

3. PAYING FOR EDUCATION

How much is spent per student?

- OECD countries as a whole spend USD 9 860 per student each year between primary and tertiary education, although spending levels vary widely among countries.
- On average, OECD countries spend nearly twice as much per student at the tertiary level as at the primary level.
- Most spending in education is devoted to salaries for teachers and other staff.

Significance

This spread shows the levels of combined public and private spending on education. In debates about learning, demand for high-quality education, which may mean spending more per student, is often tempered by the desire to keep taxes low. While it is difficult to determine the level of spending needed to prepare a student for work and life, international comparisons can provide reference points for comparisons of education resources.

Findings

OECD countries as a whole spend USD 9 860 per student each year across primary, secondary and tertiary education. But spending varies widely between individual countries, from USD 4 000 per student or less in Argentina, Brazil, Chile, China and Mexico, to over USD 11 000 in Austria, Denmark, Norway, Sweden, Switzerland and the United States.

The factors that drive spending vary among countries. Among the six countries with the highest expenditure by educational institutions per student enrolled in primary to tertiary education, Switzerland has the highest teachers' salaries at secondary level after Luxembourg; the United States has one of the highest levels of private expenditure at tertiary level; and Austria, Denmark, Norway and Sweden are among the countries with the lowest ratios for students to teaching staff (see page 72).

In every OECD country, spending rises sharply from primary to tertiary education. OECD countries as a whole spend USD 7 065 per student at the primary level, USD 8 852 at the secondary level and USD 18 258 at the tertiary level (see Table B1.1a in *Education at a Glance 2011*).

Most spending in education is devoted to salaries for teachers and other staff. At the tertiary level, however, other services, particularly research and development activities, also constitute a large slice of expenditure. Once R&D

activities and ancillary services are excluded, expenditure by educational core services in tertiary institutions falls to an average USD 9 148 per student. By contrast, spending on ancillary services at primary, secondary and post-secondary non-tertiary levels exceeds 10% of the total expenditure per student only in Finland, France, Hungary, Korea, the Slovak Republic, Sweden and the United Kingdom (see Table B1.2 in *Education at a Glance 2011*).

Finally, it should be noted that examining only the annual spending per student may not fully reflect the total spent on a student at each level of education. For example, annual spending per tertiary student in Austria is about the same as in Belgium, at USD 15 043 and USD 15 020, respectively. But because of differences in how courses are structured, it takes more than one year longer to complete a degree in Austria than in Belgium. As a result, the cumulative expenditure for each tertiary student is more than USD 20 000 less in Belgium than in Austria – USD 44 911 versus USD 65 334 (see Chart B1.4 in *Education at a Glance 2011*).

Definitions

Data refer to the financial year 2008 and are based on the UOE data collection on education statistics administered by the OECD in 2010. 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 full-time 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).

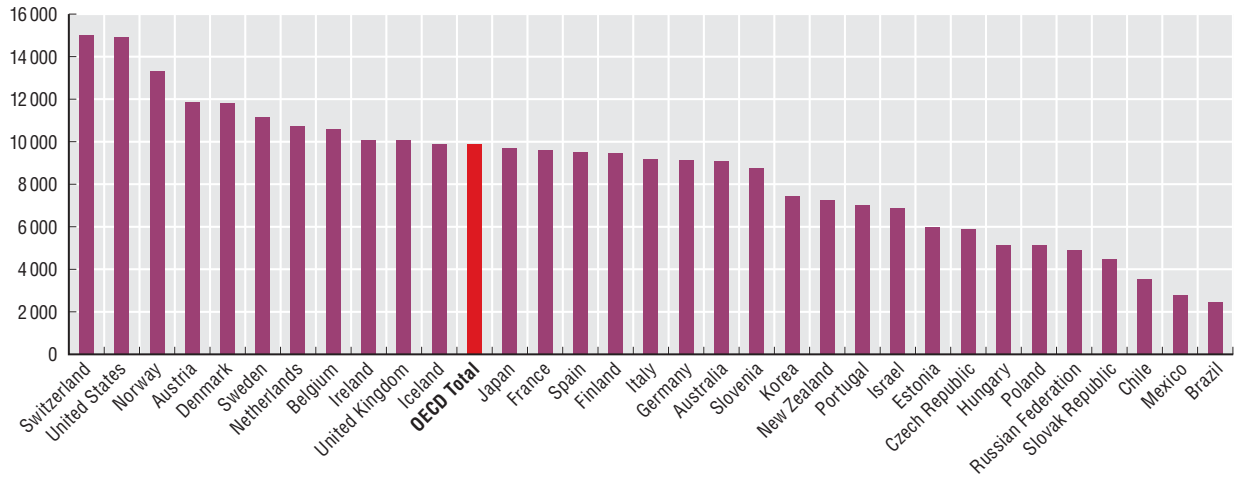
Areas covered include:

- Annual expenditure by educational institutions per student for all services, and compared to GDP per capita.
- Cumulative expenditure by educational institutions per student.

Figure 3.1. Annual expenditure per student, 2008

This figure shows how much is spent annually (by educational institutions) per student between primary and tertiary education; these data give a sense of the cost per student of formal education.

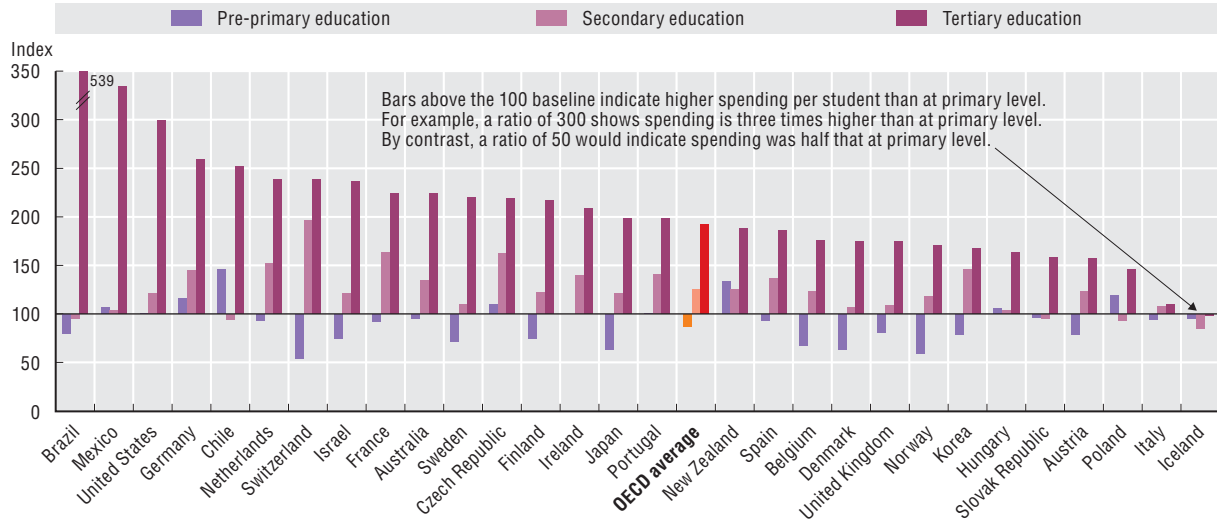
USD converted using PPPs



Source: OECD (2011), Education at a Glance 2011, Table B1.1a, available at <http://dx.doi.org/10.1787/888932463593>.

Figure 3.2. Expenditure on education relative to spending on primary education, 2008

This figure shows annual spending (by educational institutions) per student for different levels of education compared with spending at primary level.



Source: OECD (2011), Education at a Glance 2011, Table B1.3a, available at <http://dx.doi.org/10.1787/888932463650>.



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