

Senator Warren Urges President Biden to Invest \$700 Billion in Universal Child Care in the American Families Plan

United States Senators Elizabeth Warren (D-Mass.), Tina Smith (D-Minn.), and Alex Padilla (D-Calif.), and Assistant Speaker Katherine Clark (D-Mass.), along with Senators Ron Wyden (D-Ore.), Bernard Sanders (I-Vt.), Cory Booker (D-N.J.), Richard Blumenthal (D-Conn.), Tammy Duckworth (D-Ill.), and 32 Members from the House of Representatives, are urging the Biden administration to include at least \$700 billion over the next ten years for long-term, structural investments in universal child care in the 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,” wrote the lawmakers. “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 the lawmakers’ call for much-needed emergency relief funding. 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.

The American Families Plan, the lawmakers write, presents an opportunity to transform this broken system into one that is sustainable for families and providers over the long run. The plan should 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.

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.

"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," the lawmakers concluded.

Since the beginning of the COVID-19 outbreak, Senators Warren and Smith have been calling for immediate support for the child care industry:

- In March 2021, Senators Warren, Smith, Wyden, Sherrod Brown, (D-Ohio), and Bob Casey, (D-Pa.), announced that they plan to introduce a new bill allocating mandatory funding to build child care availability over the long term and treat child care like the critical infrastructure that it is for families.
- Senator Warren and Mary Kay Henry, International President of the Service Employees – International Union (SEIU), published an op-ed on CNN.com on why we need big and bold improvements to the caregiving industry in America.
- In August 2020, Senators Warren and Smith called on Senate leadership to prioritize the inclusion of their plan for a \$50 billion child care bailout in the next COVID-19 relief package.
- In May 2020, Senators Warren and Smith joined Representatives Rosa DeLauro (D-Conn.), Bobby Scott (D-Va.), and Senator Patty Murray (D-Wash.), in introducing the Child Care is Essential Act, which would create a \$50 billion Child Care Stabilization Fund within the existing Child Care and Development Block Grant (CCDBG) program.
- In April 2020, Senator Warren and Representative Khanna (D-Calif.) called for essential workers to be among the beneficiaries of child care investments in the introduction of their Essential Workers Bill of Rights.
- In a New York Times op-ed published in July, Senator Warren reiterated the need to secure child care funds and also called for “long-term investments so more families can find affordable, high-quality, and safe care in the future.”
- In April 2020, Senators Warren and Smith announced their plan for a \$50 billion child care bailout.
- In March 2020, Senators Warren and Smith led their colleagues in urging Senate leadership to include support for the child care sector in the COVID-19 relief package that became the CARES Act.