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Uneven Playing Field: Inequality in Household Investment on Children's Education in India, 1995-2014

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Household investment on children's education is critical for human capital development of children. An increase in inequality in household investment on children's education can widen economic disparities and transmit inequality in socio-economic outcomes from one generation to the next. However, research on inequality in household investment on children's education is very scant in developing countries, especially so in India. Using detailed data from National Sample Surveys on household expenditure on children's education in India, this study analyses three aspects of household spending on children's education. First, we examine the impact of rising household expenditure on children's education on household financial burden from 1995 to 2014 in India. Second, we analyse changes in inequality in household expenditure on children's education in India over time. Third, we examine the main factors behind the increase in inequality in household expenditure on children's education during the study period. The results show that disparities in household spending on children's education has risen very rapidly from 1995 to 2007, but remained broadly unchanged between 2007 and 2014. Expenditure on children's education has increased sharply across households during the study period. However, this rise in household spending on children's education has disproportionately increased the financial burden on poorer households over time.