



Institute for  
Fiscal Studies



## Spending wisely on education?

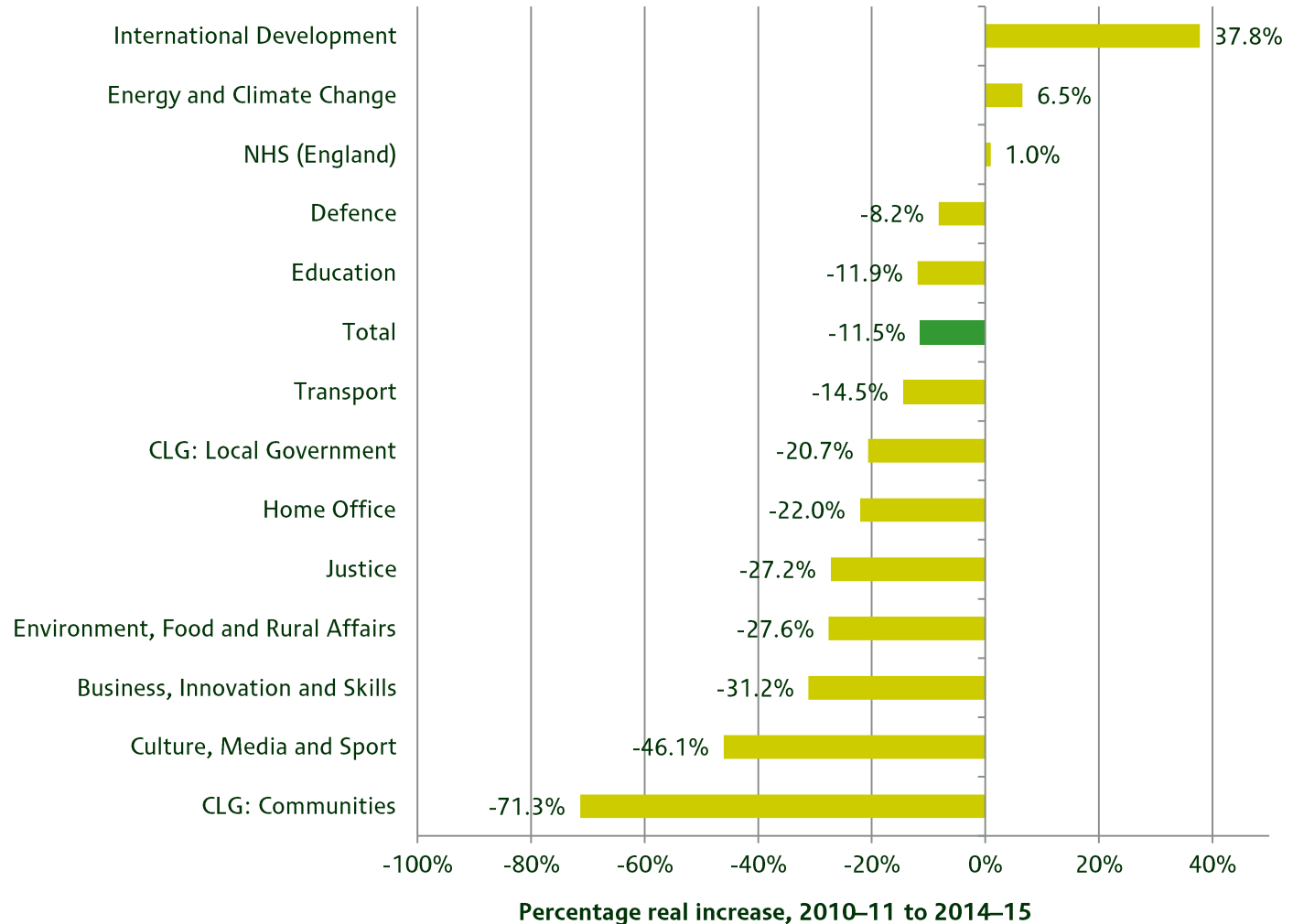
Paul Johnson

March 6 2012

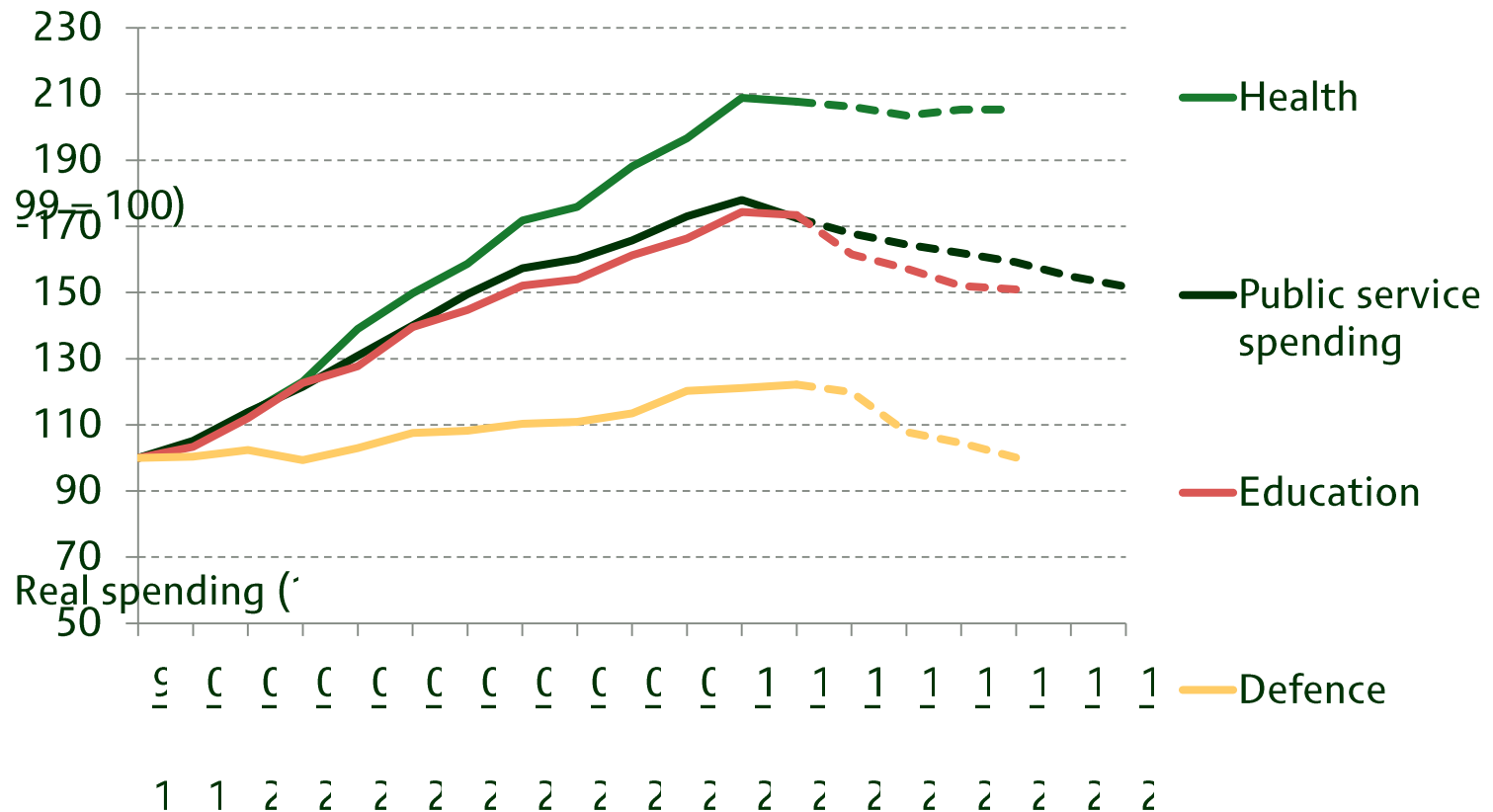
# Education spending and public finances

- Spending on education has been stable as a proportion of all spending over the past 30 years and more
  - 12-13% of the total
- Contrast with health which has nearly doubled from 10% to 18%
  - And is due to continue growing
- And defence
  - Whose budget share has fallen from 10% to 6%
- A pattern maintained by the last government and this one

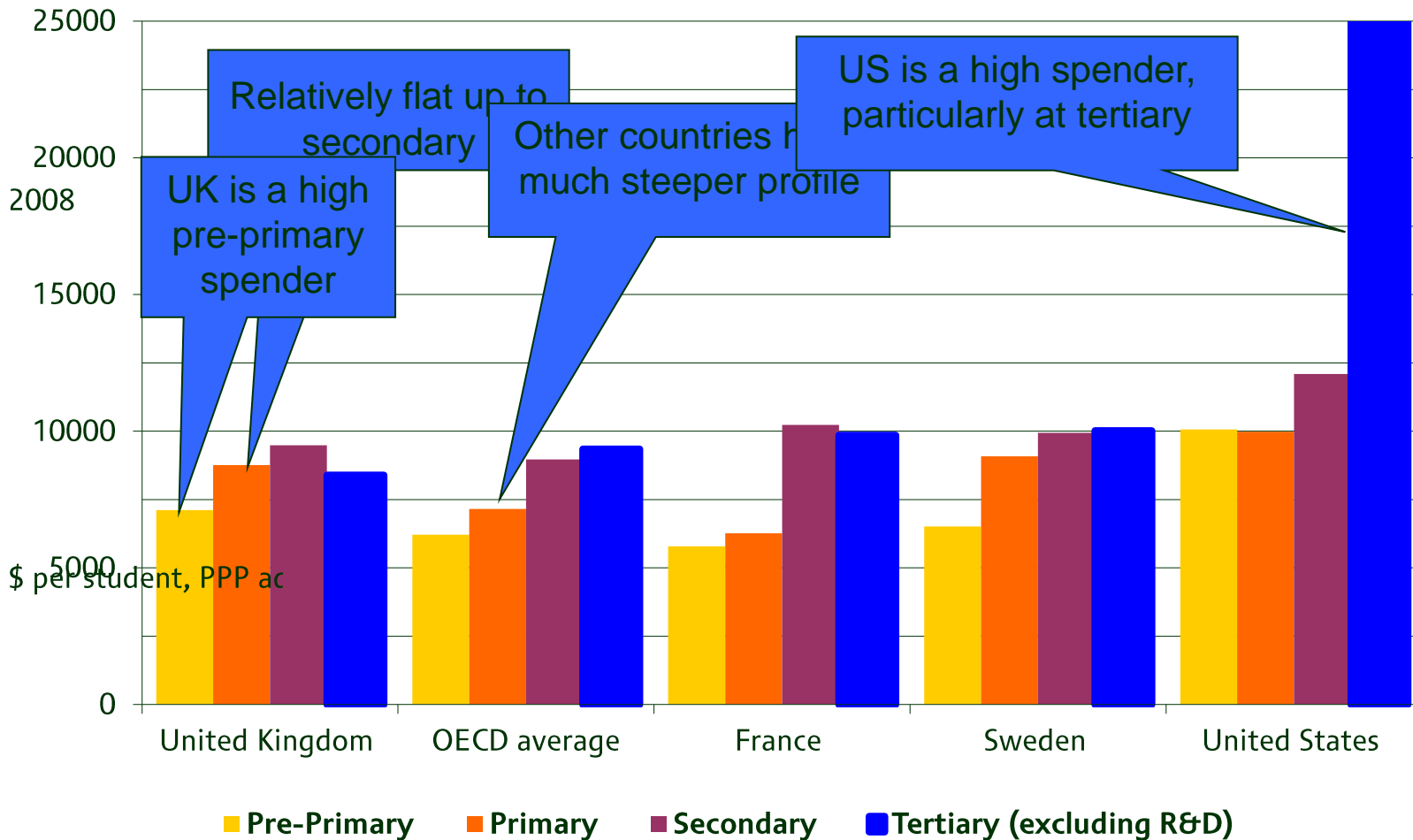
# Pattern of DEL changes 2010-11 to 2014-15



# Similar priorities (in different directions)



# Internationally our spending on pre school is high



Source: OECD Education at Glance, 2011

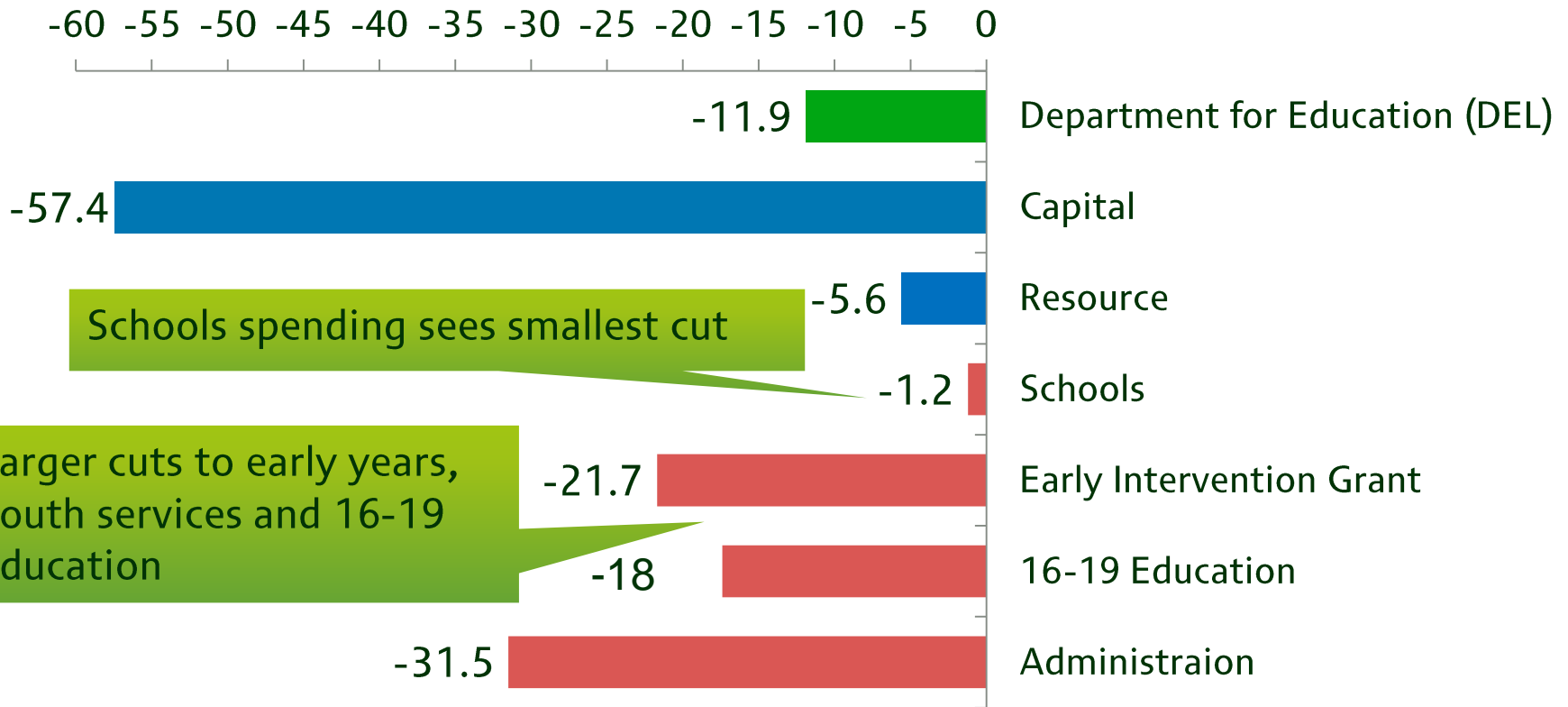
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# The immediate challenge

- 28% increase in education spending 2002-2010
- Internationally, in 2006 the UK was
  - 8th highest spender amongst 26 industrial countries
  - 2nd highest spender in pre-primary
- Pupil numbers increasing 2.7% between 2010 and 2014
- Spending per pupil to fall by 2.9% in real-terms

# Schools Spending is relatively protected

Real-Terms % Change (2010-11 to 2014-15)



Notes: This excludes expected changes in “PFI/other spending” and areas of spending for which plans are yet to be published. Red bars refer to components of DEL Resource spending.

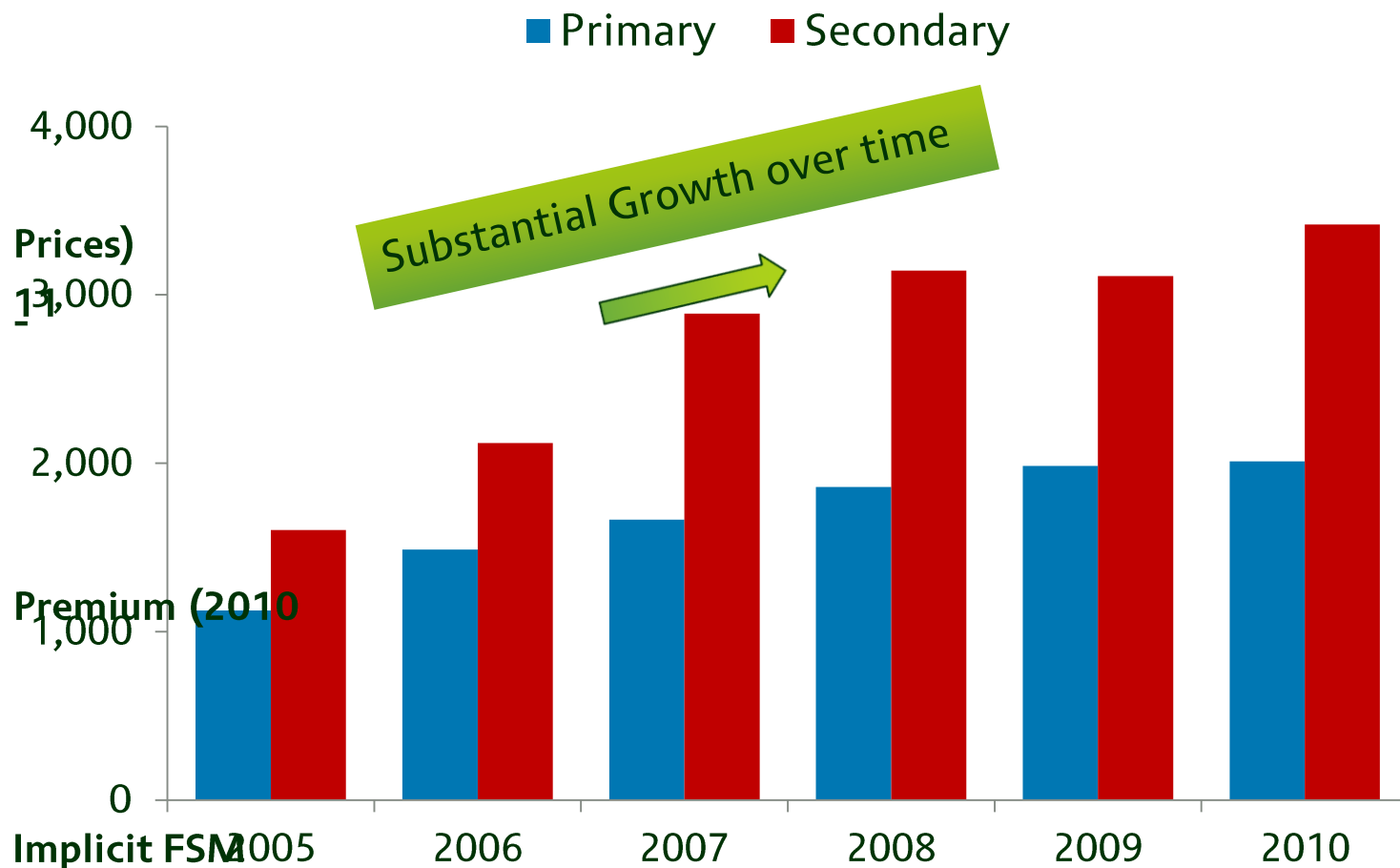
Sources: For a full list of sources please see Table 4 (<http://www.ifs.org.uk/publications/5732>)

# The big ticket items at schools

- Pupil premium
- Teaching assistants



# Additional pupil premium is also just policy continuation



Notes: Implicit FSM Premium calculated as the extra funding associated with one extra pupil eligible for FSM, holding other pupil and school characteristics constant.

Sources: For a full list of sources please see Table 2.2. ([link](#))

# Much of the money went on teaching assistants

- Much of the increase in expenditure in recent decades has been spent on human resources in schools
  - Since 1997, 8% increase in teachers
  - Since 1997, 90% increase in teaching assistants
    - » Audit Commission, 2010
- Evidence of effectiveness of teaching assistants in improving outcomes is very limited
  - Series of papers by Peter Blatchford and by others find zero (or even negative) effects on pupil outcomes
  - (though they may be good for teacher recruitment, workload etc)

# Teacher quality is the crucial variable

- Evidence from the US confirms this
- Policy should focus on training, not reduce status etc of profession
  - (and avoid big pay cuts)
- But it is hard to spot a good teacher *ex ante*
  - It is not about qualifications
- Failure (refusal) of governments to collect data on this is “unhelpful”

# Good evidence is woefully scarce

- We “know” the following work:
  - Early interventions like Sure Start, Literacy hour/ numeracy hour, Reading Recovery, Excellence in Cities, Education Maintenance Allowances
- These don't
  - Many low level vocational qualifications, train to gain
- The list where we don't know is much longer
  - Every Child Matters, Extended Schools, Teach First, Specific elements of teacher CPD, Different models of teacher training, Individual target setting for pupils, Increased use of teacher assessed work in GCSE, Specific components of the curriculum that take time away from other subjects (PSHE, Life Skills)

# The trade offs

- We have significant “problem areas”:
  - Social inequality
  - Quality of the vocational route
  - Staying on rates at 16
  - Long tail of low achievement with poor literacy and numeracy
  - But simply spending more in these areas may not help much
- Devolving responsibility requires serious incentives and accountability
  - And we know that much spending is ineffective

# UK education – a summary for a beer mat

- UK spends somewhat above average
- Spends early and starts education early
- Lots of leavers at sixteen
- Average school performance based on PISA
- Socio-economic inequalities at all ages
- High performers **and** long-tail of low achievement

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- High performers **and** long-tail of low achievement
  
- How we spend money almost certainly more important than how much we spend