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EDUCATION SPENDING IN CANADA: **WHAT'S ACTUALLY HAPPENING?**

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Executive summary

Media reports on education spending in Canada often refer to spending cuts, gaps and caps, budget shortfalls, and expenditure decreases. An informal observer may well conclude that spending on government elementary and secondary schools across the provinces is falling, and that it has been doing so for quite some time.

But is this actually the case? Has spending in government schools increased or decreased over the last decade?

Using comprehensive Statistics Canada data, this paper analyzes changes in spending on government schools from 2001/02 to 2011/12—examining variations in provincial spending on public elementary and secondary schools for a period of just over a decade. The data are presented in aggregate form (all provinces combined), with additional province-specific analysis offered throughout the paper and in the appendices.

The paper discusses four of the measures commonly used to analyze spending, and identifies some of their weaknesses when applied to education spending. It also offers an analysis of what spending on education in government schools would have been had it only matched inflation and changes in enrolment. The results do not support a narrative of decline in education spending in Canada.

The most common measure of education spending is nominal spending—the level of total spending in any particular year compared to total spending in previous years. Using this approach, total nominal spending in government schools in Canada grew by 53.1 percent, increasing from \$38.9 billion in 2001/02 to \$59.6 billion in 2011/12. Every province showed a marked increase in nominal spending on government schools. But this measure does not account for changes in student enrolments.

We next consider spending as a ratio of gross domestic product. Spending in government schools relative to GDP at the end of the period was where it was at the beginning of the period (3.4 percent). Even though it initially declined slightly, it then spiked in 2009/10 before declining again. This approach too is a misleading measure of spending over time, however, because the marked increase in education spending as a share of GDP

observed in 2009/10 had little to do with changes in education spending and a lot to do with the recession, during which GDP contracted.

The third measure analyzes education spending as a ratio of provincial spending. The proportion of total program spending represented by spending in government schools fell almost continuously over the period, declining from 21.9 percent in 2001/02 to 19.4 percent in 2011/12. Still, this can also be misleading. Given the marked increases in nominal spending noted earlier, this measure could well simply reflect more dramatic increases in other program spending areas.

The final measure of education spending is at a per-pupil level, accounting for changes in enrolment in government schools. Enrolments have declined from 5.4 million in 2001/02 to 5.0 million in 2011/12, a national decline of 33,000 students per year on average. Only Alberta saw an increase in student enrolment over the period. Furthermore, as a share of total population, student headcounts also declined in every province. Most importantly, when nominal spending is adjusted by enrolments, the per-pupil spending in government schools in Canada is found to increase from \$7,250 to \$11,835, or by 63.2 percent. When variations in student enrolments are considered, the resulting per-pupil spending measure presents a superior approach to analyzing changes in education spending in Canada.

A concluding analysis compares actual spending to what education spending would have been had the level of per-pupil funding in 2001/02, adjusted for inflation, remained constant over the decade. For 2011/12, the real increase in spending compared to 2001/02 was over \$14.8 billion—38.1 percent higher.

Thus, using the best measures available for gauging spending on education in government schools in Canada, large-scale increases in spending between 2001/02 and 2011/12 are observed. The analysis of variations in nominal spending and per-pupil spending exposes, despite widespread narratives to the contrary, a story of marked education spending increases for the period, the first showing an increase of more than 53 percent, the other an increase of more than 63 percent.

Introduction

From news and reports on education, which are littered with terms such as spending cuts and caps, budget shortfalls, and expenditure decreases and freezes, a casual observer might conclude that spending on government elementary and secondary schools has been falling.

Such claims appear in a variety of sources. In Nova Scotia, CBC (2012) reported that the province’s “eight school boards will see their funding cut for the second year in a row, this time by 1.3 per cent in the 2012/13 fiscal year.” In Quebec, Green (2014) reported that there had been \$640 million in cuts in public education funding since 2010. In Ontario, Chartrand (2012) reported that “the public education system in Ontario will be hit with \$2.6 billion in cuts over the next three years.” Tatelman and MacMillan (2014) reported that Alberta “cut \$14.5 million from school boards by freezing per-student funding and curtailing or cancelling programs.” In British Columbia, Carman (2014) reported that the provincial budget runs billions short for education and health, and quotes the vice-president of the provincial teacher federation as saying the “cuts have been because funding has not kept pace with inflation.”¹ Also in British Columbia, Culbert and Shaw (2014) state that “budget 2014/15 effectively freezes funding for the kindergarten to Grade 12 system for the next three years.”

Some reports move beyond simple claims about overall funding levels to focus on ratios of spending to gross domestic product (GDP). In 2012, the British Columbia Teachers’ Federation wrote that “total expenditures in public elementary and secondary schools, as a percentage of the GDP, decreased in BC from 3.6% in 2002–03 to 3.3% in 2003–04, and remains at 3.3% in 2009–10” (BCTF, 2012: 13).

Taken together, and these are just selected instances, such reports reinforce a narrative that decreases in K–12 education spending are taking place across the country. Even if all of the claims noted above are correct, they do not necessarily indicate a funding decline when properly

1. According to Carman (2014), the conference Board of Canada report (British Columbia Fiscal Snapshot: Back on Solid Ground, August 7, 2014) states that “BC budget caps education spending to increases of 0.6 percent per year between now and 2017.”

measured—especially when, unlike other types of government spending, the target population for school spending is shrinking.

Given the frequency and influence of such claims, as well as the potential insights that a comprehensive and more detailed analysis might yield, this paper answers the question: Has spending on elementary and secondary education in government schools increased or decreased over the last decade? Since the most recent year for which comprehensive data for education spending is currently available is 2011/12, our analysis covers the period 2001/02 through to 2011/12.

The paper begins with a brief review of the decentralized approach to education delivery in Canada. It then analyses alternative measures of education spending: nominal spending, ratios of government school spending to gross domestic product (GDP) and to other program spending, and spending per pupil. This is followed by an examination of what education spending would have looked like had it grown by inflation and enrolment, and compares this to actual education spending. The paper ends with a summary of the findings.

Elementary and secondary education in Canada

In Canada, K–12 education is almost entirely decentralized to the provinces and territories. Canada does not have a federal department of education and this absence of federal responsibility means each province or territory is almost entirely responsible for the provision, funding, and regulation of education.²

Each provincial and territorial ministry or department of education determines curriculum standards, education financing, teacher education, assessment, and other related issues (Clemens, Palacios, Loyer, and Fathers, 2014). Typically, ministries and departments devolve certain elements of responsibility for the operation and administration of groups of schools—such as curriculum implementation, initiation of proposals for capital expenditures, responsibility for personnel, and enrolment of students—to school boards or divisions (CMEC, 2014), and each also allows for education to be provided through independent schools and homeschooling.

Because of this decentralization, there is variety in education provision, regulation, and funding from province to province. The government schooling sector in all provinces maintains at least two kinds of government-funded school boards (Anglophone and Francophone).³ In addition, three provinces, Alberta, Ontario, and Saskatchewan, provide fully-funded separate schools for Roman Catholic minorities, and Alberta and Ontario provide fully-funded francophone Roman Catholic schools. Five provinces—Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia—offer various levels of per-pupil funding, from 35 to 80 percent of local government school per-pupil operating expenses, for education in the independent school sector. In the homeschooling sector, two provinces, Alberta and Saskatchewan (depending on school district), offer supplemental funding directly to parents for expenses incurred in home-based education.

The Canada-level data presented herein are the sum of provincial figures.

2. The federal government holds responsibility for K–12 education of Aboriginal students, the families of military personnel, and those in the Foreign Service (Clemens et al., 2014).

3. Enrolment in francophone boards, other than in Quebec and New Brunswick with 78.1 and 28.2 percent respectively in 2009/10, ranged from 0.4 to 3.7 percent of total student enrolment across the provinces (Clemens et al., 2014).

Alternative measures of education spending

There are several common methods by which to measure education spending. This section reviews and applies four different approaches to measure education spending.⁴ In each case, some of the key weaknesses are discussed in order to provide context for the final measure, spending on a per-pupil basis, which we argue is the preferred method by which to assess whether education spending has increased or decreased over time.

First, it is important to define what we mean by education spending. In this report, education spending refers to total expenditure on elementary and secondary education in government schools, unless otherwise noted.⁵ It is calculated as “public elementary and secondary education expenditures” less “direct government expenditures on public education by the Department of National Defence,” “federal school expenditures,” and “special education expenditures on public education,” using Statistics Canada data, specifically CANSIM Table 478-0014 (Statistics Canada, 2014f). While special education expenditures within public schools are included, special education expenditures exclude certain activities taking place outside of regular public schools in, for example, reform and correctional institutions. These calculations result in a specific measure of spending on government schools.

Second, these data do not include government spending on independent (private) schools that supplements parental spending on independent schools in Quebec and the four western provinces. To reiterate, this analysis only includes spending on government schools.

4. Clifton (2014) has recently also examined and compared growth in education spending to growth in the consumer price index.

5. In this paper, the term “government schools” is used to refer to schools that are operated and administered through district public and separate school boards and controlled by provincial ministries and/or departments of education. These schools could more accurately be labeled “provincial government-provided schools” or “provincial government-supplied schools” but for convenience we use the shortened term “government schools.”

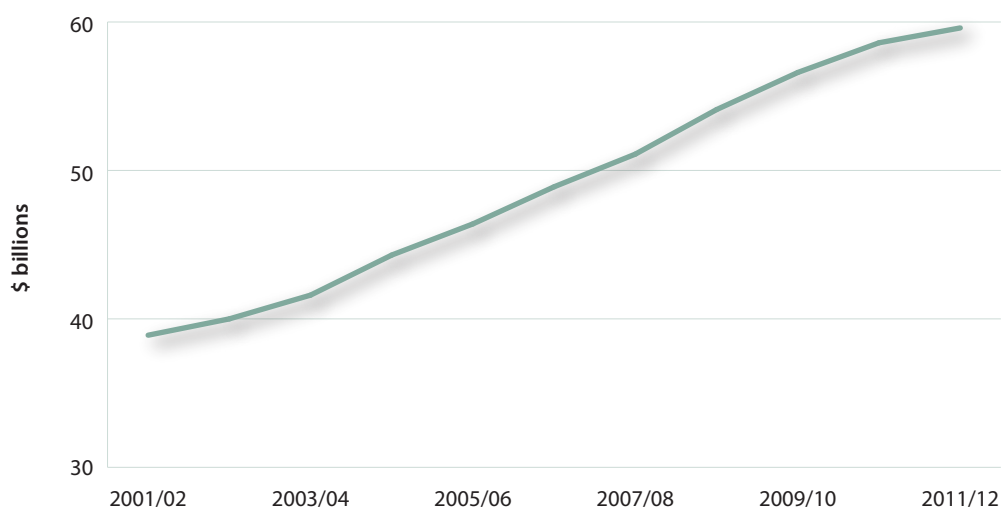
Third, the source data from Statistics Canada includes “Fees & Other Private Sources,” which cannot easily be separated from spending by governments. This category includes items such as rentals and leases, investment revenues, capital fund sourced revenues such as revenue from the disposal of capital assets, fees, trust account revenues, interschool transfers, and adjustments. Our figures necessarily include these amounts, but, to be clear, this is money spent on government schools, and has nothing to do with private elementary and secondary expenditures.

Nominal education spending

The most frequently used measure of education spending is simply the level of total spending in any particular year compared to total spending in previous years, which will be referred to as nominal education spending. This measure does not account for changes in student enrolment or the effects of inflation. However, it does provide an easy-to-understand gauge of changes in spending from one year to the next, which is one of the main reasons it is so often used.

Based on this approach, total nominal spending on elementary and secondary education in government schools grew by over 50 percent in Canada between 2001/02 and 2011/12, from \$38.9 billion to \$59.6 billion (**figure 1**).

Figure 1
Education spending in government schools



Source: Statistics Canada, 2014f.

Note: Nominal dollars (i.e., not adjusted for inflation).

The national numbers presented in figure 1 can be further broken down by province. Recall from the discussion above that education spending in Canada is almost entirely determined by the provincial governments. As **table 1** shows, spending in government schools grew in every province, ranging from a low of 24.7 percent in British Columbia to a high of 92.4 percent in Alberta. The average provincial increase over this period was 53.1 percent.

Table 1

Education spending in government schools

	2001/02	2011/12	Change, 2001/02 – 2011/12	
	<i>\$ millions</i>		<i>Percent</i>	<i>Rank</i>
Canada	38,897	59,558	53.1	
Newfoundland & Labrador	608	865	42.2	7
Prince Edward Island	156	236	51.3	5
Nova Scotia	1,002	1,510	50.8	6
New Brunswick	845	1,352	59.9	4
Quebec	8,755	11,956	36.6	8
Ontario	15,243	24,757	62.4	3
Manitoba	1,603	2,174	35.6	9
Saskatchewan	1,315	2,206	67.7	2
Alberta	4,054	7,798	92.4	1
British Columbia	5,041	6,289	24.7	10

Source: Statistics Canada, 2014f.

Two insights are important to recognize from the provincial data presented in table 1, which covers the period from 2001/02 through to 2011/12, the latest year for which we have comprehensive data. First, there is no single province where there has not been a marked increase in total spending on government elementary and secondary schools in Canada.

Second, and more importantly, this approach to measuring education spending has a serious flaw, which is that it does not account for changes in pupil numbers. Thus, a hypothetical decrease in total education spending, if less than an accompanying hypothetical decrease in the number of students, could actually result in an increase in per-pupil spending. Similarly, a hypothetically large increase in total spending, if less than a hypothetically larger increase in the number of students, could result in a decrease in per-pupil spending. Put differently, if we're trying to measure the level and concentration of spending in education for students, then total nominal spending is of limited benefit, since it misses the number of students within the education system.

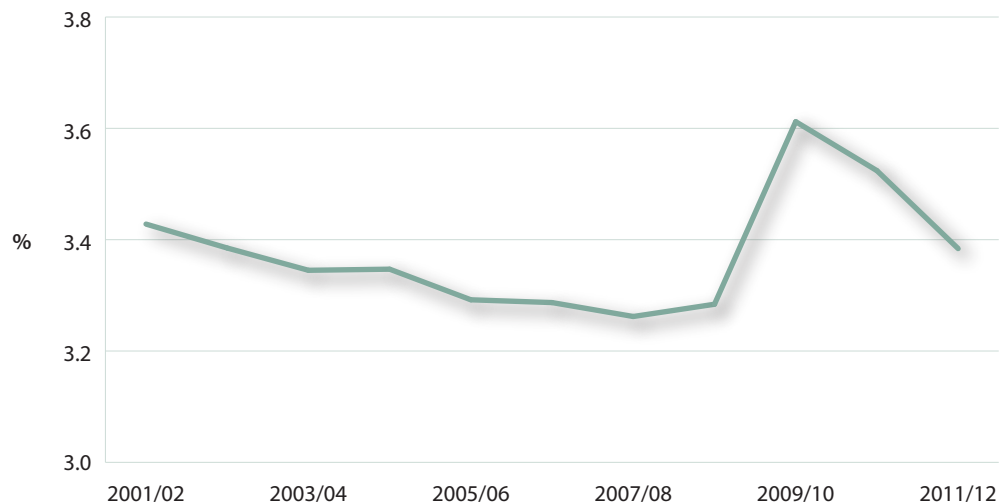
Education spending as share of gross domestic product

Another measure sometimes used to gauge education spending is to compare it to overall economic activity as measured by gross domestic product (GDP). Spending in government schools as a share of GDP in 2011/12 (3.4 percent) is where it was in 2001/02. **Figure 2** depicts aggregated provincial spending in government schools relative to GDP between 2001/02 and 2011/12. It shows a slight decline in the ratio between 2001/02 and 2007/08, followed by a spike in 2009/10. It declines in 2010/11 and 2011/12.

Understanding the change in 2009/10 is important because it highlights why measuring education spending as a share of GDP over time is a weak and, indeed, often misleading measure. The marked increase in education spending as a share of GDP in 2009/10 had little to do with the change in education spending in that year, and was almost entirely driven by the recession, which by definition contracted the GDP number. In other words, there was no marked increase in spending on education in 2009/10, even though such an increase could easily be inferred from this figure. Similarly, the ratio of spending on government schools to GDP fell sharply in the last two years not because spending on education declined (see figure 1), but because the economy (GDP) grew strongly compared to the growth in education spending.

Figure 2

Education spending in government schools as a share of GDP



Sources: Statistics Canada, 2014d, 2014f.

Table 2 breaks down the aggregated information presented in figure 2 for each province. Seven provinces experienced a decline in education spending on government schools as a share of provincial GDP between 2001/02 and 2011/12, ranging from –0.9 percent in Alberta to –38.6 percent in Newfoundland and Labrador. The ratio of education spending in government schools relative to GDP increased in Nova Scotia (6.2 percent), New Brunswick (8.1 percent), and Ontario (15.5 percent). Ontario stands out as the one among these three with the largest increase in spending on government schools as a percent of provincial GDP.

Table 2

Education spending in government schools as a share of GDP

	2001/02	2011/12	Change, 2001/02 –2011/12	
	<i>Percent of GDP</i>		<i>Percent</i>	<i>Rank</i>
Canada	3.428	3.384	-1.3	
Newfoundland & Labrador	4.208	2.582	-38.6	10
Prince Edward Island	4.506	4.379	-2.8	5
Nova Scotia	3.728	3.959	6.2	3
New Brunswick	3.999	4.321	8.1	2
Quebec	3.672	3.462	-5.7	6
Ontario	3.275	3.781	15.5	1
Manitoba	4.476	3.940	-12.0	7
Saskatchewan	3.894	3.005	-22.8	9
Alberta	2.639	2.616	-0.9	4
British Columbia	3.710	2.923	-21.2	8

Sources: Statistics Canada, 2014d, 2014f.

Comparing the results in tables 1 and 2 highlights the problem with analyzing education spending by comparing it to GDP. Table 1 clearly shows increases in every province, but table 2 shows education spending decreasing (as a share of GDP) in seven of ten provinces and for Canada overall.

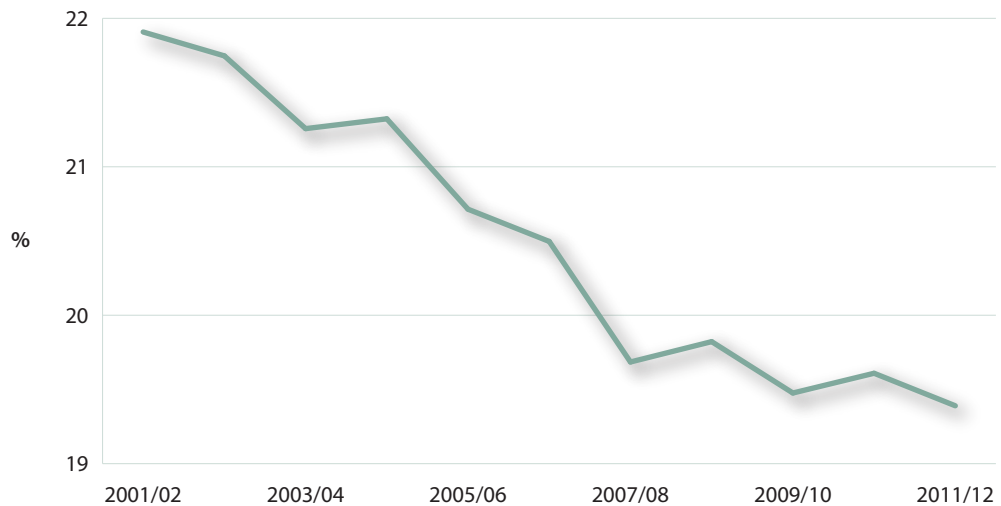
While comparing education spending as a share of GDP between jurisdictions in a particular year can be a useful comparison, it is a weak and often misleading measure of spending on education over time.

Education spending as a share of program spending

Yet another common measure of education spending (as well as of other types of spending) is the share of total program spending by government on education. In other words, this measure examines the proportion of total program spending (as reported in the Fiscal Reference Tables, Canada, Department of Finance, 2013) represented by spending in government schools. Spending in government schools as a share of total provincial program spending has fallen almost continuously from 21.9 percent of in 2001/02 to 19.4 percent in 2011/12 (**figure 3**).

Figure 3

Education spending in government schools as a share of program spending



Sources: Statistics Canada, 2014f; Canada, Department of Finance, 2013.

Table 3 shows the data for how education spending in each of the provinces has changed relative to total program spending between 2001/02 and 2011/12. In all provinces, education spending in government schools declined over this time period relative to total program spending. Proportional decreases in education spending ranged from –1.2 percent in Alberta to –38.1 percent in Manitoba.

Still, as with comparisons to GDP, this is a weak and potentially misleading indicator of what is actually happening. As illustrated in figure 1, spending on education in government schools increased every year in the period considered. Ratios comparing education spending to overall program spending may well only reflect proportional increases in other program spending, rather than making meaningful contributions to the analysis of actual education spending.

Table 3**Education spending in government schools as a share of program spending**

	2001/02	2011/12	Change, 2001/02 – 2011/12	
	<i>Percent of program spending</i>		<i>Percent</i>	<i>Rank</i>
Canada	21.9	19.4	-11.5	
Newfoundland & Labrador	17.0	12.4	-27.3	9
Prince Edward Island	17.8	15.3	-14.2	6
Nova Scotia	22.0	18.0	-18.2	8
New Brunswick	19.1	18.3	-4.3	2
Quebec	21.7	19.4	-10.3	4
Ontario	24.7	22.0	-10.9	5
Manitoba	25.0	15.5	-38.1	10
Saskatchewan	23.0	20.7	-9.9	3
Alberta	20.2	20.0	-1.2	1
British Columbia	18.3	15.2	-16.6	7

Sources: Statistics Canada, 2014f; Canada, Department of Finance, 2013.

Per-pupil spending

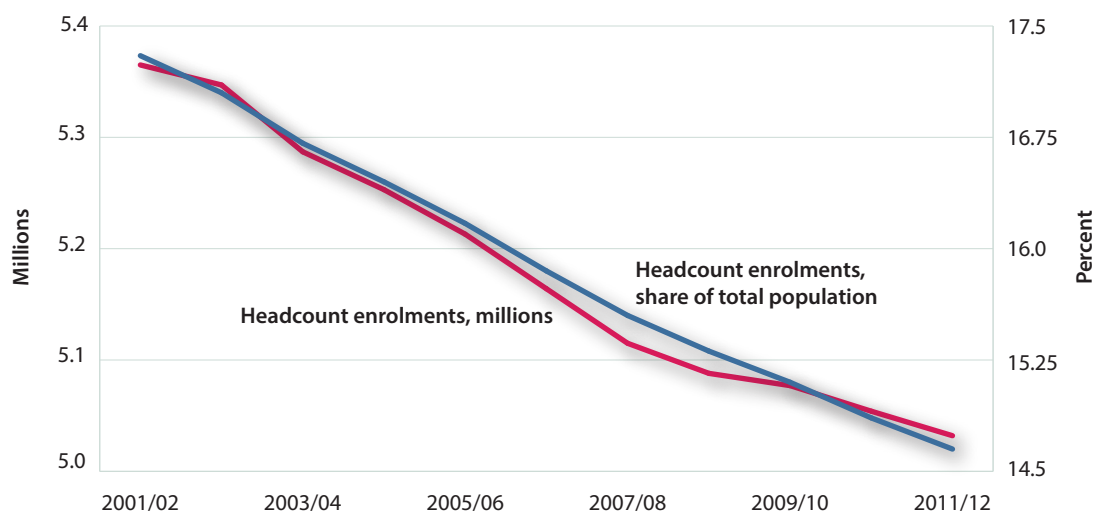
The final measure of education spending presented, and the measure that best reflects what is happening, is at a per-pupil level. It takes spending in government schools in each jurisdiction and divides it by the number of pupils enrolled in such schools. In other words, this measure directly accounts for changes in enrolment.

In total, enrolments⁶ in government schools have declined from 5.4 million in 2001/02 to 5.0 million in 2011/02 (**figure 4**). Put differently, on average, enrolment in government schools across the country has fallen by about 33,000 pupils per year.

Table 4 shows the changes in headcount enrolment, by province, in government schools between 2001/02 and 2011/12. Alberta stands out as the only province to see enrolment in government schools increase over the time

6. Enrolments in this report are the sum of “headcount enrolments in regular programs for youth in public elementary and secondary schools” reported in CANSIM table 477-0025 (Statistics Canada, 2014e), plus an estimate of enrolment in adult upgrading and vocational programs. The estimate is based on comprehensive enrolment figures published by Statistics Canada in the December 4, 2013 edition of *The Daily* augmented by communication with the Tourism and Centre for Education Statistics Division of Statistics Canada. We chose “Headcount Enrolments” over “Full-Time Equivalent” enrolments because three provinces report the same numbers for both measures and, in the future, Statistics Canada will not report FTE enrolments.

Figure 4
Headcount enrolments in government schools



Sources: Statistics Canada, 2013, 2014a, 2014e.

Table 4
Headcount enrolments in government schools

	Enrolments				Enrolments to population		
	2001/02	2011/12	Change, 2001/02 – 2011/12		2001/02	2011/12	Change, 2001/02 – 2011/12
	Thousands		Percent	Rank	Percent of population	Percent	Rank
Canada	5,365.2	5032.2	-6.2		17.3	14.7	-15.3
Newfoundland & Labrador	87.0	67.8	-22.0	10	16.7	12.9	-22.5
Prince Edward Island	22.8	20.8	-8.8	6	16.7	14.5	-13.5
Nova Scotia	153.5	125.5	-18.2	9	16.5	13.3	-19.2
New Brunswick	122.8	102.6	-16.5	8	16.4	13.6	-17.1
Quebec	1,244.7	1,172.0	-5.8	4	16.8	14.6	-13.0
Ontario	2,163.1	2,043.1	-5.5	3	18.2	15.4	-15.3
Manitoba	188.9	178.9	-5.3	2	16.4	14.5	-11.6
Saskatchewan	186.5	170.4	-8.6	5	18.6	16.0	-14.3
Alberta	548.1	577.8	5.4	1	17.9	15.2	-15.0
British Columbia	622.8	550.7	-11.6	7	15.3	12.2	-19.9

Sources: Statistics Canada, 2013, 2014a, 2014e.

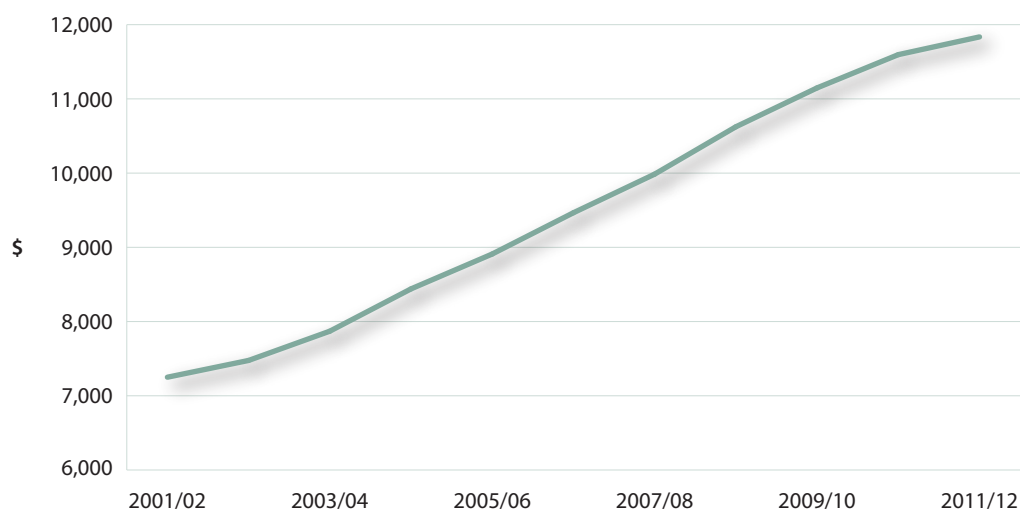
period. Its 5.4 percent increase sets it well apart from the other provinces that saw enrolment decrease by at least 5.3 percent (Manitoba) and as much as 22.0 percent (Newfoundland and Labrador).

Enrolment as a share of total population, as also indicated in table 4, decreased in every province. Alberta is in the middle of the pack with a 15.0 percent decrease among changes of –11.6 percent in Manitoba and –22.5 percent in Newfoundland and Labrador.

Appendix 1 shows more detailed provincial figures of headcount enrolment and headcounts as share of total population for the period 2001/02 to 2011/12.

Figure 5 adjusts the education spending data presented in figure 1 and table 1 by student enrolment to calculate per-pupil spending. The results show that per-pupil spending in government schools in Canada has grown from \$7,250 in 2001/02 to \$11,835 in 2011/12, or by 63.2 percent.

Figure 5
Per-pupil education spending in government schools



Sources: Statistics Canada, 2013, 2014e, 2014f.

Table 5 applies the same adjustment to each of the provinces to show how per-pupil education spending in government schools has changed between 2001/02 and 2011/12. Spending per pupil in government schools increased substantially in every province over the time period. The largest increase was 91.5 percent in New Brunswick and the smallest was 41.1 percent in British Columbia.

Table 5
Per-pupil education spending in government schools

	2001/02	2011/12	Change, 2001/02 – 2011/12	
	\$		Percent	Rank
Canada	7,250	11,835	63.2	
Newfoundland & Labrador	6,994	12,754	82.4	5
Prince Edward Island	6,822	11,317	65.9	7
Nova Scotia	6,527	12,031	84.3	2
New Brunswick	6,884	13,181	91.5	1
Quebec	7,034	10,201	45.0	8
Ontario	7,047	12,117	72.0	6
Manitoba	8,487	12,150	43.2	9
Saskatchewan	7,053	12,948	83.6	3
Alberta	7,396	13,497	82.5	4
British Columbia	8,093	11,418	41.1	10

Sources: Statistics Canada, 2013, 2014e, 2014f.

This approach to analyzing changes in education spending is more reflective of actual education spending than the other measures examined. While the initial comparison of spending in government schools clearly illustrated increases, it did not account for changes (neither possible increases nor decreases) in the population the spending served. Variations in education spending as a share of GDP can be, and more often than not are, driven by changes in overall economic activity rather than by changes in education spending as such. Similarly, comparing education spending to overall program spending can say more about increases in other program spending categories than about changes to education spending. In fact, the examinations of these two measures—comparisons with GDP and as a share of program spending—disguised the consistent growth in education expenditures on government schools. Because it accounts for changes in student enrolment, a per-pupil spending measure is a superior and more refined approach to measuring and analyzing education spending.

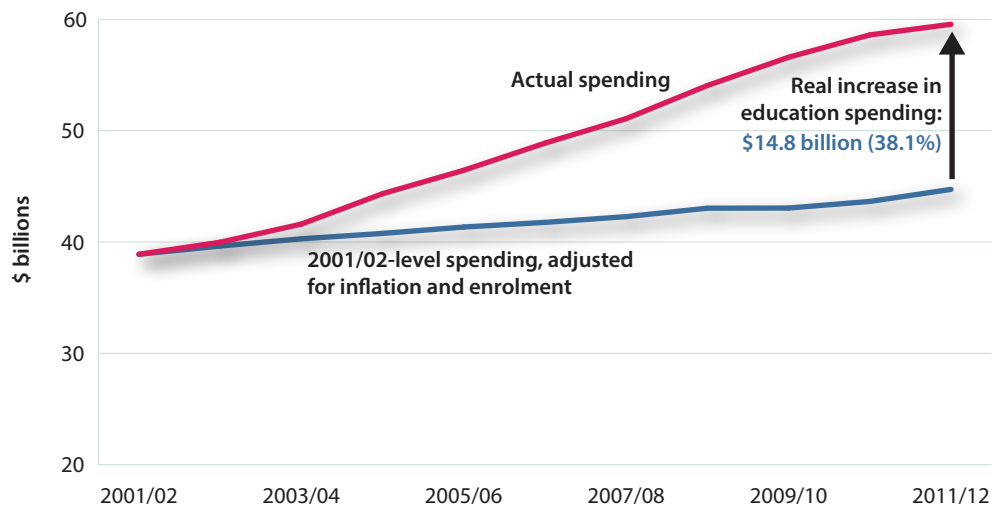
Appendix 2 shows provincial figures for per-pupil spending in government schools for the period 2001/02 to 2011/12.

Comparison of actual versus constant education spending

The previous section analyzed four alternative methods by which to measure education spending. As discussed, per-pupil spending provides the best measure of changes in actual education spending over time. Contrary to a narrative that may emerge from the many public statements discussed at the outset of the paper, education spending in government schools, on a per-pupil basis, has increased markedly over the last decade, with provincial increases ranging from 41 percent to almost 92 percent. In other words, using the best measure available for gauging spending on education in government schools, we observe large-scale increases in spending between 2001/02 and 2011/12. Furthermore, although this approach highlights the variation among the provinces, a consistent national narrative did emerge.

An alternative comparison is to ask how much education spending in each province has increased between 2001/02 and 2011/12 relative to changes in inflation and pupil enrolment. This method asks: What is the difference between actual education spending in each province and the amount of education spending that would have been required to maintain the level of per-pupil spending in 2001/02 constant over the decade? This method adjusts for changes in both enrolment and inflation.

Figure 6 depicts the aggregated results for all the provinces. The top line presents total nominal spending in government elementary and secondary schools for all provinces between 2001/02 and 2011/12 (replicated from figure 1). As discussed previously, nominal spending in government schools grew from \$38.9 billion in 2001/02 to \$59.6 billion in 2011/12. The lower line in figure 6 shows what education spending (in government schools) would have been had the level of per-pupil funding in 2001/02, adjusted for inflation using the all-items Consumer Price Index (Statistics Canada, 2014c), remained constant over the decade. The gap between the two lines represents the real increase in per-pupil spending. This increase amounted to \$14.8 billion, or 38.1 percent of 2001/02 education spending.

Figure 6**Education spending in government schools:****Actual versus 2001-02 level adjusted for inflation and enrolment**

Sources: Statistics Canada, 2014c, 2014e, 2014f,

Table 6 shows the same calculations at the provincial level. The first pair of columns in table 6 are from table 1, and show that nominal education spending in government schools grew in every province, ranging from a low of 24.7 percent in British Columbia to a high of 92.4 percent in Alberta.

The second pair of columns shows, by province, what spending in government schools would have been had the 2001/02 level of per-pupil funding remained constant in real terms (i.e, adjusted for inflation). Had per-pupil spending only grown by inflation and changes in enrolment, nine of ten provinces would have seen spending increases, ranging from 3.4 percent in Nova Scotia to 37.0 percent in Alberta. The only province which would have spent less on education was Newfoundland and Labrador, where spending on government schools would have declined by 3.1 percent between 2001/02 and 2011/12.

The reality is that in every province the increase in education spending for government schools between 2001/02 and 2011/12 was beyond what was needed to account for inflation and changes in enrolment. For example, British Columbia spent 24.7 percent more in 2011/12 than in 2001/02, but had it allowed per-pupil spending to change only to account for price and enrolment changes it would have spent only 5.4 percent more. In other words, education spending for government schools in British Columbia was \$973 million (19.3 percent) higher in 2011/12 than it would have been had it constrained per-pupil spending to grow at the rate of the general price level between 2001/02 and 2011/12. Further, in percentage terms, British

Table 6

**Per-pupil education spending in government schools,
actual versus 2001/02 level adjusted for inflation and enrolment**

	Actual				2001/02 level adjusted for inflation and enrolment				Difference	
	2001/02	2011/12	Change, 2001/02 – 2011/12		2001/02	2011/12	Change, 2001/02 – 2011/12		2011/12 spending above 2001/02 level	
	<i>\$ millions</i>		<i>Percent</i>	<i>Rank</i>	<i>\$ millions</i>		<i>Percent</i>	<i>Rank</i>	<i>\$ millions</i>	<i>Percent</i>
CDA	38,897	59,558	53.1		38,897	44,727	15.0		14,831	38.1
NL	608	865	42.2	7	608	589	-3.1	10	276	45.3
PE	156	236	51.3	5	156	179	15.2	3	56	36.1
NS	1,002	1,510	50.8	6	1,002	1,035	3.4	9	475	47.4
NB	845	1,352	59.9	4	845	875	3.6	8	477	56.4
QC	8,755	11,956	36.6	8	8,755	9,951	13.7	6	2,005	22.9
ON	15,243	24,757	62.4	3	15,243	17,645	15.8	2	7,112	46.7
MB	1,603	2,174	35.6	9	1,603	1,825	13.8	5	349	21.7
SK	1,315	2,206	67.7	2	1,315	1,509	14.7	4	698	53.1
AB	4,054	7,798	92.4	1	4,054	5,555	37.0	1	2,244	55.3
BC	5,041	6,289	24.7	10	5,041	5,315	5.4	7	973	19.3

Sources: Statistics Canada, 2014c, 2014f.

Columbia's spending above and beyond that needed to account for inflation and changes in enrolment was the smallest among the provinces in 2011/12. New Brunswick's was the highest at 56.4 percent.

Altogether, in 2011/12, provinces spent nearly \$15 billion (38.1 percent) more on education in government schools than they would have if they had kept per-pupil spending growth at the inflation rate between 2001/02 and 2011/12.

Appendix 3 presents graphical comparisons of actual versus constant levels of education spending (adjusted for inflation and enrolment) for each province over the period from 2001/02 to 2011/12.

Conclusion

This paper has analyzed changes in education spending in government schools in Canada over a decade. It did not include all spending on elementary and secondary education in Canada. Excluded from this analysis are government education expenditures by the department of national defense, federal school expenditures, and special education which takes place outside of regular schools. Furthermore, the analysis does not include spending by parents or governments on independent schools.

The central question addressed was whether expenditures in government elementary and secondary schools in Canada have increased or decreased over the period from 2001/02 to 2011/12.

The analysis found that overall nominal public spending in Canada on government schools increased by 53.1 percent during the period, from \$38.9 billion to \$59.6 billion. The increases were greatest in Alberta (92.4 percent) and lowest in British Columbia (24.7 percent).

Furthermore, enrolments in government schools have consistently declined for the period in almost every province.

Not surprisingly, analysis of education spending per pupil in government schools revealed growth of 63.2 percent over the period, up to \$11,835 from \$7,250 per pupil for Canada as a whole.

Finally, analysis of 2011/12 actual spending in government schools versus spending adjusted for inflation and pupil enrolment changes revealed a 38.1 percent increase over 2001/02. Had per-pupil spending on government schools in Canada increased only at the rate of inflation, in 2011/12 provincial governments would have spent \$14.8 billion less.

In conclusion, education spending on government schools in Canada, despite various and widespread narratives to the contrary, has increased by a substantial amount in the period from 2001/02 to 2011/12.

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Appendix 1

Headcount enrolments in government schools

Figure A1.1

Headcount enrolments in government schools: Newfoundland & Labrador

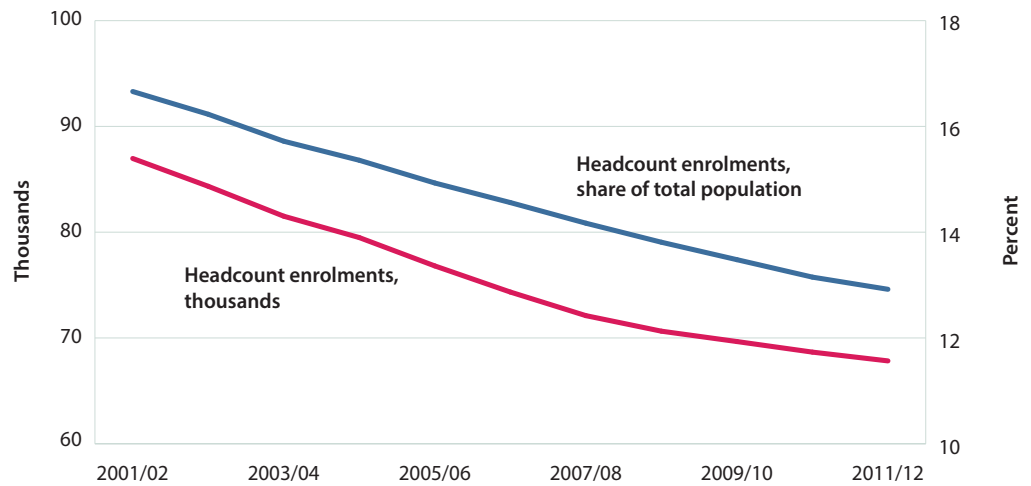


Figure A1.2

Headcount enrolments in government schools: Prince Edward Island

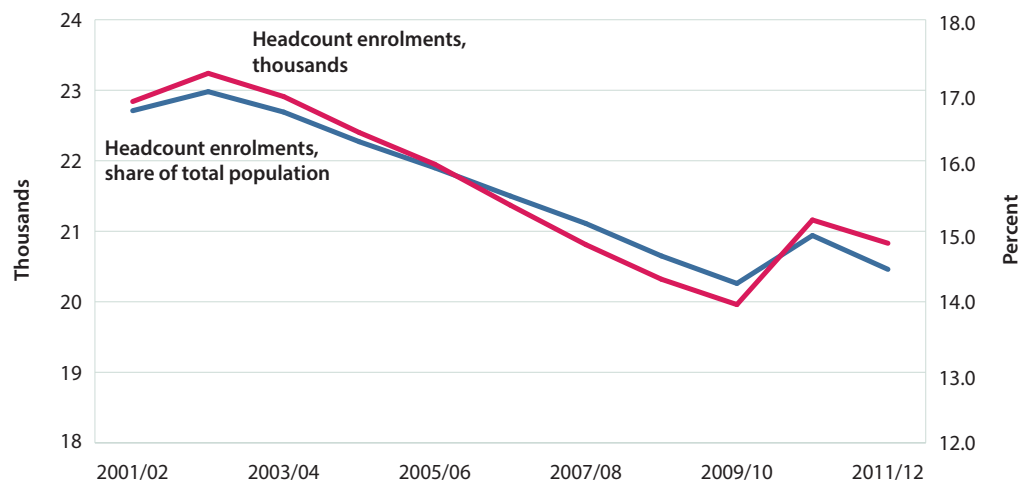


Figure A1.3

Headcount enrolments in government schools: Nova Scotia

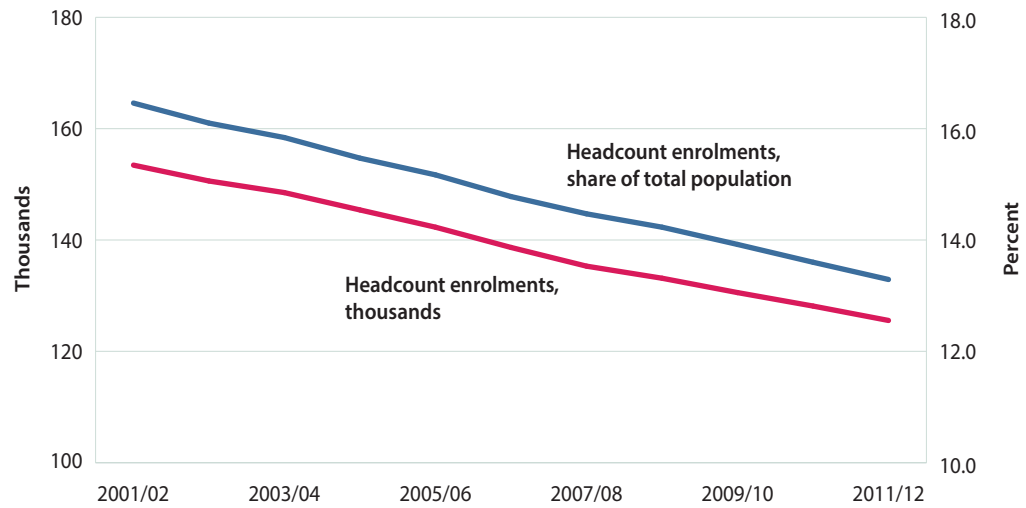


Figure A1.4

Headcount enrolments in government schools: New Brunswick

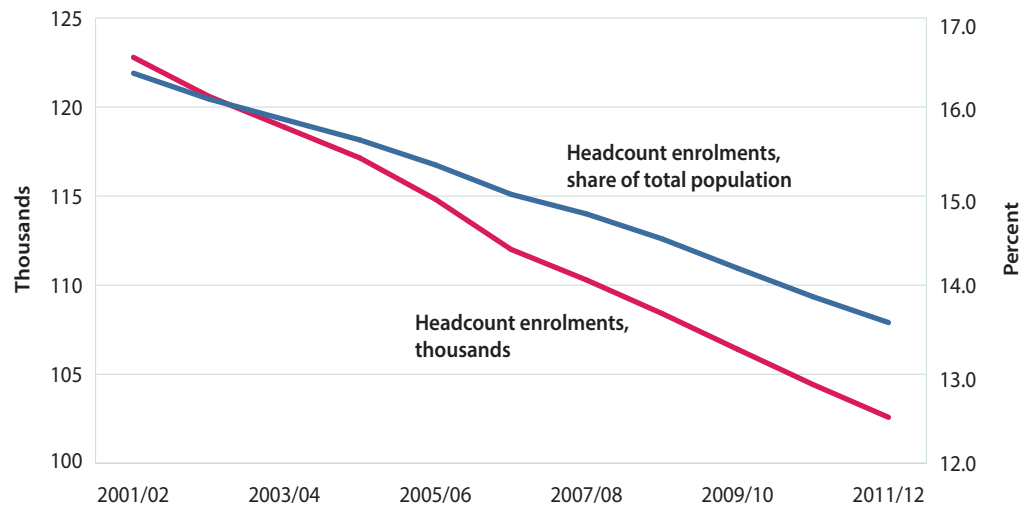


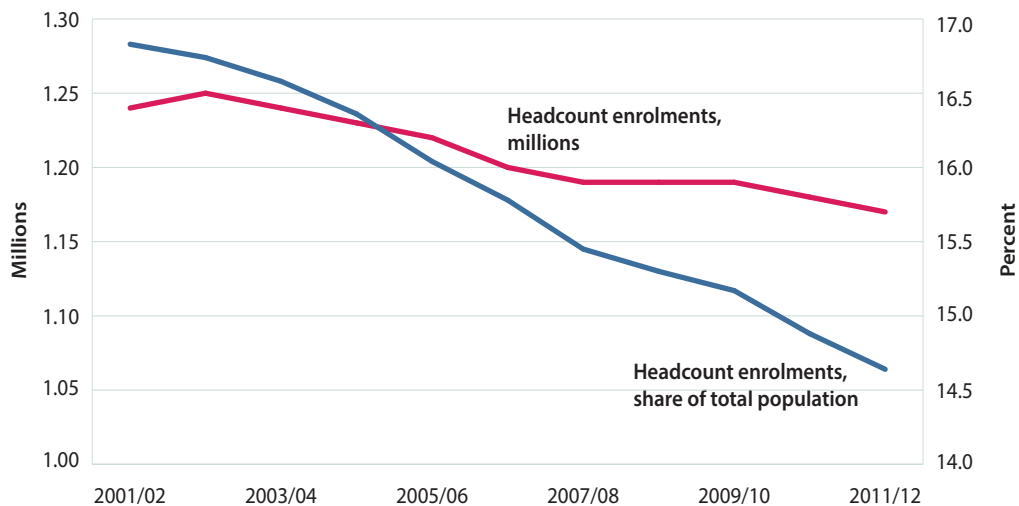
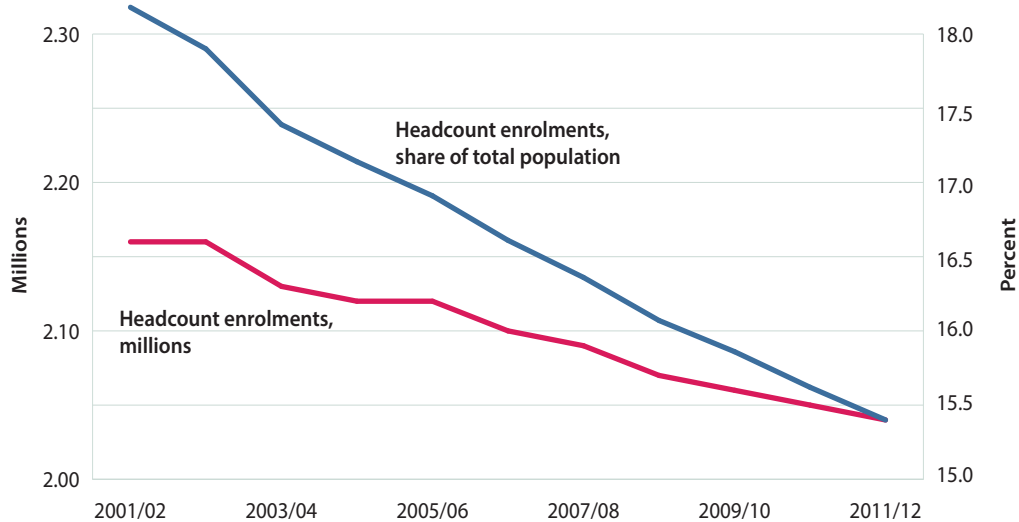
Figure A1.5**Headcount enrolments in government schools: Quebec****Figure A1.6****Headcount enrolments in government schools: Ontario**

Figure A1.7

Headcount enrolments in government schools: Manitoba

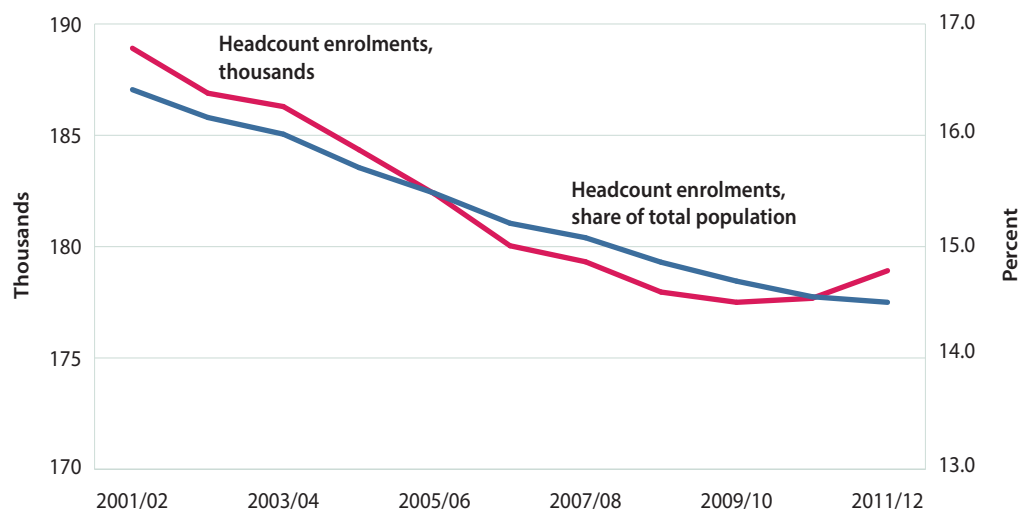


Figure A1.8

Headcount enrolments in government schools: Saskatchewan

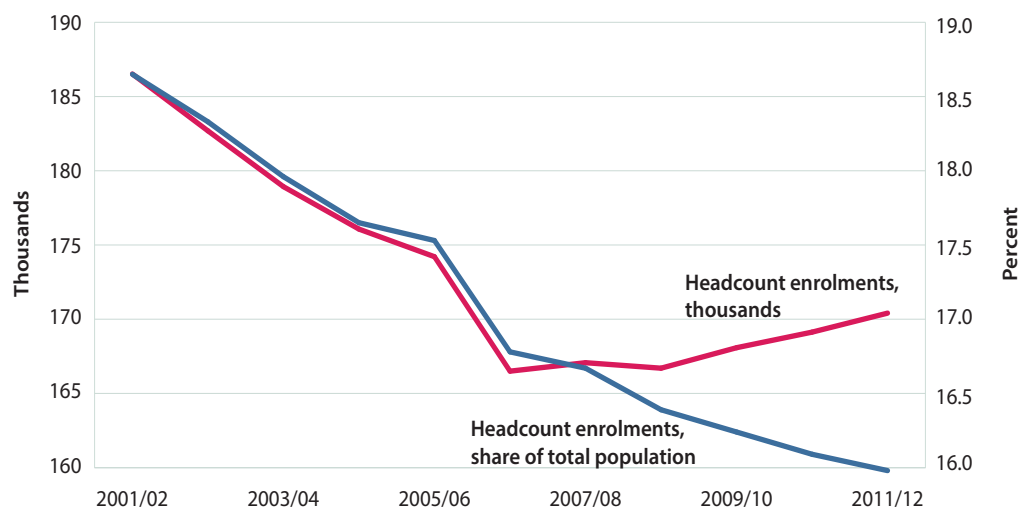
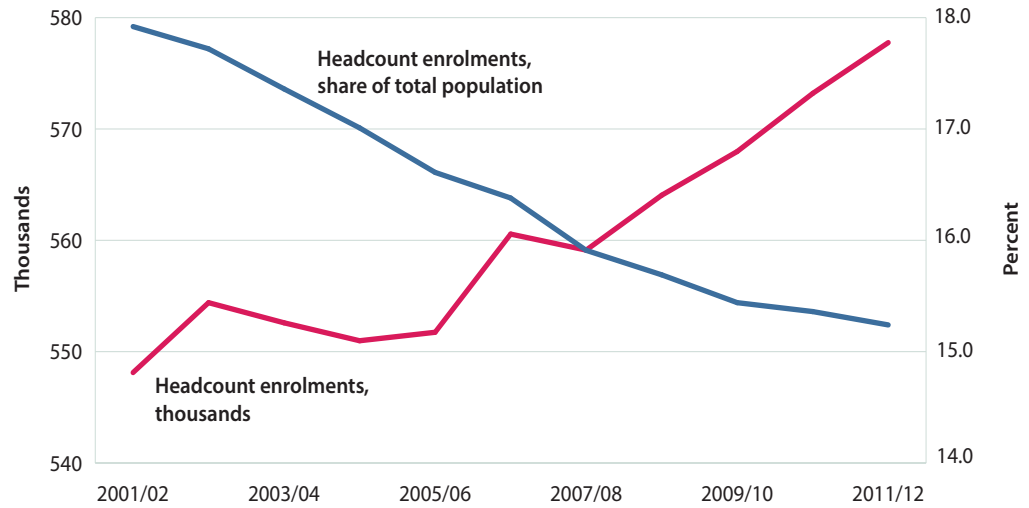
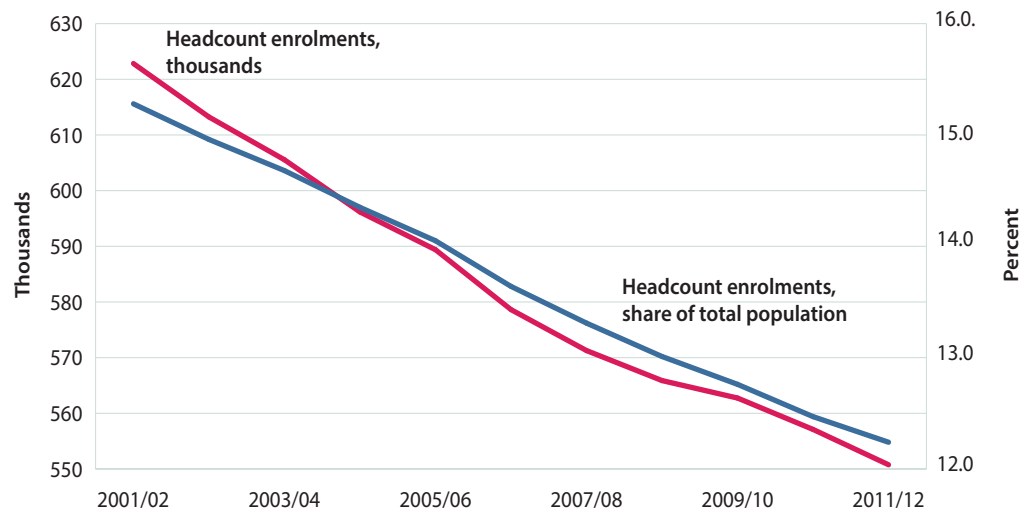


Figure A1.9**Headcount enrolments in government schools: Alberta****Figure A1.10****Headcount enrolments in government schools: British Columbia**

Appendix 2

Per-pupil education spending in government schools

Figure A2.1

Per-pupil education spending in government schools: Newfoundland & Labrador

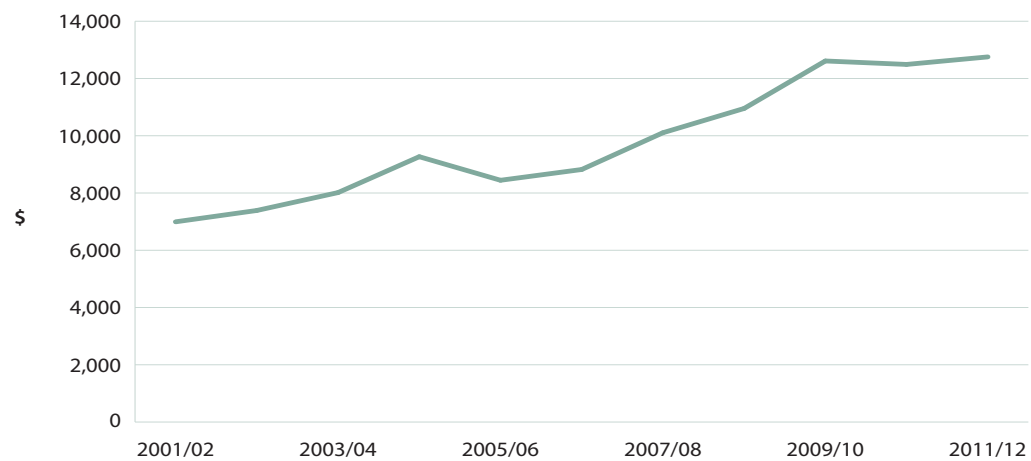


Figure A2.2

Per-pupil education spending in government schools: Prince Edward Island

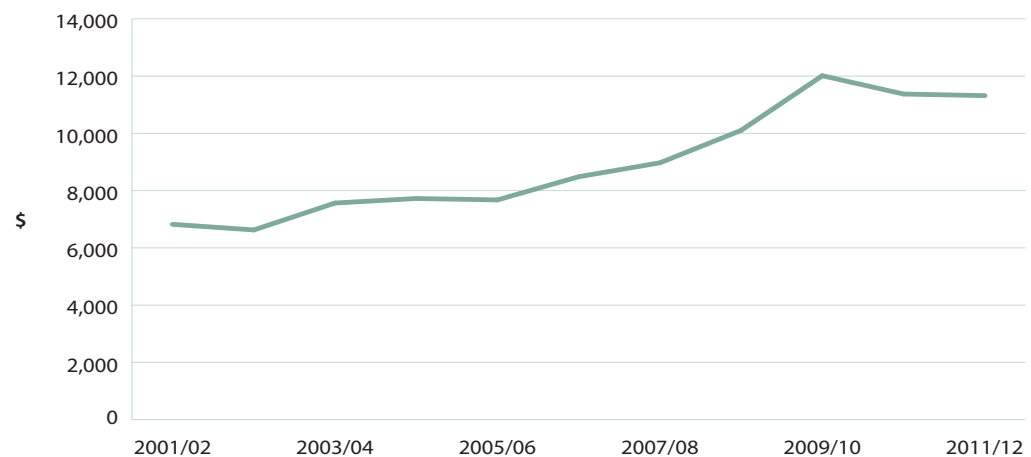


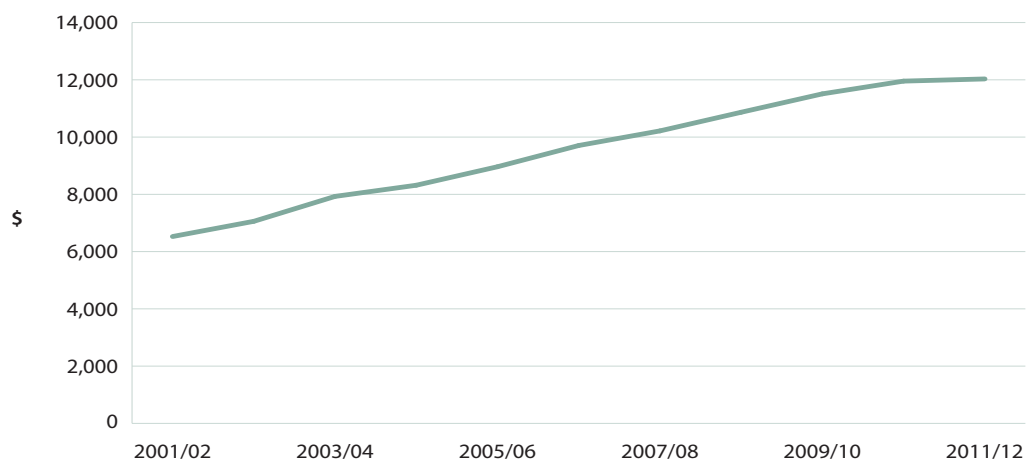
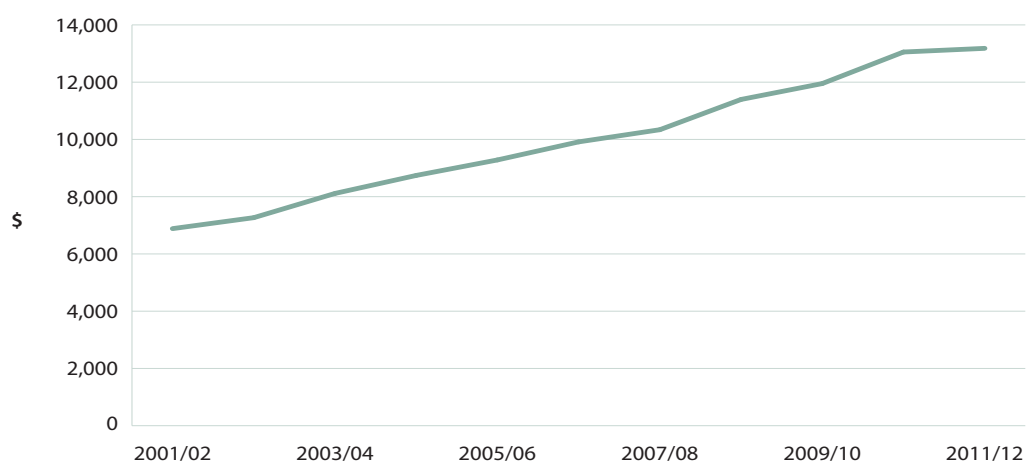
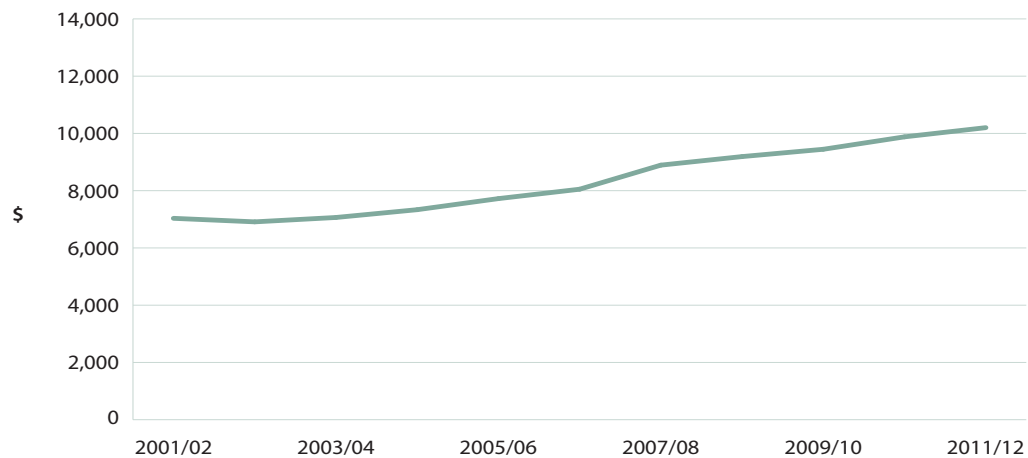
Figure A2.3**Per-pupil education spending in government schools: Nova Scotia****Figure A2.4****Per-pupil education spending in government schools: New Brunswick****Figure A2.5****Per-pupil education spending in government schools: Quebec**

Figure A2.6

Per-pupil education spending in government schools: Ontario

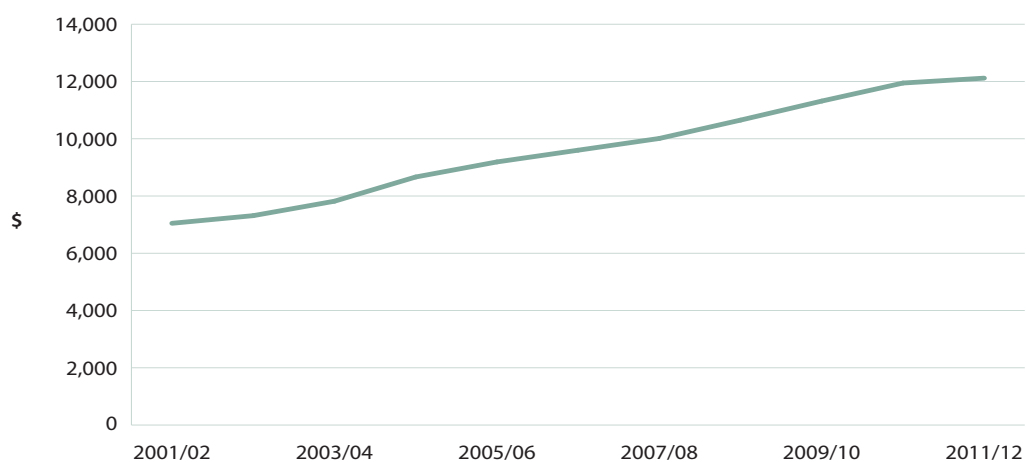


Figure A2.7

Per-pupil education spending in government schools: Manitoba



Figure A2.8

Per-pupil education spending in government schools: Saskatchewan

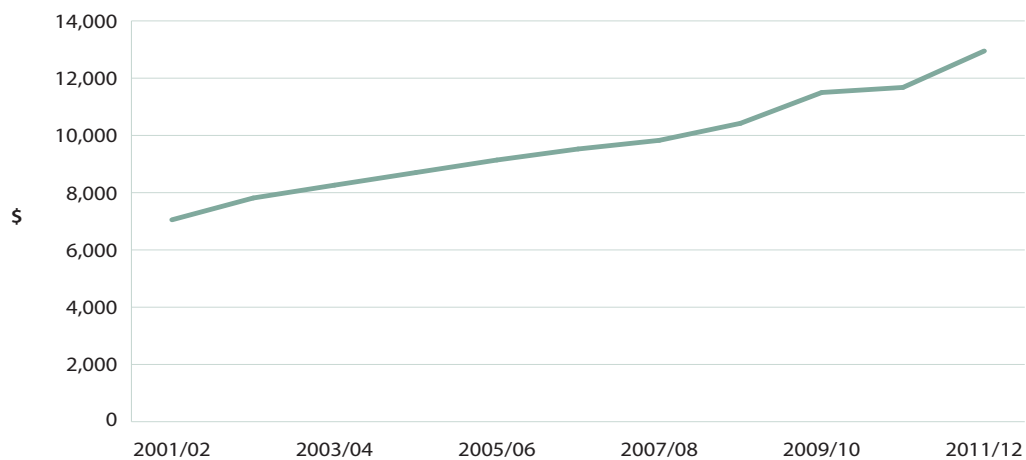
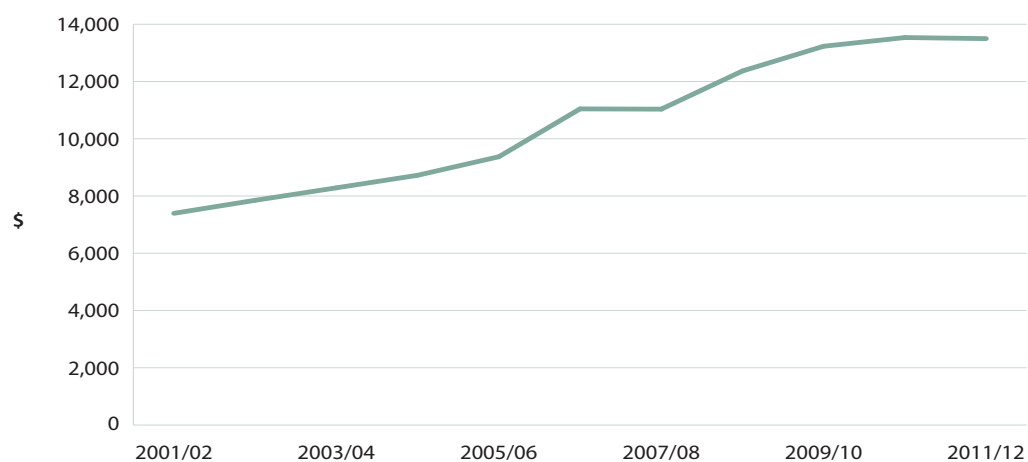
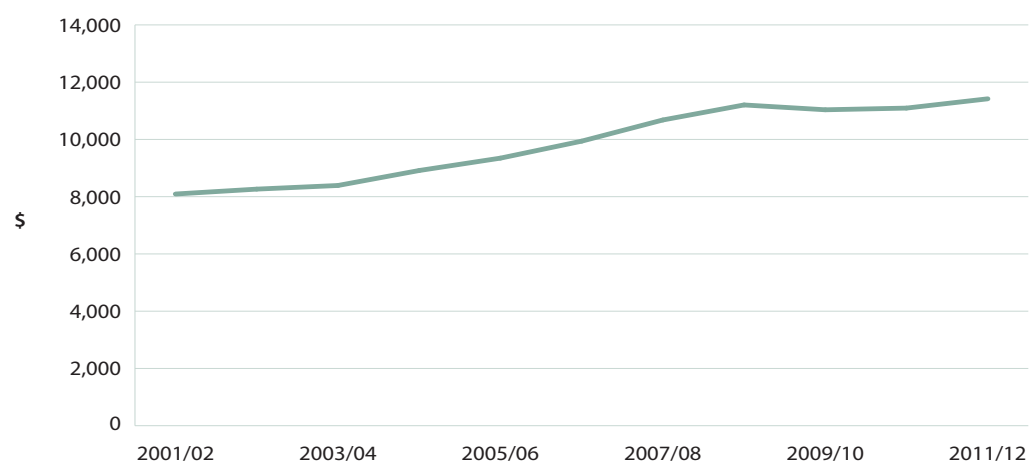


Figure A2.9**Per-pupil education spending in government schools: Alberta****Figure A2.10****Per-pupil education spending in government schools: British Columbia**

Appendix 3

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment

Figure A3.1

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Newfoundland & Labrador

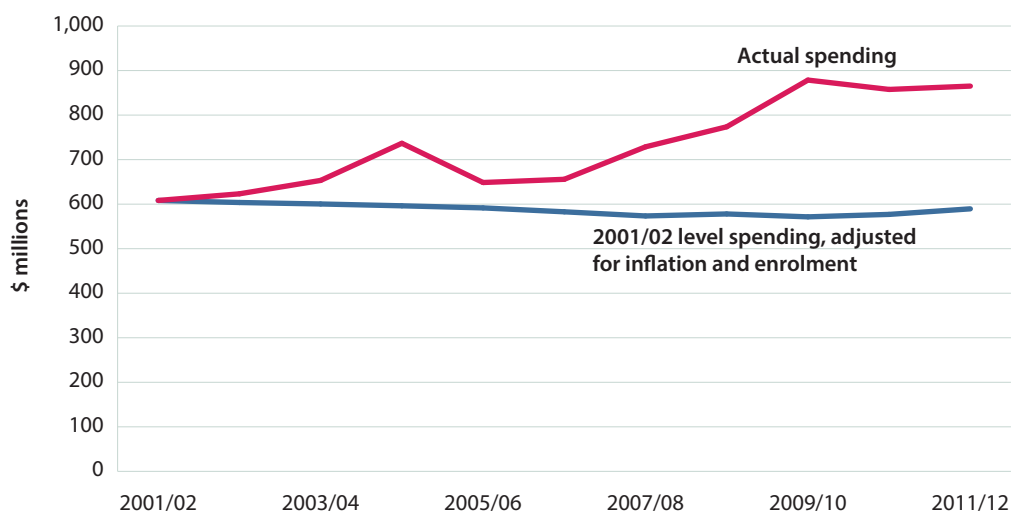


Figure A3.2

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Prince Edward Island

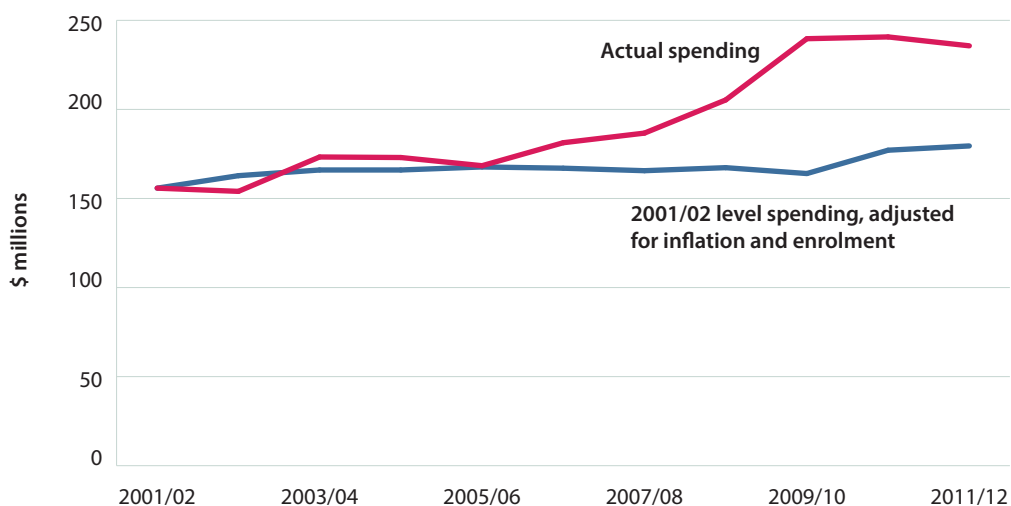
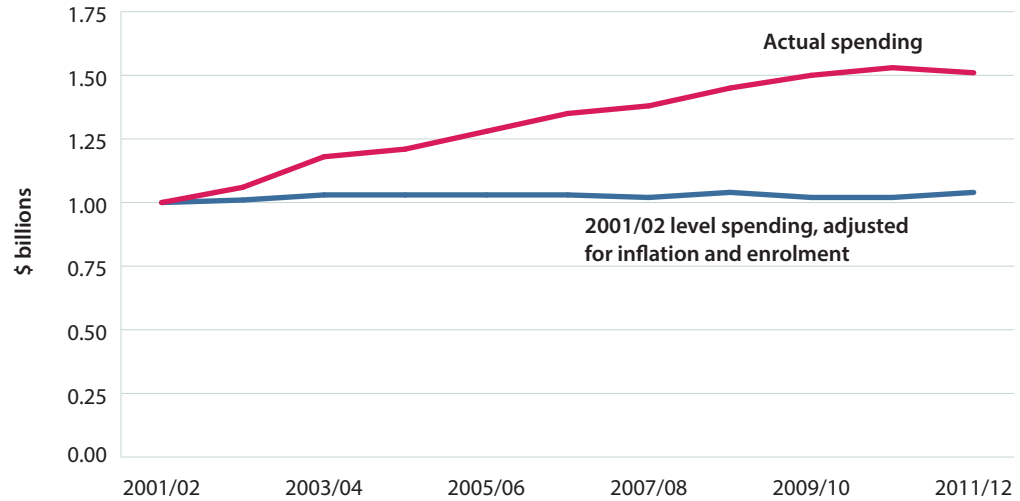


Figure A3.3

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Nova Scotia

**Figure A3.4**

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: New Brunswick

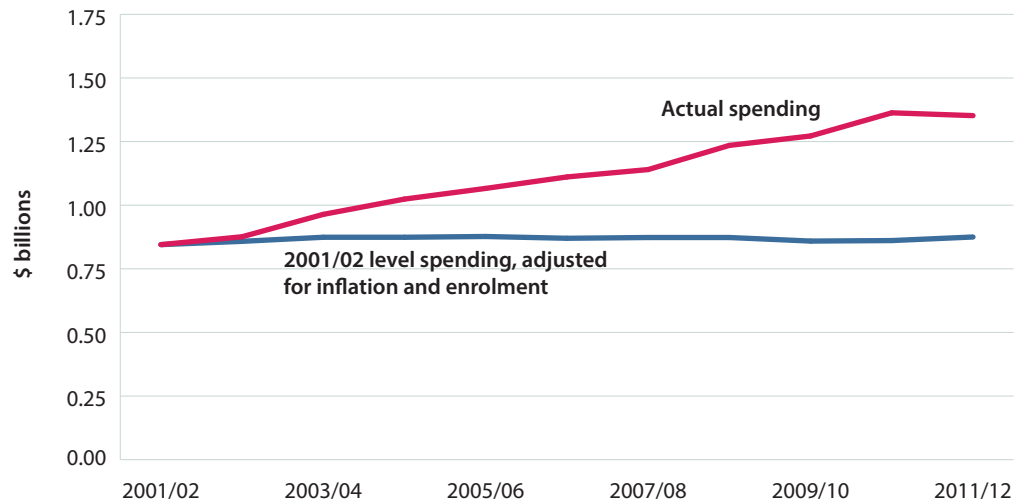


Figure A3.5

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Quebec

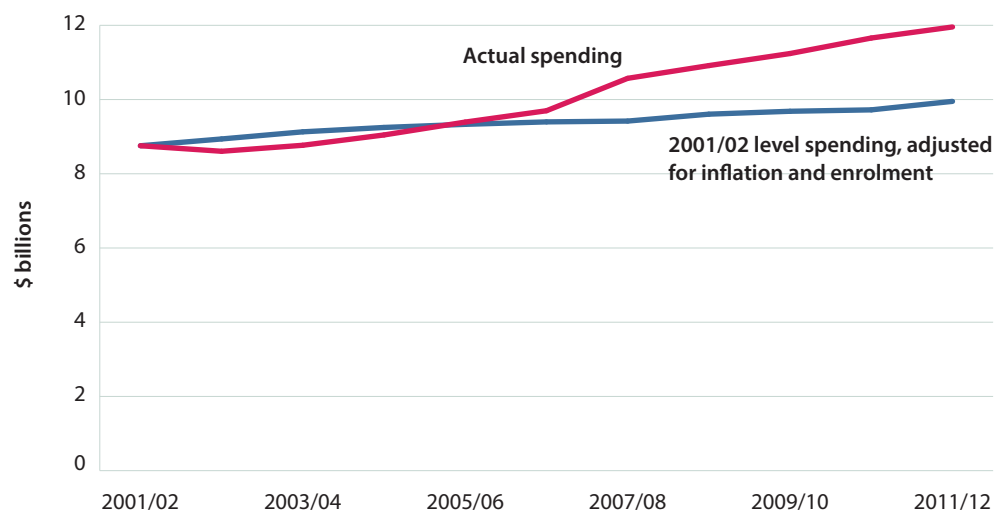


Figure A3.6

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Ontario

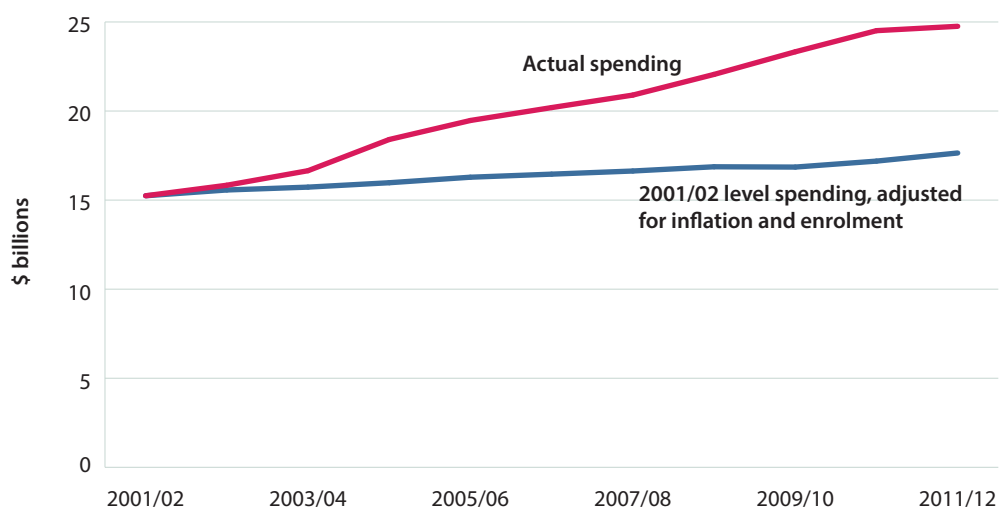
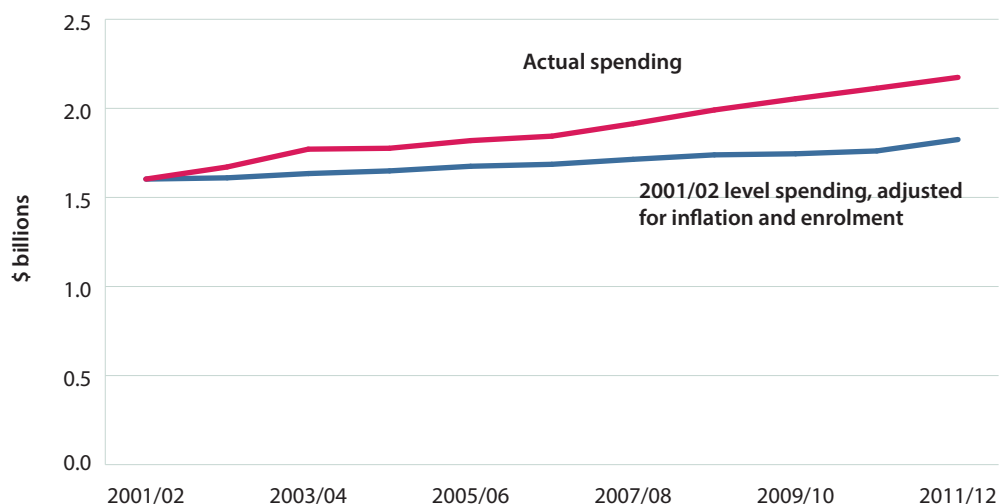


Figure A3.7

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Manitoba

**Figure A3.8**

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Saskatchewan

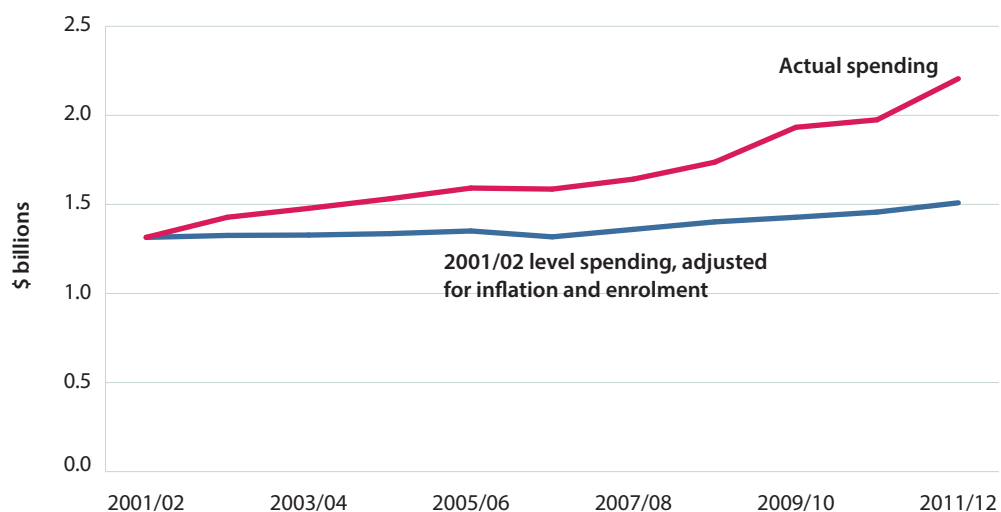


Figure A3.9

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: Alberta

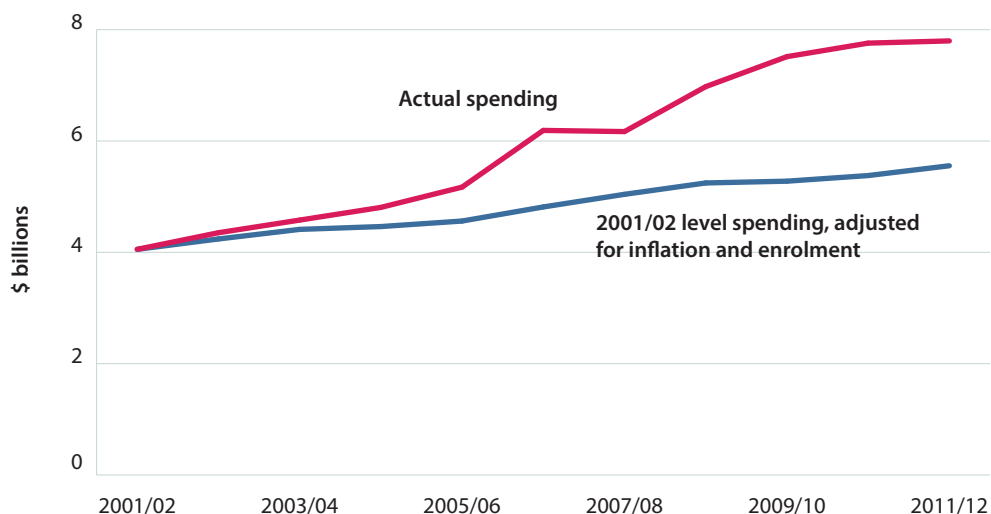
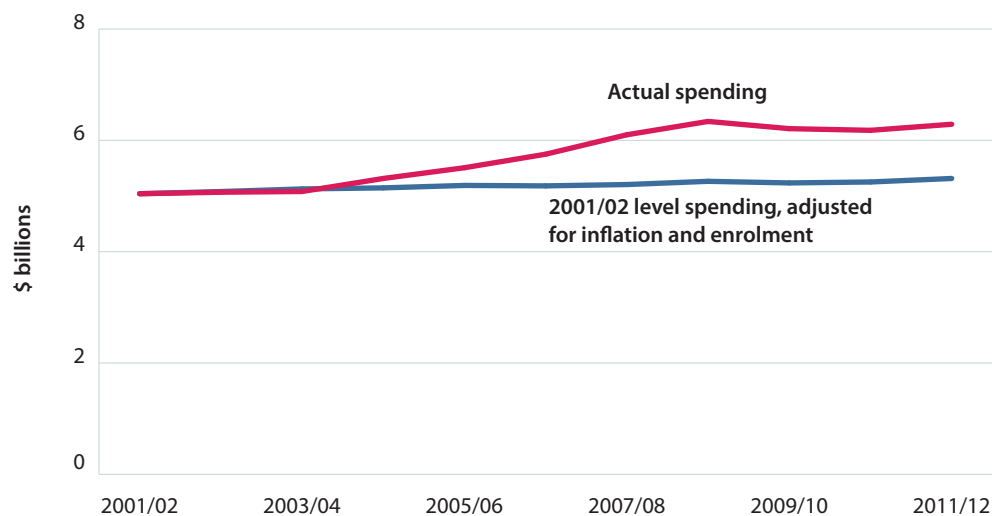


Figure A3.10

Education spending in government schools, actual versus 2001/02 level adjusted for inflation and enrolment: British Columbia



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