

Education Spending in Public Schools in Canada

Fall 2021



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Executive Summary

This study examines changes in education spending on public schools in Canada from 2014/15 to 2018/19. It is clear from the data that Canada has increased education spending in public schools during this period beyond what was required to account for enrolment and inflation—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 of 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 3.2% nationally from 2014/15 to 2018/19. Alberta (7.7%) and Saskatchewan (5.5%) saw the most significant increases in enrolment. In contrast, half of the Atlantic Provinces saw a decrease in enrolment: Newfoundland & Labrador saw the largest decrease at 4.4% while in New Brunswick enrolment fell by 1.0%.

After accounting for enrolment and adjusting for inflation, per-student spending saw an increase of 2.6% nationally from 2014/15 to 2018/19. Per-student spending (inflation-adjusted) increased in seven of ten provinces. Nova Scotia saw the largest increase (9.2%), followed by Quebec (7.3%) and Prince Edward Island (5.1%). Ontario—the province with the highest total nominal spending—saw an increase of 2.8%. Three provinces experienced a decline in real per-student spending—Newfoundland & Labrador, Saskatchewan, and Alberta.

When capital expenditure—spending on physical infrastructure such as new schools—is removed, Canada’s per-student, inflation-adjusted spending increased by 1.7% between 2014/15 and 2018/19. Nova Scotia’s spending in this area increased at a higher percentage than that of the other nine provinces, at 9.7%. Three provinces’ inflation-adjusted per-student spending with capital excluded decreased over this time period: Saskatchewan decreased by 5.7%, Alberta by 5.3% and Newfoundland & Labrador by 4.8%.

In 2018/19, annual spending on public-school education in Canada increased by \$2.5 billion more than was necessary to account for changes in enrolment and inflation alone. If real per-student spending had remained constant from 2014/15 to 2018/19, total spending would have been 3.3% lower. In all provinces except Newfoundland & Labrador, Saskatchewan, and Alberta, total spending exceeded the amount necessary to account for enrolment and inflation changes.

In 2018/19, Nova Scotia saw the largest percentage difference—9.6%—between actual spending and the level of spending that would be needed to offset enrolment and price changes alone. Quebec (7.7%) and Prince Edward Island (6.6%) 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 2014/15 to 2018/19. Specifically, spending on compensation increased from \$47.8 billion (2014/15) to \$54.0 billion (2018/19). This

is the equivalent of a 13.0% increase in compensation spending. Salaries and wages increased by 12.7%, from \$38.1 billion in 2014/15 to nearly \$43.0 billion in 2018/19, and accounted for 77.6% of the overall compensation increase. However, as a share of total education spending in public schools, salaries and wages declined slightly from 59.1% in 2014/15 to 58.6% in 2018/19.

Fringe benefits saw the highest growth of all compensation categories, increasing from nearly \$6.0 billion (2014/15) to \$7.0 billion (2018/19)—an increase of 18.7%. As a share of total education spending in public schools, fringe benefits increased slightly from 9.2% in 2014/15 to 9.6% in 2018/19. Pension costs also saw substantial growth, increasing from \$3.8 billion (2014/15) to \$4.1 billion (2018/19). The portion of total education spending allocated to pension costs decreased slightly from 5.9% in 2014/15 to 5.5% in 2018/19. Capital spending saw the highest growth rate of any spending category from 2014/15 to 2018/19—an increase of 25.8%. In dollar terms, capital spending increased from \$5.2 billion to \$6.5 billion during this time period. As a share of total spending, capital spending increased from 8.0% in 2014/15 to 8.9% in 2018/19.

The data clearly show that there has been an increase in education spending in Canada. In some provinces, such as Alberta, capital spending (while still costing less than compensation overall) accounts for a notable portion of the growth in spending. In other provinces, such as Nova Scotia, the spending increases are almost entirely explained by increases to compensation. 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.

Introduction

This study aims to provide Canadians with an update on the state of public education in Canada by focusing on a key component—education spending in public schools. We review per-student education spending (inflation-adjusted) for both primary and secondary education (referred to as K–12) over five years, from 2014/15 to 2018/19. This study offers additional analysis not found in earlier reports, looking more closely at operational spending in K–12 education with capital expenditure removed.

History of the study

This study is an update to previous work, including Hill, Li, and Emes, 2021, 2019; MacLeod and Emes, 2019, 2017a, 2017b; and Clemens, Emes, and Van Pelt, 2016. Because of changes in methodology within a primary data source (Statistics Canada, 2021d, table 37-10-0066-01) in 2012/13, the period of analysis was reduced from ten to five years in the 2020 edition of this study. For more information, see Appendix A: Changes in Methodology and Period of Analysis (Hill, Li, and Emes, 2019: 24).

Organization of the study

There are two main parts to this paper. First, we review changes in education spending through time, accounting for student enrolment and inflation. Second, we review the components of education spending in Canada—provincially and nationally (national data includes both the provinces and the territories)—to develop a better understanding of the composition of spending increases. We conclude with an overview of our findings.

Education Spending and Enrolment in Public Schools

This part of the study is divided into six main sections. First, we review the increase in total education spending on public schools by province and nationally from 2014/15 to 2018/19. Second, we review enrolment in public schools by province and nationally, over the same period. Third, to adjust for enrolment changes, we calculate per-student spending using data from parts one and two. Section four adjusts the data for inflation (that is, price changes). Section five looks at operational education spending, with capital spending removed, to review the level of education spending in each province aside from spending on physical infrastructure and associated costs. Finally, section six reviews what the increase in education spending would be, if spending increased proportionally to enrolment and inflation only, to provide a clear comparison to the actual increase in spending.

1. Education spending on public schools

This section examines total education spending in public schools over the last five years (2014/15–2018/19). It is important to note that this measure is limited to spending on public schools rather than public education. As a result, government spending on independent schools in Quebec and the four Western provinces is excluded.

Second, Statistics Canada’s currently available data includes some small categories of revenue and spending that could be considered non-governmental and are difficult to remove. Specifically, “Fees & Other Private Sources” is included in the data series used in this study. The category includes rentals and leases, investment revenues, revenues from capital funds, other fees, revenues from trust accounts, inter-school transfers, and adjustments. These items represent a comparatively small amount of revenue and spending relative to the entire envelope of spending on public schools. However, it is important to recognize that the measure relied on for this study may include small amounts of private revenue and spending.

In addition, the dataset used in this study includes several categories of spending on public schools that are often ignored or purposefully excluded, such as spending on capital (mainly new school construction and/or renovations) and contributions to teachers’ pension plans. The definition of education spending used for this dataset is the following: “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” (Statistics Canada, 2021a).

Table 1 reviews education spending in public schools from 2014/15 to 2018/19. Figure 1 illustrates the increase in education spending over the same period by province. In total, education spending in Canada increased from \$64.5 billion in 2014/15 to \$73.3 billion in 2018/19. This represents a 13.7% increase in nominal spending, or \$8.9 billion.

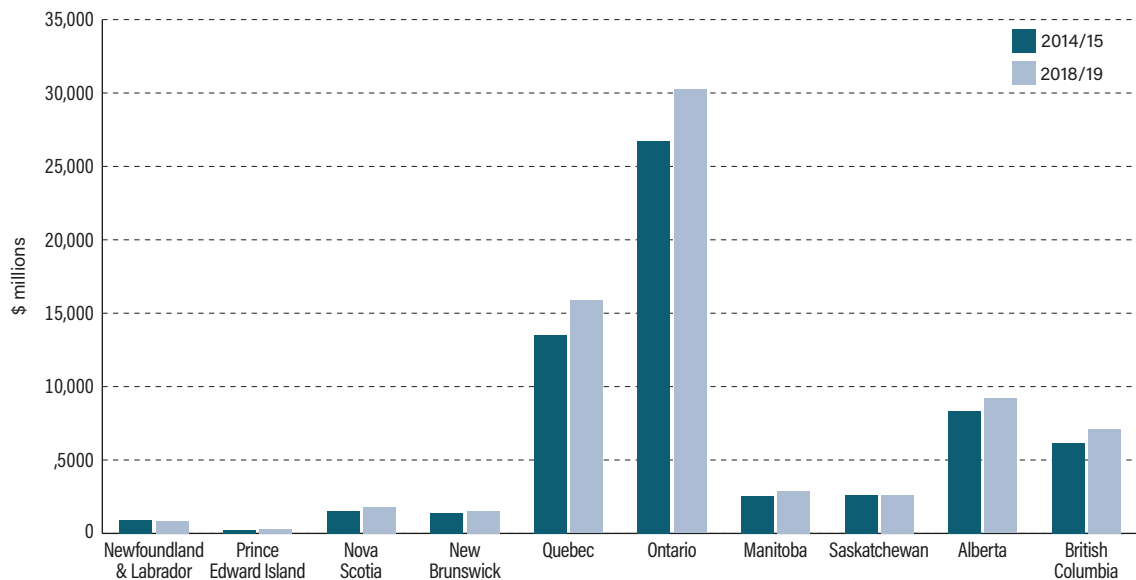
Table 1: Spending (\$ millions) on public schools, 2014/15 and 2018/19

	2014/15	2018/19	2014/15-2018/19	
			Nominal change	% change
Canada	64,481	73,346	8,865	13.7%
Newfoundland & Labrador	886	823	-62	-7.0%
Prince Edward Island	249	285	36	14.5%
Nova Scotia	1,532	1,798	266	17.4%
New Brunswick	1,368	1,516	148	10.8%
Quebec	13,503	15,864	2,361	17.5%
Ontario	26,758	30,242	3,484	13.0%
Manitoba	2,554	2,879	325	12.7%
Saskatchewan	2,593	2,611	18	0.7%
Alberta	8,332	9,188	855	10.3%
British Columbia	6,170	7,120	949	15.4%

Source: Statistics Canada, 2021d.

While Quebec and Ontario have the highest spending in dollar terms, Quebec saw the largest percentage increase in nominal spending at 17.5%. Nova Scotia followed closely behind with the second highest increase in spending at 17.4%. Every other province, except Newfoundland & Labrador and Saskatchewan, experienced a notable increase in education spending (more than 10%) from 2014/15 to 2018/19.

Figure 1: Spending (\$ millions) on public schools, by province, 2014/15 and 2018/19



Source: Statistics Canada, 2021d.

2. Enrolment in public schools

As noted by Van Pelt and Emes (2015), an analysis of spending on public schools is incomplete without consideration of enrolment. Any analysis of education spending that ignores enrolment risks materially misrepresenting the reality of education spending. An increase in aggregate education spending that is less than the increase in enrolment results in a decrease in spending per student on education. Alternatively, a reduction in education spending that is less than a reduction in enrolment results in an increase in per-student spending. It is therefore critical to consider changes in enrolment when reviewing education spending.

Table 2 includes enrolment in public schools across provinces and nationally, from 2014/15 to 2018/19. Nationally, enrolment increased by 3.2% from 2014/15 to 2018/19. In contrast, two of the four Atlantic provinces saw a decrease in enrolment: Newfoundland & Labrador saw the largest decrease at 4.4% while in New Brunswick enrolment fell by 1.0%. On the other hand, public-school enrolment in Alberta increased by 7.7% from 2014/15 to 2018/19. Saskatchewan saw the second highest increase during this time, at 5.5%. Quebec and Manitoba also experienced notable increases, while enrolment increased only modestly in British Columbia, Ontario, and Prince Edward Island. Enrolment in Nova Scotia's public schools was fairly flat over this period.

Table 2: Enrolment (number of students) in public schools, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	% change 2014/15–2018/19
Canada	5,052,069	5,068,569	5,117,307	5,159,925	5,212,905	3.2%
Newfoundland & Labrador	67,167	66,654	66,183	65,283	64,188	–4.4%
Prince Edward Island	19,938	19,713	20,007	20,187	20,361	2.1%
Nova Scotia	119,382	118,152	118,566	118,962	120,603	1.0%
New Brunswick	98,904	97,911	97,842	97,755	97,896	–1.0%
Quebec	1,187,103	1,196,667	1,210,677	1,216,797	1,231,077	3.7%
Ontario	2,003,238	1,993,431	2,006,700	2,020,245	2,040,480	1.9%
Manitoba	179,736	181,023	183,015	184,710	186,519	3.8%
Saskatchewan	174,747	177,243	180,696	182,643	184,413	5.5%
Alberta	625,680	640,872	652,272	665,877	673,788	7.7%
British Columbia	552,786	553,374	557,625	563,238	568,983	2.9%

Sources: Statistics Canada, 2021b, 2021e.

3. Spending per student in public schools

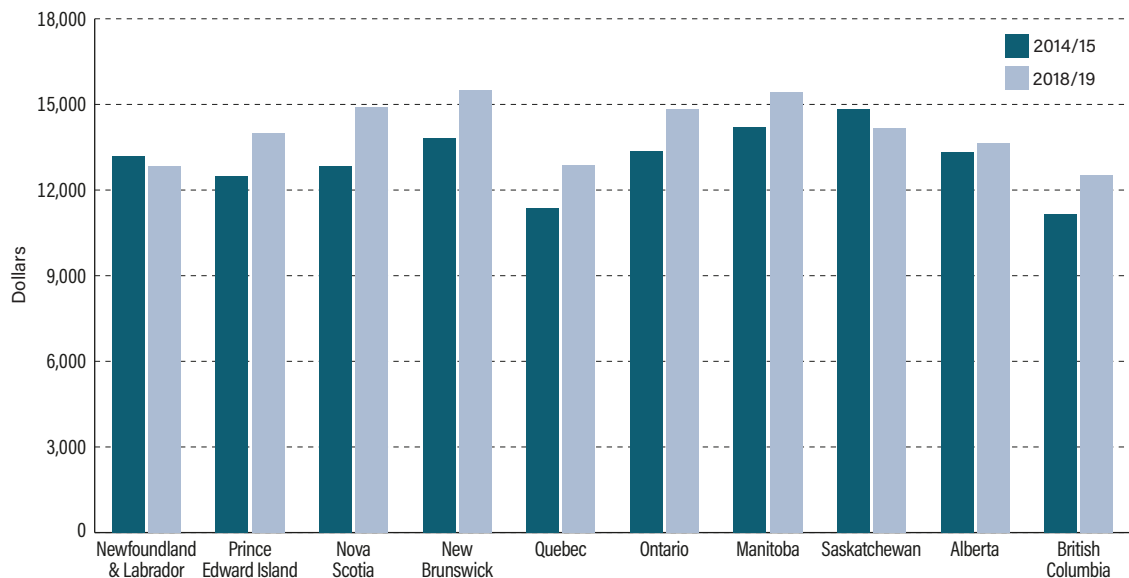
An increase in total enrolment in public schools means that the increase in per-student spending is lower than the simple aggregated spending presented previously. To account for changes in enrolment, it is useful to assess per-student spending. Table 3 presents per-student spending across provinces and nationally, from 2014/15 to 2018/19. Figure 2 illustrates per-student spending by province in 2014/15 and 2018/19.

Table 3: Spending (\$) per student in public schools, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	% change 2014/15–2018/19
Canada	12,763	13,140	13,315	13,798	14,070	10.2%
Newfoundland & Labrador	13,185	13,560	13,521	12,992	12,828	-2.7%
Prince Edward Island	12,492	12,429	12,621	13,752	14,008	12.1%
Nova Scotia	12,834	13,133	13,135	14,726	14,910	16.2%
New Brunswick	13,830	14,419	14,768	15,000	15,486	12.0%
Quebec	11,375	11,180	11,544	12,430	12,887	13.3%
Ontario	13,357	13,655	13,894	14,394	14,821	11.0%
Manitoba	14,210	14,528	14,734	14,815	15,434	8.6%
Saskatchewan	14,837	16,115	15,423	16,038	14,158	-4.6%
Alberta	13,317	14,551	14,456	13,923	13,636	2.4%
British Columbia	11,162	11,809	11,879	12,641	12,513	12.1%

Sources: Statistics Canada, 2021b, 2021d, 2021e.

Figure 2: Spending (\$) per student in public schools, by province, 2014/15 and 2018/19



Sources: Statistics Canada, 2021b, 2021d, 2021e.

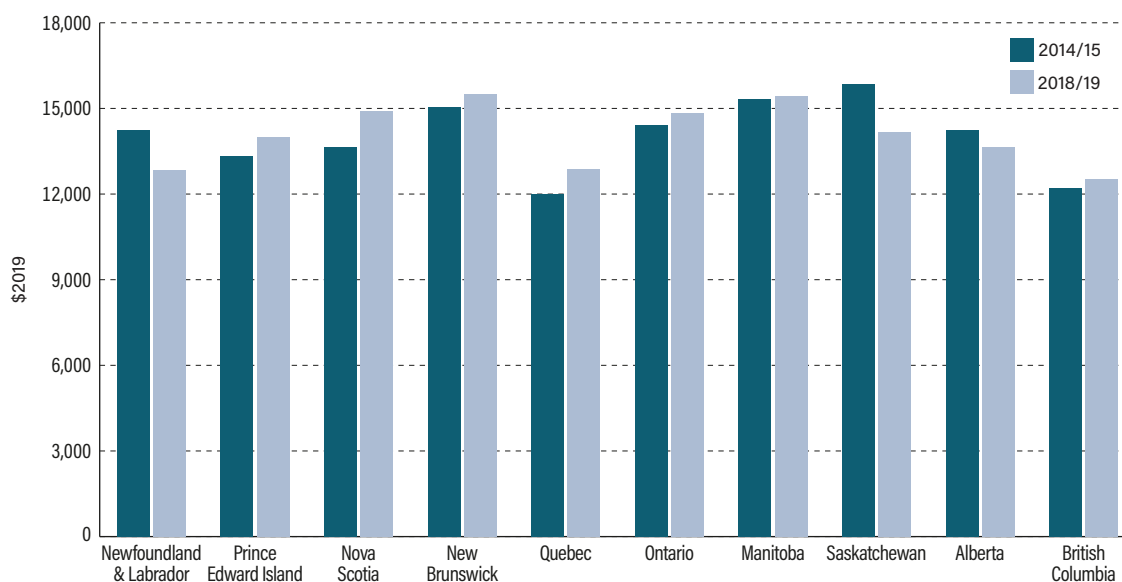
In total, Canada saw an increase in per-student spending of 10.2%. This is lower than the initially reported increase of 13.7% in aggregate spending because total enrolment increased by 3.2%. All provinces except Newfoundland & Labrador and Saskatchewan recorded increases in per-student spending in public schools from 2014/15 to 2018/19. As was the case in our most recent previous analysis, Nova Scotia saw the highest increase in per-student spending over this period, from \$12,834 to \$14,910, an increase of 16.2%. Quebec saw the next-highest increase in per-student spending, rising from \$11,375 to \$12,887, or 13.3%, over the period. Several other provinces saw a marked increase, including British Columbia (12.1%), Prince Edward Island (12.1%), New Brunswick (12.0%), and Ontario (11.0%). Saskatchewan recorded a decrease of 4.6% in per-student spending and per-student spending in Newfoundland & Labrador also decreased, by 2.7%.

4. Accounting for inflation

To avoid overstating changes in spending (or possibly understating them), it is important to factor in inflation. Inflation is the change in the general price level through time that affects the real or effective value of money. As a result, governments could well be spending more in nominal dollars on education over time but, if these increases were less than inflation, the real or effective level of spending would be decreasing. The reason for this seemingly counterintuitive result is that inflation erodes the value of money by making goods and services more expensive.

This section re-calculates per-student spending, adjusting for inflation (measured in real \$2019). Figure 3 and table 4 present the re-calculated numbers. Per-student spending adjusted for inflation (price changes) increased by 2.6% nationally from 2014/15

Figure 3: Spending (\$2019) per student in public schools, adjusted for price changes, by province, 2014/15 and 2018/19



Sources: Statistics Canada, 2021a, 2021b, 2020d, 2021e.

Table 4: Spending (\$2019) per student in public schools, adjusted for price changes, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	% change 2014/15–2018/19
Canada	13,711	13,918	13,887	14,067	14,070	2.6%
Newfoundland & Labrador	14,238	14,256	13,880	13,124	12,828	–9.9%
Prince Edward Island	13,323	13,104	13,066	13,914	14,008	5.1%
Nova Scotia	13,648	13,795	13,641	14,965	14,910	9.2%
New Brunswick	15,032	15,330	15,343	15,258	15,486	3.0%
Quebec	12,014	11,723	11,980	12,690	12,887	7.3%
Ontario	14,416	14,476	14,484	14,660	14,821	2.8%
Manitoba	15,330	15,479	15,445	15,147	15,434	0.7%
Saskatchewan	15,869	17,054	16,054	16,318	14,158	–10.8%
Alberta	14,254	15,401	15,067	14,171	13,636	–4.3%
British Columbia	12,203	12,678	12,487	12,936	12,513	2.5%

Sources: Statistics Canada, 2021a, 2021b, 2021d, 2020e.

to 2018/19. Put another way, after accounting for the effects of enrolment and price changes, Canada saw an increase in spending of \$359 per student over this time frame. Nova Scotia saw the highest percentage increase at 9.2%, or an additional \$1,262 per student. There were also marked increases in inflation-adjusted, per-student spending in Quebec (7.3%) and Prince Edward Island (5.1%). Three provinces saw a decrease in inflation-adjusted, per-student spending: Saskatchewan, Newfoundland & Labrador, and Alberta. Saskatchewan saw a decrease of 10.8%, Newfoundland & Labrador, a decrease of 9.9%, and Alberta, a decrease of 4.3%, from 2014/15 to 2018/19.

For all provinces (and nationally), the percentage increases in per-student spending in table 4 are less than those in table 3, which did not account for the effects of inflation. It is notable, however, that, after adjusting for changes in enrolment and price levels, per-student spending still increased in seven of the ten provinces.

5. Education spending excluding capital expenditure

Capital spending on education accounts for the construction of new schools and any upgrades to existing school facilities, plus the associated debt. Some provinces incur higher capital expenses as a result of increasing enrolment, as they build new schools to accommodate new students. For this reason, this paper reviews per-student education spending with capital removed—that is, per-student operational education spending—to give a clearer picture of the day-to-day costs such as teacher and staff compensation, without the cost of building or renovating schools.

Table 5 presents inflation-adjusted per-student operational spending, with capital spending removed, across provinces and nationally, from 2014/15 to 2018/19. Figure 4 illustrates inflation-adjusted operational spending per student, with capital spending removed, by province in 2014/15 and 2018/19.

Table 5: Operational spending¹ (\$2019) per student in public schools, adjusted for price changes, 2014/15 to 2018/19

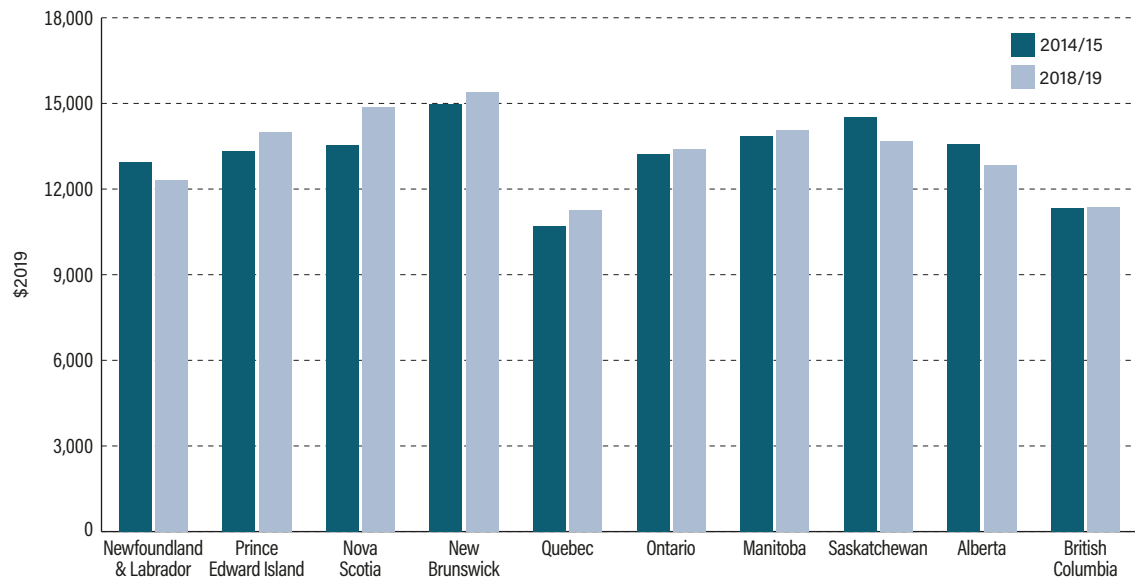
	2014/15	2015/16	2016/17	2017/18	2018/19	% change 2014/15–2018/19
Canada	12,613	12,687	12,656	12,863	12,824	1.7%
Newfoundland & Labrador	12,953	13,047	12,701	12,663	12,327	–4.8%
Prince Edward Island	13,323	13,104	13,066	13,914	14,008	5.1%
Nova Scotia	13,548	13,711	13,549	14,888	14,864	9.7%
New Brunswick	14,973	15,242	15,268	15,184	15,410	2.9%
Quebec	10,686	10,489	10,773	11,277	11,259	5.4%
Ontario	13,208	13,303	13,181	13,409	13,387	1.4%
Manitoba	13,851	14,117	14,218	14,103	14,063	1.5%
Saskatchewan	14,518	14,370	14,197	13,820	13,697	–5.7%
Alberta	13,578	13,629	13,406	13,099	12,852	–5.3%
British Columbia	11,331	11,908	11,656	11,963	11,384	0.5%

Note 1: Operational spending excludes capital expenditure.

Sources: Statistics Canada, 2021a, 2021b, 2021c, 2021d, 2020e.

In total, Canada experienced an increase in per-student, inflation-adjusted operational spending of 1.7% between 2014/15 and 2018/19, or \$211 per student. After excluding capital spending, Nova Scotia's spending has increased at a higher percentage than the other nine provinces, at 9.7% over this time period, or \$1,316 per student. Three provinces' inflation-adjusted, per-student operational spending decreased over this time period: Saskatchewan decreased by 5.7%, Alberta by 5.3%, and Newfoundland & Labrador by 4.8%. The percentage increase from 2014/15 and 2018/19 after capital spending has been excluded is, for Nova Scotia, 0.5 percentage points higher than the spending shown in table 4, and for Manitoba, 0.9 percentage points higher. This indicates that operational spending is increasing more quickly than capital spending in the two provinces. Saskatchewan and Newfoundland & Labrador experienced a smaller percentage decrease in spending after capital spending was excluded, suggesting the decline in per-student capital spending is faster than the decrease in per-student operational spending from 2014/15 to 2018/19 for the two provinces.

Figure 4: Operational spending¹ (\$2019) per student in public schools, adjusted for price changes, by province, 2014/15 and 2018/19



Note 1: Operational spending excludes capital expenditures.

Sources: Statistics Canada, 2021a, 2021b, 2021c, 2021d, 2021e.

6. The increases in total spending in context

The changes in total inflation-adjusted, per-student education spending across the provinces are quite mixed, ranging from a decrease of 10.8% in Saskatchewan to an increase of 9.2% in Nova Scotia (table 4). It is important to provide context to determine how large or small the changes actually are. To do so, this section compares actual education spending to the spending expected when inflation and changes in enrolment are taken into account. This analysis is based on a counterfactual assumption wherein education spending is calculated for 2018/19 based on the per-student level observed in 2014/15, adjusted for changes in enrolment and inflation. In other words, this section compares actual aggregate spending on public schools in 2018/19 with what the total spending would have been if the levels of inflation-adjusted, per-student spending on public schools remained constant from 2014/15 to 2018/19.

Table 6 presents the actual and counterfactual (adjusted) spending in public schools for 2018/19, as well as the difference between these two values. The first column shows the actual level of spending on public schools. The second column, “Adjusted spending”, illustrates spending based on the counterfactual assumption, or what total education spending on public schools in 2018/19 would have been had the inflation-adjusted, per-student spending levels been maintained from the 2014/15 base year. Figure 5 illustrates the comparison across provinces.

Nationally, between 2014/15 to 2018/19, total education spending exceeded the amount required to account for changes in enrolment and inflation by \$2.5 billion. In percentage terms, if inflation-adjusted, per-student spending had remained constant over this period, actual spending in public schools in 2018/19 would have been 3.3% lower.

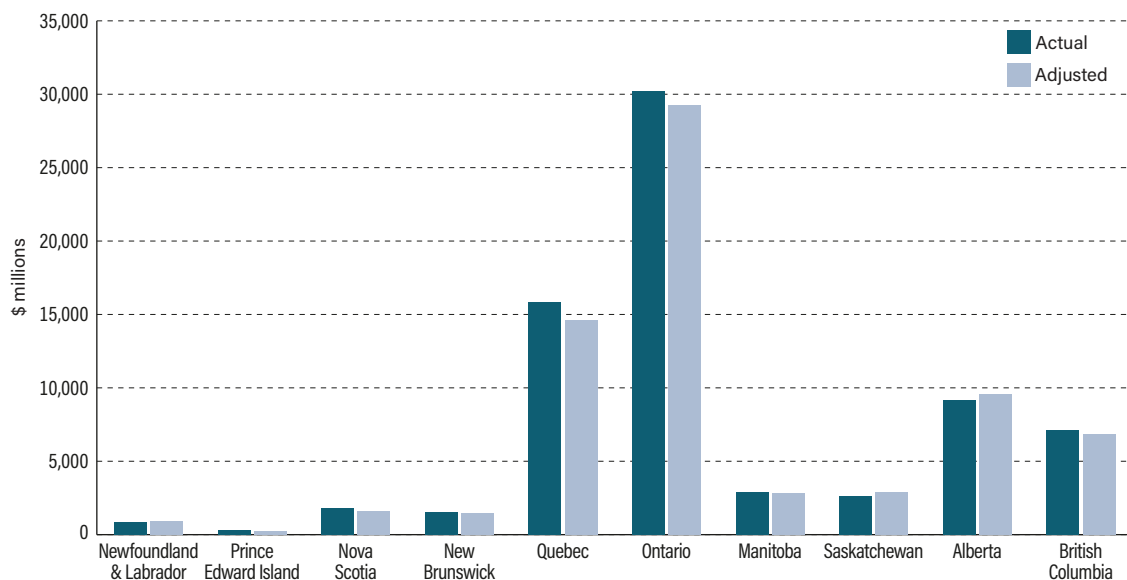
Table 6: Actual and adjusted spending (\$ millions) on public schools, 2018/19

	Actual spending	Adjusted spending	Difference	% difference
Canada	73,346	70,891	-2,455	-3.3%
Newfoundland & Labrador	823	909	86	10.4%
Prince Edward Island	285	266	-19	-6.6%
Nova Scotia	1,798	1,626	-172	-9.6%
New Brunswick	1,516	1,454	-62	-4.1%
Quebec	15,864	14,639	-1,225	-7.7%
Ontario	30,242	29,225	-1,016	-3.4%
Manitoba	2,879	2,830	-49	-1.7%
Saskatchewan	2,611	2,923	312	12.0%
Alberta	9,188	9,543	356	3.9%
British Columbia	7,120	6,859	-261	-3.7%

Sources: Statistics Canada, 2021a, 2021b, 2021d, 2021e.

Provincially, Nova Scotia's actual spending was the highest of any province relative to what would have been required to adjust for changes in enrolment and inflation: the province spent 9.6% (\$172 million) more in 2018/19. This counterfactual analysis confirms the fact that the increase in education spending has exceeded what is required to offset the effects of inflation and enrolment changes in all provinces except Saskatchewan, Newfoundland & Labrador, and Alberta over the last five years (2014/15–2018/19).

Figure 5: Actual and adjusted spending (\$ millions) on public schools, by province, 2018/19



Sources: Statistics Canada, 2021a, 2021b, 2020d, 2021e.

Understanding the Increases in Education Spending

This section extends the analysis of education spending in Canada to provide a more comprehensive review of the components of spending, provincially and nationally, from 2014/15 to 2018/19. Our analysis of education spending is based on data provided to Statistics Canada by provincial governments. While Statistics Canada’s data tables are an excellent resource for understanding education spending, there are weaknesses in the underlying provincially provided data. [1] One key challenge stems from the data definitions, which are established by the provinces themselves and not Statistics Canada. Definitional differences among provinces and changes to spending categories over time can affect the quality of the data.

After consultation with Statistics Canada, the authors developed three aggregated categories of education spending that offer the most reasonable balance between the possible variation in definitions among provinces, among other issues, and our aim to analyze changes within educational spending categories. The three aggregated categories of education spending are Compensation, Capital, and Other.

Compensation

Compensation includes the salaries, wages, and benefits of all school staff and direct contributions to the teachers’ pension funds. Employers’ pension contributions for non-teaching staff are included in “fringe benefits”.

Capital

Capital includes expenditures to buy a new asset or extend the life of an existing asset—constructing new buildings, expanding existing facilities, or making renovations—and debt charges on such spending.

Other

Other covers all other expenditures, including direct spending by the provincial government, supply and services, fees and contractual services, and other miscellaneous expenditures.

Table 7 shows the dollar value of aggregate education spending in public schools in Canada by spending category, the growth in spending for each category, and the contribution of each to total growth in spending in 2014/15 to 2018/19.

[1] For more information on the types of data collected by Statistics Canada and their relative strengths and weaknesses, see *Types of Data Collection* at <<https://www150.statcan.gc.ca/n1/edu/power-pouvoir/ch2/types/5214777-eng.htm>>.

Table 7: Allocation of spending (\$ millions) on education in Canada, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	47,839	74.2	54,077	73.7	6,238	70.4	13.0
<i>Salaries & Wages</i>	38,112	59.1	42,952	58.6	4,841	54.6	12.7
<i>Fringe Benefits</i>	5,955	9.2	7,069	9.6	1,114	12.6	18.7
<i>Pensions</i>	3,772	5.9	4,056	5.5	283	3.2	7.5
Capital	5,165	8.0	6,496	8.9	1,331	15.0	25.8
Other	11,476	17.8	12,773	17.4	1,296	14.6	11.3
Total	64,481		73,346		8,865		13.7

Sources: Statistics Canada, 2021c, 2021d.

Compensation

An overwhelming proportion of the increase was spent on compensation, the costs for which grew from \$47.8 billion in 2014/15 to \$54.1 billion in 2018/19, an increase of \$6.2 billion or 13.0%. The increase in compensation costs represents 70.4% of the total increase of \$8.9 billion in education spending in public schools between 2014/15 and 2018/19. It is important to understand how each of the three sub-categories contributed to the overall increase in spending on compensation.

Salaries and wages accounted for the largest share of growth in compensation spending at 77.6%. This spending category increased from \$38.1 billion in 2014/15 to nearly \$43.0 billion in 2018/19, an increase of 12.7%. As a share of total education spending in public schools, salaries and wages decreased slightly from 59.1% in 2014/15 to 58.6% in 2018/19.

Fringe benefits rose from nearly \$6.0 billion in 2014/15 to \$7.1 billion in 2018/19, a 18.7% increase. The increase in fringe benefits explains 17.9% of the overall increase in compensation spending. The cost of fringe benefits as a share of total education spending in public schools increased slightly from 9.2% in 2014/15 to 9.6% in 2018/19.

Pension costs increased over this time period, rising from \$3.8 billion in 2014/15 to \$4.1 billion in 2018/19, a 7.5% increase. This increase explains 4.5% of the overall increase in compensation costs. Pension costs as a share of total education spending on public schools decreased marginally, from 5.9% in 2014/15 to 5.5% in 2018/19.

Capital spending

Of the other major categories, capital spending saw the highest percentage rise over the time period, growing from \$5.2 billion in 2014/15 to \$6.5 billion in 2018/19, a 25.8% increase. Capital spending represents 15.0% (\$1.3 billion) of the overall increase in education spending (\$8.9 billion) in public schools. As a share of total education spending in public schools, capital spending rose from 8.0% in 2014/15 to 8.9% in 2018/19.

Other spending

Other spending recorded the smallest increase of any category of spending in public schools over this time period at 11.3%. As a share of total education spending, it declined slightly from 17.8% in 2014/15 to 17.4% in 2018/19.

Spending on pensions

Tables 8 to 13 provide more details about spending on pensions, fringe benefits, and capital investments in aggregate, both provincially and nationally. Table 8 contains the dollar value for contributions to teachers' pensions made by seven of the ten provincial governments in Canada, as well as the total contribution by these provincial governments, from 2014/15 to 2018/19. [2] Among the provinces for which data was available, Nova Scotia saw the fastest growth in contributions to teachers' pensions from 2014/15 to 2018/19, at a rate of 43.5%. [3] New Brunswick had the second highest growth rate in this category, at 27.6%, followed by Saskatchewan at 22.3%. [4]

Table 9 shows the annual growth in government contributions to teachers' pensions for Canada and the provinces. Across Canada, pension spending grew by 1.9% annually, on average, between 2014/15 and 2018/19. In line with total growth over the period, Nova Scotia experienced the highest average annual growth in contributions to teachers' pensions at 9.6%. New Brunswick saw the second highest average annual growth at 6.4%. All provinces with available data, other than Quebec, experienced positive average annual growth in spending on teacher pensions from 2014/15 to 2018/19.

Spending on fringe benefits

The growth in fringe benefits exceeded aggregate growth for total spending, at 18.7%. As shown in table 10, this represents an increase from nearly \$6.0 billion (2014/15) to \$7.1 billion (2018/19), or \$1.1 billion in additional spending. In nominal dollars, Ontario saw the largest increase in spending (\$598 million), followed by Quebec (\$152 million) and Nova Scotia (\$133 million) from 2014/15 to 2018/19. These three provinces accounted for 79.3% of the total increase in spending on fringe benefits in public schools in Canada. Ontario alone accounted for more than half of the total increase in spending on fringe benefits. All ten provinces saw an increase in nominal spending on fringe benefits from

[2] Newfoundland & Labrador, Prince Edward Island, and British Columbia do not have data available for the period analyzed. In the cases of Newfoundland & Labrador and British Columbia, this data appeared to be zero. In previous editions of this publication, pension spending was provided for both provinces but, because of the methodological changes undertaken by Statistics Canada, this data seems to be reallocated under spending on fringe benefits. However, Statistics Canada was unable to confirm these changes prior to release of this edition.

[3] The spending in this analysis includes only the employer portion of the pension contributions, not contributions to pensions made by the employees themselves.

[4] New Brunswick introduced a new teacher's pension plan in 2014 that ended special payments, which had averaged \$83 million over the previous decade.

Table 8: Spending (\$ millions) on teachers' pensions, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	Change	Share of change (%)	Growth (%)
Canada	3,772	3,913	4,013	4,145	4,056	283		7.5
Newfoundland & Labrador	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Prince Edward Island	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nova Scotia	64	72	82	91	92	28	9.9	43.5
New Brunswick	68	78	80	85	87	19	6.6	27.6
Quebec	792	769	776	864	751	-41	-14.5	-5.2
Ontario	1,531	1,601	1,643	1,666	1,678	147	52.1	9.6
Manitoba	167	183	189	192	195	28	9.9	16.8
Saskatchewan	302	337	361	361	370	67	23.8	22.3
Alberta	848	873	882	885	883	35	12.3	4.1
British Columbia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: "n/a" means that data are not available for a specific reference period.

Source: Statistics Canada, 2021d.

Table 9: Growth (%) in spending on teachers' pensions, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	Average annual growth (%)
Canada	n/a	3.7	2.6	3.3	-2.2	1.9
Newfoundland & Labrador	n/a	n/a	n/a	n/a	n/a	n/a
Prince Edward Island	n/a	n/a	n/a	n/a	n/a	n/a
Nova Scotia	n/a	12.9	13.5	11.2	0.7	9.6
New Brunswick	n/a	15.4	1.8	7.0	1.5	6.4
Quebec	n/a	-2.9	0.9	11.4	-13.1	-0.9
Ontario	n/a	4.6	2.7	1.4	0.7	2.3
Manitoba	n/a	9.4	3.7	1.1	1.8	4.0
Saskatchewan	n/a	11.3	7.3	0.0	2.3	5.2
Alberta	n/a	2.9	0.9	0.4	-0.2	1.0
British Columbia	n/a	n/a	n/a	n/a	n/a	n/a

Note: "n/a" means that data are not available for a specific reference period.

Source: Statistics Canada, 2021d.

Table 10: Spending (\$ millions) on fringe benefits, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	Change	Share of change (%)	Growth (%)
Canada	5,955	6,163	6,219	6,714	7,069	1,114		18.7
Newfoundland & Labrador	83	93	95	98	101	17	1.6	21.0
Prince Edward Island	33	34	34	35	36	3	0.3	8.5
Nova Scotia	100	112	93	233	233	133	12.0	133.2
New Brunswick	63	63	74	78	82	19	1.7	30.7
Quebec	920	917	959	1,016	1,072	152	13.7	16.6
Ontario	2,462	2,551	2,610	2,822	3,060	598	53.6	24.3
Manitoba	135	144	144	147	152	17	1.5	12.7
Saskatchewan	132	130	131	131	137	6	0.5	4.2
Alberta	1,056	1,106	1,114	1,142	1,140	84	7.5	8.0
British Columbia	923	964	914	965	1,000	78	7.0	8.4

Source: Statistics Canada, 2021c.

2014/15 to 2018/19. In terms of percentage increase, from 2014/15 to 2018/19, Nova Scotia experienced the highest growth in fringe benefits (133.2%). Saskatchewan had the lowest growth rate at 4.2%.

As shown in table 11, spending on fringe benefits nationally has grown consistently year over year, with the highest growth in 2017/18 at 8.0%. On a year-by-year basis, 2018/19 saw an increase of 5.3% in overall fringe-benefit spending in Canada. All provinces except Nova Scotia and Alberta saw a year over year increase in fringe-benefit spending in 2018/19, with Ontario experiencing the highest growth in fringe benefits at 8.4%. Besides Ontario, New Brunswick and Quebec also saw a year-over-year growth rate in spending on fringe benefits that exceeded the national average.

Capital spending

Capital spending has been increasing at a faster rate than any other category of education spending in public schools: this category of spending increased from \$5.2 billion in 2014/15 to \$6.5 billion in 2018/19, an increase of 25.8% (table 12). Ontario saw the largest increase in nominal dollars over the time period at \$684 million and alone accounted for over half (51.4%) of the total increase in capital spending in public schools in Canada. Quebec saw the second-largest increase in nominal dollars at \$512 million and accounts for the second largest share of total change in capital spending at 38.5%. The smallest nominal dollar increase over the period was in New Brunswick, with an increase of \$2.0 million.

Table 11: Growth (%) in spending on fringe benefits, 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	Average annual growth (%)
Canada	n/a	3.5	0.9	8.0	5.3	4.4
Newfoundland & Labrador	n/a	12.3	1.2	4.1	2.2	5.0
Prince Edward Island	n/a	2.6	-0.1	2.6	3.2	2.1
Nova Scotia	n/a	11.9	-17.1	151.4	0.0	36.5
New Brunswick	n/a	0.7	16.1	5.4	6.0	7.1
Quebec	n/a	-0.3	4.6	5.9	5.5	3.9
Ontario	n/a	3.6	2.3	8.1	8.4	5.6
Manitoba	n/a	6.6	0.1	1.8	3.8	3.1
Saskatchewan	n/a	-1.4	0.7	0.5	4.4	1.1
Alberta	n/a	4.7	0.8	2.5	-0.1	1.9
British Columbia	n/a	4.5	-5.2	5.6	3.6	2.1

Source: Statistics Canada, 2020d.

Table 12: Capital spending (\$ millions), 2014/15–2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19	Change	Share of change (%)	Growth (%)
Canada	5,165	5,891	6,042	6,095	6,496	1,331		25.8
Newfoundland & Labrador	80	77	76	30	32	-48	-3.6	-59.8
Prince Edward Island*								
Nova Scotia	11	9	10	9	6	-6	-0.4	-50.6
New Brunswick	5	8	7	7	7	2	0.2	37.1
Quebec	1,492	1,409	1,408	1,684	2,004	512	38.5	34.3
Ontario	2,243	2,206	2,509	2,481	2,926	684	51.4	30.5
Manitoba	246	231	214	189	256	9	0.7	3.8
Saskatchewan	221	450	322	448	85	-136	-10.2	-61.4
Alberta	395	1,073	1,039	701	528	133	10.0	33.7
British Columbia	441	397	441	535	642	202	15.2	45.7

Note * that there are no data reported for Prince Edward Island because the underlying values are too small.

Source: Statistics Canada, 2021c.

Newfoundland & Labrador, Nova Scotia, and Saskatchewan saw a decrease in capital spending from 2014/15 to 2018/19, falling by \$48.0 million (59.8%), \$6.0 million (50.6%), and \$136 million (61.4%), respectively. In this category, Saskatchewan adjusted to a lower spending level, after a period of higher spending, beginning in 2015/16. Saskatchewan experienced the second-highest enrolment growth of any province over this time period, while enrolment in Newfoundland & Labrador decreased and Nova Scotia's enrolment was relatively flat. By contrast, Nova Scotia's percentage increase in per-student, inflation-adjusted spending was the highest of any province over this time period. In other words, the \$6.0 million decline in Nova Scotia's capital spending suggests the significant increases in overall education spending can be explained by operational expenditures and not capital spending—in fact, 97.7% of the province's increase in spending over this time period was on compensation alone (table A3).

In terms of percentage change, on average, capital spending for Canada has grown by 6.0% annually since 2013/14 (table 13). Alberta experienced a year-over-year decrease in capital spending since 2016/17, yet the spike of a 171.6% increase in 2015/16 still make it the province with the highest average annual growth rate over the period at 27.8%, followed by British Columbia at 10.6% and New Brunswick at 10.4%. Newfoundland & Labrador (−14.5%) and Nova Scotia (−14.3%) had negative average annual growth in capital spending.

There is a high degree of variability in the annual growth rates both among provinces and within each province over time. Each province has experienced a decline in capital spending in at least one year and yet many have experienced significant growth in other years. Alberta has seen the greatest variability across years, with an annual growth of 171.6% in 2015/16, and a decrease of 32.5% in 2017/18.

Table 13: Growth (%) in capital spending, 2014/15–2018/19

	2013/14	2014/15	2015/16	2016/17	2017/18	Average annual growth (%)
Canada	n/a	14.0	2.6	0.9	6.6	6.0
Newfoundland & Labrador	n/a	−4.1	−0.9	−60.8	7.8	−14.5
Prince Edward Island*						
Nova Scotia	n/a	−15.7	10.8	−13.4	−38.9	−14.3
New Brunswick	n/a	49.3	−12.9	1.1	4.3	10.4
Quebec	n/a	−5.6	0.0	19.6	19.0	8.2
Ontario	n/a	−1.7	13.8	−1.1	18.0	7.2
Manitoba	n/a	−6.1	−7.4	−11.9	35.5	2.5
Saskatchewan	n/a	103.6	−28.3	39.1	−81.0	8.4
Alberta	n/a	171.6	−3.2	−32.5	−24.7	27.8
British Columbia	n/a	−10.0	11.1	21.5	20.0	10.6

Note * that there are no data reported for Prince Edward Island because the underlying values are too small.

Source: Statistics Canada, 2021c.

Conclusion

It is clear from the data presented that from 2014/15 to 2018/19 Canada has increased education spending in public schools beyond what was required to account for enrolment and price changes. This means there was a real increase in per-student spending in public schools in Canada, which is contrary to the general perception that education spending in public schools has been cut. Our results 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. Capital spending has also seen substantial increase over the years and has grown as a share of overall spending.

Appendix: Allocation of Spending, by Province

Table A1: Allocation of spending (\$ millions) on education in Newfoundland & Labrador, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	660	75.9	651	80.0	–9	16.5	–1.4
<i>Salaries & Wages</i>	577	66.3	550	67.7	–27	47.1	–4.7
<i>Fringe Benefits</i>	83	9.6	101	12.4	17	–30.6	21.0
<i>Pensions</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital	80	9.2	32	3.9	–48	83.7	–59.8
Other	130	15.0	130	16.0	0	–0.2	0.1
Total	870		813		–57		–6.6

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A2: Allocation of spending (\$ millions) on education in Prince Edward Island, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	193	78.2	215	76.4	22	64.1	11.6
<i>Salaries & Wages</i>	160	64.8	180	63.8	20	56.1	12.2
<i>Fringe Benefits</i>	33	13.3	36	12.7	3	8.0	8.5
<i>Pensions</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other	54	21.8	66	23.6	12	35.9	23.2
Total	247		282		35		14.1

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A3: Allocation of spending (\$ millions) on education in Nova Scotia, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	1,091	72.8	1,346	76.5	255	97.7	23.4
<i>Salaries & Wages</i>	927	61.8	1,021	58.0	94	36.0	10.1
<i>Fringe Benefits</i>	100	6.7	233	13.3	133	51.0	133.2
<i>Pensions</i>	64	4	92	5.2	28	10.7	43.5
Capital	11	0.7	6	0.3	–6	–2.2	–50.6
Other	397	26.5	408	23.2	12	4.4	2.9
Total	1,499		1,760		261		17.4

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A4: Allocation of spending (\$ millions) on education in New Brunswick, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	912	66.7	1,038	68.5	126	85.1	13.8
<i>Salaries & Wages</i>	781	57.1	870	57.4	88	59.4	11.3
<i>Fringe Benefits</i>	63	4.6	82	5.4	19	13.0	30.7
<i>Pensions</i>	68	5	87	5.7	19	12.6	27.6
Capital	5	0.4	7	0.5	2	1.3	37.1
Other	450	32.9	470	31.0	20	13.5	4.5
Total	1,368		1,516		148		10.8

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A5: Allocation of spending (\$ millions) on education in Quebec, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	9,471	70.1	11,026	69.5	1,555	65.9	16.4
<i>Salaries & Wages</i>	7,760	57.5	9,204	58.0	1,444	61.2	18.6
<i>Fringe Benefits</i>	920	6.8	1,072	6.8	152	6.5	16.6
<i>Pensions</i>	792	6	751	4.7	–41	–1.7	–5.2
Capital	1,492	11.0	2,004	12.6	512	21.7	34.3
Other	2,540	18.8	2,834	17.9	294	12.5	11.6
Total	13,503		15,864		2,361		17.5

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A6: Allocation of spending (\$ millions) on education in Ontario, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	20,541	76.8	22,991	76.0	2,450	70.3	11.9
<i>Salaries & Wages</i>	16,548	61.8	18,252	60.4	1,705	48.9	10.3
<i>Fringe Benefits</i>	2,462	9.2	3,060	10.1	598	17.2	24.3
<i>Pensions</i>	1,531	6	1,678	5.5	147	4.2	9.6
Capital	2,243	8.4	2,926	9.7	684	19.6	30.5
Other	3,974	14.9	4,324	14.3	350	10.1	8.8
Total	26,758		30,242		3,484		13.0

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A7: Allocation of spending (\$ millions) on education in Manitoba, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	1,937	75.8	2,208	76.7	271	83.4	14.0
<i>Salaries & Wages</i>	1,635	64.0	1,861	64.6	226	69.5	13.8
<i>Fringe Benefits</i>	135	5.3	152	5.3	17	5.3	12.7
<i>Pensions</i>	167	7	195	6.8	28	8.6	16.8
Capital	246	9.6	256	8.9	9	2.9	3.8
Other	370	14.5	415	14.4	44	13.7	12.0
Total	2,554		2,879		325		12.7

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A8: Allocation of spending (\$ millions) on education in Saskatchewan, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	1,866	72.0	2,009	76.9	143	783.1	7.7
<i>Salaries & Wages</i>	1,432	55.2	1,502	57.5	70	384.6	4.9
<i>Fringe Benefits</i>	132	5.1	137	5.3	6	30.1	4.2
<i>Pensions</i>	302	12	370	14.2	67	368.4	22.3
Capital	221	8.5	85	3.3	-136	-742.0	-61.4
Other	506	19.5	517	19.8	11	58.9	2.1
Total	2,593		2,611		18		0.7

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A9: Allocation of spending (\$ millions) on education in Alberta, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	6,353	76.2	7,053	76.8	700	81.9	11.0
<i>Salaries & Wages</i>	4,448	53.4	5,029	54.7	581	68.0	13.1
<i>Fringe Benefits</i>	1,056	12.7	1,140	12.4	84	9.8	8.0
<i>Pensions</i>	848	10	883	9.6	35	4.1	4.1
Capital	395	4.7	528	5.7	133	15.6	33.7
Other	1,585	19.0	1,607	17.5	22	2.6	1.4
Total	8,332		9,188		855		10.3

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

Table A10: Allocation of spending (\$ millions) on education in British Columbia, 2014/15–2018/19

	2014/15		2018/19		2014/15–2018/19		
	Spending (\$ millions)	Share of total (%)	Spending (\$ millions)	Share of total (%)	Change (\$ millions)	Share of change (%)	Growth (%)
Compensation	4,463	72.3	5,146	68.4	683	50.6	15.3
<i>Salaries & Wages</i>	3,540	57.4	4,145	55.1	606	44.8	17.1
<i>Fringe Benefits</i>	923	15.0	1,000	13.3	78	5.7	8.4
<i>Pensions</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital	441	7.1	642	8.5	202	14.9	45.7
Other	1,267	20.5	1,733	23.0	466	34.5	36.8
Total	6,170		7,521		1,351		21.9

Note: The value for Total may not match the value in table 1 because of a lack of details on “Special education expenditures on public education” and “Private elementary and secondary school expenditures”.

Sources: Statistics Canada, 2021c, 2021d.

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Acknowledgments

The authors wish to thank the Lotte & John Hecht Memorial Foundation for its generous support of this project. They also thank the anonymous reviewers of early drafts of this paper. Any errors and omissions are the sole responsibility of the authors. As the researchers worked independently, the views and conclusions expressed in this paper do not necessarily reflect those of the Board of Directors of the Fraser Institute, the staff, or supporters.

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ISBN

978-0-88975-664-9

Citation

Paige MacPherson, Joel Emes, and Nathaniel Li (2021). *Education Spending in Public Schools in Canada, Fall 2021*. Fraser Institute. <<http://www.fraserinstitute.org>>.

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