



# The Role of Social Entrepreneurship in Transforming U.S.A. Public Education

- Moderator: **Stacey M. Childress**, *Lecturer of Business Administration, Senior Researcher*
- Panelists: **Steven Barr**, *CEO, Green Dot Public Schools*  
**Kevin Johnson**, *CEO, St. Hope*  
**Wendy Kopp**, *CEO and Founder, Teach For America*  
**Michelle Rhee**, *Chancellor, District of Columbia Public Schools*

## Overview

A national crisis exists in public education. The root causes include unaccountable teachers, dysfunctional schools, and systemic barriers like lack of political will to drive change.

Yet amid these formidable barriers, a set of passionate social entrepreneurs are disrupting the status quo in education with innovative and effective approaches that are producing measurable results. These education entrepreneurs are providing solutions that work. The challenge now is to build the support to scale these solutions.

## Context

The panelists shared their stories of working to fix the terribly broken U.S. educational system.

## Key Takeaways

- **Public education is in a state of crisis. Fixing it requires radically reforming a dysfunctional system.**

The U.S. public school system is failing kids and America.

- *Failing kids.* The country's 15,000 school districts and 100,000 schools are not doing an acceptable job of educating America's kids, especially low-income and minority kids. Low-income and minority kids are three grade levels behind by age nine, and less than half graduate from high school. Those who do are seven times less likely to graduate from college. In Watts, California, only 25% of incoming freshmen graduate from high school. In Sacramento, only 20% of seniors were accepted to a four-year college. In Washington, D.C., only 12% of eighth-graders read at grade level and only 9% end up going to college and graduating within five years.
- *Failing America.* Performance scores of U.S. fourth-graders compare decently with those of other nations. But by high school, that changes: U.S. kids score near the bottom in math (25<sup>th</sup> out of 30 nations), 15<sup>th</sup> in reading, and 18<sup>th</sup> in science. America's competitiveness depends upon improving those outcomes.

*"We have a national crisis in public education . . . but this crisis can be eradicated."*

— Kevin Johnson

Spending is not the problem. The United States has doubled per-student educational spending over the past 30 years, with stagnant performance to show for it. The problem is the system. School boards are political; their members advance the agendas of those who elected them. Teachers' unions perpetuate tenure, which discourages accountability for educational outcomes. Political will to disrupt the system is lacking as most elected officials desire to minimize complaints from constituents, which would rise if radical changes in education took place.

*"The problem in education is we don't do a good enough job of calling out what the issues are: teachers, school boards, politics, and politicians are the problems."*

— Michelle Rhee

- **Effective educational reform addresses the root causes of problems, via the disruptive innovation of entrepreneurs.**

Systemic problems require systemic solutions that get at root causes, solutions of the kind that entrepreneurs pursue. The definition of "entrepreneurship" used at HBS is "the pursuit of opportunities, regardless of the resources one controls." The definition of social entrepreneurship is "the pursuit of opportunities to create pattern-breaking social change regardless of the resources one controls."

Many nonprofits focus on workarounds, short-term band-aids to make the pain of broken systems less painful. Social entrepreneurs intervene at the level of root causes to change the shape of a problem or abolish it altogether.

*"Rather than applying band-aids, [social entrepreneurs] are trying to cure the disease—to change the way the world works so that longstanding patterns of inequity don't exist anymore."*

— Stacey M. Childress

The problems in education have created an environment that is ripe for innovation by ambitious social entrepreneurs. Entrepreneurial energy is being focused in the following areas:

- *People.* Improving the quality of teachers and incenting them appropriately, as well as engaging parents and communities.
- *Schools.* Introducing new types of schools to compete with the ones we have.



- **Performance.** Developing tools and products to optimize learning via technology—e.g., curriculum-optimizing tools and tools to interpret student performance data and actions warranted.
- **Institutional barriers.** Completely reinventing educational systems from inside out.

- **The panelists are all educational entrepreneurs effecting pattern-breaking social change.**

The panelists are visionary entrepreneurs who viscerally feel the intolerability of the status quo (a “nightmare” to Mr. Barr) and are vigorously pursuing opportunities to improve educational outcomes, especially for low-income and minority children.

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*“So many young kids’ future is determined by the third grade; 80% of third-graders behind in reading never catch up. . . . We build prison systems based on third-grade reading scores as an indicator.”*

— Kevin Johnson

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Two of the panelists run public charter schools, takeovers of poor-performing urban schools. Mr. Johnson’s St. Hope has as its mission the revitalization of entire inner-city communities; not just schools. Its four-pronged approach focuses on public schools, economic development, civic leadership, and the arts.

Mr. Barr founded Green Dot charter schools (18 in LA; 1 in the South Bronx). Green Dot’s premise is based on the model that works in private schools—personal attention, a focus on academic achievement, and parental engagement. Both St. Hope and Green Dot have dramatically improved student performance.

The revolutionary reforms Ms. Rhee is introducing as chancellor of public schools in Washington, D.C., are transforming how the poorest-performing school district in the nation operates. The sole goal is to boost learning performance through a focus on: 1) making teachers accountable for performance, with a dramatic change in how performance is measured and compensated (teachers can earn far higher salaries but must give up tenure rights and be held accountable for student performance); and 2) having strong leadership. In Washington, D.C. this leadership starts with the mayor who, firmly committed to education reform, replaced the school board and gave Ms. Rhee the authority and backing to enact sweeping changes.

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*“It will take a different kind of leader to change the quality of education urban kids get. . . . We won’t get anywhere as long as elected school boards drive the agenda.”*

— Michelle Rhee

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Teach For America—founded in 1989 by Ms. Kopp—recruits top college graduates for two-year teaching commitments in high-poverty communities. While fewer than 10% of those who teach as part of Teach For America intended to go into teaching, two-thirds of the 14,000 alumni found they “can’t leave this work” and remain in the

field. The organization believes the problem of educational inequity is so massive and systemic that the only hope of solving it is to channel the nation’s most promising future leaders into education.

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*“The most salient lesson of our work . . . is that we can solve this problem. Every day we see the immense disparities in our communities juxtaposed against the opportunities. . . . I see huge reason for optimism.”*

— Wendy Kopp

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- **These education entrepreneurs are providing the R&D for widespread changes in the U.S. education system.**

These education entrepreneurs assert that the solutions to the problems that ail education in the United States are known. Their efforts provide tangible evidence of the ability to fundamentally change the education system. These efforts also show that kids from all geographies and backgrounds have the ability to achieve great results with the right teachers, system, and environment.

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*“Their environment didn’t change; their home lives didn’t change; their diets didn’t change. What changed was the adult in front of them. . . . I saw that [the problem] is not the kids’ potential—that’s limitless.”*

— Michelle Rhee

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The challenge is not figuring out what works; the challenge is taking what has been proven to work and scaling it. As Ms. Kopp said, “The snowball is rolling. Change can happen at the school level. Now the challenge is at the system level.”

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*“We know what works. Let’s scale it as fast as possible.”*

— Steven Barr

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Bringing about widespread systemic change requires overcoming significant inertia, opposition, and institutional barriers. The panelists agreed that a key element in bringing about change is electing mayors and other local political leaders who prioritize education and have the tenacity to bring about change.

## Other Important Points

- **Dealing with the unions.** The panelists had different responses to a question that was raised about whether the best strategy was to “bust the [teachers’] unions.”

Ms. Rhee didn’t advocate busting the unions, but has found the unions to be a significant barrier, more concerned with their members’ tenure than with educating students and being held accountable for results. She believes the unions must be held accountable. Mr. Barr, a former union member, sees great benefits from unions. He believes that most teachers who are in unions want the same things as the panelists: higher standards, more



accountability, more authority, and better student performance. He believes the problems reside not with union members but with union leadership. He actually sees an opportunity to change how teachers' unions operate and envisions the emergence of a new type of unionism.

Ms. Kopp fears that tagging unions as the main problem in education and working to break the unions won't solve the problems that exist. She believes there are many other productive actions that can be taken that can yield positive outcomes. Thus breaking the unions isn't high on her list.

- **Class sizes.** The panelists agreed that the subject of class size receives too much attention as "the solution." While smaller class sizes are ideal, class size is not the key variable in determining a good or bad education. Ms. Rhee said, "It is not about how many kids are in a class; it is about the quality of the teacher." She said there are plenty of small classes in D.C. that aren't working. Mr. Barr gave examples of larger class sizes where teachers and principals have autonomy that are working well.

- **Identifying great teachers.** A great teacher isn't determined based on education, degrees, or resume. Two teachers can have the exact same education and background and produce very different results. The difference: attitude. Great teachers do what other types of great leaders do: They have a clear understanding of where they are and a vision of where they want to go. They are goal-oriented, purposeful, and relentless.
- **The British experience.** Significant changes have been made in the United Kingdom which provides a blueprint for the United States. Roughly 90% of schools are now magnet or charter schools. There are national accountability standards and mandatory tests at ages 7, 11, 14, and 16. Front-line workers (teachers) have been empowered and 90% of all educational spending goes to the front line, with districts keeping just 10%. Low-performing schools are identified and if they don't improve within three years they are closed.



## Speaker Biographies

### Stacey M. Childress, MBA 2000 (Moderator)

*Lecturer of Business Administration, Senior Researcher*

Stacey Childress is a lecturer in the General Management unit at HBS, a senior researcher, and a cofounder of the Public Education Leadership Project at Harvard University. She teaches in the School's MBA and Executive Education programs. Childress studies entrepreneurial activity in public education in the United States. This includes the behavior and strategies of leadership teams in urban public school districts, charter schools, and nonprofit enterprises with missions to improve the public system. She is also interested in a range of social-enterprise topics, including international social entrepreneurship.

Before joining the faculty, Childress served four years as executive director of the Social Enterprise Initiative, HBS's effort to generate and share knowledge to help individuals and organizations deliver social value through the nonprofit, private, and public sectors.

Before working in academia, Childress was cofounder of an enterprise software company and was responsible for generating the company's first revenues. She also spent 10 years in the electronic security industry in sales and general management, where as a regional general manager she successfully led the sales and operations functions of six offices across four states. She went on to launch a corporate university for her company, serving 12,000 employees in 148 offices nationwide. During this project, Childress was involved in crafting public-private partnerships with state and local governments in conjunction with welfare-to-work job-training initiatives.

Early in her career, Childress taught in a Texas public high school. She is a graduate of Baylor University and HBS, where she was the first woman in School history to be elected by her classmates to deliver the Class Day graduation address.

### Steven Barr

*CEO, Green Dot Public Schools*

Steve Barr is CEO of Green Dot Public Schools, which he founded in 1999 with the aim of transforming secondary education in California by creating a number of high-performing charter high schools using available public dollars. Under Barr's leadership, in 2000 Green Dot built one of the first comprehensive public high schools in the Los Angeles area in 30 years and a second high school two years later. Green Dot's first school scored a 10 out of 10 on the most recent API ranking of similar schools. The company has now grown to 10 schools, which are showing a 90 percent graduation rate and a two-thirds college acceptance rate.

Before founding Green Dot, Barr held a number of leadership positions in political and social service organizations. In 1990 he cofounded Rock the Vote, whose campaigns and field efforts led to the first increase in voting among 18- to 24-year-olds since passage of the 26th Amendment. After Rock

the Vote, Barr led the successful effort to pass the Motor Voter Bill, which President Clinton signed into law in 1994. Some 30 million Americans have registered to vote via Motor Voter. In 2006 the *Los Angeles Times* named him one of the 100 most powerful people in Southern California.

Barr hosted President Clinton's National Service Inaugural event, which led to the creation of AmeriCorps. He then oversaw an AmeriCorps after-school program project in South Central and East Los Angeles that focused on helping single mothers move off welfare.

Barr has been active in politics throughout his professional career, serving on several presidential campaigns and as a finance chair for the Democratic Party. He has also helped drive political change through television, as a national correspondent on the nationally syndicated, Disney-produced *The Crusaders*, as a contributor to Discovery Channel's *Why Things Are?*, and as a writer in national magazines such as *George*. Barr wrote *The Flame: An Unlikely Patriot Finds a Country to Love* (1987).

### Kevin Johnson

*CEO, St. Hope*

In May 2000 Kevin Johnson retired from the NBA after 12 seasons with the Phoenix Suns. He returned to his hometown of Sacramento, California, to serve as CEO of St. Hope, a nonprofit community development corporation he founded in 1989 to revitalize inner-city communities through public education, economic development, civic leadership, and arts enrichment. St. Hope operates St. Hope Public Schools, a system serving more than 1,500 students in grades preK through 12. With its successful turnaround of Sacramento's failing comprehensive high school into a high-performing charter school focused on sending all students to four-year colleges, St. Hope is recognized as one of the national leaders in the "transformation" high school movement.

St. Hope has had a major economic impact on the community of Oak Park through its holistic community development approach, including the addition of 14 businesses, 282 jobs, and \$11 million in development. Supporting its multifaceted approach to community revitalization, the St. Hope economic development division completed the rehabilitation of the 40 Acres Art Gallery and Cultural Center, a 25,000-square-foot, mixed-use facility in the heart of Oak Park's commercial district. Housing an art gallery, a 225-seat theater, a bookstore, a barbershop, a Starbucks, and 12 loft apartments, this successful development project provides internship opportunities to young people and exposes the community to many forms of art.

Johnson serves on the boards of LISC National, the California Charter Schools Association, the UC Berkeley Foundation, and the Institute of Governmental Studies National Advisory Council, as well as the Harvard Divinity School Summer Leadership Institute's advisory board. His concern and compassion for children and education prompted President George H.W. Bush to honor Johnson



with the 411th Point of Light. Johnson was also selected as one of the 15 Greatest Men on Earth by *McCall's* magazine and has received the NBA's J. Walter Kennedy Citizenship Award, the Good Morning America Award from *Sports Illustrated*, and the Most Caring American award from the Caring Institute. He was elected to the Pac-10 Basketball Hall of Fame and the World Sports Humanitarian Hall of Fame.

### Wendy Kopp

CEO and Founder, Teach For America

Wendy Kopp is the CEO and founder of Teach For America, the national corps of recent college graduates who commit two years to teaching in urban and rural public schools and become lifelong leaders in pursuit of educational excellence and equity. Teach For America's mission is to eliminate educational inequity in our nation by enlisting its most promising future leaders in the effort.

Kopp proposed creating Teach For America in her undergraduate senior thesis in 1989 and has spent the last 19 years working to sustain and grow the organization. In the 2008–2009 school year, more than 6,000 corps members are teaching in America's neediest communities, reaching more than 400,000 students. They join more than 14,000 Teach For America alumni who are already assuming significant leadership roles in education and social reform. In her book, *One Day, All Children: The Unlikely Triumph of Teach For America and What I Learned Along the Way* (2001), Kopp describes how she built Teach For America and what it will take to realize its vision.

Kopp serves on the boards of The New Teacher Project and the Broad Center and on the advisory boards of the Center for Public Leadership at Harvard's Kennedy School, Duke University's Center for the Advancement of Social Entrepreneurship, and the National Council on Teacher Quality.

Kopp holds honorary doctorates from Georgetown University, Mount Holyoke College, Rhodes College, Pace University, Mercy College, Smith College, Princeton University, Connecticut College, and Drew University. In 1994 *Time* magazine recognized her as one of the 40 most promising leaders under 40; in 2006 *U.S. News & World Report* named her one of America's Best Leaders; and in 2008 *Time* magazine recognized her as one of the World's 100 Most Influential People. Kopp has also received the Harold W. McGraw Jr. Prize in Education, the John F. Kennedy New Frontier Award, the Clinton Center Award for Leadership and National Service, the Schwab Foundation's Outstanding Social Entrepreneur Award, Aetna's Voice of Conscience Award, the Citizen Activist Award from the Gleitsman Foundation, and the Jefferson Award for Public Service.

Kopp holds a bachelor's degree from Princeton University, where she participated in the undergraduate program of the Woodrow Wilson School of Public and International Affairs. She resides in New York City with her husband and their three sons and daughter.

### Michelle Rhee

Chancellor, District of Columbia Public Schools

Michelle Rhee was appointed chancellor of the District of Columbia Public Schools on June 12, 2007. The District numbers 50,000 students and 144 schools. In the search for a change agent for the District schools, experts in education recommended Rhee, who had already transformed many urban public-school systems through her work with The New Teacher Project (TNTP). Results drive Rhee every day. Whether she is developing effective measurements to track student achievement and teacher quality; talking with principals and teachers one-on-one; developing new measures to hold herself and staff accountable for their roles in student achievement; traveling throughout the community to engage parents and other stakeholders in the schools; establishing partnerships with neighborhood organizations; meeting with business leaders; or ensuring that needed repairs are completed to create physical learning environments that serve students, Rhee's vision rests on results.

She had these results in mind when she founded TNTP in 1997, now a nationally recognized leader in developing innovative solutions to the challenges of new teacher hiring. As CEO and president, she partnered with school districts, state education agencies, nonprofit organizations, and unions to transform the way schools and other organizations recruit, select, and train highly qualified teachers in difficult-to-staff schools. Her work implemented widespread reform in teacher hiring, improving hiring in Atlanta, Baltimore, Chicago, Miami, New York, Oakland, and Philadelphia. Thanks to TNTP, 23,000 new, high-quality teachers were placed in these schools.

Rhee's commitment to excellence in education began when she was a Teach For America teacher in a Baltimore classroom in 1992. The lesson she learned there informs her mission today: With the right teacher, students in urban classrooms can meet teachers' high expectations for achievement, and the driving force behind that achievement is the quality of the educator who works inside it.

Rhee serves on the advisory boards for the National Council on Teacher Quality, the National Center for Alternative Certification, and Project Reach of the University of Phoenix's School of Education. She is an *Ex Officio* member of the Kennedy Center board of trustees. Rhee has a bachelor's degree in government from Cornell University and a master's in public policy from the Kennedy School at Harvard University.