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## Education

# How 20 Years of Education Reform Has Created Greater Inequality

How standardized testing, gentrification, school choice, and economic downturn have widened inequality to create an existential threat to democracy.

By **Michael A. Seelig** | Jun. 18, 2020



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When the latest Program for International Assessment (PISA) results were released in December 2019, many who saw the United States' ranking continue to stagnate behind its global competitors conceded that the last 20 years and billions of dollars spent on education reform had **done essentially nothing**. But the rankings don't tell the whole story. While American students remain roughly the same *on aggregate*, compared to their international counterparts, the top quarter of American students have been improving their performance on the exam since 2012, even as the **bottom 10th percentile lost ground**. In other words, something *has* happened: the achievement gap is widening, a consolidation that is beginning to mimic the increasing consolidation of wealth and opportunity in America.

This statistic is a product of the fact that education policy is not designed to elevate and educate *every* child. Since the 1990's, quick and unsustainable schooling reforms have been prioritized that show a disregard for the wider economic realities in America. As schools and parents struggle to make ends meet, billions of dollars have enhanced opportunities for the best students at the cost of opportunities for struggling students. As a result, public education—historically an economic equalizer—has instead helped widen an educational divide that is beginning to mirror the nation's economic divide.

# How We Got It Wrong

Around the turn of the millennium, four major forces converged to shape how the school reform movement would widen inequality: standardized testing, gentrification, school choice, and household economic downturn.

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The first, standardized testing, evolved out of a number of mandates in the wake of 1983's *A Nation at Risk* report to increase learning standards and verify they were being met. Standardized testing remains a deeply problematic practice, but good policy that focused on growth and thoughtful administration that enabled greater support could have mitigated the damage. For example, a student that entered 10th grade English reading at the 5th-grade level, could progress—with the help of a talented teacher—three to four years in a single year, but under the existing policy, that teacher would not be rewarded: they would only be deemed ineffective for *not* getting a child to read at the 10th-grade level. As states pushed mandates to tie proficiency rates to teacher evaluations, many teachers learned to focus on test preparation, above true learning, while the most talented teachers let the market guide them away from schools that needed their abilities most.

The second factor was a renewed interest in urban real estate. As middle-class twenty-somethings, disenchanted with the alienation of the suburbs, began heading to places like Chicago's Northwest side, Williamsburg in Brooklyn, Northeast Philadelphia, Eastern Washington DC, the Arts District in Los Angeles and similar gentrifying enclaves across the U.S., developers quickly followed. But development needed those free-spirited twenty-somethings to stick around once they became family-focused thirty-somethings, a decision driven by schools. And since city councilmembers, administrators, and mayors were also hungry for the continued development—to increase the real estate tax base and improve budgets—both public and private forces demanded schools get better to keep pace with gentrification. And it had to be quick.

In this context, mayors often bargained with their constituencies to plant roots. Chicago's Rahm Emanuel, for example, pleaded with middle-class families to not flee to the suburbs by promising better options for their children: "Don't head for the doors when your kid's in fifth grade or sixth grade—for

the suburbs—because the city of Chicago is going to give you a high-quality life with a high-quality education for your children.” But making this happen required the third force: school choice.

Whereas testing and real estate were more or less natural evolutions of policy and economic cycles, school choice was air-dropped in to bring education up to pace with the market economy. The idea had been around since the 1950s but had been put in a drawer when it was shown to be used to sustain segregation in the wake of the 1954 *Brown v Board of Education* decision. However, in 1990, it was rebranded in a now-famous book by John Chubb and Terry Moe called *Politics, Markets and America's Schools*.

The way it was presented in urban schools was relatively simple: young, predominantly white families moving to these gentrifying neighborhoods had no public option but the neighborhood schools, so—when the existing schools were insufficient—a new school would have to be created that provided a “good” choice, in most cases a charter school or, in fewer cases, a district-operated selective enrollment school. Both relied upon the tactic of pushing out neighborhood children and importing high-scoring, high-ability children from surrounding areas. Since traditional schools were seen as responsible for the existing state of schools, parallel alternatives would need private operators in charge, because of their profitable business track records.

This moment represented a unique shift in city governance. Gentrification was nothing new, but what was shifting was how city governments viewed their purpose: referred to as “third-wave gentrification,” city halls changed their mission from supporting the neediest to supporting development and offering tax breaks and abatements on new construction. As the generation that embraced New Deal and Great Society philosophies was retiring, it was replaced by a new breed of managers bearing a new business-friendly ideology, which naturally forced cities to compete for people, companies, and business. For schools, this typically took the form of a public-private partnership like the **Center City Schools Initiative** in Philadelphia or the Chicago Commercial Club, which shaped policy around market-driven education that could then be enacted through the city or state governments.

Between the testing requirements that emerged with No Child Left Behind (NCLB) and the need to improve neighborhood optics for increasing real estate revenues, the sudden need for schools to *perform* presented a new frontier for the industry. Charter schools had begun springing up through the 1990s in Minnesota, Colorado, California, Massachusetts and Michigan, but after the passage of NCLB they went supersonic. **NCES data** shows fewer than 2,000 charter schools in the US in the year 2000 but by 2017 that number had grown to over 7,000. And that only counts the ones that had survived: thousands more disrupted school districts and countless lives but shut down due to mismanagement or enrollment problems. The Heritage Foundation, a strong proponent for charter schools, cites an average

year-to-year growth of 10-15% nationally during this period, generating the sort of critical mass that moved now-noticeable numbers of children out of the traditional system and leaving it with sizable funding and population gaps that required a serious reorganization of priorities. During this period, charter enrollment grew from around 450,000 students to over three million.

School districts worked to stop the bleeding by reforming neighborhood schools as magnet, testing, or selective enrollment—which guaranteed a high-performing school—but only by displacing students from the neighborhood, who may have viewed that school, problematic as it was, as one of the only stable things in their lives. If “improvement” just meant “skimming the best kids from around town,” public schools could do that too: selective enrollment schools grew from around 1,400 schools in 2000 to nearly 3,200 over the same period, with their student grab growing from 1.2 million to 2.5 million students.

Many charter schools were unquestionably able to post drastically improved test scores and even offer cleaner, modernized facilities compared to the traditional neighborhood schools. And some operators, especially early on, remained true to the original idea of charter schools, one that was originally put forth by the teacher’s union, of all groups, where a limited number of experimental schools could serve as test laboratories with lessened restrictions. But these few were quickly drowned out by the operators who embraced the competitive ethos of the new city governments and saw an opportunity to tap a well of steady government funding with few restrictions and very little oversight. Some were guided by an even greater desire to leverage schools as a weapon in what sociologists describe as the “revanchist” motivations of gentrification, taking revenge on those groups thought to be at fault for the recessions of the 1970s and early 1990s that lost billions in revenue for the owner and donor class. Some, on the more extreme wing of libertarianism, even sought to destroy traditional schools altogether, leaving charters as the only feasible alternative.

School choice at a large scale was predicated on a deeply flawed understanding of how schools behave. School choice doesn’t necessarily drive schools to compete for best practices; it more often drives them to compete for the best kids, the students who are easiest—and *cheapest*—to teach. Charter operators often deny **such practices**, but it’s been well documented by both national and local media. By 2013, Washington D.C. charter schools were expelling students at rates **28 times greater than the traditional schools**. Chicago charters, in 2014 were found to expel at **12 times the rate of traditional schools**. In some instances, incomplete paperwork was sufficient means for expulsion to the traditional school, who, while also requiring all paperwork to be on file, do not have the liberty to remove a student when it is missing. Moreover, the expulsion tactic was usually carefully administered to ensure the school had

already received funding for pre-purge counts, while the traditional school would see an increase in enrollment without any additional funding.

Such cherry-picking doesn't even include the hundreds of stories in local media, from Newark to Los Angeles, about the families that have been kept out altogether through tactical gate-keeping techniques like refusal to participate in the free and reduced lunch program even when eligible, and more popularly, parent contracts that required donations of cash and volunteering that are near impossible for poor families and single parents who work multiple jobs.

The flip-side of these practices meant a disproportionate number of students with disabilities, discipline problems, unstable housing or home life, social-emotional issues, non-English speakers—*the unchosen*—would all begin to accumulate in the traditional schools while choice and selective enrollment curated the lowest cost students into their freshly painted classrooms. **As a veteran teacher in Flint, Michigan, put it:** “We have a school district where all that's left are damaged kids who are being exposed to other damaged kids, and it's causing more damage.”

Such competition for the easy to teach happens at all levels. When initiatives like *Race To The Top* connected test scores to teacher evaluations, English and Math departments fought over AP and Honors classes, as those were the classes in which students would score higher on standardized tests regardless of the teacher's abilities as a teacher, guaranteeing better marks on their annual evaluations

When schools are asked to compete, the greatest factors impacting outcomes are what happens when children are *not* at school. As a result, “choice” did not, in fact, incentivize better schooling, but mostly shuffled kids around an already existent bell curve, guided by parents' abilities to navigate the intentionally complex dual school system.

**Temple University researcher Maia Cucchiara** concludes that “while the goals of [choice] policy may be ostensibly worthy, one of its consequences is to reinscribe existing status positions and inequalities.”

The fourth factor created a natural limitation to the capacity of choice: household economic downturn. What renders so many education reform efforts futile from the outset—so much so that we avoid talking about it—is the fact that a student's academic achievement, with few exceptions, is completely tethered to the family's income and the opportunities it can provide. Many reformers debate the exceptions to the rule and envision reform as merely the scaling of those exceptions. But the exceptions almost always rely on truly unique circumstance: an unexpected source of social capital for a child or a truly rare, once in a lifetime teacher like Jaime Escalante (who still wasn't successful with every child and utilized tactics that were not scalable, caveats that don't make for good movies). Just as an inspiring uncle or family friend

cannot be recreated at scale in a school, a proficient student cannot be manufactured through coaching alone. Family income creates numerous intangibles that just help a child do better in school. It's why the SAT performance graph each year continues to show an **indisputable correlation between family income and achievement**.

During the 1990s and 2000s, despite what the stock market reported, life for the middle class across the nation, and particularly in cities, was not getting better. City governments turned away from supporting the needy, and the economy shifted from manufacturing to a new tech-focused economy that had no place for low-skilled work. NAFTA, the recession and automation are estimated to have lost America nearly 5 million jobs, since the 1990s many of which paid union wages and benefits. Phenomena, such as the jobless recoveries aided owners' bottom lines but not workers, many of whom found work that paid below a living wage or more recently, in gig work. Meanwhile, average home prices (adjusted for inflation) **between 1970 and 2016 have doubled, the cost to raise a child increased 23 percent**, and healthcare costs increased 136% - leaving many families without coverage. Wages, however, have stagnated, and the number **of two-parent homes decreased by nearly 20 percent, with more than 60 percent of parents citing quality childcare** as being very difficult to find and afford. Americans have compensated with household debt, which has exploded to **approximately 90 percent of GDP today**.

The impact this has had on children is staggering: **UNICEF's 2012** report on *Child Well-Being in Developed Countries* ranked American children 26th out of 29 countries across the dimensions of education, health and safety, housing, and material well-being. The U.S. is 28th out of 29 in relative poverty rankings, while the country we like to hold as the high watermark for quality education, Finland, is unsurprisingly at number one. American children do rank first for childhood obesity, yet they are among the least likely to eat breakfast. And they are among the most likely children in the world to witness violence or homicide. Research at **Johns Hopkins and Washington University** has now drawn definitive links between poverty and depression, citing a 37% increase among teens since 2005. Meanwhile, budget cuts to schools have ballooned not just teacher-student ratios, but counselors and nurses as well. In 2017, counselors topped-out at 903:1 in Arizona, while one school nurse in some parts of Michigan was responsible for over 4,000 students at a time when tap water in the region was deemed toxic.

When the reform strategy was predicated on competing for capable kids from stable homes—and these kids were becoming fewer each year—how could the strategy do anything but reshuffle the deck?

It's important to understand that a school is much more than a building with a bunch of teachers and desks in it. A school is a place where young people forge relationships, establish norms and habits, learn to deal with conflict, identify role models and understand how to interact with adults and people from

different cultures and backgrounds. It is these things that build a school community: finding a friend who helps you in science and who you help in English. Finding a group of people who introduce you to new books, movies, music, ideas, and worlds. A school is also the parents who make costumes and sets for the play, volunteer on field trips, chaperone dances, host fundraisers, donate books to the library, speak to the class on career day, and are around when someone else's parents are not. They let you come to their house after school because they know your house is empty. Sometimes they let you stay for dinner. They look out for you.

Imagine a system where those kids and parents from your neighborhood are all systematically chosen out, to be grouped together somewhere else.

Now imagine being in the school with the kids who were left behind.

## Conclusions

The Program for International Assessment (PISA) results show the learning damage that is happening as a result of our approach to education reform over the last 20 years. Reforms have aided the improvement of the best students while creating a deep accumulation of human debt at the bottom, resulting in a reciprocal relationship with the wider gulf of opportunity and income inequality in America.

There are four chief conclusions that need to be understood.

First, choice and the market approach to schooling violates a critical rule of democracy: that you can't have a market of winners and losers dictated by the capacities of the able and self-interested few in a system designed to serve the collective interests of a nation's many. Like the healthcare industry, market-based education helps some people get better, but leaves many to die, both literally and figuratively. As long as quality learning is available primarily to those that are the chosen, the growing inequality seen in the PISA will continue to widen.

Second, the current model tethers learning success to middle-class advantages and so the failure of the economy to create wider prosperity makes the failure of the broader education system inevitable with only a small subset able to post gains. Had the free-market fable of prosperity for all actually come to fruition, schools would have an unlimited supply of constantly regenerating strong, healthy students to sustain the system in whatever form it took. Then again, were this the case, education may never have been seen as having a crisis in the first place, which brought the call for reforms. As wealthy social democracies around the world show, once society is funded and provided for, other problems may

persist while education is more a process of tinkering around the edges and tuning-up an otherwise effective system.

Third, while politicians spend time and effort fighting *free-riders* on entitlement programs such as welfare and Medicaid, the irony of recent education reform is that our current education system is the greatest creator of an entire underclass of future free-riders through its ongoing consolidation of opportunity and wealth. This raises a fundamental question about the future of American society: What will happen to the aforementioned *unchosen*? People across the political spectrum are rarely able to offer an answer beyond “not my problem” or moving these children from place to place in a human shell game before they eventually vanish within the messiness of the system. But if you live in America, it’s very much your problem. In an economy that no longer has a place for low-skilled labor, the uneducated of today become the unemployed and unpurposed of tomorrow. They are the costly outcasts, the prison population that costs taxpayers billions of dollars each year, and the marginalized who are managed by costly forms of social aid, police, fire, medical care, social work, yet still cause violence, crime and overall declining quality of society. As the saying goes, it’s much easier to teach young boys than to repair broken men.

This approach to education is the very definition of an unsustainable practice and emblematic of the types of “solutions” that the government has foisted upon Americans since the 1970s. And it is these very types of approaches to government that make 20- and 30-year-old Americans so frustrated with previous generations of leadership. Their frustration is not unfounded. Government leaders have consistently sacrificed long-term improvement, solving only the optics of problems without addressing the underlying issues, creating even more complex problems that just resurface in a few years’ time for future generations to solve.

Fourth, and most importantly, social impact work often done in the non-specific service of “improving education” has shown that the private innovation space for education has been unable—or perhaps unwilling—to distinguish between moving a social organization forward and moving society forward, an excellent example of the question Kania and Kramer address in their Collective Impact work: *Are we who work in this space, despite the success of driving performance indicators in our respective work, aware of the wider collateral damage being created in our wake?*

If not, there needs to be a serious dialogue about the way social innovation proceeds, how it measures impact, and what it truly incentivizes to avoid wider systemic destruction. On the other hand, if we are, in fact, aware of the collateral damage, then there are some deep ethical questions to be answered about the way our work could actually be sabotaging democratic institutions to serve individual interests under the guise of social good.



It seems naïve to imagine that in an environment of competition, no one anticipated schools trying to get ahead by only taking the children that helped them and marginalizing those that didn't. It's not hard to imagine that as a probable outcome of forcing schools to compete for their livelihood, rewarding the winners and sanctioning the losers, at a time when the core foundations of what helps people find success in a society—jobs, income, social programs, and community programs—were being systematically stripped away.

Nonetheless, this new reality cannot be unseen and it has profound implications for our society, in the present and for the future. Operators in the social innovation space have some important decisions to make. Either, we accept the new structure where unelected, wealthy organizations get to drive the outcomes of a society which, as the last 20 years have shown us, prefers outcomes that are inherently unequal and oftentimes racist and classist, or we have to decide that we want to sustain a flourishing democracy and work to restore its institutions and drive the indicators that demonstrate this wider impact.

## What Can We Do?

Educators are always asked what is wrong with education, and there are two completely opposite ways to answer the questions. *Everything, it's a total mess* is more commonly heard before the subject is changed. But the second, which takes a lot of energy and explanation actually engages ongoing dialogue: *Nothing: it's working exactly as it was designed.*

Education's current design is the problem and it was not built with an end in mind—or it was built to an end that is unacceptable for purposes of a healthy functioning society.

First, we need to reframe our thinking about schools and understand them in the wider context of promoting equality measurable on broad, national, and global indicators. This means establishing a clear, re-defined purpose for public education and a mission for schools that cannot be manipulated for the gain of individual units at the cost of the wider effort. We must separate our business mind—which requires competition—from our social mind, which requires cooperation.

Second, we need much better measurement of organizational performance that both recognizes the wider geography of schools and communities and accounts for the collateral damage we are leaving in the wake of our efforts. Just like we can't assess coal production or fracking solely on their abilities to create energy, we too need to better understand what damage is being caused to the social ecosystems we inhabit. We need to use the lever of education to promote greater equality and opportunity as

measured by these broader economic and well-being indicators, not those that naturally go up by picking the right kids.

This focus should be the guiding light for social impact ventures in the coming years. We do not yet have the measurement tools and systems to truly understand this, but we do have broad indicators like the UNICEF survey, the PISA results, and a host of other well-being focused metrics. They are helpful but insufficient. Thankfully we have some very smart people in our foundations, universities, think tanks, nonprofits and social services who are hopefully willing to shift their attention to thinking deeply on these problems.

Lastly, we must recognize the existential threat a system that enhances inequality poses to democracy and need to push through the inevitable fatigue that emerges when we see something before us as too big or too ambitious. We must stop saying things like “this is just the current reality” and be bold in our attempt to change the conversation about how we define success. We must be unapologetic about our focus on society even if that means an indicator or metric doesn’t make us look immediately good. We have led the conversation that changes federal and state regulations multiple times in the past and it’s time we lead it again. This must become the new conversation in education. American democracy depends on it.

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