	%OF RESPONDENT
Financial constraints	25	50
entrance exams	7	14
language barriers	9	18
lack of awareness	9	18
Total	**50**	**100**

4.7 The figure shows the barriers to higher education

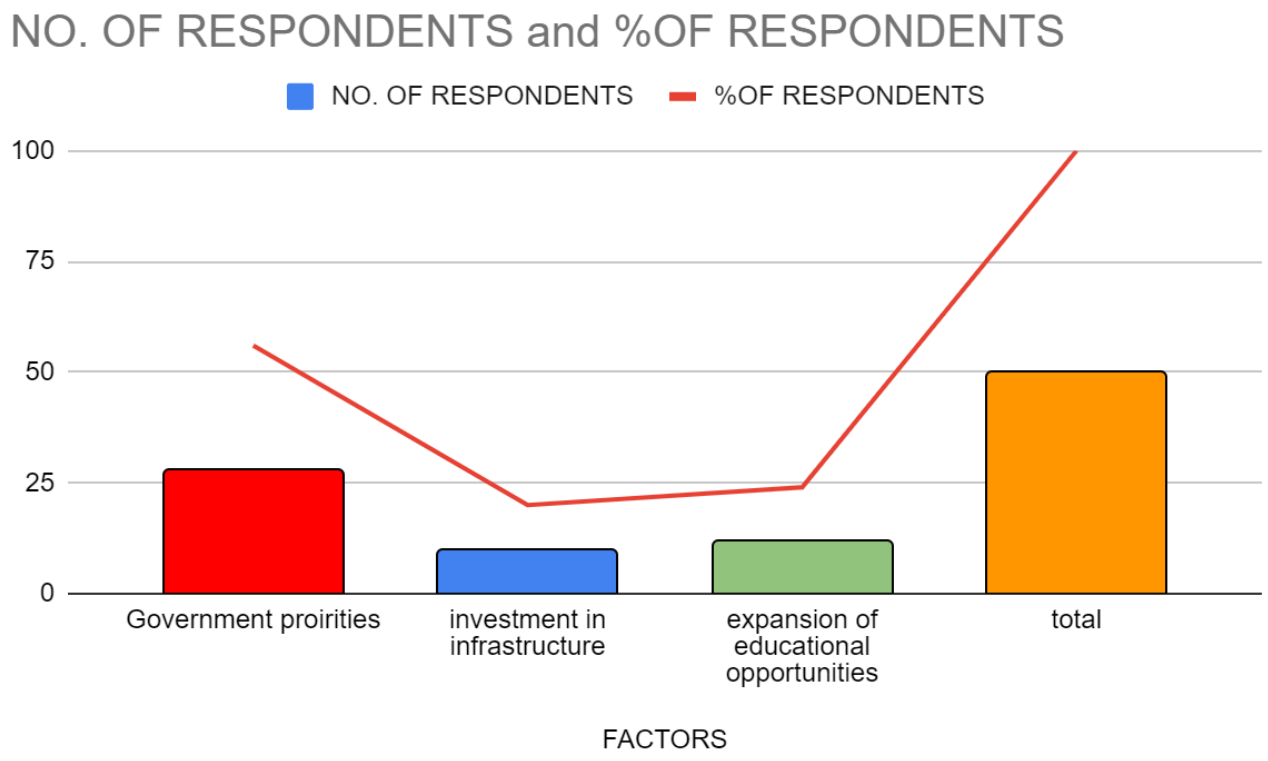


The above figure shows the barriers to higher education. 50% of respondents have financial constraints. 14% of respondents are having competition in the entrance exam. 18% of respondents have language barriers,and the remaining 18% have a lack of awareness.

4.8 The table shows the factors contributing to the phenomenon where expenditure on education exceeds income in India.

FACTORS	NO. OF RESPONDENTS	%OF RESPONDENTS
Government proirities	28	56
investment in infrastructure	10	20
expansion of educational opportunities	12	24
total	**50**	**100**

4.8 The figure shows the factors contributing to the phenomenon where expenditure on education exceeds income in India.

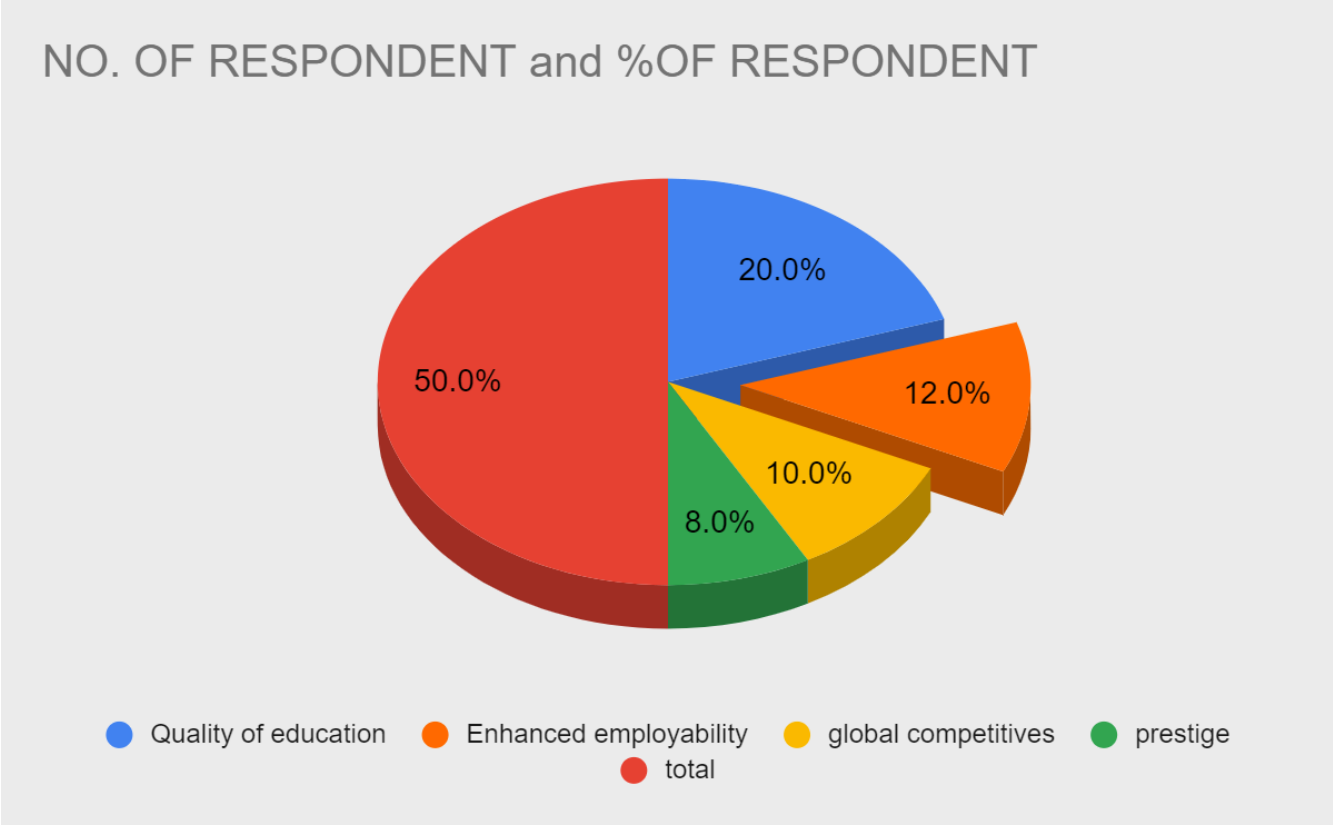


The figure shows the factors contributing to the phenomenon where expenditure on education exceeds income in India. 56% of respondents have government priorities; 20% are for investment in infrastructure; and the remaining 24% are for the expansion of educational opportunities.

4.9 The table shows the reason for investing in a high-standard institution

REASONS	**NO. OF RESPONDENT**	**%OF RESPONDENT**
Quality of education	20	40
Enhanced employability	12	24
global competitives	10	20
prestige	8	16
total	**50**	**100**

4.9 The figure shows the reason for investing in a high-standard institution



The figure shows the reason for investing in a high-standard institution.20% of respondents are the reason for quality of education; 12% of respondents are for enhanced employability; 10% of respondents are for global competitiveness; and the remaining 8% are for prestige.

CHAPTER 5

FINDINGS,SUGGESTIONS &CONCLUSION

5.1 Findings

- According to the findings, 57.1% of students in private institutions receive a high-quality education.
- It was found that 60% of the respondents are between 20 and 22 years of age.
- It was found that 50% of the people chosen only is needed education to get a job.
- It is found that current India's education is average—60.7%.
- It was found that 61.5% of freshmen are not happy with their jobs.
- It was found that 70% people are taking coaching outside for practical knowledge of studies.
- It was found that 89.9% are not satisfied with their pay scale.
- It was found that 37% lack of opportunities is reason for unemployment.
- It was found that 65% of people are doing jobs that are not related to their subjects or streams.
- It was found that 17.9% of income is based on education alone.
- 46.4% income is based on skills.
- It is found that most companies hire people who are studying in well-known colleges.
- 32.1%: -hiring from own networks
- 14.3%- other like posts on Nakuri and LinkedIn.
- It was found that learning skills outside of 50% are affordable, but there are extra charges and expenditures on education.

- 80% of Indians are not able to spend money on education in India
- It was discovered that the quality of education is 50% lower.
- It is found that expenditures on education gradually increase in school and college dropouts.
- It was found that 65% of people are moving abroad for higher studies because there are more job opportunities.
- It was found that 63% of higher education barriers are expensive.
- It's been found that 60% of the respondents are moderately likely to continue using MW Performance.
- It was found that for price, 13 people have ranked 1, 18 people have ranked 2, 14 people have ranked 3, 5 people have ranked 4, and no one has ranked 5, respectively. For quality, 15 people have ranked 1, 22 people have ranked 2, 7 people have ranked 3, 5 people have ranked 4, and 1 person has ranked 5, respectively. For Sound: 19 people have ranked 1, 14 people have ranked 2, 12 people have ranked 3, 5 people have ranked 4, and no one has ranked 5, respectively. For Style: 18 people have ranked 1, 15 people
- have ranked 2, 5 people have ranked 3, 12 people have ranked 4, and no one has ranked 5, respectively.
- It was found that out of 50 respondents,
- In India, 50–60% of people are getting quality education.
- According to the job opportunities, companies are getting tied up with well-known colleges, and in that competition, if there are any 0.5% vacancies, they are posted on social media. Lack of job opportunities—even a graduate doing different kinds of jobs that are not related to their education—is sad to know. Even if some might get jobs with average basic pay,.

5.2 suggestions

1. State-Level Analysis:

Conduct a comprehensive analysis of education expenditure and average income at the state level in India. Investigate variations in education spending patterns, educational outcomes, and income levels across different states, considering factors such as economic development, governance structures, and social policies.

2. Impact of Education Policies:

Evaluate the impact of education policies and initiatives, such as the Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and National Education Policy (NEP), on average income levels in India. Assess the effectiveness of these policies in improving education access, quality, and relevance, and their subsequent impact on income generation and economic growth.

3. Role of Skill Development Programs:

Investigate the role of skill development programs, such as the Skill India Mission, in enhancing human capital and boosting income levels in India. Analyze the effectiveness of skill training initiatives in aligning with industry needs, promoting entrepreneurship, and facilitating job creation across different sectors of the economy.

4. Education Infrastructure and the Rural-Urban Divide:

Explore the relationship between education expenditure, infrastructure development, and income disparities between rural and urban areas in India. Assess the adequacy of educational facilities, teacher availability, and learning resources in rural schools compared to their urban counterparts and their implications for income opportunities and socio-economic mobility.

5. Education and Social Mobility:

Examine the role of education expenditure in facilitating social mobility and reducing intergenerational income inequality in India. Investigate how access to quality education, particularly for disadvantaged and marginalized groups, can act as a pathway to upward mobility and improved income prospects, contributing to greater social cohesion and inclusivity.

6. Employment Outcomes and Income Levels:

Study the linkages between education expenditure, employment outcomes, and income levels in India. Analyze the impact of educational attainment, skill acquisition, and vocational training on labor market participation, earnings potential, and income distribution, considering factors such as sectoral employment patterns and wage differentials.

7. Public-Private Partnerships (PPPs) in Education:

Assess the role of public-private partnerships (PPPs) in education financing and service delivery in India. Evaluate the effectiveness of PPP models in expanding access to education, improving educational outcomes, and enhancing income levels while ensuring equity, accountability, and sustainability in education provision.

5.3 Conclusion

The relationship that exists in India between average income and education spending highlights how vital education spending is as a driver of social and economic advancement. Higher education spending is positively correlated with higher average incomes, according to research findings, underscoring the importance of education in developing human capital, encouraging innovation, and propelling productivity growth. However, issues like regional differences in infrastructure, quality, and access to education continue to exist and contribute to income inequality in various societal segments. Targeted interventions are needed to address these issues in order to enhance educational outcomes, advance fair access to high-quality education, and fortify the connections between education and employment opportunities. To maximize the effects of policy, efforts should be directed toward improving the quality of education, growing skill development programs, and encouraging inclusive growth strategies.

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ANNEXURE

QUESTIONNAIRE

correlation between Educational expenditure and income in India

Name :

Age :

College or school name:

1. Where are the students getting quality education?

- ☐ Private Institutions
- ☐ Government Institutions
- ☐ Other
- ☐ Tuitions

2. Qualification of education: is only one thing necessary for a job? (eligibility like Degree or master's only thing)

- ☐ Yes
- ☐ No

3. How is education in India?

- ☐ Average
- ☐ Bad
- ☐ Good
- ☐ Excellent

4. Are all graduates getting jobs?

- ☐ Yes
- ☐ No

5. What is necessary for the job?

- ☐ Skills
- ☐ Network
- ☐ Only education

6. What do you think about some companies hiring without any updates on vacancies?

- ☐ Companies tied up with well-known colleges
- ☐ From there own networks
- ☐ Other

7. Is learning skills from outside sources affordable?

- ☐ Yes
- ☐ No

8. Choose an option

- ☐ Income is only based on education
- ☐ Income is based on skills
- ☐ Income and opportunities based on expenditures on education

9. Are freshmen happy with their job roles?

- ☐ Yes
- ☐ No

10. Is everyone doing their jobs that are related to their selected streams?

- ☐ Yes
- ☐ No

11. What are the reasons for the existence of private tuition & coaching centers?

- ☐ To gain knowledge
- ☐ For practical knowledge and experiences
- ☐ Not understanding the topics in syllabus

12. Do you think we get enough salary for the work we do ?

- ☐ Yes
- ☐ No

13. What are the reasons for unemployment?

- ☐ Lack of skills
- ☐ Lack of opportunities
- ☐ Lack of education
- ☐ Competition

14. In India, can everyone afford education?

- ☐ Yes
- ☐ No

15. Are all students getting a quality education?

- ☐ Yes
- ☐ No

16. What are the reasons for the school dropouts ?

- ☐ Education is expensive
- ☐ Family issues
- ☐ Other

17. What do you think about people who move abroad for higher studies?

- ☐ In the United States, job opportunities are more
- ☐ In abroad, the education expenditure is less
- ☐ Other

18. What are the measures to be taken for more job opportunities and to increase economic growth in India?

- ☐ Focus on practical things
- ☐ Support innovative ideas
- ☐ Establishing the new industries
- ☐ Other

19. What are the barriers to higher education?

- ☐ Expensive
- ☐ Not interested
- ☐ Higher education to do in abroad
- ☐ Other