



## Are Charter Schools More Racially Segregated Than Traditional Public Schools?

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Are most charter schools more racially segregated than traditional public schools (TPS)? How do local circumstances affect the degree to which charter schools are more racially segregated or diverse than TPSs? As the charter school movement in Michigan and nationwide gains popularity, these questions have become important policy issues.

In order to begin to answer these questions, this brief uses Michigan's student-level data for the 2003-2004 school year to group charter schools according to student residence and carefully compares charter schools and TPSs according to the racial diversity of the TPSs from which charter schools draw their students. Several key findings emerge from this analysis:

- Although charter school students were more racially diverse at the state level than those in Michigan's TPSs, not all charter schools are more diverse.
- Depending on where their students come from, charter schools had very different effects on racial segregation. Charter schools drawing students mainly from the districts in which they are located tended to be more racially segregated than their host districts, while charter schools drawing students from outside the host

districts show some positive evidence toward racial integration.

- The effects of charter schools on racial segregation vary across districts depending upon their degree of racial segregation. While charter schools drawing students from segregated districts show no further racial segregation, charter schools drawing students from racially diverse districts are more segregated than these districts.

This analysis measured school racial diversity, or *Diversity Range (DR)*, by the difference between the enrollment shares of White and African American students.<sup>1</sup> The DR of charter schools is compared to that of the district where most of their students live. In Michigan, diversity within the traditional public schools varies greatly. For example, rural districts are usually highly White segregated; districts in most central cities present greater racial diversity because of the larger minority population, predominantly African American. An exception is Detroit, which is highly African American segregated. The racial diversity of suburban districts is generally between that of rural and urban districts, but not always. Classifying districts by levels of racial diversity helps us to explore the effects of charter schools on the racial diversity of the in school districts from which they draw their students.



<sup>1</sup> Diversity Range =  $1 - | \% \text{ White} - \% \text{ African American} |$ . DR ranges from 0 (low diversity) to 1 (high diversity)

	# of PSAs	# of Districts	# of Districts Hosting PSAs	# of Districts Sending Students to PSAs
Central city	104	15	15	15
Low-income Suburb	10	21	5	19
Middle-income Suburb	59	186	39	173
High-income Suburb	13	35	8	35
Rural	32	298	25	157
Total	218	555	92	399

We began by grouping charter schools based on whether they draw students from a single or multiple districts, because a typical charter school in Michigan draws students from nine different school districts. In 2003-2004, there were 218 charter schools, officially known as Public School Academics (PSA), in Michigan. As Table I shows, although all the PSAs were concentrated in 92 of the state's 555 school districts, they drew students from about 400 districts.

The 218 charter schools in Michigan can be grouped into three categories based on where the students they enroll come from. As Table 2 shows, Type I includes 133 PSAs that draw more than half of their students from the local public school district in which the PSAs are located. Type II includes 44 PSAs

that draw the majority of their students from a single district other than the one in which they are located. The remaining 41 PSAs, representing Type III, draw students from multiple districts, none of which contributes more than 50 percent of the PSA's enrollment.

Sorting charter schools by the type of district in which they are located, it is clear that the majority of PSAs located in central cities drew their students mainly from their host districts, while many suburban and rural charter schools attracted their students from districts outside the one in which they are located. It also becomes clear that, depending on where their students come from, PSAs vary largely in racial diversity.

	Number of PSA in different communities						
	Total	Detroit	Other central cities	Low-income suburb	Middle-income suburb	High-income suburb	Rural
<b>Type I:</b> Draw 50% or more students from host district	<b>133</b>	54	40	2	15	4	18
<b>Type II:</b> Draw 50% or more students primarily from a single non-host district	<b>44</b>	1	1	8	23	4	7
<b>Type III:</b> Draw students from multiple districts, each less than 50%	<b>41</b>	2	6	0	21	5	7

	PSA	TPS
Average % of White	44.6	75.2
Average % of African American	45.1	16.8
% of schools with White > 80%	28.9	66.9
% of schools with African American > 80%	33.0	9.4
Average DR	.28	.20
% of schools with DR < .10	41.7	51.1

**Findings:**

As shown in Table 3, a large share of Michigan’s public schools, both TPSs and PSAs, are racially segregated. Statewide, PSAs are more likely to be African American segregated, and TPSs are more likely to be White segregated. This is hardly surprising, since students in the vast majority of the state’s school districts are predominantly White and PSAs are disproportionately located in central cities where African American students are concentrated. On average, PSAs have a larger DR (are more racially diverse) than TPSs. In addition, PSAs are 10% less likely to have a very small DR (<.10) than TPSs. Both measures indicate that, when viewed from the level of the state as a whole, Michigan’s charter schools are more racially diverse than traditional public schools.

In order to examine this issue further, more detailed analysis is required. PSAs in Detroit were analyzed separately because Detroit is home to a quarter of Michigan’s charter schools. Further, students in Detroit are predominantly African American, while other Michigan cities are more racially diverse. Patterns of charter school diversity may differ in these urban settings. The remaining PSAs are categorized into three groups according to their Type.

*PSAs located in Detroit or drawing students primarily from Detroit*

In the 2003-2004 school year, Detroit hosted 54 Type I PSAs, drawing students mainly from Detroit. There were two Type III Detroit charter schools, drawing students from multiple districts. Further-

	# PSAs	PSA mean DR (1)	District mean DR (2)	Difference (2)-(1)
Type I Detroit PSAs	54	.13	.12	-.01
Type II suburban PSAs drawing students primarily from Detroit	19	.32	.12	-.20
Type III Detroit PSAs	2	.40	.12	-.29

more, 19 charter schools located outside of Detroit in middle-income suburbs drew a majority of their students from Detroit.

As Table 4 shows, the racial diversity of Type I Detroit charter schools is very low and similar to that of Detroit Public Schools. Interestingly, the 19 PSAs located outside Detroit drawing students primarily from Detroit are significantly more diverse than the TPSs in Detroit, mainly because they draw disproportionately more White students from Detroit. In these PSAs, students enjoy a more diverse environment than TPS students in Detroit. Furthermore, the two Type III PSAs located in Detroit draw a much more diverse student body from multiple surrounding districts, also indicating greater racial integration.

**What about PSAs located in other parts of the state?**

Type I PSAs drawing the majority of students from their host districts

Table 5 compares the diversity of Type I PSAs outside Detroit to that of their host districts.<sup>2</sup> These 79 Type I charter schools are grouped into four quartiles according to the racial diversity of their host districts. The most segregated districts are in the 1<sup>st</sup> quartile, while the most racially diverse districts fall

in the 4<sup>th</sup> quartile. Columns two and three show the mean DRs of charter schools and TPSs and their differences are displayed in column four.

Table 5 shows that charter schools that draw most of their students from the district in which they are located display a range of racial diversity. As one would expect, PSAs located in racially diverse districts are more diverse than PSAs located in racially segregated districts. On the other hand, charter schools are much less racially diverse than TPSs in the most racially diverse school districts. Among all Type I charter schools outside Detroit, the mean DR for these schools is significantly lower – meaning the schools are less diverse – than the mean of their host districts. This difference is primarily caused by schools in the 4<sup>th</sup> quartile, where PSAs are almost 50% less diverse than their host districts, all of which are located in racially diverse central cities, such as Jackson, Grand Rapids and Lansing. In these racially mixed school districts, charter schools appear to constitute a much less racially diverse learning environment.

In the 1<sup>st</sup> and 2<sup>nd</sup> quartile, representing the least racially diverse districts, PSAs are about as segregated as their host districts. Most of these were predominantly White rural and suburban districts, such as Charlevoix and Petoskey in the northern

School District	PSA mean DR (1)	District mean DR (2)	Difference (2)-(1)
1 <sup>st</sup> quartile (most segregated)	.07	.05	-.01
2 <sup>nd</sup> quartile	.30	.29	-.01
3 <sup>rd</sup> quartile	.48	.54	.06
4 <sup>th</sup> quartile (least segregated)	.49	.92	.43**
Total	.33	.47	.14**

Notes: Lower DR value implies more segregation.  
 \*\*: Significant at .01 level  
 Type I includes PSAs that draw more than 50% of their students from the district where the PSA is located

<sup>2</sup> Median DR was tried as well, and was similar to those for mean DR.

Lower Peninsula, and Spring Lake in western Michigan. For the 3<sup>rd</sup> quartile, where the districts are more racially diverse, PSAs are slightly less diverse than TPSs. This difference, however, is not statistically significant. Included in this 3<sup>rd</sup> quartile are racially diverse yet mostly African American districts like Pontiac and diverse yet mostly White districts like Ann Arbor.

The above analysis shows that Type I PSAs overall were significantly more segregated than the districts where they are located, but this is primarily a function of charter schools being much less diverse than TPS in the most diverse public school districts.

Type II PSAs drawing the majority of students from a district other than the host district

Most of the 25 Type II PSAs are located in suburban areas and attract their students from central cities, while a few are in rural areas drawing students from other rural districts.<sup>3</sup>

Table 6 shows that charter schools drawing students mostly from very racially homogeneous outside districts (1<sup>st</sup> quartile) are themselves very racially homogeneous, although slightly less so than the outside districts. PSAs in the 1<sup>st</sup> quartile were mostly located in predominantly White districts in Michigan's northern Lower Peninsula such as Boyne

City, Traverse City and Marquette. PSAs in the 2<sup>nd</sup> quartile were actually more racially diverse than schools in the primary sending district. When charter schools draw their students primarily from the most racially diverse outside districts, they are much less diverse than those districts. PSAs in the 3<sup>rd</sup> and 4<sup>th</sup> quartiles were mostly located in suburban districts and drew students from nearby racially diverse central cities such as Flint and Grand Rapids.

These first two comparisons involve PSAs that draw most of their students from a single district. What about PSAs that draw their students more evenly from multiple districts?

Type III PSAs drawing students from multiple districts

Table 7 shows that more than half of the Type III PSAs are located in middle-income suburbs or central cities, where population density is high enough to attract enough students from multiple districts. Similar to Type II PSAs, Type III PSAs appear to be more diverse than host districts when the districts are relatively segregated, while they appear to be more segregated than the host districts with greatest racial diversity.

**Table 6. Racial Diversity of Type II PSAs and Sending Districts, by DR of Sending Districts**

	PSA mean DR (1)	Sending District Mean DR (2)	Difference (2)-(1)
1 <sup>st</sup> quartile (most segregated)	.08	.06	-.02
2 <sup>nd</sup> quartile	.44	.21	-.22
3 <sup>rd</sup> quartile	.34	.57	.23
4 <sup>th</sup> quartile (least segregated)	.47	.97	.50
Total	.33	.47	.14

Notes: Type II PSAs refer to PSAs drawing students mainly from a district other than the district in which they are located.  
T-tests are not conducted for the quartiles due to small sample sizes.

<sup>3</sup> This does not include 19 Type II PSAs drawing students primarily from Detroit.

**Table 7. DR of Type III PSAs and Host Districts, by DR of Host District**

	PSA mean DR (1)	District mean DR (2)	Difference (2)-(1)
1 <sup>st</sup> quartile (most segregated)	.28	.06	-.22*
2 <sup>nd</sup> quartile	.22	.14	-.08
3 <sup>rd</sup> quartile	.49	.30	-.19
4 <sup>th</sup> quartile (least segregated)	.40	.78	.37**
Total	.36	.31	-.05

Note: Type III PSAs refer to PSAs drawing student from multiple districts, none of which contributed to a significant share of the enrollment of the PSA.  
 \*\*: Significant at .01 level; \*: significant at .05 level  
 DRs of Type III PSAs are compared with those of their host districts.

**Discussion:**

Whether charter schools are more segregated or more racially diverse than traditional public schools in Michigan is worth careful exploration. Several observations emerge from this analysis that should be of interest to policymakers.

First, although PSAs were more racially diverse statewide than TPSs, not all PSAs are more diverse than TPSs in Michigan. In fact, depending where their students come from, PSAs have very different effects on racial segregation. PSAs drawing students mainly from the districts in which they are located tended to be more racially segregated than their host districts. The evidence is even stronger when PSAs are analyzed by the diversity of their host districts: PSAs located in racially segregated districts remained racially segregated, while PSAs in more racially diverse districts were significantly less diverse than their host districts.

Second, charter schools drawing students primarily from a single district other than the host district show some positive evidence toward racial integration. Further analysis of disaggregated data shows that PSAs drawing students from segregated districts are more racially diverse than these districts, while PSAs are less diverse when drawing students from more diverse districts.

Similarly, PSAs that draw students from multiple districts also tend to be more diverse than their

more segregated host districts, but not when drawing from districts that are racially diverse. However, as mentioned earlier, their host districts might not be the best comparison group because the PSAs do not draw a large share of students from their host districts.

In sum, the effects of PSAs on racial segregation vary across districts depending upon their own degree of racial segregation. Generally speaking, PSAs drawing students from segregated districts, such as predominantly White rural or suburban districts or predominantly African American Detroit, reflect that racial segregation, and in some cases show evidence of greater racial integration. However, where charter schools draw their students from racially diverse districts—mostly central cities—they are less diverse than these districts.

**Policy implications:**

If diversity in charter schools is an important goal for policymakers, the state legislature and charter school authorizers could encourage charter schools to adopt racial integration as a major goal of their recruitment process. In racially segregated districts, charter schools could be encouraged to enroll students from multiple districts to increase the diversity of student body. In racially diverse districts, charter school should be encouraged to attract students that reflect that diversity.

The number of charter schools in Michigan is currently limited because of the cap placed upon the number of PSAs authorized by public universities. If the cap were lifted to allow more charter schools to open, diversity would be best served by authorizing PSAs in locations with the prospect of attracting racially diverse students from multiple surrounding districts.

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