

Summary of Floor Discussion

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The discussion following the third-session papers initially centered on Sandra Black's finding that parents are willing to pay more for a house in a school district where students' average test scores are relatively high. Richard Murnane noted that the source of the differences in test scores among areas is an important issue for school policy. He then asked whether Black's findings are consistent with the notion that peer groups matter for school quality, suggesting that higher test scores result from interaction among children who care about their education and that some parents are willing to pay extra to expose their children to similarly motivated students. Black answered that her findings are consistent with this notion, but stressed that the paper did not address the source of the higher test scores. Derek Neal pointed out that differences in housing prices are likely to persist only in relatively crowded urban or suburban areas, where there is limited room for an expansion of higher priced housing. Black responded that she was looking at relatively densely populated suburbs, so the supply of housing could be considered constant.

The discussion then turned to the policy implications of Derek Neal's paper, which outlined the gains made by urban minority students who attend private, mainly Catholic, secondary schools. Amy Schwartz observed that the problems with schools are not wholesale ones that are found equally in urban and suburban areas; Neal had focused correctly on the problems of education in urban areas. For example, a policy that lowers average class size,

Schwartz said, could well be more effective if it was targeted at New York City's relatively large class sizes rather than a suburban district's already modest class sizes. She then reminded the group that by providing financial incentives to parents, we empower them—rather than teachers or others—to make decisions about what constitutes a good school. Schwartz also posed the question whether suburban commuters would choose to live in cities if they had access to good public schools.

Next, Joseph Viteritti remarked that the biggest gap in public education occurs in the inner city, which is also where Catholic schools have demonstrated the biggest effect. Several ideas were put forth by participants to explain why Catholic secondary schools are outperforming their public school counterparts in the inner city: Catholic schools set higher performance standards and have high expectations of each child; they emphasize basics in the curriculum; they favor a nonbureaucratic structure. Viteritti noted that the success rate in Catholic elementary schools in the inner city is likely even higher than in the secondary schools. He stated that an effective school choice program should be needs-based and should give public schools greater autonomy, similar to the autonomy found in many charter schools. Neal pointed out that the disparity between white and minority high school graduation rates is greatest in the larger urban areas. He expressed some skepticism about how much of any additional resources given to school systems in these areas would actually reach the

classroom, arguing that the size of the educational bureaucracy affects allocation to students.

Maureen O'Brien then drew a distinction between the roles of school principals in the public and private school systems in New York City. She stressed that the principals are the chief agents of change in the Catholic schools and are heavily involved in activities such as curriculum planning and teacher promotions, while they do not have a similar role in public schools. Caroline Hoxby cited some statistical support for O'Brien's assertion of the importance of good principals and noted that an issue that

policymakers should address is how to guarantee a supply of good principals and then empower them. Neal agreed that the structure of public school systems in many large urban areas often does not give principals the necessary authority to reward teachers doing a good job or to take action against those doing a poor job.

The discussion closed on a cautionary note: changes in reading scores over time may well be a better measure of a school's performance than the overall level of reading scores.

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