

EXPENDITURE ON TERTIARY EDUCATION

Policy makers must balance the importance of improving the quality of educational services with the desirability of expanding access to educational opportunities, notably at the tertiary level. The comparative review of how trends in educational expenditure per student have evolved shows that in many OECD countries the expansion of enrolments, particularly in tertiary education, has not always been paralleled by changes in educational investment.

Definition

The indicator shows direct public and private expenditure on educational institutions in relation to the number of tertiary full-time equivalent students enrolled in these institutions. Public subsidies for students' living expenses have been excluded to ensure international comparability of the data.

Expenditure on education per student is obtained by dividing the total expenditure on educational institutions by the number of full-time equivalents students. Only those educational institutions and programmes are taken into account for which both enrolment and expenditure data are available.

Long-term trends

In 2004, the level of expenditure per tertiary average in OECD countries was 11 100 USD converted using PPPs. This average masks a considerable variation of spending at tertiary level with one country (Poland) spending less than 5 000 USD per student rising up to a level of spending of more than 21 000 USD in Switzerland and the United States. OECD countries in which most R&D is performed by tertiary educational institutions tend to report higher expenditure per tertiary student than countries in which a large part of R&D is performed in other public institutions or by industry.

On average, for the countries where data are available, expenditure on tertiary education per student increased by 9% over the period 1995 to 2004. Despite this average increase however, there was a decrease in expenditure in six out of 23 OECD countries (the Czech Republic, Hungary, Poland, Portugal, Sweden and the United Kingdom) and in the partner economy Brazil which was largely due to a rapid increase in the number of tertiary students enrolled in the same period. On the other hand, expenditure per tertiary student rose significantly in Greece, Ireland, Mexico, the Slovak Republic and Switzerland despite a significant growth in enrolment of 107, 37, 53, 90 and 31%, respectively.

Comparability

Expenditure in national currency for 2004 is converted to US dollars by PPP exchange rates. The PPP exchange rate is used because the market exchange rate is affected by many factors (interest rates, trade policies, expectations of economic growth, etc.) that have little to do with relative purchasing power of currencies in different countries.

The changes in expenditure on educational institutions per student are based on data from 1995 and 2004. The data on expenditure for 1995 were obtained by a special survey updated in 2004. OECD countries were asked to collect the 1995 data according to the definitions and the coverage of a joint UNESCO-OECD-Eurostat data collection programme. All expenditure data have been adjusted to 2004 prices using the GDP price deflator.

Source

- OECD (2007), *Education at a Glance*, OECD, Paris.

Further information

Analytical publications

- OECD (2004), *Internationalisation and Trade in Higher Education: Opportunities and Challenges*, OECD, Paris.
- OECD (2004), *Quality and Recognition in Higher Education: The Cross-border Challenge*, OECD, Paris.
- OECD (2006), *Education Policy Analysis: Focus on Higher Education*, OECD, Paris.
- OECD (2007), *Higher Education Management and Policy*, OECD, Paris.
- OECD (2007), *Reviews of National Policies for Education*, OECD, Paris.

Methodological publications

- OECD (2004), *OECD Handbook for Internationally Comparative Education Statistics: Concepts, Standards, Definitions and Classifications*, OECD, Paris.
- UIS, OECD and Eurostat (2007), *UOE Data Collection – 2007 Data Collection on Education Systems: Definitions, Explanations and Instructions*, OECD, Paris.


Websites

- OECD Education at a Glance, www.oecd.org/edu/eag2007.

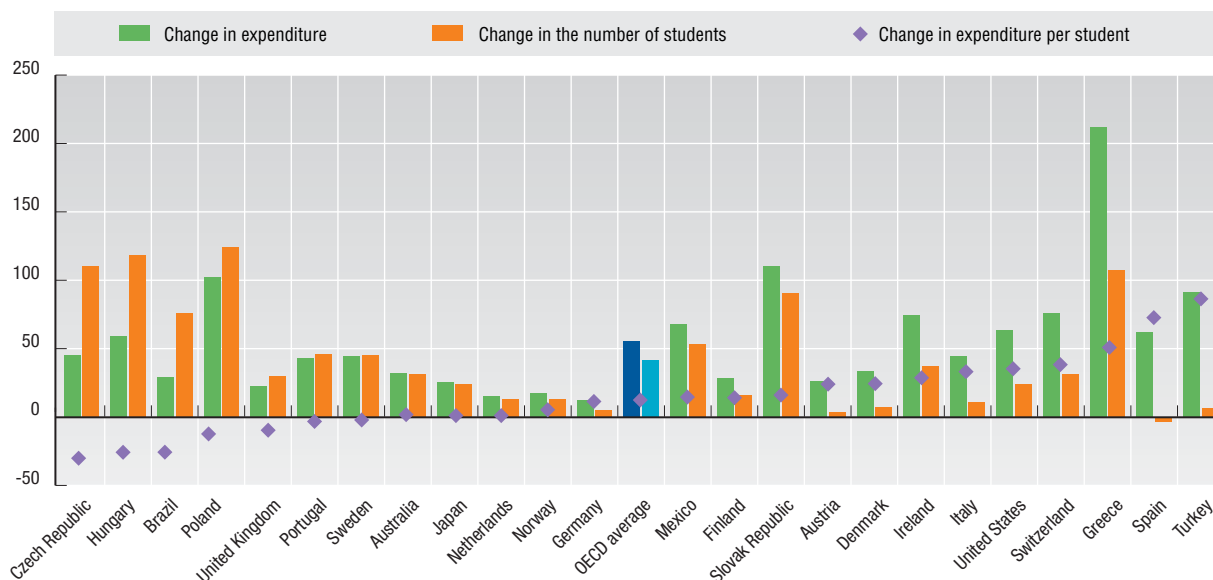

Expenditure per student in tertiary education

Year 2004

	Index of change, year 1995 = 100			Expenditure per student in tertiary education: 2004 constant prices (US dollars)
	Expenditure	Number of students	Expenditure per student	
Australia	132	131	101	14 036
Austria	126	103	122	13 959
Belgium	..	..	..	11 842
Czech Republic	145	210	69	6 752
Denmark	133	107	123	15 225
Finland	128	116	110	12 505
France	..	..	..	10 668
Germany	112	105	107	12 255
Greece	312	207	151	5 593
Hungary	159	218	73	7 095
Iceland	..	..	..	8 881
Ireland	174	137	126	10 211
Italy	144	111	130	7 723
Japan	125	124	101	12 193
Korea	..	150	..	7 068
Mexico	168	153	110	5 778
Netherlands	115	113	101	13 846
New Zealand	109	..	..	8 866
Norway	117	113	103	14 997
Poland	202	224	90	4 412
Portugal	143	146	98	7 741
Slovak Republic	210	190	111	6 535
Spain	162	97	167	9 378
Sweden	144	145	99	16 218
Switzerland	176	131	134	21 966
Turkey	191	106	181	..
United Kingdom	122	130	93	11 484
United States	163	124	132	22 476
OECD average	155	141	109	11 100
Brazil	129	176	73	9 019
Russian Federation	..	..	..	2 562

 StatLink  <http://dx.doi.org/10.1787/275181634101>
Changes in real expenditure on educational institutions in tertiary education

Percentage change 1995-2004


 StatLink  <http://dx.doi.org/10.1787/270472075044>