

**REACH**National Center for
Research on Education
Access and Choice

The Segregation Paradox in School Choice

Danielle Sanderson Edwards, Old Dominion University

Kaitlin P. Anderson, American Institutes for Research

Policy Brief | April 2025

Summary

Residential segregation accounts for most school segregation. School choice policies have the potential to decrease school segregation by allowing students to attend schools outside their neighborhoods. However, some research indicates that these policies can also contribute to increased segregation, likely due to differences in access to choice and preferences for schools by race and socioeconomic status. This study focuses on Michigan's school choice landscape, analyzing how these policies affect racial and economic segregation. In Michigan, students have several options to attend schools other than their residentially assigned school: a) traditional public schools (TPS) within their own district (*intra-district choice*), b) TPS in other districts (*inter-district choice*) or c) charter schools. Using student-level data from 2009-2019, we analyze the impact of inter-district and charter school choice on segregation patterns within Michigan. We draw the following conclusions:

- Increased charter school enrollment is linked with higher within-district racial and economic segregation.
- Inter-district enrollment increases economic segregation in districts without charter schools but, in regions with charter schools it can help reduce racial segregation across districts.
- Trends in school segregation are partially explained by Black and economically disadvantaged students attending schools with more same race or more historically advantaged students.

Background

School segregation by race and income is a persistent problem across the country. While the court-ordered desegregation plans following the *Brown v. Board of Education* ruling dramatically reduced racial segregation within districts, segregation across districts persists. The movement of white and higher-income families to the suburbs in combination with discriminatory practices such as historical redlining and exclusionary housing laws have left communities of color living in low-income neighborhoods separated from white communities.

School choice policies can help reduce school segregation by letting students attend schools outside their immediate neighborhood. However, school choice may increase school segregation if families choose schools based on school demographics or if there is unequal access to schools by race or income. This



appears to be the case. [Prior research](#) finds that parents take a variety of factors into account when choosing schooling for their families, racial composition is one of them. Students from low-income families also face obstacles to participating in school choice such as limited transportation options and complex enrollment procedures.

School Choice in Michigan

Michigan has allowed inter-district enrollment since 1996 through its Schools of Choice (SoC) program. Under this program, districts can enroll students from within the same intermediate school district (ISD) or neighboring ISD. These ISDs typically oversee 6-7 districts and are similar in size to southern states' countywide districts. Charter schools, also known as Public School Academies (PSAs), have been permitted to operate in Michigan since 1993.

Key Choice-Related Terms and Programs in Michigan

Intermediate School Districts (ISDs)

- Regional government agencies that support local school districts, often serving a county
- Assist districts by providing educational support, curriculum guidance, special education oversight, and career-technical education services often serving individual counties
- Act as a liaison between local schools and the state education department

Schools of Choice (SoC) Program

- A statewide inter-district choice program started in Michigan in 1996 that allows districts to enroll students who live in the same ISD or a contiguous ISD without the permission of the student's district of residence
- Each district decides whether to accept students as well as its participating grades and schools, enrollment caps, and application deadlines
- Districts participating in Schools of Choice are not required to provide transportation but can if they wish
- Districts can also have mutual inter-district enrollment agreements outside of Schools of Choice

Public School Academies (Charter Schools)

- Authorized by public universities, community colleges, ISDs, or school districts
- No statewide caps on number of charter schools
- Cannot practice selective enrollment policies

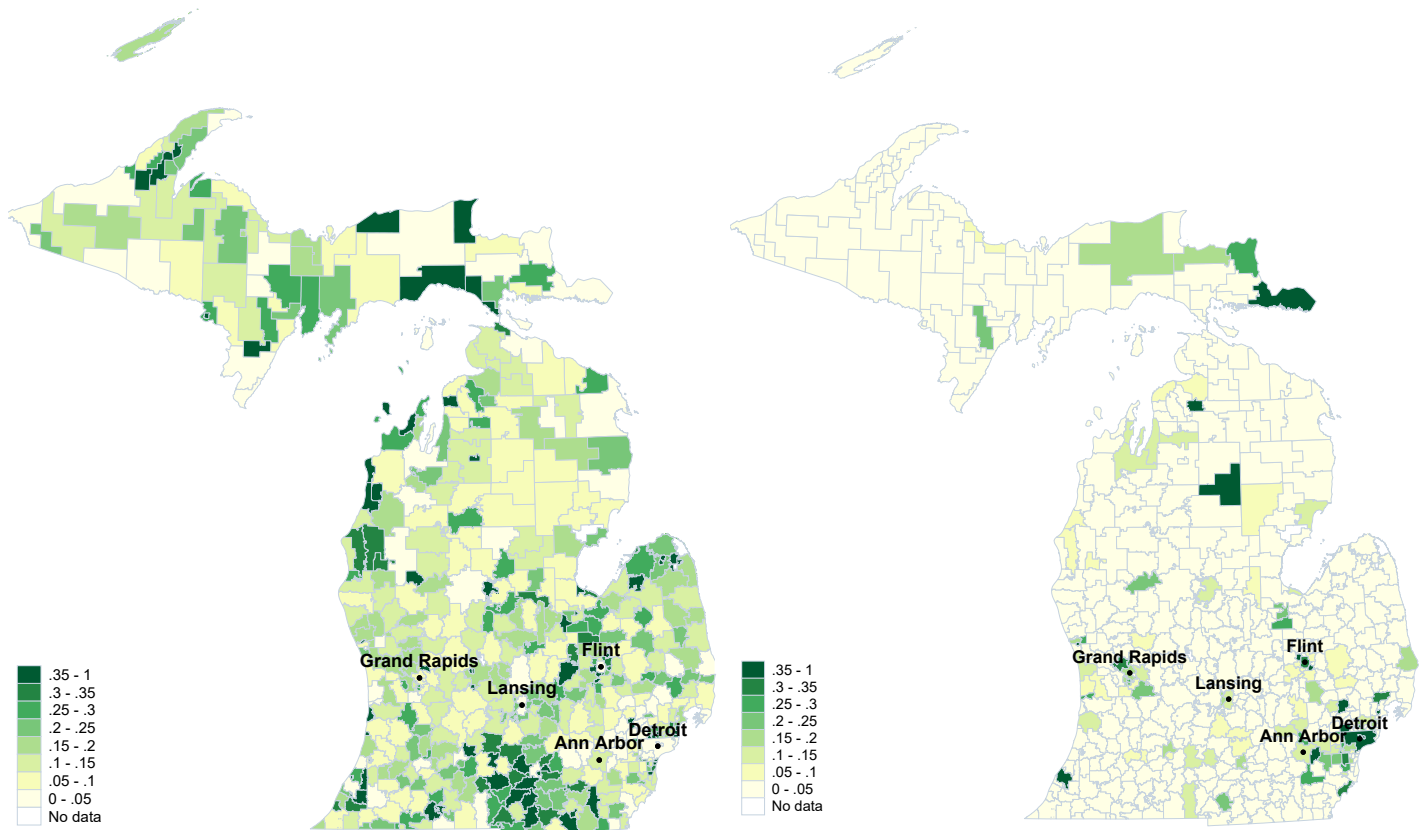
Public school choice has significant participation in Michigan. By 2018-19, 20% of students used public-school choice options, with inter-district choice increasing from 8% to 12% between 2010-11 and 2018-19. Charter school attendance remained stable at 10% over this same time period. Rural students disproportionately use inter-district choice. They represent 17% of Michigan's student population but make up nearly a quarter of inter-district choice users. Charter schools are predominantly used in urban areas. We show inter-district and charter school enrollment in Figure 1.



Figure 1: Percentage of students attending out-of-district schools or charter schools within district boundaries

Panel A - proportion of Non-Resident Enrollment

Panel B - Proportion of Charter Enrollment



Panel A of Figure 1 illustrates the share of students attending a school in that district where they do not reside (i.e., non-resident enrollment). Panel B shows the share of students attending a charter school located within district boundaries. Darker shading in both panels indicates a higher enrollment share.

In this study, we examine how inter-district choice and charter schooling affect racial and economic segregation **between** and **within** school districts in Michigan. Specifically, we examine segregation between schools within the same school districts and between districts within the same ISD. We use changes in inter-district choice and charter school enrollment rates between grades within the same school system (district or ISD) over time to estimate the effects of these forms of school choice on economic and racial segregation. Our approach accounts for other school system, year, and grade specific trends in segregation to isolate the effect of choice enrollment.

Findings

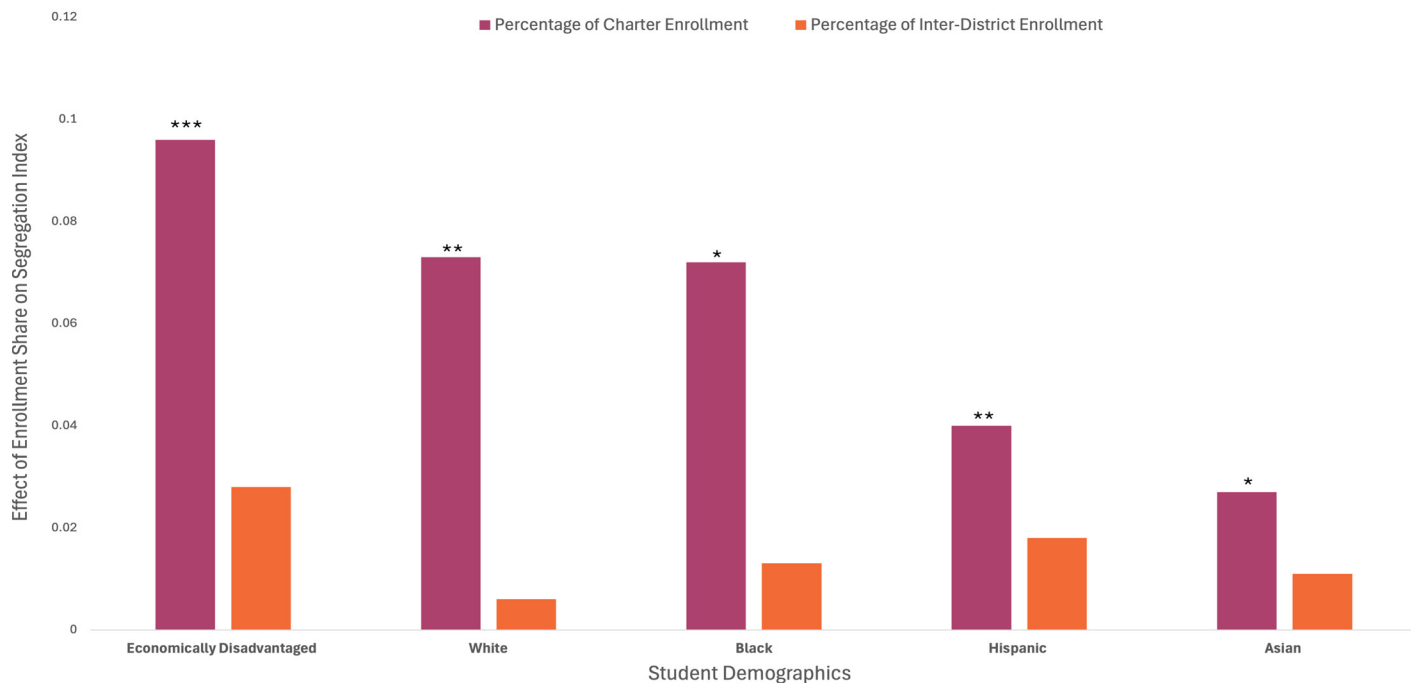
How does charter school choice affect racial and economic school segregation?

Rising enrollment rates in charter schools increase between-school within-district racial and economic segregation in Michigan. As shown in Figure 2, a one percentage point increase in the charter enrollment share within a district increases economic segregation by about .10 percentage points and racial/ethnic



segregation of Black and white students by about .07 percentage points. These sizes of these effects represent about a 2.4 percent increase and are similar to those found in [prior studies](#) of charter school segregation. We do not detect any effects of charter school enrollment on between-district within-ISD racial or economic segregation.

Figure 2 - Comparison of Charter and Inter-District Enrollment Effects on Within District Segregation Across Demographics



Note: Figure 2 presents regression results estimating the effects of charter and inter-district enrollment rates on the segregation index across demographic groups (i.e., segregation of that group from other groups). Specifically, the values graphed represent the average change in segregation for each percentage point change in charter or inter-district enrollment, respectively. Any asterisk indicates there is a statistically significant effect ($p < 0.1$, ** $p < 0.05$, *** $p < 0.01$).*

How does inter - district choice affect racial and economic segregation?

We find no statistically significant effects of inter-district choice enrollment on within-district or between-district segregation, on average. However, we do find effects that depend on charter presence or absence (Figure 2). In districts without charter schools, we find that increases in the percent of students using inter-district choice does increase economic segregation within districts. In ISDs with charter schools, we find increases in inter-district choice enrollment may reduce between district segregation between white and Non-white students. As described in the next section, this difference is likely due to the kinds of students using interdistrict choice and enrolling in charter schools.

Whose choices are driving school segregation?

In Michigan, school segregation resulting from school choice is likely due, at least in part, to the choices of relatively disadvantaged students to attend schools with either more same race or more historically advantaged students. A higher percentage of charter school students and inter-district choice users are Black relative to students who live in and attend school in the same district. Across racial/ethnic groups,



students in charter schools attend schools with more same race students than their district of residence whereas students using inter-district choice use it to attend districts with a higher percentage of white and economically advantaged students than their district of residence.

Table 1 - Average Demographics by District, Grade, and Year for Different Types of Enrollment

	Among Districts with Charter Schools		Among Districts with Inter-District Choice Users	
Student Demographic	% Enrolled in Charter School	% Enrolled in Traditional Public School	% of Non-Residents Enrolled	% of Residents Enrolled
Economically Disadvantaged	62.2%	57.3%	50.2%	49.5%
White	54.0%	62.9%	68.4%	72.1%
Black	29.3%	20.0%	18.1%	13.2%
Asian	3.0%	2.9%	1.8%	3.0%
Hispanic	7.4%	7.9%	6.8%	6.8%

Note: Table 1 presents the average demographics at the district by grade and year level for each type of enrollment (Charter School versus Traditional Public School, Enrolled in Residential TPS, Enrolled in Non-Residential TPS).

Conclusion and Discussion

The implications of these school choice analyses for equitable access to schools is complex. On the one hand, school choice can increase segregation. For example, we find that within district segregation increases when there are more students using school choice to attend charter schools. On the other hand, this segregation is partially explained by historically marginalized groups' use of choice programs. We find that Black and economically disadvantaged students attend charter schools more often than White and economically advantaged students. Research on charter schools nationally has consistently found that students from historically marginalized [benefit the most](#) from attending charter schools.

To reduce segregation, school choice programs need to prioritize the choices of students of color or limit the ability of white families to choose predominantly white schools. Unified enrollment systems and universal transportation can also help make all schools more accessible to historically disadvantaged families. More research is needed to understand how the design of school choice policies can alleviate or worsen segregation, especially between districts.



How Did We Carry Out the Analysis?

Our study uses student-level enrollment records for all Michigan public school students from 2009 to 2019 obtained through the Michigan Education Data Center (MEDC). These data include school enrollment,

the traditional public school (TPS) district where the student lives, their grade, gender, race/ethnicity, and whether they are economically disadvantaged, English Learners, or received special education services. We use these data to create our district-by-grade-by-year and ISD-by-grade-by-year analytic samples.

We measure segregation using a variance ratio, a measure of relative segregation that accounts for the underlying demographics of the school system.

We use a fixed-effects approach to estimate the effects of inter-district choice and charter school choice enrollment share on our measures of segregation. In other words, we use differential changes in inter-district choice and charter school enrollment rates between grades within the same school system (district or ISD) over time to estimate the effects of these forms of school choice on economic and racial segregation. Our approach accounts for school system, year, and grade specific trends in segregation that may be related to choice enrollment.

How is this Research Related to Other REACH Research?

Related research comes from both REACH and our partners at the Education Research Alliance for New Orleans (ERA) exploring the effects of public education on segregation patterns in different cities.

- In a 2017 study, [*Did the New Orleans School Reforms Increase Segregation?*](#), ERA researchers investigated how post-Katrina education reforms influenced socioeconomic segregation among students in New Orleans.
- Another study conducted in 2016 by ERA researchers titled, [*The Impact of the Louisiana Scholarship Program on Racial Segregation in Louisiana Schools*](#) looks at how the Louisiana Scholarship Program (LSP) influences racial segregation patterns in public and private schools in Louisiana.

While this is the first REACH study that directly focuses on how school choice policies influence segregation, past studies from REACH have discussed related factors such as mobility and participation in public school.

- In [*The Roles of Residential Mobility and Distance in Participation in Public School Choice*](#) researchers explore the relationship between residential decisions, commute time to school, and exit from inter-district and charter school choice in Michigan. The findings discuss how residential mobility and transportation impact participation in school choice, factors that are closely linked to segregation trends.



About

[REACH](#) is the National Center for Research on Education Access and Choice. Our goal is to provide objective, rigorous, and applicable research that informs and improves school choice policy design and implementation to increase opportunities and outcomes for disadvantaged students. The research reported here was exclusively funded by the Institute of Education Sciences, U.S. Department of education, through Grant R305C180025 to The Administrators of the Tulane Educational Fund. The opinions expressed are those of the authors and do not represent views of the Institute or the U.S. Department of Education.

About the Authors

Danielle Sanderson Edwards is an Assistant Professor of Educational Leadership at Old Dominion University.

Kaitlin P. Anderson is a Researcher at American Institutes for Research (AIR).