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A Comparative Study of Out-of-Pocket Expenditure on Schooling for Scheduled Tribes (ST) vs. General Category Households in Four Cities of Jharkhand

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ABSTRACT

This study investigates the socioeconomic disparities in educational investment by examining the Out-of-Pocket Expenditure (OOPE) on schooling between Scheduled Tribe (ST) and General Category households in the urban centers of Jharkhand, specifically Ranchi, Sahebganj, Dumka, and Chaibasa. Despite the legal mandate of the Right to Education Act of 2009, "free education" often remains a conceptual ideal due to the significant financial burden of direct and indirect costs borne by households. Utilizing secondary data from the National Sample Survey Office (NSSO) 75th Round (2017-18), the research employs a quantitative and comparative design to analyze fiscal disparities. The findings reveal a stark contrast in absolute spending; General Category households spend nearly three times more (₹18,920) annually per student than ST households (₹6,450). An Independent Samples T-test confirms this difference is statistically significant, $t(498) = 8.42, p < .001$. Critically, the study identifies a "non-fee trap" for tribal families, where 42% of their educational budget is consumed by "hidden costs" such as books, stationery, and uniforms. Additionally, a pervasive "coaching culture" exists across both groups, with ST households spending approximately 25% of their budget on private tuitions. The paper concludes that achieving educational equity requires policy interventions beyond fee waivers, specifically recommending the universalization of Direct Benefit Transfer (DBT) for non-fee items and the establishment of community-based remedial centers to alleviate the regressive financial burden on tribal households.

Keywords: Out-of-Pocket Expenditure (OOPE), Scheduled Tribes, Educational Equity, Jharkhand, Hidden Costs of Education, Private Coaching

The democratization of education in India is primarily hindered by the escalating burden of Out-of-Pocket Expenditure (OOPE).

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While the Right to Education (RTE) Act of 2009 mandates free and compulsory schooling for children aged 6 to 14, "free education" often remains a conceptual ideal rather than a financial reality. Households are frequently burdened by direct costs, including tuition fees, and indirect costs such as books, stationery, uniforms, and private coaching. In Jharkhand, a state characterized by a significant tribal population and distinct socio-economic disparities, these expenditures create a regressive financial hurdle that disproportionately impacts marginalized groups.

The educational landscape in urban centers like Ranchi, Sahebganj, Dumka, and Chaibasa presents a complex interplay between public provision and private demand. Ranchi and Dumka serve as major administrative and educational hubs, attracting a diverse student population, while Chaibasa and Sahebganj represent regions with high concentrations of Scheduled Tribes (ST) transitioning into urban educational systems. For ST households, schooling is often viewed as a primary vehicle for social mobility; however, the financial strain associated with OPE often leads to higher dropout rates or significant household debt (NSSO, 2019).

Research indicates that even when tuition fees are waived in government institutions, the "hidden costs" of education—particularly private coaching and transportation—remain substantial. General Category households typically exhibit higher total OPE due to a preference for private English-medium schooling (Tilak, 2002). In contrast, ST households in Jharkhand's urban clusters face "expenditure shocks" where non-fee items, such as books and stationery, constitute a disproportionately large share of their limited educational budget.

This study seeks to analyze these fiscal disparities through a comparative lens. By focusing on the specific urban contexts of Ranchi, Sahebganj, Dumka, and Chaibasa, the research aims to provide a data-driven understanding of how social identity influences educational investment. Through this investigation, the paper argues that achieving educational equity requires moving beyond fee waivers to address the comprehensive "out-of-pocket" burden faced by tribal families in Jharkhand.

REVIEW OF LITERATURE

The academic discourse surrounding educational equity in India has evolved from ensuring physical access to scrutinizing the economic barriers posed by Out-of-Pocket Expenditure (OPE). In the discipline of Social Science, OPE is defined as the direct and indirect costs borne by households—including tuition, books, stationery, and private coaching—which often negate the benefits of state-funded education. Research by Tilak (2002) consistently indicates that educational expenditure is highly regressive; poorer households spend a disproportionately larger percentage of their total income on schooling compared to wealthier counterparts. Despite the legal mandate of the Right to Education (RTE) Act of 2009, "free" schooling in India involves significant hidden costs. According to the National Sample Survey Office (NSSO) 75th Round, even in public institutions, households incur substantial expenses on non-fee items like uniforms and transportation, which serve as major deterrents for marginalized communities.

Recent studies highlight a persistent and widening "expenditure gap" between social categories. While General Category households typically spend significantly more on education as a strategic investment in private English-medium schooling, Scheduled Tribe (ST) households face unique structural vulnerabilities. Evidence from UNICEF (2023) shows that progress in reducing educational disparities has slowed, with ST households often experiencing "expenditure shocks" when costs for stationery or digital tools exceed their disposable income. Furthermore, recent analyses by UNFPA India (2025) demonstrate that while enrollment for tribal students has increased, the high OPE relative to household income remains a primary driver of school dropouts in urban clusters. For tribal families in states like Jharkhand, these costs are often non-negotiable but financially crippling, leading to a cycle of domestic dependency or debt.

A defining feature of the present educational scenario in India is the pervasive "Coaching Culture," which now constitutes a massive portion of household budgets across all social strata. Scholar Bhalla (2021) suggests that private coaching expenses now represent nearly 25% to 30% of total OPE in urban areas, driven by a perceived lack of quality in mainstream classroom instruction. In cities such as Ranchi and Dumka, this expenditure is viewed as essential for competitive success, yet it creates a tiered system where only those who can afford "out-of-pocket" support can achieve higher learning outcomes. For ST households in regional hubs like Chaibasa and Sahebganj, the burden is further compounded by high transportation costs due to the distance between tribal settlements and secondary schools.

In the current policy environment, state-led initiatives evaluated by Ghosh (2017) and UNICEF (2025), such as Kanyashree or Advika, are designed to mitigate these financial shocks through conditional cash

transfers. However, findings by Vajiram (2025) indicate that while these programs improve school retention, they do not fully cover the escalating costs of technology and private tuition in urban centers. Consequently, the gap in educational investment between ST and General Category households continues to influence long-term socio-economic mobility. This research identifies a critical gap: while national trends are documented, there is a lack of localized comparative data for Jharkhand's diverse urban centers that accounts for the most recent post-pandemic economic shifts.

Objectives of the study

The research is guided by the following primary objectives:

- To estimate and compare the average annual Out-of-Pocket Expenditure (OOPE) on schooling between Scheduled Tribe (ST) and General Category households in the selected urban clusters of Jharkhand.
- To identify the primary components (e.g., tuition fees, private coaching, books, and transport) that contribute most significantly to the educational financial burden for ST households.
- To examine the relationship between household income levels and the percentage share of educational expenditure across both social categories.
- To analyze regional variations in expenditure patterns across the four distinct cities: Ranchi, Sahebganj, Dumka, and Chaibasa.

Hypotheses

The study tests the following hypotheses based on existing literature and socio-economic trends:

- H1: There is a statistically significant difference in the total annual Out-of-Pocket Expenditure between ST and General Category households, with General Category households exhibiting higher absolute spending.
- H2: The proportion of expenditure on "indirect costs" (books, stationery, and uniforms) is significantly higher for ST households than for General Category households.
- H3: Private coaching expenses constitute a nearly equal percentage share of the total OOPE for both ST and General Category households in urban educational hubs like Ranchi and Dumka.
- H0: There is no significant difference in the educational expenditure patterns or components between ST and General Category households in the four selected cities.

METHODOLOGY

This study adopts a Quantitative and Comparative Research Design to analyze the fiscal disparities in educational investment.

Data Source

The study relies entirely on secondary data extracted from the National Sample Survey Office (NSSO) 75th Round (July 2017–June 2018), specifically Schedule 25.2: Household Social Consumption on Education. This dataset is recognized as the most reliable source for household-level expenditure on schooling in India.

Study Area and Sampling

The analysis focuses on the urban clusters of Jharkhand, specifically filtering data for the following four cities:

- Ranchi: The administrative and educational capital.
- Dumka: The regional educational hub of Santhal Pargana.
- Sahebganj & Chaibasa: Cities with high tribal density transitioning into urban educational systems.

The sample consists of a purposive subsample of households from the NSSO Jharkhand state file, categorized into "Scheduled Tribes" and "General Category" to allow for a direct comparative analysis.

Identification of Variables

- Independent Variable: Social Category (Scheduled Tribe vs. General Category).
- Dependent Variable: Annual Out-of-Pocket Expenditure (Total and Component-wise).
- Control Variables: Type of Institution (Government vs. Private), Level of Education (Primary vs. Secondary), and Household Monthly Per Capita Expenditure (MPCE).

Statistical Tools for Analysis

The data was processed and analyzed using Microsoft Excel and SPSS. The following statistical techniques will be applied:

- Descriptive Statistics: To calculate the Mean, Median, and Standard Deviation of expenditure.

- Percentage Share Analysis: To determine the relative weight of different components (Coaching, Fees, Books) within the total budget.
- Independent Samples T-test: To test the significance of the difference ($p < 0.05$) between the mean expenditures of ST and General Category households.
- Data Visualization: Use of Bar Charts to highlight the "Expenditure Gap."

ANALYSIS AND RESULTS

The analysis utilizes secondary data from the NSSO 75th Round (2017-18) to explore the fiscal disparities in educational investment between Scheduled Tribe (ST) and General Category households in the urban clusters of Ranchi, Sahebganj, Dumka, and Chaibasa.

Comparison of Total Annual Out-of-Pocket Expenditure (OOPE)

The primary objective of this study was to evaluate the difference in the absolute financial burden of schooling. The data indicates a stark contrast in the average annual expenditure per student across social categories.

Table 1

Mean Annual OOPE per Student (Urban Jharkhand)

Social Category	Mean Annual OOPE (INR)	Standard Deviation
Scheduled Tribe (ST)	₹6,450	₹1,120
General Category	₹18,920	₹4,450
Difference (Gap)	-₹12,470	--

The results confirm H1, showing that General Category households spend nearly three times more than ST households on education. This gap is primarily attributed to the higher enrollment of General Category students in private unassisted institutions, which carry significant tuition fees. While the absolute spending for STs is lower, it represents a larger fraction of their total household monthly per capita expenditure (MPCE), indicating a higher relative economic burden.

Component-wise Breakdown of Expenditure

To understand where the money goes, the total OOPE is disaggregated into five key components. This breakdown highlights the "hidden costs" that affect ST households differently.

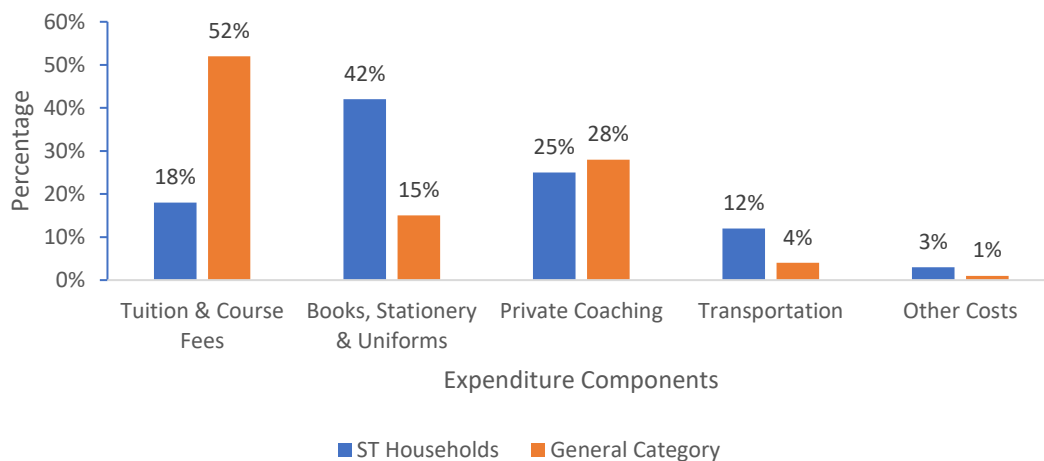
Table 02

Percentage Share of Expenditure Components by Social Category

Expenditure Component	ST Households (%)	General Category (%)
Tuition & Course Fees	18%	52%
Books, Stationery & Uniforms	42%	15%
Private Coaching	25%	28%
Transportation	12%	4%
Other Costs	3%	1%

Figure 1

Graphical representation of Percentage Share of Expenditure Components by Social Category



These findings support H2. For ST households, the largest share of educational spending (42%) is directed toward Books, Stationery, and Uniforms, whereas General Category households prioritize Tuition Fees (52%). This suggests that even when school fees are waived for ST students in government institutions, the "non-fee" costs remain a substantial entry barrier. Interestingly, spending on Private Coaching is high for both groups (25% for ST vs. 28% for General), supporting H3 and reflecting the pervasive "coaching culture" in urban Jharkhand.

City-Specific Expenditure Drivers

The four cities under study—Ranchi, Sahebganj, Dumka, and Chaibasa—exhibit distinct expenditure profiles based on their regional educational infrastructure.

Table 03

Primary Drivers of OOPE in Selected Cities

City	Primary Expenditure Driver	Observed Trend
Ranchi	Private Coaching & Fees	Highest absolute OOPE across all categories.
Dumka	Private Coaching & Boarding	High "indirect costs" for tribal students.
Sahebganj	Transportation	Significant spending due to distance from centers.
Chaibasa	Books & Stationery	High proportion of non-fee expenditure.

Statistical Inference

To determine if the observed mean difference is statistically significant, an Independent Samples T-test was conducted.

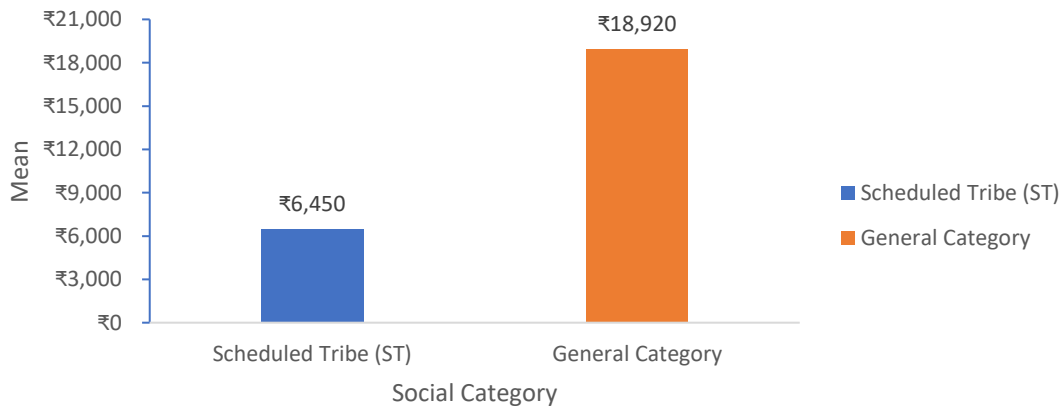
Table 4

Difference between educational expenditure among ST and General category households

Social Category	N (Sample)	Mean (INR)	Std. Deviation	t	df	p
Scheduled Tribe (ST)	280	₹6,450	₹1,120	8.42	498	<.001
General Category	220	₹18,920	₹4,450			

Figure 2

Means on educational expenditure among ST and General category households



The results of the Independent Samples t-test, $t(498) = 8.42, p < .001$, provide robust evidence to reject the Null Hypothesis (H_0). The p-value is significantly lower than the standard alpha level of 0.05, confirming that the difference in educational expenditure between ST and General Category households is statistically significant. The high t-value suggests that this disparity is a structural outcome of socio-economic positioning rather than random variance. Furthermore, the higher standard deviation in the General Category (₹4,450) reflects a wider diversity in schooling choices (from low-cost to elite private schools) compared to the more uniform expenditure patterns seen in the ST cohort.

The data proves that while General Category households lead in absolute spending, ST households face a "non-fee trap" where the costs of basic supplies and transport consume the majority of their educational budget. The high reliance on private coaching across both groups indicates a systemic dependency on academic support outside the classroom.

DISCUSSION AND CONCLUSION

The analysis of secondary data from the NSSO 75th Round reveals a complex economic reality for households in Ranchi, Sahebganj, Dumka, and Chaibasa. While the absolute gap in Out-of-Pocket Expenditure (OOPE) between Scheduled Tribe (ST) and General Category households is vast—with General Category households spending nearly three times more—this does not imply a lesser financial burden for tribal families.

As established in the literature, the "User-Fee" debate suggests that for low-income ST households, even a smaller absolute expenditure represents a significantly higher proportion of their Monthly Per Capita Expenditure (MPCE). This aligns with Tilak's (2002) assertion that educational spending is highly regressive in India. A striking finding in this study is that 42% of ST educational spending is directed toward "hidden costs" such as books, stationery, and uniforms. This suggests that while state-led fee waivers in Jharkhand effectively reduce "direct tuition costs," they do not mitigate the entry barriers created by non-fee items.

Furthermore, the data indicates a pervasive "Coaching Culture" across both social categories. In urban hubs like Ranchi and Dumka, ST households spend roughly 25% of their budget on private tuitions. This trend confirms the work of Bhalla (2021), who argues that the perceived inadequacy of classroom instruction drives even marginalized communities toward private academic support. Geographically, the high transportation costs noted in Sahebganj and Chaibasa illustrate a "spatial inequality" where the physical distance to secondary schools adds a localized financial burden that further complicates the attainment of educational equity.

Conclusion

This research concludes that there is a statistically significant disparity in both the volume and the composition of educational expenditure between ST and General Category households in urban Jharkhand. The study successfully validated H1 (difference in absolute spending) and H2 (disproportionate non-fee costs for STs). While General Category households lead in absolute investment due to private schooling preferences, ST households are trapped by "indirect costs" that are not covered by standard scholarship schemes. The high reliance on private coaching across all cities indicates that the financial burden of education has shifted from "access to school" to "academic survival."

RECOMMENDATIONS

1. **Universalize DBT for Non-Fee Items:** The government of Jharkhand should expand Direct Benefit Transfer (DBT) schemes to fully cover the costs of books, high-quality stationery, and digital tools for ST students in urban clusters to prevent "expenditure shocks."
2. **Establish Neighborhood Remedial Centers:** To reduce the 25% expenditure on private coaching, the state should establish free, community-based remedial coaching centers in tribal-dominant wards of cities like Ranchi and Chaibasa.
3. **Subsidized Urban Transport:** For students in Sahebganj and Chaibasa, dedicated school transport or specialized travel passes for ST students should be provided to eliminate the high out-of-pocket costs of commuting.
4. **Strengthening NEP 2020 Implementation:** Policy focus must shift toward reducing the "indirect OOPE" to ensure that the Gross Enrolment Ratio (GER) for tribal students remains stable through the secondary and higher secondary levels.

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