

## PF1.2: Public spending on education

### *Definitions and methodology*

This indicator uses two measures to capture expenditure on education:

- i. *Expenditure on education as % of GDP, by level of education and source of funds*, that is, all spending on educational institutions by education level and by public or private source. Two levels of education are considered - primary, secondary and post-secondary non-tertiary education as defined by ISCED 2011 levels 1 to 4, and tertiary education as defined by ISCED levels 5 to 8. (For spending at ISCED 2011 level 0 (early childhood education), see indicator [PF3.1](#).)
- ii. *Annual expenditure per student by educational institutions, by level of education*, that is, all spending by educational institutions (including both core expenditure on instructional services and non-core expenditure on ancillary services for students and families, where these services are provided through educational institutions) in relation to the number of students enrolled at the given level of education. It is calculated by dividing total expenditure (from both public and private sources) by institutions at each level by the number of (full-time equivalent) students enrolled in the corresponding level, expressed in equivalent USD converted using PPPs for GDP.

Not all spending on educational goods and services occurs within educational institutions. For example, families may purchase textbooks and materials commercially or seek private tutoring for their children outside educational institutions. At the tertiary level, student living costs and foregone earnings can also account for a significant proportion of the costs of education. All such expenditure outside educational institutions is excluded here.

### *Key findings*

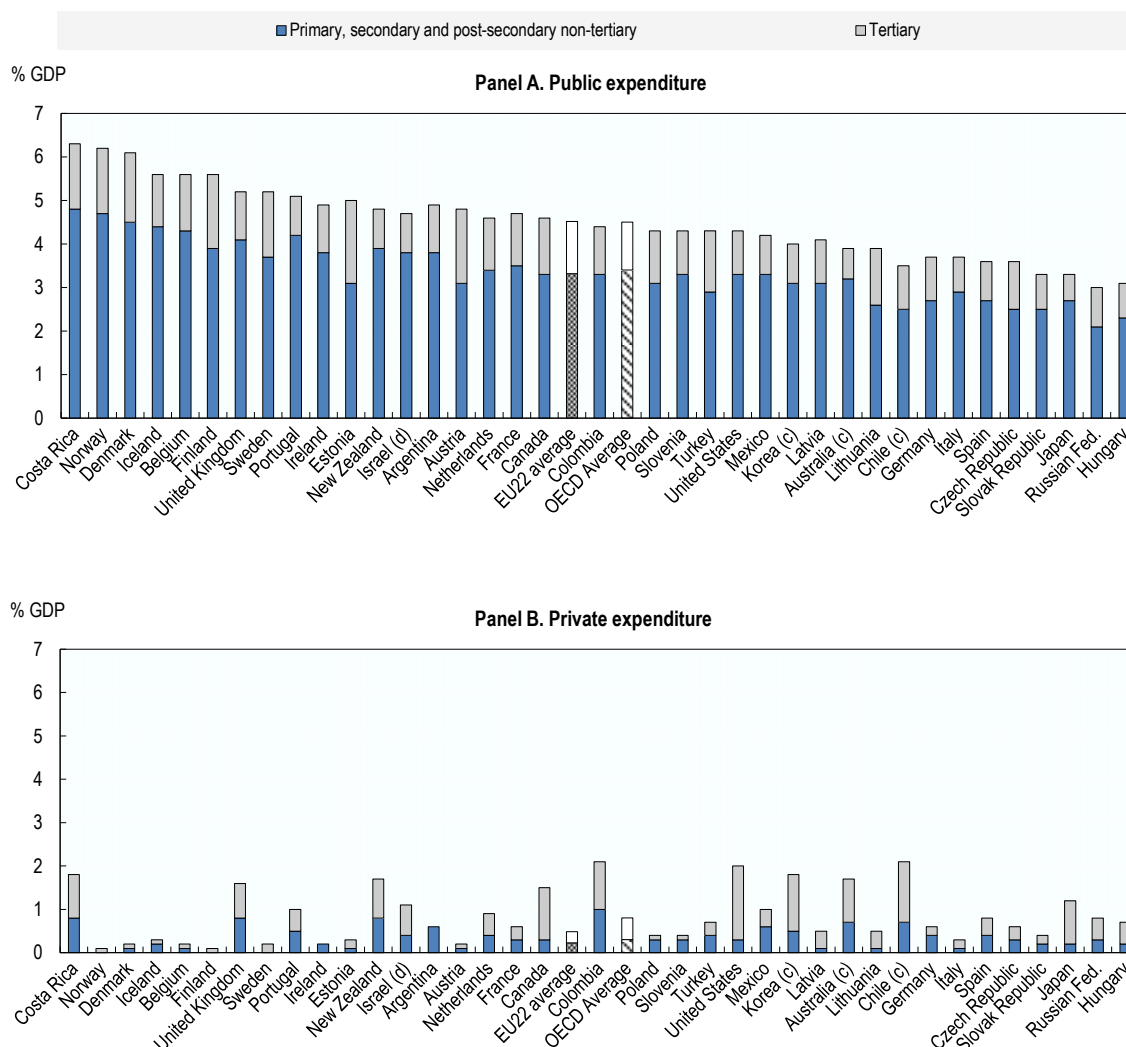
All OECD countries invest a substantial proportion of national resources in education. Taking into account expenditure only from public sources (Chart PF1.2.A, panel A), OECD countries spend, on average, 4.5% of their GDP on educational institutions, with about 3.4% of GDP spent on primary, secondary and post-secondary non-tertiary education and a further 1.1% spent on tertiary education. However, public spending does vary across countries, with total public expenditure ranging from as low as about 3.1% of GDP in Hungary and 3.2% in Japan to as high as 6.1% of GDP in Denmark and 6.2% of GDP in Norway. In some OECD countries, public expenditure on education is complemented by considerable investment from private sources (Chart PF1.2.A, panel B). In the United States, for example, private expenditure on education totals a further 2% of GDP, while in Chile education spending from private sources reaches 2.1% of GDP.

On average, OECD countries spend around USD 10,500 per student per year across primary, secondary and tertiary education (Chart PF1.2.B). However, this amount differs widely by level of education, with spending per student generally far higher for students in tertiary education than students in primary and secondary education. In Canada, Hungary, Israel, Luxembourg, Mexico, Sweden, the United Kingdom and the United States, for example, the average spend per student in tertiary education is at least double the average spend per student in primary, secondary and post-secondary non-tertiary education. In Turkey, spending per student at the tertiary level is over three times as high as the average spend per student at the primary, secondary and post-secondary non-tertiary level.

*Other relevant indicators:* PF3.1: Public spending on childcare and early education; PF3.2: Enrolment in day-care and pre-schools; PF3.4: Childcare support; PF4.1: Typology of childcare and early education services; PF4.2: Quality of childcare and early education services; and, PF4.3: Out-of-school-hours care.

### Chart PF1.2.A Expenditure on education as % of GDP, by level of education and source of funds, 2013<sup>a</sup>

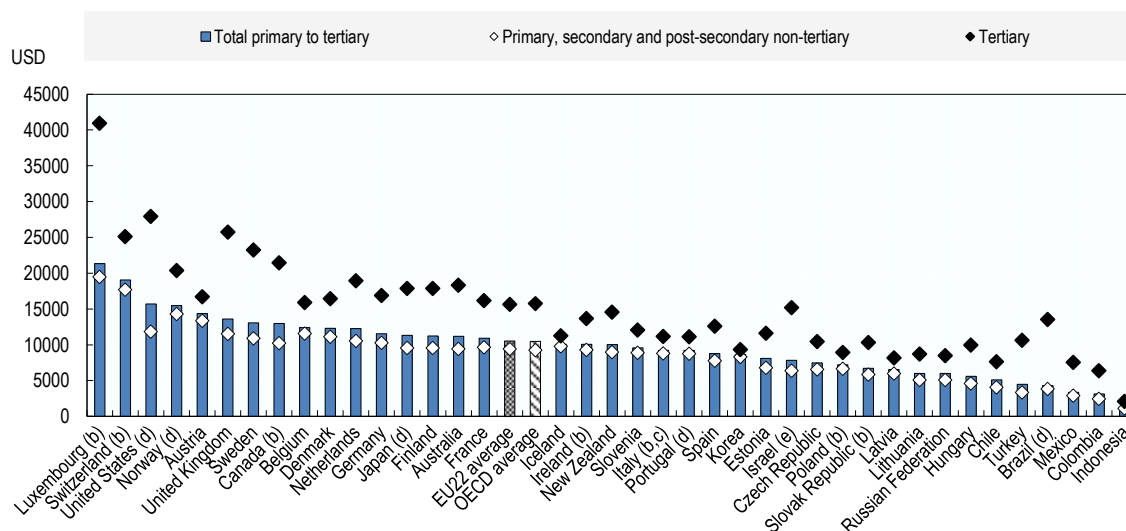
Expenditure on primary, secondary and post-secondary non-tertiary and on tertiary education by public or private source<sup>b</sup>, as % of GDP



a) Data for Canada refer to 2012 and for Chile to 2014  
 b) Public expenditure includes public subsidies to households attributable for educational institutions and direct expenditure on educational institutions from international sources. Private expenditure is presented net of public subsidies attributable for educational institutions.  
 c) Public does not include international sources.  
 d) The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law  
 Source: [OECD Education at a Glance 2016](#)

### Chart PF1.2.B Annual expenditure per student by educational institutions by level of education, 2013<sup>a</sup>

Expenditure (public and private) per student based on full-time equivalent enrolment, by level of education, in equivalent USD converted using PPPs for GDP



- a) Data for Canada refer to 2012 and for Chile to 2014
- b) Public institutions only (for Canada, Luxembourg and the Slovak Republic, in tertiary education only; for Italy, except in tertiary education).
- c) Total primary to tertiary education excludes post-secondary non-tertiary education
- d) Some levels of education are included with others. See OECD Education at a Glance Table B1.1 for more details: <http://www.oecd.org/edu/education-at-a-glance-19991487.htm>
- e) See note d) to chart PF1.2.A

Source: [OECD Education at a Glance 2016](http://www.oecd.org/edu/education-at-a-glance-2016)

#### Comparability and data issues

The organisation of education systems varies between countries as does the length of time for a student to complete an educational level. This makes primary and secondary programmes more costly in some countries than others. The length of the programme thus affects the amount of educational investment per education level and does not necessarily reflect a country's policy to place more importance on one part of the education system than another.

On the same note, although participation in primary and secondary education is very high in most OECD countries, the proportion of students enrolled in tertiary programmes varies between 10 and 50 per cent, which obviously affects spending differentials across countries (see [OECD Education at a Glance 2016](http://www.oecd.org/edu/education-at-a-glance-2016) for more detailed information).

Sources and further reading: *OECD Education Database*, OECD (2016); *Education at a Glance 2016*, OECD, Paris; Eurostat Education Database (<http://epp.eurostat.ec.europa.eu/portal/page/portal/education/data/database>); and UNESCO International Standard Classification of Education ([www.uis.unesco.org/isced](http://www.uis.unesco.org/isced)). OECD Social Expenditure database (2016) [www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure)