I don’t understand why we’re having all these assessments! We’re testing students to death! And for what? Failure! So we can hold them back! I can see it now: 18-year-old fourth-graders! Thirty-year-olds as high school freshmen? That will make for wonderful teaching! Students in special education? No child left behind? Yeah, right!”

Not so fast. Let’s take a quick tour through American educational history. This may shed some light on where we are today – and the need for this legislation.

**Hundred-Year Repeat Pattern**

First of all, we are in an almost exact repeat of 100 years ago in education. Between 1870 and 1910, the United States had the following patterns:

- moving from an agrarian economy to an industrial one; economic base shifted
- mass immigration; 15% of individuals in 1910 were foreign-born (U.S. Bureau of the Census, 1910)
- first big wave of private schools
- technology shift; society shifted from working with animals to working with machines
- inclusion (African Americans, Native Americans, females, immigrants)
- involvement of the business community (1880); schools not doing their job
- alternative delivery structures; movement from one-room schools to graded schools; moving to separate campuses based on age

As a result of those patterns, considerable work around intelligence was published in the early years of the 20th century. Lewis M. Terman finished his work on giftedness; Alfred Binet developed the first IQ test in 1905 (title, translated from the French: *New Methods for the Diagnosis of the Intellectual Level of Subnormals*).

America began testing students at an individual level in two ways we had never really used tests: one for placement and one for prediction.

In 1966 Harvard released a study called the [James S.] Coleman Report (Britannica Online), which was interpreted by the media to mean the following: It doesn’t matter what schools do, if children are poor, they will not learn. Two researchers in Michigan, Larry Lezotte and Ron Edmunds, read that report and disagreed. They started Effective Schools Research, which identified characteristics of effective schools. An effective school was one in which there was equity and excellence. Equity was defined as the level of achievement as being the same regardless of whether the child was poor, minority, or low socioeconomic status. Excellence was defined as the majority of students above the norm. Those two concepts drive virtually all legislation now, particularly “No child left behind.”

Beginning about 1970 and moving to the present, folks in the United States began a repeat pattern of the above characteristics:

- movement from an industrial economy to a knowledge-based one; economic base shifted
- mass immigration; 11% of individuals in 2000 were foreign-born (U.S. Bureau of the Census, 2000)
- first big wave of private schools (vouchers, home schooling, charter schools)
- technology shift; movement from working with machines to working with computers
- inclusion (1972 and following): special education, Title IX (girls’ equality in sports), affirmative action, Americans with Disabilities Act, etc.
- involvement of the business community (1980); schools not doing their job
alternative delivery structures: credit by exam, Internet courses, interactive Web-based training, home schooling, dual enrollment (high school and college credit), alternative schools, magnet schools

So what have we done this time to address these issues 100 years later? We have gone back to testing again – but with one big difference. This time we are assessing the system through state assessment and state accountability. State assessment is about excellence. State accountability is about equity.

The concept of accountability came into being in 1972 when the federal government began to introduce the idea. At that time, the thinking was simply, “How do we know if students are learning what needs to be learned?” It grew into state accountability as the understanding of the role of education in economics grew.

Why Assess the System?

In March 1996, most of the U.S. governors got together with 48 CEOs and 35 resource educators and had an educational summit. As a result of that summit, the governors of 41 states agreed to the following: no social promotion; comparison of their state against the other states on given items (National Assessment of Educational Progress); and testing within the state at grades 4, 8, and exit. CEOs said they would start pulling their businesses out of states that didn’t have such assessments in place by 2006 (Education Week, April 3, 1996, and South Carolina Business Journal, May 1996).

Why would CEOs care about public education? Often the answer is money. But there is a deeper issue. That issue is intellectual capital.

What Is Intellectual Capital?

Intellectual capital is the development of minds that can operate/manipulate/use the abstract representational language, symbols, and systems of knowledge. Thomas Stewart gives a simpler definition: “Intellectual capital is packaged useful knowledge” (Intellectual Capital: The New Wealth of Organizations, 1997). For example, you can use a blueprint to build a house. You can use a checking account to manage your money (rather than cash). You can use an equation (rather than counting on your fingers). You can use symbols on a page to read (rather than having it told to you). You can summarize written text in your own words – orally and in writing.

When we were primarily agrarian, schooling was optional. It scarcely impacted one’s ability to make money. The development of wealth came from land, cattle, and children. It did not come from one’s mind.

When we were primarily industrial, the ability to make a living centered on both ideas and physical work. Schooling was a component of a community, but one could create wealth without schooling.

But now that we’re in a knowledge-based economy, the ability to create wealth is directly related to the development of minds. Microsoft’s Bill Gates made his money by using his mind.

So What Does Intellectual Capital Have to Do with Assessments and Standards?

Hernando de Soto, in his book The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else, indicates the following: The most important thing that has allowed the Western world to create wealth was early adoption of abstract representational systems for land and property, i.e., deeds. A deed is a piece of paper that represents a piece of property, and that deed allows a person to capitalize (create wealth) from the property. A person can take that deed to the bank and borrow money. (In Egypt it can take 20 years to get the deed because of all the government regulations.)

As you follow that thinking, when we became industrial, we took the same notion but called it … stock.

Now that we’re in a knowledge-based economy, no one is quite sure how to measure intellectual capital on paper. The closest we have to the idea is copyrights, paper diplomas, and patents. But how does one measure expertise? Knowledge bases? Innovative ability? How does one measure the intellectual capital of an organization? How do we do assets and liabilities of an organization in measurements of intellectual capital?

So part of the beginning discussion of that measurement has centered on schools through the concept of standards. Standards are really an attempt to assign the intellectual capital that can be gained from a particular grade level or course. Assessments are an attempt to measure how much of the intellectual capital the student has actually internalized. Accountability is an attempt to measure the success of the system in developing intellectual capital.

Thomas Kuhn, in his book The Structure of Scientific Revolutions (1962, University of Chicago Press), says that when a paradigm is changed (he coined the term; Joel Barker made it popular), the tools that you need to measure what you want to know are either nonexistent or so rudimentary as to not be helpful. And that’s where we are right now with state assess-
ment—beginning tools and measurements that aren’t all that helpful. They are, however, a place to begin in this discussion of intellectual capital.

**Why Would You Want to Know the Intellectual Capital of Students and Systems?**

*Intellectual capital is the key indicator of the amount of wealth that a community can create.* Unlike the industrial and agrarian eras, the ability to create wealth meant that you moved to the areas of the country that had those raw resources (agrarian—land, water, cattle, children; industrial—labor, fuel, timber, water, minerals). But now that we’re in a knowledge-based economy, it takes 20 years to create minds.

Communities that don’t develop the minds of their children will become economically poorer. The children will move away and not come back because there won’t be jobs. Real estate values will fall. The top 10% of taxpayers pay 70% of federal income taxes, while the bottom 50% of taxpayers pay 3.9% of federal taxes. The bottom 37% of taxpayers pay no federal taxes. Though the United States has only 9.3% of the world’s population, it nonetheless has significant influence throughout the world in many areas, including education. Some of the fastest-growing middle classes in the world are in Mexico, Brazil, China, and India, according to Peter Drucker (Peter F. Drucker in *Forbes, Race, culture and equality*, October 5, 1998).

Though the United States has only about 3% of the world’s population, it nonetheless has significant influence throughout the world in many areas, including education. Some of the fastest-growing middle classes in the world are in Mexico, Brazil, China, and India, according to Peter Drucker (Peter F. Drucker in *Forbes, Race, culture and equality*, October 5, 1998).

The question for America is this: Can we afford to leave 20% of the population behind?

Thomas Sowell, economist and fellow at the Hoover Institution, states that when any part of a community is disenfranchised (regardless of the reason—race, religion, socioeconomic status, gender, disability), the whole community becomes economically poorer (*Forbes, Race, culture and equality*, October 5, 1998).

Do We Really Need the Legislation ‘No Child Left Behind’?
The short answer is yes.

One of the key correlations to students who don’t pass state assessments is their socioeconomic status. Students from poverty (as measured by free and reduced-price lunches) often have difficulty on these assessments. Most census and demographic studies indicate that about 20% of individuals under the age of 18 in America are in poverty. While most studies note urban poverty, rural poverty in the United States is growing rapidly. The question for America is this: Can we afford to leave 20% of the population behind?

The short answer is yes.

Ruby K. Payne, Ph.D., founder and president of aha! Process, Inc. (1994), with more than 30 years experience as a professional educator, has been sharing her insights about the impact of poverty—and how to help educators and other professionals work effectively with individuals from poverty—in more than a thousand workshop settings through North America, Canada, and Australia.

Her seminal work, *A Framework for Understanding Poverty*, teaches the hidden rules of economic class and spreads the message that, despite the obstacles poverty can create in all types of interaction, there are specific strategies for overcoming them. Since publishing *Framework* in 1995, Dr. Payne also has written or co-authored nearly a dozen books surrounding these issues in such areas as education, social services, the workplace, faith communities, and leadership.


Editor’s note: Ruby K. Payne presents *A Framework for Understanding Poverty*, a two-day workshop, on her U.S. National Tour each year and also has produced accompanying materials. Both are available on her website, www.ahaprocess.com.

Dr. Payne has also produced a systemic “how-to approach” to raising student achievement in a course, *Meeting Standards and Raising Test Scores—When You Don’t Have Much Time or Money*, consisting of four videos and a training manual. The video course, or a one-day workshop is available on her website, www.ahaprocess.com.

Also opt-in to aha!’s e-mail newslist for the latest poverty and income statistics [free] and other updates.
Product) was 5:1. In other words, the wealthiest country had five times the GNP that the poorest country did. GNP is directly tied to the level of education of the individuals within a country. In 2001 the differential between the richest and the poorest country was 390:1.

**So why the legislation “No child left behind”?** *Quite simply, America must do a better job of developing the intellectual capital of all its children. For our sustainability and our survival, as well as our leadership role in the world, it is not a choice.*

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