This brief provides an update to the Human Capital Index (HCI). First launched in 2018, the HCI measures the amount of human capital that a child born today can expect to attain by age 18. It conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health. Worldwide a child born in 2020 can expect, on average, to be 56 percent as productive as she could be when she grows up. All data represent the status of countries pre-COVID-19.

THE HUMAN CAPITAL INDEX

Human Capital Index. A child born in Nicaragua today will be 51 percent as productive when she grows up as she could be if she enjoyed complete education and full health. This is lower than the average for Latin America & Caribbean region but higher than the average for Lower middle income countries.

- Probability of Survival to Age 5. 98 out of 100 children born in Nicaragua survive to age 5.
- Expected Years of School. In Nicaragua, a child who starts school at age 4 can expect to complete 10.8 years of school by her 18th birthday.
- Harmonized Test Scores. Students in Nicaragua score 392 on a scale where 625 represents advanced attainment and 300 represents minimum attainment.
- Learning-adjusted Years of School. Factoring in what children actually learn, expected years of school is only 6.7 years.
- Adult Survival Rate. Across Nicaragua, 85 percent of 15-year olds will survive until age 60. This statistic is a proxy for the range of health risks that a child born today would experience as an adult under current conditions.
- Healthy Growth (Not Stunted Rate). 83 out of 100 children are not stunted. 17 out of 100 children are stunted, and so are at risk of cognitive and physical limitations that can last a lifetime.

DIFFERENCES IN HCI ACROSS GENDER AND SOCIO-ECONOMIC GROUPS

In Nicaragua, the HCI for girls is higher than for boys. Table 1 shows gender disaggregation for each of the HCI components.

In Nicaragua, there are not sufficient data to disaggregate HCI by socio-economic groups.

Table 1. HCI by Gender and Socio-economic Group

<table>
<thead>
<tr>
<th>Component</th>
<th>Boys</th>
<th>Girls</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCI</td>
<td>0.49</td>
<td>0.53</td>
<td>0.51</td>
</tr>
<tr>
<td>Survival to Age 5</td>
<td>0.98</td>
<td>0.98</td>
<td>0.98</td>
</tr>
<tr>
<td>Expected Years of School</td>
<td>10.4</td>
<td>11.1</td>
<td>10.8</td>
</tr>
<tr>
<td>Harmonized Test Scores</td>
<td>392</td>
<td>392</td>
<td>392</td>
</tr>
<tr>
<td>Learning-adjusted Years of School</td>
<td>6.5</td>
<td>7.0</td>
<td>6.7</td>
</tr>
<tr>
<td>Adult Survival Rate</td>
<td>0.80</td>
<td>0.90</td>
<td>0.85</td>
</tr>
<tr>
<td>Not Stunted Rate</td>
<td>0.82</td>
<td>0.84</td>
<td>0.83</td>
</tr>
</tbody>
</table>

HCl Ratio (richest / poorest 20 percent) -


Figure 1. HCl and Components

PROTECT AND INVEST in people
Countries in Latin America and the Caribbean have improved their human capital outcomes, but large socioeconomic, gender and geographic inequalities still hinder inclusive development. To ensure continued progress and overcome the challenges unleashed by COVID-19, countries need to build strong and resilient public health systems, move toward universal social protection, boost learning achievement especially in early childhood, and improve employability, productivity and working conditions.

**DOMESTIC RESOURCE UTILIZATION AND MOBILIZATION**

- **Health Spending.** Nicaragua spends 5.5 percent (2017) of its GDP in public spending on health. This is higher than both the regional average (3.8%) and the average for its income group (2.8%). **15 percent** (2014) of the population incurs catastrophic health expenditure measured as out-of-pocket spending exceeding 10% of household consumption or income.

- **Education Spending.** Nicaragua spends 4.3 percent (2017) of its GDP in government education spending. This is lower than both the regional average (4.8%) and the average for its income group (4.5%).

- **Social Assistance Spending.** Nicaragua spends 0.5 percent (2013) of its GDP on social assistance. This is lower than both the regional average (1.4%) and the average for its income group (1.4%).

- **Government Revenue.** General government revenue in Nicaragua is 24.2 percent (2018) of GDP This is lower than both the regional average (24.7%) and the average for its income group (27.3%).

**COMPLEMENTARY INDICATORS**

- **Learning Poverty.** In Nicaragua, 70 percent (2013) of 10-year-olds cannot read and understand a simple text by the end of primary school. This is higher than both the average for its region (55%) and the average for its income group (59%).

- **Pre-primary Gross Enrollment.** In Nicaragua, the gross enrollment ratio in pre-primary education is 56 percent (2010). This is lower than the average for its region (76%) but higher than the average for its income group (49%).

- **NCD Deaths.** In Nicaragua, the probability of dying between ages 30 and 70 from cardiovascular disease, cancer, diabetes, or chronic respiratory diseases is 14 percent (2016). This is lower than both the average for its region (18%) and the average for its income group (21%).

- **Obesity.** In Nicaragua, 24 percent (2016) of adults age 18 and older are obese. This is similar to the average for its region (24%) but higher than the average for its income group (15%).

- **Adolescent Fertility Rate.** In Nicaragua, there are 83 births (2018) per 1,000 women ages 15-19. This is higher than both the average for its region (56) and the average for its income group (59).

- **Social Safety Net Coverage.** In Nicaragua, 74 percent (2014) of the poorest quintile is covered by social safety nets. This is higher than both the average for its region (68%) and the average for its income group (39%).

- **Share of Youth Not in Education, Employment or Training (NEET).** In Nicaragua, 1 percent (2014) of young people are not in education, employment, or training. This is lower than both the average for its region (21%) and the average for its income group (25%).

- **Drinking Water.** In Nicaragua, 82 percent (2017) of the population has at least a basic source of drinking water. This is lower than the average for its region (95%) but higher than the average for its income group (81%).

- **Internet Connectivity.** In Nicaragua, 28 percent (2017) of the population uses the internet. This is lower than both the average for its region (62%) and the average for its income group (34%).

**Figure 2. Complementary Indicators**

- **Percent Not in Learning Poverty**
- **Pre-primary Gross Enrollment**
- **Percent of Adults Not Obese**
- **Adolescent Fertility Rate**
- **Social Safety Net Coverage in the Poorest Quintile**
- **Percent of Youth in Education, Employment or Training**

Note:
- Large circle represents Nicaragua
- Small circles represent other countries
- Lines and color of circles indicate quartiles of the distribution