



Child Care is Key to Our Economic Recovery

What it will take to stabilize the system during the coronavirus crisis

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This brief provides new estimates of what it would cost to sustain the child care system during the coronavirus pandemic. We estimate that at least \$9.6 billion is needed each month to fully fund existing providers in the child care system. These funds would allow closed providers to retain their staff at full pay, be prepared to reopen at the appropriate time, and eliminate cost burdens for families whose providers are closed. These funds will also allow open providers to offer safe, comprehensive emergency care at no cost to an estimated 6 million children of essential workers.

THE CHILD CARE SYSTEM NEEDS AT LEAST \$9.6 BILLION MONTHLY TO SURVIVE THE CORONAVIRUS PANDEMIC

| Usual Monthly Costs | | Monthly Cost To Sustain Sector During Pandemic | |
|---|---------------|--|----------------------|
| For 9.8 million full-time equivalent children in care | \$6.6 billion | Cost to fully fund providers while closed | \$3.9 billion |
| | | Cost of supporting open providers offering emergency care to 6 million children of essential workers | \$6.3 billion |
| Less monthly federal spending on child care | \$642 million | Less monthly federal spending on child care | \$642 million |
| Total baseline costs | \$5.9 billion | Total new funding needed | \$9.6 billion |

Source: Analysis conducted by Ullrich and Sojourner using data from the National Survey of Early Care and Education (NSECE, 2012). Cost estimates are adjusted for price inflation in the child care sector since the data were collected. Figures may not sum due to rounding. A detailed methodology is available in the technical appendix <https://nwlc.org/resources/child-care-is-key-to-our-economic-recovery-what-it-will-take-to-stabilize-the-system-during-this-crisis/>.

Our nation's child care system was already fragile before the coronavirus pandemic—providers operated on razor-thin margins, workers made poverty-level wages, and families struggled to afford care. Now the public health and economic crises we are facing have severely strained the system. Absent adequate investment, many temporary child care closures will become permanent ones, hampering our economic recovery.

Based on our analysis, if Congress appropriates \$50 billion in the next coronavirus relief package, the funds would cover the cost of less than 6 months of relief and emergency care. Importantly, this funding would not necessarily be entirely forward-looking, given that providers likely need resources to cover the month or more of lost revenue they've already experienced since the crisis began and existing relief funds are insufficient to reach all providers who need support. Given the uncertainty around how the coronavirus pandemic will progress and how long stay-at-home orders will remain in effect, additional funding beyond \$50 billion may be necessary just to keep the system afloat.

This analysis is informed by two key assumptions:

- **Emergency-care funds** target providers within the current system that remain open to supply emergency care at no cost to essential workers, regardless of income. Providers that offer emergency care operate at lower-than-usual capacity but incur additional per-child expenses due to increased staffing costs (including premium pay), new hygiene measures, and higher costs of some supplies. Accordingly, relief funds compensate providers for emergency care at a premium above usual per-child rates.
- **Relief funds** target child care providers that are facing revenue losses in order to ensure they can resume typical operations as the economy moves towards normal order. Providers that are not offering emergency care are closed, but relief funds cover 100 percent of operating costs on the condition that programs continue to pay their staff at regular wages. Families who normally rely on these providers neither use nor pay for care.

These assumptions guide our analysis and are not meant to capture what is currently happening in states and communities.^a States could justifiably make different policy choices to meet the unique needs of communities, which would affect the amount of funding needed to keep providers whole and/or provide emergency care.

However, in the face of a steep drop of parent tuition payments,^b providers that are closed will not be able to make ends meet and may shutter permanently without these investments. This will leave us without a child care system—an essential work support—to return to as we rebound from this crisis. And failure to support providers who are open means that these providers will struggle to operate as an integral part of our public health infrastructure without the necessary resources to provide safe emergency care.

This brief summarizes our analysis. The technical appendix provides additional details on our methodology at <https://nwlc.org/resources/child-care-is-key-to-our-economic-recovery-what-it-will-take-to-stabilize-the-system-during-this-crisis/>.

Acknowledgements

The authors are grateful to Jonathan Borowsky, Liz Davis, Rob Grunewald, Jonathan May, Angela Rachidi, Clare Sanford, and Hasan Tosun for their thoughtful feedback and advice on this analysis and paper.

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^a For example, a recent survey of 5,000 child care providers found that 50 percent of centers are completely closed, compared to only 27 percent of family child care homes. Seventeen percent of all providers are only open to essential personnel. Virtually every provider that is open is operating with modifications. Survey responses also varied by programs located in cities versus suburbs or rural areas. For more information, see the National Association for the Education of Young Children (NAEYC), *From the Front Lines: The Ongoing Effect of the Pandemic on Child Care*, April 2020, https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/topics/naeyc_coronavirus_ongoingeffectsonchildcare.pdf.

^b Ibid. This survey found that 25 percent of families are continuing to pay tuition.

Child Care is Key to Our Economic Recovery

What it will take to stabilize the system during the coronavirus crisis

The coronavirus pandemic has spurred a public health and economic crisis in every sector and community across the country. Child care providers are feeling the strain acutely as they scramble to safely offer emergency care to essential workers and figure out how to remain viable under forced closures or reduced enrollment. Many families are also under pressure to make difficult choices about keeping their children enrolled in and paying for care at the same time they are facing lost wages. Essential workers—whose regular child care arrangements may no longer be available—are in especially dire need of safe, affordable care. The well-being of everyone depends on these workers' ability to access safe care for their children.

This crisis has only exacerbated the existing gaps in our child care infrastructure resulting from decades of underinvestment and failure to treat child care like the public good it is.¹ This underinvestment directly stems from our country's history of undervaluing care work performed by women, particularly women of color and immigrant women.² Consequently, the child care system already operated on very thin margins and with little access to credit or working capital even before the pandemic began.

Some providers—including those that are mostly or entirely funded by Head Start or public schools—fortunately have a more certain future ahead of them. Even though many have been forced to close, Head Start and school funding is appropriately guaranteed for the remainder of the operating year, and these programs are not at imminent risk of permanent closure.

Meanwhile, a large portion of the child care system—including private child care centers, preschools or nursery schools, family child care homes, and family, friend, and neighbor caregivers—primarily relies on parent tuition with some limited public funding. It will become increasingly difficult—if not already impossible—for these providers to continue to collect tuition from parents who are dealing with lost wages or even unemployment themselves.

Child care is essential now and for our economic recovery when the crisis is over.³ Yet without public intervention, a devastated child care system will become an obstacle to recovery. Congress recently dedicated \$3.5 billion to the Child Care and Development Block Grant (CCDBG) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act—a critical but insufficient investment given the scope and scale of the problem.⁴ Our analysis makes it clear that these resources wouldn't even cover a month's worth of costs.

Advocates are calling on Congress to dedicate at least \$50 billion more in relief funds for the child care system.⁵ Our new estimates not only suggest that at least this much is imperative—it is actually far less than what would be required if this crisis stretches past a few months. Failure to provide these resources will hamper our economic recovery, making it more difficult for parents and caregivers—especially women—to return to work, and widen existing racial inequities.⁶

Overview of our analysis and key findings

The analysis proceeds in the following broad steps:

1. Estimate the usual “baseline” monthly cost of care using data on enrollment, hours, and prices from a nationally representative survey of families and providers before the coronavirus crisis.
2. Estimate the number of children of essential workers in need of emergency care.
3. Estimate how the operating costs of providers that are open will change in order to provide emergency care. Safely providing emergency care requires that providers follow guidance related to reduced numbers of children per room while also addressing increased staffing costs, higher costs of certain materials to maintain health and safety, and lower overall enrollment.
4. Estimate the combined cost of keeping closed providers and staff economically whole and the cost of providing emergency care.
5. Recognize and deduct existing federal CCDBG funding for the child care system to yield an estimate of the new funds needed each month to achieve the stated policy goals. We use that to estimate the number of months \$50 billion in new funding would last, assuming the funding can be utilized in the ways discussed here.

This brief reviews the main concepts of our analysis and topline results. The technical appendix contains details on each step of the analysis.

Baseline monthly cost of care. We use data from the 2012 National Survey of Early Care and Education (NSECE) to generate an estimate of the number of child care providers, the number of hours they offer care each week, and median hourly prices per child by age group. We restrict the universe of child care providers in this analysis to include:

1. private center-based programs;^c
2. home-based providers who receive payment to provide care and appear on state or national lists, meaning they are likely licensed, registered, license-exempt, or regulated in some way; and
3. home-based providers who are “unlisted” and likely unregulated but currently receive government reimbursement to provide care.

These providers usually enroll roughly 9.8 million full-time equivalent (FTE)^d children aged 0 through 12.⁷ The vast majority of enrollment hours are provided by centers. Based on median prices reported by age in the NSECE, we estimate that center-based providers charge \$3.77 per hour per unsubsidized child; listed homes charge \$3.05 per hour; and unlisted homes charge \$3.58 per hour.^e

With these data, we calculate what it costs each month to provide care by multiplying the estimated number of weekly enrollment hours by the weighted unsubsidized hourly price per child and then by 4.2 weeks per month. We next adjust for price inflation in the sector since the 2012 NSECE survey by multiplying the result by 1.24 for an estimated baseline monthly total of \$6.6 billion.⁸

We deduct \$642 million from the cost to account for existing federal spending on child care through CCDBG,⁹ assuming this federal program supports some providers in our sample already. This yields a net baseline monthly total of \$5.9 billion.

^c We exclude centers run by a school or other government agency but do not exclude private centers that have contracts to provide Head Start and/or public pre-kindergarten services.

^d We define “full time” as 35 hours per week.

^e Conceptually, average price is more appropriate than median as an input to calculating revenue. However, we chose to use medians, which are lower than averages, to be conservative in estimating usual revenue. Observed averages may be more affected by outliers and measurement error than medians.

WHAT ABOUT FAMILY, FRIEND, AND NEIGHBOR CARE?

Family, friend, and neighbor (FFN) caregivers play a vital role in the child care system. In fact, millions of parents rely on FFN caregivers to meet their child care needs.¹⁰

In the NSECE, most FFN providers would likely be categorized as “unlisted” because they are typically not licensed, registered, license-exempt, regulated, or do not otherwise appear on any other state or national lists. We attempted to capture FFN providers who participate in the subsidy system in our sample by including unlisted home-based providers who report receiving government reimbursement to provide child care, but exclude other unlisted home-based providers.

We made this decision for several reasons. First, we assume that relief funds are generally targeting child care providers that would have difficulty “reopening” when the crisis is over without interim financial aid. Because FFN caregivers generally do not have the same start-up costs as licensed and regulated providers, and because their personal ties to the children in care often motivated their decision to provide care, most will not require the same incentives or financial support as licensed and regulated providers to resume care after a pause due to the crisis. Moreover, since many FFN arrangements are fairly informal, it would be difficult to verify that individuals were providing care for the purposes of administering relief funds if they were not previously receiving payment from the government (which we use as a proxy for subsidy participation). Given the large number (more than 900,000) of unlisted providers in the NSECE, excluding most of these providers allowed us to generate a more conservative estimate of cost.

We encourage the federal government and states to ensure that relief funds are inclusive of and available to CCDBG-eligible FFN caregivers and the families who rely on them. And while our estimates do not account for this on a broad scale, states may consider reimbursing the relatives providing emergency care to essential workers with low incomes.

Children of essential workers in need of emergency care.

We estimate that 17.9 million children under age 13 have parents who are frontline workers in grocery stores, public transit, cleaning and sanitation, health care, and other essential industries.^f Further, we assume that two-thirds of these children do not require emergency care because they have another parent, family member, or adult caregiver available to care for them. This implies 6 million children need emergency care at 45 hours per week.

Increased costs of providing emergency care. We assume providers that remain open are providing emergency care to essential workers and will incur some additional costs, including pay premiums for staff, substitute workers for staff who are out on paid sick or family leave, and higher prices for food and materials, including recommended personal protective and sanitation equipment/supplies.¹¹ At the same time, public safety demands that each center or home-based provider serve fewer children than usual due to the reduced group sizes required to conduct safe learning

and care during a pandemic. We assume that providers will operate with no more than 10 people—including adults—in a classroom or home at one time.

We begin with the business-as-usual shares of expenses for center- and home-based providers in four different categories: labor, facilities, materials, and administration.¹² For each category, we scale it up or down based on estimated changes in expenses. Table 1 summarizes cost changes. The technical appendix describes the underlying analysis in greater detail.

^f Assuming an average of 1.8 children per frontline worker based on data analyzed by the Center on Economic and Policy Research (CEPR) for CLASP and NWLC. We exclude children ages 13-17 based on a population's normal age distribution. For demographic information on frontline workers, see Hye Jin Rho, Hayley Brown, and Shawn Fremstad, *A Basic Demographic Profile of Workers in Frontline Industries*, CEPR, April 7, 2020, <https://cepr.net/a-basic-demographic-profile-of-workers-in-frontline-industries/>. These estimates may exclude some industries designated as “essential” by states and the federal government. We therefore likely underestimate the number of children who need care.

TABLE 1. INCREASED COSTS ASSOCIATED WITH PROVIDING EMERGENCY CARE FOR CENTERS AND HOMES, SHOWN AS SHARE OF USUAL TOTAL PROGRAM OPERATING EXPENSES.

| | Home-based | | Centers | |
|-------------------------|-------------------|----------------|-------------------|----------------|
| | Business as usual | Emergency care | Business as usual | Emergency care |
| Labor | 65% | 85% | 70% | 94% |
| Facilities | 5% | 5% | 9% | 9% |
| Food and materials | 10% | 9% | 7% | 5% |
| Administration | 20% | 20% | 15% | 15% |
| Total relative to usual | 100% | 119% | 100% | 123% |

Note: estimates may not add to 100 percent due to rounding. Source for business-as-usual operating costs: Simon Workman and Steven Jessen-Howard, *Understanding the True Cost of Child Care for Infants and Toddlers*, Center for American Progress, 2018. See technical appendix for authors’ underlying analysis for emergency care costs.

Total cost to provide emergency care and to keep closed providers economically whole and ready to reopen. Our analytic strategy begins by estimating the number of care hours required by essential workers with children under age 13. We then estimate the cost of providing that care safely during a pandemic.⁹ Next, we estimate how many paid enrollment hours providers lose each week during periods of temporary closure and what it will cost to keep these providers economically whole. This enables them to pay staff and other ongoing operational costs without charging families, so they remain ready to reopen at the appropriate time.

To do so, we must first determine the number of FTE children who are normally in care but are now at home with their parents or other caregivers. We assume that 66 percent of the children of essential workers who require emergency care were receiving care from a provider in our universe before the pandemic, totaling 3.9 million children. Given the 9.8 million FTE children receiving care under normal circumstances, factoring out these 3.9 million children implies that 5.8 million FTE children were previously in care but are now at home with their parents or other caregivers.

To estimate the cost to keep these providers economically whole, we determine their lost revenue by multiplying the usual care hours of these 5.8 million FTE children by the usual hourly price per child-hour. To estimate the cost to provide needed emergency care, we multiply the number of hours per week that 6 million children need to spend in emergency care by the hourly price per child and the emergency-care cost premium. See the technical appendix for additional details about our analytic approach to estimating costs.

Lastly, we add these two amounts to get total costs weekly, scale up to monthly costs, and adjust for price inflation since the 2012 NSECE survey.¹³ This implies monthly costs equal \$10.2 billion—\$6.3 billion to provide emergency care and another \$3.9 billion to keep programs whole during temporary closure.

Deducting regular federal spending on child care to estimate new funds needed each month. We deduct \$642 million from the total monthly cost to account for an estimation of typical federal monthly spending on child care through CCDBG^h for a net monthly total cost of \$9.6 billion.

^g Given variation in states’ approaches to offering emergency care, we assume that emergency care is exclusively offered by providers in our provider universe and that homes and centers are used for emergency care in the same proportions that they are used under normal conditions. Offering emergency care outside of these providers while continuing to make them whole would increase care costs, though a different distribution of care provision within our universe might reduce the total cost slightly.

^h Based on FY 2017 spending on direct services and FY 2020 allocations to states and the District of Columbia. This estimate does not include appropriations to territories or tribes since the NSECE only reflects 50 states and the District of Columbia. However, we advocate that federal relief funds should include resources for territories and tribes. In order for some of this funding to be used in the ways described above (such as supporting programs that are currently closed), states may need to exercise the ability to flexibly use funding during this crisis.

We conclude that if Congress appropriated \$50 billion in relief funds for child care in the next coronavirus stimulus bill, it would cover closed providers' expenses and emergency-care needs for less than 6 months.

We recognize that the recently enacted CARES Act included \$3.5 billion in funding to states through CCDBG. States can use these resources to provide continued payments to child care providers when they are closed or have lower enrollment than normal, to provide care for essential workers, and to provide funds for cleaning and sanitation to maintain appropriate health and safety.¹⁴ However, our analysis excludes these funds because, based on our analytic assumptions, the funds are sufficient to last less than two weeks if states immediately spend them down to address the full scope of immediate needs.

Additional considerations and limitations

This analysis estimates the amount of new public funding needed to sustain the child care system monthly through the coronavirus crisis. Our policy goals and, therefore, our analysis primarily focuses on the "formal," private child care market—that is, privately operated centers and home-based providers—as well as a relatively small number of informal or FFN caregivers who interact with the child care subsidy system. It does not include all of the various types of providers that play an important role in supporting families. Nannies, babysitters, and family, friend, and neighbor caregivers outside of the subsidy system are also losing earnings and employment by no fault of their own. These workers are also in need of income supports and other resources during the coronavirus crisis, even if not delivered directly through the child care system. Including support for these providers would substantially increase the scope of funding necessary to keep the system whole each month.

While we deduct regular spending for CCDBG from our estimates, we do not account for other funding sources that may support the child care providers in our sample, including Head Start and state pre-kindergarten programs. Collectively, state and federal spending on Head Start and state pre-kindergarten totaled \$18 billion in 2018.¹⁵ While these are important sources of revenue for many child care providers, we do not account for them in our analysis because we cannot confidently estimate what share of these funds would reasonably support our provider universe given how many schools and government agencies administer Head Start and state pre-kindergarten.¹⁶ Similarly, we do not account for spending on child care by states

through the Temporary Assistance to Needy Families (TANF) or state-funded child care assistance programs. Given the likelihood of state budget shortfalls in the coming months, states' ability to support child care during this time is likely to be limited.¹⁷

In terms of emergency resources, child care providers may benefit from various forms of federal, state, or local relief that are not reflected in our analysis. The CARES Act included a number of provisions beyond the direct investments in CCDBG that could theoretically offset some of the financial strain that child care providers are facing, such as forgivable Paycheck Protection Program (PPP) loans through the Small Business Administration (SBA).¹⁸ The PPP loans offered first come, first served, time-limited assistance and required significant know-how to navigate the application process. To date, there is no data source that would allow us to assess the extent to which these loans are supporting the child care sector,¹⁹ but the program was fraught with problems for child care providers and we anticipate that many faced barriers to successfully applying for assistance.²⁰ For the few programs that were able to obtain loans, the funds will likely be exhausted by the time significant federal relief for child care comes through.

The CARES Act also included significant expansions in unemployment insurance (UI), including increasing the value of UI benefits, extending the maximum length of time workers can receive UI, and widening eligibility to include people who are generally ineligible for state UI programs,²¹ like self-employed family child care providers. While these benefits are certainly crucial for child care workers who are facing reduced hours or who have been laid off entirely, our policy goals are to help programs avoid laying off staff. As such, we do not rely on that mechanism to support providers in our analysis.

Finally, we do not model the costs that child care providers may incur in continuing to meet the needs of families whose children are not currently attending care, while also responding to public health guidelines around social distancing. For example, programs that participate in the Child and Adult Care Food Program may deliver or distribute meals during program closures, which could require changes to their meal preparation processes that necessitate additional costs. Similarly, providers may need to equip their staff with iPads, tablets, or laptops to facilitate virtual learning or home visits. As a result, the estimates presented in this brief may not encompass the full scope of providers' financial needs.

Framework for investments to stabilize the child care sector

This brief focuses on estimating the scope of the need and thus does not provide details for how lawmakers should structure the investments provided. However, we do offer a basic set of principles for investment. Relief provided must:

- **Be available to stabilize the entire child care system.** This includes subsidy-receiving providers and providers operating only in the private-paying market, as well as the majority of providers that use multiple funding streams to serve children and families. Funding must also be available to providers in various settings, including centers, family child care homes, and FFN care.
- **Address the needs of providers, educators, families, and children.** Our analysis ensures that providers' operational costs are covered—whether they are closed or open with reduced enrollment to safely serve children of essential workers—without placing the strain of high costs on families. Relief must ensure that costs for providers and families are both covered.
- **Build on existing structures to ensure funding gets out as quickly as possible.** Given the timely needs of the child care sector, support must build on existing administrative and funding structures to avoid delays in providing relief to providers, educators, and families. Quick and non-competitive distribution of resources will ensure that all providers can access support to maintain their businesses.
- **Ensure equity is front and center.** Policymakers should ensure communities and families with the greatest need are served first, particularly if funds are limited.
- **Preserve health, safety, and quality standards.** These standards protect children and are especially important in the context of the coronavirus pandemic.

Conclusion

The coronavirus public health crisis has highlighted and exacerbated the challenges that decades of underinvestment created in our child care system. Policymakers must maintain and strengthen our child care infrastructure for the essential-worker families who need it during this public health emergency, and for all who will need it in the future once the emergency is over and parents can return to the labor market. That means providing safe care to essential workers and keeping existing providers whole. A speedy and equitable economic recovery that works for everyone, especially those hit hardest—including women, communities of color, immigrant families, families with low incomes, and people with disabilities—depends on policymakers providing funding to sustain America's child care system during the crisis, which our analysis shows is conservatively \$9.6 billion per month. Nearly 500 national and state organizations have called on policymakers to provide at least \$50 billion in immediate support for the child care sector.²² Our analysis estimates that a \$50 billion investment would be depleted if the crisis lasts much longer than 5 months, at which point more support will likely be needed.

Finally, while this funding will help fill gaps the system is experiencing now, it is important to acknowledge the need for underlying structural changes in the child care system looking ahead. For too long, families have had to pay exorbitant out-of-pocket costs for care while child care providers barely earn enough to make ends meet. Policymakers should pursue underlying structural changes to our child care system that ensure all families have access to high-quality, affordable child care provided by early childhood professionals who are compensated in line with the essential service they provide for working caregivers and children alike.²³ The crisis has demonstrated the critical value of child care, and the role it plays as a work support will continue well after the pandemic.

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- 2 Jasmine Tucker and Julie Vogtman, *When Hard Work is Not Enough: Women in Low-Paid Jobs*, National Women's Law Center (NWLC), April 2020, https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report_pp04-FINAL-4.2.pdf; Julie Vogtman, *Undervalued: A Brief History of Women's Care Work and Child Care Policy in the United States*, NWLC, 2017, https://nwlc.org/wp-content/uploads/2017/12/final_nwlc_Undervalued2017.pdf.
- 3 NWLC, *Improving and Expanding Child Care Assistance to Stabilize Our Economy*, April 2020, <https://nwlc.org/resources/improving-and-expanding-child-care-assistance-to-stabilize-our-economy/>.
- 4 Stephanie Schmit, *\$3.5 Billion for Child Care in Coronavirus Package is Not Enough: How States Will Fare*, Center for Law and Social Policy (CLASP), March 26, 2020, <https://www.clasp.org/publications/fact-sheet/35-billion-child-care-coronavirus-package-not-enough-how-states-will-fare>.
- 5 Nearly 500 national and state organizations sent a letter to Congress asking for this relief in April 2020. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/04/Child-care-4.0-pkg-coalition-letter-FINAL-House-and-Senate1.1.pdf>.
- 6 A substantial reduction in the child care workforce would disproportionately impact women of color, who are overrepresented in these occupations. A reduction in available care would also disproportionately impact access and affordability for communities of color and immigrant families, who already face barriers to accessing affordable child care that is high quality and linguistically and culturally appropriate. For example, Native American families and Latinx families are already disproportionately likely to live in "child care deserts," where existing supply already falls far short of need. For more details, see for example, Vogtman, *Undervalued*; Christine Johnson-Staub, *Equity Starts Early*, CLASP, 2017, <https://www.clasp.org/publications/report/brief/equity-starts-early-addressing-racial-inequities-child-care-and-early>; Rasheed Malik, Katie Hamm, Leila Schochet, et al., *America's Child Care Deserts in 2018*, Center for American Progress, 2018, <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>.
- 7 Given the increase in employment rates since 2012--and the likely increase in the share of children in child care as a result—we expect that these are conservative estimates of full-time equivalent children. For example, the share of parents with own children under 18 who were employed in 2012 was 87.8, compared to 91.3 in 2019. See Bureau of Labor Statistics, *Employment Characteristics of Families—2012*, (April 2013) Table 4: https://www.bls.gov/news.release/archives/famee_04262013.pdf and Bureau of Labor Statistics, *Employment Characteristics of Families—2019*, (April 2020) Table 4: <https://www.bls.gov/news.release/pdf/famee.pdf>.
- 8 Prices in this sector rose 24 percent between January 2012 and January 2020. U.S. Bureau of Labor Statistics, *Consumer Price Index for All Urban Consumers: Tuition, Other School Fees, and Child Care in U.S. City Average*, retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/graph/?g=qJ97>; last accessed April 15, 2020.
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- 11 Centers for Disease Control and Prevention, "Guidance for Child Care Centers that Remain Open," updated April 16, 2020, <https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/guidance-for-childcare.html#SocialDistancing>. Last accessed April 17, 2020.
- 12 Simon Workman, *Methodology for Where Does Your Child Care Dollar Go?*, Center for American Progress, 2018, <https://cdn.americanprogress.org/content/uploads/2018/02/14040126/ChildcareDollar-Methodology.pdf>.
- 13 U.S. Bureau of Labor Statistics, *Consumer Price Index for All Urban Consumers: Tuition, Other School Fees, and Child Care in U.S. City Average*, retrieved from FRED, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/graph/?g=qLX#>; April 15, 2020.
- 14 Schmit, *\$3.5 Billion for Child Care in Coronavirus Package*.
- 15 Head Start funding increased by nearly \$1 billion between FY 2018 and FY 2020. Note some funds are used for program administration, monitoring, and other purposes. Administration for Children and Families, Office of Head Start, *Head Start Program Facts: Fiscal Year 2018, 2019*, <https://eclkc.ohs.acf.hhs.gov/about-us/article/head-start-program-facts-fiscal-year-2018>; Allison Friedman-Kraus W. Steven Barnett, Karin A. Gardner, et al., *The State of Preschool 2018*, National Institute for Early Education Research, 2019, http://nieer.org/wp-content/uploads/2019/04/YB2018_Full-ReportR2.pdf.
- 16 We account for some of this spending by removing government-run center-based programs from our analysis.
- 17 There are already news reports of reductions in local funding for programs for young children as a result of the coronavirus pandemic. See, for example, Alex Zimmerman and Christina Viega, "De Blasio proposes over \$221 million in NYC education cuts, including pre-K and school budgets," Chalkbeat, April 7, 2020 <https://chalkbeat.org/posts/ny/2020/04/07/budget-cut-tk/>.
- 18 Rebecca Ullrich, *Small Business Loans for Child Care Providers Through the CARES Act*, April 3, 2020, <https://www.clasp.org/publications/fact-sheet/forgivable-loans-child-care-providers-through-cares-act/>.
- 19 Loan distribution data issued to date is high level. For example, recent reports indicate that organizations in the health and social assistance sector—which includes child care—collectively received loans valued at nearly \$28 billion (roughly 11 percent of the total loan amounts that had been approved as of April 13). However, we do not have enough information to determine what share of these loans went to child care providers. For more information, see U.S. Small Business Administration, *Paycheck Protection Program (PPP) Report: Approvals through 4/13/2020*, April 14, 2020, <https://content.sba.gov/sites/default/files/2020-04/PPP%20Report%20SBA%204.14.20%20-%20%20Read-Only.pdf>.
- 20 Rebecca Ullrich, *Small Business Loans Aren't the Answer for Child Care*, CLASP, April 8, 2020, <https://www.clasp.org/publications/fact-sheet/small-business-loans-aren-t-answer-child-care>.
- 21 National Employment Law Project, *Unemployment Insurance Provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act*, March 2020, <https://www.nelp.org/publication/unemployment-insurance-provisions-coronavirus-aid-relief-economic-security-cares-act/>.
- 22 Nearly 500 national and state organizations sent a letter to Congress asking for this relief in April 2020. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/04/Child-care-4.0-pkg-coalition-letter-FINAL-House-and-Senate1.1.pdf>.
- 23 Principles for Child Care: A Vision for Investing in High-Quality, Affordable Child Care," joint publication developed and endorsed by NWLC, CLASP, and other advocacy organizations, 2019, <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2019/10/Child-Care-Principles-2.pdf>.