



Statement for the Record of Miriam Calderón, Chief Policy Officer

Chair Murray and Vice Chair Collins:

Thank you for holding today's hearing to review the President's Supplemental Request for the Departments of Health and Human Services and Homeland Security, including the important recognition of the urgent needs of both families and providers in the child care system. The COVID-19 pandemic exposed the long-standing weaknesses of child care in the United States, where for years families have been challenged to find and afford quality care, especially for infants and toddlers, and child care providers have been locked into low wages that in no way correspond to the critical work they do to shape the foundational development of the youngest children. If the experiences of the last few years revealed child care's fault lines, they also showed that bold investments can make a difference. Now we stand at an inflection point. For families and early educators, the crisis of the past few years continues. The child care system once again is at the brink of serious erosion, placing family work efforts, support for early development, and the viability of the child care workforce in jeopardy. I urge you to heed the President's call and provide \$16 billion to support the child care system that we know is essential to the United States' economy.

ZERO TO THREE's mission is to ensure every infant and toddler has what they need to thrive. We translate the science of early childhood development into useful knowledge and strategies for parents, practitioners, and policymakers. We work to ensure that babies and toddlers benefit from the family and community connections critical to their wellbeing and healthy development. Research tells us that second only to the family, child care is a key environment in which early development unfolds. It is also the key to economic security that all babies need to thrive. A central focus of our work is ensuring families have high quality, developmentally appropriate settings for their infants and toddlers and early educators are supported and compensated for the vital work they do.

My comments address the following points:

- The landscape for families of infants and toddlers is one where many families have low and moderate incomes and struggle to find care they can afford, with few assisted by federal funding.
- Stabilization funding that expired in September helped a broad spectrum of programs and families, the vast majority of whom are not in the subsidy system, keep their heads above water and especially benefitted infant-toddler care.
- Even with the stabilization funds, the experiences of families with babies and providers who care for them still reflected ongoing challenges of scarcity, lack of affordability, low wages, and high provider stress.
- Without continued investment, these challenges are likely to worsen, reflected in parents' and early educators' concerns about being able to stay in business. A steady erosion of the nation's child care assets, including continued workforce losses, seems likely, increasing the costs and complexity of rebuilding in the future.
- Other sources of funding are unlikely to fill the gaps across the country, especially given the weak history of state investment in infant-toddler early education.
- Parents of infants and toddlers overwhelmingly believe that Congress and the President have a responsibility to address urgent child care needs.

These observations add up to one conclusion: the need for continued investment to shore up the child care system is evident and urgent. Without stabilization funding, the breathing room the funds provided

the system will once again close in on families and providers, stifling parents' work efforts and a dedicated workforce's determination to be present for both parents and children. Failure to act now will require higher investments in the future to rebuild the child care sector. Inaction will undermine the child care workforce as well as families' ability to work, and leave young children without the continuous, responsive care they need to develop and thrive.

The Landscape for Families with Infants and Toddlers

The majority of families with infants and toddlers are mostly in the low to moderate reaches of the income ladder. The *State of Babies Yearbook: 2023* found that 78 percent of infants and toddlers live in families with incomes below 150 percent of State Median Income. Two in five babies live in families with low income, including almost a fifth in outright poverty. 62 percent of babies have a mother in the workforce, and 75.8 percent have at least one parent who works full time. Full time work does not equal economic stability: more than half (52.8 percent) of babies in families with low income have at least one parent who works full time, including more than a third (35 percent) of babies in poverty.ⁱ

This work effort carries a high price. Child care for infants and toddlers is expensive, ranging from 7.3 percent to 16.7 percent of the median two-parent family income across states and from 26.3 percent to 79.4 percent of the median single-parent income.ⁱⁱ Yet, the wages of early childhood educators have been perennially low, because parent fees simply are not adequate to cover the true cost of care and little public support is available.

Relatively few families are able to access assistance to pay for child care. The Child Care and Development Fund (CCDF) serves only 16 percent of federally eligible children. When we look at low- to moderate income families—those who likely would benefit from help affording infant-toddler child care—the *Yearbook* found that only 4.7 percent of babies in such families receive assistance through the federal program.ⁱⁱⁱ

The economics of child care led to a decline in supply even before the pandemic.^{iv} Shortages of infant-toddler care were pervasive. Families have consistently reported arduous searches, contacting multiple providers, and often making tradeoffs either in the quality they want or not addressing other family needs to access care for their young children. Stories abound of parents, most often but not always the mother, walking away from the workforce because work did not pay if their entire paycheck went to child care.

Stabilization Payments Benefitted Infant-Toddler Care, But Challenges Persisted

When the pandemic hit this already fragile system, many providers closed their doors with no means of making it through the crisis in one piece. When they were able to reopen, the workforce shortages driven by low pay before the pandemic, increased as layoffs severed ties to the profession and higher wages in other sectors provided greater economic security. Given that the subsidized care system is relatively narrow, this crisis involved a much broader spectrum of providers, in other words, it was systemwide. The stabilization payments were groundbreaking in responding to the need to preserve this expansive supply of child care important to the work efforts of so many families.

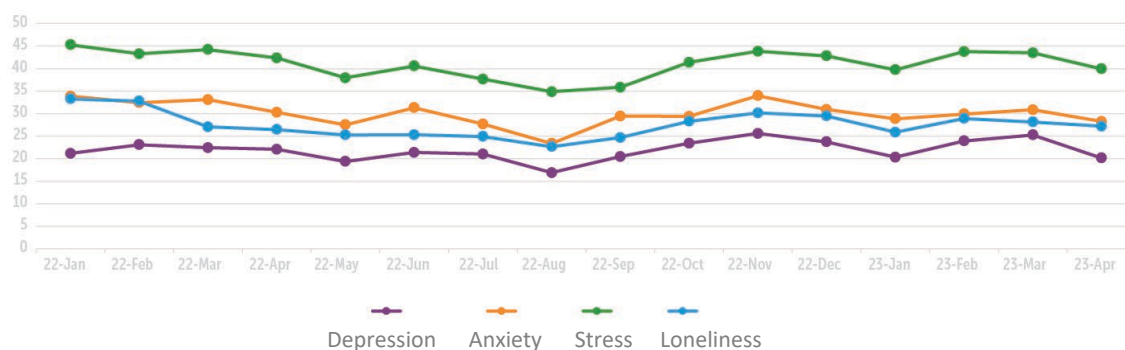
The stabilization payments were particularly beneficial for providers of infant-toddler care, where the workforce has the lowest wages and programs have the highest costs. A November 2022 survey by the National Association for the Education of Young Children (NAEYC) found widespread use and benefits of the payments.^v

- 90% of infant-toddler respondents reported receiving stabilization funds.
- 28% said their programs would have closed without the funds—more than twice as many as from non-infant-toddler programs.
- More than half of infant-toddler program staff reported receiving more money because of a wage increase or supplement (compared with 41% in non-infant-toddler programs).

Stabilization payments were a lifeline for child care providers and families, but the underlying challenges of the child care system exacerbated by the pandemic era persisted. Experiences during this period provide further insights to consequences of the losing those funds. The *State of Babies Yearbook: 2023* includes data related to infants and toddlers from the RAPID Survey of parents with young children and child care providers. The data give a picture of child care throughout 2022 and early 2023, when the stabilization payments were in effect. The discussion below is based on that report.^{vi}

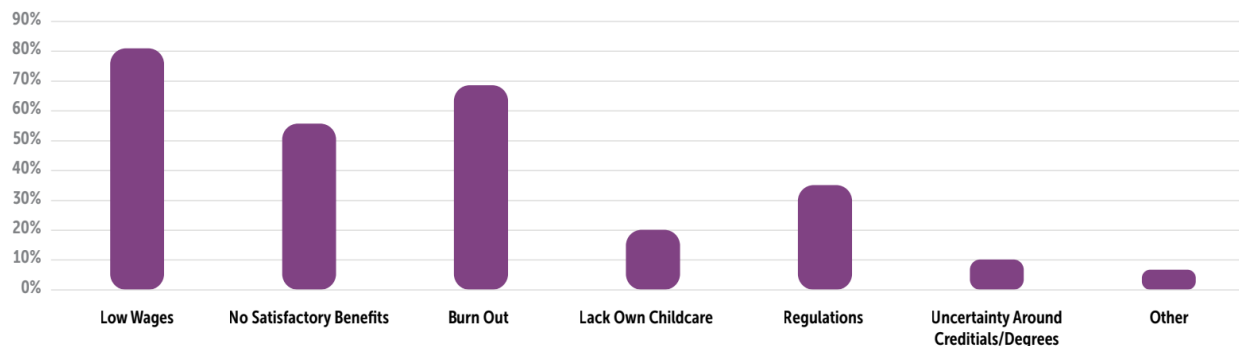
Despite many programs' increased ability to offer bonuses and improved benefits, child care staffing remained a challenge. Half of the early educators surveyed reported experiencing symptoms of burnout. Measures of their emotional wellbeing showed elevated levels of depression, anxiety, loneliness and particularly stress, as shown in the chart below (figure numbers refer to *Yearbook* placement). The most important ingredient of quality care is the ability of early educators to establish relationships with babies and their families and to provide nurturing, developmentally and culturally responsive experiences for the children in their care. Therefore, the wellbeing of early educators (i.e., their mental health and economic security) is a core component of quality care, alongside the specialized skills and knowledge required to care for babies. Addressing the burnout, stress and material needs of early educators is therefore a reason for urgent action.

Figure 2-5: Child Care Provider Wellbeing Symptoms over Time 2022-23



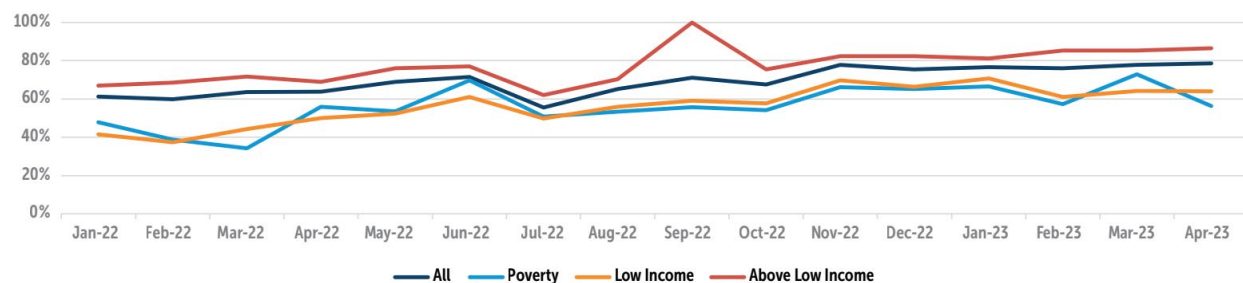
Burnout joined low wages and lack of benefits as the chief reasons cited for the inability to retain and recruit staff, as shown in the chart below. 81 percent of providers surveyed cited low wages as a key reason for difficulty retaining staff, with about the same percentage citing this reason for difficulty recruiting staff. 68.6 percent cited burnout and 55.8 percent cited no satisfactory benefits as reasons for difficulty retaining staff.

REASONS FOR DIFFICULTY RETAINING STAFF Figure 3-3



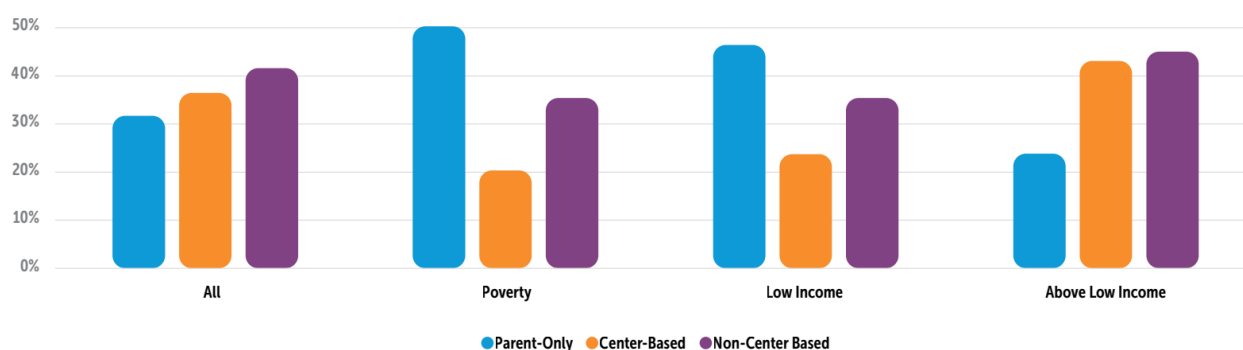
The importance of preserving the child care system's viability was readily apparent as parents increased their use of non-parental care during this period. While families of all income levels increased their use of non-parental care, families with low income or in poverty remained at lower rates.

NON-PARENTAL CHILD CARE USE BY INCOME LEVEL Figure 3-1



Patterns of types of care used varied distinctly by income level. It seems likely that cost and accessibility play a role in these differences. Overall, non-center-based care is the most prevalent type of care families used. Families above low income used center-based care almost as frequently, with a smaller percentage using parent-only care. The reverse pattern appears for families with low income or in poverty, for whom parent-only care is the largest category, followed by non-center-based care, with centers having the smallest share. Families who could not afford the high price of care or could not find it in their neighborhoods may have juggled work schedules so parents could take turns or had one parent forego working to care for children. Throughout the period covered by these data, three-quarters of families with infants and toddlers who needed to look for care in a given month reported difficulty finding care. Over half of families had to make alternative child care arrangements at some point so they could work. These hardships for families and providers are likely to worsen as providers lose stabilization support.

TYPE OF CHILD CARE ARRANGEMENT BY INCOME Figure 3-2



Providers and Families Face the Loss of Critical Resources

While stabilization funds provided welcome relief and even helped improve workforce conditions somewhat, the challenges providers and families have continued to face point to increased problems as these funds vanish from the system. These effects will build over time—providers are not looking to go out of business, but have limited options to remain economically viable while retaining staff. As child care providers face the need to raise tuition, close classrooms because of staffing shortages, or close altogether, families—and especially families with lower incomes—will find their choices shrinking. The impact on young children could be significant, as care arrangements become more haphazard and the rising costs of more formal child care arrangements increasingly skews them toward more affluent families.

Providers anticipated the impact of the funding's expiration, as the NAEYC survey^{vii} found:

- More than one-third of infant-toddler respondents (34.5%) said they would have to raise tuition.
- 20.8% said their programs would have to cut wages and/or be unable to sustain wage/salary increases (compared to 17.3% of non-infant-toddler programs).
- 24.7% said their programs would have to reduce benefits to staff (compared to 12.9% of non-infant-toddler programs).
- 21% reported their program would lose staff (compared to 15.1% in non-infant-toddler programs).

In September 2023, families in ZERO TO THREE's Family Advocacy Network told us about changes they were seeing in their children's child care programs. Some families were seeing higher charges for services, though it was not always clear to them what triggers those increased costs. Many families say that they are often the last to know about changes to child care, but are concerned about what might be ahead for them. When families learn of tuition rises or other changes at the last moment, they are left scrambling, straining their relationships with providers.

"I believe that my children's center will face many of the teachers leaving soon since ARPA funded bonuses in Alabama for child care workers. The last bonuses are this month." Mariah S., Montgomery, AL,

Several families we spoke to engage child care part time, even though they have full time jobs. They work around the edges of their lives with their children in ways that severely impact their sleep schedules, their quality time with their children and partners, and their mental health. Others have found that their work will not pay, that every dollar would go to care. Those families have no choice but to leave the workforce entirely. If tuition costs go up, families already stretched by high child care costs know they would face difficult choices. The possibility that programs might close altogether brought the specter of impossibly long waitlists. Leaving the workforce becomes a distinct possibility.

"We would not be able to afford more than what we are paying now. We would need to find alternative care, which has waitlists 2+ years long, or my husband or myself would have to quit our jobs and leave the workforce." – **Kendra N., Brandon, SD**

"If my daughters couldn't go to child care, I would not be able to keep the job I'm currently at. I may have to go on public assistance or try and find a job I could work from home." – **Sherelle P., Kenner, LA**

Often overlooked is the cost to children of unstable and uncertain child care arrangements, particularly for infants and toddlers. For babies—whose brains are developing more than 1 million neural connections every second—continuity and quality are critical for supporting the positive development that leads to school readiness.

"Our youngest would be very impacted because he's getting ready to go into a developmental preschool. It would cause a lot of stress and a lot of unknowns, which would make it very difficult to focus on other things like work." – **Destiney P., Phoenix, AZ**

The Need for Continued Supportive Funding for Child Care

The need for continued investment to shore up the child care system is evident and urgent. Without continued supportive funding, the breathing room the funds provided the system will once again close in on families and providers, stifling parents' work efforts and a dedicated workforce's determination to be present for both parents and children. The federal government must once again show leadership in taking bold action on behalf of our nation's children, families and essential workers by appropriating the \$16 billion in emergency funding the President requested.

Additional federal funds are needed, as other sources frequently cited are simply not adequate and do not assure equity in access to funds families and providers across the country need.

- Pandemic-era funds channeled through the Child Care and Development Block Grant largely focus on the subsidy system, and have been spent or obligated, often for subsidy-related purposes such as covering co-pays and increasing provider reimbursement rates. A systemwide approach to sustaining the country's child care assets is needed.
- While several states have stepped up to provide continued funding, widespread state investment seems unlikely to fill the gaps. Prior to the pandemic, research estimated that states and localities put in only 15 cents of every dollar spent on early care and learning programs for infants and toddlers, with federal funds covering the remaining 85 percent.^{viii}
- When some states support child care services, but others do not, serious equity questions arise. Families of color and those with low income are most likely to find problems accessing and affording quality early care and learning services for their children.
- If the child care system is allowed to continue slowly crumbling, at some point—when there is a recognition that providing quality care for young children is essential for the economy and their own development—rebuilding will be that much more difficult and expensive, as more providers will have to be recruited, trained and equipped to open their doors to families.

Families Believe Congress Should Step Up for Child Care

Families with infants and toddlers are doing important work, juggling ensuring that their children are well-nurtured with providing for their economic security. Faced with continuing difficult times, they believe the federal government should be held accountable both for the child care challenges and for addressing them. ZERO TO THREE collaborated with Morning Consult to survey parents of infants and toddlers shortly before funding expired and found:^{ix}

- The majority of parents say Congress (74%) and the Biden administration (72%) are responsible for failing to make high quality child care accessible and affordable for families—a sentiment shared by Democrats and Republicans alike.
- Congress' failure to secure funding for the child care system in the upcoming year will result in additional challenges for parents. Nearly nine-in-ten parents with children in formal child care say they are concerned about their provider raising prices (88%) and being unable to retain teachers (86%) if Congress does not secure child care funding.
- Parents want the federal government to put child care at the top of their legislative agenda. Nearly nine-in-ten (86%) parents say it should be a priority for Congress to secure funding for the child care system in the upcoming year.

President Biden has heard the voices of families and providers calling attention to the urgent needs of this essential sector. Now it is Congress' turn to act. I urge you to act swiftly to provide the supplemental funding the President has requested.

ⁱ Cole, P., Trexberg, K., & Schaffner, M. (2023). State of babies yearbook: 2023. Washington, DC: ZERO TO THREE.

ⁱⁱ Ibid.

ⁱⁱⁱ Ibid.

^{iv} Child Care Aware of America (nd). *Demanding change: Repairing our child care system*. [Demanding Change: Repairing our Child Care System - Child Care Aware® of America](#)

^v National Association for the Education of Young Children (May 2023). *Impact of child care stabilization grants on programs serving infants and toddlers*. [infant toddler brief naeyc.pdf](#)

^{vi} Cole, P., et al.

^{vii} National Association for the Education of Young Children.

^{viii} Isaacs, J., Lou, C. Hahn, H., Lauderback, E. & Quakenbush, C. (May 2019). *Public spending on infants and toddlers in six charts.* [public spending on infants and toddlers.pdf \(urban.org\)](#)

^{ix} ZERO TO THREE & Morning Consult (August 2023). *Parent perspectives: Child care and the federal government.* [Close to 90% of parents want Congress to support families in the FY24 Budget | Think Babies™](#)