

To provide better childcare, the US will have to raise caregivers' pay ^[1]

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EXCERPTS

If any working parents watched Barack Obama deliver his sixth State of the Union address on Tuesday, they probably nodded in approval. The president, who has two years left in office, laid out an ambitious agenda to help strengthen the middle class. One of the main issues highlighted was the high cost of childcare.

"In today's economy, when having both parents in the workforce is an economic necessity for many families, we need affordable, high-quality childcare more than ever," he said. "It's not a nice-to-have - it's a must-have.

"It's time we stop treating childcare as a side issue, or a women's issue, and treat it like the national economic priority that it is for all of us."

On Thursday, in Lawrence, Kansas, Obama reaffirmed his commitment to making high-quality childcare affordable for more low-income families with children three-years-old or younger. According to the White House, an \$80bn expansion in such care will help 2.6 million children over the next 10 years.

Costing anywhere from \$5,476 to \$16,549 a year, childcare is one of the highest expenses for American households. In the majority of states, childcare costs more than in-state tuition to public colleges; most families spend twice as much on childcare as they do on food. And while over 900,000 US families receive subsidies to help them, such payments often cover only a fraction of the costs. The \$3,000 tax cut per child proposed by Obama on Tuesday would go a long way in helping such families. The tax credits and subsidies proposed by Obama would be funded by increased taxes on investments and inherited wealth; childcare expansion would be covered by increased tobacco taxes, reported the New York Times.

The childcare subsidies many parents currently depend on are provided under the Child Care and Development Block Grant program, which was re-authorized by Obama in November. In 2013, the \$5.3bn-a-year program served about 1.5 million children under the age of 13.

But demand for childcare is at an all-time high. In 2014, more than 15 million children under six years old potentially needed care, according to the 2014 Child Care Aware of America report. About 8.6 million came from families with two working parents; the remaining 6.4 million were from single-parent families, where parents were also working. In the US, there are 20 million children under four years old. A quarter live in poverty.

Region: United States ^[3]

Tags: pay equity ^[4]

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