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**Making the Grade in Memphis**

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*Catholic schools achieved the greatest social transformation in American history, pulling impoverished Irish immigrants out of the underclass and into the working and middle classes,* writes Patrick McCloskey, author of *The Street Stops Here*—an account of a year in the life of a Catholic school in Harlem. These schools now provide a lifeline for disadvantaged, non-Catholic minorities in urban America, boosting graduation and college acceptance rates, and outperforming many equivalent public schools. But they are also disappearing from the very neighborhoods that need them most. McCloskey reports on how one diocese has bucked the trend, what it means to one family, and what it could mean for America.

In early July, Shirley McKay sat in the principal’s office at St. John’s Elementary School, six miles from Graceland in Memphis, Tennessee. She was there to discuss her three grandchildren, whom she struggles to raise alone, and she smiled broadly when she described her grandson’s aspiration to become a lawyer. As a teenager, McKay, who is Black, had marched with Martin Luther King, Jr. shortly before his assassination 40 years ago; and now, with the first African American president who started his career as a lawyer, everything seemed possible. At St. John’s, hope is more tangible than distant history or even a living symbol. The school offers more than feel-good nostrums to the mostly non-Catholic African American children who come from some of the poorest, most crime-ridden neighborhoods in the country: St. John’s offers children a real opportunity to finish high school and earn college acceptance. This is an opportunity the vast majority of disadvantaged minority students here in racially divided Memphis do not get (Swanson, 2004, 2009).

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2 The graduation rate for urban Memphis is 51.2%. Also, graduation rates for students in high poverty, racially segregated, and urban school districts lag from 15 to 18% behind their peers.

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McKay’s grandson, Jason, a seventh grader in the fall, and two granddaughters, Janarria, soon a fourth grader, and Jamya, a third-grader-to-be, used to live full-time with their mother, Latanya Williams, and two other single mothers and all their children. “There was almost no adult supervision and a dozen kids,” McKay later said. “Janarria hunted through the house for what her sister needed and still takes care of her.”

Throughout pre-school and kindergarten, Janarria acted out in class, until the father, McKay’s son, who is also named Jason, won custody. She perceived her classmates as rivals competing for scarce resources and as potential bullies who might pick on Jamya, even though she is two inches taller than her elder sister. Janarria’s exuberance turned to aggression toward peers and defiance toward teachers.

McKay sat often with Teddi Niedzwiedz, who is in her sixth year as St. John’s principal and twentieth as an educator, strategizing how to “smooth the girls’ rough edges,” Niedzwiedz later said. Jamya tended to get into trouble too, but less so. St. John’s teachers would call McKay whenever behavior became troublesome, and the calm interaction of school and grandparent tempered the youngsters. They were then living with their father, who had turned his life around, and found full-time employment at a local warehouse.

But then 3 years ago, Jason Sr. was shot to death in his driveway during his lunch break by a masked gunman, who has yet to be apprehended. Williams, who has two other children from another man who had also been murdered, “was too overwhelmed,” said McKay. “And without an education, she can’t get a decent job.” So McKay successfully sought custody and decided to keep her grandchildren in Catholic school. Janarria took the death of her father badly. She regressed into antisocial behavior, as did her siblings. In response, the children were counseled on conflict resolution and processing tragedy emotionally.

Even Jason lashed out at a classmate, angry at his father’s loss, not only at home but at school. His father coached the basketball team, and Jason, although shorter and slighter than teammates, was the star player. Niedzwiedz talked with Jason after the fight saying, “St. John’s is a special place where we don’t accept hostility.” The principal could have expelled the boy but has never exercised that option. Instead, she makes consequences clear then lets her cheery Southern drawl and personal warmth nudge students toward compliance.

“Now Jason’s the class peacemaker,” said Niedzwiedz. A week after Obama’s victory Janarria made the honor roll for the first time with straight As, equaled by only 15 of St. John’s 190 students.

Although McKay is eligible to retire early, she continues working to make full salary and additional income from overtime, which she needs to
pay her family’s portion of tuition, based on a sliding scale. “I’ll work until I fall down dead, if I must, to keep the children in Catholic school,” she said.

In Memphis, as across the country, Catholic schools more than double the high school graduation rates for disadvantaged minority students, compared with peers in the public system, to over 95% (Greene & Winters, 2002, 2006; Heckman & LaFontaine, 2007; D. McDonald & Schultz, 2009; M. McDonald, personal communication, October 15, 2009; Sander, 2001; Swanson, 2006). In addition, over 90% of minority Catholic school graduates go on to college, while only half of their public school counterparts pursue postsecondary education (Greene & Winters, 2005; D. McDonald & Schultz, 2009). Most studies show that disadvantaged minorities outscore their public school peers, and, remarkably, the more disadvantaged Catholic school students are, the better they perform relative to those in the public system (Domanico, 2001; Hallinan, 2000; Howell, Peterson, & Campbell, 2002; McCloskey, 2008; Neal, 1998; O’Keefe & Murphy, 2000). Also, the longer disadvantaged students attend Catholic school, the better they score; in contrast, disadvantaged minorities perform more poorly the longer they stay in the public system (Domanico, 2001). In troubled inner-city neighborhoods, Catholic schools fulfill the public mandate of providing a quality education for all children. Tragically, these schools have been closing at an alarming rate in recent years. Over 1,400 parochial schools shut their doors between 2000 and 2009, displacing 460,507 students (D. McDonald & Schultz, 2009),

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3 The NCEA reports a 99% graduation rate nationwide. The author’s research in writing The Street Stops Here: A Year at a Catholic High School in Harlem (Berkeley, CA: University of California Press, January 2009) indicated that the graduation rate is slightly lower since some students transfer back to the public system and are not counted as dropouts. Since graduation rates are lower at urban public high schools, it would be prudent to consider the graduation rate to be closer to 95%. The author’s research also showed anecdotally that almost all students who transferred from a Catholic high school eventually graduated from the public system. Sander (2001) finds that the expected graduation rate for minorities in Catholic schools is 94%. Regarding the public system, there is much argument about calculating graduation rates. Greene and Winters (2002) determine the graduation rate for African Americans at 56% and for Hispanics at 54% nationwide. Heckman and LaFontaine (2007) calculate 66% for African Americans and 63% Hispanics. However, as Greene and Winters (2006) show in another study, the minority graduation rates are less than 50% in many urban school districts and disadvantaged minorities have significantly lower rates among this population.

4 Overall, 97% of Catholic high school graduates go to college (D. McDonald & Schultz, 2009), which is consistent with the author’s research in The Street Stops Here. Every year, 99% of graduates at Rice High School in central Harlem graduate on time and earn college acceptance.

5 McCloskey (2008) indicates that disadvantaged minority students receiving vouchers to attend Catholic and Lutheran schools in Milwaukee outperform their public school peers. Recent test score results are about the same for all voucher students compared with peers in the public system, but there is a significant portion of low-performing voucher schools that are not Catholic or Lutheran, which drag down composite scores.
some of whom found accommodation at remaining Catholic schools. Most students, however, had no alternative but failing public schools where low academic achievement and high dropout rates predominate.

Catholic school closings result from the ever-tightening squeeze of rising costs and falling enrollment. This scenario affects parochial schools serving disadvantaged inner-city minorities more acutely since their families are less able to pay rising tuition (D. McDonald, personal communication, January 4, 2010). Likewise when these schools close, poor parents usually cannot afford the closest parochial school, which would be unable to offer financial aid to an influx of new students. Nor can these families afford to move to a neighborhood with a viable public school.

Dropping out becomes a likely scenario, and dropouts suffer dramatically worse life outcomes, with higher rates of incarceration, single parenthood, mental illness, disease, and mortality (Fight Crime: Invest in Kids California, 2007; Rouse, 2005; Sum, Khatriwada, & McLaughlin, 2009). Almost 60% of recent Black male dropouts spend time in jail (Ross, 2006; Western, 2006). In metropolitan Memphis in 2007, dropouts earned only $11,185 per annum compared with $20,336 for graduates and $43,722 for those with a bachelor’s degree (Swanson, 2009).

Keeping Catholic schools open in disadvantaged neighborhoods is clearly imperative, but the financial downturn afflicted struggling congregations with heavy job losses, putting their schools at greater risk. Nor have dioceses been able to step in since a significant portion of their income derives from investments, which were impacted negatively (“Diocesan Financial Results,” 2009). For decades, inner-city Catholic schools depended heavily on outside donations, which were also adversely affected in the economic downturn. “Philanthropy tracks along with Wall Street,” explained Frank Butler, the president of Foundations and Donors Interested in Catholic Activities, Inc., a consortium of 50 major Catholic philanthropic foundations that disburses $1 billion a year. “Many of our members saw their investments shrink by 30% in a single month last year.”

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6 Sr. Dale McDonald said that based on anecdotal evidence, less than 30% of students enrolled in another Catholic school after their Catholic school closed.

7 This opinion also comes from Charles E. Zech, professor of economics and director of the Center for the Study of Church Management at Villanova University. Also per off-the-record interviews with high-ranking Catholic officials and major contributors, diocesan investment portfolios lost up to 40% of their value in the fall of 2008, as did the vast majority of institutional portfolios. This obviously had a negative impact on their capacity to help struggling schools. I can say that diocesan investments were not spared during the economic recession.
As a result, there was a significant drop in individual donations at the end of 2008, termed the giving season (between Thanksgiving and New Year’s) since most such contributions are made then (Center for Philanthropy, 2009; Giving USA Foundation, 2009). Total philanthropy in 2008, including foundation, corporate, and individual giving, was $308 billion (Center for Philanthropy, 2009). After adjusting for inflation, this marks a 5.7% reduction from 2007, representing only the second decline since Giving USA (a publication written and researched at the Center on Philanthropy at Indiana University) began publishing annual reports in 1956. Education giving dropped even more, by 9% (adjusted for inflation) to $41 billion. At the same time, demand increased significantly as more schools felt the financial pinch. University endowments were hard hit as well, with Harvard University suffering a 30% or $11 billion loss. Private and public universities and colleges across the country suffered significant endowment shrinkages and are turning to foundations and wealthy alumni for help. Competition for philanthropic resources will intensify, especially as once affluent families apply for financial aid in increasing numbers.

Overall, 52% of charitable organizations reported a decline in donations, according to GuideStar (2009c), the nation’s leading source of nonprofit information, from October last year through February 2009. From March through May, the exact same proportion of nonprofits reported decreased contributions in the latest GuideStar survey, released in July (GuideStar, 2009a). This would seem to indicate, as the survey reported,

that things haven’t gotten dramatically worse for America’s charitable nonprofits…but in reading respondent comments, one senses that at many organizations where things were going badly earlier in the year, they are going worse now. Reserves are being burned up, and services that had already been cut have been cut further. A typical comment from these organizations was “We are hanging on, barely.” (GuideStar, 2009b, para. 2)

This is true of many of the 20% of organizations that reported increased donations as well. Nonprofits said that publicity about their financial crisis inspired generous contributions, but these were most likely “a one-time deal.”

Although economists agree the recession is over, the road back to prosperity is no freeway. Of particular import to private schools is the continued increase in the unemployment rate, which rose to 10.2% in October (Nutting, 2009). The broad measure of unemployment, which includes the officially unemployed, discouraged workers no longer receiving benefits, and millions of part-time workers seeking full-time jobs, rose to 17.5%, the
highest level since the Great Depression (Leonhardt, 2009). The 1930s saw a 30% broad measure of joblessness, according to a *New York Times* estimate (Leonhardt, 2009). This exceeds the present rate considerably, but economists expect unemployment to keep rising well into 2010 before a slow recovery begins (Thoma, 2009). Some scenarios estimate that it might not be until 2019 before the U.S. returns to the pre-recession 5% unemployment rate (Scheiber, 2009).

Consumer spending, which accounts for 70% of the economy, fell 0.5% in September from the previous month, which saw a 2.7% increase due to the federal Car Allowance Rebate System (CARS) program (Epstein, 2009). CARS has since been terminated, and retail sales fell for 6 straight months through December 2009. As well, holiday sales during November and December, which account for as much as half of yearly sales and profit, declined 2.8% (“Consumer spending falls,” 2009; see also Kavilanz, 2009). Job growth might also be retarded by corporate pessimism about the sustainability of the economic recovery as government stimulus programs wind down. Labor economists predict that many lost jobs will never return since businesses restructured, wiped out entire units, and might increase outsourcing (U.S. Department of Labor, 2010). Many new jobs will be lower-paying positions with no benefits, permanently crippling the capacity of many families to pay tuition and contribute to fundraising campaigns. In addition, the inevitability of higher taxes, not only for the rich but middle classes—Obama’s campaign promise notwithstanding—to address the huge gap between government revenue and spending will further burden families, slow job growth, spur outsourcing, and drain resources that would otherwise be donated to philanthropy.

On July 15, 2009, at the Forum on the Sustainability and Performance of Urban Faith-Based Schools, hosted by the U.S. Department of Education in Washington, D.C., superintendents from several Catholic school systems reported that parents who until last year had six-figure incomes are now desperately seeking financial assistance to keep their children in school. Parochial schools draw over 60% of their revenue from tuition and most institutions have been teetering for decades, according to Dr. Mary L. Gautier, senior research associate for the Center for Applied Research in the Apostolate. The persistent weakness in the job market and philanthropy could precipitate school closings at epidemic proportions in the next few years, said Karen Ristau, president of the National Catholic Educational Association. “Unless urban Catholic schools become much more innovative, they’re facing extinction,” Frank Butler said.
This warning came with a recommendation: Catholic educators should look to Memphis for a lesson in how to sustain schools in some of the poorest zip codes in the country. The city was an improbable success story. In 1993, when Rev. J. Terry Steib was installed as Memphis’s first African American bishop, the diocese was a symbol of the fall of urban Catholic education in America: 8 of 10 inner-city schools had closed as ethnic White Catholics had moved to the suburbs, and the two remaining downtown schools had few students (M. McDonald, personal communication, August 15, 2009). In some ways, urban Catholic education in Memphis and cities across the country has become a victim of its own success, having facilitated the departure of its graduates to more affluent neighborhoods.

Catholic education’s success, however, was hard earned. The nation’s first urban underclass formed in the mid-19th century and was composed mostly of Irish Catholics who began arriving in significant numbers at port cities such as New York in the 1820s (Gilje, 1996). Then in 1842, the first potato famine hit Ireland, precipitating a deluge of even more impoverished immigrants, completely unprepared for urban life (Diner, 1996; see also Stern, 1997). The Famine Irish were mostly illiterate farmworkers lacking the funds to venture inland and the job skills to integrate seamlessly. They took the least desirable jobs as laborers, domestics, and seamstresses, and resisted assimilation, clinging to clannish and often dysfunctional behavior (Anbinder, 2001; Hodges, 1998; Stern, 2003). Vicious Irish gangs flourished, and jails, insane asylums, and poorhouses filled with Irish Catholics (Kraut, 1996). New York became the most populous city in the Western hemisphere in succeeding decades with the largest concentration of urban poor (Burrows & Wallace, 1999; Jackson, 1995).

In succeeding decades, as the Irish inched up the socioeconomic ladder via small business, political patronage, and institutions such as the police force, a large underclass remained mired in squalor and dysfunction (Sante, 1991; Stern, 1997). Prostitution was rampant among Irish women and girls in an economy that paid females very poorly and was prone to frequent recessions (Gilfoyle, 1992). Not coincidentally, tens of thousands of abandoned Irish children roamed the streets forming junior versions of adult gangs—even establishing their own adolescent saloons—and soon becoming the next generation of criminals. In the 1870s, Charles Loring Brace (1872a, 1872b), a Protestant philanthropist and founder of the Children’s Aid Society, whose primary purpose was to rescue these abandoned children, warned that this underclass might become permanent and wreak long-term havoc on the rest of society (see also Husock, 2008).
The racial theorist Edward Augustus Freeman, later Regius Professor of Modern History at Oxford University, was so appalled by what he found on a well-received lecture tour of America in 1881-1882, that he wrote, “This would be a grand land if every Irishman should kill a Negro and be hanged for it” (as cited in O’Donnell, 2002, n. 195). The Irish poor were shunned, despised, and their antisocial behavior inspired nativists to seek restrictions on Irish immigration and citizenship (Anbinder, 2006; Stern, 1997).

In response, Catholic bishops began building schools and parishes at a furious pace, importing large numbers of nuns, brothers, and priests from Europe to provide low-cost and tireless staffing (Brumberg, 2007; Buetow, 1970; Martire, 1955; O’Brien, 1949; Walch, 2003). The religious teaching orders became very effective at socializing the children of the poor and making them into a functional working class, and then middle class. Irish women were noted for their modesty by 1900, many becoming schoolteachers in the public system too, furthering the influence of Catholic schooling (Nolan, 2004).\(^8\) Wave after wave of White ethnic Catholics from Italy and Eastern Europe were absorbed by the parochial school system and the parish societies that reinforced the secret of pedagogical secrets: the Protestant work ethic (Stern, 1997, 1998).

By the 1960s, Catholics had been thoroughly mainstreamed and would soon catch up with Protestants in per capita income and education, thus completing the most profound social transformation in American history (Morris, 1997). In 1965, Catholic education reached its zenith with almost 13,500 elementary and secondary schools, educating 5.6 million students (U.S. Department of Education, 2008).

The 1960s also saw Catholics moving to the suburbs in large numbers—away from the urban schools and parishes that had facilitated their success (Harrison, 2002; Holohan, 2007). At the same time, Vatican II precipitated a mass exodus from religious orders (Sander, 2001). Lay teachers had to be hired at much higher salaries (they now comprise 96% of staff; D. McDonald & Schultz, 2009) pushing costs relentlessly higher (Harris, 1996, 2000). Worse, Catholic superintendents bought into the idea that small class size improves academic outcomes, hiring twice as many lay teachers per student at enormous cost, despite the research showing that reducing the teacher-student ratio has only a minimal positive effect (Loveless & Hess, 2007). The financial storm achieved full strength as African American and Hispanic families moved into the neighborhoods where most parochial schools were located but

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\(^8\) Nolan’s (2004) book documents that in Boston, Irish Catholic women comprised one-quarter of public school teachers by 1908; in San Francisco, almost half by 1910; and in Chicago, they accounted for about 70% in 1920.
that had been vacated by White Catholics (Brinig & Garnett, 2009; Riordan, 2000). Unfortunately, these families had little capacity to pay rising tuition, and Catholic schools began closing at a rate of almost 1,400 per decade.\(^9\)

Few, if any, inner-city schools would have survived if the big city dioceses had not raised hundreds of millions of dollars in support, even though many of the children attending these Catholic schools were not Catholic. This endeavor became the prime focus of the Church’s social justice mission. It turned out to be a mission backed not just by faith and money, but by statistics, as numerous studies, beginning in the 1980s, began to document the efficacy of Catholic education with disadvantaged minorities (Bryk, Lee, & Holland, 1993; Coleman & Hoffer, 1987; Coleman, Hoffer, & Kilgore, 1982; O’Keefe & Murphy, 2000). Achievement levels for these students improve significantly and graduation and college acceptance rates are astoundingly higher (Neal, 1997; Polite, 2000). Remarkably, Catholic schooling’s positive influence increases in an inverse relationship to socioeconomic level: Impoverished Black students benefit most from parochial schooling (Neal, 1997; Polite, 2000).

For several years after taking office in Memphis, Bishop Steib was appalled by the socioeconomic malaise afflicting many Black neighborhoods and public education’s inept response. Well aware of Catholic school efficacy and feeling “the fierce urgency of now”—Martin Luther King’s searing dictum—the bishop announced that Memphis’s inner-city Catholic schools would reopen as “Jubilee” schools (in honor of the Church’s 2,000-year anniversary). However, the enterprise seemed absurdly optimistic: Catholics comprised only 4% of the city’s residents and few inner-city families could afford tuition (Diocese of Memphis, 2005). Nor did the diocese have any money to invest in the endeavor. Fortunately, Bishop Steib had a gifted administrator on staff who had begun her education career as a math teacher at a Catholic high school in Philadelphia in 1966. Ten years later, Mary McDonald, Ed.D., moved to Memphis, when her husband was transferred by Dun & Bradstreet to become the district manager. She taught and then served as principal in several of the city’s Catholic elementary and secondary schools, winning numerous national educational and humanitarian awards.

“I wear brightly colored suits since it shows the students I’m a real person,” McDonald said, laughing. Her voice was high-pitched and she spoke in quick rhythms, the lilt of her Irish heritage scored with the musical cadences of the South. She smiled readily, “I see myself as a conduit of hope,”

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\(^9\) As noted above, there were 13,500 Catholic schools in 1965 compared with 7,248 schools in the 2008-09 school year, according to D. McDonald & Schultz (2009). On average 1,389 schools have closed per decade since 1965, although there were fewer closings in the 1990s.
she said. Bishop Steib saw McDonald the same way. In July 1998, he asked McDonald, then 54, to replace the outgoing school superintendent and focus on reopening the Jubilee schools.

McDonald poured her ferocious optimism into presentations to philanthropists and corporate officials about the public benefits of Catholic education. To make prospective non-Catholic donors feel more comfortable about aid requests, McDonald set up the schools’ office as a nonprofit corporation separate from the Catholic Church. Soon a group of local Protestant business leaders came forward to create a $47 million endowment. The business community grasped the value of investing in an educated workforce to foster positive civic and economic outcomes.

Each dropout costs taxpayers $260,000 over his or her lifetime for various services, according to a Princeton University study McDonald always mentions to donors (Rouse, 2005). A recent report by a leading management company estimates that the yearly gross national product would be $1 trillion to $2 trillion higher if achievement gaps between White and Asian students on the one hand, and Black, Hispanic, and other minority groups on the other hand, were closed (McKinsey & Company, 2009).

The first Jubilee school reopened in 1999 with 26 students. Six other schools were soon reconstituted, including St. John’s, all serving a 98% Black population. In 2006, a new school was built for the recent influx of low-income Hispanic immigrants. Currently, there are 1,045 Jubilee elementary students, along with 109 graduates now in Catholic middle and high schools in the diocese.

Jubilee scholarships follow students through secondary school, which was the major reason Shirley McKay visited the principal in early July. Jason was graduating from St. John’s, which is pre-K3 through sixth grade, and a decision needed to be made about which Catholic middle and high school would be best for him. Niedzwiedz recommended Memphis Catholic (grades 7 through 12) since the school was closer to St. John’s where McKay will still drop off and pick up her granddaughters.

McKay, however, was noticeably agitated as she discussed options with the principal. Jason’s mother had petitioned for custody in January, making false accusations that McKay was abusing the children. This launched a lengthy investigation by the state’s Department of Children’s Services, which placed the three youngsters in foster care for almost 3 months. Janarria began acting out at school, where she was diagnosed with attention deficit hyperactivity disorder, and at the foster home. The children were moved to three successive foster homes as a result, with foster parents calling McKay often to calm the youngsters’ bewilderment and anger. “Janarria spent a lot of time in
my office talking about family problems,” said Niedzwiedz. “Jamya, the second grader, held in her emotions and coped better, focusing more on schoolwork and made the principal’s honor roll.”

While Jason seldom acted out in class, “his whole demeanor changed because his mother tells him Catholic school is bad,” Niedzwiedz recounted. According to McKay, Williams denigrated St. John’s to prepare her children to transfer to public school if she won custody, since she did not want to pay any tuition.

During this period, Niedzwiedz said she “met often with Jason and made it very clear I expected the same behavior and grades.” McKay was awarded custody in June and she has been working to regain the children’s confidence. Not understanding the legal system, they became suspicious of all the adults in their lives.

McKay was upset, though, that the custody ruling also directed that the children live with their mother during the summer break, from July 17 to August 17, when the new school year began. Both McKay and Niedzwiedz worried that the mother would encourage negative attitudes about Catholic education, even though it is very unlikely that the youngsters would graduate from the public schools she advocates. It is even less likely that they would finish academically prepared for college. Whenever Jason spends just a few days with his mother, he takes on hardened street attitudes that could undermine his career at a Catholic high school.

If Jason does eventually drop out, he would be the first Jubilee student to do so (M. McDonald, personal communication, October 15, 2009). This is remarkable considering that Jubilee families’ average income is only $14,000 per year (for three members; M. McDonald, personal communication, October 15, 2009). In the public system, there is an ironclad relationship between poverty and academic outcome; test scores can be predicted with depressing accuracy. Jubilee students, in contrast, make steady improvement to score above the 50th percentile in math and reading by the eighth grade on the Iowa Test of Basic Skills (ITBS), a reliable assessment given to 2 million mostly public school students from all demographic levels nationwide.10

Given the low socioeconomic level of Jubilee schools’ demographics, “these students are performing well,” said David Doolittle, Ph.D., the vice-president of research and measurement for ITBS, in a telephone interview. Doolittle explained that the 50th percentile indicates grade-level performance for public school students of all socioeconomic levels nationwide.

10 ITBS results supplied by M. McDonald.
No direct comparisons can be made between Jubilee students and their peers in Memphis’s public schools because McDonald refuses to let her students take state tests, which are among the most unreliable in the nation. According to the 2007 Tennessee Comprehensive Assessment Program (TCAP), 88% of fourth graders statewide scored at or above proficiency in reading, compared with only 27% on the National Assessment of Education Progress (NAEP), considered the nation’s report card (Education Trust, 2009). In math, only 23% of Tennessee’s eighth graders scored at or above proficiency on the NAEP. This is one of the widest gaps between state and national results. Tennessee students score among the lowest in the nation on the NAEP, with African Americans posting the third worst percentage of fourth graders at or above proficiency in reading. In addition, low-income students in Tennessee perform in the bottom quarter of disadvantaged peers (Education Trust, 2009). Nationwide, Catholic school students perform significantly better than their public school peers on the NAEP, but data are not available to make specific geographic or demographic comparisons between parochial and public school students (D. McDonald & Schultz, 2009; U.S. Department of Education, 2006).

To attract and retain students, McDonald offers comprehensive need-based scholarships. Tuition is $5,000 per year, but families pay only $750 a year per child on average. Some families pay as little as $5 a month, since “even the most impoverished parents must invest something for a sense of ownership,” said McDonald. Shirley McKay’s salary requires her to pay $3,000 a year for each grandchild. Parents and students also make a commitment to uphold Jubilee’s behavioral and academic standards.

To underwrite scholarships and cover other costs, McDonald accesses endowment interest and seeks other donations and grants. She has found it necessary to create a growing number of programs to address student and family needs. Malnutrition was such a problem a food program was instituted to serve hot breakfast and lunch. When McDonald noticed students sneaking leftovers home, she arranged to fill backpacks with nonperishable food on Fridays. Uniforms are supplied and laundered at the school. Eighty-seven percent of students live in single-parent, female-only households with parents who dropped out of the public school system (M. McDonald, personal communication, September 7, 2009). Most are considered unemployable since they are functionally illiterate. McDonald instituted night classes to train these parents in job skills and basic literacy. Some are then hired to work in school cafeterias and eventually find employment in the city’s food service industry.
Since most disadvantaged children start kindergarten years behind in vocabulary and other prerequisite skills, Jubilee schools admit 3- and 4-year-olds in the pre-school program. “You have to get them early so they can catch up and to keep them away from bad influences,” said McDonald, noting that “gangs are our main competition.” The school day includes before- and after-school programs, and 5 extra weeks of school were added during the summer.

These initiatives, plus technology and arts enrichment, increase the per-student cost to $7,500, for which McDonald raises an additional $2.6 million a year by treating donors as “venture philanthropists.”

“Plenty of support is available in the philanthropic world,” said Jane O’Connell, president of the Altman Foundation. This is true despite increased competition for shares of a shrinking charitable pie, since many donors are well aware that faith-based schools offer the best bang for the philanthropic buck, especially for the disadvantaged. “Foundations will fund parochial schools if the balance sheets are viable and there’s a solid business plan, even if the fiscal situation isn’t rosy,” O’Connell explained. “Contributors want to see that education officials know what they’re doing—then they’re glad to be part of it.”

Unfortunately, administrators at most of the country’s 195 Catholic dioceses do not know how to draw up a strategic plan with cost and revenue projections and long-term sustainability goals, said O’Connell; “Instead, they approach donors to cover operating deficits, which they don’t find appealing.”

To court donors, McDonald produced a coherently articulated plan and instituted professional management systems to ensure financial transparency and accountability. She manages the diocese’s entire system, comprising 30 schools and 8,653 students, with minimal bureaucracy. This centralization enables principals to become full-time education leaders since their time is no longer consumed by fundraising and onerous managerial tasks.

Parish priests are also released from fundraising and supervisory responsibilities for which few are trained to handle. Pastors in Memphis retain their position as their school’s spiritual CEO, and they are responsible for certifying religion teachers (who make no attempt to convert their mostly Protestant students). Implementing this approach would be very transformative nationwide. Highly placed sources in Catholic education admit that the long-standing tension between pastor and principal over school finances
has held back the professionalization of Catholic school districts in dioceses across the country.\footnote{For off-the-record interviews conducted by the author.}

As a vote of confidence in McDonald’s administration, Jubilee’s major donors recently contributed another $10 million to make up for investment devaluations during the recession. If another Great Depression hit tomorrow “we could survive 10 years almost tuition-free without another donation,” said McDonald, who now advises school superintendents from Monterey, California to New York.

Some dioceses have begun to move in the right direction, but as McDonald said, 70% still resist adopting best practices and comprehensive planning. This is potentially fatal in the current economic situation, as 80% of remaining Catholic schools enroll fewer than 350 students (D. McDonald & Schultz, 2009), meaning few schools can withstand further enrollment losses given the dependence on revenue from tuition. The Archdiocese of New York, the nation’s largest Catholic system, has suffered a precipitous 5% enrollment drop each of the last 2 years to 83,789 students in 2009-2010 (down from 220,000 in the 1960s; J. C. Harris, personal communication, January 4, 2010). Across the East River, the Brooklyn diocese shuttered 14 elementary schools.

Nationwide, 162 Catholic schools were shuttered in 2008-2009, almost the same as the year before (D. McDonald & Schultz, 2009). At first glance it seems Catholic education weathered the economic recession, but enrollment declined by 78,382 students, compared with 49,738 in 2007-2008—a 60% increase. This portends a huge increase in school closings in the next few years since most Catholic schools desperately need to grow enrollment to avoid insolvency. About 12% of Catholic schools enroll 99 students or fewer (about 870 schools), which is financially untenable. For the most part, these schools fell from the 100 to 199 student category in recent years and are barely hanging on. About 30% of parochial schools comprise the latter category (about 2,175 schools), and another 37% enroll 200 to 349 students (about 2,680 schools). About 43% of all these schools are in urban and inner-city areas serving populations with diminishing capacity to pay tuition. Last year, a third of school closings occurred in the 12 largest urban dioceses (D. McDonald & Schultz, 2009). The additional shutterings happened in other urban and in rural and suburban areas, which are experiencing increases in numbers of impoverished families. Hundreds of Catholic schools could vanish in the near future. The Catholic system could evolve into a small, elite consortium of schools serving affluent Catholics.
“It’s the mission that finds the money,” McDonald said as she explained fundraising’s twofold secret. First, it is necessary to understand that “philanthropists invest like venture capitalists by looking for leadership, infrastructure, and the ability to produce human capital, which is the yield they’re seeking.”

Second, McDonald pursues her vocation with the same fierce devotion that animated her predecessors. “I don’t have the habit,” McDonald remarked referring to the traditional garb worn by the religious sisters who built and staffed schools and the entire network of Catholic institutions, “but I have the same passion for it.”

Today, as when she started in 1998, McDonald talks to or corresponds with every conceivable funding source to fulfill her students’ complex and deep-rooted needs. She recently succeeded in getting a grant for full-time social workers to help students deal with what she terms “poverty’s atrocities,” most notably violence and missing fathers. When McDonald’s father died several years ago, she received a note from a sixth grader. It read: *I am sorry for your father’s death. I will help you avenge your father’s death.* “These kids often have no conception that a man could die from old age,” she said. “Most students have immediate family members who’ve died violently, and many have lost one or both parents. When these children come to us their dominant emotions are anger and fear.”

McDonald’s blend of professionalism and zeal is certainly instructional. But as she cautions, “Our donors don’t owe us anything; their support could disappear tomorrow.” Even the best fundraiser cannot take contributions for granted, but the principle behind McDonald’s success—appealing to the entire business and philanthropic community—can be applied more widely. Appealing to the entire Catholic community, which built and supported Catholic institutions until the 1960s, has been abandoned in most dioceses. A notable exception is the Diocese of Wichita, Kansas, which supports tuition-free schools.

Twenty years ago, in response to the loss of religious teaching orders and rising costs, “stewardship” was introduced one Wichita parish at a time. “Parishioners were challenged to give their time, talent, and treasure as the spiritual way of living Christian discipleship,” said Father John Lanzrath, Wichita’s stewardship director. In the spirit of “faith without works is dead” (James 2:26), Wichita’s congregations eventually bought into donating 8% of their gross salaries to support all diocesan ministries. Educating the next generation academically and religiously is considered the diocese’s primary ministry. Over 70% of parish offertories pay the entire cost of operating the diocese’s 39 schools, including four high schools, serving 11,000 students. As
a result, Catholic families have a viable alternative to the city’s public system, which graduates only 54.5% of its students and has suffered a 17.6% drop in graduation rates from 1995 to 2005—the second worst decline in the nation (Swanson, 2009).

Stewardship is not a quick fix, but it is lasting. Parishes and dioceses elsewhere have adopted this approach; parochial schools in areas of Kansas and Nebraska, for example, cover about 80% of costs and charge only $500 to $1,000 in tuition.12

From the mid-19th to mid-20th century, all Catholics were involved in funding and building the entire network of Catholic institutions. In the post-Vatican II era, the burden of paying for rising education costs shifted to families with children in the system and a few wealthy alumni. The result is the loss of half the number of Catholic schools and over 60% of parochial school students (D. McDonald & Schultz, 2009) even as the Catholic population grew by 52% (Franken, 2004; United States Conference of Catholic Bishops [USCCB], 2006). Today, 7,248 (6,028 elementary and 1,220 secondary) schools remain, enrolling only 2.2 million students (D. McDonald & Schultz, 2009).

Despite the current recession, today’s parishioners as a whole are many times more affluent than their forebearers, who needed legions of unpaid priests, brothers, and nuns to staff the schools. Into the 1960s, Catholics contributed 2% of their income on average to their parishes (about the same as Protestants), most of which went to the schools (A. Greeley, personal communication, July 22, 2007). But as education costs increased, parishioners did not continue giving in the same proportion, even as their incomes rose at a faster pace. Today, Catholics give 2 to 5 times less per family than Protestants (some experts calculate the gap from parish offertory date and others rely on surveys; C. E. Zech, personal communication, October 15, 2009; Giving USA Foundation, 2009).13 Doubling Catholic contributions sounds daunting since parishes collect about $7 billion a year, but the average amount per registered Catholic family is only $300 a year. If families increased weekly giving by the price of a Starbucks cappuccino, $4 billion a year could be funneled to the most troubled schools.

Indications are that Catholics would give more. Surveys show that Catholics give high approval ratings (88%) to their schools (Hamilton, 2008). Other than in the Boston archdiocese, parish contributions increased during

12 Per Diocese of Salinas, Kansas and Lincoln, Nebraska.

13 Catholic giving is $316 per household per year, which is 3 to 5 time less than Protestant denominations, according to Harris, whose research was published in “Giving USA 2008: The Annual Report on Philanthropy for the Year 2007” (Giving USA Foundation, 2009).
the worst years of the priest sex scandals. What has been lacking is leadership. Many individual bishops have been strong proponents of Catholic education and fought valiantly for their schools, but the USCCB has not made education a priority, despite the extent of the crisis. Closing the schools educating mostly poor Blacks represents the loss of the Church’s most laudable and successful social justice mission. More urgently for the Church, failing to educate the current and future generations of congregants amounts to institutional suicide. Already Hispanic children represent about 40% of Catholic children and that proportion will grow rapidly in the coming decades (Fry & Gonzales, 2008), yet only 3% of these children attend parochial schools (Pew Hispanic Center & Pew Forum on Religion and Public Life, 2007). Not surprisingly, a growing percentage of Hispanics are converting to Protestant denominations or raising their children without religious affiliation.

Education was not on the agenda at the USCCB’s general meeting last November to set the American Church’s agenda through 2011. And several months earlier, a Church official responded indifferently to a proposal from Catholic philanthropists to mount a $100 million national campaign to save parochial schools (McCloskey, 2009). The proposal increased to $1 billion but was discarded as the economy weakened. There are indications, however, that recent “conversions” of Catholic schools into charter schools have awakened the interest of many bishops to support perhaps the last attempt to save parochial education in most dioceses. Some of the most accomplished CEOs in the country have been offering their expertise in this direction for years. As Mary McDonald and others illustrate, solutions are available.

Dioceses could adopt cost-cutting financial structures similar to municipalities and use their enormous equity to leverage building and other projects, as top bankers have advised for years. As well as fiscal problems, there are serious issues with academic quality and Catholic identity, which education experts at Catholic universities are beginning to address on behalf of beleaguered K-12 schools (Davies & Kennedy, 2009).14 Government tax credits could be accessed to construct affordable housing near schools, for example, that would create revenue streams and build community. Stronger, multigenerational families would in turn have greater ability and propensity to send their children to parochial school.

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14 Currently 15 colleges and universities (14 of which are Catholic) belong to the University Consortium for Catholic Education (UCCE). Each of these institutions has instituted programs to improve K-12 Catholic education. See the UCCE website www.ucceconnect.com.
Early on a Tuesday morning in October, Shirley McKay says goodbye to her grandson Jason as he scoots out the door on the way to his middle and high school. She has gotten over her trepidation that Jason takes the bus instead of riding with her after dropping off Jamya and Janarria. That would have been most practical if he attended Memphis Catholic. But Jason lobbied to attend Bishop Byrne Middle and High School since several friends chose to enroll there.

McKay rehearsed the bus trip several times with Jason so he could learn how to use the public system properly. She feared he could miss his stop and end up in a dangerous neighborhood wearing his Catholic school uniform. This might not turn into the adventure Jason was anticipating.

So far, Jason has gotten to school on time every day and enjoys his new school. Remarkably, he is making the transition to a mostly White, middle-class college preparatory academy seamlessly. This would be almost inconceivable had Jason attended his local public elementary school. Few of its students score sufficiently above proficiency on the Tennessee state exams (which equates to grade level on the ITBS) to be capable of meeting the academic demands at Bishop Byrne.

Looking forward to Jason’s teen years does not fill Mrs. McKay with dread anymore. It seems likely that Jason will continue through graduation and then go to college, as will every other classmate at Bishop Byrne. This would set a strong example for Jamya and Janarria, the youngest of whom will graduate high school when Mrs. McKay is in her late 60s—and can finally exhale.

References


