

Nearly 7% of GDP spent on education €147.8 billion in 2015

■ In 2015, France spent €147.8 billion on its education system (6.8% of GDP), with an average expenditure per student of €8,440. This varies with the level of education ranging from €6,190 for a pupil in primary education to €11,680 for a student in higher education. The central government contributes for the largest proportion (57%), ahead of local authorities (24%). The share of staff compensation represents two thirds of the total and is expanding.

Jean-Pierre Dalous, Lisa Fratacci,
Aline Landreau-Mascaro, DEPP-A3

■ In 2015, domestic expenditure on education (DEE), which measures the actual expenditure made by the nation for the operation and development of its education system, is estimated at €147.8 billion with €42.5 billion allocated to the primary level (28.8%), €58.3 billion to the secondary level (39.4%) and €30.1 billion to the tertiary level (20.3%); the remainder finances continuing and extracurricular education¹ for €17.0 billion (11.5%).

been progressing more slowly since 1997 (+0.9% on average per year).

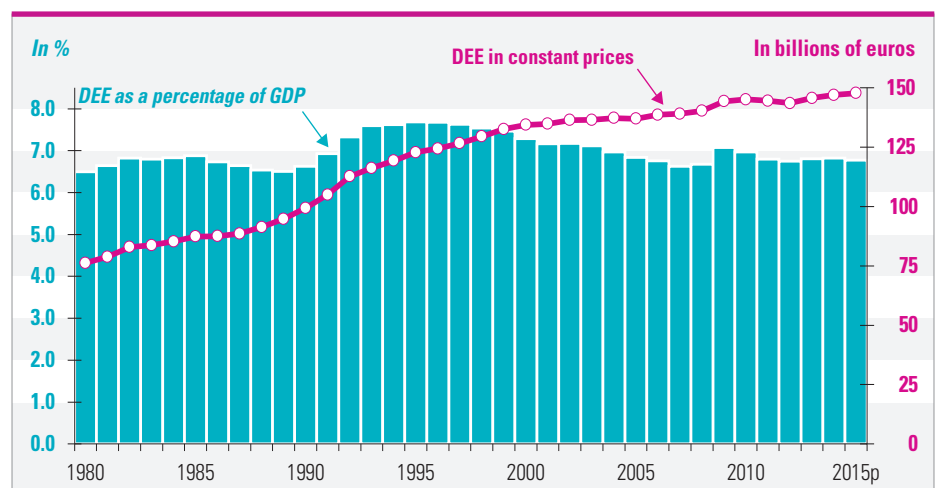
The 2008-2009 crisis did not immediately affect expenditure on education, which, despite this context, continued to benefit from sustained national support: indeed, between 2008 and 2009 the DEE increased by 2.9%. However, from 2010 to 2012, the DEE dropped by -0.4% and -0.7% in line with the general tightening of budgetary constraints. From 2013 on, it has been on the rise again (+1.5% in 2013, +0.9% in 2014 and +0.5% in 2015): the central government budget dedicated to school

6.8% of GDP in 2015

The DEE has been on a rising trend since 1980 (FIGURE 1). After years of sustained growth (+3.1% on average per year from 1980 to 1996 in constant prices) [see "DEFINITIONS AND METHODOLOGY"], it has

1. Extracurricular education includes the activities of municipal conservatories and other institutions providing informal education (institutions which don't issue diplomas or nationally recognised certificates).

1 – Evolution of domestic expenditure on education (DEE) and its share in the GDP (since 1980)



Reading: in 2015, the DEE rose to 147.8 billion euros (curve graph with scale on the right) which represents 6.8% of the GDP (block graph with scale on the left).

p: provisional.

Coverage: Metropolitan France + overseas departments (DOM).

Source: MENESR-DEPP, Education account.

Directrice de la publication :

Fabienne Rosenwald

Secrétaire de rédaction :

Marc Saillard

Maquettiste :

Frédéric Voiret

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Département de la valorisation

et de l'édition

61-65, rue Dutot

75732 Paris Cedex 15

education² grew by +1.7% in 2014 and by +1.6% in 2015, with a focus on improving salaries and training for teaching staff.

The DEE share in GDP reached its highest point in 1996 at 7.7% and has been slowly declining since: steady around 6.7% from 2006 to 2008, experiencing a short rise in 2009 (7.1%), falling again to 6.7% in 2012 and fluctuating around 6.8% since then. We should note that in 2015, 0.1 point of GDP represented around €2 billion.

€8,440 for a student on average per year

Expenditure per student reached €8,440 in 2015 up by €15 compared to 2014 and by €430 compared to 2006.

The evolution of expenditure per student is highly dependent on the level of education, and has both to do with the evolution of the number of students and that of the level of DEE (FIGURE 2).

At the primary level, after two years of decline between 2006 and 2008, DEE has been following an upward trend, having

been relatively protected from the policy of budgetary control. With steady pupil numbers, expenditure per pupil grew by 8.6% over the period 2006-2015, to reach €6,190 in 2015. The acceleration experienced in 2013, is linked to the re-evaluation of category C staff. DEE didn't expand noticeably in 2014, despite the upgrading of salaries (like pupils follow up and support fee-ISAE) which has been counter balanced by the recruitment of large numbers of young teachers, permanent or contract employees, to replace more costly retiring experienced staff, hence a negative effect on total salary costs.

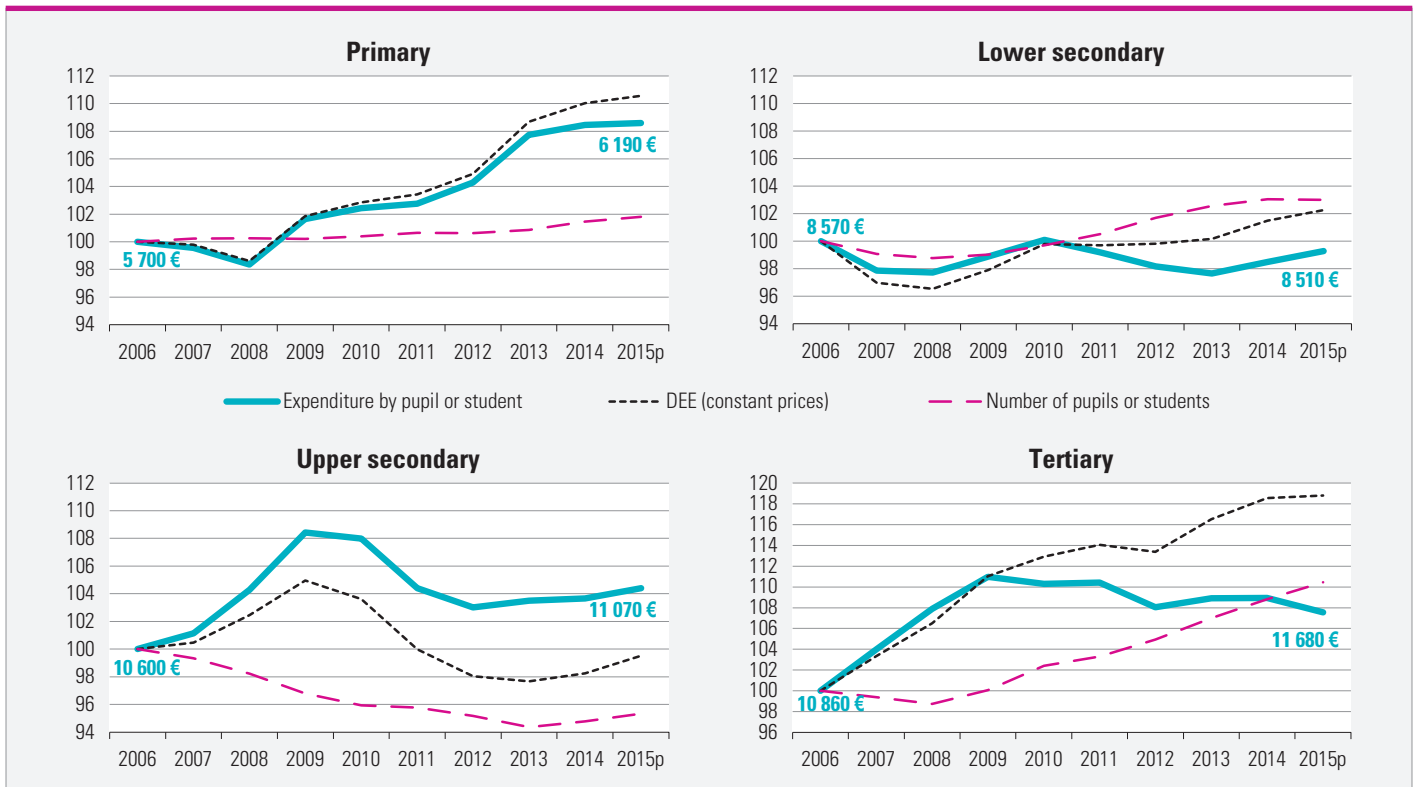
At the secondary level, DEE has evolved in different ways: in lower secondary, it rose by 2.3% from 2006 to 2015 with a slower pace in 2015 (+0.8% compared to 2014). In upper secondary, its evolution is more erratic (-0.5% in total between 2006 and 2015), but shows a clear rise at the end of the period (+1.3% between 2014 and 2015). Over the same period, the number of pupils stagnates at the lower secondary level and increases relatively less than the DEE at the upper secondary

level. As a result, the average expenditure per pupil in secondary education has continued to progress, amounting to respectively to €8,510 and €11,070 at the end of the period.

At the tertiary level, DEE has benefited from exceptional budgetary measures and surged strongly from 2006 to 2014 (+18.6%). However, this evolution levels off in 2015 (+0.2%). Over the same period, the student population, which had decreased slightly until 2008, has been growing quickly from that year on (+11.7%). This bears a negative effect on the cost per student which, after three years of sustained growth (+11.0% between 2006 and 2009), has been following a downward trend (-0.4% on average per year) more marked in 2015 (-1.3%). The average expenditure per student has lowered from €11,830 in 2014 to €11,680 in 2015.

2. The budgets dedicated to school education correspond with MIES (inter-ministerial program for school education).

2- Index of change between 2006 and 2015 in DEE, enrolment and expenditure per pupil or student (constant prices)



Warning: the scale of the tertiary chart is different to that of other charts.

p: provisional.

Coverage: Metropolitan France + overseas departments (DOM).

Source: MENESR-DEPP, Education account.

57% of expenditures funded by the central government

The financing of education depends mostly on the central government (57.4%) (FIGURE 3), mainly through its major participation in salary costs for teaching, management and administration staff and, to a lesser extent, help for families through the issue of scholarships and grants.

3– Initial funding structure of the DEE in 2006 and 2015 (%)

	2006	2015p
State (1)	61.9	57.4
Local authorities	20.7	23.5
Other public administrations	1.9	2.8
Households	7.8	7.8
Companies	7.7	8.5
Total	100.0	100.0

(1) MENESR + other ministries + rest of the world.

p: provisional.

Coverage: Metropolitan France + overseas departments (DOM).

Source: MENESR-DEPP, Education account.

Nearly three quarters of central government expenditure on education are dedicated to cover staff costs, including social security costs (€62.2 billion): 63.2% for teaching staff and 10.1% for non-teaching staff (FIGURE 4).

These figures are however underestimated in the accounts because of subsidies that the state allocates to independent tertiary education institutions, which account overall as operational expenses, but are for a large part dedicated to meet staff costs. The same applies to funding granted to municipalities to help them support the overhaul of school hours, with a part of it used to pay staff. Part of the expenditure accounted for operations covers wages.

The predominance of central government funding exists at all levels of public and subsidised private education, except in the case of private tertiary institutions where 79.7% of funding comes from households (tuition fees) and companies (FIGURE 5).

The share of public funding (central government and local authorities) is larger in primary and secondary public education than in subsidised private education. In the private sector, families contribute for more than a quarter of primary and secondary institutions expenditure.

The state plays a particularly important role in the funding of universities and other public higher education institutions where it represents 76.0% of overall expenditures.

Expenditure of municipalities: more for staff and less for investment

Local authorities are the second contributor to DEE funding, with €34.8 billion. Since 2006, their contribution rose by 3 points (moving from 20.7% in 2006 to 23.5% in 2015), in conjunction with a decline of the central government's participation. This growth is linked to the decentralisation laws initiated in 1984 that led to the transfer of non teaching technical staff management costs (ATTEE) to local authorities (regions and departments) in secondary education.

Local authorities cover technical and service staff expenditure and almost all operational and investment expenditure. They also manage catering and accommodation as well as school transportation.

Municipalities in charge at the pre-primary and primary levels of education, fund 12.0% of the DEE with a spending amount of €17.7 billion (FIGURE 6). Regions and departments, in charge at the upper and lower secondary levels, contribute respectively to 6.6% and 5.0% of DEE, with amounts corresponding to 9.8 and €7.3 billion.

In contrast to regions and departments, staff salaries (€9.3 billion) weight heavily on municipalities and represent over half of their total expenditure on education since 2014. Municipalities recruit and pay the local staff who works in schools: ATSEM (local agents especially recruited to work in pre-primary schools), staff in charge of maintenance, caretakers, cooks, canteen workers, entertainment staff and diverse language, sports or music facilitators. Staff needs are linked to the number of schools and to the class sizes, and are significantly greater than in secondary

4– Structure of state expenditure (1) in terms of initial funding in 2015 (by type and level of education)

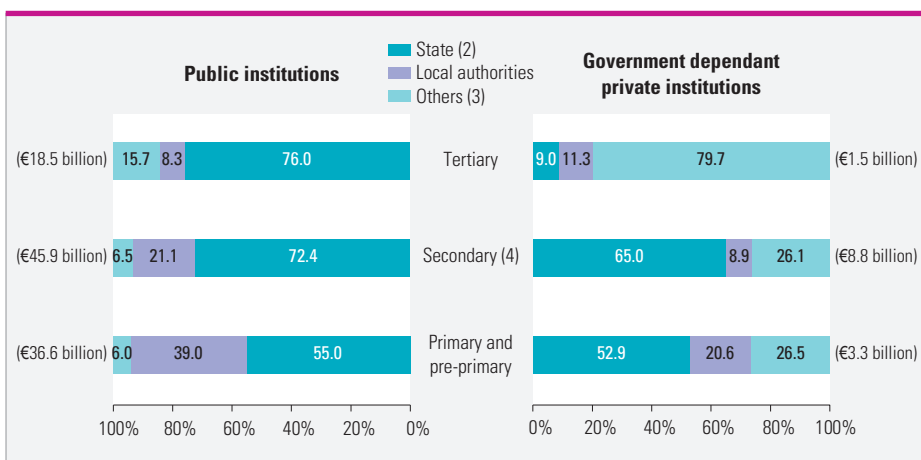
	Staff	Of which: teaching staff	Of Which: non-teaching staff	Other current	Investment	Total	State Expenditure (billion€)
Primary level	95.6	89.1	6.5	4.4	0.0	100.0	23.5
Secondary level	90.3	74.8	15.5	9.5	0.2	100.0	39.0
Higher level	21.0	16.2	4.8	76.9	2.1	100.0	20.4
Continuous training and extracurricular	12.8	10.5	2.3	86.2	1.0	100.0	2.0
Total	73.3	63.2	10.1	26.0	0.7	100.0	84.8

(1) MENESR + other ministries + rest of the world.

Coverage: Metropolitan France + overseas departments (DOM).

Source: MENESR-DEPP, Education account.

5– Funding of public and government dependant private institutions (1) in 2015 (%)



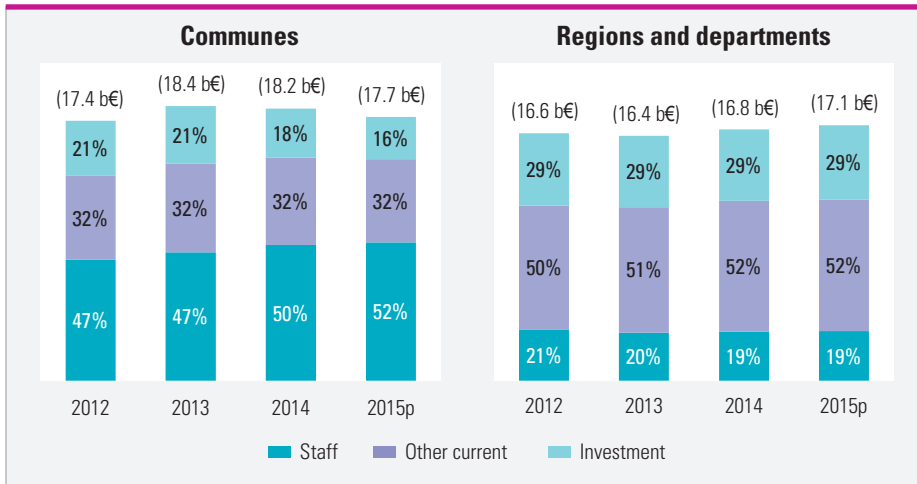
(1) Establishments directly providing an educational service or taking in students (excluding administration and supporting establishments).

(2) State = MENESR + other ministries + rest of the world. (3) Others = other administrations + companies + households. (4) Y including STS and CPGE.

Coverage: Metropolitan France + overseas departments (DOM).

Source: MENESR-DEPP, Education account.

6- Local authorities education expenditure since 2012



p : provisional.

Coverage: Metropolitan France + overseas departments (DOM).

Source: MENESR-DEPP, Education account.

schools. Between 2013 and 2015 the share of staff costs rose significantly (+5 points), with municipalities adapting the structure of their expenditure to take into account the upgrading of category C employees' salaries, as well as the implementation of the overhaul reform of school hours. However, as this increase in salary expenditure has been counterbalanced by a similar decline in capital expenses, municipalities' expenditure on education have overall decreased by -1.0% in 2014 and by -3.0% in 2015, the increase in salaries being more than compensated by a drop in investment³.

The funding of education by regions and departments has, by contrast, risen each year (+2.6% in 2014 and +1.6% in 2015), and maintains a stable structure. ■

3. This is initial funding, expenditures of municipalities using transferred funds from the state are considered as state's expenses. Furthermore, municipality expenditures linked to new school hours reform may be under estimated, the presentation of accounts doesn't always enable us to identify them.

for more information

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+ LANDREAU-MASCARO A., « La dépense d'éducation des collectivités territoriales : 35 milliards d'euros en 2014 », *Note d'Information*, n° 48, MENESR-DEPP, décembre 2015.

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www.education.gouv.fr/statistiques
depp.documentation@education.gouv.fr

DEFINITIONS AND METHODOLOGY

The Education account measures the monetary investment that national community devotes to the education system. It is a satellite account of the French national account and is therefore an economic account allowing to collect and to organise, in a synthetic framework, all flows relative to educational expenses and their financing.

The expenditures are evaluated each year with methods, a coverage and concepts that evolve periodically. For example, in 2012 and 2013 the measurement of continuous training cost, and of households and local government expenditure was reviewed. Furthermore, we moved to the 2010 baseline of the national accounts, notably integrating Mayotte in our scope. These modifications as well as those implemented in 1999 (integration of overseas departments) and in 2006 (move to Lof) caused breaks in the raw series. To enable

a chronological follow up, the main data series were re-evaluated up until 1980. Final account until 2014 and provisional 2015 account.

Domestic Education Expenditure (DEE)

combines all spending by all economic agents, for educational activities: teaching at all levels, organisation of educational system (general administration, orientation, teaching documentation and research on education), catering and accommodation, school medicine, transport and expenditure requested by schools (books, supplies, clothes...).

The average education expenditure per pupil or student for year n is calculated by bringing the DEE (excluding Continuing education or extracurricular activities) to the number of pupils or students for calendar year n calculated by taking two thirds of the number for the school year $n-1/n$ and a third of the number for school year $n/n+1$.

Constant prices are in real value, i.e. corrected for changes in prices in relation to a base line or reference datum. The deflator used is the price of GDP.

Initial funding. The approach used here is initial funding. Transfers exist between different funding units. For example, scholarships are a transfer between central government and households. In initial funding, scholarships are allocated to the state which issues them, while household expenditures are evaluated after deduction of the scholarships they received.

The day school flat rate is a contribution from the state to the operational expenditure of classes under contract in private secondary teaching establishments (Code of education – Article L442-9). Since decentralisation, the departments and regions have handled the part corresponding to competencies that were transferred to them. ■