

Study: School choice for all would jump start Mississippi economy

Will Flanders and Corey DeAngelis

Feb. 7, 2018

School choice proponents are rallying for education options outside of traditional public schools as the House and Senate Education committees consider proposals to expand the state's voucher program to students without special needs.

This is an exciting time for the children of Mississippi. Legislation that would expand the Education Scholarship Account (ESA) program to include all Mississippi kids in public schools is currently under serious consideration by the Senate. In a state that has struggled for generations to provide a quality education for its young people, the ESA represents a new path forward, giving hope to thousands of kids previously stuck in schools that are not meeting their needs.

While much of the discussion around the ESA will naturally focus on the immediate dollars and cents, an important aspect of such dramatic education reform is often ignored: the potential long-term economic and societal benefits of such a bill for everyone in the state.

The results from our just-released study suggest that a universal ESA could have dramatic positive effects on the state's economy. Every Mississippi citizen should be excited about this.

Our study, released by the Mississippi State University Institute for Market Studies, uses what we know from the strongest existing evidence on school choice to estimate statewide economic impacts of an ESA. First, the existing research shows that private school choice programs increase the likelihood of high school graduation. Research in Milwaukee, for instance, has found that students in the Milwaukee Parental Choice Program are about 4 percent more likely to graduate from high school. In addition, an experimental evaluation found that the voucher program in D.C. increased the likelihood of graduation by 30 percent. And because private schools have strong incentives to shape character skills, the existing research shows that private school choice programs reduce the likelihood of adult criminal activity by over 50 percent.

Graduation from high school is one of the largest predictors of success later in life. Students who graduate from high school and have the opportunity to attend college are more likely to find gainful employment and are more likely to have a steady income. Using existing estimates of the impact of school choice on graduation, our models estimate that the implementation of an ESA expansion would lead to an increase of around 5,000 to 8,000 additional high school graduates over the next 20 years. The economic benefit of this increase ranges from \$900 million to \$1.5 billion.

Avoiding criminal activity is also crucially important to lifelong success. The harsh reality is that a criminal record decreases the likelihood that a person will be hired for a job, creating a vicious

crime cycle that represents a severe drain on state resources. We estimate that an ESA expansion would result in between 6,000 and 9,000 fewer felonies, with an economic benefit of \$222 to \$359 million dollars.

These economic impacts are significant enough to allow Mississippi to move out of last place and surpass West Virginia in per capita income over the next two decades. But even beyond the tangible economic numbers, these benefits represent new hope for families that their kids may have a better future.

If the legislature sees fit to pass the proposed expansion the state will reap meaningful economic benefits on top of the cost savings that will result from the fact that the proposed funding level for ESAs for general education students is 5 percent less than the base funding that traditional public schools in the state receive. This should only serve to bolster the case that parents in Mississippi, regardless of their socioeconomic status, deserve the opportunity to choose a school that best meets the needs of their children.

School choice for all could catapult Mississippi from the back-of-the-pack in education to a position as a national leader in education reform. Every single person in Mississippi should be excited about that.

Will Flanders is the research director at the Wisconsin Institute for Law and Liberty. Corey DeAngelis is an education policy analyst at the Cato Institute and a Distinguished Doctoral Fellow at the University of Arkansas.