

AN ANALYSIS OF EXPENDITURE ON EDUCATION IN MIDDLE INCOME
GROUP IN A SELECTED URBAN AREA

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I. INTRODUCTION

Education is widely recognised as one of the most important ingredients for the socio-economic and cultural development of a country. Economists have recognised education, both as an item of consumption and also as a factor of production or an item of investment. The expenditure on education as investment in human resource development brings economic development. Its significance is more evident if a functional analysis between individuals family income and investment in education is made.

Education is a conscious and deliberate process in which one personality acts upon another in order to modify the development of the other by the communication and manipulation of knowledge (John Adams, 1967). The central task in education is the guidance of learning and also makes the man.

The impact of educational expansion on income distribution is a matter of great concern to a large portion of population in a poor and in egalitarian country. By and large, it is the rich people who have the opportunity of giving their children the type of education required for posts influence and responsibility in the country. This has created an influential group of people who naturally desire to maintain their privilege group of people at the top tend to be not only preserved but also strengthened.

The social distance between the rich and the poor, the educational and the uneducated is large and is tending to widen education itself is tending to increase social segregation and widen class distinctions... what is worse, this segregation is tending to widen the gulf between the (Privileged) classes and masses (Report of the Education Commission, 1966).

The cost of education have a variety of uses. The estimate of student expenditure along with the rates of return helps in the formulation of policies with regard to future enrolment.

As our Prime Minister Nehru stresses "The technical education is important for expansion at industries, but a requirement more basic than technical education is general mass education". The percentage of a literacy as it is observed, is very low in India. The All India Educational Survey (1951-59) reveals important gaps in the distribution of educational institution.


Expenditure on education cannot be ignored or neglected as it has a profound influence on the socio-economic development. Higher the expenditure on education by the Government, higher will be the rate of growth of economic development (Blang, 1970).

The Government of India spends about 2.67% of its national income and it spends 4% during the same period

on defence. Not only the expenditure on defence will help to promote the development of the economy but the expenditure on education is a significant instrument which provides a base for development (India, 1977). As Vaizey pointed out, "The expenditure on education increased from Rs. 1,444/- in 1950-51 to Rs. 6,000/- in 1965-66 and it is expected to increase to Rs. 4,066/- in 1985-86 (1979). There is an increasing trend in investing on education since the rate of return from the education is too much compared with the rate of returns from other physical resources (Blang, 1970).

The family or consumer unit, refers to (i) a group of people usually living together who pooled their income and draw from a common fund for their major items of expenses or (ii) a person who lived alone or in a household with others but was financially independent that is his income was not pooled and his expenditure were not met from a common fund. Never married children living with parents were always considered as members of the consumer unit.

A budget is simply a tool for the business line management of a households finances. Unfortunately the terms budget and budgeting have unpleasant connotation. The plan will do for a family just what the members want. It is custom-tailored to fit individual family needs and



desires. In the last analysis a budget is actually a guide to acceptable choices.

Family expenditure can be viewed as a present future continuaum, and the extent to which a family has a surplus over necessary living expenses to devote to future - oriented satisfactions can be considered as a significant index of its well-being. This is a dimension of the problem of befining poverty that has not yet been explored (Bymers, 1968).

Definitions of the Terms of the Study:

Expenditure:

Ex-out and penditure - to weight or pay. It is defined as act of expanding or out lay.

"Out lay or consumption of money expenditure or the amount of money required to buy or do something; change; an estimate of the expenses of a house (The Readers Digest Great Encyclopedic Dictionary, 1970, p. 467).

Education:

Education is the development of all those capacities in the individual which will enable him to control his environment and fulfill his possibilities (John Deway, 1967).

Middle Class:

The part of the society occupying a social or economic

position between the labouring class and the very wealthy and the nobility (The Readers Digest Great Encyclopedic, 1970, p. 856).

Middle income:

Individual whose income is in the range of Rs. 600/- to Rs. 1,500/- (Year Book, 1979).

Objectives of the Study:

1. To examine the percentage of expenditure incurred on education by the middle income group
2. To compare the variation in expenditure on education with regard to the income range
3. To find out correlation between the expenditure on education and income
4. To find out aims of the parent's in educating their children
5. To study, how the expenditure on education affects other expenditure of the family.

Limitations:

The present study like most other structures has certain limitations.

Middle income group families spent more amount on education. Expenditure is a much broader line. As the time for carrying out the investigation was short the

study was confined only middle income group's in Saibaba Colony.

Organisation of the Study:

The present study is conducted in a systematic and scientific way is reported in five chapters.

In the first chapter introduction, education and its importance, the role of education in economic development, the expenditure on education, budgeting, budget in a middle income group and percentage of educational expenditure in a family or consumer unit are presented.

The second chapter entails with the review of related literature with the present study and the findings or studies carried out earlier by others.

The third chapter discusses the draft method available for the study and the procedure adopted for the present study.

Data gathered and interpreted both qualitatively and quantitatively in terms of tables with inferences drawn in the IV Chapter.

The V Chapter deals with the survey findings, recommendations and conclusions followed by Bibliography and Appendices.

II. REVIEW OF LITERATURE

The review of literature on this study can be discussed under various headings.

1. The role of education in economic development
2. Education and economic growth
3. Economic growth and pattern of human capital formation
4. Expenditure and educational growth
5. Investment in education
6. Expenditure on education
7. Education, employment and income in equality
8. Budgeting
9. Family budget
10. Parents' attitudes toward money
11. Conclusion.

1. The Role of Education in Economic Development:

Education plays a vital role in economic development and social modernization. As very factor in production it supplies the requisite number and quality of persons needed for various tasks and by inculcating among the mass of people appropriate attitudes, skills and personality tracts, it creates the proper climate for development (1965).

2. Education and Economic Growth:

Economic growth is usually taken to mean an increase in production that gives a country more real income over a period of time and increase in national income at constant prices are used as a measure of economic development of growth. The belief that education makes a contribution to economic growth as defined above has a triple origin (a) several studies have shown a close relationship between the level of income and level of education and it is a matter of general observations that countries with high level of income are also the countries with high level of education; (b) several studies relating to the contribution of various factors of production to the growth in national income have shown that after taking into consideration the contribution of capital and labour ; (c) attempts have been made to show that investment in education has increased much faster than investment in physical capital with the inference that this must be due to higher productivity of and better returns on the investment in education (1979).

3. Economic Growth and Pattern of Human Capital Formation:

In the modern age, education is no longer a part of luxury of more acquiring of knowledge for knowledge sake, as was in the past. It is now related more to economic upliftment of a nation rather than development of personal qualities. So the Government are now more keen to educate the people to meet the requirements of teachers in all

subjects, scientists, economists, engineers, physicians, social scientists, agricultural experts, managers etc.

Development of education requires huge expenditure and the capacity to spend depends upon the economic condition of a country. There is "high correlation between percapita national income and the ratio of enrolment in the educational institutions. In general, the pattern of development and branches of education is observed to be different planned in different countries. The choice of the level/levels of education on which priority is given does not depend alone on the level of economic conditions (Banomali Dey, 1973).

Prof. Schultz (1964) has suggested a relation between economic growth and investment in human capital is measured by correlation. His remarkable observation is "The decline in the estimated capital, income ratio is simply a signal that human capital has been increasing relatively not only to conventional capital but also to income". He proves that the income of the United States has been increasing at a much higher rate than the combined amount of land, man hours worked and stock of reproducible capital used to produce the income and capital capacities. According to him the differences in human investments may explain the difference in connected with one form of human capital that is education.

4. Investment in Education:

Prof. Schultz (1964) begins his analysis by pointing out that between 1919 and 1957 the output of the American economy grew at the rate of 3% per annum, while the resources put into the economy expanded at the rate of only 1% annually. The human effort going into education in relation to the total labour force. Between 1900 and 1956, the share of teachers in the total labour force rose from 1.86% to 2.34%, but the ratio of students beyond elementary school to the numbers in the labour force rose from 3.5 to 16.5%.

Prof. Schultz also relates the cost of schooling to national income and the cost of all resources used in education to the value of physical capital used in the economy. The population was spending a larger share of its income flow upon education and to an increasing extent this spending was going to the more advanced levels of schooling.

5. Expenditure on Education:

Education Act (1944) was associated with a rapid change in the levels of expenditures. It is difficult to generalize, but the impression remains from a study that the "mode of people" has had little direct effect on expenditure, whether it was a mode that was occupied by some major reform or not.

The rise in educational expenditure is attributable largely to the growth and changes in the rate of growth of the national income. There is a close connection between the expenditure and level of income and in this system it becomes an organic theory, for a raising national income requires a more skilled labour force to operate the economy, and therefore a rise in the educational attainments of that population, while at the same time releasing the resources for undertaking that education.

Education is part of the process of social mobility and cannot therefore be allocated to a static social concept live classe without a fundamental ambiguity (T.H.Marshall, 1955).

In allocating expenditure, our first task was to allocate the number of children by income groups. This was done, following Peacock, by using the Inland Revenue statistics. To this, we added university students our second task was to make categories of pupil. These were primary, secondary grammar, grant-aided and university. There is no direct evidence of the social composition of special schools, but there is evidence that the spread of disabilities that lead to the need for special education is not even throughout the population as a whole. The incidence of infantile mortality is higher among the lowest social groups (Social Implications of the 1947 Scottish Mental Survey, 1953). The incidence of educational subnormality is also higher (The Health of the School Child, 1954).

6. Expenditure and Educational Growth:

Experimental and educational growth are not only interrelated but rather interdependent phenomena. Educational growth depends upon the availability of certain minimum facilities or resources ~~parallelly~~ the growth of expenditure depends upon the need arising out of the growth of the educational sector.

Considering their interdependence the expenditure on education can well be considered as an investment. This investment concept begins in the question of efficiency both in terms of quantitative and qualitative growth. A few studies have been conducted on these problems. There are by Kamin (1967), Panchmuki (1967), Pandit (1972), Sharma (1973) and Azad (1972).

Panchmukhi (1967) studied the effect of public expenditure on public education and health during a period of 15 years. Pandit (1972) studied the effectiveness of educational financing during 3 to five plan period. In this study the effectiveness was measured in terms of growth in educational expenditure and private and social rate of returns.

State Planning Commission for Tamil Nadu Computed the total expenditure on education was Rs. 148.48 out of this income of Rs. 2,648.89, i.e. the state spends 5-6% of its income which means that 83% on educational investment

expenditure is by the state from its receipts of taxes and levies.

7. Budgeting:

The budget is an index for the social economic status of the family. It clearly reveals the standard of living of a family (Mehta, 1972).

There are probably 100 million Americans living on middle bracket incomes. No other country can claim half as many budgets are more necessary for middle income families than might be supposed because of the temptation to stretch their level of living. This tendency is admirable in many respects, but it is, achieved sometimes by neglecting savings, insurance coverage and provision for emergencies. Families in this income group usually spend enough on consumer durable goods, such as cars or furniture, or appliances but generally do not budget for these things. Hence they resort to the use of instalment credit more often than their income might indicate (Bryant Philips, 1968).

The Bureau of Labour Statistics (BLS) has prepared spring 1967 cost estimate for its budgets for a moderate standard of living for an urban family four. The BLS budget's reflects ways of living and consumer choices in the 1960's. A detailed break down of the budget costs is given in the BLS report (1) estimated are given for each budget level and geographic area for food, housing,

transportation, clothing, personal care, reading, recreation, education, other family consumption, gifts and contributions life insurance, social security and disability, payments, personal taxes and occupational expense. The report also gives details on quantities and qualities of items in each budget, intercity indices of living costs and rough estimates of fall 1968 costs for the family consumption as part of the budgets. BLS plans to re-estimate the cost of the budgets.

8. Family budget:

The detailed account of different items of income and expenditure of a particular family covering a definite period, is known as the family budget of that family for the period. Family budget is indispensable for all well managed families. It helps to a great extent in increasing the standard of living (T.C. Mehta, 1972).

Educational expenses are in a somewhat different category, as they depend on the spread and availability of educational facilities on the one hand, and on the need felt by cultivators as a class, to take advantage of these facilities on the other. The need may be either a requirement because of circumstances for finding alternative occupations or an urge in the more well-to-do districts to increase the average level of education of succeeding generations without necessarily contemplating their taking to other occupations (Report of the Committee of Director, 1969).

9. Education, Employment and Income in Equality:

Bhagwati (1973) in his 'Job-access' paradigm, explicitly recognises influence of economic power and class structure on the receipt of the benefits from the pattern of educational expansion in the country. The influence of class structure on the distribution of labour market benefits however, is largely ignored in his model through the assumption that the access to better paid jobs is determined by the educational credentials one holds maintain theory (Baran and Sweezy, 1966; Cirtis, 1975), in an opinion, is the most comprehensive as it encompasses social as well as political relation of production and also accounts for the role of education in reproducing professional attitudes of workers are important to the employer. In the following paragraphs the model, with a suitable modification to overcome the difficulty, is combined with Sewintans Model (1977) of labour market discrimination to obtain a more insightful model to analyse the interrelation scrip between educational expansion and income equality.

In a complete neo-classical world (Becker, 1964) Schultz (1962) where capital market are so perfect as to even equalize the returns on human and physical pcaital, each decision making unit ears equal returns to investment at the margin in equillibrium and both rich and poor have automatically equal access to education and paid jobs.

An income adequacy index which represent money income in relation into the family's level of essential income, is used to measure the sufficiency of returns from work effort and non-earned income sources. A new measure, the family employment intensity index is developed to represent the intensity with which the family employs its human resources (J. Metzen, 1977). Identical amounts of family income do not translate into equal levels of income adequacy of the recipient families differ in size and composition. Recent research with longitudinal data on a national sample of families suggests that changes in income needs and the nearning potential, have a stronger effect on income adequacy than changes in the labour force participation and earnings rates of the family head (Morgan Dickin, Dickinson and Duncon, 1974).

10. Parents Attitude Toward Money:

Inseparable from the children's allowance system is the way of the parents manage the total family income. The spending pattern and the methods used by the parents are significant in terms of child development. Most parent's do not discover until a serious argument occurs that their attitude toward money is influencing all their relations with their children. In a recent study of 7,000 high school students it was found that two-fifth of the quarrels between adloescents and their parents were over money matters. In

homes where money matters are permitted to become a total part for argument, the children grow up with immature money concepts, which may continue for still another generation (1947).

Unfortunately many parents show extreme immaturity when it comes to keeping their children learn how to manage money account to the study conducted by Mary S. Lyle (1957).

The above studies relate the significance of expenditure on education in the family units especially covering middle income group.

III. METHODOLOGY

The methodology for this study on "Expenditure on Education" in middle income group in a selected urban area (Saibaba Colony in Coimbatore city) is presented in following headings:

- A. Selection of the area
- B. Selection of the method
- C. Construction of the questionnaire
- D. Conducting survey and collection of Data
- E. Statistical analysis of the data and interpretation of the data

A. Selection of the Area:

To collect the needed information for the study on "Expenditure on Education" in middle income group in a selected urban area, the investigator has selected the area Saiababa Colony in Coimbatore City because of the following reasons.

- 1) As the study was related to expenditure on education by middle income group and majority of students hail from the near by colony (Saibaba Colony in Coimbatore) which comprises of more consumer units for middle income families living in the respective area.
2. Because of the easy accessibility of the area.

B. Selection of the Method:

Collecting information regarding "The Expenditure on Education" borne by different families is a long drawn process. The subjects which formed the study drawn from middle income group from the list given on the basis of random sampling method. The study was conducted on 100 families.

"Random sampling is the form applied when the method of selection assures each individual or element in universe an equal chance of being chosen" (Parten, 1976).

C. Construction of the Questionnaire:

Before developing the tools, the topic under investigation was analysed thoroughly and a long list of items of expenditure on education and other items were listed. Questions eliciting information about the following details were evolved.

1. General information
2. Family background
3. Other sources of income
4. Budget
5. Family expenditure
6. Cost of education
7. Annual expenditure on education
8. Scholarship
9. Aims of education

D. Conducting Survey and Collection of Data:

To analysis the problem, the investigator has to collect primary data. "Primary source is the agency that makes the compilation and first publishes it; It is generally preferable to use the primary source, since it usually contains a detailed description of the exact meaning and limitations of the information" (John R. Stockton, 1962).

To collect the information the investigator will interview the respondents directly by giving interview schedule and questionnaire.

E. Statistical Analysis:

The data collected were consolidated and the results were analysed and interpreted both quantitatively and qualitatively.

The Pilot Study conducted in Saibaba Colony revealed that there was a positive correlation between income and education. Further it emphasized that the education level depends on the income level of the individual family. It highlighted the role and value of education as has been viewed and realised by the middle income group. Based on the pre-test and the seminar that followed the main study was proceeded.

IV. RESULTS AND DISCUSSIONS

The information collected are tabulated and presented in this chapter. For the purpose of convenience the results are presented under the following headings:

1. General information
2. Occupation
3. Level of income
4. Other sources of income
5. Budget
6. Family expenditure
7. Types of education
8. Educational level
9. Expenditure on education and parental income
10. Scholarships
11. Work experience
12. Aims of education
13. Difficulties.

1. General Information:

The sample area Saibaba Colony in the study is situated near the College. The total population of the area was 526 out of which the composition of males to females wherein the ratio of 152:374. The sample belong to the middle income group. Middle income group has been defined as "individuals whose income ranges between Rs. 600 to Rs. 1,500" (India Year Book, 1979).

80% of the family being nuclear families and 20% of them were joint family in the given sample. The larger size of household may not necessarily imply a higher burden of dependants, since the data on the size of type of the families shown that the average size of a family, composed mostly of adults.

TABLE I

TYPES OF FAMILY

Types of the family	No. of persons	Number of families	Percentage
Nuclear	420	80	80
Joint	126	20	20
Total	526	100	--

2. Occupation:

Nature of occupation of people affect their consumption expenditure. Occupation, a factor determining the status of the people, has a great influence on the amount to spent on clothing, recreation etc.(McGraw, 1957).

The study aims to find out the cost of expenditure on education by various families in the selected area Saibaba Colony in Coimbatore City. It is necessary that she should know the occupational back-ground of the

consumer units, the influence of socio-economic background on expenditure on education. The income occupation and other social, economic variables naturally will have influence on the expenditure pattern and the habits of the family units.

TABLE II

OCCUPATIONAL LEVEL

S.No.	Occupation	Number of family	Percentage
1.	Professional	73	62.5
2.	Business	21	17.9
3.	Others	15	12.8
4.	Agriculture	4	3.4
5.	Industry	4	3.4
Total		117	100.0

The above Table II shows that 62.5% of the sample stem for professional group. Nearly 17.9% of them belong to business group, 12.8% includes other types of occupations. And only 3.4% of them hailed from agricultural and industrial group.

3. Level of Income:

"The concept of income which includes wages, salaries bonus, commission and other forms of labour income, business,

profession, service and farm income, royalties, rent, interest, dividend income and pensions and regular contributions"(Lokanathan, 1960).

"The part of the society occupying a social or economic position between the labouring class and the very wealthy and the mobility termed as middle income" (Encyclopedic dictionary, 1972).

The middle classes formed the real back bone of the educational expansion. The upward social mobility was very distinct in middle classes. Considerations of better status, better jobs, and better marriage prospects had created a demand for more and better education in middle classes (Goel, 1968).

TABLE III
LEVEL OF INCOME

Range	Number of families	Percentage
0 - 7,200	14	14
7,200 - 8,400	1	1
8,400 - 9,600	10	10
9,600 - 10,800	17	17
10,800 - 12,000	4	4
12,000 - 13,200	20	20
13,200 - 14,400	4	4
14,400 - 15,600	8	8
15,600 - 16,800	1	1
16,800 - 18,000	4	4
18,000 and above	17	17
Total	100	---

The proceeding table III show the different level of income of the family units. It is interesting to note that 20 family units belong to the highest income range. While 14 family units have a income of Rs. 7,200. As there were more facilities in professional occupation, they received more income in both absolute and relative range between Rs. 12,000 - 13,200; Business claimed 17.9%; falling into the income group of 10,800 - 12,000 and families whose

ranges below Rs. 18,000 per annum.

4. Other Sources of Income:

TABLE IV

INCOME FROM OTHER SOURCES

S.No.	Sources	Number of families	Percentage
1.	Income from investment	6	54.5
2.	Receipts from properties	3	27.4
3.	Business	1	9.1
4.	Allowance from parents	-	-
5.	Others	1	9.1
	Total	11	-

From this table it is evident that excess of income or surplus income was mostly contributed by investment or rentals. This signified that greater the income from other sources greater the 55% of income spent on education by the middle income group.

5. Budget:

A budget is simply a tool for the business like management of a household finances. The need for budget can be demonstrated as it affects both man kind in general or individual. In each case the necessity stems from the fact that the extensive wants of human being cannot be satisfied by the limited amounts of goods and services available for

the gratification of these wants (E.Bryant Phillips and others, 1968).

Budgets are necessary for middle income families that might be supported who cause the temptation to stretch their level of living. A budget is a plan for distributing income in order to give every members of the family the atmost satisfaction from the money spent. The plan will do for a family just what the members want. It is custom tailored to fit individual family needs and desires (W.Troelstrup, 1969).

TABLE V
INFORMATION ON BUDGET

Yes	Head	%	Wife	%	All	%
40	20	50	10	25	10	25

The following table reflects the relevant necessity of framing of the budget. While 40 family units in our sawlle follows budgeting the remaining 60 consumer units does not assign any role to budgeting. Again in these units were budgeting is made us of, it was only the head of the family who prefers the budget (50%). In certain cases the budget was prepared by the house wives (25%) still in some other cases it was done by the joint cooperation of the family members (25%).

6. Family Expenditure:

Family expenditure accounts for a very important share of the total borrowings undertaken by families, and it would be useful to have some ideas regarding the broad sizes of the main categories of that part of this expenditure for which we obtained information. The average size of the family was also positively associated with income and consumption larger families, composed of mostly of working adults have larger incomes. Since an adult's consumption is likely to be greater than a child; families with a greater proportion of adults have larger income. Food obviously won the most important item in the household budget. More than 42.5% of the family budget was devoted to food. Furthermore the percentage of expenditure for food declined as family income rose proving the validity of Engel's Law of Expenditure.

TABLE VI
DISTRIBUTION AND COMPARISON OF FAMILY EXPENDITURE ON VARIOUS
ITEMS BY DIFFERENT FAMILY UNITS

S . N o .	Items	Percentage
1.	Food	42.5
2.	Clothing	14.2
3.	Housing	11.5
4.	Education	10.7
5.	Transport	8.1
6.	Fuel	6.6
7.	Health	3.2
8.	Recreation	3.2

The preceding table exhibits the degree of expenses incurred by the families on various items. This implies that major importance has been assigned to food expenditure. Clothing (14.2%) represents the second major item of expenditure following housing 12%. This was followed by other items such as education (11%), transport, 8% and so on. The families in the highest income class spent less on food compared with families in the lowest income class. The above idea has been translated in terms of a graph.

DISTRIBUTION AND COMPARISON OF FAMILY EXPENDITURE ON VARIOUS ITEMS BY DIFFERENT FAMILY UNITS

Food

SCALE

X AXIS - SIZE OF EXPENDITURE

Y AXIS - 1cm = 2 per cent

CLOTHING

HOUSING

EDUCATION

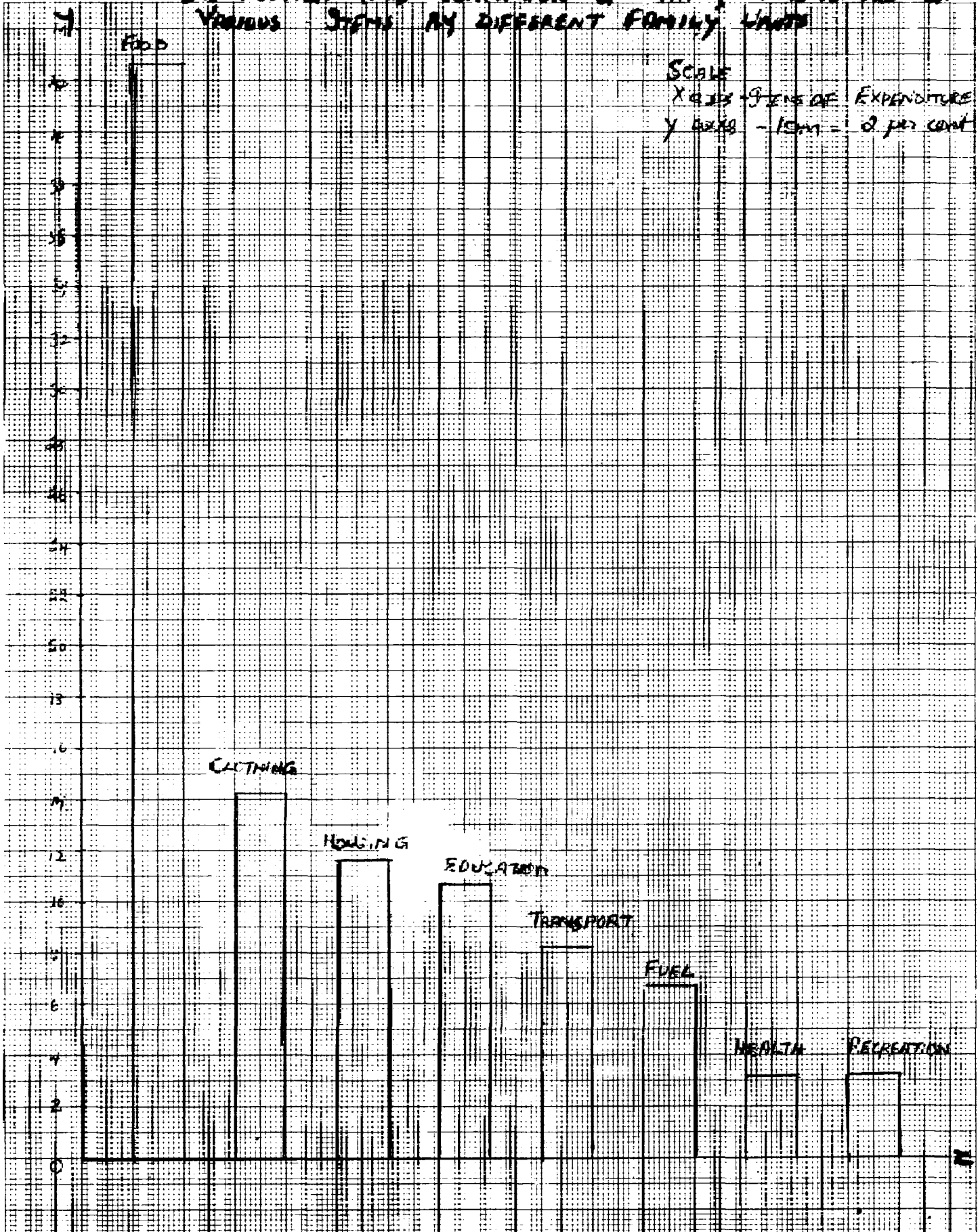
TRANSPORT

FUEL

HEALTH

RECREATION

7



7. Types of Education;

"Education is the organised development and equipment of all the powers of a human being, moral, intellectual and physical; by and for their individual and social uses, directed towards the union of those activities with their creator as their final end" (T.Colcoran, 1967).

A major problem is the allocation of expenditure on primary and secondary education. The bulk of the expenditure (70%) was allotted by the middle income groups towards education. The middle or lower income groups have allocated resources on primary education on a percapita basis. on the hypo that children in highest ed income groups are educated privately.

TABLE VII
TYPEWS OF EDUCATION

S.No.	Types of education	Number of families	Percentage
1.	Primary	--	--
2.	Secondary	20	20
3.	College	58	58
4.	Professional	22	52
Total		100	--

As it is evident from the above table 58% of the sample preferred college education to be offered to their children for various purposes. Again 22% of them were willing to provide professional education and the rest 20% of them aspires to offer secondary education to their children. All the families on consumer units were invariably in favour of education realising its importance.

Besides this the sample in the study also revealed that the cost of educating their children does affect the other expenditure in the family. As for the study 32 families felt the pinch of expenses on education while 68% of them were not. This is shown in the succeeding table.

TABLE VIII
INFLUENCE OF OTHER ITEMS ON EDUCATION

Yes	32	32%
No	68	68%
Total	100	--

The 32 consumer units emphasizes the major items that were affected by the expenses on education. This could be translated into table.

TABLE IX

ITEMS OF EXPENDITURE BY FAMILIES

S.No.	Items	Number of families	Percentage
1.	Food	--	--
2.	Clothing	12	37.5
3.	Transport	5	15.65
4.	Health	--	-
5.	Recreation	4	12.5
6.	Housing	5	15.6
7.	Fuel	4	12.5
8.	Donations	2	6.3
9.	Others	--	--
	Total	32	--

One of the component clothing in the family expenditure was affected to the contents of 37.5% as a result of expenses on education. 5 family units stresses that there was a positive influence (15.6) on transport due to expenses on education. Some other consumer units felt that expenses on housing (15.6) recreation (12.5%), fuel (12.5%) and donations (6.3%) were equally affected as result of educational expenditure of the family.

The expenses on education varies from one family to the other. The variations may be due to level of income, educational institution and preference for the medium of instruction.

Our study exhibited that nearly 61% consumer units preferred to offer education to their children specifically in english medium while 39% of them were for vernacular medium. The impact of this can be studied in the levels of expenses on education. The succeeding table purports this idea.

TABLE X

PREFERENCE FOR MEDIUM OF EDUCATION

S.No.	Medium	No. of families	Percentage
1.	English	174	60.6
2.	Tamil	113	39.4
	Total	287	--

Out of student community body 287 according to our sample 189 students receive the education from private institution. Therefore the cost of education wared be higher while the remaining 98 receive their education from the Government institution. It is a plain tact that the expenses of education in Government sector would be much less than the private.

Some family members believe in receiving education by correspondence. As per the sample this constitutes 4 consumer units.

TABLE XI

TYPES OF COURSES PREFERRED

S.No.	Educational level	Amount/year in Rs.	Percentage
1.	B.A.	300	20
2.	M.A.	400	26.66
3.	B.Com.	300	20
4.	B.G.C.	500	33.33
Total		1,500	--

8. Educational Level:

The succeeding table depicts the educational pattern and levels of education of the parents in the selected sample.

TABLE XII

EDUCATIONAL LEVEL OF THE PARENTS

Sex	Primary	%	Secondary	%	College	%	Profes- sional	%
Male	24	46.2	30	16.9	26	59.1	20	100
Female	28	53.8	34	13.12	18	40.9	--	--

The number of illiterates in the study comprises only women numbering 20/100 constituting 20%.

9. Expenditure on Education and Parental Income:

Educational expenses are in a somewhat different category, as they depend on the spread and availability of educational facilities. The need may be either a requirement because of circumstances for finding alternative occupations or an urge in the more well-to-do districts to increase the average level of education of succeeding generations, without necessarily contemplating their taking to other occupations.

TABLE XIII

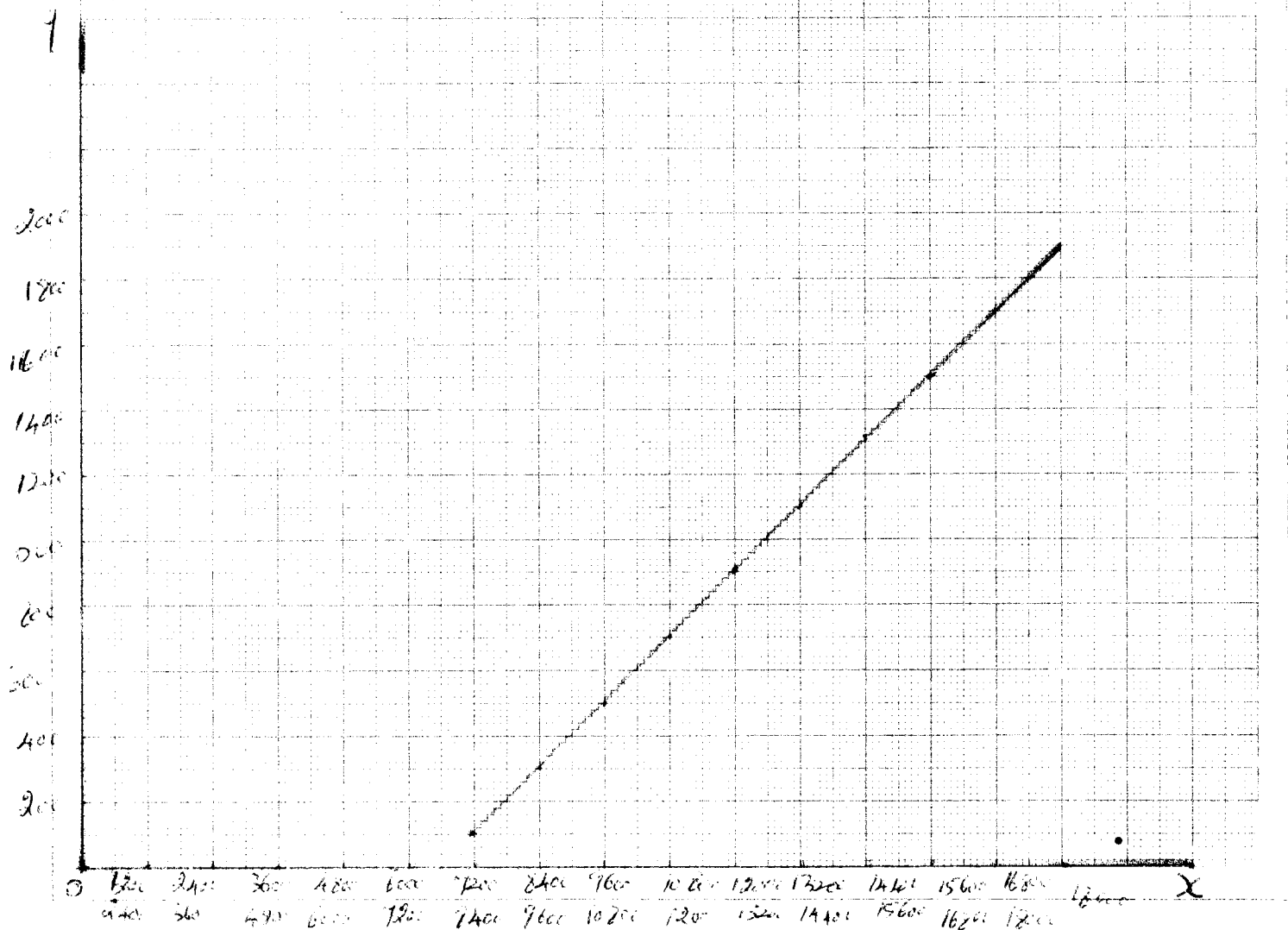
EXPENDITURE ON EDUCATION AND PARENTAL INCOME

Parental earning	0-200	200-400	400-600	600-800	800-1000	Above 1000
0 - 7,200	1	4	3	2	3	1
7,200 - 8,400	-	1	-	-	-	-
8,400 - 9,600	1	2	4	2	1	-
9,600 - 10,800	-	2	4	4	5	2
10,800 - 12,000	-	-	2	-	2	-
12,000 - 13,200	2	2	4	4	3	5
13,200 - 14,400	-	-	1	2	1	-
14,400 - 15,600	-	2	-	2	2	2
15,600 - 16,800	-	-	-	1	-	-
16,800 - 18,000	-	-	2	1	1	-
18,000	-	2	4	5	3	3
Total	4	15	24	23	21	13

EXPENDITURE ON EDUCATION AND PARENTAL INCOME

SCALE

X-axis 1cm = Rs 1200
Y-axis 1cm = Rs 100



The correlation coefficients have been calculated between parents earning and expenditure on education. These 2 variables are positively correlated to the extent of 0.174 (Appendices). The increase in income shows the increase in expenditure on education.

10. Scholarship:

The succeeding table reflects and interesting note on the number of scholarships receipt in the middle income group.

TABLE XVI

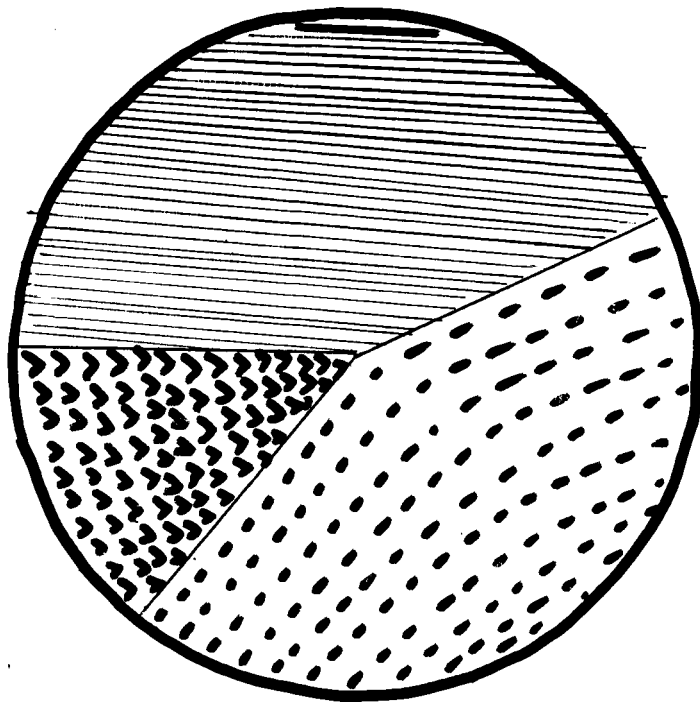
SCHOLARSHIP HOLDERS IN MIDDLE INCOME GROUP

Yes	7	7%
No	93	93%
Total	100	100

In middle income family only 7% of the students were the recipients of scholarship. 93% of the students do not receive any scholarship because of the status of the family and caste.

The following table shows the different kinds of scholarship obtained by the student in the sample.

SCHOLARSHIP HOLDERS IN MIDDLE INCOME GROUP



Backward Scholarship



Merit Scholarship



Others

TABLE XV

KINDS OF SCHOLARSHIP

S.No.	Type of Scholarships	Number of students	Percentage
1.	Backward scholarship	3	42.9
2.	Merit scholarship	3	42.9
3.	Others	1	14.3
Total		7	

11. Work Experience:

Non of the parents interviewed were in favour of work experience.

12. Aims of Education:

"Education is the term applied to the basic process of learning how to live effectively in our own environment, taking into account an heritage and culture. It has to do with the whole process of enlightenment from the cradle to the grave, a process by which life be comes richer and more worth living the older one becomes, imposing western education on developing countries has produced a people who have little relationships to their own cultural heritage" (Telt, 1977).

The consumer units have varied interest in educating their children. They revealed their idea which has been given in terms of a table.

TABLE XVI

GOALS OF EDUCATION ACCORDING TO THE SAMPLE

S.No.	Aims of education	Number of family	Percentage
1.	To have a good status in society	30	30
2.	To seek employment	25	25
3.	To be self sufficient and self equipped	30	30
4.	To support the parents in their old age	10	10
5.	To have a better understanding of the world	3	3
6.	To accumulate wealth	2	2
Total		100	--

The above table projects the influence of education as it has been viewed by the family units. Out of 100 samples, 30% of sample like to offer a good status to their children in the society. While 25% of the parents educate their children to seek employment. Most of them preferred education to their children to be self sufficient and self equipped (30%). 10% of the sample educate their children mainly to support them during their old age. And

3% of the sample offer education to their children to have a better understanding of the world. The remaining 2% of the parents provide education mainly to accumulate wealth.

The above sample revealed that majority of the parents offer education to their children to have a good status in the society. So they assign more importance to education.

13. Difficulties:

The sample expressed their opinion on the aspect of obstacles involved in the education of their children.

TABLE XVII

RESPONSES REGARDING DIFFICULTIES(A)

Yes	32	32%
No	68	68%
Total	100	--

The above table stresses that the expenditure on education has been high due to a following factors such as transport and cost of education.

TABLE XVIII
RESPONSES REGARDING DIFFICULTIES(B)

Difficulty	Number of families	Percentage
Transport	20	62.5
Cost of education	12	37.5
Total	32	--

As regards to the suggestion expressed by the sample, cost should be reduced. Some emphasised to bring free education at the secondary and college level and also offering more courses in Government Colleges.

V. SUMMARY AND CONCLUSIONS

A study to find out the Expenditure on Education in Middle Income Group was conducted in Saibaba Colony in Coimbatore city.

The findings of the study reveal the following:

1. The total population of the sample was 526 and the ratio of males to females was to the tune of 152:374.
2. As regards the type of the family 80 of them were nuclear and the 20 joint family.
3. It is evident from the study that 74 students of the total sample were receiving education at the primary level, 148 were at the secondary level, 61 of them college education and the rest 4 of them professional education.
4. a) The main occupation of the family units was categorised into 5 groups such as professions, business, agriculture, industry and others. A majority (62.5%) of them belong to the category professional course and only few (6.8%) of them hailed from the category of agriculture and industry.
b) The main source of income for all the consumer units was from professions. The

next category supplying a large income was business and the rest agriculture, industry and others.

5. Rs. 12,000-00 to Rs. 13,200 was the highest dominating income group and there was equally more members in other groups of income too.
6. The study revealed that the level of parental education was high and therefore much importance was given to education by all the consumer units.
7. Considering the supplementary sources of income, it was mainly contributed by investment and rentals. And 55% of this income was directed to educational purposes.
8. Higher income group always spent a higher proportion on education. This shows that there is a positive correlation between parents income and expenditure.
9. Most of the family units in the sample preferred private institution compared to government institution. The number of students who received the education in Private college was greater than in government college.
10. Nearly 174/287 students studied in the English medium (60.63%) while 113 studied in Tamil Medium (39.37%).

11. Since some of the students in certain family units, preferred education through correspondence course, the cost of education in these cases was less. Two students in two family units received education through the correspondence course at the undergraduate level and two of them at the post graduate level.
12. 85% of the sample belong to the forward community while 15% belong to the backward community. The influence of scholarship was dominating to the extent of 7% inclusive of merit and backward scholarship.
13. Realising the need for budgetting 40% of the consumer units spent their income after budgeting while the rest were not interested in budgeting.
14. Most of the parents in the middle income group wanted to offer education to their children at the college level. i.e. 50% of the parents had been influenced by the demonstration effect. But 22% of the parents would prefer their children to have only professional courses.
15. Generally it was found that the major share of the income was concentrated on food expenditure. Clothing represent the second major item of expenses (14.2%), housing (11.5%), education (10.7%) etc. make up the remaining expenditure.

16. The study highlighted that 32 families were affected due to the expenses on Education. The expenses on education had ~~un~~affected equally other items such as clothing, rent etc.
17. The purpose of the study was to find out the aims of the parents to educate their children. Accordingly it was found that many (58%) families were interested in offering education to their children just to enhance their status in the society as well as to seek employment opportunities.
18. It also facilitated to compare the variations in different income groups. The expenditure on education at lower income level was comparatively higher than the amount of expenditure incurred by the higher income group. This variations in the levels of expenditure on education depend on the size of the family and the levels of education.
19. The study also revealed the general problems of the family expenditures expressed by different consumer units.

As an outcome of the study the investigator feels that recommendations should be made on the following lines.

- a) To facilitate the middle income group more courses should be introduced in the government colleges so as to make entry into the college easy.
- b) As education is a necessity to have better understanding in the society, every family unit must assign a definite portion of income towards educating their children.
- c) This can be done only by a proper knowledge about family budget. The knowledge of budgeting must be disseminated to all income groups by propagation.
- d) To substantiate the middle class family more scholarship based on merit must be instituted.
- e) To reduce the cost so as to make education available for all irrespective of status and caste.

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A P P E N D I C E S

APPENDIX I

AN ANALYSIS OF EXPENDITURE ON EDUCATION IN MIDDLE INCOME
GROUP IN A SELECTED URBAN AREA

Place:

Door No.:

I. GENERAL INFORMATION:

a) Name of the Interviewee:

b) Head of the family :

c) Age :

d) Religion

Hindu, Muslim, Christian

e) Caste :

f) Type of family : Joint Nuclear

II. FAMILY BACKGROUND:

=====									
S.No.	Name of the family members	Sex	Relationship to the head of the family	Education			Occupation	Type of the occupation	Income
				Illiterate	Primary	Secondary			
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

=====

III. OTHER SOURCES OF INCOME: Amount in Rs./month

- a) Business earnings
- b) Receipts from properties
- c) Income from investment
- d) Allowance from parent/inlaws
- e) Other earnings

IV. BUDGET:

Do you plan your budget Yes No

If Yes

- a) Who does the Planning Part ?
- b) Is your income adequate to meet the expenditure?

V. FAMILY EXPENDITURE

	Items	Amount/Year	Percentage
a)	Food		
b)	Clothing		
c)	Transport		
d)	Health		
e)	Recreation		
f)	Fuel		
g)	Housing		
h)	Others(specify)		

VI. TYPE OF EDUCATION:

What type of education would you offer to your children?

- a) Primary
- b) Secondary
- c) College
- d) Professional

Reasons

VII. COST OF EDUCATION:

- d) Does the cost of educating children affect the other expenditure of the family?

Yes No

If yes

- a) Food
- b) Clothing
- c) Transport
- d) Health
- e) Recreation
- f) Housing
- g) Fuel
- h) Donations
- i) Others (specify)

b) What is the medium of Instruction?

Vernacular English

If vernacular, give the reasons

- 1) It is easy to understand
- 2) Stiphent (Amount)
- 3) Medals, Books (Amount)
- 4) Any other (specify the amount)

VIII. ANNUAL EXPENDITURE ON EDUCATION:

Range	Primary	Secondary	Arts	College Science	Professional M.B.B.S. B.L. B.E
Below 100					
100 - 200					
200 - 300					
300 - 400					
400 - 500					
500 - 600					
600 - 700					
700 - 800					
800 - 900					
900 - 1000					
Above 1000					

- | | Amount/Year | Percentage |
|-----------------------|-------------|------------|
| 1) Private Tuition | | |
| 2) Book, Stationary | | |
| 3) Uniform | | |
| 4) Transport | | |
| 5) Any other(specify) | | |

IX. COURSE:

Does your child study in

- | | |
|---------------------------|----------------------|
| a) Private Institution | <input type="text"/> |
| b) Government Institution | <input type="text"/> |
| c) Correspondence Course | <input type="text"/> |

If Correspondence Course:

=====		
S.No.	Educational level	Amount in Rs./year Percentage

1.	Higher Secondary	
2.	B.A.,	
3.	B.Sc.	
4.	M.A.	
5.	M.Com.	
6.	B.Ed.	
7.	M.Ed.	
8.	B.G.L.	
=====		

X. SCHOLARSHIP:

Do your children(as student) enjoy any scholarship?

Yes No

If yes, specify the nature of the scholarship

- a) Backward Scholarship
- b) Income based
- c) Students Aid Fund
- d) Political Scholarship
- e) Merit Scholarship
- f) Loan Scholarship
- g) Any other

XI. WORK EXPERIENCE:

Have allowed your daughter/son (studying) to take up work experience.

Yes No.

- a) If yes specify the nature of the work
- b) How much do you earn per month
- c) Does it affect their students study

Yes No

- d) If Yes, Give the reasons

XII. AIMS OF EDUCATION WHAT IS YOUR AIM IN EDUCATING YOUR CHILDREN:

- a) To have a good status in society
- b) To seek employment
- c) To support the parents in their old age
- d) To accumulate wealth

9. Expenditure on Education and Parental Income:

Educational expenses are in a somewhat different category, as they depend on the spread and availability of educational facilities. The need may be either a requirement because of circumstances for finding alternative occupations or an urge in the more well-to-do districts to increase the average level of education of succeeding generations, without necessarily contemplating their taking to other occupations.

TABLE XIII

EXPENDITURE ON EDUCATION AND PARENTAL INCOME

Parental earning	0-200	200-400	400-600	600-800	800-1000	Above 1000
0-7200	1	4	3	2	3	1
7200 - 8400	-	1	-	-	-	-
8400- 9600	1	2	4	2	1	-
9600- 10800	-	2	4	4	5	2
10800- 12000	-	-	2	-	2	-
12000- 13200	2	2	4	4	3	5
13200- 14400	-	-	1	2	1	-
14400- 15600	-	2	-	2	2	2
15600- 16800	-	-	-	1	-	-

III. METHODO

The rise in educational expenditure is attributable largely to the growth and changes in the rate of growth of the national income. There is a close connection between the expenditure and level of income and in this system it becomes an organic theory, for a raising national income requires a more skilled labour force to operate the economy, and therefore a rise in the educational attainments of that population, while at the same time releasing the resources for undertaking that education.

Education is part of the process of social mobility and cannot therefore be allocated to a static social concept live class without a fundamental ambiguity (T.H.Marshall, 1955).

In allocating expenditure, our first task was to allocate the number of children by income groups. This was done, following Peacock, by using the Inland Revenue Statistics. To this, we added university students our second task was to make categories of pupil. These were primary

XIV. How would you solve this problem?

XV. If any suggestions

APPENDIX II

1. CORRELATION

Parental Income	Expenditure on Education						Total
	0-200	200-400	400-600	600-800	800-1000	Above 1000	
0 - 7,200	1	4	3	2	3	1	14
7,200 - 8,400	-	1	-	-	-	-	1
8,400 - 9,600	1	2	4	2	1	-	10
9,600 - 10,900	-	2	4	4	5	2	17
10,800 - 12,000	-	-	2	-	2	-	4
12,000 - 13,200	2	2	4	4	3	5	20
13,200 - 14,400	-	-	1	2	1	-	4
14,400 - 15,600	-	2	-	2	2	2	8
15,600 - 16,800	-	-	-	1	-	-	1
16,800 - 18,000	-	-	2	1	1	-	4
18,000	-	2	4	5	3	3	17
	4	15	24	23	21	13	

		0-200 200-400 400-600 600-800 800-1000 Above 1000									
X	dx	-3	-2	-1	0	1	2	f	fdy	fdy ²	fdxdy
Y	dy										
0-7200	-5	1	4	8	2	3	1	14	350	350	45
7200-8400	-4	0	4	0	0	0	0	1	-4	16	8
8400-9600	-3	1	1	4	2	1	0	10	-30	90	30
9600-10800	-2	0	2	4	4	5	2	17	-34	17	-2
10800-12000	-1	0	2	2	0	2	0	4	-4	-4	0
12000-13,200	0	2	0	4	4	3	5	20	0	0	0
13,200-14400	1	0	2	1	2	1	0	4	4	4	0
14400-15600	2	0	0	2	2	2	8	16	32	32	4
15600-16800	3	0	2	0	1	0	0	1	3	256	-4
16800-18000	4	0	0	0	1	1	0	4	16	256	-4
18000	5	0	0	4	5	3	3	17	85	425	5
f		4	15	24	23	2	13	N=100 13	fdy	fdy ²	fdxdy
								N= 100	-14	1195	86
fdx		-12	-30	-24	0	21	26	fdx	-19		
fdx ²		36	60	24	0	21	52	fdx ²	- 195		
fdxdy		24	40	8	0	-6	20	fdxdy	- 86		

$$r = \frac{\sum dx dy - (\sum dx \times \sum dy / N)}{\sqrt{\sum dx^2 - (\sum dx)^2 / N} \sqrt{\sum dy^2 - (\sum dy)^2 / N}}$$

$$= \frac{86 - (-19 \times -14 / 100)}{\sqrt{195 - (-19)^2 / 100} \sqrt{1195 - (-14)^2 / 100}}$$

$$= \underline{0.174}$$