



Ideas Changing the World

Education Issues

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More Spending Doesn't Lead to Higher Test Scores

Despite the grim economy, Governor Jerry Brown is asking Californians to approve a \$7 billion tax hike. The governor emphasizes that without the increase in spending enabled by higher taxes, public education in the state would face significant cuts. The question for California voters, therefore, is a comparison of the respective benefits of lower taxes and higher education spending, says Andrew J. Coulson, director of the Cato Institute's Center for Educational Freedom.

In making this decision, voters should look to education spending in the past, and realize from this data that an ever-growing state education budget has done little to improve educational outcomes as measured by SAT results.

- Between 1968 (the first year for which the data is available) and 2010, real spending per student increased by 95 percent.
- This represents increased spending of \$27 billion dollars since 1974, adjusting for increased enrollment.
- In almost the same time span, from 1972 to 2010, SAT scores among California high school student dropped by 4 percent, taking into account test rescaling in 1996.

Detractors argue that the use of SAT scores in assessing educational outcomes is ineffective and misleading, pointing out that it is unrepresentative and has limited participation.

However, none of the arguments put forth are particularly persuasive. While it is acknowledged that broader participation can lower scores, participation was actually 4 percent higher in the mid-1970s than it was in 2010. Moreover, white students nationwide have gradually seen a drop in scores, and therefore the increased inclusion of low-scoring minority students alone cannot explain the drop.

It is relevant that only the top third of students take the SAT, as this introduces the possibility that increased spending helps low-performing students (which is arguably not captured by the SAT variable). However, voters should still question why increased spending actually hurt scores among SAT takers over the past four decades.

Source: Andrew J. Coulson, "A Case against More California Taxes," Orange County Register, January 18, 2012.