



The Daily Dish

Soft Heart, Softer Head

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Eakinomics: Soft Heart, Softer Head

Presidential candidate Joe Biden recently released a third component of his “Build Back Better” program, a [plan](#) “for Mobilizing American Talent and Heart to Create a 21st Century Caregiving and Education Workforce.” The proposals are evidently intended to position Biden as the candidate who cares about the elderly and the young. That might work. But taken at face value, they are most likely to over-promise and under-deliver. (AAF’s Tara O’Neill Hayes and Isabel Soto have a more complete review [here](#).)

Despite dressing the plan up in the guise of a jobs initiative, in the end it is about providing long-term care for the elderly and day care for children. That alone should make your alarm bells go off. There has never been a federal long-term care program that added up (the most recent failure being the so-called CLASS Act embedded in the Affordable Care Act), and the nation has struggled with childcare for years. What will Biden propose that magically solves these seemingly intractable policies?

Nothing.

Of course, Tara and Isabel (and, probably, *everybody* else) are not that harsh. For the long-term care (LTC) component, recall that AAF [research](#) indicates that roughly \$850 billion worth of LTC was provided in 2018. Yet, Tara assesses the Biden proposal and sweetly concludes, “Biden’s estimated cost of \$450 billion, which is also intended to fund innovative new treatment options, is woefully unrealistic.” No kidding! \$850 billion in costs for ONE year versus a shared fund of \$450 billion over TEN years.

A similar problem pervades the childcare proposals. Biden promises a tax credit to cover the costs of childcare (up to \$8,000) and universal pre-kindergarten. As Soto points out, “Just using the average cost of center care (\$215 a week), an upper-bound estimate of providing universal pre-k under Biden’s plan would be \$102 billion for the first year alone, and this

figure is almost certain to rise.” So, the starting bid is \$1 trillion over 10 years before we even get to the childcare plan. On that front, Biden promises higher pay for caregivers (which makes it more expensive) and higher quality standards (ditto), although he does address a bit of the supply problem with a tax credit to incentivize new supply. Still, it simply does not add up.

Is it really a smart policy to promise something that you cannot deliver? My graduate school professor Alan Blinder, an avowed liberal, wrote a book entitled *Hard Heads, Soft Hearts: Tough-minded Economics For A Just Society*. Regardless of the specific proposals, I always thought this was exactly the right attitude. Unfortunately, while the Biden proposals perhaps reveal a soft heart, they also reveal a softer head.