

Remarks by Rupert Murdoch Accepting The Media Institute's American Horizon Award October 6, 2010

Thank you for those gracious words, Joel.

Many of you know Joel from his days in Washington. Some of you are even reporters. Let me tell you: There are many stories to be written about the miracles Joel has been performing for the New York City school system. This is a man who works day and night for one goal: that every child who enters a New York City public school will leave with a solid education – and a fair shot at the American Dream. So I ask you, please join me in toasting a man for all seasons ... Joel Klein.

I also want to congratulate Kyle McSlarrow. In his work for National Freedom of Speech Week, Kyle reminds us that the Founders made freedom of the press first for a reason. In his work for cable television, he reminds us why property rights are vital for keeping the press free and independent. So again, let's give a good man a big thank you.

Finally I'd like to acknowledge Meredith Attwell Baker. Commissioner Baker is one of the brightest people to sit on the FCC – and tonight we can see why. It's refreshing to have in government someone who recognizes that the first protection for a free press is limited government. Meredith, thank you for your wise words – and thank you for your good work.

I also want to thank The Media Institute. Every day, you advance three principles essential for a healthy media – freedom ... competition ... and excellence. America was born with a strong and healthy free press – and The Media Institute's good work helps keep it that way.

Ladies and gentlemen, I often complain about the hidebound culture that prevents too many newspapers from responding effectively to the challenges of new technology. Tonight I want to speak about another hidebound American institution that is also finding it difficult to respond to new challenges. I'm talking about our big-city public school systems.

As the CEO of a global corporation, I believe the failure rates of our public schools represent a tragic waste of human capital that is making America less competitive. As a publisher who believes that newspapers are vital to our future, I have a stake in an American public that can read and write. Above all, as a citizen I believe that upward mobility in America is in jeopardy unless we fix our public schools.

As I speak, the United States is home more than 2,000 dysfunctional high schools – defined as schools where 40% of the students leave before collecting a diploma. Researchers at Johns Hopkins University say these schools account for about half of all of our high school dropouts. When you break this number down, you find that these failure factories also account for 81% of all Native American dropouts ... 73% of all African-American dropouts ... and 66% of all Hispanic dropouts.

At our grade schools, two-thirds of all eighth-graders score below proficient in math and reading. The average African-American or Latino 9-year-old is three grades behind in these subjects. We know from the past that a child who is not reading at grade level by that age will probably never catch up.

At the highest levels, meanwhile, we are increasingly depending on foreign students for our STEM courses – that means science, technology, engineering, and math. People in the tech field tell me that this trend is likely to continue, if only because our schools aren't giving American kids the grounding in math and science they need for such advanced work.

There are many more sad statistics. But the real story is the almost criminal waste of human potential. Look behind the statistics and you will find the human toll: lost opportunities, crushed dreams, and shattered lives.

In plain English, we trap the children who need an education most in failure factories. Those who do get through too often leave school with worthless degrees. Many never acquire the basic skills individuals need to provide for themselves. And we do not have to look far to see the problem.

So I ask myself: Shouldn't a child in the capital of the United States have the same chance for a decent education as a child in South Korea?

Tonight I will speak about three things about our public schools:

- First, the need to measure performance from a global perspective.
- Second, the need to change a system that now serves adults into one that serves children.
- Finally, why our middle-class way of life may disappear if we sit back and allow another generation to pass through a system that each year consigns many, many tens of thousands of our children to lives on the margins of American prosperity, if not to the underclass itself.

Let me begin with the global aspect. It's a cliché to say we live in a more competitive world. But the cliché is true. In the years after World War II, Americans could get a job in a factory that promised steady raises their whole lives, which in turn fueled an ever-rising standard of living.

Those jobs no longer exist. Economists argue about the reasons. But largely it's because billions of people living in countries such as China and India have moved from the sidelines of the global economy to become active competitors. These people are joined by hundreds of millions of others in nations like Brazil, Kenya, and Vietnam. As these men and women come into the world economy, they add to our overall wealth. But they also increase competition.

Now, there was a day when America was the unrivaled world leader when it came to public education. That seems to be gone too. Last August, Arne Duncan said that our students have "stagnated educationally." Here's how the Education Secretary put it:

In math, our 15-year-olds' scores now lag behind those of 31 countries. In science, our eighth graders' scores lag behind their peers in eight countries that had also participated in the original assessment. In reading, five countries have improved their performance and surpassed our fourth graders.

The College Board reported recently that we've dropped from 1st place to 12th place in the percentage of people between the ages of 25 to 34 who have a college degree. In other words, America is now in danger of producing the first generation of modern times to be less educated than their parents.

Oh, I have heard the explanations from the Excuse-O-Crats. Failure always has a lot of explanations. These explanations do not change the fact that the only area where our students consistently rank No. 1 on international comparisons is in self-esteem.

We can do better. But we need choice and accountability.

And let me be blunt: There's not a single one of us in this room tonight who would allow one of our children to be randomly assigned to a Washington, D.C., public school.

The status quo is delusional for our students. It is damning of our schools. And unless we face the problem head on and face it immediately, it will be a disaster for our nation.

That leads to my second point: It's not about the money. Back in 1983, our Department of Education released a paper called "A Nation at Risk." The opening pages said that if a foreign nation had imposed on us the mediocrity of our public schools, we might well consider it an act of war. In the three decades since then, we have nearly doubled spending on K-12 in real terms – with little to show for it. President Obama was absolutely right to declare the other day that "we can't spend our way out of this problem."

Many Americans probably have a hard time understanding how we can spend so much on education with so little to show for it. The answer really isn't any mystery.

Our system is failing our children. But it works very well for some adults.

Who are these adults? They include the leaders of the teachers unions. They include the politicians, whom the teachers unions reward with their cash and political support. They include the vast education bureaucracies. In business terms, we have a system that rewards the providers and punishes the customers.

Earlier I mentioned higher education. In his last speech as Intel CEO, Craig Barrett pointed out that at the highest reaches of education, our system is the best in the world – but not so good at K-through-12. What's the difference, he asked?

The answer, he suggested, is that at the highest levels of education, our students have lots of choices and lots of schools competing for them. At K-through-12, by contrast, we have little choice and almost no competition.

Davis Guggenheim won an Academy Award for producing Al Gore's "An Inconvenient Truth." So you might think that the two of us don't have much in common. But recently Mr. Guggenheim released a new film about our public schools called "Waiting for Superman."

Let me tell you: I've seen "Waiting for Superman." And when it comes to the "fierce urgency of now," there is no light between us: In a nation as rich as America, we both believe that the status quo is not just a scandal – it's an indictment.

If you have not seen this film, I urge you to do so. Mr. Guggenheim captures the desperation of moms and dads whose kids are condemned to miserable public schools. And he portrays these rotten public schools the way we should think of them: as deadly as any heartless factory poisoning the local drinking water.

So how do we fix it? Well, many people have proposed many reforms. Giving parents more choices has to be one of them. For those choices to mean anything, however, parents need transparency so they can make real comparisons.

The *Los Angeles Times* just gave us an excellent example of this kind of transparency when it published a database of about 6,000 third- through fifth-grade teachers ranked by their effectiveness in raising student test scores. If you are a mom with a son or daughter in one of these classrooms, you know this kind of information is vital for decisions you are making about your child's future. Unfortunately, it's just the kind of information that never sees the light of day.

The reason is that the adults who are doing well by this system don't want that kind of transparency. The local teachers union, for example, blasted the *Times* for what it called "the height of journalistic irresponsibility" for bringing this material to the public. My view is that our children need more such irresponsibility.

Occasionally I hear the leaders of the teachers unions say they support reform. But here I'm of the view of Michelle Rhee, a bona fide reformer. In a recent appearance on "Meet the Press," Michelle confronted the President of the American Federation of Teachers, Randi Weingarten, about how the union reacted when bad teachers were fired.

This is how Miss Rhee put it: "The bottom line is that if these people are ineffective, and if, as President Weingarten says, nobody wants ineffective teachers in the classroom, then you can't fight us every step of the way when we're moving in that direction."

We all know that good schools begin with good teachers. We also know there are many heroic teachers. Unfortunately, our system is set up to protect bad teachers rather than reward good teachers. One reason may be that in many school districts, no one seems to believe there are bad teachers – because 99% routinely get a satisfactory evaluation.

No business leader can be surprised with the results you get when providers enjoy a near-monopoly. In the existing system, we have incentives for almost everything unrelated to performance: seniority, tenure, and so forth. We have zero incentive for adapting new technologies that could help learning inside and outside the classroom – and we have huge disincentives if this new technology means replacing a teacher. On top of it all, we have chancellors, superintendents, and principals who can't hire and fire based on performance.

We have tougher standards on "American Idol." The sad fact is this: Until America insists on measuring success by what our children are learning, we're going to have higher performance standards for pop stars than for public schools.

This brings me to my final point: The price for the status quo will ultimately be paid by all of us.

We all know the economic returns on a good education. Even at the lower levels, a high school graduate will earn 50% more over a lifetime than someone who dropped out after the 10th grade. The average lifetime return for someone with a good college degree is even better. That's why moms and dads make so many sacrifices to get their children into good schools.

Society also gains when its citizens achieve. According to one study by McKinsey, if we had closed the gap in educational performance between ourselves and nations such as Finland and Korea, America's GDP would have been as much as \$2.3 trillion higher in 2008. That would be a 16% gain. Imagine that kind of gain compounded over time, and you begin to appreciate why other nations are putting such a premium on their school systems.

The flip side is that there are also huge economic downsides for a society that consigns millions of its population to the margins. Children who fail or leave school without an education do not disappear. They become adults who live on the margins of our prosperity.

These adults do not have the skills they need for good jobs. They inevitably become more dependent on government. If you wonder what that means, look at the high proportion of prison inmates who are high school dropouts. When our public schools defraud other people's children of the chance to make it in our society, someone is going to have to pay. And guess what? The cost will be borne by our children.

In their recent book "The Race Between Education and Technology," two Harvard economists note that in the 20th century, America emphasized universal high school education. That emphasis helped fuel our

nation's economic dominance. Today nearly a third of our children fail to complete high school – and we are falling behind our competitors in the proportion of adults with college degrees.

If the public education system does not do for the American children of the 21st century what it did for the 20th, we will not only continue to fall further behind our global competitors. We will lose the upward mobility that has been the defining characteristic of American society.

So I leave you with this. We can continue to debate the reasons for failure. We can continue to ease our consciences by throwing more money at the problem. We can continue to point fingers.

Or we can follow the wisdom of Albert Shanker. Many years ago, this great teacher and union leader recognized a truth we seem to have forgotten.

He put it this way: “As long as there are no consequences if kids or adults don't perform, as long as the discussion is not about education and student outcomes, then we're playing a game as to who has the power.”

Ladies and gentlemen, it's time to stop playing power. It's time to stop the excuses. It's time to push aside the obstacles in the way of reform – and ensure that every boy or girl who enters a public school has the same shot at the American Dream that our sons and daughters do.

Thank you for listening.