

Technical Report

HOW DO SCHOOL LEADERS RESPOND TO COMPETITION?

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How Do School Leaders Respond to Competition? Market-Based Competition and School Leader Strategies

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Abstract

One of the primary aims of choice policies is to introduce competition between schools. When parents can choose where to send their children, there is pressure on schools to improve in order to attract and retain students. But do school leaders recognize market pressures? What strategies do they employ in response? This study examines how choice creates school-level actions using qualitative data from 30 schools in New Orleans. Findings suggest that school leaders did experience market pressures, yet their responses to such pressures varied, depending in part on their status in the market hierarchy. Some took steps toward school improvement, by making academic and operational changes, while others engaged in marketing or cream skimming.

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Introduction

Charter-school policies have been enacted for many different reasons. But in policy debates, proponents and opponents of charter schools alike have framed them as vehicles for introducing market mechanisms into districts (Henig, 2008). Scholars such as Chubb and Moe (1990) drew on the decades-old ideas of Friedman (1962) and others to argue that markets were more efficient and more responsive to parents than democratic control, and market tenets have since helped to shape education policy. A basic assumption underlying these policies is that more choice and competition will break up state monopolies to improve the quality and lower the costs of essential government services (Sclar, 2001). Though some advocates argue that choice is itself the point of such policies, a more compelling and widespread aim is to improve all schools through competition (Wohlstetter, Smith, & Farrell, 2013). School choice is thus intended not only to serve families who actively choose; it also introduces market pressures into unresponsive districts and thereby improves education for all students, a “tide that lifts all boats” (Hoxby, 2002). If schools do not respond to competitive pressure by, for example, improving their academic services and innovating (Adnett & Davies, 1999), they risk losing students and the funding that accompanies them. This could then lead to school closure.ⁱ

While existing research has examined *whether* competition improves student achievement, it is also important to examine *how* that might occur and what the consequences of such policies are. Prior work that examines the effects of competition, measured through proxies such as geographic density or loss of market share, has primarily used quantitative methods (e.g., Bettinger, 2005; Hoxby, 2002; Ni, 2009; Zimmer & Buddin, 2005). This approach to studying competition has yielded small effects and mixed results, and because of the focus on student outcomes it has rarely examined other possible outcomes of competition that are important to

capture, such as changes to budgetary allocations (Arsen & Ni, 2012) or increased stratification of students (Frankenberg, Seigel-Hawley, & Wang, 2010; Hsieh & Urquiola, 2003), let alone the mechanisms by which such outcomes occur.

Few studies examine the strategic actions of school leaders who work in a competitive environment (for exceptions, see Jennings, 2010; Holme, Carkhum, & Rangel, 2012). School leaders may choose from a large typology of responses to competitive pressure, ranging from academic and curricular changes to promotional or marketing activities (Woods, Bagley, & Glatter, 1998). Schools' positions in the marketplace, based on enrollment, funding, and performance, as well as their perceptions of competition affect the ways in which school leaders respond (e.g., Jennings, 2010; Ladd & Fiske, 2003).

In this study, I investigate the competitive strategies that are employed by 30 school leaders in the market-oriented environment of New Orleans, the circumstances under which school leaders employ these strategies, and their implications for students and communities. In the year of this study, over 84% of students in New Orleans attended charter schools, making it an ideal site to explore market competition. Existing empirical work has been constrained by the relatively low charter-school density in most districts. Therefore, this study examines how theoretical expectations of market behaviors play out in a district where market forces are likely stronger. Building on existing qualitative studies, I document a broader range of school leaders' strategies and examine the conditions that mediate them.

My results indicate that school leaders used a variety of strategies in response to competition. While some school leaders reported using academic and operational strategies, some responded by, for example, finding a niche in the market, expanding extracurricular programs, marketing, and screening out students. Most importantly, only one-third of school

leaders reported adopting substantive changes, such as academic and operational improvement, and many more focused on marketing or promotional activities. In some cases, school leaders screened or selected students, practices that have important implications for equity.

These patterns represent the range of strategies school leaders adopted in response to the immense competitive pressure in New Orleans. Because of the scale of its reforms, New Orleans is unique, but its reforms are not. They are, in fact, being implemented to some degree in most urban districts across the U.S. The case of New Orleans thus illustrates what happens when these reforms go “to scale.” Indeed, in cities such as Detroit and Washington, D.C., charter-school market share is catching up to New Orleans. It is thus important to inform these policy discussions with empirical evidence from policy-relevant sites such as New Orleans.

New Orleans is a “critical” case (Patton, 1990) for studying school leaders’ strategies under market pressure because of its high charter-school market share. It should yield the most information and contribute most to the development of theory (Patton, 1990) about competitive behaviors and market pressures in schools because of its scale. If competition is indeed occurring as a result of expanded choice, we are most likely to observe it in New Orleans. The case thus elaborates and extends theory about how markets, well theorized and tested in the private sector, actually operate in public-sector institutions such as schools.

Conceptual Framework

The theory of competition, even as it applies to the private sector, has traditionally had a vague conception of competitive *processes*, and the theory becomes even more speculative when applied to the public sector. Much of the research on competition analyzes the structure of an industry and how competitive it is; in other words, competition is understood as a state rather than a process (Barney, 1986). For example, competitiveness is measured by an industry’s

barriers to entry, the number and relative size of firms, and the degree of product differentiation, as well as consumers' overall sensitivity to price changes (Barney, 1986). In education, researchers have also measured competition primarily by its structure: the number of surrounding schools in a fixed geographic area or the number of students moving between schools. The focus on structure provides little understanding of firm strategy (Porter, 1980), except to suggest that firms may increase barriers to entry or differentiate their product to have a competitive edge. Scholars have thus called for an examination of *competition as a process* (Burt, 1992; Ferlie, 1992; McNulty, 1968), whereby actors in firms develop strategies, take action, and *compete* with one another.

To compete, a school leader must recognize market pressures and respond accordingly (Ni & Arsen, 2010). For example, if a school loses students, the leader might first identify the cause of declining enrollment (e.g., parent dissatisfaction) and then select an appropriate response. School leaders' perceptions of competition may matter as much or more than the typical proxies for competition (e.g., geographic density) for predicting schools' strategic responses (Levacic, 2004). School leaders might feel more or less competition depending on a variety of factors, including knowledge of competitors (Holme et al., 2013), geographic density or loss of market share (e.g., Hoxby, 2002; Ni, 2009), or school and principal characteristics. School leaders might develop their own responses to competition after they scan the market for the strategic actions of other schools (Woods et al., 1998). It is thus as important to examine how schools interact with one another as understanding how they react to parents' demands or preferences. To understand how competition might lead to school improvement, it is thus important to examine how school leaders actually perceive and respond to market pressures and how schools' contexts influence their strategies.

Schools may experience competition differently because of their “status” or position in the market hierarchy. One definition of status is the extent to which a school is viewed as a competitor by other schools in the local education marketplace (Wasserman & Faust, 1994). High-status schools are ones that many other schools view as competitors. Status can also arise from being part of a prominent charter network or having high achievement. A school’s awareness of its status in the market hierarchy might inform its strategic actions in response to competition; schools at the bottom may feel they are unable to compete, while schools at the top might feel they are ‘above the fray’ (Ladd & Fiske, 2003). A school leader’s capacity and knowledge of other actors may also moderate competitive effects in school districts; even when principals are aware that they are losing students to other schools, they may not be able to identify those schools or respond in productive ways (Holme et al., 2013) because of a lack of resources or their status in the marketplace. Figure 1 depicts the competitive process as conceptualized in this study. Schools experience competitive pressures, and then adopt various strategies as a result, mediated by school conditions.

[Insert Figure 1 about here]

School leaders might respond to competition in a variety of ways (for a typology, see Bagley, 2006). They might adopt academic or curricular strategies (Goldhaber & Eide, 2003), though there is little evidence to date that competition actually elicits this type of response (Davis, 2013; Kasman & Loeb, 2013). School leaders might change the existing allocation of resources (Arsen & Ni, 2012; Ghosh, 2011) to improve operational efficiency, or they might differentiate their products, engaging in monopolistic competition (Chamberlin, 1933; Robinson, 1933) by developing strategies to exploit their uniqueness, protect their market share, and buffer themselves from competition. School leaders, for example, might develop specialized programs

within their schools or position their entire schools to fill a niche (Woods et al., 1998). When school leaders form niches, they are not necessarily improving their existing programs and offerings, but developing new ones. Such programs might generate allocative efficiency (Glomm, Harris, & Lo, 2005), when schools and students become better matched. Schools may also respond to competition by engaging in promotional activities, such as marketing (Lubienski, 2007; Gewirtz, Ball, & Bowe, 1995), or they might select, recruit, and discipline students to shape their student bodies, what Jennings (2010) calls “schools’ choice.” Selection of students can occur via locational decisions (Lubienski, Gulosino, & Weitzel, 2009), marketing activities, or outright cream skimming and cropping (Welner, 2013).

A small number of qualitative studies has examined schools’ competitive strategies in other contexts (Gewirtz et al., 1995; Holme et al., 2013; Jennings, 2010; Woods et al., 1998). This study significantly extends such prior work by, first, examining a large representative sample of 30 schools in a district and, second, examining the conditions under which schools pursue particular strategies. Beginning with the process of competition and then working towards its results may be a “less elegant route for theory,” but it is arguably “one that veers closer to the reality of competition as we experience it” (Burt, 1992).

Study Design

This study uses case-study methods to explore the range of actions reported by school leaders in response to competition and how context influences their reported behaviors. Case studies allow researchers to explore complex phenomena that have been incompletely conceptualized (Creswell, 2003), as with market behavior in schools.

Site Selection: New Orleans as a “Critical” Case

Reformers, advocates, and policymakers have called New Orleans a model for school

reform (Harris, 2013). In 2005, Hurricane Katrina and the resulting flood damaged much of the city and many of its schools. The state-run Recovery School District (RSD) had been established in 2003 to take over failing schools, improve them, and return them to the traditional school board. In the post-storm chaos, legislation was passed to give the RSD a majority of the city's schools. The traditional Orleans Parish School Board (OPSB) retained only nonfailing schools. Although in previous years, parents had to apply to charter schools individually, in 2012 the RSD instituted a common application system, the OneApp, for its schools. By the end of the year, direct-run schools in the OPSB would also join the OneApp so that parents could rate them alongside RSD schools. OPSB's high-performing charter schools, however, were not required to join until charter renewal.

Studies of competition in other sites have been limited by charter-school enrollment that is too low to create sufficient market pressure. This is not the case in New Orleans, where 84% of students attended charter schools in 2012–2013. “New Orleans offers a unique case, perhaps best epitomizing competitive models for education” (Lubienski et al., 2009, p. 615). Although New Orleans offers a unique site to explore market dynamics, its model is migrating to many other cities in the U.S. (Lake & Hill, 2009).

Sampling Schools Within New Orleans

Geographic density was a key variable in previous studies of competition, which predicted that a school would feel greater competition when surrounded by more schools, so I used a geospatial sampling strategy. I mapped all schools in New Orleans and then counted, for each school, the number of other schools with overlapping grade levels within a two-mile radius. I sorted schools by this number and created three equal strata, representing schools in low, medium, and high-density areas. I randomly selected 10 schools from each stratum, resulting in a

set of 30 schools that had representative percentages of schools from both the RSD and OPSB, including charter and direct-run schools, and reflected the distribution of grade levels (e.g., elementary, middle, high) in New Orleans. (See Table 1.)

[Insert Table 1 about here]

Data Collection

I contacted these schools and asked them to participate in the study. My methods included semi-structured interviews using a protocol (Patton, 1990), surveys, and document analysis. Principals were interviewed once in the fall (n=30, ranging from 30–90 minutes), and almost all were available for follow-up interviews in the spring (n=25). Interviews were recorded and transcribed. Participants were asked about school enrollment, the schools they viewed as competitors, and their own competitive behaviors, with probes for particular strategies (e.g., academic, operational). Board members and charter-network leaders were also interviewed to triangulate school leaders' responses (n=17).

To capture school leaders' *perceptions* of competition, respondents were asked to complete a survey in which they rated the extent to which they competed with each other school in New Orleans. These data were also used to determine one dimension of "status," by counting how many *other* schools reported the school as a competitor. I collected documents, including all charter board-meeting minutesⁱⁱ from June 2012 to July 2013 and marketing materials, during my visits and from online sources to triangulate principals' responses with school-wide decisions.

Data Analysis

Using a hybrid coding method (Miles & Huberman, 1994), I developed deductive codes from relevant literature. Then, while coding, I defined boundaries between subcategories through a constant-comparative method (Glaser & Strauss, 1967), modifying and omitting deductive

codes as necessary, and replacing or expanding upon them. For example, interviews, documents, and field notes were initially coded for broad categories, such as “perceptions of competition” or “competitive strategies.” Then I created subcodes, drawing from the literature and from the data, focusing on specific strategies (e.g., “marketing” or “operations”). Schools engaged in a number of strategies, but the only ones coded were those where (a) the school representative described engaging in an activity in order to *attract or retain students*; or (b) the respondent answered an interview question specifically about what they did to compete with other schools. Only instances in which the respondent made a direct link between the strategies employed and parent demand, student enrollment, or competition were included.ⁱⁱⁱ I created matrices to examine cases by school status and perceptions, and by responses (e.g., academics, marketing, etc.), generating a “meta-matrix” (Miles & Huberman, 1994).

Limitations

Case studies illuminate and contextualize market processes, such as competition. But such studies are not generalizable and are usually unable to support causal claims. This study does not estimate a counterfactual. Instead, I rely on school leaders’ perceptions of their own behaviors to determine whether they are enacting changes as a result of competitive pressures. In other words, this study examines how school leaders believe they are responding to competitive pressures when they are aware of it. The conceptualization of competition has been limited to-date and may miss key conditions mediating school leaders’ strategic responses to competition. This study also illustrates the *range* and *types* of strategies principals report adopting when faced with competitive pressures. Although comparing this range and frequency with other sites is important for future research, an important first step is an exploratory study to understand what actions occur. We can then build theory that could be tested in other sites and with larger

samples for generalizability and causality, using quasi-experimental methods, longitudinal data, large-scale surveys, and cross-case studies.

School Leaders' Responses to Competitive Pressure

Most school leaders studied in New Orleans felt competitive pressure and reported competing with other schools. Of the 30 schools in this study, 29 reported at least one competitor. Most of them also defined competition in terms of enrollment and observed that school-choice policies generated competition for students and their associated dollars. For example, when asked if their school competed with other schools for students, responses included emphatic affirmatives (“Yes, Lord!” and “Absolutely!”), as well as comments such as: “Every kid is money,” “Enrollment runs the budget; the budget runs the enrollment,” and “We all want our [student] numbers up so we can get more money, more funding.” Other principals explained this relationship in greater detail:

Choice is a competition, by the way, for students. It's the whole idea. Parents get to choose a school that they feel has the best fit for their family, that they feel is going to do a good job of teaching their child.... there is a competition built in with a choice system. (Principal, Hicks Elementary)

We've constantly been very over our budgeted number, which is a lot more comfortable than being scraping by, which we were last year, like one or two [students] above. Which is sad to say that they're numbers but...otherwise you're shut down. (Operations Manager, Meade Elementary)

At Robinson School's board meeting, a PowerPoint slide read: “Sustainability=Student Enrollment=Minimum Foundation Program,” referring to the state's per-pupil financing scheme. In response to competitive pressures, school leaders were compelled to attract and retain students at their school. School leaders were thus aware of the link between their enrollment numbers and the funding they received.^{iv}

School leaders used a number of strategies in response to competition. Table 2 describes

the four main categories of responses to competition, which include: (a) improving school quality and functioning; (b) differentiating the school from others; (c) “glossification,” or marketing existing school offerings; and (d) “creaming” and “cropping,” actively selecting or excluding particular types of students. These strategies were not always mutually exclusive (Woods et al., 1998), and some were double-counted. For example, some academic niche programs (e.g., arts integration) were classified as both academic changes and differentiation strategies.

[Insert Table 2 about here]

Table 3 shows the strategies employed at each school site in the study, illustrating the range of strategies used, as well as their relative frequency.

[Insert Table 3 about here]

Improving School Quality and Functioning

Academic and curricular strategies. Overall, 10 schools out of 30 reported using academic programs to make their schools more competitive. School leaders described boosting test scores or adding specialized academic programs as an explicit strategy to recruit or retain students. I adapted Woods et al.’s (1998) definition of academic-oriented strategies, which include substantive changes to existing programs in schools, including improving student achievement on tests (n=4), and academic differentiation and choice within an institution to meet variations in needs and preferences (e.g., arts integration, language immersion options, etc.) (n=2). In addition, I count schools that offer whole-school specialization that is academic or curricular in nature (e.g., related to specialized curriculum in the arts or language programs) as engaging in an “academic strategy” (n=6.)^v (These whole-school efforts were also counted as differentiation strategies, and are discussed in more detail below.)

Several schools made substantive changes to attract and retain students. For example, at the board meeting of a school with low academic performance, board members discussed under-enrollment and strategized about how to increase the number of students to sustain the school, citing test score gains as key:

Board CEO [name redacted] said improving test scores are the key to boosting enrollment. “We need to continue to provide a quality education to our students,” [he] said. “That quality will be reflected in increased school performance scores. With a quality product, we are guaranteed more students.” (Board Minutes, Simon School)

Another school similarly sought to improve academic achievement, but in this case, the principal said his primary competitive strategy was to hire high-quality teachers by trying “to get the highest quality teachers you can in the classroom,” particularly in math. Another school leader identified her open-enrollment Advanced Placement (AP) program as “a big draw,” as well as the school’s mandatory transition camp, an intensive summer program for incoming freshmen. Another principal was in the process of expanding the school’s gifted and talented programs to attract more students:

I have increased enrollment in special ed on the gifted end. I have brought in gifted in vocal music. We’re working on gifted in instrumental. They’ll be screened. I have a new Gifted and Talented Division... I have increased the gifted population by almost 300%... I was able to say at our expos ...that we have a gifted population from the spectrum of academics, instrumental, art, vocal, and stuff like that.

In these cases, principals associated raising test scores or adding new academic programs with their efforts to increase student enrollment. The six schools that reported adopting academic niches in response to competitive pressures are discussed below, under differentiation strategies.

Operational strategies. Other common strategies were operational, and these typically fell into three categories: fundraising, developing partnerships, and expansion. The literature predicts that, in response to competition, in addition to improving their “product,” their academic programs, schools will also work to improve their operations (Arsen & Ni, 2012). While it was

not possible to identify “efficient” practices in this study, school leaders described the strategies they believed would improve school operations. Strategies were considered “operational” when they involved the functioning of the school, but not its academics or promotional activities.

Ten schools described engaging in some form of operational strategy to become more competitive. Fundraising was the most common and was described by school leaders as a way to buffer against the uncertainties of the market and the effects of competition (n=9). Miller’s large charter-management organization (CMO) raised a large amount of external funds, which were spread across schools to “build a surplus to protect the school from unexpected issues or future mid-year enrollment drops,” according to a board member. Another school described the need to raise additional funds to compete with other CMOs: “We don’t have tons of foundations supporting us, and if you look at a lot of us successful or growing CMOs across the city, they have huge dollars behind them” (Board member, Robinson). Three schools had in-house grant writers or their own foundation to assist with fundraising. These findings related to private fundraising are aligned with studies that show the important role of philanthropy in charter markets (Scott, 2009).

For some schools, fundraising was part of an effort to expand market share. Schools expanded enrollment by adding grade levels or taking over other schools (n=3). One school took on additional grades sooner than it was slated to, and the staff at another school discussed expanding into pre-K to compete. Two schools were taking over other schools, increasing their market share by adopting a strategy that can be viewed as buying out competitors or as an effort to achieve economies of scale. One school, for example, was absorbing the only other school in the area with the same grade level, while the other school’s strategy was to expand into other areas of the city.

Finally, schools developed strategic partnerships, either to generate economies of scale or provide additional opportunities to students (n=5). One school partnered with a major national nonprofit organization, which, the principal argued, allowed her to offer more activities for students, including free programs, field trips, and other opportunities with lower financial strain on parents. One school developed dual-enrollment programs with local universities and community colleges, and another school partnered with local celebrities and organizations to obtain necessary resources. Two charter schools were collaborating to obtain better rates from a food provider. Schools also collaborated to allocate students within and across charter networks. Two schools described partnering to allocate students rather than go through the centralized system. According to the principal of Meade:

What happens is if I'm full, and I get a parent that comes and says, "Miss, I'm looking for a second grade spot, do you have any?" and I don't, I immediately call another colleague and say, "Do you have an open enrollment in second?"... We just really work together and ensure that enrollment is successful at every site.

Similarly, Miller School and its CMO collaborated to allocate students across the organization's different schools. While parents specified a particular school in the OneApp, the school leader described how the CMO re-allocated or centralized the process of filling seats: "We're pooling all these applicants and they're saying, 'Okay we have spots in second grade open at Miller' and then we're able to just pull them in" (Principal). The principal at Marshall High described partnering with other charter schools to recruit students: "I've also tried to start a relationship with some of the selective-enrollment schools, who often, they'll find a student and say, like this isn't the right fit." Most operational strategies were connected to other competitive strategies, reinforcing the idea that they are not mutually exclusive (Woods et al., 1998).

Buffering Competition Through School Differentiation: Developing a Niche or Focus

Schools specialized to meet perceived needs or preferences, whether academic or non-

academic, often creating new institutions or new programs within the school. Schools developed product-based (Betts & Loveless, 2005) or geographical (Lubienski et al., 2009) niches, focusing on a particular neighborhood or area, despite a simultaneous pressure to mimic successful organizations (Lubienski, 2003). Such strategies could buffer schools against competition. Few schools that had niche programs experienced high competition and several were in the process of developing niches as a response to competition or perhaps as a way of avoiding it. Niche programs may provide parents with more choices and may result in better matches between students and schools, but niche programs do not necessarily aim to improve educational quality.

Academic niches. Six schools developed, or were in the process of developing, niche academic programs to attract students. In some cases, these included high-caliber students who would be screened prior to admission. Schools that added niche academic programs to their existing offerings were described earlier; here, I focus on those that differentiated their entire school. One school leader, when asked how she competed for students, pointed to her application to become an International Baccalaureate (IB) school: “I really think this whole notion of IB is big, and that’s probably the key.” A press release on its website reported that it was the first IB school in the city, and the principal said: “Presently there are seven high schools and middle schools offering IB programmes in Louisiana, but no other elementary schools.” This was also an academic strategy, but played a crucial role in differentiating the school from others.

Schools also adopted, or were in the process of adopting, specialized language or arts programs. One of the schools had a language-immersion program, and a school leader described the relatively low competition her school experienced because of the specialized program: “I have a French immersion program, so there’s a little slice of the pie out there for French.” Even among the French-language schools, there was some differentiation. According to the principal,

as she referred to the one of the other schools: “Their French program, for example, is the European curriculum. Ours is Louisiana curriculum.” A second school in the sample also had an immersion program, and referred to itself as the “only multilingual, full language immersion school in the state of Louisiana.” When asked what strategies she used to make her school more competitive, one principal reported pursuing a state-level arts program certification to integrate arts into the curriculum, which would make it the “first school in the New Orleans area” to receive this certification.

To attract students, some schools were developing specialized programs and even becoming certified in them. While some of these drew “gifted” or otherwise already high-performing students, other programs reflected different philosophies of academic excellence, such as the arts-integration and the language-immersion programs.

Other niches. In addition to academic niches, schools also differentiated themselves by the neighborhoods or populations they served. One standalone school, which was in the process of growing into a CMO, took over another school in an area where there was a low concentration of schools. In that way, it sought a geographical niche:

There has historically been a dearth of great schools in the city but most specifically and additionally in the [neighborhood name] community.... The [neighborhood] is, in my mind, is just often forgotten. So, as a board, we really think our success as a school, we can just lend some help to building more great schools in the [area].

One school identified a gender niche, offering same-sex education, as a selling point for parents.

The principal described this niche program:

I can't say I know of any urban male public schools in the state—we're one of a few if not the only school like that in the state. There's definitely a niche for it, obviously. You get the kids typically that are behavior problems from other schools...We've been fortunate in that because there is such a need for this school that through the years our numbers have drastically increased.

Another school leader received assigned students who had been expelled from other schools due

to behavioral issues, and while she still recruited “choice” students, she also ensured a certain level of enrollment from the authorizer because of her school’s niche.

One school leader developed the niche for her school based on data she had access to while working for the RSD, which showed that there was a specific over-age population in the city that did not receive adequate educational services: “When I wrote the charter, I was working for RSD...and I was able to access the database...There were 1,728 students that qualified for the school. So, yeah, definitely the need was there.” As she said about her competitors:

There’s only one other choice because my population is a specific population. They are ... at least two years behind in grade level. So a lot of my students, other people won’t take, because they’re 19, 20, 21 [years old], they’ve been incarcerated, they’ve had babies, they have all these issues, and we try to work with them.

The niche her school occupied seemed to buffer her from competition. Because of the specific population she served, she only had one competitor.

Extracurricular activities and student services. Eleven out of the thirty schools mentioned extracurricular activities to recruit or retain students, usually as a way of differentiating their school from others. One school, for example, viewed other schools that offered athletics programs as competitors, and when the school had to make severe cuts because of a budget shortfall caused by low enrollment, athletics were spared because they were believed to be key to attracting and retaining students the school. The principal said of the board: “They know that in order for us to keep these kids we really have to have a strong athletic presence.” These extracurricular offerings were essential to the school’s competitiveness and meant allocating funds to nonacademic programs that were deemed successful for recruiting students. Similarly alternative schools were especially concerned that their exclusive focus on academics was deterring students. One alternative school brought in career and technical education programs and culinary arts to attract more families. Two other schools believed that their lack of

certain extracurricular activities, such as a marching band, limited their ability to compete.

Overall, 17 out of 30 schools offered some kind of niche program or extracurricular activity that they believed helped to attract parents or limit competition. This finding complements research on parents' preferences for extracurricular programs when selecting schools in New Orleans (Harris, Larsen, & Zimmerman, forthcoming). The motivation for adopting these niche programs might go beyond competing with other schools or serving a specialized population; they might derive from a belief that these programs were better for teaching and learning, and would ultimately improve academics. Indeed, as stated earlier, these strategies are not meant to be mutually exclusive and seeking a niche should not be viewed as an entirely non-academic strategy. However, when leaders discussed their schools' focuses or themes, they described them primarily as a pre-emptive response to competition, focusing on the novelty and the uniqueness of the program to attract a certain population to their schools. Since the principals understood them as differentiation strategies, they have been classified as such, though many of the programs likely had academic merit as well.

“Glossification” and Marketing

Marketing strategies were by far the most common response to competition. Twenty-five out of thirty schools used some kind of marketing strategy. Schools most often responded to the pressure to attract and retain students by marketing programs and services that the school already offered. School leaders articulated programs and strategies they were using to improve the school, perhaps resulting in better communication with parents even when no change or improvement in the school had been made. Schools used a range of marketing strategies, including signs, billboards, and bus stop ads (8 schools); flyers and mailings sent to parents' homes, placed in church bulletins, or handed out in grocery stores (11 schools); home visits (7

schools); parent incentives for referrals (5 schools); bags, t-shirts, and other items with logos (4 schools); print and radio ads (8 schools); partnerships with child-care centers or supermarkets (8 schools); work with local celebrities (2 schools); attendance at school fairs hosted by the district or local organizations (13 schools); and open houses and other events at the school (8 schools).

As marketing became necessary to attract and retain children, schools appeared to pursue more sophisticated branding strategies. As Gewirtz et al. (1995) find, the introduction of market forces creates a cultural transformation in education, where surface appearances and images are increasingly important, what they call a “glossification” of schools. For charter schools especially, managing one’s brand was important. Two schools that were transitioning into CMOs were investing in branding and marketing. At a board meeting, there was a presentation from a consulting group that worked with public organizations in New Orleans to help them develop a marketing campaign; its mission was to develop “strategies to make schools competitive in the marketplace.” Because the CMO’s two schools existed in different locations, with different histories, and because the CMO was hoping to take over another school in the future, it was important for them to establish name recognition and a coherent message. The other school that was expanding to become a network of two schools also a focused on “rebranding” as a CMO rather than a standalone charter. At a board meeting I attended, they discussed how they were in the process of designing a new logo and rebranding the website. Finally, another school that was part of a CMO was obtaining a trademark for their school’s brand “to protect and preserve, to the extent possible, the integrity of Stone School in the media” (Board Member).

“Creaming” and “Cropping”: Screening and Selecting Students

In addition to formal marketing efforts, schools recruited or screened students informally. In open-enrollment schools, which were the majority of schools in New Orleans, screening and

selection practices were not permitted. Most schools were expected to accept all students who applied, and were supposed to hold a lottery if they had more applications than slots available. Ten out of thirty schools engaged in some kind of selection process, whether allowed to or not. Only one school in the sample had explicit selective admissions criteria, but one of the other schools required language tests for placement after the first grade because of its immersion program. No other schools were allowed to have admissions criteria, yet eight of these “fully open-enrollment” schools reported engaging in some kind of selection process.

Some leaders at schools that were under-enrolled decided not to advertise open spaces to maintain control over their student body. These schools, with available seats midyear, chose to forgo additional funds so as to not recruit the types of students who have been out of school for weeks or who have been kicked out of other schools. Schools thus used the act of *not engaging* in marketing as a form of student selection. One principal identified the “double-edged sword” with regard to advertising openings at his school and screening out students:

And now for us that battle is unique because we know the more we advertise and push the fact that we have openings, the more less-capable students we get. So yeah, I’m about 100 kids below what we were targeting, but it’s a double-edged sword. Do I want a hundred kids in the building who aren’t in school?

The year of the study was one with high-stakes for this charter school, as test scores would determine the renewal of its charter. The school leader preferred to be under-enrolled than recruit the ‘wrong’ type of student, a pattern also found by Lubienski (2005) in Detroit, where districts and neighborhoods with declining enrollments and available seats preferred to remain empty or recruit students from the suburbs rather than open seats to local families.

Schools also had informal contact with affluent parents seeking placement. In some cases, prominent leaders in the city facilitated such relationships. For example, in an interview with a school board member, he described an informal school-assignment mechanism:

There's no way to figure out where there are spots so usually what happens is people just call. They should call the school system, and they do, but it's just not the way people are in New Orleans. People call people they know.

He went on to describe how an acquaintance reached out to him:

So he calls and I was like: forget about Schelling, there's no slots there, but let me check around with the school leaders"...It's impractical and as crazy as it sounds, there is no list. Part of it is that nobody wants to give up that information in a real-time format and part of it is that everybody thinks that they're going to get screwed somehow.

Other schools obtained this real-time information through informal relationships with schools that were closing or selective-admissions schools that were oversubscribed. The informal assignment of students, in which schools kept information on empty seats to themselves, gave schools much more control over which students to accept and served as a form of selection.

One school asked parents who the principal "believed epitomized an Arrows Prep parent" to bring like-minded parents to a special, invite-only school night:

We've done invite-only open houses, where we target specific types of parents, and we say, "Hey, we really love you as a parent and we want you to bring another parent who's like you." So I got a couple of parents that way.

This targeted recruitment of "specific types of parents" could also be viewed as a form of selection, as the school tries to attract certain types of students. The principal at another school said that the school "is not for everyone," despite the fact that it was open enrollment. Another principal was working to expand their gifted programs to attract higher-performing students.

Another open-enrollment school screened out midyear transfers, but made exceptions for some:

We just had a parent come this morning trying to get a kid in. I said, "I'm sorry, you can't do that. I don't have any way of knowing what the kid's been doing for the last couple of months".... Now, I do have two coming in tomorrow from LaPlace that flooded during Isaac so of course I need to look at them because they lost their homes... But you just changing schools locally here in New Orleans, I'm a little leery about why you would be doing that. But hey, you're a great kid, I'll look at it! [laughter]

Another open-enrollment school that was set to join the OneApp described how it would affect

their selection processes because they would no longer be able to screen families:

On OneApp, the children choose you. You don't have that communication and dialogue that we had. Previously, we were able to do interviews and just see if the family fit for our institution... Some students may want to come for name, but will not be prepared for the expectations of the school.

She also described how parents who weren't "ready to step up to the plate" or prepared for the school's "high expectations" would usually transfer out, a form of selection through attrition.

Another school acknowledged that the fact that they did not provide transportation could be viewed as a form of selection.

One school continued to reach out to families that might not have thought that the school was an option for them, even when the school was oversubscribed and had a long waitlist:

Though we don't have any problem getting applicants, we feel a moral obligation to go out and make sure we're reaching everyone. That we're not overlooking families who just hear "Stone School" and think "that's not available to me."

This principal recognized that stopping recruitment efforts when there were enough students might limit the applicant pool to families who already had access to information resources through their networks or other means. She continued to market selectively to recruit a more diverse student body.

When schools reported selecting students, they seemed to view it not as a choice but as a necessity to survive. In most cases, principals reported such practices matter-of-factly. Schools in New Orleans are responding to market pressures, but they are also responding to a "different set of incentives" (Lubienski, 2005), including balancing the accountability pressures to improve test scores with the need to enroll more students. Similar to the school districts that were unwilling to market their schools to local families in Detroit, some schools in New Orleans preferred to remain underenrolled than to attract students who might hurt their test scores. The fact that school leaders shared these practices with me suggests that they did not see them as

problematic. Rather, they viewed these practices as just part of their effort to create a coherent school culture or as a necessity for survival in a market-based environment.

Conditions Mediating School Leaders' Strategies

Although previous studies have documented similar responses to competition in other contexts, this study also examines the conditions under which schools pursue particular strategies. Schools' strategies in the competitive market differed depending on the amount of competition they perceived and their position in the market hierarchy, conditions that mediated the particular strategies they adopted in response to competitive pressure (see Figure 1). Schools with high status or prestige, based on how other schools perceived them, adopted different strategies compared to low-status schools, yet all but one school engaged in some form of competitive behavior. I first discuss how a school's perceptions of competition and position in the market hierarchy mediated its strategies. Then I discuss other school conditions that influenced schools' strategic responses to competition or interacted with competition more broadly, providing schools with either a competitive advantage or disadvantage.

Perception of Competition Influences Strategic Actions

Perceptions of competition can influence strategic actions (Levacic, 2004), even more than objective measures of competition. The extent to which school leaders in New Orleans perceived competition, based on the number of competitors they listed on a survey, was related to their strategies. Schools experiencing high competition more frequently adopted academic, extracurricular, and marketing strategies, though some differences were not very large (See Figure 2). Schools experiencing low and moderate competition more often engaged in operational changes, adopted niche programs, or screened and selected students. This might seem counterintuitive—schools that experience low competitive pressure might be less inclined

to form niches or select students, but it is important to remember that these relationships are bidirectional. Schools with niches might also feel less competition as a result of carving out a protected slice of the market. Similarly, schools that engage in selection practices may perceive less competition because they have greater control over their student enrollment or it may be that schools that perceive less competition are oversubscribed and thus are able to selectively admit students without incurring loss of revenue.

At the other extreme, the one school that felt no competition did not engage in any competitive strategies. The leader reported that he did not compete with other schools because his school was slated for closure in the coming year, and only students who were already enrolled at the site would continue for the 2012–2013 year: “The kids that have to go here, go here. And that’s just being honest. I don’t think that kids search out and say ‘I’m going to Frisch.’”

School Status in the Market Hierarchy Influences Strategic Action

How a school was perceived by *other* schools was also associated with specific strategies. Schools that were viewed as a competitor by many other schools were considered “high status” or popular (Wasserman & Faust, 1994). High-status schools engaged in operational strategies less frequently than other schools (see Figure 3). It may be that operational effectiveness makes high-status schools natural competitors. In addition, high-status schools were more likely to engage in student selection. Schools that selectively enroll students, by design or illicitly, may be viewed as competitors more often because other principals believe that selective schools recruit away strong students from other schools and send back lower-performing students. For example, one principal at a low-status school believed that the reason she received students mid-year, just before testing, when she “had no opportunity to even touch the child,” was because other schools

were “kicking children out who have been problems all year long” (Principal, Simon School).

Other Contextual Factors Influencing the Nature of Competition

School leaders also described several other factors, including academics, charter networks, and facilities, that constrained or enabled their adoption of particular strategic responses.

Academic performance. Even when schools did not report making changes to their academic offerings in response to competition, academics nevertheless played an important role in competition and school strategy. School leaders believed that academic performance brought in, drove away, or retained students. Low letter grades, based on an A–F scaled and assigned by the state based on student achievement, meant both accountability and enrollment challenges because the “grading system makes it a lot easier for a parent to see academic performance” (Principal, Marshall High). The letter grades were often “the very first thing that stands out” to parents (Principal, Mundell Elementary). Schools that were non-failing, receiving a letter grade of C or higher, were more likely to engage in academic, operational, niche, and selection strategies (see Figure 4). Given the widespread perception that higher achievement was key to parent recruitment, it is somewhat surprising that failing schools less often engaged in academic strategies, yet they may not have had the capacity to adopt such substantive changes.

Strong academic performance, based on test scores, also provided a competitive advantage. While there were no differences between failing and non-failing schools from the simple tallies of school performance and related strategies, a closer examination of the qualitative data revealed that school performance sometimes determined whether the school exerted much effort in recruitment and marketing strategies. For example, Bowles Elementary did not participate in the recruitment fair, because of its high letter grade: “When you make your

score, and people come in and do articles about you... That's enough. I don't have to go out and recruit." Another school, which had dramatic increases in scores in the prior year, also described how it was under less pressure to recruit students: "We grew 20-some points from our first year to our second year, and we didn't have to recruit" (Wolff Elementary). Some schools with high academic gains began to cut back on marketing. At Merton, for example, the principal, when asked about her marketing strategy, said: "Actually, because I've had almost 1,000 on a waiting list, I'm somewhat downplaying my PR only because I feel horrible that people go through the process of applying." Schools with high academic achievement could scale back the time and resources devoted to marketing, even though they did still engage in some marketing strategies. This may, in part, explain why non-failing schools were more likely than failing schools to focus on academic, operational, and niche strategies.

Charter networks. School leaders perceived that competition for students occurred on an uneven playing field, and reported that charter networks seemed to have a competitive advantage in the marketplace. Standalone schools and direct-run schools, in particular, believed it was difficult to compete with what they referred to as "brand-name" schools with seemingly larger advertising budgets and resources. Standalone charters were more likely to engage in academic, operational, and niche strategies than either direct run schools or those in networks (See Figure 5). It is not surprising that standalone charter schools adopted niches more frequently, since that is one of the primary goals of charter schools (Lubienski, 2003). At the same time, larger CMOs that aim to grow to scale and serve a large portion of the student population might not adopt particular niche programs.

While almost all schools engaged in some kind of marketing, with no major differences across school types (e.g., charter, direct-run), schools differed in the sophistication and scope of

their marketing and branding campaigns, as evidenced in the qualitative data. For example, the principal at Engels Elementary, a direct-run school, said he used community organizations “to market in areas that we’re not able to market with billboards and stuff like that,” referring to billboards placed by several of the larger charter networks. Other schools were also unable to advertise as much as they would like because of budget constraints. Yet schools that were part of CMOs often relied on the network to create flyers or send representatives to fairs. Networks A and C had billboards and bus ads, and Network A helped to raise funds and allocate students at the network level, removing that burden from the individual school. Network B’s central office created flyers for the schools, even though each school conducted its own, targeted outreach. CMOs appear to benefit from private philanthropic support. Overall, private contributions provide approximately \$272 to \$407 per pupil, or about 3% of total revenues, but for some charter networks, these figures can be as high as 29% (Cowen Institute, 2009). CMOs were able to support the funding of professional marketing and branding campaigns to promote the charter network overall, if not individual schools.

Facilities. Unlike organizations in the private sector, schools usually did not have control over their school sites because there was a master plan at the district level to allocate facilities. Therefore, schools were unable to respond to competition by improving their facilities, but they did note that new facilities provided a competitive advantage, while temporary facilities provided a disadvantage overall. There were some differences between schools with temporary, permanent (but old), and new facilities (see Figure 6). Schools with temporary facilities more often engaged in operational strategies, perhaps as part of an effort to secure additional space through partnerships (one school partnered with a cultural center to use additional space, for example) or expansion, by taking over other schools, for example. They also more often engaged in niche

strategies and marketing strategies. Schools in new facilities were less likely to engage in many strategies, including operations, niche, selection, and marketing. In fact, one school's new building received so much press coverage that the principal no longer advertised openings.

School leaders also expressed a general view that new facilities were important for attracting parents and for meeting parental demand with sufficient space. New facilities attracted parents not only because they were "gorgeous," as one principal said of hers, but because they also signaled to parents that the school could offer more services and extracurricular activities, which also made them more competitive: "Given the facility, I think parents definitely want to come because of that." She went on to say that they could "provide more opportunities to their students," in the form of electives and other activities. School leaders also reported that lack of sufficient space or low-quality facilities diminished their ability to recruit more students. One principal of a direct-run school described how his lack of adequate facilities affected what he could offer to parents:

I went to Meade Charter School just yesterday for a meeting and their new building is just beautiful. A brand new building. Beautiful. And I think that's where the other part of competition kind of fades for us because we don't have the newer building ... that's afforded some of the charters. And it does kind of wear on what you can offer to parents. (Prescott Elementary)

For schools already in high demand, space constraints prevented their expansion. Five schools reported this as the major reason they could not enroll more students. Schools with independent funding were even considering building their own sites; others rented space from colleges, cultural centers, and churches. Location uncertainty made it harder to compete. For example, one concerned board member at Stone said, "not having a location weighs heavily on parents' decisions for enrollment." School leaders believed that facilities factored into parents' decisions; schools with new facilities attracted parents, while schools lacking new facilities believed this

partially explained their inability to compete.

Conclusion

Competition placed pressure on schools, especially those that were low performing or under-enrolled. School leaders engaged in a number of strategies owing to the competition. Ten schools reported efforts to improve academic performance in order to increase student enrollment, attract parents, or compete with other schools. Many more schools (n=25) employed marketing strategies. Some schools reported improving their operations in response to competitive pressures, which could potentially lead to a more efficient allocation of resources. Schools also developed niches, which might provide better opportunities and stronger matches between students' needs and school offerings. But this is certainly different from the traditional economic view of a "rising tide lifting all boats," whereby educational improvement occurs "through large numbers of schools competing to produce a homogenous product" (Betts & Loveless, 2005, p. 37). Rather than enter an already crowded marketplace, these school leaders carved out a slice of that market, pre-empting or avoiding competition.

Although competition is expected to improve schools, leaders' responses to market pressures were not always efficient or equitable. Alongside their efforts to improve academics and operations, schools also engaged in practices that were superficial, in the case of marketing, or inequitable, in the case of screening and selecting students. While marketing may provide better information to parents, it does not represent a substantive change to school programming or operations (Bagley, 2006). Furthermore, some marketing and selection practices segmented the market further, in ways that could exacerbate inequities by limiting educational opportunities for certain families. For example, some schools targeted children who were already high performing and found ways to circumvent the centralized assignment process, either to save slots

for such students or to prevent students who might be struggling from enrolling. Most charter schools in New Orleans were not permitted to enroll students outside of a lottery system, yet several did. Others were required by the OneApp system to report available seats to the central office in real time, but did not. Such practices actually limit parents' choices. Even if schools in New Orleans on average are improving, there are concerns that not all students have equal access to better schools. Some evidence suggests that mobility patterns in New Orleans are consistent with a segmented market, with low-achieving students switching to low-performing schools and high-achieving students transferring to high-performing schools (Welsh, Duque, McEachin, forthcoming), yet whether this has worsened or improved since before Katrina remains unknown.

These findings, while particular to New Orleans, have important implications for policy, especially for the many other districts that have adopted, or have considered adopting, similar reforms. Some advocates of school choice suggest there is little role for districts other than approving charters and closing low-performing schools. But, if schools, like firms in other markets, can choose to compete in ways other than improving their products—even in ways that violate district policies—a more significant role for a central authority may be warranted. Without some process to manage the current responses to competition like student selection and exclusion, New Orleans could end up with a less equitable school system. These findings thus suggest areas in which the district could play a role to ensure a fairer marketplace, mitigating some of its adverse effects. Central-assignment programs, such as the OneApp, may reduce inequities in access, by not leaving admissions entirely to schools, and may also simplify the process for families. But districts can also provide better information and closer oversight to ensure that families are able to access schools they need. Districts might ensure that non-marketing information, such as third-party reports of school performance and program offerings,

is readily available to parents to make informed decisions, and they might target that information to low-income parents to have greater impact (Hastings & Weinstein, 2008). Districts might also more carefully monitor within-year transfers, ensuring that empty seats are filled through the central office at all times. To some degree, these suggestions echo those of advocates of portfolio-management models, who argue that even in systems of choice, districts have an important role to play (Bulkley, Levin, & Henig, 2010; Lake & Hill, 2009).

This study also makes several contributions to the literature. First, this study contributes to our understanding of how market-based reforms operate in the public sector. In particular, I build on existing literature that examines *whether* competition improves student outcomes (e.g., Hoxby, 2002; Ni, 2009; Zimmer & Buddin, 2005) to explore the mechanisms by which that might occur. I find that schools draw from a broad range of strategies in responding to competition, reflecting findings about competition in the U.K. (Woods et al., 1998). Like other researchers, I find marketing to be the most common competitive strategy (Gewirtz et al., 1995; Kasman & Loeb, 2013; Lubienski, 2007). I also document the various selection strategies schools used, building on prior work (Jennings, 2010; Lubienski et al., 2009; Welner, 2013), and noting new strategies, such as “not marketing” as a form of selection.

Second, this study contributes to theory by highlighting the role that social dimensions play when they interact with market pressures. For example, the informal assignment of students occurred via school leaders’ social networks, reflecting findings in other studies that have shown how networks moderate competition (e.g., Jennings, 2010). School leaders’ position in the marketplace, whom they view as competitors, and their status based on competition, charter network, and school performance, influenced the strategies that they employed in a competitive environment. Schools scanned the environment and mimic each other (Lubienski, 2003; Woods

et al., 1998), in the case of marketing, while others differentiated themselves and sought a niche (e.g., White, 1981). In fact, many of the academic strategies were niche strategies; many schools tried to offer something unique or different from their competitors. This suggests it is important to look beyond “competitive effects” to examine the process of competition, including the specific strategies schools adopt, and how social and cognitive factors play a role. Otherwise, researchers and policymakers may miss important mechanisms that explain how and why competition influences student outcomes, for better or worse, and miss opportunities for district intervention to mitigate any negative effects of competition.

This analysis suggests several directions for further research. Research in other settings is needed. New Orleans is a “critical” case that helps to illuminate the process of competition, but it is necessary to examine how school leaders in districts with more moderate school choice policies compete. Because marketing was so common, further research might examine the extent to which programs highlighted in marketing materials actually correspond to those within schools. For example, are schools that market themselves as arts-integrated actually incorporating the arts in academic classes? Much of the research on competition to date has examined the effects of competition on student achievement, but we know little about how competition affects equity and diversity in schools. This study shows that cream-skimming practices occur, but future research should systematically examine whether students are being counseled out and to what extent they are being selected (e.g., Zimmer & Guarino, 2013). In addition to examining the extent to which these findings are similar to other districts at various stages of marketization, it would also be worthwhile to examine the different ways in which districts and states regulate market-based reforms with different assignment policies and incentive structures. This could help to design a choice system that is truly accessible and

equitable.

Figure 1. Conceptual Framework

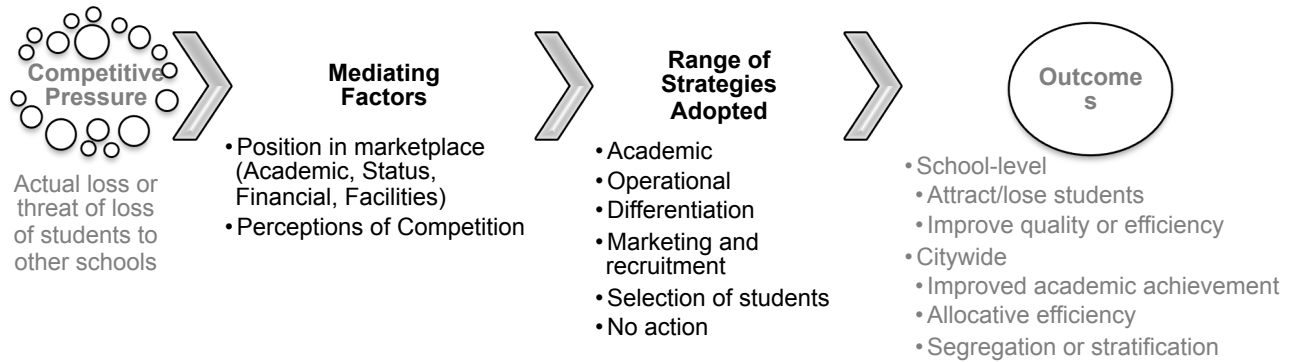
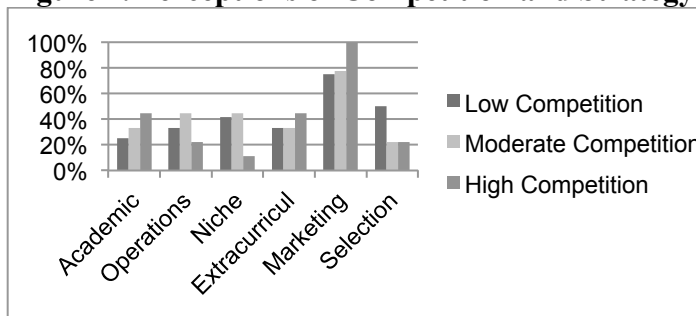
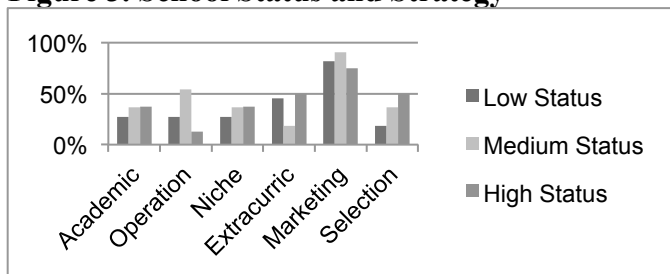


Figure 2. Perceptions of Competition and Strategy



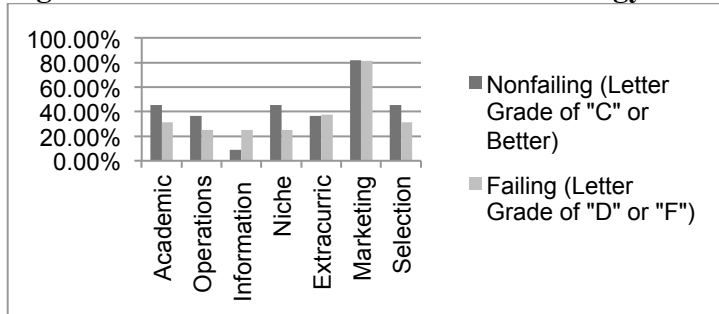
Note: Schools were classified into Low, Moderate, and High Competition groups by the percentage of potential rivals they listed as competitors on a survey.

Figure 3. School Status and Strategy



Note: Drawing on social-network models of “status” (Wasserman & Faust, 1994), schools were classified into Low, Medium, and High Status groups by the number of other schools listing it as a competitor. A school with “high status” is a school that many others perceive as a competitor, whereas a “low status” school is one that few other schools view as a rival.

Figure 4: Academic Performance and Strategy



Note: School Letter Grades (A–F) are assigned by the State of Louisiana, based primarily on student test scores.

Figure 5: School Type and Strategy

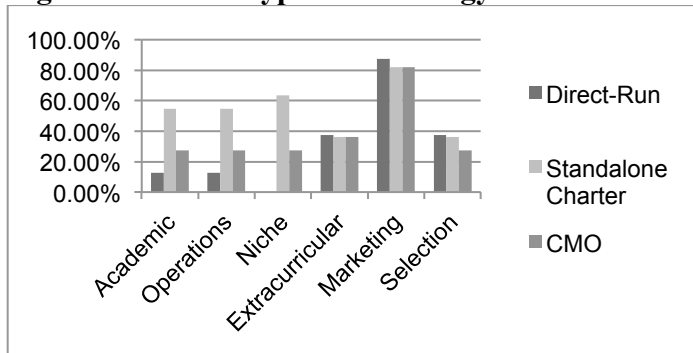


Figure 6: School Facility and Strategy

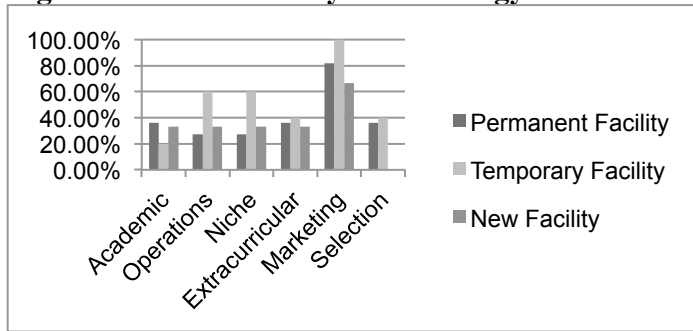


Table 1. Case Schools

Name	School Type	FARL ^{vi} 2011-2012	Diversity Index ^{vii}	Grade Level	Letter Grade 2012 ^{viii}	School Size ^{ix}
Luxembourg	Charter	60%	0.50	1-Elem	D	Small
Williamson	Direct Run	90%	1.00	2-Elem/Middle	D	Small
Prescott	Direct Run	100%	0.90	2-Elem/Middle	F	Small
Arrow	Charter	80%	1.00	2-Elem/Middle	F	Small
Engels	Direct Run	90%	0.90	2-Elem/Middle	D	Small
Bowles	Direct Run	100%	0.90	2-Elem/Middle	B	Small
Lucas	Charter	100%	1.00	2-Elem/Middle	F	Medium
Mill	Charter	90%	0.90	2-Elem/Middle	F	Medium
Kuttner	Charter	90%	0.60	2-Elem/Middle	F	Medium
Wolff	Charter	100%	0.80	2-Elem/Middle	F	Medium
Meade	Charter	100%	0.90	2-Elem/Middle	D	Medium
Robinson	Charter	90%	0.50	2-Elem/Middle	C	Medium

Hicks	Charter	100%	1.00	2-Elem/Middle	N/A	Medium
Klein	Charter	90%	1.00	2-Elem/Middle	N/A	Medium
Miller	Charter	90%	0.90	2-Elem/Middle	C	Medium
Merton	Charter	60%	0.50	2-Elem/Middle	A	Large
Lewis	Charter	80%	0.80	2-Elem/Middle	D	Large
Stone	Charter	50%	0.40	2-Elem/Middle	B	Large
Mundell	Charter	90%	0.90	2-Elem/Middle	B	Large
Simon	Charter	100%	N/A	2-Elem/Middle	D	Large
Schelling	Charter	20%	0.40	3-Elem/Middle	A	Large
Samuelson	Charter	80%	N/A	4-Mid/High	N/A	Small
Fisher	Charter	80%	1.00	4-Mid/High	F	Large
Sachs	Direct Run	80%	0.70	4-Mid/High	B	Large
Chandler	Direct Run	90%	1.00	4-Mid/High	C	Large
Spence	Charter	80%	N/A	5-High	F	Small
Frisch	Direct Run	80%	1.00	5-High	F	Small
Marshall	Charter	70%	0.70	5-High	B	Small
Marx	Direct Run	80%	0.90	5-High	F	Medium
Vickrey	Charter	90%	1.00	5-High	B	Large

Note: School letter grade refers to A–F grades assigned by the state of Louisiana, based on student achievement.

Table 2. Range of Strategies and Examples

Type of Strategy	Categories	Examples
Improve Quality and Functioning	<i>Academics, Operations</i>	<ul style="list-style-type: none"> Improving student test scores Changes to curriculum and instruction Cuts to unnecessary programs or budget items
Differentiation	<i>Niche, Extracurricular Activities</i>	<ul style="list-style-type: none"> Occupying a niche (arts, language, academic) to attract parents and limit competition (a specialized, whole-school focus) Adding unique extracurricular programs and activities (e.g., sports)
“Glossification” and Marketing	<i>Marketing, Recruitment</i>	<ul style="list-style-type: none"> Focus on promoting existing offerings Branding and marketing materials
“Cream-Skimming” and “Cropping”	<i>Selecting or Excluding Students</i>	<ul style="list-style-type: none"> Counseling out students deemed not a good fit Not advertising open spaces to limit types of students who enroll

Table 3. School Practices in Competitive Environment^x

School	Improving School Quality & Functioning		Differentiation		Glossification	Creaming & Cropping
	<i>Academics</i>	<i>Operations</i>	<i>Niche</i>	<i>Extracurricula</i>		
Arrow		*			*	*
Bowles		*			*	*
Chandler				*	*	*
Engels					*	
Fisher			*	*	*	*
Frisch						
Hicks					*	
Klein		*			*	
Kuttner	*		*			
Lewis				*	*	*
Lucas					*	
Luxembourg	*	*	*		*	
Marshall	*	*			*	
Marx					*	
Meade				*	*	
Merton	*		*			
Mill						*

Miller		*				
Mundell	*		*		*	
Prescott	*			*	*	
Robinson		*	*	*	*	
Sachs				*	*	*
Samuelson		*	*	*	*	
Schelling	*		*		*	*
Simon	*	*		*	*	*
Spence		*	*	*	*	
Stone	*		*		*	*
Vickrey				*	*	
Williamson					*	
Wolff	*				*	
TOTAL	10	10	10	11	25	10

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ⁱ The cost of maintaining under-enrolled schools (e.g., facilities, fixed costs) is expected to encourage districts to shut down schools that cannot enroll students consistently, but it is unclear how often this happens in practice. There have been reports of districts closing schools for this reason in other cities (e.g., Brown, 2012), but in New Orleans, under-enrollment and poor performance are often conflated, and schools are quickly shut down for low performance. While schools need a certain number of students to break even on their costs and provide adequate services, they are not necessarily in fear of school closure due to under-enrollment alone.

ⁱⁱ I also conducted five in-person observations of board meetings (approximately 10–15 hours).

ⁱⁱⁱ All school and charter network names are pseudonyms. Because recent literature suggests that more factors than just distance appear to be important for competition (Levacic, 2004; Kasman & Loeb, 2013), for analysis, I reclassified schools as experiencing “low,” “medium,” and “high” competition based on the actual number of reported competitors, rather than the number of schools in the surrounding area. The changes in classifications were as follows: 10 schools perceived more competition than the geographic density measures suggested (e.g., moved from low to moderate, or moderate to high); 8 schools stayed the same; and 12 schools decreased in competition. This new classification is used throughout the rest of the paper.

^{iv} It is unclear why exactly school leaders feel competition when they do not directly benefit from it. There is some indication that they fear their school will be shut down, resulting in job loss. Another explanation might come from the literature on nonprofit firms, where competition happens over status and quality not price (Ferlie, 1992). Schools may seek to maximize a surplus, minimize inequity, maximize parent satisfaction, seek stability, or they may create a market niche to buffer themselves from competition (Betts & Loveless, 2005; Ni & Arsen, 2010).

^v Some schools engaged in multiple types of academic strategies, so they add up to more than 10.

^{vi} To limit the ability to identify specific schools, these numbers were rounded to the nearest 10%

^{vii} This Herfindahl index is comprised of the African American, Caucasian, and Other populations. An index of 0 indicates equal proportions of each racial group; an index of 1 indicates that one group dominates the entire school. To protect individual school identities, the indices were rounded to the nearest 0.10.

^{viii} Letter grades do not include plusses and minuses to prevent easy identification of school sites.

^{ix} I grouped schools into "small," "medium," or "high," rather than list exact enrollment figures.

^x Not all schools have a check mark under "academics," but that certainly does not mean that they were not academically inclined. If they did not describe academic programs in connection to competition, it was not included here. They may have been engaging in academic improvements efforts, but did not perceive those as linked to competition for students. In fact, when these came up, they were typically tied to strong accountability pressures for charter renewal and preventing school closure.