



The Problems in the U.S. Child Care Market, the COVID-19 Effects, & Solution Proposals

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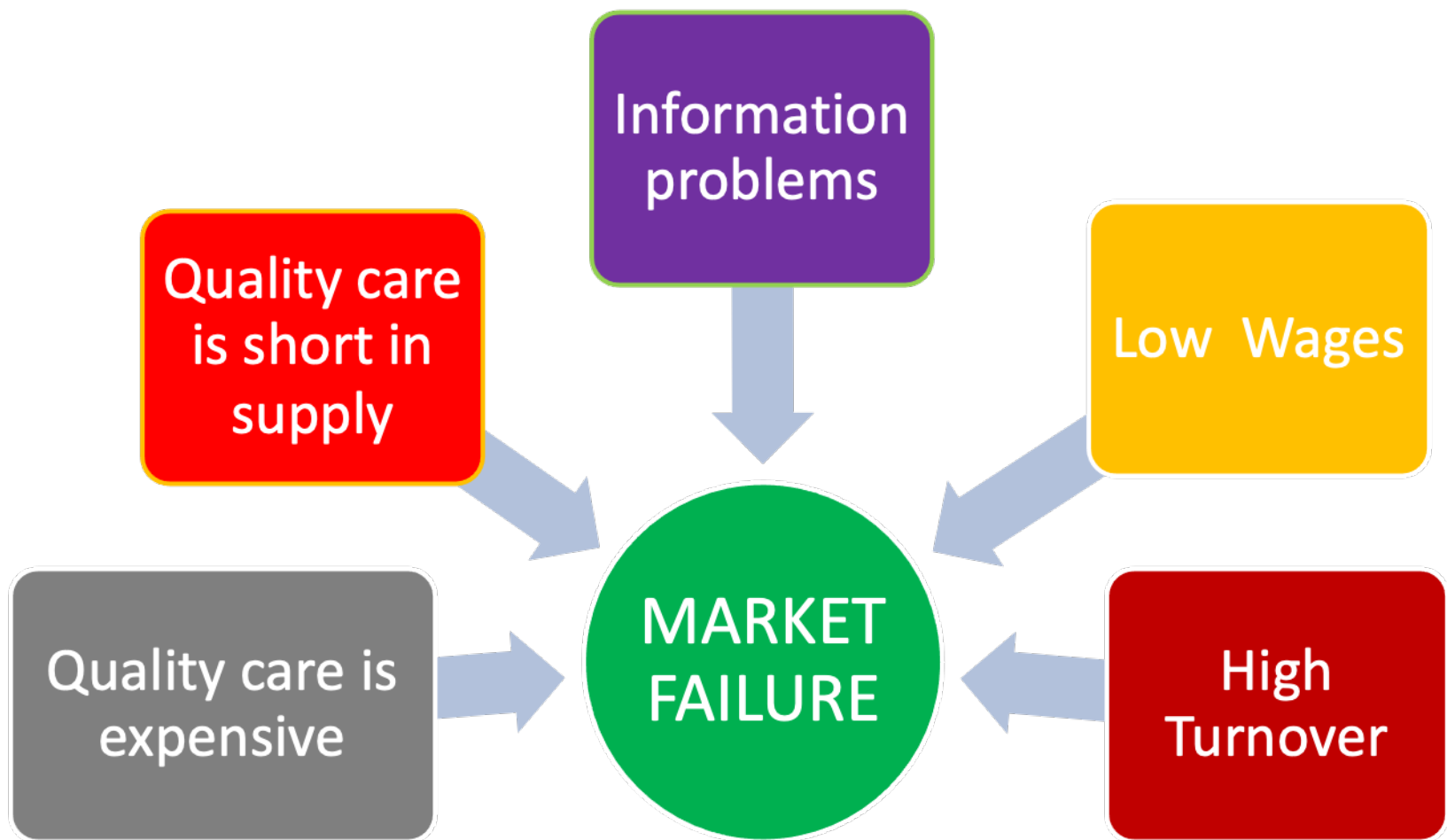
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WHAT'S WRONG WITH U.S. CHILD CARE?

Commonly cited problems

- High quality care is expensive and short in supply
- Parents are not sufficiently informed about several aspects of child care
- Caregivers earn low wages
- High turnover among child care workers



The Effects of COVID-19 on Child Care

- Demand side effects
 - Disproportionally more painful for women
- Supply side effects
 - Challenges in hiring due to low wages
 - Increased stringency in regulations

Current Proposals to Fix Child Care

Build Back Better Agenda

- A sliding scale limit on child care costs for families
- Two years of universal preschool
- Raise wages of child care workers and expand training and professional development opportunities
- Making Child and Dependent Care Tax Credit more generous and refundable
- Incentivize businesses to build child care facilities
- A national comprehensive paid family program



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Some final thoughts

- Quality is the crux of the child care problem
 - Incentives for investing in quality
- Be careful with regulations
- Progressive child care policy
 - More generous benefits for disadvantaged children
- Neutral with respect to employment

