

3. PAYING FOR EDUCATION

How much is spent per student?

- OECD countries as a whole spend USD 9 195 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 than 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 not to raise taxes. 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 9 195 per student each year for primary, secondary and tertiary education. But spending varies widely among individual countries, from USD 4 000 per student or less in Chile, Mexico, the Slovak Republic and Brazil, to more than USD 10 000 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 the highest level 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 each OECD country, spending rises sharply from primary to tertiary education. OECD countries as a whole spend USD 6 756 per student at primary level, USD 8 153 at secondary level and USD 16 625 at tertiary level.

Most spending in education is devoted to salaries for teachers and other staff. At tertiary level, however, other services, particularly research and development activities, also account for 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 8 587 per student. By contrast, spending on ancillary services at primary, secondary and post-secondary non-tertiary levels exceeds 10% only in Finland, France, Hungary, Korea, the Slovak Republic, Sweden and the United Kingdom (see Table B1.2 in *Education at a Glance 2010*).

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 Ireland is about the same as in France, at USD 12 631 and USD 12 773, respectively. But because of differences in how courses are structured, it takes more than a half a year extra to complete a degree in France than in Ireland. As a result, the cumulative expenditure for each tertiary student is more than USD 10 000 less in Ireland than in France – USD 40 925 versus USD 51 346 (see Chart B1.5 in *Education at a Glance 2010*).

Definitions

Data refer to the financial year 2007 and are based on the UOE data collection on education statistics administered by the OECD in 2009. 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 2010* (Indicator B1).

Areas covered include:

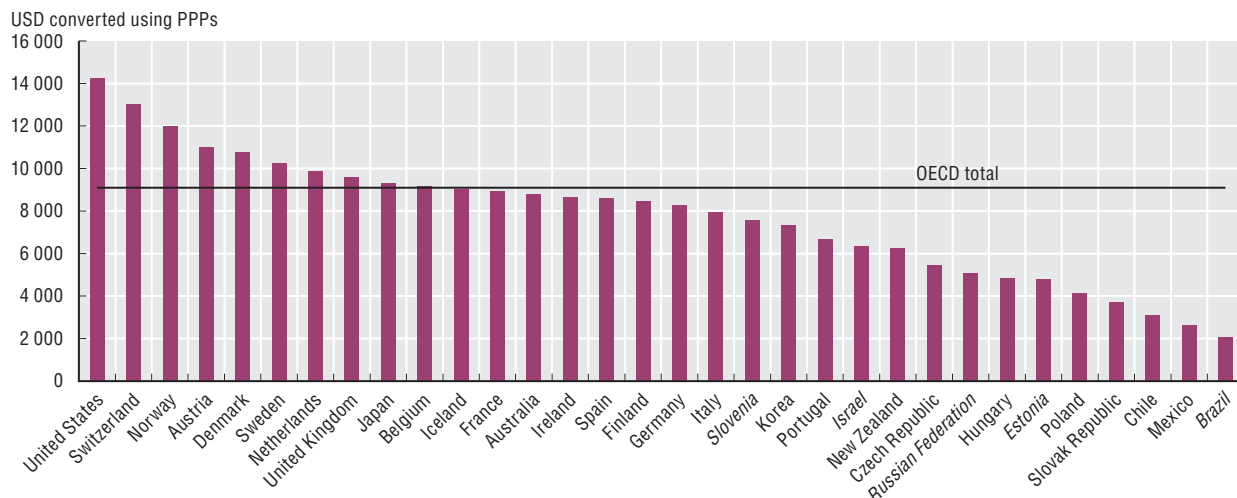
- Annual expenditure by educational institutions per student for all services, and compared to GDP per capita.
- Cumulative expenditure by educational institutions per student.

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Figure 3.1. Annual expenditure per student, 2007

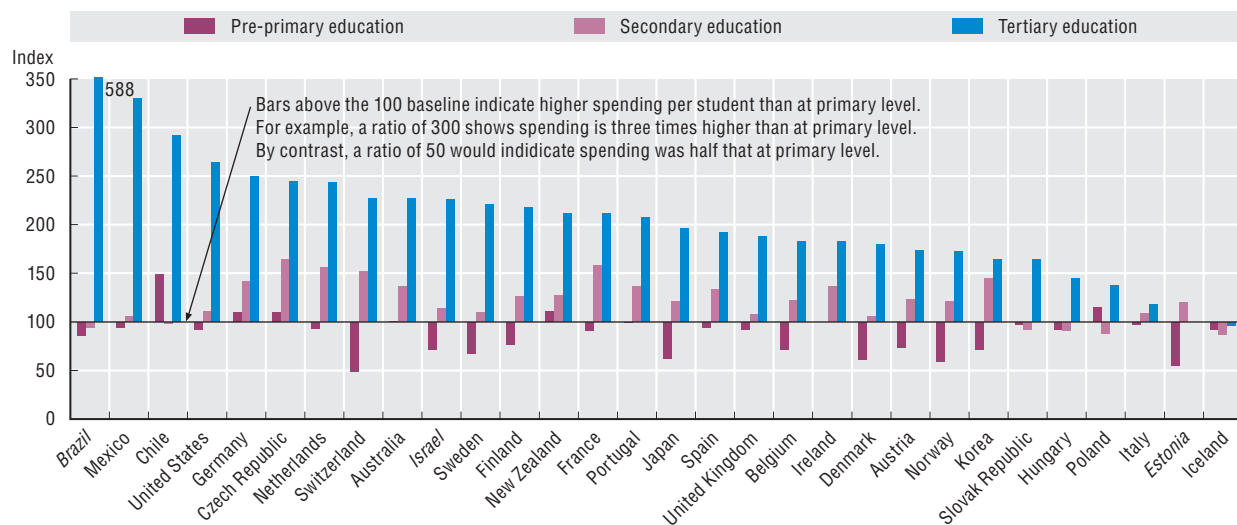
This figure shows how much is spent annually (by educational institutions) per student between primary and tertiary education; these data give a sense of the cost per student of formal education.



Source: OECD (2010), Education at a Glance 2010, Table B1.1a, available at <http://dx.doi.org/10.1787/888932310282>.

Figure 3.2. Expenditure on education relative to spending on primary education, 2007

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



Source: OECD (2010), Education at a Glance 2010, Table B1.1a, available at <http://dx.doi.org/10.1787/888932310282>.



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