



The East Lake Model: A School Choice Model for Omaha?

In the early 1990s, the Atlanta neighborhood of East Lake Meadows was one of the most dangerous and poverty-stricken in the country. Roughly 90 percent of residents had been the victim of a crime, the unemployment rate in 1995 rested between 86 and 88 percent with an average household income of \$4,000 a year, and the average value of a home in 1996 was only \$46,000. With a crime rate 18 times the national average, Atlanta police dubbed the area “Little Vietnam” and hesitated to patrol the neighborhood without back-up. The lack of opportunity available to the youth of this neighborhood perpetuated this problem, as approximately 75 percent of the youth that grew up in East Lake Meadows would not graduate from high school. The desperate cycle of poverty and crime is what convinced Atlanta developer Tom Cousins to take action.[i]

Cousins founded the East Lake Foundation with the goal of revitalizing the community by working with community and city leaders to tackle the issues that had plagued this neighborhood for so long. Specifically, Cousins targeted four major areas: mixed-income housing, “cradle-to-college” education, job readiness, and health and wellness opportunities.[ii]

The results, to put it mildly, have been staggering.

Since the project’s start in 1993, violent crime has decreased by 90 percent, with overall crime falling by 73 percent. Employment among families that were dependent on welfare has increased from the dismally low 13 percent in 1995 to a current rate of 70 percent. Cousins also notes the other 30 percent are either elderly, disabled, or in job training programs. Resident income has quadrupled over this timeframe, and home values have risen 3.8 times faster than the city average, with some homes now worth over \$250,000. Perhaps most importantly, The East Lake Foundation revitalized education, opening Atlanta’s first charter school for grades K-8 which is attended by 90

percent of East Lake children and offers both a longer school day and school year. According to the Georgia Department of Education, the East Lake Charter School—named the Charles R. Drew School—is the best performing school in the Atlanta area, with 98.1 percent of students meeting state standards in Reading, Language Arts, Math, and Social Studies; 93.3 percent of students meet state standards in Science.[iii] Statistics also show that 78 percent of Drew graduates go on to graduate from high school, and plans are under way to open a Drew Senior Academy for grades 9-12.[iv] The improvement of the neighborhood has also served to attract outside businesses, further increasing the quality of life.[v]

Cousins and his associates were so successful in revitalizing East Lake that they drew the attention of major private investors, most notably Omaha billionaire Warren Buffett, who helped Cousins found the nonprofit Purpose Built Communities to expand the East Lake model to other neighborhoods.[vi] Among the revitalization projects underway, several are already showing results. In the Indianapolis neighborhood of Avondale Meadows, the new charter schools built for that community—where 85 percent of the students are eligible for free or reduced lunch—raised standardized test scores by 32 percent, surpassing district and state performance.[vii] In New Orleans' Bayou District, creation of Columbia Parc created an estimated 100 permanent jobs and 700 temporary jobs for residents, and crime has dropped to the point that between February 2010 and 2013 there were no homicides at all and only 2 attempted felonies.[viii] Other projects have also recently been opened in Birmingham, Alabama; Rome, Georgia; Charlotte and Spartanburg, North Carolina; and even in North Omaha.[ix]

As the site of roughly 80 percent of Nebraska homicides last year and home of some of the lowest graduation rates in the Omaha metropolitan area, it is clear that North Omaha is in need of help.[x] Seventy Five North, the organization partnering with Purpose Built Communities, is aiming to bring East Lake's success to North Omaha. Founded in May 2011, the organization is trying to replicate Cousins holistic approach, engaging community and city leaders and even working with other community groups like the Empowerment Network and Building Bright Futures to improve the lives of North Omaha residents. The model pioneered by Cousins and expanded by Buffett and others should show progress in a neighborhood long plagued by poverty and crime. It also demonstrates the great gains that come with private progress and innovation.

However, some government impediments may prevent Seventy Five North from completely duplicating East Lake's success, particularly in the area of education. A key

component of the East Lake model is the development of education in the area. In nearly all the other models, this took place through the establishment of charter schools. But since Nebraska is one of only eight states that does not allow charter schools,[xi] it is an open question if the education component of the East Lake model can be implemented in Nebraska. Policymakers could greatly help Seventy Five North and other groups in recreating East Lake's success in North Omaha by allowing more educational choice in the state, whether through charter schools, vouchers, or tax-credit scholarships, the latter of which would make it more economically feasible for private schools to partner with and aid in transforming North Omaha.

Due to the hard work of nonprofits like Purpose Built Communities, the cycle of poverty for thousands of people has been broken, and the standard of living has improved for them and their families. With the innovative model of East Lake, hopefully Seventy Five North can do for North Omaha what Tom Cousins did for Atlanta.

[i] Carly Felton, "The Transformation of East Lake," *Atlanta INtown* August 1, 2009. Accessed October 3, 2013, <http://www.atlantaintownpaper.com/2009/08/the-transformation-of-east-lake/>.

[ii] Thomas G. Cousins, "The Atlanta Model for Reviving Poor Neighborhoods," *Wall Street Journal*, September 13, 2013. Accessed October 3, 2013, <http://online.wsj.com/article/SB10001424127887324009304579040862988907966.html>.

[iii] Thomas G. Cousins, "The Atlanta Model for Reviving Poor Neighborhoods," *Wall Street Journal*, September 13, 2013. Accessed October 3, 2013, <http://online.wsj.com/article/SB10001424127887324009304579040862988907966.html>; Purpose Built Communities, "Inside Atlanta/East Lake: Achieving Our Goals." Accessed October 3, 2013, <http://purposebuiltcommunities.org/success-stories/east-lake-atlanta/planning-progress/>.

[iv] Purpose Built Communities, "Inside Atlanta/East Lake: Achieving Our Goals." Accessed October 3, 2013, <http://purposebuiltcommunities.org/success-stories/east-lake-atlanta/planning-progress/>.

[v] Ibid.

[vi] Maria Saporta, "How Atlanta nonprofit Purpose Built Communities won over Warren Buffett," *Saporta Report*, October 8, 2011. Accessed October 3, 2013, <http://saportareport.com/blog/2011/10/how-atlanta-nonprofit-purpose-built-communities-won-over-warren-buffett/>.

[vii] Purpose Built Communities, "Inside Indianapolis/Avondale Meadows: Achieving Our Goals." Accessed October 3, 2013, <http://purposebuiltcommunities.org/success-stories/avondale-meadows-indianapolis/progress/>.

[viii] Purpose Built Communities, "Inside New Orleans/Bayou District: Achieving Our Goals." Accessed October 3, 2013, <http://purposebuiltcommunities.org/success-stories/bayou-district-new-orleans/planning-progress/>.

[ix] Purpose Built Communities, "Inside Success Stories." Accessed October 3, 2013, <http://purposebuiltcommunities.org/success-stories/>.

[x] Margery A. Beck, "Omaha looks to combat its homicide problem," *Lincoln Journal Star*, January 20, 2013. Accessed October 3, 2013, http://journalstar.com/news/local/crime-and-courts/omaha-looks-to-combat-its-homicide-problem/article_6cc3b814-e58b-5141-9ced-c6a3d005b6f3.html; *Omaha World Herald*, "Metro graduation rates," November 25, 2012. Accessed October 3, 2013, <http://www.omaha.com/article/20111125/NEWS/702219977>.

[xi] The Center for Education Reform, "The Last Eight States Without Charter Schools," January 15, 2013. Accessed October 8, 2013, <http://www.edreform.com/2013/01/the-last-eight-states-without-charter-school-laws/>.