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Back to School

Lessons from past mistakes have helped Teach for America set — and meet — ambitious plans for growth

By Ben Gose

Memphis

Timothy Flowers won a prestigious Truman Scholarship while at Wabash College, and he had planned to use the \$30,000 award to help pay for law school. But the 2006 graduate put those plans on hold to teach middle school here at the Stax Music Academy Charter School, as part of a two-year stint with Teach for America.

On a recent school day, Mr. Flowers leads a discussion with his students — nearly all of whom are black and come from low-income families — on whether they might want to go to college. Mr. Flowers, whose only formal teaching instruction came during a five-week Teach for America summer program, holds the students' attention like an old pro, mixing jokes with inspiring messages and issuing stern warnings to students who act out. He does this six days a week, since students attend school on Saturday.

"Teaching is exhausting," he says, "but at the same time it's so much fun."

Chalk up another win for the recruiting machine at Teach for America, which places graduates of top colleges in some of the country's most-troubled schools.

The charity was created with great fanfare in 1990, only to slide close to insolvency five years later. In 2000, after stabilizing its finances and with a decade of experience under its belt, Teach for America embarked on an ambitious expansion plan — and delivered on its promises.

Since 2000, the charity has more than tripled the number of teachers it places in schools, to 5,100; increased its budget from \$11-million to \$70-million; and nearly doubled the number of cities in which it works, to 26. Teach for America opened in three new locations in 2006 — in Connecticut, Hawaii, and here in Memphis — and another new location is opening in Denver this month. The charity hopes to enlist 7,500 corps members to teach at 30 sites by 2010.

\$60-Million

As Teach for America strives toward its latest expansion goal, finding enough gifted teachers like Mr. Flowers may be a challenge. Large percentages of the graduating classes at some of the nation's best colleges are already applying to Teach for America, so recruiters may struggle to generate even more interest in the program.

But thanks to impressive results earlier this decade, the charity has no shortage of donors willing to underwrite its growth. Four foundations headed by business leaders have each committed \$10-million, and another four donors have committed \$5-million apiece. Together, the gifts cover the \$60-million that Teach for America needs for its current growth phase.

The money will cover operating deficits over the next few years as Teach for America invests in new sites, central-office infrastructure, and a campaign to promote its image. The funds will also expand the charity's reserve, which it hopes will reach nearly \$80-million by 2010 — almost half of its expected \$160-million operating budget that year.

"We're staffing up in a huge way now so that we have the capacity to get to where we need to go," says Wendy Kopp, Teach for America's founder and chief executive, who came up with the idea of a national teaching corps while writing her undergraduate thesis at Princeton University. "The growth fund is allowing us to make additional investments that are critical at the front end of the plan."

Major Donors

The four \$10-million gifts came from the Eli and Edythe Broad Foundation (Mr. Broad made a fortune in home building and finance), the Michael and Susan Dell Foundation (Mr. Dell founded the Dell computer company), Don and Doris Fisher (founders of the Gap), and the Rainwater Charitable Funds (Richard E. Rainwater is a self-made billionaire fund manager).

The four biggest donors "recognize from their business experience that it's important not only to fund the amazing entrepreneur, but that once the start-up phase is over, to really support the next stage of growth in a significant way," says Dan Katzir, managing director of the Broad Education Foundation, the arm of the Broads' philanthropy that focuses on public education from kindergarten through 12th grade.

Teach for America worked with the Monitor Group, a management-consulting company, on both its growth plans. The most recent plan called for a major overhaul of the charity's corporate office in New York.

Teach for America previously had as many as 20 managers reporting to a chief operating officer, but in the planning process, the charity came to realize that it needed more senior managers who could handle rapid growth. In June, Teach for America promoted Matthew L. Kramer to president, where he will work closely with Ms. Kopp and oversee operations.

The charity has five additional managers on its senior operating team. Three of the top managers, including Mr. Kramer, have been hired away from large corporations in the past few years, and had no previous experience with Teach for America. Mr. Kramer, formerly a partner at the management-consulting firm McKinsey & Company, says he initially took a pay cut of more than 50 percent when he joined Teach for America in 2005 to become senior vice president of program, overseeing recruiting, selection, teacher preparation, and alumni affairs.

"Wendy is very convincing," Mr. Kramer says, "and the stuff Teach for America is working on matters an extraordinary amount."

Ms. Kopp says it is difficult to find executives at other charities who have enough experience overseeing rapid growth at an already-large operation. "We've come to believe that the for-profit sector is a place where we can find lots of tremendous people," she says. "Teach for America is a fast-paced, results-oriented organization, and the people we've recruited from the for-profit world have found the culture pretty similar to where they have come from."

Building a Network

Teach for America's growth goals aren't just about serving more students — it also wants to extend the reach of its alumni network. Fewer than 10 percent of corps members say they were planning to teach before they applied to work with the charity, yet nearly two-thirds of them stay in careers related to education after they complete their two-year commitment.

Teach for America alumni have founded KIPP, a network of well-regarded charter schools, and the New Teacher Project, which has developed alternative-certification programs to bring new teachers into urban classrooms.

"Ultimately, we're working to develop a leadership force that will work to bring about the systemic changes that are necessary to really fulfill our vision," Ms. Kopp says.

That message also appeals to donors interested in overhauling the nation's schools. Mr. Broad, who has committed more than \$400-million to improving public education, sees Teach for America alumni as a source of talent for his

other projects, says Mr. Katzir, who served as chief operating officer at Teach for America in the early 1990s.

"What Wendy has been able to build is the best talent incubator in the country," he says.

Financial Plans

While it is making costly investments now, Teach for America believes it can become self-sustaining by the end of its growth plan in 2010. The school districts in which it works cover the cost of corps members' salaries, but the charity needs revenue of about \$14,000 per teacher per year to cover such expenses as recruiting, training for its corps members, and national-office expenses.

Teach for America doesn't envision becoming sustainable on a fee-for-service basis. Its school-district partners cover only a small portion of the program's cost. Memphis City Schools is chipping in \$75,000 per year, about 10 percent of what the Memphis branch must raise.

But the charity believes it will be on solid ground as it increasingly seeks diverse sources of private support. Its local sites now raise about three-fourths of its revenue needs. The rest comes from fund raising by the national office and federal support, including from AmeriCorps, the national-service program.

Memphis Experience

Here in Memphis, the charity's most-generous gift came from the Hyde Family Foundations, which have promised \$250,000 per year for the first two years.

Barbara Hyde, president of one of the two family foundations, is also chairing the local chapter's Sponsor a Teacher campaign, in which donors pledge \$5,000 apiece to defray some of the charity's costs for an individual teacher. The local campaign has already attracted 52 sponsors, exceeding its goal of 50.

"The community is really excited about this program," Ms. Hyde says.

The Sponsor a Teacher campaign, which is used at all Teach for America sites, is part of the charity's efforts to diversify its sources of revenue and not become too dependent on a small number of donors. Grants from corporate foundations provided crucial support in the early years to Teach for America, but when many of the same foundations curtailed national grant making and focused on local giving in the mid-1990s, the lost funds contributed to a downward spiral that nearly sank the charity.

"We learned so many lessons the hard way that those lessons are just deeply ingrained in how we operate today," Ms. Kopp says.

This fall, Teach for America is adding just one new site — Denver — but it will open a site in Jacksonville, Fla., and perhaps additional cities in 2008. Boston, Kansas City, Mo., Indianapolis, and Minneapolis are among the contenders.

To get to 7,500 teachers by 2010, Teach for America will have to continue its strong recruiting record. Eighteen thousand students applied to Teach for America in 2007, more than four times as many as in 2000. At least 10 percent of the graduating classes at some institutions, including Amherst and Spelman Colleges, Duke University, and the University of Chicago, applied to Teach for America this year. Only about 20 percent of applicants are selected.

"Recruitment is going to be one of the biggest challenges for us in scaling," says Kevin Huffman, chief growth and development officer. "If you're already doing a pretty good job, how do you continue to grow by 20 percent per year?"

The trick will be persuading even more students to work on what Teach for America calls "our generation's civil-rights issue" — the persistent gap in student achievement along racial and socioeconomic lines.

Donique Nobles, who earned a physics degree from the University of Mississippi in 2006, is among the corps members teaching in Memphis this year. After graduation, she had planned to enroll in a master's program at Berry University, in Florida, but a Teach for America recruiter kept pestering her via e-mail, and she finally agreed to a meeting. Won over by the charity's mission, she is now teaching special education here at Frayser Elementary School.

'It was a sense of 'This is where I'm supposed to be,'" Ms. Nobles says.