

“In the first place, God made idiots,” Mark Twain once quipped. “This was for practice. Then he made school boards.” Since its inception, the public school system has creaked and groaned under the stress of its own inequalities, inefficiencies, and indifferences, yet few successful reforms have occurred. The state of government-funded education in this country, though, is entering a period of significant change, and a number of new proposals promise to change the educational landscape.

Two such reforms are charter schools and voucher programs. While very different in scope and practice, both bring to the sphere of public education something that has been lacking as far back as Reconstruction: competition. Currently, students are enrolled in a public school based on their mailing address. Discounting magnet and private schools (which are not usually a viable alternative for low income families), parents can choose the school their children will attend based only on where they live, not on a school’s reputation or results. In terms of economics, this system of school districting makes little sense.

Despite No Child Left Behind and state systems of grading school performance, public schools have no real accountability. There is little fear that an unsuccessful school will be shut down or will lose its students to a superior institution. Many believe, however, that if market forces were to act on the public education system, individual schools would be held accountable for their results through the presence of competition with other schools. Charter schools and voucher programs bring exactly this to the table. If the argument for market forces can be extended to public schools, then competition with charter schools and vouchers ought to improve the performance of public schools,

or, at very least, offer a better alternative to them. Current research seems to be indicating that this is the case.

Charter Schools – What are they?

A charter school is a public school headed by a body other than the local, state, or federal government. Teachers and administrators apply for permission to operate a school – open to the public and funded by taxpayer dollars – that is exempt from many of the regulations and restrictions of traditional public schools. While free from the structure of the regular public school system, the contracts (“charters”) stipulate that charter schools are still accountable for educating “students according to an agreed-upon standard and must prove their success in order to gain renewal of the charter” (Friedman, 2004, p. 34).

Most experts agree that charter schools are unique in their rapid proliferation and public support. Before 1991, no charters had been established. By 2002, over 2,000 charter schools were operational (Levin, 2001). The motivation for the charter school movement began with the general public’s dissatisfaction with the state of public education in the United States. Many were annoyed by failed government-sponsored attempts at reform. What is most amazing about the push for charter schools is the support they receive from both sides of the aisle in Congress. Democrats like the fact that the schools are public and, therefore, secular and open to students of all backgrounds and abilities; Republicans appreciate the freedom of choice, competition, and deregulation (Friedman, 2004). In the 2000 presidential election, candidates from parties publicly endorsed the charter system.

Vouchers – Public funds for a private education.

Often referred to as the privatization of education, the school voucher program provides families with government subsidies to send their children to the school of their choice. There are usually no requirements that the school be traditional, secular, or public, and most recipients of school vouchers choose to attend private schools. However, some voucher programs require the school be recognized as chartered by the government (Campbell and Peterson, 2001).

In 1955, economist Milton Friedman suggested a system in which the government provided the means for families to place their children in the school of their choice. This alternative to school districting caught on in the 1970s but met considerable opposition from teacher organizations and proved to be, on the whole, ineffective (Campbell and Peterson, 2001). A decade later, James S. Coleman and the Brookings Institute published separate studies indicating that private schools outperformed public schools. In 1990, the first voucher plan was established in Milwaukee, Wisconsin, and since then programs have appeared in Ohio, Florida, North Carolina, California, New York, and Texas.

Vouchers do not enjoy the same level of support as do charter schools and there is much debate as to their constitutionality, especially in terms of the First Amendment's separation of church and state. Many, especially Democrats, are upset that public funds can be used to send children to religious schools. Furthermore, a recent Phi Delta Kappa

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2001). In the 2000 presidential election, only George W. Bush supported school voucher programs.

The studies and their results.

In 2003, George Holmes, Jeff DiSimone, and Nicholas Rupp released their findings in a study measuring the impact of charter schools on traditional public schools in North Carolina (Holmes, DiSimone, & Rupp, 2003). Charter schools have exploded on the scene in the state with over 100 established between 1997-2000. Prior to this, North Carolina had no charter schools, making their study a natural experiment in the role that school choice has on public school performance (Holmes, DiSimone, & Rupp, 2003). Using standardized test scores and controlling for the distance between the charter school and the public school (a close charter school is more of a threat than one that is farther away) as well as alternative school choices (magnet schools, private schools, etc.), the study found a “one percent increase in achievement [amongst students in the traditional public schools] when a traditional school faces competition from a charter school” (Holmes, DiSimone, & Rupp, 2003). This gain, the study defends, is not inconsequential, “since the average achievement increase due to charter school competition (1 percent) is about one fourth of the average yearly increase” (Holmes, DiSimone, & Rupp, 2003).

Greene and Forster (2002) have also found improvement in traditional public schools as a function of competition (indexed by the distance between the public school and the charter) from charter schools. Hoxby (2002) found significant increases in school

productivity in Michigan and Arizona due to competition from charter schools. However, Bettinger (1999) found no gains from charter school competition in Michigan.

The effects of school voucher programs have been well studied as well. In 2002, Caroline Hoxby looked at the productivity increase in public schools when faced with competition in the form of vouchers. Hoxby defines productivity as “achievement per dollar spent, controlling for incoming achievement differences of its [the school’s] students” (Hoxby, 2002). Her study looked at Milwaukee’s voucher program, which is particularly interesting because of the unique eligibility requirements – vouchers are available only to those families whose incomes are 175% of the federal poverty line or less. Realizing that poorer districts have a disproportionate number of students eligible for vouchers, she used poorer schools as stand-ins for those more susceptible to competition. Hoxby also noticed that vouchers were used most often for elementary education because it is generally cheaper than middle and secondary schools. Thus, Hoxby studied and compared the results of test scores (in math, science, social studies, language, and reading) in grades one through seven in the years before competition (1996-1997) and after competition (1999-2000). A control group of Wisconsin public schools was selected using the following criteria: 1) the schools were not in Milwaukee (and not effected by vouchers), 2) the schools were urban, 3) at least 25% of the students were eligible for free or reduced lunch, and 4) the student body was at least 15% African American (Hoxby, 2002).

The study’s results are dramatic. The greatest increase in productivity was found in the schools competing with the voucher program. In other words, the poorest schools with the poorest students. Math scores rose by 7 percent annually compared to 4 percent

in the control schools; social studies scores rose by 4.2 percent annually compared to only 1.5 percent in the control schools (Hoxby 2002). Hoxby concluded her study by noting that “if all schools in the United States experienced high levels of traditional forms of choice, school productivity might be as much as 28 percent higher than it is today” (Hoxby, 2002).

Assuming the above research is representative of the effects of competition in public education, it is likely that charter schools and voucher programs will continue to grow. The past fifteen years has seen the birthing of thousands of charters and numerous districts providing vouchers to families. Market forces should raise the level of performance and competency in public schools, raising the bar of education in the U.S.

The new reform movement in education has just started, and it is impossible to say for certain if charter schools and voucher programs will still be around 25 years from now. Judging from the overall popularity of the former, however, it is a relatively safe bet that charter schools will succeed. If they are not at least as good as the traditional public schools their charters will be revoked; but this is not what researchers are seeing. Charter schools seem to be working at the supply end (making public schools better) and the demand end (providing choices for parents).

Voucher programs have never enjoyed the popularity that is boosting the charter school movement. Many are concerned with specific aspects of the programs, not the least of which is their possible unconstitutionality. Though, the privatization of education is an attractive prospect to conservatives. One thing is certain, however. As long as researchers keep collecting data indicating voucher programs improve public education quality, it will be a hard sell to scrap them.

After more than a century of nationwide public education, reformers may have finally found the magic bullet to make schools better. The answer does not come as a surprise to economists and the business-minded. Competition has proven to benefit the consumer time and again. Though it may seem cold-hearted to view public education as a business venture, the consumers are today's youth. And isn't improving students' education what public schools are all about?

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