

Testimony before the United States Select Subcommittee on the Coronavirus Crisis

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Chair Clyburn, Ranking Member Scalise, and distinguished members of the committee, thank you for the invitation to speak to you today about the impact of the pandemic on childcare, how these challenges impacted our overall economy, and the need for more sustained support for childcare to support a full economic recovery. I am an economist who has spent much of the past three decades studying women's employment, families, and the porous boundaries between family life and work. The pandemic shredded these porous boundaries and collapsed the fragile balance that many families had achieved as they sought to balance work with care giving responsibilities.

The U.S. economy and employment has evolved in a way that makes childcare central to its functioning. Childcare is an issue for not only women, but for parents more generally. However, the pandemic had a unique impact on women. Moreover, the evolution of women's role in the economy helps to explain how we have arrived at this critical juncture. The decisions we make in response to the childcare crisis will profoundly shape the future of the U.S. economy through its impacts on both parents and the next generation.

When women first began entering the labor force in droves in the 1970s their employment was often a small part of household earnings. On average, female workers in the 20th century had less work experience and less education than their male contemporaries and earned substantially less than men. Despite a lingering gender wage gap mothers are primary earners in 40 percent of families, contributing at least half of total household income.¹ Women's education has surpassed that of men and women are now the most educated workers in our labor force. Beginning in December 2019 women held the majority of nonfarm payroll jobs. Roughly two-thirds of the job growth since the start of the 2008 recession were jobs that went to women. In the five years prior to the pandemic, women drove the rebound in the prime-age labor force participation rate.² With the growth in women's employment came growth in the number of childcare workers.

¹ <https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>

² <https://www.kansascityfed.org/research/economic-bulletin/women-driving-recent-recovery-labor-force-participation-2019/>

Women's personal lives have also undergone a profound shift. As women deepened their connection to work, their fertility declined, and they postponed having children. For some generations this had led to not only children born at older ages, but fewer children overall. But the decline in fertility for women began to turn around about a decade and a half ago. For the women in their mid-to-late 40s as the pandemic began, completed fertility was higher than it had been for similarly aged women for much of the 21st century. The probability of having never been a mother fell and the average number of children born rose compared to the previous generation.³

These recent new mothers were also more likely to continue working outside the home. In 2019 the labor force participation of mothers of children 6 years old and younger hit a new high.⁴ Mothers with kids in the home as the pandemic hit were older, with more work experience, and more education than mothers with kids in the home during previous recessions. The culmination was a large number of women with substantial work experience, whose families relied on childcare. Stepping out of the labor force for these mothers was a less viable option, and yet, for some of these mothers, it was the only option available.

Two-thirds of childcare centers had closed by April 2020 and the number of child-care workers fell by 34 percent.⁵ Parents of school-aged children were also affected, as schools around the country turned to remote learning, and many remained remote or partially remote for more than a year.⁶ More than two-thirds of children live in households in which all parents work and for these families childcare is essential.⁷ For most parents, school is a primary provider of childcare, offering roughly 30 hours a week of not only education, but also supervision of children. The pandemic made it clear that schools and childcare both serve dual purposes: educating and caring for children. Parents need their children to have a safe and enriching place to learn and develop while they are at work.

Research has found that childcare related constraints led to more women than men losing jobs during the pandemic.⁸ However, these childcare disruptions on work went well beyond the question of whether or not parents were able to work. A survey I conducted in the summer of 2021 found that childcare responsibilities during the COVID-19 crisis impacted the employment

³ <https://www.pewresearch.org/fact-tank/2021/05/07/with-a-potential-baby-bust-on-the-horizon-key-facts-about-fertility-in-the-u-s-before-the-pandemic/>

⁴ BLS, Current Population Survey

⁵ "The Care Burden during Covid-19: A National Database of Child Care Closures in the United States" <https://journals.sagepub.com/doi/full/10.1177/23780231211032028>; employment numbers from the Bureau of Labor Statistics

⁶ Bauer, Lauren, Arindrajit Dube, Wendy Edelberg, and Aaron Sojourner, June 3, 2021. "Examining the uneven and hard-to-predict labor market recovery." The Hamilton Project, Brookings Institution, Washington, DC

⁷ American Community Survey 2019 Table B23008

⁸ Fairlie, Couch, and Xu 2021 "[The Evolving Impacts of the Covid-19 Pandemic On Gender Inequality in the U.S. Labor Market: The Covid Motherhood Penalty](#)" NBER Working Paper and Heggeness, Misty. 2020. "Why Is Mommy So Stressed? Estimating the Immediate Impact of the COVID-19 Shock on Parental Attachment to the Labor Market and the Double Bind of Mothers." Revised October 26, 2020. Institute Working Paper 33, Federal Reserve Bank of Minneapolis, Minneapolis, MN.

outcomes of 59% of parents.⁹ While fathers were less likely to leave employment, they were more likely to point to childcare constraints as a reason for turning down a promotion, changing employment, or pausing further education or training. Mothers also made similar sacrifices (see the appendix Figure). These other choices do not show up as a smaller labor force, but they do lead to a lower potential output for the U.S. economy and lower lifetime earnings for many parents. Looking forward, a quarter of fathers report wanting to reduce their working hours permanently compared to prior to the pandemic, while an additional 17% want to pursue a less demanding job. Mothers also report wanting to reduce their hours (22%) or find a less demanding job (13%) but to a somewhat lesser extent than fathers.¹⁰ (see appendix figures.)

Much of the press around childcare challenges has focused on the impact on women, but a many decades long shift toward greater equality in the home has increased fathers' responsibilities for child and eldercare. Both men and women need access to more affordable and stable childcare as well as the flexibility in their jobs to effectively balance their caregiving and work responsibilities. Long before the pandemic, the tensions between work and family were increasing and increasingly impacting fathers. A 2014 survey found that 49% of parents had passed up a job because it conflicted with family obligations.¹¹ A 2016 survey by the Society of Human Resource Managers found that 46% of men and 43% of women reported facing work-family conflict on a regular basis.¹²

Our childcare challenges are ongoing, both because the pandemic is ongoing and because our childcare infrastructure was inadequate prior to the pandemic.

An analysis of Census Pulse data by the Washington Post showed that low-income households have faced more child-care disruptions in recent months and are more likely to lose a job due to childcare disruptions.¹³ In my own analysis of the Census Pulse data I show that childcare disruptions and their impact on employment are greater for single parents than for parents in which there are multiple adults in the household (see appendix figures).

Even in good economic times, finding high quality affordable childcare is challenging for parents. While the number of childcare workers has grown, that growth has been insufficient to keep up with rising demand. Moreover, there is a high level of turnover in the childcare workforce—with one study finding annual turnover rates that are four times higher than that

⁹ Survey conducted between May 27 and July 7, 2021 using RIWI's Random Domain Intercept Technology, a patented, machine-learning technology that delivers anonymous opt-in surveys to Web users who are surfing online. Data published in Stevenson "Women, Work, and Families: Recovering from the Pandemic-Induced Recession" https://www.brookings.edu/wp-content/uploads/2021/09/20210929_Hamilton_stevenson_womenWorkFamilies.pdf

¹⁰ *ibid*

¹¹ Harris Poll of 4,096 U.S. adults conducted online May 27-30, 2014. Reported in "Eleven Facts about American Families and Work" October 2014 Report of the Council of Economic Advisers https://obamawhitehouse.archives.gov/sites/default/files/docs/eleven_facts_about_family_and_work_final.pdf

¹² SHRM's Effective Workplace Index Executive Summary, analysis of the SHRM National Study of the Changing Workforce <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/SHRM-NSCW-Effective-Workplace-Index-Summary.pdf>

¹³ Abha Bhattarai and Alyssa Fowers "For low-income parents, no day care often means no pay" <https://www.washingtonpost.com/business/2022/02/22/child-care-covid-inequality/>

within elementary schools.¹⁴ The cost of childcare, particularly high-quality childcare, prior to the pandemic made working too expensive for some parents. In 2020, center-based care—which is more likely to provide the curriculum-based early learning experience that builds the human capital of young children—cost roughly \$10,000 per child.¹⁵ In more than half of states, the cost of full-time childcare exceeds the cost of in-state college tuition.¹⁶

And yet the childcare market is still far from recovering to pre-pandemic levels of access and affordability. Research has found that childcare is particularly sensitive to economic downturns—with availability falling sharply with the unemployment rate and then recovering more slowly than the rest of the economy.¹⁷ During the pandemic employment in private sector childcare declined by more than public programs like Head Start and pre-kindergarten¹⁸. This finding is likely due to the \$4 billion provided in the March 2020 CARES ACT for childcare programs and Head Start.

Employment in childcare remains more than 10 percent below pre-pandemic levels even though nonfarm employment remains only 1.9 percent below its February 2020 level. The American Rescue Plan authorized \$39 billion for childcare, much of which is just now starting to get dispersed. While this crucial funding will serve as needed emergency support for our childcare infrastructure, it does not provide the long-term structural support childcare needs.

Early childhood educators can improve outcomes for children by engaging in developmentally appropriate curriculum-based activities. And yet, childcare workers are some of the lowest paid workers in our country. Childcare costs will continue to rise in the coming years and are likely to rise sharply. These price changes will also exacerbate existing inequalities among children.

In 2020, the median childcare worker earned just \$12.24 an hour, meaning that roughly half of families are depending on workers who are paid less than that. The bottom 25% of childcare workers earned under \$10.05 an hour. These wages were low compared to alternative work opportunities available to childcare workers prior to the pandemic. However, they are now completely out of line with wages in alternative occupations as labor shortages have substantially pushed up wages of the lowest paid workers. Amazon has a starting pay of \$18 an hour. Hobby Lobby raised its minimum wage for full-time workers to \$18.50. Target announced a few days ago that it was raising its starting wage to \$24.

Children need committed professionals to provide care and developmentally appropriate skill development. But few people have the luxury of gaining training in early childhood education and committing to the profession for \$12 an hour, particularly if they can make twice as much by seeking employment at Target. The low pay is one reason that childcare has such high turnover

¹⁴ Bassok, D., Loeb, S. and Paglayan, A. S. (2013). The early childhood care and education workforce from 1990 through 2010: Changing dynamics and persistent concerns. Education Finance and Policy

¹⁵ “Demanding Change: Repairing our Child Care System” <https://www.childcareaware.org/demanding-change-repairing-our-child-care-system/#Affordability>

¹⁶ <https://www.epi.org/child-care-costs-in-the-united-states/>

¹⁷ Brown and Herbst (2021) “Childcare over the Business Cycle” <https://ftp.iza.org/dp14048.pdf>

¹⁸ Ali, Harbst, Makridis “The impact of COVID-19 on the U.S. child care market: Evidence from stay-at-home orders” Economics of Education Review June 2021 Vol. 82

of workers compared to other jobs in education. The pay of childcare providers must and will rise due to market forces. These forces will also ultimately raise the cost of childcare making childcare, and thus labor market participation for parents, even more unaffordable.

The next round of inflation will be driven by the constriction in labor supply, particularly in the service sector. As people reduce their hours worked, as fewer people participate in the labor force, the cost of services will rise. Demand for services has yet to fully recover, and inflation has thus far been driven by rapidly rising prices in the goods producing sector. As demand picks up in the service sector, prices will rise rapidly as worker shortages spread. One solution is to make it easier for more people to be able to afford to work, by making childcare and eldercare more affordable for families and by making jobs in childcare and eldercare more attractive for workers.

Parents want high quality affordable childcare because they realize that it not only allows them to raise their households income through work, but it develops skills in their children that research has shown lead to higher lifetime earnings.¹⁹ Research suggests that expanding early learning initiatives would create benefits to society of nearly \$9 for every \$1 invested, about half of which comes from higher earnings among the children who receive these investments.²⁰ Why don't parents make these investments themselves? Research shows that it is their inability to afford high quality care and challenges parents face in identifying quality among programs that limits kids access to these important investments.²¹ The distinction between an inability to afford rather than an unwillingness to pay is important—parents would invest more in their children if they could. And that is why parents with high incomes do invest so much in their children. Lower income parents simply cannot afford the high cost of high-quality programs. The result is unequal investment in children that fundamentally erodes the level playing field necessary for a competitive market economy to thrive.

Our failure to adapt to the rise of women as equal participants in the labor force has caused the United States to fall behind other nations and it will continue to do so if we do not solve the problem. In the latter half of the 20th century, the United States had one of the highest female labor force participation rates of any OECD country. Yet, in the ensuing decades, the US rank has fallen to near the bottom among 22 OECD countries as these countries have expanded family friendly policies including parental leave and childcare.²² But the problem the United States faces is not only women's labor force participation. Men's labor force participation has been declining for decades. Despite the lack of childcare, the United States has relied on women to fuel economic growth for decades. Women are now asking for their contributions to be fully acknowledged and supported.

Early in the pandemic some feared that women would be set back. Indeed some women have been set back. But the real fear is that the U.S. economy will be set back. Women lost more jobs than men during the pandemic, as job loss disproportionately occurred in the industries in which

¹⁹ Havnes and Mogstad, 2011 AER <https://www.aeaweb.org/articles?id=10.1257/pol.3.2.97>

²⁰ 2016 Economic Report of the President **"Inequality in Early Childhood and Effective Public Policy Interventions"**

²¹ Gordon, Hebster, Tekin, 2018 "Who's Minding the Kids" NBER working paper
<https://www.nber.org/papers/w25335>

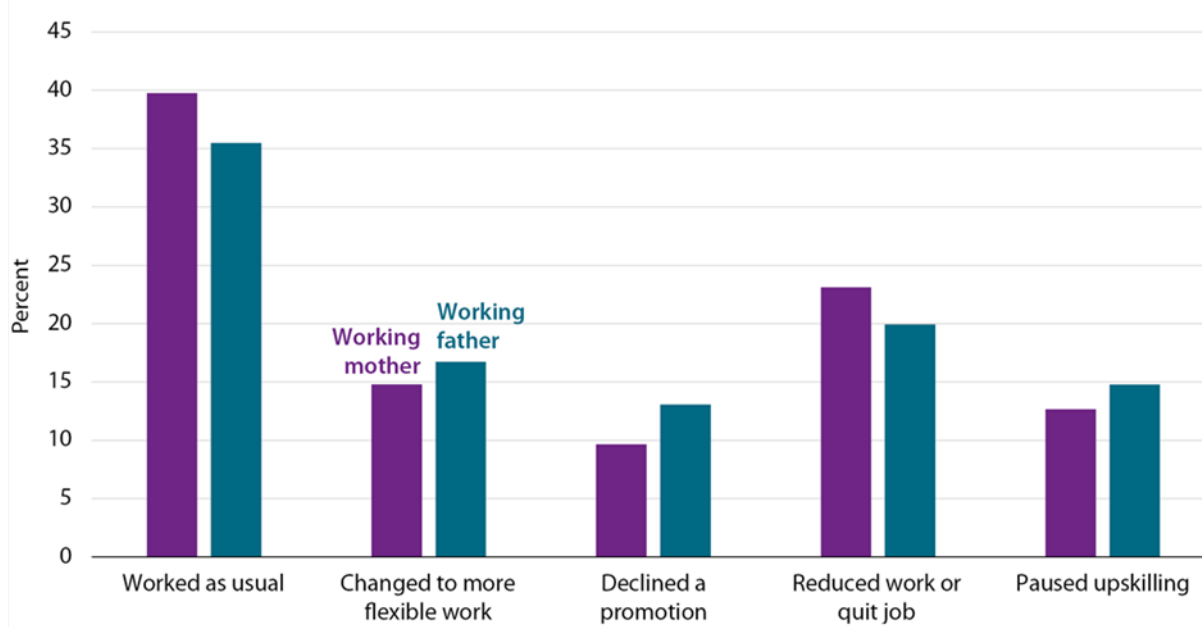
²² Blau and Kahn, 2013 <https://www.nber.org/papers/w18702>

women hold the majority of jobs such as in education and health services. However, as of January 2022 women had added back more jobs than men and had reversed employment gaps (see the table in the appendix figures for a breakdown in the remaining gap in the employment rate by age and gender).

Women are going back to work, and will once again likely be the majority holder of jobs in the economy. But the scars of those declined promotions, the missed work, the lost jobs, and the lost income will remain. And many parents are continuing to face work and income loss due to childcare disruptions. The biggest economic problem the U.S. currently faces is low labor force participation. To solve that problem requires investing more in our youngest citizens and supporting their families with a more reliable, affordable, and a higher quality childcare sector.

Appendix: Data Figures

Working Parents' Experiences During the Pandemic

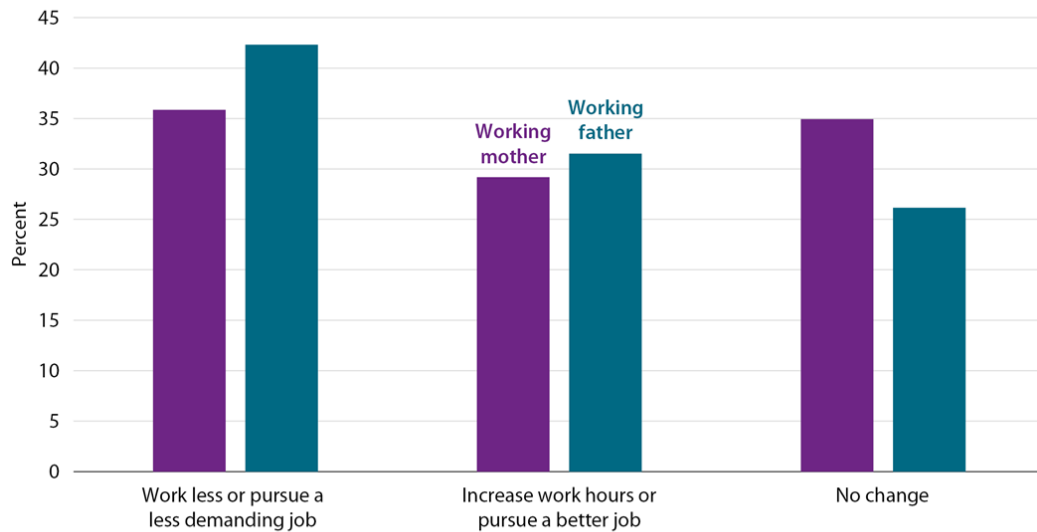


Source: Survey conducted between May 27 and July 7, 2021 using RIWI's Random Domain Intercept Technology, a patented, machine-learning technology that delivers anonymous opt-in surveys to Web users who are surfing online.

Note: 2,550 working parents completed the survey, out of a random sample of 14,410 adults who were initially surveyed. When users stumble upon one of the hundreds of thousands of domains that RIWI owns or controls, these random, non-incented users are filtered through a series of proprietary algorithms to ensure there are no non-human respondents, and invited to participate in a survey. RIWI geo-targets respondents automatically by county, region, state, and city. Survey participants are accessed on all Web-enabled devices, and the technology cannot be blocked by state surveillance or Internet control, nor is it susceptible to ad-block technologies. Although RIWI collects and reports the age, gender and geo-location of all respondents, no personally identifiable information is ever collected or reported. No enticements are used, and participants can easily exit the survey at any time. Weights are applied to age and gender as per the most recent national census data available, drawn from the U.S. Census Bureau. Respondent weight values are generated post-stratification using a raking algorithm. Weighted data estimates what the nationally-representative population perceives.



Working Parents' Expectations for the Future



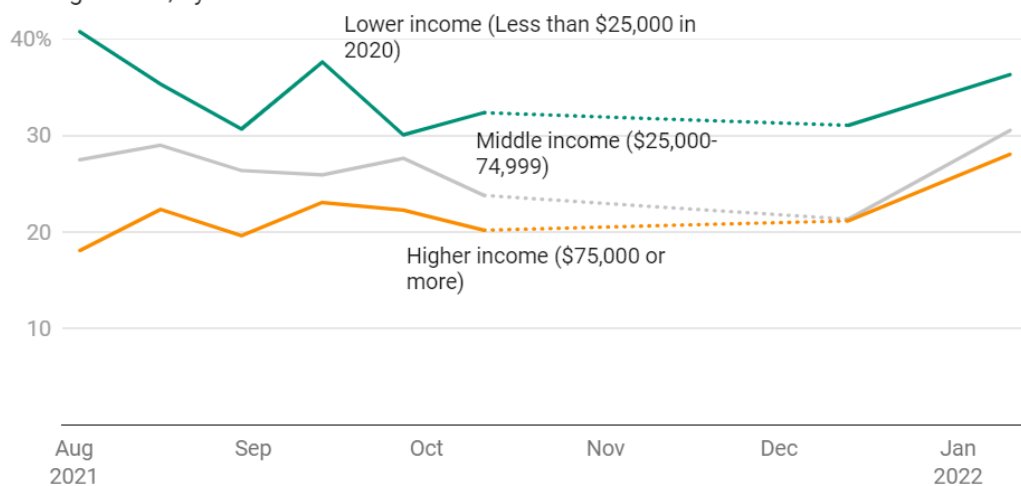
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Households with Lower Incomes Faced More Child Care Disruptions

Percent of households with children under 12 who experienced a disruption in child care arrangements, by 2020 household income

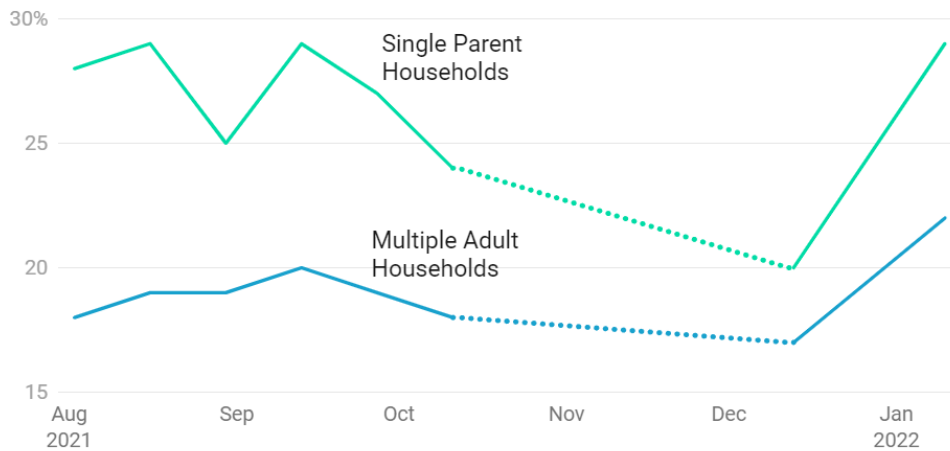


Pause in survey indicated using dashed lines.

Source: Household Pulse Survey • Created with Datawrapper

Already Facing More Childcare Disruptions, Single Parent Households Experience Larger Impacts During Covid Waves

Percent of households w/ children under 12 who experienced a child care disruption last month

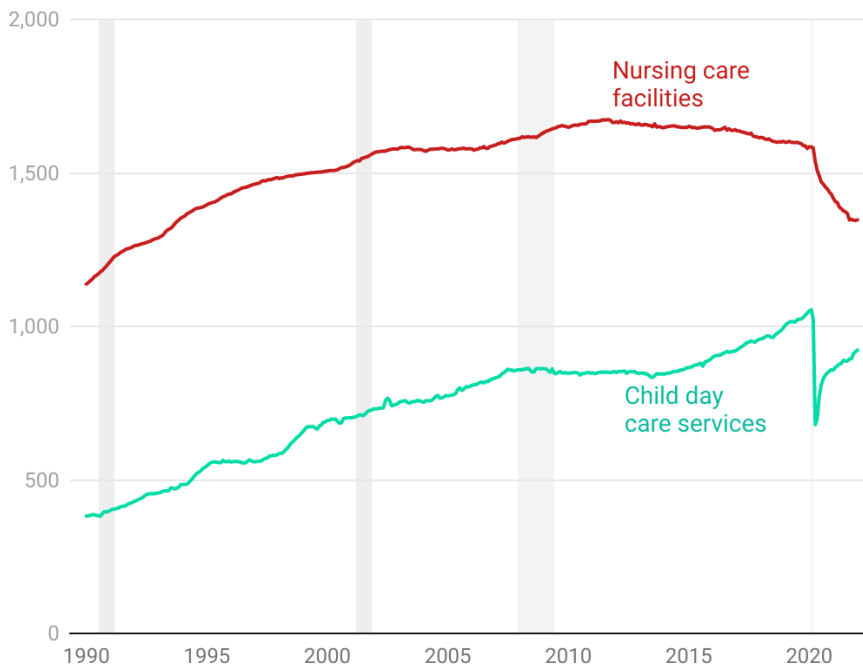


Pause in survey indicated using dashed lines

Source: [Household Pulse Survey](#) • [Get the data](#) • Created with [Datawrapper](#)

Care Industries Still Missing Many Workers

Thousands of employees



Source: U.S. Bureau of Labor Statistics • Created with [Datawrapper](#)

Decline in Employment to Population Ratio, by Gender and Age, Since February 2020 (in percentage points)

Ages	Decline in ratio through April 2020		Decline in ratio through January 2022	
	Women	Men	Women	Men
16-24	-17.9	-14.6	-1.5	-1.6
25-34	-13.0	-12.3	-1.6	-1.4
35-44	-9.5	-9.1	-1.3	-1.8
45-54	-10.8	-9.8	-0.8	-1.1
55+	-5.8	-6.1	-1.2	-1.7

Source: Authors calculations using Bureau of Labor Statistics Employment Data