

14 % of the funding of education institutions in the EU in 2008 comes from private sources

In 2008, public education expenditure represented approximately 5 % of GDP. That year, at the start of the economic crisis, public education expenditure grew 2.8 % in real terms, 2.4 percentage points above GDP growth.

Private entities expenditure in education institutions was 0.75 % of GDP, but there were significant differences in the EU, ranging from 0.15% in Finland to 1.72 % in the United Kingdom. The importance of public financial aid to students also varied considerably among countries in 2008, from 1.2 % to 16 % of public education expenditure.

Funding of education institutions involves several financial flows between governments, private entities and those institutions (Figure 1).

The total expenditure directed to educational institutions in the EU, in 2008, represented 5.32 % of GDP (Figure 1). As a basis for comparison, the equivalent value in the US was 7.25 % (Table 1).

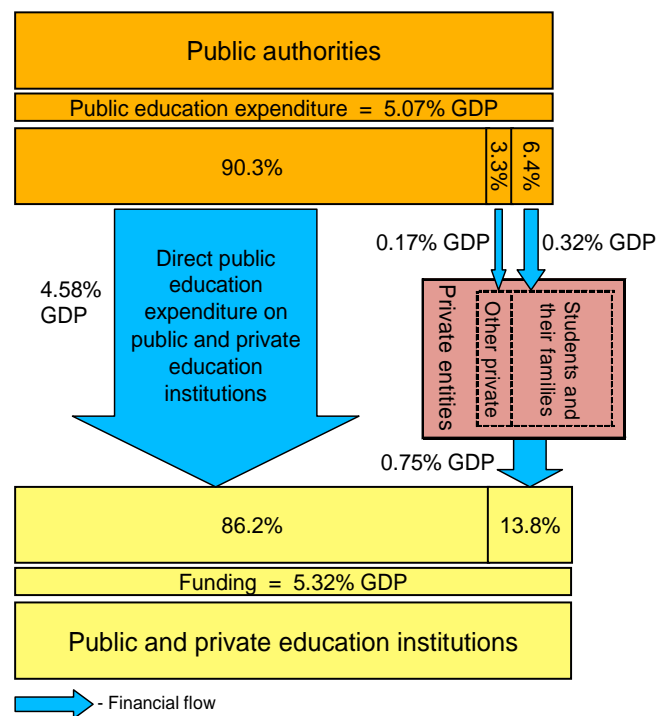
This was mainly funded by public expenditure (86.2 %), but private funding was still responsible for 13.8 % of the funding of educational institutions. The transfers and payments from private entities to educational institutions represented 0.75 % of GDP, while the transfers from public expenditure represented 4.58 % of GDP.

These transfers from governments accounted for 90.3 % of the public expenditure on education. However, public education expenditure includes not only what goes to, or is spent on, educational institutions. An amount equivalent to around 0.49 % of GDP, earmarked for education, was transferred from governments to private entities. These transfers from public education expenditure compensate partly for what those private entities pay to educational institutions. That compensation is only partial

because, on one hand, the 0.49 % of GDP of public transfers is lower than the 0.75 % of GDP transferred by private entities to the educational institutions, and on the other hand, private expenditure on education includes more than those payments and transfers to educational institutions. It also covers the payments made by students and their families for educational goods and services purchased outside the educational institutions, such as text books, school material, private tutoring, etc.

The transfers from governments to students and their families, i.e. the financial aid to students, represented 0.32 % of GDP, accounting for 6.4 % of public education expenditure.

Figure 1: Funding of education institutions' flows, EU-27 – 2008



Source: Eurostat (online data codes: [educ_figdp](#), [educ_fifunds](#), [educ_fitotin](#))

Most EU countries combine a significant weight of public funding of education institutions with a relatively low weight of financial aid to students

National governments in the EU and the institutions themselves have been searching for alternative ways of funding education, either because of the need to increase the overall funding of educational institutions, or owing to the financial constraints imposed on public expenditure. One of those ways is to increase private funding. In the EU, as of 2008, the percentage of education institutions' funding coming from private sources ranged from 3 % in Finland and Sweden to 31 % in the UK (horizontal axis of the chart in Figure 2). Those private sources are mostly funding from students and their families.

The development of tuition fees without accompanying financial support for poorer students risks aggravating inequity in access to higher education. The question is then whether in countries where private sources are used to fund institutions, the weight of financial aid in public education expenditure is higher. In the EU, the weight of financial aid to students in total public education expenditure ranged from 1.2 % in Poland to 16.0 % in Denmark (vertical axis of the chart in Figure 2).

The chart in Figure 2 compares the weight of private funding to the weight of financial aid to students in public education expenditure. Each country is a case with equal weight. For the purpose of classifying education systems, the

vertical and horizontal lines mark the un-weighted country averages of these two indicators and divide the chart into four quadrants. Countries can then be classified in four categories according to the quadrant in which they are located in the chart.

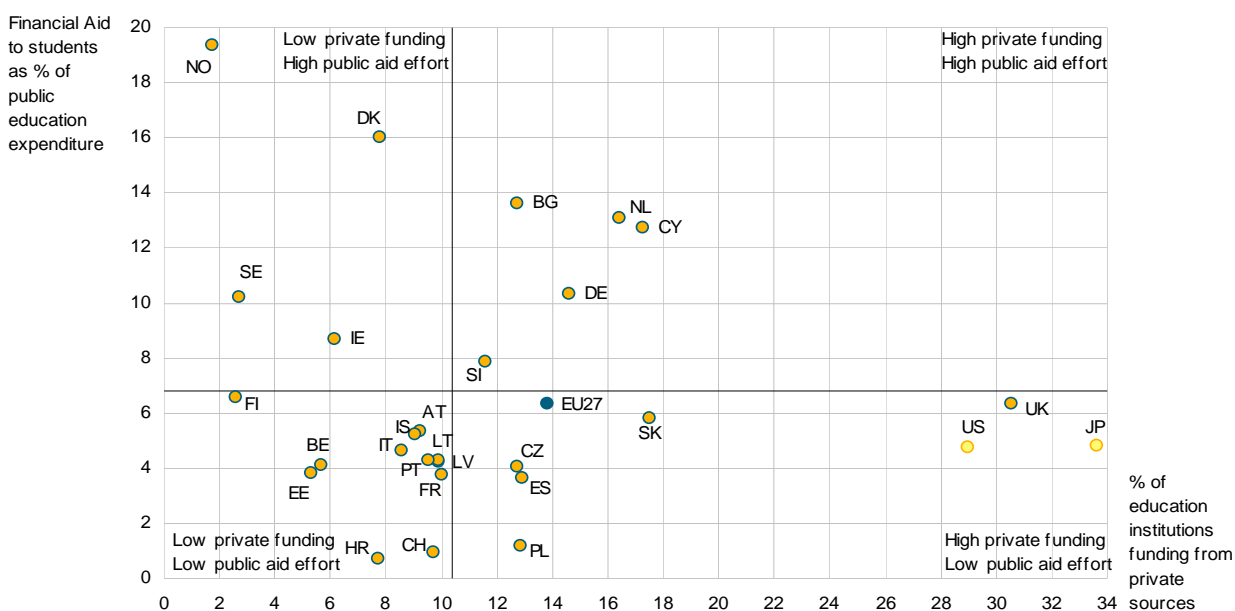
Countries plotted in the upper right quadrant combine an above average weight of private funding with an above average weight of financial aid to students and their families - such as in Cyprus, the Netherlands, Bulgaria and Germany.

However, some others have relatively high private funding, but their financial aid level is still relatively low when compared with other European countries. That is notably the case in Spain, the Czech Republic and Poland, in the EU, and of United States and Japan (lower right quadrant of the chart).

For Norway, Denmark, Sweden and Ireland, the funding of the educational institutions is a matter for governments, as the weight of private funding is below average in the European context, and there are no entrance fees. However, quite a large proportion of public expenditure was directed to financial aid (upper left quadrant of the chart).

Nevertheless, the most common situation in the EU is the dedication of a relatively large share of public education expenditure directly to educational institutions and not through financial aid (lower left quadrant of the chart).

Figure 2: Financial aid to students and private funding of institutions, all education levels - 2008



Source: Eurostat (online data codes: [educ_fiaid](#), [educ_ffunds](#))

In the first year of the crisis, 2008, public education expenditure grew by 2.8 % in real terms, 2.4 percentage points above GDP growth

The public expenditure on education at all levels - local, regional or national - includes not only the funding of schools, colleges and universities (including R&D), but also the funding of educational institutions which provide education related services. This includes non-instructional institutions such as entities administering education (for example, ministries or departments of education), entities providing ancillary services

related to education core activities and entities performing curriculum development, educational research and educational policy analysis. Public expenditure on education represented in 2008, at EU level, 11.02 % of total public expenditure (Table 1). It was highest in Cyprus (17.40 %) followed by Denmark (14.96 %), Latvia (14.74 %) and Estonia (14.22 %). The lowest level was in Italy, with 9.38 %.

Table 1: Expenditure on education as a percentage of GDP or public expenditure – 2008

		Public expenditure on education as % of GDP by level of education ¹				Public expenditure on education as % of total public expenditure	Distribution of educational institutions expenditure by source of funds (in %)		Public and private funding of educational institutions as % of GDP ¹			
		All	Primary	Secondary	Tertiary		Public	Private	All	Primary	Secondary	Tertiary
EU27	European Union	5.07 ^s	1.18 ^s	2.24 ^s	1.14 ^s	11.02 ^s	86.18 ^s	13.82 ^s	5.32 ^s	1.21 ^s	2.29 ^s	1.24 ^s
BE	Belgium	6.46 ⁱ	1.54 ⁱ	2.79 ⁱ	1.38 ⁱ	12.92 ⁱ	94.33 ⁱ	5.67 ⁱ	6.53 ⁱ	1.58 ⁱ	2.85 ⁱ	1.33
BG	Bulgaria	4.61	0.87	1.96	0.89	12.35	87.23	12.77	4.56	0.74	1.70	1.30
CZ	Czech Republic	4.08	0.60	2.00	0.97	9.52	87.28	12.72	4.49	0.65	2.10	1.16
DK	Denmark	7.75 ⁱ	1.87 ⁱ	2.78 ⁱ	2.19 ⁱ	14.96 ⁱ	92.19 ⁱ	7.81 ⁱ	7.06 ⁱ	1.88 ⁱ	2.40 ⁱ	1.64 ⁱ
DE	Germany	4.55	0.61	2.23	1.21	10.36	85.38	14.62	4.78	0.62	2.36	1.15
EE	Estonia	5.67	1.45	2.54	1.13	14.22	94.66 ⁱ	5.34 ⁱ	5.67 ⁱ	1.43 ⁱ	2.46 ⁱ	1.21 ⁱ
IE	Ireland	5.62	2.02 ⁱ	2.29	1.31 ⁱ	13.39 ⁱ	93.85 ⁱ	6.15 ⁱ	5.47 ⁱ	2.01 ⁱ	2.07 ⁱ	1.38 ⁱ
EL	Greece	:	:	:	:	:	:	:	:	:	:	:
ES	Spain	4.62	1.17	1.74	1.07 ⁱ	11.24	87.06 ⁱ	12.94 ⁱ	5.11 ⁱ	1.26 ⁱ	1.81 ⁱ	1.22
FR	France	5.58	1.15	2.55	1.24	10.56	90.00	10.00	5.96	1.19	2.70	1.40
IT	Italy	4.58	1.16	2.09	0.84	9.38	91.44	8.56	4.78	1.18	2.14	0.95
CY	Cyprus	7.41 ⁱ	2.06 ⁱ	3.15 ⁱ	1.85 ⁱ	17.40 ⁱ	82.72	17.28	7.82	2.18	3.49	1.70
LV	Latvia	5.71	1.52	2.35	0.99	14.74	90.08	9.92	6.08	1.53	2.26	1.42
LT	Lithuania	4.91	0.73	2.61	1.04	13.11	90.10 ⁱ	9.90 ⁱ	5.21	0.72	2.58	1.32
LU	Luxembourg	:	1.08 ⁱ	1.74 ⁱ	:	:	:	:	:	1.09	1.75 ⁱ	:
HU	Hungary	5.10 ⁱ	0.86	2.25	1.02 ⁱ	10.36	100.00 ⁱ	:	4.82 ⁱ	0.83 ⁱ	2.16 ⁱ	0.87 ⁱ
MT	Malta	6.01 ⁱ	1.39 ⁱ	3.17 ⁱ	1.06 ⁱ	13.37 ⁱ	95.02	4.98	6.33	1.51	3.33	1.06
NL	Netherlands	5.46	1.34	2.22	1.52	11.90	83.56 ⁱ	16.44 ⁱ	5.57	1.34	2.36	1.48
AT	Austria	5.46	0.97	2.55	1.49	11.21	90.77	9.23	5.42	0.97	2.61	1.32
PL	Poland	5.09 ⁱ	1.58	1.90	1.05	11.77 ⁱ	87.15 ⁱ	12.85 ⁱ	5.76 ⁱ	1.62 ⁱ	2.00 ⁱ	1.48 ⁱ
PT	Portugal	4.89 ⁱ	1.41 ⁱ	2.06 ⁱ	0.95 ⁱ	10.95 ⁱ	90.46 ⁱ	9.54 ⁱ	5.18 ⁱ	1.38 ⁱ	2.02 ⁱ	1.30 ⁱ
RO	Romania	:	:	:	:	:	:	:	:	:	:	:
SI	Slovenia	5.22	2.36 ⁱ	1.15 ⁱ	1.22	11.79	88.42	11.58	5.44	2.57 ⁱ	1.12 ⁱ	1.11
SK	Slovakia	3.59 ⁱ	0.65 ⁱ	1.64 ⁱ	0.77 ⁱ	10.33 ⁱ	82.51 ⁱ	17.49 ⁱ	3.98 ⁱ	0.74 ⁱ	1.83 ⁱ	0.85 ⁱ
FI	Finland	6.13	1.25	2.62	1.90	12.43	97.40	2.60	5.87	1.25	2.53	1.70
SE	Sweden	6.74	1.66	2.60	1.82	13.08	97.27	2.73	6.22	1.66	2.37	1.52
UK	United Kingdom	5.36 ⁱ	1.69 ⁱ	2.53 ⁱ	0.84 ⁱ	11.95 ⁱ	69.47	30.53	5.65	1.77	2.46	1.14
IS	Iceland	7.57 ⁱ	2.53 ⁱ	2.42 ⁱ	1.49 ⁱ	13.10 ⁱ	90.94 ⁱ	9.06 ⁱ	7.89 ⁱ	2.55	2.52	1.25 ⁱ
LI	Liechtenstein	2.11 ⁱ	0.66	1.13 ⁱ	:	:	100.00 ⁱ	:	2.01 ⁱ	0.66 ⁱ	1.13 ⁱ	:
NO	Norway	6.51	1.64	2.27	2.08	16.03	98.22 ⁱ	1.78 ⁱ	5.34 ⁱ	1.64 ⁱ	1.92 ⁱ	1.20 ⁱ
CH	Switzerland	5.37	1.36	2.44	1.29	16.67	90.25	9.75 ⁱ	5.74 ⁱ	1.34 ⁱ	2.94 ⁱ	1.18 ⁱ
HR	Croatia	4.33 ⁱ	1.86 ⁱ	0.93 ⁱ	0.95 ⁱ	:	92.24	7.76 ⁱ	4.66 ⁱ	1.86 ⁱ	0.96 ⁱ	1.24 ⁱ
TR	Turkey	:	:	:	:	:	:	:	:	:	:	:
US	United States	5.40 ⁱ	1.82 ⁱ	2.00 ⁱ	1.26 ⁱ	:	71.03 ⁱ	28.97 ⁱ	7.25 ⁱ	1.96	2.19 ⁱ	2.69
JP	Japan	3.44 ⁱ	1.21 ⁱ	1.29 ⁱ	0.65 ⁱ	:	66.39	33.61	4.93	1.22	1.55 ⁱ	1.46 ⁱ

Notes: 1) The residual is pre-primary level on education and not allocated by level

Flags: (s) Eurostat estimate; (i) See additional information in the country specific notes at the end of the SiF; (:) –Not available

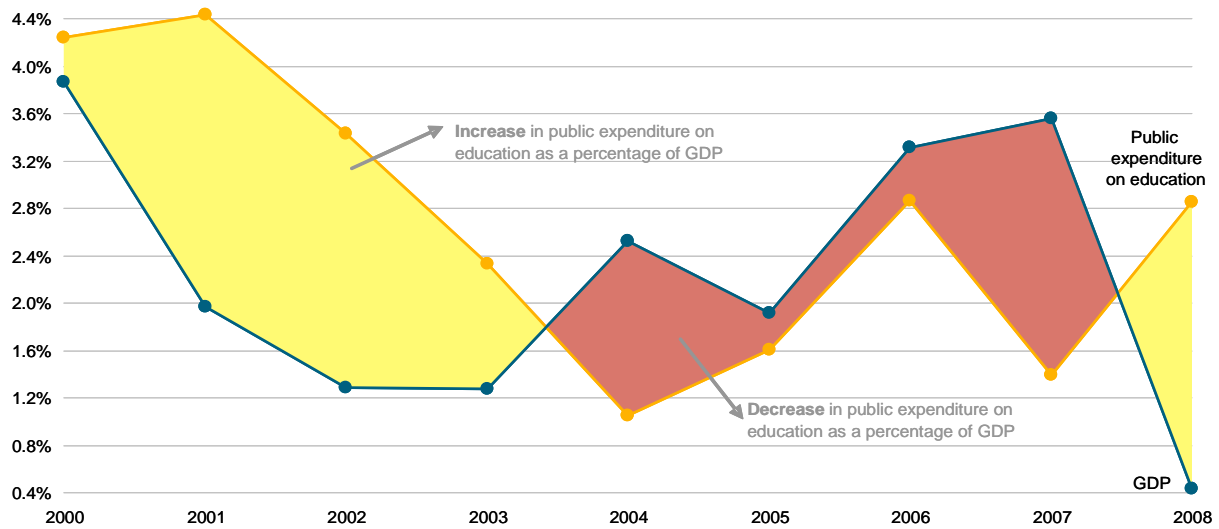
Source: Eurostat (online data codes: [educ_figdp](#), [educ_fifunds](#), [educ_fitotin](#))

Gross Domestic Product (GDP) measures the production of an economy during a given period, for example one year. At aggregated level, and in general terms, the value of the production of an economy is also the income generated in that economy. For this reason the public expenditure on education as a percentage of GDP represents the share of the available income generated in the economy directed to education.

The percentage of GDP directed to education by governments in the EU was around 5 % in 2008 (Table 1), and it has been relatively stable since 2000. However, that period can be divided into

three different phases (Figure 3). During the first four years, public expenditure on education grew at higher rates than GDP, which translated into an increase in expenditure as a percentage of GDP. Subsequently, from 2004 to 2007, public expenditure on education continued to grow in real terms, but at lower rates than GDP. During that period, the percentage of GDP channelled by governments to education decreased. Finally, in 2008, with the start of the economic recession there was a significant decrease in GDP growth, while the EU maintained a high growth of public education expenditure.

Figure 3: Growth of real public education expenditure compared to growth of real GDP – EU-27



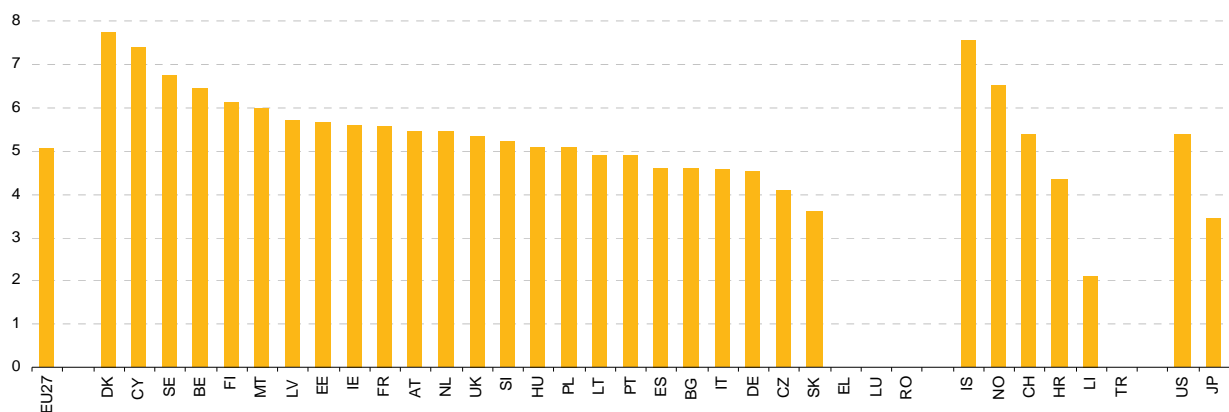
Source: Eurostat

In 2008 the country with the highest public education expenditure as a percentage of GDP, with the value of 7.75 % was Denmark. Other countries with 6 % or more of the GDP spent on education by governments were Cyprus, Sweden, Belgium, Finland and Malta. The lowest levels in

2008 were in Slovakia and the Czech Republic (Table 1 and Figure 4).

The level in the US (5.40 %) is not very different from that of the EU (5.07 %). On the other hand, this indicator is significantly lower in Japan (3.44 %).

Figure 4: Public expenditure on education as a percentage of GDP - 2008

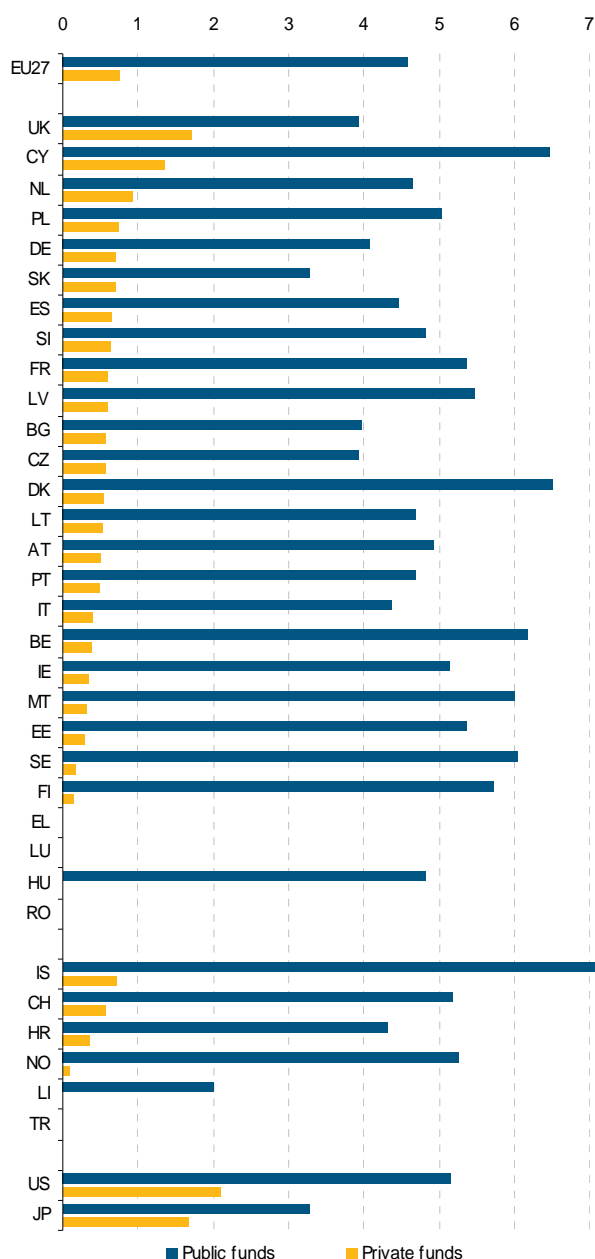


Source: Eurostat (online data code: [educ_figdp](#))

Private expenditure in education institutions as a percentage of GDP varies significantly in the EU, ranging from 0.15 % in Finland to 1.72 % in the UK

Although public authorities largely support the financial effort countries put into their education systems, private entities also contribute to education expenditure.

Figure 5: Expenditure on educational institutions as a percentage of GDP, by source of the funds - 2008



Source: Eurostat (online data codes: [educ_fiqdp](#), [tps00068](#))

Firstly, students and their families make payments to educational institutions, not only for tuition fees but also for fees for ancillary services, such as lodging and meals. Students and their families also purchase

other educational services and goods, such as private tutoring, text books and school uniforms.

Secondly, private businesses and non-profit organisations make payments and transfers to educational institutions or to students in the form of financial aid. All these represent the contribution of the private sector to the funding of education.

Statistical sources on education expenditure by private entities are incomplete and only available in some countries. This is particularly true of households' expenditure on education goods and services purchased outside educational institutions and financial aid to students given by other private entities. Therefore, in order to compare private education expenditure with public education expenditure, the analysis below considers only payments and transfers to educational institutions.

In 2008, at EU level, private expenditure on institutions was 16 % of the public expenditure on institutions. In total, it was less than 1 % of GDP. However, as already noted, special care should be taken when comparing these two figures.

The EU countries showing the highest private education as a percentage of GDP in 2008 were the United Kingdom and Cyprus, with 1.72 % and 1.35 % respectively (Figure 5). These are the only countries in the EU where more than 1 % of GDP is spent by private entities on education. On the other hand, Finland (0.15 %) and Sweden (0.17 %) had the lowest levels of private expenditure on education as a percentage of GDP in 2008.

Private education expenditure as a percentage of GDP makes a significant difference in European countries. The highest level (1.72 % in the UK) is more than 11 times higher than the lowest level (0.15 % in Finland). For public education expenditure, on the other hand, the highest level is 6.51% in Denmark, which is nearly the double that of the lowest level, of 3.28 % in Slovakia.

It is noticeable that the levels of GDP spent on education by private entities in the US and Japan are significantly higher than in the EU. While private expenditure on education in the US is 2.10 % of GDP and 1.66 % in Japan, the EU average is 0.75 %. Only the United Kingdom - with 1.72 % - has a comparable level. Private expenditure on education not only varies greatly between European countries, but above all distinguishes Europe from the United States and Japan.

The importance of financial aid to students varied considerably in 2008

Although - at 6.36 % - financial aid to students accounts for only a minor share of government expenditure on education (Table 2), it has been of particular political interest for guaranteeing equal access to education. Financial aid to students is delivered in two forms: as transfers and social benefits to students and their families (grants and scholarships), and as loans given to students (in particular in tertiary education).

In 2008, financial aid to students represented 1.2 % to 16.0 % of public expenditure on education in EU countries (Table 2). The country with the lowest level was Poland with 1.2 %, and three other countries - Spain, France and Estonia - had a level below 4 %. However, it should be noted that, in some of these countries, there is a tax reduction for households with students. These tax reductions are also a type of financial support and they are not taken into account in the figures above. At the top, there were six countries where financial aid to students represented more than 10 % of public expenditure on education, with the highest levels being in Denmark (16.02 %), Bulgaria (13.61 %), the Netherlands (13.08 %) and Cyprus (12.73 %). Outside the EU, Norway allocated almost 20 % of its education expenditure to financial aid to students, whereas the US and Japan directed 4.73 % and 4.79 % respectively to education, which was lower than the average level in the EU.

However, it should be noted that these levels of financial aid to students cover very different combinations of transfers and social benefits on the one hand and loans on the other. One half of the countries were wholly reliant on transfers and social benefits, while the other half also used also loans to support students. Of those that used loans, there were

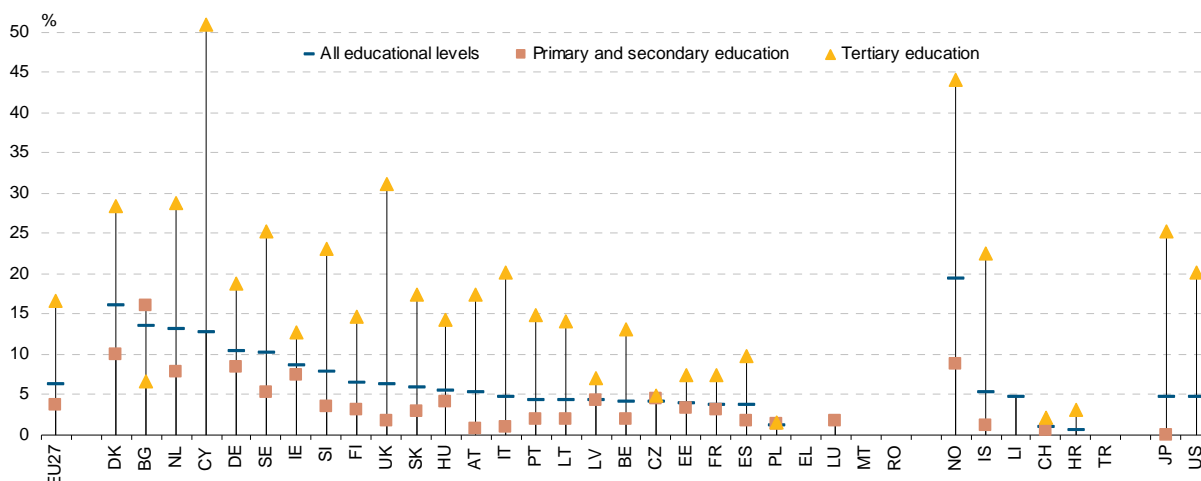
countries which relied heavily on this form of support, such as the United Kingdom where 69 % of the financial aid to students was given in the form of loans, while in some countries such as in Belgium, Italy and Lithuania it accounted for less than 1 %.

In almost every country the importance of financial aid to students and their families is more significant for tertiary education than for the other levels. In 2008, the only exception was Bulgaria. At EU level, while financial aid as a share of the overall percentage in total public education expenditure is 6.36 %, in tertiary education it is as high as 16.71 %. This difference is most striking in the United Kingdom, where financial aid to students represents less than 2 % at primary and secondary education and more than 30 % at tertiary level (mainly loans).

At the tertiary level of education, Cyprus is the country where the percentage of public education expenditure earmarked for financial aid to students reached the highest level in 2008, at 50.95 %. In Cyprus, many students are obliged to study abroad and this is supported through financial aid from the public purse. The Member State with the lowest level was Poland, where financial aid represented less than 2% of public expenditure on tertiary education.

At primary and secondary levels of education, Bulgaria (16.15 %) and Denmark (10.03 %) were the only countries which allocated more than 10 % of public education expenditure in 2008 to financial aid, while two Member States, Austria and Italy, dedicated less than 1 % of their expenditure to financial aid.

Figure 6: Financial aid to pupils as percentage of public education expenditure, by educational level - 2008



Source: Eurostat (online data code: [educ_fiaid](#))

Table 2: Expenditure on public and private educational institutions by level of education and financial aid to students - 2008

	Expenditure per full time equivalent pupil/student in EUR PPS				Index of expenditure per full time equivalent pupil/student compared to GDP per capita (EU27 = 100)				Financial aid to pupils and students as % of total public expenditure on education by level of education (1)		
	All	Primary	Secondary	Tertiary	All	Primary	Secondary	Tertiary	All	Primary & Secondary	Tertiary
EU27 European Union	6 459 ^s	5 348 ^s	6 607 ^s	9 296 ^s	100 ^s	100 ^s	100 ^s	100 ^s	6.36 ^s	3.68 ^s	16.71 ^s
BE Belgium	7 866 ⁱ	6 680 ⁱ	8 234 ⁱ	11 766	106 ⁱ	109 ⁱ	109 ⁱ	110	4.11	1.93	13.18
BG Bulgaria	2 840	2 232	2 291	4 763	107	102	85	125	13.61 ⁱ	16.15 ⁱ	6.65 ⁱ
CZ Czech Republic	4 520	2 962	4 621	6 483	88	70	88	87	4.06 ⁱ	4.47 ⁱ	4.89 ⁱ
DK Denmark	8 701 ⁱ	7 699 ⁱ	8 187 ⁱ	13 468 ⁱ	113 ⁱ	121 ⁱ	104 ⁱ	121 ⁱ	16.02	10.03 ⁱ	28.37 ⁱ
DE Germany	6 953	4 595	6 665	11 928	94	75	89	112	10.32	8.48	18.86
EE Estonia	4 226	4 277	4 696	4 451	98	120	107	71	3.84 ⁱ	3.37	7.41 ⁱ
IE Ireland	:	:	:	:	:	:	:	:	8.70	7.48	12.73 ⁱ
EL Greece	:	:	:	:	:	:	:	:	:	:	:
ES Spain	6 940 ⁱ	5 570 ⁱ	7 591 ⁱ	10 363 ⁱ	105 ⁱ	102 ⁱ	113 ⁱ	109 ⁱ	3.63	1.86	9.88 ⁱ
FR France	7 031	4 949	8 064	11 118	102	87	114	111	3.74	3.15	7.39
IT Italy	6 609	6 341	6 949 ⁱ	7 326	101	118	104 ⁱ	78	4.64	0.95	20.25
CY Cyprus	8 461	7 361	10 131	10 014	137	145	162	113	12.73 ⁱ	:	50.95 ⁱ
LV Latvia	4 332	4 297	4 144	4 951	118	142	111	94	4.24	4.27	7.10
LT Lithuania	3 622	2 811 ⁱ	3 476 ⁱ	4 823	91	86 ⁱ	86 ⁱ	84	4.30	1.91	14.14
LU Luxembourg	:	10 627	15 493 ⁱ	:	:	73	86 ⁱ	:	:	1.79 ⁱ	:
HU Hungary	:	:	:	:	:	:	:	:	5.44 ⁱ	4.08	14.35 ⁱ
MT Malta	6 220	4 566	7 090	9 604	127	113	143	137	:	:	:
NL Netherlands	8 069	5 648 ⁱ	8 581 ⁱ	13 512	94	79 ⁱ	98 ⁱ	109	13.08	7.76	28.88
AT Austria	8 836 ⁱ	7 365 ⁱ	9 071 ⁱ	12 261 ⁱ	111 ⁱ	112 ⁱ	112 ⁱ	107 ⁱ	5.31	0.81	17.37
PL Poland	3 781 ⁱ	3 718 ⁱ	3 290 ⁱ	4 657 ⁱ	104 ⁱ	124 ⁱ	89 ⁱ	89 ⁱ	1.20	1.30	1.52
PT Portugal	4 979 ⁱ	3 816 ⁱ	5 419 ⁱ	7 307 ⁱ	99 ⁱ	92 ⁱ	106 ⁱ	101 ⁱ	4.31 ⁱ	2.01 ⁱ	14.90 ⁱ
RO Romania	:	:	:	:	:	:	:	:	:	:	:
SI Slovenia	6 529 ⁱ	7 183 ⁱ	5 536 ⁱ	6 441 ⁱ	112 ⁱ	149 ⁱ	93 ⁱ	77 ⁱ	7.84	3.62	23.22
SK Slovakia	3 523 ⁱ	3 229 ⁱ	3 087 ⁱ	5 089 ⁱ	76 ⁱ	84 ⁱ	65 ⁱ	76 ⁱ	5.79 ⁱ	3.02 ⁱ	17.47 ⁱ
FI Finland	6 988	5 510	6 727	11 965	93	89	88	110	6.56	3.19	14.65
SE Sweden	8 067	7 058 ⁱ	7 665 ⁱ	15 556	103	109 ⁱ	96 ⁱ	138	10.19	5.29	25.37
UK United Kingdom	7 942 ⁱ	7 103 ⁱ	7 634 ⁱ	12 257 ⁱ	104 ⁱ	113 ⁱ	98 ⁱ	111	6.34	1.72	31.22
IS Iceland	8 290 ⁱ	8 218 ⁱ	6 984 ⁱ	8 087 ⁱ	107 ⁱ	128 ⁱ	89 ⁱ	72 ⁱ	5.21 ⁱ	1.20 ⁱ	22.47 ⁱ
LI Liechtenstein	:	:	:	:	:	:	:	:	4.80	:	:
NO Norway	10 084 ⁱ	8 664 ⁱ	10 135 ⁱ	14 816 ⁱ	83 ⁱ	86 ⁱ	82 ⁱ	85 ⁱ	19.37 ⁱ	8.76 ⁱ	44.10
CH Switzerland	:	:	:	:	:	:	:	:	0.95	0.62	2.15
HR Croatia	4 147 ⁱ	3 356 ⁱ	3 561 ⁱ	7 183 ⁱ	103 ⁱ	101 ⁱ	87 ⁱ	124 ⁱ	0.68 ⁱ	:	3.11 ⁱ
TR Turkey	:	:	:	:	:	:	:	:	:	:	:
US United States	11 759 ⁱ	8 564 ⁱ	9 531 ⁱ	23 562 ⁱ	122 ⁱ	107	97 ⁱ	169	4.73 ⁱ	:	20.26
JP Japan	7 530 ⁱ	5 757 ⁱ	6 980 ⁱ	11 321 ⁱ	109	101	100 ⁱ	114 ⁱ	4.79 ⁱ	0.00 ⁱ	25.36 ⁱ

Notes: 1) Financial aid to students includes gross loans without deducting debt repayment received by the government

Flags: (s) Eurostat estimate; (i) See additional information in the country specific notes at the end of the SiF; : – Not available

Source: Eurostat (online data codes: [educ_fitotin](#), [educ_fiaid](#))

In 2008, the United States spent 2.5 times more per student than the EU in tertiary education institutions

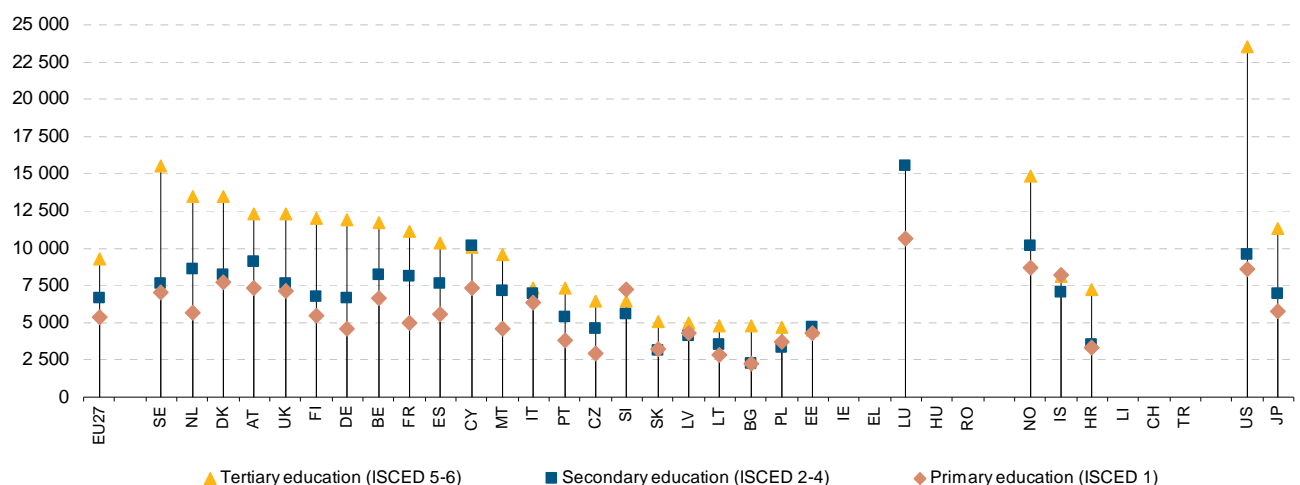
Although public and private expenditure as a percentage of GDP is a good measure of the effort made by countries to support their education systems, these financial resources can be used on pupil and student populations of very different sizes. When considering the performance of the education systems and how this relates to the financial resources made available to them, it is necessary to look at the expenditure per pupil or student.

The direct expenditure on educational institutions, funded either by public or private funds, is typically used as a measure for the financial resources made available per student. Expenditure on educational institutions is more directly connected to the provision of educational programmes and therefore to the quality of the education provided. For 2008, the

expenditure in EU educational institutions, from primary to tertiary education, was 6 459 PPS (Purchasing Power Standards) per student (Table 2). It ranged from 2 840 PPS in Bulgaria to 8 836 PPS in Austria.

In general, the expenditure per student increases with the level of education. In 2008, in the EU, 5 348 PPS were spent per pupil in primary education, while in secondary the amount was 6 607 PPS and in tertiary education it was 9 296 PPS (Figure 7). The cost per student at tertiary level was higher than for other educational levels in most other countries. The only exceptions were Estonia, Cyprus and Slovenia. Likewise, secondary education does not always cost more than primary. In Latvia, Poland, Slovenia and Slovakia, primary education costs more per pupil than secondary education.

Figure 7: Expenditure on educational institutions per pupil/student in PPS - 2008



Source: Eurostat (online data code: [tps00067](#))

In tertiary education¹, Sweden had the highest expenditure per student in the EU, with 15 556 PPS. Four other EU Member States spent more than 12 000 PPS per student on tertiary education (the Netherlands, Denmark, Austria and the United Kingdom), while in five countries (Estonia, Poland, Bulgaria, Lithuania and Latvia) it did not reach 5 000 PPS.

However, not even the EU countries which spent the most per student in tertiary education can match the expenditure in the United States.

The 15 556 PPS spent per student in Sweden are just slightly above 65 % of the 23 562 PPS spent per student in the US. Overall, for the entire EU, expenditure per student was less than 40 % of what the US spent per student in 2008 in tertiary education.

More than 90 % of the expenditure in public educational institutions was current expenditure (Table 3). Capital expenditure was particularly significant in 2008 in Latvia (16 %), Cyprus (15 %), and Bulgaria, as well as the Netherlands (14 %) and Spain (13 %). It had the lowest weight in total expenditure in Belgium and Portugal (4 %).

¹ The expenditure per student data for tertiary education includes R&D expenditure, which in many countries makes up a significant part (e.g. in Sweden more than 50 % of total expenditure per student.)

Table 3: Expenditure on public education and distribution of expenditure by type of expenditure – 2008

	Annual expenditure on public educational institutions by level of education					Distribution of expenditure of public institutions by type of expenditure (in %)			
	Per full time equivalent pupil/student in EUR PPS					Current expenditure	Capital expenditure	Personnel expenditure	Non-personnel expenditure
	All	Primary	Secondary	Tertiary	Tertiary / Primary ratio				
EU27 European Union	6 288 ^s	5 316 ^s	6 129 ^s	9 425 ^s	1.77 ^s	91.06 ^s	8.94 ^s	77.11 ^s	22.89 ^s
BE Belgium	8 705 ⁱ	7 634 ⁱ	8 975 ⁱ	12 768	1.67 ⁱ	95.89 ⁱ	4.11 ⁱ	85.86 ⁱ	14.14 ⁱ
BG Bulgaria	2 801	2 232	2 294	4 856	2.18	86.03	13.97	70.41	29.59
CZ Czech Republic	4 641	2 946	4 759	7 136	2.42	89.96	10.04	59.10	40.90
DK Denmark	8 759 ⁱ	8 077	8 339 ⁱ	13 542 ⁱ	1.68 ⁱ	94.73 ⁱ	5.27 ⁱ	81.30	18.70 ⁱ
DE Germany	6 459	4 577	5 292	12 649	2.76	92.39	7.61	77.17	22.83
EE Estonia	4 213 ⁱ	4 225 ⁱ	4 655 ⁱ	5 962 ⁱ	1.41 ⁱ	:	:	:	:
IE Ireland	7 941 ⁱ	6 141 ⁱ	8 162 ⁱ	12 829 ⁱ	2.09 ⁱ	90.84	9.16	80.20	19.80
EL Greece	:	:	:	:	:	:	:	:	:
ES Spain	8 074 ⁱ	6 420 ⁱ	8 924 ⁱ	10 810 ⁱ	1.68 ⁱ	87.47	12.53	80.50	19.50
FR France	7 363	5 223	8 662	11 574	2.22	90.51	9.49	81.36	18.64
IT Italy	6 997	6 649	7 143 ⁱ	7 241	1.09	94.09	5.91	79.36	20.64
CY Cyprus	9 969	7 587	10 902	23 103	3.05	85.07	14.93	85.84	14.16
LV Latvia	4 162	4 286	4 151	3 474	0.81	84.18	15.82	78.25	21.75
LT Lithuania	3 637 ⁱ	2 820 ⁱ	3 491 ⁱ	4 981	1.77 ⁱ	90.99	9.01	78.46	21.54
LU Luxembourg	:	10 746 ⁱ	16 468 ⁱ	:	:	:	:	:	:
HU Hungary	4 206	3 490	3 615	5 703	1.63	94.22	5.78	73.20	26.80
MT Malta	6 832	4 979	7 619	9 604	1.93	91.99	8.01	77.84	22.16
NL Netherlands	7 552 ⁱ	5 634 ⁱ	7 600 ⁱ	13 395	2.38	86.43	13.57	78.33	21.67
AT Austria	:	:	:	:	:	:	:	:	:
PL Poland	4 085 ⁱ	3 809 ⁱ	3 570 ⁱ	5 542 ⁱ	1.45 ⁱ	92.01 ⁱ	7.99 ⁱ	65.75 ⁱ	34.25 ⁱ
PT Portugal	5 203 ⁱ	4 127 ⁱ	5 801 ⁱ	8 179 ⁱ	1.98 ⁱ	96.47 ⁱ	3.53 ⁱ	87.27 ⁱ	12.73 ⁱ
RO Romania	:	:	:	:	:	:	:	:	:
SI Slovenia	6 545	7 172 ⁱ	5 536 ⁱ	6 477	0.90 ⁱ	88.87	11.13	75.57	24.43
SK Slovakia	3 545	3 161	3 098 ⁱ	5 089 ⁱ	1.61 ⁱ	95.28	4.72	60.58	39.42
FI Finland	6 966	5 504	6 761	12 192	2.22	92.93	7.07	64.47	35.53
SE Sweden	8 126	7 038 ⁱ	7 618 ⁱ	15 882	2.26	94.08	5.92	67.53	32.47
UK United Kingdom	6 722 ⁱ	6 369 ⁱ	7 169 ⁱ	:	:	91.73	8.27	77.99	22.01
IS Iceland	8 488 ⁱ	8 324 ⁱ	7 081 ⁱ	8 777 ⁱ	1.05 ⁱ	91.94 ⁱ	8.06 ⁱ	74.71 ⁱ	25.29 ⁱ
LI Liechtenstein	8 980 ⁱ	8 463 ⁱ	9 563 ⁱ	:	:	100.00 ⁱ	:	69.77 ⁱ	30.23 ⁱ
NO Norway	10 298 ⁱ	8 786 ⁱ	10 108 ⁱ	16 127 ⁱ	1.84 ⁱ	88.67 ⁱ	11.33 ⁱ	75.11 ⁱ	24.89 ⁱ
CH Switzerland	9 517 ⁱ	6 997 ⁱ	10 296 ⁱ	16 713 ⁱ	2.39 ⁱ	92.19 ⁱ	7.81 ⁱ	83.04 ⁱ	16.96 ⁱ
HR Croatia	4 261 ⁱ	3 354 ⁱ	3 665 ⁱ	7 465 ⁱ	2.23 ⁱ	96.63 ⁱ	3.37 ⁱ	63.33 ⁱ	36.67 ⁱ
TR Turkey	:	:	:	:	:	:	:	:	:
US United States	11 402 ⁱ	8 967 ⁱ	9 634 ⁱ	22 293 ⁱ	2.49	89.47 ⁱ	10.53 ⁱ	74.38 ⁱ	25.62 ⁱ
JP Japan	7 682 ⁱ	5 752 ⁱ	7 161 ⁱ	20 968 ⁱ	3.65 ⁱ	90.70	9.30	77.30	22.70

Source: Eurostat (online data code: [educ_fipubin](#))

Flags: i – See additional information in the country specific notes at the end of the SiF

s – Eurostat estimate

:- Not available

Notes: Primary education – ISCED level 1
 Secondary education – ISCED levels 2, 3 and 4
 Tertiary education – ISCED levels 5 and 6
 ISCED – International Standard Classification of Education

(http://www.uis.unesco.org/TEMPLATE/pdf/isced/ISCED_A.pdf)

METHODOLOGICAL NOTES

ISCED Levels of education: Data are classified according to the International Standard Classification of Education (ISCED), 1997 version. More information is available on the UNESCO Institute for Statistics (UIS) website at the following address: http://www.uis.unesco.org/ev.php?ID=3813_201&ID2=DO_TOPIC.

Public expenditure: Generally, the public sector funds education either by bearing directly the current and capital expenses of educational institutions (direct expenditure for educational institutions) or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfers to private households and firms). Both types of transactions together are reported as total public expenditure on education.

Expenditure on educational institutions from private sources: Expenditure on educational institutions from private sources comprises school fees; materials such as textbooks and teaching equipment; transport to school (if organised by the school); meals (if provided by the school); boarding fees; and expenditure by employers on initial vocational training. Private sources comprise private households (i.e. students and their families) as well as other private entities (e.g. private business firms and non-profit organisations).

Educational institutions: Educational institutions are defined as entities that provide instructional services to individuals (i.e. instructional educational institutions like schools or universities) or education-related services to individuals and other educational institutions (e.g. non-instructional educational institutions like entities administering educational institutions or entities providing support services).

Financial aid: Financial aid to students as currently defined in the UOE data collection on education statistics is referring only to direct public assistance to pupils or students in the form of scholarships, public loans and family allowances contingent on student status. This is not a full measure of the level of assistance students may receive as for instance, students may also get financial support like loans from private banks, ancillary services (i.e. student welfare services such as meals, transportation, health care or dormitories) or tax reductions. The financial aid to pupils/students varies as the educational systems are different across countries.

Purchasing Power Standards (PPS) take into account the general price levels in each country and are the most appropriate unit when comparing expenditure figures between countries. For example, the lower level of expenditure per student in Bulgaria, as computed in PPS, already takes into account the fact that prices when converted with the market exchange rates are lower in Bulgaria than in Austria (see page 8). However, although PPS take the price level of goods and services into account, they do not specifically consider the different levels of the salaries of the personnel of educational institutions between countries.

Index of educational institutions expenditure per full time equivalent pupil/student compared to GDP per capita: Index of the ratio between expenditure per student and GDP per capita. The base is EU27, which is set at 100. It combines the resources available for pupils (expenditure per student/pupil) with the capacity of the country to financially support its education system (GDP per capita). If two countries spend the same per student, the one with a lower GDP per capita makes a bigger effort to support its students and thus has a higher value for this indicator.

The source of the statistical information used in this SiF is the UOE data collection, named after the 3 organisations which run it, UIS, OECD and Eurostat (http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/EN/educ_esms.htm). The UOE uses mainly existing administrative sources and it is subject to their availability. Therefore, when comparing countries the following notes should be taken into account.

Country specific notes:

- BE Payments from private entities other than households to educational institutions are not available for primary, secondary and post-secondary non-tertiary education.
Expenditure excludes independent private institutions and the German speaking Community.
- DK Expenditure for independent private educational institutions is not available.
R&D expenditure is not available.
Expenditure of post secondary non-tertiary education is partially included in upper secondary and tertiary education.
Financial aid to students from private entities other than households is not available.
- EE Payments from households and other private entities to public educational institutions are not available.
Payments from international agencies and other foreign sources to public educational institutions are not available.
Students' loans are not available for tertiary level of education.
- IE Payments from private entities other than households to educational institutions are not available, except for payments to public institutions at tertiary level of education.
Expenditure for ancillary services is not available.
Direct expenditure at local level of government is not available for primary level of education.
- ES Payments from private entities other than households to educational institutions are not available, except for payments to public institutions at tertiary level of education.
Expenditure for ancillary services is not available.
- IT Expenditure at post secondary non-tertiary level of education is not available.
Payments from international agencies and other foreign sources to educational institutions are not available.
- CY Including financial aid to students studying abroad.
- LT Payments from households and other private entities to educational institutions are not available for primary and general programmes at secondary levels of education.

	Payments from international agencies and other foreign sources to educational institutions are not available for primary and general programmes at secondary levels of education.
LU	Expenditure at post-secondary non-tertiary and tertiary levels of education is not available. Expenditure excludes financial aid to students from private sources other than households.
HU	Payments from households and other private entities to private educational institutions are not available.
MT	Public transfers to private entities are not available.
NL	Payments from international agencies and other foreign sources to public educational institutions are not available, except for tertiary level of education. Payments from private entities other than households to public educational institutions are not available, except for tertiary level of education.
AT	Payments from private entities other than households to public educational institutions are not available.
PL	Payments from private entities other than households to educational institutions are not available, except for tertiary level of education. Including child care expenditure at pre-primary level of education. Payments from international agencies and other foreign sources to educational institutions are not available. Direct expenditure for private educational institutions is not available, except for tertiary independent private educational institutions.
PT	Direct expenditure at regional level for government-dependent private institutions is not available. Direct expenditure at regional level for independent private institutions at tertiary level of education is not available. Expenditure at local level of government is not available, except for public tertiary institutions. Payments from private entities other than households to educational institutions are included only for tertiary education. Payments from households to private institutions are not available, except for tertiary level of education. Public transfers to private entities other than households are not available. Expenditure at post-secondary non-tertiary level of education is partially included in upper secondary and tertiary levels of education. Expenditure for ancillary services is not available. Payments from international agencies and other foreign sources to educational institutions are available only for tertiary level of education.
SI	Expenditure of lower secondary level of education is reported under primary level of education. Capital expenditure from private educational institutions is not available.
SK	Public transfers to private entities at pre-primary and primary levels of education are not available. Expenditure at ISCED 5B is included under upper secondary level of education. Expenditure excludes transfers to households at lower-secondary level of education at local level of government. Payments from international agencies and other foreign sources to private educational institutions are not available.
SE	Payments from international agencies and other foreign sources to educational institutions are not available, except for tertiary level of education. Expenditure excludes intergovernmental transfers for education.
UK	Expenditure for ancillary services in independent private institutions is not available. Payments from international agencies and other foreign sources to private educational institutions are not available, except for tertiary level of education.
HR	Capital expenditure from private educational institutions is not available. Expenditure of lower secondary level of education is reported under primary level of education. Payments from households and other private entities to private educational institutions are not available. Payments from private entities other than households to public educational institutions are not available. Expenditure for ancillary services is not available. Financial aid to students is not available for primary and secondary levels of education. Expenditure at tertiary level of education for independent private institutions is not available. Payments from international agencies and other foreign sources to independent private educational institutions are not available.
IS	Capital expenditure from private educational institutions is not available. R&D expenditure is not available. Expenditure for ancillary services is not available. Payments from international agencies and other foreign sources to educational institutions are not available.
LI	Direct expenditure at tertiary level of education is not available. Payments from households and other private entities to educational institutions are not available. Expenditure for private educational institutions is not available.
NO	Expenditure from households excludes primary and secondary levels of education. Payments from private entities other than households to educational institutions are not available. Expenditure for ancillary services is not available. Payments from international agencies and other foreign sources to educational institutions are not available.
CH	Excludes private expenditure except for at prevocational and vocational programmes in independent private institutions at upper secondary level of education.
US	Direct expenditure at post-secondary non-tertiary level of education is not available.
JP	Expenditure of post secondary non-tertiary level of education is partially included in upper secondary and tertiary level of education. Expenditure excludes local and regional transfers and payments to private entities at upper secondary, at post-secondary non-tertiary and tertiary levels of education.

Further information

Eurostat Website: <http://ec.europa.eu/eurostat>

Data on 'Education and Training'

<http://epp.eurostat.ec.europa.eu/portal/page/portal/education/data/database>

Further information about 'Education and Training'

<http://epp.eurostat.ec.europa.eu/portal/page/portal/education/introduction>

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