



## Study compares cost-effectiveness of charters, traditional public schools

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### Dive Brief:

- Education dollars go farther in charter schools than they do traditional public schools, according to a new cost-effective and return-on-investment (ROI) analysis released today by researchers focusing on school choice.
- With results from eight urban areas, the study shows that, overall, for every \$1,000 in per-pupil funding, students in charter schools earn 17.76 points on the reading portion of the National Assessment of Educational Progress (NAEP) compared to 13.42 points for students in traditional public schools. In math, students in the charter sector earn 19.21 NAEP points compared to 14.48 in traditional district schools. For both reading and math, the smallest gaps between the two sectors were seen in Houston and the largest were in Indianapolis, but when considering per-pupil funding, the advantage for charters ranged from 2% in Houston to 67% for reading and 68% for math in Washington, DC.
- The research team, involving Patrick J. Wolf of the University of Arkansas and Corey A. DeAngelis of the Cato Institute, a free market-oriented think tank, also calculated expected economic benefits for students who spend 13 years in traditional schools, charter schools or a combination of the two. Their findings show that every dollar spent on students in traditional public schools results in \$4.67 in lifetime earnings for those in traditional schools, \$6.44 for those in charters, and \$5.40 for those who split their K-12 years between both. The results on earnings are based on predictions that those with “higher cognitive ability as measured by test scores” will earn more money.

### Dive Insight:

As the number of charter schools and students continues to grow, comparisons such as these have increased, providing welcome news and strong rhetoric for charter school advocates who have long argued that their schools are being shortchanged by existing funding formulas. With a choice advocate currently leading the U.S. Department of Education, the competition between

the charter and traditional public school sectors seems more intense than ever. Relationships between charter and district school leaders and educators, however, vary at the local level and depend on factors such as the political climate and declining enrollment in district schools. In some communities, cooperation and partnership is more common.

Some experts might argue that using only NAEP scores to compare the achievement levels of students in district and charter schools leads to misleading conclusions. NAEP uses a sampling of students and even the report's authors note that students aren't randomly assigned to charters and district schools — their families have chosen those schools for various reasons.

The researchers' earlier study on expenditures in New York City showed that traditional public schools and charters spend about the same on instruction, while the gap, Wolf said in an email, is larger when it comes to non-instructional spending, such as capital outlays and debt service. "I think the one lesson I would offer to [traditional public schools] that want or need to economize is to look outside the classroom for things to cut," he said.