When I began doing research on school choice in 1995 there was little solid, empirical information on the subject. At that time there was only one choice program, in Milwaukee, and the data from that program was not available to the research community. Researchers wishing to examine the effects of school choice were limited to collecting evidence from public and private schools and extrapolating to what would happen under a choice system. A leading researcher James Coleman followed this approach and consistently found, after controlling for background differences, that private school students performed better academically than public schools students. Coleman and others also found that private schools, while educating a lower proportion of minority students than public schools, distributed their minority students more evenly, producing racial integration better than that found in public schools. From these findings Coleman and others suggested that providing vouchers or tax credits for families to select their choice of private or public schools would increase academic achievement and improve racial integration in schools.
Many education researchers remained unconvinced by Coleman’s argument. Unobserved and difficult-to-measure differences between families that select public and private schools might account for the apparent academic edge that private school students displayed. Unfortunately, there was no way to respond to this objection fully as long as the comparison was between families that chose a private school and those that did not. No matter how many controls were introduced for background differences, it was always possible that some other unobserved factors really explained the differences in outcomes. Many education researchers also remained unpersuaded that school choice would help promote integration. The lower percentage of minority students in private school, critics argued, was a more telling sign of the effect of choice on integration than was the distribution of those students within the private sector.

Without new data, research on the effects of school choice remained deadlocked for many years. John Chubb and Terry Moe advanced innovative arguments, but their work provided more support for a theory of the relationship between school governance and organizational efficiency than direct evidence on the consequences of school choice. Critics of school choice—such as Henry Levin, Amy Stuart Welles, and Peter Cookson—wrote articles and books, but their arguments were largely based on theoretical assumptions, analogies to foreign educational systems, or their particular reading of the debate over Coleman’s work.3

Starting in 1996, a flood of new data became available, greatly expanding what we know about the effects of school choice. First, John Witte released the data he had obtained on the Milwaukee school choice program to other researchers. Second, Cleveland started the second publicly funded school choice program and made information available to researchers. Third, several privately funded school choice programs were developed, specifically designed to allow for a rigorous examination of their effects. As a result of these new programs and studies, we now know quite a lot about the effects of school choice.

The evidence on school choice can be organized according to three questions:

1) What are the academic effects of school choice on the families that choose their school?
2) What are the academic effects of school choice on the public school system? And
3) What are the effects of school choice on the civic values and integration that we wish schools to promote?
The evidence that addresses the first question, the academic effects of choice on the choosers, is now fairly strong. Our knowledge about the remaining questions is still limited but increasing. Of course, much can still be learned on all three questions, and some people will never be satisfied with the quality or quantity of evidence. But great progress has been made in the last several years in developing a solid empirical understanding of the effects of school choice programs.

It is important to note that, despite some well-publicized disagreements over research findings in recent years, there is a remarkable consensus on the general effects of school choice among the researchers who have collected and analyzed the data. These researchers differ mostly in the confidence with which they draw conclusions and make inferences on shaping public policy, but they do not differ in their general assessments of the programs. That is, all the researchers who served as evaluators of the publicly funded choice programs in Milwaukee and Cleveland—as well as the privately funded programs in Washington, D.C., Dayton, New York, and San Antonio—agree that these programs represent generally positive developments and support their continuation if not expansion. If one relied only on the spin from competing interest groups and the research community on the various evaluations instead of the evaluations themselves, one might easily miss the positive consensus that exists. This positive consensus is all the more remarkable given the issue’s politically contentious nature and the rewards for scholars who highlight disagreements with other scholars. As this paper will demonstrate, researchers who have collected and analyzed the new data on school choice largely agree that these programs have positive effects and ought to be continued if not expanded.

The Academic Effects of School Choice on Families that Choose Their School

One indication of the academic effects of school choice is the level of satisfaction with school experience reported by “choosers” as compared to “non-choosers.” Here the evidence in support of school choice is unambiguous and overwhelmingly positive. One of the evaluators in Milwaukee, John Witte, reported that “satisfaction of Choice parents with private schools was just as dramatic as dissatisfaction was with prior public schools” (1999, 237). In Cleveland, evaluator Kim Metcalf found that “Across the range of school elements, parents of scholarship students tend to be much more satisfied with their child’s school than
other parents ... [S]cholarship recipient parents are more satisfied with the child's teachers, more satisfied with the academic standards at the child's school, more satisfied with order and discipline, [and] more satisfied with social activities at the school" (1999, 20). Also in Cleveland, Paul Peterson, William Howell, and I found that, after two years of the program, choice parents were significantly more satisfied with almost all aspects of their children's education than were the parents of a random sample of Cleveland public school parents (1998). Nearly 50 percent of choice parents reported being very satisfied with the academic program, safety, discipline, and teaching of moral values in their private school. Only around 30 percent of Cleveland public school parents report being very satisfied with these aspects of their children's schools. Very similar results were obtained from the privately funded school choice programs in Washington, D.C., Dayton, New York, and San Antonio.

If this were almost any other policy or consumer issue, we would consider the strong positive effect of school choice on parental satisfaction as sufficient evidence to conclude that the program is beneficial to its participants. If, for example, people report that they are happier with the maintenance of public parks, we would consider this as sufficient proof that efforts to improve the parks succeeded. We would not normally feel obliged to count the items of trash and repair problems to verify reports of satisfaction.

The standards for assessing programs in education are different. Many in the education and policy communities seriously consider only changes in standardized test scores and disregard parental reports. These people suspect that parents are stupid and that reports of parental satisfaction are of little value, while test scores are the only meaningful indicator of program success. The bottom line is that, despite the overwhelmingly positive effects of school choice on parental satisfaction, the policy debate has not moved very much.

With the focus on test scores, choice programs have demonstrated some positive effects according to almost all of the evaluations of the five publicly and privately funded choice programs that have been studied. In Milwaukee, Paul Peterson, Jiangtao Du, and I took advantage of the Wisconsin law that requires participating private schools to accept students by lottery when classes were oversubscribed. We compared the test scores of applicants accepted to the choice program by lottery to those rejected by lottery. The test score gains in math and reading, after three or four years of participation in the choice program, were
### Table 1  The Effect of School Choice on Parental Satisfaction

<table>
<thead>
<tr>
<th>Location</th>
<th>Reference</th>
<th>Description</th>
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<tbody>
<tr>
<td>Milwaukee</td>
<td>Witte, 1999</td>
<td>“Satisfaction of Choice parents with private schools was just as dramatic as dissatisfaction was with prior public schools.”</td>
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<tr>
<td>Cleveland</td>
<td>Metcalf, 1999</td>
<td>“Across the range of school elements, parents of scholarship students tend to be much more satisfied with their child’s school than other parents ... [S]cholarship recipient parents are more satisfied with the child’s teachers, more satisfied with the academic standards at the child’s school, more satisfied with order and discipline, [and] more satisfied with social activities at the school ...”</td>
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<td></td>
<td>Greene, Howell, Peterson, 1998, 1999</td>
<td>Nearly 50 percent of choice parents reported being very satisfied with the academic program, safety, discipline, and teaching of moral values in their private school. Only around 30 percent of Cleveland public school parents report being very satisfied with these aspects of their children’s schools.</td>
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<tr>
<td>Washington, D.C.</td>
<td>Wolf, Howell, Peterson, 2000</td>
<td>“Forty-six percent of the private school parents gave their school an ‘A’, as compared to just 15 percent of the public-school parents.”</td>
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<tr>
<td>Dayton</td>
<td>Howell, Peterson, 2000</td>
<td>“Private-school parents are more enthusiastic about their schools than either public-school parents generally or those public-school parents who applied for a school voucher. When asked to give their school a grade from A to F, 47 percent of the private school students gave their school an ‘A’, as compared to 25 percent of the cross-section of public-school parents and 8 percent of the public-school parents who had applied for a voucher but did not receive one.”</td>
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<tr>
<td>New York</td>
<td>Peterson, Myers, Howell, 1998</td>
<td>“The percentage of parents “very satisfied” with a private school was significantly higher for all of the following: location of the school, school safety, teaching, parental involvement, class size, school facility, student respect for teachers, teacher communication ... , extent to which child can observe religious traditions, parental support for the school, discipline, clarity of school goals, staff teamwork, teaching, academic quality, the sports program and what is taught in school.”</td>
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significant for students enrolled in the choice program compared to students denied a spot by lottery (Greene, Peterson, and Du 1998, 345). The gains were quite large, 11 normal curve equivalent (NCE) points in math and 6 NCE points in reading over a four-year period. These gains translate roughly into one half of a standard deviation in math and one quarter of a standard deviation in reading. To put this into perspective, the gap in test scores between white and minority students in the US is about 1 standard deviation.

Unfortunately our confidence in these findings is limited by the missing data caused by high student mobility among poor families and incomplete data collection. The findings after three or four years in the program are based on test scores from 40 percent of the choice students and 48 percent of the control group students. There is, however, good reason to believe that the students whose test scores were missing did not differ systematically from those for whom we had data. After three or four years, our treatment and control groups did not differ significantly from each other in terms of background characteristics collected when they applied, suggesting that little bias was introduced by missing data. They did not significantly differ on their math or reading test scores, their family income, their mother’s education, their rate of single parenthood, or the amount of time their parents spent with them (Greene, Peterson, and Du 1998, 344).

We also conducted an “intention to treat” analysis to test for the possibility that selective attrition from the program biased results. In this analysis, all subjects who won the lottery for a voucher were counted as if they were in the choice program—even if they never enrolled or left the private schools to return to the Milwaukee public schools. Because we included scores from these additional students, our conclusions could be based on the results of 63 percent of the choice students and 48 percent of the control group students. The results from the intention to treat analysis were basically the same as those from the main analysis, 11 NCE point gain in math and 6 NCE point gain in reading (Greene, Peterson, and Du 1998, 349). These benefits are roughly comparable to closing the gap between white and minority test scores by one-half and one-quarter, respectively.

Princeton economist and former staff member of the Clinton Administration’s Council of Economic Advisors, Cecelia Rouse independently analyzed the data from Milwaukee and arrived at similar results, at least in math scores (1998). After trying several analytical strategies Rouse concludes: “students selected for the Milwaukee Parental Choice
Program ... likely scored 1.5-2.3 [NCE] percentile points *per year* in math more than students in the comparison groups" (1998, 593; italics added). Rouse also writes that her findings for math scores are “quite similar to those reported by Greene et al” (1998, 578). She says that her reading results “are roughly similar to those reported by Greene et al, although they interpret their results differently. Specifically, Greene et al rely on one-tailed t-tests because (they argue) theoretically private school students should perform better” (1998, 580). Another difference between these two studies is that Rouse relies on the test scores of students who sometimes took standardized tests for the wrong grade, given their age, because of fairly high rates of holding students back. We adjusted all scores to be age-appropriate according to tables supplied by the makers of the standardized test. Variations in the practice of holding back students holding back of students in the public and private schools could significantly alter the results.

But discussion of all these differences in analytical strategies obscures a basic point: both my team and Rouse’s found that the Milwaukee school choice program had a significantly positive effect on student test scores. Neither study found that students were harmed academically, and both found that there were at least some academic benefits. Even if the teams differ on the full extent of the benefits, both agree that the evidence supports the conclusion that school choice in Milwaukee was academically positive for the families offered the choice to attend a private school.

The third researcher to examine the test score results from Milwaukee was John Witte. Rather than examine the random assignment experiment created by the fact that students were accepted by lottery, Witte compared the academic performance of choice students to a sample of Milwaukee public school students, controlling for a limited set of background characteristics. Based on this comparison, Witte writes: “The general conclusion is that there is no substantial difference over the life of the program between the Choice and MPS students, especially the low-income MPS students. On a positive note, estimates for the overall samples, while always below national norms, do not substantially decline as the students enter higher grades. This is not the normal pattern in that usually inner-city student average scores decline relative to national norms in higher grades” (1999, 236-37). In other words, Witte, relying on non-random assignment comparisons, found that choice did not significantly help or hurt students academically, while two other studies relying on the more rigorous random-
assignment comparison found significant academic benefits from choice. If these studies are mixed, as some like to say, they are only mixed to the extent that they are positive or neutral on the effects of choice on test scores.

Despite Witte’s finding that choice neither helps nor hurts students academically, he has nevertheless endorsed school choice (Williams 2000, 1). Witte writes, “choice can be a useful tool to aid families and educators in inner city and poor communities where education has been a struggle for several generations.” He continues, “If programs are devised correctly, they can provide meaningful educational choices to families that now do not have such choices. And it is not trivial that most people in America ... already have such choices” (as quoted in Williams 2000, 1). Thus, all three evaluations of the Milwaukee choice program conclude that choice has some significant benefits for its participants. None of the three find that choice harms students. This is about as close as one gets to a positive consensus among researchers examining a controversial policy.

The Cleveland choice program also offers evidence on the academic effects of choice, but unfortunately the evidence from Cleveland is of low quality because there are no random assignment data nor are there sufficient data on the background characteristics of choice and public school families. Despite these data limitations, some analyses of test scores have been performed by Kim Metcalf of Indiana University School of Education and by myself, Paul Peterson, and William Howell. Both groups find some significant academic benefits to the choice program in Cleveland.

After two years Metcalf concludes: “The results indicate that scholarship students in existing private schools had significantly higher test scores than public school students in language (45.0 versus 40.0) and science (40.0 versus 36.0). However, there were no statistically significant differences between these groups on any of the other scores” (1999, 20). Based on a comparison between one grade cohort of choice students and a non-random sample of public school students, Metcalf’s analyses had a very limited set of controls for background differences, which could seriously bias results.

In addition to finding significant test score gains, Metcalf, like Witte, favours the expansion of educational opportunities offered by school choice: “The scholarship program effectively serves the population of families and children for which it was intended and developed. The program was designed to serve low-income students while maintaining
the racial composition of the Cleveland Public Schools. ... The majority of children who participate in the program are unlikely to have enrolled in a private school without a scholarship” (1999, 23). Overall, Metcalf has a positive assessment of the effects of the Cleveland choice program on its participants.

Our own analyses of test scores in Cleveland had serious data limitations as well. We had test scores from only two private schools, although those schools did contain nearly 15 percent of all choice students and nearly 25 percent of all choice students who had transferred from public schools. It was possible for us only to compare scores from students over time, relative to how they scored when they first entered these two schools. Based on the experience, described by John Witte above, that over time inner-city students tend to have declining scores relative to national norms, it seems likely that any gains in test scores over time would be a strong indicator of academic progress for the choice students. After two years, students at the two schools we examined had gains of 7.5 national percentile points (NPR) in reading and 15.6 NPR in math (Peterson, Howell, and Greene 1998). These gains were achieved despite the fact that the students at these two schools were among the most disadvantaged students in Cleveland. Our study concluded that, despite the shortcomings of the available data, there were significant academic benefits for choice students in Cleveland.

In Cleveland, as in Milwaukee, all studies of the choice program are generally positive about the program’s effects. Metcalf finds some significant test score gains and praises the expansion of educational opportunities the program provides. Greene, Peterson, and Howell also find significant test score gains.

The privately funded programs in Washington, D.C., Dayton, and New York allow for a more rigorous examination of the effects of choice on test scores than the publicly funded Milwaukee and Cleveland programs do. In D.C., Dayton, and New York complete demographic and test score information was collected from all applicants at the time they applied and then a lottery was held to award the scholarships. This complete information on students from the start allows for adjustments to be made more accurately for attrition from the sample that inevitably occurs with low-income families. And the lottery allows for a more rigorous random assignment research design, like that found in medical studies, which compares randomly assigned treatment and control groups.
The test score results from all three of these high-quality random assignment studies are again generally positive. After one year of participation in the program, choice students in grades two through five in New York benefitted by about 2 National Percentile Ranking (NPR) in math and reading. Older students, in grades four and five, gained four NPR points in reading and six points in math (Peterson, Myers, and Howell 1998). In D.C., African-American students in grades two through five gained 6.8 NPR in reading, but students in grades six though eight lost 8.2 NPR in math (Wolf, Howell, and Peterson 2000). In Dayton,

<table>
<thead>
<tr>
<th>Location</th>
<th>Study Authors</th>
<th>Description</th>
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<tr>
<td>Milwaukee</td>
<td>Greene, Peterson, Du, 1999</td>
<td>6 NCE point benefit in reading and 11 NCE point benefit in math after 4 years of participation</td>
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<td></td>
<td>Rouse, 1998</td>
<td>1.5 to 2.3 NCE point gain in math per year</td>
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<td>Witte, 1999</td>
<td>Neither benefit nor harm to test scores but “choice can be a useful tool to aid families and educators in inner city and poor communities where education has been a struggle for several generations … If programs are devised correctly, they can provide meaningful educational choices to families that now do not have such choices. And it is not trivial that most people in America … already have such choices.”</td>
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<tr>
<td>Cleveland</td>
<td>Metcalf, 1999</td>
<td>6 NPR benefit in language and 4 NPR benefit in science after two years for existing schools</td>
</tr>
<tr>
<td></td>
<td>Greene, Howell, Peterson, 1998-9</td>
<td>8 NPR benefit in reading and 16 NPR benefit in math after two years</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>Wolf, Howell, Peterson, 2000</td>
<td>African-American students in grades 2 through 5 gained 7 NPR in reading, but students in grades 6 though 8 lost 8 NPR in math after one year</td>
</tr>
<tr>
<td>Dayton</td>
<td>Howell and Peterson, 2000</td>
<td>African-American students gained 7 NPR in math after one year</td>
</tr>
<tr>
<td>New York</td>
<td>Peterson, Myers, Howell, 1998</td>
<td>Choice students in grades 2 through 5 benefited by about 2 NPR in math and reading. Older students, in grades 4 and 5, gained 4 points in reading and 6 points in math after one year.</td>
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</table>
African-American students gained 6.8 NPR in math but their gain in reading fell short of statistical significance, probably due to a modest sized sample (Howell and Peterson 2000). A National Percentile Ranking indicates how students perform relative to all other students. A student who scores at the 50th percentile is performing better than 50 percent of students on the same test. An improvement of 7 NPR for that student would mean that the student was now performing better than 57 percent of students on the same test.

In all three cities statistically significant gains were observed for choice students and in only one city for one age group was there a significant decline in academic achievement. All of these results were obtained after less than one full academic year of participation in the choice programs (students were tested in March of their first year), so it is still early to draw definite conclusions about long-term effects. Nevertheless, the consistency of positive results across all five choice programs, with eight different evaluations by four different groups of researchers, is striking. It is possible that new studies will find different results. It is possible that over time the gains achieved by choice students will disappear or reverse. But what level of certainty should we require before making reasonable policy decisions? The evidence to date on the benefits of choice for the families that are offered choices is at least as strong, and probably much stronger, than the evidence supporting most public policies.

The Effects of School Choice on the Public School System

If choice helps the choosers, does it do so at the expense of others? The suspicion is that choice programs "cream" the best students from the public schools, draining talent and resources from the public system. On the other hand, it is possible that creaming has already largely occurred in the public system. Higher achieving students and more affluent and involved families may have already chosen a public or private school that suits them, leaving "the rest behind." In fact, the US Department of Education estimates that 59 percent of students currently attend "chosen" schools (1997). But many of the remaining 41 percent lack the financial resources to move to a desired public school attendance zone or pay private school tuition. Can vouchers exacerbate the situation in a way that harms non-choosing families?

As we have already seen, evaluations of the Milwaukee and Cleveland programs have concluded that the programs successfully targeted
very low-income families, offering them opportunities that they otherwise would not have. The average income of families participating in the Milwaukee program was US $10,860 (Greene, Peterson, and Du 1998, 344). In Cleveland, the mean family income was US $18,750 (Metcalf 1999, 9). In New York, it was US $10,540 (Peterson et al. 1997, 8). In D.C., it was US $17,774 and in Dayton it was US $17,681 (Howell and Peterson 2000, 40). In Milwaukee, 76 percent of choice students were in single, female-headed households. In Cleveland, the figure was 70 percent. In D.C., it was 77 percent and in Dayton it was 76 percent. The standardized tests of choice students before they started private school showed that they averaged below the 31st percentile in Milwaukee, below the 27th percentile in New York, below the 33rd percentile in D.C., and below the 26th percentile in Dayton. In other words, choice students were generally performing in the bottom third academically. If this is cream, then no one needs to go on a diet.

But all of these programs serve very low-income families because their rules require that recipients must earn less than a certain amount. That is, these programs target and successfully reach very disadvantaged children. Would more creaming occur if the income requirements were relaxed? The evaluation of the program in the Edgewood School District in San Antonio helps address this issue. The program in Edgewood requires only that families qualify for a subsidized lunch, which translates into an income level much higher than that required in other programs. And the Edgewood program offered a generous scholarship to everyone in the district who wished to attend private school, creating unlimited potential for creaming.

If choice programs cream the best students, this creaming should have been visible in Edgewood. It was not. When they applied, the math test scores of the students in the choice program were not statistically different from the average Edgewood student. The reading scores of the choice students were higher, but they were both very low, 35 NPR for the choice students versus 28 NPR for the average Edgewood student (Peterson, Myers, and Howell 1999). (An internal Edgewood School District research report, obtained under an open records request, showed no significant test score differences between those students who took the scholarship and those who remained in public school.11) Their family income was the same, US $15,990 versus US $15,939. The percentage living with both a mother and father was the same, 44.8 percent versus 42.7 percent. The mothers of choice students were better educated, but the difference was between an average of 12 and 11 years of
education. In short, some differences existed between choice and average Edgewood families but these differences tended to be small, and both groups could be described as very disadvantaged.

The most damaging thing that one could say about these choice programs with respect to creaming is that they probably attract the more capable of the disadvantaged poor. But if this is creaming, then Food Stamps, Temporary Assistance to Needy Families, and virtually all other anti-poverty programs engage in creaming. Anti-poverty programs generally fail to serve the most dysfunctional of the poor because those people have difficulty taking full advantage of the programs designed to help them. This is not normally seen as an indictment against anti-poverty efforts, but rather as an unfortunate reality that all programs face. Like these anti-poverty programs, school choice programs can be designed to target disadvantaged populations, even if they do not always reach the most disadvantaged of the disadvantaged.

Even if choice does not cream the best students, doesn’t it drain money from the public schools? It all depends on the program’s design. In Cleveland, for example, the state safeguarded the public schools against the financial losses they might suffer from losing students to the voucher program. In Milwaukee, the voucher consisted only of the funds that the state contributes to educate each student, which is about half of the total amount spent by the public schools. Losing students while retaining half of the money normally spent to educate them results in an increase in the per capita expenditure for the remaining students. Of course, there are fixed costs in education, so whether public schools benefit or are harmed financially depends on the extent to which school systems can cut costs when they lose students.

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<thead>
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<th>Table 3</th>
<th>Evidence of Creaming?</th>
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<tr>
<td></td>
<td>Characteristics of Choosers</td>
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<td>Family Income ($)</td>
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<tr>
<td>Milwaukee</td>
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</tr>
<tr>
<td>Cleveland</td>
<td>18,750</td>
</tr>
<tr>
<td>New York</td>
<td>10,540</td>
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<tr>
<td>D.C.</td>
<td>17,774</td>
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<tr>
<td>Dayton</td>
<td>17,681</td>
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<td>San Antonio</td>
<td>15,990</td>
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In Edgewood, the scholarship resulted in the district losing as much as nine-tenths of its funding for each departing student because the district was heavily dependent on state and federal money allocated on a per capita basis. The scholarship program operators probably hoped that placing the district’s funding in jeopardy would provide incentives for the district to improve its schools in order to retain students. In other words, draining money from the public schools, or the possibility of draining money if schools do not respond to the needs of families, might be exactly what we want. Researchers still dispute whether increasing the funding for public schools without changing the organizational incentives is sufficient to cause school improvement.\textsuperscript{13}

From the range of existing and proposed programs, we see that choice could have one of three effects on public school finances: It could take no money from public schools, take some money from schools but increase the per capita expenditure for the remaining students, or threaten significant amounts of money for the public schools if they fail to retain students. The financial impact of choice depends on how the policy is designed, so it is impossible to make a blanket statement about whether or not, or the extent to which, choice drains money from the public system.

In any case, the talent and resources available to the public schools are inputs, not outputs. What is important is whether students and their families, in both public and private schools, benefit from a choice system regardless of how resources are distributed. On this issue, there is less direct evidence available. None of the existing choice programs have been around long enough on a large enough scale to result in much effect, good or bad, on public schools. There are some preliminary indications that public schools are attempting reforms to address the competitive challenge from choice programs. For example, in Milwaukee the public schools have promised to provide individual tutoring to any student not reading at grade level by grade 3. In Edgewood, the district has opened its doors to students from neighbouring school districts to try to offset the loss of students to the privately funded scholarship program. But it is still too early to determine whether these reforms will result in real improvements in the quality of education.

However, a recent study by Harvard economist Caroline Minter Hoxby included in this collection examines the effect of choice on the quality of public and private schools using a very innovative research strategy (1998). Hoxby takes advantage of the fact that some families currently exercise choice by moving to different school districts within
a metropolitan area or by paying tuition to send their children to private school. Some metropolitan areas have more choices available than others because some have more school districts and more private schools. For example, Boston has several school districts in the metropolitan area (e.g. Boston, Brookline, Cambridge, Waltham, etc.), while Miami has only one school district for the entire county.

Hoxby examines whether having more choices is related to higher academic achievement. As one would expect from most economic theory and experience about competition and choice, she finds that the metropolitan areas with more choices have higher academic performance at lower cost than do metropolitan areas with fewer available choices. A one standard deviation increase in the available public school district choices results in a 3 percentile point improvement in test scores and a 4 percent increase in wages for students upon entering the work force, all for 17 percent less per capita expenditure (Hoxby 1998, 144). This is a tremendously important finding.

Hoxby goes on to show that a one standard deviation increase in choices offered by the private sector results in an 8 percentile point improvement in test scores and a 12 percent increase in wages for students upon entering the work force, without any significant change in per capita expenditure (1998, 148). Hoxby concludes: “If private schools in any area receive sufficient resources to subsidize each student by $1,000, the achievement of public school students rises” (1998, 148). Choice appears to help the non-choosers as well as the choosers.

The evidence suggests that school choice does not cream the best students, does not necessarily take money from public schools, and results in better quality education for public school students by providing their schools with incentives to be more attentive to their needs. Of course, evidence on this last point is limited. It is not available from Table 4

Hoxby’s Findings on the Systemic Effects of Choice

<table>
<thead>
<tr>
<th>One Standard Deviation Increase in...</th>
<th>Public School Choices</th>
<th>Private School Choices</th>
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<tr>
<td>Test Scores</td>
<td>3 Percentile Increase</td>
<td>8 Percentile Increase</td>
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<tr>
<td>Wages Later in Life</td>
<td>4 Percent Increase</td>
<td>12 Percent Increase</td>
</tr>
<tr>
<td>Per Pupil Cost</td>
<td>17 Percent Decrease</td>
<td>No Change</td>
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existing voucher programs, but only from the variation in choices available to families in cities across the U. S. The only way to obtain better evidence would be to try some voucher programs on a larger scale to examine their effects on the public schools over time.

**The Effects of School Choice on Civic Values and Integration**

Even if school choice has beneficial academic effects on students, might it not undermine the civic values and integration that we wish schools to promote? These non-academic outcomes may be as important as the test scores that receive so much attention. After all, the development of a system of government-operated schools was motivated as much by concerns over these civic goals as they were over academic success and economic productivity.\(^\text{14}\)

Until recently, there was little empirical examination of this issue. The strongly held assumption that private schools were bastions of segregation and intolerance guided many people’s views. Some empirical studies observed that choosers tended to be somewhat more likely to be white and of higher socio-economic status than non-choosers. Of course, even the choosers in existing programs have very low incomes (all average under US $18,750) and are overwhelmingly drawn from minority families (all programs have more than two-thirds minority students and some have more than 90 percent). Nevertheless, from observations of differences between the race and income of choosers and non-choosers, some researchers concluded that choice contributes to segregation.\(^\text{15}\) But these researchers ignore the fact that many families already choose their public school by choosing where to live. These residential choices greatly contribute to racial and economic segregation in schools, since public schooling is largely determined by highly segregated housing patterns.

The question is not whether choosers differ from non-choosers; the question is whether offering choices leads to more or less segregation than currently exists under our constrained residential choice system. Thus, the appropriate comparison is not between the characteristics of choosers and non-choosers, but between the segregation provided by systems with more or less choice for parents. Comparing segregation in public schools, where many students have not chosen their school, to that found in private schools, where enrolment is completely voluntary, addresses the question more accurately.
Several studies that I have conducted shed light on this issue. One study examined the racial composition of a random sample of public and private school students’ classrooms, collected by the National Education Longitudinal Study (NELS) (Greene 1998). It showed that private school students were significantly more likely to be in classrooms whose racial composition resembled the national proportion of minority students and significantly less likely to be in classrooms that almost entirely consisted of white or minority students. More than a third (37 percent) of private school students were in classrooms with a percentage of minority students that was within 10 percent of the proportion of minority students nationally. Only 18 percent of public school students were in similarly integrated classrooms. And more than half (55 percent) of public school students were in classrooms that were almost entirely white or almost entirely minority in their racial composition, while 41 percent of private school students were similarly segregated. When families chose their schools, as they do in the private sector, more children attended racially mixed classrooms than when families were merely assigned to schools, as they are in the public sector. Choice appears conducive to integration, while government assignment to public school appears conducive to segregation.

In another study colleagues and I observed a random sample of public and private school lunchrooms in Austin and San Antonio, Texas, and recorded where students sat by race (Greene and Mellow 1998). We found that private school students were significantly more likely to be in racially mixed groups at lunch than were public school students. After adjusting for the city, seating restrictions, school size, and student grade level, we found that 79 percent of private school students were in racially mixed groups compared to 43 percent of public school students. Sitting in a racially mixed group was defined as having any one of five adjacent students of a different racial or ethnic group. We found that religious, private schools were better integrated than were secular schools, suggesting that the low tuition typically found at religious schools helped contribute to racial integration. If vouchers or tax-credits further reduced the financial barriers to private school attendance, integration in private schools might be even better.

We also found that public schools with more students from outside their attendance zones, that is, with more magnet program or transfer students, had higher rates of integration. It appears that choice systems, where schooling is detached from housing, are better able to transcend racial segregation in housing patterns. Traditional public schools,
however, appear to replicate and perhaps reinforce racial segregation in housing.

In his recent work Stanford economist Thomas Nechyba arrives at similar conclusions about segregation by income (1999). Relying on policy simulations, Nechyba finds, “By removing education-related incentives for high-income households to separate themselves from poor neighbourhoods, vouchers introduce a desegregating force into society. [And] by reducing housing prices in high quality public school districts and raising them in low quality districts, vouchers help more low-income families afford to live in areas with better public schools” (Heise and Nechyba 1999). In other words, the public school system of attaching schooling to housing has created distortions in housing segregation and pricing. Housing prices are artificially high in areas with desirable public schools and artificially low in areas with undesirable public schools, contributing to more severe sorting of housing patterns by income (and race). By detaching schooling from housing, school choice makes it easier for wealthier families to stay in economically mixed neighbourhoods by giving them easier access to desirable schools. And by reducing the premium placed on housing in areas with good schools, vouchers make it easier for poorer families to move into those areas. It is no wonder that vouchers are most supported by poor inner-city residents and most opposed by well-to-do suburbanites.

But these findings are based on examinations of existing private schools or policy simulations. What would the effects of an actual choice program be on integration? Some evidence from the Cleveland and Milwaukee school choice programs addresses this question. Following a strategy similar to that used to examine the data from the National Educational Longitudinal Study (NELS) sponsored by the US Department of Education, I looked at whether choice students in Cleveland were more likely to attend schools that were racially representative of the broader community and less likely to attend racially homogeneous schools than were public school students (1999). I found that nearly a fifth (19 percent) of voucher recipients in Cleveland attend private schools that have a racial composition that resembles the average racial composition of the Cleveland area (defined as having a proportion of minority students in the school that is within 10 percent of the average proportion of minorities in metropolitan Cleveland). Only 5 percent of public school students in the Cleveland metropolitan area are in comparably integrated schools. More than three-fifths (61 percent) of public school students in metropolitan Cleveland attend schools that are
almost entirely white or almost entirely minority in their racial composition. Half of the students in the Cleveland Scholarship Program are in comparably segregated schools. The amount of integration is not great in either system, but it is markedly better in the choice program.

Howard Fuller and George Mitchell examined racial integration data from Milwaukee, and their findings were similar to those from Cleveland (Fuller and Mitchell 1999, 5). In 1998–99, they observed that 58 percent of Milwaukee public elementary students attended schools with more than 90 percent or fewer than 10 percent minority students. Only 38 percent of elementary school students at a large sample of Milwaukee Catholic schools were in similarly segregated schools. In 1998-99, Catholic schools accounted for more than half of the growth of choice students in the Milwaukee voucher program.

The public systems in Cleveland and Milwaukee, which largely assign students to schools based on where they live, produce highly segregated schools. The school choice programs in those cities allow families to transcend racial segregation in housing to select a racially mixed school. And families are more likely to pick racially mixed schools when their choices are enabled by a voucher than when their choices are enabled by their ability to purchase housing in areas with desired schools. The point is not whether choosers are more likely to be of a certain group than non-choosers. The point is that a voucher system produces more integrated schools than does the existing, more constrained, system of residential choice.

An even deeper fear among choice sceptics is that private schools will promote intolerance and anti-democratic values. Public schools, by virtue of their public control, are assumed to be more likely to instil these desired civic values in students than are privately operated schools. Theorists, such as Amy Gutmann, Stephen Macedo, and Benjamin Barber, make arguments along these lines but they have little to no empirical support for their claims. And while there has been a considerable amount of research developing reliable measures of tolerance in political science (Sullivan, Piereson, and Marcus 1982), until recently no one has examined whether tolerance differs among people educated by different school sectors.

In the past two years, four studies have been conducted to measure the effect of public and private education on political tolerance. Three studies measure tolerance using a version of the tolerance scale developed by John Sullivan and colleagues and one uses a similar approach. Respondents are asked to identify their least liked group from a list.
Table 5  The Effect of School Choice on Integration

Greene, 1998, analysis of data from NELS:
More than a third (37 percent) of private school students were in classrooms with a percentage of minority students that was within 10 percent of the proportion of minority students nationally. Only 18 percent of public school students were in similarly integrated classrooms. And more than half (55 percent) of public school students were in classrooms that were almost entirely white or almost entirely minority in their racial composition, while 41 percent of private school students were similarly segregated.

Greene and Mellow, 1998, Observation of lunchrooms:
After adjusting for the city, seating restrictions, school size, and student grade level, we found that 79 percent of private school students were in racially mixed groups compared to 43 percent of public school students. Sitting in a racially mixed group was defined as having any one of five adjacent students of a different racial or ethnic group.

Nechyba, 1999, policy simulation:
“By removing education-related incentives for high-income households to separate themselves from poor neighborhoods, vouchers introduce a desegregating force into society. [And] by reducing housing prices in high quality public school districts and raising them in low quality districts, vouchers help more low-income families afford to live in areas with better public schools.”

Greene, 1999, analysis of Cleveland choice program:
Nearly a fifth (19 percent) of recipients of a voucher in Cleveland attend private schools that have a racial composition that resembles the average racial composition of the Cleveland area (defined as having a proportion of minority students in the school that is within 10 percent of the average proportion of minorities in metropolitan Cleveland). Only 5 percent of public schools students in the Cleveland metropolitan area are in comparably integrated schools. More than three-fifths (61 percent) of public school students in metropolitan Cleveland attend schools that are almost entirely white or almost entirely minority in their racial composition. Half of the students in the Cleveland Scholarship Program are in comparably segregated schools.

Fuller and Mitchell, 1999, analysis of Milwaukee choice program:
“To … compare racial and ethnic isolation in choice schools and MPS schools, we identified [racially isolated] MPS and Catholic elementary schools … Nearly twice as many MPS elementary students were in racially isolated schools.”
They are then asked whether they would agree to allow members of that group to engage in certain activities, such as holding a rally or running for elected office. The more that respondents agree to allowing members of their least liked group to engage in these activities, the more tolerant they are said to be.

In one study colleagues and I analyzed responses from the Latino National Political Survey (LNPS), a national sample of adult Latinos (Greene, Giammo, and Mellow 1999). Subjects were asked whether they went to a public, private, or foreign school for each grade, and they were asked the tolerance questions developed by Sullivan. Controlling for a variety of background characteristics, we found that adult Latinos educated mostly in private school were more likely to be tolerant than those educated mostly in public or foreign schools. The effect was moderate, but significant. Latinos who received their education entirely in private school were willing to tolerate the political activities of their least-liked group 50 percent of the time compared to 39 percent for Latinos who never attended private school, all other factors held constant.

Rather than being the bastions of intolerance they are sometimes imagined to be, private schools appear to be more successful than public schools at instilling tolerance in their students. And remarkably this private school advantage on tolerance appears to last into the students’ adult lives.

The data from the LNPS reveal other civic benefits of private education. Adults educated in private schools are more likely to vote and more likely to join civic organizations (Greene, Giammo, and Mellow 1999). Receiving all of one’s education in private school increased the rate at which the respondents voted by 14 percent and increased the rate at which they joined voluntary organizations by 8 percent. Government-operated schools, which were created to a large degree for this very purpose, appear to be less capable of promoting desired civic values than chosen and privately-operated schools.

Pat Wolf and colleagues conducted a study of college students at four universities in Texas that also collected measures of tolerance and earlier public and private school attendance (Wolf et al. 2000). That study arrives at the same conclusion as the LNPS study: going to private school is associated with higher, not lower, levels of tolerance, even after controlling for a host of background characteristics. The benefit of having received all of one’s primary and secondary education in private schools is roughly 0.3 of a standard deviation on the tolerance scale, an effect that is fairly large.
David Campbell examined a large national data set of secondary school students that contained a limited set of tolerance items focusing on whether students would tolerate anti-religious activities (2000). These tolerance measures are an especially hard test of whether tolerance is taught well at religious private schools, given their focus on tolerating anti-religious activities. Despite this likely bias, Campbell finds that Catholic school and secular private school students are more likely to be tolerant than public school students. Secular, Catholic, and other religious private schools students outperformed their public school counterparts on other civic measures, such as their experience with volunteering and their willingness to engage in public speaking or write letters on public issues.

Ken Godwin and colleagues also collected data from students who were currently enrolled in public and private schools in New York and Texas and measured their political knowledge, support for democratic norms, and tolerance (Godwin et al. 2001). Measures of political knowledge and support for democratic norms, like measures of tolerance, are well-developed scales based on a series of questions in a survey. The results show that private education has a statistically significant and positive effect on political knowledge and support for democratic norms. The results for tolerance were positive but fell short of statistical significance. The Godwin study, like the LNPS and Texas college student studies, show positive effects of private education on civic values and fail to find negative effects, as many observers would have expected.

It is not entirely clear why private schools promote greater tolerance, political participation, and social involvement among their students. It may be that private schools teach these civic values better than public schools because they are more racially integrated. Some of the expected by-products of integration are greater mutual understanding, tolerance, and social involvement. Indeed, data from NELS show that private school students are more likely to report greater levels of cross-racial friendship and fewer instances of racial fighting than are public school students (Greene 1998). Perhaps private schools are empowered to address the controversial issues raised in the teaching of tolerance and civic values because they are not democratically controlled and do not fear political repercussions. Perhaps private schools simply teach values more effectively than public schools, just as they may teach math and reading better.

Whatever the cause of the higher rates of tolerance, voting, and social involvement of private school students, the fact that these
advantages exist is a striking rejoinder to those who oppose choice on civic grounds. The evidence suggests that we need not fear that giving more students access to private schools will undermine the integration or civic values that we expect schools to provide. If anything, the evidence suggests that expanding private education will help promote these civic goals.

**Conclusion**

Reviewing the recent evidence on the effects of school choice leaves us with a few basic conclusions:

- There is consensus among all eight studies, conducted on five existing choice programs by four different groups of researchers that
choice is beneficial. To be sure, differences exist among these studies, but all have found important benefits of choice for the families that participate in choice programs.

- Choice does not appear to “cream” the best students. In all studies of existing choice programs, the evidence shows that participants have very low family incomes, predominantly come from single-mother households, and have a prior record of low academic performance.
- The existing choice programs are not large enough nor have they operated long enough to reveal much about their effects, positive or negative, on the public school system. However, Hoxby’s work finds that metropolitan areas with more choices available have significantly better outcomes at lower cost. From this examination of the long-standing residential choice system, we can expect that choice is likely to improve public schools.
- Private schools are more likely to be integrated (having a racial composition that resembles the composition of the broader community) and less likely to be segregated (having a racial composition that is almost all white or almost all minority) than are public schools.
- Private schools are more likely to promote tolerance, voting, and social involvement than are public schools.

The finding of positive effects of choice on its participants is remarkably consistent across all studies of existing choice programs and is evidence in which we should have reasonably high confidence. The absence of creaming is another finding that is consistent across all studies of existing choice programs and is evidence in which we should have confidence. The conclusion about the positive effects of choice on public schools is based on an innovative study, but it is only one study. The best current evidence supports the view that choice should help improve public schools, but we cannot know this with greater confidence unless we are willing to try more choice programs on a larger scale.

The findings that choice contributes to higher levels of racial integration and civic values are consistent across several studies with appropriate analytical designs. These conclusions are so at odds with conventional wisdom on the matter, however, that they probably need additional studies to confirm the results with higher confidence. Yet, they are the most solid conclusions we can draw given the available evidence.
But perhaps the most striking finding from the review of school choice research is the absence of evidence about how school choice harms students or society. Given that vouchers cost about half as much as conventional public education, the absence of harm is proof enough that school choice is an attractive option.\(^{17}\) Perhaps we will detect significant damage caused by school choice or perhaps the benefits we have detected will diminish when programs are attempted on a larger scale. Without attempting large scale programs, we will have a hard time knowing.

References


Williams, Joe. 2000. “Ex-Milwaukee evaluator endorses school choice: Opponents of program have used his earlier work to argue it has failed.” The Milwaukee Journal-Sentinel (9 January): 1.


Notes

1. There had earlier been a choice experiment in Alum Rock, but it only included public schools and was so compromised in its implementation that it shed virtually no light on the effects of school choice.


7. These changes in standard deviation are calculated using the variance in the national sample of the Iowa Test of Basic Skills not the variance in the sample examined in Milwaukee. The standard deviation gains would be even larger if we used the Milwaukee sample as the basis of comparison.

Brookings Press), 1998, p. 344. They did, however, differ significantly on their educational expectations, but it is not clear that this was information collected before participation in the choice program.

9 Jay P. Greene, Paul E. Peterson, and Jiangtao Du, “School Choice in Milwaukee: A Randomized Experiment,” Learning From School Choice (Washington, D.C.: Brookings Press), 1998, p. 349. The fact that the benefit does not appear to decline when students who are not in private schools are included in the treatment group suggests that the benefit results from being offered a choice to find a suitable school for each child. For some students that suitable choice may be a private school and for some that suitable choice may be a public school.


11 An internal school district report from the small school choice program in Florida shows the same lack of differences in the test scores of departing and remaining students.

12 It is also true that there are fewer choice students with physical or learning disabilities. In part this may be explained by the differential labeling and segregating of disabled students in public and private schools. In part this may also be explained by the fact that the cost of educating some disabled students far exceeds the amount provided by the scholarship or voucher. It would be interesting to see whether private schools might take on many more disabled students if they were provided with even some of the additional funding that public schools receive for educating those students.


14 In actuality, the development of the public school system was driven to a large degree by fears of Catholic immigrants and the values they would teach their children. This anti-Catholic origin of public schooling has remarkably been replaced with strong myths about the egalitarian and tolerant qualities of public education. See Charles Leslie Glenn, Jr., The Myth of the Common School (Amherst, University of Massachusetts Press) 1988.


17 The privately funded scholarships pay less than $2,000 per pupil while on average public schools spend $6,624, almost three times in constant dollars what
was spent three decades ago. (http://nces.ed.gov/fastfacts/display.asp?id=66) The program in Cleveland pays a little more than $2,000 and the program in Milwaukee pays about half of the per pupil expenditure in Milwaukee public schools. Of course, private schools sometimes receive subsidies from sponsoring religious organizations, but this generally constitutes no more than a few hundred dollars per pupil. And public schools spend some of their money on transportation and special education services, but these do not account for the entirety of the difference between public and private school expenditures. It is also worth remembering that private schools often educate special education students, but they may not always label and segregate those students, allowing for an isolation of those costs.