

Opinion

An 8 percent lifetime ‘tax’ is coming for students

Fundamental reform, not quick fixes, will save America’s education system.

Today at 7:15 a.m. EST

By Eric A. Hanushek

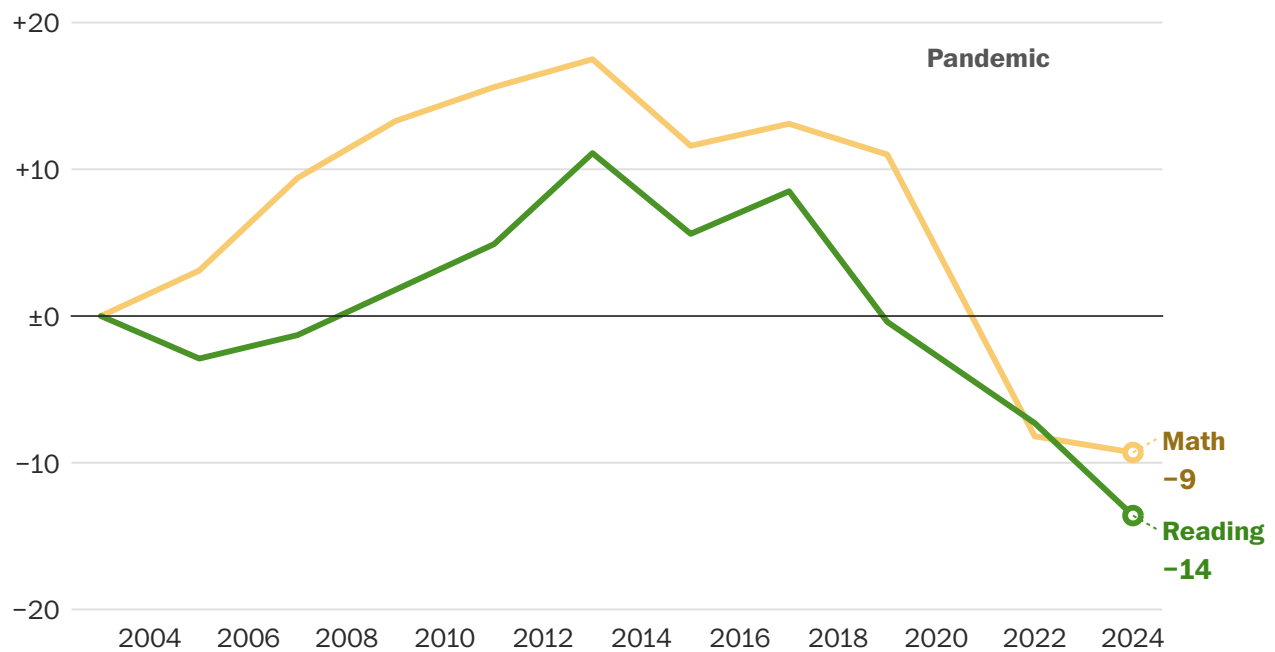
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Though no one has suggested it, the government’s fiscal problems could be solved by an 8 percent income tax surcharge. Nobody has suggested it because it is an absurd idea, but we have already imposed a comparable tax on K-12 students. The declines in student achievement over the past dozen years work out to similar lifetime income reductions.

The pandemic hit schooling very hard. School closings, uneven access to technology and the ragged reopening of classrooms conspired to lower achievement. Student achievement tested before and after the pandemic by the National Assessment of Educational Progress (NAEP) confirmed that learning was down.

Student proficiency in reading and math has been declining since 2013

Math and reading scores for eighth-graders in the United States, relative to their performance in 2003.



The numbers show changes in percentage points scaled by the 2003 standard deviation of the scores.

Source: [National Assessment of Educational Progress \(NAEP\)](#)

But scores had already been falling since 2013, and declines over the pandemic are just half of the total decrease. My recent research at Stanford University translates the achievement declines into implications for future economic impacts. Past evidence shows clearly that people who know more earn more. When accounting for the impact of higher achievement historically on salaries, the lifetime earnings of today's average student will be an estimated 8 percent lower than that of students in 2013. Because long-term economic growth depends on the quality of a nation's labor force, the achievement declines translate into an average of 6 percent lower gross domestic product for the remainder of the century. The dollar value of this lower growth is over 15 times the total economic costs of the 2008 recession.

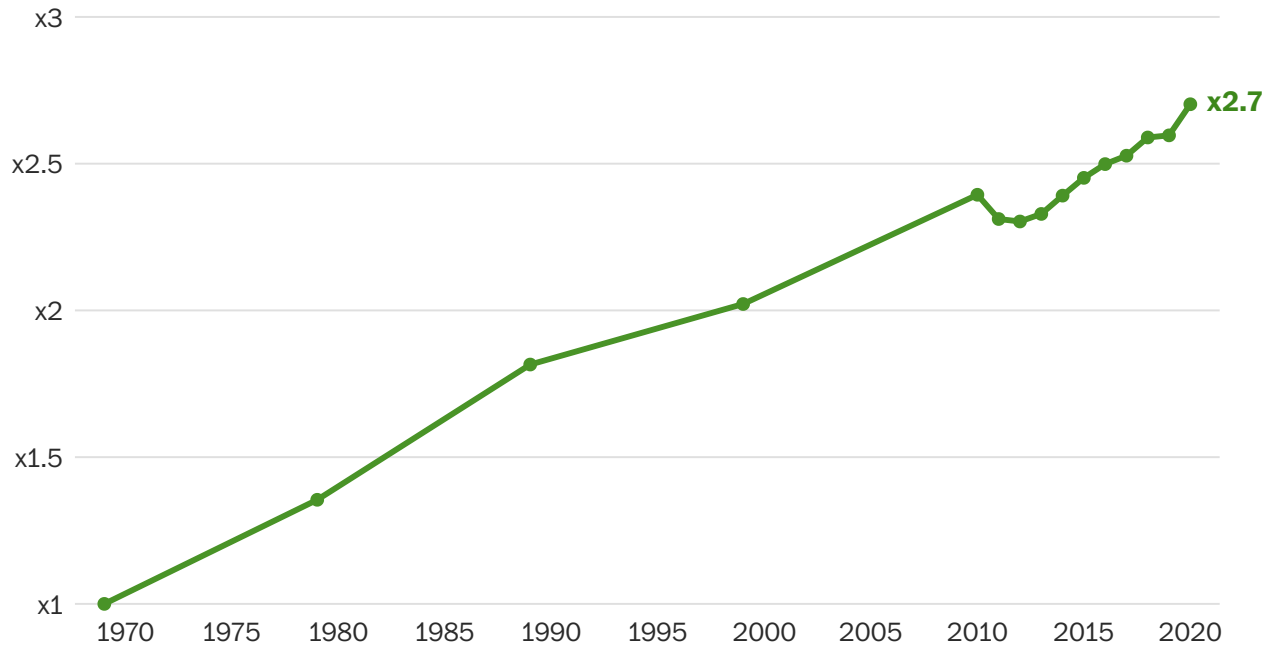
The disruption of covid-19 was so sudden that all attention focused on reversing the diminished schooling for the pandemic cohort without addressing more fundamental issues. The federal government disbursed nearly \$190 billion in emergency funds, almost all of which went directly to school districts. The districts pursued policies of added time (longer hours, more days and summer programs) along with focused tutoring. The programs concentrated on remediating pandemic learning losses, but most have not had much impact on achievement.

The steady achievement declines before and after the pandemic indicate that more structural issues will not be solved with Band-Aids. Though largely forgotten because of covid, there was a consensus at the beginning of the pandemic that the United States couldn't just return to where it was in March 2020. After all, American 15-year-olds are 34th in the world in math.

We have considerable experience trying to make the nation's schools internationally competitive. Over the past four decades, school districts have expanded graduation requirements, increased teacher pay, reduced class sizes, introduced consequential accountability, expanded preschool opportunities, incorporated new curriculums, experimented with new technologies, deployed small schools, provided charter schools and other choice options, and of course substantially increased funding.

Expenditures per student in the United States have increased significantly since the 1970s

Expenditures per student in public elementary and secondary schools, in constant dollars, relative to the 1969-1970 school year.

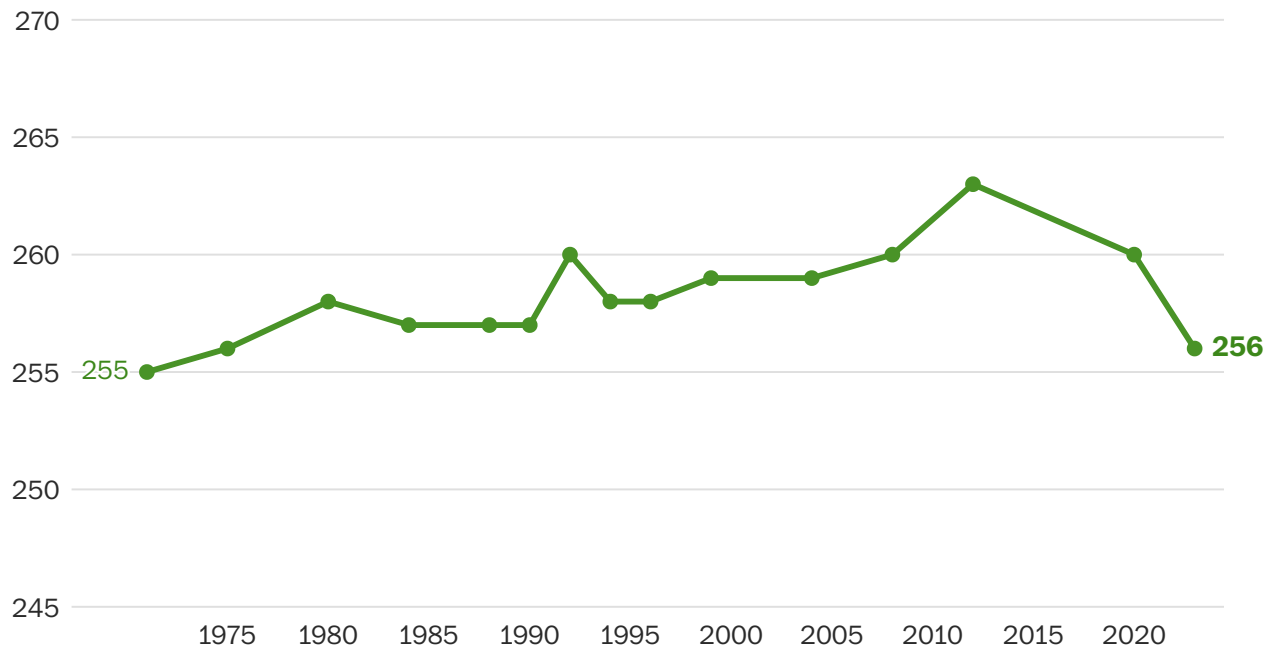


Source: [National Center for Education Statistics](#)

With spending per student at more than 2½ times that of 1970 and with all of these highly regarded reforms, reading achievement of eighth-graders in 2024 equals that of eighth-graders in 1975. Achievement gaps by family income are also virtually unchanged over the same period.

Reading achievement of eighth-graders is about the same as four decades ago

Average reading scale score for eighth-graders in the United States, 1970-2023



The years indicate the end of the school year

Source: [Long-Term Trend Reading Assessments from National Assessment of Educational Progress \(NAEP\)](#)

The reforms the nation has undertaken have two characteristics. First, they have been incremental additions to the unchanging structure of our schools. Second, they have failed to move student outcomes.

Today's education system remains more concerned with adult employment than with student achievement. It pays little attention to differences in teacher and school effectiveness. And it relies on excessive regulations covering all aspects of district organization, personnel background and credentials, finance and fiscal control, and specific topics of professional development for teachers and administrators. These requirements lead to a complicated system of reporting and checks on compliance while eschewing rewards for student success.

My state of California illustrates these issues perhaps too well. The frequently changing school regulations cover hundreds and hundreds of topics. (Does it really need to regulate the toilet paper in school restrooms?) These regulations are meant to apply not only to the 113 districts with enrollment of less than 100 students but also to Los Angeles, with close to 400,000 students.

D.C. and Dallas show students win when districts revamp teacher evaluation and salary systems to reflect classroom effectiveness. However, few of the approximately 13,500 other districts in the nation have moved to such commitments to improving student outcomes even though we have had these clear examples of successful strategies for over a decade.

More fundamental change is needed. Imagine an alternative. Organizational and teaching decisions are moved closer to the school, and effective schools are given license to continue what they are doing. Incentives are tied to student performance. Teachers are supported and rewarded for their effectiveness. And federal and state authorities support and reward school performance rather than trying to govern how schools produce learning.

The United States is partly there with the reduction in the Education Department's role in regulating school operations. But it will take political will and a recognition of the urgency of correcting course to take these changes to the states.

Failing to repair falling student achievement threatens society's future well-being and America's position in world leadership.

What readers are saying

The conversation explores various perspectives on the decline in K-12 student achievement and its potential impact on the future economic growth of the United States. Many participants emphasize the role of parenting, suggesting that supportive home environments and parental... [Show more](#)

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