

A Literature Review of the Studies on School Voucher Systems

Prepared for Parents for Choice in Education

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1) Introduction

In reviewing the results of voucher studies, it is important to keep in mind what it is that we are advocating for. What are the outcomes that we desire? As one strong opponent of publicly funded non-government schools has pointed out, the findings of each study will apply most accurately to the context of that particular voucher program. It is also important to keep in mind that each study will have a different approach, different variables that they will control, different groups to use as a control group and different lengths of time to perform the study over.¹ Another key principle to keep in mind while examining voucher systems is that it is imperative to examine “how regulation and financing of independent schools could be improved to maximize the potential for improvements.”²

In general, vouchers have a good effect when viewed across the world. The general results of a world wide meta study in 2016 on the subject have established that “Generally, the impacts are larger (1) for reading than for math, (2) for programs outside the US relative to those within the US, and (3) for publicly-funded programs relative to privately-funded programs.”³

The following is a synthesis of the results of my overview of the literature on vouchers all around the world. It has been reviewed by Stuart Wachowicz and I inserted his comments where appropriate. Here is the link to the literature review matrix that I created to keep track of all of the studies:

https://docs.google.com/spreadsheets/d/1tgJ4WN-4HrlyMBYv7ctq6g_3It4pRYqOMIyAqbtDacE/edit?usp=sharing

2) What types of Vouchers are there?

Vouchers are a way to direct government funds to individuals to enable them to purchase a particular product or service. An educational voucher system involves money following a child and allows parents to choose between government and non-government schools. Vouchers can be issued to cover all educational expenses or only some categories such as tuition, transportation or special education. The value of vouchers can also be adjusted for household income, student grade level or other considerations.

¹ Center Education Policy, 2011

² Sahlgern, 2016

³ Shakeel, Anderson, and Wolf, 2016

There are three broad categories that vouchers can fall under: free market or completely unregulated vouchers, egalitarian vouchers that are income based, and mixed vouchers.⁴ Universal vouchers can be used by all students within a jurisdiction regardless of any socio-economic characteristics.

3) Why Vouchers?

a) Do vouchers promote a free market economy?

“A fable may dramatize the true source of the nation’s present discontent with our public schools: Suppose that, 50 or 75 years ago the U.S. had adopted the same institutional arrangements for the distribution of food as it did adopt for elementary and secondary schools. Suppose, that is, that the retail provision of groceries had been nationalized, that food was paid for by taxes and distributed by government-run stores. Each family would be assigned to a store, as it is now assigned to a school, on the basis of its location. It would be entitled to receive, without direct payment, a collection of foods, as its children are entitled to receive a collection of classes. It would be able to choose among foods, as its children choose among subjects. Presumably, this would be done by giving each family some number of ration points and assigning point prices to various foods. Private grocery stores would be permitted (just as private schools are), but persons shopping in them would be taxed for the support of the public stores just the same.”⁵ The problem is that vouchers also fail to meet free market principles as exemplified by this analogy. We don’t issue vouchers for people to buy groceries. Or when we did, we lived under Soviet rule.

Should we support the concept of “educational vouchers, which denies the freedom to choose to people who do not wish to subsidize the education of other people’s children?”⁶ Proponents of vouchers as a means of attaining free-market type conditions to foster improvement are ignoring instead of subsidizing schools that the government is subsidizing students. Coercive taxation is still occurring. Compulsory education and government mandated curriculum are still being accepted.⁷ We cannot pretend to be arguing for vouchers simply because they are conducive to a free market economy.

⁴ Brouillette, 2001

⁵ <https://www.edchoice.org/who-we-are/our-founders/the-friedmans-on-school-choice/article/selling-school-like-groceries-the-voucher-idea/> (New York Times, 1975)

⁶ Reel, 2013 p. 1

⁷ Reel, 2013

b) Reasons given for choosing vouchers-

Some studies start out by expressing the idea that "a schooling system is unjust if one's right to make choices is somehow limited by one's resources."⁸ It is interesting that proponents of vouchers and opposers of vouchers both use the need for the government to correct inequalities in society to argue their point.

A 2011 review of the effect of school vouchers pointed out how the rhetoric of voucher proponents has shifted from trying to help the disadvantaged to increasing graduation rates, improving parent satisfaction, and finally by praising the value of choice in and of itself.⁹

In 2010, Frederick Hess, an observer of education issues, pointed out that the reasons given for school choice were chosen from among all the possible reasons based on their marketability. Hess lists four groups that were advocating for school choice.

- 1) religious schools wanting freedom for religious practices
- 2) proponents of the market friendly agenda as proposed by Milton Friedman
- 3) teachers who wanted freedom from bureaucracy
- 4) African-American leaders "seeking good, safe schools for urban children stuck in horrendously mismanaged districts."

The last group was the winner in the efforts of the 1990 push for the Milwaukee voucher program. Social justice was just the best messaging device at the time.¹⁰

Nevertheless, parents were found to be mostly concerned with educational quality in a study done of a universal voucher system in a middle- and upper-income suburban/rural school district in the US. When controlled for various background variables, parents were not found to be concerned with school safety or religious values.¹¹

⁸ Guillemette, 2007

⁹ Center on Education Policy, 2011

¹⁰ Hess, Frederick, 2010, <https://www.nationalaffairs.com/publications/detail/does-school-choice-work>

¹¹ Carpenter, 2015

4) Things that affect Vouchers-

a) Regulations-

Regulations will affect the choice of schools to be a part of the voucher program. If the voucher is not enough to cover all costs, and extra fees cannot be charged, then there is a financial incentive to not join the voucher program. Another way that regulations can burden schools, is the requirement of standardized tests, financial audits, the requirement to surrender admissions policies to the state, and conform to teacher certification standards. Complying with these requirements not only costs money, but could make it impossible for a school to fulfill its reason for being.¹²

- A US study of choice programs in three jurisdictions found that higher quality private schools are less likely to participate in highly regulated voucher programs.¹³
- One study sent out questionnaires to private schools with a randomized set of restrictions and asked the schools how willing they would be to participate in a voucher program in the coming year. They found that relative to no regulations the likelihood of participation of private schools was reduced by 70%. State standardized testing requirements reduced the likelihood of participation by 44%.
- In contrast to the theoretical fears explained in the first paragraph there was no evidence in the study that used questionnaires on theoretical restrictions, that not being able to charge extra fees would affect the likelihood of participation.¹⁴
- Showing that the results of studies need to be interpreted carefully, in a study of special education school vouchers in the US, it was found that voucher recipients were of higher income in cases where regulations allowed for extra costs to be paid to attend the school that accepted the voucher.¹⁵

¹² Sude, DeAngelis, and Wolf (2017)

¹³ Sude, DeAngelis, and Wolf (2017)

¹⁴ DeAngelis, 2018

¹⁵ Centre on Education Policy, 2017

b) Amount of Voucher-

Studies have found that when the amount of the voucher is increased, then the effect of the voucher increases. The effect is even stronger as more people can take advantage of the voucher. For example, the improving effect of the voucher program was only observed in Milwaukee in the second phase of the program when the amount of the voucher was raised, more students had access to the vouchers and the program allowed religious schools to accept the vouchers. There were more statistically significant improvements in academic outcomes.¹⁶

How much of the fees the voucher covers also affects the voucher program's outcome as remarked on in the previous section. Here I insert Stuart Wachowicz's comments. His opinion is backed up by the outcomes of many if not most of the studies I reviewed: If vouchers are to be employed effectively and fairly, they must be the entire education amount for that student and their grade level, bringing with them funds for instruction, facilities, transportation etc. They also must be UNADJUSTED for income of the parent. Adjusting for income destroys the intent and availability of choice for the multi child family, especially of the middle income earners. For them and for upper income earners, they would still have to pick up the difference out of their own resources, effectively being taxed a second time for education, and education surcharge if you will. This is unfair and reduces availability if several children are involved.

c) Parents' motivation and socio-economic characteristics-

Often the positive effects of a voucher program will be discounted as something that only the already advantaged can enjoy. More motivated parents with higher education, more income or some other advantage should not be the only ones benefitting from the vouchers according to the critics.¹⁷ There are concerns that school choice does not offer the poor and less advantaged better opportunities.¹⁸

In the case of Chili it was found that parents tended to choose a school based on academic profiles only from amongst schools with similar student demographics to their own.¹⁹ It has to be noted, that even after the voucher program ran for a while that the parents' preferences for enrolling their children in schools of similar demographics to their own did not change!!²⁰

¹⁶ Chakrabarti, 2007

¹⁷ Böhlmark, 2015

¹⁸ Miron, 2012

¹⁹ Portales and Heilig, 2014

²⁰ Ferguson and Kober, 2017

5) Benefits/Costs-

In the 4th edition of a comprehensive study on the effects of school choice programs in the United States done in 2016, the authors found that the size of the benefit provided by school choice programs is hindered by the limits of the voucher programs. Based on many years of repeated studies, the authors argue that a universal educational choice program, that is one that is available to all students, would deliver dramatic improvement in all of the five following areas: academic outcomes of choice participants, academic outcomes of the public schools left behind, fiscal impact on taxpayers and the public schools, racial segregation and the inculcation of civic values.²¹

a) Educational Choice offers a benefit that cannot be measured-

i) Family Values

Long time explorers of school choice have stated, “We suspect that parents are also concerned about how well schools form their sons and daughters for a future family life. That is, parents hope that schools maximize their children’s chances of forming a strong family later in life and minimize their chances of forming their own family before they are married or ready to be a parent.” This report found evidence that students who attend private schools have fewer children out of wedlock and tend to stay married.²²

These are values that are arguably good for a country, however the characteristics elude empirical analysis. Theory suggests that people make choices based on what they believe to be the best match for their children, and those choices lead to incentives for individual schools to improve. This result is borne out by a study that found that making it less costly for all parents to opt out of their local public school resulted in the best supply of quality schools.²³

The value that religious schools have to offer is something that should be accounted for when regulating voucher programs according to an examination of the matter. In the US chartered schools were only allowed to function as secular schools in the United States. Even though many schools tried to fit in religious education as after school activities, the study found that the value that Catholic schools had to offer was lost in the jurisdiction it examined.²⁴

²¹ Forster, 2016

²² Cheng, 2020

²³ DeAngelis, 2018

²⁴ Garnett, 2012

ii) Civics

In a 2018, study done of the 14 States that have school voucher programs, it was found that the programs were exempted from regulation of their curriculum design. The study made the point that public money should go towards forming good citizens which requires a certain amount of civics education.²⁵ Earlier, in 2007, an examination of 21 studies of the effects of choice in civic values revealed that the effect of increasing choice usually did not affect the teaching of civics or increased it. Only 5 percent of the studies found some statistically significant negative correlation.²⁶

b) Academic implications-

i) Evidence of causation between improved outcomes and the introduction of voucher systems:

- In an over view of 21 studies done on seven locations in the USA (mostly Florida and Wisconsin) it was found that the competition effects from voucher or tax credit programs was neutral to positive. ²⁷
- Eighteen empirical studies have examined academic outcomes for school choice participants using random assignment, the gold standard of social science. Of those, six find that all students benefit and eight find some benefit.²⁸
- Students receiving vouchers graduate at a higher rate than their counter parts. This result has been noted in a number of studies in the US. The criticism of these findings is that the studies probably do not reflect the impact of the vouchers so much as the impact of having parents “who were sufficiently motivated to seek out a voucher.” In addition some of the benefits became less significant in a small subset of these studies once socio-economic characteristics were accounted for. ²⁹

²⁵ Merritt, 2018

²⁶ Wolf, Patrick, 2007

²⁷ Egalite (2013)

²⁸ Forster, 2016

²⁹ Center on Education Olicy, 2011

ii) No Evidence of causation between outcomes and the introduction of voucher systems:

- In the study of 18 empirical studies referred to above, two found no visible effect.³⁰
- In a study arguing for the harmful effects of school choice programs the author lists numerous studies. Not all of the papers cited have clear evidence of detrimental evidence of voucher systems.³¹ Some studies did not measure the effect of vouchers so much as they measured the effect of what happens when the vouchers being distributed are not enough to cover the expenses.³² Examining the value of these studies is worth further consideration.

iii) Evidence of causation between negative outcomes and the introduction of voucher systems:

- Out of 18 studies mentioned above, two studies find Louisiana's voucher program had a negative effect. The negative effect was not necessarily due to the vouchers though as it was found that most of the eligible private schools were scared away from the program by an expectation of hostile future action from regulators.³³
- A study that advocates against the move towards a free market model of education found that school voucher plans have a negative impact in terms of educational inequality, school segregation, 'cream-skimming' of students, narrowing of the curriculum and teaching to the test"³⁴
- A comprehensive analysis by impartial authors looked at one of the largest voucher program in the US in Ohio. Their most unfortunate finding was that eligible students who came from relatively high-performing public schools and switched to private schools appear to have fare considerably worse than they would have performed had they remained in the public schools. The authors acknowledge that their data was limited in a certain sense, but they urged that "the causes of these performance differences—related to differences in school quality, test-curriculum alignment, or other factors" should be examined.³⁵

³⁰ Forster, 2016

³¹ Sorensen, 2007

³² <https://www.washingtonexaminer.com/the-real-problem-with-school-voucher-programs>

³³ Forster, 2016

³⁴ Sorensen, 2017, p. 16

³⁵ Figlio, David and Karbownik, Krzysztof, 2016

- Yet another study found that there are negative effects on academic performance for students who take advantage of the voucher plan and attend private schools. The study ask if this was due to a predominant number of schools participating in the program.³⁶

The schools in the study did charge below average tuition, so instead of testing “whether students attending private schools through voucher programs perform better than peers in public schools” they ended up testing if “they perform better at half the cost.”³⁷ It was also noticed in Milwaukee, that even the public schools improved once the amount of money that was given to students to go to private schools was increased.³⁸

- A study of a Louisiana voucher program for low-income students in low-performing public schools found that there were negative test results over all for students in the program and no discernible improvement in the long term outcome after graduation.

However, Louisiana makes it easier for less poor families to send their children to private schools with an up to \$5000 tax deduction. The better schools may not have wanted to participate in the voucher programs when their tuition paying families had could benefit from the tax deduction.³⁹ Even the researchers of the study had to say that test scores are of limited efficacy to test academic outcomes. They also noted that test results were half as bad when another test was used. This test was less aligned to the public-school curriculum.

c) Implications for Public Schools-

Many empirical studies show that vouchers enabling students to go to private schools caused improvements in public schools:

- One meta analysis found that 18 out 19 studies they examined showed this reliably.⁴⁰
- There is much evidence that the students who remain in public schools are not impacted harmfully.^{41 42}

³⁶ Abdulkadiroglu, 2015

³⁷ <https://www.washingtonexaminer.com/the-real-problem-with-school-voucher-programs>

³⁸ Chakrabarti, 2007

³⁹ Wolf, 2019

⁴⁰ Forster, 2011

⁴¹ Scafidi, 2012

⁴² Forster, 2011

d) Financial implications-

In examining the costs associated with vouchers there are two numbers that are worth paying attentions to:

1. What are the costs directly associated with educating a given student and that would not be spent if that student were not enrolled? These costs are commonly referred to as variable costs.
2. How many students would have attended public schools without the financial assistance of the voucher program? These students are commonly referred to as switchers.⁴³

ii) Financial implications for schools-

It is important to examine the effects of private school choice policies on school budgets. This is because certain expenses such as curriculum design, technology and administration will not change when a handful of students accept private school scholarships. To a certain point the number of teachers and size of building that needs to be maintained when a handful of students leave also does not change. However, the district must cover those same expenses with decreased funds if the funds follow the switchers.

Interestingly, this has not found to be a problem in a study done in Florida, which had the highest participation in private school choice programs in the country at the time of the study.⁴⁴

iii) Financial implications for Tax payers-

- In a study done of the Milwaukee Parental Choice program, it was found at first that the benefits were unevenly distributed. At first taxpayers in certain areas incurred increased costs because of the increased property taxes that had to be paid out to compensate for students leaving the public system. Over time, the cost to tax payers decreased, while the benefit to the schools and students remained the same or increased.⁴⁵

⁴³ Lueken, 2018

⁴⁴ Cunnigham, 2013

⁴⁵ Costrell, 2010

- In a comprehensive study of the fiscal effects of all school voucher programs in the United States done in 2018, it was found that when done right, no study was able to show that voucher programs results in a net negative fiscal impact on taxpayers.⁴⁶
- This result echoes the result of another study in Louisiana that looked at the cost of eliminating the voucher programs. It found that only 2 to 7 of the 69 school districts examined would benefit from the elimination of the voucher program.⁴⁷ Many other studies show the same results.⁴⁸
- The impact on the tax payer is dependent on how the programs are designed. A study on the cost savings incurred by a voucher program for special needs students in Arkansas showed a cost savings just over one year of the program.⁴⁹ But a study of a much larger program giving aid for special needs students in Wisconsin found that there was a reduction in overall funding to one third of the districts examined due to the way the funding of the program was designed.⁵⁰

e) Socio-Economic implications for students

Social stratification is commonly seen as a problem. There is evidence that parents do not see it that way. As mentioned before, a 2014 review of the Chilean voucher system noted that it has been found that parents tended choose schools only from amongst schools with similar student demographics to their own.⁵¹ In Toronto there are two Afrocentric schools.⁵²

The 2014 review of the Chilean voucher system shows that while benefits do accrue to large numbers of families, these are middle class families. The poor families in high poverty areas are excluded from the benefits of the system and tend to remain at their neighborhood schools.⁵³

The following are interesting questions proposed by a thoughtful critic of the move towards public funding of private schools. Sorensen recommends that teachers' Unions ask about every voucher program:

⁴⁶ Lueken, 2018

⁴⁷ Trivitt, 2016

⁴⁸ Spalding, 2014 and Gray 2016

⁴⁹ Trivitt, 2018

⁵⁰ Department of Public Instruction, 2018

⁵¹ Portales and Heilig, 2014

⁵² <https://www.tdsb.on.ca/High-School/Going-to-High-School/Specialized-Schools-and-Programs/Africentric-Secondary-Programs>

⁵³ Portales and Heilig, 2014

- Which social groups stand to gain and which stand to lose from school vouchers?
- Is privatisation (and profit-making) strongly promoted politically with sweeping allegations that the public system has failed?
- Where should the limits for school choice go?
- To what extent should market justice and the associated ‘right to choose’ override social justice?
- How can teacher unions inspire a more informed debate about the broader impact of market-making in education – thereby going beyond educating parents and their children for individualised consumer-democracy?”⁵⁴

6) Rural Considerations

If the voucher system does not provide money for school infrastructure, this could create a problem for rural schools that may not be able to cover the basic infrastructure needed due to lack of the funds that are needed to take advantage of the economies of scale from enough students. One study suggests that creating the conditions for competition could be created by allowing different providers to operate within the same school.⁵⁵ It also suggests the solution of e-learning. This is a question that is dealt with in the literature, but it did not include an examination of vouchers, so it fell outside of the scope of this review.

For rural students, especially in more remote areas, even with vouchers, there is effectively no choice due to the unavailability of sufficient student numbers to populate alternative programming. Thus vouchers would be effective only in higher populated rural areas or urban settings.⁵⁶

⁵⁴ Sorensen, 2017

⁵⁵ Guillemette, 2007

⁵⁶ Stuart Wachowicz’s input

7) Kinds of Vouchers used in various Countries-

The outcomes of studies from around the world are summarized in a chart for ease and speed of overview. Please use the following link to access the chart:

<https://docs.google.com/spreadsheets/d/1z4lo6M4UiE1-Mn682KpbVuaEKkqfoB9qcXmze136BW8/edit?usp=sharing>

8) Final Questions:

Education can be either completely privatized or the government can collect taxes to pay for it. If education is completely privatized, then only those who want educational services will pay for the services that they choose. Education then will be delivered to the market like any other good. If education is paid for by tax dollars collected by the government, then the government will necessarily have a role in regulating education. That being said, most people do want education to be regulated in some way by the government. It could also be argued that education is a public good that all citizens would like to contribute towards even if their tax dollars are not going towards the education of their own children.

Our board member Stuart Wachowicz has vast experience in the education system and working with various governments. His perspective is important to include here: [Vouchers] are a last ditch effort to provide quality education to those parents who can effectively use them to improve their child's educational experience. The real issue is why governments and education departments have allowed philosophies and practices, so detrimental to education to become rampant in public education.

Thus advocating for vouchers is really a pressure tactic on government to try and cause them to make positive reforms to education, which must include more comprehensive knowledge and skill based curricula, standardized assessment which is the only way to ensure reforms are implemented and in so doing move schools away from being agents of social engineering and change, to be primarily knowledge and skill learning centers, allowing parents to shape the morals and attitudes of their children.

Presuming that education is a public good that all citizens do want to support with their tax dollars, the government does have to find a way to apply tax dollars to education in a way that produces the best educational outcome possible. PCE is looking at vouchers as a means to improving freedom of choice.

As a result of my literature review a few questions arise:

1) What is the goal of the vouchers?

If it is to improve the quality of education, it cannot be argued that using vouchers will enable free market forces to increase competition and thereby improve the quality of the product offered. The forces will not be free market forces. Studies have observed what seem like improved outcomes in school that look like competitive effects, but if we use the wrong reasons to back our position then it is too easy for our opponents to discredit what we say.⁵⁷

If the goal is to offer parents the choice of how to use the tax dollars collected from all the citizens for the education of their children, then that is how the question should be treated. Whether the parents want control over the academic outcomes or the ideology taught, the question should just be treated as one of parental rights.

That brings us to the next questions:

2) Are vouchers the best way to achieve the goal of offering freedom of choice to parents to educate their children how they see fit? In other words, why use vouchers and why not charter schools or subsidize independent schools? There are some studies on these questions, but they were beyond the scope of this review.

Stuart's input on this point is: The best situation would be where reason was restored to all schools with strong standards in place, making alternatives, charters and privates less needed or desired.

3) What sorts of regulation should go along with the usage of public money for schools in the form of vouchers? There are findings in the studies that do report on the effects of regulations.

4) What are the principles that govern the equitable distribution of funds in the form of a voucher?

5) What about rural schools? A more careful consideration of the question of the effects of any program on rural schools needs to be made. There are rural education studies, but there are not too many on vouchers in particular in the developed world so they fell outside the scope of this review. The studies on developing countries had the most rural settings and their results might be considered applicable to the question of rural schools if it were not for the fact that the culture in those areas is vastly different from that of rural Alberta.

⁵⁷ Santoro, 2018

6) Some of the questions that arose again and again in the studies concerned inequalities. The studies were concerned with measuring the effect of the voucher programs on segregation between schools according to a variety of socio-economic characteristics. Is the continual concern with asking the government to be responsible for removing inequalities valid? How does PCE want to address this issue?