

# SCHOOL CHOICE AND DEVELOPMENT: EVIDENCE FROM THE EDGEWOOD EXPERIMENT

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On April 22, 1998, the Children's Educational Opportunity Foundation announced the availability of CEO Horizon Scholarships to residents of the Edgewood Independent School District (EISD) in San Antonio, Texas. The CEO Foundation did not limit eligibility to students with proof of superior academic talent, so the scholarships were really privately funded tuition vouchers. As such, we shall refer to them as the Edgewood Voucher Program. The EVP was a working model of Milton Friedman's (1955, 1962) original idea for a universal voucher program, except that it was set to last only 10 years. This article analyzes the EVP's immediate economic development effects, including the impact on the property tax base, housing growth and values, and business formation. We begin with an overview of the EVP, review the existing literature, describe the benchmark for our impact estimates, and then discuss the estimates and their significance for universal tuition vouchers.

## EVP Overview

The Walton Family Fund and Covenant Foundation provided most of the \$52.4 million that funded the vouchers. The annual

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tuition vouchers ranged from \$2,000 for elementary school students attending a school outside the EISD boundaries to \$4,700 for in-district high school students. Initially, the EVP had a means test in addition to an EISD residency requirement, but with the EISD's nearly universal low-income status, the CEO Foundation quickly dropped the means test, and the EVP became a truly universal voucher program (Merrifield 2008: 14). Many families chose schools with tuition levels above the voucher amount, which meant they had to finance a tuition co-payment from other funding sources.

Edgewood school-age children did not automatically get a voucher. All were eligible, but families had to exercise their option to choose to participate (the so-called option-demand system). The EVP represents a unique middle ground between the narrowly targeted, restriction-laden, publicly funded voucher programs that exist in Milwaukee and Cleveland (Merrifield 2001) and an untargeted, Friedman-style universal voucher program (Merrifield 2008: 13) where all families participate.

Table 1 describes the pattern of voucher use from the inception of EVP in 1998–99 to 2008–09. The percentage of voucher shares should not be interpreted literally. Many voucher users would not have otherwise attended EISD schools. Voucher use minus “private students” (children enrolled in private school prior to being voucher users) exceeds EISD enrollment loss. Although some voucher users had been attending private schools without a voucher, EISD schools had been suffering enrollment losses for a long time, and the voucher may have induced some families who would have otherwise left the district to remain. Many voucher users also attended non-EISD schools prior to being voucher users. They moved to EISD, or in some cases falsified their addresses, to become voucher users. The exact count is unknown. McGroarty (2001) estimated it at 11 percent, while Peterson et al. (1999) estimated new resident voucher use at 14.9 percent. The pre-EVP EISD enrollment decline suggests that many students would have left EISD had the EVP not arisen, including many children entering school for the first time.

The voucher shares (vouchers as a percentage of EISD enrollment) shown in the last column of Table 1 put voucher use in perspective by indicating relative size. Note the large 2001–02 jump in voucher use to 12.8 percent of EISD enrollment. Also note that while voucher use rose from 888 in 1999–2000 to 1,713 in 2001–02, EISD enrollment rose by 453 students, a 3.5 percentage gain,

TABLE 1  
PATTERN OF VOUCHER USE AND RELATED STATISTICS

	Vouchers	Annual Growth	Private Students	EISD Enroll	Annual Growth	Voucher Share
1998–99	770	—	50	13,323	—	5.8%
1999–00	888	15.3%	59	12,982	–2.6%	6.8%
2000–01	1,137	28.0%	111	12,983	0.0%	8.8%
2001–02	1,713	50.7%	131	13,435	3.5%	12.8%
2002–03	1,916	11.9%	154	13,153	–2.1%	14.6%
2003–04	2,042	6.6%	147	12,873	–2.1%	15.9%
2004–05	1,722	–15.7%	117	12,571	–2.3%	13.7%
2005–06	1,456	–15.4%	98	12,060	–4.1%	12.1%
2006–07	1,254	–13.9%	77	11,906	–1.3%	10.5%
2007–08	1,018	–18.8%	53	11,735	–1.4%	8.7%
2008–09	0	–100%	0	11,644	–0.8%	0

SOURCE: CEO Foundation for voucher and private school counts; Texas Education Agency for EISD enrollment data.

the second consecutive gain and the first significant gain in many years. That gain may be an indication that new-resident voucher use rose far above the McGroarty (2001) and Peterson et al. (1999) estimates based on the early years of the EVP.

The EISD enrollment increase followed a surge in EISD test score gains that peaked in 1999–2000. After the 2000–02 surge in EVP participation, voucher use resumed its steady growth, reaching a peak of 2,042 vouchers in 2004, equal to 15.9 percent of EISD enrollment. Based on applications received, 2004–05 voucher use could have been even higher than the 2003–04 EISD enrollment peak. But after 2003–04, budget limitations forced the CEO Foundation to mostly restrict voucher use to continuing students. With attrition and graduations, voucher use declined steadily through 2007–08, the last year of the EVP when vouchers represented 8.7 percent of EISD enrollment.

## Literature Review

Public school attendance area “choice” has long been associated with U.S. central city decline. Doyle and Munro (1997) investigated

whether in situ school choice opportunities could stem the traditional means of school choice—namely, flight from the inner city. Raffel and Denson (2003: 4–5) noted that poorly run “city schools have been one of the factors that led to the abandonment of middle-class households from cities.” At the same time, school choice advocates have argued that expanded in situ school choice, including better access to private schools and public schools of choice, could help cure the problem of inner-city flight and the related problem of de facto socio-economic segregation between inner city and suburban addresses.

Halsband (2003) finds some revitalization benefits for charter school expansion, and Brunner et al. (2010) find significant effects of inter-district public school choice. Doyle and Munro (1997) hold that that school choice expansion is “the only possible way to anchor the middle and working classes to the city.” They present strong survey results for school choice as an urban revitalization catalyst without even allowing for school choice-generated changes in the schooling options. That is, with better access to current choices, a majority of respondents (city leavers) said that choice expansion through vouchers might have prevented their departure.

But as Brunner et al. (2010) note in their introduction to a draft assessment of inter-district choice’s effects on mobility, property values, and schools, there has been little or no effort to measure the revitalization effects of inner city school system improvement, or through school choice programs that allow escape from unacceptable schools without departing the inner city. That lack of effort is probably due to a combination of failure to realize significant improvement with the system-friendly policies that have dominated the frenzied efforts to improve school systems, especially in the inner city, and the small scope of U.S. school choice programs (Merrifield 2009). Or it may simply be an oversight as scholars focused on academic achievement effects. Within its small area, the EVP was of sufficient scale to generate some significant in-migration into the EISD, and prevent some of the out-migration that would have otherwise occurred. We turn now to our assessment of the evidence of household and business change as a result of the EVP.

## Our Benchmark: The Counterfactual Basis

Most of our results have a quasi-experimental design basis. Unlike an experimental approach, the quasi-experimental control group is not the result of random assignment. We selected districts similar to

the EISD, pre-EVP, and then, with some caveats, assumed that the large 1998–2008 differences between the EISD and the control districts were due to the EVP. One set of control districts in Texas came from Merrifield (2004): Crystal City, Port Arthur, Robstown, Waco, Wilmer-Hutchins, and West Oso. The pre-EVP (1994–95 to 1997–98) similarity determinants<sup>1</sup> were as follows: (a) 2 percent white in EISD, (b) 93.2 to 90.3 percent economically disadvantaged, (c) 37.9 percent passing TAAS in 1994–95 and mean ACT of 17.1 to 62.0 percent passing in 1997–98 and mean of 16.3, (d) \$34,363 to \$31,024 in taxable property value per pupil, (e) 14.4 to 14.8 student-teacher ratio, (f) \$5,788 to \$5,820 per pupil funding, and (g) \$4,403 to \$4,596 per pupil state aid.<sup>2</sup>

We started the control district selection process with the subset of Texas school districts that are relatively small with a high proportion of minority students who are mostly from low-income families. The other factors listed above in (a)-(f) were used to disqualify additional districts. We did not enforce predetermined limits on dissimilarity. To avoid disqualifying all of them, we had to allow for a similarity determinant value outlier for each district. The levels and trends in those data were similar for the EISD and the districts listed above. For the Merrifield (2004) control districts, the ranges for the similarity determinants are as follows: (a) 1 to 26 percent white, (b) 47.8 to 91 percent economically disadvantaged, (c) 31.5 to 40.7 percent passing TAAS in 1994–95 to 54.7 to 71.0 percent passing in 1997–98, (d) \$38,000 to \$192,000 in taxable property value per pupil, (e) 13.5 to 18.9 student-teacher ratio, (f) \$4,900 to \$5,700 per pupil funding, and (g) \$1,400 to \$4,500 per pupil state aid. Because different control districts were outliers for different similarity determinants, the effective range is smaller than it appears. That is, the similarity determinant averages were closer to the EISD value than to the mid-point of the control district range. Just before the onset of the voucher program, the EISD had a slightly higher percentage of economically disadvantaged students than any of the control districts, and was at the low end of the control district range for all of the

<sup>1</sup>For the descriptive data for Edgewood and the control districts, see Merrifield (2004: 455).

<sup>2</sup>See <http://ritter.tea.state.tx.us/perfreport/snapshot/2009/district.srch.html>, and <http://business.utsa.edu/eisd/fiscal.xls>, which provide our compilation of the critical data for EISD and the control districts.

similarity determinants but EISD school funding. Diversity within the set of control districts is why we often compare the EISD changes in economic activity during the 1998–2008 time frame of the EVP to the control district average and to the control district range.

For this assessment, we also verified similarity in terms of the property tax base data that provided the basis for most of our findings. We excluded Crystal City from our current assessment of economic development issues because it is a largely rural district, and because an industrial park that arose after the conclusion of the Merrifield (2004) study makes it noncomparable to the EISD for assessment of EVP economic growth effects. We also excluded Wilmer-Hutchins from many assessments because the district ceased to exist after 2005. Compared to the remaining four control districts—Port Arthur, Robstown, Waco, and West Oso—EISD shared quite similar economic growth patterns, pre-EVP. From 1996 to 1998 (data were not available prior to 1996), EISD's total property value rose 3.87 percent. The mean increase in property values for the four control districts was 1.48 percent. EISD increased the number of single-family dwellings by 0.34 percent from 1996 to 1998. The control district mean was a 0.36 percent reduction. The market value of EISD single-family dwellings rose 9.24 percent from 1996 to 1998. The control district mean was 6.59 percent. Some subsidized apartments were being built just prior to the EVP, so EISD did much better than its control districts, but apparently outran increased demand in the short run—before EVP in-migration increased demand—because the rise in the number of apartments came alongside reduced property values, while multifamily property values rose among the four control districts. From 1996 to 1998, the number of commercial properties grew by 0.15 percent in the EISD but fell by 2.31 percent in the four control districts. The market value of commercial property in the control districts rose by 5.42 percent but rose by only 1.41 percent in the EISD. Thus, the various key two-year growth rates were quite similar.

We looked at a second set of control districts chosen by MGT of America (1999) for an EISD-funded management study. The second set was not chosen for an assessment of economic growth effects of the voucher program. MGT did not explain why they selected Harlandale (in near-SW San Antonio), San Antonio (downtown), South San Antonio, Pharr, Weslaco, and Laredo. To demonstrate the

robustness of our findings and to deflect potential criticism that we engineered our findings through control district selection, we derived our results whenever possible for both sets of districts. Our full EVP assessment shows that despite the effects of the EVP, the EISD and MGT districts stayed very similar in terms of the similarity determinants for the Merrifield (2004) control districts.<sup>3</sup>

To update Merrifield (2004) and extend the analysis to economic activity effects, we collected more detailed data for the EISD and the control districts. Thus, to assess school-district-level economic activity, we examined property tax data from the state's property appraisal districts.<sup>4</sup> We repeated the process for the six MGT control districts. The property tax data also indicate that attempts to control for as many pre-EVP differences as possible still show the EISD as more disadvantaged on average than the control districts. Pre-EVP trends were similar between the EISD and at least the four Merrifield (2004) control districts, but the EISD level was lower, economically. EISD had the lowest property value per student: nearly 20 percent below the next highest district in either control group.

We think the four urban districts that still qualify are the best basis for the counterfactual needed to identify the EVP impacts on economic growth. The MGT (1999) study control groups included some districts adjacent to Edgewood. It is possible, therefore, for some voucher program effects to exist in those districts if students from adjacent districts lied about residency instead of moving to Edgewood to become voucher eligible. Furthermore, statistical analysis suggests that the Merrifield (2004) districts are more closely related demographically to the EISD. The percentage of whites in Edgewood averaged about 1 percent while the Merrifield (2004) districts averaged 5 percent. Moreover, the control districts had an average of 84 percent economically disadvantaged while Edgewood had an average of 94 percent. We conclude that Edgewood contains a higher percentage of low-income residents and disadvantaged students than in the control districts. Our results should be seen as conservative estimates of EVP economic growth effects.

<sup>3</sup>See <http://faculty.business.utsa.edu/jmerrifi/evp.pdf>, Table 7.

<sup>4</sup>See [www.window.state.tx.us/taxinfo/proptax/annual08/2008\\_school\\_district\\_values.xls](http://www.window.state.tx.us/taxinfo/proptax/annual08/2008_school_district_values.xls) for the last relevant Annual Report. The tables we created from a Special Tabulation of the Annual Report data can be found at <http://business.utsa.edu/eisd/propval.xls>.

## Property Value Effects

Over the 10-year period of the Edgewood Voucher Program (1998–2008), the total value of the property on the tax rolls within the boundaries of the EISD rose by 86.4 percent. That calculation, and many more that follow, came from data in a County Appraisal District annual property value report to the state.<sup>5</sup>

The EISD comparison to similar pre-1998 districts should substantially control for any factors common to EISD and the control districts, including state policies and inflationary pressures. As noted earlier, we excluded Crystal City and Wilmer-Hutchins from most assessments. The MGT Study (1999) control districts include three Bexar County neighbors of EISD which renders them less reliable as voucher-treatment-free benchmarks for EVP economic effects. One of the three included downtown San Antonio, which has many student characteristics similar to EISD but is very different in terms of economic composition. The main reason for those districts' questionable reliability as control districts to assess EVP economic development effects is not the potential for the EVP to influence neighboring districts—though that was a possibility for school policies—but the announcement and subsequent construction of a Toyota Tundra truck factory just south of EISD's southern and southeastern neighbor districts. Supposedly, the announcement's effect on economic development was much larger than even the substantial effects of the actual factory and its suppliers. The other three MGT districts are along the U.S.-Mexico border, which creates other EISD economic growth effect comparison complications.

Consequently, the meaning of the 10-year, 86.4 percentage rise in the total value of property on the EISD tax rolls largely depends on differences between EISD and the still-qualifying four control districts: Port Arthur, Robstown, Waco, and West Oso. We said “largely depends” because we will still make several comparisons between the EISD and some of the MGT districts. Over the full 10-year period of the EVP, the EISD's 86.4 percent property value gain ranked third among the five districts (EISD plus the four control districts), but was below the average gain of 95.2 percent for the four control districts.

<sup>5</sup>See <http://business.utsa.edu/eisd/propval.xls> for the tables we created from the Annual Report. For extensive descriptive comparative data for Edgewood and the control districts, see <http://faculty.business.utsa.edu/jmerrifi/evp.pdf>, Tables 6 and 7.

Hence, the EISD's impressive 86.4 percentage gain from 1998 to 2008 was not unusual for the districts that were deemed comparable to the EISD, pre-EVP (prior to the 1998–99 school year).

Since a temporary program that was closed to new applicants after its sixth year might have short-lived and varying effects, we also looked at changes over less than the full 10-year period of the EVP. The results for 1998–2001 and 1998–2005 also have the advantage of being mostly pre-Toyota, which was not a factor in Edgewood, but certainly was for the three San Antonio-area MGT control districts just north of the Toyota factory. As will become evident as this assessment of EVP economic development effects unfolds, it was quite common for the Edgewood gains to peak early or mid-EVP, and then fade with the end of universality in 2004 and the approach of EVP expiration in 2008. Property value change is an example of that time pattern. The EISD's 1998–2001 total property value gain of 16.2 percent was the second highest among the five districts and above the control district mean of 13.9 percent. Moreover, the EISD's 1998–2005 gain of 54.6 percent was the highest among the five districts and above the control district mean of 40.9 percent. It was only slightly higher than Waco's average gain but much higher than the other three Merrifield (2004) control districts. The EISD's test scores and improvement in the school ratings assigned by the Texas Education Agency peaked in 1999–2000, and voucher use peaked in 2003–04.

We cannot produce statistical measures of the significance of our results because even if our findings were based on a random sample, we have too few observations. But arguably, the mathematics of sampling theory do not apply to nonrandom selection of a counterfactual basis, and they don't apply to a universe—that is, when all of the places containing the factors of interest are in the data set (McCloskey and Ziliak 2012: 303). The EISD-area data are not from a population of districts that include some districts with large, unrestricted universal vouchers and other districts without them. Edgewood's EVP is the only program of its kind.

Our EVP findings pass the “hits between the eyes” test (see McCloskey and Ziliak 2012, Ziliak and McCloskey 2008, and Mayer 2012). However, the question of replicability arises because there are no other school districts with EVP-like programs. Our findings are not the average effects of an EVP-like program applied to several school districts. On what basis, then, do we believe that the

Edgewood results will be seen in other districts that adopt EVP-like school choice programs? While we have not thought of, or been made aware of, any reasons to believe our results are unlikely to be seen in any other districts that adopt an EVP-like program among districts that lack subsidized private school choice, we understand that any initial finding is in need of replication before it can truly be seen as reliable. While we wait for data from new EVP-like voucher programs, we can and should assess economic development effects of strong charter laws, and charter-dominated places like New Orleans. However, until replication attempts find otherwise, we believe that a typical school district, even one with much better public schools than EISD, will likely see larger economic development effects than we observed in Edgewood.<sup>6</sup> The Edgewood district's old and decaying stock of small dwellings likely discouraged some in-migration that more attractive areas would have seen as an effect of an EVP-like program.

### Housing Growth Effects

The EISD's single-family-dwelling count grew by 2.1 percent from 1998 to 2001, 4.9 percent from 1998 to 2005, and 7.4 percent from 1998 to 2008, which were above the averages of 0.5, 2.8, and 3.0 percent for the four control districts. The EISD's growth rate was the second fastest among the five districts in all three periods; comparable to the two Corpus Christi districts, Robstown, and West Oso, and much faster than Port Arthur and Waco. Relative to the MGT districts, EISD growth out-performed the San Antonio district (SAISD), but not the South San Antonio district that ends just north of the new Toyota factory. The story is similar, though slightly less impressive for the EISD, for the aggregate market value of single family residential property. Edgewood single-family properties increased in value 28.1 from 1998 to 2001, 58.8 percent from 1998 to

<sup>6</sup>Much-expanded school choice in regions with high-ranking public school systems seems likely to be the most interesting case. Would availability of EVP-like vouchers make such regions sufficiently more attractive to trigger in-migration of households or businesses? We believe that even a top-quality "one-size" will still not fit all. That the one-size will fit some, combined with voucher availability to help children that don't fit, might make such regions—places with above-average public schools and vouchers for children that would do much better in specialized settings—especially attractive.

2005, and 95.4 percent from 1998 to 2008, which were above the averages of 16.1, 50.6, and 94.7 percent for the four control districts. The pattern of relative property value growth is consistent with the incentive to move to Edgewood quickly, driving up prices in advance of supply expansion to bring property value growth back to approximate comparability with similar areas. Furthermore, an econometric analysis of single family property values (Merrifield et al. 2011) indicated an average increase in single family property values of about \$5,800 in the early years of the EVP when eligible new applicants still received vouchers.

The number of Edgewood multifamily residential properties grew by 1.5 percent from 1998 to 2001, 17.1 percent from 1998 to 2005, and 25.1 percent from 1998 to 2008. Those rates were in the middle of the five districts' performance, which is quite remarkable given the closure of some EISD apartment projects in the late 1990s and the reduced property values in the 1996–98 period described previously. The Edgewood area steadily improved its standing in multifamily market value relative to the four-district control group. EISD's whopping 209.1 percentage gain in market value from 1998 to 2008 was tops, and the 1998–2005 rate of 79.6 percent was second only to Robstown.

EISD's growth in mobile home use and mobile home market value topped the four control districts in all three periods. The absolute numbers are small, but an initial surge in mobile home market value and lagged growth in the number of mobile home sites is consistent with the incentive to quickly and cheaply respond to the EVP opportunity and, from families' perspective in 1998 and 1999, the possibly temporary nature of that opportunity. Mobile home market value jumped 65.9 percent from 2000 to 2001 and another 96.3 percent from 2001 to 2002, whereupon it leveled off and then declined slightly. The number of mobile home properties responded to the increase in market value with a one-year lag.

The Lago Vista Village apartments built in 1998 lured tenants with banners touting access to the CEO-funded tuition vouchers, and a marketing brochure stated: "If you rent here, your child will get a scholarship to go to any school you choose." A San Antonio Alternative Housing Corporation board member verified that residents of a planned 65-unit single family housing development, Villas de San Antonio, would be voucher eligible. Both were the first major EISD housing projects in 40 years. Consistent with the aggregate

data presented above, both properties quickly filled and sold out, respectively.

### Business Formation Effects

From 1998 to 2001, the number of commercial properties in the EISD rose by only 4 percent, which was still better than in two of the four Merrifield (2004) control districts, and above the four control district mean of  $-1.6$  percent. EISD commercial growth lagged the EVP by two years. It accelerated after 2001. The 1998–2005 Edgewood increase of 33.2 percent and the 1998–2008 increase of 35.4 percent in EISD commercial properties topped the growth of all of the control districts. Note, again, that the relative growth rates are largest in the earlier years of the EVP. The growth in the market value of EISD commercial property topped the growth rates in the control districts from 1998 to 2001 and from 1998 to 2005, but the 105 percent 1998–2008 growth rate was second to Port Arthur's 153 percent growth rate. Port Arthur likely saw some reconstruction after Hurricane Rita in September 2005. The EISD pattern with especially rapid growth in the market value of commercial property preceding large jumps in the number of commercial properties makes sense. Market price hikes signal property owners to convert properties to the newly more valuable commercial uses.

Those new properties for commercial and residential use had to come from other uses. Indeed, the number of vacant lots decreased 22.8 percent from 1998 to 2008, and the number of industrial properties fell by 28.6 percent. That decline in the availability of industrial properties and the increased demand for EISD land increased the market value of EISD industrial property by 227.2 percent from 1998 to 2005.

The EVP probably yielded some large net fiscal gains for the EISD. The exact amount gained depends upon the rise in property tax receipts and the unknowable true EISD net loss of students to vouchers and the consequent loss of state per-pupil funding versus the potential to reduce costs when enrollments decline. We estimate that the EVP's effect on residential property values at least offset approximately \$7.1 million of the state funding losses. Our conservative \$7.1 million estimate detailed in Table 2 arises from just the higher residential property values identified by Merrifield et al. (2011). Since commercial and industrial property tax assessments

TABLE 2  
INCREASED PROPERTY TAX REVENUE TO EISD

	Local Tax Rate (%)	Est. Property Value Gain	EISD Single- Family Units	Extra EISD	State Revenue	Increased Enrollment Equivalent
1999	1.63	\$5,800	14,072	\$1,330,367	\$5,463	244
2000	1.534	5,800	14,114	1,255,751	5,454	230
2001	1.559	5,800	14,257	1,289,146	5,518	234
2002	1.631	5,800	14,313	1,353,981	5,956	227
2003	1.574	5,800	14,467	1,320,721	6,486	204
2004	1.627	600	14,528	141,822	6,249	23
2005	1.735	600	14,649	152,496	6,193	25
2006	1.722	600	14,819	153,110	6,287	24
2007	1.61	600	14,955	144,465	6,637	22
Total				\$7,141,860		1,232

depend on more than the value and the tax rate, we did not include those in Table 2. Another approximately \$5 million in fiscal benefits to EISD arose from increased graduation rates attributed to the EVP.

### Significance of Our Findings

Regions adopting school choice programs realize immediate economic growth. Moreover, as Doyle and Munro (1997) show, school choice programs can stem middle-class out-migration from central cities. Urban core areas retain their vitality and suburbs do not come into existence, or grow more slowly than they otherwise would. Consequently, the substantial expense of replacing abandoned or underutilized inner city infrastructure with new construction in the suburbs is avoided.

But the primary significance of immediate, significant local economic development is that recognition of this low-cost basis for regional competition for economic activity can be a much shorter route to the realization of unrestricted, universal parental choice programs—the “educational vouchers” that Milton Friedman recommended (see Gillespie 2005), not the “charity vouchers” that have

been the norm. Programs targeted to low-income households or to children enrolled in officially designated “low-performing” or “failed” schools will not attract the middle- and upper-middle-class families that competition for economic activity targets. Friedman (1995: 4) said, voucherization of schooling subsidies anywhere would “sweep like wildfire through the rest of the country as it demonstrates its effectiveness,” but economic development opportunities can initiate the wildfire much more quickly than studies can demonstrate the academic effectiveness of parental choice.

## Conclusion

Identification and measurement of quickly and cheaply realized local economic development effects that could improve the political feasibility of large, low-restriction parental choice programs, and accelerate their spread to additional places, are the most noteworthy results of the EVP assessment. A large segment of the population wants private school choice—even within the severe limitations of the current menu of private school choices—badly enough to quickly relocate, or pretend that they did. Increased business activity follows. A political jurisdiction interested in stimulating economic development while also improving their school system (both public and private) need look no further than EVP-like programs. Those programs would provide school choice expansion with a portable subsidy large enough to nearly cover the tuition cost of most private schools while avoiding price control effects, such as shortages and disinvestment, by allowing families to supplement voucher funds with personal funds. Such programs would not require new taxes, but they should include attempts to study how differences in school choice programs and school districts affect the immediate, local economic development benefits of increased parental choice.

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