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Book Reviews

Kevin G. Welner (2008). *NeoVouchers: The Emergence of Tuition Tax Credits for Private Schooling*. Lanham, MD: Rowman and Littlefield, 185 pp., $24.95.

Kevin Welner has written a valuable book on education tax credits. It reads as if the author struggled conscientiously to maintain some distance from his ideological and policy preferences, and in large sections he has succeeded in doing so. His review of the factual lay of the land is comprehensive and lucid. The work as a whole, however, suffers from a bias that might have been corrected with an outside review and editing from someone who strongly favors school choice.

A central problem with this text leaps off the cover: the term "neo-voucher." Welner writes, "I refer to [tax credits] as "neovouchers" or "tax credit vouchers," which distinguishes them from the two other policies: vouchers directly funded by the government and tax credit policies providing benefits for individual educational expenses." But why not call them "donation tax credits?" Calling education tax credits "neovouchers" obscures what the policy actually is—a tax credit program. Vouchers are, in common and policy parlance, direct payments. Typically vouchers come from a government, and sometimes directly from a company to purchase a product. Tax credits, however, benefit a taxpayer, and in this case are used to support educational options.

There is some conceptual confusion on both sides of the political aisle regarding vouchers and education tax credits and often this can be attributed to a lack of detailed policy knowledge. Welner, however, clearly understands his subject well and should not have used the term "neovoucher." Calling education tax credits neovouchers simply confuses the issue and lends an oppositional air to the work that the author would do well to avoid.

Similarly, in describing how a donation tax credit works, Welner asks rhetorically,

> What, other than obfuscation, is accomplished by the addition of the complexity of neovouchers? What is added by having taxpayer donations determine who allocates the benefit to parents? There exists no sensible policy goal to buttress this aspect of the tax credit system—no policy justification for shifting this decision-making authority from parents to a relatively wealthy subset of taxpayers.

This quote comes from a lengthy exposition of how opponents of school choice view tax credits, however Welner fails to present any counterarguments or even hint at the existence of different opinions on the matter.

Of course, many good "policy justifications" support donation tax credits, not least of which is that this method eliminates the compelled support concerns inherent to programs using direct government spending. Individual taxpayers decide whether to fund religious or secular schools, or simply schools they believe to be more effective. Moving from a voucher to a credit system eliminates a significant degree of coercion and adds additional layers of direct interests to ensure that all stakeholders have a direct voice in the process.

Many public policy and government researchers look at policy issues from the government's perspective rather than the taxpayer's perspective. From this perspective, a tax expenditure is in many ways the same as a direct expenditure because the government has less money to spend. To taxpayers and to courts, however, money an individual gets to keep remains their money. It is not government spending. The taxpayer is absolved of an obligation because the government has favored a category of individual spending. This doesn't change the fundamental fact that the money spent is money the individual taxpayer earned. In contrast, a direct expenditure such as a voucher takes money from the common pot that everyone paid into.

This might seem like a fine distinction to some, and it clearly is seen that way by Welner. The distinction, however, is real and consequential. There is a difference between government housing vouchers and welfare on the one hand and the home mortgage deduction or Hope Scholarship Tax Credits on the other. This is why the courts treat tax credits differently than they do vouchers; because there are real and consequential differences between the policies. Welner clearly is aware of these court cases upholding tax credit programs specifically on the basis of this distinction, as he cites them elsewhere. Even if he disagrees with the legal reasoning and policy arguments, however, he should countenance the existence of such decisions in the discussion.

There are other problems in the text rooted in Welner's reluctance to grapple with or countenance the perspective of those who are more sympathetic to school choice policies. Welner uses false analogies in a number of places to advance his perspective on credits. For instance, in two chapters he compares education tax credits to a hypothetical credit for paying the salary of church pastors or for religious institutions in general.

Welner's intent is to highlight what he sees as an unacceptable breach of the separation of church and state through the use of credits for tuition at religious schools. The problem, of course, is that no school choice program limits the use of education tax credits to religious schools. Such a policy would clearly violate not just state constitutional provisions but the first amendment of the U.S. Constitution as well. It's surprising that a professor of education who specializes in legal issues would make such a gross error in analogy.

There is much to argue with in the final, proscriptive chapter in which the author describes his vision of a donation tax credit program more acceptable than those currently in operation. From price fixing and program caps to refundability, I find them to be poor recommendations. But they are a clear and honest reflection of his perspective.

In the end, Welner has written a valuable review of current donation tax credit programs and many of the political and legal issues surrounding them. However, Welner has failed to maintain distance and produce a disinterested academic treatment of education tax credits. Readers should approach the text with skepticism and turn to material written by those more sympathetic of school choice to discover what is missing from Welner's account and achieve a broader view of the topic.

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Much of the discussion about choice has suffered from a variety of defects. It has either been governed by ideological commitments that romanticize how markets actually work in the real world or it goes on in the absence of detailed data that would either fully confirm or falsify the romantic claims of market proponents. Even when there are data, however, all too much of the analyses are limited to things such as results on achievement tests or "satisfaction." While not insignificant, these are extremely limited and limiting conceptions of causes and effects.

For example, it is becoming clearer nationally and internationally that we need to be extremely cautious of accepting many of the empirical claims of, say, marketized choice proponents. Such policies on the ground do not work as smoothly as market proponents assume in their utopian dreams about efficiencies and accountability. Indeed, it is also unfortunately the case that markets can not only reproduce existing inequalities but that at times they can create even more inequalities than existed previously. When they are combined with an increased emphasis on national and state testing, which usually accompanies such proposals in a considerable number of nations, which are the results from this combination of neoliberal market initiatives and neoconservative pressure to standardize and mandate reductive