



10 Predictions for the Next 10 Years of Education Finance

By Jess Gartner
July 11, 2023



1. Teacher Compensation



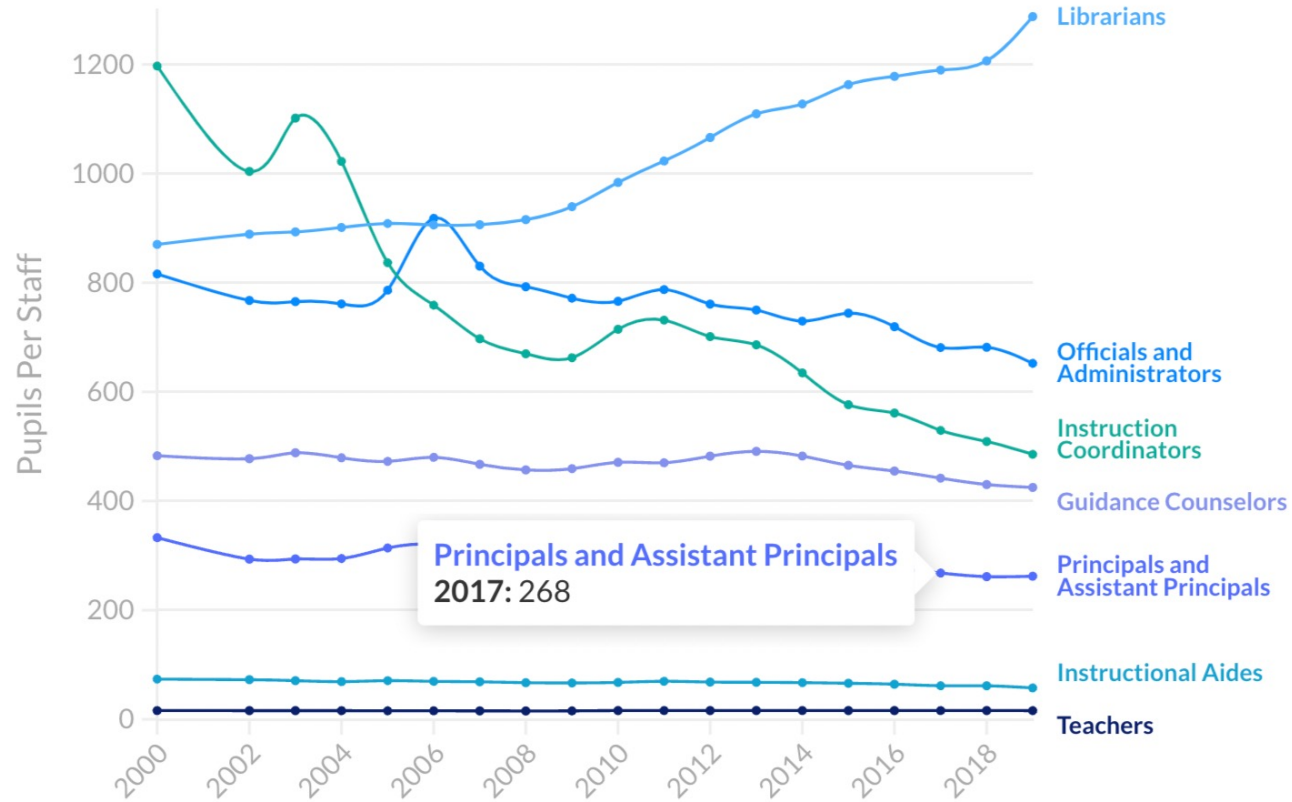
The Administration Myth

“...administrator salaries make up only 7% of public education spending—including school-based administrators like principals, assistant principals, and instructional coordinators.

Only 2% of total spending is for district-level administrator costs. If public education completely eliminated central office administration, that would translate to about **\$150 per month** in teachers' take-home pay.”

Pupils Per Staff Member

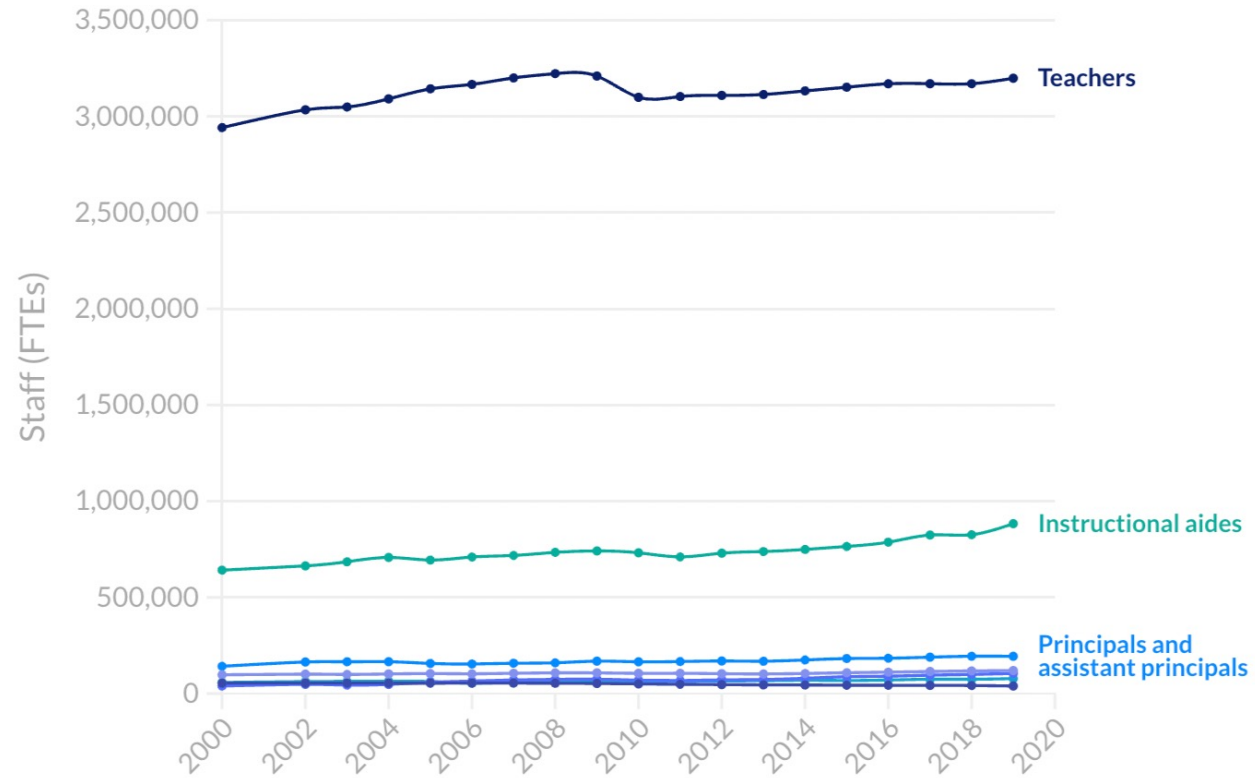
All ▼



Source: U.S. Department of Education, National Center for Education Statistics

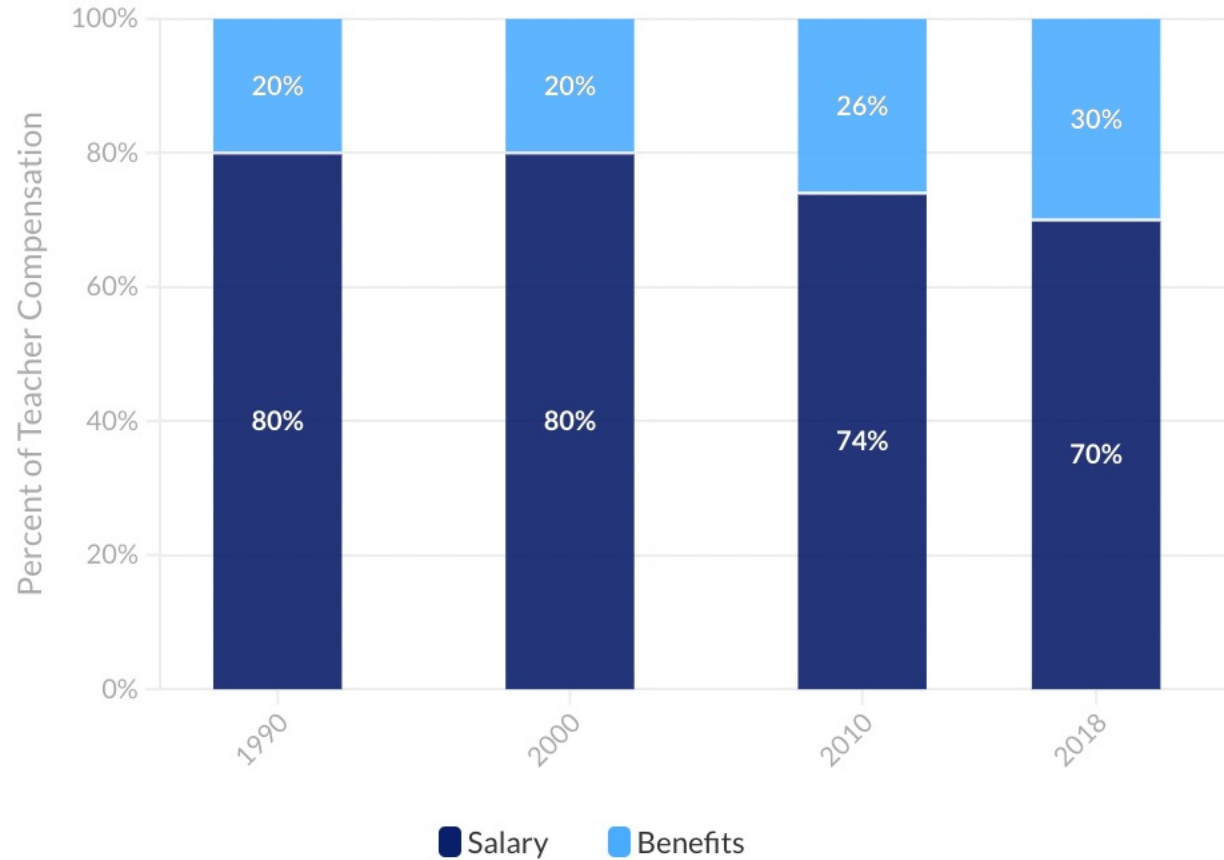
Staff (FTEs) Over Time

All ▼



Source: U.S. Department of Education, National Center for Education Statistics

Salary and Benefits as Percentage of Teacher Compensation

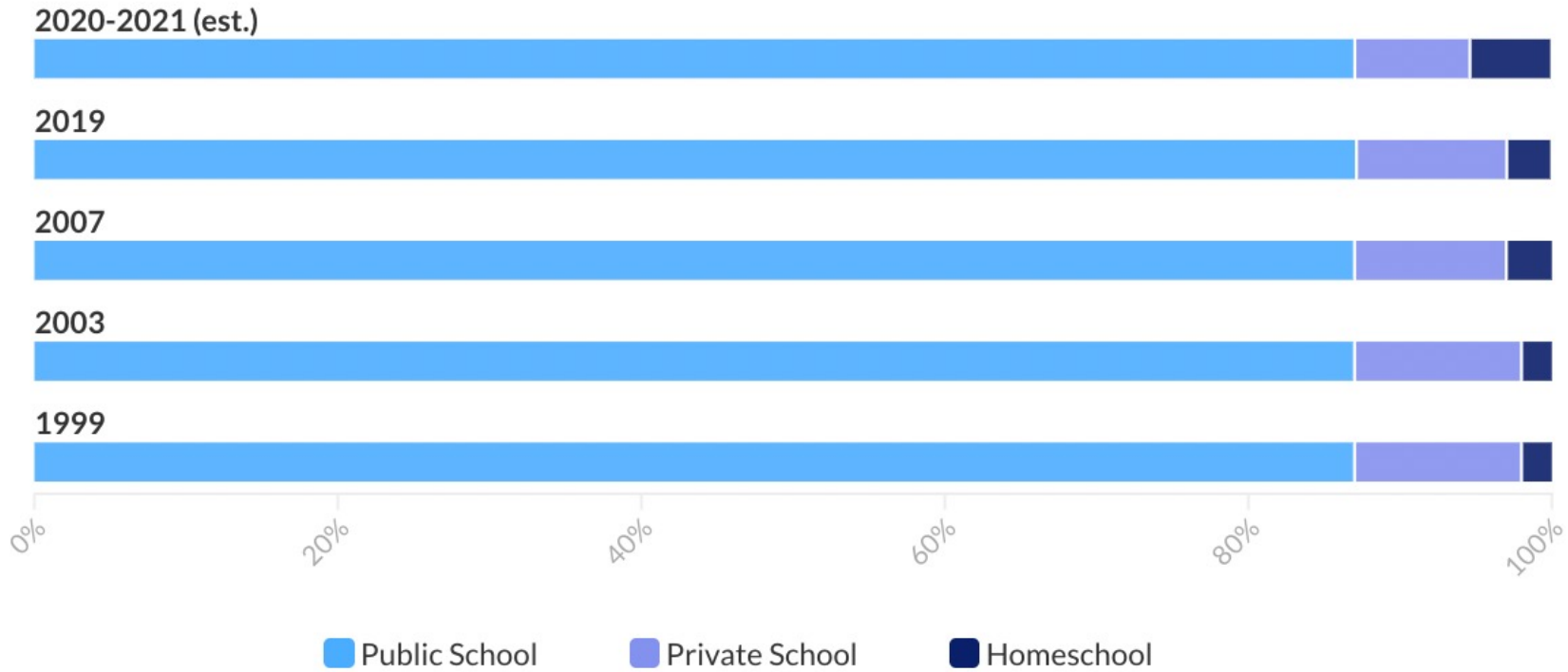


Source: U.S. Department of Education, National Center for Education Statistics

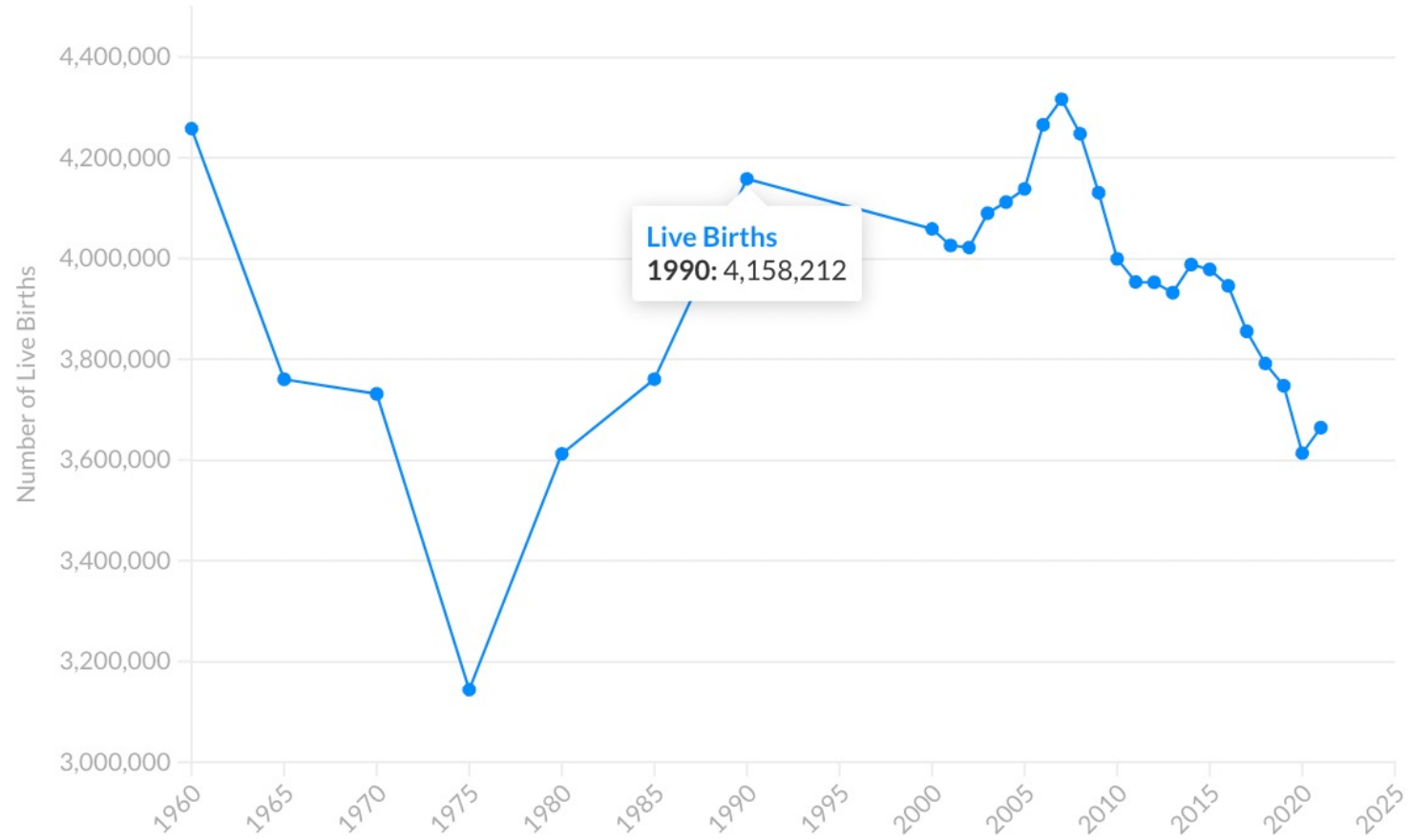
2. Declining Enrollment



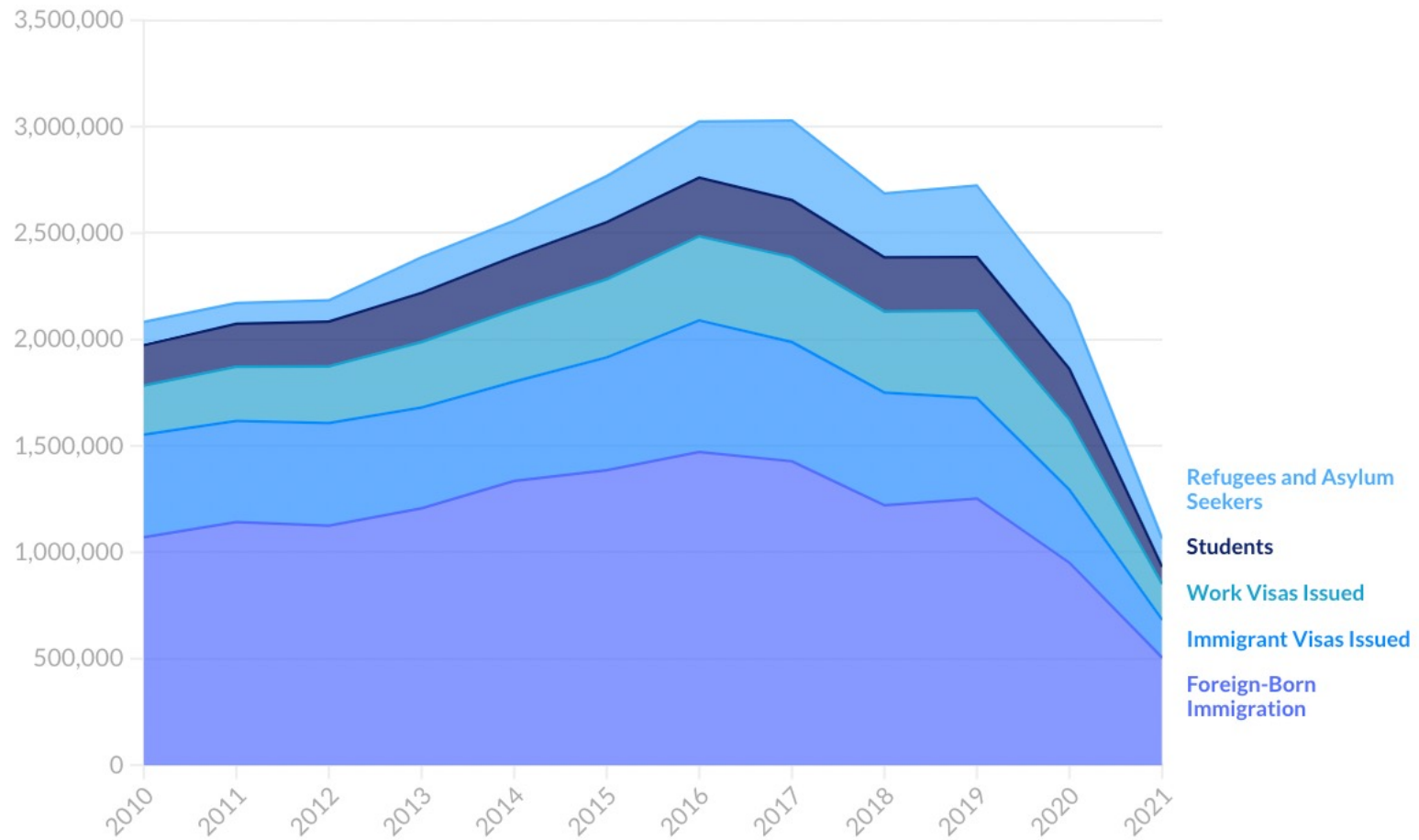
Percentage of K-12 Enrollment by School Type



Live Births from 1960 to Present



Foreign-born Immigration Estimates



3. Pension Debt and Reform

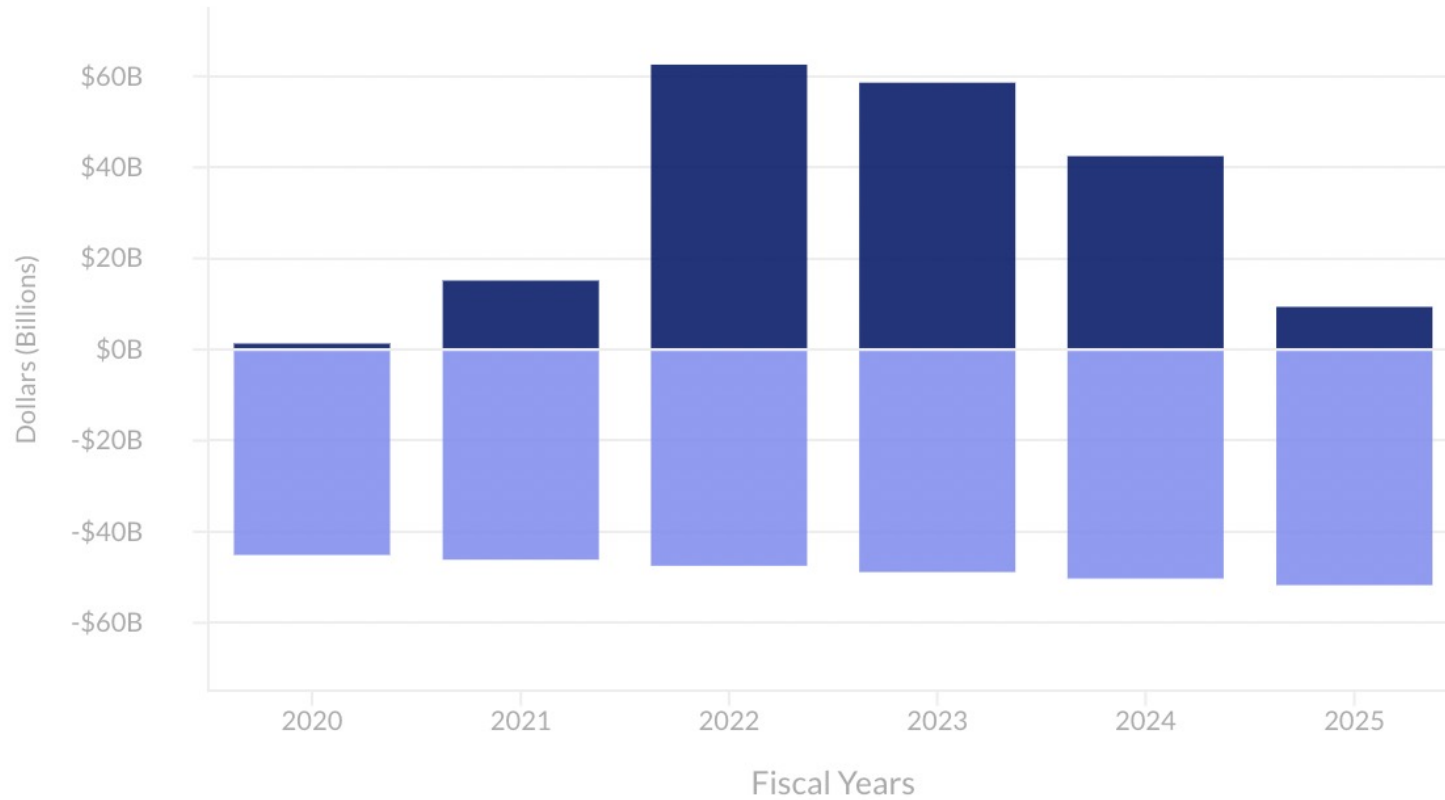


The hidden +\$600B cut to ed budgets this decade

Over the same six fiscal years that the \$190 billion ESSER grants are eligible for spending, public education will pay nearly \$300 billion in teacher pension debt payments.

You read that correctly: *that big \$190 billion number that everyone can't stop talking about won't even cover unfunded teacher pension liabilities over the same period of time.*

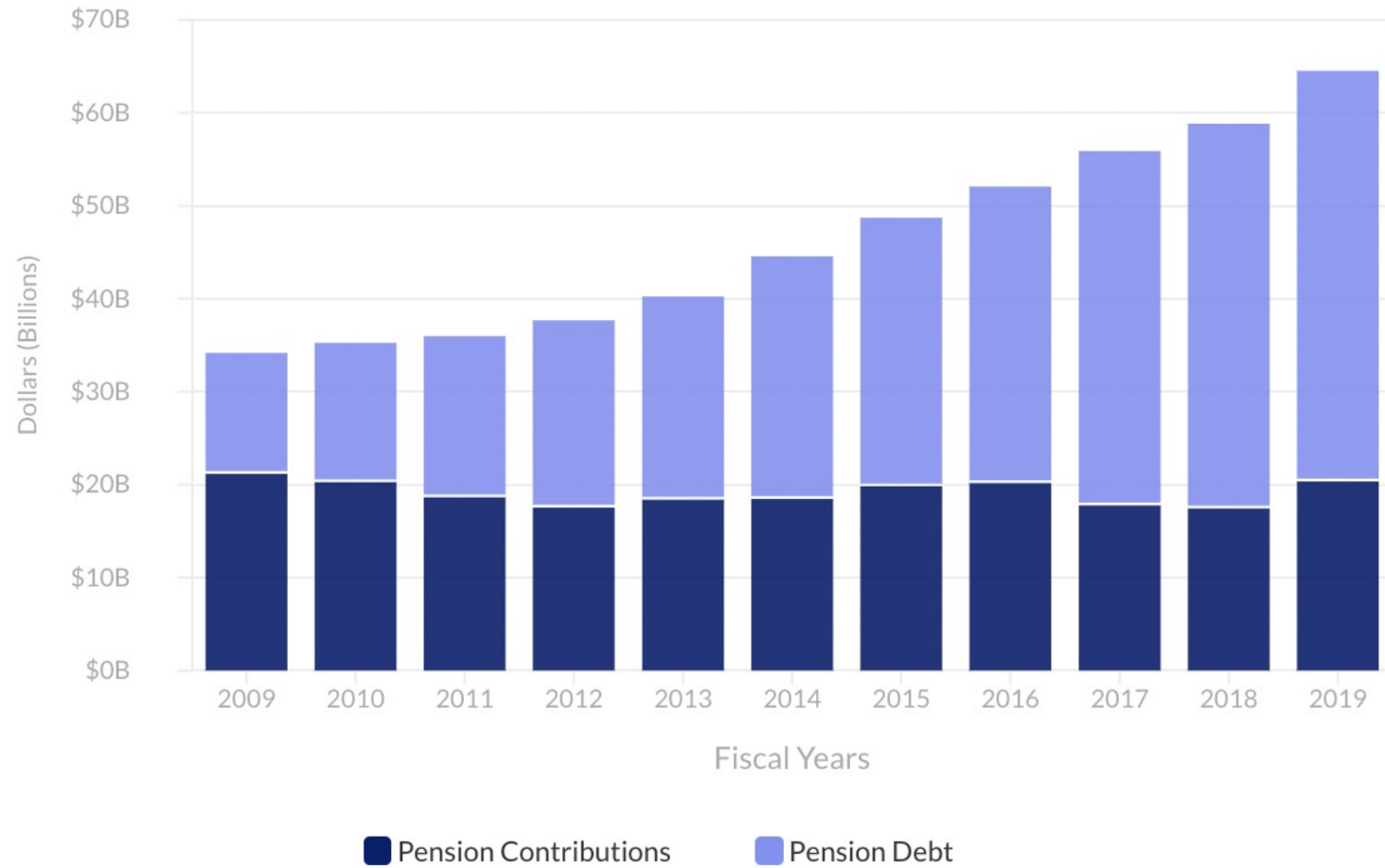
Estimated ESSER Spending v. Pension Debt Payments



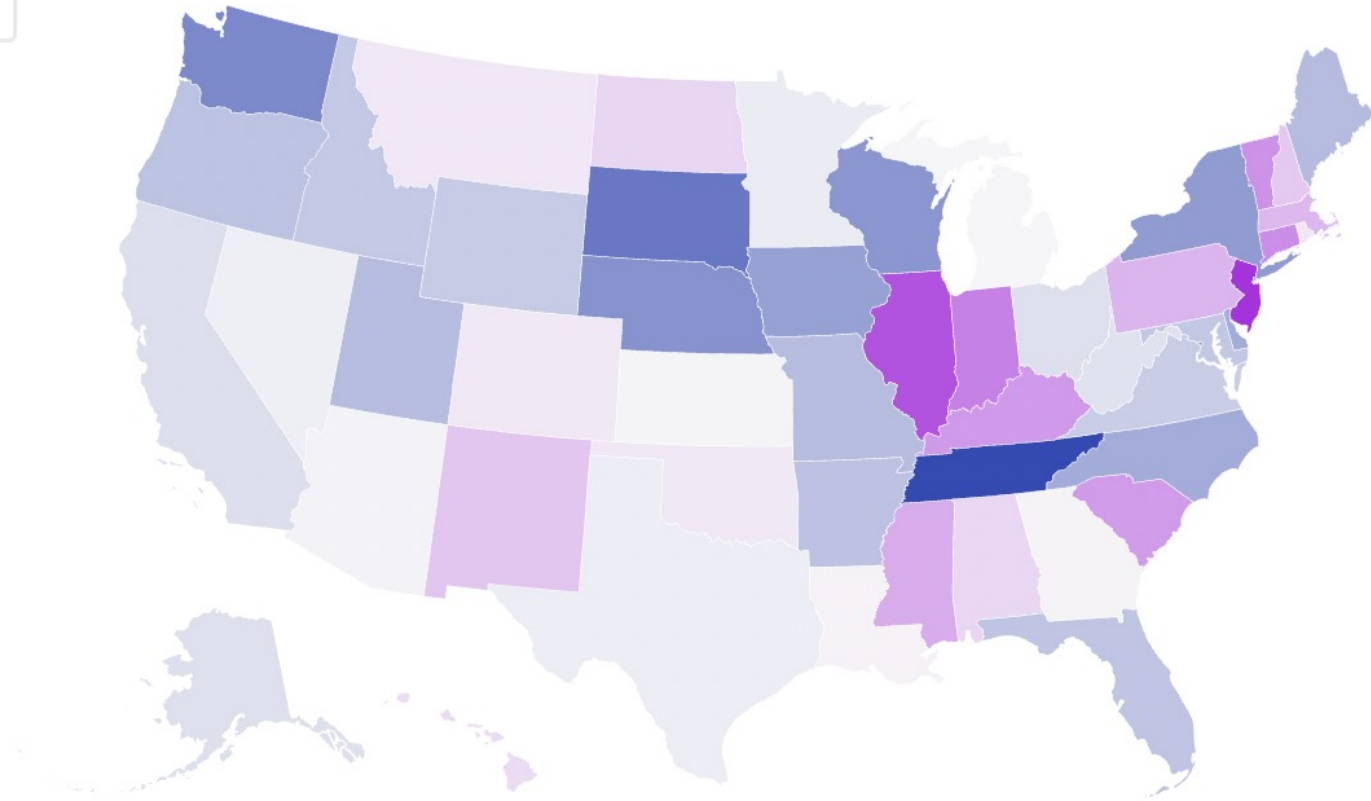
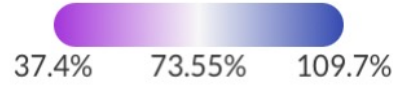
■ ESSER Spend (est.)

■ Pension Debt Payment (est.)

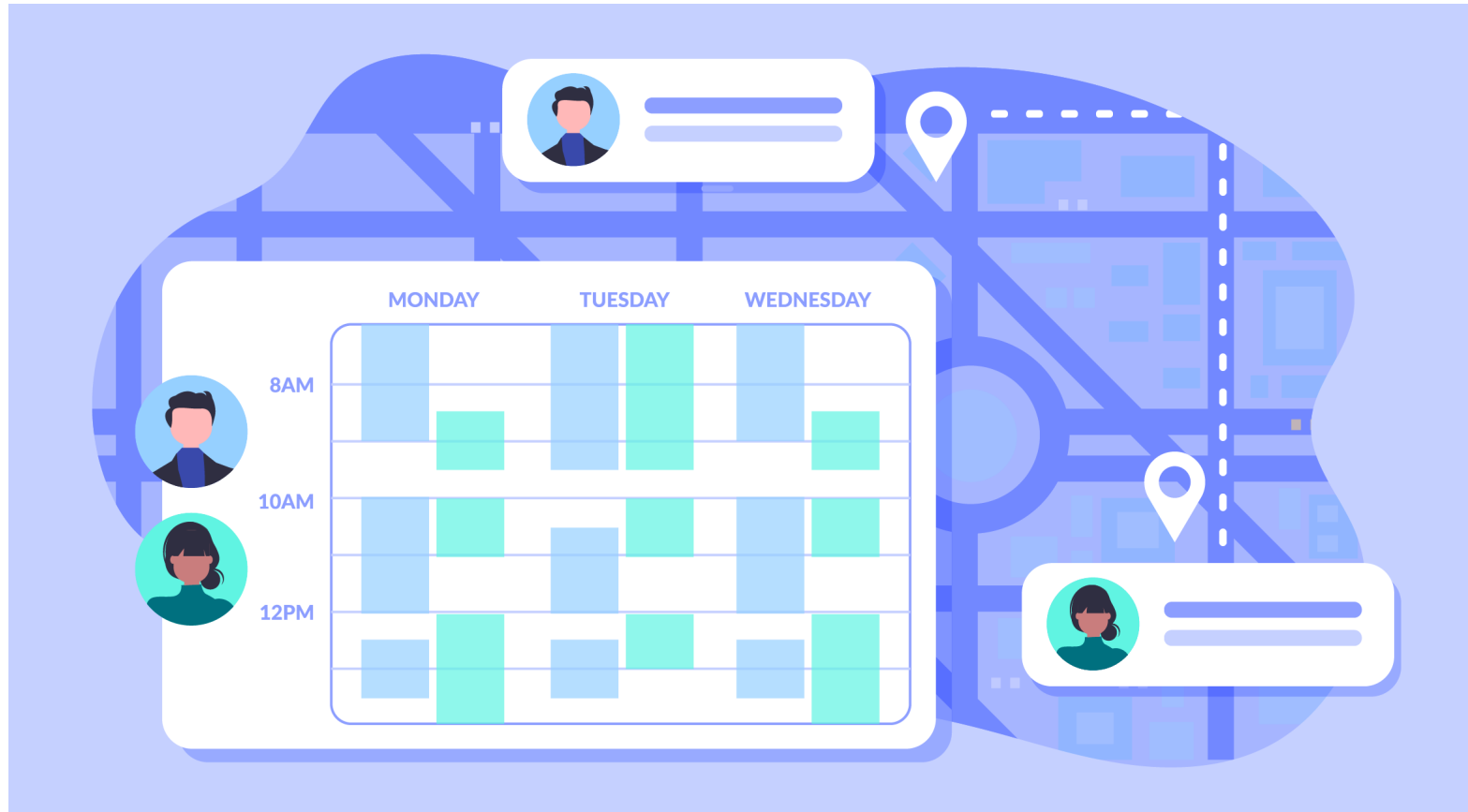
Pension Contributions v. Pension Debt Payments



States by Funded Ratio



4. The Great Unbundling



5. The Future of EdTech

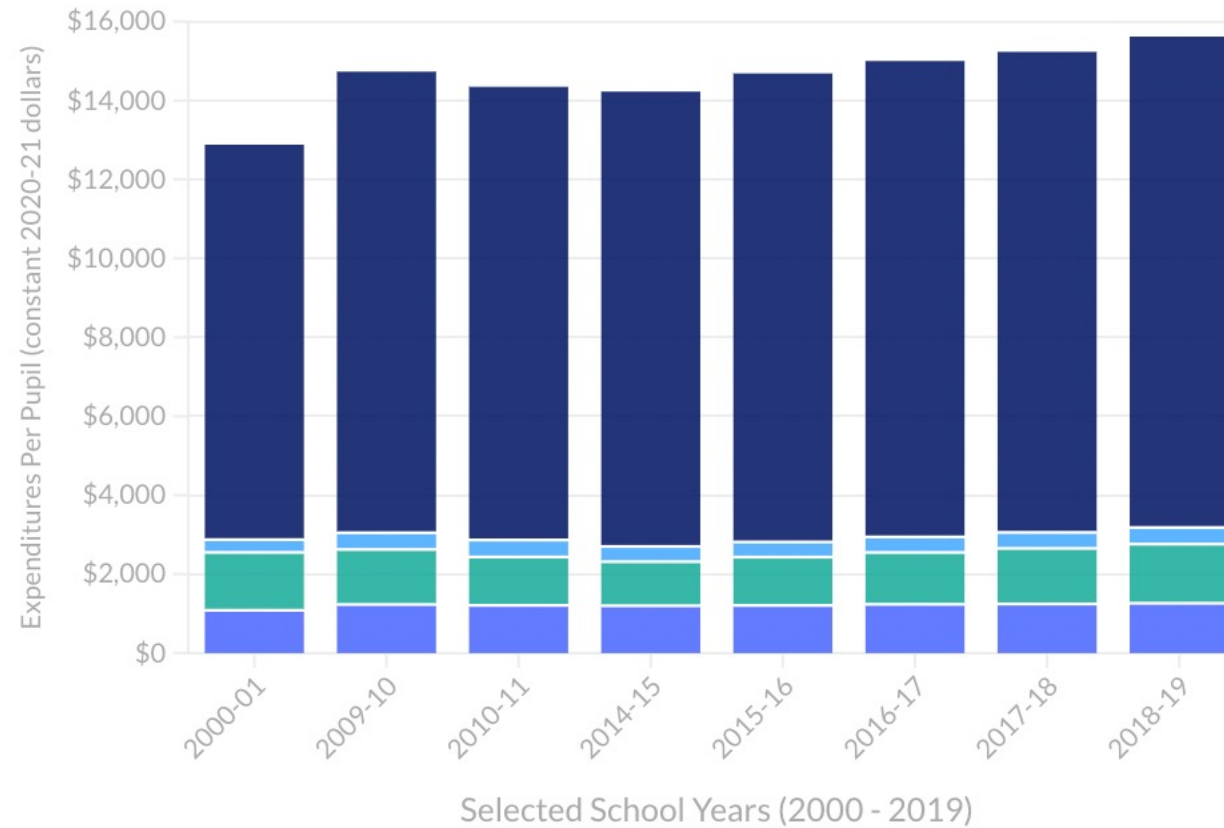


6. Reimagining Real-Estate

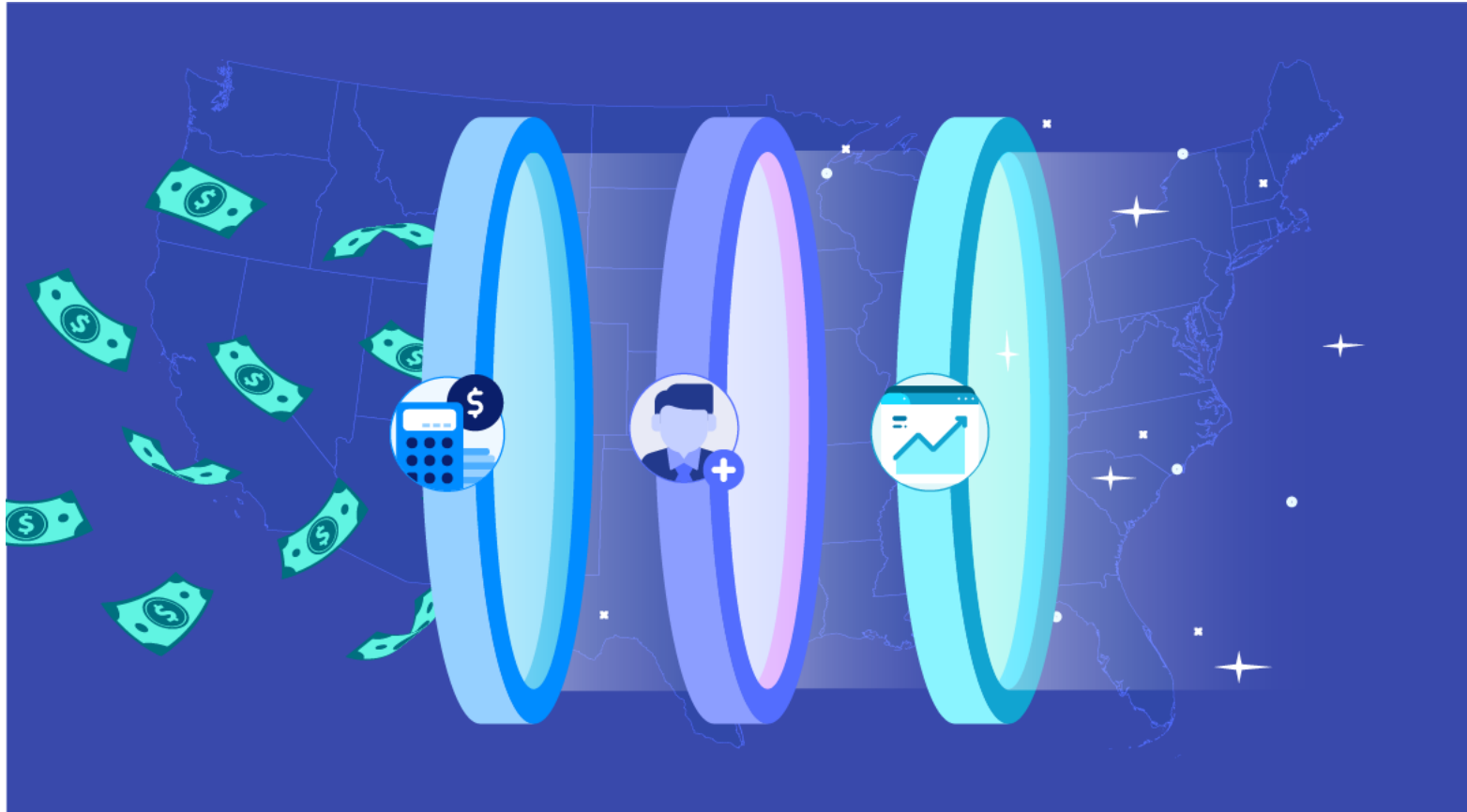


Capital/Debt Expenditures Over Time

■ Ops & Maintenance
 ■ Capital Outlay
 ■ Interest on School Debt
 ■ Other Expenditures



7. State Funding Formulas



K-12 education funding

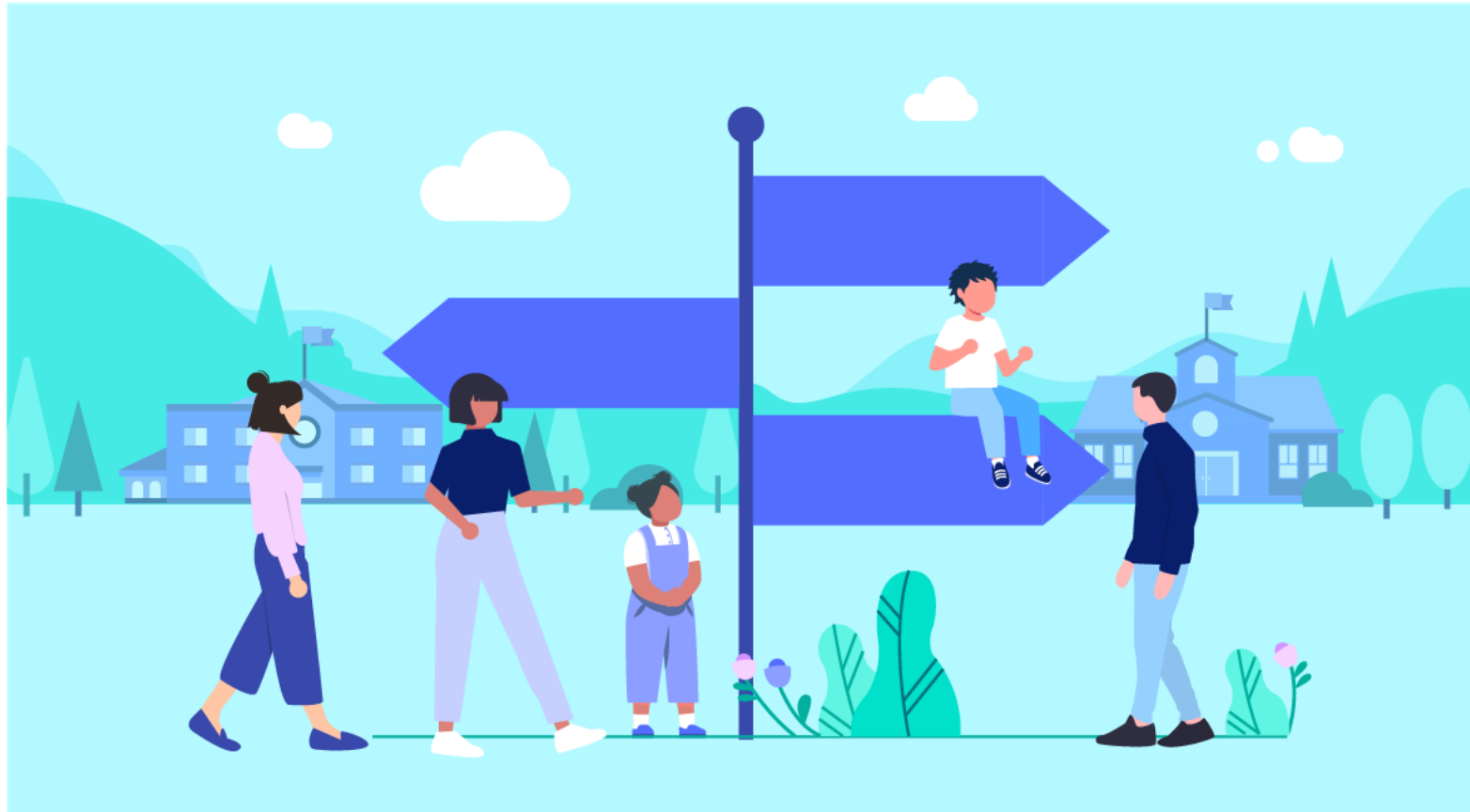
- **Federal Funding: ~8%**
- **Local Funding: ~46%**
 - Includes private PTA/PTO Fundraising: < 1%
- **State Funding: ~46%**

8. Investing in Early Childhood



“Wealthy countries’ governments contribute an average of **\$14,000** per child per year for childcare, compared with just **\$500** in the United States, most of which is in the form of federal assistance to families in poverty.”

9. School Choice



School Choice: Factors to Consider

1. Inflexible Unit Economics
2. Special Education
3. Special Programs
4. Debt
5. Transparency & Accountability

10. EdFinTech Climbs to New Heights





Thank you!

For the whole series: [ALLOVUE.COM/PREDICTIONS](https://allovue.com/predictions)

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