Feature

Bringing Business Leaders Back to School

Their retreat from education reform has hurt both sectors. It's time to re-engage.

IN 1988, XEROX CEO DAVID KEARNS co-authored a book titled *Winning the Brain Race: A Bold Plan to Make Our Schools Competitive.* Three years later, Kearns became deputy secretary of education under President George H. W. Bush. Three years after that, IBM CEO Lou Gerstner co-authored *Reinventing Education: Entrepreneurship in America's Public Schools*, a book summarizing and synthesizing promising programs and practices developed by schools that had received innovation grants from RJR Nabisco. In 1996, Gerstner hosted the National Governor's Association (NGA) at IBM's headquarters in New York for an education summit where 43 governors, each accompanied by a CEO from their home states, discussed K–12 education standards. A direct outgrowth of that gathering was the creation of Achieve, a joint education reform project of the NGA and corporate executives, which Gerstner co-chaired until 2002. In 2003, Gerstner established and chaired the Teaching Commission, composed of education and business leaders, which published the report *Teaching at Risk: A Call to Action.*

Viewed through the prism of 2024, this brief retrospective on the engagement of two prominent CEOs in national K–12 education improvement and reform feels like a dim memory from a distant past. This is not to say there aren't CEOs today who care deeply about education quality and equity, especially when it comes to career readiness. As just one example, Jamie Dimon, CEO of JPMorgan Chase, has been a committed advocate and supporter of career pathways and work-based learning through the company's New Skills for Youth initiative. But there are few if any voices from the C-suite who have committed their own time and their company's brand and resources to the broad-based challenges that continue to confront our public school system.

The K–12 education challenges we face today and their implications for the long-term health of the economy are just as important as they were 40 years ago, maybe even more so. Yet corporate leaders are largely missing in action, and the silence is deafening.

To be sure, wealthy entrepreneurs and investors played an outsized role in the education reform movement of the 1990s and early 2000s, but mostly through their personal philanthropy and the resources of their family foundations,

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not their corporations. People such as Bill Gates, Mike Bloomberg, Eli Broad, Michael Dell, John Walton, Mark Zuckerberg, John Doerr, and Julian Robertson mobilized billions of dollars to support national and local initiatives such as small high schools, charter schools, academic standards, digital learning, alternative pathways to teaching, and performance-based compensation.

Many of these investments have had a meaningful and lasting positive impact, but others were false starts or dead ends, and some drew significant blowback from teachers unions and civil rights activists. Although these funders remain engaged in improving public education, they have generally lowered their profiles, re-evaluated their strategies, and narrowed their focus.

Era of Engagement

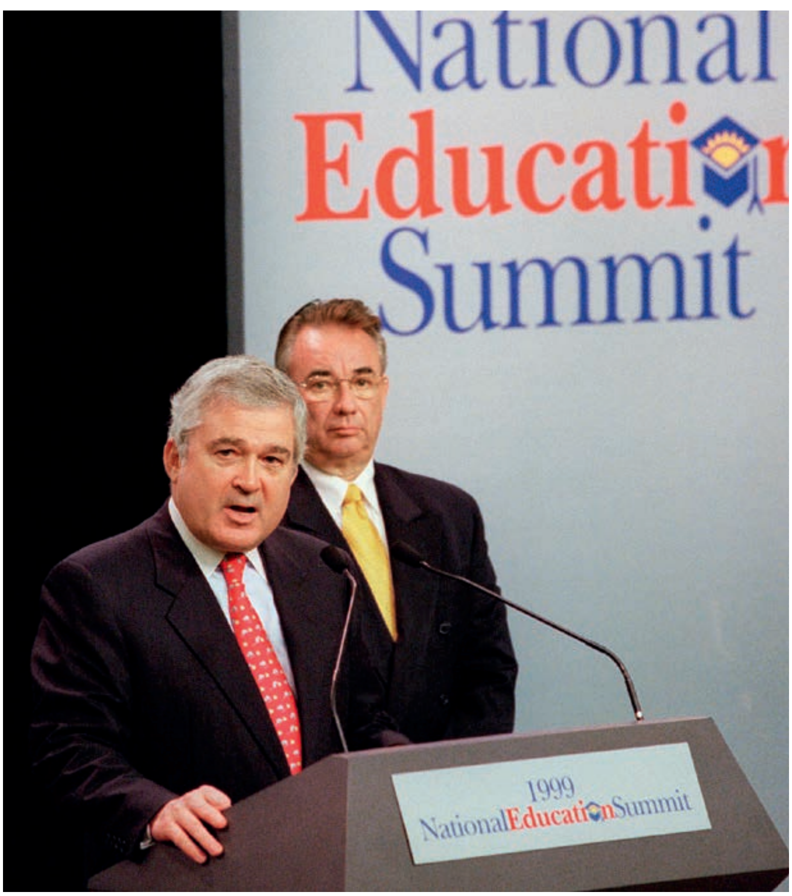
In the aftermath of the 1983 report *A Nation at Risk,* business leadership was not just a hallmark of the national education-policy landscape; it was also a crucial driver of state and local school reforms. In my home state of Massachusetts, Jack Rennie, CEO of Pacer Systems, formed the Massachusetts Business Alliance for Education. At first, MBAE set out to highlight the low levels of achievement and improvement in the commonwealth's public schools, especially in low-income urban neighborhoods, and to develop a set of policy recommendations based on effective practices from across the country and around the world, culminating in a 1991 report titled *Every Child a Winner.*

But Rennie didn't just write a report. He organized his peers from around the state, in collaboration with other CEO-led organizations, such as the Massachusetts Business Roundtable and Associated Industries of Massachusetts, along with major employers such as State Street Bank and Raytheon, to launch a relentless campaign to pass what became the Education Reform Act of 1993. Equally important, Rennie kept the organization alive after the law's passage to ensure the legislature and administration followed through on their commitments to develop state standards, student assessments, and school accountability systems, and to increase overall state funding, especially to the commonwealth's highest-need communities.

Preceding MBAE, but with a more local focus, was the Boston Private Industry Council. Originally established to implement federal job-training programs, the Council soon became a forum for broader business engagement with the Boston Public Schools, ultimately leading to the signing of the Boston Compact in 1982, through the leadership of State Street chairman Bill Edgerly. The Compact, which committed local businesses to hiring more of Boston's public school students and graduates in exchange for improvements in education quality, gave the city's business leaders a seat at the table in setting and implementing district priorities. Ten years later, Edgerly walked the halls of the Massachusetts State House to ensure that a charter school provision was included in the landmark Education Reform Act.

Similar stories of active and effective engagement by key business leaders in public education were not uncommon in the not-too-distant past. A 1998 study from the National Education Goals Panel, a presidential advisory body, highlighted the impact of the business community on the strong learning gains in Texas and North Carolina, which posted the nation's biggest increases in NAEP scores between 1990 and 1997. The study found that rising academic achievement in both states was tied to their systems of standards-based accountability, combined with a relaxation of many state mandates and the transfer of more decisionmaking to the school level. Crucial to the adoption and implementation of these reforms was support from business leaders.

"In both states the business community played a critical role in developing the strategic plan for



AP PHOTO / STUART RAMSON

IBM CEO Lou Gerstner was among the prominent business leaders involved in education reform in the 1990s, hosting summits and chairing committees.

reform, forging compromises whenever possible with the education interests, and passing the necessary legislation," wrote authors David Grissmer and Ann Flanagan in the panel's report. The sector's influence stemmed from the efforts of "a handful of businessmen in each state who devoted considerable time and energy to learning the education issues, forming relationships with key stakeholders and remain[ing] involved over long time periods."

The active involvement of business in education policymaking during the 1980s and '90s was a revival from an earlier age. The mid- to late-1960s and the 1970s saw a precipitous withdrawal, but before then, business leaders were seen as key stakeholders in the public education system at all levels, working to increase overall education attainment and develop vocational programs as well as serving on and often leading local school boards. Business engagement intensified during the Cold War, as post-Sputnik America placed new urgency on strengthening the overall quality of public schools, and especially science education.

Business leaders were once seen as key stakeholders in the public education system, working to increase overall education attainment and develop vocational programs.

With the onset of school desegregation and other broad cultural shifts, however, business leaders began to revisit their cost-benefit calculations and concluded that the risk of political controversy outweighed the potential for positive effect. According to a 1991 study from the Committee for Economic Development, "over a period of only a few years business's influence was eclipsed, and its representatives were less and less prominent in the deliberations about local educational policy and rarely involved in the development of important new state and federal educational roles."

The retreat from education didn't last, however, as rapid technological change and growing global competition, especially from Japan, put the shortcomings of public schools back onto the front pages of the business magazines. Concerns about competitiveness re-engaged business leaders, which in turn got the attention of politicians. When the idea for creating a blue-ribbon commission on education was first surfaced within the Reagan administration in 1981, the White House reportedly wanted no part of it. But by the time *A Nation at Risk* was issued two years later, with its dire warning that "the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people," the president was fully on board.

"Knowledge, learning, information, and skilled intelligence are the new raw materials of international commerce," the report asserted. "If only to keep and improve on the slim competitive edge we still retain in world markets, we must dedicate ourselves to the reform of our educational system."

Retreat from Public Involvement

Forty years later, the nature and extent of global competition has only increased, now with China (a geopolitical adversary) rather than Japan (an ally) as the leading challenger to American dominance. Similarly, the pace of technological change and diffusion has only accelerated, and the centrality of knowledge-based workers to the innovation that drives economic growth and wealth creation is beyond dispute. Equally important, the ongoing Baby Boomer retirement wave and growing diversity of the American workforce has sharpened the business case for closing persistent achievement and attainment gaps.

At the same time, in the wake of Covid-19 the country is facing an unprecedented education crisis that has produced the most precipitous decline in academic achievement we've ever seen, which is likely to reverberate throughout the economy for years to come.

And yet, with all of these factors threatening the long-term health of the American economy, today's business leaders tend to shy away from public involvement in the core challenges of K–12 education. The causes of this disengagement vary from company to company and place to place, but some patterns have emerged.

One factor is simply generational change in corner offices. The cohort of senior executives who were involved in the early days of the current education-reform movement retired years ago, and the memory of pre-reform conditions is gone with them. As a result, today's business leaders have little understanding of what K–12 education would look like if the basic architecture of standards-based reform were to fade away.

Compounding the problem is the consolidation and globalization of many industries that previously had a stronger local presence and a concomitant dependence on a local workforce. Companies whose histories and identities had once been deeply rooted in a state or region now have headquarters in other parts of the country or in different countries altogether. The banking industry, which has traditionally played a leading role in business-government relations at a state and local level, has been especially affected by this trend, resulting in a 70 percent reduction in the number of independent banks since 1990.

CEOs who had once been pillars of communities where they had grown up and raised their families have been replaced by senior vice presidents and general managers who are recent arrivals, without the relationships or long-term commitments that motivate and enable effective public engagement. Equally important, as managers of subsidiaries or divisions, the current generation of local business leaders may simply lack the authority to act on their own.

This consolidation has not produced a new generation of respected national business leaders who have credibility with the American public, the way earlier CEOs like Kearns and Gerstner did. Americans have always had a love-hate relationship with corporate executives, but as the "commanding heights" of industry have shifted from hardware and manufacturing to software and social media, the average citizen has taken an increasingly jaundiced view of their good intentions. According to a recent Gallup poll gauging Americans' confidence in institutions, only 14 percent of the public has "a great deal" or "quite a lot" of confidence in big business, down about half since the beginning of this century and lower than all other institutions except the U.S. Congress.

Another reason that K–12 education has drifted down the list of priorities for business leaders is that there is no compelling and actionable policy agenda around which they can coalesce and mobilize. This is in part a result of past success. The foundations of education reform that the business community embraced in the 1980s and '90s are largely still in place, even though they may be under threat or fraying around the edges. Advocating for programs or practices that have the potential to improve student outcomes is a less comfortable role for business leaders to play, since they typically believe the details of teaching and learning should be left to the experts and educators.

The other side of the coin is the frustration that many executives feel at the slow pace of change and improvement. Some of the major recommendations from *A Nation at Risk* and subsequently from the business community—such as longer school days and school years, merit-based pay for teachers, and certifications in high-demand STEM fields—have not been implemented at any meaningful scale. The reforms that have been adopted, such as common academic standards, statewide student assessments, and school accountability systems, are widely perceived to have not moved the needle, even though a closer look at the data suggests they have had a significant positive effect.

According to Tom Kane, professor of education and economics at the Harvard Graduate School of Education and director of the Center for Education Policy Research, standards-based education reform has produced achievement and equity gains that may amount to "the most important social policy success of the last half century." Still, the results have not met the unrealistic expectations of many reform advocates, funders, and policymakers.

David Kearns, CEO of Xerox, pushed for more competitive K–12 schools.

UPI PHOTO / LAURA CAVANAUGH

The perception of underwhelming progress has led some wealthy business leaders to shift their personal attention more toward expanding parental choice, through mechanisms such as charter schools and vouchers, rather than investing more time and resources with school districts, often out of a growing skepticism that significant systemic change is even possible. These outside-the-system strategies are seen as having a more immediate and sustainable impact on student outcomes, especially in low-income urban communities, with the potential to generate productive competitive pressure over time on neighboring school districts.

Perhaps the most important factor driving the retreat of the business community has been the end of the spirit of bipartisanship that was the hallmark of education policy for almost 30 years, which had created a safe space for business leaders to stand. If George W. Bush and Ted Kennedy can join hands to pass the No Child Left Behind Act, then surely there's little risk to a business in joining the team. Unfortunately, the era of good feelings didn't last, with the last straw for many being the controversy surrounding Race to the Top and Common Core.

Things have since gone from bad to worse, with education not only dividing politicians along party lines but dividing friends and neighbors over issues such as remote learning, Covid vaccines, mask mandates, and culture wars related to race and gender identity. In some instances, these flashpoints have even created internal management challenges for corporate executives or generated protests and boycotts from otherwise loyal customers.

The bottom line is that most business leaders and business associations no longer believe the rewards of getting involved in K–12 education policy are worth the risk.

This does not mean that employers have walked away from education entirely. Instead, they have tended to focus on less-controversial aspects that have a greater direct impact on business or that speak to specific areas of expertise. For example, businesses have actively supported development of tech-enabled innovations in digital learning and have promoted expansion and improvement of project-based, hands-on STEM programs, including computer science, at all grade levels. They have also championed investments in vocational-technical high schools and the development of career pathways with work-based learning experiences and industry-recognized certifications. Most of these initiatives place a priority on so-called "durable skills," an updated version of "21st century skills," which concern nonacademic domains such as communication, problem solving, and teamwork.

Businesses have also shifted their attention to both ends of the K–12 spectrum by supporting increased funding for childcare and the strengthening of post-secondary or so-called "last mile" skill-based credential programs. The former addresses the growing needs of the post-Covid hybrid workforce, with many working parents in need of affordable day care. The latter aims to create a talent pipeline for specific high-demand occupations—neither of which has much impact on public schools.

These issues are worthy of attention from the business sector, and many of them align closely with the interests of individual businesses and the economy as a whole. Nevertheless, there is a risk that by avoiding direct engagement with the core of K–12 education, business leaders will just be doing damage control rather than supporting and sustaining the broad-based change and improvement that's needed.

Even more problematic is the possibility that while employers are trying to work around the system's weaknesses, the increasingly shaky support for standards-based reform that has held over the past several decades will crumble under fire from opponents.

Exhibit A is a pending union-led ballot initiative in Massachusetts that would eliminate the 10th-grade standardized exam from the state's graduation requirements. Although the ballot question would not repeal all state testing requirements, it would be the first step in rolling back the standards-based accountability system that was enshrined in the 1993 Education Reform Act. If this proposal succeeds at the ballot box or in the legislature, the Massachusetts Teachers Association predicts "the 30-year experiment with test, punish and privatize will end."

A similar movement is afoot in Oregon, where the state board of education has extended through 2029 its Covid-era suspension of statewide assessments as part of the high school graduation requirements. The legislature has further mandated that all families be informed of their right to withdraw their children from state testing, resulting in one-third of Oregon's juniors opting out.

An Urgent Need

Notwithstanding these unsettling trends, the basic components of education reform remain popular with the general public. For example, over 70 percent of Americans still favor annual testing in reading and math, according to the 2022 *Education Next* opinion survey. But that support is becoming more uneven and more divided along partisan lines—which is to say, the pragmatic center is holding, but it's tenuous.

At the same time, legislators and other policymakers who were "present at the creation" are now long gone, as is the institutional memory of what life was like pre-reform. Many newer public officials have heard little but the steady drumbeat of opposition, mainly from teachers unions and superintendents but also from critics on the right who were activated by the curriculum controversies during the Obama administration and who continue to be skeptical of government mandates.

Even many of the education and advocacy organizations that were established in the wake of the reform movement have faded into the background of public discourse, partly in response to the changing priorities of their philanthropic funders but also out of deference to those who have caricatured education reform as either another brick in the wall of structural racism or an obstacle to parents' rights.

Perhaps the most important factor driving the retreat of the business community has been the end of the spirit of bipartisanship that was the hallmark of education policy for almost 30 years.

In other words, there is a mismatch between broad public opinion and the mobilized constituencies. Since it's the advocates who walk the halls of power, show up at hearings, and hold signs on street corners, many elected officials hesitate to expend political capital defending a system they did not create.

Recently, reform-minded organizations have tried to revive the bipartisan consensus that characterized education policymaking until the last decade. The most notable example is the Building Bridges Initiative, which in 2023 produced an updated call to action titled *A Generation at Risk*. In addition, policy and advocacy organizations such as 50CAN, Education Reform Now, the PIE Network, the Fordham Institute, ExcelinEd, The Education Trust, and the National Parents Union are continuing to fight the good fight. Nevertheless, there is a large hole in the ecosystem that only the business community can fill.

More specifically, there is an urgent need for business leaders, CEOs in particular, to re-engage at the national and local level and reprioritize K–12 education, especially with regard to state policy. The first order of business will be to affirm the basic architecture of academic standards, statewide student assessments, and performance-based accountability, in order to prevent backsliding and a return to the pre-reform conditions described in *A Nation at Risk*. Essential to this defense is countering the popular narrative that standards-based reform has been a failure by pointing to the strong evidence of its efficacy and positive impact.

Equally important is expanding the business community's programmatic focus beyond STEM and career-oriented education to include a broader set of scalable initiatives across the K–12 spectrum, including both district and charter schools, such as:

Addressing the post-Covid student absenteeism crisis through enforcement of attendance policies, effective communications with parents and the general public, and proactive strategies for re-engaging students.

Improving early literacy through the science of reading, including systematic phonics and vocabulary instruction, along with exposure to a broad base of content knowledge.

Accelerating learning gains and closing achievement gaps through high-dosage reading and math tutoring embedded in the school day.

Increasing post-secondary access and success through early college cohort pathways (more than just individual dual enrollment), focused on first-generation students.

Expanding and improving out-of-school time learning through academic "acceleration" programs during school vacations and intentional summer experiences that combine learning with fun, enrichment, and work.

Deepening and diversifying the pipeline of well-prepared teachers and school leaders.

Investing in innovation and research to drive evidence-based continuous improvement in our schools.

One of the lessons of the past several decades is that policy solutions by themselves are not enough to fuel continuous improvement and reduce disparities in achievement; changes in practice are also required, and business needs to have a seat at the table as one of the public education system's key stakeholders and customers—not just as a cheerleader, but as a full partner.

I don't mean to suggest that these are the simple answers to a complex problem or that these initiatives are easy to implement with fidelity and high-quality at large scale. But they are a place to start, with a strong body of evidence supporting their efficacy and growing interest and support on the part of educators, students, and families.

As an added benefit, by advocating for doing more of what's working, business leaders may be able to revive a sense of optimism about what public schools can do—and give policymakers and parents something to talk about other than the cultural battles that have roiled legislatures and school boards across the country.

Re-engagement must include working collaboratively with local public schools and districts to add value in the classroom or the back office, not only to make a positive and practical contribution, but also to affirm good faith, because unfortunately, many educators view businesses with suspicion and assume some hidden agenda.

It also means getting involved in policymaking at the local level, through active engagement with municipal or county officials and school boards, to make sure they know that school quality matters to local businesses and that employers are prepared to publicly support education leaders or, if necessary, call them out.

But local efforts are not enough, because state governments control much of education policy and many resources. Critical to an effective state-level re-engagement is strengthening and expanding the network of state-based, business-led education coalitions, such as the Massachusetts Business Alliance for Education, Colorado Succeeds, and Tennessee SCORE, which not only cut across industry sectors but also work in close partnership with community-based organizations and parent groups.

Of course, collaboration is never easy, even among businesses in the same industry, let alone across a diverse regional economy. Throw in the added complexity of working with grassroots advocates and nonprofit organizations, and you can see why many corporate executives would prefer to focus on meeting next quarter's earnings forecast. At the same time, collective action can provide safety in numbers to mitigate some of the risks while greatly improving the chances for success.

Although most of the action in education occurs in the states, there is a critical role for business leadership at the national level: to create a broader public agenda and narrative, mobilize resources, and help support and coordinate local initiatives. A new generation of leadership is needed to galvanize and guide executives around the country in making K–12 education a top priority in their own communities, just as David Kearns and Lou Gerstner did in the 1980s and '90s.

Public education is not a business. It's an inherently political institution whose educators and leaders have to play by a set of rules they don't control and answer to multiple stakeholders, including elected officials, who often have sharply conflicting ideas and interests. Public education is not susceptible to quick changes in strategy or structure, let alone quick fixes. And it's not for people who have thin skin or are looking for the thanks of a grateful nation.

All in all, the value proposition may not sound too good to business leaders. But at the end of the day, there may be no more important long-term contribution these men and women can make to their communities and the economy than to get involved, get organized, and get back into the K–12 arena.

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