

# Subsidized child care would create jobs protected from automation and globalization, says Nobel winner Esther Duflo <sup>[1]</sup>

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

Back-to-school season is upon us and while American students attempt to return to the classroom, in-person learning for many has been canceled.

Aside from the impact on the individual student, this lack of child care can create a huge drag on the economy. Nobel laureate Esther Duflo suggests the U.S. subsidize child care for a few reasons aside from the benefit to the children themselves.

Child care requires constant attention by ideally qualified and highly trained professionals, creating a source of jobs that cannot be outsourced internationally to China nor automated away. "You're always going to need to take care," she said.

To pay for this attention and investment in our children, Duflo recommends a straight transfer of funds to the child's guardian. The U.S. currently offers a tax credit of up to \$2,000 per child under 17 years old or \$1,400 per child as a tax refund if the credit is larger than the taxes the family owes. The federal government offers a credit of up to \$500 for other dependents, including college students ages 19 to 24. She thinks that child allowances should be much greater.

Duflo suggests the U.S. economy would benefit greatly from these investments for two specific reasons. First, this policy would free up women to maintain their status in the workforce. Women are more likely to bear the brunt of the so-called "second shift," even during the pandemic, and some fear the U.S. could see a dropoff in female workers as the recession continues.

Second, guaranteed access to good quality child care, no matter where a person lives, will help create more social and economic mobility, according to Duflo. She suggests that Americans often attempt to live closer to child care options, such as their extended families. Workers would be more willing to move for economic opportunities if they were assured of child care.

Duflo did not feel qualified to suggest how to best provide care during the pandemic but was adamant that it could help grow the economy. Watch the video above to see the full interview.

**Region:** United States <sup>[3]</sup>

**Tags:** economics <sup>[4]</sup>

Women <sup>[5]</sup>

**Source URL (modified on 2 Sep 2020):** <https://childcarecanada.org/documents/child-care-news/20/09/subsidized-child-care-would-create-jobs-protected-automation-and>

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