



A Blueprint for Child Care Reform

It's Time to Do Better for Children and Families

By Katie Hamm and Julie Kashen September 2017

Center for American Progress



Make It Work

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Introduction and summary

All children deserve the opportunity to succeed. However, too many parents are doing everything right and working hard to support their children yet are unable to afford the kind of care that every child deserves. Some parents are working late nights or weekend hours when no care is available for their children. Others have to travel miles to access the child care they can afford. Yet we know when families have access to high-quality care, parents are more productive in the workforce and children are set up to succeed in school and life.¹ We can do better by America's families when it comes to child care. This report outlines a bold vision for doing just that.

When single mother and Make It Work* activist Rochean Cofield was working and attending school full time in Iowa, she had to pick up another job just to afford care for her then 10-year-old daughter, who is on the autism spectrum. She had to leave the house at 5:00 a.m. some days and returned after 10:00 p.m. She did not have enough time to study and had way too little quality time with her daughter. Ultimately, she had to cut her work hours, pay for child care when she could, and rely on her family when she did not have other child care options available. As hard as Rochean was working to make ends meet for her and her family, she felt like she was being penalized for trying to improve her family's life.²

When MomsRising** member Tasha Konyha; her husband, John; and their two children moved to Ann Arbor, Michigan, they found a child care center for their 3-year-old son that was a three-minute walk from her husband's office. Unfortunately, at \$400 per week, they could not afford it. They instead found the final open spot at a more affordable center that required them to drive an extra 45 minutes. Tasha's family earns more than the average family working in Michigan,³

*The Make It Work Campaign is an education campaign that unites people around policy issues impacting working families, including paid family and medical leave, equal pay, and child care. Learn more at www.makeitworkcampaign.org.

**MomsRising is a grassroots and educational movement to address critical issues facing women, mothers, and families, with over 1 million members across the country. Learn more at www.momsrising.org.

but they still struggle to pay the bills. Tasha's job as a substitute teacher came to an end during the summer. She has interviewed for other positions and is worried about how the break in her resume will hurt her future employment. At the same time, they simply couldn't afford to pay for care for two kids all summer.⁴

Rochean and Tasha are not alone. Most parents work inside and outside the home, and many are walking a tightrope trying to make ends meet.⁵ Parents often do not live close to family, while a substantial number of single parents are raising their children on their own. High-quality child care is out of reach for many American families—not just those with low incomes. The average annual cost of a child care center exceeds \$10,000, and more than half of Americans live in areas where licensed child care is hard to find.⁶ The existing child care subsidy program reaches just one in six eligible families.⁷ The consequence of our country's child care problem is people feeling as though they cannot get ahead. Women in particular are forced to make difficult choices when it comes to balancing work and caregiving. Low-income families especially struggle to afford high-quality child care, despite the fact that these children stand to benefit the most.

The United States can do better for Rochean, Tasha, and the millions of families struggling with the high cost of child care. Prioritizing child care puts families first and helps children succeed in school and life. It's an investment in our education system and our future workforce and is one the country cannot afford to ignore. This report outlines a progressive vision for child care reform that guarantees financial assistance on a sliding-scale basis for middle- and low-income families with children ages 12 or younger and children with disabilities up to age 18. CAP and Make It Work propose child care reform that meets the following benchmarks:

- **Lower child care costs for low-income and middle-class families** to 7 percent of income through a sliding scale.
- **Provide flexibility to accommodate complex work schedules** by increasing availability of care for nontraditional hours and allowing parents to choose the care of their choice in a center or home.
- **Increase options for parents by addressing child care deserts** and bolstering licensed care in underserved communities.
- **Invest in high-quality programs** by promoting quality standards and fair compensation and giving providers the resources and the supports to improve.

- **Expand opportunities for school-age children** by providing access to after-school care, summer programs, and care for children with disabilities.
- **Improve compensation for child care providers** by setting a floor of self-sufficiency and creating parity with K-12 teachers.
- **Create more well-paying care jobs in the care industry** by expanding the supply of child care providers and increasing pay.

The sections below show how child care reform should address the needs of working families, support child development, and create well-paying jobs in the early childhood workforce.

Meeting working families' child care needs

The existing child care market does not work for most families. Child care costs exceed what most families can afford to pay,⁸ and care itself may not be available when parents need to work. Many families cannot find child care in their neighborhood—or if they do, they find long waiting lists.

Child care is one of the most significant expenses in a family's budget across the nation and, in many states, exceeds the costs of housing or college tuition.⁹ Too many working parents have to choose between the cheapest available option—putting their children's safety and well-being at risk—or leaving the workforce. This jeopardizes children's well-being as well as a family's economic security, especially for women, who are most likely to leave the workforce to provide child care.¹⁰ Families that scrape together the money for safe, quality child care may do so to the detriment of retirement savings or paying down debt. This should never be the case. Instead, affordable, quality child care should be available for low-income and middle-class families. Child care reform should provide families with access to affordable child care when and where they need it, accommodating demanding and irregular schedules that parents face in the workplace.

Lower child care costs for low-income and middle-class families

Child care reform must lower costs for working parents through a significant public investment. The federal government can do this by guaranteeing child care assistance for middle- and low-income families in order to provide high-quality care for their young children as well as for after-school and summer care for school-age children. Using a sliding scale, federal child care policy can ensure that no family pays more than 7 percent of their pay for care, which is the U.S. Department of Health and Human Services' affordability benchmark.¹¹

Children need a safe, nurturing learning environment that does not keep their parents from making the rent or paying the mortgage. If this vision for child care were in place, Rochean would have been able to find care she could afford, with little to

no copayment, as well as be able to take back her time to study and spend with her daughter. The Konyhas could have used the child care that was near work, saving valuable time and gas money.

Provide flexibility to accommodate complex work schedules

Most parents cannot leave work at 3:00 p.m., when most schooldays end. Schedules are unpredictable, and needs for care vary—sometimes day to day. Derrick, a father in Michigan, was suspended from his job for leaving early to pick up his child.¹² The child care center closed at 5:00 p.m., and he wasn't going to risk leaving his son after hours. Now he is losing much-needed income and his family is taking a financial hit. Working families need reliable, safe, and healthy child care for the entire workday, including after-school care and sometimes before school, in the evenings, and on weekends in order to avoid the difficult realities that parents such as Derrick have had to face.

A national survey of child care providers found that just 8 percent of child care centers and 34 percent of family child care homes are open in the evenings or on weekends.¹³ At the same time, parents increasingly face unpredictable schedules. Child care reform can address this by providing grants to expand care to nontraditional hours. Importantly, child care reform must also maximize flexibility so that parents can choose a high-quality program that works best for their family—in child care centers, family child care homes, and after-school and summer programs, as well as in family, friend, and neighbor care.

Expanding the federal investment in child care is also a move toward greater gender and racial equity. Women, people of color, and low-income families will especially benefit from child care reform. Despite being primary and co-breadwinners in most families,¹⁴ women still disproportionately bear the responsibility of care. In addition, African American and Hispanic women have rarely had the choice not to work and have often served as underpaid or unpaid caregivers to other people's children.¹⁵ African American and Hispanic mothers and fathers have faced persistent discrimination in hiring and pay and overrepresentation in minimum- and low-wage work,¹⁶ and they are disproportionately affected by the high cost of care. For example, the average annual cost to send a preschooler and an infant to a child care center amounts to 42 percent of the median income for African American families.¹⁷

Increase options for parents by addressing child care deserts

Many parents begin a child care search only to find themselves on waiting lists or, perhaps, unable to find any licensed child care in their neighborhood. About half of Americans live in a child care desert, defined as areas with a severe undersupply of licensed child care centers and family child care homes.¹⁸ While parents may have preferences for different types of child care arrangements, from child care centers to a relative, too many families have no real choice because licensed care is simply not available. The problem is particularly pronounced in rural areas, where 51 percent of people live in child care deserts. Latinos and American Indian and Alaska Natives are also more likely to live in child care deserts.¹⁹

In addition to cost and flexibility, child care reform must increase the supply of licensed child care by investing in our child care infrastructure. This includes providing resources to states, tribes, and local communities to renovate and construct child care programs; invest in existing providers to help them improve quality and meet licensing requirements; and fund state and community efforts to license family child care homes.

Supporting healthy child development

Despite decades of research documenting the importance of the first few years of life, public investment in children from birth to age 5 remains low and inadequate to meet the need. Babies' brains are making 1 million neural connections per second, creating a brain architecture that will have a lifelong impact.²⁰ Today, public programs do not reach most children, or even most low-income children.²¹

Access to enriching early childhood environments is not the norm in the United States today. Just 10 percent of child care programs are considered high-quality.²² Participation in early childhood programs is largely dependent on parents' ability to pay, and as a result, the low-income children and children of color who would benefit the most are too often unable to access it. When children enter kindergarten, half of the achievement gap between low-income students and their more affluent peers that exists in high school is already present.²³ The federal government can address the developmental needs of young children through child care reform by implementing policies that improve quality starting at birth and continuing up to age 13.

Invest in high-quality providers

Parents are already stretched when it comes to paying for child care, but what parents can afford to pay is often not enough to support high-quality child care. This is because child care is labor intensive and requires skilled individuals to provide responsive care and an enriching early learning environment. The costs of labor, rent and utilities, insurance, materials and equipment, and curriculum add up quickly.

New resources for child care must support the actual cost of quality child care. When child care payments are too low, they diminish quality and perpetuate low wages for providers. Child care reform must start by estimating the cost of providing quality child care. This includes paying adequate wages for providers, which is discussed further below.

In turn, child care providers should be expected to meet progressively higher quality benchmarks over time. A tiered system, such as a quality rating and improvement system (QRIS) can provide helpful scaffolding for child care providers to offer top-notch care and education.²⁴

Expand opportunities for school-age children

In addition to investing in young children, child care reform should address after-school care and summer care for families with school-age children up to age 13. Children with disabilities who may require care beyond age 13 should remain eligible until they turn 18. For many families, summer presents a serious financial and logistical conundrum. When parents cannot afford summer programs, children may be in unsupervised situations.

Low-income children also experience summer learning loss, which exacerbates gaps that already exist with students from higher-income families.²⁵ During the summer, higher-income students make slight gains, on average, while low-income students lose about two or three months of learning.²⁶ Many children also rely on school lunch and breakfast meals and may not have access to healthy food during the summer without access to programs.

Creating well-paying jobs in the early childhood workforce

The average pay for child care teachers is barely more than \$10 per hour, lower than for most other jobs, including parking lot attendants and dog walkers.²⁷ These low wages contribute to economic insecurity among the child care and early education workforce, with one in seven living in families with incomes below the federal poverty level.²⁸ Currently, about half of people working in the child care sector rely on public benefit programs such as Medicaid and nutrition assistance.²⁹ Low pay contributes to high turnover rates, which can threaten quality in early childhood programs during children’s critical developmental period. Child care reform can create well-paying jobs in the growing care industry through policies that provide fair pay and benefits, professionalize the workforce, and expand opportunities in this growing industry.

“My work gives me a front-row seat on the struggles of low-wage working moms. It’s not a pretty show. Every day is an uphill battle for them, juggling bills, working two jobs—sometimes three—as they try to find time to take their kids to the park or read them a bedtime story. My story is hard, too. Family child care providers like me earn as little as \$4.98 an hour. I work 14-hour days during the week and then I do catering on Sundays to try to make ends meet. I’m always scrambling to pay what I can as soon as I get a check—literally living paycheck to paycheck. Having some security or a little piece of the American dream is completely out of reach for me. I help raise California’s children. Yet I have no retirement and no idea what my future’s going to look like.”

— Tonia McMillian, family child care provider in Bellflower, California, and Service Employees International Union Local 99 treasurer

Improve compensation for child care providers

All teachers and caregivers should be paid wages that allow them to be self-sufficient, which means that their wages are adequate to meet basic living standards in their area of the country. Setting a floor of self-sufficiency will ensure that the people caring for our children are not worried about feeding their own children or paying rent.

Self-sufficiency should set a floor, not a ceiling. Early childhood educators are molding young minds. Their work should be recognized as such, with compensation, including benefits, that provides parity with K-12 teachers who have similar levels of education, experience, and competency. Wage standards and benefits should be built into quality rating and improvement systems, in recognition that well-compensated providers are intrinsically related to program quality.³⁰ Boosting pay and increasing paid training opportunities for child care workers will help attract and retain a talented, dedicated, and well-trained workforce, which will also result in higher-quality care.³¹ Supports for the early childhood workforce, including scholarships and professional development opportunities, are key to ensuring that the early childhood workforce maintains its diversity.

Create more well-paying jobs in the care industry

This plan will grow the child care industry and expand well-paying care jobs in a field dominated by women and, in particular, women of color. Federal funding will spur demand for child care providers, creating more employment opportunities. A recent study found that investment in care jobs in early childhood and home health care—can generate twice as many jobs per dollar as infrastructure construction due to the high labor intensity of the care sector, among other factors.³² Child care reform offers an opportunity to build the workforce we need to meet families' demands and create jobs.

Conclusion

Prioritizing high-quality child care is one of the best investments the United States could make. When parents such as Rochean, Tasha, John, and Derrick have access to affordable, flexible, and quality child care options, they have the peace of mind to be more productive at work and are able to care for their families. When children attend high-quality programs, they are happier, better prepared for school, and can grow up to contribute to our economy. And if the United States expands well-paying jobs for child care providers, it create good jobs that can never be automated or outsourced. As a country, it's time we decide to do better for working families and invest in a child care system that reflects the needs of today's families.

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