

What share of national wealth is spent on education?

- OECD countries spend 6.2% of their GDP on educational institutions, on average.
- Between 2000 and 2009, expenditure on educational institutions across all levels of education increased by an average of 36% in OECD countries, reflecting the fact that more people are completing upper secondary and tertiary education than ever before.
- Despite the economic crisis, expenditure for all levels of education combined increased in 24 out of the 31 countries with available data between 2008 and 2009, although GDP in 26 of these countries decreased.

Significance

This section examines the proportion of a nation's wealth that is invested in education. In other words, it shows to what extent a country – including its government, private enterprise, individual students and their families – prioritises education in relation to overall spending.

Findings

OECD countries spend 6.2% of their GDP on education, on average, although the proportions vary by country: above 7% in Denmark, Iceland, Israel, Korea, New Zealand and the United States, but less than 5% in the Czech Republic, Hungary, India, Indonesia, Italy, the Slovak Republic and South Africa.

About 64% of OECD expenditure on educational institutions, or 4.0% on average of GDP, is devoted to primary, secondary and post-secondary non-tertiary education. Tertiary education accounts for nearly one-quarter of the average OECD spending on education, or on average 1.6% of GDP. Canada, Chile, Korea and the United States spend between 2.4% and 2.6% of their GDP on tertiary institutions. Four countries devote less than 1% of GDP to tertiary education, namely Brazil (0.8%), Indonesia (0.7%), the Slovak Republic (0.9%) and South Africa (0.6%). In Belgium, Brazil, France, Iceland, Norway, Portugal, Switzerland and the United Kingdom the share of GDP spent on tertiary institutions is below the OECD average while the share of GDP spent on primary, secondary and post-secondary non-tertiary education is above the OECD average.

Differences in spending on educational institutions are most striking at the pre-primary level, where they range from less than 0.2% of GDP in Australia, India, Indonesia, Ireland and South Africa to about 0.9% or more in Denmark, Iceland, Israel, Spain and the Russian Federation. However, as countries often structure and fund pre-primary education in very different ways, it is unsafe to draw inferences from these data on access to and quality of early childhood education.

Trends

With an unprecedented number of people completing secondary and tertiary education between 2000 and 2009, many countries made massive financial investments in education during that period. For all levels of education combined, public and private investment in education increased on average by 36% in OECD countries over this period.

The global economic crisis that began in 2008 had (and is still having) a major negative impact on different sectors of the economy. While it is still early to assess the full impact of the crisis, education seems to have been spared from early budget cuts. Only Israel shows a decrease in expenditure on educational institutions as a percentage of GDP. Between 2008 and 2009, expenditure on education institutions started to fall in Belgium, Estonia, Iceland, Italy, Japan and the United States but the reductions seen in these six countries were smaller than the drop in GDP. As a result, the share of GDP devoted to education continued to rise. In the remaining countries, education expenditure increased by an average of 4%.

Definitions

Data refer to the 2009 financial year and are based on the UOE data collection on education statistics administered by the OECD in 2011. Expenditure on educational institutions includes expenditure on both instructional institutions (those that provide teaching to individuals in an organised group setting or through distance education) and non-instructional institutions (those that provide administrative, advisory or professional services to other educational institutions, but do not enrol students themselves).

Information on data for Israel:

<http://dx.doi.org/10.1787/888932315602>.

Going further

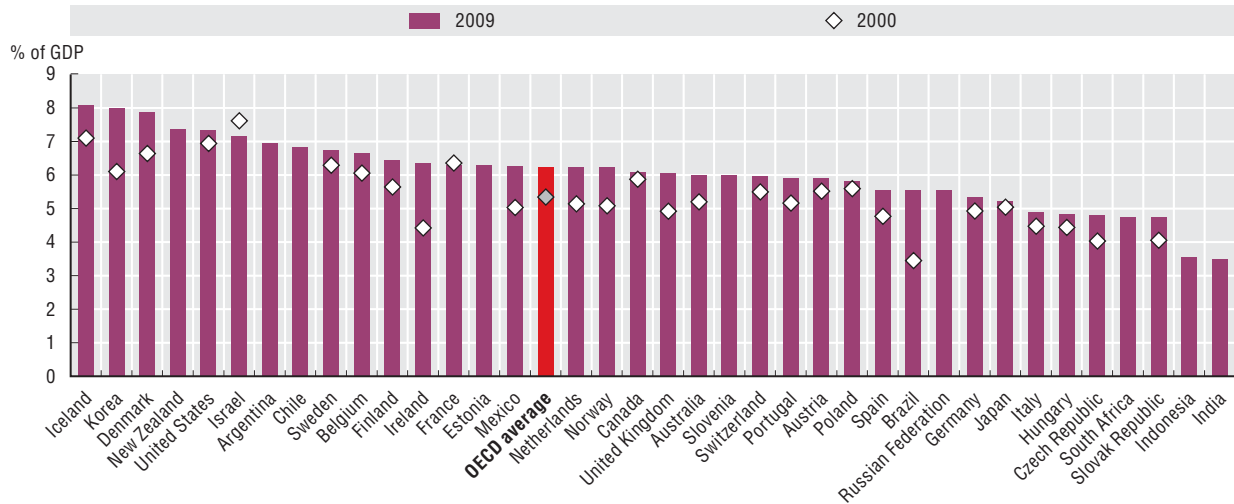
For additional material, notes and a full explanation of sourcing and methodologies, see *Education at a Glance 2012* (Indicator B2).

Areas covered include:

- Expenditure on educational institutions as a percentage of GDP.
- Change in expenditure, 1995, 2000, 2005 and 2008-09.

Figure 3.5. Trends in education expenditure as a percentage of GDP (2000, 2009)

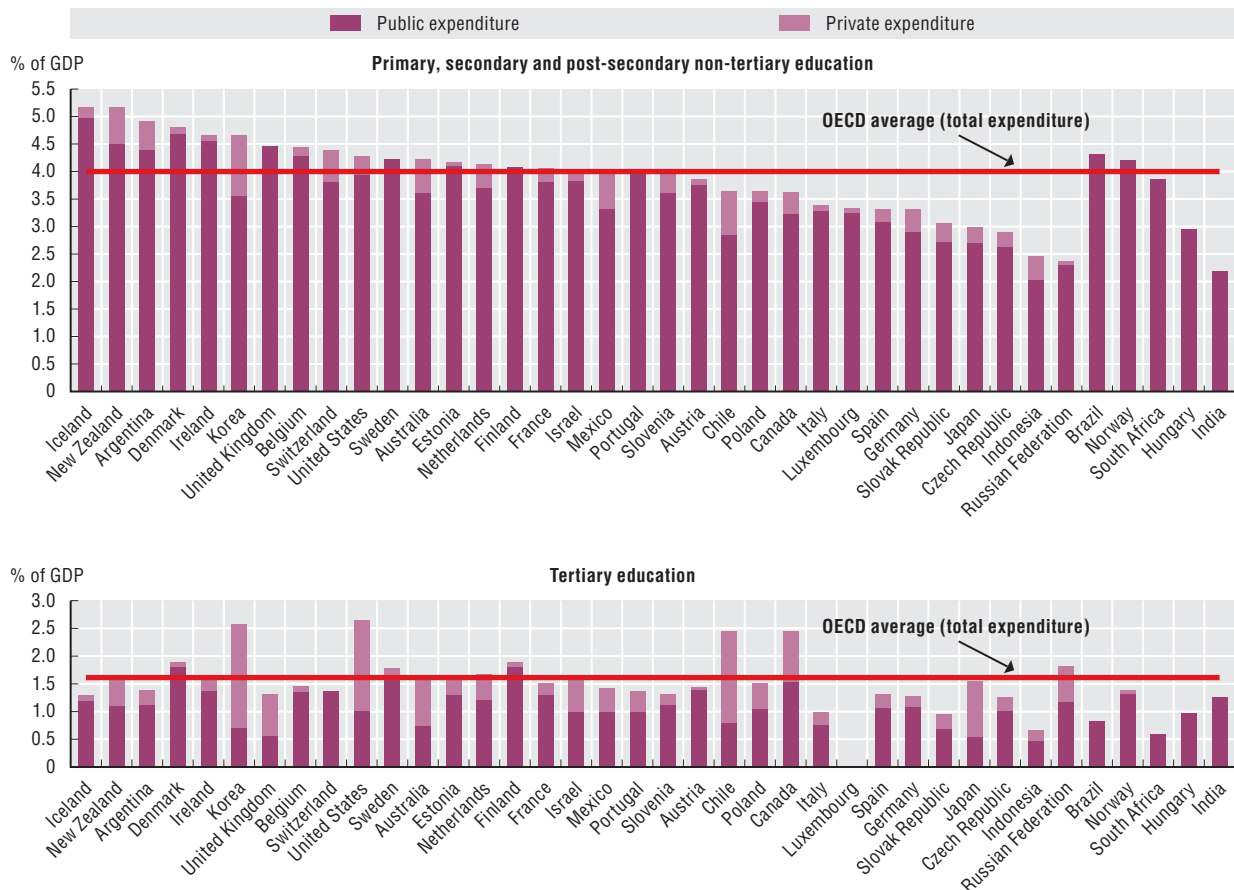
This figure shows the share of national income that countries devote to expenditure on educational institutions, and how that share has changed over time.



Source: OECD (2012), Education at a Glance 2012, Table B2.1, available at: <http://dx.doi.org/10.1787/888932666076>.

Figure 3.6. Expenditure as a percentage of GDP, 2009

These figures show the share of national income – both public and private – devoted to each level of education.



Source: OECD (2012), Education at a Glance 2012, Table B2.3, available at: <http://dx.doi.org/10.1787/888932666114>.



From:
Education at a Glance 2012
Highlights

Access the complete publication at:
https://doi.org/10.1787/eag_highlights-2012-en

Please cite this chapter as:

OECD (2012), "What share of national wealth is spent on education?", in *Education at a Glance 2012: Highlights*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/eag_highlights-2012-18-en

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