Research-informed Commentary

Incentivizing Equality Through Educational Expenditures

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Abstract

School district business practices are rarely examined for their impact on the school's educational mission. However, institutional purchasing brings school districts into direct contact with corporate partners whose employment practices contradict the school's mission for equity, mobility, and social equality. Too often districts fail to question their support for narrow business interests, and even less frequently do school systems challenge corporate practices that preserve the inequitable barriers facing families and the children schools serve. This article shines a spotlight on the ways that school districts—perhaps unintentionally—contribute to a system of social and economic inequality, and proposes that private companies wishing to do business with schools first demonstrate a commitment to employment practices centered on equitable salaries and benefits. Such a standard will favor business partnerships that support the overall educational mission, and will make a powerful statement supporting families, children, and society at large.

Key Words

Economic inequality, social equality, purchasing, expenditures, corporate accountability, educational mission, employment practices, business partners

Every day the emails come, one after another. Purchase the latest reading curriculum. Sign on to our virtual coaching. Check out our great deal on laptops and tablets. And now in the age of the coronavirus, the push continues. Buy our facemasks, our Plexiglas dividers, our virtual graduation systems, and our online mental health curriculum. We examine our budgets, complete our purchase orders, and pay our bills.

At the least, these insistent marketing practices can be a grating source of irritation and discontent for educators (National Superintendent's Roundtable, 2020). But that doesn't keep schools from buying. In 2017 schools spent over $10 billion on new equipment alone, making them important and welcome customers for private companies (Corman et al., 2020).

It seems that schools are good for business. However, business practices are not always good for public schools and the children and families that we serve. It's time for our public institutions to acknowledge and respond to this clash of interests. The benefit of doing so will extend beyond schools to society at large.

Conflict of Interest: Social Justice vs. Structural Inequality

School districts find themselves embroiled in a conflict of interest every day. The public school's historical mission is to serve children from all walks of life, to lower the barriers raised by inequities in wealth and privilege, and to promote a more just and equal society through education (Jefferson, 1779/1893; Mann, 1848). However, schools are also consumers, shopping with public dollars for devices, materials, textbooks, online access, services, and support offered by corporations whose goals and practices frequently contradict this mission for equality. With untroubled ease we send our checks to Apple, Frontline, Walmart, Google, Amazon, Pearson, and other wealthy corporations.

Some of these public expenditures contribute to lavish corporate campuses, multimillion-dollar salaries, and healthy investor dividends. With our help high-salaried accountants shelter those same profits, and generous political donations support a legislative agenda that preserves the United States' dubious distinction as a leader among industrialized nations when it comes to economic inequality (OECD, 2020).

School district dollars also help pay for many employed by these private companies and vendors who earn subpar wages, with minimal benefits, without security, and without the ability to support their families. These families send their children to our schools, children who too often struggle to overcome those same barriers we are hoping to lower.

We work hard to support and nurture children from poor and working-class backgrounds, but we rarely acknowledge our contribution to the structural plight that holds them back (Noah, 2010; Piketty & Saez, 2003; Reardon, 2011). It is time to put an end to that contradiction. By doing so we will provide leadership toward greater social and economic justice throughout society.

Scholars have advocated for family-friendly employment practices in private companies, pointing to the ways that income-inequality within an organization can aggravate inequality within society (Cobb, 2016; Haskins, Waldfogel, & McLanahan, 2011; Trask, 2017).

However, rarely do we examine how our public practices contribute to these inequities. Public oversight focuses narrowly on the practices of public institutions but does not extend to our business interactions with the private sector. Taxpayers would never allow us to pay school (or municipal, or state) leaders seven figure salaries or limit support staff to starvation wages without benefits. However, when it comes to our vendors, we tend to overlook CEO compensation packages worth hundreds of times the wages of their lowest paid worker as a matter of public concern while spending public dollars that contribute to immense profits and inequitable wage gaps.

We claim to have little control over the very social and economic inequalities that shackle our poorest children from being able to succeed alongside their most privileged classmates. And yet there is still much we can do about it. We can start by rejecting the use of taxpayer dollars to purchase from or contract with private companies whose actions compromise our mission.

A New Standard for Private Partners

We need to develop a standard of equitable and family-friendly employment practices that vendors and companies must meet before schools can willingly do business with them. Companies that meet this standard would be recognized as good corporate citizens that support equality and social justice through its organizational practices, representing the best of our private companies. Children raised by the employees of family friendly companies would be more likely to get the early head start and the ongoing support needed to succeed in school and life.

In addition to the individual gains for employees of family-friendly employers (Feeney& Stritch, 2019) such a standard would serve as an instrument to promote the greater good—an objective consistent with the public-school mission.

Reducing the Wage Gap and Increasing the Minimum Wage

Schools (and hopefully other public entities) should do business only with companies that promote this common good and can provide the evidence to prove it. Such companies would need to have a wage gap that is reasonably narrow and employment practices that are family friendly.

The gap in wages within many private companies is far wider than the gap within public school districts. Nationwide, the ratio of CEO pay to the median worker in 2012 was 354 to 1 (Cobb, 2016). In my own school district, the ratio of the Superintendent's salary to the median salary during the 2019-20 school year was approximately 2.6 to 1.

(For full disclosure, I am the Superintendent, and my 2019-20 salary of approximately $134,276 represented the highest salary in the school district. The median salary was $51,402, while first-year custodians in 2019 earned $17.45 per hour for an annual salary of $34,481).

One can imagine a gap that is modestly wider in other districts, perhaps 4-to-1 or even 5-to-1. But no approved vendor should have a ratio higher than 10-to-1.

Minimum wages would need to be higher as well. To do business with school districts companies should be required to pay employees a family wage that, at the minimum, keeps families out of poverty. In 2019 *USA Today* reported Walmart's minimum wage at $11 per hour, higher than the federal minimum of $7.25 but lower than is needed to keep a family of four out of poverty and even farther beneath most school custodial salaries (Tyko, 2019). No employee should earn less than $15 per hour to start, and preferably more, regardless of skills required for the position.

Family-friendly Practices

Vendors who do business with public schools should be required to meet a number of additional family-friendly standards. Work hours at family friendly companies must be stable and predictable, not subject to daily or even weekly schedule changes. All employees at family friendly companies must have paid sick days available to them as needed to care for themselves, a child, or another member of their family—at a minimum, 10 per year.

All employees at family friendly companies must receive family health, dental, and vision insurance coverage with no more than 20% of the cost covered by each employee. Maternity and paternity leave must be available to any employee at a family friendly company, with a minimum of 6 weeks paid leave. Paid vacation days must ensure that no employee works more than 50 weeks each year. And we must ensure that no family friendly company attempts to skirt around these requirements through the use of contract labor or part-time employment.

If businesses reject such demands as being unreasonable it should be noted that these employment practices are commonplace for public sector jobs. Public sector employment practices could become the model for private companies, at least those wishing to do business with the public sector.

Responsible Tax and Accounting Practices

Corporations that promote strong families must also pay their fair share of corporate taxes. In 2018 many of the largest and most profitable Fortune 500 companies paid far less than the statutory 21% corporate tax rate, including 91—Amazon and IBM among them—that paid no federal corporate taxes at all (Gardner, M., Roque, L., & Wamhoff, S., 2019). Federal education programs like Title 1, the National School Lunch Program, and the Individuals with Disabilities Education Act (IDEA) rely on federal taxes as a main source of funding, along with other vital programs like food stamps and Medicaid that support the health and welfare of our neediest students.

While these companies use tax-avoidance mechanisms that are technically legal, school districts and other public entities would be well served by choosing not to do business with companies who make use of those mechanisms.

It may be legal for corporations to engage in profit-shifting practices—like the use of tax havens—to avoid paying corporate taxes, but that does not make it moral, ethical, or socially responsible (Saez & Zucman, 2019, pp. 67-87). By attaching social responsibility to demand for corporate products, school districts—as major customers—could help shape corporate behavior for the better.

Corporate Transparency and Accountability

Private companies wishing to do business with school districts should make their business practices public and readily accessible.

We should use all available means to shine the light of transparency on any private vendor who wishes to do business with school districts, and perhaps with all public institutions.

Doing so will allow us to favor those companies whose employment practices support our overall educational mission and to distance us from the rest—a general calculus that should guide all public-school business decisions. But right now, public employers are far more accountable than private entities. Sunshine laws, journalists, and employee unions apply pressure to keep school districts honest about their organizational practices. All salaries and benefits are publicly approved in open session, made available in public documents and on websites, and are always open to scrutiny. Unions use collective bargaining to fight against wage and benefit reductions.

Private vendors rarely face this same scrutiny. However, school districts could apply pressure on these same private interests by mandating that all vendors reveal salaries, benefits, working conditions, tax returns, and accounting practices.

To be an approved vendor each company would need to meet a minimum standard for employment practices that are equitable and family friendly. Any override would require boards of education to approve exceptions in a public vote. Professional associations like the School Superintendents Association (AASA), or the National School Boards Association (NSBA), utilizing their collective power, could play a central role identifying those vendors who meet the standard and apply pressure to those who don't.

We could invite unions like the National Education Association (NEA), the American Federation of Teachers (AFT), and the American Federation of State, County and Municipal Employees (AFSCME) to support such an effort. Working together districts, professional associations, and unions would speak loudly with one voice to the nation at large. Ultimately, such a statement would benefit children and support our educational mission.

Conclusion: Reconnecting Educational Reform with Social Reform

Establishing a new standard of social responsibility for doing business with school districts would allow public schools to reconnect educational reform efforts with a wider social reform movement.

Despite our most optimistic beliefs, it is too often the case that children who live with poverty, instability, and insecurity are unable to achieve their hopes and dreams (Isaacs, Sawhill, & Haskins, 2008). Public education has as much to gain from improving the lives of families and children outside of school as it does from revamping institutional practices within schools and classrooms.

Previous educational reform efforts have taken a hands-off attitude when it comes to social inequities existing outside of the schoolhouse doors, opting instead to look within—at learning standards, testing, teacher evaluations, and other pedagogical strategies—and to hold schools accountable for academic gains. After dominating the educational reform agenda for the past twenty years, the school accountability movement has been relatively ineffective.

Meanwhile, nobody has held our corporate partners equally accountable. It is time for the public-school community to speak out against the structure of social and economic inequality that burdens our families and keeps students from achieving their dreams.

A new standard of social responsibility for doing business with school districts would bring a new focus to educational reform efforts. We can no longer ignore the harmful impact of social inequities on teaching, learning, and the lives of our children. As we are invited to reimagine education in a post-pandemic environment, we must be willing to consider ways that public institutions can impact an environment in which social and economic inequality prevents children from advancing in life.

Demanding that we only do business with corporations whose employment and organizational practices favor a better life for all citizens is not asking too much. Favorable business and employment practices would help parents be better parents and children become successful learners. By taking this stand school districts would be making a powerful statement in support of families and children.

Such a statement would send the right message about the kind of society we wish to be by investing our hopes, dreams, and resources in children, families, and the institutions—private and public—that support them.

Author Biography

Roger Catania is the superintendent of schools for the Lake Placid School District in upstate NY. His scholarly interests include examining important questions regarding educational purpose, pedagogical innovation, school reform, and social reform. His scholarship in social foundations of education and his professional background as a teacher, school counselor, school leader, and college instructor all inform his work, helping him to consider the ways theory meets practice and past meets present (and future). Email: rcatania@lakeplacidcsd.net

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