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The Voucher Revolution in Education

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**(Distinguished Visiting Fellow and member of the K-12 Education Task Force)
By 2030, K-12 education in America will be largely privatized.**

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Summary: This essay blends *prediction* with *prescription* to paint a vivid picture of what American education will look like in 2030. The essay is from an online publication of the Hoover Institution's Koret Task Force on K-12 Education, American

Education in 2030. Copyright, Board of Trustees, Stanford University.

To be clear, a voucher, as the term is used here, is a publicly or privately funded scholarship awarded directly to families to pay the costs of the private schools they choose for

their children. By 2030, vouchers will have displaced failing public schools, which have long yielded poor results at high costs and have monopolistically confined children to a failing system. Although based largely on facts established by 2010, this essay provides an admittedly speculative account of the rising prevalence of vouchers from the present through 2030 from the hypothetical perspective of 2040.

Because families know best and care most about their children, parents used vouchers to choose the right schools for their children. With vouchers, parents could choose their children's schools just as they chose their children's names, food, doctors, and much else. No longer could competing federal, state, and local government officials decide what's best for students.

Just as in competitive markets, vouchers provided incentives and rewards to educators for successes that were missing from public schools. Schools that were most appealing to parents thrived and multiplied; the least appealing ones shrank and closed. The voucher system put in place standards and accountability for both private schools and parents.

Illustration by Barbara Kelley: Voters demanded that legislators remove dysfunctional programs and regulations that unfairly advantaged some industries, firms, and public organizations over others, including the near monopoly of public schools. Even egalitarians changed their minds about public schools when they realized that traditional public schools

contributed less to students from poor and minority families, often in big cities, who often attended poorly performing schools and tended to drop out early.

The seemingly radical, vastly increased privatization of education was in keeping with traditional American ideals of freedom, individualism, and self-determination, making use of Americans' world-beating optimism and strengths in invention, entrepreneurship, and pragmatism. As a consequence, the private provision of schooling, as in other fields, produced much better achievement outcomes. Following stunning Asian examples of high achievement and fast economic growth, the American economy made commensurate economic strides.

Unlike for-profit organizations, government-provided services and their agencies had been gigantically difficult to change constructively, efficiently, and peaceably. Dominated by traditions and special interests, and subsidized nearly to the point of monopoly, they lacked capitalism's incentives to invent, improve, and compete to serve customers. An example was the U.S. Postal Service, a subsidizer of unwanted junk mail that was nearly destroyed by e-mail and such private providers as Federal Express and United Parcel Service.

In response to government inefficiencies, privatization of services began as early as the 1970s—for good reasons. Voluminous evidence showed that private organizations generally yielded better results at lower costs. Various experiments in privatizing

government services by private nonprofit and for-profit organizations showed that, compared to public agencies, they are more attractive and satisfying to their customers and their employees.

Carried out in the United States and other countries, studies of successful privatizations involved airlines, banks, bus service, debt collection, electric utilities, hospitals, insurance, railroads, savings and loans, utilities, and weather forecasting.

Governments even privatized prisons, police, fire protection, and public pensions. In the same way that firms outsourced, so too did governments, with better, less costly results. The resilient U.S. democracy sometimes performs best in a crisis.

The downfall of repeatedly failing public schools accelerated in 2015 not only because of poor results and parent dissatisfaction but also because of their threat to the American economy and society. The resilient U.S. democracy sometimes performs best in a crisis. By 2015, citizens had more fully recognized the country's misfortunes; they wanted efficient government, lower taxes, and more control over their lives.

Government-financed and operated school failures became better known, leading citizens and parents to induce policy makers to more fully privatize K-12 schools.

Private and semiprivate schools flourished by 2030 because distinctively American traditions had reasserted themselves, including the

exceptional American preference for individual responsibility over one's own life and prosperity. Americans were disillusioned about government control and optimistic that individuals could succeed on their own initiative.

Privatizing schools may sound non-traditional and even un-American; but early one-room schools run by nearby citizens were in keeping with the views of the American Founders and the early immigrants who wanted to be free of centralized government control. Later, immigrants came for the same reason as well as to attain the prosperity possible in the nation's largely free economy.

But beginning a century ago, the control of schools became increasingly centralized, defying the long tradition of local control. Often in conflict, federal, state, and local officials often ruled the public schools. In such a complex and unaccountable system, powerful and sophisticated special interests, particularly public sector unions, overpowered the interests of local citizens and parents and undermined the well-being of students. School boards of consolidated and increasingly larger school districts also failed to represent the students' best interests.

Even in the for-profit sector, large multi-layered firms falter and fail when their boards and senior executives lose touch with their customers. Some firms learn to do away with dysfunctional layering and thus respond more fully to consumer preferences, reducing costs to turn themselves around. If not, bankruptcy or a takeover by another firm can

result, as in the cases of the once-proud Pan American World Airlines and Chicago's Marshall Fields, originator of the department store. With lean management and superior logistics, Wal-Mart threatens to destroy today's less-efficient competitors.

And yet, repeatedly failing public schools and school districts seldom closed. Similarly, multibillion-dollar federally-mandated school programs for poor, handicapped, and English-language learners continued largely unreformed for decades even though large-scale evaluations had demonstrated their failure.

By 2015, citizens understood the public school crisis and its prospects of worsening. Even before the turn of the millennium, national surveys showed that Americans had astonishingly strong views about what to do, including demanding more accountability from schools, educators, and students.

Many citizens thought that students in repeatedly failing schools should be allowed to transfer elsewhere; others saw a need for replacing the faculty or closing such schools altogether. More than eight in ten people favored requiring students to pass an examination before moving to the next grade, and 85 percent supported passing an examination to graduate from high school.

Like the public, students thought their schools were lax and lacking standards. For example, a Public Agenda national survey of high school students showed that three-fourths

believed stiffer examinations and graduation requirements would make students pay more attention to their studies. More than 70 percent said schools should require after-school classes for those earning Ds and Fs.

Given the public school failures of the last half-century, the substantial needed progress required far more substantial reforms, including the technologies described by education-reform experts John Chubb and Terry Moe, who saw the promise of innovative organizations geared to the new technologies.

One discovery of Chubb and Moe's impressive research was the demand for and rapid growth of virtual -- or "cyber," schools that would deliver much of their content and instruction over the Internet. By 2010, such virtual schools served some 187,000 students in twenty-four schools, including 62,000 in the Utah Electronic High School and 54,000 in Florida's Virtual School. Private schools deliver equal or better achievement outcomes at lower costs.

The most important evidence for K-12 privatization was that charter schools, private schools, and voucher programs definitively promoted student achievement gains, cost efficiency, and parent satisfaction.

Contrary to what some had feared, or alleged that they feared, students in charter and fully private schools were no less "socialized" but rather more often participated in voluntary charitable activities such as tutoring younger and hospitalized children. While in school and as adults, they

tended to more often engage in civic affairs such as voting and writing letters to newspapers.

The most definitive studies were the randomized field trials carried out by Paul Peterson on vouchers and Caroline Hoxby on charter schools. They compared the achievement of students in oversubscribed schools into which they were selected by lottery to that of students in the public schools who applied but were not selected in the lottery. Perhaps equally important was the oversubscription itself; the ardent desires of parents to get their children into private and charter schools were an important indicator of school success.

It's ironic that "socialist" Sweden successfully pioneered parental choice of K-12 education. As John Merrifield points out, however, the potential of school choice and privatization had been underestimated, perhaps because the relatively small numbers of choice schools were insufficient to produce strong competitive effects on other schools. Individual private and charter schools and their organizations, moreover, typically remained small and gained little in economies of scale (that is, lower per-unit costs as they grew larger).

Charter schools had also been constrained by some of the same federal, state, and local district regulations that made traditional public schools dysfunctional. Additionally, most private and charter schools lacked the productivity-raising profit motives that lead to superior results.

In its report series "Education at a Glance," the Organization for Economic and Cooperation and Development (OECD) compiled school trends among its economically advanced member countries. It reported that East Asian countries with large private school sectors and popular for-profit tutoring schools continued to excel on achievement examinations and graduation rates.

South Korea, for example, was one of the poorest education performers in the 1970s. By 2010, its high school students' scores in mathematics and science were near the top. Among the industrialized OECD countries, South Korea ranked first in high school completion rates of adults aged twenty-five to thirty-four: 97 percent.

Unlike the United States, South Korea, Japan, and other East Asian countries funded privately governed schools directly, without the administrative complications of charters and vouchers. Most impressive, however, were the tuition-funded tutoring schools that were free of government regulations. Unlike most public and private schools in the West, South Korea's for-profit tutoring firms made use of the nation's Internet service—fastest in the world—and paid teachers for their individual performances, often sharing with them the student tuition they generated.

Perhaps even more astonishing was India. Second only to China in population size and economic growth, Indian for-profit firms provided tuition-funded schooling for as little as six dollars a month. But these are East

and South Asian countries. Could such things happen in Western countries?

The Swedish government in 1993 required all local education authorities to directly fund privately run schools of choice at a per-student cost close to that of traditional public schools. New schools had to meet several basic requirements, including an open-admission policy, which required schools to admit all applicants regardless of ability, ethnicity, or socioeconomic level.

New private schools were established in a broad cross section of neighborhoods, including high-income areas as well as locales with predominantly working-class and immigrant populations. Indicating bottled-up demand, the number of private schools rose fivefold. The new policy led to increased competitiveness, improved student achievement, and greater parental satisfaction. Unexpectedly, private chains of for-profit schools were founded and grew quickly. In 2008, ten chains each operated more than six schools, and five ran more than ten schools.

It was ironic that, among Western countries, “socialist” Sweden rather “capitalist” America successfully pioneered parental choice of primary and secondary education. But even in 2010, the United States had two huge advantages that would allow it to take the lead in consumer choice in K-12 education by 2030: the longstanding American preference for citizens’ self-determination over government control and Americans’ spirit of

invention, innovation, and entrepreneurship.

Herbert J. Walberg, a distinguished visiting fellow at the Hoover Institution and a member of the Koret Task Force on K-12 Education, taught for thirty-five years at Harvard University and the University of Illinois at Chicago. Author or editor of more than sixty books, he has written extensively for educational and psychological scholarly journals on measuring and raising student achievement and human accomplishments. His most recent book is *Tests, Testing, and Genuine School Reform* (Hoover Institution Press, 2011).

He was appointed to the National Assessment Governing Board and the National Board for Educational Sciences and is a fellow of several scholarly groups, including the American Association for the Advancement of Science, the International Academy of Education, and the Royal Statistical Society. He chairs the Beck Foundation and the Heartland Institute.

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**Message from ARPE President,
Gary Railsback,** Point Loma
Nazarene University.

This fall we are submitting names to AERA for our electronic election that will take place in January 2012. The nominating committee of Tony Dosen and Larry Burton has confirmed that the following individuals have agreed to have their names on our ballot.

Only AERA members with a SIG membership with ARPE are eligible to vote in this election. This means it is important that we renew our membership when they are due at the end of the year. The winner of each election will begin their term of office at the end of this years Annual Meeting.

The nominations for ARPE leadership are:

Chair:
Anthony Dosen
Larry Burton

Assistant Editor *Private School Monitor*:
Jeanine Allen
Jason Nelson

Web-manager
Craig Engelhardt
Katherine Schultz

We have also been notified by our current Secretary/Treasurer, Pat Bauch, that she is retiring and has resigned her Sec.-Trez. position with ARPE. So we need two nominations

for this position so that we can add it to the electronic ballot.

I hope you are planning on joining us at ARPE meetings and a symposium in Vancouver, BC. Remember, non-Canadians, be sure to get your passport renewed if you haven't done so already to visit with ARPE in Canada.

Gary L. Railsback

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ARPE Dues	One-year \$10	Student \$5	\$
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**Note from ARPE Program Chair:
James Swezey, Liberty University,
Lynchburg, VA.**

ARPE members can look forward to an excellent array of scholarly activities at the 2012 Annual Meeting of AERA this April in beautiful Vancouver, British Columbia. The team of reviewers selected several scholarly papers related to many areas of private education. The Association for Research on Private Education (ARPE) will be hosting three events at the 2012 conference: a symposium, our annual business meeting, and a round table.

The round table session is entitled, "Examining Various Factors of Private Religious Education" and will host three papers: (1) *A National Study of the Relationship between Achievement and*

Student, Home, Teacher, and School Factors, Jerome Thayer, Andrews University and Elissa Kido, La Sierra University; (2) *Developing and Validating the Growing Disciples Inventory: A Self-assessment for Christian Students*, Glynis Madeleine Bradfield, Andrews University; and (3) *Longevity Narratives from the Perspective of Adventist Principals in North America: A Multiple Case Study*, Shirley A. Freed, Andrews University & Janet Ledesma, Andrews University.

The symposium is entitled, *Private Religious Catholic and Protestant Schooling in North America: Motivations and Outcomes* and will present multiple papers based on findings from the Cardus research project. The Cardus project was one of the largest research studies of private, religious schools in recent memory. The symposium is led by David Sikkink, University of Notre Dame.

The symposium is designed to share and discuss the findings of an extensive, mixed-method international study of private religious Catholic and Protestant schooling in North America. Five teams of American and Canadian researchers studied the question of the longer-term academic, spiritual and cultural engagement outcomes of private religious Catholic and Protestant schooling in North America as well as the school processes that may explain various Catholic, Protestant, and public school effects.

The main findings of this research program are based on surveys of a representative sample of school graduates and of principals and administrators from randomly-selected

private Catholic and Protestant schools in North America. Focused aspects of the research questions were further probed through four qualitative studies.

The ARPE business meeting agenda is still being constructed, but members can count on a time off good food and fellowship and an opportunity to share their research agendas with others who have an interest in the study of private school education. ARPE

President Gary Railsback will be presiding over the transition to a new presidency, as he will be stepping down after four years in office. Elections will be scheduled for early 2012.

News: Sister Patricia Bauch, Secretary-Treasurer of ARPE is retiring in December 2011, and will be stepping down as a leader in our organization. We praise Pat for her long, dedicated career in private and public education, and wish her well. In her recent role as ARPE leader, she has maintained the association's treasury, nurturing the funds to over \$5,000.

We shall also be nominating members to take Sister Pat's critical post, as Secretary-Treasurer; so if you are

interested yourself, in this role, or would like to nominate someone else, please let me know. God's blessing to Sister Pat.

**The *Private School Monitor* is published four times yearly by ARPE at Fordham University School of Education, with production assistance from Andrews University and Larry Burton and Lyndon G. Furst. We welcome comments and ideas, articles, book reviews and commentaries related to nonpublic schools in the USA and elsewhere. Send manuscripts and ideas to me at --
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