

Education Spending in Public Schools in Canada, 2021 Edition

by Tegan Hill, Nathaniel Li, and Joel Emes

This study examines changes in education spending on public schools in Canada from 2013/14 to 2017/18. It is clear from the data that from 2013/14 to 2017/18 Canada has increased education spending in public schools beyond what was required to account for enrolment and price changes—contrary to the general perception that education spending in public schools has been cut. Our results also indicate that compensation remains the largest and costliest aspect of education spending, and has contributed the largest portion to the growth in total education spending in Canada.

To provide an accurate assessment of education spending in Canada, we have taken into account the effects of enrolment and price changes (inflation). Student enrolment in public schools increased by 2.2% nationally from 2013/14 to 2017/18. Alberta (9.5%) and Saskatchewan (6.2%) saw the most significant increases in enrolment. In contrast, three out of four Atlantic Provinces saw a decrease in enrolment: Newfoundland & Labrador saw the largest decrease at 3.0% while in New Brunswick enrolment fell by 2.2% and in Nova Scotia enrolment fell by 1.7%.

After accounting for enrolment and adjusting for inflation, per-student spending saw an increase of 3.8% nationally from 2013/14 to 2017/18. Per-student spending (inflation-adjusted) increased in eight out of ten provinces. Nova Scotia saw the largest increase (15.2%), followed by British Columbia (7.6%) and Prince Edward Island (7.3%). Quebec and Ontario—the provinces with the highest total nominal spending—saw increases of 6.8% and 2.9%, respectively. Two provinces experienced a decline in real per-student spending—Newfoundland & Labrador and Alberta.

In 2017/18, annual spending on public-school education in Canada increased by \$2.8 billion more than was necessary to

account for changes in enrolment and inflation alone. If real per-student spending had remained constant from 2013/14 to 2017/18, total spending would have been 3.9% lower. In all provinces except Newfoundland & Labrador and Alberta, total spending exceeded the amount necessary to account for enrolment and inflation changes.

In 2017/18, Nova Scotia saw the largest percentage difference—13.6%—between actual spending and the level of spending that would be needed to offset enrolment and price changes alone. British Columbia (8.6%) and Prince Edward Island (7.5%) also saw spending increase significantly more than would be necessary to account for these factors.

Compensation (salaries, wages, fringe benefits, and pensions) contributed the most to the total growth in spending from 2013/14 to 2017/18. Specifically, spending on compensation increased from \$46.5 billion (2013/14) to \$52.5 billion (2017/18). This is the equivalent of a 12.8% increase in compensation spending. Salaries and wages increased by 12.1%, from \$37.1 billion in 2013/14 to \$41.6 billion in 2017/18, and accounted for 75.2% of the overall compensation increase. However, as a share of total education spending in public schools, salaries and wages declined slightly from 58.9% in 2013/14 to 58.4% in 2017/18.

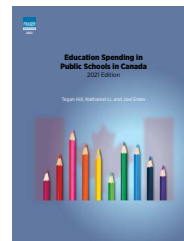
EXECUTIVE SUMMARY

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Fringe benefits saw the highest growth out of all compensation categories, increasing from \$5.8 billion (2013/14) to \$6.7 billion (2017/18)—an increase of 16.0%. As a share of total education spending in public schools, fringe benefits increased slightly from 9.2% in 2013/14 to 9.4% in 2017/18. Pension costs also saw substantial growth, increasing from \$3.6 billion (2013/14) to \$4.1 billion (2017/18). As with fringe benefits, the portion of total education spending allocated to pension costs increased slightly from 5.7% in 2013/14 to 5.8% in 2017/18. Capital spending saw the highest growth rate of any spending category from 2013/14 to 2017/18—an increase of 18.0%. In dollar terms, capital spending increased from \$5.2 billion to \$6.1 billion during this time period. As a share of total spending, capital spending increased from 8.2% in 2013/14 to 8.6% in 2017/18.

The data clearly show that there has been an increase in education spending in Canada. Education spending has increased by more than necessary to offset the effects of growth in enrolment and inflation, equating to billions of dollars in additional spending. This is contrary to the general perception that education spending in public schools has been cut.



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