In Pursuit of an Equitable Start: Leveraging and expanding public funding to support a more equitable recovery for young children, families and child care workers

July 2020

The majority of young children living in the United States today are children of color, cared for by parents and caregivers across a spectrum of identities. They will grow to shape and reshape our nation, decade after new decade. However, nearly one in five of the children born today begins their life already living in poverty and nearly half live in households earning less than twice the federal poverty level. Moreover, nonwhite children are much more likely to experience poverty: 37% of Black children age 0-2 and 26% of Latinx children age 0-2 live in poverty, compared to only 12% of white children.1 These children face increased economic insecurity as their parents navigate the high cost of leaving work to care for them or assume crippling child care costs, all while earning stagnantly low wages. Their families may also experience considerably unequal challenges to living in safe and secure housing, enrolling in affordable and high-quality early learning experiences and accessing healthy food.

The emergency triggered by the COVID-19 pandemic, with its significant impact on families’ health and economic well-being, threatens to widen these gaps, especially for families of color who are disproportionately affected by COVID-19 and its economic fallout. This moment of crisis is laying bare the longstanding structural failures of our nation’s systems to adequately protect families with young children and the workers who care for them, highlighting and exacerbating our nation’s family and medical leave shortcomings, our child care crisis and our failure to value and protect the rights of caretakers.

Unless we leverage this moment to re-create our systems to become more equitable, it is likely that young children — the future of this nation — will not only inherit the pre-existing inequities carried by low-income communities and communities of color before them, but will face ballooning inequality. Research has confirmed what we already know: The earliest years of life can be the most critical for healthy development and long-term well-being, both for young children and for their families. During the first years of a child’s life, their brain development is directly affected by day-to-day interactions with their caretakers. When a baby develops secure relationships with caring adults around them, their brains are able to build critical structures and pathways of emotional functioning — pathways that serve as the foundation for future attachment, emotional and social activity, and language and intellectual development. Yet, current policies and systems fall short of supporting what families need and deserve in order to care for their babies during this crucial phase of development, with drastic inequities experienced by families of color, LGBTQIA families and families headed by independent women or by adults who are paid insufficient wages.

As we respond to the COVID-19 emergency, we must keep our gaze focused on equitable, long-term recovery efforts. If we are to realize a just and fair society, our policies must be pro-babies, pro-families and pro-workers. They should embody the dignity inherent in every child, every caretaker and every worker. Parents and caregivers of young children must have universal access to workforce supports, including paid family and medical leave. Child care must be affordable and accessible, and the rights of child care workers must be protected. We must rebuild our systems to support a society rooted in the vision of equity, one in which all can fully participate and thrive, regardless of race, socioeconomic status, gender identity and ability. It is our civic responsibility to the next generation of children living in America to do so.

**THIS IS EQUITY: Just and fair inclusion into a society in which all can participate, prosper and reach their full potential**

**Expanding paid family and medical leave as an economic precedent**

As the COVID-19 emergency has rapidly unfolded in the United States, the majority of Americans have quickly had to confront terrifying questions: If I or a loved one becomes ill, will I be able to afford to care for myself or for them? If my job will not allow me to work remotely, who will care for my child? Even before the pandemic hit, most working parents did not have access to paid family and medical leave, and many were making the gut-wrenching decision between staying home to bond with and care for their baby, losing their jobs or potentially facing economic insecurity.

The American public generally agrees that parents have the right to care for their children in the earliest days of birth or adoption. According to a national survey, nearly 8 in 10 registered voters, regardless of their political affiliation, agree that a comprehensive national paid family and medical leave policy is needed. When a caregiver does have access to paid leave, children are not only better supported in the critical phases of development, but mothers are physically and mentally healthier and families experience less emotional and financial stress — all of which increase the likelihood that a child’s physical and socioemotional development will

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flourish and that their parents will return to work with greater productivity. In addition to benefits for children and families, research also shows that paid leave increases the likelihood that workers will return to work after childbirth, improves employee morale, has neutral or positive effects on workplace productivity, reduces costs to employers by increasing employee retention and improves family incomes.

However, our labor practices do not follow suit. According to the American College of Obstetricians and Gynecologists, one in four women in America return to work just 10 days after giving birth due to lack of secure, paid leave. This is largely because only 14% of American workers (and only 5% of low-wage workers) have access to paid leave, layering inevitable financial pressures on new parents and caretakers to return to work too early. This is our reality in the United States, far from our popular aspiration. In a 2019 study released by the United Nations Children’s Fund (UNICEF), the United States had the lowest-quality set of supportive policies for families of any high- or middle-income country. In fact, ours is the only Organisation for Economic Co-operation and Development country without nationwide paid parental leave. Currently, only nine states have a paid family leave program and only 11 require employers to provide paid sick days that cover care for a child.

While the federal Family and Medical Leave Act (FMLA) sets an important precedent — that it is just and necessary for workers to maintain job security while caring for a new child or loved one, or during a medical emergency — its scope is woefully limited. Fewer than 60% of workers in the U.S. are eligible to receive unpaid leave under the law, leaving nearly half of working people vulnerable not only to financial insecurity during their leave, but ultimately to losing their source of employment. While access to FMLA benefits is low for all racial groups, it is least available for Latinx workers, 73% of whom are ineligible or cannot afford to take unpaid leave. Regaining employment after leave is also a risk for parents of color. Nearly 40% of all workers are not legally guaranteed to keep their job if they take leave, and Black and Latinx women are more likely to report being dismissed by their employer for having taken leave. This risk compounds for LGBTQIA and transgender parents, who are more likely to face additional workplace bias and whose protections under FMLA are often less clear. FMLA is also currently ill-equipped to address the deeply inequitable lived experience of people who work full time (at least 40 hours per week), but do so across multiple part-time jobs or at small businesses, thereby not qualifying for coverage under any given employer.

Even if a parent or caretaker is eligible to take unpaid leave under FMLA or an employer’s internal policy, it is rare that they will be able to afford to do so. It is estimated that only two of every five working adults, including parents, can afford the cost burden of taking leave. If a person working full time takes 12 weeks off from work for unpaid leave, they will on average lose out on over $2,500 in wages that they and their family already

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5 Ibid.
rely on to sustain themselves. This balloons to nearly $10,000 — more than half of their family income — for workers who do not receive paid family leave benefits.

The financial pressure incurred by family leave — whether paid or not — can be also enough to tip families over the line into an experience of deep poverty. The families of nearly one in four working adults encounter such consequential financial stressors while taking leave that their incomes fall below 200% of the federal poverty line, even if they are paid a portion of their normal wages while away from the job. This is especially damaging for families of color, who, because of persistent racialized wage gaps and wealth-stripping policies, have significantly less wealth to draw upon and are more likely to fall deeper into financial insecurity. An astounding 57% of working adults who take leave to care for a child or loved one will experience poverty after having lost 12 weeks’ worth of wages. While unpaid leave can be financially dangerous for all working families, it is especially tenuous for families of color and further illuminates the severity of racial wage gaps. Black and Latinx parents are often more likely to need to take family or medical leave than white parents, but are unlikely to do so because they cannot afford to without pay. Of those who do, 69% and 70%, respectively, will experience poverty. As financial pressure mounts, its effects can ripple and endanger families’ generational well-being — their ability to live in safe and secure housing, access healthy and nutritious food and enroll their children in supportive early learning settings — all of which directly affect a young child’s emotional, social and cognitive development.

Too many parents and caretakers lack access to paid family leave, and the effect that this has on young children living in financially unstable settings is not only unacceptable, it endangers an equitable future. As the nation seeks to reimagine public policy in a post-COVID era, strong paid family leave policies should be expanded and fortified to cover all workers regardless of business size, industry, employment status or number of hours worked; should be guaranteed and portable across jobs; should include strong anti-discrimination protections; and should provide maximum wage-replacement rates to support use of the benefit by low-wage workers. In response to the immediate effects of COVID-19, advocates are urging policymakers to immediately support these expansions by providing all U.S. workers with 14 emergency paid sick days in response to a public health emergency, providing all workers with 12 weeks of emergency paid family and medical leave, permanently ensuring that workers can accrue seven paid sick days and permanently enacting paid family and medical leave insurance for all workers.

**LIFTING UP WHAT WORKS: Expansion of paid leave policies in Oregon**

In July 2019, Oregon instituted the first paid family and medical leave plan that would guarantee that low-income workers were paid 100% of their wages. Any person earning more than $1,000 a year is eligible for 12 weeks of paid leave and includes employment protections for workers who choose to take leave. Among other allowed activities, workers can take time off to bond with a newborn or support an adopted or fostered child.

13 Ibid.
15 Ibid.
16 Ibid.
Investing in an affordable, high-quality child care system and workforce for a more equitable recovery

High-quality child care — when parents return to work — is critical for healthy child development and builds a strong foundation for lifelong health and economic success.\(^{19}\) During the first three years of life, a baby’s neural connections form at the rate of more than 1 million per second.\(^{20}\) As a parent or caregiver returns to work, it is critical that a baby has access to a high-quality learning environment that supports continued healthy growth, building a strong foundation for long-term development and learning that persists into adulthood. Research has shown that children who have access to high-quality learning environments develop stronger cognitive and communication skills, expand their vocabulary, deepen their social and emotional skills and score higher on math and language measures over time.\(^{21}\) Unfortunately, high-quality child care is tough to access for most. In fact, the cost of center-based care for infants remains unaffordable for many families. The average cost of center-based infant care as a percentage of median income in states ranges from nearly 8% to as high as nearly 18% of median income for two-parent families and from 25% to 89% of median income for single parents.\(^{22}\)

Like access to paid leave, affordable high-quality child care is not only critical for supporting the development of an infant or toddler; it is also a necessary support for the financial well-being of the family raising that child. Yet, even as wages stagnate, research shows that low-income families are using greater portions of their paychecks to pay for child care. In fact, both middle- and low-income working families are paying disproportionately more for harder-to-access quality child care.\(^{23}\) For many low-income parents, especially those employed in multiple jobs or those who work jobs that do not fit the typical 9-to-5 work schedule, access to high-quality child care is intrinsically tied to their ability to return to work after taking leave to care for a young child. Child care is expensive and consumes a much larger share of household income for low-income working families, making not only the emotional transition, but the financial transition back to work that much more difficult. On average, families living below 200% of the federal poverty level spend more than a third of their household income on child care — more than three times what is considered to be affordable by the U.S. Department of Health and Human Services.\(^{24}\) This burden is significantly greater for women of color, who make up more than half of the mothers with very young children working in low-paying jobs that provide significantly less opportunity for upward mobility.\(^{25}\)

As the COVID-19 emergency continues to roll out, the nation can expect these dynamics to worsen, and child care providers and workers to suffer. In a national poll conducted by the National Association for the Education of Young Children, 30% of responding child care providers indicated that they most likely will not be able to financially survive the closure of their centers due to COVID-19.\(^{26}\) As of April 2020, nearly half had closed their

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21  Ibid.
23  https://cdn.americanprogress.org/content/uploads/2019/06/19074151/Working-Families-SpendingBRIEF.pdf
centers. Comparing this to state data, nearly 100,000 centers have shuttered, more than a third have had to lay off or furlough workers and another 41% anticipate having to do so within four weeks.27

This is devastating, not only for the child care industry and the pressure that has been mounting on access and affordability, but also for the child care workforce that has been historically undervalued and underpaid. Prior to the COVID-19 emergency, there were nearly 2 million child care workers across the nation, the majority of whom were working in centers already operating on razor-thin financial margins and earning poverty-level wages.28 In 2017, in every state, “child care workers earned less than two-thirds of the median wage for all occupations in the state — a common threshold for classifying work as “low wage,” and more than a third of early child care educators live in households with an annual income below 200% of the federal poverty line.29 In fact, more than half of child care workers already relied on public assistance prior to the COVID-19 emergency, many of whom couldn’t afford safe child care for their own children, as compared to 21% of the nation’s workforce overall.30

The COVID-19 emergency will undoubtedly exacerbate racial inequities experienced by workers of color, and especially female workers of color, within the child care industry. According to the Center for the Study of Early Child Care Employment at the University of California, Berkeley, women of color hold a disproportionately high share of the lowest-paying jobs in the field.31 Black women, on average, earn less than their white colleagues by as much as 78 cents per hour.32 In addition, workers caring for infants and toddlers — the majority of whom are Black women — have historically earned the lowest wages of early care providers, regardless of education level.33 What is more, these workers face structural barriers to advocating for fair pay and treatment. Currently, only 12 states provide child care workers with the right to unionize and engage in collective bargaining.

Early child care providers have always been essential to our society and will continue to be as our nation charts an equitable recovery. As policymakers design recovery efforts, it is imperative that existing funding streams that support access to affordable, high-quality child care be strengthened and that the people who provide that care be protected.

The federal government provides financial assistance for child care for low-income working parents, including the Child Care and Development Block Grant (CCDBG) and Early Head Start (EHS), but these have chronically fallen short of meeting the needs of young children. The CCDBG was reauthorized in 2014 and expanded to improve the quality, continuity and availability of child care through state-level block grant funding. Unfortunately though, the program does not reach enough families in need, and less than 20% of eligible children receive assistance.34 Just over 4% of infants and toddlers living in families with incomes below 150% of the state median income receive a child care subsidy.35 Resources are also insufficient to meet the needs of families of color. For example, while Black children have the highest rates of CCDBG access amongst racial and ethnic groups, they are still woefully underserved. An overwhelming majority — 79% — of eligible Black children

27 Ibid.
30 Ibid.
31 Ibid.
32 Ibid.
33 Ibid.
do not receive subsidies. And overall, fewer eligible Latinx, Native Alaskan and Asian children access these supports than the national average.

EHS is the only federal program dedicated to comprehensive healthy child and family development for pregnant women, infants, and toddlers living in families with incomes below the poverty line. EHS goes beyond child care, and its strength lies in its comprehensive platform that is flexible and can be adjusted according to family and community needs. EHS services encompass early prenatal services, a two-generational focus, quality child development services coupled with family services, continuity of caregivers and services and intensity of service delivery. Service settings include centers, family child care homes and the child’s own home. While EHS has been shown to strongly contribute to children’s developmental success and family stability, the program still only serves 8% of eligible children.

All children deserve strong, supportive starts in life; all parents deserve a fair chance to provide for their children without sacrificing their financial well-being; and all child care workers deserve a living wage and supportive benefits. If working parents who currently cannot access affordable child care — many of whom work in the child care industry — could do so, it might put $28.9 billion in wages back in their hands that they currently lose. If workers had better access to reliable child care, U.S. business might recoup the $4.4 billion that is

38 Ibid.
lost over the year due to employee absenteeism related to child care challenges. Expanding access to high-quality and affordable child care is a moral and economic imperative, with the potential of supporting a more equitable post-recovery future for the entire nation.

A Pathway Forward: Considerations for Policymakers

The early years of a child’s life can be some of the most vibrant and joyful for a family. They constitute some of the most critical for brain development, early learning and lifelong outcomes, serving as the social, emotional and intellectual foundation for a healthy life. Unfortunately, they can also be some of the most stressful and financially devastating. As our nation responds to the current COVID-19 emergency, we must simultaneously plan for a more equitable recovery and future. Our current federal policies are not equipped to support parents and caretakers — especially those who are underemployed. This is disproportionately true for families of color, who are resiliently raising babies and toddlers despite inequitable access to good jobs, just pay and leave, and affordable high-quality child care. Federal supports like FMLA, CCDF and Early Head Start are important foundational policies for ensuring that all families can thrive as they raise young children, but there is still significant opportunity to expand and deepen these and other supportive measures. To move closer to an equitable foundation for all children, their families and child care providers, policymakers should consider the following approaches:

Learn from the lived experience of low-income families and families of color. Taking on an equitable orientation to understanding how current policies and systems perpetuate inequality and marginalization for low-income families and families of color is essential to alleviating pressures for all families. Low-income working families and families of color are experts on the strengths of and barriers facing parents as they raise their young children. As lawmakers reconsider the role of policy in establishing a firm foundation for young children, they should seek opportunities to learn from the lived experiences of those parents who have experienced job insecurity while pregnant or raising young children, who have experienced the greatest financial risk as they’ve raised young children and who have experienced the greatest barriers to accessing high-quality child care for their children. They should also look to coalitions that organize parents and caregivers to better understand the issues that are most pressing to them and learn from the adaptations that they would like to see in funded programs. Policymakers should not just seek more equitable outcomes for families and children, but should consider how to reorient policymaking processes to be focused on equity from the start.

Additionally, policymakers should seek to better understand how current federal programs like Early Head Start work with communities to determine and respond to their needs. Drawing on lessons about how these programs have evolved their equitable orientation, policymakers should be looking to increase opportunities to continue pushing high-quality early care and learning programs to be more rooted in and responsive to low-income families and families of color, not only increasing funding to them but also continuing to support community ownership over how programs are developed and governed.

Amend existing supports for family leave to be paid and accessible to all workers, regardless of employment status. To address the disparate experiences of low-income families, and especially families of color, as they transition towards raising a new child, leave policies (at the federal, state or local level) should:

LIFTING UP WHAT WORKS: Child care providers in California win collective bargaining rights

In September 2019, child care providers across the state of California successfully advocated for AB 378, the Building a Better Early Care and Education System Act, which made California the 12th state to provide early childhood educators with collective bargaining rights. With these rights secured, child care workers may now unionize, creating opportunities to negotiate for fair wages and benefits increased state funding for child care subsidies to expand access for low-income families, as well as affordable training and professional development opportunities.

• Guarantee job security for each parent or caretaker raising the child.
• Deepen and expand supports for families by modeling Oregon’s paid family and medical leave law, which not only mandates that employers pay all salaried workers taking leave a reasonable portion of their typical salaries, but also mandates that all low-income workers be paid 100% of their wages while on leave.41
• Mandate employers to offer paid leave to part-time workers.
• Ensure that paid leave coverage is portable across jobs so that workers are not penalized for changing employers.42
• Ensure that parents receive sufficient time off to recover, transition and bond with their child (current research suggests three months).43
• Ensure that all parents can participate in leave time by ensuring that policies are gender-neutral and include types of partnerships that are not currently recognized (civil unions, domestic partnerships, etc.).
• Be comprehensive in meeting families’ needs, including adult health condition, pregnancy and childbirth recovery, time to bond with a newborn or newly adopted child and caring for another family member with a serious health condition.

Expand comprehensive federal funding for early childhood settings and strengthen access for low-income children and children of color. Current federal supports for early childhood access to care and education support far too few children and families, and their lack of a systemic approach to supporting providers and addressing gaps in the location of high-quality programs yields inequitable outcomes. Policymakers should fight for a comprehensive child care program with expanded funding, assurances that providers receive appropriate compensation and provisions to ensure high quality in programs, especially those located where children who most need them live. Policymakers also must ensure that programs that seek to enroll and serve babies, toddlers and families are a primary focus, not an afterthought.

Invest in the recovery of the child care industry, expanding protections and pay for child care workers in responses to COVID-19. Child care and child care providers have always been essential, never more so than during the COVID-19 pandemic. As the nation navigates the current public health crisis, all child care workers who are offering care should be guaranteed access to protective supplies, child care for their own children, and health coverage with guaranteed paid leave should they be exposed to the coronavirus and/or become ill. Additionally, as local jurisdictions, states and the federal government continue to adapt funding to support long-term recovery efforts and potential resurgences of the coronavirus, all active child care workers should be included in funding to protect essential workers and industries, and should receive hazard pay. In order to support the child care industry in offering their workers these protections and guarantees, lawmakers should consider the following immediate recommendations from the Center for the Study of Child Care at the University of California, Berkeley:44

- Create a child care relief program that allows providers to close and pay their workers and operating costs so that they can be ready to reopen when it is safe to do so.
- Provide small group care for young children who are unhoused or cannot safely be cared for in their home.

Policymakers might also provide alternatives to group child care for families who prefer other options, particularly infants and toddlers, as well as support for developmentally appropriate care.

These efforts should be leveraged to more permanently support the early child care system by:

- Using a child care relief fund as a precedent for future policy and funding to invest in a more robust national early education system and equitable opportunities for the early child care workforce.
- Leaning on experts in epidemiology, child development and child care provision to lay out effective guidelines for emergency care to better prepare the field for future crises.

Advocates estimate that at least $50 billion will be necessary to keep the child care system afloat and address a critical need for workers and families.

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