



POLICY FOCUS

JULY 2022

Parents—Not Government—Should Control Child Care

By Carrie Lukas, President

HIGHLIGHT

Finding affordable child care can be a real challenge for many families. Policymakers should explore ways to reduce government burdens that make daycare needlessly expensive and help families by reducing their tax burdens. The wrong approach would be for the government to expand its role in funding and micromanaging day care. Given how poorly our K-12 public schools function, we should avoid that model for child care and preschool.

INTRODUCTION

Families often face high childcare costs and have challenges finding day care that fit their families' needs and budgets. Policymakers should explore ways to make day care more plentiful and accessible by reducing government burdens that needlessly raise daycare operation costs, thus driving prices up for consumers and discouraging the creation of new facilities. Policymakers should also embrace tax policies that allow more families to keep the money that they earn and streamline government spending programs and tax benefits geared towards families so

that families have a greater ability to face the costs associated with raising children.

The wrong way to help families is for the government to dramatically expand its role in the daycare sector. Proposals, like those contained in the Biden administration's Build Back Better plan, would make daycare programs more expensive to operate, create higher out-of-pocket costs for many families, and reduce the diversity of the types of childcare facilities that are available.

That's the wrong direction for our country. The last two years witnessed an explosion of parents expressing their dissatisfaction with government-run K-12 public schools. They complain about a lack of responsiveness and transparency from school leaders and teachers; curricula and other programming that does not reflect their values; and the overall poor performance and failure to meet stated goals such as improving educational attainment and even providing in-person service to children. Given how poorly our public sector has handled administering a K-12 public schools system, it makes no sense to double down on this approach for child care and preschool.

Policymakers should create an environment where families have the resources they need to make the care choices that make sense for their unique situations.

The government simply should not encourage more families to use paid daycare or preschool services, nor should they seek to micromanage how daycare programs operate. Rather, they should create an environment where families have the resources they need to make the care choices that make sense for their unique situations.

HOW AMERICAN CHILD CARE WORKS TODAY

Paid child care plays a critical role in the United States economy. An estimated **four in**

ten working adults have children under age 18 and, before the outbreak of coronavirus, nearly **60 percent** of children under age five were in a regular, weekly childcare arrangement (as opposed to family care). However, only a minority—roughly **one-third** of all children under age five—attended a paid care facility, a daycare center, preschool, or prekindergarten.

As of 2016, an estimated 675,000 businesses made up **the daycare sector**. Daycare providers are regulated at the **state and local level**, and the regulatory burdens they face vary tremendously by jurisdiction as well as by type of daycare provider. Daycare centers, which serve larger populations of children and operate in dedicated buildings or school-like facilities, are typically subjected to more comprehensive regulations. Regulations specify everything from staff size, staff qualifications, administrative oversight, and measures related to the safety and quality of the facility.

Home-based, family-care providers are typically less heavily regulated, but still face considerable oversight, which varies by state,

dictates how many children can be cared for, and sets staffing and facilities standards. Unfortunately, even before COVID, over-regulation and high costs led to a reduction in the number of home-based daycare centers: the number of **at-home daycare providers fell** by half between 2005 and 2017.

Childcare costs can be very expensive: in 2019 the average annual cost of child care exceeded \$9,000 per child, according to a comprehensive survey by **Childcare Aware of America**. Cost of care varies greatly, however, being higher for infants and

toddlers, in center-based care, and in more urban settings. Not only can child care be expensive, in some areas, it can be hard to find. Supply challenges exist both in urban areas (too many children for too few slots) and rural areas where there is a dearth of providers.

LESSONS ABOUT CHILD CARE FROM COVID

When child care and schools closed across the country, Americans saw, as never before, the importance that care facilities play for our workforce. Workers cannot show up to staff hospitals, police departments, stores, factories, or any other facility if their children aren't being cared for. Care services, indeed, can be understood as essential infrastructure.

Cost of care varies greatly, however, being higher for infants and toddlers, in center-based care, and in more urban settings. Not only can child care be expensive, in some areas, it can be hard to find. Supply challenges exist both in urban areas (too many children for too few slots) and rural areas where there is a dearth of providers.

However, that does not mean that the government should take over the management and funding of childcare services. In fact, COVID showed that care facilities most tightly controlled by the government—and particularly those subjected to Democrat-controlled governance—were the least likely to provide essential care services for workers.

At the height of the pandemic, according to the Department of **Health and Human Services**, about 60 percent of childcare centers closed and enrollment fell by about 70 percent. But by the end of 2020, an estimated **73 percent** of daycare, preschool, and childcare programs had opened. In contrast, **at the end of 2020**, only about a third of K-12 public (government-run) schools were providing fully in-person services.

The public should recognize what drove these different outcomes. Simply put, public schools have no financial incentive to provide in-person service. Their financial fate depends solely on the government, so they spent COVID closures lobbying the government to stay closed as long as possible—long after private schools and childcare providers showed conclusively that facilities could safely reopen—in the interest of minimizing work for their employees and with little regard for the devastating impact those closures were having on the children and families they are supposed to serve. In contrast, childcare centers and private schools knew that they would lose customers if they failed to offer in-person services. They had to open and serve children and families or they risked going out of business. These incentives led to dramatically different outcomes.

Policymakers ought to consider how much worse our economy and society would have been during COVID if the childcare sector had functioned like the K-12 public school system and stayed closed well into 2021. Children, families, and our economy would have suffered more. This fact alone should lead the public—and especially parents—to fight to keep our childcare and daycare systems from functioning like K-12 public schools.

GOVERNMENT FUNDING EQUALS GOVERNMENT CONTROL

Build Back Better's childcare provisions would have made the federal government the biggest player in daycare and preschool programs, and included a raft of regulations that would discourage the development of innovative and diverse childcare providers and undermine

faith-based childcare centers, which are currently used by **51 percent** of working parents. In fact, all of the battles we see raging about public K-12 schools—over the content of the curriculum, the use of pronouns and sex ed, how religion is discussed, and masking policies—would intensify at daycare and preschool facilities if the government became the primary funder and was empowered to decide what constitutes an approved daycare provider.

In fact, all of the battles we see raging about public K-12 schools—over the content of the curriculum, the use of pronouns and sex ed, how religion is discussed, and masking policies—would intensify at daycare and preschool facilities if the government became the primary funder and was empowered to decide what constitutes an approved daycare provider.

Parents and policymakers should reject this as a clear and inappropriate role for the federal government. Head Start shows just some of the problems Americans should expect with federal management of child care. Head Start programs provide **fewer hours** at higher cost than other daycare programs. They also have been found to be ripe with **fraud and abuse**, and even have had **significant safety lapses**.

Even after intransigent public schools finally lifted mask mandates, and evidence mounted that masking small children did not reduce COVID rates and might lead to speech delays and other deficits, Head Start mandated masking for preschoolers.

Why? The most obvious reason is that the federal government has seen masking children as a political symbol and clung to these masking policies to please their political base. Preschoolers should not be political footballs for federal officials. We ought to keep the federal government as far away as possible from decisions regarding what happens in day care and preschool. Childcare

providers should answer to parents, not bureaucrats.

THE GOVERNMENT'S FAILED CHILDCARE MODELS

Government childcare and preschool programs are sold as a surefire way to improve life outcomes for children, particularly from low income families. However, the evidence from existing

government childcare and preschool programs simply doesn't bear this out. Congressionally-mandated studies of Head Start—the federal government's existing, **\$10-billion-per-year** preschool program—have failed to show lasting benefits for participants. A **recent study** in Tennessee of state-run pre-K revealed it has **long term negative effects** on low-income childrens' achievement and behavior. Studies that are routinely cited as showing lasting benefits have not been replicated and were targeted to very disadvantaged families and therefore are not relevant **proxies** for universal preschool programs that serve the general population.

This doesn't mean that no study will ever find benefits associated with preschool, nor does it mean that day care and child care isn't a necessary and important service for millions of children and families. But it should encourage some humility and caution policymakers away from trying to push all children into government-approved childcare centers since, based on existing research evidence, it could do more harm than good.

MAKING CHILD CARE MORE EXPENSIVE; NOT LESS

Proponents of government childcare subsidies, including those proposed in Build Back Better, argue that their programs will reduce childcare costs. Yet their proposed childcare regulations would do the opposite, dramatically increasing the costs associated with childcare.

The Heritage Foundation **estimates** that “increasing the minimum wage to \$15 per hour would raise childcare costs by 22 percent, on average, across the U.S.” The requirement that childcare workers must receive a “living wage” further increases costs by “50 percent to 75 percent” for subsidized childcare providers. Another **analysis by the left-leaning People’s Policy Project** goes even further, suggesting that Build Back Better could raise the cost of childcare labor by 138 percent, which would result in an increase in childcare costs of \$13,000 annually for unsubsidized families, many of whom would be in the middle class.

Our goal should be to create an environment that includes a diverse, accessible and affordable childcare sector and an economic and tax system that enables more parents to be able to make the childcare decisions that make the most sense for their families.

Proponents of childcare subsidies often suggest that parents shouldn’t care about these higher costs, since the bill would subsidize child care for many people and shift those costs to taxpayers more broadly. However, parents will also face these new tax burdens. Only those willing to use government-approved childcare providers, which will exclude any faith-based or other providers that don’t want to adhere to the government curriculum and model, will receive taxpayer subsidies. Everyone else will be worse off.

SUPPORTING PARENTS; NOT CHILD CARE

The most fundamental flaw in government programs that aim to subsidize paid child care is that they encourage families to use less family-based care, which is what most parents prefer and believe is best for children broadly.

Rather than heavily subsidize the provision of government-approved day care, the government should reduce burdens on parents so that they have more resources and can choose whatever form of child care, including family care, that they prefer.

Policymakers should also find ways to make it easier for childcare providers to open and expand. Governors in **Connecticut, New York, Tennessee, Hawaii, Nebraska**, and elsewhere relaxed childcare regulations as a part of their emergency COVID response orders. Reducing this type of red tape should not just occur during an emergency, but rather policymakers should review childcare regulations across the board and reduce

those not related to affect health and safety and that are needlessly proscriptive and limiting.

Our goal should be to create an environment that includes a diverse, accessible and affordable childcare sector and an economic and tax system that enables more parents to be able to make the childcare decisions that make the most sense for their families. That means we should reduce the government’s role in child care, not expand it.

WHAT YOU CAN DO

Get Informed

Learn more about child care in the U.S. Visit:

- [Government Childcare Subsidies: Whom Will They Help Most?](#)
- [America Needs Better Daycare Options](#)
- [How To Talk About Child Care](#)

Talk to Your Friends

Help your friends and family understand these important issues. Share this information, tell them about what's going on and encourage them to join you in getting involved.

Become a Leader in the Community

Start an Independent Women's Network chapter group so you can get together with friends each month to talk about a political/policy issue (it will be fun!). Write a letter to the editor. Show up at local government meetings and make your opinions known. Go to rallies. Better yet, organize rallies! A few motivated people can change the world.

Remain Engaged Politically

Too many good citizens see election time as the only time they need to pay attention to politics. We need everyone to pay attention and hold elected officials accountable. Let your Representatives know your opinions. After all, they are supposed to work for you!

Connect with IWF! Follow us on:

WE RELY ON THE SUPPORT OF PEOPLE LIKE YOU!

Please visit us on our website iwf.org to get more information and consider making a donation to IWF.

ABOUT INDEPENDENT WOMEN'S FORUM

Independent Women's Forum (IWF) is dedicated to building support for free markets, limited government, and individual responsibility. IWF, a non-partisan, 501(c)(3) research and educational institution, seeks to combat the too-common presumption that women want and benefit from big government, and build awareness of the ways that women are better served by greater economic freedom. By aggressively seeking earned media, providing easy-to-read, timely publications and commentary, and reaching out to the public, we seek to cultivate support for these important principles and encourage women to join us in working to return the country to limited, Constitutional government.