

EDUCATION EXPENDITURE

Expenditure on education is an investment that can foster economic growth, enhance productivity, contribute to personal and social development, and reduce social inequality. The proportion of total financial resources devoted to education is one of the key choices made by governments, enterprises, students and their families.

Definition

This indicator covers expenditure on schools, universities and other public and private institutions delivering or supporting educational services. Expenditure on institutions is not limited to expenditure on instruction services but includes public and private expenditure on ancillary services for students and their families, where these services are provided through educational institutions. At the tertiary level, spending on research and development can also be significant and is included in this indicator, to the extent that the research is performed by educational institutions.

In principle, public expenditure includes both direct expenditure on educational institutions and educational-related public subsidies to households administered by educational institutions. Private expenditure is recorded net of these public subsidies attributable to educational

institutions; it also excludes expenditures made outside educational institutions (such as textbooks purchased by families, private tutoring for students and student living costs).

Comparability

The broad definition of educational institutions used here ensures that expenditures on services are covered on a comparable basis, whether they are provided by schools and universities (as it occurs in many OECD countries) or by agencies other than schools (as it happens in other countries).

The data on expenditure were obtained by a special survey conducted in 2008 which applied consistent methods and definitions.

No data for private expenditure are currently collected for countries ranked separately on the left-hand side of the chart.

Overview

Expenditure on educational institutions represent a financial burden for society as a whole. This burden, however, does not fall on public funding alone. In 2006, taking into account both public and private sources, OECD countries as a whole spent 6.1% of their GDP on educational institutions at the pre-primary, primary, secondary and tertiary levels. More than three-quarters of this amount comes from public sources. The highest spending on educational institutions is in Denmark, Iceland, Korea, the United States as well as in Israel, with at least 7% of GDP accounted for by public and private spending on educational institutions. Ten out of 34 countries for which data are available spend 5% or less of GDP on educational institutions; in Turkey and in the Russian Federation, these shares are 2.7 and 3.9%, respectively.

Nearly one-third of OECD expenditures on educational institutions is accounted for by tertiary education. At this level, the pathways available to students, the tuition fees paid by student, the duration of programmes and the organisation of teaching vary greatly among OECD countries, resulting in significant differences in the expenditure allocated to tertiary education. On the one hand, Canada, Korea, the United States as well as Israel spend between 1.8 and 2.9% of their GDP on tertiary institutions; these countries are also among those with the highest proportion of private expenditure on tertiary education. On the other hand, Belgium, France, Iceland, Mexico and the United Kingdom spend on tertiary institutions a share of GDP that is below the OECD average; these countries, however, are among those with a higher share of GDP spent for primary, secondary and post-secondary non-tertiary education.

Sources

- OECD (2009), *Education at a Glance*, OECD, Paris.

Further information

Analytical publications

- OECD (2006), *Schooling for Tomorrow – Think Scenarios, Rethink Education*, OECD, Paris.
- OECD (2006), *Starting Strong II: Early Childhood Education and Care*, OECD, Paris.
- OECD (2008), *Students with Disabilities, Learning Difficulties and Disadvantages: Policies, Statistics and Indicators – 2007 Edition*, OECD, Paris.
- OECD (2008), *Trends Shaping Education – 2008 Edition*, OECD, Paris.

Methodological publications

- OECD (2004), *OECD Handbook for Internationally Comparative Education Statistics: Concepts, Standards, Definitions and Classifications*, OECD, Paris.
- UIS, OECD and Eurostat (2009), *UOE Data Collection – 2009 Data Collection on Education Systems: Definitions, Explanations and Instructions*, OECD, Paris.

Web sites

- OECD Education at a Glance, www.oecd.org/edu/eag2009.



Public and private expenditure on education

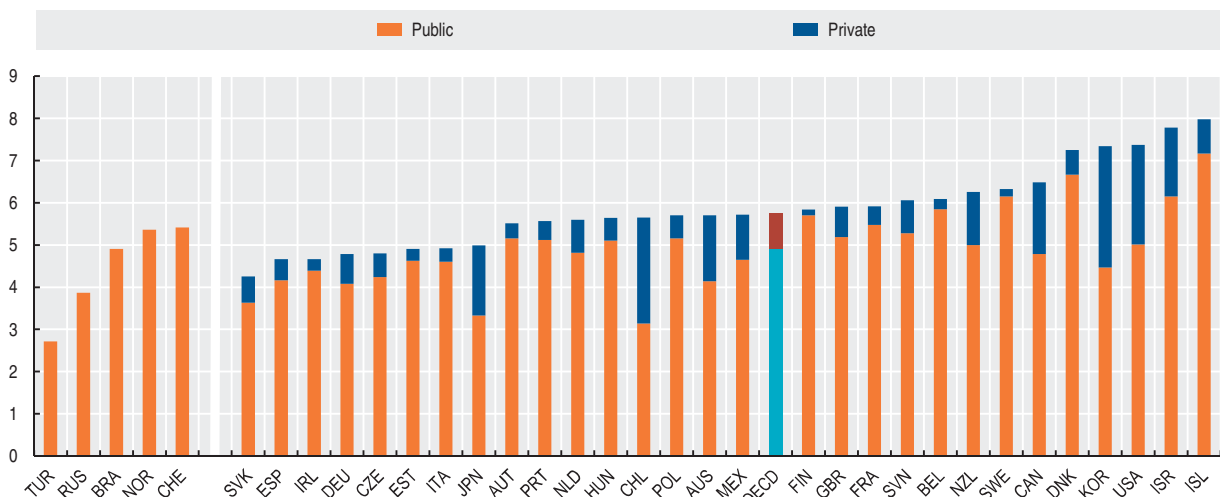
Year 2006

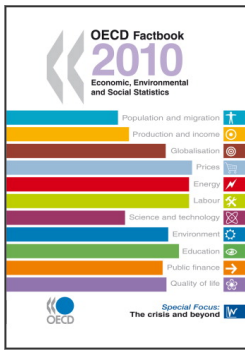
	As a percentage of GDP						Index of change, year 2000 = 100					
	Primary, secondary and post-secondary non-tertiary education		Tertiary education		All levels of education		Primary, secondary and post-secondary non-tertiary education		Tertiary education		All levels of education	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Australia	3.3	0.7	0.8	0.8	4.1	1.6	114	128	122	139	115	134
Austria	3.5	0.2	1.2	0.1	5.2	0.4	104	144	122	580	106	202
Belgium	3.9	0.2	1.2	0.1	5.9	0.2	110	102	109	122	112	109
Canada	3.3	0.4	1.5	1.3	4.8	1.7	114	176	108	148	108	152
Czech Republic	2.7	0.3	1.0	0.2	4.2	0.6	136	153	183	233	145	170
Denmark	4.3	0.1	1.6	0.1	6.7	0.6	119	115	116	174	115	242
Finland	3.7	..	1.6	0.1	5.7	0.1	125	185	116	195	122	153
France	3.7	0.2	1.1	0.2	5.5	0.4	101	102	109	114	103	107
Germany	2.7	0.4	0.9	0.2	4.1	0.7	101	96	102	135	103	107
Hungary	3.2	0.2	0.9	0.3	5.1	0.5	155	110	135	127	152	121
Iceland	5.1	0.2	1.0	0.1	7.2	0.8	142	152	137	165	144	147
Ireland	3.4	0.1	1.0	0.2	4.4	0.3	167	128	119	79	151	92
Italy	3.4	0.1	0.7	0.2	4.6	0.3	115	148	108	138	111	141
Japan	2.6	0.3	0.5	1.0	3.3	1.7	101	101	95	125	101	123
Korea	3.4	0.9	0.6	1.9	4.5	2.9	149	181	143	144	151	153
Luxembourg	3.3	..	..	..	..	..	..	..	..	..	..	..
Mexico	3.2	0.6	0.8	0.4	4.6	1.1	120	156	118	214	123	176
Netherlands	3.3	0.4	1.1	0.4	4.8	0.8	123	110	111	131	120	118
New Zealand	3.8	0.6	0.9	0.5	5.0	1.3	106	..	131	..	111	..
Norway	3.7	..	1.2	..	5.4	..	110	..	111	88	120	..
Poland	3.7	..	0.9	0.4	5.2	0.5	122	35	166	139	128	109
Portugal	3.6	..	0.9	0.4	5.1	0.4	99	93	102	624	101	608
Slovak Republic	2.4	0.4	0.8	0.2	3.6	0.6	124	776	152	345	127	585
Spain	2.7	0.2	0.9	0.2	4.2	0.5	113	100	125	102	121	105
Sweden	4.1	..	1.4	0.2	6.2	0.2	114	95	114	146	118	106
Switzerland	3.7	0.5	1.4	..	5.4	..	109	138	135	..	112	138
Turkey	1.9	..	0.8	..	2.7	..	144	..	137	..	..	..
United Kingdom	3.9	0.3	0.9	0.4	5.2	0.7	115	273	138	157	117	220
United States	3.7	0.3	1.0	1.9	5.0	2.4	117	118	133	117	120	116
OECD average	3.4	0.3	1.0	0.5	4.9	0.8	120	157	125	187	121	177
OECD total	3.4	0.3	0.9	1.1	4.7	1.5	..	..	..	..	..	..
Brazil	3.8	..	0.8	..	4.9	..	171	..	124	..	157	..
Chile	2.5	0.9	0.3	1.4	3.1	2.5	112	91	93	117	114	112
Estonia	3.4	0.1	0.9	0.2	4.6	0.3	140	..	121	..	..	..
Israel	4.1	0.3	1.0	0.8	6.2	1.6	111	148	100	129	110	133
Russian Federation	2.0	..	0.8	..	3.9	..	174	..	258	..	190	..
Slovenia	3.8	0.4	1.0	0.3	5.3	0.8	..	..	..	..	..	..

StatLink <http://dx.doi.org/10.1787/826362456147>

Public and private expenditure on education for all level of education

As a percentage of GDP, 2006

StatLink <http://dx.doi.org/10.1787/821750634772>



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