

## ***Universal Child Care and Early Learning Act***

### **A Child Care Crisis for Families and for Our Economy**

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Too many families in the United States, across all incomes and geographies, struggle to find high-quality, affordable child care for their young children. Over the past generation, wages have effectively remained flat while child care costs have skyrocketed. In over half of all states in America, center-based infant child care now costs more than in-state public college tuition<sup>i</sup>, and low-income parents spend over 17% of their income to access child care for their children aged 0 to 5.<sup>ii</sup> But child care providers cannot reduce prices any lower because their largest expense – child care worker wages – is already at its lowest point, with child care workers making less than \$23,760 a year on average.<sup>iii</sup>

This means that, remarkably, only a third of families in this country are able to send their children to center or home-based child care, and a disproportionate number of working-class families rely on relatives or others, or have no arrangement at all.<sup>iv</sup>

***“[The] challenge of finding reliable, affordable child care is a huge boulder firmly wedged between women and a million opportunities... And for single parents and for parents working near the bottom of the income scale, the cost of child care often stretches families’ paychecks past the breaking point...”***  
**– Senator Elizabeth Warren, Oct. 18, 2017**

This lack of access to high-quality, affordable child care prevents parents from fully participating in the workforce, holding them back from career and educational opportunities and placing a drag on our entire economy.<sup>v</sup> It also contributes to too many children in the U.S. starting kindergarten without the skills they need to reach their full potential.<sup>vi</sup>

One of the smartest investments a society can make is to invest in its children, yet the United States spends less on children under the age of five than most other developed nations.<sup>vii</sup> This underinvestment harms children and families and negatively affects our economy. Although most developed countries have realized that high-quality child care is a **public good** that requires government investment to ensure families can access and afford it, the United States has failed to address this crisis as families continue to struggle. It’s time for change.

### **A Missed Opportunity for the Nation: *The Comprehensive Child Development Act of 1971***

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Americans have long agreed that the federal government can play a role in helping families access child care. During World War II, Congress passed the *Lanham Act*, which created a national child care program in every state. The program served almost 600,000 children and allowed women to enter the workforce to help with the war effort, but Congress dismantled this program after the war ended and men re-entered the workforce. The program’s positive and lasting effects on well-being largely accrued to the most economically disadvantaged.<sup>viii</sup>

A generation later, the United States came painfully close to achieving the vision of universal child care. In 1971, the **bipartisan** *Comprehensive Child Development Act* passed Congress. This legislation would have established a universally-accessible, nationally-funded system of comprehensive child care centers that offered families high-quality education, nutrition, and medical services. The federal government would have built on the Head Start program to contract with local “sponsors”, which could be school districts, individual providers, or even states. Careful to avoid, “typing it as a poor person’s program,” as sponsor and Senator Walter Mondale explained, the centers would be open to all families on a sliding fee basis.<sup>ix</sup>

Tragically, President Nixon vetoed the bill because he and Pat Buchanan, then a White House special assistant, believed the bill undermined the role of women in childrearing and would result in more women leaving the home and entering the workforce. Nixon argued in his veto statement that, “for the Federal government to plunge headlong into supporting child development would commit the vast moral authority of the national Government to the side of communal approaches to childrearing...”<sup>x</sup>

Since then, federal child care programs have been limited. Currently, the two largest federal child care programs—Head Start and the Child Care & Development Fund—are targeted to low-income families, yet Congress’s underinvestment means these programs still only reach a small percentage of eligible children, with waitlists in almost every state. This underinvestment shortchanges our children, which is why Senator Warren

has successfully fought for—and will continue to fight for—greater investments in these important programs.<sup>xi</sup>

***“[E]ven as expectations and opportunities for women in the workforce have shifted in so many ways for the better, child care in America remains an enormous roadblock. Compared to the rest of the developed world, the United States significantly underinvests in child care programs...It is time for America to step up on this.” – Senator Elizabeth Warren, Oct. 18, 2017***

Moreover, while federal child care tax credits can provide much-needed assistance to many middle-class families, they provide only limited support and are not refundable, meaning the benefit is no help to working-class families without a tax liability.

**Sources of Inspiration and Hope: The U.S. Military Child Care Program and Head Start**

A universal access approach *does* currently exist within the United States: the U.S. Department of Defense military child care program. The Pentagon offers universal child care to over 200,000 children of military families. The Pentagon’s program directly funds the majority of the cost of center and home-based child care, with families chipping in an affordable fee depending on their income to cover the rest (on average, 10% of their income). Almost all of the child care centers are nationally accredited, and the program boasts some of the highest quality standards and child care worker wages of any child care system in America.

The United States has also demonstrated that the federal government can support a high-quality, locally-administered national child care program. In the Head Start/Early Head Start program, the federal government has long worked directly with local child care providers across the country to provide child care and early learning opportunities to low-income families in a way that best meets the needs of a local community. Head Start and Early Head Start are praised for the focus on children’s holistic developmental needs, including health and social services, but due to Congress’s underinvestment, only serve a fraction of eligible children.

***“I struggled to ensure my daughter Somah had the early learning she needed and today she’s a [University of New Mexico] graduate with the world at her feet.***

***BUT, that should not be the reality for our parents and our kids. That’s why securing universal child care - that is both affordable and high quality - is a key priority. Universal childcare, that is free for those families who need it and affordable for all, has the power to transform the lives of millions of families across this country.***

***I know how much of a difference free childcare would have made to my life when Somah was small, and I am so grateful that I am now in a position to be working on legislation that can make that a reality.” – Rep. Deb Haaland, June 13, 2019***

## The Universal Child Care and Early Learning Act

### *Affordable and High-Quality Universal Child Care Options for All Families*

The *Universal Child Care and Early Learning Act* will ensure that every family has access to high-quality, affordable child care and early learning opportunities by establishing a network of federally-supported, locally-administered child care options. These high-quality, affordable child care and early learning options will provide every child in America with a fair opportunity to reach their full potential and will improve economic, child development, and employment outcomes for children and families. The legislation:

- **Ensures universal access:** This legislation provides a mandatory federal investment to establish and support a network of locally-run Child Care and Early Learning Centers and Family Child Care Homes so that every family, regardless of their income or employment, can access high-quality, affordable child care options for their children from birth to school entry.
- **Guarantees affordability:** Families below 200% of the federal poverty line (about \$51,500 for a family of four)<sup>xii</sup> could access these child care options at zero cost. Families with higher incomes would pay a subsidized fee on a sliding scale based on their income, as in the military child care program. No family would pay more than 7% of their income for these public child care options.
- **Provides high-quality, essential developmental services:** Centers and Family Child Care Homes will meet high quality standards based on current U.S. military child care and the Head Start program standards. Providers would receive support and time to meet new requirements, which would focus on early learning and social-emotional development. Like Head Start, the program would offer a full range of comprehensive mental and physical health, dental, and other services to children who need them in a safe and nurturing environment that promotes children’s holistic growth and development.
- **Is locally-administered and federally-supported:** As originally envisioned in the *Comprehensive Child Development Act of 1971*, the federal government would partner with local sponsors – cities, school districts, states, counties, tribal organizations, or other nonprofit community entities – to administer the program in a way that prioritizes local community needs and coheres early childhood systems. These sponsors would act as local “hubs” by establishing networks of Child Care and Early Learning Centers and Family Child Care Homes options for families, mirroring options currently available to military families.
- **Invests in child care workers:** The legislation ensures parity by requiring that wages and benefits for child care workers be comparable to those of similarly-credentialed local public school teachers, and invests in worker training and professional development modeled after the military child care program.
- **Includes pre-Kindergarten educational services:** The network of Centers and Family Child Care Homes would provide pre-K curriculum and educational services for children before they enter kindergarten. This legislation would also incentivize states and cities to expand their investments in early childhood education.
- **Builds on existing programs:** The legislation builds on the successful federal Head Start program to create a universal system for families that cannot access Head Start services, while preserving the Head Start program for families eligible for those services. It also maintains the Child Care and Development Fund to help low-income families access other care options, including extended hours and afterschool care for children up to age 13.
- **Establishes Universal Child Care without increasing the deficit:** After accounting for the economic impacts of this legislation, Moody’s Analytics estimates that the program would cost the federal government approximately \$70 billion per year or \$700 billion over 10 years.<sup>xiii</sup> Senator Warren’s proposed Ultra-Millionaire Tax is projected to raise nearly four times that amount of revenue over the same period.<sup>xiv</sup> Consequently, if Congress funded this program using revenue from Senator Warren’s proposed Ultra-Millionaire Tax, the program would not increase the deficit.

**Endnotes**

- <sup>i</sup> Child Care Aware of America. “The US and the High Cost of Child Care.” 2018 Report. [https://cdn2.hubspot.net/hubfs/3957809/costofcare2018.pdf?\\_hstc=&\\_hssc=&hsCtaTracking=b4367fa6-f3b9-4e6c-acf4-b5d01d0dc570%7C94d3f065-e4fc-4250-a163-bafc3defaf20](https://cdn2.hubspot.net/hubfs/3957809/costofcare2018.pdf?_hstc=&_hssc=&hsCtaTracking=b4367fa6-f3b9-4e6c-acf4-b5d01d0dc570%7C94d3f065-e4fc-4250-a163-bafc3defaf20)
- <sup>ii</sup> Herbst, Chris. “The Rising Cost of Child Care in the United States: A reassessment of the Evidence.” IZA Discussion Papers, No. 9072, Institute for the Study of Labor (IZA), Bonn <https://www.econstor.eu/bitstream/10419/111522/1/dp9072.pdf>
- <sup>iii</sup> Bureau of Labor Statistics. “Occupational Employment Statistics: Occupational Employment and Wages, May 2017.” [https://www.bls.gov/oes/2017/may/oes399011.htm#\(2\)](https://www.bls.gov/oes/2017/may/oes399011.htm#(2))
- <sup>iv</sup> Committee for Economic Development. “Child Care in State Economies.” August, 2015 <https://www.ced.org/pdf/Report%20-%20Child%20Care%20in%20State%20Economies.pdf>
- <sup>v</sup> *Ibid.*
- <sup>vi</sup> Bassak & Latham 2016, Based on analysis of 2010 ECLS-K data
- <sup>vii</sup> Hoynes, H. & Schanzenbach, D. (2018). Safety Net Investments in Children. *National Bureau of Economic Research, paper number 24594.*
- <sup>viii</sup> Herbst, Chris. (2013) Universal Child Care, Maternal Employment, and Children’s Long-Run Outcomes: Evidence from the U.S. Lanham Act of 1940. *Institute for the Study of Labor (IZA), No. 7846.*
- <sup>ix</sup> Collins, Gail. When Everything Changed: The Amazing Journey of American Women from 1960 to the Present. October, 2019.
- <sup>x</sup> Nixon, Richard. “Veto statement – The Economic Opportunity Amendments of 1971”
- <sup>xi</sup> Center for Law and Social Policy, “Senate Deal Includes Historic Investment in Child Care” press release, February 8, 2018, <https://www.clasp.org/press-room/press-releases/senate-deal-includes-historic-investment-child-care>
- <sup>xii</sup> US Department of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluation. “Poverty Guidelines.” <https://aspe.hhs.gov/poverty-guidelines>
- <sup>xiii</sup> Economic Analysis from Moody’s. [https://www.warren.senate.gov/imo/media/doc/Moody's%20Analysis\\_Child\\_Care\\_Act.pdf](https://www.warren.senate.gov/imo/media/doc/Moody's%20Analysis_Child_Care_Act.pdf)
- <sup>xiv</sup> Office of US Senator Elizabeth Warren, “Senator Warren Unveils Proposal to Tax Wealth of Ultra-Rich Americans,” press release, January 24, 2019, <https://www.warren.senate.gov/newsroom/press-releases/senator-warren-unveils-proposal-to-tax-wealth-of-ultra-rich-americans>