

## Charters do more with less

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Michigan needs to get the message. Two Michigan-specific studies, released within a few weeks of each other, recommend equal funding for students in both charter and district schools. The first report – by researchers at the Michigan School Finance Research Collaborative – highlights inequities in the way the state funds public school students. Since the report is an adequacy study, it made waves in the press by calling for dramatic increases in education spending. Their quest for the "right" per-pupil funding number represents guesswork and wishful thinking. But we should applaud the call to fund students more on their identified needs and less on what type of public school they attend.

The second report – which we wrote – shows that despite having less resources, Michigan charter schools outperform their district counterparts on student achievement.

With publicly available data, we can examine funding inequities in 92 Michigan cities. Overall, we find that children in public charter schools receive, on average, nearly \$2,800 less than their peers in district schools, year after year. Even after accounting for differences in student population, district schools take in about \$2,600 – or 22 percent – more per pupil. And the inequity is widespread: 19 out of every 20 Michigan students live in a city where a charter school funding disadvantage exists.

But the data show that Michigan charter schools have their own advantage: They do more with less. There's no question about it.

We have performance data for district and charter schools in 71 of the 92 cities. These data, drawn from previous Mackinac Center analyses, adjust a school's reported achievement level for the share of children enrolled who receive free-lunch subsidies. Factoring out the effects of poverty on learning, which students and schools must overcome, gives a truer picture of how well schools help students achieve.

The average public charter school we studied is 32 percent more cost-effective than the average district school in the same city. That is, each dollar invested in a Michigan public charter school produces 32 percent more student achievement than would be had by investing in the average district school.

And this investment pays off.

Even after accounting for differences in student populations, every \$1,000-dollar investment in the average public charter school produces about \$2,600 more in lifetime earnings for each student. That's a 36 percent gain in lifetime earnings. Since Michigan taxpayers spend around \$150,000 for every child's 13-year education in district schools, the charter school benefit is extraordinary. Were funding equity in place, each student in Michigan charter schools would be

expected to earn around \$390,000 more over a lifetime when compared to being educated in traditional settings.

Almost all the students we studied — about 96 percent — live in a place where the charter school is more productive. In Detroit, for example, every \$1,000 investment in district schools translates to about \$3,180 in lifetime earnings. But that same \$1,000 would produce about \$8,160 in lifetime earnings were it allocated to an average charter school in the city. In other words, the return on investment for charter schools in Detroit is more than two-and-a-half times greater than their district counterparts.

Any investor looking at these two policy options would know what decision to make.

Policymakers in Michigan should treat taxpayer money as if it were their own – and invest wisely. In this case, respecting thousands of parental decisions to enroll their children in charter schools also results in a sounder investment of tax dollars. Giving children the same amount of educational resources regardless of what public school works best for them is a policy that's both fairer and smarter.

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