

**Congress of the United States**  
Washington, DC 20510

April 23, 2021

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Biden:

We write to urge you to include a substantial investment in universal child care in your American Families Plan. As the pandemic has made clear, child care is essential infrastructure that makes all other work in our country possible. High quality child care also has long-lasting benefits for young children’s development. The American Families Plan should include at least \$700 billion for long-term, structural investments in child care. We believe this is a generational opportunity to invest in affordable, quality care for all children who need it, and we urge you not to let it go to waste.

The American Rescue Plan included more than \$40 billion for child care programs, which fulfilled our call for much-needed emergency relief funding.<sup>1</sup> This support will be crucial for keeping child care providers afloat as they recover from the devastating effects of the COVID-19 pandemic. However, it is not a long-term solution to the lack of affordable, high quality child care for working families. Child care providers, who already operated on razor-thin margins, have experienced closures, reduced enrollment, and increased operating costs throughout the pandemic. By one estimate, the combined relief funds are enough to fill this revenue gap for less than six months.<sup>2</sup>

Even before the pandemic, many families were struggling to find affordable, high-quality care for their children, and child care providers were being paid poverty-level wages. Child care subsidy programs are persistently under-funded: only 14% of eligible children were actually receiving subsidies as of 2017.<sup>3</sup> A national analysis found that half of all families live in neighborhoods classified as child care deserts, where there is an insufficient supply of quality

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<sup>1</sup> “Warren, Smith Successfully Secure \$40B for Child Care & Early Learning in Senate COVID-19 Relief Package,” March 6, 2021, <https://www.warren.senate.gov/newsroom/press-releases/warren-smith-successfully-secure-40b-for-child-care-and-early-learning-in-senate-covid-19-relief-package>.

<sup>2</sup> Center for Law and Social Policy, “Child Care is Key to Our Economic Recovery,” April 2020, <https://www.clasp.org/sites/default/files/publications/2020/04/CCKeytoEconomicRecovery.pdf>. This analysis found that \$9.6 billion per month would be needed to sustain the child care sector.

<sup>3</sup> U.S. Department of Health and Human Services, “Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2017,” Nina Chien, November 2020, <https://aspe.hhs.gov/system/files/pdf/264341/CY2017-Child-Care-Subsidy-Eligibility.pdf>.

child care.<sup>4</sup> On average, child care workers earn less than \$13 per hour,<sup>5</sup> and more than half rely on public assistance programs such as Medicaid, SNAP, and TANF.<sup>6</sup> Because child care providers are disproportionately women of color,<sup>7</sup> this low pay contributes to gender and racial wage gaps.

The American Families Plan presents an opportunity to transform this broken system into one that is sustainable for families and providers over the long run. This must include making child care an entitlement for every family who needs it, capping out-of-pocket costs for families at no more than 7% of income, and raising payment rates for providers to ensure that they are paid a living wage with benefits, equivalent to other educators with similar credentials. These changes are expected to cost at least \$60 billion per year.<sup>8</sup> Our investment in child care should also support expanding Early Head Start and growing the supply of child care providers, which has been decimated by the pandemic, by providing grants for facilities and start-up costs. We urge you to include at least \$700 billion for child care programs over the next ten years in the American Families Plan to make these long-term, structural investments possible.

This investment would have lasting positive effects, not just on children and families, but on the economy at large. A recent study from the National Women’s Law Center and the Center on Poverty and Social Policy found that providing affordable, high-quality child care to every family that needs it would increase the number of women with young children working full time by 17%, narrow the pay gap between women and men, and increase women’s lifetime earnings by nearly \$100,000 on average, with a corresponding increase in their savings and Social Security benefits.<sup>9</sup> Even before the pandemic, child care challenges were estimated to cost our economy \$57 billion annually in lost earnings, productivity, and revenue.<sup>10</sup> As a result of the child care crisis exacerbated by the COVID-19 pandemic, women’s workforce participation is at

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<sup>4</sup> Center for American Progress, “America’s Child Care Deserts in 2018,” Rasheed Malik, Katie Hamm, Leila Schochet, Cristina Novoa, Simon Workman, and Steven Jessen-Howard, December 6, 2018, <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>.

<sup>5</sup> U.S. Bureau of Labor Statistics, “Occupational Employment and Wages, May 2020,” <https://www.bls.gov/oes/current/oes399011.htm>.

<sup>6</sup> Center for the Study of Child Care Employment, University of California-Berkeley, “Early Childhood Workforce Index,” 2018, <https://cscce.berkeley.edu/wp-content/uploads/2018/06/2018-Index-Executive-Summary.pdf>.

<sup>7</sup> National Women’s Law Center, “One in Five Child Care Jobs Have Been Lost Since February, and Women Are Paying the Price,” Claire Ewing-Nelson, August 2020, <https://nwlc.org/wp-content/uploads/2020/08/ChildCareWorkersFS.pdf>.

<sup>8</sup> Vox, “27 Senate Democrats get behind a big new plan to make child care an entitlement,” Jeff Stein, September 14, 2017, <https://www.vox.com/policy-and-politics/2017/9/14/16307090/child-care-senate-democrats>

<sup>9</sup> National Women’s Law Center and Center on Poverty and Social Policy at Columbia University, “A Lifetime’s Worth of Benefits: The Effects of Affordable, High-quality Child Care on Family Income, the Gender Earnings Gap, and Women’s Retirement Security,” Robert Paul Hartley, Ajay Chaudry, Melissa Boteach, Estelle Mitchell, and Kathryn Menefee, March 2021, <https://nwlc.org/wp-content/uploads/2021/04/A-Lifetimes-Worth-of-Benefits-FD.pdf>.

<sup>10</sup> Council for a Strong America, “Want to Grow the Economy? Fix the Child Care Crisis,” January 16, 2019, <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>.

its lowest level since 1988.<sup>11</sup> This drop has led to billions of dollars of lost earnings and tax revenue.<sup>12</sup>

The American Families Plan presents an historic opportunity to not only recover from the devastating effects of the pandemic, but also to build a stronger caregiving economy for women and families across the country. Providing affordable, quality care for every child and family who needs it would create jobs, increase productivity, and have lifelong benefits for children’s development and growth. We urge you to prioritize investments in a stronger child care system in the American Families Plan to ensure that women and families are not left behind in our recovery.

Thank you for your support for children and families and your consideration of this important matter.

Sincerely,

Elizabeth Warren  
United States Senator

Tina Smith  
United States Senator

Katherine Clark  
Member of Congress

Alex Padilla  
United States Senator

Ron Wyden  
United States Senator

Bernard Sanders  
United States Senator

Cory A. Booker  
United States Senator

Richard Blumenthal  
United States Senator

Tammy Duckworth  
United States Senator

Mondaire Jones  
Member of Congress

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<sup>11</sup> Fortune, “COVID-19 has driven millions of women out of the workforce. Here’s how to help them come back,” Kweilin Ellingrud and Liz Hilton Segel,” February 13, 2021, <https://fortune.com/2021/02/13/covid-19-women-workforce-unemployment-gender-gap-recovery/>.

<sup>12</sup> The Century Foundation, “How COVID-19 Sent Women’s Workforce Progress Backward: Congress’ \$64.5 Billion Mistake,” October 29, 2020, <https://tcf.org/content/report/how-covid-19-sent-womens-workforce-progress-backward-congress-64-5-billion-mistake/>.

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