

## Do Students Learn More Where Parents Have More Educational Choices?

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Educational freedom is sometimes accused of being an ideological term, so let me frame it in an analytic context. There have been several school choice experiments in the last few years.<sup>1</sup> These experiments had a structure that yielded quality results because students were randomly assigned to treatment and control groups. Some students by chance received scholarships to attend private schools and some students by chance did not receive those scholarships and had to return to the public schools. In five different cities in which these experiments have been conducted and in seven different evaluations of these experiments, significant effects in these programs have been discovered. It is now quite clear from this series of well-structured studies that students who are enabled to attend private school perform better academically and experience better outcomes in other dimensions than do students who don't have those same opportunities.

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\*This is an edited transcript of a lecture given at Trinity College on December 7, 2000. Jay P. Greene is a Senior Fellow of the Manhattan Institute for Public Policy Research. This material appears in *The Journal of Private Enterprise* at the invitation of the editor. The material should be very interesting for readers of the *Journal* in that it introduces an index of educational freedom by states comparable to the indices of economic freedom among economies that have proved so powerful in predicting economic performance. A similar pattern is evident here along with the latest citations about the research on the relation between educational freedom and performance.

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<sup>1</sup>See [References](#) at end of this article.

Finding that the students who are allowed to transfer fare better, however, does not address a central concern about such programs. It certainly is plausible that offering choices to families helps those people

who receive them but not anyone else. Perhaps it even hurts other students. The constant refrain we hear in political circles is, what about those left behind? Thus the big question is what happens to the educational system as a whole when you introduce choice. Does a system in which parents have greater opportunities, greater choices in the education of their children, lead to better outcomes overall than that of systems where fewer opportunities are available to parents? The educational freedom index is one way to answer that question. I have collected data in five dimensions on the types of educational opportunities available in each of the fifty states. How much charter school choice is there in each state? How much subsidized private school choice—such as vouchers—is there? How much home schooling choice is there? And, how much inter-district public school choice is there? Lastly, how much choice is there in sending a child to another school district without changing residences? These five, different elements capture almost all of the types of choices that are available to parents. Each of these five components, in turn, is comprised of several measures. For example, in measuring charter school choice, I looked at the percentage of schools in each state that were charter schools, and I also looked at an index of the extent of the regulation imposed on charter schools or on similarly subsidized private schools. Private choice consisted of vouchers as one measure but also included a measure of direct subsidies to private schools. Believe it or not, thirty-seven states provide some form of direct assistance—transportation assistance, nursing care, books, the full range of subsidy assistance. Most home school choice was a measure of the extent of the regulation imposed on home schooling. Inter-district public school choice was actually a very unsatisfying measure, simply education reports as to whether states have inter-district school district choice, limited inter-district school choice, or no inter-district school choice so it's not a very discriminating measure. Lastly, choice through relocation was a measure of the number of school districts in the state per population. These five different

measures are meant to be measures of the extent to which parents have choices in educating their children.

At the very top of the ranking is Arizona that has a very extensive array of charter schools. One quarter of all the schools in Arizona are charter schools although they educate about one-tenth of the population because the charter schools are smaller on average than the traditional public schools. Arizona also has an unlimited inter-district school choice program; little regulation of home schools; it has modest-sized school districts, and provides some direct subsidy of private schooling in the form of a tax credit. Across the board Arizona offers parents many choices in education. Hawaii is at the other end of the spectrum. It has no charter schools, has a heavy burden of regulation imposed on home schooling, has no inter-district school choice because it has only one school district for the entire state; and, of course, it would be impossible to relocate to another school district because, again, there is only one school district, so unless you are willing to leave the state or pay thousands of dollars in tuition for a private school, you are out of luck.

Is it the case that when parents have more choices they seem to have more educational achievement? I should warn you that the results are limited because we lack certain variables which means we cannot control all of the factors that may explain the difference between student achievement and school structures. But if we control by state for some of the more obvious factors that are related to educational performance, we find that educational freedom is still strongly related to student achievement. If we predict National Assessment of Educational Progress (NAEP) scores based on educational freedom, we find that the higher the score in educational freedom, the higher the NAEP score. This is true, holding constant the median household income in the state, the percentage of minority students in the state, and the per-pupil spending in the state. All such factors constant, the more educational freedom, the higher students score. This is also true of SAT verbal and math scores. We have those latter results from all fifty states while the NAEP is available only from 42.

Consider Michigan and Virginia, two states that are similar in many respects. Each has roughly comparable minority populations.

Each has similar household incomes. Each spends roughly the same per pupil on education---Michigan spends a little bit more. Each has relatively low student-teacher ratios with Virginia a little lower than Michigan. In many ways these two states are similar on the dimensions we believe are important to student achievement. One dimension on which they differ is the amount of educational freedom they offer the families. How much choice do they offer the families in the education of their children? Michigan offers a lot more choice than does Virginia. Michigan places 11<sup>th</sup> on the Education Freedom Index while Virginia is 44<sup>th</sup>. And predictably, test scores in Michigan are higher than in Virginia. About 50 points on the SAT verbal, almost 70 points on the SAT math, and 3 percent on the NAT score. That provides a measure for how two states that look a lot alike in some major dimensions differ in their test score outcomes because they differ in the amount of options, or choice, that they offer to the families. Michigan, for example, is very big in offering charter schools. The implication is that because Michigan offers families more choices it experiences better academic outcomes. The theory is that in Michigan schools have incentives to be attentive to the needs of children because if they don't attend to those needs, the families have alternatives. This is similar to how markets operate in other realms of life when people can switch to other services.

Another illustration as to how educational freedom really makes a difference compares Texas and South Carolina. These two southern states have large minority populations, relatively comparable household incomes, and spend about the same per pupil on education. Yet Texas scores high while South Carolina scores poorly. Test scores are higher in Texas than they are in South Carolina by about 20 to 25 points, and math scores by 6 or 7 points. Again, this illustrates how states that offer more choice and educational options have better educational outcomes even when they look alike on the other characteristics that we normally determine educational outcomes.

None of the voucher programs are large enough to sort out all influences that could affect outcomes. In addition, the timing of causation can be complicating what causes what if they all happen at the same time. Milwaukee has had a voucher program since 1990 but

it didn't become big until 1996 when religious schools were included and the cap on participants was removed. It served fewer than 1500 students until 1996. In the last few years it has grown until we began to see some serious competitive effects. For example, Milwaukee public schools initially resisted offering charter programs on their own. Once the doors opened to other schools accepting vouchers, however, they suddenly began all sorts of alternative schools—magnet schools, charter schools, anything to keep their income. That was a suggestive, competitive response. Also, the Milwaukee public schools advertise now on billboards with the promise that if your children cannot read at grade level by the third grade, they will provide them with an individual reading tutor. The school board has also undergone a big switch in political control and is now unanimously controlled by supporters of the voucher program. Do we know that the Milwaukee public schools are better now than they were when their changes began? We don't know—the measures employed by the public schools have changed. School districts change standardized tests frequently so you often do not know over a period of 3 to 4 years how they are doing—it's impossible to measure. Numerous other things have been happening in Milwaukee. Per pupil expenditures have been going up like crazy. If we did see a change in the educational achievements on average in Milwaukee, how would we know whether it was from more freedom or other factors; the competition from a voucher program or by the increased spending or some other factor?

We have this argument in the case of Chile. Chile has a countrywide voucher program for some time and educational achievement scores have gone up. But per pupil spending has also gone up so the people that don't like vouchers point to the spending while the people who like vouchers say, "Ah, Ha! Choice works." It is hard to unambiguously determine simply by looking at one case and saying that because they have competition and the results have improved that it must be competition. Other things could have changed also. Our analysis allows us to hold other factors constant and use the laboratories of the states to decipher something more about educational freedom and competition, choice and student

achievement. Caroline Hoxby's work that compares cities does a similar thing.

Keep in mind that we already have school choice in this country. You have choice in charter schools and home schools. We have re-locational choice so we have some amount of choice in this country. It's limited but nevertheless we have some. That choice is least available to central city minorities because they tend to face both economic and racial barriers to those types of choice. Anyone can go to a good public school. Anyone whose parents can afford a half million dollar house in the suburbs—that's the real barrier to choice. If you can afford such expensive real estate, that is equivalent to a prepaid private school tuition built into the price of a house in areas where the reputation of the schools raised housing prices. Americans' choice today is that those with the money to afford that prepaid tuition can buy a house and move into an area with a desirable school. Poorer families lack that access and, in some cases, race also increases that barrier; so that even if you had the money, you might be made to feel uncomfortable or otherwise intimidated.

### References

For a summary of recent research see "A Survey of Results from Voucher Experiments: Where We Are and What We Know," by Jay P. Greene, Civic Report 11, The Manhattan Institute for Policy Research, July 2000. Available at:

[http://www.manhattan-institute.org/html/cr\\_11.htm](http://www.manhattan-institute.org/html/cr_11.htm)

After that summary was written two important voucher studies were released. One is "Test-Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington D.C.: Evidence from Randomized Field Trials," by William G. Howell, Patrick J. Wolf, Paul E. Peterson and David E. Campbell, August, 2000. Available at: <http://www.ksg.harvard.edu/pepg/> The other is "The Effect of School Choice: An Evaluation of the Charlotte Children's Scholarship Fund," by Jay P. Greene, Civic Report 12, The Manhattan Institute for Policy Research, August, 2000. Available at:

[http://www.manhattan-institute.org/html/cr\\_12a.htm](http://www.manhattan-institute.org/html/cr_12a.htm)

Both of those new studies are forthcoming in the April, 2001 issue of Education Matters ([www.edmatters.org](http://www.edmatters.org)).

For an update version of the literature review, see my forthcoming article that will appear in the March, 2001 issue of *Public Interest*, title not yet determined.

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