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Day School Education after the Economic Storm

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The Great Recession, from which our economy is slowly emerging, has raised concerns for many about the future of day school education beyond the *haredi* sector. In order to provide a framework for considering these concerns, I attempt here to provide relevant data and a review of recent trends that are likely to shape day school education going forward. Predicting the future is a hazardous business; I will say only that Jewish education is at a crossroads, and our collective actions over the next five years will chart a course for the next generation. Energizing the movement, changing the climate of opinion about day schools, and planning their financial sustainability are achievable and urgent goals. Instead of predicting the future, we need to shape it.

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Enrollment Data

Dr. Marvin Schick has conducted a census of United States Jewish day school enrollment for The AVI CHAI Foundation every five years since 1998/99. His first census found a total of 185,000 day school students in the United States from the four-year-old preschool level through twelfth grade. Dr. Schick estimated that enrollment had increased by 20,000-Hasidic and yeshiva world sectors, reflecting an absolute commitment to yeshiva education as well as robust demographic growth. It is said that a new day school class is born every week in Lakewood, NJ. 25,000 in the 1990s, with the non-Orthodox day school sector experiencing a growth rate of 20%.

Ten years later, based on information collected during the economic decline, the 2008/09 data showed an increase in overall enrollment to 228,000. The primary growth was in the

Taken together, enrollment in the Modern and Centrist Orthodox sectors was essentially flat from 1998-2008. Likely, the lack of enrollment growth can be explained at least in part by families lost to *aliyah* as well as to *haredi* schools.

In the non-Orthodox sectors, the decade from 1998-2008 brought an enrollment growth of 5%, with a 2.5% decline in the five years following 2003/04. The broad trend in this sector is toward growth in the Community day schools at the expense of the Solomon Schechter schools. The growth in the Community school sector mirrors a larger communal trend, especially among younger Jews, toward cross-denominational institutions. As a result, RAVSAK has become the non-Orthodox network with the largest number of affiliated schools.

At the start of 2009/10, there were great fears, stoked by the news media, that the economic decline would bring mass defections from day schools outside of the *haredi* community. In fact, 2009/10 enrollment data collected by Dr. Schick, PEJE, RAVSAK, the Solomon Schechter Association and the Reform day school network (PaRDeS) showed an overall decline of 3%, with declines in the non-Orthodox schools and a small increase in the Modern and Centrist Orthodox schools. The declines varied by movement, geographic

region, as well as school size, with schools with enrollments under 100 suffering the greatest losses.

Current Concerns

As we approach the end of the current school year, concern is rising about 2010/11. The economic recovery has lagged, the number of day schools that have closed or expect to close for next year continues to grow (totaling at least a dozen schools), and blog posts by day school parents indicate anger at high day school tuitions and a loss of faith by some in the long-term viability of day school education. From the schools' perspective, the worry is that boards will not repeat their heroic work in raising increased scholarship dollars in a tough climate.

The concerns are further heightened by the emergence of Hebrew language charter schools, which are public charter schools that focus on Hebrew language as well as some Israel studies. There are currently a few such charter schools, in South Florida and Brooklyn, NY. A new Hebrew language charter school is expected to open next September in East Brunswick, NJ, and more are being planned with the help of the Hebrew Charter School Center. By law, these charter schools cannot offer enrollment preference to Jewish students nor teach religious subjects (or any subjects from a religious perspective). In practice, the charter schools in Florida and Brooklyn represent different models, with the Florida schools apparently enrolling a very high percentage of Jewish families, some of whom see the school as an appealing cost-free alternative to a day school even though religious education cannot be provided. The Brooklyn school, with a far larger percentage of non-Jewish students and a leadership determined to ensure that teachers do not convey even indirect religious messages, is more obviously distinct from a day school.

There is a larger public perception issue. In the 1990s, as enrollment rose, day schools seized the imagination of a previously-uninterested segment of American Jewry, prompted in part by many articles in the press about the groundswell of new schools. The fervor has faded among the broader public, though it should be noted that some key federation executives seem more committed today than a decade ago to ensuring the continuity and affordability of local day schools. Part of the public relations challenge is that contemporary culture celebrates innovative, technology-based, culture-changing businesses and non-profits offering distinctively twenty-first century products and business models. By contrast, our day schools appear dated, which reduces their attractiveness and strains their budgets. The first important question, then, is whether the climate of opinion can be reversed. Can day schools be marketed as symbols of the twenty-first century, rather than the twentieth?

The other important question, with enrollment trending down outside of the Orthodox community, and with even some Orthodox families losing confidence in day school affordability, is whether day schools will be economically viable propositions. The survival of the day school movement outside of the *haredi* community, and, I believe, of a future energizing core of American Jews who are Jewishly literate, religiously engaged and committed to Israel, depends on an affirmative answer to both questions.

Climate of Opinion: Day Schools in the Twenty-First Century

In his *The Global Achievement Gap*, Professor Tony Wagner of Harvard University describes the competencies needed by twenty-first century graduates. They are:

1. Critical thinking and problem solving
2. Collaboration across networks and leading by influence
3. Agility and adaptability
4. Initiative and entrepreneurship
5. Effective oral and written communication
6. Accessing and analyzing information
7. Curiosity and imagination

As it happens, traditional Torah study at the highest level promotes at least numbers 1, 5, 6 and 7 on this list. Talmud Torah is the ultimate "constructivist" scholarly pursuit, as the search for truth in textual interpretation rewards curiosity, critical thinking, problem solving, analysis and persuasive communication. Unlike math or science, there is usually no single correct answer, but neither can it be said that all answers are equally possible. Determining the most compelling interpretation of a text and applying it to a real-world question demands the skills that will benefit our graduates in college and beyond. Of course, many basic textual skills – and a second language – must be mastered before students can authentically

become part of the dialogue. A superior Jewish day school will help students gain those skills, as well as, of course, the necessary general studies skills, in a child-centered environment that nurtures each child's individual skills. Over the past decade, as more money has flowed into day school education, schools have improved the kind of practices that correlate with better student learning. I suggest not only to market the improvements but to use parents' heady ambitions for their children's future in an ever-changing world as a way of attracting them to Jewish education.

The argument extends beyond instrumental benefits for graduates. Our heritage holds wisdom and values that historically shaped Western ideas and have the power to continue to do so in the future. A day school, working in partnership with parents, will shape the characters and values of graduates based on the enduring truths of the Torah and will graduate students who recognize the importance of the State of Israel to the Jews and the Western world.

So can the climate of opinion be changed? I believe so and have laid out the arguments I would make. However, to turn the tide we have to listen attentively to students, graduates and parents to understand the aspects of their day schools that they most value. We need new language to market day schools and, by turning to our consumers and graduates, we will likely get the best advice, and perhaps even new spokespeople, for our cause.

Marketing v. Reality: Educational Technology

However, the effort cannot stop with marketing. The arguments resonate only where schools in fact offer high quality education that seizes the opportunities of twenty-first century education, including the use of technology for differentiated instruction and project work. Twenty-first century culture is new in ways that have only recently become startlingly obvious. Students today live in a fully networked world, where information that was previously found only in libraries can now be accessed through their cell phones. Knowledge in the form of memorization is no longer an obvious need. Texts can be automatically translated well enough to reduce language barriers.

There are also previously-unimagined collaborative opportunities, as was demonstrated last year by an MIT team that energized participants from all over and, in just eight hours, won a Department of Defense contest to find 10 red weather balloons that had been dispersed across America. More meaningfully, relief efforts after the earthquake in Haiti were facilitated by American volunteers using software to map the concentrations of victims in various areas.

Used effectively, technology can motivate students to stretch themselves in new ways and develop skills that have obvious real-world application. The converse is also true: in this age of individualism, where children expect to be given autonomy and choice, students are less likely to learn if teachers cannot find ways to motivate them to drive their own learning. There are some impressive examples of twenty-first century education in charter schools such as High Tech High in San Diego and some elite private schools in various cities. I recommend Clay Christensen's *Disrupting Class* for an interesting look at the future promise of educational technology.

My experience is that most day schools have only a few teachers who recognize and exploit technology effectively. (I write this with full appreciation that the goals are the development of the skills outlined by Wagner in the context of Torah-committed personalities. Technology is but a vehicle in the effort.) The pace of incorporation of new pedagogical techniques and technological advances will likely play a role in the attractiveness of day schools in the coming years. School leaders should promote educational technology initiatives to improve instruction; some technological innovations in Jewish studies may be seen on AVI CHAI's experiments in educational technologies blog, available through www.avichai.org. It is both interesting and encouraging that the most-accessed Web 2.0 Jewish educational project, chinuch.org, with over 1.5 million educational materials downloaded annually, emerges from Torah Umesorah, demonstrating that traditional values and new technologies can be effectively married.

Thinking about the long-range possibilities of educational technology, there are already private and public cyber schools in which children receive their full education online. In the best cases, and both the technology and pedagogy will improve over time, online learning enables maximum choice and differentiated instruction. There is already one example of a yeshiva, Ohev Shalom in Los Angeles, which combines in-class Judaic studies with enrollment in an online charter school for general studies. Because the children are enrolled in the online public school, which is free, parents pay only for the Judaic classes.

Over time, I imagine that we will see a range of experiments that combine “bricks and mortar” and online education, some of which might prove interesting and effective. In the long-term, participation in online public education would dramatically change the economics of Jewish education. We should encourage experimentation in this direction.

Financial Viability

Economic viability cannot depend on annual tuition increases that exceed the growth in most families' incomes, as was the practice for many schools in the years leading up to the economic collapse. The schools will survive only if new revenue sources can be tapped.

At the top of the list should be government, as the United States alone among the major Jewish population centers does not provide meaningful funding to parochial schools. Parochial school parents pay real estate taxes that support public schools, and it is only fair that a portion of those tax revenues support the education of their children. Similarly, parochial schools relieve the state governments of their constitutional obligations (under the constitutions of most states) to provide a general studies education to all students. Why shouldn't parochial schools receive funding for helping states to meet their obligations to children?

Jews have traditionally opposed government funding for parochial schools, on the grounds that our safety as a minority religion in America depends on the high wall separating church and state, or that government funding would produce dangerous Islamic *madrassas*. Perhaps the economic crisis will prompt a re-evaluation in which the Jewish community unifies behind at least parochial school aid proposals that fall within the current boundaries set by the United States Supreme Court. This would include vouchers parents could use for any school of their choice. The program that exists in Milwaukee provides \$6,500 per qualifying student, based on a means test, to the school of the family's choice. A voucher program is of greatest benefit to schools with large numbers of students from low income families. However, vouchers may not pass muster under many state constitutions and are not now in political favor among most politicians in either party.

Other options are more feasible. In Pennsylvania, corporations receive a 90% credit against state taxes for contributions of up to \$200,000 to a qualifying scholarship fund. A recent law in Georgia provides a tax credit for individuals as well. Schools would benefit considerably by the adoption of, or increase in, tax credits, tax deductions and increased reimbursement for services such as transportation, computers, nursing and special needs are all within the political and constitutional pale. Based on the Supreme Court-approved Title I precedent, it would seem possible for the state to fund general studies teachers beyond remedial education, if they are provided by a third party rather than the parochial school. Financially, the provision of general studies teachers would provide a benefit in line with a voucher program.

Is significant new government funding realistic, once state tax revenues pick up again? In some states, such as Georgia and Maryland, progress was or is being made even in challenging times. There is no way of concretizing the possible upside, because even day school supporters have not yet meaningfully promoted the efforts of the organizations that have led the lobbying for day school funding. A multi-year grass roots advocacy effort, coupled with well-placed campaign contributions (think AIPAC) would almost surely yield dramatic increases in what government currently offers parochial schools or their children and could generate “game changing” government support.

While government funding should be pursued, there is also a need for day school boards to work on shoring up their long-term viability through more sophisticated fundraising techniques such as legacy giving and building endowments. Alumni are an untapped resource, as day schools typically lose contact with their graduates rather than provide programming and seek funding. Crisis thinking and fundraising is too often the norm, while schools ride the good economic times without setting the stage for long-term financial success. The Partnership for Excellence in Jewish Education has gathered information and ideas that can help schools. In all likelihood, increased fundraising will require greater financial transparency for day school budgets, which may also increase confidence in day school management.

At the same time, lay leaders and educators have begun to seriously examine ways to reduce costs. Recognizing that 70-80% of the typical day school's budget is spent on personnel, it is not likely that enough savings can be generated solely through joint purchasing and other measures outside of the personnel budget. School leaders and thought leaders should creatively examine the educational and business models of day school education, seeking maximum educational effectiveness and cost-efficiency.

Some have urged “no frills” education; I am opposed to material sacrifices in educational quality and seek instead creative solutions that avoid the zero sum game. In some cases, back office mergers may be possible (AVI CHAI is already funding three such experiments), and perhaps whole school mergers will be needed. Technology might be a factor. Profound re-evaluations that threaten jobs are frightening to virtually all stakeholders, which is why the necessary re-examinations rarely happen. Now they must.

On the positive side, the tough economic times have already led to greater collaborations among most of the day school networks, as recently evidenced by the joint conference of PaRDeS, RAVSAK, the Solomon Schechter Association and Yeshiva University’s Institute for University-School Partnership. Discussions about additional collaborations among some of these partners are already underway. Schools can draw inspiration from these examples.

Similarly, both PEJE and The Lookstein Center have pioneered vehicles for the sharing of ideas and information among educators and development professionals. Yeshiva University’s Institute for University-School Partnership has begun collecting detailed financial information from schools and presenting lay boards with their financial information benchmarked against averages of other schools in their communities. Knowledge sharing could help unify a decentralized field.

Conclusion

Warren Buffet famously said, “You don’t know who has been swimming naked until the tide is out.” The Great Recession has shown that day schools have been swimming naked – unprotected from the financial vicissitudes and without a long-term financial plan. The current crisis should cause us to galvanize the community and use the collective energy for rebranding day school education, lobbying for government funding, generating new philanthropic support, and opening ourselves to the possibility of meaningful change in the delivery of education, including through educational technology. We live in interesting and rapidly changing times. The opportunity to seize the moment and secure the Jewish future is in our collective hands.