

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,

Olugbenga Ajilore
Center for American Progress

Randy Albelda
UMass Boston

Abhay Aneja
UC Berkeley School of Law

Eileen Appelbaum
Center for Economic and Policy Research

Dean Baker
Center for Economic and Policy Research

Nesecan Balkan
Hamilton College

Nina Banks
Bucknell University

Tim Bartik
W.E. Upjohn Institute for Employment
Research

Lauren Bauer
The Brookings Institution

Jared Bernstein

C. Alan Bester
Georgetown University

Sandra Black
Columbia University

Francine Blau
Cornell University

Roger Even Bove
West Chester University

Joyce J. Chen
Ohio State University

Ying Chen
The New School

Kimberly Christensen
Sarah Lawrence College

Kimberly Clausing
Reed College

Sarah Cohodes
Columbia University

Jennifer Cohen
Miami University

Lisa D. Cook
Michigan State University

Gregory Daco
Oxford Economics

Elizabeth Davis
University of Minnesota

Stephanie Didwania
Temple University Beasley School of Law

Peter Dorman
Evergreen State College

Arindrajit Dube
UMass Amherst

Nina Eichacker
University of Rhode Island

Gerald Epstein
UMass Amherst

David Figlio
Northwestern University

Anne Fitzpatrick
UMass Boston

Dania V. Francis
UMass Boston

Jason Furman
Harvard University

Christian Glupker
Grand Valley State University

Hon. Joshua Gotbaum
The Brookings Institution

Erica L. Groshen
Cornell University

Caren Grown
World Bank

Bradley Hardy
American University

Ben Harris
Northwestern University Kellogg School
of Management

Carol E. Heim
UMass Amherst

Chris Herbst
Arizona State University

Joan Hoffman
John Jay College of Criminal Justice

Harry J. Holzer
Georgetown University

Keren Horn
UMass Boston

Candace Howes
Connecticut College

Elena Irwin
Ohio State University

Rucker C. Johnson
UC-Berkeley Goldman School of Public
Policy

Stephanie Kelton
Stony Brook University

Marlene Kim
UMass Boston

Mary C. King
Portland State University

Timothy Koechlin
Vassar College

Fidan Ana Kurtulus
UMass Amherst

Pierre Lacour
New York University

Thomas Lambert
University of Louisville

Benjamin Leyden
Cornell University

Diane Lim
Penn Wharton Budget Model

Shelly Lundberg
University of California Santa Barbara

Arthur MacEwan
UMass Boston

Catherine Maclean
Temple University

Michael Madowitz
Center for American Progress

Jordan Matsudaira
Columbia University

Julie Matthaei
Wellesley College

Frieda Mendelsohn
SUNY Empire State College

Peter Meyer
University of Louisville

John Miller
Wheaton College

Daniel L. Millimet
Southern Methodist University

Alicia Sasser Modestino
Northeastern University

Katherine A. Moos
UMass Amherst

Tracy Mott
University of Denver

Michael Murray
Bemidji State University

Leonce Ndikumana
UMass Amherst

Julie A. Nelson
UMass Boston

Shaianne Osterreich
Ithaca College

Lenore Palladino
UMass Amherst

Gabrielle Pepin
W.E. Upjohn Institute for Employment
Research

Lynda Pickbourn
Hampshire College

Art Rolnick
University of Minnesota

Stefan Ruediger
Arizona State University

Matthew S. Rutledge
Boston College

Claudia Sahn
Washington Center for Equitable Growth

Mohamad Shaaf
University of Central Oklahoma

Rhonda V. Sharpe
Women's Institute for Science, Equity
and Race

Zoe Sherman
Merrimack College

Heidi Shierholz
Economic Policy Institute

Tim Smeeding
University of Wisconsin-Madison

Aaron Sojourner
University of Minnesota

Betsey Stevenson
University of Michigan

Ernie Tedeschi
Evercore ISI

Erdal Tekin
American University

David Terkla
UMass Boston

Andres Vinelli
Center for American Progress

Isabella Weber
UMass Amherst

Christian Weller
UMass Boston

Amanda Weinstein
University of Akron

Noe Wiener
UMass Amherst

Justin Wolfers
University of Michigan

Sarah Wolfolds
Cornell University

Brenda Wyss
Wheaton College

Zhun Xu
Howard University

Yavuz Yasar
University of Denver

James P Ziliak
University of Kentucky