

Paid leave is out, universal pre-K is in. What women — especially women of color — have at stake in the pandemic recovery ^[1]

‘It’s easy to take the people out of the policy’

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EXCERPTS

As concessions to moderate Democrats halved President Biden’s 10-year “Build Back Better” package from \$3.5 trillion to \$1.75 trillion and torpedoed paid family leave prospects, policy experts warned that family-friendly policies that help Americans with care needs will be crucial for women’s economic recovery from the pandemic — especially for many women of color and low-wage workers.

Michelle Holder, the CEO of the Washington Center for Equitable Growth and a labor economist at John Jay College, called the issues of child care and paid leave “absolutely critical” to the recovery. “If there is not enough attention paid to these two columns of what women need to be fully engaged in the American workforce, what we’re going to see is the decline in labor-force participation rates in women, particularly women of color,” she said.

Biden announced Thursday which provisions in the wide-ranging social spending framework had survived months of political wrangling and price-tag concerns. Proposed family-focused investments include universal preschool for 3- and 4-year-olds, child-care cost savings for families, and a one-year extension of enhanced child tax credit payments that have translated to reductions in child poverty.

The “vast majority” of working families of four making less than \$300,000 a year won’t pay more than 7% of their income toward child care for kids younger than 6, and states will be able to expand child-care access to around 20 million children a year, according to the White House.

But a plan to give all U.S. workers paid family and medical leave was first truncated from 12 weeks to four weeks before falling out of the bill entirely. The U.S. remains the only wealthy country without federally mandated paid leave, which research shows can increase labor-force participation, boost child well-being and help workers absorb economic and health-related shocks.

“I’m looking at everything but to put this into a reconciliation bill — it’s a major policy — is not the place to do it,” Sen. Joe Manchin, a moderate West Virginia Democrat whose vote is pivotal to passing the bill, told HuffPost.

Angela Rachidi, a senior fellow at the right-leaning American Enterprise Institute, argued in a September analysis that the proposed new universal programs were poorly targeted to people most in need, and that a paid family and medical leave program “runs the risk of crowding out employer-provided benefits and costing low-income workers more through regressive funding mechanisms.”

“A better approach would be to increase refundable tax credits for working families in a bipartisan way (outside the reconciliation process) and make several smaller payments throughout the year (as opposed to a single lump-sum payment during tax season). This would increase flexibility and help low-income working families afford to send their children to the preschool of their choosing and take time away from work after the arrival of a new child,” Rachidi wrote.

Holder — who, like all of the sources in this story, first spoke with MarketWatch before the paid-leave window closed — said in an emailed statement Thursday that the White House’s social-spending package was “an overdue first step forward in strengthening our long-underfunded social infrastructure system.”

But, she added, “the omission of paid leave is disappointing — especially given how many workers and their families have suffered during the pandemic as a result of not having access to these benefits, who are disproportionately women and people of color.”

“At the end of the day, keeping paid leave out of the Build Back Better framework has a real cost for the millions of workers who will still have to make the agonizing choice between taking care of themselves or a loved one and making ends meet,” Holder said.

Social policies must interact with and strengthen one another to reflect the intertwined needs of women and families, who “don’t live single-issue lives,” Melissa Boteach, the vice president for income security and child care/early learning at the National Women’s Law Center, told MarketWatch.

“If I get paid family and medical leave, but then I don’t have a place to put my child when I go back to work, it doesn’t work,” she said by way

of example.

‘It’s easy to take the people out of the policy’

During what she called a difficult pregnancy, Joy Spencer, a 34-year-old Durham, N.C., single mother and member of the grassroots organization MomsRising, needed to find a job “less mobile” than her busy entrepreneurship and event-management work. A temp job she landed offered networking opportunities, but provided low wages with no paid time off. She got a second job at a call center, also without paid leave, knowing she would have to work enough hours and accrue enough savings to stay at home once she had the baby.

After the birth of her daughter, LiLi, in June 2018, Spencer’s savings depleted quickly with doctor’s appointments, bills and baby needs, and she struggled to find affordable child care. “I tried to get help to pay my rent, but I couldn’t get that assistance until I had a job. And I couldn’t get a job, because I didn’t have child care to go to an interview,” she said. “It was all these catch-22s, going in circles.”

Spencer, who is Black, landed a minimum-wage job at Americorps, along with subsidized daycare, for which she paid a \$150 monthly parent fee. But her parent fee tripled after she took a higher-paying job at the county courthouse, and then the pandemic closed her daughter’s child-care program, sending her scrambling to negotiate between work and staying home.

She also fell out of the subsidy-eligibility threshold after getting a 2% raise in June 2020. Due to a lapse in communication over when waived parent fees during the pandemic would end, Spencer learned months later that she owed the child-care program \$975. The provider allowed her to go on a payment plan for her balances, to which she still contributes what she can from each paycheck, and discounted her monthly tuition to \$900.

Spencer’s community advocacy led to her current job as executive director of Equity Before Birth, a maternal and infant mortality nonprofit whose services include supplementing income for people who lack paid parental leave. While this is the highest-paying job she has ever had, she still lives paycheck to paycheck. “I come from poverty and I entered this job in the hole, so I feel like I’m still crawling out,” she said.

She added, “There are blanketed stigmas around folks who need support, especially financial support.”

“A lot of that may come from people not ever having the experience of, ‘I’ve done every single thing I possibly know how to do, and I still do not have these couple of dollars to get this basic need met,’” Spencer said. “Without that experience, you could probably lack a lot of empathy, a lot of sympathy. It’s easy to take the people out of the policy.”

How lack of access to child care and paid leave impacts women of color

The pandemic accelerated a care-worker shortage years in the making and cast new urgency on access to paid leave and affordable child care. With closed schools and child-care centers keeping kids at home, working parents — especially women, already viewed as the child-care linchpin of many households — were stretched thin across work, unpaid caregiving and remote schooling.

The labor-force participation rate for U.S. women now sits at its lowest in decades. Women lost 26,000 jobs in September, and 309,000 women ages 20 and up exited the labor force, according to an analysis by the National Women’s Law Center.

Broadly speaking, many of these pressures have weighed even more acutely on women of color, who face wage discrimination and occupational segregation. “Women, and especially women of color, have been overrepresented as frontline workers without job protections, unemployed workers, and unpaid caregivers who have been pushed out of the labor market,” Boteach said.

Higher shares of Black women and Latinas compared to white women work in low-wage jobs that lack paid-leave benefits, Holder noted. For those who must take unpaid time off, “people who are lower-income are less able to afford that loss in pay, and that can mean tradeoffs,” such as going to work without needed child-care supports or being unable to work because of caregiving duties at home, added Usha Ranji, the associate director for women’s health policy at the think tank KFF.

“Lack of paid leave has a disproportionate impact on women, who are the primary caregivers for children, aging parents, and other family members who are sick and need assistance,” Ranji added in an email Thursday. “The gap is largest for women workers with the lowest wages, and who can least afford to lose income when they take time off to welcome a child, care for family members, or address their own health needs.”

Meanwhile, higher shares of Black women and Latinas are single mothers compared to white women, making working women of color more vulnerable when there are disruptions to child care, or lack of access or affordability, Holder said.

“When we talk about women of color and particularly Black women, and some of the challenges they’ve experienced during this pandemic, we’re really talking about the centuries of discrimination and inequality that have resulted in this population being overrepresented among single mothers, people living in poverty — socioeconomic factors that have nothing to do with being Black or Hispanic, but are a byproduct of the system,” said Sam Abbott, a family economic security policy analyst at the Washington Center for Equitable Growth.

On the other end of the paid-care equation, Black women and Latinas also make up outsize shares of workers in child-care and home healthcare jobs, which often provide low pay — a result of the industry’s difficult economics, in addition to historical racial and gender discrimination.

“Care work in general is undervalued in our economy,” Abbott said. “I think that’s why we haven’t made some of these much-needed investments in our child care — [the] sentiment that women were there to do that, particularly women of color, so that’s not something we need to worry about investing in now.”

‘It was hard for me to go to work’

Glenora Romans, a 48-year-old single parent of three in Houston who cares for children and elderly people, cleans homes and advocates for policy change with the National Domestic Workers Alliance, told MarketWatch she has struggled to find child-care options for her 11-year-old daughter and 9-year-old son while she’s at work.

“I had to care for my kids, and it was hard for me to go to work,” said Romans, who is Black. “When you have the kids, you can’t take them to people’s homes, because you have to have your [personal protective equipment] and you don’t want to expose your kids ... if somebody has COVID.”

But even just finding well-paying, consistent work has been hard for Romans and many other domestic workers during the pandemic. This, along with unstable housing and uneven transportation access, has added more stress to her child-care challenges.

“Sometimes, it’s not enough hours. ... They say, ‘Oh, we’ll give you four hours a day and it’s like \$9 an hour.’ But it’s so far that I can’t take it, because if I take that ... I’m just basically going to be working for the gas money,” Romans said. “It’s a lot of hardships.”

‘I see it as an opportunity’

Any growing, flourishing economy needs people working, Holder said, and “if you have women withdrawing from the labor force, and disproportionately women of color, that is not only bad for the American economy overall, but it is detrimental to the communities these women come from — especially since higher numbers of them are the heads of their household.”

Holder also pointed to a “compounding effect” on women of color of negative labor-market outcomes stemming from the pandemic coupled with high COVID-19 morbidity in their communities.

“In some ways, this is a tragic time in this country for women of color — directly attributable to the pandemic, but secondarily to our nation’s inability to appropriately address what these communities needed to be able to weather the multiple storms of the pandemic, both in terms of the American workforce as well as their own families,” Holder said before the latest spending-bill framework was announced.

Spencer, who spoke to MarketWatch again after paid leave was axed from the bill, said the omission felt to her and her staff like “mourning a loss.” But it also motivated her to channel her energy into continued advocacy, she said.

“I see it as an opportunity for us to get the wrong people out of office; get the right people into office,” she said. “By the next election, we can have the right players in place to have this pass.”

Region: United States [3]

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universal preschool [5]

women's labour force participation [6]

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