In 2005, I conducted original research on a question that, to my mind, had not been satisfactorily examined. I tried to gauge and categorize how much total philanthropic giving there was to public education. I was surprised to discover that, relative to the vast public expenditures on K–12 education, philanthropic contributions were remarkably small—amounting to about one-third of 1 percent of total school spending. My paper was published in Rick Hess’ book *With the Best of Intentions*, and it concluded that trying to reshape public education through the sheer financial force of philanthropic dollars was futile—like pouring buckets of fresh water into the sea. If philanthropists aspired to have a transformative effect on public education, they would have to use their limited resources to convince public authorities to redirect how public monies were spent.

In her new book, *Follow the Money: How Foundation Dollars Change Public School Politics*, Sarah Reckhow picks up where I left off. She provides a much deeper and quite thorough consideration of the potential and pitfalls of philanthropic giving in public education. Reckhow confirms that total foundation giving to K–12 education may exceed $1 billion, which sounds like a lot of money, but relative to the almost $600 billion spent annually on public education, it is actually a very small percentage.

Reckhow shows that large foundations have recognized the need to focus on influencing how public monies are spent, and that they are now devoting a significantly larger share of their giving on policy advocacy. Around the same time that I was recommending that donors shift their efforts toward policy influence, many large foundations were already making the change. Reckhow’s careful analysis of foundation tax filings shows direct giving to public schools dropped dramatically between 2000 and 2005, while giving to policy-advocacy efforts rose sharply.

Reckhow extends this analysis by warning us that shifting to policy advocacy won’t necessarily result in policy success, especially on an enduring basis. Foundations are tempted to concentrate their advocacy efforts in locations where there is centralized control over policy decisions. She empirically demonstrates that districts with mayoral or state control have been much more likely to attract foundation giving. It’s like one-stop shopping; foundations can get policy change while devoting fewer resources if they have to persuade fewer agencies or policymakers to embrace their preferred reforms.

But what happens when there is a personnel change among the central authorities? Eventually there will be a Pharaoh who knows not Joseph. Without building authentic and lasting support among local constituencies, philanthropic dreams of policy change may be ephemeral.

Reckhow illustrates this danger by contrasting the reform strategies in New York City and Los Angeles. In New York City, mayoral control was fully achieved. Through both network modeling and extensive interviews, Reckhow is able to show that reform-oriented philanthropists concentrated their efforts in New York on a relatively narrow band of elites to advance their policy agenda. In Los Angeles, by contrast, education policy decision-making is more decentralized and diffuse. In Los Angeles, reform-oriented donors were forced to expand their efforts to cultivate support among a broader set of constituencies.

New York City may have been easier, faster, and cheaper for reform-oriented foundations to accomplish their goals, but that speed came at a price. The support for reform policies is so narrow in New York City that Reckhow doubts it will survive for long after Mayor Michael Bloomberg leaves office at the end of this year. In Los Angeles, extensive efforts to build a base of support among a diversity of constituencies may help protect those reforms even...
with changes in political control of the district. To be clear, Reckhow does not provide evidence that Los Angeles’ reforms are lasting better than New York’s; her analysis leads her to expect that New York reforms rest on a thin and unsteady foundation and may not endure.

Reckhow is clearly advising foundations to avoid top-down reform strategies, but the largest foundations are not heeding Reckhow’s advice. Many have decided to up the ante on centralization. Mayoral or state control is no longer enough. They need national control. They are now focused on implementing the Common Core state standards with aligned national tests upon which teacher evaluation will increasingly rest. Federal policy, through Race to the Top financial incentives and selective offers of waivers to NCLB requirements, is pushing this centralizing strategy forward. If large foundations can build and control a national machinery to shape education policy nationwide, then they have no reason to worry about how broadly based support is for their preferred policies. As long as national elites favor their agenda, they hope that the national machine they are constructing can force policies from the very top all the way down to every classroom.

Reckhow’s implication is that this national reform machine is doomed to fail. Either state and local education authorities will resist the national reforms before they can be completed, or they will ignore and subvert policies that actually go into effect. Millions of teachers and thousands of schools cannot all be monitored and compelled from the top. Reckhow’s lesson is that enduring and successful reforms require a broad and deep base of support, which top-down reform efforts are failing to develop.

Of course, there is an alternative to trying to convince the education establishment to buy into reform. Donors could mobilize the most important yet most ignored constituency of all: parents. By expanding parental choices in schools, foundations can engage parents very effectively in controlling education policies. Top-down reform strategies, such as merit pay or high-stakes testing, may be fragile, too vulnerable to shifts in the political winds. Once Bloomberg leaves office, who will fight to keep merit pay or high-stakes testing in place in the Big Apple? Bottom-up strategies, however, are more robust. Movements like school choice grow their own base of support. Once parents have good choices of schools, they are much more likely to fight efforts to take them away.

Reckhow thinks donors should court unions, community activists, and local leaders, but she fails to consider building the base of support for reform at the even more fundamental level of parents. Engaging parents in education reform through school choice may take longer, but no one involved in education reform should fool themselves into thinking that real and enduring reform can be done quickly. Donors need the wisdom and evidence that a book like *Follow the Money* can offer—but they also need the patience to do the job right.
But how has the era of standards and accountability affected those at the top? Student achievement data show that our high achievers have stagnated. In one study of data from the National Assessment of Educational Progress, the bottom 10 percent of students made gains in reading and math between 2000 and 2007, but scores for students in the top 10 percent were “languid” over the same period. You get what you measure—and what you pay for. While federal spending on K–12 education has ballooned, funding for the Jacob Javits Scholarship for gifted students has remained flat. As New York University’s Richard Epstein has written, “Our most able students are not so much ‘shortchanged’ as they are ignored.”

Closing achievement gaps is a laudable goal. But America’s continued economic competitiveness will depend on whether our public schools can also prepare the next generation of scientists, engineers, and entrepreneurs.

In Exam Schools, Chester E. Finn Jr. and Jessica A. Hockett profile a unique set of public high schools that are designed to do exactly that. Finn, president of the Thomas B. Fordham Institute, and Hockett, an educational consultant, take readers inside the country’s “academically selective public high schools”—what they call exam schools—a collection of high-flying institutions that tend to fly below the radar. Their relative obscurity is unfortunate, not least for K–12 education donors, and the authors do a service by bringing attention to these important schools.

Exam schools defy easy categorization, but have a few things in common. They are self-contained public schools supported by tax dollars, and they select students on the basis of their academic records via a competitive admissions process. One of Finn and Hockett’s hardest tasks was to find these “needles in the haystack,” 165 in all. Some of them are well-known—Bronx Science, Stuyvesant, Boston Latin—but compared with some high-profile charter networks, many of these schools are not household names among education reformers.

The schools are spread across 31 states, with most located in urban districts. The degree to which they are (or are not) representative of their communities is a recurrent theme in the book. In New York City, for instance, roughly two-thirds of students in the regular public high schools are black or Hispanic; in the 23 exam schools, these students make up less than one-quarter of enrollments.

What stands out about these schools is their academic selectivity: most accept less than 40 percent of their applicants. But how do these schools perform? Most—though not all—are high-performing. Of the 144 exam schools with valid GreatSchools ratings (a 10-point scale that measures academic quality), 72 percent were rated a 9 or a 10. Finn and Hockett admit the more interesting question is how much value these schools add to their already-high-achieving pupils. But because researchers have tended to ignore these schools, the authors are unable to provide a definitive answer.

What’s most striking, though, is the sense that many of these schools, while revered in many quarters and touted as community assets, tend to suffer from “benign neglect.” Put simply, the era of federal standards and accountability has put exam schools in an awkward place. Traditional district schools often resent exam schools for soaking up the best students, thereby making it more difficult for district schools to reach state-mandated proficiency goals. In response, some exam schools, like Townsend Harris in Queens, use complicated admissions quotas to ensure they don’t take too many students from one neighborhood. But this leaves districts are making an effort to replicate or expand these successful institutions.

In reference to an exam school in Austin, Texas, the authors write, “practically nobody in the ‘education reform’ world in Texas and beyond seems interested in the future of schools like this.” In New Orleans, “enhancing the school experience of smart, mostly middle class kids is not a priority for many of the national foundations and on-the-ground education-reforming . . . organizations.”

The good news: the status quo represents a clear opportunity for donors interested in education. In an era when districts and states find it increasingly difficult to justify additional resources for the most advanced students, private grants and advocacy can help fill in the gaps. Finn and Hockett do not much dwell on philanthropy. They leave undeveloped, for example, their intriguing aside that exam schools benefited from the Bill & Melinda Gates Foundation’s “small schools” initiative (which Bill Gates has described as “disappointing” over-
BOOKS IN BRIEF

**Why Philanthropy Matters: How the Wealthy Give, and What It Means for Our Economic Well-being** by Zoltan Acs

Acs argues that philanthropy is a little-studied but indispensable element in a cycle of what he calls “American-style capitalism.” Philanthropy is at its best, he argues, when it fuels opportunities for others to start enterprises and create wealth, sparking a fresh cycle of success. The process forms a virtuous circle which looks like this: opportunity → entrepreneurship → wealth → philanthropy → opportunity. (If this sounds familiar, it may be because it resembles the “virtuous cycle” Claire Gaudiani sketches in *Generosity Unbound.*) “This cycle of giving,” he writes, “has been an essential ingredient of American capitalism throughout the country’s history. Americans’ motivations for giving money, as well as the outputs of their generosity, are woven into the entrepreneurial spirit of America.” The book has its weak spots: Acs perpetuates a false dichotomy between “philanthropy” and “charity,” which often becomes his inelegant shorthand for “giving I like” and “giving I don’t like.” Here, universities (unsurprisingly, for a university-based economist) and K–12 education represent good giving; art collections are nothing but tax shelters for greedy billionaires. He also argues for a higher estate tax to prevent too much wealth from accumulating with any one individual or family. (Never mind that, as John Steele Gordon has pointed out in these pages, American fortunes tend to disperse quickly within a few of generations with no assist from the estate tax.) Acs’ major achievement here is to understand philanthropy’s oft-neglected and uniquely American role in economic growth. If we sense a decline in innovation, entrepreneurship, or economic opportunity, he argues, the best solution is not government intervention—but rather more and better philanthropy.

—Evan Sparks

**Conscious Capitalism: Liberating the Heroic Spirit of Business** by John Mackey and Raj Sisodia

Bravely confronting contemporary suspicions of markets, Whole Foods Market co-founder Mackey argues that for-profit business can create enormous value for all of society. But contrary to Milton Friedman’s assertion that free-market businesses must exclusively serve the interests of shareholders, Mackey and co-author Sisodia contend that companies can and should play a role as value-creators for a broader array of “stakeholders.” What they call “conscious capitalism” emerges from a business management structure that explicitly factors the well-being of employees, customers, suppliers, local residents, and the environment into daily business decision-making.

Sisodia
(in, bizarrely, an appendix) compares the financial viability of conscious enterprises—Whole Foods, Costco, REI, Southwest Airlines—with their competitors, and makes a strong case that conscious capitalism can return exceptional results to shareholders as well as to other stakeholders. Within the authors’ “business-citizen” model, a conscious business can remain profitable while acting responsibly to meet some community needs “on a local, national, and potentially global basis.” Mackey and Sisodia distinguish this model from corporate social responsibility, which they see as a concept born out of a misunderstanding of business as bad for society. “Business is good because it creates value,” the authors write, “it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence, and it is heroic because it lifts people out of poverty and creates prosperity.” —Adam Sawyer

Cage-busting Leadership
by Frederick Hess

There are many smart people writing important books about education reform, but it takes a special kind of writer to effortlessly weave Billy Crystal, Moneyball, and Al Capone into the argument. Hess, director of education policy studies at the American Enterprise Institute, pulls it off. Cage-busting Leadership is full of valuable insights into the ability of “cage-busting” education leaders to solve the seemingly intractable problems of our K–12 system. Hess provides a variety of strategies leaders can deploy, from tactics as simple doing away with a district’s central warehouse to strategies for removing consistently underperforming teachers (legally!). Much of the book deals with the mindset of “cage busting” that school leaders must develop if they are to persist past barriers, both real and imagined. Hess makes clear distinctions between these two types of obstacles, and for good reason: oftentimes, leaders are gun-shy over confronting “local policies, accepted practices, and district conventions” that can be more readily altered. Much of Hess’ wisdom should resonate with donors weary of promised district reforms. Philanthropists should have the phrase “It’s not reform if it costs more” emblazoned on bumper stickers and handed out at district headquarters. They will certainly recognize their importance in providing cover for a bold leader through program-specific grantmaking. As philanthropists increase spending on advocacy efforts, it’s also worth examining Hess’ carefully selected anecdotes about change. As he aptly puts it: “Policymakers can make people do things, but they can’t make them do them well.” Regulatory change without visionary leadership will yield little more than piles of paper. Perhaps Hess’ most interesting advice for funders is the need to help leaders find and retain capable, aligned legal counsel. As one Ohio superintendent put it, seek out a lawyer who says, “Where do you want to get? We’ll find a way to get you there.” Settling for in-house counselors who simply play harbormaster will inevitably stifle cage-busting leaders who should “make ambiguity and uncertainty work for them. [through] creative, tough-minded legal assistance.” Rick Hess, like Eliot Ness, doesn’t want donors and reformers bringing a knife to a gun fight. —Dan Fishman

Getting to Bartlett Street: Our 25-Year Quest to Level the Playing Field in Education by Joe and Carol Reich

Joe and Carol Reich built one of America’s first charter schools in Williamsburg, Brooklyn. In telling their story, they take a tag-team approach, alternating chapters and giving a day-by-day, behind-the-scenes look at what it takes to challenge the public-education bureaucracy. Joe founded a leading investment firm, and Carol, a Ph.D. in development psychology, was a school president. They were inspired to start a school through their experience with the “I Have a Dream” program, in which donors promise underprivileged middle-school students full college tuition if they graduate from high school. After meeting their “Dreamers” at their New York City public middle school, Carol observed: “We may be getting these kids too late. We might not be able to do enough.” Although committed to their investment, the Reichs worried about the viability of the scholarship program, since many students were already well behind grade level in core subject areas. As they learned more about the New York City public-school system through working with their Dreamers, the Reichs formed plans for their own school. A non-district-run public school was then a novel concept. They took a hands-on approach to launching what they called Beginning with Children. Carol selected the paint and bought the furniture; she was a regular fixture on campus from Day One. Recognizing the importance of community and parental involvement, parents were invited to visit and to volunteer in the lunchroom and classroom. The Reichs plainly describe the many hurdles they faced in setting up the school—choosing a strategic location, dealing with education-board members and officials. They are candid about bumps along the way: violence in the community, inconsistent school leadership. Joe and Carol Reich proved adept and tireless in dealing with the New York City public school bureaucracy. When the charter-school movement took off more broadly, the Reichs helped establish several other institutions, and their success and expertise led them to become key figures in New York City public-school reform—well beyond their initial goals in founding Beginning with Children. “Looking back now,” they write, “we know that just because our idea—to start a public school, as private individuals—had never been done before, that was no reason not to do it.” —Kari Barbic