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Original Article

Determinants of Household Expenditure for Primary Education in Urban India

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Abstract: *In the late seventies, India witnessed a pivotal shift in education financing, transitioning from state to concurrent functions. This led to shared resources between central and state governments, encompassing external aid, domestic contributions, and public financing from various entities. While the constitution guarantees free elementary education, families voluntarily contribute through fees and gifts. This study, utilizing the NSS households' survey 75th round (2017-18) and employing Ordinary Least Square (OLS) regression, assesses household spending on primary and upper primary education in urban areas. The findings underscore the significant impact of household characteristics on education expenditure in urban India.*

Keywords: *Education, Urban Area, Primary Education, Upper Primary Education, Expenditure, Cost of Education.*

I. INTRODUCTION

Decisions regarding investments in education, particularly at lower levels, are often taken by families rather than the individuals concerned. When the rates of return on education are significantly higher, households may choose to forego current consumption and invest in education to enhance future earning capacity and other associated benefits. However, because of social, cultural, and economic barriers, households may choose not to invest in education even in the face of greater anticipated private rates of return, both monetary and non-monetary (Tilak, J. B. G. 2002)[1]. If the household's earning capacity is insufficient, the demand for education might be low, leading to potential underinvestment in education. Parents may be reluctant to borrow money for their children's education, viewing education as a risky venture (Hashimoto and Heath, 1995[2]; Tansel and Bircan, 2006[3]; Fernandez and Rogerson, 2003[4] Psacharopoulos and Papakonstantinou, 2005[5]). As a result, there is a strong correlation between household spending on education and income levels, with research showing that higher-income households often spend more on education than do lower-income households. Additionally, characteristics related to schools play a crucial role in determining the extent of household expenditure on education (Filmer and Pritchett, 1998[6]; Tilak, 2002; Duraisamy and Duraisamy, 2016[7]).

Government spending on education, coupled with the provision of quality education, can evoke enthusiasm from families, leading to increased willingness to contribute and support public education strategies. Social and cultural factors also influence household spending preferences, such as a preference to invest in the education of sons over daughters or vice versa. A number of household characteristics can influence the nature and extent of household spending on their children's education, collectively referred to as socioeconomic, cultural, educational, occupational, and other factors. These characteristics include religion, caste, household size, parental education levels, and parental occupation. The need for empirical studies on household education expenditures, particularly on the determinants of such expenditures in urban areas, is becoming increasingly apparent in a context where public education budgets are shrinking and households are becoming significant considerations in the educational landscape**.**

II. REVIEW OF LITERATURE

J.B.G. Tilak (2002) investigated human capital investments, specifically in education, within East Asian economies, including Japan and the Asian tigers (namely Korea, Singapore, Hong Kong, and Taiwan, China). His findings revealed that these Asian economies achieved a well-rounded development of their education systems, attributed to factors such as (a) historical influences, (b) the implementation of the Compulsory Education Act, (c) a strong belief in the contribution of education to development, and (d) a political commitment to prioritize education. Tilak observed that the expansion of secondary schooling yielded significant benefits in East Asia. He concluded that the investment in human capital was widely recognized as an essential tool for nation-building and a crucial factor in the economic development of East Asian nations. J.B.G. Tilak, in his paper, argued that the concept of free education in India is essentially non-existent. Households, even those from lower socioeconomic backgrounds such as Scheduled Castes/Tribes and low-income groups, incur significant

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expenditures on education, including elementary education. Notably, even in government primary and upper primary schools, students appear to pay substantial fees, including examination and other related charges. The study also revealed that households do not exhibit substantial discrimination in spending on girls' education. Nonetheless, there are significant disparities in household spending between children enrolled in private, government-aided, and government schools. He pointed out that family characteristics, particularly household income and the educational attainment of the household head, are important factors that influence household expenses. The household's size and demographic burden, as well as caste and religious considerations, are other significant influences. Although it is commonly accepted that gender has a key role in determining household education spending, this is not always the case. School-related characteristics, such as the closeness of schools within the habitation, textbooks, stationery, uniforms, and incentives like midday meals, also appeared as important determinants influencing household spending on education. Kumar Rana, Santra, Mukherjee, T. Banerjee, and M. Kundu (2005)[8] found a substantial contrast in the cost of education between Government primary schooling and private schools. The research indicated an annual cost of Rs. 599/- per child for GPS, whereas private schools incurred a significantly higher cost of Rs. 3,396/-. This significant difference in schooling expenses was also noticeable across various social groups. Parents of students, whether residing in rural or urban areas, expressed concerns about the exceedingly high cost of education in private schools. The financial burden associated with private education was deemed unaffordable by many families. Anindita Chakrabarti and Rama Joglekar (2006)[9] investigated utilizing data from 15 major Indian states, and this study examines the trends and shifts in government funding for education. Their analysis revealed that states with a real per capita income elasticity of less than one tended to increase educational expenditure at all levels. They observed a positive correlation between income and public expenditure on education, regardless of the level of study. Additionally, the study found that states with a higher proportion of the population belonging to Scheduled Castes (SC) and Scheduled Tribes (ST), as well as those with a higher female-to-male ratio, incurred significantly lower expenditures on education at all levels. Haldar and Mallik (2010)[10] examined the investment in physical capital, human capital (encompassing education and health), and output within a co-integration framework. Their study involved estimating the growth of the primary gross enrolment ratio and the impact of the structural adjustment program (specifically, the openness initiative initiated in 1991) as exogenous variables in India from 1960 to 2006. According to their findings, spending on health and education is essential and has a major long-term positive impact on the growth of the GNP per capita. They also discovered that, after three years, the eight-year enrollment had a favorable and noteworthy effect on GNP growth, which is consistent with Schultz's 1997 findings. Bhakta Runu (2014)[11] studied the impact of public spending on net enrolment and dropout rates in India over a specific period. Additionally, she analysed the influence of government expenditure on the health status of children, employing a simultaneous equation model that encompassed the health and education of children, along with public spending in these sectors. The data for this research were collected at the state level from 2003 to 2011. The results showed that whereas per capita spending on elementary education has a direct impact on enrollment and dropout rates, public spending on health has an indirect impact on educational attainment. Runu found that as compared to the gross enrollment of pupils, public spending on elementary schools has a far lower incidence of dropout rates. Nivedita Sarkar (2017)[12] explored various factors influencing household expenditure on higher education in India. The results were analyzed by the researcher using the Ordinary Least Squares (OLS) technique. The findings revealed that the economic status of households and parental education significantly influence educational expenditures. Additionally, the caste of the household was identified as a crucial factor, with families from backward caste groups spending less compared to general category households and exhibiting a tendency to allocate fewer resources to the education of female children. Consequently, the study recommended the adoption of a cost-sharing approach between the state and families to promote inclusive higher education. The author and colleague (2022)[13] discovered that students facing economic disadvantages encounter ongoing obstacles in accessing elementary education in India. Subsequently, the author and colleague (2023)[14] identified that factors such as school incentives, caste, religion, and income exert a significant influence on household expenditures related to elementary education in the country.

III. OBJECTIVES OF THE STUDY

1. To determine how much money urban Indian households spend on primary and upper primary education.
2. To examine the factors that influence household spending on elementary and upper primary education in India's cities.

IV. RESEARCH METHODOLOGY AND SOURCES OF DATA

This research relies on secondary data collected from the National Sample Survey Office (NSSO)[15] under the Ministry of Statistics and Programme Implementation (MoSPI) of the Government of India. The study incorporates unit-level data obtained from the 75th round of the NSS quinquennial survey on Household Social Consumption: Education, conducted between July 2017 and June 2018. This survey provides a comprehensive analysis of elementary education's status in various states across the country. The survey delves into household expenditure on elementary education, separately analysing primary and upper primary education in India. Utilizing detailed information from the NSS survey, the study explores household expenditures on primary and upper primary education in urban regions based on various characteristics such as caste, region, religion, consumption expenditure, occupation, and school characteristics, including the type of school or institute and

educational incentives. The insights garnered from this analysis shed light on the state of primary and upper primary education in urban India. In the analysis of data, our primary focus was on individuals engaged in elementary education. To understand the determinants of household expenditure at the elementary education level, we employed the Ordinary Least Squares (OLS) regression model. The regression equation is expressed as follows:

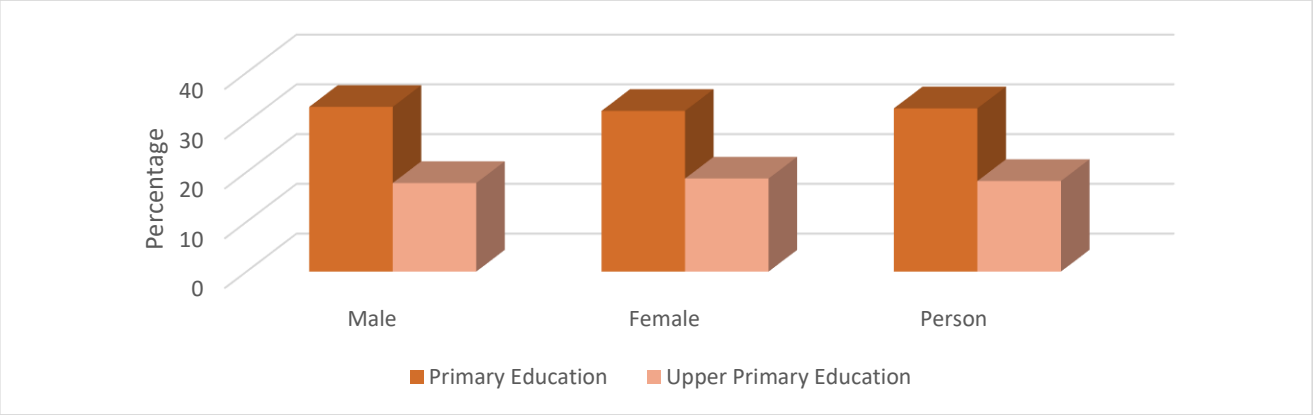
$$\mathbf{lnYi=\beta 0+\beta 1Xi+\mu,}$$

Here, lnYi represents the natural logarithm of annual household expenditure (per student) on primary and upper primary education. The coefficient β1 is the parameter to be estimated, signifying the degree to which various variables (Xi) influence household expenditure on primary and upper primary education. The error term (μ) in the equation is also estimated. The regression coefficient β1 denotes the change in expenditure levels associated with a one-unit change in the independent variable of interest. The intercept term, β0, is noteworthy as it provides the mean effect on the dependent variable when all excluded variables in the model are set to zero. It is essentially the average value of the dependent variable under those conditions. The independent variables are represented as dummy variables ranging from 0 to 1.

V. RESULTS AND DISCUSSION

In the backdrop of free and compulsory education in India, the general public's impression of elementary and upper primary education as being inexpensive and free has led to an underestimation of household investment. However, it has been noted that every home now pays a substantial amount of money to ensure that the children receive an education. In rural India, households contribute significantly to the cost of education, according to Tilak (2002). Numerous factors impact the amount of money that households spend on schooling. Economic considerations can be used to understand the decision-making process for educational investment. Additionally, the type and amount of money that households spend on primary education are influenced by a number of household characteristics, including religion, caste, size, parent education, and occupation, among other things. Primary and upper primary/middle school are included in India's elementary education, which serves as the base of the educational pyramid and aids in a child's whole personality development. In this study, we examined trends in household spending on primary and upper primary education by gender, as well as by urban and rural location. The research findings shed some important light on the factors influencing households' spending on elementary and upper elementary education.

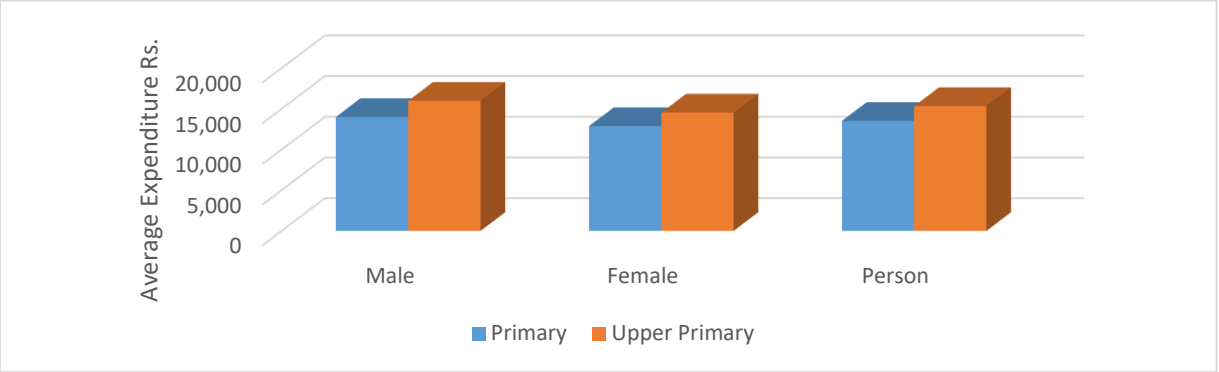
Figure 1: Distribution of Students (Persons of Age 3 to 35 Years) Currently Attending Elementary Education in Urban India



Source: *Authors' calculation, NSS 75th Round Survey, 2017-18.*

Figure 1 reveals that, currently, 33.1 percent of male students are enrolled in primary education, while their female counterparts constitute 32.3 percent. In upper primary education, attendance is lower, with 17.8 percent for males and a slightly higher 18.7 percent for females. The trend indicates a decline in attendance as students progress to higher classes, and one significant contributing factor identified is the financial burden.

Figure 2: Average Expenditure (per student) pursuing Elementary Education in Urban India during the Academic year 2017-2019



Source: *Authors' calculation, NSS 75th Round Survey, 2017-18.*

Figure 2 shows a significant variation in expenditure on primary and upper primary education has been evident in urban areas, with households allocating considerable resources to these educational levels. On average, a household spent Rs. 13,516 per student on primary education and Rs. 15,357 on upper primary education during the academic session of 2017-18 in urban India. The data reveals that the average expenditure per student for primary and upper primary education in urban areas is nearly three times higher than in rural areas (Author & Colleague, 2023). Furthermore, a notable disparity exists in educational spending between genders in urban areas. The analysis indicates that households tend to allocate more funds to the education of male students compared to their female counterparts at the same educational level. This underscores the presence of gender inequality in educational expenditure, predominantly disadvantaging girls. This observation aligns with the findings of Tilak (2002) and Sarkar (2017).

Table 1: Average Expenditure (per student) pursuing Elementary Education by type of institution during the Academic year 2017-2018 (Rs.)

Government Institution		
Education	**Urban**	**India**
Primary	2,413	1,253
Upper Primary	3,757	2,181
Private Aided Institution		
Primary	15,800	12,889
Upper Primary	18,883	13,243
Private Unaided Institution		
Primary	19,315	14,485
Upper Primary	24,040	17,360

Source: *Authors' calculation, NSS 75th Round Survey, 2017-18*

In Table 1, we emphasize the average annual expenditure of households on various types of educational institutions, including government schools, privately unaided institutions, and privately aided institutions where children receive their elementary education. The financial commitment of households to education varies significantly depending on the type of school attended by the child. For primary and upper primary education in urban government schools, households incur expenses of Rs. 2,413 and Rs. 3,757 per student, respectively, during an academic year. In contrast, in private-aided schools, the corresponding figures rise to Rs. 15,800 for the primary level and Rs. 18,883 for the upper primary level. Notably, households bear a cost of Rs. 19,315 for their child's primary education and Rs. 24,040 for upper primary education in urban private unaided schools. According to the analysis, household expenses for private schools are over 14 times greater than those for public schools. There are notable differences in the price of basic and upper primary education between government, private, and unaided institutions. Urban households incur significant expenditures on elementary education, particularly in private and private, unaided institutions. It is noteworthy that urban households pay comparatively higher amounts than rural households across all types of institutions (Tilak, 2002; Author, 2023). Furthermore, our observations suggest a prevailing inclination towards private institutions in urban areas, potentially contributing to the higher overall expenditure.

Table 2: Determinants of Households Expenditure on Primary Education in Urban Areas as per 75th NSS Round Survey

Gender	Person		Male		Female	
Independent Variables	**Coefficient**	**P-Value**	**Coefficient**	**P-Value**	**Coefficient**	**P-Value**
Female	0.016	-0.346				
Self-Employed	0.347***	0	0.331***	0	0.361***	0
Regular Wage/Salary Earning	0.0575**	-0.018	0.0377	-0.261	0.0779**	-0.028
Casual Labour	-0.420***	0	-0.415***	0	-0.424***	0
Scheduled Tribe	-0.261***	0	-0.261***	0	-0.261***	0
Scheduled Caste	-0.0814**	-0.027	-0.0967*	-0.057	-0.0652	-0.218
Other Backward Class	0.242***	0	0.261***	0	0.223***	0
Hinduism	-0.201***	-0.008	-0.259**	-0.012	-0.148	-0.182
Islam	-0.106	-0.186	-0.167	-0.128	-0.0522	-0.657
Christianity	-0.538***	0	-0.563***	0	-0.524***	0
Sikhism	-0.359***	0	-0.387***	-0.001	-0.336**	-0.01
MPCE (Below 2500)	-1.533***	0	-1.446***	0	-1.601***	0
MPCE (2500-5000)	-0.728***	0	-0.691***	0	-0.745***	0
MPCE (5000-7500)	0.378***	0	0.486***	-0.003	0.288**	-0.029
MPCE (7500-10000)	-0.00791	-0.952	0.0687	-0.734	-0.0684	-0.697
Private Aided	0.680***	0	0.722***	0	0.645***	0
Private Unaided	0.574***	0	0.615***	0	0.543***	0
Free Education	-0.598***	0	-0.590***	0	-0.608***	0
Tuition Fee is Paid -Fully	0.549***	0	0.593***	0	0.513***	0
Tuition Fee is Paid -Partly	0.596**	-0.042	0.54	-0.192	0.699*	-0.053
Received Scholarship/Stipend/Reimbursement	0.0886***	-0.002	0.0895**	-0.023	0.0896**	-0.025
Textbooks- All Free	-1.577***	0	-1.575***	0	-1.615***	0
Textbooks-Some Free	-0.233**	-0.039	-0.242**	-0.048	-0.259	-0.137
Textbooks- All Subsidised	-0.434	-0.193	-0.124	-0.795	-0.977**	-0.027
Textbooks- Some Subsidised	-0.913***	-0.003	-0.810*	-0.068	-1.115***	0
Textbooks- Some Free and Some Subsidised	-1.171***	0	-1.155***	0	-1.218***	0
Stationary- All Free	0.044	-0.271	0.0755	-0.164	0.0104	-0.859
Stationary- Some Free	0.0491	-0.157	0.136***	-0.005	-0.0359	-0.47
Stationary- All Subsidised	0.0773	-0.801	-0.255	-0.557	0.34	-0.402
Stationary- Some Subsidised	-1.017***	-0.001	-1.638***	0	-0.446***	-0.004
Stationary- Some Free and Some Subsidised	0.384	-0.179	0.245	-0.574	0.604**	-0.024
Mid-Day Meal	-0.188***	0	-0.172**	0.016	-0.206***	-0.004
Distance <1km	-0.156***	-0.002	-0.156**	-0.029	0.157**	-0.025
1km ≤D < 2 Kms	-0.461***	0	-0.453***	0	-0.469***	0
2km≤D < 3 Kms	-0.136**	-0.021	-0.180**	-0.032	-0.0943	-0.256
3km≤D < 5 Kms	1.341***	0	1.310***	0	1.372***	0
Constant	10.63***	0	10.61***	0	10.68***	0
Observations	**65,277**		**33,567**		**31,710**	
R-squared	**0.325**		**0.327**		**0.323**	

Source: *Author's estimations based on NSSO, 75th Round, 2017-18.*

Note: Robust P-value in parentheses. Significance level: *** significant at 1 per cent level (p<0.01), ** significant at 5 per cent level (p<0.05), * significant at 10 per cent level (p<01).

Table 2 exhibits the probability of regression estimates concerning households' spending on primary education per student in urban areas. It was observed that gender does not influence households' expenditure at the primary level. Notably, self-employed, regular wage/salary-earning and casual labour households have allocated a significant amount compared to others. When examining gender results, female students from all these households exhibit higher expenditure than the reference group, as well as male students, for primary education. Variations in households' spending on primary education are also apparent across different castes. Students belonging to OBCs have dedicated a higher amount compared to the general population, while SCs and STs are spending a lower amount. All religions exhibit a lower likelihood of spending compared to others, except for Muslims, whose results are insignificant. The analysis reveals that Christian and Sikh households spend less on their male and female children compared to their counterparts for primary education. This might be attributed to students

from these two religions predominantly attending missionary schools, where the cost of education is mainly borne by these communities as a social cause. This result aligns with the findings of Tilak (2002) and Kingdon (2005)[16]. As household income increases, families tend to allocate more resources to primary education. According to regression analysis, households' spending on elementary education in metropolitan areas is still significantly influenced by the financial standing of families. Compared to their counterparts, members of lower economic levels are less likely to spend money on primary education. From the preceding discussion, it is evident that private institutions charge much higher fees than government-funded institutions. Consequently, households are compelled to invest more in their child's primary education when enrolled in private and private-unaided institutions. The regression coefficient for the relevant variables is significantly positive for primary education with respect to government institutions, and coefficients for private-aided institutions are relatively higher compared to their counterparts. When selecting education variables, various aspects are taken into consideration. The availability of schools and institutions, as well as the distance from the student's residence, is measured to assess access to education. Incentives provided in schools, including mid-day meals, distribution of textbooks, stationery, tuition fee exemptions/free education, and availability of scholarships, are also considered in our analysis. Specifically, we focused on incentives such as the availability of free education, provisions of scholarships, distribution of textbooks and stationery, and mid-day meals. All the variables related to school incentives in this analysis exhibit the expected relationship with households' expenditure on primary education. They generally lead to a reduction in households' expenditure, while tuition fees, whether paid in full or in part, have a significantly positive effect on households' expenditure.

It has been observed that if schools or institutions are closer to students' residences, there is a considerable reduction in households' expenditure on primary education. Thus, the distance between the elementary school where a child is enrolled and the household's expenditure on education are inversely related. Similar results were observed for both male and female students. Most of the regression coefficients are statistically significant at the 99 percent confidence level, and importantly, most yield the expected results. The coefficients of determination (R2) are relatively small, which is not surprising given the large sample size.

Table 3: Determinants of Households Expenditure on Upper Primary Education in Urban Areas as per 75th NSS Round Survey

Gender	Person		Male		Female	
Independent Variables	**Coefficient**	**P-Value**	**Coefficient**	**P-Value**	**Coefficient**	**P-Value**
Female	-0.0116	-0.56				
Self-Employed	-0.283***	0	-0.324***	0	-0.243***	0
Regular Wage/Salary Earning	-0.282***	0	-0.308***	0	-0.256***	0
Casual Labour	0.0479	-0.33	0.0283	-0.7	0.0728	-0.314
Scheduled Tribe	-0.0986***	-0.003	-0.101**	0	-0.0965**	-0.035
Scheduled Caste	-0.251***	0	-0.235***	0	-0.267***	0
Other Backward Class	-0.257***	0	-0.240***	0	-0.276***	0
Hinduism	-1.128***	0	-1.089***	0	-1.164***	0
Islam	-0.767***	0	-0.696***	0	-0.835***	0
Christianity	-0.884***	0	-0.929***	0	-0.832***	0
Sikhism	-0.580***	-0.001	-0.563**	0	-0.602**	-0.015
MPCE (Below 2500)	-1.934***	0	-2.052***	0	-1.777***	0
MPCE (2500-5000)	-1.056***	0	-1.199***	0	-0.870***	0
MPCE (5000-7500)	-0.758***	0	-0.859***	0	-0.620***	-0.006
MPCE (7500-10000)	0.0697	-0.662	0.12	-0.6	0.0622	-0.781
Private Aided	0.0386	-0.57	-0.0301	-0.8	-0.0447	-0.632
Private Unaided	0.270***	0	0.269***	0	0.269***	-0.002
Free Education	-0.0594	-0.408	-0.031	-0.8	-0.0845	-0.422
Tuition Fee is Paid -Fully	-0.336***	0	-0.395***	0	-0.278***	-0.006
Tuition Fee is Paid -Partly	-0.407***	-0.002	-0.176	-0.3	-0.658***	-0.001
Received Scholarship/Stipend/Reimbursement	-0.604***	0	-0.573***	0	-0.639***	0
Textbooks- All Free	0.279*	-0.061	0.332***	0	0.182	-0.523
Textbooks-Some Free	0.514***	-0.001	0.533***	0	0.448	-0.117
Textbooks- All Subsidised	0.0849	-0.865	0.737	-0.1	-0.703	-0.488
Textbooks- Some Subsidised	1.545***	0	1.571***	0	1.539***	0
Textbooks- Some Free and Some Subsidised	0.376**	-0.012	0.420***	0	0.285	-0.308
Stationary- All Free	-0.324***	-0.002	0.400***	0	0.239	-0.139

Stationary- Some Free	0.372***	0	0.375***	0	0.372***	0
Stationary- All Subsidised	-0.217	-0.678	-1.147*	-0.1	0.972	-0.115
Stationary- Some Subsidised	0.576	-0.152	1.484***	0	0.408	-0.368
Stationary- Some Free and Some Subsidised	-0.0272	-0.869	-0.0314	-0.9	-0.084	-0.718
Mid-Day Meal	-0.725***	0	-0.728***	0	-0.725***	0
Distance <1km	-0.132**	-0.013	-0.123*	-0.1	-0.145*	-0.063
1km ≤D < 2 Kms	-0.455***	0	-0.434***	0	-0.477***	0
2km≤D < 3 Kms	0.211***	0	0.252***	0	0.164**	-0.049
3km≤D < 5 Kms	1.248***	0	1.226***	0	1.269***	0
Constant	11.52***	0	11.52***	0	11.52***	0
Observations	**31,126**		**16,060**		**15,066**	
R-squared	**0.393**		**0.395**		**0.394**	

Source: *Author's estimations based on NSSO, 75th Round, 2017-18.*

Note: Robust P-value in parentheses. Significance level: *** significant at 1 per cent level (p<0.01), ** significant at 5 per cent level (p<0.05), * significant at 10 per cent level (p<01).

Table 3 presents the probability of regression estimates regarding household spending on upper primary education per student in urban India. The results indicate that the variable of gender is insignificant for upper primary education in urban areas. However, among the occupation groups, self-employed individuals, regular wage/salary earners, and casual laborers exhibit significantly lower expenditures compared to the reference groups. Similarly, gender differences show lower but significant results for females. Significant variations in household expenditure on upper primary education are observed across different social groups and religions. Specifically, Scheduled Tribes (STs), Scheduled Castes (SCs), and Other Backward Classes (OBCs) display lower significant expenditures compared to general households. The results for upper primary education also reveal that all religions exhibit significantly lower expenditures compared to others. The findings suggest a strong correlation between income hierarchy and households in urban India, while this correlation is less pronounced in rural India (Desai and Dubey, 2011)[16]. In urban households, once students are enrolled in upper primary education, expenditures align with their financial capabilities, leading to differential spending among different caste and occupation groups on their children's elementary education. Urban households face significantly higher costs in private aided and private unaided institutions compared to government-funded institutions. Hence, the type of institution emerges as a key determinant for household expenditure on upper primary education. The study identifies school incentives, such as free education, scholarships, provision of mid-day meals, and distribution of stationery, as influential factors affecting household expenditure on primary education. This aligns with the expectation that free education is a primary feature of elementary education. The results show that if urban households bear tuition fees, either fully or partially, it significantly negatively impacts their expenditure, whereas the distribution of textbooks positively influences household expenditure. Furthermore, the study calculates that proximity to the school or institution reduces household expenditure on primary education. Conversely, when the child lives farther away, expenditure increases, possibly due to higher transportation costs. This may be attributed to urban households providing more education options and facilitating access. The study confirms the pivotal role of factors such as caste, gender, economic condition, and location of residence in determining household expenditure on primary and upper primary education. Higher caste hierarchy and economic status are associated with increased expenditure, while gender discrimination often results in lower spending on the education of female students compared to their male counterparts. Additionally, the quality and quantity of schooling facilities, as well as the provision of school incentives, demonstrate a significant relationship with household expenditure, with these incentives inversely related to spending. The results align with similar findings from previous studies (Filmer and Pritchett, 1998; Tilak, 2002; Duraisamy and Duraisamy, 2016).

VI. CONCLUSION AND SUGGESTIONS

The findings presented in this study indicate that several factors, such as school incentives, caste, religion, and income, play a significant role in shaping households' choices regarding spending on elementary education in urban India. It is apparent that urban families allocate a considerable portion of their budget towards their children's education. Importantly, urban households demonstrate minimal bias in expenditure on lower levels of education for girls. The results highlight the crucial influence of caste on households' spending patterns for lower levels of education, with general groups displaying a tendency to invest more in upper primary education compared to scheduled castes/tribes/OBCs. This implies a relationship between more financial commitment to basic education and higher social rank, especially within the caste system. There are notable differences in educational spending between religious and socioeconomic groups, as well as between different kinds of institutions. The argument suggests that schools equipped with better facilities alleviate the need for families to seek additional educational support, such as private tuition, leading to an overall reduction in expenditure on elementary education. Past research underscores the importance of school proximity, asserting that increased accessibility positively affects both school

participation and transportation costs. Interestingly, households from diverse socioeconomic backgrounds, encompassing scheduled castes, scheduled tribes, low-income groups, and those predominantly engaged in self-employed agriculture and casual labour, allocate significant funds for primary and upper primary education in urban areas, despite the government's provision of free education. The research results indicate that effectively addressing inequalities in household spending on elementary education necessitates a comprehensive strategy that takes into account variables such as gender, caste, and economic standing. Policy initiatives should strive to enhance the accessibility, fairness, and affordability of education for everyone, placing special emphasis on creating a better educational environment for marginalized and disadvantaged communities. In summary, households' spending on education emerges as a multifaceted function influenced by various socioeconomic and educational variables.

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