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Better Citizens, Lower Cost: Comparing Scholarship Tax Credit Students to Public School Students

by Matthew Ladner, Ph.D., Vice President for Research, Goldwater Institute

EXECUTIVE SUMMARY

Creating good citizens has long stood as one of the primary aspirations of public schools in America. Public schools not only require a number of courses in American government and history, but also aim to instill attitudes conducive to a democratic form of government. We want our citizens to have more than a mere knowledge of American civics. We also hope that our citizens will embrace civic values, including political tolerance and volunteerism.

Pluralistic democracy involves contention between diverse groups. Political tolerance involves a basic acceptance of the right of those with opposing views to voice their opinions and participate in the political process. Tolerance underpins democratic systems of government and, thus, is a highly desirable civic value.

Likewise, a willingness to volunteer one's time and effort has long been viewed as an admirable civic trait. Volunteerism has obvious advantages over government action in addressing societal needs in that it is decentralized, often more effective, and does not involve using the coercive power of the state.

Promoting good citizenship serves as a major justification for public schools. Critics of parental choice in schooling have raised the specter that private schools would fail to instill democratic values. This report examines whether or not that claim withstands scrutiny.

Social scientists have long studied political tolerance and volunteerism. In this study, we present the results of a survey of 1,350 Arizona high school students attending district schools. The surveyor also interviewed a group of students attending private schools with the aid of a tax credit scholarship. This is the first direct comparison between public school and tax credit students in Arizona.

The survey finds an alarming lack of political tolerance in Arizona high school students, as measured by standard items. Tax credit students show substantially higher levels of both political tolerance and volunteerism.

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I N S T I T U T E

Political Tolerance and Democracy

Political tolerance, best defined as the willingness to extend basic rights and civil liberties to persons and groups whose viewpoints differ from one's own, is an essential democratic value. "I disapprove of what you say, but I will defend to the death your right to say it," is a declaration often attributed to Voltaire. And, whether or not this statement was paraphrased by Evelyn Beatrice Hall from her book, "The Friends of Voltaire," it serves as perhaps the best summary of political tolerance. A nation as large and as free as the United States naturally produces a diversity of ideas and beliefs, many of which are inevitably in conflict.

American democracy survives by simultaneously protecting free expression within a framework of circumscribed majority rule and significant protection of minority rights. In our free and open society, public debate serves as a marketplace of ideas that helps prevent tyranny by the majority.

Researcher Patrick Wolf noted that there has long been a presumption that public schools do a better job than private schools at promoting civic values.

Shortly after authoring the Declaration of Independence, Thomas Jefferson turned his attention to the creation of a system of publicly funded education in order to ensure a citizenry capable of self-government and the preservation of liberty. Jefferson later wrote:

"I know no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education. This is the true corrective of abuses of constitutional power."

Horace Mann, the founder of the first American public schools in the 1830s, expressed a similar sentiment. "Education is our only political safety," Mann said, "outside of this ark all is deluge."

Civic Values by K-12 School Type

Researcher Patrick Wolf noted that there has long been a presumption that public schools do a better job than private schools at promoting civic values. Wolf quoted former Secretary of Education Richard Riley as saying public schools promote civic values "not only through what is taught in the classroom, but by the very experience of attending [a public] school with a diverse mix of students."

Wolf, however, examined the results of 21 quantitative studies regarding the effects of school choice on seven civic values that relate to the capacity of individuals to perform as effective citizens in our representative democracy. The

values studied were political tolerance, voluntarism, political knowledge, political participation, social capital, civic skills, and patriotism. Wolf found that “private schooling and school choice often enhance the realization of the civic values that are central to a well-functioning democracy.”¹

Opponents of parental choice in education, however, at times claim that parental choice programs will lead to the “Balkanization” of students and that such programs will allow parents to send their children to schools that teach suspect values. Public schools, on the other hand, have long served as the bedrock of promoting civic values in line with mainstream American values. Dr. Albert Cortez of the Intercultural Development Research Association illustrated this attitude:

An underlying assumption of community- and neighborhood-based schools was that the opportunity for students and families to interact and converge in a public forum would strengthen the social fabric.

This sharing of a common experience among diverse pupils, coupled with a community-wide ownership of these institutions, was seen as reinforcing our basic concepts of equality and the importance of nurturing opportunities for advancement by providing universal education for all in a common setting. It also nurtured the concept of civic responsibility when state and community resources were pooled for the greater good of all.

Vouchers, in turn, represent a radical departure from these democratic traditions. Rather than being concerned with principals of democracy and educational opportunity, they are based on assumptions of individual benefit, profit and economic theory.²

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A Comparison Between Public School Students and Students Attending Private Schools with Tax Credit Scholarships

The Goldwater Institute commissioned a private survey firm, Strategic Vision, to survey 1,350 Arizona high school students to help determine how well Arizona high schools promote civic values. The firm’s surveys have been used by Time, Newsweek, and USA Today and National Journal’s “Hotline” has cited them as some of the most accurate in the country. The margin of error for this particular survey is plus or minus three percent.

Below, we examine the results of survey data from Arizona high school students measuring their political tolerance and volunteerism. The two groups were

students attending public district schools and students attending private schools with the assistance of a tax credit scholarship.

This is the first direct comparison between public school students and students using the tax credit program. Arizona passed the nation's first scholarship tax credit law in 1997, allowing taxpayers to contribute to non-profit organizations providing scholarship assistance for children to attend private schools. Today, individual taxpayers can make a \$500 donation, and couples filing jointly a \$1,000 donation, and receive a dollar-for-dollar credit against their state income tax liability.

In 2007, Arizona school tuition organizations (STOs) gathered more than \$54 million in contributions from the individual tax credit. In that same year 27,153 students attended private schools with these scholarships. The average scholarship amounted to \$1,788.

Scholarship tax credits, therefore, represent to taxpayers an economical method for educating students. The question is do they effectively convey civic values such as tolerance and volunteerism as effectively as public schools?

By size of the student population, the individual scholarship tax credit sits between the seventh and eighth largest school districts in the state--Chandler and Phoenix Union, respectively. The Phoenix Union High School District, with 24,600 students, spent almost \$250 million during the 2007-08 school year.

Scholarship tax credits, therefore, represent to taxpayers an economical method for educating students. The question is do they effectively convey civic values such as tolerance and volunteerism as effectively as public schools? It will be of little benefit to the common good, after all, if Arizona taxpayers save money by sending students to private schools with tax credit assistance only for those students to fail to acquire desired characteristics of citizenship, including the civic values of tolerance and volunteerism.

Comparability of Public School and Tax Credit Scholarship Students

Unfortunately, we have very little information on the family incomes of either public school students or students attending private schools in Arizona, much less those attending private school with a scholarship tax credit. The typical assumption is that students attending private schools are wealthier on average than those attending public school due to the need to pay tuition. It might have been possible to ask the students about their family income, but high school students aren't likely to have accurate financial information. Proxies for family income that we do have available for public and tax credit students, however, imply less imbalance than might be suspected. Public schools report the number of students who qualify for the federal free- or reduced price lunch program based upon federal guidelines. In the 2006-07 school year, 40.7 percent of Arizona public school students qualified for a free- or reduced lunch under these federal guidelines.³

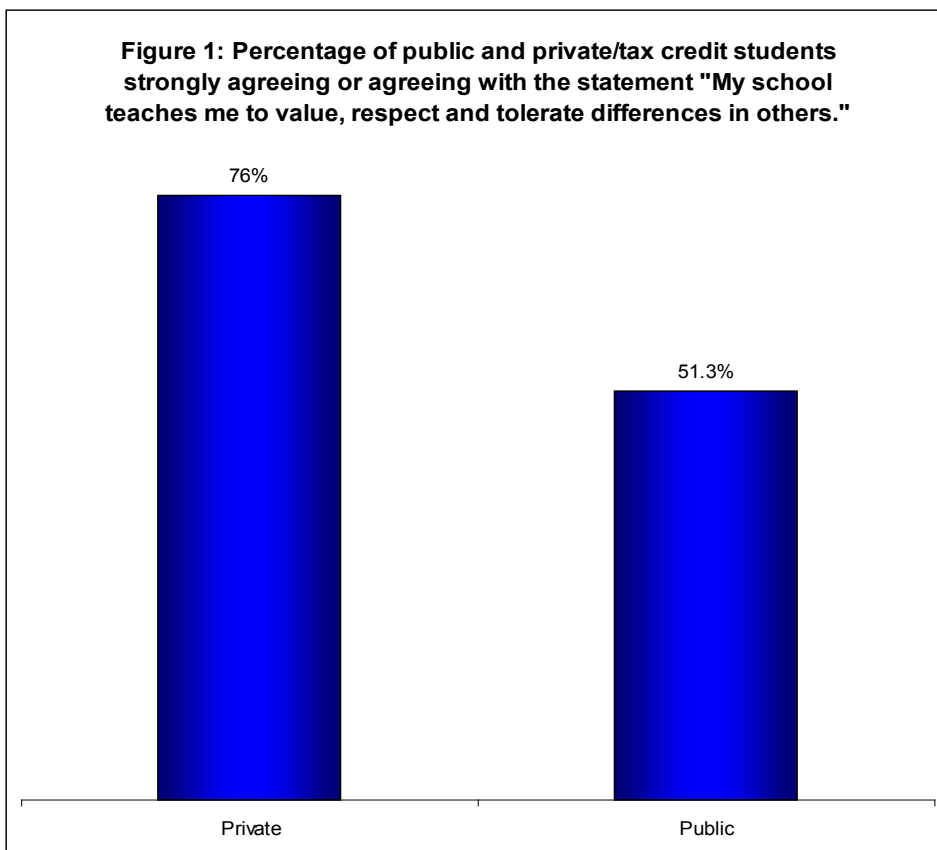
During that year, a family of four could earn a maximum of \$37,000 per year to qualify for the program.

A number of the larger school tuition organizations (STOs) means-test eligibility for their scholarships. From three of the larger scholarship groups that do means-test their scholarships, Catholic Tuition Organization of the Diocese of Phoenix, Catholic Tuition Organization of the Diocese of Tucson and the Arizona School Choice Trust, we know that 41.4 percent of scholarships were means-tested in 2007.

The actual number of low-income students aided by the credit is likely higher than 41.4 percent. The law does not require scholarship organizations to track family income or use income as part of deciding who receives a scholarship. Even groups who do not gather family income data, however, still aid low-income families. Tax credit students may have a substantially higher percentage of modest income students.

On the other hand, the poorest of the poor are likely to be under-represented in the tax credit group, as the average scholarship does not cover the average private school tuition. Arizona's high dropout rate among low-income students, however, will have removed many such students from the high school ranks.

It will be of little benefit to the common good, after all, if Arizona taxpayers save money by sending students to private schools with tax credit assistance only for those students to fail to acquire desired characteristics of citizenship, including the civic values of tolerance and volunteerism.



The percentage of tax credit scholarship students reporting that their school teaches them to value, respect and tolerate differences in others is 48 percent higher than the public school sample. Subsequent survey items show a similar result.

Social scientists have long asked survey respondents to strongly agree, agree, disagree or strongly disagree with the statement, "People whose views I oppose should be allowed to live in my neighborhood," as a measure of tolerance. This statement asks about the respondent's desire to self-segregate themselves into enclaves of people who think like themselves, or at least do not think very differently. The Economist recently observed,

Social scientists have noted a marked increase in this sort of segregation in our society in recent decades. Red states becoming redder, blue states becoming deeper blue...

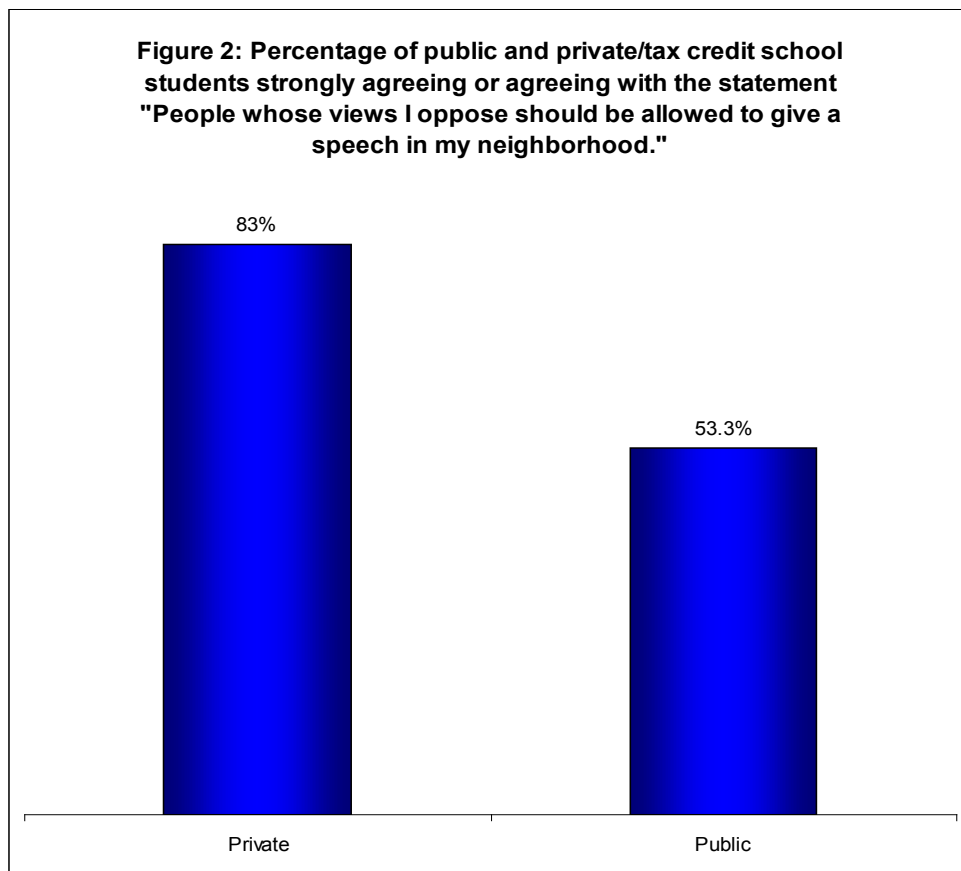
In 1976 Jimmy Carter won the presidency with 50.1 percent of the popular vote. Though the race was close, some 26.8 percent of Americans were in "landslide counties" that year, where Mr. Carter either won or lost by 20 percentage points or more.

The proportion of Americans who live in such landslide counties has nearly doubled since then. In the dead-heat election of 2000, it was 45.3 percent. When George Bush narrowly won re-election in 2004, it was a whopping 48.3 percent.⁴

This does not simply reflect changing attitudes, but also the movement of people into urban areas trending liberal and exurban areas trending more conservative. As this sorting takes place, it becomes ever more important for Americans to be tolerant of minority views. The alternative is to settle ourselves into enclaves of groupthink and to stop communicating with others.

Figure 2 presents the average results from the survey comparing public and tax credit high school students responding positively (either agreeing or strongly agreeing) to a longstanding tolerance statement, "People whose views I oppose should be allowed to live in my neighborhood."

The percentage of tax credit scholarship students reporting that their school teaches them to value, respect and tolerate differences in others is 48 percent higher than the public school sample.



What we actually find, however, is that children attending private schools express a much higher level of tolerance than those attending district schools.

The tax credit scholarship group displays a level of tolerance 69 percent greater than that of the public school sample. This is a telling result as critics of private school choice often accuse private schools of representing the “Balkanization” of American children. What we actually find, however, is that children attending private schools express a much higher level of tolerance than those attending district schools.

Second, a majority of public school students who fail to express a politically tolerant attitude ought to be alarming to anyone with the slightest civil libertarian concerns. One cannot help but wonder exactly what mechanism those expressing the intolerant view on these statements would use to ideologically segregate their communities.

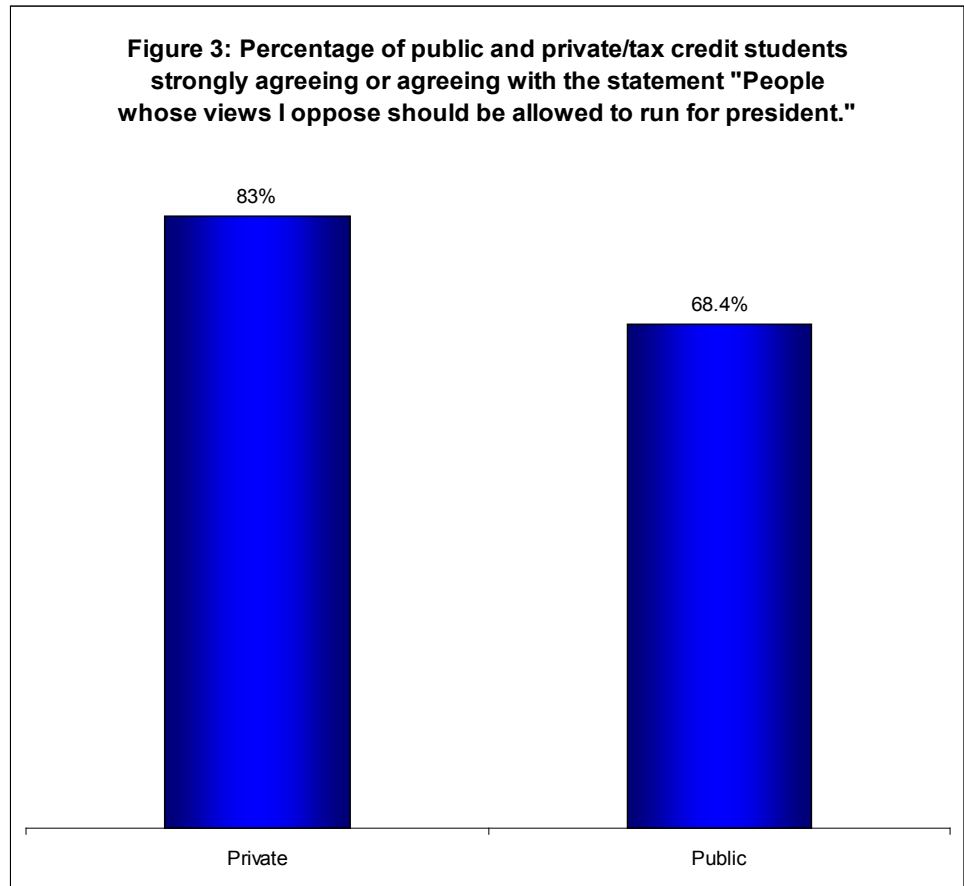
Another question typically used by survey researchers involves whether people whose views you oppose should be “allowed to run for president.” Of course, this is an absurd question to ask on its face, as the constitutional eligibility requirements for serving as president are well-established. Any citizen who qualifies has

a right to run and to have voters judge their ability to serve. Those answering differently would need to explain who would decide who is allowed to run based on their viewpoints and how such things should be decided.

In other words, anyone disagreeing or strongly disagreeing with the statement, “People whose views I oppose should be allowed to run for president,” does not share a commitment to liberal democracy. This is a value we would very much like to foster in our students in order to ensure the long-term survival of our democracy.

Figure 3 presents the results from both the public school and tax credit scholarship student samples.

All civil libertarians should be disappointed that 17 percent of tax credit students and 31.6 percent of public school students express a willingness to disqualify people for political office based upon their point of view alone.



All civil libertarians should be disappointed that 17 percent of tax credit students and 31.6 percent of public school students express a willingness to disqualify people for political office based upon their point of view alone. The scholarship tax credit sample shows a level of tolerance 21 percent greater than the public school sample.

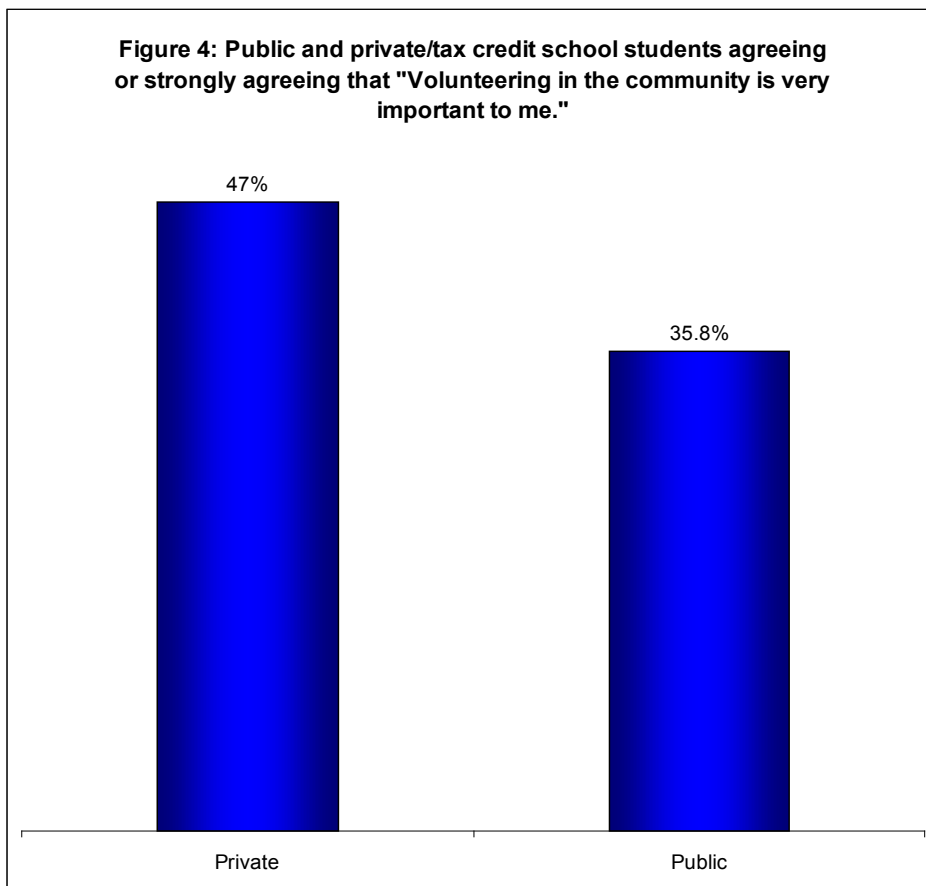
Volunteerism and Education

Another civic value that we would hope to encourage through our schools, and various other socializing institutions, is volunteerism. The Corporation for National and Community Service estimates that Arizona has 1.1 million volunteers who perform 182.2 million hours of volunteer service per year. The Corporation values this service at \$3.6 billion, a figure that is more than one-third of the state general fund budget. Arizona's volunteerism rate, however, is below the national average. ⁵

Volunteerism has been a notable American civic value going back to the writings of Alexis de Tocqueville who wrote, "Americans of all ages, all stations in life, and all types of dispositions are forever forming associations...Nothing strikes a European traveler in the United States more than the absence of what we would call government or administration.... There is nothing centralized or hierarchic in the constitution of American administrative power."

Figure 4 presents the results for the total percentage of students agreeing or strongly agreeing that "Volunteering in the community is very important to me."

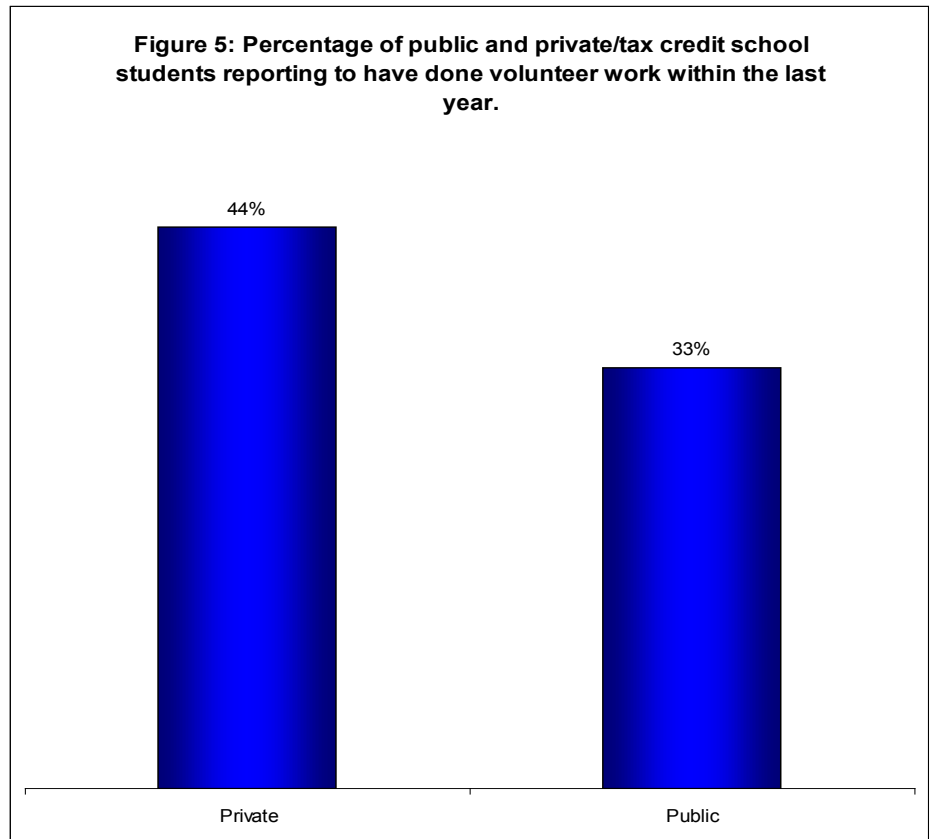
Another civic value that we would hope to encourage through our schools, and various other socializing institutions, is volunteerism.



The percentage of tax credit scholarship students reporting that volunteering is very important to them was 31 percent higher than the public school sample.

Figure 5 presents the percentage of students from the scholarship tax credit program and the public school sample reporting to have done volunteer work in the last year.

Only a bare majority of public school students surveyed agreed that their school taught them to value, respect and tolerate differences in others.



The rate of self-reported volunteer activity was 33 percent higher in the scholarship tax credit sample than in the public school sample.

Conclusion: Private Choice and Public Virtue

Shakespeare's Henry V is memorable in part because it is deeply revealing about the national ideals of the British. Henry, pressed onto the throne at a young age after a checkered youth, rises to the occasion when the odds are deeply against him. Shakespeare's Henry is at once brave, inspiring, fierce, merciful, eloquent, God-fearing and even multi-ethnic (Shakespeare emphasized Henry's Welsh lineage for contemporaneous political reasons). After triumphing in battle, Henry is overcome by love for the French princess Katherine and romantically woos her to become his Queen.

The actual King Henry V didn't begin to live up to these noble ideals. In fact, he ordered a group of French prisoners executed during the Battle of Agincourt. When his nobles refused to carry out the murderous order, he had to order his commoners to carry out the butchery. A cynic might suspect that Henry's interest in the French princess had more to do with dynastic succession than romance.

Shakespeare's play tells us about the aspirational ideals of the British -- how they wanted to see themselves. Similarly, we have a number of myths that surround American public schools: the little red school house that serves as the bedrock of democracy, instilling civic knowledge and values.

Sadly, this romantic view obscures the current unappealing reality of public education. Arizona public school students not only display a stunning lack of civic knowledge, as a recent Goldwater Institute survey revealed, but they also display worryingly high levels of political intolerance. Only a bare majority of public school students surveyed agreed that their school taught them to value, respect and tolerate differences in others. Less than a majority of Arizona public high school students believed that people with different beliefs than theirs should be allowed to live in their neighborhood. Also, a worryingly large percentage of Arizona public school students apparently believe there should be some sort of egocentric screening process before allowing candidates to run for office.

Likewise, only about a third of Arizona's public high school students thought that volunteering was important to them, consistent with a similarly small number who reported having done any volunteer work.

Meanwhile, students attending private schools with the assistance of a tax credit scholarship display substantially higher levels of political tolerance and volunteerism. Seventy-six percent of these tax credit students reported that their school encourages them to value, respect and tolerate differences in others. This effort by the schools may have had the intended effect, as far fewer private school students expressed a desire to ideologically segregate their neighborhoods or disqualify candidates. They also placed a higher value on volunteer work and, in fact, volunteered more.

Those professing to love public education cannot serve the true interests of the institution by making excuses for its failures. Supporters of public education must be relentless in pursuit of excellence rather than wallowing in an acceptance of the substandard. The Nation's Report Card shows that 44 percent of Arizona fourth graders scored below basic in reading in 2007. This survey demonstrated that Arizona public high school students display an indifference to basic civic values essential to good citizenship.

Meanwhile, students attending private schools with the assistance of a tax credit scholarship display substantially higher levels of political tolerance and volunteerism.

The Arizona tax credit program, at a fraction of the public school cost per student, has produced students with demonstrably better civic values. The ability of private choice should be greatly expanded as a part of a comprehensive education improvement strategy. Elements of that strategy should include a large expansion of parental choice, the curtailment of social promotion of illiterate students, the adoption of alternative teacher certification, the institution of merit pay and incentives, and the measurement of student progress on a value added basis. We have detailed these proposals in other reports.⁶ The finding of this survey reinforces the urgency with which Arizona's policymakers should pursue far reaching reform.

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NOTES

1. Wolf, Patrick. 2007. "Civics Exam." Article in the Summer 2007 edition of Education Next, available on the internet at <http://www.hoover.org/publications/ednext/7460537.html>
2. Cortez, Albert. *Origins of Public Education and the Voucher Debate* available on the internet at http://www.idra.org/IDRA_Newsletter/May_1999/Origins_of_Public_Education_and_the_Voucher_Debate/
3. National Center for Education Statistics data, available online at <http://nces.ed.gov/ccd/bat/>.
4. The Economist, June 19, 2008. *Political segregation: The Big Sort*. Available online at http://www.economist.com/world/unitedstates/displayStory.cfm?story_id=11581447
5. See the National Corporation for National and Community Service profile on Arizona volunteerism at <http://www.volunteeringinamerica.gov/newprofile.cfm?state=AZ>.
6. See *Demography Defeated: Florida's K-12 Reforms and Their Lessons for the Nation* with Dan Lips. Goldwater Institute Policy Report, September 30, 2008 available on the internet at <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=2363>. Also see "Fortune Favors the Bold: Reforms for Results in K-12 Education." Goldwater Institute Policy Report, July 2, 2008, available on the internet at <http://www.goldwaterinstitute.org/Common/Files/finalpdf%20Fortune%20Favors%20the%20Bold.pdf>.