

Education Funding and Results

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During the Democratic presidential debate in Flint, Michigan, Hillary Clinton used a question about teachers' unions to blame the state of the education system on a lack of funding. When asked by CNN's Anderson Cooper if "unions protect bad teachers," [Clinton replied](#) in part:

A lot of what has happened—and honestly it really pains me—a lot of people have been blaming and scapegoating teachers because they don't want to put the money into the school system that deserve the support that comes from the government doing its job.

The audience applauded when Clinton said this, but her claim clashes with numerous facts about the U.S. public education system and its costs and outcomes compared to other nations, private schools, and U.S. public schools of the past.

Public School Spending

According to the latest Department of Education data, governments in the U.S. spend an average of [\\$12,401](#) for every student enrolled in K-12 public schools. Adjusted for inflation, this figure has risen by [21 times](#) since 1919, and it omits three significant categories of education expenses:

- State government administration.
- Unfunded pension liabilities for government employees.
- Post-employment non-pension benefits (like health insurance).

Recent national polls reveal that Americans greatly underestimate how much money is spent on public schools. In May and June of 2015, a [poll](#) commissioned by the journal *Education Next* and the Kennedy School of Government at Harvard University found that the average adult believes their local public schools spend \$6,307 per student. This is roughly half of the actual amount.

Likewise, a [poll](#) commissioned by Just Facts in December 2015 found that only 32% of voters know that the average public school spending per classroom is more than \$150,000 per year. The actual figure is [\\$283,000](#), and this does not include the three spending categories listed above.

Although these figures are averages, they are also indicative of spending levels in minority school districts. Since the early 1970s, school districts with higher portions of minority students have spent about the same amount per student as districts with smaller portions of minorities. This is confirmed through studies conducted by the left-leaning [Urban Institute](#), the [U.S. Department of Education](#), Ph.D. economist [Derek Neal](#) from the University of Chicago, and the conservative [Heritage Foundation](#).

International Comparisons

In academic tests conducted in 34 developed nations, 15-year-old U.S. students [rank](#) 17th for reading and 27th for math. This places them in the middle of the pack for reading and in the bottom 20% for math.

Teachers' unions [have linked](#) these disappointing results to inadequate funding, a lack of universal preschool, and socio-economic factors like poverty. These claims are belied by the [following facts](#):

- Among 32 developed nations, the U.S. ranks fifth in average spending per K-12 student, or 35% above the average of these nations.
- U.S. fourth graders are among the top academic performers in the world, ranking sixth among 45 nations for reading and seventh among 50 nations for math. This puts them in the top 15% for both reading and math.

In sum, U.S. public schools are far better funded than their international counterparts, and U.S. students—who excel in their younger years—lose their advantage as they spend more time in the U.S. education system.

Private Schools

Another line of evidence suggesting that U.S. public schools overspend and underperform is found in empirical comparisons to private schools.

Private K-12 schools in the U.S. spend [an average](#) of \$6,469 per student per year, which is roughly half the public school average of \$12,401. As before, the figure for public schools excludes the three categories of expenses listed above, while the figure for private schools is all-inclusive.

Comparing the outcomes of public and private schools can be difficult, because there are numerous factors that can impact student performance other than schools. Researchers often use statistical techniques to control for these variables, but these techniques [cannot objectively](#) rule out the possibility that other factors are at play.

In contrast, experimental data from time-series studies on randomized groups of students [cangenuinely determine](#) cause and effect. As explained in [a paper](#) published by the *Journal of the American Statistical Association*, “the random assignment process makes estimation of causal effects straightforward.” Likewise, a [working paper](#) by three European economists about the “causal evaluation of education policies” states that “experimental and quasi-experimental studies are the best way to” determine the effects of education initiatives.

Up through late 2015, [at least 11](#) experimental or quasi-experimental studies had been published on the academic outcomes of students who use school choice programs to attend private and/or charter schools. Ten of them found statistically significant positive effects on certain groups of students, and none of them found statistically significant negative effects on any groups of students.

In December 2015, the authors of a [working paper](#) published by the National Bureau of Economic Research found an exception to this rule. This involved a quasi-experimental study of first-year students in a Louisiana voucher program who experienced “substantially” reduced academic achievement” on state standardized tests. Some of the caveats include:

- The children in the study were from families with very low incomes, averaging \$15,471 per year.

- The study covered only one year, and changing schools may cause some short-term transitional challenges, especially for impoverished students who are typically far behind other students.
- the private schools in the program “do not focus on state standardized tests” and don’t administer them to students who are not in the program.
- The design of this program was such that the private schools that participated had “sharp relative declines in enrollment prior to entering the program.” This suggests that the program “may attract a negatively-selected set of private schools struggling to maintain enrollment.”

Nevertheless, the vast bulk of concrete evidence on school choice shows positive effects, despite the fact that these programs have been very limited in size and scope. In [the words](#) of Harvard professors William Howell and Paul Peterson, “Most publicly funded voucher programs today are so small that they do little to enrich the existing educational market.” This means that the “sweeping, systemic change” predicted by school choice advocates “will not materialize as long as small numbers of vouchers, worth small amounts of money, are offered to families for short periods of time.”

Regardless of the benefits to students who attend private schools or the cost savings to taxpayers, some people object to school choice because they think it hurts students who stay in public schools. However, experimental studies [unanimously find](#) positive impacts on students who stay in public schools that are subject to school choice programs. This is consistent with [the theory](#) that school choice stimulates competition that causes schools to improve.

Teachers’ unions and the [politicians they support](#) have a financial interest in increasing public school spending. It produces more union dues and increases the pool of government employees who favor politicians that funnel more taxpayer money into the system. These groups often [argue](#) that we should not pay for “private school tuition at taxpayer expense,” but they rarely object to the [widespread use](#) of taxpayer funds for private colleges. Like [Clinton](#), they often call for even more of it.

Historical Context

Another realm of evidence that challenges Clinton’s rhetoric is comparisons to U.S. public schools from the distant past. While there are no nationally representative records to this effect, this is one of those rare cases where anecdotal evidence is illuminating. Consider, for example, the [1885 annual report](#) of the Jersey City, N.J., Board of Education.

This report provides school spending levels, class sizes, and most interestingly, the exam that students had to pass in order to enter high school. A sample of math and algebra questions from the [full exam](#) include:

- If a 60 days note of \$840 is discounted at a bank at $4\frac{1}{2}\%$ what are the proceeds?
- Divide $6a^4+4a^3x-9a^2x^2-3ax^3+2x^4$ by $2a^2+2ax-x^2$.
- A merchant offered some goods for \$1170.90 cash, or \$1206 payable in 30 days. Which was the better offer for the customer, money being worth 10%?

In marked contrast to the mathematical ability of these youth from more than a century ago, a nationwide assessment carried out by the U.S. Department of Education found that [only 18%](#) of American adults can properly answer a question requiring the ability to search text, interpret it, and calculate using multiplication and division.

In 1885, the Jersey City, NJ, school district spent an average of \$13.24 for each of the 14,926 students in

average daily attendance during the year. Adjusted for inflation, [this is](#) \$336 per student. Public schools now spend \$13,210 per student in average daily attendance during the year, or nearly 40 times this amount. And again, this does not include the three categories of expenses listed above.

Moreover, the report documents class sizes and crowding conditions in primary schools that are far worse than that of any public K-12 schools in the U.S. today:

In October, there were sixty classes having over seventy students each, thirty-six classes having over eighty, and twenty classes ranging in their registry from one hundred to one hundred and forty-five. Each of these classes had only one teacher.

In no classes of the eighth grade, except at the new school in Greenville and in a few classes of the seventh grade, are the pupils allowed desks. They are crowded on settees [benches], six and eight on a seat, and they, like their teachers, work under great disadvantages.

In total, wide-ranging facts undercut Clinton's claim that the U.S. suffers from a shortage of education funding. If anything, excessive funding may have corrupted the system and produced inefficiencies that fleece taxpayers and prevent children from achieving their true potential. This was the point of the question posed by Cooper to Clinton.