Was the $5 Billion Worth It?

A decade into his record-breaking education philanthropy, Bill Gates talks teachers, charters—and regrets.

By JASON L. RILEY

"Seattle

"It's hard to improve public education—that's clear. As Warren Buffett would say, if you’re picking stocks, you wouldn't pick this one." Ten years into his record-breaking philanthropic push for school reform, Bill Gates is sober—and willing to admit some missteps.

"It's been about a decade of learning," says the Microsoft co-founder whose Bill and Melinda Gates Foundation is now the nation's richest charity. Its $34 billion in assets is more than the next three largest foundations (Ford, Getty and Robert Wood Johnson) combined, and in 2009 it handed out $3 billion, or $2 billion more than any other donor. Since 2000, the foundation has poured some $5 billion into education grants and scholarships.

Seated in his office at the new Gates Foundation headquarters located hard by the Emerald City's iconic Space Needle, Mr. Gates says that education isn't only a civil-rights issue but also "an equity issue and an economic issue. . . . It's so primary. In inner-city, low-income communities of color, there's such a high correlation in terms of educational quality and success."

One of the foundation's main initial interests was schools with fewer students. In 2004 it announced that it would spend $100 million to open 20 small high schools in San Diego, Denver, New York City and elsewhere. Such schools, says Mr. Gates, were designed to—and did—promote less acting up in the classroom, better attendance and closer interaction with adults.

"But the overall impact of the intervention, particularly the measure we care most about—whether you go to college—it didn't move the needle much," he says. "Maybe 10% more kids, but it wasn't dramatic. . . . We didn't see a path to having a big impact, so we did a mea culpa on that." Still, he adds, "we think small schools were a better deal for the kids who went to them."

The reality is that the Gates Foundation met the same resistance that other sizeable philanthropic efforts have encountered while trying to transform dysfunctional urban school systems run by powerful labor unions and a top-down government monopoly provider.

In the 1970s, the Ford, Carnegie and Rockefeller foundations, among others, pushed education "equity" lawsuits in California, New Jersey, Texas and elsewhere that led to enormous increases in state expenditures for low-income students. In 1993, the publishing mogul Walter Annenberg, hoping to "startle" educators and policy makers into action, gave a record $500 million to nine large city school systems. Such efforts made headlines but not much of a difference in closing the achievement gap.
As asked to critique these endeavors, Mr. Gates demurs: "I applaud people for coming into this space, but unfortunately it hasn't led to significant improvements." He also warns against overestimating the potential power of philanthropy. "It's worth remembering that $600 billion a year is spent by various government entities on education, and all the philanthropy that's ever been spent on this space is not going to add up to $10 billion. So it's truly a rounding error."

This understanding of just how little influence seemingly large donations can have has led the foundation to rethink its focus in recent years. Instead of trying to buy systemic reform with school-level investments, a new goal is to leverage private money in a way that redirects how public education dollars are spent.

"I bring a bias to this," says Mr. Gates. "I believe in innovation and that the way you get innovation is you fund research and you learn the basic facts." Compared with R&D spending in the pharmaceutical or information-technology sectors, he says, next to nothing is spent on education research. "That's partly because of the problem of who would do it. Who thinks of it as their business? The 50 states don't think of it that way, and schools of education are not about research. So we come into this thinking that we should fund the research."

Of late, the foundation has been working on a personnel system that can reliably measure teacher effectiveness. Teachers have long been shown to influence students' education more than any other school factor, including class size and per-pupil spending. So the objective is to determine scientifically what a good instructor does.

"We all know that there are these exemplars who can take the toughest students, and they'll teach them two-and-a-half years of math in a single year," he says. "Well, I'm enough of a scientist to want to say, 'What is it about a great teacher? Is it their ability to calm down the classroom or to make the subject interesting? Do they give good problems and understand confusion? Are they good with kids who are behind? Are they good with kids who are ahead?"

"I watched the movies. I saw 'To Sir, With Love,'" he chuckles, recounting the 1967 classic in which Sidney Poitier plays an idealistic teacher who wins over students at a roughhouse London school. "But they didn't really explain what he was doing right. I can't create a personnel system where I say, 'Go watch this movie and be like him.'"

Instead, the Gates Foundation's five-year, $335-million project examines whether aspects of effective teaching —classroom management, clear objectives, diagnosing and correcting common student errors—can be systematically measured. The effort involves collecting and studying videos of more than 13,000 lessons taught by 3,000 elementary school teachers in seven urban school districts.

"We're taking these tapes and we're looking at how quickly a class gets focused on the subject, how engaged the kids are, who's wigging their feet, who's looking away," says Mr. Gates. The researchers are also asking students what works in the classroom and trying to determine the usefulness of their feedback.

Mr. Gates hopes that the project earns buy-in from teachers, which he describes as key to long-term reform. "Our dream is that in the sample districts, a high percentage of the teachers determine that this made them better at their jobs." He's aware, though, that he'll have a tough sell with teachers unions, which give lip service to more-stringent teacher evaluations but prefer existing pay and promotion schemes based on seniority—even though they often end up matching the least experienced teachers with the most challenging students.

Teachers unions can be counted on "to stick up for the status quo," he says, but he believes they can be nudged in the right direction. "It's kind of scary for them because what we're saying is that some of these people
shouldn’t be teachers. So, does the club stand for sticking up for its least capable member or does it stand for excellence in education? We’ll, it kind of stands for both."

Asked if the National Education Association and the American Federation of Teachers have any incentive to back school reforms that help kids but also diminish union power, Mr. Gates responds by questioning the scope of that power. "We have heavy union states and heavy right-to-work states, and the educational achievement of K-12 students is not at all predicted by how strong the union rules are," he says. "If I saw that [right-to-work states like] Texas and Florida were running a great K-12 system, but [heavy union states like] New York and Massachusetts have really messed this up, then I could draw a correlation and say it’s either got to be the union—or the weather."

Mr. Gates’s foundation strongly supports a uniform core curriculum for schools. "It’s ludicrous to think that multiplication in Alabama and multiplication in New York are really different," he says. He also sees common standards as a money-saver at a time when many states are facing budget shortfalls. "In terms of mathematics textbooks, why can’t you have the scale of a national market? Right now, we have a Texas textbook that’s different from a California textbook that’s different from a Massachusetts textbook. That’s very expensive."

A national core curriculum, detractors say, could force states with superior standards, like Massachusetts, to dumb down their systems. And even if good common standards could be established, how would they improve going forward if our 50-state laboratory is no longer in operation?

Mr. Gates responds to that by saying there’s no need to sacrifice excellence for equity. "Behind this core curriculum are some very deep insights. American textbooks were twice as thick as Asian textbooks. In American math classes, we teach a lot of concepts poorly over many years. In the Asian systems they teach you very few concepts very well over a few years." Nor does he see the need for competition among state standards. "This is like having a common electrical system. It just makes sense to me."

On the fraught issue of school choice, his foundation has been a strong advocate of charter schools, and Mr. Gates is particularly fond of the KIPP charter network and its focus on serving inner-city neighborhoods. "Whenever you get depressed about giving money in this area," he volunteers, "you can spend a day in a KIPP school and know that they are spending less money than the dropout factory down the road."

Mr. Gates is less enamored of school vouchers. "Some in the Walton family"—of Wal-Mart fame—"have been very big on vouchers," he begins. "And honestly, if we thought there would be broad acceptance in some locales and long-term commitment to do them, they have some very positive characteristics."

He praises the private school model for its efficiency vis-à-vis traditional public schools, noting that the "parochial school system, per dollar spent, is an excellent school system." But the politics, he says, are just too tough right now. "We haven't chosen to get behind [vouchers] in a big way, as we have with personnel systems or charters, because the negativity about them is very, very high."

It’s a response that in some ways encapsulates the Gates Foundation’s approach to education reform—more evolution, less disruption. It attempts to do as much good as possible without upsetting too many players. You can quibble with Mr. Gates about that strategy. You can second-guess him. You can even offer free advice. Or you can shake his hand, thank him for his time and remember that it’s his money.

*M. Riley is a member of The Journal’s editorial board.*