

## Utah's Education Paradox

October 1, 2004

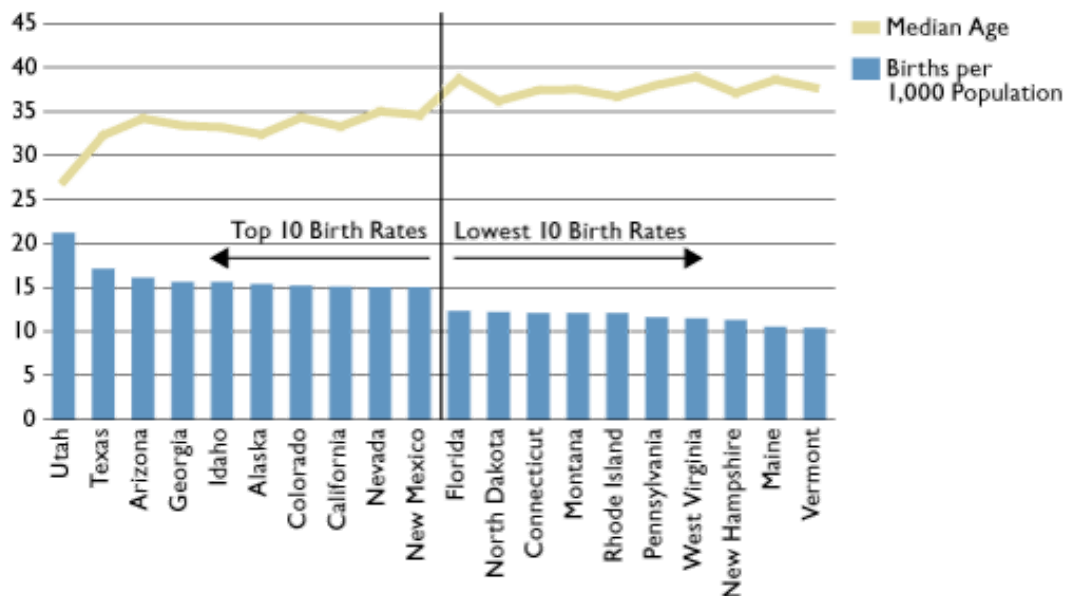
Utah's education financing has long been considered an anomaly. A November 1999 Utah Foundation research report, entitled "Utah's Education Paradox," included two statistics that were seemingly at odds with each other. It reported that:

- Utah spent more of its money on public education than most other states. In terms of spending as a percentage of all state and local government spending, it ranked 3rd in the nation, while in terms of spending as a percentage of personal income, it ranked 2nd.
- Utah spent less money on each child's education than any other state in the nation. Also, Utah's average class size has been larger than any other state's.

Utah's Education Paradox is that even though Utah spends a higher percentage of its budget on education than most other states, it still spends less per student.

The explanation for this paradox lies in Utah's unique demographics. Utah has the highest birthrate in the country at 21.2 live births per 1,000 population. This is 50% higher than the nation as a whole, and almost 25% higher than Texas, which ranks 2nd at 17.1 births per 1,000. Not surprisingly, Utah also has the youngest population in the country, with a median age of 27.1. Texas again ranks 2nd, with a median age of 32.3. Finally, Utah has 483 school-age children for every 1000 adults in the labor force, compared with the national average of 402, which means that Utah's labor force (which funds a large portion of public education through the personal income tax) must support a student population that is 20% larger than the national average. (Source: U.S. Census)

Figure 1: Median Age & Birth Rate, by State



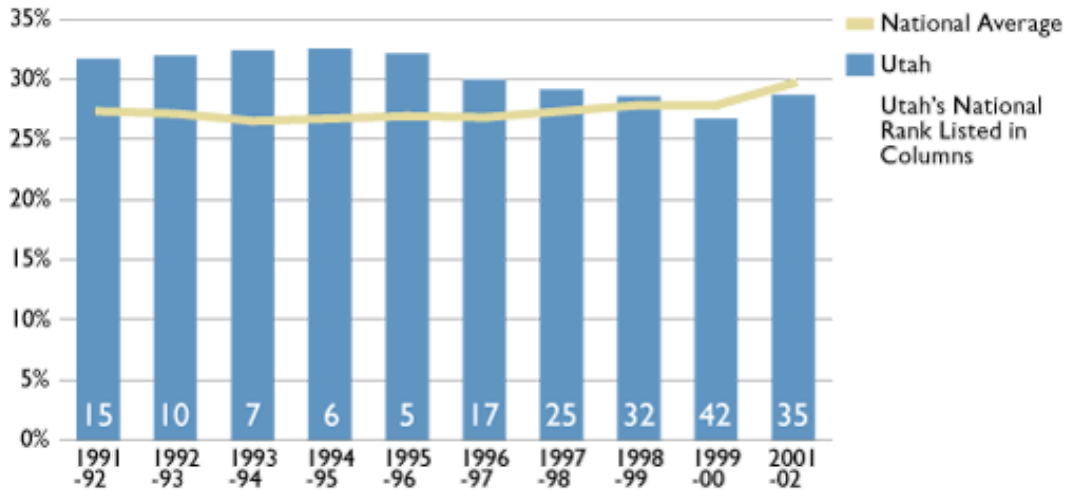
Source: Birthrate data from U.S. Dept of Health and Human Services, as quoted in Health Care State Rankings, 2004 (Morgan Quitno); median age data from U.S. Census

There are different ways to measure how much Utah spends on education. In 1999, Utah Foundation cited spending on education as a percentage of all state and local spending. In this brief, a different statistic is used—one that measures education spending as a percentage of state and local own-source revenues (the money coming from within Utah, as opposed to from the federal government).

The education paradox was more pronounced up through the mid 1990's than it is today. In the early 1990's,

Utah could claim that even though its per-pupil spending was unusually low, when education spending was measured as a percentage of own-source state & local revenues, Utah ranked quite high. It remained four to five percentage points above the national average up through the 1995-96 school year. From the 1996-97 school year on, however, education spending in proportion to own-source revenues consistently fell, even as the national average consistently climbed. This resulted in Utah moving from 5th place in 1995-96 to 42nd place in 1999-2000.

**Figure 2: Utah Public Education Funding Effort  
Percent of State & Local Revenues Spent on K-12 Education**



Source: Bureau of Economic Analysis, U.S. Census, Calculations by Utah Foundation

National data were not produced to allow for 2000-01 calculations, but they were for 2001-02. Over the course of those two years, Utah increased its share of resources spent on education, but only slightly more than the nation as a whole, so that by the end of 2002, Utah was ranked 35th.

Because Utah's education spending effort has fallen to well below the national average, Utah can no longer justify its low per-pupil spending by pointing to its education spending as a percentage of own-source revenues. The paradox is unraveling.

At the same time that the financial paradox is unraveling, another anomaly of Utah's education system is becoming less dramatic. Utah students have historically achieved above-average results on national tests, in spite of low per-pupil funding. Once again, a major reason for this is Utah's demographics.

Utah has a larger percentage of white students than other states, and because white students have historically performed better on national tests than students of other ethnicities, Utah's average test scores are higher. Several factors can explain this ethnic differential. White students are more likely to come from affluent households, and are more likely to have parents with higher education. Minority students are more likely to attend schools in economically poorer areas, which have lower education spending. Many also say that today's standardized tests are biased in favor of life and learning experiences of white students.

When this racial difference is adjusted for, Utah students do not perform as well. White students in Utah perform lower than the U.S. average for white students. Utah Hispanic students generally perform lower than the U.S. average for Hispanic students, but better than the U.S. average in 8th grade reading, and 4th and 8th grade science. Also, Utah's Asian and American Indian students score lower than their U.S. counterparts.

**Figure 3: Utah & U.S. NAEP Scores, By Race**

**Math 2003 Grade 4**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	235	238	----	216	224	----
U.S.	235	243	216	222	246	223
UT % of U.S.	100.0%	97.9%	n/a	97.3%	91.1%	n/a

**Math 2003 Grade 8**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	281	285	----	249	275	----
US	278	288	252	259	291	263
UT % of U.S.	101.1%	99.0%	n/a	96.1%	94.5%	n/a

**Reading 2003 Grade 4**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	219	223	----	194	212	----
US	218	229	198	200	226	202
UT % of U.S.	100.5%	97.4%	n/a	97.0%	93.8%	n/a

**Reading 2003 Grade 8**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	264	268	----	241	262	----
US	263	272	244	245	270	246
UT % of U.S.	100.4%	98.5%	n/a	98.4%	97.0%	n/a

**Science 2000 Grade 4**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	155	160	----	135	147	138
US	150	160	124	129	----	140
UT % of U.S.	103.3%	100.0%	n/a	104.7%	n/a	98.6%

**Science 2000 Grade 8**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	155	159	----	135	152	----
US	151	162	122	128	156	134
UT % of U.S.	102.6%	98.1%	n/a	105.5%	97.4%	n/a

**Writing 2002 Grade 4**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	145	148	----	126	143	----
US	154	161	140	141	167	139
UT % of U.S.	94.2%	91.9%	n/a	89.4%	85.6%	n/a

**Writing 2002 Grade 8**

	All Students	White	Black	Hispanic	Asian/PI	American Indian
Utah	143	146	----	119	139	----
US	153	161	135	137	161	137
UT % of U.S.	93.5%	90.7%	n/a	86.9%	86.3%	n/a

Source: National Assessment of Educational Progress

As the number of minority students in Utah continues to grow, Utah will more closely mirror the overall demographics of the United States, and the scores on the national tests will reflect that.

In the past, Utah's public education system has performed well, despite the financial constraints under which it has operated. With per-pupil funding that has long been the lowest in the country even as it has spent a relatively large portion of its budget on education, it has still managed to consistently produced students that score well on national tests. However, in light of Utah's changing demographics, and if the percentage of Utah's own-source revenues spent on K-12 education continues to decline relative to that spent in other states, the paradox that has been a regular feature of Utah's education system will continue to dissolve.

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