

PRESS RELEASE

Bank of Scotland has examined the changing cost and affordability of private schools in Scotland over the period 2002 to 2012. Data has been sourced from the Independent Schools Council (ISC) census and the ONS. All figures relate to the average fees for day pupils unless stated otherwise. All earnings figures are sourced from the ONS Annual Survey of Hours and Earnings survey and are based on estimated average annual earnings for full-time employees.

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PRIVATE SCHOOL FEES IN SCOTLAND RISE AT NEARLY TWICE THE RATE OF INFLATION IN THE PAST DECADE

Private school fees in Scotland have increased by an average of 63% in the past decade, according to latest research by Bank of Scotland - a rate of growth that is 1.7 times faster than the increase in the Retail Price Index (37%) over the same period. Since 2002 the average annual private school fee has increased from £6,039¹ to £9,816 in 2012.

Over the same period, on average fees have increased by 68% in Britain as a whole, just ahead of the growth seen in Scotland's private schools. The largest rises have been in Greater London and the South West with fees increasing in both regions by 79% over the decade. Outside Scotland the lowest average increases were in the West Midlands (53%) and the North (60%).

The average fee of £9,816 charged by Scotland's private schools is 14% below the average for the UK as a whole (£11,457) and 27% below those paid by parents in Greater London (£13,359) which are the highest. Only in the North² of England (£9,171) are average fees lower than in Scotland.

Growth in annual fees lower than the rise inflation since 2007

Private school fees have increased significantly more slowly in the last five years than during 2002 to 2007. Since the start of the economic and financial downturn in 2007, the average annual private school fee in Scotland has grown by 16%. During the same period the RPI rose by 18%.

Private school fees have increased as a proportion of average earnings³

The average annual private school fee in 2012 of £9,816 is equivalent to 33% of annual average gross full-time earnings of £30,162 in Scotland; in 2002 the comparable ratio was 27%. With school fees rising by significantly more than the rate of inflation, it has become more difficult for the average earner in many occupations to send their children to private school.

As a result of school fee inflation, there are several relatively well paid occupations - such as those who are architects, IT professionals, engineers and scientists - where someone on the average earnings for that occupation can no longer send their child to private school without assistance from other sources. In 2002, someone employed in these professions, on average earnings, would have been able to afford to send their child to a private school⁴. (Private school fees are deemed to be affordable for an occupation if they represent 25% or less of gross average annual earnings for someone in that occupation.)

Parents earning the average salary in occupations such as production management, accounting, construction and aviation face the smallest financial burden in sending their child to a fee paying school with the average annual private school fee representing around a fifth (22%) of their annual average gross earnings.

Private school pupil numbers has remained stable over the past decade

The total number of pupils in Scotland's private schools⁵ has remained stable at around 27,850 over the decade to 2011. Since 2007 there has been a slight decline of just 2% in pupil numbers.

Willie Raeburn, head of Bank of Scotland Private Banking, commented:

"Private school fees have increased significantly more than inflation in Scotland over the past ten years, making it increasingly difficult for the average worker in many occupations to afford a private school education for their family.

"All parents want to ensure their child receive the best education to help ensure a secure future. It has, therefore, become increasingly vital that parents plan their finances as early as possible if they want private schooling for their children"

Table 1: Average Annual Private School Fees by Region 2002-2012

Region	2002	2007	2012	5 Year % change	10Year % change
Scotland	£6,039	£8,427	£9,816	16%	63%
North	£5,721	£7,944	£9,171	15%	60%
Wales	£6,228	£8,763	£10,266	17%	65%
West Midlands	£6,558	£9,114	£10,032	10%	53%
East Midlands	£6,402	£8,874	£10,842	22%	69%
East Anglia	£6,711	£9,396	£11,667	24%	74%
South West	£6,699	£9,513	£12,006	26%	79%
Greater London	£7,473	£10,587	£13,359	26%	79%
South East	£7,656	£10,908	£12,879	18%	68%
Great Britain	£6,820	£9,627	£11,457	19%	68%

Source: ISC

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EDITORS' NOTES:

Notes:

¹ In 2007 the ISC introduced a new methodology for calculating fees, which based on 2008 and 2009 figures are about 6.6% lower than the old methodology. The 2002 average annual day fee of £6,039 is based on the old methodology.

² North includes the North East as well the North West.

³ All earnings figures are sourced from the ONS Annual Survey of Hours and Earnings survey and are based on estimated average annual earnings for full-time employees. ASHE data for 2011 has been uplifted by national average earnings growth to calculate 2012 estimates.

⁴ Private school fees are deemed to be affordable for an occupation if they represent 25% or less of gross average annual earnings for someone working in that occupation. This is a benchmark to facilitate analysis. Many parents sending children to private school will have two sources of income. On the other hand, many parents pay for private education for more than one child. Both factors have been ignored for the sake of simplicity.

⁵ From Scottish Council of Independent Schools

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