

What Schools Should—and Shouldn't—Learn from Markets

Albert Shanker

President, American Federation of Teachers

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PROPOSALS BEING ACTIVELY considered all across the U.S. are trying to bring to our public education system some of the competition, incentives, and choice systems that exist within private markets.

It should be no surprise that this kind of thinking is sweeping the country. We are living at a very dramatic and exciting moment, a time when countries in Eastern Europe, which had experimented over many years with government, bureaucracy, and regulation, are now saying that experiment didn't work.

It's quite natural to look at a country like the Soviet Union and think: It has about the same population as the U.S., a larger area, and greater resources, and yet it's not able to feed its own people. The reason it can't feed its own people is not the people or the resources; it's a system in which there aren't any incentives to do better.

Here in the U.S., the argument continues, we spend a good deal of money on public education and not only are the results bad, a lot of problems have still not been solved. We knew 20 years ago that few youngsters were leaving school able to write an essay, to read something worth reading, or to solve mathematical problems. But if you look at national assessment test results, you find almost a straight line over 20 years.

Even the Most Advantaged

We see very large amounts of failure and not much being done to change it.

Most people tend to think school problems are urban problems. It's New York, Los Angeles, San Francisco, and Chicago. Or, it's a problem of the minorities or the economically poor. To be sure, urban areas, minorities, and economically poor families do have very special problems, and they are in greater need and further behind. But it's also true that they've been catching up. The only good news in American education is that urban and minority youngsters have closed about half the gap from where they were 20 years ago. The bad news is that most middle class youngsters in this country are learning very little com-



Shirley Cochran Burton

Albert Shanker

pared to middle class youngsters anywhere else in the industrialized world.

Only 3 percent of U.S. high school graduates are able to write a good letter or essay. Only 5 percent of those graduating can do problems in simple, elementary algebra or read a newspaper like the *New York Times* or *Washington Post*, which are written at the eighth grade level.

I am not talking about those whom life has dealt a bad deal. I am talking about some of the most advantaged youngsters who ever walked the face of the earth, youngsters who haven't suffered from dis-

It is not true that private and parochial schools do better than public schools.

crimination, lack of health care, books, or opportunities to travel.

Theory of Competition

And as people look toward Eastern Europe and analyze how bureaucratic systems work, they naturally arrive at a conclusion that we need a market, competition, a system in which there are consequences for success and failure. And they decide that if we introduce those things, we'll get our schools to move. That's the theory.

The theory is that if you pass a law so that youngsters can take some of the monies now spent on them in public schools and use them to go to a private or parochial school, we will develop market competition and, as a result, public schools will look at these young people as customers and start thinking about how to do a better job. If they don't, the theory goes, they will

lose large numbers of youngsters who will go to better schools; and for every 25 or so youngsters who leave, one teacher will be dismissed and for every certain number of teachers dismissed, a principal will be dismissed. As a result, there will be an element of self-interest, and teachers will fight hard to do a good job because they will have a stake in it.

Part of this view is that private and parochial schools do a better job, that their kids learn more. Therefore, the theory goes, if you give these especially poor and minority youngsters in cities the opportunity to move to these better schools, you will be able to solve one of our toughest problems.

I would like to deal with a few of the questions surrounding this issue. Is the plan a good one? What is it that we should learn from how markets operate to improve our schools? And what are the lessons we shouldn't learn from markets?

Private Versus Public Schools

I'd like to begin with the assumption that private and parochial schools do a better job educating youngsters. I always thought that youngsters who graduated from those schools performed better because most of those schools don't take kids who are doing poorly and they expel kids who don't do their homework or who hit a teacher or other kids. Those schools have no unionization, no tenure; if a teacher is doing a poor job, they can fire him or her. In addition, parents who are paying tuitions of \$3000 or \$4000 a year are more likely to make sure their children are doing their homework. They have more of an investment. So you have a select group of parents who care so much that they are willing to make these personal sacrifices.

A few months ago the National Assessment for Educational Progress (NAEP) came out with its mathematics report card. It told which states ranked first, second, third, etc. The country was so busy looking at state rankings that they ignored another part of the report. This was the first time that the NAEP extensively tested youngsters in parochial and other private schools.

When I got my copy of this report, I looked at the fourth grade comparisons of public and private schools: The private school youngsters did better. I looked at the eighth grade results, and the private school youngsters did better, but not as well comparatively as they had in the fourth grade. Then I looked at the 12th grade scores, and the percentage of public school youngsters who can do algebra was 5 percent and the percentage of Catholic and other private school youngsters who can do algebra was 4 percent.

I looked at the next category, the percentage of 12th grade youngsters perform-

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ing at or above the seventh grade level. For private schools the percentage was 53; for public schools, 47 percent. I then looked at English and social study tests that had been given several years before. They showed the same trends.

I was shocked. I thought that parochial and private schools might be taking poorer kids who have exactly the same problems as the kids in public schools. But when I looked at the National Assessment's background data on these youngsters, I discovered that 47 percent of the youngsters who go to private schools have parents who are college graduates, compared to 30 percent of those in public school. We know what difference a college education means for how much money you make.

I discovered that kids in public schools had twice the percentage of parents who were dropouts in public schools. Sure enough there were very big income differences. Then I looked at how many private school kids didn't take algebra because they were in vocational schools. Practically all private schools are academic schools; they all require algebra, geometry, and other math courses. But 35 percent of the students in public schools were in vocational schools, where they didn't take algebra. So although the scores are almost identical, you are comparing youngsters who have tremendous advantages with students without those advantages.

The bottom line is that it is not true that private and parochial schools do better than public schools. In fact, given the nature of the students and their parents, one can conclude that private and parochial schools actually do a worse job. They should be expected to be substantially ahead of public schools, and they are not.

Why Not the Best?

A second assumption is that choice will reward schools that perform well and punish schools that perform poorly. The underlying assumption is that most students and parents will choose schools on the basis of academic excellence. That's quite an assumption.

In many parts of the country students and parents might well choose schools on the basis of athletic excellence. Or a parent who has to go to work early and come home late might choose a school that offers to care for a child from 7:30 a.m. to 6:30 p.m. even though it has a slightly inferior educational program. In any system of choice people will choose on the basis of what they value, and people value different things.

We had a massive experiment with

choice in the 1960s. Students didn't have to take English or algebra; they could take living, loving, or camping. The theory was that all students would work to the maximum of their ability, would take challenging courses and courses that were relevant and interesting to them. What happened? All the tough classes were empty, and the easy classes were full. In 1983 along came a big reform movement. And what was reformed? Choices.

The notion that choices are going to be made on the basis of academic excellence is an unwarranted assumption. The ability to attract students is not the same as the ability to educate students.

Caveat Emptor

All choice systems depend upon the knowledge of the consumers, and knowledge is not equally distributed within society. Generally, more educated and wealthier people have more access to knowledge, therefore using a choice system for developing greater equity is unlikely to work. Remember, if we go into a market system, all schools will advertise. They will all make claims, and whether or not consumers are able to get what they want will depend on their ability to analyze these claims.

I don't think that the market or competition or choice leads to better schools, nor do I think that giving youngsters the right to change schools moves them into schools that are better. I think that what President Bush has learned from the market is wrong. But I also think there is something we can learn from the market.

The crucial notion embedded in this approach is that you can't move things without incentives, that if a system is standing still, if there has been knowledge in the past that it hasn't worked, and if there have been all sorts of ideas about remedies but the thing still stands and does not move, then we need to think about ways to move it. That's the notion behind the voucher or choice system—that we need to think in terms of incentives.

What kinds of incentives might be put into a school system that would have a chance of moving it? What kinds of incentives might make such a system work?

A student who learns learns because he or she works at it. There is no way to learn anything without working at it. The student has to listen, read, write, imagine, question, construct, experience. It is the work that the student does that creates learning.

If students in other countries learn more than students in our country do—and they do—it's because they work harder, smarter, and more. They have to. In those countries, students cannot get into college without passing rigorous examinations. They work at it so that they will succeed.

Why don't students do that in the United States? We will not get most students to work hard on all subjects (sure they'll work hard on things that they're interested in) as long as they can enter colleges and universities without reaching any given level of achievement. As soon as they know they are going to graduate and that they have gotten far enough to get into college, they stop working. This is why students in private and parochial schools stop learning as soon as they know they have achieved what they want to achieve.

What about those who don't go on to college? In other countries the company asks for transcripts and teacher recommendations. Do any major companies ask for transcripts here in the U.S.? Is there any visible reward for doing well in school?

No. On the contrary, the youngster who has done very well is rewarded with the same usually very bad job as the youngster who's done very poor work, and everybody ridicules the youngster who has worked hard because he's worked hard for nothing.

We need incentives for youngsters. They need to know that engaging and working hard makes a difference. What if tomorrow, McDonald's and Pizza Hut and all the other outfits that hire youngsters after school said they would only hire people who are in the top third of their class? Students would start working very hard; and not because they have all of a sudden fallen in love with Shakespeare.

Incentives for Adults

We also need incentives for adults. If we want to achieve something we need to reward the results we want to get. Therefore we ought to develop a system in which a school—the entire faculty of a school—is rewarded if it is able to increase the level of achievement of large numbers of students. Don't reward people for stealing students from other schools; reward people for getting the results we want to achieve. That will encourage an entrepreneurial spirit, experimentation, and teachers' efforts to improve teaching techniques and reach out to private industry for help.

We need to create stakes for both the teachers and the youngsters. The other thing we need to learn from business is that over a period of time there needs to be investment. Companies that do well start doing research now and invest in things that need to be done 10 or 15 years from now. We have a \$250 billion elementary and secondary system in this country and practically nothing is devoted to any intelligent assessment, research, or development in these areas.

A market system can indeed be introduced into the public schools, but the mar-

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ket ought to reward the outcomes that we want, namely success with youngsters. It should not merely seek to attract more youngsters on other bases. ♦

Answers to Written Questions from the Floor:

Q. Is President Bush really the education president?

A. Yes and no. For the first time the nation has a set of education goals. That is important in a country with such a highly decentralized school system—15,000 districts. But there's been no investment in education. Many youngsters come to school physically and mentally damaged because of lack of nutrition, health care, and facilities during their early childhood, and the schools aren't able to do much for them. One of the most important investments this country can make in education is in terms of the first goal—that by the year 2000 every child will enter school ready to learn. Ready to learn means trying to undo the damage that poverty does to young children. It is not only more humane but makes sense economically. Think of what it costs society to maintain people who can't function throughout their lives. I give the president a good mark for visibility, for slogans, and bringing people together. But I give him poor marks for implementation.

Q. Is it true that our public schools have too many administrators and too few teachers, and that the teachers themselves are overburdened by administration?

A. We have a complicated legal system in which everything is an adversarial relationship. But we pay a price for it. Only 40 cents of the U.S. education dollar is spent on teachers' salaries. The amount of money spent on bureaucracy has doubled every 15 years for the last 45 years. But we can't get rid of a lot of people if we're required to push paper to the state capital and to some office in Washington, and if we have to worry about being sued.

Q. What are the most important things parents can do to help their children enjoy learning?

A. A permanent, steady, loving relationship with an adult is essential. Talking and reading to youngsters is also important. One of the craziest notions was that of quality time. Think about how a child develops communication. An adult takes every movement, gesture, and sound a child

makes and responds to it, developing a system of communication. That only happens in a long-term relationship where the same adult is with the same kid for long periods of time. What we now have, not only with the poor, but in families where both parents work, is children being moved from one place to another, being warehoused. We probably pay a very big price for that.

Q. At a university tenure protects free speech and expression of new and unpopular theories. Is this protection necessary for a second grade teacher?

A. The theory behind the question is that tenure means that teachers who shouldn't teach get job security since tenure prevents us from getting rid of them. But some states have no tenure. In Texas a teacher can be dismissed on five or 10 days notice. Texas teachers have no collective bargaining, no union contracts, so if tenure is a problem, the students of Texas ought to be high performers. Take a look at those national assessment scores and see where Texas and all those other states that don't have tenure or collective bargaining are. There does not seem to be any relationship.

Q. Shouldn't the school year be at least 11 months?

A. If we're doing something wrong, doing it on Saturdays and Sundays, for an extra month, or an extra hour won't help. We don't have a system which engages youngsters. First we have to find out how to engage them and how to get them to work at what it is they should be working at.

Q. What is tracking?

A. It is a practice where you separate youngsters on the basis of ability or achievement. The system sometimes assumes that kids who are bad in one subject are bad in all subjects, and puts a child in a universally slow track. Most teachers teach by talking 85 percent of the time. But suppose you were a teacher in a one-room schoolhouse, with 28 kids from first to eighth grade. How would you teach in a class like that? You'd give them all work and then help each of them individually. Suppose you have an untracked eighth grade class in which two youngsters who are functioning at the first grade level, three at the second grade level, and one at the third grade level. It's really a one-room schoolhouse, except they're the same age. Unfortunately because they're the same age, we think we can lecture them. I don't like tracking. You either have a class where teachers talk to youngsters who are capable of understanding and following them, which means tracking, or you get away from talking. I'm in favor of the latter; many youngsters don't learn much by sitting and listening for five hours a day.

Talking is a factory method of educating. It expects all youngsters to learn in the same way in the same time. We ought to move to a more individualized system. We do not have to have a school where the teacher is standing and talking all the time and the kids are daydreaming.

Q. What is your opinion of national testing?

A. If we're going to have a national system of testing, we have to ask ourselves what we are testing for. We also have to be extremely careful because if we start telling people that they're going to be measured, appreciated or depreciated, rewarded or punished based on that test, that's what we'll mobilize the system to do. We already have millions of teachers teaching youngsters how to guess on multiple choice machine-scored tests instead of how to think, write, express themselves, and solve problems. The difference between a good student and a bad one is that the good student remembers the answer until the examination is over. We've got to think very carefully. If we can put together examinations which will mean that students will develop portfolios, if the examination will consist of doing the kinds of things students must do in the real world, then I favor it.

Q. What role does the union play in our education system? What has the system done for education, not for benefits of teachers?

A. I don't separate benefits to teachers from education because if you don't pay people well or treat them well, you don't get very good people and you don't keep them very long. A system in which people felt that they had no rights—not even a lunch period—was not a system capable of attracting the best people. No one became a teacher because they expected to become rich. They came in because they enjoyed school, and they wanted to share with other youngsters what teachers had shared with them. Of course we're in this period of crisis. The public will through anger or frustration move toward an irrational system unless people in public schools are seen as engaging in intelligent experimentation to improve the institution. We are very much involved in that through teacher centers, through involving teachers in participation—the same kinds of things we read about in business in terms of involving employees. Most of the great ideas don't come from central headquarters. They come from the people at the front line who have ideas as to how to improve the system. We're trying to bring that kind of involvement with teachers and schools. The union has been the main agent pushing these proposals for regeneration within schools.

DECEMBER 4/5

San Francisco Mayor's Race

Early Evening Reception

Brown Bag Lunch

Art Agnos

Incumbent Mayor, San Francisco

Frank Jordan,

Former Chief of Police, San Francisco

WEDNESDAY

4:45 p.m., Sign in
5:00 p.m., Program Begins
5:45 p.m., Program Adjourns
Club Office

THURSDAY

12 noon, Sign in
12:10 p.m., Program Begins
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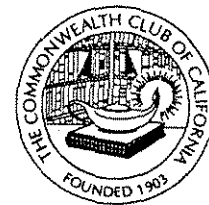
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