



Universal Child Care

Background

As wages have stagnated and more people have entered the workforce, the rising cost of child care is having a disastrous effect on working families. We've been working harder and getting less in return. As mentioned in [our underemployment paper](#), people are now working a patchwork of jobs to get by. If you're working two or three jobs to cover the cost of expenses--including the rising cost of child care--that is simply unsustainable. As a country, we have to do better.

Child care policy in the United States started in the late 19th century, in part due to native Chicagoan Jane Addams. With Julia Lathrop and others at Hull House, Addams pushed for mothers' pensions, which gave women a subsidy to stay at home with children¹. While not the most progressive policy, it helped to supplement income at the time.

President Franklin D. Roosevelt adopted new child care policies under the New Deal and during World War II. Once women began working in war-related industries, there was an even greater need for affordable child care. At the time, "public opinion was slow to accept the dual ideas of maternal employment and child care," and the media "frequently reported... on instances of sleeping children found locked in cars in company parking lots while their mothers worked the night shift"² (Michel, 2011).

Decades later, there have been some improvements, but there is still a long way to go. In Illinois, the cost of child care is nearly the same as the annual cost of college tuition at a four-year university³. Child care is a necessary cost for a lot of families, and it is just too expensive. A 2018 report found that the annual cost of child care in Illinois is now 52% of the

¹ Michel, Sonya. (2011). The history of child care in the U.S. *Social Welfare History Project*. Accessed from <https://socialwelfare.library.vcu.edu/programs/child-care-the-american-history/>.

² Michel, Sonya. (2011). The history of child care in the U.S. *Social Welfare History Project*. Accessed from <https://socialwelfare.library.vcu.edu/programs/child-care-the-american-history/>.

³ ChildCare Aware of America. (2019). Illinois. *ChildCare Aware of America*. Accessed from <https://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>.

median income for a single-parent family and 15% of the median married couple's income, ranking Illinois 13th in the list of least affordable states for child care⁴. We are paying a fortune to have someone else raise our kids, and then we're working long hours at a patchwork of jobs to afford it. That just isn't right--we have to invest in our families.

Affordable childcare is one key to lifting up working families and leveling the playing field for all of our children. It's inevitable that we all will face various challenges throughout our lives, but creating a strong launchpad for our children will be a good start. When there are opportunities for our government to take action to help everyday Americans, it should act. As your next representative, I will bring real results to decrease the cost of child care and ease the burden on working families.

Recent years have seen an expansion in funding for child care, but few concrete policy proposals⁵. We need leaders that will fervently fight for working families to reduce costs of child care and reduce financial insecurity.

Proposed Policies in the United States

Thankfully, there are certain lawmakers that are leading the charge on universal child care. There are a few policies that are worth highlighting. I fully support all of these initiatives, and will do all I can to strengthen them.

Increase funding for the Child Care and Development Fund (CCDF)

The CCDF is the application for the Child Care and Development Block Grant (CCDBG), which authorizes funds to eligible families. A lack of funding for this program means that only 1 in 6 eligible families receive a child care subsidy, greatly reducing the positive intentions of the program. Furthermore, there are discrepancies in the cost of child care for infants in comparison to preschoolers. On average, the infant subsidy rate is only 27% higher than the preschool subsidy rate. In Illinois, luckily the subsidy for infants increases by 42% (the total cost increases by 29%)⁶.

⁴ Burke, Cassie Walker. (October 23, 2018). In Illinois, child care costs eclipse rent, making it one of least affordable states. *Chalkbeat*. Accessed from <https://www.chalkbeat.org/posts/chicago/2018/10/23/in-illinois-child-care-costs-eclipse-rent-making-it-one-of-least-affordable-states/>.

⁵ Keith, Tamara. (March 10, 2019). Exclusive: White House and Ivanka Trump propose new spending on child care. *NPR*. Accessed from <https://www.npr.org/2019/03/10/701870547/exclusive-white-house-and-ivanka-trump-propose-new-spending-on-child-care>.

⁶ Workman, Simon and Steven Jessen-Howard. (November 2018). Understanding the true cost of child care. *Center for American Progress*. Accessed from <https://cdn.americanprogress.org/content/uploads/2018/11/14133754/TrueCostITChildCare-report.pdf>.

We do better as a country when we push for change on a national level. I pledge to look out for everyone in IL03, but we must have a federal initiative to make child care affordable from coast to coast.

In its current form, this program helps low- and moderate-income families with the cost of child care and it increases the availability and quality of that care. States match the amount of federal funding they receive. However, it does not go nearly far enough.

Here's What Else We Can Do: New Methods of Funding

We must create a universal child care system for children 0-5 and afterschool programs with sliding scale and affordable pricing. Across the country, there are plenty of buildings sitting vacant or with extra space. This system can use existing spaces like elementary schools and community centers in IL03 and across the country.

Part of this ambitious plan will be funded by Wall Street transactions and requiring ultra-millionaires to pay their fair share in taxes. By eliminating loopholes and pushing for equity, we truly can develop a comprehensive system that will benefit our children and our finances.

By increasing funding to this program through appropriations, all low- and moderate-income families (those with incomes below 200% of the poverty line, or approximately \$40,000 for a family of three) with children age three and under have access to a subsidy to pay for quality child care so they can work or attend school or job training.

Expand the Child and Dependent Care Tax Credit (CDCTC)

The CDCTC is a nonrefundable tax credit that reduces federal income tax liability based on child and dependent care expenses so the taxpayer can work or look for work⁷. Most claimants of the CDCTC are middle- and upper-middle-income taxpayers. Very few claimants are low-income or very high-income. Highlighted in the table below is the AGI with the highest percentage of claimants receiving CDCTC.

⁷ Internal Revenue Code (IRC) § 21.

Distribution of Taxpayers and Credit Dollars and Average Credit Amount
by Adjusted Gross Income (AGI), 2015

Adjusted Gross Income (AGI)	% of All Returns	% of All Returns Claiming CDCTC	% of Aggregate CDCTC Dollars	Average Credit Amount
\$0-under \$15K	23.8%	0.1%	<0.1%	\$121
\$15K-under \$25K	14.1%	6.3%	3.9%	\$349
\$25K-under \$50K	23.5%	23.8%	24.4%	\$578
\$50K-under \$75K	13.3%	16.4%	16.4%	\$565
\$75K-under \$100K	8.5%	14.4%	14.6%	\$574
\$100K-under \$200K	12.3%	28.5%	30.1%	\$597
\$200K-under \$500K	3.6%	9.0%	9.0%	\$566
\$500K+	0.9%	1.4%	1.5%	\$620
All Taxpayers	100.0%	100.0%	100.0%	\$565

The CDCTC isn't working to its full potential. The average credit amount, after being adjusted for inflation, has steadily declined and lost nearly one-third of its value over the last 30 years⁸.

Here's What Else We Can Do: Restructuring Tax Credits

We have to streamline child care tax benefits and increase the possible tax credit for middle class families, increasing it even more for those with young children and those who face the highest costs. By restructuring the CDCTC, raising thresholds on tax credit limits, and increasing awareness among low- and middle-income families, the children of our country will benefit.

Parents of children with special needs face the highest costs of child care. Our lawmakers have failed them for far too long. We have to give these parents the assistance they need. This can be achieved by expanding tax credits for parents with special needs children and fully funding the Department of Education to expand programs and analyze their effectiveness over time.

Additionally, the CDCTC is supplemented by child care FSAs (flexible spending accounts), which can be complicated and duplicative. We have to eliminate these FSAs, and instead

⁸ Crandall-Hollick. (March 1, 2018). Child and dependent care tax benefits: How they work and who receives them. *Congressional Research Service*. Accessed from <https://fas.org/sgp/crs/misc/R44993.pdf>.

actually make preschool, before- and after-school programs, and daycare affordable. We shouldn't force people to apply for federal subsidies in order to afford basic needs--they should just be affordable on a regular basis.

Promoting Innovation in the Child Care Subsidy System

Federal dollars have been allocated under multiple administrations to implement and evaluate models of providing child care in states, territories, and tribes. These plans address the unmet needs for families who face unique challenges to securing child care.

Illinois ranks 37th out of 50 states in terms of child care affordability, 28th in quality, and 17th in availability⁹. We simply have to do better.

Here's What Else We Can Do: Looking to Other States

We should look at states with successful child care programs for universal pre-kindergarten, for example, to ensure 3- and 4-year olds have a healthy, safe, and educational environment.

By comparison, Connecticut ranks 24th out of 50 states in child care affordability, but 2nd in quality, and 2nd in availability¹⁰. We can achieve the ranks of Connecticut by unifying all levels of government on a comprehensive solution. After involving federal, state, and local governments and coalescing around a solution, we can adopt programs and initiatives to decrease the price of child care and increase accessibility.

We must pay our child care workers a living wage. We are trusting these professionals with what we value most--our children--and we have to compensate them appropriately. Yet, the child care facilities need not continue to raise the price of child care to adjust for fair wages. Instead, we must push for income-based government subsidies to cover the cost, raise the minimum wage and pay workers fairly, and pass legislation for universal pre-K.

Universal Pre-K

Multiple studies have outlined the importance of attending preschool. Preschool can lead to economic and social benefits, including "lower special education placement rates, reduced grade repetition, decreased welfare dependency, and fewer costs for the criminal justice system"¹¹ (McWalters, 2019, p. 22). In order to truly give the best opportunities to our children, we have a duty to pass universal pre-K at the federal level.

⁹ Bugbee, Katie. (April 9, 2018). The best--and worst--states for child care, ranked in order. *Care.com*. Accessed from <https://www.care.com/c/stories/7535/the-best-and-worst-states-for-child-car/>.

¹⁰ Bugbee, Katie. (April 9, 2018). The best--and worst--states for child care, ranked in order. *Care.com*. Accessed from <https://www.care.com/c/stories/7535/the-best-and-worst-states-for-child-car/>.

¹¹ McWalters, Brian. (2019). The federal role in universal pre-K. *BYU Education & Law Journal*.

With deep cuts to the Department of Education from the current administration, not only do we have to reinvest federal dollars into education, but we must work with states to expand access to pre-K¹². These cuts have continued for the 2020 fiscal year¹³.

Here's What Else We Can Do: Universal Pre-K

The federal government must push for universal pre-K, and we can do so in a few steps. By doing so, this will greatly improve the lives and ability to succeed for low-income individuals. Increasing the accessibility of universal pre-K will allow children in all parts of the country to thrive.

We can get even more money to states by pushing for a cost-sharing initiative. We can achieve a federal universal pre-K program by advancing a competitive grant program that allows states to receive funding for these incentives. The competitive grant program is a more measured approach than a blanket federal-state partnership model, and will increase the strength of programs because it allows states to adopt models based on their states' standards¹⁴.

In order to pass universal pre-K at the federal level, I plan to include stakeholders from education, both private and faith-based child care programs, school boards, researchers, and others that are invested in the success of our children. Once we include all the voices that have a stake in this policy, we can craft the best options for our communities.

Universal pre-K has comprehensive grassroots support across the country, and some states are already at work. Illinois Governor J.B. Pritzker proposed an additional \$100 million to fund early childhood education, which can become a reality in our state by 2023¹⁵. It's time to get the federal government on board, and ensure 3- and 4-year olds have a healthy, safe, and educational environment.

¹² Brown, Emma and Danielle Douglas-Gabriel. (March 16, 2017). Trump seeks to slash Education Department but make big push for school choice. *Washington Post*. Accessed from https://www.washingtonpost.com/local/education/trump-seeks-to-slash-education-department-but-make-big-push-for-school-choice/2017/03/15/63b8b6f8-09a1-11e7-b77c-0047d15a24e0_story.html?utm_term=.88cfd517f139.

¹³ Harris, Adam. (March 11, 2019). The Trump administration really wants to cut education funding. Congress doesn't. *The Atlantic*. Accessed from <https://www.theatlantic.com/education/archive/2019/03/trump-administration-would-cut-education-budget-again/584599/>.

¹⁴ McWalters, Brian. (2019). The federal role in universal pre-K. *BYU Education & Law Journal*.

¹⁵ Walker Burke, Cassie. (March 22, 2019). Big day for preschool: Illinois governor says state universal pre-K coming in 4 years; Chicago invests \$77 million in early learning. *Chalkbeat*. Accessed from <https://www.chalkbeat.org/posts/chicago/2019/03/22/chicago-to-invest-50-million-to-boost-care-of-babies-and-toddlers/>.

Child Care Models From Other Countries

In Denmark, 70% of children between the ages of 3 and 6 attend some form of public day care and parents pay no more than 30% of the cost¹⁶. The remainder of the cost is covered through the government. In the European community, Denmark leads the way in public provision for child care.

Nearly 15 years ago, Denmark revised its law to expand child care services, reduce costs, and restructure the learning process. Child care programs are entirely modeled around the individual child, and that framework is adopted throughout the country¹⁷. Think of the structure this way--because the government provides child care, there is more disposable income. In Denmark, you can actually have time to go on vacation with your family and spend time together. Through supplements from the government, quality of life has significantly improved.

In France, nearly all children ages 3 to 6 attend free pre-primary school. Free after-school care is also widely available. Children under 3 can be placed in nurseries or in the homes of licensed babysitters. Teams of doctors and nurses visit regularly to inspect centers and check on the health of the children, and parents pay on a sliding scale according to income. There are also subsidized day-care centers¹⁸.

Parents in France express support for the government-provided child care, through crèches. Crèches are essentially day care centers and are paid for on a sliding scale. One mother says, "We work less than we used to, but it's because we have children and we want to see them. The child care helped us carry on working..."¹⁹ (Chang, 2019). Again, by making child care affordable, the quality of life improves for working families. No longer do people have to work a patchwork of jobs to get by.

Canada's Quebec province implemented its child care policy in 1996. Like France, child care's costs are on a sliding scale, funded with a \$2 billion subsidy by the government. Even the wealthiest families pay about \$17 per day for child care. After 20 years of the child care law, Quebec's labor force participation rate among women was 81%, while the Ontario province

¹⁶ Danish Agency for Labour Market and Recruitment. (2019). Childcare in Denmark. *The European Union*. Accessed from

<https://www.workindenmark.dk/Moving-to-DK/Bring-your-family/Childcare-in-Denmark>.

¹⁷ International Labour Organization. (Amended September 24, 2010). Social Service Act (No. 573 of 2005). Accessed from

http://ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=70908&p_country=DNK&p_count=2442.

¹⁸ Staff Writer. (2019). Child care in France. *French Entrée*. Accessed from

<https://www.frenchentree.com/living-in-france/family-life/child-care-in-france/>.

¹⁹ Chang, Clio. (May 17, 2019). 3 women on what it's actually like to have universal childcare. *Elle*. Accessed from

<https://www.elle.com/culture/career-politics/a27496656/3-women-on-what-its-actually-like-to-have-univers-al-childcare/>.

participation rate was 75%. Over those 20 years, labor participation rates among women in Quebec rose by nearly 20%, compared with a 4% increase in Ontario²⁰.

To implement affordable child care in the United States, we can not work in solitude. After examining the models of other countries and successful states that are already leading the efforts, we can develop a cohesive strategy to--once and for all--make it easier for working families in the Third District to take care of their children.

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Questions or comments about this policy? Please send us your ideas at info@marienewmanforcongress.com.

²⁰ Dubb, Steve. (January 8, 2019). Quebec daycare model enters third decade: What can the US learn from it? *Nonprofit Quarterly*. Accessed from <https://nonprofitquarterly.org/2019/01/08/quebec-daycare-model-enters-third-decade-what-can-the-us-learn-from-it/>.