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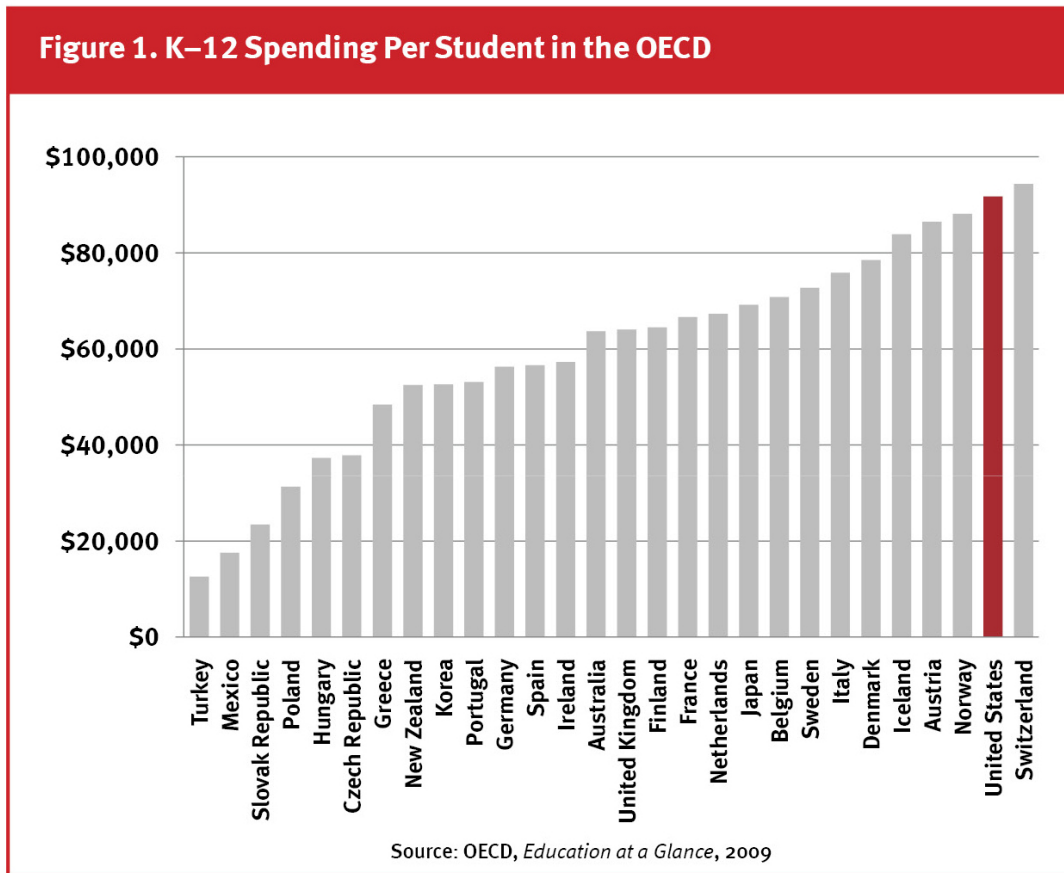
## Losing the Brains Race

**America is spending more money on education while producing worse outcomes.**

Veronique de Rugy from the [March 2011](#) issue

In November the Organization for [Economic](#) Cooperation and Development (OECD) released its Program for International Student Assessment scores, measuring educational achievement in 65 countries. The results are depressingly familiar: While students in many developed nations have been learning more and more over time, American 15-year-olds are stuck in the middle of the pack in many fundamental areas, including reading and math. Yet the United States is near the top in education spending.

Using the OECD data, Figure 1 compares K–12 [education](#) expenditures per pupil in each of the world's major industrial powers. As you can see, with the exception of Switzerland, the U.S. spends the most in the world on education, an average of \$91,700 per student in the nine years between the ages of 6 and 15. But the results do not correlate: For instance, we spend one-third more per student than Finland, which consistently ranks near the top in science, reading, and math.

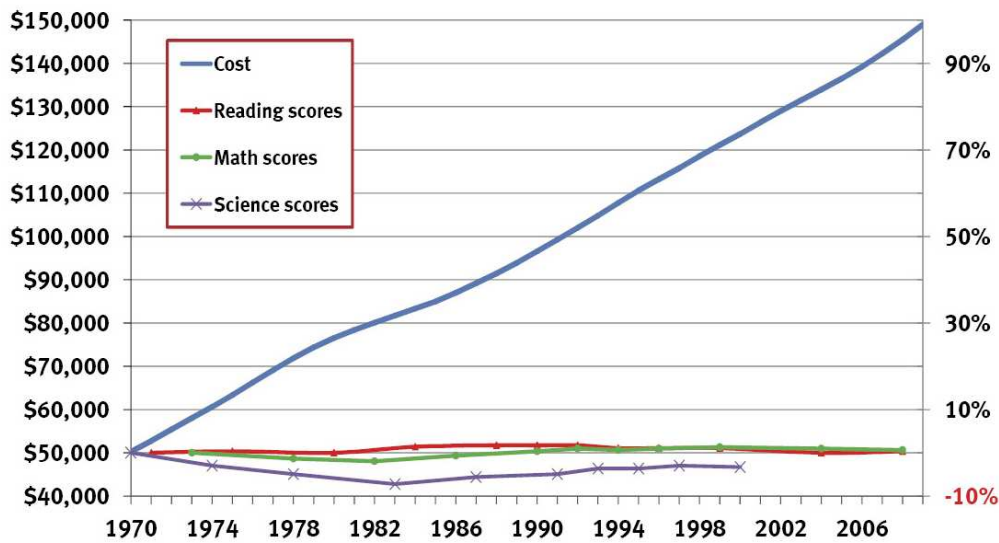


Naturally, the OECD's report has sparked calls for more spending. Speaking at Forsyth Technical Community College in North Carolina at the beginning of December, President Barack Obama said the federal government should spend more on improving achievement in math and science, much as Washington did in response to the Soviet Union's Sputnik launch a half-century ago.

But throwing more money at poorly performing schools has not moved the needle on performance. During the last 40 years, the federal government has spent \$1.8 trillion on education, and spending per pupil in the U.S. has tripled in real terms. Government at all levels spent an average of \$149,000 on the 13-year education of a high school senior who graduated in 2009, compared to \$50,000 (in 2009 dollars) for a 1970 graduate.

Despite the dramatic increase in spending, there has been no notable change in student outcomes. Using data provided by Andrew Coulson, an education policy analyst at the libertarian Cato Institute, Figure 2 shows National Assessment of Educational Progress scores in reading, math, and science, along with per pupil spending. The only trend line with a pulse is the amount of spending.

**Figure 2. Real Cost of K–12 Public Education and Percentage Change in Achievement of 17-Year-Olds**



Source: Andrew J. Coulson, Cato Institute, based on data from the National Center for Education Statistics

More spending usually means more teachers. Last year Obama not only used stimulus [funds](#) to preserve education jobs but called for “10,000 new teachers.” Yet as Figure 3 shows, the number of students per teacher in U.S. public schools fell from 17.4 in 1990 to 15.7 in 2007.

We have tried spending more money and putting more teachers in classrooms for more than a generation, with no observable improvements to anything except the schools’ bottom lines. Why? Because of the lack of competition in the K–12 education system. Schooling in the United States is still based largely on residency; students remain tied to the [neighborhood](#) school regardless of how bad its performance may be. Federal spending on education (which amounted to 8.3 percent of total public education spending in 2007) is funneled to students through the institutions to which they are tied, largely regardless of student performance. With no need to convince students and parents to stay, schools in most districts lack the incentive to serve student needs or differentiate their product. To make matters worse, this lack of competition continues at the school level, where teacher hiring and firing decisions are stubbornly divorced from student performance, tied instead to funding levels and tenure.

If reform is to be

**Figure 3. Student-Teacher Ratios in U.S. Public Schools**

defined by something other than the amount of money flushed down the toilet, it is time to reverse the flow of power from the top (administrators, school districts, teachers unions, governments) to the bottom (students, their parents, and taxpayers who want their money spent wisely). A first step in that direction is to change our teacher labor market practices in terms of both hiring and firing. On the hiring end, there are too many restrictions on who can become a teacher. On the firing end, we need to restore the relationship between job retention and job performance. Lisa Snell, director of education at the Reason Foundation (the nonprofit organization that publishes this magazine and does public policy research), points out in an email one recent example of how bad a school's labor practices can be: "L.A. Unified School District laid off hundreds of its top teachers and replaced them with lower-performing teachers with seniority."

In long-suffering California, a bipartisan coalition is supporting a new response to such irrational practices: the "parent trigger," which allows fed-up parents whose [children](#) are in a consistently underperforming school to quickly change the school's leadership. By signing a petition, parents can force reorganization of a school's management or conversion into a charter school. In December parents of students at Compton Unified School District's McKinley Elementary School did just that.

A parent trigger is not a panacea, but it introduces an element of choice (and hence competition) into a monopoly that has been shortchanging its customers and benefactors for decades. Wealthy people already exercise school choice, either by sending their kids to private schools or by choosing where to live based on school districts. The parent trigger gives less fortunate parents a similar and much less expensive tool. Along with the growth of [online education](#) and the charter school movement, these lurches in the direction of consumer choice are heartening and long overdue.

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