

# Private equity stands to profit from privatization of education as Trump administration pushes to close DOE

*New report analyzes private equity industry's expansion into child care, education investments*

BOSTON, MA, UNITED STATES, March 13, 2025 /EINPresswire.com/ -- [A new report from the Private Equity Stakeholder Project \(PESP\)](#) examines how private equity is betting big on investments in education and childcare as federal investment in public education continues to decline. "Making the grade? Private equity, privatization and the future of American education," explores the many PE-owned companies set up to play a role at nearly every stage of a child's development and learning, from Kindercare to the ACT, the college entrance exam.

[Private equity connections to the Trump administration](#) are extensive, and the Trump Department of Education (DOE) is no exception. The report documents for the first time newly-appointed Secretary of Education Linda McMahon's support for private equity investments in education in answers to questions for the record from the U.S. Senator Ed Markey (D-MA).

"Private equity funding and investors can play a valuable role in supporting educational institutions, including funding research, innovation, and more effective learning models," said McMahon. "We should be open to innovation, especially in light of recent NAEP scores that reveal alarming proficiency levels in math and reading."

With the Trump administration plans to shutter the DOE, and McMahon's own support for more private investment, the private equity industry could very well continue to hold influence in childcare, testing, and curriculum development across the country.

McMahon, the former CEO of World Wrestling Entertainment, has personal ties to the private equity industry as well: WWE is majority-owned by TKO Holdings, which is backed by Silver Lake portfolio company Endeavor. McMahon disclosed more than \$50 million in TKO shares, along with a \$5-\$25 million investment in private equity firm Ares Management.

"President Trump and Secretary McMahon's education agenda is clear: Loot public schools to pad the pockets of billionaires," said Senator Ed Markey (D-MA). "They are rolling out a red carpet for private equity cronies who see education funding as an opportunity to make a quick buck rather than as an investment in our future. Their attempts to privatize and profit off the backs of students and educators must be stopped."

Questions surrounding the impacts of private equity-owned educational products on the children interacting with and learning from them have become even more urgent now. While private equity stands to profit from investment in child care and education, the impacts of private equity's profit motives on the children and families at the other end of those investments remains unclear.

"We were at Kindercare and it felt like it was a business run for profit. We would get random solicitations. They would solicit you in the hallways of the center. You are bombarded," said Anitha Reddy, a parent and member of Mother Forward in Pennsylvania, of her family's experience with Kindercare, a childcare chain owned by private equity firm Partners Group. "They preyed on moms and it feels like they are trying to make money off of parents with tight budgets. There was a lot of turnover with teachers. The classrooms were packed with kids and little free space."

In addition to child care, private equity firms have invested in some for-profit charter school companies. With multiple states considering bills to expand the footprint of and funding for charter schools, private equity-owned charter schools could expand even further.

"Every child deserves a comprehensive education based on evidence-based research and pedagogy, not corporate profit margins," said Azani Creeks, Senior Research & Campaign Coordinator at PESP and author of the report. "Time and again we have seen that the private equity industry is totally ruthless in its quest for profits. Private equity investments in childcare and education are no different. From driving up tuition costs at childcare centers to striking deals with lobbyists to expose children to Big Oil propaganda in the classroom, parents, families, and communities deserve far better than what private equity is offering them."

The report concludes with policy recommendations to ensure that private equity's profit seeking motives are not at odds with the best interests of children and their families. Such recommended policies include: regulating private equity real estate ownership of child care centers and charter schools that receive public funding, banning corporate-sponsored educational materials, and passing legislation to promote transparency and accountability for child care chains.

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