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March 24, 2026

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
1139 Longworth House Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1129 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Smith and Ranking Member Neal:

As an organization focused on expanding access to quality, affordable child care and early childhood education for children and families nationwide, First Five Years Fund writes in support of H.R. 5334, the Supporting Early-childhood Educators' Deductions (SEED) Act. We thank the Ways and Means Committee for your action on this legislation, which will put money back into the pockets of hardworking early childhood educators nationwide. We appreciate the bipartisan leadership of Congressman Jimmy Panetta, Congressman Brian Fitzpatrick, Congresswoman Maggie Goodlander, and Congressman David Valadao, for introducing this commonsense legislation that helps support our nation's early childhood educators and we urge members of the Committee to support H.R. 5334.

Reliable, affordable, and quality early learning and child care is foundational to helping set our youngest learners up for success, supporting working parents, and fostering economic growth nationwide. Despite the importance of early childhood education, access to care is limited in too many communities across the country. Many of the gaps in care are attributed to challenges with recruiting and retaining early childhood educators. According to data from the Center for the Study of Child Care Employment at the University of California, Berkeley, across the U.S., early childhood educators earn a median hourly wage of \$13.07. The wages paid to early childhood educators are lower than 97 percent of other occupations. Additionally, thirteen percent of early childhood educators earn below federal poverty line wages, and 43 percent rely on public assistance to afford basic needs such as food and health care.¹ At the same time, child care programs operate on extremely thin margins and program directors are often unable

¹ [Early Childhood Workforce Index](#) 2024. Center for the Study of Child Care Employment, University of California, Berkeley.

to provide higher wages to staff members. The difficulty of recruiting and retaining early childhood educators ultimately leads to limited options for families seeking child care and impedes our nation's economic growth.

In light of this, we are pleased to see the Committee working to advance legislation that better supports early childhood educators. H.R. 5334 would allow early childhood educators to claim the same federal tax deduction that is currently available for K-12 teachers. Specifically, the SEED Act would expand the existing above-the-line \$350 Educator Expense Deduction to include early childhood educators, enabling them to claim this tax benefit for the first time. This deduction would help offset the hundreds of unreimbursed dollars that many early childhood educators spend of their own income each year on classroom supplies, books, and materials for the children in their care.

Recent research shows that nearly all early childhood educators spend their personal money on classroom-related supplies, and the Educator Expense Deduction would help to alleviate this burden. National survey data from the Buffett Early Childhood Institute at the University of Nebraska has found that more than 90 percent of early childhood educators report that, during the past year, they incurred unreimbursed out-of-pocket educational expenses which would have been eligible for tax deduction under the Educator Expense Deduction if they were a K-12 teacher. Additionally, the national average amount of unreimbursed educator expenses incurred by early educators was \$199, with some variation across states. Early childhood educators in Missouri and Massachusetts reported similar out-of-pocket spending on classroom supplies, with 83 percent in Missouri spending an average of \$173 annually and 86 percent in Massachusetts spending approximately \$179.²

In light of the significant contributions made every day by early childhood educators to benefit our nation's youngest children, families, workforce, and economy, we thank you for taking steps to advance H.R. 5334, the SEED Act. We urge Members of the Committee on Ways and Means to support the bill's passage during markup. The SEED Act is a commonsense, bipartisan bill that would better support the early childhood educators whom our youngest learners, their families, and our broader economy rely on every day.

Sincerely,

First Five Years Fund

² Buffett Early Childhood Institute at the University of Nebraska. [Improving Child Care Worker Retention through Tax Reform by Including Early Childhood Educators in the Educator Expense Deduction](#).