

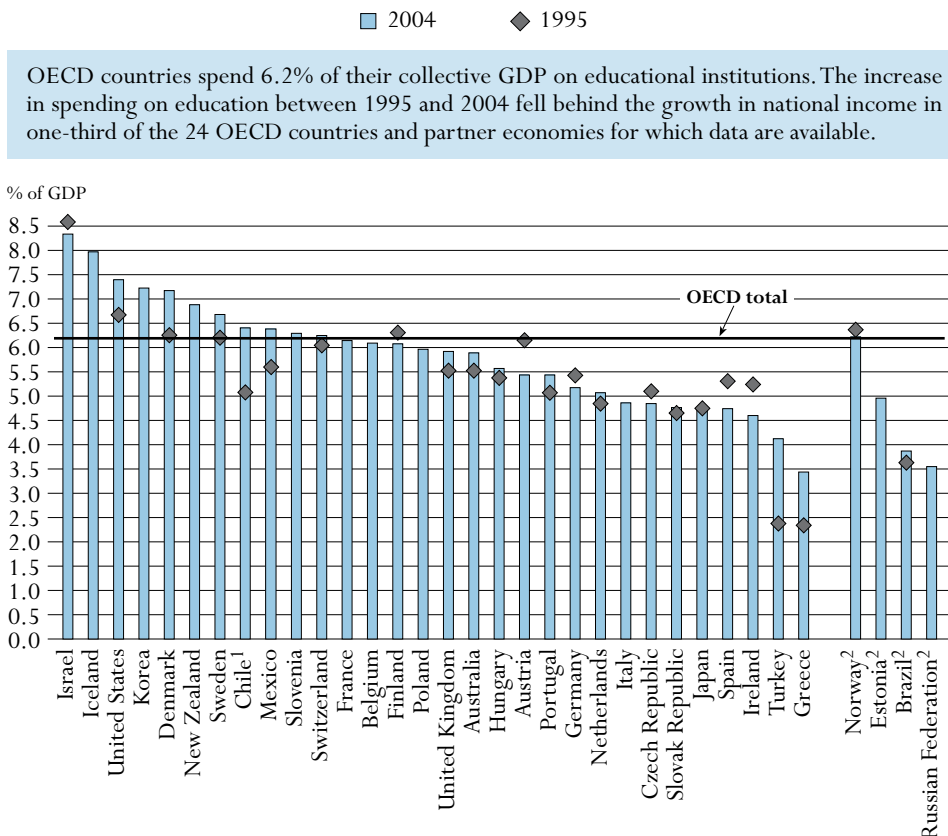
## WHAT PROPORTION OF NATIONAL WEALTH IS SPENT ON EDUCATION?

Education expenditure as a percentage of GDP shows how a country prioritises education in relation to its overall allocation of resources. Tuition fees and investment in education from private entities other than households (see Indicator B5) have a strong impact on differences in the overall amount of financial resources that OECD countries devote to their education systems, especially at the tertiary level.

### Key results

#### Chart B2.1. Expenditure on educational institutions as a percentage of GDP for all levels of education (1995, 2004)

*This chart measures educational investment through the share of national income that each country devotes to spending on educational institutions in 1995 and 2004. It captures both direct and indirect expenditure on educational institutions from both public and private sources of funds.*



1. Years of reference 2005 and 1995.

2. Expenditure from public sources only.

Countries are ranked in descending order of total expenditure from both public and private sources on educational institutions in 2004.

Source: OECD, Table B2.1. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

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### Other highlights of this indicator

- Around two-thirds of expenditure on educational institutions, or 3.8% of the combined GDP in the OECD area, are devoted to primary, secondary and post-secondary non-tertiary education. Iceland and New Zealand, and, to a lesser extent, Sweden and Switzerland, spend more than twice the level of expenditure compared to their GDP than Greece.
- Tertiary education accounts for more than one-quarter of the combined OECD expenditure on educational institutions (1.9% of the combined GDP).
- Korea and the United States spend 2.3 and 2.9% of their GDP, respectively, on tertiary institutions. These two countries, along with the partner economy Chile (2.0%), show the highest proportions of private expenditure at the tertiary level of education. Compared to GDP, the United States spends on tertiary education up to three times more than Italy, Portugal and Turkey and partner economy Estonia, and four times more than partner economies Brazil and the Russian Federation.
- More people are completing upper secondary and tertiary education than ever before, and in many countries the expansion has been accompanied by massive financial investments. Between 1995 and 2004 and for all levels of education combined, expenditure on educational institutions increased in the 24 countries with comparable data for the period. The increase was, on average, 42% in OECD countries. The increase is usually larger for tertiary education than for primary to post-secondary non-tertiary levels of education combined.
- At the tertiary level of education, the increase of expenditure over the period 1995-2004 was more pronounced from 2000 onward than before 2000 in nearly one-half of OECD countries. Between 2000 and 2004, expenditure increased by more than 30 percentage points in the Czech Republic, Greece, Mexico, Poland, the Slovak Republic and Switzerland and the partner economy Chile.
- The size of the school-age population shapes the potential demand for initial education and training and therefore affects expenditure on educational institutions. Thus, countries with more than 25% of their population enrolled in education have an above OECD average proportion of their GDP devoted to education. On the contrary, countries with less than 20% of their population enrolled in education have a below OECD average proportion of their GDP devoted to education.

## Policy context

This indicator provides a measure of the relative proportion of a nation's wealth that is invested in educational institutions. Expenditure on education is an investment that can help foster economic growth, enhance productivity, contribute to personal and social development, and reduce social inequality. Relative to gross domestic product, expenditure on education shows the priority given to education by each country in terms of allocating its overall resources. The proportion of total financial resources devoted to education is one of the key choices made in each OECD country. This is an aggregate choice made by government, enterprise and individual students and their families and is partially driven by the importance of the school-age population in the country and enrolment in education. If the social and private returns on investment in education are sufficiently large, there is an incentive for enrolment to expand and total investment to increase.

The indicator also includes a comparative review of changes in educational investment over time. In deciding how much is allocated to education, governments must assess demands for increased spending in areas such as teachers' salaries and educational facilities. This indicator can provide a point of reference as it shows how the volume of educational spending, relative to the size of national wealth and in absolute terms, has evolved over time in various OECD countries.

## Evidence and explanations

### What this indicator does and does not cover

This indicator covers expenditure on schools, universities and other public and private institutions involved in delivering or supporting educational services. Expenditure on institutions is not limited to expenditure on instructional services but also includes public and private expenditure on ancillary services for students and families (such as housing and transportation services), where these services are provided through educational institutions. Spending on research and development can also be significant in tertiary education and is included in this indicator, to the extent that the research is performed by educational institutions.

Not all spending on educational goods and services occurs within educational institutions. For example, families may purchase textbooks and materials commercially or seek private tutoring for their children outside educational institutions. At the tertiary level, student living costs and forgone earnings can also account for a significant proportion of the costs of education. All such expenditure outside educational institutions is excluded from this indicator, even if it is publicly subsidised. Public subsidies for educational expenditure outside institutions are discussed in Indicators B4 and B5.

### Overall investment relative to GDP

All OECD countries invest a substantial proportion of national resources in education. Taking into account both public and private sources of funds, OECD countries as a whole spend 6.2% of their collective GDP on educational institutions at the pre-primary, primary, secondary and tertiary levels. Under current conditions of tight constraints on public budgets, such a large spending item is subject to close scrutiny by governments looking for ways to reduce or limit the growth of expenditure.

The highest spending on educational institutions can be observed in Denmark, Iceland, Korea and the United States, and the partner economy Israel, with at least 7% of GDP accounted for by public and private spending on educational institutions, followed by New Zealand, and Sweden



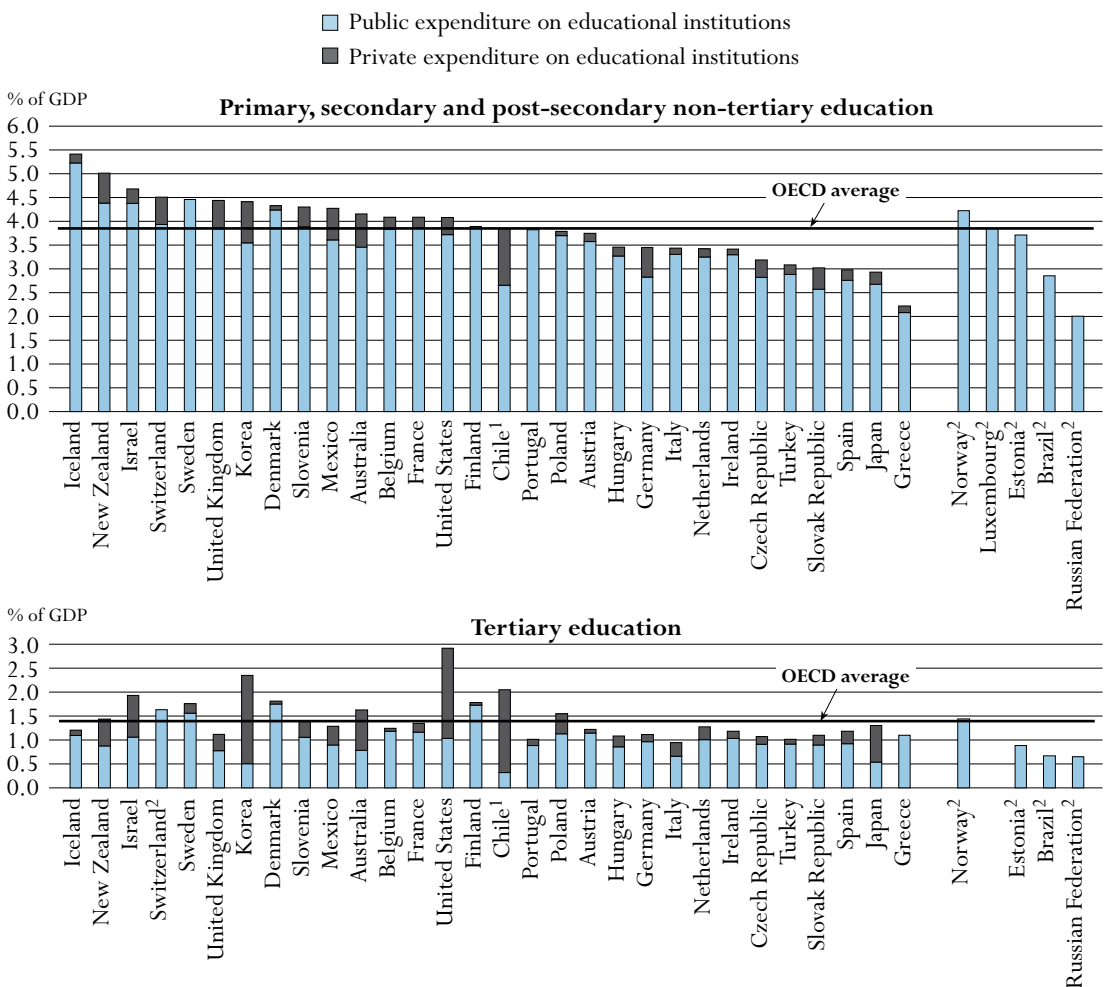
with more than 6.5%. Eight out of 28 OECD countries for which data are available as well as three partner economies, however, spend less than 5% of GDP on educational institutions, and in Greece and Turkey, as well as in the partner economies Brazil and the Russian Federation, this figure is only between 3.4 and 4.1% (Table B2.1).

**Expenditure on educational institutions by level of education**

Differences in spending on educational institutions are most striking at the pre-primary level of education. Here, spending ranges from 0.1% of GDP in Australia and Korea to 0.8% or more in Denmark and Hungary, and the partner economy Israel (Table B2.2). Differences at the pre-primary level can be explained mainly by participation rates among younger children (see Indicator C1),

**Chart B2.2. Expenditure on educational institutions as a percentage of GDP (2004)**

*From public and private sources, by level of education, source of funds and year*



1. Year of reference 2005.

2. Public expenditure only.

Countries are ranked in descending order of expenditure from both public and private sources on educational institutions in primary, secondary and post-secondary non-tertiary education.

Source: OECD, Table B2.4. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

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but are also sometimes a result of the extent to which private early childhood education is covered by this indicator. In Ireland, for example, the majority of early childhood education is delivered in private institutions that are not yet covered in the Irish data collection. Moreover, high-quality early childhood education and care are not only provided by the educational institutions covered by this indicator but often also in more informal settings. Inferences on access to and quality of early childhood education and care should therefore be made with caution.

On average, among OECD countries, around two-thirds of expenditure on educational institutions is devoted to primary, secondary and post-secondary non-tertiary education. Because enrolment in primary and lower secondary education is almost universal in OECD countries, and participation rates in upper secondary education are high (see Indicators C1 and C2), these levels account for the bulk of expenditure on educational institutions: 3.8% of the combined OECD GDP (Chart B2.2). At the same time, significantly higher spending on education per student at the upper secondary and tertiary levels causes the overall investment in these levels to be higher than enrolment numbers alone would suggest.

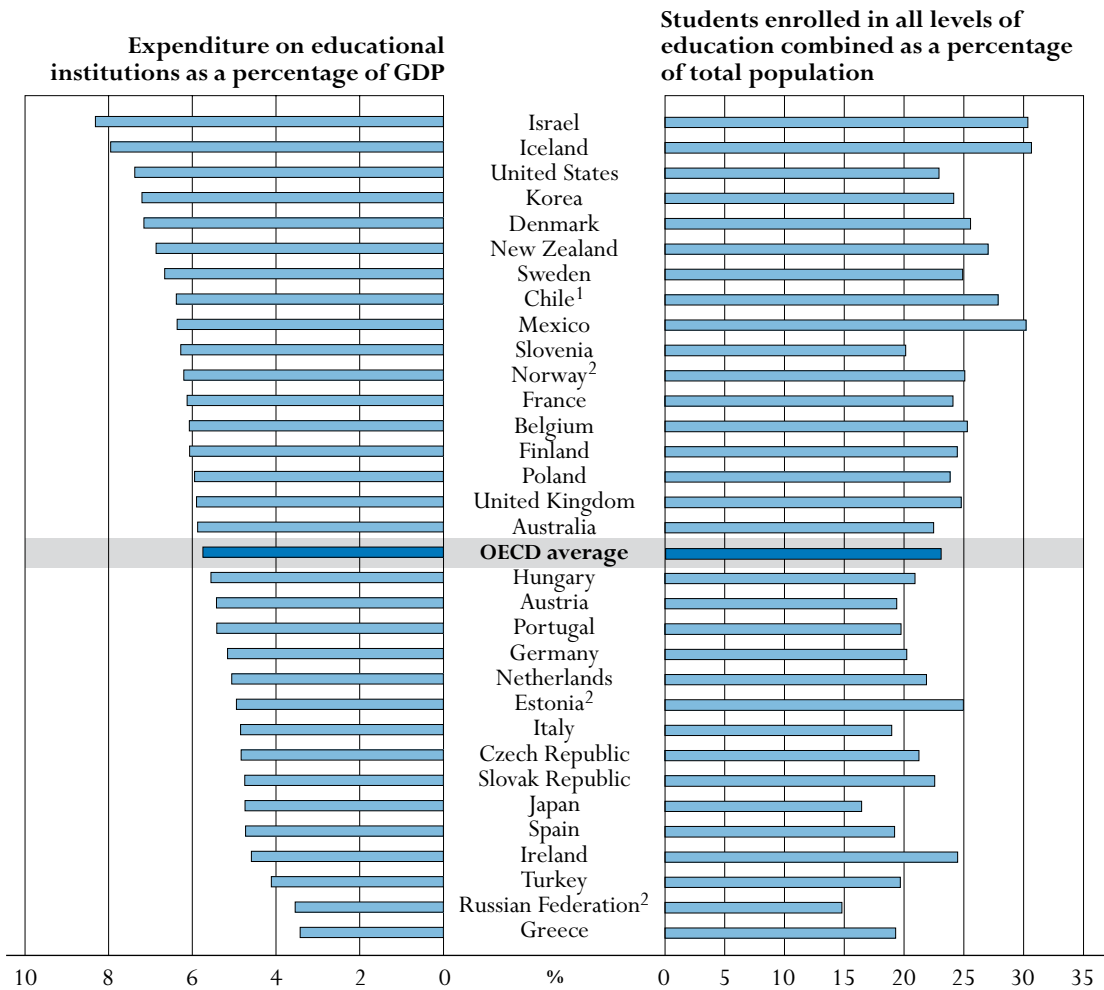
More than one-quarter of combined OECD expenditure on educational institutions is accounted for by tertiary education. At this level of education, pathways available to students, programme durations and the organisation of teaching vary greatly among OECD countries, leading to greater differences in the level of expenditure allocated to tertiary education. On the one hand, Korea and the United States spend 2.3 and 2.9%, respectively, of their GDP on tertiary institutions and these two countries (with partner economy Chile) are also those with the highest proportion of private expenditure on tertiary education. Denmark, Finland and Sweden, as well as the partner economy Israel, also show high levels of spending, with 1.8% or more of GDP devoted to tertiary institutions. On the other hand, the proportion of GDP spent on tertiary institutions in Belgium, France, Iceland, Mexico, Portugal and the United Kingdom is below the OECD average and these countries are among the OECD countries where the proportion of GDP spent on primary, secondary and post-secondary non-tertiary education is above the OECD average (Chart B2.2). In Switzerland, a moderate proportion of GDP spent on tertiary institutions translates to one of the highest levels of spending per tertiary student, due to a comparatively low tertiary enrolment rate and a high GDP (Tables B2.1 and B1.2).

### **Relationship between national expenditure on education and demographic pattern**

The amount of national resources devoted to education depends on a number of interrelated factors of supply and demand, such as the demographic structure of the population, enrolment rates, income per capita, national levels of teachers' salaries, and the organisation and delivery of instruction. For example, OECD countries with high spending levels may be enrolling larger numbers of students, while countries with low spending levels may either be limiting access to higher levels of education or delivering educational services in a particularly efficient manner. The distribution of enrolment among sectors and fields of study may also differ, as may the duration of studies and the scale and organisation of related educational research. Finally, large differences in GDP among OECD countries imply that similar percentages of GDP spent on education can translate into very different absolute amounts per student (see Indicator B1).

**Chart B2.3. Expenditure on educational institutions as a percentage of GDP and total enrolment in education as a percentage of total population (2004)**

*For all levels of education combined, based on full-time equivalents*




1. Year of reference 2005.

2. Expenditure from public sources only.

Countries are ranked in descending order of total expenditure on educational institutions as a percentage of GDP.

Source: OECD, Table B2.1 and Annex 2. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

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The size of the school-age population in a particular country shapes the potential demand for initial education and training. The larger the number of young people, the greater the potential demand for educational services. Among OECD countries of comparable national income, a country with a relatively large youth population will have to spend a higher percentage of its GDP on education so that each young person in that country has the opportunity to receive the same quantity of education as young people in other OECD countries, based on the assumption that the cost for teachers and facilities are comparable in these countries. Conversely, but based on the same assumption, if the youth population is relatively small, the same country will be required to spend less of its wealth on education in order to achieve similar results.

Comparing expenditure on educational institutions as a percentage of GDP to the proportion of the population enrolled in education shows in general that countries with a proportion of their population enrolled in formal education above 25% (such as Belgium, Denmark, Iceland, Mexico, Norway and New Zealand and the partner economies Chile and Israel) are also countries with above OECD average expenditure on education as a percentage of GDP (Chart B2.3). On the contrary, in Austria, Italy, Japan, Greece, Portugal, Spain and Turkey, and the partner economy the Russian Federation, students enrolled in formal education represent the lowest proportions the population (less than 20%) and these countries have expenditure on education below the OECD average. Some of these countries also have the lowest shares of GDP devoted to education among OECD countries and partner economies.

Nevertheless, the proportion of the school-age population is not the sole factor influencing expenditure. Countries with similar proportions of the population in education may spend different shares of their GDP, according to the level of priority given to the education sector, or the ways education expenditure are distributed between the different levels of education. For example, the proportion of the population enrolled in education are quite similar in Mexico and the partner economy Israel (30.2 and 30.3% of the population), but Mexico spends nearly 2 percentage points less of its GDP on education than does Israel. However, countries spending similar proportion of their GDP on education do not necessarily have the same proportion of their population enrolled in education. For example, the Slovak Republic and Japan spend 4.8% of their GDP on education, but students represent about 17% of the population in Japan against 23% of the population in the Slovak Republic. Differences in expenditure per student may explain this variation (see Table B1.1a).

### **Changes in overall educational spending between 1995 and 2004**

More people are completing upper secondary and tertiary education than ever before (see Indicator A1), and in many countries, this expansion has been accompanied by massive financial investment. In the 26 OECD countries and partner economies for which comparable trend data are available for all levels of education combined, public and private investment in education increased in all countries by at least 7% between 1995 and 2004 in real terms and increased on average by 42% in OECD countries. Australia, Denmark, Finland, Hungary, the Netherlands, Norway, Portugal, the Slovak Republic, Sweden, the United Kingdom and the United States, and the partner economy Brazil, increased expenditure on education by 30 to 50% while Greece, Ireland, Mexico, New Zealand, Poland and Turkey, and the partner economy Chile, increased spending by more than 50% (Table B2.3).

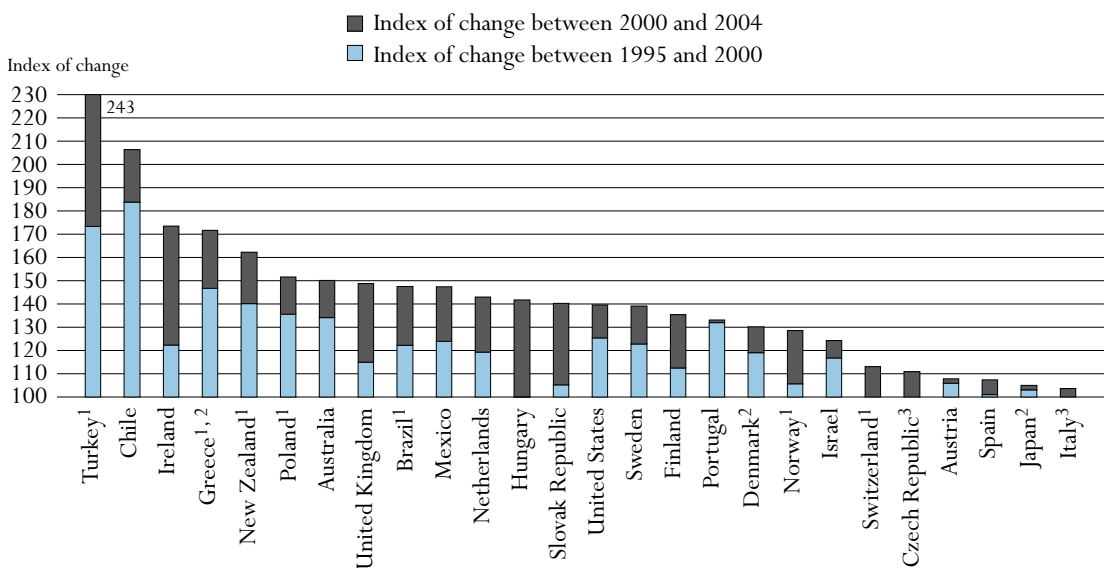
Countries vary in the levels of education at which spending has increased over the period 1995 to 2004, but in most countries, expenditure in tertiary education increased in higher proportions compared to primary, secondary and post-secondary non-tertiary education. In the Czech Republic, Greece, Italy, Japan, Mexico, Poland, the Slovak Republic, Spain, Switzerland and the United States, increases in spending on tertiary education surpassed increases at the primary, secondary and post-secondary non-tertiary levels by 20 percentage points or more. Denmark, Finland, Germany, Ireland, Sweden, as well as partner economy Chile, invested additional resources in similar proportions in primary, secondary and post-secondary non-tertiary and tertiary education combined. Conversely, Australia, the Netherlands, New Zealand, Norway, Turkey and the United Kingdom and partner economy Brazil invested most of the increases

(in relative terms) between 1995 and 2004 in primary, secondary and post-secondary non-tertiary education (Table B2.3).

During the period 1995 to 2004, the variation of expenditure on educational institutions was not necessarily constant over time – whether for all levels of education combined or for each level of education considered separately. Across OECD countries, the increase of expenditure for all levels of education combined is greater before 2000 than from 2000 in nearly one-half of the countries with available data. This does not solely result from the difference in the length of time over which the variation is measured, as in three-quarters of these countries, the average annual variation is larger over the period 1995 to 2000 than over the period 2000 to 2004. This slower growth of expenditure for 2000 to 2004 is particularly marked in Portugal and Turkey and in the partner economy Chile. The reverse pattern is true for the Czech Republic, Hungary, Norway, the Slovak Republic and the United Kingdom (Table B2.3; Chart B2.4c available on line at <http://dx.doi.org/10.1787/068186423156>).

Over the period 1995 to 2004, spending on the various levels of education evolved quite differently. Expenditure on primary to post-secondary non-tertiary education follow the same trends as for all levels of education combined. The slower growth of expenditure for 2000 to 2004 is particularly marked in Greece and Portugal, and in the partner economy Chile, whereas the reverse pattern is true in the Czech Republic, Hungary, Ireland and the Slovak Republic (Table B2.3 and Chart B2.4a).

**Chart B2.4a. Change in expenditure on educational institutions between 1995 and 2004 for primary, secondary and post-secondary non tertiary education**  
(1995=100, constant prices)



1. Public expenditure only.

2. Some levels of education are included with others. Refer to “x” code in Table B1.1b for details.

3. Expenditure on educational institutions decreased between 1995 and 2000 but have increased over the period 1995-2004.

Countries are ranked in descending order of change between 1995 and 2004 in total expenditure from both public and private sources on educational institutions.

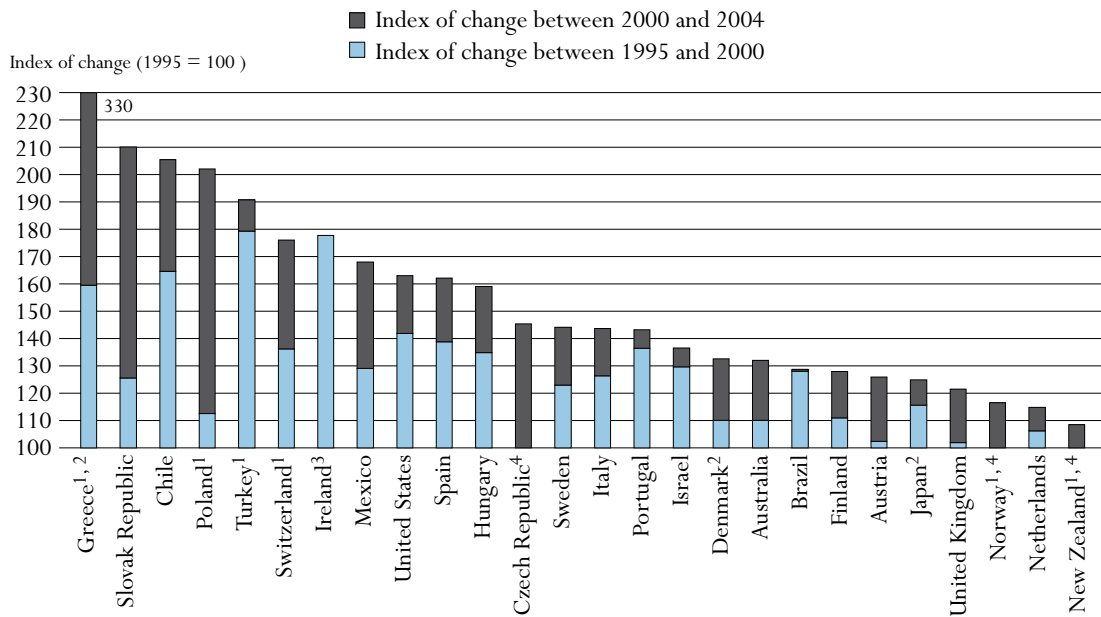
Source: OECD, Table B2.3. See Annex 3 for notes ([www.oecd.org/edu/eqg2007](http://www.oecd.org/edu/eqg2007)).

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At the tertiary level, however, the increase is more pronounced from 2000 than before 2000 in one-half of the countries (even if based on the average annual variation). The increase of expenditure is more marked from 2000 than before 2000 particularly in the Austria, the Czech Republic, Greece, Norway, Poland, and the Slovak Republic. On the contrary, the increase of expenditure from 2000 is significantly smaller than from before 2000 in Ireland, Portugal, Turkey and the United States, as well as in partner economies Brazil, Chile and Israel (Table B2.3 and Chart B2.4b).

**Chart B2.4b. Change in expenditure on educational institutions between 1995 and 2004 for tertiary education**  
(1995=100, constant prices)



1. Public expenditure only.
2. Some levels of education are included with others. Refer to “x” code in Table B1.1b for details.
3. Expenditure on educational institutions decreased by 4 percentage points between 2000 and 2004.
4. Expenditure on educational institutions decreased between 1995 and 2000 but have increased over the period 1995-2004.

Countries are ranked in descending order of change between 1995 and 2004 in total expenditure from both public and private sources on educational institutions.

Source: OECD, Table B2.3. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

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However, to make a sound interpretation, these variations over time should be viewed in light of the trends in national income. The increase in spending on education between 1995 and 2004 tended to fall behind the growth in national income in a third of the 26 OECD countries and partner economies for which data are available. The most notable differences are observed in Austria, Ireland and Spain, where the proportion of GDP spent on education decreased by 0.5 or more percentage points between 1995 and 2004 (Table B2.1). In Ireland, the strong growth of GDP hides a significant increase in spending on educational institutions when spending on education is considered as a proportion of GDP, while education in the Czech Republic did not benefit

significantly from growth in GDP. Both countries were already among the OECD countries spending a lower proportion of GDP on education in 1995 and have now fallen further behind (Table B2.1, Table B2.3 and Annex 2, and Chart B2.5 available on line). By contrast, the proportion of GDP spent on education increased by 0.8 percentage points or more between 1995 and 2004 in Denmark, Greece, Mexico, Turkey and the United States, and the partner economy Chile: six countries that significantly increased their investment at the tertiary level between 1995 and 2004 (Tables B2.1 and B2.3).

### **Expenditure on educational institutions by source of funding**

Increased expenditure on education in order to sustain growth in enrolment implies a heavier financial burden for society as a whole, but this burden does not rest only on public funding.

On average, from the 6.2% of the combined GDP in the OECD area devoted to education, more than three-quarters of expenditure come from public sources (Table B2.4). The majority of the funding is from public sources in all countries and public expenditure may constitute nearly the sole source of funding in Norway. However, the breakdown of educational expenditure by source of funding and by level of education shows more differences between countries (see Indicator B3).

### **Definitions and methodologies**

Data refer to the financial year 2004 and are based on the UOE data collection on education statistics administered by the OECD in 2006 (for details see Annex 3 at [www.oecd.org/edu/eqg2007](http://www.oecd.org/edu/eqg2007)). Expenditure on educational institutions, as covered by this indicator, includes expenditure on both instructional and non-instructional educational institutions. Instructional educational institutions are educational institutions which directly provide instructional programmes (*i.e.* teaching) to individuals in an organised group setting or through distance education. Business enterprises or other institutions providing short-term courses of training or instruction to individuals on a one-to-one basis are not included. Non-instructional educational institutions provide administrative, advisory or professional services to other educational institutions, although they do not enrol students themselves. Examples include national, state and provincial ministries or departments of education; other bodies that administer education at various levels of government or analogous bodies in the private sector: and organisations that provide such education-related services as vocational or psychological counselling, placement, testing, financial aid to students, curriculum development, educational research, building operations and maintenance services, transportation of students, and student meals and housing.

This broad definition of institutions ensures that expenditure on services, which are provided in some OECD countries by schools and universities and in others by agencies other than schools, are covered on a comparable basis.

The distinction by source of funds is based on the initial source of funds and does not reflect subsequent public-to-private or private-to-public transfers. For this reason, subsidies to households and other entities, such as subsidies for tuition fees and other payments to educational institutions, are included in public expenditure in this indicator. Payments from households and other private entities to educational institutions include tuition and other fees, net of offsetting public subsidies. A detailed discussion of public subsidies can be found in Indicator B5.

The OECD average is calculated as the simple average of all OECD countries for which data are available. The OECD total reflects the value of the indicator if the OECD region is considered as a whole (see the Reader's Guide for details).

Tables B2.1 and B2.3 show expenditure on educational institutions for the financial year 1995 and also for financial years 2000 to 2004 for Table B2.3. The data on expenditure for 1995 were obtained by a special survey in 2002 and updated in 2006; expenditure for 1995 was adjusted to methods and definitions used in the 2006 UOE data collection.


Data for 1995 are expressed in 2004 price levels. Charts B2.1, B2.4a and B2.4b and Tables B2.1 and B2.3 present an index of change in expenditure on institutions and GDP between 1995 and 2004. All expenditure, as well as 1995 GDP, is adjusted to 2004 prices using the GDP deflator.

For comparisons over time, the OECD average accounts only for those OECD countries for which data are available for all reported reference years.

Note that data appearing in earlier editions of this publication may not always be comparable to data shown in the 2007 edition due to changes in definitions and coverage that were made as a result of the OECD expenditure comparability study (for details on changes, see Annex 3 at [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

### Further references

The following additional information relevant to this indicator is available on line at:

**StatLink**  <http://dx.doi.org/10.1787/068186423156>

- *Chart B2.4c. Change in expenditure on educational institutions between 1995 and 2004 for all levels of education combined*
- *Chart B2.5. Changes in expenditure on educational institutions and changes in GDP (1995, 2004)*

Table B2.1.  
Expenditure on educational institutions as a percentage of GDP, by levels of education (1995, 2000, 2004)  
From public and private sources, by year

	2004			2000			1995		
	Primary, secondary and post-secondary non-tertiary education	Tertiary education	Total all levels of education	Primary, secondary and post-secondary non-tertiary education	Tertiary education	Total all levels of education	Primary, secondary and post-secondary non-tertiary education	Tertiary education	Total all levels of education
<b>OECD countries</b>									
Australia	4.2	1.6	5.9	4.2	1.5	5.6	3.7	1.7	5.5
Austria	3.7	1.2	5.4	3.9	1.0	5.5	4.2	1.2	6.1
Belgium	4.1	1.2	6.1	4.1	1.3	6.1	m	m	m
Canada	m	m	m	3.3	2.3	5.9	4.5	2.3	7.0
Czech Republic	3.2	1.1	4.9	2.8	0.8	4.2	3.5	0.9	5.1
Denmark	4.3	1.8	7.2	4.1	1.6	6.6	4.0	1.6	6.2
Finland	3.9	1.8	6.1	3.6	1.7	5.6	4.0	1.9	6.3
France	4.1	1.3	6.1	m	m	m	m	m	m
Germany	3.5	1.1	5.2	m	m	m	3.7	1.1	5.4
Greece	2.2	1.1	3.4	2.3	0.7	3.1	1.8	0.5	2.3
Hungary	3.5	1.1	5.6	2.9	1.1	4.9	3.5	1.0	5.3
Iceland	5.4	1.2	8.0	4.7	0.9	6.1	m	m	m
Ireland	3.4	1.2	4.6	2.9	1.5	4.5	3.8	1.3	5.2
Italy	3.4	0.9	4.9	3.2	0.9	4.8	m	0.7	m
Japan	2.9	1.3	4.8	3.0	1.3	4.8	3.1	1.1	4.7
Korea	4.4	2.3	7.2	4.0	2.6	7.1	m	m	m
Luxembourg <sup>1</sup>	3.8	m	m	m	m	m	m	m	m
Mexico	4.3	1.3	6.4	3.8	1.1	5.5	4.0	1.1	5.6
Netherlands	3.4	1.3	5.1	3.0	1.2	4.5	3.0	1.4	4.8
New Zealand	5.0	1.4	6.9	m	m	m	m	m	m
Norway <sup>1</sup>	4.2	1.4	6.2	3.8	1.3	5.4	4.3	1.7	6.3
Poland	3.8	1.5	6.0	3.9	1.1	5.6	m	m	m
Portugal	3.8	1.0	5.4	3.9	1.0	5.4	3.6	0.9	5.0
Slovak Republic	3.0	1.1	4.8	2.7	0.8	4.0	3.0	0.7	4.6
Spain	3.0	1.2	4.7	3.2	1.1	4.8	3.8	1.0	5.3
Sweden	4.5	1.8	6.7	4.3	1.6	6.4	4.1	1.6	6.2
Switzerland	4.5	1.6	6.2	4.1	1.1	5.8	4.6	0.9	6.0
Turkey	3.1	1.0	4.1	2.4	1.0	3.4	1.7	0.7	2.4
United Kingdom	4.4	1.1	5.9	3.6	1.0	5.0	3.9	1.2	5.5
United States	4.1	2.9	7.4	3.9	2.7	7.0	3.9	2.4	6.6
<i>OECD average</i>	3.8	1.4	5.8	~	~	~	~	~	~
<i>OECD total</i>	3.8	1.9	6.2	~	~	~	~	~	~
<i>EU19 average</i>	3.6	1.3	5.4	~	~	~	~	~	~
<i>OECD mean</i> for countries with 1995, 2000 and 2004 data (20 countries)	3.7	1.4	5.5	3.4	1.3	5.1	3.6	1.2	5.3
<b>Partner economies</b>									
Brazil <sup>1</sup>	2.9	0.7	3.9	2.8	0.7	3.8	2.5	0.7	3.6
Chile <sup>2</sup>	3.8	2.0	6.4	4.3	2.2	6.9	3.1	1.7	5.1
Estonia <sup>1</sup>	3.7	0.9	4.9	m	m	m	m	m	m
Israel	4.7	1.9	8.3	4.6	1.9	8.1	5.0	1.9	8.6
Russian Federation <sup>1</sup>	2.0	0.7	3.6	1.7	0.5	2.9	m	m	m
Slovenia	4.3	1.4	6.3	m	m	m	m	m	m

1. Expenditure from public sources only.

2. Year of reference 2005.

Source: OECD. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.


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Table B2.2.  
Expenditure on educational institutions as a percentage of GDP, by level of education (2004)  
From public and private sources<sup>1</sup>

	Pre-primary education (for children 3 years and older)	Primary, secondary and post-secondary non-tertiary education				Tertiary education			All levels of education combined (including undistributed programmes)
		All primary, secondary and post-secondary non-tertiary education	Primary & lower secondary education	Upper secondary education	Post-secondary non-tertiary education	All tertiary education	Tertiary-type B education	Tertiary-type A education and advanced research programmes	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>OECD countries</b>									
Australia	0.1	4.2	3.2	0.9	0.1	1.6	0.1	1.5	5.9
Austria	0.5	3.7	2.4	1.4	n	1.2	0.1	1.2	5.4
Belgium <sup>2</sup>	0.6	4.1	1.5	2.7	x(4)	1.2	x(6)	x(6)	6.1
Canada	m	m	m	m	m	m	m	m	m
Czech Republic	0.5	3.2	1.9	1.2	0.1	1.1	0.1	1.0	4.9
Denmark	0.9	4.3	3.0	1.3	x(4, 6)	1.8	x(6)	x(6)	7.2
Finland	0.4	3.9	2.5	1.4	x(4)	1.8	n	1.8	6.1
France	0.7	4.1	2.6	1.5	n	1.3	0.3	1.1	6.1
Germany	0.5	3.5	2.0	1.2	0.2	1.1	0.1	1.0	5.2
Greece <sup>2</sup>	x(3)	2.2	1.0	1.2	0.1	1.1	0.2	0.9	3.4
Hungary	0.8	3.5	2.1	1.2	0.2	1.1	n	1.0	5.6
Iceland	0.7	5.4	3.8	x(2)	x(2)	1.2	x(6)	x(6)	8.0
Ireland	n	3.4	2.5	0.7	0.2	1.2	x(6)	x(6)	4.6
Italy	0.5	3.4	2.1	1.3	0.1	0.9	n	0.9	4.9
Japan	0.2	2.9	2.1	0.9	x(4, 6)	1.3	0.2	1.1	4.8
Korea	0.1	4.4	3.0	1.4	a	2.3	0.5	1.8	7.2
Luxembourg <sup>3</sup>	x(2)	3.8	2.9	0.9	m	m	m	m	m
Mexico	0.7	4.3	3.4	0.8	a	1.3	x(6)	x(6)	6.4
Netherlands	0.4	3.4	2.6	0.8	n	1.3	a	1.3	5.1
New Zealand	0.3	5.0	3.2	1.6	0.2	1.4	0.2	1.2	6.9
Norway <sup>3</sup>	0.3	4.2	2.8	1.4	x(4)	1.4	x(6)	x(6)	6.2
Poland	0.6	3.8	2.7	1.1	0.1	1.5	n	1.5	6.0
Portugal	0.4	3.8	2.8	1.0	m	1.0	0.3	0.7	5.4
Slovak Republic	0.5	3.0	1.8	1.3	x(4)	1.1	x(4)	1.1	4.8
Spain	0.6	3.0	3.0	x(3)	a	1.2	x(6)	x(6)	4.7
Sweden	0.5	4.5	3.1	1.3	n	1.8	x(6)	x(6)	6.7
Switzerland <sup>3</sup>	0.2	4.5	2.8	1.7	0.1	1.6	n	1.6	6.2
Turkey	m	3.1	2.2	0.9	a	1.0	x(6)	x(6)	4.1
United Kingdom <sup>2</sup>	0.4	4.4	1.5	2.9	x(4)	1.1	x(6)	x(6)	5.9
United States	0.4	4.1	3.0	1.0	m	2.9	x(6)	x(6)	7.4
<i>OECD average</i>	<i>0.5</i>	<i>3.8</i>	<i>2.5</i>	<i>1.3</i>	<i>0.1</i>	<i>1.4</i>	<i>0.1</i>	<i>1.2</i>	<i>5.8</i>
<i>OECD total</i>	<i>0.4</i>	<i>3.8</i>	<i>2.6</i>	<i>1.2</i>	<i>0.1</i>	<i>1.9</i>	<i>0.2</i>	<i>1.2</i>	<i>6.2</i>
<i>EU19 average</i>	<i>0.5</i>	<i>3.6</i>	<i>2.3</i>	<i>1.4</i>	<i>0.1</i>	<i>1.3</i>	<i>0.1</i>	<i>1.1</i>	<i>5.4</i>
<b>Partner economies</b>									
Brazil <sup>3</sup>	0.3	2.9	2.4	0.5	a	0.7	x(4)	0.7	3.9
Chile <sup>4</sup>	0.5	3.8	2.5	1.3	a	2.0	0.4	1.6	6.4
Estonia <sup>3</sup>	0.3	3.7	2.4	1.1	0.2	0.9	0.3	0.6	4.9
Israel <sup>2</sup>	0.9	4.7	2.5	2.2	n	1.9	0.4	1.5	8.3
Russian Federation <sup>3</sup>	0.5	2.0	x(2)	x(2)	x(2)	0.7	0.1	0.5	3.6
Slovenia	0.6	4.3	3.0	1.3	x(4)	1.4	x(6)	x(6)	6.3

1. Including international sources.

2. Column 3 only refers to primary education and column 4 refers to all secondary education.

3. Public expenditure only (for Switzerland, in tertiary education only).

4. Year of reference 2005.

Source: OECD. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

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Table B2.4.

**Expenditure on educational institutions as a percentage of GDP, by source of fund and level of education (2004)**  
*From public and private sources of fund*

	Primary, secondary and post-secondary non-tertiary education			Tertiary education			Total all levels of education		
	Public <sup>1</sup>	Private <sup>2</sup>	Total	Public <sup>1</sup>	Private <sup>2</sup>	Total	Public <sup>1</sup>	Private <sup>2</sup>	Total
<b>OECD countries</b>									
Australia	3.5	0.7	4.2	0.8	0.8	1.6	4.3	1.6	5.9
Austria	3.6	0.2	3.7	1.1	0.1	1.2	5.0	0.4	5.4
Belgium	4.0	0.2	4.1	1.2	0.1	1.2	5.8	0.2	6.1
Canada	m	m	m	m	m	m	m	m	m
Czech Republic	2.8	0.4	3.2	0.9	0.2	1.1	4.2	0.6	4.9
Denmark <sup>3</sup>	4.2	0.1	4.3	1.8	0.1	1.8	6.9	0.3	7.2
Finland	3.9	n	3.9	1.7	0.1	1.8	6.0	0.1	6.1
France	3.9	0.2	4.1	1.2	0.2	1.3	5.7	0.4	6.1
Germany	2.8	0.6	3.5	1.0	0.1	1.1	4.3	0.9	5.2
Greece <sup>3</sup>	2.1	0.1	2.2	1.1	n	1.1	3.3	0.2	3.4
Hungary	3.3	0.2	3.5	0.9	0.2	1.1	5.1	0.5	5.6
Iceland <sup>3</sup>	5.2	0.2	5.4	1.1	0.1	1.2	7.2	0.7	8.0
Ireland	3.3	0.1	3.4	1.0	0.1	1.2	4.3	0.3	4.6
Italy	3.3	0.1	3.4	0.7	0.3	0.9	4.4	0.5	4.9
Japan <sup>3</sup>	2.7	0.3	2.9	0.5	0.8	1.3	3.5	1.2	4.8
Korea	3.5	0.9	4.4	0.5	1.8	2.3	4.4	2.8	7.2
Luxembourg <sup>3</sup>	3.8	m	m	m	m	m	m	m	m
Mexico	3.6	0.7	4.3	0.9	0.4	1.3	5.2	1.2	6.4
Netherlands	3.3	0.2	3.4	1.0	0.3	1.3	4.6	0.5	5.1
New Zealand	4.4	0.6	5.0	0.9	0.6	1.4	5.6	1.3	6.9
Norway	4.2	m	m	1.4	m	m	6.2	m	m
Poland	3.7	0.1	3.8	1.1	0.4	1.5	5.4	0.6	6.0
Portugal	3.8	n	3.8	0.9	0.1	1.0	5.3	0.1	5.4
Slovak Republic <sup>3</sup>	2.6	0.5	3.0	0.9	0.2	1.1	4.0	0.8	4.8
Spain	2.8	0.2	3.0	0.9	0.3	1.2	4.2	0.6	4.7
Sweden	4.5	n	4.5	1.6	0.2	1.8	6.5	0.2	6.7
Switzerland	3.9	0.6	4.5	1.6	m	m	5.9	m	m
Turkey	2.9	0.2	3.1	0.9	0.1	1.0	3.8	0.3	4.1
United Kingdom	3.8	0.6	4.4	0.8	0.3	1.1	5.0	1.0	5.9
United States	3.7	0.4	4.1	1.0	1.9	2.9	5.1	2.3	7.4
<i>OECD average</i>	3.6	0.3	3.8	1.0	0.4	1.4	5.0	0.7	5.7
<i>OECD total</i>	3.4	0.4	3.8	0.9	1.0	1.9	4.7	1.4	6.2
<i>EU19 average</i>	3.4	0.2	3.6	1.1	0.2	1.3	5.0	0.5	5.4
<b>Partner economies</b>									
Brazil <sup>3</sup>	2.9	m	m	0.7	m	m	3.9	m	m
Chile <sup>4</sup>	2.7	1.2	3.8	0.3	1.7	2.0	3.3	3.1	6.4
Estonia	3.7	m	m	0.9	m	m	4.9	m	m
Israel	4.4	0.3	4.7	1.1	0.9	1.9	6.6	1.8	8.3
Russian Federation	2.0	m	m	0.7	m	m	3.6	m	m
Slovenia	3.9	0.4	4.3	1.1	0.3	1.4	5.4	0.9	6.3

1. Including public subsidies to households for educational institutions, as well as direct expenditure on educational institutions from international sources.


2. Net of public subsidies attributable for educational institutions.

3. Some levels of education are included with others. Refer to "x" code in table B1.1a for details.

4. Year of reference 2005.

Source: OECD. See Annex 3 for notes ([www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007)).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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# READER'S GUIDE

## **Coverage of the statistics**

Although a lack of data still limits the scope of the indicators in many countries, the coverage extends, in principle, to the entire national education system (within the national territory) regardless of the ownership or sponsorship of the institutions concerned and regardless of education delivery mechanisms. With one exception described below, all types of students and all age groups are meant to be included: children (including students with special needs), adults, nationals, foreigners, as well as students in open distance learning, in special education programmes or in educational programmes organised by ministries other than the Ministry of Education, provided the main aim of the programme is the educational development of the individual. However, vocational and technical training in the workplace, with the exception of combined school and work-based programmes that are explicitly deemed to be parts of the education system, is not included in the basic education expenditure and enrolment data.

Educational activities classified as “adult” or “non-regular” are covered, provided that the activities involve studies or have a subject matter content similar to “regular” education studies or that the underlying programmes lead to potential qualifications similar to corresponding regular educational programmes. Courses for adults that are primarily for general interest, personal enrichment, leisure or recreation are excluded.

## **Calculation of international means**

For many indicators an OECD average is presented and for some an OECD total.

The OECD average is calculated as the unweighted mean of the data values of all OECD countries for which data are available or can be estimated. The OECD average therefore refers to an average of data values at the level of the national systems and can be used to answer the question of how an indicator value for a given country compares with the value for a typical or average country. It does not take into account the absolute size of the education system in each country.

The OECD total is calculated as a weighted mean of the data values of all OECD countries for which data are available or can be estimated. It reflects the value for a given indicator when the OECD area is considered as a whole. This approach is taken for the purpose of comparing, for example, expenditure charts for individual countries with those of the entire OECD area for which valid data are available, with this area considered as a single entity.

Note that both the OECD average and the OECD total can be significantly affected by missing data. Given the relatively small number of countries, no statistical methods are used to compensate for this. In cases where a category is not applicable (code “a”) in a country or where the data value is negligible (code “n”) for the corresponding calculation, the value zero is imputed for the purpose of calculating OECD averages. In cases where both the numerator and the denominator of a ratio are not applicable (code “a”) for a certain country, this country is not included in the OECD average.

For financial tables using 1995 data, both the OECD average and OECD total are calculated for countries providing both 1995 and 2004 data. This allows comparison of the OECD average and OECD total over time with no distortion due to the exclusion of certain countries in the different years.

For many indicators an EU19 average is also presented. It is calculated as the unweighted mean of the data values of the 19 OECD countries that are members of the European Union for which data are available or can be estimated. These 19 countries are Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Luxembourg, the Netherlands, Poland, Portugal, the Slovak Republic, Spain, Sweden and the United Kingdom.

### ■ **Classification of levels of education**

The classification of the levels of education is based on the revised International Standard Classification of Education (ISCED-97). The biggest change between the revised ISCED and the former ISCED (ISCED-76) is the introduction of a multi-dimensional classification framework, allowing for the alignment of the educational content of programmes using multiple classification criteria. ISCED is an instrument for compiling statistics on education internationally and distinguishes among six levels of education. The glossary available at [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007) describes in detail the ISCED levels of education, and Annex 1 shows corresponding typical graduation ages of the main educational programmes by ISCED level.

### ■ **Symbols for missing data**

Six symbols are employed in the tables and charts to denote missing data:

- a* Data is not applicable because the category does not apply.
- c* There are too few observations to provide reliable estimates (*i.e.* there are fewer than 3% of students for this cell or too few schools for valid inferences). However, these statistics were included in the calculation of cross-country averages.
- m* Data is not available.
- n* Magnitude is either negligible or zero.
- w* Data has been withdrawn at the request of the country concerned.
- x* Data included in another category or column of the table (*e.g.* *x*(2) means that data are included in column 2 of the table).
- ~ Average is not comparable with other levels of education.

### ■ **Further resources**

The website [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007) provides a rich source of information on the methods employed for the calculation of the indicators, the interpretation of the indicators in the respective national contexts and the data sources involved. The website also provides access to the data underlying the indicators as well as to a comprehensive glossary for technical terms used in this publication.

Any post-production changes to this publication are listed at [www.oecd.org/edu/eag2007](http://www.oecd.org/edu/eag2007).

The website [www.pisa.oecd.org](http://www.pisa.oecd.org) provides information on the OECD Programme for International Student Assessment (PISA), on which many of the indicators in this publication draw.

*Education at a Glance* uses the OECD's StatLinks service. Below each table and chart in *Education at a Glance 2007* is a url which leads to a corresponding Excel workbook containing the underlying data for the indicator. These urls are stable and will remain unchanged over time. In addition, readers of the *Education at a Glance* e-book will be able to click directly on these links and the workbook will open in a separate window.

### Codes used for territorial entities

These codes are used in certain charts. Country or territorial entity names are used in the text. Note that in the text the Flemish Community of Belgium is referred to as "Belgium (Fl.," and the French Community of Belgium as "Belgium (Fr.)."

AUS Australia	ITA Italy
AUT Austria	JPN Japan
BEL Belgium	KOR Korea
BFL Belgium (Flemish Community)	LUX Luxembourg
BFR Belgium (French Community)	MEX Mexico
BRA Brazil	NLD Netherlands
CAN Canada	NZL New Zealand
CHL Chile	NOR Norway
CZE Czech Republic	POL Poland
DNK Denmark	PRT Portugal
ENG England	RUS Russian Federation
EST Estonia	SCO Scotland
FIN Finland	SVK Slovak Republic
FRA France	SVN Slovenia
DEU Germany	ESP Spain
GRC Greece	SWE Sweden
HUN Hungary	CHE Switzerland
ISL Iceland	TUR Turkey
IRL Ireland	UKM United Kingdom
ISR Israel	USA United States



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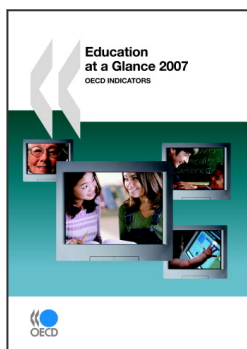


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