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

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


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.
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