

Education Expenditures by Country

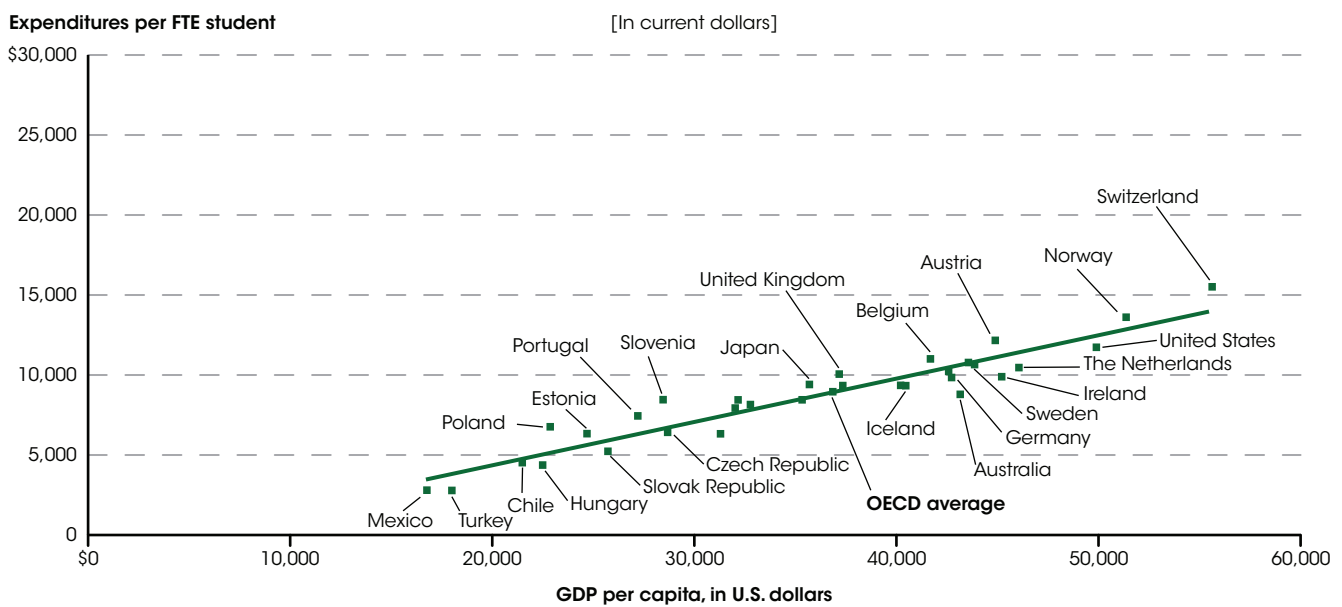
In 2012, the United States spent \$11,700 per full-time-equivalent (FTE) student on elementary/secondary education, which was 31 percent higher than the OECD average of \$9,000. At the postsecondary level, the United States spent \$26,600 per FTE student, which was 79 percent higher than the OECD average of \$14,800.

This indicator uses material from the Organization for Economic Cooperation and Development (OECD) report *Education at a Glance 2015* to compare countries' expenditures on education using two 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, and food services, as well as public funding via subsidies to households, private fees for education services, and other private spending that goes through the educational institution. *The total education expenditures as a percentage of GDP* measure allows for 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/secondary level as well as

at the postsecondary level. In terms of OECD countries that reported expenditures per FTE student in 2012 at both of these education levels, 13 of the 15 countries with the highest GDP per capita (Switzerland, Norway, the United States, the Netherlands, Ireland, Austria, Sweden, Germany, Belgium, Finland, France, the United Kingdom, and Japan) had education expenditures per FTE student that were higher than the OECD average at both the elementary/secondary level and the postsecondary level. The two exceptions were Australia, with lower elementary/secondary level expenditures per FTE student (\$8,800, in current dollars) than the OECD average (\$9,000), and Iceland, with lower postsecondary level expenditures per FTE student (\$9,400) than the OECD average (\$14,800). Each of the 15 countries with the lowest GDP per capita (Mexico, Turkey, Chile, Hungary, Poland, Estonia, the Slovak Republic, Portugal, Slovenia, the Czech Republic, Israel, the Republic of Korea, New Zealand, Spain, and Italy) had education expenditures per FTE student that were 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: 2012



— Linear relationship between spending and country wealth for 32 OECD countries reporting data (elementary/secondary): $r^2 = .90$; slope = 0.27; intercept = -1022.

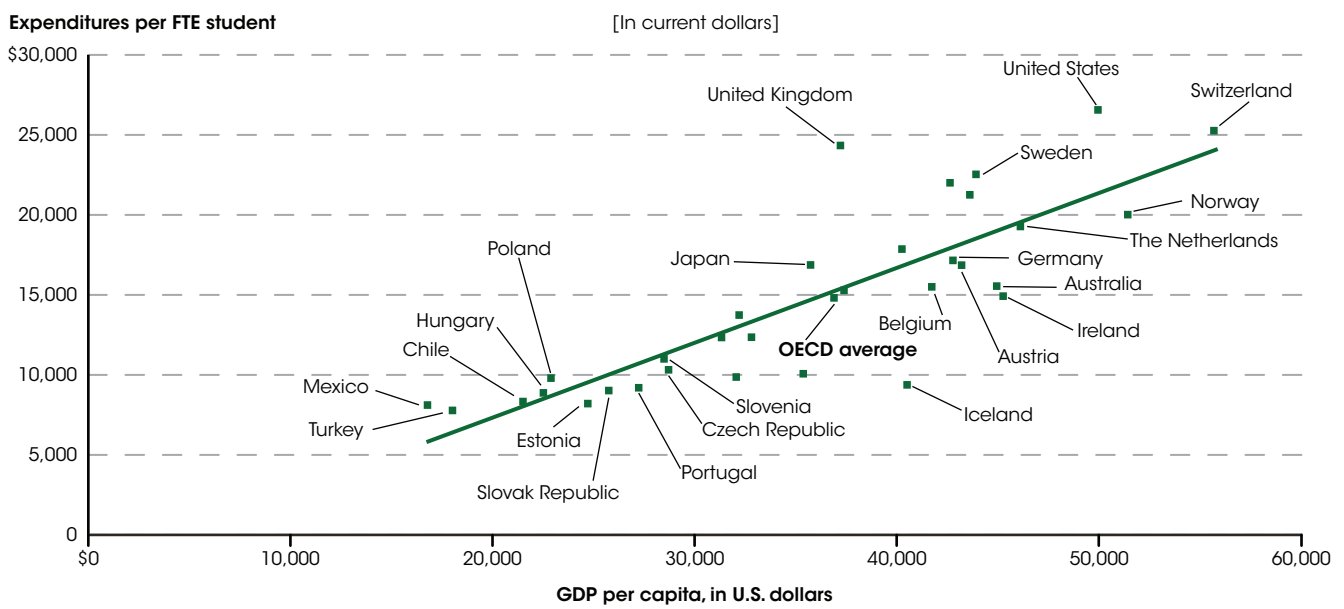
NOTE: Not all countries are labeled in the figure. The countries that are not labeled include Canada, Denmark, Finland, France, Israel, Italy, New Zealand, Spain, and The Republic of Korea. Data for those countries may be found in *Digest of Education Statistics 2015*, table 605.10. Data for Luxembourg 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 2011 and 2012. Expenditure and GDP data for Canada are for 2011. 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, and the United States do not include postsecondary non-higher education. Expenditure data for Ireland, Italy, Poland, Portugal, and Switzerland include public institutions only.

SOURCE: Organization for Economic Cooperation and Development (OECD), *Education at a Glance, 2015*. See *Digest of Education Statistics 2015*, table 605.10.

Expenditures per FTE student varied widely across OECD countries. At the elementary/secondary level, expenditures per FTE student in 2012 included low values such as \$2,800 each for Turkey and Mexico. Switzerland

had the highest value of \$15,500. The United States spent \$11,700 per FTE student at the elementary/secondary level, which was 31 percent higher than the average of \$9,000 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: 2012

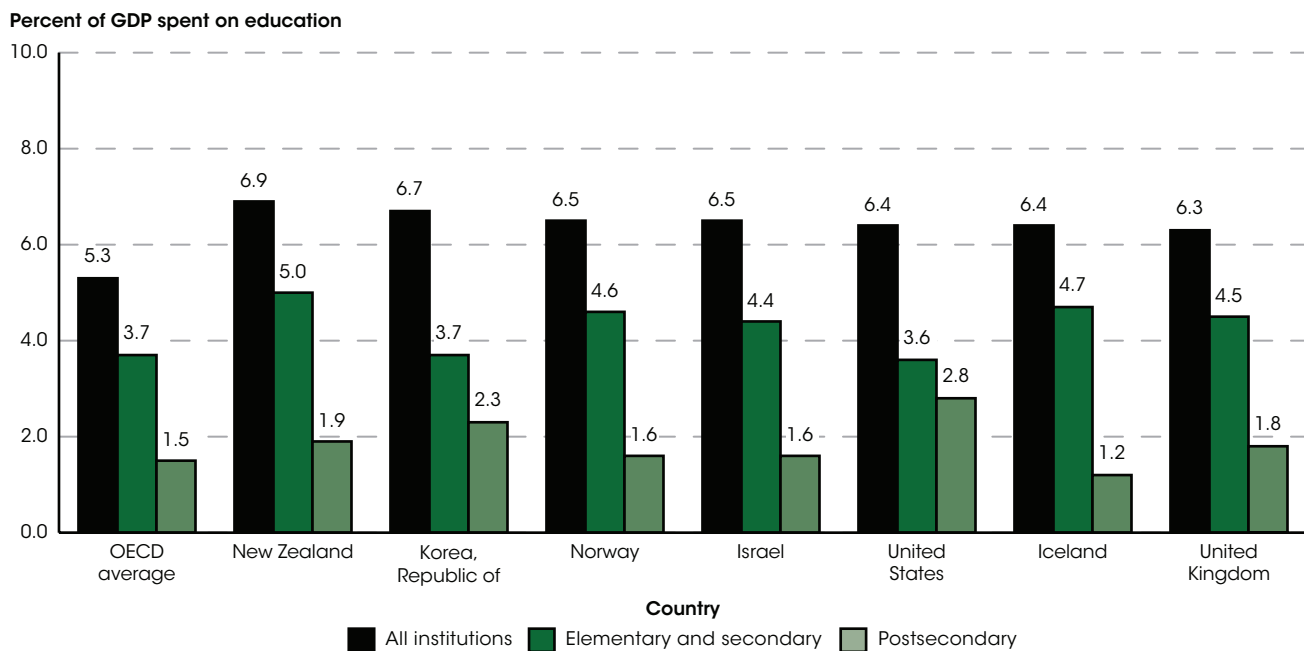


— Linear relationship between spending and country wealth for 32 OECD countries reporting data (postsecondary): $r^2 = .70$; slope = 0.47; intercept = -2042.
NOTE: Not all countries are labeled in the figure. The countries that are not labeled include Canada, Denmark, Finland, France, Israel, Italy, New Zealand, Spain, and The Republic of Korea. Data for those countries may be found in *Digest of Education Statistics 2015*, table 605.10. 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 2011 and 2012. Expenditure and GDP data for Canada and Denmark are for 2011. Expenditure data for Denmark, Japan, Portugal, and the United States include postsecondary non-higher education. Expenditure data for Canada, Ireland, Portugal, and Switzerland include public institutions only.
SOURCE: Organization for Economic Cooperation and Development (OECD), *Education at a Glance, 2015*. See *Digest of Education Statistics 2015*, table 605.10.

At the postsecondary level, expenditures per FTE student in 2012 included low values such as \$7,800 for Turkey and \$8,100 for Mexico. The United States had the highest

postsecondary expenditures per FTE student at \$26,600, which were 79 percent higher than the OECD average of \$14,800.

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: 2012



NOTE: Data for Chile are excluded because data are for 2013 instead of 2012. Expenditures for International Standard Classification of Education (ISCED) level 4 (postsecondary non-higher education) are included in elementary and secondary education, except for in the United States, where they are included in postsecondary education. "All institutions" total includes expenditures that could not be reported by level of education.
SOURCE: Organization for Economic Cooperation and Development (OECD), *Education at a Glance, 2015*. See *Digest of Education Statistics 2015*, table 605.20.

Among the 30 OECD countries reporting data in 2012, seven countries, including the United States, spent over 6.0 percent of their GDP on total education expenditures: New Zealand (6.9 percent), the Republic of Korea (6.7 percent), Norway (6.5 percent), Israel (6.5 percent), the United States (6.4 percent), Iceland (6.4 percent), and the United Kingdom (6.3 percent).

In terms of countries' education expenditures by education level in 2012, the percentage of GDP the United States spent on elementary/secondary education (3.6 percent) was slightly lower than the OECD average (3.7 percent).

Fifteen OECD countries spent less than 3.7 percent of their GDP on elementary/secondary education, seven countries spent between 3.7 and 4.0 percent, and nine countries spent more than 4.0 percent. New Zealand (5.0 percent) spent the highest percentage of GDP on elementary/secondary education. At the postsecondary level, spending as a percentage of GDP by the United States (2.8 percent) was higher than the OECD average (1.5 percent) and higher than that of any other OECD country reporting data. Only one other country spent more than 2.0 percent of its GDP on postsecondary education: the Republic of Korea (2.3 percent).

Reference tables: *Digest of Education Statistics 2015*, tables 605.10 and 605.20

Related indicators: International Educational Attainment

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