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# Public Spending and Standardized Test Scores

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# Objectives

- Is there evidence of a relationship between welfare spending per capita and test scores?
  - Does this relationship seem to differ between welfare v. education spending and test scores?
  - So What?
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# Background

## Prior Research:

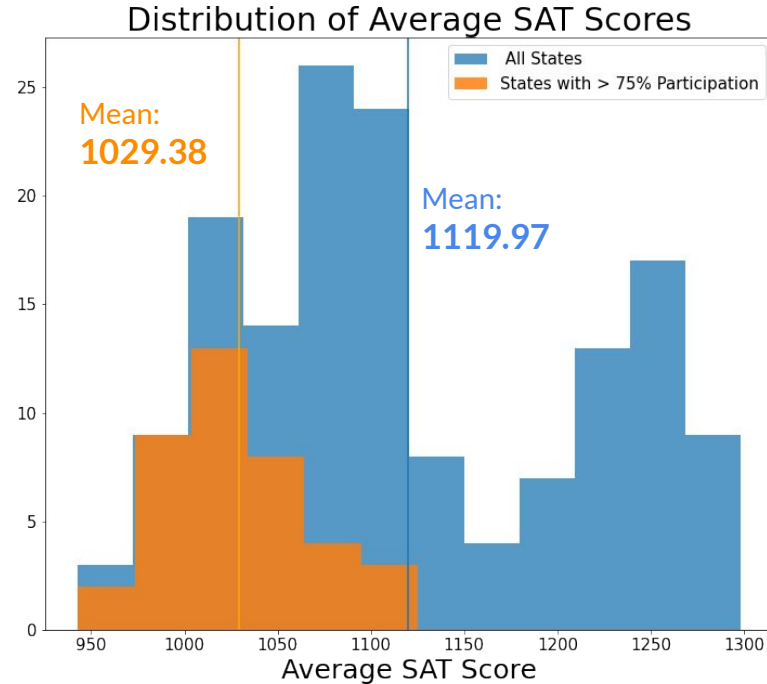
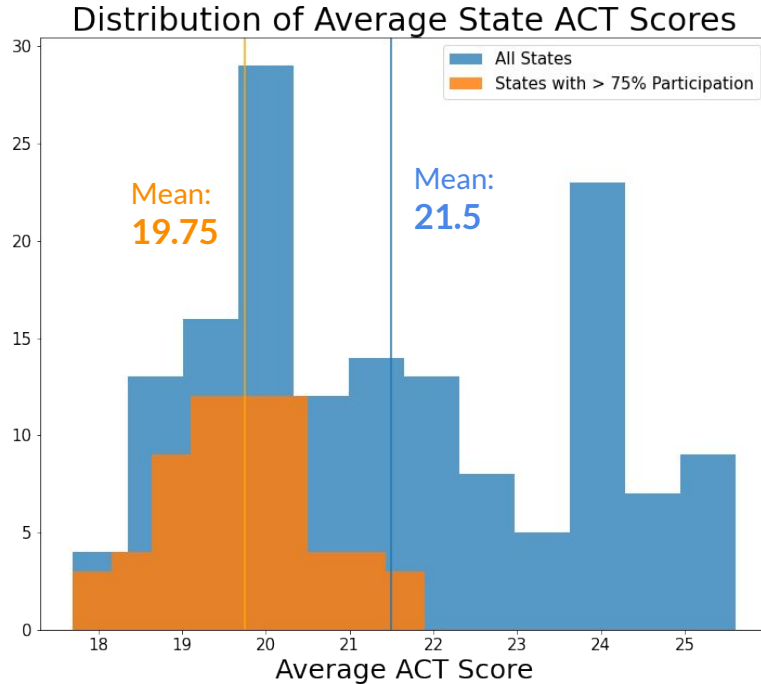
“Do Dollars Make a Difference” - Jonathan Click

- Called into question the efficacy of education spending
- Found poverty to be a major predictor of low achievement

## Issues

- The research was narrow in scope
  - The research is somewhat outdated
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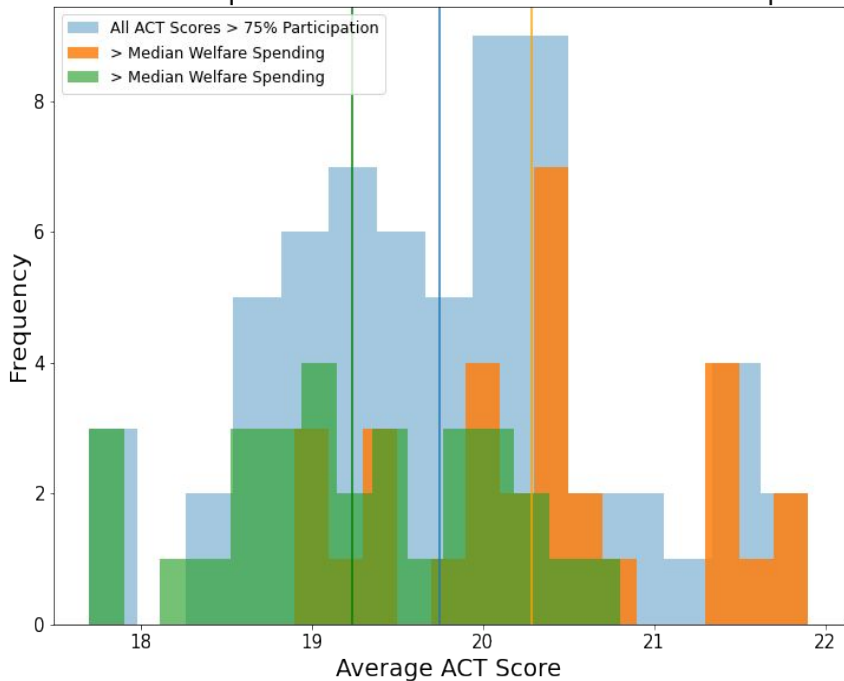
# Participation Rates and Test Scores



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# Welfare Spending & ACT Scores

ACT Scores: Top 50% and Bottom 50% of Welfare Spending



Average ACT Score (Participation > 75%)

19.75

Average ACT Score High Welfare Spending

20.29

Average ACT Score Low Welfare Spending

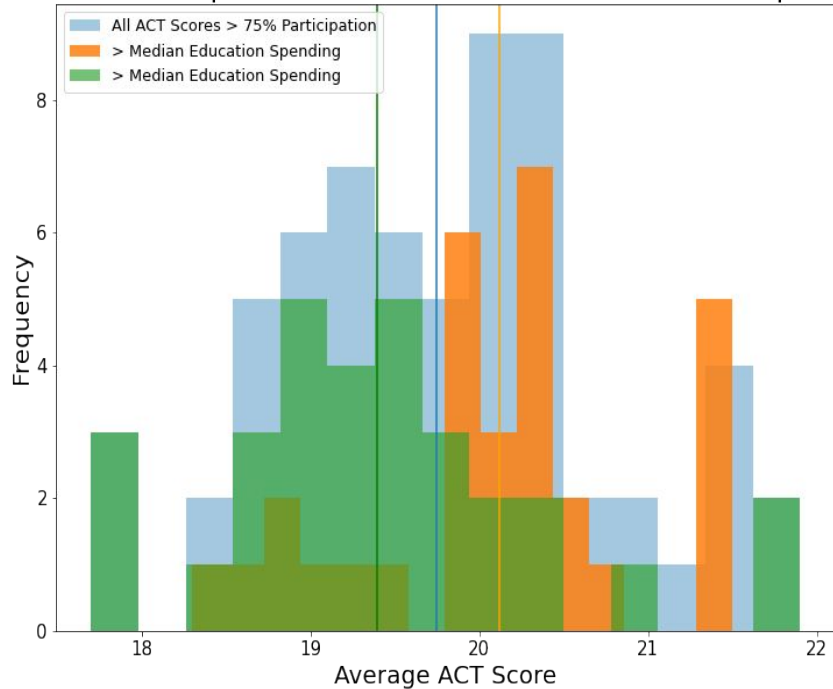
19.24

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# Education Spending & ACT Scores

ACT Scores: Top 50% and Bottom 50% of Education Spending



Average ACT Score (Participation > 75%)  
**19.75**

Average ACT Score High Welfare Spending  
**20.12**

Average ACT Score Low Welfare Spending  
**19.39**

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# Takeaways

1. High welfare spending corresponded to a 1.09 standard deviation (1.05 points) increase in ACT score over states with low welfare spending.
2. High education spending had a corresponding increase of 0.75 standard deviations (.96 points)

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# Next steps

## Further Research

- Welfare Spending and Holistic Approaches to Improving Achievement
- Participation Rates and Lowest Performing Students

## Considerations

- Trends toward optional testing for college admissions
  - Education Funding Controversies
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