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## Time To End The Monopoly In Education

By ANDREW J. COULSON

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To boost the economy out of the recession, President Obama has chosen to spend an additional \$100 billion on public schooling over the next two years. His education secretary, Arne Duncan, is touring the nation to promote this education "stimulus."

However well-intentioned, their effort isn't just futile; it's also counterproductive.

Far from being an engine of wealth creation, the education system is bleeding the economy to death. The U.S. spends 2.3 times as much per pupil in real, inflation-adjusted dollars as it spent in 1970, but the return on this ballooning investment has been less than nothing.

Student achievement at the end of high school has been flat for nearly 40 years, according to a recent study by the Education Department, while the graduation rate fell over the same period, according to a report by James Heckman, a Nobel laureate economist.

If the efficiency of U.S. public schooling had merely remained at its 1970 level, the country would enjoy the equivalent of an annual \$300 billion tax cut.

The productivity collapse in education is more than staggering; it's unparalleled. Can you name any other service or product that has gotten worse and less affordable over the past two generations? The reason you can't is that no other field is organized as a state-run monopoly.

The general argument against monopolies is well understood and accepted. A concrete case study might drive home the point that monopolies are just as harmful in education as in other fields.

### Markets Vs. Monopolies

Earlier this year, I sifted through the 2008-09 budget for the District of Columbia, summing up all K-12 education spending, not counting charter schools. It comes to just under \$1.3 billion.

The latest audited enrollment count for the district is 44,681, putting per-pupil spending in the nation's capital at about \$29,000. Meanwhile, fewer than half of the students who enter the ninth grade in D.C. go on to graduate four years later.

To put that profligacy in perspective, the private schools serving D.C.'s 1,700 voucher students charge an average tuition of \$6,600, according to a recent Education Department. After three years in the program, voucher students read more than two school years ahead of a randomized control group of their public school peers.

That is, the voucher program yields substantially better results at less than one-quarter the cost.

For those unfamiliar with the D.C. voucher program, it is the one that President Obama has decided to phase out, despite his stated goal of pursuing education reform that's effective and efficient.

The massive productivity advantage of private-sector education is not unique to Washington, D.C.

For the Journal of School Choice, I tabulated the international scientific research comparing public and private-sector schooling. Across time, countries and outcome measures, private provision outshines public in the overwhelming majority of cases.

More important, the least regulated, most marketlike education systems show the greatest margin of superiority over monopoly schooling. In literature on education, 59 findings show that markets outperform school monopolies. Not a single study has found a monopoly school system to be as efficient as a market system.

### **Free The Schools**

Once upon a time, America could afford to sustain a parasitic school monopoly, fecklessly throwing billions more dollars at it decade after decade despite its failure to improve. That time has passed. Now that the economy is in a deep recession, the perpetuation of that monopoly puts our economic future at unacceptable risk.

Many policy proposals are on the table that could inject market forces back into the field of education, bringing to it the same long-term productivity growth that has been the norm in other fields.

Some states already have such programs operating on a tiny scale, such as Illinois' modest tax credits for families' own education costs, and the tax credits in Florida, Arizona and Pennsylvania for donations to K-12 tuition-assistance organizations serving low-income families.

The first states to combine and expand these programs on a grand scale will become magnets for businesses in search of better-educated workers and lower taxes, leading to an economic and educational boom. The states that don't will continue to burn in the budgetary hell created by monopoly schooling, needlessly jeopardizing their children's economic and educational futures.

It's time to bring the field of education into the fold of the free enterprise system.

- Coulson directs the Cato Institute's Center for Educational Freedom and is author of "Comparing Public, Private and Market Schools" for the Journal of School Choice.

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