House Appropriations Subcommittee on

Labor, Health and Human Services, Education, and Related Agencies

"COVID-19 and the Child Care Crisis"

Written Testimony of

Melissa Boteach

Vice President, Income Security and Child Care/Early Learning

National Women's Law Center

February 19, 2021

Good morning Chair DeLauro, Ranking Member Cole, and other distinguished members of the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies.

My name is Melissa Boteach, and I am the Vice President of Income Security and Child Care/Early Learning at the National Women's Law Center (NWLC). NWLC fights for gender justice—in the courts, in public policy, and in our society—working across the issues that are central to the lives of women and girls. We use the law in all its forms to change culture and drive solutions to the gender inequity that shapes our society and to break down the barriers that harm all of us—especially women of color, LGBTQ people, and women and families with low incomes.

I am grateful for the opportunity to testify before you today on the child care crisis our nation faces, how we got here, and solutions to stabilize and equitably rebuild this critical foundation of our society and economy.

America's child care crisis:

We are here today because America faces a child care crisis, one with far-reaching and devastating effects for children and their families, for women, and for the economy overall.

- Child care providers that are staying open to serve front-line workers lack the resources they need to operate safely.
- For safety reasons, most providers that are open are not operating at capacity, which means they do not have the income to remain viable even without accounting for their increased expenses.

- Thousands of other child care providers have already shuttered—many permanently—due to the increased costs of operating in a pandemic paired with reduced revenues from under-enrollment.

The Bureau of Labor Statistics January 2021 jobs report showed that **one in six child care jobs has been lost since the start of the pandemic, meaning that *half* of the 350,000 child care jobs lost at the onset of the pandemic have not yet returned**[i]. Nearly half of over 6,000 providers surveyed by the National Association for the Education of Young Children in December 2020[ii] reported that they know of multiple centers or homes in their community that had closed permanently. Forty-four percent[iii] reported confronting so much uncertainty that they are unable to say how much longer they can stay open.

These numbers are a call to action. Child care is crucial to children's development, parental employment, and the livelihood of care workers. In short, child care is foundational to our entire economy.

Child care is work that makes all other work possible. Consider that one year ago, in February 2020, we celebrated women comprising over half the workforce[iv]. Fast forward to today, and 2.3 million women have exited the labor force since the start of the pandemic[v], in large part due to caregiving responsibilities. Analysis by the National Women's Law Center underscores that "Before the pandemic, women's labor force participation rate had not been this low since 1988[vi]." Businesses are seeing the loss of employees firsthand. According to a December study by the Chamber of Commerce Foundation, "approximately 32% of employers said they had already seen employees leave since the pandemic, and half of those cited childcare as the reason[vii].”

As Vice President Kamala Harris wrote last week, “This mass exodus of women from the workforce is a national emergency, and it demands a national solution...our economy cannot fully recover unless women can fully participate[viii].”

My testimony today addresses how we got here, the effects of this crisis, and solutions to build a stronger care infrastructure to support America’s families and economy.

A crisis long in the making: The pre-COVID status-quo was unacceptable and inequitable.

Even before COVID-19, America faced a quiet child care crisis.

Families were struggling to afford child care costs—if they could find child care at all.

- In more than half of states, child care for an infant in a child care center costs more than in-state college tuition[ix].
- Fewer than one in seven eligible children were served by the Child Care and Development Block Grant and related federal child care programs[x].
- Families—particularly in rural areas—struggled with a lack of care options. Research from Center for American Progress finds that over half of Americans live in a child care desert, or a neighborhood with an insufficient supply of licensed child care[xi].

Early educators were paid poverty wages for caring for and educating our children.

- Child care is one of the lowest paid professions in the United States[xii], despite rising requirements for credentials and education and extensive research pointing to the importance of the early years for young children's healthy development[xiii].
- Wages for providers average less than $12 per hour[xiv], and recent data show that over half of child care workers were enrolled in at least one public assistance or support program[xv].

These inequities disproportionately impact women and families of color[xvi].

- Virtually all child care workers (over 90%) are women, and disproportionately women of color and immigrant women[xvii].
- Black and Latina mothers are more likely to work in jobs that have low pay and few or no benefits, making care more difficult to afford.[xviii]—[xix].
- In addition, Black, Indigenous, People of Color (BIPOC) families are more likely to face greater barriers to accessing care[xx], 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.

These trends are no accident, but rather rooted in a racist and sexist history[xxi] of undervaluing the care work done predominantly by Black women, Indigenous women, and other women of color. Since the time of slavery, Black women have been expected to care for the children of white families for little or no pay. As the New Deal created new protections for workers, domestic and care workers were intentionally excluded. And up until today, our patchwork and underfunded child care and early learning system is premised upon low pay for providers and unaffordable fees for families – with the most severe impacts shouldered by women of color who are already navigating compounding racial and gender discrimination in the labor market.

In short, the pre-COVID status quo was unsustainable and left families and our entire economy more vulnerable to the ravages of the pandemic.

Enter COVID-19: a perfect storm.

COVID wreaked havoc on this fragile and inequitable system. In April, the Center for Law and Social Policy and National Women's Law Center released a study showing that it would take at least $9.6 billion a month to stabilize the child care sector[xxii]. Congress had passed $3.5 billion for the child care sector in the CARES Act in March. But between April and December, no additional funding materialized, and so **states were expected to stabilize the child care sector for 8 months on 11 days' worth of relief funds**.

The child care sector—already precarious—began to collapse. By July 2020, Child Care Aware research showed that 35% of centers and 21% of family child care programs remained closed nationwide[xxiii]. In December, the National Association for the Education of Young Children (NAEYC)[xxiv] reported that 56% of child care centers surveyed said they are losing money every day that they remain open. To stay afloat, they are accruing debt for their programs on their personal credit cards (42%), dipping into their own personal savings (39%), and/or being forced into furloughs, pay cuts, and layoffs (60%).

Child care is foundational to our entire economy. So it should come as no surprise that the sector's collapse had far-reaching consequences for families and for the economy overall.

Women's employment gains are being set back a generation, with long-term scarring effects.

Let me be clear. Women are not "dropping out" of the labor force—*they are being pushed*, in large part due to our lack of care infrastructure. Over the course of 2020, nearly 2.1 million women were pushed out of the labor force, including 564,000 Black women and 317,000 Latinas[xxv]. Last month, an additional 275,000 women left the labor force, bringing the total number since the start of the pandemic to over 2.3 million, compared to 1.8 million men[xxvi].

Survey data show a strong correlation between the caregiving crisis and women's plummeting labor force participation and unemployment. In August 2020, the Census Bureau found, "around one in five **(19.6%)** of working-age adults said the reason they were not working was because COVID-19 disrupted their childcare arrangements. Of those not working, "women ages 25–44 are almost three times as likely as men to not be working due to childcare demands[xxvii]."
The staggering drop in women's labor force participation not only undermines women's economic security today—but also will carry long-term scarring effects as wage losses compound over time and ultimately result in less savings and smaller income from Social Security in retirement[xxviii]. Without bold and urgent action, we are setting up mothers—and the families who depend on them—for a lifetime of economic insecurity.

Children will miss out on critical early education opportunities.

As child care programs permanently shutter across the United States, we risk not only undermining parental employment and economic growth, but also children's long-term development.

The science is clear: developmental disparities take root well before children are 5 years old, and families' economic instability and stress – which have intensified during the pandemic – are associated with negative outcomes in terms of health and educational achievement[xxix].

Luckily, the inverse is also true. When we invest in children starting at birth, it yields long-term positive outcomes for health, education, and employment[xxx]. Since children under 5 years old are the most diverse generation in American history, investing in high-quality, affordable child care and early learning also advances racial equity[xxxi].

Quality child care programs have been associated with positive health benefits, including higher immunization rates, screening, and identification rates; improved mental health; and reduced smoking[xxxii]. Stabilizing the child care sector and rebuilding a more equitable system is a crucial investment in our youngest children.

There is no economic recovery without child care.

It is not only families and children who are hurt by our nation's child care crisis. Our lack of care infrastructure undermines businesses and our entire economic foundation. Even pre-pandemic, the child care challenges of a family translated into productivity challenges for their employer amounting to an estimated $12.7 billion aggregate loss each year [xxxiii]. More broadly, the United States was losing an estimated $57 billion each year in economic productivity and foregone revenue due to the lack of affordable, high-quality child care[xxxiv].

The economic costs will only rise. A recent study by the Century Foundation and the Center for American Progress found that without Congressional action, the risk of mothers leaving the labor force or reducing work hours in order to assume caretaking responsibilities could amount to more than **$64.5 billion per year in lost wages and economic activity and an additional possible loss of $12.2 billion in tax revenue**[xxxv].

For context, that is more than it would cost to enact legislation that has been introduced to provide high-quality, affordable child care for all[xxxvi].

Where do we go from here? Solutions to provide relief and rebuild the child care sector

Relief and recovery for the child care sector are inextricably linked. The more providers that close their doors permanently, the harder it will be to increase child care supply on the other side of the pandemic. And the earlier we start the process to stabilize the market and rebuild supply, the sooner an equitable economic recovery can take hold. Below I lay out the key investments to move from relief to recovery to prosperity.

Relief: We must swiftly pass The American Rescue Plan.

Acknowledging the important down payment of $10 billion in flexible Child Care and Development Block Grant (CCDBG) funding from December's Consolidated Appropriations Act, the $42.5 billion in the American Rescue Plan is the **minimum amount necessary** for additional dedicated relief funding for child care. Analysis by the Center for American Progress shows the cost of providing safe care has increased by an estimated 47% during the pandemic, and by 70% for home-based care[xxxvii], which is now the preference of many parents, who may feel more comfortable with the small group sizes offered by home-based care at this time. To that end, the funding in the American Rescue Plan is the minimum required to:

- **Support providers who are still open with the resources to:** maintain lower child/provider ratios; cover COVID-related cleaning costs; purchase new equipment (such as HVAC systems); and ensure vaccination access for child care workers;
- **Strengthen the Child Care Workforce, including supports for:** enhanced wages including premium pay; sick leave and health care for providers; and substitute pools;

- **Stabilize Child Care Businesses, including by:** supporting providers while demand is low to ensure they will be there when the economy reopens; offering debt forgiveness for debt taken on in response to the pandemic; assisting with rent and other utilities costs; and providing increased technical assistance and other support to home-based providers;
- **Ensure access to supports, grants, and other resources for all types of providers by**: offering outreach to center-based, licensed family child care, and family, friend, and neighbor care—with a focus on under-resourced communities.
- **Supporting families by including funding for:** lower co-payments and expanded eligibility for families, many of whom have suffered financial blows in recent months; and delivery of virtual services and supports to families where available.

Similarly, without additional resources, Head Start's sustainability is at risk. The National Head Start Association estimates the Head Start field still needs $1.45 billion in one-time relief funding in addition to the $1 billion in COVID-19 relief that has already been provided. It is encouraging that the House Education and Labor Committee has already included $1 billion in additional funding dedicated to addressing accumulating COVID-19 related program needs.

FY22 Appropriations: An opportunity to provide more certainty to states and families

Moving forward, Congress has an important opportunity, after years of budget caps, to use the appropriations process to more accurately reflect the needs of children, families, and the early educators who care for them. As this committee considers appropriations for child care and early learning programs, we ask that it include robust increases for programs such as the Child Care and Development Block Grant, Head Start, Early Head Start, Individuals with Disabilities Act (IDEA) preschool and early intervention grants, and other key programs.

Providing states with certainty on the continued availability of funding through these key programs will allow them to more effectively and strategically spend relief dollars they have already received without fear of facing steep budget cliffs.

Recovery, Jobs, and Infrastructure: An opportunity to begin rebuilding our system

Child care is infrastructure. It holds up our economy. It bridges workers and jobs. And similar to physical infrastructure, child care is a public good, with investments resulting in immediate and long-term positive externalities. Economists estimate that care investments can have an even more immediate impact than “shovel ready” projects since they take less time to deploy labor, funding, and equipment, and can generate twice as many jobs per dollar as traditional infrastructure[xxxviii]. And like physical infrastructure, care infrastructure makes all other jobs possible.

While stabilization is urgent, the goal is not to return to an inequitable status quo. Investments akin to the Child Care for Working Families Act and inclusion in future jobs and infrastructure packages will be crucial to building the long-term system that we need.

CONCLUSION

The COVID-19 pandemic has thrown long-standing inequities in our nation’s child care system into sharp relief, presenting us with a stark choice: Do we watch a crisis unfold that has set women in the workforce back a generation, compromised children’s development, and harmed businesses? Or do we invest in child care as a public good, laying the foundation for stronger families and a stronger economy? As Congress considers funding for relief, appropriations, and recovery, I urge you to choose investment in child care. There can be no economic recovery without it.

---

[i] U.S. Bureau of Labor Statistics, Economic News Release (Feb. 2021), https://www.bls.gov/news.release/empsit.nr0.htm.

[ii] National Association for the Education of Young Children, Am I Next? Sacrificing to Stay Open, Child Care Providers Face a Bleak Future Without Relief (Dec, 2020), https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/naeyc_policy_crisis_coronavirus_december_survey_data.pdf.

[iii] Ibid.

[iv] Rachel Sielgel, The Washington Post, Women Outnumber Men in the American Workforce for Only the Second Time (Jan. 2020), https://www.washingtonpost.com/business/2020/01/10/january-2020-jobs-report/.

[v] Claire Ewing-Nelson, National Women's Law Center, Another 275,000 Women Left the Labor Force in January (Feb. 2021), https://nwlc.org/resources/january-jobs-day-2021/.

[vi]Ibid.

[vii] U.S. Chamber of Commerce Foundation, Piecing Together Solutions: Employer Childcare Assistance Now and Looking Ahead (Nov. 2020), https://www.uschamberfoundation.org/sites/default/files/media-uploads/EarlyEd_Employer2.0_FINAL.pdf.

[viii] Kamala Harris, The Washington Post, Opinion: Kamala Harris: The Exodus of Women From the Workforce is a National Emergency (Feb. 2021), https://www.washingtonpost.com/opinions/kamala-harris-women-workforce-pandemic/2021/02/12/b8cd1cb6-6d6f-11eb-9f80-3d7646ce1bc0_story.html.

[ix] Child Care Aware of America, The US and the High Price of Child Care: An Examination of a Broken System (2019), https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/.

[x] Nina Chien, Office of the Assistant Secretary for Planning & Evaluation, U.S. Department of Health & Human Services, Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2017 (Nov. 2020), https://aspe.hhs.gov/system/files/pdf/264341/CY2017-Child-Care-Subsidy-Eligibility.pdf

[xi] Rasheed Malik, et al., Center for American Progress, America's Child Care Deserts in 2018 (Dec. 2018), https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/.

[xii] Julie Vogtman, National Women's Law Center, Undervalued: A Brief History of Women's Care Work and Child Care Policy in the United States (2017), https://nwlc.org/wp-content/uploads/2017/12/final_nwlc_Undervalued2017.pdf.

[xiii] Zero to Three, Early Development & Well-Being, https://www.zerotothree.org/early-development.

[xiv] Estelle Mitchell, et al., National Women's Law Center, The Care Minimum: The Case for Raising the Minimum Wage and Investing in Child Care Together (Oct. 2020), https://nwlc.org/wp-content/uploads/2020/10/Thecareminimum.pdf.

[xv] Marcy Whitebook, et al., Center for the Study of Child Care Employment, Institute for Research and Labor Employment, University of California, Berkeley, (2018), https://cscce.berkeley.edu/wp-content/uploads/2018/06/2018-Index-Executive-Summary.pdf.

[xvi] Lea J.E. Austin, et al., Racial Wage Gaps in Early Education Employment, Center for the Study of Child Care Employment, (Dec. 2019), https://cscce.berkeley.edu/racial-wage-gaps-in-early-education-employment/.

[xvii] Shiva Sethi, et al., An Anit-Racist Approach to Supporting Child Care Through COVID-19 and Beyond, The Center for Law and Social Policy (July 2020), https://www.clasp.org/publications/report/brief/anti-racist-approach-supporting-child-care-through-covid-19-and-beyond.

[xviii] Jasmine Tucker & Julie Vogtman, When Hardwork is Not Enough: Women in Low-Paid Jobs (April 2020), https://nwlc.org/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report_pp04-FINAL-4.2.pdf

[xix] Diana Boesch & Shilpa Phadke, Center for American Progress, When Women Lose All The Jobs: Essential Actions for a Gender-Equitable Recovery (February 2021),

https://www.americanprogress.org/issues/women/reports/2021/02/01/495209/women-lose-jobs-essential-actions-gender-equitable-recovery/.

[xx] Rasheed Malik, Center for American Progress, Investing in Infant and Toddler Child Care to Strengthen Working Families (Oct. 2019), https://www.americanprogress.org/issues/early-childhood/reports/2019/10/21/475867/investing-infant-toddler-child-care-strengthen-working-families/.

[xxi] *See* Vogtman, *supra.*

[xxii] Rebecca Ullrich, et al., The Center for Law and Social Policy, Child Care is Key to Our Economic Recovery, (April 2020), https://www.clasp.org/publications/report/brief/child-care-key-our-economic-recovery.

[xxiii] Child Care Aware of America, Picking Up the Pieces: Building a Better Child Care System Post- COVID-19, (2020), https://www.childcareaware.org/picking-up-the-pieces/#access.

[xxiv] *See* Hogan, et al.,*supra.*

[xxv] Claire Ewing-Nelson, National Women's Law Center, All of the Jobs Lost in December Were Women's Jobs (Jan. 2021), https://nwlc.org/resources/all-of-the-jobs-lost-in-december-were-womens-jobs/.

[xxvi] Claire Ewing-Nelson, National Women's Law Center, Another 275,000 Women Left the Labor Force in January (Feb. 2021), https://nwlc.org/resources/january-jobs-day-2021/.

[xxvii] Misty L. Heggeness & Jason M. Fields, United States Census Bureau, Working Moms Bear Brunt of Home Schooling While Working During COVID-19 (Aug. 2020), https://www.census.gov/library/stories/2020/08/parents-juggle-work-and-child-care-during-pandemic.html.

[xxviii] Michael Madowitz, et al., Center for American Progress, Calculating the Hidden Cost of Interrupting a Career for Child Care (June 2016), https://www.americanprogress.org/issues/early-childhood/reports/2016/06/21/139731/calculating-the-hidden-cost-of-interrupting-a-career-for-child-care/.

[xxix] Bipartisan Policy Center, 36 Years Later: A Nation Still at Risk (Sept. 2019), https://bipartisanpolicy.org/wp-content/uploads/2019/09/Early-Childhood-Report_36-years-later_September-2019.pdf.

[xxx] Arloc Sherman & Tazra Mitchell, Center on Budget and Policy Priorities, Economic Security Programs Help Low-Income Children Succeed Over Long Term, Many Studies Find (July 2017), https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-help-low-income-children-succeed-over.

[xxxi] WIlliam H. Frey, Less Than Half of the US Children Under 15 Are White (June 2019), https://www.brookings.edu/research/less-than-half-of-us-children-under-15-are-white-census-shows/.

[xxxii] Taryn Morrissey, The Effects of Early Child and Education on Children's Health (April 2019), https://www.healthaffairs.org/do/10.1377/hpb20190325.519221/full/.

[xxxiii] Council for a Stronger America, Want to Grow the Economy? Fix the Child Care Crisis (Jan 2019), https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis.

[xxxiv] Council for a Strong America, Want to Grow the Economy? Fix the Child Care Crisis (Jan 2019), https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis.

[xxxv] Julie Kashen, et al., Sarah Jane Glynn, PHD, Amanda Novello, How COVID-10 Sent Women's Workforce Progress Backward: Congress' $64.5 Billion Mistake (Oct 2020), https://tcf.org/content/report/how-covid-19-sent-womens-workforce-progress-backward-congress-64-5-billion-mistake/.

[xxxvi] Jeff Stein, 27 Senate Democrats Get Behind a Big New Plan to Make Child Care an Entitlement (Sept. 2017), https://www.vox.com/policy-and-politics/2017/9/14/16307090/child-care-senate-democrats.

[xxxvii] Simon Workman, et al., The True Cost of Providing Safe Child Care During the Coronavirus Pandemic (Sept. 2020), https://www.americanprogress.org/issues/early-childhood/reports/2020/09/03/489900/true-cost-providing-safe-child-care-coronavirus-pandemic/.

[xxxviii] Josephine Kalipeni, el al., Building Our Care Infrastructure for Equity, Economic Recovery, and Beyond (Sept. 2020), https://caringacross.org/wp-content/uploads/2020/08/Building-Our-Care-infrastructure_Aug1_FINAL.pdf.