



The Market in Theory Meets the Market in Practice: The Case of Edison Schools

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**THE MARKET IN THEORY MEETS THE
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The best-known names in the field of for-profit public education are those of Christopher Whittle and his Edison Project. The name of the project, now Edison Schools, Inc., reflected its founder's ambition: just as the inventor of the light bulb sought not to build a better candle but to devise a new means of producing light, so Whittle and his associates promised they would develop a whole new way to educate, spurred on by the discipline of the market. No other project, however, illustrates so clearly the difference between

the theory of market operations and the cold water of reality in schools. Furthermore, no other project contrasts so sharply the gap between the demands of the bottom line inherent in for-profit Education Management Organizations and their avowed desire to help American public education.

Edison's Business Performance

Whittle entered the education business after having made and lost a fortune in communications. When he first announced the Edison Project, he proposed to build a nationwide system of private schools. Whittle's schools would be high tech, use a new, rich curriculum that Whittle would develop, provide a longer day, a longer year and still, Whittle promised, not cost more than public schools.¹ Whittle won early favorable publicity by hiring some highly visible people: Benno Schmidt, president of Yale University, became president of Edison; other top posts went to Chester E. Finn, Jr., former assistant secretary of education and a harsh critic of public schools, and John Chubb of the Brookings Institution, co-author of *Politics, Markets, and American Schools*, a book that argues for the privatization of education. Finn has since left the project.

At the project's inception in 1991, Whittle estimated Edison would have 200 for-profit schools up and running by 1996 and 1,000 by 2000. For the 2000-2001 school year, Edison operated 113 schools by his way of counting,² and 90 or 88 by more conventional counts.³ The reason for the difference is that Edison counts schools with unorthodox arithmetic: Edison chooses to count three schools where a public district will only count one, because it considers grades K-5, 6-8 and 9-12 as separate schools even if all grades are housed in one building. By the more usual reckoning, Edison had 90 buildings employing 88 principals.⁴ Going into 2001-2002, Edison operated, by its tally, 136 schools.⁵ By conventional calculations, the number is 109 (and only 100 if one excludes a group of schools the company added when it purchased another firm, LearnNow.)

Not everyone has been impressed. *New York Observer* business writer Christopher Byron had this take on the Whittle enterprises:

Possessed by his own sense of visionary infallibility – and the baloney-spouting skills of a Harold Hill – Mr. Whittle soon had individuals ranging from Yale University President Benno Schmidt to President Jimmy Carter's top White House aide, Hamilton Jordan, to *Fortune* magazine editor William Rukeyser coming to work for him.

Suitably adorned with such names all around him, Mr. Whittle thereafter went on to start up one wacky venture after the next. They ranged from a scheme for publishing books with ads in them, to piping advertiser-supported medical news into doctors' offices via cable TV, to the same basic idea for ad-supported news for kids in the classroom. The latter clunker, dubbed Channel One, was eventually sold to a Henry Kravis brainstorm called KIII Communications Corporation that is now spewing losses in all directions under the name Primedia, Inc.⁶

Although aimed at making a profit, Edison has yet to do so. So far, the best that can be said is that the loss per student has fallen from \$3,927 in 1996 to \$603 in 1998-99, to \$389 in 1999-2000. In 1998-99, Edison had revenues of \$132.8 million and lost \$51 million. Since its inception, the project has lost \$1.36 for every

dollar it has received in revenue, and has suffered a total loss going into 2001 of \$197 million.⁷

Although the company shows no profit, Whittle himself appears to be doing quite well. His base salary since at least 1998-'99 has been about \$300,000, the same as Edison CEO Schmidt received. This is approximately twice the salary offered school superintendents in larger districts. Edison schools enrolled 38,000 students in 1999-2000, 57,000 in 2000-2001, and 75,000 2001-2002. For 2000-2001, the average salary for superintendents of districts of more than 25,000 students was almost \$152,000.⁸ In addition to his salary, Whittle has also received more than \$1,000,000 from Edison for "professional services" and a loan of \$5.6 million which he could use to buy 1.45 million shares of the company at \$1.50 a share, tax free (the company covers the IRS' levy).⁹ Whittle has other holdings in Edison. After the public offering, the *New York Post* declared that Whittle's share of the company was worth \$205 million.¹⁰

For his part, Schmidt received a low-interest loan of \$1.8 million. If he loses his job, he receives \$2.5 million and two years' salary. Other Edison officers have stock options worth, as of late 2001, between about \$1.4 million and \$10 million, based on a stock trading at \$17 a share (as it was at this writing; it has been as high as \$39, and Edison officers sold some of their holdings near this price).¹¹

These comfortable arrangements led a *Business Week* headline writer to declare that "Chris Whittle's IPO deserves a D-," while the author of the article, Diane Brady, offered a harsher judgment: "This deal deserves to flunk."¹² Brady also observed that in addition to making lots of money while the company loses lots of money, Whittle has pledged a large segment of his holdings in Edison to Morgan Guaranty Trust Co. If Whittle doesn't deliver, bankers will control about 15% of the company.¹³

Edison's Education Performance

Meanwhile, not only are the Edison schools far fewer than the initial optimistic projections, but the schools do not represent a new way to educate in any meaningful way. The company's schools are mostly existing schools that have contracted for management services from Whittle. Some are new charter schools. Much of the curriculum was previously developed by mainstream educators. The Edison reading curriculum is *Success for All*, developed at Johns Hopkins University; the company's schools also use the Chicago Mathematics Program developed at the University of Chicago.

Free market principles hold that for markets to work properly, consumers have to have access to good information about the product. Accurate information can be obtained about Edison only with great difficulty. Some specific examples offer evidence that can point to some broader generalizations.

Edison in Texas

Consider first Washington Elementary school in Sherman, Texas. Washington, run by Edison since 1995, is the first school Edison ever signed up. Edison's *Second Annual Report on School*

Performance, issue in March 1999, gives Washington its highest rating, five stars, for “strongly positive” achievement gains.¹⁴ (The company’s third annual report, dated August 2000, but posted only in November, 2000, contains even *less* specific information than does the Second Annual Report.¹⁵)

A report on Edison schools from the American Federation of Teachers, however, rates Washington’s performance among the worst of Edison’s efforts.¹⁶ At the end of the 1999-2000 school year, the contract expired and Washington did not renew it.

How could one school generate such disparate rankings and perceptions?

Take the Edison report first. It provides six charts on test scores. Two show the percentage of students attaining minimum expectations on the Texas Assessment of Academic Skills (TAAS) for three years in grades 3 and 4. These charts show mixed results, with percentages both rising and falling. Most readers not trained in statistics would find the charts confusing.¹⁷

Two more charts show the percentage of students meeting minimum expectations for the same cohort – the same students in grades 3 and 4 for 1995 to 1997, and for 1996 to 1998. These charts are organized differently than the previous ones and would likely cause most readers even more confusion. The way some charts are arranged, readers’ eyes have to jump across different sets of them to find out what is happening from year to year. If one succeeds in this task, however, one finds test scores falling.

Advertising seldom tells the whole story, and the *Second Annual Report* is at best an “infomercial.” For instance, without giving the reader any clue about how the Texas Education Agency calculates its “Texas Learning Index,” Edison reports that “In 1998 Washington [Elementary School] had the highest gains among the 40 most similar to it statewide.” This is true. But in 1996, 1997, and 1999, Washington was in the bottom quartile. In other words, the one year of good scores would appear to be an aberration.

When Sherman Independent School District, which contains Washington school, terminated its relationship with Edison at the same time as Dallas was initiating one, *Dallas Observer* reporter Jonathan Fox looked for reasons why. He wondered if those reasons might have implications for Dallas.¹⁸

Fox found some Edison supporters as well as detractors, and some of the dispute is a he-said-she-said affair. For instance, Sherman contended that the Edison experience cost them \$4 million while Edison claimed that the company’s involvement in Sherman cost *Edison* \$6 million. Other facts seem objective: Sherman administrators said that there had been some improvement in test scores at Washington, but that scores had “soared” in the rest of the district’s non-Edison schools.¹⁹

Fox reported that Edison officials also put off some people by seeming insensitive to the Washington neighborhood. Fox wrote that Washington school was 28% Hispanic, 24% black and “in a part of the city where nearly every house needs a paint job, roofs sag, and the occasional worn sofa rests on a porch.”²⁰ On one trip Edison officials arrived from the Dallas-Fort Worth airport in chauffeured Lincoln town cars. (A similar gaffe occurred in Minneapolis, where parents rejected Edison, in part, because Edison officers were perceived as “behind this shield of Armani suits and gold jewelry.”²¹

Edison's claims of reduced costs are also challenged both in Sherman and Dallas.²² One Dallas school trustee who opposed the Dallas district's contract with Edison wants to reduce the per-pupil stipend because the Dallas Independent School District (DISD) must still pay for transportation, food service, security and other costs. Even DISD superintendent and Edison advocate Bill Rojas – who has since been fired – said, "I know it's going to cost more money."²³ (Although Rojas was a believer in Edison's pedagogy, he appeared to lack faith in its business prospects; Fox quoted him as saying "that stock is not going to be in my portfolio."²⁴ The Dallas School Board terminated Rojas in May, 2000 for reasons that appear to be unrelated to his Edison advocacy. He joined what was then an Edison competitor, Advantage Schools, Inc., but left when Mosaica Education took over Advantage.)

In Sherman, the district surrendered the Edison schools' share of administrative costs, but didn't cut central office staff accordingly, thus retaining duplicate managers.²⁵ According to Sherman officials, Edison tried to save money by cutting corners on maintenance and by challenging bills. Sherman administrators ordered district staff to do maintenance work at Washington that Edison had failed to do although contractually obligated, simply because "This building belongs to SISD taxpayers. We can't afford for it to go downhill."²⁶

On the other hand, Edison appeared to have community support for its performance in matters outside of the academic arena. Mary Doclar, a reporter for the *Fort Worth Star-Telegram*, observed that even first graders showed discipline as they moved from their classroom to a computer lab. When the teacher said "Would you please show everybody what Edison Excellence is?" a straggly line became "ruler-straight" and children folded their hands behind their backs. Edison also pleased parents by teaching what one parent called "core values" of respect and honesty. These teachings apparently caused a substantial reduction in discipline problems.²⁷

Edison and Results

By selecting data and using internal testing data, the Edison *First Annual Report* claimed that the 17 schools opened between 1995 and 1997 have generated “a total of 143 trends of one, two or three years duration.”²⁸ Edison then weights these “trends” by their duration. “After weighting, for example, a positive trend that is three years long counts three times as much as a positive trend that is one year long.”²⁹ This procedure is nothing that one would find in a book on how to analyze data and is without any technical merit.

Edison then claims that the 143 total trends yield 176 weighted trends and that 136 of these, or 77%, are positive. The company further claims that the average annual gains on norm-referenced tests (NRTs) are 5 percentile points and that Edison students gain on average 6 percentage points on criterion-referenced tests. (The prospectus issued to potential investors in 1999 puts the NRT gains at 4 “percentage points.” The use of “percentage points” in this context is a meaningless phrase; it would appear likely that the writer of the document meant to refer to *percentile ranks*, a common statistic used in discussing NRTs. The Annual Report then contrasts these gains to “Achievement Gains in US Public Schools.” These are much smaller: -1% for reading for 9- and 13-year-olds in reading and zero for 9- and 13-year-olds in math.³⁰

On close examination, however, one sees that the metrics used for national trends are not the same as those used to measure Edison students. In fact, it is not at all clear what these numbers represent. The legend on the chart reports them as: “Average Percentage Point Gain, National Assessment of Educational Progress, US 9- and 13-year-olds, 1994-1996.” The fine print, though, states: “Gains are for percentages of 9-year-olds reaching level 200 and 13-year-olds reaching level 250 – minimum levels expected.”

Besides the fact that the report only vaguely specifies what the numbers refer to, there is another fundamental problem with these data: They do not exist. There was no NAEP reading assessment in 1996 and no NAEP mathematics assessment in 1994. Thus these statistics, whatever they might be, refer to data that have never been collected.

Even if one granted Edison the “5 percentile rank” gains it claims, one could consider this an admission of failure. After all, the Edison day is one-third longer than the typical school day (eight hours vs. six) and the Edison school year, even after being trimmed, is still 11% longer than the usual year (200 days vs. 180). Taken together, this means that Edison students are in school nearly 50% more hours per year – 1,600 – than are students in regular schools (1,080). By the time Edison first-graders finish grade 6, they have spent as much time in school as rising sophomores in a regular public school. In addition to time in school, students in Edison schools are tested every month. Under these circumstances, it should not be surprising for those schools to show some test score advantage.

Edison in San Francisco

Edison’s adherence to a longer school day and a longer

school year took a toll in the coincidentally-named Thomas Edison Academy in San Francisco, the site of one of Edison's most fractious encounters. Reporter Tali Woodward, in the July 19, 2000 *San Francisco Bay Guardian*, stated that more than half of the teachers were quitting.³¹ In fact, most teachers did not return.³² "Frustrated by long hours, a rigid curriculum that emphasizes testing, and what they describe as a Big Brother atmosphere, teachers at Edison are abandoning what they initially saw as a welcome experiment. Even those who accepted the concept of a corporate schoolhouse now say ESI's cookie-cutter, bottom-line mentality harms everything from teacher morale to student development and diversity."³³

The scripted curriculum also turned off a number of teachers who felt they had lost all semblance of professionalism. "They literally give you a script with what you're supposed to say," said one teacher. "Every few months somebody from Edison would come in with a clipboard to make sure you had specific things hanging up in your classroom." According to Woodward, teachers who raised issues and proposed changes received a standard response: "Maybe our design is not for you."³⁴ Teachers wondered about a company that invited them to leave rather than participate in the process of change.

Comments such as "Maybe our design is not for you" evoke memories of the post-Sputnik days, when curriculum development projects tried to create materials that would "speak directly to the child" without the intervention of the teacher. The materials were referred to as "teacher-proof," but today they are widely seen as a disaster. It stands to reason that any program that slights the teachers' roles in schools seems likely to fail, in that it will drive out professional teachers while leaving only those who need a script.

Teachers accused the administrators at the school, all brought in by Edison, of manipulating the process and of instilling fear in teachers by telling them that if the teachers did not cooperate and get test scores up, the school would cease to exist. This was not true. Under those circumstances, the school simply would have reverted to the control of the San Francisco school board.³⁵ There were also questions about the legality of the charter in the first place and the validity of the teachers' signatures requesting that Edison be brought in. School board rules forbid it to deal with a for-profit company, so a non-profit entity was established expressly as a go-between. There were allegations that teachers' signatures had been coerced in some instances and forged in others.³⁶

As the San Francisco clash between Edison and the school board unfolded, editors of *The San Francisco Chronicle* sided with Edison, accusing the School Board of being in an ideological frenzy and "undeterred by evidence of Edison's success..."³⁷ The School Board voted to terminate its relationship with Edison. Edison now operates the school under a charter granted independently by the State Board of Education. Overall, the accounts of the political clashes in Texas and California over Edison's involvement in those states contrasts sharply with the idealistic language of helping poor children and improving the system, as discussions of vouchers, charters, and other forms of public school privatization are usually framed.

Edison and Cost

Edison classes contain 28 students, compared with a national average of about 24 for elementary schools and 31 for high schools.³⁸ This again argues against high achievement, as does teacher turnover, which is higher in Edison schools than the national average.³⁹ Edison officials in Texas balked when told that they could only put 22 students in a class and gave in only when shown that it was Texas *law* that caps class size at 22. Edison is able to operate in similarly mandated California only because Gap founder Don Fisher used his Fisher Family Foundation (now the D2F2 Foundation) to supply \$25 million to cover the additional costs of the smaller classes.

Edison's resistance to small classes in Texas and the need for an additional subsidy in California call into question Edison's claim that the company's schools will not cost more than the typical public school.

Student Selection and Test Scores

During the conflict in San Francisco over Edison, opponents alleged that Edison was reducing the number of special education students, sending poor students to other schools and recruiting students that would score higher. This, opponents said, was why scores were rising. This Edison staunchly denied. Yet, in its *Fourth Annual Report on Student Performance*, the company admitted: "Schools often change their enrollments dramatically after Edison is introduced ... Edison schools are generally schools of choice, and enrollments change as families opt into or out of this new program. If enrollments change, comparisons of test scores before and after Edison become potentially misleading comparisons of different students."⁴⁰

Of course, low test scores are a principal reason, sometimes the *only* reason, Edison is sought at all. And the enrollments do change. Edison's report reports show that in 1999-2000, Edison Academy listed 6.8% of students as enrolled in special education, well below the national average of 12.5% (Edison typically has a much smaller proportion of special education students and the problems of these students are less severe than some found in public schools). A year later it plunged to 2%. From 1999-2000 to 2000-2001, the proportion of economically disadvantaged students dropped from 79% to 55%. English language learners – students who are not native speakers of English – plummeted from 32% to a remarkable zero.⁴¹

In spite of these changes, which might have been expected to drive up scores regardless of Edison's teaching methods, this fall Edison's score on the state's school rating system, the Academic Performance Index (API), fell sharply. The API runs from 200 to 1000. The average San Francisco public school had an API of 676, and the highest, 890. Edison School is now 70th – dead last – among San Francisco elementary public schools with an API of 487.⁴² (The subsequent addition of five schools missing earlier in the API ratings, and a change in the way the state calculates the index, has changed the numbers but not fundamentally changed Edison's rank overall. The average API is now 698, the highest is 878, and Edison's API ranks it 75th, still last, with 504.)

As already noted, Edison warns against comparing before

and after test scores. A logical alternative would be to follow the same children over time and see how they perform. Edison says it doesn't do this kind of analysis because, over time, there are fewer and fewer of the same students in the later grades. Rather, it typically compares students in a particular grade in one year with those in the same grade in the previous year. But since – as Edison acknowledges and the San Francisco Edison school certainly shows – the demographic characteristics of schools are changing, it is impossible to tell whether such a comparison really measures the Edison program's impact or simply the demographic changes.

Another possible way to evaluate progress in Edison schools is to compare those schools with similar public schools. Edison denigrates this idea because it says that the Edison schools are not independent of the rest of the schools. That is, it claims that Edison schools also help other schools progress. There is simply no evidence for this claim. Moreover, Edison claims that its schools have no capacity to make such comparisons.

In short, no matter what kind of comparison is made that suggests Edison has failed to raise achievement, Edison appears to be able to provide a rationale for why that comparison is invalid – an outcome that is strikingly convenient for the company.

Setbacks in Philadelphia and New York

Edison has enjoyed some success at expanding its contracts during 2001, but the year also brought it some surprising setbacks and less favorable publicity. Both were magnified because they occurred in large markets, New York and Philadelphia, and played out in those cities' media. They were even more unexpected because they involved proposed contracts negotiated in New York by Mayor Rudy Giuliani and School Chancellor Harold Levy, and in Philadelphia by Pennsylvania Gov. Tom Ridge and his successor Mark Schweiker, that appeared to strongly favor the company.

In New York Chancellor Levy shepherded a proposal for Edison to take over five low-scoring New York schools.⁴³ The proposal process appeared to many to be designed to favor Edison. Constraints on bidders eliminated community-based potential bidders. The request for proposal limited bidders to those with prior management of schools with at least 450 students and a cash reserve of at least \$1 million.

Edison clearly viewed New York as a springboard. "If we do a great job in these schools, we believe there will be more schools headed our way,"⁴⁴ Whittle told *The New York Times*.

To get the contract, a vote had to be taken among the parents in the schools' enrollment areas. Initially, Edison was given the privilege of conducting the vote itself. Community groups protested sharply, insisting that they be allowed to send parents literature opposing Edison. (Levy yielded and permitted the mailings.) Levy had decreed that for Edison to win the contract, 50% of the parents of children attending the five schools would have to vote for the deal. To everyone's stunned surprise, 80% of the parents voted "no." Even at the school considered most likely to accept Edison, only 34% voted "yes."⁴⁵ Postmortems found that parents had felt blindsided about their schools being on the auction block and resented community-based groups being shut out. They said Levy did not even campaign vigorously for his own plan.⁴⁶

Shortly before the vote, Edison offered 6.7 million shares in the company, raising \$81 million. Half of the shares were sold by officers of the company. Whittle personally pocketed \$16 million.⁴⁷ After the vote, Whittle sought to soften the bad news by noting it had signed new agreements in Chester, Pa., Las Vegas, and Miami-Dade County, Fla. – all far less significant than the New York presence the company had hoped to establish.

In the summer of 2001, Edison received another favorable opportunity courtesy of the state of Pennsylvania. The state's governor, Tom Ridge, wanted to consider the privatizing of some or all of Philadelphia's public schools. He awarded Edison a \$2.7 million no-bid contract to study the district and make recommendations for improving both finances and achievement.⁴⁸ Edison's role struck some as potentially involving a conflict of interest.⁴⁹ The company then drew further criticism when it refused to reveal how much of the \$2.7 million it spent on subcontractors or to even name them. Rejecting inquiries from state legislators and the *Philadelphia Daily News*, Edison spokesman Adam Tucker said, "As a matter of policy in this project, we won't release dollar amounts." The *News* was incredulous: "Well, we've got a flash for the state. You just paid these guys \$2.7 million [from our tax dollars] and they anticipate billing the state another \$300 million for work they expect to do here. So you might try this tack: Provide the information or forget about the \$300 million."⁵⁰ Edison persisted. In testimony before Philadelphia City Council, Edison claimed that more than four-fifths of the company's schools showed positive test gains – a claim that does not appear to be borne out by the data already reviewed here. It was quickly pointed out that the figure was based on only 74 of the 113 schools that Edison operated and that seven of the 62 that Edison reported as positive had been cited by their respective state departments of education for failure to improve.⁵¹ The Council of the Great City Schools called Edison's report to the Governor "poor, rudimentary and fatally flawed."⁵²

Edison's plan pitted the state's governor against Philadelphia's mayor, while a variety of others from diverse constituencies argued against it.⁵³ Philadelphia's representative in Congress also challenged the accuracy of Edison's reports on itself.⁵⁴ Business writer Allen Greenberg went to Edison's SEC filings, then asked, "Should you step up and buy what they're selling?" His answer: "Not unless your approach to investing allows you to put political ideology ahead of the fundamentals that dictate everyday stock trading."⁵⁵

The brouhaha led the Philadelphia district's chief executive officer (equivalent to superintendent) to quit.⁵⁶ Gov. Schweiker and the city's mayor held a very public reconciliation press conference in late December⁵⁷ and announced a compromise. Edison's original plan would have allowed the company to remove the system's top 55 central administrators, replacing them with appointees of the company's choosing. In addition, the company would have directly operated 45 schools. It was reported that under the compromise, the company would get the 45 schools but not central control.⁵⁸ The compromise did not make the Edison contract a "done deal," however, despite reports to that effect.. The State also established a School Reform Commission (SRC) to oversee the process. On January 11, the SRC issued a "Request for Qualifications" for firms that wish to take part in the central administration aspect of the

takeover, although the request appears to some to be tailored for Edison.

The SRC will issue another RFQ to manage the actual schools. It is not clear how many of the system's 60 schools Edison will bid for. In the meantime, Chancellor-Beacon, another school management firm, has announced its intent to compete for at least some of the schools. Reporters from the *Philadelphia Daily News* concluded that the compromise was greatly assisted by \$85,000 that Edison gave to four consulting firms that included close advisors to the mayor and his 1999 campaign manager. Edison spokesmen declined to affirm or deny the accuracy of the figures, but did say that "the money to pay consultants came from general corporate sources, not the \$2.7 million state contract..."⁵⁹

Edison's entry into Philadelphia schools takes it into more hostile territory than it has seen before. Not only has it not been invited in by locals, it has been received with hostility in many quarters, which appeared to be exacerbated when the company hired a top Philadelphia schools administrator days before school opened.⁶⁰ Yet the company's strategy of attempting top-down reform seems at odds with the poor record that education reforms have generally when imposed from above. Indeed, the company's aggressive move into the city in the face of such widespread hostility toward it would appear to suggest that it may define success in terms of the revenues it takes in rather than in terms of student achievement.

Outside Evaluations of Edison

Late in 2000, some evaluation data more reliable than Edison's own reports indicated that the results from Edison schools are, at best, mixed. In a report for the American Federation of Teachers, the union's researcher F. Howard Nelson wrote: "At this point, Edison schools mostly do as well as or worse than comparable public schools; occasionally they do better. This mediocre record has not been evident to many observers of Edison schools for several reasons."⁶¹ The record has not been evident because of Edison's attempts to obscure it.

Two months after the AFT's report, researchers at Western Michigan University reached similar conclusions. "Our findings suggest that Edison students do not perform as well as Edison claims in its annual reports on student performance."⁶² Taking a sample of ten schools the researchers noted that Edison reported the achievement trends as "strongly positive" in five schools, "positive" in three and "mixed" in two. The researchers found no strongly positive trends. They found positive trends in three, mixed trends in four, negative trends in two and strongly negative trends in one. But while the researchers sought to temper their findings with the word "suggest," Edison struck back sharply, calling the study (which was commissioned by the National Education Association) "Predictably Biased" and "stunningly irresponsible." Edison Chief Education Officer John Chubb stated: "The Western Michigan report is literally a scam...It is shocking that social scientists would attempt to pass off such work as an objective evaluation."⁶³

In fact, it is Edison's own claims that have been shown to be biased and to lack objectivity. It should not be shocking that the company would take such umbrage at researchers' negative

conclusions. As a publicly held, for-profit company, its obligations are to its shareholders; its annual reports are advertising, not objective facts, the latter to be found in the company's Form 10-K filed with the Securities and Exchange Commission. More shocking than the company's wounded defense in the face of outside criticism are the hyperbolic conclusions, using data that can only be described as questionable, that are found in the company's various annual reports. The willingness of the company and executives Whittle and Chubb to publish such misleading numbers and then take umbrage at figures generated by legitimate researchers is the height of hypocrisy. And the brazenness of the company's machinations to obtain lucrative contracts such as the one it campaigned for in Philadelphia make sense only if one understands that the company's financial gain, not benefits to children, are its top priority.

Bracey's report is based on research he conducted for his forthcoming book, *The War Against America's Public Schools: Parents' Edition*, Allyn & Bacon, to be published in Spring 2002.

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