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How Philanthropy Is Revolutionizing Education

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Jennifer A. Grossman has served as a presidential speechwriter, talk show pundit, and senior writer for the National Commission on Economic Growth and Tax Reform. She drafted the commission's final report, which the *Wall Street Journal* hailed as "an opportunity to reshape the broad outlines and principles beneath tax policy for years to come."



Ms. Grossman has also served as director of education at the Cato Institute, a nationally prominent Washington, D.C.-based think tank. She has written numerous articles for such publications as the *Wall Street Journal*, the *Weekly Standard*, *National Review*, the *Washington Times*, and the *Los Angeles Times*. Currently, she is on leave from the Children's Scholarship Fund, which supports private scholarship initiatives. Its goal is to award \$200 million in scholarships to as many as 50,000 students in 30-50 cities. ▲

A number-one priority for decades, public school reform has produced bitterly disappointing results. In this presentation, delivered at the fall 1998 Shavano Institute for National Leadership seminar in Seattle, Jennifer A. Grossman explains how philanthropists are providing a different approach to reform—through private vouchers, which are sweeping the nation.

The power of memory is central, not just to the life of a person, but to the life of a people. In his short story, "Children of the Alley," Nobel prize-winning author Naguib Mahfouz writes, "Good examples would not be wasted on our alley were it not afflicted with forgetfulness. But forgetfulness is the plague of our alley." It's not just national forgetfulness that plagues our discussion of education reform. It's that most of us have implicitly bought into a version of history that narrowly limits the debate and thus limits our ability to question, in any fundamental sense, the status quo.

This version holds that America was founded on public education; that education was not widely available before the introduction of public schools; that our government-run system is responsible for widespread literacy and universal school attendance; and that this system is as American as our Constitution, our flag, and our democracy.

All four statements are widely accepted as conventional wisdom. To challenge them is considered, at best, silly and, at worst, sinister—even un-American. No wonder it is so painful to conclude that they are untrue. But it is profoundly important to do so. As the novelist George Orwell once observed, he who controls the present controls the past, and he who controls the past controls the future.

Philanthropic Beginnings

Today, when we speak of reforming public education, our premise is that education should be delivered through a government system that solves problems through programmatic repairs. In this context, philanthropy is channeled toward supplementing system administration (the mentoring advocated by America's Promise); supplementing system supplies (the software and computers donated by corporations like Oracle and Microsoft); and supplementing system funding (Walter Annenberg's dramatic gift of \$500 million to the public schools).

Despite the best intentions and generous impulses of their sponsors, these measures are powerless to affect the chronic weaknesses of today's public education—weaknesses such as the lack of accountability, the stagnating test scores, and spiraling costs—that are so obvious and well-documented I need not dwell on them here.

Of course, no one blames philanthropists for failing to solve the problems of American education. No one really ever expected that they would because no one really ever expected that they *could*. I believe that they can. And unless we are prepared to resign ourselves to the gridlock and vested interests that currently paralyze political reform of education, I believe that they *must*.

We have to stop viewing philanthropy in education as the application of Band-Aids to an injured system. We must be willing to question whether there isn't some underlying flaw in the system that causes it to remain in continual crisis. And then we must be willing to apply philanthropy strategically to leverage change.

After all, philanthropy provided the original leverage that led to America's adoption of government schooling. In his brilliant forthcoming book *Market Education: The Unknown History*, Andrew Coulson describes how the Common School movement of the mid-19th century grew out of philanthropic beginnings. So called "free schools" were among a diverse range of education options that met the needs of most families. In cities they supplemented an established network of independent education providers. Competition kept fees low and quality high, since parents would not voluntarily patronize a teacher they thought was unfit or a school they thought was wasteful or overpriced. Rural areas had small, semi-public "district" schools where a mix of tuition and local taxes let the poorest students attend for free.

Historian Robert Seybolt describes how what had begun as fairly basic instruction quickly evolved into more serious academic training: "Popular demands, and the element of competition, forced [educators] not only to add new courses of instruction, but constantly to improve their methods and techniques of instruction." Trend lines, starting from the mid-18th century in

America, show that literacy rates—for both men and women, in both the North and South—were on the rise.

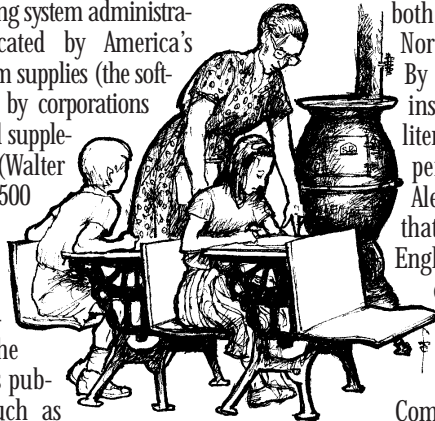
By 1852, the year Massachusetts instituted mandatory schooling, literacy in that state stood at 98 percent. Even decades earlier Alexis de Tocqueville observed that it was rare to find a New Englander who had not received elementary education and who was not well-versed in the history and Constitution of the United States.

Competition, choices, charity, private and semi-public institutions—the mix may have worked, but it was messy. And with waves of new immigrants arriving in the mid-19th century, it was about to get a lot messier. As impoverished newcomers poured into the cities, the philanthropic "free schools" expanded and multiplied. These charitable efforts were motivated by compassion—and concern. The cultures, and especially the Catholicism, of the new immigrant arrivals fed the fears and prejudices of America's Protestant majority.

Many of the free schools saw their role as combatting this "ignorance and vice" through literacy and moral instruction, a function increasingly sanctioned by state governments in the form of subsidies to sponsor philanthropic societies. But as ethnic tensions continued to mount, reformers argued that far more aggressive and comprehensive measures were required. There was resistance, not just from immigrants but from Americans who remembered why they had fought a war of independence from government control less than a century before. Ironically, it was the education subcommittee of the Massachusetts legislature that warned:

The establishment of the Board of Education seems to be the commencement of a system of centralization and monopoly of power in a few hands, contrary, in every respect, to the true spirit of democratic institutions; and which, unless speedily checked, may lead to unlooked-for and dangerous results.

Horace Mann dismissed such critics as "vandals and bigots," and ultimately he prevailed, becoming the first secretary of the first state board of education



in Massachusetts, and introducing the first state-run system in 1852. Within 30 years, every Northern state had followed suit, and while only two states had mandatory attendance laws before the Civil War, most others passed such laws after Reconstruction.

I am, by necessity, simplifying and summarizing a lot of very complex history. But, given the tremendous hopes and resources that have been invested in public education in the 20th century, and given the equally tremendous disappointments and challenges we are grappling with at the century's end, we might want to ask ourselves whether there was any wisdom in the early warnings Horace Mann dismissed.

Private Vouchers

Today, many reasonable people do fear that education has become too centralized and that powerful interests block real reform. Many parents do wish that more power were in *their* hands, not the "few hands," and that they could make meaningful choices about their child's education. Even those who argue against parental choice use terms that vindicate those who first warned of an education monopoly. But choice is a distraction, we are told, because 90 percent of all students are in the public system.

True enough. But by the same token, any provider that commands 90 percent of the mar-

ket—whether we're talking about software, phone service, or heating oil—is, by definition, a monopoly. Our government employs thousands of bureaucrats to track down and break up monopolies on the grounds that monopolies stifle competition and thereby produce bad products at high prices. Doesn't it strike anyone as strange that the same government protects its own monopoly in education? And stranger still, that nearly everyone accepts this state of affairs as normal—as something that has always been and must always be?

Dispelling this enormous black cloud are two powerful and shining rays of light: the recent Supreme Court ruling in favor of Milwaukee's voucher experiment, and the explosive growth of philanthropically supported private vouchers. I want to focus on the latter because the Milwaukee success grew out of a prior private voucher program, just as public education grew out of private philanthropy 150 years ago.

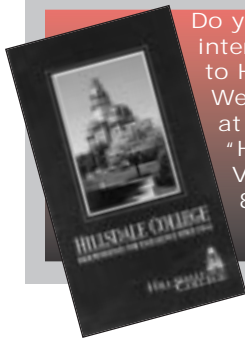
To paraphrase Immanuel Kant, the actual proves the possible. Private scholarship programs prove that competition works. Far from "destroying" public education, competition galvanizes public schools into making long-overdue repairs. And it offers poor parents the choices they desperately desire.

Now you might not think it would be necessary to prove this last point. But in fighting efforts to bring parental choice to Washington, D.C., none other than Senator Ted Kennedy has insisted that

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“parents and ministers and local leaders have made it clear that they do not want vouchers.” And the District’s very own delegate, Eleanor Holmes Norton, agreed, saying, “I think I can say with confidence that the people I represent would deeply resent the imposition of vouchers.”

Left to politicians, the question of whether Washington parents want choices could be filibustered indefinitely. But thanks to private philanthropists, the debate is over. In October 1997, businessmen Ted Forstmann and John Walton put up \$6 million to offer 1,000 K-8 scholarships to the low-income families of Washington, D.C. Three months later, with very little media coverage and virtually no advertising, they had received 7,573 applications. That’s nearly 20 percent of the eligible population—poor parents who are willing to make significant financial sacrifices in order to send their child to a school often a couple of blocks away from the one the child is now attending for free.

For a number of years, I have worked with Mr. Forstmann on policy and philanthropic issues, and I can tell you how deeply affected he was by this overwhelming demand. On the eve of the lottery, he read in the local papers about a single mother who had been praying that her two children would be

among the scholarship winners. When he found out that their numbers hadn’t come up, he called her and said there had been a change of policy; there would be not 1,000 scholarships awarded, but 1,002. Her prayers would not go unanswered.

Then Mr. Forstmann and Mr. Walton decided to make their efforts national. The two announced that they would underwrite a \$100 million foundation to match funds with local partners (who would raise an additional \$100 million) to provide thousands of scholarships to low income families in communities across the country. In June of 1998, they launched the Children’s Scholarship Fund, naming the first five cities: New York, Chicago, Los Angeles, Jersey City, and Washington, D.C. Mr. Forstmann then spent the rest of the summer raising tens of millions of dollars, and in the fall of 1998 announced more than 30 new programs.

Other philanthropists have offered scholarships, before, but, in terms of size and scope, the Children’s Scholarship Fund is an absolutely unprecedented undertaking. And, as scholarship applications pour in from poor families across the country, it will be impossible to ignore just how passionately these parents want a real chance and a real choice in their children’s education. ▲

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