



The Czech System of Financial Support for University Students: flawed, full of loopholes, and outdated¹

DANIEL MÜNICH* AND JIŘÍ SLABÝ*

Summary

- Direct financial support for university students in the Czech Republic is extremely low by EU27 and OECD standards. It is distributed broadly and is targeted only ineffectively towards economically disadvantaged students. Indirect support is primarily provided through income tax deductions and parental tax bonuses, which limits and can even exclude support for students from weaker socioeconomic backgrounds. Almost all forms of support end when a student reaches the age of 26, despite a significant number of older students. Due to budgetary constraints, the Czech Republic has not yet introduced a long-term self-financing system of regulated student loans or repayable grants, which exist in a number of OECD countries.
- Extremely weak and poorly targeted support for students in the Czech Republic contributes to the long-standing high dependency of higher education on students having university-educated parents and their ability and willingness to provide financial and material support during their adult child's studies. The low level of public support contributes to a high incidence of students engaging in paid work during their studies, prolonged study periods, and a high dropout rate in Czech higher education. This is very costly both for the students themselves and for taxpayers, and the country also loses valuable talent as a result.
- The Czech system of financial support for students requires fundamental structural modernization. This should involve increasing the share of direct support, better targeting of those in socio-economic need, and regular indexation in line with wage growth and living costs, along with more available student housing. When public funds are restricted, a system of repayable support in the form of regulated student loans or repayable grants should be enacted.
- Social, professional, and political perception of the need for systemic reform of student support has long been low. In the vast majority of published election programs to date, this topic has received only marginal attention, and most current political parties and movements had not yet published their programs at the time this study was released.

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* CERGE-EI, a joint workplace of Charles University and the Economics Institute of the Czech Academy of Sciences.