10 Predictions for the Next 10 Years of Education Finance

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10 YEARS
OF ALLOVUE
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

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

- 2020-2021 (est.)
- 2019
- 2007
- 2003
- 1999

Legend:
- Public School
- Private School
- Homeschool

A Flourish chart
Live Births from 1960 to Present

Live Births
1990: 4,158,212

A Flourish chart
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

- **Pension Contributions**
- **Pension Debt**

Fiscal Years:
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016
- 2017
- 2018
- 2019

Dollars (Billions):
- $0B
- $10B
- $20B
- $30B
- $40B
- $50B
- $60B
- $70B
4. The Great Unbundling
5. The Future of EdTech
6. Reimagining Real-Estate
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