

3. PAYING FOR EDUCATION

How much is spent per student?

- OECD countries on average spend USD 9 252 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 section 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 to keep taxes low. This issue is all the more important at a time of economic crisis and tight public spending. 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 on average spend USD 9 252 per student each year across primary, secondary and tertiary education. But spending varies widely between countries, ranging from USD 4 000 per student or less in Argentina, Brazil, Chile, Indonesia, Mexico and South Africa, to more than USD 10 000 in Australia, Austria, Belgium, Denmark, Ireland, Japan, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom, and more than USD 15 000 in the United States.

The factors that drive spending vary among countries. For example, among the ten countries with the highest expenditure at the secondary level, Belgium, Denmark, Ireland, Luxembourg, the Netherlands, Switzerland and the United States are among the ten countries with the highest teachers' salaries, while Austria, Belgium, Denmark and Norway are among the countries with the lowest student-to-teacher ratios.

In every OECD country, spending rises sharply from primary to tertiary education. OECD countries on average spend USD 7 719 per student at primary level, USD 9 312 at secondary level and USD 13 728 at tertiary level.

Most spending in education is devoted to salaries for teachers and other staff as well as other core services (school buildings, teaching materials, books and administration). At the tertiary level, however, other services, particularly research and development activities (R&D), also constitute a

large slice of expenditure. R&D expenditure represents an average of 31% of total expenditure per tertiary student and can account for more than 40% in Norway, Portugal, Sweden and Switzerland. Once R&D activities and ancillary services are excluded, expenditure by educational core services in tertiary institutions falls to an average USD 8 944 per student. By contrast, spending on ancillary services at primary, secondary and post-secondary non-tertiary levels exceeds 10% of the total expenditure per student only in Finland, France, Hungary, Korea, the Slovak Republic, Sweden and the United Kingdom.

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 Japan is about the same as in Belgium, at USD 15 957 and USD 15 443, respectively. However, it takes more than one year longer to complete a tertiary degree in Japan than in Belgium. As a result, the cumulative expenditure for each tertiary student is nearly USD 20 000 less in Belgium than in Japan – USD 46 175 versus USD 66 856.

Definitions

Data refer to the financial year 2009 and are based on the UOE data collection on education statistics administered by the OECD in 2011. Spending per student at a particular level of education is calculated by dividing the total expenditure of 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

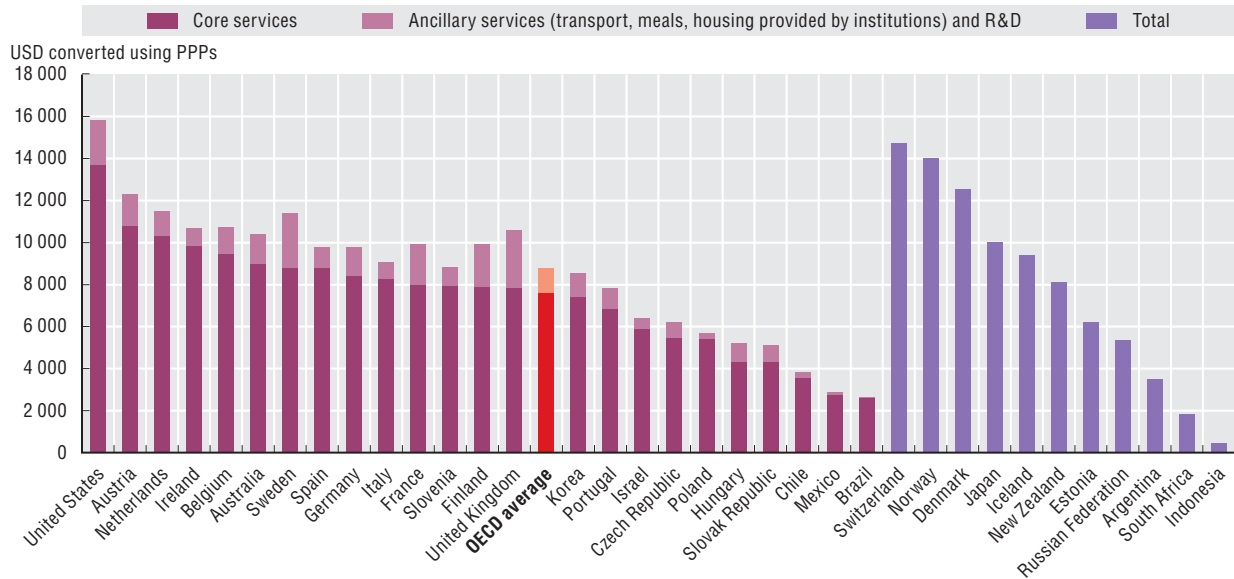
For additional material, notes and a full explanation of sourcing and methodologies, see *Education at a Glance 2012* (Indicator B1).

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.

Figure 3.1. Annual expenditure per student, 2009

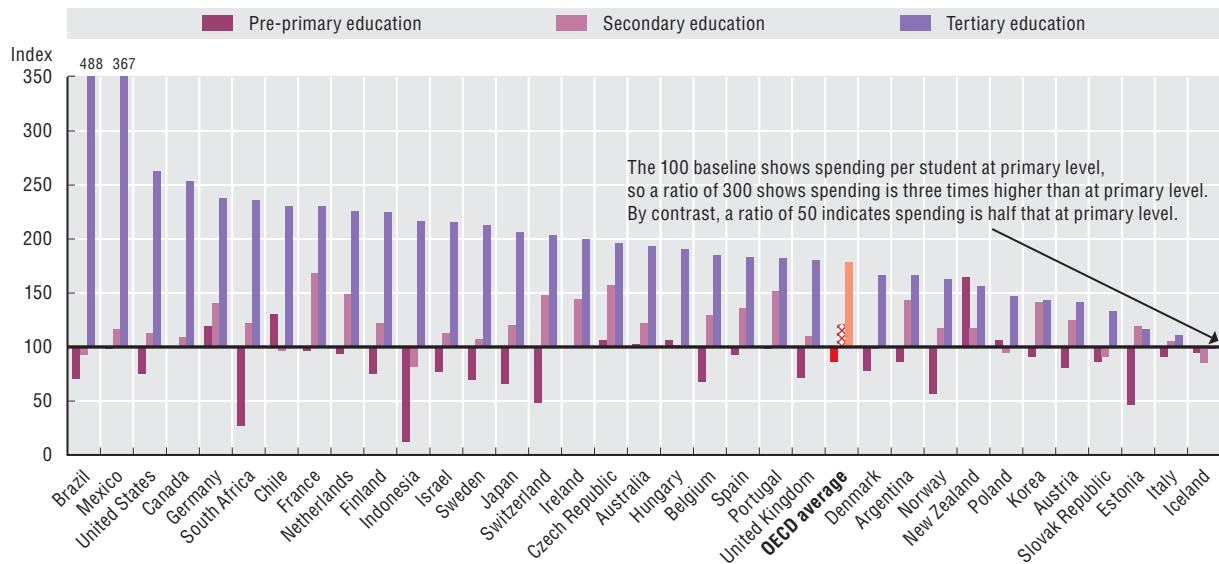
This figure shows how much is spent annually (by educational institutions) per student between primary and tertiary education; these data give a sense of the cost per student of formal education.



Source: OECD (2012), Education at a Glance 2012, Table B1.2, available at: <http://dx.doi.org/10.1787/888932665905>.

Figure 3.2. Expenditure on education relative to spending on primary education, 2009

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



Source: OECD (2012), Education at a Glance 2012, Table B1.1a, available at: <http://dx.doi.org/10.1787/888932665867>.



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