

Building a Comprehensive Child Care and Early Learning System: The Case for a \$450 Billion Investment in Child Care over the next 10 years

The American Rescue Plan and 2020 COVID-19 relief packages included critical investments of more than \$50 billion in child care relief. These relief funds will help stabilize an otherwise collapsing child care sector, support parents and other caregivers' ability to work and care for children, support children's healthy development, and raise wages for the essential workers who care for and educate children every day.

While the American Rescue Plan provides robust relief, it was not designed to address the long-term structural flaws in our economy that made the pandemic so devastating for women of color and their families and harmed communities across the nation. **Even before COVID-19, America faced a child care crisis.**

- **Families were struggling to afford child care costs—if they could find child care at all.** [Fewer than one in seven eligible children](#) were served by the Child Care and Development Block Grant (CCDBG) and related federal child care programs. Families—particularly in rural areas—struggled with a lack of care options. Research finds that [over half of Americans live in a child care desert](#), or a neighborhood with an insufficient supply of licensed child care.
- **Early educators were paid poverty-level wages for caring for and educating our children.** Child care is one of the [lowest-paid professions](#) in the US, despite extensive research pointing to the importance of the early years for young children's healthy development. Wages for providers average [less than \\$13 per hour](#), and recent data show that over half of child care workers were [enrolled in at least one public assistance or support program](#).
- **These inequities disproportionately impact women and families of color: virtually all child care workers (over 90%) are women, and disproportionately women of color and immigrant women.** [Black and Latina mothers are more likely to work in jobs with low pay and few or no benefits](#), making care more difficult to afford. In addition, Black, Indigenous, and People of Color (BIPOC) families are [more likely to face greater barriers](#) to accessing care, including high costs, lack of care options that match their work schedules, language barriers, and lack of culturally competent, trusted options, all leading to inequitable participation in licensed child care across racial groups.

The pandemic has laid bare and exacerbated the deep inequities of a child care system that relies on families paying unaffordable sums, early educators being paid poverty-level wages, and too many counties across the country lacking sufficient workforce or facilities to meet child care demands. It is time to put a stake in the ground and build a comprehensive child care and early education system that works for our nation's children, families, educators, and economy.

An equitable economic recovery effort, one that will not further exacerbate inequities by race and gender or further entrench occupational segregation and wage disparities, requires that Congress invest at **LEAST \$450 billion** in direct spending for child care and early learning. This investment should:

- Ensure families have access to high-quality, affordable child care that is available when and where they need it, supports their children's healthy development, and invests in the education and compensation of a diverse workforce through the model offered by the Child Care for Working Families Act, providing child care, after school and summer care options for both young children and school-age children.

- Treat caregivers and early childhood educators with respect and dignity for their valuable and complex work, pay them living wages, benefits, and ensure parity with elementary school teachers; provide professional development and career ladders to higher-paying early care and education jobs; improve working conditions, with adequate staffing for breaks and time off; a voice in the system; the choice to join a union and bargain collectively; and other fundamental work-related rights and protections.
- Expand access to Early Head Start and Head Start's comprehensive services for low-income pregnant women and young children.
- Provide equitable access to preschool in a model that is inclusive of centers, schools, community-based organizations, Head Start, Early Head Start and family child care homes, and support a strong, just birth to age 5 system.
- Support safe, energy-efficient, developmentally appropriate child care facilities, especially in child care deserts, and home-based options in all neighborhoods and build the supply needed.

The President's Build Back Better plan, reflected in the Congressional budget resolution, is essential to building a strong child care and early learning system that can achieve these goals. A 10-year federal investment of \$450 billion could serve 8.27 million young children a year across the

United States (when fully implemented) through both child care assistance and preschool. That's 11 times more than those served without expansion. The table in the appendix includes one-year, point-in-time estimates for how many infants, toddlers, and preschoolers would be served by the combination of child care assistance and preschool programs when fully implemented in each state. It also has the total number compared to the number of children who would receive child care assistance through the CCDBG without this expansion.

The enormous benefits that high-quality, affordable child care for all would have for families, communities, and the economy, include:

- **Creating millions of additional good-paying jobs:** A significant investment in child care and early learning [could create 2.3 million new jobs](#) - a combination of jobs with better compensation for early educators and support for the workforce participation of parents.
- **Enabling parents - especially mothers - to participate in the labor force:** Since the start of the pandemic, the [decline in mothers' labor force participation has been nearly double that of fathers'](#) and research shows that COVID has led to mothers of young children reducing work hours [four to five times as much as fathers](#). A [new study](#) shows that public investments to guarantee high-quality, affordable child care for all would increase the number of women with young children working full-time/full-year by about **17 percent, and by about 31 percent for women without any college degree**. Black and Latina women, who already face compounding labor market discrimination, lower wages, and more difficulty finding child care, would experience [larger percent increases](#) in their incomes.
- **Increasing families' lifetime earnings and retirement security:** [Two-thirds of families rely on a mother's income](#). Over the entire life course, access to affordable care could increase the lifetime earnings for **women with two children by about \$94,000, which would lead to an increase of about \$20,000 in private savings and an additional \$10,000 in Social Security benefits**. It would also [boost the collective lifetime earnings of a cohort of 1.3 million women by \\$130 billion](#). By the age of retirement, a lifetime of affordable child care would mean that women with two children would have about \$160 per month in additional cash flow from increased private savings and Social Security benefits. This policy would also advance racial equity and help close racial earnings and wealth gaps, with [Black and Latinx women seeing additional lifetime Social Security benefits of \\$13,000 and \\$12,000 respectively \(compared to](#)

\$8,000 for white women).

- **Lay a strong foundation for children's development:** As the first years of a child's life are the period of the most rapid brain development and lay the foundation for all future learning, access to equitable and culturally responsive quality child care and early learning options [profoundly shapes the early experiences of our youngest children](#) during a critical time in their development, and ensures that regardless of economic status, race, zip code, language and disability all children have a strong foundation.
- **Advance gender and racial equity:** The disproportionately Black, Latina, Indigenous, Asian American and Pacific Islander, and immigrant women who work in child care and early education need better jobs and working conditions. Black mothers who are more likely to be in the workforce and more likely to be their families' [primary breadwinner](#) than other mothers need child care they can depend on. And our nation's children, nearly [half of whom are children of color](#), need investments in their care and education from birth to age 13. Additionally, it is Black, Latina, Indigenous and Pacific Islander women who have been most impacted by the COVID-19 health and economic crisis. Without investing in structures to support care and caregiving, the women who need it most may benefit least from other investments in recovery.

The United States has not had a comprehensive child care and early education system since a brief period during World War II. Since then, American families have been largely left on their own to fend for themselves, relying on the underpaid labor of Black, Latinx, Indigenous and immigrant women so that others can work, and the time of older siblings to cover the care needs of families instead of attending to their own education. Child care is infrastructure. It connects workers and jobs. It makes all other work possible. It supports the positive growth and development of our nation's children.

Without a child care system that works for every family, our economy will suffer in the short and long term. It must be a key facet of our national economic infrastructure.

Table from fact sheet: [StatebyStateFS.pdf \(nwlc.org\)](#)