

# Make It Work

## POLICY PROPOSAL ON CAREGIVING: CHILD CARE, EARLY EDUCATION, AND AFTER SCHOOL CARE

As child care costs skyrocket, becoming out of reach for even middle class families, working men and women are forced to make impossible choices, that aren't real choices at all. The cost of child care today exceeds the cost of housing and even in-state college tuition for many families. <sup>i</sup>

Increasingly more and more women are opting out of the workplace to take care of a new child, in part because child care is just too expensive.<sup>ii</sup> And families that can scrape together the money for safe, quality child care may be sacrificing other priorities like saving for retirement.

Research has consistently shown that the quality of care matters for children's development and well-being in the short- and long-term.<sup>iii</sup> Having access to affordable quality child care is good for children, good for parents, and good for the economy.

**Solution:** Our visionary proposal makes high-quality, flexible care more affordable and accessible for all families – and it values the work of caregivers, who have one of the most important responsibilities of all – taking care of the people we love most. Specifically, our proposed policies include:

- Guaranteed child care subsidies for middle- and low-income families with children aged 12 or younger to ensure that child care costs no more than 10 percent of pay and that child care providers earn a living wage of \$15/hour. If adopted, this would mark the first time middle and low-income families would have access to the same child care assistance program – one that would help them truly cover the cost of high quality care. When fully phased in approximately 26 million children would receive subsidies – up from only 1.5 million children today.
- Public preschool for three and four year olds.
- Social Security credits for caregivers who take time out of the workforce to care for their family members.
- Investments in home visiting, Head Start and Early Head Start.

Today parents are struggling on their own to make it work. But we believe we are all in this together. This set of policies makes investing in our children's healthy development and their parents' ability to go to work to earn a decent living a national economic priority. Every family would be eligible for some form of assistance.

## MAXIMIZING FLEXIBILITY AND AFFORDABILITY FOR FAMILIES:

Today, in the majority of families with children, all parents in the household work,<sup>iv</sup> and an increasing number of parents work evening, overnight or weekend hours.<sup>v</sup> Even for parents working “traditional” hours, child care centers, preschools and elementary and middle schools often don’t cover the hours needed, or account for commuting needs. For those adults working nontraditional shifts, the challenges are even greater. Our policy prioritizes the flexibility parents need to have child care available when and where they need it. Flexibility also means families must have access to affordable, high quality child care that they can count on, instead of the current system where only one in every six eligible children receives a subsidy.<sup>vi</sup> That’s why we propose:

- Guaranteeing child care subsidies for middle- and low-income families to provide care for their young children, and for before and after school and summer care for children through age 12.
- Ensuring that no family needs to pay more than 10 percent of their pay for care.
  - Subsidies would be based on a sliding scale that takes into account income, geography, the age of children, family size, type of care and the number of children in care. Payment rates will cover the cost of high quality care that pays individual providers at least \$15/hour.
  - No low-income family would pay more than 7 percent of their income, and no middle-income family would pay more than 10 percent of their income.<sup>vii</sup>
  - Families living at or below the poverty level would be fully subsidized.
  - No family earning twice the median income in their state would be eligible for subsidies. Subsidies will be phased out for families who meet that income limit. All families who are currently eligible for the Child and Dependent Tax Credits and Flexible Spending Accounts - including those who earn too much to qualify for subsidies - would continue to have access to those tax benefits.
- Maximizing flexibility so that families with kids through age 12 can choose the high quality program that works best for their family—in schools, child care centers, family child care homes, home-based care, as well as family, friend and neighbor care.
- Providing enhanced support to child care programs to deliver the care that families need to meet their specific employment or educational needs, including infant and toddler care, non-standard hour care, and licensed drop in centers for child care emergencies.
- Investing approximately \$168 billion/year – our preliminary estimate of the cost when fully phased in – of federal dollars to cover these costs for approximately 26

million children, and ensuring that the dedicated funding expands with need. This funding would be fully offset by closing corporate tax loopholes and other tax reforms.

- Investing in federal-state partnerships to provide public preschool for all three and four year olds regardless of income.
  - Early childhood is a crucial time for shaping children’s future academic success, health, and even their future employment success. Yet fewer than three in ten four-year olds are enrolled in a high quality preschool program.<sup>viii</sup> Investing in high-quality early learning makes sense for children’s health and development and for supporting their parents’ economic stability.
  - While some states have developed preschool programs, others have not. For states that already have publicly funded preschool, this program helps them expand their programs to cover more children in the state. For states that don’t have publicly funded preschool, this program helps them build a substantial preschool program.
  - Subsidies would be available for wrap-around care to cover time when parents are working.

## VALUING CAREGIVING:

Our society deeply undervalues the important work of providing care, and this plays out in both the labor market and the home. The demand for high quality caregiving will continue to grow, but the caregiving workforce – primarily comprised of women – is significantly undervalued. In the home, women provide 110 million hours a year of unpaid interactive child care, compared to the 55 million hours a year that men provide.<sup>ix</sup> Since 1997 child care workers have experienced no increase in real earnings.<sup>x</sup> That’s why our proposal:

- Ensures subsidies will cover a minimum wage of at least \$15/hour for care provider. Compensation levels should also reflect experience and qualifications.
- Connects investments in high quality care to opportunities for education, training and professional development with financial assistance and reasonable time to meet new standards.
- Provides the opportunity for workers providing care to join professional organizations that advocate for high worker standards and other quality improvements and link workers to professional development and other benefits.
- Includes the Social Security Caregiver Credit that provides individuals with Social Security credit for time spent out of the labor market to provide care to close family members.
- Includes family, friends and neighbor care as a valued choice for parents. For example, grandparents providing child care while parents work could receive

subsidy payments for caring for their grandchildren.

## HIGH QUALITY CARE:

Children's brains grow the most quickly in the first years of life. But without investments in high quality child care and early learning, too often children fall behind. Unfortunately, 46 percent of kindergarten teachers report that half their class or more have specific problems when they enter school (including following directions, lack of academic skill, or difficulty working independently).<sup>xi</sup> To succeed in school and beyond, children need child care arrangements and preschools that are safe, stable, and developmentally and culturally appropriate, where they are cared for by adults who have relevant training and education. For older children, high quality after school and summer care improves academic outcomes while keeping kids healthy and safe.<sup>xiii</sup>

- Our policy calls for state adoption of quality standards that also include compensation.
- In addition, quality set-asides must include opportunities for education, training and professional development, scholarships, and wage compensation to prepare early educators to provide developmentally and culturally appropriate services that promote the healthy development and school readiness of young children.
- We would also ensure basic health and safety and flexibility by fully funding the bipartisan Child Care Development Block Grant Reauthorization.
- Our proposal also includes the Early Head Start-Child Care Partnerships program and increases the duration of Head Start to a full school day and year.
- We would also bolster the evidence-based Maternal, Infant and Early Childhood Home Visiting program, which allows home visits for pregnant women and new parents by nurses, social workers and other professionals to improve maternal and child health, development and learning.

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<sup>i</sup> <http://www.naccrra.org/costofcare>

Full report available here:

[https://www.ncsl.org/documents/cyf/2014\\_Parents\\_and\\_the\\_High\\_Cost\\_of\\_Child\\_Care.pdf](https://www.ncsl.org/documents/cyf/2014_Parents_and_the_High_Cost_of_Child_Care.pdf)

<sup>ii</sup> <http://www.pewsocialtrends.org/2014/04/08/after-decades-of-decline-a-rise-in-stay-at-home-mothers/>

<sup>iii</sup> <http://www.nwlc.org/sites/default/files/pdfs/QualityMarch2008.pdf>

[https://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/quality\\_matters\\_may\\_2013.pdf](https://www.naccrra.org/sites/default/files/default_site_pages/2013/quality_matters_may_2013.pdf)

<sup>iv</sup> <http://www.bls.gov/news.release/famee.nr0.htm>

<sup>v</sup> Choices in the Real World, Illinois Action for Children, 2013, available at:

[http://www.actforchildren.org/site/DocServer/Choices\\_in\\_the\\_Real\\_World\\_2013.pdf?docID=3641](http://www.actforchildren.org/site/DocServer/Choices_in_the_Real_World_2013.pdf?docID=3641).

<sup>vi</sup> [http://aspe.hhs.gov/hsp/15/childcareeligibility/ib\\_childcareeligibility.pdf](http://aspe.hhs.gov/hsp/15/childcareeligibility/ib_childcareeligibility.pdf)

<sup>vii</sup> Low-income is defined as up to 85 percent of State Median Income (SMI), an average of about \$66,000 for a family of four nationally. Middle-income is defined as between 85 percent of SMI and 200 percent of SMI, which is an average of about \$156,000 for a family of four nationally.

<sup>viii</sup> <https://www.whitehouse.gov/the-press-office/2013/02/13/fact-sheet-president-obama-s-plan-early-education-all-americans>

[http://nieer.org/sites/nieer/files/yearbook2014\\_executivesummary\\_1.pdf](http://nieer.org/sites/nieer/files/yearbook2014_executivesummary_1.pdf)

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- <sup>ix</sup> <http://shriverreport.org/unpaid-and-undervalued-care-work-keeps-women-on-the-brink/>
- <sup>x</sup> <http://www.irlle.berkeley.edu/cscce/wp-content/uploads/2014/11/ReportFINAL.pdf>
- <sup>xi</sup> [https://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/quality\\_matters\\_may\\_2013.pdf](https://www.naccrra.org/sites/default/files/default_site_pages/2013/quality_matters_may_2013.pdf)
- <sup>xii</sup> [http://www.afterschoolalliance.org/Afterschool\\_Outcomes\\_2013.pdf](http://www.afterschoolalliance.org/Afterschool_Outcomes_2013.pdf)