How are countries balancing teaching staff compensation with broader education investment?

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- Compensation for teaching staff (i.e. teachers and teaching assistants) forms the cornerstone of education budgets, representing on average 58% of total spending on public primary and secondary education across OECD countries.
- A 10% increase in teaching staff compensation would cost the average OECD country 0.19% of its GDP, underlining the challenge of large-scale pay reforms. However, while such increases have significant budgetary implications, their impact on job satisfaction is unclear, as TALIS data do not show a consistent relationship between teachers' salaries and their job satisfaction.
- Countries vary widely in how they distribute education spending on public primary and secondary schools: Mexico and Portugal allocate over 75% to teaching staff compensation, while Czechia, Estonia and Finland allocate less than 45%, reflecting contrasting budgetary priorities.
- Non-teaching staff (i.e. personnel not directly involved in instruction) account for around 20% of staff spending on average, but this rises to over 30% in Argentina, Chile, Estonia, Lithuania and the United States, prompting debate about the balance between administrative support and instructional investment.
- Spending patterns in tertiary education are markedly different: on average, only 34% of expenditure goes to teaching staff compensation, due to the greater range of functions at this level (e.g. research, infrastructure and student services).

Increasing compensation for teaching staff would have a significant impact on education budgets but limited effects on job satisfaction

Teachers' salaries consistently represent the largest spending item in education and are often the subject of debate. Perspectives on this issue differ depending on whether one adopts the viewpoint of teachers or of governments. Teachers frequently consider their pay insufficient, given their qualifications, workload and the central role they play in student achievement. On the other hand, governments must manage the substantial wage bill arising from employing large numbers of teaching staff, and increasing pay would limit their ability to invest in other policy priorities. Teachers account for such a large share of the public sector workforce that even modest salary increases can have a significant fiscal impact.

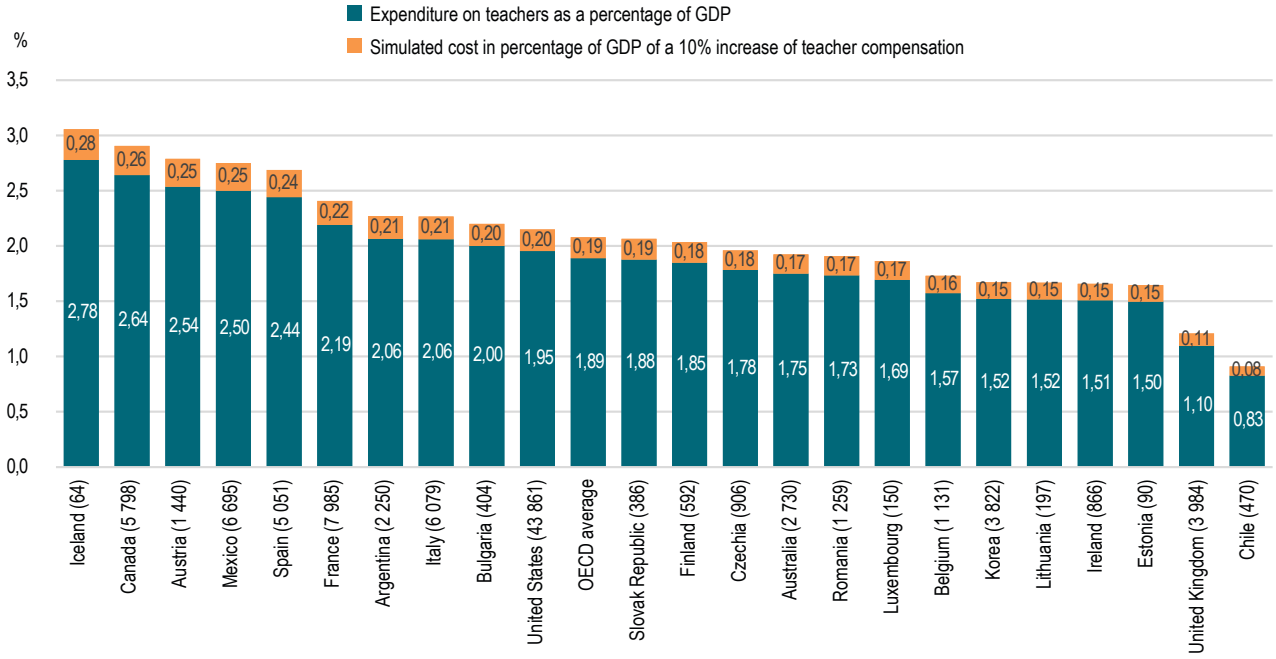
Across OECD and partner countries, expenditure on public primary and secondary teaching staff represents on average around 1.89% of GDP (see definitions in Box 1). Among countries with available data, this share varies significantly – from 0.83% in Chile to at least 2.50% in Austria, Canada, Iceland and Mexico – reflecting differences in education budgets, teachers' salaries, class sizes, demographic factors and the relative size of the public education system compared to the private one (Figure 1).

Increasing teaching staff compensation in public primary and secondary educational institutions by 10%, as discussed in France for example (Le Monde, 2023[1]), would cost an average of 0.19% of GDP across OECD countries, ranging from 0.08% of GDP in Chile to 0.28% in Iceland. The absolute amount would vary significantly, reflecting country differences in both the number of teaching staff and the size of the school-age population in each country. For instance, in the United States, a 10% increase would cost 0.20% of GDP, which would amount to over USD 43 billion, while in Iceland it would amount to 0.28% of GDP but just USD 64 million. These differences underline the importance of national context: larger and wealthier countries might spend more in absolute terms, but not necessarily a greater share of GDP (Figure 1).

While a 10% increase in teacher salaries would have significant budgetary implications, it remains unclear what such an increase would achieve in practice. According to OECD's TALIS 2018 data, 61% of teachers reported being unsatisfied with their salaries, yet the vast majority – 90% – reported being "all in all, satisfied with their job" (OECD (2020[2]), Table II.2.16 and Table III.3.56). This suggests that salary dissatisfaction does not necessarily translate into overall job dissatisfaction. Therefore, beyond increasing financial compensation, it is important to make the teaching profession more intellectually stimulating and fulfilling – for example, by enhancing professional development, fostering collaboration, creating clearer career pathways, and differentiating salaries to promote instructional quality and equitable teacher allocation.

Figure 1. Expenditure on teaching staff compensation in primary and secondary institutions as a percentage of GDP and simulated cost of a 10% increase (2021)

Public institutions only



Note: The figures in parentheses indicate what a 10% increase in teaching staff compensation in public primary and secondary educational institutions would represent in each country, expressed in millions of USD (converted using PPPs for GDP). These amounts are influenced by the size of the population and the number of teaching staff in each country.
Source: OECD, 2024[3] and OECD Data Explorer (http://data-explorer.oecd.org/s/5q)

Box 1. Definitions and scope of the data

The data used in this briefing focus on expenditure on public primary and secondary educational institutions. In most countries, public institutions account for the largest share of students at these levels and therefore the largest portion of education budgets, making them key to understanding national spending patterns. Public primary and secondary education is typically government funded, meaning that changes in in expenditure reflect policy choices more directly than in private institutions or higher educational levels.

The term teaching staff compensation is used rather than teachers' salaries because it encompasses a wider range of expenditure: including not just gross salaries but also retirement contributions, as well as other non-salary benefits such as health care, and covering the compensation paid to all teaching staff, not just teachers.

Teaching staff includes all personnel directly involved in student instruction, such as teachers and teaching assistants. Teaching staff compensation should include the full compensation of full-time teachers and a proportion of the compensation for staff who only teach for part of their working time. For example, if school heads teach for a quarter of their time, only that portion is reported under teaching staff compensation; the remainder is reported under non-teaching staff.

Non-teaching staff includes all personnel not directly involved in instruction. This covers those in administrative, technical and support roles, such as school leaders in their administrative function, counsellors, librarians, health personnel, clerical staff and those providing maintenance and other support services. The exact composition varies by country.

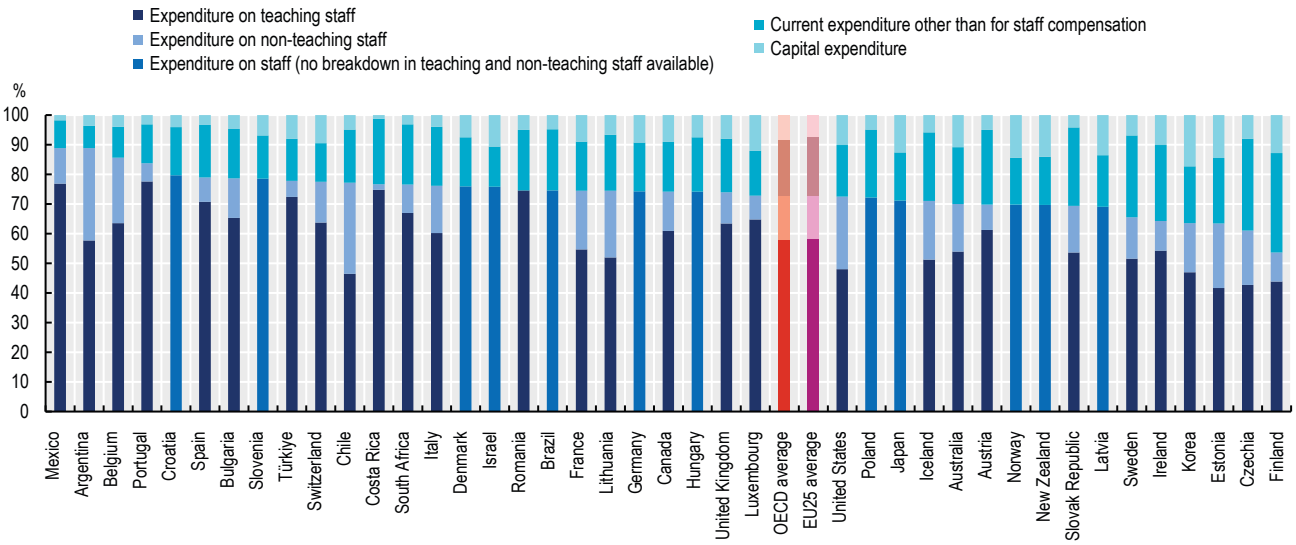
The share of spending devoted to teaching staff compensation varies widely across countries

Education systems constantly juggle competing spending priorities. Although teachers are at the heart of high-quality education, staffing costs – particularly teaching staff compensation – absorb a large share of resources. On average, teaching staff compensation accounts for 58% of total expenditure on public primary and secondary educational institutions across OECD countries (Figure 2).

This average masks major variations between countries, illustrating different national approaches to balancing educational needs. In Mexico and Portugal, over three-quarters of expenditure on public primary and secondary educational institutions goes to teaching staff compensation, reflecting a high priority placed on teachers, but leaving limited room for investment in non-teaching staff, infrastructure or learning materials. In contrast, Czechia, Estonia and Finland allocate less than 45% to teaching staff compensation, enabling more diversified spending. For example, in Finland, about 34% of the expenditure on public primary and secondary schools goes to teaching materials, ancillary services and administration (i.e. current expenditure other than staff compensation). In Estonia, spending on non-teaching staff and capital expenditure together represent 36% of expenditure on public primary and secondary schools. These differences highlight the policy trade-offs countries make when deciding how to allocate limited resources between immediate classroom needs and other types of spending and investment (Figure 2).

Figure 2. Distribution of expenditure on public primary and secondary educational institutions (2021)

In per cent, current and capital expenditure



Source: OECD, 2024[3] and OECD Data Explorer (http://data-explorer.oecd.org/s/5q).

These differences in how education budgets are allocated also reflect broader economic and fiscal contexts. Countries with higher GDP per capita generally have more resources to invest in education, including teaching staff compensation. In these systems, teachers' pay can be high in absolute terms but still represent a relatively small share of the education budget. For instance, in Luxembourg and Switzerland, teaching staff compensation represents around 65% of expenditure on public primary and secondary institutions –slightly above the OECD average – but thanks to these countries' high levels of GDP and per-student spending, teachers still receive some of the most competitive salaries across OECD countries (Chapter D3 of OECD, 2024[3]).

Spending on teaching staff compensation is similar across primary and secondary levels, but is lower in most tertiary systems

In most countries, teaching staff compensation makes up a relatively consistent share of education spending on public institutions across primary, lower secondary and upper secondary levels. On average across OECD countries, it accounts for 58% of total spending on public institutions in primary education, 59% in lower secondary and 57% in upper secondary education (OECD, 2025[4]).

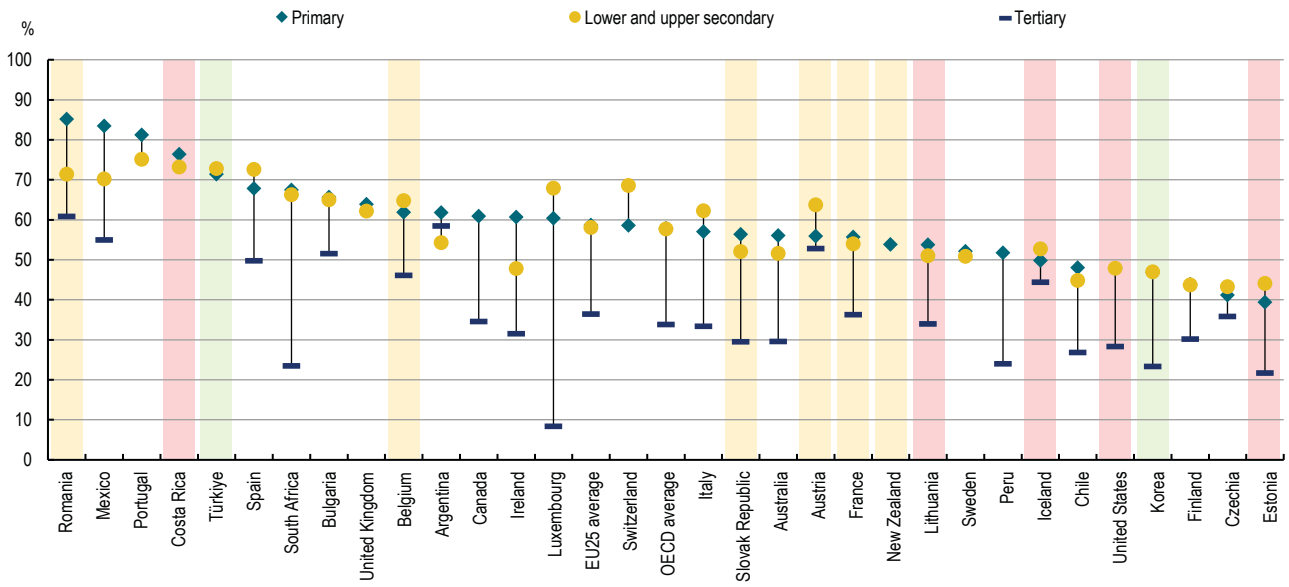
These similarities may seem surprising given how education systems differ from one level to the next. For example, class sizes typically increase at higher levels of education, which would, in theory, reduce teacher numbers. At the same time, students receive more instructional hours, increasing the number of teachers needed to deliver the curriculum, while teachers' salaries generally rise with education level. These opposing cost dynamics tend to offset one another, resulting in a relatively stable share of spending on teaching staff compensation across compulsory education, even if expenditure per student gradually increases throughout the system (Chapter C7 of OECD, 2023[5]).

However, these similar averages conceal significant disparities between education levels in some OECD and partner countries. For example, Ireland, Mexico and Romania show a consistent decline in the share of public education expenditure allocated to teaching staff compensation as the level of education rises. This trend probably reflects the increasing diversification of staff roles at higher levels, as spending shifts toward support services, research and administration. By the tertiary level, teaching staff compensation accounts for a significantly smaller share of spending on public educational institutions, averaging 34% across OECD countries. This share is particularly low in Luxembourg (8%), Estonia (22%), Korea (23%) and South Africa (23%).

Interestingly, spending more on teaching staff compensation does not necessarily result in fewer challenges in filling teaching vacancies. Korea, for instance, devotes less than 50% of expenditure on public secondary education to teaching staff compensation yet reports no shortages, while Romania, despite a relatively high share of expenditure going on teaching staff compensation, faces shortages in several subjects (Figure 3).

Figure 3. Percentage of expenditure on public educational institutions dedicated to compensation of teachers, by level of education (2021)

In per cent



Note: The red highlight indicates teacher shortages in secondary education in all subjects in 2022/23, yellow indicates shortages in some subjects and green no shortages. Data are missing for countries not highlighted by any colour (see Chapter D5 of Education at a Glance 2024).
Source: OECD, 2024[3] and OECD Data Explorer (http://data-explorer.oecd.org/s/5q).

Teaching staff compensation has remained consistent over recent years in most countries

Understanding how the share of education budgets allocated to teaching staff compensation evolves over time is also essential for assessing governments' shifting priorities and the sustainability of education financing.

For instance, the OECD average share of spending on public primary institutions allocated to teaching staff compensation remained relatively stable between 2015 and 2021. In more than half of the countries analysed (15 out of 25), the share changed by less than 3 percentage points, indicating a consistent approach. However, some countries, such as Costa Rica and the Slovak Republic, recorded significant increases, probably reflecting efforts to make the profession more attractive or respond

to staffing challenges. In Costa Rica, the share rose by 8 percentage points, from 68% to 76%, while in the Slovak Republic it increased by 4 percentage points, from 52% to 56%. In contrast, Italy, Lithuania and Luxembourg saw notable decreases, which may signal a reallocation of resources toward infrastructure, support services or other educational priorities. Similar patterns are found at the lower and upper secondary levels, suggesting that many countries apply consistent strategies across all stages of compulsory education (OECD, 2025[4]).

These evolving trends are shaped not just by policy decisions but also by the wider context – including demographic shifts, changing student enrolments and the ageing of the teaching workforce – which influence both the need for teachers and the pressure on public education budgets.

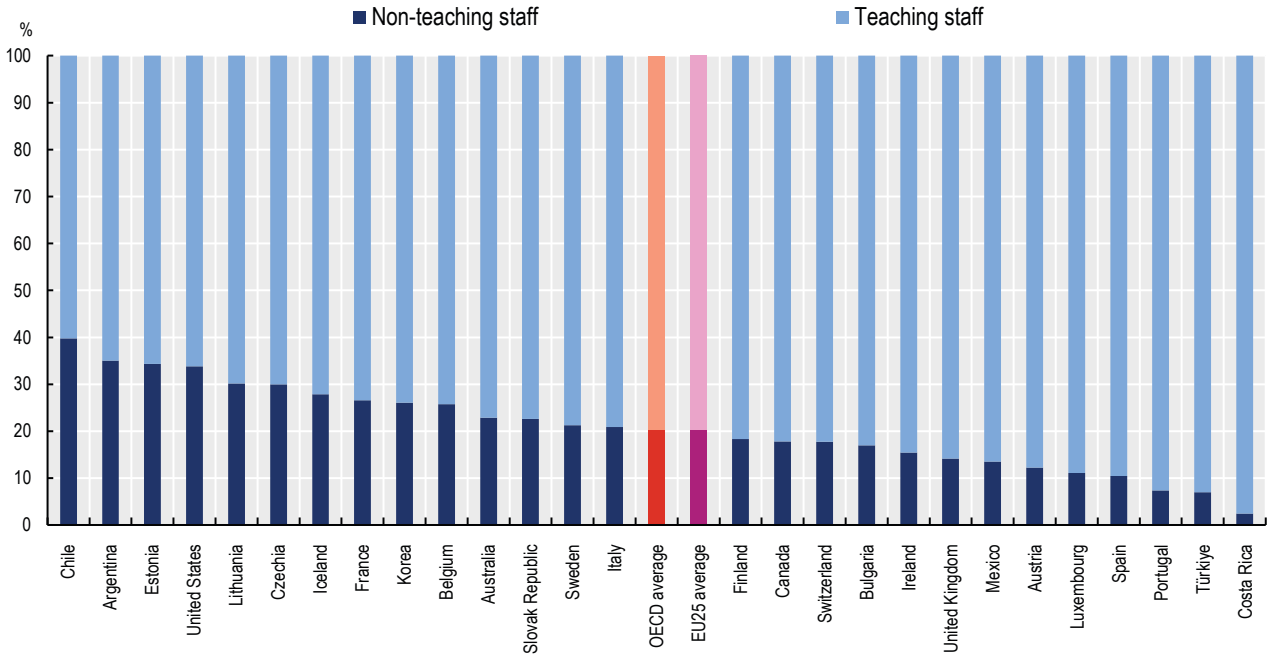
Non-teaching staff costs absorb a significant share of education spending in some countries

On average across OECD countries, 20% of total staff expenditure is on non-teaching staff in primary and secondary education (see definitions in Box 1). However, this share varies widely – from just 2% in Costa Rica and 7% in the Republic of Türkiye, to over 30% in Argentina, Chile, Estonia, Lithuania and the United States. These differences reflect different approaches to school staffing, service provision and administrative structures (Figure 4).

The cost of administrative and support staff has led to discussions and concrete measures around OECD countries. For instance, over half of secondary schools in the United Kingdom have recently reduced support staff due to financial pressure, according to a survey of teachers conducted by the National Foundation for Educational Research (NFER) on behalf of the Sutton Trust education charity (Guardian, 2025[6]). These concerns are especially relevant in contexts of fiscal constraint, where the growth of non-teaching roles may be viewed as competing with efforts to strengthen teacher recruitment, improve salaries or invest in learning environments. Although non-teaching staff are essential to ensuring the safe, inclusive and effective operation of schools, policy makers face the challenge of finding the right balance – ensuring that support functions enhance rather than dilute the core educational mission.

Figure 4. Allocation of staff expenditure between teachers and other personnel in public primary and secondary educational institutions (2021)

In per cent



Source: OECD, 2024[3] and OECD Data Explorer (http://data-explorer.oecd.org/s/5q).

The bottom line

Teaching staff compensation forms the largest component of education budgets, averaging 58% of expenditure in public primary and secondary educational institutions across OECD countries. This share has remained broadly stable over time and across levels, despite differences in educational structures and evolving demands. Yet, behind this overall picture lies significant variation: in some countries, teaching staff compensation exceeds 75% of total spending, while in others it is below 45%. Meanwhile, there are several countries where non-teaching staff account for over 30% of spending, raising questions about resource allocation and opening another important debate on the balance between instructional needs and administrative support. This diversity in spending patterns highlights the complexity of implementing broad salary reforms – especially given that a 10% increase in teaching staff compensation would cost around 0.19% of GDP on average across OECD countries. Such an increase represents a substantial investment for governments, with unclear benefits for job satisfaction, given that most teachers remain satisfied with their jobs despite widespread dissatisfaction with their salaries.

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