ABSTRACT

Household expenditure on education has remarkably increased in India. This study examines the determinants of household expenditure on education in India and Kerala. Economic reforms have a crucial role in increasing the share of household expenditure on education in India. The present study addresses four basic concepts: the trend and pattern of government and household expenditure on education in India and Kerala, rural and urban comparison of household expenditure on education, the determinants of household expenditure on education and the nature of expenditure on education of rural and urban households. The study uses the secondary as well as primary data sources of household expenditure on education, gross domestic product, personal disposable income, number of recognized educational institutions and other related variables. The study uses mathematical and econometric techniques such as regression, compound annual growth rate, percentage change and urban–rural ratio to analyze the data. The variables such as gross domestic product, per capita income, public expenditure on education, education loan disbursement, personal disposable income and the number of recognized educational institutions and household variables are found to be significant in determining the household expenditure on education in Kerala. The study found that, there is clear rural and urban disparity with respect to household expenditure on education in India. However, this disparity is comparatively low in Kerala when compared to other major states in India. Besides this, household expenditure on higher education is high in rural households when compared to their urban counterparts.

Keywords: Household Expenditure on Education, Trend and Pattern, India, Major States, Rural and Urban Expenditure on Education, Determinants, Kerala, Financial Return, Educational Problems.