

We need to talk about Higher Education

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NERI Working Paper Series

We Need to Talk about Higher Education

Austin Delaney and Tom Healy

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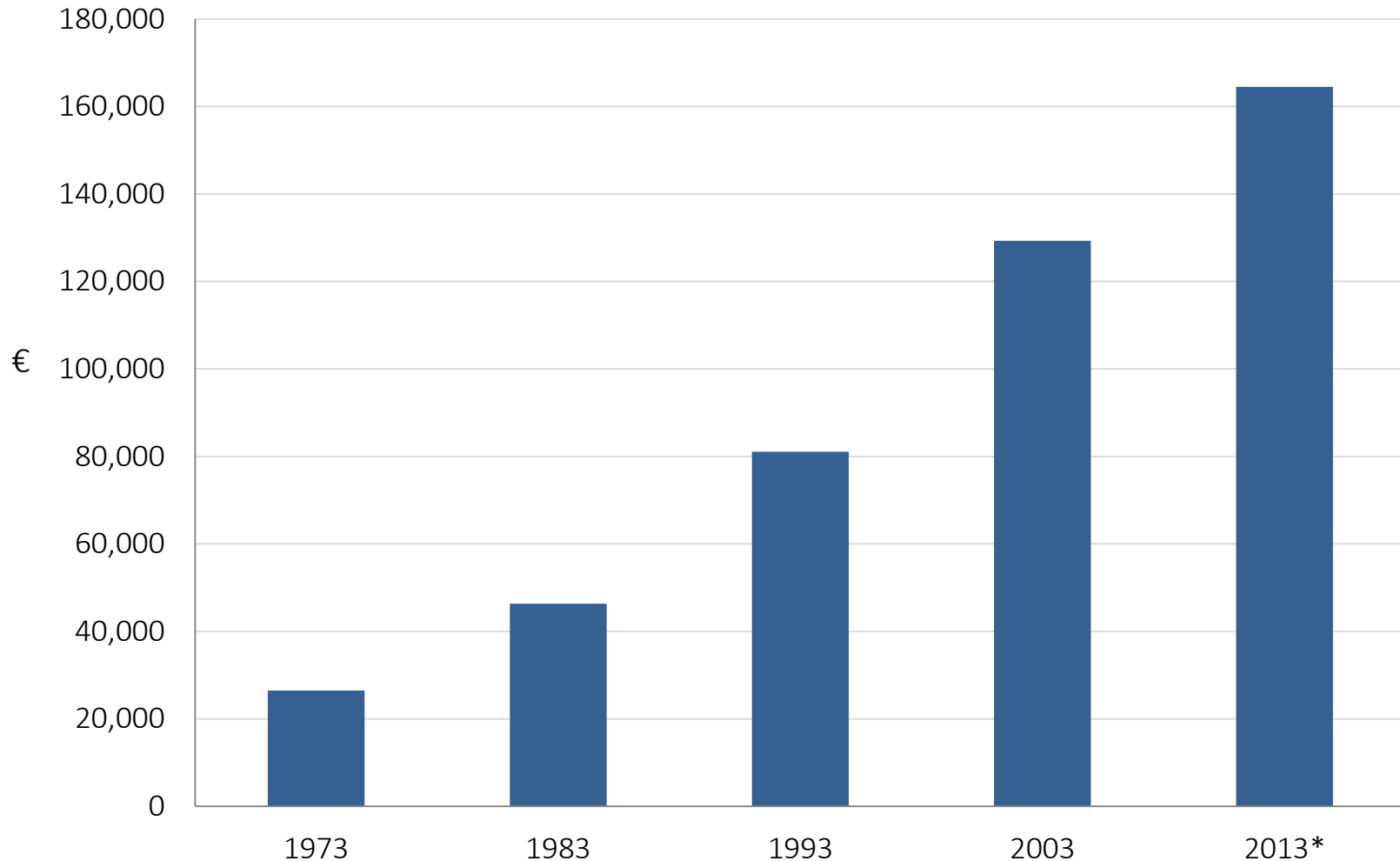
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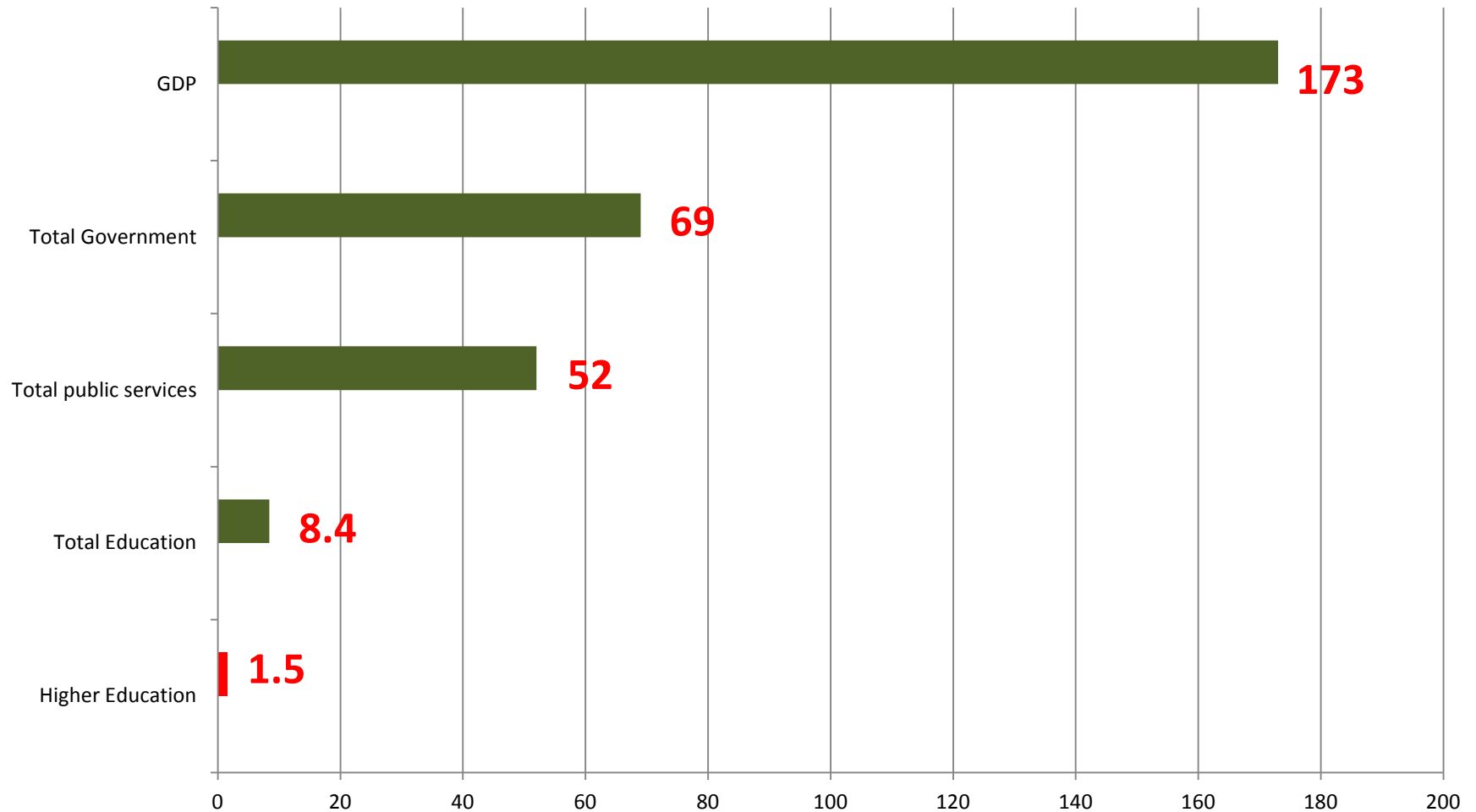
Key points

- There is a looming funding crisis in HE
- This is not unique to the public service
- Ireland is moving towards an 'Anglo-American' funding model
- HE is a public good
- We recommend movement back towards EU norms over time
- With the objective of 'Nordic' norms in LR

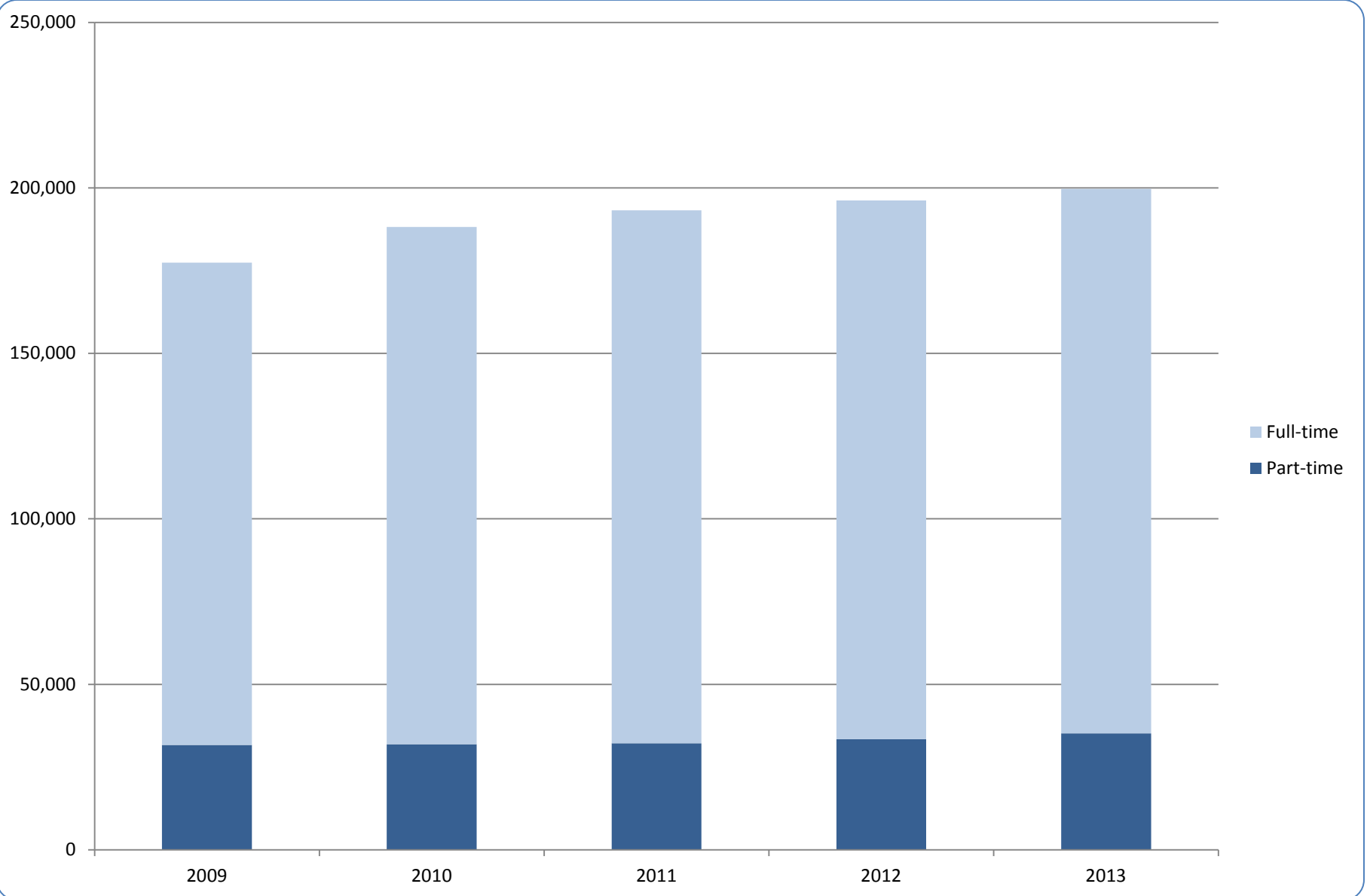
Trends in full-time enrolment in Higher Education 1970-2013 (DES aided only)



How much is spent by Government on Higher Education (2014 estimates)?



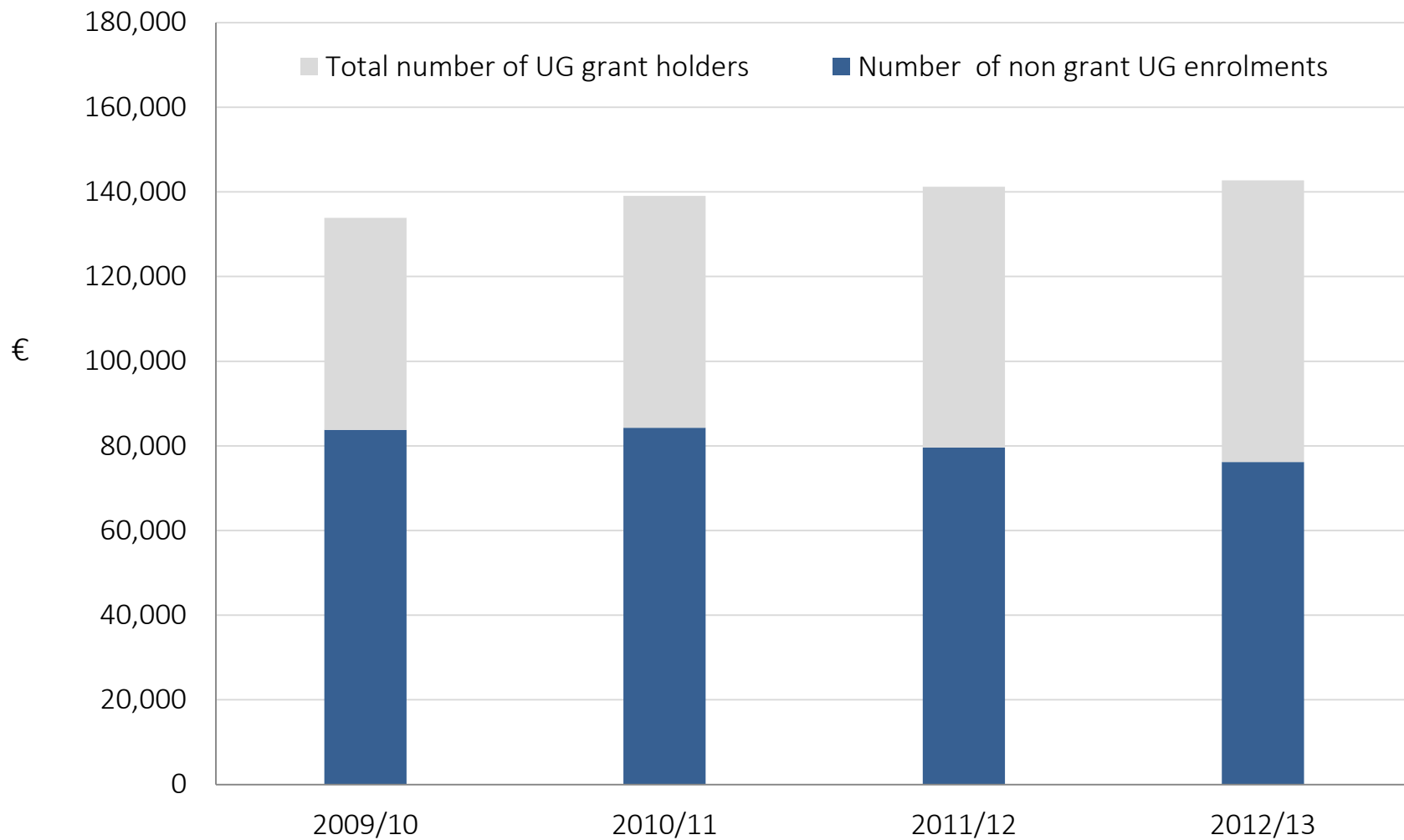
Growth in student numbers in HE



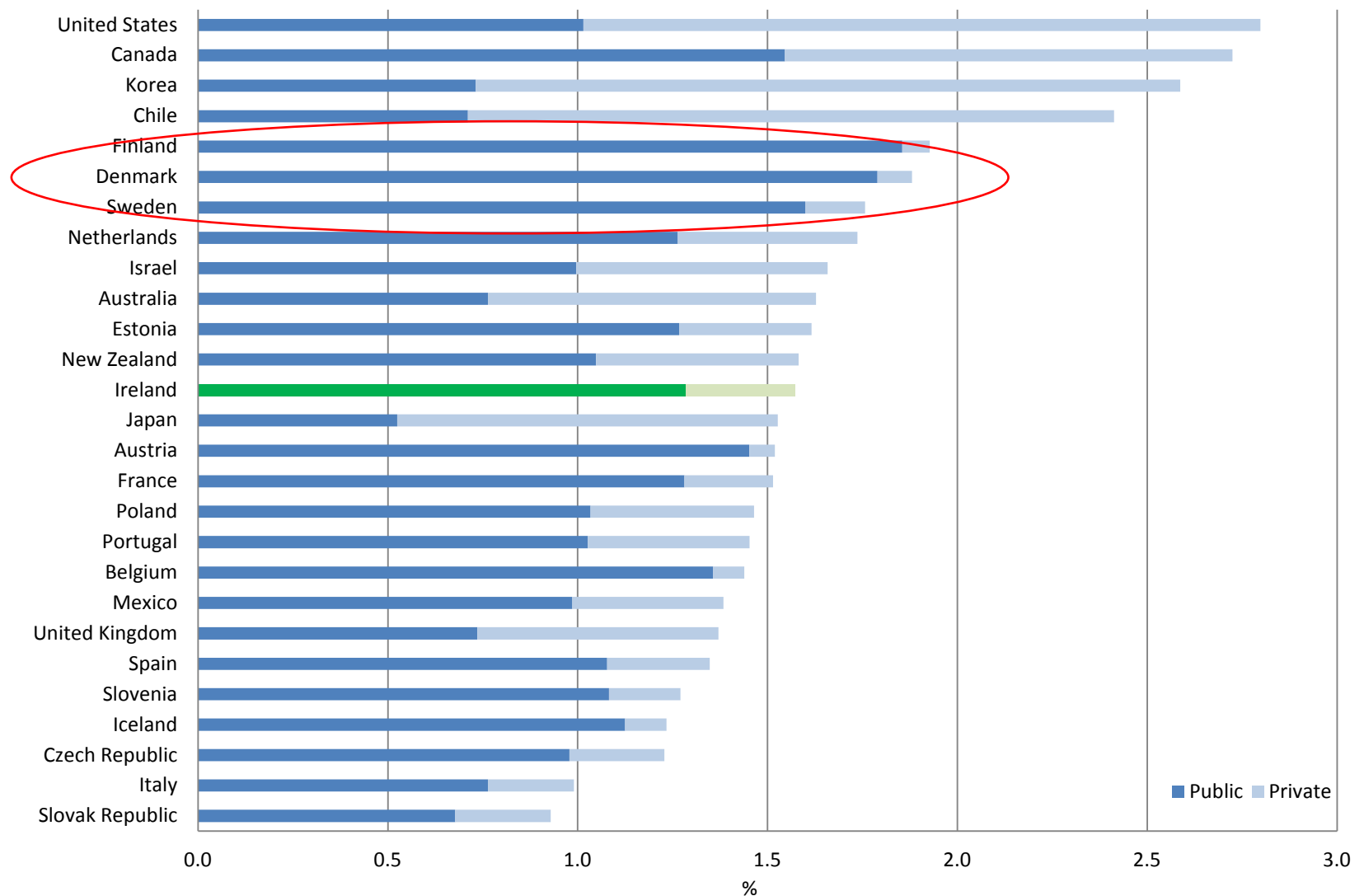
Trends in Exchequer Spending

		2009	2010	2011	2012	2013	2014
A	Current Expenditure	1,849	1,776	1,688	1,591	1,533	1,467
B	Capital	201	164	79	56	60	35
C=A+B	Total of above	2,050	1,940	1,767	1,647	1,593	1,502
D	‘Free Fees’ payments by exchequer included above	340	411	407	365	303	267
E	Student support payments by exchequer included above*	307	364	357	338	339	356

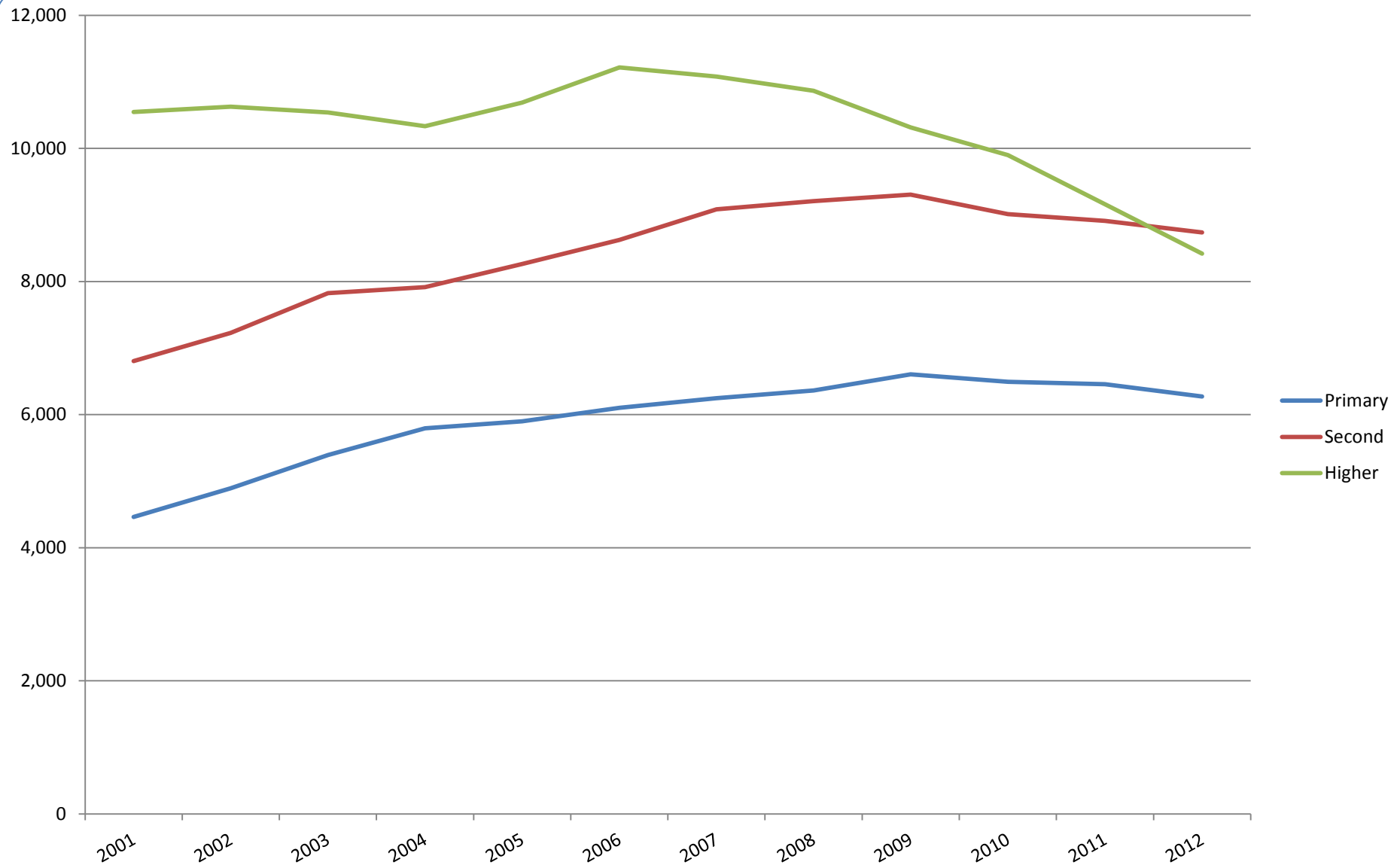
Undergraduate Grant Holders as % of all Full-time UG students



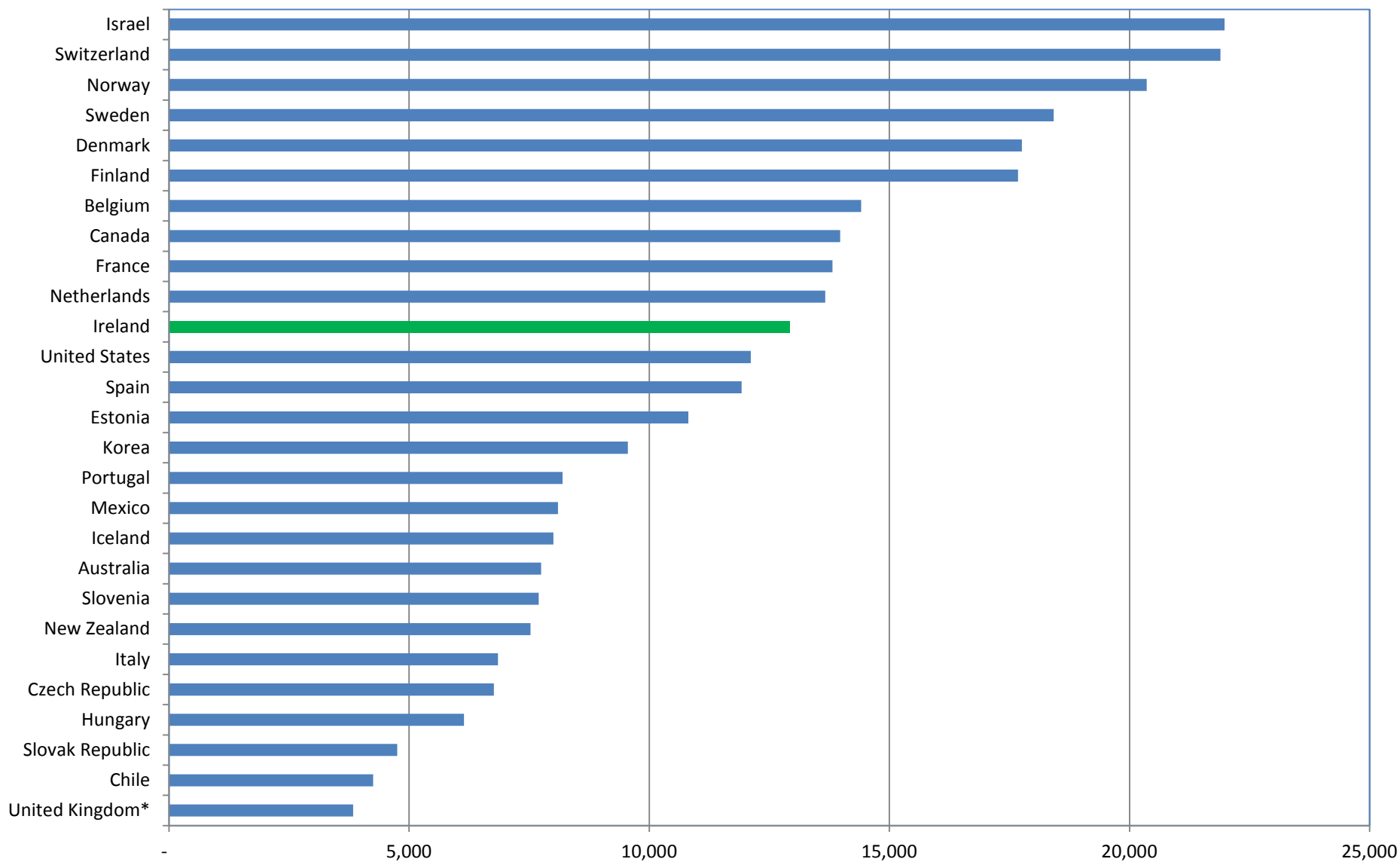
Total expenditure % of GDP (2010) – HEI's



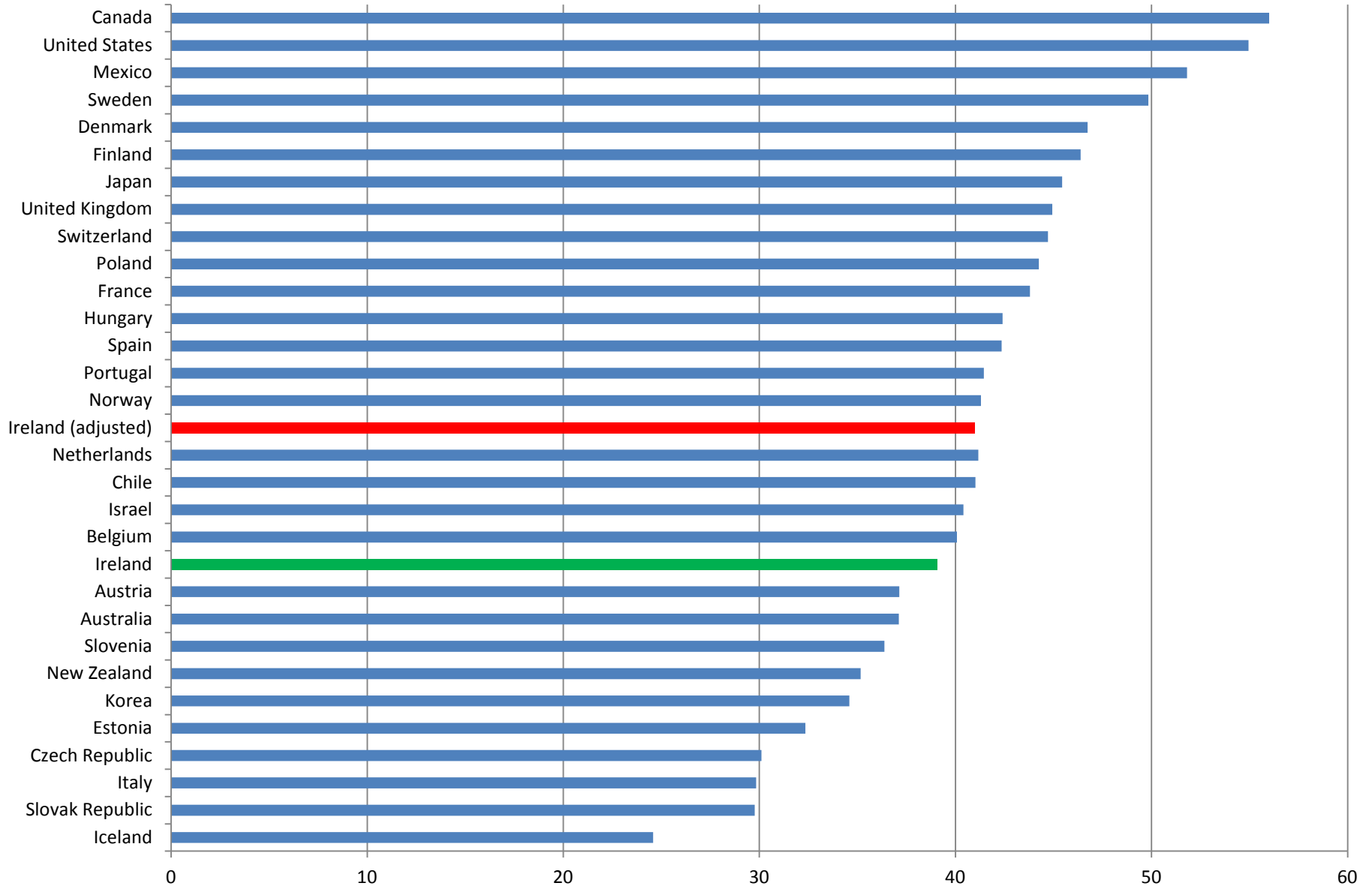
Trends in Unit Cost (public recurrent per student)



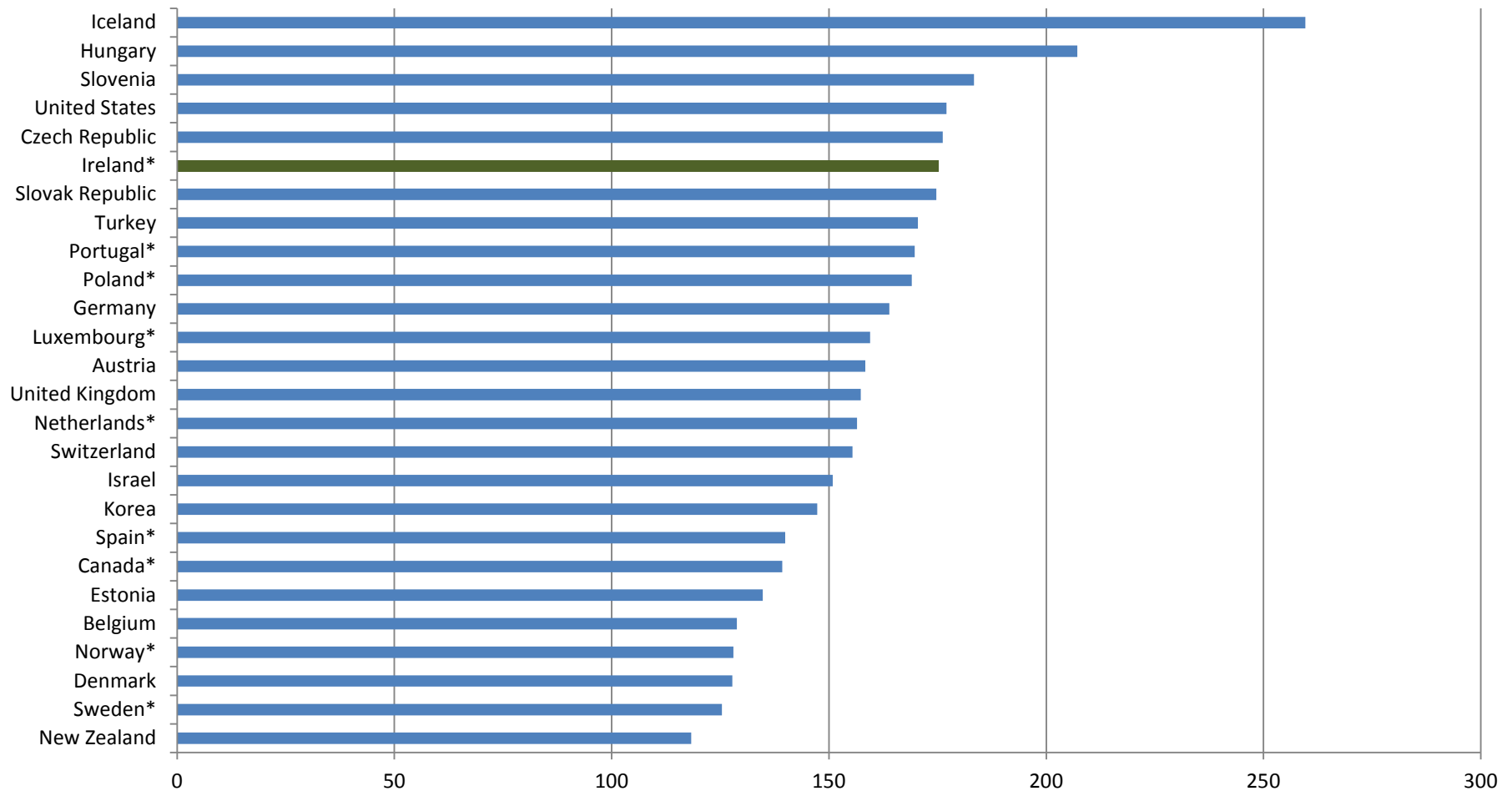
Public spend per student (2010) HEI's



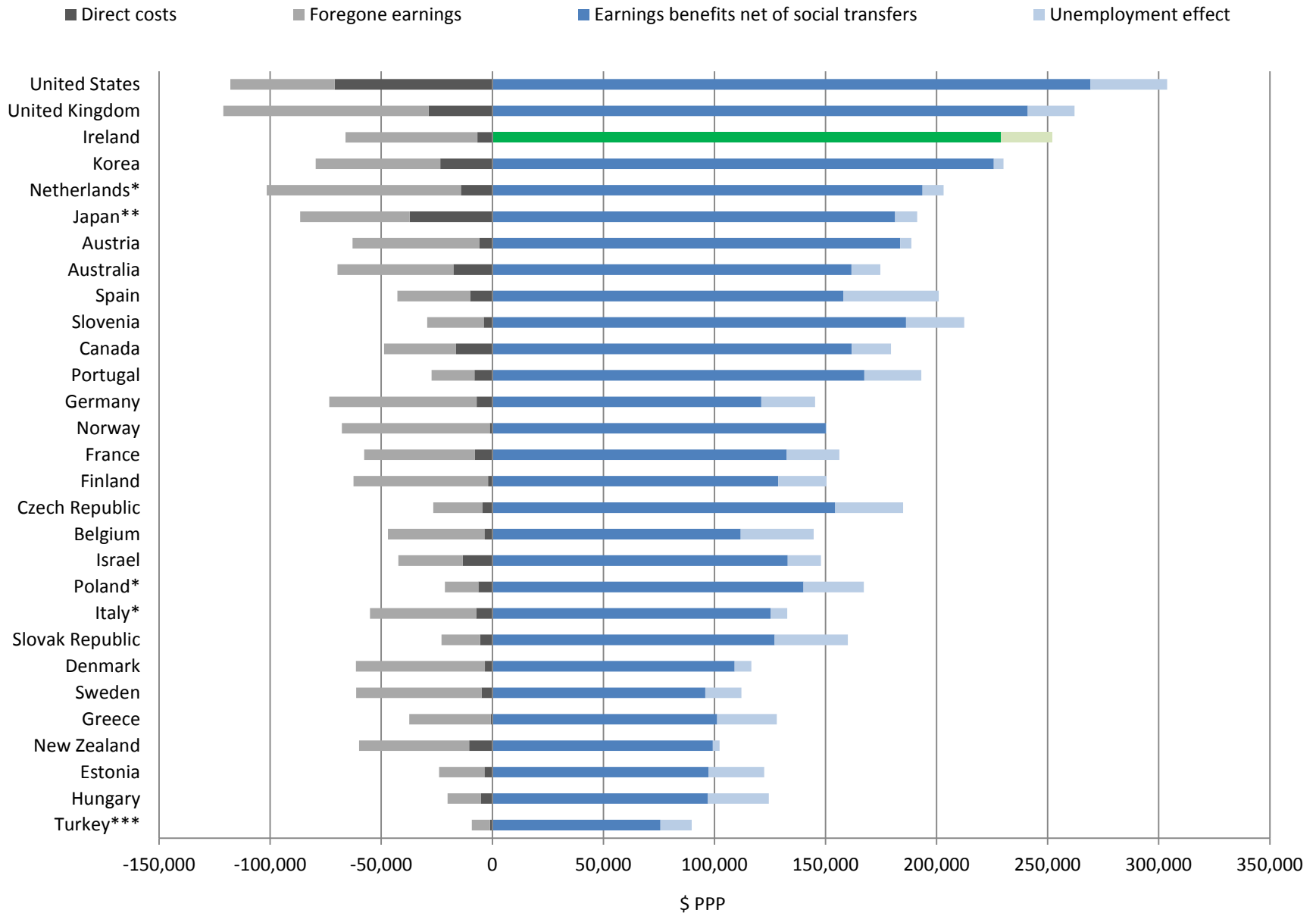
Total spend/GDP per capita



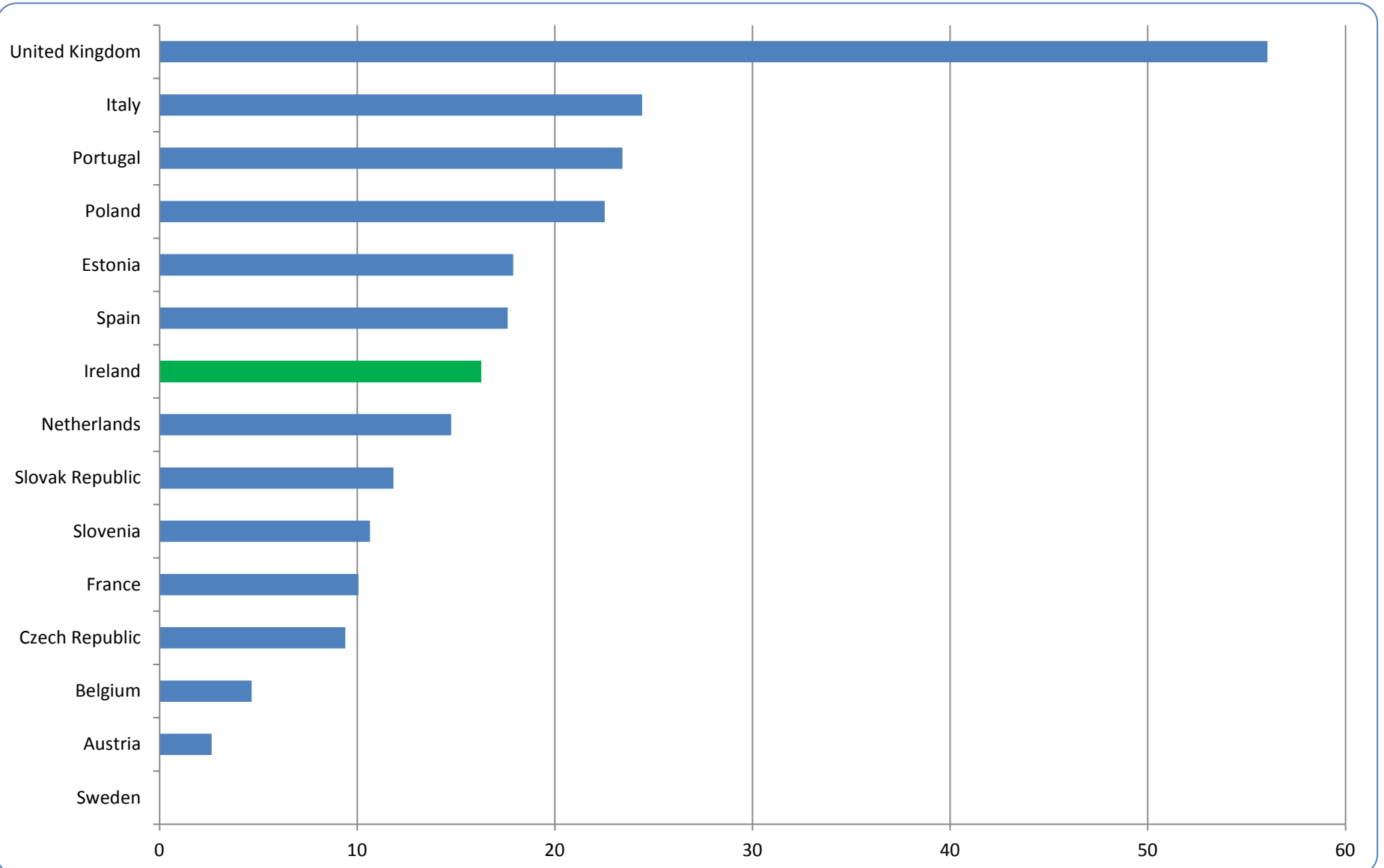
Relative gross earnings (25-64 yr olds) in employment in 2011



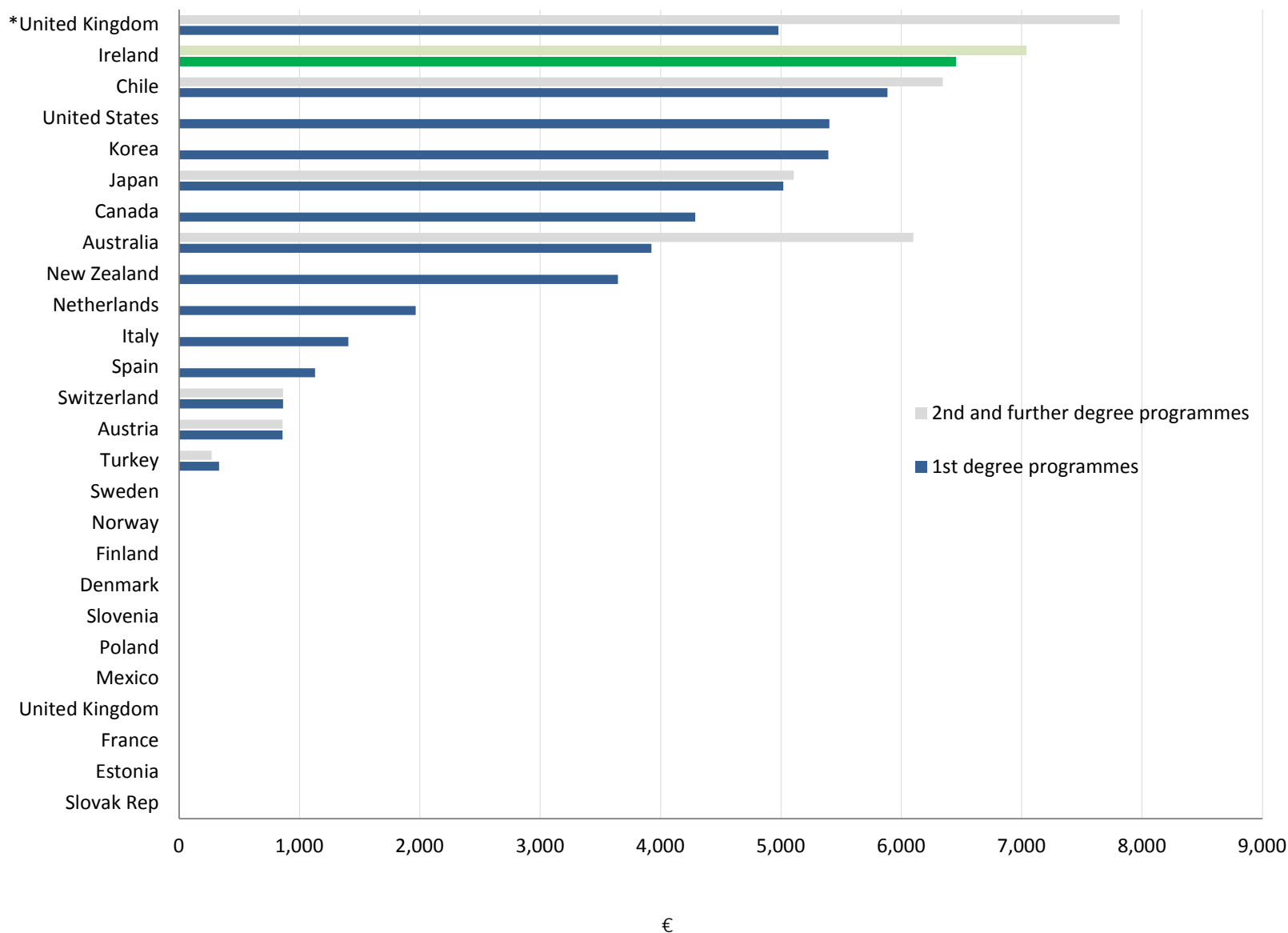
Private costs & benefits for women attaining tertiary education



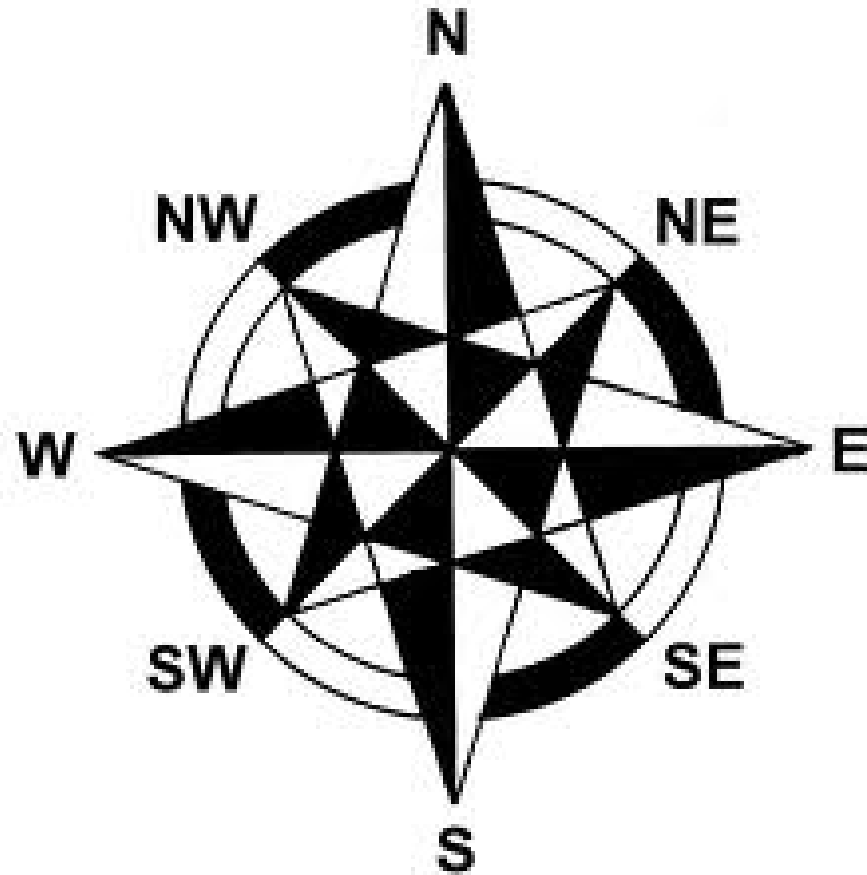
Proportion of Household spending in total for HEI's (2010)



Estimated annual average tuition fees charged by tertiary-type A educational institutions (2011)



Quo Vadis?



Three options

- Break with tradition and head **North** to the 'Nordic route' – high taxes, universal public goods and greater distributional equity (after taxes and social benefits)
- Follow the present course and look **West and East** to USA, UK and the 'IA' countries.
- Muddle through by heading **South** with a mix of public and private funding but limits on how much students/households pay

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