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Universal preschool could save Cincinnati \$50M a year: EXCLUSIVE



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Cincinnati's business and corporate community should get behind a universal preschool effort because it will lead to improved schools, more jobs and a better prepared workforce.

That's the pitch Strive Partnership Executive Director [Greg Landsman](#), whose group works to improve student achievement, is making as he builds support for the eventual tax increase probably needed to make it happen.

"One, more and more kids are going to show up to school prepared and they're going to be successful. Two, parents are going to be able to get back into the workforce. Three, If you make the subsidies strong enough, more and more families – talent – will stay here and move here," Landsman said. "It is a talent attraction and retention strategy."

His latest tool is a [University of Cincinnati](#) Economics Center study that found each class of students that starts preschool at age 3 or 4 will provide public benefits of \$48 million to \$69.1 million. Those amounts would be reached in the first two to three years of the program.

When Strive commissioned the study, it was aware of the public skepticism of economic impact research, Landsman said, so it only had UC calculate what the public would get in terms of increased tax revenue and reduced public expenditures on services, such as police, prisons, welfare and the education system.

For example, universal preschool could reduce existing education costs if it makes children more prepared to learn to read and less likely to be held back from advancing to the next grade, which increases school costs.

"These findings strongly suggest that the costs of such a program will more than be repaid in terms of future benefits," the study says.

But the costs of universal preschool here are not yet known. UC has not studied the expense side because supporters are still figuring out the precise setup of what they will propose. Once they do, a second study will be done that will yield a complete cost-benefit analysis.

Strive, the [United Way](#) and others backing what's known as the Preschool Promise, will propose providing a subsidy for every family in Cincinnati who

wants to send their 3- or 4-year-old to the preschool of their choice. In order to so, it will probably require a tax increase.

Low-income families would get the biggest subsidy, but one would be offered to every family. Studies have found non-universal programs targeting households with children at the most risk end up with reduced participation rates.

"Low-income families are much more likely to use it if there's no stigma attached to it and if they don't have to worry about eligibility," Landsman said.

The study did not include indirect economic benefits, such as \$28,410 in increased wages to the average at-risk student or the wages of those who won't be crime victims, in its public impact total.

"This will cause a reduction in the murder rate. Lower murder rates are good for business," said Stuart Wilson, a UC Economics Center research associate who co-authored the study.

The study assumes that the city has 2,100 3-year-olds who will not be ready for preschool. If 70 percent of them enroll in a preschool program, the economic impact will be at the lower end of the range. In Denver, a similar program funded by a voter-approved sales tax increase enrolls 70 percent to 75 percent of preschool aged children.

The public subsidy would come with requirements on the part of parents who enroll, which could be items such as mandatory attendance at parent-teacher conferences, a requirement that they enroll in a high-performing preschool and support for them in meeting such mandates.

"The idea is to not just be the first in the nation to do universal pre-kindergarten for 3- and 4-year-olds but be the first to get it right," Landsman said. "If you're going to use it, there would be some requirements in terms of attendance. The impact of preschool makes a big difference, but going back to a more stable, engaging home can solidify that investment."

What's next?

Strive is training hundreds of ambassadors to educate the community about why universal preschool is needed to reduce a child poverty rate that is the third-highest in the U.S. Supporters plan to complete public engagement and research within the next year or two and go to voters in 2015 or 2016. They want to ensure they have broad-based support and a solid funding plan first, Landsman said.

"There's a cost to waiting," he added. "Every year we wait, we lose a whole cohort of children who didn't get a fair chance at a good start and as a result will mostly likely drop out and be on the wrong trajectory."

How do we pay for it?

Landsman and a cross-section of key leaders are studying the best way to find funding for the program. They believe they need a sustained revenue stream for the next five to 10 years, which will build on existing public preschool resources, including the federal [Head Start](#) program and childcare subsidies. Denver raised its sales tax on purchases over \$100 by 12 cents per \$100 spent to generate \$10 million to \$12 million annually to fund its program.

Supporters are looking for sustainable revenue streams that won't involve a tax increase but expect eventually to have to go to voters. So how will Landsman convince people more revenue is needed in an anti-tax, anti-spending environment?

"Preschool has this transcending aspect to it because it works and it's ultimately critical to our viability long term," Landsman said. "Is there a base of supporters or voters? I don't know."

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