Helping Hand

How Private Philanthropy and Catholic Schools Serve Low-Income Children in Los Angeles

By Thomas C. Dawson and Eric A. Helland

Pacific Research Institute for Public Policy
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Private Charity and Catholic Schools: Effective Vehicles for Needy Children?

In the coming months, public focus on faith-based and community-based alternatives to government services is likely to increase. *Helping Hand* calls attention to one such program in southern California, the Catholic Education Foundation, which acts in conjunction with the Archdiocese of Los Angeles to provide scholarships for needy children to attend Catholic schools. This study examines who these children are, how they compare to other Catholic-school students, and which public schools they would otherwise attend.

Helping Hand finds that scholarship recipients are not children in active, well-connected families in local parishes, but tend to come from very poor, single-parent homes, and whose local public school performs well below district and state averages. It is these children who most benefit from Catholic education.

Academic research has confirmed that Catholic schools have a long record of successfully educating low-income, minority children. Whether one observes test scores, drop-out rates, college-attendance rates, or a host of other indicators, quantitative research finds that Catholic schools provide greater value-added for children from impoverished backgrounds, compared to local public schools.

Throughout the last year, the Pacific Research Institute surveyed more than 13,000 families whose children attend Catholic schools in Los Angeles, and 250 school principals. The purpose of the surveys was two-fold. First, we sought to compare children who received scholarships from the Education Foundation against other Catholic-school students who did not. Were scholarship recipients the types of children who previous research suggests most benefit from Catholic education, or were they children of active, well-connected parents who self-selected into the program?

Second, we asked Catholic-school principals to describe how they managed their schools and what type of assistance they received from the archdiocese, their local parish, and outside sources. How is it that Catholic schools are able to attract thousands of interested families? The number of non-Catholic students continues to grow,

and scholarship programs like the Education Foundation are popular with low-income families, despite the fact scholarships do not cover full tuition at many schools.

Survey Results

Of the families we surveyed, almost half reported to be of Hispanic descent. Coming from a family which earned less than $10,000 annually increased a child's probability of receiving a scholarship by 57 percent, compared to a child whose family earned $30,000 or more. Being in the $10,000 to $20,000 range increased the probability by 56 percent, and earning between $20,000 and $30,000 increased the likelihood by 37 percent. If a child's parents are separated, have not completed high school, or have other children, then he or she is also more likely to receive a scholarship. Our survey of students confirms that the Education Foundation has been effective in targeting those children most likely to benefit from Catholic schooling.

Furthermore, the public schools that scholarship recipients would attend rank below district and state performance averages. These schools are predominantly minority, but so are the recipients in question. Nearly half of them elect not to attend public schools where their race is in the majority. These findings suggest that all scholarship recipients, regardless of race, choose not to attend under-performing government-run schools. According to the archdiocese, Catholic schools also have better drop-out and college-attendence rates.

The survey of Catholic-school principals and school financial data reveal an even more interesting story. Catholic elementary schools spend an average of $2,200 per student annually, while high schools average below $5,000. Public schools in the Los Angeles Unified School District (LAUSD) spend $9,029 per student annually. How are these cost savings achieved?

First, Catholic schools pay their teachers dramatically less. Beginning credentialed teachers in Los Angeles earn approximately 22 percent less than they would working for LAUSD. It is important to note that far fewer Catholic-school teachers possess full certification and, therefore, earn even less.

Second, more than 90 percent of Catholic-school revenue is raised at the local level. These schools cannot rely on the taxpayer for funding like government schools, and must, therefore, spend prudently. Yet, parents freely choose to send their children to these schools, and donors freely choose to invest in them, so Catholic schools must operate in a more accountable fashion to keep enrollments high and donors satisfied.

Even more important, Catholic-school principals are allowed to run their schools, and to hire and fire members of their own staffs. In the public-school system, principals are little more than middle managers, and collective bargaining agreements and state laws like teacher tenure control how schools are managed, thereby diminishing accountability.

Accomplishments

Los Angeles Catholic schools have been effective in establishing work environments that parents, students, and teachers enjoy. Teachers are paid far less, yet the schools maintain high levels of performance and parents remain satisfied. If the amount of funding were an integral part of school success, then Catholic schools would fare far worse. Their experience suggests it is not how much money schools spend, but rather how they spend it.

Their experience also suggests that despite Catholic schools' religious orientation, which cannot be duplicated in government schools, there is much that public schools, located in the same low-income neighborhoods, can learn from the Catholic-school example.

A positive work environment, increased local control and accountability, and holding principals responsible for how they spend money can go a long way in creating successful schools, based on parental interest and, according to the archdiocese, lower drop-out levels and higher college-attendance rates. Despite spending far less than government schools, the Education Foundation and Los Angeles Catholic schools have formed an effective partnership that has become an attractive and growing alternative for thousands of needy children. It is a shining example of a faith-based, community program that is an effective substitute for under-performing government schools.

Introduction: The Inner-City Challenge

Those wary of a challenge do not aspire to the job occupied by Vince O'Donoghue. As principal of St. Thomas the Apostle, a Catholic elementary school in downtown Los Angeles, O'Donoghue oversees 320 children, many of whom qualify for government assistance because their families are so poor. The student body is 98-percent Latino and two percent African American. Neighboring public schools are guaranteed taxpayer funds, but O'Donoghue does not enjoy that luxury. He mostly depends on his parish, the archdiocese, and local charities for support. For repairs and operating expenses, he has turned to various fundraising efforts, including several foundations, and he even has a development officer on staff to help raise needed funds.[1]

While needy children at St. Thomas receive federal assistance under the Title I program, which pays for a tutor to visit the school regularly, money is tight. O'Donoghue directs a teaching staff of nine, where beginning teachers earn just $29,000 a year. The city's public-school district, by contrast, recently increased pay for new teachers to $37,000 annually. Not only do O'Donoghue's teachers earn less than their colleagues in the Los Angeles Unified School District (LAUSD), they work about a month longer each year.

When asked how he is able to retain teachers despite better salaries at neighboring public schools, O'Donoghue replies, "we have a solid community here, the teachers have bought into our mission to educate these kids as best we can. Because we are a Catholic school, I can do things as a principal that I couldn't do in the public schools. So can the teachers."

Last year, despite the low pay and tough working conditions, only one teacher left St. Thomas, while the higher-paying LAUSD continues to face an acute teacher shortage in certain subjects and grade levels. Student achievement levels are another sharp contrast.

St. Thomas has an entrance exam, but O'Donoghue does not use it to weed out inferior students. The test is used to assess where students are academically, rating their strengths and weaknesses. According to O'Donoghue, standardized testing

> "Because we are a Catholic school, I can do things as a principal that I couldn't do in the public schools. So can the teachers."
>
> – Vince O'Donoghue, Principal, St. Thomas the Apostle School

indicates the students who are admitted to St. Thomas possess the same academic abilities as their peers in public schools.[2] However, once students are admitted to St. Thomas or another Los Angeles Catholic school, they make steady progress.

According to the California Catholic Conference and the Catholic Education Foundation, 75 percent of children who graduate from Catholic elementary schools in Los Angeles go on to Catholic high schools, where the drop-out rate is less than three percent, and 95 percent of graduates move on to two- or four-year colleges. Meanwhile, according to state figures, a full 19 percent of high-school students in LAUSD drop out prior to graduation, and only 46 percent qualify to attend college in either the UC or CSU systems.[3] Several academic studies confirm that certain students, particularly low-income minority children, benefit immensely from Catholic schooling.

Research also confirms that standardized test scores are higher among poor and minority children who are educated in Catholic schools, as is their likelihood to attend college.[4] But poor families need help to send their children to these schools.

The average tuition at Catholic elementary schools in Los Angeles is $2,000 annually, while the average tuition at high schools is approximately $3,500.[5] In California, taxpayer money cannot be used to help poor children attend Catholic or private schools, so charities such as the Catholic Education Foundation have stepped in to fill the gap.

Cardinal Roger Mahoney, the Archbishop of Los Angeles, launched the Catholic Education Foundation in 1988. Under the terms of the program, Catholic-school principals, and in most instances parish priests, help select students from their elementary or high schools to receive scholarships. To be eligible, children must come from families who otherwise could not afford to attend Catholic schools. In its first year, the Education Foundation allocated $500,000 to provide tuition support for 740 children enrolled in schools throughout the Archdiocese of Los Angeles. For the 2000–01 school year, the program will distribute $4.5 million to 4,700 children in 227 Catholic schools in Los Angeles, Ventura, and Santa Barbara counties.[6]

Responses from Catholic-school parents when asked which public schools they might have their children attend.

"I don't know … I would prefer he remains in Catholic school."

"I won't have them attend a public school."

"I have not considered sending my children to a public school."

In just 12 years, the Catholic Education Foundation has become the nation's largest lay support group for Catholic education, with an endowment of $82 million. The program attracts support from several prominent Los Angeles philanthropists and foundations, and hopes to raise an additional $1.5 million in the 2000–01 school year to fully fund the approximately 4,700 children who receive scholarships. Also, there are another 3,000 children who meet the income guidelines and are eligible to receive assistance from the Education Foundation. The cost of providing scholarships for these children ranges from $3.7 to $4 million.[7]

The significant expansion of the Education Foundation in a short period of time—the amount of money allocated annually for scholarships has increased 800 percent since 1988—highlights the growing role of philanthropy in K–12 education across the country.

In the fall of 1997, philanthropists Theodore Forstmann and John Walton began offering partial scholarships to 1,000 low-income families in Washington, D.C. Under the terms of the program, eligible children could attend any private, religious, or independent school of choice. Like the Catholic Education Foundation, the scholarships did not cover full tuition at most local schools, so Forstmann and Walton were surprised when in the first year more than 7,000 families applied. Inspired by the outpouring of demand, Forstmann and Walton expanded their efforts into a national program, the Children's Scholarship Fund (CSF).

Both men contributed $100 million to the program and in its first year CSF offered 40,000 partial scholarships to low-income families nationwide. The response was overwhelming, with 1.25 million eligible families applying for tuition assistance in 20,000 communities across the country. In its first year, CSF allocated $160 million to assist low-income parents in sending their children to schools of choice.[8] Yet CSF is not the only philanthropic venture to attract significant attention and support, nor has public education been forgotten as charitable giving to schools continues to boom.

Surveying Educational Philanthropy

In 1993, philanthropist Walter Annenberg donated $500 million to public schools across the country. Most of the money was allocated in the form of matching grants to the nation's nine largest school districts. While Annenberg's sizable contribution was phased out in 2000, other philanthropists have stepped forward with large contributions for public schools. For example, in March 2000, Bill and Melinda Gates donated $350 million, while fellow software entrepreneur James Barksdale provided $100 million in Mississippi to bolster reading in the early grades.[9]

Across the country, schools in low-income areas, and the children who attend them, are increasingly the beneficiaries of private philanthropy. But the question remains: how is the money being spent and what expenses is it going toward? Are generous and civic-minded philanthropists seeing solid returns on their investments? Most important, are the children benefiting?

This study focuses on the Catholic Education Foundation, and Catholic schools in Los Angeles generally, to determine how philanthropic funds are being spent. The study also examines what subsidies, besides tuition assistance, Catholic-school students receive. Also, who are the children who receive scholarships from the Education Foundation, what types of families do they come from, and are they the ones who extensive research confirms are the most likely to benefit from Catholic schooling? How are they different from their Catholic-school peers?

More important, this study seeks to analyze how parochial schools produce high levels of student performance despite spending far less money than the local school district. Further, are the children in Catholic schools, especially those receiving Education Foundation scholarships, similar to students in public schools? Are charitable funds and other subsidies being spent on children from more affluent backgrounds who are thus more likely to be higher-achieving students, or are they targeted to children who resemble those remaining in government schools?

Which public schools would these children attend if the Education Foundation did not exist? Are they high-performing, adequate, or failing schools? And, as the Education Foundation, CSF, and other charities allow more and more children from low-income families to receive a Catholic education, what are the implications for parochial schools, especially as they enroll increasing numbers of non-Catholic students?

In order to answer these questions, the Pacific Research Institute (PRI) conducted an extensive survey of children in parochial schools in Los Angeles, with the help of the archdiocese's Department of Catholic Schools. The surveys were sent to two different samples of students, one of which received tuition assistance from the Education Foundation, while the other did not. The questions focused on student demographics, but also determined which public schools children would otherwise attend.

PRI also distributed a survey to Catholic-school principals focusing on a variety of issues, including the number of teachers at their school, teacher background, and school management practices. PRI sent surveys to more than 13,000 students and nearly 250 school principals in Los Angeles Catholic schools. The return rate was strong for social-science surveys: close to 3,000 students and 100 principals returned completed surveys, or just under 25 percent and 40 percent, respectively.

The surveys, and the responses they yielded, were crucial in analyzing both the Catholic Education Foundation and parochial schools in Los Angeles generally. Like Vince O'Donoghue's St. Thomas the Apostle, Catholic schools have carved out a unique niche in Los Angeles, fostering supportive but challenging environments for their students. What follows is an examination of who parochial-school students are, how their schools allocate money, and more broadly what policymakers can learn from Catholic education.

Part 1: Catholic Education in Los Angeles, California, and across the Country

Approximately 254,000 children, about five percent of K–12 students in California, are enrolled in Catholic schools. This number is more significant when observed on the local level, particularly in urban areas. For example, Catholic schools in the Archdiocese of Los Angeles enrolled close to 101,000 students in 1999– 2000. If the schools in the archdiocese were government-run, it would be California's third-largest public-school district.[10]

While the archdiocese is spread over three counties and extends into areas that are suburban and higher-income, Los Angeles Catholic schools continue to serve large numbers of low-income children in urban and inner-city communities, regardless of religious affiliation. In 1999–2000, roughly 28 percent of Los Angeles Catholic-school students received federally-subsidized free or reduced-price meals, while 20 percent received assistance under Title I.[11] Fifty-one percent of archdiocese schools are located in urban or inner-city neighborhoods, higher than the national Catholic-school average of 47 percent. Across the archdiocese, 13 percent of students are non-Catholic, while in some inner-city high schools this figure approaches 50 percent.[12]

Given the large number of poor communities the archdiocese serves, it should come as no surprise that Catholic schools educate significant numbers of non-white students. Forty-four percent of children in Los Angeles Catholic schools are Hispanic, 10 percent Pacific Islander, eight percent African American, and five percent Asian.[13]

While 33 percent of Catholic-school students are designated as white or other, compared to just 10.5 percent in the Los Angeles Unified School District, the archdiocese also serves a number of communities outside urban areas. However, inner-city Catholic schools, like St. Thomas the Apostle, enroll student populations that are heavily minority. As this study will later detail, children attending Los Angeles Catholic schools closely resemble their peers in neighboring public schools.

"Los Angeles Catholic schools continue to serve large numbers of low-income children in urban and inner-city communities, regardless of religious affiliation."

The Archdiocese of Los Angeles has one of the nation's largest Catholic-school student populations. Only the Archdioceses of Chicago, Philadelphia, and New York, respectively, have more children enrolled in Catholic schools.[14] Nevertheless, California enrolls less than 10 percent of the nation's Catholic-school student population compared to 12 percent of the public-school population. Historically, Catholic schools have been centered in regions with the most significant Catholic populations, specifically the Mid-Atlantic and Great Lakes regions. While California's mostly Catholic Hispanic population continues to increase, there are more Catholic schools in traditional enclaves such as New York, Philadelphia, and Chicago, cities where past generations of European Catholics typically immigrated.

For example, according to the U.S. Census, California has the largest population of five to 17-year olds of any state in the country, approximately 6.3 million children. Texas is next with roughly four million, followed by New York, which has roughly 3.2 million.[15] Yet despite having almost double the number of children, California ranks behind New York in terms of the number of students who attend Catholic schools in grades K–12. According to the National Catholic Educational Association (NCEA), New York leads the country with a total Catholic-school enrollment of 302,040. California is next with 254,466, trailed closely by Pennsylvania, Illinois, and Ohio. Texas, despite having more than four million school-age children, is not even among the top 10 states with the largest Catholic-school populations.[16] The uneven concentration of Catholic schools can also be observed on a regional basis.

According to the NCEA, 29 percent of Catholic-school students attend schools in the Mideast, which includes Delaware, the District of Columbia, Maryland, New Jersey, New York, and Pennsylvania. Twenty-four percent attend schools in the Great Lakes region, which includes Illinois, Indiana, Michigan, Ohio, and Wisconsin. The western region, which includes California and Texas and is overwhelmingly the most populous, ranks third with 17.5 percent of the nation's Catholic-school enrollment.[17]

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While the number of students attending Catholic schools across the country has steadily increased nationwide by two percent over the last decade, the number of students in California has risen even more quickly. In 1990–91, there were 240,400 children attending Catholic schools, compared to 254,466 at the end of the decade, an increase of six percent. The relative increase in California's Catholic-school enrollment can be explained partially by immigration.

In 1970, Hispanics counted for less than 10 percent of the state's total population. By 1990, that proportion had more than tripled, and in 2000, a full 25 percent of California's population was Hispanic.[18] The attraction of this growing ethnic group to Catholic schools is obvious. Nationwide, between 60 and 70

percent of Hispanics identify themselves as Catholic, and many immigrants have brought strong religious traditions from their native countries.[19]

A look at Catholic schools across the state confirms that they enroll large numbers of Hispanics, especially compared to other regions and the nation at large. Approximately 27 percent of the state's Catholic-school students are Hispanic (the western region overall enrolls a similar percentage).[20] In other regions where there are more Catholic-school students, the share of Hispanics is less, 11 percent in the mideast and six percent in the Great Lakes. According to NCEA, the national average is 11 percent.[21]

Despite their religious affiliation, the disproportionate share of Hispanic students enrolled in Catholic schools is impressive considering how poor many of these children's families are, not to mention the academic challenges they face. For example, in LAUSD, which is 69-percent Hispanic, 74 percent of students qualify for federally-subsidized free and reduced meal plans at school, and 45 percent are designated by the state as not fully fluent in English.[22] Yet despite poverty and the poor academic background of many students, Catholic schools in Los Angeles have made a place for Hispanic children, in part because of charities such as the Catholic Education Foundation.

The Catholic Education Foundation: Partner in Serving Needy Children

As previously mentioned, the Education Foundation is the largest lay support group for Catholic education in the country. Cardinal Archbishop Roger Mahoney launched the charitable group in 1988 and remains chairman of the board of directors. In order to assist needy children, the Education Foundation distributes scholarships to low-income families on a sliding scale, following federal income guidelines.

For example, in 2000–01 a family with one child must earn $12,319 or less annually to qualify for a scholarship. The maximum family income increases with the number of children, so that a family of eight can earn up to $41,830 and still qualify.[23] In 2000–01, the Education Foundation offered scholarships of $800 to children enrolled in parochial schools while high-school students received $1,500.[24] In most instances, these allotments are only partial scholarships. The average tuition in both elementary and secondary Catholic schools in Los Angeles is higher.

Interested families apply to their parish priest and/or principal for tuition assistance and, provided children meet eligibility requirements, these parish officials identify which students should receive scholarships and submit the information to the Education Foundation. It is important to note that students who are chosen to receive scholarships are not randomly selected. CSF and other scholarship programs use lotteries to select students when demand exceeds supply, but the Education Foundation is more subjective. Pastors and principals select students for a variety of reasons, including academic performance, but other factors include interest in Catholic education and family background.

Even with parish priests and local school principals selecting the eventual recipients, 13 percent are non-Catholic, and demographic breakdowns mirror those of the archdiocese as a whole.[25] This paper will also later detail how most children receiving Education Foundation scholarships come from backgrounds that are similar to neighboring public schools.

In 1999–2000, 4,750 children received tuition awards from the Education Foundation, roughly four percent of all students enrolled in Catholic schools in the Archdiocese of Los Angeles. Since 1988, 37,000 tuition awards have been granted, totaling over $28 million ($4.125 million alone in 1999–2000). Last year, the Foundation also provided one million dollars in general tuition support to the poorest inner-city schools, $200,000 for a new Principal Development Program, and additional support for "at-risk" children.[26]

The Education Foundation scholarship is one of many subsidies that Catholic-school students receive. For example, to help defray the costs of educating children in Catholic schools, parishes will provide subsidies to their parochial schools to cover various expenses on top of the tuition they charge. Catholic schools also engage in aggressive fundraising to help with school construction, repairs, and academic programs. For schools in low-income areas, they rely on subsidies provided by the archdiocese to cover other costs. Certain students are also eligible for government programs like free and reduced-price meal plans and Title I tutors who visit schools to provide extra instruction.[27]

The Children's Scholarship Fund (CSF) is also active in Los Angeles, providing scholarships to thousands of children from low-income families. In 1999, CSF dispersed 3,662 scholarships to needy students in Los Angeles. Forty-seven percent of these children enrolled in local Catholic schools. For 2000, an additional 3,312 Los Angeles children received scholarships from CSF, with 51 percent of them using the money to help pay tuition at local Catholic schools.[28] There are hidden subsidies that students receive as well.

As this paper later details, on average, Catholic-school teachers have lower salaries than their colleagues in public schools. Yet lower pay does not translate to lower quality of instruction. As this study will also point out, drop-out rates are lower in Catholic schools, graduation and college-attendance rates are higher, and the students who attend these schools come from the same socio-economic backgrounds as their peers in public schools. In fact, Catholic-school teachers appear to be doing more with less. The opportunity costs that teachers endure to remain in Catholic schools, electing to forego better-paying jobs in government-run schools, must be factored in and considered part of the subsidy that Catholic-school students receive.

Part 2: Catholic Education and Student Outcomes

Before one can evaluate the efficacy of the Education Foundation in helping needy children, a brief review of the academic literature on Catholic schooling is required. Research confirms that Catholic schools have different types of impacts on different types of children.

As James Colman notes in his classic study, *Public and Private High Schools*, one of the key functions of education is to "release a child from the blinders imposed by accident of birth into this family or that family." In addition, however, schools are also to reinforce the values of the family.[29]

On the one hand, schooling is designed to empower people to rise beyond their background and, on the other, it is to reinforce the values of that family. Historically, Catholic education has focused on the values of Catholic parents. Fifty years ago, no scholars bothered to study whether Catholic schools might be more effective than public schools in educating students and preparing them for a career. The recent and widespread failure of public schools has prompted the comparison.

High School Drop-Out Rates

One of the most important educational milestones for students is graduation from high school. There is ample evidence that high-school graduates do better in the labor market relative to those who drop out of high school or receive a high school equivalency degree.[30] Thus, one measure of the success or failure of Catholic schools is the likelihood that a student will graduate.

Several studies find that students in Catholic schools are more likely to graduate than public school students with similar characteristics. The earliest of these studies, Colman and Hoffer (1987), finds a statistically significant difference in the likelihood of graduation from a Catholic high school.[31] In addition, minority students fared particularly well in Catholic schools.

"Several studies find that students in Catholic schools are more likely to graduate than public school students with similar characteristics."

Critics charged that since students self-selected into Catholic high school, they could not be fairly compared to public-school students. However, several recent, sophisticated efforts at controlling for the effects of self-selection have also concluded that Catholic schools have a positive academic impact on minority students. For example, Evans and Schwab (1995), Sanders and Krautmann (1995), Neal (1997), Grogger and Neal (1999), and Altonji *et al*. (2000) all find that students in Catholic high schools are more likely to graduate from high school relative to comparable students in the public schools.[32]

Furthermore, at least in California, official state figures regarding public high-school drop-out rates are misleading. California's high-school drop-out rates fail to record the number of students who enter in grade nine and then fail to graduate four years later (instead, the state records drop-out figures from year to year). Officially, the state's drop-out rate has fallen from 20 percent in 1992 to just under 12 percent in 1998. Unfortunately, if one looks at the actual percentage who enter grade nine and then fail to graduate four years later, nearly 33 percent of students fall into this category. California's real drop-out rate has hovered at this dismal level for about two decades.[33]

College Attendance

One of the more interesting extensions of the Colman study is Evans and Schwab's (1995) examination of the likelihood of attending a four-year college.[34] They foud that, all else equal, Catholic-school students are 13 percent more likely than public-school students to attend a four-year college. More important, the authors find little evidence that the differences disappear when one controls for the selection effects outlined above.

Test Scores

Several studies, starting with Colman, Hoffer, and Kilgore (1982), have examined the impact of Catholic schooling on educational performance before graduation.[35] Colman *et al*. find that Catholic-school students perform better on standardized tests relative to comparable public-school students. As with graduation rates, the results were criticized for failing to control for selection effects. Subsequent studies such as Grogger and Neal (1999) and Figlio and Stone (1997), which control for these factors, find similar effects.[36] As with high school drop-out rates, the effects are largest among low-income and minority students and attenuate for suburban white students.

One general conclusion that arises from these studies is that test scores, high school graduation, and college attendance are all negatively impacted by various demographic characteristics. Three factors are usually found to negatively impact student performance: poverty, low parental educational achievement, and parental

divorce.[37] Catholic education can mitigate the negative impact of these demographic effects. Thus, for example, Figlio and Stone (1997) find that all of the increases in test scores attributed to Catholic schooling are among low-income, minority children. Other studies note positive effects for all students enrolled in Catholic schools, but find that the benefits are greatest for children from impoverished backgrounds.

Why Catholic Schools Perform Better: Selection or Value Added?

The results suggesting that Catholic schools are more effective at educating low-income minority children are fairly robust. Most efforts have focused on the role of selection in explaining these differences. The consensus, if one exists, seems to be that selection plays a relatively minor role in explaining the difference. This suggests that Catholic schools do a better job at preparing certain students than public schools, an outcome not necessarily predictable given the mission of these schools. Many parents might well send their students to these schools even if it could be conclusively proven they were academically inferior, simply because these parents value the moral education Catholic schools provide for their children.

Even more interesting, Catholic schools receive far less funding per student than public schools and teachers are paid far less. If overall spending played a key role in determining student outcomes, we would have expected Catholic schools to fare far worse. Next, we examine whether Education Foundation scholarships are targeted to those students that academic studies suggest are most likely to benefit from a Catholic education.

Part 3: Demographic Data from the Survey of Students

Our effort in this section is to ascertain which types of students utilize the Education Foundation scholarship program. As noted above, the Education Foundation scholarships are need-based but selected by local parish officials. It would be consistent with the Foundation's mission if the funding went primarily to lower-income families who were also well-established in the parish. However, these students would not necessarily be the ones whom the above-mentioned studies would indicate as those most likely to benefit from Catholic education.

To evaluate the implicit criteria of the Catholic Education Foundation, we surveyed 13,020 students in the Archdiocese of Los Angeles. We received 3,058 responses of which 2,853 were complete. The survey, contained in Appendix A, asks a series of demographic questions. The sample over represents Education Foundation scholarship students in order to permit a comparison with non-scholarship students.

With the help of the archdiocese, PRI distributed surveys to 217 Catholic school principals. Each principal received 60 surveys, 30 of which were to be distributed randomly to students who did not receive scholarships from the Education Foundation, and another 30 for scholarship recipients (each school has up to 30 recipients).

PRI distributed a separate survey for school principals, a copy of which can be found in Appendix B. Each of the 217 principals who were asked to distribute student surveys also received a principals' survey, of which 101 were returned. Principals were asked a variety of questions, but most focused on their teaching staffs and how their schools were managed.

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Demographic Results from PRI Survey

A summary of the scholarship and non-scholarship students' demographic characteristics is given in Table 1. Our sample includes 937 students receiving Education Foundation scholarships and 1,916 who do not receive scholarships.

Table 1: Overall Results from Student Survey*

Variable	Percentage of Survey Respondents
Sex	
Male	56
Female	44
Race	
African American	8
Asian	11
Caucasian	28
Hispanic	46
Other	8
First Language	
English	67
Spanish	28
Other	5
Parents' Marital Status	
Divorced	10
Married	74
Single	16
Religion	
Roman Catholic	93
Protestant	2
Other	6
Church Attendance	
Weekly	77
Monthly	16
Infrequently	4
Never	3
Income	
$10,000 or below	8
$10,000–$20,000	18
$20,000–$30,000	16
$30,000 or above	57
Children	
1	19
2	40
3	25
4	10
5 or more	6
Parents' Education	
Some high school	9
High school graduate	17
Some college	29
College graduate	46
Scholarship Recipient (unweighted)	
Yes	23
No	77

**Individual categories may not sum to 100 percent due to rounding error.*

Benefits of Parochial Education

As our review of the literature points out, the benefits of Catholic education are greatest among students from low-income homes, children whose parents have had limited education, and for students whose parents are divorced. For these reasons, we employ multivariate regression analysis to determine the impact of each of the demographic factors on the likelihood that a student receives an Education Foundation scholarship. Because the dependent variable, whether or not the student has a scholarship, is discrete we use a probability model to estimate the impact of the demographic variables on the likelihood that the student receives a scholarship.

The impact of each of the demographic variables on the probability that a student receives an Education Foundation scholarship is given in Figure 1. The coefficient estimates are presented in Appendix C. Similar to our comparison of means, children

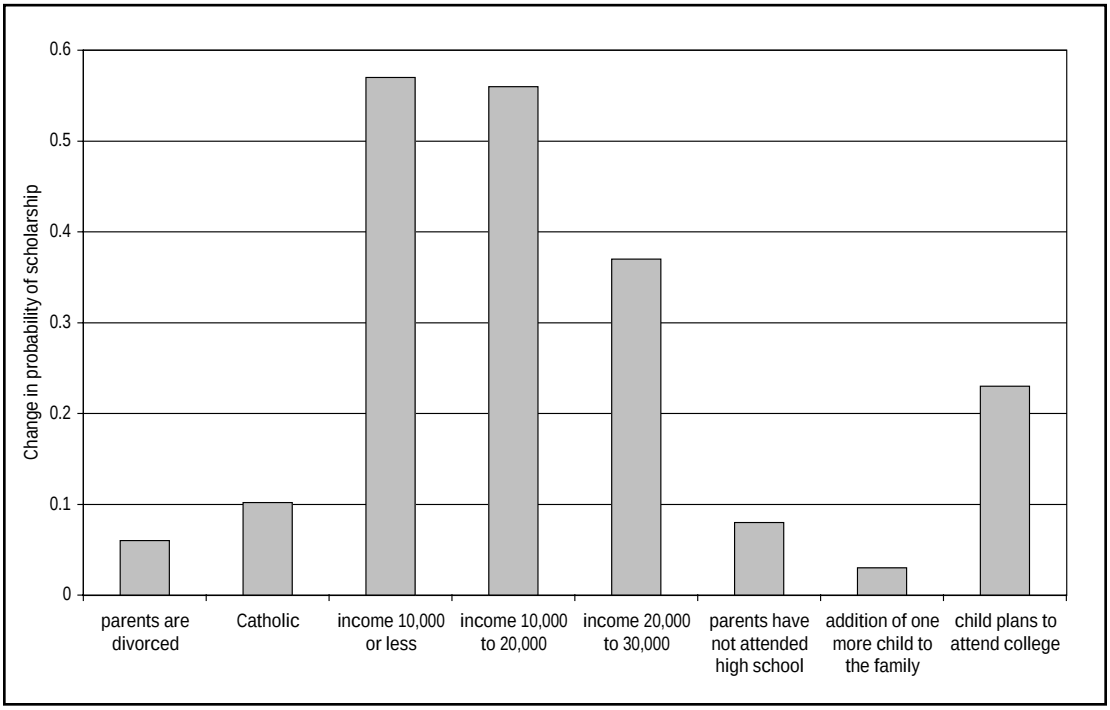
from divorced families are six percent more likely to receive a scholarship. Further, parents without a high school education are seven percent more likely to have children receiving scholarships. Not surprisingly, low-income students are more likely to receive a scholarship. Children from families earning less than $10,000 annually are 57 percent more likely to receive a scholarship than children from families whose income is $30,000 or more. Being in the $10,000 to $20,000 range increases the probability by 56 percent, and earning between $20,000 and $30,000 increases the likelihood by 37 percent. Each additional child in the family also increases the likelihood that the student in question is receiving a scholarship by three percent. As one would suspect, the chances that a student is receiving a scholarship increases by 10 percent if the student is Catholic. However, this finding is not particularly informative given that our samples are so overwhelmingly Catholic.

The results indicate that the typical Education Foundation student is similar to the child that the literature suggests most benefits from attending Catholic schools. The probability of receiving a scholarship increases significantly if a child comes from a family whose income is below the federal poverty level, and if the child's parents are separated, have not completed high school, and have several other children.

"A System of Schools Versus a School System"

When asked to sum up the major differences between Catholic schools in Los Angeles and the local school district, Hugh Ralston, executive director of the Catholic

Figure 1: Change in the Probability of Receiving an Education Foundation Scholarhip



Education Foundation, explains, "You see, we're a system of schools, not a school system. That's a very important distinction to remember."[38]

This is a helpful analogy to keep in mind. In California, government-run schools belong to local school districts, which are responsible for overseeing individual schools. Local school boards are responsible for negotiating with employees, hiring teachers and other staff, deciding on some of the curriculum students will learn, building and repairing schools, and keeping financial records. County offices of education share some oversight responsibilities as well, charged with monitoring budgets and supposedly keeping an eye on wasteful spending.

The majority of school funding comes from the state, where more regulations are passed on how money can be spent. Even discretionary money passed on to districts is subject to collective bargaining, meaning that local school principals have little to say on how it is spent. The state also sets curriculum standards and provides various subsidies to schools, such as funding for minimum teacher salaries. Even the federal government gets involved, usually targeting money to disadvantaged children in the form of free and reduced-price meals or remedial academic assistance.

Government schools are part of a system that funds their programs, pays their teachers, and decides what students are taught. The trade-off is that they have very little autonomy on how funds are spent, and very little flexibility to address problems.

Catholic schools are not part of a larger bureaucracy that makes decisions for them and restricts their autonomy. Yet the trade-off here is money: Catholic schools cannot rely on the taxpayer for funding. They have to build and repair their own schools, pay their own teachers, and also find money to buy textbooks and pay for after-school services or sports teams. While they charge tuition, the full cost is often waived and schools frequently rely on parents for a variety of resources, from holding fundraisers to painting school buildings. Not surprisingly, the differences in funding are considerable.

"California is one of many states across the country whose Constitution bars state taxpayer money from flowing to students enrolled in private schools."

In 1999–2000, total per-pupil spending in the Los Angeles Unified School District came to $9,029.[39] This figure includes state money, proceeds from school bonds and property-tax revenue, state lottery funds, and federal assistance. Meanwhile, in 1998– 99 (the most recent year for which data are available), the average per-pupil spending total in Los Angeles Catholic elementary schools was $2,200, while for high school the average was below $5,000.[40] Several factors account for these differences.

First, Catholic schools are not eligible for some of the assistance that public schools receive. California is one of many states across the country whose Constitution bars state taxpayer money from flowing to students enrolled in private schools. While state funds pay for construction and repairs for public schools, and for student transportation costs, Catholic schools must pay for these expenses on their own.

Government-run schools also have fewer incentives to keep costs low. The state treasury is a virtually inexhaustible source of revenue. While local school bonds require voter approval, most ballot measures pass, and the state pays the majority of these costs anyway. In fact, a recent statewide voter initiative reduced the threshold required for approving school bonds from two-thirds to 55 percent.

The total budget for LAUSD in 1999–2000 was more than $4 billion.[41] The district spends money on a wide variety of programs and activities, in most cases regardless of performance. If lawmakers want to fund certain programs to showcase their commitment to public schools, taxpayer money is usually there, especially in strong economic times. Most important, there is no necessary link to performance, thereby diminishing accountability. Catholic schools do not have this luxury, having to rely on tuition and other local sources for revenue.

As noted, the minimal average amount that Los Angeles Catholic schools spend per pupil still exceeds the average tuition that these schools charge. At many schools tuition is flexible. Low-income parents, especially if they are members of the parish, often pay only what they can afford. While the parish, Archdiocese, parents, and foundations all contribute to differing degrees, the limited sources of revenue force Catholic schools to be frugal and keep costs at a minimum. The way they accomplish that task deserves careful study.

Catholic schools have lower administrative costs. For example, in July 2000, LAUSD employed 35,874 teachers and 39,265 non-teachers, which include a wide range of positions from school counselors to bus drivers to district headquarters staff.[42] The archdiocese employs just 4,261 teachers, while its Department of Catholic Schools has fewer than 30 employees.[43]

While the archdiocese has far fewer students than LAUSD (101,000 students versus 711,000 students), it also has proportionately fewer teachers as well. The pupil-teacher ratio in Catholic schools in grades K–8 is approximately 27:1, and in high school the ratio is 25:1.[44] LAUSD's pupil-teacher ratio is approximately 21:1, about even with the state average, and has consistently fallen over the last decade (it was 25:1 in 1992–93).[45]

As for caps on class size, the archdiocese has not imposed any limits. Averaging class size is different than deriving pupil-teacher ratios. Class size is the number of students divided by the number of classes. The archdiocese recommends 35 students per class, but individual schools are free to determine class sizes as they deem fit (the archdiocese does not measure class size).

While the archdiocese grants significant flexibility on class size, LAUSD must comply with California's class-size reduction program. Since it was implemented in 1995, the state has spent more than $5 billion ensuring that student in grades K-3 are in classes no larger than 20 students. More than 90 percent of eligible students are now in classes of 20 children or less.

Unfortunately, according to well-documented research by Dr. Eric Hanushek, a senior research fellow at the Hoover Institution, smaller class sizes nationwide have

had little positive impact on student achievement.[46] The experience with class-size reduction in California reflects these findings. Children enrolled in the program score, at most, four points higher than their peers in larger classes, and this slight gain may be attributable to some other factor than smaller classes. Also, the number of unqualified teachers, particularly in urban schools, has soared because demand for teachers has increased significantly. Despite its questionable record, the program continues and costs the state's taxpayers more than one billion dollars annually.[47]

While the Archdiocese has no cap on class size and larger pupil-teacher ratios, there seems to be no negative impact on student performance. As previously mentioned, Los Angeles Catholic schools have lower drop-out rates and higher college-attendance figures than LAUSD, despite enrolling a similar student base. The archdiocese allows individual schools to decide how small their classes should be, thereby avoiding costly, bureaucratic, and ineffective programs like class-size reduction.

While average Catholic-school classes are larger than in LAUSD, school sizes are smaller in the archdiocese. The average school size, irrespective of grade level, was 311 students in 1998–99, with a high of 686 and a low of 169. By contrast, LAUSD schools are decidedly larger. The average elementary school enrolled 708 students in 1998-99, the average middle school enrolled 896, and the average high school had 2,285 students.[48]

According to academic research, school size is an important factor in student performance. For example, according to a study by one of this paper's authors, the likelihood of a California high school doing poorly on the Stanford-9, the standardized test the state uses, increases with school size.[49] A rise in school size from 100 to 200 students per grade leads to a 1.6, 3.5, and 2.3 percentile-point drop in the average reading score at the elementary, middle, and high school levels, respectively.

Large schools (the top 25 percent of California public schools strictly in terms of institutional size) also have greater percentages of students scoring below the 25th percentile in all subject areas at all grade levels. The number of students scoring in the top 25 percent in math and reading also falls as school size increases for elementary and middle schools. Increases in size have no statistically significant impact on students in high schools (large high schools have more high and low-performing students), but performance in math and reading does erode after schools exceed 550 students.[50] Given how large schools in LAUSD are, the data would suggest their size would negatively impact student performance. Academic research also suggests that smaller schools promote greater student satisfaction and other intangible qualities. According to one recent study on volunteerism in public schools, the parents of students in smaller schools are more likely to volunteer their time for school projects.[51]

Because Catholic schools tend to be smaller, principals also manage smaller teaching staffs. At the elementary-school level, the teacher-principal ratio is approximately nine to one. In neighboring public schools, the ratio is far larger, about 34 to one. The archdiocese does not have ratios compiled for secondary schools, but the

proportions for LAUSD middle and high schools are even larger, 37 to one and 94 to one, respectively. Catholic high schools are likely to fall well below these figures.[52]

Catholic elementary schools typically retain very little in the way of administrative staff. They have one principal and if a school has a vice principal, he or she usually teaches as well. Catholic secondary schools also have trim administrative staffs, which vary by school size.

While Catholic schools have not embraced costly, ineffective programs and have kept administrative expenses to a minimum, they also rely on charity and parent/community volunteerism to save additional costs. For example, if school buildings need repairs or more construction is required, most parishes do not foot the bill alone. They often turn to foundations to help with various costs. The church may have a relationship with a contracting company, or parents may hold a fundraiser to come up with needed revenue to buy computers for the school's lab. Parents and parish members may chip in some of their own time to help build a gymnasium. If children do not pay full tuition, their parents might be required to spend a certain number of hours working on various school projects free of charge.

Are Los Angeles Catholic schools successful in serving children's academic needs? Parents seem to think so. According to PRI's survey of more than 200 Catholic-school principals, their schools are very popular in the communities they serve. According to the survey, 76 percent of the Catholic schools reported they had a waiting list for admission. This is an important fact. LAUSD is under fire for the poor performance of its schools, yet in the same neighborhoods there are other schools that are highly popular with parents.

Despite its religious orientation, Catholic-school administration can in fact be a model for government-run schools. What makes them especially deserving of attention is the framework in which the schools operate, again as Mr. Ralston observed, as a system of schools rather than a school system. The schools examined in our survey all have a significant degree of independence to determine what their class sizes will be, to spend money where they wish, and as the next chapter will detail, to hire their own teachers, and not adhere to a district-wide pay scale. In return, students receive smaller, more intimate schools (though their class sizes may be larger). Administration expenses are kept to a minimum, as is oversight from the archdiocese.

The primary focus in Catholic schools is the academic and spiritual needs of children in individual schools. Principals have the freedom and flexibility to quickly and effectively address problems and concerns at the school level. Government-run schools are entirely different.

Important decisions, such as managing how money is spent, and hiring, firing, and compensating teachers, are removed from principals' hands and either decided in the district teacher contract with the local union, or by state law. Rather than provide flexibility and independence for principals, government-run schools rely on regulations and uniform laws. While public schools enjoy dramatically higher funding lev-

els, the system fails to take into account the various differences among schools. This inherent inflexibility makes it more difficult for districts to cope with the different problems that vary from school to school.

Catholic schools, on the other hand, are directly accountable to the parishes, parents, and children they serve. The archdiocese lends financial support, collects data, and provides other services, but allows individual schools to decide how best to serve their students.

The PRI survey revealed that 76 percent of Catholic schools in Los Angeles have a waiting list. This high level of popularity indicates that parents are pleased with the education their children are receiving.

Who Teaches in a Catholic School?

In their important study, *Who Will Teach?*, Murnane *et al*. (1991) examine the labor market for teachers.[53] Their study focuses on the high rate of turnover among the most qualified teachers. One of the main reasons behind the increased attrition rates for high-achieving teachers is the opportunity cost of teaching itself. Simply put, the most qualified teaching candidates have many opportunities in other higher-paying professions and, as a result, often transfer into more lucrative fields.

Meanwhile, Catholic schools pay their teachers even less but the impact on student performance appears to be negligible, especially when compared to public schools. As we show below, teaching in a Catholic school clearly provides benefits to teachers beyond their remuneration. The starting salary for a credentialed teacher in LAUSD is 22 percent higher than comparable teachers in Catholic schools, and yet the difference between the two sets of teachers is not nearly as great as this salary gap might suggest.[54] Despite offering lower pay, the Los Angeles Catholic schools in our survey seem to attract and retain quality teachers by providing a more attractive work environment.

Survey Results: Teacher Attributes

As part of our survey of Catholic schools, we provided a questionnaire to Catholic school principals. This form asks for information on the school itself including 1) which party determines who hires and fires teaches; 2) whether or not the school has a waiting list; 3) if the school has a librarian; and 4) the number of computers in the school. A second set of questions asks for information on the teachers themselves. Specifically, the questionnaire asks for the 1) number of teachers in the school; 2) the percentage of teachers who are certified; 3) the percentage of the school's teachers who have a major in their subject; 4) the percentage of the school's teachers who have worked outside education; and 5) the number of teaching assistants.

Given the emphasis on flexibility and accountability in Catholic schools, it is not surprising that most of the schools in our sample (elementary, middle and high school) have no formal system of teacher tenure. The percentage of teachers who possess full certification is also lower than public schools. The certification rate for the schools in our sample is 56 percent compared with approximately 80 percent in LAUSD.

Studies of students in Catholic schools conducted at the national level find that Catholic school students are, on average, achieving at levels higher than their peers in public schools. Those results call into question the importance placed on certification in most evaluations of Catholic-school teachers. Other statistics on Catholic-school teachers are even more surprising.

According to our survey, 48 percent of teachers have worked outside of education.[55] While there is no statistical comparison, it stands to reason that fewer public-school teachers have comparable experience outside of education because certification and other requirements serve as a significant barrier to entry, thereby discouraging professionals in other fields from transferring into teaching. Even more surprising, our survey finds that only 29 percent of the teachers in Los Angeles Catholic schools have a post-secondary degree in the field they teach.

Across California, 73 percent of public-school teachers have degrees in their subject fields, and that is the smallest proportion of any state in the nation according to the most recent figures collected in 1994.[56] Academic research suggests that teacher subject-matter knowledge is a key component in boosting student achievement.[57] Critics have pointed to the relatively low percentage of California public school teachers who have degrees in their subject fields as a major reason for the low levels of student achievement across the state.

But according to PRI's survey of Los Angeles Catholic schools, almost three in four teachers do not have a degree in their subject fields, yet student performance does not appear to suffer. It does not follow, however, that subject-matter knowledge is less than crucial. As mentioned earlier, nearly one in two teachers in the survey has worked outside education. Because of the lack of certification requirements and for other reasons, it appears that many mid-career professionals forego higher pay in public schools to teach in Catholic schools.

These same professionals bring with them valuable work experience that often translates into effective teaching. For example, suppose an engineer leaves his job to teach math in a Los Angeles Catholic school. While he may not have a degree in mathematics, his work experience would suggest he is more than qualified to teach an algebra, trigonometry, or calculus class. Because of their autonomy, Catholic schools are able to attract a wide range of qualified teachers from a variety of different backgrounds.

"Studies of students in Catholic schools conducted at the national level find that Catholic school students are, on average, achieving at levels higher than their peers in public schools."

Salaries

Salary is the most obvious difference between Catholic and public school teachers. The recommended minimum salary in 2000-01 for a first-year teacher with a bachelor's degree in a Los Angeles Catholic elementary school is $25,154. That salary rises to $26,713 for teachers with California credentials or a master's degree and $28,358 for both credentials and a master's. The beginning base pay for a teacher in LAUSD in 1998–99 was $32,558, while the average base salary was $46,129. Teachers at the top of the district salary schedule stood to earn more than $61,000 in base pay.[58]

The high attrition rate for teachers in public school is usually attributed to the salary increase a teacher receives when he or she leaves teaching. Catholic-school teachers could increase their pay without leaving the profession by simply moving to the public schools. This difference goes a long way in explaining the gap between the credentialing rates in public and Catholic schools. The credentialed teacher in a Catholic school has a higher opportunity cost than the teacher without a credential. However, it should be noted that the opportunity cost of teaching in a Catholic school might actually shrink the longer a teacher stays in the Catholic system because teachers cannot recover their seniority by transferring to a public school.

Despite these challenges, Catholic schools attract and retain quality teachers for a number of reasons that have escaped previous examination.

Work Environment

In Catholic schools teachers work in a very different environment from their public-school counterparts, which also helps to explain why Catholic schools are able to attract teachers despite lower pay. One factor that clearly does not influence the decision is class size.

Catholic schools, which have lower pay, have average pupil-teacher ratios that are larger, 27:1 versus 21:1.[59] It is true that, as noted earlier, Catholic schools, on average, have fewer total students and far less administration than the government-run system. According to our survey, 67 percent of Catholic-school principals control which teachers are hired and fired in their own schools. In 26 percent of the schools we surveyed, the principal shares this responsibility with the pastor of the local parish. In four percent of the Catholic schools we surveyed, the pastor controls hiring directly. However, in only three percent of our sample is the hiring/firing decision in the hands of an administrative body other than the principal or pastor.

This is very different from the system that exists in the public schools. In most districts, principals are not directly charged

"It is true that, as noted earlier, Catholic schools, on average, have fewer total students and far less administration than the government-run system."

with hiring teachers and have to rely on the local district for staffing purposes. Further, district teacher contracts often prevent principals from assigning teachers in a manner designed to maximize student performance. For example, in LAUSD, seniority, not performance, is the deciding factor in assigning teachers to particular classes. Even more convoluted is the practice of tenure, which makes it virtually impossible for principals to dismiss failing teachers.[60]

While a direct comparison between Catholic and public schools is not possible, the differences in school management are significant. These differences help to explain why, despite significantly lower pay, overall teacher quality in Catholic schools has not suffered.

According to a recent Public Agenda Poll, public school teachers are willing to forego higher salaries in exchange for a better work environment. For example, if given the choice between a significantly higher salary and teaching in a school with significantly better student behavior and parental support, just 12 percent of teachers opt for higher salaries while 86 percent favor the latter. When asked to choose between significantly higher salaries and a school with administrators who are strongly supportive, 17 percent select increased salaries while 82 percent prefer greater administrative support. Finally, if given the option between a significantly higher salary and teaching in a school with a mission and teaching philosophy similar to the teacher's own, 25 percent choose better pay, while 74 percent select the latter.[61]

Our examination of Los Angeles Catholic schools suggest that, among the schools we surveyed, they have in fact been successful in creating superior work environments for their teachers. PRI's survey, not to mention existing academic literature, provides ample evidence that Catholic schools depend on, expect, and foster high levels of parental involvement.

Because Catholic schools are more autonomous than local public schools, principals are free to hire, assign, and fire members of their own staffs. Therefore, Catholic-school principals are better equipped and empowered to provide the type of administrative support that, according to the Public Agenda poll, public-school teachers overwhelmingly desire. Since Catholic schools are able to attract and retain teachers of appreciably the same or higher quality than public schools, it suggests these teachers are motivated and committed to the schools in which they work, another quality that public-school teachers strongly prefer. In the same vein, because of the religious and educational mission of Catholic schools, many teachers are also committed to their underlying philosophy, yet another quality that public-school teachers emphasize.

While some might dismiss the main difference between the two work environments as being purely religious, there are other important distinctions, such as increased principal control in Catholic schools. Our survey suggests that Los Angeles Catholic schools have been effective in establishing work environments that teachers clearly prefer, even when differences in salaries are considered. While religious orientation certainly plays a vital role in attracting many teachers and students, it is not

the only major difference between Catholic and public schools. The differences in overall work environment appear to be a crucial factor.

Catholic Schools and Teacher Quality

Teachers in Catholic schools are not of lesser quality, based on the performance of their students, despite the significantly lower pay. This pay difference should be counted as part of the subsidy Catholic school students receive. The evidence from most studies comparing the performance of Catholic school students to public school students also suggests that the difference in ability and family background between students in Catholic and public schools, although present, does not explain the gap in test scores, graduation rates, and college attendance between Catholic and public schools.

In short, even after controlling for selection effects, most studies find that students in Catholic schools perform better than their counterparts in public school. We know of no study comparing the ability level of public-school teachers to those who teach in Catholic school. Based on the performance of their students and the lack of obvious selection effects, Catholic-school teachers cannot be shown lacking in quality. Besides certification, we find little evidence suggesting obvious differences between Catholic and public-school teachers.

This leads us to conclude that Catholic schools do not operate on the premise that lockstep pay increases will boost teacher quality. Rather, they achieve this goal by providing a supportive and collegial work environment. It should be noted that smaller class sizes and the racial composition of students appears not to factor into the Catholic-school work environment. As noted above, class sizes are larger in Catholic schools and the ethnic composition of Catholic schools resembles local public schools. Thus, we can reasonably argue that teachers are not choosing to work in Catholic schools for smaller class sizes or “better” students.

How Students are Subsidized

Students attending Catholic schools in Los Angeles are subsidized in a variety of ways. According to archdiocese financial records, tuition accounts for 81 percent of all revenue for Catholic schools. Outside fundraising and charitable donations make up 15 percent of all revenue, while individual parishes donate two percent. The archdiocese contributes one percent and the Education Foundation scholarships account for one percent of overall revenue. However, it is important to remember that the scholarships are targeted to needy children and thus are unevenly distributed, which accounts for their low overall revenue share.

The most notable aspect of Catholic-school financing is how heavily subsidized students are, and how much of the money comes from local sources. While tuition

makes up four-fifths of all revenue for Los Angeles Catholic schools, needy children receive a great deal of assistance to attend these schools. As previously mentioned, our regression analysis indicates that low-income families are significantly more likely to receive scholarship assistance. Thus, the Education Foundation, while only making up one percent of total revenue, is effectively targeting scholarships to children who are from the most disadvantaged backgrounds.

Equally important, Catholic schools must raise money locally, either through tuition or other fundraising measures, which account for 15 percent of total revenue. This has two important implications. Catholic schools are not tied to the larger bureaucracies that burden the government system, and they also must save money because of their smaller budgets. Cost savings are primarily achieved through lower salaries for teachers and more discretion and autonomy in the budget-making process (individual schools have the flexibility to decide what priorities their budgets will address).

Nevertheless, some schools have difficulty raising money. While the Archdiocese accounts for a very limited share of overall revenue for Los Angeles Catholic schools, it does provide significant financial support to schools in low-income areas. Because of their location and lack of local funding sources, many of these schools have come to rely on the archdiocese and various forms of private philanthropy, like the Education Foundation, for a large share of their operating budgets.[62]

There are other charities, such as the Children's Scholarship Fund (CSF), that provide tuition assistance to needy children as well. As earlier mentioned, in 2000–01, more than 3,000 Los Angeles children receive aid from CSF, with over 50 percent of them attending Catholic schools. Individual schools are also active in raising funds for their expenses. For example, Principal Vince O'Donoghue's St. Thomas the Apostle even has an alumni society that helps to fund various programs the school operates.

These examples demonstrate the innovative practices Catholic schools use to raise money. While their budgets are smaller than in the government system, schools are heavily subsidized and must spend prudently. They are also accountable for how they use the money, having to persuade charities and donors that they are worthy investments.

Table 2: Percent Leaving School in which their Race Is the Majority

	Same	Total	Percent
Total	576	1183	0.49
Hispanic	383	493	0.78
White	164	412	0.40
Black	26	89	0.29
Asian	3	106	0.03

Many observers would note that the crucial funding difference between Catholic and public schools is the dramatically smaller budgets on which Catholic schools are forced to operate. Yet not enough attention is focused on the differences in incentives between the two systems. Because of smaller budgets and their dependence on local charities, Catholic schools must not only spend wisely, but accountably, in order to attract and retain financial support.

Parents deliberately choose to send their children to these schools. If schools are not disciplined in how they spend money and it impacts their general quality, enrollments might suffer, even if parents are committed to the religious mission. If students are shortchanged, Catholic schools must answer to parents and those donors who support them financially.

Public schools operate under no such pressures. Their larger budgets are not tied to the performance and/or constraints that individual Catholic schools face. Under the government-run system, schools receive money from the state, most of which has to be spent on pre-determined programs. Even the "discretionary" funding that is directed to local school districts has to pass through several layers of bureaucracy, and, in reality, individual schools have very little say on how this money is spent. Most important, the majority of government-run schools are not forced to attract and retain students. Many poor parents are forced to send their children to these schools, even if performance stagnates.

While funding in Catholic schools is not directly tied to student achievement, the fact remains they are more accountable to parents who freely choose to enroll their children. Likewise, donors freely choose whether to invest in these schools. Catholic schools' decentralized, local-funding system help promote this accountability, and low-income students are heavily subsidized.

Which Public Schools Do Parochial School Students Leave?

Our survey identifies the public schools that students would have attended if their parents had not preferred Catholic schools. We are thus able to compare the public schools that students chose not to attend with the population of public schools in the areas covered by the Archdiocese of Los Angeles. Because our survey oversamples scholarship students, we weight the sample by the percentage of students in the archdiocese who receive Education Foundation assistance. In addition, the sample of non-elementary students is simply too small for meaningful analysis and, hence, we focus only on elementary schools.

Appendix D provides the weighted mean of our sample broken down by income group. Because we have over sampled scholarship students we adjust the sample weights to reflect these students' frequency in the population of Catholic school students. The lower half of Appendix D provides the means for the several performance indicators of the student's local public school. These means are plotted in Figures 2–7. Figure 2 shows the breakdown of the racial composition of our sample's public schools (on the far right-hand

side), and compares it to the population of public schools in the LA archdiocese. It is clear from Figure 2 that Catholic-school students leave schools having more Hispanics and African Americans than the population averages. In addition, although less strongly true, the schools they are leaving have fewer whites and Asians.

However, Table 2 suggests that in fact all students are fleeing majority African American and Hispanic schools. In Table 2 we look at the number of students who attend Catholic school but would have attended a school in which their race is the majority. Just under half of the sample (49 percent) chose not to attend public schools in which their race is the majority. These students are overwhelmingly Hispanic, which indicates that the racial composition of the school is a proxy for some other factor such as school quality.

Moreover, it is not just Hispanic children who choose to leave schools where their racial group is the majority. While 78 percent of Hispanics in the sample leave majority-Hispanic schools, 40 percent of white children surveyed leave majority-white schools and 29 percent of African-American students depart schools where their race is the majority. Only among Asian children is there evidence of significant "flight" from schools where their race is the minority. This trend suggests that "white flight" from public schools, at least in the area covered by the Archdiocese of Los Angeles, is greatly exaggerated.

Figure 2: Race

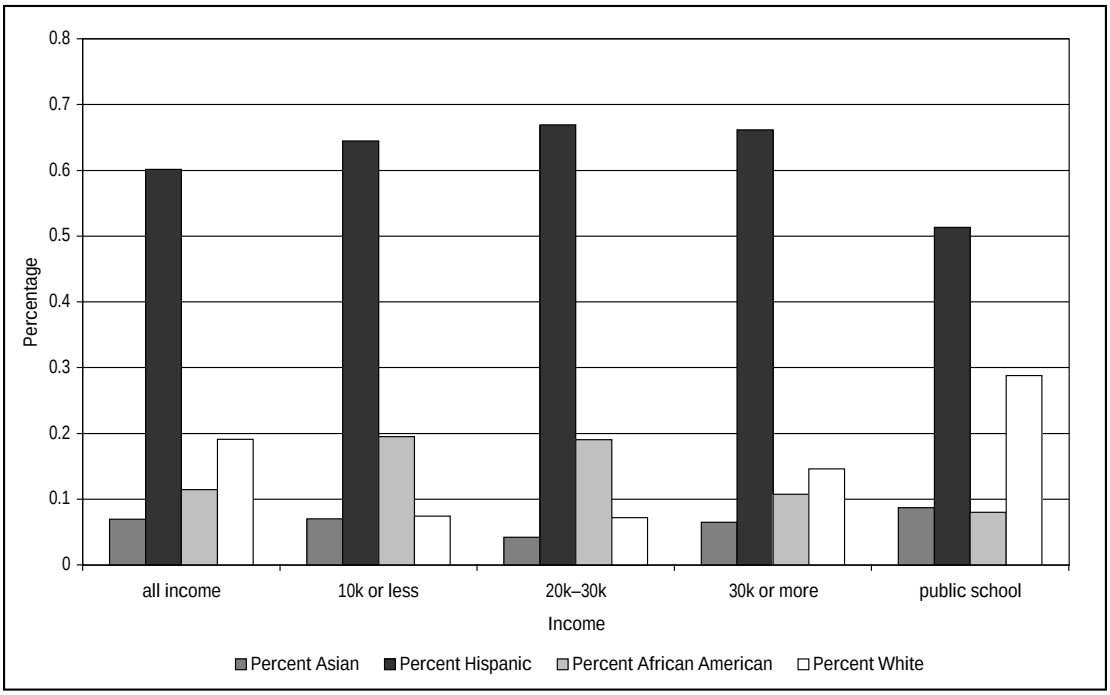


Figure 3: STAR Math Scores

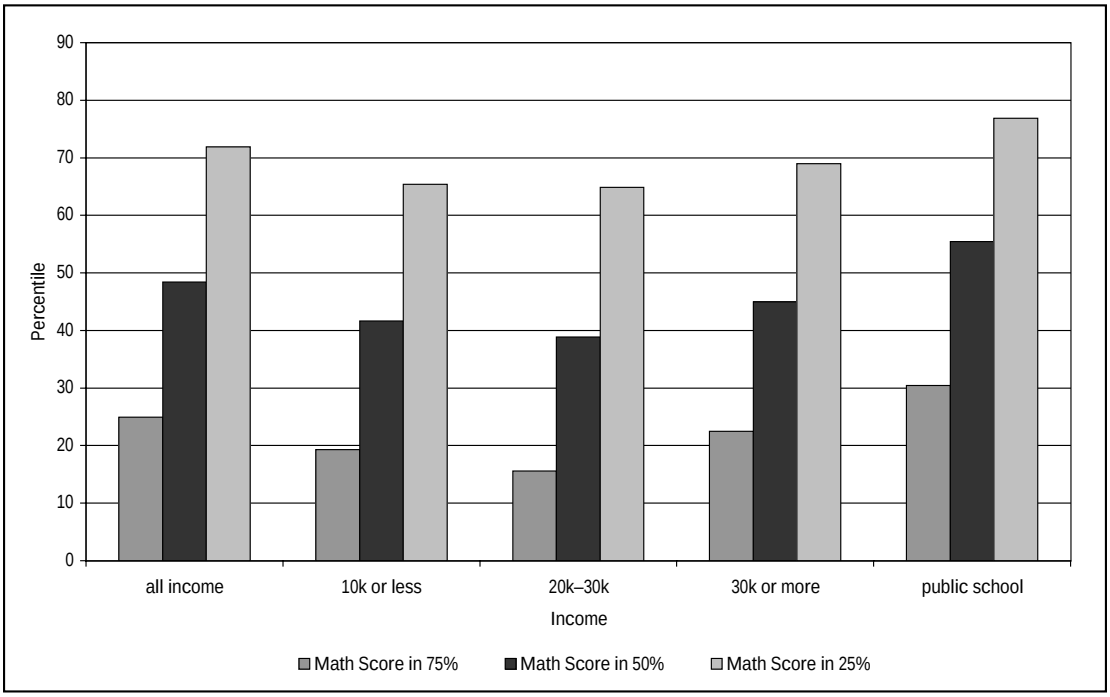


Figure 4: STAR Reading Scores

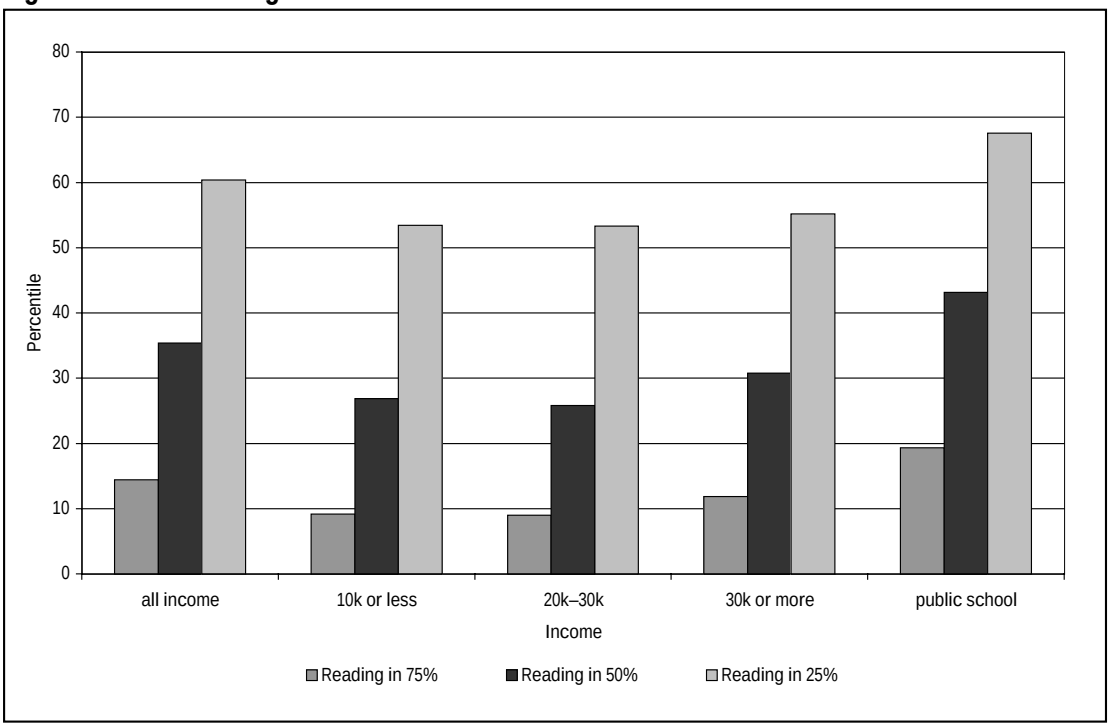


Figure 5: Student/Teacher Ratio

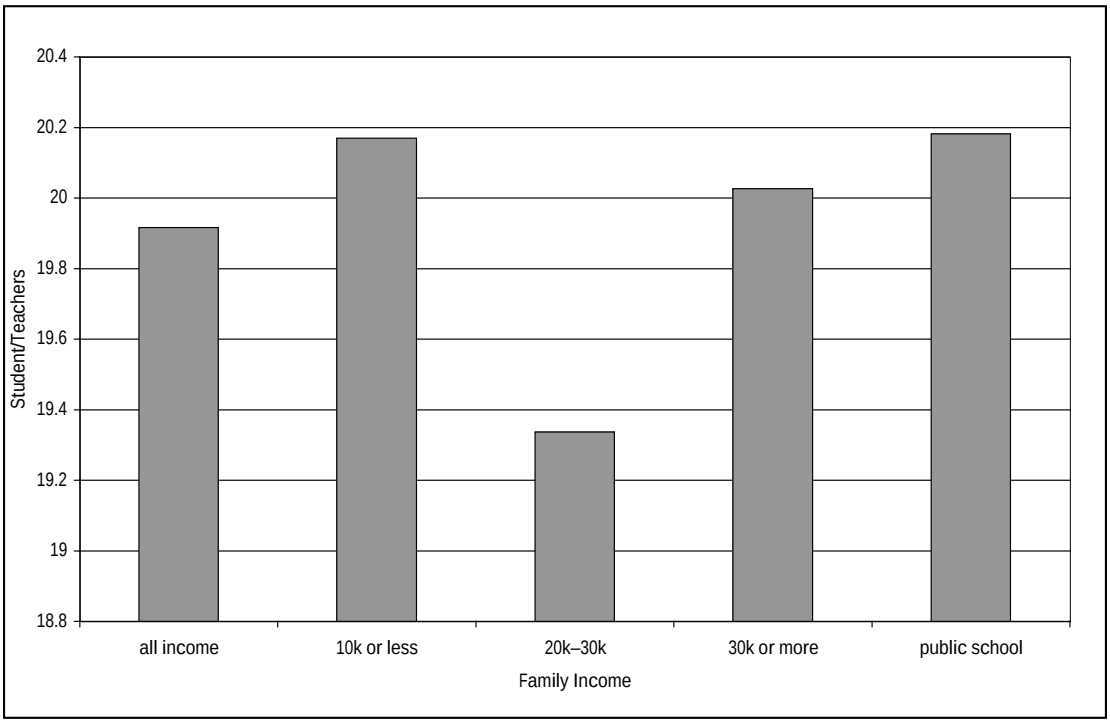


Figure 6: Percent of Certified Teachers

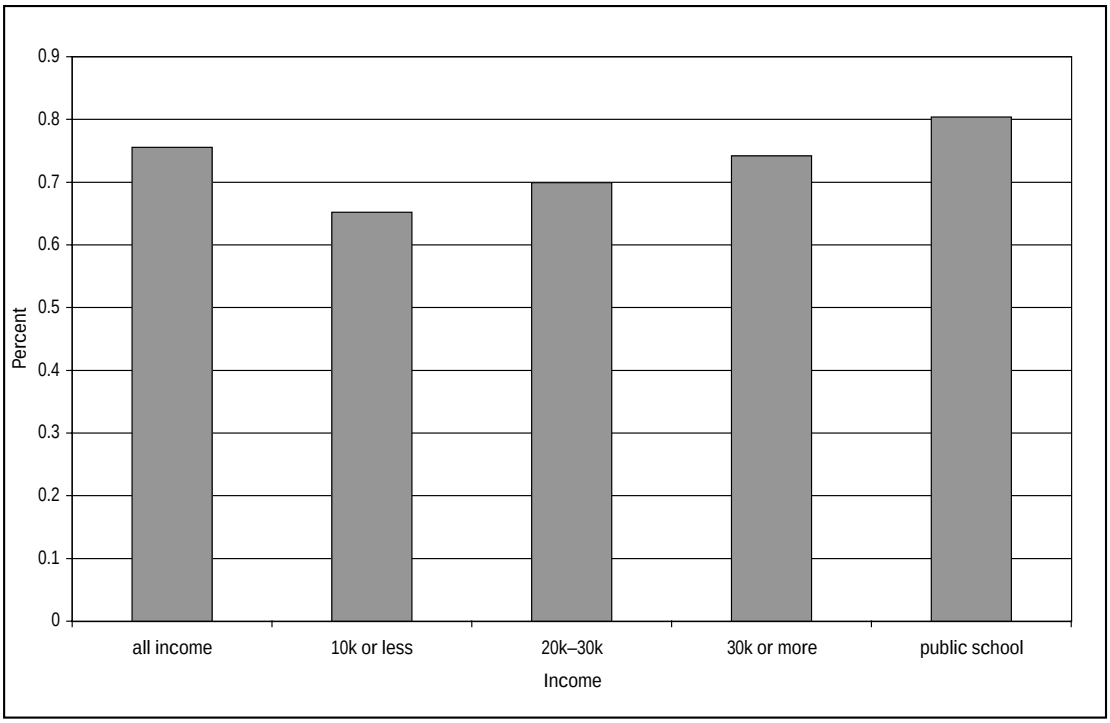
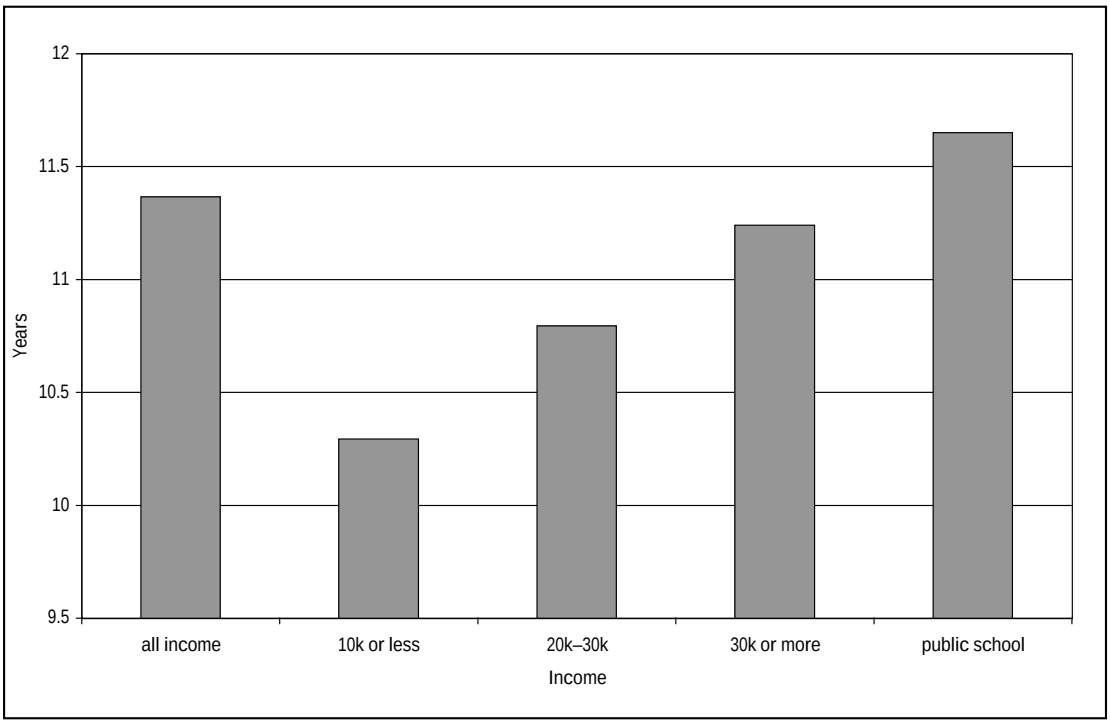


Figure 7: Years of Teaching Experience



Los Angeles Catholic schools are hardly enclaves of white children fleeing public schools. Indeed, 40 percent of white children are leaving majority-white public schools. It appears that for our sample at least, school quality or some other factor is the major determinant in selecting Catholic schools instead of local public schools. The data suggest racial composition of public schools has little impact. A full 78 percent of Hispanic children and 29 percent of African-American students leave schools in which their respective race is the majority. Furthermore, the majority of children in our sample are Hispanic. The lower quality of neighborhood public schools is likely the strongest motivating factor.

Figures 3 and 4 provide the breakdown of STAR test scores (percent of students in the third grade scoring in the 75th, 50th and 25th percentile) among the public schools that our sample of students has chosen to leave. The math scores provide some evidence that they are leaving schools with lower-performing students. In general, the percentage of students scoring in the 75th percentile on the STAR test is lower for all income categories.

The reading scores also indicate a flight from lower-achieving schools. Students from families earning less than $20,000 are more likely to attend a school in which less than 10 percent of the student body scores above the 75th percentile on the STAR reading test. Those earning $30,000 or more would attend schools where only slightly more than 10 percent score in the 75th percentile. By contrast, in the public schools generally, 19 percent of the students score in the 75th percentile. Clearly the schools avoided by Catholic school parents have far fewer high-achieving students.

An alternative, but controversial, measure of school quality is the student-teacher ratio. The student-teacher ratio shown in Figure 5 does not seem to differ systematically across Catholic-school students or between the school our sample would have attended and public schools generally. However, this is not surprising given that the student-teacher ratio in California elementary schools is tightly controlled.

Two other measures of school quality do suggest systematic differences in the schools the sample would have attended and other public schools. The percentage of teachers who hold a teaching certificate, shown in Figure 6, is lower for the sample than the public schools in the area served by the archdiocese. Moreover, that difference increases as students become less affluent. In short, the poorest students in the sample would, not surprisingly, attend public schools with fewer certified teachers. There are, of course, problems using certification as measure of teacher quality.

It is clear that the parents in the sample must have found certification questionable since all of the Catholic schools have lower certification rates than the public schools that low-income parents chose to avoid. The results are similar when we consider the average years of teaching experience in the survey's public schools (Figure 7).

In general, the difference in teaching experience between the sample's public schools and the overall population is small: about half a year. However, it should be noted that this is more similar than the within-district variation in teacher experience. Thus, our survey's students are on average leaving what could easily be the schools with the least experienced teachers in the district. The students from the most impoverished families in our sample leave schools in which the average experience is a full year and a half below the population average.

The evidence from the STAR exam suggests that the sample is leaving schools in which the students consistently perform below the average for LA schools. It should also be noted that the government-run schools in the population from which our sample is drawn consistently perform below national averages at all grade levels in math, reading, and other subjects. The teachers in the sample's public schools are also systematically less experienced than the population as a whole.

These results, although by no means definitive, suggest what several Catholic-school parents indicated to us in their responses to our survey. In short, our sample suggests scholarship recipients of all races are electing not to attend sub-standard public schools. When asked what school their child would attend if not already enrolled in Catholic school, one of the respondents wrote, "some bad public school." Our results are consistent with this parent's hypothesis.

Catholic Schooling and the Education Foundation: Implications for the Future

PRI's survey of Education Foundation scholarship recipients suggests two main findings. First, the Education Foundation has been effective in targeting scholarships to those children most likely to benefit from Catholic schooling. Second, despite supposedly stark differences between Catholic and government-run schools, the experience in the Archdiocese of Los Angeles suggests that public schools could incorporate many effective practices that have already been implemented by neighboring Catholic schools.

Indeed, the relationship between the Education Foundation and Los Angeles Catholic schools is a model of effective philanthropy and its positive impact on primary and secondary education. Finally, we find some evidence that parents are using Catholic schools as an alternative to lower quality public schools.

The Education Foundation is successful for several reasons. The distribution of scholarships is highly decentralized and allows pastors and school principals to select deserving recipients. While these local officials have wide discretion in choosing recipients (who are not surprisingly overwhelmingly Catholic), nevertheless the children who eventually receive scholarships are not high-achieving students with well educated and active parents who are seeking to avoid substandard public schools.

Instead, the data from our survey indicates these children are largely Hispanic, come from families where their parents are likely to be separated, earn below the federal poverty line, have not completed high school, and have several other children. According to the academic literature we have detailed, it is these children who are most likely to benefit from attending Catholic schools. More important, our survey's demographic data suggests that parents applied for Education Foundation scholarships to exercise choice. Without the tuition assistance and the additional financial sacrifices these parents have made, it would be significantly more difficult for them to send their children to Catholic schools.

Equally important, the children receiving scholarships and choosing to enroll in Catholic schools appear to be little different from those attending neighboring public schools. Close to half are electing not to attend government-run schools where their race is the majority. While racial composition of government-run schools appears to have little or no impact on parents choosing Catholic schools, school quality appears to be more important. Students of all races are electing not to attend public schools whose test scores consistently rank below district and state averages.

The financing of Catholic schools in the Archdiocese of Los Angeles also aids the Education Foundation in effectively targeting needy children. Catholic schools are highly subsidized at the local level. There is very little assistance or bureaucratic oversight from the Archdiocese. This allows local schools to select which children receive scholarships, while the archdiocese merely helps collect and distribute funds.

This is very different from most forms of philanthropy in government-run schools. For example, as earlier mentioned, Walter Annenberg donated $500 million to foster education reform in the nation's public schools in 1993. Under the terms of the program,

most of the money was allocated to the nation's nine largest school districts in the form of challenge grants. For example, in New York, Annenberg funds went to a district-wide program aimed at creating smaller schools or schools within schools. In Philadelphia, Annenberg funds were not targeted at one specific program, but rather used to address a variety of needs within the district.

According to an investigation of the Annenberg program conducted by the Fordham Foundation, while school officials and the public at large had high hopes, the actual impact of the extra money was negligible. Some of the districts did experience modest gains in student achievement, but there was no necessary link between the improvements and the funding from the Annenberg program.

The Fordham study claims, "our conclusion is that the main reason these grants didn't accomplish more was because the essential idea on which they were based – that what public schools lack most is expertise and that talented and motivated outsiders working with the system can provide this – is itself erroneous." Another perspective is that the Annenberg program did not directly fund schools or the children enrolled in them. The money went to school districts and district programs. Annenberg staff worked with district officials to see that funds were properly spent and decided how it should be allocated. In fact, not only did the money flow first through district bureaucracy, another bureaucracy was set up to monitor how it was spent.[63] The Education Foundation is entirely different.

Philanthropic funds are directed to individual children and their families. Pastors and principals decide which children receive tuition assistance through the program, and the results are immediately apparent to both parents and the schools. While the archdiocese helps distribute the money, it has a peripheral role, far different than the one assumed by school districts receiving Annenberg funds.

The Education Foundation is a more effective form of philanthropy because rather than providing funds to school districts or other organizations, the scholarship money is directly tied to students, who are selected by the officials who know them best, and where the results (how well the scholarship student is performing) are readily apparent to the parents. There is little overhead and bureaucracy, while the money is distributed to children who clearly benefit from the program, and whose parents would otherwise struggle to afford Catholic-school tuition.

While the Education Foundation has been effective at targeting scholarships to needy children, the same ones who, extensive research confirms, will most likely benefit from Catholic education, there are broader lessons to be learned from Catholic schools.

Indeed, despite their religious mission, Catholic schools can serve as effective models for low-performing public schools in Los Angeles and across the country.

Part 4: Lessons of the Catholic School Experience

In Los Angeles and nationwide, particularly in the inner city, Catholic schools are becoming more and more popular with non-Catholic students and their parents. As earlier mentioned, 13 percent of students in the Archdiocese of Los Angeles are non-Catholic, the same percentage that exists nationwide. And across the country, the percentage of non-Catholic students enrolled in Catholic schools is four times greater than 30 years ago. In several urban Los Angeles archdiocese schools, the percentage of non-Catholic students exceeds 50 percent. One in five students in New York Catholic schools is non-Catholic.[64]

While many non-Catholic students may be attracted by the moral education provided by these schools, there are surely other factors as well, especially the poor performance of neighboring public schools. The performance of these government schools could be improved by applying the lessons of Catholic schools.

The Role of the Principal

First, Catholic schools emphasize increased principal control, coupled with greater accountability. Principals have more leverage in teacher hiring and firing, and do not have to abide by rigid tenure laws and district-wide teacher contracts as they do in the public sector. Catholic-school principals are not middle managers, but rather active directors of their own schools.

Expanding the power of principals to hire and dismiss their own staff, as they do in Catholic schools, would enhance teacher quality and streamline administration.

Accountability

Funding for Catholic schools is almost entirely raised on the local level, meaning schools are able to bypass a great deal of oversight from the archdiocese. In the public sector, financing flows through several layers of bureaucracy before it ever reaches the schools, not to mention children in classrooms.

While increased principal control is an important feature of Catholic schools, equally vital is the fact that Catholic schools also promote increased accountability. Catholic schools are schools of choice—parents freely choose to enroll their children and donors freely choose to invest in them. Thus, principals are responsible for ensuring school quality so that enrollments do not decline and foundations and church officials remain pleased with the progress they are making. It is doubtful that many Catholic schools could remain solvent if their track records were as dismal as some schools in the Los Angeles Unified School District. Yet these schools receive taxpayer revenue regardless of performance. Catholic schools do not have this luxury.

Incentives for Performance

Much is made of the significantly greater budgets of public schools compared to Catholic schools. For example, as earlier mentioned, total per-pupil spending in LAUSD exceeds $9,000, while Catholic elementary schools in Los Angeles average $2,200 and high schools spend less than $5,000. A beginning Catholic-school teacher in Los Angeles makes on average almost 30 percent less than what he or she would earn starting out in LAUSD. One can assume that these spending levels are typical. Yet interestingly, nationwide studies of student performance and teacher quality in the Catholic schools indicate that students in Catholic schools have not suffered as a result.

The smaller funding levels plus the fact Catholic schools must compete with other schools for students require them to spend money wisely and prudently, in a manner that promotes school quality. Public schools, despite having significantly higher funding levels, do not have such incentives. Many of their students can afford no other alternative and the vast majority of government schools' funding is not tied to performance. Catholic schools demonstrate that overall funding is less important than how money is spent and to what programs and purposes it is allocated.

The Size Question

Catholic schools tend to be dramatically smaller than government-run schools. The average Catholic-school size in Los Angeles is just over 300 students, while the average public elementary school enrolls more than 700 children, the average middle school has close to 900, and the average high school consists of more than 2,000 students. As outlined above, evidence suggests the benefits of smaller schools and a recent study finds that as California public schools grow larger, student performance on standardized tests worsens.

School size is also important because research indicates that smaller schools tend to promote collegial working environments, which teachers seem to value. As previously mentioned, Catholic-school teachers earn considerably less than their peers in

government-run schools. There is an obvious opportunity cost for teaching in Catholic schools, and yet, based on the performance of their students, there is no large difference in quality between the two sets of teachers.

Performance Over Credentialism

Catholic schools do not rely on credentialism. Teachers can teach without a certificate from the state, which expands the pool of possible candidates. Based on the poor performance of many teachers in the government-run system, there is ample research questioning whether credentials are an accurate predictor of teacher quality. Our survey indicates that one in two Catholic-school teachers have worked outside education. While fewer teachers have an academic background in the subject they teach than in the public system, many have professional expertise and have transferred into Catholic schools to share their knowledge with students. Again, the emphasis on credentials in government schools often dissuades qualified, mid-career candidates from entering teaching.

Also, teachers seem to have bought into the mission of Catholic schools and are comfortable with their philosophy. While some of this certainly has to do with the schools' religious dimension, the fact that principals are free to hire their own staffs, do not have to rely on rigid salary schedules, and are accountable for the performance of their schools cannot be understated. As several studies like the Public Agenda poll confirm, government schools often do not provide teachers with strong administrative support, and student discipline is a constant problem. These factors are often more influential than the relatively higher salaries that public-school teachers receive.

Choosing Quality

While there are important distinctions between Catholic and government-run schools that help to explain the differences in quality, there is one major similarity: the types of students who attend both sets of schools. While Catholic schools not surprisingly enroll large numbers of Catholic students, the proportion of non-Catholic children is increasing. Most important, talk of "white flight" to Catholic schools from inner-city public schools appears to be greatly exaggerated. To the contrary, students of all races are leaving poorly performing public schools.

According to our survey, one in two students attending Catholic schools would attend a public school where their race is in the majority, and most of these students are Hispanic. The one major similarity among the government-run schools in our survey is that they are low-performing schools. Quality, not race, fuels parents' decision not to enroll their children in public schools.

In short, the Education Foundation and the Catholic schools in the Archdiocese of Los Angeles form a solid partnership, helping thousands of low-income children who, without their scholarships, might have to attend low-performing public schools. Too often, the public has rightly focused criticism on the state of public schools in urban communities while ignoring high-quality Catholic schools in the same neighborhoods.

So long as many urban public schools fail in their mission to educate students, effective programs like the Education Foundation should be expanded to include more and more children. And while some claim Catholic schools' religious dimension prevents them from being a model for government-run schools, there are several unique features that can and should be replicated in the public sector. Catholic schools have a long tradition of educating children from low-income backgrounds. While their religious nature cannot be totally separated from the education they provide, these schools have managed to employ quality teachers and run effective programs for far less money, have granted their principals more autonomy while also requiring increased accountability, and have fostered supportive and collegial environments for students and teachers alike. There is much to be learned from their example.

Appendix A: Survey for Students

Questions for Parents

(Fill in the blank or circle the appropriate answer)

1) Student's zip code: _____

2) What public school would your child attend if he/she did not attend a Catholic school?

_____

3) Student's gender ❑ Female ❑ Male

4) Student's race ❑ Caucasian ❑ Latino ❑ Asian ❑ African American ❑ Other

5) What language do you speak at home? ❑ English ❑ Spanish ❑ Other

6) Parents' marital status ❑ Married ❑ Divorced ❑ Single Parent

7) What religion does your family practice? ❑ Roman Catholic ❑ Protestant ❑ Other

8) How often do you attend religious services?
❑ Weekly or more ❑ Monthly ❑ Infrequently/Never

9) Parents' income:
❑ $10,000 or below ❑ $10,000-20,000 ❑ $20,000-30,000 ❑ $30,000 or more

10) How many children are in your family? ❑ 1 ❑ 2 ❑ 3 ❑ 4 ❑ 5 or more

11) Parents' education:
❑ college graduate ❑ some college ❑ high school graduate ❑ some high school or less

12) Does your child receive a scholarship from the Education Foundation? ❑ Yes ❑ No

13) Does your family own a computer? ❑ Yes ❑ No

Questions for high-school students

1) Is the student in question planning to attend college? ❑ Yes ❑ No

2) Has the student ever been on the honor roll? ❑ Yes ❑ No

3) Does the student participate in sports? ❑ Yes ❑ No

4) What is the student's grade point average? _____

Appendix B: Survey for Principals

Questions for Principals

(Fill in the blank or circle the appropriate answer)

1) Does your Catholic school have an entrance exam? ❑ Yes ❑ No

2) Does your Catholic school have a waiting list? ❑ Yes ❑ No

3) Average Math Score on 8th-grade math standardized exam out of what number? _____

4) Average Math Score on 10th-grade math standardized exam out of what number? _____

5) How many full-time teachers does your school have? _____

6) Do you have tenure or a similar system for teachers in your school? ❑ Yes ❑ No
(If your school uses a similar system or has tenure in practice but not name, please feel free to explain how the plan operates in the space provided at the bottom of the page.)

7) Who controls hiring and firing decisions at your school? The principal, a committee of teachers, administration, and/or parents, or the archdiocese/parish? _____
(If you employ another method, please feel free to explain in the space provided at the bottom of the page.)

8) How many of your teachers are certified? _____

9) How many of your teachers have a major/minor in the subject they teach (grades 7-12)? _____

10) How many of your teachers have worked outside of education prior to teaching? _____

11) How many teacher's assistants does your school have? _____

12) Does your school have a librarian? ❑ Yes ❑ No

13) How many computers does your school have? _____

For high schools

1) What percentage of your student body attended Catholic primary school? _____%

Space for explanation of questions 6 and 7

_____

_____

_____

_____

_____

Appendix C: Probit Estimates of the Determinants

Variable	Coefficient Estimate	Prob (scholarship) =DF/DX	Variable	Coefficient Estimate	Prob (scholarship) =DF/DX
Student is male	.017 (.056)	.0059	Family income $20,000-30,000	.995*** (.079)	.37
Student is Black	.089 (.148)	.0298	Parents did not finish high school	.223*** (.116)	.08
Student is Asian	.165 (.137)	.058	Parents are high school graduates	.059 (.09)	.02
Student is White	-.056 (.122)	-.019	Parents have some college	.097 (.072)	.034
Student is Hispanic	.113 (.113)	.039	Number of children in family	.099*** (.025)	.033
Student's primary language is Spanish	.044 (.078)	.015	There is a computer in the home	-.058 (.069)	-.02
Student's parents are divorced	.172** (.089)	.061	Student plans to attend college	.631*** (.156)	.23
Student is Catholic	.329*** (.122)	.102	Student is on the honor role	-.16 (.124)	-.05
Student attends church frequently	-.069 (.06)	-.024	Student participates in sports	-.367*** (.151)	-.116
Family income less than $10,000	1.59*** (.109)	.57	Constant	-1.76*** (.184)	—
Family income $10,000–20,000	1.56*** (.083)	.56			

Number of observations=2853
* significant at the 10% level
** significant at the 5% level
*** significant at the 1% level

Appendix D: Breakdown of Catholic School Students' "Public School"

	All Students		Students of families earning 10,000 or less		Students of families earning 20,000–30,000		Students of families earning 30,000 or more	
Variable	coefficient	se	coefficient	se	coefficient	se	coefficient	se
Male Student	0.42953	0.023235	0.492064	0.092508	0.6	0.108697	0.387952	0.048532
Black Student	0.107736	0.015682	0.337302	0.087961	0.262857	0.099633	0.061446	0.023748
Asian	0.065701	0.010382	0	0	0.114286	0.070122	0.038554	0.018682
White	0.219004	0.016754	0.146825	0.066609	0.057143	0.051114	0.130121	0.033773
Hispanic	0.538679	0.023143	0.507937	0.092508	0.565714	0.110691	0.673494	0.046712
Spanish language	0.312964	0.022946	0.06746	0.037368	0.348571	0.105207	0.46988	0.049758
Divorced parents	0.134935	0.017268	0.190476	0.07288	0.102857	0.069762	0.219277	0.041819
Single Parent	0.134935	0.017268	0.190476	0.07288	0.102857	0.069762	0.219277	0.041819
Catholic	0.936418	0.011426	0.809524	0.07288	0.897143	0.069762	0.946988	0.02148
Frequency of church attendance	0.746379	0.020623	0.698413	0.085334	0.674286	0.104962	0.768675	0.041905
Income 10k or less	0.089015	0.015346	1	0	0	0	0	0
Income 20k	0.061816	0.013016	0	0	1	0	0	0
Income 30k	0.293183	0.023263	0	0	0	0	1	0
Parent has no high school	0.12681	0.01743	0.194444	0.072948	0.234286	0.092864	0.163855	0.036323
Parent is high school graduate	0.208407	0.020541	0.353175	0.088069	0.16	0.08288	0.343374	0.047513
Parent has some college	0.308018	0.021885	0.305556	0.085365	0.337143	0.105061	0.293976	0.045229
Public School Characteristics								
Percent Asian	0.069347	0.005439	0.06991	0.029193	0.042061	0.018236	0.064917	0.010629
Percent Hispanic	0.60159	0.01364	0.644708	0.048943	0.669193	0.065095	0.66147	0.028
Percent Black	0.114443	0.008389	0.195303	0.04808	0.190454	0.0634	0.107453	0.014929
Percent White	0.191082	0.011084	0.073941	0.02882	0.071674	0.027503	0.146122	0.022746
Math 75th	24.92437	0.785629	19.30952	2.353657	15.6	2.244985	22.49086	1.727497
Math 50th	48.43703	0.944194	41.6627	3.267462	38.85143	3.214716	44.96955	2.001831
Math 25th	71.89333	0.753674	65.40079	2.932507	64.84571	3.007687	68.97808	1.546558
Math mean	600.1413	0.940892	595.2063	3.68766	589.96	3.052862	596.5396	2.010291
Reading 75th	14.43025	0.681703	9.162698	1.78718	9.005714	2.449113	11.88185	1.456067
Reading 50th	35.4092	1.043641	26.87698	2.883201	25.78286	3.767954	30.76736	2.21182
Reading 25th	60.37531	0.998935	53.41667	3.151234	53.32	3.603005	55.15834	2.142628
Reading mean	601.1074	1.121607	594.0516	3.702516	592.0286	4.003931	596.0231	2.41642
Student/teacher ratio	19.91604	0.073378	20.16963	0.244421	19.33672	0.231165	20.02619	0.144915
Percent credentialed	0.75587	0.007313	0.651883	0.034209	0.699043	0.028597	0.741896	0.015534
Percent emergency certificate	0.203467	0.006109	0.29606	0.0319	0.228055	0.025399	0.219969	0.01253
Percent with waiver	0.012303	0.001925	0.020883	0.009462	0.012024	0.003961	0.014847	0.005527
Years teaching	11.3671	0.13499	10.2941	0.529112	10.79435	0.802302	11.24125	0.284743
Years in district	9.780908	0.12451	8.775163	0.480463	9.604114	0.680064	9.652447	0.259887

Notes

1 Information based on telephone interview with Vince O'Donoghue, conducted by Thomas Dawson on August 31, 2000.
2 *Ibid*.
3 Information obtained from the Los Angeles Unified School District Profile, available at: www.ed-data.k12.ca.us
4 *California Catholic Schools, Annual Report,1997–98*, California Catholic Conference. Information on the Catholic Education Foundation is available at: www.catholiced-foundation.org. Several studies addressing higher student outcomes in Catholic schools appear later in the text; please review these latter citations.
5 Information obtained in email correspondence with Sr. Mary Joanne Wittenburg, Catholic Education Foundation, August 14, 2000.
6 Information can be obtained at: www.catholiced-foundation.org
7 Information obtained in telephone conversation with Hugh Ralston, January 8, 2001.
8 Information on the Children's Scholarship Fund obtained at: www.scholarshipfoundation.org, August 31, 2000.
9 Chester E. Finn, Jr. and Marci Kanstoroom, eds., *Can Philanthropy Fix Our Public Schools?* (Washington, D.C.: Thomas B. Fordham Foundation, 2000), pp. v–vi.
10 Dale McDonald, *United States Catholic Elementary and Secondary Schools, 1999–2000* (Washington D.C.: National Catholic Educational Association, 2000), pp. 13–14.
11 *Ibid*., p. 48.
12 Information obtained from email correspondence with Catholic Education Foundation, August 14, 2000.
13 Information obtained from email correspondence with Catholic Education Foundation, August 30, 2000.
14 McDonald, *United States Catholic Elementary and Secondary Schools, 1999–2000*, p. 14.
15 U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-25, No. 1095.
16 McDonald, *United States Catholic Elementary and Secondary Schools, 1999–2000*, p. 13.
17 *Ibid*., p. 12.
18 Ron Unz, "California and the End of White America," *Commentary*, November 1999. Available at: www.commentarymagazine.com
19 Larry B. Stammer, "John Paul Encounters Two Degrees of Faith," *Los Angeles Times*, January 26, 1999.
20 *California Catholic Schools, Annual Report, 1997–98*, p. 5.
21 McDonald, *United States Catholic Elementary and Secondary Schools, 1999–2000*, pp. 16–17.
22 Information obtained from Los Angeles Unified School District Profile, available at: www.ed-data.k12.ca.us
23 "A Catholic Education Is An Advantage For Life, Who We Serve," Catholic Education Foundation, October 2, 2000. Available at: www.catholiced-foundation.org/serve.htm
24 Information obtained in email correspondence with Sr. Wittenburg, September 25, 2000.
25 Available at: www.catholiced-foundation.org/serve.htm
26 "A Catholic Education Is For Life, Who We Serve," Catholic Education Foundation, October 2, 2000. Available at: www.catholiced-foundation.org/who.htm
27 Explanation of subsidies is based on information provided to Pacific Research Institute by the Archdiocese of Los Angeles.
28 Information obtained in email correspondence with Julia MacInnes, Children's Scholarship Fund, October 6, 2000.
29 James S. Coleman, Thomas Hoffer, and Sally Kilgore, *High School Achievement: Public, Catholic, and Private Schools Compared* (New York: Basic Books, 1982).
30 Stephen V. Cameron and James J. Heckman, "The Nonequivalence of High School Equivalents," *Journal of Labor Economics*, 11(1): pp. 1–47, 1993.
31 James S. Coleman and Thomas Hoffer, *Public and Private Schools: The Impact of Communities*, (New York: Basic Books, 1987).

32 William N. Evans and Robert M. Schwab, "Finishing High School and Starting College: Do Catholic Schools Make a Difference?" *Quarterly Journal of Economics*, November 1995; William Sanders and Anthony C. Krautmann, "Catholic Schools, Dropout Rates and Educational Attainment," *Economic Inquiry*, April 1995; Derek Neal, "The Effects of Catholic Secondary Schooling on Educational Achievement," *Journal of Labor Economics*, 15(1): pp. 98–123; Jeff Grogger and Derek Neal, "Further Evidence on the Effects of Catholic Secondary Schooling," memo, November 1999; Joseph G. Altonji, Todd E. Elder, and Christopher R. Taber, "Selection on Observed and Unobserved Variables: Assessing the Effectiveness of Catholic Schools," NBER working paper 7831, August 2000.

33 For a more thorough discussion of the state's drop-out rate, please consult: Lance T. Izumi and K. Gwynne Coburn, *The California Index of Leading Education Indicators* (San Francisco: Pacific Research Institute, 2000), pp. 32–35.

34 William N. Evans and Robert M. Schwab, "Finishing High School and Starting College: Do Catholic Schools Make a Difference?" *Quarterly Journal of Economics*, November 1995.

35 James S. Coleman, Thomas Hoffer, and Sally Kilgore, *High School Achievement: Public, Catholic, and Private Schools Compared* (New York: Basic Books, 1982).

36 David N. Figlio and Joe A. Stone, "School Choice and Student Performance: Are Private Schools Really Better?" (forthcoming) *Research in Labor Economics*.

37 The impact of poverty on the probability of graduation is controlled for in Altonji *et al*., 2000 and Neal, 1997. The impact on graduation of parents' low educational achievement is controlled for in Altonji *et al*., 2000; Grogger and Neil, 1999; Neal, 1997; Evans and Schwab, 1995; and Coleman *et al*., 1987. Divorce's impact on graduation is estimated in Coleman *et al*., 1987. The impact of poverty on test scores is estimated in Altonji *et al*., 2000; Grogger and Neil, 1999; Figlio and Stone, 1997; and Coleman *et al*., 1987. The impact of low parental education on test scores is controlled for in Altonji *et al*. 2000; Grogger and Neil, 1999; Figlio and Stone, 1997; and Coleman *et al*., 1987. Finally, the impact of divorce on test scores is controlled for by Figlio and Stone, 1997 and Coleman *et al*., 1987. The impact of poverty on college attendance is controlled for by Altonji *et al*., 2000; Evans and Schwab, 1995; and Grogger and Neil, 1999.

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About the Authors

THOMAS C. DAWSON is assistant director of PRI's Center for School Reform. He is the author of several PRI publications, including *Charter Schools and the Long Road to Education Reform* and *Rethinking the Federal Role in California Schools: Proposals for Reform*. He is also co-author of PRI's recently-released *Unsatisfactory Performance: How California's K–12 Education System Protects Mediocrity and How Teacher Quality Can Be Improved*.

Mr. Dawson's opinion editorials have appeared in the *Los Angeles Times*, *San Diego Union-Tribune*, *Orange County Register*, and other newspapers across the country. He graduated *cum laude* from Claremont McKenna College in 1999, with an honors degree in government and economics, and was a recipient of the college's Philip K. Rowland Prize for Excellence in Public Affairs.

ERIC A. HELLAND is an assistant professor of economics at Claremont McKenna College in Claremont, California. Dr. Helland is an expert in several fields, including law and economics and environmental economics, and has also co-authored a recent working paper on the correlation between California public-school size and student performance on standardized tests.

Dr. Helland has been published in a wide variety of scholarly journals including the *Journal of Law and Economics, Regulation*, and the *Journal of Environmental Economics and Management*. Dr. Helland received a B.A. in economics from the University of Missouri-Columbia, and an M.A. and Ph.D. in economics from Washington University.

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By Thomas C. Dawson and Eric A. Helland

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