NEPC Review: Directional Signals: A New Analysis of the Evolving Private School Choice Landscape (FutureEd, July 2025)

Reviewed by:

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Summary

A recent Future*Ed* report, *Directional Signals: A New Analysis of the Evolving Private School Choice Landscape,* offers a generally useful, up-to-date compilation of basic facts and trends around universal school choice programs in 10 states. These universal programs, including vouchers and education savings accounts, subsidize private school choice for virtually all students in a state. Popular with conservative state legislatures, universal choice programs have expanded quickly since 2022. The report forgoes important questions such as the value of choice in democratic systems, the impact on equity and segregation, or the necessity of requiring taxpayers to fund the religious choices of some families. Instead, it poses questions on several immediate, empirical issues: which students and schools participate, students' prior enrollment, retention/satisfaction, student performance, finance, and the fiscal impact on public schools. It concludes with the question of how universal programs can navigate academic issues, social goals and taxpayer concerns. At times the report veers into the realm of implicit policy recommendations, and on rarer occasions it makes recommendations not tied to the evidence. Nevertheless, it generally offers a useful compendium of recent data on the new universal choice programs in these states, and it sometimes poses provocative questions for policymakers to consider.

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I. Introduction

In recent years, conservative legislators in a number of states have implemented private school choice programs that allow all or nearly all of their state's schoolchildren to participate. Recent expansion of such programs is the topic of a new report, *Directional Signals: A New Analysis of the Evolving Private School Choice Landscape*, authored by Bella DiMarco from Georgetown University's public policy think tank Future*Ed*. According to the report, by the next school year 16 states will have such "universal choice" programs that provide families with taxpayer dollars to send their children to private schools. The report finds that "about half of the nation's students will be eligible to receive public dollars to fund the elementary and secondary education of their choice," representing a "sweeping shift in the scale and scope of school choice in the United States."[1]

For decades, such programs had been considered a violation of the Establishment Clause of the US Constitution, and in violation of some state constitutions that had even more prohibitive language on the use of tax dollars for private and religious schools. While the US Supreme Court relaxed the federal prohibition on such arrangements over two decades ago, efforts to implement private choice programs in the states have seen sporadic success, starting with smaller, means-tested programs in specific cities, and then more recently expanding to statewide school voucher programs in several states, typically targeted at certain groups of students, such as students with special needs or students from economically disadvantaged backgrounds. Yet since Arizona universalized its "Empowerment Scholarship" Education Savings

Account (ESA) program in 2022, a slew of other red states have also adopted such programs, spurred on by some favorable court rulings and conservative state politics. This seemingly abrupt change in the nation's increasingly dynamic school choice landscape raises questions about the most recent evidence on things like participation, costs, and outcomes.

The new Future*Ed* report seeks to address this need for current information by updating its 2024 report on this issue,[2] focusing in particular on the 10 states that have implemented universal programs beginning with Arizona's 2022 move. The report purports to answer questions such as: "Who are the programs serving? What schools are students attending? How much are the programs costing taxpayers? How are the programs affecting student achievement?" It includes additional sections on prior enrollment, retention/satisfaction, impact on public schools, and what's next.

II. Findings and Conclusions of the Report

The report does not seek to offer any overall conclusions or recommendations, except for some implicit suggestions about how policymakers might improve these programs. Instead it provides some useful updates and evidence-based insights into how the programs are playing out on some key issues. For instance, among the report's main findings:

- Since last year, the number of students in such programs increased by about 221,000, from 584,000 participants to 805,000, partially due to program growth and partially to the addition of two more states (Utah and North Carolina).
- At the same time, program costs for taxpayers have increased from 4 to 5.75 billion dollars.
- Although they are serving more students who were previously in public schools, the programs still primarily serve families who had already been sending their children to private schools, so that taxpayers are now paying tuition that families had formerly paid.
- These programs still—and increasingly—tend to serve more affluent, and whiter, students. For example, when Indiana expanded program eligibility, the percent of participating students from the state's highest income category rose from .02% in 2021 to 6.1%; it has now reached 7.8%.

It is important to remember that this report largely seeks to limit itself to descriptive evidence for a non-expert audience. It generally presents the most recent figures on key issues, although it does at times also offer more pointed questions and concerns that appear intended to provoke policymakers into deeper consideration of their assumptions.

III. The Report's Rationale for Its Findings and Conclusions

The report is centered on questions of program inputs and outcomes, which are obviously important in program assessment. It should be noted, however, that the topics examined are limited. The report neglects larger questions, such as the value of individual school choices in a democratic society, the desirability of regulating such choices if they produce social undesirable outcomes like greater social segregation, or the tradeoffs of compelling taxpayers to fund religious education that they might oppose. Instead, the report highlights more immediate issues such as costs and participation rates, and details the most recent government data on them.

IV. The Report's Use of Research Literature

The report relies almost exclusively on data from the states themselves, sources which are often hyperlinked in the text. Other sources include some media reports, such as from *Chalkbeat*, *The New York Times*, and some local media outlets, particularly in Arizona. There are no references to peer-reviewed research, although there is a reference to a study from scholars at the Urban Institute.[3] Curiously, the report also includes at least eight references to an interview with the "senior director of thought leadership and growth" at the organization running the ESA program in Florida. No other live sources were quoted in the report.

The report often summarizes the supposed views of school choice supporters and critics, but without any links to supporting evidence. For instance, the report notes that "expanding private school choice is often seen as a valuable end in itself by advocates of the strategy."[4] Citations to support such assertions would be useful for readers wishing to understand the source, context, accuracy and appropriateness of such statements.

One area where the report is most lacking is in its disregard for relevant existing research. Although, admittedly, Future*Ed* could argue that this report is simply providing updates on basic programmatic data like participation or satisfaction rates, in fact there is much to be learned in the scholarly literature about problematic aspects of universal programs ignored here. For instance, from both the US experience as well as the track record in other countries with similar "universal choice" systems, much is already known about how public schools react to competitive threats from private schools.[5] But such research literature is missing in this report. Similarly, voluminous evidence exists on the influence of critical background factors, such as families' emphasis on education, as well as social segregation, peer, and neighborhood effects.[6] But the report only references whether or not students came from families above or below 300% of the federal poverty level to make the unsupportable claim that "schools rather than differences in family resources may be contributing meaningfully to student success."[7]

V. Review of the Report's Methods

As a compendium of recently released data, there is no particular method underlying the report. The categories and questions of interest—such as participation, academic, and financial impacts—are evident in the earlier version of the report, and are much discussed in wider research on school choice. Data were compiled primarily from state government sources, summed and summarized, with occasional reference to specific schools or demographic groups to illustrate trends and variations. Government data were fleshed out at times with local media reporting on, say, controversies and concerns with these programs. With the exception of the exclusive and repeated quotes from the Florida ESA manager, there is no real reference to advocacy of these programs that would help readers understand competing goals being weighed.

That said, the report—as it acknowledges—often comes up short on answering the questions it does pose. For instance, it often says more about non-participating schools (exclusive private schools) than it does about different types of participating schools (new or existing private schools, for example). Likewise, the report highlights the paucity of useful data on school and student performance in these programs, and it bemoans the fact that both policymakers and parents lack the performance data needed to make informed decisions.

VI. Review of the Validity of the Findings and Conclusions

The report is useful in providing basic, up-to-date descriptive data on some inputs and outcomes. For instance, just drawing on state sources, it documents the overall program growth in both participation and costs, which are valuable data points for researchers, policy analysts, and other interested observers.

But its findings are limited to the basic questions it poses, such as about retention or participation rates, and even then it often cannot answer the questions it seeks to address, as with the problem of limited data on academic impacts. And, it makes no effort to consider larger issues, such as impact on segregation or strategies in voucher advocacy. For example, advocates appear to have adopted a "bait and switch" strategy of making promises on achievement, then later changing the focus to attainment once the concerning evidence on achievement began to appear.[8] Further, although mentioned briefly, the report understates that these programs exist exclusively in states with Republican-dominated legislatures. This is important because, particularly in view of the few times the report veers into more pointed observations on the performance of these programs, it does so with an eye toward the likely expansion of these programs to "more states"[9] (although it doesn't explicitly consider whether Democratic-led states may adopt these programs). The evidence is often presented in ways to offer cautions and considerations for policymakers weighing the adoption or expansion of choice programs.

Still, the report is useful on certain issues, and often uses appropriate caution when translating evidence for its non-expert audience. One area in particular where the report provides useful evidence is school participation. "Universal choice," of course, means only that all students are—at least theoretically—eligible for the program, not that all schools participate. The report examines data on a number of programs across states, showing that most of the participating students did not transfer from public schools and that many of the most exclusive private schools refuse to accept students through these programs. The report assumes that this is because some private schools are averse to state regulation (without offering many examples of regulation), rather than, say, reputational concern about educating the types of students who might need public subsidies. Indeed, the report notes that the underwhelming enrollment of public-school students, as opposed to their formerly private-school peers, undercuts policymakers' hopes that the loss of students and funding would incentivize public schools to improve (an assumption not examined in light of existing evidence).

On other issues, however, the findings as presented are less useful, and indeed sometimes unwarranted. For example, the report makes much of differences in student proficiency rates for schools in universal programs relative to those in public schools, and argues unconvincingly that this is evidence of program effects rather than family background factors. While the dangers of relying on rates of students achieving "proficiency"—as opposed to, say, student growth—should be obvious, the report pays no attention to the fact that students in public and private schools are often qualitatively different based on background factors known to impact student achievement.[10] The evidence provided in the report provides no basis for asserting that these programs "work" in improving student achievement, despite its claim of a "potential value of expanding access to more students."[11] Indeed, the report under-reports the negative impacts statewide voucher programs have had on student achievement, noting that students who use vouchers "to attend private schools with public funding typically do not outperform those who remain."[12] But the research on this issue does not indicate performance is comparable, as this phrasing implies. Instead, it points to a much more negative picture. Every rigorous study of statewide voucher programs in the last decade has shown large *negative* impacts on the achievement of students in the program.[13]

The report similarly falls short when discussing program retention and satisfaction rates. "Retention" may not be a useful concept for evaluating the programs since so many participants were already attending private schools before they accepted the programs' publicly funded subsidy. So, essentially, participating in the program often means simply staying in the same school but shifting the families' costs onto taxpayers. To use this metric as an indicator of "satisfaction" is problematic, especially since research on high levels of attrition in voucher programs that required prior attendance at public school paints a very different picture.[14] Even more problematic,

the report cites parent approval ratings from a survey of participants in Arkansas. While it's not clear if satisfaction is with the ESA program itself or with its financial management platform, a bigger concern is that it surveys only the parents satisfied enough to stay in the program while ignoring those who left because they were dissatisfied—a consistent problem with research advocating for private school choice.[15] When studying a program that is designed to provoke "exit" from dissatisfied families, a useful measure of satisfaction has to include those who have left. It is not clear whether the report recognizes this basic fact.

Still more concerning is the lack of caution in translating the evidence on proficiency rates. The report does not appear to recognize the limitations of proficiency rates, nor understand the multiple background factors that confound simplistic attempts to infer the relative effectiveness of school programs. Simply focusing on students below a certain income threshold does not adequately address this issue, so the report should be more cautious in suggesting that school effects are causing differences in proficiency rates, given research suggesting that school factors are typically overwhelmed by out-of-school factors.

VII. Usefulness of the Report for Guidance of Policy and Practice

Overall, this report provides a handy compendium of recent data on new universal choice programs (including ESA and voucher programs) in 10 states that allow virtually all students to attend private schools at public expense. While it often misses bigger crucial questions, it compiles information on a number of input and outcome issues that may interest analysts. Although in translating the evidence the report occasionally makes claims that are not supported by the data, it generally sticks to descriptions of basic program facts and trends, and sometimes poses provocative questions for policymakers to consider. Indeed, the report concludes with the question of if and how these programs can address competing considerations of academic issues, social goals and taxpayer concerns to "advance the public interest"—an important one for policymakers interested in implementing or improving universal programs.

Notes and References

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