



EPSSL | **EDUCATION POLICY STUDIES LABORATORY**
Commercialism in Education Research Unit

*****NEWS RELEASE*****

FOR IMMEDIATE RELEASE

**EMO INDUSTRY CONSOLIDATING, RECONFIGURING TO MEET DEMAND
FOR SUPPLEMENTAL EDUCATION SERVICES**

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TEMPE, Ariz. (Thursday, May 18, 2006) — The for-profit Education Management Organization (EMO) industry is consolidating and some EMOs are shifting business models to meet the demand for education services outside of school management, according to “The Profiles of For-Profit Education Management Organizations: 2005-2006,” the eighth-annual report released by the Education Policy Studies Laboratory at Arizona State University.

The *Profiles* report finds that, compared to 2004-2005, fewer EMOs are in business (51, down from 59) and the number of EMO-managed schools declined slightly (521, down from 535). The number of students enrolled in EMO-managed schools, however, has remained stable. These data, along with the growing market for supplemental education services (i.e. tutoring, summer schools, and consulting schools and districts on ways to meet Adequate Yearly Progress demands of the No Child Left Behind Act), suggest that the EMO industry is entering a period of reconfiguration.

The landscape of EMO school management—steady enrollment, fewer managed schools—reveals that EMOs, particularly large EMOs (companies that manage 10 or more schools), are enrolling relatively large numbers of students in their schools. EMOs tend to focus on managing charter primary schools, and enrollment numbers in some of those schools are also relatively high. These findings are consistent with the central conclusion of the 2004-2005 *Profiles* report.

Collectively, large EMOs manage 15 percent of the nation’s charter schools, but enroll 21 percent of the nation’s charter school students. Eleven of the 12 large EMOs manage charter schools that enroll more students than the average U.S. charter school. For individual large EMOs, the breakdown of the percentage of students attending charter schools with above-average enrollment is:

- National Heritage Academies: 100%
- Charter Schools USA: 94.6%
- Imagine Schools: 94.6%
- Charter Schools Administrative Services: 88.0%
- White Hat Management: 79.5%
- Mosaica Schools: 76.8%
- The Leona Group: 74.0%
- Helicon Associates: 70.8%
- Edison Schools: 46.1%
- Victory Schools: 26.3%
- Richard Milburn HS, Inc.: 17.8%

Collectively, large EMOs manage 20.2 percent of the nation's charter primary schools, but enroll 32.1 percent of the nation's charter primary school students. Ten of the 12 large EMOs manage charter primary schools that enroll more students than the average U.S. charter primary school. For individual large EMOs, the breakdown of the percentage of students in charter primary schools with above-average enrollment is:

- National Heritage Academies: 100%
- Imagine Schools: 86.8%
- Mosaica Schools: 72.0%
- Charter Schools USA: 71.0%
- Charter School Administrative Services: 40.7%
- Edison Schools: 33.9%
- Victory Schools: 26.3%
- Helicon Associates: 25.1%
- White Hat Management: 20.3%
- The Leona Group: 14.6%

Find this document on the web at:

http://www.asu.edu/educ/eps1/CERU/CERU_2006_emo.htm

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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.

Visit the CERU website at <http://schoolcommercialism.org/>

The Education Policy Research Unit (EPRU) conducts original research, provides independent analyses of research and policy documents, and facilitates educational innovation. EPRU facilitates the work of leading academic experts in a variety of disciplines to help inform the public debate about education policy issues.

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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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