

## Research Brief

### Property Value and Achievement

**Question:**

Is there a relationship between the dollar value of property behind each student in a school district and student achievement on standardized tests (or achievement in general)?

**Summary of Findings:** Probably due to the relationship between property taxes and school funding, there is a strong link between property value and student achievement. One study, for example, examined relationships among strategic planning in school districts; school district achievement in reading, language arts, and mathematics; and school district financial and demographic factors. The most striking finding to emerge was the moderately strong relationship between school district performance on standardized achievement tests and most of the demographic and financial factors. Another study found that for each additional \$100 spent on classroom instruction, students gained as much as 18 points on the combined scores for the mathematics and verbal sections of the Scholastic Aptitude Tests after adjustments were made for student socioeconomic status and teaching experience of school staff.

Some policy-makers now argue that financial restructuring must take place to help low-SES students overcome the disadvantages built into current school finance structures. It seems self-evident that if poor children attend poorly funded schools, they are not likely to achieve at the same levels as their counterparts attending better funded schools. The Children's Defense Fund found that children living in poverty are more likely than non-poor children to suffer from serious illnesses, to be classified as learning disabled, and to experience educational failure.

Some view the property-based funding of schools as a critical theory issue: preserving inequity between classes. One article argues that the system for financing education in Illinois fails to deliver sufficient resources to the school districts that need them most. Although no individual or administrative unit acts to deprive particular groups, the system as a whole does. Using Census figures, state and local tax records and information from the Illinois Board of Education, this report documents how the current system that relies on local property wealth protects the interests of well-educated, wealthy communities that can create islands of exceptionally well-financed schools.

One critical factor influencing an escape from poverty is educational attainment. For adolescents, the likelihood of poverty in the young adult years is strongly related to poor educational achievement and lack of a high school diploma. Although the relationship is complex, research suggests that there

are strong links between a child's socioeconomic background, racial/ethnic background, academic skills, and likelihood of dropping out of school. As much as external factors do predict achievement, it is important to remember that they do not guarantee it (high or low). Schools need to avoid assuming students from disadvantaged families will do poorly in school. Emerick (1992) reports, for example, that the level of achievement occurring outside the classroom indicated that school was frequently the only place academic and creative achievement were not taking place. If this is so, then educators must closely examine the role played by schools and

teachers in developing underachievement patterns, and, instead, leverage instruction, an achievement factor that schools do control, to help students beat the odds.

Surprisingly, the most research available was on how a quality educational system affects property value. A study of the relationship between housing values and school performance found large effects of school output on housing values. Good schools have drawing power in revitalizing both urban and rural communities and increasing property values. Owners of all types of real properties, especially owners and occupants of big city downtown properties, have a high investment in the educational quality of the local labor force, and should encourage improvement even if it results in increased property taxes. The long-term prosperity, and market value, of every property depends on the long-run economic viability of the general area in which it is located. A key ingredient in the area's long-run viability is the quality of the labor force available to firms located there. The deterioration of educational quality is especially debilitating in large cities. Property owners should take an active role in ensuring that local schools use resources effectively to improve educational performance.

### **Online Resources:**

**Poverty and Learning. ERIC Digest, Number 83**

<http://www.ericdigests.org/1993/poverty.htm>

**School Performance and Housing Values: Using Non-Contiguous District and Incorporation Boundaries To Identify School Effect**

A study of the relationship between housing values and school performance found large effects of elementary school output on housing values. Results suggest that housing values in the central city are elastic with respect to improvements in elementary school outputs

<http://static.highbeam.com/n/nationaltaxjournal/june012001/schoolperformanceandhousingvaluesusingnoncontiguou/>

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