Aaron Reeves Sam Friedman September 4th, 2025

Taxing private schools won't smash the class ceiling

*The removal of the VAT exemption on private schools has been met with a panic about the demise of the sector and the financial impact on parents wanting to privately educate their children. But as **Aaron Reeves** and **Sam Friedman** argue, the effects of the policy on private schools as well as to the advantages their graduates enjoy has been next to zero. It's a mostly sympbolic move on the part of the Labour Government, whose mission of "smashing the class ceiling" needs to focus not just on private schools, but elite university admissions.*

Over the last 12 months, The Times and The Telegraph (including their Sunday editions) have published around 330 stories which touch on removal of the VAT exemption from private schools. That is, nearly one article every day (The Guardian, by contrast, have only published 58 pieces). Many of those have told stories of alarmed families turning their back on these schools and highlighted stories of families who are struggling to make ends meet. Indeed, one report highlighted that a household earning £100,000 per year would be forecast – if they sent two children to private school – to "be worse off than a couple on minimum wage with no children at private school".

This debate has recently been reignited by two articles both of which seem to be claiming that the removal of the VAT exemption for private schools has – as many had warned – been doing real harm to the sector. In June, The Daily Telegraph claimed that "Private school numbers down by 11,000 in wake of VAT raid" and then in August The Times claimed that over 50 schools have closed since the VAT change.

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Both claims are rather misleading. First, most of this decline in student numbers is likely due to overall declines in student numbers as low birth rates work their way through the education system. Once you subtract this expected decline, then the excess decline in student numbers is around 3400 pupils, a far smaller number which may itself be explained by many other factors. Second, around 50 private schools close every year and so the figure this year is exactly what you'd expect. In fact, the number of private schools actually increased over the last 12 months, suggesting that the sector is doing just fine.

The power of public schools remains unchanged

The absence of any meaningful change in private school number suggests that removing this tax break has done little to weaken the power of Britain's most prestigious schools. In our recent book, *Born to Rule*, we analysed the entire 125-year catalogue of *Who's Who* – Britain's longstanding catalogue of "influential and noteworthy" individuals – and uncovered some pretty startling statistics about the enduring stranglehold these schools have maintained on who makes it into the British elite. Even with a notable decline in their power, the alumni of our nine most elite private schools – the group of Clarendon Schools that include Eton, Harrow and Winchester – are still today fifty-two times more likely to reach the British elite than those who attend any other type of school. These schools may educate less than 0.2 per cent of all UK schoolchildren but they have schooled 67 per cent of all serving prime ministers and 53 per cent of all the greater officers of state – that's home secretaries, foreign secretaries, chancellors, and prime ministers.

Reflecting on this we, like many others, called for the end of the unfair VAT tax break for private schools. But we also argued that if the government is really serious about "smashing the class ceiling" they need to go much further.

Elite university admissions must change next

We propose that Russell Group universities should restrict the proportion of privately educated students they can accept in a given year to 10 percent. This is the proportion of people in the UK that have attended a private school at some point in their education. This would reduce the proportion of privately educated students at these universities by around 50 percent.

Why would we want to make it harder for what many perceive as the best schools to send their students to elite universities? Well, even if we do accept that they are "better" (which is not entirely clear), their propulsive power far outstretches what they offer in terms of academic excellence. Their stranglehold on elite recruitment, we believe, is perverse and makes a mockery of the idea that access to elite positions in Britain is meritocratically achieved. Many of the British public agree. Around 45 percent think private schools "harm Britain" because "they reinforce privilege and social divisions, give children from better-off families an unfair advantage and undermine the state school system."

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One of the reasons the UK cannot loosen the grip of these schools on elite positions is precisely because they are so successful at getting their alumni into elite universities. Access to elite positions today is rarely possible simply because you went to Eton. Attending an elite university has become increasingly important: nearly 40 per cent of Britain's elite attended Oxford and Cambridge and the alumni of private schools remain massively over-represented at all Russell Group universities.

Making it harder for the alumni of these schools to get into the best universities would loosen the grip that these schools have on one of the key pipelines through which people are able to gain access to elite positions. Of course, introducing this limit in the propulsive power of these schools will not eradicate parents' desire for private education, but it would probably dramatically quell demand and direct many parents back to the state sector.

Educational inequalities are incredibly durable and this reform will not entirely remove the desire of affluent parents to "buy" school quality. But this reform has a broader symbolic value which goes beyond the direct effects of changing admissions, one which reinforces the intuition that the school you attended should not have a disproportionate impact on your life chances. The changes to VAT are a welcome reform to an unjust tax break. But if one of Labour's key "missions" really is to "increase opportunity for everyone", then it clearly does not go nearly far enough.

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About the author

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Aaron Reeves is Professor of Sociology at LSE. His work studies the causes and consequences of social inequality, with a focus on the political economy of health, welfare reform, and processes of elite formation.

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Sam Friedman is Professor at the Department of Sociology, LSE. is a sociologist of class and inequality, and his research focuses in particular on the cultural dimensions of contemporary class division. He has recently finished a new book with Aaron Reeves entitled Born To Rule exploring how the British elite has changed over the last 120 years.

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