

Price-less Economists

John Merrifield
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Since ‘economist’ means purveyor of price theory, the title of this blog should be an oxymoron, but it is quite common for holders of economics credentials to fail to even think about how price change does, or should, convey critical information, and provide the incentive to heed that information, especially in school system reform discussions. At the end of this essay is a list of the journal articles published in economics journals (peer-reviewed articles mostly by economists), plus a book, that aim to ‘assess’ chartering and chartered public schools. They contain no economic analysis; only statistical analysis!?!?!?

The two latest examples are the Hamilton Project’s (part of the Brookings Institution) Michael Greenstone and Adam Looney. Their report, “[A Dozen Facts About K-12 Education](#),” does not contain the word ‘price’ or close synonyms anywhere in it. They cannot imagine any possible “big change” in the school system worth considering, and because they are implicit defenders of the status quo’s key elements, but sharply criticize its outcomes, their report could qualify as a sixth ‘[Nation at Risk](#)’ report. Their Chapter 3 on the “Promise for Raising Educational Achievement” makes no mention of possible uses of economic incentives or market accountability. It notes the importance of increased transparency and good teaching, but makes no mention of [the current system’s obstacles to teacher effectiveness](#). And the chapter notes that some chartered public schools ([price controlled in every state](#) that allows them) have shown ways to significantly improve outcomes for the children that choose them. That’s it!!!! On page 15 they implicitly rule out big changes in funding and governance (Page heading: “Small-scale interventions also present opportunities for raising student achievement”). To be fair their failure to identify transformational

interventions may have happened because they view big changes as politically unattainable, but that would make them part of the reason for the huge political obstacles to the transformational changes we need.

- 1.) Schwankenber, Julia and James Vanderhoff. 2015. "Why do Charter Schools Fail? An Analysis of Charter School Survival in New Jersey." *Contemporary Economic Policy* 33:2, p 300-314.
- 2.) Abdulkadiroglu, A., J.D. Angrist, S.M. Dynarski, T.J. Kane, and P.A. Pathak. 2011. "Accountability and Flexibility in Public Schools: Evidence from Boston's Charters and Pilots." *Quarterly Journal of Economics* 126: P 699-748.
- 3.) Angrist, J.D., P.A. Pathak and C.R. Walters. 2013. "Explaining Charter School Effectiveness." *American Economic Journal: Applied Economics* 5:4, p 1-27.
- 4.) Booker, K., S.M. Gilpatric, T. Gronberg, and D. Jansen. 2007. "The Impact of Charter School Attendance on Student Performance." *Journal of Public Economics* 91:4-5, p 849-876.
- 5.) Hanushek, E.A., J.F. Kain, S.G. Rivkin, and G.F. Branch. 2007. "Charter School Quality and Parental Decisionmaking with School Choices," *Journal of Public Economics* 91:4-5, p 823-848.
- 6.) Hastings, J.S. and J. Weinstein. 2008. "Information, School Choice, and Academic Achievement: Evidence from Two Experiments." *Quarterly Journal of Economics* 123:4, p 1373-1414.
- 7.) Imberman, S.A. 2011. "Achievement and Behavior in Charter Schools: Drawing a More Complete Picture." *Review of Economics and Statistics* 93:2, p 416-435.
- 8.) Loeb, S., J. Valant, and M. Kasman. 2011. "Increasing Choice in the Market for Schools: Recent Reforms and their Effects on Student Achievement." *National Tax Journal* 64:1, p 141-164.
- 9.) Sass, T.R. 2006. "Charter Schools and Student Achievement in Florida." *Education Finance and Policy* 1:1, p 91-122.
- 10.) Sutton, L.C. and R.A. King. 2011. "School Vouchers in a Climate of Political Change." *Journal of Education Finance* 36:1, p 244-267.
- 11.) Vanderhoff, J. 2008. "Parental Valuation of Charter Schools and Student Performance." *Cato Journal* 28:3, p 479-493.
- 12.) Welsch, D.M. 2011. "Charter School Competition and its Impact on Employment Spending in Michigan's Public Schools." *Contemporary Economic Policy* 29:3, p 323-336.
- 13.) Book: Derek Neal. 2018. *Information, Incentives, and Education Policy*. Cambridge, MA: Harvard University Press