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**Mark Schneider, Paul Teske, and Melissa Marschall: Choosing Schools** □ □

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## Introduction

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### School Choice, Parent Incentives, and the Use of Information

This book is about school choice, which has been a topic for discussion, debate, and action in academia, think tanks, and government at all levels. Many books and articles explore different aspects of choice, and some issues related to choice have been fought out in the editorial pages of the *Wall Street Journal*, the *New York Times*, and other mass media. Unfortunately, the debates about choice have often degenerated into acrimony.

We hope that this book provides a balanced perspective to the unfolding debates over choice and what we can and should expect from it. We believe that our work has several elements that can help to structure and inform the analysis of choice.

First, while many studies of choice focus on schools as “suppliers” of education, our main focus is on the behavior of parents faced with choice. Thus, we expand the study of choice from a focus on the supply side of education to the demand-side, represented by the behavior of parents, who in many ways are the “consumers” of education.<sup>1</sup> Clearly, every analysis of choice that focuses on schools must make certain assumptions about the behavior of parents in different settings. We explore the assumptions about parent-consumer behavior more thoroughly than previous studies of choice.

Second, school choice is a highly charged ideological battleground. While there is widespread agreement that schools in the United States need improvement, there is equally wide disagreement about the extent to which choice can produce it. Often, as in other policy domains in which the stakes are high and in which basic ideological issues about the role of government and the role of markets conflict, debates often resemble a battle more than a scientific enterprise. Proponents and opponents of choice often take one-sided and extreme views of what choice will do for American schools, ignoring the subtleties of different approaches to choice and what we should legitimately expect choice to accomplish. For example, John Chubb and Terry Moe, whose work has probably done more to ignite the current interest in choice than anyone else’s, have gone so far as to argue that: “reformers would do well to entertain the notion that choice is a panacea. This is our way of saying that choice is not like other reforms and should not be combined with them as part of a reformist strategy for improving America’s public schools. Choice is a self-contained reform with its own rationale and justification. It has the capacity *all by itself* to bring about the kind of transformation that, for years, reformers have been seeking to engineer in myriad other ways”

(Chubb and Moe 1990a, 217; emphasis in the original). In contrast, many critics see choice as not only making impossible demands on parents but also as destroying the very fabric of schools and communities, eliminating the shared experiences and common institutions necessary for healthy democracies.

Without a strong empirical foundation, little can be done to counter what we think are unreasonable expectations and arguments and to transform the battle over choice into a meaningful dialogue about the steps needed to improve America's schools.

We seek to create such a constructive dialogue by providing a durable foundation upon which expectations about the behavior of parents can be built. The work we present in this book is based on empirical data gathered by interviewing over 1,600 parents in four school districts. These individual-level data are supplemented by school-level data, our own observations of schools in these districts based on numerous field visits, and in-depth interviews with administrators at the schools, districts, and central school bureaucracies. This was a large undertaking, occupying the better part of four years of work.

As in any large-scale analysis of something so complex as education, humility is always appropriate. Similarly, in looking for the effects of something so complex as school choice, beginning with a set of reasonable expectations is critical.

We do not believe that school choice is a panacea for the ills of education. Although many other analysts also reject the extreme claim, many of them also believe that choice is not worth the effort and the risks it entails. It is here that we part company.

We believe that choice is capable of unleashing powerful forces that can have positive effects on parents, schools, and communities—and we believe that the evidence we present in this book shows this to be true. But we must always remember that choice is not operating in a vacuum and that choice is not a cure-all for the ills of urban education and communities. While schools are one of the most important public institutions found in any local community, the number of hours children spend in school is limited, and the social forces and conditions that children face in their communities can easily overwhelm any school-based activities. As we report in this book, choice has done good things in the school districts we study, but many of these positive effects are “on the margin”—that is, the effects are both substantively important and statistically significant, but they are often limited. And we must always remember that choice is not a uniform reform, but rather a class of reforms that differ in many important features. Again, as we report in this book, certain aspects of choice reform seem to be associated with better outcomes than others. Thus as choice proliferates, we must always keep in mind that there are differences in the forms of choice that are being implemented, and that different forms of choice will have different effects.

Thus, we must have reasonable expectations about how much of an effect it can and will have. In turn, the “story” we tell in this book is nuanced and complex—but no more so than the process of education and parental choice that is the subject of our analysis.

In this chapter, we start to explore the many facets of school choice. In the next few pages, we introduce many of the themes that structure this book. Not surprisingly, given the complexity of these issues, we return to these themes repeatedly, enlarging our examination of them and exploring them in increasingly greater detail. While we begin with overarching themes to provide the reader with a more precise roadmap of what follows, the last section of this chapter previews the ensuing chapters.

### **Why Choice?**

Choice has emerged as a tool for transforming schools that are widely perceived as failing. There are innumerable articles and books that have documented the perceived failure of America’s schools. Gerald Bracey summarizes the thrust of this argument nicely:

The conventional wisdom is now firmly established: American students can’t hold their own against their peers in other nations. They can’t read, they can’t do math, they are abysmally ignorant of science. That has been the message of countless stories in the media. (1998, 64)

While Bracey himself disputes the factual basis for this “conventional wisdom,” he provides compelling evidence documenting the widespread discontent with the performance of American schools today. In addition to any factual basis for the belief that our schools are failing, discontent with the schools and the way they are governed is part of the growing anti-government, promarket rhetoric that is in the ascendancy today.

Reflecting these sentiments, many scholars argue that the organization of schools is a product of the “dead hand” of the past and hopelessly out of date. For example, Paul Hill, an astute critic of American schools, has argued that by the 1920s, in response to decades of intense immigration, the dominance of assembly line production techniques, and the sway of scientific management, the system of education in the United States had taken the shape that is evident today. Critics often call this the “factory model” of schools (Hill, Pierce, and Guthrie 1997).

Linda Darling-Hammond (1997) describes some of the components of this model in the following terms: “The large age-graded departmentalized schools were designed for the efficient batch processing of masses of children in the new age of compulsory education and large-scale immigration.” The emphasis in the factory model is on rote learning and a standardized curriculum, with students moving on a “conveyor belt” from class to class, period to

period, and grade to grade, with little concern for the needs and preferences of individual students or their parents.

According to these critics, despite remarkable changes in technology and demography, the factory model of education established nearly a century ago has changed little and the gap between what the country needs from its schools and what the schools deliver is widening. In response, a highly visible and increasingly powerful school reform movement has evolved.

As this reform movement has developed, its advocates have begun to articulate the characteristics of a good school. Not surprisingly, their vision differs radically from the factory model. Ravitch and Viteritti describe the alternative that today's reforms seek to create:

a universe of distinctive schools—small, autonomous, and unburdened by a large administrative structure, not unlike the parochial schools that currently dot the urban landscape . . . In fact, the most effective schools—whether public, private, or parochial—share the same characteristics: They are relatively small, devote relatively fewer resources to administrative overhead, have high expectations for all students, have a common curriculum in which all students participate, and strong sense of mission and a well-defined culture. (1997, 13)

In this vision, good schools focus on student learning and the needs of children by personalizing education and creating long-term relationships between teachers and families—that is, what James Coleman referred to as “effective communities,” united around shared values and communal organization. But there is a link between these community-based processes and outcomes: good schools are also organized to encourage high performance and they are given incentives to use resources efficiently, where success, rather than failure, is rewarded.

Some reformers see choice as a fundamental building-block of the vision articulated by Ravitch and Viteritti. For example, Brandl (1998) argues that choice creates the kind of commitment best sustained in freely chosen small communities. In contrast to the factory model of education, Brandl argues that choice among smaller autonomous schools maximizes the conditions for participation and, by allowing parents to select schools on the basis of the values they hold, creates effective communities.

Similarly, Hill, Pierce, and Guthrie (1997) identify several mechanisms that link choice to a broad set of desirable results:

- Schools of choice can influence students' attitudes, effort and motivation in ways that “regular” schools cannot.
- Schools of choice have more authority and legitimacy.
- Choice holds schools accountable to promises made, thereby allowing the development of effective school communities that link teachers and administrators together.

- Through their act of choice, parents have endorsed the school they have chosen as better than the alternatives, leading to higher levels of satisfaction and a stronger commitment to the school.

As the image of a good school and the connection between choice and desirable school outcomes has developed, the differences between this alternative vision and the practice of present schools have come more sharply into focus.

However, promises of reform and the reality of outcomes can differ. And while the theorists of choice promise many positive outcomes, we are concerned with the empirical reality of those claims. As we explain in chapter 3, we examine the relationship between choice and outcomes by exploring the effects of public school choice in a small number of school districts. We employ a quasi-experimental research design matching a central-city district with choice to a similar district without choice, and a suburban district with choice to a comparable district without choice. This powerful research design allows us to examine the effects of choice better than most other studies have been able to do.

### *Choice and School Reform*

Given both the complex challenge of providing education in our society, and the vast differences in communities seeking to improve their schools, we always must keep in mind the fact that school choice is not a uniform initiative. Instead, choice refers to a wide range of school reforms. One of our first tasks is to try to make sense of these reforms and to place the school choice programs we study in this firmament.

As we discuss in much more detail in chapter 1, although many reforms seek to shift the balance of power away from centralized decision makers, they emphasize different means by which to accomplish this. For example, some reforms leave the bulk of school decision making to educational officials, but seek to alter accountability in ways that bind schools to certain performance standards and increase the ability of parents to demand higher standards from their schools. Other reforms seek to give parents and students more power by taking the school assignment decision away from central school administrators and granting parents and students the right to make this important choice themselves. Still other reform initiatives go beyond this, empowering parents to increase their control over a broader range of educational policies and decisions that affect their children. Of course, there are also reforms that seek to alter the balance of power between school officials and parents through all of these means.

In this book we focus on reforms that give parents the ability to choose the school their child attends. However, we also show how this set of re-

forms can produce much wider changes in parent behavior and school performance.

### **The Expansion of Choice**

The act of choosing a school for one's child is not new in the United States. For years, many American parents have used their residential location decisions as a way to choose their children's schools. Indeed, many location decisions are made with the quality of the local schools in mind. But, once a family has chosen a place to live, parent choice over public schools has usually been limited by the intersection of geography and bureaucratic decision rules—after a family located in a given neighborhood, the children were sent to a zoned neighborhood school, determined by a school planner.

Changing this traditional method of assignment is at the core of choice reforms and a variety of choice mechanisms have emerged. These range from magnet schools (perhaps the most widely implemented form of choice) to the abolishment of neighborhood catchment areas within school districts (intradistrict choice) to allowing children to choose schools across district lines (interdistrict choice) to vouchers (the most “market-like” mechanism now being discussed in the domain of education). In the next chapter, we discuss the evolution of these models of choice in more detail and link the expansion of choice to other fundamental changes in school practices.

Not surprisingly, the controversies surrounding school choice are also myriad. For example, from a supply-side perspective, the issue of including parochial schools in choice programs has led to constitutional, legal, and political disputes. In addition, the question of regulating the selection process in order to maintain or achieve racial balance in schools has spurred debates about the stratifying effects of school choice (Bridge and Blackman 1978; Murnane 1986; Clewell and Joy 1990; Elmore 1991a; Wong 1992; Martinez et al. 1995).

More recently, issues related to the demand-side of choice have emerged, although similar to supply-side issues, they have been largely raised on ideological grounds and have to date received little empirical attention. These issues focus on parents as “citizens/consumers” and consider how their behavior might change in response to the introduction of choice. Opponents of choice in particular argue that disparities in parents' resources, involvement, and cognitive abilities will play a crucial role in determining both who will participate in choice and how parental choice will ultimately affect educational outcomes. Another critical issue in this debate revolves around the aspects of schools parents will emphasize once empowered with choice. Our objective in this book is to address these issues by developing the logic underlying the demand-side of school choice in greater detail and testing them empirically.

### **The Rhetoric of the Market**

Choice is not only congruent with current thinking about what makes good schools, it is also congruent with the rhetoric of the free market that is ascendant in the United States today. Not surprisingly, many current proposals for school reform endorse the idea of a “market for education” and stress market mechanisms to deal with the problems of public schooling.

Many scholars are visceral in their negative reaction to the use of market organizing principles applied to schooling. In this book, we try to come to grips with market models that have been associated with choice reforms. While the intellectual challenges of developing a market for education have led many to reject this approach, we take the notion of markets for local schools seriously.

Although we consider other models of school organization, we start with a basic market-model, and build upon it in our analysis of school reform. While we embrace many of the assumptions embodied in the market-model, we also recognize that there are fundamental differences between the way in which schools are organized and the way in which markets are organized.

First, there are limits to how far market metaphors can go in describing the system of education. We therefore tend to think of school reforms as unleashing “market-like forces” and creating “quasi-markets” for education. We also take seriously Henig’s (1994) critique of the market metaphor to structure school reform and his argument that we must rethink school choice. Thus, we address these fundamental issues of markets and schooling in chapters 1 and 2. While we recognize that there are many problems in applying market models to schooling, we remain relatively optimistic about the way in which market-like processes can create pressure on the schools to be more responsive and more efficient. In this approach, we agree with Hanushek (1997) who has argued that whatever reforms are instituted, schools must be assessed and rewarded (or punished) in a meaningful way and that market-like processes are among the best ways to enforce this type of accountability.

### **What Benefits Might Flow from Choice?**

We believe that by creating the conditions for competition, choice can put pressure on schools to be more efficient providers of education. Choice can do this by providing incentives for schools to increase the quality of the product they deliver and to respond to the interests of the community they serve.

To the extent that schools fail to attract students because their product is defective or out-of-date, and to the extent that schools lose their monopoly power over enrollments, competition can work to either weed out the weak-



est schools or force them to improve in order to survive. Just as bankruptcy and the forces inherent in Schumpeter's concept of creative destruction are widely recognized as the mainspring of economic progress in market economies, we must recognize that the closing of schools due to insufficient enrollments is not a failure of choice but a part of the process leading to better schools. While bankruptcies or school closings clearly affect negatively the individual firms or schools that go out of business, the effects of such closings are positive at the systemic level—other units respond by improving their products in the face of these deficiencies.

Thus, choice can produce pressure for all schools in a school system to deliver a better service more efficiently. Economists call this “productive efficiency.” Moreover, because education is a complex, multidimensional good, parents differ in the attributes of education they value most. In a system of choice, parents should be able to place their children in schools that emphasize the aspects of education they embrace. This increases “allocative efficiency”—the matching of consumer preferences with the goods and services they consume.

In addition, by granting more parents the ability to choose the schools their children attend, choice can reduce one major inequality that presently exists in most urban education systems: the disproportionate opportunities available to economically advantaged parents. In today's system of schooling, wealthy families already have extensive choice over the schools their children attend. They can choose among good schools in different suburban areas or they can choose to pay tuition to send their children to private schools. A system of public school choice will equalize these opportunities somewhat by giving less well-off parents an expanded set of options and more opportunities to match their preferences with what schools offer.

Finally, we also think that choice can improve the quality of education through another mechanism that is not often thought essential to the operation of markets: parental involvement. One consistent finding of educational research is that quality education cannot be delivered by schools acting alone—in order to succeed, schools need the involvement and energies of parents. To use the terminology we develop in chapter 2, education is a good that requires “coproduction” between school personnel and parents. By increasing parental involvement, choice can create the conditions for improved school performance.

In theory, then, choice can increase productive efficiency; it can increase the match between what parents want and what schools deliver; and it can help create the conditions for effective school communities and higher parental involvement. However, while theoretically choice *can* do all these things, we must have reasonable expectations regarding the size of these benefits. And we must remember that choice may also have negative consequences that must be identified and balanced against any gains.

### The Double-Edged Sword Of Choice

Many critics argue that choice is likely to produce undesirable outcomes. In particular, one of the major mechanisms that makes choice work—engaging the talents, interests, and energy of parents to find better schools for their children—may also lead to one of the most frequently identified problems with choice: the unequal distribution of those parent characteristics across the population. In the ideal world, all parents would sort themselves into different schools based on those preferences, creating the conditions for the development of effective school communities, which would then in turn deliver a quality education. However, in the real world the question of stratification cannot be brushed aside lightly. In fact, it represents one of the central issues in the debate over school choice and we devote an entire chapter to this issue. However, let us just introduce briefly a scenario in which the benefits and costs of choice can be quickly identified.

By giving parents a greater say in the schools their children attend, we can think of choice as a means of overcoming what social scientists call “coordination failures.” This idea is critical to the field of information economics and microeconomists often use it to explain some market failures. Kreps (1990, 578), for example, defines coordination failures as situations “where parties desirous of making a particular exchange must search for potential trading partners and where the need for search discourages certain otherwise beneficial trading activity.” One type of market failure results from insufficient information on the part of some market participants about what other participants are doing. In well-functioning markets, these coordination problems are usually resolved over time (see, e.g., Schneider and Teske 1995).

Let us elaborate this idea and transform it from rather abstract economic reasoning to more concrete thinking about the schools.

In any school district, some number of parents will care more about the schools than other parents. These more involved parents are willing to demand better schools, to participate in school events, and to engage in other activities to get better schools and a better education for their children. But since education is a coproductive activity and since one of the most important ingredients in producing a quality education is an effective school community, these parents know that they need to find a school in which there are shared beliefs about education.

If these parents are dispersed in relatively small numbers throughout all schools in a district, they may fail to reach a critical mass in any given school. A coordination failure results because these parents have no way of finding other parents who share their beliefs and their willingness to participate in the school activities. If low-quality schools result, these concerned parents might exercise their exit option by enrolling their children in private schools or, if they have the geographic mobility, leaving the school district entirely. Thus, in a school system organized around traditional attendance

zones and low levels of parent involvement in the schools (conditions found in many central cities), coordination failures among parents may drive down the quality of all the schools in the system and lead to high rates of exit to private schools or suburbs. They may also lead to higher levels of dissatisfaction among those parents who cannot exercise the exit option.

But consider this scenario: a school district establishes a set of “alternative” schools. These alternative schools could be structured in a variety of ways—for example, they could be thematic or they could stress different pedagogical techniques. And rather than automatic assignment, these are schools of choice—parents who believe that these techniques or themes meet the needs of their children would be allowed to choose from among them.

Thus, these schools act as places in which more concerned parents or parents with specific preferences for different types of instruction can now enroll their children. In this scenario, schools act as coordinating devices where parents can be more certain that the parents of other children in that school share both their greater concern for schooling and other basic values and preferences regarding schooling. As parents “coordinate” their behavior and preferences, the schools can better develop a mission based on shared beliefs. The greater level of parent involvement and cooperation allows schools themselves to respond by altering their organizational structure and devising new forms of activity for parents.

In short, these alternative schools not only act as coordinating devices for concerned parents, but are also better situated to alter governing structures in ways that enhance their effectiveness and efficiency. If schools can respond with programs that match the more focused preferences of parents, the possibilities for improved outcomes are clear. In a sense, these possibilities reflect “peer group” effects, where the peer groups include not only the students in classrooms, but the parents as well.

But within this process lays the foundation for one of the most fundamental criticisms leveled against choice—that choice will siphon off parents who are the most concerned about education and the most willing to engage in coproductive activities to increase the quality of education. And many scholars believe that as these parents concentrate their children in alternative schools, they will withdraw their support of the remaining traditional schools, which in turn will become even worse. Thus, it is possible that as active parents concentrate in a few schools, a minority of students become better off, while the majority suffer.

This argument almost always carries class and/or race components. If interest in education and a propensity to demand more from schools is a function of parental education, then choice may lead to “stratification,” concentrating parents with the best education and the highest socioeconomic status in a few schools, and leaving the children from lower socioeconomic backgrounds in the worst schools. This stratification argument usually has a segregation component as well—that choice will create a process in which

black, Hispanic, and children from other racial minority group children will end up in one set of schools and white children in others.

We consider this stratification/segregation argument to be absolutely critical to the analysis of any school reform and one that must be addressed in any study of school choice. Therefore, we return to it frequently throughout this book. And, we provide better evidence than we have seen anywhere else on the extent to which choice actually creates a situation in which one set of schools is “left behind.”

### **Overview of the Book**

We hope that we have made clear in these opening pages the basic ideas that motivate our analysis and why they are important. In the chapters that follow, we flesh out these ideas in more detail. The book consists of three main sections. In the first section, which includes chapters 1–3, we develop in more detail our perspective on school organization, and how choice reforms schools. We also examine the institutional arrangements of the choice plans characterizing the districts in our study and describe the research design we employ to test hypotheses about the functioning and outcome of the schools and school systems in our study.

In chapter 1, we examine the historical development of different choice reforms and how they vary. We note that all forms of choice share one common characteristic—expanding the set of schooling options from which parents can choose. However, they differ quite dramatically in terms of their governing structures, the accountability measures and systems they use to evaluate performance, and the extent to which they encourage and facilitate the active involvement of parents.

We begin by evaluating three different models of school governance. These models emphasize democratic, bureaucratic, or market approaches of schools as fundamental organizing principles. We explore how these governance models compare in terms of the effectiveness of the organizational forms and the outcomes that flow from them.

In chapter 1, we also argue that the original theoretical lens through which many school choice programs were viewed emphasized the supply-side of education. From the supply-side, creating more schools, breaking the geographically defined monopoly of schools, and forcing the schools to compete with one another would in itself create many desirable outcomes. From a simple market perspective, supply side competition alone should increase the efficiency of schools and make them more responsive to the interests of their “clients.”

Examining the supply of education and the organizational aspects of schools is critically important for understanding the workings of local markets for education and for understanding why so many people are so unhappy with so many schools. However, in chapter 2 we argue this supply-

side focus of education is too narrow. Most school reforms seek either explicitly or implicitly to shift power from the supply-side to the demand-side of schooling. And, as we have argued above, there is growing evidence that the active participation of parents in the working of the schools is necessary to create effective school communities in which more learning occurs. In short, we argue that a focus on schools as institutions must be matched by a concern for the involvement of parents in both the choice of schools and schooling processes.

Thus, in chapter 2 we outline our approach to parents as “consumers” of education. Fundamentally, we believe that choice reforms concerned with changing the supply-side of schooling must be based on a solid understanding of parental behavior—because this is the foundation on which successful reforms must be built. In developing our theory of how the incentives and behavior of parents interact with and depend upon features of the supply-side of schools, we pay particular attention to information and other transaction costs, since these have been shown to play a critical role in the functioning of both private markets and non-market organizations (Kreps 1990; Miller 1992; Ostrom 1990; Schneider and Teske 1995; Williamson 1985). We examine a number of different perspectives in comparing the kind of information we should expect parents to have about the schools and the kind of information they actually *need to have* in order for choice to work.

We thus devote considerable space in this book to building a theory of how school choice should function under different conditions and the various outcomes we should expect under these conditions. But, we are empirical social scientists who believe that ultimately every set of theoretical expectations must be tested using the best data and methods possible. We believe this is particularly important for school choice, since many previous studies have made assertions often in excess of what the data support and since debates continue to be waged primarily on ideological grounds. In chapter 3, we outline the research design and data collection approach we employed for our analysis of school choice.

The remainder of the book is organized in two clusters of empirical analysis. In part 2, we explore factors that precede, and to some degree structure, the choice process. For example, in chapter 4, we explore the preferences different parents have for the various dimensions of education. This is a fundamental issue, since many critics of choice argue that if parents are granted the authority to choose their child’s school, many will choose poorly. In particular, the argument is often that poor and/or minority parents do not have a preference for rigorous academic standards and will choose schools based on other criteria. This obviously feeds back into the concern about stratification and segregation that some argue is associated with choice.

Our empirical analysis is concerned with the validity of this claim. We find that parents of lower socioeconomic status are in fact *more* interested in the bedrock values of schooling; compared to their more highly educated

counterparts, these parents want schools that provide students with solid academic fundamentals so that their children will do well on academic tests. We explore the implications of these findings, but we believe that our results should help settle one of the debates about the preferences of parents from lower socio-economic status. However, having a preference for good schools doesn't mean that all parents have the same ability to find out which schools are good.

In chapters 5 and 6, we explore how different parents search for information about schools. In chapter 5, we look at how parents evaluate a range of information outlets, and we show that parents with higher socioeconomic status are much better positioned to gather information more efficiently than other parents. These differences are reinforced in chapter 6, when we look specifically at how parents create different networks in which discussions about the schools take place. Simply put, our analysis shows that even though parents of lower socioeconomic status may have a preference for academically good schools, they may not have the means of finding out which schools match those preferences or deliver a quality education.

In general, the three chapters in part 2 focus on the conditions that exist prior to choice. For example, we assume that parents form preferences for different aspects of schooling before they encounter the situation in which they may or may not need to choose a school for their child. We recognize that there may in fact be some reciprocal causation—that is, if parents choose a school with a distinctive mission or “product,” over time, they may begin to value that aspect of education more highly. In this scenario, preferences are shaped by choice, rather than the choice being shaped by the preference. While we recognize this possibility, we believe that the flow of causation is predominately in the other direction—that is, preferences precede choice. Similarly, while, on the margin, choice may affect how parents construct networks of educational discussants, we believe that the construction of information networks is a function of the social environment in which parents are embedded and that this environment is created independently of choice.

In part 3, we look at parent behaviors that are theoretically more likely to be affected by choice. In this section, we also link the demand- and supply-sides of this market-like setting by examining how schools themselves respond to choice.

There is a fundamental debate about how much information parents have about the schools and how much they need to have in order to make school choice work. Given this, we begin with an exploration of the level of information parents have about the schools. Many proponents of choice argue that choice gives parents the incentive to become more informed about the schools. In chapter 7, we explore information levels of parents in districts with and without choice.

Another theme in this section focuses on the effects of choice on efficiency.

We recognize that efficiency is a broad term, encompassing many dimensions. As noted in the opening section of this chapter, one of our major concerns lies in identifying the effects of choice on two specific types of efficiency: *allocative efficiency* and *productive efficiency*. By allocative efficiency, we mean the tightness of the fit between what parents want from the schools and what they get. Education is a multidimensional good and, as we document in chapter 4, parents may legitimately want different things from the schools. Allocative efficiency is increased to the extent that the school a child attends is performing well on the aspects of education that the parent holds important. In chapter 8, we explore how choice and information levels can increase levels of allocative efficiency. We also explore the extent to which a better school match provides greater satisfaction for parents. In chapter 9, we explore how choice affects the productive efficiency of schools.

In chapter 10, we turn explicitly to an examination of segregation and stratification in the schools and how these have been affected by choice. As we noted earlier, while choice may increase the ability of parents to coordinate their behavior and to increase the quality of education their children receive, many scholars and policy makers are worried that this will leave many students and schools behind. We show that the gains in efficiency in District 4 did *not* come at the cost of neighborhood schools. That is, choice was a positive sum experience without adverse distributional consequences for the traditional schools in the district. Given the concern that critics of choice have about the increases in segregation and stratification that may result from choice, this is one of the most important findings in our work. It suggests that the dynamics of competition may be enough to overcome possible negative distributional consequences of choice.

In chapter 10 we also look at the issue of stratification in the context of school choice in our suburban district. Here we are particularly interested in whether choice has accomplished its goal of establishing racially balanced schools and also whether it has succeeded in increasing performance levels among students from racial minority groups. We find supportive evidence on both counts.

Schools are not only central institutions in the daily life of students, they are also central institutions in the daily life of communities. In chapter 11, we look at how choice can influence the stock of local social capital. We show that choice can increase parental involvement in the voluntary organizations and events that are essential to effective schools; that choice can increase the trust between parents and teachers; and that choice can increase the level of interaction between parents. We argue that all these behaviors are components of social capital and that choice, by increasing local social capital, not only can build stronger schools, but might help build stronger communities.

Finally, in chapter 12, we focus on a subset of parents in our sample that is not exclusively examined in previous chapters of the book: parents who

have elected private schools for their children. Although we discuss private school parents in the chapters in part 2 (those investigate the characteristics of parents prior to choosing), we exclude them from other chapters in part 3 to avoid confusing our analyses of public school choosers. Yet choosing private schools over public ones is an option exercised by large numbers of parents in our sample and in the nation as a whole. And it is not an option taken lightly, as it involves parents paying a fee for their children's schooling in addition to whatever taxes they pay to support the public schools. Thus in this chapter, private school parents take center stage as we compare them to public school parents across a host of dimensions that have informed our analysis in other chapters. We find evidence that public school choice may be a way to retain or bring back parents who otherwise might opt for private schools, as public school choice affects the broader market for education.

Finally, we conclude the book by summarizing our results and placing our findings into the existing literature. As we noted earlier, scholars and public officials are hotly debating many aspects of school choice. We believe that these debates often do not serve to move policy forward and that the positions people stake out are often immune to empirical evidence. In our last chapter, we revisit some of the issues we think are central to the study of choice and use the patterns we have empirically documented in our work to move the debate to firmer ground.