

SCHOOL FUNDING AND ECONOMICS

by Everett W. Gross, Crete, Neb., Lincoln Journal-Star. Lincoln, Neb., July 7, 2001

Teachers wish for higher pay. This is not news. The topic is a lot older than I am. The teachers, among others, are pleading for someone to come up with a method of taxing the overall economy for additional funds to pass around to the school districts to augment the pay of their teachers. It is highly doubtful that teachers' pay can be raised in comparison with other occupations, except by some artifice to increase the difficulty of being a teacher. Adam Smith explained that more than two centuries ago, and no one has yet successfully challenged him on that point. Thus it would follow that teachers would be better off only if everyone else is better off.

Many people believe that can happen simply by circulating more money. This is the dominant view of most governments, the world over, including ours.

Economics has been called the dismal science. Astronomy was called equally dismal until the simple assumption of a stationary Earth was displaced by the simple assumption of a stationary Sun. This shift in simple assumptions was accomplished by hard-fought battles that included burnings at the stake.

Economics will continue to be dismal until enough people can grasp the simple assumption that property can be seen as two very distinct types. The building is of one type and the lot is of the other. As long as we tax mostly buildings instead of lots, we inhibit the very engine of a healthy economy. We need more buildings. We don't need underdeveloped valuable lots held for speculation.

Teachers take note; you can spread the idea as well as anyone can. Start by getting the bare and poorly developed lots on the tax rolls at their full market value. There is that increase that you need. Now, after the economy perks up as a result, some relief can be offered the more useful and needed buildings.