

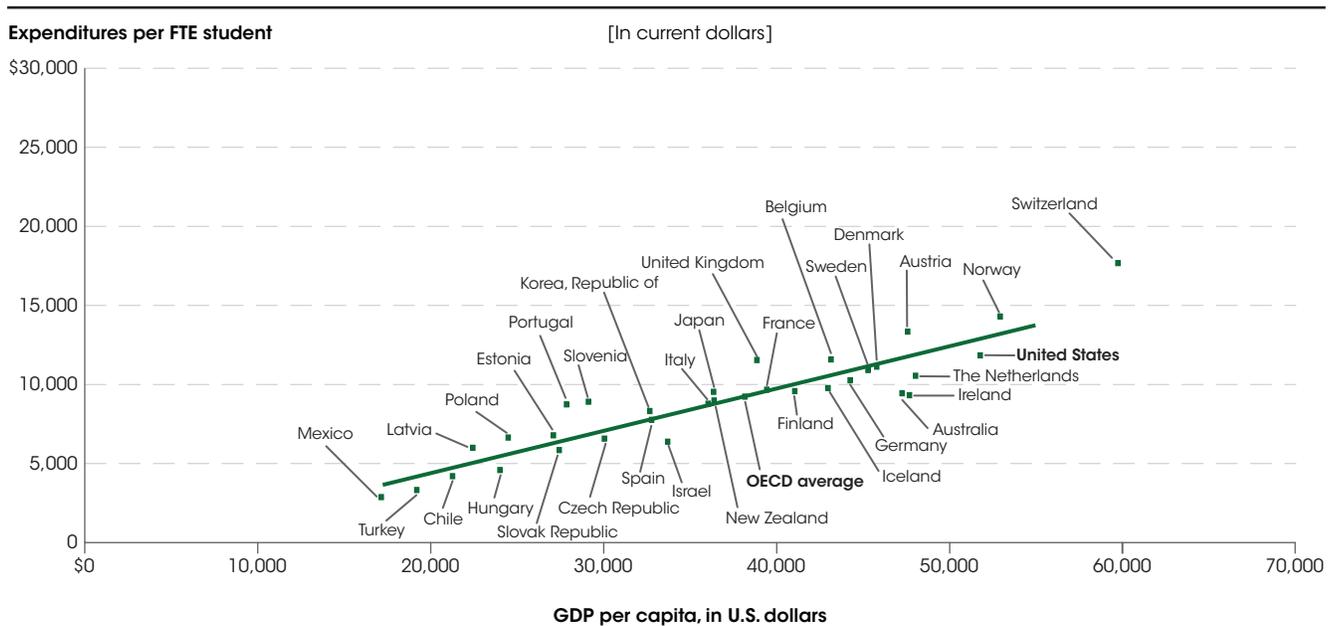
# Education Expenditures by Country

In 2013, the United States spent \$11,800 per full-time-equivalent (FTE) student on elementary and secondary education, which was 28 percent higher than the OECD average of \$9,200. At the postsecondary level, the United States spent \$27,900 per FTE student, which was 89 percent higher than the OECD average of \$14,800.

This indicator uses material from the Organization for Economic Cooperation and Development (OECD) to compare countries' expenditures on education using two measures: *education 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 35 countries whose purpose is to promote trade and economic growth. The OECD also collects and publishes an array of data on its member countries. 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.

**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: 2013**



— Linear relationship between spending and country wealth for 32 OECD countries reporting data (elementary/secondary):  
 $r^2 = .84$ ; slope = 0.27; intercept = -935.

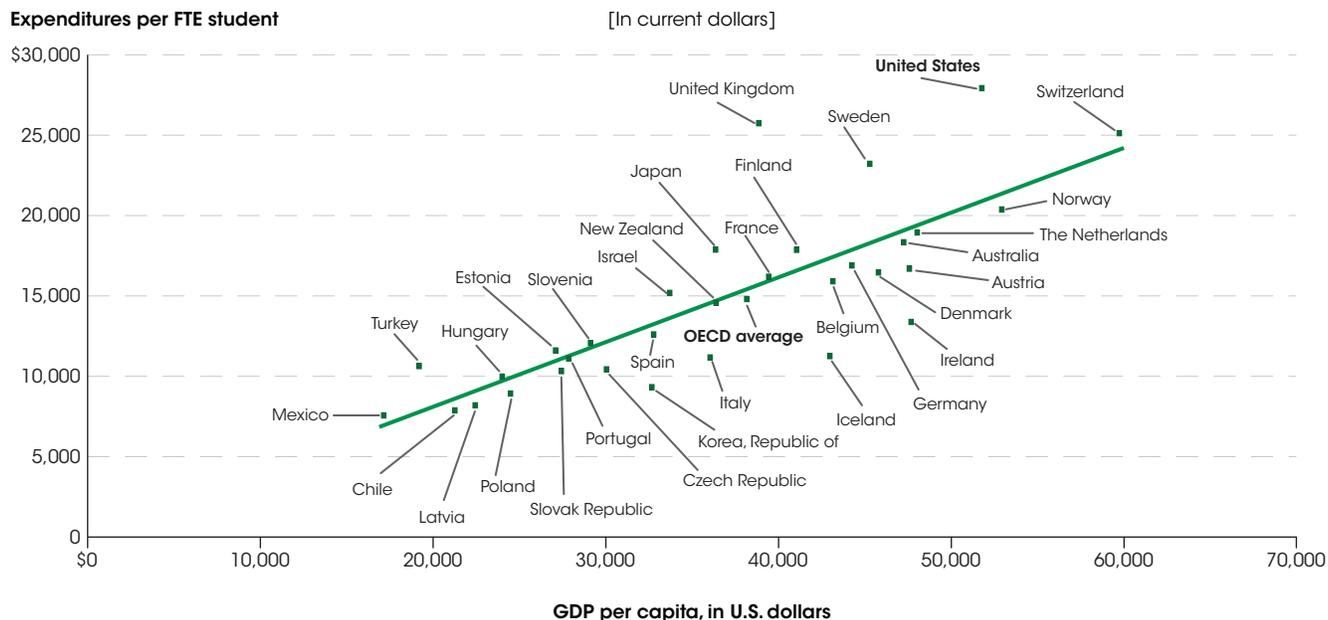
NOTE: Data for Luxembourg are excluded from the figure because of anomalies in that country's GDP per capita data. (Large revenues from international finance institutions in Luxembourg distort the wealth of the country's population.) Data for Canada and Greece are excluded because expenditure data were not available in 2013. 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 Italy and the United States do not include postsecondary non-higher education. Expenditure data for the Republic of Korea include preprimary education. Expenditure data for Ireland, Italy, Poland, and Switzerland include public institutions only.

SOURCE: Organization for Economic Cooperation and Development (OECD), *Education at a Glance 2016*; and Online Education Database, retrieved December 6, 2016, from <http://stats.oecd.org/Index.aspx>. See *Digest of Education Statistics 2016*, table 605.10.

Expenditures per FTE student at the elementary/secondary level varied widely across OECD countries<sup>1</sup> in 2013, ranging from a low value of \$2,900 in Mexico to a high value of \$17,700 in Switzerland. The United States

spent \$11,800 per FTE student at the elementary/secondary level, which was 28 percent higher than the average of \$9,200 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: 2013**



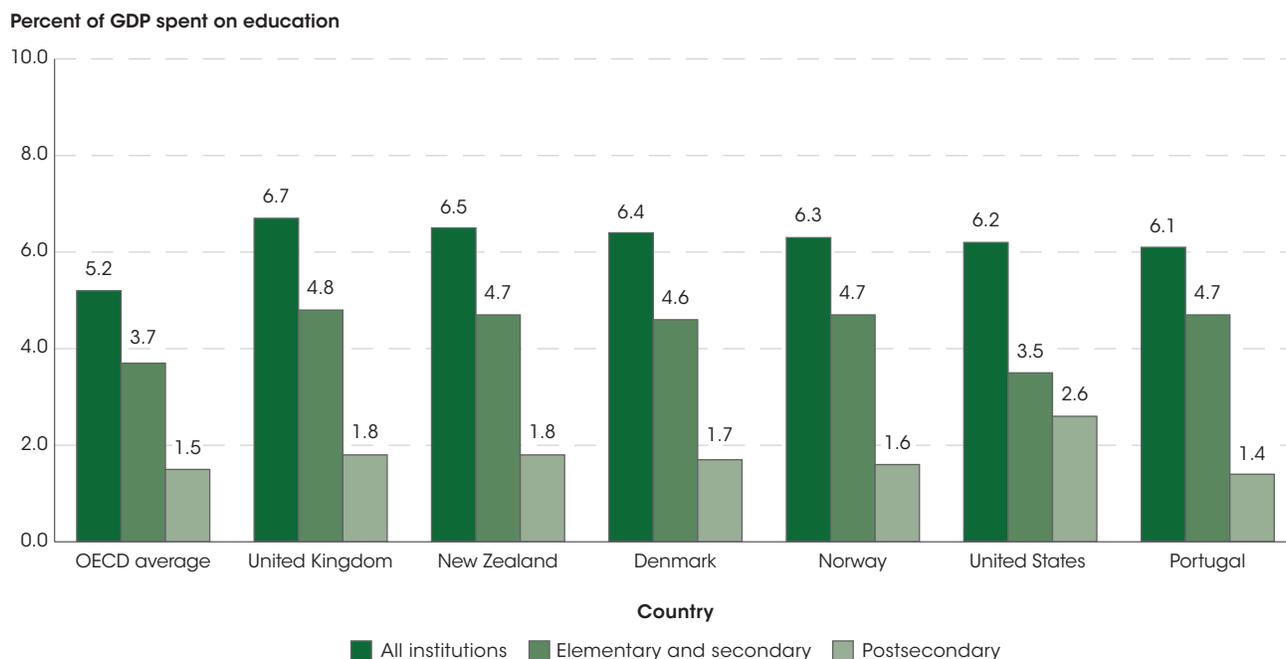
Expenditures per FTE student at the postsecondary level also varied across OECD countries in 2013, ranging from a low value of \$7,600 in Mexico to a high value of \$27,900 in the United States. Expenditures per FTE student at the postsecondary level in the United States were 89 percent higher than the OECD average of \$14,800.

A country's wealth (defined as GDP per capita) is positively associated with its education expenditures per FTE student at the elementary/secondary level and at the postsecondary level. Of the 15 countries with a GDP per capita greater than the OECD average, 13 countries had education expenditures per FTE student that were also higher than the OECD average at both the elementary/secondary and postsecondary levels. These 13 countries were Switzerland, Norway, the United States, the Netherlands, Austria, Australia, Denmark, Sweden, Germany, Belgium, Finland, France, and the United

Kingdom. The two exceptions were Ireland and Iceland, both of which had lower postsecondary expenditures per FTE student (\$13,400 and \$11,300, respectively) than the OECD average (\$14,800).

Of the 17 countries with a lower GDP per capita than the OECD average, 15 also had education expenditures per FTE student that were lower than the OECD average at both the elementary/secondary and postsecondary levels (Mexico, Turkey, Chile, Latvia, Hungary, Poland, Estonia, the Slovak Republic, Portugal, Slovenia, the Czech Republic, the Republic of Korea, Spain, Italy, and New Zealand). The two exceptions were Japan and Israel. Both Japan and Israel reported higher postsecondary expenditures per FTE student (\$17,900 and \$15,200, respectively) than the OECD average (\$14,800). Japan also reported higher expenditures per FTE student at the elementary/secondary level (\$9,500) than the OECD average (\$9,200).

**Figure 3. Public and private 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 of direct expenditures for all institutions, by level of education: 2013**



NOTE: Expenditures for International Standard Classification of Education (ISCED) level 4 (postsecondary non-higher-education) are included in elementary and secondary education, except in Portugal, where they are included in both elementary/secondary and postsecondary education, and in the United States, where they are included in higher education.

SOURCE: Organization for Economic Cooperation and Development (OECD), *Education at a Glance 2016*; and Online Education Database, retrieved December 6, 2016, from <http://stats.oecd.org/Index.aspx>. See *Digest of Education Statistics 2016*, table 605.20.

Among the 33 OECD countries reporting data in 2013, sixteen countries spent a higher percentage of GDP on total education expenditures than the OECD average of 5.2 percent. Six countries, including the United States, spent over 6.0 percent of GDP on total education expenditures: the United Kingdom (6.7 percent), New Zealand (6.5 percent), Denmark (6.4 percent), Norway (6.3 percent), the United States (6.2 percent), and Portugal (6.1 percent).

In terms of countries' education expenditures by education level in 2013, the percentage of GDP that the United States spent on elementary and secondary education (3.5 percent) was slightly lower than the OECD average (3.7 percent). Fifteen other countries also spent a lower percentage of GDP on elementary and secondary

education than the OECD average of 3.7 percent. In contrast, 17 countries spent 3.7 percent or more of GDP on elementary and secondary education, including 9 countries that spent 4.0 percent or more. The United Kingdom spent the highest percentage (4.8 percent) of GDP on elementary and secondary education.

At the postsecondary level, expenditures on education as a percentage of GDP by the United States (2.6 percent) were higher than the OECD average (1.5 percent) and were higher than those of all other OECD countries reporting data. In addition to the United States, only three countries spent 2.0 percent or more of GDP on postsecondary education: Chile (2.4 percent), the Republic of Korea (2.3 percent), and Estonia (2.0 percent).

#### Endnotes:

<sup>1</sup> Canada, Greece, and Luxembourg are excluded from all analyses of expenditures per FTE student. Expenditure data at the elementary/secondary and postsecondary levels were not available in 2013 for Canada and Greece. For Luxembourg, data on elementary/secondary education expenditures per FTE student were available in 2013, but are excluded from analysis because of

anomalies in that country's GDP per capita data. (Large revenues from international finance institutions in Luxembourg distort the wealth of the country's population.) Expenditures per FTE student at the postsecondary level were not available in 2013 for Luxembourg.

**Reference tables:** *Digest of Education Statistics 2016*, tables 605.10 and 605.20

**Related indicators and resources:** International Educational Attainment, Public School Expenditures

**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, Secondary school