

IMPRIMIS

"Inner City Kids: Why Choice Is Their Only Hope" by A. Polly Williams, State Representative, Wisconsin

Preview: *Education is the nation's top growth industry. Annual spending on education has increased over 300 percent in less than twenty years. And we are spending five times more on each student than we did fifty years ago. Why, then, are America's schools in crisis? Why have education task forces failed to achieve significant reform?*

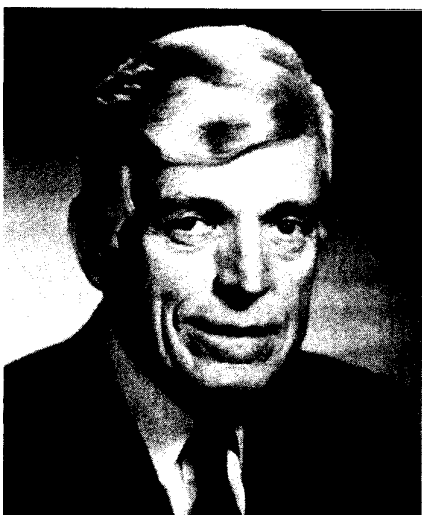
Polly Williams and J. Patrick Rooney say it's time to stop relying on more money, more task forces, more experts, and more bureaucrats: genuine reform can only be brought about by creating incentives for schools—and therefore students—to succeed, i.e., by introducing competition. Williams and Rooney addressed 350 St. Louis community leaders and educators during the Shavano Institute for National Leadership

seminar, "Public/Private Education: Should Parents Be Free to Choose?" on October 16-17, 1991.

Since 1976, Milwaukee has been under court order to "racially balance" its public schools. Now, there are about one hundred thousand school-age children in this city. Approximately 70 percent are black or belong to other minorities. How do you "racially balance" a system in which 70 percent of the population is made up of minorities and only thirty percent is white? How do you justify the millions of dollars that the federal and state government are paying the schools to achieve this impossible goal?

(continued on page 2)

"Private Vouchers: A New Idea in Education Reform" by J. Patrick Rooney, Chairman, Golden Rule Insurance Company



Advocates of choice in Indiana have worked hard to achieve meaningful education reform, but we just can't get an educational choice bill through the state legislature. (If you have ever worked with any government branch, you know that it is a lot easier to prevent something from happening than it is to get anything innovative done.)

The odds are clearly on the side of the bureaucrats, even though there is considerable evidence that choice, where it has been tried in states such as Minnesota and districts such as East Harlem, is a phenomenal success. We know that educational choice in Indiana might be realized someday, but, in the meantime, we are abandoning another generation of children who are not getting a decent education.

Private Vouchers: No Red Tape, No Bureaucrats, No Strings

Recently, we at the Golden Rule Insurance Company decided to do something about education reform right now. In 1991, we created *private* vouchers; that is, as a company in the private sector, we offered to pay half of the tuition of any student who wanted to leave the public system and go to a private school. (Most of the non-public schools in Indianapolis charge \$1600 or less—our cap was, therefore, \$800.) This voucher program is for grade school children. We would have loved to extend it to the high school level, but we have limited resources, so

(continued on page 4)

"Historically, blacks have demanded equal opportunity education; what they've gotten instead, is forced desegregation."

"For the last decade and a half, forced busing in Milwaukee has cost \$335 million."

The same court order mandates that only 30 percent of the teachers can be black. "Racial balance" is the goal once again. But if the city is 70 percent minority, where are the non-black teachers supposed to be coming from? And why are black teachers who want to work in the inner city prevented from teaching?

Below are some maps that will show what happens when the government and the courts try to force "racial balance." In the middle of the first map, the small circle is an inner city school, and every one of the round black dots represents one of the other schools in Milwaukee. Under the "racial balance"

plan, black children who would ordinarily attend the inner city school in question are bussed all over the district—to a hundred and four different schools.

Historically, blacks have demanded equal opportunity education; what they've gotten instead is forced desegregation. What do blacks want? We want the same thing whites want. We want our kids educated in their own communities. Yet look at the second map, showing the bus routes for just three schools. (Imagine a map showing the bus routes for over one hundred schools!)

Better than anything, these bus routes show the chaos and confusion caused by forced "racial balance."

They also show corruption: the government pays the educators an extra

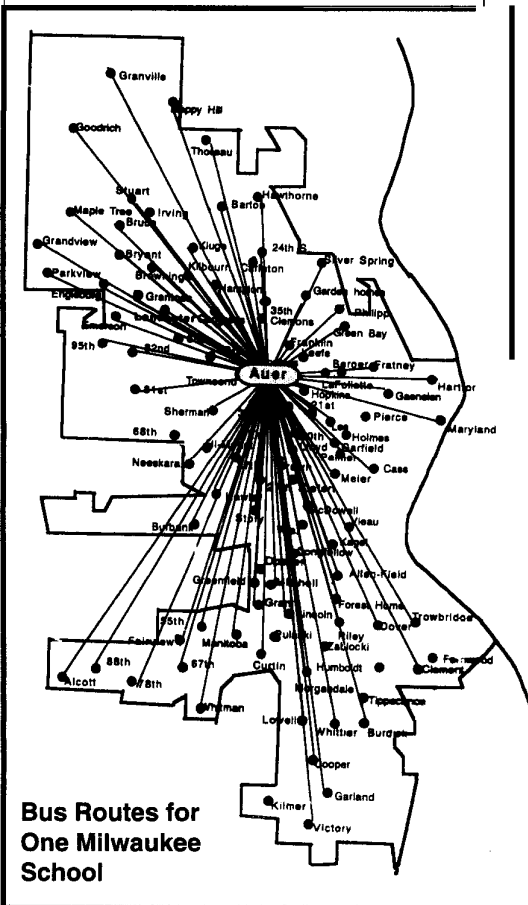
thousand dollars in desegregation funds for every new route. For the last decade and a half, forced busing in Milwaukee has cost taxpayers \$335 million.

Public Schools: 90 Percent Failure Rate

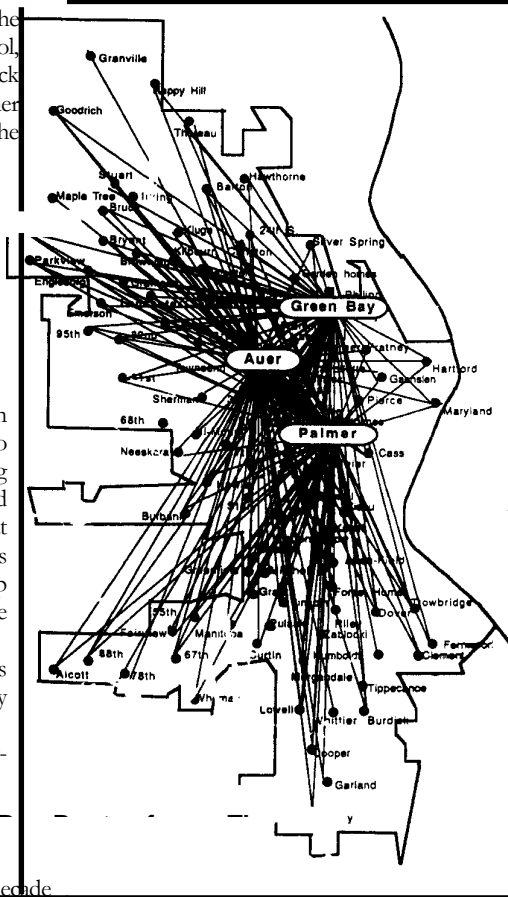
In the meantime, the public schools are failing to educate our children. Sixty percent of all Milwaukee ninth graders do not

complete high school, and of the 40 percent who stay in the school and walk across the stage to receive their diplomas, only 10 percent can read. For what amounts to a 90 percent failure rate, we pay \$600 million a year to support the Milwaukee public schools—that averages out to about \$6000 per student. The educators keep saying, "You've got to give us more money, because it's tough to educate these inner city kids. They are poor, and they are raised by single mothers; we can't expect them to learn..."

"Sixty percent of all Milwaukee ninth graders do not complete high school, and of the 40 percent who stay in the school and walk across the stage to receive their diplomas, only 10 percent can read."



Bus Routes for One Milwaukee School



Polly Williams is America's leading advocate of parental choice in education. *Time*, *Newsweek*, the *Wall Street Journal*, and "60 Minutes" have reported on her successful efforts to secure private school vouchers—the first in the nation—for inner city students in Milwaukee. To millions of American parents who want the freedom to decide what education is best for their children, Polly Williams has become a national symbol of hope, courage and determination. A six-term state representative in the Wisconsin legislature, she holds the record for the highest number of votes for reelection—in 1986, the figure was 94 percent. **A**

That's the stereotype: poor black children are slow learners, difficult and expensive to educate. Well, my children were raised in a single parent home. My husband and I divorced when the eldest was thirteen and the youngest

"In the Milwaukee public school system, 62 percent of the teachers and administrators refuse to send *their* kids to the public schools."

was five. After the divorce, five of us had to live on my salary, which was only \$8000 a year. And we did live on it, though we were certainly living below the poverty level. According to the educrats and all the experts defining who we were, my children were *simply not supposed to make it*. I am happy to tell you that the educrats were wrong, because my children *did* make it and they were not stereotypes.

But poor black children *do* share a major disadvantage. Unlike those whose parents can vote with their feet and enroll in good private schools, poor black children are forced to go to the school the government selects for them. That's not right. We're supposed to educate *all* children, because if we don't educate them we're going to incarcerate them—Wisconsin, for example, has eight new prisons on the drawing board, but no new schools. The state should be encouraging the establishment of more private and public schools and more private businesses—giving children basic academic skills and putting adults to work instead of giving them endless social programs. Blacks want to learn and to earn their way just like everybody else. We don't want welfare that just puts us back on the plantation—this time the government plantation.

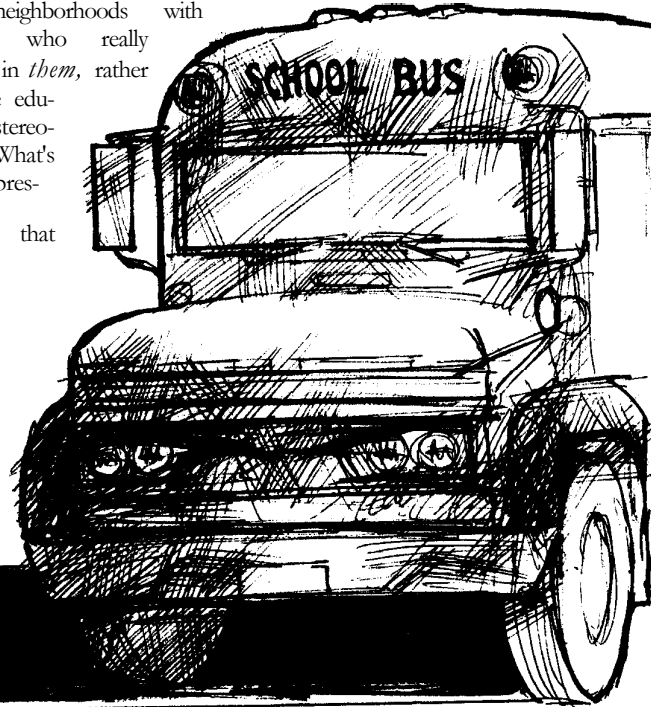
And blacks don't want their children to be forced to attend public schools if there are better alternatives. In the Milwaukee public school system, 62 percent of the teachers and administrators refuse to send *their* kids to the public schools. This flight from the system has had ironic results. When 23 suburban public schools were recently in danger of closing due to low enrollment, black children were simply bussed in, and the state gave the schools an

extra \$12,000 for each. So, the failing suburban public schools received a guaranteed source of students and more than \$22 million a year in additional government funding.

Private Schools and Parental Empowerment

I opposed forced desegregation from the start. I wanted what most parents want: for my children to be educated in their own community. At the time, there were about a dozen private schools in the inner city of Milwaukee. They were previously Catholic institutions that had been reorganized as private nonsectarian academies, and they were a wonderful alternative for low-income and minority students—predominantly blacks, but also Hispanics, Asians and whites. They allowed students to get a good education in their own neighborhoods with teachers who really believed in *them*, rather than the educrats' stereotypes. What's really impres-

sive is that



these private schools had a 98 per-cent graduation rate.

But they couldn't get by on the tuition they charged, and although successful, they were in danger of closing their doors. Meanwhile, the

few years ago, a small group banded together and approached the state legislature. We said: "Why not allow tax dollars to go to the schools that *are* working?" We didn't know that vouchers had already been defeated in every other state where they'd been proposed, We didn't even call our proposal a voucher plan; we called it "parental empowerment" or "choice." Meetings were organized to discuss our proposal. We hoped to attract a few dozen people, but hundreds of enthusiastic parents began showing up and staying for sessions that ran on for hours. This shocked public school officials, especially since they couldn't get more than a few parents to any of *their* meetings.

People often fall into the habit of saying, "How do you get the poor involved in the education of their children? They just don't care, or they don't know enough to make intelligent choices." But, in reality, if you give them a sense that they can make a difference in the lives of their children, if you give them some power, you'll find out that poor parents can care more than anyone. They don't take education for granted. They know that education is the only way out of poverty. And when you empower people and give them a sense of ownership, they become responsible, and they learn how to make decisions. And when they are treated with dig-

nity and respect, they respond to it.

Choice empowers parents. It allows them to choose the best school for their children. It

"And to everyone's surprise, the parental empowerment bill—the first in the U.S.—passed into law. Starting in the 1990-91 school Year, up to 1000 students could claim \$2500 worth of tuition vouchers (a fraction, of course, of the per-student expense at public schools)."

public schools were getting millions of our tax dollars whether they did a good job or not. So a

doesn't say, as the educrats do, that poor people are too dumb (they use the word "uninformed")

to make choices. Poor people are the same as rich people. They may not have much money, but they have the same desires and the same needs. And poor people make decisions all the time. They decide where they are going to live, what grocery store to buy from, where to shop for clothes—they decide everything, but all of a sudden, the educrats claim that they don't have enough sense to make a decision about the education of their children.

But the teachers' unions, the NAACP, the bureaucracy, and the educational establishment didn't agree. In the name of protecting the poor, they all opposed choice. We didn't try to beat them—they were too powerful. Instead, we went directly to the parents, and we organized the community from the grassroots level, from the bottom up. And they kept coming to our meetings by the hundreds—even the Joe Six-Packs and the Archie Bunkers. Republicans, Democrats, Jews, Catholics, Protestants and Muslims publicly spoke up in favor of the plan, even when it had nothing to do with their agendas.

When we proposed choice, the parents in the audience said, "Are you serious? You mean we can take our children out of public schools?" They began showing up and sitting in the galleries at the state capitol and watching the legislators, who, for their part, were shocked that the parents were there. Like the educrats, they also believed that the poor didn't care.

And to everyone's surprise, the parental empowerment bill—the first in the U.S.—passed into law. Starting in the 1990-91 school year, up to 1000 students could claim \$2500 worth of tuition vouchers (a fraction, of course, of the per-student expense at public schools). This year, one private school had 600 applicants for 100 openings. Every private school in the inner city has a waiting list. Hundreds of low-income families want out of the public school system. Those who have succeeded in getting out are spreading the word: Their children, two to three grade levels behind in the public school, are now working at their grade levels. Once always absent, they are even refusing to stay home sick! A typical response is, "Please don't make me stay home—my teacher is expecting me." There are no gang problems and only a two percent drop out rate.

Sure it's only one thousand in a city that has one hundred thousand students, and the educrats are fighting the bill in the state supreme court, but I think it's a real victory—and we've only just begun. If the poor people of Milwaukee can achieve something no other group in the nation has been able to do, then anything is possible. t

"In 1991, we created private vouchers; that is, as a company in the private sector, we offered to pay half of the tuition of any student who wanted to leave the public system and go to a private school."

(Rooney, continued from page 1)

it was a matter of priority.

The only criterion is financial need. If students qualify for the free or reduced cost lunch program in the public schools, then they qualify for our educational grant. This is purposely a very generous criterion. We do not impose academic requirements of any kind, and there is a "first come, first served" basis for awarding the vouchers. (When we began, we tried elaborate questionnaire forms but quickly abandoned them. We are a society that is accustomed to filling out too many forms that

"The beauty of private vouchers is that they are so simple—no red tape, no need to depend on bureaucrats to administer them, no worries that the vouchers will be used later as a way for the government to claim that private schools are accepting federal or state subsidies. And they start working right away."

J. Patrick Rooney has been in the health insurance industry for over three decades. He is chairman of the board of the Golden Rule Insurance Company, which is licensed in 49 states and which earns a premium income of almost \$600 million annually. The company is generally considered the nation's largest writer of individual medical insurance and is marketed by over 70,000 independent brokers. Mr. Rooney has gained national attention in the last year for establishing a \$1.2 million fund for private education vouchers which enable hundreds of low-income parents in Indiana to send their children to the private schools of their choice. In two recent headline editorials, the *Wall Street Journal* hailed Mr. Rooney's efforts as a real "breakthrough in corporate support for educational choice." 8

are of dubious value.) We make no attempt to decide which private schools are eligible. We are about the business of helping parents and students; hence they are free to choose any school that meets their needs.

The beauty of private vouchers is that they are so simple—no red tape, no need to depend on bureaucrats to administer them, no worries that the vouchers will be used later as a way for the government to claim that private schools are accepting federal or state subsidies. And they start working right away.

Unexpected Success

Golden Rule's private vouchers are a great success, much greater than we expected, in fact. We called a press conference to announce the start of the program only three weeks before the commencement of the 1991-92 school year. We stated very cautiously that we anticipated that only 100-200 students would want to be involved in this program. Well, within the first three days, Golden Rule had 621 requests for applications, and at the present time, we have distributed more than 2,000 applications.

A temporary obstacle is that most of the private schools already have full or near-full

enrollments. But the response to our private voucher plan will inevitably lead to expansion, as it has created a whole new supply of potential students for private schools. In the first school term of this year, 705 students were awarded vouchers and there were 199 on the waiting list. (This list would have been larger, but many parents knew that the private schools were full.)

"Who, for example, has ever heard of a private school with metal detectors or with an 80 percent drop out rate?"

Why Support Private Education?

Why do we support private education through vouchers? There are three reasons. The first reason is that Golden Rule is interested in helping the disadvantaged, particularly the minority citizens of our country. Our vouchers are not awarded on the basis of race or ethnic background—they

service industries will demand much higher skill levels than the jobs of today. Many companies are already forced to run remedial education programs for their employees. We can't put off educating people until the time they apply for work—that is the wrong time to fix the problem. But according to their own standardized tests, Indiana public schools are failing to teach adequate basic skills and are far behind the private schools in terms of overall

"Every business and charitable organization should start its own voucher program, for one or one thousand students, it doesn't matter. What *does* matter is that they will have taken a step toward helping others as well as themselves."

are colorblind—but since they go to mainly inner city residents, the natural effect is to help blacks, Hispanics and other minorities.

Sources such as the Hudson Institute's report, *Workforce 2000*, estimate that over the next decade, the work force will be very slowly growing older, more female, more minority, and more disadvantaged. Only 15 percent of the new entrants to the labor force during that period will be white males compared with 30 percent today. The demographic opportunity of the 1990s will be missed unless something is done now—the problems of minority unemployment, crime and dependency could be far worse than they are today.

The second reason for Golden Rule's interest in vouchers is very practical. New jobs in

student achievement. If for no other reason that this, competition is needed at the elementary and secondary school levels where the monopoly position of the public school has stifled innovation.

The third reason is linked to the second: It is vital to the public interest that students work hard and learn basic habits like punctuality and diligence. Yet, the Committee for Economic Development published a study several years ago arguing that one of the most important failures of the public schools is that they have failed to teach even a basic "work ethic."

Add drug abuse and violence to the list: Public schools have failed there too, resorting to metal detectors, locker searches and security

guards. And despite all such efforts, many students do not learn to respect or heed authority. Lastly, there is the dropout rate in public institutions. In one Indianapolis high school, *80 percent* of the student body typically does not graduate.

The American Federation of Teachers (AFT) and the National Education Association (NEA) have recently begun a new media campaign to convince Americans that the public schools are doing every bit as well as the private schools. I don't think Americans will be convinced, simply because there is too much evidence to the contrary. Who, for example, has ever heard of a private school with metal detectors or with an 80 percent drop out rate?

A Call to Act-Now

In summary, with private vouchers, we have made a real and practical investment in the future of our own business as well as our society. Every business and charitable organization should start its own voucher program, for one or one thousand students, it doesn't matter. What *does* matter is that they will have taken a step toward helping others as well as themselves.

For more information on private vouchers, write:

Timothy Ebrgott

Executive Director

Educational CHOICE Charitable Trust

90 Golden Rule Insurance Company

7440 Woodland Drive

Indianapolis, IN 462 78-1 719