

Education's inflated cost hasn't produced outsized performance

By Ken Braun

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The average price of a new car in 1972 was \$3,879, according to the U.S. Department of Energy. The DOE says the price jumped to around \$26,000 by 2012. The inflation-adjusted price from 1972 to 2012 would have been about \$21,000, so a new car today does dent the wallet a bit more today than it once did.

But today's typical car will last you nearly 100,000 extra miles. It will get significantly better gas mileage, despite cranking out substantially more horsepower. It will protect you far better in a crash and make it less likely you get into one. The radio can pull in a hundred custom stations from orbiting satellites, and it all sounds better than a professional recording studio did in 1972. For these reasons and more, the bargains rolling off auto assembly lines today are so much more valuable per dollar they hardly deserve to be considered part of the same species as their prehistoric ancestors of 1972.

Imagine instead there had been no serious improvements in performance since 1972, but that the average new car price had grown to \$46,000 by 2012, more than double the rate of inflation and \$20,000 more than the actual price. Substitute classrooms for cars and you have the results of a new report from the Cato Institute that examines the impact of 40 years of K-12 spending on SAT scores.

"State Education Trends: Academic Performance and Spending Over the Past 40 Years" claims to provide an "unprecedented perspective on American education inputs and outcomes." Cato uses an SAT score adjustment formula created by professional education statisticians to account for many demographic and participation rate changes affecting raw SAT scores over the four decades. Against these adjusted SAT scores, the report compares the inflation-adjusted cost per student over the same time period.

The result is a measurement of the correlation between spending and improved test scores for all 50 states. And it isn't pretty.

Average adjusted SAT scores for the entire nation fell by an average of 3 percent over the 40 years, while inflation adjusted spending per student zipped up 120 percent on average - more than double. The upshot for all 50 states was "essentially no link" between the states spending the most and improved performance. Some states spent more than 120 percent above inflation and produced even worse scores (Arkansas), while others (Michigan) hiked per pupil spending a

little less than the national average (yet still 80 percent above inflation) while moving the SAT needle upward just a few points.

During the four decades of skyrocketing K-12 spending and stagnant student improvement, Chrysler and GM endured one bankruptcy each, and this followed an earlier government bailout for a nearly bankrupt Chrysler in 1980. In the automotive world, even phenomenal improvements in performance paired with modest jumps in cost are insufficient progress.

In most of our marketplace, even things working very well are held to tough standards of improvement. The automotive marketplace looks comparatively stagnant against the relentless technological advances (and even falling prices) in computers and consumer electronics. In the decades to come, we'll have cars that drive themselves, all while costs remain reasonable.

And if nothing is done to fix our broken education model, we'll get more than forty more years down the road, still paying hyper-inflated costs for a product that will not have improved in nearly a century.

Albert Einstein is often credited with defining insanity as “doing the same thing over and over and expecting different results.” In truth, Einstein probably didn't say this first.

In truth ... it's still true.

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