# II CENTER FOR THE AMERICAN WORKER

### Reimagining Child Care in America

By: Dr. Laurie Todd-Smith

August 2021

Parents are the most important people in the lives of young children. From birth, children rely on mothers and fathers and other care providers to help promote their overall well-being (National Academies of Sciences, Engineering, & Medicine, 2016). Research has continuously affirmed that the relationship between child and parent is significant to children's overall contentment and development. Healthy relationships with parents or caregivers are especially critical during infancy. The most recent data from 2019 for the United States indicates that there are 15 million parents with children under 6 years of age (Kids Count Data Center, 2019). While some parents are able to stay home and care for their children, millions of American families rely on child care to facilitate work outside the home. For this reason, high-quality, affordable, and accessible child care is important for working parents and children during the most formative period of their development. Child care is also an essential plank for businesses to ensure that they can meet their workforce needs. COVID-19 has significantly impacted how policymakers are using this opportunity to rethink child care in America. With nearly \$40 billion in federal aid being allocated for child care (Hardy & Robbins, 2021), states have many decisions to make regarding how best to align and utilize those funds. The focus for funding child care should be on strategies to amplify the crucial role of parents in raising their children during the most critical time of child development. The families hit hardest by the pandemic are the same families that struggled with low-quality and inadequate care for their children before the pandemic. Universal child care, which is currently being proposed, is a big government expansion program that will create administrative structures building the child care sector rather than building the needs of families and children. The American First Policy Institute fundamentally believes that the funding currently flowing into states provides an opportunity to rethink the current child care environment to ensure high-quality care that benefits children and working families. Providing more money and government subsidies is not the answer. The challenge of our time is how better to align the dollars available to benefit those who need it most while not punishing hard work and increased financial opportunity for parents.

#### THE IMPORTANCE OF EARLY CHILDHOOD EDUCATION

Americans increasingly recognize the importance of early childhood. Almost three-quarters of respondents in a <u>2020 bipartisan poll</u> identified the period from birth to age 5 as the most significant for developing a child's capacity to learn. In this poll, researchers found that 84

percent of Republicans, 86 percent of Independents, and 98 percent of Democrats said that "making early education and child care more affordable for working parents to give children a strong start" is vital to our country (<u>Uhing, 2021</u>).

A child's early education begins at birth and is influenced positively or negatively by the quality of their environment, relationships, and experiences (<u>National Academies of Sciences</u>, <u>Engineering</u>, <u>& Medicine</u>, 2015</u>). Family environments during the early years, especially parenting, are major determinants of human development because they shape and form the foundation for lifetime skill development before children enter formal schooling (<u>Francesconi & Heckman</u>, 2016). When reflecting on this past year and the impact of COVID-19, some children will have had a positive experience at home. For other children, COVID-19 has increased their risk for negative childhood experiences that will likely impact their ability to be prepared for kindergarten (<u>Mehrtens</u>, 2020) (<u>Kessel et al.</u>, 2020).

The child care industry in the United States is fragmented and typically has varying governing structures that seek to align services but continue to fund programs instead of families. The child care market includes a diverse set of for-profit and nonprofit businesses, including large child care centers run by national or regional companies; child care provided in the owner's home, often referred to as family child care or home-based care; care provided in faith-based settings; and individual caregivers. Child care is different from the K-12 system in that there is no federal involvement in overseeing standards. Child care licensing standards and reporting requirements are managed individually by states within multiple agencies, and states have the freedom to change and deregulate as needed.

According to a Child Trends 2019 report, over 3 million child care settings in the United States are serving children under the age of 6. Since 1975, the female labor force participation rate with children under 18 had increased from 47 percent to 72 percent in 2019 before COVID-19 (U.S. Department of Labor, 2019). In fact, 40 percent of women became the breadwinner within their households (U.S. Department of Labor, 2019). As of April 2021, 59.8 percent of U.S. households were dual income-meaning both parents were employed (U.S. Bureau of Labor & Statistics, 2021). Research has provided some evidence into how childcare costs affect the labor force participation rate for working families, especially for women. For example, one study finds that a 10 percent increase in child care costs is associated with a 7.4 percent decrease in workforce participation by married mothers (Mathur & McCloskey 2014). Thus, with child care expenses on the rise (FRED, n.d.) (Kornrich & Furstenberg, 2007), pro-family policies are more crucial than ever before to boosting labor force participation. Unfortunately, COVID-19 disrupted much of the labor force—especially those employed in high-contact industries with less ability to work remotely—which led to a steep decline of women in the workforce, driven in part by child care as one of the many contributing factors (McKinsey & Company & Lean In, 2020). Before the onset of COVID-19 in 2020, more than 62 percent of parents used child care services outside their homes. Since the onset of COVID-19, one-fourth of all parents—or 6 in 10 who used child care services—experienced disruptions to their child care (The Federal Reserve, 2021). Moreover, despite the robust economic

recovery over the past year, roughly 2 million women remain out of the workforce according to the May 2021 jobs report (<u>U.S. Bureau of Labor and Statistics, 2021</u>).

#### EARLY CHILDHOOD AND K-12 EDUCATION FUNDING

The federal government currently provides significant funding to states to help them manage child care assistance programs, the overall goal of which is to offset child care costs to help low-income parents enter or re-enter the workforce or seek job training and education. The majority of federally-funded child care is provided by the Department of Health and Human Services through the Child Care and Development Fund (CCDF) and the Temporary Assistance for Needy Families (TANF) program. One small portion of the CCDF funds is allocated for child care quality initiatives.

The research clarifies that high-quality child care has significant benefits for low-income children, especially those from single-parent households (<u>Heckman, 2017</u>). Of the 13.6 million children eligible for child care subsidies in 2015, only 15 percent received subsidies (U.S. Department of Health & Human Services, 2019). A 2019 analysis of CCDF found that just 8 percent of potentially-eligible children received subsidies based on federal income eligibility limits and 12 percent of potentially-eligible children received subsidies based on state income eligibility limits (Ullrich, Schmit & Cosse, 2019). As we acknowledge these major gaps in child care funding levels, it is critical that the Biden Administration continues the progress made by the Trump Administration and target those who need funding the most. The Biden Administration has proposed universal childcare, which will create administrative structures that feed the child care industrial complex rather than feeding the needs of families and children. Additionally, the current administration's approach to the Child Tax Credit (CTC) transforms it from support for working families to a welfare entitlement that paves the way toward universal basic income. Previously, families had to have at least a small amount of earnings to qualify for a CTC refund when they filed their taxes The Biden CTC is a monthly government check that goes to everyone regardless of their work status. Although currently set to expire after 2021, Congress may make this CTC transformation and the accompanying liberal philosophy of separating income from work permanent in the pending reconciliation package (Noah, 2021).

**Table 1** provides data regarding federal spending on child care and K-12 education. In Fiscal Year (FY) 2020, federal spending on child care was \$8.2 billion, with an additional \$3.4 billion from the *Coronavirus Aid, Relief, and Economic Security Act* (CARES) (U.S. Department of Health and Human Services, 2020). Funding for Head Start—a suite of programs that promote the school readiness of young children from low-income families—to states in FY2020 was \$10.7 billion, which marked an increase of \$135 million over FY2019. Head Start also received an additional \$250 million in supplemental funds to continue its response to COVID-19. In addition, total state funding for public preschool, serving children ages 3 to 4, surpassed \$9 billion across 44 states and D.C. in the 2019-2020 school year, yielding an

increase of \$301 million from the previous school year adjusted for inflation (<u>Friedman-Krauss</u> et al., 2021).

	FY2020 appropriation	CARES Act March 2020	COVID-19 Relief Package December 2020	America Rescue Plan March 2021
CCDF	\$8.2 billion	\$3.4 billion	\$10 billion	\$14.9 billion
Child Care				\$23.9 billion
Stabilization Grants				\$23.3 DIMON
Head Start	\$10.7 billion	\$750 million	\$250 million	\$1 billion
K-12 Education	\$612.7 billion	\$13.2 billion	\$54 billion	\$126 billion

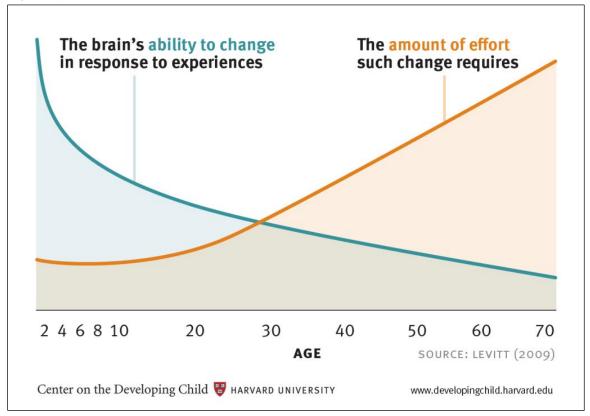
## Sources: CARES Act, 2020; U.S. Department of Health and Human Services, 2020; Hanson, 2021; American Rescue Plan Act, 2021

Overall, the U.S. child care system serves a vital economic purpose as a source of support for the workforce. These federal funds have reporting requirements, but states have the authority to develop standards and licensing for child care. (<u>National Center on Early</u> <u>Childhood Quality Assurance, n.d.</u>). States also have the authority to decide who is eligible for child care assistance and how much to be paid to child care providers.

#### EARLY CHILDHOOD EDUCATION REFORM EFFORTS IN STATES

As Table 1 clarifies, the United States spends a substantial amount on early childhood education and child care. The United States also spends more per student on K-12 education than almost any other country in the world (OECD, 2019). Even with these significant investments in education, according to a 2019 Organisation for Economic Cooperation and Development (OECD) report, American students still perform poorly on academic assessments compared to many of their international counterparts. Fifteen-year-old's in the United States ranked 25th in reading and 35th in math out of 72 countries participating in the OECD's 2018 Program for International Student Assessment exam, with only 10 percent of U.S. students scoring at top proficiency levels in reading and just 6 percent at top levels in math (National Center for Education Statistics, 2018). A study by the Department of Education found that 19 percent of American adults were reading at the lowest literacy level in 2017 (National Center for Education Statistics, 2019). Relevant for child care policies, this achievement gap precedes a child's entry into K-12 schools. One study found that by age 4children from higher-income families have a vocabulary of 45 million words, whereas a child from a low-income family knows only 13 million words (Hart & Risley, 2003). Given these early-age deficits, it is clear that much-needed reforms to improve the overall education system must put families first to recognize their importance for healthy child development.

**Figure 1** below provides information showing the timeline of when the brain can more easily adapt and change versus the effort required to make that change as we age. It is easier and less costly to form strong brain circuits during the early years than it is to intervene or "fix" them later (<u>Harvard</u> <u>University, n.d.</u>).



As noted in **Figure 1**, brain science confirms that the earliest years of a child's life are critical because that period of development is when the brain has the greatest ability to change in response to positive and negative experiences. Thus, starting at birth, the environment that young children spend the most time in and the adults they are surrounded by have a profound impact on their healthy development and lifelong well-being. Since 90 percent of brain growth occurs within the first 4 years of life, state leaders should consider policies that prioritize families and empowers them to make decisions that best suit their needs (Zero to Three, 2013). New guidance recently released clarifies that each state's lead agency can decide on the use of child care funds. There is no one-size-fits-all policy approach to investing in child care. States will pursue different options based on the needs, resources, and priorities of the families within their state. It is critical for states to maximize the new federal COVID-19 relief funds better to align existing programs serving children and families.

Early Childhood systems building is an ongoing process to improve the support services available for young children 0-8 years of age and their families. States have worked to build cohesiveness on financing, governance, training for teachers, Head Start, child care, public pre-k, home visiting, and other sectors of early childhood to operate as a whole. States like Arkansas, Georgia, and New Mexico have significantly improved alignment and coordination of services for young children and their families by consolidating state agencies, creating a

governing board for early childhood education, and administering federal and state funding for child care and public PreK from within one agency (<u>Smith et al., 2018</u>). One of the most successful ways the early childhood field has seen improvements is through a systems approach to increase alignment, coherence, and continuity of child care across programs and services (<u>Erdei, 2019</u>). Instead of looking at child care as a separate entity, the systems approach seeks to achieve increased access, reduce duplication of effort, and improve effectiveness across government agencies and between public and private organizations. The best way to develop sound new policies in early childhood education is to build on the strategies that have proven successful. With the current fragmented early childhood system nationwide, and nearly 50 billion dollars being dispersed to fix the broken systems, states need to carefully consider the next steps and build on their existing state plans.

In Minnesota, business and philanthropic entities raised \$20 million in private funding to pilot the Early Learning Scholarships program, which follows a parent choice-driven approach to helping young children. The program provides scholarships to low-income families to cover care and education costs (Families First of Minnesota, n.d.). The program focuses on starting early, targeting resources to the neediest children, increasing the quality of care, and empowering parents with the option of choosing what meets their needs (Grunewald, Horowitz & Bukingolts, 2018). The overarching goal of the program is to put families first. The funds for scholarships are also allocated to home-based care and family providers to meet the needs of parents. Minnesota has a Quality Rating and Improvement System (QRIS) entitled Parent Aware that ranks child care centers and helps parents choose the best place for their child (<u>QRIS, n.d.</u>). The QRIS program includes steps to higher levels of guality. For example, being a licensed center is one star and supporting teachers through coaching and professional development moves up to two stars. At the level of three and four stars, centers are offered financial incentives to attain higher ratings. Higher reimbursements for CCDF subsidies and funding for materials are provided for the higher levels of quality. Centers are not required to seek higher levels, but most do with the extra financial benefits of the higher rating. Ratings are made public, and parents are encouraged to choose higher-quality level centers.

An Early Childhood Integrated Data System collects, integrates, maintains, stores, and reports information from early childhood programs across multiple agencies within a state that serves children and families from birth to age 8. The importance of integrated data is widely acknowledged given its ability to facilitate better outcome tracking, increase efficiency, and improve the capacity for informed decision-making, leading some states to put more resources behind the creation and development of data systems than others. **Mississippi** has made considerable progress toward developing and establishing a statewide integrated education and workforce longitudinal data system. The system has a shared vision and mission, sustainable partnerships, and governance and management plans for sharing data amongst state agencies. The system includes early childhood, K-12 education, community colleges, institutions of higher education, employment, rehabilitation services, and corrections longitudinal data. Many education and workforce leaders have recognized the importance and the value of such a system as it has been used to generate

information to inform policymakers and stakeholders on student achievement and workforce outcomes. Additionally, in 2008, business leaders across Mississippi raised approximately 10 million dollars for Mississippi Building Blocks. This evidence-based program focuses on improving school readiness by helping child care centers improve the quality of care through coaching, parent classes, classroom materials, and on-site professional development for teachers and business advisors to assist child care directors. This 6-year pilot program helped to inform the state of Mississippi's Early Childhood System. The coaching, parent classes, classroom materials, on-site professional development, and assessments of young children are now offered to all of the 1600 licensed child care centers. Mississippi Department of Human Services, 2019). In addition, Mississippi's State Early Childhood Advisory Council (SECAC) focuses on aligning services for children. The SECAC developed a Family Based Unified and Integrated Early Childhood System that connects all public resources available to parents across agencies and organizations through technology (Copiah Lincoln Community College, n.d.). The collaboration between multiple state agencies, the governor's office, state early care and education providers, and the SECAC was launched in 2017. A key component to the program's success is the use of technology to create common case management, which develops a success plan for the parent and the child based on the family's needs. This referral process uses the state longitudinal data system data and efficiently coordinates all the necessary services for the family. The program's goal is to help place parents on a path to self-sufficiency and advance their children's development in high-quality early learning environments.

The governance structures for early childhood systems vary significantly from state to state. Nationwide, six states have created an entity to oversee early care and education components. **Alabama** created an executive department of state government to effectively and efficiently oversee programs to support children in the state. The office guides the state's early childhood priorities by combining the Office of School Readiness, Office of Early Learning and Family Support, the Head Start Collaboration Office, and the Office of Child Development and Professional Support. An executive order from Governor Bentley established the Alabama Children's Policy Council and helped coordinate across the state. The research on governance does not provide evidence that structuring a new Office of Early Childhood is necessarily more advantageous or better. A governor supporting this effort, with high visibility, has led to strong sustained partnerships with the agency overseeing child care (<u>Connors-Tadros, Jost & Northey, 2020</u>).

States have taken many different approaches to improve early childhood education. Given the complexity of the many different components of early childhood systems, many states have looked at their existing structures to determine alignment among agencies and across programs serving young children. **Georgia** created Bright from the Start: Department of Early Care and Learning in 2004 and merged the Office of School Readiness, the Department of Human Resources, the Department of Education, and the Georgia Child Care Council. Bright from the Start administers the state's PreK program, licensing for child care, federal funding, and the quality rating system for child care. It also houses the Head Start collaboration office. The Georgia State Advisory Council merged with the Georgia Children's Cabinet to help guide policies and lead efforts with coordinated goals (<u>Georgia Department</u> <u>of Early Care and Learning, n.d.</u>). **Iowa**, via an executive order signed by Governor Reynolds in March 2021, launched a Child Care Task Force to develop a comprehensive strategy to address the child care shortage and barrier to work in Iowa (<u>Future Ready Iowa, 2021</u>).

#### BEST PRACTICES IN CHILD CARE REFORM

#### Increase the Availability of High-Quality Child Care Across Settings

The role of the family is significant in helping with healthy child development. Keeping parents with young children informed about child development, language development, elements of quality child care, and developmentally appropriate parenting can profoundly impact the child's well-being. High-quality child care is a multi-dimensional concept and may vary based on setting, such as center-based care or family child care homes. Many states have implemented quality rating and improvement systems that provide parents with information on the quality of care available in their communities and help child care providers strive for high quality. However, these systems often give a single "rating" to a child care setting, generally focused on center-based care. Quality requirements that fail to address dimensions of quality that are unique to the setting, such as faith-based, family, or home-based providers, and/or that fail to reflect the preferences and needs of parents and children can drive providers out of the market and reduce options for working families. Respecting the role parents play in choosing the care that is best suited to their child's needs, values, language, culture, and work schedules is critical. One-size-fits-all directives on what constitutes high-quality child care can be counterproductive if few child care providers are left in the market from which to choose. Child care policy and quality rating systems should be designed to include all provider types, including home-based family child care, to enable the full array of safe, nurturing child care options and settings.

#### Ensure Common Sense, Aligned Regulations for Child Care Providers

Licensing, regulatory, and monitoring frameworks are the basis for ensuring that child care settings are healthy and safe for children. However, policies to regulate the health and safety of child care are created separately at the federal, state, and local levels. This can result in an overlay of contradictory policies and procedures and the imposition of unnecessary and burdensome requirements, as well as multiple visits from regulatory officials and program monitors at many levels of government. Some regulatory practices, such as local zoning laws, inadvertently drive up the price and reduce availability but do not necessarily create a safer or nurturing environment for children. The federal government and states should ensure that regulatory frameworks, requirements, and monitoring practices are not duplicative and/or unintentionally drive up the cost of providing care, reduce availability, or push different types of providers, such as faith-based or home-based family child care providers, out of the market.

#### Explore new incentives for businesses looking to offer child care benefits to their employees

Employer-sponsored child care is rare, with only 11 percent of all workers receiving some child care benefit which, however, is up from about 4 percent in 1996. This rate of increase is relatively low when considering the massive amounts of other new benefits employers are often providing, including meals and even gym or health club benefits. Many businesses recognize that paid leave, child care, and other family-friendly policies are important ways to recruit and retain the workforce. This could include offering access to child care, child care referral services, or flexible spending arrangements to offset child care costs. The Fair Labor Standards Act (FLSA) excludes the cost paid by employers of providing benefits, such as accident and health insurance, retirement benefits, and life insurance from the "regular rate" of pay, and thus the overtime pay calculations. Currently, under FLSA, employers must pay additional overtime for the benefit of on-site child care and child care subsidies. Unlike healthcare, or even health club benefits, there is no statutory exclusion for the cost of providing child care benefits (Fact Sheet #56A: Overview of the Regular Rate of Pay Under the Fair Labor Standards Act (FLSA) | U.S. Department of Labor (dol.gov)). All businesses can benefit from a better understanding of the child care needs of their employees. Beyond current tax credits, technical assistance around employer-sponsored child care models and best practices, as well as general information about employee-parent child care needs and return on investment from family-friendly policies, could be more widely distributed.

#### Promote Innovation and Modernize the Child Care Business Model

Most early care in the United States is delivered in the private market. Revenues are based on market demand and pricing, but the cost for child care is driven by good teaching and administrative requirements that a small child care business cannot obtain. Child care centers need better business models that enable these providers to thrive as small businesses and meet the needs of American families. Shared service alliances can help providers share costs and deliver services more streamlined by pooling resources and hiring staff to support operations. Financing models and public-private partnerships can strengthen the business of child care.

#### Address the Child Care Workforce Shortage

An important component of high-quality child care, particularly for young children, is ensuring a nurturing, responsive relationship with caregivers. A college degree alone is, at best, an uncertain proxy for quality child care. Requiring child care staff in a child care setting (center or home-based) to have a college or other degree can increase costs, unnecessarily burden already low-paid providers with unnecessary student loan debt, and drive others out of the profession. Policies should encourage skills-based hiring to ensure that providers bring the competencies and skills needed to provide quality care, irrespective of academic degrees. Making it easier for educators and caregivers to gain the skills and competencies they need to provide high-quality care that promotes healthy development and learning can encourage more providers to enter and stay in the workforce. Removing barriers like access to one site professional development and creating multiple pathways to enter and advance in the field is critical, as is ensuring that compensation aligns with market demands.

#### Promote Child Care Apprenticeships

Compensation for child care providers, especially for those workers who care for infants and toddlers, is generally very low, but policymakers at the federal and state level have increased credentialing and degree requirements over time. Apprenticeship models provide a viable credentialing option for the early childhood education workforce. Child care apprenticeship models provide experience and are an excellent way to highlight and train individuals considering a career in child care. For example, the Department of Labor's Employment and Training Administration is working to replicate **Texas'** Early Childhood apprenticeship program in other states.

#### **BUILDING ON TRANSFORMATIVE CHILD CARE EFFORTS**

The Trump Administration's efforts to spur economic growth in the United States were deeply intertwined with a breadth of policy work to support and enable working families. In the wake of the <u>Tax Cuts and Jobs Act</u> (TCJA) of 2017, millions of Americans came off the sidelines and rejoined the workforce. In tandem, the administration pursued a necessary focus on increasing access to affordable, high-quality child care and took steps toward establishing nationwide paid family leave. President Trump was the first president to include National Paid Family Leave in all of his budgets, and he led the way with the historic TCJA, which put into place the first-ever Paid Family Leave Tax Credit. In his first address to Congress and every State of the Union, he called for a National Paid Family Leave proposal to be sent to his desk, and various proposals were put forward by Republicans. In addition, for the first time ever, a bipartisan, bicameral proposal for Paid Family Leave was advanced in Congress.

The CTC was doubled from \$1,000 to \$2,000 for the first time while preserving its pro-work incentive structure—affecting 40 million American families under TCJA (2017) (LaJoie, 2020). Furthermore, the previous administration ushered in the largest ever expansion of early child care funding (pre-pandemic) from \$2.8 billion to \$5.9 billion, eliminating or reducing waitlists for families in need in 17 states. In the tax year 2019, nearly 6 million families benefitted from the child and dependent care tax credit, receiving an average benefit of \$551—totaling credits of \$3 billion. In that same year, the poverty rate in the United States fell to the lowest levels in recorded history (U.S. Department of the Treasury, 2019). For the first time in U.S. history, the entire federal workforce, the Nation's largest employer, can receive 12 weeks of paid parental leave, which was signed into law in 2019.

When COVID-19 hit, 21 million American families relied on early child care facilities to care for and educate their young children (<u>Institute of Education Sciences, 2019</u>). The Trump Administration pushed Congress to secure an additional \$13.5 billion in funding to ensure child care facilities remained open, especially for frontline or essential workers. The Trump Administration also encouraged Congress to send more than \$39 billion in COVID-19 relief to the child care industry to support hardworking American families. The robust and inclusive nature of this bipartisan policy has laid the foundation of support for these policy accomplishments to be targets for expansion, not elimination, in the Biden Administration.

The Biden Administration's American Family Plan allocates \$15 billion in Child Care Development Block Grants to support child care, expands the size of the CTC while removing the earnings eligibility criteria and transforming it from an annual refund to a monthly rebate, creates an additional child care credit for families, and provides a paid leave credit for employers. While these efforts respond to a genuine need, a sound family policy must create an enduring atmosphere of support and prosperity to benefit American families over the long term. Unfortunately, the prescriptions offered by the Biden Administration fall short of this marker. For example, the monthly CTC payment to eligible families allocates \$300 per month for children 6 and under and \$250 per month for children between ages 6 and 17, with the White House claiming that this will help impoverished families (The White House, 2021). According to American Enterprise Institute, the monthly payment transfers \$101 billion of income to U.S. households overall, but only \$36 billion is slated for low-income households, making the program expensive and untargeted (Strain, 2021). By severing the link between the CTC and earnings and drastically increasing the deficit, these policies also risk slowing the economic recovery by undermining work incentives. For example, making it easier for families to remain outside the workforce and encouraging them to rely on government CTC checks as income rather than a tax break fuels potential inflation, which has already begun to materialize.

As both sides of the aisle work together to move forward and continue creating a good working family policy, it behooves them to craft solutions that promote economic efficiency and long-lasting benefits for American working families in the years to come.

#### CONCLUSION

As the country emerges from COVID-19 and begins setting new policies to keep children and teachers safe, it is the perfect time to reimagine early childhood education. States need to examine the current early childhood systems and build upon those successes. All 50 states have early learning standards for infants and toddlers as well as for preschool through third grade. Policymakers have an opportunity to build on the lessons learned over the last year and make long-lasting changes to improve our Nation's early care and education system. Doing so will require a holistic approach. Recognizing that children learn at all times and in all places, policymakers can engage parents in designing policies and strategies that support families' needs for child care while also ensuring we do not create more government dependency for child care. Stated best by Nobel Prize winner in Economics, Professor James Heckman, "To foster the skills of American children, we have to help America's families (Heckman, n.d.).

#### AUTHOR BIOGRAPHY

**Laurie Todd–Smith, Ph.D.,** is a senior fellow for the America First Policy Institute's Center for Education Opportunity and Center for the American Worker, a former public school educator, and former Director of the Women's Bureau at the Department of Labor.

#### WORKS CITED

- AEI. (2021, February 25). The role of families in human flourishing: A conversation with James Heckman. Retrieved June 10, 2021, from <u>https://www.aei.org/events/the-role-of-families-in-human-flourishing-a-conversation-with-james-heckman/</u>
- American Rescue Plan Act of 2021, 117-2 U.S.C. § 4001 (2021). https://www.congress.gov/117/bills/hr1319/BILLS-117hr1319enr.pdf
- Anti-Smuggling Act, 19 U.S.C. § 1701-1711 (1935). <u>https://www.loc.gov/item/uscode1958-004019005/</u>
- CARES Act, 15 U.S.C. § 1101-6002 (2020). <u>https://www.congress.gov/116/plaws/publ136/PLAW-116publ136.pdf</u>

Chien, N. (2019, January). Factsheet: Estimates of Child Care Eligibility & Receipt for Fiscal Year 2015. U.S. Department of Health & Human Services. Retrieved June 14, 2021, from <u>https://www.researchconnections.org/childcare/resources/36912/pdf?dom=microsoft</u> <u>&src=syn</u>

- Connors-Tadros, L., Northey, K., Frede, E., Hodges, K. & Jost, T. (2021, May). *Effective State Offices of Early Learning: Structural Features, Enabling Conditions, and Key Functions in Four States.* National Institute for Early Education Research. Retrieved June 10, 2021, from <u>https://nieer.org/wp-content/uploads/2021/05/Research-Report-Effective-State-Offices-of-Early-Learning.pdf</u>
- Copiah Lincoln Community College. (n.d.). Co-Lin Announces Addition of Early Childhood Academy. Retrieved June 10, 2021, from

https://www.colin.edu/about/news/headlines/co-lin-announces-addition-of-earlychildhood

academy/#:~:text=Under%20the%20leadership%20and%20guidance%20of%20the%2 OState,health%2C%20safety%2C%20and%20nutrition%3B%20and%20%283%29%20fa mily%20engagement

Families First of Minnesota. (n.d.). *Early Learning Scholarships*. Minnesota Department of Education. Retrieved June 10, 2021,

from <a href="https://www.familiesfirstmn.org/services/early-learning-scholarships/#:~:text=Early%20Learning%20Scholarships%20For%20Minnesota%20Families%20Minnesota,awarded%20directly%20to%20families%20who%20meet%20eligibility%20requirements">https://www.familiesfirstmn.org/services/early-learning-scholarships/#:~:text=Early%20Learning%20Scholarships%20For%20Minnesota%20Families%20Minnesota%20Families%20Minnesota%20Families%20Minnesota%20Families%20Who%20Meet%20eligibility%20requirements</a>

- Francesconi, M. & Heckman, J. (2016, October). Child Development and Parental Investment: Introduction. *The Economic Journal*, 126:596, F1–F27. Retrieved June 10, 2021, from <u>https://doi.org/10.1111/ecoj.12388</u>
- FRED. (n.d.). Retrieved June 10, 2021, from <u>https://fred.stlouisfed.org/tags/series?t=day+care%3Bnation</u>

- Friedman-Krauss, Ph.D., A., Barnett, Ph.D., W.S., Garver, M.A., K.A., Hodges, M.A., K.S., Weisenfeld, Ed.D., G.G. & Gardiner, M.S.E, B.A. (2021). *The State of Preschool 2020: State Preschool Yearbook.* National Institute for Early Education Research. Retrieved June 9, 2021, from <u>https://nieer.org/wp-</u> <u>content/uploads/2021/04/YB2020\_Full\_Report.pdf</u>
- Future Ready Iowa. (2021, March 10). *Child Care Taskforce*. Iowa.gov. Retrieved June 11, 2021, from <u>https://www.futurereadyiowa.gov/childcare-</u> <u>taskforce#:~:text=Governor%20Reynolds%20launched%20the%20Child%20Care%20T</u> <u>askforce%20on,Awardees%20Executive%20Order%20Number%20Eight%20%28Child</u> <u>%20Care%20Taskforce%29</u>
- Georgia Department of Early Care and Learning. (n.d.). *Bright from the Start*. Retrieved June 9, 2021, from <u>http://www.decal.ga.gov/BftS/About.aspx</u>
- Grunewald, R., Horowitz, B. & Bukingolts, L. (2018, January 31). *Child care rating systems promote quality and parental awareness*. Federal Reserve Bank of Minneapolis. Retrieved June 9, 2021, from <u>https://www.minneapolisfed.org/article/2018/child-care-rating-systems-promote-quality-and-parental-awareness</u>
- Hanson, M. (2021, April 22). U.S. Public Education Spending Statistics. EducationData.org. Retrieved June 9, 2021, from <u>https://educationdata.org/public-education-spending-statistics</u>
- Hardy, A. & Gallagher Robbins, K. (2021, March 10). *Child Care Relief Funding in American Rescue Plan: State-by-State Estimates.* The Center for Law and Social Policy. Retrieved June 9, 2021, from <u>https://www.clasp.org/publications/fact-sheet/child-care-estimates-american-rescue-plan</u>
- Harvard University. (n.d.). Five Numbers to Remember About Early Childhood Development. Center on the Developing Child. Retrieved June 9, 2021, from <u>https://njaap.org/uploadfiles/documents/PCORE/Medical%20Home/Five\_Numbers\_t</u> <u>o\_Remember\_About\_Early\_Childhood\_Development1.pdf</u>
- Harvard University. (n.d.). *Brain Architecture*. Center on the Developing Child. Retrieved June 9, 2021, from <u>https://developingchild.harvard.edu/science/key-concepts/brain-architecture/</u>
- Heckman, J. & Landersø, R. (2021, May 8). Lessons for Americans from Denmark about inequality and social mobility. Labor Economics. Retrieved June 11, 2021, from <a href="https://doi.org/10.1016/j.labeco.2021.101999">https://doi.org/10.1016/j.labeco.2021.101999</a>
- Heckman, J. (2017). There's more to gain by taking a comprehensive approach to early childhood development. The Heckman Equation. Retrieved June 13, 2021, from <a href="https://heckmanequation.org/www/assets/2017/01/F\_Heckman\_CBAOnePager\_12051">https://heckmanequation.org/www/assets/2017/01/F\_Heckman\_CBAOnePager\_12051</a> <a href="https://heckmanequation.org/www/assets/2017/01/F\_Heckman\_CBAOnePager\_12051">https://heckmanequation.org/www/assets/2017/01/F\_Heckman\_CBAOnePager\_12051</a>
- Heckman, J. (2013). Invest in early childhood development: Reduce deficits, strengthen the economy. The Heckman Equation. Retrieved June 10, 2021, from <u>https://heckmanequation.org/www/assets/2013/07/F\_HeckmanDeficitPieceCUSTOM-Generic\_052714-3-1.pdf</u>

- Heckman. (n.d.). *Support America's Families*. The Heckman Equation. Retrieved June 14, 2021, from <u>https://heckmanequation.org/resource/support-americas-families/</u>
- Institute of Medicine and National Research Council. (2015). *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press. Retrieved June 9, 2021, from <a href="https://doi.org/10.17226/19401">https://doi.org/10.17226/19401</a>
- Kids Count Data Center. (2019). Children under age 6 with all available parents in the labor force in the United States. The Annie E. Casey Foundation. Retrieved June 9, 2021, from https://datacenter.kidscount.org/data/tables/5057-children-under-age-6-withall-available-parents-in-the-laborforce#detailed/1/anv/false/1729.37.871.870.573.869.36.868.867.133/anv/11472.11473
- Kornrich, S. & Furstenberg, F. (2007). *Investing in Children: Changes in Parental Spending* on Children, 1972 to 2007. Princeton University. Retrieved June 10, 2021, from <u>https://paa2011.princeton.edu/papers/110077</u>
- Mathur, A. & McCloskey, A. (2014, June 27). *How to improve economic opportunity for women*. AEI. Retrieved June 9, 2021, from <u>https://www.aei.org/research-products/report/how-to-improve-economic-opportunity-for-women/</u>
- Mehrtens, C. (2020, August 27). Childhood trauma can intensify during COVID-19: How you can potentially make a difference in a child's life. Novant Health. Retrieved June 11, 2021, from <a href="https://www.novanthealth.org/healthy-headlines/childhood-trauma-can-intensify-during-covid-19">https://www.novanthealth.org/healthy-headlines/childhood-trauma-can-intensify-during-covid-19</a>
- Mrozek, A. (2021, March 15). *Nobel Laureate James Heckman: 'The Family Is the Whole Story*. 'Institute for Family Studies. Retrieved June 11, 2021, from <u>https://ifstudies.org/blog/nobel-laureate-james-heckman-the-family-is-the-whole-story-</u>
- National Academies of Sciences, Engineering, & Medicine. (2015). Child Development and Early Learning: A Foundation for Professional Knowledge and Competencies. The National Academies Press. Retrieved June 9, 2021, from <u>https://www.nap.edu/resource/19401/ProfKnowCompFINAL.pdf</u>
- National Academies of Sciences, Engineering & Medicine. (2015). *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press. Retrieved June 9, 2021, from <u>https://www.nap.edu/catalog/19401/transforming-the-workforce-for-children-birth-through-age-8-a</u>
- National Academies of Sciences, Engineering, and Medicine. (2016). *Parenting Matters:* Supporting Parents of Children Ages 0-8. Washington, DC: The National Academies Press. Retrieved June 9, 2021, from <u>https://doi.org/10.17226/21868</u>
- National Center on Early Childhood Quality Assurance. (n.d.). *National Database of Child Care Licensing Regulations*. U.S. Department of Health & Human Services: Office of the Administration for Children & Families. Retrieved June 9, 2021, from <a href="https://childcareta.acf.hhs.gov/licensing">https://childcareta.acf.hhs.gov/licensing</a>

- National Center for Education Statistics. (2018). *Program for International Student Assessment (PISA): 2018 U.S. Results.* U.S. Department of Education. Retrieved June 10, 2021, from <u>https://nces.ed.gov/surveys/pisa/2018/index.asp#/</u>
- National Center for Education Statistics. (2019). *Fast Facts: Adult Literacy.* U.S. Department of Education. Retrieved June 10, 2021, from <a href="https://nces.ed.gov/fastfacts/display.asp?id=69">https://nces.ed.gov/fastfacts/display.asp?id=69</a>
- Noah, T. (2021, March 10). Congress Ends Welfare Reform as We Know It. Politico Magazine. <u>https://www.politico.com/news/magazine/2021/03/10/congress-covid-</u> <u>relief-stimulus-welfare-cash-benefits-474916</u>
- OECD. (2019). Education at a Glance 2019. OECD Indicators, OECD Publishing, Paris. Retrieved June 9, 2021, from <u>https://doi.org/10.1787/f8d7880d-en</u>
- Schwarz, G. (2020, April 14). Nobel-Prize Winning Economist Dr. James Heckman on Social Mobility, the American Dream, and how COVID-19 Could Affect Inequality. Archbridge Institute. Retrieved June 10, 2021, from <u>https://medium.com/archbridgenotes/nobel-prize-winning-economist-dr-5550da1df5c3</u>
- Shuey, E., Kim, N., Cortazar, A., Poblete, X., Rivera, L., Lagos, M. J., Faverio, F. & Engel, A. (2019, January 9). Curriculum alignment and progression between early childhood education and care and primary school: A brief review and case studies. OECD Education Working Papers, No. 193, OECD Publishing, Paris. Retrieved June 10, 2021, from <u>https://doi.org/10.1787/d2821a65-en</u>
- Smith, L., Tracey, S., Campbell, M., Pluta-Ehlers, A., Sarkar, M., Reef, G. & Meek, S. (2018, December). Creating an Integrated Efficient Early Care and Education System to Support Children and Families: A State-by-State Analysis. Bipartisan Policy Center. Retrieved June 10, 2021, from <u>https://bipartisanpolicy.org/download/?file=/wpcontent/uploads/2019/03/Creating-an-Integrated-Efficient-Early-Care-and-Education-System-to-Support-Children-and-Families-A-State-by-State-Analysis.pdf</u>
- Strain, M. (2021, April 6). *Biden's child tax credit has a fatal flaw*. AEI. Retrieved June 10, 2021, from <u>https://www.aei.org/op-eds/bidens-child-tax-credit-has-a-fatal-flaw/</u>
- Tax Cuts and Jobs Act, 26 U.S.C. § 1 (2017). https://www.congress.gov/115/plaws/publ97/PLAW-115publ97.pdf
- The Federal Reserve. (2021, May 25). *Report on the Economic Well-Being of U.S. Households in 2020 – May 2021*. The Federal Reserve Board. Retrieved June 10, 2021, from <u>https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-education.htm</u>
- The White House. (2021, April 28). Fact Sheet: The American Families Plan. [Press Release]. Retrieved June 10, 2021, from <u>https://www.whitehouse.gov/briefing-</u> <u>room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/</u>

- The White House. (2019, December 12). White House Principles for Child Care Reform: Increasing Access to Affordable, High Quality Child Care in America. Retrieved June 10, 2021, from <u>https://trumpwhitehouse.archives.gov/briefings-statements/whitehouse-principles-child-care-reform-increasing-access-affordable-high-quality-childcare-america/</u>
- Tiede, L. & Rosinsky, K. (2019, September). *Funding Supports and Services for Young People Transitioning from Foster Care*. Youth Villages: Child Trends. Retrieved June 10, 2021, from <a href="https://www.childtrends.org/wp-content/uploads/2019/09/YV-Report\_ChildTrends\_Sept2019.pdf">https://www.childtrends.org/wp-content/uploads/2019/09/YV-Report\_ChildTrends\_Sept2019.pdf</a>
- QRIS. (n.d.). Quality Rating and Improvement Systems Framework. Retrieved June 10, 2021, from <u>https://qrisnetwork.org/our-framework</u>
- Uhing, C. (2021, May 6). *Republican Voters Support Early Learning & Child Care Proposals.* First Five Years Fund. Retrieved June 9, 2021, from <u>https://www.ffyf.org/republican-voters-support-early-learning-child-care-proposals/</u>
- Ullrich, R., Schmit, S. & Cosse, R. (2019, April). *Inequitable Access to Child Care Subsidies*. The Center for Law and Social Policy. Retrieved June 10, 2021, from <u>https://www.clasp.org/sites/default/files/publications/2019/04/2019\_inequitableaccess</u>.<u>pdf</u>
- U.S. Bureau of Labor & Statistics. (2021). *Employment Characteristics of Families Summary*. [Press Release]. Retrieved May 14, 2021 from <u>https://www.bls.gov/news.release/famee.nr0.htm</u>
- U.S. Department of Health & Human Services. (2020, July 1). *GY 2020 CCDF Allocations: Based on Appropriations*. Office of the Administration for Children & Families. Retrieved June 9, 2021, from <u>https://www.acf.hhs.gov/occ/data/gy-2020-ccdf-allocations-based-appropriations</u>
- U.S. Department of the Treasury. (2019, May 10). Families Benefiting from Major Family and Education Tax Credits Tax Year 2019. Office of Tax Analysis. Retrieved June 10, 2021, from https://home.treasury.gov/system/files/131/Families-Benefiting-from-Key-Tax-Provisions-2019.pdf
- U.S. Department of Labor. (2019). *Mothers and Families*. Women's Bureau. Retrieved June 12, 2021, from <u>https://www.dol.gov/agencies/wb/data/mothers-and-families</u>
- Zero to Three. (2013). Brain Development. Retrieved June 10, 2021, from https://www.zerotothree.org/early-development/brain-development