

# The Devastating Effect of the Annenberg Grants

by Gary Lamb

**A**t a White House ceremony in December 1993, retired publisher and diplomat Walter Annenberg pledged \$500 million to public education over the next five years.

Three national organizations will share \$115 million of the grant, one of which is the newly founded Annenberg Institute for School Reform at Brown University, headed by TheodoreSizer. In addition, groups from the following four cities have secured \$50 million matching grants: New York, Chicago, Los Angeles, and Philadelphia. In general, the grant money is intended to support school-based renewal within the public school system.

The focus of this article is not the possible effects the grant will have on public education but the very real effects such a gift has on private education.

Elementary and secondary private education in the United States depends almost exclusively on private-sector money: individuals, corporations, and foundations. The public school system, of course, virtually monopolizes the tax money used for the education of children. But over the last twenty years or so public school advocates have not been satisfied with the vast depth of the public coffers. They have become increasingly effective in securing additional

financial support directly from private sources.

One of the techniques they use to garner this additional support is to play up how bad public schools are and then continually remind the business community that most of the future work force is educated in these failing schools.

Just as the proponents of public education have zealously guarded public monies, they have now begun to view the private philanthropic dollar as their own. It has reached the point that if an individual or organization publicly announces a contribution of a few thousand dollars to a privately funded voucher program to enable low-income families to send their children to a private school, public school supporters cry foul. They consider it a bad precedent that should not be duplicated because such contributions divert money and attention away from public education, which desperately needs all the help it can get.

Assuming no increase in philanthropic giving, when the insatiable public education system begins winning private gift money for its purposes, it takes money away from an important source of support for private education.

The negative effect of Annenberg's grant on private education is not limited to the fact that he didn't award any of the \$500 million to private schools. The grants are matching grants. For example, in order to

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receive his \$50 million grant, the New York City coalition must raise another \$100 million: \$50 million from private sources and \$50 million from public funds. This means that the private sector in the New York City area is going to be directly pressured to come up with an additional \$50 million and taxed for yet another \$50 million. One hundred million dollars sucked out of the local community doesn't bode well for private education or any private-sector charitable cause.

Imagine for a moment—admittedly, we can only imagine this now—that Walter Annenberg decided the best thing he could do for the poor and disadvantaged children in this country was to donate \$500 million to private education. Let's say that he offered supporters of private education in 20 American cities an average of \$25 million each (amounts depending on population) in matching grant money to set up privately funded programs that provide tuition-aid grants for low-income families. This is precisely the kind of opportunity private education needs to overcome its image of elitism and to show, if given the financial resources, it can provide the basis for addressing the educational needs of the poor and the rich alike where public education has failed.

Just imagine what kind of media attention such a gift would have drawn, and what an opportunity it would also have been to promote parental choice and educational freedom as opposed to governmental reform programs.

I have not read or heard of any response on behalf of private education regarding the Annenberg grant. If a similar grant, even one of one-tenth the size, had been awarded to private education as a movement, every major newspaper in the country would have been filled with protests from the public education establishment.

Public school advocates fear that private education might have the opportunity on a widespread basis to show it can address the needs of all types of children, including the

disadvantaged, in ways that the public schools cannot. They also are afraid that private education in general will gain recognition as a way of life.

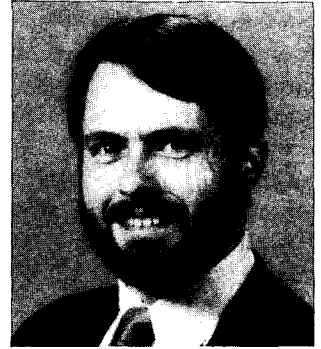
One of the reasons private education has not won over such benefactors as Annenberg is that there has been no coordinated presentation of private education as the real basis on which our nation's educational problems can be solved. While private education does not guarantee a good education, it has a degree of independence and freedom from government control—characteristics essential for good schooling.

Government funding is inefficient and ineffective. This would also apply to any government-funded voucher program. It couldn't redistribute the money as efficiently or as effectively as a foundation. Nor will government voucher programs be able to curb the government's desire to regulate and control education. Private voucher programs, however, are proving to be models of simplicity and efficiency. The private voucher programs have also shown it is possible in the private sector to provide money without taking away the freedom of the schools and that poor parents can make responsible decisions concerning their children's education without the government's help or interference.

Some say that private schools will always have to defend themselves from state regulation, regardless of whether they accept money from the government or not. This may be true, but in the long run the best and only defense for private education is financial independence from the government. The strength of this defense will increase as the financial independence of individual schools and the size of the private school movement increases. The gradual transition from government-welfare schooling to independent, private education can begin with many small endeavors.

Let private sector money flow to private voucher foundations, directly to schools, or to families: by whatever means best suits the situation. □

## Paying for Other People's Politics



**F**or decades the federal government has been inexorably expanding its power, spending, taxing, and regulating almost at will. It was bad enough that Uncle Sam promiscuously redistributed people's incomes to meet one alleged public need or another. Even worse has been Congress' readiness to use taxpayer resources for explicitly political purposes. Washington currently provides advocacy groups with some \$39 billion annually. Report Marshall Wittmann and Charles Griffin of the Heritage Foundation: "Over the past forty years, Congress has helped create a vast patronage network of organizations that enjoy tax-preferred status, receive federal funds, and engage in legislative or political advocacy."

The beneficiaries of federal largesse read like a Who's Who of advocates of big government. For instance, labor unions receive millions of dollars annually in grants—between mid-1993 and mid-1994 the Teamsters collected \$3.5 million and the AFL-CIO pocketed \$2 million. The American Bar Association grabbed \$2.2 million over the same period. The Child Welfare League of America received \$260,000; the Environmental Defense Fund collected \$515,000. The National Council of Senior Citizens, which gets an incredible 96 percent of its revenues from Uncle Sam, grabbed \$71.5 million, while the AARP, the prime lobbying

force behind cash-consuming, bankruptcy-headed Social Security, collected \$73.7 million. Other beneficiaries include the League of Women Voters, Planned Parenthood, Families USA, World Wildlife Fund, Consumer Federation of America, American Nurses Association, United Auto Workers, and AFSCME.

Virtually every department and agency in government contributes its share to the plunder: Labor, Education, Health and Human Services, Interior, EPA, and more. One of the most abusive bureaucracies is the Legal Services Corporation (LSC), which, in the name of representing the poor, has used taxpayer funds to oppose state and federal initiatives to cut spending, trim regulations, and reduce taxes. Americans are paying twice—first for LSC grants, and second for the bigger government promoted by LSC grantees.

Even the theoretically best of congressional intentions is often perverted by federal grantors and activist grantees. For instance, in the name of preventing alcohol abuse the Department of Health and Human Services, through the Center for Substance Abuse Prevention (CSAP), has used public funds to promote media and political campaigns for higher alcohol excise taxes, restrictions on advertising, and destruction of private billboards. At times officials appear to have skirted the ban on taxpayer-funded lobbying, violating the spirit if not the letter of existing law.

According to CSAP, its programs "are

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