

# *The Fiscal and Academic Benefits of School Choice*

## Overview

- Private educational choice programs academically benefit students who participate in the programs, and those who remain in their public school.
- Educational choice generates savings for school districts and taxpayers.
- Georgians want more educational options for students.

## Educational Choice Benefits All Students

- According to empirical research conducted by a broad range of researchers, educational freedom and choice benefits all children, whether they attend public or private school.

- **Program Participant Test Scores** examine whether students who receive and/or use scholarships to attend a private school of their choice achieve higher test scores than students who applied for, but did not receive or use scholarships. Of the 17 random-assignment studies conducted, 11 have found positive outcomes for either the full sample or at least one sub-sample of students studied. Four found no visible effect for any group of students, and three found negative outcomes for all or some students.<sup>1</sup>

- **Program Participant Attainment** studies examine whether school choice programs have an effect on students' likelihood to graduate high school, enroll in college or attain a college degree. Of the seven studies that have examined educational attainment outcomes, five have found positive effects on educational attainment for at least one subgroup of students, two found no visible effect for any group of students, and no studies have found negative effects for any group of students

- **Parent Satisfaction** studies rely on polling and surveys to measure the extent to which parents with children participating in private school choice programs are satisfied with the program. Of the 32 studies that have examined school choice's impact on parent satisfaction, 30 found positive outcomes. One found null results, and two found overall negative outcomes.

- **Public School Students' Test Scores** studies examine whether students who leave public schools by using a private school choice program have an effect on the test scores of students who remain in public schools. Of the 28 studies that examine the competitive effects of school choice programs, 25 found positive effects, one found no visible effect and two found negative effects.

- **A recent study** in the Journal of School Choice found that "...more education freedom is significantly associated with increased NAEP scores and gains, supporting the claim that choice and competition improves system-wide achievement."

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<sup>1</sup> Note that some studies found multiple effects, e.g. Lamarche (2008) found both positive and negative effects for some students.

## Educational Choice is Fiscally Responsible

- Georgia Qualified Education Expense Tax Credit: 17,440 scholarships were awarded in 2021 for an average of \$4,292—less than one-third of the average expenditure per student at Georgia district public schools
- \$120 million in tax credits are available annually, which is equivalent to only 0.47% of Georgia's total K-12 revenue.
- Tax credit scholarships are funded by private donations from businesses and individuals, enabling school districts to save thousands of dollars for each student who switches.
- Georgia Special Needs Scholarship Program: 5,303 scholarships were awarded in 2021 for an average of \$6,473—less than half of the average expenditure per student at Georgia's district schools.
- Some \$35 million in vouchers were issued, which is equivalent to only 0.13% of Georgia's total K-12 revenue.
- Educational Choice Programs Nationwide: Analysis from 47 private choice programs (5 ESA, 23 voucher, 19 tax credit scholarship) from 1990 to 2021 revealed that participation tends to start very small and grow at a slow, steady pace.
- Average take-up rates were below 1% during programs' first two years.
- The average take-up rate during the first year for all programs was 0.46% and increased to 2.62% by their tenth year.
- According to a report by Dr. Martin Lueken, educational choice programs under study generated an estimated \$12.4 billion to \$28.3 billion in cumulative net fiscal benefits.
- Educational choice programs generated between \$1.80 to \$2.85 in estimated fiscal savings, on average, for each dollar spent on the programs. These savings result from many of the students who would have been enrolled in a public school — at a much larger taxpayer cost — if these choice programs did not exist.

## Georgians Want Educational Choice

- According to recent polling from Morning Consult, 71% of Georgia adults support education savings accounts and 78% of Georgia school parents support Education Savings Accounts.
- 61% of Georgia parents would choose a different option than their regular public school if they could.
- Only 6.4% of Georgia K-12 students have access to private school by any means, and 1.2% have access to private school through educational choice programs (Qualified Education Expense Tax Credit: Tax-Credit Scholarship and Georgia Special Needs Scholarship Program: Voucher).
- Educational choice can close this gap between what parents want, and what they have access to.