

Democrats hope child care cash could change voters' view of the economy

By Eleanor Mueller

12/20/2021 05:01 AM EST Updated: 12/20/2021 09:13 AM EST

Wages are up, employment is growing, and the stock market is humming — yet [recent polls](#) show most Americans disapprove of President Joe Biden's handling of the economy.

One reason for the mismatch: the continued slide of the child care industry, which has hemorrhaged jobs even as other sectors have recouped them. There were 2,100 fewer child care workers in November, [according to the Bureau of Labor Statistics](#), even as overall employment ticked up 210,000. [An NPR poll found](#) more than 1 in 3 families with young children struggled to find child care in recent months.

That's a big roadblock for Democrats heading into the 2022 midterm elections as they try to convince Americans the country is on the right track economically.

Democrats hope the child care provisions in the \$1.7 trillion [social spending package](#) they are trying to push through Congress could help turn around parents' perceptions — even though some of the benefits Biden touts [wouldn't have an immediate effect](#).

Sen. [Joe Manchin](#) (D-W.Va.) threw those plans into disarray Sunday when he announced he couldn't support the legislation. Because lawmakers plan to pass the bill along party lines, his vote is critical to its enactment. Democrats are scrambling now to see what can be salvaged.

The bill as it stands would invest nearly \$400 billion in expanding Americans' access to affordable child care by establishing universal Pre-K, [sending cash to child care providers to expand their services](#) and [cutting checks to parents to subsidize child care costs](#).

“Any time your child care provider says to you: ‘You know what? I’m not going to be able to stay open,’ or ‘I’m going to have to charge more,’ you don’t feel like your country’s working for you,” Senate HELP Chair [Patty Murray](#) (D-Wash.) said. “So to me, this is just such a huge part of working families’ every day discussions, stresses and fears, impacting their ability to see the economy working good.”

Child care could be a crucial issue for many voters in 2022. Nearly 8 in 10 Ohio voters, for instance, said last month it would be a top consideration for them, [according to a poll by the advocacy group Groundwork Ohio](#). Around 1 in 10 parents in Arkansas and Missouri voluntarily left their jobs this year because of child care issues, [a U.S. Chamber of Commerce report found](#).

Investing in child care “would be a signal to working parents that help is on the way,” Alicia Sasser Modestino, an economics professor at Northeastern University who studies child care, said. “Just to know that the cavalry is coming would be a big boost in terms of morale.”

Republicans did their best to poke holes in the Democrats' plan. A dozen Senate Republicans [lashed out at the plan](#) this week, arguing it could hurt child care programs affiliated with religious organizations and drive up the cost of unsubsidized child care, among other things.

Child care is “a big deal for the broader economy” and how workers view it, Mark Zandi, chief economist at Moody's Analytics, said. “If [parents] can't get it, they can't go to work or get the hours that they need.”

Economists caution that it can be difficult, if not impossible, to predict how any kind of investment will impact workers' opinion of the economy.

“It’s pretty hard to change people’s perceptions,” Kathryn Edwards, an economist at the RAND Corporation, said. “It’s not something policy has a clear effect on at any given time.”

Edwards sees parallels between investing in child care and reopening schools. It’s likely that parents’ attitudes about in-person learning could serve as a bellwether for how money for child care will shape their view of the economy, she said.

“If you consider how emotionally, psychologically and financially draining it was for so many school closures throughout the pandemic, that would be the closest cousin for me,” she said. “For people who want to work, the need to find care can be incredibly burdensome and exhausting.”

The U.S., which [spends less on child care](#) than nearly every other wealthy nation, [saw the sector implode](#) when a Covid-related drop in demand — and a spike in costs — crippled providers’ already-thin margins. The Treasury Department [released a report in September](#) asserting that the “current system” is “unworkable,” citing how it “relies on private financing to provide care for most children.”

Child care “is, to me, one of the most transformational pieces in this package,” as it “takes a huge financial stress off of most families with children that age,” Rep. [Lois Frankel](#) (D-Fla.), who chairs the Democratic Women’s Caucus, said.

“When a parent wakes up in the morning,” the first thing they think about is “not the quality of their road,” Frankel said. “It’s are the children getting their breakfast? Are they getting quality care? Are they going to be OK? That’s what people think about first.”

Right now, less than 850,000 children are eligible to receive a child care subsidy from the government, [an analysis from the left-leaning Center for American Progress found](#). Almost 13.4 million, or 16 times as many, would be eligible if Democrats enact Build Back Better, the analysis said.

Providers “can’t open at full capacity, which means that not everyone who needs a spot at a daycare center is getting one,” Curtis DuBay, senior economist at the U.S. Chamber of Commerce, said. “That is something that absolutely has to be fixed going forward or you’re not going to get both parents back into the workforce in a full-time way like we had before.”

Tweaks to the bill helped appease Manchin’s earlier worries that [religious providers might not be eligible for the funds](#) (they are). But the West Virginian voiced concerns last week about how much the child care investments, among others, would cost if extended over 10 years: more than \$750 billion, [according to a GOP-requested CBO report released last week](#).

“If it’s whatever plan it will be — Pre-K, child care, home care — then it should be 10 years, it shouldn’t just be one year, three years here, five years there,” Manchin said Monday. “It’d be very transparent for the public to see exactly what they’re getting for what we’re spending for 10 years.”