

PF1.2: Public spending on education

Definitions and methodology

This indicator uses two measures to capture expenditure on education:

- **Expenditure on education as % of GDP, by level of education and source of funds**, that is, all spending on educational institutions by education level and by public, private, or international source. Two levels of education are considered - primary, secondary and post-secondary non-tertiary education as defined by ISCED 2011 levels 1 to 4, and tertiary education as defined by ISCED levels 5 to 8. (For spending at ISCED 2011 level 0 (early childhood education), see indicator [PF3.1](#))
- **Annual expenditure per student by educational institutions, by level of education**, that is, all direct spending by educational institutions in relation to the number of students enrolled at the given level of education. It is calculated by dividing total expenditure (from public, private and international sources) by institutions at each level by the number of (full-time equivalent) students enrolled in the corresponding level, expressed in equivalent USD converted using PPPs for GDP.

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 foregone earnings can also account for a significant proportion of the costs of education. All such expenditure outside educational institutions is excluded here.

Key findings

All OECD countries invest a substantial proportion of national resources in education (Chart PF1.2.A). In 2018, OECD countries spent, on average, 3.4% of GDP on primary, secondary and post-secondary non-tertiary education, with 3.1% coming from public sources, and further 0.3% from private sources (Panel A). In the same year, OECD average spending on tertiary education came to 1.4% of GDP, of which 1.0% came from public sources, and 0.4% from private sources (Panel B).

As a share of national income, Costa Rica, Israel, and Norway are the OECD's leading spenders on primary, secondary and post-secondary non-tertiary education (Chart PF1.2.A, Panel A). In all three, in 2018, total spending (from all sources) on primary, secondary and post-secondary non-tertiary education came to close to 4.8% of GDP. At the tertiary level, Chile and the United States are the OECD's leading spenders, with total spending levels of 2.4% and 2.5% of GDP, respectively (Panel B). In both, the majority of spending comes from private sources.

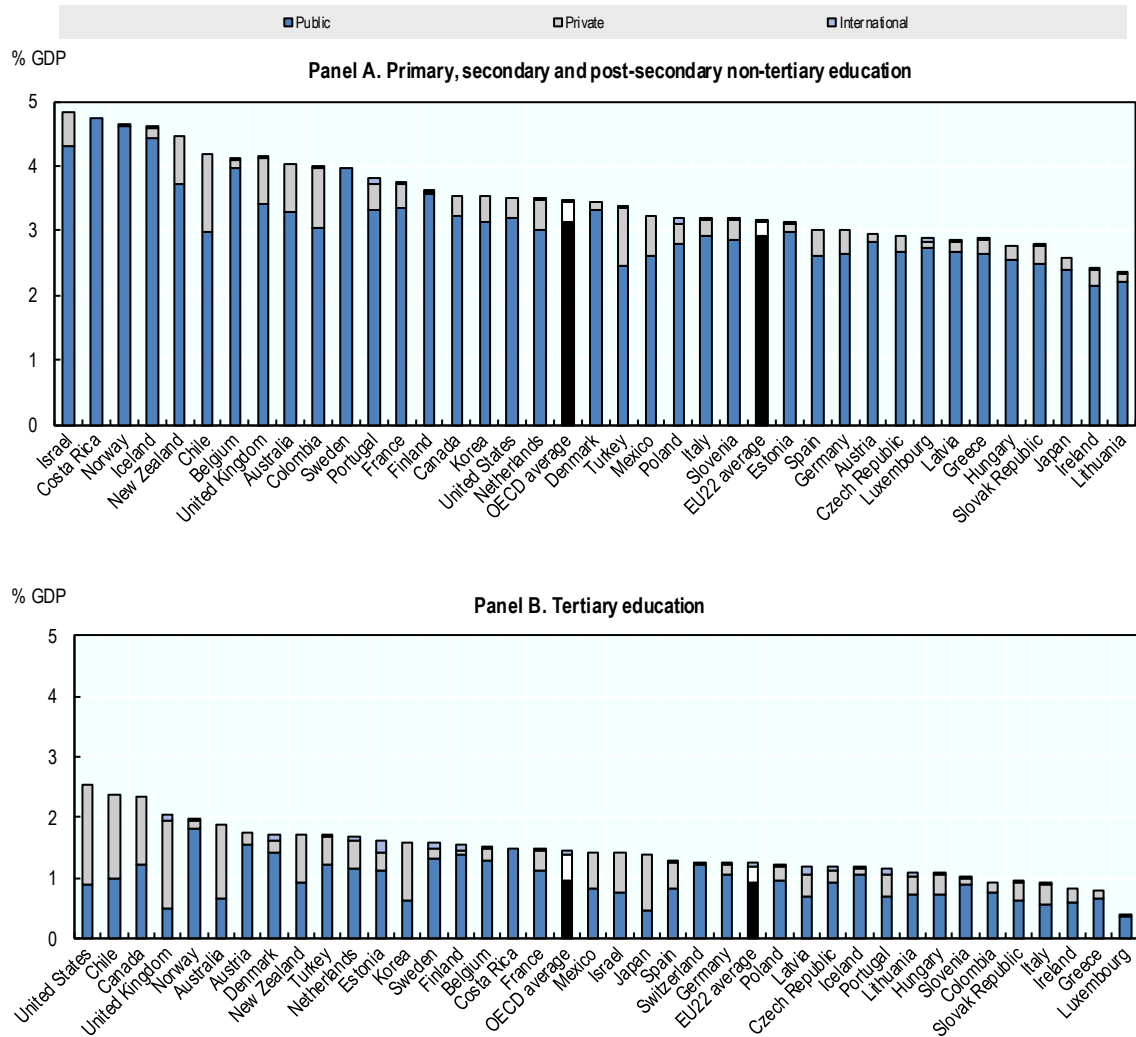
On average, OECD countries spend, each year, USD 11 700 per student enrolled in education (Chart PF1.2.B). However, the actual amount spent can differ substantially across levels of education, with per-student spending often far higher for students in tertiary education than for students in primary and secondary education. (The exceptions are Colombia and Korea). In fact, in several OECD countries (Canada, Estonia, Luxembourg, Mexico, Sweden, Turkey, the United Kingdom and the United States), the average per-student spend in tertiary education is at least double the average per-student spend in primary, secondary and post-secondary non-tertiary education.

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Other relevant indicators: PF3.1: Public spending on childcare and early education; PF3.2: Enrolment in day-care and pre-schools; PF3.4: Childcare support; PF4.1: Typology of childcare and early education services; PF4.2: Quality of childcare and early education services; and, PF4.3: Out-of-school-hours care.

Chart PF1.2.A Expenditure on education as % of GDP, by level of education and source of funds, 2018

Expenditure on primary, secondary and post-secondary non-tertiary and on tertiary education, by source of funds, as % of GDP

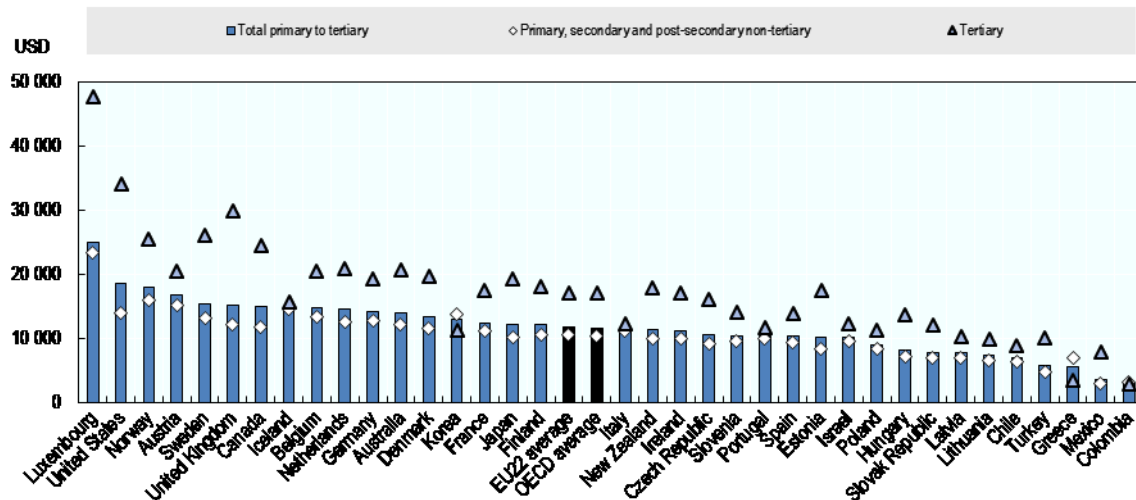


Note: Data for Costa Rica refer to 2019. Data refer to direct expenditure within educational institutions, by level of education. Final funds, after transfers between public and private sectors. For Canada, primary, secondary and post-secondary non-tertiary education includes pre-primary programmes. For the United States, figures are for net student loans rather than gross, thereby underestimating public transfers. For Costa Rica and Switzerland, data on private expenditure is missing.

Source: OECD Education at a Glance

Chart PF1.2.B Annual expenditure per student by educational institutions by level of education, 2017

Expenditure (public and private) per student based on full-time equivalent enrolment, by level of education, in equivalent USD converted using PPPs for GDP



Note: Data refer to direct expenditure within educational institutions, by level of education. For Canada, primary, secondary and post-secondary non-tertiary education includes pre-primary programmes.

Source: [OECD Education at a Glance](https://www.oecd.org/education-at-a-glance/)

Comparability and data issues

The organisation of education systems varies between countries, as does the length of time for a student to complete an educational level. This makes primary and secondary programmes more costly in some countries than others. The length of the programme thus affects the amount of educational investment per education level and does not necessarily reflect a country's policy to place more importance on one part of the education system than another.

On the same note, although participation in primary and secondary education is very high in most OECD countries, the proportion of students enrolled in tertiary programmes varies considerably, which obviously affects spending differentials across countries (see *OECD Education at a Glance 2021* for more detailed information).

Sources and further reading:

OECD Education Database, <https://www.oecd.org/education/database.htm>

OECD Social Expenditure database, www.oecd.org/els/social/expenditure

OECD (2021); *Education at a Glance 2021: OECD Indicators*, OECD Publishing, Paris; <https://www.oecd.org/education/education-at-a-glance/>

Eurostat Education Database, <http://epp.eurostat.ec.europa.eu/portal/page/portal/education/data/database>,

UNESCO International Standard Classification of Education, www.uis.unesco.org/isced.