

# Biden's Commerce Secretary demands higher pay for childcare workers. 'Our economy cannot run without these women.'

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## EXCERPTS

It's well documented that the pandemic caused a childcare crisis — one of its many devastating effects on parents.

As childcare providers shuttered, women dropped out of the labor force to care for their children. Some struggled to balance work and caregiving responsibilities, facing burnout with no end in sight.

Now, labor shortages abound as workers hesitate to return, and Commerce Secretary Gina Raimondo told Insider that childcare plays a significant role.

"Women are not able to answer the help wanted ad if they don't have steady, affordable childcare, because they know they can't be reliable, productive employees," Raimondo said. "So they're not applying for these jobs."

But on the other end is an equally devastating shortage: Childcare centers are struggling to staff up. That's likely due in part to the low wages that childcare workers make.

Childcare workers made a median hourly wage of \$12.24 in 2020, according to the Bureau of Labor Statistics' Occupational Employment and Wage Statistics program.

"If you are a full time childcare worker working in a daycare center, making \$13 an hour — which by the way is higher than typical — and you work full-time, 40 hours a week every week, you make \$27,000 a year," Raimondo said. "That's really hard to live on, \$27,000 a year, and that's working full-time. It's a problem."

Pay for the childcare industry has slowly ticked up — alongside other industries — as employers scramble to lure in workers. As employment in the child daycare services industry continues its recovery from the pandemic, wages for production and nonsupervisory employees in this sector have gone up. As seen in the following chart, average hourly earnings for these workers were \$15.77 as of August.

The industry, however, lost 10,000 production and nonsupervisory employees jobs in August, so the earnings increase that month could partially be coming from lost jobs among lower-wage workers that month. These employees have mainly seen job and earnings gains throughout 2021, as some centers in the industry try increasing pay and offering sign-on bonuses to attract new workers.

"We got to get to a higher minimum wage — frankly, it's even more than just minimum wage. Taking care of our elderly loved ones and our children, it's the most important work we can do," Raimondo said. "Why shouldn't childcare workers have the same wages and benefits as teachers?"

Paying these workers more would go a long way. The federal minimum wage hasn't been raised since July 2009, and raising it to \$15 would be especially beneficial for women and Black childcare workers, according to an analysis from the Economic Policy Institute (EPI). The left-leaning think tank writes that 48.5% of Black childcare workers would benefit as well as 43.8% of women in childcare.

"Our economy cannot run without these women who are in the childcare industry," Raimondo said. She added: "These childcare workers are, in a very real way, the backbone of our economy, and it's time that we started treating them that way."

In February, a measure to raise the minimum wage to \$15 an hour was struck from President Joe Biden's first stimulus package. Eight Democrats voted against putting it back in. Now, the Biden administration wants to make childcare affordable and raise wages for workers through a \$3.5 trillion social spending infrastructure package. But even that package is at risk as centrists call for it to be pared down.

"Low wages for childcare workers have for too long been treated as a 'solution' to help make child care affordable," EPI wrote. "This has failed on every count. Despite the low wages of child care workers, these services remain unaffordable for many low- and middle-income families. Meanwhile, low wages leave child care workers economically vulnerable and compromise the quality of care children receive."

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

**Tags:** child care workforce <sup>[4]</sup>

wages <sup>[5]</sup>

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