

Does School Spending Matter? The New Literature on an Old Question

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Social scientists have long sought to examine the causal impact of school spending on child outcomes. For a long time, the literature on this topic was largely descriptive so that it had been difficult to draw strong causal claims. However, there have been several recent studies in this space that employ larger data-sets and use quasi-experimental methods that allow for much more credible causal claims. Focusing on studies of students in the United States, this paper briefly discusses the older literature and highlights some of its limitations. It then describes a recent quasi-experimental literature on the impact of school spending on child outcomes, highlights some key papers, and presents a summary of the recent findings. Policy implications and areas for future research are discussed.