

3. PAYING FOR EDUCATION

Has spending per student increased?

- Expenditure by educational institutions per student at primary, secondary and post-secondary non-tertiary levels increased by an average of 34% between 2000 and 2008, a period when enrolment levels remained generally static.
- At the tertiary level, however, student numbers generally rose; in some cases this was not matched by an equivalent increase in spending, resulting in a fall in expenditure per student.
- However, from 2000 to 2008, expenditure by educational institutions per student at the tertiary level increased by an average of 14% in OECD countries after remaining stable between 1995 and 2000.

Significance

This spread looks at whether spending on education has risen or fallen in recent years. Policy makers are under constant pressure to improve the quality of educational services while expanding access to educational opportunities, in particular at the tertiary level. Over time, spending on educational institutions tends to rise, in large part because teachers' salaries rise in line with general earnings. However, if the cost of schooling each student is not accompanied by improvements in educational outcomes, it raises the spectre of falling productivity levels.

Findings

Expenditure by educational institutions per student at the primary, secondary and post-secondary non-tertiary levels increased in every OECD country by an average of 54% between 1995 and 2008 during a period of relatively stable student numbers. The increase is quite similar over the first and second halves of this time period; only the Czech Republic and Switzerland showed a decrease between 1995 and 2000, followed by an increase between 2000 and 2008. Changes in enrolments do not seem to have been the main factor behind changes in expenditure at these levels of education.

The pattern is different at the tertiary level where spending per student between 1995 and 2008 fell in some cases, as expenditure failed to keep up with expanding student numbers. On average in OECD countries, such spending remained stable between 1995 and 2000 but then increased by 14% from 2000 to 2008, as governments invested massively in response to the expansion of tertiary education. The Czech Republic, Estonia, Iceland, Korea, Mexico, New Zealand, Poland, Portugal, the Russian Federation and the Slovak Republic increased expenditure by educational institutions by more than 50% between 2000 and 2008. However, in the Czech Republic and the Slovak Republic, the

increase in expenditure per student between 2000 and 2008 did not totally counterbalance the decrease between 1995 and 2000.

Between 2000 and 2008, Brazil, Chile, Hungary, Israel, the Netherlands, Switzerland and the United States saw declines in per-student expenditure in tertiary education. In all the above countries, this was mainly the result of rapid increases – at least 20% – in tertiary student numbers. Among the countries that saw a rise of over 20% in enrolments in tertiary education, five (Australia, the Czech Republic, Iceland, Mexico and the Slovak Republic) matched this with an at least equivalent increase in expenditure on tertiary education; the others (Brazil, Chile, Hungary, Israel, the Netherlands, Switzerland, the United States) did not. Japan and Spain were the only countries that experienced a drop in tertiary enrolment during this period.

Definitions

Data for the 2008 financial year are based on the UOE data collection on education statistics administered by the OECD in 2010. OECD countries were asked to collect the 1995 and 2000 data according to the definitions and the coverage of UOE 2010 data collection. All expenditure data, as well as the GDP for 1995 and 2000, are adjusted to 2008 prices using the GDP price deflator. Spending per student at a particular level of education is calculated by dividing the total expenditure by educational institutions at that level by the corresponding fulltime equivalent enrolment.

Information on data for Israel:
<http://dx.doi.org/10.1787/888932315602>.

Going further

For additional material, notes and a full explanation of sourcing and methodologies, see *Education at a Glance 2011* (Indicator B1).

Areas covered include:

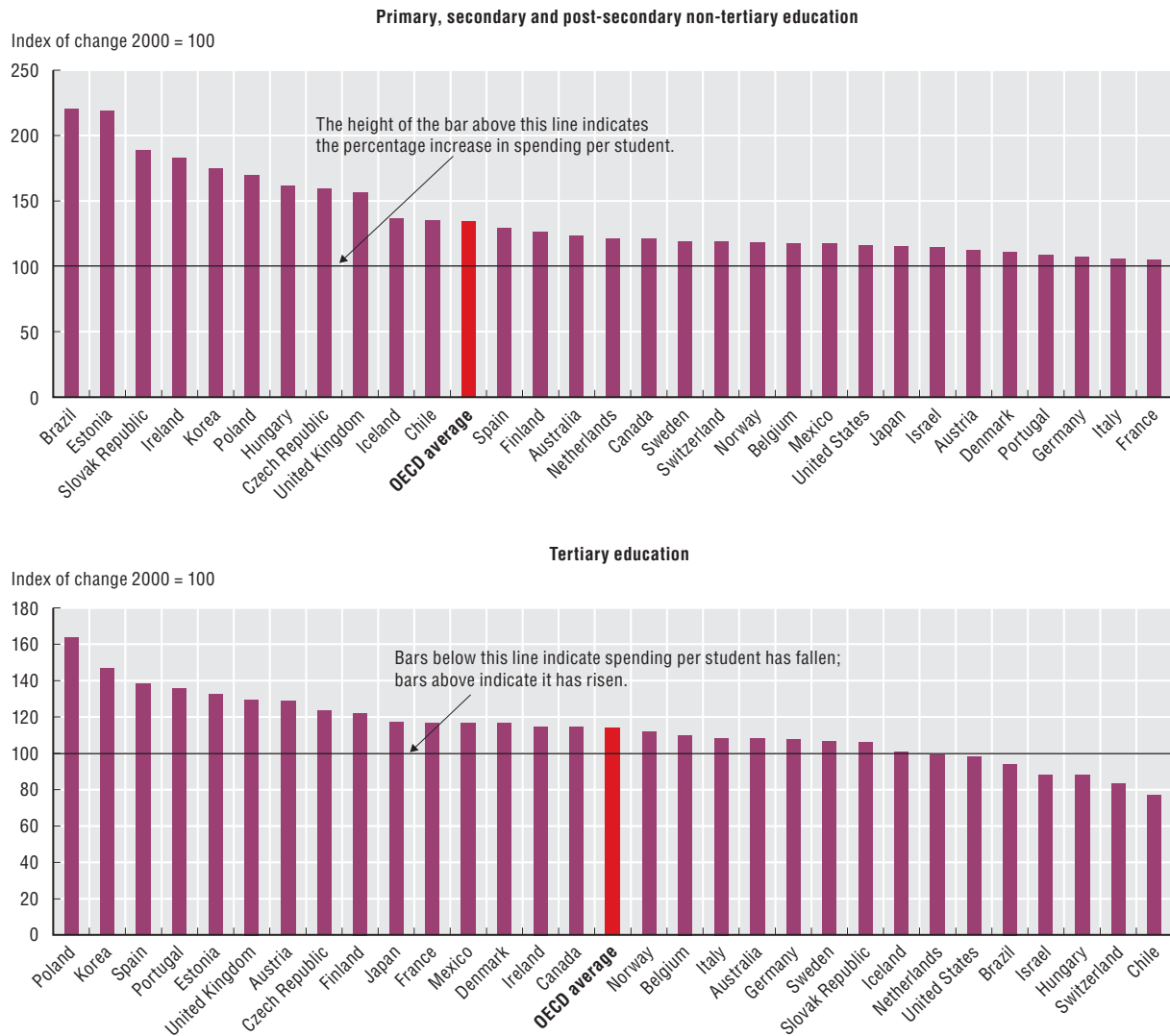
- Changes in expenditure by educational institutions by level of education.
- Changes in expenditure and in GDP per capita.

Further reading from the OECD

Trends Shaping Education (2008).

Figure 3.3. Trends in expenditure per student (2000, 2008)

These figures show the increase or decline in spending in real terms (by educational institutions) per student.



Source: OECD (2011), Education at a Glance 2011, Table B1.5, available at <http://dx.doi.org/10.1787/888932463707>.



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