



THE COMMITTEE ON WAYS AND MEANS

Division B - Guaranteed Access to Child Care Fact Sheet

The discussion draft makes a substantial, multi-year investment in child care growth and innovation to improve child care access, affordability, and physical infrastructure, increase the supply of child care in areas with child care shortages, and raise the wages of essential child care workers.

It includes:

- ✓ Funds building or converting existing systems into a Child Care Information Network that provides parents and guardians with real-time information about child care and help them apply for slots that meet their needs.
- ✓ Builds on the ARPA increase in the Child Care Entitlement to States (CCES) and increases the level to \$10 billion in 2022, and indexes the level to keep up with inflation and growth in the state's child population, with unprecedented investments in Tribal and Territory child care and provides additional targeted funds, where needed, for communities experiencing shortages.
- ✓ Invests in starting, re-starting, and building child care businesses, including home-based facilities and a \$15 billion for infrastructure grants to improve child care facilities.
- ✓ Makes permanent the ARPA improvements to the Child and Dependent Care Tax Credit so that middle and lower-income families can use the credit, and provides a new employer tax credit to support wage increases for child care workers.

Finding and paying for child care has been a serious problem for a long time.

- Well before the COVID-19 pandemic, child care cost and access were insurmountable barriers for many families across the country. Per-child spending on child care increased by about 2,000% from 1970 to the 2000s.[i]
- An analysis by the Center for American Progress found that approximately half the country has too few licensed child care options.[ii]

The COVID-19 pandemic worsened child care affordability and accessibility for parents.

- Lack of child care is now the #3 most reported reason for not working, after pandemic-related layoffs and furloughs due to reduced business.[iv]
- Child care costs have increased by about 47% for licensed child care centers and 70% for home-based care centers as a result of intensified health and safety measures.[vi]

Lack of child care has forced mothers out of the labor force and reduced their earnings.

- About 25% of women are considering downgrading their careers or leaving the labor force due to pandemic-related caregiving hardship.[ix]
- According to analysis by the National Women's Law Center, expanding access to affordable, high-quality child care to everyone who needs it would increase the number of prime-age women with young children working full-time/full-year by about 17 percent, and by about 31 percent for women without any college degree. Women are losing an estimated \$100,000 over their lifetime because child care is not a standard part of our work economy.[xi]

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Affordable and available child care is a race equity issue.

- Latino and Black workers are the most likely to work nonstandard schedules, especially early morning and nighttime schedules, which affects their ability to find affordable, formal, child care. [xii]
- Latino and Asian families are most likely to have a lack of child care options in their communities, [xiii] and a majority of child care providers in Latino neighborhoods regularly have to deny a child due to lack of space.[xiv]
- The high cost of child care has a disparate impact on Black families because Black children are disproportionately likely to live in homes where all available parents are working, but Black working parents earn 40% less on average than white working parents and therefore have more trouble affording child care.[xv]

Child care workers are deeply underpaid, leading to hardship for them and high turnover in child care jobs.

- The vast majority of child care workers are women (92%) and 40% of child care workers are women of color.[xvi]
- Child care workers earn less than \$24,000 a year— about \$11.50 an hour.[xvii]
- A survey of early childhood staff found nearly 75% worried about having enough money to pay their bills, while almost half said worried about having enough food for their families.[xviii]

The pandemic has increased the already-high cost of operating child care facilities.

- As of December 2020, about 56% of child care centers reported losing money each day they remained open.[xxi]

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[i] <https://pao2011.princeton.edu/papers/110077>

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

[iv] <https://www.thirdway.org/memo/child-care-in-crisis>

[vi] https://cdn.americanprogress.org/content/uploads/2020/09/14054108/COVIDchildcare-brief-5.pdf?_ga=2.254419912.1725324066.1614278413-1308728849.1608310577

[ix] https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf

[xi] <https://nwc.org/wp-content/uploads/2021/04/A-Lifetimes-Worth-of-Benefits-FD.pdf>

[xii] https://www.acf.hhs.gov/sites/default/files/opre/identifying_racial_and_ethnic_disparities_b508.pdf

[xiii] <https://www.americanprogress.org/issues/early-childhood/reports/2017/08/30/437988/mapping-americas-child-care-deserts/>

[xiv] https://www.acf.hhs.gov/sites/default/files/opre/brief_hh_search_and_perceptions_to_opre_10022014.pdf

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

[xvi] <https://datausa.io/profile/soc/childcare-workers#demographics>

[xvii] <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm>

[xviii] <https://cscce.berkeley.edu/wp-content/uploads/2014/ReportFINAL.pdf>

[xxi] https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc_policy_crisis_coronavirus_december_survey_data.pdf