

## **Report Finds Funding Inadequacy in K-12 Schools Based on District Poverty, Student Race and Ethnicity**

WASHINGTON—A joint [report](#) by researchers from the [Albert Shanker Institute](#) and [Rutgers University Graduate School of Education](#) finds that high-poverty districts and students of color suffer from K-12 funding that is, on average, well below estimated adequate levels, while low-poverty districts and white students enjoy funding that far exceeds adequate levels.

The authors also find that this inequitable funding is due, in no small part, to the fact that the typical state is devoting a smaller share of its economy to its schools than it has in at least 20 years, and that relatively few states provide significantly more revenue to higher-poverty districts than to their lowest-poverty districts.

“The reality is that it costs more to achieve higher educational outcomes,” notes Rutgers Professor Bruce Baker, one of the report’s co-authors, “and we’re unlikely to see much return on our investments when we’re not really making those investments.”

The report, which is accompanied by a [one-page profile of each state’s system](#), evaluates states based on the share of their economic capacity devoted to schools (fiscal effort), the degree to which they target resources at the districts with the most need (progressivity), and, most importantly, whether they spend enough to achieve common student outcome goals (adequacy). The analysis includes data up to the 2018-19 school year (the latest year available) but also examines trends going back as far as 25 years.

The report and profiles present state-by-state results for these measures, but the [executive summary](#) lays out 10 key findings on the overall state of U.S. K-12 finance systems, including:

- In states' highest-poverty districts, on average, K-12 spending is 17 percent below estimated adequate levels. In 18 states, this negative funding gap is larger than 30 percent. Conversely, there are only 8 states in which the lowest-poverty (wealthiest) districts spend below adequate levels.
- African-American and Latinx students are twice as likely as white students to attend underfunded schools. Spending in the typical African-American student’s district is 21 percent below adequate, and 17 percent below adequate for the typical Latinx student. The average white student’s district, in contrast, has funding 21 percent above estimated adequate levels.
- Some 37 states devote a smaller share of their economies to K-12 schools than they did in the years preceding the 2007-09 recession. Had all states restored these pre-recession “effort” levels by 2018-19, total state and local spending would increase by 10 percent, and the U.S. could hypothetically cut the total inadequate funding gap in half.
- On average, U.S. school funding since the early 1990s has been neither progressive nor regressive (high- and low-poverty districts receive roughly the same amounts). In 20 states, high-poverty districts actually receive *less* funding than do the lowest-poverty (wealthiest) districts (i.e., funding is “regressive”). In only 12 states do high-poverty districts receive at least 10 percent more than the lowest-poverty districts.

The primary conclusions from these results are that the vast majority of states are failing to provide adequate, equitable funding for their students, and that this failure is due largely to policy choices. Baker sums up the situation: “It’s fair to say that the K-12 funding situation has regressed back to where it was about 30 years ago, before many of the gains made from the finance reforms that followed. We publish this report and dataset every year to improve school finance debates and policy—by making the information accessible to policymakers, educators, and families—to help us at least rebound now as we did back then.”

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