

Education Spending in Public Schools in Canada, 2020 edition

by Tegan Hill, Nathaniel Li, and Joel Emes

This study reviews the change in education spending on public schools in Canada from 2012/13 to 2016/17. It has two main parts. First, we review the changes in education spending over the past five years, accounting for the effects of enrolment and inflation. Second, this study reviews the components of education spending in Canada, both provincially and nationally (where national data includes the provinces and territories).

To accurately assess education spending in Canada, the effects of enrolment and price changes (inflation) must be considered. Student enrolment in public schools increased by 1.4 percent nationally from 2012/13 to 2016/17. Alberta and Saskatchewan saw the most significant increases in enrolment at 10.3 and 6.5 percent, respectively. Six out of ten provinces, however, experienced a decline in enrolment. Nova Scotia and New Brunswick saw the largest declines in enrolment at 3.3 and 3.2 percent, respectively.

After accounting for enrolment and adjusting for inflation, per-student spending saw an increase of 2.9 percent nationally, from 2012/13 to 2016/17. Per-student spending (inflation-adjusted) increased in seven out of ten provinces. Prince Edward Island saw the largest increase (8.3 percent), followed by Nova Scotia (7.1 percent) and Manitoba (6.6 percent). Quebec and Ontario—the provinces with the highest total nominal spending—saw increases of approximately 3 percent. Only three provinces experienced a decline in real

per-student spending—Newfoundland & Labrador, Saskatchewan, and British Columbia.

In 2016/17, annual public school education spending in Canada increased by \$2.3 billion more than was necessary to account for enrolment and inflation changes alone. If real per-student spending had remained constant from 2012/13 to 2016/17, total spending would have been 3.4 percent lower. In all provinces except for Newfoundland & Labrador and Saskatchewan, total spending exceeded the amount necessary to account for enrolment and inflation changes.

In 2016/17, Prince Edward Island saw the largest percentage difference between actual spending and the level of spending that would be needed to offset enrolment and price changes alone, at 7.5 percent. Nova Scotia and Manitoba also saw spending increase significantly more than would be necessary to account for these factors, at 6.6 and 5.6 percent respectively.

Compensation (salaries, wages, fringe benefits, and pensions) contributed the most to the total growth in spending from 2012/13 to 2016/17. Specifically, compensation spending increased from \$45.6 billion (2012/13) to \$50.4 billion

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(2016/17). This is the equivalent of a 10.5 percent increase in compensation spending. Salaries and wages increased by 9.3 percent, from \$36.7 billion in 2012/13 to \$40.1 billion in 2016/17, and accounted for 71.1 percent of the overall compensation increase. However, as a share of total education spending in public schools, salaries and wages declined slightly from 59.7 percent in 2012/13 to 58.9 in 2016/17.

Pension costs saw the highest growth out of all compensation categories, increasing from \$3.4 billion (2012/13) to \$4.0 billion (2016/17)—an increase of 18.3 percent. As a share of total education spending in public schools, pension costs increased slightly from 5.5 percent in 2012/13 to 5.9 percent in 2016/17.

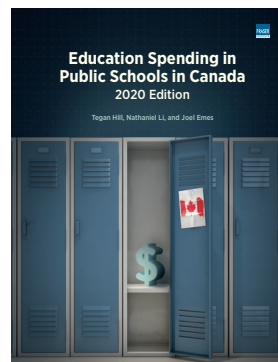
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Fringe benefits also saw substantial growth, increasing from \$5.5 billion (2012/13) to \$6.2 billion (2016/17). Similar to pension costs, the portion of total education spending on fringe benefits increased slightly from 8.9 percent in 2012/13 to 9.1 percent 2016/17.

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From 2012/13 to 2016/17, capital spending increased from \$4.9 billion to over \$6.0 billion, an increase of 22.3 percent.
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Capital spending saw the highest growth rate of any spending category from 2012/13 to 2016/17—an increase of 22.3 percent. In dollar terms, capital spending increased from \$4.9 billion to over \$6.0 billion during this time period. As a share of total spending, capital spending increased from 8.0 percent in 2012/13 to 8.9 percent in 2016/17.

The data clearly shows that there has been an increase in education spending in Canada. Education spending has increased by more than necessary to offset the effects of enrolment and inflation growth, 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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