Gerstner
PHILANTHROPIES

My Commitment to Public Education

I had been at McKinsey for only a few years when one day, Marvin Bower, the revered founder of the firm walked into my office and said "Lou, what are you doing to give something back?" I think I mumbled something about paying off debts. He said "You need to do something to help society. Are you interested in the subject of public-school education in America?" I provided a positive answer because I'm not sure how anyone would answer negatively to this query.

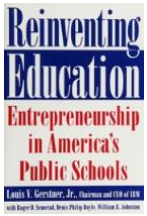
A couple of weeks later I went with Marvin to a meeting of the Joint Council on Economic Education, the country's leading organization focused on improving economic education in K-12 public schools. And thus began my 50-year commitment to try to improve America's public schools.

I served nearly 10 years with the Joint Council, eventually taking on the role of chairman. That was followed by a long list of commissions and councils for several decades:

Next Century Schools (Founder & Chairman)	1989-1993
New American Schools Development Corp (Vice Chairman)	1991-1998
Board of Overseers-Annenberg institute for School Reform	1995-1998
Reinventing American Schools, Inc. (Chairman)	1995-2010
The Broad Center for the Management of School Systems	2008-2016
Council on Foreign Relations Independent Task Force on Education Reform and National Security	2011-2012

In 1994, I published a book along with three colleagues called Reinventing Education: Entrepreneurship in America's Public Schools. In it we argued that:

> **There was a crisis in public education, highlighted by declining test scores, increasing functional illiteracy, and a widening gap between the educated and uneducated. We went on to say that these issues threaten the nation's economic competitiveness and social cohesion**.



The book details the RJR Nabisco Foundation's initiative, which invested $30 million in 43 schools to implement reforms such as extended school years, elimination of traditional grading, and enhanced parental involvement.

Most importantly, we emphasized the need for clear performance standards for both students and educators. The authors proposed systems to reward effective teaching and hold schools accountable for student outcomes.

It was at this point that my thoughts turned to standards. It may be hard to believe now but in 1995 only sixteen states published a list of competencies that high school graduates should attain before leaving school. Without standards how do you know where you're going and more importantly whether you've got there?!

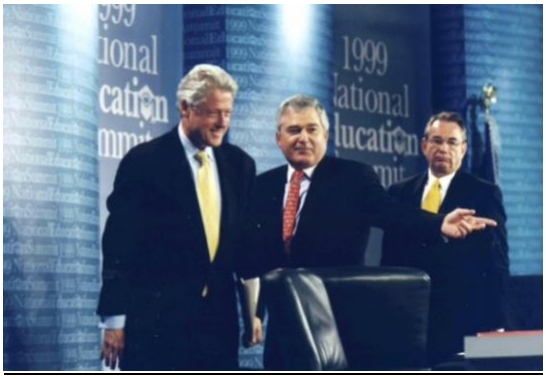
Summit #1

So, in 1995, encouraged by several outstanding governors, including Tommy Thompson of Wisconsin, I called for a national "Summit" on educational reform. I invited all the governors. 47 of 50 Governors attended, as did President Clinton and Secretary of Education Richard Riley, education leaders and a CEO from all 47 states. The agenda focused on standards and accountability and a call to action was endorsed and signed by all Governors and CEO's and released post Summit. Over 3 days, despite deep differences among the attendees, we managed to reach a unanimous consensus that every high school in America should adopt a set of standards that each high school senior should meet to graduate. There was an agreement to convene again, in about 2-3 years' time, to see how many states had created and adopted standards and moved forward to implement them.

The Summit was largely successful. In less than 2 years approximately 45 of 50 states had adopted standards and a new not for profit was created to assist states in doing this work. The NGO called Achieve helped states and districts in implementation and it led to the creation of the Common Core approach which states would move forward to implement.

Summit #2

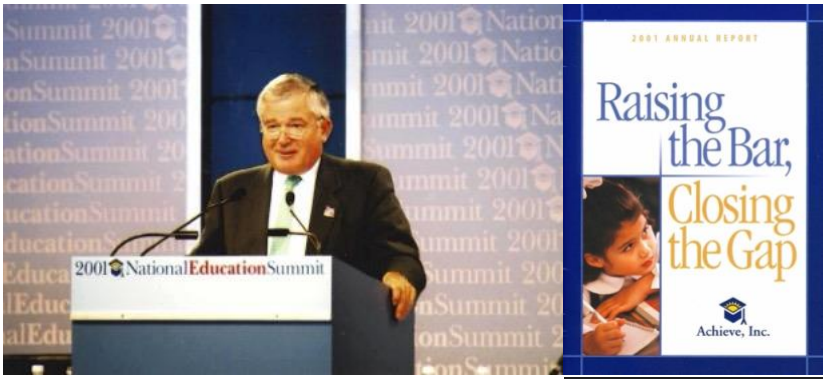
While this was enormous progress, the execution was far from well done. Each state began to create their own sets of standards, in some cases weak or in conflict with other states. Therefore in 1999, I convened the anticipated second national summit on education. In this case we focused on developing realistic goals that every state should pursue. This was the Summit of Achieve. Achieve had a leadership group of six bipartisan governors as well as six CEO's and I served as Chairman of the Board.



Once again, President Clinton attended and spoke along with the Secretary of Education. The attendees developed a consensus around a curriculum called Common Core which provided a clear focus for standards. High on the agenda was an accountability system that would be developed state by state with some national guidance that would link standards to accountability focusing on standardized test performance and other educational metrics. Achieve continued to play a key role in assisting states in doing this work.

Summit #3

In 2001, the third Summit was planned. Common Core was a critical component of the Summit agenda, and once more Achieve continued to play an important role in implementation across the states, most of which strongly endorsed the Common Core standards and began implementing them across academic areas and grade levels, despite a range of political issues involving how certain issues were addressed i.e. climate change. Coming out of the Summit it was clear that in the 6 years since the initial Summit was held, a good deal of progress had taken place. Standards which were largely not in existence across states and districts were now a critical component of our nation's schools, and accountability for performance was high on the agenda of states and districts. The Common Core likely would not have been developed without the Summit and Summit leadership.



Post Summit #1, #2 and #3

After I retired from IBM and turned over my leadership of Achieve, there was growing opposition to Common Core. This was not based on opposition to standards and accountability but on how the system was implemented with an over reliance on testing as the only measure of performance. Opposition from teachers and parents grew, and business leadership support declined due to concern about the growing opposition. However, while support for Common Core declined and most of the standards became state driven, there was huge similarity across the states and currently the standards in place across academic areas and grade levels are largely uniform, not different. None of this would have happened without continued, sustained and strong leadership.

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IBM & Education

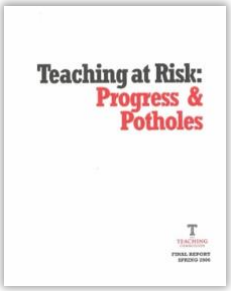
When I assumed the leadership position at IBM, the company had a history of being one of the largest corporate philanthropic organizations in the U.S., but its contributions were largely in the form of cash donations.

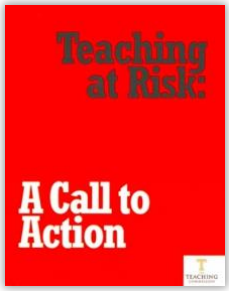
On my arrival, IBM's cash donations were largely committed over the next 2-3 years. This represented a challenge given that IBM's weakened financial position made it difficult to sustain those contributions since it had no flexibility to do anything other than fund multiyear donations that were already locked in.

In response, I approved an innovative and different strategy focusing on donations of the company's best technology and talent instead of what was characterized as "checkbook philanthropy". Over the next 9 years, IBM altered its philanthropy in two key ways.

First, it focused on the donation of innovative packages of IBM technology and talent tied to IBM's most innovative applications, and second it made K-12 education a singular priority of the company's philanthropy. This led to the creation of a range of innovative solutions that IBM developed and then donated. First was a program titled “Reinventing Education” where IBM made structured grants to school districts initially in the U.S. but ultimately globally as well, where IBM's most innovative technologies, both hardware and software, were utilized to implement scalable district-wide change strategies focused on improving student achievement. One of those programs involved the creation of an early childhood computer system that was donated to early childhood programs offering students in the early grades an opportunity to access technology via a child-oriented platform. The program called “Kidsmart” was evaluated as the most effective education program across the European Union countries making a significant impact on student achievement. “Kidsmart” spread across geographies including India, Brazil, Mexico and China.

Next was a language translation software application to help students in districts where English was not the primary language assisting large numbers of students. A third was a software application that permitted students to acquire needed reading skills in a technologically enhanced manner tied to achievement growth. Taken together, these initiatives secured IBM recognition by the U.S. Chamber of Commerce as the leading corporation in the U.S. in affecting student achievement growth. Professor Rosabeth Moss Kanter at the Harvard Business School contrasted the IBM approach to that of other leading corporations engaged in philanthropy and referred to the IBM approach as "going from spare change to real change".





Post IBM

As I was retiring from IBM in 2003, I decided to make one final push to improve America's K-12 education. It was clear to me as well as many others that the single most important factor in classroom success was the quality of the teachers.

I initiated an effort that led to the creation of the Teaching Commission. I recruited 15 board members including retired governors, active CEOs, the head of one of the largest teachers' unions as well as superintendents of major city school districts. We also included an active high school teacher, a former Secretary of Education and former first lady, Barbara Bush.

The group worked hard for 3 years with the support of a full-time staff and issued 2 reports. On the cover of the final report is a quote from me that says:

"If teaching remains a second-rate profession, America's economy will be driven by second rate skills. We can wake up today - or have a rude awakening sooner than we think."

The Commission made a series of recommendations organized into four areas:

- Transforming teacher compensation
- Reinventing teacher preparation
- Overhauling licensing and certification
- Strengthening leadership and support

The report got national attention and led to some significant changes in more than a few school districts. At least one superintendent of a very large urban school district was quoted as saying he " carried this report as his Bible as he traveled around his district."

Stan Litow

It is very important to me to point out that almost nothing I've discussed in the last few sections could have been done without the support of Stan Litow. I hired Stan to head the IBM Foundation when I first joined the company in 1993. He had served as an Assistant Superintendent in the New York City school district, and I had heard that he was a serious change agent. He turned out to be one of my most important colleagues at IBM. He was instrumental in managing all three of the Education Summits as well as providing important counsel to the Teaching Commission. Needless to say, many of the IBM education leadership activities that I described earlier were, in almost all cases, conceived and led by Stan.