

Study shows Chile's school voucher program increased graduation rates

June 29 2010

With the effectiveness of school vouchers a hot topic of debate, researchers from the University of Nevada, Reno, the University of Pennsylvania and the University of Chile have completed a lengthy study on the effects of Chile's school reforms in 1981. Along with other school decentralization efforts, the reforms included making Chile the only nation in the world to have a nationwide school voucher program.

Most notably, the study, which looked at students who began [school](#) in the early 1970s all the way up through students who began school in the early '90s, showed that the reforms increased high school graduation rates by 3.6 percent, and increased college-going rates by 3.1 percent. It also increased the rate of those completing at least two years of college by 2.6 percent, and the rate of those completing at least four years of college by 1.8 percent. The voucher program also significantly increased the demand for private subsidized schools and decreased the demand for both public and nonsubsidized private schools.

In addition, although opponents of school voucher programs have long theorized that vouchers would mostly benefit the rich, this study showed that individuals from poor and non-poor backgrounds in Chile, on average, experienced similar educational attainment gains under the voucher program. And, there was also a modest reduction in earnings inequity once the voucher reforms were enacted. However, overall, the reforms did not lead to increased overall average earnings.

"The reform reduced the number of people ages 16 to 25 in the

workforce by about 2 percent," explained Sankar Mukhopadhyay, assistant professor of economics at the University of Nevada, Reno, "because more people were staying in school longer. So, the earnings benefits of having greater [educational attainment](#) were at least partly offset by the delay in entering the workforce."

Mukhopadhyay and the research team drew their information from nearly 4,000 people, ranging in ages 6 to 45. The study will be published in its entirety in the inaugural issue of a new journal published by the Econometric Society, *Quantitative Economics*, in August.

Mukhopadhyay said that while there have been quite a few studies on the possible effects of school vouchers on grades and test scores, there has been very little research conducted on the possible effects of school vouchers on the level of education attained by students, or on employment and earnings.

"I think this study provides very interesting, new information for those considering school vouchers," Mukhopadhyay said. "I think these results will surprise some people; the results actually surprised us."

More information: A preliminary draft of the complete study may be viewed at [www.business.unr.edu/faculty/s ... ucherpaper_final.pdf](http://www.business.unr.edu/faculty/s... ucherpaper_final.pdf)

Provided by University of Nevada, Reno

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