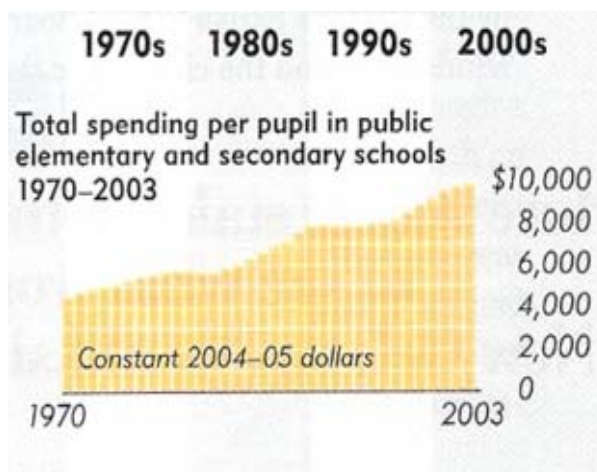




THE RISE IN SPENDING ON PUBLIC EDUCATION OVER THE LAST 30 YEARS IN THE UNITED STATES IS ALMOST ENTIRELY DUE TO THE INCREASE IN THE PERCENT OF LOW-INCOME CHILDREN ATTENDING PUBLIC SCHOOLS.

A January 2007 article in *The Atlantic* on school reform included a series of charts plotting school reform efforts alongside student performance scores between 1970 and 2003. The charts indicated that student performance has failed to rise over that thirty-three year span in spite of:

- A doubling of per pupil spending (from \$5,000 to \$10,000 per pupil)
- A decrease in the ratio of students to teachers
- An increase in teacher qualifications (twice as many teachers have Master's degrees today).
- *This comparison, however, fails to account for a significant difference between the cohort of students in public school in 2003 and the cohort attending public school in 1970.*



Source: Atlantic Monthly, 2007

- Families living at or below 185% of the Federal Poverty Line are considered low-income. Economically disadvantaged children are eligible for subsidized free and reduced price lunches in public schools.
- The federal government estimates that it costs 40% more to educate low-income students (c.f.: The Education Trust, State Summary Reports 2006).

THE PERCENT OF PUBLIC SCHOOL STUDENTS FROM LOW-INCOME FAMILIES TRIPLED BETWEEN 1970 AND 2003 (WHILE 20% OF ALL STUDENTS WERE LOW-INCOME IN 1970, 60% OF STUDENTS ARE LOW-INCOME TODAY).

- The total number of students in public school rose by 4% between 1970 and 2003.
- In 1970, 1 in 5 students were low-income.
- In 2003, almost 2 in 3 public school students were low-income.
- This means that in 1970, we spent about 40% more on 20% on children in public schools, whereas in 2003, we were spending 40% more on 60% of children in public schools.

Total Spending Per Pupil 1970-2003 (In Constant Dollars)

1970

Spending on middle-income kids = \$4,629
Spending on low-income kids = \$6,482

2003

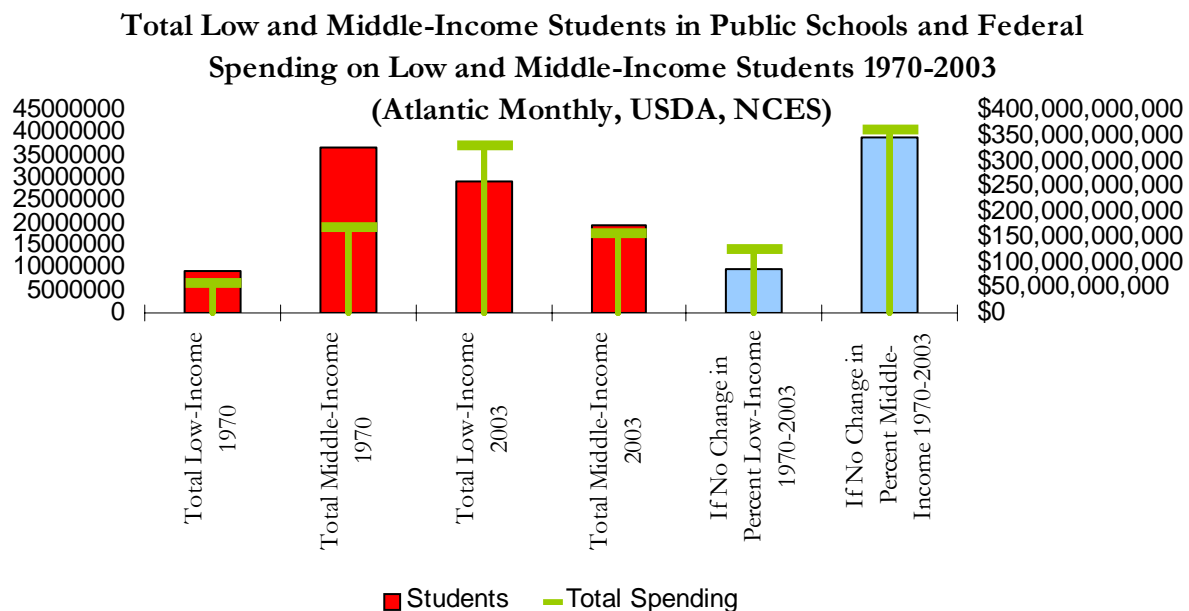
Spending on middle-income kids = \$8,065
Spending on low-income kids = \$11,291

2003 (If the percentages of low and middle-income students had remained constant)

Spending on middle-income kids = \$9,259
Spending on low-income kids = \$12,926

NEARLY 40% OF THE INCREASE IN TOTAL SPENDING BETWEEN 1970 AND 2003 WAS A RESPONSE TO THE CHANGING DEMOGRAPHIC MAKEUP OF STUDENTS IN PUBLIC SCHOOLS.

- The red bars below show the actual numbers of low and middle-income students enrolled in public schools in the U.S. in 1970 and 2003. The blue bars represent the hypothetical number of low and middle-income students in 2003 if the percentages of low and middle income students had remained constant over the same period of time.
- The green lines indicate the level of total funding allotted for students from each income group.
- If the percent of low and middle-income students in public school had remained constant, it would be appropriate to say that per pupil spending had doubled over the last 30 years.



Conclusions: Across the country, some 48 million students attend public school, 2 million more than in 1970. Over those three decades, the proportion of public school students from low-income families has tripled. Re-evaluating flat student achievement scores in light of this demographic change, we conclude that in spite of a marked rise in the share of at-risk students (who tend to score lower on standardized tests than their more economically advantaged peers), student achievement has remained consistent over time. Children born today are much more likely to attend schools with their low-income peers than with an economically diverse mix of students.

What We Need To Know: Is the decrease in middle-income students in public schools a reflection of a shrinking American middle class or are middle-income students opting out of public education for other educational options like private, parochial or home schooling?

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