Cashing In On the Classroom

Pressed by budgetary concerns, schools are increasingly turning to private sources for funding. But at what price?

Alex Molnar

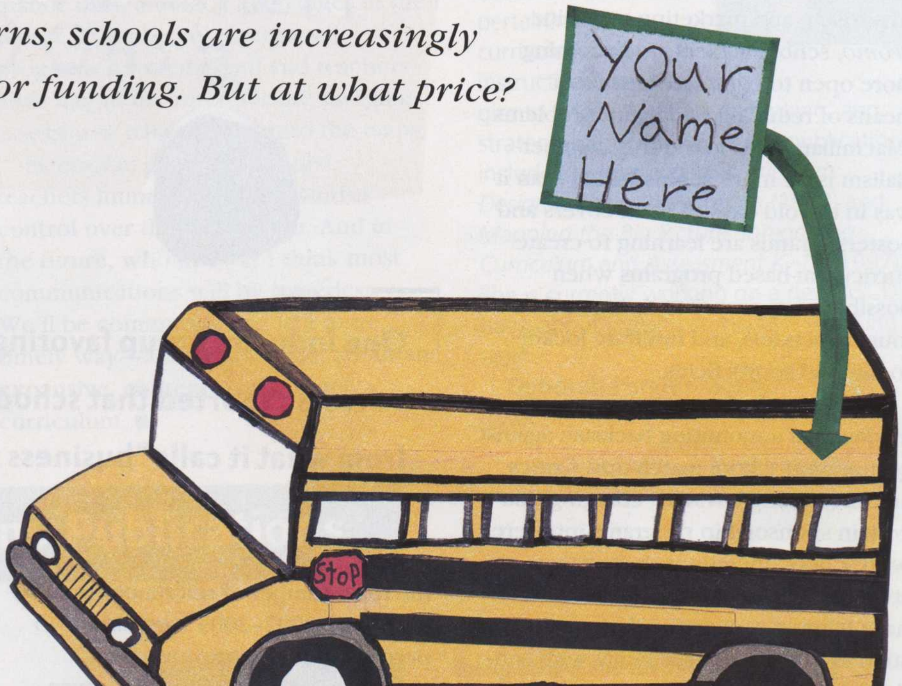

Illustration by Erik Bloom

Andrea Boyes was trying to do things right. The 15-year-old student at West Salem High School in Oregon wanted to raise money for her cheerleading squad. She showed entrepreneurial savvy, devising a plan to resell bottled water for $1 per bottle and negotiating a deal that enabled the squad to net 55¢ per bottle sold. She designed her own label for the fundraiser bottles that featured the school's logo. And she was socially responsible, privately hoping to harvest enough profits to create a scholarship program that would enable students who could not afford the cost of cheerleading uniforms to join the squad. In an era when adults often complain that teenagers lack initiative, it was the sort of moxie that might be expected to win the student praise from principals, teachers, or the PTA (Associated Press, 2002).

Instead, the school stopped the project dead in its tracks. A Pepsi-Cola exclusive contract blocked Andrea from selling the water on school grounds. In fact, it blocked anyone from selling any beverage not made by Pepsi. For Gary Boyes, Andrea's father, the incident was a wake-up call that raised questions about "the actual rights of the contracting parties to inhibit student rights and modify accepted uses of publicly owned properties" (G. Boyes, personal communication, November 22, 2002).

Andrea Boyes had run headfirst into the clout that giant corporations wield today in U.S. schools. It is pervasive and firmly entrenched, as the *Sixth Annual Report on Trends in Schoolhouse Commercialism, Year 2002–2003,* shows.

The Commercialism in Education Research Unit (CERU) of the Education Policy Studies Laboratory at Arizona State University has monitored media references to commercialism in schools since 1990. CERU defines and tracks media references to eight categories of commercial activity in schools through searches on news archival services. In the July 2002–June 2003 study period, six of the eight categories monitored showed a marked increase in activity compared with the 2001–2002 study.

Hard numbers about the extent of corporate moneymaking activities in schools remain difficult to pin down. One industry group favoring corporate involvement in schools reported that schools receive $2.4 billion a year from what it calls "business relationships" with corporations (Council for Corporate and School Partnerships, 2002). How those numbers should be interpreted, however, is not entirely clear in the absence of a generally agreed-on set of definitions, the ability to assess the actual value of the funded school activities, or an understanding of how the corporations benefited.

Corporate links to schools usually carry the gloss of charity, which tends to obscure what corporations get out of those connections. According to a marketing executive quoted in the advertising and marketing magazine *Promo,* school leaders are becoming more open to commercialism as a means of reducing budgetary problems (Macmillan, 2002). And this commercialism is far more sophisticated than it was in the old days of book covers and posters. Brands are learning to create curriculum-based programs when possible or appropriate, bring mobile tours to schools, and infiltrate locker rooms and sports fields.

This year's review, however, finds evidence of a mounting backlash against corporation-school match-ups. Critics are threatening lawsuits, charging that certain sponsorship programs interfere with school operations, instruction, or students' health. Some school districts have banned corporate relationships, such as exclusive agreements with soft-drink bottlers. And parents are speaking out against the relentless marketing to their children, with public health advocates and legislators, in some instances, taking up the cause.

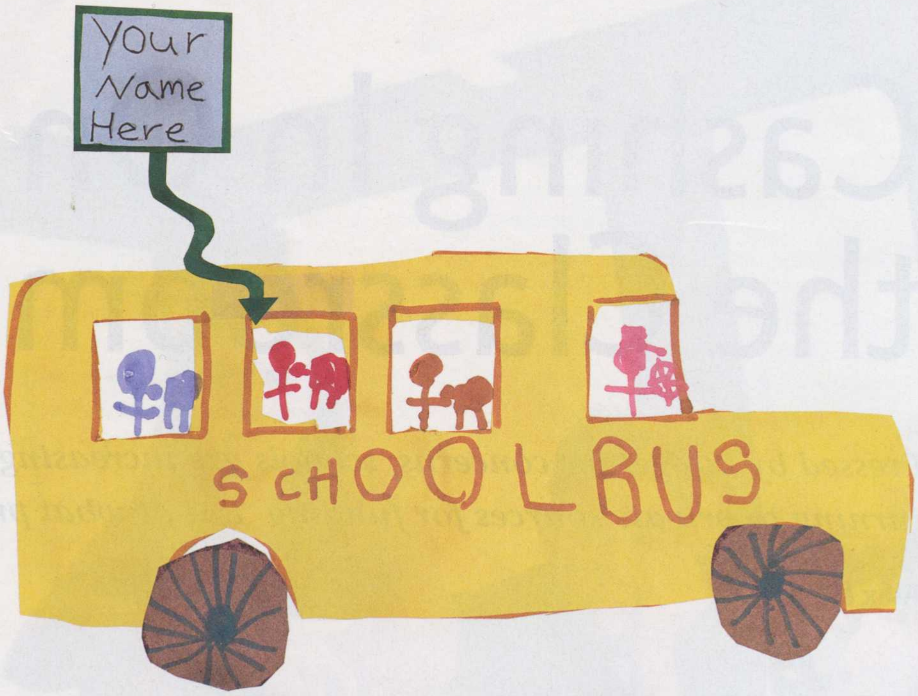

Illustration by Jeffrey Scharberg

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Tracking the Categories

The Commercialism in Education Research Unit's 2002–2003 annual report tracks media references to commercialism in schools in the following categories: sponsorship of programs and activities, exclusive agreements, incentive programs, appropriation of space, sponsored educational materials, electronic marketing, fund raising, and privatization. Recently, the media have heavily scrutinized privatization—the private management of public schools—in light of the Edison Schools and Philadelphia's privatization contracts. This category received the largest number of references of any of the eight categories—1,570—although the total number of references to privatization in 2002–2003 were down 15 percent from the previous year.

Research on the remaining seven categories, however, has been far less publicized and reveals some interesting trends in school commercialization.

Sponsorship of Programs and Activities

Although the number of citations in this category was up just 1 percent from last year, the category as a whole generated the second-largest number of media references in the 2002–2003 study period—1,206 stories.

Grant programs from such companies as General Electric and Shell Oil Company are a traditional source of sponsorship references. ExxonMobil Corporation offers ABCs for schools—awards, books, and computers. Corporate sponsors often fund academic competitions and special educational programs, such as national science bowls and honor rolls. As tight budgets increasingly threaten programs in art, music, and athletics, the search for corporate sponsorship intensifies.

According to football coach Tony Monken of Vernon Hills High School in Illinois, corporate sponsorship "is the wave of the future." Not surprisingly, Vernon Hills High sold naming rights to its stadium. "Everyone wants to reduce taxes," said Monken, "and it's hard to get referendums passed. . . . So anything you can do to raise funds for your school, you should do" (cited in McGraw, 2002).

Corporations clearly benefit. As Rebecca Samuels (2002) wrote for CBS.MarketWatch.com, "Company revenue grows in tandem with contributions."

Exclusive Agreements

Exclusive agreements give marketers rights to sell products or services on school or district grounds and to exclude competitors. References to exclusive agreements were up by 65 percent, from 153 hits in 2001–2002 to

252 hits in 2002–2003. These references were not necessarily favorable to such agreements. Although there were many reports of such contracts, a substantial number referred to criticism and opposition to the deals.

Coke, for one, has been frank about its goals. "The school system is where you build brand loyalty," said John Alm, president and chief operating officer of Coca-Cola Enterprises (Grannan, 2003). But exclusive soft-drink agreements prompted outcry as attention increasingly focused on problems of childhood obesity and fears that diets heavy in sugary snacks could contribute to Type 2 diabetes (Bruce, 2002). Statewide bans or restrictions on junk food cropped up in Texas and California. School districts in Los Angeles, San Francisco, Philadelphia, and New York banned or restricted soft-drink sales. As many as a dozen states were reported to be considering legislation to curb sweets and fatty snacks in schools, and George Washington University law professor John Banzhaf—who was among those leading the fray to sue tobacco companies—predicted lawsuits against soda makers and school boards (Auchmutey, 2002).

Yet despite what appears to be mounting opposition, exclusive agreements retain considerable support. The California Teachers Association joined the food industry in opposing a California bill in 2002 to end soft-drink sales in all schools, arguing that the schools needed the revenue (Spake & Marcus, 2002). Likewise, when Denver Public Schools considered ending an agreement with Pepsi, the *Denver Post* complained, "With a down economy and extremely tight budgets everywhere, it's not the time to kiss off millions of private dollars" (Carbonated Confusion, 2003). Some districts sought an acceptable middle ground by negotiating exclusive agreements that provided equal space in schools for more healthful drinks.

Incentive Programs

Incentive programs provide some sort of reward in the form of a commercial product or service to students who achieve such goals as perfect attendance or reading a given number of books. Media references to incentive programs increased by 87 percent, from 189 hits in the 2001–2002 survey to 354 hits in 2002–2003.

Pizza Hut's national reading incentive program, Book It!, enrolled students from 875,000 classrooms in 50,000 public and private schools (Rawlings, 2002). In a corporate first, the company gave $50,000 to sponsor the Dallas Junior League's state literacy programs. The pizza chain, noted *The Dallas Morning News*, "will thereby 'own' [the league's] education issue area" (Miller, 2002). Other incentive programs included an essay contest sponsored by Scholastic and a reading program sponsored by the National Basketball Association that featured its newest star, Chinese center Yao Ming.

Verizon Communications was also active with school incentive programs and grant competitions. Altruism isn't the sole motivator for such efforts. In an industry trade magazine, a telecommunications lobbyist wrote candidly about how telecommunications firms build their business by targeting students through the schools (Allardyce, 2002).

Appropriation of Space

Appropriation of space refers to using school property to promote individual corporations through such mechanisms as naming rights or general advertising. Discussions of naming rights—the practice of naming public facilities for corporate sponsors in return for a cash payment—continued in the 2002–2003 study period. The number of references in this category tripled, from 110 in 2001–2002 to 326 in 2002–2003.

The New York City Public Schools revived a program to sell sponsorships of schools' names and facilities. The Chicago suburb of Vernon Hills, Illinois, named its high school stadium for Rust-Oleum in return for $100,000. A computer company sponsored the scoreboard for another $80,000. Advertising signs or naming rights proposals involving schools, school property, and

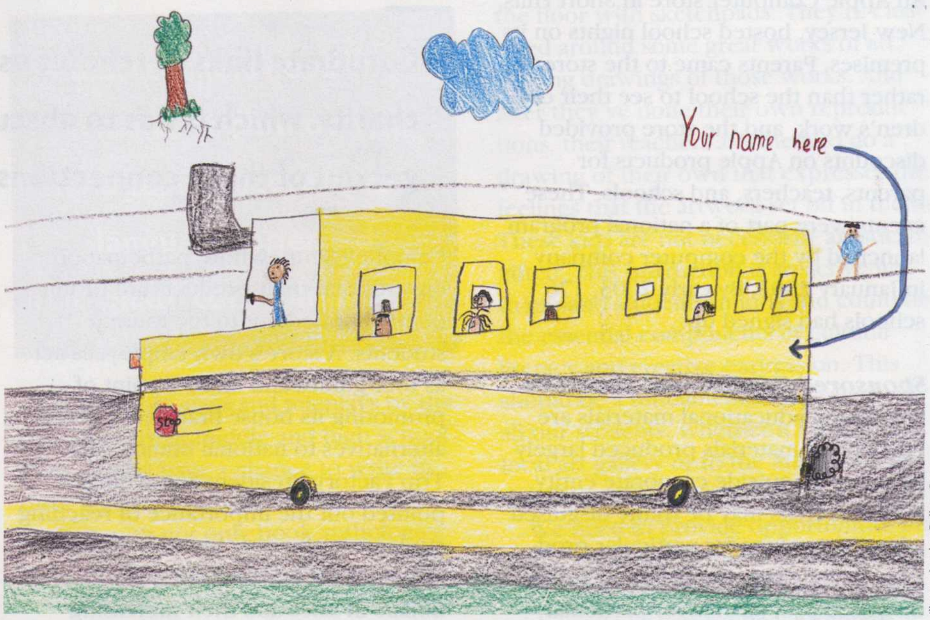

Illustration by Cullen Green

school buses surfaced in Massachusetts and Louisiana as well. And in February 2003, due to a shortfall amounting to one-fifth of the district's annual $20 million budget, the Belmont-Redwood Shores School District in suburban San Francisco proposed selling naming rights not only for school buildings and classrooms but for the entire district (Kim, 2003).

Sometimes commercial ventures appropriate not the physical space of the school, but rather the relationship between schools and students' families. An Apple Computer store in Short Hills, New Jersey, hosted school nights on its premises. Parents came to the store rather than the school to see their children's work, and the store provided discounts on Apple products for parents, teachers, and schools. These events were part of a national program launched by the computer company in January 2003. By early 2003, 176 schools had signed up.

Sponsored Educational Materials

Sponsored educational materials are curriculum materials produced largely by or for an outside corporate entity. Such materials may be thinly disguised advertising plugs for particular products, or they may be blatant or subtly disguised propaganda for particular policy positions that serve corporate interests. Of all the categories identified in the trends report, this may be the most difficult one to track because curriculum decisions often don't reach the public eye. Nevertheless, the 2002–2003 report showed a fourfold increase in references to such materials—from 75 references in the 2001–2002 report to 310 in 2002–2003.

When the New York *Daily News* reviewed high school textbooks in December 2002, it found books "infested with brand names and plugs for commercial products" (Gendar & Feiden, 2002). Procter & Gamble's history lesson for middle school students on the Civil War came complete with sleek visuals and a page titled "Did You Know?", which informs students that the company provided soap supplies to the Union army (Applebaum, 2003).

Field Trip Factory, an organization that arranges school field trips to commercial establishments, clearly promoted the destination businesses during the time period studied. Corporate partners include General Mills and Campbell Soup, whose participation ensures that their products are prominently pointed out to the touring students. A store's own employees act as tour guides and make a point of promoting its house brands as cheaper alternatives to national brands. Field Trip Factory President Susan Singer pointed out the importance of reaching students in this way because of their influence on hundreds of millions of dollars in sales and their increasing tendency to do supermarket shopping on their own (Angrisani, 2003).

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Electronic Marketing

Many of the electronic marketing references we found consist of reports about Channel One, the television service that provides schools with free television equipment on the condition that each day students watch a 12-minute news program that includes two minutes of commercials. Channel One references found during the study period included both attacks on and defenses of the program. Overall, electronic marketing references showed an 11 percent increase in the 2002–2003 study compared with the previous year, with the number of references rising from 248 to 276.

Cable in the Classroom, a cable television industry promotional program, seems to have undergone a face-lift (Brady, 2002). Unlike Channel One, Cable in the Classroom airs no commercials but is arguably a running promotion for the various premium cable channels that furnish its programming, including CNN, Bravo, the National Geographic channel, and Court TV, among others. Court TV, a commercial entity, provides curriculums to teachers covering various topics: bullying, drug use, and, most recently, forensic sciences for investigating crime scenes (Fromm, 2003).

Futures for Kids, a nonprofit organization in Raleigh, North Carolina, runs a Web portal that, according to the organization, "organizes a public high school student's options for the future into a user-friendly format" (LaScala, 2002). Corporate sponsors—such as IBM, GlaxoSmithKline, Cisco Systems, Monster.com, and Apple Computer—fund the program. The portal directs students searching for career information to relevant company Web sites.

Fund Raising

Fund raising showed a 17 percent increase in the study, from 827 references in 2001–2002 to 970 in 2002–2003. Two themes emerged from the coverage: the increased dependence on outside fund raising to cover not just extracurricular expenses but also operational costs (Critics balk, 2002), and the growing ambivalence—ranging to hostility—that some parents and even school officials expressed toward the necessity of fund raising (St. John, 2003).

Other citations relating to fund raising described campaigns through grocery chains and label programs for Tyson Foods, Campbell's, and Community Coffee. The merger of General Mills with Pillsbury resulted in the expansion of the cereal maker's Box Tops for Education program, which rewards schools for submitting coupons clipped from the company's products. A General Mills executive called the program "good merchandising" to boost sales (*Q1*, 2002). The Safeway supermarket chain and Target Corporation were among other companies involved in school fund-raising campaigns.

Some objections to fund raising arise from the practice of recruiting students to sell food products in many school-based fund-raisers. This has raised the same concerns about health that arise when schools enter into exclusive soft-drink contracts. According to the research, some campaigns responded to health concerns and increasingly included healthful foods or practical items as part of their fund-raising efforts (Karlin, 2003).

One sign of the pressure students feel as a result of incentive-driven fund-raising programs surfaced in Slidell, Louisiana, where a 10-year-old was charged with forgery for changing customers' checks so that she could win a prize for raising the most money in a school sales fund-raiser. Fund raising also appears to reinforce the disparities in socioeconomic status that continue to plague education (Dunnewind, 2002; Kelly, 2003).

Viable Alternative or Outrage?

Although references turned up by the CERU searches indicated efforts to encourage various commercial practices, they also showed growing resistance to commercialism in its various forms from schools, parents, and policymakers. Much of the opposition to commercial activities focused on the health and impact of practices that promoted junk food or soft-drink consumption.

For example, Maryland's General Assembly considered a bill requiring schools to offer as many nutritional snacks as junk foods, and an Oregon state senator sponsored a bill to restrict the sale of junk foods in schools. Over the past four years, legislators have introduced at least 30 bills in the U.S. Congress and at the state level that would, in varying degrees, govern commercial activities in schools.

Illustration by Mick Bijak

Despite increased opposition, commercialism in schools has become so pervasive that it is virtually invisible. It blends seamlessly with the marketing maelstrom that defines a contemporary U.S. culture in which parents work hard to pay for the possessions they covet, arrive home late with a bag of fast food under the arm, spend leisure hours patrolling the malls, and maintain hefty credit card balances.

It may be naïve to think that parents can recognize the dangers of commercialism in schools. Yet CERU's annual report suggests that parents and ordinary citizens are actually more concerned about the problem than educators are.

In Vermont, Maryland, and California, education interest groups have actually lobbied against banning soft-drink bottling company deals, limiting sales of soft drinks, and restricting corporate marketing activities in schools. Year after year, professional education journals remain silent on the moral and pedagogical implications of such practices.

This situation must change. It is indefensible to direct millions of dollars worth of sophisticated advertising at children to convince them to consume harmful products, nag their parents to buy specific brands, and define their worth in terms of their possessions. Yet people who should know better defend the practice. Too often, educators voice this simple-minded logic: Thousands of ads target children outside of school; a little advertising in school won't hurt. Others express the outrageous view that children are so sophisticated and critically aware that ads won't influence them. A quick trip to the library to read James McNeal's *Kids as Customers: A Handbook of Marketing to Children* (1992) will prove the contrary.

The fact that marketing takes place *in school* compounds its immorality. Society requires children to attend school; children understand that the experience should benefit them and promote social goals. When teachers hand out "supplemental" instructional materials that market such items as candy, personal care products, sport shoes, and soft drinks, they manipulate children for the benefit of a special

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interest group and very likely encourage cynicism over the long haul.

Pedagogically, marketing in schools is destructive. Who should students take more seriously, a health and nutrition teacher who encourages them to eat a balanced diet low in fat, sugar, and salt, or a principal who promotes an exclusive agreement with a bottling company that includes bonuses if students meet certain consumption goals? The curriculum should represent the essence of a school's purpose. Nevertheless, it is easy to imagine the principal's real-world message overwhelming the "official" nutrition lesson. In the real world, short-term financial gain trumps the long-term health and well-being of students. This is the lesson that students learn.

When they are not hawking their products and services, corporations labor mightily to tell students their own stories. Often, corporations or industries experiencing problems want to get their stories into classrooms. Not surprisingly, they have told students over the years that burning plastics constitutes recycling, that the Valdez oil spill "wasn't so bad," and that only a dunce would oppose the North American Free Trade Agreement. They lose sight of the idea that curriculum content should be based on a serious professional assessment of good teaching practices. Instead, they conceive of school curriculum as a sort of flea market in which anyone with enough money to buy a booth can present his or her story.

Commercialism in schools is a complex phenomenon that reflects powerful economic, social, cultural, and political forces. Whether or not schools and their students become increasingly subordinated to the marketplace depends in large measure on how we understand childhood and the proper relationship between adults and the children for whom they are responsible. ■

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Author's note: The complete text of the *Sixth Annual Report on Trends in Schoolhouse Commercialism, Year 2002–2003,* is available at www.asu.edu/educ/epsl/CERU/Annual%20Reports/EPSL-0309-107-CERU.doc

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