



Exploring the Child Care Crisis

Multiple Futures and the Role of Public-Private Partnerships

Scenarios to address marketplace
and social uncertainty

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The Center for Public Partnerships and Research specializes in systems change and in finding innovative solutions to complex social problems.

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The pandemic exposed
a **deep gap between**
the present child
care system and the
demands of parents'
new realities in a
rapidly changing
workforce.

In the child care sector, rising costs, unequal access, and worker shortages aren't new—they've been steadily worsening for years. In the light of COVID, we see the gaps more clearly and feel them constricting our lives. Something needs to change. **The question for organizations committed to helping families with young children is:**



How can we plan today to support families in a future in which child care must adjust to a rapidly changing workforce, evolving parental preferences, and growing inequality?

Imagining and preparing for multiple futures requires foresight—researching trends, scanning for signals, and developing adaptive and anticipatory strategies to be ready for non-linear pathways. The process of developing foresight is also one of claiming agency. If we're prepared for the future, then we are positioned to direct it, rather than simply accept, and react to, the status quo. This change of orientation is especially needed when it comes to child care, a sector which virtually all observers have recognized as both critically important and in crisis and market failure for decades.



In this brief, we share the process and insights that the Center for Public Partnerships and Research (CPPR) and Openfields generated as we developed a range of scenarios in response to the question:

What does the future of human service delivery look like? And how might those futures particularly affect child care?

Our work was inspired by [Foundations for a Flourishing Future](#)¹, the first early childhood forecast, developed by Capita and KnowledgeWorks, and builds on the growing use of foresight and scenario planning in the social sector.

The Public-Private Child Care Ecosystem

Child care has long been a space multiple sectors play a role in. The [federal government](#)² has dipped in and out of involvement since at least WWII (Bipartisan Policy Center, 2019). Parents have sought solutions within informal networks and extended family throughout history. [Faith-based](#)³ and community organizations have long been important providers to meet needs in their communities (Bipartisan Policy Center, 2021).

Now, as multiple social forces interact to make the child care system increasingly untenable, we see several signals that business and philanthropy are moving into this sphere and ramping up their investments. Businesses are increasingly viewing child care provision as essential to their business model. In the [Workforce of Tomorrow Requires a Child Care System Fit for the Future](#)⁴, Hau highlights that 56% of employers now offer some type of child care

benefit in 2022. Philanthropists are also increasing their role in shaping and advocating for quality early care and education, particularly access. [Big Dollars for Little Kids: Early Education](#)⁵ notes the role of philanthropy and bi-partisan advocacy efforts to shift the primary federal investment in child care—Child Care and Development Block Grant—from solely focusing on the parents’ ability to work to adding child development as a primary purpose of the funds. Even [private equity](#)⁶ is getting into child care, bringing the needed capital to scale access and drive innovation, but also a profit motive which has been shown

to have [deadly results](#)⁷ in the case of private equity involvement in nursing homes.

Child care has always been an ecosystem of social networks, community and faith-based organizations, public investment, philanthropy, and business. What it has never been is a healthy ecosystem, in which families have genuine choices to access the care they need for their kids. In the face of multiple futures, our best bet for ensuring sustainable, high-quality care for families are structured and sustained public-private partnerships. Within this

ecosystem, the players must develop the relationships, policies, skills, data capabilities, and governance structure to sustain robust public-private partnerships that can move at the pace communities need. Sustained public-private partnerships will serve as a stable foundation in futures in which we expect swings between rapidly growing for-profit providers and large-scale government programs.

Public-private partnerships are also critical in futures in which we anticipate increasing political polarization and social division, that potentially deadlock federal, state,

and even local efforts to consistently fund high-quality programs. For transformative change to occur, consistent and scaled public investment must be coupled with a coherent vision and the authority to navigate and overcome bureaucratic challenges. Without solidifying their role in a public-private solution, governmental bodies and non-profit organizations run the risk of losing their voice and decision-making power in the future of child care delivery.

Public-private partnerships are not a new idea for improving outcomes in the early childhood system and for addressing the gaps in quality and

accessibility of child care (Brookings, 2017). In [Public-Private Partnerships in Early Childhood Development: The Role of Publicly Funded Private Provision](#)⁸, Gustafsson-Wright and colleagues call out the skills that private organizations can bring and the explicit need to overcome insufficient government financing and capacity.

Child care has finally reached its day in the sun. With the labor shortage, the booming economy, and established brain science that early childhood is a good investment, public will in support of child care has reached a tipping point. We are at an inflection point in which we can establish a new, collaborative approach centering the needs of children and bake in both flexibility and predictability for families.

Exploring Multiple Futures for Child Care

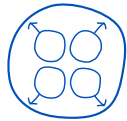
To challenge and expand thinking into an uncertain future, we engaged in a foresight process to examine the past via historical mapping, the present via trends mapping, and the future, via scenario planning. The four scenarios we describe are, of course, hypothetical, meant to provoke creative thinking. In each of the four potential futures we foresee,

public private partnerships offer coherency, innovation, and stability to child care. We mapped major social, technological, economic, and political events that shaped the current human service sector; scanned for emerging trends; and developed scenarios based on two critical uncertainties: social cohesion and marketplace dynamics.



Related to **Social Cohesion...**

Increasing social, economic, and political polarization is affecting all types of policies and programs, but which way will it go in the future? Will the divides deepen and the extreme ends of the political spectrum continue to dominate? Or can we expect a future of greater solidarity?



On one end, we imagine social cohesion continuing to break down and generating a more **sectarian** future, in which social trust erodes and shared narratives are increasingly abandoned.



On the other end of the spectrum, we imagine greater **solidarity**, or a future in which there is a renewed faith in institutions (which we observe in Gen Z⁹) and we claim shared narratives around threats and opportunities for our society.

SECTARIAN

- Social trust erodes
- Little faith in large institutions
- Tighter, more exclusive communities (extended families)
- Abandon shared narratives (American Dream)
- Pride in American identity decreases
- Increased geographical sorting (red/blue, urban/rural, racial)
- Mediating institutions increase and politicize
- Perceived threats confuse but don't unify



SOLIDARITY

- Social trust increases
- Renewed faith in institutions
- Shared narratives (American Dream) are updated to be more inclusive
- Pride in American identity increases
- Perceived threats unite us
- Social mobility increases



Related to **Marketplace Dynamics...**

There are good reasons to expect private sector providers will play an increasingly important (or even dominant) role in human service delivery. We also can anticipate a future in which government takes a stronger lead in providing universal service programs and regulating private markets.



On one end of the spectrum, we imagine human services increasingly driven by private-sector markets, in which services are “**unbundled**”, individualized, and personalized.



On the other end, we imagine social services being further **consolidated**, with delivery moving toward large-scale safety nets delivered through large, single platforms (like we saw with healthcare and the Affordable Care Act).

UNBUNDLED



- Many types of providers in an expanding social service marketplace
- Individualized, personalized services
- Rapid expansion of private sector offerings
- Various measurements of health and wellness

CONSOLIDATED

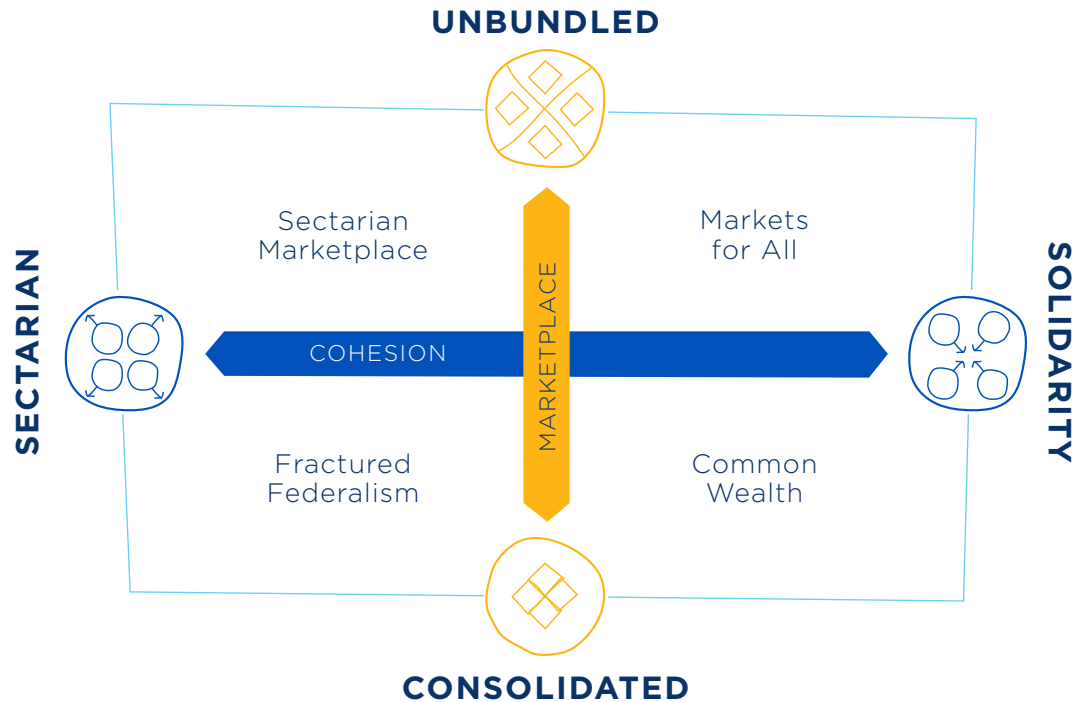


- Movement toward large-scale social safety net single platform service offerings
- Corporate monopolies
- Common measurements of health and wellness
- Integrated data systems

All of these futures are feasible, some are more probable than others.

In any case, both marketplace dynamics and social cohesion are significant to the future of human service delivery and wildly uncertain.

We see trends pointing in both directions, signaling to us that we can play a role in deciding which takes hold.





Unbundled Sects

Sectarian Marketplace

In this future, child care services have become an aggressive, often overwhelming marketplace of ideologically-driven service offerings. Services are highly customized and personalized. Special service packages are available for individuals, families, and even communities and network associations. Information reigns, in a massive marketplace in which good and bad actors compete. Private sector companies have overwhelmed the market. Government struggles to keep up with certification and regulation. Individuals have lots of choices, but fewer safeguards. Competition is fierce and outcomes vary widely.

Unbundled Sects

A future of a highly polarized society, dominated by a multiplicity of competitive, for-profit human service offerings.

- ✓ Customized packages
- ✓ Unregulated

Role of Public-Private Partnership

- ✓ Act as a nimble third party to help families make sense of choices
- ✓ Advocate for quality regulations

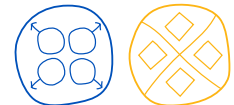


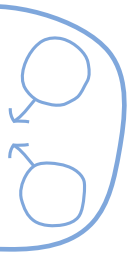
Critical questions in this future

- ❓ How can government regulations keep up with tech-driven, private sector innovation?
- ❓ How can human service agencies manage misinformation?
- ❓ Do personalized child care programs further isolate individuals and families from shared community experiences? What are the consequences of this?

Role of the public-private partnerships

- ✓ Act as a nimble and neutral third party to support families, constantly collecting and making sense of information to help families navigate.
- ✓ Advocate for public regulation. Innovate ways to find social cohesion around shared values of family and love for children.





Unbundled Solidarity

Markets for All

In this scenario, market driven solutions are ascendant, even as faith in the government that supports them grows. Many public services, including child care, have been “voucherized”, siloed benefits have been streamlined into “universal credits”, and the Earned Income Tax Credit program has expanded at the expense of minimum wage adjustments. These reforms dovetail with American narratives about rewarding work, personal liberty, and the centrality of families to make decisions about care.

Unbundled Solidarity

A future in which society agrees to authorize and invest in market-driven solutions to public service problems – public supported “choice”.

- ✓ Supported choice through vouchers
- ✓ Shared provision of services by government and private sector

Role of Public-Private Partnership

- ✓ Monitor market gaps and represent needs of underserved families.



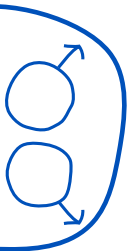
Critical questions in this future

- ? What happens to traditional public service institutions that are hollowed out in this future?
- ? Does greater choice further segregate communities by geography, income, and race, or can it lead to more integrated diverse communities?
- ? How does the government fill service gaps that the market doesn't reach?

Role for the public private partnerships

- ✓ Monitor the gaps the market doesn't reach and find and promote solutions to address them.
- ✓ Represent the interests of underserved families and seek provision of services to prevent widening disparities.





Consolidated Sects

Fractured Federalism

In this scenario, there are broad federal initiatives for social services, but increased fighting for dominance of direction, funding, and delivery of the services. Therefore, there is significant underinvestment and constant changes in child care offerings as the ideological pendulum swings. Families don't know what to expect and benefits are given and taken away: people feel powerless; social programs are just too large to reform; political possibilities are limited. Constant protesting leads to little change. Identity politics expand aggressively. States become increasingly sectarian, wanting to manage their own ideologically-driven services.

Consolidated Sects

Large-scale public programs intensely fought over by increasingly polarized public leaders and parties.

- ✓ Federal initiatives and investment in social good
- ✓ Instability due to ideological struggle

Role of Public-Private Partnership

- ✓ Provide 3rd way approaches centering needs of families.
- ✓ Promote narratives identifying child care as essential and politically neutral.



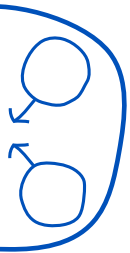
Critical questions in this future

- ❓ How can we prepare for a more divisive future?
- ❓ How might large-scale funding and defunding of public projects affect families?
- ❓ What methods of change might be better utilized in light of total political gridlock?
- ❓ How would increasingly distinct human service offerings between states affect demographics?

Role for public-private partnerships

- ✓ Provide third way approaches centering needs of families.
- ✓ Create and build support for popular narratives identifying child care as essential and politically neutral.





Consolidated Solidarity

Common Wealth

In this scenario, there is a renewed sense of trust in government, the democratic process, and large institutions. A political middle-majority emerges and empowers the government to make large-scale reforms – massively funding the welfare state, including immigrants and other marginalized peoples. Alongside large government, large corporations gain monopoly power over service markets. The government is able to take more control of social service systems and, while Universal Basic Income is implemented, there are strict guidelines for how it can be spent. General inequality and poverty are eased, but the economy slows and much of America’s entrepreneurial dynamism begins to fade.

Consolidated Solidarity

Cultural and political solidarity leading to massive public investments in wholesale human service platforms.

- ✓ Share universal benefits
- ✓ States united for social good

Role of Public-Private Partnership

- ✓ Provide space for small-scale innovation. Identify those who are left out and/or could be served better by focusing on cultural resources.

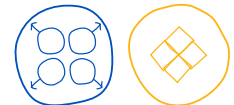


Critical questions in this future

- ❓ Where does innovation come from if it's not coming from the top?
- ❓ How might we manage communities disaffected by larger government programs?
- ❓ What role can entrepreneurs play in the context of large-scale government investment?

Role of public-private partnerships

- ✓ Provide a space for small-scale innovation, new ideas, and entrepreneurial sparks.
- ✓ Search out and elevate those who are left out and/or could be served better by focusing on cultural resources.



Public-Private Partnerships Play a Role in Multiple Futures

When we first read through these scenarios, we found ourselves nodding our heads with each one and could envision each one of them happening. We also saw futures that involve parts of all of four of these possibilities. And for any of these or some combination of all of these, we need to prepare now and start building towards a healthy child care ecosystem.

If you take nothing else away from this article, consider that **public-private partnerships play a critical role in all of our scenarios** and may be the most stabilizing and nimble force we have to adequately fund and deliver child care services that meet the needs of families and employers.



The reason for this is that all other actors in the ecosystem have other motivations and institutional constraints that prevent them from acting solely in service of the needs of children, families, and employers to maximize access to high quality child care; they will necessarily be pulled by these large social forces and be forced to respond in ways that don't put access to child care at the center. For the public-private partnership, however, meeting the need is the *raison d'être*, and the methods to get there are as diverse as the partnerships — and the partnerships can pivot to meet changing needs.

In other words, public-private partnerships can be both:

- ✓ the only actor in the system with child care at the forefront
- and*
- ✓ uniquely nimble and able to shapeshift

None of these scenarios are perfect and each come with benefits and tradeoffs. Public-private partnerships may be the connecting entity that amplifies the benefits and dampens the negative aspects of each. Consider the following scenarios and the role that public private partnerships may take.

Sectarian Marketplace

Society will be highly polarized and parents will be overwhelmed by the choices, many of which may be sub-par and expensive. Public-private partnerships can assume the third-party role of helping families navigate choices and demand regulation that ensures quality care.

Markets for All Public institutions may crumble as resources are market-driven and parents receive stipends or vouchers for choice. Public-private partnerships monitor the gaps that the market doesn't reach and provide a safety net for a potential number of families that may fall through the cracks.

Fractured Federalism

Broad legislation like Build Back Better is enacted, and organizations rush into the space to drive direction, resources, and the provision of services.

Common Wealth

The government becomes kinder and gentler and offers massive social supports and markets slow. Public-private partnerships, in this scenario, keep the entrepreneurial fire stoked and create the call for and funding of innovations that yield profits and provide for a public good.



Summary

Build Back Better didn't pass and no one is coming to save child care any time soon. Even if the legislation did pass, state and local ecosystems weren't prepared to implement wage reforms and coordinate care. The system has been down-trodden for so long and is so used to dealing with the scraps that imagining a well-resourced ecosystem seems out of reach.

We hope that these scenarios will jump start your thinking and that you will join with us in solving the child care crisis. We may not see it in our lifetime but would sure like our ancestors to not be talking about the issue as a broken and failed system. **There are many actions we can take today...**

Action Item 1

Establish a credible, trusted entity now that can toggle public-private interests and has the authority to weigh in on public funding decisions.

The entity should be charged with:

- ✓ Developing solutions for all interested parties—parents, business, and government
- ✓ Establishing the governance to hold public and private partners accountable to jointly-developed outcomes
- ✓ Acting as a conduit and broker to direct and bundle funding so that communities have the resources and agency to solve problems locally



Action Item 2



Explore university research centers or other [national organizations](#)¹⁰ to provide the data and modeling to do the math in each of these scenarios and chart steps that we can take today.

The inadequacies of the child care systems are well-documented and understood. Raising the next generation and tending to the needs of an infant is demanding, which may be why human biology mostly results in people having one child at a time. The equation of quality of care ratios (1:3 or 1:4) and what parents can afford to pay does not equal a livable wage for providers. Any long-term solution must include multiple revenue streams and comprehensive wage reforms. We all know these [costs](#)¹⁰ and have the public-level data to know the price tag of increased wages within a geographic area. If we want this as a society, someone other than parents and federal subsidy payments will have to help foot the bill. We need some deal-making.

Action Item 3



Enable the public-private partnership to put deals together to invest in and solve child care.

Private enterprise values enterprise and imagination, and invests in new ideas. Many of them fail. Yet, we have no tolerance for failure in the public sector. If a program can't demonstrate a respectable return on investment, it is passed off as unfundable and less than. There has to be a space for public funding such as the Child Care Development Fund and private innovative and/or private equity to more easily navigate the bureaucratic challenges and test out small-scale, safe-to-fail ideas. Current procurement regulations are rigid and value competition to win the bid when collaboration around common outcomes is what is needed.

Reach out for a
conversation about
the **future we can
build together.**

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strategic foresight principles
and long-range strategies that
reward action in the short-term
and, in the long-term, deliver
maximum impact. The focus is
on imagining alternative futures
and taking steps to prepare
for and begin creating today.

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Endnotes

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