

# Affordable child care: The secret to a better economy <sup>[1]</sup>

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## EXCERPTS

Of the 24 million children under 6 in the United States today, some 12 million need day care, because both parents work or a single parent is the breadwinner. Yet most working families can't afford good care — if they can even find it in the first place. In 2006, a federal study gave a "high quality" rating to only 10 percent of the nation's child care programs, and the proportion today is almost certainly smaller, since government financing for child care has declined in the past decade.

So it is no surprise that child care has become a campaign issue, with both Hillary Clinton and Donald Trump proposing to help with costs that now average nearly \$18,000 a year for two children in a child care center (or about 30 percent of median family income). What is surprising is that it has taken so long for the issue to gain prominence. After all, affordable high-quality child care is one remedy to the long stagnation in wages afflicting most of the work force. It is also an antidote to the waning productivity that threatens future living standards.

Affordable day care, for instance, would stanch the income loss experienced by parents who now must leave the work force while their children are young. The damage of such career interruptions does not end when a parent goes back to work; among other things, there are the raises that were missed and the savings that otherwise would have accrued. A 26-year-old mother who takes five years off from a median-paying job — \$30,253 in 2014 — would forfeit \$467,000 over a work life, reducing her lifetime earnings by 19 percent, according to a calculator by the Center for American Progress.

The losses are even more profound when multiplied over the economy. International comparisons indicate that more family-friendly policies in the United States, including quality child care, would allow roughly 5.5 million more women to work, assuming the economy was adding jobs at a reasonable pace. All else being equal, that surge could generate an astounding \$500 billion a year in economic growth, or about 3.5 percent of gross domestic product.

Proper child care also lays the foundation for future productivity gains. Research shows that public investment in early education yields benefits for children far in excess of its cost, including higher academic and career achievement well into adulthood, as well as better health. McKinsey researchers estimated that closing academic achievement gaps between low-income students and others would increase the size of the economy by roughly \$70 billion a year; closing racial and ethnic gaps would add \$50 billion annually.

Of the plans put forward by the presidential candidates, Mrs. Clinton's is the only one that makes a valid attempt to reap those benefits. It focuses on affordability and quality through expanded tax credits to help low- and middle-income families pay for child care and government subsidies to support day care centers that meet federal standards. The plan also includes an expansion of Head Start. It would be largely paid for in the near term by raising taxes on high-income Americans.

Mr. Trump's plan would provide a tax deduction equal to the average cost of child care in a state, an approach that would give high-income parents a tax savings of up to nearly 40 percent of their deductible expenses while granting low- and middle-income parents a break of up to about 8 percent at most. Since Mr. Trump makes no provision to pay for this plan, its cost would presumably be added to the already gaping deficit that would be created by his proposed \$9.5 trillion income-tax cut.

High-quality child care is a win-win, helping to raise earnings now and increase productivity over the long term while enriching the lives of children. Only Mrs. Clinton, who has long focused on the needs of children, has a realistic plan to make this long overdue investment in families.

-reprinted from New York Times

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

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

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