Another Way to Create Options

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There's a wide variety of ways to offer school choice to students. Unfortunately, Missouri only permits a narrow and limited range of options, and for only some students. One way to expand choice is via a tax-credit scholarship program, as outlined in Senate Bill (SB) 581.

The program is called the Show Me a Brighter Future Scholarship Fund. The legislation would create a dollar-for-dollar tax credit for individuals and corporations that donate to a scholarship-granting organization. Qualifying students could then apply for the scholarships and use them toward private school tuition. SB 581 would allow for $25 million in tax credits. If the scholarship were fully funded at $25 million, that could mean roughly 7,100 students could receive $3,500 scholarships.

Missouri would benefit from a tax-credit scholarship program. Previous research from Show-Me Institute authors has found that a tax-credit scholarship program in Missouri would save money for the state. Furthermore, there are seats open for over 28,000 students in Missouri private schools.

Eighteen other states currently have tax-credit scholarship programs, with almost 300,000 participating students as of August 2019. And even more are eager to participate. Over 8,000
students in Pennsylvania were turned away from one of the scholarship organizations because there were not enough scholarships available in 2017. When Illinois recently opened up applications for the 2020–21 school year for its scholarship program, nearly 25,000 students applied, which is more than four times as many students who are eligible to receive a scholarship.

Florida’s program has shown signs of success. A 2019 study of the program found that low-income students participating in the tax-credit scholarship program are more likely to enroll and graduate from college than those who didn’t participate in the program.

The Show Me a Brighter Future Scholarship Fund could help thousands of Missouri students access a quality private school. Private schools are a great option for many Missouri students, and a tax-credit scholarship program could help ensure that more families have that option.

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