INTELLIGENCE BRIEF:
THE IMPACT OF FEES ON STUDENTS’ BUDGETS

The EUROSTUDENT project collates comparable student survey data on the social dimension of European higher education. It focuses on the socio-economic background and on the living conditions of students, but it also investigates temporary international mobility. The project strives to provide reliable and insightful cross-country comparisons. The data used here comes from the fourth round of EUROSTUDENT, for which data was collated in the years 2009 and 2010.

How much of the Bachelor students’ expenditure goes on paying fees?

Figure 1 shows the share of Bachelor students’ total expenditure used to cover fees to higher education institutions. It describes one of the key costs students cover in order to participate in higher education. We focus here only on students who are not living with their parents as this is the dominant form of housing for students in most countries.

Figure 1: Expenditure on fees as share of total expenditure for an average Bachelor student (not living with parents) by country, as % of total monthly expenditure

For students not living with their parents, the share of students’ total expenditure used to pay fees to HEIs varies considerably in the countries observed. Denmark, Finland and Sweden do not charge fees for Bachelor students. In Austria, Malta and the Czech Republic the expenditure on fees is less than 5% of students’ total expenses; in The Netherlands, Estonia, England and Wales and Latvia it is already between 15% and 20%, whilst in Ireland, Turkey and Lithuania these costs make up over one fifth of students’ average monthly expenditure; indeed in Lithuania the share is around two-fifths.

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2 The category ‘fees’ comprises tuition fees, registration fees and examination fees.
3 AT = Austria, CH = Switzerland, CZ = Czech Republic, DE= Germany, DK = Denmark, E/W = England/Wales, EE = Estonia, ES = Spain, FI = Finland, FR = France, HR = Croatia, IE = Ireland, IT = Italy, LT = Lithuania, LV = Latvia, MT = Malta, NL = Netherlands, NO = Norway, PL = Poland, PT = Portugal, RO = Romania, SE = Sweden, SI = Slovenia, SK = Slovakia, TR = Turkey.
4 In Denmark only ordinary full-time students are exempt from paying fees. Part-time students do have to pay fees, but these were not included in the Danish sample.
What share of Bachelor students actually pays fees?

Figure 2 shows that not all Bachelor students pay fees, although in most countries more than half of Bachelor students are required to pay fees.

Figure 2: Share of Bachelor students paying fees, by country, in %

![Bar chart showing the share of Bachelor students paying fees by country in %]

Source: EUROSTUDENT IV, Subtopic F.9. No data: ES, NO, SI.

For example, in Austria, the Czech Republic, Romania, Estonia and Germany the share of Bachelor students who pay fees is under half, whilst in England and Wales, Portugal, Switzerland and the Netherlands (nearly) all Bachelor level students contribute to HEIs for their studies. This result can be taken to mean that the impact of fees shown in Figure 1 is an underestimate for the students paying them in all countries apart from England and Wales, Portugal, Switzerland and the Netherlands. In countries where the share of students actually paying fees is near to or less than half, the impact of fees for individual students is probably twice as high as estimated in Figure 1.

The differences between Bachelor students who pay or do not pay fees shown in Figure 2 are related to differences in study modes (e.g. in the Czech Republic part-time students pay fees, whilst full-time students do not), in student status (e.g. in Estonia, Latvia and Lithuania, around half of the students are on state-paid study places) or related to place of study (e.g. in Germany).

The general debate

Debates on how to finance higher education have intensified recently in the light of the increasing enrolment of students, increases in the costs of instruction and worldwide trends towards knowledge-based economies and globalization. As a result the concept of cost-sharing has gained a lot of attention from researchers, politicians, economists, students and other stakeholders in higher education. This concept refers to reaching a new balance between the reliance on government and taxpayers for higher education funding and increasing direct contributions from parents and/or students, either in the form of tuition fees or of “user charges” to cover the costs (Johnstone 2004). Broad analyses of the EUROSTUDENT data on student incomes and expenditure (not shown here) show the overall significance of private funding for students’ participation in higher education irrespective of whether they pay fees or not.

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At the same time, fees are a particularly hot topic when it comes to debates on cost-sharing. This is because of the conflict between those who believe higher education is a public good, provided by governments free of charge, and others who believe in the imperative of cost-sharing and especially of charging students’ tuition fees. Supporters of fees argue that such cost-sharing can lead to:

- greater efficiency, through institutions of higher education competing for students as consumers and, moreover, investors in their own human capital
- increases in equity, by shifting the costs of higher education to those that benefit directly from it
- greater incentives for students to study hard and graduate “on time” (Johnstone 2004 & Johnstone 2009).6

Opponents to fees argue that implementing or raising fees to close the funding gap is extremely harmful because:

- it transforms students from full members of the higher education community into consumers
- it puts a specific price tag on entry into higher education, which deters some parts of society from considering higher education participation at all (ESU 2010).7

Whatever the arguments, the reality is that in many countries around the world students are asked to contribute financially to HEIs. These contributions can take several forms – in addition to tuition fees, students might have to pay administrative fees (entrance fees, registration fees, examination fees) or make compulsory payments to student organizations (Eurydice 2009).8

In this Intelligence Brief we looked closer at students’ expenditure on such fees in the hope of contributing to this debate. This Intelligence Brief has shown big differences between countries, albeit only in relation to two particular dimensions of tuition fee models, namely the comparative level of average tuition fees and the share of students actually paying these fees.

**EUROSTUDENT IV Data set**

Of course, there are other important questions when it comes to students’ private contribution to higher education institutions: Do students receive state support? Do students need to work to be able to pay these fees? What are the other key expenditures students have and are fee costs really such a central cost factor? Do considerations about fees and other study costs affect students’ assessment of their material well-being? EUROSTUDENT provides some of these analyses in the comparative report Orr, D.; Gwosć, C.; Netz, N. (2011): Social and economic conditions of student life in Europe. W. Bertelsmann Verlag, Bielefeld. The EUROSTUDENT data base allows users to explore country data by topic area and in comparison between countries. See our website for more details: www.eurostudent.eu.

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