



The Daily Dish

Warren on Child Care

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Eakinomics: Warren on Child Care

Yesterday presidential candidate Elizabeth Warren put out her campaign proposal for “[Universal Child Care](#),” and today I am going to whine about it. But before the kvetching (technical term) begins, let me put aside a few red herrings that will inevitably come up. First, I don’t hate children. I like them better now that they are grown and out of the house, true, but I don’t hate children. Second, there is a problem finding day-care options for working parents. This proposal is just not the solution. Third, the evidence on the benefits of early childhood education is very real; my reservations about the proposal are independent of that research.

Here is the essence of Warren’s proposal. She says, “Here’s how it works:

- The federal government will partner with local providers?—?states, cities, school districts, nonprofits, tribes, faith-based organizations?—?to create a network of child care options that would be available to every family.
- These options would include locally-licensed child care centers, preschool centers, and in-home child care options.
- Local communities would be in charge, but providers would be held to high national standards to make sure that no matter where you live, your child will have access to quality care and early learning.
- Child care and preschool workers will be doing the educational work that teachers do, so they will be paid like comparable public school teachers.

And here’s the best part. The federal government will pick up a huge chunk of the cost of operating these new high-quality options. That allows local providers to provide access for free to any family that makes less than 200% of the federal poverty line. That means free coverage for millions of children.

Robust federal funding also allows local providers to provide access to any family over that 200% threshold at very affordable rates that are capped at no more than 7% of that family’s income. That’s a heck of a lot less than what most families are paying for high-quality child care now.

Bloomberg [reports](#) that “Warren’s plan would cost taxpayers \$70 billion per year, according to an analysis by Moody’s Analytics economists Mark Zandi and Sophia Koropecykj. It would be paid for with some of the revenue from an annual wealth tax Warren has proposed on assets above \$50 million.”

So here’s the problem: It won’t work.

Put aside any [reservations](#) — like, it’s probably unconstitutional — about the new wealth tax that is supposed the foot the bill. Local authorities should shudder at the slippery phrase “The federal government will partner.”

Right. The federal government does not “partner.” Instead it — as the proposal indicates — sets “high national standards” (federal regulations by another name). This “partnership” is a recipe for another large and overreaching federal bureaucracy that will begin its life by dictating pay standards to day cares across the country (“paid like comparable public school teachers”). By the way, that very first dictum will raise the cost of the already-unaffordable day cares so that it will be even further above the 7 percent of income (where did that number come from?) that Warren targets.

But this fact brings us to the crux of the failure. This proposal is an elaborate scheme to throw money to families so they can purchase a service that is already too pricey — which will only serve to further raise the prices! If high price is the problem, then supply of the service is the issue, and there is nothing, zip, nada, zero, nil in this proposal that enhances the supply of quality day care.