Creating Effective Business-Education Partnerships

By Tim Weldon [1]
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"Corporate Foundations: Distribution of Grants by Recipient Type (2009) [4]"

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The U.S. Bureau of Labor Statistics reported more than four unemployed workers were available for every job opening in the U.S in March 2011. Conventional wisdom would seem to suggest employers should have little trouble finding skilled workers. Conventional wisdom, however, would be wrong in this case.

Take GenMet, a metal fabricating business located north of Milwaukee, Wis., for example. Company President Mary Isbister points out GenMet employs 70 workers and could double its revenue if only she could hire an additional 20 workers. The problem isn’t coming up with the money to employ the additional people; it’s finding welders and laser cutters with the skills to work at her two plants.

Isbister’s problem points to the looming issue that merely having a high school diploma isn’t enough to be qualified even for many blue-collar jobs in today’s workplace. Today’s high-tech job market now requires a higher level of analytical reading, writing and math than the same jobs 10 or 20 years ago.

“Most of our equipment is highly automated, so there’s a computer interface. And there’s a basic mechanical understanding that’s required in order to operate this equipment,” Isbister said. “We have highly automated brake presses where parts are programmed into the equipment, where you need to be able to have higher level math skills to do things like that.”

James Applegate, senior vice president at the Lumina Foundation, says 63 percent of jobs in the U.S. by 2018 will require some type of postsecondary credential or degree. “If you do not meet this need,
you will not be part of the economic recovery,” he said. “Not only will you not attract new upper level jobs, you will begin to lose the employers who need these educated people, which are the better jobs in your economy.”

Now, with many states facing stagnant or reduced funding for K-12 and postsecondary education, policymakers should be aware of the role businesses play in public education, the way the private sector views its support for public education, and the steps states can take to develop partnerships between education and the private sector.

**Ways Business Supports Education**

During the 2007-08 school year, public elementary and secondary schools received nearly $12.5 billion from private sources, which ranged from booster club bake sales to large grants from Fortune 500 corporate foundations. Although clearly a substantial sum, private-source funding accounts for only 2.1 percent of all K-12 funding nationwide.¹(See Table 1 [3] for a state-by-state breakdown of private sector education funding.)

In the past two decades, the educational revenue from nongovernment sources has doubled. Federal, state and local education funding, however, has outpaced the increase in private giving. As a result, the percentage of total education funding derived from the private sector has actually declined slightly, from 2.7 percent two decades ago.² Now, with education funding stagnant or even falling in many states, revenue from the business community is more critical than ever.

In February 2011, Illinois School Superintendent Christopher Koch said he hoped to raise $80 million in private support and grants during the next four years to support reforms that include using student performance in teacher evaluations and preparing principals to work in high-poverty schools. The Chicago Tribune quoted Koch as saying, “Despite the fact we’re in the financial crisis we’re in, that can also create an atmosphere for change. We’re trying to seize that.”³

Business-education partnerships range in size from corporate foundations linked to Fortune 500 companies to small, community-based businesses. General Electric contributed nearly $50 million in grants to education entities in 2009—more than half of its total 2009 giving. Also in 2009, the Intel Foundation provided $5.73 million in education funding. In 2008, the Bayer Foundation donated $1.09 million to education, primarily supporting postsecondary education in the Pittsburgh area. In 2011, Bayer’s foundation pledged more than $1 million to STEM (science, technology, engineering and math) education programming, supporting large programs in California, Missouri and Pennsylvania. Also in 2008, Comcast awarded $1.75 million in grants for education.⁴

Education funding, in fact, has become one of the top philanthropic priorities for corporate foundations. In 2009, education accounted for nearly one-third of all corporate foundation giving. The 100 largest foundations in this country awarded more than 11,000 grants to educational institutions, totaling $3.8 billion—more than the amount awarded to any other category. More than half of the foundational support (55 percent) went to colleges and universities, which was more than three times the amount given to K-12 schools (See Table 2 [4]).⁵

Mega-grants from corporate foundations may grab headlines, but smaller and less-publicized business-education partnerships also provide vital services to schools and their students. These include:

- Making personnel available to speak to student groups;
- Providing job shadowing opportunities to enable students to explore career opportunities in the workplace;
• Providing job internships for students;
• Mentoring students in a career pathway;
• Providing opportunities for students to visit worksites during field trips;
• Sponsoring summer camps; and
• Supporting school-based activities and clubs.

Businesses and schools have had informal relationships since at least the late 19th century, although they didn’t formalize the partnerships until the late 1970s.6 During the 1980s, the number of business-education partnerships proliferated. From 1983-84 to 1987-88, the number of business-education partnerships in the country increased from 42,200 to more than 140,000, according to one study.7

The K-12 Partnership Report, a newsletter providing information to education and business leaders interested in building strong and sustainable partnerships, points out most business-education partnerships focus on improving student outcomes through engagement at the classroom or individual student level.8 Businesses also can work with education leaders to recommend ways to increase efficiencies in school operations.

One example of this is Operation Excellence, a program of the Montgomery County (Md.) Business Roundtable for Education. Operation Excellence, a partnership initiated in 2002 between Montgomery County’s business community and the local public school district, revealed several areas of excessive spending in the school district’s operations. Consequently, the district implemented new, more efficient building maintenance policies, resulting in a cost savings that enabled the district to keep the same number of maintenance staff since 2003, despite adding 6 million square feet of facility space.8

**STEM Becomes High Priority**

Support for STEM education has bubbled to the top of numerous foundations’ corporate giving. The reason for this is clear. In 2009, just 34 percent of U.S. eighth-graders were rated proficient or higher on the mathematics portion of the National Assessment of Educational Progress and more than 25 percent scored below the basic level.9

In the 2009 Program for International Student Assessment, U.S. high school students ranked 17th in science and 25th in math among 34 nations belonging to the Organization for Economic Cooperation and Development.10 Add to this a prediction the U.S. will face a shortage of 3 million workers with two- and four-year college degrees by 2018, and it is easy to understand the business community’s keen interest in taking steps to ensure students receive a strong foundation in STEM courses.11

“When you look at STEM education, private companies assist to create a great number of jobs and also high-wage opportunities for the citizens,” Cameron Evans, U.S. chief technology officer for Microsoft, said. “Every state needs to have a strong population of citizens that can help those states be economically viable going forward in the future. STEM education does that. And the more people who we can foster in that particular direction, the better it is for every state government.”

To address the need for higher quality STEM programs, in 2010 President Obama and more than 100 corporate CEOs announced the creation of Change the Equation, a business-government partnership dedicated to furthering STEM education through corporate giving and advocacy. Change the Equation professes the U.S. is at a tipping point in technological innovation and that STEM education is an economic imperative. Change the Equation is helping increase the participation in STEM with programs that fund Advanced Placement classes in math and science. And it isn’t just older students who are benefitting from the investment in STEM education. Google, Intel and Cisco, among other companies, have funded a program that focuses on engineering in K-5 public schools.
“The STEM workforce grows at an annual rate of about 6.2 percent per year,” said Change the Equation CEO Linda Rosen. That’s nearly four times the growth rate of the total workforce. “Our companies are concerned about their workforce, there’s no question about that. They would prefer to hire Americans and that’s part of their motivation in coming to the table under Change the Equation.” Rosen added that each of the 30 fastest-growing professions in the U.S. require strong science literacy skills just for job entry.

Sometimes, corporate support takes the form of grants; other times it involves providing resource materials and a wide array of services to K-12 and postsecondary schools. For instance, Bayer’s foundation pledged more than $1 million to STEM education programming in 2011, including to large programs in California, Missouri and Pennsylvania. Bayer also offers a how-to business-education partner guide titled “Building a Diverse U.S. STEM Workforce: Perspectives on Creating Successful Business Education Partnerships.” It synthesizes the major findings and ideas that emerged during a series of national forums conducted by Bayer in 2006 and 2008.

Despite the willingness of the business community to support schools that are struggling to provide students with quality STEM education, corporate foundations should take a closer look at how their money is being used, according to Rosen. “From Change the Equation’s point of view,” she said, “not all (business) investments are yielding a good return because the needle hasn’t changed very much in STEM education. So (corporate CEOs) banded together in Change the Equation to help our member companies become smarter about their investments.”

**Motives For Corporate Giving**

Detroit Public Schools, facing a $327 million deficit, received word in April 2011 that the United Way was using a $27 million gift from the General Motors Foundation to pay for a program aimed at reducing the dropout rate at seven metro Detroit high schools. Detroit Public Schools’ track record has included a soaring dropout rate, poor student achievement and allegations of misuse of funds involving some school system administrators. Despite that history, General Motors made its largest corporate gift ever in an effort to give students a quality education and keep them working in Detroit and in the auto industry, said GM’s North America President and foundation board member Mark Reuss.

“That is selfish, but that is our vision of moving forward,” Reuss was quoted in an article in The Detroit News. “We need to help students here succeed, and we need to make sure that the students who do succeed stick around to help the city rebuild.”

In GM’s case, the auto giant viewed its gift of $27 million as an investment to ensure a stable and well-educated workforce in the future. Brett Pawlowski, president of DeHavilland Associations and publisher of the K-12 Partnership Report, said corporations benefit in numerous ways by supporting public education, including improved public relations and creating community goodwill.

He also points out the human resource benefits of corporate gift-giving. “Employees who volunteer have higher morale,” Pawlowski said. “They stay with the company longer. It’s easier to hire new employees if they have a positive image. There are certainly brand benefits. It’s an opportunity for talent development for the companies.”

AT&T in 2008 launched its Aspire initiative, a $100 million effort to address the high school dropout crisis and help strengthen student success and workforce readiness. It is the largest education initiative in AT&T’s history.
“This initiative is our commitment to helping the next generation aspire to do great things,” said AT&T Chairman and CEO Randall Stephenson. “Investing in a well-educated workforce may be the single most important thing we can do to help America remain the leader in a digital, global economy.”

“Enlightened self-interest” is how Susan Traiman, director of public policy for The Business Roundtable, another association of chief executive officers from leading U.S. companies, describes the motives for corporate giving. “As far as the workforce, today’s students are tomorrow’s workforce,” she said. “If they come to a job in need of remediation for what they should have learned in school, that’s an additional cost.”

What States Can Do

Like many states, Colorado has experienced waves of budget cuts to K-12 education, including $260 million last year and $228 million this year. “Next year it will be another drastic cut,” Rep. Nancy Todd said. “So those partnerships are extremely important, especially in the math and science areas.”

While it’s unlikely the private sector will come close to filling all the existing education budget holes, states are taking steps to tap into business resources to the greatest extent possible. Business coalitions are also taking more active roles in several states to provide funding and services to public schools and postsecondary institutions.

Here are some efforts states are making to encourage more partnerships between public education and the private sector.

Create Business-Education Councils

In several states, governors have appointed task forces that bring together leaders from the education and business communities to discuss how both groups can work collaboratively to improve education. A prime example of this is a task force Maryland Gov. Martin O’Malley appointed in September 2008. He charged the STEM task force with making recommendations to establish Maryland as a global leader in the development of its future workforce, its STEM-based research and economic development infrastructure.

Released in August 2009, the task force’s final report made seven recommendations, including increasing the number of Maryland teachers in STEM fields, aligning P-12 STEM curricula with college requirements and workplace expectations, and providing STEM internships and lab experiences for high school and college students to jumpstart a successful transition to the workplace.

June Streckfus, executive director of the Maryland Business Roundtable for Education, said state policymakers are in the process of implementing several of the task force’s recommendations. One suggestion provided the foundation for the STEM component of Maryland’s successful Race to the Top application in 2010. She also pointed out the Maryland Department of Education is in the process of implementing an aligned curriculum between P-12 and postsecondary education, as called for in the report. Also, one indicator used to evaluate university presidents in the future will be based on whether they meet targets set for the number of students graduating in STEM fields.

Washington Gov. Christine Gregoire also created an independent task force in 2010, this one focusing on postsecondary education funding. Her concept was to use the state’s business and education expertise to help develop a viable and sustainable funding strategy for higher education and to recommend ways to improve accountability and performance in the state’s public four-year higher education institutions. The task force presented its recommendations to the governor in January 2011. The task force was led by representatives from several of the state’s leading businesses and industries.
Washington ranks fourth in the country in technology-based companies, but just 46th in participation in science and engineering education programs, according to the Washington STEM Initiative.\textsuperscript{15} The initiative, however, has spent the past year trying to turn that around. Its first round of grants from the private sector, totaling $2.4 million, have been handed out to 15 educators, schools and K-12-focused nonprofit organizations in the state.\textsuperscript{16}

**Support Business Coalitions**
In many states, businesses are not waiting for an invitation from state policymakers to create business-education partnerships. The corporate sector often is taking the lead in forming coalitions to support education in their states. These initiatives can provide insightful recommendations for state education decision-makers.

For instance, four business coalitions in Oregon joined forces in December 2010, creating the Joint Business Association Task Force on Higher Education to raise awareness of the need for a stronger postsecondary education system. The task force consists of members of Associated Oregon Industries, the Oregon Business Association, the Oregon Business Council and the Portland Business Alliance. “The business community has a vested interest in a successful secondary education system,” the task force said in a press release. “Oregon’s economy relies on a highly skilled and trained workforce to meet the economic demands of the present and the future. Oregon’s economy also relies on an educational environment that fosters research and innovation as a key driver to attract new industry clusters.”\textsuperscript{17}

Texas has several business-education partnership organizations. The Texas Association of Business, which launched an education initiative in November 2010, advocates full funding of preschool programs as well as increased quality and accountability in early childhood education programs.

The Texas Business and Education Coalition has been an education advocate, influencing education policy in the Lone Star State for more than 25 years. In 1997, the National Alliance of Business recognized the Texas Business and Education Coalition with its first State Business Coalition of the Year Award.\textsuperscript{18}

The coalition’s portfolio of accomplishments includes influencing state policies related to accountability, learning standards, safe schools and The Texas Reading Initiative, which requires schools to assess each student’s reading development in kindergarten through second grade. Executive Director Ken Zornes says one of the organization’s top achievements has been creation of The Texas Scholar Initiative, which he says served at the model for the Texas Recommended High School Program, the default curriculum for Texas high school pupils.

Formed in 1989, the Texas Business and Education Coalition was the first statewide business-education partnership, according to Zornes. “TBEC has a good reputation as being nonpartisan and willing to look at every side of an issue,” he said. “I don’t know what the answer is for businesses, but our folks want to be involved, and from that we try to tell our legislators what we think should be done.”

**Other Policy Options**
Policymakers have, for the most part, refrained from allowing corporate sponsorship of school properties as a condition of receiving grants. But as scarcity for education funding grows, education leaders are considering the potential of advertising as an additional revenue source.

More school districts are utilizing school bus advertising to provide additional revenue to balance
budget shortfalls, USA Today reported. Arizona, Colorado, New Jersey, New Mexico, Tennessee and Texas allow school bus advertising. Florida, Kentucky, Oklahoma, Utah and Washington have recently considered legislation to permit the ads. On average, advertising on 100 school buses can generate $500,000 over four years.\textsuperscript{19}

Governors and other state policymakers also can encourage businesses in their states to adopt policies to match employees’ individual contributions to education programs. Businesses also can be encouraged to allow employee volunteering in education initiatives. The Hewlett-Packard Foundation, for instance, encourages employees to support K–12 schools, colleges and universities with equipment donations.

Through the Employee Product Giving Program, employees pay just 25 percent of the list price of an HP product and HP pays the remaining 75 percent for products donated to schools, colleges or universities. Since 2007, HP and its employees have donated $25 million worth of HP technology.\textsuperscript{20}

HP also encourages employees to support their favorite charitable causes, with the foundation matching employees’ donations dollar for dollar to eligible nonprofit organizations, up to $1,000. Since 2007, HP has donated a total of $23 million through the program to education and other nonprofit groups.

To promote volunteering companywide, HP offers all employees four hours of company time each month to devote to volunteer efforts. In 2010, this program launched with more than 4,500 HP employees leading the way by donating more than 100,000 hours of expertise to volunteer projects in local communities.\textsuperscript{21}

Research Provides Insights Into Business-Education Partnerships

Although business-education partnerships have existed for decades, very little research has been done into how these partnerships are structured and what types of relationships schools and districts have established with businesses. That changed in 2007 when DeHavilland Associates, in cooperation with the National School Foundation Association, surveyed more than 750 superintendents and other local education officials concerning different types of community/school partnerships.

School officials ranked individual businesses as the most important community partnership group, ahead of other well-established partners, such as parent organizations and booster clubs. Although school administrators ranked business coalitions like local chambers of commerce as fifth in terms of the importance of existing community partnerships, they ranked business coalitions first when asked to rank the importance of future community partnerships.\textsuperscript{22}

More than 70 percent of school officials also reported social networking as their primary vehicle to solicit partnerships, followed by facilitators, such as chambers of commerce, applying to public solicitations and initiating public communications. Only 12 percent responded that business partners, not the school districts, take the initiative to build a partnership. This finding indicates the need for the education community to take the lead role in building business-education partnerships. It also points out the importance of education agencies aggressively pursuing opportunities to partner with the business community.\textsuperscript{22}

“If ever there was a place for state policy to take effect, it would be this point. For 10 years there has been no coordinated effort to educate schools and districts and train people how to create good partnerships,” Pawlowski said. “There has been almost no activity at the state department of education level to engage people and show them how to go out into the community to develop these relationships, what sort of partnership models work, how to sustain partnerships, anything along
The Future Of Business-Education Partnerships
As the future of education funding becomes more worrisome, state and local education agencies will almost certainly need to create new business partnerships and to foster those that already exist.

One dilemma many education policymakers may face as they compete for finite resources from the private sector resembles the chicken and the egg question. In many cases, experts say, the business sector is more likely to invest resources in schools and states with proven track records for producing the kind of students their companies need. In many cases, though, schools with poor track records for student achievement and graduation rates are in more desperate need of private sector funding, but less likely to be able to obtain it.

The greatest challenge in school districts with high poverty levels, poor student achievement and high dropout rates may be convincing corporate foundations to see beyond the numbers and invest in their schools despite the poor educational outcomes of the past.

State and local education agencies also can bolster efforts to identify and successfully apply for private grants by hiring experienced development personnel. The ability to find opportunities for grants from foundations and the skills to write successful proposals cannot be understated.

Colorado Rep. Todd believes state departments of education should notify all school districts when funding opportunities arise. She also believes school districts can enter into partnerships to apply for grants that would benefit both districts.

Clearly, geography matters when it comes to receiving support from individual businesses and other community organizations. The 2007 survey by DeHavilland Associates found during the previous 12 months, 7 percent of urban schools and 5.6 percent of suburban schools had received at least $2 million in community support. No rural school district, however, reported receiving that amount, and only 3.3 percent of rural districts received more than $500,000. The better-funded states and public school districts typically can afford to hire well-qualified, full-time development personnel who know where to find education grants and how to apply for them successfully. On the other hand, smaller and poorer states and school districts are less likely to be able to afford experienced fundraisers. That means the more affluent states and districts are likely to continue receiving large grants from the business community while the poor will continue to be left empty-handed.

Showcase On Corporate Partner: Microsoft
When it comes to private support for STEM education, Microsoft is one of the giants in corporate giving. Eighty percent of the grants Microsoft awards for education initiatives involve STEM programs in elementary and secondary schools, as well as colleges and universities.

Cameron Evans, the company’s U.S. chief technology officer, explained an investment in STEM education helps to promote U.S. global competitiveness in technology-based industries such as Microsoft. “It helps stimulate a continuous pipeline of talent that helps this industry stay very innovative and continue to move forward with new opportunities and challenges that are in the world marketplace over time,” he said.

Some of Microsoft’s notable STEM education programs in K-12 schools include:
• Partners in Learning, a 10-year, nearly $500 million commitment, aims to help schools increase access to technology and use it more effectively in teaching. Since 2003, Partners in Learning has reached more than 177 million students, teachers and education policymakers in 112 countries.

• The Washington STEM Initiative, an effort formed in 2010, strives to improve student achievement and opportunity in science, technology, engineering and math. The initiative provides technical assistance, teacher training, access to STEM curricula and other resources to help spur innovation in Washington state’s K–12 education system. Microsoft, the Bill and Melinda Gates Foundation, The Boeing Company, Battelle, the Washington Roundtable and the Partnership for Learning are providing the critical initial support for these efforts.

• The DigiGirlz program, which started in 2000, helps dispel stereotypes associated with careers in technology. DigiGirlz Days and DigiGirlz High Tech Camps give high school girls a chance to learn about careers in technology, connect with Microsoft employees, and participate in hands-on computer and technology workshops hosted on many of Microsoft’s campuses around the world. Participants receive career planning assistance, explore technology and business roles, engage in thought-provoking exercises and become familiar with the latest software developments.

• The Microsoft IT Academy is a subscription-based program designed to help students build a successful future with the skills that employers demand. Microsoft IT Academy is a comprehensive program that helps support ongoing technology education for students, teachers and faculty. The program features access to software licenses, Microsoft E-learning, official Microsoft course materials and certifications.

The Microsoft Foundation also supports several STEM initiatives involving postsecondary education, including:

• The Imagine Cup competition calls on student programmers, designers and technologists to take on the global challenges identified in the United Nations Millennium Development Goals. The competition helps students strengthen technical, problem-solving and communication skills that can aid them in a future career.

• The Microsoft Students to Business, or S2B, program helps university students who are pursuing technology careers to connect with Microsoft partners and customers for entry-level positions and internships. Microsoft S2B provides training and certification opportunities as well as other resources that fuel innovation and help students gain the skills required to become more employable. Since 2006, the program has provided more than 300,000 students with new career skills and has led to internships and jobs for 15,000 students.

• DreamSpark offers university and high school students free downloads of professional Microsoft developer, designer and gaming software. Since 2007, DreamSpark has provided more than 2.5 million downloads. The program also offers online instructional resources, training videos, special offers on Microsoft Certified Technology Specialist exams and access to Microsoft IT Academy learning opportunities.


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**Showcase On Corporate Partner: Comcast**

In a push to promote digital adoption among low-income families who don't have personal computers or broadband Internet, Comcast is launching Internet Essentials. It will offer broadband Internet service and computers at reduced rates to families with at least one child eligible for free school lunch through the National School Lunch Program. That rate will remain in effect as long as the student continues to be eligible.

The role the Internet plays today in the classroom, workplace and at home cannot be understated. For students, the Internet is the dictionary, encyclopedia, library and tutor all rolled into one. For their
teachers, it provides new tools and resources without adding new budget items. For families, the Internet allows them to track and participate in their child’s education.

“We’re living in a digital age. Everyone needs to be connected,” said David Cohen, Comcast executive vice president. “To get by in the world today, you have to be Internet savvy. This is a game changer. By working together, government and the business community can leverage this innovative, competitive solution to the problem of broadband adoption.”

Comcast will launch Internet Essentials during the 2011-12 back-to-school season and will be available to as many as 6.6 million students in 4,400 school districts across the 39 states served by Comcast.

For more information, visit www.internetessentials.com [5].

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