

Working families spend at least 15 percent of their income on child care—Trump's tax plan does little to help them ^[1]

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EXCERPTS

During the last three decades of the 20th century—and well into the early years of the 21st—women entered the workforce in droves, jumping from 53 percent of women with children employed in 1970 to 71 percent employed in 2012. At the same time, the number of mothers who were the sole or primary earner in their household skyrocketed to 40 percent in 2011, quadrupling from the number of women in a similar role in 1960. Though the number of women working outside the home grew steadily for four decades, the trend has begun to reverse in recent years as more are choosing to leave their jobs after having children, with many citing the rising costs of child care as the main reason. And it makes sense: Child care continues to be a significant cost burden on working families, even exceeding the cost of rent in many states, so avoiding it usually requires a parent—generally the mother—to stay at home.

Yet the effects of high-quality, affordable child care are vastly beneficial, and a report released exclusively to Glamour on Thursday by the Democratic staff of the Congress Joint Economic Committee (JEC), titled "The State of Child Care in America," proves it. Aside from increasing both employment and education opportunities for mothers, access to top-caliber child care correlates with an increase in earnings for a woman throughout her career. This is particularly true for low-income mothers who stand to earn an additional \$90,000 over the course of their careers if they have access to child care.

For children who are in superior early-learning programs, the benefits last beyond their first few years of life and well into their teens and adulthood: They're more likely to have higher achievement levels in both math and reading, more likely to enroll in college, more likely to be employed and have higher earnings as they become adults, and more likely to have overall better health. The benefits also extend to the broader community, as access to early education is linked to lower crime rates and a decrease in juvenile arrests.

However, a lack of affordable child care and early-learning programs in the U.S. is causing millions of families to miss out on valuable opportunities. According to the JEC report, the average working family spends more than 15 percent of its annual earnings on child care for an infant. When analyzed at the state level, South Dakota is the lone state where that figure dips into the single digits, with families spending 9.6 percent of their income on child care. Numerous states exceed the average and hover around the 20 percent mark, including California, Oregon, New York, Colorado, and Arizona. Those expenses climb even higher for single mothers, with women throughout the country spending at least 25 percent and up to 50 percent of their income on child care costs. For the mothers who are the sole heads of household—and the 17.2 million children who live with a single mother—leaving the workforce because child care is unaffordable is simply not an option.

Shortly before the President hit his 100-day mark, the administration released a tax outline that promised to provide "tax relief for families with child and dependent care expenses." What that relief would be, however, was not made entirely clear. Reports circulated in late February that the plan would be similar to a proposal announced by Trump on the campaign trail last August: Individuals earning under \$250,000 a year and couples taking home less than \$500,000 annually would be able to deduct the average cost of child care from their income taxes. Parents who do not earn enough to pay taxes (roughly 45 percent of Americans) would receive a higher earned-income tax credit. But since it was first announced in the summer of 2016, Trump's tax code revise has been consistently criticized for not going far enough for low-income and middle-class families.

"The policy is set up so it helps middle-class and wealthy families and provides very little assistance to lower-wage working parents," Victoria A. Budson, the founder and executive director of the Women and Public Policy Program at the Harvard Kennedy School of Government, told Glamour in February. "It does state that they would receive earned-income tax credit increase, but what it doesn't do is broadly provide adequate relief to the poorest of our working parents."

To appease critics, the White House began looking into potential revisions for their child care plan that would better serve low- and middle-income families. A senior White House official told the Washington Post in April that the administration was considering making a

tax credit refundable and establishing child care savings accounts.

But as the Democratic staff on the JEC detailed in its report, it is still high-earning families who benefit the most from the Trump tax plan. With Trump's proposed deduction and tax credit, a family earning under \$30,000 a year would receive a tax cut of only \$10. Staff members calculated that a family in Ohio taking home \$500,000 could stand to receive \$2,500 more in benefits than a family earning minimum wage. And though the administration views child care savings accounts as a way for families to benefit from tucking away some extra cash to use later, very few low-income families are capable of saving enough money to benefit from such a program. As the report indicates, only 53 percent of all families are capable of saving enough to make such a fund worthwhile; when it comes to the lowest-earning families, it drops to 32 percent.

To adequately address the needs of American families, the Democratic members of the JEC are urging the President to develop a more comprehensive plan—one that would procure government funding for high-quality affordable child care and early-learning programs, meet the needs of all American families (regardless of income and family structure), and recruit and retain child care workers who could provide a safe, educational environment and lay the groundwork for a child to achieve his or her full potential. Democrats in Congress have stated that they are eager to work with the White House on drafting a plan that would achieve each of these goals; whether or not the administration will respond remains to be seen.

"As a parent of two children, I know firsthand that families in New Mexico and across the U.S. need access to affordable, high-quality child care," Senator Martin Heinrich (D–N.M.), the ranking member of the Joint Economic Committee, told Glamour. "Child care is critically important to millions of families, regardless of income level, and they deserve to know their children are in a safe environment while they go to work or earn a degree. I urge President Trump to propose a serious plan that addresses the many issues in this report and to work with Congress on investing in our children from birth to kindergarten, empowering more women to work, and placing quality child care within reach for more families."

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