Billions of Covid relief dollars are going to child care. Here's why advocates say more needs to be done to fix the crisis [1]

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EXCERPTS

There already was a child-care crisis in America. Then Covid hit.

Child-care centers shut down. Working parents lost care and child-care workers found themselves without jobs. Parents, namely mothers, left jobs or reduced hours to fill the gap.

The Biden administration and Congress responded with $39 billion in funding to child-care providers, signed into law last week as part of the American Rescue Plan Act. That's in addition to the $10 billion Congress provided in December's relief package.

"Before the pandemic, the U.S. child-care system was in trouble," said Mario Cardona, chief of policy and practice at Child Care Aware of America, an advocacy group that works with local and state child-care resource and referral agencies.

"Layer Covid on top of that and the system, as it stands, really ceases to work well for anybody."

Child-care providers can use the new funding toward expenses like payroll, rent and sanitation supplies. They must also provide financial relief to struggling families. In addition, the new law provides $1 billion for the Head Start program.

Yet child-care advocates believe more needs to be done.

"The relief package was about getting us back to the pre-pandemic starting point, which had its flaws," said Melissa Boteach, vice president for income security and child care/early learning at the National Women's Law Center.

"In order to rebuild, we have to address the underlying inequities that made us so vulnerable to the pandemic in the first place."

For one, there has been a lack of assistance to those who need it most. Only 1 in 6 children eligible for child-care assistance receives it, which leaves many low-income families struggling to pay for care, the Center on Budget and Policy Priorities found in 2019 — before the pandemic.

There are also so-called child-care deserts, where there is an insufficient supply of licensed child care to meet demand. About half of American families with young children live in a child-care desert, a 2018 analysis by the Center for American Progress found. It warned the pandemic would make it worse.

With less than 0.5% of the nation's gross domestic product spent on child care, providers rely on tuition, but workers' pay is low. They earn an average of $11.65 a hour and often don't have health insurance or paid family leave.

"The system has to rely on a patchwork of funding streams that place a high burden on families to pay the price of care," Cardona said.

Climbing out of the pandemic

For Justin Pasquariello, executive director of East Boston Social Center, the latest aid package will provide much-needed relief.

The center, a multiservice agency, operates four early education centers for children ages 2 months through pre-kindergarten. About 90% of the children it serves receive public subsidies or vouchers based on family income, involvement in child welfare or other family needs.

After shutting down in March, the centers reopened in the summer — but saw low enrollment and higher safety hurdles to overcome.

"We had to get all the PPE for staff," Pasquariello said. "We had to have dedicated staff people to screen for health on the way in and to bring the children from that screening to the classroom because we couldn't have parents coming into the building."

On top of that there have been adjustments in the classroom space and in transportation. He is projecting a loss this fiscal year of about $170,000.

However, state guidelines on how to spend the new relief money have yet to be worked out, Pasquariello said. Fewer children in the centers means less revenue, and he's hoping the grants will help fill that gap. He also would like it to be used for immediate needs like air filtration systems, as well as boosting worker pay.

"We need to continue to invest in compensation for our staff," said Pasquariello, noting that recruiting and retaining the workforce was a huge challenge for child=care providers even before the pandemic.

Looking ahead

The pandemic has highlighted the need to address a crisis that has gone on for too long, advocates argue.

"As governments rebuild their economies, it's time to start treating childcare as essential infrastructure—just as worthy of funding as roads and fiber optic cables," Melinda Gates wrote in the annual Bill and Melinda Gates Foundation letter in January.

"In the long term, this will help create more productive and inclusive post-pandemic economies."

This week, Assistant House Speaker Katherine Clark, D-Mass., reintroduced the Child Care is Infrastructure Act. It would provide $10 billion to child-care providers to help renovate facilities and improve infrastructure.

It also would authorize a student loan repayment program for up to $6,000 annually for five years for eligible early childhood educators and up to $3,000 annually to eligible individuals pursuing a Childhood Development Associate credential or an associate's degree.

"Child care is part of the bedrock of our economy," Clark said at a news conference announcing the bill.

"The economic benefits of child care are well documented, but so are the economic losses associated with its inaccessibility and our nation's repeated refusal to invest in child care with the significance that it deserves."

The investment

Proponents believe investing in the system will not only benefit children and their providers, but the economy as a whole.

High-quality, comprehensive, early-childhood programs provide a 13% return on investment, Nobel Prize-winning economist James Heckman found. Research has shown anywhere from a $4 to $9 return per $1 invested to between $7 and $12 for each $1 invested.

Yet instead of thinking of the cost of investing in child care, Boteach likes to think about the cost of inaction.

The risk of mothers leaving the labor force or reducing work hours in order to care for their children amounts to $65.4 billion per year in lost wages and economic activity, a report by the left-leaning think tank Center for American Progress found. There would also be an additional $12.2 billion of lost tax revenue.

"We have made it such an individual burden," Boteach said. "In reality, it is a public good that helps all of us."
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