

HOST (JENNIFER) ([00:02](#)):

Hello, welcome to this podcast called Finding Inspiration. It's a 20-minute weekly podcast where we interview someone with an amazing story. After the show, I know you're going to feel energized, invigorated and inspired. I'm Jennifer Weissmann. Education in America is certainly a hot topic these days. So what the heck? I thought I'd jump in myself. Today, we're going to have a conversation with Stephen Schuck - founder of a school choice program in the State of Colorado called Parents Challenge. They are real people behind the statistics of Parents Challenge. This includes Dyvan Walker, who grew up in a very poor family but after Parents Challenge he attended Stanford University. He's now a urologist. To the Torres Family who sent five kids through the Parents Challenge program, and they are all successful in their own professions. Before you touch that button, take a quick listen to the summary of parents challenge.

GUEST (STEPHEN) ([01:05](#)):

When we give out our scholarships and grants to low-income parents who can choose whatever kind of school they want. If they want to keep their kids in public school, who the hell am I to tell them they need to pull out of a public school. We believe low-income parents should have the same kind of choice that high-income parents already have. We are trying to level the scale. Parents challenge is not a philanthropy program -- parents challenge is a partnership.

HOST (JENNIFER) ([01:25](#)):

Left right or center. I think we can all agree: all kids need to be educated. Steve, how did you get interested in the education problems in Colorado?

GUEST (STEPHEN) ([01:34](#)):

I ran for governor and in the process and I never done anything politically. So I was way behind the learning curve. And so I had to become a quick study. I started studying K to 12 and looked at the scores. They're atrocious with very high failure and drop-out rates. I started to understand the system and how it's funded – it suddenly becomes obvious! The power is on the wrong side of the equation. The power is on the side of the provider, not on the side of the consumer. All the money goes to the provider. They have a monopoly. The conventional wisdom was very different from reality. The said problem was that teachers weren't getting paid enough. Many teachers were going to their own pockets for materials. Well, that's not the cause. That's a symptom. What is the underlying cause? The underlying cause was power was on the wrong side of the fulcrum. No marketplace, no competition. It's obvious why they were generating a lousy product --- there are no consequences. Good teachers didn't get paid enough. Bad teachers couldn't get fired. It was a system designed to generate exactly what it has, which is mediocrity. And any call for excellence was rebuffed and discounted because the thinking was that to do better, you had to spend more. No true. They said public education as an institution didn't have enough money. Colorado has an equalization act. It balances between lower demographic, lower income generating neighborhoods vs. more affluent districts. And so, there's a socialization or a kind of leveling attempt. But by and large, every district gets roughly \$10,000 dollars per kid. And that's what a state of Colorado sends back to each individual district \$10,000. So, 20 to 30 kids in the classroom -- that's \$200,000 - \$300,000 per classroom. Teachers gets paid \$50,000, \$60,000, \$70,000 -- so where the hell is the rest of it going? I understand there is overhead and all that stuff. But you can't survive with 60, 70% overhead. And you start thinking about, well, how is this money being spent and why aren't we paying good teachers more? And why can't we purge the system of poor teachers? What is the consequence of a school not generating results? There are no consequences. The system is designed so that if you

perform poorly, get rewarded. I call the system “the blob.” The blob gets fixed amount of money. Number of kids x \$10,000 per kid, and it allocates it amongst the schools within the district, then it allocates those dollars per school. If the school does poorly, they have only explanation. The blob says is that it can only be failing because it doesn't have enough money. So, it reallocates more dollars to that school. But where do those dollars come from? There is only a finite pool of money. So, if you take more dollars and allocated to a poor performing school, the only place from which that those dollars can come are the higher performing school. Now we have a system that's penalizing success and rewarding failure. It is so poorly designed. There is just no correlation between results and performance.

HOST (Jennifer) ([04:26](#)):

We know how the story ends. You lost the governorship, but as a result of running for governor - you took on changing the education system and created this school choice program called Parents Challenge.

GUEST (STEPHEN) ([04:37](#)):

I got introduced to vouchers, and that's what Parents Challenge is all about. School vouchers essentially say - if you're going to spend \$10,000 per kid give the \$10,000 to the parent and them pick the school as best for their kid. And then you create a marketplace, you reward success, and you empower low-income families. If you map out the poorest performing schools. You will find out almost without exception - the lowest results in the lowest socioeconomic neighborhoods. And this gets to the role for Parents Challenge. Low-income families cannot move. So, they're stuck in the neighborhoods in which they can afford to live which also have the worst performing schools. And so what does the system do? It sends their worst teachers to those schools because they can't fire them. They do the exact opposite of what Mike Miles does in his Charter Schools. He sends his highest performer teachers to the highest need schools. It's need based. And this is proven to help kids in the poorest neighbors.

HOST (Jennifer) ([05:28](#)):

Steve, you're laying out a prescription for continued failure: sending poorest areas the teachers who score the lowest. It makes no sense to me.

GUEST (STEPHEN) ([05:39](#)):

I chose not to rerun a governor. I'm not going to spend the rest of my life kissing babies, and we're not going to play in that space anymore. Instead, I decided to get into the school choice business. I am going to spend the rest of my life trying to change this empowerment imbalance. We need to empower low-income parents with the same kind of choice that high-income parents already have. We must try to level the scale in education.

HOST (Jennifer) ([06:04](#)):

Let's talk about the actual scores of these public schools and their success and failure rates.

GUEST (STEPHEN) ([06:09](#)):

It's unreal. There's District 20 in Colorado Springs, which is the Air Force academy. People with choice, educated parents, this public school has a 50% failure rate. And then you get down to the urban districts – it's down to a 75% failure rate. Parents Challenge put out a school report card about 12 months ago. Without any exception the reaction to it was to circle the wagons, the superintendents and the boards of education didn't react the way you and I would and say “Holy crap, we can't live with these kinds of

numbers. We've got to do something right now.” Nope, their reaction was exactly the opposite. They want to argue, defend, and challenge the accuracy of the numbers. “And you don't understand. The test is only one point in time.” None of which is relevant. The numbers in the report card cannot be argued. So that's the environment in which my late wife, Joyce, and I found ourselves. I then became part of the national school choice movement. The voucher movement –as Milton Friedman designed it. He came up with this idea in the 1950s. So, when I was doing my investigation, I find out that there's a whole movement in place, led by Friedman, who simply said: flip the power to demand side instead of the supply side, all of which made immediate sense to me. Of course, then you create competition, a marketplace, alternatives, and new options for parents. It's our job to educate them, make sure they have the tools with which to make an enlightened choice, but ultimately, it's their choice. So, I become part of the voucher movement nationally.

HOST (Jennifer) ([07:51](#)):

So, you and Joyce are looking at all the pieces of the puzzle and you're putting together how other people have done voucher programs. And then you figured out the pluses and the minuses and came up with your own version called Parents Challenge.

GUEST (STEPHEN) ([08:05](#)):

Exactly. So I become part of this national group that is primarily in business to produce state legislation that would provide publicly funded voucher or tax credits. I'm going to use the term voucher, but it's essentially interchangeable with tax credits. It's a different technique, but the end goal is the same: to empower low income parents with public resources that they could spend on the school of their choice. Parents Challenge is going into our 22nd year. Our opposition calls guys like to call me names – “anti-public school”, “anti-public education”, and a “privatizer.” And so much of the public they buy into it because they don't truly understand the system or the options. My response is: we give out scholarships and grants to low-income parents who can choose whatever kind of school they want. If they want to keep their kid in public school, who the hell am I to tell them they need to pull out? They can use our money for tutoring, transportation, or other schools.

HOST (Jennifer) ([09:13](#)):

I also read computers and supplemental books.

GUEST (STEPHEN) ([09:16](#)):

Whatever they need school related. This includes activity fees, and band instruments. A lot of these kids couldn't afford to do extracurricular cause they couldn't afford whatever art supplies were required. So, we set Parents Challenge up as parent focused, which meant that our job was to provide information so they could evaluate the full menu of options that are available to them and choose whichever they thought was best. And if they made a bad choice back and see us, they're not married to that choice, don't be afraid to decide. Many of these parents aren't not educated himself. Some are illegal. Most importantly or most significantly these parents are not accustomed to being empowered in the realm of education.

HOST (Jennifer) ([09:56](#)):

The parents become consumers of education. They learn to be independent consumers of educational choices.

GUEST (STEPHEN) ([10:06](#)):

That's exactly right. We want them to become independent, including independent of us. I always say that the long-term goal of parents challenge is not to grow, but it's to shrink to nothing. I hope we go out of business because we put so much pressure on the public system that it raises this game. It gets good enough so that nobody needs Parents Challenge anymore. The idea is to empower the parents. There are about 50 privately funded programs around the country. We're the only one who gives the full menu of choice to parents. Every other one, restricts choices to private schools. Parents Challenge is different -- every kid can attend a public school in his or her neighborhood or wherever. In the public school system -- the child is relegated to that school regardless of its quality, regardless of its suitability for that child. Maybe that child is totally tactile, or dyslexic, or whatever. I would argue that most kids are stuck in an institution that are not designed to meet that child's needs. Compared to a school choice environment that gives those parents control over their school dollars. Instead of the dollars going to the school in the system, the same dollars go to the parents. Parents get to shop in the marketplace and find whatever school is best for their child. If it happens to be their neighborhood school -- great. If it isn't, the parents get to determine what the trade-offs are. Do they want to go all the way across town? Because the school has a better football team or a better arts program or a better STEM program. Parents should be empowered to do for their child's education they do when buying a car.

HOST (Jennifer) ([12:17](#)):

Not only do the kids get educational benefits, but the parents also grow courage, confidence and they learn to advocate for their kids. Through your empowerment program -- Parents Challenge helps the kids and the parents.

GUEST (STEPHEN) ([12:33](#)):

Absolutely bingo. We provide parents with resources to select from the full menu at school options (public, private, charter and home schooling). For instance, if they've picked homeschool, they can use our money for curriculum and whatever supplements are needed. And the second thing we do that is absolutely unique is we have Parents Empowerment Sessions. We run about 25 or 30 sessions each school year. We poll our parents in the spring of each year and ask them what subjects they'd like to be mentored. What subjects are bothering them? What subjects would enrich their lives and their children's lives? And they identify for us what they want. We then bring in experts in whatever those subjects are, and we provide free dinner, and free childcare. We videotape all these sessions. Some of them are mandatory. Most of them are optional. We have between 150 - 200 parents in each one of these sessions. We have covered subjects like bullying, how to prepare for a parent teachers conference, how to protect your child on the internet, financial literacy, nutrition, how to prepare your child for college track or career track. Many of these parents have no clue that their kids are intelligent enough to be able to go to college. Because they didn't attend college themselves -- they don't understand the system. We help them put their child on the proper track when they're freshmen in high school, not when they're juniors or seniors and it is too late take the kind of courses needed.

HOST (Jennifer) ([13:57](#)):

You have gone to serious lengths to solve not only the education problem but fill the gaps with the parents. How would they know what a common app is? How would they know the college process? It's very difficult. And I guess it took an entrepreneurial spirit to look at the donut hole and figure out what's missing here.

GUEST (STEPHEN) ([14:17](#)):

I hadn't thought about it till you just said it. It's true -- all of my peers who are running voucher programs around the country are -- without exception -- entrepreneurs. My peers are guys like me who when they make a charitable contribution, they take it out of their own pocket. Not out of stockholders' pocket.

HOST (Jennifer) ([14:36](#)):

Parents Challenge has incredible graduation rates. Some families have sent four and five kids through Parents Challenge. Many parents went on and got their education as well. You have a contagious need for civic duty for the last 40 years. You dug into your community and figured out where are the donut holes that need to be filled? What would you tell others who see some kind of societal problem and want to help?

GUEST (STEPHEN) ([14:59](#)):

That's both easy and difficult question. Everybody must do it his or her own way and find his or her own vehicle. The universal advice would be -- just do it. Just start. Don't let good be the victim of perfect. Don't constrain yourself because you can't figure out the answer to every question. We put Parents Challenge together on the principles that I've described. Others did it differently. I think Parents Challenge model is the one we should be replicating around the USA, not the private only model, but it doesn't matter. Just do it. Put your head down. The only thing I can absolutely guarantee that you will make mistakes. The question is: how will you deal with those mistakes? Are you going to let them paralyze you? Or are you going to let them motivate you? We kept adjusting as we went along, and we still do it. We currently have about 300 kids in the program this year. Our budget is just south of a million dollars. And we do it with two full-time people. How do we do it with only 2 full-time employees? We require our parents to give back. Parents Challenge is not a philanthropy. Parents Challenge is a partnership. The parents who benefit from our program have to share those benefits with the rest of the community. They have to do some community service and many contribute their time and effort to the operation of Parents Challenge. And that's their contribution. That's their investment. Our ultimate goal is that public education establishment, the system raises game gets game enough, and does a good enough job meeting the needs of its customers so that there's no more demand for program like Parents Challenge

HOST (Jennifer) ([16:31](#)):

Sitting here in 10 years, looking back, what does success look like? And I think you just answered that.

GUEST (STEPHEN) ([16:36](#)):

There is no more need for Parents Challenge.

HOST (Jennifer) ([16:39](#)):

Dr. Devon Walker and the five Torres children would agree. Parents Challenge gave them a much-needed leg up. Steve Schuck. You're an incredible man. Thousands upon thousands of kids have gone through Parents Challenge. On behalf of the next generation, I hope Parents Challenge goes out of business. Thank you for your time. Thank you for joining us this week on Finding Inspiration. Hey, I would appreciate it if you would click on that subscribe button, leave a great review, and share this podcast with a friend. See you next week. I'm Jennifer Weissmann.

