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THE THIRD ANNUAL REPORT ON TRENDS IN SCHOOLHOUSE COMMERCIALISM

Executive Summary EMBARGOED UNTIL SEPTEMBER 14, 2000

We are surrounded by commercial messages in and out of school, which serve to reinforce and amplify each other. Commercial activity in schools is increasing and raises serious questions about the role of schools in our society.

In its third annual reports on schoolhouse commercialism, the Center for the Analysis of Commercialism in Education (CACE) has found an overall increase 395% in the number of press citations discussing seven categories of commercializing activity in schools, from 1990 to 2000. By analyzing the number of articles published on each category in four bodies of literature (the popular, education, business, and advertising/marketing presses) each year, CACE is able to present an approximate picture of each category's presence in schools. Each of the categories of commercialism is described below, with the percent change in number of citations from 1990 to 2000 indicated in parentheses after the category's title. (Data tables and a detailed description of the methodology used are available on the CACE website, www.schoolcommercialism.org).

SPONSORSHIP OF PROGRAMS AND ACTIVITIES (increased by 248 % between 1990 and 1999-2000)

Businesses regularly sponsor events at schools across the country. CACE defines the Sponsorship of Programs and Activities category as corporations paying for or subsidizing school events or activities in return for the right to associate their name with the events and activities. Among the events involved are sporting events and school contests. Sponsorship offers a corporation the opportunity to associate its name with a good cause, to increase name recognition among important market segments, and to get its products into schools. The schools get needed resources and develop connections with the business community. Whether it is the clothing company Eddie Bauer sponsoring the final round of the National Geography Bee or New England middle schoolers competing in a model ship building contest sponsored by a potato chip company, schoolchildren are exposed to marketing efforts by companies in the form of sponsorships from the first day of kindergarten to high school graduation.

EXCLUSIVE AGREEMENTS (increased by 1,384%)

Individual schools have long made agreements with the local soda bottler to supply beverages to the school. Frequently, the bottler would throw some promotional item into the deal, such as a scoreboard or cooler with the drink's logo on it. The 1990's, however, saw a transformation of this practice from school-level agreements into multi-million dollar, districtwide deals that generally guarantee exclusivity to one bottler. Although the exclusive agreements category has increased overall, the rate of increase seems to be slowing. A number of school districts have begun to

question the value of exclusive pouring rights agreements.

INCENTIVE PROGRAMS (increased by 231%)

Corporate programs that provide awards, goods, or services to a student, school, or school district when students, parents, or staff engage in a specified activity or demonstrate particular behaviors are firmly rooted in schools. They serve a variety of purposes, among them encouraging children to read, to stay in school, to improve standardized test scores, and to stay out of trouble. Among the best known is Pizza Hut's Book It! program, which expects to enroll over 20 million elementary students in the 2000-01 school year.

APPROPRIATION OF SPACE (increased by 539%)

CACE's category of Appropriation of Space encompasses any allocation of school space (such as scoreboards, rooftops, bulletin boards, walls, and textbooks) on which corporations may place corporate logos or advertising messages. The category also includes the use of school facilities for commercial activities. One type of appropriation of school space for commercial purposes that has gained prominence in the past year is on-site market research in schools. A leader in this activity is Education Market Resources, a Kansas company that reports it conducts market research projects in classrooms during normal school hours, where "*children respond openly and easily to questions and stimuli.*"

SPONSORED EDUCATIONAL MATERIALS (increased by 1,875%)

Sponsored educational materials are materials supplied to schools by corporations or trade associations that claim to have an instructional content, and are a common in-school marketing technique. For instance, TIME magazine's TIME for Kids' unit created an environmental curriculum of special issues and other materials sponsored by Ford Motor Co., to promote Ford's "strategic initiatives" in environmental matters. Sponsored lesson plans are offered on just about any topic from a wide range of commercial providers.

ELECTRONIC MARKETING (increased by 139%)

The widespread pressure on schools to incorporate technology into every aspect of the school day appears to be driving the continued increase in the Electronic Marketing category, defined by CACE as the provision of electronic programming or equipment in return for the right to advertise to students or their families and community members in school or when they contact the school or district. Examples range from Channel One, the commercial television network that donates televisions to schools in return for a requirement that students view a newscast with commercials. ZapMe!, last school year's most significant newcomer, claimed a large portion of press attention with announcements of many strategic partnerships, several content developments, and an initial public offering of stock. Searches in this category also returned evidence of myriad smaller efforts to harness technology for school marketing purposes, particularly by using the Internet to connect home and school through ad-bearing school websites.

PRIVATIZATION (increased by 3,206%)

Privatization, the management of public schools, especially charter schools, by private for-profit corporations or other non-public entities is a topic of widespread concern. Currently, over 30 states have charter school laws that allow a for-profit company to be a charter-holder or to be hired by a charter-holder to manage schools. While education management companies argue that they can run public schools for the same amount of money per pupil as the school district and still make a profit, the evidence shows some for-profit school management companies are increasing their share of public funding.

FUNDRAISING

In 1999-2000 CACE began to monitor an eighth category, Fundraising. The Fundraising category incorporates some elements formerly included in the Incentive Programs category, such as collecting particular product labels or cash register receipts from particular stores. Any activity conducted or program participated in to raise money for school operations or extracurricular programs is considered fundraising. Because this is the first year in which database searches were conducted on the topic, the data for Fundraising were not included in the total number of citations for the year or used for comparison between years.

CONCLUSION

Commercial activities now shape the structure of the school day, influence the content of the school curriculum, and determine whether children have access to a variety of technologies. Moreover, it appears from a number of citations that there is an emerging trend for marketers to attempt to bundle together advertising and marketing programs in schools across a variety of media and thus gain a dominant position in the schoolhouse market. The effort to more fully integrate the schoolhouse into corporate marketing plans by securing control over as many school-based advertising media as possible may well be the trend to watch over the next decade. If so, we can expect schools to serve as launch pads for marketing campaigns that resemble high profile movie releases complete with multiple tie-ins for a variety of products and services aimed at children and their families.

Although some attempts have been made to develop a legislative response to school commercialism at all levels of government, it becomes increasingly evident that the members of local school communities must take responsibility for preventing commercial activities from overtaking the essential purpose of schools: education.