

Do school inputs crowd out parents' investments in their children?

Public education tends to crowd out parents' time and money, but careful policy design may mitigate this

Keywords: school inputs, parental investments, education production, input interactions

ELEVATOR PITCH

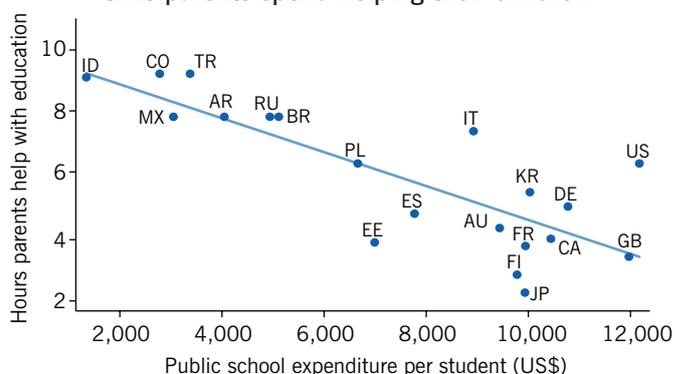
Many countries around the world are making substantial and increasing public investments in children by providing resources for schooling from early years through to adolescence. Recent research has looked at how parents respond to children's schooling opportunities, highlighting that public inputs can alternatively encourage or crowd out parental inputs. Most evidence finds that parents reduce their own efforts as schooling improves, dampening the efficiency of government expenditure. Policymakers may thus want to focus government provision on schooling inputs that are less easily substituted.

KEY FINDINGS

Pros

- + Parents may respond to changes in public school inputs by adjusting the time and money dedicated to their children's education, potentially affecting the impacts of public policies on students' learning.
- + Parents often reduce their own efforts as schooling improves, suggesting that public and private investments in children are substitutes.
- + Crowding out of parental inputs is more likely for school inputs that are easily substitutable and observable.
- + Limited evidence suggests that more-educated parents respond more to changes in school quality than less-educated parents.

Relationship between public school expenditure and time parents spend helping their children



Source: Data from *Education at a Glance 2017: OECD Indicators and Global Parents' Survey 2018*. Online at: <http://www.varkeyfoundation.org>

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Cons

- The literature is not in agreement, with some studies presenting contradictory results.
- Evidence often focuses on a limited set of inputs from schools and parents, while adjustments may occur across a multitude of dimensions.
- Apart from parents, students and teachers will react to changes in school inputs, about which very little is known.
- Not enough is known about how parental responses to school inputs impact test scores.

AUTHOR'S MAIN MESSAGE

Parents respond to improvements in schooling, primarily by reducing their own efforts. This indicates that public investments in children might crowd out private investments, thereby dampening the impact of public policies on student outcomes. Based on the evidence to date, which is still in its infancy, policymakers can expect the best results from investing in items that are not easily substituted by parents such as specialized instruction and on children whose parents are less responsive, as well as by strategically managing the release of information on school inputs to parents.