that may be a signal that the school’s name is not as valued as some might think. Furthermore, as demonstrated by Cornell’s announced plans to raise $200,000,000 of new endowments to finance greater financial aid, there are means other than tuition for financing higher education at the Ivy League schools. Bright and highly motivated students are an input to the production and dissemination of knowledge, and clever institutions will figure out how to pay for this critical input.

As with their previous work on the financing of higher education, anyone interested in higher education must read McPherson and Schapiro’s *Student Aid Game*. This does not mean, however, that we will all walk away with the same view of the US Justice Department’s 1991 successful suit to stop price fixing among the Ivy League schools, or agree on the optimal way to finance higher education.

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This is a welcome addition to a growing list of works on school choice. It provides a collection of essays originally presented in a conference at Harvard. Essays in this volume discuss conceptual, empirical and legal aspects of school choice, with particular attention devoted to recent experiments in public and private school choice. Concerning public school choice, the volume contains an excellent article by Hoxby, summarizing her results on the effect of competition on scholastic achievement, wages, and racial balance; public school choice in Massachusetts (Armour and Peiser); charter schools (Vanourek et al. and Hassel); and the Edison Project (Chubb). Essays on private school choice include the recent experiments in San Antonio (Godwin et al.); Indianapolis (Weinschrott and Kilgore); Milwaukee (Greene et al.); and Cleveland (Greene et al.). Finally there are two essays on philosophical and legal aspects of school choice.

The tone of the book is clearly pro choice. Although critiques of school choice are occasionally noted, none of the papers in the volume have been written by critics of school choice. This is a major weakness of the book. Moreover, with a few exceptions, most of the findings presented in the book were not vigorously scrutinized to the extent found in refereed journal articles. Therefore, one must be very cautious prior to generalizing from the results. Nevertheless, important data and ideas are presented, and there is much fodder for supporters of both public and private school choice.

The book begins with a “Report Card” on school choice by Peterson. He summarizes the main arguments for school choice and discusses the effect of school choice on customer satisfaction, test scores, and other variables. Other conceptual essays include Hassel’s discussion of charter schools; Bandl’s argument that school choice improves both competition and sense of community; Greene’s argument that private education is superior to public education in instilling civic and moral values; and Hess’s thesis that school reform, “rather than being the remedy to what ails urban schools, has generally been a distraction and a hindrance” (p. 121).

An excellent contribution is Caroline Hoxby’s paper, “Analyzing school choice reforms that use America’s traditional forms of parental choice”. By “traditional choice” she means a choice of public school (mainly by voting with one’s feet) or the choice between public and private school (the latter being so much costlier). Of particular interest are her results on the effect of competition among public school districts and among public and private schools. She discusses results reported elsewhere and concludes that competition among public schools has a negative effect on per-pupil spending and positive effects on test scores, wages, educational attainment, and parental involvement. Although competition among public and private schools has no effect on costs, there are again positive effects on test scores, wages, and attainment. Especially interesting is her argument that voucher programs have negligible effects on “self segregation”. The main reason is that public schools are not the utopia some believe they are; they already are highly self segregated. Second, as shown in the Massachusetts study, while the sending schools typically show some increase in the percentage of minorities, the opposite is true for the receiving schools, so “these effects tend to offset one another” (p. 149).

The main conclusions of Armor and Peiser’s paper on interdistrict school choice in Massachusetts are that, overall, choice has a relatively small impact on the sending schools’ financial resources, and that districts seem to respond to competitive pressure in the “expected” direction, i.e., sending districts with large choice losses
“responded by changing policies and programs”, reducing the outflow of students and improving their image (p. 178).

The report by Chubb on the Edison Project, which invests private funds in public schools (and expects to profit from it through the operation of public schools or the formation of partnerships with public schools), is full of praises for the success of the endeavor. It boasts of high parental and teacher satisfaction and of “moderate” improvements in test scores, compared to a control group. Since results are sketchy, Chubb is correct to point out that “the data… should not be overinterpreted” (p. 247).

The San Antonio private voucher program is discussed by Godwin et al. Scholarships were made available to students to attend either a private school of their choice or a multilingual program in the public sector. Results suggest increased parental involvement by students transferring to private schools, and test score improvements for students choosing either private school or the bilingual program. Similar conclusions are obtained by Weinschrott and Kilgore for the Indianapolis private voucher program (this one involved transfers from public to private schools as well as scholarships to students already enrolled in private schools). Reading and math scores for the control groups declined precipitously between grade 3 and grade 6, in contrast to the former public (as well as private) school students enrolled in the program, for whom test scores increased in this range. While admitting that the results are quite preliminary, the authors conclude that the Indianapolis program had positive performance outcomes.

Probably the best known voucher program in the US is the Milwaukee school choice program. Much has been written on the subject, often with contradictory results, leaving one to wonder whether the program has been a success. This is not an issue for Greene, Peterson and Du, however. First, they point out that the per-pupil cost of the students in the experiment were below the per-pupil costs in the Milwaukee school district. This would only have a positive financial effect on public schools in the long run, and only to the extent that students are drawn from a few schools. This is so because school costs are virtually fixed in the short run, and even in the long run there may be only minor saving when a few students leave. Second, reanalyzing John Witte’s data, they conclude that the Milwaukee experiment had important positive effects on both reading and mathematics tests scores. These results are especially pronounced after 3–4 years of treatment. The authors thus argue against the results obtained by John Witte and associates that the Milwaukee experiment has not resulted in significant test score improvements, once self selection is taken into account. No doubt, further discussion and analysis of the Milwaukee experiment will continue.

Like the Milwaukee choice program, the Cleveland choice program is especially interesting because funds for private (non-sectarian) school vouchers come from the state treasury. As in other studies reported in this volume, vouchers improved customer satisfaction. In addition, the authors find significant gains in test scores in mathematics and reading (no change in language scores). Although the authors recognize some limitations of their results, they conclude that “both test score and parental survey data provide strong support for future choice initiatives” (p. 388).

The final essay, by Viteritti, describes the theory and history of state and federal litigation connected with school choice. The author argues that students selecting private sectarian schools should not be excluded from voucher programs when aid is given to parents or students and not directly to schools. Following the Everson case in New Jersey (Everson v. Board of Education, 330 US 1,16 (1947)), the author believes that the Free Exercise Clause of the US constitution allows students choosing religious education to participate in voucher programs (when other conditions are met). As James Kilpatrick (1999) points out, US federal appeal courts have rendered conflicting decisions on the church and state issue concerning cases in Arizona, Louisiana, Maine and Ohio. Both Kilpatrick and Viteritti agree that only a decision by the US Supreme Court, expected sometime next year, can settle this unresolved issue.

Again, the essays in this volume are interesting, informative and stimulating. I caution the reader, however, from drawing far reaching conclusions from the empirical data. There is a need for additional analyses, over time and space, that employ more and better data as well as alternative models that address difficult econometric issues.

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