



## School Choice is a Needed Tool in Fight Against Demographic Winter

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The Granite State is on the precipice of Demographic Winter (DW) which is a situation where there are too few young people to support the current level of population. Population decline will have negative impacts to the economy and, correspondingly, to government revenue (down) and spending (up).

Between, 1991 and 2016, the number of births in New Hampshire declined by -28 percent to 12,274 from 16,977. At the same time, the number of deaths rose by 38 percent to 11,572 from 8,416. Consequently, the net natural population change was a mere 702 people. In a few short years, if trends hold, net natural change will go negative and the state will be in the grip of DW along with Maine and West Virginia.<sup>1</sup>

In the short run, New Hampshire's birth rate can be boosted through a positive wealth effect, especially through rising home prices. The wealth effect occurs when rising asset values increases the financial security of families which leads to higher consumption and growing families. This phenomenon was in full display during the recent housing bubble where the decline in the birth rate was halted and, in some states, reversed as home prices soared.

While we certainly don't want to encourage economically destructive housing bubbles to increase the birth rate, there are policy changes available that will create permanent, sustainable increases in home values and wealth. One of those ways is through the enactment of broad-based school choice.

One recent study examined the economic impact of school choice program in San Antonio, Texas. They concluded that, ". . . the program attracted families to the Edgewood school district, where they would become eligible for vouchers. The increase in the number and value of houses, including about a \$6,500 rise in the value of the average house, delivered a \$10.6 million benefit to local taxpayers."<sup>2</sup>

Closer to home, another recent study examined the impact of Vermont's school vouchers on home prices. They concluded that, ". . . educational choice opportunities (in this case school vouchers) increase residential housing values in Vermont . . . we find that Vermont's voucher program is particularly value-enhancing in locations where nearby schools are relatively weak. The availability of vouchers, where the nearest school has low standardized test scores, relative to nearby alternatives, increase typical home values by over \$24,000. Alternatively, the practice of assigning students to relatively weak schools, when no alternatives are offered via voucher, depresses real estate in those assigned jurisdictions by more than \$24,000."<sup>3</sup>

Boosting school choice in New Hampshire, with an ESA bill like SB 193, is a crucial step in fighting DW.<sup>4</sup>

<sup>1</sup> For instance, the Family Prosperity Index ranks New Hampshire 48<sup>th</sup> in their 2017 Demographic major index. [www.familyprosperity.org](http://www.familyprosperity.org)

<sup>2</sup> As cited in Forster, Greg, "A Win-Win Solution: The Empirical Evidence on School Choice," EdChoice, May, 2016. <https://www.edchoice.org/research/win-win-solution/>

<sup>3</sup> Cannon, Susanne E., Danielson, Bartley R., and Harrison, David M., "School Vouchers and Home Prices: Premiums in School Districts Lacking Public Schools," Journal of Housing Research, Vol. 24. Issue 1, 2015.

<sup>4</sup> [http://www.gencourt.state.nh.us/bill\\_status/billText.aspx?sy=2017&id=914&txtFormat=html](http://www.gencourt.state.nh.us/bill_status/billText.aspx?sy=2017&id=914&txtFormat=html)