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New Study Finds Math Score Gains at Philadelphia Schools Operated by For-Profit Managers

No test score gains identified at schools managed by non-profit organizations

Cambridge – Students at 30 of Philadelphia’s lowest performing schools placed under the direction of for-profit education companies learned more in math, after three and four years, than would have been expected had schools remained under district management. A new study released by the Kennedy School of Government’s Program on Education Policy and Governance (PEPG) at Harvard University also found gains in reading scores, but those gains were not different from expected at statistically significant levels.

Working with test-score information for individual students supplied by the School District of Philadelphia, PEPG director Paul E. Peterson, the Shattuck professor of government, and research fellow Matthew M. Chingos estimated the impact of for-profit and non-profit management over the four-year period between 2003 and 2006.

“The impact of for-profit management on math performance is really quite large. Average scores jumped by roughly two-thirds of a year of additional learning over the four-year period of time,” Peterson said.

At the request of the state in the summer of 2002, the School District of Philadelphia asked for-profit and non-profit managers to participate in a substantial restructuring of its lowest performing schools under the overall direction of the Philadelphia School Reform Commission (SRC). Initially, the plan was to involve only for-profit firms but the SRC later decided to place some schools under non-profit management in order to ascertain which form of management was most effective. The School District also restructured a number of its own schools and gave sixteen others (known as the “sweet sixteen”) extra resources.

In contrast to the positive impact of for-profit management, the performance of students at Philadelphia schools managed by non-profit organizations generally fell below what would have been expected had the schools remained under district management, though the differences were not statistically significant.

No significant impacts were observed on student performance in either reading or math from giving extra resources to the “sweet sixteen” schools or from the restructuring undertaken by the School District itself.

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In math, students at schools managed by for-profit firms outperformed, after four years, the schools managed by the non-profits by a full year’s worth of learning. “We were surprised at the sharp difference in the performance of the for-profit and non-profit managers,” Chingos commented.

Peterson and Chingos tracked the performance of students in math and reading over the period between 2001 and 2006. Of the 30 schools under for-profit management included in the study, 20 were managed by Edison, five by Victory, and five by Chancellor Beacon. Of the 16 non-profit schools included in the study, five were managed by foundations, three by the University of Pennsylvania, five by Temple University, and three by Universal.

The research was funded by the U. S. Department of Education’s Institute of Education Sciences as well as by grants from the John M. Olin Foundation, the Lynde and Harry Bradley Foundation, and Edison Schools.

The complete study is posted on the website:

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