

Care Economy Investments in Build Back Better

A Fact Sheet

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The United States consistently ranks among the lowest of advanced peer economies in its investment in and policies to support the ability of people to both work and care for themselves, their families and their loved ones without being forced to choose between the two. The proposed Build Back Better legislation represents the first major U.S. attempt to invest in building a care infrastructure that recognizes the value of care and care workers, invests in children and families, and, by reducing the friction between work and care, could boost the economic opportunities of women and caregivers and spur men to be more equitably involved in care work at home.

With so much at stake, we offer this fact sheet, along with resources, research, and connections to the experts and practitioners at New America, in order to help put this potentially historic moment in perspective.

Understanding Key Care Economy Provisions in Build Back Better:

Paid Family and Medical Leave

An estimated 53 million adults in the United States care for a child or an adult, providing an estimated \$470 billion in economic value. The majority are women, and 60 percent have had to take time off work to give care. Analysis of the unpaid 12-week Family and Medical Leave Act, which covers less than 60 percent of the workforce, shows that about half take time away from work to care for themselves, one-fourth for pregnancy, childbirth, adoption or bonding and 19 percent to care for a seriously ill family member. The United States is the only advanced economy without a guarantee of paid maternity leave and one of few without paid paternity, parental, sick, or family caregiving leave. U.S.

employers can choose to voluntarily offer paid leave. Those paid family leave policies cover just 23 percent of the workforce, the vast majority of whom are white collar workers in large firms. In addition, nine states and D.C. have adopted paid family and medical leave programs; evidence shows these programs boost workforce participation among women, contribute to higher earnings, aid men's involvement in their children's lives, support small businesses, and reduce other public program costs.

New America Resources:

- [Explainer](#) on the Build Back Better Act's paid family and medical leave provisions, putting the bill's provisions for four weeks of comprehensive paid family and medical leave into the context of prior federal and state proposals and international, state, and employer experience.
- [National polling summary](#) on paid family and medical leave in Build Back Better, showing that even in a highly partisan environment, paid leave remains popular—more popular than most other Build Back Better policies.
- [Testimony of New America's Vicki Shabo to the U.S. House Committee on Oversight and Reform](#) (June 2021) and [Testimony to the Senate Committee on Health, Education, Labor and Pensions](#) (May 2021), focusing on the need for and benefits of paid leave, the experience of states, and the elements of a strong public program.
- [Seven outcomes of implementing a comprehensive national paid leave program in the United States](#) based on state, employer, and international experiences.
- [Paid and Unpaid Leave in the United States](#) and [Paid Leave Benefits and Funding in the United States](#) explain design and structure of state paid leave programs.
- [Men need and want paid leave, too](#): Original qualitative and quantitative research showing that men caring for aging or disabled adults or children with special needs reduce hours or have left the workforce at the same rate as women.

- [Story series](#) comparing the experiences of people who either had, or did not have access to paid leave, showing life long impacts for good and for ill.
- [Findings](#) from a sprint with the state of New Jersey on how best to implement paid family leave programs: job protection is key, as is good data and clear communication
- [Analysis](#) of more than 150 research studies on the optimal duration of paid leave: six months for mothers' health and wellbeing, and one year for infants' health and wellbeing.

Child Care and Universal Pre-K

The majority of children in the United States are being raised in families where all available parents work, and 64 percent of mothers are primary breadwinners or co-breadwinners for their families. Approximately 12 million children under age 5 need stimulating, nurturing, and safe environments to maximize learning potential in the early years, when 90 percent of brain growth occurs. An abundance of research shows that early care and education is not only an important workforce support for parents, but that high-quality programs can set children up for success in kindergarten and beyond. While other advanced economies invest in early care and education as a public good, U.S. public investment in this essential infrastructure [ranks at the bottom](#). U.S. policymakers have left early care and education to the private market for young families to figure out on their own. Yet, the market doesn't work. Because it is so labor intensive, child care is expensive for families, second only to rent or mortgage in the family budget. Providers, many of whom were forced to shut down in the pandemic, survive on razor-thin margins. Early educators and child care workers, many of whom are women and women of color, earn poverty wages, with [poverty rates 7.7 times higher](#) than for teachers in the K-8 system. They are woefully undercompensated and undervalued for the [complex work they do](#).

The existing child care subsidy program, the Child Care and Development Block Grant, has many flaws and only reaches about 15 percent of eligible families. In most states, publicly funded pre-K serves far fewer children

than could benefit from it. Less than 40 percent of four-year-olds are enrolled in publicly funded pre-K programs, and far fewer children under the age of 4 have access to public programs that support their learning and development. Over the last 15 years, states have expanded pre-K options for 4-year-olds. In 2002, just two states and D.C. served more than 50 percent. In 2017, the number of states increased to 10. With Build Back Better, the cost of child care would be eliminated or drastically reduced for families earning up to 250 percent SMI and pre-K would be free for all 3- and 4-year-olds.

New America Resources:

- [The New America Care Report](#), cited by then-candidate Sen. Elizabeth Warren, analyzed the cost, quality, and availability of child care in all 50 states. In the patchwork, zero-sum system, no state does all three well.
- "Crisis Conversations" [podcast](#) series with mothers forced out of the workforce during the pandemic because of a lack of child care, part of what has led to the lowest women's labor force participation rate in three decades.
- In 2016, New America [convened more than 30 national leaders in early childhood](#) who had expertise in pre-K and developed indispensable policies and practices for high-quality pre-K.
- [Eight recommendations and specific actions](#) for federal, state, and local policymakers, as well as educators and administrators, to ensure that all children have what they need to become lifelong learners who are able to think critically and inventively, manage their emotions and impulses, and make smart decisions by drawing upon a rich knowledge base about how the world works.
- New America highlighted that to [make the most of federal investments in early care and education](#), we can forget kindergarten and the early grades of elementary school.
- An event focused on [reimagining early care and education](#), prioritizing equity and the whole child and strengthening connections with the K-12 education system and across other systems meant to help families thrive.

- A report delving into the [barriers institutions of higher education \(IHEs\) face to serving and preparing early educators](#) and to explore opportunities for reform. The group selected five pressing barriers, identified promising practices to address those barriers, examined the policy and institutional levers needed for broader reform, and elevated 11 bright spots in IHEs.
- A study of ways to [increase child care stability](#).
- New America is currently running a sprint in Minnesota to study how nine programs serving families with young children are reaching the families, and what the barriers are. New data will be available in early January.

The Care Workforce

With an aging society and the continued pressure on all available parents to be employed in order to support their families, care jobs are among the [fastest growing](#) of all professions, with a predicted shortage of more than 300,000 home care workers by 2040. Women make up the majority of the care workforce. Women of color are overrepresented. And though they do some of the most intimate and important work, care workers are among the least valued of any sector, and, until the pandemic, largely invisible. There is a 40 percent wage gap between care workers—domestic workers, home care aides and child care workers—and other workers. Many care workers make poverty-level wages—so little that half of all child care workers qualify for public benefits like Medicaid and one in six home care workers live in poverty. They haven't seen pay increases in decades and contend with unpredictable schedules and turnover rates as high as 50 percent per year. Because of a legacy of racism and sexism, care workers have historically been excluded from rights and protections that other workers have, including the right to organize to demand better wages, benefits, and working conditions.

New America Resources:

- This [report](#) based on over 30 interviews with experts, care providers, and union representatives, focusing on three states

outlines key considerations for improving care worker job quality through organizing.

- A [story](#) on how two workers in two different states have dramatically different wages and lives as care workers, and what can happen when they are better paid: better jobs, better quality of care, and lower costs to the system.

Long-Term Care and Home- and Community-Based Care

The number of Americans 65 and older will more than double in the next 40 years (95 million people), outnumbering children for the first time in the nation's history. As many as 70 percent will need long-term services and support, yet most aren't prepared. More than half of Americans 18-64 have nothing saved for retirement. Medicare doesn't cover long-term care, which can cost up to \$90,000 a year. Medicaid does, but only for those of limited means. Many who do qualify would prefer to age in place and receive care at home or in their communities, which research has shown offers higher quality of life at a lower cost. Yet Medicaid is set up to pay for long-term care in expensive nursing homes. Home care services are "optional." State Medicaid agencies have provided waivers to support home care for 2.5 million people. But more than 820,000 people, disproportionately people of color, languish on the waiting list for an average of 39 months.

New America Resources:

- [New Practice Lab report on long-term care.](#) Washington state recently became the first state to create a state-funded long-term care insurance option for its residents: the Washington Cares Fund. The New Practice Lab spent eight weeks interviewing a wide array of Washingtonians to better understand how they would access and use this new benefit.
- A letter from more than [100 U.S. economists and scholars from across the country call for more robust investment in long-term care.](#) Such an investment would benefit seniors, people with disabilities, and caregivers.
- A [report](#) based on over 30 interviews with experts, care providers, and union

representatives, focusing on three states outlines key considerations for improving care worker job quality through organizing.

- A [story](#) on how two workers in two different states have dramatically different wages and lives as care workers, and what can happen when they are better paid: better jobs, better quality of care, and lower costs to the system.

New America Experts

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- Care worker wages, implementation of care policies, child tax credit

Cassandra Robertson, Senior Policy and Research Manager, New Practice Lab, robertson@newamerica.org

- Home care, care worker wages, child tax credit

Brigid Schulte, Director, Better Life Lab, schulte@newamerica.org

- Paid family and medical leave, child care, home and community-based care, care workforce

Vicki Shabo, Senior Fellow for Paid Leave Policy and Strategy, Better Life Lab, shabo@newamerica.org

- Paid family and medical leave, paid sick days at the state and federal level, equal pay, gender equity at work

Cara Sklar, Deputy Director, Early & Elementary Education Policy, sklar@newamerica.org

- Child care, inclusion of family child care, pre-K, state and local systems

Haley Swenson, Deputy Director, Better Life Lab, swenson@newamerica.org

- Women's economic advancement and labor force participation, men's involvement in care, family diversity and economic security