The Price of Opportunity

What would it cost to make public schools in the United States a true "Great Equalizer," ensuring that students can overcome the out-of-school obstacles posed by poverty and discrimination?

Alternatively, what would it cost to sustain a robust and comprehensive set of social policies—addressing needs in areas such as healthcare, housing, food security, employment, and racism—that attend directly to the out-of-school obstacles students and their families face?

These are the only two ways that we as a society can lift all children up: either providing enormous resources and opportunities through public schools or addressing the societal inqualities so that schools needn't serve this extraordinary purpose. Yet, surprisingly, researchers have not yet determined the price tag of either approach.

The Price of Opportunity project is a national research study that will cost out both. We apply methods grounded in school finance research and economic survey analyses to establish estimates of the costs associated with each goal: (a) creating a "Great Equalizer" system of US public schools, and (b) implementing a robust and comprehensive set of social policies to create a more equitable society.

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Why is this needed?

President Bush famously said that disadvantaged students were subjected to the "soft bigotry of low expectations." And he was right. High expectations are indeed important. But high expectations become a punitive false promise if combined with low resources, low opportunities, and low supports. Because of vast societal inequalities, children throughout the US face those challenges every day.

Nevertheless, many policymakers and others are still mired in a type of magical thinking. They have somehow convinced themselves that children's opportunities to learn outside of school are not particularly important – that policy should simply focus on making schools more equal. While school inequality is a serious problem that must be addressed, this sort of school-focused thinking is also a problem. Relatively little of the variation that seen in average test scores between schools is attributable to differences in what the schools are actually doing. Schools only account for 20-40% of the variance in student performance; the remaining 60-80% is accounted for by inequities that students bring with them into their classrooms (as well as statistical error).[1] And those inequities are rooted in a long history of discrimination and racist policies.

How is the Price of Opportunity Project different from other school-finance reform discussions?

Inequality in the US is stark and growing. In response, policymakers continue looking, at least rhetorically, to the nation's schools to compensate for that inequality. But the nation has never come close to providing the resources that would be needed to give schools a fighting chance at becoming the "Great Equalizer."

Imagine school finance reform as a set of stairs, as shown in the figure on the next page. Ground level is the level of inequality that existed in the mid-1960s, before the first wave of school-finance litigation. Currently, US states are on one of the three yellow steps, depending on the level of progress they have made toward addressing those inequalities. The states on the highest of those yellow steps use their funding formulas to target more resources to school districts with the greatest need.

However, no state has yet reached the red step — the level of equity that we call "minimal adequacy." This is defined as the additional resources needed to give all students a realistic shot at reaching basic levels set forth by state standards and accountability systems.

If the nation were ever to get to that point, however, vast inequality would still be in place because of opportunity gaps that arise due to societal inequalities. Closing those opportunity gaps via formal schooling will require a great deal more in terms of school resources. Which brings us to the Great Equalizer standard.

How does this project address systemic racism?

Discrimination in the US implicates economic exploitation, subjugation, stratification and exclusion. Accordingly, addressing economic justice indirectly addresses racial discrimination. This is not sufficient, however. So this study also directly examines current and potential anti-discrimination and anti-racism policies, resources, and programs intended to prevent individual acts of discrimination (e.g., hate crimes) and to end institutional discrimination (e.g., criminal justice reform). As part of this analysis, we struggle with difficult price-tag questions regarding, for instance, mitigating the damages inflicted on the African American community by slavery.

What do we mean by "Great Equalizer"?

We define the Great Equalizer (*Figure 1*) as a public school system with the resources and program designs needed to overcome the challenges facing students inside and outside of school. This system would provide students from all backgrounds with educational opportunities that prepare them to succeed economically and socially in college, careers and life.

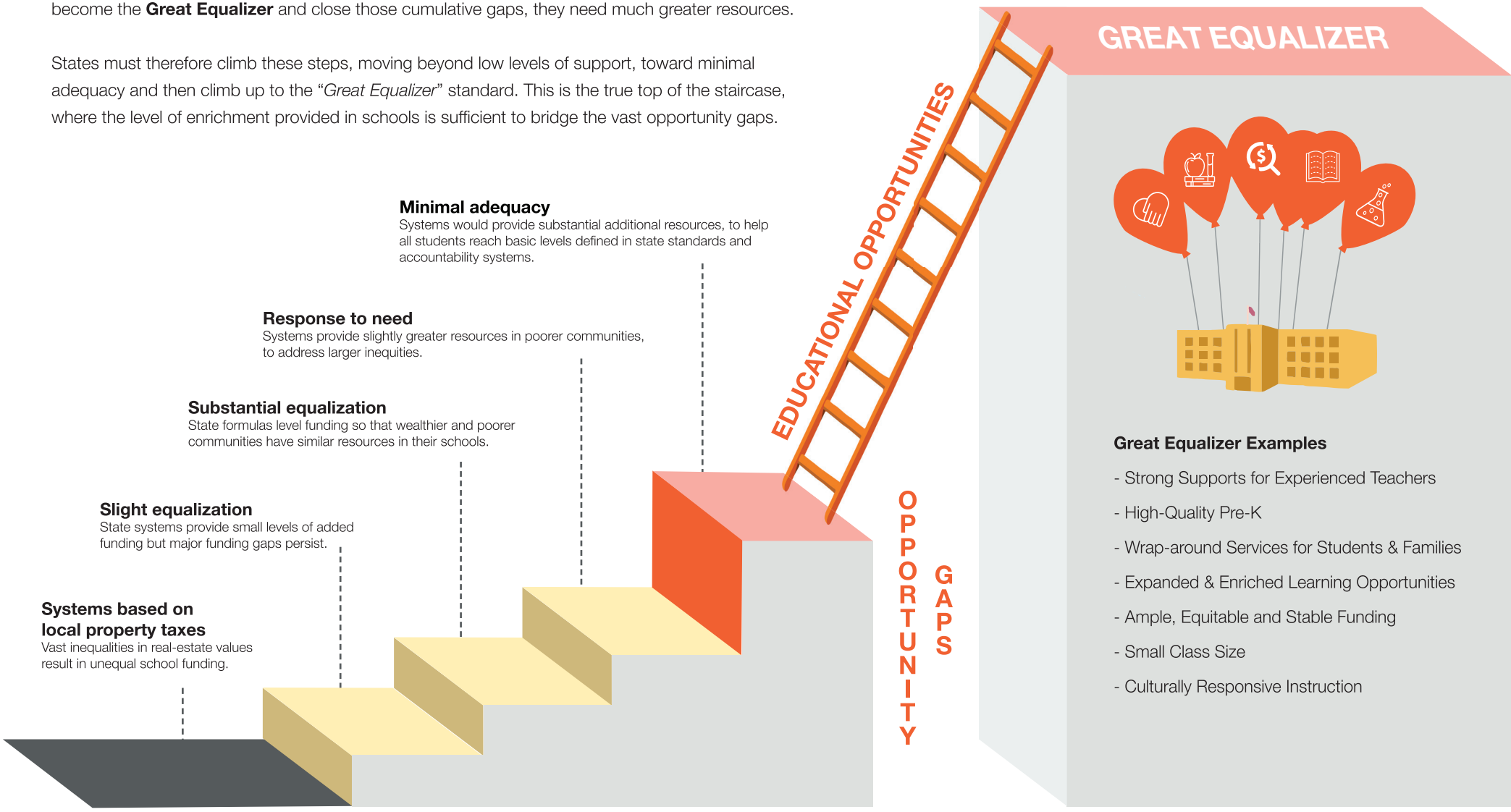
[1] Welner, K. G., & LaCour, S. (2019). Education in Context: Schools and Their Connections to Societal Inequalities. In Kristine L. Bowman (ed.), The Oxford Handbook of US Education Law. (Internal footnotes omitted.)

Climbing Toward the Great Equalizer

Figure 1

The **opportunity gaps** children face in schools are greatly expanded by inequalities tied to concentrated poverty and racism that children and their families face outside of school. If schools are to become the **Great Equalizer** and close those cumulative gaps, they need much greater resources.

States must therefore climb these steps, moving beyond low levels of support, toward minimal adequacy and then climb up to the "*Great Equalizer*" standard. This is the true top of the staircase, where the level of enrichment provided in schools is sufficient to bridge the vast opportunity gaps.



All U.S. states are currently on the first, second or third step of the staircase.

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Is there an alternative to the Great Equalizer?

The Great Equalizer is one of two primary options for creating equitable educational opportunities. In the graphic below (*Figure 2*), Great Equalizer Reforms are represented by attaching balloons to lift up the nation's schools. Alternatively, a second option that we call Systemic Social Safety Net Reforms focuses on addressing the concentrated poverty and racism that drive so many of the nation's opportunity gaps. This option is represented by cutting off the weights that pull down schools and communities, and it turns to social policies outside of schools (e.g., healthcare, housing, and employment) that can address the weights directly. It shifts the burden from public schools to society as a whole.

How can we attach price tags to these ideas?

Each of these ideas, the Great Equalizer and the Systemic Social Safety Net, need to be costed out separately. This summary presents our research questions and methodological approaches for estimating a price tag for each model of reform.

Part 1: Identifying and costing-out the "Great Equalizer".

Research Questions:

- What resources, services and policies are needed for public schools to be the "Great Equalizer," counterbalancing the inequalities in opportunities that children experience outside of school? How do these supports vary by school type? E.g., primary vs. secondary, size, demographics, and geographic location.

- What is the total cost associated with implementing the supports identified? How do these costs vary by state?

To answer these questions, we use research methods that are grounded in a unique type of professional judgment panel (PJP). The PJP approach has been often used to inform school finance litigation. These panels bring together educational practitioner participants for deliberations. Within the context of litigation, these deliberations are typically guided by an academic standard (i.e., a target, goal, or expectation) that is usually determined by a state's constitutional duty concerning p-12 education. These deliberations typically involve the identification of the resources and program designs necessary to accomplish the chosen standard. In addition to being used in litigation, this approach has become a commonly relied upon method

Great Equalizer vs Systemic Social Safety Net

Figure 2

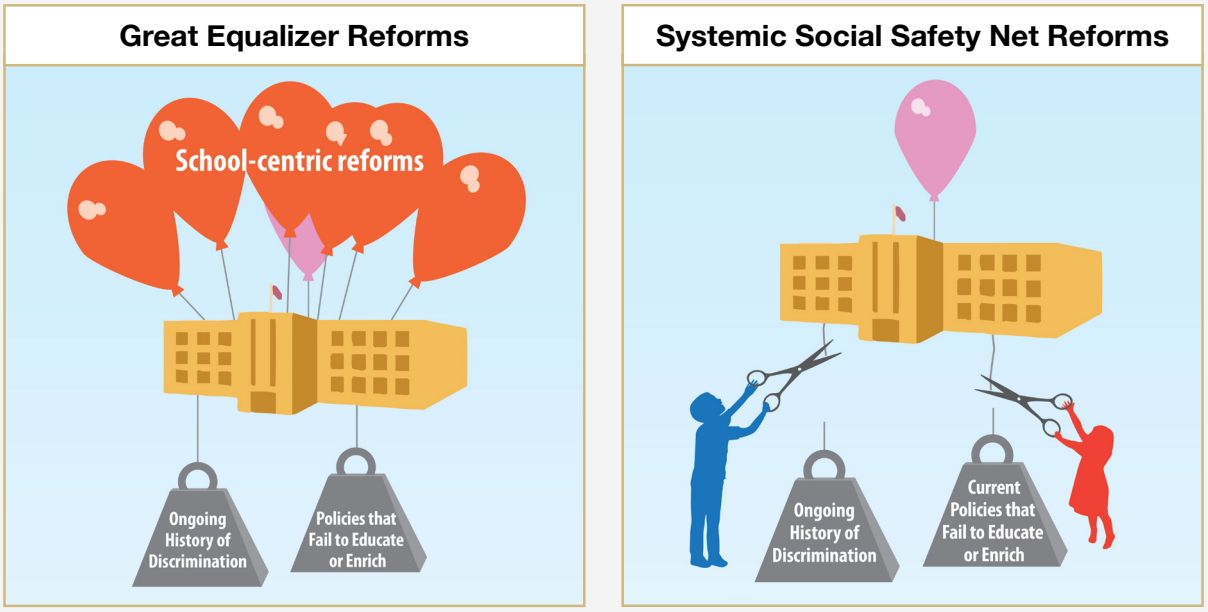

Figure 3

How do we estimate the "Price of Opportunity"?

Great Equalizer Reforms	Systemic Social Safety Net Reforms
Approach #1: Cost-out Interventions Identified by Judgment Panels of Community, Educators, and Administrators	**Approach #3:** Examine the Percentage of GDP that OECD Countries Spend on Social Safety Net Policies
Approach #2: Cost-out Interventions Identified by Researcher Judgment Panels	**Approach #4:** Examine the Estimated Cost of Research-based Poverty Interventions in the U.S.

for researchers to identify educational resources and estimate their cost.

Our approach, however, is substantially different from past PJP studies. First, we raised the standard of education to the "Great Equalizer" (rather than a constitutional adequacy standard), to identify the educational resources necessary to ensure that all children are afforded equitable opportunities to learn and succeed in life. Participants deliberate about the resources necessary to approximately equalize a student's opportunities in life, rather than considering only the resources required to attain adequate outcomes on standardized test scores or to yield acceptable graduation rates.

Second, we broadened the drawn-upon expertise. A professional judgment approach assumes that participants are knowledgeable about the resources and program designs necessary to meet the chosen standard. Typically, PJPs have relied upon the expertise of educational practitioners who have experience in the provision of public education – e.g., teachers, principals, district-level support staff, and district administrators. We modified this to reflect our belief that the identification of resources and program designs necessary to meet a "Great Equalizer" standard requires additional types of expertise. In particular, we have sought participants with knowledge and expertise about out-of-school obstacles that can be addressed by in-school resources. We therefore add several groups as participants: parents, community activists, and youth. Each of these groups presents valuable perspectives of the out-of-school needs that build on the perspectives presented by educational practitioners. This is presented above as "Approach #1" (*Figure 3*).

Approach #2 is similar, but the panel consists of educational researchers with expertise in students' general and specific needs and in evidence-based interventions, policies and practices. This second approach thus offers research-based judgment rather than experience-based judgment. Both perspectives are valuable, and using the pair of approaches will allow us to triangulate our estimates.

To estimate the costs associated with the policies identified in our modified PJPs, we compile data on student enrollment and demographics and regional differences in personnel and resource costs, to predict a range of costs associated with resource and policy implementation. Because state systems of public education vary in their needs, we will calculate a national estimate of a "great equalizer" system of schools and an estimate for the individual states that we study.[2]

[2] While we ideally will include all states and territories, the national estimates will be possible with a representative sampling of 15 or so of these jurisdictions.

Part 2 – Identifying and costing-out the Systemic Social Safety Net.

Research Questions:

- What policies are used in other OECD countries to address childhood poverty and cyclical poverty? What are the current real expenditures, relative to each nation's real GDP, of these strategies?

- What are the most effective research-based interventions for mitigating childhood poverty and cyclical poverty? What is the cost of implementing those interventions and policies?

Since the early 1980s, US social policy has moved further away from providing the resources needed by moderate and low-income families to survive an increasingly unequal political, social, and economic environment driven by racism, concentrated poverty, and opportunity hoarding. The rhetorical turn to schools as the Great Equalizer may allow for victim blaming or for assuaged collective guilt, but it exposes children to enormous harm – with predictably inequitable outcomes. So we consider the possibility of directly addressing poverty, primarily by adopting policies that strengthen the social safety net.

To answer the above research questions, we draw on two bodies of scholarship. The first considers expenditures for social welfare in Organization for Economic Co-operation and Development (OECD) countries (Approach #3 in *Figure 3*). The second concerns the cost and effectiveness of specific, domestic anti-poverty policies (Approach #4 in *Figure 3*).

Both approaches use a "systemic review process," whereby we compile economic and social policy research that identifies effective policies and estimates their attendant cost. We approach the literature search by first identifying our positionality, aims and purpose; and we then employ systematic search strategies across multiple databases, supplement our original search, and analyze and report our findings. Given the interdisciplinary nature of relevant scholarship, we are also guided by expert social-policy

consultants (e.g., our preliminary literature review benefited greatly from consultation with experts at the Center on Budget and Policy Priorities).

For Approach #3, we first examine effective social policy systems in OECD nations, and we then turn to studies of the fiscal costs thereof, as a percentage of each nation's real GDP. For Approach #4, our focus is instead on studies that identify actual and potential U.S. policies that address childhood and cyclical poverty, with the goal of compiling a comprehensive compendium. We then examine cost analyses concerning the implementation of these U.S. policies.

By presenting the alternative estimates from Approaches #3 and #4, we triangulate our findings and increase the trustworthiness of our conclusions and recommendations. But estimating the cost of policy implementation across multiple policies is not a simple linear process. Policies that are implemented simultaneously can be expected to complement one another – e.g., the provision of housing should reduce national healthcare expenditures. Our study design, therefore, takes on this challenge and uses methods intended to yield defensible estimates, using upper and lower bounds. In doing so, we are providing a solid foundation to begin this important conversation.