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Commercialism in Education Research Unit

**\*\*\*NEWS RELEASE\*\*\***

**FOR IMMEDIATE RELEASE**

**For-Profit Industry Leaders Average More Students in Their Charter Primary Schools Than Other U.S. Charter Primary Schools, Study Says**

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TEMPE, Ariz. (Tuesday, April 26, 2005) — Leading Education Management Organizations (EMOs) tend to focus on managing charter primary schools and on enrolling relatively large numbers of students in those schools, according to the seventh-annual *Profiles of For-Profit Education Management Organizations 2004-2005*, released today by the Education Policy Studies Laboratory at Arizona State University.

Above-average enrollments are found most frequently in charter primary schools managed by the 14 largest EMOs. Nearly two-thirds of the charter schools managed by these firms are primary schools. By focusing on charter primary schools and enrolling relatively large numbers of students, EMOs appear to have found a built-in cost advantage because primary schools are less expensive to run than secondary programs.

The majority of students attending charter primary schools managed by 10 of the 14 largest EMOs are enrolled in schools with enrollments above the average U.S. charter school enrollment:

- Victory Schools (100 percent)
- Edison Schools (98 percent)
- National Heritage Academies (96 percent)
- Imagine Schools (94 percent)
- Charter Schools USA (93 percent)
- Mosaica Schools (85 percent)
- Charter School Administrative Services (72 percent)
- Sequoia Charter Schools (70 percent)
- White Hat Management (69 percent)
- Helicon Associates (52 percent)

Taken together, of the charter schools managed by the 14 largest EMOs, 65.5 percent have enrollments above the average U.S. charter school enrollment and 20.5 percent have enrollments above the average U.S. district school enrollment.

“These data reveal the large EMO business model: run charter schools, focus on the primary level and enroll a lot of students in those schools,” said Alex Molnar, director of the Education Policy Studies Laboratory at Arizona State University and lead author of the report.

### **EMOs Continue Decade-Long Growth**

For 2004-2005, the *Profiles* report lists 59 EMOs managing 535 schools, enrolling approximately 239,766 students in 24 states and the District of Columbia. This is an increase of eight firms and 39,363 students. Of the EMO-managed schools profiled, 86 percent are charter schools, up from 81 percent in 2003-2004 and 74 percent in 2002-2003.

The 14 large (non-virtual) EMOs – those managing 10 or more schools – account for 81 percent (434) of the schools under management and 89 percent (214,205) of the students enrolled in managed schools.

Virtual schools, also known as online charter schools, are schools where instruction is delivered primarily via the internet and with little or no contact with certified teachers. Approximately 2,400 virtual schools serve 40,000 to 50,000 students. Without a physical structure to support, the report suggests virtual schools stand to generate larger profits than conventional charter schools.

### **About the Profiles**

The annual *Profiles* report includes information about organizations contracted by school districts to manage traditional district schools, organizations that manage charter schools, and organizations that do both. The researchers compiled the data from EMO survey responses, EMO websites, states’ department of education websites, newspaper articles, EMO press releases, government publications, and other sources.

Find this document on the web at:

<http://www.asu.edu/educ/eps/CERU/Documents/EPSSL-0504-101-CERU.pdf>

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The Commercialism in Education Research Unit (CERU) conducts research, disseminates information, and helps facilitate a dialogue between the education community, policy makers, and the public at large about commercial activities in schools. CERU is the only national academic research center dedicated to schoolhouse commercialism.

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The Education Policy Studies Laboratory (EPSL) at Arizona State University offers high quality analyses of national education policy issues and provides an analytical resource for educators, journalists, and citizens. It includes the Arizona Education Policy Initiative (AEPI), the Commercialism in Education Research Unit (CERU), the Education Policy Research Unit (EPRU), and the Language Policy Research Unit (LPRU). The EPSL is directed by Professor Alex Molnar.

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