



WHEN NARRATIVES COLLIDE

Why School Spending Reports Reach Different Conclusions

Webinar Recap • August 26, 2026 • Hosted by EdFund

IN BRIEF: Prominent school funding reports can appear to conflict because they measure different dollars, make different cost adjustments, and group students and districts differently. The panel's central message: the findings are not mutually exclusive, and a recognition of national progress toward fairer funding should not be mistaken for having "solved" intra- or inter-state inequity.

What each report adds

BROOKINGS

Annually since 1976, when including federal funds without adjusting for local costs, spending by district poverty and racial concentration is U-shaped, with the highest-poverty/nonwhite and lowest-poverty/white districts having spent the most. Substantial between-state gaps remain.

[\(See more\)](#)

URBAN INSTITUTE

Per-student funding equity shifts from regressive to flat or modestly progressive as state and federal revenue are added and labor costs are adjusted. After all adjustments, average funding for low-income students is modestly progressive on a national basis. Large intra- and inter-state variation persists. [\(See more\)](#)

EDBUILD

In 2016, adjusting for local costs but excluding federal funds, predominantly nonwhite districts received substantially less funding from state and local revenue than their predominantly white peers. Some states are doing a better job than others at targeting resources to high-need districts. [\(See more\)](#)

Key takeaways

- 1 **Start with the research question.** Including federal aid answers the question: "What resources did districts ultimately spend?" Excluding it helps isolate whether state and local systems are providing an equitable base before supplementary federal funds are added.
- 2 **Methodological choices are substantive.** Cost-of-living versus cost-of-labor adjustments, revenue versus expenditures, district groupings, and the inclusion of high-spending states and/or districts can materially change national comparisons, especially those by race.
- 3 **Progress is real, but "flat" is not equitable.** Nationally, funding has shifted toward higher-poverty districts over time. Yet students with greater needs generally require more (not merely equal) resources, and averages can conceal underfunded communities.
- 4 **Look beneath national totals.** Differences between and within states can vary dramatically, and aggregate averages can mask state funding policies that create inequities between districts. Many complex fiscal factors, including capital spending, pension and benefit costs, local tax burden, segregation, class size, staffing, and course access all shape students' actual opportunities.

BOTTOM LINE: Before using large national studies as diagnostic tools, ask what is counted, what is adjusted, who is compared, and which lever of policy change the analysis is designed to test or illuminate.

Watch the webinar: ed-fund.org/learning-hub/low-income-students/#webinars