



## **Catholic School Voucher Expansion Leads to Decline in Church Donations**

*A new study that explores the effects of taxpayer-funded vouchers on Catholic parishes and their schools finds that while vouchers may help keep a church financially afloat, the expansion of government funding leads to a decline in private donations from parishioners.*

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The study, a working paper by the Massachusetts-based National Bureau of Economic Research (NBER), is titled “Beyond the Classroom: The Implications of School Vouchers for Church Finances.” Notre Dame University economics associate professor Daniel Hungerman and colleagues Kevin Rinz, and Jay Frymark analyzed financial data from Catholic parishes in Milwaukee, Wisconsin, using information from both the parishes and their schools.

“We show that vouchers are now a dominant source of funding for many churches,” the researchers write. “Parishes in our sample running voucher-accepting schools get more revenue from vouchers than from worshipers. We also find that voucher expansion prevents church closures and mergers.”

The authors continue:

Despite these results, we fail to find evidence that vouchers promote religious behavior: voucher expansion causes significant declines in church donations and church spending on non-educational religious purposes. The meteoric growth of vouchers appears to offer financial stability for congregations while at the same time diminishing their religious activities.

While voucher programs for Catholic schools have already been on the rise in nearly half of all states in America, the study is released as the topic of school choice and taxpayer-funded school

vouchers has risen to national prominence with the election of President Donald Trump. On Friday, Trump and U.S. Education Secretary Betsy DeVos visited St. Andrew Catholic School in Pine Hills, Florida, to highlight the administration's plan to offer children from poorly performing public schools other education opportunities.

In his address to a joint session of Congress Tuesday, Trump said, "Education is the civil rights issue of our time."

"I am calling upon Members of both parties to pass an education bill that funds school choice for disadvantaged youth, including millions of African-American and Latino children," he added.

Catholic schools are the most common type of religious private school in the United States. Nevertheless, these schools and the parishes that support them have faced a significant economic downturn.

In 2011, the National Catholic Educational Association (NCEA) reported that, between 2000 and 2010, the number of Catholic schools dropped from 8,146 to 6,980 – a loss of 117 schools per year. Additionally, Catholic elementary and secondary school enrollment fell 22 percent during that same period, from 2,647,301 to 2,065,872.

The NBER researchers observe:

Brinig and Garnett (2014) note several reasons for dwindling enrollment, including competition from charter schools, struggles to appeal to under-served populations (e.g., Hispanics), and increasing tuition costs. They summarize the situation of Catholic schools thusly: "The Catholic school financial model—which depended upon the generosity of parishioners in pews that are now empty and the free labor of nuns who are now retired—cannot be sustained."

Catholic schools, the authors continue, have turned to diverse populations, including inner-city students from low-income families, to remain open. The government funding from vouchers has had an impact on both the schools and their parishes, they add.

The researchers assert:

We find that expansion in voucher policy is, unsurprisingly, associated with increases in voucher revenues for parishes with schools. We also find that voucher expansion prevents parish closures and mergers.

We further see how voucher expansion impacts parishes' finances. Interestingly, and the above results notwithstanding, we find no evidence that vouchers subsidize parish religious activity beyond the operation of religious schools. In fact, our estimates repeatedly suggest the opposite. Vouchers cause a significant *decrease* in spending on non-school religious purposes such as religious staff salaries, mission support, and church maintenance. We also find that voucher programs lead to a significant decrease in church donations.

"Vouchers thus may help ensure the survival of churches, but may do so while diminishing churches' non-school religious activities," the authors conclude.

Writing at *National Catholic Register*, Charlotte Hays observes that NCEA senior consultant Heather Gossart has “grave issues” with the NBER study.

“The study drew conclusions that I don’t think are valid,” she said, disturbed by the finding that taxpayer vouchers for Catholic schools is associated with parish dependence on them.

“Vouchers don’t fund parishes and churches,” she said. “That would be a violation of church-state separation.”

As a supporter of the Common Core standards, NCEA has welcomed the partnership with government in Catholic education. In 2013, the organization was awarded \$76,593 by the Bill and Melinda Gates Foundation – the primary source of private funding for the promotion of the nationalized Common Core standards – to help implement the standards in Catholic schools.

In 2015, many Catholic school parents and educators were outraged when NCEA invited Common Core “architect” David Coleman to serve as the keynote for its annual convention the following spring.

Regarding the voucher effect of a drop in parish contributions, Gossart added that contributions are “a reflection of the community in which a parish finds itself.”

On the issue of vouchers diminishing churches’ other religious activities, Dan Guernsey, director of K-12 programs at the Cardinal Newman Society, observes that a parish supporting a parish school itself is its most essential religious activity.

“There is no better way to evangelize the youth of the parish (whom it must be remembered *are* the parish — they are just the parish at grade 3!) than an authentic Catholic education,” Guernsey said.

What the NBER study does not specifically address is perhaps the primary concern of taxpayer-funded vouchers for non-public schools: the amount of regulation the acceptance of government funds brings along with it.

In a 2010 study at Cato Institute, Andrew Coulson studied the question of school vouchers and increased regulation of private schools. He concluded that “vouchers... impose a substantial and statistically significant additional regulatory burden on participating private schools.”

Voucher programs, Coulson concluded, are more likely to “suffocate the very markets to which they aim to expand access,” because state funds—which invariably come with state regulation—are directly transferred, in the form of vouchers, to parents to spend in an alternate education setting.

In January of 2015, 40 conservative groups in Indiana submitted an agenda to their state lawmakers that urged cutting regulations for private schools that agreed to accept school vouchers.

“State lawmakers should cut all but the most basic of transparency requirements on private voucher schools, given that parents and private accreditation agencies already place higher

demands on private schools than any bureaucrat can generate,” the coalition asserted. “Particularly egregious is the requirement that voucher-accepting schools administer the new assessment aligned to Indiana’s rebranded/Common Core-aligned standards.”

Dan Thiele, a conservative activist from northern Indiana, said about the coalition’s agenda, “We won’t produce better, brighter students by creating more government programs and expanding the role of government.”