

The True Cost of Public Education  
The Benefits of School Choice

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## Abstract

Education, rightfully, has been seen as the best way to train the next generation of citizens. The Founding Fathers held that it was essential for the nation's growth to teach children citizenship and virtue. With the recent expansion of school choice options across the country, this is a good time to refocus on that goal and examine the true cost of public education in America. This study will analyze data, particularly information published by the Department of Education and the U.S. Census Bureau, to form a picture of the true cost of public education. Even though a large percentage of children are attending private schools or are homeschooled, education spending has continued to skyrocket. On average, private schools have become cheaper than public schools while still producing better results. Finally, recent universal school choice programs have shown that children can still receive an education at a fraction of the current expenditures.

**Keywords:** Education, Funding, School Choice, Attendance, Stewardship, Public Schools, Private Schools

## Introduction

The importance of education to a society's continued growth and moral standing cannot be overstated. The philosopher John Locke provided an astute synopsis of education: "Adam and Eve, and after them, all parents, were by the law of nature under an obligation to preserve, nourish, and educate the children they had begotten; not as their own workmanship, but the workmanship of their own Maker."<sup>1</sup> From the beginning of the United States, the Founding Fathers, who were a group of well-educated individuals themselves, noted that education was essential for "the creation of a workable republic."<sup>2</sup> A century and a half later, the Economist Milton Friedman summarized this discussion: "A stable and democratic society is impossible without widespread acceptance of some common set of values and a minimum degree of literacy and knowledge on the part of most citizens."<sup>3</sup> Historically, institutionalized learning, where parents send their children to be taught by educators, has accomplished this. Throughout nearly two and a half centuries, the American government has recognized the importance of this issue and debates to this day what the best way to educate children is.

It is outside the limitations of this study to discuss the full range of issues plaguing the public school system. However, there is a consensus that improvements could be made, and a common refrain is that more money should be spent on K-12 education. Parents are eager to provide the best education and chance for their children's futures. This was showcased in the 2021 Virginia gubernatorial election, where education became the focal point of a heated contest. According to the United States Census Bureau's Annual Survey of School System Finances, the various levels of the government (Federal, State, and Local) have already increased education funding by 31% over the past twenty years.<sup>4</sup> In FY 2021, a combined total of \$809,990,795,000 was spent on K-12 education.<sup>5</sup> An initial look through the data suggests that increasing the amount of funds will not be sufficient to solve this problem even if the U.S. Congress, State Legislators, and City Councils doubled the funding today. Additionally, other education options, such as private schools, home schools, and education savings accounts, show that the same level of student success (if not better) can be achieved at a lower cost to the taxpayer. If the education system had improved test scores, and enrollment was rising and projected to rise even further, doubling down might be a viable strategy. However, it is the duty of policy analysts and, more importantly, legislators to be more responsible with taxpayer dollars and to do this properly; alternative strategies must be considered.

## Methodology

Without a firm grasp and appreciation for the current state of K-12 spending and how the government has gotten to this point, it is futile to determine whether additional spending would

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<sup>1</sup> John Locke, *The Second Treatise of Government and a Letter Concerning Toleration*, (New York: Dover Publications, Inc., 2002), 25.

<sup>2</sup> Paul Johnson, *A History of the American People*, (New York: Harper Perennial, 1999), 208.

<sup>3</sup> Milton Friedman, "The Role of Government in Education," In *From Economics and the Public Interest*, New Jersey: Rutgers University Press, 1955, 2.

<sup>4</sup> United States Census Bureau, "2003 Public Elementary-Secondary Education Finance Data," United States Census Bureau, October 8, 2023, <https://www.census.gov/data/tables/2003/econ/school-finances/secondary-education-finance.html>.; United States Census Bureau, "2021 Public Elementary-Secondary Education Finance Data," United States Census Bureau, May 16, 2023, <https://www.census.gov/data/tables/2021/econ/school-finances/secondary-education-finance.html>.

<sup>5</sup> Census Bureau, "2021."

improve the system or whether more targeted policy options are the solution. To establish a baseline, this study assessed the current public school expenditures overall, and on a per-pupil basis. It was found that many education systems do not function on a per-pupil basis, but it provides a helpful barometer for comparison. The quantitative data was drawn from the aforementioned “Annual Survey of the School System’s Finance” reports, annually released by the U.S. Census Bureau. These reports provided overall spending levels dating back to 2003, and using Power Query, a data model was developed to assess national, state, and local education funding. The Digest of Education Statistics, published regularly by the Department of Education’s National Center for Education Statistics provided additional figures for this study. Examples include Tables 236.55 and 236.70, which provided a breakdown of spending per average pupil attendance at the state and national levels.<sup>6</sup> The common percent of increase formula was utilized to assess the difference between years:  $(\text{new value} - \text{original value}) / \text{original value}$ . Since the overall funding data only extended back to 2002, this study limited the samples drawn from other sources to this date to provide a uniform period to study.

Further research was conducted on private and home education to further assess public education. The NCES provides enrollment in the nation’s private schools in addition to public enrollment but has limited data on the number of students that have been homeschooled. This required pulling from a third-party organization, the National Home Education Research Institute, which provided a limited sample of home-schooled children.<sup>7</sup> This sample provided the primary dates of comparison used throughout the study. The average tuition rates of private schools per state were compiled from Private School Review, which seeks to provide parents with a database of education options and has the tuition numbers of private schools across the country.

Finally, a literature review was conducted to discover additional points of comparison. This study drew from the ABCs of School Choice published annually by Ed Choice to assess the policy landscape of school choice across the country and how these options are compared to the current level of public school funding.

### **The Current Status of Public Education Funding**

Michael Brickman with the Cicero Institute summarized the debate on public education funding

“Despite evidence to the contrary, parents have been told for more than 50 years that more money will solve public education’s woes, from increased staffing to better curricula. Yet, little attention has been given to the actual outcomes of throwing good money after bad. ... What’s needed are solutions that prioritize smarter spending over flooding poorly performing models with more cash.<sup>8</sup>

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<sup>6</sup> United States Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 236.55 Total and current expenditures per pupil in public elementary and secondary schools: Selected school years, 1919-20 through 2020-21, [https://nces.ed.gov/programs/digest/d23/tables/dt23\\_236.55.asp?current=yes.](https://nces.ed.gov/programs/digest/d23/tables/dt23_236.55.asp?current=yes;); United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics*, Table 236.70 Current expenditures per pupil in average daily attendance in public elementary and secondary schools, by state or jurisdiction: Selected school years, 1969-70 through 2020-21, [https://nces.ed.gov/programs/digest/d23/tables/dt23\\_236.70.asp?current=yes.](https://nces.ed.gov/programs/digest/d23/tables/dt23_236.70.asp?current=yes)

<sup>7</sup> Brian Ray, “Research Facts on Homeschooling.” National Home Education Research Institute, February 9, 2024. [https://www.nheri.org/research-facts-on-homeschooling/.](https://www.nheri.org/research-facts-on-homeschooling/)

<sup>8</sup> Michael Brickman, “Transparency and Accountability for School Spending,” Cicero Institute, January 9, 2024, [https://ciceroinstitute.org/wp-content/uploads/2024/01/K-12-Spending.pdf.](https://ciceroinstitute.org/wp-content/uploads/2024/01/K-12-Spending.pdf)

It is easy for a politician to stand up and call for more education funding, and it is simple for the average voter to grasp. President Joe Biden, the U.S. President at the time of writing, has followed this approach during the 2020 presidential campaign and into his first term in office. His budget proposal for fiscal year 2022 included the “most significant investment” in the public education system since its creation.<sup>9</sup> Previously, he had already passed through \$230,000,000,000 in education spending through pandemic relief and his infrastructure package.<sup>10</sup> Despite spending over \$300 billion in additional education funding, the 2023 fiscal year budget called for \$88.3 billion more.<sup>11</sup> Clearly, calls for more funding have dominated the current policy landscape and have led to the point where more than \$800 billion is spent annually and climbing fast. The federal portion of education spending alone has increased by 502% over the past 56 years.<sup>12</sup> Funding has already been increased without the promised benefit, but a deeper look can be taken into the data.

Distinctions can be made between federal, state, and local levels of government, which share the funding responsibilities. Per the U.S. Census Bureau, in fiscal year 2021, the Federal government spent \$85,313,197,000, the State governments spent \$367,137,793,000, and local governments spent \$357,539,805.<sup>13</sup> As is displayed in Table 1, this amounts to over \$809 billion spent, which is a 31% increase over 20 years. The federal portion of the funding grew at double the rate of the state and local portions. Since 2002 alone, the U.S. has spent \$14,231,534,094,476.80 (adjusted for inflation) on K-12 education.<sup>14</sup> This does amount to a massive investment in the nation's future, and leaves the question what more is required.

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<sup>9</sup> Lauren Camera, “Biden’s Budget Significantly Boosts K-12 Education Spending,” U.S. News, April 9, 2021, Biden’s Budget Significantly Boosts K-12 Education Spending (usnews.com). <https://www.usnews.com/news/education-news/articles/2021-04-09/bidens-budget-significantly-boosts-k-12-education-spending>.

<sup>10</sup> Ibid.

<sup>11</sup> Carolyn Jones, “Biden budget includes 15.6% boost in education spending,” Ed Source, March 3, 2022, <https://edsources.org/updates/biden-budget-includes-15-6-boost-in-education-spending>.

<sup>12</sup> U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics*, Table 401.10 Federal support and estimated federal tax expenditures for education, by category: Selected fiscal years, 1965 through 2020.

<sup>13</sup> Census Bureau, “2021”.

<sup>14</sup> Census Bureau, “2003”. Census Bureau, “2021”. United States Census Bureau, “2002 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2002/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2004 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2004/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2005 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2005/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2006 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2022, <https://www.census.gov/data/tables/2006/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2007 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2007/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2008 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2008/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2009 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2009/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2010 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2010/econ/school-finances/secondary-education-finance.html>.

**Table 1: Sample of Public Elementary-Secondary Education Data (adjusted for inflation) (in thousands)**

	2002	2005	2009	2017	2021
Federal Spending	\$48,220,506	\$59,855,235	\$68,614,671	\$60,361,531	\$85,313,197
Local Spending	\$264,992,082	\$289,554,111	\$317,779,333	\$339,788,489	\$357,539,805
State Funding	\$305,769,087	\$309,733,906	\$338,965,430	\$356,520,024	\$367,137,793
Total Spending	\$618,981,675	\$659,143,253	\$725,359,433	\$756,670,044	\$809,990,795

Source: United States Census Bureau, “2002 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021. United States Census Bureau, “2005 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021. United States Census Bureau, “2009 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021. United States Census Bureau, “2017 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021. United States Census Bureau, “2021 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021.

The next question is how many students are enrolled in America’s public schools. Logically, funding would need to increase if more students are enrolling to accommodate the additions. Table 2 showcases that the number of children in public schools has only increased by 892,877 students, or roughly 2%, since 2003. Funding has increased by roughly 15 times the enrollment during this period. Table 3 displays that in 2020, the average amount spent on the

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finance.html. United States Census Bureau, “2011 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2011/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2012 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2012/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2013 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2013/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2014 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2014/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2015 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2015/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2016 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2016/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2017 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2017/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2018 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2018/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2019 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, October 8, 2021, <https://www.census.gov/data/tables/2019/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2020 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, May 18, 2022, <https://www.census.gov/data/tables/2020/econ/school-finances/secondary-education-finance.html>. United States Census Bureau, “2021 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, May 16, 2023, <https://www.census.gov/data/tables/2021/econ/school-finances/secondary-education-finance.html>.

average student was \$19,999. This amounts to a 20% increase from the amount spent in 2004, where, adjusted for inflation, \$16,851 was spent per student. If the sample is expanded to 1996, the data in Table 3 shows that current expenditures have grown by 45% per pupil. Per-pupil expenditures have increased by ten times the enrollment growth. If more money per student is not the solution to the problem, policy makers should work to discover what is.

**Table 2: Enrollment in Public Schools (in thousands)**

	2003	2007	2016	2019	2020	2021	2022
Public Schools	48,540	49,291	50,615	50,796	49,375	49,433	49,262

Source: United States Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 105.30 Enrollment in elementary, secondary, and degree-granting postsecondary institutions, by level and control of institution: Selected years, 1869-70 through fall 2031.

**Table 3: Sample of Current Expenditures per Pupil Adjusted for Inflation**

	1996	2000	2004	2008	2012	2016	2018	2019	2020
National Per Pupil Spending	13762	15712	16851	18195	16657	18250	19105	19329	19999

Source: United States Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 236.55 Total and current expenditures per pupil in public elementary and secondary schools: Selected school years, 1919-20 through 2020-21.

A few more aspects of the funding picture should be discussed to establish a firm baseline. Based on the available data, the public school system has drastically increased the adult-to-child ratio. Brickman noted that as of Fall 2023, over 80% of a school’s budget is spent on salaries and benefits.<sup>15</sup> Since 1960, student enrollment has increased by 44%, and the number of teachers has increased by 136%.<sup>16</sup> However, the largest expansion is the hiring of instruction coordinators (659%), guidance counselors (716%), and instructional aides (1438%).<sup>17</sup> Of the 4.6 million “additional adults” hired since 1960, only 40% of these have been teachers in the classroom.<sup>18</sup> Conversations on this topic have pondered the role of student transportation in funding, and based on the data from the NCES, the impact is minimal. In 2018, roughly \$29 billion was spent on student transportation, or \$1,197.00 per student transported.<sup>19</sup> This amounts to roughly 4% of the total funding. Since 2003, there has been a 20% increase in transportation costs or 5.9 billion dollars in additional spending.<sup>20</sup> While some of the students transported were private school students, the available data did not provide a breakdown. Based on statistical analysis, the rise in student transportation costs only amounted to 4% of the total funding

<sup>15</sup> Brickman, K-12 Spending, 3.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> United States Department of Education. National Center for Education Statistics. Digest of Education Statistics. Table 236.90 Students transported at public expense and current expenditures for transportation: Selected years, 1929-30 through 2018-19. [https://nces.ed.gov/programs/digest/d23/tables/dt23\\_236.55.asp?current=yes](https://nces.ed.gov/programs/digest/d23/tables/dt23_236.55.asp?current=yes).

<sup>20</sup> Census Bureau, “2003”. Census Bureau, “2018”. Department of Education, “Table 236.90”.

increases. While it is outside the scope of this study to identify the exact cause of why public education funding has increased, a preliminary glance at the data suggests that the rise of staff is a contributing factor. It is also clear that the additional staff hired for the public school infrastructure has not translated to increased student performance.

### Traditional Alternatives

Policy analysts and legislators owe it to the average taxpayer to find the most efficient way to fund public education. The existence of education alternatives of private and home schools provides the opportunity to analyze the public education system and showcase alternatives that could be cheaper, more successful, or both. Per the data from the Private School Review, the national average private school tuition in 2024 is \$12,724.<sup>21</sup> On average, private schools are now cheaper, costing only 64% of what is spent on the average public school student. However, as Friedman noted decades ago: “if [parents] send their children to private nonsubsidized schools they are required to pay twice for education – once in the form of general taxes and once directly.”<sup>22</sup> This is an average equivalent of \$32,723 per year required for public education, an undue burden on the millions of parents who choose this option. Table 4 provides a sample of the average private school tuition in a collection of states, which shows a great deal of variance in this discussion. Connecticut leads the nation with an average tuition of \$29,133, and South Dakota has the cheapest with an average of \$4,190.<sup>23</sup> Based on the available expenditure and tuition data, 49/50 states spend more on the average public school student than the average cost of tuition in their state; Connecticut is the only outlier. States such as Virginia and California have similar costs for both types of education. Once that data is untangled, it shows a surprising fact that private schools have become cheaper than their public counterparts.

Table 4: Sample of the Average Private School Tuition per State Compared with Average Per Pupil Spending

	Average Per Pupil Spending in Public Schools	Average Private School Tuition
Arizona	\$12,363	\$10,244
California	\$17,178	\$16,750
Connecticut	\$26,626	\$29,133
Florida	\$12,713	\$10,536
New York	\$32,497	\$21,118
Ohio	\$16,879	\$7,885
South Dakota	\$13,631	\$4,190
Texas	\$13,538	\$10,896
Virginia	\$16,694	\$15,373

Source: Private School Review, “The National and State Averages for Private School Tuition (2024),” Private School Review, February 9, 2024. United States Department of Education, National Center for Education Statistics,

<sup>21</sup> Private School Review, “The National and State Averages for Private School Tuition (2024),” Private School Review, February 9, 2024, <https://www.privateschoolreview.com/tuition-stats/private-school-cost-by-state>.

<sup>22</sup> Friedman, “Education,” 5.

<sup>23</sup> Private School Review, “2004.”



Digest of Education Statistics, Table 236.70 Current expenditures per pupil in average daily attendance in public elementary and secondary schools, by state or jurisdiction: Selected school years, 1969-70 through 2020-21

The cost of homeschooling paints a similar picture, with estimates putting the average cost at \$600 per student, though there is a much greater time commitment from the parents.<sup>24</sup> As it was noted earlier, historically institutionalized learning was developed since parents did not have either the capacity, ability, or time to education their children. While home schooling does not require transportation, staffing, facilities, and a litany of other budget items that public and private schooling requires, it establishes that the education of children can be done at a minimal cost if one is creative. As Table 5 notes, enrollment in both public and private schools have held steady at 80% and 10% respectively. Meanwhile, the number of children homeschooled has doubled in recent years, during 2021 it had tripled, but has stabilized after the COVID-19 pandemic. The conducted analysis of the traditional education alternatives showcases that there are already cheaper education options than public schools, and these are more flexible to the needs of individual children while resulting in higher student achievement.

**Table 5: Sample of the Percentage of Children in Public, Private, or Home School**

	2003	2007	2016	2019	2020	2021	2022
Public Schools	79%	80%	82%	82%	78%	79%	79%
Private Schools	10%	10%	9%	9%	10%	10%	10%
Home Schooled	2%	3%	4%	4%	4%	6%	5%

Source: United States Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 105.30 Enrollment in elementary, secondary, and degree-granting postsecondary institutions, by level and control of institution: Selected years, 1869-70 through fall 2031, Brian Ray, “Research Facts on Homeschooling,” National Home Education Research Institute, February 9, 2024.

### School Choice

An additional alternative is the growing school choice movement, which has seen massive growth in recent years. Robert Enlow, president of Ed Choice, noted that “in just three years, the number of states with universal or near-universal private school choice programs has grown from zero to 10 and the number of students eligible for these programs have increased by 60 percent.”<sup>25</sup> School choice is not a new policy idea, having been prominent in the education discussion since the prominent economist Milton Friedman popularized the idea. Over the decades, this policy idea has expanded beyond school vouchers, including education savings accounts, tax credit scholarships, tax credit education savings accounts, and refundable tax credits. Table 6 summarizes the various programs, along with the average value. With most school choice programs, eligibility is restricted based on a litany of

<sup>24</sup> Ray, “Homeschooling.”

<sup>25</sup> Ed Choice, “The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice program in America, 2024 Edition,” Ed Choice, January 25, 2024.

factors, with an average eligibility of 53%.<sup>26</sup> Most eligible students do not participate in these programs, with an average of 5% taking advantage of the opportunities. The projected cost of school choice in 2023 amounts to \$6,509,512,523.<sup>27</sup> Hypothetically, it could be said that school choice programs take funds away from a public school system that desperately needs it. Based on the available data, the 71 school choice programs in 2023 cost taxpayers 0.8% of what was spent on public education in 2021. An analysis of the data is displayed in the final column of Table 6 and shows the potential cost of school choice programs. This “potential cost” is how much would be spent if every eligible student took advantage of each school choice program and was calculated by taking the estimated population of the program’s State, multiplying this by the average cost of the program. The difference would be a cost of \$186,280,345,366, or 23% of public education expenditures. One thing to note is that only Education Savings Accounts and School Vouchers were designed to pay for the entirety of a student’s education; the other options help to offset the cost of private school options and other learning needs. Public schools have enjoyed a massive increase in annual funding, to the tune of \$390 billion in additional expenditures per year from 2002 to 2021.<sup>28</sup> The current expenditures on school choice would have amounted to 1.6% of this additional funding. It is unlikely that this \$6 billion would have proved a difference maker for student achievement.

**Table 6: School Choice Funding**

Type	Total Programs	Average Eligibility	Average Student Participation	Average Value	Total Cost (in thousands)	Potential Cost (in thousands)*
Education Savings Accounts	15	55%	5%	\$ 7,556.47	\$ 2,819,439	\$ 57,348,986
School Vouchers	24	36%	15%	\$ 8,985.88	\$ 1,993,170	\$ 47,017,594
Tax Credit Scholarships	26	58%	2%	\$ 3,974.00	\$ 698,587	\$ 57,212,306
Tax Credit ESAs	2	75%	2%	\$ 7,094.00	\$ 987,941	\$ 23,562,939
Refundable Tax Credits	4	38%	2%	\$ 4,210.00	\$ 10,373	\$ 1,138,518
<b>Total</b>	<b>71</b>	<b>53%</b>	<b>5%</b>	<b>\$ 6,364.07</b>	<b>\$ 6,509,512</b>	<b>\$ 186,280,345</b>

\*This column is based on the analysis conducted on the provided data, and is not part of the original source.

Source: Ed Choice, “The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice program in America, 2024 Edition,” Ed Choice, January 25, 2024. United States Department of Education. National Center for Education Statistics. Digest of Education Statistics. Table 101.40 Estimated total and school-age resident populations, by state: Selected years, 1970 through 2021.

<sup>26</sup> Ibid.

<sup>27</sup> Ed Choice, “2024”

<sup>28</sup> Census Bureau, “2002.” Census Bureau, “2021.”

Education savings accounts, in particular, have been seen as the future of the school choice movement in recent years. The number of these programs nearly doubled in 2023, going from 8 programs at the beginning of 2023 to 15 programs at the onset of 2024.<sup>29</sup> Table 6 shows that most of these programs have limited eligibility, with an average of 55% of students eligible. This study has highlighted four of these programs, from Arizona, Florida, Utah, and Arkansas, which offer universal eligibility to students. Table 7 summarizes these four programs, though the recent passage of the Arkansas and Utah programs made it impossible to gather the full information. These options cost \$1,743,157,377 in 2023, a fair amount below the public education expenditures reported. These programs provide a further example of how education spending could be optimized. On average, universal ESA programs will cost \$7996 per student, each with a cap relative to the public education funding in that particular state.<sup>30</sup> The average value of these accounts would be sufficient for the average school in Arkansas but is below the average cost in the other states, only paying for 74% - 93% of the average private school tuition. This is at the average cost, which is 40% of what is spent per pupil in public education. Thirty-three of the fifty states now offer a school choice program that is offered to a portion of their students, and the rapid expansion and success of these programs further highlight that the best solution to the issues plaguing the public education system is not a lack of funding, but a lack of creativity. That said, there is one last avenue to explore when assessing education funding.

**Table 7: Education Savings Accounts**

	Launched	Participating Students	Average Value	Total Cost (in thousands)	Potential Cost (in thousands)*
Arizona	2011	70,925	\$9,523.00	\$675,418	\$ 10,792,263
Arkansas	2024	-	\$6,614.00	-	\$ 3,237,982
Florida	2019	136,087	\$7,846.00	\$1,067,738	\$ 22,229,177
Utah	2024	-	\$8,000.00	-	\$ 5,527,472

\*This column is based on the analysis conducted on the provided data, and is not drawn from the original source. Source: Ed Choice, “The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice program in America, 2024 Edition,” Ed Choice, January 25, 2024. United States Department of Education. National Center for Education Statistics. Digest of Education Statistics. Table 101.40 Estimated total and school-age resident populations, by state: Selected years, 1970 through 2021.

### The True Cost of Public Education

The true cost of public education on paper is the aforementioned \$809.9 billion (and climbing) spent on the nation’s public schools. However, this is not the only fiscal cost of the system. By rejecting the litany of policy alternatives available in recent decades, trillions of dollars have been spent that could have been kept by the taxpayers or on other government projects. Table 8 provides a sample of states (drawn from the same list as Table 4) and includes the overall number of potential education costs if an alternative method is utilized. Column 2 displays how much each state would spend if public schools were funded at the level of the

<sup>29</sup> EdChoice, “2024”. Ed Choice, “The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice program in America, 2023 Edition,” Ed Choice, March 2023, <https://www.edchoice.org/wp-content/uploads/2023/11/2024-ABCs-of-School-Choice.pdf>.

<sup>30</sup> Ibid.

average private school tuition. Six states (and Washington D.C.) would not save money this method were followed: Arizona, Connecticut, Maine, Massachusetts, New Hampshire, and Utah.<sup>31</sup> However, most states assessed would see savings, such as Virginia which would save \$59 million across the three funding levels. Across the country, the public education system would cost 74% of \$599 billion dollars. This is a savings of \$210 billion dollars per year, which could either be used for tax relief or put back into the education system as part of additional targeted funding.

Table 8: Sample of Potential Costs and Savings on Education (In Thousands)

	If Funded at the Private School Level	Savings from Private Level	If Funded at the ESA Level	Savings from ESA Level
Arizona	\$11,609,361	-\$1,141,979	\$9,061,455	\$1,405,926
California	\$99,827,621	\$6,748,300	\$47,653,534	\$58,922,387
Connecticut	\$14,850,488	-\$2,456,097	\$4,075,817	\$8,318,573
Florida	\$29,850,447	\$4,496,757	\$22,653,446	\$11,693,758
New York	\$53,819,011	\$24,341,547	\$20,377,088	\$57,783,470
Ohio	\$13,275,280	\$13,193,519	\$13,461,740	\$13,007,059
South Dakota	\$592,076,330	\$1,320,606,670	\$1,129,855,445	\$782,827,554
Texas	\$59,150,167	\$10,130,059	\$43,405,832	\$25,874,394
Virginia	\$19,213,405	\$59,118	\$9,993,208	\$9,279,315
United States	\$599,161,246	\$210,829,548	\$395,254,645	\$414,736,149

Source: Ed Choice, “The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice program in America, 2024 Edition,” Ed Choice, January 25, 2024. Private School Review, “The National and State Averages for Private School Tuition (2024),” Private School Review, February 9, 2024. United States Census Bureau, “2021 Public Elementary-Secondary Education Finance Data,” United States Census Bureau, May 16, 2023. United States Department of Education. National Center for Education Statistics. *Digest of Education Statistics*. Table 101.40 Estimated total and school-age resident populations, by state: Selected years, 1970 through 2021.

An analysis of the costs of education savings accounts finds that the average cost of the four universal programs is roughly \$7996 per pupil. If the education system adopted this level of funding, the total nationwide cost would be \$395,254,645,359 per year, which is 49% of the current spending level. Table 8 showcases the sample of states and their funding levels at the ESA level. Florida looks to save \$11.6 billion if the ESA program continues to expand and replaces public school funding. The potential savings for the taxpayer would be \$414,736,149,641 per year. It is important to note that the ESA programs were not designed as a replacement for the public school system, nor were they meant to replace the current funding. They are included to provide a point of reference. An average of the two funding options

<sup>31</sup> Private School Review, “2024”. Census Bureau, “2021”. United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics*, Table 101.40 Estimated total and school-age resident populations, by state: Selected years, 1970 through 2021, [https://nces.ed.gov/programs/digest/d22/tables/dt22\\_101.40.asp?current=yes](https://nces.ed.gov/programs/digest/d22/tables/dt22_101.40.asp?current=yes).

mentioned above would amount to \$497,207,945,798 spent annually, with \$10,360 spent per student. This would amount to \$312 billion in savings compared to the current funding levels. Currently, education spending makes up 32.4% of the average direct general expenditures of state and local governments.<sup>32</sup> Imagine the possibilities that a creative approach to education policy could bring not just to education, but other policy areas with the potential savings.

### **Conclusion**

Policymakers nationwide should be honest that spending more on education will not fix the problem. It would be ideal if the government could wave a magic wand and fix all the issues, but the reality is a complex system that seeks to aid millions of students. Whether the amount spent per student is \$600, \$7,996, \$10,360, \$12,724, or 19,999, the research is clear that what will help students succeed is not more money, but how the money is spent. The research found that between the 50 states and the District of Columbia, there are at least 106 potential levels of funding in FY 2021 alone. Adding in the years utilized in this study, there are roughly 2017 distinct potential public education costs. Tim Goeglein managed to summarize the issue of education funding in one quote: “The government can build the most state-of-the-art school ever seen by mankind, but if the students arrive from their homes unequipped – and even in some instances unable to learn – the beauty of the building and scope of the amenities means nothing.”<sup>33</sup> There are a plethora of things that could be focused on rather than continuing to increase the cost, and unless policymakers are honest about this fact and are honest with the American people, the only thing that will change is that the funding will be increased, and the potential savings will rise about \$414 billion dollars. It is admirable, regardless of the position one holds, to seek to improve the education system, but it is owed to current taxpayers, and future children to create the best education system possible. The American spirit of innovation has continued on in the realm of education, and legislators would do well to see what their fellow Americans have developed.

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<sup>32</sup> United States Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 106.30 Amount and percentage distribution of direct general expenditures of state and local governments, by function: Selected years, 1970-71 through 2019- 20, [https://nces.ed.gov/programs/digest/d22/tables/dt22\\_106.30.asp?current=yes](https://nces.ed.gov/programs/digest/d22/tables/dt22_106.30.asp?current=yes).

<sup>33</sup> Tim Goeglein, *American Restoration: How Faith, Family, and Personal Sacrifice Can Heal Our Nation*, (Washington, D.C.: Regnery Gateway, 2019), 91.

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United States Department of Education. National Center for Education Statistics. *Digest of Education Statistics*. Table 105.30 Enrollment in elementary, secondary, and degree-granting postsecondary institutions, by level and control of institution: Selected years, 1869-70 through fall 2031.  
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United States Department of Education. National Center for Education Statistics. *Digest of Education Statistics*. Table 106.30 Amount and percentage distribution of direct general expenditures of state and local governments, by function: Selected years, 1970-71 through 2019- 20  
[https://nces.ed.gov/programs/digest/d22/tables/dt22\\_106.30.asp?current=yes](https://nces.ed.gov/programs/digest/d22/tables/dt22_106.30.asp?current=yes).

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