Available Online: 9 July 2025 DOI: 10.54254/3049-7248/2025.24626

Bridging the gap: addressing educational inequality in the United States through the lens of educational psychology and public policy

Xinyan Wu

Skidmore College,New York, USA

Xinyanwu112@gmail.com

Abstract. This paper explores the persistence of educational inequality in the United States through a structural and policy-oriented lens. Based on empirical research, it analyzes how academic disparities are caused by the intersection of family economic status, racial bias, inter-district financial disparities, and governance fragmentation. The article combs through the evolution of federal education policies from ESEA to NCLB and ESSA, pointing out that performance-oriented reforms and market-oriented strategies that fail to address structural inequality (e.g., school choice policies), however, may instead exacerbate the concentration of resources and educational stratification. In response to existing limitations, the study proposes equity-oriented policy pathways, including student-weighted grants, federally supported teacher development programs in high-poverty districts, and institutional mechanisms for community engagement. These initiatives aim to embed the concept of "responsiveness to difference" in the entire process of policy design and implementation. The study ultimately concludes that the realization of educational equity requires not only the redistribution of resources, but also the promotion of systemic changes at the level of governance structures and social participation, so that education can truly become an institutional support for social mobility and democratic inclusion.

Keywords: educational inequality, federal education policy, school funding disparities, teacher quality, equity-oriented reform

1. Introduction

The U.S. education system has historically been assigned the function of promoting social mobility and realising equality of opportunity, but the empirical studies have shown that there is a persistent and systematic structure of inequality in its practical operation. These inequalities are not only reflected in disparities of student academic achievement, but also widely exist at multiple levels of educational resource allocation, teacher quality, curriculum access and institutional implementation [1]. Under the collective influence of socio-economic differentiation, changing ethnic composition, and decentralized local governance, educational opportunities have become increasingly unequally distributed, and the associated gaps have shown a significant tendency to be transmitted across generations [2]. In this context, in-depth analysis of the structural roots and institutional logic of educational inequality has become a pivotal topic in current educational research and policy reform.

2. Understanding educational inequality in the U.S.

2.1. Racial and socioeconomic gaps in educational outcomes

In the United States, students' academic performance is tightly correlated with their families' economic status and racial identity, which constitutes a persistent and structural educational gap. Numerous empirical studies have shown that this gap not only persists, but has even tended to widen over the past few decades. Reardon states, "The achievement gap between children from high- and low-income families is now nearly twice as large as the Black-White achievement gap"[1]. This finding reveals that contemporary educational inequality is increasingly driven by differences in family income to a greater extent than race itself.

The impact of family economic status on students' academic performance begins to manifest from the preschool years. Children from low-income families often enter kindergarten lagging behind their peers in basic skills such as language, cognition, and math, and these gaps widen as they progress through the grades. As Ladd points out, "Efforts to improve educational outcomes are unlikely to succeed unless they are designed to address the multiple disadvantages poor children bring with them to school" [3]. It is evident that educational inequality is not a one-dimensional problem, but rather the result of a

combination of family resources, environmental incentives, and social support systems, and its impact is both incipient and cumulative.

While family economic disparities are a major impetus for current educational inequalities, racial bias likewise plays a profound role in the learning process. Research on teacher expectations reveals implicit biases in educational practices, especially more notable in situations where teachers are racially mismatched with their students. Gershenson et al. note that "Non-Black teachers held significantly lower academic expectations for Black students than did their Black counterparts, even when controlling for observable characteristics" [4]. These low expectations stemming from racial stereotypes not only undermine students' academic confidence and classroom engagement, but may also profoundly affect their long-term educational pathways and social opportunities through mechanisms such as course recommendations, behavioral evaluations, and college guidance.

2.2. Geographic disparities in school funding and access

The United States fiscal system for basic education is highly dependent on local tax revenues, particularly property taxes, which has resulted in significant imbalances in education funding between districts. This dependent fiscal structure means that communities with high housing prices tend to have stronger tax bases and can provide their school districts with more abundant educational resources, while low-income districts face chronic funding constraints and underinvestment due to their limited fiscal capacity. Darling-Hammond points out that “high-spending schools outspend low-spending schools at least three to one in most states”. She further comments that the United States has “the most inequitable education system in the industrialized world” [2].

The funding gap is not just a numerical difference; it is a profound inequality in the entire spectrum of educational conditions and student learning experiences. Schools in affluent neighborhoods often have advanced equipment, experienced and stable teachers, and diverse curricula with challenging content in STEM, the arts, and foreign languages. Fiscally disadvantaged districts, on the other hand, are often faced with older classrooms, lack of resources, and high mobility of teachers with limited curricula. This structural division of resources not only limits student development, but also solidifies the disparity of educational opportunities between communities.

Multiple studies have documented that increased financial investment can be effective in mitigating gaps in learning outcomes among students. In reality, however, most states' education finance systems do not provide adequate support for disadvantaged districts. Baker et al. state, "In many states, school funding systems fail to provide students in high-poverty districts with the resources they need to achieve academic success" [5]. Although related research has provided important orientations for fiscal policy reform, the current U.S. education funding allocation system still lacks a uniform resource balancing mechanism, and there are significant differences in budget structures, allocation standards, and safeguard priorities among states, leading to persistent educational inequalities among districts that are difficult to address at the root of the problem.

2.3. The role of federal and state-level governance

The governance structure of education in the United States is highly decentralized, with federal, state and local governments each assuming different functions in financing, policymaking and implementation oversight. This multilevel decentralized system reflects the tradition of local autonomy on the one hand, but on the other hand, it also leads to great regional differences in the allocation of educational resources and the implementation of policies. The advancement of equity in education is often constrained by the governance structure itself.

Since the enactment of the Elementary and Secondary Education Act (ESEA) in the 1960s, the federal government's role in basic education has continued to grow, and the introduction of the No Child Left Behind (NCLB) Act in 2002 marked a significant expansion of federal intervention. As Dee & Jaco note, "NCLB dramatically expanded the historically limited scope and scale of federal involvement in K- 12 schooling" [6]. The act attempted to improve the quality of education through standardized testing and accountability systems, but its effectiveness was limited in the context of limited resource investment. Darling-Hammond noted, "the funding allocated-less than 10% of most schools' budgets-does not meet the needs of under-resourced schools" [2], and resource-poor areas thus struggle to meet standards and instead face increased penalties.

Since educational decision-making authority remains primarily at the state level, states vary significantly in policy implementation, financial allocations, and curricular standards, leading to a high degree of fragmentation in the implementation of federal reforms. The lack of coordination between governance levels has made it difficult to truly realize the goal of educational equity, and institutional integration and upward and downward coherence need to be strengthened.

3. Evaluating key education policies

3.1. Historical overview: ESEA, NCLB, and ESSA

The evolution of basic education policy in the United States reflects the federal government's growing role in educational equity and quality improvement. The ESEA first intervened in local education in the form of federal grants in 1965, focusing on support for schools in low-income districts, marking the beginning of the institutionalization of the concept of educational equity. Since then, the act has been amended many times to accommodate evolving policy goals.

In 2002, ESEA was reauthorized as the No Child Left Behind (NCLB) Act, which further strengthened the federal accountability mechanisms with standardized testing as the central measurement tool. Koretz notes, "The NCLB accountability system was based almost entirely on test scores, often narrowing curriculum and distorting instruction" [7]. Although the Act emphasizes results orientation and attempts to promote equity through the “high standards + penalties” model, in practice it tends to ignore differences in resources between schools' starting points, resulting in many disadvantaged schools being pressured rather than benefiting.

In response to the controversy over NCLB policies, the ESSA policy adopted in 2015 returned more decision-making authority to the states while retaining some of the accountability mechanisms and attempting to introduce non-test-based indicators to measure school performance. Klein comments, "ESSA shifts authority back to the states, allowing broader definitions of school success and more flexibility in interventions " [8]. The introduction of the act marked a phase shift in federal education policy from centralized control to local collaboration, although the effectiveness of its implementation continues to be constrained by structural issues such as unequal distribution of resources.

3.2. School choice and charter school programs

The rise of School Choice Policy has been an important direction of education reform in the U.S. in recent years, and its core concept is to introduce competition through market mechanisms to improve the quality of education and student choice. Public charter schools and education voucher programs are the two main approaches under this policy framework.

Theoretically, freedom of school choice can contribute to breaking down residence-bound school divisions and providing low-income families with greater access to high-quality educational resources. However, research has shown that it is far less effective in practice. Figlio & Page state, "Ability tracking and school choice mechanisms may inadvertently increase segregation and reduce equity" [9]. In fact, high-quality schools tend to be more inclined to attract higher-performing students, resulting in a further concentration of resources in the middle- and upper-income groups, which rather widens pre-existing inequalities.

The effectiveness of the education voucher system is also highly questionable. An empirical study by Dynarski & Nichols shows that "Students that use vouchers to attend private schools do less well on tests than similar students that do not attend private schools" [10]. Simultaneously, there is insufficient evidence that education vouchers lead to long-term college or career advantages. These findings challenge the underlying assumptions of the “marketization of education” model and suggest that policy design without regulation and equity orientation can easily evolve into another form of educational screening.

Although school choice policies emphasize “equality of choice,” in practice their preconditions are often based on families' knowledge of the education system, access to transportation, and ability to obtain information. As a result, apparent “openness” does not really eliminate inequalities in educational opportunities and may even structurally deepen their stratification effects.

3.3. Policy limitations: inequitable funding, accountability pressures

Recently, basic education policy in the United States has undergone a fundamental transformation from “resource-driven” to “performance-oriented”. At the policy design level, the federal government has gradually shifted from a funding role to setting standards and enforcing accountability. Research conducted by McDermott & Jensen suggests that this shift reflects the policy logic of “measuring outcomes as a central tool of governance,” which is underpinned by the quest for comparability and nationally consistent quality of education [11]. However, in the absence of financial support and mechanisms to adjust for regional disparities, standardized governance tends to ignore the diversity of education systems and local capacities, making it difficult to implement equitably across school types. Recent federal reforms have attempted to introduce flexibility by allowing states greater discretion in assessment indicators and intervention mechanisms to improve policy adaptability and responsiveness. This trend marks an institutional transition from highly centralized control to collaborative local governance.

In this context, school choice policies are expected to promote improvements in the quality of education. By introducing charter schools and education vouchers, reformers hoped to activate the education system through market logic. However, practice has shown that educational choice is not a truly equitable mechanism. Figlio and Page note that “Ability tracking and school choice mechanisms may inadvertently increase segregation and reduce equity” [9]. While education vouchers apparently

give low-income families “choice,” their implementation is often limited by transportation conditions, information gaps, and enrollment screening. These policies, while originally designed to break the inertia of the system, are susceptible to being transformed into new exclusionary mechanisms in their operation.

A deeper problem is that existing policies tend to ignore the complexities within the education system. In an environment dominated by standardized assessments, teacher quality is reduced to quantifiable indicators and the space for teacher development is compressed. Hanushek and Rivkin (2010) note that "Variables often used to determine entry into the profession and salaries ... . explain little of the variation in teacher quality" [12]. At the same time, policy pressures have prompted schools to overfocus instruction on test content, which Koretz criticizes, "High-stakes testing systems often distort instruction and narrow the curriculum " [7]. Thus, when policies rely too much on performance accountability but neglect the systemic nature of the educational system, not only is it difficult to achieve the desired goals, but it may also weaken the educational function of schools.

4. Public policy solutions for equity

4.1. Expanding equitable resource distribution

Inequitable allocation of resources is one of the fundamental causes of educational inequality, and the solution to this problem must begin with the financial system and the establishment of a resource allocation mechanism centered on student demand. Research has shown that in states that lack effective financial regulation mechanisms, there are great differences in expenditures between districts, which seriously affects the sustainability and equity of education quality. Reardon and Bischoff point out that "Increased income segregation has led to greater differentiation in school quality and resources between districts" [1], implying that regional imbalances in educational resources further exacerbate starting point inequality among students despite the trend of increasingly differentiated family residence.

Currently, many states still use a property tax-based approach to education funding, making it difficult for low-income communities to receive commensurate financial support, even when they have pressing educational needs. As Orfield and Frankenberg point out, the geographic nature of the fiscal structure results in “poorer, often minority-concentrated districts remaining systematically underfunded relative to wealthier, whiter ones” [12]. This structural shortage of resources not only limits the scope for improvement in teacher deployment, curriculum, and campus facilities, but also makes it difficult for many reform policies to be implemented effectively.

In order to alleviate resource inequality, scholars have advocated for the establishment of a state funding system based on the principle of “student weighting,” whereby per-unit funding is increased according to the specific needs of students (e.g., poverty, language proficiency, disability, etc.) Gamoran argues that "Equity requires targeted resource allocation that prioritizes schools serving students with the greatest needs" [4], and this approach is not only financially feasible, but also systematically improves the precision and equity of resource allocation. By embedding “anti-inequality mechanisms” in the fiscal system, the foundation for substantive equity in education can be established.

4.2. Federal incentives for teacher training and retention in low-income areas

The quality of education depends primarily on the professionalism and stability of teachers. However, in resource-poor regions, schools generally face teacher shortages, high teacher mobility and inadequate experience. These factors further undermine disadvantaged students' access to quality education and exacerbate educational inequalities between regions.

Research has shown that high-quality teachers have a significant impact on students' long-term development. Chetty et al. found that "Replacing a teacher in the bottom 5% of the value-added distribution with an average teacher would increase students' lifetime income by $267,000" [13]. This empirical finding highlights the profound impact of teacher effectiveness on students' life trajectories, especially for students from low-income families, for whom teacher quality may be a key lever toward upward mobility.

However, existing policies often reduce the enhancement of teacher quality to the setting of qualification standards, while neglecting the systemic support of pre-service training, continuous development and professional retention. Papay and Kraft state that "Teachers improve most when they work in supportive professional environments, which are often absent in low-performing schools" [14]. The lack of institutionalized teacher coaching systems and peer support structures in many schools in low-income communities makes it difficult for new teachers to stabilize, further exacerbating turnover rates.

To achieve this, the federal government should establish special teacher development programs for high-need districts, including raising teacher salaries in poor districts, providing subsidies for high quality teacher training, and establishing teacher growth school partnerships. Reardon also emphasizes that structural imbalances in teacher deployment are one of the key mechanisms contributing to educational disparities, calling on policymakers to “not just to hold teachers accountable, but to

support them through systemic investment" [1]. Only by making teachers the central point of systemic reform can we achieve simultaneous improvements in education quality and equity.

4.3. Community and stakeholder engagement in policy implementation

The core of realizing education equity lies in the establishment of a resource allocation mechanism that is more precise and responsive to the actual needs of students. As income segregation increases, the disparity in educational resources between school districts continues to widen. Research indicates that income segregation has directly contributed to the polarization of school districts' educational quality [1]. Fiscal structures that rely on property taxes have left low-income, minority-heavy districts chronically underfunded, and Orfield & Frankenberg emphasize that resource imbalances are not only reflected in financial allocations, but also in systemic differences in comprehensive educational conditions such as curricula, faculty, and campus environments [12]. To address this issue, Gamoran advocates for a "weighted allocation" model that prioritizes resources for the most needy groups of students, and institutionalizes ways to improve the fairness and effectiveness of resource allocation [4].

Improving teacher quality is another key area of reform. Numerous studies have shown that high-quality teachers have a profound impact on students' academic and future development. Chetty et al. provide empirical results showing that small changes in teacher efficacy can significantly boost students' lifetime earnings [13]. However, the general lack of supportive environments in schools in disadvantaged districts has led to high teacher turnover and limited opportunities for professional growth. Papay and Kraft point out that supportive professional environments are critical to teacher development, and this is the area in which low-performing schools are most deficient [15]. Reardon further calls for education reform to go beyond "chastising" teachers to building mechanisms for sustained teacher growth through institutional investments, particularly federal incentive programs that promote teacher training and retention in low-income communities [1].

The effectiveness of policy implementation also depends on the active participation of communities and parents. Educational inequality is often not only a matter of resources, but also a product of institutional trust and cultural understanding. Orfield et al. emphasize that structural reforms require political and social support at the community level, without which even the strongest policy instruments will not be effective [12]. Gamoran points out that truly effective educational interventions must gain the participation and consent of the people who are directly affected rather than relying on policy texts alone to advance [4]. Reardon and Bischoff, on the other hand, emphasize that education reforms need to break down segregation mechanisms and embed community synergies from the beginning of policy design in order to ensure the grounding and sustainability of policies [1]. Therefore, the promotion of equity in education is not just a redistribution of resources, but also requires both institutional design and social mobilization.

5. Conclusion

Educational equity, as a core goal of American education policy, has always been in tension between ideals and reality. This study reveals the multiple constraints in the structural design and practical implementation of current education reforms by sorting out the evolution of policies, analyzing the mechanism of resource allocation, and exploring teacher construction and community participation. Standardized accountability and school choice policies, while attempting to promote system efficiency through external incentives, often struggle to produce equity effects among disadvantaged groups in the absence of fiscal redistribution, institutional flexibility, and cultural responsiveness. Especially in the reality of fiscal dependence on local taxes, high teacher mobility, and weak community engagement mechanisms, educational inequality is constantly being systematically perpetuated and even reproduced. In order to realize the transition from formal justice to substantive equity, future policies need to go beyond single-issue technical interventions by introducing the principle of weighting in the fiscal system, embedding a growth-oriented support mechanism in the teacher system, and establishing a multi-party collaborative platform in policy governance. Educational equity can only be truly realized if "responding to differences" is at the core of the institutional logic, and provide structural support for upward mobility and integration in society.

References

[1] Reardon, S. F. (2011). The widening academic achievement gap between the rich and the poor: New evidence and possible explanations. In G. J. Duncan & R. J. Murnane (Eds.), Whither opportunity? Rising inequality, schools, and children's life chances (pp. 91–116). *Russell Sage Foundation.*

[2] Darling-Hammond, L. (2007). Evaluating 'No Child Left Behind'. The Nation, 284(20), 11–18.

[3] Ladd, H. F. (2012). Education and poverty: Confronting the evidence. *Journal of Policy Analysis and Management*, 31(2), 203–227. https: //doi. org/10. 1002/pam. 21615

[4] Gamoran, A. (2015). The future of educational inequality in the United States: What went wrong, and how can we fix it? *William T. Grant Foundation*. https: //wtgrantfoundation. org/library/uploads/2015/09/Gamoran-The-Future-of-Educational-Inequality. pdf

[5] Gershenson, S. , Holt, S. B. , & Papageorge, N. W. (2016). Who believes in me? The effect of student–teacher demographic match on teacher expectations. *Economics of Education Review*, 52, 209–224. https: //doi. org/10. 1016/j. econedurev. 2016. 03. 002

[6] Baker, B. D. , Sciarra, D. G. , & Farrie, D. (2018). Is school funding fair? A national report card (7th ed.). *Education Law Center*. https: //edlawcenter. org/research/school-funding-fairness. html

[7] Dee, T. S. , & Jacob, B. A. (2011). The impact of No Child Left Behind on student achievement. *Journal of Policy Analysis and Management*, 30(3), 418–446. https: //doi. org/10. 1002/pam. 20586

[8] Koretz, D. (2008). Measuring up: What educational testing really tells us. *Harvard University Press.*

[9] Klein, A. (2016). The Every Student Succeeds Act: An ESSA overview. *Education Week*. Retrieved from https: //www. edweek. org/policy-politics/the-every-student-succeeds-act-an-essa-overview/2016/03

[10] Figlio, D. N. , & Page, L. E. (2002). School choice and the distributional effects of ability tracking: Does separation increase inequality? *Journal of Urban Economics*, 51(3), 497–514. https: //doi. org/10. 1006/juec. 2001. 2246

[11] Dynarski, M. , & Nichols, A. (2017). More findings about school vouchers and test scores, and they are still negative. *Brookings Institution*. https: //www. brookings. edu/articles/more-findings-about-school-vouchers-and-test-scores-and-they-are-still-negative/

[12] McDermott, K. A. , & Jensen, J. L. (2005). Dubious sovereignty: Federal conditions of aid and the No Child Left Behind Act. *Peabody Journal of Education*, 80(2), 39–56. https: //doi. org/10. 1207/s15327930pje8002_3

[13] Orfield, G. , & Frankenberg, E. (2014). Brown at 60: Great progress, a long retreat and an uncertain future. *The Civil Rights Project at UCLA*. https: //www. civilrightsproject. ucla. edu/research/k-12-education/integration-and-diversity/brown-at-60-great-progress-a-long-retreat-and-an-uncertain-future

[14] Chetty, R. , Friedman, J. N. , & Rockoff, J. E. (2014). Measuring the impacts of teachers II: Teacher value-added and student outcomes in adulthood. *American Economic Review*, 104(9), 2633–2679. https: //doi. org/10. 1257/aer. 104. 9. 2633

[15] Papay, J. P. , & Kraft, M. A. (2015). Productivity returns to experience in the teacher labor market: Methodological challenges and new evidence on long-term career improvement. *Journal of Public Economics*, 130, 105–119. https: //doi. org/10. 1016/j. jpubeco. 2015. 02. 008.