

EXECUTIVE SUMMARY

Just half of Americans would give their nearby public schools a grade of A or B, while only 17 percent would give U.S. public schools an A or B.¹ Fifty-eight percent of Americans think the curriculum used in their community's schools needs to change.²

Americans are even more broadly dissatisfied with U.S. schools than that. A plurality of American parents—40 percent—would prefer to put their child in a private school. Thirty-seven percent would prefer a regular public school. Yet approximately 87 percent of children attend regular public schools.³ This means millions of American families aren't getting what they want from the U.S. education system, at even the most basic level of what school to attend.

For at least the past 50 years, the United States has tried spending more and more money in an attempt to improve public education. In inflation-adjusted dollars, U.S. taxpayers have tripled their annual K-12 spending since 1970.⁴ The United States now spends more on education than every

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other developed nation in the world.⁵ While students in fourth and eighth grades have made slight increases in academic achievement in that time, by graduation U.S. students' test scores have not improved.⁶ U.S. students rate mediocre, at best, compared to students in other developed nations, and have for years. In fact, the highest-performing American school districts reach about the same level of academic achievement as average schools in many other developed nations.⁷

Or, in other words, Americans now spend three times as much for the same mediocre level of education American children received in the 1970s. It's fashionable to discuss how much this shortchanges business and international competitiveness—true, and unacceptable—but at an individual level, it's wrong for America to cheat our future. It means that we've allowed America's economic freedom to do most of the work of lifting society, without accompanying education freedom to lift it unimaginably further.

Our mediocre education system has other consequences. One estimate found that just closing half the distance between the United States' international test scores and high-scoring Finland's could add more than \$50 trillion to our gross domestic product (GDP) between 2010 and 2090.⁸

LOSING MYRIAD OPPORTUNITIES FOR HAPPINESS AND FREEDOM

This is not just about money. It's about providing more opportunities for American citizens to maximize their happiness and pursue their dreams. Set aside the lost trillions and consider the lost opportunities. Who can quantify what millions of children and our entire society have lost? Who can restore the incalculable loss of freedom and dignity when parents have been forbidden to chart the course for the child they alone know best?

One way to understand this loss is to consider how well Americans can participate in civic life. In our country, public education exists because a self-governing republic needs responsible, knowledgeable citizens. When people manage their own affairs, they must be intellectually and morally capable of doing so. The very first American document to set aside a structure

for public education, the Northwest Ordinance, famously explained why a country like ours needs a strong education system: “Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.”⁹

Good government requires civic knowledge. Yet, today, a third of Americans cannot name a single one of the three branches of government. Another third cannot name all three branches.¹⁰ These are questions a grade-schooler might find on an easy quiz. Given that a republic must have an educated citizenry to survive, our failure to cultivate civic literacy is akin to a human neglecting to feed himself.

U.S. SCHOOLS DON'T HELP COMPENSATE FOR POOR FAMILY LIFE

We're not only failing at our society's central task of cultivating young citizens, we're failing at far more menial instruction such as reading and math. Our education system pushes neither high performers nor disadvantaged children to be the best they can. Usually, it doesn't push poor children to even basic competency. Essentially, children's test scores parallel family income, and income has become even more important to achievement in the past 40 years,¹¹ meaning that American schools barely mitigate a child's disadvantages, and they've been getting worse at doing so.¹²

Neither ZIP code nor family income should determine a child's chances in life. America must be an aspirational society. Circumstances of birth should not determine adult outcomes; if you work hard and get a good education, you should have the chance to do better than your parents. Research and history show that education—and some specific ways of arranging an education system—can help lift children above their circumstances. It's time to put that knowledge to work for some of the most vulnerable members of our society, to improve American life for all.

America is stuck in a rut on education, and has been for half a century. We don't know everything

about what policies and arrangements are effective. But lawmakers and citizens haven't even put into place yet the small number of things we know can improve schools—so those are the places to start.

The three most significant influences on a child's academic achievement are: Parents, teachers, and curriculum.¹³ Consider the impact of changing just one of these things: placing a child in the classroom of best teachers can increase his or her lifetime earnings by \$20,000 over his or her peers in the classroom of an average teacher. Consider a class of 20 students, who will all see their lifetime earnings increase, and the impact grows to over \$400,000.¹⁴ This might seem minimal, but multiply times twelve or thirteen years in school, and by the number of students in each teacher's classroom, and the impact heads into the millions. But current laws and regulations ignore these kinds of data. They restrict parents, constrict educators, and strangle the conditions under which schools demand the highest-quality curriculum.

WHAT'S OUR PROBLEM?

Why doesn't the United States have more superstar teachers, engaged parents, and superior curriculum offerings? For starters:

- The horrifically bureaucratic education system repels smart people looking at career options;
- Union-dominated compensation and pension systems for teachers work against the individual choices teachers want;
- Piles of regulations regarding everything from testing to curriculum and discipline to record-keeping limit freedom in the classroom and waste teachers' time; and
- Parents often find it impossible to vote with their feet and increase the attendance of a school that's really good at hiring effective teachers while decreasing attendance at schools they find unsatisfactory.

In short, America's education system is set up as a collective, a series of interlocking, coercive monopolies, instead of an individual-driven ecosystem of freedom and choice where people willingly work together to accomplish their mutual goals. How should lawmakers and citizens cultivate a thriving education ecosystem and improve the lives of their fellow Americans? By holding education policies against three criteria:

1. Parent choice;
2. Limited government;
3. And educator freedom.

Parent choice is the most foundational of these, as it supports the rest by establishing a consumer-driven market ecosystem. As parent choice grows, the need for central mandates decreases. States need to enact temporary measures to restrict the effects of monopoly education while it persists. These effects include policies that, among other things, assign students to schools based on their ZIP codes, direct dollars at the local level based on school buildings rather than students, determine curricula at the state or federal level, prescribe teacher evaluation systems that penalize teachers at higher performing schools, and prioritize schools as a jobs program for adults rather than a place to teach kids.

