



Institutional Inequality: The Effects of Redlining in Public Education

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I. EXECUTIVE SUMMARY

A strong early education often serves as the single greatest tool towards a successful future.¹⁵ However, the former practice of redlining –the discriminatory practice in which financial services are withheld from neighborhoods that have significant numbers of racial and ethnic minorities– has contributed to a system where quality education is concentrated in affluent, predominantly White areas, while underfunded schools in low-income, minority communities are pushed to the margins. Furthermore, due to a decentralized system of education governance, disparities persist in public school funding – with implications in educator qualifications, student outcomes, and continued impact on marginalized communities. This brief will focus on pathways towards building a more equitable education, first examining the long-term impact of redlining in education, then covering policy that can be enacted to standardize public school funding, support educators, and ensure equal access to opportunity.

II. OVERVIEW

Education inequity is an issue that sits as a manifestation of our nation's tumultuous past. Disproportionately benefiting predominantly White, high-income communities, public school education has pushed low-income, minority communities aside since its inception.³

This inequity is most obvious when observing the difference in funding between schools that serve marginalized communities, versus those that serve affluent ones.³ Because public schools are funded through a system of collecting local property taxes, low-income districts are placed at a significant disadvantage as opposed to high-income districts.¹¹ These funding disparities contribute to opportunity gaps, where schools serving low-income communities receive inadequate funding to support programs and are forced to settle for teachers with insufficient qualifications, leaving students lacking the skills needed to progress. For instance, in districts serving the highest proportions of minority and low-income students, there are roughly twice as many uncredentialed and inexperienced teachers than in high-income predominantly White districts.¹

A close examination of the effects of the past practice of redlining reveals the need for policy that addresses this systemic inequality. By working to build a more equitable education for all students – regardless of demographic – the U.S. will be better suited to foster success in its youth and end systemic inequality that has held marginalized communities back.

A. Relevance

A strong early education is often critical to a financially secure future, yet it is not guaranteed

to everyone. Instead, it is often determined by where you live, which decides the level of financial support your school receives. In research conducted to find how schools were able to raise graduation rates, it was found that with the creation of programs designed to assist students – mentoring, academic support, afterschool programs, etc. – graduation rates increased. Sixty-one percent of the schools that responded to the study noted that districts provided financial support for such programs (independent of funding collected from property tax), indicating that with increased school funding, graduation rates increase.¹² Conversely, this indicates that with decreased levels of funding, graduation rates drop. This is consistent with statistics regarding graduation rates in relation to schools in low-income versus high-income communities, where graduation rates decrease the lower the income of the community is.⁵ With minority students disproportionately zoned for under-funded schools as a result of redlined housing policies, it becomes apparent how former discriminatory policies have had lasting impacts on America's youth today.

III. HISTORY

A. Current Stances

In order to establish the connection between housing discrimination, public school education, and cycles of poverty, it is important to understand how the public school system operates in the United States. Funding comes from three levels: local, state, and federal. State and federal funding account for roughly 47% and 8% respectively, while local communities account for nearly 45% of school funds.¹¹ Disparities emerge when considering the system in place that determines how local communities fund these schools: property taxes. In low-income

communities, property taxes are unequivocally lower than in high-income communities, contributing to significant gaps in funding.²

The stark difference in property tax rates can be traced back to the legal procedure of redlining. Practiced from 1934 through the 1960s and largely orchestrated by the Federal Housing Administration, redlining determined properties in predominantly Black neighborhoods ineligible for federally insured loans.¹³ This effectively institutionalized segregation, as Black Americans were denied home loans, in turn damaging credit scores. With credit scores suffering, it became even harder for Black Americans to secure loans to move out of those communities due to being deemed economically unstable.¹⁰ And as entire neighborhoods were classified financially insecure, property values declined – because public schools are primarily funded through property taxes, school funding fell alongside them.

Redlining created a cycle of poverty with few pathways out through keeping communities at systemic economic disadvantages. Despite being outlawed by the 1968 Fair Housing Act, few policies have been implemented to remediate the effects that the practice had on marginalized communities. Thus, to truly uphold the American ideal of equal opportunity, it is imperative that policy be introduced to reform public school funding, in turn bolstering the growth of formerly redlined communities.

IV. POLICY PROBLEM

A. Stakeholders

At the center of education reform lies the main stakeholder: the students. Those who spend upwards of twelve years relying on a system to equip them with the foundational knowledge

needed to navigate life beyond childhood. The public school system does not simply propel a student from Kindergarten to Twelfth Grade – it instead lays the foundation for a successful future beyond K-12 (Kindergarden-Twelfth) education, and into a thriving adulthood.

Equally as important is the educators that work to equip students with those tools. Under the current system of public education, educators face unequal pay, lack of resources, and dwindling funds to appropriately deliver quality instruction. Educators serve one of the most critical roles in early education, as they are entrusted with guiding students through the years that prepare them for life beyond K-12 schooling.

Beyond the school itself, parents play a vital role in their child's education.⁷ In a series of questions asked to parents regarding their involvement in education, it was found that in each skill set questioned –literacy & language, mathematics, and approach to learning– the amount of parental involvement positively correlated with student competency.⁴

In a broader sense, the local community itself has a significant responsibility in serving as supporting and uplifting role models to students. By demonstrating what it looks like to lead a successful life beyond instructional years, students are more inclined to value the importance of education and seek to model the environment they were raised in.¹⁶

Together, these stakeholders work to foster a community that not only supports students in their education, but actively uplifts them through extracurricular involvement and external influence.

B. Risks of Indifference

Neglecting education reform poses immediate threats to the success of America's future generations. Without extensive action, our country will continue to fail to deliver the foundations of success to millions of Americans, contributing to a lack of higher education enrollment, unemployment, and domestic poverty.

The quality of education can and often does serve as a determinant in the economic prosperity, safety, and overall success of a community. These factors can almost exclusively be tied back to former practices of institutional inequality, such as Black Codes, Jim Crow laws, and Redlining, determining which communities were allowed to thrive and which were not.⁶ Without addressing and remediating these former practices through education reform, communities will continue to develop disproportionately, with some demonstrating success while others continue to regress.

All children in America are born with the promise of Liberty and Justice. Liberty, meaning freedom from oppression and the construction of a system where individual success is prioritized. Justice, where systems are built on fairness and equal application of the law. The public education system is in direct violation of these ideals. Our country claims the title of "Land of the Free", where equal opportunity is guaranteed to all. However, these claims are invalidated in one of the country's fundamental sectors: the education of its future generations.

C. Nonpartisan Reasoning

K-12 education does not end after high school graduation. It instead has indefinite impacts on the success of America's youth, making it

imperative that Policymakers and organizations take extensive action. The benefits to an overhaul of America's public education system would include, but are not limited to:

1) Equitable education for all: Dismantling and rebuilding the current model of public education –specifically in terms of funding– that is employed today would ensure a more equitable education. K12 education is how millions of youth acquire the critical skills to progress in life, and the quality that these skills are delivered with correlates with the funding schools receive. Thus, by rebuilding the system in which schools are funded, students are equally equipped with the same tools, giving all American youth equal opportunity.

2) Educator recognition: Currently, educators face unequal pay depending on the community that a school and/or district is in, despite being expected to deliver the same instruction. This often leads to lower income schools being forced to settle for underqualified teachers, placing students at an unjust disadvantage. Educators that do have the proper qualifications, however, still struggle to deliver quality education due to facing a lack of resources and funding to support them. Standardizing public education will provide proper support for educators, ensuring impactful instruction and recognizing educator efforts through fair compensation.

3) Community development: Redlining has had deep impacts on communities. For instance, formerly Redlined communities experience higher crime rates, high levels of poverty, unemployment, drug addiction, and a multi-generational cycle of disadvantage. Much of this can be attributed to the disparities in school funding.⁹ By reshaping the system in which public schools are funded, students will be better equipped with foundational knowledge and skills, have better access to opportunities, and be prepared to make a positive impact in adulthood. This in turn would begin to break cycles of systemic disadvantage, giving future generations the best opportunities available, and eventually shaping communities to see measurable success.

V. TRIED POLICY

Congress has made attempts at education reform, notably through President George W. Bush's No Child Left Behind Act (NCLB) of 2002. Designed to provide greater education opportunities, the act focused on four groups in particular: students in poverty, students of color, students with disabilities, and students with limited to no understanding of English. To achieve this goal, NCLB held schools accountable for student performance by measuring it through annual testing and placing penalties on underperforming schools. Additionally, NCLB gave states flexibility on how they spent federal education funding, so long as schools were improving.¹⁴ This comprehensive piece of legislation focused heavily on the role of the school in the overall success of its students,

emphasizing the importance of educators in demonstrating growth.

While NCLB did succeed in expanding learning opportunities to marginalized students, the act ultimately was ineffective in addressing root causes of education inequity. By using standardized testing to evaluate school performance and allocate funding, disparity gaps were further widened. Schools serving many low-income students were classified as Title I schools. If these schools failed to meet “proficient” levels on tests, states were authorized to change school leadership or even close the school. These penalties did not apply to other schools – they only applied to Title I schools, depriving the students most in need of additional support from necessary resources.⁸ Determining funding through standardized testing only creates a larger opportunity gap than before, as it fails to address the systemic inequities that contributed to differences in school performance.

VI. POLICY OPTIONS

Shifting Funding Burdens from Local Communities to Federal Government

With the majority of public school funds coming from local property taxes, it is clear to see how disparities in education have emerged as a result of redlining. As property values suffered under the practice, property taxes in turn fell, cutting schools off from necessary funding. By lessening the burden that local communities carry in funding schools, and instead shifting that responsibility to the federal government –who currently only supplies 8% of public school funds– schools will receive equal levels of support and communities will be able to determine how to allocate local property tax. This policy would

require an extensive overhaul of the existing system of public education funding, largely increasing the role that the federal government plays in a system that has historically been conducted by the states. Implementing this policy would represent significant strides towards remediating the effects of redlining, as schools would no longer rely on racially based inequitable funding systems that placed some students at an advantage, and left some behind.

Department of Education and Department of Housing & Urban Development Federal Interagency Initiative

Within the Department of Education lies the Office for Civil Rights (OCR), designed to ensure equal access to education and promote excellence through opposition to discriminatory practices. In the Department of Housing & Urban Development is the Office of Community Planning & Development (OCPD), which seeks to develop viable communities through approaches that expand access to housing, build positive living environments, and strengthen economic opportunity for low-income residents. An interagency initiative between these two offices would work towards establishing more equitable education practices – with a specific focus on formerly Redlined communities. With the Office for Civil Rights focused on fighting against discriminatory practices in education, it would be the driving force in ensuring that all students are given the same opportunities. The Office of Community Planning & Development would work in conjunction with the OCR to identify communities placed at systemic disadvantages, and contribute to the development of programs that support not only students, but communities as a whole.

Long-term Federal Categorical Grants

Supplying states with long-term federal categorical grants would give the federal government an opportunity to provide appropriate necessary funding for education, while still allowing state governments to remain in charge of the allocation of said funds. The funds would be delivered to states with the purpose of being used to support underperforming schools in that state. In order to receive the grants, states would be mandated to form special education committees that determine what schools receive the funds, in what ways, and oversee that the grants are being spent appropriately. This approach would enable the federal government to take a broader role in public education funding, while still preserving state authority over how the grants are allocated.

VII. CONCLUSIONS

Maximizing the success of America's future generations is the ultimate focus when in consideration of public education. However, under America's current system of public education, only some are given the opportunities to succeed – necessitating policy that addresses these disparities. Decades after the abolishment of discriminatory practices, students continue to suffer from the lingering effects. Left without proper support, generations remain trapped in systemic disadvantage, with few pathways out.

Without addressing the past practices that have contributed to the system that exists today, there will be no progress. Thus, the policies proposed in this brief are focused on building a sustainable and equitable system of public education in the United States, one that acknowledges its past and

where every student is given equal opportunity to succeed.

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