

THE COST OF EDUCATION

Education costs and inflation are measured by government

- The price of paid for education is measured by National Statistics as an individual services category. It is one of the 12 key factors that contribute to the overall Consumer Price Index (CPI).
- These 12 factors are:
 1. Food and non-alcoholic beverages
 2. Alcoholic beverages and tobacco
 3. Clothing and footwear
 4. Housing, water, electricity, gas and other fuels
 5. Furniture, household equipment and maintenance
 6. Health
 7. Transport
 8. Communication
 9. Recreation and culture
 10. **Education**
 11. Restaurants and hotels
 12. Miscellaneous goods and services

Education inflation should not be compared with CPI

- Together the 12 categories above make up the CPI basket of goods and services. The impact of price and expenditure movements in each of these 12 areas depends on the 'weight' they are given in the basket.
- Education expenditure is given a weight of only 1.9% of total spending in the CPI basket of goods and services. As a result, movements in the cost of paid for education will have little impact on overall CPI changes. Comparisons of paid for education with overall CPI are therefore disingenuous. Education inflation needs to be examined separately.

Education inflation is high

- The costs of paid for education rose by 13.7% across 2007 and by 7.3% the year before.

Education inflation reflects the costs of all paid for education

- National Statistics define paid for education as:
Part-time courses, evening courses, private tuition, schooling and university tuition.
- Within this, schooling expenditure accounts for around one third of all private education expenditure. It includes fees charged by all independent schools.
- ISC member schools account for around 60% of all independent schools. Expenditure on ISC member school fees therefore accounts for less than one third of all private education expenditure.

All education services are battling rising costs

- Staff costs are rising. In schools these account for around 60% of costs
- Utility bills are rising
- UK education services cannot turn to cheaper imports or easily change suppliers

ISC fee rises are the lowest in paid for education

- Fee increases at ISC schools are less than half those of all paid for education. ISC school fees account for less than a third of overall private education expenditure. **All other private education costs are therefore rising faster than those in ISC schools.**
- For parents, educating their children from 0 to 21 years old, ISC schools are delivering the best value for money.
- ISC schools are delivering value for money in a tough economic environment.