

CHAPTER 3. THE PUBLIC PRIMARY AND SECONDARY EDUCATION
SECTOR

INTRODUCTION

As was shown in the preceding section, public expenditures for primary and secondary education are by far greater than those for any other single service performed by State and local governments. Of the 1957 general expenditure of \$40.4 billion, almost 30 percent were spent for public primary and secondary education; about 3.3 percent of national income. Education expenditures had increased much faster since the turn of the century than the other State and local expenditures. The pivotal position and importance of public education for the future of this Nation is all too clear and needs no elaboration.

NATURE OF DATA

A major portion of this study is concerned with pricing educational services in constant terms. In this connection it is helpful to clarify the concept of expenditure pertinent to the analysis and then embark upon an inquiry of the factors that in the past appear to have had an impact on them.

The question of how the cost of a given bundle of educational services behaved over time is best answered by talking in terms of current expenditures, plus a reflection of the cost of providing physical facilities. The latter can be approximated by a debt service figure, which can reflect the long-run benefits of capital expenditures. Such data are compiled for education by the U.S. Department of Health, Education, and Welfare (see chart 1).