

## League of Women Voters of Dane County Forum

# An Economy for All: How Can Dane County Excel?

Tuesday, December 6, 6:30-8:00 p.m.  
Online via Zoom



## Panelists

- Jason Fields, President and CEO, Madison Region Economic Partnership
- Blake Roberts, Program Manager, Madison Forward Fund
- Ruth Schmidt, Executive Director, Wisconsin Early Childhood Association

## Moderator

- Sue Jennik, LWVDC Program Director and LWVWI Legislative Committee Chair

## Discussion Questions

- What is the government's role in encouraging businesses to promote an economy for all?
- How can childcare be made more accessible and sustainable for all who need it? What childcare solutions have you seen?
- What have we learned from the guaranteed income pilot program? What are the advantages and disadvantages of guaranteed income programs?
- What else can Dane County do to provide an economy for all?
- What can the League do to promote an economy for all?

## The League's Position

The League supports legislation, policies, and programming to promote economic equity and support the democratic principle of common social good and opposes all legislation, policies, and programming that enable the unhealthy concentration of wealth and power. ([Read LWVWI's position statements on equality](#)). LWVUS supports [programs, services, and policies](#) at all levels of government to expand the supply of affordable, quality child care for all who need it, in order to increase access to employment and to prevent and reduce poverty.

## Public/Private Partnerships

A public/private partnership (P3) is a contract between a governmental body and a private entity, with the goal of providing some public benefit, either an asset or a service. [Public-Private Partnership Pros and Cons](#). An income-sensitive or indebted government agency might not be able to take on a big project but, in exchange for some operating fees, a private company might be willing to take on the initial expense.

[https://www.investopedia.com/terms/o/operating\\_profit.asp](https://www.investopedia.com/terms/o/operating_profit.asp).

The private partner might play a part in designing, building, financing, operating, or maintaining the project. (See: [The Key Advantages of Using Public-Private Partnerships for Major US Infrastructure Projects - Reason Foundation](#).) P3s often involve concessions of tax or other operating revenue, protection from liability, or partial ownership rights over nominally public services and property to private sector, for-profit entities. (See <https://ppp.worldbank.org/public-private-partnership/ppp-knowledge-lab>)

Citizens should be vigilant about the return on investment to the public of P3s, not just providing some private company profit (as in privatization). Care needs to be taken that the public does not get trapped into a contract that wastes tax funds without sufficient standards and demonstrable outcomes. For example, many questioned whether the government incentive offered to Foxconn was realistic and likely to produce a public benefit worth the expense.

Madison Region Economic Partnership (MadREP) is one of the local organizations that try to encourage the development of local jobs, at times by helping set up P3s to get things done since there has not been a sufficient return on investment for private companies to complete the task without some government encouragement. Their efforts can best be summarized by their Advance Now Strategy. ([Madison Economic Development | Capital | Advance Now Strategy | MadREP](#), [State of the Madison Region Report & ADVANCE NOW 2.0 Strategy Update](#))

Typical applications for P3s include public transportation projects such as roads, bridges, or airports. They have also been used on large infrastructure projects such as convention centers, correctional facilities, or wastewater treatment facilities. Locally, P3s have been used to address:

- Affordable housing, through the [Dane County Housing Initiative \(DCHI\)](#).
- Clean lake water through the Clean Lakes Alliance, [Renew the Blue - Clean Lakes Alliance](#).
- Funding for services until public funding could be secured, such as the [Dane County Job Center](#).

- Development of local private sector capacities, such as enterprise zones and starter entrepreneurial support, [Business Success Stories | Successful Business | WEDCDane County, Partners with Urban League Effort to Create South Side Economic Development Hub, Encourage Black Business Start-Ups, Wisconsin Technology Council.](#)

The advantages of P3s are many: a faster return on investment while improving the public good; involvement of more diverse innovative companies; potentially lower costs if the private companies are incentivized to meet government-established higher standards; and shared financial risks which could lead to better completion rates. [Public-Private Partnership Pros and Cons](#)

The disadvantages of P3s do require some caution: the government's standing in negotiation may be limited if it lacks expertise; private partners may enjoy a position to raise tolls, rates, and fees for captive consumers who may be compelled by law or geographic natural monopoly to pay for their services; public input may be limited insulating private entities from accountability to the public service for cutting corners, providing substandard service, or even violating peoples' civil or Constitutional rights (as in some privately run prisons); use of out-of-area companies might discourage local company or worker development; and P3s may allow governmental entities to hide long term debt or poorly negotiated contracts, resulting in increased public costs, lower standards or delay in the public's return on investment. [PPPLRC](#)

#### **Additional resources:**

Central Organization on Wisconsin Strategy (COWS)  
[Work & Opportunity – COWS – UW–Madison](#)  
[Wisconsin Economic Development Corporation](#)  
[Wisconsin Technology Council](#)  
[Wisconsin | U.S. Small Business Administration](#)  
[New Wisconsin Economy will Create Green Jobs](#)  
[Rebalanced-Life Wellness Association](#)

## **Early Care and Education for Wisconsin Children**

The quantity and quality of care and education for Wisconsin pre-public school-age children has a through-line to the quantity and quality of our workforce. [Impact of High-Quality Care | Raising Wisconsin](#). Many Wisconsin parents of preschool-age children cannot afford to enter the workforce or cannot do it confidently with the knowledge that their children are cared for and taught by qualified personnel in an appropriately staffed and equipped facility. (See [Wisconsin Early Childhood Association](#))

Many work “just” to pay for childcare and to keep their career viable during the pre-school years of their children.

Access to childcare is important for our country and our economy. Most young children in the U.S. have parents who work outside the home. A 2017 research report indicates that both parents worked in 56% of married families with children under six years old. The study concluded: “Now is the time and the opportunity for serious political consideration of new funding and delivery models for childcare.”

<https://www.brookings.edu/research/why-the-federal-government-should-subsidize-child-care-and-how-to-pay-for-it/>

The United States has a fragile and fragmented patchwork of childcare/education available to working parents with children. In 2020, research indicated many parents pass up new positions or promotions due to childcare issues, women at a higher rate than men. [The Importance of Childcare to U.S. Families and Businesses](#) Economic loss in the four states surveyed ranged from \$479 million to \$3.47 billion in estimated annual losses for their economies. According to the Foundation of The U.S. Chamber of Commerce, “childcare is the foundation of our economy, enabling the more than 14 million parents with young children to participate in the workforce.” [The Importance of Childcare to U.S. Families and Businesses | U.S. Chamber of Commerce Foundation](#) “It’s clear that if we don’t find long-term cross-sector solutions to this crisis, the negative impact on our workforce and economy will be felt for years to come.” (Ibid.)

Early care and education (ECE) is not just “daycare.” This is documented by research and is supported by the experience of professionals in the field. The first five years of a child’s life are critical to establishing the educational, emotional and mental foundation for success in school later. [Research & Data - Child Care Aware® of America](#) But, particularly for low-income children or children of color, the care they get provides quality at levels too low to adequately promote their learning and development. [Addressing the need for affordable, high-quality early childhood care and education for all in the United States - Equitable Growth](#)

This exacerbates socioeconomic and racial and ethnic inequalities. At the same time, in most regions of the country, families with young children are [spending more on childcare](#) than they are on housing, food, or healthcare. And, while certified centers and licensed professionals make a large difference in the child’s experience, and provide dependable, predictable care, there are childcare deserts in many places throughout Wisconsin, especially in rural parts of our state. See Wisconsin Counties Association Magazine: <https://indd.adobe.com/view/10db873d-65c5-4674-a079-9fec2740629d>.

According to a report from October 2022 from McKinsey and Company, top performing companies are providing parental supports and childcare benefits such as paid family

leave, emergency backup childcare services and on-site childcare. Nonetheless, women leaders are more likely to report that personal characteristics, such as *being a parent*, have played a role in them being denied or passed over for a raise, promotion, or chance to get ahead. And, the next generation of female executives is 50% more likely to leave a job due to factors including flexibility and family issues at their current employer. [Women in the Workplace | McKinsey](#)

The cost of licensed, regulated center-based care is impossible for many. In 2020, the Washington Center for Equitable Growth stated that the families of almost 7 million families with children in the United States were paying more for daycare than they were for housing. [Addressing the need for affordable, high-quality early childhood care and education for all in the United States - Equitable Growth](#). A typical cost in Dane County for full-time ECE at a licensed center is about \$12,000 per year, per child. [Dane County Family Child Care Rates](#).

Center hours and requirements also impose work interruption problems for parents whose jobs do not provide flexibility to leave work to get a sick child, or whose jobs require employees to attend training sessions or work outside of regular hours. In many cases, employers do nothing to assist parents.

#### **Additional Resources:**

4-C, Helping Communities Help Children, [4-C.org](#)  
[Childcare Is a Business Issue](#)  
[Advocacy Tools & Resources | Raising Wisconsin](#)  
[Advocacy group shines spotlight on child care need, potential solutions - Wisconsin Examiner](#)

## **Universal Basic Income Programs**

Over 16% of Madison residents live in poverty according to the 2021 U.S. Census. [U.S. Census Bureau QuickFacts: Madison city, Wisconsin](#) Existing support programs provide some help, but it is impossible for a “one size fits all” welfare program to provide each family’s most urgent need at the right time. Only the family knows what it most requires and when needs impose a stumbling block to financial stability.

Sometimes, all that is needed is a small amount of financial breathing space and the ability to solve a small crisis which otherwise might be catastrophic. Guaranteed income programs can provide that assistance. [Madison Forward Fund](#)

While critics allege such programs are nothing but a disincentive to work, data appears to tell another story, and such programs, called a “family allowance” are common in

Europe and in Canada. [‘I’m not stressed’: guaranteed income programs are changing the lives of American parents | US education | The Guardian](#)

Many cities across the country are experimenting with a program sometimes called “Guaranteed Universal Income” or “Universal Basic Income” – a program that gives a monthly stipend to a family in poverty without any strings attached if the family meets criteria which includes having at least one child. The programs are explicitly assistance for the benefit of the child/children through the well-being of the family.

The city of Madison is currently conducting a pilot study in Guaranteed Income for 155 families living 200% below the poverty line. Half of the participants for one year receive a monthly \$500 check with “no strings attached”. This study is not paid for by taxpayers but through private donations. A similar study in Wausau is also funded by private donations while Milwaukee’s pilot study is federally funded.

Recipients in all three experiments will be continuously interviewed to find out how the monies are spent and how the Guaranteed Annual Income (GAI) may enhance family life. Participating mayors have joined the organization, Mayors for Guaranteed Annual Income, with the express purpose of developing proposals for federal legislation.

The Madison program began in June of 2022. The Madison Forward Fund, which manages the project, says “The program supplements, rather than replaces, the existing social safety net, providing families with a basic level of financial security, and the autonomy and flexibility to manage their finances in the way that is best for their own needs.” [Eligibility & FAQs – Madison Forward Fund](#)

Across the country, 66 mayors agree with her. [Mayors for a Guaranteed Income](#)

See the most recent report of Mayors for A Guaranteed Income:

[https://static1.squarespace.com/static/60ae8e339f75051fd95f792e/t/62d5a9398961f067a837f6de/1658169659317/MGI\\_Year+In+Review+June+2021-2022\\_Final+Report.pdf](https://static1.squarespace.com/static/60ae8e339f75051fd95f792e/t/62d5a9398961f067a837f6de/1658169659317/MGI_Year+In+Review+June+2021-2022_Final+Report.pdf)

Upon enrollment in the program, participants agree to complete surveys periodically about how they are doing with regard to financial and educational goals and other aspects of family stability. A separate pool of applicants who are not selected to receive monthly payments also take these surveys. This data will be collected and analyzed by the Center for Guaranteed Income Research at the University of Pennsylvania’s School of Social Policy & Practice with support from the Institute for Research on Poverty at the University of Wisconsin-Madison in hopes of building the evidence base around the efficacy of guaranteed income programs. [City Launches Guaranteed Income Research Program to Support Low-Income Families](#)

Much of the current interest in GAI is because some conservatives and liberals surprisingly agree on GAI. [Column: Conservatives, liberals, techies, and social activists](#)

[all love universal basic income: Has its time come? More Americans oppose than favor the government providing a universal basic income for all adult citizens](#)

As is the case with so many reforms, analysis of different nuanced rationales and approaches helps to highlight some of the complexities in understanding the pros and cons of such a bold redesign of economic activities. [The pros and cons of universal basic income - College of Arts and Sciences](#); [Universal Basic Income \(UBI\) – Top 3 Pros and Cons](#)

If we want an economy that works for everyone, GAI programs may provide at least partial answers, by:

- Documenting acceptable levels of productivity and dynamic innovation.
- Offering more choices to American families in how to balance work-family-leisure in everyday life.
- Recalibrating priorities during different phases of raising children.

### **Additional Resources**

[Guaranteed Income Programs Spring Up City by City - The New York Times](#)  
[Why Universal Basic Income Could Change the Public's Health \(and how to apply for it in Madison\)](#)  
[Madison guaranteed income program will give 155 households \\$500 monthly for a year](#)  
[Madison Forward Fund pilot program will provide \\$500 monthly guaranteed income for 155 families | Madison365](#)

These Resource Materials were prepared by Amanda Hingst, Sue Jennik, Nancy Scherr, Marti Stamper, and Susan Stein.  
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