

Education spending

Annual expenditure per student on educational institutions provides an assessment of the investment made in each student. **On average, OECD countries spent USD 10 400 per student from primary through tertiary education in 2015** (Figure 5.10). Spending was highest in Luxembourg with USD 22 400 per child, followed by the United States, Norway and Austria. On the opposite end, spending was below USD 5 000 in Mexico and Turkey. Non-Members Brazil and the Russian Federation had education spending slightly higher than the low-spending OECD countries at around USD 5 000. Spending was also relatively low (between USD 6 000 and 9 000) in several Eastern European countries.

The corresponding share of national income is substantial: in 2015 OECD countries spent on average 5% of their GDP on educational institutions from primary to tertiary levels, ranging from 3.5% in Ireland to 6.4% in Norway.

Between 2010 and 2015, total expenditure on educational institutions from primary to tertiary levels as a share of GDP decreased by 4% across OECD countries, mainly due to slower increase in public expenditure on educational institutions compared with GDP (Figure 5.11). Spending decreased in 20 out of 28 countries for which data are available. Estonia, Ireland (mainly due a revision of its 2015 GDP), Lithuania and Slovenia had the largest negative change, while the Slovak Republic had the largest positive change mainly driven by a substantial increase in both public and private investment in tertiary education. Looking closer by level of education, average spending remained rather stable at tertiary level while it decreased at non-tertiary levels by a little over 6%.

On average across OECD countries, less investment is put in early education as compared with later years, ranging from around USD 8 500 spending per child in early childhood and primary levels to almost twice as much at the “Bachelor’s, master’s or doctoral” tertiary level (Figure 5.12). These averages mask a broad range of variation across countries. In early childhood education, spending per child ranges from USD 2 700 in Mexico to almost eight times more in Luxembourg at USD 20 500. Even so, investment in early education has been shown to improve equity. Targeting more resources to early childhood education, and in particular to disadvantaged children, is a major recommendation of the OECD’s Framework for Policy Action for Inclusive Growth, and a way to reduce inequalities.

Investing in vocational education is an important way to smoothen school-to-work transitions, particularly for

vulnerable youth. On average, countries spend almost USD 2 000 per student more on vocational programmes than on general programmes at upper secondary education. The gap is larger in countries with large enrolments in dual-system apprenticeship programmes, such as Austria, Germany and the Netherlands. At the same time, Australia, Norway, Slovenia and the United Kingdom spend less per student on vocational education than on general upper-secondary programmes.

Definition and measurement

Data on education spending per child is calculated using total annual spending from primary to tertiary education (including research and development activities) divided by the corresponding full-time equivalent enrolment. Figures are for public and private spending combined, and are reported in US dollars based on purchasing power parities for GDP from 2015.

The trends in expenditure on educational institutions in percentage of GDP also refer to the spending originating in, or generated by, the public and private sectors.

Levels of education are based on the International Standard Classification of Education (ISCED 2011), which distinguishes six levels of education, classified here into four groups: early childhood (ISCED-0), primary (ISCED-1), lower secondary (ISCED-2), upper secondary (ISCED-3), post-secondary non-tertiary (ISCED-4), short cycle tertiary (ISCED-5), and Bachelor, Master or Doctoral or equivalent (ISCED 6-7-8).

Further reading

OECD (2018), *Education at a Glance 2018: OECD Indicators*, OECD Publishing, Paris, <http://doi.org/10.1787/eag-2018-en>.

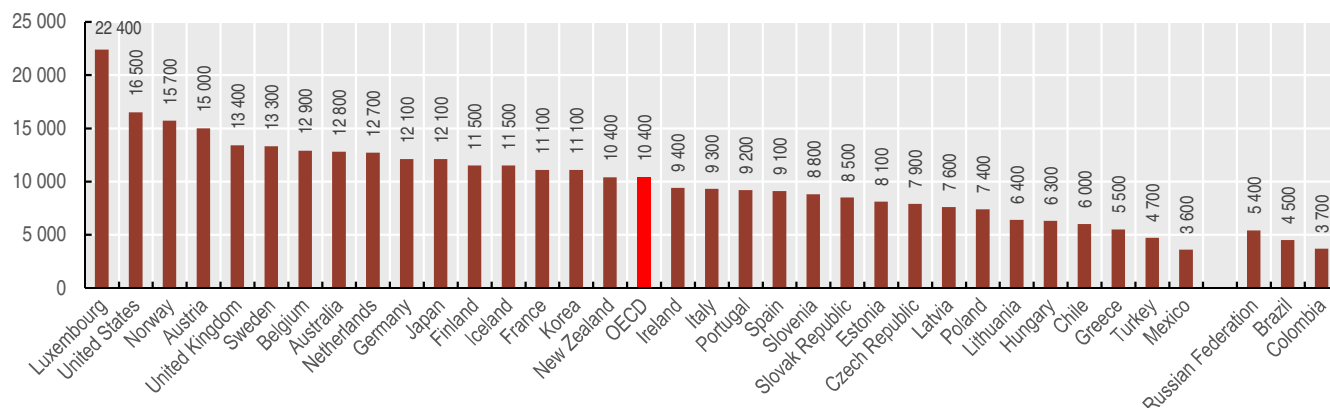
OECD Child Well Being portal, <http://oe.cd/child-well-being>.

Figure notes

Figure 5.10 and Figure 5.11: Data refer to 2016 for Chile and Colombia. In Canada, primary education includes data from pre-primary and lower secondary education.

5.10. Variation in per student education spending across the OECD

Annual expenditure on educational institutions per full-time equivalent student from primary to tertiary education, in equivalent USD converted using PPPs for GDP, in 2015

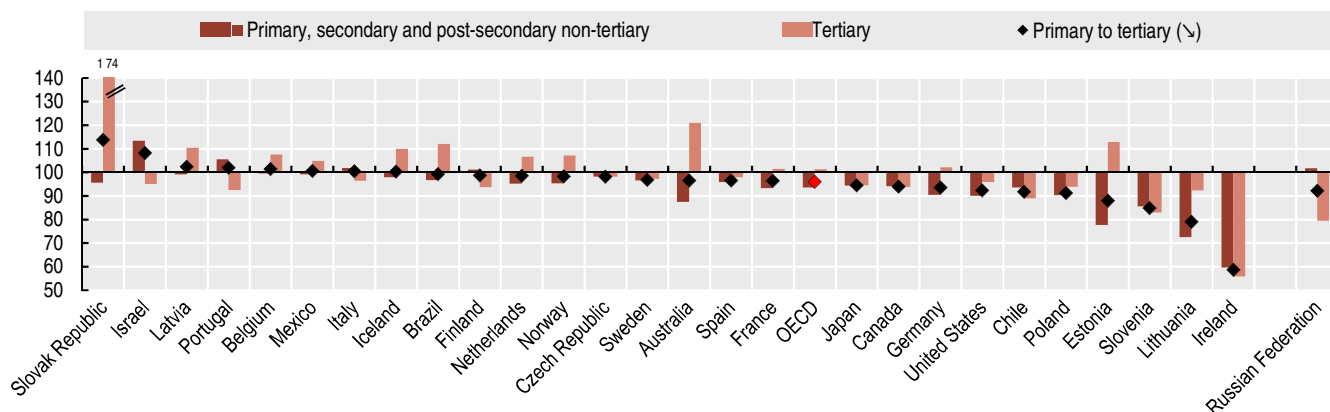


Source: OECD (2018), Education at a Glance 2018 – Indicator C1 – <http://dx.doi.org/10.1787/eag-2018-en>.

StatLink <http://dx.doi.org/10.1787/888933938914>

5.11. Decline in total education spending in percentage of GDP between 2010 and 2015

Changes in total expenditure on educational institutions as a percentage of GDP in 2015, by level of education, Index 100 in 2010

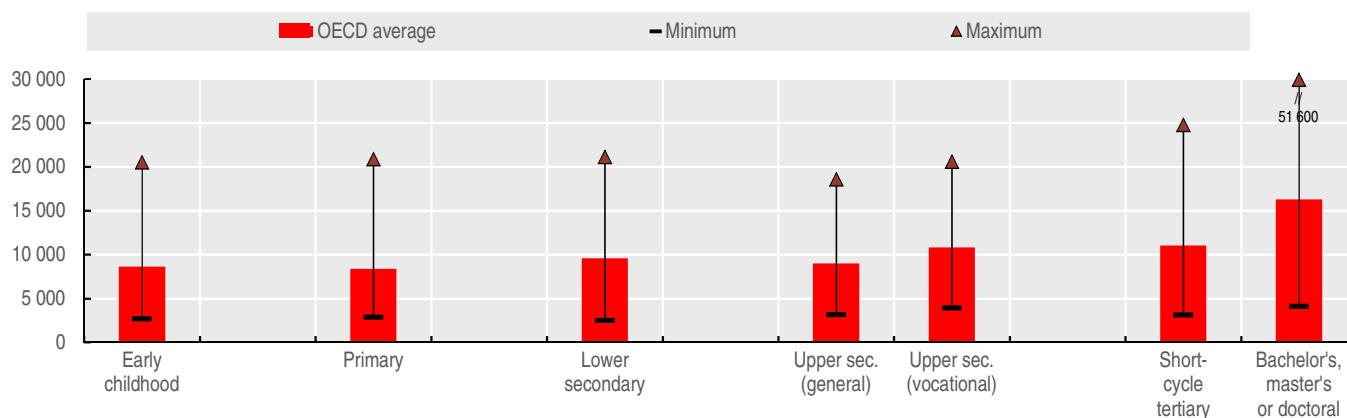


Source: OECD (2018), Education at a Glance 2018 – Indicator C2 – <http://dx.doi.org/10.1787/eag-2018-en>.

StatLink <http://dx.doi.org/10.1787/888933938933>

5.12. Spending per child tends to increase with the level of education

Total expenditure on educational institutions per full-time equivalent student per level of education, in equivalent USD converted using PPPs for GDP, in 2015



Source: OECD (2018), Education at a Glance 2018 – Indicator C1 and B2.3 – <http://dx.doi.org/10.1787/eag-2018-en>.

StatLink <http://dx.doi.org/10.1787/888933938952>



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