Caring for loved ones can create some of the most special and meaningful moments of life.

Yet, gaps in our care infrastructure leave many families struggling to both work and provide care.
Why has the care risk become salient now?

Today’s families need all adults’ earnings to make ends meet

64% of mothers bring in at least one quarter of family earnings; 41% bring in half or more.

– Center for American Progress

A national shortage of elder caregivers is approaching

7:1→3:1 is the projected decline between 2015 and 2050 in the ratio of people aged 45-64 to each person 80+.

– AARP

Care costs are out of reach for many

$50,336 is the annual cost for a Home Health Aide, while the average cost of childcare ages 0-4 is nearly $10,000.

– Genworth; New America
A patchwork of disparate programs leaves many of us with costly bills and anxieties about caring for our loved ones - at every stage of life, and growing older ourselves.
The number of paid caregivers won’t meet demand, and care jobs are poorly compensated, limiting the quality and growth of the care workforce and the quality of care.
Families bear the burden of care.

And an increasing number of us are “sandwiched” between caring for both our children and our parents.
But improving our care infrastructure is possible.

Long-term services and supports, paid family and medical leave, and early childcare and education are insurable risks.

Our families experience these needs and risks as interconnected.

There are synergies to addressing them together.

And states have an important role to play.
### Academy Study Panel Overview

<table>
<thead>
<tr>
<th>Task</th>
<th>Purpose</th>
<th>Timeline</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design policy options for state-based social insurance programs for Early Childcare and Education (ECCE), Paid Family and Medical Leave (PFML), Long-Term Services and Supports (LTSS), and Universal Family Care (UFC)</td>
<td>01 Create roadmap for state policymakers considering social insurance programs</td>
<td>December 2017 through June 2019</td>
<td>01 Panel Co-Chairs: Marc Cohen and Heidi Hartmann</td>
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<tr>
<td></td>
<td>02 Highlight implications and tradeoffs for key decision points related to: a. Structure  b. Financing  c. Integration  d. Implementation</td>
<td>Funded by the Ford Foundation and Caring Across Generations</td>
<td>02 Panel Members: 29 experts in three working groups</td>
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<td>03 Project Staff: Benjamin Veghte (Project Director), Alexandra Bradley</td>
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</tbody>
</table>
ECCE/PFML Working Group Members

Heidi Hartmann, Working Group Chair; President and CEO, Institute for Women’s Policy Research; Economist in Residence, American University; MacArthur Fellow

Indivar Dutta-Gupta, Co-Executive Director, Economic Security and Opportunity Initiative, Georgetown Center on Poverty and Inequality

Kathryn Edwards, Associate Economist, RAND Corporation; Professor, Pardee RAND Graduate School

Joan Entmacher, Senior Fellow, National Academy of Social Insurance

Jocelyn Frye, Senior Fellow, Center for American Progress

Jeffrey Hayes, Program Director, Job Quality and Income Security, Institute for Women’s Policy Research

Elaine Maag, Principal Research Associate, Urban-Brookings Tax Policy Center, The Urban Institute

Aparna Mathur, Resident Scholar, Economic Policy, American Enterprise Institute; Co-Director, AEI-Brookings Project on Paid Family and Medical Leave

Michelle McCready, Chief of Policy, Child Care Aware of America

Ray Pepin, Temporary Disability Insurance (TDI) Administrator, Rhode Island Department of Labor & Training

Erik Rettig, Senior Manager, SMB/Economic Policy, Intuit

Christopher Ruhm, Professor of Public Policy and Economics, University of Virginia

Marcy Ybarra, Associate Professor, School of Social Service Administration, University of Chicago

LTSS Working Group Members

Marc Cohen, Working Group Chair; Co-Chair, Professor, McCormack Graduate School of Policy and Global Studies, University of Massachusetts, Boston

Eddie Armentrout, Consulting Actuary, Actuarial Research Corporation

Brian Burwell, VP, Health Policy and Data Analytics, IBM Watson Health

Henry Claypool, Policy Director, Community Living Policy Center, UCSF

Robert Espinoza, VP of Policy, PHI

Judith Feder, Professor of Public Policy, McCourt School of Public Policy, Georgetown

Howard Gleckman, Senior Fellow, The Urban Institute

David Grabowski, Professor of Health Care Policy, Harvard Med School

Michael Miller, Director, Strategic Policy, Community Catalyst

Rebecca Owen, Consulting Actuary, HealthCare Analytical Solutions, Inc.

Heinz Rothgang, Professor of Health Economics, SOCIUM Research Center on Inequality and Social Policy, University of Bremen

Allen Schmitz, Principal and Consulting Actuary, Milliman, Inc.

Mary Sowers, Executive Director, National Association of State Directors of Developmental Disabilities Services (NASDDDS)

David Stevenson, Professor, Health Policy, Vanderbilt University Medical Center

Eileen J. Tell, President and CEO, ET Consulting, LLC

Anne Tumlinson, CEO, Anne Tumlinson Innovations, LLC
Early Childcare and Education

Benjamin Veghte, Ph.D.

Director,
Academy Study Panel on Universal Family Care

Research Director,
Caring Across Generations
Early Child Care and Education

Why include ECCE in a UFC program?

• Preparing for the success and development of our future workers, caregivers, and broader communities.

• ECCE is not currently treated on par with K-12 education

• High developmental value for children

• High cost-benefit value for families + society

The existing patchwork of federal + state ECCE programs is hard to navigate for families and the state alike

• Only very low-income families are eligible for most benefits

• Eligibility requirements are strict and confusing
Context and Considerations - ECCE

Improving quality of care
• High-quality early care and education benefits children
• Time of rapid development for children
• Improvements to educational achievement
• High return on investment socially

Building up the care provider workforce
• Compensation
• Training and workforce development

Improving equity and access to care
• Regional distribution to lessen current regional limitations
• Diversity + cultural competence to lessen achievement gap + disparities in socio-emotional development, which are often in place prior to a child’s entry into formal education
• Nonstandard hours
Policy Options for States - ECCE

**Comprehensive universal program**
- All children eligible
- Essentially an expansion of existing public education
- High up-front public investment

**Employment-based contributory program**
- Targets resources specifically to working families
- Coverage is not universal – expanded coverage would require additional provisions
- Determining eligibility could be administratively challenging

**Universal subsidy program**
- All children eligible
- May or may not cover full cost of care, or even a sufficient amount, depending on the generosity of the program
- Greater flexibility for state and families
Tradeoffs of ECCE Policy Options

Universal programs better positioned to improve equity in child development outcomes than employment based ones.

Employment-based approach leaves many children out while shifting others in and out of coverage.

Benefit adequacy (share of cost subsidized) critical

- If family share of cost after public subsidy exceeds affordability threshold for low-income households, an ECCE program could exacerbate inequality (be utilized mostly by middle- and upper-income families).
Paid Family and Medical Leave
Oregon’s Family & Medical Leave Insurance Program

Timetable of Enactment and Implementation

• FAMILI enacted 2019, effective January 2022 (premiums) and January 2023 (benefits)
• 8th state (plus DC) to enact paid family and medical leave

Reasons for Taking Paid Leave

• Conditions related to own pregnancy or serious health condition
• Bonding with new child
• Care for family member with serious health condition
• Issues related to domestic violence, harassment, sexual assault, or stalking

Eligibility

• Employees must have contributed based on earnings of at least $1,000 in base/alternative-base year
• Self-employed and independent contractors may opt in
Oregon’s New Paid Family and Medical Leave Law

Benefits

- Up to 12 weeks (14 if issues related to pregnancy or childbirth) of paid leave
- Wage replacement related to OR Average Weekly Wage (AWW): currently $1,044.40
  - Employees who earn <65% of OR AWW (about $679) will receive 100% of their own AWW replaced
  - Employees who earn >65% of OR AWW will receive:
    - 100% wage replacement up to 65% of OR AWW + 50% of their wages above OR AWW
    - Benefits capped at 120% of OR AWW

Financing

- Funded jointly by employee (60%) and employer (40%) payroll contributions
- Same tax base as Social Security: first $132,900 in wages (2019)
- Combined rate cannot exceed 1% of worker’s earnings up to cap
- Contribution rate adjusted annually based on program cost
Universal Family Care

An Integrated Approach

Benjamin Veghte, Ph.D.

Director, Academy Study Panel on Universal Family Care

Research Director, Caring Across Generations
Universal Family Care would be a new social insurance program to which everyone would contribute while they are working, and from which everyone would benefit.
Universal Family Care Insures for 3 Care Needs

- **EARLY CHILD CARE AND EDUCATION (ECCE)**
- **PAID FAMILY AND MEDICAL LEAVE (PFML)**
- **LONG-TERM SERVICES AND SUPPORTS (LTSS)**
The case for an integrated, universal approach

We all juggle work and care

Not just those with low income

More family friendly

Allows families to focus on one other during care episodes

More efficient way to pay for care

Families pay a little from each paycheck rather than a lot during time of crisis

One stop shop

Less red tape for families and states due to single access point, lack of means testing
How Could UFC Benefit Society?

**Families**
- Make affordable child care and long-term services and supports widely available
- Empower families to make their own decisions about how to balance work and family care
- Reduce stress and negative health outcomes for family caregivers

**Workers**
- Reduce lost wages, and potentially job loss

**Care Recipients**
- Make early care and education available to all children
- Increase self-direction (empowering people with disabilities to determine how and by whom their care needs are met)

**Care Workforce**
- Improve quality of care jobs (compensation, worker protections, career ladders, etc.)

**State**
- Reduce Medicaid spending
- Accommodate needs of an aging population
- Streamline administrative functions

**Economy**
- Free up many family caregivers to stay in the workforce
- Reduce poverty

**Employers**
- Reduce lost productivity and employee turnover
As Leah begins to explore her options, UFC offers her an integrated approach to care supports grounded in her specific family care situation:

First, it asks what she needs. Then, it suggests a personalized set of supports she may be eligible for.
Welcome.

Universal Family Care supports American families with benefits and resources for quality care across every stage of life.
Assess your care needs.

To learn about benefits you could be eligible for, answer a few simple questions about your situation.

Then, you’ll be guided through an application tailored to your family’s needs.

Start
First, who are you looking for benefits for?

Myself

A family member
Which family member?
Tell us their full, legal name.

Harold

Reyes
What sorts of activities do you think Harold needs help with?

- [ ] Getting in or out of bed
- [x] Transfer
- [x] Household mobility
- [ ] Eating
- [ ] Toilet use
Is Harold currently enrolled in any other benefits or health insurance programs?

Medicare

Select

Complete
UFC can help.

Based on your answers, you and your family may be eligible to receive the following types of benefits:

POSSIBLE BENEFITS:
Over the course of Leah’s lifetime, there will be multiple moments when she might need Universal Family Care...

In each of these moments, UFC offers Leah guidance, resources, and relief she needs to care for her family. Let’s take a look at how she manages her UFC dashboard.
Pillars of a Universal Family Care program

Work is the foundation

Everyone who is working contributes and the program enables people to work

Flexible and portable

Covers people across jobs, including 1099 income, across the life course as needs change

Single access point for variety of supports

Supports change as care needs change

Invests in care workforce

Compensation, labor protections, career ladders
UFC Design Elements and Considerations

Two structural approaches:

I. Contributory social insurance approach

II. Comprehensive approach
## What Level of Financing Would be Required?

Preliminary ballpark estimate:

<table>
<thead>
<tr>
<th>UFC Program</th>
<th>Social Security Payroll Tax Rate</th>
<th>Income Tax Rate</th>
<th>Medicare Tax (if payroll tax only)</th>
<th>Medicare Tax (if payroll &amp; investment income tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECCE: NAS Illustrative Package</td>
<td>2.02%</td>
<td>1.48%</td>
<td>1.55%</td>
<td>0.66%</td>
</tr>
<tr>
<td>PFML: Family Act</td>
<td>2.02%</td>
<td>1.48%</td>
<td>1.55%</td>
<td>0.66%</td>
</tr>
<tr>
<td>LTSS: Front-End Coverage</td>
<td>2.02%</td>
<td>1.48%</td>
<td>1.55%</td>
<td>0.66%</td>
</tr>
</tbody>
</table>
Financial Integration

- Highly integrated: **One care insurance fund**
- Moderately integrated: **Two funds**

ECCE/PFML: 1-2 Year Horizon

LTSS: 75 Year Horizon