

## Study Examines Charters' Drain on Private Schools

Sean Cavanagh | August 28, 2012

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**M**ost of the students who enter charter schools today have migrated from traditional public schools. But private school students are going the charter school route in pretty large numbers as well—and that movement has potentially big implications for taxpayers.

Those are some of the conclusions of a [study released today](#) by the Cato Institute, which attempts to examine the flow of students shifting to and from those various sectors, and understand the educational and financial implications of that movement.

In a story published in the current issue of *Education Week*, I look at the competitive pressures placed on Catholic schools, specifically. But the Cato report tackles different issues, and takes a broader view.

At the elementary school level, for instance, about 32 percent of students entering charter schools in "highly urban" areas at the elementary level come from private schools, according to the study. Eighteen percent of those private schools were non-religious, while 10 percent were affiliated with the Catholic church, and 6 percent represented other denominations. (See the table below for the breakdown.)

That means about the vast majority of students entering charters in highly urban elementary schools, 68 percent, come from traditional publics.

For urban and nonurban districts combined, about 8 percent of charter elementary students come from private schools, and 92 percent are drawn from regular public elementary schools, explains the author of the study, Richard Buddin, who completed the research as an adjunct senior economist

at the RAND Corporation and now works as a principal research associate at the ACT.

**Table 8**  
**Effects of Elementary School Charter Enrollments on Enrollments at Other Types of Schools (2000–2008)**

Outcome	All	Not Urban	Some Urban	Highly Urban
Private	-0.0836*	-0.0725*	-0.0856*	-0.3153*
Private & weak law	-0.0574*	-0.0661*	-0.0090	-0.0717
Private & strong law	-0.0927*	-0.0748*	-0.1054*	-0.3443*
Statistically different	No	No	No	No
Catholic	-0.0307*	-0.0255*	-0.0726*	-0.0971*
Other Religious	-0.0367*	-0.0380*	-0.0016	-0.0601
Nonsectarian	-0.0157*	-0.0091*	-0.0157*	-0.1798*

Source: Author calculations from Common Core of Data and Private School Universe Survey for 1999–2000 through 2007–2008.

Note: An asterisk indicates that the coefficient is significantly different from zero at the 0.05 level.

Overall, private school losses to charters are not nearly as great in less-urban schools, Buddin explains. The hits taken by private schools in urban areas are on one level not surprising, given that charter schools have their [strongest presence in those areas](#), which are also the neighborhoods that traditionally have been home to large numbers of Catholic schools.

In a [paper](#) accompanying the study, Adam B. Schaeffer, a policy analyst at Cato, uses Buddin's data to examine a different question—how much is this migration from private schools to charter schools costing taxpayers?

The math is, in one sense, fairly straightforward. Private school students aren't being educated on the public dime. (The exception to that comes in states that have private school voucher programs, where tax funds can be used to cover private school costs.) But the costs shift when students move from private to

charter schools, which of course are a part of the public sector, and funded by taxpayers.

Schaeffer puts the direct public cost of students moving from private schools to charter schools at \$1.8 billion a year. Those numbers are only as recent as 2008, he points out, which means the cost is probably significantly higher today.

Of course, this would assume—as one charter school official told me recently—that private school students would not have left those schools, anyway, perhaps for the traditional public school system. In which case, charters aren't necessarily to blame for the shift in costs.

The pressures created by that movement could bring big decisions for policymakers and the public, Buddin writes.

"When charters draw students from private schools, public revenue growth may not keep pace with public enrollments, and districts may face pressures to reduce education services available to students," he explains. On the other hand, "as parents move their children from private to public schools, these parents might become a stronger voice for public education financing."