



Invest education dollars wisely

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Teachers are striking for higher salaries and more resources again. Some say spending more on education is simply a matter of good economics, because better education means a stronger workforce. But given our nation's track record — and the empirical evidence — I am not as optimistic.

Public education spending in the U.S. has nearly tripled over the past half-century while math, reading and science test scores have remained flat.

In fact, Stanford University economist Eric Hanushek reviewed nearly 400 studies on the subject and found that increases in education spending generally do not lead to meaningful improvements in academic outcomes.

Pouring more tax dollars into a school system that does not produce better outcomes is obviously a waste of money. You wouldn't invest in any company that tripled its operating costs without improving its product in 50 years.

Unsurprisingly, more money doesn't seem to matter when school leaders do not have strong incentives to change. Indeed, research by Kennesaw State University professor Ben Scafidi finds that most increases in education expenditures go toward administration and support staff. No wonder teachers are striking.

But this doesn't mean that education dollars never matter. Instead, we should consider where education dollars matter the most. For example, a recent University of Arkansas study I co-authored found that charter schools produced a 53% higher return on investment, in terms of students' lifetime earnings, than traditional public schools. Further, most of the 17 studies on private school choice programs find positive effects on test scores for some or all students.

To make education investments that improve our economy, we should stop investing in the schools that don't deliver, until their leaders have stronger incentives to spend wisely. Instead, we should invest in the future — our children — by allowing education dollars to follow them to the schools that best fit their unique needs.

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