

Education Spending in Public Schools in Canada, 2019 edition

by *Angela MacLeod and Joel Emes*

This study focuses on the change in education spending on public schools over the last decade (2006/07 to 2015/16). It has two main parts. The first part focuses on the change in spending on public schools over the last decade, and the second part expands the analysis to explain the types of spending observed provincially and nationally.

To accurately understand education spending, both enrolment changes and the effects of price changes must be considered. Total enrolment in public schools in Canada declined by 1.8 percent between 2006/07 and 2015/16, from 5.2 million to a little over 5.0 million students. Alberta had the largest increase in public school enrolment over the period at 13.7 percent. Saskatchewan (6.5 percent) and Manitoba (0.5 percent) also experienced increasing enrolment levels. All other provinces saw a decline in public school enrolment over the period.

For Canada as a whole, over the last decade (2006/07 to 2015/16), per-student spending in public schools increased 17.3 percent (once adjustments have been made for inflation). Specifically, per-student education spending in public schools, accounting for changes in prices, increased from \$10,901 to \$12,791 between 2006/07 and 2015/16.

Saskatchewan saw the largest increase in per-student spending in public schools (after adjusting for inflation). That province experienced a 36.4 percent increase – from \$11,224 in 2006/07 to \$15,314 in 2015/16. The smallest in-

crease was in Alberta (8.1 percent). Per-student spending in public schools in all 10 provinces increased over this period.

Saskatchewan also had the highest level of per-student spending among the provinces in 2015/16 at \$15,314. Manitoba was second highest with per-student spending of \$14,986. Quebec has the lowest level of per-student spending at \$10,992.

In aggregate, Canada increased education spending in public schools by \$9.2 billion more between 2006/07 and 2015/16 than was necessary to account for enrolment and price changes. If per-student spending in public schools had remained constant over this period, the aggregate amount of education spending in public schools would have been 14.1 percent lower. Provincially, Saskatchewan had the largest percentage difference between the actual spending on public schools, and what would have been required to simply account for changes in enrolment and price levels. Specifically, if per-student spending had been maintained at 2006/07 levels (adjusted only for increases in enrolment and inflation), spending on public schools in Saskatchewan

would have been lower by \$690 million—a difference of 25.4 percent.

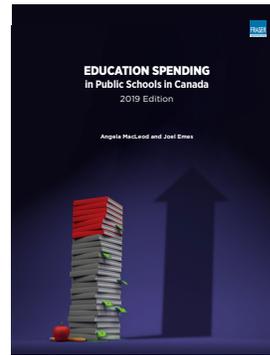
Compensation (salaries and wages, fringe benefits, and pensions) accounts for most of the increase in spending for Canada as a whole, growing from \$35.1 billion in 2006/07 to \$48.3 billion in 2015/16. Salaries and wages increased by 33.2 percent, from \$28.8 billion in 2006/07 to \$38.4 billion in 2015/16, and accounted for 72.4 percent of the overall compensation increase. As a share of total education spending in public schools, salaries and wages increased slightly from 59.0 percent in 2006/07 to 59.4 percent in 2015/16.

Fringe benefits increased 48.8 percent from \$3.7 billion to \$5.6 billion over the period. The increase in this spending category explains 13.8 percent of the overall increase in compensation spending. As a share of total education spending in public schools, fringe benefits have increased from 7.6 percent in 2006/07 to 8.6 percent in 2015/16.

Teacher pension costs for Canada as a whole increased 71.0 percent from \$2.6 billion in 2006/07 to \$4.4 billion in 2015/16. Pension costs increased as a share of total education spending on public schools from 5.3 percent in 2006/07 to 6.8 percent in 2015/16.

Capital spending also saw a substantial rise over the decade, increasing from \$3.8 billion in 2006/07 to \$5.0 billion in 2015/16—a 31.7 percent increase. However, as a share of total education spending in public schools, capital spending remained steady at 7.7 percent.

It is clear from the data presented in this study that spending in every province was greater than what would have been required to account for changes in enrolment and price changes, with the majority of this spending going towards compensation. This is contrary to the general perception that education spending in public schools has been cut.



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Figure 5: Per-Student Spending in Public Schools, Adjusted for Price Changes (\$2016)

