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Войцех Містерек,
доцент**ОСНОВНІ ДЖЕРЕЛА ФІНАНСУВАННЯ НАВЧАННЯ СТУДЕНТІВ
У ПОЛЬЩІ**

У статті йдеться про чотири джерела отримання коштів студентів. Це батьківський дохід, дохід від студентської роботи (тимчасової або постійної), оборотні кошти з фінансових установ, фінансова допомога держави.

Іншим поширеним джерелом додаткових коштів для фінансування освіти є гранти, особливо з урахуванням заслуг студента, стипендії. Дослідження також показали, що зацікавленість у фінансуванні навчання за допомогою студентських кредитів є відносно низькою.

Ключові слова: джерело фінансування, освіта, студентські позики, гранти.

Войцех Містерек,
доцент**ОСНОВНЫЕ ИСТОЧНИКИ ФИНАНСИРОВАНИЯ ОБУЧЕНИЯ СТУДЕНТОВ
В ПОЛЬШЕ**

В статье идет речь о четырех источниках получения средств студентов. Это родительский доход, доход от студенческой работы (временной или постоянной), оборотные средства из финансовых учреждений, финансовая помощь государства.

Другим распространенным источником дополнительных средств для финансирования образования являются гранты, особенно с учетом заслуг студента, стипендии. Исследования также показали, что заинтересованность в финансировании учебы с помощью студенческих кредитов является относительно низкой.

Ключевые слова: источник финансирования, образование, студенческие ссуды, гранты.

Dr. Wojciech Misterek,
Maria Curie-Skłodowska University**MAIN SOURCES OF FINANCING THE EDUCATION OF STUDENTS
IN POLAND**

The article referred to the four sources of acquiring finances by students. They are: parents' income, students' employment (temporary or permanent), repayable means from financial institutions, financial help of the state.

Another common source of supplementary means for financing education are grants, especially merit-based scholarships. The research has also shown that the interest in financing studies by means of student loans is relatively low.

Key words: education, students, source of financing, student loans, grants.

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There are four sources of acquiring finances by students, the principal and basic one being parents' income or child support and family pension. For majority of students, especially the young ones, it is parents who guarantee financial support and pay for all the expenses connected with the education of their children due to the fact that better education means higher chance for a promising professional career.

Students' employment is an alternative to the financial means coming from parents. For some students it is just a way of supplementing the budget and increasing the expense capacity, for some others it is the key source of financing. The latter situation refers mainly to extramural students who often have their own families and try to improve their situation in the job market. It should be emphasized that in this case studying becomes a burden not only for the budget but also for everyday life. Therefore, these students will most probably choose extramural or evening classes. It is worth mentioning here that in some single cases employment increases the chances of getting financial means for studies. Some employers, taking care of professional development of their employees, decide to finance all or some of the expenses connected with education. Unfortunately, this form of financing education is not as popular as in the United States or Western Europe.

The third source is repayable means from financial institutions received periodically for the time of continuing education. Student loans were introduced in 1998 and are provided by commercial banks with an interest rate subsidized by the national budget. They let students get financial support for the time of their studies, which cannot be longer than 6 years though. The loan is paid for 10 months in an academic year, and the loan tranche is 600 PLN. Repayment starts two years after graduating and lasts at least twice as long as the time of taking the loan. The interest rate of a student loan is very attractive, amounting to the half of the discount rate of the National Bank of Poland. Additionally, the students with outstanding academic achievements are entitled to apply for loan forgiveness. It concerns 20 % of the borrowers who belong to the group of the best 5 % of graduates of a tertiary institution. In some special cases the loan can be partially or fully forgiven due to difficult life situation [5]. For some students the loans are the only chance of getting money for financing their studies. For some others they are only the way to supplement the means coming from their own work or parents. However, it must be remembered that the students using a repayable source of financing education treat it as a future investment enabling them to find a job that will let them earn their living and generate surpluses for the repayment of the loan.

The fourth source of financing education is the financial help of the state. We can distinguish two forms of support here: means-tested and merit-based. A maintenance grant is given to a student in a difficult financial situation after submitting an application to a tertiary institution. The height of income for a student applying for a maintenance grant is established by the rector in agreement with the student council, but the agreed height of monthly income in the student's family cannot be lower than 351 PLN and higher than 572 PLN nett [6]. It means that each applicant whose monthly family income is not higher than 351 PLN is entitled to receive a maintenance grant. It is worth mentioning here that together with the change of regulations in the recent years this form of support is directed at the students of both public and private institutions. The popularity of maintenance grants among young people is confirmed by the information provided by the Central Statistical Office, according to which 22,221 students in the Lublin voivode-

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ship used this form of financing. 13,640 of them were the students of public institutions, and 8,581 were the students of nonpublic institutions [7].

Additionally, a student is entitled to apply for an accommodation grant by virtue of living in a student hostel or some other building if daily commuting makes it impossible or difficult for a person to study. In case of bad financial situation it is possible to apply for a meals grant [8]. Both forms of support are as popular as the maintenance grant, which is proved by the fact that in the Lublin voivodeship itself 7244 students took the accommodation grant and 17 445 students took the meals grant in 2007 [9].

There are two types of merit-based scholarships: for outstanding academic achievements and for sports career. The value mean of the academic achievement and the types of sports competitions that qualify for the merit-based scholarship is established by each tertiary institution [1]. In the academic year 2007/2008 in the Lublin voivodeship 11,798 used this form of support, mainly for outstanding academic achievements and only 210 people qualified for the scholarship for their achievements in sport [10].

Moreover, the best students in Poland can apply for the Ministry's grants for academic and sports achievements. Although this form of support is financially attractive, few students are entitled to it: in the academic year 2007/2008 1,055 students were given grants for academic achievements, and 215 students were given grants for their sports career [2].

Specialized direct research whose aim was to identify students' sources of financing was carried out in October and November 2008. The area was limited to public and non-public institutions situated in the Lublin voivodeship. The information was gathered in over twenty education centers of different size and educational profile. A set of specialized questions was presented to six hundred students, 324 of whom were full-time and 276 part-time (extramural and evening) students. The people taking part in the research were chosen by means of non-probabilistic method, i.e. a method based on the rules of the calculus of probability [3], which involves purposive sampling (expert sample [4]). The main reason for this choice was the fact that the selected people, having special "competences" to speak about certain problem areas, will be able to point out and assess some selected factors which have become the components of their decision process.

The general analysis clearly shows that the main source of financing the studies is parents' income. As many as 85,39 % of the respondents claim that this form of covering the costs of education is important, which is more than in other categories, amounting to 30 to 81 percentage points. The fact that the analyzed factor is so common means that it must be both main and supplementary source of financing. It can be confirmed by a very big population of students (51,44 %) who rated their parents' income as most important way of covering all the expenses connected with education. Additionally, 17 % of the respondents rated this factor as second important and the same number of respondents rated it as third important, which means that this category is significant for them but not crucial. The influence of parents on financing education is even bigger when child support and family pensions are taken into consideration. This type of income has been indicated by over one fifth of respondents as important for financing the studies and additionally almost 6 % of the respondents rated it as most important. Consequently, it must be stated that it is parents who finance the education of majority of students taking part in the research, and for a significant group of students they are the main or sometimes even the sole source of covering the expenses connected with education.

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The data in Figure 1 show that the second important source of financing education is students' employment. It is worth emphasizing that this category is quite common, which means that significant number of students cover the expenses connected with their education by themselves. Two thirds of the respondents indicated employment as an important source of financing education: those who were temporarily employed constituted nearly 44 %, permanently employed - 25,43 %, both temporarily and permanently employed - nearly 9 %. However, it must be noted that the significance of both categories of income is different. In case of the students with a permanent job, employment is the main source of financing studies as almost 20 % of the respondents rated this factor as crucial. A much smaller group of respondents rated this category as second or third important.

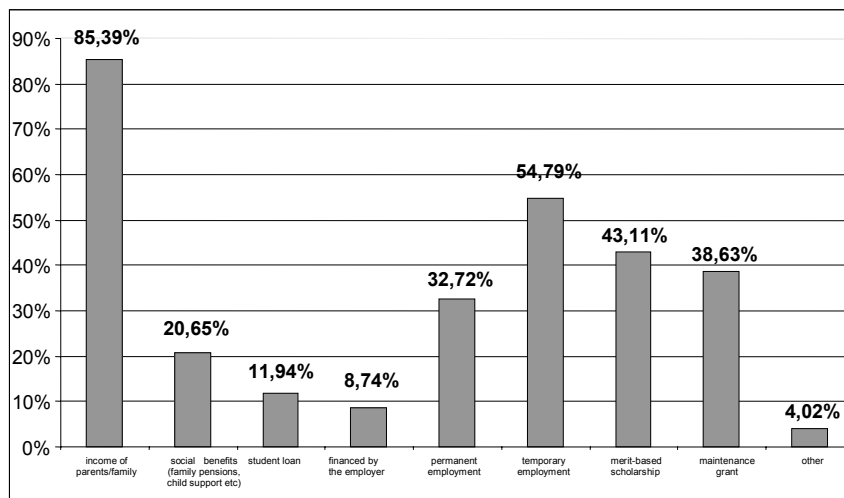


Figure 1. The percentage of students indicating particular categories of income (each respondent had to indicate 3 most important factors)

Source: Author's own study based on a survey.

In the case of students with temporary jobs the situation is quite the opposite: 21,6 % of the population rates this source of financing as second important, and nearly 25 % rates it as third important. As few as 8,63 % of the respondents claimed that a temporary job is the most important source of financing studies. As a consequence, for students with permanent jobs the resulting income is the main source of financing education, whereas for students with temporary jobs the resulting income is just supplementary.

When talking about students' employment, it must be mentioned that employers themselves can finance their employees' education. Although this phenomenon is not very popular yet, 9 % of students claim to have received this kind of support. Moreover, it can be noticed that this source has supplementary function because as few as 1,86 % of the respondents rated this category as most important.

Table 1

The percentage of students rating different categories of income (in %)

Category of income	Rating		
	1	2	3
Income of parents/family	51,44	16,93	17,03
Social benefits (family pension, child support, etc.)	5,75	7,78	7,11

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1	2	3	4
Student loan	2,71	4,28	4,96
Financed by the employer	1,86	2,14	4,74
Permanent employment	18,10	8,37	6,25
Temporary employment	8,63	21,60	24,57
Merit-based scholarship	3,05	20,23	19,83
Maintenance grant	7,95	17,32	13,36
other	0,51	1,36	2,16

* The respondents had to indicate the three most important categories of sources and rate them from 1 (the most important) to 3 (the least important)

Source: Author's own study based on a survey.

A very important function in financing education is played by grants. Although they are popular, their role is supplementary. The situation is quite clear as far as merit-based scholarships are concerned: 43,11 % of the respondents say that they are important for financing their studies, but only 3,05 % claim that they are most important. A smaller group of the respondents (nearly 40 %) use maintenance grants. However, slightly fewer than 8 % of the respondents rate this source as most important in their education.

When talking about the influence of grants on financing studies, sports grants are worth while mentioning. Although this category did not appear in the survey, it was the most frequent category added by the respondents as another source of financing (5 indications).

The data in Table 1 show a relatively low significance of student loans in financing education. Fewer than 12 % of the respondents said that this is an important source of money for them. Taking into consideration the fact that monthly income from the loan is 600 PLN, which allows for covering significant part of the expenses, one could assume that it should be one of the most important sources of financing for students taking a loan. However, fewer than 3 % of the respondents think that this is a key factor. This situation may be explained either by the fact that loans are not very popular or the fact that students save major part of the loan for future repayment. Thus, for some students the loan is just a cheap source of capital not necessarily allocated for education.

Comparative analysis of female and male students shows essential discrepancies as far as different sources of financing education are concerned. Generally speaking, parents' income dominates as the main source of financing, but in case of women the significance of this category is higher, both in terms of frequency and importance. Nearly 87 % of women rate this source as important in financing education, which is 5 percentage points more than in the case of men. What is more, the percentage of women rating this category as crucial is higher by 15 percentage points as compared to men, amounting to as much as 56,57 %. This situation proves that men have become more self-reliant and look for other sources of financing their education.

This thesis is confirmed by the analysis of employment. Higher percentage of men rates this form of financing as essential, as far as both permanent and temporary jobs are concerned. 28 % of men indicated a permanent job as the main source of capital, and 10,53 % of men indicated a temporary job as the main source of capital, which is respectively 14,76 and 2,7 percentage points more than in the case of women. Much higher percentage of working male students

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entails higher significance of financing education by employers. This source was indicated by three times as many men as women. Additionally, 3,16 % of men rated this form of financing as crucial, whereas only 1,01 % of women did the same.

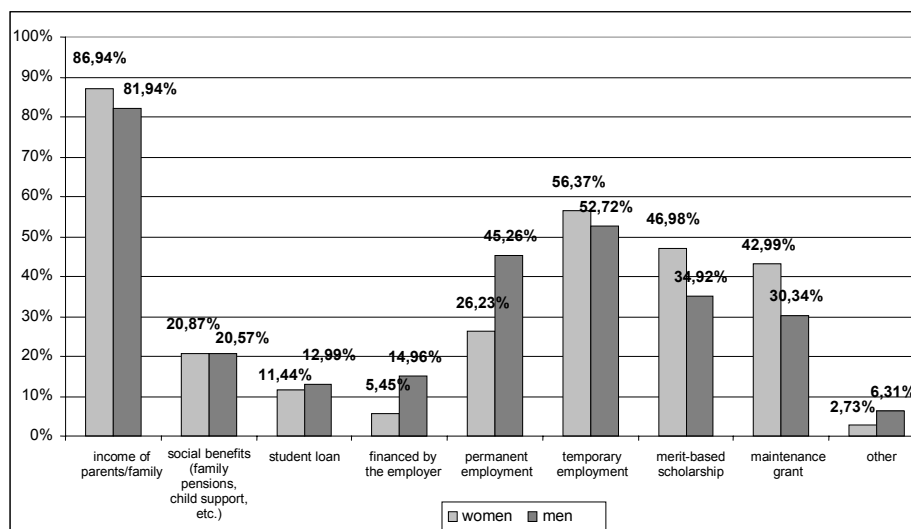


Figure 2. The percentage of students indicating different categories of income, taking respondents' sex into consideration (respondents were to indicate three most important factors)

Source: Author's own study based on a survey.

Comparative analysis of both populations shows much higher role of grants in financing the education of women, both in the context of merit-based scholarships and means-tested grants. In the population of female students, almost 47 % of people indicate the essential role of merit-based scholarships, which is higher by 12 percentage points as compared to the group of male students. A similar discrepancy can be seen in the case of means-tested grants, where almost 43 % of women and fewer than 30 % of men indicate this form of financing. Moreover, as far as this source is concerned, as many as 9,6 % of female students rate it as crucial, which is 5 percentage points higher in comparison with male students. This result proves that women more often use the support of the state and have greater access to merit-based grants due to the fact they have higher achievements.

The significance of student loans in financing education is similar in both groups. Among both women and men the percentage of students indicating this form of financing amounts to 12 %. The percentage of respondents rating this category as dominant is also similar (almost 3 %).

Table 2

The percentage of students rating different categories of income, taking respondents' sex into consideration (in %)

Category of income	Rating (women)			Rating (men)		
	1	2	3	1	2	3
1	2	3	4	5	6	7
Income of parents/family	56,57	16,28	14,10	41,58	17,07	23,29
Social benefits (family pension, child support, etc.)	5,81	7,85	7,21	5,79	7,93	6,85

ФІНАНСИ. БАНКІВСЬКА СПРАВА*Continuation of the table 2*

1	2	3	4	5	6	7
Student loan	2,78	4,07	4,59	2,63	4,88	5,48
Financed by the employer	1,01	1,16	3,28	3,16	4,27	7,53
Permanent employment	13,13	7,85	5,25	27,89	9,15	8,22
Temporary employment	7,83	20,35	28,20	10,53	24,39	17,81
Merit-based scholarship	3,03	22,97	20,98	3,16	14,63	17,12
Maintenance grant	9,60	18,31	15,08	4,21	15,85	10,27
other	0,25	1,16	1,31	1,05	1,83	3,42

* The respondents had to indicate the three most important categories of sources and rate them from 1 (the most important) to 3 (the least important)

Source: Author's own study based on a survey.

Comparative analysis of both groups shows substantial discrepancies in the use of particular sources of financing expenses connected with education. Although in both cases parents' income is indicated as the most popular, the role of this form of financing in the case of cost free studies is much higher. The evidence is provided by great number of students rating this type of income as important (91,43 %) as well as the percentage of students rating this category as crucial (66,1 %). In the case of the students who pay fees, the analyzed values are much lower, especially as far as the latter variable is concerned, where the percentage of respondents rating parents' income as crucial is almost half as high, amounting to 36,52 %. Therefore, the increased cost of education connected with extra expenses makes students look for extra sources of earning their living. What can explain this situation is the fact that extramural students prevail in this group. They frequently have their own families and earn their living by working, treating the studies as a way to improve their position in the market.

It is confirmed by the analysis of employment as a source of financing education in both populations. In the case of students who pay for the studies, almost 52 % of the respondents rate this category as very important, which is higher by 38,48 percentage points as compared to the other group. Moreover, 30 % of students who have to pay fees indicate that their employment is the main source of financing their education. Comparatively, this percentage in the other group comes to only 5,42 %. This situation also translates into higher participation of employers in financing education as far as the students who pay for their studies are concerned. In this group three times as many students rate this form of financing as important and 2,5 % of respondents rate it as crucial.

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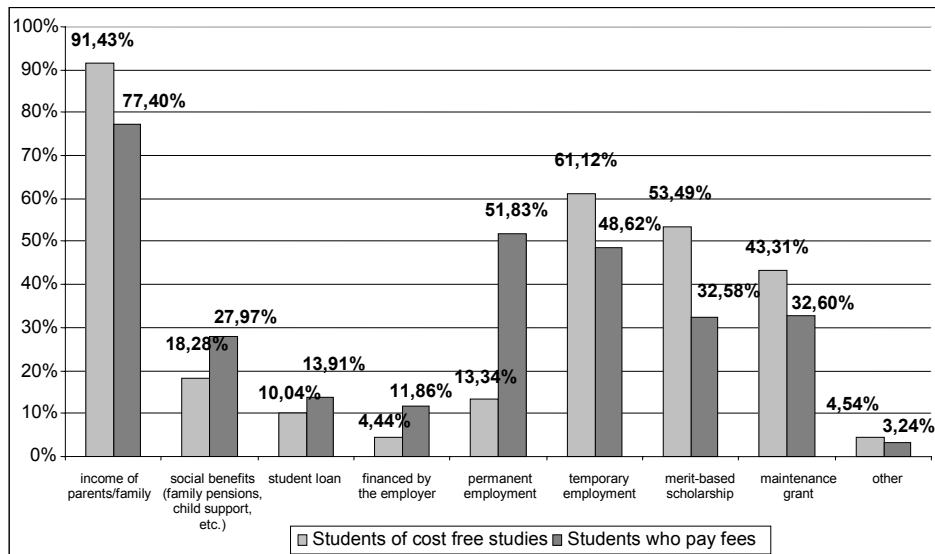


Figure 3. The percentage of students of cost free studies and students who pay fees rating individual categories as important

Source: Author's own study based on a survey.

The data showing the influence of having a temporary job on financing education are very interesting. This time, a higher percentage of the students of cost free studies (61,12 %) rates this source as essential for financing education, the difference being 12,5 percentage points. However, it is worth noticing that in this population the income from a temporary job is considered supplementary to other means, especially those coming from the parents. It is confirmed by a small group of people rating this income as most important (5,76 %). As far as the students who pay fees are concerned, lower percentage of them indicate this category as essential (48,62 %). However, the role of these means is crucial for a bigger group - 11,7 % of the respondents rated this factor as most important. Therefore, we can assume that a substantial group of students who pay fees try to find a job as they want to cover high costs of their education. Nevertheless, the difficult situation in the market makes it impossible for them to find a permanent job, and consequently they have to finance their education from temporary earnings. It is not uncommon that this form of financing is connected with looking for a job outside Poland. A few-month trip will allow a student to earn the means for continuing the education.

What is surprising is the fact that there are little discrepancies in the case of the analysis of a student loan as a source of financing education. One could expect that higher costs which students paying fees have to cover will encourage them to use repayable instruments. The discrepancies between the two groups are slight, amounting to less than 4 percentage points. Additionally, almost identical percentage of students rate a loan as a crucial source of income (a little more than 2,5 %).

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Table 3

The percentage of the students of cost free studies and the students who pay fees rating different categories (in %)

Category of income	Rating (students of cost free studies)			Rating (students who pay fees)		
	1	2	3	1	2	3
Income of parents/family	66,10	12,11	13,22	36,52	21,22	19,65
Social benefits (family pension, child support, etc.)	5,42	6,25	6,61	6,38	9,80	11,79
Student loan	2,71	4,69	2,64	2,84	4,08	6,99
Financed by the employer	1,02	0,78	2,64	2,48	3,27	6,11
Permanent employment	5,42	3,52	4,41	30,50	13,47	7,86
Temporary employment	5,76	21,88	33,48	11,70	21,63	15,28
Merit-based scholarship	3,39	28,52	21,59	2,84	11,84	17,90
Maintenance grant	9,83	20,70	12,78	6,03	13,47	13,10
other	0,34	1,56	2,64	0,71	1,22	1,31

* The respondents had to indicate the three most important categories of sources and rate them from 1 (the most important) to 3 (the least important)

Source: Author's own study based on a survey.

The research shows that the students who do not pay fees have better access to state benefits. It especially refers to merit-based scholarships, where the percentage of the students of cost free studies indicating this form of financing comes to 53,49 %, which is higher by 21 percentage points as compared to the students in the other group. The population of those who rate this category as crucial is also higher.

As for the maintenance grants, the discrepancy between the two groups is smaller, amounting to less than 11 percentage points. However, among the students of cost free studies there are many who rate this source as crucial (9,83 %). Comparatively, in the other group this percentage comes to a little more than 6 %. This situation should be assessed negatively, as the smaller part of the state support is directed at people who bear higher expenses for education as they have to pay fees. It is worth mentioning though that the recent legal changes have decreased these disproportions.

To summarize, it must be stated that parents' income is the most common and important source of financing studies. Employment also plays a significant role, but in the case of a permanent job it is the main source of financing, and in the case of a temporary job it is a way to acquire supplementary means for education. Another common source of supplementary means for financing education is the grants, especially merit-based scholarships. The research has shown that the interest in financing studies by means of student loans is relatively low.

Comparing the use of different sources of financing education among women and men, we notice that the former rely more on parents' income and grants. On the other hand, the latter more often have to look for the means to cover the expenses and consequently take a job, especially a permanent one, which becomes their main source of earning a living.

In the case of the students of cost free studies, parents' income and grants are of higher significance. The students, who pay fees, more often acquire the means to cover the expenses on education thanks to a permanent job. There is also a difference in treating a temporary job by the two groups. For the students

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who have to pay fees it is often the main source of income, whereas for the other group it is only a source of supplementary income.

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