

### PF3.1: Public spending on childcare and early education

#### *Definitions and methodology*

Public expenditure on early childhood education and care covers all public spending (in cash or in-kind) towards formal day-care services (e.g. crèches, day care centres, and family day care, generally aimed at children aged 0 to 2, inclusive) and pre-primary education services (including kindergartens and day-care centres which usually provide an educational content as well as traditional care for children aged from 3 to 5, inclusive). It is presented here through two measures:

- *Public expenditure on early childhood education and care as a % of GDP*, with data disaggregated into expenditure on childcare and formal day-care services as a % of GDP, and expenditure on pre-primary education services as a % of GDP.
- *Public expenditure on early childhood education and care per child, in USD PPP*, with total public expenditure on early childhood education and care converted into USD PPP and presented per child aged 0-5. Data on public expenditure on childcare and formal day-care services per child aged 0-2 and public expenditure on pre-primary education per child aged 3-5 are also shown.

Cross-national comparisons of spending on early childhood education and care are complicated by cross-national differences in the structure of education systems, and in particular by differences in primary school entry ages. In order to get a better comparison of early childhood education and care support, data are adjusted for cross-national differences in the compulsory age of entry into primary education. For example, in some (Nordic) countries children enter primary school at age seven, with almost all attending pre-primary education the year beforehand. In order to improve the comparison, expenditure on these six year olds is excluded (using estimates based on the number of six year olds using pre-primary services). Similarly, for countries where children enter school at age five (such as Australia, New Zealand and the United Kingdom), pre-primary expenditure data is adjusted by adding in the expenditure corresponding to children aged five who are enrolled in primary school. In addition, it should be noted that comparisons of spending across the different *types* of early childhood education and care (i.e. comparisons between expenditure on childcare and formal day-care services and on pre-primary education services) are also sensitive to the classification and allocation of spending, and these data should be used with caution.

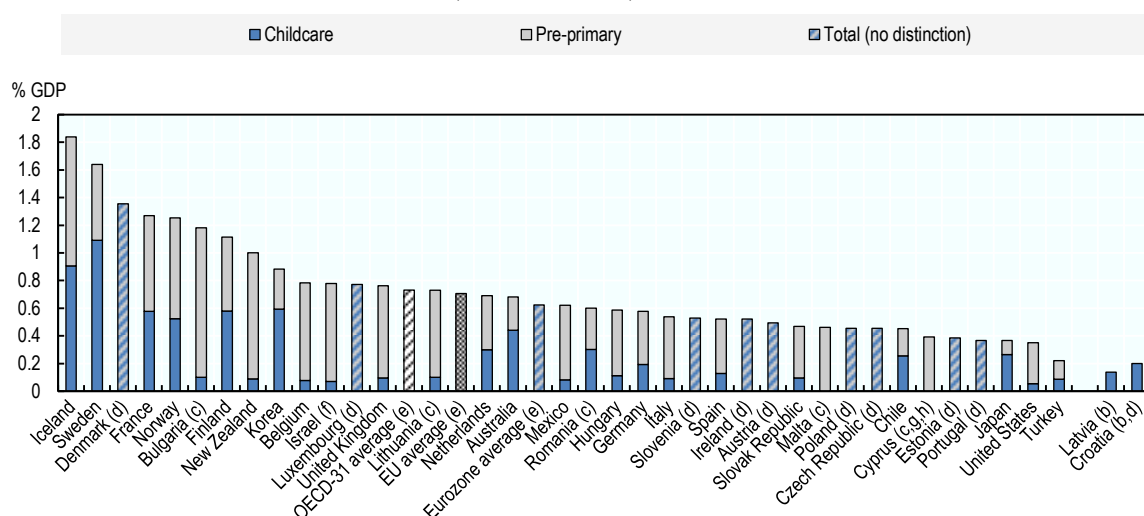
#### *Key findings*

OECD countries spend on average just over 0.7% of GDP on early childhood education and care, with large variations across countries (Figure PF3.1.A). While public expenditure on early childhood education and care is above 1.0% in France, New Zealand and the Nordic countries – with total spending reaching as high as 1.6% of GDP in Sweden and 1.8% in Iceland – it is less than 0.5% of GDP in Estonia, Japan, Portugal, Turkey and the United States. Most countries spend more on pre-primary education than childcare, which could partly be a reflection of higher enrolment rates. Pre-primary spending is highest at just under 1.0% of GDP in Iceland and New Zealand, while childcare spending is only over 0.5% of GDP in France, Finland, Iceland, Korea, Norway and Sweden.

*Other relevant indicators:* CO2.2; Child poverty; LMF1.2: Maternal employment; LMF2.4: Family-friendly workplace practices; PF1.1: Public spending on family benefits; PF1.2: Public spending on education; PF3.4: Childcare support; PF4.1: Typology of childcare and early education services; and, PF4.3: Out-of-school-hours care.

**Chart PF3.1.A. Public spending on early childhood education and care**

Public expenditure on childcare and pre-primary education and total public expenditure on early childhood education and care, as a % of GDP, 2013 and latest available<sup>a</sup>



Note: In some countries local governments play a key role in financing and providing childcare services. Such spending is comprehensively recorded in Nordic countries, but in some other (often federal) countries it may not be fully captured by the OECD social expenditure data.

a) Data for Poland refer to 2012, for Australia to 2014.

b) For Latvia and Croatia, data on expenditure on pre-primary education not available.

c) For non-OECD EU member states (Bulgaria, Cyprus, Croatia, Lithuania, Malta and Romania), the data are not adjusted for any differences in the entry age for primary schooling and cover all public expenditure on childcare and pre-primary education regardless of the age of those using/enrolled in services.

d) For Austria, Czech Republic, Denmark, Estonia, Ireland, Luxembourg, Slovenia, Poland, and Portugal, data cannot be disaggregated by educational level.

e) The OECD-31 average excludes Latvia, and the EU average and Eurozone average exclude Croatia and Latvia.

f) 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.

g) 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";

h) 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.

Source: [For OECD countries, OECD Social Expenditure Database; For Bulgaria, Cyprus, Croatia, Lithuania, Malta and Romania, Eurostat](#)

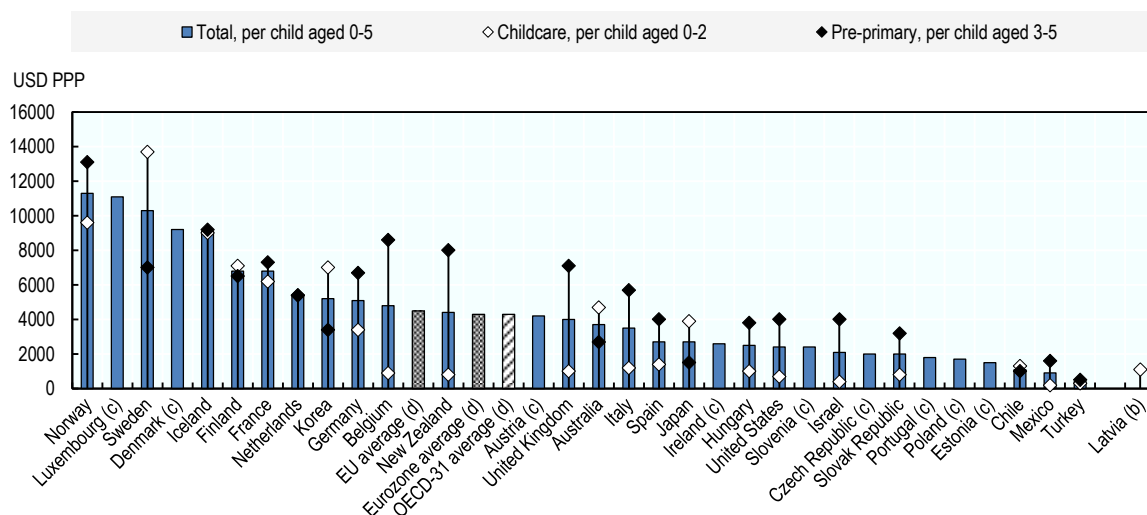
On a per child basis, total public spending on early childhood education and care equates, on average across OECD countries, to around USD PPP 4300 per child aged 0-5, but again this varies considerably across countries (Child PF3.1.B). Several countries (Denmark, Iceland, Luxembourg, Norway and Sweden) spend more than USD PPP 9000 per child aged 0-5, with per child spending highest, at over USD PPP 11000, in Luxembourg and Norway. Some other countries (Chile, Estonia, Mexico, Poland, Portugal, and Turkey) spend less than USD PPP 2000 per child aged 0-5. In Turkey, total public expenditure on early childhood education and care per child aged 0-5 is less than USD PPP 500.

### Comparability and data issues

For OECD countries, data on public expenditure on early childhood education and care are taken from the bi-annual OECD Social Expenditure data collection, with the data on GDP and on purchasing power parity rates – used to convert the raw expenditure data into comparable ‘as a % of GDP’ and ‘per child, in USD PPP’ figures – coming from the OECD National Accounts database. For non-OECD EU member states, data on public expenditure on childcare are taken from the Eurostat ESSPROS (European system of integrated social protection statistics) database, and data on public expenditure on pre-primary education from Eurostat Education and Training statistics. It should be noted that the data for the non-OECD EU member states (Bulgaria, Cyprus, Croatia, Lithuania, Malta and Romania) are not adjusted for any differences in the entry age for primary schooling and cover all public expenditure on childcare and pre-primary education regardless of the age of those using/enrolled in services.

**Chart PF3.1.B. Public spending on early childhood education and care per child**

Public expenditure on childcare per child aged 0-2, public expenditure on pre-primary education per child aged 3-5, and total public expenditure on early childhood education and care per child aged 0-5, in USD PPP, 2013 and latest available<sup>a</sup>



Note: In some countries local governments play a key role in financing and providing childcare services. Such spending is comprehensively recorded in Nordic countries, but in some other (often federal) countries it may not be fully captured by the OECD social expenditure data.

a) Data for Poland refer to 2012.

b) For Latvia, data on expenditure on pre-primary education not available.

c) For Austria, Czech Republic, Denmark, Estonia, Ireland, Luxembourg, Slovenia, Poland, and Portugal, data cannot be disaggregated by educational level.

d) The OECD-31 average, EU average and Eurozone average exclude Latvia.

e) 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 Social Expenditure Database](#)

Local governments often play a key role in financing, and sometimes provide childcare services. This spending is recorded in Nordic countries, but in some other (often federal) countries, it is not properly captured in the data and it is much more difficult to get a good view of public support for childcare across such countries. This is because local governments may use different funding streams to finance childcare services, for example, non-earmarked general block-grants, as in Canada (no data presented here), or because information on spending by local governments on childcare is not reported to national authorities, for example, in Switzerland (no data presented here).

Sources and further reading: *OECD Babies and Bosses* (various issues); OECD (2011) *Doing Better for Families*, OECD, Paris; *OECD Education Database* and *OECD Education at a Glance 2016*; *OECD Social Expenditure Database 2016*