

PF1.2: Public spending on education

Definitions and methodology

Public expenditure on education as a percentage of GDP gives an indication of how a country prioritises education in relation to its overall allocation of resources. Public expenditure on education includes spending on schools, universities and other public and private institutions involved in delivering or supporting educational services. Expenditure on educational institutions is not limited to expenditure on instructional services but also includes public expenditure on ancillary services for students and families, where these services are provided through educational institutions. At the tertiary level, spending on research and development can also be significant and is included in this indicator, to the extent that the research is performed by educational institutions. Primary education is defined as ISCED level 1, secondary as ISCED levels 2 to 4, and tertiary as ISCED levels 5 and 6. For more details on ISCED levels please refer to www.uis.unesco.org/isced. For spending at ISCED level 0 (pre-school) please refer to indicator PF3.1 “Public spending on childcare and early education”.

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 forgone earnings can also account for a significant proportion of the costs of education. All such expenditure outside educational institutions is excluded from this indicator.

Public spending on education per student shows the expenditure on primary, secondary and tertiary education in relation to the number of students enrolled in each educational level. It is calculated by dividing public expenditure in each educational level by the number of students enrolled in the corresponding level.

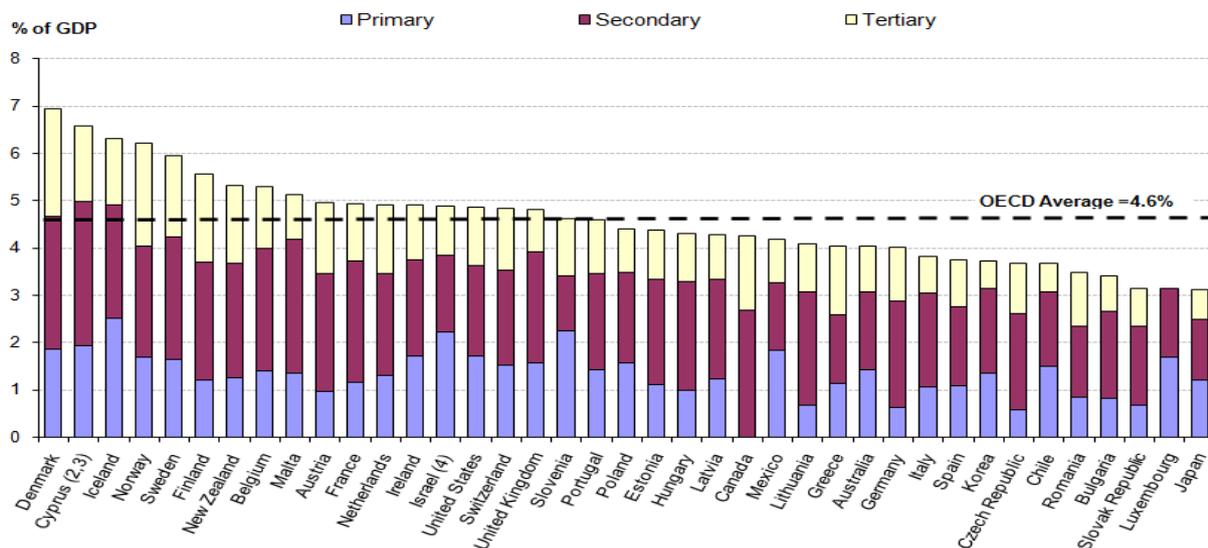
Key findings

All OECD countries invest a substantial proportion of national resources in education. Taking into account only public sources of funds, OECD countries, on average, spend around 4.6% of their GDP on educational institutions at primary, secondary and tertiary levels (Chart PF1.2.A). However, total expenditure on education ranges from above 5.5% of GDP in the Nordic countries to less around 3% in Japan, Luxembourg and the Slovak Republic. Public spending on secondary education is larger than on primary and tertiary education, except for Iceland, Israel, Luxembourg and Mexico where more is spent on primary education than secondary education, and Slovenia where more is spent on both primary and tertiary education than secondary education.

On average, OECD countries spend around USD 7 600 per student across primary, secondary and tertiary education. However, this amount differs widely by level of education. Expenditure per student is highest in tertiary education in most OECD countries. For example, in Germany, Norway and Mexico expenditure per student at the tertiary level is more than 2.5 times the amount spent per student in primary education. The amount spent per student in secondary education is only slightly higher than the amount spent on students in primary education in most OECD countries.

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: Public Expenditure on Education by level, per cent of GDP, 2009¹



Countries ranked in descending order of total spending on education as a percentage of GDP

Notes: Data for Canada on primary education and data for Luxembourg on tertiary education is unavailable.

1 Data refers to 2005 for Canada and Greece.

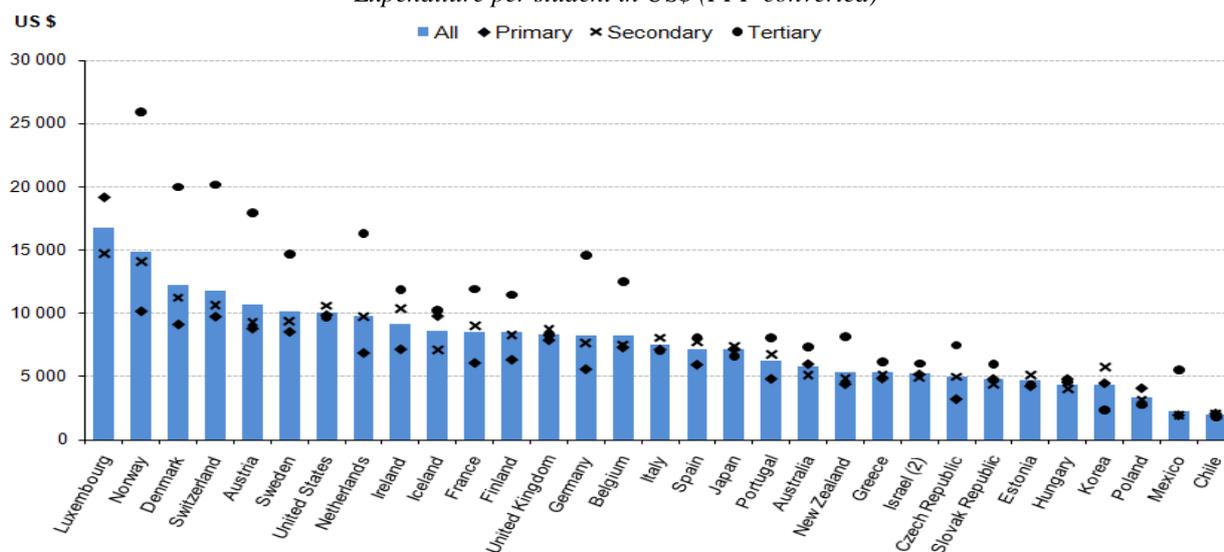
2 Footnote by Turkey: The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the « Cyprus issue ».

3 Footnote by all the European Union Member States of the OECD and the European Commission: The Republic of Cyprus is recognized by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

4 The 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 Database, 2013, and Eurostat Education Database, 2013.

Chart PF1.2.B: Public expenditure on primary, secondary and tertiary education, per student, 2009¹
 Expenditure per student in US\$ (PPP converted)



Countries ranked in descending order of spending per pupil for all education levels

Notes: Data for Luxembourg on tertiary education is unavailable.

1 Data refers to 2005 for Greece

2 see note 4 for Chart PF1.2.A

Source: OECD Education Database, 2013, and Eurostat Education Database, 2013.

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 programmes more costly in some countries than others. For example, in Iceland the typical age group ranges from 6 to 12 years inclusive (7 years); whereas in Germany it is 6 to 10 years inclusive (5 years) and in Hungary only 6 to 9 years inclusive (4 years). 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.

By the same token, although participation in primary and secondary education is very high in most OECD countries, the proportion of students enrolled in university programmes varies between 10 and 50 per cent, which obviously affects spending differentials across countries (see OECD Education at a Glance 2010 for more detailed information).

This indicator only shows public expenditure in education. Countries which look to private investment to fund educational programmes spend less on education, particularly at university level, than others.

Public expenditure on education per student was estimated by dividing total public expenditure on each level of education by the number of students enrolled in the corresponding level. National currencies were converted into USD using OECD 2009 purchasing power parities to facilitate cross-country comparisons.

Sources and further reading: OECD Education Database, OECD (2010); Education at a Glance 2010, 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). OECD Social Expenditure database (2011) www.oecd.org/els/social/expenditure