

What share of public spending goes on education?

- Even in countries with little public involvement in other areas, public funding of education is a social priority, accounting for 13.3% of total public expenditure on average in OECD countries.
- Public expenditure on primary, secondary and post-secondary, non-tertiary education is, on average, about three times that on tertiary education in OECD countries.
- Between 1995 and 2007, education accounted for a growing share of total public expenditure in most countries.

Significance

Public spending on education, as a percentage of total public spending, indicates the importance placed on education relative to that of other areas of public spending, such as health care, social security and national security. Since the second half of the 1990s, most OECD countries have sought to consolidate public budgets, and education has had to compete with a wide range of other areas for public financial support. This spread evaluates the change in spending on education both in absolute terms and relative to changes in the size of public budgets.

Findings

On average, OECD countries devoted 13.3% of total public expenditures to education in 2007, with levels ranging from 10% or less in the Czech Republic, Italy and Japan to almost 22% in Mexico.

Even in countries with relatively low rates of public spending, education is considered a priority. For example, the share of public spending devoted to education in Chile, Mexico, New Zealand, the Slovak Republic and the Russian Federation is among the highest of OECD countries, yet total public spending accounts for a relatively low proportion of GDP in these countries.

On average in OECD countries, public funding of primary, secondary and post-secondary non-tertiary education is nearly three times that of tertiary education, mainly due to near universal enrolment rates below tertiary education, but also because the private share tends to be greater at the tertiary level. This ratio varies from double or less in Canada, Denmark, Finland and Norway to five times in Chile and Korea. The latter figure is indicative of the relatively high proportion of private funds going to tertiary education in these two countries.

Trends

Although budget consolidation puts pressure on all the areas of public expenditure, from 1995 to 2007 public expenditure on education typically grew faster than total public spending. The main increase in public expenditure on education relative to total public spending took place from 1995 to 2000; between 2000 and 2007, public expenditure on education and on other public sectors increased in the same proportions.

Over the 12 years, the proportion of public budgets spent on education in OECD countries rose from 12.1% to 13.3%. The greatest relative increases were in Chile, which saw an increase from 14.5 to 17.9%, Denmark (12.2 to 15.4%), the Netherlands (9.1 to 11.7%), the Slovak Republic (14.1 to 19.4%), Sweden (10.7 to 12.7%) and Brazil (11.2 to 16.1%).

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. Public expenditure on education includes expenditure by all public entities, including ministries other than the ministry of education, local and regional governments and other public agencies. Total public expenditure, also referred to as total public spending, corresponds to the non-repayable current and capital expenditure of all levels of government.

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 B4).

Areas covered include:

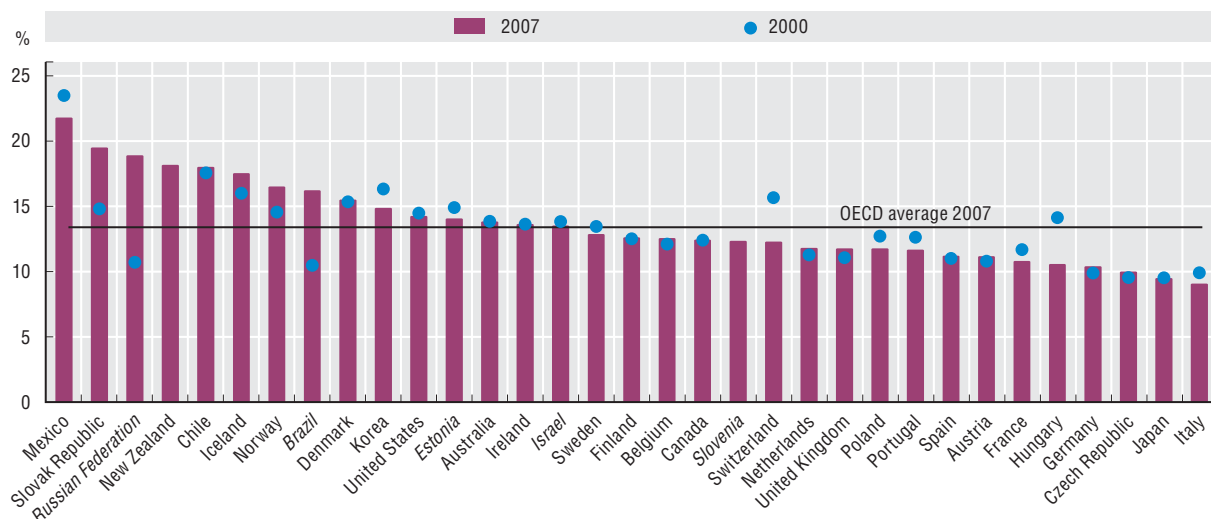
- Distribution of total public expenditure on education.
- Initial sources of public educational funds and final purchasers of educational resources by level of government (online).

3. PAYING FOR EDUCATION

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Figure 3.6. **Trends in public spending on education as a percentage of total public expenditure (2000, 2007)**

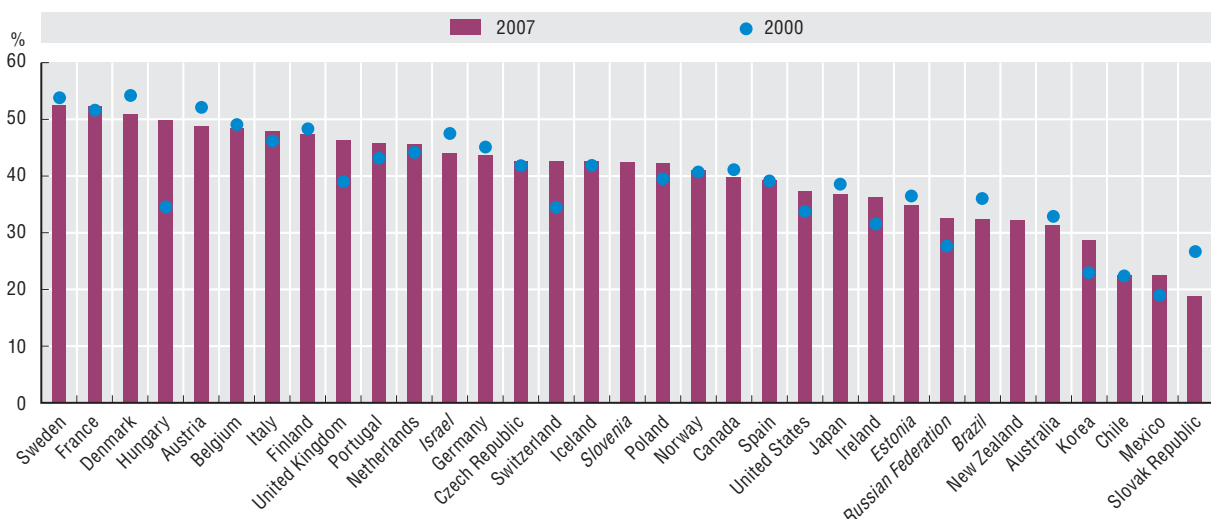
This figure shows total public spending on education (which includes spending on educational institutions and spending such as public subsidies to households), and how it has evolved.



Source: OECD (2010), *Education at a Glance 2010*, Table B4.1, available at <http://dx.doi.org/10.1787/888932310339>.

Figure 3.7. **Total public expenditure as a percentage of GDP (2000, 2007)**

This figure shows the size of public spending as a percentage of the overall economy. These data provide context for looking at how much of public spending is devoted to education.



Source: OECD (2010), *Education at a Glance 2010*, Chart B4.2, available at <http://dx.doi.org/10.1787/888932310339>.



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