



Disestablishing the New Established Church: Applying Lessons from Religious Deregulation to Government Schools

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Abstract. Investigating the similarities between the establishment of churches and schools, this paper considers the potential consequences of disestablishing schools. By drawing on the historical disestablishment of churches that resulted in competitive religious markets, the paper aims to provide insights into what the competitive schooling market might entail. It employs the fortress vs. frontier model, the transitional gains trap theory, and the private vs. collective religious framework to analyze the future of disestablished schools. The paper uses the historical context of American religion before the disestablishment of government-funded churches—primarily the late 18th and early 19th centuries, culminating in state-level disestablishment by the 1830s—where inefficiencies arose from guaranteed funding and rent-seeking behaviors. Similarly, when public schools are shielded from competition and operate as monopolies, they tend to become inefficient because families lack meaningful control and schools depend on government funding, which shapes their incentives and priorities. Introducing competition in education would lead to improvements like those seen in the religious sector post-disestablishment. Diverse schools will attract students from various backgrounds and will deliver high-quality education more efficiently.

Keywords: fortress and frontier, government schools, disestablishment, deregulation, transitional gains trap, private vs. collective religions, homeschools

Today, education is perhaps the most important function of state and local governments. Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to

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cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment.

Brown v. Board of Education, 347 U. S. 493 (1954)

1. Introduction

Currently, public school systems in the United States (U.S.) function as a government-funded and government-protected monopoly, often prioritizing government directives over family needs. This paper examines the idea that eliminating government funding for education would create a competitive market. Without the state's protections, new opportunities for innovation and growth would arise. A competitive market would foster diverse educational systems and increase school choices, leading to higher academic outcomes for students at a lower cost to consumers.

In this paper we use the example of government-funded churches and their disestablishment in the U.S. to understand what would happen if we disestablished government-funded schools. While we focus on the U.S. experience, the analysis will apply to other countries as well. We use Graboyes' Fortress vs. Frontier model, Tullock's transitional gains trap theory, and Iannaccone's private vs. collective religious framework to draw parallels between the disestablishment of government-funded churches and school systems. Both institutions, when funded by the government, primarily serve their funders. The government uses these establishments to further its interests; those in charge of these establishments often lobby for additional benefits, leading to higher costs for consumers through increased taxes. The process of disestablishing government-funded churches faced numerous difficulties due to established interests not wanting to give up their privileges. We examine the historical experience of church establishment and disestablishment in the U.S. as a framework for understanding what might occur if the U.S. were to undergo a similar transition in education, from a system of established, state-run schools to one characterized by disestablishment and a more market-oriented educational system with greater institutional entry and competition.

Several colonies (e.g., Virginia, Massachusetts, Connecticut; see Table 2 in the appendix for the strength of church establishment) funded established churches (primarily Anglican and Congregationalist), while dissenting groups did not receive said funding.² This gave the government, rather than the congregants, control over them. This control sometimes included enforced taxes and mandatory attendance, preventing citizens from supporting the church of their choice with their time and money. More generally, when governments provide for the needs of churches, the focus of church leaders—who effectively become civil servants—

² Dissenting groups such as Baptists, Methodists, Quakers, Pietists, and so on, received no state support, and their members were often required to pay taxes for churches they did not attend.

centers on pleasing the government rather than their congregations (Iannaccone and Bose 2011, 324). The clergy then became part of unions negotiating with the government for higher wages, better working hours, pensions, more staff, and the right to strike. The number of people they served, however, given salaries and staff support, was a fraction of what would have been considered efficient. Moreover, the appointment of clergymen would in that event not have been based on religious concerns but political concerns, such that a religious minister might not even have had to have religious qualifications; political connections would have been sufficient. Under these circumstances—which even today exist in some countries—church attendance at a state church in many countries is only a few percentage points (Iannaccone, Finke, and Stark 1997, 353f.).

In the U.S., the establishment of churches impacted the churches themselves in six different areas:

(1) control over doctrine, governance, and personnel of the church; (2) compulsory church attendance; (3) financial support; (4) prohibitions on worship in dissenting churches; (5) use of church institutions for public functions; and (6) restriction of political participation to members of the established church (McConnell 2003, 2131).

Restrictions were placed on clergy, impacting the acceptable doctrine, polity, clerical appointments, and liturgy. Licensure was required of dissenting but state-tolerated clerics, who were given a single meetinghouse (thereby preventing their itinerant preaching). Further, religious uniformity was sought, with some states seeking established churches to subscribe to certain articles of faith. Additionally, legislatures passed laws to organize churches. Attendance was required (with some leeway as to how many times one must go)—although numerous cases going to grand juries document poor attendance as an offense. Compulsory tithes (taxes), typically on agricultural products, were used to support churches and ministers, and they also included property taxes and head taxes. Land grants were provided to established churches. In some states, conscientious objectors were exempt from taxes but were required to support their church. Churches were also required to provide civil functions, such as reports of moral offenses, keeping track of public records, education, and social welfare. Churches performed marriages, funerals, and kept records. They used tax revenues to care for the widows and the poor. While some of these functions were also inherently church functions, they were reshaped when performed under civil authority. Political participation was also limited to those of either the official church or “protestant religion,” and this included voting and running for office (McConnell 2003, 2178). Table 2 in the appendix shows the strength of the religious establishment in various states, although some early states lacked establishments.

The disestablishment from the state introduced competition among churches (see Table 3 in the appendix), as states gradually abandoned established churches from the late

18th through the early 19th centuries. Without government support, new churches emerged, competing not just for a limited number of congregants but also expanding the overall market. Each church had to demonstrate that it offered more opportunities for involvement and education to attract attendees and secure their finances (Iannaccone and Bose 2011).

Around the same era, the idea of government-funded education emerged, a development that coincided with church disestablishment. The common-school movement of the 1830s under Horace Mann marked a decisive shift from locally governed, Christian, parent-supported schooling toward a state-directed system that increasingly assumed the formative role once associated with established churches. In Rushdoony's reading, this transition was not merely administrative but amounted to an ideological substitution: public schools became the vehicle for a new civil creed—humanism—thereby displacing the cultural authority previously exercised by church establishments, even as formal legal disestablishment concluded in states such as Massachusetts in 1833 (Rushdoony 1981; 1963). During this same period, Mann, serving as a Massachusetts legislator and the secretary of the state board of education, led a campaign to establish public “common schools” that would be free and accessible to all children through government funding. He and other advocates saw these schools as essential for producing literate, moral, and industrious citizens capable of sustaining the nation's civic and economic life (Glenn 1988).

Supporters of government schooling highlighted its numerous advantages, including knowledge acquisition, civic engagement, and economic empowerment. Common (public) schools aimed to teach essential skills such as reading, writing, and arithmetic, along with subjects like history, geography, grammar, and rhetoric. They also provided moral instruction to instill civic virtues. Proponents argued that educating children from low-income and middle-class backgrounds would equip them with the skills and knowledge needed for quality employment, thereby improving the nation's economic standing (Kober and Rentner 2020). Many have noted that government-funded schools seemed to have replaced government-funded churches as the official religious establishment of the state (Mead 1963).

As in religious markets, when education markets are regulated, it will affect the vitality of schools and significantly affect outcomes (Iannaccone, Finke, and Stark 1997). McConnell argues for the disestablishment of government-funded education by drawing parallels to the disestablishment of government-funded churches in America. He first contends that, similar to a government church that can only support the beliefs and traditions of one group, a monopolistic school system offers only one educational option to the public. This system, McConnell argues, will either cater to a single set of beliefs or dilute the curriculum to avoid offending anyone.

McConnell contends that a monopolistic education system is ineffective, akin to the issues faced by a religious establishment. Given the heterogeneous preferences people have regarding curriculum and religious education, a single, monopolistic school system is unlikely to meet everyone's needs. This would lead to ongoing tension and intolerance among diverse

groups. Additionally, government-run schools might dilute the curriculum to manage pluralism and the resulting conflicts, preventing them from offering a comprehensive worldview. McConnell suggests that, similar to how religious vitality and belief flourished outside of a monopoly, students would also flourish and develop a more coherent worldview if the government did not control the education system (McConnell 2002, 97f).

Our contribution complements McConnell's by introducing three additional tools: the fortress vs. frontier model, the transitional-gains framework, and a private vs. collective organizational lens. Together, these frameworks enable us to apply economic theory to religion and schooling in order to examine the institutional dynamics of monopoly behavior, incumbent resistance, and competitive entry within a disestablished environment, highlighting how such systems can be structured to promote more efficient and effective outcomes.

This paper will proceed as follows. Section two reviews the economic theories used in this paper to understand the process of disestablishment. Section three considers why government schools are the new religious establishment. Section four applies the economic theories reviewed in section two to schooling. Section five concludes.

2. Economic Theories

The analysis in this section employs three complementary economic frameworks—the Fortress vs. Frontier model with entrepreneurship theory, the Transitional Gains Trap, and Iannaccone's private vs. collective framework—because together they capture the full range of institutional dynamics relevant to the disestablishment of churches—which are also relevant for our analysis of government schooling. The Fortress vs. Frontier model helps explain how established churches, protected by law and subsidy, tended to develop within the Fortress—hierarchical control, limited entry, and low institutional dynamism, whereas disestablishment operates in a Frontier environment—characterized by entrepreneurship, rapid denominational innovation, and intensified responsiveness to congregants. The Transitional Gains Trap clarifies why established churches resisted disestablishment despite declining performance: state-backed privileges became capitalized into clerical offices, property arrangements, and political alliances, making even inefficient equilibria difficult to unwind. Finally, Iannaccone's private-collective framework illuminates how the free market for religions developed into two equilibria. These theories also provide an analytically grounded way to examine the prospective disestablishment of government schooling.

Fortress vs. Frontier

The Fortress vs. Frontier model applies to the disestablishment of both government-funded churches and government-funded schools. Both institutions are in the "Fortress" state, where

they are protected by the government from competition. This monopolistic state regulates innovation and limits entrepreneurial experimentation, which prevents modernization. The disestablishment of these government-funded organizations moves them into the “Frontier” state. In the frontier, the existing framework and protections are abandoned in favor of competition. The Frontier State encourages industry leaders to compete, innovate, and modernize their methods and products. Over time, these new methods will replace the old framework as they gain popularity with consumers (Graboyes 2014).

Iannaccone studied the disestablishment of government-funded churches. When the government funds a church, it also influences the content provided to congregants, shaping it to align with its own goals of funding and political status. This governmental control limits the range of opportunities available to consumers, as a single church cannot cater to a diverse array of religious practices. Instead, the government, as the funder, selects a position that serves its interests, using the church for self-gain (Iannaccone 1991).

Iannaccone and Bose (2011, 335) observed that state-funded churches tend to develop a close relationship with the government, which suppresses competition. In contrast, churches funded by consumers rely on monetary gifts or membership fees. To attract more congregants, these free (non-state) churches often heavily subsidize goods and services, especially for newcomers. This is like how some schools offer scholarships to increase their market share. Iannaccone and Bose also note that a more competitive market can lower costs for consumers.

Graboyes (2014, 8) describes the “Fortress” model as one that fosters sustaining innovation within a heavily regulated environment, where entrepreneurs must seek permission to innovate. This model aligns with Postrel’s (1998, 4–6, 12–15) vision of a world engineered and controlled by institutions, favoring incumbents and limiting disruptive change. Entrepreneurs in this setting resemble Kirzner’s alert entrepreneur, but with a key difference: Kirzner’s entrepreneur thrives in open markets free from regulatory barriers (1973, 30–37), while the Fortress model assumes that such barriers exist to protect established players. Fortress innovations are promoted by the state, as it is involved in the picking of winners and losers, and thus creating path dependence. In a stifling regulatory ecosystem, fortress innovations are accommodated and tolerated, but frontier innovations are restrained.

In contrast, the “Frontier” represents a dynamic, competitive space where creative destruction flourishes. Here, entrepreneurs introduce disruptive innovations that challenge and replace existing industries, leading to lower costs and better outcomes (Postrel 1998; Graboyes 2014). Schumpeter’s entrepreneur embodies this spirit, revolutionizing production through innovation (Schumpeter (1942) 1976). Similarly, Bower and Christensen (1995) argue that disruptive innovations often emerge outside mainstream industries. While Fortress innovation is state-supported and path-dependent, Frontier innovation is market-driven and transformative.

Transitional Gains Trap theory

The process of getting disestablished (that is, moving from Fortress to Frontier), is not as easy as it sounds, however, as entrenched interest groups will work to prevent changes in the status quo. This process has been called the transitional gains trap: where an unsustainable government program intended to benefit one interest group is maintained because the cost of terminating it would “lead to large losses for the entrenched interests” (Tullock 1975, 671).

The concept of the transitional gains trap describes a situation in which government policies or regulations initially create benefits for a specific group, but where over time, these benefits become capitalized into the value of assets, such as land or licenses. As a result, the original beneficiaries gain, but subsequent owners or participants do not receive the same benefits—even though they might face significant losses if the policy is removed, making it politically challenging to eliminate the policy (Higgs 2014). This concept helps explain why certain government programs and regulations persist long after their original purpose has become obsolete.

The disestablishment of churches in the U.S. was a gradual and contested process, hindered by the transitional gains trap. Over time, the benefits of religious establishment—such as state funding, legal privileges, and institutional authority—became deeply embedded and capitalized by church leaders and members. As a result, any move toward disestablishment threatened significant losses for those who had come to rely on these advantages, generating strong resistance.

Despite this resistance, several factors contributed to the eventual disestablishment of state churches. The growing religious diversity brought about by immigration, along with increasing pressure from dissenting religious groups, challenged the legitimacy of exclusive state-supported churches. Moreover, the success of churches in non-established states like Rhode Island and Pennsylvania highlighted the inefficiencies and complacency of established churches, further undermining their position (Mullaney and Bromberg 2010, 651).

A major catalyst for change was the exogenous shock of the American War of Independence. The Anglican Church was strongly associated with the British Crown, and its perceived loyalty to the empire made it a target for disestablishment efforts. The momentum generated by this political rupture had a cascading effect, encouraging other states to reconsider their religious establishments.

The process of disestablishment unfolded unevenly across states and involved at least six key legal reforms:

- Denominational equality;
- Free exercise and/or liberty of conscience;
- Repeal of compulsory religious attendance laws;
- Abolition of religious taxes;

- Autonomy of churches concerning their doctrine, liturgy, and personnel;
- Depriving the formerly established church of any exclusive public prerogatives or functions such as marriages, recordkeeping, or administration of the poor laws. (Chapman and McConnell 2023, 57).

In many states, disestablishment was not a single event but a multi-step process (see Table 3 in the appendix for timelines). Even after formal disestablishment, some states retained religious tests for public office or barred clergy from holding political positions—restrictions that persisted until they were ruled unconstitutional in *Torcaso v. Watkins* (1961) and *McDaniel v. Paty* (1978).³

Free Markets: Rise of Private and Collective Religions

The deregulation of religion in the U.S. created a dynamic free market for faith, where supply-side factors played a dominant role in shaping religious trends and outcomes. As religious freedom expanded, so did religious diversity—thereby increasing measures of piety such as belief in God, frequency of prayer, and religious commitment. Within Christianity, the most vibrant and rapidly growing movements were not those that relaxed their demands, but those that emphasized collective identity, exclusivity, and evangelism. Groups like the Adventists, Mormons, Pentecostals, Jehovah's Witnesses, Fundamentalists, and contemporary Evangelicals thrived by adopting a highly communal model. These groups were largely self-financed through voluntary donations, which were reinvested into outreach efforts and the integration of new members, aligning with the economic theory of religious organization (Iannaccone and Bose 2011, 332).

Disestablishment reshaped the competitive landscape: upstart denominations—especially Baptists and Methodists—expanded through lay mobilization and organizational innovation, while many old-line bodies that had benefited from establishment ceded market share by failing to adapt. Over the long run, compiled membership benchmarks suggest that religious adherence rose from roughly 17% of the population in 1776 to about 34% by 1850, surpassed 50% by 1906, and reached roughly 60%+ by the late twentieth century—patterns consistent with supply-side accounts that link deregulation to entry and institutional entrepreneurship (Iannaccone, Finke, and Stark 1997, 356f). Further, one estimate suggests that by the mid-1800s, existing church facilities had the capacity to accommodate 58% of the American population if all Americans attended services simultaneously (Adam 2025, 43).⁴

³ In *Torcaso v. Watkins* (1961), the U.S. Supreme Court ruled that requiring a declaration of belief in God for public office was unconstitutional. In *McDaniel v. Paty* (1978), the Court struck down a law prohibiting clergy from holding public office, as it violated the free exercise of religion.

⁴ The broader literature cautions against treating pluralism (often proxied by Gini/Herfindahl-style indices) as a universal engine of participation: comprehensive reviews find that the positive association is not general, varies by context, and in some studies depends on problematic specifications; pluralism

Furthermore, freeing the religious marketplace also led to the rise of successful non-Christian movements that took a different path. These groups were typically non-collective, non-exclusive, and focused more on attracting spiritual consumers than on converting committed followers. The “New Age” movement, along with its many spiritualist, occult, and therapeutic predecessors, exemplifies what scholars call private religion. This loosely connected spiritual marketplace includes thousands of independent practitioners, a vast array of niche products, and millions of seekers—but very few long-term members, enduring communities, or institutional structures.

To better understand the diversity of religious expression, it is helpful to distinguish between two broad types of religious organization: collective and individualistic (private). Some religions are deeply communal, functioning like economic “clubs” where members come together to share in the production and experience of religious life. These groups emphasize congregation, shared rituals, and mutual support. Others are more individualistic, resembling commercial “firms” that offer spiritual goods and services to individuals on a more personal, transactional basis. Johnson (1987, 255) further notes that New Age organizations “have difficulty building a stable pool of devoted members because the bulk of them are essentially fee-paying clients.” In this model, spiritual services are commodified, brand loyalty is weak, and the market is wide open, especially in the realm of commercialized therapeutic offerings.⁵

Collective religions function much like exclusive membership clubs, fostering tight-knit communities with clear moral expectations, high participation, and strong group identity. Iannaccone’s “sacrifice and stigma” model helps explain the effectiveness of these demands. According to this rational choice framework, costly religious requirements serve to reduce free-rider problems by screening out the less committed. By imposing sacrifices and stigmatizing behaviors that make participation in alternative groups more difficult, these communities raise the cost of exit and deepen internal cohesion (Iannaccone 1992; 1994, 1202). The model posits that for sectarian groups, a binary structure exists, members are either fully committed or not involved at all, discouraging half-hearted participation and ensuring that those who remain are more likely to contribute meaningfully. However, Iannaccone also warns that there is an optimal level of costliness: excessive demands can deter even the sincerest seekers, as illustrated by his quip that “few would have followed [Bhagwan Rajneesh] to the Arctic Circle.”

is thus best understood as conditional on the presence of effective competition (e.g., low entry barriers, information symmetry) rather than as sufficient in itself (Chaves and Gorski 2001; Scheitle and Finke 2009).

⁵ Iannaccone explores this distinction in depth, suggesting that these two models represent different strategies for managing religious risk. Collective religions reduce risk through strong social ties, repeated interactions, and shared norms. In contrast, private religions allow people to diversify their spiritual experiences, drawing from a variety of sources without deep commitment to any single one (1995, 288–290).

These religious communities resemble clubs in another important way: they rely on the voluntary support of committed members rather than selling services. Many of their core offerings—such as community, identity, and shared rituals—are non-rivalrous and cannot be commodified in traditional markets. Instead, they are sustained through donations, dues, and selective fees. Interestingly, participation often enhances the value of these offerings, reinforcing the communal model.

Building on Iannaccone's work, McBride (2007; 2015) introduces a “club goods” framework that incorporates the concept of religious capital and the strategic management of free riders. Using the Mormon Church as a case study, he argues that religious organizations can offer tiered benefits—some universally accessible, others reserved for highly committed members. This approach allows for limited free riding, which can be beneficial: newcomers who initially contribute little may, over time, develop deeper engagement and religious capital. In this view, stigmatizing behaviors are not meant to exclude all free riders, but to deter those unlikely to ever contribute meaningfully (Bose 2026, 79f).

On the other hand, individualistic or “private” religions are more flexible and less demanding. They appeal to spiritual seekers who prefer to explore on their terms. These traditions—such as New Age spirituality, Japanese Shinto, Chinese folk religion, and ancient Greco-Roman paganism—typically involve looser affiliations, fewer rules, and a more consumer-oriented approach to faith.

From an economic perspective, private religions operate much like businesses. They attract a wide audience but rarely build lasting loyalty. People often engage with multiple spiritual providers, assembling personalized “portfolios” of beliefs and practices. Transactions are often fee-based, with clients paying for specific services like readings, rituals, or counseling.

3. Are Religious Schools the New Religious Establishment?

Government-funded schools in the U.S. have been identified by many writers on both the right and left as America's established church. Hence, the theories from the last section should also apply to these established schools. At the same time, many argue that some baseline standards are essential for shared civic competencies, thereby necessitating government-funded schools; we address this concern below.

When churches were deprived of state support, resulting in a religious free market, they lost something very important. According to Mead, a liberal church historian, “Perhaps the most striking power that the churches surrendered under religious freedom was control over public education which traditionally had been considered an essential aspect of the work of an established church if it was to perform its proper function of disseminating and inculcating the necessary foundational religious beliefs” (Mead 1963, 66).

Educating children was seen as too large a task by the established churches of that time, especially when regular attendance was between 10 and 20%. Education was to be free and compulsory because of the desire to “guarantee the dissemination and inculcation among the embryo citizens of the beliefs essential to the existence and well-being of the democratic society” (Mead 1963, 67). These beliefs were recognized to be religious in nature, by early leaders in the public-school movement, such as Horace Mann.

Horace Mann advocated for ‘nonsectarian’ religious instruction in public schools. However, it soon became clear that such a concept was unfeasible in America, where religion had solidified into distinct and various sectarian forms. To many evangelical Protestants, Mann’s approach appeared suspiciously ‘Unitarian,’ while what was labeled as “nonsectarian” religious teaching often seemed like evangelical Protestantism to Unitarians, Roman Catholics, and others. Even the Bible was excluded, as it could only be read in public schools in ‘sectarian’ English translations (Mead 1963, 67).

“The purpose of state schools, as laid down by Horace Mann, James G. Carter, and others was twofold: *first*, to establish centralism, the priority of the state over every area of life, and *second*, to eliminate Biblical faith. The founders of statist education in the U.S. were Unitarians. They rightly believed that control over the child through the schools is the key to controlling society” (Rushdoony 1981, 172). Thus, state schools were designed to replace traditional religious teachings with a new set of values and beliefs dictated by the state. The idea is that education becomes a form of indoctrination, where the state, through schools, imposes its ideology on students, much like a religion would. According to Glenn, the common school movement was not secular (as is often portrayed). Reformers such as Mann deliberately used state-funded schools to promote a unifying “civil religion” that would replace competing sectarian traditions. From this perspective, the common school operated as a religious institution—just one administered by the state rather than by churches (Glenn 1988).

According to Mead, public schools in the U.S. have assumed a fundamental role traditionally held by established churches. The public school system can thus be seen as the nation’s established church. However, the diverse religious sects in America cannot acknowledge that the religion taught in public schools (or any other sect) is “true” without risking their existence. This highlights the divide between the state-endorsed national religion taught in public schools and the various religions taught in free churches (Mead 1963, 68).

Decades ago, Rushdoony also made the following observation: American public schools already function as a kind of established church, not in doctrine but in their role as the State’s primary moralizing institution—first promoting a semi-Christian civic moralism, and today enforcing a secular-progressive “social morality” (Rushdoony 1963). Rushdoony’s point becomes harder to dismiss when placed beside the problems unfolding in our present system. Jason L. Riley, writing in the *Wall Street Journal*, argues that many public schools have ceased to be centers of learning and instead operate as “laboratories for esoteric ideological projects,” a shift that helps explain why “Johnny can’t read anything other than pronouns”

(Riley 2026). His argument finds empirical confirmation in the data from Chicago Public Schools' most under-enrolled campuses. At Douglass High School, for example, the school utilizes only 3.1% of its capacity (28 students in a 912-seat building), employs twenty-seven staff, spends \$93,787 per student, and nonetheless reports 0% reading proficiency. This pattern is repeated across multiple campuses in the district: high expenditure, high staffing, low enrollment, and depressed literacy levels. Such outcomes reveal that the "uniformity" defended by critics is not a uniform formation of civic competence but a uniformity of failure (Dabrowski and Klinger 2025).

Far from supporting a monopoly system, these realities strengthen Rushdoony's core insight: when the State consolidates educational authority, it inevitably imposes a civil creed—and today that creed increasingly crowds out basic literacy itself. A uniform civic religion is hardly "efficient" if it leaves its children unable to read. This dynamic aligns with Gatto's argument that modern schooling conditions students into fragmentation, passivity, and compliance; it dumbs people down not by accident but by fulfilling its underlying purpose of producing predictable, easily managed adults rather than independent thinkers. The problem, then, is not that educational pluralism would introduce too much diversity, but that our centralized model already enforces a de facto civic religion while simultaneously generating widespread illiteracy. The status quo is untenable (Gatto 2005).

This analysis fits directly into the argument Gatto advances more expansively in *The Underground History of American Education*, where he contends that modern public schooling functions as a religion, complete with dogma, clergy, and rites of initiation. He asserts that every teacher (citing Dewey) is a "social servant set apart for the maintenance of the proper social order," effectively "the prophet of the true God and the usherer in of the true kingdom of heaven" (Gatto 2001, 15). Licensing, he argues, reinforces this priesthood by screening out high-quality individuals and ensuring ideological uniformity (34), while legal immunity from malpractice solidifies its clerical authority (10). Schools, Gatto maintains, aim to replace the family, the church, and the community as the primary source of values (82), even to the point of supplanting the Christian faith itself (133). The shift from intellectual formation to manufacturing "well-adjusted" citizens (129), the ambition to reshape human nature and manufacture a secular utopia (144), and the use of compulsory attendance to impose "scientific parenting" (149) all fit the same pattern: the school becomes a totalizing institution, claiming jurisdiction over moral development, identity formation, and the future of society.

In *Deschooling Society*, Illich highlights the modern school system and draws parallels to religion. He states, "Equal educational opportunity is, indeed, both a desirable and a feasible goal, but to equate this with obligatory schooling is to confuse salvation with the Church. School has become the world religion of a modernized proletariat and makes futile promises of salvation to the poor of the technological age. The nation-state has adopted it, drafting all citizens into a graded curriculum leading to sequential diplomas not unlike the initiation rituals and hieratic promotions of former times. The modern state has assumed the duty of

enforcing the judgment of its educators through well-meaning truant officers and job requirements, much as did the Spanish kings who enforced the judgments of their theologians through the conquistadors and the Inquisition” (Illich 1970, 10,11). Illich critiques the education system as being rigid, dogmatic, and imposing, much like a religious institution.

The Economics of Disestablishment: Diversity and Standards

If public schools function as a *de facto* state church, the economically coherent remedy is disestablishment: withdraw monopoly privileges, redirect funding to families, and permit a decentralized ecology of providers to compete for students. Historical experience with religious disestablishment cautions that the transition is uneven. While entry of firms and institutional innovation expand the market, a nontrivial share of formerly established congregations failed when state support receded faster than voluntary finance matured—an outcome well documented in histories of American philanthropy and religion’s institutional financing (Adam 2025, 41–58). At the same time, supply-side research in the economics of religion shows that deregulation and competition generally increase vitality (Iannaccone, Finke, and Stark 1997, 355–357; Adam 2025).

Scholars like Friedman have suggested a middle way instead of a fully *laissez-faire* system. In his original blueprint, Friedman proposed that state aid follow the pupil to any “approved” school that meets minimum standards and delivers “minimum common content.” This framework preserves basic civic competencies while allowing mission-distinct providers to compete on pedagogy, culture, and ethos. Crucially, these content requirements are conditions of subsidy: schools that decline public funds remain independent of state-defined curricula, even as parents remain bound by compulsory-education laws (Friedman 1955, 3). This middle way offers several benefits.

First, disestablishment without transitional financing mechanisms risks a capacity-hollowing shake-out of former established organizations—precisely the 19th-century pattern critics of educational pluralism invoke. Second, competition improves outcomes when entry barriers are low and where there is information symmetry. To the objection that reform will close some incumbent schools, the appropriate response is Schumpeterian: creative destruction is the mechanism by which better organizational forms displace worse ones; suppressing this churn entrenches stagnation. Moreover, once we accept a diversity of providers, we must also confront a diversity of learning standards.

A common objection holds that, unlike religion, schooling requires uniform national standards to sustain a shared civic culture; absent a government-run system, curricula would diverge “to an impractical degree.” The empirical record does not support this assumption. Recent meta-analytic evidence finds that private schooling is, on average, positively associated with core civic outcomes—including political tolerance, civic knowledge and skills, political participation, and voluntarism/social capital—relative to government schooling. In other

words, a shared civic floor does not require a single public provider; plural schooling sectors have, if anything, performed at least as well—and often better—on democratic competencies (Wolf 2020).

Summarized below (Table 1) are counts of statistically significant advantages by domain, alongside “no significant difference” tallies. The distribution of results shows few instances of a public-sector advantage, a substantial share of nulls, and frequent private-sector advantages across the most policy-salient civic measures.

<i>Civic outcome domain</i>	<i>Public advantage</i>	<i>No significant difference</i>	<i>Private advantage</i>
All civic outcomes 84 findings from 34 studies	3	33	50
Rigorous designs only – 27 findings	1	12	14
Political tolerance	1	10	13
Political participation	0	6	8
Civic knowledge/skills	0	6	10
Voluntarism & social capital	2	11	19

Table 1. Comparative civic outcomes by school sector.⁶

In sum, the same economic logic that illuminates the disestablishment of churches applies with equal force to schools. Institutional behavior follows the incentives created by deregulation; monopoly and competition yield predictably different patterns of quality, responsiveness, and innovation. The evidence on civic formation reinforces this point. A centralized public-school monopoly is not required to secure civic competencies. Private schools routinely perform as well as, and more often better than, their government-run counterparts. Hence, disestablishment provides educational quality and civic cohesion over preserving a state-run educational system (in the next section, we delve further into this aspect).

⁶ Rows report study-level vote counts of statistically significant sector advantages (public vs. private) and null findings (Wolf 2020, 39–58).

4. Applying Economic Theories to Government School Deregulation in the U.S.

Having argued in Section III that U.S. public schooling functions as a *de facto* established church, and that any move toward plural provision requires attention to disestablishment economics, we now ask the following: What would a transition from government-run schools to a free-market system look like in practice? To answer, we apply the three economic theories that were stated in section II and see how they affect school deregulation in the U.S.

Fortress vs. Frontier

The “Fortress vs. Frontier” model can be applied to government schools. In the fortress, government schools prioritize stability and minimize risk. This can lead to resistance against innovative teaching methods or new educational technologies. Educators and administrators are protected from competition, making it difficult for innovative ideas or alternative education models to gain traction. Licensing requirements make it costly to enter the fortress if one wants to teach. Regulations stifle creativity and limit the ability of schools to adapt to the needs of their students and their environment. Compulsory taxes are used to fund such schools so that teachers and administrators are then focused on maximizing their utility by pleasing the legislators more than the parents. Compulsory and “free” education forces people to this one-size-fits-all school and curriculum, and results in the celebration of the mediocre. Truancy laws, child abuse laws, teaching without a license, and other regulations can be used to compel students to attend these fortress schools (Baugus 2022, 2). Costly regulations and burdensome accreditation standards keep competition out. For example, The Lyceum school, a Catholic-based school in Ohio was almost forced to shut down when a local township almost required religious schools to hire people outside the faith through nondiscrimination clauses.⁷

Innovations within the fortress are tolerated, such as charter schools, which are still funded by the state, but are usually non-union, allowing for flexibility in employment and placement of teachers. Another innovation in the fortress is the offer of vouchers to students to attend the school of choice. The biggest concern of this innovation is that when the government continues to fund schools, even indirectly, it results in controls. While initially, these could be mild, one cannot discount the possibility of severe controls. On the curriculum side, Outcomes-Based Education is an innovation brought in during the late 1980s and early 1990s that was allowed, which does not upset the apple cart.

When the government steps into a new domain, the programs it supports often become linked to the initial experts consulted. These experts then establish systems centered around their specific areas of expertise and models. This results in a path-dependence

⁷ <www.youtube.com/watch?time_continue=1&v=WQenY0lXZTU> (accessed January 29, 2025).

problem that could easily lead to sub-optimal outcomes caused by expert direction (Bose 2021). For example, around the time government-funded education was set up, the “Look-Say” method of reading was developed to teach deaf-mutes to read, as they were unable to use the sound-symbol system of reading. Horace Mann, the early lobbyist for government-funded schools, saw this method as a way to liberate students from academic tyranny. This “educational quackery” was initially rejected by many schools, but with time, experts pushed it and took over schools. The result was that many students were not able to read, resulting in a whole slew of terms to describe this condition: “congenital word blindness, word deafness, developmental alexia, congenital alexia, congenital aphasia, dyslexia, strephosymbolia, binocular imbalance,...” (Blumenfeld 2003, 15). Around these issues, a whole slew of remedial solutions and experts formed, curricula were developed on how to deal with it, journals started, and funding was provided. All this creates vested interests in the status quo that prevent improvements from occurring. We see that because of this, the suboptimal paradigm took decades to change.⁸

Critics of compulsory public education argue that it often prioritizes uniformity and control over individual learning needs and educational excellence. Gatto contends that mandatory schooling brings in students who are truant, disruptive, or unwilling to learn, which can hinder the educational experience for others. He suggests that such students might benefit more from alternative, heterogeneous forms of training better suited to their needs (Gatto 2001, 129). Further, Gatto argues that compulsory schooling operates through a hidden curriculum—one that systematically teaches confusion, class position, emotional and intellectual dependency, indifference, conditional self-esteem, and constant surveillance. These are not incidental defects but, in his view, structural imperatives of a bureaucratic institution organized to produce compliant citizens rather than thoughtful, self-directed individuals (Gatto 2005, 1-19).

This critique ties into broader concerns about the inefficiencies of state-run education systems. When public schools operate as monopolies, families have limited influence over curriculum and resource allocation. Because funding comes primarily from taxes rather than direct consumer choice, schools are more accountable to government agencies than to parents or students. As Iannaccone (1991, 156-163) notes, this dynamic can lead to inefficiencies similar to those once seen in state-supported churches, where institutions focused more on satisfying government expectations than on delivering value to their congregants.

Hood (1993) expands on this by arguing that public schools, in their effort to maintain reputations and manage large, diverse student populations, often settle for mediocrity. He claims that since World War II, schools have adopted a one-size-fits-all curriculum that suppresses individuality and sets low expectations, resulting in average or subpar student

⁸ <www.pbs.org/newshour/education/why-more-u-s-schools-are-embracing-a-new-science-of-reading> (accessed February 27, 2025).

outcomes. The state's emphasis on equality often translates into teaching to the lowest common denominator, which Rothbard (1971 (1999), 11,48) argues leads to a curriculum focused more on obedience and conformity than on critical thinking or excellence.

Further, religious schools were not pushed out by “free” public schools; instead, they adapted by focusing more on religious teachings and content in their curriculum. This differentiation allowed them to compete with public schools. Many Catholic churches established their schools to avoid the Protestant ideals prevalent in public schools during earlier periods of establishment. This indicates that the public has heterogeneous preferences when it comes to education.

In the fortress, private schools are often regulated by the government, meaning they are not entirely independent.⁹ This implies that countries offering private schools as an option are still within the government's educational framework. In many places, the state dictates what private schools can teach, and homeschoolers must follow a curriculum like that of local public schools to be permitted, which all have the hallmarks of innovations within the fortress. Competition can be dangerous to the social industrial order, and obedience is more important than creativity and intelligence. The fortress shifts “oversight from those who have the greatest personal stake in student development—parents, community leaders, and the students themselves—to a ladder of strangers progressively more remote from local reality” (Gatto 2001, 203).

Without government funding and protection from competitors, many new educational options would emerge. When religion is a choice, churches can cater to what consumers want, efficiently using their funding to offer the best options. Similarly, government-funded and managed schools are shielded from competition. If the state no longer protects schools, educators will need to provide valuable skills to attract consumers. They would need to offer an education that employers find useful, encouraging consumers to invest their time and money.

A frontier approach to education envisions a dynamic, decentralized system that fosters innovation, diversity, and responsiveness to student needs. Unlike the rigid structure of compulsory public schooling, the frontier would open space for a wide array of educational models—charter schools, private institutions, charity schools, homeschools, unschools,¹⁰ online platforms, low-cost alternatives, and experimental models like Summerhill-type schools.¹¹ This diversity would allow educators to embrace calculated risks, tailor curricula to heterogeneous learners, and explore new pedagogical methods.

⁹ Oregon even temporarily outlawed private schools and religious schools, and this was struck down by SCOTUS (*Pierce vs. Society of Sisters*, 268 U.S. 510 (1925)).

¹⁰ Unschooling is homeschooling that focuses on child-led, interest-driven learning without a fixed curriculum, formal lessons, or standardized testing.

¹¹ <www.youtube.com/watch?v=TxngqMavda0> (accessed January 15, 2025).

By shifting funding from government sources to direct consumer choice, schools would become more accountable to families rather than bureaucracies. This market-driven model would encourage competition, drive down costs, reduce the tax burden, and improve educational quality. As schools compete for students, it incentivizes them to retain students and ensure they achieve meaningful outcomes.

Blumenfeld (2003, 197–201) argues that privatization also promotes educational freedom and reduces cultural and religious conflict by allowing families to choose schools aligned with their values. It fosters entrepreneurship, depoliticizes education, and liberates teaching from bureaucratic constraints. Moreover, it can help reduce social welfare costs by equipping students with practical skills, improving literacy, and preparing them for meaningful employment.

A frontier model would also address disparities in education by offering more tailored learning opportunities for students from diverse backgrounds. States or private organizations could develop flexible certification pathways that recognize varied teaching experiences and qualifications, encouraging innovation and attracting a broader range of educators. In some cases, eliminating certification requirements could allow talented individuals to contribute meaningfully to education without bureaucratic barriers.

Another consideration is the impact of age segregation in peer groups—a byproduct of Fortress schooling structures. In the fortress educational systems, students are typically grouped strictly by age, limiting their interactions to peers of the same developmental stage. This is a stark departure from traditional societies, where children and adolescents engage in mixed-age groups, often taking on caregiving roles for younger children. These interactions naturally activate the caregiving system and promote prosocial, nurturing behaviors. By moving away from rigid, age-based school structures and embracing multi-age classrooms, we can reintroduce these beneficial dynamics. Such environments may help reduce externalizing behaviors—like aggression, defiance, and risk-taking—that are often intensified in same-age peer groups. Disestablishing the fortress, allows the frontier to develop a more holistic, socially enriching learning communities (Del Giudice 2018, 136).

Transitional Gains Trap

The transitional gains trap theory also applies to disestablishing schools. The initial benefits from government programs or regulations become entrenched, making it difficult to remove these programs even when they no longer provide net benefits. Further, interest groups and unions will form to maintain the status quo, creating cartels. Bureaucracies also develop routines and momentum, resulting in inertia and the inability to innovate during changing times. As Rourke states, “bureaucratic services generate constituencies that oppose their liquidation” (1984, 33), and hence maintain the status quo.

Illich states that the institutionalization of education creates a system where initial benefits become entrenched, leading to a rigid structure that stifles creativity and individual growth. The education system's initial goals are overshadowed by the negative long-term effects of institutionalization (Illich 1970, 1–14). Further, any move to disestablish or significantly reform the school system would result in significant losses for current stakeholders, including teachers' unions, administrators, textbook publishers, and families who have invested in the existing system. Lucrative salaries, pensions, and other benefits when threatened create a strong resistance to change, as those who benefit from the current system stand to lose the most. Even innovations in the fortress, such as expanding charter schools, are resisted (Brand 2011). Recently, in 2024, a school choice ballot measure lost by two-thirds of the vote in every county in Kentucky. While voting overwhelmingly for President Trump, the conservative-leaning state defeated the school choice measure that would have allowed for tax credits and vouchers to attend other schools. This indicates that, regardless of the inefficiencies or inequities of the status quo, the process of disestablishing schools is slow and met with considerable opposition from families, especially in rural areas.¹² This reflects the challenges described by the transitional gains trap, where entrenched interests make it difficult to implement changes that could benefit future generations.

Historically, entrenched institutions—like established churches—have only undergone significant transformation when faced with powerful external shocks. In the case of religion, the disestablishment of churches in the U.S. was catalyzed by the War for Independence, which disrupted the status quo and forced a reevaluation of religious authority and organization. Similarly, the modern education system is now facing its disestablishment moment, driven by two major exogenous shocks: the COVID-19 pandemic and the rapid rise of artificial intelligence (AI).

The pandemic served as an initial rupture, forcing schools to close and shift rapidly to remote learning. This sudden change exposed both the vulnerabilities and inefficiencies of the traditional school model. Parents gained unprecedented visibility into what was being taught—or not taught—and many began exploring alternatives such as online education, hybrid models, and homeschooling. This disruption opened the door for a broader reconsideration of how education is delivered and who controls it.

AI represents a second, even more profound shock. It is not merely a tool for incremental improvement but a catalyst for systemic overhaul. At schools like Alpha School in Texas, students spend just two hours a day learning with AI and still outperform 98% of their peers nationwide.¹³ AI automates grading, can generate dynamic lesson plans, and

¹² <www.whas11.com/article/news/education/amendment-2-kentucky-results-county-by-county-school-choice-measure/417-0ca52a5a-88de-4b3d-865a-b39f76a9ac4a> (accessed February 14, 2025).

¹³ <www.fox7austin.com/news/alpha-school-two-hour-learning-ai-tutor-austin-texas> (accessed June 13, 2025).

stimulates student engagement, which will free teachers to focus on mentorship and human connection.

Together, these shocks are dismantling the “fortress model” of traditional schooling—large, centralized institutions designed for standardization and control. As with the disestablishment of churches, the educational system is being forced to adapt or risk obsolescence. Lower-cost, high-quality alternatives like Khan Academy and AI-driven platforms are challenging the monopoly of conventional schools, just as new religious movements once challenged state-sponsored churches. The result is a growing educational marketplace where innovation, flexibility, and individual agency are becoming the new norm (Thomas 2009, 336–339).

Moreover, if one or two states become the first to fully disestablish, they can serve as contrasting examples, demonstrating how successful schools can operate at lower costs for the benefit of students, parents, and society. This would motivate other states to follow suit and disestablish. Even examples of disestablishment in other countries could spur change and innovation.

Private and Collective Organizations

The deregulation of religion in the U.S., which led to a vibrant and competitive religious marketplace, offers a compelling parallel to the evolving free market in education—particularly the rise of homeschooling and alternative schooling models. Like in the religious market, where we saw both private and collective religious organizations, we will expect to see such in the schooling market. Homeschooling falls under the private model, whereas other types of schools fall under the collective model.

a. Homeschooling

Homeschooling¹⁴ closely mirrors the characteristics of individualistic or “private” religions in several important ways, particularly in terms of flexibility, autonomy, and consumer orientation. Just as private religions—such as New Age spirituality or Chinese folk traditions—allow individuals to explore spiritual paths on their own terms, homeschooling empowers families to design educational experiences that reflect their unique values, goals, and learning styles. This flexibility enables parents and students to adapt curricula, pacing, and teaching methods to suit their specific needs, rather than conforming to a standardized institutional model.¹⁵

¹⁴ Unschooling would also fall in this section.

¹⁵ Per the HSLDA.org website, depending on the state of residence, homeschooling can face numerous regulations and is truly not at the Frontier.

Another key similarity lies in the nature of the affiliation. Private religions typically lack centralized authority or formal membership structures, and homeschooling operates in much the same way. Families are not bound to a single educational institution; instead, they may participate in co-ops, online learning communities, or informal networks—often on a voluntary and fluid basis. This decentralized approach fosters a sense of independence and allows for a more personalized educational journey.

Both homeschooling and private religion also reflect a consumer-oriented model. In private religion, spiritual services are often fee-based and transactional—individuals pay for what they want, whether it is a meditation class or a tarot reading. Similarly, homeschooling families often purchase or curate educational resources, such as textbooks, software, tutoring, or online courses. Education, in this context, becomes a market good tailored to the consumer, rather than a public service delivered uniformly to all.

The barriers to entry are also lower in both models. Private religions are generally less demanding and more accessible, requiring little in the way of formal commitment. Homeschooling can be easy to initiate and customize. This accessibility makes both models attractive to those seeking alternatives to traditional institutions.

Both homeschooling and private religions tend to operate outside of strong institutional frameworks, favoring decentralization and individual agency over centralized authority or standardized systems. This structural independence fosters innovation and responsiveness to participants' needs, although it can also result in variability in quality and outcomes. Homeschooling allows parents to tailor educational experiences to their children's unique interests and aptitudes. It offers flexible scheduling, the ability to transmit family values, opportunities to form networks and cooperatives, curriculum customization, and often an increased sense of safety. Like private religious practices, homeschooling empowers individuals to shape their paths within a loosely organized, consumer-driven environment (Baugus 2022, 49–64).

b. Collective Club-type Schooling

Both mainstream and sectarian schools, like churches, function as collective institutions, offering educational “club goods” that are shared among members, such as structured learning environments, social development, and community engagement. These goods are non-rivalrous (up to a point) and non-excludable within the institution, meaning that one student's participation does not diminish the value for others. However, the way these schools manage commitment, participation, and free riding differs significantly, reflecting variations in their organizational models and cultural expectations.

Mainstream schools, like broad-based religious congregations, serve a diverse population with heterogeneous beliefs and backgrounds. Their approach necessitates lower entry barriers and flexible policies, which allow for wide participation but also create

conditions ripe for free riding. Students and families can benefit from the collective goods of the schools, such as extracurricular programs, peer networks, and academic resources, without necessarily contributing much in return. The curriculum adopted will be designed to meet the educational standards and requirements set by educational authorities or the state. McConnell suggests they might seek accreditation from respectable organizations (McConnell 2002, 101). Mainstream schools with lower membership standards allow for passing low-performing students. They could also allow more committed members to join at higher membership levels with their attendant higher benefits, and schools within schools for talented individuals.

Sectarian-type schools, while also collective, operate under a high-commitment model. They demand ideological or religious alignment, strict adherence to behavioral norms, and active student and family participation, resulting in homogenous beliefs. These schools reduce free riding by clearly defining who is “in” and who is “out,” often excluding those who do not conform to the group’s values. They frequently reject mainstream educational norms, using independently developed curricula and enforcing strict codes of conduct, dress, and behavior. Like sects, they create tight-knit communities with strong moral expectations and a clear sense of purpose. Membership is binary—families are either fully in or out—and those who do not conform are excluded. The “seductive middle ground is eliminated, and paradoxically, those who remain find that their welfare has been increased” (Iannaccone 1994, 1188). This high level of commitment fosters cohesion, stability, and a strong collective identity, even as individual members come and go.

According to McBride’s extension of Iannaccone’s sacrifice and stigma theory, free riding is not inherently problematic. Allowing some degree of free riding can be a strategic choice, especially in institutions that aim to attract and grow their base. Over time, some of these low-commitment members may develop greater educational capital and become more engaged contributors. The strong social ties and shared norms within these schools help mitigate the risks of free riding by fostering accountability and reinforcing group identity.

Moreover, sectarian schools can appeal to both lower-income and affluent families by offering different tiers of engagement (Tooley 2008). For some, the appeal lies in the strong community and moral structure; for others, it is the promise of academic excellence, low student-teacher ratios, and elite college preparation. These sectarian schools may offer scholarships and invest in high-quality programs to attract talented students, much like religious sects that reinvest donations to grow and strengthen their base. Sectarian schools, like collective religious groups, rely on high commitment to generate strong communal benefits, while mainstream schools, though more accessible, struggle to achieve the same level of cohesion and shared purpose due to their broader, more flexible structure.

5. Conclusion

We argue that the disestablishment of government-funded schools, like the historical disestablishment of churches, holds the potential to invigorate the education system through increased competition and innovation. By drawing parallels between the establishment of churches and schools in the U.S. and applying economic theories such as the Fortress vs. Frontier model, the Transitional Gains Trap theory, and the private vs. collective framework, the analysis suggests that deregulating schools could lead to a more dynamic and responsive educational landscape.

The Fortress vs. Frontier model suggests that disestablishment would shift schools from a protected “Fortress” state to a competitive “Frontier.” The frontier reimagines education as a vibrant ecosystem—one where freedom, competition, and innovation drive continuous improvement, and where students, families, and educators are empowered to shape their educational journeys. While the Transitional Gains Trap theory acknowledges the challenges of overcoming resistance from entrenched interests who benefit from the current system, historical experience suggests that exogenous shocks can open windows for reform. Exogenous shocks, such as the COVID-19 pandemic, can disrupt the status quo and create opportunities for change. The private vs. collective framework suggests that a deregulated education market would result in a variety of educational groups catering to diverse needs, ranging from mainstream schools to more specialized, sectarian options, in addition to homeschooling-type options. Ultimately, disestablishment could benefit society by fostering a competitive educational environment, offering families greater choice, and aligning educational practices more closely with their values.

While our analysis centers on the U.S.—given its well-documented history of church disestablishment and commitment to religious freedom—we believe that the theoretical framework developed in this paper, with its application to potential disestablishment of schooling, has broader applicability and can be extended to other national contexts undergoing similar institutional transitions. In short, the economic logic we apply to churches applies equally to schools.

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Appendix

<i>State</i>	<i>Established religion</i>	<i>Government financial support</i>	<i>Government control over creeds, worship, and clergy</i>	<i>Mandatory worship attendance</i>	<i>Use of church for civil functions</i>	<i>Religious tests</i>	<i>Establishment strength</i>
Connecticut	Congregational	1	1	0	1	0	3
Delaware	Soft Protestant Establishment	1	1	0	0	0	2
Florida	Roman Catholic	1	0	0	0	0	1
Georgia	Anglican	1	1	0	1	0	3
Kentucky	None	0	0	0	0	0	0
Louisiana	Roman Catholic	1	0	0	1	0	2
Maine	Congregational	1	0	0	0	0	1
Maryland	Anglican	1	1	0	1	1	4
Massachusetts	Congregational	1	1	1	1	1	5
Missouri	Roman Catholic	0	0	0	0	0	0
New Hampshire	Congregational	1	1	1	1	1	5
New Jersey	None	0	0	0	0	1	1
North Carolina	Anglican	1	1	0	0	1	3
Ohio	None	0	0	0	0	0	0
Pennsylvania	None	0	0	0	0	0	0
Rhode Island	None	0	0	0	0	0	0
South Carolina	Anglican	1	1	0	1	1	4
Tennessee	None	0	0	0	0	0	0
Vermont	Congregational	0	0	0	0	0	0
Virginia	Anglican	1	1	0	1	1	4

Table 2. Strength of church establishment in the early states (Esbeck and Den Hartog 2019)

<i>State</i>	<i>Year all aspects of disestablishment were completed</i>	<i>Key law that completed disestablishment</i>
New Jersey	1776	1776 New Jersey Constitution
Delaware	1776	1776 Delaware Constitution
Rhode Island	1776	1776 Rhode Island Charter
Pennsylvania	1776 ¹	1776 Pennsylvania Constitution
North Carolina	1776	1776 North Carolina Constitution
Maryland	1776 ²	Maryland Declaration of Rights
Virginia	1786	Virginia Statute for Religious Freedom (1786)
South Carolina	1790	1790 South Carolina Constitution
Kentucky	1792	1792 Kentucky Constitution
Tennessee	1796	1796 Tennessee Constitution
Georgia	1798	1798 Georgia Constitution
Ohio	1802	1802 Ohio Constitution
Louisiana	1812	1812 Louisiana State Constitution
Missouri	1821 ³	1821 Missouri State Constitution
Vermont	1807	1807 Vermont Religious Tax Repeal
Connecticut	1818	1818 Connecticut Constitution
New Hampshire	1819	1819 New Hampshire Constitution
Maine	1820	1820 Maine Constitution
Florida	1838 ⁴	1838 Florida Constitution
Massachusetts	1833	1833 Massachusetts Disestablishment Act

1: 1790 per Chapman and McConnell (2023)

2: Disestablishment occurred in two parts, 1776 and 1826 per Chapman and McConnell (2023)

3: 1820 per Chapman and McConnell (2023)

4: 1821 per Chapman and McConnell (2023)

Table 3: Disestablishment in the early states (primary source: Esbeck and Den Hartog 2019)