文部科学省 共同利用・共同研究拠点事業 社会調査・データアーカイブ共同利用・共同研究拠点

Analysis of the Use and Effects of Tuition Support System for High School Students

# Shuai Wang

東京大学社会科学研究所 附属社会調査・データアーカイブ研究センター

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Shuai Wang
Institute of Social Science, The University of Tokyo

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# **Abstract**

Tuition support system aims to create a society in which all high school students can persevere on their studies by reducing the burden of household educational costs in Japan. This study examined the effect of tuition support system for high school students using the survey data about children's school expenses and burdens on household finances. The results suggest that the number of applicants for tuition support programs has been increasing, particularly among low-income group. While the new system of tuition support system is widely being used, its impact may be somewhat limited when it comes to reducing the tuition gap between public high schools and private high schools and leads to reduction of tuition burden. These results together suggest that further expansion of tuition support is required for high school students, especially for low-income families.

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#### 1. Introduction

The tuition support system for high-school students is undergoing transformation. An old system implemented from fiscal 2010 until fiscal 2013 to make public high schools free ("the old system" hereafter), in April 2014 gave way to a new system in which assistance is provided in accordance with students' household income regardless of whether the school is public or private ("the new system" hereafter).

With respect to the old system, it was often pointed out that there was a huge disparity in educational expenses between students attending public high schools and those attending private high schools and that the financial burden in education expenses was particularly heavy on low-income households (Iwata 2018). The new system was implemented to solve these problems by providing financial assistance for tuition payments. The goal was to reduce financial burden related to education, such as high-school education, and contribute to providing equal educational opportunities.

Regarding tuition support, one of the major changes from the old system was the introduction of an upper cap on guardians' annual income. Guardians whose income-based municipal tax payments are below 304,200 yen are eligible for assistance, but not those paying 304,200 yen or more (MEXT). In addition, the amount of tuition support fund was expanded more than ever for students attending private high schools to 1.5-2.5 times the 9,900 yen monthly base payment. For example, the addition of tuition support fund was expanded, if a guardian of a student attending a private high school earns less than 2.5 million yen a year, the amount of tuition assistance is 2.5 times this base payment. (Guardians who make between 2.5 million yen and 3.5 million yen receive financial assistance equivalent to double the base payment, while those making between 3.5 million yen and 5.9 million yen receive 1.5 times the base payment.)

This study, based on this revision in the tuition support system, will clarify how the new system is being used and how it contributes to a reduction in education expenses. At the same time, an examination will be made regarding the status of the tuition support system.

# 2. Data

The data used in the analysis of this study have been taken from a survey conducted in December 2017 among those who had children in high school or whose children graduated from high school during a three-year period leading up to the survey date ("Okosama no gakuhi to kakei futan ni kansuru chosa" [A survey on children's school expenses and burdens on household finances]). The sample population, among men and women aged 30-65, is a group of guardians who had children belonging to either one of the following three categories as of November 2017: 1) children who were into their second year after graduating from high school ("the second year of graduation" hereafter); 2) children who were into their first year after graduating from high school ("the first year of graduation" hereafter); and 3)

children who were in their third year of high school ("third year in high school" hereafter). This study is based on a random selection from the survey, which was conducted by a research firm to obtain 3,853 valid responses. The article will examine the status of tuition support for high-school students by analyzing the effects of the financial tuition support system in understanding how the new system is being used following the revision.

For the analysis, a cross tabulation is employed based on the school type and the respondents' household income. In the case of public schools, the analysis will focus on the use of the new system following a change from a free-tuition system to a system that provides financial support. For private schools, since the new system provides more support than the old system, the analysis will focus on the benefits of the new system in comparison with the old. The old system is applied to those whose children were in their second year of graduation, while the new system is for those whose children were either in their first year of graduation or in their third year in high school. In addition, the survey has also divided the respondents into three groups based on their household income. Those with annual household income of less than 5 million yen are regarded as the low-income group, those with household income of between 5 million yen and 9 million yen as the middle-income group, and those with at least 9 million yen in household income as the high-income group.

# 3. Analysis results

# 3-1 Applications for tuition support

Fig. 1 shows the status of applications for tuition support (the new program) based on the school type. More than 40% of the respondents said that they had made an application for tuition assistance or a reduction regardless of whether their children attended public high schools or private high schools. Households with children who were in their third year of high school had applied for tuition support at a greater percentage than had households whose children were in their first year of graduation. Almost 50% of these households had applied for assistance regardless of whether their children attended public schools or private schools.

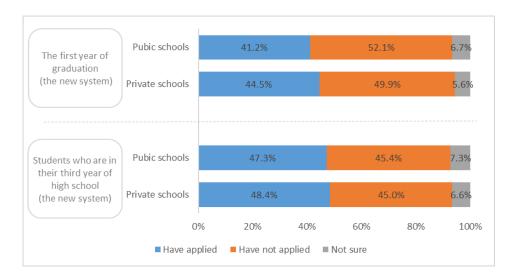


Fig. 1 Application procedures for tuition support (the new system)

Fig. 2 and Fig. 3 show the percentage of households for each income group that applied for tuition support. For public schools (Fig. 2), there is a tendency in which the higher the household income, the lower the percentage of households that applied for tuition support. The percentage of those who applied for tuition support was the highest in the low-income group, at about 50%. On the other hand, the percentage of those who applied for tuition support was about 20% in the high-income group.

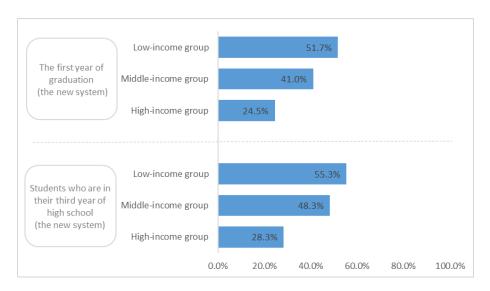


Fig. 2 Percentage of households in each income category that applied for tuition support (for public schools)

For private schools (Fig. 3), as in the case of public schools, the higher the respondents'

household income, the lower the percentage of those applying for tuition support. As the old system was replaced by the new, households in all income groups applied for support at a greater percentage. In particular, the percentage was the highest among low-income households, with some 70% of such families with children in their third year of high school having applied for tuition support.

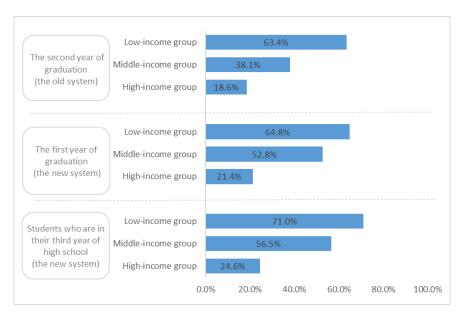


Fig. 3 Percentage of households in each income category that applied for tuition support (for private schools)

Thus, about half of all households applied for tuition support regardless of whether their children were in public high schools or in private high schools. The percentage was higher in the second year of the implementation of the new system than in the initial year. In particular, it has been found that the percentage was the highest among low-income households.

# 3-2 The use of tuition support

Fig. 4 and Fig. 5 show the percentage of households that responded that they had actually used various financial assistance programs. In the case of public schools (Fig. 4), *tuition support* (by government) was the most frequently used and the most popular program. This was followed by *grants* for high school students, comprising 10% of the total. Other assistance programs (such as tuition waivers or reductions provided by the schools, grants provided by scholarship organizations, and scholarship loans provided by prefectures) were used less frequently. They were not as widely used as *tuition support*.

In the case of private schools (Fig.5), as in the case of public schools, the most frequently used program was *tuition support*. The use was also relatively high for *grants* and for tuition waivers

or reductions provided by the schools. However, they still comprised only about 10% of the total, and they were not used as frequently as *tuition support*. Thus, it has been confirmed that financial assistance for high-school students primarily consisted of *tuition support* regardless of whether the schools were public or private.

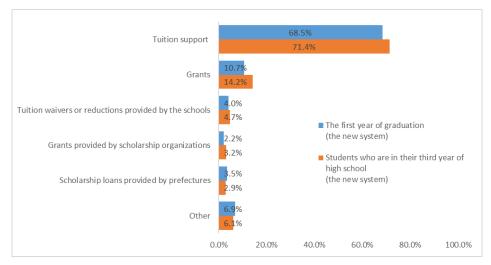


Fig. 4 The use of financial assistance programs (For public schools; answers were provided only by those who had applied for assistance)

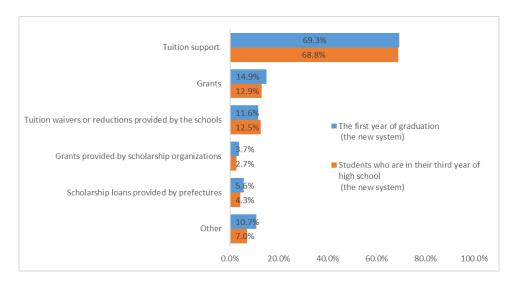


Fig. 5 The use of financial assistance programs (For private schools; answers were provided only by those who had applied for assistance)

# 3-3 Whether the revision will lead to lower household financial burdens

The purpose of the revision to the tuition support system is to eliminate the difference in education expenses between public high schools and private high schools as a means of reducing

financial burdens on households. How much in education expenses households actually shouldered and how much of a burden they were to these households will be examined here.

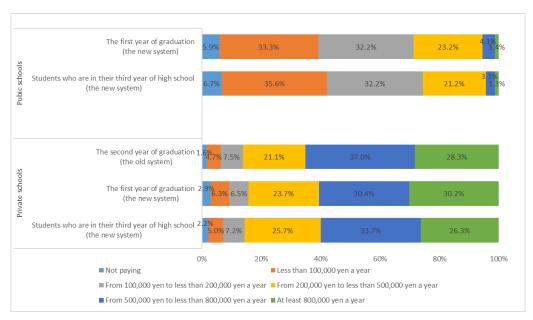


Fig. 6 The amount that households actually spent for children's high-school education

Fig. 6 shows the amount of expenses that households spent for children's high-school education. Expenses for public schools were about 200,000 yen per year, while those for private schools were about 500,000 yen. There was a huge difference in expenses between public schools and private schools. In addition, the revision in the tuition support system does not seem to have led to a significant change in the amount of education expenses.

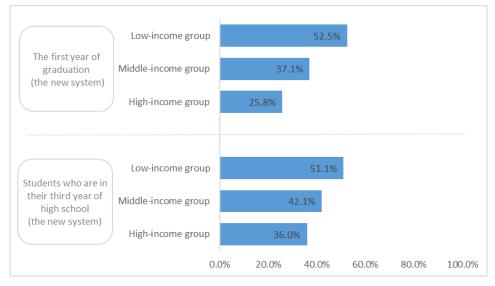


Fig. 7 Percentage of those who felt that education expenses were a burden (for public schools)

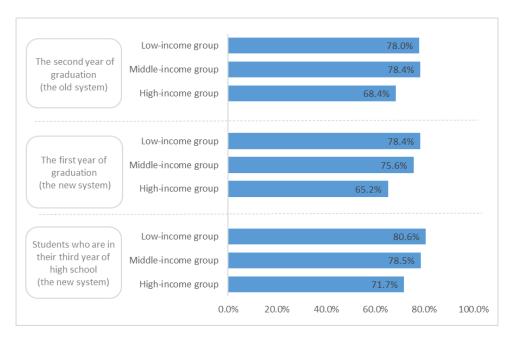


Fig. 8 Percentage of those who felt that education expenses were a burden (for private schools)

Fig. 7 and Fig. 8 show the percentage, for each income group, of those who responded that they felt that education expenses were a financial burden. With respect to public schools (Fig. 7), 50% of those in the low-income group felt that education expenses were a burden to them. Among the high-income group, about 30% of the parents responded that they felt that education expenses were a burden. This indicates that at least half of those in the low-income group felt that education expenses were a burden even after the new system of tuition support was implemented.

For private schools (Fig. 8), nearly 80% of those in the middle-income group and the low-income group responded that they felt that education expenses were a burden. Among those in the high-income group, about 70% of the guardians felt that education expenses were a burden. This means that those in the high-income group, not to mention those in the low-income group, felt that expenses for private high schools were a burden. Even after the tuition support system was revised, the percentage of those who felt that education expenses were a burden did not show a significant change. This may indicate that the implementation of a mechanism to provide tuition support does not easily lead to a reduction in expenses.

# 3-4 How tuition support should be provided for high school students

What type of support is required as the difference between public high schools and private high schools remains huge with respect to education expenses? The survey sheet covers a number of items suggesting how expenses should be shouldered in high-school education. Here is a look at the results of the survey for each income group with respect to these suggestions.

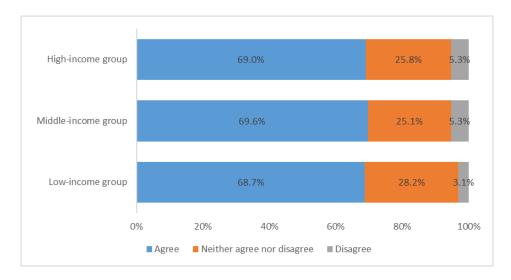


Fig. 9 The number of children should be taken into consideration in providing assistance in addition to household income

Regarding a view that the number of children in each household should also be taken into consideration in addition to household income (Fig. 9), nearly 70% of the respondents in every income group said that they agreed. People in all income groups strongly supported a proposal that the number of children be taken into consideration in providing assistance.

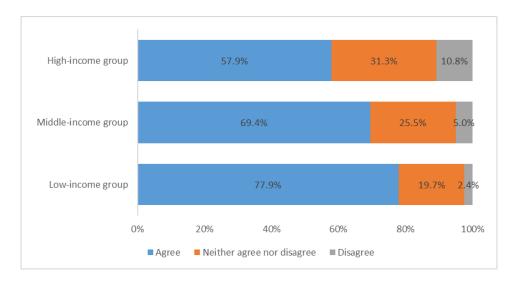


Fig. 10 Assistance should be expanded for households in financial hardship

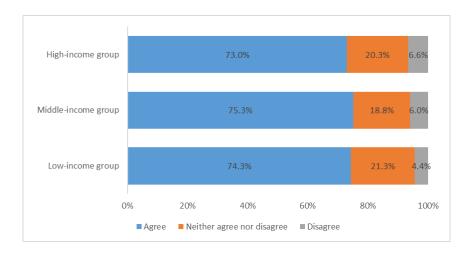


Fig. 11 The tuition gap is too large between public high schools and private high schools

Regarding a view that assistance should be expanded for households with financial hardship (Fig. 10), the percentage of those who support this view rises as household income declines. A total of 77.9% of those in the low-income group responded that they would support the suggestion. This means that low-income people most strongly support an expansion of assistance to families that are experiencing financial hardship.

Regarding a view that the tuition gap between public high schools and private high schools is too great (Fig. 11), there seem to be no major differences in opinions among different income groups. In every group, more than 70% of the respondents agreed that the gap was too large. This indicates that many guardians were under the impression that the tuition gap was too great between public high schools and private high schools.

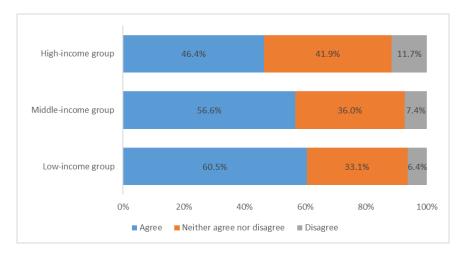


Fig. 12 Public high schools with lower tuitions should enroll more students

Regarding a view that public high schools with lower tuitions should enroll more students (Fig. 12), the percentage of those who support this proposal falls as household income raises. The lower the respondents' household income, the stronger their desire for public high schools with lower tuitions to increase the number of students.

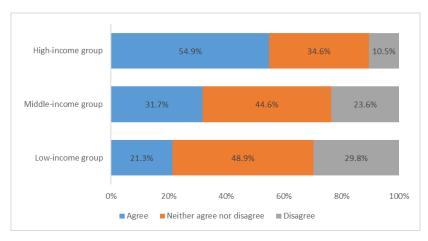


Fig. 13 High tuitions should be tolerated to a certain extent if better education is provided

Regarding a view that high tuitions should be tolerated to a certain extent if better education is provided (Fig. 13), the opinion is divided along the income levels. A total of 54.9% of those in the high-income group supported this view, while only 21.3% of those in the low-income group did so. This may indicate that guardians who were high income earners were willing to provide better education to their children even if tuitions were high since they were economically well off. However, guardians who were low income earners put more emphasis on the cost and the economic aspect of education, rather than the quality.

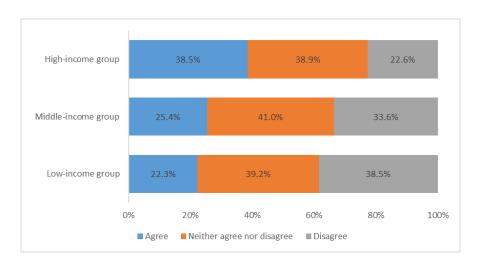


Fig. 14 An increase in household burdens should be tolerated under tight fiscal conditions

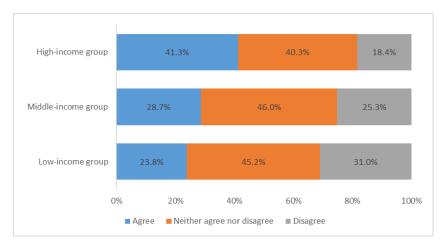


Fig. 15 Households should shoulder their own high-school expenses as a matter of course

With respect to a view that an increase in financial burdens on households should be tolerated under tight fiscal conditions (Fig. 14), 22.3% of those in the low-income group and 38.5% of those in the high-income group expressed their support. Low-income people appeared to be more resistant to an increase in financial burdens caused by reduced assistance in the face of fiscal difficulties.

Regarding a view that households should pay for their own high-school expenses as a matter of course (Fig. 15), the response was divided along income levels. A high percentage of those in the high-income group (41.3%) agreed, while the figure was low among the low-income group (23.8%).

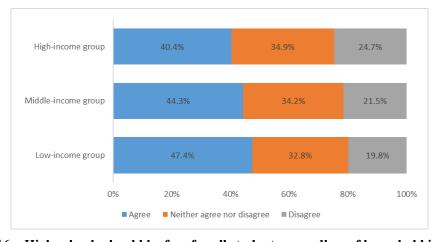


Fig. 16 High schools should be free for all students regardless of household income

When it comes to a view that high schools should be free for all students regardless of their household income (Fig. 16), about 40% of guardians in all income groups expressed their support. The percentage of those who expressed their support was the highest among the low-income group (47.4%).

Thus, many guardians in all income groups want free education even though the tuition support system, such as a mechanism for financial assistance, has already been revised.

After considering several suggestions regarding how tuition support should be provided, it has been found that a high percentage of respondents in all income groups expressed their support for views that the tuition gap between public schools and private schools was too large and that the number of children in each household should also be a factor in providing financial assistance. High-income earners, since they are economically well off, are less resistant to an increase in tuitions. On the other hand, those in the low-income group want to see an expansion in tuition support and an increase in the number of students accepted by public high schools.

# 4. Conclusion

The number of applicants for tuition support has been increasing, both for public high schools and for private high schools, following a revision in the system. It has been found that the tuition support, is widely used among low-income people.

With respect to the effects of the tuition support system, there still remains a huge disparity between public schools and private schools when it comes to the tuition amount even after the new system has been implemented. Thus, a reduction in financial burdens may turn out to be difficult. In particular, this research has confirmed that education expenses may exact a heavy financial toll on low-income households. The lower the respondents' household income, the stronger their support for a proposal that assistance be expanded for families in financial hardship, that the number of accepted students be increased at public high schools, and that high-school education be provided for free. Thus, these people are calling for an expansion in tuition support.

This research has revealed that, while the new system of tuition support is widely being used, its impact may be somewhat limited when it comes to reducing the tuition gap between public high schools and private high schools. Still, the effects of the tuition support system should be judged based on a long-term observation, it is required to follow up the effects in the future.

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