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## THE CONCERNING CONNECTION BETWEEN SCHOOL SPENDING, POVERTY, AND RACE



When it comes to educational opportunity, it is not always easy to disentangle the impacts of poverty from the impacts of race and racism. A [new working paper](#) by NEPC Fellow [Robert Bifulco](#) and [Sarah Souders](#), both of Syracuse University, addresses this issue, focused on school spending.

The paper teases apart differences in spending as associated with racial and socioeconomic demographics in U.S. districts and schools located in metropolitan areas, a sample that includes roughly three quarters of the nation's Black and Hispanic students. The findings, which incorporate the years 2006 through 2018, suggest that the higher-poverty schools attended by Black and Hispanic students are not funded at sufficient levels to account for the opportunity gaps related to racialized poverty in the U.S.

Low-income students need richer school-based opportunities to learn. They need substantially more educational resources in order to have equitable chances of success. Here are six top takeaways from Bifulco and Souders.

- 1. Black and Hispanic students are much more likely than White students to attend high-poverty schools.** The average Black student attends a school where 62 percent of the students qualify for free or reduced-priced meals. The average Hispanic student attends a school where 59 percent of students qualify for the federal meal program for low-income families. By contrast, the average White student attends a school where 32 percent of students qualify for free or reduced-price meals.
- 2. Race-poverty gaps are biggest in the Northeast and smallest in the South.** The gap between the poverty rates of schools attended by Black and Hispanic students and schools attended by White students is largest in the Northeastern United States

and smallest in the South. In the Northeast, most of this gap can be attributed to racial and economic segregation between school districts (i.e., students of color attending schools in higher-poverty districts than White students). In the South, where school districts themselves are more diverse, most of the gap can be attributed to segregation within school districts (i.e., students of color attending higher-poverty schools within the same districts as White students).

- 3. Racial gaps in the exposure to poverty declined between 2006 and 2012, but not because students of color started attending schools with fewer low-income classmates.** Rather, the gaps shrank because White students started attending schools with higher concentrations of low-income White classmates. During that period, which corresponded with the 2008 recession, there was no change in the likelihood that Black and Hispanic students would attend schools with low-income classmates. The gaps did not change much between 2012 and 2018.
- 4. In raw dollars, Black and Hispanic students' schools spend slightly more than schools attended by White students.** In 2018, the average Black student's school spent about seven percent more per pupil than the average White student's school. Hispanic students' schools spent about 3 percent more per pupil than White students' schools.
- 5. Adjusted for the higher level of need experienced by students in poverty, Black and Hispanic students' schools spend less in such cost-adjusted support than schools attended by White students.** By this measure, per-pupil spending at the schools attended by Black and Hispanic students is effectively 12 percent less than per-pupil spending at White students' schools. Disparities are largest in the Northeast, and did not change between 2018 and 2016.
- 6. Because low-income students have higher levels of need, per-pupil spending for Black and Hispanic students would need to increase substantially to provide equal educational opportunities.** To achieve Hispanic-White spending parity (given the higher levels of need of students from low-income families), per-pupil spending would have to increase 13 percent for Hispanic students. To provide an even educational playing field between Black and White students, per-pupil spending would have to increase by 25 percent for Black students.

## NEPC Resources on School Finance and Funding

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