

**AEFP AT FORTY: LOOKING BACK  
AND THINKING FORWARD**

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**Abstract**

Founded in 1975, the Association for Education Finance and Policy (AEFP) has evolved into a professional and academic association representing a variety of disciplines and perspectives on a growing array of education finance and education policy issues. On the occasion of the organization's fortieth anniversary, the authors look at the organization's evolution and consider how its future will be shaped by economic and social trends, as well as the evolution of education finance and policy.

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## INTRODUCTION

The phrase “life begins at forty” entered the American vernacular in 1932 when the life expectancy of Americans was on the rise. At that time, the average person was expected to live to sixty years of age—twenty years longer than what was expected in 1882. Roughly translated, the phrase “life begins at forty” means that even though the body might be in a state of decline, the mind is tack-sharp and able to embrace (and enjoy) its future. Organizations, like bodies, can live a long time and continue to make viable contributions to a changing society. This essay, adapted from my presidential address, looks at the Association for Education Finance and Policy (AEFP) on the occasion of its fortieth anniversary, takes stock of its evolution, and considers some of the challenges the field of educational finance may encounter in the years to come.

## THE ASSOCIATION AND ITS ORIGINS

The AEFP (or American Education Finance Association—AEFA—as it was originally called) traces its origins to a conference hosted by the National Education Association (NEA) in Chicago in May 1958, when representatives from each state’s NEA affiliate and state education departments were invited by George Babigan (who would go on to become the first Executive Director of AEFA), to exchange ideas, engage in discussion, and debate issues related to school finance in every possible educational context. Following this initial conference, legislators, legislative staff, state education department heads, fiscal analysts, superintendents, and district staff gathered annually to exchange ideas. Although the Association discontinued the meetings in 1972, the network developed in those years remained strong (Herrington 2013). After the NEA annual conferences were discontinued, The National Education Finance Project helped organize and finance conferences in 1973, 1974, and 1975.

AEFA was incorporated in 1975, met for the first time in 1976, and was renamed the Association for Education Finance and Policy in 2010. When the Association was founded, Gerald Ford was president, gas was fifty-seven cents a gallon, and two college dropouts, Bill Gates and Paul Allen, had just founded Microsoft. High school enrollment was at an all-time high (NCES 1993) and higher education was growing. Between 1970 and 1984, undergraduate enrollment increased 47 percent and post baccalaureate enrollment increased 34 percent (NCES 2013).

In K–12, following the Coleman Report in 1968 and early school finance litigation (notably the *Serrano* decision in 1971 and *Rodriguez* decision in 1973), there was considerable interest in how schools were funded across the United States (Fulton and Long 1993). Schools in the United States have never been equitably financed and the ruling in *San Antonio Independent School District v. Rodriguez* (1973) held that equitable funding of public schools was not a right protected by the U.S. Constitution. That decision, coupled with a victory for advocates of equitable funding in California’s *Serrano v. Priest* (1971, 1976) cases, made the state the locus of action in school finance. Prompted by an initiative of the Ford Foundation, which supported the “development of a network of scholars and an activist agenda across state finance analysts, state courts, and educational leadership,” fellowship programs were set up at universities, where scholars and advocates could work closely and pursue common goals of “equalizing resources for all children” (Herrington 2013, p. 4).

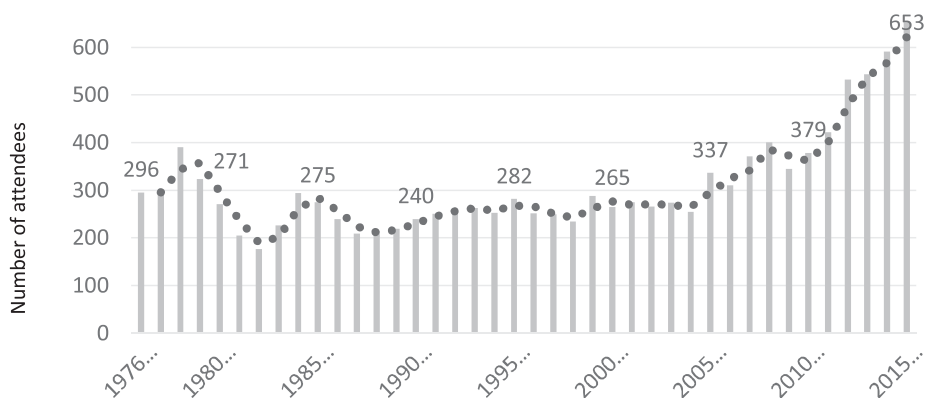


Figure 1. AEFP Conference Attendance from 1976 to 2015.

These two litigation decisions, and the others that followed in the late 1970s, led to an uptick in academic interest in education finance. As school funding evolved both judicially and legislatively, frustration with results led to a shift away from a focus on equity of resources to a focus on “adequacy” of resources. This broader concept required a richer understanding of the resources required to generate learning outcomes, and included not merely the quantity of resources but also the quality. Debates about resource allocation have moved beyond state aid formulas to include: (1) teacher quality (and an array of issues around teacher labor training and teacher labor markets); (2) class size; (3) accountability policies (including issues concerning standards for students, and assessment of academic and other outcomes); and (4) school choice, school governance, and student mobility. Further, there has been growing interest in not just the distribution of resource inputs but also of outcomes (and the relationship between the two), including the cost effectiveness of policies and programs. The boundaries of scholarly topics have also broadened to both early childhood and higher education.

The growth of interest in education policy research has been fueled in part by dramatically increased access to both federal and state student-level longitudinal data. This wealth of data permitted research on new topics in ways that were more methodologically sophisticated and could take advantage of the expansion of modern computing. In 2006, AEFP founded and published the *Education Finance and Policy* journal as part of its mission to disseminate theoretical and practical knowledge to its members and the public. The journal differs from AEFP’s previous publications in that its focus is high quality research on education that informs policy and practice. In recent years, there has been a surge of attendees to AEFP’s annual conference (see figure 1)—indeed, attendance has more than doubled. In 2015, over 700 professors, policy makers, practitioners, and graduate students attended the annual conference in Washington, DC. Most of the growth has been among scholars at universities and think tanks as the interest in research in education has continued to flourish.

### LOOKING FORWARD FORTY YEARS

What can AEFP expect over the next forty years? Although it is certainly hard to predict, there is every indication that the Association will continue to broaden its scope, and

further expand the quality and impact of its research, and its relevance. Here, we point to key demographic, economic, and technological forces that are likely to continue to shape the context for education finance and policy in the coming decades. Against this backdrop, we suggest several major implications for education finance and policy, and therefore AEEP's work.

### **Demographic Shifts**

In the next forty years, the U.S. population will grow more diverse and will age considerably. In 1960, 85 percent of Americans identified as white. Taylor (2015) predicts the number of white Americans will drop to less than 43 percent by 2060. Immigration from Europe is at an all-time low and the majority of today's immigrants originate from Latin America and Asia. Currently, one in six newlyweds marries someone from a different racial or ethnic background (Taylor 2015). By 2020, one in three children will have at least one immigrant parent (APA 2012). In addition to becoming more racially, ethnically, and linguistically diverse, the American population lives much longer than in previous generations. In 2013, one in seven Americans was age 65 or older (AoA 2015). With 10,000 baby boomers turning 65 every day and living longer than their parents, older Americans will make up almost a quarter of the U.S. population by 2030 (AoA 2015). Gender roles will also continue to shift. Today, women account for almost half the labor force and young women are more likely than their male counterparts to earn a bachelor's degree (Pew Research Center 2013).

These demographic shifts are likely to exert a considerable impact on education finance and policy. For example, will a graying voter base decrease support for school funding? Or will growing participation of women, immigrants, and people of color shift political priorities over time? An aging population also increases health care costs that inevitably compete with education and other items in state and federal budgets. Within public education, the aging labor force will certainly strain pension systems to breaking points. This last trend has already resulted in a slew of new research on teacher pensions (Costrell and Podgursky 2010).

### **Changing Technology**

Technology is evolving rapidly. Advances in computer and phone technology make communication easy and inexpensive. In the United States, 73 percent of adults own a personal computer and 92 percent of adults own a cell phone (68 percent own smart phones; Pew Research Center 2014). With each passing year, access is sure to increase further. Many sectors of the economy have been transformed by information technology, redefining the nature of work and the skills needed for success in the labor market. Formal education has been slower to adopt technology, at least in the core instructional enterprise. Although computers have been in schools for decades, relatively few rely on them for student instruction. Many schools continue to ban cell phones rather than embracing the technology as a potential teaching tool. Even this is beginning to change, though. In January 2015, New York City schools lifted their decade-old ban on cell phones (PSP 2015). Many school districts and schools are innovating with technology in a wide variety of ways, such as the use of tablets, educational games, and online delivery.

Education technology has been a relatively quiet area in education policy making and in education research. A traditional classroom at the beginning of the 20th century (with a teacher lecturing in front of a row of desks), looks similar to many classrooms more than 100 years later. That is likely to change. Increasingly, schools will adopt multiple new hardware and software innovations in all aspects of their operations. Some schools are already breaking that mold. For example, schools operated by High Tech High, a consortium of thirteen charter schools, are unrecognizable as schools as we have known them in the past. There are no desks but communal workspaces, technology laboratories, inventors' benches, and open spaces for creative design (National Center on Time and Learning 2013). They look more like a cross between an art museum, a NASA laboratory, and a movie set than a typical classroom. The efficacy and cost effectiveness of efforts such as these will be under increasing scrutiny (one need only consider the recent furor surrounding Los Angeles Unified's experiment with iPads). Some initiatives—like online instruction—will generate a greater quantity of fine-grained data on student behaviors and outcomes than ever before (see below). Technology will compete with other items in school budgets, and access to technology will be of increasing concern. And given the rapid evolution of students as “digital natives,” there are profound implications for teacher education and professional development, as well as the role of teachers more generally.

### **Globalization**

The last century has been marked by globalization, as the world has become increasingly “flat” (Friedman 2005). The ease of transportation, trade, and flows of capital and labor are only likely to increase. Education is affected in a multitude of ways—from the skills students may need to live productive lives in a global economy, to the mobility of students and families. Education policy rhetoric has already significantly embraced globalization in a couple of respects. First, there has been widespread focus on how students in one country perform relative to others on a range of outcomes. Second, there has been a general embrace of the notion that “twenty-first century skills” are demanded of individuals in a global economy and these reach beyond a basic level of literacy and numeracy to include competencies like problem-solving, teamwork, communication skills, and so on. There is also an expectation that knowledge of the world, and the ability to communicate in other languages, is more important than before. Much of the activity in this area has focused on curriculum changes, historically not a topic typically examined by education finance experts. But this may well change. There could be significant new research designed to better measure the kinds of skills that are relevant.

### **Income Inequality**

In the next forty years, income inequality is likely to continue to increase. Income inequality has been on the rise for almost a century and the trend is expected to continue (Desilver 2013). DeNavas-Walt, Proctor, and Smith (2011) estimate that 5 percent of American households received 21.8 percent of income in 2014. The Gini index, a summary statistic used by the Census Bureau to report dispersion of incomes, indicates that income inequality is increasing in the United States and in the rest of

the world, particularly in developed countries (OECD 2014). These trends likely will continue to generate a significant volume of policy action and research around access to quality education and labor market returns to different types of education (long a staple of education finance research). Interest in early childhood programs, determinants of high school graduation, and access to two- and four-year colleges, are just some examples of topics likely to continue to receive attention. If income inequality continues to increase, will the distribution of resources to schools become increasingly unequal as well?

Income inequality is being cited as one reason for the emergence of an “opportunity gap” in the United States that extends well beyond the classroom (Putnam 2012). In 1972, there was little difference in the number of out of school activities in which low- and high-income students participated (Putnam 2012). Today, affluent parents will spend \$5,300 a year on enrichment activities for their children compared with the \$480 spent by financially stressed parents (Putnam 2012). Guinier (2015) finds that by high school a student’s SAT score is a better predictor of his parents’ income than of his college readiness.

Increasing inequality of opportunity has corresponded with startling social trends, including the disproportionate incarceration of Latino and African Americans and the increased drug and alcohol use among white Americans. Between 1980 and 2008, U.S. incarceration rates quadrupled—from roughly 500,000 to 2.3 million people (NAACP 2016). As of 2001, one in six black men had been incarcerated. Some predict that, if current trends continue, one in every three black males will be incarcerated at some point during his life (Alexander 2012). These issues related to income inequality are likely to increasingly be of interest to education scholars, from effects on children to the efficacy of program implementation.

## FINAL THOUGHTS

Taken together, these trends suggest a number of important implications for education finance and policy over the next forty years. First, it is unlikely that resources devoted to either K–12 or higher education will increase at the rate they have over recent decades (NCES 2013). Per-pupil expenditures have more than doubled since the early 1970s (NCES 2013). It is hard to envision that rise continuing. Indeed, we are likely to witness an increasing competition for resources across sectors, which will require ever more creativity about how to do more with less at all levels. Optimistically, it may lead to (1) increased attention to the cost effectiveness of educational programs and policies, (2) greater experimentation in the use of resources, and (3) increasingly creative partnerships between public and private sectors. Conversely, there may well be significant dislocation as some institutions undergo significant changes or even closures.

Second, as the complexity of the demographic, technological, and economic challenges facing the nation ramps up, it seems likely there will be even less consensus among policy makers on issues in education finance and policy. The polarization of U.S. politics in general has only accelerated in recent decades, and the debate over educational reform is no exception. At the federal level, this may lead to either more extreme swings in policy or gridlock. We likely will see state level educational policies

that mirror the ideological leanings of state lawmakers rather than reflect a shared national outlook for the future. Research that may once have only been of interest mainly to academics will be produced and used in highly political contexts—one needs only consider the furious five-year debate over teacher effectiveness and “value added.” Historically, most of the research produced by AEFPP members has been largely silent on politics, and rarely even considered the messiness of policy making. In addition, as the methodical rigor of much educational research has improved, its accessibility to policy makers and practitioners has not always kept up. Less accessible research in a more politicized environment is dangerous, and something the AEFPP will want to consider.

Third, we are almost certainly entering an era of greater student-level and classroom-level experimentation in both K–12 and higher education—experimentation that will be characterized by a huge explosion of data on individual preferences and decisions. These data are already being used in the commercial world—real-time, micro-level, and immense—but present a fundamental challenge to the academic model. Indeed, much of the current research paradigm is based on being able to roll out (or at least identify) common treatments across a large number of students or schools, and being able to track outcomes over many years. We may soon be in a world of highly individualized treatments that are continuously adjusting and, unlike in the past, actually generate usable data not only on outcomes but underlying processes. It is probably the case that such a transition will be slow in coming, given the institutional barriers to change in education. But it is difficult to foresee that it is not coming, eventually, and that it could have a profound impact on the nature of education research. One possibility is that traditional academics will continue to ignore this development, and an entirely new industry conducting data analytics develops either in the private sector (this is, to some extent, already happening in the online higher education world) or with new, specialized staff nested in decision-making agencies. The other possibility is that, just as the availability of federal and state student-level longitudinal data have fundamentally transformed education research and the nature of AEFPP over the past forty years, the availability of educational “big data” and data analytic tools will be equally as transformative over the next forty.

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