

## An Open Letter from Economists in Support of Child Care Relief

The undersigned agree that quality, affordable child care is an essential precondition for a successful economic recovery.

We are at a pivotal moment in which policymakers can make lasting, necessary changes to the child care system to reduce long-standing economic inequities. Child care can relieve the financial pressure on low-income families during this period of sustained economic uncertainty and financial hardship while promoting better long-term health, educational, and civic outcomes for children. We believe that an effective government response to the child care crisis will play a vital role in the reopening of workplaces and the ability of parents to participate in an equitable recovery.

American families faced a bleak child care landscape before the coronavirus pandemic struck, with more than half living in child care deserts with few child care options. These supply shortages disproportionately impact women, who most-often assume caregiving [responsibilities](#), as well as historically-marginalized communities and rural families, significantly weakening many parents' ability to secure and maintain stable employment. Recent analyses show that the typical family [spends about \\$11,000 per](#) year for licensed child care. At the same time, the average early educator earning about \$12 an hour and about half of child care workers [relied on public assistance](#) to make ends meet.

The pandemic has only deepened these structural problems.

Some child care providers closed in keeping with public health guidelines, while others are open to care for children of essential workers and those with parents being called back to work. Most child care providers cannot survive extended periods of time with no revenue or with less revenue due to fewer children enrolled. Without swift and bold action, the child care industry will see massive closures.

A national survey of child care providers suggests that nearly half of the country's child care capacity could [disappear permanently](#) due to COVID-19 as providers who already operate on razor-thin margins are forced to close for good. By April, one [out of three](#) child care workers had already lost their job. Without enough child care capacity, parents will struggle to find safe, enriching care for their children while they work.

Moreover, this crisis will affect gender equity in the labor market, as well as potential GDP, for years to come. Child care access is strongly associated with [maternal labor force participation](#), and child care closures will likely lead to more costly [career sacrifices for women](#). Most families rely on the income that mothers earn, with [64 percent](#) of all mothers serving as the [primary or co-breadwinner](#). And child care programs, frequently women-owned small businesses, are staffed by a racially diverse workforce that is 93% female.

As economists, we support an immediate stopgap investment of [at least \\$50 billion](#) to stabilize the child care industry, save child care businesses from permanent closure, and prevent an even greater shortage of child care going forward. During this acute crisis, policymakers should come together around the shared goal of supporting working parents, ensuring the health and safety of child care workers, and rebuilding a fair and just child care system for our children and our economy.

Child care is a critical piece of our economic infrastructure, just like roads and bridges, allowing parents to work if they choose. A major federal investment to stabilize child care programs will ensure greater parental employment, save roughly one hundred thousand small businesses, and contribute to a more efficient economic recovery.

Sincerely,