

“Hedge-Fund Guy”

Emails Support to



It's sunset over Manhattan, and from the 35th floor of a Park Avenue skyscraper the vista is pure gold. The soaring buildings are bathed in the deep rich colors of, well, money. As visitors take their seats in the sedately cavernous room, a slim, middle-aged man is pacing in front of a large projector screen with a picture of a black child and the words, “A Right Denied: The Critical Need for Genuine School Reform.” (www.arightdenied.org)

If it is a jarring juxtaposition, it is meant to be. The slim man in the gray suit is there, at a meeting of the New York chapter of the Young Presidents' Organization, to talk about something that many of these financiers and business people don't often talk about because they can afford not to: fixing public schools.

“I'm Whitney Tilson,” he says, as if the 60-plus individuals in the standing-room-only meeting didn't know. The 46-year-old hedge-fund manager (he has a Harvard MBA and is the founder and managing partner of T2 Partners LLC and the Tilson Mutual Funds) writes a regular column on value investing for *Kiplinger's*, is a CNBC contributor, and in 2007 was named one of 20 “Rising Stars” by *Institutional Investor*. In his “free time” (his words), he has become one of the education-reform world's most prolific gadflies, creator of an infamous and widely read e-mail shout-out about education reform. Tilson was also a cofounder of Democrats for Education Reform, is a board member of KIPP NYC, and is friend and champion of education reform glitterati from Joel Klein to Wendy Kopp.

With very little fanfare, and none of that introduction, Tilson launches into a PowerPoint presentation that might best be described as bringing rich people to the Jesus of school reform. It is at times riveting, at times scary. “Spending for education has skyrocketed,” he says, throwing a chart on the screen with lines running at decidedly different trajectories, “driven mainly by a tripling of the number of teachers.” But despite all this money, he tells his audience, our various performance indicators—he quickly explains NAEP, ACT, SAT—are all flat.

PHOTOGRAPHY / LAURA BARISONZI / GETTY IMAGES

School Reformers

“We’ve stalled,” Tilson says. “Teacher quality has been falling rapidly. Our school systems are dysfunctional.” The “scary part,” Tilson tells them, is that “the longer kids stay in school the farther behind they fall.” It’s “terrifying,” he says. “Game over by age 10.” The audience is with him, transfixed, if unnerved, by one devastating fact after another. “We have spent trillions of dollars and we have almost nothing to show for it,” says Tilson, who moves through the show quickly, with a practiced gait. “All of this dysfunction comes with enormous costs and horrible consequences,” he says, “Over \$260,000 is lost for each high school dropout.” These are numbers that this crowd gets.

All the News...

It is fascinating to see Tilson in action. His soft-spoken manner and easy smile bear little resemblance to the passion of his words, especially his e-mail blasts. “Hedge Fund Guy Single-Handedly E-Mails Obama to Victory” was a headline on Alexander Russo’s blog in September of 2008. “Reformy Cheerleader Sends Massive Emails” wrote Russo last year. Tilson’s e-mails, which began as something he sent to a few friends, now arrive in some 4,000 digital mailboxes two or three times a week, with 8 to 12 education-reform news items each. He is famous for his breathless “STOP THE PRESSES!!!” to announce good news, which means anything good about charter schools, vouchers, teacher evaluations, reform superintendents, mayors, senators, or presidents—as in “Mathematica just released the most comprehensive and rigorous study of KIPP ever...and the results are STUNNING!” (June 25, 2010). Or “GRADING THE TEACHERS: Who’s teaching L.A.’s kids?” (August 18, 2010). They get your attention, but there’s also plenty of substance behind these headlines. Tilson is as much a shrewd news aggregator as he is an opinionator. If the *New York Times* runs an education story, he will tell you about it, but not without also telling you exactly what he thinks about it. Tilson is education reform’s gonzo journalist; “Kooks” is a favorite term. As are “hatchet job” and “insane” (as in “what’s best for kids always takes a back seat to bureaucratic rules/imperatives, no matter how insane” [October 16, 2009]). Randi Weingarten is a preferred target (“Kudos to the *Washington Post* for

holding Randi’s feet to the fire,” [February 3, 2010]), as is Stanford’s Linda Darling-Hammond. But no one has earned as much consistent enmity from Tilson as Diane Ravitch, to whom he has devoted a separate section on his A Right Denied web page called “Rebutting Ravitch.”

Maniac or Messiah?

“I’m often asked why I spend so much time on this issue,” says Tilson, in a recent post, writing about his education reform obsession. And he answers, “certainly not because I have any direct self-interest—no...I’m not profiting from my involvement in charter schools (in fact, I shudder to think of how much it’s cost me), and I have little personal experience with the public school system because I’m doubly lucky: my parents saw that I wasn’t being challenged in public schools, sacrificed (they’re teachers/education administrators), and my last year in public school was 6th grade; and now, with my own children, I’m one of the lucky few who can afford to buy my children’s way out of the NYC public system [in] which, despite Mayor Bloomberg’s and Chancellor Klein’s herculean efforts, there are probably fewer than two dozen schools (out of nearly 1,500) to which I’d send my kids.”

When I speak with Tilson, in person, I note that he talks almost as fast as he seems to write, though with fewer exclamation points. He is, after all, a Harvard man, though he should have been a Yalie. In fact, Tilson was born in the New Haven hospital where his father and grandfather were born, and would have been fourth-generation Yale had he not gone crimson. “Broke my grandfather’s heart,” he says.

But the crusading education gene is not hard to detect, as Tilson’s father, Thomas, took two years off after his junior year at Yale and joined the Peace Corps, where he met, at training camp in Hawaii, a graduate from the University of Washington. “My dad, Thomas, was 19, and my mom, Susan, was 20,” he says. “They fell in love and got engaged within three weeks of meeting each other.... [They] married in the Philippines, neither family having met the other.”

Tilson’s dad went on to graduate from Yale, then got his PhD in international education from Stanford, specializing in what were then called third world countries. His mother

was a teacher until the kids arrived, Whitney and a younger sister. They lived in Africa, Central America, and various American towns until settling in Northfield, Massachusetts, where Thomas was academic dean at the prestigious and private Northfield Mount Hermon School, and where his son and daughter would get their world-class educations. (Tilson's parents are now 69 and 70 and living in Kenya, where Thomas still consults on education.)

Whitney didn't follow his father to Yale or into education; he graduated from Harvard with a degree in government, then got his MBA from Harvard Business School. But the times they were a-changing, and during his undergraduate days at Harvard, Tilson met a Princeton student named Wendy Kopp, who was then running an organization called the Foundation for Student Communication. Kopp, recalls Tilson, "organized conferences for Fortune 500 company CEOs to get together for a few days and talk with college kids from around the country." When he later heard that Kopp was starting a nonprofit to bring Ivy League students into inner-city schools as teachers, he immediately volunteered to help. "Ordinarily, I would have said, 'some pie-in-the sky, Birkenstock, fuzzy idea,'" Tilson recalls. "But I saw what Wendy did with those CEOs and knew that if there was one graduating student in the country who could pull this off it was Wendy."

He also recognized the Peace Corps provenance in Kopp's Teach For America (TFA) idea. "They're very analogous," he recalls. "A two-year commitment after college to try to make a difference in the world."

Tilson spent several months in New York helping Kopp launch TFA, in 1989 and 1990. ("I take no credit for what TFA has become," he says, "but I take full credit for identifying a great idea and a great entrepreneur.") The rest is history, of course, and Tilson was there as TFA celebrated its 20th anniversary earlier this year.

Factors, Not Excuses

So what does motivate Tilson? "OUTRAGE!" he writes. "Almost every day, I read and hear stories that shock and infuriate me." Interestingly, the "OUTRAGE" of his writings is not apparent when you meet Tilson. The passion is, however. He believes that "there is still no school district in America that is doing an adequate job of educating low-income children." That doesn't mean he thinks it's easy to do so. Schools face "extraordinary difficulty." But he believes that "the great majority of these kids, the vast majority of these kids, can be put on a different trajectory, so they have a really good shot in life, they can go to a four-year college and with that you have a pretty good chance in life."



And why does he care? "I believe very deeply in the promise of this country," he explains, "life, liberty and the pursuit of happiness. But there is nothing more fundamental about what America stands for than equality of opportunity. That it doesn't matter who your parents are or what color your skin is or what neighborhood you were born in—every kid in this country should get a fair shot at the American dream. And there's nothing more important to that than getting a decent education.... The outrage comes from the fact that we have a public education system in this country that systematically delivers a massively inferior education to low-income and minority kids. The kids that most need a good education, to escape the disadvantages of the life they were born into, are systematically given a lousy education. That violates every sense of fairness, every belief I have about this country and thus the outrage."

He acknowledges "the massive deficits kids face outside the schools" and says, "I'm not a 'It's all the teacher unions fault' guy. I'm very cognizant of how difficult it is to educate these children who come from poverty, single-parent households, little or no support from home." But he doesn't buy the argument that you can't fix schools until you get rid of poverty.

"It's exactly the opposite," he says defiantly. "You can't cure poverty until you have good schools."

And do you think you can have good schools for poor kids?

"I don't think, I know," he says, "with 100 percent certainty, because I've been to dozens, if not hundreds, of such schools that are successfully educating these kids to a very high level. The most disadvantaged kids. I'm not saying it's easy. It is incredibly difficult, but there's no question that it's absolutely possible. And it's possible at scale, not just one classroom."

That, Tilson admits, is not something he thought possible 15 years ago. And he's bullish about the future.

Peter Meyer, former news editor at Life Magazine, is currently senior policy fellow with the Thomas B. Fordham Institute and contributing editor at Education Next.