

The Ultimate Superpower

Supersized dollars drive Waiting for Superman agenda

■ BY BARBARA MINER

In 1972, two young Washington Post reporters were investigating a low-level burglary at the Watergate Hotel and stumbled upon a host of unexplained coincidences and connections that reached to the White House.

One of the reporters, Bob Woodward, went to a high-level government source and complained: “The story is dry. All we’ve got are pieces. We can’t seem to figure out what the puzzle is supposed to look like.”

To which the infamous Deep Throat replied: “Follow the money. Always follow the money.”¹

For nearly 40 years, “Follow the money” has been an axiom in both journalism and politics—although, as Shakespeare might complain, one “More honor’d in the breach than the observance.”

It is useful to resurrect the axiom in analyzing the multimedia buzz and policy debates swirling around the movie *Waiting for Superman*.

Barbara Miner is a journalist based in Milwaukee and former managing editor of Rethinking Schools. (This article was written for www.NOTwaitingforsuperman.org, initiated by Rethinking Schools.)

This year’s must-see documentary, *Waiting for Superman* is an emotional, painful look at the U.S. educational system, especially the bleak options for poor children in inner cities. Even its critics admit that it shines a light on educational disparities. At the same time, its admirers concede the film oversimplifies complicated issues, uncritically hypes charter schools and vilifies teacher unions.

What’s less obvious is how the film serves a coordinated and well-funded intervention in a polarized national debate over educational policy. What’s

at stake is not just whether this debate will lead to better schools. More fundamentally, it involves public control and oversight of a vital public institution.

In education, as in so many other aspects of society, money is being used to squeeze out democracy.

Squeezing democracy

Waiting for Superman and its surrounding campaign reflect an influential trend that has proven adept at dominating education policy in both Republican and Democratic administrations. This bipartisan alliance unites 20th Century conservatives closely aligned with the Republican Party who made the bulk of their money before the dawn of the digital era, and 21st Century billionaires more loosely aligned with the Democratic Party who generally made their fortunes through digitally based technology. (These two groups can loosely be described as analog conservatives and digital billionaires.)

Despite their differences, both groups embrace market-based reforms, entrepreneurial initiatives, deregulation and data-driven/test-based



MICHAEL DUFFY

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accountability as the pillars of educational change. Under the banner of challenging bureaucracy and promoting innovation, both groups chafe at public oversight and collective bargaining agreements. Above all, both rely on money to get their way.

Two decades ago, challenges to public schools were spearheaded by groups such as the Christian Coalition, a grassroots, church-based phenomenon that sought to abolish the U.S. Department of Education and to elect religious conservatives who could

take over local and state school boards. Today’s bipartisan corporate reformers tend to sidestep democracy altogether by abolishing school boards, promoting mayoral control, and hiring corporate-style CEO’s who answer to a city’s power elite. No longer preoc-

cupied with abolishing the U.S. Department of Education, they instead use their wealth to effectively control it and to dictate reform.

This developing alliance is evident in *Waiting for Superman*.

Paramount, Participant and Walden

First, the alliance involves the movie's backers—listed in the film credits as Paramount Vantage and Participant Media, in association with Walden Media.

Paramount Vantage is the specialty film division of Paramount Pictures, which in turn is owned by Viacom—the international media conglomerate that has gobbled up huge chunks of television and film, from Nickelodeon, to MTV, to BET, to Comedy Central. For Paramount, *Waiting for Superman* exists primarily for one reason: to make money. (This is one possible explanation of the movie's heroes/villains dramatic narrative; Hollywood has never been fond of complexity.) At the same time, in 2009 Viacom launched the project Get Schooled in conjunction with the Bill & Melinda Gates Foundation. Get Schooled, with a focus and graphic design in sync with the MTV generation, is designed to “leverage consumer-oriented media and brands” to raise awareness about the education crisis, with the goal of supporting the work “of the broader education reform community by leveraging the creative talent, digital and media assets and resources of the country's top media and consumer brands.” Exactly what this buzzword-laden description ultimately means is unclear, although *Waiting for Superman* and Davis Guggenheim, the film's director and co-writer, are featured on the group's homepage.²

The involvement of Participant and Walden is more overtly ideological, and also more clearly shows the alliance between the analog conservatives and digital billionaires.

Participant has a dual strategy: make commercially viable films and use the movies to promote a political/social agenda.³ Its liberal credentials include films such as *Syriana*, *Food, Inc.*, and *An Inconvenient Truth*. The company was founded in 2004 by Jeff Skoll, using the billions he earned when he cashed out his stock in eBay (Skoll is #400 on Forbes current list of billionaires, with a net worth of around \$2.5 billion). Skoll, meanwhile, has gone on to found a foundation noted for its emphasis on social entrepreneurship as the best way to make change.

Participant's CEO is Jim Berk, who before joining Participant in 2006 was chair and CEO of Gryphon Colleges Corporation, a for-profit chain of post-secondary schools. At Gryphon, Berk was responsible “for the formation, platform acquisition and establishment” of the for-profit schools.⁴ (For-profit colleges, meanwhile, are currently the focus of Senate hearings following a report by the Government Accountability Office on misleading, unethical and sometimes illegal practices to lure students to the schools. The for-profit schools, charges Sen. Tom Harkin [D-Iowa], have abnormally high failure rates for the students while enjoying abnormally high profit margins. “There's irrefutable evidence now that something's gone wrong with this industry,” Harkin says.)

Under Berk's leadership, Participant has become “an integrated media entity.” Two years ago, for instance, Participant received \$250 million in financing from Imagination, owned by the government of the oil-rich Emirate of Abu Dhabi, which is focused on transforming the country into a cultural and financial hub.

Participant has also launched TakePart.com, a “social action website” that, in its education initiatives, bemoans teacher tenure, promotes Teach for America, and idealizes charter schools as the Promised Land:

“Maybe the public school in your area stinks. Maybe it's a dropout factory staffed by burned-out teachers and you're looking for an alternative. . . . What you're looking for is a charter school.⁶

With its roots in the eBay empire, its socially conscious films, its global connections and its promotion of charter schools, Participant is a good example of the bipartisan digital billionaires.

Walden Media, on the other hand, is a classic example of old-fashioned, pro-Republican conservatives.

Walden Media is owned by Anschutz Film Group, which in turn is owned by Anschutz Entertainment Group, which is a wholly owned subsidiary of the Anschutz Company. One way or another, it all reaches back to Denver billionaire Philip Anschutz, who made his first fortune as an oil wildcatter and who has moved on to real estate, movie theaters, professional sports and the media. (*Fortune* once called him America's “greediest executive.”)

The business website *Portfolio.com* described Anschutz this way in a 2009 profile, “Who is Philip Anschutz?”:

More than just a businessman, that's for sure. He's active in Christian fundamentalist and Conservative political causes, including funding a campaign to support Amendment 2, Colorado's 2006 ballot initiative to overturn gay rights, the Institute for American Values, the Center for Marriage and Families, and Morality in Media.

Invariably described as “secretive” or “reclusive” in the press, he is nonetheless involved in media. He just bought the *Weekly Standard* for a reported \$1 million from Rupert Murdoch's News Corporation, which funded the small—but for a time, highly influential—conservative magazine since 1995. Add this to his other

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conservative media holdings, which include the *Washington Examiner*, a free tabloid, and the 101 locally targeted *Examiner*-branded sub-sites and it's no wonder *Forbes* described Anschutz as "the Stealth Media Mogul."⁷

Fortune also did a fascinating profile on Anschutz in 2006 (Anschutz has not spoken to a reporter since 1974). The article describes how Anschutz morally objected to much of Hollywood's fare, and that he argued "there was more money to be made in 'uplifting' family films that could be marketed through grassroots campaigns to teachers, librarians, and church groups."⁸

Anschutz often targets his movies to evangelical Christians. Through films such as the 2005 release *The Chronicles of Narnia: The Lion, the Witch, and the Wardrobe*, he perfected his approach: know your target audience, provide advance screenings to interested groups, and have them encourage their members to see the film. In many ways, Anschutz sketched out the roadmap for the campaign around *Waiting for Superman*.

An old-fashioned economic and social conservative, Anschutz holds little faith in science. He is a major supporter of The Discovery Institute, which challenges Darwin's theory of evolution and promotes a theory of intelligent design.⁹

Hedge Funds Bullish On Charter Schools

Two of the organizations most prominently featured in *Waiting for Superman* are Harlem Children's Zone and Success Charter Network, also focused on Harlem. The movie's central narrative metaphor—highly emotional public lotteries—turns out to have been perfected during a political strategy and public relations campaign engineered by Success Charter Network and Democrats for Education Reform, a national political action

committee that promotes charter and other "school choice" options. Add the fact that Manhattan is the country's media and financial capital, and it becomes apparent that investigating the relationship between hedge funds and charters in New York City helps unravel the puzzle of who stands to financially gain from the charter movement in general and the movie in particular. (An important caveat: there is a difference between charter schools faithful to the original concept, and the pro-market orientation of the charter school *movement* that now dominates.)¹⁰

But first about hedge funds—those masters of the universe known for their financial speculation and insane levels of compensation. (The top 25 hedge fund managers took in an average of \$1 billion each in 2009—enough to pay for 658,000 entry-level teachers.)¹¹

Encompassing the lower and east side of Manhattan and extending north to Greenwich, Connecticut, is a kingdom that *New York* magazine has dubbed "Greater Hedgistan." Of the world's hedge funds with more than \$1 billion in assets, a significant majority is based in Greater Hedgistan.¹²

Smack dab in the middle of Greater Hedgistan is Harlem.

These two worlds—one rich, white and powerful, the other poor, Black and Latino but located on prime real estate—meet in the charter school world, although not as equal partners.

"Charters have attracted benefactors from many fields," a *New York Times* article noted almost a year ago. "But it is impossible to ignore that in New York, hedge funds are at the movement's epicenter."¹³

Charters are edging out traditional public schools in Harlem and other poor neighborhoods—and the charters are overwhelmingly controlled by hedge fund directors and finance capitalists who sit on the boards of di-

rectors that are legally responsible for running a charter and establishing its financial, educational and personnel policies. (There is a more than a little irony that New York, home to one of the fiercest battles for community control of schools in the 1960s, is now a prime example of rich white billionaires controlling the education of low-income children of color.)

Take the board of trustees of the Success Charter Network. Of its nine members, seven are involved in hedge funds or investment companies. The eighth is CEO of the Institute for Student Achievement, and the ninth is a managing partner at the NewSchools-Venture Fund, involved in both for-profit and non-profit charters across the country. No community, parent or teacher representatives sit on the Success Charter Network board of trustees (see sidebar).¹⁴

There is no single reason why charter schools have become the must-be-involved cause among the hedge fund and finance capital crowd.

Real estate obviously plays a role, as Harlem and the South Bronx are the poor neighborhoods most ripe for gentrification now that so much of Brooklyn has come under the reach of condos, trendy restaurants, Trader Joe's and Ikea. (In New York City, no deal ever goes down that doesn't involve real estate.) And, just as clearly, there's old-fashioned altruism and missionary zeal at work. "What you're seeing is for the under-40 set, education reform is what feeding kids in Africa was in 1980," an education reformer said in explaining Facebook founder Mark Zuckerberg's \$100 million donation to the Newark public schools in September.

Another explanation is that the hedge fund crowd is comfortable with the charter way of doing business—overwhelmingly non-union, which means that management gets to call all the shots; a guaranteed cash flow in

Should the American people put their **faith** in a white billionaire boys club to lead the revolution on behalf of poor people of color?

the form of public dollars per student; minimal public oversight; lots of data and test scores; and an educational ideology based on a free-market model of schooling.

The minimal public transparency and oversight of charters is particularly in sync with the hedge fund culture. Infamous for their secrecy, hedge funds operate largely beyond public scrutiny. Their securities tend to be issued in “private offerings” that are not registered with the Securities and Exchange Commission, whose regulations were established in 1933 during the banking crises of the Great Depression. Nor are they required to make periodic reports under the Securities Exchange Act of 1934. And, to play the game, you have to be rich, with millions of dollars to invest.¹⁵

Charter schools are the type of entrepreneurial initiative that “electrifies” hedge fund managers, according to Whitney Tilson, a finance capitalist, founding member of Teach for America and board member of the Knowledge Is Power Program (KIPP). “With the state providing so much of the money, outside contributions are insanely well leveraged,” he told the *New York Times*.¹⁶

Ravenel Boykin Curry IV of the money management firm Eagle Capital Management and who helped found the Girls Prep charter schools in New York, told the *Times* that charter schools are “exactly the kind of investment people in our industry spend our days trying to stumble on, with incredible cash flow, even if in this case we don’t ourselves get any of it.”¹⁷

Charter schools have also become a way to network and hobnob with elite powerbrokers and celebrities (who knows what deal might emerge from such networking)—all in the name of helping poor people.

One of the best ways to hobnob is at the annual fundraiser by the Robin Hood Foundation. Founded in 1988

by hedge fund manager Paul Tudor Jones, the foundation considers charter schools “right there at the top of our list of priorities,” according to a spokesperson.¹⁸ Last May at the fundraiser—Wall Street’s biggest of the year—the foundation called upon the more than 3,000 people gathered and raised more than \$88 million in one night. Sting sang at the event, comedy routines featured Jimmy Fallon and Saturday Night Live writers, and NBC anchor Brian Williams hosted the festivities.

“Robin Hood is like the cool table in the high school cafeteria,” one benefactor said of the foundation.¹⁹

And, in addition to being cool, the foundation’s supporters are rich, with the board “a blue-chip collection of Who’s Who in business and media.”²⁰

While hedge funds dominate the New York charter school movement, old money and traditional conservatives are more than welcome. The Robin Hood gala last May, for instance, was chaired by the heads of Maverick Capital and the uber-digital Google but also of JP Morgan Chase—whose legacy, according to its website, “reaches back more than 200 years with the founding of its earlier predecessor in 1799.”

And, of course, there is money to be made. And it cuts both ways.

Harlem Children’s Zone, for instance, is one of the most financially well-endowed education reform efforts in the country. Following *Waiting for Superman*, where it’s founder Geoffrey Canada emerged as the most charismatic and eloquent of those featured, Harlem Children’s Zone received millions—including \$20 million from Goldman Sachs in mid-September. New York City is also contributing \$60 million toward a \$100 million new school.

But there are also those who will make money off of Harlem Children’s Zone.

The organization had net assets of \$194 million listed on its 2008 non-profit tax report. Almost \$15 million was in savings and temporary investments, and another \$128 million was invested at a hedge fund. Given that most hedge funds operate on what is known as a 2–20 fee structure (a 2 percent management fee and a 20 percent take of any profits), some lucky hedge fund will make millions of dollars off of Harlem Children’s Zone in any given year.

Meanwhile, the boards of directors of charter schools pay their charter managers extremely well. At least three charter school leaders make more than New York City’s Schools Chancellor—with Deborah Kenny of the Village Academies Network leading the way with \$442,000 in compensation in 2008, according to the group’s 990 tax form.

A considerable gap between management and workers’ salaries is common in charter schools across the country, according to a recent study out of Western Michigan University. Overall, charters spend less on teacher salaries and instruction and more on management and administration than traditional public schools.²¹

Politics and Profits Make Reliable Bedfellows

Do an internet search beyond the first few results, dig into the inner-workings of a website and, if you’re lucky, you’ll find connections that even a court of law would question as merely coincidental.

Hedge funds, for instance, are targeting not just charter schools but also the for-profit college market. As an article this June on *hedgetracker.com* noted, “Hedge funds have been circling for new carrion to devour in the next economic slowdown and have found a big fat target in the for-profit educational sector. The industry is ripe for the taking. For two decades,

Guggenheim: Fueling the attack on teacher unions?

The clearest winners in *Waiting for Superman* are not the children who “win” the lottery, but the charter school movement. And the clearest losers are the teacher unions. Portrayed as a one-dimensional villain straight out of central casting, Randi Weingarten of the American Federation of Teachers takes more than a few hard knocks in the movie.

When analyzing urban education, there is plenty of blame to spread around. Yes, a number of union leaders are resistant to change and too narrowly focused on defending the contract. But many corporate reformers dismiss legitimate concerns of due process, working conditions and decreasing school resources. In addition, there are forces that would like to get rid of teacher unions altogether.

Overall, *Waiting for Superman* has bolstered fears that the criticisms of unions go beyond issues of pay, seniority and evaluation, and that the true goal is to bust the union, reduce teachers to do-as-you-are-told factory workers, and allow management free reign in all educational decisions.

Rather than encouraging dialogue and collaboration, the *Waiting for Superman* phenomenon runs the risk of hardening positions—precisely at a time when unions across the country are exploring new ways of approaching contract issues. In wide-ranging interviews with presidents of 30 union locals across the country, a 2007 report by the independent think tank Education Sector found that with few exceptions, the presidents had moved away from industrial-style bargaining and focused on collaborative “win-win” approaches with their school districts.³¹

The anti-union vilification is clear in the remarks by Howard Fuller. A nationally recognized advocate of both charters and vouchers for private schools, Fuller is featured in *Waiting for Superman* as he describes “the dance of lemon teachers” while he was superintendent of the Milwaukee Public Schools.

On Aug. 5, during a panel after *Waiting for Superman* was previewed at the KIPP: School Summit 2010, Fuller said—to much applause—that he saw no use in talking with union leaders such as Weingarten. “One time George Wallace stood at the door trying to keep our

kids from getting in, and people like her are standing at the door keeping our kids from getting out. And it is the same fundamental view. And until we confront these people, and quit talking to them like they really want to do so much for our kids, we are not getting anywhere.”³² (Fuller is best known for promoting voucher programs that give public dollars to private and religious schools, with his efforts most consistently financed by traditional conservatives such as the Bradley Foundation and the Walton Foundation.)

Not to be outdone by Fuller, and ratcheting up the rhetoric, a Sept. 28 commentary on *The Huffington Post* compared Weingarten to Osama bin Laden. “And if even one tenth of Guggenheim’s film is to be believed,” wrote blogger Keli Goff, “then this distinction is well earned and well deserved.”³³

Guggenheim says he is not anti-union, but that he took his educational cues from Fuller and Geoffrey Canada of the Harlem Children’s Zone.³⁴ Canada also has a history of union opposition. Following a screening of the film last summer for education policy wonks in Washington, Canada said, “I’m sure there are things the unions have done to help children. I just can’t think of any.”³⁵

Interestingly, Guggenheim filmed both students and teachers at the Green Dot charter school in the South Bronx, which is a partnership that includes the teacher union. Guggenheim had led the school’s founders to believe he “was turned off” by divisive school politics and the “self-limiting anti-unionism of today’s charter movement,” according to school co-founder Jonathan Gyurko. Guggenheim even shot footage of Weingarten and Green Dot founder Steve Barr signing the school’s first collective bargaining agreement. “This landmark thin contract makes little mention of work-rules, provides for due process but makes no mention of tenure, includes Green Dot’s trademark un-timed ‘professional day’ for all employees, and has ample opportunities for teacher input,” Gyurko writes.

For some unexplained reason, Guggenheim left footage of Green Dot’s South Bronx school on the cutting room floor.³⁶

—BARBARA MINER

for-profit schools have lured gullible students with inflated promises of impressive sounding degrees which they pay exorbitant tuition to obtain.”²²

The article goes on to call the phenomenon “education’s version of the subprime crisis” because so many of the students at the for-profits default on their federal student loans. Despite

their educational downsides, for-profits now account for 10% of all higher education enrollments in the country, “and the profits that have poured in have been absolutely massive.” While for-profit charters have not yet reached a similar market share in the K-12 educational sector, in the last decade they have made significant inroads. In the

2008-09 school year, there were more than 725 for-profit charter schools in 31 states.²³

And, it turns out, one of the hedge funds most involved in post-secondary education is Maverick Capital—whose founder chaired the Robin Hood Foundation fundraiser. What’s more, the same hedge fund is involved in

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Education Reform Now, the nonprofit arm of Democrats for Education Reform, the PAC that routinely hits up Wall Street for contributions to promote charter schools, mayoral control, and voucher programs that provide public dollars to private and religious schools and that, in essence, serves as the political arm of the pro-corporate education reformers. The group is involved in elections and campaigns across the country, with branches in eight states: Colorado, Michigan, Missouri, New York, New Jersey, Ohio, Rhode Island and Wisconsin.

The Education Reform Now and Democrats for Education Reform joint effort represents a skilled blending of old-fashioned conservatives and 21st Century billionaires—and an equally impressive obfuscation that the groups embrace both Republican and Democrats.

Historically, charter and voucher initiatives have received their most consistent support from pro-Republican traditional conservatives such as the Walton Foundation of Wal-Mart fame and the Bradley Foundation based on the fortune of the Allen-Bradley Corporation in Milwaukee. This was especially true under the Reagan and both Bush administrations, when vouchers for private schools seemed the stronger of the voucher/charter “school choice” reforms. Vouchers were never popular with voters, however, and so much of the emphasis shifted to the more politically palatable charter reform—with corporate-oriented Democrats and digital billionaires jumping onto the school choice/charter bandwagon.

Hedge fund managers have been especially involved, as the board of directors of Education Reform Now makes clear. The five board members are: Sidney Hawkins Gargiulo of Hawkshaw Capital; John Petry (chair) of Gotham Capital; John Sabat

of SAC Capital; Joe Williams, head of Democrats for Education Reform (DFER); and Brian Zied of Maverick Capital.

If some of the names sound familiar, that’s not a coincidence. A surprising number of people sit on multiple boards associated with charter school initiatives, in what is best explained as the nonprofit equivalent of interlocking directorates. Indeed, one of the advantages of money is that one can set up new groups and websites to give an appearance of breadth and depth. Take away the Gates, Walton and Broad Foundations, Teach for America alumni, DFER, and a few essential hedge fund and investment managers, and the pro-corporate charter movement would shrink significantly.

As befitting hedge fund managers, some of DFER’s members hedge their political bets as well as their financial investments. Take the case of Steven Klinsky, CEO and founder of New Mountain Capital. While he gave \$5,000 to DFER in 2010, the maximum allowed, most of his campaign donations went to Republicans, including \$10,000 each to National Republican Congressional Committee and the Republican Campaign Committee of New York.²⁴

A look at DFER and its relationship to Success Charter Network uncovers how the politics of charters operate in the real world rather than in the sanitized Hollywood version.

First, there are the personal connections—privileged rich people rarely leave their fate up to ping-pong balls and lotteries. John Petry, for instance, is on boards of DFER, of its nonprofit arm Educators for Reform, and of the Success Charter Network. Joel Greenblatt is on the DFER Board of Advisors, and is chair of the Success Charter Network board.

More interesting are the joint political workings of the organizations,

such as the 2008 effort “Flooding the Zone: How an intense, focused ‘school choice’ campaign in Harlem increased support for reform.”²⁵

The campaign makes clear that the charter lotteries have more to do with political propagandizing than with serving the needs of children and families. (The “flooding” reference is just one of several examples of charter forces cavalierly using Hurricane Katrina to promote disaster-based reform. Secretary of Education Arne Duncan went so far as to call Katrina the “best thing to happen” to New Orleans schools, and as recently as September NBC’s “Education Nation” event included a session entitled “Does education need a Katrina?” The latest DFER report, interestingly, is called “Bursting the Dam.”)

Flooding the Zone, Bamboozling the Media

The “Flooding the Zone” campaign was jointly decided upon by the leaders of Success Charter Network and DFER (and, allegedly, a group of parent activists which appears to be moribund now that this year’s lottery is over). The campaign’s purpose was to “go ‘on offense’ to provide political cover” to increase the number of charters in Harlem, create a hospitable climate for charters to take over space in public schools, and promote the concept of parent choice.

The strategy to do so was to create a groundswell of publicity for the charter lotteries and to “flood the zone” in Harlem with pro-school choice messages. No effort was spared, with hundreds of thousands of leaflets, multiple mailings to families, ads at bus stops, posters and literature drops. Lacking a membership base, DFER used “an army of field workers, many high school students who were hired to blanket the neighborhood with materials.”²⁶ Success Charter Net-

work coordinated the information and DFER coordinated the political rally.

The paper does not provide figures on the campaign costs. But a recent article in the *Daily News* reported that Success Charter Network spent \$1.3 million on marketing between 2007 and 2009, with most of that going to the leaflets, posters and mailings that were part of the “Flooding the Zone” campaign.²⁷

“Flooding the Zone” makes clear how the Success Charter School lottery was a very conscious public relations effort. Given the political and economic clout behind DFER and Success Charter Network, and the inherent drama of a winner-take-all lottery, it’s not surprising that *Waiting for Superman* used the lottery as its dramatic heart.

DFER’s “Done Waiting” campaign, meanwhile, is a partner in *Waiting for Superman*’s social action campaign, along with a who’s who of traditional conservatives and digital-age billionaires including the Walton Family Foundation, the Broad Foundation and the Bill & Melinda Gates Foundation. (On the local level, more politically diffuse groups such as the United Way and Stand for Children are coordinating efforts.) The “Done Waiting” partners, meanwhile, include not just charter organizations but groups focused on vouchers for private and religious schools.

DFER prefers to play a behind-the-scenes role. The same is not true of the foundations that have emerged as the forces behind the corporate reform agenda that now dominates education policy discussions.

While names like Rockefeller, Ford, Annenberg, and Carnegie traditionally have dominated foundation-funded education reform, in recent years a new group of foundations has emerged—Gates, Walton, and Broad,

Boards of Trustees: The Powers Behind the Thrones

The Success Charter Network and Harlem Children’s Zone are the two most prominent charter school operations in Harlem, and both are featured in Waiting for Superman. The schools are managed by Boards of Trustees, which have the legal responsibility to oversee policy, set compensation, and ensure educational outcomes. While the websites of both Success Charter Network and Harlem Children’s Zone list the names of their boards of trustees, no further information is provided. The following is gleaned from the websites of the firms and/or foundations involved, and from media sources such as Business Week and Forbes. Overall, banking, hedge fund and private equity firms dominate both boards. Neither have community, parent or teacher representatives from their schools. In the case of Harlem Children’s Zone, two of its trustees are also on the board of trustees of Columbia University, which has long had an interest in real estate and gentrification in northern Manhattan.

SUCCESS CHARTER NETWORK, Board of Trustees

Chair, Joel Greenblatt is founder, managing partner and CEO of Gotham Capital. Based in New York City, Gotham Capital is a privately owned hedge fund.

Rob Goldstein is a managing partner in Gotham Capital.

David Greenspan is a managing director at Blue Ridge Capital, an Atlanta-based real estate investment company; he looks after technology sector investments and is a member of the Board of Overseers of Columbia Business School.

Gerry House is President and CEO of the Institute for Student Achievement and before that was superintendent of schools in Memphis, Tennessee, and Chapel Hill, North Carolina.

Yen Liow is a Managing Director and Sector Head (Communications and Media; Agricultural Commodities) of ZBI Equities, an investment fund.

John Petry is a partner at Gotham Capital.

Jim Peyser is a managing partner at NewSchools Venture Fund and former chair of the Massachusetts Board of Education where he helped shape state policy on charter schools. He is on the board of several charter schools, and a member of the board of the National Association of Charter School Authorizers.

Rich Pzena is chairman, CEO and Co-chief Investment Officer at Pzena Investment Management, Inc., in New York. As of Aug. 31, 2010, the firm managed \$13 billion in assets for leading corporate, public, and individual clients.

Gideon Stein is a partner in Argyle Holdings LLC, described on its website as “Developers of premier properties in Northern Manhattan.”

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in particular. And all three are deeply involved in campaigns promoting the educational perspectives of *Waiting for Superman*. (Gates is featured as an education “expert” in the film, which conversely does not include an interview with a single public school teacher.)

Gates—whose education grants in the last decade approach the \$3 billion mark—has been so dominant that he has been dubbed the country’s education czar.²⁸ Given the imperial nature of foundation-driven reform, the czar

moniker is particularly appropriate. (Gates, with a net worth of about \$53 billion, saw his worth increase by \$13 billion alone last year, according to Forbes magazine.) Foundations, although benefiting from their status as nonprofits and thus essentially subsidized by U.S. taxpayers, are private institutions with private boards, able to make behind-the-scenes decisions and sidestep public accountability for the success or failure of their programs.

Given the realities of school fund-

Board of Trustees, HARLEM CHILDREN'S ZONE

Geoffrey Canada, President and CEO

Stan Druckenmiller, Chairman

Druckenmiller is the President, CEO, and Chairman of Duquesne Capital, which he founded in 1981. The fund is reported to have more than \$10 billion in assets. With an estimated current net worth of around \$3.5 billion, he is ranked by *Forbes* as the 91st Richest person in America as of 2008. He is reported to have made \$260 million in 2008. Known for his philanthropy, his donations include \$25 million to the Harlem Children's Zone in 2006.

Mitch Kurz is a former senior management executive at Young and Rubicam, a marketing advertising and communications company, and former board member of Teach for America.

Matthew Blank is chairman and Chief Executive Officer of Showtime Networks, Inc.

Wallis Annenberg is the Chairman of the Board, President and CEO of the Annenberg Foundation.

Gary D. Cohn is President and Chief Operating Officer of the global banking and securities firm Goldman Sachs.

Zoe Cruz, managing director of Voras Capital Management, is a Greek-born American senior banking executive and former co-president of Morgan Stanley. In 2006, she was #10 on the list of *Forbes'* 100 Most Powerful Women of the World.

Joe DiMenna, is a hedge fund manager and Managing Director of Zweig-DiMenna Associates.

Brian J. Higgins is a Principal of the private investment company The Jordan Company.

Joe Gregory is the former president of Lehman Brothers, which was the nation's fourth-largest investment bank until its bankruptcy in 2008, the largest in U.S. history.

Mark Kingdon is president and founder of Kingdon Capital Management, an investment management company. He is also a member of the board of trustees of Columbia University.

Kenneth G. Langone is the former director of the New York Stock Exchange and the co-founder of Home Depot. He is currently chair and CEO of Invemed Associates.

Sue Lehmann is a management consultant whose clients range from American Express to McKinsey and Company to Morgan Stanley. She is also a former board chair of Teach for America. She also leads a family real estate business.

Marshall J. Lux is managing director of McKinsey and Co., the global management consulting firm that has 90 offices in 51 countries.

Richard Perry co-founded Perry Capital in 1988 and before that worked in the equity arbitrage area of Goldman Sachs.

Laura Samberg is Co-Director of the Samberg Family Foundation.

Steve Squeri is head of global services and chief information officer for American Express.

Caroline Turner is a Trustee of the Oak Foundation which in 2009 donated \$1 million to Harlem Children's Zone.

Richard Witten is the senior managing director of The Orienta Group and a managing member of RSW Capital Management investment advisory firms. Before that he was managing director of Goldman Sachs. He is also a trustee of Columbia University.

ing, with public dollars focused on essential services, schools and districts—and even the U.S. Department of Education—often look to foundations to fund new initiatives. Add in grants to organizations such as Teach for America or the Charter School Growth Fund (which received \$12 million from Gates this July), and the foundations have inordinate power in determining the future of public education.

“What we've done is create a new nobility, where basically the lords and ladies decide who gets the money,” argues Barbara Dudley, head of the Veatch Foundation in the early 1990s, former director of Greenpeace, former president of the National Lawyers Guild, and currently an adjunct professor at Portland State University.²⁹ “It is not democratic and you can't pretend that it is.”

Education's role in strengthening our democratic institutions is a long-standing tradition in this country; it isn't a mistake that the right to a free public education is enshrined in every single state constitution in the country. Yet many charter school promoters don't even feel the need to make a rhetorical nod toward democratic concerns.

The NewSchools Venture Fund, for instance, issued a 10-year report on its \$100 million investment in nonprofit and for-profit initiatives and called the report “Investing in a Revolution.” While the words “entrepreneur,” “entrepreneurs” or “entrepreneurial” shows up 84 times in the report, the words “democracy” or “democratic” do not appear even once.

Which leads to a fundamental and unaddressed question. Should the American people put their faith in a white billionaire boys club to lead the revolution on behalf of poor people of color?

As educational historian Diane Ravitch notes, the corporate-based reform agenda undermines commu-

nity and democracy and is subject “to the whim of entrepreneurs and financiers.” The obsession with schools as a business, she notes, “threatens to destroy public education.”

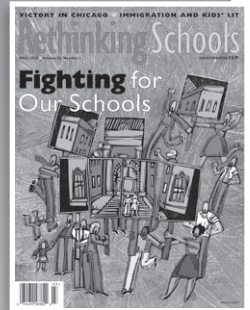
“Who will stand up to the tycoons and politicians and tell them so?”³⁰ ■

FOOTNOTES:

- 1 Based on dialogue from the 1976 film *All the President's Men*.
- 2 <http://www.getsschooled.com/>
- 3 Ann Hornaday, “For the studio behind *Waiting for Superman*, movies are a tool for change,” *Washington Post*, Oct. 3, 2010, E01.
- 4 Participant Media website (www.participantmedia.com), “Our Team.” Berk also oversaw Participant’s investment in Summit Entertainment, a worldwide film financing, production and distribution company known for its *Twilight* series.
- 5 <http://www.insidehighered.com/news/2010/10/01/hearing>
- 6 TakePart website: www.takepart.com/issues/charter-schools/13785
- 7 <http://www.portfolio.com/companies-executives/2009/08/07/who-is-philip-anschultz-and-why-is-he-in-business-with-michael-jackson-and-the-weekly-standard/>
- 8 http://money.cnn.com/2006/04/17/magazines/fortune/waldenmedia_fortune_050106/
- 9 Jodi Wilgoren, “Politicized Scholars Put Evolution on the Defensive,” *New York Times*, Aug. 21, 2005.
- 10 The charter school reform emerged in part out of progressive efforts to promote innovation that could be used to improve all public schools, and to open up discussion on the relationship between school and community, particularly in urban areas. At the same time, the charter concept appealed to reformers wedded to a free-market, privatization agenda. In the past decade, these privatizers have come to dominate the charter school movement. For a further exploration of these contradictions, see the *Rethinking Schools* book, “Keeping the Promise? The Debate Over Charter Schools,” 2008, *Rethinking Schools*.
- 11 Les Leopold, “Why Do We Save Billionaires But Not Teachers?” *The Huffington Post*, April 30, 2010. www.huffingtonpost.com/les-leopold/why-do-we-save-billionaire_b_558213.html
- 12 Daniel Gross, “The Kingdom of Hedgistan,” *New York* magazine, April 9, 2007.
- 13 Nancy Hass, “Scholarly Investments,” *New York Times*, Dec. 6, 2009.
- 14 See sidebar article outlining the boards of trustees of Success Charter Network and the Harlem Children’s Zone.
- 15 Zuckerberg’s \$100 million “gift” to Newark is in the form of such private stock, raising numerous issues of financial disclosure. [2010/09/23/how-will-newark-turn-zuckerbergs-100-million-worth-of-facebook-shares-into-cash/](http://blogs.forbes.com/stevenbertoni/2010/09/23/how-will-newark-turn-zuckerbergs-100-million-worth-of-facebook-shares-into-cash/)
- 16 Nancy Hass, “Scholarly Investments,” *New York Times*, Dec. 6, 2009.
- 17 *ibid.*
- 18 *ibid.*
- 19 Andy Serwer, “The legend of Robin Hood,” *Fortune*, Sept. 8, 2006.
- 20 *ibid.*
- 21 Miron, G. & Urschel, J.L. (2010). Equal or fair? A study of revenues and expenditures in American charter schools. Boulder and Tempe: Education and the Public Interest Center & Education Policy Research Unit.
- 22 “Hedge Funds Are Now Targeting For-Profit Education,” June 2, 2010, www.hedgetracker.com
- 23 Miron, G. & Urschel, J.L. (2010).
- 24 Information from the website DFERWatch, which provides detailed information on the organization (www.dferwatch.wordpress.com).
- 25 The position paper, written by Democrats for Education Reform, is available at <http://www.edreformnow.org/Flooding%20The%20Zone.pdf>.
- 26 “Flooding the Zone,” p. 4.
- 27 Juan Gonzalez, “Local charter schools like Harlem Success is big business as millions are poured into marketing,” *Daily News*, Oct. 1, 2010.
- 28 Historian Diane Ravitch reports that Gates spent about \$2 billion on its campaign from 2000 to 2008 to make small schools the driving reform for high schools, a campaign it dropped when results hovered between abysmal and mediocre. The *Washington Post* reports Gates has spent about \$650 million from 2008 to July 2010 on education reform, mostly on teacher evaluation and performance pay. Nick Anderson, “Gates Foundation playing pivotal role in changes for education system,” *Washington Post*, July 12, 2010.
- 29 Barbara Miner, “Who’s Behind the Money,” *Rethinking Schools*, Vol. 19 No. 4.
- 30 Diane Ravitch, *The Death and Life of the Great American School System* (New York: Basic Books, 2010), 222.
- 31 Susan Moore Johnson et al., “Leading the Local: Teacher Union Presidents Speak on Change, Challenges,” Educator Sector, Washington, D.C., 2007.
- 32 http://wn.com/Waiting_for_Superman_panel_discussion_clip_2
- 33 http://www.huffingtonpost.com/keli-goff/what-teachers-unions-the_b_741880.html
- 34 Duane Dudek, “Documentary takes school problems back to class,” *Milwaukee Journal Sentinel*, Sept. 26, 2010, E1.
- 35 John Heilemann, “Schools: The Disaster Movie,” *New York* magazine, Sept. 5, 2010.
- 36 Jonathan Gyurko, “On Guggenheim’s Cutting Room Floor,” *Huffington Post*, Oct. 11, 2010. Similarly, Waiting for Superman forgot to mention that Finland—extolled in the film for its academic success—grants tenure to its unionized teachers.

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