

StanfordSOCIAL INNOVATION^{REVIEW}

Books

On the Rocketship

By Richard Whitmire

Review by Catherine DiMartino

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BOOKS

interests of multiple stakeholders—from investors to managers to employees. Nothing about the Internet, solar power, or 3D printing will change the fact that individuals have conflicting needs and desires.

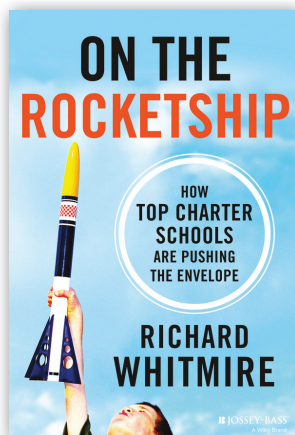
In fact, there is a remarkable technology for turning competing interests into the common good, but it isn't new: markets. Markets are imperfect, but they work better for this purpose than most alternatives in most situations. Even for Rifkin, the future consists of people trading in markets. After all, people still need a venue in which they can “share,” barter, and trade. In other words: Meet the new boss, same as the old boss. ■

Taking a Charter Flight

REVIEW BY CATHERINE DIMARTINO

The third paragraph of *On the Rocketship*, by Richard Whitmire, starts with a telling phrase: “Few startup guys (and I use ‘guy’ throughout the book as a mind-set, not a gender designation).” Indeed, this book is primarily about guys—most of them white, most of them wealthy, all of them entrepreneurs—who seek to improve public education for poor, minority students. Whitmire focuses in particular on John Danner, cofounder and CEO emeritus of Rocketship Education, a network of charter schools that aims to become the “disruptive innovation” that will “[topple] outdated school models.” Reed Hastings, founder of Netflix, and Don Shalvey, founder of Aspire Public Schools, also appear as important players in the story. If you are a Silicon Valley entrepreneur turned educator, this book will fascinate you. If you are a prospective charter school founder, the examples in the book will give you some guidance. If you are an experienced educator, the hubris of the book and of the people in it will frustrate you.

Whitmire begins by recounting Danner's evolution from being the CEO of an early



ON THE ROCKETSHIP: How Top Charter Schools Are Pushing the Envelope

Richard Whitmire
334 pages, Jossey-Bass

Internet company called NetGravity to serving as a Teach for America teacher to launching Rocketship in 2006. Danner, drawing on his experiences in Silicon Valley, arrived at a vision that embraces blended learning—a model that combines the use of personalized software with standard classroom instruction. At Rocketship Mosaic, an elementary school in San Jose, Calif., 16 teachers can accommodate 630 students; a traditional elementary school would require 21 teachers to serve that population. Finding the right technology to support Danner's vision was a challenge in the early days of Rocketship, but the company now works closely with DreamBox Learning, an online software vendor that focuses on math instruction. (Danner sits on the board of DreamBox.)

Ethnographic in nature, *On the Rocketship* features vivid accounts of the journey undertaken by Danner and other Rocketship stakeholders, and it offers memorable cautionary tales that show how and how not to build a charter school network. Whitmore describes in great detail Danner's efforts to secure funding and support from fellow Silicon Valley millionaires, his and his colleagues' fights with local school boards over the location of charter schools, and the community organizing necessary to recruit parents who will send their children to a Rocketship school. Other charter entrepreneurs will derive valuable lessons from the book.

At the level of style, though, the book will disorient readers. Whitmire interrupts his in-depth narrative chapters with italicized, half-page-long updates about the charter

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school movement in general. He would do better to place these vignettes in a separate chapter or to display them visually as part of a timeline about the movement.

More important, Whitmire makes a bold, large-scale policy argument without offering the large-scale data to back it up. In the current political climate, the difference in achievement scores between charter schools and traditional public schools is hotly contested. Whitmire, however, bases his analysis on a narrow selection of achievement data—in effect, on a sample size of one. The subtitle of the book should be in the singular: “How One Charter School Organization Is Pushing the Envelope.”

Even within his narrow data set, moreover, Whitmire skews his presentation of achievement scores. Take his comparison of achievement levels of two elementary schools in San Jose. “At Rocketship Mateo Sheedy, 76 percent of students test at proficient in and above in reading, 93 percent in math,” he writes. “That compares to 54 percent of Washington [Elementary School] students scoring proficient in reading, 56 percent in math.” Those figures are from 2012, and Whitmire uses them to argue for opening additional Rocketship schools in the Washington Elementary catchment area. Yet he relegates the data for 2013 to an endnote. That year, as it turns out, scores at Mateo Sheedy dropped significantly (to 57 percent for reading and 82 percent for math). These results, to be sure, are still better than the scores of students at Washington (52 percent for reading and 60 percent for math), but they raise the question of whether Rocketship's early success is sustainable. (In fact, according to a recent Economic Policy Institute study, test scores at all Rocketship schools have fallen over the past four years.)

Whitmire's unlimited access to the principal figures in the charter school movement, coupled with his less than forthright use of endnotes, piqued my curiosity. I flipped to the acknowledgments section, where I learned that the Eli and Edythe Broad Foundation and the Doris & Donald Fisher Fund—two leading charter school champions—contributed

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funding to Whitmire's book project. I also learned that Joe Williams, a prominent charter advocate, advised Whitmire on developing the book. So *On the Rocketship* has a clear agenda: to further the charter school movement. The influence of these vested interests calls into question Whitmire's journalistic objectivity, and it makes his book a work of advocacy rather than one that fully informs the public. ■

A Guide to "Good" Investment

REVIEW BY CATHY CLARK

In 2008, the Rockefeller Foundation brought together a small group of global leaders at its conference center in Bellagio, Italy. Those leaders had a vision of unlocking billions of dollars in a quest to achieve both social impact and financial return. They fastened on a term for what they envisioned: "impact investing." Since then, this term has enjoyed remarkable success. It manages at once to convey the rigorous discipline of investing and to evoke the tantalizing ideal of making an "impact." Even though a great deal of what we now call impact investing has existed for decades, the new term has come to serve as a powerful beacon. It has also helped a diverse set of players—foundation officers in inner-city Baltimore, solar panel investors in Uganda, financial advisors in Hong Kong, pension fund investors in California—to see themselves as part of a common effort.

Which brings us to *The Power of Impact Investing*. Its authors, Judith Rodin and Margot Brandenburg, are the president and former senior associate director (respectively) of the Rockefeller Foundation, and they have led a multi-year, multimillion-dollar effort to fuel a powerful investment movement. Their primary aim, they write, is to engage readers in that effort: "Most of all, we want you to share our excitement about the opportunities that are opening up

for investors. We want you not only to grasp the 'how' of impact investing but also to gain an understanding of the 'why.'"

Indeed, the book serves as a welcoming invitation to join a global movement that uses investment dollars—as opposed to relying on government or philanthropic grant funding—to solve intractable social and environmental problems. The book includes many recent examples of impact investing, most of them drawn from field-leading organizations and projects that the Rockefeller Foundation has funded. (The CASE i3 Initiative on Impact Investing, which I direct, has been a Rockefeller grant recipient since 2011.)

The middle chapters of the book are what I found most compelling. A chapter devoted to "Impact Investing Opportunities" covers the potential recipients of capital, including social enterprises, social venture funds, and social impact bonds. The chapter ends with a brief discussion of the current mismatch between the supply of capital and the demand for it: Are there just not enough deals, or are investors mistakenly skipping over deals that need a little work to make them investable? Rodin and Brandenburg seem to lean toward the latter view. "For investors willing and able to roll up their sleeves, the sky may be the limit," they write.

In a strong chapter titled "Support Systems," the authors discuss performance measurement, legal organizational forms, public policy measures, and other essential building blocks of impact investment. Next, in "A Global Movement," Rodin and Brandenburg survey the global and regional challenges that impact investors face. Their discussion of developments in Africa, East and Southeast Asia, India, and Latin America is rife with detail about institutions, people, and economic conditions in each market. They also write about trends that cut across regions: Lessons from investing in India are finding fertile ground in Africa, for example.

At the same time, the book is notable for what it does not include. Using a story-oriented approach rather than data-oriented approach, the authors provide very little information about financial performance



or risk. And financially motivated investors will find little data here to convince them that impact investments should be part of their portfolio. The book will probably work best as a primer for investors who want to learn about this emerging field. That seems to be what the authors have in mind: They title their last chapter—rather than their first—"Getting Started."

Unlike most previous writing about this field, the book succeeds at the level of tone and style. It's forthright and free of jargon. It elegantly weaves together stories of institutions and individuals who have discovered just how much impact their investments can achieve. It opens, for instance, with the tale of an investor who set out to be a philanthropist and then discovered that an impact fund would allow him to leverage his dollars in a more significant way. Nearly every chapter includes this kind of personal perspective. The authors start by describing a problem faced by an investor or entrepreneur. Then, after discussing some aspect of the impact investing field, they invite readers to engage directly in that topic.

Rodin and Brandenburg give credit to many of the field's pioneers, and they deftly explain the motivations of its leading players today. The broad accessibility of their book, I believe, will allow it to play an important role in spreading the message about impact investing to new audiences. Because the stories that the authors tell have universal appeal, I have no doubt that the book itself will have a big impact. ■