

the condition of education 2004



INDICATOR 36

International Comparisons of Expenditures for Education

The indicator and corresponding tables are taken directly from *The Condition of Education 2004*. 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 2004* visit the NCES web site (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2004077>) or contact ED PUBs at 1-877-4ED-PUBS.

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Financing for Elementary and Secondary Education

International Comparisons of Expenditures for Education

Wealthy nations spend more per student on education compared with nations with lower GDP per capita. They also spend a larger share of their GDP per capita on education than less wealthy nations.

Two measures used to compare countries' investment in education are expenditures per student (expressed in absolute terms) from both public and private sources and total 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.

In 2000, expenditures per student for the member countries of the Organization for Economic Cooperation and Development (OECD) averaged \$5,162 at the combined elementary and secondary level and \$9,509 at the postsecondary level (see supplemental table 36-1). Expenditures per student varied widely across these countries, ranging from \$1,415 (Mexico) to \$8,187 (Switzerland) at the combined elementary and secondary level and from \$3,222 (Poland) to \$20,358 (United States) at the postsecondary level.

A country's wealth (defined as GDP per capita) is positively associated with expenditures per student on education at the elementary/secondary and postsecondary levels. For example, a \$10,000 change in GDP per capita

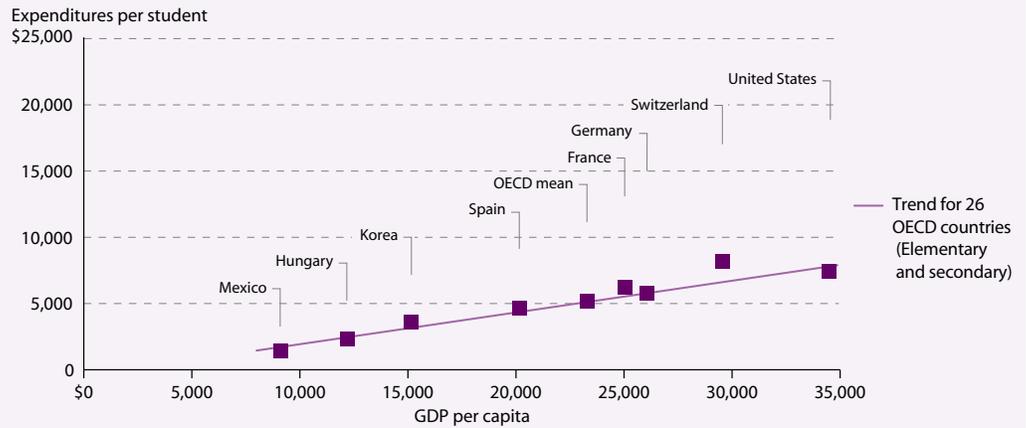
was associated with a 46 percent change in the average expenditure per student at the elementary and secondary level and a 48 percent change in the average expenditure per student at the postsecondary level.

A country's wealth is also positively associated with the share of total GDP devoted to total education expenditures.¹ For example, a \$10,000 change in GDP per capita resulted in an 11 percent increase in the average share of total GDP devoted to total education expenditures.

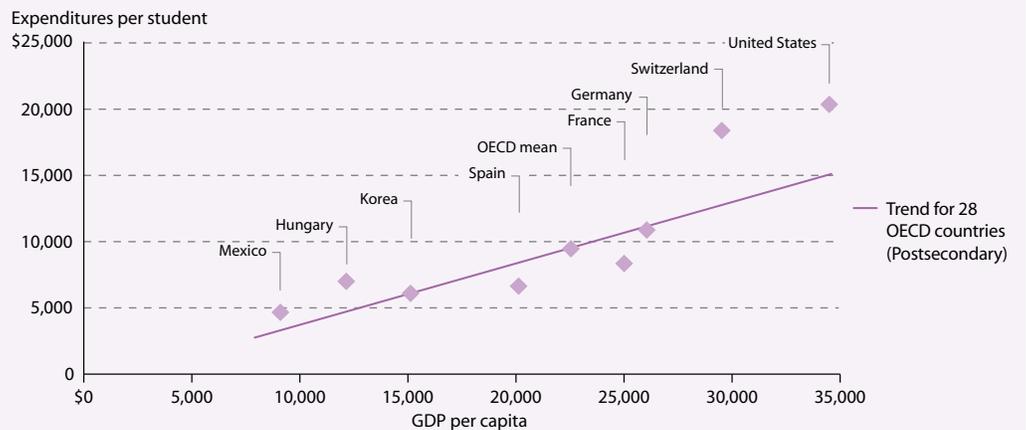
In 2000, the United States and Korea spent the highest percentage of their GDP on total education expenditures (6.6 percent) among the OECD countries. Looking at education expenditures by level, the United States spent 3.9 percent of its GDP on elementary/secondary education, while the average for all OECD countries reporting data was 3.6 percent. At the postsecondary level, 2.7 percent of the U.S. GDP was spent on education expenditures, while the corresponding OECD average was 1.3 percent.



EXPENDITURES FOR EDUCATION: Annual expenditures per student in relation to GDP per capita for elementary and secondary education in selected OECD countries: 2000



EXPENDITURES FOR EDUCATION: Annual expenditures per student in relation to GDP per capita for postsecondary education in selected OECD countries: 2000

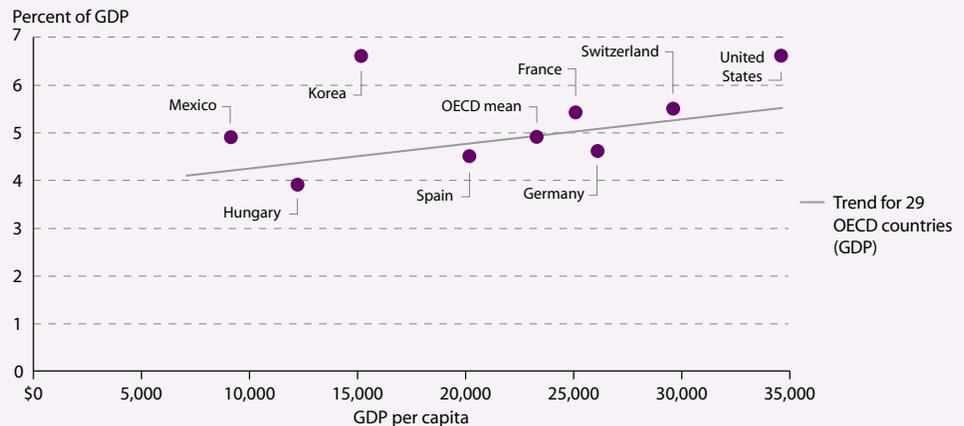


Total education expenditures include expenditures at the elementary/secondary, postsecondary, and postsecondary nontertiary levels.

NOTE: Per student expenditures are based on public and private full-time-equivalent (FTE) enrollment figures and current expenditures and capital outlay 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. 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. The OECD average for GDP per capita for each graph is based on the number of countries with data available (26 for first graph; 28 for second graph; 29 for third graph).

SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2003). *Education at a Glance: OECD Indicators, 2003*, tables B1.1, B2.1c, B6.2, and X2.1. Data from Organization for Economic Cooperation and Development (OECD), OECD Education Database, unpublished data (2003).

EXPENDITURES FOR EDUCATION: Annual total expenditures as a percentage of GDP, by GDP per capita in selected OECD countries: 2000



FOR MORE INFORMATION:
 Supplemental Note 7
 Supplemental Table 36-1
 OECD 2003

International Comparisons of Expenditures for Education

Table 36-1. Annual expenditures on public and private institutions per student and as a percentage of GDP for OECD countries, by level of education: 2000

Country	Expenditures on public and private institutions per student ¹		Expenditures on public and private institutions as a percentage of GDP			GDP per capita (in equivalent U.S. dollars converted using PPPs) ²
	Elementary and secondary ³	Post-secondary ⁴	Elementary and secondary ³	Post-secondary ⁴	Total ⁵	
OECD mean	\$5,162	\$9,509	3.6	1.3	4.9	\$23,317
Australia	5,867	12,854	4.3	1.6	5.9	26,325
Austria ⁶	7,851	10,851	3.8	1.2	5.1	28,070
Belgium	5,732	10,771	3.6	1.3	4.9	26,392
Canada	5,947	14,983	3.6	2.6	6.2	28,130
Czech Republic	2,541	5,431	3.0	0.9	4.0	13,806
Denmark	7,467	11,981	4.2	1.6	5.7	28,755
Finland	5,292	8,244	3.5	1.7	5.2	25,357
France	6,214	8,373	4.2	1.1	5.4	25,090
Germany	5,779	10,898	3.4	1.0	4.6	26,139
Greece	3,696	3,402	2.8	0.9	3.8	15,885
Hungary	2,352	7,024	2.8	1.1	3.9	12,204
Iceland	6,293	7,994	—	0.9	5.8	28,143
Ireland	3,976	11,083	2.9	1.5	4.5	28,285
Italy	6,506	8,065	3.2	0.9	4.1	25,095
Japan	5,971	10,914	2.9	1.1	4.0	26,011
Korea	3,644	6,118	4.0	2.6	6.6	15,186
Luxembourg	—	—	—	—	—	48,239
Mexico	1,415	4,688	3.8	1.1	4.9	9,117
Netherlands	5,138	11,934	3.1	1.2	4.3	27,316
New Zealand	—	—	4.5	0.9	5.5	20,372
Norway ⁶	7,399	13,353	3.7	1.3	4.9	36,242
Poland	1,988	3,222	3.7	0.8	4.5	9,547
Portugal ⁶	—	4,766	4.1	1.1	5.2	16,780
Slovak Republic	1,732	4,949	2.8	0.8	3.6	11,278
Spain	4,636	6,666	3.3	1.2	4.5	20,195
Sweden	6,337	15,097	4.3	1.7	6.0	26,161
Switzerland	8,187	18,450	4.2	1.2	5.5	29,617
Turkey	—	4,121	2.4	1.0	3.4	6,211
United Kingdom	4,844	9,657	3.8	1.0	4.8	24,964
United States	7,397	20,358	3.9	2.7	6.6	34,602

— Not available.

¹Per student expenditures are calculated based on public and private full-time-equivalent (FTE) enrollment figures for the 1999–2000 school year and on current expenditures and capital outlays from both public and private sources where data are available.

²GDP adjusted to national financial year.

³Includes postsecondary nontertiary data (International Standard Classification of Education [ISCED] level 4) for Belgium, Finland, Japan, Norway, Poland, Slovak Republic, Spain, and the United Kingdom.

⁴Includes all tertiary level data (ISCED levels 5A, 5B, and 6). Also, includes postsecondary nontertiary data (ISCED level 4) for Canada, Japan, and the United States.

⁵Total includes elementary/secondary, postsecondary, and postsecondary nontertiary expenditures.

⁶Data are for full- and part-time students.

NOTE: Educational expenditures are from public and private revenue sources. 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. Includes all institutions, public and private, with the exception of Greece, Hungary, Iceland, Italy, Norway, Poland, Switzerland, and Turkey, which include public institutions only. See *supplemental note 7* for more information on ISCED levels.

SOURCE: Organization for Economic Cooperation and Development (OECD), Center for Educational Research and Innovation. (2003). *Education at a Glance: OECD Indicators, 2003*. Data from tables B1.1, B2.1c, B6.2, and X2.1. OECD Education Database, unpublished data (2003).