Countries are finding other ways, besides public spending, to fund higher education

OECD countries spend an average of 5.2% of their GDP on educational institutions from primary to tertiary education, public and private expenditure combined. Around one-third of the total expenditure is devoted to tertiary education, where spending per student is highest. The higher cost of tertiary-level teaching staff and the prevalence of research and development in tertiary education contribute to the high cost.

To ease the strain on already tight public budgets, more countries are shifting the cost of tertiary education from the government to individual households. On average, 30% of the expenditure for tertiary institutions comes from private sources – a much larger share than seen at lower levels of education; and two-thirds of that funding comes from households, often in the form of tuition fees.

Understanding that high fees may prevent eligible students from enrolling in tertiary education, many governments allow for some differentiation in tuition fees. For example, tuition fees may be higher for students attending private institutions or for foreign students, or lower for students in short-cycle tertiary programmes. To support students, many countries also offer scholarships, grants and public or state-guaranteed loans, often with advantageous conditions, to help students cope with the direct and indirect costs of education. Over the past decade, most countries saw an increase in the number of tertiary students taking public or state-guaranteed loans – and graduating with both a diploma and a debt.

Gender imbalances persist in education and beyond

The reversal of the gender gap in tertiary education – more women than men are now tertiary graduates – has been well-documented in recent years. But women are still less likely to enter and graduate from more advanced levels of tertiary education, such as doctoral or equivalent programmes.

The gender divide in education is also reflected in students’ field of study. Women remain under-represented in certain fields, such as science and engineering, and over-represented in others, such as education and health. In 2014 there were, on average, three times more men than women who graduated with a degree in engineering and four times more women than men who graduated with a degree in the field of education.

Gender imbalances in fields of study are mirrored in the labour market – and ultimately in earnings. Graduates in the field of engineering, for example, earn about 10% more than other tertiary-educated adults, on average, while graduates from teacher training and education science earn about 15% less.

There is also a gender divide within the teaching profession itself. The percentage of female teachers shrinks – but teachers’ salaries tend to increase – with each successive level of education. Women are also less likely to become school principals, even though principals are often recruited from the ranks of teachers.
Immigrants are less likely to participate at all levels of education

Education systems play a critical role in integrating immigrants into their new communities – and into the host country’s labour market. For example, immigrant students who reported that they had attended pre-primary education programmes score 49 points higher on the OECD Programme for International Student Assessment (PISA) reading test than immigrant students who reported that they had not participated in such programmes. This difference corresponds to roughly one year of education. In most countries, however, participation in pre-primary programmes among immigrant students is considerably lower than it is among students without an immigrant background.

In many countries immigrants lag behind their native-born peers in educational attainment. For example, the share of adults who have not completed upper secondary education is larger among those with an immigrant background. On average, 37% of 25-44 year-olds with an immigrant background – but only 27% of 25-44 year-olds without an immigrant background – whose parents have not attained upper secondary education have not completed upper secondary education themselves. Evidence also shows that native-born students are more likely to complete bachelor’s or equivalent tertiary programmes than students with an immigrant background.

Other findings

Enrollment in early childhood education has been rising: between 2005 and 2014, enrolment of 3-year-olds in pre-primary education rose from 54% to 69% and enrolment of 4-year-olds rose from 73% to 85%, on average across countries with data for both years.

Across OECD countries, the unemployment rate is lower (9.2%) among those with vocational upper secondary education as their highest level of attainment than among those with general upper secondary as their highest level of attainment (10.0%).

Between 2005 and 2014, the enrolment rate of 20-24 year-olds in tertiary education increased from 29% to 33%, on average across OECD countries. Given that an average of 36% of today’s young adults across OECD countries is expected to graduate from tertiary education at least once before the age of 30, tertiary attainment is likely to continue rising.

Students often take longer to complete a tertiary programme than theoretically envisaged. Some 41% of full-time students who enter a bachelor’s or equivalent programme graduate within the programme’s theoretical duration, while 69% graduate within the theoretical duration plus three years, on average across countries with individual student data.

The teaching force is ageing as the profession fails to attract younger adults. The share of secondary teachers aged 50 or older grew between 2005 and 2014 in 16 of the 24 OECD countries with available data. In Italy and Portugal, fewer than 3% of primary teachers are younger than 30.

Principals have a crucial influence on the school environment and teachers’ working conditions. On average across countries with available data, over 60% of principals report frequently taking action to support co-operation among teachers to develop new teaching practices, to ensure that teachers take responsibility for improving their teaching skills, and to help them feel responsible for their students’ learning outcomes.

Despite the economic downturn in 2008, expenditure per student at all levels of education has been increasing, on average across OECD countries. Between 2008 and 2013, real expenditure per student increased by 8% in primary to post-secondary non-tertiary education and by 6% in tertiary education. However, the financial crisis did have a direct impact on teachers’ salaries: on average across OECD countries, salaries were either frozen or cut between 2009 and 2013. They have since begun to rise.
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