



## The Impact of School Choice on Public Schools

In new research, noted economist Caroline M. Hoxby "present[s] evidence on three recent choice reforms: vouchers in Milwaukee, charter schools in Michigan, and charter schools in Arizona." In each case, Hoxby finds "that regular public schools boosted their productivity when exposed to competition."<sup>i</sup> Hoxby is an economist at Harvard University and the National Bureau of Economic Research. Her previous work and her new research explore the impact on public school productivity<sup>ii</sup> of traditional and newer forms of school choice.

**Traditional choice.** The main forms of traditional choice involve parents choosing among public school districts by their residential choice and parents using their own resources to select a private school. Hoxby's previous research finds a positive, statistically significant relationship between the availability of traditional choices and public school productivity.

**New forms of choice.** Newer forms of parent choice include tax-supported charter schools and tax-supported vouchers that let low-income parents choose private schools. Hoxby's new paper analyzes whether such programs in Milwaukee, Arizona, and Michigan affect the achievement of local public school students.

**Milwaukee.** Hoxby says the 1998 expansion of Milwaukee's voucher program caused statistically significant gains in the productivity of the Milwaukee Public Schools (MPS). Hoxby analyzed MPS schools most likely to have been affected by competition and those less likely to have been affected by competition. She compares achievement at these schools before and after significant competition from the expansion of the voucher program. She also reviews achievement in a control group of other Wisconsin public schools that have similar demographics as in MPS schools exposed to vouchers but where there are no vouchers.

Schools mostly likely to lose students to vouchers raised their productivity more than other MPS schools and more than other comparable public schools outside Milwaukee. Hoxby states, "Overall, an evaluation of Milwaukee suggests that public schools have a strong, positive response to competition from vouchers...[S]chools that faced the most potential competition from vouchers had the best productivity response," (p. 40).

**Michigan and Arizona Charter Schools.** Hoxby also investigated the response of traditional public schools to charter school programs in Michigan and Arizona. In Michigan, she finds that "when a regular public school faces charter competition at or above six percent of local enrollment, its productivity rises," (p. 45). In Arizona, she finds that public schools responded positively when charter competition draw three percent of local enrollment.

<sup>i</sup> Caroline M. Hoxby, "School Choice and School Productivity (or could School Choice be a Tide that Lifts All Boats?)," presented at the Conference of the Economics of School Choice, February 22-24, 2001, Cheeca Lodge, Islamorada, FL.

<sup>ii</sup> Hoxby explains her standard for school productivity as follows: "A school that is more productive is one that produces higher achievement in its pupils for each dollar it spends," (p. 1). Further, in this study, rising school productivity was due to rising student achievement, and not simply because per pupil spending fell (with achievement held constant).