A new report by the American Enterprise Institute (AEI), Differences by Design?, compares differences in approaches and demographics between and among charter school models and local “traditional public schools.” Using three national data sets, the report effectively captures the national universe of charter schools. It empirically demonstrates that cream-skimming occurs and that charters segregate by income, special education, race and ethnicity, in that different demographic groups attend different types of charter schools. Charter schools, the authors contend, provide differentiated and “innovative schooling options” through varied academic models that cater to, and ultimately reflect, parental choices for their children. The resulting de facto segregation is presented as a benign byproduct of beneficial choices differentially associated with different racial and ethnic groups. They contend this is “in line with a properly functioning charter sector.” Unfortunately, the report does not demonstrate familiarity with the research on parent decision-making or with the extensive research suggesting that charter schools are not particularly innovative in the curricular or instructional options. Despite what the report claims, traditional public schools do, in fact, offer various academic model specializations like the ones offered by the charter schools. Ultimately, the report’s dismissive characterization of de facto segregation in charters, as a benign byproduct of parental choice, is at odds with the purpose and aims of equitable public education.
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I. Introduction

The question of innovation in charter schools, and the differentiation of options for parents in given communities, has been studied for decades, as researchers and policymakers seek to determine the ability of the charter model to deliver “different and innovative” educational options for families. At the same time, researchers and policymakers have questioned the impact of charter schools in shaping equitable educational opportunities for all students, largely through their influence in exacerbating or ameliorating student segregation in public education. This new report from the American Enterprise Institute (AEI) seeks to address both the innovation and segregation questions by examining the demographic composition of 12 different charter school models.

II. The Report’s Findings, Conclusions, and Rationale

The report’s key findings are: (1) charters provide distinctly different academic models than those made available by “Traditional Public Schools” (TPSs); (2) that this variety of models therefore allows parents to make choices based on their educational preferences for particular academic models; (3) the demographic profiles of those charter schools differ from the local public school demographics; (4) the demographic profiles of charter schools differ from the profiles of other models of charter schools; and (5) that “the differences between charter and TPS student compositions appear to be designed to meet specific preferences rather than to cream-skim” (p. 20). The report finds that charters are “located in areas with distinct demographic contexts, with some models concentrated in relatively advantaged areas and others concentrated in relatively disadvantaged areas” (p. 1). Further, the report concludes that the demographic composition of charters differs from neighboring public schools and such a difference suggest that charter academic models offer “meaningful ways that attract different kinds of students” (p. 1). Overall, the report finds that both general and specialized charter schools “enroll higher percentages of Black and proficient students and lower percentages of poor, special education and LEP students than their neighboring TPSs” (p. 5).

The authors divide their report into sections based on a charter’s specialized academic
model and provide analysis on nine models (arts, classical, credit-recovery, international, no-excuses, progressive, single-sex, STEM, and vocational charter schools) and exclude three (military, public policy, purposefully diverse) on the basis that there were fewer of those schools. According to the authors, military charters include characteristics of the military (drill, uniforms, etc.), public policy charters have a focus on policy and civic engagement, and purposefully diverse charters “explicitly promote diversity as a goal” (p. 4) – a small group of charters that notably differ from other charters in their attempt to expand diversity.

Demographic patterns show that arts charters, classical charters, and progressive charters attract more White students; no-excuses charters, single-sex charters, STEM charters, and vocational charters attract more Black students; and international charters and credit-recovery charters attract more Hispanic students.

The authors found that “classical charter schools are located in areas with more advantaged students” (p. 10). Accordingly, public schools that neighbor classical charter schools “enroll fewer poor and Black students, more White students, and more proficient students than all specialized charter schools” (p. 10). Not only are classical charter schools established in more White and more affluent areas, the authors found that the demographics of the classical charter school “have far more White and proficient students and many fewer poor, Hispanic, special education, and LEP students” (p. 10) when compared to neighboring public schools. Similarly, they found that arts charter schools “attract fewer poor students and more White students than those in all specialized charters” (p. 8) and have higher proficiency rates than their public school counterparts. They also show that progressive charter schools, “differ markedly from their neighbors in serving fewer poor, Hispanic, and LEP students” (p. 15).

The report finds that single-sex charters enroll more poor and Black students and fewer White students, Hispanic students, and less proficient students when compared to all forms of charter models. The authors conclude that, “Black families clearly prefer single-sex charters” (p. 16). The report also concludes that “compared to neighbors of all specialized charters, those of no-excuses charters serve more poor, Black, and Hispanic students; have higher suspension rates; serve fewer White students; and have far lower proficiency rates” (p. 13). Further, the authors conclude that proficiency rates among no-excuses charter schools, as compared to neighboring public school and all academic models of charters, was the most pronounced difference in their findings - finding that no-excuses charters enrolled significantly more proficient students than their neighboring public school. Credit-Recovery charter schools, according to the report, serve far more students living in poverty, more Black and Hispanic students, more special education students, and far fewer White students than their neighboring public school - noting in a Table that neighboring public schools enroll a higher percentage of White students. The report also concludes that credit-recovery charter schools have much higher rates of suspension and lower rates of proficiency, suggesting this reality is “not surprising” (p. 11).

The report’s data suggest that general charter schools (i.e., not a specialized charter) en-
roll a smaller percentage of special education students when compared to their neighboring public school. Of all of the specialized charter models examined, they found that arts charters, classical charters, no-excuses charters, progressive charters, single-sex charters, STEM charters, and international charters also all enroll a smaller percentage of special education students when compared to their neighboring public schools. The only specialized charter models that enroll an equal amount of, or more, special education students when compared to neighboring public schools are vocational charters that enroll an equal amount and credit-recovery charters that enroll more than their public school counterparts.

For LEP students, the report’s data show that general charter schools enroll a smaller percentage of LEP students than their neighboring public school counterparts. As for the specialized charter models, arts charters, classical charters, no-excuses charters, progressive charters, single-sex charters, STEM charters, and vocational charters also enroll a smaller percentage of LEP students while credit-recovery charters enroll an equal percentage and international charters enroll a higher percentage when compared to their neighboring public schools.

Where suspension rates differed, the report found that arts charters, classical charters, international charters, progressive charters, and STEM charters all suspend a smaller percentage of students when compared to neighboring public schools. The report shows that credit-recovery charters, no-excuses charters, and single-sex charters all suspend a higher percentage of their students than their neighboring public school.

The authors conclude by suggesting that, for charter school supporters, the demographic differences between charters and the differences between charters and their neighboring public school,

... are in line with a properly functioning charter sector. The fact that differentiation in academic models exists, and that it reflects families’ varied preferences, is circumstantial evidence that, to some degree, these choices are improving the match between school offerings and family preference. (p. 20)

The authors also suggest that while their report shows evidence that cream-skimming occurs at progressive and classical charters, the data collected on no-excuses and international charters “presents a quandary” for critics of charter schools who advance the cream-skimming argument. Overall, the report seemingly makes the case that racial segregation across varying charter models is reflective of parental choice – informed by race – and segregation is therefore a natural product of a “properly functioning charter sector” (p. 20).

**III. The Report’s Use of Research Literature**

Overall, the authors’ use of research literature is narrow and raises concerns about their apparent lack of familiarity with the broader, peer-reviewed research literature.

http://nepc.colorado.edu/thinktank/review-charters
The report makes heavy use of previous reports from AEI and other pro-charter advocacy organizations, such as the Fordham Institute and the National Alliance for Public Charter Schools, for both classifying charter types, and justifying methodological decisions. The 24-page report draws on just 12 citations to existing research, three of which are to previous AEI publications. Another five are from pro-charter advocacy groups, individuals, or charter school chains, such as KIPP charter schools. Only two sources are from peer-reviewed journals.

This lack of reference to more respected and objective research then appears to result in some unfortunate errors and omissions. For instance, by relying only on AEI reports to classify all charter schools by academic models, the report ignores other types of charter schools that would have been useful for understanding demographic distribution across types. For example, some charter schools are designed to focus not on academic models, but to attract and serve families based on ethnic or cultural identity — for instance, Afro-centric charters or those founded to serve Native American students.

Similarly, the report is framed as a question of “innovation,” wherein the ability to innovate associated with charter schools is thought to lead to differentiated program options for parents. However, this view has been widely dismissed in the research literature. Innovation and differentiation are different concepts. What this report actually focuses on is differentiation — and the different models it observes are already generally available in the public school sector. Thus, they are not simply a result of charter schools’ supposedly unique ability to innovate. Indeed, there has been a general consensus in the research literature that charter schools, while a result of policy innovation in school governance, are generally not particularly innovative in the curricular or instructional options they offer. Instead, the research suggests that charters are innovative in terms of management and marketing, and that such “innovation” leads to greater segregation by encouraging student sorting as charters market themselves to narrow segments of the population. In this regard, differentiation is often not by program (as this report assumes), but by intake. Considering the purpose of this report, it would have been useful to have the authors demonstrate some familiarity with that research literature.

Furthermore, the report demonstrates a lack of familiarity with research on parent decision-making, and repeats simplistic assumptions about factors parents consider when making such choices. In trying to argue that all families want “good schools” for their children, but have different definitions of what that means, the report cites a Fordham Institute survey of parents indicating that parents in general most highly value a strong academic curriculum, although they then find differences in sub-group preferences. However, both the Fordham and AEI studies ignore the long-understood recognition in social science that there is a difference between stated and revealed preferences. What parents indicate in a survey may be socially influenced by how they think they may be viewed due to their re-
response, and might not actually reflect their true preferences. Indeed, some research indicates that parents are more likely to report that they prioritize academic emphases in schools, while their actual choices suggest that racial exclusion is an important consideration. This is an unfortunate omission because it focuses only on demand-side preferences, and ignores research on how supply-side factors, such as marketing, can also shape decision-making. Perhaps most critically, the report implicitly accepts segregation as an outcome of choice. By placing choice as the ultimate good, the authors fail to note how this reality does not align with the body of research showing that diversity in schools improves academic outcomes substantially.

IV. Review of the Report’s Methods

Overall, the author’s methodological decisions were not clear or fully justified. As stated previously, the report draws heavily, and without question, on previous AEI reports in its classification of the nation’s charter school models. How the authors generated lists of comparison neighboring public schools is not adequately explained. Specifically, the authors compared charter schools to the closest five public schools within 30 miles of a given charter school. The authors suggest that any public school beyond 30 miles was too far to be considered for comparison to charter schools in rural areas and was therefore excluded from the analysis. However, the authors provide no further explanation or rationale for what seems to be an arbitrary cut point — it isn’t readily clear why 30 miles was deemed “too far,” and say, 25 miles was not and is indicative of the seemingly arbitrary and unjustified methodological decisions made. Not to mention, a 30-mile radius can include huge demographic shifts. In fact, it might be more justifiable to include no distance limit, since families choosing a charter school don’t live at the charter school, but may live by clusters of public schools in one particular direction.

Additionally, the authors provide a comparison of enrollment of special education students; but unfortunately, the authors provide no meaningful description for how they classify special education students. It’s troubling, given the broad spectrum of disabilities that students might have, that the authors appear to conflate all disabilities into one simplistic category. This is unfortunate because a more nuanced approach would distinguish between those that are relatively minor, which a school might be more willing to absorb, and more severe (and costly) conditions, for which a school might counsel-out or “crop” its enrollment to avoid such expenses. Conversely, some charter schools focus on certain disabilities, which upsets the ability to generalize about special education and charter schools.

V. Review of the Validity of the Findings and Conclusions

The general premise of the report’s findings is that charters are uniquely situated to offer varied academic models, as compared to public schools. Thus, the demographic differences among
charters and between charters and public schools are simply an artifact of parental choice and are evidence of a properly functioning education market – making an implicitly pro-segregation argument. However, in pursuing this line of reasoning, the authors neglect a primary purpose of education, which is equality of opportunity and social equity. They go no further than acknowledging that their data are “troubling,” although it actually affirms the cream-skimming argument put forth by charter critics. Of greatest concern, however, is the report’s general suggestion that segregation, presumably a natural by-product of an education market, is not problematic at all.

The authors claim that charters are uniquely situated to offer different academic models. However, in doing so, they do not take into account the plethora of public schools that do, in fact, provide themed models such as art, STEM, health sciences, etc. options. The ability to offer specialized curriculum or themes is not exclusive or unique to the charter sector – although that is treated as a given.

The authors report that specific types of charter schools cater to varying racial preferences for various academic programs. For example, their enrollment data suggests that White families prefer arts-based, classical, progressive, and vocational charters; Black families prefer no-excuses, single-sex, and STEM charters; and Hispanic families prefer credit-recovery and international charters. However, the report fails to consider how certain types of charter models are established in and for specific demographic contexts. That is, the authors make the logical leap that the presence of no-excuses charters, for example, in a demographic context characterized by higher rates of Black/African-American families, is a result of parental preference for that model; they do not consider why a particular charter vendor marketing “no-excuses,” for instance, might target specific groups and are thus concentrated in certain areas. Markets — including education markets — are not simply a matter of supply responding to demand, since supply can also shape demand. Moreover, when districts close public schools and expand charter options, subsequent student enrollment in charters does not necessarily reflect parental preference for a charter – much less a given charter’s specific academic model.10

Similarly, the authors claim that classical charter schools are situated in areas characterized by higher rates of White families and more affluence. Yet, they don’t question why that specific model is located there other than to assume it is the result of choice — keeping in mind that parents have little choice in the type of charter established. For instance, of the students enrolled in a no-excuses charter, 76% are living in poverty — suggesting that no-excuses charter schools, like KIPP, target poor areas.

The authors then claim their findings present a “quandary” for charter school critics that claim “cream-skimming” is taking place. They find that charters “serve more advantaged students than their neighboring TPSs, but about as many serve historically disadvantaged students” (p. 20). Yet, their data do not support their contention. The authors note that
progressive charter schools “make up the largest percentage of specialized charter schools of any model” (p. 15) and found that “progressive charter schools differ markedly from their neighbors in serving fewer poor, Hispanic, and LEP students and more White and proficient students.” Yet, demographic patterns in progressive charter schools “suggest that progressive charters generally serve fewer historically disadvantaged students than their neighboring TPSs do” (p. 15). Thus, if “progressive” charters represent the largest percentage of specialized charter schools included in the analysis, then the authors’ own data refutes their claim. Moreover, the data presented in the report show that general charter schools (the largest group of charters) enroll fewer impoverished students (59%) than their neighboring public schools (62%).

The report’s data also present a grim picture of how charters may be used to self-segregate along racial lines. For example, the authors note that progressive charter schools “are located in areas with higher percentages of Black and proficient students and lower percentages of White students” (p. 15). This raises two issues of concern. First, according to Table 7, neighboring public schools are majority White (41%) compared to Black (20%) and Hispanic (30%). As such, it would appear that progressive charter schools do not locate in “areas with higher percentages of Black” students. Rather, they are situated in areas with higher percentages of White students. The second issue of concern is that progressive charter schools appear to be havens for White flight. The data show that the breakdown of the progressive charter enrollments are White (53%), Black (16%), and Hispanic (22%) — indicating that not only do progressive charter schools locate in areas characterized by a White majority, but that progressive charter schools enroll significantly more White students than their neighboring public schools (which are predominantly White).

Arts charters, for example, are situated in communities where Hispanic students represent the plurality of the students in the local public schools (33%) and where White students make up 32% and Black students make up 28%. However, arts charter schools enroll significantly more White students (40%) as compared to Hispanic (24%) and Black (29%) students. If the demographic makeup of a charter school is a function of parental choice, the authors do not question why the arts charter, located in a dominantly Hispanic area, over-enrolls White students, especially when compared to the local public school. Do White students, living in areas where Hispanic students are the majority, prefer arts-themed models for the sake of the academic model, or does it suggest that the charter is being used as a means of systematic segregation?

The report shows that credit-recovery charters are situated in areas where White students are the majority, yet, those charter schools enroll more Black and Hispanic students. Specifically, the authors suggest that, “as might be expected given their focus on serving students who need to make up credits, students in credit-recovery charter schools differ substantially from those in neighboring TPSs” (p. 11). Yet, it isn’t clear why it is to be “expected” that Black and Hispanic students, who in this case represent a smaller proportion of students in the neighboring public schools, would make up the majority in credit recovery charter schools. Moreover, the authors point out that suspension rates in credit-recovery charters are “not surprisingly,” (p. 11) very high. Yet, the authors fail to provide a discussion, or any
references, to bolster why it wasn’t surprising or what might serve as a catalyst for higher suspension rates.

The general theme of the report leaves the reader with the impression that the authors are making an argument that de facto segregation in schools, by way of charters, represents parental choice (behind the facade of academic models). As such, not only does this ignore research suggesting that student demographic diversity is a benefit to all students, but it likely represents an ethical blind spot where segregation is being justified. Such assumptions should be met with caution. Moreover, the justification for segregation, under the guise of choice, ignores the historical realities of de jure segregation in P-20 education.11

In their reporting on suspension rates, what is interesting – and what the authors fail to examine against the research on racial disparities in school discipline rates12 – is the racial demographics of those schools with widely varied suspension rates. For instance, the majority of those charter models that suspend a smaller percentage of their students enroll a majority of White students. Comparatively, of those charters that suspend more students than their public school counterparts, the majority of students enrolled are non-White. While the authors suggest that they “urge caution interpreting [suspension rate] data” (p. 5), the authors should have cautioned their readers to consider how these specialized charters might be contributing to the racial disparities in school punishment.

**VI. Usefulness of the Report for Guidance of Policy and Practice**

While many charter advocacy organizations promote the idea that charter schools have the potential to increase integration,13 *Differences by Design?* demonstrates exactly the opposite: (1) the report illustrates that charters can be used as a mechanism through which segregation based on race, socioeconomic status, and academic proficiency can, and does, occur. Moreover, the report seemingly suggests, albeit not overtly, that racial segregation by way of charter schools is not something to avoid, despite evidence suggesting otherwise,14 but rather that, racial and economic segregation is an artifact of parental choice and, as such, should be allowed — if not celebrated — in an unfettered education marketplace. And (2), given the data provided by the report, the authors show that charter schools can, and do, engage in cream-skimming. In doing so, they wrongly legitimize claims that charters can select students based on “desirable” academic characteristics.

The report is also useful as a cautionary example that ideologically driven education reforms, like those that push for marketization for the sake of marketization, may require ethical blind spots when it comes to segregation while ignoring research that shows that demographic diversity in schools — the opposite of the report’s findings — is more beneficial to academic achievement.15

The report is also useful as it provides a general overview of the types of students that charters
do, and don’t serve when compared to public schools. When compared to their neighboring public schools, the report shows that general charter schools enroll fewer students living in poverty, more Black students, fewer White and Hispanic students, fewer special education students, fewer LEP students, and report a lower suspension rate. Specialized charter schools enroll fewer students living in poverty, more Black students, equal amounts of White students, fewer Hispanic students, fewer special education students, fewer LEP students, and report an equal suspension rate compared to neighboring public schools. Specifically, the data in this report bolsters the research literature pointing out that charter schools serve fewer students with special needs and fewer LEP students which may be a result of not having sufficient resources for those student populations.¹⁶

While the authors and the AEI may have conceived of this report as a rationale for advancing charter schools, their data demonstrates that charter schools may be destructive of the common good.
Notes and References


3. The authors use the term “traditional public schools” (or TPS) to refer to non-charter public schools, since charter schools are also technically public. However, since the question of innovation is discussed, we avoid that term since it suggests without evidence that non-charter public schools are not innovative. For the sake of analytical clarity, we use the term “charter” and “public” schools.


9. See, for example:


See, for example:


