

Measuring Choice and Competition, Badly

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The 2014 Education Choice and Competition Index by Grover Whitehurst and Ellie Klein contains a lot of useful information about the largest U.S. school districts, but the undeserved title amounts to disinformation. First, it is well worth noting that it is not unusual for experts in some aspect of K-12 school systems to assume they adequately understand the nature of [genuine competition](#), and to even extensively comment on its presence/absence, including in writing. Indeed, the fundamentals are uncomplicated; well within the grasp of any educated layperson that remembers their ECO 101, or does some online due diligence or seeks the counsel of a bona fide economist. But, unfortunately, that grasp is still quite rare. Grover Whitehurst's impressive resume' proves the Clint Eastwood (as cop 'Dirty Harry') line, "that a man has got to know his limitations," and supports my [repeated points](#) about human multi-dimensionality; that virtually everyone has strengths AND weaknesses. Dr. Whitehurst has headed a University Psychology Department, and served George W. Bush as an Assistant Secretary of Education, among other impressive job titles. Co-Author Klein has a Rhetoric BA, and plus a 2014 Master of Public Administration.

They have impressive strengths, but they don't understand that *the* key element of genuine competition is market entry/exit. So, low entry barriers should be essential for a high competition score. Yet they assign 'A' grades to places that retain the public finance monopoly of public schools, which makes it very difficult to launch a private school. And their scoring rubric doesn't recognize that the competition process, including market entry/exit decisions, is driven by price change, and opportunity for profit. Genuinely competitive settings can include non-profits, but not exclude for-profit service providers. The New Orleans system does not allow for-profit providers,

but still earned the top score on the Whitehurst-Klein Competition Index. The discussion of the Index, and the [scoring rubrics](#) make no mention of entry/exit potential (presence/absence of barriers), price change, or pursuit of profit. That's also true of an [article about the Index](#) written by Aaron Churchill of the pro-reform Thomas Fordham Institute. Like many others with expertise in other areas of K-12 policymaking, they [repeatedly](#) mistake the '*potential*' for some rivalry for genuine competition.

A telling case in point about '*potential*' for rivalry, without genuine competition, and likely without any actual noteworthy rivalry are the magnet schools that are noted in some of the Whitehurst-Klein scoring rubrics. The people directly involved with magnet schools, which are specialized schools run by public school districts, very likely have nothing at stake in the enrollment level of their magnet school, or its effectiveness at executing its specialized mission. They won't be forced to leave the district if the school doesn't meet expectations, and they don't get to share in the profits of a successful enterprise. Likewise, the district authorities that authorize such schools will not suffer for choosing specialty areas that are less popular or more costly than the other specializations they might have chosen.

Another noteworthy Whitehurst-Klein blind spot is how they define "availability," and their assumption that availability of alternatives necessarily yields competition. To them, presence = available; something that is, sadly, not nearly true of magnet schools or chartered public schools. Likewise, the law can proclaim public school choice, but typically little exists in practice for a variety of reasons including little difference between the choices. Also, with choice from just a menu of comprehensively uniform traditional public schools, nearly [all families agree](#) on which schools are the best available choices, and so the probability of gaining an open seat is very low; i.e. little availability. With chartered public schools, typically long waitlists are official. They feel no competitive pressure when any defection is quickly replaced from a long waitlist. Likewise, the

traditional public schools near waitlisted chartered public schools feel little or no competitive pressure. You cannot lose students to full '*potential*' rivals.

There are complete (≠perfect) measures of [education markets](#) and [education freedom](#). We should rely on those. The Whitehurst-Klein Index is a splendid 'public school choice' index.