

CONVERGENCE COLLABORATIVE ON
SUPPORTS FOR WORKING FAMILIES

Discovery Report



CONVERGENCE



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CONVERGENCE COLLABORATIVE ON SUPPORTS FOR WORKING FAMILIES DISCOVERY REPORT

“America is a much harder place to be a child than it has any excuse to be, and a much harder place to have and raise a child than it has any possible reason to be.”

Elizabeth Bruenig,
The Atlantic



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Overview

Improving support for working families with young children has risen to the forefront of our national conversation. It is long overdue. The majority of parents are in the labor force, but workplace and government policies haven't caught up. The science on early childhood development has evolved in recent years, revealing the importance of high-quality care inside and outside the home, yet the share of the federal budget we spend on children is relatively small and shrinking.

While these challenges have been felt acutely by working families for some time, they simmered in the background of policy discussions until recently. The arrival of the COVID-19 pandemic in 2020 broke open an already fractured care economy. The pandemic spurred historic federal relief packages directed to families with children and childcare providers, including monthly Child Tax Credit payments and a federal paid leave program. These programs are now expired. As we emerge from the pandemic, there has been a significant labor shortage, particularly acute in the childcare sector, families reconsidering their work and care priorities, and inflationary pressures, all of which are adding to the squeeze on families.

The call to improve supports for working families has risen in salience among the general public alongside greater interest from policymakers, private sector, and philanthropic leaders. In 2021, Congress debated the most far-reaching early childhood package in decades, Build Back Better (BBB), the politically contentious cornerstone of President Biden's domestic presidential agenda. In addition to the policy debate in Washington, we have seen historic efforts by states and localities to fill gaps and innovate, such as creating new departments dedicated to early childhood or experimenting with three-stream funding (state, employer, and employee) for childcare costs. Additionally, innovations are being led by civil society and, in some cases, by employers aiming to support and retain workers, especially those with young kids.



This brings us to the critical moment we find ourselves in today.

We have a significant opportunity for political, business, and nonprofit leaders across the ideological spectrum to step back and thoughtfully reassess what types of long-term investments and policies are best for working families and what success would look like to make it easier to raise children in America.

America can do a better job supporting working families, and indeed, we must.

Convergence Assessment

With a proven track record of bringing together diverse stakeholders to create actionable solutions to seemingly intractable problems, Convergence Center for Policy Resolution conducted a landscape analysis in the spring of 2022 of how to better support working families with generous support from the Packard Foundation.

Convergence interviewed more than 75 of the nation's leading stakeholders on family issues across the political spectrum and across sectors, building on interviews with hundreds of other diverse leaders across a host of Convergence projects focused on economic mobility. Our questions were aimed at understanding the main challenges families face specific to work and care, obstacles for reform, areas for potential agreement and lines of conflict, as well as potential metrics of success.

These interviews were part of a research assessment to frame up a Convergence Collaborative on Supports for Working Families. While solutions often diverged along political lines, there was broad energy around a dialogue focused on exploring the efficacy of:



**Establishing universal
parental leave**



**Creating a monthly
child allowance**



**Increasing access to
affordable, high-quality
childcare across a true mixed-
delivery system for low- and
moderate- income families**



**Adjusting workplace
policies to create more
flexibility**

What Are the Challenges Facing Working Families?

THE PROBLEM



There was general agreement from the stakeholders that it's too hard to raise young children in America today; importantly, this view was shared by all of the interviewees irrespective of political leaning. Having young children creates a number of painful tradeoffs and insecurities around work, care, time, and family budgets, especially for low- and moderate-income families. These challenges generally fell into four main categories:

01 **CHILDCARE**

Childcare was the most frequently mentioned specific challenge facing families with young kids. It's not hard to understand why. In the majority of families with young children, all parents in the household work and require childcare. Childcare is often a young family's largest expense, which impacts young women disproportionately. Further, employers are slow to implement childcare policies in relation to other worker benefits.

Overall, progressive-leaning interviewees were more likely to mention childcare as the top issue facing families. These interviewees were more likely to emphasize the difficulties facing providers in supporting their workers with upward mobility and livable wages, how to make center-based care more widely available, how to increase and support female participation in the workforce if they decide to have children, and to wonder why we don't treat early childhood education as a public good like K12 education. Conservative-leaning interviewees were more likely to mention burdensome regulation on childcare providers, to emphasize a diversity of care preferences among families, including faith-based care, in-home care, and care provided by a parent or relative, as well as a desire to work within the existing system.



In February 2022, about 39% of women with children younger than 5 said they had quit their jobs or reduced their hours since the pandemic began, up from 33 percent at the same time in 2021.

The NY Times

02 **FINANCIAL SQUEEZE FACED BY WORKING FAMILIES**

All interviewees spoke of a financial squeeze facing parents of young children that went well beyond childcare, including the steep opportunity cost of lost wages for a parent to stay home and low wages for less skilled workers, making it hard to pay for childcare or other rising costs. In 2022, one in six children were living in poverty, according to [research](#) by Columbia University.

Progressive-leaning interviewees were more likely to emphasize the barriers to women's work, low wages in service professions that tend to be held by women, the poorly-functioning existing benefit programs that are often difficult to access, and gender pay inequity. Conservative-leaning interviewees were more likely to emphasize the broader financial challenges facing families including the inability to support a family on a single income or for parents to scale back work and care for their children at home, as well as our declining fertility rate.

03 TIME SQUEEZE FACED BY WORKING PARENTS

Another huge topic of discussion was around time insecurity. Children need more than money; they need time. Childrearing is time intensive, and children need healthy and secure attachment with their parents that comes from time together. The time squeeze was less income specific and a more generalized commentary about how the culture, workplace expectations, and the education system set up in ways not conducive to families. This was seen as driving up stress for American parents and resulting in unrealized preferences about work and family formation.

Progressive-leaning interviewees were more likely to mention more schooling or childcare options to help smooth the care-work mismatch, whereas conservative-leaning interviewees were more likely to mention the ability to provide more parental care. Many interviewees brought up the lack of part-time work, advance scheduling, and portable benefits.

04 INSUFFICIENT GOVERNMENT INVESTMENT

Nearly all interviewees spoke of the imbalance of federal investment toward the old and not the young, and how the U.S. is an outlier in the developed world in its relatively small share of spending on children. The government programs that do exist are ill-targeted and underfunded. All interviewees agreed that a larger share of the federal budget should be directed towards children and families.

Progressive-leaning interviewees were more likely to emphasize the need to raise revenue by increasing taxes on wealthy individuals and corporations to support an expansion or overhaul of existing systems of care. Conservative-leaning interviewees were more likely to support reworking existing programs and fixes to the “raging incrementalism” (as one interviewee called it), which was reflective of a segment of conservative interviewees who were opposed to additional spending without efforts to get the federal budget on a more sustainable trajectory.



Childcare



Financial squeeze faced by working families

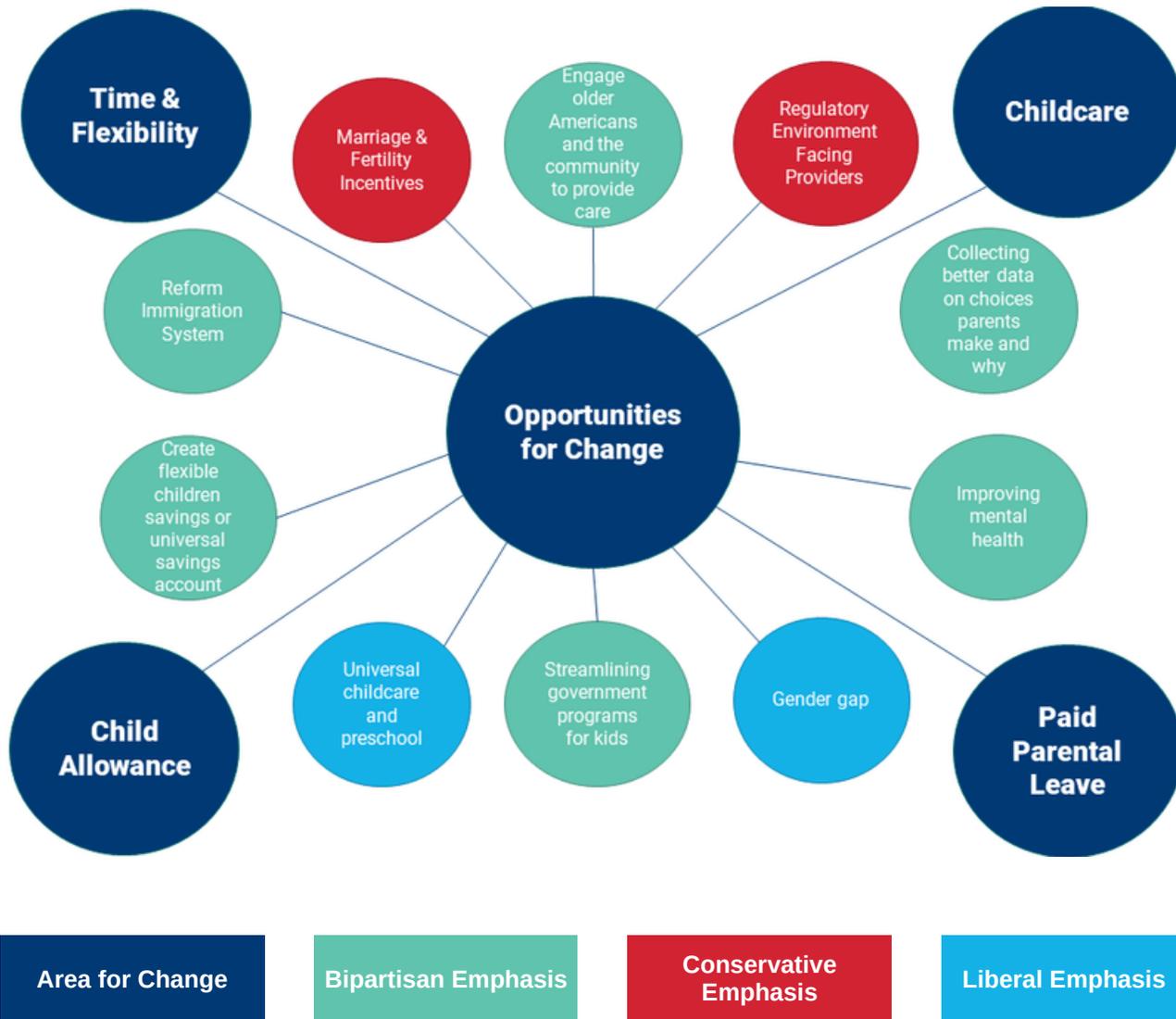


Time squeeze faced by working families



Insufficient government investment

Opportunity Map



OPPORTUNITIES FOR CHANGE

Our interviewees discussed a wide variety of solutions, many of which were discussed by individuals on both sides of the political aisle. Importantly, the majority of interviewees viewed these as “interlocking” issues and advised a comprehensive approach.

While the solution set often varied among interviewees, four areas of potential opportunities for change emerged to explore further in a potential Convergence Collaborative:

01 CHILD ALLOWANCE

A reformed child tax credit was far and away the most commonly discussed policy solution. An expansion of the Child Tax Credit or a new child allowance has implications for all four of the family challenges highlighted by our interviewees, including lack of childcare, financial pressure, time pressure, and lack of adequate government investment. Interviewees spoke about how an expanded child allowance could help to cover childcare costs and general financial pressures facing families; it could allow parents to scale back work and spend more time with their children if that's what they choose; and it could help to rebalance our federal investments toward kids. Interviewees also cited the monthly receipt of the benefit, the ease of administration, maximization of choice, and bipartisan support with various expansions taking place under the Trump Administration and the Biden Administration.

02 PAID PARENTAL LEAVE

The second reform identified as a top priority by interviewees across the political spectrum was paid leave — specifically, for the arrival of a child. Like a child allowance, paid leave also has implications for all four of the family challenges highlighted by our interviewees, including lack of childcare, financial pressure, time pressure, and lack of adequate government investment. Quite simply, there are few childcare providers who will take an infant under six weeks old. In addition, lack of paid leave creates financial difficulties and can push families into debt or on welfare, parents are able to spend less time with their children than they would otherwise like to before returning to work, and there is no government safety net or protection during this time. Further, the birth or adoption of a child brings some up front costs that can be acute for families with modest incomes. Again, there have been proposals for reform under the Trump Administration and the Biden Administration.



Only 23% of civilian workers have access to paid parental leave.
US Department of Labor

03 TIME AND FLEXIBILITY

There was general sentiment among interviewees of all types that something has to be done about the time squeeze facing families. Addressing the time challenges faced by families has implications for three family challenges highlighted in our assessment including lack of childcare, financial pressure, and time pressure. Relative to the previous topics mentioned, this is less an area for government involvement explicitly than it is for discussing a broader cultural shift. Areas to explore include workplace flexibility and predictable schedules, creating more options for part-time work and gig work, and addressing school schedules. Interestingly, this area of exploration could build off some of the larger societal dynamics playing out in the wake of the pandemic. While low- and moderate-income families are less likely to be in flexible work arrangements and face the greatest economic uncertainty, there is at least the start of a compelling, evolving conversation about balance and what work arrangements people really want. This could open space in the dialogue to elevate solutions, again, not just from policy makers but from other key community, faith-based, and private sector actors as well.

04 CHILDCARE

Addressing the childcare challenge has implications for all four family challenges highlighted by our interviewees, including finding high-quality childcare providers, financial pressure, time pressure, and lack of an adequate government response. This topic tended to have more sharp ideological divides than the other topics in how to solve. That said, there was significant shared support for improving our mixed-delivery system and affordability and quality for low-and-middle-wage workers in particular. There are proposals on both sides of the political aisle to help families afford childcare, to reconcile the existing system of benefits in ways that better deliver support, and to increase coordination between federal and state governments, employers, and parents. There was also broad agreement among a significant share of interviewees that childcare should not be artificially separated from pre-K, as learning and care occurs in all of these settings.

Metrics of Success

How will we know if America is doing a better job supporting working families with young children? While common measures of success around work and care tend to be GDP growth and increased labor force participation for women or child poverty, the vast majority of interviewees in this project took a more nuanced approach for how to know if America is a better place than before to have children.

In June 2022, we had a small group discussion with a subset of the interviewees to discuss this question as well as the overall framing. From this discussion, two measures rose to the top:

01. People’s stated preferences about work, care, and time matching their reality.

02. Reduced child poverty and families reporting more financial security.

Other measures of success we discussed included:

Parents reporting that they feel more optimism about the future, that things are “going in the right direction.”

People reporting that they are spending the amount of time they want with their children.

Smaller achievement gaps, especially for children of color and low-income families, and more kindergarten readiness.

A greater share of the federal budget going to children relative to the elderly, or a higher level of investment relative to GDP.

Reducing the motherhood penalty in wages and promotion and providing more ways to stay attached to the labor force.

Universal access to job protection and paid leave for parents following the birth of a child.

People having the number of children they report to pollsters they’d like to have, and when they want to have them.

Better mental health and less stress for parents and children.

POTENTIAL IMPACT

Convergence has identified the extraordinary potential in convening people from a broad range of perspectives to discuss these seemingly intractable challenges facing American families today. We have outlined here the areas of overlapping need that are ripe for a breakthrough under the right conditions; and we are confident that a future convening of cross-partisan, multi sector individuals, led by our collaborative dialogue experts, could identify concrete recommendations for constructive policy change.

These are the areas of impact that we believe could reach breakthroughs in a future collaborative dialogue and implementation phase:

01. Change in the national dialogue

→ We complexify the dividing lines in a way that makes the conversation a lot more rational and a lot less oppositional.

→ We build relational capital and trust among stakeholders from different perspectives and sectors – as well as bridge organizational gaps.

→ We discover and elevate better metrics and data about how our country supports working families to focus the debate.

→ We empower parents and elevate their preferences for work and care, inspiring ground-up solutions, not top-down solutions, as well as those that emphasize the many different preferences and choices that families have.

→ We understand and elevate the challenges facing different communities when it comes to issues of work and care.

02. Change in public policy landscape

→ We educate federal policymakers on how to better support working parents and to help make America the best place to raise a child. This could involve suggestions for new policies as well as a rationalization or reimagining of existing ones.

→ Share best practices and can share best practices on state-level action regarding early childhood investments.

03. Empower employers, providers, and funders

→ We empower employers with best practices for supporting working parents.

→ We elevate and understand the bottlenecks and challenges facing providers of all sizes, including tackling regulatory challenges

→ We create new inroads and ideally pilots for funders to experiment with scalable programs

About Convergence

Convergence is the leading organization bridging divides to solve critical issues through collaborative problem solving across ideological, political, and cultural lines. For more than a decade, Convergence has brought together leaders, doers, and experts to build trusting relationships, identify breakthrough solutions, and form unlikely alliances for constructive change on seemingly intractable issues. Our process is improving the lives of Americans and strengthening democracy for a more resilient and collaborative future.

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