



Teachers Win with School Choice

Testimony before the Senate Education Committee in support of SB 276

by Vance Ginn, Ph.D.

Chairman Taylor and Members of the Committee:

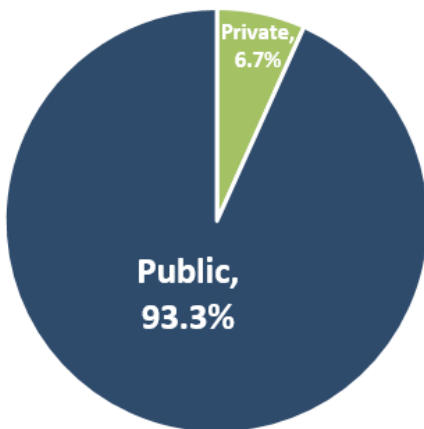
My name is Dr. Vance Ginn and I am the chief economist in the Center for Fiscal Policy at the Texas Public Policy Foundation, a non-profit, non-partisan free market think tank based here in Austin. Thank you for the opportunity to speak today in support of SB 276. This bill would provide school choice benefiting students and teachers as they have more opportunities to attend and work at a school according to their needs instead of being locked in at a particular public school. Taxpayers also benefit from a better educated population and the economic growth this supports.

Why is it that we cheer competitive markets in most of the goods and services we purchase but something as important as schooling we frown upon? Though school choice would increase the quality of education and restrain costs through competition, my remarks today highlight the often-overlooked benefits to teachers of higher salaries and improved quality of their work environment.

Almost half of teachers say they'd like to be paid more. The average salary for a public school teacher in Texas is \$48,110. Due to the lack of competition for their services, teacher salaries lag behind what many other professionals with similar education levels earn causing many quality teachers to move to another profession.

Recent data from the National Center for Education Statistics shows that the public school system in Texas employs roughly 324,000 K-12 teachers, far more than all private schools that employ less than 24,000. Figure 1 shows public schools dominate the demand for teaching services causing distortions in the labor market for K-12 teachers.

Figure 1: Percent of K-12 Teachers Employed by Texas Schools



Source: National Center for Education Statistics

While you likely know that a monopoly has only one supplier of a good or service, many are unfamiliar with a monopsony whereby there is only one consumer of a good or service. The teaching services market is close to a monopsony as public schools are essentially the only consumer. This type of market puts the negotiating power in the hands of public schools holding teacher salaries lower than they otherwise would be in a competitive market.

During Texas' most recent school finance trial, Dr. Jacob Vidgor, a Ph.D. economist who specializes in labor economics at Duke University, testified that teacher salaries remain depressed from this monopsony power.

By increasing competition among schools, classrooms will become the focal point of education policy, and teachers will have a more substantial role in their school's direction increasing the quality of their employment. Higher teacher salaries will incentivize good teachers to return to the classroom.

School choice would eliminate the monopoly and monopsony distortions in the current public schooling system allowing multiple purchasers of teaching services. School choice would provide a schooling market whereby teachers, students, parents, and all Texans benefit through the allocation of resources based on market-driven prices and wages, not public school-controlled prices and wages.

With teachers and the bright young minds of tomorrow winning from school choice, now is the moment in Texas' history to allow everyone the liberty to choose which school to attend or work. This will help Texas lead the way academically, socially, and economically.

Thank you for your time and I look forward to answering your questions. ★

About the Author



Vance Ginn, Ph.D. is an economist in the Center for Fiscal Policy at the Texas Public Policy Foundation. In 2006, he graduated with honors from Texas Tech University with a B.B.A in economics and accounting and minors in political science and mathematics. After interning for a U.S. Texas Congressman in Washington, D.C., he started his doctoral degree in economics at Texas Tech University and graduated in 2013.

Before joining the Foundation in September 2013, Ginn interned at the Foundation as a Charles G. Koch Summer Fellow in 2011 and taught at three universities and one community college in Texas. He has successfully published peer-reviewed articles in academic journals, commentaries in multiple outlets, and posts in free market blogs. His research interests include free markets, fiscal policy, energy topics, monetary issues, and economic modeling.

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