

To: Interested Parties

From: Michael Steel and Stacy Kerr

Re: The Opportunity to Build A Better Child Care System for America's Working Families

Date: January 6, 2021

On day one in office, President Biden and leaders in Congress will face one of the most daunting challenges in our lifetime—picking up the pieces and rebuilding our country in the face of intense partisanship as the health and economic crisis brought on by the COVID-19 pandemic continues. This challenge is further complicated by a country that is bitterly divided over who should lead us into the next generation, and citizens who are skeptical of whether unity across party lines is possible.

But this great challenge also presents the opportunity for political leaders to restore Americans' faith that government can put partisan politics aside in order to address the kitchen table issues that create meaningful, lasting change for working families. One issue that falls squarely at the nexus of bipartisan agreement and importance to our economy in the short- and long-term is one that is close to our hearts: early childhood education and care.

The coronavirus pandemic has impacted every sector of our economy, but it continues to wreak havoc on the child care industry. Many child care providers have closed their doors permanently, and others are struggling to remain open. The pandemic has laid bare the indispensable role of child care for working families and the economy—and the stark inadequacies of our current child care infrastructure. In fact, both Democrat and Republican voters agree that child care is an essential service just like health care.

With the Senate runoff election in Georgia establishing an equally split Senate, the president and congressional leaders are charged with finding compromise. As political veterans from either side of the aisle, we have a unique understanding of how a new president facing bitter partisanship and a thin majority in Congress will look to build unity and make progress for American families. Taking bipartisan action to ensure more families can access affordable, quality child care and early learning is a no brainer for President Biden and Democrats and Republicans alike in Congress.

Over the past decade, there has been steady bipartisan progress at all levels of government to expand access to high-quality early learning and care—especially for families living in poverty. That is because there is broad consensus among academics, experts, businesses, and voters that all families should have high-quality opportunities for their children from birth through age five.

This comes as business leaders and economists continue to sound the alarm that the pandemic—and the child care crisis it worsened—is threatening decades of progress to establish equal footing for women in the workforce. Recent jobs data and research reveal the following:

Women's labor force participation dropped to 55.6 percent from 56.1 percent in September. Aside from April and May this year, this marks the lowest reading for women's labor force participation since 1987. Among those who left the workforce in September, 80 percent are women.

About one in five working-age adults are unemployed because of the disruption to their child care arrangements during the pandemic, according to the U.S. Census Bureau and the Federal Reserve. And

women ages 25 to 44 are almost three times as likely as men not to be working due to child care demands.

It has become clear that working families, child care workers, and our economy cannot thrive without a strong child care system. But operating costs for child care providers are up by 47 percent, while enrollment is down 67 percent. Child care is still in crisis, and the situation becomes even more tenuous with each day that passes and as more providers are forced to close their doors for good. Lawmakers must act swiftly to provide significant relief for child care.

The good news is that there is already overwhelming agreement among Democrats and Republicans that child care is foundational to America's recovery. In fact, relief for child care was included in every recovery bill or proposal thus far. This includes the following:

The most recent version of the HEROES Act passed by the House included \$57 billion for the child care industry. The Child Care is Essential Act, which passed in the House with 18 Republicans supporting the measure, would create a \$50 billion child care stabilization fund.

The Senate HEALS Act, as well as the pared-down economic relief package, included \$15 billion in emergency funding for the child care industry.

Ahead of the election, voters were demanding sweeping federal action to support the child care industry. In a recent poll from the First Five Years Fund, 79 percent of voters—and 82 percent of women—said the COVID crisis has shown how essential it is to build a child care system that makes care available and affordable to all families who need it. And there is broad support for a federal proposal that would ensure every working parent could affordably send their child to high-quality care.

Facing unprecedented calls for both parties to work together, the Biden administration and leaders in Congress are presented with the opportunity to change the lives of young children and make high-quality care available and affordable to all families who need it. From our perspective, and based on decades of experience in politics, achieving anything in this particular climate will require leveraging partnerships across the aisle, building from existing support among voters and lawmakers alike, and speaking about issues that matter in a way that resonates with all voters—not just those within your base. Now is the time to take meaningful action on our nation's early learning and care system that will support working families and the economy for generations to come.

About the authors:

Stacy Kerr is a strategic communications expert with decades of experience as a trusted advisor to CEOs, global executives, and elected officials, including Speaker of the House Nancy Pelosi. Prior to joining Hamilton Place Strategies, Kerr spent 15 years working in national politics and served as the Chief Communications Officer for Georgetown University.

After nearly two decades working in journalism, on Capitol Hill and for political campaigns, Michael Steel joined Hamilton Place Strategies in 2016, where he advises a range of clients on strategic communications and public policy. Prior to this, Steel served as senior policy and communications advisor for Governor Jeb Bush's presidential campaign and press secretary for Speaker of the House John Boehner.