

## COUNTRY NOTE



### *Education at a Glance: OECD Indicators 2012*

## CANADA

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## KEY FINDINGS

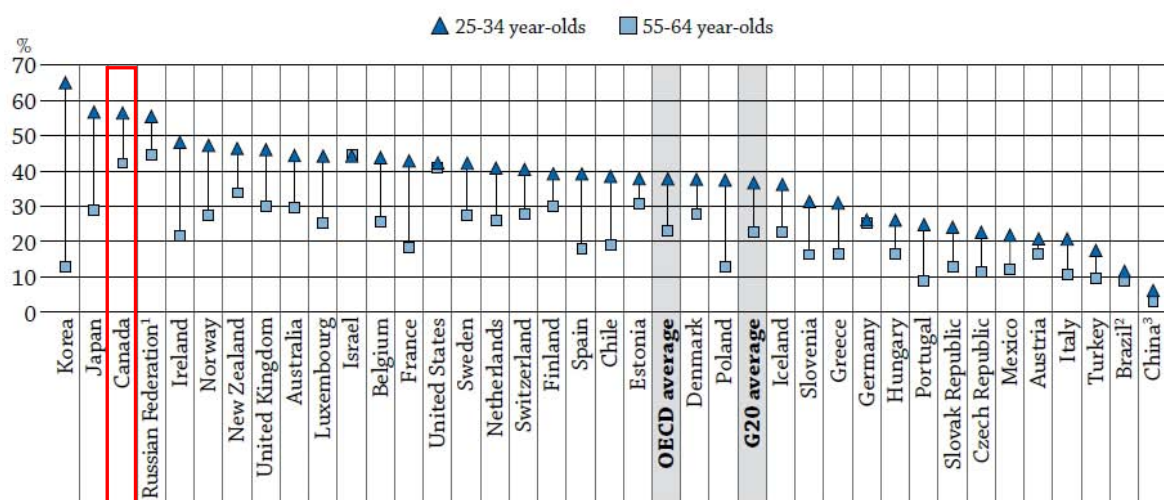
- Canada ranks first among OECD countries in the proportion of adults with a college (tertiary-type 5B) education (24%) and ranks 8th in the proportion of adults with a university (tertiary-type 5A) education (26%).
- Canada spends USD 20 932 per tertiary student every year – the third-highest amount among OECD countries after Switzerland and the United States.
- Canadian women have the highest tertiary education attainment rate (55%) for women or men among OECD countries, but men are more likely to be employed (84.7% vs. 78.5% for women).

Canada continues to be a leader in higher education, with its high attainment rates and its ability to produce a skilled workforce with generally good labour-market outcomes. Nonetheless, data from *Education at a Glance 2012* suggest areas for improvement, as Canada's labour outcomes for young adults show signs that the economic crisis hit this group particularly hard.

*Canada has one of the largest proportions of tertiary-educated adults among all OECD and G20 countries...*

Among the 37 OECD and G20 countries with available data, Canada ranks first in the proportion of 25-64 year-olds (51%) with a tertiary education (Table A1.3a). The proportion rises to 56% for adults aged 25 to 34 (the OECD average is 38%), while for adults aged 55 to 64, the proportion (42%) is almost double the OECD average of 23% (Chart A1.1).

**Chart A1.1. Population that has attained tertiary education (2010)**  
Percentage, by age group



1. Year of reference 2002.

2. Year of reference 2009.

3. Year of reference 2000.

Countries are ranked in descending order of the percentage of 25-34 year-olds who have attained tertiary education.

Source: OECD. Table A1.3a. See Annex 3 for notes ([www.oecd.org/edu/eag2012](http://www.oecd.org/edu/eag2012)).

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*...but many countries surpass Canada in the rate at which their tertiary education attainment levels have grown in recent years.*

Although tertiary education attainment among 25-64 year-olds has been growing at an annual rate of 2.4% over the past few years in Canada, growth has been more pronounced in many other countries, including Ireland (with a growth rate of 7.3%), Korea (5.2%), Luxembourg (6.9%), Poland (7.2%) and Portugal (5.7%) (Table A1.4).

Canada's high ranking is largely due to its high college (tertiary-type 5B) rather than university (tertiary-type 5A) attainment rates.<sup>1</sup> Canada ranks first among 34 OECD countries in the proportion of 25-64 year-olds with a college education (24%), but it ranks 8th in the proportion of adults with a university education (26%). When considering the tertiary education attainment rate of 25-34 year-olds, Canada's ranking drops to 15th of 34 OECD countries (Table A1.1a). As the recent *OECD Economic Surveys: Canada* suggests, rates of participation in education will need to grow if Canada is to remain competitive in a globalised labour market as its population ages (OECD, 2012).

<sup>1</sup> The international tertiary-type 5A classification refers to largely theory-based programmes lasting at least three years, and typically covers university undergraduate and master's degrees as well as high-skills professions (e.g. medicine, dentistry, law). Tertiary-type 5B programmes are shorter in duration and focus on practical, technical or occupational skills for direct entry into the labour force. In Canada, community colleges and polytechnics are included in this category. For the purposes of this note, the term "college" refers to both community colleges and polytechnics. It is also important to note that many community colleges and polytechnics in Canada offer both tertiary-type 5B and non-tertiary post-secondary type 4 programmes, including occupational preparation and adult education programmes. Statistics Canada data on tertiary education do not allow for distinguishing between some adult education and occupational preparation programmes, so international comparisons of tertiary education systems should be considered with some caution.

*Canada also spends more on tertiary education than most other OECD countries...*

On average, OECD countries spend nearly twice as much per student at the tertiary level than at the primary level. Canada ranks third, behind New Zealand and Norway, in the percentage of total public expenditure that is dedicated to higher education (4.7%; Table B4.1). The country allocates 38% of its total public expenditure on education to tertiary education, while the OECD average is 23.5% (derived from Table B4.1). Canada spends USD 20 932 per tertiary student per year – the third highest amount among OECD countries with available data, after Switzerland and the United States (Table B1.1a). Excluding research and development activities and ancillary services, such as student support services, Canada's expenditure of USD 14 014 on core educational services in institutions of higher education is well above the OECD average of USD 8 944 and is the second highest after the United States (Table B1.2).

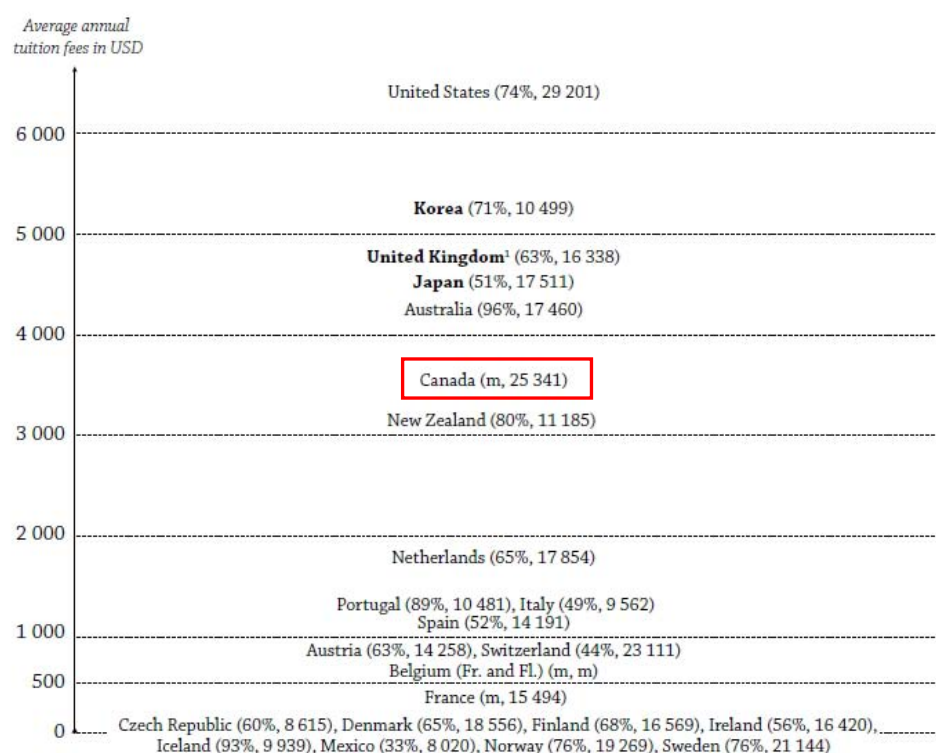
*...and tertiary education in Canada also attracts large amounts of private investment.*

Funding higher education is a hotly-debated topic in Canada, as seen in the recent student movement in Quebec. As in other OECD countries, policy makers in Canada are having to strike an effective balance between providing appropriate levels of public support for higher education and recognising that many of the benefits of higher education accrue to individuals.

In Canada, private financing for higher education comes mainly from individuals – for example, through tuition fees – but also includes expenditures covered by businesses and other private sources. The share of private funding for higher education decreased from 39.0% in 2000 to 37.1% in 2008, while the OECD average increased from 22.9% to 30.0% over this period (Table B3.2b; Chart B3.3).

Canadians invest substantially in their own higher education, although slightly less than the OECD average. On average, men and women bear a total direct cost of USD 18 094 for the completion of their higher education. For men, the completion of higher education carries an indirect cost of USD 32 494 in foregone earnings, while for women this indirect cost amounts to USD 33 461 (Table A9.3).

Much of the direct cost of higher education is incurred through the tuition fees charged by institutions. The amount of tuition fees charged varies widely among OECD countries (Chart B5.2). In Canada, average annual tuition fees charged for full-time students at public universities during the 2008-09 academic year – USD 3 774 – were neither the highest nor the lowest among OECD countries (Table B5.1; Chart B5.2). Nevertheless, institutions of higher education in a number of countries, including the Nordic countries, the Czech Republic and Mexico, charge no tuition fees; and in Ireland, tuition fees are covered by the state through a transfer to public institutions.

**Chart B5.2. Average annual tuition fees charged by tertiary-type A public institutions for full-time national students, in USD converted using PPPs (academic year 2008-09)**

**Note:** This chart does not take into account grants, subsidies or loans that partially or fully offset the student's tuition fees.

1. Public institutions do not exist at this level of education and almost all students are enrolled in government-dependent private institutions.

**Source:** OECD, Tables B1.1a, B5.1 and Indicator C3. See Annex 3 for notes ([www.oecd.org/edu/eag2012](http://www.oecd.org/edu/eag2012)).

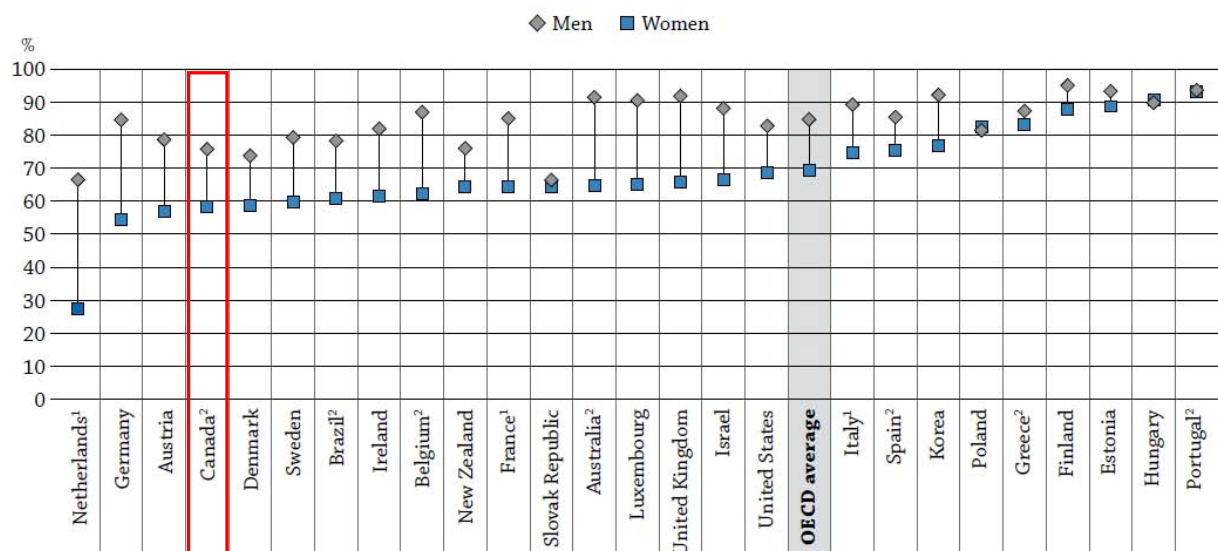
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### *Men with tertiary education are more likely to be employed than women with a similar level of education...*

Although the proportion of women in Canada with higher education credentials (55%) is larger than in any other OECD country, Canadian men with tertiary education are more likely to be employed. In 2010, the employment rate for tertiary-educated men was 84.7%, while it was 78.5% for tertiary-educated women (Chart A7.3). The gender disparity is even larger when only full-time employment is considered. Among OECD countries with available data, Canada has the fourth-smallest proportion (58%) of full-time earners among 25-64 year-old tertiary-educated women, while 76% of tertiary-educated men are full-time earners (Table A7.5; Chart A7.4). This 18% gender disparity in full-time earners is slightly higher than the OECD average of 16%.

Some of this disparity reflects the fact that a number of women opt to work part-time in order to meet family obligations. Moreover, employment rates do not take into account the effect of policies, such as extended maternity leave, that might discourage women from participating in the labour force. These types of policies may be reflected in the slightly lower unemployment rate for women with higher education (5.2%) than for similarly educated men (5.6%), although in both cases these rates are higher than the OECD average (4.9% for women and 4.6% for men).

**Chart A7.4. Proportion of full-time earners among 25-64 year-old tertiary-educated individuals with earnings from employment, by gender (2010)**

1. Year of reference 2008.

2. Year of reference 2009.

Countries are ranked in ascending order of proportion of full time women earners with tertiary education.

Source: OECD, Table A7.5. See Annex 3 for notes ([www.oecd.org/edu/eag2012](http://www.oecd.org/edu/eag2012)).

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### *...but highly educated women enjoy a greater earnings premium than similarly-educated men.*

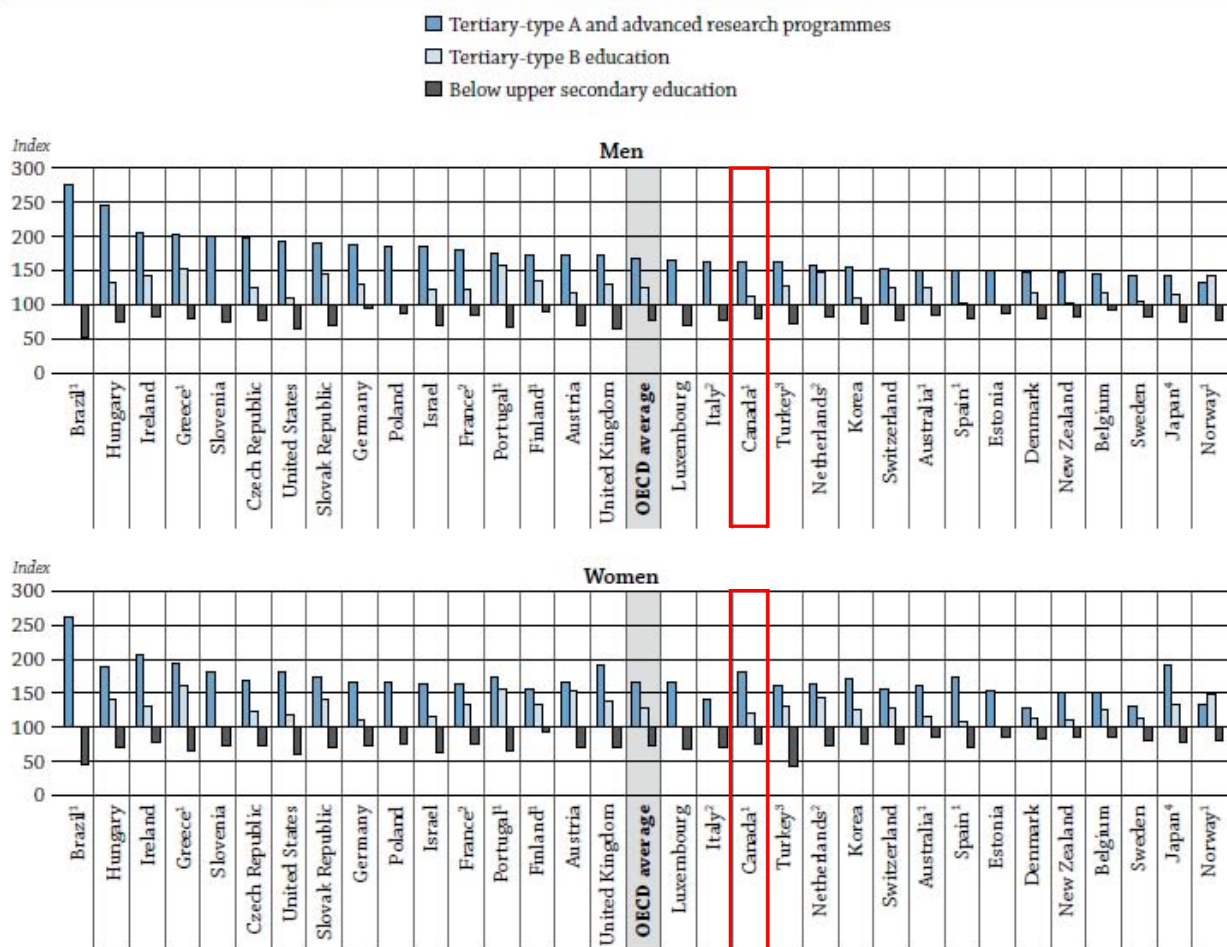
Increasing a person's chances of employment is not the only incentive for investing in higher education; higher levels of education can also lead to greater earnings. In Canada, an individual with higher education will earn an average of 38% more than an individual with only an upper secondary or post-secondary non-tertiary education. This premium, although significant, is well below the OECD average of 55% (Table A8.2a).

The relatively low earnings premium for higher education in Canada may be partly explained by the nature of tertiary-educated individuals' participation in the labour market. Research by Statistics Canada reveals that tertiary-educated individuals who have low earnings are more likely to report that working was not their main activity for the year (McMullen, 2009). Although this finding is not surprising, the presence of such highly educated individuals for whom labour-market participation is not their main activity may contribute to Canada's lower-than-average earnings premiums for higher education, and it also raises questions about a possible under-use of skills that are costly to produce (Box A8.1).

Moreover, this premium varies greatly according to age group and gender (Table A8.1). For example, the relative financial incentives to complete higher education are greater for Canadian women than they are for men. Women have an overall wage premium of 50% (21% for tertiary-type B education and 81% for tertiary-type A and advanced research programmes) while men have a wage premium of 39% (13% for tertiary-type B education and 62% for tertiary-type A and advanced research programmes) (Chart A8.2).



**Chart A8.2. Relative earnings from employment among 25-64 year-olds, by level of educational attainment and gender (2010 or latest available year)**  
Upper secondary and post-secondary non-tertiary education = 100



**Note:** Belgium, Korea and Turkey report earnings net of income tax.

1. Year of reference 2009.

2. Year of reference 2008.

3. Year of reference 2005.

4. Year of reference 2007.

Countries are ranked in descending order of the relative earnings of 25-64 year-old men with tertiary-type A education (including advanced research programmes).

Source: OECD, Table A8.1. See Annex 3 for notes ([www.oecd.org/edu/eag2012](http://www.oecd.org/edu/eag2012)).

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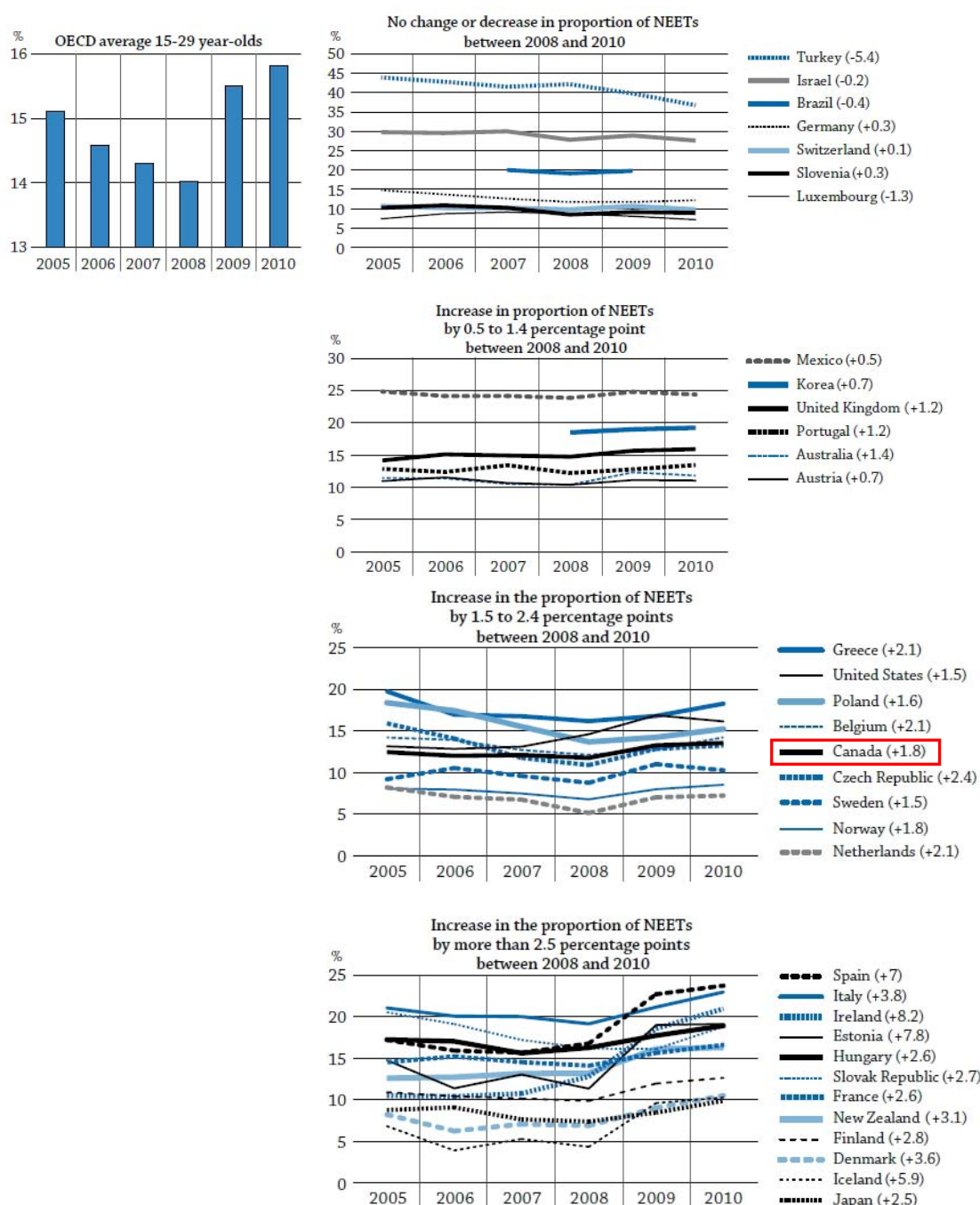
## NOTABLE TRENDS

*During the global economic crisis, the number of young Canadians who were neither employed nor in education and training increased.*

Although Canada appears to have weathered the recent global recession comparatively well, young adults in Canada were hit particularly hard. After many years of stability or declines, the proportion of 15-29 year-old Canadians who were neither employed nor in education and training (NEET) grew between 2008 and 2010. As illustrated in Chart C5.4, the increase in the proportion of NEETs in Canada was similar to that of countries such as Greece, the United States, Poland, Belgium, the Czech Republic, Sweden, Norway and the Netherlands. During this period, the percentage of NEETs among 15-29 year-old Canadians increased by

1.8%, from 11.7% in 2008 to 13.5% in 2010. The rise was even steeper among 20-24 year-olds, with an increase from 13.0% in 2008 to 15.3% in 2010 (Table C5.4a). In contrast, a number of countries, including Turkey, Israel, Brazil, Germany, Switzerland, Slovenia and Luxembourg, saw either no change or decreases in their proportion of NEETs during this period.

**Chart C5.4. Change in the percentage of 15-29 year-olds neither in education nor employed between 2005 and 2010**



Countries are ranked in ascending order of the percentage of 15-29 year-olds who are neither in education nor employed (NEETs) in 2010.

Source: OECD, Table C5.4a. See Annex 3 for notes ([www.oecd.org/edu/eag2012](http://www.oecd.org/edu/eag2012)).

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## KEY FACTS

Indicator	Canada	OECD average	Canada rank*
<b>Educational Access and Output</b>			
<b>Enrolment rates</b>			
3-year-olds (in early childhood education)	1%	66%	36 of 36 countries
4-year-olds (in early childhood and primary education)	47%	81%	35 of 38 countries
5-14 year-olds (all levels)	99%	96%	20 of 39 countries
<b>Percentage of population that has attained pre-primary or primary levels of education only</b>			
25-64 year-olds	3%	m	26 of 37 countries
<b>Percentage of population that has attained at least upper secondary education</b>			
25-64 year-olds	88%	74%	6 of 40 countries
25-34 year-olds	92%	82%	6 of 36 countries
55-64 year-olds	82%	62%	6 of 36 countries
<b>Percentage of population that has attained tertiary education</b>			
25-64 year-olds	51%	31%	2 of 41 countries
25-34 year-olds	56%	38%	3 of 37 countries
55-64 year-olds	42%	23%	3 of 37 countries
<b>Entry rates into tertiary education</b>			
Vocational programmes (Tertiary-type B)	m	17%	m
University programmes (Tertiary-type A)	m	62%	m
<b>Graduation rates</b>			
Percentage of today's young people expected to complete upper secondary education in their lifetime	81%	84%	19 of 27 countries
Percentage of today's young people expected to complete university education (tertiary-type A) in their lifetime	36%	39%	18 of 28 countries
<b>Economic and Labour Market Outcomes</b>			
<b>Unemployment rate of 25-64 year-olds</b>			
Below upper secondary	12.4%	12.5%	12 of 33 countries
Upper secondary and post-secondary non-tertiary	7.5%	7.6%	11 of 34 countries
Tertiary	5.4%	4.7%	9 of 34 countries
<b>Average earnings premium for 25-64 year-olds with tertiary education (compared to people with upper secondary education; upper secondary = 100)</b>			
Men and women	138	155	25 of 32 countries
Men	139	160	27 of 32 countries
Women	150	157	22 of 32 countries
<b>Average earnings penalty for 25-64 year-olds who have not attained upper secondary education (compared to people with upper secondary education; upper secondary = 100)</b>			
Men and women	80	77	11 of 32 countries
Men	78	78	15 of 32 countries
Women	77	74	12 of 32 countries
<b>Percentage of people not in employment, education or training</b>			
15-29 year-olds (2005 data)	12.4%	15.0%	19 of 32 countries
15-29 year-olds (2010 data)	13.5%	15.8%	18 of 32 countries



<b>Financial Investment in Education</b>			
<b>Annual expenditure per student (in equivalent USD, using PPPs)</b>			
Pre-primary education	m	6 670	m
Primary education	8 262	7 719	13 of 35 countries
Secondary education	8 997	9 312	19 of 37 countries
Tertiary education	20 932	13 728	3 of 37 countries
<b>Total public and private expenditure on education</b>			
As a percentage of GDP	6.1%	6.2%	18 of 37 countries
<b>Total public expenditure on education</b>			
As a percentage of total public expenditure	12.3%	13.0%	16 of 32 countries
<b>Share of private expenditure on educational institutions</b>			
Primary, secondary and post-secondary non-tertiary education	10.9%	8.8%	11 of 32 countries
Tertiary education	37.1%	30%	8 of 31 countries
All levels of education	21.4%	16%	7 of 30 countries
<b>Schools and Teachers</b>			
<b>Ratio of students to teaching staff</b>			
Pre-primary education	m	14.4	m
Primary education	m	15.8	m
Secondary education	17.1	13.8	7 of 38 countries
<b>Number of hours of compulsory instruction time per year</b>			
7-8 year-olds	917	774 hours	5 of 33 countries
9-11 year-olds	921	821 hours	7 of 34 countries
12-14 year-olds	922	899 hours	13 of 34 countries
<b>Number of hours of teaching time per year (for teachers in public institutions)</b>			
Primary education	799	782 hours	17 of 35 countries
Lower secondary education	740	704 hours	11 of 34 countries
Upper secondary education	744	658 hours	10 of 35 countries
<b>Ratio of teachers' salaries to earnings for full-time, full-year adult workers with tertiary education</b>			
Primary school teachers	1.05	0.82	5 of 27 countries
Lower secondary school teachers	1.05	0.85	6 of 27 countries
Upper secondary school teachers	1.05	0.90	7 of 27 countries

\* Countries are ranked in descending order of values.

## REFERENCES

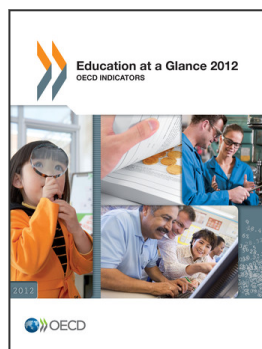
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