

“Essentially Settled:”

How We Know That Funding Public Schools Pays Off

The evidence is clear: funding public education has generational payoffs for kids and communities. Despite Right-wing talking points insisting that spending tax dollars on public schools has had little impact on academic or other outcomes, study after study over the last decade has, in the words of the leading expert, “essentially settled” any debate on the question. Money matters, and it matters a lot.

- **More than 15 studies over the last decade show conclusive evidence that spending more money on public schools improves academic outcomes.** More than 15 recent studies and counting have—in the words of Northwestern Professor and National Academy of Education scholar Kirabo Jackson—“essentially settled” the question. [Sources: <https://www.chalkbeat.org/2018/12/17/21107775/does-money-matter-for-schools-why-one-researcher-says-the-question-is-essentially-settled>; <https://www.chalkbeat.org/2019/8/13/21055545/4-new-studies-bolster-the-case-more-money-for-schools-helps-low-income-students>; https://www.nber.org/system/files/working_papers/w25368/w25368.pdf]
- **School spending improves academic outcomes for all kids, but especially low-income families and kids whose parents had lower education levels.** School funding is important to communities regardless of local resources, but especially helps districts with high numbers of low-income families and lower educational backgrounds. For districts with more resources, those dollars remain important contributors to student outcomes. [Sources: <https://www.chalkbeat.org/2019/8/13/21055545/4-new-studies-bolster-the-case-more-money-for-schools-helps-low-income-students>; <https://www.nber.org/papers/w28517>]
- **It’s not just test scores: spending increases improve graduation rates, adult wages, and even reduces local crime rates.** Recent studies have shown that spending more money on public schools also improves graduation rates, lowers crime rates in local communities, and improves adult wages later on. One study showed that a 10% increase in spending across a child’s 12 years adds another 1/3 academic year of learning, and increases later wages by 7%. [Sources: <https://www.chalkbeat.org/2018/12/17/21107775/does-money-matter-for-schools-why-one-researcher-says-the-question-is-essentially-settled>; https://works.bepress.com/c_kirabo_jackson/28/; <https://fordschool.umich.edu/news/2022/investment-public-schools-reduces-contact-criminal-justice-system-epi-working-paper>]
- **School spending also increases local economic development and intergenerational mobility.** It’s well-known that higher property values historically add more revenue to local schools. But the reverse is just as true: local spending on public schools—and on teacher salaries—raises housing values and economic development. Meanwhile, state equalization across districts also improves intergenerational mobility in historically marginalized areas. [Sources: <https://www.sciencedirect.com/science/article/pii/S0094119008000983>; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3804536; <https://www.journals.uchicago.edu/doi/abs/10.1086/718980?journalCode=jole>]
- **On the flipside: cutting spending hurts kids and increases inequality.** During the Great Recession, as states and districts had to cut back on school spending, the evidence shows school cuts harmed academic outcomes and increased test score gaps above and beyond

other Recessionary impacts on communities. [Source:
<https://www.aeaweb.org/articles?id=10.1257/pol.20180674>]