The New York Times Gets Everything Wrong in This Article That Falsely Claims Economists Don't Like School Choice

Robby Soave

January 2, 2017

A recent *New York Times* story that slams the free market approach to education policy is rife with inaccuracies. Amazingly, the author of the piece misrepresents the very data she is using to build her erroneous case against school choice.

"Free Market for Education? Economists Generally Don't Buy It," claims Susan Dynarski, a professor of education, public policy, and economics at the University of Michigan, in *The Times.* This is a betrayal of expectations, according to Dynarski, because economists generally understand that free markets produce better outcomes than central planners (much to the chagrin of education professors). Economists are usually the ones calling for less regulation and more unrestricted capitalism; if they're super conflicted about markets in education, that would be a serious indictment of the school choice approach. Dynarski writes:

You might think that most economists agree with this overall approach, because economists generally like free markets. For example, over 90 percent of the members of the University of Chicago's panel of leading economists thought that ride-hailing services like Uber and Lyft made consumers better off by providing competition for the highly regulated taxi industry.

But economists are far less optimistic about what an unfettered market can achieve in education. Only a third of economists on the Chicago panel agreed that students would be better off if they all had access to vouchers to use at any private (or public) school of their choice.

That *does* sound bad for school choice—it suggests that two-thirds of surveyed economists disagree that students with vouchers would be better off.

But Dynarski is applying spin. Here is the survey:

A chunk of economists—37 percent—couldn't say for sure whether vouches would improve educational outcomes. That's not so surprising: education reform is a complicated issue and economists are thorough, cautious people. Moreover, it's true that vouchers don't always make things better for every kid—providing more choices is not the same thing as magically reversing decades of poverty, racial inequality, and bad incentives.

But among economists who *did* take a position on the issue, school vouchers were a big winner. As *Slate Star Codex*explains:

36% of economists agree that vouchers would improve education, compared to 19% who disagree. The rest are unsure or didn't answer the question. The picture looks about the same when weighted by the economists' confidence.

A more accurate way to summarize this graph is "About twice as many economists believe a voucher system would improve education as believe that it wouldn't."

By leaving it at "only a third of economists support vouchers", the article implies that there is an economic consensus against the policy. Heck, it more than implies it – its title is "Free Market For Education: Economists Generally Don't Buy It". But its own source suggests that, of economists who have an opinion, a large majority are pro-voucher.

(note also that the options are only "agree that vouchers will improve education" and "disagree that vouchers will improve education", so that it's unclear from the data if *any* dissenting economists agree with the Times' position that vouchers will make things *worse*. They might just think that things would stay the same.)

I think this is really poor journalistic practice and implies the opinion of the nation's economists to be the opposite of what it really is. I hope the *Times* prints a correction.

I would also note that I read through most of the surveyed economists' comments, and it seems pretty clear that those who were "uncertain" *did* think school vouchers would improve outcomes for a lot of kids; they just thought it was hard to quantify the overall effect. "I think the majority of public school students would be better off, but certainly not all," wrote one economist. "The question is ambiguous about the percent." You can judge for yourself whether the responses should be further weighted toward the pro-voucher position.

But that's not even everything that's wrong with the article. Having smeared school choice as something the Trump administration will push despite the learned skepticism of "economists generally," Dynarski then goes on to point out a number other policy issues where the consensus is against the free market:

While economists are trained about the value of free markets, they are also trained to spot when markets can't work alone and government intervention is required.

A classic example is pollution. Factories and cars that spew toxins ruin the air for everyone. Pollution is what economists call a "negative externality": Drivers get the benefits of the gas they burn when they drive to work, but everyone else gets the bad emissions. Economists recommend governments use taxes and regulations to minimize this negative externality.

In most markets, in fact, economists advocate striking a balance between free competition and regulation. While they vary considerably in where they would strike that balance, it's unusual for an economist to claim that private markets can serve every need without any government intervention at all.

At this point I'm not sure readers should trust Dynarski's impression of what economists think—and in fact, there are plenty of economists who say markets and property rights would reduce all sorts of environmental problems—but let's assume she's right: Economists agree that there are some things the free market just can't handle on its own.*

Earlier, Dynarski associated the free market position with school vouchers. Now she is saying that the free market position is "private markets can serve every need without any government intervention at all." That's an incredible contradiction. Dynarski, I suppose, wants her readers to believe that school vouchers are an anarcho-capitalist delusion that would gut public education and leave children to become feral and illiterate. In reality, school vouchers represent exactly the sort of "balance between free market competition and regulation" that economists support. Under a voucher system, education *is still publicly funded*. Many schools are *still run by the government*. Those that are not explicitly run by the government *are still subjected to considerable regulation.*

Dynarski is making the case that smart, reasonable people support market competition as long as it's accompanied by significant government intervention. Dynarski is also, for some reason, making the case against school vouchers—even though vouchers are the perfect example of the kind of thing she claims is smart and reasonable.

Supporters of school choice are not extremists. They do not want to destroy public funding for education, or leave children to fend for themselves. They have merely observed that a specific model—forcing kids to attend a specific school that comports with the zip code assigned to them at birth—is inefficient, immoral, and prone to abuse. There has been too much top-down government management, and not enough competition, in the American education system. Reforms, like the voucher system, are a necessary corrective. They provide balance between government and privatization.

If you're against this kind of thing, it's your own views that are squarely at odds with most economists.

But wait, there's more. Dynarski doesn't stop there—the rest of the article stakes out a ludicrous position on the college loan crisis:

Excessive faith in the power of free markets can lead to infeasible policy proposals. The Republican platform recommends expanding the role of private banks in student loans, with the goal of enhancing financing choices for students. But making student loans a competitive, private-sector market is an unattainable goal. In economics textbooks, student loans are the example used to show there are some products that markets will never provide on their own.

In a classic business deal, an entrepreneur puts up collateral to get a loan for a potentially profitable investment. But a teenager can't walk into a private bank and receive a loan for tens of thousands of dollars based solely on her academic promise, even though a college education is (on average) an extremely lucrative investment.

This is a capital-market failure: Private lenders won't provide liquidity for profitable investments. Because of this failure of private markets, across the world it is governments that provide student loans.

That's right: The government provides student loans. How's that working out for everybody? Oh, I forgot.

Lest we forget, government subsidization of student loans is a direct cause of skyrocketing tuition rates, for reasons even a professor of education could understand. If the government promises to help students pay the cost on the front end—no matter how extravagant it is—colleges have every incentive to jack up the price: the government has already guaranteed that the money will be paid.

Dynarski may be correct that the private market will never supply workable college loans. If that's the case, I tend to suspect it's because college is over-valued and discerning investors don't see it as such a smart bet. Too many students would take the money, enroll in college, and then decide to become education professors—misrepresenting statistics for *The New York Times* for a living.

**Edit: Initially, this paragraph was accidentally placed in block-quotes, but it is not part of The New York Times article.*

Updated at 3:00 p.m.: The Cato Institute's Jason Bedrick points out another of Dyanrski's considerable faults—she actually ignored more recent survey data that further undercuts her claims:

Oddly, Dynarski did not include the results from the more recent 2012 IGM survey, in which the level of support for school choice was higher (44%) and opposition was lower (5%), a nearly 9:1 ratio of support to opposition. When weighted for confidence, 54% thought school choice was beneficial only 6% disagreed...

We should give Professor Dynarski the benefit of the doubt and assume that she didn't know about the more recent results (though they pop right up on Google and the IGM search feature), but the *NYT* deserves no such benefit for its continuing pattern of misleading readers about the evidence for school choice.

This seems more and more like willful misrepresentation of inconvenient facts.