



INDICATORS PART IV

Expenditure for Education

PUBLIC SCHOOL TEACHERS' SALARIES

Key Findings: England, France, Germany, Italy, Japan, Scotland, United States

The United States paid the second highest average starting salary to public school teachers at both the primary and upper secondary levels with minimum training. Only Germany reported a higher average starting salary for teachers at these education levels with minimum training.

International comparisons of public school teachers' salaries can be used to examine how teacher compensation varies across countries. This indicator presents a cross-country comparison of the average salaries of teachers at two points in their careers: (1) starting salaries of full-time teachers with the minimum training necessary to be fully qualified at the beginning of their teaching careers and (2) average salaries of full-time teachers with the minimum training necessary to be fully qualified plus 15 years of experience. Comparisons are presented across two education levels: primary and upper secondary. The indicator also compares the ratio of these average salaries to the gross domestic product (GDP) per capita for each of the reporting countries; this ratio provides a proxy measure of teacher earnings relative to the earnings of the country's average paid employee.

Of the seven G-8 countries reporting data in 2004, the United States paid the second highest average starting salary to public school teachers at both the primary and upper secondary levels

with minimum training (roughly \$32,000) (figure 15). Only Germany reported a higher average starting salary for teachers at these two education levels with minimum training. In most G-8 countries in 2004, public school teachers at both education levels with minimum training earned less than the average GDP per capita in their respective countries (table 4). For example, in the United States, the GDP per capita was about \$39,700, and the average starting salary of public primary and upper secondary school teachers with minimum training was about 80 percent of the U.S. GDP per capita. In Germany, however, public primary and upper secondary school teachers with minimum training earned 131 and 147 percent, respectively, of the German GDP per capita.

The United States paid the third lowest average salary to public primary and upper secondary school teachers with minimum training plus 15 years of experience (about \$40,000) (figure 15). Compared to the United States, England, Scotland, Japan, and Germany reported higher average salaries for public primary and upper secondary school teachers with minimum training plus 15 years of experience. In all of the G-8 countries, public school teachers at both education levels with minimum training plus 15 years of experience earned at least as much as the average GDP per capita in their respective countries (table 4).

Definitions and Methodology

Teacher salary data are from the 2005 Organization for Economic Cooperation and Development (OECD) Indicators of National Education Systems (INES) Survey on Teachers and the Curriculum and are for school year 2003–04. Data for GDP per capita are for calendar year 2004. Dollar figures for teacher salaries and GDP per capita were converted to U.S. equivalent dollars using purchasing power parities (PPPs), which equalize the purchasing power of different currencies. PPP exchange rate data are from the 2003–04 OECD National Accounts Database (OECD 2006b). Using PPPs to convert all teacher salary data to U.S. equivalent dollars allows for cost of living differences across countries to be taken into account.

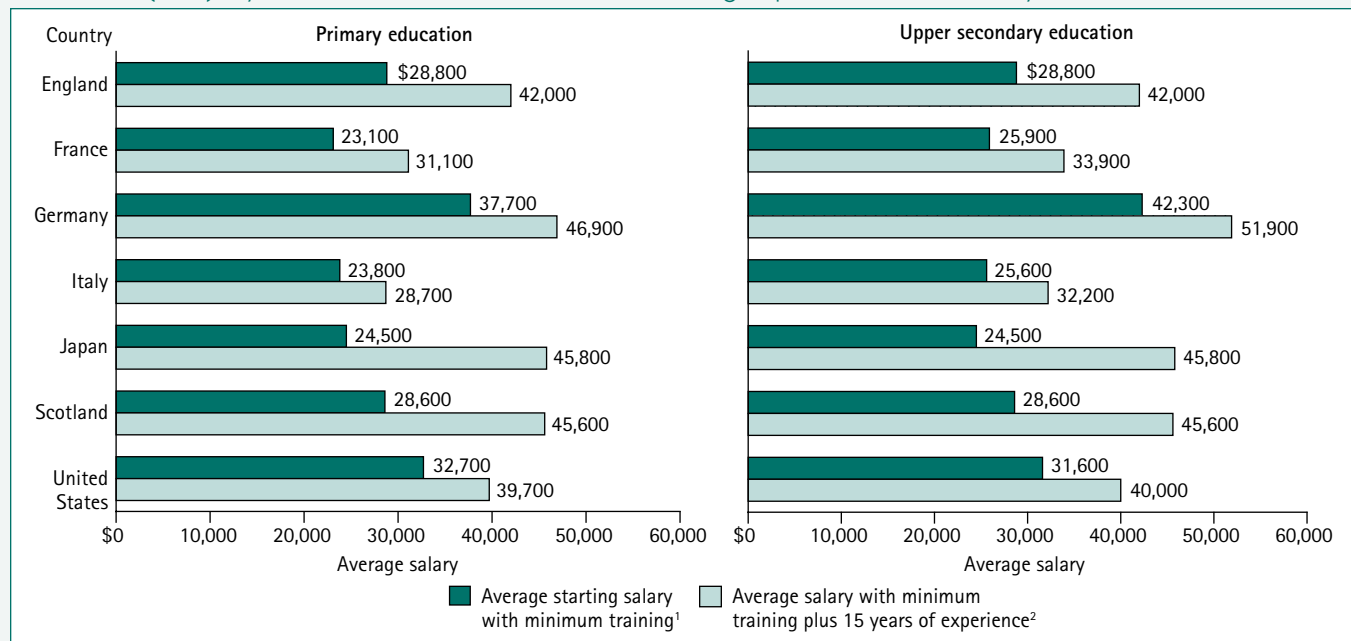
Salaries refer to scheduled salaries according to official pay scales, and are defined as before-tax, or gross, salaries (the total sum paid by the employer for the labor supplied), excluding the employer's contribution to social security and pension (according to existing salary scales).

Countries with centralized systems of education typically have national salary schedules. In countries like the United States, with decentralized education systems, local or regional governments establish their own salary schedules. The national averages shown here do not represent the within-country variation that exists in teacher salaries.

While this indicator compares public school teachers with the minimum training necessary to be fully qualified and those with the minimum training necessary to be fully qualified plus 15 years of experience, there may be considerable variation across countries in the percentage of teachers who meet these definitions. Furthermore, the minimum training necessary to be fully qualified varies by country. In the United States, teacher training is decentralized and varies by state.

As shown in the figure and table, education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A.

Figure 15. Public school teachers' average annual salaries in U.S. dollars converted using purchasing power parities (PPPs), by education level, level of teacher training/experience, and country: 2004



¹Refers to the average scheduled annual salary of a full-time teacher with the minimum training necessary to be fully qualified at the beginning of the teaching career.
²Refers to the average scheduled annual salary of a full-time teacher with the minimum training necessary to be fully qualified plus 15 years of experience.
 NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). Primary education refers to ISCED level 1. Upper secondary education refers to ISCED level 3. For more information on the ISCED levels, see appendix A in this report. Average salaries are gross salaries (i.e., before deductions for income taxes) for school year 2003–04 and are converted to U.S. dollars using 2003–04 national purchasing power parities (PPPs) exchange rate data.
 SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table D3.1. Paris: Author.

Table 4. Public school teachers' average annual salaries in U.S. dollars converted using purchasing power parities (PPPs) expressed as a ratio of gross domestic product (GDP) per capita in U.S. dollars, by education level, level of teacher training/experience, and country: 2004

Country	Average starting salary with minimum training ¹ expressed as a ratio of GDP per capita		Average salary with minimum training plus 15 years of experience ² expressed as a ratio of GDP per capita		GDP per capita
	Primary	Upper secondary	Primary	Upper secondary	
England ³	0.93	0.93	1.36	1.36	\$30,800
France	0.80	0.89	1.07	1.17	29,000
Germany	1.31	1.47	1.63	1.80	28,800
Italy	0.87	0.94	1.05	1.18	27,300
Japan	0.83	0.83	1.55	1.55	29,600
Scotland ³	0.93	0.93	1.48	1.48	30,800
United States	0.82	0.79	1.00	1.01	39,700

¹Refers to the average scheduled annual salary of a full-time teacher with the minimum training necessary to be fully qualified at the beginning of the teaching career.
²Refers to the average scheduled annual salary of a full-time teacher with the minimum training necessary to be fully qualified plus 15 years of experience.
³Data on GDP per capita refer to the United Kingdom.
 NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). Primary education refers to ISCED level 1. Upper secondary education refers to ISCED level 3. For more information on the ISCED levels, see appendix A in this report. Average salaries are gross salaries (i.e., before deductions for income taxes) for school year 2003–04 and are converted to U.S. dollars using 2003–04 national purchasing power parities (PPPs) exchange rate data. GDP per capita in national currencies (2004) has been calculated from total population and total GDP, and has been converted to US dollars using PPPs for GDP.
 SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table D3.1 and web table X2.6b. Paris: Author. Retrieved November 1, 2006, from <http://www.oecd.org/dataoecd/45/55/37370984.xls>.

EXPENDITURE FOR EDUCATION

Key Findings: France, Germany, Italy, Japan, United Kingdom, United States

The United States ranked the highest among the G-8 countries in terms of expenditure per student at the combined primary and secondary education levels as well as at the higher education level.

Two measures used to compare countries' investment in education are expenditure per student (expressed in absolute terms) from both public and private sources and total expenditure as a percentage of gross domestic product (GDP). The latter measure allows a comparison of countries' expenditure relative to their ability to finance education.

In 2003, expenditure per student for the United States was about \$8,900 at the combined primary and secondary education levels and about \$24,100 at the higher education level (figure 16a). Both of these figures were higher than the corresponding figures for the five other G-8 countries reporting data, which ranged from about \$6,500 in Germany to \$7,700 in Italy at the combined primary and

secondary levels and from about \$8,800 in Italy to \$11,900 in the United Kingdom at the higher education level.

As previously noted, all of the G-8 countries spent more per student at the higher education level than at the combined primary and secondary education levels. However, as shown in figure 16b, all of the G-8 countries spent more money (i.e., in total dollars as a percentage of GDP) at the combined primary and secondary education levels than at the higher education level, where student enrollment is much lower. The United States spent 4.1 percent of its GDP on primary and secondary education, higher than the share of GDP spent on education at this level in Italy, Germany, and Japan. At the higher education level, the United States spent 2.9 percent of its GDP on education, higher than the percentage of GDP spent on education at this level than in any of the other G-8 countries.

Considering education expenditure at all levels combined, the United States spent a higher percentage of its GDP on education (7 percent) than did any of the other G-8 countries.

Definitions and Methodology

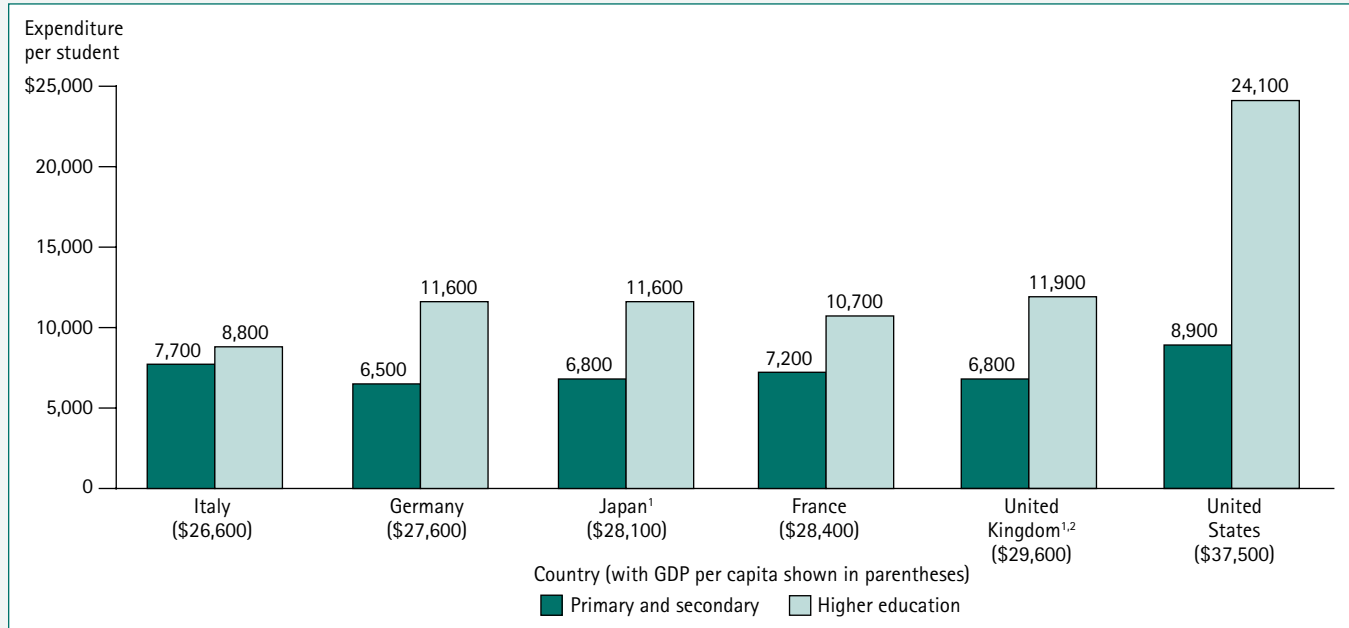
Per student expenditure is based on public and private full-time-equivalent (FTE) enrollment figures for the 2002–03 school year and current expenditure and capital outlays from both public and private sources, where data are available. Data for GDP per capita are for calendar year 2003. Dollar figures for education expenditure and GDP per capita were converted to U.S. equivalent dollars using purchasing power parities (PPPs), which equalize the purchasing power of different currencies. Using PPPs to convert all education expenditure data to US equivalent dollars allows for cost of living differences across countries to be taken into account. Within-

country consumer price indices are used to adjust the PPP indices to account for inflation because the fiscal year has a different starting date in different countries.

The national averages shown here do not represent the within-country variation that may exist in the annual education expenditure per student.

As shown in the figures, education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A.

Figure 16a. Annual education expenditure per student, by education level and country: 2003



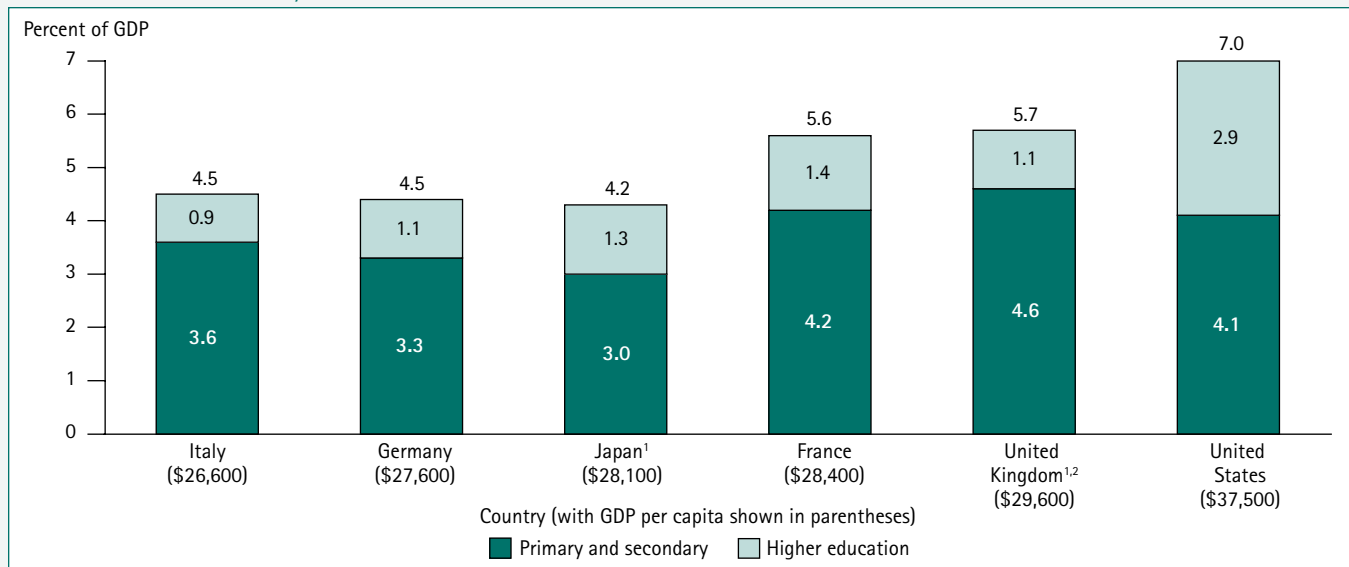
¹Postsecondary nontertiary data included in secondary and higher education for Japan, and in secondary education for the United Kingdom.

²The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

NOTE: Countries are arranged according to increasing levels of gross domestic product (GDP) per capita, as shown in parentheses. Education levels are defined according to the International Standard Classification of Education (ISCED). Primary education refers to ISCED level 1. Secondary education refers to ISCED levels 2 and 3 (lower secondary and upper secondary, respectively). Higher education refers to ISCED levels 5A (academic higher education below the doctoral level), 5B (vocational higher education), and 6 (doctoral level of academic higher education), except where otherwise noted. For more information on the ISCED levels, see appendix A in this report. Shown is total expenditure that corresponds to the nonrepayable current and capital expenditure of all levels of the government and private sources directly related to education; interest on debt is not included. Data are converted to U.S. dollars using 2002–03 national purchasing power parities (PPPs) exchange rate data. Includes all institutions, public and private, with the exception of Italy, which includes public institutions only.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table B1.1a and web table X2.1. Paris: Author. Retrieved November 1, 2006, from <http://www.oecd.org/dataoecd/45/55/37370984.xls>; and OECD. (2006). Education Database, previously unpublished tabulation (October 2006).

Figure 16b. Annual education expenditure as a percentage of gross domestic product (GDP), by education level and country: 2003



¹Postsecondary nontertiary data included in secondary and higher education for Japan, and in secondary education for the United Kingdom.

²The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

NOTE: Countries are arranged according to increasing levels of GDP per capita, as shown in parentheses. Education levels are defined according to the International Standard Classification of Education (ISCED). Primary education refers to ISCED level 1. Secondary education refers to ISCED levels 2 and 3 (lower secondary and upper secondary, respectively). Higher education refers to ISCED levels 5A (academic higher education below the doctoral level), 5B (vocational higher education), and 6 (doctoral level of academic higher education), except where otherwise noted. For more information on the ISCED levels, see appendix A in this report. Shown is total expenditure that corresponds to the nonrepayable current and capital expenditure of all levels of the government and private sources directly related to education; interest on debt is not included. Data are converted to U.S. dollars using 2002–03 national purchasing power parities (PPPs) exchange rate data. Includes all institutions, public and private, with the exception of Italy, which includes public institutions only.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table B2.1c and web table X2.1. Paris: Author. Retrieved November 1, 2006, from <http://www.oecd.org/dataoecd/45/55/37370984.xls>.

A young woman in a dark graduation cap and gown is smiling broadly. She is holding a rolled-up white diploma tied with a dark ribbon in her right hand, which is raised. The background is a soft, out-of-focus light color.

INDICATORS PART V

*Education Returns:
Educational Attainment and Income*

EDUCATIONAL ATTAINMENT IN THE ADULT POPULATION

Key Findings: Canada, France, Germany, Italy, Japan, Russian Federation, United Kingdom, United States

The Russian Federation had the largest percentage of adults ages 25 to 64 who had completed higher education; Italy had the smallest percentage. Among 25- to 34-year-olds, 36 percent of U.S. males and 42 percent of U.S. females had completed higher education.

In a majority of the G-8 countries, the largest percentage of adults ages 25 to 64 in 2004 had completed upper secondary education or postsecondary vocational training as their highest level of education (figure 17a). The exceptions were Italy, where about half of the 25- to 64-year-old population had completed lower secondary education or below, and the Russian Federation and Canada, where 55 and 45 percent of the adult population, respectively, had completed higher education. In all of the G-8 countries except the Russian Federation, less than half of the adult population had completed higher education. The Russian Federation had the largest percentage of adults ages 25 to 64 who had completed higher education, followed by Canada, and Italy had the smallest percentage (11 percent); in the United States, 39 percent of adults in 2004 had completed higher education.

Focusing on the younger adult population (ages 25 to 34) shows that in several of the G-8 countries, higher percentages of this age group had completed higher education than had the broader adult population of 25- to 64-year-olds. For example, in Canada and Japan, at least half of 25- to 34-year-olds had completed higher education (figure 17b). In France, 38 percent of 25- to 34-year-olds had completed higher education, compared with 24 percent of 25- to 64-year-olds (figures 17a and 17b). In the United States, the corresponding percentages were the same for both age groups in 2004 (39 percent).

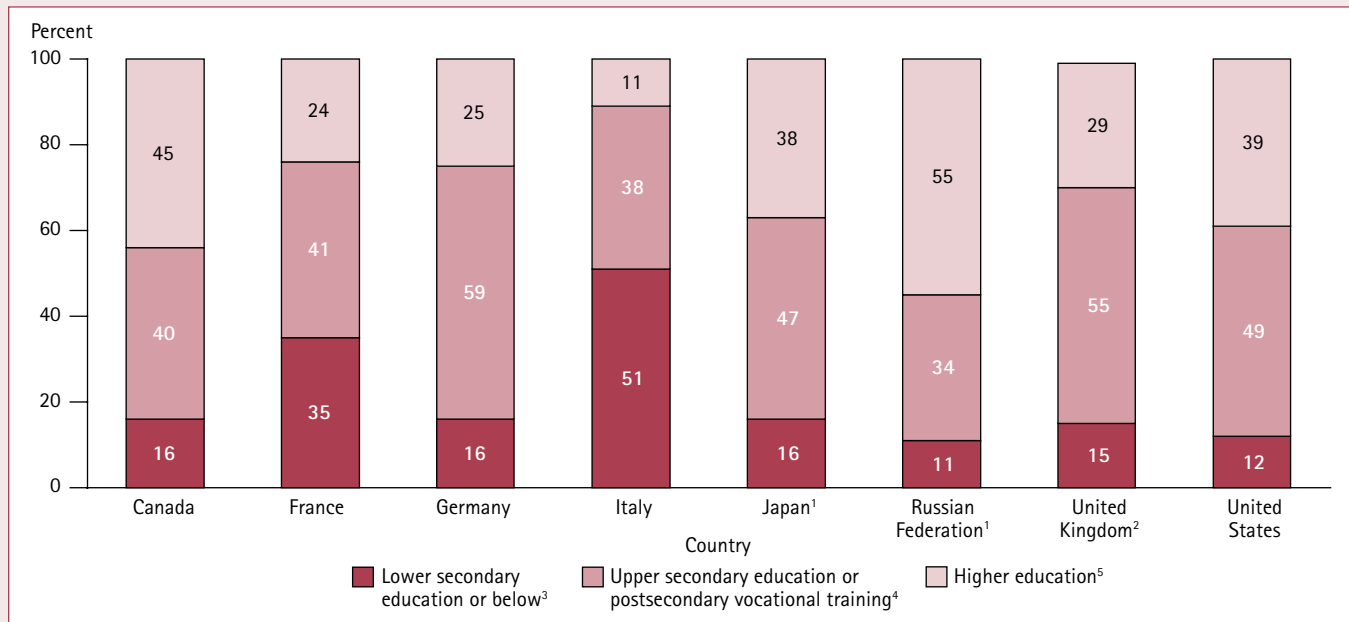
In the United States, more bachelor's degrees have been awarded to women than to men since about the mid-1980s (U.S. Department of Education 2006). Among 25- to 34-year-olds in the United States in 2004, 36 percent of males and 42 percent of females had completed higher education (figure 17b). This difference by sex favoring females was also found in Japan (5 percentage points), Italy (5 percentage points), France (7 percentage points), the Russian Federation (12 percentage points), and Canada (13 percentage points).

Definitions and Methodology

As shown in the figures, education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A.

Male-female percentage-point differences in higher education completion presented in the text are computed from unrounded numbers; therefore, they may differ from computations made using the rounded whole numbers that appear in figure 17b.

Figure 17a. Percentage distribution of the population aged 25 to 64, by highest level of education completed and country: 2004



¹Reference year is 2003 rather than 2004.

²The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

³Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

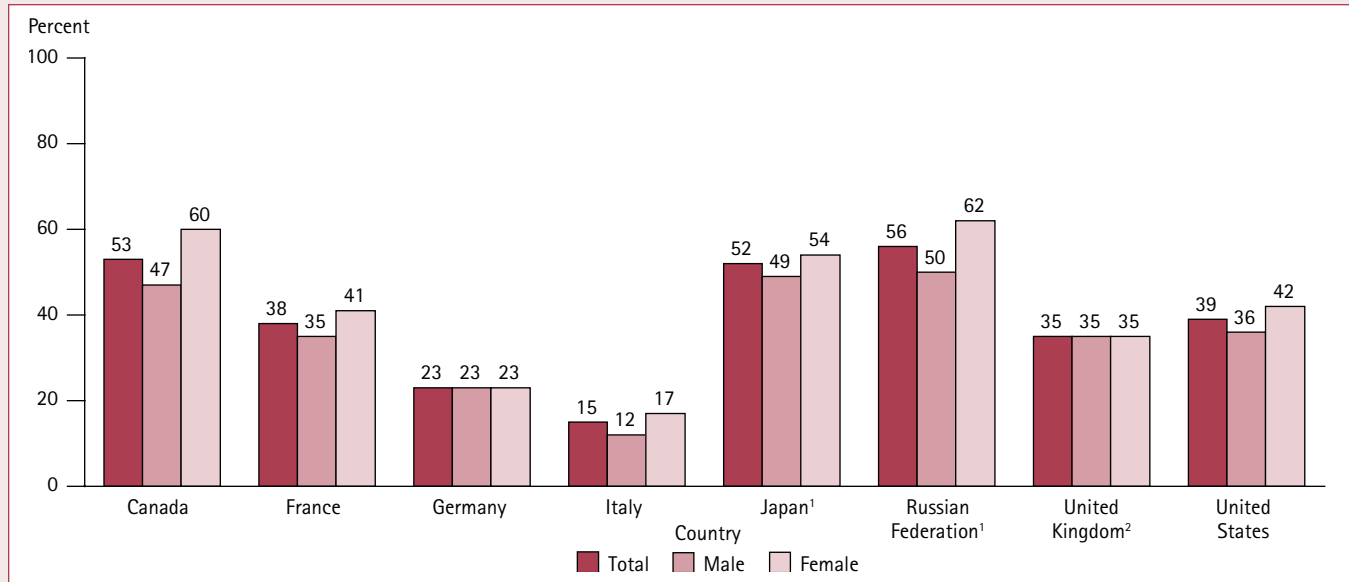
⁴Includes ISCED levels 3 (upper secondary education) and 4 (postsecondary nontertiary programs).

⁵Includes ISCED levels 5A (academic higher education below the doctoral level), 5B (vocational higher education), and 6 (doctoral level of academic higher education).

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A in this report. Detail may not sum to totals because of rounding.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A1.1a. Paris: Author.

Figure 17b. Percentage of the population aged 25 to 34 who had completed higher education, by sex and country: 2004



¹Reference year is 2003 rather than 2004.

²The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). Higher education refers to ISCED levels 5A (academic higher education below the doctoral level), 5B (vocational higher education), and 6 (doctoral level of academic higher education). For more information on the ISCED levels, see appendix A in this report.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A1.3a and web tables A1.3b and A1.3c. Paris: Author.

FIRST UNIVERSITY DEGREES BY FIELD OF STUDY

Key Findings: Canada, France, Germany, Italy, Japan, United Kingdom, United States

In science, mathematics, and engineering-related fields, the United States awarded the lowest percentage of first university degrees of all the G-8 countries.

In 2004, in all of the G-8 countries reporting data except Germany, a greater percentage of first university degrees were awarded in the combined field of social sciences, business, and law than in any other field (figure 18), with the highest percentage awarded in the United States (42 percent). In the United States, the percentage of first university degrees awarded in social sciences, business, and law was close to that awarded in the other major fields taken in total—arts and humanities; science, mathematics, and engineering; and education (44 percent).

In contrast, in science, mathematics, and engineering-related fields, the United States awarded the lowest percentage of first university degrees of all the G-8 countries. Whereas 17 percent of first university degrees in the United States were awarded in science, mathematics, and engineering-related fields, the percentages in the other G-8 countries ranged from 20 percent in Canada to 30 percent in Germany.

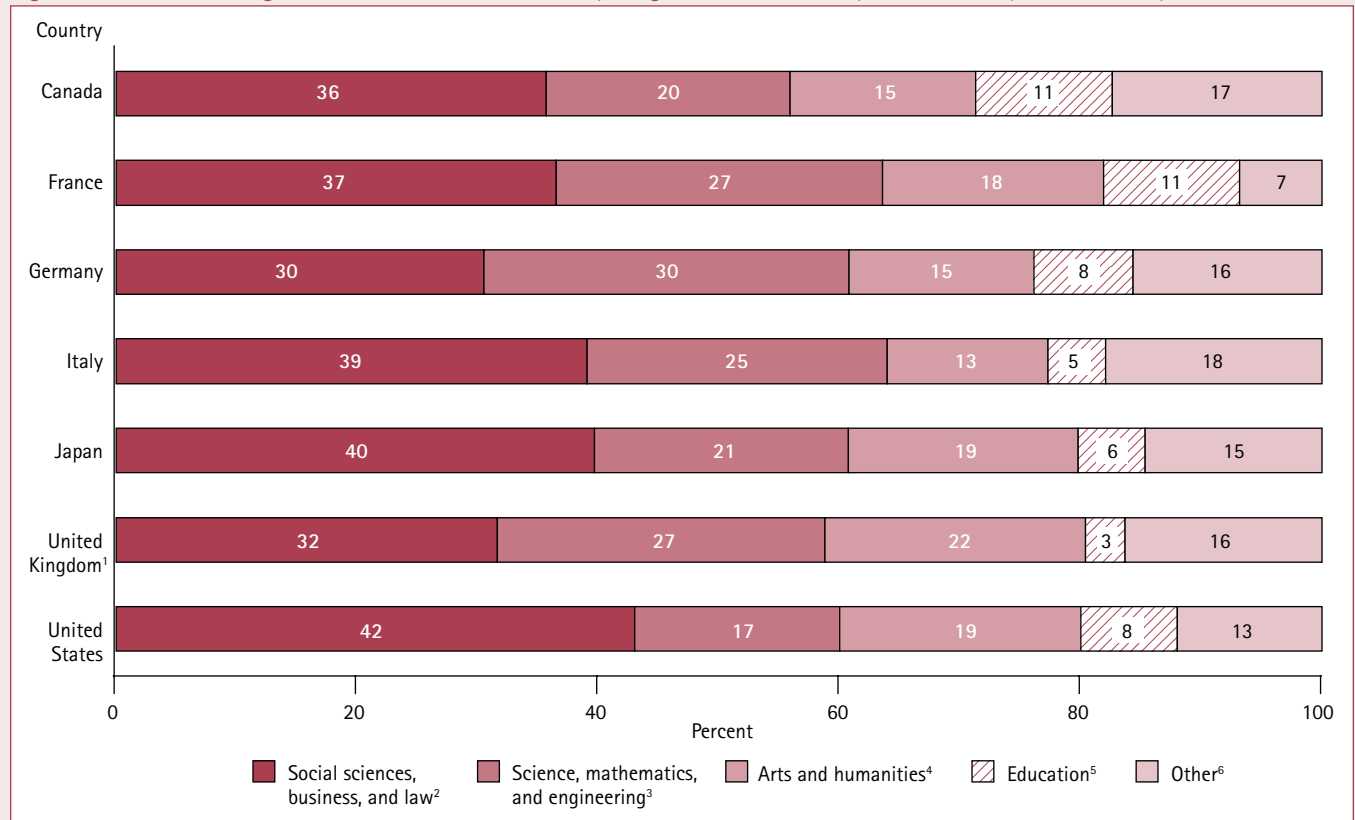
In arts and humanities and in education, the percentage of first university degrees awarded in the United States was within the range of degrees awarded in the other G-8 countries. In arts and humanities, the percentage of degrees awarded in the United States was 19 percent; in the other G-8 countries, the percentages ranged from 13 percent in Italy to 22 percent in the United Kingdom. In education, the percentage of degrees awarded in the United States was 8 percent; in the other G-8 countries, the percentages ranged from 3 percent in the United Kingdom to 11 percent in France and Canada.

Definitions and Methodology

Programs that prepare students for advanced research and highly qualified professions are classified as first university degree programs. First university degree programs vary in duration in different countries in different programs of study. In the United States, the first university degree corresponds to a bachelor's degree; it excludes associate's degrees.

The percentage of first university degrees awarded in each of the fields shown is the share of these degrees awarded in each field relative to all first university degrees awarded in all fields for a given year.

Figure 18. Percentage distribution of first university degrees awarded, by field of study and country: 2004



¹The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

²Includes social and behavioral sciences (ISCED 31), journalism and information (ISCED 32), business and administration (ISCED 34), and law (ISCED 38).

³Includes life sciences (ISCED 42), physical sciences (ISCED 44), mathematics and statistics (ISCED 46), computing (ISCED 48), engineering and engineering trades (ISCED 52), manufacturing and processing (ISCED 54), and architecture and building (ISCED 58).

⁴Includes arts (ISCED 21) and humanities (ISCED 22).

⁵Includes teacher training (ISCED 141) and education science (ISCED 142).

⁶Includes agriculture, forestry, and fishery (ISCED 62); veterinary (ISCED 64); health (ISCED 72); social services (ISCED 76); personal services (ISCED 81); transport services (ISCED 84); environmental protection (ISCED 85); security services (ISCED 86); and fields of study not known or unspecified.

NOTE: The fields of education shown follow the 1997 revision of the International Standard Classification of Education Major Field of Study (ISCED MFS) (UNESCO 1997). Programs that prepare students for advanced research and highly qualified professions are classified as first university degree programs, which correspond to ISCED level 5A. For more information on the ISCED levels, see appendix A in this report. Detail may not sum to totals because of rounding.

SOURCE: Organization for Economic Cooperation and Development. (2006). Education Database. Retrieved October 26, 2006, from <http://stats.oecd.org/wbos/default.aspx?DatasetCode=RGRADSTY> and U.S. Department of Education, National Center for Education Statistics, previously unpublished tabulations (February 2007).

EMPLOYMENT RATES

Key Findings: Canada, France, Germany, Italy, Japan, United Kingdom, United States

In all of the G-8 countries, males who had completed lower secondary education or below, upper secondary education/postsecondary vocational training, or academic higher education had higher employment rates than did females with a comparable amount of education.

In the United States and all other G-8 countries reporting data, higher employment rates were associated with higher levels of educational attainment. For example, among U.S. adults ages 25 to 64 in 2004, 83 percent of those who had completed academic higher education were employed, compared with 73 percent of those whose highest educational attainment was upper secondary education or postsecondary vocational training and 57 percent of those whose highest educational attainment was lower secondary education or below (figure 19a).

In 2004, the gap in employment rates between 25- to 64-year-olds whose highest educational attainment was upper secondary education or postsecondary vocational training and those who had completed less education was 16 percentage points or greater in all G-8 countries except for Japan; in Japan, the gap was 7 percentage points. In the United States, the gap was 16 percentage points. The largest gap was in the United Kingdom, at 26 percentage points.

The gap in employment rates in the United States between adults who had completed academic higher education and their counterparts whose highest educational attainment was upper secondary education or postsecondary vocational training was 10 percentage points. In the other G-8 countries, the corresponding gap ranged from 5 percentage points in France to 14 percentage points in Germany.

Figure 19b shows employment rates separately for males and females. In all of the G-8 countries, males who had completed lower secondary education or below, upper secondary education/postsecondary vocational training, or academic higher education had higher employment rates than did females with a comparable amount of education. For males whose highest educational attainment was lower secondary education or below, employment

rates ranged from 60 percent (Germany and the United Kingdom) to 79 percent (Japan). For females, the corresponding range was 33 percent (Italy) to 53 percent (Japan). In the United States, 68 percent of males and 44 percent of females whose highest educational attainment was lower secondary education or below were employed in 2004.

For males whose highest educational attainment was upper secondary education or postsecondary vocational training, employment rates ranged from 75 percent (Germany) to 89 percent (Japan). For females, the corresponding range was 60 percent (Japan) to 74 percent (United Kingdom). In the United States, 79 percent of males and 67 percent of females whose highest educational attainment was upper secondary education or postsecondary vocational training were employed in 2004.

In all of the G-8 countries, at least 84 percent of males who had completed academic higher education were employed in 2004. For females who had completed academic higher education, employment rates ranged from 77 percent (France and Italy) to 86 percent (United Kingdom), except in Japan; in Japan, the employment rate was 67 percent.

In most of the G-8 countries, the gap in employment rates between males and females was largest among adults whose highest educational attainment was lower secondary education or below and smallest among adults who had completed academic higher education. In all of the G-8 countries except Japan, the male-female gap for lower secondary education or below was two to three times the size of the gap for academic higher education. In the United States, the male-female gap was 25, 11, and 11 percentage points among adults who had completed lower secondary education or below, upper secondary education/postsecondary vocational training, and academic higher education, respectively. In Japan, the corresponding gaps in employment rates between males and females were 26, 29, and 26 percentage points. Compared to its G-8 peers, Japan had the largest gaps at the levels of upper secondary education/postsecondary vocational training and academic higher education. Italy had the largest gap at the level of lower secondary education or below (38 percentage points).

Definitions and Methodology

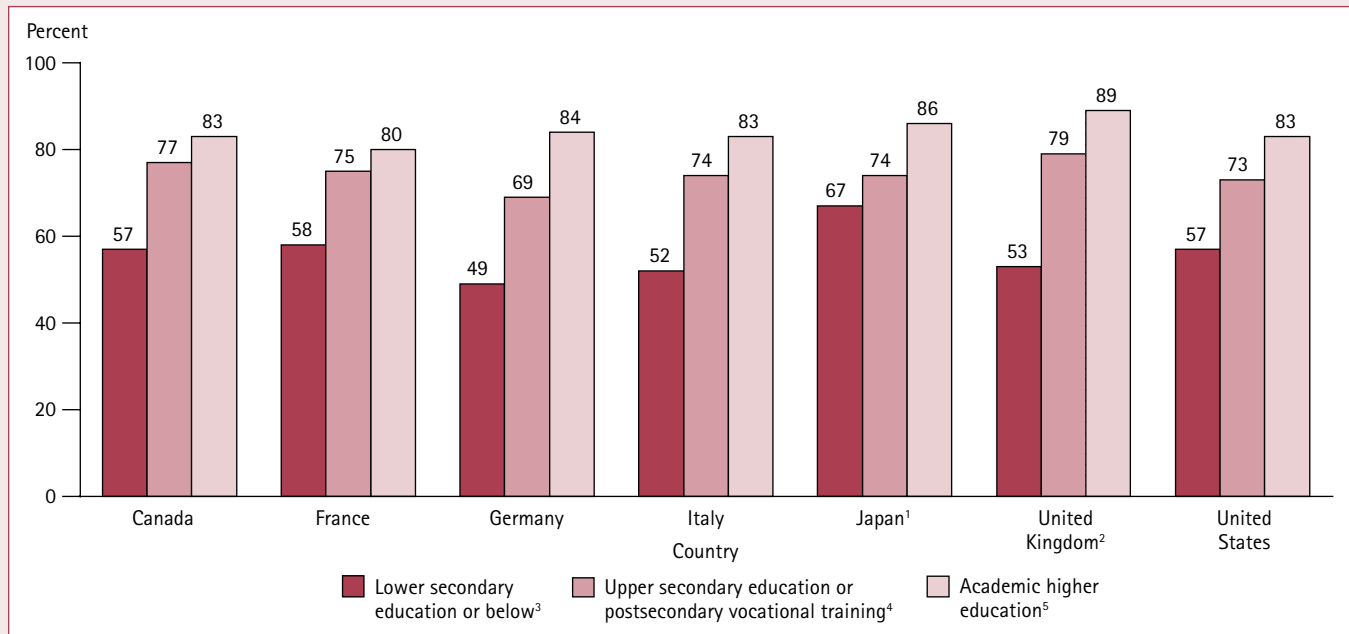
The employment rate of adults at a particular level of educational attainment is calculated as the number of individuals aged 25 to 64 with the particular level of educational attainment who are in employment divided by the number of individuals aged 25 to 64 with the same level of educational attainment.

As shown in the figures, education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A. Individuals whose highest level of education is academic higher education have completed at least a first university degree program, which prepares

students for advanced research and highly qualified professions. First university degree programs vary in duration in different countries in different programs of study. In the United States, the first university degree corresponds to a bachelor's degree; it excludes associate's degrees.

Percentage-point differences presented in the text are computed from unrounded numbers; therefore, they may differ from computations made using the rounded whole numbers that appear in the figures.

Figure 19a. Employment rates of adults aged 25 to 64, by highest level of education and country: 2004



¹Reference year is 2003 rather than 2004.

²The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

³Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

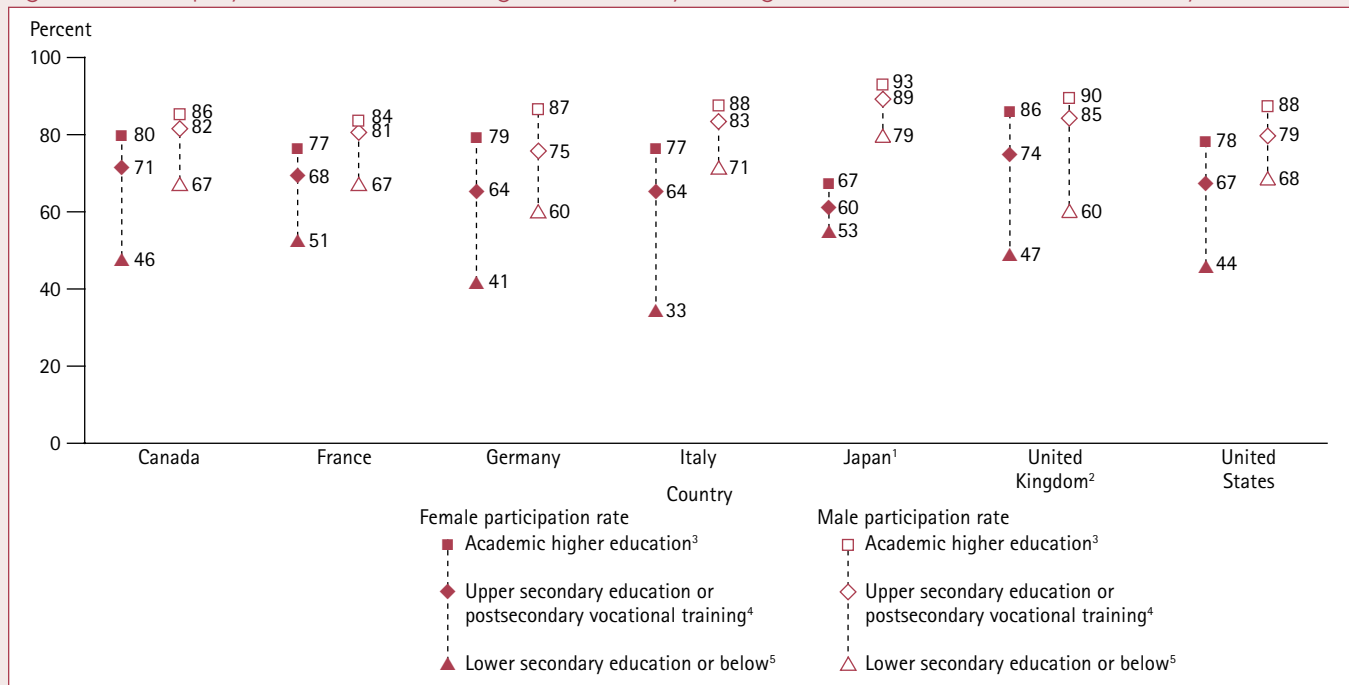
⁴Includes ISCED levels 3 (upper secondary education) and 4 (postsecondary nontertiary programs).

⁵Includes ISCED levels 5A (academic higher education below the doctoral level) and 6 (doctoral level of academic higher education).

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A in this report.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A8.3a and web table A8.1b. Paris: Author. Retrieved April 26, 2007, from <http://www.oecd.org/dataoecd/47/51/37363421.xls>.

Figure 19b. Employment rates of adults aged 25 to 64, by sex, highest level of education, and country: 2004



¹Reference year is 2003 rather than 2004.

²The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

³Includes ISCED levels 5A (academic higher education below the doctoral level) and 6 (doctoral level of academic higher education).

⁴Includes ISCED levels 3 (upper secondary education) and 4 (postsecondary nontertiary programs).

⁵Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A in this report.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A8.1a and web tables A8.3b and A8.3c. Paris: Author. Retrieved April 26, 2007, from <http://www.oecd.org/dataoecd/47/51/37363421.xls>.

DISTRIBUTION OF POPULATION BY EDUCATION AND INCOME

Key Findings: Canada, France, Germany, Italy, United Kingdom, United States

Forty-four percent of U.S. adults whose highest educational attainment was at the lower secondary level or below earned at or below half of the median income of U.S. adults. The U.S. percentage was higher than the corresponding percentages in all of the other G-8 countries.

Observing the distribution of populations at various education levels by earnings is one way to examine the relationship between education and earnings across countries. In this indicator, the extent to which higher levels of educational attainment are linked to higher incomes is examined across the populations of the G-8 countries.

In all of the G-8 countries reporting data, adults with a relatively low level of education (i.e., those whose highest educational attainment is at the lower secondary level or below) tended to have lower income levels. For example, 83 percent of U.S. adults ages 25 to 64 whose highest educational attainment was at the lower secondary level or below earned at or below the median income of U.S. adults in 2004 (table 5). The U.S. percentage was higher than the corresponding percentages in all of the other G-8 countries except the United Kingdom (also at 83 percent). The four other G-8 countries had percentages that ranged from 62 percent in Italy to 69 percent in France. Many people with low levels of education also earned at or below half of the median income; 44 percent of U.S. adults whose highest educational attainment was at the lower secondary level or below earned at or below half of the median income of U.S. adults in 2004. The U.S. percentage was higher than the corresponding percentages in all of the other G-8 countries, with those for Italy and France being the lowest (19 and 17 percent, respectively). In contrast, the percentage of adults at or below the level of lower secondary education who had more than two times the median income of all 25- to 64-year-olds in their respective

countries ranged from 1 percent in the United Kingdom and Germany to 9 percent in Italy, with the United States at 2 percent.

Across the G-8 countries, adults who had completed academic higher education tended to have higher income levels. For example, 69 percent of U.S. adults ages 25 to 64 who had completed academic higher education earned more than the median income of U.S. adults in 2004 (table 5 and figure 20). In the other G-8 countries, the corresponding percentages ranged from 67 percent in Canada to 79 percent in France. Many people with high levels of education also earned more than two times the median income; 30 percent of U.S. adults ages 25 to 64 who had completed academic higher education earned more than two times the median income of U.S. adults in 2004 (table 5). The corresponding percentages in the other G-8 countries ranged from 23 percent in Germany to 34 percent in Italy. In contrast, less than 10 percent of adults who had completed academic higher education earned at or below half of the median income in three G-8 countries (France, the United Kingdom, and Italy). The corresponding percentages in the other G-8 countries were 12 percent in the United States, 13 percent in Germany, and 18 percent in Canada.

Compared to adults whose highest level of education was lower secondary or below or academic higher education, adults ages 25 to 64 whose highest educational attainment was upper secondary education or postsecondary vocational training were more evenly divided with respect to earning at or below the median income and earning more than the median income. Across the G-8 countries, no more than 60 percent of adults earned at or below the median income of adults in their respective countries, and no less than 40 percent earned more than the median income of adults in their respective countries.

Definitions and Methodology

Income refers to pretax income.

As shown in the table and figure, education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A. Individuals whose highest level of education is academic higher education have completed at least a first university degree program,

which prepares students for advanced research and highly qualified professions. First university degree programs vary in duration in different countries in different programs of study. In the United States, the first university degree corresponds to a bachelor's degree; it excludes associate's degrees.

Table 5. Percentage of the population aged 25 to 64, by highest level of education, income, and country: 2004

Education level and income	Canada ¹	France	Germany	Italy ²	United Kingdom ³	United States
Lower secondary level or below⁴						
At or below half of the median income	37.9	17.1	25.2	19.5	37.9	44.3
At or below the median income	67.8	69.0	63.8	61.8	82.6	83.4
More than the median income	32.2	31.0	36.2	38.2	17.4	16.6
More than two times the median income	6.4	2.3	1.4	8.5	1.4	1.8
Upper secondary education or postsecondary vocational training⁵						
At or below half of the median income	27.7	8.2	23.0	10.1	21.4	24.1
At or below the median income	54.5	55.1	56.8	45.1	58.8	60.0
More than the median income	45.5	44.9	43.2	54.9	41.2	40.1
More than two times the median income	11.1	4.4	5.3	14.9	6.3	8.3
Academic higher education⁶						
At or below half of the median income	17.8	4.1	13.4	6.8	6.1	12.0
At or below the median income	33.1	20.6	31.7	26.7	22.1	30.8
More than the median income	66.9	79.4	68.3	73.3	77.9	69.2
More than two times the median income	32.8	26.4	23.2	34.1	29.1	30.4

¹Reference year is 2003 rather than 2004.

²Reference year is 2002 rather than 2004.

³The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

⁴Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

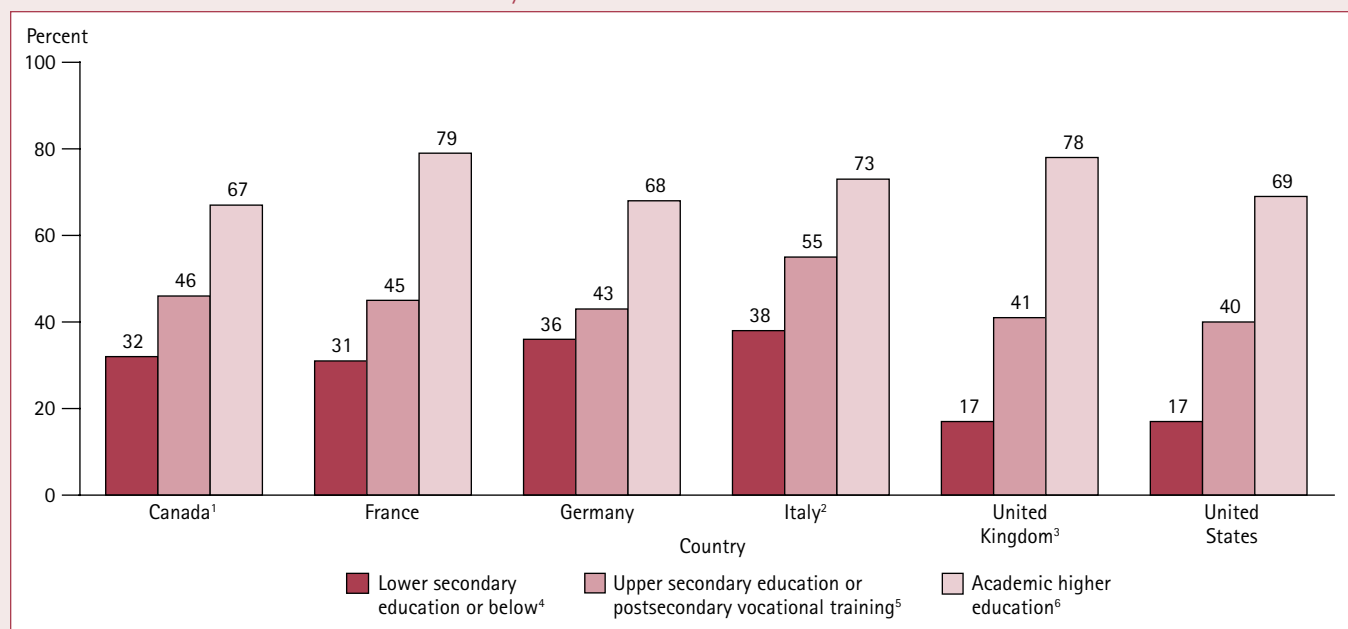
⁵Includes ISCED levels 3 (upper secondary education) and 4 (postsecondary nontertiary programs).

⁶Includes ISCED levels 5A (academic higher education below the doctoral level) and 6 (doctoral level of academic higher education).

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A in this report.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A9.4a. Paris: Author.

Figure 20. Percentage of the population aged 25 to 64 who earned more than the median income, by highest level of education and country: 2004



¹Reference year is 2003 rather than 2004.

²Reference year is 2002 rather than 2004.

³The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

⁴Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

⁵Includes ISCED levels 3 (upper secondary education) and 4 (postsecondary nontertiary programs).

⁶Includes ISCED levels 5A (academic higher education below the doctoral level) and 6 (doctoral level of academic higher education).

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A in this report.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A9.4a. Paris: Author.

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