

Education spending

On average, OECD countries spent USD 10 000 per child per year from primary through tertiary education in 2012 (Figure 4.10). **Spending was highest in Luxembourg with just over USD 22 000 per child, followed by Switzerland, Norway and the United States.** On the opposite end, spending was at around USD 3 500 in Mexico and Turkey. Spending was also relatively low (between USD 4 000 and 8 000) in several Eastern European countries.

All emerging economies for which data are available had education spending comparable to the low-spending OECD countries, except Indonesia at the lowest level of USD 1 400.

The crisis has halted the long-term trend of increasing spending in education. While public spending as a percentage of GDP for all levels of education increased by 6% between 2008 and 2010 on average across OECD countries, it fell by 3% between 2010 and 2012 (Figure 4.11). Public expenditures on educational institutions as a percentage of GDP decreased in three-quarters of those OECD countries for which data are available, most likely as a consequence of fiscal consolidation policies. Drops of more than 8% were seen in Australia, Estonia, Hungary, Norway, Portugal and Spain. In Australia, the drop related to a stimulus spending programme on infrastructure that stopped in 2012.

On average across the OECD countries, less investment is put into early education as compared to later years, with spending per child ranging from USD 7 900 at the early childhood level to USD 15 100 at the “bachelor, master or doctoral” tertiary level (Figure 4.12). These averages mask a broad range of expenditure per student by educational level across the OECD countries. The ratio of the top spending to the bottom spending country varies from 3 at the tertiary level to 9 at secondary level.

Investing in vocational education can be key to smooth school-to-work transitions, notably for vulnerable youth. Also on average, only USD 330 more per student is spent in vocational than in general programmes at upper secondary and post-secondary non-tertiary education. Exceptions to this pattern are Australia, Belgium, Chile, Hungary, Slovenia, Switzerland and the United Kingdom, where expenditure per student enrolled in a general programme is higher than expenditure per student in a vocational programme. On the other hand, some countries with large

enrolments in dual-system apprenticeship programmes at the upper secondary level (e.g. Finland, Germany and the Netherlands) tend to have higher expenditure per student in vocational programmes than in general programmes by 20% to 30% more. The underestimation of the expenditure made by private enterprises on dual vocational programmes can partly explain some of the differences across countries.

Definition and measurement

Data on education spending is calculated using total annual spending from primary to tertiary education (including research and development activities). Figures are for public and private spending combined, and are reported in US dollars based on purchasing power parities for the respective years.

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

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 (2015), *Education at a Glance 2015: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2015-en>.

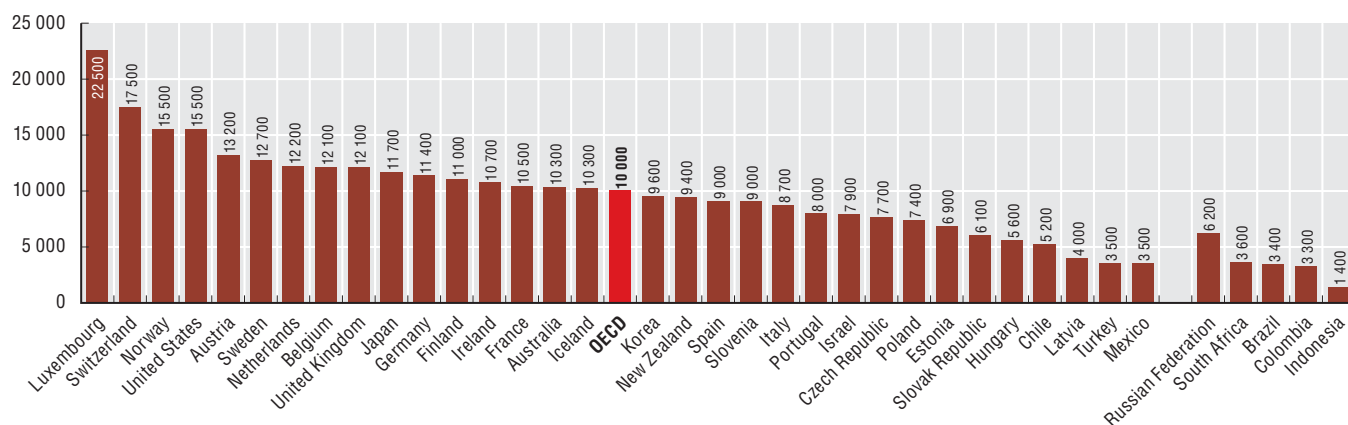
Figure notes

Figure 4.10: Data refer to 2013 for Chile, Colombia and Indonesia. Data are not available for Canada, Denmark and Greece.

Figure 4.11: Data are not available for Austria, Denmark, Greece, Latvia, Luxembourg, New Zealand and United Kingdom.

4.10. Variation in per student education spending across the OECD

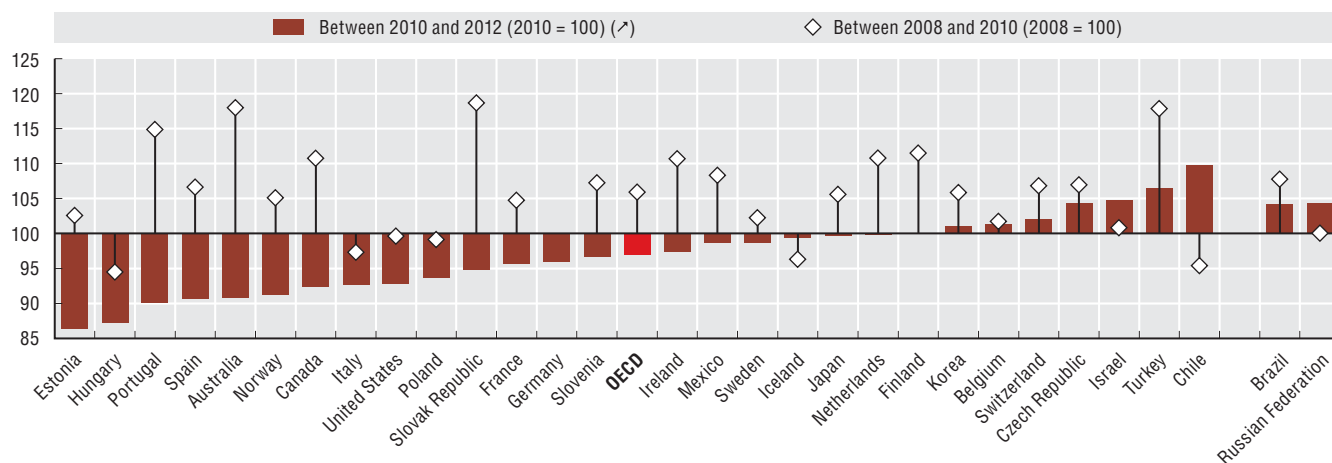
Annual expenditure per student from primary through tertiary education, in USD at current prices and current PPPs in 2012
(rounded at nearest 100)



StatLink <http://dx.doi.org/10.1787/888933405357>

4.11. Decline in public education spending in percentage of GDP between 2010 and 2012

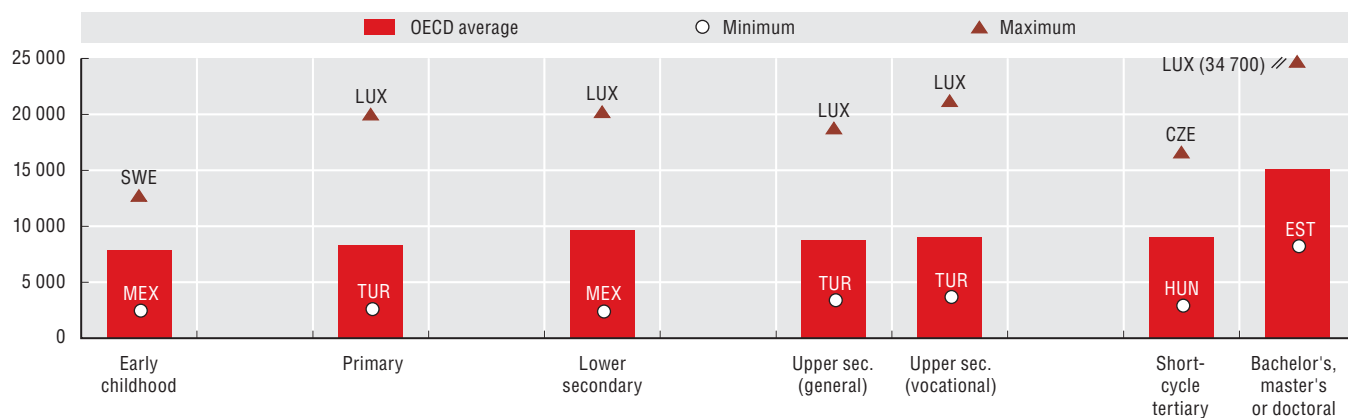
Index of change in public expenditure on educational institutions in percentage of GDP, for all levels of education



StatLink <http://dx.doi.org/10.1787/888933405368>

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

Annual expenditure per student by level of education, in USD at current prices and current PPPs in 2012



Source: OECD (2015), Education at a Glance 2015: OECD Indicators, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2015-en>.

StatLink <http://dx.doi.org/10.1787/888933405374>



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