

Aligning Pedagogy and Finance in a Waldorf School

BY GARY LAMB

One of the challenges facing many independent Waldorf schools is how to view and work with finances. Specifically, many people devoted to Waldorf Education are asking the question: Is it possible for schools to work with finances by drawing upon the soul/spiritual understanding of the human being that is the basis of the Waldorf curriculum and pedagogy?

The Waldorf curriculum helps children develop social sensitivity, compassion, and cooperative skills. The students can readily sense discrepancies between what they learn and experience in the classroom and what the adults in the school community—teachers, staff, and parents—are saying and doing. For this reason, if for no other, schools should strive to bring the way they work with finances into harmony with the ideas and ideals of Waldorf Education.

Historical Background and Modern Context

At the end of World War I, Rudolf Steiner (1861–1925) initiated a movement to promote the three-

fold social organism. Steiner maintained that healthy economic decisions arise not solely from the market forces of supply and demand nor government intervention. Rather they arise from the deliberations of associations of individuals who are involved in the economic processes—in the production, distribution, and consumption of goods and services. Open dialogue and transparency are essential elements of these associations. The associations can obtain the healthiest possible decisions regarding pricing, quantities, and quality standards by drawing upon the insights and intelligence of the participants. Today, aspects of this approach can be found in many initiatives in the broader alternative social movement—in community supported agriculture, community land trusts, social finance, and fair-trade pricing.

There are three specific ways to approach budgeting and tuition setting that are consistent with the principles of associative economics and the social ideals of Waldorf Education. These were incorporated in the Accessible to All tuition approach developed by Bob Monsen and Mary Roscoe at the Waldorf

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fold social organism. Steiner believed that future social, political, and military catastrophes could be avoided only if society were reorganized according to a threefold division, with the economic, political, and cultural spheres independent of each other and each acting according to its own principles. Steiner's founding of the first "Freie Waldorfschule" (Independent Waldorf School) in Stuttgart in 1919—the creation of a new, independent cultural institution—was part of this broader initiative.

Steiner's ideas about reforming economic life are outlined in the book *World Economy*. Steiner held that the basis of economic life should be cooperation and concern for others rather than the competition and self-interest that are the main features

School of the Peninsula, Los Altos, California, in 1993. [Please see "Making Waldorf Education 'Accessible to All'" by Vivian Jones-Schmidt in the Fall/Winter 2008 issue of *Renewal*.] These measures include basing the initial budget on anticipated income from parents, including parents in the budget and tuition setting process, and having face-to-face conversations between families and the school to determine tuition assessments.

Creating a Budget: Inflated Income vs. Anticipated Income

For independent schools, including most Waldorf schools, the typical approach to budget creation assumes at the outset that all families will pay full

tuition. The amount of tuition assistance to be offered is based on a certain percentage of the total tuition income (10–12 percent is often recommended). For example, if there are 100 children in the school and the tuition is set at \$10,000 per child, the starting income figure for the budget is \$1 million. If the amount of tuition assistance to be awarded is set at 12 percent of full tuition income, the school would then set \$120,000 as the maximum amount of tuition assistance for all families in the school. Many schools set a maximum percentage of tuition assistance that a family is eligible to receive. This is typically 50 percent, which in this case is \$5,000.

When the initial budget is based on everyone paying full tuition, it is inevitable that a family who cannot do so is viewed as having a negative effect on the school's budget and consequently as a family which must be supported by the full-paying families. This view can only have an unhealthy effect on the so-called supported school families and create a psychological division in the parent body.

One way to begin to work more associatively is to change the way the school creates a budget. This new approach would be to use real numbers from the outset based on estimates of anticipated revenues, including tuition from all families for the coming year.

A budget based on real number projections reflects a different thinking and sends a different message to the school community. That message, which is a powerful one, is that every family's tuition contribution is appreciated and helps meet the overall

budget. The school would be worse off financially, and probably also pedagogically and socially, if families who can pay only partial tuition were not in the school at all. If the income from families who pay a partial tuition were taken out of



If the ideals of Waldorf Education could be fully realized, these Waldorf students would come from many different economic backgrounds.

the budget, the tuition would be even higher for the full-paying families. The only case where this would not be true would be when a school has full enrollment with each family paying the full tuition. The more associative way of working described here can have a positive effect on the school's finances, on the social relations among parents, and on the social dynamics in the classroom.

The Budget and Tuition Setting Process

Too often, the budget and tuition setting is a closed, internal process until it is finalized and thus excludes some of the people who will be most affected by the new budget and tuition rates: the teachers and parents. The budget and tuition are then presented to the school community in a finished form.

In a more inclusive, associative approach, the school board of trustees begins the budget process by reviewing the following:

- the current income and expense report, cash flow status, and budget projections for the current year with the business manager;
- income levels of teachers and staff in relation to their financial needs;
- program, facility, and staffing needs with the teachers and administration;
- current enrollment status and projections for next year with the enrollment coordinator;
- the affordability of any possible tuition rate increases for the current parents, initially with a small sampling of parents, the business manager, and the tuition adjustment committee; and
- the projected donation income with the development director.

Given these initial findings, the budget committee then drafts a preliminary balanced budget for the following school year with proposed tuition rates. The next step is for the school to have conversations about the proposed budget and tuition rates with the faculty, staff, parents, and possibly with selected donors.

The more the school understands the reaction of parents and teachers to the budget and the real life effect it will have on them, and the more the parent body has the opportunity to understand the reality behind the numbers on the school's side, the more likely that the budget will be supported and that inspired, creative ideas of how to increase income or how to save costs will arise. It is much better to recognize the tension areas through open

Two Contrasting Approaches to Tuition Setting in Independent Waldorf Schools

Tuition Approach	Worldview	Social Gesture	Initial Budgeted Income	Budget & Tuition Setting Process	Tuition Assistance / Reduction
Market perspective	Self-interest, competition / Spiritual subsidiary to finances	Closed process / Education viewed as a commodity	Based on all families paying full tuition	Limited review prior to setting the budget and tuition	Impersonal, formulaic third-party review and determination
Associative perspective	Cooperation and concern for others / Finances an extension of spiritual	Inclusive, open process / Education viewed as soul/spiritual activity	Based on anticipated income from parents	Inclusive process prior to setting budget and tuition	Face-to-face conversations between families and school representatives

dialogue prior to the budget being set, rather than have lingering dissatisfaction and gossip undermining the social climate of a school afterward. This open, informed dialogue prior to making a final decision regarding finances is a fundamental principle of working associatively.

Once the budget and tuition are set, it then becomes a matter of how to work with individual families who cannot pay the full tuition and how to achieve the Annual Appeal goal.

School-Family Conversations to Determine Tuition

Most schools use a third-party evaluation service to analyze the financial circumstances of families who can't afford full tuition and to determine what they can afford to pay. Some schools use that third-party evaluation as the actual tuition a family must pay. Others use it as one of several determining factors. In each case, there is usually no in-person meeting between the applicant family and the school unless there is some provision for a conversation in an appeal process. Thus, in-person conversations are a measure of last resort.

In a more associative approach, the tuition adjustment conversation is central to the entire process. The goal of these conversations between parents and school representatives is to arrive at a mutually agreed-upon tuition amount, but only after each party is fully informed about the other's circumstances. During the conversation, the representatives of the school begin by acknowledging and appreciating the family's participation in the school community. They

then share the school budget and financial report along with the mission and vision of the school. This presentation might include a multiyear strategic plan. Thus, the school representatives paint a picture of the overall financial, pedagogical, and social state of the school.

The conversation then turns to the financial situation of the family and its ability to help the school meet its current and future needs. This support can and, it is hoped, will go beyond simply paying tuition. The family could be helpful, for instance, in advertising the school's open houses in their own neighborhood. The aim is to create an atmosphere of trust and cooperation and to avoid one of competition and self-interest, in which the family's goal is to pay as little as possible to the school and the school's goal is to extract as much money from the family as possible. Creative ideas that satisfy both parties are more likely to be generated in a mood of mutuality. A mood of trust and a sense of commonly held ideals and goals creates a thought-space in which inspired ideas about how to meet the school's financial needs can arise. Such ideas would otherwise never manifest within the context of the traditional approaches to tuition setting and assistance.

The amount of each family's tuition is determined by both the family and the school representatives. The center and focus of the conversation should be the education and well-being of the children in the school and how the best possible situation can be achieved through cooperation between the families and the school.

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The success of working in this associative way hinges on the skill of the “conversationalists”—those who volunteer to represent the school in the tuition-setting meetings. They must create a mood of openness and trust and adequately paint a picture of the school, including its finances, mission, and values. This atmosphere enables parents, out of appreciation and insight, to freely contribute as much as they can. Important also is the ability of the school’s representatives to consider the family’s situation while being equally responsible for the financial goals of the school. Too much sympathy for the parents’ situation will result in less-than-optimum support for the school. Being too hard-nosed regarding the school’s finances can undermine the conversation and elicit an adversarial attitude from the family.

More than twenty Waldorf schools in the United States are working or have worked with this associative approach to tuition adjustment. Admittedly, there are varying degrees of success, both financially and socially. The primary factor regarding this variance is the ability of the school conversationalists to work in the manner described. Working in an associative way can be a challenge, because it is contrary to the normal way of working in the competitive, capitalistic marketplace. Individuals are asked not

to focus on self-interest but to be aware of and to work for the larger good. If parents, teachers, staff, and board members succeed in achieving this excellent goal, their efforts to align the finances and educational mission of the school will have a beneficial effect on the whole school community. ☺



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Besides promoting new approaches to independent school tuition, he is exploring alternative ways to fund education and implement universal school choice in the United States. He is the author of the newly published *Associative Economics: Spiritual Activity for the Common Good*, available from AWSNA publications at www.whywaldorfworks.org or 518-672-7878.

The Institute for Social Renewal (www.socialrenewal.com) assists schools that are interested in the Accessible to All tuition approach. For more information, contact Bob Monsen at robertmonsens@earthlink.net or 650-879-0850.