

How Corporations Are Buying Their Way into America's Classrooms

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When Susan Crockett walked Amy, her 8-year-old daughter, to her school bus stop last September, she was in for a surprise. The school bus that rolled up was covered with advertisements for Burger King, Wendy's and other brand-name products. A few weeks later, Amy, a third grader, and Crockett's three older children arrived home toting free book covers and school planners covered with ads for Kellogg's Pop-Tarts and Fox TV personalities. Then, in November, came news that local school officials were pushing a year-old contract giving Coca-Cola exclusive permission to sell its products in district schools. That was the last straw for Crockett.

"It really angers me that the school is actively promoting and pushing a product that's not good for kids," says Crockett, whose oldest child was a senior last year in the Colorado Springs, Colorado, schools system. "What's next. Will kids be required to wear Nikes before they are allowed to go to school?"

These days, lots of are asking that question.

Eager to attract a captive audience of young customers, almost every large corporation sponsors some type of in-school marketing program. Many also sponsor curriculum materials salted with brand names and corporate logos.... Throughout the nation, nearly 40 percent of schools begin their day with current events and commercials transmitted by Channel One, the in-school TV news program for teens. Started in 1989 by controversial entrepreneur Chris Whittle, Channel One is probably the best-known in-school marketing program, but more recent examples are even more alarming:

- An exercise book that purports to teach third graders math by having them count Tootsie Rolls.

- A classroom business course that teaches students the value of work by showing them how McDonald's restaurants are run.
- Multimillion-dollar contracts that have turned some schools into virtual sales agents for Coke and Pepsi.

Why the stampede into the classroom? "That's where the kids are," says Alex Molnar, director of the Center for the Analysis of Commercialism in Education at the University of Wisconsin, Milwaukee. "Companies like to say they are promoting education and school-business partnerships, but what they're really doing is going after the kids' market anywhere they can." Ira Mayer, publisher of *Youth Markets Alert*, an industry newsletter, notes that companies "want to get them started young—and hopefully keep them for life—that's what brand loyalty is all about." In 1997, children 4 to 12 spent an estimated \$24.4 billion, according to *American Demographics*. Last year, kids 12 to 19 spent an estimated \$141 billion, according to Teenage Research Unlimited. Meanwhile, many cash-strapped public schools find it difficult to resist corporate-sponsored advertising and handouts, especially when they come with free computers or new football stadiums and scoreboards.

Nowhere is the convergence of schoolhouse need and corporate greed more apparent than in Colorado Springs. At Palmer High School, students walk through hallways dotted with signs for national brands and local companies, eat in a snack bar sporting brand-new vending machines, use computers with ad-bearing mouse pads and play basketball in a gym decorated with banners of corporate sponsors.

"This was the first school district in the nation to offer advertising opportunities, and the results have been great for our students," said Kenneth Burnley,

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superintendent of Colorado Springs School District 11. Burnley dreamed up the district's advertising and corporate-partnership programs in 1993, after years of coping with harsh budget cuts. When Burnley took over in 1989, the school district was \$12 million in the red. Although Colorado Springs; located about sixty miles south of Denver, is best known for its beautiful weather and tourist attractions like Pike's Peak, it's also the state's second-largest city; and its schools suffer from ills common to urban school districts: overcrowded classes, lack of extracurricular programs and crumbling school buildings. There's also the problem that until 1996, city voters had not approved a tax increase for education in more than two decades. (In a 1999 survey by *Education Week*, Colorado was ranked forty-ninth in the nation in the adequacy of resources devoted to education.)

"Our taxpayers have challenged us to be more creative and businesslike in how we finance the schools, so we decided to take a page out of business's book," says Burnley. "I realized we could sell for cash something we always had, but never knew we had"—access to students. So far, some fifty companies have signed up as corporate partners, at a cost ranging from \$1,500 to \$12,000. Top dollar buys advertising rights on school buses, in all schools and four public-address announcements at every basketball and football game, among other benefits. A \$1,500 check buys a 2 feet x 5 feet sign in one school and tickets to attend school athletic events. District II officials say the advertising packages bring in about \$100,000 in revenue annually.

But the districts biggest and most lucrative deal is with Coke. Under a contract signed nearly two years ago, the district will receive \$8.4 million over ten years—and more if it exceeds its requirement of selling 70,000 cases of Coke products a year. Along with the contract come other Coke-sponsored sweeteners, like a contest in which a Chevrolet Cavalier was awarded to a senior with perfect attendance.

Last fall, a top District 11 official sent a letter to administrators urging them to increase sales of Coke products in their schools in order to meet their sales goal. In the letter, John Bushey, the official who oversees the contract, instructed principals to allow students virtually unlimited access to Coke machines and to move the machines to where they would be "accessible to the students all day." Wrote Bushey: "Research shows that vendor purchases are closely linked to availability," adding, "location,

location, location is the key." The confidential letter, which was first published by the Colorado Springs *Independent*, also urged teachers to allow students to drink Coke in the classroom: "If soda is not allowed in classes, consider allowing juices, water, and teas:" Bushey signed the letter "The Coke Dude."

The letter, and the district's policy of establishing school sales quotas—including in elementary schools—has alarmed critics of school commercialism. "This is the first concrete evidence we've had that the soft-drink companies are turning schools into virtual sales agents for their products," says Andrew Hagelshaw, senior program director of the Center for Commercial-free Public Education, a nonprofit group based in Oakland, California. "These kinds of contracts are going to change the priorities from education to soda consumption."

Bushey and other officials deny that the letter was meant to encourage kids to guzzle more Coke. "Our only purpose was to inform people about how the contract works, its incentives and disincentives," said Bob Moore, the district's chief financial officer. A spokesperson for Coca-Cola in Atlanta insisted that the company doesn't have a set quota policy. "It's up to the individual school district," said Coke's Scott Jacobson. "If they want to make more money by selling more product, we'll work with them."

Most teachers in Colorado Springs are apparently willing to work with Coke as well. "We haven't had a single complaint," says Kathy Glasmann, the president of the Colorado Springs Education Association, the local teachers' union. Superintendent Burnley agrees, attributing lack of protest against the corporate-sponsorship program to the "mores" of a community that is heavily Republican, fiscally conservative and strongly opposed to taxes. Plus, says Nancy Haley, a seventh-grade science teacher at a Colorado Springs middle school, "You just don't turn down a deal that will bring \$20,000 a year to your school."

Still, there are pockets of furtive dissent. "Many teachers are quietly opposed to the advertising," says Ed Bailey, a fifth-grade math teacher at Steele Elementary School. "We feel we are being forced into the position of telling students, 'We approve of Coke, we approve of Burger King; we, the school, approve of these products, so they must be good for you.'" Some teachers have taken to hiding ads they've been asked to post in hallways, Bailey says. Others, like John Hawk, a twenty-five-

year veteran of Colorado Springs schools, uses them for lessons on propaganda in his social studies classes at Mitchell High School. "Students and teachers need basic training on how to deal with the corporate invasion of every aspect of life," Hawk says. "Schools used to be the one safe haven where kids weren't exposed to a constant barrage of advertising. Now even that's gone."

Yet few students at Mitchell or other area schools seem to know or care what schools used to be like. This doesn't surprise John Crockett, Susan Crockett's oldest child. "Commercials, ads, videos, that's all my generation has known," says Crockett, "The ads [at Doherty High School] are no big topic of hallway conversation, that's for sure. They just seem to fade into the background."

Meanwhile, District 11 is determined not only to attract more corporate sponsors but to spread the Colorado Springs model nationwide. "We get dozens of calls every day from school districts wanting to replicate what we've done," says Bob Moore. "Can they visit here? Can they talk to us? We say, 'Sure, we want to spread the word.'" Already, the Denver, Houston, Newark and Jefferson County, Colorado, school districts have set up soft-drink or marketing programs. Jefferson County even got Pepsi to kick in \$1.5 million to help build a new sports stadium, and some county schools tested a new science course, developed in part by Pepsi, titled "The Carbonated Beverage Company" in which students taste-test colas, analyze cola samples, take a video tour of a Pepsi bottling plant and visit a local Pepsi plant.

In its publicity efforts, District 11 has its own high-powered corporate partner, Dan DeRose, an entrepreneur who has single-handedly invented a brand-new mini-industry: the school-marketing broker. DeRose is the founder and president of DD Marketing, a firm that specializes in putting together exclusive marketing contracts for public schools and colleges. DeRose brought not only Coke to District 11 but also US West—in the first exclusive partnership between a telecommunications company and a school district. (Sign up for phone service or call waiting with US West, and a commission is paid to one's school of choice.) But DeRose has bigger ambitions.

A 37-year-old former professional football player and college athletic director, DeRose is evangelical in his belief that advertising deals are good not only for schools and education but also help

level an unfair playing field: "Schools have been opening their doors to corporate America for years," DeRose says, noting that many school districts cut their own marketing deals with big companies, only to wind up with "peanuts" in exchange. "Our philosophy is if you're going to allow corporate America into your schools, maximize your return."

DeRose claims that he and his staff have visited more than 800 school districts nationwide during the past year, of which about 150 have signed exclusive soft-drink contracts, while 600 more are in the negotiating stage. According to published accounts, DD Marketing gets a 25-40 percent cut of each deal. DeRose is known for his imaginative pitches to interested schools and companies. During negotiations for a \$3.5 million, ten-year exclusive contract for the Grapevine-Colleyville Independent. School District in Texas with Dr. Pepper/7-Up; some school board members expressed unease with having advertisements in classrooms. As an alternative, DeRose helped arrange for Dr. Pepper logos to be painted on the rooftops of two high schools that lie directly under the flight path for Dallas-Fort Worth International Airport.

Critics like Andrew Hagelshaw say the cash being paid out to schools isn't all that impressive. In Colorado Springs, for example, the annual school budget is \$165 million. Broken down, the ten-year, \$8.4 million Coke contract works out to be a payment of \$840,000 per year, or 0.5 percent of the total yearly budget. "On a per pupil basis, that's nothing," says Hagelshaw "They're selling their kids out cheap."

Indeed, while school officials claim that their main motivation for seeking corporate contracts is money, there is some evidence that in the long run the deals may undermine their ability to obtain more state funds and may reinforce classic financial distinctions between poor and wealthy school districts. Low-income school districts that are desperate for school supplies often are the first and most eager clients of companies that provide free equipment to schools, such as Channel One and ZapMe!.... The result: Poor schools get their ten or fifteen free televisions or computers (and the advertising that goes along with them), while district and state officials feel less motivated to provide the schools with adequate equipment or an in-school technology plan. Wealthier school districts often turn to corporate cash after being squeezed by local and state funding cutbacks, as was the case with both the Colorado

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Springs and Grapevine-Colleyville districts. The danger is that school administrators will become dependent on corporate handouts and forget that it was the failure to provide schools with adequate public funding that brought them to the begging bowl in the first place. As Colorado Springs social studies teacher John Hawk notes, "It says something about our country's social priorities when we have to resort to corporate contracts to fund our schools."

DeRose brushes aside such criticisms. "Every school district of any size in the country wants in on this," he says. Unfortunately, that seems to be the case. Except for the occasional renegade school officials—like the Rhode Island administrator who recently physically removed all the soda machines from his school—most schools seem eager to get on the corporate gravy train. Although a number of educational organizations, including the national PTA and the National Education Association, have endorsed voluntary guidelines to help schools determine which, if any, in-school commercial activities have merit, most educators are unaware of them.

There are a few school districts, however, where parents and students are fighting back. At Berkeley High School last year, the Pepsi-Cola Company offered the school \$90,000 and a fancy new electronic scoreboard for the football stadium in exchange for an exclusive vending deal. Meanwhile, Nike approached the school's athletic director with a proposal to provide athletic equipment and uniforms—as long as all student-athletes wore a Nike swoosh on their back. The deals were ultimately scuttled, in large part because of the efforts of a determined 15-year-old sophomore, Sarah Church. Church organized a student-led forum on whether the school should accept the deals, then inspired her classmates to testify against them at school board meetings. "We took a strong stand against selling out students to advertisers," Church says. Today, she is trying to launch a national student movement against in-school advertising.

In June, in neighboring San Francisco, the school board approved the Commercial Free Schools Act, the first measure of its kind in the country. The act bars the district from signing exclusive beverage contracts or adopting educational materials that contain brand names.

But perhaps the most ambitious and successful anticommercialism campaign has been in Seattle. Three years ago, the Seattle school board proposed

a far-reaching corporate-sponsorship program that officials predicted would bring in \$1 million a year. The proposal caught the attention of Brita Butler-Wall, a teacher-trainer at the University of Seattle and the mother of two children in Seattle schools. "I thought the idea was wacky, since it seems counter to everything schools are supposed to stand for," she says. Butler-Wall contacted a few other parents, and they decided to "go to the mat on the issue." The group, calling itself the Seattle Citizens' Campaign for Commercial-free Schools (CCC), sponsored a series of public meetings on the issue that drew statewide attention. Then they organized a series of "commercialism walk-throughs" of the city's schools, collecting as many examples of already existing commercial material as they could, sending a copy of their findings to the school board.

The CCC also won support from a group not usually involved in educational battles: organized labor. Mike Miller, a local Teamsters activist and father with a son in the public schools, and David Yao, head of the local postal workers' union, presented a resolution condemning the school board's plan to the King County Labor Council, and to their surprise it passed unanimously. "We are opposed to exposing schoolchildren to corporate values in an educational environment where they assume that whatever is presented to them carries the approval of the educational establishment," the resolution read in part. While the city's teachers' union declined to take a position on the commercialism issue, other local unions played an important role in galvanizing opposition.

In March 1997 the school board rescinded the advertising sponsorship policy. Instead, it appointed a school-community task force—members of the CCC to study the issue and make policy recommendations. Those recommendations, issued last September, call for sharp restrictions on most forms of commercial activities. The task force's final report, though, is still waiting for official approval. In the meantime, the Seattle school board signed its own exclusive soft-drink contract with Coca-Cola, over the strenuous objections of the CCC and others.

Which raises the question: Are opponents of schoolhouse commercialism fighting a losing battle? For now at least, it seems that the corporations have the upper hand. Unless more parents, teachers and legislators start paying attention, consumerism may replace learning as the predominant value in American public education.