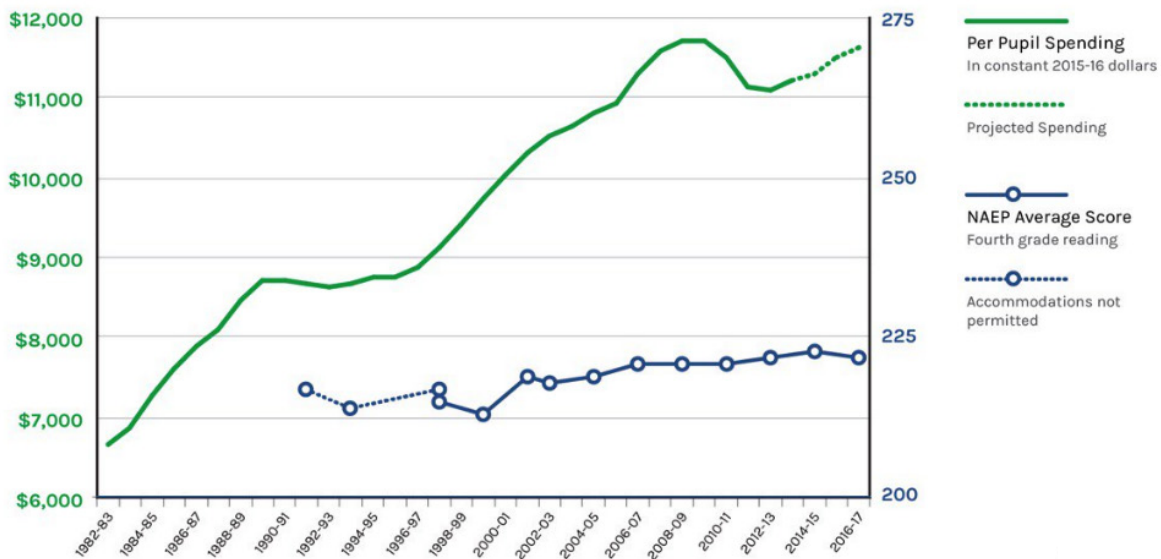


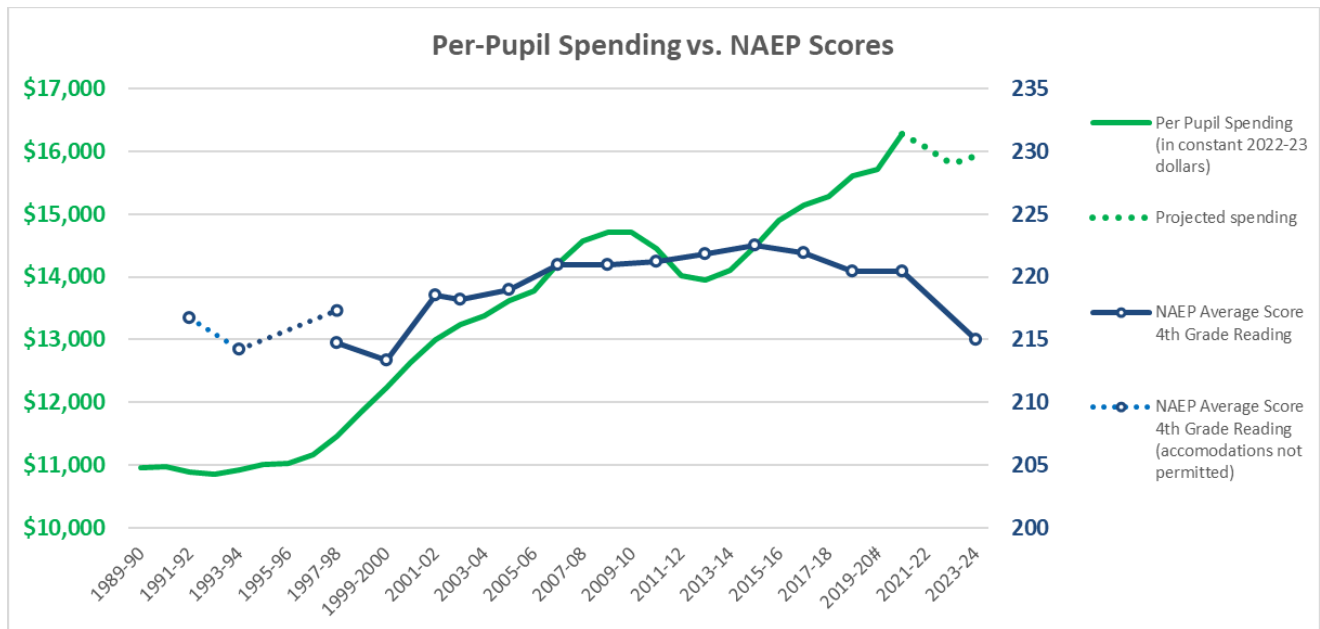
Fact Sheet: Education Funding — Why Money Matters

Understanding the Relationship Between Funding and Educational Outcomes



Source: U.S. Department of Education, National Center for Education Statistics, Revenues and Expenditures for Public Elementary and Secondary Education, 1970–71 through 1986–87; Common Core of Data (CCD), “National Public Education Financial Survey,” 1987–88 through 2013–14; National Elementary and Secondary Enrollment Projection Model, 1972 through 2026; Public Elementary and Secondary Education Current Expenditure Projection Model, 1973–74 through 2026–27; and National Assessment of Educational Progress, Reading Report Card, 2017

<https://x.com/BetsyDeVosED/status/984534888941604864>



Source: NCES Digest of Education Statistics ([Table 221.10](#) and [Table 236.15](#))

- **How data is displayed matters:** The first chart, published by the Department of Education during Trump’s first term, shows a dramatic rise in spending alongside stagnating, low test scores. The second chart uses almost identical federal data but a top NAEP score more aligned with fourth grade on the y-axis, shows a different pattern: Scores increased right after No Child Left Behind was passed and continued slowly increasing until peaking around 2015, then declined again.
- **Correlation does not imply causation:** Ice cream sales and shark attacks both increase during summer, but ice cream sales don’t cause shark attacks. Similarly, we can’t tell the relationship between funding and test scores just by looking at the data side-by-side. Neither chart can do that; we need rigorous research instead.

Rigorous Research Is Clear: Money Matters in Education

- **Increased Funding Improves Student Outcomes**
 - According to prominent school finance researchers,¹ increased education funding led to:
 - 7% increase in graduation rates, 7% higher wages as adults, and a 3 percentage-point lower risk of adult poverty
 - For students from low-income backgrounds, the benefits are even greater: 10% higher graduation rates, 13% higher wages at age 40, and a 6 percentage-point lower likelihood of living in poverty
 - Researchers have also found that increases specifically in Title I funding led to improvements in similar outcomes, including greater educational attainment, higher earnings, and lower poverty rates in adulthood.²

- **ESSER Pandemic Funding Made a Difference:** Harvard research³ confirms that pandemic relief funding contributed to academic recovery and narrowed gaps, especially in the highest-poverty districts, where an additional \$7,700 per student led to increased learning in math (46 extra days) and reading (23 extra days).
- **How dollars are spent matters:** Research on pandemic recovery showed that while all districts invested in academics, achievement grew more in districts that spent more on addressing unfinished learning and invested in evidence-based interventions like tutoring or summer school.⁴

Inadequate, Unrestricted Federal Funding Hurts Students and Families

- **Block grants have a poor track record:** The Temporary Assistance for Needy Families (TANF) block grant led to decreased federal TANF funding over time, and without spending requirements, states use a larger and growing share of TANF funds for other services.⁵
- **Lack of special education funding strains local budgets:** Special education funding, which has never been funded at the levels promised by Congress, already creates financial strain, with districts bearing 62% of special education costs locally. This limits schools' ability to fund other essential programs.⁶
- **Voters want more funding, not less:** More than half (56%) of voters want to increase federal public education funding, with 4 in 10 supporting increases even if it means higher taxes. Only 1 in 10 want to decrease federal education spending.⁷

Endnotes

1. <https://www.nber.org/papers/w20847>
2. <https://www.rsjournal.org/content/1/3/50#sec-5>
3. [Federal pandemic funding boosted student achievement, report finds | Center for Education Policy Research at Harvard University](#)
4. <https://educationrecoverycorecard.org/wp-content/uploads/2025/02/Pivoting-from-Pandemic-Recovery-to-Long-Term-Reform-A-District-Level-Analysis.pdf>
5. https://www.cbpp.org/sites/default/files/atoms/files/4-8-15tanf_0.pdf
6. <https://bellwether.org/publications/who-pays-for-special-education/?activeTab=1>
7. <https://all4ed.org/publication/voters-views-on-education-in-2024/>