Documenting Inequitable Patterns in Spending by Parent Teacher Associations, Parent Teacher Organizations, and “Friends of” Fundraising Groups at Illinois Public Schools

An Essay for the Learning Curve by Claire Mackevicius
January 2022

For decades, states and districts have attempted to distribute resources more equitably at K–12 public schools, and most states are at least slightly progressive in their distribution of total government dollars.[1] At the same time, fundraising parent teacher associations (PTAs), parent teacher organizations (PTOs), and “Friends of” groups, all of which I refer to as PTAs, have grown in size and number.[2] Spending by these school-specific fundraising organizations is inequitable, disproportionately flowing to wealthier and whiter schools. State- and district-level policymakers could better document resources from these groups, which would enable them to factor this hidden sources of inequity into funding policies and allocation decisions.

As PTAs, PTOs, and “Friends of” groups have become more prevalent, some have transitioned from raising money through small-scale events like bake sales to much larger, more professionalized operations.[3] At their most extreme, some organizations host independent websites facilitating donations to support annual fundraising efforts of hundreds of thousands of dollars.[4] Even in a typical district, some schools receive no extra dollars while others get additional funding of more than $50,000 from supplemental fundraising—enough for additional field trips, grants for teachers to purchase supplies, and staff-appreciation gifts. Though these are no doubt worthy, important, and impactful educational inputs, they are mechanisms entrenching deep inequities in resource distribution. Students at some schools are differentially benefiting from these fundraising groups, even compared with their peers at schools in their own districts.

[1] Matthew Chingos and Kristin Blagg, “School Funding: Do Poor Kids Get Their Fair Share?” Urban Institute, May 2017, https://apps.urban.org/features/school-funding-do-poor-kids-get-fair-share/.

[2] Ashlyn Aiko Nelson and Beth Gazley, “The Rise of School-Supporting Nonprofits,” *Education Finance & Policy* 9, no. 4 (October 2014): https://doi.org/10.1162/EDFP_a_00146.

[3] Linn Posey-Maddox, “Professionalizing the PTO: Race, Class, and Shifting Norms of Parental Engagement in a City Public School,” *American Journal of Education* 119, no. 2 (February 2013): https://doi.org/10.1086/668754.

[4] Catherine Brown, Scott Sargrad, and Meg Benner, “Hidden Money: The Outsized Role of Parent Contributions in School Finance,” Center for American Progress, April 8, 2017, https://www.americanprogress.org/article/hidden-money/.

In Illinois, PTAs, PTOs, and "Friends Of" Organizations Disproportionately Benefit Wealthier, Whiter Schools

In this case study, I document patterns of regressive spending by PTAs in Illinois in 2017, when resources disproportionately went to wealthier, whiter schools. Though *average* PTA expenditures are a small share of a public school's funds, in Illinois they total more than $35 million in undocumented spending on K-12 schools. In extreme cases they supplement school budgets by more than 10 percent, and fundraising PTAs are growing in size. If state- and district-level policymakers had documentation of this spending, they could factor these supplemental dollars into equity-attuned approaches to distributing government resources.

This analysis focuses on Illinois, but patterns and policy lessons are likely relevant across states and settings. In terms of overall K–12 public school spending, Illinois spends slightly less than the national average and relies more than average on local revenues. Although in recent years Illinois has some of the largest inequities in terms of the distribution of state and local funds,[5] in 2017 it updated its funding formula to combat these inequities. Among all states Illinois has the average number and size of fundraising organizations per school, and I find patterns consistent with Murray and coauthors' recent statewide analysis of North Carolina elementary schools and an in-depth report on the Los Angeles Unified School District in that the largest PTAs serve the most-advantaged (i.e., wealthier, whiter) student populations.[6] The distribution of spending by these groups that I document in Illinois is likely similar to other states.

I put spending by these school-specific fundraising groups in per-pupil terms to deepen our understanding of the patterns and impacts of these organizations on resources distributed to students. To put fundraising groups' spending in per-pupil terms, I gathered the latest year of organizations' tax returns from the Urban Institute's National Center for Charitable Statistics and matched these with schools and school-level characteristics using Urban's Education Data Portal.

In Illinois, nearly 600 school-specific fundraising organizations large enough to file taxes spend on average just over $100 per student a year, but the quarter of them that spend the most spend more than twice that (figure 1). It is worth noting that not all nonprofits file full tax returns (only those with gross receipts over $50,000 are required to), but I find in my sample that many smaller school-supporting fundraising organizations do still file with the IRS.

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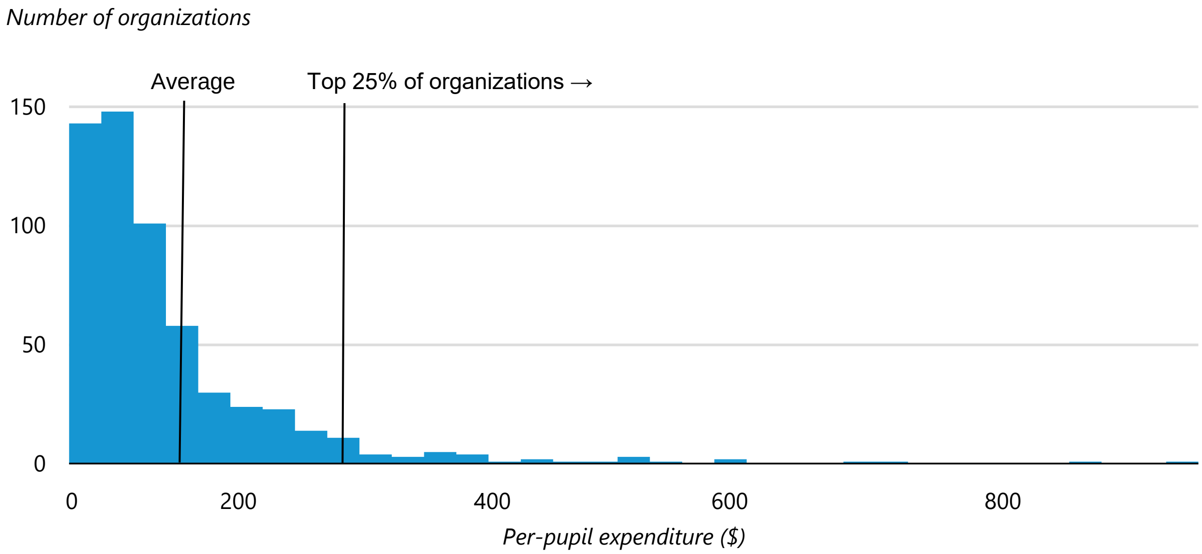
[5] Ivy Morgan and Ary Amerikaner, *Funding Gaps: An Analysis of School Funding Equity across the U.S. and within Each State* (Washington, DC: Education Trust, 2018).

[6] Brittany Murray, Thurston Domina, Linda Renzulli, and Rebecca Boylan, "Civil Society Goes to School: Parent-Teacher Associations and the Equality of Educational Opportunity," *Journal of the Social Sciences* 5, no. 3 (March 2019): 41–63, https://doi.org/10.7758/RSF.2019.5.3.03.

FIGURE 1

Parent Teacher Associations in Illinois Spend $107.12 per Student a Year on Average

The top 25 percent spend an average of $266.93



URBAN INSTITUTE

Source: Author's calculations based on National Center for Charitable Statistics data of nonprofit tax filings.

While the average spent by these groups amounts to a relatively small share of total per-pupil spending from documented federal, state, and local government sources, they provide highly impactful discretionary dollars to the schools they support. Funds from these groups are spent on everything from basic supplies and textbooks to extracurricular enrichment and yearbooks and can provide schools some budget flexibility. Over the past year in Chicago, for instance, some wealthier-serving schools had earlier and easier access to cleaning supplies, enabling them to reopen more safely thanks to fundraising by their PTA groups.[7] Spending by these organizations represents on average an extra 3 percent on top of allocated state and local nonpersonnel discretionary funds, though the very largest contribute an additional 20 percent.

In Illinois, Schools That Serve Wealthier Students Are More Likely to Benefit from a Fundraising Group

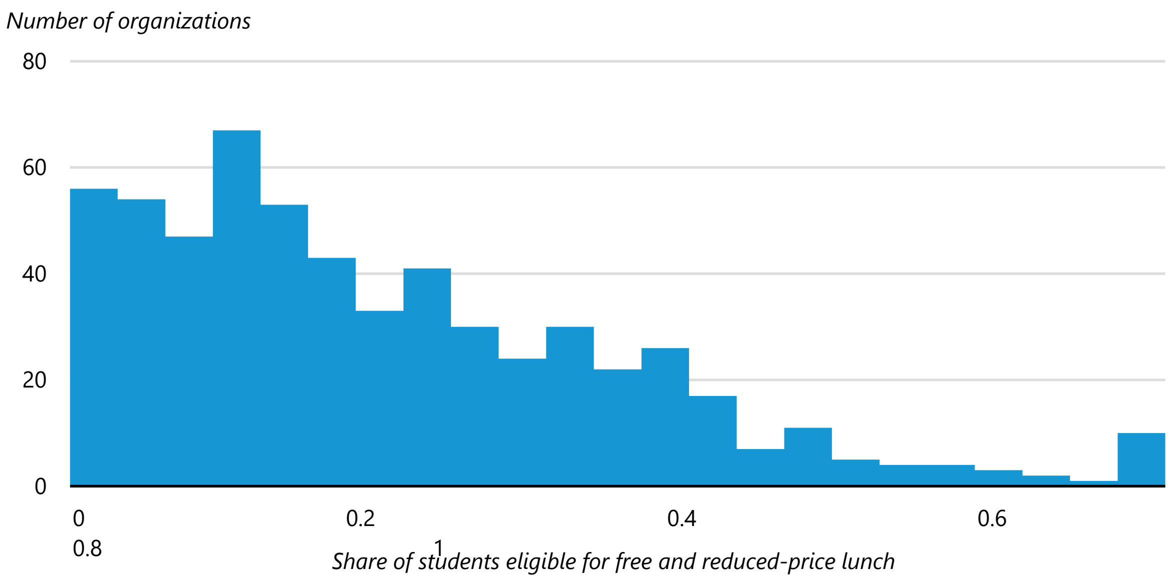
There are stark inequities—by low-income status and race—in terms of which schools have fundraising groups and how much those groups spend. Though over 15 percent of K–12 public schools in Illinois are supported by tax-filing fundraising groups, the likelihood of having such a group differs dramatically by the wealth of schools' student populations (figure 2). I operationalize the wealth of student populations using the shares of students who are eligible for free or reduced-price

[7] Yana Kunichoff, "In Chicago, Parent Fundraising Eases Reopening at Some Schools — and Leaves Others Out," *Chalkbeat*, April 5, 2021, https://chicago.chalkbeat.org/2021/4/5/22363000/in-chicago-parent-fundraising-eases-reopening-at-some-schools-and-leaves-others-out.

lunches, a rough proxy for economic disadvantage. More than half of school-specific fundraising groups (58 percent) are associated with schools serving the wealthiest 25 percent of students. Put differently, the wealthiest-serving quarter of schools has nearly a 40 percent likelihood of having an associated fundraising group, while the quarter serving the lowest-income has just a 2 percent chance.

FIGURE 2

In Illinois, There Are More Parent Teacher Associations at Wealthier-Serving Schools



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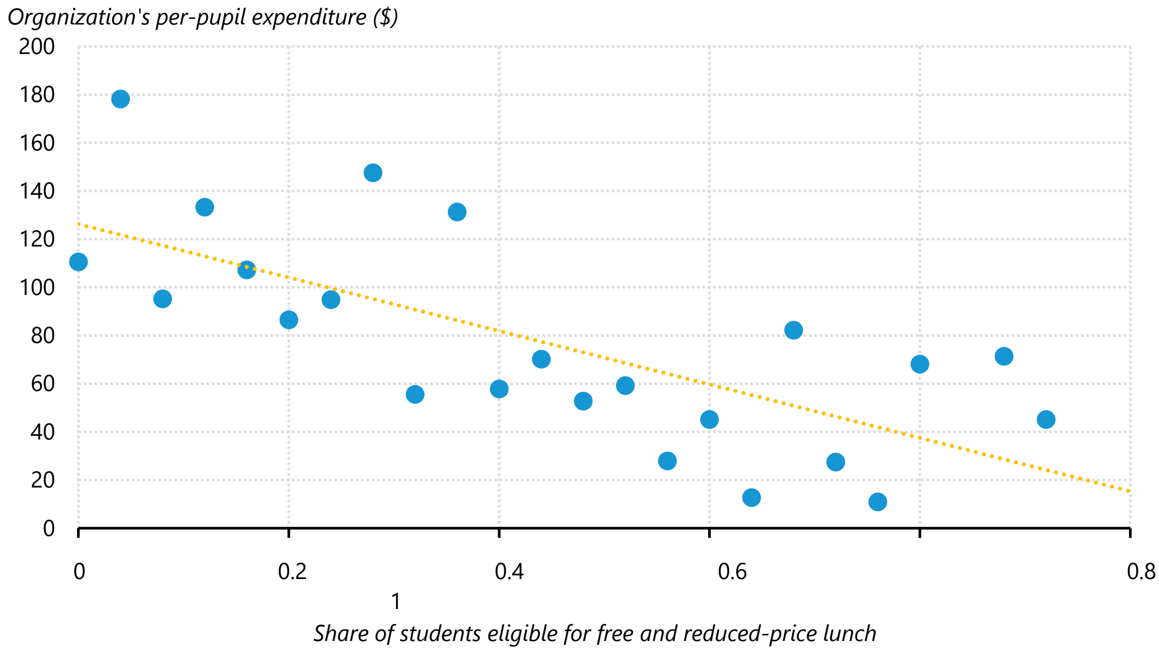
Source: Author's calculations based on National Center for Charitable Statistics data of nonprofit tax filings and Department of Education Common Core of Data school demographic data.

Furthermore, there are more organizations associated with the wealthiest quarter of schools, and those organizations spend much more (an average of $123 per pupil) than the fewer organizations at the least-wealthy quarter of schools (an average of less than $50 per pupil) (figure 3). This pattern of regressivity in spending across schools in one state should concern state- and district-level leaders who specifically design policies to combat inequities in resource distribution, but whose policies do not explicitly account for these supplemental funds.

FIGURE 3

In Illinois, Parent Teacher Associations Spend More at Wealthier-Serving Schools



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Source: Author's calculations based on National Center for Charitable Statistics data of nonprofit tax filings and Department of Education Common Core of Data school demographic data.

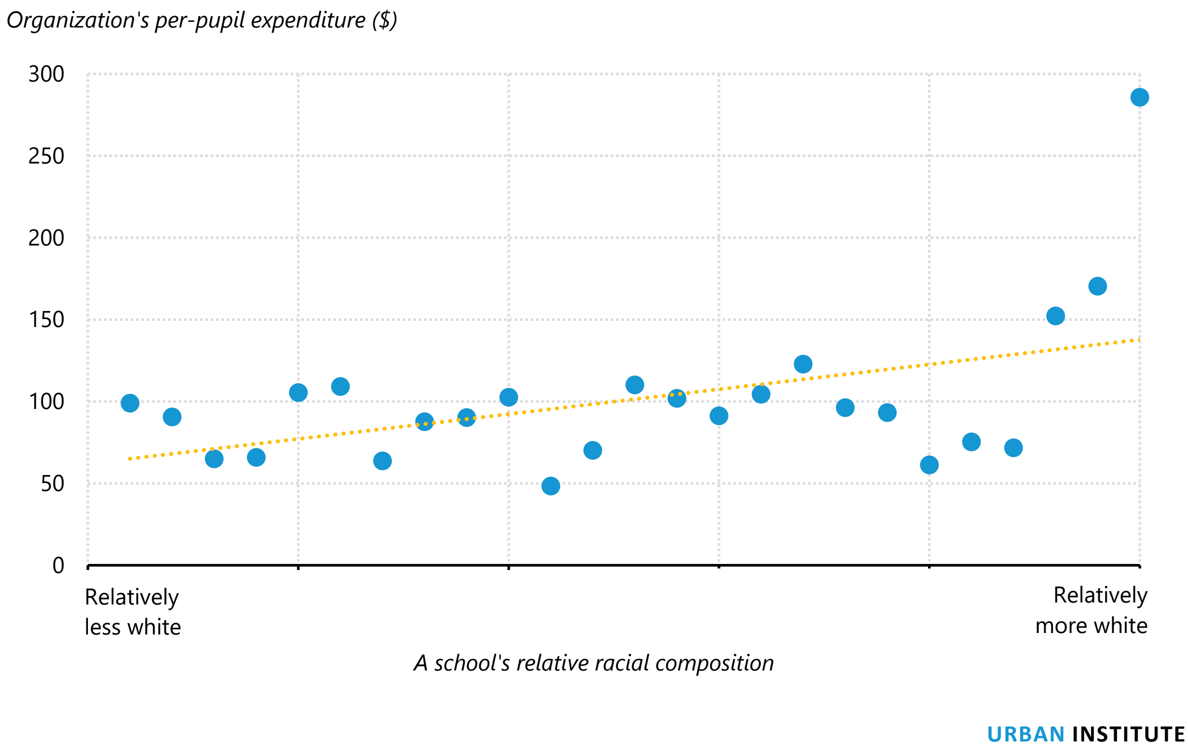
In Illinois, Schools That Serve Relatively Wealthier and Whiter Students Benefit from Higher-Spending Supplemental Fundraising Groups

Even within districts, there are inequities in where funds flow by income and race. Schools serving smaller shares of students identified in the Common Core of Data as Black, Hispanic, Asian, American Indian or Alaska Native, Native Hawaiian or Pacific Islander, or as multiple racial categories—have higher-spending funding organizations (figure 4). Prior work documents PTAs as historically white-dominated groups that can effectively entrench unequal access to opportunities for already advantaged student populations.[8] In Illinois, this shows up in patterns of the distribution of funds by these groups *within* districts.

[8] Casey Quinlan, "How Marginalized Families Are Pushed Out of PTAs," *The Atlantic*, July 13, 2016, https://www.theatlantic.com/education/archive/2016/07/how-marginalized-families-are-pushed-out-of-ptas/491036/.

FIGURE 4

In Illinois, Parent Teacher Associations Spend More at Relatively Whiter Schools within School Districts



Source: Author's calculations based on National Center for Charitable Statistics data of nonprofit tax filings and Department of Education Common Core of Data school demographic data.

To contextualize these discrepancies, consider the example of North Shore School District 112, located between Chicago and the Illinois-Wisconsin border. Comparing across just elementary schools, only one of the two least-white schools had a tax-filing PTA group, and that group spent about $80 per pupil. Conversely, the whitest two schools had fundraising PTAs that spent $228 and $581 per pupil.

Policymakers Can Mitigate the Regressive Effects of Fundraising Groups

Given a potentially volatile—or at least uncertain—public school funding landscape over the next several years, policymakers likely want to document funding sources that could hamper efforts to distribute resources equitably. Fundraising groups (PTAs, PTOs, and "Friends of" organizations) can fill gaps created by budget cuts and be mechanisms for certain schools and districts to amass disproportionate amounts of funding, both of which can threaten efforts to make resource distribution more equitable. At the very least, policymakers and researchers would be well served—and could mitigate potential inequities—if these groups' spending was documented better. The following steps could be taken to achieve this:

- State education departments could systematically account for private fundraising that supplements government revenues at public schools. A recent measure in New York City required schools to report PTA fundraising, and states could implement similar rules.[9] This fundraising could be included in the information gathered as part of the school-level funding reports newly required by the Every Student Succeeds Act.
- Districts and states could take that systematic documentation of fundraising into account when applying funding formulas to determine how to distribute federal, state, and local revenues across schools. At the state and district levels, government resource distribution could also take into account the additional $30 million in supplemental spending by district-level fundraising organizations, which I did not factor into this analysis but whose presence and spending follow patterns of inequities similar to what I highlight at the school level.
- Leaders in districts with many, or very large, fundraising organizations could consider taking approaches to tackle vastly unequal fundraising groups across schools. For example, in Illinois, the PTA Equity Project in Evanston's District 65 represents a grassroots, collective, parent-led effort to pool and redistribute PTA funds across the district's schools.

In Illinois, PTA groups disproportionately exist and spend the most at whiter, wealthier public schools. This is not only broadly true across schools and districts but replicates *within* districts, where relatively whiter schools receive more from these supplemental nonprofit fundraising organizations. The size and number of organizations per school in Illinois is roughly the national average, and the patterns I highlight likely exist in other states. This should concern policymakers and researchers, who are operating with incomplete documentation of public school funding and risk allowing this supplemental flow of resources to perpetuate deeply entrenched inequities in resources and opportunities.

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[9] "Local Law 171 of 2018—PA/PTA Fundraising Report," New York City Department of Education, accessed January 10, 2022, https://infohub.nyced.org/reports/government-reports/local-law-171-of-2018.

Acknowledgments

This essay was funded by the Walton Family Foundation and the Bill & Melinda Gates Foundation as part of the Learning Curve essay series. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

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