

# The Decline of Localized Education in the United States

## A New Age of Bureaucratization

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**Abstract** This paper examines the bureaucratization of the American public education system, with particular focus on elementary and secondary education from 1945-2000. Trends in revenue sources, school district size and density, school district employment, and teacher unionization are analyzed in an attempt to confirm existing claims of increasing bureaucratization in the American public education system. The paper concludes that the public elementary and secondary schools have become highly consolidated and more bureaucratic in nature following year 1945—a stark contrast to the more localized model education in the early 1900s as described in related literature. Although it is unresolved what was the exact cause of rising bureaucratization, the paper outlines various possible explanations. The findings somewhat describe the bureaucratic nature of American public education, and suggest that recent struggles of American education cannot be simply be solved increasing the quantity of financial resources; a solution must take into consideration the organizational structure of the American public education system.

## I. Introduction

The 20th century has been dubbed the century of human capital. The so-called “new economy” of the 1920s expanded well through the 20th century. Unlike earlier times, the American public and policymakers alike found it imperative to invest in education following the growth of the economy after the Second Industrial Revolution. Goldin (2002) explains how technological advancements forged the demand for education: “advances in science, changes in the structure of knowledge, and the emergence of big business, bigger government, and large-scale retailing” not only increased the demand for formal schooling, but effectively “raised the returns to education.” Other economic historians contend the opposite: it was technology that adapted to education—the use of technology occurred only after the development of the necessary skills in the workforce. Despite the contrast in perspectives, economic historians can agree on the fact that technology and the rise of education were both essential for much of the economic growth that occurred in the early 20th century and through America’s “Golden Age.”

In the beginning of the 20th century, the US was the

world leader in the “education of the masses.” However, other nations soon followed suit, and as of today, other countries have surpassed the United States in education quality. Education firm Pearson ranks the United States education system (pre-college) as 17th in the world, with rankings based on international test scores, graduation rates, and other quantitative criteria. A large number of Americans pin inadequate funding and resources as the scapegoat for public education’s recent troubles. However, this ignores the facts; American education spending has actually reached its highest levels in recent years. Expenditure per pupil in 1950 (in 2006 dollars) was \$1609 compared to \$9266 in 2004. It appears that the question to ask is not how much to spend, but rather, how to spend it. What many policymakers overlook is how changes in education policy have affected the nature of American public education through the 20th century. The increasing use of educational standards and accountability measures in the mid 1900s, for instance, created a new environment where schools and their districts could no longer operate with complete independence. Using data from the National Center for Education Statistics, I exam-

ine how trends in public education funding and organizational structure may reflect the increasing bureaucratization of education that occurred from year 1945 to 2000; to this end, this paper also attempts to explain what centralization of the education system exactly means for policymakers in Washington. Note that I define bureaucratization as the formation of a hierarchy with multiple levels of authorities and roles; bureaucratization is the process that leads to centralization, which I define as the consolidation of power (related to decision or policy making) into a small number of organizations. In this case, bureaucratization refers to the growing number of administrative and other roles in education, and centralization points to the growing power of state and federal governments in education policy making. In the following section, I will explain the history of American education leading to the status quo, one which appears to be much less localized than before.

## II. Background and Existing Literature

Following the Second Industrial Revolution, American firms became more capital-intensive and hence more able to exploit “economies of scope” (Chandler 1984).

Claudia Goldin (2002) contends that such advances in scientific and technological knowledge, along with the growth of big business and large-scale industry, increased the demand for educated labor by raising the economic value education. For example, the ubiquity of large-scale retailing in the early 20th century led to increased demand for secretaries, bookkeepers, typists, and other clerical occupations—all paying positions that required a basic education. Consequently, the mass education of the American population was in many ways necessary for continued economic growth in the 20th century.

However, what set the United States apart from competing economic powers in Europe was not the amount of resources it devoted toward education, but rather the unique approach it took to educate its populace. Whereas many European templates emphasized on-the-job, apprenticeship-type learning, the US system of education was much more general, and as a result, more flexible. The workforce and employees could be more mobile, and firms and individuals could still reap the benefits of elementary and secondary education.

Perhaps the most important aspect of the American system of education was that it was

locally funded and supported. In the early 20th century, education was highly localized, with little to no involvement by the federal government. The so-called “High School Movement”, as described by Goldin (2002), was characterized by individuals and grass-roots movements influencing decisions on secondary school expansion. In the 1920s, an estimated 130,000 school districts operated nationwide in the United States; in contrast, the European system operated under nationwide fiscal districts. Goldin (2002) explains that the American system encouraged competition among neighboring school districts by having educational taxing and funding occur at a local level.

This explains why is bureau cratization an important topic of study. While it is issue that many lawmakers ignore, I think it answers the question most asked in Washington: why has the increase in spending not led to the expected improvement in performance results? Since bureaucratization change the way educational finances are distributed, it may change educational outcomes as well.

This means that we should be concerned about the fact that since the early 1920s, the number of school districts in the United States has fallen to only 15,000. Kantor (1991) ex-

plains that the Elementary and Secondary Education Act of 1965 (later amended to become the No Child Left Behind Act in 2001), a bill that led to greater national funding of primary and secondary education and established national achievement standards for school districts, was significant in creating larger state and federal roles in public education. Standardization of education and the collection of performance data started in the early 20th century, but following the Elementary and Secondary Education Act, the “locality” of American education slowly disappeared.

How did American public education change as it became less localized? Meyer et al (1988) describe how education became increasingly bureaucratic from 1940-1980: decisions made by school district officials were always in consideration in the context of state and federal agencies. As the authors describe it: “classrooms are now connected by organizational rules and roles, by formulas and functionaries, by lawyers and accountants.” Although greater federal and state support of education had good intentions, existing literature implies that it has had a long lasting, and maybe potentially adverse, effect on how school districts operated.

The data analyzed in section III provides additional evidence of such bureaucratization (which supposedly creates a more centralized system of education) with a closer examination of public education's institutional structure by exploring three sets of trends: variation in district employment, sources of revenue for education, and size of school districts measured by number of teachers per school district.

### III. Data

#### *Trends in District Employment*

Literature on the topic of education funding clearly supports the argument that the local, independent nature of education management contributed to the early successes of the American education system. The scenario Goldin (2002) describes is one that existed prior to the establishment of widely enforced education standards—meaning that schools were more focused on the teacher-pupil relationship than on the district to state agency one; such a scenario would not last. Kantor (1991) describes the eventual intrusion of external stakeholders in the once localized realm of public education. He points out that “whereas earlier federal efforts had focused on issues (such as teacher training) that did not threaten local interests and required minimal federal regu-

lation, the new federal commitment was much less widely embraced by local leaders and extended federal involvement much more directly into aspects of educational decision making once considered the exclusive domain of local educators”.

Tyack and Jones (1986) found similar historical trends in their research of public education. In the beginning of the 20th century, “the largest enterprise at the local level was public education,” which comprised of teachers and local administrators. Disputes eventually arose between citizens and state governments; many of these disagreements involved citizens questioning “how actively the state should seek to direct public schooling”. These disputes were followed by the enactment of state legislation regulating education; in other words, states eventually gained greater authority over local school officials.

Table 1 presents the percentage distribution of public school staff, sorted by position (NCES 2013). In 1950, over 70% of the staff employed in public elementary and secondary school systems were teachers. By 2000, teachers made up only 50% of employed staff. The category that showed the greatest increase as a percentage of all employees was administrative support staff. Why, as the United States moved closer to the new millennium, was there a need for more administrative support staff? One possible explanation is that school districts place a greater emphasis on organizational functionality and accountability following the enactment of achievement standards and the growing influence of state and national agencies.

From this preliminary analysis, it appears that although spending may have increased in quantity, a larger amount of these additional

Year	Teachers	Administrative Support Staff
1949-50	70.3	23.8
1959-60	64.8	28.6
1969-70	60.0	30.9
1980	52.4	32.6
1990	53.4	30.4
1995	52.0	31.2
2000	51.5	30.4

Table 1: Percentage distribution of staff in public elementary and secondary school systems, by position

financial resources may have been allocated to administrative support staff rather than instructional faculty. Looking at the facts, there may have been increases in external (state and national) funding and involvement, but such resources also have been directed for external purposes.

### *Trends in Revenues*

Given that administrative staff grew as a proportion of district employees, it is important to examine which stakeholders are paying for these new, larger administrative payrolls. It is reasonable to assume that local citizens would be more likely to fund a system led by more locally chosen administrators—the data below seem to show a growing, non-local hegemony in education.

Chart 1 presents the trends in revenue sources for public elementary and secondary education. Localized funding decreased from over 60% in 1845 of total revenue to 40% by the 1970s (NCES 2013). State revenue grew in response to the decline of local revenue, surpassing it in the early 1970s. Another important observation is that federal spending for education did increase, but only by small amount during the decline of localized funding; as a proportion of total revenues for public education,

federal assistance still only accounts for 10% of total revenue. Out of all the changes in revenue sources throughout 1945-2000, the proportions stay relatively constant from 1975 onward, implying that organizational changes most likely occurred prior to 1975.

The data coincides with previous authors' accounts of the nature of education funding and decision making in the United States. States retain a certain autonomy in education policy, so one can anticipate that federal expenditures do not play a large role in educational resources overall. The rise in state revenues as a percentage of funding illustrates the possibility that school districts became more tied to state education agencies and their standards—

with most of this change occurring before 1975. This data emphasizes the importance of policies like the Elementary and Secondary Education Act of 1965, since it suggests that the establishment of standards may have increased the size of organizational structures in education. The decline of localized funding could explain, in some ways, why there was a rise in administrative staff by the 1970s as seen in Table 1. In turn, one could argue that recent increases in spending may not have been particularly effective due to the growth of administrative, rather than instructional faculty in school districts. Furthermore, because the optimal allocation of funding varies district by district, increased state funding may actually be allocat

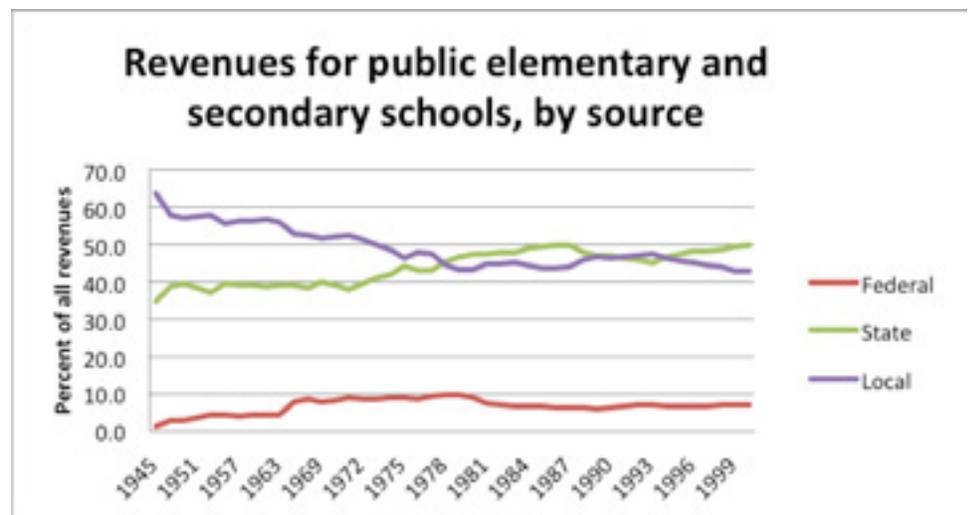


Chart 1: Revenue by Source

### Teachers Per Public School District

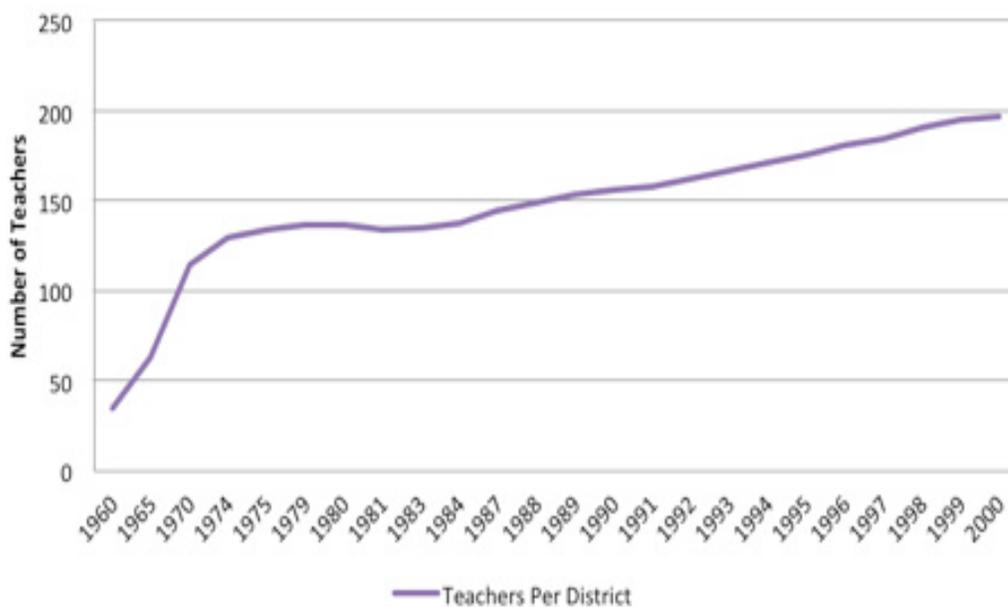


Chart 2: School District Size (left)

Table 2: Decline in School Districts (below)

Year	Number of Public School Districts
1949-50	83,718
1951-52	71,094
1959-60	40,520
1961-62	35,676
1963-64	31,705
1965-66	26,983
1967-68	22,010
1970-71	17,995
1973-74	16,730
1975-76	16,376
1976-77	16,271
1978-79	16,014
1979-80	15,944
1980-81	15,912
1982-83	15,824
1983-84	15,747
1986-87	15,713
1987-88	15,577
1988-89	15,376
1989-90	15,367
1990-91	15,358
1991-92	15,173
1992-93	15,025
1993-94	14,881
1994-95	14,772
1995-96	14,766
1996-97	14,841
1997-98	14,805
1998-99	14,891
1999-00	14,928

ing funds more inefficiently, as state governments are likely to make more generalizations about individual school districts. *Trends in the Size of School Districts*

A third way to measure the bureaucratization of education in the United States is to examine the long term trends in school district size and density. As state governments gain more power, one might think that smaller school districts would consolidate into larger, more organized ones in order to have more power to compete for additional state funding and resources. Chart 2 (above) presents the long term trend in numbers of teachers per school district in elementary and secondary education (NCES 2013). The data shows a long term rise in teachers per

school district. Importantly, the increase in school district size appears to be accentuated around 1965, when the Elementary and Secondary Education Act was enacted. The increase in school district size also seems to settle around 1970-1975, which is the same period in which revenue sources became relatively constant (with State funding being the dominant source for the rest of the century). This correlation implies that the increase in state funding may have caused school districts to consolidate, although one cannot conclude this causation.

Table 2 illustrates the decline in the number of school districts throughout from 1950-2000. The data shows that in the second half of the 20th century, the number of school

districts decreased dramatically, eventually settling around 15,000 districts by the 1970s. From the table, it is clear that the increase in teachers per public school district is not due to larger enrollment numbers or greater hiring of teachers, although those may have played a small role; a large part of the increase in teachers per district was in part due to the overall decrease in school districts.

The decrease in district density is accentuated around the 1960s, and slows down around 1975. It appears that the greater state involvement into education, along with national policies establishing school accountability, may have played a role in consolidating school districts nationwide. It is reasonable to assert that an education system with numerous small districts with limited influence is certainly less organized than one with fewer and larger districts with jurisdiction over larger communities. Thus, one possible explanation is that larger districts were preferred because they le-

gitimized and empowered the roles of superintendents, principals, and other administrative staff in the context of growing state and national involvement in education. Small, local districts had less of an ability to influence state education policy, and the prospect of a larger, more organized entity would give local communities more power in state decision making.

In the case of education, such bureaucracy could be used a way to fight for resources and gain a greater sense of autonomy. Whether or not these changes in funding and government initiatives caused district consolidation remains unanswered. It is clear, however, that there is a correlation between the rise of organizational structure and the involvement of state and nation-

al governments in education. *Trends in Teacher Unionization and Organization*

If public education as a whole was becoming institutionalized and more bureaucratic, it is intuitive that a workplace hierarchy would have been formed due to the creation of multiple levels of authority. Meyer et al (1988) emphasize the formalization of roles, and the expansion of administrative power as key indicators of bureaucratization. If their contention is correct, leaders in education and their subordinates should have become more organized not only for the purpose of efficiency, but also for the purpose of influence in such a workplace hierarchy.

Chart 3 presents the proportion of elementary and secondary teachers who were

### Proportion of teachers unionized or covered by collective bargaining agreements, selected years

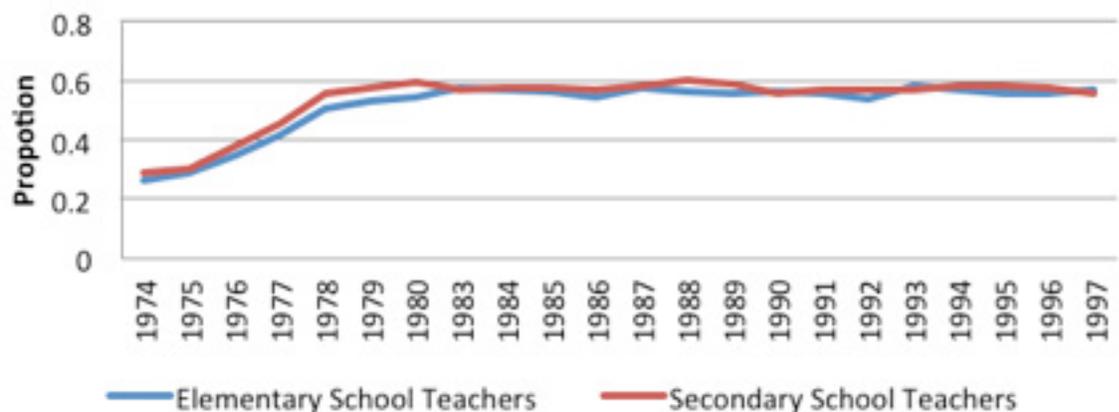


Chart 3: Unionization of Teachers

members of the National Education Association (NEA) or American Federation of Teachers Unions (or any collective bargaining agreement) (Historical Statistics of the US 2013). In the selected years where data was available, union membership among public elementary and secondary teachers approximately doubled, with membership increases occurring from 1974-1980. It is important to note that the NEA and AFT were the two largest teachers' organizations at the time; as of today, the NEA is the largest union out of all industrial unions in the United States. The data shows that prior to 1974, less than 30% of public elementary and secondary teachers were members of teachers unions. From the 1980s to the end of the century, union membership rates remained relatively constant. This suggests that changes in education around 1970 may have been the impetus for teacher unionization. Although it cannot be concluded what caused this dramatic change in union membership, it is clear that teachers found it necessary to organize for greater representation; this hints at the possibility of a workplace hierarchy being formed.

The rise in unionization is consistent with other indicators of education bureau-

cratization discussed earlier in this paper. The increase in administrative staff, for instance, may be an indication of how teachers would become increasingly underrepresented later in the 20th century. The increasing proportion of state and federal funding illustrates the growing power of external government agencies in educational policy-making. Furthermore, the larger numbers of teachers in each school district may have made it easier and necessary for teachers to organize in order to gain more representation in the context of ever more powerful districts and government agencies.

#### IV. Conclusion

The data presented in this paper bolsters existing claims that American public elementary and secondary education experienced a great deal of bureaucratization in the late 20th century. The preceding analysis has made it evident that the system of public education has consolidated significantly after 1945, with a large decrease in districts and larger district size. It should be noted that although the analysis implies that the shift in power from local administrators to state and federal decision-makers was the plausible cause for this consolidation, it cannot be absolutely concluded to be such.

As mentioned previously, the performance of American students in elementary and secondary schools cannot be explained solely by the quantity of funding. Claudia Goldin praised the American system for its many "virtues", not its ability to access vast amounts of wealth. While it seems improbable that the United States return to the system of local funding and control of education, the successes of American education in the early 20th century are a testament to the importance of school to community relationships. The increasing influence of external agencies sheds light on how education no longer functions solely for the purpose of students and their families, but for individuals in the hierarchy of the new education bureaucracy. It is clear that debates over resource allocation will continue for years to come. Nevertheless, this paper investigated why questions in education reform remain hard to answer, and more importantly, whether or not money is the answer. These findings highlight organizational structure in public education as an important variable to consider and subject of greater debate.

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