



EDUCATION SAVINGS ACCOUNTS

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THE PROBLEM: Demand for school choice far outstrips supply. According to a 2014 survey, just 28 percent of Missouri parents of school-aged children would choose a traditional public school if they could choose any type of school for their child. The same survey found support levels of 60 percent or higher among registered voters for school vouchers, education savings accounts, and a tax-credit scholarship program. Missouri students need more options. Only 23 percent of Missouri high school graduates met the ACT College Readiness Benchmark in that same year.

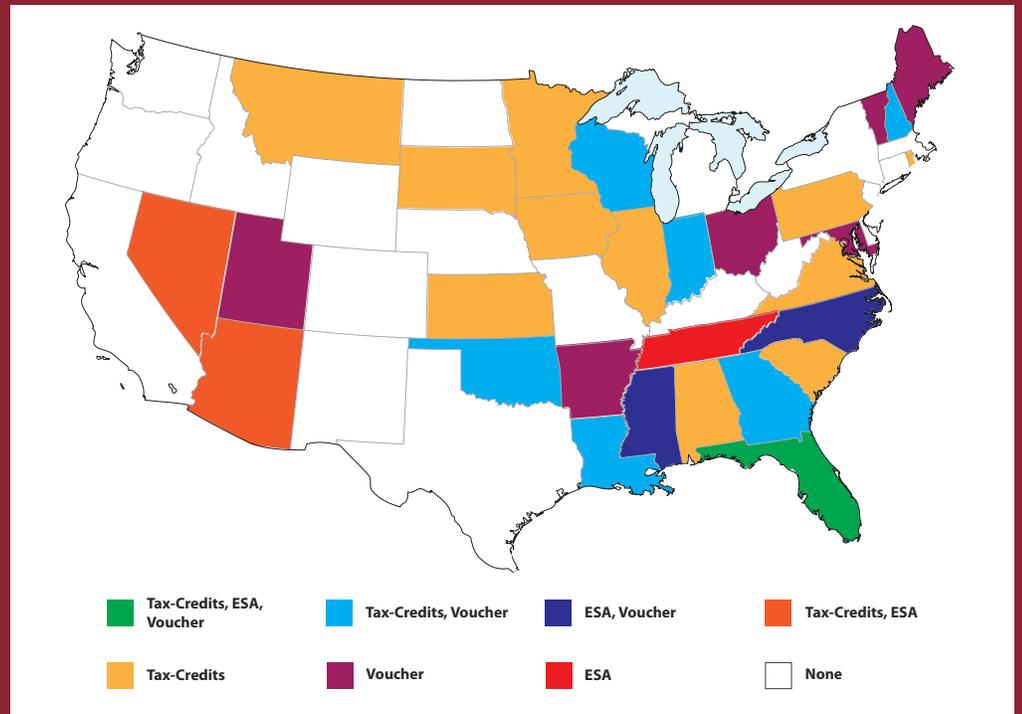
THE SOLUTION: *Education savings accounts (ESAs).*

ESAs are flexible-use savings accounts used solely for education purposes. These could be funded through tax credits, whereby individuals or corporations would donate to organizations that manage these accounts. Families could use the funds to purchase school supplies, tutoring services, or private school tuition.

WHO ELSE DOES IT? Six states have ESA programs, and 19 states have tax credit-funded scholarships, including Kansas, Iowa, Illinois, Indiana, and Oklahoma.

THE OPPORTUNITY: Missouri is among a shrinking number of states without a private school choice program. It does, however, have a large stock of private schools and as many as 28,000 available seats. The Missouri legislature created a scholarship program in 2014 through Bryce's Law, in which children with certain disabilities could receive scholarships to attend private institutions. Because donations to the scholarship organizations are only tax deductible, not tax credits, no money has been donated and no scholarships have been awarded under this law.

VOUCHER, ESA, AND SCHOLARSHIP TAX CREDIT PROGRAMS



Source: Education Commission of the States (2017) and National Conference of State Legislatures.

KEY POINTS

- Missouri parents want and deserve more choice regarding their children's education.
- Many Missouri students are not being well prepared to succeed as adults.
- At a minimum, the scholarship program contemplated by Bryce's Law should be funded.

SHOW-ME INSTITUTE RESOURCES

Essay: "Estimating the Fiscal Impact of a Tax-Credit Scholarship Program"

Essay: "Bryce's Law Revisited: Serving Missouri's Neediest Students Through Targeted Scholarships"