

# THE EINSTEIN CHALLENGE

*The Einstein Project*

A Unique Public Private Partnership to Leverage the Knowledge of Austin's Science, Technology and Entrepreneurial Businesses to Create a Generation of Einstein's from our Children of Color and the Youth of our City.

*As the Future  
Rapidly Approaches*

*The Einstein  
Challenge is*

*A Poverty  
Elimination  
Initiative of the*

*Economic  
Development  
Department*

*City of Austin*

October 2015

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### Introduction

The Einstein Challenge is a public private economic and education partnership that *incentivizes economic service* from Austin's high technology and scientific companies to teach directly and indirectly, 40,000 children in poverty to create, a **Generation of Einstein's**. This is a GI Bill of sorts but for children in poverty, which will use small property tax breaks, based upon the Chapter 380 agreements, as a new, contracted, 10 year private investment system, to prevent unemployment before it happens. The output will be an end to end architecture for STEM (and art, creatives and music) to include students, teachers, parents, employers and educational institutions. The Project is designed to harness the knowledge of the scientific communities of Austin and their brightest and most successful scientists and far seeing minds, to prepare directly and indirectly, all of our children of color and all our children in poverty, for futuristic professions desired by every nation on earth.

Our economic purpose is to demonstrate monetarily, the return on investment of eliminating most of the next generation of poverty. This will be accomplished by mobilizing and incentivizing economic service from the expansive Austin innovation sector to insure children in poverty have an opportunity to have futuristic and well-paying careers. This will be a bi-generational approach, developed in cooperation with government social service delivery and related assistance initiatives that wrap around families whose children are participating. The desired outcome is that within a period of ten years the partnership will create a generation of Einstein(s), taught by the top minds in Austin, taught by the most innovative companies in the world. Imagine 40,000 kids of color that are the most sought after innovation talent in America, a new future of Austin technology, innovation, leadership and Finance. We propose two primary economic returns on investment. The first is cost avoidance. The second is new wages and taxes generated. The University of Texas Ray Marshall Center will conduct the ten year longitudinal study of ROI to establish a fair and independent analysis for these measurements. On the former, our preliminary forecast is cost savings of \$50,000 per year in social service costs per young adult, forecasted for working careers (age 18 – 68), or 50 years. This ROI includes avoiding subsidized housing, subsidized Austin Energy costs, medical care, food stamps, transportation, day care, criminal justice system activity and of course, policing, and administrative government costs. For this ROI, 40,000 x \$50,000 each annually x 50 years, the projected government savings is (\$) 1e+11 in the Austin city limits alone (Einstein Project savings = (\$) 1e+11 for 40,000 children).

For national replication, today, there are approximately 15.2 million children in poverty. Eliminating their "future" lifetime subsidized government costs would produce an ROI of (\$) 3.8e +13 nationally. Using the Einstein Project to reduce government costs is a potentially new business model for municipal, county, state and federal agencies.

## **Monetizing the Outcomes with New Measurements**

There are a minimum of six returns on investment (ROI) “factors” that will be measured as economic justification for this investment:

- 1.) The number of youth removed from poverty permanently
- 2.) The number of youth achieving a scientific college degree
- 3.) The number of youth obtaining employment in futuristic professions – which will be evaluated in terms of the impact on our Economy
- 4.) The amount of wages and taxes generated by significant salaries of the youth in technology careers who otherwise would have remained in poverty,
- 5.) *The amount of dollars saved by the government in social service delivery, subsidized affordable housing, medical, food stamp, subsidized day care, school lunches, ..... and the police and criminal justice system, in monetized cost avoidance as a result of persons removed from poverty, and*
- 6.) New leadership models delivered by the creation of a generation of brilliant youth scientists that demonstrate the opportunities and promise of America.

Evaluation of this performance based initiative will be coordinated with the **Ray Marshall Center at the University of Texas in a ten year longitudinal study of program return on investment outcomes.** The investors who will participate will include the City of Austin, Chambers of Commerce, Workforce nonprofits, the school system and universities, new and current stakeholders, technology parks, and companies who agree to participate. The process will be inclusionary. The technology will be agnostic. Taught professions will be based upon data driven forecasts using Socrates and similar employment software and in direct consultation with the scientific and innovative companies where the jobs are to be created. The City of Austin Economic and the Development Department, in cooperation with the Ray Marshall Center at the University of Texas, will present recommendations to the Mayor and City Council and interested parties in 2015. This will be a refined economic strategy based upon this paper, with ROI benchmarks, and an outlook comparable to an Austin GI Bill in ambition, finance and performance objectives.

Multi media advertising to the families and children K – 12 would promote the Einstein Project within the schools through MTV like commercials. These would illustrate the exciting careers and potential salaries. School websites would include pertinent information for children and families and consular to discuss.

## **Summary: Resetting the Austin Intelligence Economy**

Kiplinger news ranks Austin the #1 City for the Next Decade. Forbes Magazine calls Austin #1, “The Place to Be in 2014.” Austin is the nation’s top economy and fastest growing metropolitan area. Yet it is

experiencing rapidly growing poverty, including an estimated 40,000 children mired in poverty and a concerned and frustrated middle class.

According to the Brookings Institute, despite our prosperity, Austin has one of the highest rates of increasing poverty and perhaps the fastest growing suburban poverty in the nation. It is with these contradictions in mind, and the clear understanding that as Austin citizens we have the unlimited potential to affect change in poverty by harnessing our economic situation to create a new future for our children, that we share this inclusive strategic vision for a bi-generational economic plan.

Our contention is that eliminating poverty and replacing it with very well paying jobs and a futuristic workforce, will generate a positive return on investment for the City of Austin and its residents. In the Einstein Project, technology companies will act by contract rather than voluntarily. Although both STEM and STEAM voluntary and non-voluntary partnerships are valuable, a contractual relationship allows us to be assured that performance measures are activated.

Today we are seeking ideas to address these challenges and to seize upon the opportunities of our world class economic prosperity. Your assistance is appreciated.

The Einstein Project program **goals** are:

1. To transform a minimum of 40,000 children who are currently in poverty into an educated technology savvy workforce that can lead Austin and the US in the rapidly approaching future;
2. To contract performance based participation of an array of technology, science, creative and global investment companies in STEM, through incentives for economic service;
3. To select futuristic target careers through data driven forecasts of innovation opportunities in *industries of the mind* and their high paying jobs;
4. To mobilize the private sector science and entrepreneurial companies and their leadership to have their brightest minds teach in cooperation with AISD/ACC science teachers, hands on business projects that can be taught to the youth;
5. To advertise industries of the mind to inspire parents of and Austin's youth - on the economic benefits and satisfaction in science careers K – 7: science lectures, videos, projects led from nonprofits and schools from local technology firms;
6. To provide hands on internships in grades 8 - 12, real time science case studies and resources and,
7. To provide predictable financing to city government property taxes;
8. To provide increasing public private revenues to nonprofit STEM training enterprises over the ten year longitudinal span being evaluated to provide economic return on investment data;

9. To provide a large private revenue stream for STEM for ten years and measurable benchmarks to assure completion of the performance measures.

Our ultimate goal is creating a generation of Einstein(s) from Austin's children of color and from impoverished neighborhoods. The Einstein Challenge will give all children, including youth of color, an opportunity for a prosperous future.

For more Information please contact:

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