



## All school choice is great, but private is better than public

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It's National Charter Schools Week, a time for the public to celebrate public schools of choice. We should certainly be happy for the nearly 3.2 million children that benefit from the opportunity to attend public charter schools in the U.S. But we must not ignore the fact that better options exist. Here are three compelling reasons to prefer private schools of choice to public charter schools.

### Prices

The first charter school deficiency comes from basic economic theory. Because public charter schools are, you know, public, they are not allowed to charge tuition. In other words, charter schools are free — or, as an economist would put it, charter schools must charge a price of zero at the point of entry. Because charter schools are free, the charter school market unfortunately fails to reap the benefits of prices.

Prices give private institutions valuable information and strong financial incentives to do a good job. Great private schools financially benefit from the ability to charge higher prices when they attract large numbers of customers. Higher prices also give robust financial incentives for high-quality private schools to expand, and incentives for new schools to enter the market, which means even more high-quality options for children. Great charter schools don't get that luxury. Instead, their reward for high performance is a student waitlist.

The waitlist is simply a shortage condition in the market for schooling. As economists know, persistent shortages lead to reductions in quality over time. For example, the price of hamburgers was held artificially low during World War II. The result, of course, was that companies began to produce lower-quality hamburgers with less protein and more fat. In the case of education, waitlists allow highly demanded charter schools to replace unhappy customers with others desperately waiting in line.

And charter school waitlists aren't rare. According to a 2014 report by the National Alliance for Public Charter Schools, more than 1 million children were on charter school waitlists. That's almost a third of the students currently attending charter schools. When government controls the price of food, the grocery store shelves become empty and people go hungry. When government controls the price of schooling, the best charter schools fill up and many children are left starving for a good education.

## **Religion**

Religious charter schools do not exist. This is, again, because they are public schools. Religious education may give private schools a competitive advantage at shaping character skills. And the private school choice evidence suggests that this theory might have some merit.

I recently reviewed the most rigorous evidence linking private school choice programs in the U.S. to civic outcomes such as tolerance of others, political participation, charitable activity, and crime reduction. Most of these studies find positive effects, while none of them find negative effects. And the positive effects are meaningful. For example, an experimental evaluation of a private school voucher program in D.C. found that winning the lottery to attend a private school increased students' tolerance of others by more than 50 percent based on multiple measures. Another experimental study found that a voucher program in Ohio increased students' charitable donations in a lab setting by 23 percent.

## **Autonomy**

Public charter schools are also more likely to be strapped with burdensome government regulations. The most well-known form of top-down regulation in the public school sector is standardized testing. Therefore, educators in public charter schools are more likely to engage in teaching to the test than those in private schools. A substantial focus on improving standardized test scores means less time to shape character skills such as effort, citizenship, and conscientiousness.

And there is a growing body of evidence indicating that test score regulations may harm students in the long-run. A recent study by Collin Hitt, Michael McShane, and Patrick Wolf reviewed more than 30 evaluations that examined effects of schools of choice on standardized test scores and long-term outcomes such as high school graduation. The authors concluded that "there is a weak relationship between impacts on test scores and later attainment outcomes." In fact, 50 percent of the reading test score effects and 61 percent of the math test score effects did not successfully predict effects on high school graduation.

In addition, charter schools must surrender their admissions processes over to the state. They must accept all children that wish to attend. And if oversubscribed, they must use random lotteries to determine which children get in. Of course, this policy makes it much more difficult for school leaders to provide a specialized service for their customers. And the uncertainty created from this regulation could also prevent many leaders from ever opening a charter school at all.

We also cannot forget that tons of regulations exist in the traditional public school system as well. And the amount of regulations have grown quickly. According to the QuantGov database, the number of K-12 education restrictions has increased by almost 1,200 percent since 1970, while student achievement hasn't budged. Regulations haven't produced desired outcomes in the traditional public school system. We shouldn't expect things to be any different for schools of choice.

I am pleased that charter schools provide educational options to millions of kids in need. We should celebrate that success. However, we should also understand the inherent deficiencies of public charter schools. And instead of grasping onto any type of school choice we can get our hands on, we should put more of our energy into fighting for the closest thing we have to a true market in education: private school choice. We shouldn't settle for less.

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