

# **What's in a Name? The Corporate Branding of America's Schools**

**THE FIFTH ANNUAL REPORT ON  
TRENDS IN SCHOOLHOUSE COMMERCIALISM**

**YEAR 2001-2002**

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## **The Fifth Annual Report on Trends in Schoolhouse Commercialism, Ye 2001-2002**

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# **What's in a Name? The Corporate Branding of America's Schools**

## **The Fifth Annual Report on Trends in Schoolhouse Commercialism, 2001-2002**

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### **Introduction**

When a Brooklawn, N.J., school needed funds to help defray the cost of its new gymnasium last year, the local superintendent borrowed an idea from big-time sports: Naming rights.

Just as Milwaukee's new baseball stadium carries the name of Miller beer and the Chicago arena where the Bulls play basketball is named for United Airlines, so the Brooklawn district agreed to put on its gym the name of the only supermarket in town, ShopRite, for \$100,000.<sup>1</sup> The district didn't stop there. Brooklawn named school board vice president Bruce Darrow to the new post of "Director of Corporate Development" and assigned him to sell naming rights for everything from baseball field foul lines to the school's proposed new library.<sup>2</sup> Armed with glossy sales brochures depicting school buildings emblazoned with the words "YOUR NAME HERE," Darrow told the *Washington Post*: "We're not violating their [students'] rights. We're getting them a gym."<sup>3</sup>

Brooklawn may have been among the most aggressive schools to push the naming-rights strategy, but it was far from alone. Indeed, in Lancaster, Pa., an athletic

director defended a more modest approach by noting that he merely copied the idea from news articles about schools in California and Texas.<sup>4</sup>

The widespread sale of naming rights to school property and events symbolizes something far broader that emerges in The Fifth Annual Report on Trends in Schoolhouse Commercialism, 2001-2002, conducted by the Education Policy Studies Laboratory/Commercialism in Education Research Unit (EPSL/CERU) at Arizona State University. Simply put, it is this: As in so many other areas of life, commercial activity of all kinds has become more and more embedded in the experience of children at school. The reason is not difficult to fathom. As Brooklawn Superintendent John Kellmayer, defending his decision to sell naming rights to ShopRite, put it: “American corporations spend billions of dollars on the Olympics. All we're saying is: Why don't you spend some of that on our public schools?”<sup>5</sup>

It is a fair question, but one that may miss the point: With widespread documentation that, over the last two decades, property tax burdens have shifted away from businesses to individual homeowners, one might ask why those same corporations have not been spending more on public schools all along—and as members of society, not in return for the opportunity to promote themselves. (Imagine, by comparison, the reaction if a parent reading volunteer, for instance, were to use his or her volunteer time to promote a business or advance a personal ideology. In all likelihood, people would be rightfully scandalized: volunteer service, after all, is carried out with no expectation of reward or personal gain.)

Yet even that analysis overlooks the chief problem with naming rights, whether in major league sports parks or public schools. Naming rights are usually portrayed as a

means for acknowledging a corporation's contributions to a civic institution. In fact, however, they are a vehicle for business to leverage enormous public expenditures that will deliver substantial marketing mileage, all for a comparatively inexpensive investment by the company. For example, Miller Brewing Co. will pay \$40 million over 20 years for naming rights to "Miller Park," where the Milwaukee Brewers now play and the site of the 2002 All-Star game. Yet in return for that substantial recognition, the nation's second largest beer manufacturer is paying just a fraction of what Wisconsin taxpayers are contributing. Estimates of public commitment for the stadium range from the official figure of \$310 million<sup>6</sup> to more than three times that amount over 30 years.<sup>7</sup> No one clamored to name the stadium the arguably more apt "Taxpayer's Park" or "People's Park," however.

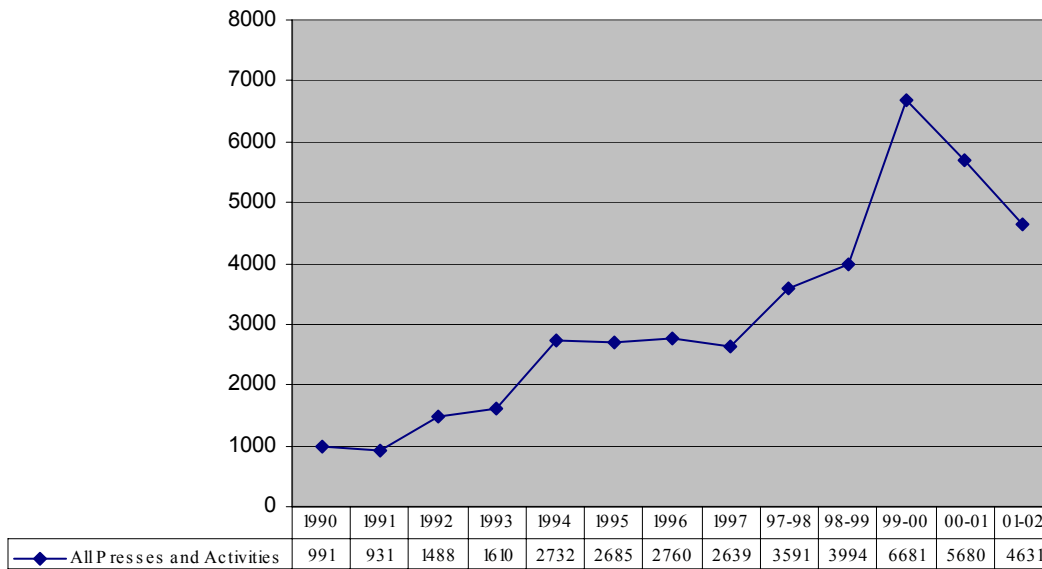
Now schools have joined full swing in the trend once limited to pro sports stadiums and convention centers. The story of Brooklawn School District and other schools following the same path shows how pervasive has become the corporate practice of such strategic donations that leverage much larger public expenditures for the benefit of private businesses and their owners. Moreover, the actual return to the school has turned out to be strikingly small. The ShopRite agreement "appears unlikely even to begin to pay off the bonds" for the new gym, the *Washington Post* observed. "The borough's debt will rise from \$82,000 next year to \$182,000 in 2020. The pledge from Jeffrey Brown, owner of six ShopRite supermarkets, including the now-famous Brooklawn store, comes down to \$5,000 a year, which Kellmayer said will cover maintenance and operation of the gym."<sup>8</sup>

The proliferation of school naming-rights proposals is but one example of how schools are becoming subsumed in the corporate branding of virtually every American public space. Each year since 1998, EPSL/CERU and its predecessor, the Center for the Analysis of Commercialism in Education (CACE) at the University of Wisconsin-Milwaukee, have conducted annual searches of commercial media databases to document trends in media reports of commercial activity in public schools. (See Appendix A for Sources, Search Strategies and Search Terms used.)

EPSL/CERU monitors eight categories of schoolhouse commercialism: Sponsorship of Programs and Activities; Exclusive Agreements, such as when soda companies establish contracts restricting schools from selling competitors' products; Incentive Programs, which reward student behaviors with commercial products; Appropriation of Space; Sponsorship of Educational Materials, including the creation of curricula that advance corporate interests; Electronic Marketing; Privatization; and Fund-Raising programs.

For most of the last decade, media references to these eight forms of schoolhouse commercialism have been steadily rising (Figure 1). In 2000-2001, however, media citations to commercial activities in education showed a decline for the first time. The decline was repeated in 2001-2002. Nevertheless, four-and-a-half more commercialism citations were found in 2001-02 than in 1990, the first year studied (4,631 vs. 991).

**Figure 1: Combined Total Citation, All Types of Commercializing Activity, By Year**



The 2001-02 decline is not reflected across the board. In the period from July 1, 2001 through June 30, 2002, references to Sponsorship of Programs and Activities showed a distinct increase, underscoring the way corporate branding has penetrated the schoolhouse. Brand name penetration is reflected in other ways as well, however—perhaps most clearly in the way a brand-name private school company, Edison Schools, Inc., dominated citations in the Privatization category.

There are several possible explanations for the apparent leveling off or decline in media references to some categories of commercialism. One factor may be changes in news media priorities and interests since the Sept. 11, 2001, attacks and their aftermath. The decline in references may also be yet another indicator of just how pervasive commercialism has become in our schools: the schoolhouse as marketing tool has become so second-nature in our society that the practice draws less and less media attention. (While some might suggest that fewer references may indicate that the practice

is abating under pressure, that seems unlikely, since instances in which schools and school districts do cut back on commercial activity generally have generated news coverage.)

It is most likely, however, that this leveling off is a technical artifact. A review of search terms used for the past two years suggests a need to modify the terms in order to keep up with the rapidly changing universe of companies involved in schoolhouse commercialism. For the 2002-03 report, new search terms have been developed in several categories. A discussion of those terms can be found in Appendix B.

### **Schoolhouse Commercialism by Category: 2001-2002**

CERU recorded 4,631 media references to schoolhouse commercial activities in all presses for the period from July 2001 through June 2002. The number represents a decline of about 18 percent from the previous 12 months, when 5,680 references were logged.

Changes in the number of media reports across the eight designated categories of schoolhouse commercialism are outlined in Table 1. In all but one category, the number of citations declined in 2001-2002 when compared with the 2000-2001 year. A discussion of each category follows.



**Table 1: Average Percent Changes in the Number of Media Hits  
for the Past Year and Cumulatively Since 1990**

Category	Total Hits		Percent Change	Average Percent		
	2001	2002	2001-2002	Change <sup>9</sup>		
				1990-2002		
Sponsorship	1,038	1,190	15	↑	141	↑
Exclusive Agreements	291	153	-47	↓	663	↑
Incentive Programs	318	189	-41	↓	43	↑
Appropriation of Space	291	110	-62	↓	239	↑
Educational Materials	83	75	-10	↓	613	↑
Electronic Marketing	478	248	-24	↓	11	↑
Privatization	2,002	1,839	-8	↓	2,126	↑
Fundraising*	1,179	827	-30	↓	n/a	
					Near-Term Change	Long-Term Change

\*CERU began tracking fundraising in 1999-2002

### 1. Programs and Activity Sponsorships

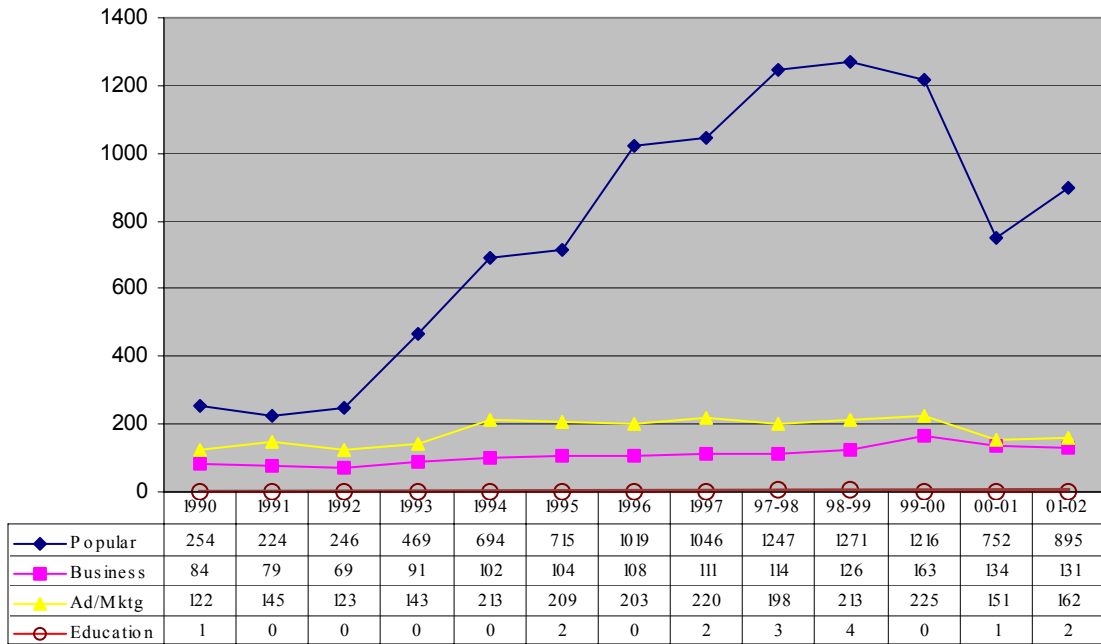
Sponsorship of school activities registered a distinct increase in relevant citations in 2001-02 over the previous 12-month period (See Graph 1). Many of the stories found involved naming-rights proposals (which also fall in the category of Appropriation of Space), albeit ones less dramatic than Brooklawn’s. When Thompson Middle School in Newport, R.I., needed to raise \$1 million last year for its facilities, the Newport school district proposed auctioning off to corporations for as much as \$250,000 the right

to put business names and logos on anything from individual books to entire school buildings.<sup>10</sup>

Other schools, from Lancaster, Pa., to a public school athletic conference in Arizona, jumped on the naming-rights bonanza in the quest for more cash. At least one firm has taken to brokering naming rights agreements between schools and companies. Home Team Marketing, a sports marketing company in Cleveland Heights, aggressively worked to create a network of Northeast Ohio schools that it sought to market as a single block to companies looking for new ways to advertise.<sup>11</sup> The firm promised participating schools up to \$30,000 a year once the program was underway.<sup>12</sup>

In Omaha, Neb., the school district made plans to rip up a high school gym floor, replacing it with one bearing up to ten corporate logos to be sold at \$10,000 a piece.<sup>13</sup> In Lancaster, Pa., school board members agreed to a plan that, in return for sponsoring athletic teams, allowed corporations to hang advertising banners, hand out coupons and other promotional items, and broadcast advertising over the school public address system during games at McCaskey High School.<sup>14</sup> The athletic director who devised the scheme allowed that he was merely borrowing the idea from other schools in Texas and California.<sup>15</sup>

**Graph 1: Sponsored Programs and Activities**

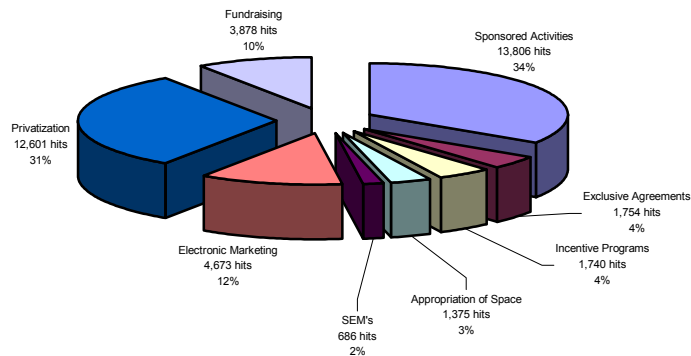


Athletics lends itself most easily to sponsorship programs, and corporations have jumped on the opportunity, making sponsorship of scholastic athletics “one of the fastest growing areas in all of American corporate marketing.”<sup>16</sup>

The reason that sponsorship programs attract school districts was evident in reports such as one from Indiana in May 2002. There, state budget cuts forced school systems to pay more for summer programs or drop summer enrichment classes, and districts responded by seeking corporate sponsors.<sup>17</sup> In Idaho, a newspaper report observed: “Budgets have been cut, and districts have scrambled ... to scale back programs, cut costs and pass supplemental levies to make up the difference.”<sup>18</sup> The report then offers an account of a local supermarket chain that donates to schools 3 percent of the revenues from customers who have signed up for a special program and designated a favored school.<sup>19</sup>

The continued growth of sponsorship programs is consistent with previously documented trends. Indeed, over the 12-year period examined in CERU's annual commercialism study and its previous reports, commercial sponsorship of educational activities has been the most common form of schoolhouse commercialism reported. This category accounts for 34 percent of all citations during the 12-year period.

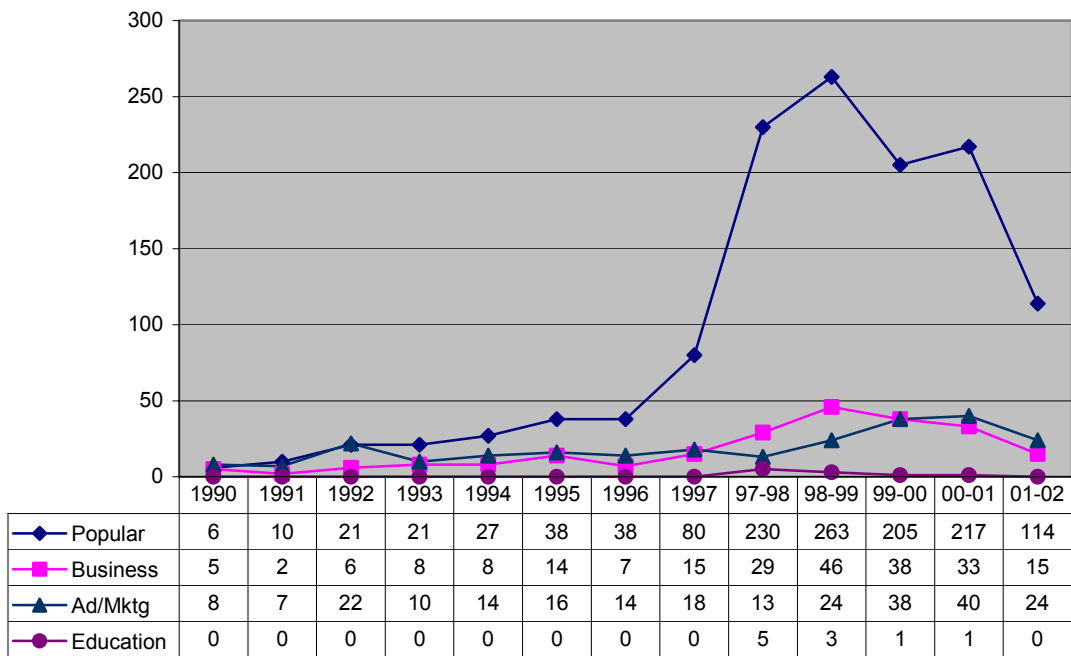
### Total Hits for All Eight Categories of Commercialization and Four Presses Combined, 1990-2002



## 2. Exclusive Agreements

Agreements granting soft drink companies and other marketers exclusive distribution rights within particular schools or districts continued to generate attention. So did criticism of those agreements.

**Graph 2: Exclusive Agreements**



In California, legislators weighed a bill that would tax soft-drink syrup and use the proceeds to fund anti-obesity programs for children, while the Public Health Institute of Berkeley released a report charging that companies had too much selling and marketing power in schools.<sup>20</sup> Some schools began curtailing such agreements on their own. In the Wisconsin school district of Mequon-Thiensville, a school board member’s resistance to an exclusivity agreement with Pepsi-Cola was met part way with an agreement between the district and the company not to allow Pepsi logos on athletic scoreboards.<sup>21</sup> In August 2001, Madison, Wis., schools opted not to renew a contract with Coca-Cola worth \$300,000 to the district.<sup>22</sup>

In late August 2002 (after the period of study for this report), the Los Angeles School Board banned the sale of soft drinks in the district’s 677 schools in vending machines or school stores during school hours beginning in 2004.<sup>23</sup> In doing so, school

officials noted that the action would cost schools tens of thousands of dollars each in profits received under exclusive merchandising agreements, but held firm. The ban “was inspired, in part, by recent reports spotlighting the obesity epidemic in Los Angeles, including a UCLA survey that found that 40 percent of 900 students in 14 Los Angeles Unified schools were obese,” the Los Angeles Times noted.<sup>24</sup>

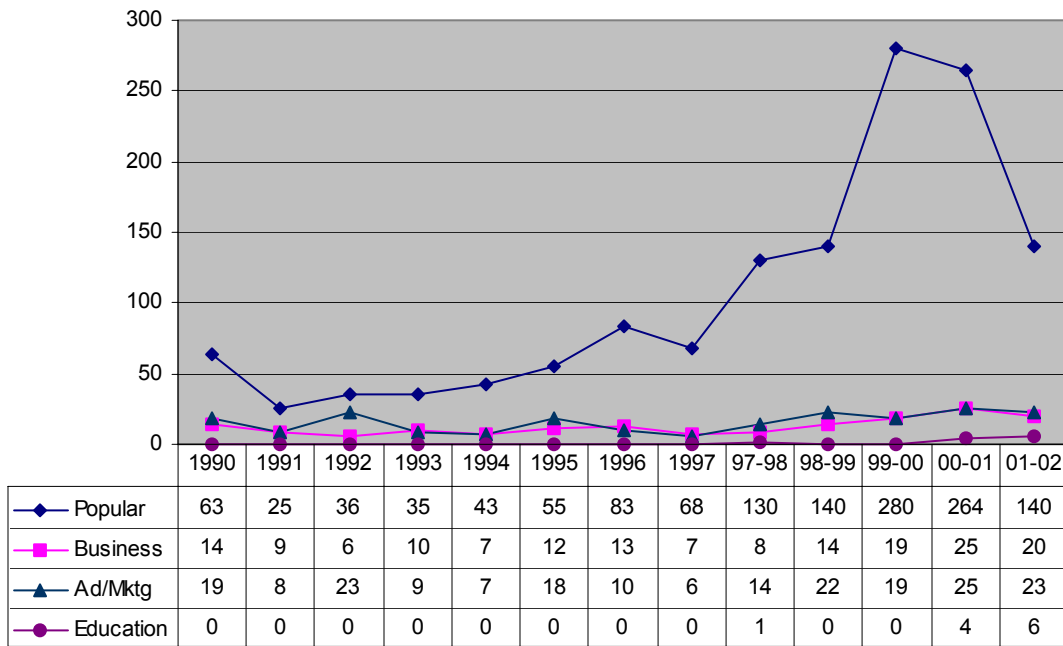
Still, exclusive deals continued to hold sway. While Coca-Cola in March 2001 announced it was backing away from exclusive pouring rights contracts with schools and would not block more healthful competing drinks such as juices and water from its school vending machines, the soft drink manufacturer continued to look for ways to exercise market leverage with youth outside schoolhouse walls. In Oakland, Calif., for example, the company promised the city \$500,000 for community youth programs in return for a 10-year agreement banning the sale of competitors’ soft drinks on city property.<sup>25</sup> Thus, even the public square is no longer immune from the reach of consumerist culture.

### **3. Incentive Programs**

Incentive programs are those in which corporations reward students, teachers, or both for achieving certain academic goals. Such programs by their nature create a link between children’s academic experiences and ambitions on the one hand and their consumption patterns on the other. Because incentive programs link accomplishment in school to certain commercial rewards—free admission to an amusement park, for instance, or a free pizza—they can be expected to create for student audiences a halo effect in which the commercial enterprise becomes imbued with the positive attributes of study

and academic achievement. Positive values associated with education thereby become attached to commercial products whose purpose actually has no relationship to education.

**Graph 3: Incentive Programs**



One of the most enduring of school incentive programs, Pizza Hut’s “Book-It” promotion, awards individual size pizzas to students who complete an allotted amount of reading. In 2001 “Book-It” expanded to include children who weren’t yet literate and enlisting their families. Younger children participating in the new addition to the program use stickers tied to the public television reading show “Between the Lions” to keep track of books read to them by teachers or parents and can earn pizzas for reaching certain goals.<sup>26</sup>

In Hartford, Conn., The Hartford insurance company rewarded 20 randomly chosen elementary students from the 38 who had perfect summer school attendance

records with a shopping spree at a local mall; the 18 not chosen received free movie passes and a store discount coupon.<sup>27</sup>

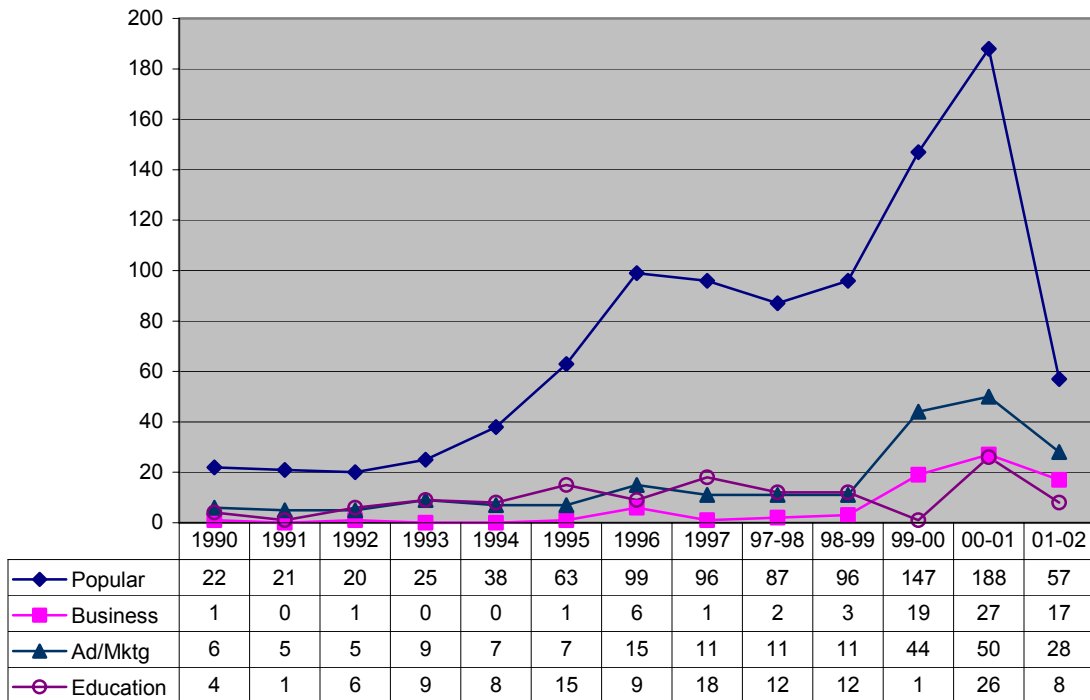
A somewhat quirky incentive program turned up in Medford, Ore., where a Toyota dealership promised \$25 to area schools for every touchdown scored by participating high schools' football teams.<sup>28</sup>

#### **4. Appropriation of Space**

Many of the citations on naming rights, in addition to representing sponsorship of programs, also reflect appropriation of public school space to convey a commercial message. It is in this category where the degree to which children's school experiences are fused with commercial material activity is perhaps most obvious. The presence of corporate logos throughout school buildings, seeking to leverage the influence and authority of schools, is, however, so widespread and pervasive that it increasingly takes place without significant comment.



**Graph 4: Appropriation of Space**



Some corporate branding programs have been wrapped in the noblest of sentiments. A month after the attacks on the World Trade Center and the Pentagon, the bookselling giant Barnes & Noble teamed up with the Anti-Defamation League and made an appearance at a Washington, D.C., elementary school to promote its second annual “Close the Book on Hate” campaign “to educate adults on methods to reduce or prevent the development of prejudiced attitudes in young children...”<sup>29</sup>

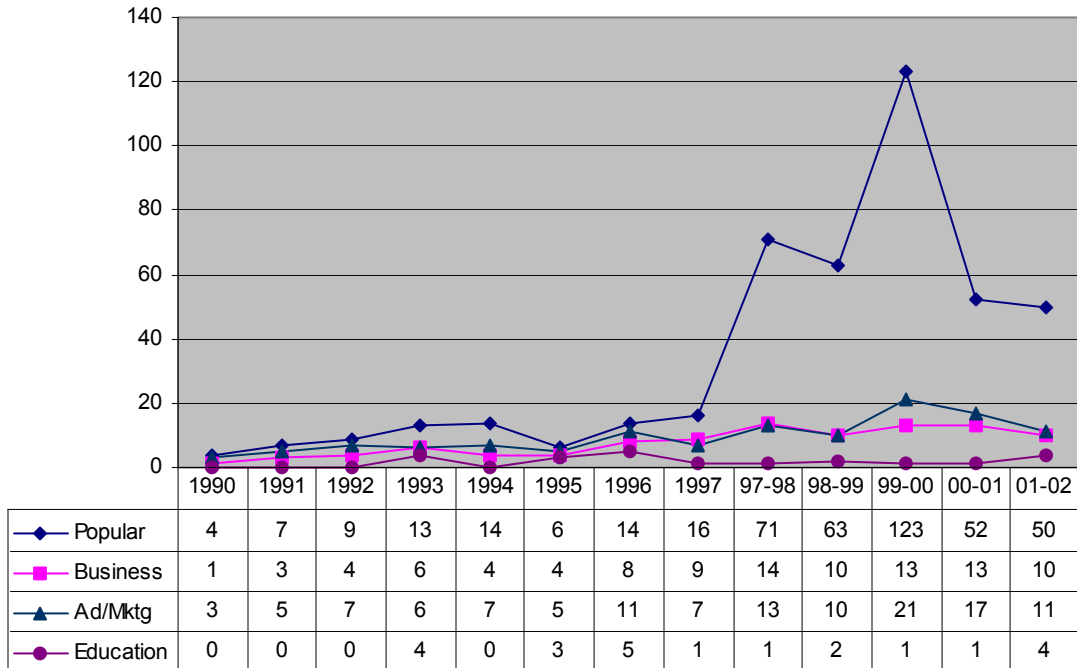
For the most part, however, a December push by Cadbury Schweppes, the world’s fourth-largest confectioner according to Advertising Age, was more typical: to help market its Sour Patch Kids and Swedish Fish candies, the company announced plans to distribute a half-million book covers with sample candies, targeting middle schools.<sup>30</sup>

A novel and more subtle variation of the naming rights strategy emerged in 2001 in the form of the International School Licensing Corp., a sort of cross-promotional effort between schools and business. Under the program, corporations donate a percentage of sales to be distributed to schools. In return, they receive the right to display a star-shaped “America’s Schools” logo on their products. Participating schools earn donations by displaying the logo “in school materials, on Web sites or school newspapers, on purchase orders and in letters to the local PTA.”<sup>31</sup> ISLC teamed up with state school board associations to create the program. For corporations, the program is a way of winning goodwill—and, they hope, more revenue. “People will buy their products because they support their schools,” the program’s director told the Pittsburgh Post-Gazette.<sup>32</sup> In Florida, at least one unusual instance of sponsorship drew opposition from the Florida High School Athletic Association. Kelly Bruno, a parochial school senior and cross-country runner who has a prosthetic leg, was sponsored by the athletic shoe maker Saucony Inc. and by Powerbar, the energy snack. FHSAA officials raised questions about Bruno’s practice of wrapping her prosthetic leg with Saucony logos, in apparent violation of the association’s no-commercialism rule, and Bruno voluntarily suspended the practice. (It’s not clear what sponsorship provided Bruno, however, as a Saucony spokesman stated that she received no money from the company.)<sup>33</sup>

## **5. Sponsorship of Educational Materials**

Businesses continue to find ways to insert their brand names into lesson materials, although citations in 2001-02 declined slightly from the previous 12-month period, which in turn was down substantially from the year before.

**Graph 5: Sponsored Educational Materials**



The role of commercialism in curriculum has always been one of the most difficult trends to measure. Unlike exclusive agreements, which are generally the subject of school board action and therefore surface during routine coverage of school board meetings by local media, the incursion of commercially-produced—and in many cases, commercially biased—curricular materials into the classroom is not something that routinely draws much media scrutiny. Citations, where they do occur, result from three principal kinds of reports. Some surface in the course of companies’ promotional materials about their activities. Others surface through critical articles written by observers of the phenomenon—teachers, education scholars, and activists. The few others mainly come to light on occasions when the news media choose to directly examine the use of corporately-sponsored curricular materials and related forms of commercialism.

A typical entry in the field of corporate curriculum writing is the National Honey Board, which announced in July 2001 “an educational program” about honey production that “makes learning about bees and honey fun and easy.”<sup>34</sup> Perhaps mindful of widespread criticism of cellular telephone users who talk and drive at the same time, Verizon Wireless distributed a driver’s education curriculum called “Vehicle Intelligence Quest” “that teaches new drivers about wireless safety behind the wheel.”<sup>35</sup>

Lawry’s Foods Inc., the distributor of flavoring ingredients and related products, worked its name into the curriculum of Audubon Middle School in Los Angeles by sponsoring the “Design Time Restaurant,” a one-night, student-run restaurant.<sup>36</sup>

A more subtle form of corporate influence on curriculum is found in Minnesota, where a business-sponsored foundation’s charter school, Minnesota Business Academy, in its second year became the largest of the state’s 68 charter schools with a curriculum focused on teaching business and economics. Students are assigned business mentors and may apply for internships at local firms.<sup>37</sup>

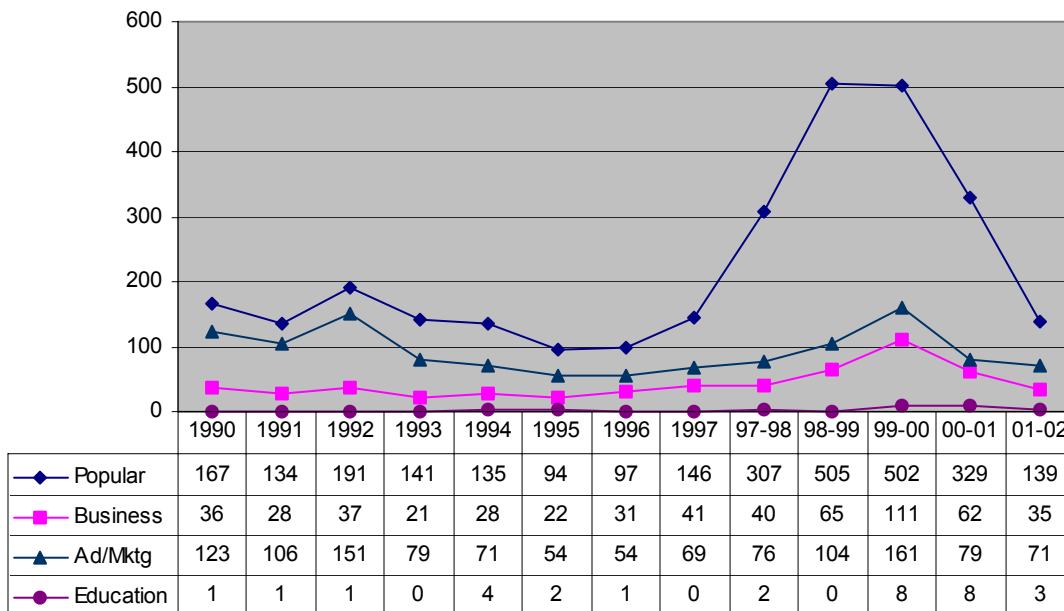
Some corporate lesson plans came under more scrutiny, however. The lumber company Weyerhaeuser pays teachers to join the company’s science center for six weeks a summer as researchers, and the industry group Pacific Logging Congress distributes brochures and photos purporting to depict “environmentally responsible clear cuts.” As one critic noted: “If you just start educating people at young ages around these facts, then they accept it as truth.”<sup>38</sup>

## **6. Electronic Marketing**

Electronic marketing citations showed a considerable decline from 2000-01 to

2001-02. The reason is not entirely clear. Certainly, the retrenchment in the Internet industry may offer one explanation. So too may its protean nature, as firms in the industry have consolidated, changed hands, and been replaced by new ones. Historically the EPSL/CERU search terms for this category have consisted in large part of the names of specific firms that, in such a fast-changing industry, have become obsolete as some of them have gone out of business. For that reason, the EPSL/CERU has undertaken a major revision of its search terms for the 2002-03 edition of the study, as outlined in Appendix B.

**Graph 6: Electronic Marketing**



Despite a decreasing number of citations, electronic marketing was far from absent. In Point Breeze, Pa., NetworkNext obtained signed contracts from 500 high schools by mid-2001 in which schools agreed to display “discreet” advertising messages from sponsors such as ketchup-maker H.J. Heinz Co., Wal-Mart, and Bank of America as teachers delivered lectures to students. The deal called for NetworkNext to provide free

mobile computer equipment to present Internet or PowerPoint presentations that would carry the advertising along with lecture content. The company announced a revenue goal of \$250 million within five years.<sup>39</sup> (A news report noted, but did not elaborate on, the fact that the company was focusing its largesse on “the nation’s wealthiest school districts.”<sup>40</sup>)

A handful of other instances of electronic marketing surfaced as well. Oracle Corp. updated its Think.com web service, which offers schools and students an advertising-free web site used for communication, web page hosting and creation, and group collaboration on projects.<sup>41</sup> Nuveen Investments launched a web site, Kid\$ense, billed as helping children learn more about money, which it promoted through elementary schools.<sup>42</sup>

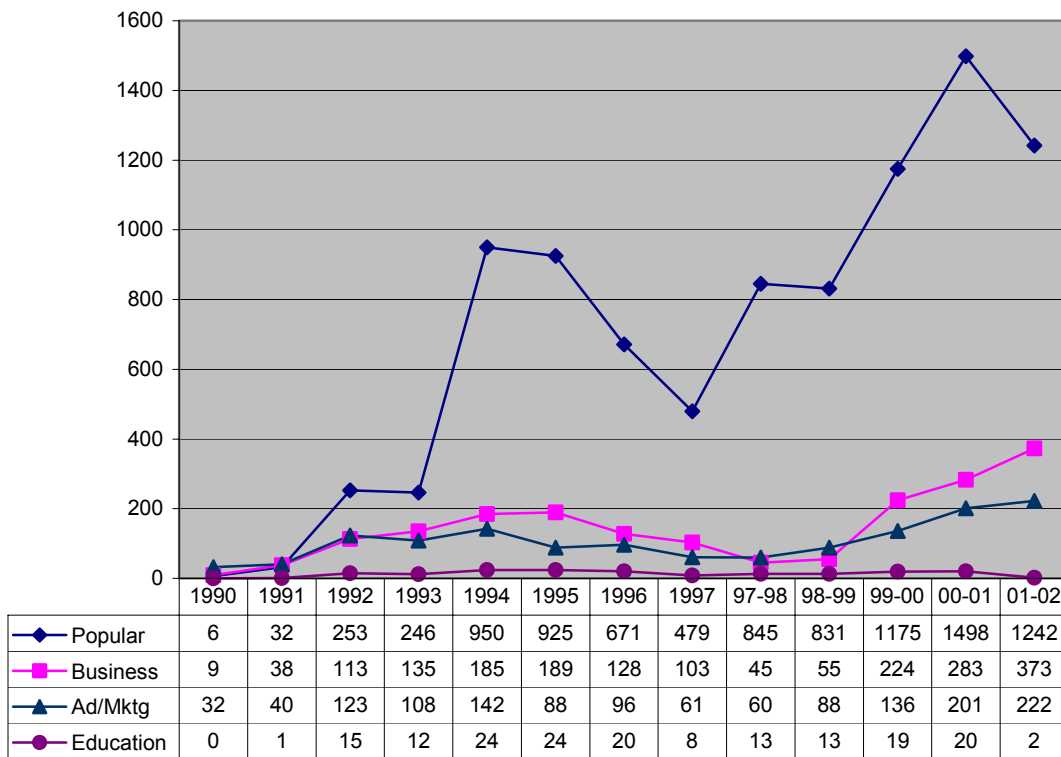
Meanwhile, criticism of such electronic marketing efforts began to become apparent. A report in *American Demographics* on the television industry’s efforts to provide “seamless” product placement noted the backlash against ZapMe!, the company that undertook a failed effort to provide free computers to schools in return for requiring them to flash banner ads at student users.<sup>43</sup>

Another emerging issue was a recurrent dissatisfaction with Primedia’s Channel One commercial television news service. Several reports took note of schools severing ties with the program.<sup>44</sup> In Colorado, meanwhile, questions were raised whether Channel One’s offer of a \$500 bonus to teachers who signed up new schools violated state ethics laws, which state that public employees, including teachers, “must not be ‘engaged as counsel, consultant, representative or agent’ to a business they deal with in an official capacity.”<sup>45</sup>

## 7. Privatization

Media reports on privatization in the 12 months from July 2001 through June 2002 declined slightly from the previous 12-month period. Perhaps more importantly, the focus of those reports shifted significantly as events unfolded during the year.

**Graph 7: Privatization**



Citations on privatization focused on for-profit corporations operating public schools and charter schools.<sup>46</sup> Much of the reporting covered continuing controversy surrounding Edison Schools. Edison was repeatedly in the news during the period under study, and the news often was unflattering for the nation's largest operator of for-profit schools. In the closing months of 2001, in particular, coverage was dominated by the company's bid to privatize Philadelphia schools under a plan endorsed by the governor of

Pennsylvania. The company was ultimately denied the opportunity to run more than half of the schools it bid on.<sup>47</sup>

Edison coverage in 2001 and 2002 also produced repeated instances of dissatisfied school districts. In Wichita, Kan., school board members and the district superintendent complained about dropping enrollment, high teacher turnover, and poor test results, with two of four Edison-operated schools showing less improvement than most other elementary schools in the district.<sup>48</sup> Failure to negotiate a timely agreement blocked an Edison takeover of two schools in Jefferson Parish, Louisiana, in 2001.<sup>49</sup>

Local and state authorities often were divided over dealings with Edison. In York, Pa., a state Charter School Appeal Board overruled the local district's opposition to Edison's management of a charter school, allowing the Edison school to remain open.<sup>50</sup> In San Francisco, the state took over the charter-granting authority for the coincidentally named Edison Elementary School and allowed Edison Schools to continue managing it after the San Francisco school board moved to cancel the company's contract, citing a variety of objections.

Coverage in 2002 shifted when Edison's accounting procedures came under government scrutiny. The U.S. Securities and Exchange Commission in May announced Edison was settling a complaint charging that about half of the company's fast-growing revenue "consisted of money that its client school districts paid to others – teachers, bus companies and cafeteria vendors, for example—on Edison's behalf."<sup>51</sup>

Edison's strategic response is instructive in understanding the limits, even perhaps the inherent contradictions, in proposals to privatize public education. Before 2001-02, the company historically articulated its strategy as one based on economies of scale that



demanded sharp growth, although company officers' own statements about just how many schools it would need to turn a profit have been inconsistent.<sup>52</sup> The company's most recent troubles have led Edison executives to articulate an opposite strategy, cutting back growth targets for the company from 60 percent a year to about 30 percent, "so that it could both reduce the amount of cash it consumes and move toward making a profit."<sup>53</sup>

Both before and after the SEC's action against Edison, there was a sharp spike in coverage of the company, its continuing failure to turn a profit, disappointing test scores at a number of its schools, and its loss of contracts with client schools and school districts as a result.

Privatization coverage was not limited to Edison. Other for-profit companies, particularly those involved as contracted operators of charter schools, also turned up in citations. Many of those showed the industry in flux. Boston-based Advantage Schools, Inc., which lost several contracts in 2001,<sup>54</sup> was acquired by Mosaica Education Inc.<sup>55</sup> In another merger of EMO companies, Beacon Education Management acquired Chancellor Academies Inc. in January, 2002.<sup>56</sup>

The same kinds of fiscal problems that plagued Edison also affected Advantage Schools, Inc., albeit on a proportionally smaller scale. At the time of its takeover by Mosaica, Advantage reportedly had lost \$30 million since 1997.<sup>57</sup> Just before its acquisition, Advantage's contract to operate Victory Charter School in Fulton County, Ga., was cancelled; five other schools also broke their ties with the company.<sup>58</sup> In San Antonio, Texas, for example, the New Frontiers Charter School gave Advantage a three-year phase-out plan after student test scores fell short of expectations.<sup>59</sup>

Financiers, once enthusiastic in their support of school privatization, began to have second thoughts, as venture capitalists—generally the most daring investors—sharply curtailed support for education-related companies.<sup>60</sup>

For-profit management of charter schools has been the principal vehicle for privatization in recent years, but their future, and therefore the future prospects of privatization, is not entirely clear. Although not directly related to commercialization, there were signs of second thoughts about charters generally in some school districts and some states—concerns that have implications for the future growth of private companies managing charter schools. The Cache School District and the Alpine School District in Utah rejected charter applications, citing various reasons, including the potential cash drain on the districts that the charters would be feared to cause—estimated at \$500,000 to \$1.25 million in one case.<sup>61</sup> In Ohio, legislators debated changes in state charter laws after only 18 percent of 1,200 charter school fourth-grade students passed a statewide reading test in March 2001, compared with 56 percent of students in regular public schools.<sup>62</sup>

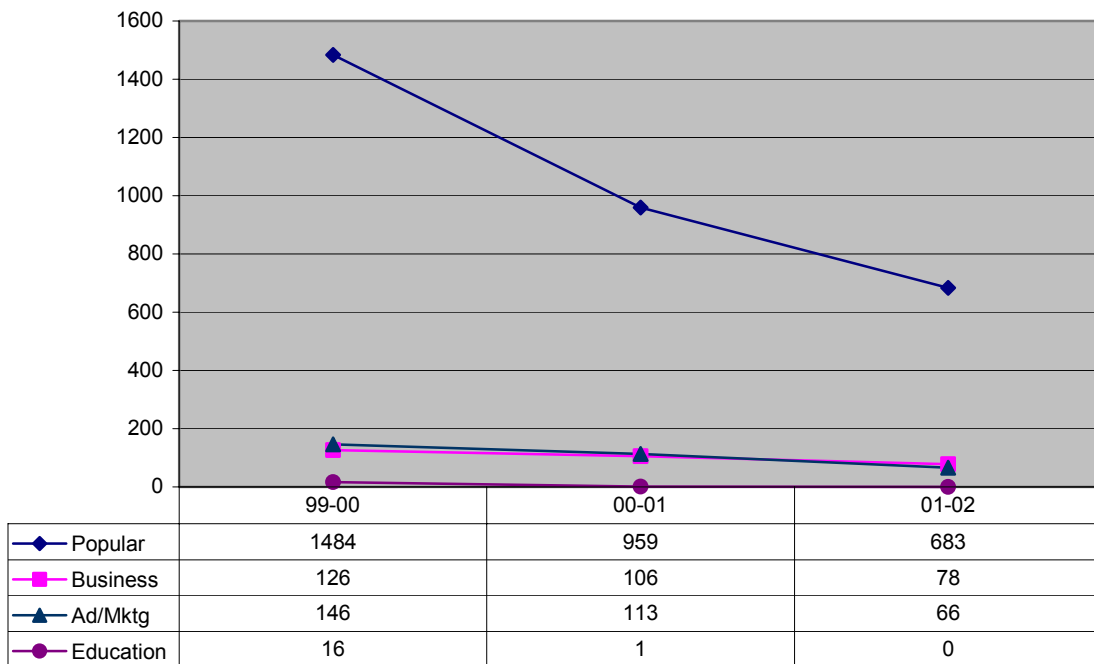
The political support for-profit firms continue to enjoy does not appear to be the result of either public pressure or impressive results. For example, the July 10, 2002, Education Week Poll found that only one percent of respondents choose letting for-profit companies run public schools as a reform priority compared with 29 percent who favored raising teacher quality.

In a September 2001 report, the Brookings Institution found that charter schools scored below average in tests of academic achievement.<sup>63</sup>

## 8. Fundraising

While citations of fund-raising references declined in 2001-02 from the previous year, the content of those citations show that corporations continue to be resourceful about funding new ways to turn schools' needs for financial resources to their own benefit.

**Graph 8: Fundraising**



General Mills expanded its long-standing fundraising program, which donates money to schools based on the number of special box top coupons that students turn in from General Mills products, to reward schools that boosted parental involvement.<sup>64</sup> The company further created an affinity Visa card that parents could use to charge purchases at grocery and other stores, thereby funneling additional corporate dollars to their designated schools.<sup>65</sup> Target, another long-time school sponsor, brought out a similar

Visa card.<sup>66</sup> New programs also are emerging that reward people for buying through certain retailers, many of which are on line, by donating funds to schools.<sup>67</sup>

In the Oregon community of Lake Oswego, the local chamber of commerce and area stores established a “scrip” program through which schools would buy for \$9.50 special checks good only at local stores and resell them to the public for \$10 to use to purchase goods worth that amount. Schools pocket the 5 percent difference.<sup>68</sup>

In November 2001, teachers from 230 Southern California schools and from hundreds of other schools in the west spent part of a day working for McDonald’s, with their schools taking 20 percent of the evening’s sales in return.<sup>69</sup>

As with other schoolhouse commercialism practices, however, fund-raising programs have started to spawn critics. In suburban Dallas, Duncanville superintendent Jerry Cook barred children below sixth grade from taking part in any fundraising, and older students from selling door to door. “I’m trying to wean us off of” fundraising, he said. “At some point, we’ve got to make sure that we’re using school time for what it’s intended for. And that’s learning, not selling.”<sup>70</sup>

For most of the last decade, media references to these eight forms of schoolhouse commercialism have been steadily rising. In 2000-2001 and 2001-2002, however, media citations in a number of categories have declined. Nevertheless, the number of citations found during 2001-2002 is greater than the number of citations recorded in 10 of the preceding 13 years studied.

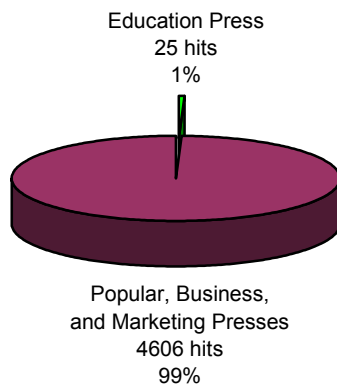
### **Who is Watching?**

The vast majority of citations used to compile this report, as in the past, came

from sources in the popular press. Trade publications associated with business, marketing, and advertising (a category that includes corporate press releases) also offered a respectable number of citations.

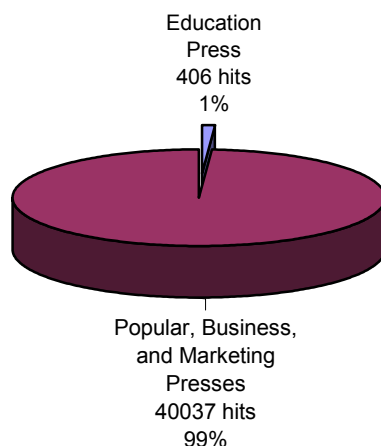
One branch of the press continues to be missing from the discussion. The education press—whose job is, after all, to monitor and report on trends in the field of education—accounted for a mere one percent of the citations compared with the three other presses (popular, business, and marketing) measured in this research.

**Total Hits in Education Press versus Three Other Presses,  
2001-2002**



This pattern is in keeping with that which has been observed over the 12-year period covered by CERU schoolhouse commercialism studies:

## Total Hits for Education Press versus Three Other Presses, 1990-2002



The absence of education-press citations on schoolhouse commercialism suggests yet again how common and even ordinary the practice has become. The failure on the part of educational researchers and the professional media to examine the importance and widespread nature of commercial activities in our schools, however, also leaves an unfortunate gap in our knowledge, one that it is hoped may be filled over time.

### Future Trends

As noted previously, with a few exceptions the overall number of citations to commercial activity shows signs of plateauing. It is possible that some commercial activity is abating, under pressure from local communities and activists opposed to the practice. Earlier this year, for instance, CNN, the operator of CNN Student News, which airs in high school classrooms, considered a plan to include limited commercial spots.<sup>71</sup> The spots were described by one critic as resembling corporate underwriting announcements that now precede most Public Broadcasting Service shows.<sup>72</sup> However,

after a campaign by the California-based Center for Commercial-Free Public Education,<sup>73</sup> the Alabama-based watchdog group Obligation, and others, CNN withdrew the proposal.<sup>74</sup>

In Seattle, meanwhile, grassroots organizers helped prod school board members to phase out the commercial news program Channel One and to sharply limit in-school advertising on soft-drink machines.<sup>75</sup> In acting, the board did not go as far as some in the community wished, but the school district's action represented a U-turn from just five years ago, when the district welcomed expanded advertising to raise money. The Washington State Democratic party picked up on the theme as well, and in June added to its platform a statement opposing "the commercial exploitation of students in our schools" in the state.<sup>76</sup> And as has already been noted, California legislators sought to tax soft-drink syrup and use the proceeds to fund anti-obesity programs for children.<sup>77</sup>

In suburban Los Angeles, where 15 high school teams were sponsored by shoe companies Nike and Adidas, who provided free shoes to some players and full outfits worth \$1,300 per player to a few teams, conference athletic officials began looking at ways to curtail such corporate involvement.<sup>78</sup>

And in a puckish rejoinder to corporation-sponsored contests requiring students to write essays or schools to undertake various projects, Commercial Alert, a non-profit group opposed to school advertising, sponsored a contest offering \$5,000 to the school finding "the best and most creative way to remove advertising and commercialism from the school."<sup>79</sup>

While the success of efforts to resist and even to roll back schoolhouse commercialism is certainly noteworthy, and the difficulties they encounter, indicate just

how embedded commercial activity in our schools has become. Practices that have an air of inevitability and even common sense to not readily lend themselves to being dismantled.

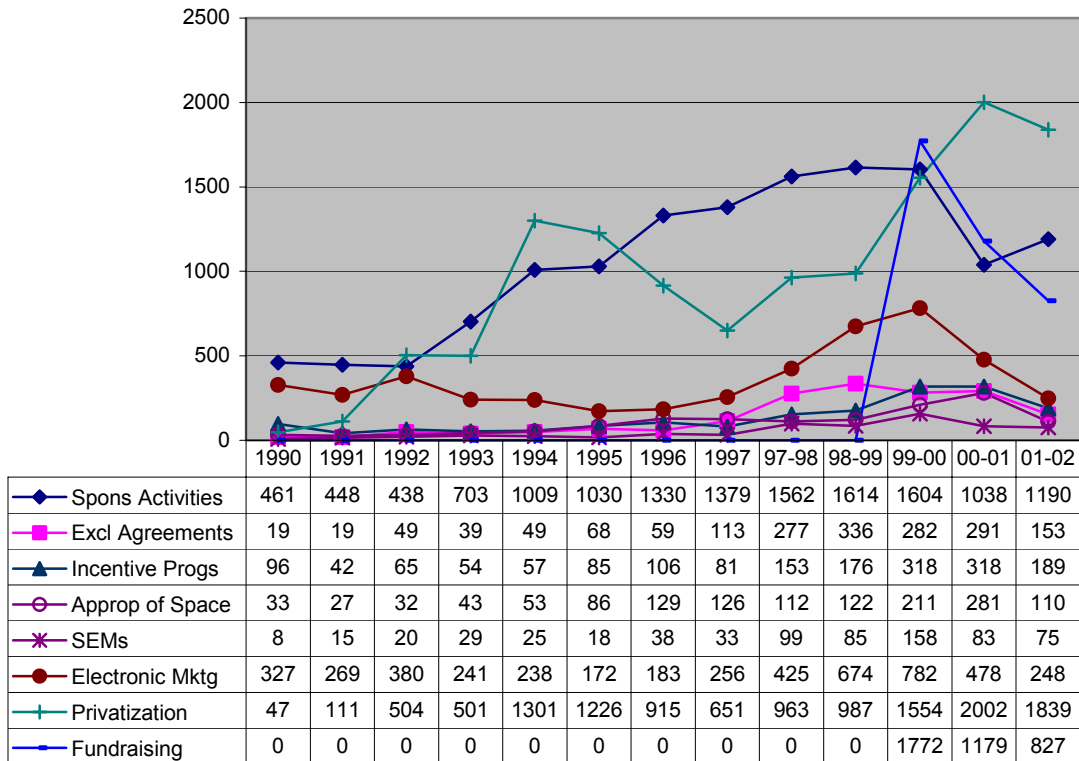
Moreover, commercial involvement in education has become a global phenomenon. In Indonesia, multinational oil refining firms are building schools and sponsoring their curricula. A foundation set up by the Australian mining company Rio Tinto is sponsoring a school health curriculum that purportedly teaches children “how to stay healthy and to identify the common disease in their environment.”<sup>80</sup> In China, domestic firms have formed seeking to privatize education,<sup>81</sup> and American firms are attempting to form partnerships with them.<sup>82</sup>

### ***Schoolhouse Commercialism: In Decline?***

Schoolhouse commercialism continues to show new variations with each passing year, and 2001-02 was no exception. In that light, an overall decline in the number of citations of commercial activity would seem to be inconsistent and demands an explanation.



**Graph 9: Overall Trend, By Commercializing Activity,  
All Presses 1990-2002**



The most likely explanation is that the decline results from a technical artifact that may be corrected with the use of revised and updated search terms, as noted in Appendix B. Trends report research turned up a variety of types of commercial marketing in schools the are outside of the eight categories. One example is the firm Field Trip Factory ([www.fieldtripfactory.com](http://www.fieldtripfactory.com)), which provides schools free field trips to commercial establishments such as pet stores in the name of teaching about academic subjects such as “animal welfare.” Similar developments may have either eluded EPSL/CERU media database searches, or, if found, did not fit clearly into one of the eight categories currently being tracked. One particular category that may be vulnerable to this tracking difficulty is Electronic Marketing, in which search terms include specific names of companies

involved in an industry segment where the names of participating firms changes rapidly.

To a lesser extent, the decline in citations may reflect the events of Sept. 11 and following, as the news media turned their attention to a narrower list of topics revolving around the War on Terrorism. The decline, however, also suggests just how embedded in the lives of children—and of the society at large—schoolhouse commercialism has become: so woven into the fabric of the culture that it is no longer an occasion for remark.

Using secondary sources such as media reports is a valuable tool for tracking the growth of schoolhouse commercialism, and has given us a benchmark for understanding the phenomenon. At the same time, the technique has limitations, for the reasons already suggested. It cannot be a substitute for a detailed, direct survey of schools or school districts that includes on-site visits and interviews, which would provide a more precise understanding of the extent of commercialism in schools and its effects on students and on the quality of education.

Regardless of the exact numbers and means of measuring schoolhouse commercialism, however, it seems clear that the practice is becoming ever more pervasive, so that commercial activity has become as much of the atmosphere in the child's experience of school as chalk dust. Yet the saturation of public schools with commercial activity should at the very least give us cause for concern about the propriety of making our public institutions of learning so accessible to private companies whose primary motivation is enhancing their own profits.

No public sources or agencies directly measure the frequency or volume of commercial activities in our schools. The data that do exist are generally proprietary and scattered, resting in the closed books of corporations with neither an obligation nor a

willingness to share them. In such an environment, it is easy to imagine unethical and harmful behaviors that can take place. Recent revelations of widespread and illegal corporate behavior at corporations such as Enron, WorldCom, and Arthur Andersen present a cautionary tale. These and other such scandals have in common the lack of transparency with which they took root and flourished. Corporate entanglement with schools, similarly obscured from public scrutiny, presents a similar risk for waste, fraud, abuse, and scandal.

## **Conclusion**

If the ploys of marketers are embedded in the lives of schoolchildren, what are we teaching them?

The lessons are many, and they would seem to undermine the values commonly associated with public education. Corporate curricula that promote distorted views of important social issues do not promote critical thinking. Adding schools to the long list of public spaces that have been given over to the aesthetics and the principles of the marketplace likely encourages the reduction of all questions to issues of buying and selling. The end result seems likely to produce a society of pliant shoppers valued mostly for what they can buy rather than one of independent thinkers who can build and maintain a democracy.

The man behind the Brooklawn, N.J., school's decision to sell naming rights for its gym to the ShopRite supermarket was not unmindful of its impact. Superintendent John Kellmayer acknowledged that selling a school's naming rights represented "the privatization of public responsibility." He added: "We'll be the first school district to be

branded with a corporate logo. You hope children can become sophisticated enough to deal with it.”<sup>83</sup>

Such “sophistication” may have its price, however. We might just as well say that we hope our children become cynical enough to dismiss such adult behavior with a wink and a nod. At a time when adults talk at length about the need to teach virtue and character in the schools, incidents such as these teach children volumes about what adults actually mean by “virtue” and “character.”

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