

**HOUSEHOLD EXPENDITURE ON EDUCATION AND PROBLEMS OF SCHOOL
EDUCATION IN KERALA**

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Abstract

Parents play an important role in the school education of their child. The present study is an attempt to study the nature of household budget related to school education in Kerala. It is also an attempt to study the annual household expenditure of parents on different items of expenditure. The items of expenditure includes food items and non- food items. Parents spend on different items of expenditure differently and the annual expenditure of parents gives a clear picture of the nature of their household budget. Their preferences towards different items of school education expenditure like books, stationery, uniform, school fees, transportation and other fees are also analyzed in the study. The important sources of savings in families and the sources of financing related to the school education expenditure of their child are also studied and analyzed and the implications of various aspects of household budget are also studied. The study also gives an account of a comparison of items of expenditure by households of various types of schools based on their preferences on school education expenditure.

Keywords: Household, Expenditure, Parents, Finance, School education, Budget, Annual, Items, Preferences, Savings, Family, Consumption.

Introduction

Budgeting is an important and inevitable process of every family and without it family living expenses will exceed the available income and jeopardize the overall financial goals of the family. The management of budget within the family goals helps families to save their money. Budgeting for family expenditures is the foundation for a sound financial plan. The hard earned money can be used for productive expenditures and help to avoid unnecessary spending and lead to debt reduction and savings and investment. Family goals and standard of living are important in determining budget and mismanagement of the same leads to the improper functioning of families (Dean et.al 2008). The consumption pattern of a person is limited by his or her income. But even though the income is zero people will spend out of their past or future payments. The relationship between income and expenditure is shown by consumption schedule and consumption plays an important role in household economies. Thus it is clear that people will spend more or less depends on their income level (Danilo, 2018). Household income and parent's education, ethnicity and race have significant effect on savings. It is true that households will be better off with higher savings. Spending less than the income is the first step to accumulate financial resources for future use (Seonglim et.al, 2000). Low income, low education of the households and high demand for spending lowers the probability of household savings. The development of impactful educational programming and public policy necessitated the importance of understanding household's allocation of resources in a proper way (Dominick, et.al 2018). The prioritization of household resources in particular, the allocation of resources towards major spending categories such as housing, food, healthcare, childcare, transportation and other necessities in life play an important part in household budgeting.

Household budget and its importance in maintaining family's income and expenditure are pointed out in many studies. The income and expenditure relationship among the household of east coast of Peninsular Malaysia were studied by (Nik, et.al 2011) and identified crucial variables related to income and expenditure. The study found out that a significant and strong relationship exists between income and types of household expenditure from socio- economic perspectives. The manner in which the household in which lower middle class families in Brazil manages their household

finances was studied by (Ana, et.al 2014). The study found out that personal characteristics play an important role in financial management. The analysis of economic factors affecting household consumption expenditures in Azerbaijan were made by (Zivar et.al, 2020). They studied the household consumption expenditure and the factors affecting or associated with it. The effects of disposable income, income tax, corporate tax, Value Added Tax and exchange rate on household consumption expenditure are determined using multiple regression analysis. The study finds that some of the independent variables have significant positive impact on the household consumption expenditures. The household's allocation of resources and relative prioritization of expenditure based on six categories using best worst experiment were made by (Dominick, et.al, 2018). They found out that housing was the most important monthly budget category followed by food and health. The budgeting preferences of household were well depicted in the study.

Methodology of the Study

The study was conducted in Thrissur district and a sample of 300 parents of high school and higher secondary students are taken. The household budget characteristics of parents are studied and analyzed using percentage analysis and frequency analysis. In statistics, frequency is the number of times an event occurs. Frequency analysis is thus a part of descriptive statistics in which the researcher analyzes the number of occurrence of an event chosen by the respondents to make reliable conclusions. The ranking method used in the study will help to understand about the preferences parents given on different items of expenditure. The annual average household expenditure on various items of expenditure is calculated. The household items on school education expenditure are also calculated. The purpose of savings of parents and the sources of financing of education is calculated using frequency analysis.

Expenditure on Education and Household Budget

The present study is composed of three hundred parents of high school and higher secondary students of Thrissur district from where the data is collected. The household budgets of parents were studied to understand how they are spending or giving importance to various items of expenditure. Parents budget can be generally classified into food items and non- food items. It also includes expenditure on housing, health, transport and entertainment, education, clothing and footwear.

A study on the annual average household expenditure of 300 parents included in the study shown that parents on an average spent most of their income on housing maintenance or housing related activities. This may be because of the fact that they are more inclined to the style and look of their houses (Dominick, et.al, 2018). The second highest annual average expenditure of parents comes under the category of food items. Next to food items non- food items occupies the third position. Spending on education also occupies an important position as nowadays parents are more interested in spending for their child's education. Transport and entertainment occupies the fifth position followed by health and medical needs and expenses for clothing and footwear. Thus the average annual household expenditure of parents gives an account of the spending pattern of families and the top order priorities in which they spend. It also throws light in to the trend and pattern of household budget. The annual average household expenditure of parents of students of various types of schools such as CBSE, aided and state level schools are shown in the table 1.

Table 1 : Annual Average Household Expenditure of Parents of students of various Types of Schools in Thrissur District in 2020

Items of Expenditure	CBSE	Aided	State	Average	Rank
Housing	40459	37087	34840	37462	I
Food items	22255	21168	20875	21433	II
Non-food items	16700	16255	16236	16397	III
Education	15576	10620	9203	11800	IV
Transport& Entertainment	7487	4658	4494	5546	V

Health& Medical needs	5593	5429	5428	5483	VI
Clothing & Footwear	5420	5430	4635	5162	VII

Source: Survey Data

But regarding all types of schools, parents incur more expenditure on housing followed by food items, non- food items, education, transport and entertainment, health and medical needs and clothing and footwear respectively. The various items of expenditure of parents on school education and their order of preferences pattern in aided and government/ state level schools are shown in table 2.

Table 2 :Items of Expenditure of Parents on School Education and Their Order of Preferences (Aided/ Government Schools) in Thrissur District in 2020

Items of Expenditure	Order of Preferences					Total	Rank
	1	2	3	4	5		
Books and Stationery	160 (53.33%)	72 (24%)	49 (16.33%)	11 (3.66%)	8 (2.66%)	300	I
School Fees	115 (38.33%)	40 (13.33%)	100 (33.33%)	25 (8.33%)	20 (6.66%)	300	II
Other tuition fees	69 (23%)	47 (15.66%)	41 (13.66%)	83 (27.66%)	60 (20%)	300	III
Uniform	68 (22.66%)	136 (45.33%)	62 (20.66%)	21 (7%)	13 (4.33%)	300	IV
Transportation	67 (22.33%)	65 (21.66%)	44 (14.66%)	43 (14.33%)	81 (27%)	300	V

Source: Survey Data

From the study it is clear that 50.38% schools selected are aided schools followed by government schools or state schools, i.e. 39.7% and 9.92% CBSE schools respectively. It is clear that the expenditure pattern of parents of CBSE schools is comparatively higher followed by aided and state level schools. There are different items of expenditure on school education like books and stationery, school fees, other tuition fees, uniform and transportation. These items of expenditure gives a picture about the ways in which parents of aided and Government school children, high school and higher secondary students spend for their child's education. It is clear from the table 2 that the higher order of preference among parents on the items of school education expenditure is for books and stationery. The first order preference of books and stationery items are high followed by the next order preferences respectively. School fees is the second most spent item on school education expenditure pointed out by parents in the order 1,3,2,4 and 5 set of preferences. Next to school fees other fees related to school education comes in the order of preferences such as 1,4,5,2 and 3. The fourth preferred item by parents on the items of expenditure is uniforms in the order of preferences 2, 1, 3, 4 and 5. The items of expenditure of parents on school education and the order of preferences of CBSE School children's parents will give insight into a different picture which is shown in the table 3. It is clear from the table that parents of CBSE school children spend most of their expenditure on school education for school fees followed by other tuition fees, transportation, books and stationery and least on uniforms. This spending pattern is in contrast to the spending pattern of parents of government and aided schools on school education in Kerala. The least spent is for transportation purposes, i.e.in the order of preferences such as 5,1,2,3 and 4.The same order of preferences of expenditure of parents of government and aided schools are seen in the fig 1 where the preferences are high in the order of books and stationery followed by school fees, other fees, uniforms and transportation respectively.

Table 3 :Items of Expenditure of Parents on School Education and their Order of Preferences (CBSE Schools) in Thrissur District in 2020

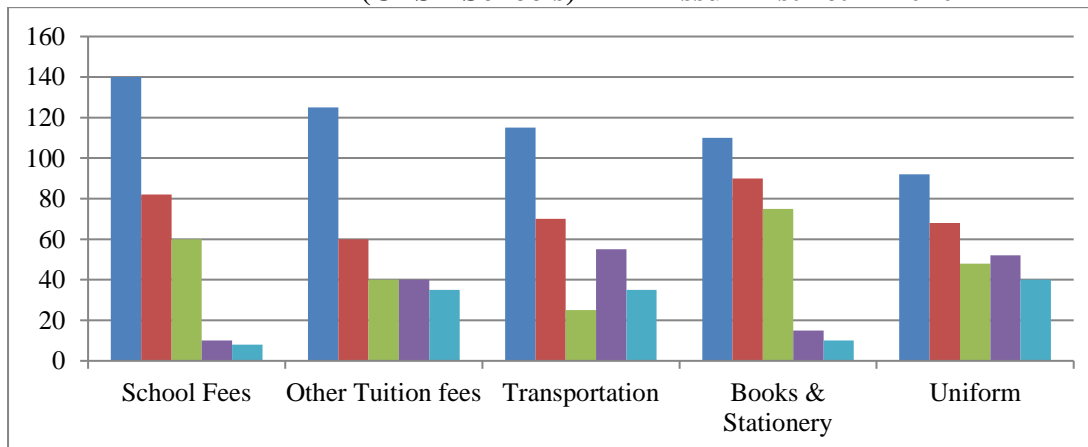
Items of Expenditure	Order of Preferences					Total	Rank
	1	2	3	4	5		
School Fees	140	82	60	10	8	300	I

	(46.66%)	(27.33%)	(20%)	(3.33%)	(2.66%)		
Other tuition fees	125 (41.66%)	60 (20%)	40 (13.33%)	40 (13.33%)	35 (11.66%)	300	II
Transportation	115 (38.33%)	70 (23.33%)	25 (8.33%)	55 (18.33%)	35 (11.66%)	300	III
Books & Stationery	110 (36.66%)	90 (30%)	75 (25%)	15 (5%)	10 (3.33%)	300	IV
Uniform	92 (30.66%)	68 (22.66%)	48 (16%)	52 (17.33%)	40 (13.33%)	300	V

Source: Survey Data

The spending pattern of parents of CBSE school parents also throws light in to some important insights that they bear high burden as school fees and other fees for their children for the betterment of good educational outcome. School fees is given in the order of preferences followed by households such as 1,2,3,4 and 5 and the same order of preferences to other tuition fees, transportation, books & stationery & uniform respectively. The items of expenditure of parents on school education and the order of preferences of CBSE school children’s parents is shown in the fig 1. It is also important to look into the savings pattern of parents to know about the purpose of their savings from the point of view of parents with which they send their children to different type of schools. The purpose of savings of households on the basis of school wise analysis is shown in the table 4. Savings as like consumption is also an important economic activity from the part of the individual as it is only through savings; households can spend a considerable part of their money for future purposes. It is also true that in general cases people gave more importance to present consumption than future savings but it is also important to take apart from their present activities for making their future more secure and comfortable. Expenditure sometimes regarded as a better proxy of living standards than income (Heinz, 2007). Generally people save for spending in the emergency situations in their life, children’s education and marriage, for house construction and renovation, for spending in their retirement life and for other purposes. Thus it is well clear that majority of the respondents save for the purpose of education of their child, showing the importance of education they given to their child and the least purpose is for retirement life and old age. It is also important to note that families are giving more priorities to their children and to their education as they think that investing in education of their child bring about more security in their future and their children will look after them when they are old. Thus it is clear from the study that investing in education is a productive activity as it creates human capital which is desirable for the families and economy as a whole.

Figure 1 :Items of Expenditure of Parents on School Education and Their Order of Preferences (CBSE Schools) in Thrissur District in 2020



Source: Computed from survey Data

Frequency analysis is used here for measuring the saving purposes of parents. It is clear from the table 4 that the majority of the parents, i.e. 67.3% save for the education of their child, 64% save for meeting the emergencies in their life, 46.3% save for children’s marriage, 35.3% save for house

construction and renovation, 26.7% save for meeting the needs of retirement life and old age life and 24.7% do the same for other purposes. The financing of education of the child may be from a wide number of factors.

Table 4 :Purpose of Savings of Parents of different types of Schools in Thrissur in 2020

Purpose of savings	CBSE	Aided	State	Total savings	Rank
Children's education	68%	67.8%	66.1%	67.3%	I
For emergencies	61%	63%	68.1%	64%	II
Children's marriage	45.6%	48%	45.3%	46.3%	III
construction/ renovation	34.9%	35.7%	35.3%	35.3%	IV
For retirement life/old age	29%	25.4%	25.7%	26.7%	V
Other purposes	23%	26.2%	24.9%	24.7%	VI

Source: Survey Data

The financing sources are mainly household income, all types of loans, selling or pledging assets, other sources, through friends and relatives and from children's own contributions. The financing of education is also studied with respect to the type of school the household's children is studying in the school. In the present study 50.38% of the household's children are studying in aided schools, 39.7% in Government or state schools and 9.92% in CBSE Schools. It is important to know how the households manage their budget in spending for their child's education which is shown in the table 4. It is indicated from the table 5 that the major source of financing of education in families is through household income, i.e. 82.3%. 34% respondents revealed the major source of financing of their child is through other sources. 17.4 % of financing of education in families is through loans, 3.7% through selling or pledging assets and only 3.3% rely upon friends and relatives for the same. Thus household income or parents income are the backbone of financing of education of every child.

Table 5 :Sources of Financing for Education of Parents of different types of Schools in Thrissur District in 2020

Financing for education	CBSE	Aided	State	Rank
Household income	86.1%	79.8%	81%	I
Other sources	31.1%	36.2%	34.7%	II
From loans	13.7%	18%	20.5%	III
Selling/ pledging assets	5%	3.9%	2.2%	IV
Friends/ relatives	2%	3.4%	4.5%	V

Source: Survey Data

Household budget had its own implications in maintaining and balancing a family's budget. It is seen that parents on an average spent most of their income on housing maintenance or housing related activities. This had an important implication that the increasing expenditure on housing necessitates many important aspects of individual's resource allocation sometimes in an inverse manner. The second highest annual average expenditure of parents comes under the category of food items. Next to food items non- food items occupies the third position. Spending on education also occupies an important position as nowadays parents are more interested in spending for their child's education. Transport and entertainment occupies the fifth position followed by health and medical needs and expenses for clothing and footwear.

Conclusion and Policy Implications

Thus the average annual household expenditure of parents gives an account of the spending pattern of families and the top order priorities in which they spend. It also throws light in to the trend and pattern of household budget. Among the items of expenditure books and stationery occupies the most part of the household budget on school education expenditure followed by school fees, other fees, uniform and transportation. Regarding the purpose of savings majority of the parents save for their children's education followed by meeting emergencies and the least form of savings is in the form of spending at the retirement and old life. In the case of families the most important source of financing

is through household income and other aspects of financing are least used and preferred by parents. Thus parents play a very important and decisive role in the education of every child in their families. The study also gave a comparative analysis of the expenditure pattern of parents of aided and government schools on the one hand and CBSE schools on the other hand. It is interesting to note that the expenditure on school education of parents of both streams is entirely different.

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