

**Corporate Involvement In Schools: Time For A More Critical
Look**

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CORPORATE INVOLVEMENT IN SCHOOLS: TIME FOR A MORE CRITICAL LOOK

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The desirability of corporate involvement in the schools has been a fundamental assumption of federal, state, and local policymaking for over twenty years. Although it has been asserted that effective corporate-school partnerships promote civic and personal well-being, increasing corporate involvement in education has been justified primarily on macro-economic grounds, i.e., as necessary to increase American competitiveness in the global economy. This justification has been so widely accepted that, at this point, business is involved in almost every aspect of public education in the United States.

For example, to an unprecedented degree schools are being integrated into the advertising and promotional campaigns for products as diverse as candy bars and automobiles. Further, public education is itself being packaged as a product by for-profit corporations known as “education management organizations.” Often with the help of policymakers, these corporations are aggressively seeking to create an educational “market” for the particular “brand” of school they are promoting. Rarely, however, are the public benefits and costs of for-profit education thoroughly and objectively calculated.

The effort to use schools as a platform for corporate advertising and propaganda or to create an environment supportive of for-profit public education has not gone entirely unchallenged. Critics believe that this barrage of marketing in schools is at best a distraction and at worst encourages students to make unhealthy lifestyle choices. Nor are such criticisms new. In fact, the marketing of products, services, or a corporation’s point of view to children in schools has evoked varying degrees of concern for the better part of a century. Similarly, recent attempts to create a for-profit public education sector have been contentious, with many issues, such as how to hold for-profit firms accountable, still to be resolved.

This article will argue that many activities described as school-business partnerships are in fact harmful to children and undermine the ability of schools to provide sound academic programs and promote democratic civic culture. It concludes that it is now time for policymakers to take a more critical look at the purpose and impact of many types of corporate-school relationships and to decide what form of oversight is necessary to ensure that public schools continue as an expression of democratic values rather than corporate interests.

A Short History of Corporate Marketing in Schools

As far back as the 1920s, concern about commercial influences in schools was significant enough to merit the appointment of a National Education Association (NEA) committee to study it. The Committee on Propaganda in the Schools was charged with determining what propaganda (including materials from corporations, governments, and other organizations) was being received by America’s schools and what policies or other mechanisms were in place to deal with it.

The committee’s 1929 report identified several ways in which commercial activities might interfere with the academic programs of schools. For example, (1) the decentralized nature of curriculum development and approval processes in the U.S. means that each school and school district must depend on its own, often limited, resources for evaluating the accuracy, fairness, and educational value of each sponsored material or program that is offered them; (2) the principle of democratic control of curriculum content (generally through an elected school board) is jeopardized by the abundance of unsolicited and unevaluated materials flowing into the schools from well-funded outside interests; and (3) sponsored

materials and programs pose a distraction from the already-crowded course of study required to meet state or local standards.¹

More recent work suggests that the NEA committee's concerns remain relevant today.² If anything, efforts to commercialize schools appear to be far more intense now than in 1929. Spending by corporations on marketing to children is at an all-time high.³ Moreover, as part of their overall marketing strategy, corporations are seeking access to schools in an unprecedented diversity of ways. Commercial messages, invitations to enter students in contests, proposals for exclusive vending contracts with soft drink bottlers, and offers of free equipment and services in return for advertisers' access to students are now commonplace. Educators, parents, and policymakers all feel commercialism's impact. The apparent increase in commercial activities is probably the result of both the increase in marketing to children and in the vulnerability of schools. Schools experience strong demands for academic improvement from government agencies, parents, and the business community, and their budgets are being strained in the attempt to offer a wide variety of sophisticated and expensive technology to students.⁴ These intense external pressures are often stoked by corporations and used to rationalize commercialized offers of assistance.

Over the years, many researchers have attempted to identify, describe, and quantify commercial activities in schools. Research for the 1929 NEA report included a survey of 489 respondents, mostly city school officials, to determine what sponsored materials had been received and what policies or other mechanisms were in place to deal with them. The committee also conducted a review of state education departments' laws or policies governing the use of such materials, interview sessions with groups of teachers, school visits, and an examination of advertisements for sponsored materials.

Using Free Materials in the Classroom and a similar pamphlet, *Choosing Free Materials for Use in the Schools*, were published in the 1950s by professional associations to assist teachers in the use of sponsored materials in their classrooms. Both guides warned teachers against uncritical acceptance of sponsored materials, but also recommended that they not reject such offerings outright.⁵

Hucksters in the Classroom describes the results of the inclusion of four questions related to teachers' use of "industry[-sponsored] materials" in the 1976-77 annual membership survey of the National Education Association. The responses of 1,250 teachers suggested that approximately half of U.S. teachers used sponsored materials and indicated that a wide variety of commercial interests were represented, including banks, utilities, manufacturers, and food processors.⁶

Channel One, the 12-minute current events program that carries two minutes of commercials, was launched in 1990 and is widely considered the bellwether of the recent expansion of commercial influences in the schools. As such, it has been the subject of several studies on the extent of its use, its educational efficacy, and the financial value of the service and equipment provided. Roy Fox, Mark Crispin Miller, and Hugh Rank have all published critiques of Channel One's content.⁷ *Channel One in the Public Schools: Widening the Gaps* found that schools with high concentrations of poor students are almost twice as likely to use Channel One as schools serving more wealthy students.⁸ Bradley Greenberg and Jeffrey Brand found that students who watched Channel One were more likely to express materialist values such as "Money is everything," or "A nice car is more important than school."⁹ Another study estimated the costs of instructional time taken up by Channel One's current affairs content and its advertising content for each state. The authors estimate that, nationwide, the annual cost of instructional time taken up by the two minutes of commercials broadcast on Channel One is approximately \$300 million.¹⁰

Captive Kids: A Report on Commercial Pressures on Kids at School outlined various commercializing activities in schools. *Captive Kids* provided reviews and ratings of over 100 sponsored materials and

contests, included a listing of national education organizations and their positions on school commercialism, and provided a comparison of Channel One and CNN classroom news programs. An earlier report, *Selling America's Kids: Commercial Pressures on Kids of the Nineties*, described children's experiences with commercialism in and out of school.¹¹

Commercial Activities in Schools, issued by the U.S. General Accounting Office in September 2000 found that 19 states had some sort of regulation in place regarding commercial activities in schools, including some statutes that are intended to encourage such activities.¹²

Tracking the Growth of Schoolhouse Commercialism 1990-2000

The Center for the Analysis of Commercialism in Education (CACE) has, since 1998, released an annual report on schoolhouse commercialism trends. *Sponsored Schools and Commercialized Classrooms*, identified seven areas of commercial activity in schools and tracked their prevalence over eight years (1990-1997). *Cashing In on Kids* followed the same seven areas in the academic years 1997-98 and 1998-99, and *Commercialism@School.com* described eight areas for the 1999-2000 academic year.¹³ Data for all three CACE reports were derived by conducting database searches of the popular, business, advertising/marketing, and education presses for articles describing each category of commercial activity. The frequency of relevant citations offers an approximation of the frequency with which a particular activity can be found in schools. The eight categories, and the percent change in number of citations associated with each category between 1990 and 1999-2000, follow:

1. Sponsorship of Programs and Activities—Corporations paying for or subsidizing school events and/or one-time activities, including contests, in return for the right to associate their name with the events and activities.

Example: The Duracell/NSTA Invention Challenge for grades 6-12 invites schoolchildren to “design and build working devices powered by Duracell batteries.”

Percent increase in citations between 1990 and 1999-2000: + 248%

2. Exclusive Agreements—Agreements between schools and corporations that give corporations the exclusive right to sell and promote their goods and/or services in the school or school district.

Example: In 1997 Colorado Springs District 11 signed a 10-year exclusive vending agreement potentially worth \$8 million with Coca-Cola.

Percent increase in citations between 1990 and 1999-2000: + 1,384%

3. Incentive Programs—Corporate programs that provide money, goods, or services to a school or school district when its students, parents, or staff engage in a specified activity.

Example: Through its “Book It!” reading incentive program, Pizza Hut offers school children who meet their reading goals a free Pizza Hut pizza.

Percent increase in citations between 1990 and 1999-2000: + 231%

4. Appropriation of Space—The allocation of school space such as scoreboards, rooftops, bulletin boards, walls, and textbooks on which corporations may place corporate logos and/or advertising messages.

Example: Cover Concepts offers schools free textbook covers featuring advertisements from the cover's sponsors.

Percent increase in citations between 1990 and 1999-2000: + 539%

5. **Sponsored Educational Materials**—Materials supplied by corporations and/or industry associations that claim to have an instructional content.

Corporate Example: Mobil Corporation sponsored a lesson plan series called “Critical Thinking about Critical Issues.”

Industry Association Example: The Polystyrene Packaging Council produced the *Plastics and the Environment Sourcebook*.

Percent increase in citations between 1990 and 1999-2000: + 1,875%

6. **Electronic Marketing**—The provision of electronic programming and/or equipment in return for the right to advertise to students and/or their families and community members.

Example: In an effort that recently failed, the ZapMe! corporation provided ad-bearing web access and computer equipment to schools in exchange for the rights to collect student web-use data, to advertise to students, and to use school facilities after school hours for corporate purposes.

Percent increase in citations between 1990 and 1999-2000: + 139%

7. **Privatization**—Management of schools or school programs by private for-profit corporations or other non-public entities.

Example: The Leona Group manages 34 charter schools in Michigan and Arizona, in return for a management fee.

Percent increase in citations between 1990 and 1999-2000: + 3,206%

In the 1999-2000 report, CACE added an eighth category, Fundraising.

8. **Fundraising**—Any activity conducted or program participated in to raise money for school operations or extracurricular programs. Fundraising activities vary widely in their levels of corporate involvement. Because 1999-2000 was the first year in which database searches were conducted on the topic, no data are available for comparison between years. However, fundraising appears to be the most widespread commercial activity, with the largest number of citations of any category in 1999-2000.

Opposition to Commercializing Schools

Concerns expressed by parent, professional, and religious groups about the impact of commercialism on students have increased in recent years, and those concerns have resulted in regulatory efforts at the local, state, and federal levels. Parent and community groups passing resolutions and policy directives on the subject include the National PTA, the Wisconsin PTA, the Alabama children’s advocacy group Obligation, and the Seattle Citizen’s Campaign for Commercial-Free Schools. A number of professional organizations such as the NEA, the American Association of School Administrators, the Association for Supervision and Curriculum Development, and the National Council for the Social Studies have developed voluntary guidelines to help educators determine which, if any, of these activities have merit.¹⁴ The American Dental Association has decried exclusive vending agreements between schools and soft drink companies, and the American Academy of Pediatrics has expressed concern about commercialism’s impact on children’s health.¹⁵ In 1999 the Southern Baptist Convention passed a resolution calling on school administrators and parents to remove Channel One from their schools.¹⁶ State and federal elected officials have taken notice of this response to commercial incursions in the classroom. For example, Wisconsin State Representative Marlin Schneider proposed a total ban on advertising in schools in 1997.¹⁷ Faced with strong opposition from educators as well as corporations,

Schneider then proposed a less expansive bill that would have barred schools from signing exclusive agreements with soft drink bottlers.¹⁸ Although neither version of the bill was adopted, Schneider persisted, introducing new legislation in 1999 that would prohibit school boards from entering into exclusive advertising contracts or contracts for telecommunications goods or services that require students to be exposed to advertising.¹⁹ The bill stalled in committee.

In 1999, the California State Assembly passed two bills on the topic of commercialism in schools. Assembly Bill 116 bans in textbooks any “materials, including illustrations, that provide unnecessary exposure to a commercial brand name, product, or corporate or company logo.” The second bill requires that the contract be debated and entered into at a noticed public hearing.²⁰

Also in 1999, the Better Nutrition for School Children Act was introduced in the U.S. House and Senate to prohibit companies from using a legal loophole to distribute free soft drinks and other non-nutritive snacks during school lunch periods.²¹ The bill was not passed before the 106th Congress ended. In 2000, the Student Privacy Protection Act was proposed, which would have required written notification to parents of any commercial research being conducted in their children’s schools. The notice would have to include: what information about their children will be solicited; whether the solicited information could lead to identification of the child; who will have access to the information and for what purpose; how much class time will be spent on the activity; and what the school will gain from participating. The bills would also have required written permission from the parents before a child would be allowed to participate in the research activity.²²

Schools as a Product

The 1990s were a period of rapid expansion for what is now called the “education industry.” One of the fastest growing sections of that industry is that of companies managing public schools, particularly charter schools, for profit. Companies have always profited from selling necessary supplies to schools, but the concept of making a profit from the administration and practice of K-12 public education itself is new. Industry watchers have coined the term “education management organization,” or EMO, to describe these companies, and the comparison to HMOs seems accurate to both proponents and critics of the phenomenon.²³

One of the powerful putative benefits of market-based education reforms is the alleged inherent accountability of the market, which can be summarized as “If the product isn’t good, the customer won’t buy it.” While this logic is simple enough, the world of public education is complex, and that complexity ensures that the wisdom of attempting to create a for-profit public education market is by no means self-evident. A few examples illustrate the practical and policy problems raised by allowing EMOs to run public schools.

In Austin, Texas, movers cleared out the premises of the Academy of Austin, a for-profit charter, in the middle of the night in November 1999. According to the *Austin American-Statesman*, children arrived at school the next morning only to find the classrooms nearly empty and their teachers packing up the remaining supplies. The school’s Michigan-based management company, Charter School Administrative Services, did not offer an explanation but simply informed the Texas Education Agency (TEA) that the school was being closed. A spokesman for the TEA told the newspaper that the state “cannot compel charter schools to complete the semester or the school year.”²⁴

Recent reports from across the country indicate that parents, community members, and the media find getting information on the operations of some for-profit charter schools nearly impossible. In Michigan, a survey conducted by Booth Newspapers, for example, found that a majority of charters in the state failed to comply with information requests filed under the state Freedom of Information Act. After making

requests for basic data such as teachers' names and salaries, the newspaper group received partial or no responses from 94 of 176 charter schools (53 percent, compared with a 5 percent noncompliance rate for a sample of 87 traditional public schools). According to the Associated Press, most of the refusals to respond were based on the argument that as a private employer, an EMO does not have to disclose information about its employees to the public.²⁵

The generous flexibility in some charter school laws allows conflicts of interest that would not be permissible in traditional public schools. In Ohio, the law permits members of a charter school's governing authority (the school's private board of directors) to have a financial stake in the school, to bypass the competitive bidding process to give contracts to friends or relatives, and to skip criminal background checks.²⁶

Where We Go from Here

Despite the recent increase in public scrutiny of some corporate activities in schools, current trends suggest it is quite possible that by mid-century American public education will be transformed from an expression of democratic values into a system whose structure and functions are determined by mercantile criteria. This need not be the case. In some countries, children are already being protected from commercial influences in and outside of school. Moreover, Sweden has proposed a European Union-wide ban on all television advertising aimed at children in and outside of school. Sweden has had such a ban for a decade. Denmark and Greece have also placed restrictions on TV ads directed at children. Unfortunately, to this point in America, policymakers have devoted much less time to thinking through the constraints that may be necessary on corporate involvement in the schools than to considering ways to expand school-business partnerships. This will have to change if we wish to retain and strengthen a public education system that serves the best interests of children and that promotes democratic civic values.

Following are examples of the kinds of questions that can be asked by state and local policymakers who believe that commercial and corporate involvement in schools must be subject to public scrutiny and must always be in the interest of our democratic values and the best educational standards and principles.

- Does the board have a policy on commercializing activities in the schools? If not, should one be developed?
- What criteria should be applied to assess whether a marketing activity is allowed in schools?
- What impact does marketing in schools have on academic standards?
- Are corporate-sponsored educational materials subject to the same review as other instructional materials such as text books? Should they be?
- What is the cost of accepting marketing and advertising in the schools in terms of teacher time, use of facilities, etc.?
- Have the public costs of for-profit management schemes been thoroughly and objectively calculated?
- What are the respective roles of state boards of education and local school boards in addressing these questions?

Within the realm of public education, the translation of citizens into consumers and students into a commercial resource to be harvested for the benefit of private interests would alter the character of not only America's schools but American civic culture as well. Whether a transformation this profound is to

be embraced or rejected is a subject worthy of a far-reaching and vigorous public debate. State board members should be key people in discussing and deciding these issues.

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3. Eli Lambert, Leah Plunkett, and Trish Wotowiec, *Just the Facts about Advertising and Marketing to Children*, which can be found online at the Center for a New American Dream’s website at <http://www.newdream.org/campaign/kids/facts.html>.
4. See, for example, CEO Forum on Education and Technology, *From Pillars to Progress* (Washington, DC: CEO Forum on Education and Technology, 1997); and Achieve, Inc., *National Education Summit Briefing Book* (Washington, DC: Achieve, Inc., 1999).
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6. Sheila Harty, *Hucksters in the Classroom: A Review of Industry Propaganda in the Schools* (Washington, DC: Center for the Study of Responsive Law, 1979).
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8. Michael Morgan, *Channel One in the Public Schools: Widening the Gaps* (Oakland, CA: UNPLUG, 1993).
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10. Alex Molnar and Max B. Sawicky, *The Hidden Costs of Channel One: Estimates for the 50 States* (Milwaukee, WI.: Center for the Analysis of Commercialism in Education, University of Wisconsin–Milwaukee, 1998).
11. Consumers Union Education Services, *Selling America’s Kids: Commercial Pressures on Kids of the Nineties* (Yonkers, NY: Consumers Union, 1990); and Consumers Union Education Services, *Captive Kids: A Report on Commercial Pressures on Kids at School* (Yonkers, NY: Consumers Union, 1995).
12. U.S. General Accounting Office, *Commercial Activities in Schools*, GAO/HEHS-00-156 (Washington, DC: U.S. General Accounting Office, 2000).
13. All of CACE’s reports may be found on the CACE website (<http://www.schoolcommercialism.org>).

14. Many of these guidelines are posted on the CACE website's Resources page (<http://www.uwm.edu/Dept/CACE/resources.html>).
15. T. Keung Hui, "Dentists Frown on Schools' Soda Deal," (*Raleigh, NC*) *News and Observer*, 19 October 2000; and see American Academy of Pediatrics resolutions, "Children, Adolescents, and Advertising" (RE9504), "Children, Adolescents, and Television" (RE9538), and "Media Education" (RE9911).
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20. See California Legislature, *AB 117—Enrolled* [legislation] (1999), available at http://www.leginfo.ca.gov/pub/bill/asm/ab_0101-0150/ab_117_bill_19990902_enrolled.html.
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