HOMEBUYERS ARE LEAVING VALUE-ADDED OUT OF THE EQUATION

Many homebuyers use information about school quality to make decisions about where to live. In the past, school test score data has been shown to influence consumers to purchase homes in high-achieving school districts, thus driving up housing values. However, new measures of school and teacher quality such as value-added are also publicly available in some regions for homebuyers to use in making their purchasing decisions. Michigan State University Associate Professor Scott A. Imberman and Associate Professor Michael F. Lovenheim of Cornell explore whether publicly available value-added information has influenced housing prices in ways similar to test score data. This large-scale quantitative study uses data from the Los Angeles Unified School District, the second-largest school district in the United States.

SCHOOL AND TEACHER VALUE-ADDED INFORMATION YIELDS LITTLE CHANGE IN HOUSING PRICES

It should be noted that the researchers chose to examine value-added because they feel that it is a more accurate indicator of school and teacher quality than student test scores. Through a variety of combined factors such as test scores, student characteristics, and the performance of teachers working with similar types of students, value-added estimates can give a more complete picture of how teachers contribute to student learning than test scores alone. However, little research exists on how parents take value-added into account when making decisions about their children’s education.

In order to gauge how the public availability of this new school quality data has influenced housing markets, the authors examined value-added for 470 elementary schools and 6,000 third through fifth grade teachers in the Los Angeles Unified School District, along with home purchasing data from the Los Angeles County Assessor’s Office (LACAO). The value-added information was publicly released by the Los Angeles Times in August 2010, so the data was widely available and highly publicized to residents of that area. Significantly, this study is the first to examine the effect of teacher value-added on housing prices in addition to that of schools. The researchers also compared school test score data to the same LACAO housing price information.

Imberman and Lovenheim’s found no increase in home prices in areas with high value-added schools or teachers, even though their data indicate that publicly available test score information does increase home values in Los Angeles at a rate consistent with previous research. This was also true of a second information release that occurred in 2011. The authors state, “Overall, our results indicate that releasing straightforward value-added rankings to the public does not affect property values, which suggests that homeowners do not value the information as currently constructed.” They also suggest that this measure of quality may be too complex for non-educators to fully grasp and appreciate yet.
WHAT IT MEANS TO YOU

This study speaks to state policy makers who hope that value-added information will help citizens make decisions about what schools and school districts are the right fit for their families. Although school quality information can be an important asset for parents and educational leaders alike, the policies around the public release of value-added data may continue to have little impact unless state educational leaders also put measures into place to educate and prepare all of the stakeholders involved. Without providing the proper strategies and resources to support and monitor meaningful use of school quality data, policies risk adding to education problems rather than solving them.

Local educational leaders like principals and school board officials should also work to better inform colleagues and parents about what value-added does—and does not—signify. Research has already demonstrated that parents value school quality information such as test scores, so the groundwork exists to help parents value new quality measures. However, local education leaders hoping to make the most of value-added information must explain to parents the meanings and merits of value-added data in a way that non-educators can understand and appreciate.

READ THE ARTICLE


Summary by Christine Thelan, doctoral student in educational policy

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