



Press Release

Competing Child Care Proposals

PAULINA ENCK | SEPTEMBER 28, 2021

High demand and limited supply have made child care increasingly costly and difficult to access across the country, leading policymakers to put forward a variety of proposals to address these challenges. In new research, Director of Human Welfare Policy Tara O'Neill Hayes estimates the cost of sufficiently meeting the nation's child care needs and summarizes the proposals currently under consideration. She finds that the proposals are likely insufficient to resolve either the supply or cost challenges—and may drive up prices in the future.

Key points:

- *President Biden and congressional Democrats seek to significantly increase funding to bolster the supply of child care centers and the wages of child care workers, and to provide subsidies for families to purchase care.*
- *Congressional Republicans seek to improve affordability through expanded tax credits for employers to provide on-site care and enhanced dependent care federal savings account, in addition to redistributing unspent funds from previous COVID-19 response legislation to states with the greatest child care needs.*
- *This analysis finds that increasing supply to meet the demand of child care services would require hiring nearly 3 million more care workers and building new facilities at an estimated cost of roughly \$170 billion per year; none of the proposals suggest funding in this range, nor does this estimate account for the substantial cost of providing more generous direct subsidies to families.*
- *Moreover, the structure of the policies would reduce incentives to control future increases in the cost of child care.*

Read the analysis