



Child Care for Workers

Finding and affording quality child care is a source of financial and emotional stress for working parents, especially for women, low-wage workers, and people of color.

- In 2018, about 51% of Americans lived in a child care desert, meaning that their census tract had more than three young children for every one licensed child care slot.ⁱ
- During the pandemic, women are especially impacted by child care access issues. According to a USA Today analysis, “*The number of women with child care-related absences in any month more than doubled from 2019 to 2020. Women accounted for 84% of all workers who missed work in the average month last year due to child care issues -- a five-year high.*”ⁱⁱ
- For low wage earners, work is impossible without child care subsidies, and difficult even with assistance. Low-wage workers are also more likely to have jobs with unpredictable, variable, or inflexible schedules that require them to work outside of typical business hours, making child care more expensive and harder to obtain.ⁱⁱⁱ
- People of color are disproportionately represented in the child care workforce. About 40% of the child care workforce are people of color, who tend to be concentrated in low-wage positions, which ironically decreases their ability to afford child care for their own children.^{iv}

For our economy to recover, we need to stabilize child care now and also guarantee it for the future.

- In 2016, when unemployment was at an all-time low, an estimated 2 million parents were forced to reduce work hours or leave the workforce entirely^v due to child care barriers.
- Annual economic burden of inadequate child care is approximately \$57 billion,^{vi} which is an estimate calculated before the pandemic forced child care providers to operate below 25% capacity.^{vii}
- In a letter to Congress, 41 Chambers of Commerce wrote: “*For millions of Americans, returning to work is not just contingent on the lifting of stay-at-home orders and their employer reopening, but on securing care for their children.*”^{viii}

- The Child Care Entitlement to States (CCES) has been frozen at \$2.917 billion per year since 2006 and has lost about 20% of its value to inflation.^{ix} Even before the pandemic, combined federal child care spending only covered 1 in 6 eligible children.
- This long-term investment in guaranteed child care complements stabilization legislation being marked up by the Education & Labor Committee, giving working parents and their employers more certainty about their ability to return to work and stay on the job.

Making long-term investments in child care reduces child poverty and improves race equity.

- The National Academy of Sciences identified improving child care access as one of the most cost-effective approaches to reducing child poverty.^x
- Low-income neighborhoods, as well as neighborhoods with high proportions of non-English speakers, often have low availability of formal, licensed, culturally competent care, including bilingual providers who speak the languages of families seeking care.^{xi}
- The cost of child care has a disparate impact on Black families, who are more likely to have all available parents working, but Black working parents earn 40% less than white working parents, and therefore have higher proportionate demand for, and more trouble affording, child care.^{xii}

This Subtitle makes a significant down payment on guaranteed child care, one we can build on in future legislation.

- The legislation permanently increases the Child Care Entitlement to States (CCES) to \$3.55 billion, of which \$3.34 billion provides guaranteed annual child care funding to states and DC. It also provides a guaranteed \$100 million per year to Indian tribes, and modifies CCES to include U.S. Territories and guarantee them \$75 million per year.
- States use the CCES to improve child care quality and to make child care affordable and available for families.
- The normal required state match would be suspended for the additional funds provided to states in 2021 and 2022, as we get the pandemic under control (Tribes and territories are not required to match).

FY2021 CCES Estimates^{xiii} Under Current Law and W&M CCES increase

States	Current Law Total	Additional Funds from CCES increase	New Total	Percent change
Alabama	\$41,086,561	+ \$7,608,588	\$48,695,149	19%
Alaska	7,737,255	+1,294,330	9,031,585	17%
Arizona	56,819,340	+11,420,610	68,239,950	20%
Arkansas	21,163,950	+4,897,578	26,061,529	23%
California	287,335,954	+62,283,886	349,619,840	22%
Colorado	38,522,573	+8,752,096	47,274,669	23%
Connecticut	34,627,770	+4,905,527	39,533,296	14%
Delaware	9,781,673	+1,420,878	11,202,550	15%
District of Columbia	7,791,413	+995,479	8,786,892	13%
Florida	138,742,946	+29,550,460	168,293,406	21%
Georgia	92,749,020	+17,350,831	110,099,851	19%
Hawaii	11,961,412	+2,157,949	14,119,361	18%
Idaho	12,938,743	+3,109,263	16,048,006	24%
Illinois	120,020,153	+19,495,119	139,515,272	16%
Indiana	61,530,039	+10,912,974	72,443,014	18%
Iowa	24,986,370	+5,087,419	30,073,789	20%
Kansas	25,686,774	+4,901,094	30,587,868	19%
Kentucky	39,448,324	+7,022,563	46,470,886	18%
Louisiana	38,793,077	+7,696,165	46,489,243	20%
Maine	8,520,819	+1,698,697	10,219,516	20%
Maryland	53,638,914	+9,366,076	63,004,991	17%
Massachusetts	75,107,323	+9,303,232	84,410,555	12%
Michigan	80,001,823	+14,794,276	94,796,099	18%
Minnesota	52,984,882	+9,143,739	62,128,621	17%
Mississippi	22,029,354	+4,858,237	26,887,592	22%
Missouri	55,688,986	+9,576,911	65,265,897	17%
Montana	8,394,724	+1,606,637	10,001,361	19%
Nebraska	21,467,381	+3,356,734	24,824,115	16%
Nevada	18,357,397	+4,870,814	23,228,211	27%
New Hampshire	10,156,077	+1,720,921	11,876,997	17%
New Jersey	\$69,865,343	+\$13,426,995	\$83,292,338	19%
New Mexico	18,984,174	+3,296,175	22,280,349	17%

New York	193,751,448	+28,331,297	222,082,745	15%
North Carolina	121,431,594	+15,989,819	137,421,412	13%
North Dakota	6,763,557	+1,314,425	8,077,982	19%
Ohio	128,203,806	+17,930,733	146,134,539	14%
Oklahoma	46,626,653	+6,704,573	53,331,226	14%
Oregon	39,030,302	+6,057,735	45,088,037	16%
Pennsylvania	114,521,573	+18,272,070	132,793,642	16%
Rhode Island	11,170,931	+1,400,753	12,571,685	13%
South Carolina	35,017,044	+7,764,419	42,781,463	22%
South Dakota	6,737,243	+1,551,810	8,289,053	23%
Tennessee	71,890,874	+10,555,048	82,445,922	15%
Texas	228,052,563	+51,930,865	279,983,428	23%
Utah	33,722,299	+6,523,676	40,245,975	19%
Vermont	6,469,209	+779,332	7,248,542	12%
Virginia	63,548,771	+13,034,551	76,583,322	21%
Washington	80,101,817	+11,799,130	91,900,947	15%
West Virginia	16,797,005	+2,491,445	19,288,451	15%
Wisconsin	52,879,512	+8,758,081	61,637,593	17%
Wyoming	5,853,254	+937,985	6,791,240	16%
Subtotal, States	2,829,490,000	+510,010,000	3,339,500,000	18%
Territories				
American Samoa	-	+7,071,359	7,071,359	
Guam	-	+10,189,345	10,189,345	
N. Mariana Islands	-	+5,163,129	5,163,129	
Puerto Rico	-	+47,227,992	47,227,992	
Virgin Islands	-	+5,348,176	5,348,176	
Subtotal, Territories	-	+75,000,000	75,000,000	
Tribes and National Activities				
Tribes	58,340,000	+41,660,000	100,000,000	71%
TOTAL	2,917,000,000	+633,000,000	3,550,000,000	22%

ⁱ <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>

ⁱⁱ <https://www.usatoday.com/story/news/investigations/2021/01/29/coronavirus-childcare-burden-fell-womens-shoulders/4279673001/>

ⁱⁱⁱ <http://workplaceflexibility2010.org/images/uploads/whatsnew/Flexible%20Workplace%20Solutions%20for%20Low-Wage%20Hourly%20Workers.pdf>

^{iv} <https://cscce.berkeley.edu/files/2016/Early-Childhood-Workforce-Index-2016.pdf>

^v <https://www.americanprogress.org/issues/early-childhood/news/2017/09/13/438838/2-million-parents-forced-make-career-sacrifices-due-problems-child-care/>

^{vi} <https://strongnation.s3.amazonaws.com/documents/602/83bb2275-ce07-4d74-bcee-ff6178daf6bd.pdf?1547054862&inline;%20filename=%22Want%20to%20Grow%20the%20Economy?%20Fix%20the%20Child%20Care%20Crisis.pdf%22>

^{vii} https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/topics/naeyc_coronavirus_ongoingeffectsonchildcare.pdf

^{viii} <https://www.uschamber.com/letters-congress/coalition-letter-assistance-child-care-providers>

^{ix} The federal government provides direct child care support to improve quality and subsidize costs for middle and low-income families through annual appropriations to the Child Care & Development Block Grant (CCDBG) and through mandatory funding of the Child Care Entitlement to States (CCES). The US Department of Health & Human Services jointly administers CCDBG and CCES as the Child Care & Development Fund, which provides a cohesive federal child care program.

^x <https://www.nap.edu/read/25246/chapter/1>

^{xi} <https://www.americanprogress.org/issues/early-childhood/reports/2017/08/30/437988/mapping-americas-child-care-deserts/>

^{xiii} <https://www.americanprogress.org/issues/early-childhood/news/2016/08/05/142296/black-families-work-more-earn-less-and-face-difficult-child-care-choices/>

^{xiii} **Note.** The estimates in this table were developed under time-limited circumstances and have not cleared formal CRS review. The estimates are meant to be used for illustrative purposes only. Should this proposal become law, the U.S. Department of Health and Human Services (HHS) will be responsible for allotting the funds it provides. Estimates were completed by CRS based on specs in a draft bill dated February 7, 2021 (10:02 p.m.).