2017

Education's Loss of the Public: An Archival Exploration of American Public Schools' Diminishing Social Returns and the Emerging Utility of Social Entrepreneurship

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AN ARCHIVAL EXPLORATION OF AMERICAN PUBLIC SCHOOLS’ DIMINISHING SOCIAL RETURNS AND THE EMERGING UTILITY OF SOCIAL ENTREPRENEURSHIP

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SUBMITTED TO SCRIPPS COLLEGE IN PARTIAL FULFILLMENT OF

THE DEGREE OF BACHELOR OF ARTS

PROFESSOR JEFFEREY LEWIS

PROFESSOR SCOTT SHERMAN

APRIL 21, 2017

ACKNOWLEDGEMENTS

This document and the years of higher academic investment that it represents would not have been possible without the joint support of Scripps College and Pitzer College, institutions which developed in me a deep appreciation for intersectional collaborative thinking. I am also incredibly grateful for the Social Change Program at Claremont McKenna College, which has provided me with the opportunity to conduct research and explore pedagogy in a dynamic burgeoning field.

Even more important are the professors who have guided me. Associate Professor Jeffrey Lewis, Head of the Organizational Studies Department at Pitzer College and my first reader, has helped me through four years of academic trials and victories as a benevolent major advisor. Professor Scott Sherman, Senior Director of Social Innovation at Claremont McKenna College and my second reader, lent me steadfast optimism and profound insight throughout my writing process. Warren Liu, Assistant Professor of English at Scripps College, has consistently supported me no matter the endeavor as my academic advisor. These professors and others at the Consortium have supported my brazen ambitions, invested in me as a student, and fundamentally shaped my worldviews. I am truly grateful and humbled.

Last but certainly not least, my family. Putting into words the kindness my friends and family have given me would be a near impossible feat. This thesis is a physical manifestation of that unyielding love, and to them, I owe it all.

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ABSTRACT

The literature presented in the following pages explores the shortcomings of the American public education system in the context of creating long-term, sustainable social change. Using financial illiteracy and its relationship to low quality of life as an entry point, the first section exposes public schools' shortcomings as agents of social change by delving into the hardships endured by the original public school promoters of the 19th century, the pitfalls of President George W. Bush's 2001 enactment of No Child Left Behind, and the shortcomings of the financial literacy programming that found traction in urban schools following the subprime lending crisis. These examples render the public education system unfit to address social change, at which point the paper segues into a discussion of social enterprise and the new field's demonstrated potential to capture social value.

After a brief historical exploration of social innovation which examines some values and principles of this "fourth sector," successful ventures and failed social organizations are scrutinized in the penultimate chapter. The comparisons made ultimately argue in favor of social entrepreneurship's fitness, on both a structural and ideological level, in addressing the complex social, environmental, and cultural issues of our time.

KEY WORDS: financial literacy, public education system, social entrepreneurship

INTRODUCTION

In the first month of his final year in office, Barack Obama addressed an American people who had seen him through seven years of history-making accomplishments and failures. Optimism undergirded his State of the Union speech as he described the country he had overseen as president, especially in his enthusiastic remarks regarding the character of the economy. With mention of the 14 million jobs created, a growth rate reminiscent of the private service-producing industries' in the '90s, and a deficit chopped by ¾, Obama touted a thriving American economy, and rightfully so (Obama, 2016). Statistics from his time in the Oval demonstrate rapid growth that the United States had not experienced in years. The first three months of 2015 alone witnessed an increase in marketable wealth by $1.6 trillion, with notable boosts in real estate, which generated $503 billion, and mutual funds, which generated $487 billion (Federal Reserve, 2015). Considerable growth in every aspect of the economy allowed the country's total household wealth to reach a high of $84.9 trillion in 2015, an indisputable sign of forward progress that citizens still acrimonious from the Recession could not deny (Poppick, 2015).

These fiscal milestones coincided with high immigration rates, lending weight to the perception of the United States as a nation employing diverse human capital to drive up economic gain for all. Nearly 59 million immigrants have made the U.S. their home in the past 50 years, imbuing the fabric of American culture with a wider variety of races, ethnicities, and religions, all of which ostensibly anchor the country's globally-recognized moniker "the melting pot" in truth (Cohn, 2016). Immigration trends, coupled with spikes in real estate and stocks, indicate an increasingly wealthy and diverse America – filled with increasingly wealthy and diverse Americans.

Even a superficial glance at news coverage, however, hints at an uglier underbelly of wealth distribution in the U.S. Amongst reports about rising numbers of billionaires and national net worth are stories about teens like Emanuel Laster, a 13-year-old boy growing up in Arkansas with three flat-screen televisions in his room and no food in the house. In the article, Laster's mother is quoted describing how she positions the pit-bull terrier in the yard to scare away the utility man, knowing that the majority of their belongings, purchased on credit, will most likely be repossessed (Kristof, 2016). Though extreme in its representation of poverty, Laster's story speaks to a money problem, much like Samuel Garner's does. After graduating from Connecticut College, Garner pursued a PhD per the advice of his friends, family, and academic advisors, an investment that put him $200K in debt. With eight years of interest by his graduation date, Garner's $75K pay off did little to put a dent in his (still growing) $190K of student debt (Garner, 2016). Though borrowed from entirely different lives, these anecdotes highlight an unpopular narrative that contradicts the country's clung-to notion of widespread prosperity: that of the struggling American.

According to FINRA, an investor education foundation looked to for its work in regulating Wall Street, the majority of American citizens are not financially competent (Faber, 2016). As defined by the 2008 Financial Literacy Advisory Council, financial literacy is "the process by which people improve their understanding of financial products, services and concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being" (Department of the Treasury, 2009). Research holds that financial literacy is strongly correlated to financial capability, so much so that scholars predict that ⅓ of fiscal disparity can be accounted for by the gap in financial knowledge (Cooper, 2016). Only 37% of Americans, however, can pass a test on interest calculations, risk diversification, and other basic concepts. This statistic is a notable decrease from 2009's score of 42%, belying the rapid rise of financial education within the last decade (Cooper, 2016). Despite financial literacy's presence in educational curricula since the 1980s, with particular attention given to money management after the Great Recession, the statistics demonstrate a clear disconnect between education and application.

The decline in financially literate citizens is exacerbated by the increasingly complicated economic climate that citizens must navigate today. According to management scientists Daniel Fernandes, John Lynch, and Richard Netemeyer, "the financial environment that consumers face today has become dramatically more perilous just in one generation" with the introduction of exotic mortgage forms, expanded credit availability, and new institutions like payday loan companies that offer alternative borrowing options. The spread of options has also coincided with consumer insecurity, as U.S. bankruptcies have increased fivefold in the last 30 years (Fernandes, Lynch & Netemeyer, 2014). Making decisions about saving, borrowing, investing, and retiring has become more demanding and dangerous, especially for citizens like Laster and Garner who illustrate an unequal wealth distribution at which the majority of Americans are at the bottom.

Garner's and Laster's stories are exemplary markers on a vast fiscal spectrum that, as Obama later conceded in his State of the Union Address, "[concentrates] income and wealth at the very top" (Obama, 2016). According to the Congressional Budgetary Office, the majority of the assets in the country belong to the top 10% of earners; in fact, approximately 75% of the nation's marketable wealth is controlled by this sect of the population. The remaining 90% of citizens are at the mercy of this skewed bell curve, with those remaining above the 50th percentile mark controlling 23% of household wealth – leaving just over 1% to be shared between those in the bottom half of the spread (Sahadi, 2016). While the top 10% of earners average their wealth at $4 million, the bottom 25% of the population are $13K in debt on average (Karamcheva, 2016). Though released in 2013, this report demonstrates an unprecedented gap in wealth distribution in the United States, and affirms the phenomenon of the disappearing middle class. Moreover, these data reinforce the reality of a population that, in its struggle to recover from an economic downturn, has driven out its middle income-earners to arrive at a binary society of consumer archetypes.

Considering the aforementioned statistics, the lower class has replaced the middle class as the economic majority of the American population, and it appears that the trend will persist. This is partially due to the fact that the consequences of financial negligence are compounded for citizens who belong in the poorest sect of society. Annamaria Lusardi, professor of economics at George Washington University and a leading scholar on financial education, has found that groups typically suffering financial distress are the same who report ignorance of the financial environment – specifically, the uneducated, racial minorities, women, and millennials (Cooper, 2016; Faber, 2016). These groups have disproportionately low levels of wealth and financial capability relative to their counterparts, heightening the already polarized state of American inequity. Lusardi states that illiteracy amongst vulnerable citizens "exacerbates economic inequality," suggesting that citizens are falling prey to insolvency that roots them in poor economic conditions by virtue of their lack of financial knowledge (Cooper, 2016).

This reality is helped along by the existence of institutions that seek to take advantage of low-income citizens, such as the payday loan industry. Payday loan companies, which offer short-term loans for clients to cover unexpected costs, are a commonsense establishment in light of the fact that 76% of Americans live paycheck to paycheck. The need for easily accessible money propelled rapid growth, and in just over 20 years, 19 million Americans have been served by over 20,000 stores (Oliver, 2014). With more storefronts than McDonald's, the $9 billion dollar industry has profited by exploiting the low-income individuals who depend on it (Oliver, 2014; Cox, 2014). The primary mechanism through which money is made is "debt traps," a process in which borrowers must re-borrow from outfits to pay off their original debt. In fact, this practice is company policy for some payday loan companies: Ace Cash Express' training manual includes a diagram of debt trap as an integral component of its operational business model. While a single loan paid back by the borrower's next pay period demands little interest, some companies charge up to 1900% annual interest rates, making it difficult for low-income families to escape debt cycles (Oliver, 2014). Whether borrowers do not fully comprehend the stipulations associated with their borrowing habits or are blind to them, payday loan companies stand to capitalize on their customers' vulnerability and financially enslave them.

Law holds little promise for customers who seek to install institutional fail safes within the payday loan industry, as most companies are able to avoid regulation through high involvement in government. Some have been forced to settle lawsuits for illegally high interest rates, illegally overcharging borrowers, and burning documents; but in states like Texas, one of the biggest profiteers of the industry, efforts to regulate are quashed by exploitative officials. For example, borrowers who wish to seek legislative justice must do so through a legal process that begins by approaching the Texas Finance Commission, the entity which monitors payday outfits – and whose chairman, William J. White, is the vice president of Cash America, one of the most profitable payday loan companies in the country. The customer must then introduce a bill to the state legislature, where the merits of the payday loan industry will be debated by state representative Gary Elkins, owner of 12 payday loan stores, and Ace Cash Express lobbyist Vicky Truitt (Oliver, 2014). The ease with which conflicts of interest occlude upright political process warrants serious consideration when discussing the economic conditions of the typical American family, and speaks to the influence of money over desperate customers and the establishments responsible for safeguarding them.

America's dependency on the payday loan industry is fueled by the similarly egregious practices found within banks. The number of formal financial institutions that offer free checking accounts are rapidly decreasing, which coincides with a simultaneous increase in banking fees and interest rates. The costs linked to accounts make it difficult for those living paycheck to paycheck to participate in formal banking, especially due to hidden fees. Overdraft fees leave patrons particularly exposed as banks "[let customers] write ten, twelve checks before telling 'em they're overdrawn," as Steve Carrell playing Mark Baum explains in *The Big Short* (McKay, 2015). Customers are not usually aware of the penalties associated with overdrawing money and slowly accrue debt that eventually becomes a high-interest loan, the annual percentage rate (APR) of which can be up to 5000%. Banks typically aim to take over $100 in annual fees from each client, and often times more (Servon, 2013). As flagrantly opportunistic as payday loan companies are, the country's 17 million unbanked citizens find more hidden fees and, ultimately, more severe levels of debt at banks than at alternative establishments. The lack of transparency between banks and their customers allows financial institutions to legally swindle customers out of their money. Though entrusted to protect citizens' dollars, financial firms have also engaged in illegal operations for a more substantial pay out, as the 2008 subprime lending crisis revealed.

The crisis and the resulting recession can be traced back to the work of Lewis Ranieri, a former bond trader and private equity investor who created mortgage-backed securities during his time at Salomon Brothers in the 1980s (Tully, 2009). By introducing the novel idea of bundling thousands of mortgages together, Ranieri's innovation allowed investors to lend money to homebuyers and businesses without considering whether customers possessed the assets to cover the loans (Beattie, n.d.). Though ostensibly risky for the banks, the aggregative nature of the mortgage-backed security (MBS) allowed investors to assume little risk while simultaneously yielding a significant profit (McKay, 2015). The creation of this security effectively expanded the pool of money available for lending to buyers, thereby allowing those with subpar credit to take out loans (Beattie, n.d.). The subsequent explosive growth in homeownership allowed investors to sell $200 billion in mortgage bonds and other securities per year (McKay, 2015). Operating under the assumption that citizens would always pay their mortgages, mortgage-backed securities were a win-win: investors made billions selling and citizens were fulfilled in achieving a staple of the American dream, homeownership.

Thirty years later, Ranieri's legacy was no longer defined by his initial ingenuousness, but by the economic havoc that his creation came to wreak in December of 2007. After years of bundling together AAA-rated mortgages, which were low-risk and ensured fulfilled payment, investors began selling loans to those with subpar credit ratings to fill their mortgage-backed securities; furthermore, banks began bundling BBB-rated mortgages, which were considered "diversified" by ratings agencies who then gave the MBS a 93% AAA rate (McKay, 2015). Wall Street had built an empire on an unstable foundation of fraudulence, which ultimately resulted in the devaluation of mortgage-backed securities and the collapse of the housing bubble. When mortgages reset at a higher interest rate and demanded higher monthly payments in early 2007, many borrowers were not able to refinance their loans and mortgage delinquencies skyrocketed. By the end of 2009, 4.2 million homes were either delinquent or foreclosed and citizens were stuck with "underwater" or "upside down" mortgages that were worth 30-40% more value than the houses themselves (Tully, 2009). The United States consequently plunged into a deep recession more impactful than most before it, and the global economy followed suit. Raineri's ingenuity had, at the hands of money-minded investors, evolved into an apparatus that engendered strife in more than just a fiscal capacity. Many people suffered the loss of jobs, homes, emotional and physical well-being – none of whom, however, were the financiers at fault.

A closing scene of Adam McKay's film adaptation of *The Big Short* describes how bankers were jailed, the SEC was overhauled, and the government began regulating the mortgage and derivatives industries in the aftermath of the subprime lending crisis; but in reality, the banks used what money they had left to kill reform and citizens were forced to acquiesce to economic dystopia, which disproportionately burdened lower class America. McKay's film made plain the calculated victimization of low-income Americans through his theatrical portrayals of lenders who "[offer] NINJA loans. No income. No job. I just leave the income section blank if I want, corporate doesn't care" (McKay, 2015). In explicating his companies' lack of income verification and the consequential debt his customers accrue, the nameless investor caricatures the rapacious nature of banking in the early 2000s. The film's representation of Wall Street depicts how financial institutions had made self-interested opportunism standard policy in the years before the crisis. Furthermore, it exhibits how other institutions vested with authority were similarly apathetic to the plight of the American citizen, such as the Securities and Exchange Commission. After adjusting to a budget cut, the institution tasked with monitoring Wall Street had halted investigations of mortgage bonds. This plot point broadened the scope of negligence beyond just financial institutions, as did a journalist's refusal to write about Wall Street's duplicity on the grounds that "no bank or ratings agency is going to confirm a story like this" (McKay, 2015). Despite being trusted to hold financial institutions accountable, establishments like the SEC and the Wall Street Journal acceded to corruption and abandoned those they pledged to serve. With little oversight, financiers targeted and handsomely profited off the ignorance of America's already economically-vulnerable citizens.

In the fallout of the crisis, the lower class was disproportionately impacted by lasting unemployment and lack of economic stimuli in greater society. Ray Boshara, senior adviser and director for Household Financial Stability at the Federal Reserve Bank of St. Louis, and William R. Emmons, assistant vice president of the same institution, found that the individuals and families hardest hit by the recession were those who were young, less educated, and / or members of a minority group; specifically, men, blacks, Hispanics, and those under the age of 25 incurred the most job market dislocations and income interruption (Boshara & Emmons, 2015). The breakdown of demographics suffering from the Great Recession resembled that of total household wealth in the United States, and therefore furthered the inequality these groups experienced. This, however, contradicts the ostensibly logical assumption that young and / or minority families would be less impeded by the country's economic turmoil. According to Boshara and Emmons, individuals with elevated economic risk should have had higher precautionary savings, large amounts of liquid assets relative to income, and a diversified asset portfolio to minimize the effects of potential downturns. Furthermore, "large declines in asset prices [after the trauma of 2007-2009] presented an unusually favorable opportunity for families with relatively low pre-crisis exposure to these markets to accumulate assets at bargain prices" (Boshara & Emmons, 2015). And yet, these groups suffered the most economic strife, for a longer amount of time than their counterparts.

Banks and payday loan companies belong to an intricate wealth management network organized to systematically coerce citizens into dismal economic circumstances, a contemporary circumstance helped along by the political and editorial authorities that turn a blind eye to these historically nefarious institutions. The result is a chronically destitute America, filled with chronically destitute Americans who have little hope beyond financial education. The subprime lending crisis and subsequent recession pushed the topic of money management into the political spotlight, which resulted in an upsurge of public attention and federal resources into the issue. In an effort to modify the national culture surrounding consumer education, the Bush Administration created a financial literacy advisory council that published a National

Strategy for Financial Literacy to guide changes based on scientific research. Surveys were disseminated to understand citizens' socioeconomic conditions and spending habits, and clearinghouses were created so families could access financial education programs, information, and academic research. Symposiums and conferences were created; April became the nationally recognized month for financial literacy; and bills, such as 2010's Dodd-Frank Wall Street Reform and Consumer Protection Act, were passed to promote nationwide engagement ("History of Financial Literacy," 2014). The entire country rallied around the need for financial competency, which manifested in most every political capacity possible, and trickled down to the local levels.

The most comprehensive of post-Recession endeavors was the reinvigoration of financial literacy curricula in American public schools, where teachers were tasked with finding room in existing programming for consumer preparation. Per the suggestions of the National Strategy for Financial Literacy, primary and secondary schools across the country implemented financial topics into existing curricula in an effort to provide youth with continuous financial interventions throughout their adolescence (Department of the Treasury, 2016). The use of the public education system as the mechanism through which financial literacy would be taught was commonsense given the country's desire for widespread cultural change, which required inculcating entire generations of Americans with financial knowledge. In response to the federal mandates, each state created financial education standards and executed according to those standards with varying degrees of vigor (Pelletier, 2013). With public schools on board, the U.S. was headed towards financial mobility for all.

Despite the multitude of efforts both in and out of the educational arena, however, the plague of financial illiteracy persisted. The declining percentage of Americans who pass financial literacy measurements enforces the ever expanding gap between lower- and upper-income earners, together highlighting the ineffectual outcomes of the policy changes that aimed to shift the national culture around saving and spending. The most costly of these shortcomings were the changes that took place in urban schools. In 2014, research scientists conducting the first meta-analysis of financial literacy curricula in public schools found that the education had a negligible impact on long-term outcomes for students, and the sunken costs were tremendous. Altogether with the conferences and research symposiums that each state's programming was structured around, the opportunity costs were in the billions (Fernandes, Lynch & Netemeyer, 2014). The decade of inconsequential financial education left anyone paying attention to the costly misstep wondering what had gone wrong.

Though the country had never applied its education system to the issue of financial illiteracy so rigorously before, its failure was not an isolated incident in nature. Historically, the country's public schools have neglected to effectively bring about the cultural change they desire. Policy changes throughout the history of the system often return disappointing outcomes, due to a disconnect between federally-established vision and school-executed reality. This pattern began with the inception of urban schools and has persisted into the 21st century, calling the system's unofficial role as effective social change maker into question.

The following pages explore the relationship between the American public education system and the communities they seek to change, with particular attention to how federally-discerned priorities govern educational structuring. Spanning across the lifetime of the system thus far, the goals of three interventions will be discussed in juxtaposition with their actual effect on national sentiment, government, school, and student. The outcomes of these policies do not only establish a tempo of failure, but reveal patterns of behavior that undermine schools in lieu of advancing political agendas and, in doing so, entrench students in the exact inequality the policies claim to change. The origins of the public school system, the No Child Left Behind Act, and financial literacy programming expose the American education system to be an unresponsive bureaucracy plagued by its past deficiencies and in need of radical change.

The final chapters present social entrepreneurship as a potential solution. The historical beginnings of social entrepreneurship as a field, movement, and profession will be touched on before an overview of theoretical underpinnings, values, and norms is presented. The ways in which social entrepreneurship deviates from government-led and -funded social change programs make it a promising utility if wielded the right way. Expanding on the topic of financial illiteracy, I discuss several social ventures that are imperfect, but tackling wealth management in more effective ways than the public education system. The work of Ariel Investments and MyPath Savings provide examples of organizations that are succeeding in this arena, and thus provide a platform on future successes to build on. A lengthy discussion of failed social enterprises is also included, which aims to address and circumvent some criticisms of the field. Ultimately, social innovation is presented as a viable alternative with great potential for addressing not only areas in which public education lacks, such as financial literacy, but all of society's social ills.

I. THE FAILURES PLAGUING PUBLIC EDUCATION

Participation in an institutionalized capitalist society is not a choice for modern Americans, but a fact. Every city across the country is organized around the residential institutions that govern decisions about everything from public transportation to mail to healthcare – and, therefore, govern the minutiae of daily life. Both nationwide necessities and issues that plague large swaths of the population have come to rely on government involvement, despite the commonplace dissatisfaction and growing distrust this relationship has observed in recent decades. This conflict, buoyed by citizens' contradictorily unyielding confidence in federal authority, is notably expressed through the public education system, the network of institutions solely responsible for inculcating the next generations of Americans through rigorous academic discipline.

Public schools in the U.S. have endured innumerous administrative and structural changes since the inception of the original public educational institution, particularly in their endeavors to solve the country's multitudinous problems throughout the system's lifespan. Its illustrious history includes systematic attacks on poverty, diversity, crime, and financial literacy; however, more than just money management programming has evaded intended success. This discursive exploration of the public education system, with notable consideration of its conception, highlights the federal government's heavy-handed influence on the structure of American pedagogy. Moreover, the chain of top-down control in which policy-makers, schools, and students exist distributes benefits in order of the hierarchy: the advantageous government reaps rewards while educational outcomes for students are often negligible and further entrench communities in inequality. The troubles the public education system experiences today, particularly its inability to meet its proclaimed goals at the expense of needful communities, can be traced back to its roots, cautioning against the past's ability to take hold of the present even 200 years later.

FROM NETWORK TO SYSTEM: ORIGINS OF AMERICAN PUBLIC EDUCATION

In the early 1800s, the United States was a young country with a clean slate, eager to create a way of life that departed from that of its European counterpart. While enjoying what endured of their predecessors' ideals, Americans found economic, political, and social freedom – which, ultimately, manifested in holistic cultural liberation. In the nuclear family, this was expressed through a radical change in the economic resolutions of marriage: unions, previously arranged for fiscal utility, became partnerships of affection due to heightened importance of the theory of sensibility, which placed friendship and empathy at the center of civil life ("Family Life," 2003). Logic behind child rearing endured a similar departure, as economic sociologist Viviana Zelizer states that the 19th century witnessed a fully actualized transition of importance from the economically useful to the economically useless but emotionally priceless child (Zelizer, 1994). Considering the typical household's inclusion of extended family and grandparents, it appears that early American families developed to prioritize insular socialization and care ("Family Life," 2003).

American independence was also expressed on a macro scale, with three major advancements fundamentally altering the known way of life in the United States. According to historians John R. Thelin and Michael B. Katz, the first half of the 19th century gave rise to a specific form of democratic politics, which solidified into a party system that encouraged political activity through local machines. This development, in conjunction with early universal white male suffrage, allowed American citizens to be empowered through political capabilities, resulting in widespread participation in state affairs and a concurrent confidence in government. Political engagement was supplemented by economic freedom: industrialization brought Americans out of their farms and into urban metropolises to work. The seasonality and irregularity of employment not only brought on an unprecedented separation between home and workplace, but forced a mobile workforce to cut ties with their respective communities altogether. The migratory and chronically underemployed workers of this new industrialization created a necessity for the third and most significant keystone of change: the government's involvement in social welfare and the institutions consequentially conceived (Thelin & Katz, 1987).

The insular dynamic of families and communities in merchant capitalist times was rapidly replaced by the systematic management of institutions. Prior to this shift, families took care of the elderly and mentally disabled, prisoners were quickly punished, and the poor were driven out; but the introduction of mental hospitals, penitentiaries, and reformatories forever changed social organization. Despite protesters asserting that families were impossible to mimic, supporters marketed the large, residential, federally-overseen organizations as surrogate families for idle members of the community (Thelin & Katz, 1987). The newly restored faith in the political system, and by transitive property the government, allowed institutions to flourish with full support from the citizenry, and the chaos of society was systematically channeled into order and discipline. As these government-funded institutions assumed responsibility for the unproductive of society, the burden shifted away from families. In fact, the importance of families dramatically diminished during this time period (Thelin & Katz, 1987). Within half a century, the American family underwent economic, political, and social changes that forced it to shed the majority of its constructive obligations. An arena in which this paradigm shift is acutely expressed is education.

In the 1830s, education was locally organized by Catholic and Protestant authorities who competed for pupils and received modest, but unsystematic aid from the government (Murphy, 1998). The radical reorganization of society underwent mid-century, however, lent politician Horace Mann the perfect structure to upheave the old way of schooling to actualize his dream of quality education for all. Born into poverty in Massachusetts at the end of the 18th century, Mann's socioeconomic status nullified his ability to pursue formal education; but his commitment to self-taught learning led him to study at Brown University and a distinguished career in politics ("Horace Mann," 2017). Guided by the principle that knowledge is power, Mann envisioned a society in which every child received a basic education, funded by national tax dollars ("Horace Mann," n.d.). When appointed chairman of the first board of education in 1837, he founded his first Common School in Boston, an institution the rest of the country would replicate over the remainder of the century ("Horace Mann," 2017). With journals that positioned this new system as moral saviors, Mann spread his gospel of education, which required that knowledge be disseminated by trained professionals; schools be nonsectarian and accessible to children from all backgrounds; and that they be paid for, controlled, and maintained by the people (Thelin & Katz, 1987). To the chagrin of clergymen and politicians alike, Mann maintained the belief that his schools would save youth from ignorance and promote good citizenship ("Horace Mann," n.d.). As the notion of a public education system gained traction, citizens were promised by those spearheading the movement that these institutions would propel socioeconomic development, and reduce urban crime and poverty throughout the country (Thelin & Katz, 1987). Catalyzed by Mann, promoted by politicians, and sustained by the faith of citizens, public schools flourished and, by the end of the 19th century, were the defining aspect of American education.

THE STEADY RISE OF INDUSTRY AND UNCHANGING TIDE OF POVERTY

Like Mann, the early school promoters who supported him similarly believed the new system would bring about cultural uplift - but these policymakers saw compulsory public education as an opportunity to control groups implicated for causing delinquency in antebellum America: immigrants and the poor. According to Thelin and Katz, Mann's creation coincided with a wave of immigrants, the majority of whom were Irish Catholic escaping the Potato Blight ("Irish-Catholic Immigration," n.d.). Almost 4.5 million Irish Catholic immigrants entered the country in the latter half of the 19th century and, despite being a highly motivated and unusually literate sector of Irish society, were stereotyped as violent alcoholics in American pop culture (Williams, 1996). Employers' refusal to hire Irish immigrants and their resulting economic disparity forced the majority of the populations into the slums, where work was scant and mental health was even scarcer. In 1850, for example, 85% of New York's Bellevue Hospital were Irish-born residents and 706 of the 2,000 prostitutes in Penitentiary Hospital had been born in Ireland (Williams, 1996). The locational and vocational conditions Irish immigrants were subjected to around the mid-century mark fed into American xenophobia, which early school promoters repressed with the introduction of a school system that was said to aid in assimilation, but more accurately quelled pervasive social anxiety.

Outside of alleviating the cultural apprehension immigrants introduced, public education also provided a place to discipline delinquency out of the lower class. With the rise of industry came a seemingly paralleled rise in crime, which the upper- and middle-classes understood to be a product of bad breeding: "Raised amid intemperance, indulgence, and neglect, the lower-class urban child began life predisposed to criminality and unprepared for honest work" (Thelin & Katz, 1987, 17). Instead of perceiving the economically-founded aberrancy typical of an increasingly stratified social hierarchy, the respectable classes saw "the lower-class family [as] the breeding place of paupers and criminals" (Thelin & Katz, 1987, 17). This opinion was so widely held that the terms "criminal" and "pauper" were conflated around this time period and, ultimately, became synonymous (Thelin & Katz, 1987). The belief that corruption and poverty were one and the same, which was aided by the cultural influence of common vernacular, gave public school supporters the ammunition they needed to build up a system that would police the deviant. In one fell swoop, society was ostensibly rid of the violent immigrants and anarchic needy; they promised that the deviant would be turned into productive members of the community through schooling.

The boundless growth of the public education system necessitated administrative structuring that systematically managed, so much so that it came to mirror factories and, ultimately, lent itself (and the students it taught) well to the needs of industry. Given that democratic ideology denounced ascription, achievement became the paradigm for distribution of rewards. According to Thelin and Katz, equal opportunity required pupils to outrank their fellow classmates, ushering out the supportive norms of the past in lieu of encouraging competitive behavior at all costs. This approach to work, which was maintained in factories as central to personal performance, became increasingly important as apprenticeship dwindled and the halls of public schools crowded. School promoters saw in educational institutions the same issue they did in factories: the coordination of large numbers of people in a complex organization - and the success of industrialization invited heavy-handed crossover from factories to schools. Whereas four models of education competed in the beginning of the 19th century, incipient bureaucracy grew in popularity as urban schools had to coordinate ever larger swaths of students, multitudinous responsibilities of teachers, and increasingly complex learning outcomes (Thelin & Katz, 1987). The almost military-like vigilance and control that was liberally applied to public schools at the mid-century mark allowed them to mimic factories so well that there was soon little organizational distinction between the two institutions.

Boston, the site of the first public school and school board, witnessed its education system cement into a punitive bureaucracy by the end of the 19th century. According to Thelin and Katz, the structural changes schools underwent in the decades between 1850 and 1884 illustrate Carl Friedrich's six elements of bureaucratic organizations. The first three are guidelines that "order the relations of the members of the organization to each other" – and, more importantly, created a hierarchical network of disciplinary instruction and command within schools (Thelin & Katz, 1987, 59). The installment of full-time administrators satisfied Friedrich's first principle, centralized power, and allowed a small group to manage the rest of the institution as it realized his second and third components: teachers' specialization in subject matter and schools' transition to an age-graded system showcases differentiation of function, and the intense training teachers endured in order to meet established professional standards demonstrates the rigorous qualifications for entering educational positions (Thelin &

Katz, 1987). With the upsurge in students, departmentalization and standardized teacher training appeared a commensense development; but the controlling nature of bureaucracies manifested in the harsh penalization of teachers. Professor of pedagogy William H. Payne warned of “disintegration,” the danger of non-conformity in teachers and pupils, to which school crusaders responded by establishing the National Council of Education (Payne, 1875). Though understood as a committee whose purpose was to oversee teacher performance, the Council’s position permitted keen observation and correction of errant educators: its primary task was “[warning] ambitious young teachers” who considered other career paths and threatened the slow the well-oiled machine of public education (Thelin & Katz, 70). On the grounds of rationality and efficiency, public education promoters restructured schools so that they could regulate from the top down. This new bureaucratic structure made it possible for reformers to manage not only the relationships between educators and their departments, but to standardize behavior, as well.

Friedrich’s latter three elements of bureaucratic organizations “define desirable habits of behavior patterns for all members” and, in the context of Boston’s public schools, disciplined teachers into acquiescence. The first principle, expertise, was applied to every facet of urban schools, as students learned from expert teachers who followed the instructions of expert principals, and so on. The chain of command deferred judgment to those at the top, disallowing teachers much autonomy outside of their classrooms. Precision and continuity, the fifth precept, were actualized through the transition from inconsistent administrative actions of lay officials to rule-routinized decision-making of administrators. While there was no tenure track, continuity was obtained as salaries were introduced, which incentivized educators to view teaching as a profession - and compete with their colleagues for monetary gain. The expertise of the reformers were standardized through rules, which teachers had to follow in order to move up on the organizational ladder. Discretion, Friedrich's last element, was manifested through the existence of a book in which superintendents wrote judgments about teachers (Thelin & Katz, 1987). This book demonstrates the presence of hierarchical control through discretion. Boston schools reflected those of the entire country: urban education had become a top-down system that placed students on the bottom half of an intricate hierarchy, one that resembled a punitive factory more so than a pedagogical institution.

School reformers borrowed so heavily from industrial organizations that students in the latter half of the 19th century left a bureaucratic institution peddling educational gain only to enter another bureaucratic organization, but one with the intention of economic outcomes. According to Alvin Toffler's 1970 book *Future Shock*, the education system simulated the new crowded, orderly, disciplinary industrial world - and students themselves were the products: "The whole idea of assembling mass students (raw materials) to be processed by teachers (workers) in a centrally located school (factory) was a stroke of industrial genius" (Toffler, 1990, 400). Pupils were taken and manufactured into obedient workers on a mass scale, supplying factories with a docile and malleable workforce. Toffler describes this "anticipatory mirror" as crucial for industry needs given that "the regimentation, lack of individualization, rigid systems of seating and grading, and the authoritarian role of the teacher [are features criticized in education today, but] are precisely [what] made mass public education so effective an instrument…" (Toffler, 1990, 400). Having been primed and produced by a bureaucratic education system that functioned exactly like a factory, students from public schools were able to translate their learned obedience to labor. In an inadvertent way, Mann made good on his promise of boosting socioeconomic development through public education by way of providing factories with more workers. More accurately, however, the idle middle-class adolescence, unruly lower-class paupers, and uncultured immigrant children who entered schools were "freed" through American democracy and synchronously enslaved by capitalism.

While the public education system was created with upright intentions to provide moral uplift to antebellum America, it evolved into a social, cultural, and economic tool, wielded by the elite who dictated policy. The widespread anxiety evoked by xenophobia and lower-class-oriented misanthropy was quashed through establishments that peddled magnanimity, but inculcated democratic American values as a way of interrupting bad breeding. These middle- and lower-classes comprised the majority of the students in public schools and, therefore, comprised the majority of the blue-collar workers in factories. Not only does this flow of human capital from school to factory exhibit a shamelessly opportunistic elite, but attests to the entrenchment of socioeconomic inequality. Whether knowingly or not, public education crusaders created a system that funneled low-income students into blue-collar labor, creating a systematic separation between them and their white-collar upper-class counterparts. While egalitarian in theory, the 19th century American public school was a regimented bureaucracy that satisfied capitalistic desires by entrenching sects of the population in economic inequality.

Given that the goals of reduced crime and poverty were never realized, the social experiment of public education was a failure – one that reformers readily capitalized on to suit their own needs. According to Thelin and Katz, there were no significant decreases in crime, delinquency, or poverty after the establishment of urban schools. Though they were reported to have been met, the originally marketed ambitions of the system were not realized, indicating a sore misallocation of time and resources. The actions of Richard Grant White demonstrate policymakers' exploitation of these seemingly intractable issues. A foremost scholar and social critic of his time, White staunchly pointed out that schools had been operating under the assumption that they was necessary for the social and moral well-being of the community since the system's inception. It was believed that public education would decrease crime, immorality, and other social ills; however, White blamed the crusaders of conflating correlation and causation. They had wrongfully assumed that ignorance led to debauchery, but both were products of poverty – a realization that made the experiment of public education moot, and an utter failure (White, 1880). Instead of defending the system and the goals it originally aspired to achieve, school promoters rallied behind Torey Harris and his publication, "The Theory of American Education." The memorandum insisted that humans, who are born animals, have a societal obligation to become members of the industrial economy. Parallels between animalism and poverty came to their natural conclusion in Harris' claim that man "must purify himself in the baptism of institutions," specifically disciplining schools, to attain freedom (Harris, 1871, 10). His fervent testimony, accepted as official credo, was the justification promoters needed to reform the public education system in the image of the militarized institutions Mann's vision had become. In 1889, the Commissioner of Education's annual report explicitly called for heightened stress on discipline, punctuality, regularity, attention, and silence. Furthermore, it stated that schools' paramount objective was to “train the pupil into habits of prompt obedience to his teachers [as a means] to practice self-control” (Office of Education, 1898, 1062). These documents, which bore no resemblance to Mann’s credo, exemplified a decisive pivot from public education’s original logic, values, and goals. In just over half a century, the federally-funded educational institutions that had been founded for the sake of the people had evolved into a bureaucratically-organized tool at the hands of the elite, to produce products for the elite.

A LEGACY OF FAILURE MANIFEST IN NO CHILD LEFT BEHIND

The failures of the original public school have plagued the education system, which has carried the structure and administration methods normalized in the 19th century into the 21st. Public schools today are age-graded, tax-supported, centrally-administered, compulsory, and taught by trained teachers, much like they were by the year 1890. Furthermore, the push towards industrial education, which put math and science at the forefront of curricula during the Progressive era, has also been a mainstay of public education. Katz observes that, incremental policy changes and time aside, “the differentiated educational structures [cemented by original promoters] has remained largely in place ever since” (Thelin & Katz, 1987, 126). Whether brought on by original promoters’ altruism or opportunism, many basic structural elements and institutional priorities of the original urban schools residually manifest in today’s system.

Perhaps more important than the lasting physical infrastructure of American education is the social framework that has persisted through the unchanging pedagogical ideology. In his book *On What Is Learned in Schools*, Robert Dreeban discusses the ways that the ideals of independence and universalism carry on the tradition of systematic inequality – especially the emphasis on achievement. A byproduct of a system grounded in individual merit is that students are pitted against one another, and compete instead of cooperate (Campbell & Dreeban, 1970). School is, for example, where students learn that helping a friend is cheating, and are punished for trying to collaborate with their fellow peers (Thelin & Katz, 1987). This logic, leftover from the Industrial Revolution, reinforces the socioeconomic, ethnic, and gendered inequality students enter the system with. This is perpetuated not only on a peer-to-peer basis, but with the help of teachers, as well. Before education firmed into a public system, teachers understood students' inability to learn concepts as institutional faults or poor quality of instruction. During the 19th century, learning problems, a term referring to an individual's failure to master learning due to a particular shortcoming, became a widely accepted concept (Thelin & Katz, 1987). The onus of educational responsibility was pushed onto children, instilling in them the belief that the failures they endured were a result of their own intelligence, or lack thereof. The paramount objective of achievement and emphasis on the individual that is systematically ingrained in public schools disproportionately displaced fault and strengthened inequality. It was not until 1983 that schools were implored to make drastic change.

Expanding on Secretary of Education Terrell Bell's lamentation of the poor state of American education, President Ronald Reagan's Commission on Excellence in Education released *A Nation at Risk*, a memorandum that exposed the system's inadequacies and demanded reform (Johnston, 1996). Highlighting the sobering fact that students were not receiving as quality of education as their parents for the first time in American history, the report implied that the country would experience paucity in every aspect as a result. Operating on the basis that the primary role of education was to create a competent workforce, *A Nation At Risk* pushed the importance of knowledge, learning, and skilled intelligence, the "raw materials of international commerce [in a new age of information]" (Gardner et al., 1983). In defense of a free democratic society, the Commission called for educational reform that provided all "regardless of race or class or socioeconomic status… the chance and tools to [develop] their individual powers of mind and spirit to the utmost" through increased vigor and discipline (Gardner et al., 1983). They proposed a revamped curriculum based on "The Five New Basics," which consisted of varying years of study in English, mathematics, social studies, science, and computer science. The Commission also defined the goals of each subject: for instance, English should equip graduates with the ability to comprehend, interpret, evaluate, and use what they read; write well-organized, effective papers; listen effectively and discuss ideas intelligently; and know our literary heritage and how it enhances imagination and ethical understanding (Ravitch, 2016). It did not, however, demonstrate how schools should go about reaching those goals, instead demanding that they strengthen curricula, raise graduation requirements, and increase students' time spent in educational institutions without a path to success.

Though it employed language that condemned the education system for perpetuating poverty, *A Nation At Risk* failed to acknowledge that the cause of low test scores was poverty itself. The report disregarded the inequality, racism, and segregation present in schools and pushed an agenda that focused on the economic prosperity of all, contingent on educational excellence. In fact, the report dedicated an entire section to excellence, detailing what the word implied on the student, school, and society levels. Essentially, excellence was asserted as the new paradigm of educational standards.

Despite its plea for academic success for people of all races and socioeconomic background, the report failed to recognize the lingual implication of excellence as a standard that necessitates stratification. According to professor, author, and education policy analyst Diane Ravitch, to excel is to achieve at a level beyond the ordinary, a concept that only reinforces inequality when applied to a classroom (Ravitch, 2016). Her treatment of the directive as one that called for meritocracy, a system which serves those who enter it with a favored position, exposes the intended reform to be little more than a hyperbolic cementation of the inequitable structure already in place.

Shortsightedness aside, *A Nation At Risk* garnered public attention and pushed the problems of public education into the mainstream narrative. In the decades following the report's publishing, the educational outcomes for youth steadily worsened, leaving most convinced that the curricula taught was so "homogenized, diluted, and diffuse…that they no longer served a central purpose" (Ravitch, 2016, 26). In 2001, the Bush Administration responded to the dissatisfied citizenry with the enactment of No Child Left Behind. A tested and proven approach to education, No Child Left Behind entered a national arena that was shifting under the stress of other small developments that had taken shape in the 90's. Policies like Improving America's Schools Act, the Elementary and Secondary Education Act, and Goals 2000: Educate America shifted the educational focus from disadvantaged students to all students. The new emphasis required more accountability, and test publishers were suddenly inundated with demand for more content and a faster turnaround for scoring and reporting. The new policies necessitated the creation of content and student performance standards, which most states had done by 2000; however, these assessments lacked information on how to change instruction so that it would bridge old learnings to these new standards (Jorgensen & Hoffman, 2003). Therefore, the educational climate was primed for a testing revolution, but not a learning one when No Child Left Behind was introduced.

Like policies before it, No Child Left Behind sought to ignite social, economic, and cultural change through restoration of education. The act was framed as a civil rights issue, and sought to standardize education and provide every student with equal opportunity (Loveless, 2006). Using a marketplace approach, No Child Left Behind pivoted from its predecessor's theory of change, which funneled federal dollars to high poverty schools, and offered resources as incentive to push the egalitarian agenda into the heart of public education. Despite the reform's preliminary success, No Child Left Behind proved to be shortsighted in its vision: in inheriting a system equipped with standardized testing, the reform also inherited the neglectful attitude towards the actual educational process. Policymakers demanded high achievement, but left the how intentionally vague so as to give educators more freedom (Ravitch, 2016). Paying no mind to sociocultural context, No Child Left Behind failed to consider the skewed distribution of resources and rewards already at play within the educational arena. Putting unprecedented emphasis on standardized testing as the chief measure of quality put considerably more stress on low-income schools, which were those already suffering from minimal access to resource and therefore minimal educational outcomes. Based on the ideological framework of excellence introduced by *A Nation At Risk*, No Child Left Behind created a competitive marketplace in which schools outperformed each other in order to capture resources or risk losing funding (Loveless, 2006). As a result of this new incentive structure, the same problems of universalism, achievement, and individualism that students suffered from in the classroom became the bane of entire districts. Utopic in its vision and myopic in its treatment, the reform that began as a promising effort to boost the quality of American education ended up shifting the focus of public schools solely to test scores and high achievement.

A Nation At Risk warned of the financial and educational costs of the deep-seated expectation that schools solve personal, social, and political problems, which the reform once again tasked teachers with through No Child Left Behind. Despite the efforts of some to address American inequality, the system once again quelled drastic revision in lieu of pushing a traditional agenda. Many teachers saw the policy's nebulous language as an opportunity to introduce new elements into curricula, such as the inclusion of the American struggle over race, class, and gender in social studies, an idea which was met with incredible backlash (Ravitch, 2016). The proponents of intersectional social studies were condemned by their counterparts, a conflict that resulted in no changes to the social studies curricula and warned other progressive-minded educators not to deviate from tradition. Following the debate, the government deemed it "politically impossible" to create universal academic standards and left the job in the hands of each state, many of which set vague standards to avoid censure (Ravitch, 2016). Thus, the Bush administration, which had inherited an austere educational system, introduced policy that drastically changed schools to do more of the same: by avoiding the controversy entailed in specifying what students should leave public school knowing and simultaneously demanding high performance, "the effort to improve the quality of education turned into an accounting strategy: measure, then punish or reward" (Ravitch, 2016, 18). No Child Left Behind's reinforcement of stratified and disciplinary educational control resulted in the furthering of socioeconomic and ethnic inequality.

Most importantly, the deficits of the policy's performance showcase the system's impotence in radically restructuring curriculum. The premise on which No Child Left Behind was formed provided a unique opportunity to examine educational outcomes and specify the skills students need in order to positively and actively participate in modern society. The policy was sold as a civil rights issue; the language of its history and the rhetoric of the legislation suggested that the driving force of the reform was improved life outcomes for all students (Loveless, 2006). In spite of this promising foundation, No Child Left Behind reinvented rigorous standards of achievement rather than reinventing the definitions of achievement. The grades students received took precedent over what they should actually learn, calling to question the utility of public schools as a whole. Bush's reform reaffirmed the existence of a bureaucratic form, illustrated the system's inability to actualize legitimately useful programming, and perpetuated instead of ameliorated inequality in the process. Over a century later, the "modern" public education system was holding fast to the ideological and structural conventions of its early stages, and reinforcing doubt in its ability to inculcate education in life-changing ways.

SHORTFALLS OF FINANCIAL EDUCATION & THE NEED FOR RADICAL CHANGE

On top of a bureaucratic infrastructure so rigid that it disallows changes that might provide students with opportunities to overcome inequality or gain a more holistic education, public schools have maintained their position as saviors of society. The education system's original failures and those of No Child Left Behind are just two examples of shortcomings that the country has observed – and yet, citizens still look to these institutions to solve social and cultural ills. As Katz states in *Reconstructing*

American Education, the original promoters had engineered “a lasting popular conversion to the public education system as… the key agency for the solution of virtually every major social problem” (Thelin & Katz, 1987, 23). No matter how ineffective the system, the dependency originally created to sustain it has persisted and the citizenry continuously return to urban schools for answers. In the wake of the 2008 crisis, the country once again rallied around its schools and demanded it set a new cultural, moral, and economic standard.

Resources had been directed to financial education efforts prior to the subprime scandal, but the urgency created by the federal government and maintained by the people made financial education a national priority. As the blame was increasingly placed on consumers as opposed to providers of financial products, the easiest, most expedited, and ostensibly logical solution was to increase the role of financial education in schools. Several government-issued reports were released in the years immediately before and after the downturn that attempted to guide efforts, such as 2006’s *Taking Ownership of the Future: The National Strategy for Financial Literacy*. This document lengthily discussed key issues and possible solutions relating to money management, such as shifting the public discussion from consumption to saving; educating unbanked citizens on the importance of banking; and flow of information (Department of the Treasury, 2008). The memorandum and others like it confidently instilled promise in savings curricula at the K – 12 grades.

The National Strategy was a promising foundation for the *National Research Symposium’s Suggested Research Priorities on Financial Literacy and Education*, published in 2008, to build off. This document, along with a number of other white papers, affirmed the importance of personal finance principles, risk management, attention to socioeconomic status, and other elements of intersectionality (Department of the Treasury, 2008). Propelled by academic research, the creation of a Financial Literacy and Education Commission, and established websites and hotlines consumers can use to access financial information, the government had all it needed to tackle the plague of financial illiteracy in America. In the years following the economic downturn and the reinvigorated urgency for financial education programming, public schools implemented rigorous personal savings curricula and received widespread praise for their successes. G.A. Adams and B.L. Rau, for example, stated that, “one of the most robust findings across the literature is that financial literacy plays a key role in financial preparation for retirement. Both experimental and nonexperimental studies demonstrate that understanding the basic principles of saving, such as compound interest, has a direct effect on financial preparation” (Fernandes, Lynch & Netemeyer, 2014). With its vehement backing of financial education and its role in long-term behavior, Adams and Rau spoke for American academics, government officials, and citizens, all of whom were ostensibly advancing towards a financially literate U.S.A.

In a fashion eerily reminiscent of original public school promoters’ conflation of success and aspiration, financial literacy advocates unwaveringly supported K – 12 money management curricula despite a marked decline in financially literate citizens. FINRA observed a 5% decline in financially literate citizens from 2009’s 43% to 2011’s 37%, and this trend has persisted: in 2016, almost 2/3 of citizens were not able to pass the simple five-question test (Tongco, 2016). With almost a decade of experience under its belt, financial literacy was not yielding the results Americans had invested federal funds to see. In 2014, the fruitless programming was explained by Daniel Fernandes, John Lynch Jr., and Richard Netemeyer. In their paper *Financial Literacy, Financial Education, and Downstream Financial Behavior*, the management scientists discuss their process of statistically testing the claimed success and ultimately find that there is little to no lasting learning outcome achieved by the financial education taught in public schools today. In fact, they found that the educational interventions explained only 0.1% variance in financial behavior, which is even smaller than the knowledge gained when students studied comparable disciplines. Having done the first systematic meta-analysis of the three decades of literature purporting program success, the authors found that two types of financial literacy programming exist: ones that measure students' existing financial capabilities, and ones that attempt to intervene and then test for learned skills. Fernandes et al.'s findings reveal that the former were more successful, and advocates had been ignoring the failure of educational interventions in lieu of reporting the success of programs that measured instead of instructed (Fernandes, Lynch & Netemeyer, 2014). All in all, the public education system's efforts to teach its students money management had failed, with annual opportunity costs in the billions.

An inspection of the literature surrounding financial literacy reveals many of the same inadequacies carried within the historically unresponsive and structurally-confined system of public schools. The *National Strategy for Financial Education*, originally released in 2006, mirrored the vague language of No Child Left Behind in calling for teachers to "tailor" education to everyone (Department of the Treasury, 2006). This contradictory request exemplifies the diluted language used to call teachers to action who, after witnessing the fallout of the No Child Left Behind conflict, most likely feared censure in the case they implemented too unconventional of curricula. The tailoring mentioned was enacted at the state level, as every state was required to create financial education standards that their schools would carry out. Despite state mandates being promising, few states actually applied these standards to their schools. Per Champlain, a career-oriented college that publishes a report card based on their research of financial education efforts across the country, only 40% of states were given grades A or B in terms of the presence of financial literacy curricula. Of that 40%, only four states had a standalone financial literacy class, while other states had simply incorporated the learnings into other courses (Pelletier, 2013). Note that these grades are not for the effectiveness of the curricula; Champlain does not measure impact, only the presence of curricula against federal mandates. The effectiveness of the curricula can be demonstrated by research finding that, according to a 2009 survey, 63% of teachers don't feel capable teaching financial skills and only 20% feel comfortable teaching any one of the six financial topics surveyed (Way & Holden, 2010). Evidently, many schools have opted not to teach financial literacy concepts, and the quality of instruction at the schools that do is likely poor. The fact that two separate types of financial literacy were taught and conflated as one speaks to the lack of attention paid to the education itself. These shortcomings indicate a disconnect between policymakers and schools that is reminiscent of that expressed in No Child Left Behind. In both cases, the federal government has insisted on outcomes without providing quality instruction, resulting in wasted resources on ineffective programming that left pupils with no added learning and further entrenched them in inequity.

Reinforcing this divide between the federal and local levels is the government' dissemination of current research on the topic of financial literacy and schools' subsequent lack of action. Since the Financial Literacy and Education Commission was established in 2003 as part of the *Fair and Accurate Credit Transactions Act*, it has released “Starting Early for Financial Success,” an annual journal that outlines and provides links to the latest research on citizens’ spending and savings habits, as well as how the discoveries might influence financial education. The Spring 2015 issue, for example, features a number of articles offering innovative solutions to financial illiteracy, all of which are backed by scientific data (Department of the Treasury, 2015). Ray Boshara and William Emmons published a paper called *A Balance Sheet Perspective on Financial Success: Why Starting Early Matters*. This paper presents an in-depth analysis of American families’ balance sheets before, during, and after the financial crisis within different age, race, income, and gender groups. After discussing their findings, the researchers propose an idealized, but research-backed solution to financial incompetency: automatically establishing college or lifelong savings accounts at birth or upon entering kindergarten. Though this would be an enormous federal undertaking and therefore not immediately feasible, the data backing the proposal is still valuable and could have been applied to existing programming with little hassle. Not only did the research confirm the suspicion that youth, less educated, and minority groups were the hardest hit, but Boshara and Emmons discovered that these vulnerable groups were behaving in ways that contradicted economic predictions: instead of having a higher propensity for saving given their vulnerable status and taking advantage of the decline in asset prices during the Recession, these groups suffered the most losses for longer periods of time (Boshara & Emmons, 2015). Though difficult to immediately apply in a classroom setting, the research could have been used to inform minority and youth-targeted financial capability programming in the schools that were teaching it, with particular attention to the researchers’ emphasis on automatic enrollment.

Even easier to implement would have been the suggestions put forth by

Fernandes, Lynch, and Netemeyer, who pushed for soft skills after denouncing curricula that focused heavily on hard knowledge like compound interest and mortgage. The final pages of their paper build on research done by Hader, Sood, and Fox, who urged educators to teach propensity to plan, confidence to be proactive, willingness to take investment risks, and basic numeracy (Fernandes, Lynch & Netemeyer, 2014). All of these characteristics were found to be positively correlated to financial literacy, and though theoretically easy to implement into existing curricula in a number of disciplines, evaluations of programming found no evidence of such soft skills. Nor was there serious consideration of Dreiver et al.'s recommendations in the educational arena. The research backing the paper, *Foundations of Financial Well-Being: Insights into the Role of Executive Function, Financial Socialization, and Experience-Based Learning in Childhood and Youth*, found significant promise in teaching specific skills at different touch points or ages: from 3 – 5, Dreiver et al. found understanding of cognitive abilities like impulse control, delay of gratification, and perseverance to be strong predictors of financial success; for ages 6 – 12, the researchers recommended financial socialization through parenting; and for youth 13 – 21, experience-based financial education, such as just-in-time financial education, was suggested as a powerful teachable moment (Dreiver, 2015). Though some of these recommendations are not immediately applicable to a classroom, the underlying importance of soft skills, psychological socialization, and just-in-time interventions could have been incorporated into financial literacy programming and traditional subject matter without much added strain on educators. The availability of such research on the federal level and the lack of operationalization on the local levels demonstrates the system's inability to incorporate scientifically-backed best practices, further showcasing its inefficient and ineffective tendencies.

The American public education system has yielded disappointing results when seeking rigorous reform and despite the United States being the world leader in education investment, education policy has done little to shape youth into the high-functioning, holistically-capable members that contemporary society demands ("10 Facts," 2014). Considering the failures of legislation like No Child Left Behind and programming like financial education, it appears that both were shortsighted, but well-intentioned, and turned disastrous when at the hands of the system. Once again tracing its roots back to 1850, the physical and ideological infrastructure of the public education system was cemented in a rigid bureaucracy, which became the bedrock of future reform. No Child Left Behind was unable to effectively address the question of what schools should teach in order to ensure improved life outcomes for students, instead turning the focus of education towards testing in a way that affirmed both bureaucratic structure inequality. When practical skills were forced into public schools via financial literacy programming, the education system once again fell short, wasting billions annually on programming that returned negligible results.

These shortcomings are a product of varietal factors: the unresponsive bureaucracy in which education functions disallows for significant change or innovation, the policymakers controlling the system have limited time and resources to dedicate to the programs, and little scrutiny is given to hypotheses before they are implemented via reform. The lack of careful examination has often played a hand in the downfall of the policies discussed, particularly neglect of the assumptions implicit in the legislation. Original public school promoters' belief, for example, that crime and delinquency could be reduced through the creation of universal schooling did not yield intended success. This was partially due to policymakers' neglect of ground-level details, as was the case for financial literacy. Financial education literature spoke to the policy's attempt to "tailor financial literacy to everyone" without heeding communities' divergent socioeconomic status (Department of the Treasury, 2006). Time and time again, attempts to provide blanket solutions for context-sensitive problems have fallen short; in many cases, universal solutions are a fallacy. These assumptions most likely stem from a lack of time and resources, but they nevertheless damage the causes that they serve.

Another commonality between these initiatives is the implicit belief that the best kind of educational aid is imposed from an external source. All three aforementioned policies assumed a top-down approach to sociocultural change through education, which floundered in the confines of a lethargic and unresponsive bureaucratic system. The tendency to look outward instead of inward has proven largely ineffective and inefficient for educational reform. As it presently stands, the public education system is bogged down by a structural and ideological foundation that is not equipped to tackle social issues and create sustainable, widespread change in response to them. The way that public schools are wielded to cure social ailments and provide improved life outcomes through learning is not producing the desired effects, the costs of which necessitate consideration of drastic and immediate innovation.

II. SOCIAL ENTREPRENEURSHIP

At the turn of the 21st century, the world faced racial unrest; environmental turmoil with the rapid increase in global warming; and a number of other issues that worsened in light of the unresponsive governmental institutions that attempted to solve them, with mediocre results to show for their efforts. The need for new problem-solvers became increasingly apparent as the world worsened in the first few decades of the century – governments fell, water became scarcer, and power became concentrated in the hands of the corrupt. The introduction of new problems, however, have also paralleled new capabilities: a global increase in prosperity has granted financial mobility to many; the increase of democratic societies have given citizens the ability to pursue change outside of government aid; technology has heightened awareness of problems and possibilities; and many obstacles previously inhibiting marginalized groups from actively participate in society have been removed (Kickul & Lyons, 2016). Now more than ever, the global citizenry has the awareness, tools, and means to change the injustices they face every day.

The establishment of social entrepreneurship as a pseudo-fourth sector of society has provided an ideological platform on which many have created solutions for social issues. Chief pioneer of the field, Professor Greg Dees, notes that this concept is not a novel one - in fact, he sites Mother Theresa as being, by definition, a social innovator. The seminal article in which he coins the term social entrepreneurship, however, highlights the importance of recognizing that “the new name...implies a blurring of sector boundaries. [It] combines the passion of a social mission with an image of business-like discipline, innovation, and determination…” (Dees, 1998). As common as the precept of social innovation had been previous to Dees, his writing suggests an institutionalized marriage of social imperative with entrepreneurial innovation not previously conceived.

The philosophical underpinnings of social entrepreneurship can be seen in a number of existing institutions, but the specific combination of the words “social” and “entrepreneurship” require more from individuals seeking to innovate than in the past. The Latin word *socialis* means an associate, ally, or companion, suggesting an organization of people cooperating together for some reason or to attain a specific goal. As Kickul and Lyons write in their book *Understanding Social Entrepreneurship*, the nomenclature by definition prioritizes community ahead of the individual (Kickul & Lyons, 2016, 13). In conjunction with “social,” the word “entrepreneurship” implies a departure from its traditional implications. In his 1998 article “The Meaning of Social Entrepreneurship,” Dees borrows from Jean Baptiste Say, who claimed the job of the entrepreneur is to shift resources from an area of lower to higher productivity in order to create value. Building off the idea of value is Joseph Shumpeter’s assertion that entrepreneurs engage in a “creative-destructive” process that redirects and applies resources in novel ways (Dees, 1998). Dees also notes the importance of opportunity recognition and exploitation, which stems from Peter Drucker, and Howard Stevenson’s consideration of the entrepreneurial tendency to pursue goals by mobilizing resources outside of one’s immediate control. Considering the roots of “social” in the context of Dees’ amalgam of entrepreneurial definitions, the term social entrepreneurship requires the innovative dismantling and reassembly of resources and materials, and the capitalization of opportunity in pursuit of social progress. Dees emphasizes the need for a market that values social progress on top of economic progress in stating that social entrepreneurs create social, environmental, or cultural change by:

- ✓ Adopting a mission to create and sustain social value (not just private value),
- ✓ Recognizing and relentlessly pursuing new opportunities to serve that mission,
- ✓ Engaging in a process of continuous innovation, adaptation, and learning,
- ✓ Acting boldly without being limited by resources currently in hand, and
- ✓ Exhibiting heightened accountability to the constituencies served and for the outcomes created.

This definition is the most cited and most useful in describing the job of social entrepreneurs given the many structures and forms that social ventures can assume. Though early definitions explicitly referred to social entrepreneurs as “not-for-profit executives”, the definitions have expanded to include the actions of for-profit entities: though Dees’ above definition implies an effort to make non-profit organizations less bureaucratic, he describes social enterprises as private organizations dedicated to serving the disadvantaged in an earlier paper (Kickul & Lyons, 2016, 17). The many existing definitions of social entrepreneurship does not indicate academic disagreement within a field, but rather the fluidity and malleable nature of the field itself. No matter the cited definition, pioneers of social entrepreneurship emphasize long-term and sustainable social change, a nimbleness that is explicitly non-bureaucratic, and consideration of the double- or triple-bottom line: people, planet, and profit. Whether they are for-profit social ventures, hybrid social enterprises, or business-oriented non-profits, the umbrella term “social entrepreneurship” refers to organizations that engage in a process of problem-identification and solution-creation that is informed by rigorous research and the target community’s unique circumstances, which the ventures are highly accountable to. Furthermore, they exhibit agility in every facet of their organization, allowing them to be hyper-responsive to all stakeholders.

Markets of social value are much harder to prove success in than economic markets; but social entrepreneurs are much more effective at ameliorating social issues and creating social value than government institutions, such as public schools, that attempt to do the same thing. One of the field's most significant departures from social policy is its institutionalized agility. Not only are these organizations agile in their ability to take on whatever structure best suits the problem's specific context, but social enterprises are nimble as individual entities. Like windows of opportunity for entering economic markets, there are periods of utmost effectiveness for solutions to social problems; entrepreneurs in this field recognize how imperative the ability to pivot to account for changes in the environment is (Kickul & Lyons, 2016). Because of the checks and balances built into government, institutions executing solutions are not able to respond as quickly to the ever-changing conditions of social, cultural, and environmental problems. Furthermore, federal policy is often based on unfounded theory, as demonstrated through public education's use in solving crime, delinquency, and financial illiteracy.

By contrast, social entrepreneurs mitigate unforeseen consequences and fruitlessness by prioritizing experimentation over theory. When developing a solution to a social problem, social enterprises engage in an iterative process of problem-identification and solution-creation process, the function of which is to increase certainty of effectiveness by challenging and testing theoretical assumptions (Bornstein & Davis, 2010). These innovators acknowledge that every problem a community is faced with exists within a network of interrelated influencing factors, and that introducing variables by metaphorically tugging on different levers can have different results – some of which can yield success, while tapping other elements can have detrimental outcomes (Kickul & Lyons, 2016). This experimental process requires social entrepreneurs to establish a theory of change, to create and test a minimum viable product, and then move forward with a beta solution once they have proof of concept. Continuously testing not only the solutions developed, but the problems identified increases social entrepreneurs' likelihood of maximizing resources' effectiveness in implementing solutions.

Social entrepreneurship also deviates from government policy in its deference to community-based problem-solving. As shown through the changes in the public education system, policymakers create legislation at the federal level and then demand compliance from the people the policy seeks to help. Social entrepreneurs flip this process and, in working with their target demographic to understand how it defines success, create solutions based on the needs of a specific community. This tailored approach to problem-solving ensures that ground-level details are not overlooked, allowing social enterprises to serve individuals based on the conditions unique to their experiences (Kickul & Lyons, 2016). Implicit in this technique is the notion that disadvantaged communities are capable. Instead of assuming that communities are need-based, social executives tend to see individuals as asset-based, which leads them to create conditions in which the disadvantaged may feel self-empowered – and research demonstrates that individuals who feel competent do, in fact, succeed more than those who do not.

In 1948, Robert Merton coined the term self-fulfilling prophecy to describe “a false definition of a situation evoking a new behavior which makes the originally false conception come true” (Biggs, 2009). By examining student achievement in disadvantaged versus accelerated student groups, Merton found that the pupils in the latter category surpassed those in the former due to the teachers’ treatment of students, not the students’ inherent intelligence (Merton, 1948). This study and others like it exemplify the power of self-confidence and positive, strength-oriented thinking; these effects can be seen in an organizational setting, as Bornstein and Davis state that institutions that “assume that most people are competent and honest” regularly outperform those that do not (Bornstein & Davis, 2010). On top of being an effective way to allocate scarce resources, social enterprises’ tendency to work with communities to create solutions based on existing strengths ensures buy-in and, therefore, increases the likelihood of successful implementation.

Perhaps even more important than recognizing the value of confidence is social entrepreneurs’ acknowledgement of growth as a critical component of sustained social value. The junctures of education history previously discussed demonstrate the unresponsive and confining nature of top-down policy changes; furthermore, inherent in the standards set forth by the legislature is an established hierarchy of intelligence. The achievement-based education system assumes a fixed mindset, defined by Carol Dweck as the idea that one’s character and abilities are givens that are not drastically changeable (Popova, 2015). In her book, “Mindset: The New Psychology of Success,” she goes on to say that success is an assessment of how those givens measure against an equally fixed standard. Understanding intelligence as a fixed hierarchy does not encourage intellectual or personal development, like a growth mindset does. According to Dweck, the growth mindset views failure as a learning opportunity as opposed to inability to meet expectations. Individuals with growth mindsets find value in effort over achievement, continuously cultivate their skills, and are happier because they do not seek external validation (Dweck, 2008). Social entrepreneurs typically lie on this end of the spectrum and, in developing a passion for learning over approval, grow as organizations and impart this same developmental attitude to the communities they seek to serve.

Juxtaposing the public education system's entrenched patterns to the value-driven processes of social enterprises, it appears that social entrepreneurs are better poised to tackle social, environmental, and cultural problems that urban schools typically attempt to solve. The theories of change behind the creation of public education, No Child Left Behind, and financial literacy curricula were never tested before they were implemented and, as a result, the enacted policies had unforeseen consequences that either failed to impart new learnings or were wholly detrimental to the schools affected. Financial literacy programming, for instance, was never standardized or tested for effectiveness, and the result was billions in annual opportunity costs and the waste of schools' and students' time. By contrast, social organizations engage in a process of iterative experimentation that teases out correlational and causal relationships, which allows social executives to approach change-making confidently and with more precision. This preference for experimentation over theory helps conserve and effectively allocate resources, as does the field's predilection for bottom-up solution creation.

Financial literacy policy was expected to be embraced when it became a national priority, despite its watered down language and lack of attention to socioeconomic context. In lieu of imposing a solution, social entrepreneurs approaching this issue have engaged the communities that they aim to help in creating solutions that are based off of specific needs. This approach not only ensures community buy-in, but functions as a statement of faith in the communities themselves. Social entrepreneurs' tendency to believe in the disadvantaged is founded in data demonstrating the power of confidence and a growth mindset. While schools create academic standards that students either fail or succeed to meet – and are then deemed intelligent or unintelligent – social entrepreneurs are wont to praise effort over explicit success. Social organizations are always engaged in a process of growth, which also underlies the importance of agility. Rather than assuming the unresponsive structures and attitudes that public schools have, social institutions recognize the importance of deft thinking and acting, as the needs of communities and resources accessible are constantly in flux. From a theoretical standpoint, social entrepreneurs are better equipped to address social issues due to their ability to dedicate time, energy, and resources to understanding contextual details that make communities and their network of influencing factors unique; their bottom-up approach to sustainable change, which heeds the scientifically-backed value of competency in community empowerment; and their built-in mechanisms that account for and respond to change. The ever-evolving nature of the world today calls for cross-sector organizations that are dynamic and responsive, a call that social enterprises are answering to efficiently and effectively.

Despite the abundance of research discrediting traditional financial education at the K - 12 levels, such as Mandell and Fernandes, Lynch, and Netemeyer, the public education system has not realigned its instruction to the data. The disconnect between the Financial Literacy and Education Commission of the U.S. Treasury, which plays a hand in widespread dissemination of new research regarding the negligible impact of financial education, and schools themselves could be due to a lack of awareness, as academia and application are often staggered; a lack of resources to change the curricula, considering schools' myriad responsibilities; or a lack of mobility, given the bureaucratic system educational institutions operate within. Reasons aside, the fact remains that financial management training in schools has not been revamped to reflect scientific findings, and lower- and middle-income Americans are increasingly falling prey to destitution in a toxic wealth management system that capitalizes on their ignorance.

A number of nonprofit and entrepreneurial innovators have swooped in to fill this void by creating organizations that cater to community needs through the rigorous application of social venture values and principles. Ariel Investments and MyPath Savings demonstrate facility in social entrepreneurship and, despite their shortcomings, outperform the traditional financial education taught in public schools. These companies better heed the needs of their target communities through innovative partnerships and operate in more cost effective ways than government-mandated policy. Though small in their reach, the impact of these organizations makes them a promising and viable option for education as the country advances towards financial competency.

ARIEL INVESTMENTS

Ariel Investments is a Chicago-based, minority-owned money management firm whose president, Mellody Hobson, was quoted in 2014 stating the organization invests $6, making Ariel one of the largest black-owned investment firms in the country billion (Hobson, 2014). Since its inception in 1983, founder John W. Rogers, Jr. and his team have committed their work to improving the financial conditions of local minority communities. Ariel's location in the southside of Chicago has provided them with ample evidence of financial ruin amongst African American community members, as well as the opportunity to improve savings and investing literacy for those individuals. Their commitment to social and civic responsibility manifests in a number of partnerships with organizations that provide after school and summer programs, cancer support groups, cinema technology, youth apprenticeship, and much more. Every Ariel team member is encouraged to give back through volunteer work at these organizations, especially by lending expertise as volunteer board members ("After School Matters," n.d.).

The partnerships that Ariel engages in to further their mission of racial equity brings their operations beyond corporate social responsibility. For over a decade, Ariel has conducted the Black Investor Survey to understand the saving and investing attitudes and behaviors of African Americans and Caucasians in an effort to bridge the income and wealth gap. In conjunction with Hewitt Associates, Ariel conducted the largest ever study of 401(k) savings data by race and ethnicity; the findings of the study, which analyzed over 3 million participants, demonstrated that African Americans and Hispanics were much less likely to invest in the stock market than their Asian and

Caucasian counterparts, and participated significantly less when they did invest ("Ariel Investments," n.d.). Though the data confirmed what the firm had suspected, Ariel found these results incredibly distressing as stock market investments outperform all other types of investments in the long-run. Despite stocks being "the easiest and fastest way to grow your retirement account," it became apparent that the disadvantaged groups that made up the racial fabric of south Chicago were not participating in such financial products, thereby exacerbating the inequitable wealth distribution at every income range in the community ("Ariel Investments," n.d.).

On top of recommending that policymakers and educators collect data, provide financial education, and design 401(k) plans that are beneficial to a diverse employee base, Ariel has created a nonprofit subsidiary to tackle issues of financial illiteracy in Chicago. The Ariel Education Initiative, founded in 1989 by Rogers, Jr., is a private operating foundation whose mission is to strengthen inner-city neighborhoods through education. The Initiative is responsible for three main programs: Ariel Community Academy, the Extended Day Program, and the Ariel-Nuveen Investment Program ("Ariel Investments," n.d.).

At its onset, Ariel Investments was an investment firm with a social agenda. Its mission of bettering the economic conditions of the African American community is threaded in the DNA of the organization, and the team working behind the scenes has pursued a number of opportunities to better serve that mission. On top of supporting a number of local nonprofits that align with their values, Ariel partners with organizations in research on the savings and investing habits of their target community. These findings inform Ariel's strategic approach to economic prosperity and allow them to engage in a constant cycle of innovation and learning. The Ariel Education Initiative is one such example in which the firm has demonstrated innovation without being limited by resources. Furthermore, the nature of the programs under the Initiative's umbrella necessitate accountability from all stakeholders and shareholders. As a socially-conscious for-profit with a non-profit affiliate geared towards a specific social mission, Ariel and its subsidiaries are a hybrid social venture. Its organizational structure and values as a social enterprise allow it to tackle the issue of financial illiteracy in more impactful ways than the public education system, largely due to its ability to challenge conventional wisdom; tailor education to a specific community; and demonstrate measurable, sustainable impact.

The Ariel Education Initiative resulted in the firm's corporate sponsorship of a public school in 1996. Keeping with the firm's social mission, Ariel Community Academy (ACA) was opened in North Kenwood, one of the most underserved neighborhoods in Chicago. As a Title I school, the majority of ACA's students live below the poverty line; 98% of the student body is African American and 85% of students receive subsidized lunches ("Ariel Community Acdemy," n.d.). Implicit in Ariel's decision to open ACA in North Kenwood is the belief that the most disadvantaged of youth have the capability to escape the cycle of poverty, as does the school's organizational structure. Per the website, ACA operates through a corporate-family-school model, meaning that it heeds the concerns and critiques of all parties to ensure holistic community buy-in and development ("Ariel Community Acdemy," n.d.). This bottom-up approach differentiates ACA from most public schools that implement top-down policies, and ensures that the community can prosper according to the way it has defined success for itself.

This asset-based approach to problem-solving is also showcased in the Ariel-Nuveen Investment Program, an integral aspect of ACA's investment and savings curriculum. Drawing on their research that found lack of market participation to be a chief in racial wealth disparity, Ariel challenged the conventional perception of financial illiteracy as the main hindrance to economic prosperity. Augmenting the traditional approach to financial education, Ariel created a curriculum that combined financial concepts with investment information. On top of a lesson plans that teach critical thinking in personal finance, economics, and monetary policy in 1st, 2nd, and 3rd grade respectively, the Ariel-Nuveen Program gives each incoming 1st grade class $20K to invest. In the first five years of the students' education, Ariel invests the money on their behalf; however, but as the students are increasingly knowledgeable of financial concepts and products, they assume more responsibility for the investment itself. Come middle school, the students create a junior board of directors consisting of 6th-8th graders, which represents the students and is responsible for deciding how the money will ultimately be invested ("Ariel Investments," n.d.). After the students decide on a company, they meet with representatives of the company, and invest their $20K. Though Ariel holds that both profit and loss is valuable, not a single class since the inception of the Ariel-Nuveen Investment Program has failed in the market. The profits are divided in two: half goes back to the school as a class gift, and the other half is distributed evenly amongst the graduates as cash, though most students opt for the matched contributions towards a 529 college savings plan (Shelton, 2016). The original $20K investment is given to the next incoming 1st grade class, making the program self-perpetuating and an exemplary demonstration of the value of asset-based problem-solving. Redirecting resources and faith to a community typically seen as needy, not only in terms of race, but in age, has allowed ACA to provide better futures for their students through increased financial capability.

The success of the Ariel-Nuveen Investment Program and ACA students more generally is due to Ariel's devotion to research. Not only are the firm's investment decisions and options informed by their research on racially-fraught income inequity, but the ACA curriculum is, as well. With treatment of financial language as any other language, which research shows is most easily learned when young, Ariel educates so as to impart financial capability starting a very young age (Karp, 2015). Though recent studies have suggested that financial education at a young age does not have a long-term impact on behavior, Ariel decisively neglected to heed such research due to the fact that the Ariel-Nuveen Investment Program provides students with an opportunity for just-in-time education, which research demonstrates is the most effective route for combatting depreciation of financial education. Outside of the Investment Program, Ariel's basic curriculum also heeds research demonstrating the importance of soft skills, like numeracy, propensity to plan, confidence to be proactive, willingness to take investment risks, etc. Ariel's investment teachers teach classes that incorporate basic cognitive skills into otherwise standard lesson plans; an ACA promotional video, for example, shows a teacher asking students to think about whether the character in the book they were studying had engaged in planned or unplanned spending ("An Early Start," 2012). In experimenting with theories of change that consider the firm's research and academic research, ACA has created a curriculum that fosters basic cognitive skills, boosts cognizance of financial concepts, and allows students to apply that knowledge to a real world situation via the Investment Program. More importantly, they have demonstrated success in increasing the earned income potential of the student body.

Considering Ariel Investment's focus on improving the economic conditions of African American communities, the statistics affirm the attainment of their social goals. Since 2006, Ariel has outperformed both Illinois and Chicago schools in the percentage of students who passed state standards; in 2010, for instance, about 90% of Ariel students passed state standards, compared to Illinois' 80% and Chicago's 70% ("An Early Start," 2012). Whether due to their unique organizational structure, the investment curriculum, or savings-based lesson plans, Ariel is a high-achieving school compared to other public schools around it. Next to national standards, Ariel also excels. In comparison to the national percentage of students graduating high school, which is 76%, and Chicago public schools' percentage, which is 55%, 97% of Ariel students graduate from high school. 65% of Ariel graduates go on to pursue higher education, which is 10 points more than the Chicago public schools' percentage and 16 points more than the national average ("An Early Start," 2012). Though Ariel keeps most of its measurable impact statistics internal, the available statistics suggest that Ariel Investments is combating economic inequality in Chicago's African American communities through their nonprofit arm.

In 2012, Ariel's attention to contextual details once again proved an advantage for the organization and its surrounding educational environment. The savings curriculum and the investment program was so successful at ACA that Ariel received a grant from a third party organization to document their educational approach, with the intention that other schools may adopt it ("Ariel Investments," n.d.). In a 2016 interview, ACA curriculum director Judith Shelton disclosed that two other Chicago schools had applied ACA's curriculum to their educational framework, the highly contextual nature of which allowed the other schools to apply it to their institutions while still being able to tailor the learnings to the students in those specific communities (Shelton, 2016). This tailored approach to education reflects Rogers, Jr.'s sentiment towards investing:

> "We believe our message gets through to the average investor because we are able to tailor our messages to our respective audiences. We do not believe you can have a cookiecutter approach to increasing financial knowledge. Different groups of people have different goals, priorities and needs. This includes being culturally sensitive to your audience. It is important to craft your message specifically for your audience, and only then will they be able to effectively relate to your message." ("Ariel Investments," n.d.).

Whether in regards to investment portfolios or educational curricula, Ariel Investments is successful due to its rigorous pursuit of ground-level details and bottom-up solution creation. The firm's commitment to research and to reflecting that research in its endeavors has allowed both the non- and for-profit arms of the venture more effective and efficient in reaching its goals. Ariel Community Academy has been criticized for the potential conflicts of interest and ethical ponderings that come with an investment and savings curriculum; despite the criticism, however, ACA has been relentlessly committed to improving the economic conditions of minority groups, which the organization succeeds at. Furthermore, Ariel has seen considerably more success at instilling financial capability in youth than the typical public school. In lieu of the traditional lecturing style through which financial education is typically imposed, ACA has made steps towards improving the economic conditions of African American communities by creating solutions with stakeholders, current research, and psychological principles in mind.

Though the scope of instruction is not as widespread as that of the public education system, Ariel Investments demonstrates the utility in applying social entrepreneurship to financial illiteracy in a target community.

MYPATH SAVINGS

In 1971, the Mission Area Federal Credit Union (MAFCU) was dedicated to serving immigrant Latinos in San Francisco’s Mission District who were financially excluded from mainstream services. Though MAFCU, a for-profit social venture of sorts itself, has since rebranded as another credit union, the nonprofit affiliate it started in 1996 is alive and well. The Mission Community Financial Assistance, now known as MyPath, was established by MAFCU’s Board of Directors with the intention of raising funds to develop and deliver programs to its members, as well as gathering impact data on its services. With a federal grant to launch Youth Credit Union Program, the nonprofit subsidiary became California’s first youth-run credit union in 1997. In 2011, MyPath became its own independent nonprofit, registered as a 501(c)(3) (MyPath, n.d.).

As a tax-exempt nonprofit, MyPath is committed to engaging low-income youth in banking, saving, and credit-building as a means to improve their access to higher education, employment, housing, and affordable loans. The need for such a program became abundantly clear in the Mission District when years of failed urban policy left San Francisco neighborhoods in financial deserts. Without access to mainstream financial products and services, many youth were turning to check cashers and payday loan outfits to manage their money, ultimately leading to debt and detrimental participation in the economy (MyPath, n.d.). Ample research demonstrates that zip codes play a heavy-handed role in life chances, a phenomenon in which MyPath has been able to intervene by providing youth with access to financial services.

Since its inception, MyPath has been committed to the social mission of improving the economic conditions of the low-income communities local to San Francisco. In organizational structure and independence, the organization demonstrated pursuit of mission-oriented opportunities during its formative years and still does today. With new partnerships and new branches, MyPath is expanding the breadth of its mission by virtue of its expanding network of constituents. The continuous process of learning and adaptation is present in their commitment to incorporating research into their program, and they exhibit heightened accountability to all parties involved. MyPath is nonprofit social venture that has been much more effective in teaching financial capability than the public education system, largely due to their relentless commitment to research-informed programming and their asset-based approach to peer-focused mentorship.

In its 20 years of existence, MyPath has made challenging assumptions and incorporating research into programming standard company policy. This predilection for change and integration manifested in the company's problem-identification, which goes beyond ignorance of financial concepts and services amongst youth. As previously mentioned, MyPath was created in an environment in which many youth were taking their hard earned money to check cashers, a reality that pointed to the lack of financial services immediately available. Instead of blaming financial illiteracy alone, MyPath recognized the importance of financial inclusion, which is the opportunity to act (MyPath, n.d.). In conjunction with financial literacy, which is the ability to act, financial inclusion leads to financial capability, or the ability and opportunity to participate in the economy in positive ways. These observations echoed University of Missouri, St. Louis professor Margaret Sherraden's framework for financial capability, which privileged the structural as well as the individual hindrances to positive economic pathways. Structural barriers to prosperity include lack of access to income-generating employment, financial products and services, and asset-building mechanisms (Sherraden et al., 2015). It was the combination of both individual ignorance and access to structural services that resulted in "developmental, rather than remedial, activity" for youth (Loke, Choi & Libby, 2015). MyPath's consideration of academic research was coupled with the organization's understanding of the community's needs that allowed them to develop a comprehensive and holistic program that tackled economic destitution from all sides.

More than just MyPath's goals and services are informed by academic research; its approach to education is, as well. When Fernandes, Lynch, and Netemeyer's research was published in 2014, MyPath heeded the management scientists' suggestion that just-in-time financial education was more effective than instruction years before application; the organization then created an intervention specifically around the teachable moment of the first paycheck. MyPath now structures learning around this first paycheck, at which point access to banking, saving, and credit-building are incredibly relevant to the youth. MyPath also incorporated best practices of other financial education programs into their own. Klinge, Harper, and Vaziri, for instance, demonstrated that targeted and narrowly focused initiatives had more success than interventions that generalized education (Loke, Choi & Libby, 2015). As a result, the MyPath program focuses on specific financial activities, such as maintaining a bank account and the power of compound interest (MyPath, n.d.). Research has also demonstrated the sustained educational value in capitalizing on teachable moments, which MyPath does by targeting youth at first paycheck and first employment (Fernandes, Lynch & Netemeyer, 2014). Intervening at this transition to adulthood makes the curriculum relevant for the students. Successful financial education programs also leverage incentives, which MyPath does through their savings matches and prize offerings. An established body of research has highlighted best practices within the realm of financial education programming, and MyPath has structured its program according to these learnings and continuously adapts to new information.

Best practices of youth development programs have also been borrowed and implemented into MyPath's DNA. According to Loke, etc. (Loke, Choi & Libby, 2015), opportunities for skill-building and reflection are incredibly important for youth so that they may tangibly see the outcomes of their growth. The organization has incorporated this kind of developmental approach into its six month-long program through the expansion of topics and personal financial goals at each of the three interventions, which occur every two months. The struggle in growth that each of the youth engage in through MyPath are cushioned by a peer support system, which Loke et al. also highlights as a critical element of the most effective youth development. With MyPath's youth-focused and youth-developed programming, which also includes peer mentorship, the young people feel a sense of belonging, acceptance, and support. Furthermore, the value of learning those who are like you is backed by social learning theory, which holds that people are likely to emulate the behaviors and actions of those who are most similar to them (Bandura, 1977). Equally important as supportive peers, however, is the ability to act with autonomy. MyPath heeds the research that underlies the importance of confidence, such as the self-fulfilling prophecy and positive psychology, by providing their youth with ample opportunity to act independently of their families. This is most notably demonstrated through MyPath's partnership with Self-Help Credit Union, which allows MyPath youth to be the sole owner of their savings account without a parent's co-sign (Loke, Choi & Libby, 2015). Responsibility for creating personal savings goals also rests with the youth, heightening the importance of independence. The organization has established a supportive and developmental environment in which they offer their youth opportunities for empowerment, which reflects the best practices of youth programs before it.

MyPath's structured offerings also consider principles of behavioral economics. The study of how psychology influences economic decision-making handily plays into the organization's small, but crucial minutiae. Hassle factors, for example, have been suspected to undergird the decisions of the unbanked and underbanked; the troubles associated with opening a bank account are enough to inhibit many from ever doing so. Recognizing this pattern amongst lower-income individuals, MyPath minimizes barriers to saving by having the youth sign up for a bank account at the same time they are signing up for the program itself. This is the same reason that MyPath has its youth sign up for direct deposit, pre-split according to the program's rule regarding spending and spending. Convenience has been shown to be a major contributor to decision-making, which is especially true for lower-income individuals who are just learning to be financially independent (Loke, Choi & Libby, 2015). Leveraging this knowledge has allowed MyPath the success it experiences today. The organization has incorporated the results of research that show the value of meaningful incentives. To promote savings, youth receive a 2:1 savings match for deposits into their MyPath Savings accounts, capped at the first $30 saved for their first four paychecks. Prizes are additionally offered to reward those in the program for achieving savings goals or certain financial behaviors (Loke, Choi & Libby, 2015). Borrowing heavily from the field of behavioral economics has helped MyPath structure their program in a way that minimizes attrition and encourages the desired savings behaviors.

As a result of the research and best practices MyPath is constantly surveying the environment for and, in turn, applying to its program, the organization has created a timely, relevant, peer-developed intervention for youth workers that allows them to engage with mainstream financial products and services. The program takes place over a six month period, and each of the 90-minute financial education workshops are conducted approximately two months apart. The topics covered include financial goal setting, budgeting and expense tracking, the power of compound interest, and an overview of different financial institutions and products. Each of these lessons were developed with the help of youth, an inclusive process which ensured that the language is tailored to the target audience and the relevance is maximized.

In 2011-2012, a team of researchers analyzed MyPath for its effectiveness in the realm of financial capability. MyPath partnered with San Francisco's largest youth employment program, Mayor's Youth Employment and Education Program (MYEEP), which targets low-income youth who face barriers to employment. As an organization that intervenes high school students as they are entering adulthood to provide them with leadership skills, employment training, and job placement, MYEEP has similar organizational goals as MyPath. The 275 youth who were in the MYEEP program were concurrently in the MyPath Savings Pilot, only 28 of whom dropped out of the program. The 10% attrition rate aside, 60% of respondents did not have a savings account upon entering the program and 76% had not received any budgeting classes before enrolling. Amongst this demographic, the program was effective overall. Qualitatively, it received a positive response: 93% - 99% respondents said the program was somewhat to very relevant; 90% - 98% respondent said it was somewhat to very interesting; and 96% - 99% respondents said they learned a little to a lot. More importantly, the post-program reports demonstrate lasting impact on the youth: 75% of youth reported that they save a portion of their income or that they save all the time; 66% track spending spending some or all the time; and 54% use a budget some or all the time (Loke, Choi & Libby, 2015). Gains in financial capability were mostly independent of gender, ethnicity, household income, and whether the household received government welfare. All in all, the MyPath Savings Initiative has demonstrated success and sustainable social impact.

Since the organization started, MyPath has helped 4,500+ youth save over $1 million. It currently has 8 city partners, primarily on the west coast, as well as 6 credit union partners and over 50 youth employment program partners (MyPath, n.d.). Though minimal compared to the reach of the public education system, MyPath’s approach to wealth management and accumulation has brought more success to a higher proportion of low-income students than public schools have.

II. B. LIMITATIONS OF SOCIAL ENTREPRENEURSHIP

The above case studies demonstrate the utility of social entrepreneurship in alleviating financial illiteracy. Even if on a significantly smaller scale than the public education system, both Ariel Investments and MyPath Savings rigorously pursued social missions and have witnessed tangible results, so much so that their programs have been adopted by and transplanted into other schools and cities locally and nationally. By redirecting faith and resources to ostensibly disadvantaged individuals through research-informed programming, these organizations have made marked differences in the economic lives of their target low-income communities, providing a promising platform on which similarly-minded entrepreneurs and faith in financial literacy-oriented social enterprise can grow.

With success, however, also comes failure. A number of social enterprises have fallen short of reaching their social missions due to a variety of limitations, and have wasted precious resources doing so. Though social innovation in the context of wealth management and savings has not yet come to light, organizations tackling health, water, and a number of other social issues have floundered. In part, these oversights are due to the newness of the field. Given Dees' 1989 coining of the term social entrepreneurship, this young movement is still experimental by nature, lending it volatility that is not yet constrained by the conventions implicit in older and more established fields. The exact dynamism and relentless vigor that makes "fourth sector" innovators so groundbreaking can also play a hand in damaging their pursuit of social good. Furthermore, social entrepreneurship has also demonstrated difficulties in creating a new paradigm, largely due to the fact that manifestations of this new field are paradoxically borrowing from industries that they are simultaneously attempting to break away from.

PLAYPUMPS INTERNATIONAL

One of the world's most pressing issues – and consequently, one of the social sector's most tended-to problems – is water scarcity, with 884 million people worldwide unable to access to clean and safe water. The statistics are sobering and beckon a call to action: about half of hospital patients suffer from water-related illnesses; up to 80% of diseases in developing countries are associated with poor water sanitation; and diarrheal illness, frequently transmitted through contaminated water, is the primary cause of death amongst infants ("PlayPumps International," 2012). Given that 37% of the individuals affected by unsafe water live in sub-Saharan Africa, the majority of efforts to improve sanitation have been directed to places like Mozambique and Ethiopia, where people spend 40 billion hours per year collecting water ("PlayPumps International," 2012). Supplying clean water to rural villages is difficult given the lack of infrastructure, but innovative technologies like the PlayPump have changed the global approach to water sanitation.

Originally conceived in 1989 in South Africa by engineer and borehole-driller Ronnie Stuiver, the playpump was designed to solve multiple problems in tandem: Stuiver recognized children's lack of play equipment and villages' inability to collect clean water, and created a technology that could achieve both simultaneously (Borland, 2011). At an agricultural fair, he unveiled a merry-go-round that pumped water from the ground into a water tank as the children played on it, which caught the attention of retired businessman Trevor Field ("PlayPumps International," 2012). While residing in

South Africa, Field had witnessed women and girls carrying 40-pound jerry-cans of water from the often dirty, leaky boreholes, operated by hand pumps. Harboring the belief that there was a better alternative that would allow the women to dedicate the time spent collecting water elsewhere, Field licensed Stuiver's technology and renamed it the PlayPump ("PlayPumps International," 2012).

After founding Roundabout Outdoor to manufacture and install the technology, Field gained significant recognition after Nelson Mandela visited an elementary school where a PlayPump had just been installed. The publicity from this event launched Field and his technology into the global spotlight, allowing him to gain traction in the social sector and attract funding from a number of established organizations, such as the Kaiser Family Foundation and UNICEF. More financial support from the Clinton Global Initiative, First Lady Laura Bush, and the Case Foundation, as well as publicity through an MTV documentary and a Jay-Z concert dedicated to the initiative, allowed Field to establish PlayPumps International, a NGO that would facilitate worldwide partnerships and the widespread implementation of the technology. Having already installed 1,000 PlayPumps across Sub-Saharan Africa, Field's goal was to install another 4,000 by 2010 in an effort to make the technology the leading solution to water scarcity ("PlayPumps International," 2012).

On a theoretical level, the PlayPumps seemed to cover the bases of installation and maintenance, with attention to all stakeholders. The technology was meant to be partially self-sustaining, with each side of the water tank utilized as a billboard. Two of the sides were dedicated to health education and awareness about HIV / AIDS while the other two donned advertisements that would cover the cost of maintenance.

PlayPumps also saw installation as an opportunity to provide local employment, and produced the tanks and message boards in South Africa; furthermore, the pumps were installed by local hires, who received training for the project (Vandendreissche, 2012). Beyond health education and employment, children were given a play facility that is rarely found in rural villages and are able to convert that play energy into the community service of water pumping. Furthermore, the pumps were relatively easy to operate, had low chances of breaking compared to the hand pumps, and low chances of contamination given the distance between the borehole and standpost ("An Evaluation," 2007). Armed with an environmentally friendly and ostensibly sustainable idea that would improve the quality of life for disadvantaged people in a number of ways, PlayPumps seemed destined for success.

In 2009, negative reports of the PlayPumps plan forced organizations to revisit their involvement in the initiative and journalists to revisit the sites of installation. Amy Costello, a reporter who had published a FRONTLINE story on PlayPumps in 2005 that had boosted Field's publicity, visited villages in Mozambique and found that the pumps were no longer producing water or were broken. The advertisements were not making the money necessary for reparation, and no one responded when the repair line listed on the tank was called. Furthermore, Costello found that the pumps were increasingly difficult to operate, some were out of commission for up to 17 months, and the children were not playing on the merry-go-rounds as expected ("Troubled Water," n.d.). There was a clear disconnect between the envisioned impact and the reality of the PlayPumps plan, largely due to lack of user buy-in.

The design of the PlayPump did not make for an attractive play facility or an effective means of pumping water. The merry-go-round design did not protect children from falling off of the structure and onto the concrete base, causing many to suffer bruises, cuts, and fractures. Children were even more disillusioned given the amount of physical effort required to play and pump water: they reported being tired and dizzy after pushing the wheel after just one minute of playing on the carousel, and many vomited after over-exerting themselves in order to obtain water ("PlayPumps International," 2012). The device was so unattractive to the communities that adults in Zambia were forced to incentivize children by paying them to play ("An Evaluation," 2007). The actual pumping of water was also incredibly difficult for people, and failed to perform at the rate advertised. As opposed to 1,400 liters per hour, one pump in Mozambique only pumped around 625 liters per hour; this meant that it took four hours of continuous pumping to fill the entire tank. In comparison to the hand pump's 22 cm of average pump stroke, the PlayPump only delivers 6.5 cm, significantly decreasing the amount of water yielded for the effort required (Borland, 2011). Given the rate at which water is obtained, it was found that children would have to play for 27 hours every day in order to provide the recommended daily intake of 15 liters of water for the community (Chambers, 2009). The design of the PlayPump not only discouraged children's play, but made it more difficult for the communities to obtain water than before.

On top of design, community involvement was also lacking in implementation of Field's technology. Costello's return to Africa revealed that many communities weren't informed that the PlayPumps were going to be replacing the hand pumps; the PlayPumps "just arrived" and were installed without the input or permission of any community members ("Troubled Water," n.d.). With no alternative, community members were forced to try out the technology and appeared happy when evaluators visited installation sites – but all Mozambique adults at the 26 sites responded “no” when asked whether the communities liked the PlayPump. Because the pump easily fatigued children, women ended up shouldering the responsibility of pumping the water. Not only did the structure, which was designed for young children and stood at 60 cm off the ground (Borland, 2011), not accommodate the adult women, but they reported feeling embarrassed when using it because passerbys did not understand the linkage between the merry-go-round and the water tank, thereby making the women feel foolish. This was often the case as the pumps were located near public roads to make the advertisements more effective, which exposed the women to unknowing strangers (“An Evaluation,” 2007). The physical and psychological discomfort the community members experienced indicates a lack of sensitivity to the communities in which the PlayPumps were installed.

Follow-through was another issue for PlayPumps International that caused their target communities distress. In Zambia, approximately 38% of the water tanks were completely void of signage and 75% did not carry any advertisements. The community members were therefore not able to reap revenue from the advertisements as additional income or for reparative funds. This reality was also true in Mozambique, where only 22 of the 100 water tanks had advertisements. Though it claimed financial sustainability, PlayPumps were much more of a financial burden (Borland, 2011). The fiscal burden was compounded by the fact that some communities were still paying their village water committee user fees for the operation and use and maintenance of hand pumps despite the PlayPump replacement, which provided free water (“An Evaluation,” 2007). Neglecting community consultation resulted in unanticipated financial burdens for many communities, indicating a broader issue: lack of attention to context.

Without considering the unique conditions of each community, PlayPumps International installed their technology assuming that their blanket solution would solve a widespread problem. Only after being criticized for their failures did those involved in the implementation of the PlayPumps revisit their approach and concede that attention to details would have eased the process. For example, the Case Foundation, a major donor, explained in an open letter that “we learned that PlayPumps perform best in certain community settings, such as at large primary schools” where large numbers of children can play and pump the amount of water necessary to sustain the community, “but they are not necessarily the right solution for other communities” (“The Painful Acknowledgement,” 2010). Evaluations of the technology also revealed that advertisements on the tank were not fiscally sustainable, as many pumps were in rural communities and yielded little to no revenue (Chambers, 2009). Furthermore, it became clear that PlayPumps International had not properly tested the quality of water at the sites they chose for installation (“Troubled Water,” n.d.). The assumption that each community was geographically and demographically similar was a major element of demise for the PlayPump technology. The lack of attention given to ground-level details resulted in lack of community ownership, rendering Field’s once promising vision a complete failure.

II. B. ii. TOMS SHOES

Social enterprises have been known to fail due to a variety of reasons, such as lack of local ownership or inability to demonstrate tangible results. Despite claiming the title of social innovation, others fail to effectively meet their goals by privileging profit over social value, such as TOMS Shoes. Originally called Tomorrow's Shoes, Blake Mycoskie's company was founded in 2006 after he failed as a reality TV star. At 25, Mycoskie flew to Argentina to take part in the Amazing Race and after losing, continued to maintain his fame in reality television with an appearance on Fox's Sexiest Bachelor in America. After failing to launch his own reality program, Mycoskie returned to Argentina to learn how to play polo. It was during that trip when he met aid workers in a bar who were on their way to give shoes to poor children. Blake tagged along and was so moved by the plight of the children he encountered that he decided to make and sell his own shoes in the United States – and promised to give one to those in need for every pair he sold (Costello, 2012). TOMS was founded with the intention of alleviating health issues associated with shoelessness, such as hookworm, and has since expanded the business model to include sunglasses and coffee.

In the last decade, the company has seen incredible success, partially due to its target demographic. The growth of TOMS paralleled the maturation of the millennial generation, generally known for its penchant for charitable giving. With high demand for social and environmental conscientiousness, millennials have demanded more from organizations if they are to reap the $2.45 trillion in spending power that this generation represents (Ames, n.d.). TOMS has been able to deliver on a number of fronts, the first being the ease with which an individual can make a difference through the purchase of a pair of shoes. With 100+ giving partners dispersing aid in over 70+ countries, TOMS has given over 70 million pairs of new shoes and medication to children in need as of 2017 (“Gift of Shoes,” n.d.). Their reach has allowed them to expand beyond their original cause of hookworm and yield impact in general health, as well: the company boasts a 42% increase in maternal healthcare program participation and over 100 children have been identified as malnourished in Malawi through the shoe drops. TOMS has now expanded their business model to sell sunglasses, and operates under the same buy-one-give-one model. For every eyewear purchase, TOMS provides a person in need with a full eye exam by trained professionals; each patient then receives the treatment needed in the form of prescription eyeglasses, medical treatment, or sight-saving surgery (“Gift of Shoes,” n.d.).

The coffee arm of the operation deviates from the buy-one-give-one model, but still delivers social good: for each bag of TOMS Roasting Co. Coffee, a week’s supply of 140 liters of water is given to a person in need. In the same seven countries from which TOMS sources the coffee beans, their giving partners are creating sustainable water systems to provide accessible drinking water. As of 2017, the organization has provided over 400,000 weeks of safe water to disadvantaged communities (“Gift of Shoes,” n.d.). TOMS’ bags similarly deviate from their traditional model while still providing social value. Recognizing that infection is a leading cause of death for mothers and newborns, TOMS began selling bags in order to better the conditions and skill level of attendants, aiming to reduce the lives lost through childbirth by half. The purchase of TOMS bags help its giving partners deliver the materials and training required to help provide mothers with safe births regardless of the facility. Through this facet of the organization, over 70,000 mothers have benefited through safe birth services (“Gift of Shoes,” n.d.).

Education is another element of the TOMS giving model, both through the gift of shoes that allow students to get to school and bullying prevention. The purchase of High Road Backpack helps provide bullying prevention and response training to school staff and crisis counselors in local schools. Teachers, students, and parents are also involved in this process to create a safe community free of bullying ("Gift of Shoes," n.d.). Since its inception in 2006, TOMS has expanded its reach and impact, not only in number of individuals helped, but in diversity of social value. Being the first to push giving into the mainstream and make charitability fashionable, TOMS became a leading pioneer of social enterprise in the public eye.

After popularizing the buy-one-give-one approach through its shoes, TOMS began to endure criticism from a number of parties that claimed the business model was more damaging than beneficial to the target communities. In response to these claims, TOMS hired University of San Francisco professor Bruce Wydick to pull together a team to evaluate the long-term impact of the company's shoe drops. The team sought to answer two questions: first, whether giving away shoes negatively impacted local markets by stealing customers and second, what the impact of shoe donations are on the children who receive them. The researchers set up a study with a randomized control of about 1,000 households in El Salvador, a country which consistently comes in the bottom half of income-per-capita tables. All families were given discount coupons for local shoe stores; the experimental group was given a pair of free shoes at the beginning of the study and the control was not (Wydick, 2015). After collecting data on education, health, psychological status, and many other factors, the researchers found that 95% of the children who received TOMS had a favorable impression of the shoes and wore them heavily. However, Wydick and his team found no life-changing impact on the children who received the shoes, with the exception of making them more reliant on external aid. Wydick noted that children who received TOMS shoes watched less television, but also did homework less frequently than the control group; and while there was a slight increase in school attendance, there was no impact on self-esteem. Most importantly was Wydick's finding that children were more likely to agree to the statement, "Others should provide for my family's needs," and less likely to agree with the statement, "My family should provide for its own needs" (Wydick, 2015). The results of the study revealed TOMS' shortcomings as an organization that prioritized charitable giving, specifically in the way that they were far more damaging to the disadvantaged communities than anticipated. Not only did children become more dependent on external aid without demonstrating any of the desired long-term behavioral outcomes, but the shoe drops rendered local cobblers obsolete and, therefore, removed the community's agency to be fully self-sustaining.

As noble as his intentions were, Mycoskie's company enshrined a harmful business model in social entrepreneurial history and practice. The sourness of this fact is only furthered when considering TOMS' financial gains through their business operations: despite a pair of shoes costing around $60 in retail, TOMS only cost $4 to make, allowing the company to yield a $52 profit for every pair sold. The low manufacturing costs are largely due to the fact that TOMS employs cheap labor in Argentina, China, and Ethiopia to produce footwear that subsists of relatively cheap materials (Conover, 2015). The exploitation of cheap labor not only contradicts the company's efforts to provide dignified work through other means, but reveals the importance of profit over social value within the company's framework. This is particularly true when considering the fact that cement latrines could be built with the money used to manufacture shoes, which would alleviate hookworm for over a decade as opposed to the duration of a shoe's shelf-life, which is about two years (Favini, 2014). A close inspection of TOMS' business model and decision-making demonstrate a pivoted focus from social good to private acquisition.

The lack of sensitivity given to target communities' actual needs further showcases the skewed distribution of value in the TOMS giving model. Not only do rural communities learn to depend on foreign aid, which stunts their local economies, but the perception of these communities as needy and incapable persists. TOMS' use of "poverty porn," which a YouTube video criticizing the company describes as an instance in which someone "finds the most extreme situation and makes it look like the common situation on the continent" (Conover, 2015). As mentioned previously, the value of self-efficacy is unparalleled and TOMS' use of imagery that impairs communities' empowerment serves to sell shoes rather than help individuals in need. What's more is that shoelessness is a non-issue in most regions in Africa; Teddy Ruge, founder of Raintree Farms in Uganda, continues on in the video to state that malaria, unemployment, and lack of electricity are much more pressing problems (Conover, 2015). The lack of attention given to the individuals ostensibly helped by TOMS' giving model ultimately do little for them by way of short-term and long-term gain. As a result of this oversight, however, TOMS has yielded a hefty profit and allowed Mycoskie to sell his share of the company for around $60 million in 2014 (Armstrong, 2014).

II. C. RUMINATIONS ON LIMITATIONS

As they exist in any field, failures are an inherent aspect of social entrepreneurship; the above case studies highlight a number of limitations within companies that pursue social value as an integral facet of their mission. While TOMS privileged profit over their social goals and ruptured local economies, PlayPumps International misdiagnosed the water scarcity issue in Sub-Saharan Africa and was consequently shortsighted in its treatment of the problem. Regardless of intention, both companies failed to pursue their social mission and meet their goals in the most effective way, and therefore failed to maintain the priority of creating long-term, sustainable social value for their target communities. Despite the aforementioned shortcomings, however, social enterprise still demonstrates significant promise in delivering social good.

In the cases of PlayPumps International and TOMS, both organizations had the structure and agility to transform in light of their shortcomings. In response to a plethora of complaints from African governments, third party evaluators, and major donors, Trevor Field ultimately admitted that the PlayPump would never live up to its promised potential ("Troubled Water," n.d.). With this concession in mind, one of the organization's major donors, the Case Foundation, quickly took action to redirect resources to a more effective approach. After a new CEO for PlayPumps International was installed, the Case Foundation granted funds to Water for People, an organization that boasts the success of 4 million people in 9 countries served through their water sanitation technologies (Water for People, n.d.). The Case Foundation gave its PlayPumps inventory to Water for People, and the organizations now offer Field's technology in a larger portfolio of safe water access solutions from which rural African communities can choose from (“The Painful Acknowledgement,” 2010). Due to the agile nature of social organizations, PlayPumps International had the ability to change tactics and revise its approach to water scarcity to better cater to the needs of its target communities, boosting the chances of local buy-in.

Similarly, TOMS was able to address some of the criticism it endured. Bruce Wydicks’ research team noted that the organization demonstrated steadfast commitment to altering its programs in response to the shortcomings the study revealed. In response to children saying that they disliked the design of the shoe, TOMS now offers sports shoes; furthermore, they have diversified their shoe choices to better suit the conditions of different communities and, for example, provide snow boots for children in Mongolia. In response to the issue of dependency on foreign aid, the company now gives shoes to students as rewards for school attendance and performance. Wydick states that “TOMS is perhaps the most nimble organization any of us has ever worked with,” and though he admits that “there are many more [organizations that] are reticent to have the impacts of the program scrutinized by outside researchers,” the fact remains that social organizations have the non-bureaucratic structure and means to be responsive to those they seek to serve (Wydick, 2015). Though reform is possible through vehicles such as the public education system, social ventures are able to tackle problems much faster than their federal counterparts. Moreover, the pivots social organizations undergo are typically more effective as a product of economic market pull.

Whether they be pure nonprofits or pure for-profits, all social organizations operate in markets of sorts, and they must compete to capture value just like companies with only one bottom line. On a theoretical level, markets tend to coerce organizations to perform or be outperformed, a phenomenon witnessed with both of the aforementioned cases. As previously stated, PlayPumps International was forced to shut down its operations and abandon its plan to install 5,000 pumps in Sub-Saharan Africa before it was even halfway to its goal. Water for People was able to capitalize on PlayPumps' failures, learn from their losses, and then offer the pump in a comprehensive suite that takes community sensitivity into account. Water for People has seen considerable success by adopting Field's brand and continues to serve millions of water-scarce regions in the world. In this situation, Water for People was able to use PlayPumps International's failure as a platform for its own growth, ultimately creating a better service that secured more social value.

The same philosophy underwrites Nisolo, a company founder Patrick Woodyard "started on the heels of TOMS peak in 2011" upon realizing that despite Mycoskie's shortsightedness, the success of the buy-one-give-one model demonstrated the consumer capacity to understand social impact. While working in microfinance in Peru, Woodyard found incredibly talented shoemakers upholding age-old traditions of leather craftsmanship, which led him to reexamine the theory of change typically linking shoes and poverty in the third world (Woodyard, n.d.). Woodyard recognized that the barrier these cobblers faced was not shoelessness, but access to global markets and envisioned a supply chain owned by these skilled artisans. Approaching shoemaking with a producer- rather than consumer-leaning edge, Nisolo now employs over 500 people who receive beyond fair trade wages, healthcare, and a healthy working environment (Nisolo, n.d.). Furthermore, the company works with independent artisans to help scale their businesses so that they may stimulate their local economies and become empowered through fiscal agency (Nisolo, n.d.). Having acknowledged the limitations of the buy-one-give-one model, Woodyard felt that “the ethical fashion space needed a success story” that was more than “a marketing scheme or [reaction] to consumer demands” (Woodyard, n.d.). Because TOMS failed to create the social value it promised, Nisolo was able to synthesize its predecessor’s shortcomings, reinvent the approach, and is now “forging a proactive shift in consumer thought” (Woodyard, n.d.) Competitive markets encourage businesses to create better products to increase value; in the context of social entrepreneurship, Nisolo and Water for People were able to capitalize on others’ failures, create products that better satisfied stakeholders, and capture more social value. Both PlayPumps and TOMS failed to meet their social goals as effectively as they could or desired to; however, their failures ultimately allowed other social ventures to better serve their target communities. Any failure is a dismal drawback, but it has much more utility in social enterprise than in federal agents of social change like the public education system.

This is largely due to the fact that failure is in intrinsic aspect of entrepreneurship, and it is often seen as a platform for improvement despite the wasted resources. The successes of both Water for People and Nisolo can be partially explained by the fact that they used failure as a launch point for their own work. According to Adam Grant, professor at the Wharton School at University of Pennsylvania, learning from failure is a critical element of success and a staple of entrepreneurship. In his research on companies that are first to market, he finds that 47% of organizations that claim first mover advantage fail. In comparison, only 8% of organizations that improve on ideas fail. Not only is he debunking the myth that first is better, but his research demonstrates the value in synthesizing lessons of failure and evolving in response (Grant, 2016). Using the example of Facebook and MySpace, he explains that it is much easier to revise an idea than to start completely from scratch – and most of the time, improvers see considerably more success. This is true of social enterprises, as demonstrated by both Nisolo and Water for People, both of whom reformed existing ideas as opposed to starting anew.

This principle still holds true for organizations that are not first or second or even third to market, like Ariel Investments or MyPath. A plethora of organizations have tackled money management, and Ariel Community Academy and MyPath are just iterations of their predecessors' failures and best practices. As demonstrated in the above discussions, social enterprises have foundations that are primed for change; they have the structural mechanisms and utilitarian vision that allow them to convert failure into energy that propels them towards success. In nimble systems that are able to respond to disappointing outcomes and transform, failure is as Henry Ford said, "simply the opportunity to begin again, this time more intelligently" (Rykaszewski, Ma & Shen, 2013).

Though the same should apply to the public education system, urban schools have demonstrated their inability to account for their failures and change to reflect growth. From the original promoters' unmet goal of reducing poverty to No Child Left Behind's inability to improve educational outcomes to financial literacy's negligible programming, public schools have not been able to use their failures in a constructive way; instead, it seems the system has engrained its shortcomings into its DNA, which informs reform and plays a hand in subsequent failures. One possible explanation for this phenomenon is the structure of urban schools. Situated in a restrictive bureaucratic hierarchy, districts are not given the freedom to be agents of change in their respective communities. Transformation often trickles from the top down, a process in which value is lost and structural control inhibits contextual tailoring. Despite many efforts to reform public schools to address past failures, the social experiment of the education system continuously yields disappointing returns and fails to create the desired social value, in part due to structural limitations.

Potentially more influential than structural diversion, however, are the ideological differences between public schools and social enterprises. As examined in a previous discussion, schools typically operate with a fixed mindset, which is reflected in the practices that measure students, teachers, and schools against a standard of excellence. The hierarchy of academic (and, therefore, societal) worth established through such assessments imply unnegotiable inadequacy in failure. In such a fixed environment, the degrees to which students fail correlate to the degree to which they are punished. Unfortunately, this understanding of failure is a staple of modern education, and what Adam Grant refers to as the crippling notion of self-doubt. In his talk, “The Surprising Habits of Original Thinkers,” he explains that those who believe failure is a product of their own worth tend to internalize the doubt, which psychologically paralyzes them and their ability to create and excel (Grant, 2016).

In contrast, idea doubt is much a much more constructive perception of failure, one that social entrepreneurs are wont to instill in their work. Instead of seeing failure as personal inadequacies, idea doubters congratulate themselves for their efforts and improve their ideas. This mindset can be found in an organizational level at TOMS and

PlayPumps, both of whom evaluated their failures and pivoted decisively towards a more beneficial route, even it meant abandoning a program. Just as Grant suggested, these social ventures were energized to improve through their idea doubt, which “motivates you to test, to experiment, to refine” (Grant, 2016). Beyond a managerial level, social organizations like MyPath and Ariel Investments have instilled idea doubt into their pedagogy. The Ariel-Nuveen Program, for example, has incorporated not only the opportunity to fail, but has structured a curriculum around learning from that opportunity. Students are taught that failure and success in the stock market is valuable, and that they should study each in order to better understand the nature of investing.

Similarly, MyPath’s curricular emphasis on growth leaves room for program members to make mistakes within a supportive community. Though the goal is to reach their savings goals and properly budget, the gradual development that is built into the program allows for failure and gives youth opportunities to learn without being penalized. Idea doubt – and implicitly, failure and subsequent growth – is an integral aspect of social entrepreneurship as an industry, which is reflected in everything from their administrative tendencies to the details of their programming. The public education system’s efforts to create social change have fallen short for a variety of reasons; but social entrepreneurs have the agile infrastructure to create change, fail, and quickly adapt. On an organizational and ideological level, they are better suited to respond to social issues that are constantly in flux and have the nimbleness to target the ever-changing windows of opportunity for social impact that public schools do not possess the adaptability to do.

Returning to the topic of competition in markets, it is important to note that social entrepreneurs compete, but not to the point at which competition for economic value occludes their ability to create social value. As previously mentioned, social markets encourage organizations to make products for their stakeholders that return the most social value for all parties. This is not, however, such a competitive arena that organizations are undermining one another; in fact, the opposite holds true: as Kickul and Lyons state in *Understanding Social Entrepreneurship*, social innovators embrace "co-opetition" (Kickul & Lyons, 2016, 6). Though they may be competing for funding and resources, social ventures typically collaborate given that working together yields more social impact. With a priority like environmental good, a social enterprise only needs funding as a means to an end; it privileges stakeholders over shareholders, which removes the subversive competition typical of traditional enterprises.

One example of two organizations coexisting is Nisolo and TOMS, both of whom are in the shoe industry as a means to tackle poverty. Though they compete for consumers, they learn best practices and failures from each other and reside in the same market, ethical footwear. Social enterprises coexist in even more competitive arenas, such as MyPath. A number of nonprofits tackling financial competency compete for individual, foundation, corporate, and bequest grants every year; however, all of these organizations operate with the understanding that social value is being created regardless of whether they obtain funding. MyPath has embraced co-opetition by partnering with a number of businesses and credit unions in order to rake in even more social value. By privileging collaboration over competition, social enterprises are able to increase their social net by tapping into the organizational and funding capabilities of extensive networks that are all working towards a common goal.

Opportunity costs also provide an interesting point of comparison between social enterprises and federally-funded systems like public education. According to Fernandes, Lynch, and Netemeyer, the annual opportunity losses are in the billions for the research and programming that went into building financial literacy curricula for public schools. In comparison, the opportunity costs of PlayPumps International, for example, seem minimal, with only $16.4 million lost, $10 million of which was bequeathed by the federal government (Borland, 2011). Billions of dollars are invested in education and charities annually, however, and both federally-funded systems like public schools and federally-supported organizations like PlayPumps are at risk of wasting precious resources in pursuit of social change. Theoretically, social ventures have built-in fail safes that inhibit them from misallocating resources or spending unnecessarily. Social entrepreneurs often act in resource-scarce environments, must continuously attract funding in creative ways, and are therefore forced to take incredibly calculated risks – a process which curbs the ability and likelihood of frivolous spending. Social enterprises do not always adhere to this precedent as PlayPumps International demonstrated, but emphasis on thoroughly-researched market analyses, experimentation of minimum viable products, proven theories of change, and careful scrutiny of output put social innovators in a better position to restrict opportunity losses than the public education system, which has historically squandered resources by running with untested theories and ignoring calls for change.

The failures of social enterprises described above legitimate concern about the precision of this new field, but its shortcomings do not eclipse the social value delivered and, though unsavory, the failures even provide innovators with opportunity. An important piece of academia to consider in this discussion is Scott Sherman's work on transformative action. Now a professor and Senior Director of Social Innovation at Claremont McKenna College, Sherman committed himself to understanding the commonalities between successful social movements in his formative years of professorship. After a decade of research, he found three guiding principles that theoretically allow individuals to create social change: exposing injustice and shedding light on truth; social aikido, or the creation of solutions that benefit all parties involved; and showing a cleaner glass of water, or offering a better option for the future (Sherman, 2011). These three rules provide insight on not only what movements respond to, but also highlight great potential for change to come from anywhere. Though established with individuals in mind, Sherman's work also applies to entire organizations as agents of change in greater social movements; they, too, have the ability to expose injustice, create universally palatable solutions, and redirect momentum to an alternative by example. When in pursuit of social value, entire organizations can act as individual entities capable of significant change; and when these organizations fail, as TOMS and PlayPumps did, Sherman's guidelines offer utility in rectifying ineffective programming.

Studying failed programs as problematic hindrances to success, both TOMS' movement for health and well-being in the third world and PlayPumps' efforts for water access in Sub-Saharan Africa can be understood through Sherman's three principles of transformative action. Sherman's first rule is exposing injustice, which occurred when TOMS hired Bruce Wydick's team to evaluate their shoe drop program. The result of the evaluation was sobering, and the truth of TOMS' largely ineffective giving model garnered attention and rendered their work futile. The buy-one-give-one model had launched TOMS into the social spotlight and was their primary source of income; but it was also entrenching their target communities in poverty. Following the evaluation, TOMs employed a philosophy reminiscent of social aikido and revised their giving model in an effort to create a solution that benefitted all stakeholders. Instead of ridding the company of the buy-one-give-one model, TOMS changed the shoe drop process and began offering children shoes as rewards for school performance. This disrupted the growing dependency communities had developed on foreign aid, and the company was still able to continue making money through shoe sales with minimized negative impact. Though TOMS ostensibly regained the trust of the communities it served, this change was not enough for some who envisioned more social good through shoes. Patrick Woodyard provided a cleaner glass of water by founding Nisolo, which revamped the connection between shoes and impoverished communities. The principles of transformative action coincide with TOMS' three stages of change. Though an entirely new company was introduced in the last phase of change, the greater social movement of alleviating poverty through ethical footwear had been improved and now sits closer to its mark.

The same could be said for PlayPumps International, which was exposed as an organization with ineffectual design and shortsighted implementation after third party evaluators reviewed the performance of Trevor Field's initiative. Instead of improving conditions, the truth was that PlayPumps significantly worsened its target communities' psychological, physical, and economic stability. The organization was forced to acknowledge its shortcomings and then took measures to remedy the dismal situation, first by replacing the CEO of PlayPumps in the hopes that fresh perspective would provide a new vision. This attempt at social aikido was short-lived; though PlayPumps initially tried to salvage the project by addressing the locals' problems to regain their favor, the organization was ultimately compelled to abandon their promise to install 5,000 pumps by 2010. Water for People was able to offer a cleaner glass of water, both figuratively and literally. Recognizing the pumps' limitations, Water for People claimed PlayPumps' inventory and began offering the pumps in a broader host of offerings that rural African communities could choose from. Having learned from its predecessor's mistakes, Water for People was able to offer a better alternative to water access to its target demographic. Like the story of TOMS and Nisolo, studying PlayPumps' failure through the lens of Sherman's principles of success lend an understanding of organizational missteps as somewhat useful.

At the outset, both TOMS and PlayPumps claimed widespread program success despite the organizations bringing little more than awareness of their issues through their faulty projects. Wasted resources aside, these companies' processes of reformation ultimately produced positive output. When viewing organizations as participative individuals in social movements and failed programs as problems, the three principles of transformative mirror the organizations' respective phases of change. By exposing truth, using social aikido, and holding up a cleaner glass, these organizations' failures transformed into learnings that, in these cases, other companies incorporated into their frameworks and thrived with. Even if Nisolo and Water for People had not been introduced during the last stage of transformation, the social movements that TOMS and PlayPumps represented would still have endured tension that improved their abilities to serve their missions. As much as failures are unwanted speedbumps en route to potential success, the relationship between the transformative action principles and the aforementioned cycles of reform suggest that failure is not necessarily detrimental to social movements. Moreover, the previous discussion in conjunction with the close application of Sherman's guidelines to failed programs indicates that failure could be a positive stepping stone for a social movement because it forces all involved to address shortcomings, and evolve to be more effective. The ways in which social organizations endure transformation parallel Sherman's scientifically-backed method for social success hint at a relationship between failure and success in the context of social change, and encourage a reevaluation of failure as purely bad. Considering the many examples of shortsighted social entrepreneurial programs in a number of industries and disciplines, it may be possible that small failures in this specific organizational context play a hand in breeding success for the greater crusade.

CONCLUSION

As more people fill the farthest corners of the earth and its resources are further depleted in the coming years, the complexity of life will only escalate. In the United States, citizens are tasked with navigating social, cultural, and political terrain, responsibilities which increasingly rest on the shoulders of Americans who are not equipped with the skills and attitudes needed to thrive in such intricate systems. This is particularly true of the treacherous economic environment that Americans save, borrow, and invest in today, a phenomenon that requires educational systems to deliver legitimate, tangible learning outcomes for students.

Historically, the public education system has not been able to deliver. Despite its experience, reach, and resources, urban schools have failed to address the country's financial illiteracy and the problems that stem from it. In fact, consideration of its archived achievements demonstrate the system's ineffectiveness at solving several social ailments: the original advocates of public schools created a standard of education that entrenched a system in bureaucracy and the students in inequality; this legacy was carried into the 21st century, when No Child Left Behind attempted to wield the power of schools to improve lives through education, but to no avail. Bush's reform only established how students should perform, not what students should learn, an oversight that was carried into the post-Recession financial literacy programming. An attempt at teaching practical skills, financial education was based on untested assumptions, and ultimately wasted billions in annual opportunity costs. Originally conceived with the hope of bringing about widespread cultural change, public schools in the U.S. have repeatedly floundered when trying to deliver programs that improve life outcomes.

Instead, students have ended up further entrenched in inequality.

Social entrepreneurship provides a viable home for the country's misdirected faith in public education, especially in the context of financial literacy. Though MyPath and Ariel Investments have considerably smaller reach than the education system, their returns on social value are much higher when considering the amount of resources invested and the tangible outcomes seen. Their calculated, research-backed approaches to financial education both yield success and speak to the multitude of approaches that can be used to solve a problem like financial incompetency. The bottom-up asset-based models that these organizations operate through demonstrate social enterprise's utility and ability to reach where the public education system cannot in terms of financial literacy.

While it is important to note that social enterprises do fail, their failures are much less costly and burdensome than those of the public education system. In the cases of TOMS and PlayPumps International, these organizations' stakeholders were woefully neglected and their products ultimately failed to return the social value they promised. Because of their status as social organizations, however, TOMS and PlayPumps were able to synthesize their wrongdoing and rapidly change to correct their missteps. The structural and ideological foundation on which social entrepreneurs rest allows them to be agile in the face of adversity and develop a penchant for learning from failure. In fact, the three phases of failure and subsequent change that TOMS and PlayPumps endured loosely connect to elements of successful social movements, suggesting that failure and success might be closely related in the realm of social innovation. Regardless of the connection's explicit validity, social organizations have the infrastructure and philosophical underpinnings to turn failure into a utility, which is particularly helpful given the time- and community-sensitive solutions that social entrepreneurs test and implement.

The “fourth sector” of social enterprise has a number of limitations, especially given that it is a new field that attempts to operate in an entirely different market than the world has seen before. Given that happiness cannot be measured in the same way economic value can, social innovators must be creative in developing ways to measure and communicate their impact to their stakeholders. Furthermore, they must juggle the desires of a broad network of stakeholders and shareholders while still maintaining their identity and uphold their social goals. Social entrepreneurs also face issues of lack of credibility, organizational scalability, and opportunities for growth. And despite all of these ostensible setbacks, social ventures of every kind, whether they be pure for profits, pure nonprofits, or hybrids, are thriving.

While social organizations continue to experiment and revise within their new field, new developments in public education provide promise. Though still being analyzed, the relative success of charter schools is restoring faith in individual communities and the greater education network. The mere presence of institutions that bestow faith in local communities and give educators more freedom suggests a pedagogical break from the tight control typical of the system in the past (Ozimek, 2015). Furthermore, charter schools are flourishing, demonstrating the citizenry’s willingness to innovate and experiment in order to yield more success despite the potential for failure.

Even in normal public schools, there is potential for positive change. A number of states are reforming new performance measure systems, such as California's new School Dashboard. Departing from the stratified system in which standardized test scores determined school ranking, the new assessment strategy is much more holistic: on top of mathematics and English, the performance of English language-learners, school suspension and graduation rates, and the quality of college and career preparation within high schools will also be taken into account. New measures also offer schools the opportunity to monitor growth, whereas the older system focused on hierarchical success instead of progress ("Overview of the California Dashboard," 2017). These changes in assessment suggest a decisive pivot towards holistic measurement, as well as newfound attention to monitoring growth of all students in order to inform their future. Furthermore, the inclusion of college and career preparation indicate potential for the inculcation of practical skills. Perhaps financial literacy will soon play a more explicitly defined role in public education and effectively contribute to students' improved quality of life.

The complicated network of factors that influence our individual lives will dictate the futures and outcomes for both the public education system and the field of social entrepreneurship. There may come a time when both combine in a hybrid educational organization to create a school that behaves with the accountability and agility of social businesses, but possesses the reach and universal credibility of the public education system. Until society progresses to a point where organizations can more freely innovate across sectors, we have no choice but to instill our faith in the institutions presently at play. With any luck, our failures will continue to breed success – even if the victories are small, progress towards a better world is progress nonetheless.

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