

The Condition of Education 2011

Indicator 38

Education Expenditures by Country

The indicator and corresponding tables are taken directly from *The Condition of Education 2011*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2011*, visit the NCES website (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2011033>) or contact ED Pubs at 1-877-4ED-PUBS.

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Education Expenditures by Country

In 2007, the United States spent \$10,768 per student on elementary and secondary education, which was 45 percent higher than the OECD average of \$7,401. At the postsecondary level, U.S. expenditures per student were \$27,010, more than twice as high as the OECD average of \$12,471.

This indicator uses material from the Organization for Economic Co-operation and Development (OECD) report *Education at a Glance* to compare countries' expenditures on education using *expenditures per student from both public and private sources and total education expenditures as a percentage of gross domestic product (GDP)*. The latter measure allows a comparison of countries' expenditures relative to their ability to finance education. Private sources of expenditures include payments from households for school-based expenses such as tuition, transportation fees, book rentals, or food services, as well as private funds raised by institutions.

In 2007, expenditures per student for the United States were \$10,768 at the combined elementary and secondary level, which was 45 percent higher than the average of \$7,401 for the OECD member countries reporting data (see table A-38-1). The expenditure per student measure is based on full-time-equivalent (FTE) student enrollment rather than headcounts. At the postsecondary level, U.S. expenditures per student were \$27,010, which was more than twice as high as the OECD average of \$12,471. Expenditures per student varied widely across the OECD countries: at the combined elementary and secondary level, expenditures ranged from \$2,165 in Mexico and \$2,245 in Chile to \$15,579 in Luxembourg; at the postsecondary level, they ranged from \$5,576 in Poland to \$20,278 in Canada, \$20,883 in Switzerland, and \$27,010 in the United States.

Among the OECD countries reporting data in 2007, the countries that spent the highest percentage of their GDP on total education expenditures were Iceland (7.8 percent), the United States (7.6 percent), Israel (7.4 percent), Denmark (7.1 percent), and Korea (7.0 percent). Looking at education expenditures by level, the percentage of

its GDP (4.0 percent) that the United States spent on elementary and secondary education was higher than the average percentage by all OECD countries reporting data (3.6 percent). Compared with the percentage of its GDP that the United States spent on elementary and secondary education, 6 countries spent a higher percentage, 20 countries spent a lower percentage, and 3 countries spent the same percentage. Among OECD countries, Iceland spent the highest percentage (5.1 percent) of its GDP on elementary and secondary education. At the postsecondary level, the United States spent 3.1 percent of its GDP on education, which was higher than the average percentage spent by OECD countries (1.5 percent) and higher than the percentage spent by any other OECD country reporting data.

A country's wealth (defined as GDP per capita) is positively associated with expenditures per student on education at the combined elementary/secondary level and at the postsecondary level. For example, the education expenditures per student (both elementary/secondary and postsecondary) for each of the 10 OECD countries with the highest GDP per capita in 2007 were higher than the OECD average expenditures per student. The expenditures per student for the 10 OECD countries with the lowest GDP per capita were below the OECD average at both the elementary/secondary level and at the postsecondary level.



For more information: *Table A-38-1*

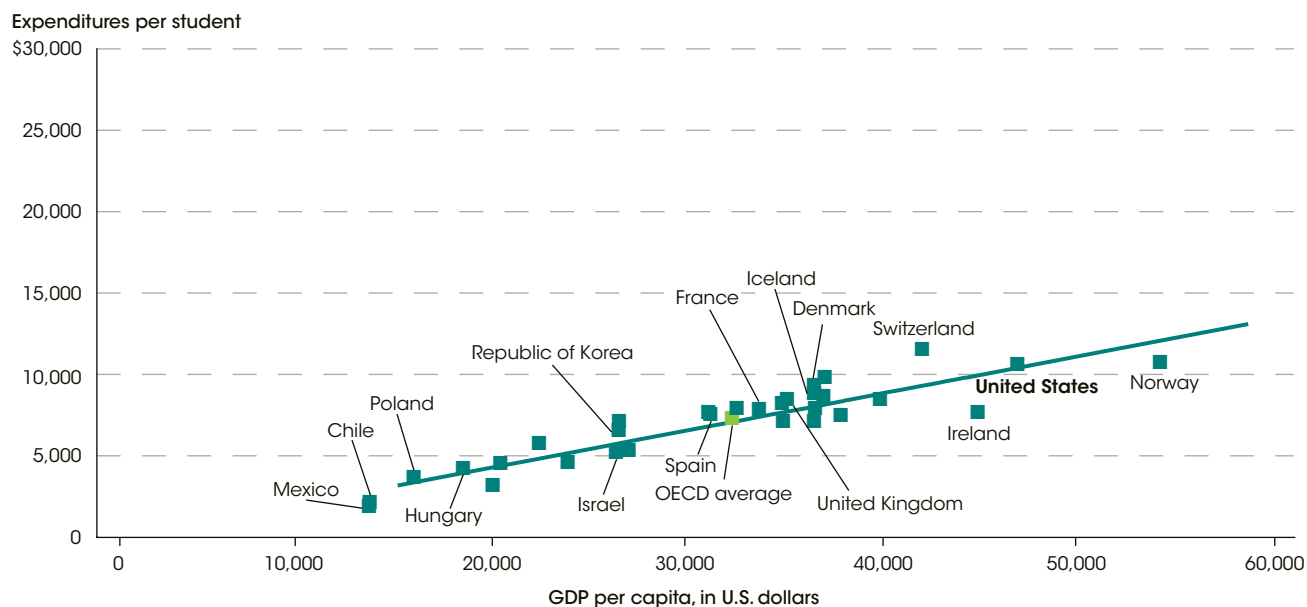
Glossary: *Elementary/secondary school, Expenditures, Full-time equivalent (FTE) enrollment, Gross Domestic Product (GDP), Organization for Economic Co-operation and Development (OECD), Postsecondary education, Purchasing Power Parity (PPP) indices*

Technical Notes

Education expenditures are from public revenue sources (governments) and private revenue sources. Private sources include payments from households for school-based expenses such as tuition, transportation fees, book rentals, or food services, as well as funds raised by institutions through endowments or returns on investments. Data for private school expenditures at the elementary and secondary levels are estimated for some countries, including the United States. Per student expenditures are based on public and private FTE enrollment figures and on current expenditures and capital outlays from both public and private sources, where data are available. Purchasing power parity (PPP) indices are used to convert

other currencies to U.S. dollars (i.e., absolute terms). Within-country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries. For more information on classification of expenditures for international comparisons, see *supplemental note 10*. Luxembourg data are excluded from the graphs because of anomalies with respect to their GDP per capita data (large revenues from international finance institutions distort the wealth of the population). The OECD average for GDP per capita for each graph is based on the number of countries with data available (31 for figure 38-1 and 30 for figure 38-2).

Figure 38-1. Annual expenditures per student for elementary and secondary education in selected OECD countries, by GDP per capita: 2007

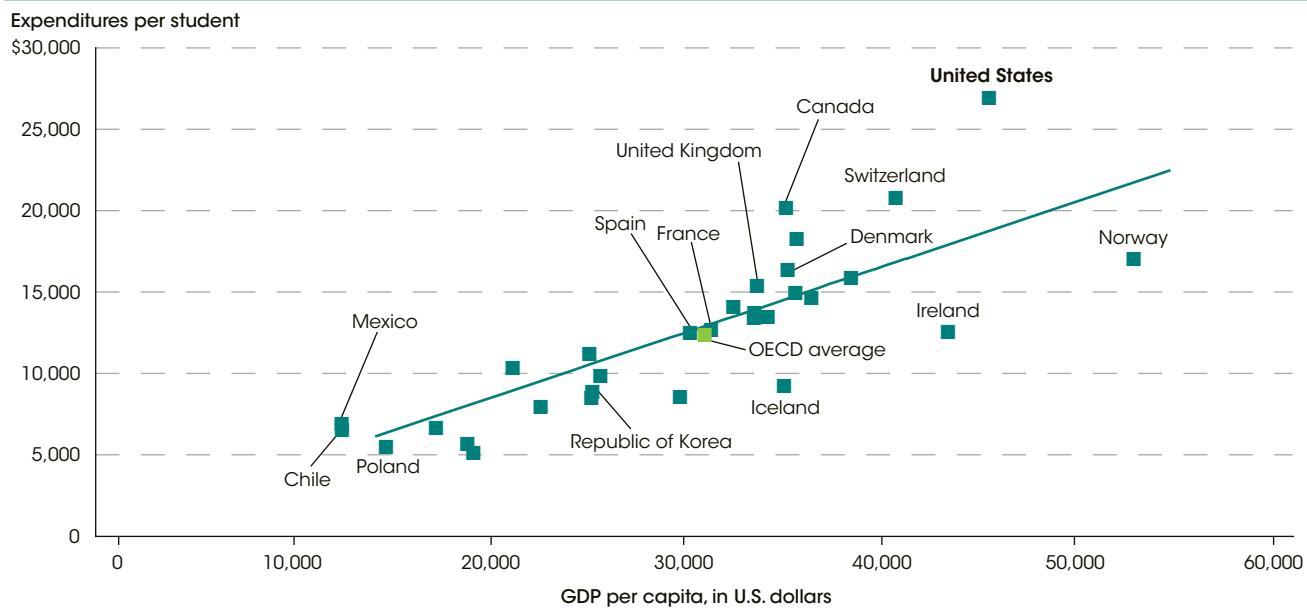


— Linear relationship between spending and country wealth for 31 OECD countries reporting data (elementary/secondary): $r^2 = .84$; slope = $.23$; intercept = -207 .

NOTE: Luxembourg data are excluded because of anomalies with respect to their Gross Domestic Product (GDP) per capita data. (Large revenues from international finance institutions distort the wealth of the population.) For more information on the International Standard Classification of Education (ISCED), see *supplemental note 11*.

SOURCE: Organization for Economic Co-operation and Development (OECD), Center for Educational Research and Innovation. (2010). *Education at a Glance, 2010: OECD Indicators*, tables B1.2 and X2.1.

Figure 38-2. Annual expenditures per student for postsecondary education in selected OECD countries, by GDP per capita: 2007



— Linear relationship between spending and country wealth for 31 OECD countries reporting data (postsecondary): $r^2 = .67$; slope = $.44$; intercept = $-1,263$.

NOTE: Luxembourg data are excluded because they do not report data for postsecondary institutions. For more information on the International Standard Classification of Education (ISCED), see *supplemental note 11*.

SOURCE: Organization for Economic Co-operation and Development (OECD), Center for Educational Research and Innovation. (2010). *Education at a Glance, 2010: OECD Indicators*, tables B1.2 and X2.1.

Supplemental Table to Indicator 38

Education Expenditures by Country

Table A-38-1. Annual educational expenditures per student on public and private institutions, and expenditures as a percentage of gross domestic product (GDP) in OECD countries, by level of education: 2007

Country	Expenditures per student		Expenditures as a percentage of GDP			GDP per capita
	Elementary and secondary	Postsecondary	Total ¹	Elementary and secondary	Postsecondary	
OECD average	\$7,401	\$12,471	5.7	3.6	1.5	\$32,219
Australia	7,590	14,726	5.2	3.5	1.5	37,615
Austria	9,959	15,039	5.4	3.6	1.3	36,839
Belgium	8,333	13,482	6.1	4.1	1.3	34,662
Canada ²	8,045	20,278	6.1	3.5	2.6	36,397
Chile ³	2,245	6,626	6.4	3.9	2.0	14,106
Czech Republic	4,712	8,209	4.6	2.8	1.2	23,995
Denmark	9,448	16,466	7.1	4.3	1.7	36,326
Estonia	4,637	5,214	5.0	3.3	1.3	20,620
Finland	7,216	13,566	5.6	3.6	1.6	35,322
France	8,070	12,773	6.0	3.9	1.4	32,495
Germany	7,243	13,823	4.7	3.0	1.1	34,683
Greece	—	—	—	—	—	27,793
Hungary ^{4,5}	4,371	6,721	4.9	3.2	0.9	18,763
Iceland	8,949	9,309	7.8	5.1	1.2	36,325
Ireland	7,791	12,631	4.7	3.5	1.2	44,381
Israel	5,345	11,435	7.4	4.1	1.8	26,444
Italy ⁶	7,771	8,673	4.5	3.1	0.9	31,016
Japan	8,012	14,201	4.9	2.8	1.5	33,635
Korea, Republic of	6,663	8,920	7.0	4.0	2.4	26,574
Luxembourg ⁷	15,579	—	—	—	—	82,456
Mexico	2,165	6,971	5.7	3.8	1.2	14,128
Netherlands	8,571	15,969	5.6	3.7	1.5	39,594
New Zealand	5,454	9,905	5.9	4.0	1.5	27,020
Norway ⁵	10,855	17,140	5.5	3.7	1.3	53,672
Poland ⁴	3,804	5,576	5.3	3.4	1.3	16,312
Portugal ⁴	5,898	10,398	5.6	3.5	1.6	22,638
Slovak Republic ⁸	3,296	5,736	4.0	2.5	0.9	20,270
Slovenia	7,267	8,559	5.6	3.6	1.3	26,557
Spain	7,671	12,548	4.8	2.9	1.1	31,469
Sweden	8,773	18,361	6.3	4.1	1.6	36,785
Switzerland ⁹	11,702	20,883	5.5	4.0	1.2	41,800
Turkey	—	—	—	—	—	13,362
United Kingdom	8,622	15,463	5.8	4.2	1.3	34,957
United States	10,768	27,010	7.6	4.0	3.1	46,434

— Not available.

¹ Includes expenditures for preprimary, elementary/secondary, postsecondary nontertiary, and postsecondary education, and education not classified by level.

² Data are for 2006. Postsecondary includes public academic institutions only.

³ Data are for 2008.

⁴ Expenditures per student include public institutions only.

⁵ Expenditures as a percentage of GDP include public institutions only.

⁶ Elementary and secondary expenditures per student include public institutions only.

⁷ Luxembourg data are excluded from percentages because of anomalies with respect to their GDP per capita data. (Large revenues from international finance institutions distort the wealth of the population.) Expenditures include public institutions only.

⁸ Expenditures on tertiary vocational programs (International Standard Classification of Education [ISCED] level 5B) are included under elementary and secondary.

⁹ Expenditures per student and postsecondary expenditures as a percentage of GDP include public institutions only.

NOTE: Education expenditures are from public revenue sources (governments) and private revenue sources. Private sources include payments from households for school-based expenses such as tuition, transportation fees, book rentals, or food services, as well as funds raised by institutions through endowments or returns on investments. Per student expenditures are calculated based on public and private full-time-equivalent (FTE) enrollment figures and on current expenditures and capital outlays from both public and private sources, where data are available. Elementary/secondary expenditures generally include postsecondary nontertiary (ISCED level 4) education. Postsecondary nontertiary expenditures are included under postsecondary for Canada and are not available for France, Greece, Italy, Luxembourg, Portugal, and the United States. Postsecondary includes all tertiary-level data (ISCED levels 5A, 5B, and 6). For more information on the International Standard Classification of Education (ISCED), see *supplemental note 11*. For more information on classification of expenditures for international comparisons, see *supplemental note 10*. Purchasing power parity (PPP) indices are used to convert other currencies to U.S. dollars. Within-country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries. OECD average reflects the unweighted average of countries reporting data. SOURCE: Organization for Economic Co-operation and Development (OECD), Center for Educational Research and Innovation. (2010). *Education at a Glance, 2010: OECD Indicators*, tables B1.1a, B1.2, B2.1, and X2.1.