

# Nygaard Notes

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### Early Child Care and Education (ECCE)

*This week I continue my summary/review of a major proposal released this summer by the National Academy of Social Insurance, or NASI. Entitled “Designing Universal Family Care: State-Based Social Insurance Programs for Early Child Care and Education, Paid Family and Medical Leave, and Long-Term Services and Supports,” I will refer to it throughout simply as “the report”.*

The NASI report’s section on ECCE takes up over 60 pages, but I’ll just summarize as best I can in a few hundred words.

The Executive Summary briefly states the basic issues:

“The dynamics of work and family life have shifted over the past several decades, but public policy has not kept pace with the changing needs of workers and their families. As households increasingly rely on having all adults working to make ends meet, a full-time stay-at-home parent is no longer achievable for many families. At the same time, the lack of affordable early child care and education (ECCE) poses a significant challenge for families trying to balance the need to provide safe, stimulating care for children with financial security. Women—especially women of color—face particularly stark disadvantages in terms of financial security and labor force attachment when meaningful access to affordable early child care and education is lacking... A robust state-level ECCE program could substantially improve child health, development, and well-being, increase the financial security of families, and reduce inequities in access to high-quality care.”

NASI offers three options for ECCE at the state level: 1. Comprehensive universal early child care and education, 2. Employment-based, contributory early child care and education—which would entitle all children to early care and education if their parent(s)/guardian(s) are sufficiently attached to the labor force, and 3. A universal early child care and education subsidy or voucher.

My favorite is #1 Comprehensive universal early child care and education “which would place early care and education on par with primary and secondary school education by entitling all children access to publicly funded early care and education.”

NASI does not imply that this will be easy. The report notes that “states will need to consider a variety of program design factors, including how the program is financed and the nature of the benefits that families receive. States will also need to address integrating a new state ECCE program with existing federal and state ECCE programs, building up the ECCE workforce and improving the quality of ECCE jobs, and lifting up the quality of care.”

#### Racial Justice

Any major proposal should take into account the proposed program’s effect on racial equity. NASI does so. Under the heading “Addressing inequality in access,” they say, “Since all children would be eligible for benefits under a universal comprehensive program, this design would make a substantial impact on inequity in access to early care and education. As with the K-12 public education system, however, those inequities would not be reduced to zero, as there could still be variations in program access and quality by region, challenges with provider capacity building, or other disparities.”

Therefore, “Any universal public program would need to be carefully designed so as not to replicate the failings of the existing K-12 education landscape, where stark contrasts in quality of care and education exist based on where a child lives due, in large part, to how the system is financed (i.e., relying on local property taxes for funding).”

Speaking of finances... If ECCE is an earned benefit that is financed by workers and employers, what happens to families where the parents are not employed? →→→→

Greetings,

This two-part series on Universal Family Care will be a three-part series, I now realize.

And this Part II is so long that I don't have room to say much here. I'll tie things up in Part III.

Happy August!

Nygaard

ECCE *from page 1*

Here's what NASI says:

“Social insurance programs typically limit benefit eligibility to those who have already contributed to the program. Such a requirement does not match the nature of the risk of needing ECCE, however, because the risk can arise before the parent has entered the labor market or generated a significant work and contribution history. Since the vast majority of parents/guardians will continue to pay into the social insurance program long after their children have aged out of eligibility for benefits, most parents/guardians would simply make their contributions to the program retroactively.”

NASI further suggests that ECCE may be funded from any combination of a variety of sources, including: income taxes (personal and corporate), payroll taxes, an “unearned income tax,” property tax, and sales tax. In the spirit of Social Insurance, whatever taxes were raised would be earmarked to pay specifically for ECCE because, as NASI points out “At the state level, dedicated funding sources are typically considered more reliable than general revenues.”

Families may be asked to pay some of the costs, but here, too, equity must be considered. NASI addresses the point: “To enhance equity and promote accessibility for those with the greatest need, family contributions might be determined based on each family’s means, through either a sliding scale design or a fixed percentage rate proportional to family earnings (e.g., no more than seven percent of a family’s total income, which is the amount recommended by the Department of Health and Human Services for family contributions for child care).”

NASI reminds us that politics will affect the long-term viability of any costly program:

“A state might consider requiring families earning above a certain income to pay the entirety of their child care costs, but such a program would likely exclude many middle- and upper-income households from receiving

benefits, which would limit its universality and long-term political viability. An alternative option more in the spirit of social insurance would be to have even higher-income households still receive a modest benefit from the program, which would increase the program’s universality and, in tandem, broaden its base of support.”

Would a universal ECCE program be expensive? In the short term, yes. But when we think a little longer term, we should consider this point: “To the extent that high-quality ECCE programs reduce a range of negative outcomes, their costs can be viewed as an investment in the nation’s citizenry and future workforce. Estimates of the return on that investment range from \$4 to \$16 for every dollar spent on high-quality early childhood programs.”

There is another aspect of spending that often goes unremarked when considering shaking up the existing fragmented “system” of early child care and education, as NASI reminds us: “The costs associated with maintaining the status quo, however, should be considered when assessing whether and how much to expand investments in early child care and education. Without an investment in the care and education of our youngest children, family economic security, child development, educational outcomes, labor force attachment, economic output, and societal well-being will continue to suffer.

What the NASI report makes clear is that the establishment of a Social Insurance program that would provide comprehensive universal early child care and education would be a good investment in the social and financial health of U.S. society. But the better argument is the moral one, best summed up by social justice artist/activist Ricardo Levins Morales (my friend and employer), who sells a poster that says: “Children are not an ‘investment in the future.’ They are children!” (Find it at [rlmartstudio.com](http://rlmartstudio.com))

It takes a village to raise a child. Social Insurance is a part of the architecture of a loving village. ♦

## Paid Family and Medical Leave (PFML)

This is another lengthy section in the report, and again I will attempt to summarize briefly. All quotations are from the NASI report, beginning with a simple statement of the point of this proposal:

“At some point during their lives, virtually all workers will need time away from work to care for a loved one and/or cope with a health problem of their own. While this need for time off is nearly universal, a significant share of workers in the United States currently lacks access to any kind of guaranteed leave to provide or receive care, and particularly to the types of financial support—such as wage replacement—that would make such leave possible. As a result, many workers are forced to choose between caring for themselves or a loved one and losing wages or even their job. “

Under what circumstances might a worker need to take time off? Some of the reasons offered by NASI include: The birth, adoption, or foster placement of a child; Providing care for a family member or loved one in the event of a serious health-related need, including one related to a physical or mental illness, injury, disability, or medical condition, or a safety concern such as domestic violence, sexual assault or abuse, and/or stalking; Receiving care for an employee’s own serious health-related needs; Deployment or notification of impending deployment of a close family member on active military service.

The report considers three policy options for states interested in developing a paid family and medical leave program: 1. Universal, contributory social insurance program, exclusive state fund; 2. Contributory social insurance program with regulated private options; 3. Employer mandate—Employers are obligated to provide paid leave benefits directly to their workers.

I particularly like the first one, for a variety of reasons: “A universal, contributory model is a classic social insurance program design. Other programs at the national level (e.g., Social Security) that have used this model for decades offer valuable experience. It is also the prevailing design choice among the vast majority of paid leave programs in industrialized nations across the world. With this policy option, workers contribute to an exclusive state Social Insurance fund throughout their careers in return for an earned benefit should the need arise.”

How badly do USAmerican workers need a PFML

program? Well... “The United States is the only industrialized country—and one of only a handful of countries across the world—without a national program offering workers some form of paid caregiving leave. Only 17 percent of civilian workers have paid caregiving leave coverage through an employer-provided benefit. Similarly, no national policy provides or mandates that workers be paid for time off to address their own health-related issues. Although paid sick leave is more common than paid family leave, coverage remains far from universal.”

“[A]s the Baby Boomer generation ages, the demand for family caregivers who can provide support to their parents and other aging loved ones will grow. As the challenges of balancing work and caregiving responsibilities mount, many workers— particularly women, people of color, and low-wage workers, who may have more care responsibilities and less access to paid family leave—risk negative economic outcomes, such as lost earnings, undesired shifts from full- to part-time work, or being pushed out of the workplace altogether.”

“To date there is little evidence that paid leave has any negative impact on business or the economy. Research on the existing programs in California, Rhode Island, and New Jersey demonstrates no substantial negative impact on business. ... employers report benefits from paid leave including improved employee retention (particularly among women), morale, engagement, and productivity.”

“Like all insurance plans, a universal social insurance program is designed to provide stability by sharing costs and benefits as broadly as possible. A state’s entire workforce comprises a large pool of funders and beneficiaries, thus reducing the likelihood of dramatic swings from year to year.”

“The vast majority of states with programs in place have adopted a universal contributory social insurance model, as have the majority of parental leave programs in other countries with advanced economies. This experience suggests that this model is very politically feasible.”

“Although universal contributory paid leave social insurance programs reduce workers’ take-home pay, these reductions are typically quite low. Additionally, workers who obtain paid leave from a state program (as opposed to a self-insured employer program) are typically spared the need to reveal highly personal *[to page 4 →*

PFML *from page 3*

details of their family or personal health circumstances to their employers.”

The need for a universal, mandatory PFML policy is also a matter of equity. “A universal program offers a promising avenue for workers to access these critical benefits regardless of their income, industry, job title, gender, or family composition.” AND “Caring for children and nurturing their development has long been viewed as women’s work. It is generally performed by women in their own homes without pay—and by some women, especially women of color and immigrants, for other families’ children at low pay. Child care work has long been undervalued and viewed as a private—rather

than a public—responsibility. These views have shaped the patchwork of child care and early education policies that still prevails across the nation today.”

The essence of Social Insurance is that ALL of us chip in so that EACH of us is protected. It’s affordable, it’s sustainable, and it’s politically feasible. Let’s do it. ♦

*The next Nygaard Notes will be Part Three of what I had thought would be a two-part series on Universal Family Care. I’ll talk about the remaining caregiving area—Long-Term Services and Supports—and conclude with a look at NASI’s “Case for Rethinking Our Fragmented, Means-Tested Approach to Care Policy.”*

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### “Quote” of the Week: “U.S. Better Off With More Whites”

July 14-16 saw a gathering in Washington called the “National Conservatism Conference,” organized around the idea that “Politics in America, Britain, and other Western nations have taken a sharp turn toward nationalism” which “has created a much-discussed ‘crisis of conservatism...’” The organizers say that “We see this public conference as the kick off for a protracted effort to recover and reconsolidate the rich tradition of national conservative thought ... in stark opposition to political theories grounded in race.”

One of the speakers at the conference was a law professor at the University of Pennsylvania named Amy Wax, who advocates for “limited immigration.” But what kind of “limits” is she talking about? Here’s a sample of what she said:

*Let us be candid. Europe and the First World, to which the United States belongs, remain mostly white for now; and the Third World, although mixed, contains a lot of non-white people. Embracing [my brand of nationalism] means, in effect, taking the position that our country will be better off with more whites and fewer non-whites.*

To read her whole speech, go here:

<https://thefederalist.com/2019/07/26/heres-amy-wax-really-said-immigration/>

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