

## Education Expenditures by Country

*In 2009, the United States spent \$11,831 per full-time-equivalent (FTE) student on elementary and secondary education, an amount 38 percent higher than the OECD average of \$8,595. At the postsecondary level, U.S. expenditures per FTE student were \$29,201, more than twice as high as the OECD average of \$13,461.*

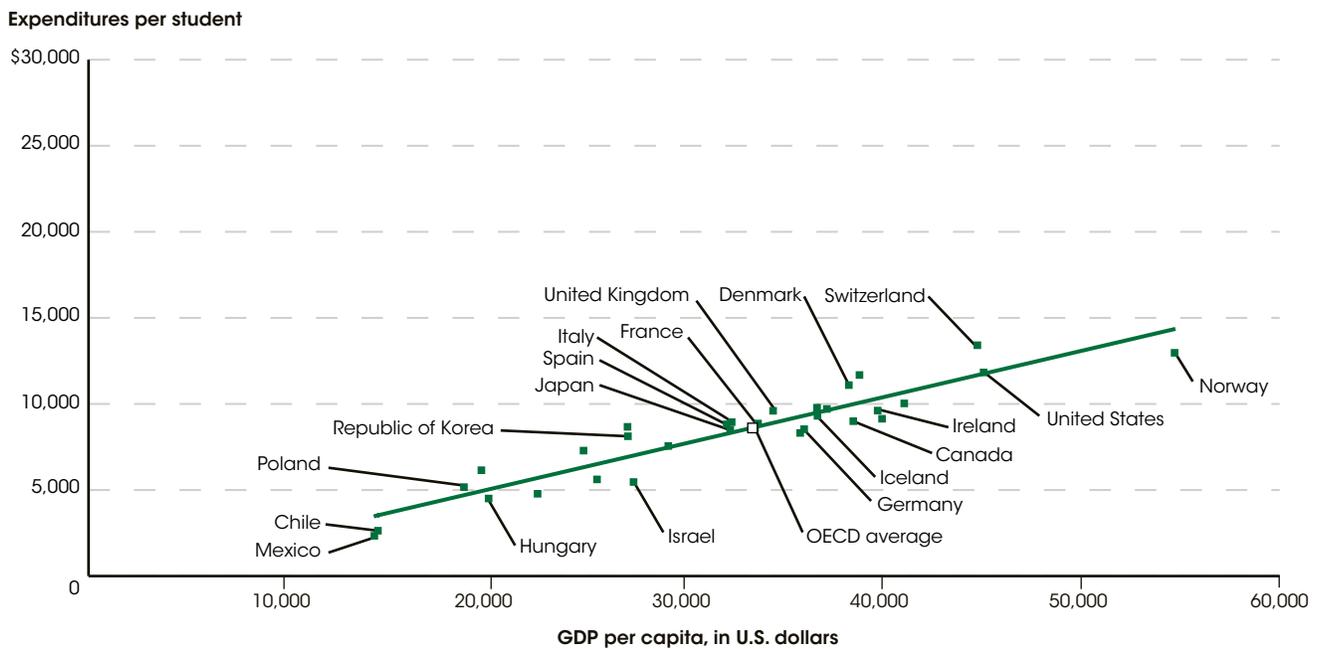
The Organisation for Economic Co-operation and Development (OECD) is an organization of 34 countries whose purpose is to promote trade and economic growth. This indicator uses material from the OECD report *Education at a Glance 2012* to compare countries' expenditures on education using the measures *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 latter measure allows a comparison of countries' expenditures relative to their ability to finance education. 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 funds raised by institutions through endowments or returns on investments. Purchasing power parity (PPP) indexes are used to convert other currencies to U.S. dollars (i.e., absolute terms).

Expenditures per FTE student varied widely across OECD countries. At the elementary and secondary level, expenditures per FTE student in 2009 ranged from \$2,339 for Mexico and \$2,635 for Chile to \$18,018 for Luxembourg. Expenditures per FTE student for the United States were \$11,831, an amount 38 percent higher than the average of \$8,595 for OECD member countries reporting data. U.S. expenditures were also higher than the Group of Eight (G8) countries of Canada, France, Germany, Italy, Japan, and the United Kingdom. In the OECD countries in the G8, other than the United States, expenditures per FTE student at the elementary and secondary level ranged from \$8,502 for Japan to \$9,602 for the United Kingdom.

At the postsecondary level, expenditures per FTE student in 2009 ranged from \$6,071 for Chile and \$6,373 for Estonia to \$29,201 for the United States. U.S. expenditures per FTE student were more than twice as high as the OECD average of \$13,461, and were the highest of the OECD countries in the G8. In the OECD countries in the G8, other than the United States, expenditures per FTE student at the postsecondary level ranged from \$9,562 in Italy to \$16,338 in the United Kingdom.

Among the OECD countries reporting data in 2009, the five countries spending the highest percentage of GDP on total education expenditures for all education levels combined were Iceland (8.1 percent), Republic of Korea (8.0 percent), Denmark (7.9 percent), New Zealand (7.4 percent), and the United States (7.3 percent). In terms of countries' expenditures by education level, the percentage of GDP the United States spent on elementary and secondary education (4.3 percent) was higher than the OECD average percentage of GDP spent on elementary and secondary education (4.0 percent). Compared with the United States, 8 OECD countries spent a higher percentage and 20 spent a lower percentage. Iceland and New Zealand were the OECD countries that spent the highest percentage (both 5.2 percent) of GDP on elementary and secondary education. At the postsecondary level, spending as a percentage of GDP for the United States (2.6 percent) was higher than the OECD average (1.5 percent) and higher than spending as a percentage of GDP for any other OECD country reporting data except the Republic of Korea (2.6 percent).

**Figure 1. Annual expenditures per full-time-equivalent student for elementary and secondary education in selected Organisation for Economic Co-operation and Development (OECD) countries, by gross domestic product (GDP) per capita: 2009**

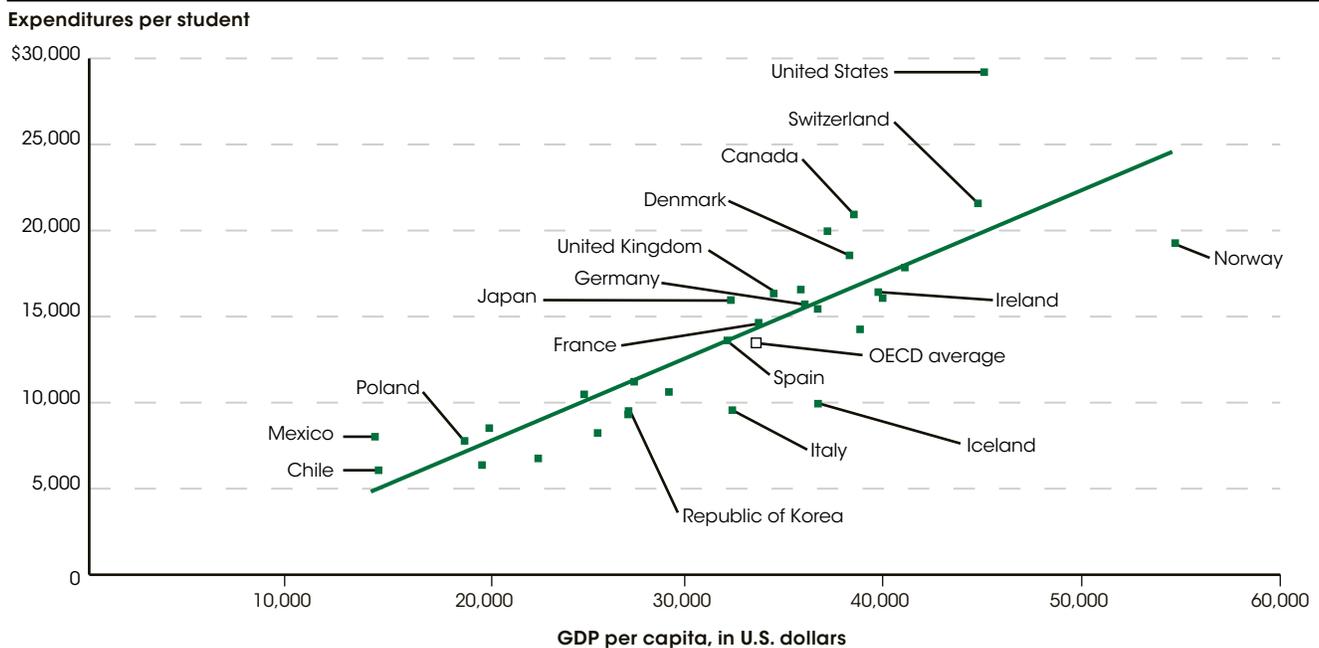


— Linear relationship between spending and country wealth for 31 OECD countries reporting data (elementary/secondary):  $r^2 = .87$ ; slope = .27; intercept = -399.

NOTE: Data for Luxembourg are excluded because of anomalies in that country's Gross Domestic Product (GDP) per capita data. (Large revenues from international finance institutions distort the wealth of the population.) Data for Greece are excluded because expenditure data are not available for 2009 or 2008. Expenditure and GDP data for Canada are for 2008. Expenditures in this figure generally include postsecondary nontertiary (International Standard Classification of Education level 4) education expenditures, except for expenditures for Canada, France, Greece, Italy, Luxembourg, Portugal, and the United States.

SOURCE: Organisation for Economic Co-operation and Development (OECD), Center for Educational Research and Innovation. (2012). *Education at a Glance, 2012*. See *Digest of Education Statistics 2012*, table 476.

**Figure 2. Annual expenditures per full-time-equivalent student for postsecondary education in selected Organisation for Economic Co-operation and Development (OECD) countries, by gross domestic product (GDP) per capita: 2009**



— Linear relationship between spending and country wealth for 31 OECD countries reporting data (postsecondary):  $r^2 = .71$ ; slope = .49; intercept = -2,113.

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 2009. Expenditure and GDP data for Canada are for 2008.

SOURCE: Organisation for Economic Co-operation and Development (OECD), Center for Educational Research and Innovation. (2012). *Education at a Glance, 2012*. See *Digest of Education Statistics 2012*, table 476.

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. For example, education expenditures per FTE student (both elementary and secondary and postsecondary) for 9 of the OECD countries with the highest GDP per capita in 2009 were

higher than the OECD average expenditures per FTE student. The expenditures per FTE student for the 10 OECD countries with the lowest GDP per capita were generally below the OECD average at both the elementary and secondary level and at the postsecondary level.

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**Reference tables:** *Digest of Education Statistics 2012*, tables 476, 477

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