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in Education:
Forecasting the
Impact

By Clifford F. Thies



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Parental Choice in Education: Forecasting the Impact

By Clifford F. Thies

This year, approximately one million petition signatures have been gathered to place ballot initiatives before voters in Colorado and in California to extend financial aid to parents who send their children to private and religious schools, and who home-school their children.¹ These initiatives represent merely the latest efforts of a nationwide, grassroots movement to gain for parents in America a right enjoyed by parents in almost every other industrial democracy, namely, control of their children's education.

In Germany, Japan, England, and France, in Belgium, Holland, Canada, and Australia, in the emerging democracies of the Hispanic world, the Pacific rim, and the former Soviet empire, governments respect the responsibility of parents for their children, and do not demand that parents pay twice, once in taxes and again in tuition, to exercise this responsibility.

Article 42 of the constitution of the Republic of Ireland declares the family to be the "natural educator" of the child, and "guarantees to respect the inalienable right and duty of parents to educate their children."

Article 23 of the Dutch constitution guarantees government funding on an equal basis for all schools chosen by parents meeting regulatory standards.

The Alberta Act of 1905, whereby that province joined the Canadian confederation, established a right to Catholic or Protestant schools with funding equal to that provided to public schools.

Article 27 of the Spanish constitution guarantees the freedom of parents to choose the religious and moral education of their children, and defines the financial obligations of the government with regard to the same.

In addition to being incorporated into numerous national and state constitutions, parental choice in education has been included in several international agreements. The United Nations' Universal Declaration on Human Rights, for example, clearly states that "parents have a prior right to choose the kind of education that shall be given to their children."

These commitments to parental choice in education sound, and are in fact, idealistic. However, the truth is that, throughout the world, this right has been won the way every civil right has been won, through years, even generations of struggle, through perseverance in the face of frustration, through the consolidation of initially small victories, and ultimately by appealing to people on the basis of justice.

And so it will be in the United States.

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1 Editor's note: On November 3, 1992, the Colorado parental choice initiative was defeated, as was a sales tax increase to finance public schools. Supporters of parental choice in that state plan to follow up in the legislature, or with a more carefully focused citizen initiative, with an emphasis on minimizing the potential cost to the taxpayer. The California parental choice initiative will appear on the Spring 1994 ballot.

We are today in the second great campaign in the United States to gain parental choice in education. The first great campaign occurred during the 1960s and early 1970s. Limited support of parental choice was in fact obtained in several states. In New York, Pennsylvania, and Rhode Island, laws were passed providing financial support for private schooling, including per capita grants and tax relief. Additional support included provision of textbooks, transportation and other services, such as the administration of state-mandated examinations.

This first great campaign to gain parental choice in education was defeated by a series of U.S. Supreme Court decisions that were designed to establish, in Justice Hugo Black's words, a "high and impregnable" wall of separation between church and state.²

Toward the late 1970s, momentum gathered for a second great campaign to gain parental choice. This is the campaign in which we are now engaged.

Part of this second great campaign has been a reconfiguration of the Supreme Court. In 1983, the Court upheld, by a 5-4 vote, an income tax deduction allowed by the state of Minnesota for expenditures incurred for elementary and secondary education, including education at religious schools.³

The stated reasons for allowing the deduction were 1) that the expenditures qualified whether incurred at public as well as private schools, thus evidencing that a public interest, as opposed to a private, religious interest was being served; and 2) that the financial assistance was given to parents, and not to religious schools directly, therefore not entangling church and state.

We might also note that President Reagan's initial appointees to the Court helped to form the one-vote majority for this particular decision. His subsequent appointees, and President Bush's appointees, have since consolidated this new majority.

Another contributing factor to this second great campaign has been the undermining of our public schools through their transformation from locally controlled and financed schools that reflected community values, to increasingly politicized, bureaucratized, and equalized schools.

Our public schools used to be schools of choice. There were some obvious exceptions. In the South, the dual school system assigned children to schools on the basis of skin color. In the North, majority control of public schools alienated the Catholic minority. But for white Protestants, and because of local control and finance, the decision of where to live involved an election of which schools your children would attend.

Ironically, the same crusade against religion that defeated the first great campaign for private school choice also undermined popular support for public schools. The overwhelming majority of

2 The reference is to *Everson v. Board of Education*, 330 U.S. 1 (1947), which dealt with the provision of transportation services to children attending private schools in New Jersey. Although allowed, on a 5-4 vote, the majority argued that state aid to private schools could go no further. That is, the provision of other services offered children attending public students on a non-discriminatory basis to children attending private schools would be presumed to be unconstitutional if these private schools taught religion. In *Lemon v. Kurtzman* and *Earley v. DiCenso*, 403 U.S. 602 (1971), the Court declared Pennsylvania's and Rhode Island's financial support of private schools unconstitutional, even though restricted to expenses incurred in the teaching of secular subjects, arguing that the restrictions would require continuing surveillance to insure against diversion of funds to the teaching of religion, and that such surveillance would excessively entangle church and state. In *Committee for Public Education and Religious Liberty v. Nyquist*, 413 U.S. 756 (1973), the Court declared New York's tuition grants for poorer families and tax credits for wealthier unconstitutional because the funds in both cases went to schools whose primary mission was religious education.

3 *Mueller v. Allen*, 103 S. Ct. 3062 (1983).

parents want their children to be taught religion. This desire was more or less adequately met by the teaching of a non-denominational form of Christianity in the public schools.

But with Justice Black's "high and impregnable" wall of separation, all references to mainstream religious beliefs have been removed from the public schools, and have been replaced by what has been described as the "false neutrality" of the complete absence of religion.

Not only is the complete absence of religion unsatisfactory to many parents, but a variety of beliefs objectionable to many parents have made their way into public schools, such as sex education that seems to endorse promiscuity. As a result, parental choice in education is no longer a Catholic versus non-Catholic issue, but a religious versus non-religious issue, or perhaps I should say a traditional, conservative values versus contemporary, liberal values issue.

A generation ago, public schools were administered on a very decentralized basis. But school district consolidation, cross-town busing, state mandates and control of teachers, textbooks, and curriculum, and a variety of schemes to equalize funding, have effectively turned public schools into instruments of state, as opposed to local, government. This has made local public schools less able to reflect community preferences.

Let's examine school funding equalization. Through the 1960s, public schools were funded primarily by local property taxes. This meant that public schools in poorer districts—central cities and rural areas—were funded at low levels. To be sure, state aid to school districts effectively established a floor, or minimum level of financing, below which funding would not fall. But public schools in wealthier districts—i.e., the suburbs—were funded at higher, often much higher levels.

If you wanted your child to attend a good public school, you had a choice. Were you willing to relocate to a political subdivision with good public schools? Were you willing to buy an expensive home in an exclusive suburb, and pay the higher taxes needed to finance good public schools?

Since the 1960s, however, states have implemented a variety of schemes to reduce the variation in the financing of public schools. In a number of states, state funds are distributed to school districts in order to offset variation in local property taxes. Texas just recently implemented an equalization scheme whereby wealthier school districts will have to share their tax revenues with poorer districts.

As a result of equalization and other state controls of local public schools, the public school system can no longer be as responsive to variation in the demand for education. To be sure, this has not yet become a significant part of the campaign for parental choice in education, but I believe that it has that potential.

Popular Support for Parental Choice in Education

In the last year, popular support for parental choice in education has increased dramatically. During the 1980s, the Gallup Organization found that from 43 to 51 percent of Americans supported vouchers that could be used at "any public, parochial or private school." While not always an outright majority, support always exceeded opposition.

But, this year, the Gallup Organization found that 70 percent favored vouchers, only 27 percent opposed. This finding is verified by a *Business Week*/Harris Poll that showed that 69 percent favored vouchers, and by a survey of African Americans conducted for the Joint Center for Political and Economic Studies that found 88 percent support.

A survey conducted by Florida State University found that 63 percent supported parental choice, and a survey conducted for the Wisconsin Policy Research Institute found that 70 percent of Wisconsin supported parental choice.

Consistently, parental choice in education is found to be most favored by the poor, by minorities, and by residents of central cities.

At this point, I should comment on the poll recently released by the Carnegie Foundation. In this survey, people were asked if vouchers should be used to enable a child to attend “a private school at public expense.”

Let me ask for a show of hands. How many of you would support vouchers for *all* schools, public, private and religious. Okay, how many of you would support vouchers *only* for private schools?

Is there any surprise that the Carnegie Foundation found that only 32 percent favored vouchers for only private schools? In fact, a number of surveys, including ones conducted by the Gallup Organization, have demonstrated that while Americans support vouchers for all schools they oppose vouchers only for private schools.

Americans believe that public money should benefit all children; not the few (those who attend private school) nor even the many (those who attend public schools), but all. And, in particular, that every child should have at least a decent education, including children in central cities where public schools not only fail their education function, but aren't even safe; and including children of parents whose deeply held religious views make secularized public schools an unacceptable choice.

Cost to the Taxpayer

Both the Colorado and California parental choice proposals involve extending vouchers to parents whose children attend private or religious schools, or who are home-schooled, which would be worth up to half the cost of educating a child in the local public school district. If such a plan were to be implemented, what would be its cost?

The education establishment has only looked at the cost of extending financial aid to children currently in private or religious schools, or being home-schooled. They give no consideration to the fact that some children who would attend public school would switch to the private sector if financial support were forthcoming. The potential savings from reduced public school enrollments are ignored. This a static, fixed-pie view of the world.

What else would you expect from economists employed by the education establishment?

In California, the Legislative Analyst Office forecasts that the cost of that state's parental choice proposal would be \$1.7 billion on the assumption that all 650,000 students currently in private or religious schools, or being home-schooled, would redeem the proposed voucher at a value of \$2,600 each. Not one student in a public school would switch to a private or religious school, or to home-schooling.

In Colorado, the Office of State Planning and Budgeting forecasted a cost of \$195 million, on the assumption that 65,000 students currently in private or religious schools, or being home-schooled, would redeem the proposed vouchers at a value of \$3,000 each. Again, not one student in a public school would switch to a private or religious school, or to home-schooling.

Economic theory, the experience with parental choice in other industrial democracies, the experience in the United States in higher education, one after another survey of parents' willingness to switch upon being offered education vouchers, Wisconsin's demonstration project in Milwaukee, and private demonstration projects in Indianapolis, Indiana, Atlanta, Georgia, and elsewhere, all argue that the assumption that not one student would switch is wrong. Some children will certainly switch to private and religious schools, and to home-schooling. The questions are how many, and how fast.

But, for a moment, let's ignore the potential savings of parental choice in education. What if not one student were to switch? The forecasts of the education establishment say that public funding for education would have to be increased by something like 4 percent.

Would this be too high a price to pay for fairness in educational funding, so that parents with strongly held religious views need not be forced to pay twice for education, once in taxes, and again in tuition?

Would this be too high a price to pay to insure that every American child, including those in our central cities, would have access to a good school, a safe school, a school where teachers send their own students?

When you think of it this way, even if parental choice in education were to increase public funding for education by a small amount, it would be money well spent. But it's obvious that parental choice will save tax money, not increase the costs of education borne by the taxpayer.

Let's review the world of evidence regarding the responsiveness of primary and secondary school enrollment to economic incentives. First, let's look at public-private choice in other industrial democracies. International comparisons are difficult to make because of differences in the meaning of "public schools," because some public schools teach religion and others don't, and because of variation in the level of financial support given private and religious schools.

At one extreme, there is The Netherlands where over 70 percent of the children attend independent schools, most of them being either Protestant or Catholic. The reasons why the private sector is so large in this country are: 1) that public schools are secularized; and 2) full funding is provided schools in the private sector.

Most comparable to the Colorado and California parental choice plans are Australia, France, and the United Kingdom. In these countries, the public schools are more or less secular, and only partial support is given to private and religious schools. The sizes of the private sectors of these countries are given in the table on the following page as 22 percent, 15 percent, and 26 percent, for an average of 21 percent.⁴

This average suggests that, with their proposed parental plans, the private sector would more than double in Colorado and California. Therefore, the cost of extending financial aid to children in private and religious schools, and being home-schooled, would be more than offset by the savings that would accrue from the transfer of children from the public sector to the private sector.

Next, let's look at survey data. Parents of public school children indicate that, if they are given vouchers, transfers to the private sector may be much higher. A 1982 survey conducted for the U.S. Department of Education found that from 23.5 percent to 44.6 percent of parents of public school children would be "very likely" or "somewhat likely" to transfer them to private and religious schools, depending on the size of the voucher.

A 1986 Gallup Organization survey found that a modest voucher would induce 27 percent of parents of public school children to transfer their children to private and religious schools. A recent poll conducted by the Reason Foundation of parents of public school students in the Los Angeles school district found that 52 percent would take advantage of that state's proposed voucher.

In Wisconsin, up to 53.4 percent would send their children to private or religious schools if it didn't cost them anything extra. Even the Carnegie Foundation survey, which must be considered

4 In recent years the private sectors have grown in these countries, so the current average would be larger.

suspect, found that 19 percent of parents of public school children would transfer them to private schools.

These surveys indicate that the private sector would at least double, and more probably triple in size with the implementation of a Colorado or California-type voucher plan. Instead of increasing the taxes required for primary and secondary education, these proposals would more probably reduce the taxes required, and certainly would not increase the taxes required.

Parental Choice in Education in Selected Countries			
	Status of Religion In Public Schools	Support for Private Schools	Students Attending Private Schools¹
Australia	Secular	Partial	22%
Belgium	Christian	Full	51%
Canada	Varies	Varies	5% ²
France	Secular	Partial	15%
Germany	Christian	Varies	1%, 4%
Ireland	Christian	Full	20%, 50%
Japan	Secular	— ³	1%, 28%
Netherlands	Secular	Full	71%
United Kingdom	Secular	Partial	20% ⁴
United States	Secular	None	9%

¹ If two numbers, students in primary then secondary schools.
² Plus additional students in "separate" public schools.
³ Partial support for senior high schools only.
⁴ Plus 6 percent in non-supported private schools.
Source: 1988 *World Education Encyclopedia*.

And, yet, while the cost of education borne by the taxpayer would probably go down, the total amount spent on education—public money plus private tuition—would certainly go up. This is because, with more variety, quality in the eyes of the customer will go up. With higher quality, people’s willingness to spend on education will go up.

To quantify the potential impact of parental choice in education, I developed a simulation model in which parents of varying incomes, and with varying preferences for private and religious education, with varying qualities of local public schools, and with versus without vouchers, choose between public and private schools. I tried to make the parameters of the simulation model realistic, but of course there’s no guarantee that the forecasts of the model will prove to be precise. The model’s purpose is to illustrate what could happen with parental choice.

With vouchers equal to half the money spent per student in local public schools, my simulation model predicts that the cost of education borne by the taxpayer, including the cost of public schools and of the vouchers redeemed by those attending private and religious schools, will decrease by 14 percent; and that the total spent on education, including public money and private tuition, will go up by 7 percent. These results reflect the responsiveness of private and religious school choice due to the change in economic incentives effected by the introduction of vouchers.

How will these changes in enrollment come about? Will there be a massive and disruptive re-registration of students currently enrolled in public schools?

In some particularly awful public school districts this might happen. But if public schools are so bad that parents would—after their children have already begun their education—withdraw them from public schools and re-register them in private and religious schools, then it’s about time that happens.

But, by and large, public schools are not so bad that parents would disrupt the education of their children that have already begun their education. Besides, unless the education establishment were to embrace the concept of re-chartering public schools, there are physical limitations to quick expansion.

sion of the private sector. The shift to private and religious schools will basically occur slowly over time, and in the absorption of growth by the private sector.

This, in fact, has been the experience in other countries. In Holland, initial, partial support of parental choice in education was obtained in 1889; and full support was obtained in 1920. These changes coincided with long-term, year-by-year growth of the private sector.

From 1890 to 1920, enrollment in private schools in the primary grades increased from about 30 percent to about 40 percent. Then, from 1920 to 1940, enrollment in private schools in the primary grades further increased to about 70 percent. In the secondary grades, the shift to the private sector took longer, reaching about 70 percent in 1960.

For a more recent example, in British Columbia, Canada, partial support of parental choice was begun in 1978. This support consists of per capita grants to qualifying private and religious schools amounting to 30 percent of the per-pupil cost of public school instruction. Since then, private school enrollment has increased from about 4 percent to about 7 percent.

In British Columbia, it took about four years for the cost of extending aid to students already in private and religious schools to be offset by savings due to the increase in the private sector. Since the private sector has continued to grow, implementation of parental support nowadays saves the taxpayers money.

The charter school idea explicitly incorporated into the California parental choice initiative, and which could be legislatively added to the Colorado initiative, has the potential of dramatically, and non-disruptively accelerating the switch of students from the public to the private sector. However, because this idea is so innovative, its impact would be impossible to forecast.

That the United States Constitution has no explicit reference to the responsible freedom of parents to direct the education of their children reflects the innocence of our nation, in this matter, at its founding. We had not yet eaten of the tree of the knowledge of state education.

Until recently our public schools were locally controlled and financed, and incorporated the values of the community. But, today, they are heavily bureaucratic, extensions of state as opposed to local government, and instruments of would-be social engineers.

Other countries have constitutional-level protection of the family *because* they went through the essentially religious war we have only recently entered into, a struggle to determine to whom God has entrusted our children: to their parents, or to the state.

From the attack on church schools conducted by the Third Republic in France, as well as by Bismarck's Kulturkampf in Germany, to the nationalization of schools by various socialist regimes in this century, to Hitler's dictum "this Reich will hand over its children to no one," those who worship the state envy the authority of parents over children.

But, as Moses said unto Pharaoh, after that king would have allowed the men of Israel to leave, "We will go with our young and with our old, with our sons and with our daughters, with our flocks and with our herds will we go; for we must hold a feast unto the Lord."