

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.

Long-term trends

In 2003, the level of expenditure per tertiary student on average in OECD countries was 11 254 US dollars converted using PPPs. This average masks a considerable variation of spending at tertiary level with three countries (Greece, Poland and the Slovak Republic) spending less than 5 000 US dollars per student rising up to a level of spending of more than 20 000 US dollars 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 6% over the period 1995 to 2003. Despite this average increase however, there was a marked decrease in expenditure in five out of 24 OECD countries (Australia, the Czech Republic, Poland, Portugal and the Slovak Republic) and in the partner country 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, Hungary, Ireland and Mexico despite a growth in enrolment of 93, 70, 34 and 48%, respectively.

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.

Comparability

Expenditure in national currency for 2003 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 2003. The data on expenditure for 1995 were obtained by a special survey updated in 2003. 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 2003 prices using the GDP price deflator.

Source

- OECD (2006), *Education at a Glance*, OECD, Paris.

Further information

Analytical publications

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

Methodological publications

- UIS, OECD and Eurostat (2002), *UOE Data Collection – 2002 Data Collection on Education Systems: Definitions, Explanations and Instructions*, OECD, Paris.
- OECD (2004), *OECD Handbook for Internationally Comparative Education Statistics: Concepts, Standards, Definitions and Classifications*, OECD, Paris.

Websites

- OECD, *Education at a Glance*, www.oecd.org/edu/eag2006.

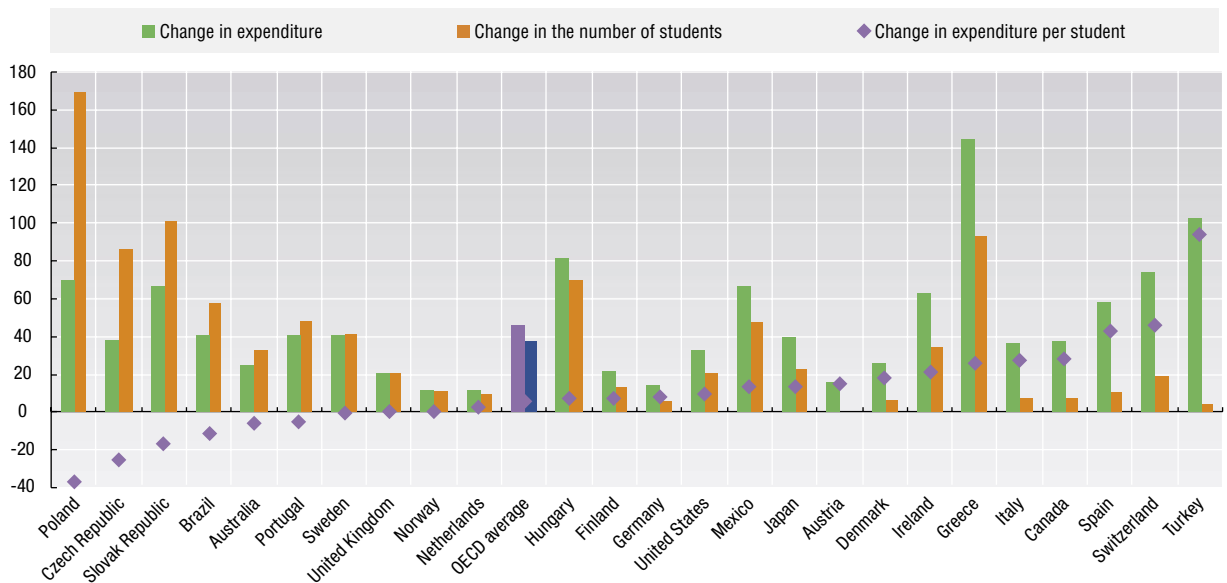
Expenditure per student in tertiary education

Year 2003

	Index of change, year 1995 = 100			Expenditure per student in tertiary education: 2003 constant prices (US dollars)
	Expenditure	Number of students	Expenditure per student	
Australia	125	133	94	12 406
Austria	115	101	115	12 344
Belgium	..	..	..	11 824
Canada	138	107	128	19 992
Czech Republic	139	186	74	6 774
Denmark	126	107	118	14 014
Finland	122	114	107	12 047
France	..	..	..	10 704
Germany	114	105	108	11 594
Greece	244	193	126	4 924
Hungary	182	170	107	8 576
Iceland	..	..	..	8 023
Ireland	163	134	121	9 341
Italy	137	107	128	8 764
Japan	139	123	114	11 556
Korea	..	159	..	7 089
Mexico	167	148	113	5 774
Netherlands	112	109	103	13 444
New Zealand	111	..	..	8 832
Norway	112	111	100	13 772
Poland	170	269	63	4 589
Portugal	140	148	95	7 200
Slovak Republic	167	201	83	4 678
Spain	158	111	143	8 943
Sweden	141	141	100	16 073
Switzerland	174	119	146	25 900
Turkey	202	104	194	..
United Kingdom	120	120	100	11 866
United States	133	121	110	24 074
OECD average	146	138	106	11 254
Brazil	140	158	89	10 054
Russian Federation	..	..	..	2 451

 StatLink <http://dx.doi.org/10.1787/146318247756>
Changes in real expenditure on educational institutions in tertiary education

Percentage change 1995-2003


 StatLink <http://dx.doi.org/10.1787/280675838368>