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Commentary

Actions Speak Louder Than Words, Mr. President

Andrew J. Coulson 09.08.09, 11:29 AM ET

President Barack Obama will address the nation's schoolchildren Tuesday, exhorting them to get good grades and stick it out until graduation. Billed by the White House as unprecedented, this speech re-emphasizes the president's avowed commitment to the importance of education, both to the lives of individual children and to the U.S. economy.

But are President Obama's actions advancing the goals he espouses?

The president's most dramatic act to date has been to commit an extra \$100 billion to shoring up the nation's traditional public school systems, arguing that higher education spending will boost the economy. But a July 2008 study in the *Journal of Policy Sciences* finds that, to the authors' own surprise, higher spending on public schooling is associated with *lower* subsequent economic growth. Spending more on public schools *hurts* the U.S. economy.

How is that possible? There is little debate in academic circles that raising human capital--improving the skills and knowledge of workers--boosts productivity. So an obvious implication of the *JPS* study is that raising public school spending must not improve human capital. While this possibility surprised study authors Norman Baldwin and Stephen Borrelli, it comes as no shock to those familiar with the data on U.S. educational productivity over the past two generations.

Since 1970, inflation-adjusted public school spending has more than doubled. Over the same period, achievement of students at the end of high school has stagnated, according to the Department of Education's own National Assessment of Educational Progress. Meanwhile, the high school graduation rate has declined by 4% or 5%, according to Nobel laureate economist James Heckman. So the only thing higher public school spending has accomplished is raising taxes by about \$300 billion annually without improving outcomes, which is not exactly a recipe for economic growth.

On the subject of getting good grades, by contrast, the president's Department of Education has discovered a strikingly successful federal program right under its nose. In April, the department reported that Washington, D.C.'s Opportunity Scholarships program, which pays K-12 private school tuition for 1,700 low-income students, is significantly raising academic achievement. Children who've attended private schools under the program for three years are now reading two grade-levels ahead of a randomized control group of students who've remained in public schools.

These voucher recipients are getting the improved grades the president says he wants, but instead of supporting this program, President Obama killed it just weeks after the Education Department released its favorable report. He has said that it should admit no new students and should cease when the last of its current participants finish school.

Anyone genuinely concerned with raising graduation rates should be interested in the research comparing public and private schools. Repeated scientific studies have found that, after controlling for differences in student and family background, private schools have significantly higher graduation rates than public schools, especially for those most at risk of dropping out.

A nationwide study by University of Chicago economist Derek Neal, for instance, reports that urban African American students are *26 percentage points* more likely to graduate from high school if they attend Catholic schools than if they attend public schools. These same Catholic high school students are also much more likely to be accepted into college and *twice as likely to complete college* as their public school peers.

Partly due to this phenomenon, state-level programs that bring private schooling within reach of low-income families are proliferating all over the country. Some of these programs are even receiving growing support from Democrats. In Florida, for instance, businesses that donate to nonprofit K-12 tuition scholarship organizations can receive a dollar-for-dollar tax credit. This makes millions of dollars available to poor parents who wish to send their children to private schools but otherwise couldn't afford it. A bill to strengthen that program was passed last May with the support of nearly half the state's Democratic Party,

and two-thirds of African American Democrats.

Were President Obama to endorse these state-level programs they would grow explosively, bringing the option of private schooling--and the prospect of much higher graduation rates--within reach of millions more children. But the president has not joined with Democrats and Republicans at the state level in supporting K-12 scholarship tax credits. He continues to oppose them.

So today, while the president is telling schoolchildren to get good grades and stay in school, his actions and policies are lowering student achievement, fomenting dropouts, and slowing the U.S. economy. Actions speak louder than words, Mr. President.

Andrew J. Coulson directs the Cato Institute's Center for Educational Freedom and is author of the recent peer-reviewed study "[Comparing public, private, and market schools.](#)"