Nonpublic schools are a surprisingly salient channel for philanthropy in elementary and secondary education. As a result of philanthropy in nonpublic schools, the nation's total collectivity of schools is probably more efficient fiscally, more effective educationally, and more humane in its impact on students and parents than an exclusively public arrangement would be. There is obvious danger, however, that the nonpublic schools and the philanthropy they represent will experience severe attrition in the future. Because of rapid cost increases in education, nonpublic schools are predicted to become more exclusively nonsectarian, less subsidized, and increasingly limited to the patronage of an economic elite, unless some shift occurs in the framework of public policy. Strategies discussed for changing the framework of school finance include (1) public aid, (2) a liberal interpretation of "charitable donations," (3) tax credits or deductions for fees, (4) educational vouchers, (5) encouragement of public "alternative" schools, and (6) levying all future taxation increases for public schools exclusively on public school patrons. (Author/MLF)
PHILANTHROPY, PUBLIC NEEDS, AND NONPUBLIC SCHOOLS

A Report to

The Commission on Private Philanthropy and Public Needs

Washington, D. C.

December 2, 1974

This report is sponsored by the Council for American Private Education.
PHILANTHROPY, PUBLIC NEEDS, AND NONPUBLIC SCHOOLS

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Considering that they enroll only one student in ten in the elementary and secondary grades, the nation's nonpublic schools are a surprisingly salient channel for philanthropy. Direct gifts, the most obvious facet of philanthropy in these schools, total well in excess of $174 million annually. Another $537 million or more per year is indirect, consisting of donations (often earmarked for schools) made through religious institutions. (In terms of the Commission's definition of philanthropy, these indirect bestowals reflect the liberality of individuals who "join with others" to meet specific needs of society.) Another aspect of philanthropy that often escapes attention consists of the "creative abilities" and "energy" mentioned in the Commission's definition of philanthropy. For decades massive grants of creative ability and energy have come from teachers and administrators who work for salaries far below the going rate and from patrons and friends who provide assistance at no cost at all. This phenomenon has been most pronounced in Catholic schools, where the contributed services of nuns, priests, and brothers can justly be described as enormous, but solvency has depended on

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the same resource, though to a lesser extent, in many other religious and nonsectarian schools. If we consider only the gratuitous creative ability and energy of teachers and administrators, ignoring the assistance of patrons and friends, "hidden" philanthropy in nonpublic schools totals an estimated $410 annually at the very least.6

In gauging the dimensions of philanthropy in nonpublic schools, we have produced the following dollar amounts: $174 million in direct gifts, $537 million in indirect philanthropy, and $410 million in "hidden" philanthropy. These figures, probably serious underestimates, total an annual $1.12 billion. By comparison, Giving U. S. A. reports that total gifts to public and private educational institutions below the college level totaled less than $1.92 billion in 1973.7 Even allowing for the possibility that Giving U. S. A. defined philanthropy more narrowly than we have done, it is obvious that nonpublic schools are a particularly crucial channel for philanthropy.

We should note in passing that the magnitude and nature of philanthropy in nonpublic schools differs among school types and geographic regions. In the largely nonsectarian schools affiliated with the National Association of Independent Schools, for example, philanthropy is used mainly to provide endowments, physical facilities, and scholarships for students who could not otherwise afford to attend.8 In the major religiously affiliated systems, in keeping with tendencies already noted, significant proportions of operating costs are met by means of philanthropy.
In Dubuque (Iowa), Green Bay (Wisconsin), and Lewiston (Maine), where the 1960 census reported that the majority of elementary school children attended nonpublic schools, the flow of philanthropy to these institutions has far more social impact than in Salt Lake City, Texarcana, and Tuscaloosa, where less than 4 per cent of such students were in nonpublic schools.9

Public Benefits

The objection can be raised that much largess discussed in the preceding passages should not be considered as philanthropy, since those who provide it often have special interests (e.g., the promotion of a particular religious view), rather than the public interest, in mind. From the perspective of the giver, however, the promotion of a favorite ideology or lifestyle often is the promotion of the public interest. Furthermore, allegedly "pure" efforts to advance the general weal have so often been revealed (often in retrospect) as thoroughly biased (often unintentionally) in favor of particular cultures, socioeconomic strata, or occupational groups that some scholars disparage the concept of "the public interest," considering it much too misleading to be useful.10 If some enduring, generally agreed-upon test of "pure" concern for "the public interest" could be devised, the evidence suggests that little philanthropy (or for that matter, little reformist effort at all) could pass muster.11 For most purposes of public policy, it seems better to analyze the results of an institutional pattern than to worry
about the motives it reflects.

Fortunately, the Commission's "Outline of Issues" does not identify the purity of breadth of philanthropic intent as a central issue. It focuses on the social consequences of philanthropy in numerous critical spheres of national life, seeking to assess the value to our nation of the private philanthropic initiative in defining and contributing to the public good, to consider the appropriate relationship between government and private philanthropy, and to balance the benefits of public action against the benefits of private initiative in seeking to improve and enhance the quality of our lives.\textsuperscript{12}

In the light of that posture, fees paid by patrons in elementary and secondary schools, though not reflected in our estimates, assume much of the color of philanthropy. A parent may consider only an offspring's welfare when tendering tuition payments, but society will benefit nevertheless. State intervention in school affairs, through mechanisms of finance, administration, and regulation, is based in large measure on the assumption that society as a whole reaps extensive, critical benefits whenever a child is properly educated.\textsuperscript{13} The educated person presumably is a better citizen, more adequately prepared to earn a livelihood, contribute to economic growth and cultural enrichment, participate in political affairs, live harmoniously with others, and avoid mental and physical illness. Available evidence, though unavoidably inconclusive, suggests strongly that most nonpublic schools are at least as effective as public schools in promoting good citizenship, regardless of the motives prompting patrons to pay the price.\textsuperscript{14} Knowingly or not, these
patrons are purchasing public as well as private benefits —
engaging, as it were, in "unintentional" philanthropy.

Both publicly funded and privately funded schools have proven
capable of preparing the young for good citizenship. Would the society as a whole lose anything, then, if nonpublic schools and the philanthropy they represent were eliminated?

The body politic would be deprived of important savings. The public burden of funding socially essential schooling is obviously alleviated when many children are educated at private expense, through gifts and fees. Whether they know it or not, many hard-pressed taxpayers face lower levies today than if nonpublic schools did not existence as a result of philanthropy.

A more important consideration, probably, is that numerous cities, already creaking under "municipal overburden," might find it impossible to pump adequate money for education through their overloaded taxation conduits if nonpublic schools should close. As a consequence, the life chances of disadvantaged children might be compromised even more than at present.

As a more general, far-reaching consideration, a mixed system of publicly and privately funded schools seems more likely than a system entirely tax-funded to respond to the differential demands of students and their families and to experiment with new procedures. Until recently, at least, little effort has been made in tax-supported schools to allocate varying amounts of money to the schooling of youngsters who need different quantities and types of instruction, and the programs purchased by the funds
have been strikingly homogeneous. Two results, obviously, have been educational ineffectiveness and fiscal waste.

In response to the demand for improvement, some encouraging tendencies are evident. Better arrangements have been devised for research on pressing educational problems. Public school districts are experimenting with decentralization, various types of "community control," and "alternative schools," all of which could permit a more flexible response to the differential needs and aspirations of students and their families. But the improvement is slow and spasmodic. By virtue of political and bureaucratic constraints, furthermore, public schools are prevented from offering the range of programs that both educators and many clients may desire. Perhaps we should capitalize on imagination, sensitivity, and adaptability wherever they can be found, whether in the public or the private sectors. Since professional educators often seem ineffective in matching programs to students in the light of the limited scientific knowledge now available, the combined efforts of parents and private school founders should be tried. If classroom settings prove intolerable to many children, people who lack the trained pedagogue's assumptions concerning the "essentials" of useful learning may find answers, largely intuitively, in totally unorthodox settings and methods. Numerous counter-productive patterns of behavior among teachers and administrators may result largely from traditional organizational structure and thus be essentially immutable until radical surgery occurs. We should not expect, however, that mainstream
educators will experiment willingly with innovations that render their hard-earned skills obsolete and threaten their status and security, or that public school boards will encourage many dramatic breaks with conventionality -- not while many parents clamor for the methods of the past.\textsuperscript{22}

It would be questionable to assert that nonpublic schools as a whole are more experimental and forward-looking than public schools as a whole, but at critical points in American history the explorations of a few private trailblazers have had an enormous impact, one of the more recent examples being the vastly disproportionate influence of a few independent schools in the development of Advanced Placement Programs and new curricula in mathematics and the physical sciences.\textsuperscript{23} And since nonpublic schools are founded to provide desired options and are patronized by choice, they are probably more closely attuned than most public schools to the differential needs of students. Dissatisfied clients are not only free to go elsewhere, but (unlike the situation in public schools), when they leave they take their money with them.\textsuperscript{24}

But perhaps the most compelling reasons why citizens should have ready access to private educational options are ethical and humanitarian reasons. Inestimable human misery has resulted from the imposition of majoritarian ideologies and life styles in schools. Children from disliked minorities have been abused and harassed through the powerful systems of peer influence that schools generate, and even, at times, by teachers, administrators,
and school boards. Anguished parents have stood by, helplessly in many cases, while their children have been tormented and often ultimately alienated from their homes and communities.

Apparently no scholar has yet synthesized the evidence concerning this black side of American education. The major aspects of the question, however, seem clear. James Coleman has described many ways in which "the adolescent society" in several schools enforced anti-intellectual norms on the most intelligent students. Individuals were rewarded by "popularity, respect, acceptance into a crowd, praise, awe, support and aid," and punished by "isolation, ridicule, exclusion from a crowd, disdain, discouragement, disrespect." In Bernard Rosen's study, once again the social pressure had a marked impact; of adolescents from Jewish homes that observed Orthodox behavioral norms, 74 per cent became non-observant when their peers were non-observant, in comparison with 83 per cent who remained observant if their peers agreed with their parents. As for the psychological effect of such struggles, Morris Rosenberg found a pronounced tendency for Catholics, Protestants, and Jews who had been reared in neighborhoods where they were a minority to exhibit more anxiety (as compared with those who had been members of a neighborhood majority), as reflected in psychosomatic symptoms, many years later in adulthood. Researchers seldom find factors in childhood and adolescence that so consistently produce enduring scars. The erstwhile minority members in Rosenberg's study must have experienced frequent, severe trauma while growing up, to exhibit
effects decades later.

These results are not surprising, however, if one has read even a few descriptions of the treatment minorities have encountered in the context of compulsory attendance laws. It matters not whether the victims are gentle Amish, aggressive Jehovah’s witnesses, militant Atheists, pacifists in wartime, impassive American Indians, Greek-Americans trying to maintain proud traditions extending back to Socrates, Catholics in predominantly Protestant schools, black children in newly integrated Southern schools, poor children in middle-class schools -- the list can be extended almost indefinitely. Philanthropy has provided some members of these groups with nonpublic schools hospitable to their values and life styles. But disturbing ethical questions can be raised about a framework of public policy that denies this avenue of escape to many others.

The Current Prospect

As we move into the future, will what will happen to the nation's nonpublic schools and the philanthropy they reflect? Assuming no major change in the current framework of public policy, is this sector of education likely to expand, hold its own, or experience serious decline? The auguries, though mixed, are cause for grave concern.

In 1965, at the recent zenith of their growth, nonpublic schools enrolled about 13 per cent of all students at the elementary and secondary levels in the United States. Then
suddenly, a serious enrollment decline was evident. In retrospect, it is clear that the Roman Catholic schools and generally nonsectarian boarding schools were the only groups drastically affected. The Catholic system lost 22.7 per cent of its schools and 35.2 of its enrollments between 1965-66 and 1973-74. Boarding schools affiliated with National Association of Independent Schools have diminished by 8.8 per cent in number during the past three years and have lost enrollments to the extent of 14.13 per cent during the same period. Of the other major groups of schools, some have maintained a relatively steady state since 1965-66, and others have experienced significant growth. But since around 80 per cent of all nonpublic schools in 1965-66 were Catholic, the Catholic plus the boarding school losses have been sufficient to produce a serious net decline for nonpublic education as a whole since 1965-66. Between 1965-66 and 1970-71, the estimated total enrollment for nonpublic schools dropped by 12.3 per cent (from 6,305,000 down to 5,530,000), and its share of the total student population in the United States decreased from 13.6 per cent in 1959-60 to 11.0 per cent in 1970-71. By all indications, there has been further absolute and relative deterioration since 1970-71 for the movement as a whole.

Since the recent "free school" movement had scarcely begun in 1965-66, enrollment comparisons based on that year do not reflect free school trends. While there is disagreement concerning the mortality rate among these schools, it is obviously very
high, and scholars who watch the movement closely think it is rapidly losing ground. Most failures among these schools seem largely attributable to the fact that, since they neither cater to wealthy patrons nor enjoy church subsidies, they typically operate on a shoestring, financed in major measure by extraordinary contributed services from a few people, who find after a very few years that they are unable, physically and financially, to continue.

The current situation, then, seems essentially a fore-shortened recapitulation of the long history of nonpublic schools in the United States, in the sense that few schools have survived without access either to fairly wealthy clients (though not catering exclusively to them, by any means) or to extensive subsidies from religious organizations.

The reason why none but the well-to-do, with scattered exceptions, have been able to maintain nonpublic schools for long without significant subsidies is not difficult to discern: Our society has seen fit to impose financial penalties, artificial "threshold costs," on patrons of nonpublic schools. For example, a parent who decides to move from a public school costing (through taxation) $1,000 per pupil annually to a nonpublic school costing $1,300 per pupil annually must be prepared to pay, not the difference of $300, but the entire $1,300 (unless, of course, some subsidy is available to help make up the difference), for he cannot transfer, along with his child, his child's share of tax money for schools. Of the $1,300 the parent must pay "at
the threshold" of the nonpublic school, $1,000 is "artificial," imposed by government. It would not exist in a free market, in which public and nonpublic schools would compete for clients on an equal basis. As a consequence of being required to "pay twice" for his child's schooling, the unsubsidized patron of the nonpublic school will experience an approximately double impact when school costs increase.37 If public school taxation rises to the maximum point that families of a given level of affluence can afford, nonpublic schools will obviously have been priced far out of the reach of these families. In an era like the present, with recession and inflation occurring simultaneously, producing an actual decline in the purchasing power of most families, the tendency for educational costs to increase as much as five times as fast as the general rate of inflation cannot continue without eventually wiping out virtually all nonpublic schools not patronized by people of wealth -- unless, of course, steps are taken to grant relief to the "double-taxed" patrons of these schools.38

The growth of several nonpublic school groups in recent years seems attributable to spreading disenchantment among some people with public education.39 Up to this point, the preferences of many families have been sufficiently strong, when combined with religious subsidies or the help of well-to-do patrons, to outweigh the growing financial burden of shifting from public to nonpublic schools.

The decline of Catholic and boarding schools is apparently
a function, in the main, of shifting preferences. The most comprehensive analysis of the Catholic school situation suggests that here, again, we have a foreshortened recapitulation of history, in that the nonpublic schools subsidized significantly by religious groups have generally gone out of business when they could no longer call forth patrons and subsidies on the premise that such schools were essential to the religious well being of the students or to the survival of the ethnic group.\textsuperscript{40} Both historically and in the current context, the robustness of various religious schools seems strongly associated, when distinct ethnic motivations are absent, with the religious conservatism of the sponsoring groups. Thus, the decline of the Catholic schools seems most fundamentally a consequence of ecumenical phenomena reflected in the Second Vatican Council and more recent developments of a similar thrust in the Catholic church, and thus may be expected to continue, though perhaps at a reduced rate now that many marginal schools have closed and much belt-tightening has occurred. Similarly, it seems predictable, in the light of a major school of thought in the sociology of religion, that other school-sponsoring church groups in the United States will also be affected by ecumenicity before long.\textsuperscript{41} Their schools, too, may then begin to fade away, even if the fiscal handicaps faced by the patrons do not intensify rapidly as they have been doing of late.

According to information from the National Association of
Independent Schools (NAIS), recent closures and enrollment losses in boarding schools were partly a function of the cost squeeze, but more fundamentally, at least in the short run, of shifting preferences. During the late sixties, particularly, the widespread passion among the young for involvement in social issues made the cloistered environs of boarding schools look unattractive to many. The military school became particularly unpopular in the context of the hated Viet Nam war. There has also been a growing aversion, apparently, to the sexual segregation that many prominent boarding schools have maintained.

Numerous military schools have developed a new character, many single-sex schools have gone co-educational, and NAIS has been very active in helping schools analyze their problems more adequately and adopt more efficient operating procedures. As of the present moment, these measures have apparently been sufficient to arrest the decline that had driven leaders of these schools close to panic a few years ago. But NAIS leaders, like other key people in nonpublic education, observe that the consequences of "stagflation" have not yet been manifest, and could turn out to be drastic.

In summary, it is probably accurate to observe that current conditions are deadly for nonpublic schools without access to either a fair proportion of relatively wealthy clients or subsidies from religious organizations. Though facing problems and instituting many cost-cutting procedures, schools with substantial subsidization or well-to-do clients have been able to
hold their own to this point so long as they have maintained a compelling raison d'être in the eyes of patrons. In the case of the religiously subsidized schools, this raison d'être has almost involved ethnic survival-or-religious conservatism. There is some reason to suspect that many religiously affiliated schools will gradually lose these compelling ethnic and religious claims and go out of business. Since the "new" motives for nonpublic education are not linked to organized religious groups and thus not likely to call forth subsidies, they will probably be unsatisfied unless the public policy framework for education is changed. And in the long run, within that framework, if current economic trends continue, the vast majority of nonpublic schools seem doomed, the exceptions being schools enjoying the support of the well-to-do or heavy subsidies from a few remaining religious groups with conservative theologies or strong ethnic emphases.

Ameliorative Strategies

Evidence introduced earlier in this paper suggested that philanthropy in nonpublic elementary and secondary schools, surprisingly major in magnitude, may help make the nation's total educational enterprise more efficient fiscally, more effective educationally, and more humane in its impact on students and parents. But forces now clearly at work could virtually obliterate the nonpublic schools, the philanthropy they represent, and the values they promote. In the remaining
pages, consideration is given to several possible strategies for maintaining at least the current leeway for private enterprise and philanthropy in schools at the precollegiate levels. The approaches to be discussed fall into two major categories—(a) strategies designed to work within the current broad framework of school finance in the United States, and (b) strategies involving major changes in that framework. Presumably, the Commission will find ways of exerting some influence toward the adoption of whatever strategy (or strategies) it may find appealing.

**Strategy 1: Public Aid.** — Public aid to nonpublic schools, within the current framework of school finance, is not a promising avenue of action for the foreseeable future. Around 1968, extensive efforts were begun to extend direct, sizeable aid to the country's nonpublic schools. The efforts were prompted partially by a decline in nonpublic (mostly Roman Catholic) school enrollments after 1965 or so, and by an associated fiscal crisis, then widely noted and discussed. The movement was encouraged by a 1968 decision of the Supreme Court, which indicated that the "sacred" and "secular" components of church-sponsored schooling were separable for constitutional purposes, and thus that the state could support the one without supporting the other. About that same time, several groups of Protestant nonpublic schools culminated a gradual abandonment of the view that they should not seek or accept public aid, and the modern Jewish day school movement was coming to flower: so powerful new coalitions
involving these groups and proponents of Catholic education became feasible. Legislative commissions, active in many parts of the nation during the late 60's and early 70's, may have influenced public and legislative opinion by highlighting enrollment declines and financial difficulties in nonpublic schools and by stressing the negative consequences for the public purse if the majority of nonpublic schools should close.

Beginning with a Supreme Court decision in 1971, however, the judiciary closed the door repeatedly and forcefully on several avenues of aid to nonpublic schools. Some peripheral, indirect "child benefit" assistance is still possible in the form of state-financed bus rides, textbooks, psychological services, etc. (though even this is under challenge), but no government support is likely to make much difference in school budgets seems constitutionally permissible in the near future in church-related schools. The same prohibitions do not apply to nonsectarian schools, but since church-related groups seems disinterested in using their political muscle to obtain subvention they will not enjoy, there is little chance that aid to nonsectarian nonpublic schools will be entertained seriously by the legislatures, given the powerful opposition of public school lobbies and the frequent assumption among liberals that nonsectarian private schools are wealthy, elitist, and "undemocratic."

Within the current framework of school finance, however, two other courses of action may merit attention, in an effort
to preserve the channel of philanthropy that nonpublic schools represent.

Strategic 2: Interpret "Charitable Donations" Liberally. --

The most obvious line of attack for the Commission, discussed at length in other presentations, is to help maintain the income tax deduction for charitable donations. A further step may be warranted for the benefit of nonpublic schools, since the Internal Revenue Service has often insisted that, when school tuitions are significantly lower than per-pupil operating costs, patron donations, whether made directly or through religious institutions, must be regarded as fees in philanthropic guise and thus not deductible. While the ramifications of this issue can hardly be analyzed adequately here, the point remains that, within the discretion legally and ethically available to IRS, some movement toward a more liberal interpretation of "donations" to nonpublic schools could reduce the fiscal pressures discussed earlier. Obviously, if part of the cost of sending children to nonpublic schools can be recouped through tax savings, patrons will be able to survive cost increases that would otherwise cut off nonpublic educational options. IRS should bear in mind one neglected point we have made: Since the parent cannot "purchase" private educational benefits without simultaneously contributing benefits to the public, even fees in nonpublic schools assume much of the color of philanthropy. There would be considerable logic, for example, in allowing the deduction, as charitable donations,
of the proportion of school costs that can reasonably be regarded as "purchasing" literacy, employability, political efficacy, and the other commonly envisioned attributes of good citizenship that the public would have to pay for through taxation if the nonpublic schools did not exist.

Strategy 3: Tax Credits or Deductions for Fees. -- A closely related approach, also compatible with the current broad framework of school finance, is that of permitting tax credits or deductions for fees per se in nonpublic schools, quite apart from any provision for charitable donations. It does not seem likely, however, that future tax deductions or credits for fees at nonpublic schools will survive the scrutiny of the Supreme Court -- unless, of course, the religiously affiliated schools comprising the vast preponderance of the movement are excluded. But in the meantime, it would seem advisable to keep at least the nonsectarian nonpublic schools alive. In times of severe difficulty, stop-gap, piecemeal measures must often be utilized.

Deep irony resides in the fact that, while there is apparently unprecedented demand today for educational options, many of which seem virtually impossible to provide in the public sector, and while the citizenry grows more and more receptive to providing tax relief to nonpublic schools, the Supreme Court has been moving in precisely the opposite direction -- closing the door ever more tightly on the possibility of aid to nonpublic schools (unless, as we have noted, all religiously affiliated schools are
excluded) and thus, in effect, tightening the system of constraints that has served for decades to ensure that virtually all the nation's youth will be limited to a narrow range of educational offerings in elementary and secondary schools. 46

The most deadly constitutional impasse on this issue -- the Court's dual insistence that (a) safeguards be introduced to ensure that no money be used for sectarian purposes and (b) no "excessive entanglement" between church and state, which the safeguards seem inevitably to entail, be allowed to occur -- seems dubious from the standpoints of both jurisprudence and economics. 47 On the surface, it might appear that scholarly analyses drawn to the Court's attention in the future might alter its rulings with respect to tax credits, tax deductions, tuition reimbursements, and similar devices to grant relief to hard-pressed patrons of nonpublic schools. But there is a clear possibility that the Court's doctrines on aid (or anything even distantly resembling aid) to religious affiliated schools are -- to some significant extent -- merely means to an end, the end being to prevent the religious strife that some eminent scholars think would accompany aid. 48 In some future case, then, if lawyers and economists make the "excessive entanglement" test look utterly inane, the Court may respond, not with new decisions on parochial aid, but with new doctrines to prop up the old decisions.

For reasons such as these, the future of private enterprise and philanthropy in education ultimately may depend on radical changes in the framework of school finance -- changes that remove
current fiscal handicaps from privately funded educational options without invoking the specter of aid to religion and political strife along denominational lines.

**Strategy 4: Education Vouchers.** -- Voucher policies that would force public and nonpublic schools to compete for clients and money represent a revolutionary change in school finance. Most voucher schemes developed thus far have not been that revolutionary, however. Pale shadows of the classic voucher concept, they involved only nonpublic schools. They left the financing of public schools virtually unaffected. These schemes would run afoul of existing constitutional guidelines if religiously affiliated schools were included. Consequently, they are useful merely as stop-gap, incomplete measures, adequate only to help keep nonsectarian nonpublic schools alive (assuming some political coalition can be formed to make passage through the legislatures possible).

If vouchers were introduced in all schools, public and nonpublic, however, some scholars think they might stand a good chance constitutionally.

As they come from the drawing tables of scholars, voucher plans usually embody major egalitarian features and are designed, not to perpetuate existing institutions, but to create a milieu in which all schools will be more responsive, a much wider range of educational options will be offered in response to client interests, and the discretion of students and parents will be broadened considerably, especially among the poor.
The concept of education vouchers first attracted wide attention in the United States when Milton Friedman published his celebrated essay in 1955. Friedman proposed that all schools, public and private, be funded through vouchers given to parents. Each voucher, representing a child's share of tax funds for education, would be redeemable at any approved school, public or private. Though he saw numerous values in this strategy, Friedman stressed the increased efficiency that would result, in his view, if individual families had much more control over the amount of money to be allocated for the formal education of each child (families could add their own money to the vouchers) and over the type of instruction purchased. Friedman's scheme would permit communities of interest, dispersed among several public school districts or powerless within one, to purchase the services they desire without incurring the artificial threshold costs discussed earlier. Friedman predicted that entrepreneurs would begin offering, in response to the varying wishes of families, a much more extensive range of educational options than is currently available. Were a public or nonpublic school insensitive to students and parents, it would risk a financial setback, for every patron defection would mean a loss of funds.

There were dangers in the plan suggested by Friedman, but since that time scholars have modified the approach in many ways, mainly to minimize or eliminate those dangers. It is difficult to imagine, for example, how the public interest could be damaged through a few small experiments with the elaborately cautious
voucher scheme developed by Jencks and his colleagues at the Center for the Study of Public Policy (CSPP). To guard against the possibility that the wealthy would add money of their own to the vouchers, would segregate themselves in schools that the poor, with voucher funds only, could not afford to attend, and would use their superior purchasing power to cream off superior personnel, facilities, equipment, and materials, the CSPP voucher plan forbids schools participating in the scheme to accept a cent of income beyond what the vouchers provide. To ward off segregation of other kinds, participating schools are required to admit all applicants while spaces are available and to allocate spaces on a lottery basis when applications exceed capacity. An extra "compensatory" allotment is envisioned for poor children, to make them welcome in the schools they choose to attend and to increase the chances that the special services they need will be provided. Start-up assistance is available to new schools.

The CSPP voucher plan has no place for private investment or philanthropy, but ironically, if the plan is properly tried out, it may yield information to controvert the major arguments against open market conditions in education and thus may open the way to arrangements in which philanthropy will play a rejuvenated role. A number of other voucher schemes, embodying features not designed into the CSPP approach, could then (and possibly only then) be tried.
It is widely asserted that parents and students will make
unwise choices and thus be seriously victimized if current con-
straints in education are eliminated or minimized, and that an
unprecedented tendency toward segregated schools will result,
especially along racial and socio-economic parameters. Inquiries
by E. G. West into the behavior of parents in England and New
York state in the years before public schools were available sug-
gests, on the contrary, that most parents will act responsibly
and with considerable wisdom. Findings of this type seem some-
what likely to emerge from experiments -- if and when they are
carried out -- with the CSPP voucher plan and similar approaches.

Individuals and groups seeking to encourage experimentation
with vouchers should realize, however, that the opposition is
intense, widespread, and well organized. A well-financed,
national search for public school systems willing to participate
in a voucher experiment recently netted only one acceptance, and
in that instance (the Alum Rock school district at San Jose) the
design of the experiment had to be altered drastically before
teachers and administrators were willing to proceed. Most
essential features of the voucher concept (e.g., competition
between public and nonpublic schools) were completed deleted.

On a somewhat more encouraging note, it has recently been
announced that three New Hampshire towns will participate in a
voucher experiment involving both public and nonsectarian
private schools. In the light of the Alum Rock experience and
many other examples of the taming of reform in American education,
it is hard to be optimistic about how many features of the CSPP plan will survive the trade-offs of the implementation process in New Hampshire. But at the same time, it is difficult to believe that the American people will not eventually insist, particularly if dissatisfaction with the nation's schools intensifies, that a few honest experiments be staged to determine whether education will be harmed or helped by competitive arrangements.

**Strategy 5: "Private" Options in Public Schools.** -- Since full-blown voucher schemes may not be possible for many years, and perhaps never possible at all, it may be advisable to pursue the same objectives -- a much wider range of educational options and much greater consumer choice -- along a front less overtly threatening to public educators, by encouraging the extension of principles embodied in the "alternative schools" movement in public education. The long-range result could be a radical new framework of school finance.

When middle class parents, who traditionally have been public education's strongest supporters, established "free schools," public school leaders, perhaps because they sensed erosion in their most reliable support sector, were unusually quick to respond. Scarcely had free schools attracted national attention before public school systems were announcing the creation of their own "alternative schools," and the federal government was offering grants to encourage the trend. In the cities in question, families are permitted to choose the public schools they will patronize,
and the "alternative schools" are designed to depart from conventionality in ways that seem important to various community groups.

The alternative schools' movement may represent a more fundamental breach of the professional educator's traditional ideology than is generally recognized, for it constitutes visible acknowledgement that educators are not always the best people to match programs to children and that the remarkably standardized fare of the conventional public school is not suitable for everyone. It would not be a radical further step to permit public school children, during part of the school day, to take advantage of important learning opportunities outside public school confines, in museums, galleries, theatres, shops, music studios, industrial concerns, and other public and private premises, and perhaps eventually to allocate some public money to poor children who could not otherwise benefit from these opportunities. At some point it might be sensible to consider schools largely as "home bases" in which the most essential academic subjects would be taught, and from which most children would range out to other agencies during significant segments of the day. Matching incentive grants could perhaps be used to encourage parents, partly at their own initiative and expense, to enrich their children's lives during these "optional education" periods. The incentive grants could conceivably be varied, not only in keeping with parental responses, but in inverse proportion to family income, so as to equalize the educational discretion available to the rich and the poor. Under these conditions, perhaps less difficult to institute than full-
blown full-time voucher schemes, it seems likely that philanthropists would finance many promising educational opportunities outside school walls and that entrepreneurs would soon put their imaginations to work, to the benefit of the general weal.

Or, to envision a slightly different line of development, the elements of the following scenario might be realizable:

Assume that leaders in the Megatown Public School System, which has one of the nation's best collections of publicly supported alternative schools, decide after a few years that this arrangement for extending more discretion to parents and students is an improvement worth enlarging. At that point, a sequence of parental initiatives occurs. First, a group of twenty-five parents who have been discussing with a few teachers some frontier ideas for education come to the school board with a proposal: They want to experiment with a special curriculum of their own in the social studies, run by teachers of their own choosing, while relying on the school system for the rest of the educational program. The school system works out a "released time" arrangement, permitting the children of these parents to leave the public schools for several hours each week to take part in the privately run social studies project, in a nearby storefront rented by the parents. The project has unusual features, drawing extensively on the unique skills of people in the community, including representatives of various ethnic groups, politicians, social workers, and psychologists. It is an obvious success, and soon other groups of parents are creating projects of their own, sometimes
with assistance from private school people in the area, and sometimes on the premises of nearby private schools. In response, the public school system creates a flexible computerized schedule that permits students to combine public school components and private components in many ways. For example, several parents take their children to Europe for two months, along with a teacher, for some on-the-spot studies of another political framework. The school system provides full credit, and the children have no difficulty phasing back into the schools. As the idea of combining public and private components in a student's educational program becomes more and more popular, three facts are evident: the school system is saving a lot of money because it is relieved of the burden of providing a total educational offering for everyone, the students are much more interested and productive than when they spent all their time in classrooms, and children from low-income homes are being deprived of many advantages of the new system. After discussion, the school board concludes that it should assume some responsibility for financing an obviously superior arrangement, and it begins picking up some of the cost of the private components, though never to the point of funding them beyond the level of comparable programs in the school system itself.

At this point, the arrangement begins to attract widespread attention. It is evaluated by scholars, who laud its flexibility but ask why the principle of making instruction responsive to the needs and interests of individuals is not pursued further.
They make some suggestions along that line, and the school system responds. It establishes the world's first "educational marketplace." Physically, the marketplace is something like the "educational park" some scholars and school administrators have advocated. It is a centrally located instructional complex drawing children from numerous, diverse neighborhoods, largely by means of a city's rapid transit network. Toward the center of the complex are science laboratories, libraries, information-retrieval arrangements, multimedia facilities, counseling rooms, data-processing equipment, closed circuit television hookups, computerized instruction, fully equipped industrial arts and business education rooms, and athletic fields. Around the periphery are general-purpose classrooms, seminar rooms, lecture halls, and playgrounds. Surplus capacity is built in to foster flexibility of usage.

Organizationally, the complex is an arrangement for maximizing the range of discretion made conveniently available to students and parents. Groups, profit and nonprofit, that wish to offer educational components may lease the facility they need at a price that covers amortization and upkeep, but as part of the arrangement they must participate in an extensive new information-disseminating system that provides parents and students with an unprecedented wealth of audited information concerning the options available to them.

Financially, the system is modeled after a "Flexible Family
"Powur Equalization" scheme of Professors Coons and Benson. Each child's share of tax funds for education is made available to his parents in the form of a drawing fund, to be used for any system of educational components that can be approved under a set of criteria that protects the interests of the child and the society without infringing unnecessarily on liberty. The drawing fund is greater for poor families than for wealthy families. It is financed from regular taxation and from a special "self-tax" levied on parents of school-age children, the self-tax varying in amount according to the income of the family and the relative amounts they wish to have invested in their children's education. In practice, parents treat the special tax as merely a systematic conduit to facilitate private investment. Formulas for the drawing fund and self-tax are refined from year to year in the light of experience, in such a way as to ensure that approximately equal numbers of poor and wealthy families utilize program components financed at various levels. Thus, the offerings made available to children are independent of family wealth, but heavily dependent on family discretion.

Within the framework of such a system, philanthropists could play several important roles. They could provide developmental funds for ideas that seem highly promising but are not ready to be launched in the educational marketplace. (Government would also make developmental money available, but we can assume, in the light of past history, that the money would be withheld from some promising programs that seemed too unorthodox.) Private
philanthropy might also be needed to finance, at least initially, some vital educational components that could not secure approval when they were ready for launching, even under the most flexible criteria the state could devise.

By this time it might be widely thought that no educational arrangement could be called "private" if truly responsive to the people it served, regardless of who financed or administered it, while none should be called "public" that was not. It would also, perhaps, be widely assumed that a truly flexible educational enterprise required the unique strengths of both public and private administration, both public and private funding, both investment and philanthropy. Perhaps by that time changes in schools and society might permit a new approach to the issue of funding private educational options. By then, for example, a much smaller proportion of nonpublic instructional components might be sponsored by religious institutions, and the spread of ecumenicity might have reduced very drastically the potential for political strife along sectarian lines.

**Strategy 6: Fee-Derived Support in Public and Nonpublic Schools.** -- The final strategy, in some respects the most radical of all, has been proposed by Economist E. G. West in a paper now pending publication. West proposes that, as a way of progressively reducing the "double taxation" effect that patrons of nonpublic schools now experience, some state should at least experiment with the policy of requiring all future taxation increases for public schools to be levied exclusively on public school patrons. If
educational costs continue to increase at anything approximating the recent rate, this policy would eventuate, before long, in a framework of school finance in which the major burden of public school funding would fall on the users, and in which governmentally imposed "artificial threshold costs" in nonpublic schools would virtually have disappeared. But no "aid" to nonpublic schools would be involved, no political warfare would be triggered over efforts to increase aid, and issues of constitutionality in the light of the federal first amendment should not arise.

Since Professor West's analysis is sophisticated and complex, justice can hardly be done to it here. Hopefully, the Commission will wish to examine the professor's manuscript first-hand. The observation must be made, however, that West deals remarkably well with the initial shocked objections that his ideas seem certain to produce. For instance:

West argues that, since most people at some point in life have school-age children, a governmental guaranteed loan system to enable parents to purchase education from life-long incomes (rather than incomes received only while their children were in school) would have roughly the same fiscal consequences as a traditional taxation arrangement that draws funds from both users and nonusers of public school services. Perhaps patrons of nonpublic schools could use the loan system without running afoul of the first amendment's church-state prohibitions. Even if they could not, these patrons would not be paying twice for their children's education, once through public school taxes and
once through fees and donations in nonpublic schools.

West also observes that numerous equalization arrangements could be introduced to assist the poor, who, despite the alleged merits of current school finance, pay for the "free" education of their offspring through taxes that draw vastly greater proportions of their incomes than the wealthy are required to contribute.

**Summary and Conclusions**

We have seen that nonpublic schools are a surprisingly salient channel for philanthropy in precollegiate formal education. As a result of philanthropy, broadly defined, in nonpublic schools; the nation's total collectivity of schools is probably more efficient fiscally, more effective educationally, and more humane in its impact on students and parents than an exclusively public arrangement would be.

There is obvious danger, however, that the nonpublic schools and the philanthropy they represent will experience severe attrition in the future. Rather dramatic declines have already occurred in Catholic schools and largely nonsectarian boarding schools, though much of this loss is attributable to shifting family preferences. The recent history of the free school movement provides stark evidence that current economic conditions are deadly for schools that enjoy neither significant church subsidies nor access to a fair proportion of wealthy clients. Church subsidies to nonpublic schools may be less and less common in the future as the historic reasons for these
subsidies gradually disappear. Furthermore, the "double impact" on nonpublic schools of extremely rapid cost increases in education seems certain, if current economic trends continue, to obliterate all nonpublic schools before long, the exceptions being schools enjoying large church subsidies and schools with access to wealthy clients. The writer's personal prediction, based on more than a decade of studying nonpublic schools, is that the movement will become more and more exclusively nonsectarian, less and less subsidized, and increasingly limited to the patronage of an economic elite — unless some shift occurs in the framework of public policy.

Since there is, apparently, growing interest in educational options among citizens today, growing acceptance of the idea of assisting nonpublic schools in some way, and alarming resistance to increased tax levies for public education, a dramatic shift in the framework of school finance could be possible before long, though the mounting power of organized educators is a potent force in the opposite direction.

In the meantime, as the preceding discussion of possible strategies makes clear, there are no easy solutions to the threat now posed to philanthropy channelled through nonpublic schools. Some of the strategies suggested here may serve, however, as stop-gap measures, functional in the short run. Others may be used to capitalize at some point on the emergence of unprecedented readiness for fundamental educational reform in our society.
NOTES

1. The Commission's broad definition, adopted here, reads: "Private philanthropy, ..., more than the donation of funds for worthwhile purposes, ..., is a continuous process by which private individuals sense and define specific needs of society and then commit themselves and join with others to devote creative abilities, energy, and funds to the satisfaction and fulfillment of those needs." See the Commission's "Outline of Issues," as revised to reflect comments made at the Commission meeting on October 31, 1973. The estimate of one student in ten in nonpublic schools is based on Table No. 175, Bureau of the Census, U.S. Department of Commerce, Statistical Abstract of the United States: 1971, (Washington, D.C.: U.S. Government Printing Office, 1971), p. 116, allowing for losses since 1971.

2. Because of difficulties encountered in securing data, this estimate reflects only the nonpublic schools affiliated with the Catholic Church, the Lutheran Church-Missouri Synod, The National Union of Christian Schools (affiliated with the Christian Reformed Church), and the National Association of Independent Schools; however, these groups account for more than 90 per cent of total enrollments in the nation's nonpublic schools.

The Catholic estimate ($26.6 million) was derived as follows: The officially reported average of $6 per pupil in gifts during 1972-73 (the latest figure available) was applied to the 2,711,000 pupils attending Catholic elementary schools in 1973-74 (the latest enrollment report available) to produce a total of $16,266,000. The estimate for Catholic secondary schools was more difficult to produce, since enrollment figures since 1970-71 have not been broken down by type of school, while church subsidies differ significantly among these types. The following procedure was used to estimate enrollment by high school type. In 1970-71, there were 460 Roman Catholic parochial (parish-operated) high schools, with an average enrollment of 345, and thus a total enrollment of about 158,700, 15.7 per cent of the total Catholic secondary school enrollment of 1,008,463. There were 771 Roman Catholic "private" high schools (schools operated by religious communities of nuns, priests, or brothers, rather than by the parish or diocese), with an average enrollment of 479, and thus a total enrollment of 346,179, or 34.3 per cent of the total Roman Catholic secondary school enrollment. The remaining 50 per cent of Roman Catholic secondary school students, obviously, were in the other Catholic high schools, the inter-parochial high schools (operated under joint rather than individual parish sponsorship) and diocesan high schools (operated under the direct administration of diocesan officials). For the sake of the
present rough estimates, it was assumed that enrollments were distributed among the various high school types in these same proportions in 1973-74. The 1973-74 enrollment total for Catholic secondary schools breaks down, accordingly, as follows: 451,500 in inter-parochial and diocesan high schools, 141,771 in parochial high schools, and 309,729 in "private" high schools. The official estimate of gifts averaging $7 per pupil in 1972-73 was applied to the 593,271 pupils attending Catholic parish, diocesan, and (the relevant table suggests) inter-parochial high schools in 1973-74 to produce a total of $4,152,897. The estimate of gifts averaging $20 per pupil was applied to the 309,729 pupils attending Catholic "private" high schools in 1973-74 to produce a total of $6,194,580. The estimated grand total of gifts received by all Catholic elementary and secondary schools, consequently, is $26,613,477. The data on which these calculations are based were drawn from: Research Department, National Catholic Educational Association, A Report on U.S. Catholic Schools: 1970-71 (n.p.: National Catholic Educational Association, 1971); and the association's U.S. Catholic Schools: 1973-74 (n.p.: National Catholic Educational Association, 1974).

Officials of the Lutheran Church-Missouri Synod reported that direct gifts to their schools were negligible.

The estimate for schools associated with the Christian Reformed Church ($6.6 million) was derived by multiplying the total number of students in these schools in 1973-74 (51,123) by the average per-pupil cost in that year at the elementary level ($650). Since the enrollment figures provided to us were not broken down into elementary and secondary levels, we were forced to ignore the higher costs ($850 per pupil) at the high school level, and consequently our estimate is low. We then divided the estimate by 20 per cent, the proportion of school expenditures underwritten by gifts. The information on which these calculations are based was provided in a letter dated September 16, 1974, from Ivan E. Zylstra, Administrator, School and Government Relations, National Union of Christian Schools, Grand Rapids, Michigan.

The estimate for schools affiliated with the National Association of Independent Schools (NAIS) ($140.7 million) was obtained from Giving U.S.A.: 1974 Annual Report (New York: American Association of Fund-Raising Counsel, Inc., 1974), p. 27. Since the figure is derived from reports from only 73.2 per cent of NAIS schools, it is an underestimate. Based on these estimates ($26.6 million, $6.6 million, and $140.7 million), the grand total is $173.90 million, which rounds off to $174 million.

Here again (cf. note 2, above) our estimates are based on figures from groups representing the overwhelming preponderance of nonpublic schools in the United States, thus are entirely adequate for our purposes, but they do not purport
Church subsidies in Catholic schools were derived as follows: The totals for Catholic elementary schools were obtained by multiplying the reported average per-pupil church subsidy in 1972-73 ($144) by the number of pupils in Catholic elementary schools in 1973-74 (2,711,000), to obtain a figure of $390,384,000. The number of students in each type of Catholic high school was estimated by means of the procedure described in note 2, above. In the parish, diocesan and (the relevant table suggests) inter-parochial high schools, parish and diocesan subsidies were estimated at $148 per pupil in 1972-73. This figure, applied to the 593,271 pupils attending these schools in 1973-74, yields a total estimate of $87,804,108.

In the "private" Catholic high schools, subsidies from churches and religious communities were estimated at $30 per pupil for 1972-73. This figure, applied to the 309,729 pupils estimated to be attending these schools in 1973-74, yields a total of $9,291,870. The grand total of subsidies from parishes, dioceses, and religious communities for Catholic high schools is $487,479,978, and for all Catholic schools, elementary and secondary, is $487,479,978. The data on which these calculations are based were derived from the sources identified in note 2, above.

The estimate for schools affiliated with the Lutheran Church-Missouri Synod was produced by multiplying the average annual per-pupil expenditure ($439) by the number of pupils (151,476) and by dividing the product by the percentage of school costs underwritten through church subsidies (72.56 per cent). The resulting figure is $48,250,923. The data on which the calculations are based were provided by Al Senske, Secretary of Elementary and Secondary Schools, The Lutheran Church-Missouri Synod, St. Louis, Missouri.

Church subsidies for schools associated with the Christian Reformed church were lumped together with other gifts, in the figures provided to us (by Ivan E. Zylstra, Administrator, School and Governmental Relations, National Union of Christian Schools, Grand Rapids, Michigan), and thus have been included above, under the category of direct gifts.

Society of Friends officials report, in figures provided through the Council for American Private Education, that their schools received approximately $1 million in church support during 1973-74.

These estimates of indirect support ($487,479,978, $48,250,923, and $1 million) produce a grand total of $536.7 million, but it must be emphasized that the figure is low since numerous groups of religiously affiliated schools did not provide data in this regard.

4 See the Commission's definition of philanthropy, quoted in note 1, above.
In 1970-71, it was estimated that the contributed service of teachers and administrators in Catholic schools were worth approximately $400 million per year, almost 25 percent of the total revenue required to operate the schools. The estimate was produced by comparing the salaries actually received by these staff members in Catholic schools with the salaries their qualifications would have called for in nearby public schools. U.S. Catholic Schools: 1973-74, p. 23.

In the writer's experience, there is a pronounced tendency for well qualified teachers and administrators in schools operated by the Lutheran Church-Missouri Synod to work for salaries far below what their public school counterparts received, and it seems reasonable to assume that at least one eighth of essential school revenues are derived from these contributions of foregone earnings. On the basis of this assumption, we may estimate that the Missouri Synod Lutheran elementary schools alone derive resources worth at least $9.5 million from this source. Calculations leading to this figure are based on data from Al Senske, Secretary of Elementary and Secondary Schools, The Lutheran Church-Missouri Synod, St. Louis, Missouri.

When the Catholic and Lutheran estimates are summed, we obtain a total, for "hidden" philanthropy in nonpublic schools, of $402.5 million. Since we lack data from many other nonpublic schools, this figure is obviously a serious underestimate.


In their heyday, for example, Horace Mann and other powerful leaders of the movement to establish universal, free, compulsory schooling, largely under public auspices, were widely regarded as towering examples of visionary altruism. In retrospect, as economists and revisionist historians have demonstrated, there is much evidence to suggest that Mann and many others in his tradition were rather pervasively concerned with the occupational status of educators, with the promotion of WASP culture, with the maintenance of existing social structures, and (particularly as time went on) with the ideals of


Reference is made to the evidence in note 10, above.

See the Commission's "Outline of Issues".


15 As many writers on school finance emphasize, the local property tax, the prime source of funds for public schools, is particularly vulnerable to citizen resentment that may arise from a wide variety of reasons. Also, citizens without children in school are often reluctant to see school taxes raised as much as parents of school children would wish. For these reasons and others, it appears that taxation mechanisms for schools are like a constricted pipeline, inadequate to carry
the funds that many citizens would willingly invest in schools. Numerous economists argue that levels of funding in schools will be more responsive to consumer demand if the taxation pipeline is supplemented by a pipeline of private investment and philanthropy. Even under current conditions, with about 10 per cent of the nation's students in nonpublic elementary and secondary schools, our system of finance probably blocks millions of dollars that citizens would be glad to allocate to schools. Consider the following examples:

Joe Smith, who thinks instruction in the local public high school is mediocre, is willing to spend $200 of his discretionary income to obtain better tutelage for his child. He finds, however, that he cannot purchase the right to have his youngster instructed by the best teachers in the school, no matter how much he is willing to spend. In fact, the school will provide no specific instructional advantages at all for an outlay of $200. Smith decides to use the $200 for other purposes, and his youngster takes the bad teaching with the good, like every other student in the school. A year later, Smith tries again. This time he attempts to improve instruction in the public high school by persuading fellow voters to approve a higher tax levy (approximately $200 per household per year) for education. But property owners with no children in the schools campaign successfully against the increase. For the second time, Smith's would-be contribution of $200 is withheld. Discouraged with his community, Smith looks for a better one. Ten miles away is a suburb with more reputable public schools. Smith's property taxes would be approximately $200 more than at present, largely because the schools in the nearby suburb are more liberally supported. Smith's plans to move are soon aborted, however, by the realization that his commuting costs and mortgage payments will be higher and an outlay of at least $1,000 will be required to move his household goods. Chagrined, Smith stays put, his educational wishes thwarted and his would-be contribution of $200 once again deflected. Later still, investigating private alternatives, Smith finds an independent college-preparatory school that provides apparently superior instruction. Initially, in his naivete, he thinks he has solved his problem, for tuition in the independent school is $1,800, only $200 more than the level of per-pupil support in the public high school. Smith has $200 available to make up the difference. He learns, however, that he cannot simply use the $200 to switch from a $1,600 public school to a $1,800 private school. Rather, when he opts out of the public school system, he must forfeit the child's share (roughly, $1,600) of tax funds for education. Furthermore, he will not be permitted to recoup any losses by being excused from public school taxation. In effect, government has decreed that the threshold cost of moving from the public to the private school is not $200 but $1,800. Since Smith cannot afford the $1,800, the $200 is withheld from education once again.
As Milton Friedman observes, these impediments to parental discretion are especially onerous for the poor, who are particularly disadvantaged in education as compared with other areas of life. By sacrificing certain advantages, a low-income family may often save enough money to buy the same automobile as a family in a high-income suburb. Similar possibilities apply to clothing, furniture, books, and many other goods and services. But a low-income family willing to extend itself to obtain superior instruction is frustrated in two particulars: both nonpublic schools and well financed public schools tend to be inaccessible geographically, and the particularly impoverished, who most need superior educational programs, find that the occasional private school within reasonable distance is out of sight financially, since school costs are rising faster than incomes and a declining proportion of nonpublic schools are subsidized through churches.

Now visualize Jack Smart, a wealthy man in Smith's community. Smart wants to contribute $10,000 a year toward improving the educational opportunities of poor children in the area. If he is like most individual philanthropists, he will not give the money to the public school system, perhaps because he thinks the system is too large and bureaucratic to be influenced by that amount of money. When he considers the local independent school, he sees that an annual threshold cost of $1,800 virtually guarantees a student body drawn largely from well-to-do homes, and his egalitarian convictions are offended. Smart considers providing a few scholarships for poor children, but worries because the independent school has no special programs for students with learning problems. School leaders say they cannot afford to institute such a program for anything like $10,000 a year. Smart decides, in disgust, that American education is not designed to use donations of that magnitude productively. He gives the money to a local museum, which quickly adds several appealing items to its collection. Gratified by the visible, lasting response, Smart becomes a regular contributor to the museum and regales his wealthy friends with stories of how inflexible education has become. Several of them decide to support museums instead of schools.

proportion of children attending nonpublic schools was negatively associated with an index of financial effort in public education. But neither of these studies examined the compensating effect of educating many children with money provided through the "private pipeline." See Jerry Miner, Social and Economic Factors in Spending for Public Education (Syracuse, N.Y.: Syracuse University Press, 1962), pp. 55,59; and Walter W. McMahon, "The Determinants of Public Expenditure: An Econometric Analysis of the Demand for Public Education"; unpublished paper as reported in Miner, Social and Economic Factors, pp. 55-56,59. But the effects of educating many children at private expense show up in Miner's study and one by James and his colleagues when generally positive relationships are found between proportion of students in nonpublic schools and per-pupil expenditures in public education. See Miner, Social and Economic Factors, pp. 55,59; and Walter I. Garms, Jr., "Ability and Demand Determinants of Educational Expenditures in Large Cities: A Preliminary Report," paper presented at National Conference of Professors of Educational Administration; Humboldt State College, Arcata, California, August 24, 1965. Alkin, in an inadequately controlled study, discovered that higher proportions of Catholics in a community (and presumably, higher percentages of children in nonpublic schools) were associated with increased expenditures per pupil in public schools. Marvin C. Alkin, "Religious Factors in the Determination of Educational Expenditures," Educational Administration Quarterly 2 (Spring, 1966), 123-132. On the other hand, Shapiro and Renshaw found no consistent relationship between per pupil expenditures for public schools and percentages of students in nonpublic schools. Sherman Shapiro, "Some Socio-Economic Determinants of Expenditures for Education," Comparative Education (October, 1962), 160-166; Renshaw, "Meeting Educational Revenue Requirements."

Many scholars have attributed lack of adaptability in public schools to the fact that most families have no alternative available. If so, the situation would be much worse if no families had nonpublic schools available to them as an alternative. It has also been argued, with historical evidence to support the contention, that when nonpublic schools develop demonstrably superior approaches to instruction, the public schools are soon forced, through citizen insistence, to adopt those approaches. See, for example: David Friedman, "Toward a Competitive School System" (undated monograph published by Center for Independent Education, Wichita, Kansas); John E. Coons, Stephen D. Sugarman, and William H. CluneIII, "Replicating the School Pie," Teachers College Record 72 (May, 1971), 485-493; Donald A. Erickson, "The Trailblazer in an Age of R & D," School Review 81 (February, 1973), 155-174; Theodore R. Sizer, "The Case For a Free Market," Compact (April, 1965), 8-12; Christopher Jencks, "Education Vouchers," New Republic, July 4, 1970; Friedman, "The Role of Government in Education."

For example, the federally sponsored Regional Educational Laboratories and Research and Development Centers are launching more concerted attacks on educational problems than have been at all typical in the past. Stephen K. Bailey, "Significance of the Federal Investment in Educational R & D," Journal of Research and Development in Education 2 (Summer, 1969), 31; Francis S. Chase, "R and D in the Remodeling of Education," Phi Delta Kappan 51 (February, 1970), 300; Ernest R. Hilgard, "The Translation of Educational Research and Development into Action," Educational Researcher 1 (July, 1972), 18-21.


There is a voluminous literature indicating that public schools in various societies and at different points in time are remarkably accurate reflections of the values of the dominant culture. See, for example: Jules Henry, Culture Against Man (New York: Random House, 1963); and Newton Edwards and Herman G. Richey, The School in the American Social Order (2d ed.; Boston: Houghton Mifflin, 1963).


Examples can be found in almost any daily newspaper at the present time of the difficulties school boards encounter when they overstep the boundaries of majority opinion in their communities. What one segment of the community wants for its
children may be enough to throw the majority into an uproar. For a classic example, see Joseph F. Maloney, "The Lonesome Train" in Levittown ("The Inter-University Case Program," No. 39; University, Ala.: University of Alabama Press, 1958).


24 One of the major concepts behind the recent work on education vouchers is that public schools will be much more responsive to parents if parents are free to switch schools and take with them their child's share of tax funds for education. See the articles listed under note 16, above.


28 Psychologists seem generally to overestimate the long-term effects of negative influences during childhood. In one study, psychologists turned out to be wrong in their predictions about two-thirds of the time, and were repeatedly surprised to discover how well people had "bounced back" from experiences early in life that researchers thought would produce permanent damage. Joan W. Macfarlane, "Perspectives on Personality Consistency and Change from the Guidance Study," Vita Humana 7 (1964), 115-126.

29 Since the literature is extensive, only a few examples can be cited here: Donald A. Erickson, "The Plain People and American Democracy," Commentary 45 (January, 1968), 36-44; David R. Manwaring, Render Unto Caesar: The Flag-Salute Controversy (Chicago: University of Chicago Press, 1962); Rosalie H. Wax, "The Warrior Dropouts," Transaction 4 (May, 1967), 40-46; Leo Pfeffer, Church, State and Freedom (rev. ed.).
Though 1965-66 marked the high point of enrollments, nonpublic schools enrolled a higher proportion of the nation's schoolchildren (13.6 per cent) in 1959-60. The declining proportion was masked by the fact that in the intervening years public school enrollments were growing more quickly than those in nonpublic schools.

See Table 1 in the Appendix to this paper.

See Table 2 in the Appendix to this paper.

Schools associated with the Christian Reformed Church were 5 fewer in number in 1973-74 than in 1965-66 (a decline of only 2.3 per cent), while their enrollment loss was even less (1.7 per cent), according to data in Table 3 in the Appendix to this paper. As Table 4 in the Appendix shows, the number of schools affiliated with the Lutheran Church-Missouri Synod declined by 8.6 per cent between 1965-66 and 1973-74, while enrollments declined by only 4.3 per cent. Data in Table 5 in the Appendix indicate a growth of 9.1 per cent in number of schools and of 46.4 per cent in enrollment in the four years between 1969-70 and 1973-74 for schools affiliated with the American Lutheran Church.

For the National Association of Christian Schools, we secured information by telephone (from Darla Dresdow, Director of Individual Services) to indicate that the number of member schools increased from 228 in 1965-66 to 268 in 1972-73 (an increase of 40 schools, or 17.5 per cent), while enrollments increased from 32,003 to 53,144 (an increase of 21,144, or 66.1 per cent) during the same period. In a similar conversation with Garlan Millet, Associate Director, Department of Education, World Headquarters, General Conference of Seventh-day Adventists, we were informed that Adventist school enrollments in the U.S. increased from 47,325 to 54,829 (an increase of 7,504, or 15.9 per cent) at the elementary level and from 19,196 to 21,929 (an increase of 2,733, or 14.2 per cent) at the secondary level between 1965-66 and 1973-74. Similarly, Adolph Fehlauer, Executive Secretary, Board of Parish Education, Wisconsin Evangelical Lutheran Synod, reported that the synod's elementary school enrollments increased from 24,810 to 26,507 (an increase of 1,697, or 6.8 per cent) and its secondary school enrollments increased from 2,638 to 3,405 (an increase of 767, or 29.1 per cent) between 1965-66 and 1973-74. John Paul Carter, Executive Secretary, National Association of Episcopal Schools, in a similar telephone conversation, estimated that Episcopal school enrollments had increased by something like 60 per cent.

between 1965-66 and 1973-74. Moshe Sokol, Coordinator for Enrollment Activities, National Society for Hebrew Day Schools, indicated that the Hebrew Day Schools had experienced extremely rapid "spurt" growth for several years after 1965-66, but were now in an era of "slow, steady growth," mostly in suburban areas, with some decline in schools in inner cities where neighborhoods were deteriorating. Finally, Table 6 in the Appendix reflects a 5.4 per cent growth at the elementary level and a 9.5 per cent growth at the secondary level during the two years from 1971-72 to 1973-74 for day schools belonging to the National Association of Independent Schools. These groups account for at least 99 per cent of nonpublic school enrollments. We were unable to obtain data from some additional small collectivities of nonpublic schools.


35 This statement is based on my own observations, plus those of my colleague Bruce Cooper (University of Pennsylvania), plus queries directed to free school leaders in several areas of the country by Cooper, in my behalf. His assistance in this regard is gratefully acknowledged.


37 Nonpublic schools cannot merely mark time while public school budgets soar, for they must compete to some extent in the same market for personnel and material, and they must maintain some semblance of academic comparability and breadth of offerings, though the necessity of competing in these terms is more severe for schools that lack special religious and ethnic motives. Consequently, when public school costs rise (making the citizen pay more in taxes), costs in nonpublic schools tend to rise in similar proportions (making the patron pay more by means of fees or donations).

38 The estimate of a five-fold increase is taken from E.G. West, "An Economic Analysis of the Law and Politics of Nonpublic School Aid" (unpublished manuscript, Carleton University, Ottawa, November, 1974), p. 19, citing an analysis in James W. Guthrie, "Public Control of Public Schools: Can We Get It Back?" Public Affairs Report, Institute of Governmental Studies, University of California, Berkeley, June, 1974; no. 3.
In the telephone conversations mentioned in note 33, above, leaders of nonpublic school groups responded to questions concerning reasons for recent growth almost entirely in terms of client reactions to permissiveness, "immorality," or lack of academic rigor in public schools.


41 The argument of this school of thought is that social conditions in the United States tend to obliterate the strict lines of doctrinal distinction that initially separate "sects," eventually transforming them into groups with the ecumenical outlook of "denominations." The classic statement of this view is found in H. Richard Neibuhr, The Social Sources of Denominationalism (New York: Henry Holt, 1929). "Much of the same line of thinking appears in the more popular work, Will Herberg, Protestant, Catholic, Jew (rev. ed.; Garden City, N.Y.: Anchor Books, 1960).


44 Since this issue is so sensitive, the areas and schools involved in the controversy seem best unidentified.

45 Tax deductions of one type for patrons of nonpublic schools were outlawed by the Supreme Court in Committee for Public Educ. v. Nyquist, 413 U.S. 756, 93 S. Ct. 2055 (1973). The Court commented that "there would appear to be little difference" between tuition reimbursements and tax credits, for under either approach the parent "receives the same form of encouragement and reward for sending his children to nonpublic schools ... We see no answer to Judge Hays' dissenting statement below that ... 'the money involved represents a charge made upon the state for the purpose of religious education.'"

46 The free school movement and the current unprecedented movement in public education toward "alternative" schools, mini-schools, and classrooms are both evidence of the increasing interest in educational options. Similar interest on the part of the scholarly community is expressed in the references listed in note 17, above. In the latest Gallup poll on the topic, a majority of the nation's adults registered for the first time an indication that they would favor a constitutional
amendment to permit tax support of church-related schools. Support for such a policy rose from 48 per cent in Gallup's 1970 survey to 52 per cent this year. George H. Gallup, "Sixth Annual Gallup Poll of Public Attitudes Toward Education," Phi Delta Kappan 61 (September, 1974), p. 25.


48 Giannella, "Lemon and Tilton"; Freund, "Public Aid". Both Giannella and Freund suggest that the Court is not so much bound by the logical conclusions of the "excessive entanglement" doctrine as it is using the doctrine to prevent the political strife that might attend a policy of public aid to church-related schools.

49 Since the Supreme Court has outlawed both tuition reimbursements and tax credits, it seems obvious that vouchers for patrons of church-affiliated nonpublic schools would stand little chance. See Committee for Public Educ. v. Nyquist.


51 Friedman, "The Role of Government in Education."


53 West, Education and the State, and "The Political Economy."

54 Daniel Weiler, A Public School Voucher Demonstration: The First Year at Alum Rock (Santa Monica, Calif.: The Rand Corporation, 1974). As this report points out: In the late 1960's, the Office of Economic Opportunity (OEO) began looking into vouchers as a possible device for improving American education, particularly so far as the needs of the impoverished were concerned. The above-mentioned Center for the Study of Public Policy (CSPP) drew up its plan under contract to OEO. In behalf of CEO, CSPP then made a nationwide canvass
of public school districts to determine which would consider participating in this particularly cautious experiment. Major education groups condemned the idea vociferously. By 1971, CEO managed to stage feasibility studies in only four school districts, three of which soon declined to proceed further. In the Alum Rock Union Elementary School District (San Jose, California), the only school district in the nation that persisted, considerable controversy arose. When it became obvious that CEO’s choice was between a watered-down experiment in Alum Rock and no experiment at all, the original plan was drastically modified to make it acceptable to public school personnel. The experiment, it was agreed, would initially involve public schools only, and only the schools in the district whose staff members wished to participate. Teachers’ job and seniority rights were guaranteed; in other words, teachers would not be subject to the market forces envisioned centrally in voucher schemes. During the first year of operation the experiment was even more diluted, for the level of support a school enjoyed was not affected at all by gains or losses in enrollment, and the student’s freedom to change from school to school was seriously curtailed as matter of administrative expediency.


57 West, "An Economic Analysis."
<table>
<thead>
<tr>
<th>School Year</th>
<th>Number of Schools</th>
<th>Enrollments</th>
<th>% Change in Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grades 1-8</td>
<td>9-12</td>
<td>Total (1-12)</td>
</tr>
<tr>
<td>1965-66</td>
<td>10,879</td>
<td>2,413</td>
<td>13,292</td>
</tr>
<tr>
<td>1969-70</td>
<td>9,695</td>
<td>2,976</td>
<td>11,771</td>
</tr>
<tr>
<td>1970-71</td>
<td>9,370</td>
<td>1,980</td>
<td>11,350</td>
</tr>
<tr>
<td>1971-72</td>
<td>8,982</td>
<td>1,857</td>
<td>10,839</td>
</tr>
<tr>
<td>1972-73</td>
<td>8,761</td>
<td>1,773</td>
<td>10,534</td>
</tr>
<tr>
<td>1973-74</td>
<td>8,550</td>
<td>1,719</td>
<td>10,269</td>
</tr>
<tr>
<td>Difference, 1965-66 and 1973-74</td>
<td>2,329</td>
<td>694</td>
<td>3,023</td>
</tr>
</tbody>
</table>

Source: National Catholic Education Association
Table 2: Number of Schools and Enrollments, Boarding Schools Affiliated with the National Association of Independent Schools, 1971-72 to 1973-74

<table>
<thead>
<tr>
<th>School Year</th>
<th>Number of Schools (K-12)</th>
<th>Percent Change</th>
<th>Enrollments</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>215</td>
<td></td>
<td>47,742</td>
<td></td>
</tr>
<tr>
<td>1972-73</td>
<td>200</td>
<td>-7.0</td>
<td>41,676</td>
<td>-12.7%</td>
</tr>
<tr>
<td>1973-74</td>
<td>196</td>
<td>-2.0</td>
<td>40,995</td>
<td>-1.6%</td>
</tr>
</tbody>
</table>

Difference, 1971-72 and 1973-74

<table>
<thead>
<tr>
<th></th>
<th>19</th>
<th>6,747</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(8.8%)</td>
<td>(14.13%)</td>
</tr>
</tbody>
</table>

Source: National Association of Independent Schools

Table 3: Numbers of Schools and Enrollments, U.S. Schools Affiliated with National Union of Christian Schools (Associated with Christian Reformed Church), 1960-61 to 1973-74

<table>
<thead>
<tr>
<th>School Year</th>
<th>Number of School Units (K-12)</th>
<th>Percent Change</th>
<th>Enrollments</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-61</td>
<td>210</td>
<td></td>
<td>44,010</td>
<td></td>
</tr>
<tr>
<td>1961-62</td>
<td>214</td>
<td>2.0%</td>
<td>45,405</td>
<td>3.2%</td>
</tr>
<tr>
<td>1962-63</td>
<td>205</td>
<td>-4.2%</td>
<td>46,712</td>
<td>2.9%</td>
</tr>
<tr>
<td>1963-64</td>
<td>203</td>
<td>-1.0%</td>
<td>48,006</td>
<td>2.8%</td>
</tr>
<tr>
<td>1964-65</td>
<td>211</td>
<td>3.9%</td>
<td>48,941</td>
<td>1.9%</td>
</tr>
<tr>
<td>1965-66</td>
<td>216</td>
<td>-2.4%</td>
<td>50,291</td>
<td>1.8%</td>
</tr>
<tr>
<td>1966-67</td>
<td>213</td>
<td>-1.4%</td>
<td>51,247</td>
<td>1.9%</td>
</tr>
<tr>
<td>1967-68</td>
<td>217</td>
<td>1.9%</td>
<td>50,282</td>
<td>-1.9%</td>
</tr>
<tr>
<td>1968-69</td>
<td>218</td>
<td>0.5%</td>
<td>50,637</td>
<td>0.7%</td>
</tr>
<tr>
<td>1969-70</td>
<td>222</td>
<td>1.8%</td>
<td>50,301</td>
<td>-0.7%</td>
</tr>
<tr>
<td>1970-71</td>
<td>222</td>
<td>-</td>
<td>51,182</td>
<td>1.8%</td>
</tr>
<tr>
<td>1971-72</td>
<td>226</td>
<td>1.8%</td>
<td>51,134</td>
<td>-0.1%</td>
</tr>
<tr>
<td>1972-73</td>
<td>214</td>
<td>-5.3%</td>
<td>51,571</td>
<td>0.9%</td>
</tr>
<tr>
<td>1973-74</td>
<td>211</td>
<td>-1.4%</td>
<td>51,123</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

Difference, 1965-66 and 1973-74

<table>
<thead>
<tr>
<th></th>
<th>-5</th>
<th>832</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(-2.3%)</td>
<td>(1.7%)</td>
</tr>
<tr>
<td>School Year</td>
<td>Number of Schools</td>
<td>Enrollments</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td>K-8 1</td>
<td>9-12</td>
</tr>
<tr>
<td>1960-61</td>
<td>1284</td>
<td>19</td>
</tr>
<tr>
<td>1965-66</td>
<td>1364</td>
<td>24</td>
</tr>
<tr>
<td>1970-71</td>
<td>1267</td>
<td>26</td>
</tr>
<tr>
<td>1971-72</td>
<td>1170</td>
<td>27</td>
</tr>
<tr>
<td>1972-73</td>
<td>1238</td>
<td>30</td>
</tr>
<tr>
<td>1973-74</td>
<td>1236</td>
<td>33</td>
</tr>
</tbody>
</table>

Notes: 1U.S. only 2Region not specified 3Computed on total LC-MS enrollments, number of teachers in the U.S., Canada and South America 4Median, all LC-MS elementary schools

Source: Ivan Zylstra, National Union of Christian Schools
Table 5: Number of Schools and Enrollments, Elementary Schools Affiliated with the American Lutheran Church, 1969-70 to 1973-74

<table>
<thead>
<tr>
<th>School Year</th>
<th>Number of Schools</th>
<th>% of Change</th>
<th>Enrollments</th>
<th>% of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969-70</td>
<td>154</td>
<td></td>
<td>9,984</td>
<td></td>
</tr>
<tr>
<td>1970-71</td>
<td>145</td>
<td>-5.8</td>
<td>9,926</td>
<td>-0.6</td>
</tr>
<tr>
<td>1971-72</td>
<td>141</td>
<td>-2.8</td>
<td>10,264</td>
<td>+3.6</td>
</tr>
<tr>
<td>1972-73</td>
<td>158</td>
<td>+12.1</td>
<td>13,858</td>
<td>+32.8</td>
</tr>
<tr>
<td>1973-74</td>
<td>168</td>
<td>+6.3</td>
<td>14,614</td>
<td>+5.4</td>
</tr>
</tbody>
</table>

Difference, 1969-70 and 1973-74
+14 (+9.1%) 14,630 (46.4%)

Source: American Lutheran Church

Table 6: Number of Schools and Enrollments, Day Schools Affiliated with the National Association of Independent Schools, 1971-72 to 1973-74

<table>
<thead>
<tr>
<th>School Year</th>
<th>Number of Schools</th>
<th>% of Change</th>
<th>Enrollments</th>
<th>% of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>555</td>
<td></td>
<td>207,430</td>
<td></td>
</tr>
<tr>
<td>1972-73</td>
<td>579</td>
<td>4.3%</td>
<td>218,674</td>
<td>5.4%</td>
</tr>
<tr>
<td>1973-74</td>
<td>585</td>
<td>1.0%</td>
<td>227,212</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Difference, 1971-72 and 1973-74
30 (5.4%) 19,782 (9.5%)

Source: National Association of Independent Schools

57