Déjà Vu
My vision of where education will be—and where it must be—overlaps with Chris Whittle’s to some extent. But it also differs in significant ways. Whittle’s essay, drawn from his cheerful book (Crash Course), tells us that most of our education troubles will be over in just a quarter century. I disagree. His assumptions often differ markedly from the available evidence on what works and ignore the complexity of the witches’ brew of politics, unions, bureaucracies, immigration, economics, and the social sciences. He implies that his vision is inexorable when it is merely wishful.

Chris Whittle’s projection for 2030 is an elaborated echo of the 1990s, when for-profit education-management organizations (EMOs) proposed a mission and rationale for transforming American education. The standard fare promoted by those EMOs and their venture-capital sources was that the education industry was the next big opportunity for private capital, following the profitable example of the earlier HMO transformation of health care.

The lead financial actor at the beginning of that EMO era was Merrill Lynch, advisor to Whittle’s company, Edison Schools. Merrill Lynch published The Book of Knowledge, a 193-page report on the $740 billion education and training market. Distributed widely to potential investors, The Book identified five “Big Ideas” that would transform the education and training industry over the next decade. But the book’s story begins with the ostensible failure of public education and its rapidly rising costs, mediocre student achievement results, poor high-school graduation

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**Schools will operate in the future as they do now**

**BY HENRY LEVIN**
rates, and limp international rankings. The reason given for this miserable showing was the inefficiency of government.

Business enterprise efficiency would rescue the schools through organizational improvements; selection, training, assessing, and rewarding of principals and teachers on the basis of performance; and adoption of promising education technologies. Sophisticated business projections were conjured to assure potential investors that these enterprises would be highly profitable (doing well) while serving society (doing good).

The Wrong Assumptions
Not all has gone well, and Edison is a good case study, having lost more than six hundred million dollars of its investors’ funding. Edison has one of the most complete models among the EMOs. It has truly attempted to deliver a quality school, but the evidence on raising student achievement shows no revolution in results. According to a recent evaluation by the RAND Corporation and comparisons in Philadelphia and Baltimore, Edison’s record is not very different from that of similar public schools, though it has received greater funding than its public counterparts.

Somehow, in projecting to the future, Whittle posits a large number of changes in the basic institutions for delivering education, education research, and education personnel, based on the “success” of the EMOs, especially Edison. And despite the financial losses and mediocre achievement results, he believes that schools should be turned over to large businesses—with “economies of scale.” Teachers’ salaries would be double those of today to obtain the best professional talent; new training institutions for principals would arise through collaborative efforts of top business and education schools to churn out exemplary leadership; and government would increase funding for education research by a factor of ten or more.

The Whittle scenario also assumes that school districts would retain only a tiny percentage of federal, state, and local revenues, perhaps 1 percent, and limit themselves to “monitoring and quality-control” oversight of schools; private contractors would receive the other 99 percent. National and international education firms will compete for these contracts, and their retention by the district will depend on their performance. Teachers will be chosen by contracted schools, but will be employees of both districts and contractors (opening up districts to liability for personnel whom they neither select nor supervise). Teachers’ salaries will reach numbers like $130,000 (adjusted for inflation) at the highest ranks. Principals will earn up to $250,000 with a base of 60 percent of this amount and the remainder in bonuses.

Back to the Future
The complete shift of schools to for-profit contractors seems to be based on the old business claims of the 1990s and Whittle’s selective interpretation of Edison’s record. It is also based on the argument that the contracting firms will benefit from economies of scale that are unavailable to the average school district in the United States. This is a strange and stubborn argument for Edison, which persistently claimed that annual losses in the tens of millions of dollars were due to insufficient numbers of schools. Subsequent expansions led only to larger losses.

Research has shown that beyond very small schools and school districts, there are few opportunities for economies of scale in education because most of the costs increase with enrollments and are not fixed costs that decline with additional clients. In fact, the number of teachers and other employees per student has increased in recent decades (see Figure 1). Further, size tends to depersonalize education. As a consequence,
the leading edge of school reform is the promotion of smaller rather than larger units.

Whittle supports his assertion on scale economies with a table (page 180 in his book) that contrives the appearance of economies of scale by comparing a school district spending $28 million in 2030 with a hypothetical contractor receiving $25 billion in revenues. The table purports to show where contractors would experience scale economies and how they would yield a profit of 10 percent of revenues. As Yogi Berra would say, It’s déjà vu all over again. It hasn’t worked in the past; there’s no reason to believe it will work in 2030.

Even more puzzling is how schools would prosper with half the teaching personnel. According to Whittle, this would be done largely through replacing teachers with student labor. Educators have long argued for greater participation of students in the education process, but not as a way of reducing costs. Four decades ago, noted economist William Baumol argued that the idea of reducing costs in education and similar labor-intensive industries by substituting capital for labor or less-skilled labor for higher-paid professionals was impractical, at best. According to Baumol, education, by its very nature and its intransigence to change (whether public or private), is a teacher-intensive activity and so cannot benefit from standard approaches to increasing productivity. Equally, it is not possible to eliminate half of the opera singers in a classical opera or to replace two members of a string quartet with music synthesizers as a cost-effective way of improving quality. To this point no one has succeeded in disproving Baumol’s thesis, nor has anyone discovered methods of providing the same education with half the number of teachers.

What Else Won’t Work
Whittle’s prime example of assigning students to peer tutoring is already used widely in public schools. I don’t know a single situation where this method has reduced teachers’ responsibilities. It is a form of supplementary instruction for selected students who are far behind other students (particularly for those with learning disabilities), not a substitute for regular teachers. And peer tutoring is not “free.” The cost of effective peer tutoring is higher than alternatives, such as computer-assisted instruction or smaller class sizes or longer school days, because of the needs for adult personnel to coordinate, train, and monitor the student tutors. If peer tutoring has the capability of replacing half of our teachers, why wait until 2030?

Whittle suggests that charters and EMOs would do well to establish demonstration schools to show how we can use student chores to reduce the teachers by half. But it is remarkable that at present he can promise a sweeping future based on this phenomenon without dredging up even a single example as a proof of its existence.

Whittle also assumes (in his book) that the “wireless revolution” will contribute to independent learning and a reduction in the need for teachers. But even if this claim were supported by evidence, the record shows that technology did not reduce teacher cost significantly enough to make Edison profitable or to create superior student achievement. Larry Cuban’s history of the overblown promises of education technology (in his 2001 book _Over-sold and Underused: Computers in the Classroom_) provides a concrete picture of why we cannot count on technology. Of course, even as astute an observer as Bertrand Russell got this wrong in predicting in 1933 that instruction by motion pictures would require only large auditoriums with low-paid classroom monitors. Whittle is in good company in his zeal for a strategy that has always generated more vision than reality.

In his infomercial on behalf of for-profit education enterprises, there is a technological determinism that assumes no opposition from or conflict with special interests such as teacher unions, administrators, and education bureaucracies. Every projected change is in the interest of all groups, a harmonious solution to what ails the schools. Even teacher organizations that would lose half of their membership and half of their collegial help at the school site will capitulate to the siren song of higher salaries. And new approaches to teacher training will enable them to get better results with half of the labor force and student assistance.

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What Can and Should Be Done

Whittle’s assertion of the dominant role of for-profit firms in 2030 and the feasibility of halving the teaching force are not demonstrated to be feasible or desirable. Of course, the education system will be pressed to improve, especially on behalf of children from families in poverty, minorities, and immigrants, who will eventually compose a key component of the labor force. We will also need to find ways to ensure that all students master basic skills and that a substantial portion master the thinking skills and collaborative methods that will ensure a productive polity and prosperous economy. It should be noted that there has never been a golden age in education in which these goals were met, and the future will represent a struggle of incremental reforms in a system designed to “conserve” rather than transform society.

What types of reforms?

I agree completely with Whittle that we must improve the selection and training of teachers and principals, and increase funding for education research. Raising teachers’ salaries is absolutely necessary to get the best talent into teaching. At the same time, the system needs better career ladders for teachers and far more effective approaches to selection, mentoring, and evaluation in order to enlist such talent productively. Teacher turnover, a high-cost item, must be reduced. Almost half of the teachers in Ohio’s charter schools quit their schools in the four-year period between 2000 and 2004, in comparison with about 8 percent in conventional public schools and 12 percent in high-poverty, urban public schools, suggesting that new organizations are not a magic formula for school stability. Although technology is unlikely to replace many teachers, it is still a powerful tool for raising education quality by providing a vehicle for topic enrichment, student research, more challenging student projects, and greater student engagement. At the same time, the education community must be open to new forms of enterprise wherever it can make a contribution, such as contracting of specific instructional services, teacher cooperatives, and information technologies that enhance evaluation of students’ knowledge and capabilities.

If present evidence is to be used, two potent contributions to raising student achievement will be widespread: effective preschool programs for all children and intensive interventions that build capacities of families to support the education of their children. I believe that both of these will be prevalent by 2030 because they show evidence of great promise even today. If I had my druthers, I would also add that education of at-risk students will shift from remediation and “drill and kill” to enrichment and acceleration, as we have tried to accomplish with the Accelerated Schools Project over the past two decades. The instructional approaches used in the best gifted and talented programs, with their emphasis on engagement, depth, and real-world applications, reinforce both basic skill development and more advanced learning. And the implementation of powerful and widespread approaches to building parents’ capacity to support out-of-school learning will gain support from community organizations.

Where will the money come from? By recouping funds that are “lost” to society because of poor education we can easily fund the improvements. Recent work by economists and other academic researchers—some of it presented at a recent symposium at Columbia University (“The Social Costs of Inadequate Education”)—concluded that such investments have large payoffs in raising national income and tax revenues and reducing the cost of public services. For example, improvements in the availability and quality of preschool education would save large expenditures on special education and grade retention and improve high-school graduation rates and college attendance, especially among the poor, minorities, and immigrants. Just the loss in state and federal tax revenues from the 23 million high-school dropouts has been estimated at $50 billion a year. High-school dropouts pay about one-half the taxes of high-school graduates, and about one-third the taxes of those with more than a high-school diploma. Public health costs for the estimated 600,000 high-school dropouts in 2004 totaled about $58 billion. Some $10 billion could be saved each year in public assistance through universal high-school graduation; a mere 10 percent increase in the high-school completion rate would shave about $14 billion from the cost of crime. By investing in more productive educational practices, we can recoup magnitudes of investment that can easily fund the improvements set out above. And we don’t have to wait until 2030.

Henry Levin is professor of economics and education at Teachers College, Columbia University.