The strongest—and greatest—of these strands is liberty. It was for liberty that a revolution was fought, a civil war waged, and a cold war endured. Early on, Americans freed themselves from rigid social hierarchies, excessive government constraints, and the compulsory practice of religion. ¹ They created both a democratic polity and a dynamic economy of unmatched size and strength. It is no wonder that John Rawls, arguably the greatest American political philosopher of the twentieth century, placed liberty at the core of his theory of justice. In a just society, Rawls says, “each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others.”² The most powerful political slogans convey the same message: “Give me liberty or give me death,” “Free at last,” “A woman’s right to choose.”

The concept of political equality is almost as deeply embedded in American belief and practice. The American pilgrims spoke of equality before God. The Declaration of Independence called not only for the right to life and liberty but also to the “pursuit of happiness,” a marvelously ambiguous phrase that nonetheless hints at some notion of equality of opportunity. The Constitution conferred an institutional structure on those revolutionary ideals.
Later, Thomas Jefferson gave them a material basis by purchasing the Louisiana Territory, opening up new opportunities by extending westward an agrarian republic of small, independent farmers. Under the Fourteenth Amendment to the Constitution, enacted after the Civil War to guarantee equal protection before the law, the concept of political equality was eventually enlarged to include minorities, women, and disabled individuals.

In some sense, though, inequalities are unavoidable. We cannot all jump as high as Michael Jordan; we cannot all speak as eloquently as Maya Angelou; nor can we all boast the intellect of Stephen Hawking. Because of this, we cannot all partake in the rewards that these talented individuals enjoy. Which inequalities are acceptable and which require some kind of state correction remain a staple of public debate.

According to Rawls, a just society may tolerate inequalities that improve the lives of those who are the worst off. Rawls’s “difference principle” stipulates that “social and economic inequalities are to be arranged so that they are both (a) to the greatest benefit of the least advantaged and (b) attached to offices and positions open to all under conditions of fair equality of opportunity.” The difference principle focuses on the welfare of the least advantaged, but it still tolerates vast differences in well-being. Even as technological change has improved the living standards of the poor, it has magnified the wealth of the privileged. The consequence? During both the nineteenth century and the closing decades of the twentieth, the welfare of the worst off steadily improved, while income inequality grew unabated. So, as the twenty-first century dawned, differences in income and wealth were wider in the United States than in most other industrial democracies.

For the most part, Americans have not felt much urgency about correcting such inequalities. The size of the American welfare state pales by comparison with that of most of its European counterparts. U.S. citizens do not have access to a state-run health-care system, nor do the unemployed receive benefits comparable to those of their peers abroad. U.S. taxpayers pay on average only one-third of their income to the government, while many Europeans pay as much as 40 to 50 percent. When Americans speak of equality, they speak mainly of equal opportunity. Each citizen has a right to the pursuit of happiness, not a guarantee of its realization. As long as the starting line in the economic race is clearly drawn, those who can run fast or are lucky enough to find shortcuts may dash unrestrained to the finish line, well ahead of their competitors.

**Equality, Education, and Race**

American policymakers have settled on education as a primary tool to promote and protect the concept of equal opportunity. Though the U.S. Consti-
tution does not mention education, the subject was very much on the mind of the nation’s founders. John Adams, author of the Massachusetts constitution, inserted a paragraph requiring legislators “to cherish the interests of literature and the sciences, and all seminaries of them, especially the university at Cambridge, public schools, and grammar schools in the towns; to encourage private societies and public institutions.” The Northwest Ordinance, enacted in 1787, affirmed that “religion, morality and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.” Judging by his tombstone inscription, Jefferson took more pride in founding the University of Virginia than he did in serving two terms as the nation’s third president. Years later, the Freedmen’s Bureau provided the rudiments of education to former slaves. And it was a case involving equality of education (Brown v. Board of Education) that launched the civil rights movement of the 1950s and 1960s.

Yet education’s historical contribution to equal opportunity has been ambiguous at best. Although education for students between the ages of six and sixteen is now virtually universal, its quality varies markedly. Blacks and whites continue to attend very different schools. As late as 1996, for instance, approximately 70 percent of blacks remained in predominantly minority schools. Education budgets also vary dramatically from state to state. In 1997 Connecticut and New Jersey spent $8,600 and $9,600 per enrolled pupil, respectively, while Mississippi and Utah got by on $4,000 and $3,800. Within states, disparities among districts can be just as large. Even within big cities, more experienced teachers gravitate to more desirable schools, where they are better paid. The most disturbing gaps concern student achievement. Children of educated and well-to-do parents consistently outperform those from less advantaged backgrounds. A half-century after Brown v. Board of Education, the test scores of blacks and whites remain, on average, strikingly dissimilar—in technical language, differing by approximately one standard deviation, a statistical measure indicating that the average white student scores as high as an African American student who ranks among the top third of his or her racial group.

The differences in the test scores of blacks and whites have deep roots. Before the Civil War, very few slaves were taught to read. The Freedmen’s Bureau opened schools for former slaves a few years after the war, but when Reconstruction ended in 1876, the responsibility for educating African Americans devolved to white southerners more interested in perpetuating the racial status quo than in enhancing the region’s human capital. The first black high school in the South was not constructed until the 1920s. Nation-wide, only 6 percent of young black adults in 1920 had received a high school education, compared with 22 percent of white adults of the same age.
Nearly 45 percent of young black adults had less than five years of elementary school, compared with 13 percent of whites of comparable age.\textsuperscript{9}

Between 1910 and 1970, the percentage of African Americans living outside the South increased steadily. With the move northward came new opportunities. High school completion rates among young black adults jumped from 12 percent in 1940 to 58 percent in 1970 and, if official statistics are to be believed, continued upward to 88 percent by 1998.\textsuperscript{10} But while educational attainment rates have improved, school quality has lagged behind. Most blacks continue to attend predominantly minority schools that have a greater incidence of violence and fewer opportunities to participate in extracurricular activities than their predominantly white counterparts.

Despite the transformations wrought by the civil rights movement, many schools today remain just as segregated as they were three decades ago. According to one study, 69 percent of African Americans attended predominantly minority schools in 1997, a 5-point increase since 1973. For Hispanics, the increase was even steeper—from 57 percent to 75 percent.\textsuperscript{11}

The problems have not been confined to the South, the initial focus of both the civil rights movement and federal judicial and administrative efforts to integrate schools and neighborhoods. When civil rights activists turned their attention to Chicago and other cities of the North, they encountered strenuous opposition, and this time they lacked the backing of federal judges and marshals. The legal focal point was the predominantly African American Detroit public school system and the predominantly white suburban schools that surrounded it. Civil rights groups contended that the division was no less unconstitutional than the segregation outlawed in the South. But in 1974, in \textit{Milliken v. Bradley}, the Supreme Court distinguished \textit{de facto} segregation in the North from \textit{de jure} segregation in the South. Suburban school districts in the North had never practiced the legalized racial segregation of the South; the segregation that had occurred was simply the result of families’ private choices about whether to live in cities or suburbs. The Court ruled that the Constitution did not require integration across district lines,\textsuperscript{12} and further integration of northern schools subsequently stumbled to a halt.\textsuperscript{13}

If schools do a decent job of promoting equal opportunity, one would expect early gaps in the test scores of blacks and whites to attenuate over time. In fact, there is little sign that this happens. According to one careful analysis, test-score gaps increase as children progress through school: “About half of the total black-white math and reading gap at the end of high school can be attributed to the fact that . . . blacks learn less than whites who enter school with similar initial skills.”\textsuperscript{14} Nor do family background characteristics
account for all the differences. During the 1990s, when black children were growing up in better-educated families, their test scores continued to fall, and the gap between blacks and whites continued to widen.

The economic benefits of eliminating the gap in test scores are substantial. As Christopher Jencks and Meredith Phillips have pointed out, young adult blacks in 1993 who scored above the median on test scores earned fully 96 percent as much as their white peers. The wage gap remained larger for blacks with lower test scores, but even those scoring between the 30th and the 50th percentile earned 84 percent of the amount earned by whites with similar scores. (By contrast, in 1964 these blacks earned only 62 percent of the income of similar whites.) In other words, a key, perhaps the key, to solving the gross inequalities between blacks and whites in the United States is to narrow the racial gap in educational achievement.

Education and Liberty

While education may be a cornerstone of a free society, it remains compulsory for most children between the ages of six and sixteen. Other than the requirements to pay taxes and to register for military service at age 18, it is one of the few duties that the U.S. government imposes on its citizens. Americans need not vote, fill out census cards, notify the government of their address, or obtain a national registration card—but they must see that their children are schooled.

To do so, most Americans send their children to the public schools assigned to them by their local government. That is striking when one considers the emphasis that Americans place on the principle of freedom of choice in other areas. High school graduates choose their university, even though the government provides grants, loans, and tax breaks to defray the costs. Preschool services are tax deductible, but families can choose their care provider. Although the federal government pays the lion's share of Medicare costs, beneficiaries choose their doctors and hospitals. Yet when it comes to sending a child to primary or secondary public school, families—especially poor families—have not been allowed the prerogative to choose.

Origins and Development of Public Schools

Contrary to common belief, compulsory public education did not originate with the liberal ideals expressed during the American Revolution. The Land Ordinance of 1785 did set aside one section of land in sixteen for “the maintenance of public schools within the said township.” But rather than signif-
ing state operation, the word “public” simply implied communal instruction outside the home.\textsuperscript{16} Benjamin Rush, an early advocate of public education, made that explicit when he proposed that “free, public” schools, funded in part by parental fees, be organized so that “children of the same religious sect and nation may be educated as much as possible together.”\textsuperscript{17} Thomas Paine went further. In \textit{The Rights of Man}, Paine proposed compulsory, publicly financed education but recommended vouchers so that parents would have a choice of schools. To ensure compliance, “the ministers of every . . . denomination [would] certify . . . that the duty is performed.”\textsuperscript{18} As late as the 1830s, state-funded schools in Connecticut still charged tuition.\textsuperscript{19}

Not until the 1840s did public schools become synonymous with state-funded and state-operated schools. The man usually credited with founding public education as we now know it in the United States, Horace Mann, a Massachusetts secretary of education and practicing Unitarian, expressed great concern about the papist superstitions of immigrants pouring into American cities. “How shall the rising generation be brought under purer moral influences,” he asked, so that “when they become men, they will surpass their predecessors, both in the soundness of their speculations and in the rectitude of their practice?”\textsuperscript{20} His answer, the public school, won the curious praise of the Congregationalist journal, the \textit{New Englander}: “These schools draw in the children of alien parentage with others, and assimilate them to the native born . . . . So they grow up with the state, of the state and for the state.”\textsuperscript{21}

Although public schools originally were designed to impart a moral education to new immigrants, they quickly became an integral feature of American democracy. Locally elected school boards, whose members shared a single-minded commitment to education, were a key factor in their expansion. Unlike most other local governments, school boards had just one specific public responsibility and therefore one distinct mission: to promote public education. Many of the boards could collect taxes, and all had the power to campaign on behalf of local schools. The boards won widespread public support, in part because quality schools became bragging points for those eager to attract new residents to their growing communities.

The U.S. educational system soon became the world’s largest. By 1910, more than three-quarters of the adult population had attended elementary school for at least five years, despite the fact that undereducated immigrants continued to pour out of Ellis Island. A secondary-education system quickly emerged, and by 1940 nearly 40 percent of young adults had graduated from high school.\textsuperscript{22} Even as late as 1985, 84 percent of sixteen-year-olds in the United States attended high school, compared with 67 percent of their peers in France, 52 percent in Germany, 42 percent in the Netherlands, and 31
percent in Denmark. Not until the 1990s did high school completion rates in these countries surpass those in the United States.23

Southern schools, it is worth noting, lagged considerably behind U.S. national trends. During the antebellum period, most young people in the South received little formal education. While public schools flourished in other parts of the country, the Civil War and Reconstruction left the southern states despoiled and demoralized. Even today, educational attainment in the South—among whites as well as blacks—trails well behind that in other parts of the country. Only 65 percent of whites in Kentucky had a high-school diploma in 1990, compared with 77 percent of whites in Ohio, just across the Ohio River. And only 67 percent of adults in Arkansas had a high-school diploma, compared with 78 percent of those in the similarly rural but midwestern state of South Dakota.24

Private Schools

American private schools date from the colonial period. During the seventeenth and eighteenth centuries, Congregationalists, Presbyterians, and Episcopalians opened boarding schools to initiate young men into the ministry. Some grew into Ivy League colleges; others became exclusive secondary schools. While these early educational pioneers have attracted much attention and envy, in raw numbers they represent but a blip on the private education screen. The major expansion of private schools occurred in the middle of the nineteenth century, when Catholics, eager to maintain old-country practices and suspicious of the Protestant-dominated public schools, decided to establish their own system of education. By the opening of the twentieth century, approximately 11 percent of all students attended a private school, almost the same percentage as at the beginning of the twenty-first.

While the proportion of students enrolled in private schools as a whole has remained quite stable, the religious affiliations of the schools themselves have changed noticeably. The Catholic share of private school students, once 80 percent of the total, has slipped considerably. After Vatican II and the Kennedy presidency, Catholicism entered the religious mainstream, and public school practices no longer had as explicit a Protestant patina. In the parochial schools, meanwhile, many teaching nuns were replaced by salaried lay teachers, driving up Catholic school costs and tuition. Offsetting the decline in the number of Catholic schools has been a growing Protestant school presence—primarily in the form of self-designated “Christian schools”—which now accounts for nearly 20 percent of all private school enrollments.

Whether Catholic or Protestant, private schools typically are modest in size and limited in their resources. Nationwide, public schools spent, on aver-
age, $6,900 per pupil in 1998, while private school expenditures totaled just under $4,000.25 In 1998–99, private schools paid their teachers, on average, only $25,000 a year, while public schools paid their teachers more than $40,000—over one-third more.26 Exclusive, well-endowed private schools, which often are affiliated with mainline Protestant churches, are a rarity. In Washington, D.C., Sidwell Friends, a Quaker school, and the Episcopalian St. Albans enjoy great reputations, having educated the children of such political leaders as President Bill Clinton, Vice President Al Gore, and civil rights leader Jesse Jackson. But such schools are the exception. Most private schools historically have enjoyed very little prestige, so little, in fact, that at one point some states, such as Nebraska and Oregon, attempted to shut them down.27

Public-School Philosophy

Though a small, stable private sector holds steadfast, many Americans share what Stanford scholar Terry M. Moe refers to as a “public-school ideology.”28 They have an abiding faith in the idea of public education. They do not see public schools as interfering with personal liberties or constituting a burdensome part of a welfare state; rather, whether liberal or conservative, they cast their lot in favor of the expansion of state-financed and state-operated public schools. But while most Americans embrace public schools without much forethought, it is the duty of philosophers to square a nation’s institutions with its political traditions. In the United States, it was John Dewey, America’s most influential philosopher of education, who provided the rationale.

Dewey realized that public schools fit uncomfortably within the liberal tradition inherited from the Declaration of Independence and the American Revolution. “In the eighteenth century philosophy we find ourselves in a very different circle of ideas,” he wrote in *Democracy and Education*. Previously it was thought that “to give ‘nature’ full swing,” inquiry had to be “freed from prejudice and artificial restraints of church and state.” Admitting the force of those concerns, he posed a question: “Is it possible for an educational system to be conducted by a national state and yet the full social ends of the educative process not be restricted, constrained and corrupted?” Although he knew that the state was constrained by “tendencies . . . which split society into classes,” he nonetheless suggested that the public school could “balance the various elements in the social environment, and . . . see to it that each individual [received] an opportunity to escape from the limitations of the social group in which he was born.”29 Democracy, according to Dewey, required that the government run schools in order to limit social and economic inequalities.
Dewey’s hope that schools would minimize the effects of social hierarchies made little sense, however, at a time when public schools were controlled by local school boards. Communities shaped local schools, and community opinion, or at least its dominant element, was homogeneous enough that the two were intimately intertwined. Critics charged that schools did little to change the social order, and those critics were much closer to the nub of the matter than was Dewey with his hopeful philosophizing. But, over time, control of schools shifted from local school boards to more centralized and professional bureaucracies. By the end of the twentieth century, the public school better approximated the kind of state-run institution Dewey envisioned, capable of acting independently of the local social context in which schools, for good or ill, had once been embedded.

Centralization and Professionalization of American Education

Just as Dewey had hoped, the American school system became, in the years following his writings, increasingly uniform, centralized, comprehensive, and professional. Basic statistics reveal the powerful effects of that transformation: in 1900, 72 percent of all children ages five to seventeen who were not enrolled in a private school attended a public school; by 2000, 92 percent were enrolled. More telling, perhaps, is the average amount of time students attend school each year, which nearly doubled from 86 days in 1900 to 161 days in 1980. The number of students graduating from high school increased from 62,000 in 1900 to 2,341,000 in 1997. Financial commitments to education increased just as dramatically, even when adjusting for inflation. Between 1920 and 1996, per-pupil expenditures climbed from $535 to $6,400. Teacher salaries rose from less than $7,300 to more than $34,000. Between 1955 and 1998, the pupil-teacher ratio tumbled from 27:1 to 17:1.

The trend toward professional control of the education system proved no less impressive. In the 1920s, the mother of one of the authors taught public school in rural Minnesota, despite the fact that she had received only one year of “normal schooling” beyond her graduation from high school. In that time and place, her training was typical. In the 1980s, the mother of another author had to complete several years of graduate training in an accredited school of education in order to teach at a California public elementary school. She subsequently attended training sessions to keep abreast of the latest and most fashionable pedagogical theories and techniques.

Classroom teachers are not the only professionals in education receiving specialized training today. Curriculum designers, guidance counselors, psychologists, school librarians, and special educators are found in abundance.
Principals now are expected to have advanced degrees, and professionally trained superintendents, doctorate in hand, take the helm of most school districts.

As Americans moved from towns to metropolitan areas, smaller rural school districts were quickly consolidated. There were nearly 120,000 school districts in the nation in 1937; by 1998, the number had dropped to less than 15,000. Even through the 1990s, districts continued to steadily grow in size. In 1989, 650 school districts enrolled more than 10,000 students; a decade later, the number of such districts had increased to more than 800. Along with school districts, the financing of schools grew increasingly centralized. While schools relied on their local government for fully 82 percent of their funding in 1920, by 1997 only 45 percent of their funds came from the local government, the rest coming from state and federal coffers.

As school systems became larger and more centrally controlled, conditions became ripe for the emergence of strong teachers unions. The American Federation of Teachers (AFT), which was affiliated with the larger labor union movement (American Federation of Labor–Congress of Industrial Organizations, known as the AFL-CIO), struck big-city school systems in New York, Chicago, Detroit, and elsewhere in the 1960s and early 1970s. As the AFT won one collective bargaining victory after another, its enrollment swelled. Responding to the competition, the National Education Association (NEA), which for years had been dominated by administrators, dropped its anti-strike, antiunion philosophy and became a powerful force working on behalf of teachers’ rights and prerogatives. Ultimately, most large and moderate-sized school districts signed collective bargaining agreements with one of the two organizations. These contractual agreements formalized relationships among teachers, administrators, and other school personnel, further isolating schools from the communities in which they had once been embedded.

The informal, lay-controlled, decentralized school system of John Dewey’s day was further eclipsed by the actions of legislators and judges. Beginning in the 1970s, courts asked state legislatures to minimize funding inequalities among school districts. In 1974 a new federal law reinforced court orders demanding that schools address the particular educational needs of disabled children. Shortly thereafter, a combination of legislative and court actions spawned new programs for students who spoke little English. State legislatures, meanwhile, continued to give other schools new tasks, asking them to teach students to drive, guard their health, practice safe sex, and engage in public service. Courts ruled that schools could not ask students to salute the flag, pray in school, or conform to a dress code that infringed on their beliefs.
While parents and local school boards exercised significant control over public schools at the beginning of the twentieth century, by its end, they had to compete with legislators, state and federal judges, teachers unions, and professional bureaucrats.

Varieties of Choice in American Education

As public schools became more centralized and more professional, many groups, parents, and commentators began to criticize the education system for limiting opportunities for individual choice. Public school systems have responded by offering magnet schools, interdistrict public school choice, charter schools, and tax credits for private education expenses. In addition, a number of publicly and privately funded school voucher initiatives have been undertaken in various parts of the country. Before turning to vouchers, the main focus of this book, we consider a variety of alternatives to conventional schooling arrangements.

The first major choice initiative emerged from the conflicts surrounding desegregation in the 1960s. So unpopular was compulsory busing with many Americans that the magnet school was developed as an alternative way of increasing racial and ethnic integration. According to magnet school theory, families could be enticed into choosing integrated schools by offering them distinctive, improved education programs. Although the magnet idea was initially broached in the 1960s, it was not until after 1984 that the magnet school concept, supported by federal funding under the Magnet Schools Assistance program, began to have a national impact. “Between 1984 and 1994, 138 districts nationwide received a total of $955 million” in federal funds to implement this form of school choice. By the early 1990s, more than 1.2 million students attended 2,400 magnet schools in more than 200 school districts. The magnet school concept, if taken to its logical conclusion, opens all public schools in a district to all families, allowing them to select their preferred public school, subject to space constraints. Such programs, generally identified as open-enrollment programs, can be found at the high-school and middle-school level in a few school districts.

Most studies of magnet schools and open-enrollment programs find positive effects on student learning. Although scholars have questioned many of these findings on the grounds that the apparent effects were due to the prior ability of students selected to attend magnet schools, two studies that carefully addressed this issue still found positive effects. In the East Harlem community school district within New York City, the magnet school pro-
gram was expanded to give most parents within the community a choice of schools. Test scores climbed both within the magnet schools and within traditional neighborhood schools competing with the magnet schools.40

Although most magnet-school programs limit parents’ choice of public schools to those within a particular school district, in a number of places public institutions outside the local school district are included. As early as 1985, Minnesota gave local school boards permission to allow students from outside their district to attend their schools, although the program was restricted to students who would not adversely affect the racial integration of participating school districts.41 By 1997, nearly 20,000 students were participating in the Minnesota program;42 and similar programs operated in another sixteen states. Although many of these programs are too new to lend insight into the long-term effects of interdistrict choice, preliminary evidence from the Massachusetts program indicates that school districts losing students often make significant efforts to upgrade their curriculum in order to curtail their losses.43

While magnet schools and interdistrict enrollment programs limit parents’ choice of schools to those operated by school boards, charter schools have expanded the options to include government-financed schools operated by nongovernmental entities. By 2000 thirty-four states and the District of Columbia had enacted charter-school legislation, and more than 400,000 students were attending nearly 1,700 charter schools.44 Although the percentage of students in charter schools nationwide is still a small fraction of public school enrollment, in some places it is quite significant. For example, 4.4 percent of the students in Arizona were attending charter schools in 1997, and in the District of Columbia, 15 percent of all students attended charters in 2000.45

Charter school terminology varies by state, as does the legal framework under which these schools operate. Charter schools have two common characteristics: First, the entity operating the school is ordinarily not a government agency, although it may receive most of its operating revenue from the state or local school board. Second, charter schools do not serve students within a specific attendance boundary; instead, they recruit students from a large catchment area that may encompass traditional public schools. As a result, they must persuade parents that their offerings are superior to those provided by traditional public schools in their vicinity.

Studies have found that, on average, students attending charter schools are fairly representative of the general school population.46 Most charter schools are popular with parents and substantially oversubscribed, although some have been closed for violating safety and education standards. Charter
Schools have been more successful than traditional public schools at attracting teachers who were educated at selective colleges and who received higher education in mathematics and science. Whether students learn more in charter schools than in traditional public schools has yet to be ascertained.

Some states allow tax deductions or tax credits that can be used to help pay the cost of a private education. In Minnesota, families earning under $33,500 per year can claim a tax credit of up to $1,000 per child ($2,000 per family) for such school-related expenses as the purchase of books and other educational materials, but not for private school tuition. Nearly 38,000 Minnesotans claimed the tax credit in 1998, averaging $371 per credit. Small state tax deductions for both tuition and educational expenses also are available for higher-income families. In Arizona, taxpayers may receive a tax credit of up to $500 if they contribute to a foundation that provides scholarships to students attending private schools. In 1998, the program’s first year, 5,100 Arizonans claimed the credit.

That there are so many different varieties of school choice suggests that many Americans have become uncomfortable with the growing centralization and bureaucratization of their educational system. Yet all choice initiatives have provoked controversy, and none have been widely adopted. Still, school vouchers, the main focus of this book, remain the most far-reaching—and controversial—of all proposals to expand choice in education. It is therefore worth examining the theoretical underpinnings for what might, if fully implemented, constitute a fundamental restructuring of the country’s educational system.

Theories of Choice

The nineteenth-century English philosopher John Stuart Mill suggested the first fully developed voucher proposal. Although he favored compulsory, publicly financed education, he insisted that families retain the right to choose their schools. His resolution of the conflict between society’s need for an educated public and the individual’s right to remain free of state compulsion is worth citing at length:

Is it not almost a self-evident axiom, that the State should require and compel the education . . . of every human being who is born its citizen? . . . Were the duty of enforcing universal education once admitted, there would be no end to the difficulties about what the State should teach, and how it should teach, which now convert the subject into a mere battlefield for sects and parties, causing the time and labor which
should have been spent in educating, to be wasted in quarreling about education. . . . It might leave to parents to obtain the education and how they pleased, and content itself with helping to pay the school fees.50

Nearly a hundred years later, economist Milton Friedman, a future Nobel-prize winner, made much the same proposal:

Governments . . . could finance [education] by giving parents vouchers redeemable for a specified maximum sum per child per year if spent on “approved” educational services. Parents would then be free to spend this sum and any additional sum on purchasing educational services . . . of their own choice.51

Friedman’s ideas initially were put to ill use. In the wake of the Brown v. Board of Education decision, white southerners fought school desegregation with every legal means at their disposal—not only through delay, redistricting, and tokenism, but also by withdrawing white students from predominantly black public schools and placing them in white private schools. Courts, however, eventually struck down those practices, and today it is clear that publicly funded voucher schemes cannot pass constitutional muster if they permit private schools to discriminate on the basis of race or national origin.52

Tainted by their proposed use as a segregationist tool by Southern legislators in the 1950s and 1960s, vouchers languished until the 1970s when liberals proposed them as an antidote to overly bureaucratized big-city schools. Christopher Jencks, a Harvard University sociologist who worked on contract with the Office of Economic Opportunity, the agency charged with overseeing much of the War on Poverty, initially requested federal funding to establish six experimental choice programs.53 Eventually, however, only one watered-down version, limited to public schools within a single district, was attempted—in Alum Rock, California.54 Even there, teachers union opposition crippled the program, which eventually was abandoned. Another decade passed before the idea was resurrected.

Politics and Markets

In the early 1990s, Brookings Institution scholars John Chubb and Terry M. Moe revived public interest in school choice.55 Their point of departure, however, was slightly different from that of Friedman, who was principally concerned with market efficiencies, and Jencks, who was interested in
empowering society’s least advantaged citizens. For Chubb and Moe, the problem with public education lay in its connection to politics. They found problematic what John Dewey took for granted. Concerned about the need to alleviate inequalities arising from birth or accident, Dewey, like many other progressives at the time, demanded that public schools operate independently from political forces. But in imagining how they would actually function, Dewey, ironically enough, fully expected schools to interact with and receive direction from their community. “What the best and wisest parent wants for his own child, that must the community want for all of its children. Any other ideal for our schools . . . destroys our democracy.”

But how, in practice, do communities express their will? Through group struggle, competitive elections, and political compromise, all forces that undermine school productivity, say Chubb and Moe. Schools perform best when they have a clear mission and the autonomy and flexibility to pursue it. When politics intrudes, which necessarily occurs when governments run schools, that mission is subordinated to narrow rules drafted by interest groups and school employees. The likely result, Chubb and Moe conclude, is school failure.

The problem may be particularly severe in big-city school systems. In the words of Howard Fuller, a former Milwaukee school superintendent, “The only way to change a large system is through pressure from the outside—for instance, by controlling the flow and distribution of the money. Otherwise, the internal dynamics of the system will make change impossible. It isn’t a matter of individual teachers and administrators being unprofessional; it’s the system itself, and how it is organized—unions, boards, federal and state regulations, mandates, court orders.”

In the marketplace, Chubb and Moe point out, businesses are free to define their mission as they see fit. Though consumers exert considerable influence on business decisions, they have no direct control of company operations. Even in publicly held corporations, stockholders concede most operational authority to managers, holding them accountable only for the bottom line. While these managers must abide by laws and regulations, they have a strong incentive to search for the most efficient way of satisfying the consumer.

With vouchers, parents can choose schools that best address the needs of their child. Meanwhile, schools will compete with one another and come under consistent pressure to improve their services and develop more effective techniques for meeting customer demand. Bad schools, presumably, will lose customers—unless they quickly find ways to adapt and improve. Good schools, meanwhile, will flourish, and over time new schools will appear. In
short, the promise of vouchers is the introduction of autonomy, flexibility, and innovation into public education.

*Social Capital Theory*

As the Friedman and Chubb-Moe formulations make clear, school choice proposals derive from a well-established theory of markets. Yet the argument for school vouchers is also rooted in another more recently developed set of ideas, known as social capital theory.\(^5^9\) Social capital is generally understood as consisting of the resources generated by the routine interaction among people in a well-functioning community.\(^6^0\) Social capital was once so abundant that it, like the air we breathe, was taken for granted. Dense social networks once thrived in small-town America and in ethnically homogeneous urban neighborhoods. Residents regularly saw and spoke with one another in shops, churches, and community recreation halls. Young people congregated under the supervision of an active and vibrant adult community. Schools forged close connections with parents, and parents communicated frequently among themselves. All of that, presumably, redounded to the benefit of students.

Indiana University political scientist Elinor Ostrom argues that social capital helps public servants perform their duties more effectively. The police can do a better job of preventing crime if citizens, too, monitor the goings-on in their community.\(^6^1\) Sanitation engineers find it easier to collect the garbage if citizens check to see that their neighbors toss trash in cans instead of the gutters. And students learn more if parents and teachers work together. For services that are coproduced by government employees and citizens, social capital is a vital resource.\(^6^2\)

It is a matter of some concern, then, that the nation’s reserves are being depleted. According to Harvard political scientist Robert Putnam, adult engagement in community-building activities has steadily decreased over the past fifty years. Not only are groups such as the Elks and Kiwanis on the decline, but people rarely get together to play cards, share a meal, or attend ice-cream socials. Televised professional sports, long bouts on an exercise machine with headphones blaring, and video games have replaced community baseball and local theater productions. Suburban shopping malls and megastores supplant Main Street, where neighborhood connections once occurred. The consequences, according to Putnam, include mounting public distrust of one another and government ineffectiveness, especially when services depend on mutual cooperation.\(^6^3\)

The decline of social capital may have particularly deleterious consequences for education. As urban neighborhoods have become increasingly anonymous and suburbs have replaced small towns, schools have grown
increasingly disconnected from the neighborhoods they serve. Schools’ financial base has shifted from local property taxes to state income and sales taxes. Government regulations, bureaucratic requirements, and court orders have established a more defined relationship between school officials and parents, pushing the latter to the periphery of the educational process. Out of concern for student safety, many schools allow parents in school buildings only under carefully controlled circumstances. And all of these developments have been particularly pronounced in urban schools serving low-income communities.

If declining social capital is the problem, then school choice may provide a solution. If private school communities are voluntarily constructed as parents and schools choose each other, then a commonality of interest may provide a basis for mutual support and continuing interaction. Indeed, the very term “social capital” was coined in a study that found private schools to be more effective than public schools. University of Chicago sociologist James Coleman and his colleagues accounted for the higher performance of students in Catholic schools by noting the social capital generated when parents gather at religious services, bingo parties, Knights of Columbus meetings, fundraising events, and other gatherings. Although those communal occasions had no ostensible educational content, they provided a positive foundation for student learning.

School Choice: Key Questions

Although both market and social capital theorists present persuasive arguments on behalf of school choice, vouchers remain extremely controversial. The resistance they have encountered is due in part to citizens’ long familiarity with public schools as well as the opposition of various interest groups, most notably teachers unions. There also remain important questions about how school choice might work in practice. The five concerns that will receive the most attention in the ensuing chapters are as follows:

—Parents lack the information necessary to choose schools wisely.
—Choice will increase educational stratification.
—Choice precludes adequate attention to the needs of disabled students.
—Choice does not improve student achievement.
—Choice will contribute to racial isolation, political intolerance, and the unconstitutional establishment of religion by government.

Information about Schools

In a well-functioning market economy, most consumers are able to make intelligent choices. People usually buy shoes that fit, food that is edible, and
cars that do not immediately break down. One need not be a cobbler, a farmer, or an auto mechanic to make sensible choices among the alternatives available. But schools may be different. Education is a slow, painstaking process that takes years to complete; only in the long run can one discern the depth of knowledge gained. At any given point in time, parents may not know what is happening in the classroom, whether their children are learning, or how to tell if they are not.

When useful information is unavailable, parents may divine the quality of a school from the appearance of the students attending it, the exhibition of new computers, the quality of the sports team, or some other consideration that may have little academic content. According to education sociologist Amy Stuart Wells, when parents in the St. Louis area were given a chance to send their child to a school outside the central city, “not one of the [eleven] transfer” parents she interviewed “actually went to visit a county district before listing their top three choices.” She concluded that their choice of school was based more “on a perception that county is better than city and white is better than black, not on factual information about the schools.”

Statewide testing and accountability schemes can help current and prospective parents learn about the quality of a school by providing detailed information on the performance of the school’s students. Nonetheless, summary statistics can be quite deceiving—a school may work well for average students but not for those with special needs or with advanced aptitudes—and annual changes in test scores may be influenced as much by random fluctuations from one year to the next as by the instruction provided.

Even if families have adequate information about their options, others may not. According to a group of British scholars, the “unequal sophistication of parents as choosers in the educational marketplace bodes ill for educational equality.” Such concerns may be exaggerated. Not everyone needs to be fully informed in order for all to benefit from an education system based on parental choice. Busy people buy their groceries hurriedly, paying little attention to price, while a neighbor with more time painstakingly examines quality and price. Because producers in a competitive market price their products for the marginal customer, busy folk enjoy the benefits of their persnickety neighbors. Some empirical studies suggest that markets become competitive when between 10 percent and 20 percent of consumers are informed. After examining school-choice programs in New Jersey and New York, Mark Schneider and his colleagues concluded that it requires only “a subset of parents” to “be informed about . . . their schools” in order for an effective educational market to emerge.

Even if families had access to reliable information, would they choose schools for the right reasons? A Carnegie Foundation report argues, “When
parents do select another school, academic concerns are not central to the decision.71 The problem may be particularly severe with low-income families. A Twentieth Century Fund report observes that low-income parents are not “natural ‘consumers’ of education . . . [Indeed], few parents of any social class appear willing to acquire the information necessary to make active and informed educational choices.”72 Writer Nicholas Lemann made much the same point more provocatively: when a major impediment to the achievement of poor children is “their parents’ impoverishment, poor education, lax discipline and scant interest in education,” it is absurd to think that the same parents will become “tough, savvy, demanding education consumers” once they have the right to choose.73

The issue is important, because parents need to select schools for the right reasons if their choices are to enhance school productivity. In the ensuing chapters, we provide extensive information about the reasons why parents initially choose and stay with a school and, more generally, about how low-income parents assess the public and private schools their children attend.

Selection and Stratification

More problematic than the possibility that parents will make ill-informed decisions is the possibility that schools, rather than parents, exercise choice in an education marketplace. If so, vouchers may further fragment and stratify the country’s educational system as a handful of private schools attract the best and brightest students while leaving public schools to contend with an especially unmotivated and disadvantaged population. According to Richard Kahlenberg, “privatization under most circumstances will only further segregate the schools by race and class because the ‘choice’ that advocates talk about ultimately resides with private schools rather than with students.”74 Some schools will attract hordes of applicants, and they may cull their list to select the most talented. Less reputable schools, forced to accept the remainder, may spiral downward. “The incentives are clear,” says Harry Brighouse: when British schools have a choice, they “are all pursuing . . . able, well-motivated, and middle-class students.”75

Examining a school-choice program in New Zealand, Edward Fiske and Helen Ladd observe a movement of students to high-status schools from those with high proportions of minorities and economically disadvantaged students. “Just as parents have seized upon their new right to select the schools their children attend, so individual schools have taken advantage of their self-governing status to become more aggressive in marketing themselves.”76 But defenders of the New Zealand choice program say that the country’s schools are no more stratified than they were under the previous neighborhood school system.77
Whatever the situation in New Zealand, the seriousness of the problem depends on the specific features of a school-choice program. If vouchers are made available only to low-income residents and if new schools form in response to changes in parent demand, the problem may be mitigated. Chapter 3 considers whether choices by parents and schools in voucher programs serving low-income families contribute to a more stratified education system.

Needs of Disabled Students

To the extent that the selection process in a choice system adversely affects lower-performing students, disabled children would seem to be at the greatest disadvantage. According to federal law, disabled students must be educated in a setting that suits their needs. It is unclear, however, how the law might be enforced in an education system based on parental choice. If disabled children are not accepted into many schools, the private choices of parents and school administrators may only reinforce their isolation. “Choice programs often operate in a way that is either directly or indirectly exclusionary” of those with disabilities, says Laura Rothstein.78 Such students, if taught separately, are expensive to educate, and they may distract other students and teachers if taught in regular classrooms. As a result, “schools face a disincentive to provide well for [these] students.”79 Even if a school opens its doors to disabled students and serves them well, it may encounter new problems. As one educator argued, “You work hard, you develop an area, you get known as a good school for [special needs students] and so what happens?—you’re flooded with [special needs] kids.”80 Yet some moderate learning disabilities may be as much the result of a poor match between a student and a particular school as an inherent characteristic of the student. If so, school choice may help meet the needs of such students. Chapter 3 explores the impact of school choice on children with special needs.

Student Achievement

Market theories predict that students will receive a better education when schools are forced to compete; social capital theory predicts a higher level of educational coproduction by schools and families when schools foster close relations with their community. In practice, though, school choice may yield few, if any, gains in student productivity. Some researchers think that learning is more a function of genetic inheritance, family environment, and the influence of a child’s peer group than of any instruction teachers provide, no matter how adequately outfitted a school may be.81 Others argue that private schools are no better at educating students than public schools; observed differences in the test scores of the two instead derive entirely from self-selection mechanisms. In chapters 4 through 7, we review that debate, present new
evidence regarding the kinds of schools that voucher users attend, and estimate the effect of a private education on student achievement.

Racial Isolation, Intolerance, and Constitutionality

Schools do more than teach math and reading; they also prepare citizens to participate in a democracy. School choice, however, may only encourage racial isolation and intolerance. Says former New Republic editor Michael Kelly, “Public money is shared money, and it is to be used for the furtherance of shared values, in the interests of e pluribus unum. Charter schools and their like . . . take from the pluribus to destroy the unum.”

In the words of David Berliner, dean of Arizona State’s college of education, “Voucher programs would allow for splintering along ethnic and racial lines. Our primary concern is that voucher programs could end up resembling the ethnic cleansing . . . in Kosovo.” Some of this rhetoric may be dismissed as scare tactics. Elected officials are no more likely to turn over school dollars to extremist groups than they are to allow airlines to fly unregulated or meat to be marketed without inspection. As RAND scholar Paul Hill points out, “In the long run, schools in a publicly funded choice system will be public because they’ll be regulated.” Still, some believe the government needs to operate schools directly, to ensure that democratic values are taught. Princeton theorist Amy Gutmann puts it this way: “public, not private, schooling is . . . the primary means by which citizens can morally educate future citizens.”

Regardless of their impact, vouchers may simply be unconstitutional. Some have argued that any kind of financial aid to religious schools contravenes the First Amendment’s prohibition on the “establishment of religion”; others reply that no “establishment” occurs as long as parents can choose between secular and religious schools. Lower courts have reached inconsistent decisions on the question, and the Supreme Court has yet to issue a definitive ruling. In chapter 8, we discuss how our empirical findings bear on constitutional issues.

School Choice by Residential Selection

These topics—the capacity of parents to make informed decisions; selection effects; the needs of disabled students; student achievement; and tolerance, racial isolation, and constitutional requirements—prove impassioned
debate. But despite the energy brought to the discussion, a simple fact often goes unmentioned: most Americans already have a choice of schools. Families pick schools when they decide where to live. School choice is not an abstract vision of the future; it is deeply embedded in contemporary practice. School vouchers would not so much introduce choice in education as reduce its dependence on housing markets.

Thus we offer in this book another way of thinking about school choice—a differentiated theory of choice, so to speak, one that expects new forms of school choice to have different impacts for different groups in society. According to this theory, new educational opportunities will most benefit those groups that cannot exercise choice in the residential market.

Both sides in the debate on school choice have a vested interest in overlooking school choice by residential selection. It is convenient for many choice advocates to ignore the choice of schools that families make every time they purchase a home or rent an apartment. If choice already exists, why should vouchers be expected to produce large productivity gains? Many of those critical of school vouchers are no less reluctant to admit that the U.S. education system, as currently structured, is a choice-based system. Many defenders of public education presume the existence of common schools in which all children are educated together regardless of their race, creed, household income, or parents’ occupations. But public schools in fact serve highly differentiated populations. What is similar about the types of education offered in New York’s New Rochelle and South Bronx? California’s Palo Alto and East Palo Alto? Massachusetts’s Concord and Dorchester?

Because space in the United States is plentiful, at least by European and Asian standards, school choice by residential location is especially potent. Americans have always moved to get what they wanted—whether it was Daniel Boone, with his constant urge to move still further West to avoid the settlers arriving just behind him; the Mormons in their flight to the Salt Lake desert to escape persecution; the multitudes of immigrants who passed through Ellis Island on their way to destinations throughout the country; or city residents who shifted to suburbia to avoid urban grit and decay.

School choice by residential location is more prevalent today than ever before simply because families now have more options about where to live. A half-century ago, proximity to work, more than any other factor, influenced the attractiveness—and thus the average cost per square foot—of residential locations, especially within metropolitan areas. But when highways replaced railroads as the primary mode of transportation, employment opportunities spread to the suburbs. As job opportunities dispersed, local amenities became the primary determinant of housing prices, and one of the most important
amenities was the neighborhood school. In 1993, 39 percent of parents with children in school said they considered the local school when selecting a place to live. Actual behavior seems consistent with parental responses to survey questions. Communities with exceptional schools command relatively high housing prices; as the quality of local schools deteriorates, housing prices fall.

The degree of school choice by residential selection varies across metropolitan areas. In the Miami area, for example, choice is restricted by the fact that one school district serves the entire metropolitan area, whereas more than 100 school districts serve the Boston metropolitan area. When residential choice is greater, schools are better. In metropolitan areas with more school districts, students take more academic courses and spend more time on homework, and in addition, classes are more structured and disciplined. Moreover, parents are more involved with schools, student test scores are higher, and sports programs are given less emphasis.

Although choice by residential selection conforms to market theory, promising efficiency and productivity gains, it does not guarantee equal educational opportunity. Only those willing and able to pay the price receive the educational benefit of better schools. Low-income families do not have the earning power to buy into a neighborhood with high-quality schools. Quite the opposite—they often can afford a home or apartment only because it is located in a poorer neighborhood with lower-quality schools. Ironically, when a neighborhood serving a low-income community improves, land values rise and poor families often are displaced.

Since housing purchases constitute a large capital investment, residential selection is especially egalitarian. When Britain created comprehensive schools in place of academically selective grammar schools in the 1960s, “selection by mortgage replaced selection by examination.” The results may be unfortunate, researchers worry, because access to a college preparatory education is now “closed for many bright working class boys and girls.”

Residential Selection and the Education Gap

In the United States, African Americans have the least residential choice. To begin with, they generally earn less than other groups. In 1998, black families with two children had a median annual household income of $25,351, compared with $28,330 for Hispanic households and $40,912 for white households. Income, however, only partially determines access to credit markets, which is necessary to maximize residential choice. Wealth, the accumulated assets of the household, also is critical, and there the differences are
even more dramatic. In 1995, the median net worth for white households was nearly $50,000, compared with little more than $7,000 for black and Hispanic households. The net effect is to relegate blacks more than any other ethnic group to more racially homogeneous neighborhoods.

Still other signs indicate that African Americans often get the short end of the stick in the residential marketplace. Fully 72 percent of whites own their home, compared with just 47 percent of African Americans. African Americans also are less likely to secure mortgage loans. During the 1990s, African Americans nationwide were twice as likely as whites and 33 percent more likely than Hispanics to be denied a loan. In New York, 29 percent of the loan applications of African Americans are turned down, compared with 15 percent of applications of whites; in Washington, D.C., the figures for the two groups are 14 and 6 percent, respectively.

African Americans also pay considerably higher housing costs, as a percentage of their incomes, than do whites. Nineteen percent of African Americans, compared with 13 percent of whites, devote more than 40 percent of their income to housing costs. Their returns on their housing investments, meanwhile, are much lower. Minority populations are especially likely to live in urban and suburban areas that are substandard and burdened by crime, environmental degradation, and inferior schools. Amenities that middle-class people take for granted, such as banks, supermarkets, and stores that provide basic goods and services, are scarce in low-income minority neighborhoods. Simply put, it is difficult to enjoy a middle-class lifestyle in a poor minority neighborhood.

African Americans are four times more likely than whites to report physical problems with their housing unit; they are more likely to report noise and traffic problems near their home; and they are almost twice as likely to claim that crime is a problem in their neighborhood. According to one careful study, “race is still an important factor that influences housing options and residential choice. No matter what their educational or occupational achievement or income level, all blacks are exposed to higher crime rates, less effective educational systems, higher mortality risks, and more dilapidated surroundings because of their race.”

Surely, part of the reason that African Americans live in less desirable neighborhoods is that their economic resources are more limited. But racial discrimination by real estate agents, local residents, and banks also can influence the residential choices presented to African Americans. Studies suggest that banks are less likely to offer loans to blacks than whites with comparable financial portfolios. According to an examination of lending practices in Boston, for example, “minority applicants with the same economic and prop-
erty characteristics as white applicants would experience a denial rate of 17 percent rather than the actual white denial rate of 11 percent.’’

The net result of economic factors and racial discrimination is a highly segregated housing market. Eight in ten African Americans live in neighborhoods where they are the majority, despite the fact that they constitute just 12 percent of the population nationwide. Residential segregation is especially pronounced in metropolitan regions. On one “segregation index” that ranges from zero (indicating perfectly representative proportions of African Americans and whites) to one hundred (indicating complete segregation), in 1980 Washington, D.C., scored 79 and New York City scored 75. In all U.S. metropolitan areas, two-thirds of African Americans live in central cities, compared with just 40 percent of whites; one-third of African Americans, compared with 60 percent of whites, inhabit surrounding suburbs.

How do such factors affect African Americans’ ability to exercise school choice through residential selection? According to one national survey, 45 percent of white parents said that they “moved into [their] neighborhood at least in part because of the quality of the public schools.” In contrast, only 35 percent of Hispanics and just 22 percent of blacks did so. What is more, white and Hispanic parents were better able than African American parents to leverage their economic resources to send their child to a desired public school. Whereas roughly 40 percent of whites and Hispanics with lower incomes claimed to have moved to a neighborhood because of the quality of its public schools, 60 percent of those with higher incomes said that they did. The percentage of blacks who chose their neighborhood because of its schools, however, did not increase with income. At both high and low income levels, only about one-quarter of African Americans stated that they selected their neighborhood because of its public schools. For many black Americans, school choice by residential selection simply does not exist.

It should be no surprise, then, that public schools inherit the racial inequality that pervades the housing market. “A considerable portion of existing school segregation in metropolitan areas is associated with segregated housing patterns,” notes Duke University professor Charles Clotfelter. “Combined with the Supreme Court’s decisions in the 1974 Milliken v. Bradley case, this residential segregation virtually guarantees public school segregation in urban America for the foreseeable future.” The educational consequences can be devastating. According to one national survey, only 23 percent of students at urban high-poverty schools read at the basic level, compared with 46 percent of students in high-poverty nonurban areas. Nationwide, the black-white test-score gap, historically large, widened even more during the 1990s. As columnist William Raspberry put it, “Poor chil-
The children desperately need better education. Yet the schools they attend—particularly in America's overwhelmingly black and brown inner cities—may be the least successful of all public schools.\textsuperscript{110}

Most Americans, meanwhile, remain committed to a system of educational choice based on place of residence. Attempts to cut the link between the two provoked some of the greatest turbulence in American educational history: the school busing controversy of the early 1970s. Since school choice by residential selection gave white families access to better schools while relegating black students to relatively poor schools, some state and federal judges ruled that educational equality could be achieved only by busing children across neighborhood lines.\textsuperscript{111} The ensuing uproar, and occasional violence, revealed the extent to which school choice by residential selection and an enduring belief in the value of neighborhood schools are embedded in the American political ethos.

The political advantages of school choice by residential selection are considerable. Not only does it serve the interests of the prosperous, but it does so without offending their political sensibilities. Were the children of the rich explicitly directed to good schools and the children of the poor to rotten ones, it would be both unconstitutional and a political embarrassment to those who profess the public schools to be the main vehicle for achieving equality of opportunity. Like the formally segregated school system of the South, such an arrangement eventually would break down. But when school choice derives from residential choice, the pretense of equal educational opportunity is preserved. Schools, at least in principle, remain open to all children—rich and poor, black and white, immigrant and native, healthy and disabled, capable and challenged. All that is required is that a child’s family live within the appropriate community.

For all these reasons, new forms of choice may be expected to have differential effects by racial group. Among those families that already live in a neighborhood with good public schools and enjoy a broad array of educational options, the marginal benefits of—and political support for—school vouchers should be quite small. But where residential patterns yield poor educational options, the demand for vouchers should escalate and the impact of a voucher program may prove to be much larger.

Perhaps that is the reason that, according to many polls, blacks are more likely to support school vouchers than other ethnic groups. In one 1995 survey, African American parents were 4 percentage points more likely to support vouchers than Hispanics and 12 percentage points more likely than whites.\textsuperscript{112} Those findings were confirmed by a 2000 national survey of black and white Americans conducted by the Joint Center for Political and Eco-
nomic Studies. Fifty-seven percent of African Americans, compared with 49 percent of the adult population generally, said that they supported school vouchers; 74 percent of blacks with children and 75 percent of blacks under the age of 35 supported the policy. Furthermore, 67 percent of low-income, inner-city parents said that they would be interested in leaving their public school to attend a private school, compared with 52 percent of public school parents in general.

In the following pages we offer another way of thinking about school choice in American public education. Contrary to what is often assumed, school choice is not new, but, for most white Americans, an integral part of the existing educational system. Middle-class families, which have the financial wherewithal to move to better school districts, enjoy a considerable range of options. Even if their choice of school does not conform to the ideal prescribed by market theorists, they have many more options than the African American poor, who generally are consigned to schools that serve highly segregated low-income neighborhoods. Because racial inequities pervade the U. S. housing market, this system of educational choice through residential selection contravenes the ideal of equal opportunity that the nation espouses. Because vouchers can break the link between place of residence and schooling options, we should expect African American families, who fare worst in housing markets, to be the most pleased with and to receive the greatest benefits from school choice.

In the pages to follow, we look at the manifold ways in which the workings of school voucher programs affect low-income families. In some respects we find similar results across ethnic groups. For example, we find that low-income families of all ethnic groups report a better educational climate when they have a choice of school. But in other important respects, particularly with regard to student achievement, we find that school choice has the greatest impact on African American students. Our findings, we believe, are of particular interest because they derive from the results of randomized experiments. The importance of that fact and the details of our research methodology are the subjects to which we now turn.