Nobel Laureate economist Milton Friedman was among the first (John Stuart Mill made a similar proposal 100 years earlier) to propose that the financing of education be separated from the administration of schools, the core idea behind school vouchers. In a famous 1955 essay, Friedman argued that there is no need for government to run schools. Instead, families could be provided with publicly financed vouchers for use at the K–12 educational institutions of their choice. Such a system, Friedman believed, would promote competition among schools vying to attract students, thus improving quality, driving down costs, and creating a more dynamic education system.

Now 90, Friedman and his wife, Rose, continue to promote the voucher idea, primarily through the Indianapolis-based Milton and Rose D. Friedman Foundation. Here, in an interview with Pearl Rock Kane, an associate professor of education at Columbia University’s Teachers College, Friedman reflects on the progress, obstacles, and prospects for school vouchers. (For full text, see www.educationnext.org)

The Friedmans, with friend, heading to Milton’s 90th birthday party.
PRK: We’ve had experiments with vouchers in Milwaukee, Cleveland, and Florida, and we have some experience with privately funded vouchers. We also have a proliferation of charter schools. How do you feel about the proposal you made almost 50 years ago?

FRIEDMAN: What you say sounds as if a lot has been accomplished, but it’s only the beginning. So far, we’ve had very limited programs. The Milwaukee program is the largest, and it only allows up to 15,500 students.

A more interesting thing was the Children’s Scholarship Fund program, in which 1.25 million families applied for 40,000 scholarships, each of which requires that recipients spend at least $1,000 out of their own pocket. That shows that there’s an enormous demand for choice, an enormous market waiting for choice to develop.

PRK: In your vision of schooling, will education be provided exclusively by the for-profit sector?

FRIEDMAN: No, I see competition. Let parents choose. I would expect an open market where there would be a wide variety of schools. There would be for-profit schools, charter schools, parochial schools, and government schools. Which survived would depend on which ones satisfied their customers. If experience is any guide, I’d expect that the government sector would shrink rapidly over time, just as has happened in mail delivery. Federal Express and UPS have taken away a large part of the business that used to be monopolized by the post office.

Moreover, there’s no reason to expect that the future market will have the shape or form that our present market has. How do we know how education will develop? Why is it sensible for a child to get all his or her schooling in one brick building? Why not add partial vouchers? Why not let them spend part of a voucher for math in one place and English or science somewhere else? Why should schooling have to be in one building? Why can’t a student take some lessons at home, especially now, with the availability of the Internet? Right now, as a matter of fact, one of the biggest growth areas has been home schooling. There are more children being home schooled than there are in all of the voucher programs combined.

PRK: Yes, recent estimates are just under one million.

FRIEDMAN: In a way that’s evidence of the failure of our current education system. There is no other complex field in our society in which do-it-yourself beats out factory production. Nobody makes his or her own car. But it still is the case that parents can perform the job of educating their children, in many cases better than our present education system. I don’t know what other programs would emerge. Neither you nor I is imaginative enough to dream of what real competition, a real free market, could produce, what kind of innovations would emerge.

PRK: Have you any concern that the families with more financial and social capital might choose the best schools for their children, and other families’ children would have to attend inferior schools?

FRIEDMAN: If that were the case, there would be more “best” schools produced. Throughout history, hasn’t the relationship been just the other way around? When automobiles first came out, they were very expensive. Only the rich could afford them. What happens over time, the well-to-do provide, as it were, the experimental funds to develop an industry. Automobiles are developed. The well-to-do buy them, and that provides the basis for a small industry. The industry grows, it develops better techniques, it becomes cheaper, and now almost everybody has an automobile. Surely, there’s much less difference in the stratification of people buying automobiles now than there was, let’s say, a hundred years ago, when the automobile industry was just getting started. Again, televisions were developed in the 1930s. They were very expensive; only the rich bought them. But now everybody has a television. And in general, over history, every improvement has benefited mostly low-income people.

PRK: What about the families that wouldn’t apply for the private voucher or the families that never learned about the opportunity?

FRIEDMAN: They would not be as well off, as they’re not as well off in other ways, either. Let me ask you a question.
The low-income families in the worst inner cities, in Watts or in Harlem: Are these as badly off with respect to food as they are with schools? Can you name any other aspect of their lives in which they are as badly off as they are with schools?

Even in housing, they can have a choice. They can try to find better housing for themselves; they can go outside their immediate neighborhood. But with respect to schooling, they’re stuck. Even those who are willing to hand over $1,000 for their child to go to a better school, they can’t do it.

The major effect of vouchers would be to reduce discrepancies between the quality of schooling that the children in the inner city are getting and the quality of schooling of the most high-income person. Currently, that discrepancy couldn’t get any wider. It can only get narrower. You’re not taking away any alternative; you’re providing additional options for families.

PRK: Do you feel that the teacher unions are the power we have to contend with in trying to improve schools?

FRIEDMAN: That certainly is true, but they’re not the only problem. It’s the unions, plus the bureaucracy, the administrative apparatus, the state officials, and the like. Those are the ones we do have to contend with. The two unions, the NEA and the AFT, are without question the most politically potent trade unions in the United States. The unions have been able to get all sorts of advantages from state law. In the state of California and most other states, they have an automatic check-off, where the dues are taken out of paychecks by the state. They have provisions whereby the teachers can go on union duty and continue to receive their pay. They can become an employee of the union and continue to accumulate retirement funds.

PRK: How likely is it that union power will be diminished?

FRIEDMAN: I think it’s very likely because I think the situation has gotten so serious, and parents have gotten so concerned about it, that the dam is beginning to break. It’s fascinating that the issue of vouchers should have been an issue for the Democrats, not the Republicans. It’s an issue whose main beneficiaries are poor people. In every poll, the groups that are the most strongly in favor of vouchers are the low-income categories, particularly blacks. Blacks are a good case study for vouchers. You have 60 percent, 70 percent, and 80 percent of blacks expressing a desire for vouchers. Why have black leaders been opposed to vouchers? Because of the teacher unions. When Bill Clinton was governor of Arkansas, he was in favor of a choice among private schools as well as public schools. He went to Washington, and he made a private school choice for himself. He sent Chelsea to a nice private school, but he changed his position on choice completely. He continued to favor choice among public schools, but he was opposed to choice among private schools. Why? Because of the trade union.

PRK: Many graduate students who care deeply about education will be reading the transcript of this interview. They are people who want to make a difference as educators. What advice would you give young people who want to make a difference? Where can they have an impact?

FRIEDMAN: I think that the best choice talented young people can make is to teach. Those who have an entrepreneurial streak can set up private schools, which will be able to attract voucher students. If I’m right, the voucher movement is going to expand and grow. There will be a brand new industry: the education industry, a private, for-profit, and nonprofit education industry. It will introduce competition in a way that’s never existed before. And it’s a big industry. Total expenditures of elementary and secondary education in the United States are in the neighborhood of $300 billion. That’s as much as the worldwide industry of computer chips.

There will be many opportunities with vouchers, and teachers will get a great deal more satisfaction out of teaching in a school that is serving their customers than in serving the bureaucrats who run our government schools now. It’s an interesting phenomenon that today teachers in private schools are paid less than teachers in government schools, but express greater satisfaction with their jobs. Maybe one of the things they should do is try to develop different kinds of education schools.

PRK: Do you want to elaborate on that?

FRIEDMAN: You know better than I do the defects of the schools of education in the United States. The schools of education have not been a great success. There’s so much emphasis on teaching technique and so little on subject matter that, as you know, a great many of the teachers in government schools teach subject matter in which they have no competence. They’re teaching mathematics when they have not been trained in mathematics. One of the benefits of a private system is that you wouldn’t have all these rules about who can get licensed. Today in California, Edward Teller cannot teach physics in a high school, in a government high school. He did, as a matter of fact, out of his own interest, teach physics in a private high school, at a Hebrew academy, in the city of San Francisco. But he wouldn’t be allowed to teach in a public school.