

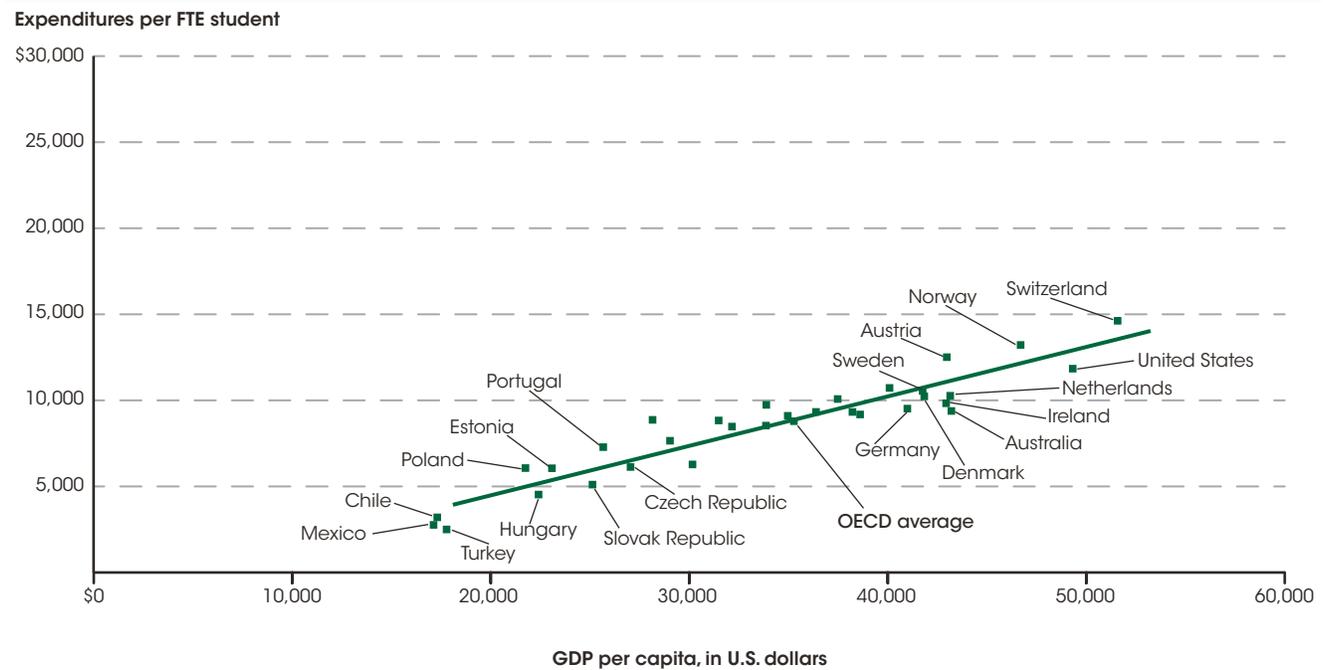
Education Expenditures by Country

In 2011, the United States spent \$11,841 per full-time-equivalent (FTE) student on elementary and secondary education, an amount 35 percent higher than the OECD average of \$8,789. At the postsecondary level, U.S. expenditures per FTE student were \$26,021, almost twice as high as the OECD average of \$13,619.

This indicator uses material from the Organization for Economic Cooperation and Development (OECD) report *Education at a Glance 2014* to compare countries' expenditures on education using the measures *expenditures per full-time-equivalent (FTE) student from both public and private sources* and *total education expenditures as a percentage of gross domestic product (GDP)*. The OECD is an organization of 34 countries whose purpose is to promote trade and economic growth. Education expenditures are from public revenue sources (governments) and private revenue sources, and include current and capital expenditures. Private sources include payments from households for school-based expenses such as tuition, transportation fees, book rentals, or food services, as well as public funding via subsidies to households, private fees for education services, or other private spending that goes through the educational institution. The *total education expenditures as a percentage of GDP* measure allows a comparison of countries' expenditures relative to their ability to finance education. Purchasing power parity (PPP) indexes are used to convert other currencies to U.S. dollars (i.e., absolute terms).

A country's wealth (defined as GDP per capita) is positively associated with expenditures per FTE student on education at the elementary and secondary level as well as at the postsecondary level. In terms of OECD countries that reported expenditures per FTE student in 2011 at both the elementary/secondary level and the postsecondary level, each of the 10 countries with the highest GDP per capita (Switzerland, the United States, Norway, Australia, the Netherlands, Austria, Ireland, Denmark, Sweden, and Germany) had education expenditures per FTE student higher than the OECD average at both the elementary/secondary level and the postsecondary level, and each of the 9 countries with the lowest GDP per capita (Mexico, Chile, Turkey, Poland, Hungary, Estonia, the Slovak Republic, Portugal, and the Czech Republic) had education expenditures per FTE student lower than the OECD average at both the elementary/secondary level and the postsecondary level.

Figure 1. Annual expenditures per full-time-equivalent (FTE) student for elementary and secondary education in selected Organization for Economic Cooperation and Development (OECD) countries, by gross domestic product (GDP) per capita: 2011

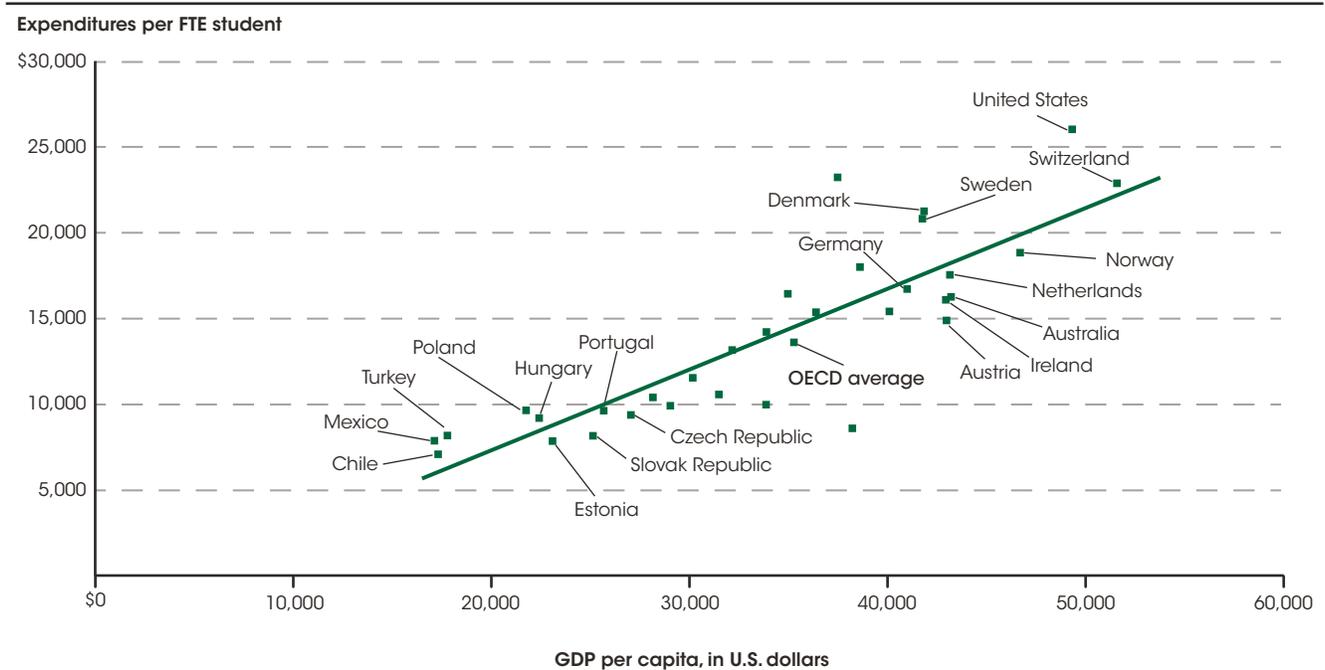


-Linear relationship between spending and country wealth for 32 OECD countries reporting data (elementary/secondary): $r^2 = .89$; slope = 0.29; intercept = -1264.
NOTE: Data for Luxembourg are excluded from the figure because of anomalies in that country's GDP per capita data. (Large revenues from international finance institutions in Luxembourg distort the wealth of that country's population.) Data for Greece are excluded because expenditure data are not available for 2008, 2009, 2010, or 2011. Expenditure and GDP data for Canada are for 2010. Expenditures for International Standard Classification of Education (ISCED) level 4 (postsecondary non-higher-education) are included in elementary and secondary education unless otherwise noted. Expenditure data for Canada, France, Italy, Portugal, and the United States do not include postsecondary non-higher-education.
SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2014). *Education at a Glance 2014*. See *Digest of Education Statistics 2014*, table 605.10.

Expenditures per FTE student varied widely across OECD countries. At the elementary and secondary level, expenditures per FTE student in 2011 included low values such as \$2,501 for Turkey, \$2,765 for Mexico, and \$3,203 for Chile. Switzerland had the highest value of

\$14,623. Expenditures per FTE student at the elementary/secondary level for the United States were \$11,841, an amount 35 percent higher than the average of \$8,789 for OECD member countries reporting data.

Figure 2. Annual expenditures per full-time-equivalent (FTE) student for postsecondary education in selected Organization for Economic Cooperation and Development (OECD) countries, by gross domestic product (GDP) per capita: 2011

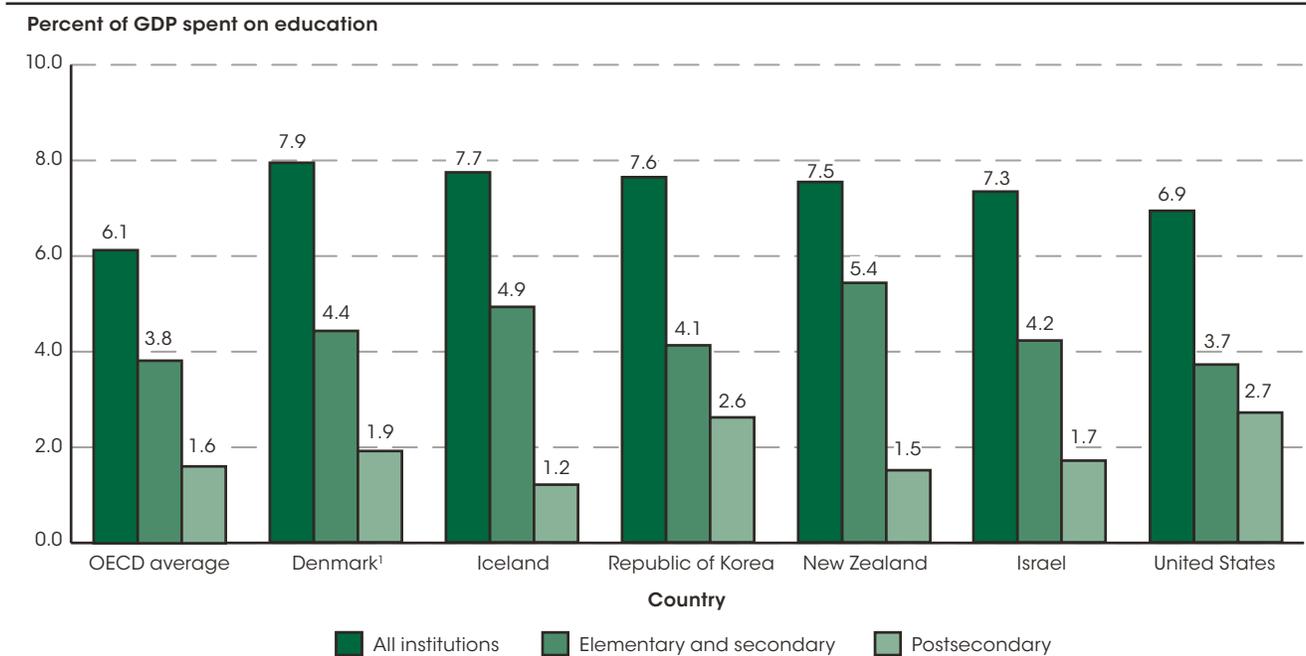


-Linear relationship between spending and country wealth for 32 OECD countries reporting data (postsecondary): $r^2 = .73$; slope = 0.47; intercept = -2071.
 NOTE: Data for Luxembourg are excluded because that country does not report expenditure data for postsecondary institutions. Data for Greece are excluded because expenditure data are not available for 2008, 2009, 2010, or 2011. Expenditure and GDP data for Canada are for 2010.
 SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2014). *Education at a Glance 2014*. See *Digest of Education Statistics 2014*, table 605.10.

At the postsecondary level, expenditures per FTE student in 2011 included low values such as \$7,101 for Chile, \$7,868 for Estonia, and \$7,889 for Mexico. The United

States had the highest postsecondary level expenditures per FTE student at \$26,021, which were almost twice as high as the OECD average of \$13,619.

Figure 3. Direct expenditures on education as a percentage of gross domestic product (GDP) for Organization for Economic Cooperation and Development (OECD) countries with the highest percentages, by level of education: 2011



¹ Postsecondary non-higher-education included in both secondary and higher education.

NOTE: Postsecondary non-higher-education is included in elementary and secondary education unless otherwise noted. Expenditure data for the United States does not include postsecondary non-higher-education. All institutions total includes expenditures that could not be reported by level of education. SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2014). *Education at a Glance 2014*. See *Digest of Education Statistics 2014*, table 605.20.

Among the OECD countries reporting data in 2011, five countries spent over 7 percent of their GDP on total education expenditures for all institutions combined: Denmark (7.9 percent), Iceland (7.7 percent), the Republic of Korea (7.6 percent), New Zealand (7.5 percent), and Israel (7.3 percent). The United States spent just under 7 percent (6.9 percent) of its GDP on total education expenditures.

In terms of countries' direct expenditures by education level, the percentage of GDP the United States spent on elementary and secondary education (3.7 percent) was slightly lower than the OECD average (3.8 percent). Eleven OECD countries spent less than 3.7 percent

of their GDP on elementary/secondary education, 11 countries spent between 3.7 and 4.1 percent, and seven countries spent more than 4.1 percent. New Zealand (5.4 percent) was the OECD country that spent the highest percentage of GDP on elementary/secondary education. At the postsecondary level, spending as a percentage of GDP for the United States (2.7 percent) was higher than the OECD average (1.6 percent) and higher than spending as a percentage of GDP for any other OECD country reporting data. Only two other countries spent more than 2 percent of their GDP on postsecondary education: the Republic of Korea (2.6 percent) and Chile (2.4 percent).

Reference tables: *Digest of Education Statistics 2014*, tables 605.10 and 605.20

Related indicators: International Educational Attainment (indicator 2)

Glossary: Expenditures per pupil, Full-time-equivalent (FTE) enrollment, Gross domestic product (GDP), Organization for Economic Cooperation and Development (OECD), Postsecondary education, Purchasing Power Parity (PPP) indexes